

# News Release

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## **New “HSBC Retirement Monitor” estimates affluent retirement lifestyle to cost HK\$40,000 a month**

*\*\*\*First referential indicator in Hong Kong to reflect estimated expenditure for retirement\*\*\**

*\*\*\*Illustrates retirement costs for basic, comfortable and affluent lifestyles \*\*\**

HSBC Insurance announces the launch of the “HSBC Retirement Monitor”, which estimates the monthly expenditures needed for three types of retirement lifestyles - basic, comfortable and affluent. As the first referential indicator in Hong Kong that reflects estimated costs required for retirement, the “HSBC Retirement Monitor” serves as a tool that can help Hong Kong people forecast their spending during retirement. According to the HSBC Retirement Monitor, the current cost per month for a family of two opting for a “basic” lifestyle is approximately HK\$8,995; a “comfortable” lifestyle at HK\$28,890 and an “affluent” lifestyle at HK\$46,435.

The “HSBC Retirement Monitor” will be updated quarterly to reflect the changes in price levels and spending patterns of retirees in Hong Kong. The report is available to the general public on the HSBC’s website [hsbc.com.hk](http://hsbc.com.hk)

The “HSBC Retirement Monitor” was constructed by the Association of Superannuation Funds under HSBC’s appointment. The study is based on extensive analysis of data of local retirees’ consumption patterns and prices of specific goods and services collected in Hong Kong. It also takes into account the statistics published by the Government of Hong Kong Special Administrative Region on the expenditures of local residents from various ages and income groups. The Monitor provides Hong-Kongers a better understanding of the estimated costs of three typical retirement lifestyles: basic, comfortable and affluent broken down into 11 categories of consumption items, for both single retirees and retired couples.

With a “basic” retirement lifestyle, a single retiree who resides in public housing is expected to need to spend about HK\$5,465 per month. The corresponding monthly expenditure for a retired couple is estimated at HK\$8,995. Out of the 11 categories of expenditures, food expenses take up the largest portion of the overall expenditure at 41.7 per cent. Housing comes second at 25.3 per cent.

Single retirees and retired couples who live in their own mortgage-free properties and aim for a “comfortable” lifestyle may spend on average about HK\$22,805 and HK\$28,890 per month respectively – around three to four times of those retirees with a basic lifestyle. Such retirees opting for a “comfortable” lifestyle are expected to spend about HK\$2,020 each month on non-essential items such as entertainment, fitness, beauty and hairdressing services – about four times of what retirees on a basic lifestyle are expected to spend. They are also expected to spend around HK\$5,100 each month to hire a domestic helper.

If someone who lives in his own mortgage-free property is aiming for an “affluent” lifestyle after retirement, the cost for a single retiree can reach up to HK\$35,275 per month, whereas the estimated

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monthly cost for a retired couple is around HK\$46,435 – about five to six times of what is required for the “basic” lifestyle. Spendings on food and clothing are double of those who opt for the “comfortable” lifestyle. The biggest difference in spending is in leisure and entertainment, where the estimated monthly budget for each individual is HK\$4,030, which is approximately three times of the corresponding figure for a “comfortable” lifestyle.

Candy Yuen, CEO of HSBC Insurance Hong Kong says, “The ‘HSBC Retirement Monitor’ is not a survey, it is a benchmark based on real data and statistics to provide estimated costs required for three different kinds of retirement lifestyle. Through the ‘HSBC Retirement Monitor’, HSBC would like to provide the people of Hong-Kong an objective and clear reference point to assist them in setting their own retirement target such that they can formulate a financial and saving plan that is most suitable to them, which will in turn help them to realise their desired retirement life.”

Candy adds, “Everyone has his or her own spending habits and different needs in life. To secure a comfortable retirement and good quality of life for yourself and your family members, you need to take personal responsibility for your own retirement plan and to review such plan regularly. The earlier you plan and save, the more flexibility you have and can enjoy the benefit of compounding from your investment returns to reach your financial goals.”

“The HSBC Retirement Monitor” only reflects general day-to-day expenditures. Retirees should always keep aside a separate reserve fund for non-recurring expenses and additional spending on healthcare.

### **HSBC Insurance “Step up your retirement planning today”**

To familiarise the public with knowledge about retirement planning, HSBC Insurance will be holding the HSBC Insurance “Step up your retirement planning today” at Plaza Hollywood in Diamond Hill from December 11 to 13. Visitors at the exhibition will be able to find out more about the “HSBC Retirement Monitor”, retirement planning and information on Mandatory Provident Fund (MPF). Through interactive games and activities, visitors will get a better understanding on their retirement needs and the associated financial planning required, on top of the chance of winning a souvenir.

The opening ceremony of HSBC Insurance “Step up your retirement planning today”, which kicks off the three-day exhibition, was hosted by Candy Yuen, CEO of HSBC Insurance Hong Kong, with the attendance of several celebrities: Helena Law Lan, veteran and famous actress, Agnes Wu, renowned business analyst and Cyrus So Yi-chun, professional basketball coach and player. The celebrity guests shared their retirement dreams and experiences in financial planning, and revealed the answers to our public online quiz. Agnes revealed that the monthly cost needed for the retirement lifestyle as mentioned in her quiz video would be HK\$28,890. On the other hand, Cyrus suggested that HK\$25,000 each month would be sufficient for his dream retirement life. Participants who have the closest answer stand a chance to win travel vouchers which are worth up to HK\$50,000. To view the video of the online quiz, visit [www.hsbc.com.hk/retirementmonitor](http://www.hsbc.com.hk/retirementmonitor).

### **Tips for retirement planning:**

Think ahead and seek professional advice on financial planning as early as possible. HSBC Insurance provides an array of products and services that enable customers to save and prepare for retirement, to achieve their dream retirement. Customers should select suitable solutions after a thorough assessment of their own needs, goals and risk appetite. The wealth management section of HSBC’s Hong Kong website also offers the general public online analysis for retirement planning. Customers may enter their age, current monthly income, expenditure, savings, and information about their MPF— as well as their expected living costs in retirement— into our online tool, which will then immediately provide an estimate on retirement cost. This should help them to create a suitable retirement plan.

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## **Notes to editors**

### **HSBC Retirement Monitor**

“The HSBC Retirement Monitor” is updated quarterly to reflect changes in prices of goods and services, and in retirees’ spending patterns. The estimation and hypothesis made reflect solely the typical types of costs and consumption patterns. Specific single retirees or retired couples may have different spending habit and needs. However, the overall figures and figures in the different spending categories can still be used for reference when customers are preparing their own plans.

The retirement lifestyle chosen does not necessarily reflect one’s actual wealth, but only reflects one’s consumption pattern and habit. However, as a reference, those whose income falls below the lowest 25 per cent of the population tend to opt for a “basic” lifestyle. The “affluent” style is more often adopted by those whose income reaches the top five per cent of the population.

For more details or to download the latest “HSBC Retirement Monitor”, please visit the HSBC Retirement Monitor website: <http://www.hsbc.com.hk/retirementmonitor> (Available on December 11 starting from 8 pm)

### **The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 48 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from over 6,100 offices in 72 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world’s largest banking and financial services organisations.

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