

The Future of Retirement

The Power of Planning



HSBC 

Introduction

At HSBC, we focus on anticipating and understanding changes that impact our customers, society and the world at large. The Future of Retirement program is a world-leading, independent study of global retirement trends. The 2011 report, *The Power of Planning*, is the sixth in the series and is based on interviews with more than 17,000 respondents in 17 countries.

Planning for the future means different things to different people. Almost half of the survey respondents view retirement as a time of happiness, satisfaction and freedom. However, many also expressed fears about potential financial hardship. The report's major findings — summarized here — reinforce that planning is one of the most powerful steps in achieving a more enjoyable retirement.

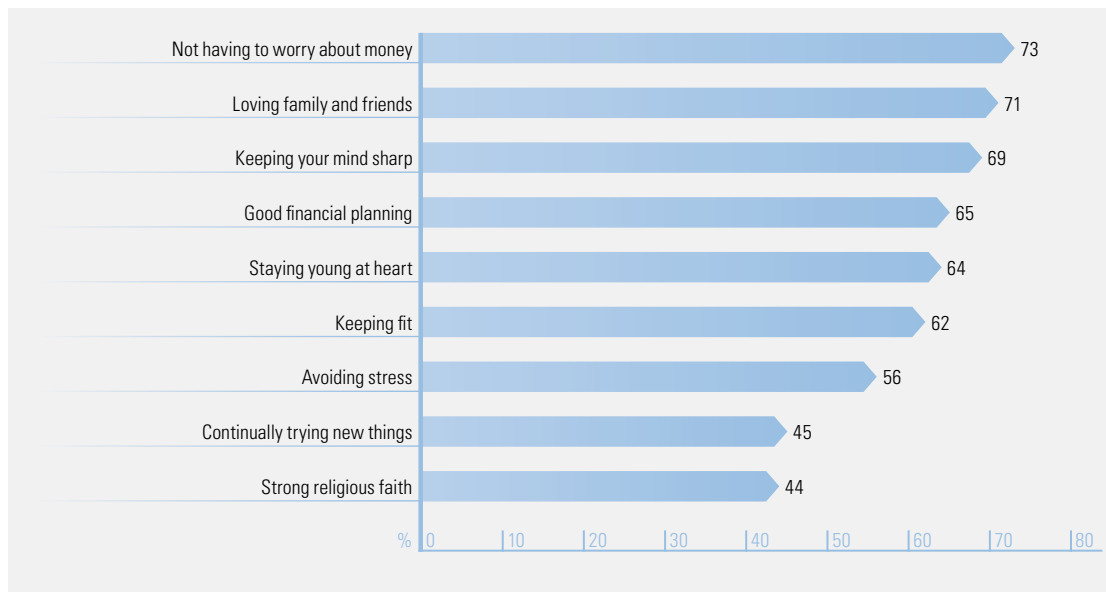
How do you perceive retirement?

Faced with the universal challenge of funding an aging society, people in the U.S. remain upbeat in their perception of retirement. Nearly 75% of respondents in the U.S. stated that not having to worry about money is key to having a happy retirement. Similarly, 65% believe that good financial planning is extremely important.

