

The Future of Retirement

What the world wants

Media factsheet – Egypt

In Egypt we talked to 1,000 individuals (based in urban areas only) and 300 private-sector employers, interviewing them by telephone. We have organised their responses around five key questions:

1. What is retirement?
2. How will we pay for retirement?
3. When should we retire?
4. How do older workers compare with younger ones?
5. Do employers and employees think alike?

Key findings

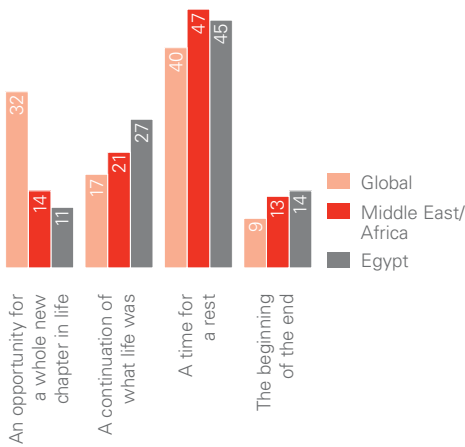
- They are much more likely than people elsewhere to say that religious faith is important to a happy retirement.
- And they are also more inclined to believe that their children will care for them in old age.
- Egyptians are very likely to favour compulsory savings as a means by which their government should support an ageing population.
- Women, but not men, typically retire before they are considered “older workers”.
- Asked why they might work beyond the normal retirement age, Egyptians are very likely to talk of having something meaningful to do.
- Egyptian people have an unusually negative perception of retirement, associating it as much with boredom, loneliness and fear as with happiness, satisfaction and freedom.
- Egypt is the only country where more than 50% of employers say that they don't do more to attract older workers because they are too expensive.
- There is a particularly marked disparity between the number of Egyptian employers who say that the government should be responsible for funding people's retirement, and the number of individuals who say the same.

For the full global results, please go to www.hsbc.com/thefutureofretirement

1. What is retirement?

Egypt is typical of “transitional” economies in that retirement is seen as a period of rest and relaxation. Only 11% of Egyptians see it as a whole new chapter – the smallest proportion anywhere in the world.

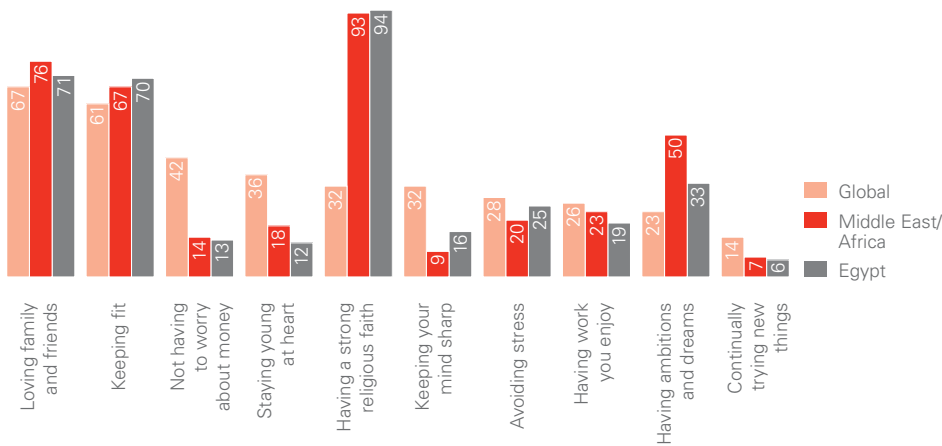
How individuals view retirement (in percent)



Source HSBC Future of Retirement Research 2006

Many Egyptians say that when they retire they'd like to spend more time with their family and friends. But asked what makes for a happy retirement, Egyptians say that religious faith is even more important. As for money, only Indonesians (11%) are less likely than Egyptians (13%) to cite it as important.

What individuals think is important to achieve a happy old age (in percent)

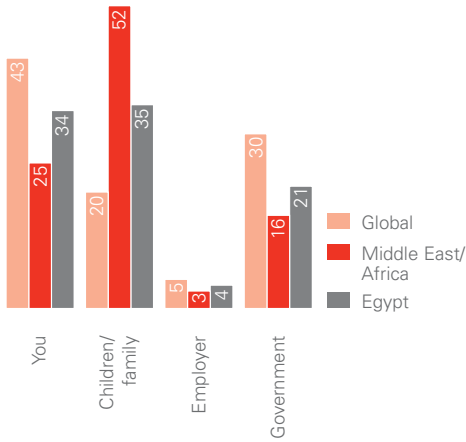


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

Egyptian people are likely to believe that they or their families should bear most of the costs of their retirement.

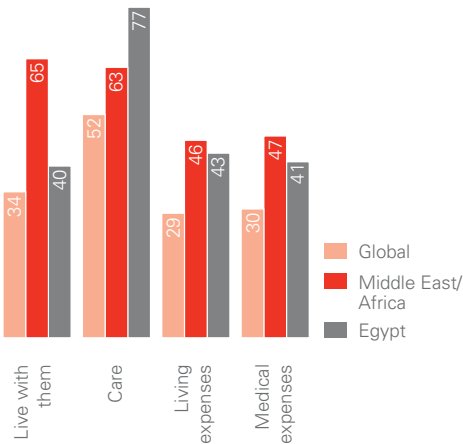
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

They are also more inclined than the global average to believe that their children will care for them in old age and help them with living and medical expenses.

