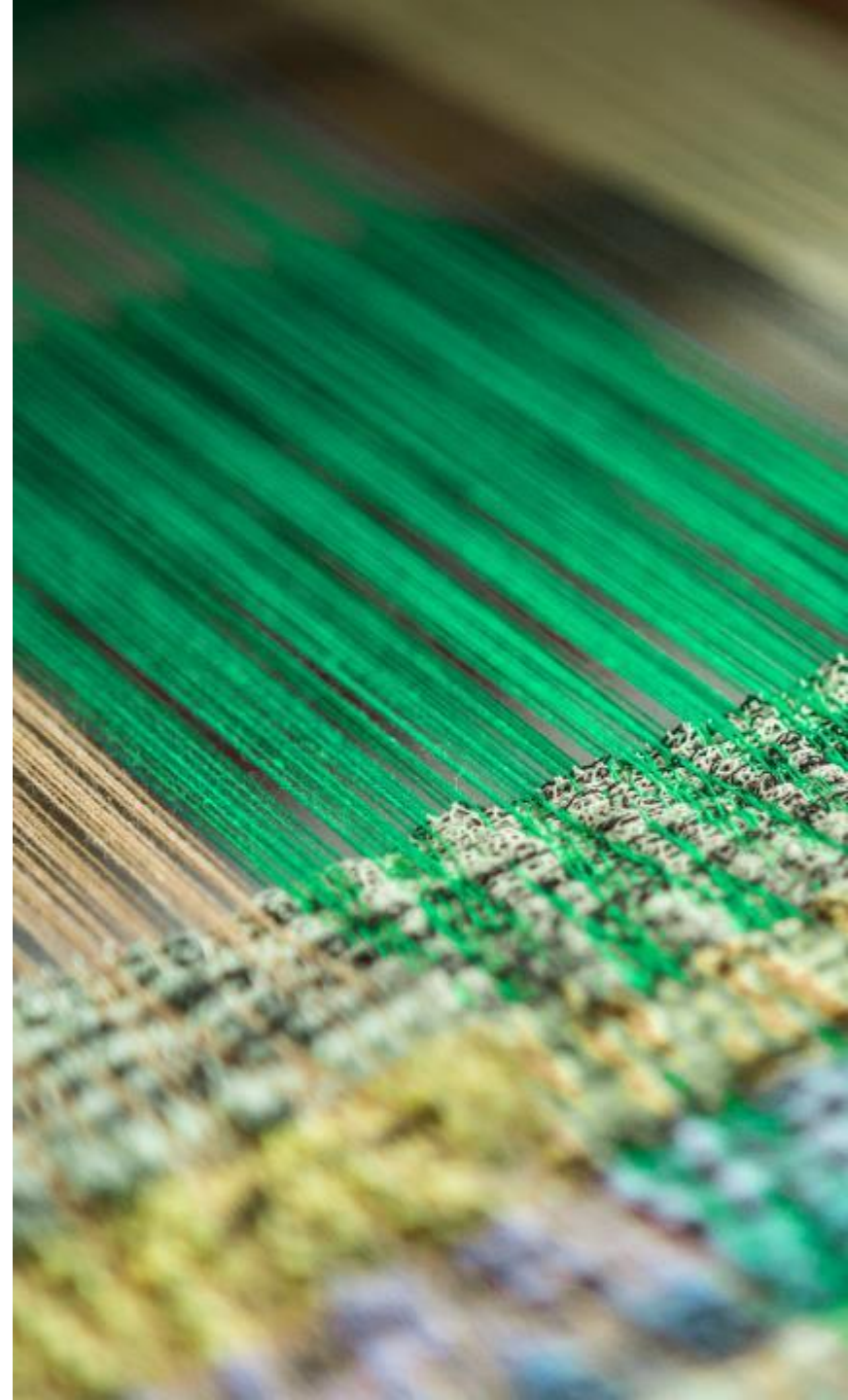


Way forward for Hongkongers *with expected monthly retirement income just on third of current level*

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Strategy & Transformation, Asia Retirement





Asia is Diverse – especially when it comes to retirement planning

The Asia population is aging at a speed that surpasses the rest of the world.

By 2030...

- **One in every six** people in the world will be aged 60 years or over (WHO)¹
- **One out of four** people in Asia will be over 60 (Asian Development Bank)²

Explore your retirement journey in **Diverse Asia**

In our Diverse Asia series, we investigate the retirement readiness across the region.

We look into the demographic characteristics of different Asian markets, government support systems, and how people are coping with the retirement agenda.

Our goal is to provide insights for individuals to better plan for their retirement by identifying the financial and expectation gaps that may exist.