How U.S. respondents perceive retirement



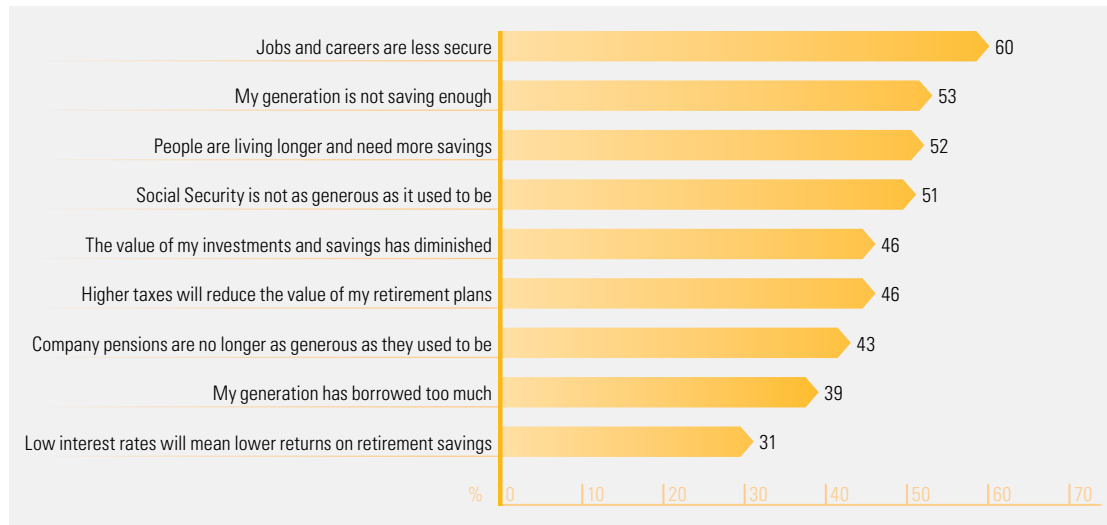
What U.S. respondents find most important in achieving a happy retirement



Is your retirement plan heading in the right direction?

Fully one-quarter of Americans expect to be much worse off than their parents in retirement. This rises to 30% among those without a financial plan. While 60% expect to be worse off because of the uncertainty in the job market, 53% are concerned that their generation has not saved enough for retirement.

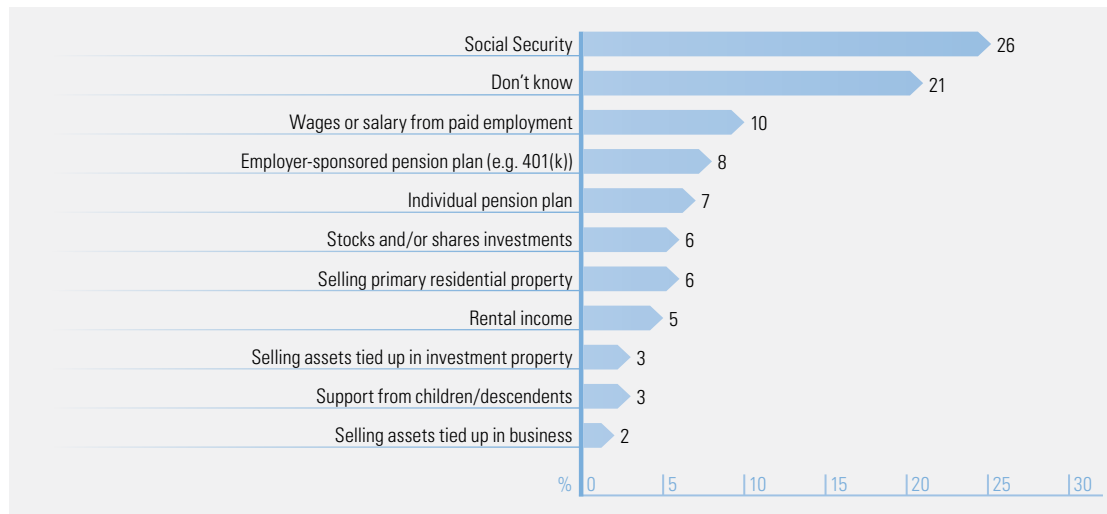
Why Americans feel they will be worse off in retirement than their parents' generation



What funding will you rely on in retirement?

In the U.S., 92% of respondents feel it is important to have enough money in retirement, yet 41% indicate they are under-prepared. A key question emerges: how will people source their retirement income in the future? Surprisingly, one in five U.S. respondents (20%) does not know what their main source of income will be in retirement.