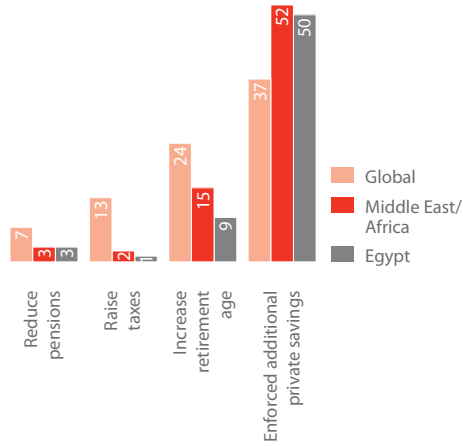
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

Egyptians are very much more likely than the global average to favour compulsory savings as a means by which their government should support an ageing population. Only 1% favour tax rises.

How individuals think governments should finance ageing populations (in percent)

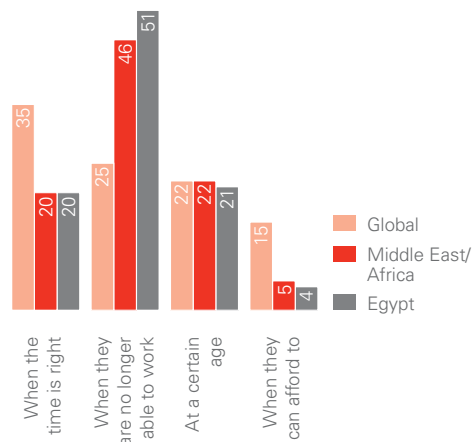


Source HSBC Future of Retirement Research 2006

3. When should we retire?

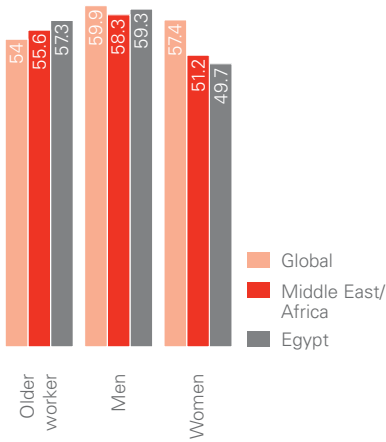
Egyptian people are very likely to believe that people should retire when they are no longer able to do their job well, rather than at a particular age.

When individuals would choose to retire? (in percent)



In most of the world, people think that both men and women become old before the typical retirement age. But in Egypt, women typically retire before they are considered “older workers”.

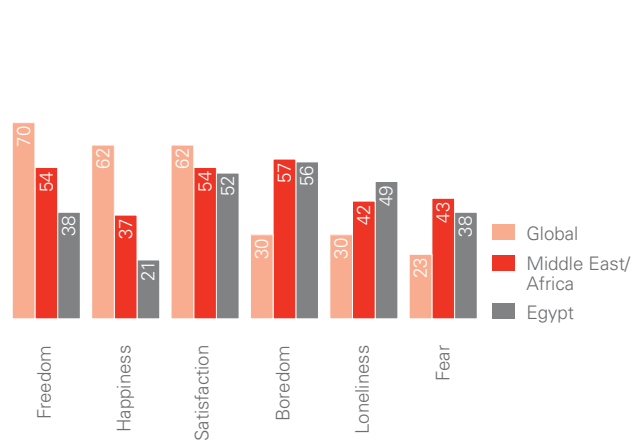
Typical retirement age versus best retirement age (in percent)



Source HSBC Future of Retirement Research 2006

Egyptian people have an unusually negative perception of retirement, associating it as much with boredom, loneliness and fear as with happiness, satisfaction and freedom. Only in Russia are people generally as negative as this. Indeed 49% of Egyptians say they are seriously concerned about “being lonely” in old age.

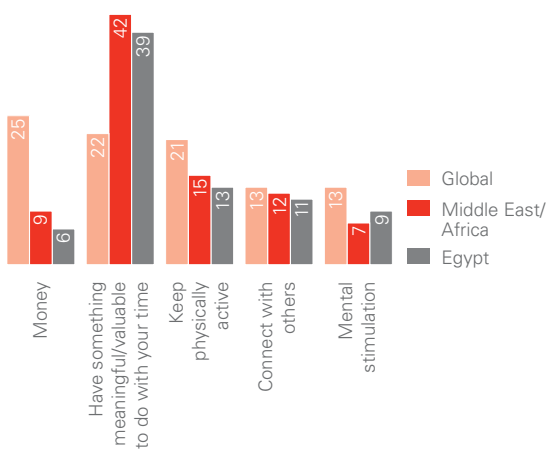
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

Asked why they might work beyond the normal retirement age, Egyptians are much more likely than the global average to talk of having something meaningful to do (only Saudi Arabians are as likely to mention this). And they are less likely than people in any other countries to refer to money.

