

The Future of Retirement

What the world wants

Media factsheet – Russia

In Russia we talked to 1,016 individuals and 306 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. How will we pay for retirement?
2. When should we retire?
3. What is retirement?
4. How do older workers compare with younger ones?
5. Do employers and employees think alike?

Key findings

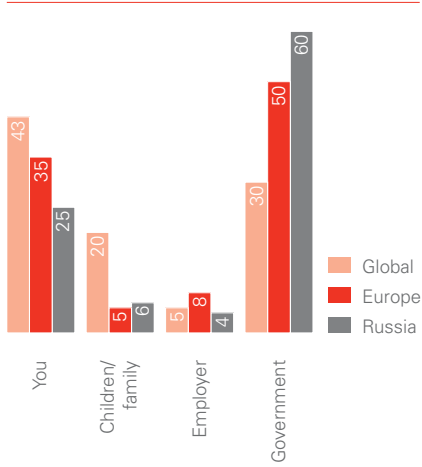
- There is a big gap between the proportion of Russians who believe that their government *should* fund their retirement and the proportion who think that the government *will* do so.
- An unusually large proportion of Russians believe that people should retire at a set age.
- Asked why they might be motivated to work beyond the normal retirement age, many Russian people cite the need for money.
- Russian people have an unusually negative perception of retirement, associating it as much with boredom, loneliness and fear as with happiness, satisfaction and freedom.
- Many Russians say that they regard retirement as “the beginning of the end”.
- Few are interested in the retirement activities that attract people elsewhere in the world.
- Russian employers are very unlikely to offer older workers the sort of opportunities provided by employers in other countries.
- Fewer than 10% of employers say they are trying to recruit older workers, and fewer than half are seeking to keep older workers with hard-to-replace skills.

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

1. How will we pay for retirement?

Russians are much more likely than people elsewhere to say that their government should be responsible for funding their retirement.

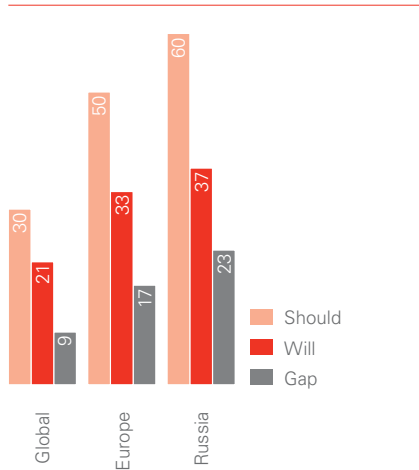
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

Nevertheless, there is a big gap between the proportion of Russians who believe that their government *should* fund their retirement and the proportion who are confident that the government *will* do so. Only in Sweden is this “confidence gap” wider.

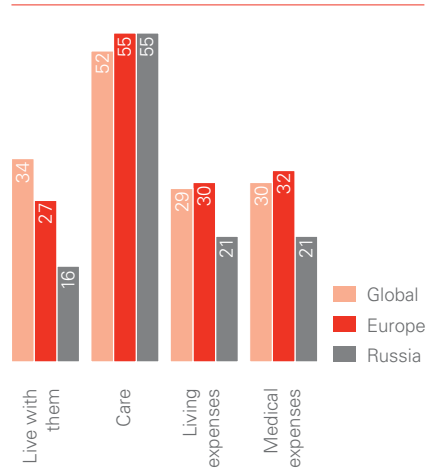
The gap between proportions of people thinking that governments should / will finance the ageing populations (in percent)



Source HSBC Future of Retirement Research 2006

Few Russians expect to live with their children in retirement, or to rely on them for living or medical expenses.

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

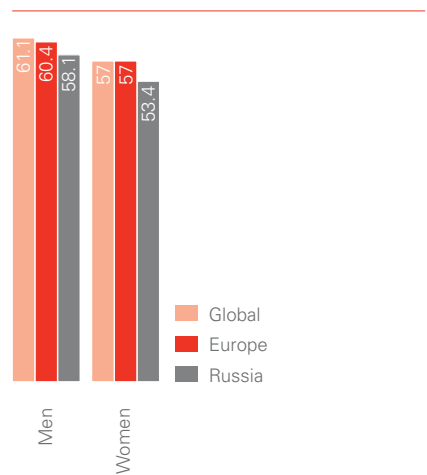


Source HSBC Future of Retirement Research 2006

2. When should we retire?

Russians tend to believe that people should retire at an earlier age than is considered ideal elsewhere.

