



Ageing Together

Understanding Older Populations and
Their Caregivers in Hong Kong



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Foreword

Mr. Wilson Tang Chee Ping, Chief Executive, BOC Life

Rooted in Hong Kong, BOC Life has been serving the community for years, and is committed to becoming customers' trusted life partner. Today, Hong Kong has become the city with the longest life expectancy in the world, against the backdrop of an ageing global population. This phenomenon will no doubt present increasing challenges to society. In response, the Hong Kong Special Administrative Region (HKSAR) Government has been actively strengthening support for the elderly and caregivers. Being a leading life insurance company in Hong Kong that diligently upholds its corporate social responsibilities and environmental, social and governance (ESG) principles, BOC Life endeavours to raise greater public concern for the elderly and caregivers by shedding light on their needs and difficulties. Through social business cooperation, we work with organisations from different sectors to provide both the elderly and caregivers with better support.

At the business level, BOC Life is actively capitalising on growing market demand and new opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area to develop its retirement business. This is in line with the BOC Group's strategy to integrate retirement with financial services and strengthen regional cooperation and synergy. BOC Life is all set to build a quality retirement brand and reinforce its position as an expert on retirement by providing a greater choice of top-notch products and services.

We hope this white paper, which draws upon the combined expertise and experiences of the business, welfare and academic sectors, will inspire concerted social efforts to foster the development of elderly care in Hong Kong and create an age-friendly city for everyone.

Ms. Rebecca Choi Yung, Founder & Chair, Golden Age Foundation

Golden Age Foundation (GAF) is an innovative multi-sector platform that promotes cooperation among different stakeholders to popularise the concept of smart ageing while fostering the development of smart ageing cities in Asia. By catalysing innovative dialogue, we strive to redefine the perception of retirement and old age among the golden agers (individuals aged 45 and above). By leveraging innovative methods, we transform challenges brought by population ageing into opportunities and help shape a future society that is more friendly and inclusive for retirees.

During the Covid-19 epidemic, the GAF aided elderly care facilities through the use of smart ageing technology, such as sending the "Dr Golden" robot to nursing homes. Later, we trained volunteers to become "Golden Buddies" and "Dr Golden Juniors" to enhance the use of technology in elderly care homes. More recently, we introduced the "Gum Jai" robot to improve the social life of elderly dementia patients, with encouraging results for both the patients' families and the staff of elderly homes and day care centres.

The GAF will continue to promote the joint effort of stakeholders from different sectors to identify new solutions to population ageing, promote the development of the "golden age economy" and turn challenges into opportunities with a positive impact.



Executive Summary

To develop products and services that will help our Hong Kong customers better prepare for their retirement, BOC Life conducted a market study in 2022 to gain insight into the experiences, pain points and needs of retirees and caregivers regarding retirement and elderly care services.

Using the design thinking methodology and employing both qualitative and quantitative research, the study interviewed a group of retirees aged 55 to 75 and a group of caregivers aged 30 to 59, whose socioeconomic backgrounds are middle class or above. To gauge how satisfied the retirees are with their present situation, we created the “Ageing Well Index”, which covers four main aspects: health, financial situation, family and social relationships as well as community support. The average score among the retirees is 6 out of 10, suggesting moderate satisfaction.

While 81% of retirees expressed satisfaction with their current situation, only 63% of caregivers thought their retired parents were satisfied. This discrepancy, which widens as the age of the retirees goes up, suggests that caregivers may not always know the real thoughts and needs of their elderly parents. Meanwhile, many retirees who claimed to have received a decent income and education believed that they are well-informed and have made sufficient preparations for their retirement. Their children, in turn, find it unnecessary to get involved in their parents’ retirement planning, at least not in the short run. However, without early communication with their parents and making preparations for the future, caregivers may one day find themselves at a loss when their ageing parents do end up needing special care or services. To prevent this from happening, the participation of caregivers in their parents’ retirement planning is highly encouraged. The study also highlights the importance of identifying and supporting the needs and providing support for caregivers.

We believe the best time for retirement planning is between the ages of 35 and 50. People between these ages with caregiving responsibilities should not only plan for their own retirement but also the elderly care arrangements of their parents. By doing the latter, not only will caregivers help their ageing parents feel more assured about their future, but they will also be better equipped when it comes to planning for their own retirement and care arrangements.

Based on the results of our study, we believe that effective retirement planning should include the following considerations:

- Prevention and management of risks in three main areas, namely personal finance, health and living environment
- Continuous learning to enhance autonomy and skills after retirement
- Exploring and understanding related products and services that will help enhance post-retirement quality of life

To start, caregivers and the elderly should discuss the needs and expectations of both sides. Only then can both parties carry out their jointly devised plans based on realistic expectations and work step by step towards a happy old age.

Background

Population ageing is an important global trend. According to the United Nation's World Social Report 2023, the number of people aged 65 and older reached 761 million in 2021 and is expected to hit 1.6 billion in 2050. The population aged 80 and over will grow at an even quicker pace. All the evidence points to the fact that people are living longer (United Nations, 2023).

Based on data from the United Nations Development Programme, Hong Kong has had the longest life expectancy in the world for seven consecutive years since 2013, reaching 84.9 years in 2019 (UNDP, 2022). At the same time, the city's fertility rate per woman in 2023 is a mere 0.8, according to the United Nations Population Fund's State of World Population 2023 report. This figure is not only lower than South Korea, Singapore and Macao, but is in fact the lowest in the world (UNFPA, 2023).

The combination of long-life expectancy and low fertility rate will soon make Hong Kong's population the oldest in the world, which also means Hong Kong will face challenges that are greater than those experienced by other economies as a result of this phenomenon.

