



Productive ageing in Hong Kong

Breaking the mould of ageing

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香港大學秀圃老年研究中心
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Written by:

The
Economist

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Foreword



Edward Moncreiffe

Hong Kong Chief Executive Officer,
HSBC Life (International) Limited

“As more people aspire to become ‘slashies’ in retirement, our Survey shows there remains a serious gap between expectations and the reality required for productive ageing. Hongkongers will likely work for 40 years and spend another 25 years or more in retirement. On top of innovative insurance products, a major transformation of the existing social contracts, institutions and norms in Hong Kong is needed if we are to embrace a future where more older people can be a positive and dynamic force in societies, and continue to contribute to social and economic wellbeing. A productivity boost must be enabled to match this longevity boost, and we all have a role to play. This is a key focus of our Eldercare Programme which is now in its third year.”



Dr Vivian Lou

Director, Sau Po Centre on Ageing
The University of Hong Kong

“It is alarming to observe that one of four participants reported an intention to quit their job to take care of family members when in need. Let’s join hands to develop solutions to support working caregivers to balance work and caregiving roles.”



Fiona Nott

Chief Executive Officer,
The Women’s Foundation

“The gender differences in the findings have serious implications for women. Gender biases at work adversely affect women’s career advancement and earnings while traditional social roles at home may mean women rely on their spouses to make financial decisions. All of this contributes to their potential financial vulnerability in retirement. As society ages we should ensure there are gender sensitive solutions so that women are not left behind and everyone can thrive in their later years.”

About the report

Productive ageing in Hong Kong is a report from The Economist Intelligence Unit, sponsored by HSBC Life. The report is based on a consumer survey conducted in June 2021 of more than 600 Hong Kong residents aged 30-70 on their preparedness and perception towards post-retirement. The report was written by Siddharth Poddar and Shivaji Bagchi, and edited by Naka Kondo. Findings from the survey were supplemented with wide-ranging research and in-depth interviews with experts in the field. Our thanks are due to the following people (listed alphabetically by surname) for their time and insight:

- Lam Ching Choi, member of the Executive Council of Hong Kong and chairman, Elderly Commission
- Adeline Tan, wealth business leader, Mercer
- Paul Yip, chair of population health at the department of social work and social administration, University of Hong Kong
- Rebecca Choy Yung, founder and chair, Golden Age Foundation

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Executive summary

Life expectancy in Hong Kong averages 85.32 years today. Hong Kong also has the highest health-adjusted life expectancy (HALE) rates globally, which means people in Hong Kong remain healthy longer into old age. While this sounds great, it inevitably raises several questions around financial, medical and social support needed for people to age productively.

As Hong Kong's society ages, and the median age and elderly dependency ratio continue to rise—it is important to understand the intricacies of productive ageing, and what preparation it requires.

Is Hong Kong doing enough for its elderly to age productively? What are some key factors impacting productive ageing? And what do people expect from old age?

Key takeaways:

- About a quarter (23.3%) of Hong Kong residents have planned for a retirement that will last only between 6-10 years. It was found that people who acknowledged a greater number of years in retirement also saved more towards retirement. Only 3% in Hong Kong have no retirement plans.
- The retirement age in Hong Kong has been increased and now stands at 65 years. However, our qualitative research indicates that both in the public and private sector, younger workers continue to be preferred.
- Even after retirement (and with no income as we know it), many old residents continue to support their children by providing them

with housing and by caring for their grandchildren. Supporting one's family works both ways, with 42.5% of respondents saying they would support their parents both financially and mentally if they were diagnosed with a cognitive disorder.

- Three in five respondents believe they don't receive enough financial support from the government; and only 4% had no social concerns around ageing.
- From a medical perspective, medical inflation, which can result in unexpected medical costs, is considered the biggest issue.
- Our survey also indicates clear differences in how men and women perceive retirement and prepare for it. A greater share of men think about retirement and plan for it, and more women are dependent on their spouses for financial support in old age.

The covid-19 pandemic has also adversely impacted Hong Kong residents' preparedness for ageing. Social isolation and loneliness have become bigger problems due to the pandemic as lockdowns of varying degrees have been implemented. While some programmes by the government are being implemented to help the elderly, more needs to be done to ensure that the old in Hong Kong can live with dignity and self-respect.

The pandemic notwithstanding, our survey and conversations with experts point to different areas in which Hong Kong may need a rethink if it is to provide a more conducive environment for productive ageing.

Introduction

Hong Kong has the world's longest life expectancy. In 2019, life expectancy averaged 82.4 years for men and 88.2 for women.¹ While those aged 65 years and above comprised 18.2% of the population in 2020,² this number could reach 34% by 2049.³

This shift in Hong Kong's demographic structure will be accompanied by an increase in healthcare costs, higher social security expenditure, and a higher dependency ratio.

The 'traditional' dependency ratio represents the number of non-working (children aged 0-14) or retired (above 65) individuals to the total number of working-age individuals—a higher dependency ratio is less favourable. In Hong Kong's case, the elderly dependency ratio is projected to more than double, growing from 249 in 2019 to 508 in 2039. Meanwhile, the child dependency ratio is forecast to decline from 165 to 127 in this period,⁴ and the median age will increase from 44.6 to 50.4 years.

Hong Kong also boasts one of the highest health-adjusted life expectancy (HALE) rates globally, and a low gap between HALE and life expectancy. This indicates that Hong Kong's residents remain healthy longer into old age. This is an outcome of rapid healthcare advances, and it also casts a spotlight on challenges related to productive ageing.

Paul Yip, chair of Population Health at the Department of Social Work and Social Administration at the University of Hong

Kong, says, "we are victims of our own success, with our life expectancy being one of the longest in the world."

