

The Future of Retirement

What the world wants

Media factsheet – Malaysia

In Malaysia we talked to 1,000 individuals and 298 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

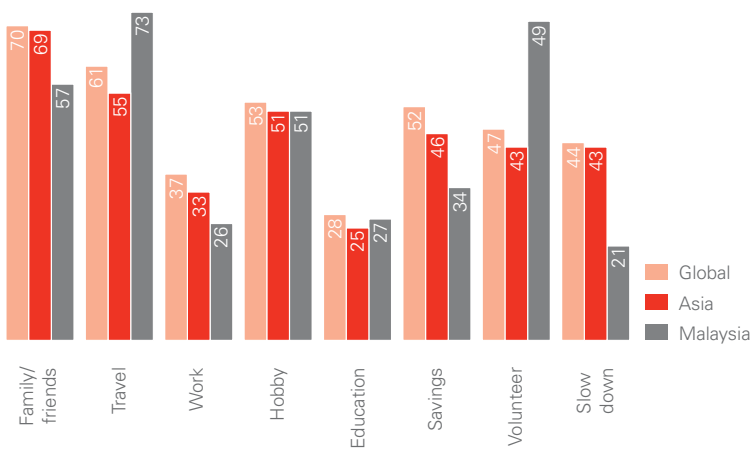
- When asked how they want to spend their time in retirement, very few Malaysians mention slowing down, and many talk of travelling.
- Malaysians are more likely than other Asians to associate retirement with positive feelings such as freedom and happiness, and less likely to associate it with negatives.
- They also tend to be more likely than the Asian or global average to believe that they will rely on their children for care in retirement.
- Asked what might motivate them to work beyond the normal retirement age, many Malaysians speak of having something meaningful or valuable to do.
- Only in Malaysia, India and Russia are fewer than half the employers seeking to keep older workers with hard-to-replace skills.
- Asked why they don't do more to attract or retain older workers, Malaysian employers are much more likely than those elsewhere to say that older workers are not as capable or valuable.
- While Malaysian individuals are very likely to support government-enforced private savings, Malaysian employers are more inclined to support an increase in the retirement age.

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

1. What is retirement?

Malaysians are typical of Asians in seeing retirement as a time of rest and relaxation. Yet when asked what they want to spend their time doing in retirement, very few mention slowing down, and many talk of travelling.

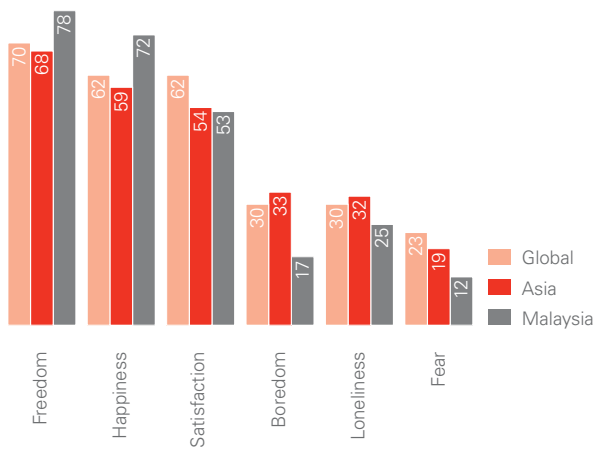
How individuals would like to spend most of their time in retirement (in percent)



Source HSBC Future of Retirement Research 2006

In general, Malaysians are more likely than other Asians to associate retirement with positive feelings such as freedom and happiness, and less likely to associate it with negative feelings.

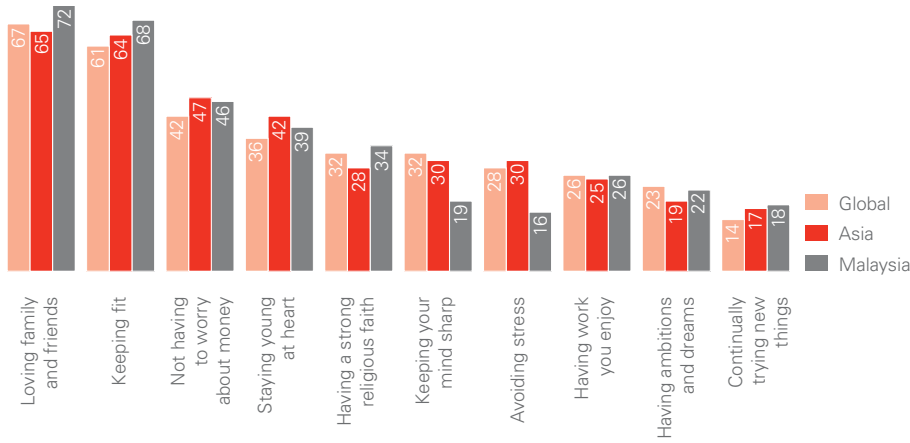
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

As do people everywhere, Malaysians say family, friends and keeping fit are important for a happy old age.

