

The Future of Retirement

What the world wants

Media factsheet – Hong Kong

In Hong Kong we talked to 1,000 individuals 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

- Although attitudes towards retirement are positive, noticeably fewer people in Hong Kong than elsewhere in the world see it as a time of freedom.
- People in Hong Kong overwhelmingly see fitness as being important to a happy old age – to a far greater extent than anywhere else covered by the survey.
- When it comes to how they will spend their time in retirement, every activity other than “new kinds of work” is very popular in Hong Kong.

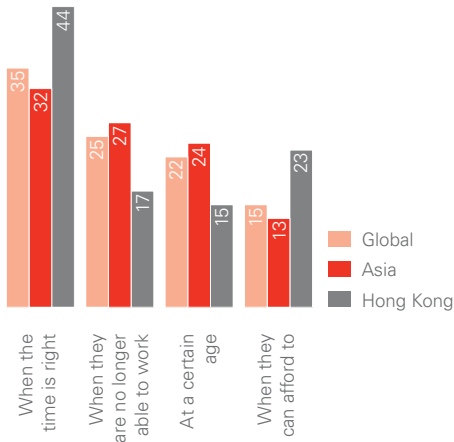
- Hong Kong is similar to the UK in its belief that people should retire when the time is right, rather than at a set age, and in the numbers of people who think it best to retire as soon as they can afford to.
- Government-enforced savings are the most widely supported means of paying for retirement in Hong Kong, but increasing the retirement age is a very close second.
- Few people in Hong Kong think the government should bear the cost of retirement and almost none think employers should.
- Employers, however, disagree. About a quarter believe they should pay for employees’ retirement, and many think that they will end up doing so.

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

1. What is retirement?

People in Hong Kong are generally positive about retirement. Fewer than the global average associate it with negative feelings such as fear, but it is also notable that fewer see it as a time of freedom.

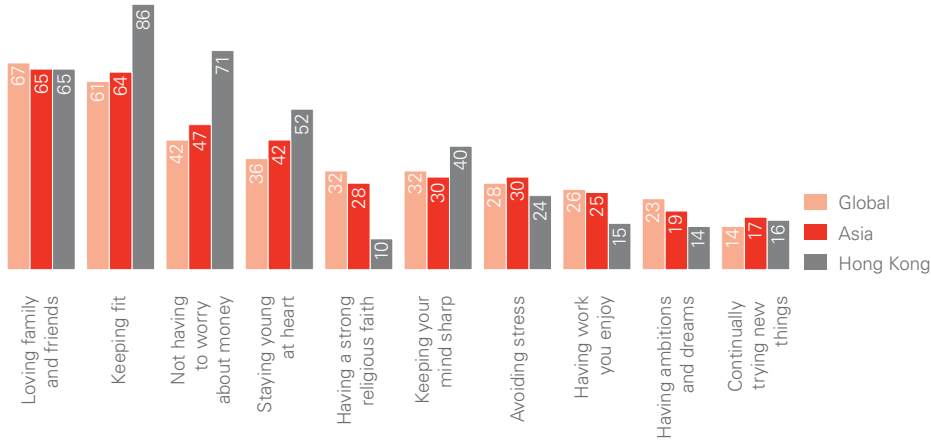
When individuals would choose to retire (in percent)



Source HSBC Future of Retirement Research 2006

There is widespread global agreement that the secrets of a happy old age are family, friends and fitness. Hong Kong emphasises fitness more than anywhere else in our survey, but rates “not having to worry about money” as more important than family and friends.

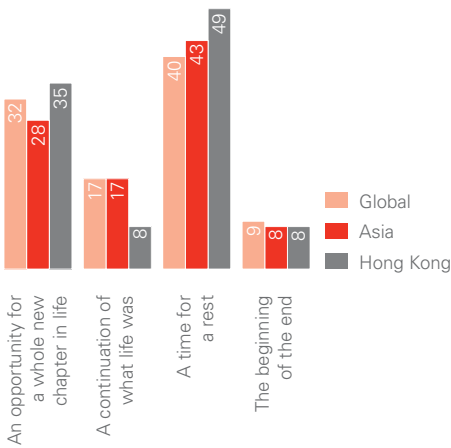
What individuals think is important to achieve a happy old age (in percent)



Source HSBC Future of Retirement Research 2006

In Hong Kong retirement is seen as both a time for rest and a chance for a whole new chapter in life.

