

The Future of Retirement

What the world wants

Media factsheet – India

In India we talked to 1,506 individuals and 312 private-sector employers. All were based in urban areas, and interviews were conducted face-to-face. We have organised the 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

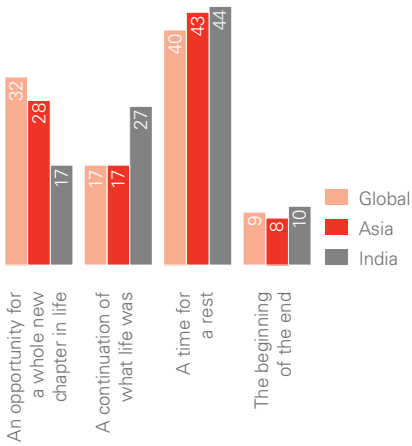
- Indian people are more likely than those elsewhere to see retirement as a period of rest or as a continuation of what life was, and less likely to see it as a new chapter in life.
- They say they will rely heavily on their families for support in old age: 56% believe that their families should support them in retirement.
- 94% of Indians expect to live with their children in old age, a figure surpassed only in China.
- When asked why they might work beyond retirement age, Indian people are likely to mention money.
- Indian employers are more likely than their regional counterparts to offer flexible working opportunities for older workers.
- However, they are the most likely in the world to say they actively encourage full early retirement.
- Asked why they don't do more to attract and retain older workers, Indian employers are unusual in pointing the finger at government policies.

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

1. What is retirement?

Indian people are more likely than those elsewhere to see retirement as a period of rest or as a continuation of what life was, and less likely to see it as a new chapter in life. In this respect India is typical of transitional economies, where retirement is still seen as a luxury and a chance to escape the trials of the workplace.

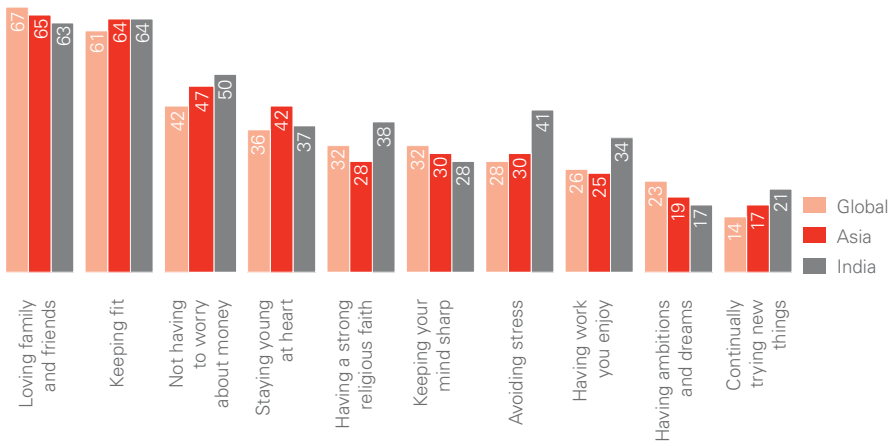
How individuals view retirement (in percent)



Source HSBC Future of Retirement Research 2006

As elsewhere, a loving family and friends are considered important to a happy old age, but Indian people also stress the importance of money, religious faith, avoiding stress and enjoying work.

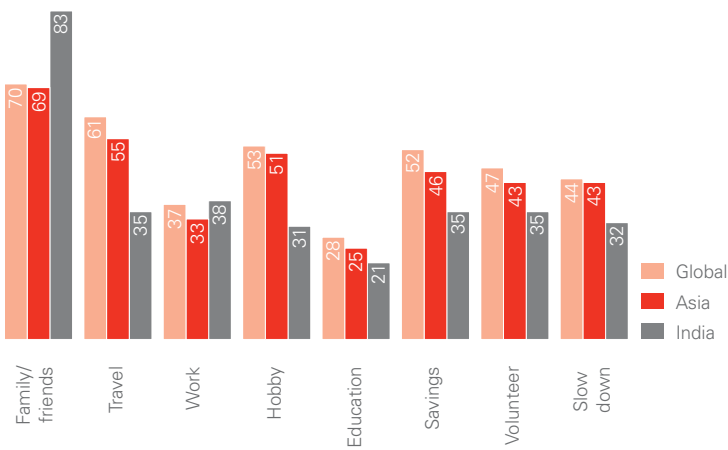
What individuals think is important to achieve a happy old age (in percent)



Source HSBC Future of Retirement Research 2006

Indian people say that in retirement they want to spend a lot of time with family and friends, and less time taking part in activities that are considered important in other parts of the world.