But Professor Yip is not convinced the traditional dependency ratio is a suitable measure of elderly dependency in Hong Kong (or in any society for that matter). In his view, the economic dependency ratio (EDR) is a more appropriate measure of the economic impact of changes in a society's demographic balance, as it is the ratio of economically dependent to active individuals. At present, Hong Kong's EDR is about 1:1, which Professor Yip says is manageable. Problems arise when this ratio increases significantly, which can happen if the labour force shrinks.

Hong Kong's fertility rate, meanwhile, is among the lowest in the world, at 1.4 births per woman, far below the replacement level of 2.1.⁵ This, in turn, means the labour force participation rate in Hong Kong is declining, increasing the EDR.

Given that longevity has been growing among Hong Kong's population, questions are inevitably raised about how people will spend and support their advanced years. How will financial, social and medical factors impact productive ageing? More importantly, will Hong Kong's elderly be able to lead their lives with dignity and self-respect?

1 <https://www.worldometers.info/demographics/china-hong-kong-sar-demographics/>

2 <https://knoema.com/atlas/Hong-Kong/Population-aged-65-years-and-above>

3 <https://www.statistics.gov.hk/pub/B1120015082020XXXXB0100.pdf>

4 *Ibid*

5 <https://www.macrotrends.net/countries/HKG/hong-kong/fertility-rate>



Many Hong Kong residents are going to spend many more years in retirement compared with previous generations

What is productive ageing, and how are people in Hong Kong preparing for it?

Many Hong Kong residents are going to spend many more years in retirement compared with previous generations, as the likelihood of them living longer is considerably higher. In other words, while people are likely to work for the same number of years and earn an income, their time spent without an income is much longer already than previously.

According to a survey conducted by The Economist Intelligence Unit, one in five Hong Kong residents (21.2%) expect their retirement to last 16-20 years, while almost one in four (23.8%) anticipate it to last beyond 20 years. This puts the focus on the need to plan, and many Hong Kong residents are doing so.

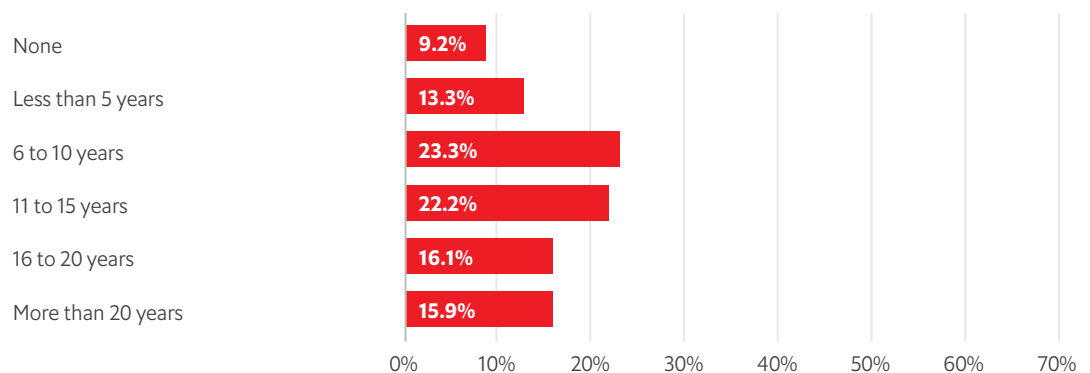
However, the survey shows almost a quarter (23.3%) of Hong Kong residents have planned for a retirement that will last only 6-10 years, 22.2% for 11-15 years, 16.1% for 16-20 years and 15.9% for more than 20 years.

There is also a correlation between planning further ahead and acknowledging a greater number of years in retirement. For example, 36% of those who believe their retirement will be greater than 20 years have also planned beyond that timespan. Similarly, of those who believe their retirement will last fewer than 5 years, 61% have either not planned at all or have planned for fewer than 5 years.

Moreover, 24% of those who think their retirement will be longer than 20 years save more than 30% of their monthly income towards it, while 36% save 21% or more. Only a meagre 3% have no retirement plans.

A positive trend is that Hong Kong's elderly are physically and mentally healthier than their peers from yesteryears. And this trend will continue. Existing employment frameworks, however, are yet to change to accommodate these shifts.

Exhibit 1: Planning for retirement



Source: The Economist Intelligence Unit

Exhibit 2: Those anticipating longer retirements generally plan for them

Anticipated years of retirement	Years of retirement planned for				
	Less than 5 years	6 to 10 years	11 to 15 years	16 to 20 years	More than 20 years
Less than 5 years	36%	18%	17%	6%	11%
6 to 10 years	18%	41%	27%	22%	15%
11 to 15 years	7%	10%	41%	28%	15%
16 to 20 years	0%	8%	7%	30%	17%
More than 20 years	14%	4%	4%	9%	36%

Source: The Economist Intelligence Unit

Exhibit 3: Those anticipating longer retirements tend to save a greater share

Percentage of your monthly income set aside for retirement planning	Years of retirement planned for				
	Less than 5 years	6 to 10 years	11 to 15 years	16 to 20 years	More than 20 years
Less than 1%	11%	6%	1%	4%	2%
1% to 5%	14%	11%	23%	13%	10%
6% to 10%	14%	37%	41%	26%	24%
11% to 20%	18%	15%	17%	30%	21%
21% to 30%	11%	13%	7%	13%	12%
More than 30%	7%	0%	7%	7%	24%

Source: The Economist Intelligence Unit

The retirement age across the majority of Hong Kong's organisations is now 65 years, having been increased from 60 to 62 in 2004, 63 in 2007, 64 in 2010 and 65 in 2013.⁶

Rebecca Choy Yung, founder and chair of Golden Age Foundation, says "whether one can work or continue to contribute does not hinge on age. The retirement system has boxed us in. We need to reframe our mindset. Instead of work, we could be contributing, servicing, adding value, or pursuing our passion. So, whether you retire at 60, 65 or 70—it really doesn't matter, because it's not a matter of age."

