

The future of retirement in a world of rising life expectancies



Attitudes towards ageing and retirement-
a study across 10 countries and territories

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Introduction

by Sir John Bond, Chairman, HSBC

Few of the challenges facing the people of the world are as much discussed and as important as that posed by the ageing of the generation born in the aftermath of the Second World War.

According to the United Nations, the proportion of the global population that is aged over 60 will increase to one in five by 2050, from just one in 12 in 1950. This stark, yet very welcome, statistic barely hints at the powerful and complex currents of demographic change currently sweeping the globe.

However, for well over a decade the debate about how best to advise these changes has concentrated almost solely upon funding. Actuaries have struggled with the impact of surging life expectancy on the pension funds they advise and governments have grappled with legislation born of a different time.

Yet little has been said about what we, as individuals, want from later life.

HSBC has 110 million customers in 77 countries and territories. We are the world's most international bank. Few, if any, companies are as connected to, or as affected by, the peoples of the world. HSBC has prospered for 140 years by understanding the ambitions of its customers and the pressures changing the markets it operates in.

By 2004, it had become obvious to us that the debate about funding pensions and healthcare provision, while vital, had overshadowed an appreciation of what people around the world are actually doing with longer, and often healthier, lives.

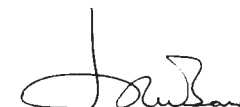
Together with Dr Ken Dychtwald's Age Wave consultancy and market research company Harris Interactive, HSBC recognised that not enough was known about individual desires for later life. About, in other words, what people actually want and how they are planning their lives. To that end, we commissioned the world's most comprehensive study of global attitudes to ageing and retirement.

The Future of Retirement research, of which this report is a précis, examined attitudes towards ageing and retirement planning in 10 societies that together contain half of the world's population. It is the first study to investigate people's hopes, dreams, priorities, aspirations and fears. It is also the first to study the various ways in which people of different generations throughout the world prepare for their later years, and the first to reveal emerging models of personal growth, new careers and changing family relationships.

The report answers some important questions:

- Will traditional retirement patterns persist, or will they be replaced by new models?
- How do different cultures perceive older people, and how positive are they about ageing and retirement?
- What roles do people expect governments, employers and individuals to play in planning and funding retirement?
- How is the role of the family changing, and will older people be able to rely on family support?

The answers to these questions are provocative and potent. They provide new insights that should inform the decisions that governments, financial services providers and individuals take, and the social structures that develop.

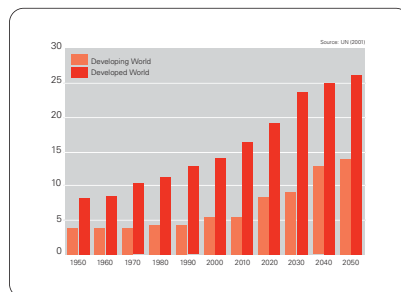


Sir John Bond

Why are ageing populations an issue now?

In the last hundred years, life expectancy has grown dramatically, thanks to improved sanitation, vaccines and healthcare advances that have been increasingly successful in fighting diseases. In North America and Europe, life expectancy in 1900 was just 47. In 2000, it was over 77. It is still increasing by 2.5 years every decade and by 2050 it will reach 90. The trend is similar all over the world: according to the United States Census Bureau, life expectancy at birth in India is now 64; in Mexico, 75; and in China, 72. The global average is now 63.

Population aged 65+ (%)



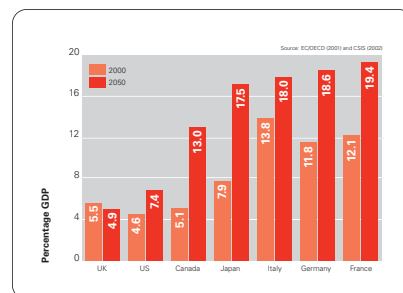
This revolution in longevity was made more potent by the massive boom in birth rates in the middle of the 20th century, and the rise of the 'baby boom' generation. This generation is unlike any other, and has altered every stage of life as it has passed through it: from the invention of the teenager to the cliché of the mid-life crisis. On population graphs for countries and territories all around the world, the vast cohort born between 1946 and 1963 looks like a great wave. As it has swept through the world, this 'age wave' has transformed societies, markets and products, leaving in its wake entirely new expectations of how life should be structured and organised.

