

8 January 2019

Canadian women worry they won't have enough money for medical and care expenses in retirement years

*** Women still more likely to take career break to look after children, than men ***

*** Currently retired women more likely than men to rely on their spouse's income or pension ***

One out of every two (50%) working age Canadian women is worried that they will not have enough money to cover their medical or care expenses in retirement, according to a global survey by HSBC. In addition, survey results show that more than two-fifths (44%) of Canadian women fear that they will struggle to pay for basic necessities during retirement compared to 37% of men.

The survey of over 17,400 people in 16 countries and territories, including 1,005 Canadians, showed that over half (51%) of working age women in Canada either do not know how much they are saving for their retirement or have not started saving at all, compared to 46% of working age women globally. In addition, almost two-fifths (38%) of Canadian female respondents and one-quarter (26%) of female respondents globally do not know what proportion of their pre-retirement income they would need for a financially comfortable retirement compared to 23% of Canadian men and 18% of men globally.

"Women have largely closed the gap with men in terms of workforce participation, which is roughly equal today, but when it comes to finances and planning for retirement, there is still work to do to ensure equal comfort and security in retirement," **said Cindy Wong, Head of Retail Banking & Wealth Management Marketing at HSBC Bank Canada.**

RETIREMENT BASICS

For women of working age, concerns about their financial future are heavily linked to long-term health fears. Survey results show that almost half (48%) of Canadian female respondents worry they will not have enough income to pay for basic living needs if they or their partner had to retire early due to ill health, compared to 40% of men.

If the worst happened and their partner passes away, 42% of working age women in Canada worry that they would find it hard to cope financially, compared to just 30% of men. This fear is borne out in reality; women already in retirement are indeed slightly more likely than men to expect to rely on their spouse's income or pension (43% of women vs. 39% of men) and financial support from their children (16% of women vs. 6% of men).

TIME OUT

Women are still far more likely to take a career break to look after children, than men. More than 62% of Canadian working age mothers have taken parental leave, compared to just 22% of Canadian working age fathers, and 33% have reduced working hours, compared to 21% of their male counterparts.

Survey results found that this significant amount of time out from earning has led to a quarter (25% and 23%, respectively) of working age women in Canada and globally not having contributed as much financially towards retirement as their partners.

more

“The reality is that women in Canada take time off from work to have children and bring up families. This not only affects our current earning potential but future income as well,” **added Ms. Wong.** “Women also generally live longer than men, so we need a higher reserve for retirement from less income.”

LIFE AFTER RETIREMENT

Although working age women have concerns about managing finances during retirement, they are generally more positive about other aspects of life after work than men.

More than three quarters (77%) of Canadian working age women surveyed look forward to pursuing old or new hobbies and interests in retirement compared to 70% of men. A further 58% of Canadian working age women surveyed anticipate retirement as a time to rediscover themselves compared to 52% of Canadian working age men.

Interestingly, women are also more likely to be confident about life after the death of their partner: 37% of retired Canadian men surveyed say their life wouldn't be worth living without their partner compared to just 18% of retired Canadian women.

PRACTICAL STEPS

Here are some practical steps drawn from the research findings, to consider when planning for the retirement you want:

Reframe how you think about retirement: It is 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 your adventures. Make sure that you make the most of it by planning ahead.

Visualise the retirement that you want: Think about the kind of retirement that you want. Do you go travelling, move home, take up a new hobby or even start a new business? Having a broad idea of how you would 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 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 when you can save and how much. Use the online tools such as savings calculators and budgeting apps to help to identify the changes that you can make today that will cut costs and then direct the savings to your future.

Don't be afraid to go it alone: Women already in retirement are more likely than men to rely on their spouse's income or pension. Get financial independence by starting a separate savings pot or opening investments of your own.

“There is plenty that both men and women can do to ensure that they enjoy a better retirement,” **said Ms. Wong.** “But knowing how much money you have and how far it will go can take a lot of stress out of retirement planning.”

The full report “*The Future of Retirement: Bridging the Gap*” is available in [English](#) and [French](#).

Media enquiries:

Caroline Creighton

416-868-8282

caroline.x.creighton@hsbc.ca

Sharon Wilks

416-868-3878

sharon_wilks@hsbc.ca

More

Note to editors:**About The Future of Retirement****The Research**

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 ageing populations and increasing life expectancy around the world.

This is the fifteenth in the Future of Retirement series and represents the views of 17,405 people in 16 countries and territories. Since the Future of Retirement programme began in 2005, more than 194,000 people have been surveyed worldwide.

The Survey

The findings are based on a representative sample of people of working age (21+) or in retirement, in each country or territory. The research was conducted online by Ipsos MORI in November and December 2017, with additional face-to-face interviews in the UAE.

The 16 countries and territories are Argentina, Australia, Canada, China, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, Turkey, United Arab Emirates, United Kingdom and United States.

Retirees are people who are semi or fully retired. Working age people are those who have yet to fully or semi-retire. Figures have been rounded to the nearest whole number.

About HSBC Bank Canada

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management. The HSBC Group is one of the world's largest banking and financial services groups with assets of US\$2,603bn at 30 September 2018. Linked by advanced technology, the HSBC Group serves customers worldwide from around 3,800 offices in 66 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa.

For more information visit www.hsbc.ca or follow us on Twitter: @hsbc_ca or Facebook: @HSBCCanada

ends/all