

The Future of Retirement

Time to Prepare

UK 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 a third (32%) of British men and 18% of women feel very prepared for retirement.

Interestingly, a similar number of women say they have not taken any steps to prepare for retirement (17%). However, men fare better at 8% (lower than the global average of 12%). The majority of UK respondents are also ignorant about what their retirement income will be, with 83% of women and 68% of men not knowing.

The HSBC Insurance report – the largest study of its kind in the world – also reveals that over half of UK respondents (56%) have not had any financial education. However, British people are more likely to have sought professional financial advice than their global counterparts. The study reveals that 38% of women (compared to 48% globally) and 36% of men (compared to 47% globally) have not sought professional advice.

When asked about their short term finances, 30% of male and 31% of female respondents in the UK said they did not understand them (lower than the global average of 55%). However, this level rises when considering long-term finances, with 43% of men (higher than the global average of 29%) and 33% of women (compared to 25% globally) understanding them.

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

Twice as many men (23%) as women (13%) in relationships, have sole responsibility for their pension, *It's Time to Prepare* shows. At the same time four times as many women (4%) as men (1%) 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:

- 13% of respondents think the downturn will be over in the next nine months (compared to 24% globally)
- 47% feel the downturn will last one-to-two years (compared to 40% globally)
- 26% think the downturn will last two-to-three years (compared to 19% globally)

However, women anticipate that the consequences of the economic downturn will last longer than men do:

- 10% of women think the aftershocks will disappear within 12 months, compared to 13% of men (lower than the global averages of 18% and 22% respectively)
- 28% of women say the impact of the downturn will last for three years or more, compared to 17% of men (higher than the global averages of 20% and 14% respectively)

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

- 49% of women have reduced spending on goods and services, compared to 37% of men (40% and 36% globally)
- 56% of women plan to reduce leisure spending, e.g. eating out, compared to 40% of men (compared to 47% and 37% globally)

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 in the UK are feeling the stress of the economic downturn in their long-term thinking, as well as in day-to-day matters, especially among women.

"The figures on 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

HSBC Insurance:

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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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