

The Future of Retirement

What the world wants

Media factsheet – Saudi Arabia

In Saudi Arabia we talked to 1,000 individuals and 300 private-sector employers, all in urban areas, 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

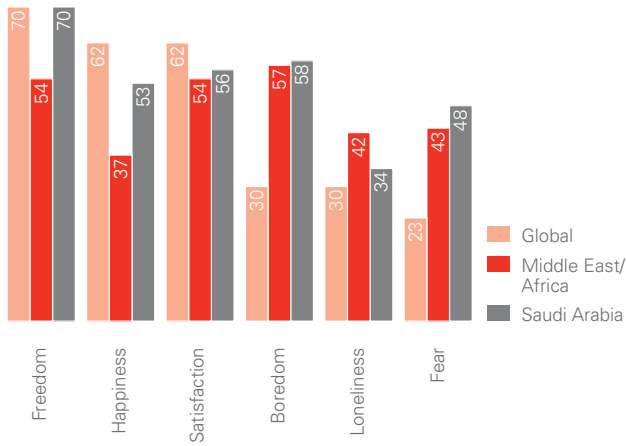
- Saudis have a mixed view of retirement: many associate it with freedom, but many also with boredom and fear.
- They say that religious faith is even more important to a happy old age than family, friends and keeping fit.
- Compared with the rest of the world, many more Saudis want to get involved in new kinds of work after they have retired.
- They are also much more likely than people elsewhere to believe that their families should bear most of the cost of their retirement.
- Many Saudis expect to live with their children in old age. Indeed, the vast majority say that the ideal place to live when they are old is with their family.
- Saudi Arabia is unusual in that more people believe that the government *will* provide for them in old age than believe it *should*.
- Saudis are very likely to believe that people should retire when they are no longer able to do the job well, rather than at a particular age.
- Asked why they might work beyond the normal retirement age, many talk of having something meaningful to do.
- Saudi employers have an unusually negative perception of older workers. Asked why they don't do more to attract older workers, many mention the physical nature of the work.

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

1. What is retirement?

Saudi Arabia is typical of transitional economies in that retirement is seen as a period of rest and relaxation. Many Saudis associate it with freedom, but many also with boredom and fear.

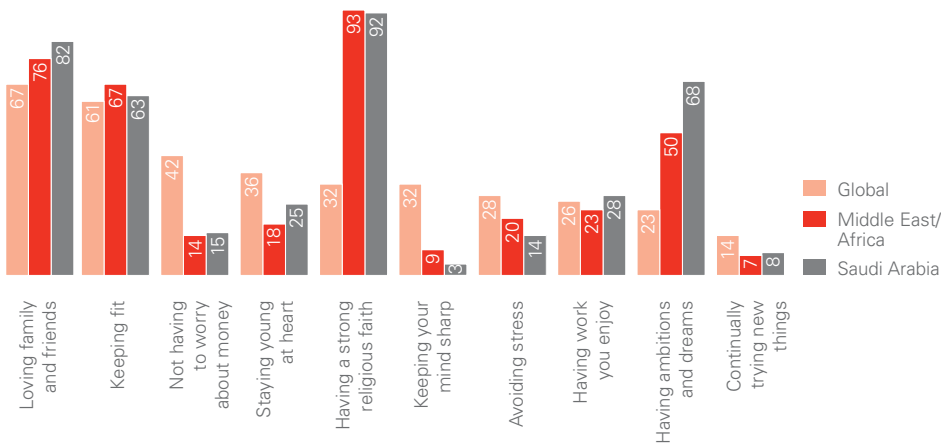
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

Asked what makes for a happy retirement, Saudis say that religious faith is even more important than family, friends and keeping fit (something that only Egyptians and Indonesians agree with). Over two-thirds – by far the largest proportion anywhere in the world – also mention ambitions and dreams.