She adds: "I think it's more a matter of whether you are willing to continue to work or to contribute to society." But she does believe that ushering in changes is an uphill task, "especially when most top management looking after human resources are still clinging to an old school of thought" that prefers younger recruits.

Lam Ching Choi, member of the Executive Council of Hong Kong and chairman of the Elderly Commission, which is tasked with providing advice to the Hong Kong government on the formulation of policy in caring for elders, holds a similar view. "We have very conservative HR policies in most companies and also in the government," he says, adding that while Hong Kong has extended the retirement age from 60 to 65, "younger recruits are preferred both in the government and private sectors".

This can offset some of the financial burden faced by old people, by increasing their income-earning years and decreasing the number of years spent in retirement with no income. In fact, when given a chance, many older people are choosing to continue to work beyond the traditional age of retirement, so are economically active for longer—or economically not dependent on the younger generation.

6 <https://www.legco.gov.hk/research-publications/english/1920rt12-arrangements-for-people-close-to-or-at-retirement-age-in-selected-places-20200630-e.pdf>

The traditional notion of the old age dependency ratio is not necessarily relevant to Hong Kong



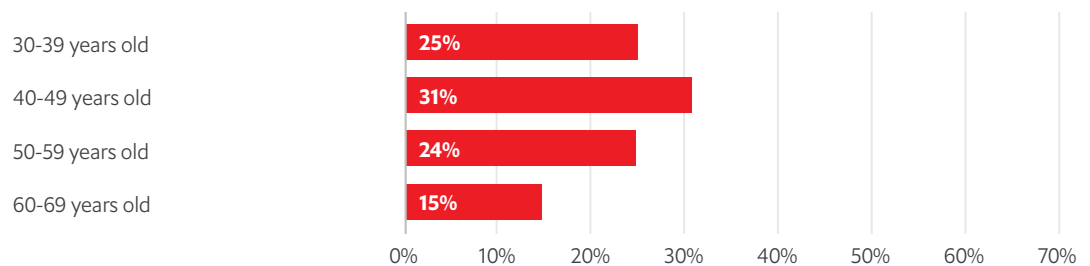
Old support the young

With an older but still healthy demographic, the traditional notion of the old age dependency ratio is not necessarily relevant to Hong Kong. This is because older people are often still supporting their children and/or grandchildren. The cost of living in Hong Kong is high and senior citizens' support for younger generations is a strong enabler for those just beginning their careers, for example. This is common because living by themselves is very expensive, says Professor Yip.

Elders' contributions can therefore not be quantified in direct income terms alone, because in many instances they are still supporting their children economically by providing them a home to stay and saving them rent, or providing money for higher education or a home down payment.

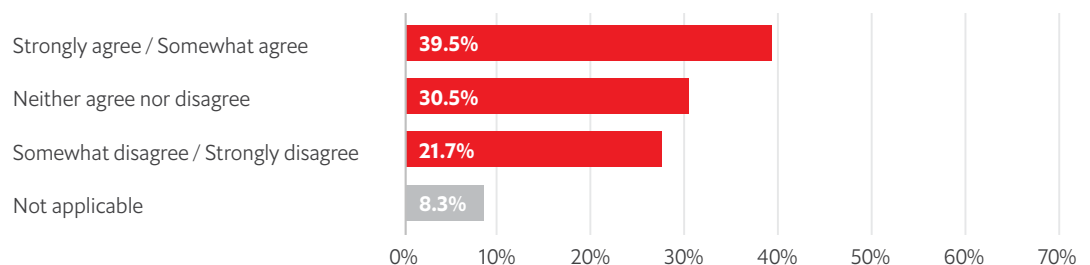
This is also reflected in our survey, with Hong Kong residents across age groups providing financial help to their children and/

Exhibit 4: A large share of Hong Kong residents support their children and/or grandchildren



Source: The Economist Intelligence Unit

Exhibit 5: I believe parents should support their child(ren) even in adulthood if the support is required



Source: The Economist Intelligence Unit

or grandchildren. Among those aged 50-59, 24% continue to provide support, as do 14.7% of those aged between 60 and 69.

Our survey finds that almost a quarter (24.7%) have the monetary resources to spend on their children's future expenses even after their own retirement. According to Ms Yung: "Both culture and practical situation [need] make contributing to family an important aspect of our lives. On the practical side, many young couples have to work and grandparents have become reliable caregivers who may take care of their grandchildren."

But it runs both ways. "As our life expectancy has become higher, family members need to take care of their elderly as well. Community care is considered a most effective way of looking after people in need when governments could not fill in social gaps," she adds.

Adeline Tan, wealth business leader at Mercer in Hong Kong, refers to this behaviour as a "very Asian character trait".

The efforts of Hong Kong's seniors to ensure a more comfortable life for their families is an integral part of productive ageing. They are a positive and dynamic force in society, contributing to economic and social wellbeing.