The people in this age wave are now reaching their later years, and the world is about to confront a surge in the number of older people. According to figures from the United Nations (UN), older people made up 8 per cent of the world's population in 1950. This figure is now 10 per cent and it is projected to reach 21 per cent by the middle of the century. By 2050, the world is expected to have 2 billion older people.

Meanwhile, fertility rates sharply declined in many countries and territories after the baby boom generation - and they have not recovered. According to the UN, in the years between 2000 and 2005, 66 countries and territories had fertility rates at or below the level required to maintain their populations. These countries and territories account for 2.7 billion people, or 43 per cent of the world's population.

Because of these changes, the number of working adults for each person over 65 will halve over the next 50 years - from 4.5 to 2.2. This will mean that spending on public pensions may reach almost 20 per cent of gross domestic product (GDP) in many countries and territories, with retirement, for some people, lasting 40 years or more. In Canada, for example, 5.1 per cent of GDP was spent on public pensions in the year 2000. But by 2050 this will have more than doubled, to 13 per cent.

Spending on Public Pensions, as a percentage of GDP (%)



These dramatic changes have big implications for workforces, social structures and the solvency of state pension schemes. But they also create an opportunity for societies to form a new and positive vision of retirement and old age - a vision of reinvention rather than retreat and inactivity.

Executive summary

HSBC commissioned The Future of Retirement research from Age Wave and Harris Interactive. Age Wave, directed by Ken Dychtwald PhD, is one of America's leading analysts of the new maturing market, and the market research firm Harris Interactive combines strategic consulting with investigation, analysis and application.

Interviews were conducted with representative samples of adults, face to face or by telephone, in September and October 2004. The research involved 11,453 adults aged 18 and over in 10 countries and territories across four continents. In the UK, the USA, France, Brazil, Mexico, Hong Kong and Canada, sample sizes were approximately 1,000. In Japan, India and China, sample sizes were greater than 1,400 - ensuring that our results are statistically significant for these larger or more diverse populations.

HSBC's research has discovered that:

• There is a new vision of later life

Later life is increasingly seen as a time of opportunity and reinvention, rather than of rest and relaxation. All over the world, more people want their retirements to include periods of work, education and leisure. Traditional definitions of old age are considered outdated and are being redefined.

• Worldwide, attitudes to ageing and to older people vary dramatically

While ageism is common in large parts of the world, many people have very positive attitudes to older people and to their own later years.

• There is a global rejection of a mandatory retirement age

Throughout the world, people believe that employees should be able to go on working to any age - so long as they are still capable of doing their jobs well. They consider that age-based restrictions hinder the active life that they want to lead in their later years.

• Countries and territories, organisations and individuals could do more to prepare

Countries and territories vary greatly in how prepared they are for demographic changes, and everyone - employers, governments, financial service providers and individuals - could do more to adapt.

• The role of the family is changing

Future generations of older people may not receive the care and financial support they expect from their families. In many countries and territories, people consider it increasingly important to be self-reliant in later life.

"Retirement has changed in the course of the last generation and shows every sign of changing more dramatically - even radically - in the years to come."
William Novelli, CEO
American Association of Retired Persons

Results and analysis

There is a new vision of later life

The idea of old age has itself grown old. In the past, people thought of the onset of old age as being marked by an event - such as a 65th birthday, retiring or collecting a pension. People now see old age as beginning with the decline of personal abilities, such as memory, eyesight and energy. This is a much more personal and individualistic definition, and means that people become 'old' at different ages: a 60-year-old may be 'old' while an 85-year-old remains youthful.

As a result, people increasingly see retirement and later life as a time of reinvention and an "opportunity for a whole new chapter in life". In America, 64 per cent of people believe this to be so, and only 22 per cent of respondents in Canada see retirement predominantly as a time for rest and relaxation.

