

Just when should one call it a day?

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KUALA LUMPUR: With people living longer and staying active even as they approach retirement age, more countries are grappling with the question of when a person is considered too old to continue working.

According to visiting US-based Age Wave president Dr Ken Dychtwald, the increasing rejection of the mandatory retirement age will gradually change the outlook of retirement worldwide.

"Many are of view that there is a need to re-invent retirement as advanced countries face issues like higher life expectancy, increasing changes in population growth and declining fertility rates."

Due to new emerging trends, there was overwhelming agreement that retirement at 60 to 65 years of age should be "outlawed" and would one day turn obsolete, said Dychtwald who was in Kuala Lumpur recently to unveil the findings of HSBC group's landmark study on *The Future of Retirement* conducted by consulting firms Age Wave and Harris Interactive.

"Retirement may not exist in future with more individuals looking at a blend of work and leisure, like a sabbatical. Countries will have to rethink the potential of greater longevity while employers will have to prepare for the implications of the changes in the workforce," he said.

Therefore, it was critical that governments, regulators, corporations and financial institutions understood the emerging trends going forward, Dychtwald said.

For Malaysia, he said: "It is still a young country with only 6.5% of its population aged over 60 years and each family on average has three children. Malaysia has an advantage of being able to watch carefully and learn how advanced nations grapple with their increasingly ageing population."

He said Malaysia was in a good position to prepare for the future security of its ageing population.

Conducted last year, the HSBC study covered 10,000 respondents from 10 countries – Canada, Brazil, the US, Britain, France, China, Hong Kong, India, Mexico and Japan.

The study also shows changes in

the Asian society and cultures.

In Japan, for example, the number of people under 45 years old is shrinking. "The trend is that people are living longer while on the other hand, not many children are being born.

"Just imagine when the younger population shrinks. Who is going to take care of the grandparents, buy new cars, new technology or even buy cheap burgers?" Dychtwald said.

According to the study, Hong Kong, at 0.9 children per couple, has the lowest birth rate in the world, followed by Italy 1.2, Japan 1.4 and Germany 1.5.

"For countries to maintain their population size, the average couple needs to have just over two children," Dychtwald said.

The next point is how old is old? "Many perceive that 65 years old – the famous marker of old age worldwide – is when one is too feeble to work," he said.

However, with the older population going to live longer and longer, he said: "The current view is that we need to stretch the old age later and later.

In China, many believe that one



Dr Ken Dychtwald

turns old at 60 while in France, Canada and Japan, 70 years is considered the marker for old age.

According to Dychtwald, HSBC is currently undertaking another

larger study on retirement with double the number of countries, including Malaysia. Most people surveyed were those above 60 to 65 years old.