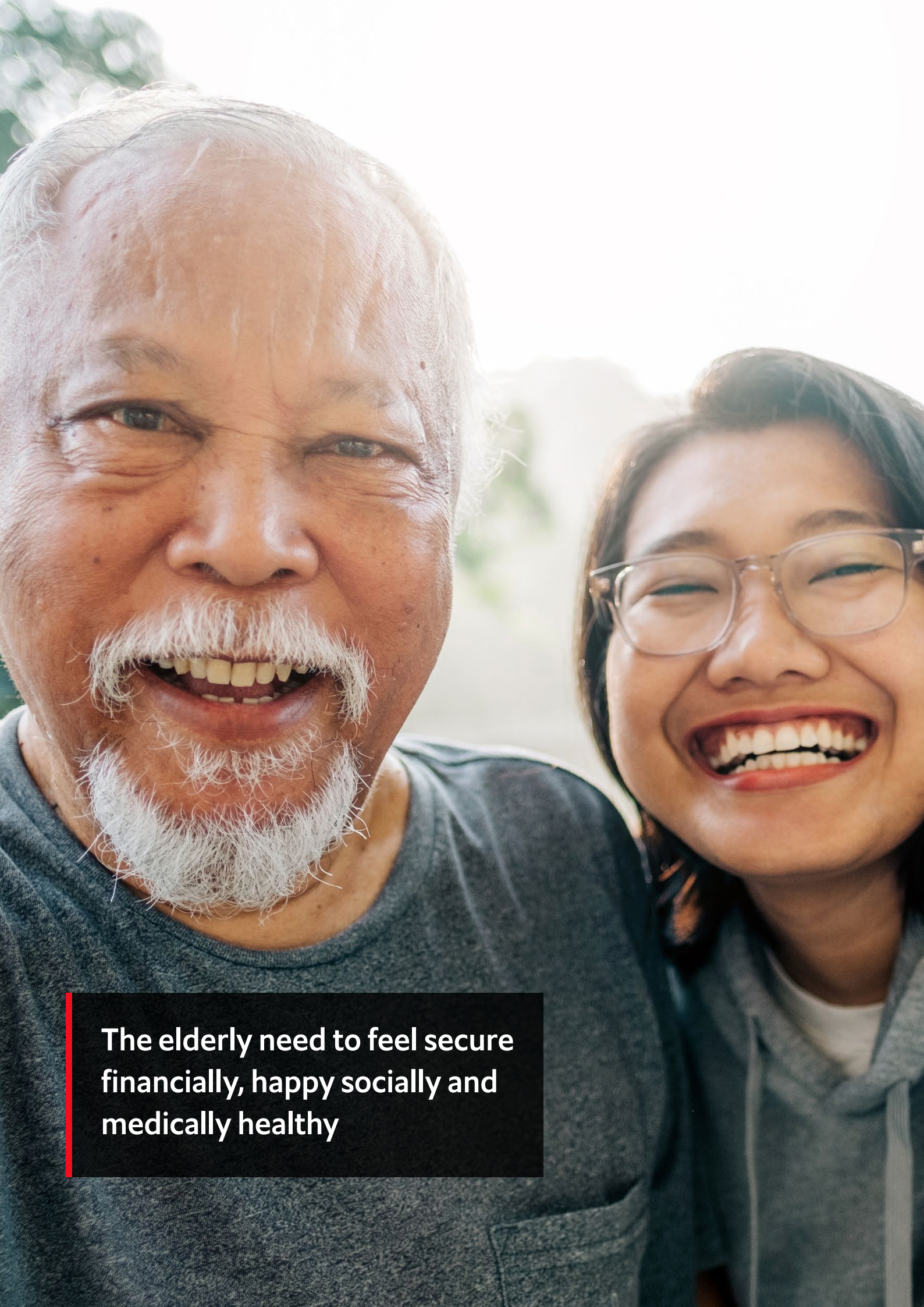
Beyond the support they provide on the household front, retired individuals in Hong Kong are keen to continue being net positive contributors. Ms Tan says "they are looking at productive lifestyles post retirement, where they continue to either work, and contribute to society or to the economy in general." She

adds that a fair number of seniors are keen to volunteer because "by and large, Hong Kong society is quite philanthropic in its culture".

Dr Lam also suggests there is keen interest in volunteering, with the government "having created a platform for older persons to contribute to society".

Many older people are using their retirement years to pursue diverse interests. While some have started new ventures from their homes, others choose to mentor youngsters, and still others pursue activities linked to the natural environment, such as bird watching. Many are furthering their hobbies.

According to our survey findings, the most common post-retirement plan across all age groups was travelling, followed by spending time with family and friends. More importantly, starting a business post-retirement was given the least priority among all age groups. Yet, many are quite simply continuing to work where they can, because they are still physically and mentally fit enough to do so. On its part, the government has established social enterprises that encourage pursuing trades such as creating handicrafts.



The elderly need to feel secure financially, happy socially and medically healthy

Enablers of productive ageing

Productive ageing cannot happen in a void. The elderly need to feel secure financially, happy socially and medically healthy. This enables them to pursue any activity or work, and be able to contribute. Besides, they are in far better health than the generations that preceded them. We explore the fundamental pillars that enable productive ageing—financial, social and medical aspects.

Financial considerations

An ageing population requires increased government spending on social welfare and healthcare. The cumulative spending in these spheres in Hong Kong totalled an estimated US\$151bn in 2018/19, which was about 37% of the total recurrent government expenditure. This marked a 181% surge from 1998/99, when it was US\$53.7bn.⁷

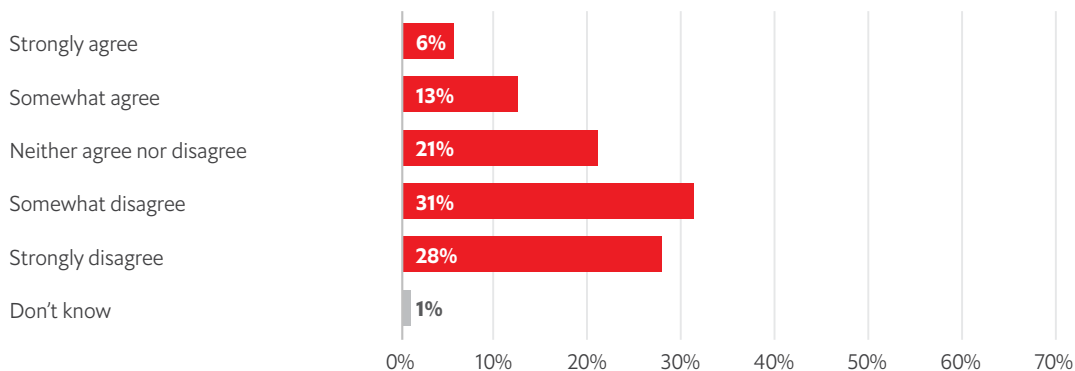
Financial support is key to ensuring an older demographic does not fall through the cracks

and its needs are catered to. In this regard, government support is an important tool—not just in terms of financial support such as subsidies, but also in terms of designing and implementing policy that enables the old to be more productive.