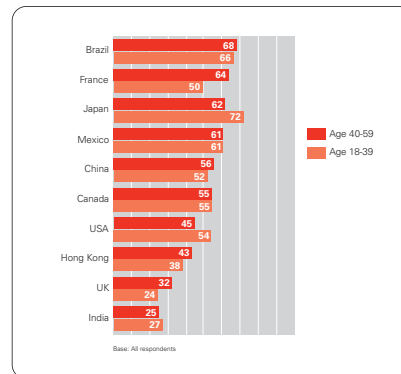
It is likely that this change of attitude towards age and retirement has been made possible by increasing affluence and improved healthcare, but culture seems to play a part too. In China, life expectancy at birth is now 72, just seven years less than France, which has among the world's highest life expectancies. But the Chinese believe old age typically begins at 50 - while the French say 71. China's wealth and standard of living have improved dramatically in the past 50 years, and especially in the past 20 years. It may be that attitudes in China have not had time to adapt to changing circumstances.

What most societies have in common is that people tend to retire - and plan to retire - before the age at which they say old age typically begins. Increasingly, people have a second life after they retire from their main job, but before they believe themselves to be old. Different countries and territories have different preferences about what they do in this second life: paradoxically, people in more affluent societies want to carry on working in retirement, even though they may have less financial need to. Meanwhile, those in less affluent countries are more likely to want to give up work when they retire. China, the world's fastest-growing large economy, is split along generational lines, with younger people - who have grown up with greater affluence - planning to continue working in later life, and older people wanting to rest and relax.

As a result of this new idea of a second life, people are beginning to plan and manage their lives in different ways. In the 1950s, the USA pioneered the idea of leisured retirement - the 'golden years' in which one pottered about quietly and played golf. Yet, after one generation have spent retirement in this way, Americans are now rejecting this model, opting instead for a second life that incorporates periods of work as well as leisure. They want to remain engaged with the world, with family, friends and wider society, and they find work is a great socialising force, bringing them into contact with a variety of people.

In this they are following what seems to be an emerging global trend, which is equally to be found in countries that never followed the 'golden years' model. For most people in most countries, the desire is for a balanced lifestyle that includes periods of work, leisure and education - or a blend of all three at once, with the proportions altering to take account of the interests and demands of the moment. This new model of retirement was considered the best approach in seven of the 10 countries and territories HSBC researched, with younger people being particularly likely to aspire to it.

Percentage who think that going back and forth between periods of work and periods of leisure is the ideal plan



The median age of the world will rise from 26 years today to 37 years in 2050 (source: United Nations, 2004)

Whatever their plans, people want the freedom to choose the lifestyle they will pursue in their second life - as we shall see in the section on age-based constraints on page 9. All over the world, people seem to expect very little help in achieving their chosen lifestyle, and increasingly they feel themselves responsible for achieving it. And yet, throughout the world, this freedom to choose one's own lifestyle in later life is not

supported by governments and employers. Often, policies and strategies do not yet accommodate the emerging model, and in many of the countries and territories HSBC researched various laws and company policies require employees to retire at a particular age. Opinion is moving against this state of affairs, but for the moment it still persists.

How different countries and territories view old age and retirement

Brazil - relaxation, family, religion and support from children

Brazilians view later life as a time for slowing down, relaxing, and spending time with their families, relatives, and friends, and they expect significant support from their children. Religion and health are seen as important, and few are worried about having enough money in later life despite doing very little planning or preparation.

Canada - opportunity, preparation, friends and work

Canadians view their later years as a time of reinvention, ambition, and close relationships with friends and family. They see retirement as a new chapter of life, a time for personal challenges (including work and careers) and taking risks. Canadians believe in preparation: they talk to professionals and friends about retirement, and frequently review savings and investments.

China - generational split, but the family is central

In China, younger generations view retirement as an opportunity for a new life but continued careers, while older generations want to stop working and relax. However, all Chinese people view the family as an important source of happiness and support in later life. Although the Chinese read avidly about financial preparations for later life, they are less likely to take professional advice. For them, old age begins at 50.

France - worries, dreams, good health but little preparation

The French view these years as a time of dreams and aspirations, but also as a time of worry - they are concerned about being a burden to their families. They believe it is important to stay young at heart, keep your mind sharp and look after your health, but they do almost nothing to prepare for retirement, despite feeling that the government will fall short in providing benefits.

