

The Future of Retirement

What the world wants

Media factsheet – USA

In the USA we talked to 1,007 individuals and 300 private-sector employers, interviewing them by telephone. We have organised their responses around five key questions:

1. What is retirement?
2. How will we pay for retirement?
3. When should we retire?
4. How do older workers compare with younger ones?
5. Do employers and employees think alike?

Key findings

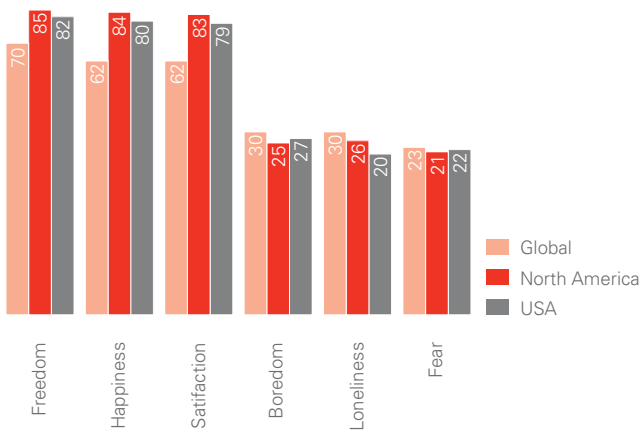
- Americans are more likely than people elsewhere to have a positive view of retirement.
- They are less likely than the global average to say that family, friends and keeping fit are important to a happy old age, and more likely to cite the importance of religious faith and a sharp mind.
- The need to earn money is more often cited in America than in other countries as a reason for working longer.
- Americans are less likely to believe that their government or their family should bear the cost of their retirement.
- Instead they believe that people should bear the cost of their own retirement – a view that is more widely held in America than in other countries.
- Americans are less inclined than people elsewhere to think that retirement should begin at a particular age.
- American employers tend to be more positive than the global average about the strengths of older workers.
- More employers in the USA than those elsewhere believe that they *should* bear most of the financial costs of supporting their employees in retirement, but fewer believe that they *will*.

For the full global results, please go to www.thefutureofretirement.com

1. What is retirement?

People in most countries associate retirement with freedom, happiness and satisfaction, and only a few associate it with negative concepts. Americans have the most positive view, with 64% seeing it as an opportunity for a new chapter in life.

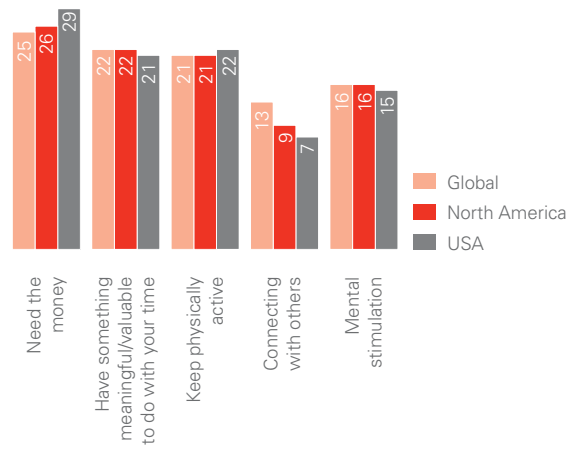
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

Many people want – and some need – to work beyond the traditional retirement age. Americans are more likely than people in other countries to cite the need to earn money as the reason for working longer.

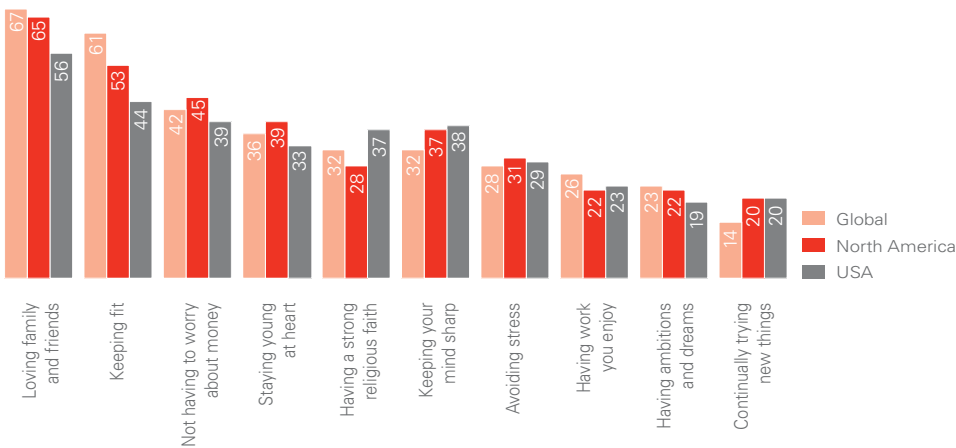
Reasons for individuals wanting to work in their later years (in percent)



Source HSBC Future of Retirement Research 2006

Americans are less likely than the global average to say that family, friends and keeping fit are important to a happy old age, and more likely to cite the importance of religious faith and a sharp mind.

