



IT TAKES VISION

Retirement readiness

Coffee-break polls

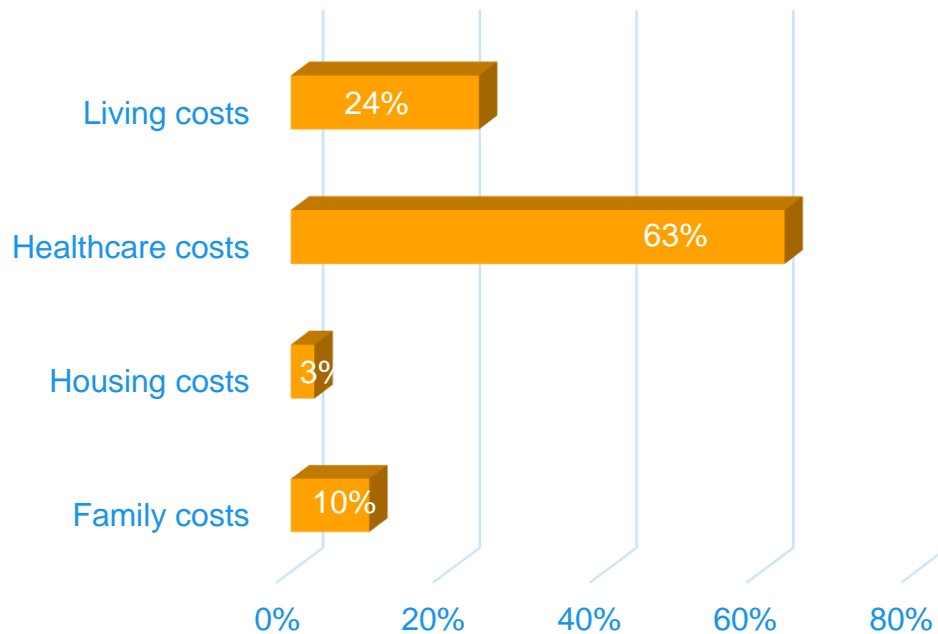
Singapore Actuarial Society's Health and Retirement Conference 2017
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Background

- During the Singapore Actuarial Society's Health and Retirement Conference 2017, Milliman used the coffee breaks to ask attendees about their views on their own retirement plans. The attendees at the conference were largely practitioners from the financial services and healthcare sectors.
- A different poll question was posed during each of the four coffee breaks. Each question had four potential responses. Attendees could select only one response to each question.
- A total of 48 attendees submitted their responses.
- The poll results are provided in this short paper, along with some brief commentary.
- While the polls were rather high level in nature, the results reveal some interesting findings, particularly in light of the background of the attendees.

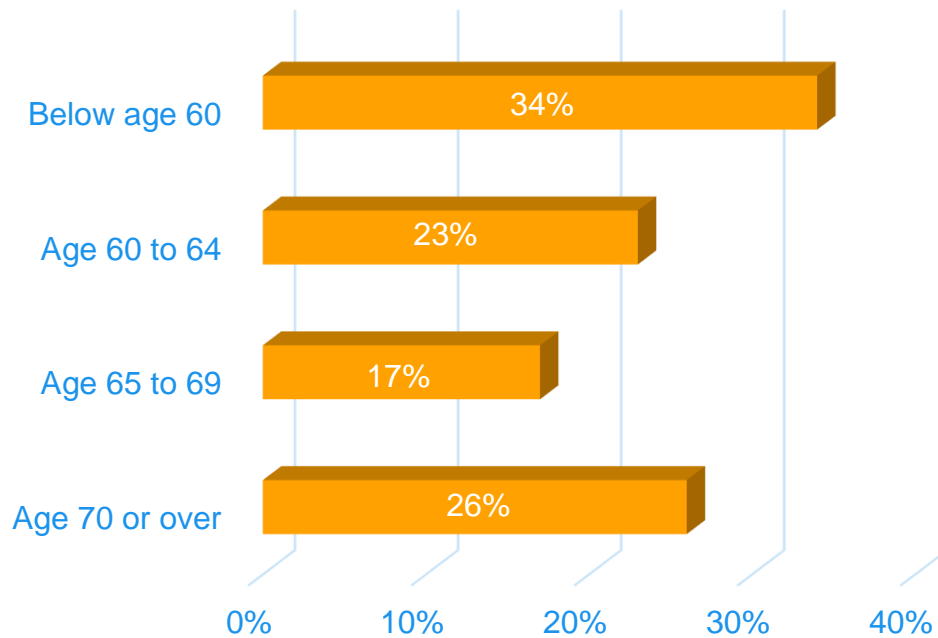
What's your biggest financial concern when planning for retirement?