The Hong Kong Census and Statistics Department generally defines "older persons" as those aged 65 and above. In the mid-1980s, Hong Kong became what is called an ageing society, where the share of older persons exceeds 7% of the overall population (C&SD, 1991). In 2024, it is expected to turn into a super-ageing society, where older persons make up more than 21% of the population. After ten more years in 2034, the ratio of older persons will further rise to 29%. In particular, the number of people aged 85 and above will increase to nearly 500,000 in 2039 from the current 200,000. Given this growth trend, it is predicted that older persons will account for 40.6% of the population by 2050. In other words, one in every 2.5 Hong Kong residents will be 65 or older. While 3.3 working-age persons were supporting one older person in 2019, the ratio is expected to shrink to 2:1 in 2031 and 1.4:1 in 2069 (C&SD, 2022).

An ageing population presents both challenges and opportunities. On the one hand, it can have a serious impact on the labour force, economy, healthcare system and social planning. On the other hand, it can drive social innovation and the development of certain industries. Through a positive interpretation and public education, it is possible for Hong Kong to become an age-friendly city by promoting greater awareness and action surrounding retirement planning.

In 2022, BOC Life conducted a market study to better understand the elderly's retirement experiences and expectations. The study adopted design thinking methodology and employed both qualitative and quantitative interviews to examine the views, pain points and needs of retirees and caregivers regarding retirement and elderly care. The interviewees consisted of retirees aged 55-75 and caregivers aged 30-59. Since none of the retired interviewees was aged 76 or older, we instead interviewed caregivers of elderly people aged 76 and above in an attempt to understand their condition. Qualitative home visits were conducted with retirees and caregivers, followed by quantitative street interviews with 952 retirees and caregivers. The interviewees live in various districts and are primarily from middle class families. The findings will serve as reference for BOC Life to explore how its products and services can help its customers in Hong Kong better plan for their retirement.

Research Findings

Among those surveyed, 81% of retirees are satisfied with their present situation. However, only 63% of caregivers believe their retired parents to be satisfied with their present situation, with this percentage dropping to 46% among caregivers of people aged 80 and over. These diverging perceptions suggest caregivers may have an insufficient understanding of the genuine needs of the elderly and risk overlooking the importance of making care arrangements for the elderly in advance. When needs or problems arise, caregivers may not be able to find the right resources in a timely manner.

1 Satisfaction level and concerns among retirees regarding their current situation

Based on the research findings, we created the “Ageing Well Index” to gauge how satisfied the retirees are with their present life. The index covers four main aspects, namely health, financial situation, family and social relationships, and community support. The average score among those surveyed is 6 out of 10, suggesting moderate satisfaction. The relatively low sub-scores for health and community support imply more pain points in these two areas.

Top three concerns of retirees in each aspect:

Financial situation (7.0)

- Depreciation of assets due to inflation
- Not enough savings to cope with medical and care expenses, leading to decreased spending power
- Not enough assets to cope with daily expenses and to maintain current living standards



Health (4.8)

- Changing physical condition in the next 10 years
- Expensive private healthcare services
- Risks of serious illnesses



Family and social relationships (6.6)

- Shrinking social circle
- Death of spouse/partner, relatives and friends
- Difficulty in making new friends



Community support (5.3)

- Worsening self-care ability and growing dependence on others
- Idleness, lack of direction and focus
- Need of monitoring diet but not knowing how



Ageing Well Index
6.0



Health is the topmost concern among retirees. While they understand that health deteriorates with age, older people, especially the “young-olds” (ages 65-74), tend to overlook the importance of early understanding and prevention of illnesses, or believe that routine health checks will suffice. On top of negatively impacting a retiree’s everyday life and psychological wellbeing, health problems can lead to added stress for their family members, particularly caregivers, and put a strain on family relationships.



Another major concern among retirees is **community support**. During the early stage of retirement, many retirees have yet to adjust to the absence of gainful employment. They may feel lost and consider themselves worthless to society. They may also lack friends or find it difficult to motivate themselves to pursue a hobby or recreational activity. Life thus becomes lonely and dull, which is detrimental to their emotional wellbeing.



On the upside, most of the retired interviewees are satisfied with their **family and social relationships**, although some noted an increase in clashes with family due to increased interactions with them. Decreasing mobility due to old age is also a factor that affects their mood and social life.