What individuals think is important to receive a happy old age (in percent)

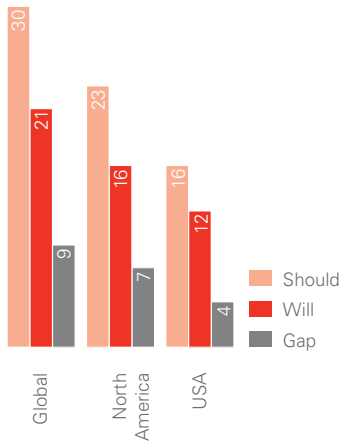


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

Americans are less likely than people elsewhere to believe that their government should and will bear the cost of their retirement.

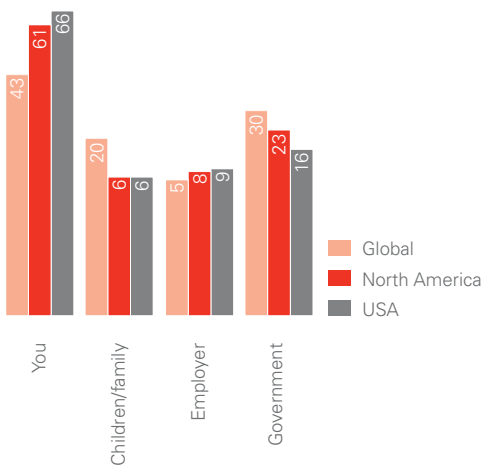
The gap between proportions of people thinking that governments should / will finance the ageing populations (in percent)



Source HSBC Future of Retirement Research 2006

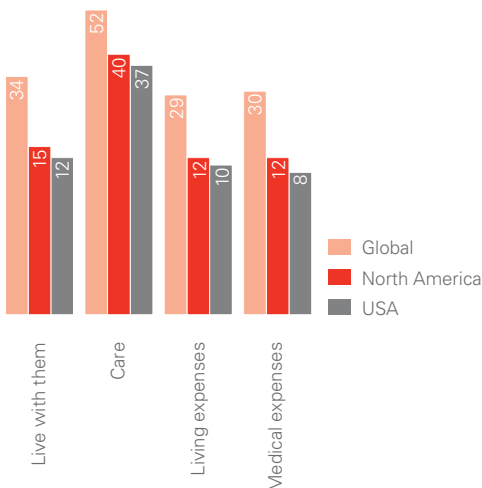
And they are also much less likely to expect to rely on their children in old age. Instead they believe that people should bear the cost of their own retirement.

Who individuals think should bear most of the burden of supporting them in retirement? (in percent)



Source HSBC Future of Retirement Research 2006

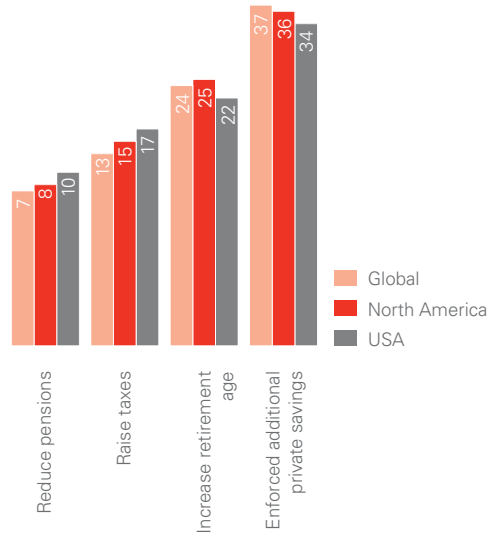
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

As for how they should fund their retirement, many Americans, like people everywhere, support compulsory saving. But they are also more likely to support tax rises and reduced pensions.

How individuals think governments should finance ageing populations (in percent)

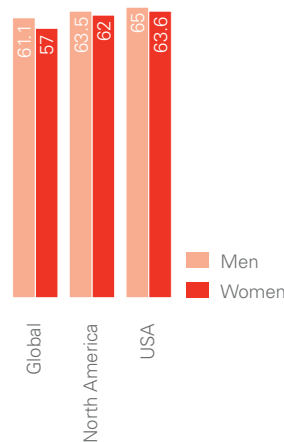


Source HSBC Future of Retirement Research 2006

3. When should we retire?

Europeans, Asians and Latin Americans believe that retirement should begin at about 60 for men and 56 or 57 for women. Americans feel that retirement should begin later.