Figures may not sum to 100% because of rounding

- Healthcare costs were by far the biggest concern, with double the response of the second-most popular response
- This is likely to be reflective of respondents' awareness of the rapid escalation of healthcare claim incidence, claim costs and insurance premiums at older ages

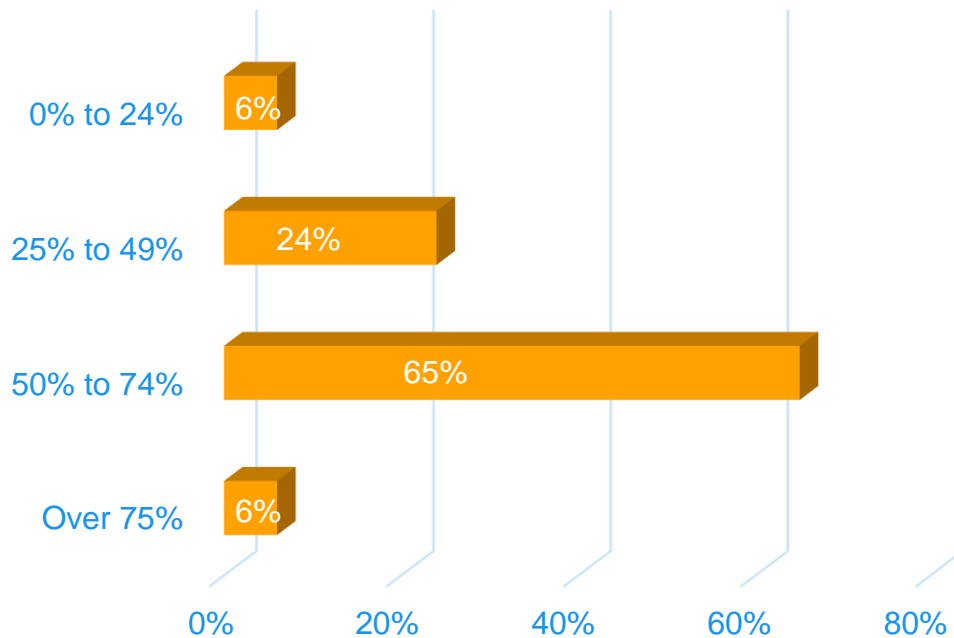
When do you plan to retire (stop working completely)?



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- There was a broad spread of responses to this question
- Whilst over a quarter of respondents anticipate retirement after age 70, over one third are continuing to plan for retirement before age 60
- Targeting retirement before age 60 requires careful financial planning

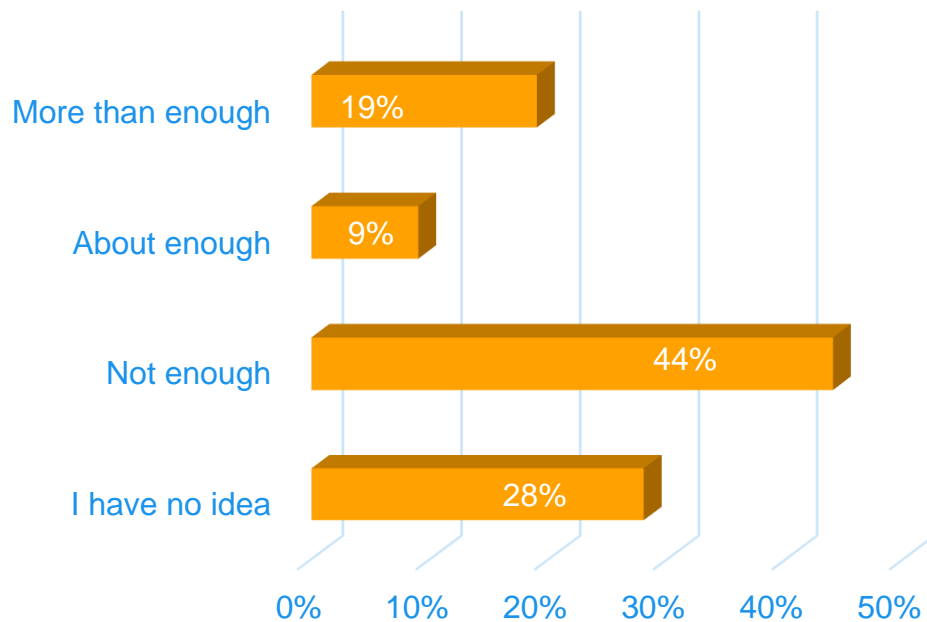
What replacement ratio (ratio of post-retirement to pre-retirement income) are you targeting in retirement?



Figures may not sum to 100% because of rounding

- Almost two thirds of respondents are aiming for a replacement ratio between 50% and 74%, a range which encompasses the traditional international target of 67%
- Those with lower targets will need to be sure that their target will be sufficient to cover their expenses in old age

Are you saving enough for retirement?



Figures may not sum to 100% because of rounding

- Worryingly, almost three quarters of respondents either thought that they were not saving enough or did not know what their position was
- This suggests that respondents need encouragement to save more voluntarily, and potentially better savings options to provide for that need. Simple planning tools would also enable better understanding

Key takeaways

Based on responses to coffee-break polls conducted at the Singapore Actuarial Society's Health and Retirement Conference 2017, we found that:

- Healthcare costs are by far the major concern in retirement (cited by 63% of respondents)
- There is a broad spread of target retirement ages. However around one third (34%) of respondents are still planning to fully retire before age 60 (despite increasing retirement ages in Singapore and globally)
- The majority (65%) are targeting an income replacement ratio of between 50% and 74%
- However almost half of respondents (44%) do not believe they are saving enough to achieve their objectives and around a further quarter (28%) do not know what their financial position is.

In summary, most respondents appear to need to save more for retirement – especially if they wish to target an income replacement ratio of more than 50% on retirement before age 60. A sizeable proportion need to take time to understand their financial situation in retirement better. There appears to be a need for additional retirement savings pillars in Singapore and simple tools to help people plan more effectively for retirement.

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Thank you

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