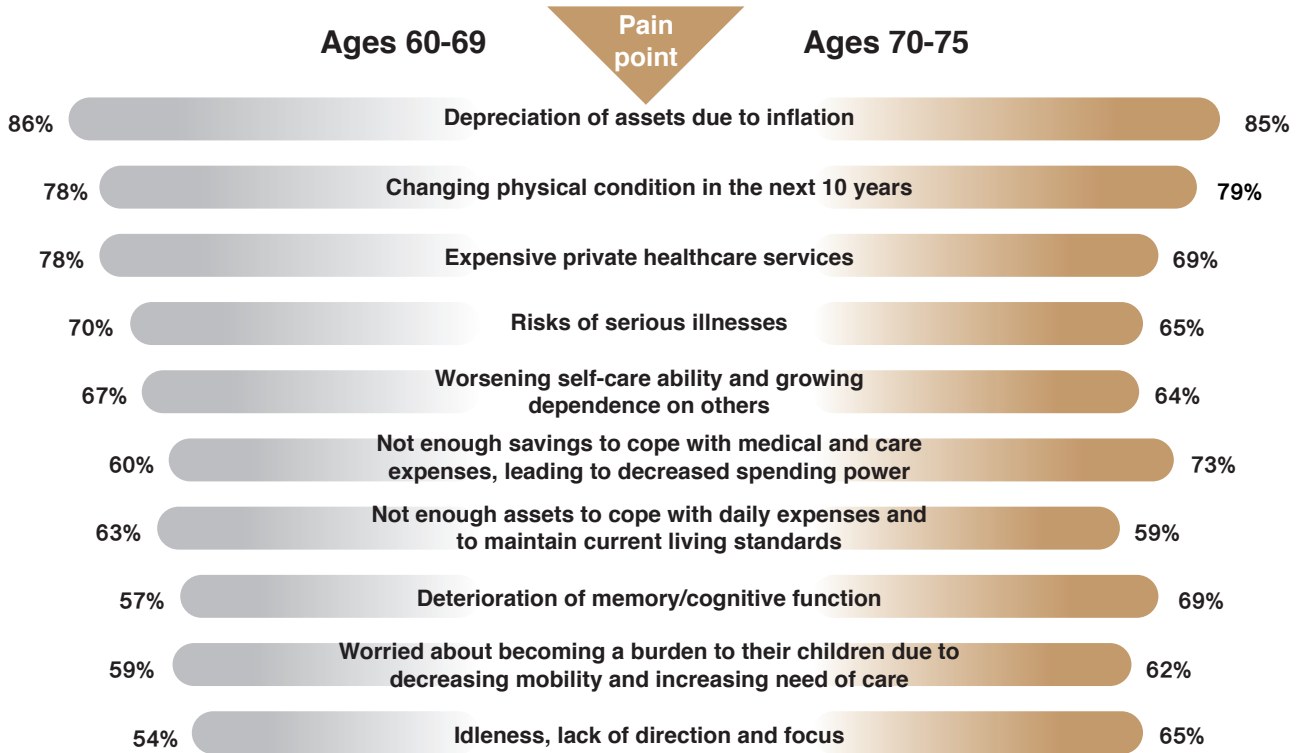


While 73% of retirees expressed satisfaction when asked how they felt about their **financial arrangements**, such satisfaction is not entirely free of worries. We discovered a general lack of detailed planning regarding their future expenses, with about half of retirees having used their pre-retirement spending as a benchmark for how much money they would need during retirement. We also discovered that 40% of retired interviewees have not engaged in any financial planning for their retirement.

2 Correlation between life satisfaction and age

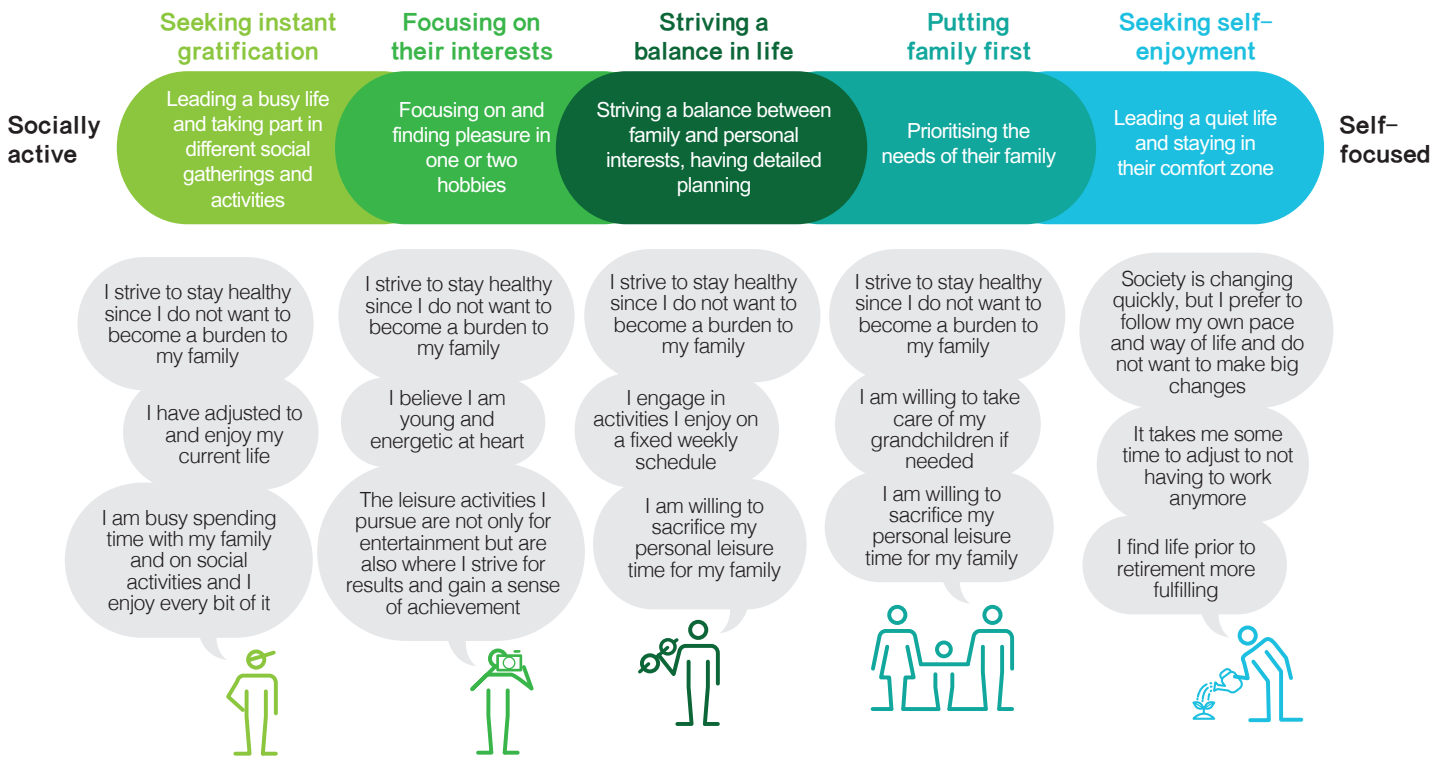
The average age of retirement among interviewed retirees is 62. While most of the elderly interviewees (79%) have adjusted to their retired life, most have expressed a need to add more meaning and value to their life. Over 50% of retirees remain socially active and want to learn new things and explore new interests. Meanwhile, 93% of retirees strive to stay physically healthy by exercising on a regular basis every week (85%) and by attending health checks at regular intervals (81%). Above all, many do not want to become a burden to their family.