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

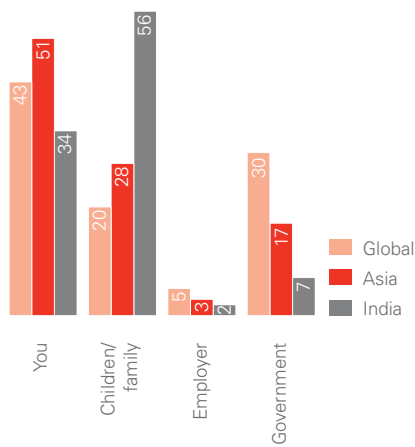


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

Less than 10% of respondents from advanced economies and only about a third from transitional economies say that people's families should be responsible for supporting them in retirement. But Indian people say they will rely heavily on their families: 56% believe that their families should bear most of the cost of supporting them – a proportion surpassed only in Saudi Arabia.

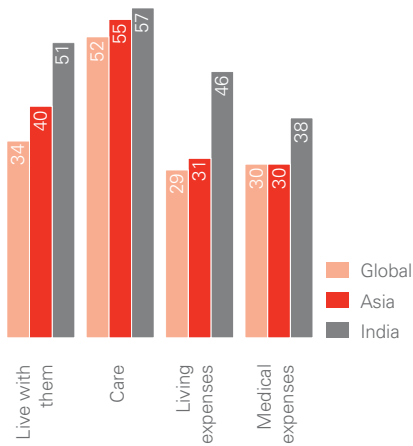
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

Indians also expect their children to support them in other ways: 94% expect to live with their children in old age, a figure surpassed only in China.

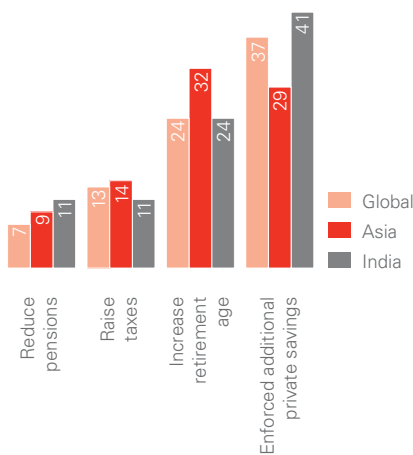
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

Compared with people in the rest of the world, few Indians think that their government should or will pay for their retirement. When asked how their government should finance the ageing population, Indian people are even more inclined than those elsewhere to favour compulsory savings.

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

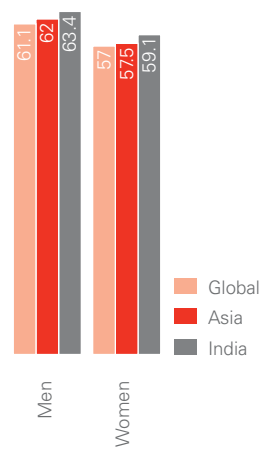


Source HSBC Future of Retirement Research 2006

3. When should we retire?

Indian people believe that men and women should retire at a relatively late age – 63 for men and 59 for women. In reality many Indian people work to an even older age: 50% of men work past the age of 65.

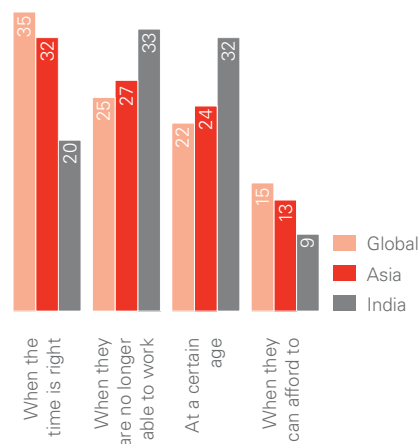
When should someone retire? (in percent)



Source HSBC Future of Retirement Research 2006

Indians are more likely than people elsewhere to believe that they should retire at a particular age, though many also say they should be able to go on working as long as they can do the job well.

