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Saving for Retirement 'Not Main Priority' Say Four in Five Working Americans

*****HSBC survey finds that half can't afford to adequately plan for a comfortable retirement as they juggle growing financial responsibilities and accumulated debt*****

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New York, NY - A majority of working-age Americans admit they are not prioritizing retirement planning and place greater importance on more immediate financial concerns, potentially resulting in financial hardship in the long-term, according to new research out today from HSBC.

The global study finds that for 81 percent of working-age Americans, saving for retirement is not their main priority, even as 76 percent have seen retirement savings impacted at some point by a significant life event such as buying a home, becoming unemployed, divorce or illness, underscoring the power of planning adequately and at an early age for life after work.

This latest report titled: [The Future of Retirement: A balancing act](#) is the 10th in an annual series focused on international attitudes towards aging and retirement. It is based on a survey of more than 16,000 people from 15 countries and territories¹ between August and September 2014. Its findings depict a world juggling a growing amount of financial responsibilities and fearful of not being able to maintain a comfortable lifestyle upon retirement.

The research discovers that personal debt accumulated earlier in life, and particularly in these recent tough economic times, continues to impact the ability to save for the future. The report also uncovered other notable reasons people do not prepare adequately for retirement:

- **More immediate financial concerns:** Paying off a mortgage or other debts is the biggest barrier (57 percent among Americans; 46 percent globally) preventing working-age people from saving adequately for life after work. Americans are more preoccupied with paying off other debts (51 percent) and a mortgage (25 percent) than most other countries while a third (33 percent) have either stopped or reduced savings for their children's education to prioritize debt repayments.
- **Unaware of how much to save:** Three in 10 (29 percent) retirees worldwide who did not prepare adequately for a comfortable retirement admit they did not know how much they needed to save. This number rises in the U.S. where 41 percent say they did not possess the proper knowledge.
- **Didn't start saving early enough:** Those who begin retirement planning when they are older than 30 have waited too long, say more than a third (38 percent) of the world's retirees. More retirees in the U.S. (47 percent), U.K. (62 percent), Australia (57 percent) and Canada (45 percent) recognize the need to start planning by 30 in order to maintain a similar standard of living after work. However, two-thirds (65 percent) of retirees globally who failed to prepare adequately for a comfortable retirement say they did not realize this until they had fully retired.

Working-age Americans outpace the rest of the world when it comes to planning for later life, as 75 percent report saving for retirement compared to the international average of 62 percent.

"There's no 'one-size-fits-all' approach to retirement, but there are ways that everyone can plan for a better one," said Andrew Ireland, head of wealth management, HSBC Bank USA, N.A. "This includes starting as early as possible, figuring out how much you'll need to fund the lifestyle you want and making sure you're properly covered for unexpected life events."

The Future of Retirement report concludes that financial confidence around the world is now on the rise. As the U.S. continues to recover from the global economic downturn, 41 percent of pre-retirees feel more optimistic about their financial prospects than they did one year ago.

Still, almost half (45 percent) of working-age people globally believe the cost of living is increasing faster than their income.

Notes to editors:

¹ Australia, Brazil, Canada, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, Turkey, United Arab Emirates, United Kingdom, United States.

About the report

HSBC's The Future of Retirement report is a world-leading independent research study into global retirement trends. It provides authoritative insights into the key issues associated with aging populations and increasing life expectancy around the world. The latest global report, A balancing act, is the 10th in the series and is based on an online survey of over 16,000 people in 15 countries and territories. Since The Future of Retirement program began in 2005, more than 142,000 people worldwide have been surveyed.

U.S. findings are based on a nationally representative survey of 1,000 people of working age (25 and over) and in retirement. It was conducted online by Ipsos MORI between August and September 2014.

For more information about The Future of Retirement, and to view all previous global and country reports, visit www.hsbc.com/retirement.

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HSBC Bank USA, National Association (HSBC Bank USA, N.A.), with total assets of US \$168.4bn at 30 September 2014 (US GAAP), serves about 2.4 million customers through retail banking and wealth management, commercial banking, private banking, asset management, and global banking and markets segments. It operates more than 240 bank branches throughout the United States. There are over 155 in New York State as well as branches in: California; Connecticut; Delaware; Washington, D.C.; Florida; Maryland; New Jersey; Pennsylvania; Virginia; and Washington State. HSBC Bank USA, N.A. is the principal subsidiary of HSBC USA Inc., an indirect, wholly-owned subsidiary of HSBC North America Holdings Inc. HSBC Bank USA, N.A. is a member of the FDIC.

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