The pain points experienced by the elderly change according to age:



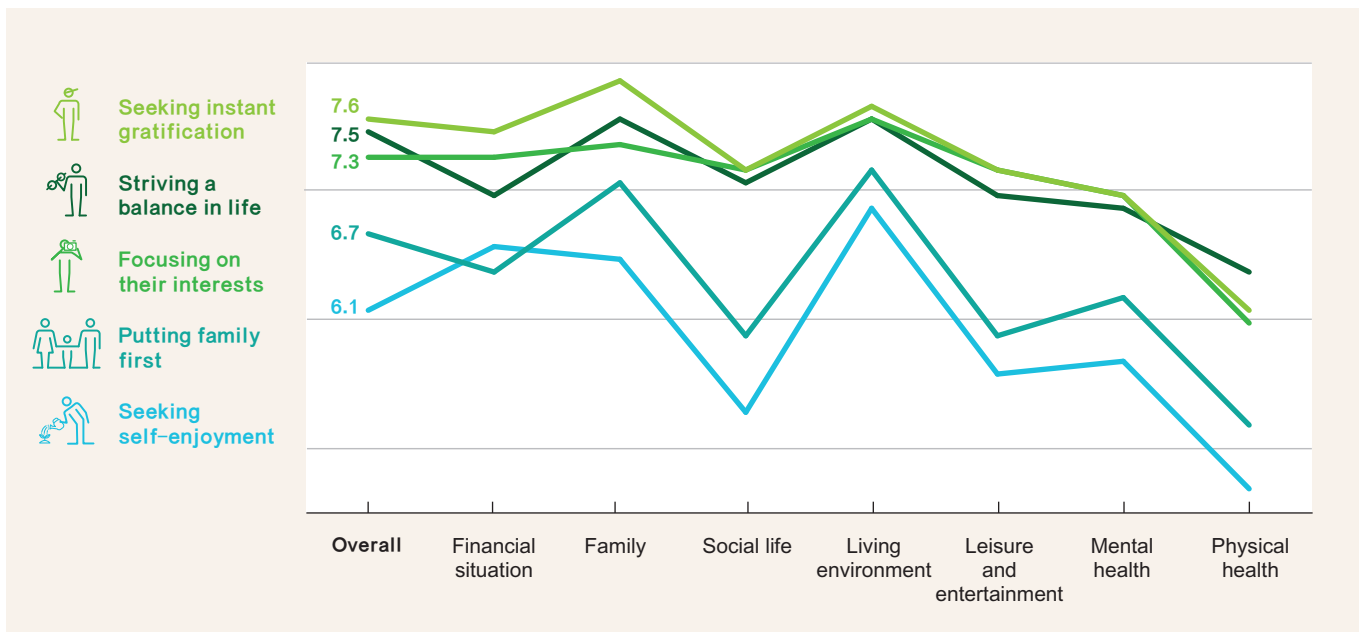
Based on our interviews, we observed five different outlooks among the retirees: seeking instant gratification, focusing on their interests, striving a balance in life, putting family first and seeking self-enjoyment.

5 outlooks observed among elderly interviewees:



Satisfaction level of the elderly by outlook:

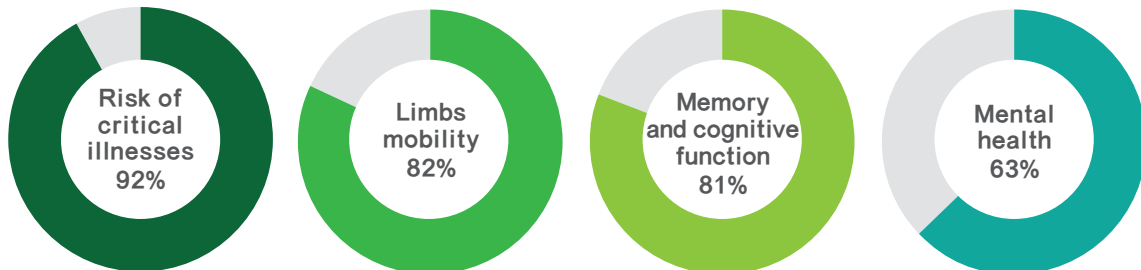
We also discovered that young-olds have busier social lives, which could be attributed to their relatively better health. The older people get, the more they focus on themselves or their family, perhaps due to decreasing mobility and a smaller social circle. Different outlooks are correlated with different levels of satisfaction among the elderly. Generally speaking, young-olds as well as those who are socially active tend to be more satisfied with their lives.



Notwithstanding regular health checks, elderly interviewees are worried about unforeseen health issues, which will have an impact on their financial situation and quality of life. Early check-ups can therefore help them reduce these risks of and even prevent illnesses.

