

*Fast Facts*

Spotlight on Retirement: Asia

SUMMARY

Greater Asia has seen surging economic growth in recent decades, ushering in increased living standards, improved medical care, healthier lifestyles, and longer life expectancies. The older population has grown rapidly, but at the same time younger people have relocated to cities, leaving more and more elderly to live on their own.

This joint study by the Society of Actuaries (SOA) and LIMRA examines nine markets across Asia to understand the impact of the cultural, economic and demographic shifts on the Asian retirement landscape. The study involved a survey of over 9000 individuals and covers pensions, consumer attitudes, retirement readiness and more.

Overall Conclusion: Asian consumers are aware of threats to their financial security in retirement but are not well-prepared to deal with them. However, bright spots exist: Many Asians voice strong preference for guaranteed income for life, protection of principal investment, and fixed returns; and 70% are willing to convert a portion of their assets to annuities to generate retirement income.

HIGHLIGHTS

- The study looked at nine Asian markets with findings across Asia and for each individual market. Findings in this section highlight aggregated results across Asia.
- Aggregated findings across all regional markets were deemed of most interest to Asian insurers. Findings for individual markets can be found in respective regional market reports.
- Across Asia, the age 60 and above population is likely to more than double from 514 million in 2015 to 1.3 billion by 2050
- Public and private pension systems in most Asian markets are currently unable to provide adequate coverage or income replacement to retirees and they face pressure for massive reforms to ensure long-term sustainability.
- More than two-thirds of the total respondents said retirement funding is their own responsibility with no support from government, family or even past employers.
- More than half regretted starting late to save and invest for retirement or not saving for retirement at all.
- Eighty percent are likely to have a gap in retirement funds when turning age 60 and only around 20% expect to have more than 81% of funds needed for a comfortable retirement.
- Almost 60% said they do not work with financial professionals on household financial decisions, and only around 33% have a formal written plan to manage retirement income, assets and expenses.

LINK TO SUMMARY AND MARKET REPORTS

Spotlight on Retirement: Asia

<https://www.soa.org/research-reports/2018/spotlight-on-retirement/>

METHODOLOGY

- Survey dates: 2017-2018, supplemented with data from 2015-2016 SOA/LIMRA research
- Medium: An online survey of 9,384 respondents across nine major Asian markets: Hong Kong, India, Indonesia, Japan, Singapore, South Korea, Taiwan, Thailand, and China
- Demographics studied: Young workers (30–45 years old), pre-retirees (46–60 years old) and retirees (60+ years old)
- Area of focus: Attitudinal differences across different regions, sub-regions, age bands, and genders

REPORT SPECS

- Published: May 2018
- Pages: 44
- Access: Downloadable pdf
- Research Sponsors: The Society of Actuaries (SOA) and LIMRA
- Author: Saurav Biswas, head of research methodology and associate director-international research, LIMRA
- Content: Introduction, executive summary, about the survey, demographic transition, sustainability of pension systems, retirement from the consumers' perspective, industry opportunities; 11 tables and 18 figures
- Body of research: The study extends the China retirement study of 2015-2016, which was also a collaboration between SOA and LIMRA. The goal was to identify upcoming or current retirement challenges faced by consumers in other markets across Greater Asia as well as their aspirations.



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