

12 February, 2016

## **HSBC REVEALS THE REASONS BEHIND DESIRE TO RETIRE**

### *A generation of pre-retirees keen to retire soon, if only they could*

The Future of Retirement *Healthy new beginnings* reveals that 65% of pre-retirees aged 45 and over would like to retire within the next five years if circumstances allowed, but 38% of these say they are unable to do so.

Financial pressures are so great that 18% of pre-retirees worldwide predict that they will never be able to retire fully. This is almost twice the proportion that said the same in 2015, when 10% of pre-retirees expected never to be able to afford to fully retire.

HSBC's report also reveals that 55% of working age people over 45 who would like to retire in the next five years want to do so to have the freedom to travel or pursue other interests, and 44% say they would like to spend more time with family. Nearly one in three (29%) say they would like to retire because they are tired of the everyday routine of work and 23% say it is because their work is having a negative impact on their mental and/or physical health.

Of those 45+ pre-retirees who would like to retire but are unable, 64% say this is due to not having saved enough, 32% say it is because they have dependants who rely on their income and 24% cannot retire due to having a lot of debt.

The financial burden and social factors are a barrier for full retirement in Armenia as well. In addition to the challenges and trends in other countries, retirees in Armenia face some other issues – inadequate pension amounts (average AMD 41,000 in 2015) compared to minimum consumer basket (AMD 56,200).

The working retirees comprise 15% of the whole retired population in Armenia and given the level of this additional income they can afford to consider travel or pursuing other interests. Meanwhile, the retirees with pension being their primary source of income have lower than minimum living standards. Their pension is mainly spent on primary needs such as food and utility payments, while healthy lifestyle, travel and other aspects of social life usually get pushed into the background.

### **Mariam Adamyan, HSBC Armenia Communications Manager, comments:**

“Today, with Funded Pension being available in Armenia, funding retirement can be challenging for individuals, but possible. If one has high expectations for retirement, with spending some time on getting a clear financial plan in place and acting on it, will pay off as you get closer to retirement. This is an increasing onus on individuals but is highly important, making regular savings from early ages will lay the groundwork for a comfortable and healthy retirement.”

### ***Many retirees see an improvement in their health during early retirement***

Retirees are enjoying a 'retirement bounce' of better health according to HSBC's report, *The Future of Retirement Healthy new beginnings*. 24% of retirees around the world report an overall improvement in their health since retiring.

The survey of more than 18,000 people in 17 countries worldwide found that 45% of retirees globally describe their personal health as good for their age compared to a global average of 42% of working age people who rate their health as good for their age.

However, the findings show that the 'retirement bounce' does not last forever, and that the health renaissance experienced by recent retirees fades as they grow older. Poor health and medical conditions prevent 18% retirees from leading a healthier lifestyle.

#### **Charlie Nunn, Group Head of Wealth Management, comments:**

"Retirement used to be seen as a time to sit back and live life at a slower pace. Not anymore. Today, retirement is viewed as a time to reconnect with friends and family, to have fun and get fit. Increasingly people are starting to make ambitious plans for their later years by the time they reach their mid-40s."

#### **HSBC's research identified four actions that individuals can take to improve their financial well-being in retirement.**

##### **1. Start saving for an earlier retirement**

Improve your chances of retiring when you want to, by starting your retirement saving as early as possible.

##### **2. Plan for a longer, more active retirement**

Ensure you have a financial plan in place to make the most of this new chapter in your life.

##### **3. Aim for a healthier retirement**

Don't wait until you have stopped working to take active steps to improve your health

##### **4. Consider how your healthcare needs may change in retirement**

Consider your financial obligations throughout retirement and make sure that potential healthcare needs are included in your plan.

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### **About the HSBC The Future of Retirement research**

The Future of Retirement is a world-leading independent research study into global retirement trends, commissioned by HSBC. It provides authoritative insights into the key issues associated with ageing populations and increasing life expectancy around the world. This report, *Healthy new beginnings*, is the twelfth in the series and represents the views of more than 18,000 people in 17 countries and territories worldwide (Argentina, Australia, Brazil, Canada, China, Egypt, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom, United States). The findings are based on a nationally representative survey of people of working age (25+) and in retirement, in each country or territory. The research was conducted online by Ipsos MORI September and October 2015, with additional face-to-face interviews in Egypt and the UAE.

Since The Future of Retirement programme began in 2005, more than 159,000 people worldwide have been surveyed.

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,100 offices in 72 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,549bn at 30 September 2015, HSBC is one of the world's largest banking and financial services organisations.

For more information about The Future of Retirement, visit [www.hsbc.com](http://www.hsbc.com)

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### **HSBC in Armenia**

HSBC Bank Armenia cjsc was established as a closed joint stock company under the name Midland Armenia Bank J.S.C. in 1996 and was renamed HSBC Bank Armenia cjsc in 1999. The bank is a joint venture between the HSBC Group, which has 70 per cent ownership, and members of overseas Armenian businesses with 30 per cent ownership. HSBC Armenia serves around 36,000 customers through nine offices located in Yerevan and around 380 employees. The bank has assets of AMD 275,405,777,000 as of 31 December 2015 and is one of the leading banks in the foreign exchange market in Armenia.

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