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Living for now: Only one in three (33%) save for retirement in India – HSBC Study

- *56 per cent of people live on a day-to-day basis financially*
- *69 per cent will continue working to some degree after they retire*

Only a third of people in India are regularly saving for their retirement, a new international report by HSBC reveals.

According to the Future of Retirement: Bridging the Gap study, just 33 per cent of working-age people globally are regularly putting anything aside for their later life – and only 19 per cent of working age people are saving for future nursing or care home fees. This is despite half (51 per cent) claiming to be concerned about affording residential care when in retirement. This is despite the World Health Organisation (WHO) global average life expectancy increasing by 5.5 years between 2000 and 2016, to 72.0 years (74.2 years for females and 69.8 years for males), the fastest increase since the 1960s.

The lack of saving is likely linked to low knowledge of how much money is needed in retirement, as well as many prioritising their immediate financial situation over planning for their older years.

Over half of working-age people (56 per cent) are living on a day-to-day basis financially, while a further 53 per cent only save for short-term goals. Almost half (45 per cent) also admit they prefer spending on enjoying today rather than saving for tomorrow, HSBC's research finds.

The lack of saving may also be linked to many people not considering their older years as 'retirement' at all, with over two-thirds of working-age people (69 per cent) predicting they will continue working to some extent and more than half (54 per cent) hoping to start a business or new venture.

When it comes to knowing how much money they will need in retirement, almost two-thirds (65%) of working-age people are aware of the cost of typical residential home fees. Fewer still know how much they would need to pay for other options, such as home social care (51 per cent)

Bank on son and daughter

Many across India anticipate help from their family network. Over two thirds (68 per cent) of working age people expect their children will support them at some point in their retirement. Evidence from current retirees suggests these expectations are not met in reality, with only 30 per cent receiving financial support from their children.

Two-stage old age

A two-stage retirement is becoming increasingly common as life expectancies rise, the study finds. An initial retirement period, usually involving relative good health, often lasts a decade or more and is generally followed by a shorter, less active time.

HSBC's report finds that this is leading a generally positive view of retirement across the globe. Most working-age people are looking forward to greater freedom away from the nine-to-five (76 per cent), taking up new hobbies and interests (72 per cent) and getting fit (68 per cent).

Ramakrishnan S, Head of Retail Banking and Wealth Management, HSBC India says: "For many, retirement is thankfully no longer a short period tacked on to the end of our life. It can be a long and very fulfilling part of a person's life. But with that, our needs at 65 can be very different from our needs at 75 or 85, with very different financial implications.

"We know it can be hard to make ends meet today and also save for tomorrow. But recognising the costs of ageing, and making plans for them sooner rather than later, is the first step towards a rewarding older life. So make a promise to yourself today to start saving for your older years."

Top tips for a better retirement:

Reframe how you think about retirement:

It's easy to put off planning your retirement so reframing how you view it is important. Think of it as a chance to pursue your passions and have new adventures. Make sure you make the most of it by planning ahead.

Visualise the retirement you want:

Think about the kind of retirement you want. Do you want to go travelling, move home, take up a new hobby or even start a new business? Having a broad idea of how you'd like your life in retirement to look, will allow you to plan for it more effectively.

Ask the experts:

Nobody expects you to be an expert in saving and investments so use free online advice or seek professional financial advice to help you plan and cost out your retirement plans. This will help you decide on the right approach. Don't be afraid to ask questions – get clarity before making decisions.

From managing to planning:

Managing your finances is not enough – you need to plan where you can save money and how much. Use the online tool such as savings calculators and budgeting apps to help to identify the changes you can make today that will cut costs and then direct the savings to your future.

Start an honest conversation

If you are anticipating support from your family or children during your retirement, start a conversation with them ahead of time. An upfront discussion on what kind of assistance might be needed and when, can help to manage expectations and ensure your retirement goes smoothly.

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Note to editors

Research carried out online by Ipsos on behalf of HSBC among 16,000 adults in 16 markets: Australia, Argentina, Canada, China, Malaysia, Mexico, Singapore, Taiwan, France, Hong Kong, India, Indonesia, Turkey, UAE, UK and USA. Global figures are the average of all countries and territories surveyed unless stated otherwise. All figures are global unless stated otherwise.

Definitions

Retirees are people who are semi or fully retired. Working age people are those who have yet to fully or semi-retire.

1. Later Life in the United Kingdom, Age UK, April 2018
2. Care of Older People UK Market Report, 28th edition, LaingBuisson, 2017
3. World Health Organization, [Global Health Observatory, Life Expectancy](#)

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