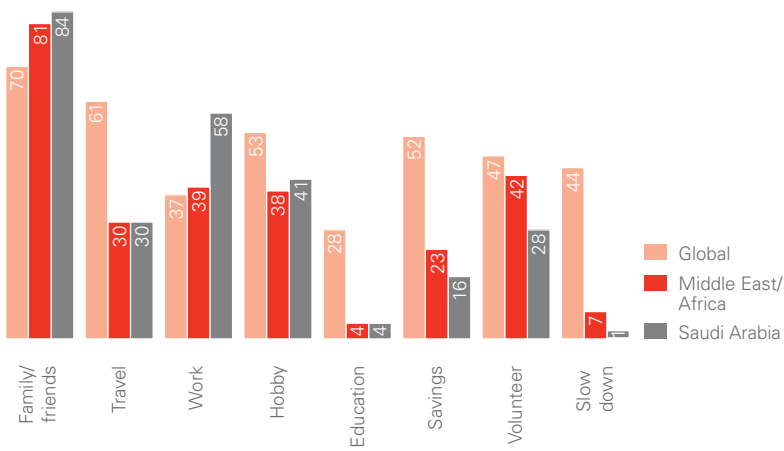
What individuals think is important to achieve a happy old age (in percent)



Source HSBC Future of Retirement Research 2006

As for what they'd like to spend their retirement doing, Saudis are even more likely than people elsewhere to want to be with their families and friends, and only 1% want to slow down. Getting involved in new kinds of work is much more popular in Saudi Arabia than anywhere else in the world.

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

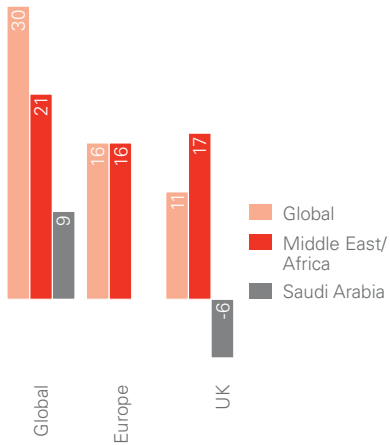


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

Saudi Arabia is unusual in that more people believe the government *will* provide for them in old age than believe it *should*.

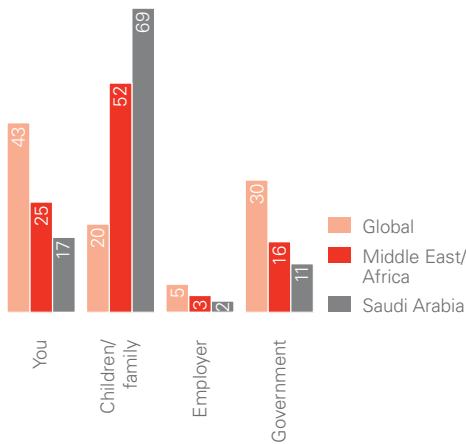
The gap between proportions of people thinking that governments should / will finance the ageing populations (in percent)



Source HSBC Future of Retirement Research 2006

However, most Saudis believe their families should bear most of the cost of their retirement, rather than relying on themselves, their government or their employer. India is the only other country in which more than half the respondents say that families should bear this cost.

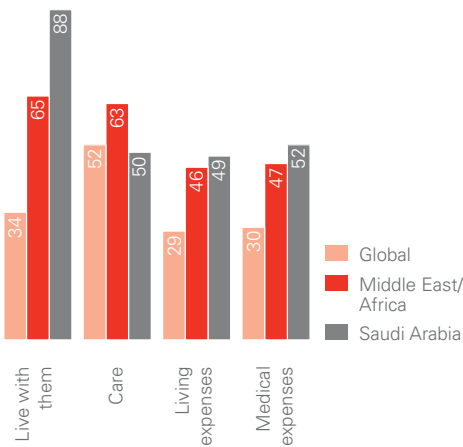
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

Many Saudis expect to live with their children in old age. Indeed, 88% of Saudis – the highest proportion anywhere – say that the ideal place to live when they are old is with their family. They are also more inclined than the global average to believe that their children will help them with living and medical expenses.

