

# The Future of Retirement

## Time to Prepare

### WOMEN'S RETIREMENT FEARS EXPOSED IN ECONOMIC DOWNTURN, HSBC INSURANCE STUDY REVEALS

THE ECONOMIC DOWNTURN is exposing people's fears about their lack of preparedness for retirement, a global survey from HSBC Insurance reveals today (Wednesday 10 June).

The fifth Future of Retirement report, *It's Time to Prepare*, which questioned 15,000 people in 15 countries, shows just 15% of men and 11% of women feel very prepared for retirement.

Worryingly, more women say they have not taken any steps to prepare for retirement (16%) than feel prepared. Men fare slightly better at 12%. The majority of respondents are also ignorant about what their retirement income will be, with 88% of women and 84% of men not knowing.

The annual HSBC Insurance report – the largest study of its kind in the world – also reveals that almost half of respondents (43%) have not had any financial education, and that 48% of women and 47% of men have not sought professional advice.

This possibly contributes to the fact that when asked about their short term finances, more than half of respondents (55%) said they did not understand them. And this level falls even lower with long-term finances, with only 29% of men and 25% of women understanding them.

Women's greater concerns about their lack of preparedness and understanding about their likely pension income may also be reflected in how they make their financial and pension arrangements.

Almost twice as many men (27%) as women (15%) in relationships, have sole responsibility for their pension, *It's Time to Prepare* shows. At the same time almost three times as many women (8%) as men (3%) leave the management of long-term finances entirely to their partner.

The survey also reveals people's uncertainty over the duration of the economic downturn:

- 24% of respondents think the downturn will be over in the next nine months
- 40% feel the downturn will last one-to-two years
- 19% think the downturn will last two-to-three years

However, perhaps reflecting their financial arrangements, women anticipate that the consequences of the economic downturn will last longer than men do:

- 18% of women think the aftershocks will disappear within 12 months, compared to 22% of men
- 20% of women say the impact of the downturn will last for three years or more, compared to 14% of men

Another possible reason for women feeling more exposed in the face of the economic downturn is the immediacy of its impact on their spending:

- 40% of women have reduced spending on goods and services, compared to 36% of men
- 47% of women plan to reduce social spending, compared to 37% of men

Clive Bannister, Group Managing Director, HSBC Insurance, said: "The survey shows that low levels of preparedness and a lack of understanding of long-term finances mean people are feeling the stress of the economic downturn in their long-term thinking, as well as the day to day matters.

"The figures about the lack of financial education and advice show there is a real need for action to fill these gaps, particularly as taking personal responsibility for pensions becomes increasingly important."

- Ends -

## Notes to editors

### The Future of Retirement:

The Future of Retirement programme is a key initiative, establishing HSBC Insurance as a market leader in the increasingly important retirement market. Now in its fifth year, the programme has positioned HSBC Insurance at the forefront of retirement 'thought leadership'.

The report findings are crucial to HSBC meeting the needs of its 128 million customers worldwide. It enables HSBC to continue to produce innovative financial solutions, specific to the needs and aspirations of each gender and age group, in the many countries around the globe.

Countries surveyed for It's Time to Prepare include: Brazil, Canada, China, France, Hong Kong, India, Japan, Mexico, Saudi Arabia, Singapore, South Korea, Turkey, UAE, UK, and US

For further information visit [www.hsbc.com/retirement/future-of-retirement](http://www.hsbc.com/retirement/future-of-retirement)

### HSBC Insurance:

HSBC Insurance provides policies in over 50 countries and territories to its personal, commercial, corporate, institutional and private banking customers. The diverse needs of its customers worldwide are recognised by HSBC Insurance and it offers products and services to suit them including: life assurance, general insurance, commercial risk and retirement provision.

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### Cicero Consulting:

Cicero Consulting is a leading UK and Brussels based financial services consultancy specialising in thought leadership and market developments in retirement planning and pensions issues.

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