

# The Future of Retirement

*What the world wants*

## Media factsheet – UK

In the UK we talked to 987 individuals and 302 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

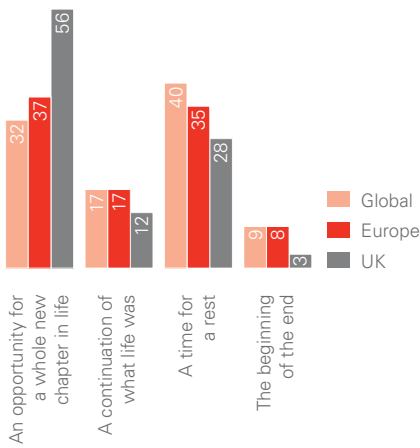
- People in the UK have an extremely positive view of retirement – markedly better than the average outlook for the rest of the world.
- They also tend to see it as an active time, being more likely than average to say it is an opportunity for a whole new chapter in life.
- People in the UK believe that individuals should pay for their own retirement – an attitude much closer to that of the USA than of Europe.
- Government-enforced additional private savings are the favoured means of paying for retirement, though a sizeable number of people would prefer to pay for it by increasing taxes.
- ‘Mental stimulation’ is more often given as a reason by individuals in the UK for continuing to work past retirement age than in the USA, the rest of Europe or globally.
- Employers in the UK have a more positive view of older workers than elsewhere, rating them markedly more highly on productivity, flexibility and speed of learning.
- Employers in the UK are far more likely than the global average to say that they offer a whole range of opportunities for older workers.
- The vast majority of UK employers agree with their employees that people should be able to go on working to any age as long as they can still do their jobs well.
- Nevertheless, UK employers are much more likely than their global and European counterparts to have a mandatory retirement age.

For the full global results, please go to [www.thefutureofretirement.com](http://www.thefutureofretirement.com)

## 1. What is retirement?

Compared with the global average, people in the UK are more likely to see retirement as an opportunity for a whole new chapter in life and less likely to see it as a time for rest and relaxation.

How individuals view retirement (in percent)



Source HSBC Future of Retirement Research 2006

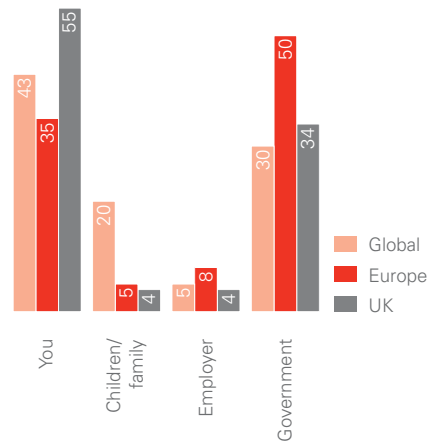
People in the UK are markedly more positive about retirement than those elsewhere – 82% see it as a time of happiness, 20% more than the global average.

As everywhere, family, friends and fitness are seen as the keys to a happy old age. However, the UK accords more than average importance to keeping the mind sharp – 47% say it is important, compared with 32% globally.

## 2. How will we pay for retirement?

People in the UK are more likely than average to believe that individuals should be responsible for meeting the cost of their retirement. In this they are closer to North America, where 61% believe individuals should be responsible, than to Europe.

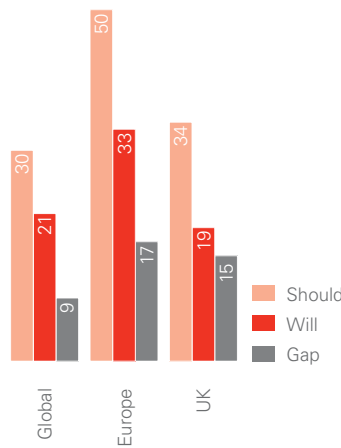
Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

Although fewer people in the UK than in Europe believe the government should be responsible for the cost of retirement, there is a wide confidence gap between those who think the government *should* pay for retirement and those who are confident that it *will*.

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



Source HSBC Future of Retirement Research 2006

Government-enforced additional private savings are the most popular option for paying for retirement, though by a smaller margin than the global or European averages. Increasing taxes has more support in the UK than it does globally.

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



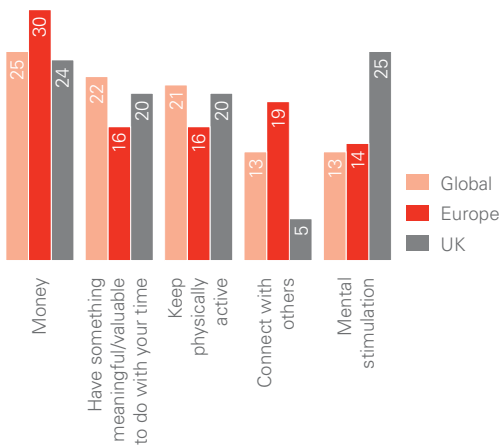
Source HSBC Future of Retirement Research 2006

### 3. When should we retire?

The ideal retirement age in the UK is older than in Europe and elsewhere in the world – and closer to the USA and Japan. On average, people in the UK think that men should retire at 63.8 and women at 62.2 – only a small gap. In Europe the ages are 60.4 and 57, while in the USA they are 65 and 63.6. All closely match employers’ reports of typical retirement ages.

