



Prospering in a new era of healthier longevity with behavioral changes

As societies and medical technology advance, people on average are living longer. Accumulating enough money to fund a retirement that could last multiple decades is becoming a formidable challenge. The recently released Manulife Asia Care Survey 2024¹ revealed that in Hong Kong, despite their desire to achieve a high level of financial well-being, people feel that they will fall short of their own expectations due to rising living and healthcare costs. Close to three-quarters (70%) of Hongkongers believe they need to boost their retirement and pension benefits from their employers, as well as enhance medical insurance coverage, to secure their future in retirement. Therefore, it is essential for individuals to take a holistic approach to retirement planning and investing.

Three strategies to mitigate risk of income shortfall in retirement

Longevity risk, or the risk of outliving one's savings, is a critical factor in retirement planning. Hongkongers are now ranked as the longest living people in the world², and this poses significant challenges for retirement planning. Fortunately, people may adopt three simple strategies to help mitigate this shortfall risk.

- 1. Contribution rate:** Consistently contributing a significant portion of income towards retirement savings is crucial. A contribution rate of 15%³ over a long-term period significantly reduces the probability of income shortfall. Conversely, a lower contribution rate, such as 5%, can drastically increase shortfall risk. Employers also play a vital role in encouraging higher contribution rates through matching contributions while enjoying deduction in profits tax.
- 2. Accumulation period:** Starting to save earlier in one's career is essential. Delaying retirement savings by a decade can result in nearly a 50%³ reduction in accumulated savings due to the loss of compounding growth.

The earlier an individual begins saving, the more they can benefit from the power of compound interest. This long-term growth potential makes a significant difference in retirement planning.

- 3. Investment choice:** Contrary to common belief, opting for conservative investments, especially when one is younger or still many years from retirement, can increase shortfall risk. A more balanced approach (see chart 1), i.e. incorporating growth assets in one's savings portfolio helps mitigate the risk of outliving retirement savings. While conservative investments may seem safer, they often do not provide the growth needed to outpace inflation and sustain a long retirement. A diversified portfolio that includes a mix of equities, bonds, and other asset classes can provide a better balance of risk and return, helping to ensure a more stable financial future.

Chart 1: Diversifying your investment choices helps to lower shortfall risk



Source: Multi-Asset Solutions Team, Manulife Investment Management, December 2023. **Target-date portfolio** at age 25 consists of equities (95%), cash (1%), fixed income (4%); at age 65 consists of equities (50%), fixed income (45%), cash (5%). **60/40 portfolio** consists of equities (60%) and fixed income (40%), **cash portfolio** consists of cash (100%).



What's next?

Hong Kong is experiencing notable demographic shifts, including changes in family structures and family relationships. According to the aforementioned survey¹, 40% of Hong Kong adults no longer view their children as financial safeguards for their old age. This shift necessitates a re-evaluation of retirement strategies, focusing more on individual financial resilience.

Successful retirement planning requires a proactive and comprehensive approach to tackle the unique challenges posed by longevity risk, gender disparities, and evolving family circumstances. Embracing the three strategies of contribution rate, accumulation period, and investment choice helps individuals to better prepare for a financially secure retirement.

Additionally, ensuring multiple sources of retirement income, such as pensions, savings, and investments, can provide a safety net against financial uncertainties. Diversification reduces reliance on a single income source and helps mitigate the impact of market volatility.

By taking a holistic approach to retirement planning, Hongkongers can achieve enhanced financial wellbeing and peace of mind as they enter their golden years.

Source: Manulife Investment Management

1. Source: Manulife Asia Care Survey 2024, conducted between January and February 2024 with over 1,000 adults aged 25-60 in Hong Kong
2. United Nations Vital Statistics Summary and Life Expectancy at Birth for 2022
3. Multi-Asset Solutions Team, Manulife Investment Management, December 2023

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Providing thought leadership - To act as a consultative body in liaising with relevant policy makers and regulatory bodies on matters related to the development of the MPF system in Hong Kong.

Enhancing Trust in the system - To enhance the trust and confidence in the MPF industry by partnering with industry stakeholders to cultivate public awareness of MPF.