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

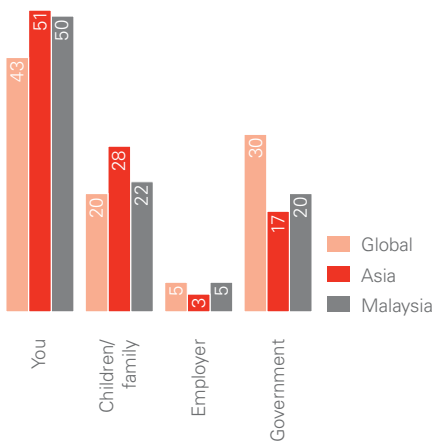


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

Malaysian people tend to think that they should bear the costs of their own retirement, just as many other people in Asia do.

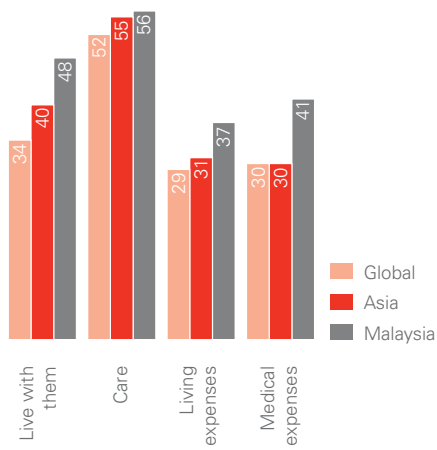
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

However, they are more likely than the Asian or global average to believe that they will rely on their children for care in retirement.

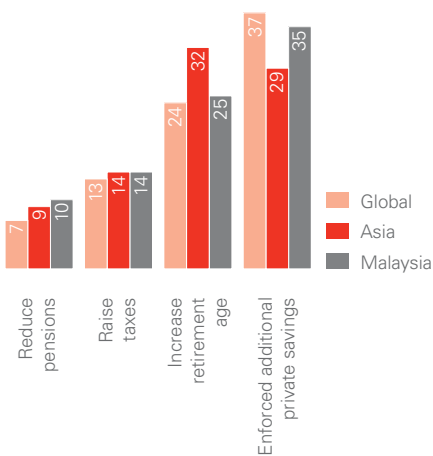
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

Compared with other Asian people, Malaysians are more inclined to think that the government should pay for retirement by means of compulsory private savings, and less likely to think that the retirement age should be raised.

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

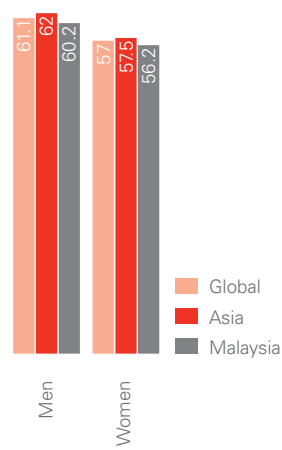


Source HSBC Future of Retirement Research 2006

3. When should we retire?

Malaysian people believe that both men and women should retire at a relatively young age.

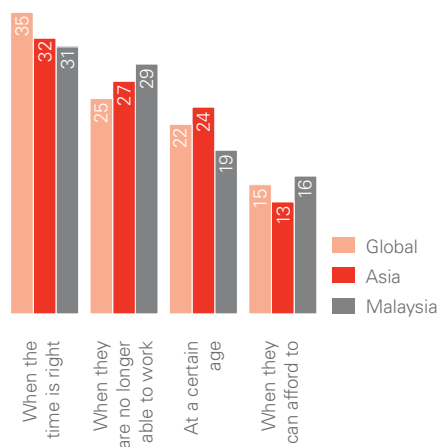
When should someone retire? (in percent)



Source HSBC Future of Retirement Research 2006

They are slightly less inclined than people elsewhere to think that retirement should come at a fixed age.