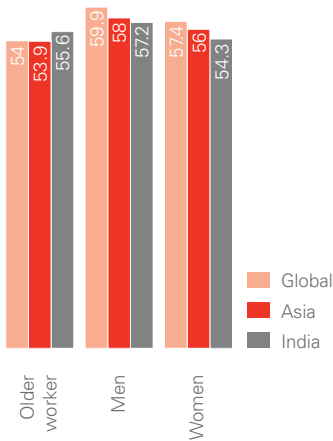
When individuals would choose to retire? (in percent)



Source HSBC Future of Retirement Research 2006

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

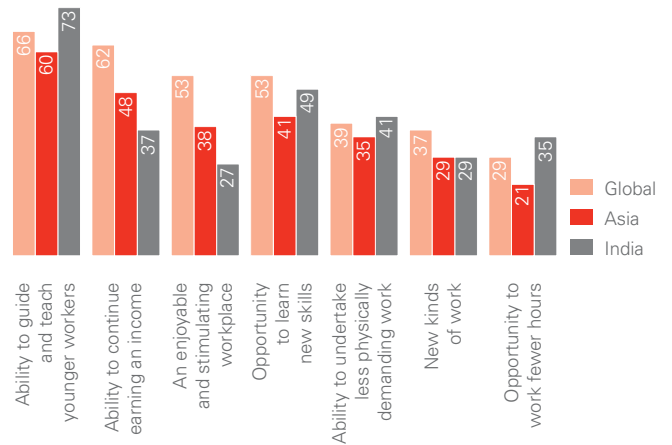
Typical retirement age versus best retirement age (in percent)



Source HSBC Future of Retirement Research 2006

And, while there are exceptions, Indian employers are more likely than their regional counterparts to offer opportunities for older workers.

What opportunities employers currently offer older workers (in percent)



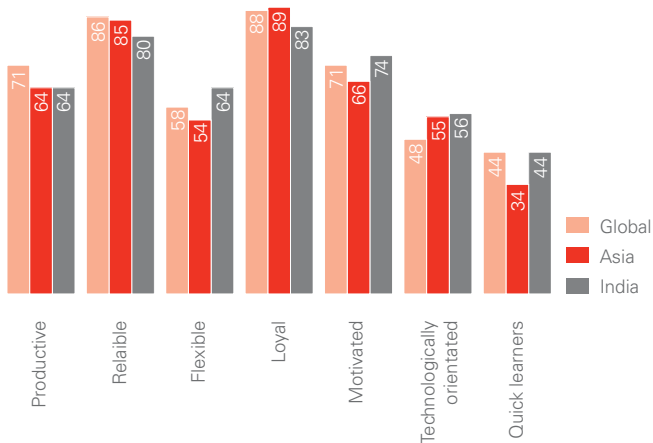
Source HSBC Future of Retirement Research 2006

When asked why they might work beyond retirement age, Indian people are much more likely than the Asian or global average to mention the need for money. Other motivating factors that are regarded as important elsewhere in the world trail far behind.

4. How do older workers compare with younger ones?

As elsewhere in the world, Indian employers tend to be positive about the employability of older workers, particularly when it comes to their flexibility, motivation and technological orientation.

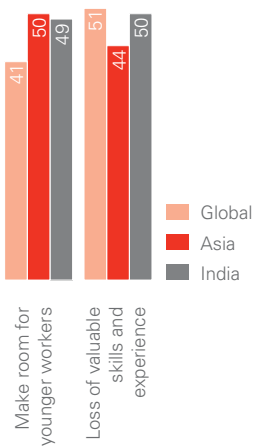
Proportion of employers who view older workers as same / more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

Yet Indian employers are the most likely (37%) of those anywhere in the world to say that they actively encourage full early retirement, and fewer than half seek to keep older workers with hard-to-replace skills. This is despite the fact that, unlike in Asia as a whole, Indian employers are more inclined to recognise the dangers of losing older workers.

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



Source HSBC Future of Retirement Research 2006

Asked why they don't do more to attract and retain older workers, Indian employers are unusual in pointing the finger at their government and unions. Indeed, 36% of employers blame government policies – the highest proportion anywhere.

5. Do employers and employees think alike?

Globally, the larger an organisation is, the more likely it is to have a mandatory retirement age. But in India medium-sized companies are the most likely to have mandatory retirement ages. Among Indian employers, 59% say that people should be able to go on working for as long as they are able to do the job well (something that 62% of Indian individuals agree with) yet only 39% of employers say that they do not have a mandatory retirement age.

Very few Indian people believe that their government should and will bear most of the cost of their retirement, and Indian employers agree: only 6% of employers feel that governments *should* bear these costs and just 5% feel that they *will*.

Individuals and employers also tend to agree that employers should not be responsible for funding their employees' retirement, though, of the two, employers are a little more inclined to see this as their responsibility.