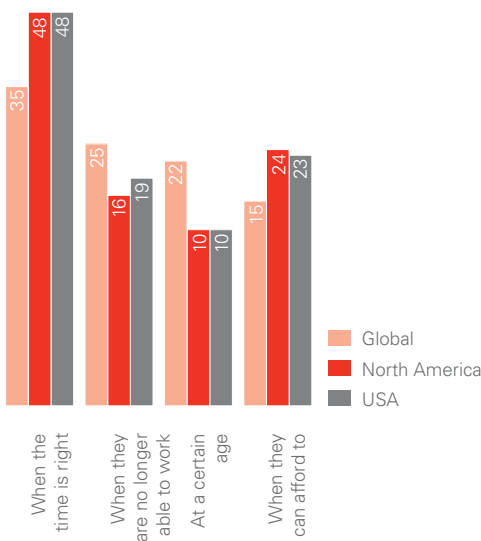
When should someone retire? (in years)



Source HSBC Future of Retirement Research 2006

Most people around the world think that a person's desire and ability to work should determine when they retire. Americans agree: they are the most likely to say that people should be able to continue to work for as long as they are capable of doing the job well, and the least likely to think that retirement should begin at a particular age.

When individuals would choose to retire (in percent)

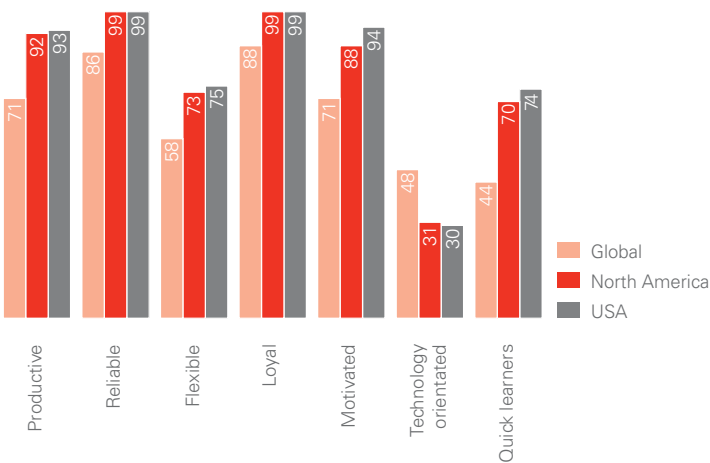


Source HSRC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

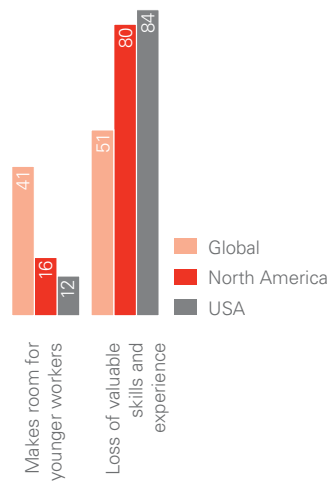
Throughout the world employers say that older workers are just as productive and employable as younger workers, and that the loss of older workers means losing valuable knowledge and skills. American employers tend to be even more positive about older workers.

Proportion of employers who view older workers as more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

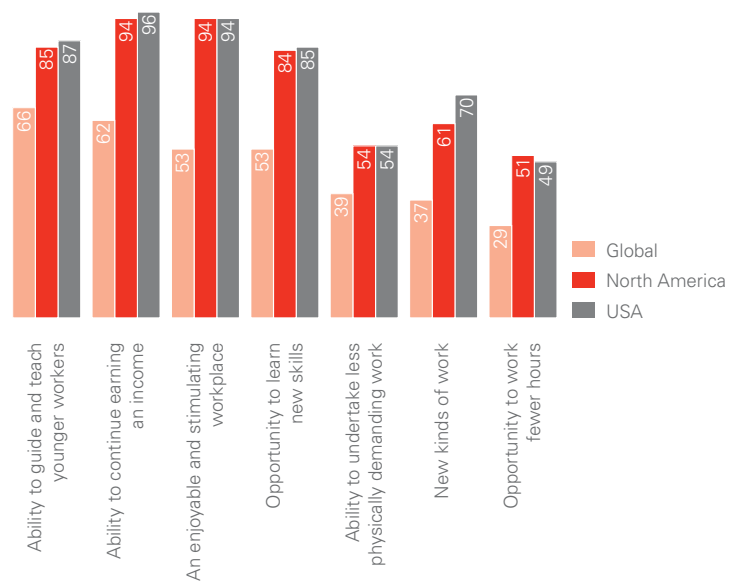
How employers view the retirement of older workers (in percent)



Source HSBC Future of Retirement Research 2006

And employers in the USA are more likely than those elsewhere to offer older workers a range of opportunities.

What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

5. Do employers and employees think alike?

In most countries employers are more likely than people in general to feel that governments *should* and *will* bear most of the costs of supporting employees in retirement (43% and 33% for employers versus 30% and 21% for people in general).

In the USA, however, employers are less likely than individuals to believe that the government *should* bear this responsibility (11% versus 16%), and more likely to believe that it *will* (38% versus 12%).

More employers in the USA (21%) than those elsewhere (17%) believe that they *should* bear most of the financial costs of supporting their employees in retirement, but fewer employers in the USA (12%) than those elsewhere (19%) believe that they *will*.