

News Release

13 July 2016

HSBC REPORT: PEOPLE SAVING MORE THAN EVER FOR RETIREMENT

***** Working age people now saving 10 years longer for retirement *****

***** 62% of retirees use cash savings to help fund their retirement *****

***** 43% of pre-retirees who have started saving for retirement have stopped or face difficulties *****

Working people feel under more pressure than ever to save for their retirement, starting saving earlier and expecting to retire later, according to HSBC's new report on "The Future of Retirement: Generations and journeys."

The report shows that the current generation of retirees in Hong Kong started saving for their retirement at 40 and retired at 58, saving for an average period of 18 years. However, working age people in Hong Kong now begin to save eight years earlier, at the age of 32, and expect to retire two years later at 60, meaning they expect to save on average 28 years of retirement saving – 10 years more than current retirees.

Greg Hingston, Head of Retail Banking and Wealth Management, Hong Kong, HSBC, said "People recognise that they are living longer and may not be able to rely solely on more traditional forms of funding for their retirement. As a result, they are realising they need to start saving for retirement earlier than previous generations and considering alternative methods to help fund their retirement. Even small amounts set aside today can go a long way to helping fund a comfortable retirement in the future."

Retirees wish they had started saving earlier for retirement

Despite beginning to save for retirement earlier, many people still don't think they are saving enough. Over two in five retirees (43%) would have started saving for retirement at an earlier age given the opportunity to do something differently and a similar proportion (41%) of pre-retirees would do the same. Nearly a quarter (24%) of retirees and 31% of pre-retirees would have saved more by putting aside a larger share of their income.

The report also reveals that 18% of working age people have still not started saving for their retirement, including 10% of those aged 60 or over. While 82% of working age people have started saving for retirement, 43% of them have stopped saving or faced difficulties in doing so.

While household bills and leisure and entertainment costs are always likely to be financial outgoings, other expenses including financially supporting others and borrowing vary more with age. People in their 30s and 40s are the most likely to be financially stretched. The majority of people in their 30s (68%) and 40s (73%) are financially supporting others and are more likely to be borrowing (64% and 55% respectively).

Retirees continue to face regular expenses once they stop work, including household bills and utilities (73%) and general home and garden maintenance (39%).

This information is issued by

The Hongkong and Shanghai Banking Corporation Limited

Registered Office and Head Office:
1 Queen's Road Central, Hong Kong
Web: www.hsbc.com.hk

Incorporated in the Hong Kong SAR with limited liability.



Years saving for retirement (average)			
	Years current retirees have saved	Years pre-retirees expect to save	Additional years pre-retirees expect to save
Average	23	30	7
China	9	23	14
UAE	13	25	12
Australia	26	37	11
France	24	35	11
Hong Kong	18	28	10
Argentina	24	33	9
Egypt	18	27	9
Singapore	20	29	9
Canada	26	34	8
Taiwan	16	24	8
UK	30	37	7
USA	28	35	7
India	20	26	6
Mexico	28	33	5
Malaysia	23	27	4
Indonesia	23	23	0

Many retirees use cash savings and deposits for funding retirement

Over three in five retirees (62%) use cash savings/deposits to help them fund their retirement. Stocks and shares (46%) are also a popular funding method for retirees, followed by financial support from children (41%).

For the next generations of retirees, fewer pre-retirees expect to use cash savings / deposit accounts to fund their retirement (51%). Instead, more pre-retirees expect to use life insurance or endowment savings plan (37%) and income they receive from working to some extent in retirement (26%).

Aside from these more traditional ways of saving for retirement, working age people are also looking at alternative sources of funding. Hong Kong pre-retirees are looking at support from family or using property for additional retirement income, with 14% believing that financial support from their children will help fund their retirement, while 13% say that downsizing and/or selling a property will help them to fund their retirement.

Almost a quarter (23%) of working age people have never received advice or information about retirement. While some may seek advice in future, some could be leaving it too late. Friends and family are the most common sources of retirement advice or information, with 48% of pre-retirees and 58% of retirees have received advice or information from them. Two in five (40%) retirees and a similar proportion (42%) of pre-retirees have received retirement advice or information from professionals, including financial advisers, government agencies, insurance brokers or agents or bank advisors.

Practical steps

HSBC's research identified four actions that people can take to improve their financial well-being in retirement:

1. Consider all your retirement expenses

When planning for retirement, make sure to list all your possible retirement outgoings

2. Start saving earlier for retirement

Plan to start saving for retirement earlier, to help build a bigger fund and allow it to grow for longer

3. Make sure your advice is professional

Seek information from many sources, but make sure the advice you get is professional

4. Be prepared for financial ups and downs

When saving for retirement gets difficult, make sure to review all your finances and seek alternative ways to help you continue towards a comfortable retirement

ends/more

Notes to editors:

The Future of Retirement

The Future of Retirement is a world-leading independent research study into global retirement trends, commissioned by HSBC. It provides authoritative insights into the key issues associated with ageing populations and increasing life expectancy around the world.

This report, *Generations and journeys*, is the 13th in the series and represents the views of 18,207 people in 17 countries and territories worldwide (Argentina, Australia, Brazil, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States). The findings are based on a nationally representative survey of people of working age (25+) and in retirement, in each country or territory. The research was conducted online by Ipsos MORI in September and October 2015, with additional face-to-face interviews in Egypt and the UAE.

Since The Future of Retirement programme began in 2005, more than 159,000 people worldwide have been surveyed.

For more information about The Future of Retirement, visit www.hsbc.com

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves over 47 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 6,000 offices in 71 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,596bn at 31 March 2016, HSBC is one of the world's largest banking and financial services organisations.

ends/all