Defining the concept of aging across different Asian markets



Young

Regions in which less than 7% of the population is aged 65+



Ageing

Regions in which 7% to 13% of the population is aged 65+



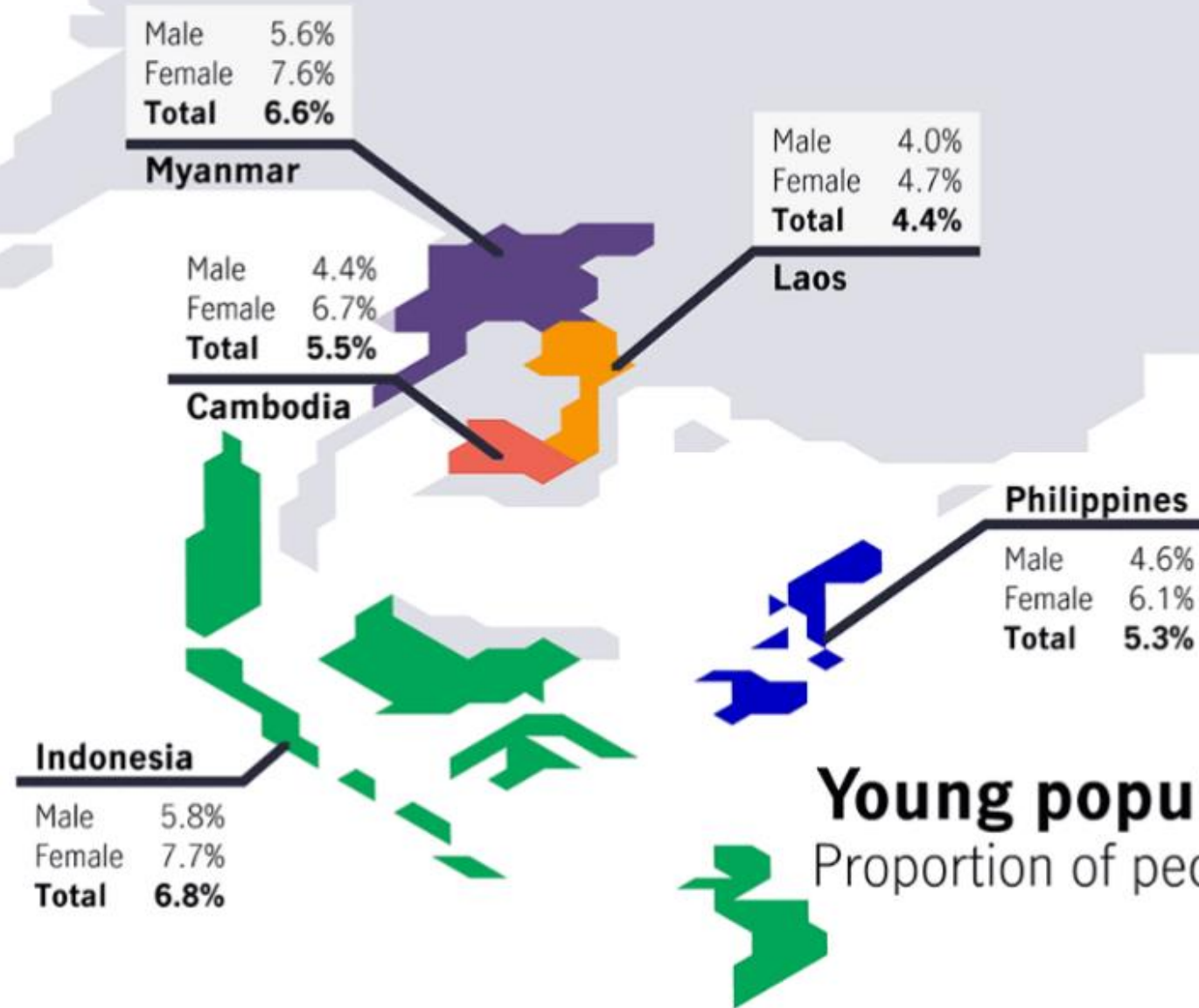
Aged

Regions in which 14% to 20% of the population is aged 65+



Super-aged

Regions in which more than 20% of the population is aged 65+



Young population regions
Proportion of people aged 65+

Is Hongkongers' retirement income enough?

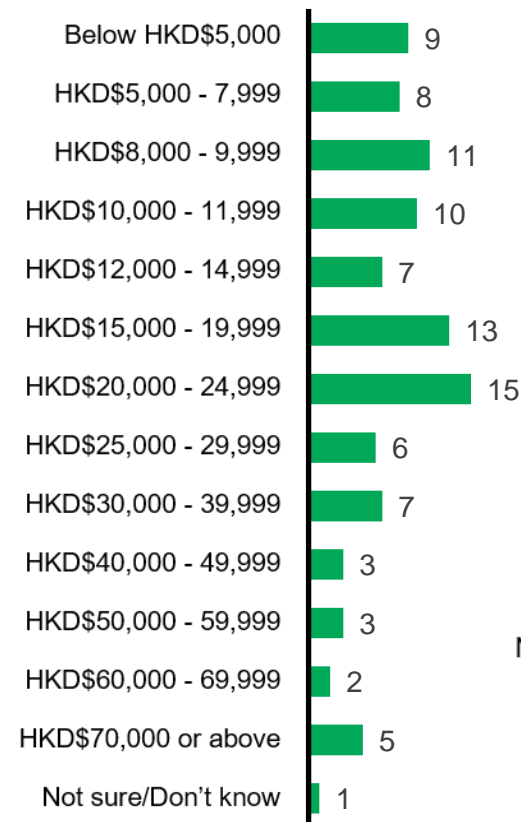
The answer is...
probably not.

