



Friends Provident International survey shows that expatriates in the UAE are not prepared for retirement

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Friends Provident International (FPI) recently commissioned market research and data analytics company YouGov to survey expats living in the UAE on their retirement plans. The survey findings show that the majority of respondents do not have realistic plans for securing a comfortable lifestyle when they finish working.

While the research shows that overall more than one third of respondents (34 per cent) expect to be retired by the time they reach the age of 55, and more than half (53 per cent) before they are 60; less than half (48 per cent) are currently saving regularly for their retirement. Furthermore, only one-third of respondents have an investment portfolio set aside to provide an income in retirement. Of the respondents that said they have a retirement portfolio, half (53 per cent) claimed the value of their investments was less than USD50,000 and three-quarters (76 per cent) said the value was less than USD100,000.

When asked where they expect to retire, four-fifths (81 per cent) said they would return to their home country and the remainder to another country. Australia, Canada, New Zealand and the UAE were cited as the most popular retirement destinations for those not intending to return home.

Less than one-third (32 per cent) of respondents said they are entitled to a state pension in their home country – a further 16 per cent were not sure they would qualify, and 52 per cent said they will not be entitled to a pension when they retire.

Chris Divito, Managing Director Middle East and Africa at FPI said:

“It is concerning that while 75 per cent of respondents expect to be retired by the time they are 65, less than half are currently saving regularly for their retirement. Of the people that are saving regularly, one third is only putting aside up to 10 per cent of their monthly income. Perhaps even more worryingly, 58 per cent of people only intend saving for up to 10 years before they retire. That is unlikely to give them enough time to build a retirement fund that is sufficient to sustain them in what should be their golden years.

Based on our research, unless they take some drastic action to address the need for robust retirement planning, many expats in the UAE are going to fall some way short of achieving the comfortable retirement many of us dream of.”

In terms of the monthly income respondents are targeting post-retirement, overall, three quarters (74 per cent) said they are looking to secure an income of between USD1,000 and USD4,000 per month (half said they were targeting an income of between USD1,000 and USD2,000 per month and a quarter [24 per cent] said between USD3,000 and USD4,000 per month).

When asked who they approach for financial advice just 12 per cent of respondents said they used the services of a financial adviser, while three times as many (35 per cent) turn to friends and family. A quarter said they do their own research and financial planning online.



Chris Divito commented:

“With no official retirement scheme for expats in the UAE, it is vital that people take personal responsibility for making sure that they can afford to survive life after work. People are clearly not saving enough - and are not starting to save early enough - to give themselves a chance of enjoying a financially independent retirement.

While I appreciate that people place a great deal of trust in advice from friends and family, I encourage anyone who is serious about securing a comfortable financial future for themselves and their family to speak with a qualified financial adviser, who will be able to discuss a wide range of options and recommend a suitable retirement planning strategy.”

Ends

Research undertaken by YouGov between 28 January and 4 February 2019 – total number of UAE expatriate respondents: 874

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Notes to Editors

About Friends Provident International

Friends Provident International (FPI) provides life assurance, pensions and investment products in Asia, the Middle East, the United Kingdom – and other selected markets – and is part of the Aviva Group.

We have over 35 years’ international experience, offices in Hong Kong, Singapore, the United Arab Emirates and the Isle of Man, and more than 500 staff worldwide.

See www.fpiinternational.com for further information on Friends Provident International.



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Authorised by the Isle of Man Insurance and Pensions Authority.

Provider of life assurance and investment products.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Authorised by the Office of the Commissioner of Insurance to conduct long-term insurance business in Hong Kong.

Registered in the United Arab Emirates as an Insurance Company (Registration No. 76).

Registered with the Ministry of Economy as a foreign company (Registration No. 2013): Registration date 18 April 2007.

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