Cognisant of the challenges related to a rapidly ageing population, in 1997 the Hong Kong government established the Elderly Commission. Dr Lam describes it as “a high-level commission set up by the government to take care of all policies concerning older people”. The commission’s activities are not restricted to healthcare or social care—they span transport, town planning and even education.

Another initiative is the establishment of a multi-tier social security system to support seniors’ livelihoods. The initiative spans the Comprehensive Social Security Assistance for the elderly, the Old Age Living Allowance

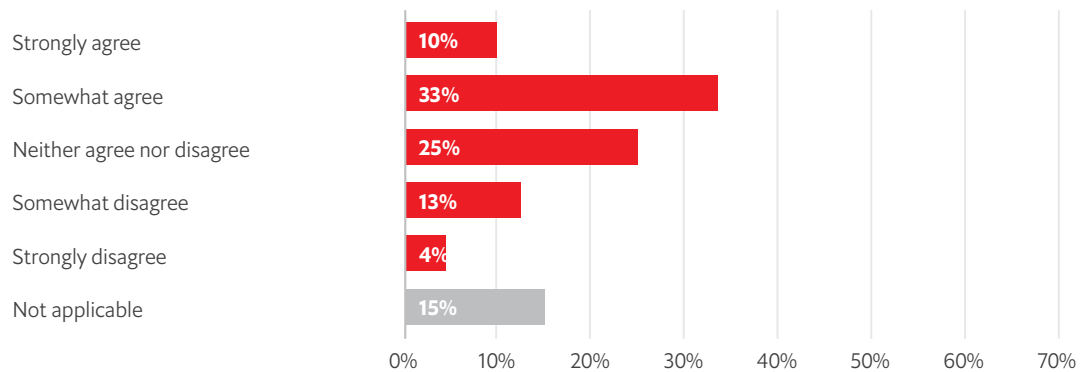
Exhibit 6: Does the government provide enough financial support for productive ageing?



Source: The Economist Intelligence Unit

⁷ <https://www.hkeconomy.gov.hk/en/pdf/el/el-2019-02.pdf>

Exhibit 7: If my parents are diagnosed with cognitive disorder, I am prepared to support them both financially and mentally



Source: The Economist Intelligence Unit

(OALA) and the Old Age Allowance. There has been a steady increase in the number of OALA beneficiaries, with 43% of all elders receiving support in 2019-20.8 For old people, these social systems have been central to the ability to live without worry, and with dignity.

However when it comes to financial support from government, a majority of Hong Kong residents feel not enough is forthcoming—three in five (59%) residents do not believe the government provides sufficient financial support for productive ageing, and only 19.2% believe it does.

Financial security is a major concern for a large share of Hong Kong's elderly. Rising living costs, coupled with growing life expectancy, will result in substantial costs incurred in hiring caregivers. What may also become a future financial constraint for

many in the working-age demographic is their decision to choose family caregiving over careers. Ms Yung, for example, says many of her friends have had to "leave their profession and stay home just to take care of their elderly parents".

Our survey, too, points at this, as 42.5% agree they are prepared to support their parents financially and mentally if diagnosed with a cognitive disorder.

Purchasing insurance to safeguard against high medical costs in later life is prudent. According to Mercer's Ms Tan, "there are insurance policies available to supplement retirees' health coverage, but if you're not well versed in them, you may not be buying these policies to support your old-age healthcare." Financial literacy is therefore an important aspect in financial planning for the future.

Gender differences

Survey results indicate that women think less about retirement than men, and are perhaps therefore less prepared for retirement. This could perhaps be attributed to the traditionally defined roles men and women are expected to play in society, interviewees say, which may be continuing to some degree in Hong Kong. Twenty six percent of women, for instance, say they either try not to think about retirement or know how long they anticipate their retirement to last, compared with just 15.5% of men.

Ms Yung says that this could be a reflection of women being more flexible and willing to accept change in their roles, while men tend to favour well-planned and predictable outcomes. However, it could also be a sign of lower levels of awareness around the financial considerations related to ageing.

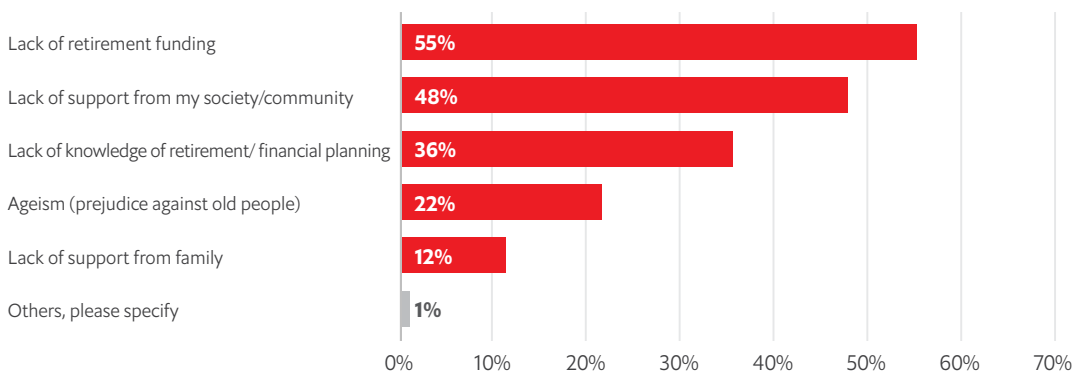
14.8% of women are financially dependent on their partners but just 4.6% of men are. Tellingly, 43.4% of women surveyed are concerned about income security or securing a regular stream of income upon retirement, compared with 33.8% of men.