Expectation

Need **73%** of current monthly
income to maintain a comfortable
lifestyle in retirement

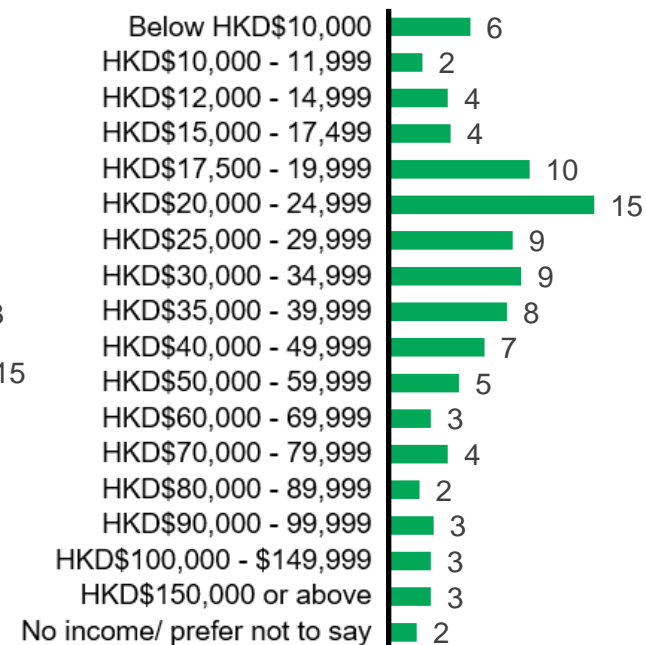
Monthly expense to maintain a comfortable lifestyle during retirement*

Mean: HK\$21,287*



Monthly personal income*

Mean: HK\$29,204*



The answer is...

probably not.

Expectation

Need **73%** of current monthly income to maintain a comfortable lifestyle in retirement

Reality

Will get about **33% or less** of current income each month, according to the **Manulife Investment Management Retirement Income Forecaster**

Data as of Manulife Investment Management Retirement Income Forecaster, November 2022. The Retirement Income Forecaster integrates Manulife Investment Management's proprietary capital market assumptions and leading investment portfolio data with our state-of-the-art mathematical modeling and Monte Carlo simulations, which then produces the expected monthly retirement income that people could achieve with a good level of confidence.

Retirement income scenarios in Hong Kong

A Career starter



Age: 32
Salary: HK\$29,200
Investment: HK\$750,000

Expected monthly retirement income: **HK\$9,200**

B Working couple with two kids



	Member A:	Member B:
Age:	42	37
Salary:	HK\$62,500	HK\$41,700
Investment:	HK\$1.5 mil	HK\$1 mil

Expected monthly retirement income: **HK\$20,800**

C High income earner



Age: 52
Salary: HK\$166,700
Investment: HK\$4 million

Expected monthly retirement income: **HK\$20,800**

D Couple about to retire



	Member A:	Member B:
Age:	64	62
Salary:	HK\$83,300	HK\$20,800
Investment:	HK\$2 mil	HK\$2 mil

Expected monthly retirement income: **HK\$14,300**

Family matters in retirement planning...



The “traditional”
nuclear family -
featuring a
mother, father,
and at least *one*
child - is no
longer the only
option.



There’s now **more than one dimension** to consider when it comes to family structure:



Horizontal: determining how household sizes have changed in recent decades

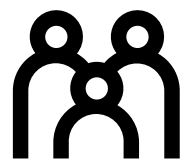


Vertical: considering contemporary surviving generations and living arrangements in the household

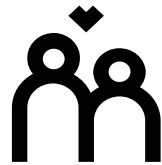




In Hong Kong, the *average domestic household size* has fallen:



from **3.3 persons** in 2000

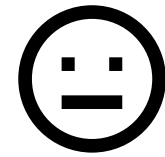


to **2.7 persons** in 2021

The proportion of older persons *living with a spouse and children* has remained unchanged at around **30%** since 2006



Over the past decade, the number of *older age group workers*



has climbed **136%**

What does this mean?



Plan ahead and set up an independent investment portfolio dedicated to elderly savings



Create income streams – diversify assets and leverage dividend-distributing vehicles



Consider annuity to create income after retirement

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