HSBC

News Release

POOR HEALTH IN LATER LIFE POSES BARRIER TO RETIREMENT SAVINGS FOR MAJORITY OF AMERICANS

HSBC survey highlights disconnect between expectations and realities when it comes to planning for healthcare needs in retirement

March 7, 2016 – NEW YORK – Concerns about the skyrocketing costs of healthcare, especially in later stages of life when declines in health accelerate, are worrying the majority of pre-retiree Americans saving for retirement. According to HSBC's latest report, The Future of Retirement *Healthy New Beginnings,* 76 percent of Americans see poor health as the largest barrier to retirement saving, while 61 percent consider illness in a partner as a close second.

The survey – which looked at data gathered from more than 18,000 pre-retirees and retirees across 17 countries – found that 67 percent of pre-retirees are unable to predict how much they are likely to spend on healthcare in retirement, including 63 percent of those living in households with an annual income over $79,999. The concern around the inability to budget future healthcare costs is a bigger concern to women (73 percent) than men (60 percent).

Despite this and the fact that only 42 percent of pre-retirees consider themselves to have good health for their age, those approaching retirement often do not take part in the basic activities that can reduce the risk of poor health in the future. To avoid health risks, only 61 percent eat a healthier diet, 59 percent have regular medical check-ups, and 33 percent take medicines to prevent future conditions. Compare these numbers to retired respondents, where 71 percent, 84 percent and 66 percent respectively pursue the same preventative actions.

The survey also examined perceived barriers to living healthy lifestyles among respondents. An astounding 63 percent of pre-retirees said they are prevented from living a healthy lifestyle, compared to 34 percent of retirees. Why? Most pre-retirees cited being too busy (30 percent) and lack of free or leisure time (24 percent) as top barriers. Even the ability to afford a healthy lifestyle impacts their ability to live healthily, with affordability being a barrier for 22 percent of working age women and 12 percent of working age men.

Michael Schweitzer, Global Head of Sales and Distribution at HSBC, comments:

"Retirement can often invigorate and remind people of the importance of healthy lifestyle choices, but it is equally as important to consider adopting a healthy lifestyle in advance of retirement.

Having a financial plan can help demystify long term saving as well as help provide a stress free outlook for all stages of your retirement, both in sickness and in health."

Ultimately, HSBC's research identified four actions that individuals can take now to begin improving their financial wellbeing in retirement.

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

   In order to maximize success of retiring at your target age, start saving toward retirement as early as possible. Seventy-two percent of pre-retirees ages 45 and older would like to retire in the next five years, however 37 percent of them are unable to largely (77 percent) due to lack of prospering later life funding.

2. **Aim for a healthier retirement—because health is wealth**

   Don't wait until you have stopped working to take active steps to improve your health. Taking steps now to minimize health risks during retirement will not only lead to a healthier you, but can also help protect you and your bank account against some of the more exorbitant healthcare costs associated with later life.

3. **Plan for a longer, more active retirement**

   Leading a healthier lifestyle is often associated with increased longevity, which means that you will need access to more money to live out your longer life. Ensure you have a financial plan in place to make the most of this new chapter and ensure you will be financially set.

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

   Predicting how much you will likely spend on healthcare in your retirement is difficult, but not impossible. Consider your financial obligations throughout retirement and make sure that potential healthcare needs are included in your plan.

Media contacts:
For more information or to arrange an interview, please contact:
Jeremy Balkin, 347-937-0405, jeremy.k.balkin@us.hsbc.com
Jackie Zupsic, 212-885-0590, Jackie.zupsic@hkstrategies.com

Notes to editors 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 aging 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 program 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 6,000 offices in 71 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US$2,410bn at 31 December 2015, HSBC is one of the world's largest banking and financial services organizations.

For more information about The Future of Retirement, visit www.hsbc.com

ends/all