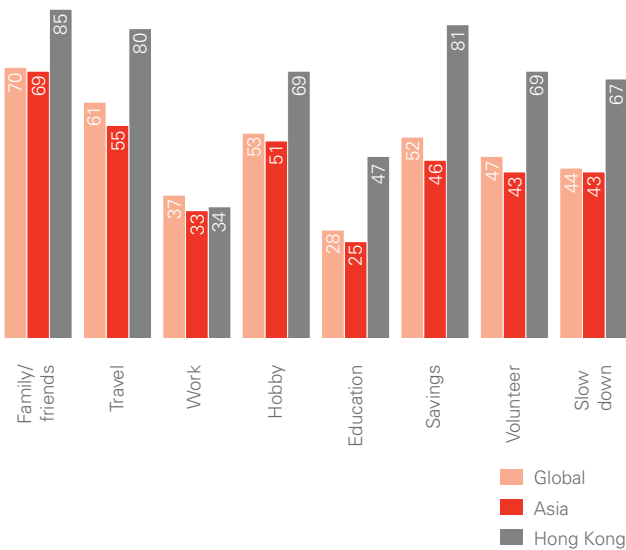
How individuals view retirement (in percent)



Source HSBC Future of Retirement Research 2006

This balance is also apparent in the way the people of Hong Kong choose to spend their time in retirement: slowing down is popular, but so is continuing education, along with every other activity – far more than the global or regional average. The only exception is “new kinds of work”, which relatively few plan to take up.

How individuals would like to spend most of their time in retirement (in percent)

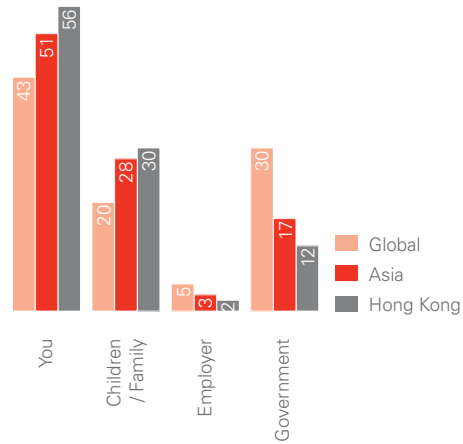


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

People in Hong Kong share the general perception that individuals should be responsible for funding their own retirement. Far less individuals in Hong Kong than the global average believe the government should pay. There is no confidence gap, as there is in most countries, as those who believe the government *should* pay are confident that it *will*.

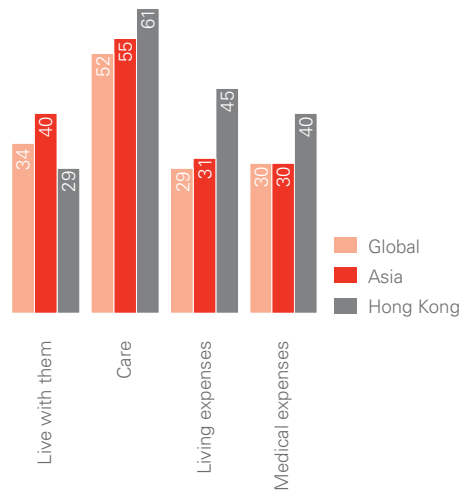
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

There is a greater expectation in Hong Kong that families will provide help and support in retirement – both in comparison with other global respondents and those in Asia – though people don’t expect to be able to live with their children in their later years.