Hong Kong - well-earned enjoyment of wealth, health and family

Respondents from Hong Kong view later life as a time for rest, relaxation, and the enjoyment of accumulated wealth, which is seen as the cornerstone of well-being. They look forward to retiring early, and see the family as an important source of happiness, support and money in later life - although they also take personal responsibility and actively prepare. Health and fitness are considered vital.

India - family support, no worries and little preparation

Indians view later life as a time to live with and be cared for by their families. For them, old age begins when your children get married or have babies, and they expect their children to support them financially in their retirement. For this reason, they have few worries about later life. They do little to plan or prepare for retirement, but they have a strong emphasis on fitness and health.

Japan - work, positive views, responsibility but little preparation

The Japanese look forward to their later years as a time of good health, family considerations and continued fulfilment from work. They have very few concerns about their own later life, despite their mixed view of older people. The vast majority would like to work in later life and oppose the current mandatory retirement age. Although they believe in paying for their own retirement, few are preparing for it.

Mexico - work, financial stability and personal responsibility

Almost everyone in Mexico plans to work in later life, which is seen as a time of hard-earned financial stability. Mexicans take personal responsibility for planning for retirement, but have little access to professional advice. They do not look forward to old age, which most believe begins in one's 50s, and they do not have the most positive attitudes towards older people.

UK - self-reliance, flexibility and part-time work

The British view later life as a time of self-sufficiency, independence, and personal responsibility, counting on neither government nor family to care for them. They strongly oppose mandatory retirement, and often plan to continue working in a stable, comfortable part-time job that offers the flexibility and independence they desire.

USA - religion, private pensions and positive attitudes

Americans view their later years as a time for opportunity, new careers, and spiritual fulfilment, but are less focused on family or health than other countries and territories. They have a very positive view of later life - both their own and others' - and believe in preparing for it by contributing to private pension plans and seeking out advice from a variety of sources. Americans are most opposed to age-based restrictions on working.



At 174 years old, Harriet, a Galapagos tortoise, is the world's oldest living resident and was a pet of Charles Darwin

"A silent revolution has occurred in the last 100 years - unseen, unheard, and yet so close. The biggest achievement of the century is longevity." Help Age India

Neanderthal circa 230,000-27,000 BC - life expectancy 20 years

Worldwide, attitudes to ageing and to older people vary dramatically

The research shows that people in more affluent countries and territories tend to have a more positive view of later life. Canadians have a particularly optimistic attitude to old age, considering it an opportunity and a time for challenge. They also tend to have made plans for retirement, unlike those with more negative attitudes.

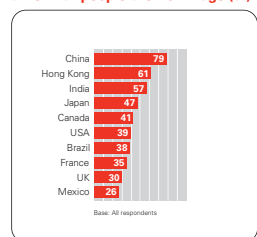
People everywhere who hold this positive view of retirement have a more positive attitude to old age, in general, compared with those who see retirement as a period of rest and relaxation. They expect to live longer and they believe that continually trying new things and having ambitions and dreams are important for a happy old age. They even see retirement as a time for challenges and taking risks. These people are forging new ideas about retirement, and gradually eroding more traditional views.

In contrast, those who primarily want to rest and relax in retirement - in whichever country or territory they live - are more reluctant to spend time with people from other age groups. These people are also more likely to think that retiring or reaching a specific age marks the beginning of old age, and to believe that their children should take care of them.

HSBC's research also sought to discover the current perceptions about older people by asking people whether they agreed or disagreed with a selection of positive and negative sentiments that others hold about people over the age of 65. These sentiments were:

- "They are a burden to society"
- "They get too much for free"
- "They have little purpose in life"
- "They spend too much time living in the past"
- "They have too much time on their hands"
- "They deserve respect"
- "They are interesting to be around"
- "They should have the freedom to work for as long as they want"
- "They are full of wisdom"
- "They have freedom to do whatever they please"

Percentage who would rather spend time with people their own age (%)



The responses to these sentiments show that only a minority of people in many of the countries and territories we researched hold ageist attitudes, and that the views of big majorities in nearly all are positive towards older people. For example, a majority in all countries and territories except Japan believe that older people are "full of wisdom"; big majorities, again with the exception of Japan, believe that older people "deserve respect"; and only a small percentage of respondents in all countries and territories believe that older people are "a burden to society".