Financial literacy and poor planning

While Hong Kong has a Mandatory Provident Fund (MPF) in place, it is not really a forced pension system such as Singapore’s Central Provident Fund. At present, Hong Kong residents can withdraw the money in their MPF accounts upon retirement in a lump sum, in instalments or maintain it for investment purposes. But Dr Lam says that “MPF contributions are quite minimal”.

He adds that many individuals withdraw the full amount in their MPF accounts upon retirement or when they leave service, and

Exhibit 8: Obstacles to productive ageing



Source: The Economist Intelligence Unit

go on to spend this sizeable chunk elsewhere instead of maintaining it for retirement. In his view, “we are not doing a very good job of retirement planning”, as the MPF is insufficient.

Ms Tan echoes these sentiments, saying that one could argue the design of the MPF reduces access to forced savings that can only be withdrawn in the event of ill health or retirement at a certain age. While it is true individuals can withdraw their MPF funds and choose to invest the money in some sort of vehicle, the onus lies with the individual. Moreover, the MPF contribution rates are far too low, she says.

Additionally, Ms Yung says that “unfortunately, our understanding of retirement planning is not very complete. And most people don’t have this knowledge. They don’t know how to do financial planning. This is a real problem for us.”

In the survey too, when asked to choose two hurdles that hinder productive ageing in Hong Kong, the top choices are a lack of retirement funding (55.3%) and a lack of knowledge of retirement or financial planning (35.5%).

Social considerations

For many, happiness is dependent on having a role in society and the ability to add value either to their own lives or those around them. Being productive and active is key to a long, lively life and to exploring, for instance, a post-retirement occupation. But a job isn’t everything.

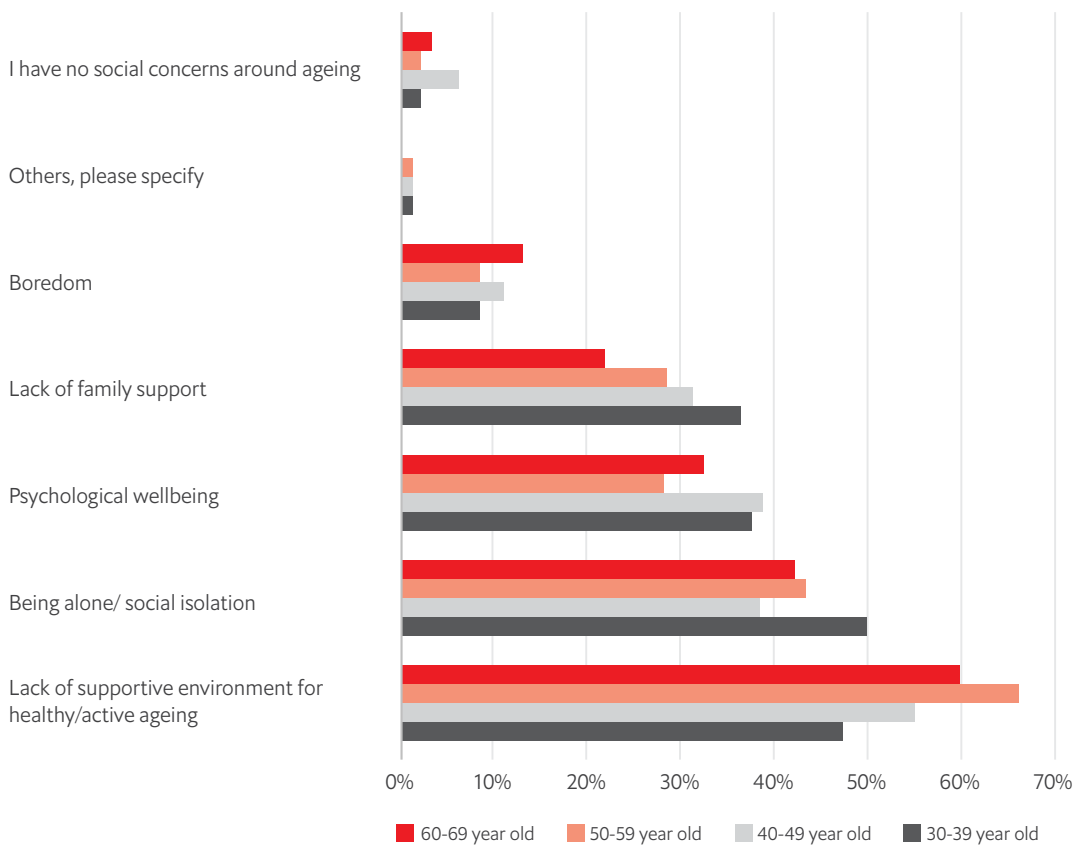
Many seniors in Hong Kong have a hard time coming to grips with loneliness, as they don’t have children or have children who migrated overseas, a trend that seems to be picking up, according to some interviewees. In terms of social concerns around ageing, 66% of those aged 50-59 and 60% of those aged 60-69 considered the lack of a supportive environment as their biggest worry. Meanwhile, being alone/social isolation was the biggest ageing concern for those aged 30-39 (50%). On average, less than 4% of those surveyed said they had no social concerns around ageing.

The diminishing size of households is partially responsible for the phenomenon of loneliness among the old. The size of an average Hong Kong family currently stands at 2.7, which means a large share of families in Hong Kong do not have children. For a society that was characterised traditionally by large families, this is a stark transition within only a generation or two. As a result, social isolation has been increasing.

This problem has become more acute given the social unrest in Hong Kong in recent years, and in particular the covid-19 pandemic. Almost two in three (63.7%) respondents say covid-19 has negatively impacted their preparedness for ageing in the social context, with little variation across different age brackets.