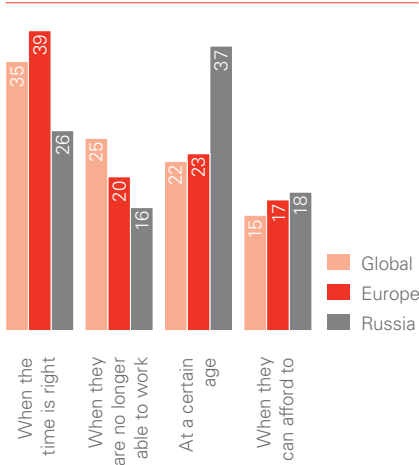
When should someone retire? (in percent)



Source HSBC Future of Retirement Research 2006

In most countries there is almost universal support for the idea that people's desire and ability to work should determine when they retire. Russia, along with Turkey, is an exception to this: the largest proportion (37%) believe that retirement should be determined by age.

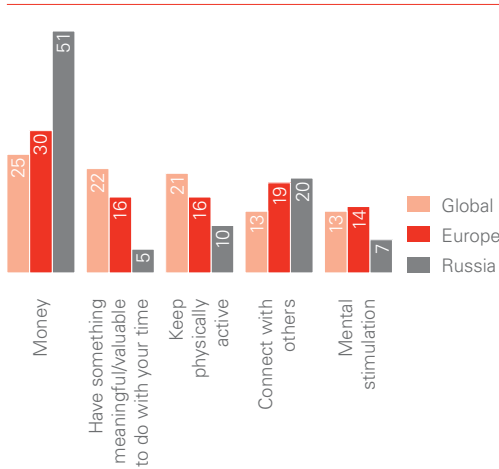
When individuals would choose to retire? (in percent)



Source HSBC Future of Retirement Research 2006

Asked why they might be motivated to work beyond the normal retirement age, Russian people are far more likely (51%) than the European or global average to cite the need for money. Only Indian people are as likely as Russians to mention money.

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

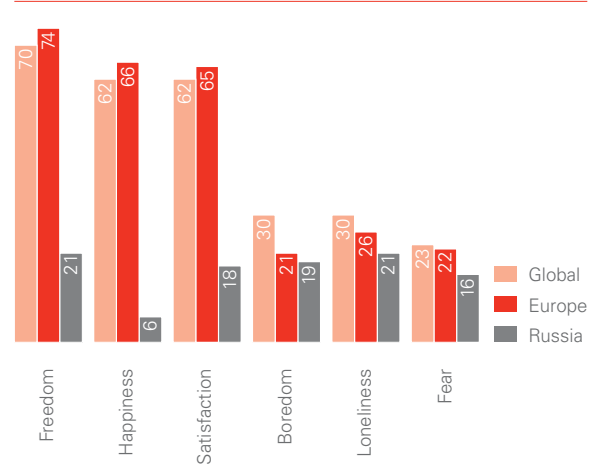


Source HSBC Future of Retirement Research 2006

3. What is retirement?

Russian 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 Egypt are people so negative.

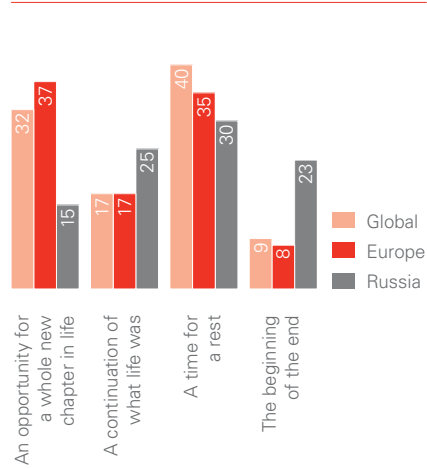
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

Indeed, 23% of Russian people – many more than in any other country – say that they regard retirement as “the beginning of the end”. Considerably less than the worldwide average see it as an opportunity for a new chapter in life.

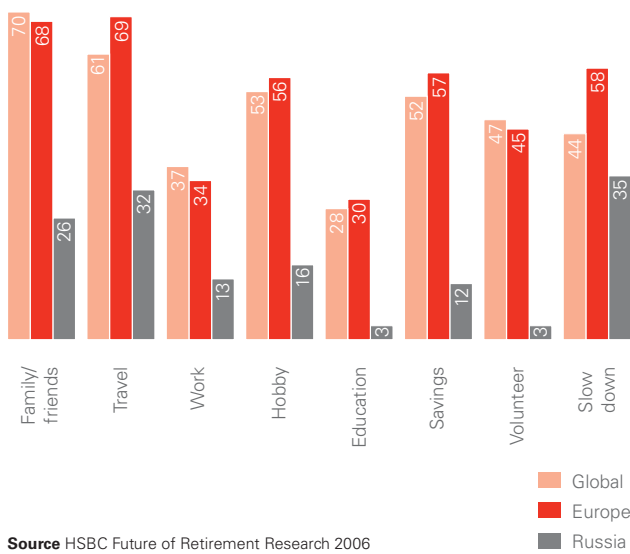
How individuals view retirement (in percent)