The USA has the most positive views of older people of all the countries and territories HSBC researched.

Larger numbers of people in Asia than elsewhere hold negative views of older people. In Hong Kong, 15 per cent think that older people are "a burden to society", compared with only 4 per cent of Americans who hold this view. And 33 per cent of respondents from Hong Kong say that older people "have very little purpose in life", compared with 7 per cent of Brazilians who believe this. But it is wrong to suggest that attitudes in Asia are uniformly more negative than those elsewhere. For example, a slightly higher proportion of people in Hong Kong than in the USA, UK and France believe that older people "deserve respect". And although just 7 per cent of Japanese people think that the elderly are "interesting to be around", only 12 per cent - the lowest of all the countries and territories researched - believe that older people "spend too much time living in the past". Also, the Japanese are less likely than the French to believe that the elderly are "a burden to society", and less likely than Brazilians to believe that they "get too much for free".

The results from China show some interesting contrasts too. There, 71 per cent of people believe that older people have "too much time on their hands"; 62 per cent believe the elderly to spend "too much time living in the past"; and 38 per cent believe that they "get too much for free". In each of these cases, the Chinese have significantly more negative attitudes towards older people than respondents elsewhere. Yet, 60 per cent of Chinese respondents (almost the same proportion as in France) believe that older people are "full of wisdom", and 82 per cent (almost the same as in the UK) believe that they are "interesting to be around". The Chinese are also less likely than the French to believe that older people "have little purpose in life".

"Stereotypes about timid and unadventurous older people simply do not apply any more."

Gordon Lishman,
Director-General of Age Concern

People worldwide reject age-based restrictions on working

Our research reveals a resounding global rejection of age-based restrictions on working, with people throughout the world being opposed to a mandatory retirement age and any government or corporate rules preventing older people from working in retirement. Indeed, four out of five respondents said that people should be able to go on working to any age so long as they are still capable of doing their jobs well, and that employers shouldn't fix a retirement age. A majority of people in each of the countries and territories say they would work in retirement, ranging from 55 per cent in Hong Kong to 95 per cent in Mexico.

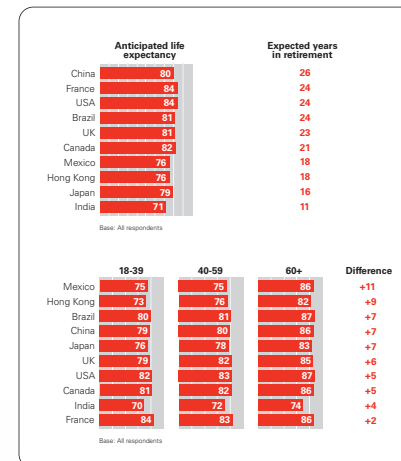
In many countries and territories - India in particular - people need to continue to work in later life simply to survive. Here, opposition to companies forcing workers to retire at a specific age has little to do with discontent with a model of retirement, because most people do not retire. In these places, many still work in subsistence farming, and few have the kind of employers who force retirement, so answers to this question may not reflect a likely prospect with which they are unhappy - as it might in France, say.

The global population is expected to reach 7 billion by 2012, 8 billion by 2028 and 9 billion just after 2050 (source: United Nations, 2004)

This may put into context some regional differences of opinion. In the US and the UK over 90 per cent of respondents believe that employees should be able to go on working as long as they like, whereas in India and China just over 60 per cent of people hold this view. However, in these countries and territories people may be linking the idea of forced retirement with the luxury of being able to afford to retire, and thus support it. The same is unlikely to be true of France, where 23 per cent of people think that employers should be able to force employees to retire at a particular age.

Economic factors in each of the countries and territories may have informed this attitude. Japan recently increased the pension eligibility age to 65, despite the fact that the mandatory retirement age in Japanese companies is typically 60. Many younger Japanese are sceptical about the benefits of existing pension schemes. In Brazil, that same scepticism is even more widespread.

