

News Release

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RETIREMENT OUT OF REACH FOR ALMOST HALF OF SINGAPOREANS WHO WANT IT

- *48% of pre-retirees who are 45 or older are unable to retire in the next five years*
- *30% of pre-retirees predict they will not be able to fully retire at all*
- *56% not sure how much they are likely to spend on healthcare in retirement*

More than most other countries, Singaporeans are increasingly finding the retirement goal posts moving further away from them as the financial realities of life after paid work draw nearer, according to HSBC's latest Future of Retirement report.

HSBC surveyed more than 18,000 people in 17 countries, including 1,008 respondents (pre-retirees of age 25 and above, and retirees) in Singapore. The Future of Retirement *Healthy New Beginnings* survey explores the impact on the health of individuals who are saving for, approaching or experiencing retirement. It also considers issues of concern for savers such as healthcare spending in retirement and savings behaviours exhibited across the world.

Financial pressures make it hard for Singaporeans to retire

Singapore is one of the toughest countries in which to retire due to financial pressures, among the 17 countries surveyed in HSBC's Future of Retirement report.

According to the survey, 68% of pre-retirees, who are 45 or older in Singapore would like to retire within the next five years. However, 48% say they are unable to do so (compared to the global average of 38%) and 90% say they would struggle financially (compared to the global average of 81%) because they have not saved enough, are in debt or have family financially dependent on them.

Moreover, 30% of pre-retirees predict that they will never be able to retire fully, nearly double the global average of 18%.

Reasons for not being able to retire include not having saved enough (68% in Singapore vs. global average of 64%), while 47% (global average is 32%) have dependents who rely on their income and 26% are in debt (compared to the global average of 22%).

Matthew Colebrook, Head of Retail Banking and Wealth Management, HSBC Singapore said: "Retirement is the reward after years of hard work where people can devote more time towards family or other ambitions they are passionate about."

"However, the HSBC Future of Retirement survey shows that the financial realities of retirement make it an elusive goal for many Singaporeans. This can be rectified with early financial planning and by seeking help from professionals who can provide advice on how to protect and grow your wealth."

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Aspirations to be fulfilled in retirement

Retirement can bring about a new beginning for working people to fulfil their ambitions upon the culmination of working life.

Amongst respondents aged 45 and above in Singapore who would like to retire in the next five years, 62% want to travel or pursue other interests (higher than global average of 55%) and 42% (global average is 44%) would like to spend more time with family once they retire.

Mr Ian Martin, Chief Executive Officer, HSBC Insurance (Singapore) said: “People should consider their personal aspirations when planning for retirement and ensure they are making sufficient financial provisions for this new chapter in life. Even small amounts saved by starting today can lay the groundwork for a comfortable retirement tomorrow, placing retirement dreams squarely within reach.”

Planning early

Health-related costs can be considerable in retirement and are likely to increase with age. Planning early and taking steps and considerations for one’s healthcare needs is important but many do not know how much they need to save for healthcare in retirement.

According to the HSBC survey, slightly more than half (56% compared to global average of 62%) of pre-retirees in Singapore are unable to predict how much they are likely to spend on healthcare in retirement even though 74% (global average is 65%) believe that poor health will make saving for their retirement more difficult.

To help those looking at retirement planning, HSBC has launched the Retirement Profiler¹, an online self-assessment tool to help individuals assess financial preparedness in realising their retirement aspirations.

HSBC’s research also identified four actions that individuals can take to improve their financial well-being in retirement.

1. Start saving for an earlier retirement

Improve your chances of retiring when you want to, by starting your retirement saving as early as possible.

2. Plan for a longer, more active retirement

Ensure you have a financial plan in place to make the most of this new chapter in your life.

3. Aim for a healthier retirement

Don’t wait until you have stopped working to take active steps to improve your health.

4. Consider how your healthcare needs may change in retirement

Consider your financial obligations throughout retirement and make sure that potential healthcare needs are included in your plan.

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Media contact:

Joanne Goh, HSBC Singapore +65 6658 6432 / +65 9820 2848

joanne.s.s.goh@hsbc.com.sg

Notes to editors:

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, *Healthy new beginnings*, is the twelfth in the series and represents the views of more than 18,000 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 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

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 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\$2,410bn at 31 December 2015, HSBC is one of the world's largest banking and financial services organisations.

Ends/All

ⁱ The Retirement Profiler is an online tool for individuals to assess their financial preparedness to achieve their goals in retirement. For more information on the Retirement Profiler, visit www.hsbc.com.sg/retirement-profiler