Reasons for individuals wanting to work in their later years (in percent)

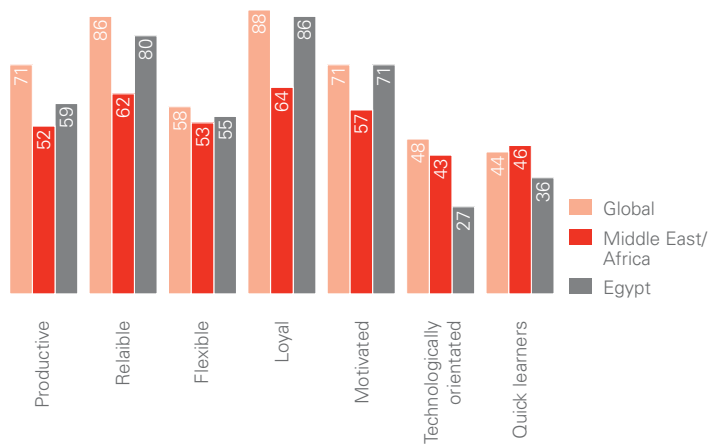


Source HSBC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

Egyptian employers believe that their older workers are just as employable as younger ones, except when it comes to technological orientation and ability to learn quickly.

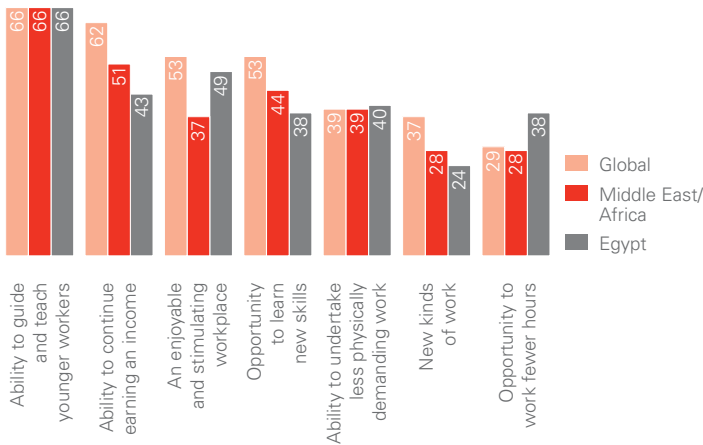
Proportion of employers who view older workers as same / more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

And Egyptian employers offer their older workers a range of opportunities, though generally not quite as many as offered by employers elsewhere in the world.

What opportunities employers currently offer older workers (in percent)

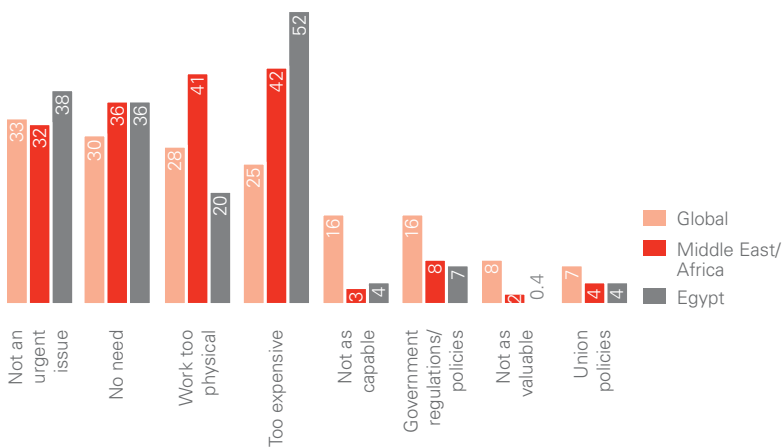


Source HSBC Future of Retirement Research 2006

They are also more inclined to see the loss of older workers as a positive rather than as a negative – it makes room for younger workers. In this they are fairly typical of employers in transitional economies.

Egypt is the only country where more than 50% of employers say that they don't do more to attract older workers because they are too expensive. Only a small number say that it is because older workers aren't as valuable or capable as younger ones.

Employers' reasons for not doing more to recruit older workers (in percent)



Source HSBC Future of Retirement Research 2006

5. Do employers and employees think alike?

In most countries the proportion of individuals who believe that people should be allowed to continue working for as long as they are able to do the job well is greater than the proportion of employers who believe the same. But in Egypt the situation is reversed: 64% of employers believe this, but only 61% of ordinary people agree.

Nearly everywhere employers are more likely than their employees to see the government as having responsibility for funding people's retirement. In Egypt the disparity is particularly marked: 67% of employers say the government *should* be responsible, compared with 21% of the public. Employers are also much more likely than individuals to believe that the government *will* bear this responsibility – 64% versus 15%.

In Egypt 50% of individuals and 53% of employers think that the government should enforce private savings to support the ageing population – both considerably higher than the global average. Both groups are extremely unlikely to favour tax rises – 1% of individuals and 3% of employers.