

# The Future of Retirement

The new old age

## USA

HSBC's third annual Future of Retirement survey of older people, work and retirement, reveals a 'new old age' in the USA and dispels the myth that old people are a burden to society. In the USA, older people contribute \$19.2 billion in income tax and \$18.9 billion in voluntary work. The USA epitomises the global story, in which we find a picture of health, control and quality of life during later life. Many older people in the USA are active, contributory adults, without whom our families, communities, and work places, could not flourish. In the USA, a total of 1009 people aged 40-79 years were interviewed.

### Older people make an enormous contribution to society as volunteers, workers and family members

#### Voluntary Work

Reflecting the global story, the voluntary contribution to communities ranges from nearly half (48%) of 40-49 year olds to just under two in five (38%) of the 50-79 year olds. In the USA, the average number of hours per week spent on voluntary work ranges from 4.7 hours for the 40-49 year olds to 4.1 hours for the 70-79 year olds.

#### Financial Support

Demonstrating that older people contribute more than they receive, just under four in ten (38%) of the 70-79 year olds and just under half (49%) of the 40-69 year olds have **provided** support to a relative or friend during the previous 6 months. However, the proportions of the HSBC age groups in the USA **receiving** financial support from a relative or friend are minimal, ranging from 11% of the oldest age group to just 4% of the youngest.

#### Practical Support

Just over one in four (27%) of the 70-79 year olds and half (49%) of the 40-49 year olds have **provided** support to a relative or friend during the previous 6 months. The proportions of older people in the USA **receiving** practical support from a relative or friend ranges from 12% of the 40-69 year olds, to one in five (19%) of the 70-79 years age group.

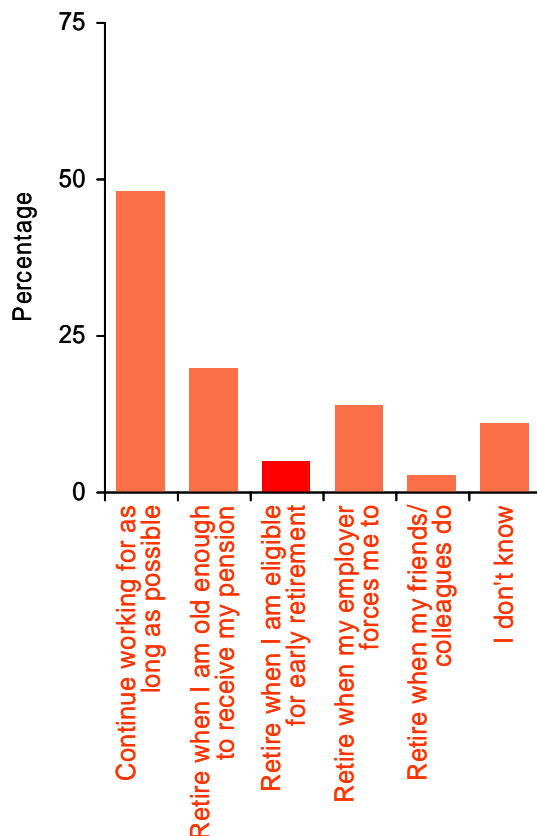
#### Personal care

In the USA, between 13% of the oldest and over one fifth (22%) of the 40-59 year olds have provided personal care, with only 3% of the age groups receiving this form of support.

#### Working past traditional retirement age

The USA demonstrates the global desire to remain in work. One fifth (19%) of the oldest age group have some form of paid work, this is true for nine in twenty (45%) of the 60-69 year olds, just under three quarters (74%) of the 50-59 year olds and just over six in seven (86%) of the youngest age group.