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



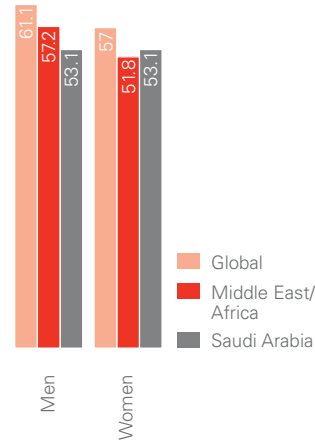
Source HSBC Future of Retirement Research 2006

Saudis are even more likely than the global average to favour compulsory savings as the government's primary means of supporting the ageing population. Very few would like to see taxes raised or pensions cut.

3. When should we retire?

Saudis believe that men and women should retire at exactly the same, relatively young age – 53.

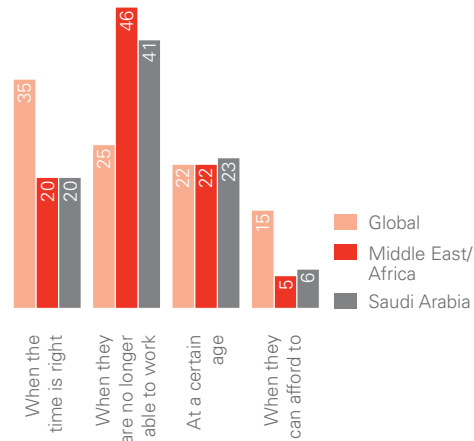
When should someone retire? (in percent)



Source HSBC Future of Retirement Research 2006

At the same time, they are much more likely than the global average to believe that people should retire when they are no longer able to do the job well, rather than at a particular age.

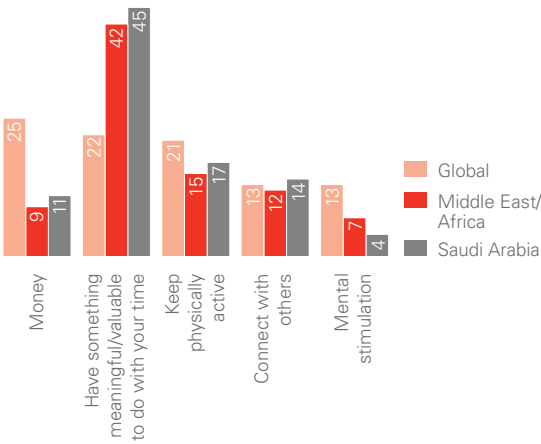
When individuals would choose to retire? (in percent)



Source HSBC Future of Retirement Research 2006

Asked why they might work beyond the normal retirement age, 45% of Saudis – much more than the global average – talk of having something meaningful to do. Only the Egyptians are almost as likely to mention this.

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

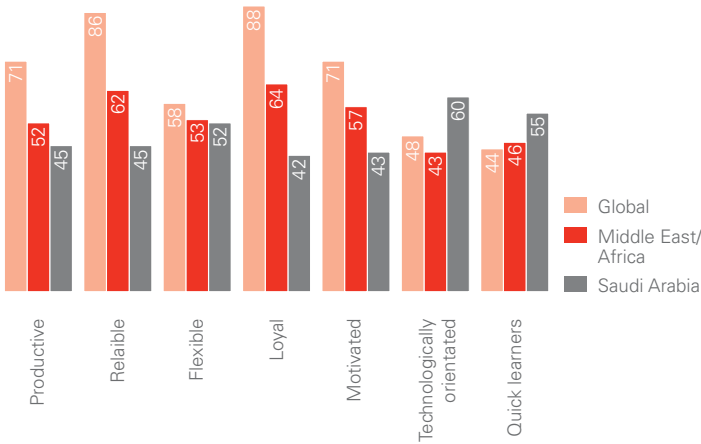


Source HSBC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

Saudi Arabian employers have an unusually negative perception of older workers, with only a minority saying that they are as productive, reliable, loyal and motivated as younger ones. Strangely, Saudi employers rate older workers most highly for their technological aptitude and speed of learning – the two areas in which employers elsewhere tend to mark older workers down.