To prevent potential health issues, our elderly interviewees expressed interest in risk assessments in the following areas:

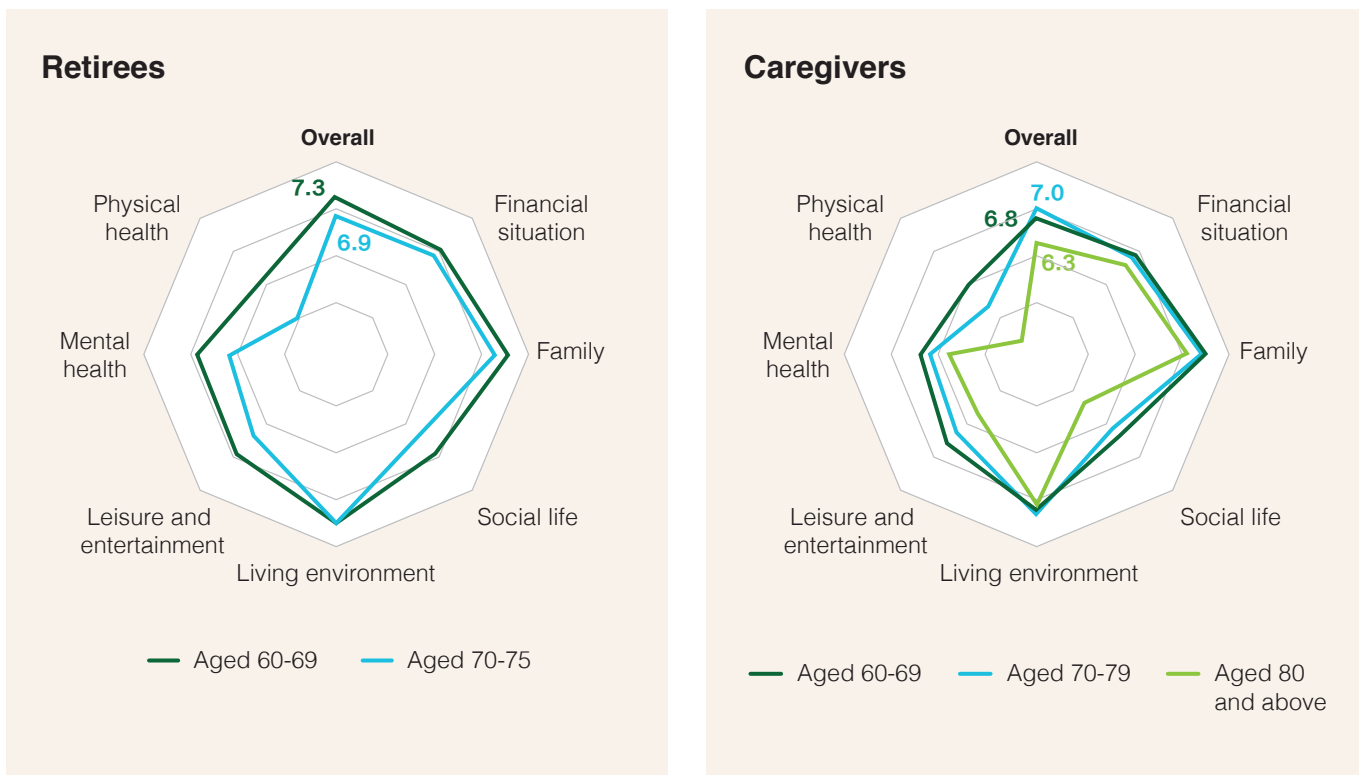
Interested in knowing more ...



3 Caregivers’ participation in their elderly parents’ life

At the beginning of their retirement, the retirees we interviewed mostly enjoy satisfactory health and fairly productive lives. In addition, they usually prefer not to discuss with their caregivers’ important issues such as financial situation and health, which they consider to be sensitive. This often clouds the need for caregivers to take an active part in planning for their ageing parents’ future. As time goes by, retirees and caregivers begin to develop a different understanding of how retirement should be like, as well as the needs and expectations that come with it. This divergence is more prominent in areas like health, leisure and entertainment, and social life. When an issue appears and special care needs for their ageing parents arise, the caregivers may find themselves at a loss. Better communication between the elderly and their caregivers will allow them to better understand each other’s needs and expectations and improve family relationships.

Retirees’ own satisfaction level regarding various aspects of life and caregivers’ perception of their retired parents’ satisfaction level:



Note: Due to the research sample, the age classification for retirees and caregivers varies here.

Caregivers share their ageing parents' concern about the latter's physical health, especially when it comes to unpredictable health problems. Without any preparations, sudden changes in their parents' health may leave caregivers feeling stressed and helpless.

The biggest concerns of caregivers about their retired parents:

Pain point	Caregivers of people aged 60-69	Caregivers of people aged 70-79	Caregivers of people aged 80 and above
Changing physical condition in the next 10 years	84%	79%	83%
Shrinking social circle	71%	69%	72%
Risks of serious illnesses	70%	72%	64%
Deterioration of memory/cognitive function	48%	67%	78%
Whereabouts of parents and risks of minor accidents	57%	70%	67%
Idleness, lack of direction and focus	54%	70%	67%
Risks of accidents	59%	67%	68%
Expensive private healthcare services	52%	57%	63%
Not enough to cope with daily expenses and assets to maintain current living standard	57%	55%	55%
Inability to take part in enjoyable activities due to worsening limb mobility	34%	57%	54%

4 Retirement: joint participation by retirees and caregivers

85% of caregivers in the study belong to the “sandwich generation”. In addition to their work and career, they often have the stressful responsibility of taking care of both their nuclear family and elderly parents. Busy and stressed as they are, caregivers will usually not broach the subject of care arrangements for their elderly parents if the latter does not mention it first. When the parents finally require special care, both parties may find themselves ill-prepared and unable to respond swiftly to the sudden medical and care needs due to them not knowing where to find reliable resources and support.