**Globally, early retirement is not an option many working people aged 40-59 expect to take**



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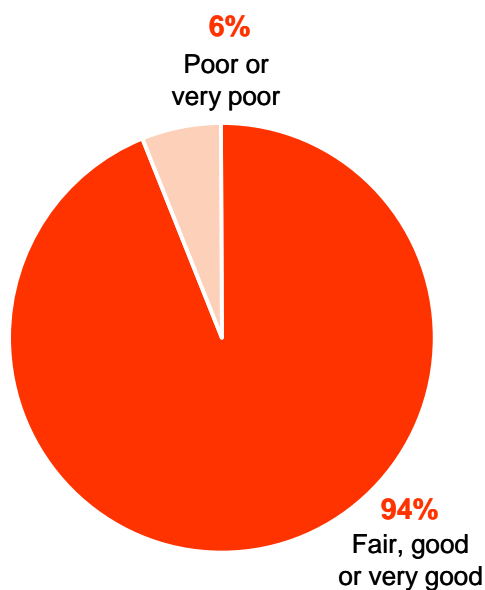
*The new old age*

**70 is the new 50 – older people are healthy, active and in control of their own lives to a much later age**

## **“In good health”**

Healthier than the global average, in the USA, nearly three quarters (72%) of 70-79 year olds and nine in ten (91%) of 40-49 year olds feel in good or very good health.

**Those aged 60-79 years old predominantly describe themselves as being in fair, good or very good health**



## **“Life is full of opportunities”**

The majority of all age groups in the USA feel that *life is full of opportunities*, with three quarters (75%) of 60-69 year olds feeling that this is often the case.

## **“I feel able to do the things I want to”**

The majority of all age groups in the USA often *feel able to do the things they want to do* with just approximately seven in ten of 40-49 and 70-79 year olds agreeing with the statement (71% and 72% respectively).

## **“Everything is too much effort”**

In the USA, nearly three quarters (73%) of the 40-59 year olds *feel almost none of the time or never that everything is too much effort* compared with seven in ten (70%) of the 70-79 year olds.

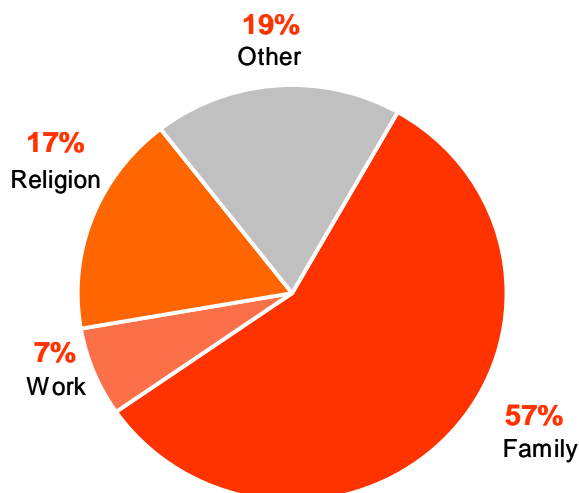
## **“Looking forward to the future”**

In the USA, just over three quarters (77%) of the 40-59 year olds are almost all of the time or most of the time *looking forward to the future* compared with just under four in five (79%) of the 60-69 year olds, and nearly three quarters (74%) of the 70-79 year olds.

## **Families define who we are**

In every age group when asked “when you think of who you are, you think mainly of...” the largest response was **my family**, for over half (57%) of each age group.

**When people are asked what they think in terms of who they are, a large majority say ‘my family’**



The family is important across the globe and this is no different in the USA. The percentage of individuals agreeing that it is the duty of a parent to do their best for their children ranges from 72% to 58% with increasing age, but moving down a generation, over three quarters (78%) of the 40-49 year olds and just under six in seven (86%) of the 60-79 year olds feel it is the duty of grandparents to be there for their grandchildren in times of difficulty.

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## The retirement experience exceeds expectations

**Missing feeling useful** is a fear before retirement, but this does not manifest itself to the same extent after retirement. At a similar level to the global average, just over one in three (35%) of pre-retirees expect to miss the feeling of being useful compared with just over one in four (28%) of post-retirees who actually do so.

**Globally the fear of not being able to cope financially** after retirement is felt by only a relatively small proportion of pre-retirees, and the same is true for post-retirees. However, older people in the states buck the trend with more post-retirees feeling the financial strain. Just under three in five (58%) pre, and just under seven in ten (67%) post-retirement are not worried about money.

**Workplace factors** that individuals state they will miss on retirement can be compared pre and post retirement. We can draw up an index of expectation versus experience. If the index is greater than 1, then experience is better than expectation. In the USA (index 1.2) experience is more positive than expectation in respect of missing aspects of the workplace and of work.