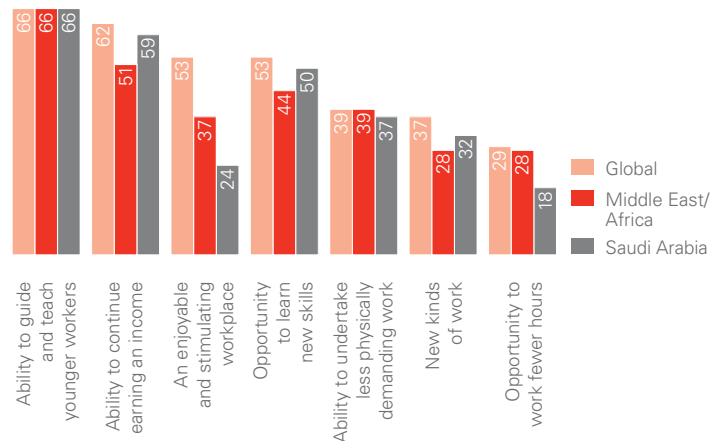
Proportion of employers who view older workers as same / more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

Saudi employers offer their older workers a range of opportunities, but these are unlikely to include fewer hours and very few claim to offer an enjoyable and stimulating workplace. Two-thirds say that they offer their older workers the chance to guide and teach younger ones – something that 75% of Saudi Arabian individuals (the highest proportion anywhere) say would make working in later life more attractive.

What opportunities employers currently offer older workers (in percent)

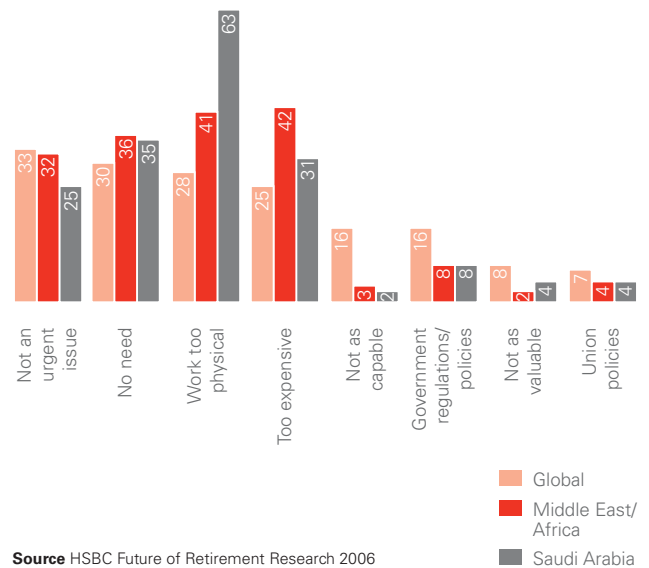


Source HSBC Future of Retirement Research 2006

Employers are also more inclined to see the loss of older workers positively, saying it makes room for younger workers. In this they are fairly typical of employers in transitional economies.

Asked why they don't do more to attract older workers, Saudi employers are likely to mention the physical nature of the work, perhaps because so many are in the oil industry. Few say that it is because older workers are not as capable or valuable.

Employers' reasons for not doing more to recruit older workers



Source HSBC Future of Retirement Research 2006

5. Do employers and employees think alike?

Exactly the same number of Saudi employers as individuals (68%) believe that people should be able to continue working for as long as they are capable of doing the job well. And 76% of employers say they do not have a mandatory retirement age.

Far more Saudi employers (37%) than individuals (11%) feel that the government *should* bear most of the financial cost of supporting people in retirement. And 36% of employers feel that governments *will* bear this cost, compared with 17% of individuals.

Throughout the world, the view that employers should bear the cost of retirement is far more widespread among employers themselves (17%) than among the general public (5%). In Saudi Arabia, this gap is even wider, at 26% versus 2%.