‘Mental stimulation’ is more often given as a reason in the UK for continuing to work past retirement age than in the USA, the rest of Europe or globally. ‘Connecting with others’ was not a commonly given reason in the UK – another respect in which the UK is more like the USA (where 7% chose it) than Europe.

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

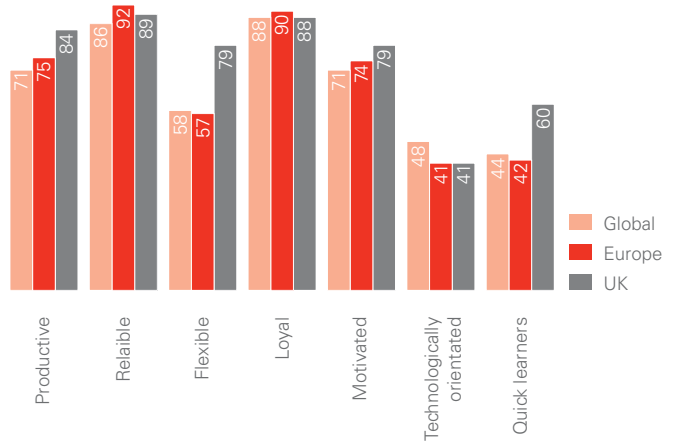


Source HSBC Future of Retirement Research 2006

### 4. How do older workers compare with younger ones?

Employers in the UK have a more positive view of older workers than elsewhere, rating them markedly more highly on productivity, flexibility and speed of learning.

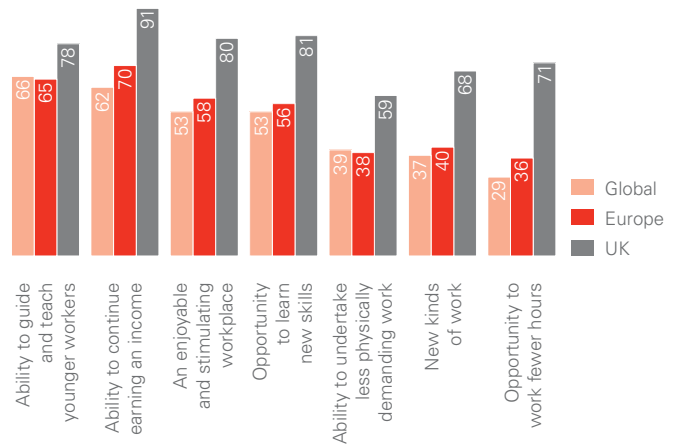
Proportion of employers who view older workers as more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

Employers in the UK are far more likely than the global average to say that they offer a whole range of opportunities for older workers.

What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

Almost all employers in the UK (82%) say that losing older workers means losing valuable skills, while globally close to half (41%) say that losing older workers makes room for younger ones.

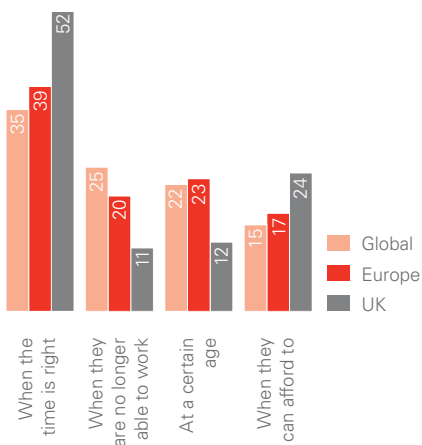
UK employers are twice as likely to say they are trying to recruit older workers, compared with the global average – 44% say they are trying to do so, compared with 23% globally.

However, UK employers are more likely than their global and European counterparts to have a mandatory retirement age. Only 40% say they do not have one, compared with 67% in Europe, 98% in the USA and 63% globally.

## 5. Do employers and employees think alike?

Despite their widespread use of mandatory retirement ages, 81% of UK employers agree with their employees that people should be able to go on working to any age as long as they can still do their jobs well.

When individuals would choose to retire?  
(in percent)



Source HSBC Future of Retirement Research 2006

UK employers are more likely than their employees to believe that the government should and will bear most of the cost of retirement – 43% of employers say the government *should* pay and 29% say it *will*, compared with 34% and 19%, respectively, of employees.

UK employers are five times as likely as employees to believe that they should bear most of the cost of supporting employees in retirement, and even more believe that they will end up doing so. Only 4% of employees think that their employers should bear the cost of supporting them in retirement, but 19% of employers think they should – and 28% think that they will end up doing so.