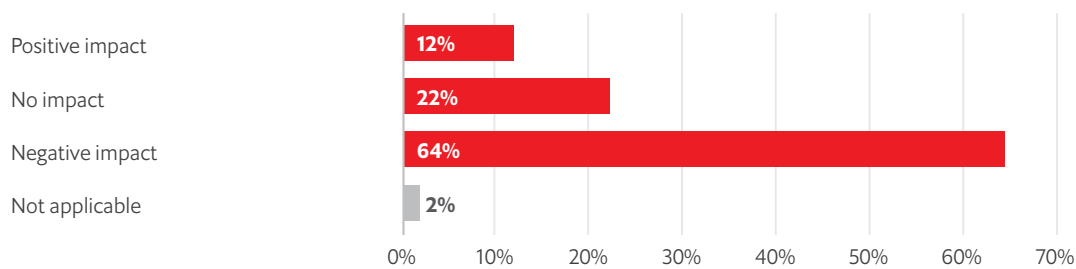
Experts interviewed say that while there are no formal figures on the social isolation of the elderly, anecdotal evidence suggests many seniors have become lonelier through the

Exhibit 9: Social concerns around ageing



Source: The Economist Intelligence Unit

Exhibit 10: Covid-19 is taking a toll on ageing preparedness



Source: The Economist Intelligence Unit

pandemic, particularly as they have been forced to stay within their homes and not allowed to socialise with others, or even meet family.

Even before the covid-19 outbreak, the Hong Kong government had been taking steps to address isolation and improve skills by setting up elder academies across the territory. These academies serve an important function in equipping seniors with skills through continuous learning; they also provide a setting for older people to interact and socialise with the young, says Dr Lam.

Medical considerations

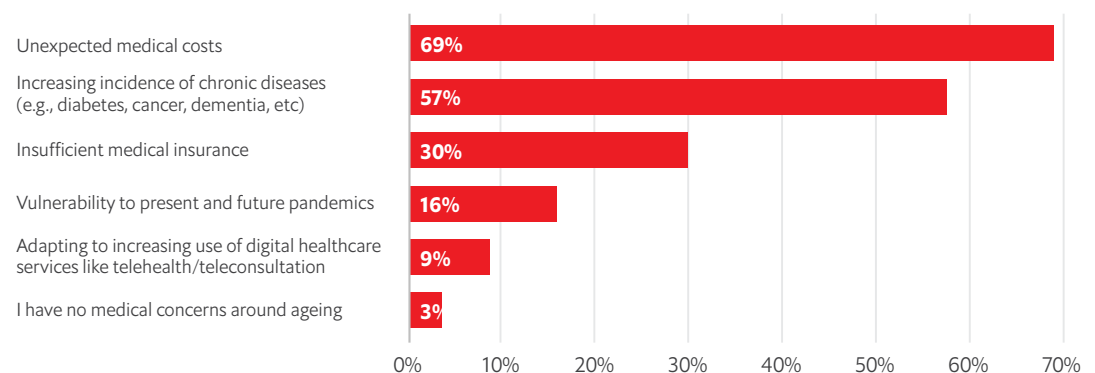
Good health plays an important role in being productive. But staying healthy can be an expensive affair. Hong Kong's medical cost

inflation is expected to have been 9% in 2020, outpacing general inflation by a multiple of 4.5. Our survey found that unexpected medical costs was the biggest (68.7%) medical concern around ageing among all age groups. This was followed by increasing incidence of chronic diseases (56.8%) and insufficient medical insurance (30.2%).

Almost an equal share of survey respondents said they had the monetary reserves to cover unexpected medical expenses in the future as said they did not (33.3% versus 31.8% respectively).

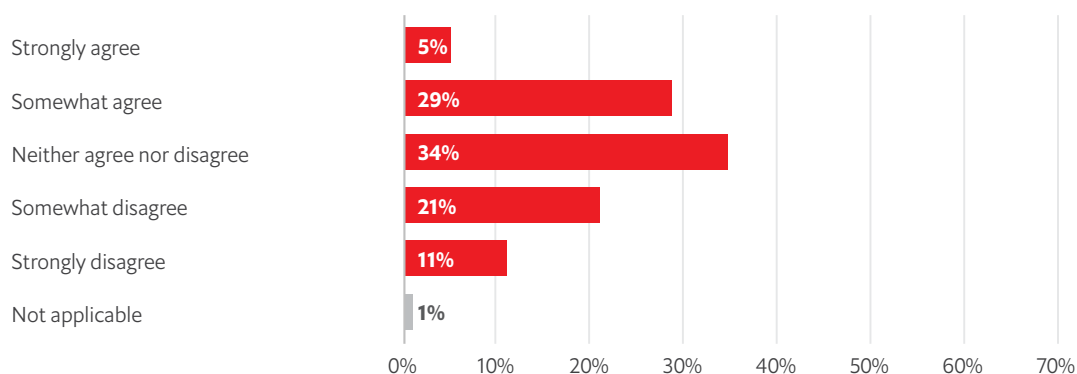
According to Professor Yip, the high medical costs pose challenges not just on the old in Hong Kong, but also at a fiscal level. "We are dealing with a situation that our ageing population poses a serious threat to the

Exhibit 11: Medical concerns around ageing



Source: The Economist Intelligence Unit

Exhibit 12: I have enough monetary reserves to cover future unexpected medical expenses for myself and spouse



Source: The Economist Intelligence Unit

sustainability of the public hospital system. At this moment, about 60% of hospital beds are occupied by older adults,” he says. “Going forward, the share of beds occupied by older adults will only increase and the current rate of increase in medical and healthcare spending is unlikely to address the potential shortfall.”

He adds that with the added pressures of providing a greater degree of social welfare, the government’s income is anticipated to decrease (as there will be fewer adults paying taxes once they retire), but government expenditure will increase.

Dr Lam says there will be “a very high burden of care in terms of healthcare, hospital, nursing home and long-term care” in the future, especially given a high share of older people are frail and do need some kind of long-term care.