Unforeseeable medical and care expenses, which can easily drain one's savings, constitute the primary worries of both the elderly and caregivers. Although many of the elderly interviewees prioritise public healthcare services, they are aware of the manpower shortages and long waiting times at public healthcare facilities. When a serious illness strikes, they may not be able to completely rely on public healthcare services. However, the ever increasing costs of private healthcare services caused by medical inflation can become a huge financial burden.

The retired interviewees spend an average of around HK\$20,000 on healthcare annually, and about 40% of them



are covered by private hospitalisation or critical illness insurance. Another 20% of retirees do not currently have but wish to take out similar insurance policies; however, they understand that the age limit for most insurance products is 65 and that they may need to pay additional fees or be denied eligibility if they try to take out a policy only when they experience an illness.

On average, the interviewed retirees spend about HK\$17,000 per month and have a passive monthly income

of about HK\$12,000. The difference means they must dig into their savings to pay for daily expenses and other expenses that may arise. To maintain and enjoy their pre-retirement living standards, retirees will need to make comprehensive planning and arrangements.

Of the interviewed caregivers, over 50% are currently responsible for the majority or entirety of their elderly parents' daily expenses; 30% also need to pay for most or all of their parents' unforeseen expenses. 52% of them worry that their responsibility for their parents' expenses will affect their own financial planning and savings. In fact, the pressure of having to put aside money for their ageing parents' needs, in addition to saving up for their own retirement and their children's upbringing, can be alleviated by early financial planning. In fact, some of the caregivers have already made plans for their own retirement; over 70% of them have taken out hospitalisation and critical illness insurance policies, while over 50% have joined insurance saving plans.

As for community support, the availability of a wealth of information on the internet does not necessarily make looking for right answers and resources easier. In truth,

older people tend not to be tech-savvy and even caregivers can feel overwhelmed by information overload. Meanwhile, according to research conducted by the Hong Kong Polytechnic University Consulting Team, caregivers tend to think the government's support services have complex and tedious application processes and long waiting times. Caregivers also feel there are inadequate resources and consultation channels catering for their needs (PTeC, 2022).

A study conducted by the Hong Kong Family Welfare Society in 2022 found that caregivers tend not to seek help from their family members, friends and neighbours when they encounter difficulties in their role as caregivers. Instead, they prefer to seek assistance from governmental or professional organisations. The majority of caregivers want their efforts and contributions to be acknowledged and many wish to have access to outlets for expressing their thoughts in times of distress (HKFWS, 2022).

Summary

One of the key findings of this study is that retirement and elderly care planning should not be only the affairs of the elderly but also that of their family and caregivers, whose participation will make the planning process much more effective. It is also difficult for an individual to plan everything from healthcare to financial management, family relationships and social life as well as community support without others' input and help.

The early participation of caregivers in the retirement planning of their elderly parents will reduce the uncertainty in the future and raise awareness of the caregivers' own retirement planning. We recommend caregivers begin planning for the retirement of their elderly parents and themselves when they reach the age of 35-50. The first step in doing so would be to improve communication between the two parties to better understand one another's needs and expectations. Then, they can carry out the jointly devised plans based on realistic expectations and circumstances and achieve a happy old age together.





Development of Policy on Elderly Services in Hong Kong

In 1997, the HKSAR government made “Care for the Elderly” a Strategic Policy Objective, with the goal of providing the elderly with “a sense of security, a sense of belonging and a feeling of health and worthiness”. In the same year, the Elderly Commission, formed by professionals from different sectors, academics and community leaders, was established to advise the government on related policies. In 2000, the government implemented the Standardised Care Need Assessment Mechanism for Elderly Services (SCNAMES) to ensure the accessibility of long-term care services and fairness in their allocation. It also created a service framework in which community care services and residential care services play complementary roles, laying the ground for society to tackle challenges posed by an ageing population.

The Elderly Services Programme Plan released in 2017 reaffirmed the government’s goal to foster a sense of belonging, a sense of security and a sense of worthiness among the elderly. In addition, the Plan stated the vision of upholding the spirit of respecting, loving and caring for the elderly, and laid out 10 overarching principles: dignity, quality of life, age-friendliness, active and productive ageing, ageing in place, users’ choice, shared responsibility, prioritising resources to those most in need, financial sustainability and social inclusion and equal opportunity.

Professor Vivian Lou, Director of the Sau Po Centre on Ageing at The University of Hong Kong (HKU), describes the existing elderly care ecosystem as a service-oriented one. Within this setting, overall planning is directed by the

government, which has so far set up over 210 District Elderly Community Centres and Neighbourhood Elderly Centres in total across the city, in areas where the elderly populations reach a certain size (PlanD, 2023). When it comes to execution, non-governmental organisations (NGOs), social enterprises and professionals are relied upon to design and provide the services (SWD, 2023). Structurally, this model does ensure service accessibility. In reality, services are unevenly distributed, resulting in surplus in some places and unmet needs in others. Eventually, people continue to demand the government for more services.

More recently, the Chief Executive’s 2022 Policy Address proposed a series of measures to improve services for the elderly, such as schemes to promote ageing in place, strengthen support for caregivers and enhance the quantity and quality of residential care homes. The success of these measures will depend not only on government effort but also cooperation and support from various sectors (HKSAR, 2022).