Anticipated life expectancy and expected years in retirement (in years)



The youngest doctor is Bala Murali Ambati, a New York-based Indian-American. He graduated from Mt. Sinai Medical School, two months before his 18th birthday. Guinness Book of World Records

700 BC construction on the Great Wall of China begins



Neolithic circa 10,000 - 8,000 BC - life expectancy 20 years

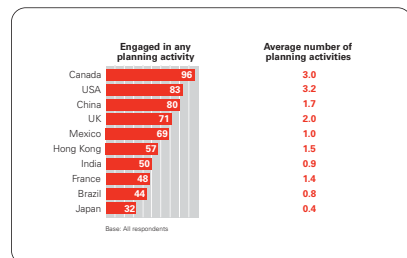
Circa 2000 BC beginnings of modern day Hinduism

These economic factors may also account for the global agreement that if changes are needed to support the pressures of an ageing population, governments should increase the retirement age first, before raising taxes or reducing pensions.

Only a quarter of those questioned think raising taxes is the first thing a government should do to support and finance the ageing population. Only in Brazil do most people believe that reducing pensions would be the best course of action - possibly because those in Brazil who have pensions tend to be retired government workers who live in the cities, and are not representative of the population as a whole.

The support for raising the retirement age suggests a worldwide awareness of the issues arising from ageing populations, and a concern that governments should address them.

Percentage who have prepared for retirement in any way in the last 12 months (%)



The Great Pyramid of Giza was completed in 2570 BC

Countries and territories, organisations and individuals could do more to prepare

Our research shows that early retirement is now the expected norm everywhere. In all the countries and territories researched, people plan to retire in their early sixties, or even in their fifties. They plan to retire from full time work before they are eligible for government benefits, and many will do so long before they consider themselves old.

This means that the average length of retirement is increasing. In 1900, the average length of retirement, throughout the world, was just over a year. By 1980 it had risen to 13 years, and by 1990 to 19 years. In the future, it is anticipated that retirement will span two decades or more, with the Chinese expecting it to last, on average, more than a quarter of a century.

Financial preparedness is seen as extremely important for a fulfilling retirement. When asked which factors are important for a happy old age, "not having to worry about money" ranks in the top three in seven of the 10 countries and territories we researched.

Yet personal retirement planning and preparation varies considerably around the world, with the Japanese the least prepared, and those in North America the most prepared. Two-thirds of Japanese pre-retirees and around half of Brazilian, Indian and (perhaps surprisingly) French pre-retirees say they have carried out virtually no retirement planning in the past year. In Japan, only 7 per cent of respondents have calculated their retirement needs and potential income sources, whereas 46 per cent of Canadians have done so.

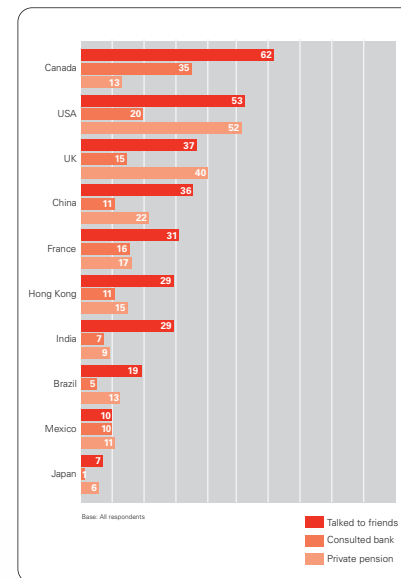
As for pension planning, the Americans and British are twice as likely as those of any other country or territory to be contributing to private pension plans, with about half the adult population doing so. In Japan, only 6 per cent of people contribute to such plans.

And preparation, where it does exist, is largely unsophisticated. Banks, for example, are not considered to be a valued resource for long-term financial preparation. In fact people are two to three times more likely to talk to friends and read newspapers or magazines when planning for retirement as they are to seek professional advice.