But much of these costs can be checked—or avoided entirely—with better self-care. Technology is increasingly making this possible. Wearable devices can help the elderly monitor vital health parameters in real time and pre-empt health emergencies. In the case where an individual is suffering from chronic diseases such as diabetes or hypertension, wearables can play a key role in reducing the number of visits required to clinics or hospitals, and thereby reduce medical costs for the individual and the burden on the public health system. It is a win-win situation.

“They can be their own doctors,” Dr Lam says. “And with the increasing use of big data and artificial intelligence, they will be able to practise self-care now.”

Another benefit of self-care is that individuals will feel empowered, and experience a greater sense of confidence stemming from having greater control over their health. “This feeling of controlling your life is a good stimulus for older people to feel good, to have confidence and to think that they are productive,” Dr Lam reiterates. He is advocating for greater uptake of tech enabled self-care in Hong Kong.

Another emerging trend is Hong Kong’s retired relocating to the Greater Bay Area because of its comparatively lower cost of living. “It’s cheaper to live there, and they have more space,” says Ms Yung. Although more affordable, there are cultural differences between Hong Kong and the Greater Bay Area. More importantly, medical visits require most Greater Bay Area seniors to travel to Hong Kong since advanced healthcare facilities in the area are still developing.

How this trend pans out in the years to come remains to be seen. One way to reduce the dependence (and burden) on Hong Kong’s public health system may be to develop better quality diagnostics and care in neighbouring cities in the Greater Bay Area.



It is important for Hong Kong's senior citizens to maintain their skillsets and stay abreast of employment trends and market demands

Conclusion

It is important for Hong Kong's senior citizens to maintain their skillsets and stay abreast of employment trends and market demands. At a more general level, Professor Yip says, "we have to improve the infrastructure to ensure older folks are not faced with too many barriers to remain in the job market, or to re-enter the job market."

Another positive is that Hong Kong has a long culture of respecting elders. "We do see a lot of professionals who are retired and, in their 70s, and even 80s, actually sitting on many committees," says Ms Tan.

But Dr Lam is of the view that one way in which the old are not forced into retirement is through legislation, and perhaps by even banning the notion of retirement completely. He acknowledges this is difficult, and says another way to do this is to have an equal opportunity office that issues guidelines on age discrimination.

Dr Lam thinks that Hong Kong is a knowledge-based economy with a substantial share of its GDP contributed by the professional services. This means that hiring older people can be beneficial, because those in their 50s, for example, are likely at the peak of knowledge in their field.

Another suggestion from experts is for the government to provide financial incentives for companies to extend their retirement age.

Government initiatives, social outreach programmes and volunteer groups have done well in supporting Hong Kong's senior citizens. However, covid-19 has been a major setback, especially in terms of socially isolating this vulnerable demographic. Ms Tan says "covid-19 has impacted their freedom."

Similarly, Professor Yip feels the pandemic actually highlighted that more work needs to be done to try to "promote or maintain the mental wellness among older adults in the community, especially given quarantine measures that have disrupted their lifestyles." A large number of the elderly have homes and family members in other parts of the world. With pandemic-led restrictions in effect, they have been unable to travel and engage with their families closely. This puts them at greater risk of loneliness.

Conversely, Ms Tan says, "covid-19 has encouraged the greater use of technology" among the elderly. This has led to an increase in seniors' participation in online workshops that focus on topics such as financial wellness. This is also making them more familiar with the applications of technology across other areas such as medical care.

From an employment standpoint, one way of providing avenues for the old to stay productive and active is to have a more favourable approach towards part-time

working arrangements, which can allow a greater number of older people to remain in the workforce.

This will require a change in mindset that one is still fit enough to work well at 65 or 70 years of age. Ms Tan cautions that just raising the retirement age and encouraging companies and organisations to hire older workers will not be sufficient in promoting productive ageing, for there are many older people in Hong Kong who may actually want to retire sooner than we think, to pursue other interests.

As part of the change in perceptions, it is time the old population in Hong Kong is not considered a burden, says Professor Yip. "We need to be more positive. Older people today are healthier than earlier. And it is time that instead of thinking of them as a burden, we consider them to be active participants in society."

Recommendations from our advisors

Dr. Vivian Lou

Director, Sau Po Centre on Ageing, The University of Hong Kong

Fiona Nott

Chief Executive Officer, The Women's Foundation

1. Preparing for productive ageing

Legislation should consider protecting employees against age discrimination which includes being deliberately overlooked for promotions or forced into retirement. This would help alleviate concerns around financial security and mental well-being of older employees. Similarly, work with employers to understand the benefits of, and promote best practice around, attracting and retaining mature employees.

On a more personal level, the four key pillars of productive ageing are to continue working, family caregiving, volunteering, and mutual support. Autonomy, connectedness and competence are the key components of preparing oneself for productive ageing.

2. Education on retirement planning

Government, businesses and NGOs may work together to promote early public education on retirement planning, particularly among populations – like women and other marginalised groups – who experience social and cultural factors that may make them more financially vulnerable later in life.

3. Caregiving

For caregivers who find balancing the job and caregiving needs, we must advocate innovative solutions, to support these individuals as society as a whole. Legislation should consider recognising the needs of caregivers regarding access to information, income, employment, and training as well as respect and emotional support. For working caregivers, legislation should consider incorporating a comprehensive strategy that is able to cover care and income security needs, including Flexible Working Arrangements, social assistance, allowance or wage, tax relief, and ensure explicit protection (including income and MPF) for caregivers.

Important Notice

The report is based on a consumer survey of 600 Hong Kong residents aged 30-70 on their preparedness and perception towards post-retirement, conducted by The Economist Intelligence Unit in June 2021. The contents and results are for reference only. HSBC Life (International) Limited will not be held liable or responsible for the accuracy of the data.

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