Source HSBC Future of Retirement Research 2006

This negativity is also evident when Russians are asked what they would like to spend their time doing in retirement. Few plan to take up the activities that interest people elsewhere in the world: only 5% of Russians – the smallest proportion anywhere – say that they'd like to “try new things”, and many would prefer to “slow down”.

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

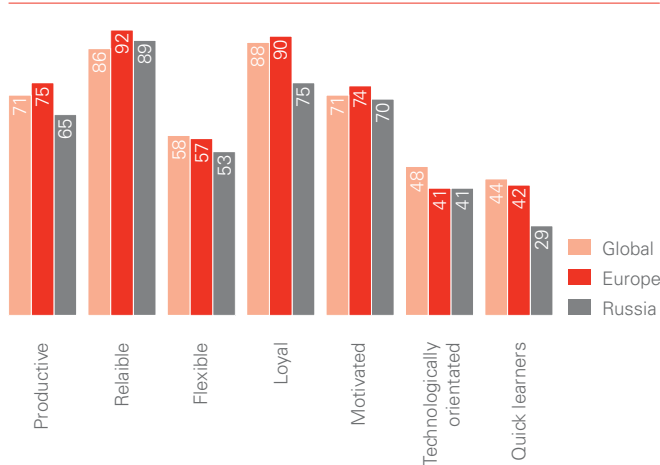


Source HSBC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

Russian employers rate their older workers highly, just as employers elsewhere in the world do.

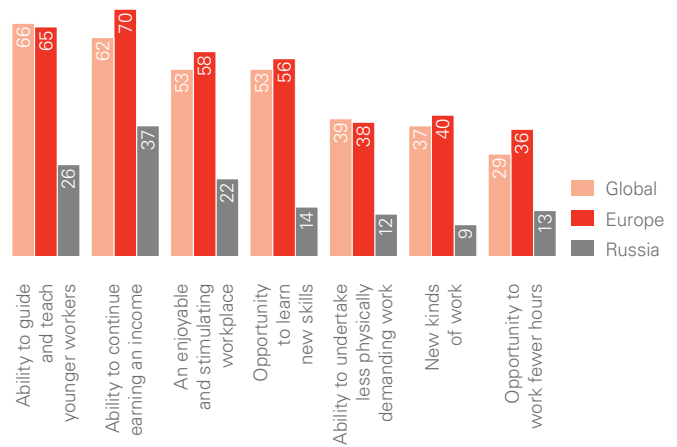
Proportion of employers who view older workers as same / more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

However, they are very unlikely to offer older workers the sort of opportunities that employers in other countries provide. For example, only 26% – the smallest proportion anywhere – offer them the chance to guide and teach younger workers. And more than a quarter of employers in Russia admit to offering no particular opportunities to older workers – the second highest proportion in the world, after China.

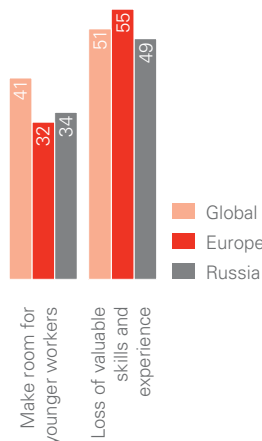
What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

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

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



Source HSBC Future of Retirement Research 2006

Fewer than 10% of Russian employers say they are trying to recruit older workers, and fewer than half are seeking to keep older workers with hard-to-replace skills. Asked why they aren't doing more, Russian employers are most likely to say that there is no need.

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 this. But in Russia the situation is reversed: 87% of employers believe this, but only 67% of ordinary people agree.

Russian individuals are inclined to think that their government should but probably won't fund their retirement, and Russian employers agree. In fact employers display an even greater confidence gap: 66% believe that the government *should* pay for retirement (compared with 60% of individuals), but only 30% believe that it *will* do so (compared with 37% of individuals).

Throughout the world, most people and employers favour enforced private savings over the other mechanisms that governments can use to support ageing populations. The largest proportion of Russian people (32%) agree. But of Russian employers, only 13% favour enforced private savings – the lowest proportion anywhere – and 68% favour tax rises.