Canada is unusual in that over a third of people have consulted a financial adviser, whereas India is more typical with 5 per cent. However, given that in the developing world many people still live subsistence lifestyles, and given the relative cost of consulting a financial adviser, it is surprising that many people in these countries and territories have done as much preparation as they have. And it is surprising that people in more affluent countries and territories are not more prepared than they are.

Preparation is most effective when it is done early, yet most young people do not prepare adequately for old age. Most also underestimate how long they are likely to live for and what their financial needs will be in retirement. Many think they will live no longer than the older people who are alive now, which most experts think is highly unlikely.

Percentage who have consulted friends, talked to a bank or contributed to a private pension to prepare for retirement in the last 12 months (%)



The Methuselah bristlecone pine is reputed to be the world's oldest living tree, aged around 4,700 years old (White Mountains, USA)

"Over half of the world's older people will live in Asia by 2025; with such demographic changes, along with changing societal values and family structures, this will have profound effects on all segments of our societies, especially in terms of social and economic development."
Sau Po Centre on Ageing,
Hong Kong

Classical Rome
31 BC-610 AD -life expectancy 28 years

570 AD the Prophet Muhammad is born

Medieval England circa 5th century-16th century -life expectancy 33 years

1533 AD end of the Inca Empire

The role of the family is changing

Throughout the developing world the role of the family is changing as more people move from rural to urban areas. As The Economist points out ("The Weakest Link", 6 February, 2003): "Smaller households and more working women mean that the traditional, extended Asian family, where the old move in with their children and expect to be cared for, is on its way out. And as long ago as 1996, China's People's Congress passed a law requiring children to support their elderly parents - a law that hadn't been considered necessary before".

HSBC's research reflects these developments, but reveals a difference of opinion among the generations. While half of older respondents from Hong Kong and Mexico expect their families to support them in retirement, less than a third of younger respondents have similar expectations. In Japan, 57 per cent of older people expect caregiving support from their families if they become ill in old age, but only 40 per cent of younger Japanese expect the same.

This may suggest that young people are growing uncomfortable with the idea of supporting an ageing population. Indeed their attitudes to old age and retirement in general are different from those of the older people. They are much more likely than older people to believe that old age begins at a particular, and lower, age: in many countries and territories their perception of the age at which old age begins is 10 to 15 years lower than the age selected by people over 60.

"The secret of staying young is to live honestly, eat slowly, and lie about your age."

Lucille Ball

Yet our research also shows that people of all generations are beginning to recognise that their later years will be very different from the sort of lives that older people used to have. In the West, people say they expect little support from their families in old age. Only 9 per cent of British people, for example, expect their families to pay most of the costs of their retirement, compared with around two-thirds of Indians who hold this view.

In countries and territories where state pension support has historically been strong and has been considered a social right - such as in Brazil, France, and China - there is still a strong belief that the government should bear most retirement costs.

However, even in these countries and territories there is a growing belief that governments will fall short in meeting their obligations. Individuals in

Brazil, France and the UK believe that their governments will shoulder less of the costs of retirement than they should, and fear that their children will have to provide them with more support than they should.

And half of all those questioned in our research think that they should bear the cost of their own retirement. A clear majority of USA, British, and Canadian respondents have this view - especially those whose attitude to retirement is that it opens up a new chapter in life. This statistic, perhaps more than any other, suggests that people are preparing themselves for the changes that the world faces, and readying themselves for the opportunities that these changes present.

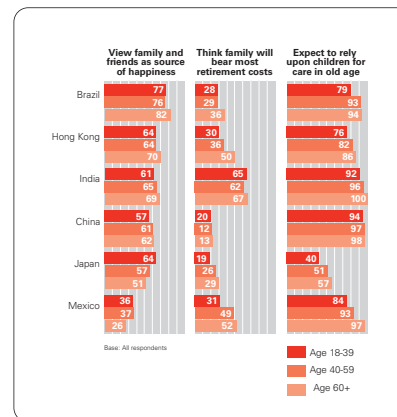


The oldest living woman is Hendrikje van Antel-Schipper from the Netherlands, who is 114 years old, and the oldest living man is Emiliano Mercado Del Toro from Puerto Rico, who is 113 years old