Services for the elderly should be humane in nature. A people-centric approach is therefore warranted to maintain their sustainability. It is time to reset our mindset and view elderly care as a shared social responsibility involving the participation of the elderly’s families, the private and public sectors and the community, rather than perceiving the elderly as passive targets of welfare services, so that Hong Kong’s elderly care ecosystem can become more age friendly. To this end, we should consider promoting the “3+e” transformation:

1 All-round planning for the 50+



Healthy young-olds are more likely to participate in activities at elderly centres as volunteers or take part in learning and interest activities provided by NGOs for the 50+ (people aged 50 and over). However, not many of them systematically plan for the next 30 to 40 years of their life. This is partly because the existing elderly care system does not really address their unique needs.

Prof Lou explains that the Sau Po Centre on Ageing has collaborated with four NGOs to promote Hong Kong's first project for the 50+, encouraging this group to conduct a holistic review of their life, from health to social participation, inter-generational relationships, learning method, financial literacy, emotional and cognitive wellbeing, spiritual sustenance and lifestyle (SPCOA, 2023).

To eliminate misconceptions about the 50+, we need to break away from traditional professional-led practices and forge a new platform that integrates learning, participation, research and service creation. That way, the 50+ can independently realise the principles of dignity, quality of life, age-friendliness, active and productive ageing, users' choice and shared responsibility mentioned in the Elderly Services Programme Plan.

2 Collective community care with an emphasis on the family



Caregivers and domestic helpers are heavily relied upon to care for the elderly in Hong Kong. However, community support services only focus on the needs of the elderly but not those of the caregivers and helpers. For a long time, the social system has failed to recognise their contributions and give them the support they need (PTeC, 2022). Not only do they spend long hours and face great challenges caring for the elderly, but they also need to spare time and effort to locate information and assistance from many different channels. Without support, they are susceptible to burnout and depression, which also affects the elderly they care for (Lu et al., 2020).

Nowadays, caregivers of the elderly are not limited to stay-at-home women. People from ages 20 to 90 can assume the role of caregiver. To be able to take care of their elderly parents and relatives, caregivers need to know that self-care is also important. To this end, it is beneficial for caregivers to participate in self-assessment and learn about lifespan development, making plans for the future in an all-round manner, from health to family, work, social life, financial management, security and legal aspects (Lou, 2023).

Society should build a comprehensive one-stop community support network for caregivers by promoting greater cross-sector cooperation and participation of the caregivers' families, and empowering members of different communities, be they residents of a housing estate or members of an online group. Such a support network will help caregivers gain access to resources and support more conveniently, while caregivers at risk of emotional breakdown can be more easily identified and given the help they need.

3 Promoting interprofessional and polyvalent case management at residential care homes

The enhancement of SCNAMES in 2021 might have led to improved triage, but public and private residential care services continue to operate on separate tracks. Another problem is that, under the current arrangement of private elderly homes that are either subsidised by or use land purchased by the government, cases are treated on an individual basis and accommodation is allocated by gender. Such arrangements fail to cater for varying needs, such as couples and siblings who want to stay together, and people with nonbinary gender identities. Meanwhile, specialisation in elderly care often leads to disjointed services. Even when case management is in place, it is difficult to consolidate and balance the opinions and recommendations of different specialists.

Residential care homes face unique challenges in a super-ageing society. For one, they need to review the effectiveness of their current service model to cope with the rising number of residents with dementia and growing demand for end-of-life care services. Also, care homes need to be equipped with interprofessional teams that will not only provide assessments and intervention in different areas but will also consider the overall wellbeing of elderly residents and address their needs as well as the needs of their families as a whole based on family dynamics (Lou et al., 2023). Elderly care that focuses on empowerment can



also be an effective approach; by attentively listening to the wishes and expectations of their residents, care homes can help the elderly set personal goals to promote independence while invigorating their services (CFSA, 2023).

To ensure a stable, efficient manpower supply for the long-term care sector, training should be provided for operators and staff of residential care homes, while there should be a systematic division of labour between elderly care personnel and medical professionals.

4 Going “e”

Technology can remedy the worsening problem of manpower shortage and improve health and quality of life in a super-ageing society. Thanks to technological advancement and promotion by the government and various sectors, both the awareness and development of smart ageing technology have improved.

Currently, many organisations have set up digital platforms to provide the elderly and caregivers with information and services such as assessment, referral, rehabilitation and case follow up. As such, wider applications of technology should be explored and complemented by training to improve the technological literacy of both elderly care workers and the golden agers.



Opportunities for the Insurance Industry to Tap Rising Elderly Care Demand

While the soaring demand for elderly care services can be unsettling, it does provide abundant opportunities. For the insurance industry, there are many advantages to investing in the elderly care industry. The two industries share many similarities, including their concern for human life, health and safety, and are highly compatible in their risk management approaches, service concepts and target customers.

1 Advantages for cooperation between insurance and elderly care industries

To be able to enjoy elderly care services for several decades, the elderly will not only need long-term planning but also continuous financial and service support. With unique financial and wealth management properties, insurance products can be seamlessly integrated with elderly care services to create a new service ecosystem that helps customers counter longevity risk and accumulate wealth for retirement.



Products – Using big data and professional actuarial technology, insurance companies can develop annuity products that guarantee lifetime income and effective risk coverage, suitable for retirement use. Critical illness and medical insurance products can meanwhile provide medical expenses coverage and regularly health checks. In fact, two of the initiatives under the “HKMC Retire 3” (the Annuity Plan, Reverse Mortgage Programme and Policy Reverse Mortgage Programme) launched in recent years by the Hong Kong government are insurance products.



Investment – Sustainable and stable long-term cooperation between insurance companies and the care industry is imaginable. With strategic asset allocation, insurance companies are able to achieve better duration, flexibility, return and risk targets, all of which are favourable perks for investments in the health and wellness industry, which is often characterised by large capital, long duration and long payback periods.