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改變行為習慣 迎接更健康長壽的新時代

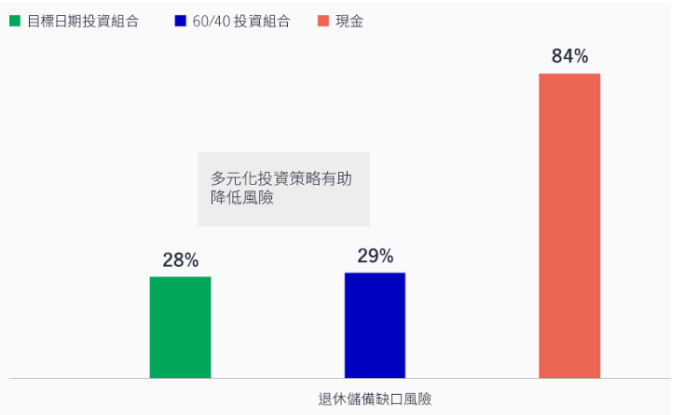
隨著社會及醫療技術不斷改進，市民平均壽命不斷延長。能累積足夠財富以維持長達數十年的退休生活已逐漸成爲一項艱巨的挑戰。最近發佈的2024年《宏利亞洲康健調查》¹顯示，儘管香港人渴望實現高水平的財務健康，但由於生活和康健護理成本上漲，他們擔心無法達成期望。接近四分之三(70%)的香港人認爲，他們需要在其僱主提供的退休金保障基礎上加碼，並加強醫療保險範圍，為未來退休生活提供保障。因此，港人必須採取全面周詳的退休投資規劃。

應對退休儲備不足的三項策略

長壽風險是指因壽命延長而耗盡積蓄的風險，是退休計劃中的一個關鍵因素。現時，香港人目前位居全球預期壽命排行榜之首²，這令退休策劃充滿挑戰。可幸的是，港人可以採取三項簡單的策略，以助紓緩退休金不足的風險。

- 1. 供款率：**持續將收入的一部分投入退休儲蓄至關重要。若能夠長期將供款率調至15%³，便可明顯控制退休儲備缺口的風險。相反，若維持較低的供款率（如5%），將會大幅提高缺口風險。僱主亦擔當重要角色，可透過作出與僱員相等的供款，以鼓勵僱員提高供款率，同時享受受利得稅減免。
- 2. 累積期：**在步入職場初期便開始儲蓄是十分重要。延遲十年才開始為退休儲蓄，會因失去複合增長的機會，導致積蓄減少近50%³。開始儲蓄的時間越早，越能受惠於複合利息的威力。它帶來的長期增長潛力為退休策劃產生截然不同的理想效果。
- 3. 投資選擇：**與普遍的說法相反，選擇保守型投資，尤其是在年輕或距離退休尚有多年的時候，可能會增加退休儲備缺口風險。採用更均衡的方法（見圖1），即在儲蓄投資組合中加入增長型資產，可幫助減輕長壽導致退休儲蓄不足的風險。雖然保守型投資看似更安全，但往往無法提供足夠的增長來抵禦通貨膨脹並維持長期退休生活。一個混合股票、債券和其他資產類別的多元化投資組合可提供更佳的風險與回報平衡，有助於確保更穩定的財務未來。

圖1：多元化的投資選擇有助降低退休儲備缺口風險



資料來源：宏利投資管理多元資產方案團隊，2023年12月。25歲時的目標日期投資組合包括股票（95%）、現金（1%）、固定收益（4%）；65歲時則包括股票（50%）、固定收益（45%）、現金（5%）。60/40投資組合包括股票（60%）和固定收益（40%），現金投資組合包括現金（100%）。

前景展望

香港正經歷明顯的人口結構轉變，包括家庭結構和家庭關係的變化。根據上述調查結果¹，40%的香港成人不再將子女視為晚年的經濟保障。這個情況令港人必須重新評估退休策略，聚焦於個人財務上的靈活度。

成功的退休計劃需要採取積極和全面的策略，以應對長壽風險、性別差異和家庭環境轉變帶來的獨特挑戰。應用供款率、累積期和投資選擇這三項策略，便能為退休時的財政保障作好周全的準備。

此外，確保退休收入來源多元化，例如退休金、儲蓄和投資，可以為應對金融不確定性提供安全網。多元化投資有助減少對單一收入來源的依賴，減輕市場波動的影響。

透過全方位的退休計劃，港人可以獲得較佳的財務保障，安心無憂邁向黃金歲月。





資料來源：宏利投資管理

1. 資料來源：2024年《宏利亞洲康健調查》，於2024年1月至2月期間，宏利對香港超過1,000名25歲至60歲的成年人進行了問卷調查。
2. 資料來源：聯合國人口動態統計摘要及2022年出生時預期壽命。
3. 資料來源：宏利投資管理多元資產方案團隊，2023年12月。

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