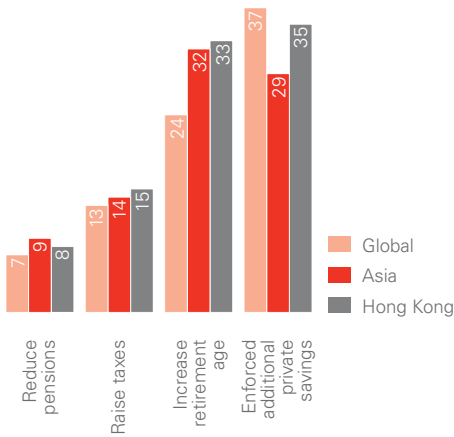
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

In their support of government-enforced savings, the people of Hong Kong are typical of our respondents globally, though their almost equally strong backing for increasing the retirement age is characteristic of the region.

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

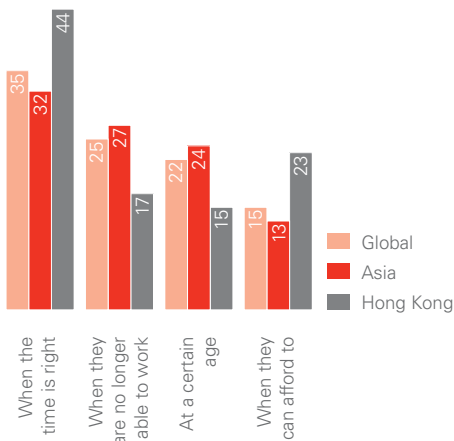


Source HSBC Future of Retirement Research 2006

3. When should we retire?

On this question Hong Kong is not typical of Asia – there is a more widespread belief in retiring when the time is right and also a more widespread rejection of retirement at a particular age. More respondents than elsewhere also say that people should retire when they can afford to.

When individuals would choose to retire (in percent)



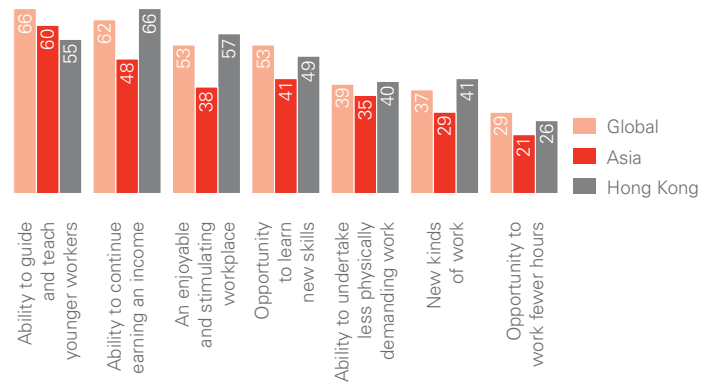
Source HSBC Future of Retirement Research 2006

Hong Kong's responses to this question are similar to those from the UK, and both differ from the global and regional averages in the same ways.

4. How do older workers compare with younger ones?

Employers in Hong Kong match the global average in terms of the opportunities they say that they give older workers, and this is better than the average for Asia as a whole. However, the rest of Asia provides more opportunities for older workers to guide and teach younger ones.

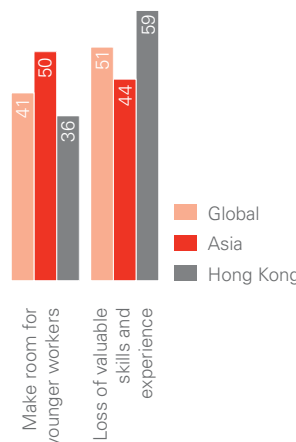
What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

Employers in Hong Kong are more likely than most to think of losing older workers as the loss of knowledge and skills, rather than as making room for younger workers.

How employers view the retirement of older workers (in percent)



Source HSBC Future of Retirement Research 2006

5. Do employers and employees think alike?

In Hong Kong, 60% of employers have no mandatory retirement age. This is close to the global average, but high for the region, where the average is 46%. Employers in Hong Kong agree with their employees that people should be able to go on working as long as they can do their job well, and this opinion is held more widely in Hong Kong than in Asia as a whole.

More employers (21%) than employees (12%) believe that the government should pay for people's retirement.

They disagree on the role of employers. Only 2% of employees believe employers should bear the cost of retirement. By contrast, 25% of employers believe they *should* pay and 14% think that they *will*.

Paying for retirement by means of government-enforced additional savings has even more support among employers in Hong Kong than among individuals – 41% of employers choose it.