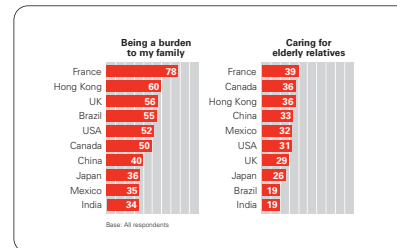
End of 18th century - life expectancy 37 years

1867 AD end of the Japanese Samurai

Support expected in later years (%)



Percentage who view being a burden to their family or caring for elderly relatives as a serious concern as they get older (%)



1653 AD the Taj Mahal is completed

The youngest multi-billionaire is Athina Onassis Roussel, granddaughter of shipping magnate Aristotle Onassis. Guinness Book of World Records

Early 20th century - life expectancy 50 years

Moving the debate on

The findings of this report reveal the aspirations that people have for retirement, and also the size of the challenges facing societies throughout the world.

Many people around the world are already taking the steps necessary to meet these challenges. In Canada, appropriate tax structures and positive attitudes towards retirement and ageing have meant that 96 per cent of people take actions to prepare for later life. In Britain, people aspire to be self-sufficient in later life and many contribute to private pensions. There are positive signs in many other countries and territories too, which show that attitudes are moving in the right direction as the world gets to grips with the new opportunities that longevity provides.

But how do we support and encourage these attitudes, how do we make them more prevalent the world over, and how do we ensure that everybody's aspirations - not just those of the prosperous few - are fulfilled?

"4 hours of brisk walking per week prolongs life by 4 to 5 years."

The Copenhagen City Heart Study

HSBC believes that four sets of actions are required:

- 1. Financial services providers can develop new products and services and give targeted advice to help people achieve the retirement lifestyles to which they aspire.
- 2. Governments can change laws concerning pensions and retirement to encourage lifestyles that blend education, leisure and work in retirement. They can also work with other organisations, including pensions providers, to offer guidance.
- 3. Employers can forge new ways of working that fit the blended-retirement model, and abolish age restrictions on their workforces.
- 4. Individuals, particularly in developed countries and territories, can do more to make their retirements comfortable and fulfilling by saving more and saving earlier. A change in attitude can help their societies cope with the rising cost of pensions and care.

If individuals, organisations and governments take these steps, the world can adapt to and prepare for the considerable demographic changes that are taking place and ensure that new generations of older people achieve the lifestyles to which the research shows they aspire.

Research summary

- There is a new vision of later life as a time of opportunity and reinvention, rather than of rest and relaxation
- Worldwide, attitudes to ageing and to older people vary dramatically, with many people having very positive attitudes to older people and to their own later years
- There is a global rejection of a mandatory retirement age and any government or corporate rules preventing older people from working in retirement if they are capable of doing so
- Countries and territories vary greatly in how prepared they are for demographic changes, with developed and developing nations facing very different challenges
- The role of the family is changing, with traditional structures being broken down

Research methodology

HSBC commissioned this research from Age Wave and Harris Interactive. Age Wave is America's leading analyst of the new maturing market, and Harris Interactive is a market research firm that combines strategic consulting with investigation, analysis and application.

Interviews were conducted with representative samples of adults, face to face or by telephone, in September and October 2004. The research involved 11,453 adults aged 18 and over in 10 countries and territories across four continents, representing 50 per cent of the global population.

Canada	1,001	USA	1,054
Mexico	1,010	Brazil	1,032
UK	966	France	948
India	1,500	China	1,512
Hong Kong	1,000	Japan	1,430

Bibliography

In addition to new research commissioned by HSBC, this report also makes use of the following sources of information:

- World Demographic Trends - a report published in December 2004 by the Economic and Social Council of the United Nations
- The Economist (Issue: 6 February, 2003)
- United States Census Bureau, 2000
- United Nations 2001
- The Conference Board, 1999
- United States Census Bureau, 1999
- Webster's New Twentieth Century Dictionary
- IMF (1996)
- EC/OECD (2001) and CSIS (2002)
- Source for timeline www.wikipedia.org

In youth we learn, in old age we understand.

Mexican proverb

Circa 1940 - life expectancy 65 years

Current life expectancy 77-79 years

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