

EMBARGOED UNTIL 00:01 BST 18 SEPTEMBER 2013

UK must prepare for the ‘Age of the Unretired’

One in five Britons expect they will never stop working, HSBC’s Future of Retirement study reveals

One in five workers (19%) in the UK expect that they will never be able to afford to retire fully, according to [HSBC’s The Future of Retirement](#) report.

The findings paint a particularly bleak picture for those in the UK that are living alone in retirement. Brits topped the league table of the countries with the highest proportion (36%) of those who are divorced or separated expecting to work indefinitely – compared to just 20% globally. 31% of those who are widowed had the same expectation – compared to 23% globally.

The global survey, which covers over 16,000 people in 15 countries, underlines the extent to which the retirement landscape is changing as economic pressures and longer life expectancy take their toll.

HSBC’s report, *The Future of Retirement Life after work?* surveyed 1,050 respondents in the UK. Two fifths of retired people surveyed (39%) in the UK said that financially, they had not prepared adequately or at all for a comfortable retirement, with 35% of those people only realising they were underprepared after retiring.

Despite this, just 2% of Brits who did not prepare adequately or at all said they would have to go back to work to cover their financial shortfall, compared to 44% globally. Instead, a huge 44% are resigned to the idea that they will just never be able to make up their shortfall.

Global findings showed that whilst many will be forced to work longer than they had planned, a significant proportion of people around the world looked forward to working in later life. However, while 27% globally said they intended to start a business in retirement, a remarkably smaller 7% of those questioned in UK felt the same, with Brits seemingly lacking the same entrepreneurial spirit.

However, this attitude changed with age, as 37% of UK respondents between 55-64 years of age said it was actually an aspiration to continue working (compared to 44% globally).

Christine Foyster, Head of Wealth Management, HSBC, said: “People want to slow down in later life and, while some welcome the chance to stay economically active, many may not. Whereas some people regard a comfortable retirement as a natural entitlement, for a growing number this is not the case.

“Today’s workers should prepare for retirement as early as possible to have some certainty for retirement. Life is full of reasons to prioritise short term spending over longer term planning, but the sooner people start saving, the less likely they will have to rely on working in old age.”

HSBC's study suggests that even those who do eventually retire might not be able to achieve the retirement they want. Half (49%) of retired people surveyed in the UK who said they have been unable to realise their plans for retirement, believed this was because they have less money to live on than they had envisaged.

It found that people's expectations of a work-free retirement dwindle as they enter old age, with 20% of people between 55-64 years of age saying they expect they will have to continue working indefinitely, compared to just 15% of 25-34 year-olds.

An online survey tool is available to allow individuals to see how they compare against the country findings, at www.hsbc.com/retirement.

- ENDS -

HSBC's research summarised four actions, which can help today's retirement savers plan a better future for themselves:

Action 1. Don't rush into retirement

There is a view among retired people that they might have been too hasty in giving up paid employment. Nearly two-thirds (64%) who entered semi-retirement wished that they had stayed in full time employment longer. This regret is largely for positive reasons, with many retired people seeing work as an important means of keeping the body and mind active.

Action 2. Don't rely on one source of retirement income

Current retirees have three different sources of retirement income on average, wisely choosing not to generate all of their income from one place. Spreading their sources of retirement income and associated risks means that not all their eggs are in one basket.

Action 3. Plan your retirement with family in mind

Rather than family ties loosening in future, the family will continue to be a major consideration in retirement planning, and may even grow in importance for the next generation. While many people (40%) aspire to travel extensively during their retirement, nearly half (49%) of current workers expect to have some financial responsibilities towards others even when they are themselves retired. This includes ongoing financial responsibilities for their adult children as well as supporting frail elderly parents.

Action 4. Be realistic about your retirement outgoings

Many working people assume that their income needs will fall once they enter retirement. Yet 52% of people in retirement have seen no reduction in their outgoings, and 17% have seen their outgoings increase. Although people are familiar with the concept of increasing life expectancy, the consequent increase in later life medical and nursing care costs may not be well understood as people are still not doing enough to prepare themselves for these potential costs.

Media contacts

For more information, a full copy of the embargoed report, a high resolution infographic or to arrange an interview, please contact:

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Notes to editors

HSBC's The Future of Retirement programme is a world-leading independent study into global retirement trends. It provides authoritative insights into the key issues associated with ageing populations and increasing life expectancy around the world. The latest global report, *Life after work?*, is the ninth in the series and is based on an online survey of 16,000 people in 15 countries between July 2012 and April 2013. Since The Future of Retirement programme began in 2005, more than 125,000 people worldwide have been surveyed.

For more information about The Future of Retirement, and to view all previous global and country reports, visit www.hsbc.com/retirement.

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The Future of Retirement

Life after work?

A global survey based on responses from 16,000 people in 15 countries

Nearly one in eight (12%) workers around the world expect they will never be able to afford to retire fully

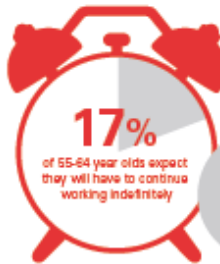


Global Average
12%



Q: Realistically, when do you expect to be able to afford to fully retire from all paid employment?
A: Never

UK	19%	Australia	15%	UAE	10%
USA	18%	India	13%	Malaysia	9%
Canada	17%	Hong Kong	12%	China	7%
Singapore	17%	France	12%	Mexico	7%
Egypt	16%	Taiwan	10%	Brazil	5%



This compares to
10%
of 25-34 year olds



Divorced/Separated

20%

of those living alone say they don't expect they will ever retire



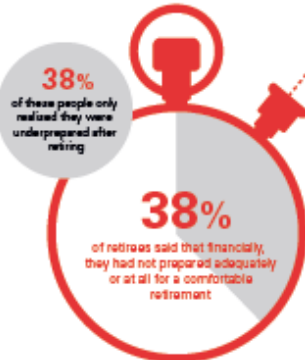
Widowed

23%



44%

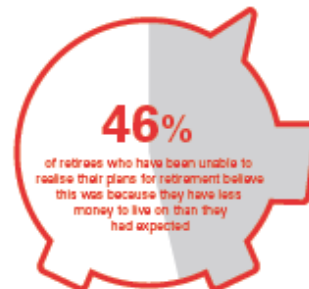
of 55-64 year olds aspire to continue working to some extent in retirement



38%
of these people only realised they were underprepared after retiring

14%

of these people said they would have to go back to work to cover their financial shortfall



HSBC