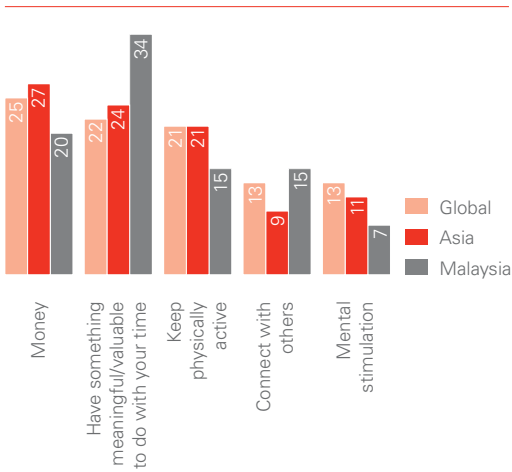
When individuals would choose to retire? (in percent)



Source HSBC Future of Retirement Research 2006

Asked what might motivate them to work beyond the traditional retirement age, many more Malaysians than the regional or global average speak of having something meaningful or valuable to do.

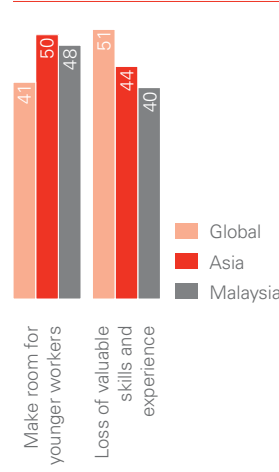
Reasons for individuals wanting to work in their later years (in percent)



Source HSBC Future of Retirement Research 2006

Malaysian employers, like their regional counterparts, are a little more inclined to see the loss of older workers as a positive than a negative.

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

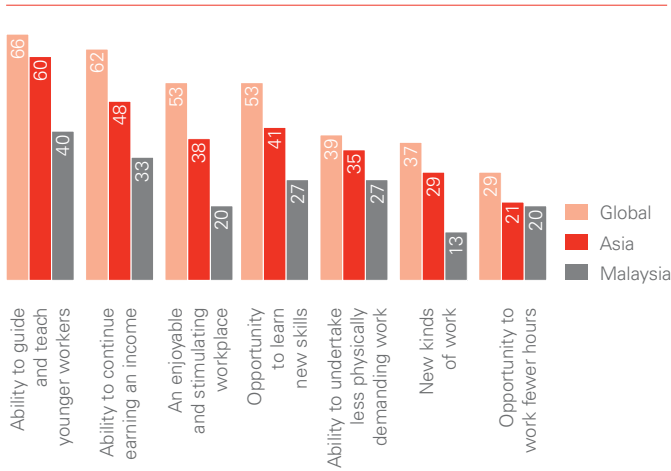


Source HSBC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

Compared with their counterparts elsewhere, Malaysian employers tend to rate older workers less favourably than younger ones – except on their technological ability. These employers are also less likely than those elsewhere to offer older workers appropriate opportunities.

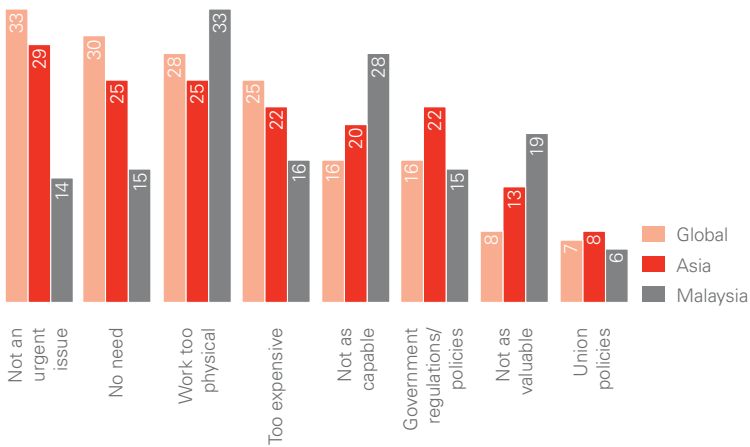
What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

Only in Malaysia, India and Russia are fewer than half the employers seeking to keep older workers with hard-to-replace skills. Asked why they don't do more to attract or retain older workers, Malaysian employers are much more likely than those elsewhere to say that older workers are not as capable or valuable, though they also point to the physical nature of the available work.

Employers' reasons for not doing more to recruit older workers



Source HSBC Future of Retirement Research 2006

5. Do employers and employees think alike?

In Malaysia, 64% of private employers say employees should be able to work for as long as they are capable of doing the job well, and 63% say they do not practise a mandatory retirement age. In this they are generally in tune with ordinary Malaysian people, 76% of whom think that they should be able to work for as long as they are capable of doing the job well.

Almost everywhere in the world, the largest proportions of individuals and employers favour enforced private savings over the other means by which governments can support ageing populations. But while Malaysian individuals are very likely to support these enforced private savings (35%), Malaysian employers are more inclined to support an increase in the retirement age (45%).