



Media release

Hong Kong Workers Retire Early to Get Involved in Community and Spend Time with Family, According to Global AXA Survey

Hong Kong, 23 March 2005 – People in Hong Kong are enthusiastic early retirees who are keen to take an active role in the community but are dissatisfied with their retirement income which is among the lowest in the world, according to the AXA Retirement Scope, a global benchmark study on retirement released today.

AXA, a worldwide leader in financial protection and wealth management, undertook the survey of 9,200 people in 15 countries to understand the preparations, perceptions, concerns and wishes surrounding retirement. Both workers and retirees were surveyed about their financial preparation, quality of life and views on retirement. In Hong Kong, 307 working adults and 300 retirees under 75 years of age were interviewed. For full detail of the survey findings, please click onto www.retirementscope.axa.com.

The survey found that in retirement, Hong Kong people show little interest in leisure and holidays and see it as an opportunity to give back to society through charity and voluntary work. Family bonds are also important with a large number of retirees expecting a range of material and financial support from children with many retirees moving in with them.

Compared to the other countries surveyed, the retirees in Hong Kong have the lowest retirement income*. Hong Kong workers are generally pessimistic about their retirement income and believe that their standard of living will drop once they retire.

The study also found that overall Hong Kong people were the least content and happy with their lot with many working people preferring to live elsewhere.

Other key findings include:

- **Hong Kong people are becoming more aware of the need to plan financially for their retirement:** Six out of 10 Hong Kong workers have already begun to prepare for their retirement, with the youngest workers being the most prepared. Following the general global trend, most people

- start preparing for retirement early at an average age of 34 years (just behind the UK and New Zealand) and are well-informed about what their retirement income will be. Hong Kong workers rank third in the world (behind Singapore, Belgium and the US) for saving for their retirement and are making a variety of arrangements for securing future income via insurance policy / pension fund with employee, life insurance, savings and specific pension saving scheme.
- **Hong Kong people are taking responsibility and making themselves more knowledgeable about retirement issues** with 89% of them saying funding retirement is primarily their individual responsibility – although the government and employers also rated highly.
 - **Hong Kong workers give little thought to the non-financial aspects of retirement.** Compared to other countries, particularly in Asia, very few retired people in Hong Kong have planned their future place of residence or their future activities. Both working people and retirees feel very uninformed about the date of their retirement as well as the amount of their pension, ranking just above France and Japan.
 - **Working Hong Kong people are saving on average HK\$3,960 per month toward retirement.** Workers save the same as they did in the past.
 - **Retirement income of HK\$5,493 falls short** of the average amount, HK\$8,635, needed for household expenses. In absolute terms, the inhabitants of Hong Kong have the lowest retirement income. Understandably 43% of retirees believe that their standard of living has dropped in retirement with another 37% saying that it is about the same.
 - **Retirees on average say they are retiring at 55 years of age,** making them the earliest to retire from work in the world. Like our neighbours in Singapore, workers in Hong Kong tend to be fairly enthusiastic about retirement.
 - **Compared to other countries, Hong Kong retirees choose to live with their children rather than staying in their own home.** 24% of retirees are opting to live with their children and 10% move to a residential complex – the highest rates in the study for these options. Inter-generational support, in the form of visits, material and financial aid is seen as a matter of principle in Hong Kong – as it is in Singapore and in the countries in Southern Europe. However this support is not as prevalent when parents need support in the event of illness.
 - **Hong Kong retirees are community-minded** and show little interest in leisure time and holidays. New Zealand retirees lead the world in

gardening, sports, cultural interests, walking/hiking and visiting family. In Hong Kong 90% of retirees choose to get involved in community life which is accompanied by a strong vocation (92%) to transmit knowledge.

- **Almost two-thirds of Hong Kong's working population think that people live better elsewhere**, showing a preference for Singapore, Japan, the US and Switzerland. This feeling dissipates with age and 60% of retirees think that people live better in Hong Kong.

“Overall the research paints an optimistic picture about retirement in Hong Kong,” said Mr. Mark Wilson, Chief Executive Officer, AXA China Region. “The research shows that an increasing number of Hong Kong people are not only aware of the need to plan for their retirement but are taking very proactive steps to save for life after work.

“The more we know about the needs of retirees, the more we can help them feel confident and offer them opportunities to develop plans for managing, growing and protecting their assets,” added Mr. Wilson.

In Hong Kong the research was undertaken by Synovate in late 2004. A total of 9,200 people were interviewed in the following 15 countries: Australia, Belgium, Canada, France, Germany, Hong Kong, Japan, Italy, Netherlands, New Zealand, Portugal, Singapore, Spain, United Kingdom and the United States.

* This does not take into account the different standards of living in each country.

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About AXA

AXA China Region is a part of AXA Asia Pacific Holdings, a member of the global AXA Group, a worldwide leader in financial protection and wealth management. AXA has a history dating back to the early 19th century and commenced business in Hong Kong in 1986. AXA secures the future of 50 million people around the world. One million people in Hong Kong and Macau trust AXA to protect their families. For the year 2004, AXA's consolidated revenues were US\$95.3 billion* and, as of 31 December 2004, its assets under management were US\$1,149.7 billion*.

*Calculated based on the exchange rate of 1 Euro = US\$1.323

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