Expected sources of retirement income for U.S. respondents

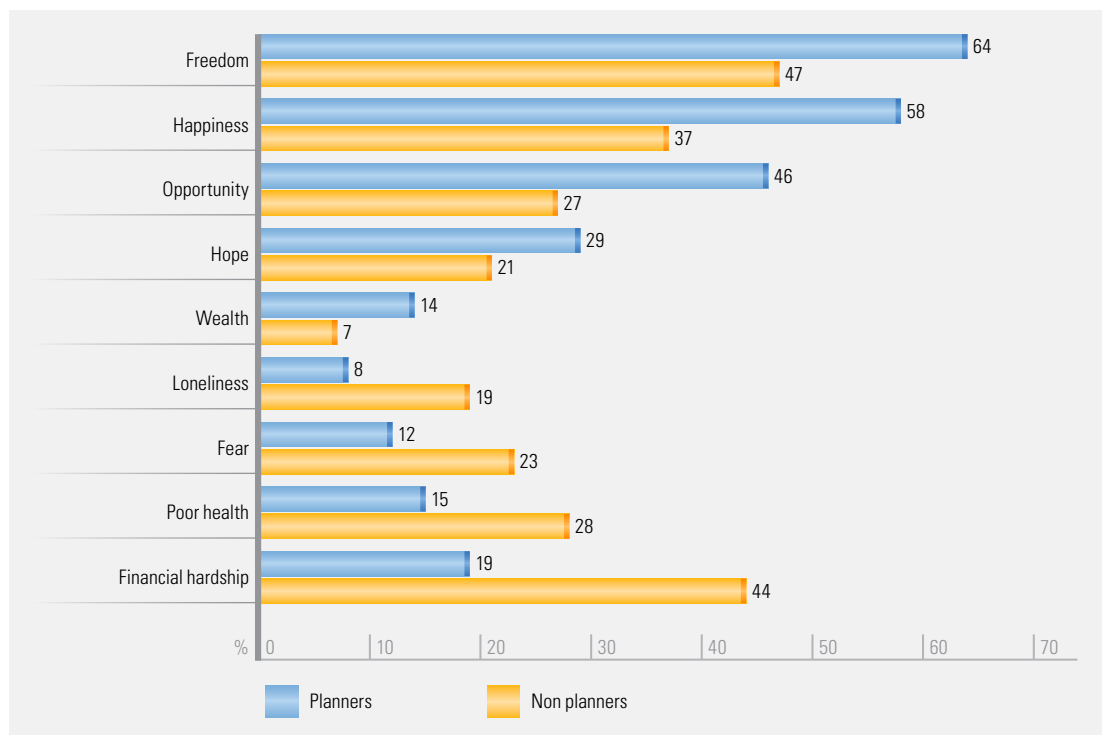


Since 54% of U.S. respondents believe that Social Security will not provide adequate retirement funding, much greater emphasis in the future will be placed on individual preparations. Still, financial planning behavior in the U.S. falls short. Only 36% on average have financial plans, though an encouraging upward trend may be forming in the younger generations.

Are you reaping the benefits of planning?

Our findings reveal that those with a financial plan for the future enjoy several benefits over those who do not — the “planning premium.” Hard benefits of the planning premium include greater and more diverse retirement savings, while soft benefits include a more positive outlook and fewer worries about later life.

What U.S. respondents associate with retirement



When we look at the retirement savings and investment assets of our respondents, we see that those with financial plans have assets nearly six times (552%) as much as non-planners. We also find that those who have a financial plan in place and seek professional advice are the best off financially, with three times as much in retirement assets as the global average.

Starting a retirement plan is possibly the most critical decision. In the U.S., independent financial advisors and banks are the top two sources for retirement planning advice. Many also benefit by starting their planning with input from family, friends and the Internet. As the survey findings show, planning has the power to transform your well being in retirement.

Schedule a complimentary planning session.

Since its inception in 2005, The Future of Retirement program has surveyed more than 110,000 people worldwide. HSBC uses these insights to better help our clients navigate the complex and pressing issues facing retirement. To learn how you can put our knowledge to work for you and the future of your retirement, call **866.257.3637** or visit a branch to schedule a complimentary planning session.

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