Service – Their long-term investment advantage enables insurance companies to collaborate with the health and wellness industry to shape the elderly care ecosystem, in which integrated solutions beyond separate “consumption” insurance products and elderly care services can be developed for customers to achieve both health and wealth at the same time.



Sales – Insurance companies have access to massive sales channels and are equipped with trained and qualified sales professionals. With the support of a full range of products and facilities, they can provide customers with one-stop services.

In short, insurance can effectively increase the supply of elderly care services, promote the development of the elderly care service system and help address the problem of insufficient social resources. In the future, more insurance companies are expected to connect up-stream and down-stream supply chains and step up their participation in the elderly care industry.

2 Integrated risk assessment and management

Risk management sits at the core of retirement planning. To retire with peace of mind, one should maintain control over risks in three major areas – finance, health and environment.

Financial risk – Although most retirees know about retirement planning, many of them simply “go with the flow”, adopting a reactive rather than proactive approach to retirement. Without proper planning, some people spend their entire pension and savings before they pass away. Others forget to weigh in their families’ financial readiness to help. Still some others plan too late or simply ignore their needs for long-term care.

There is no standard as to how much money is enough for retirement, but it certainly does one good to do three things: understand one’s **financial situation and risk tolerance**; **devise an asset allocation strategy and share the risk through diverse investment**, which can be done via insurance products; and **prevent future and external risks** by developing and following through an action plan together with one’s spouse/family members.

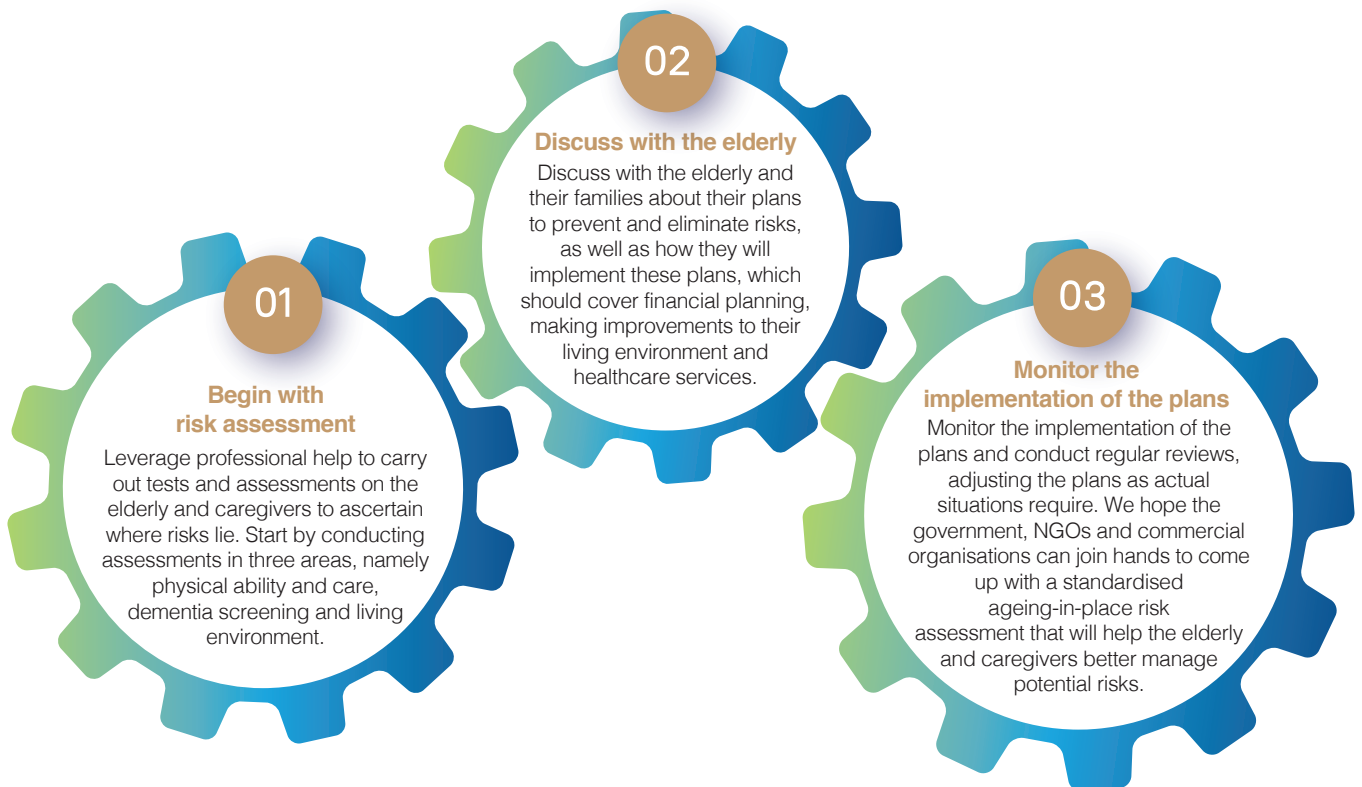
Health risk – Hong Kong may enjoy the longest life expectancy in the world, but sub-health is also prevalent. With a life expectancy of about 85 years, many retirees may have to live 20 or more years with less than ideal health conditions. There is also a tendency for people to overlook post-retirement psychological and emotional health.

Apart from improving personal health management, people should consciously save and plan for health protection to avoid being blindsided by sudden medical needs. It is also important to make psychological preparations before retirement so that we can embrace the new stage of life actively and optimistically.

Environmental risk – Ageing in place is a rather common practice in Hong Kong. Unfortunately, little has been done to ensure the safety of the living environment of the elderly, which has a direct impact on their health and quality of life.

As their bodily functions deteriorate, old people will at some point no longer be able to care for themselves and must therefore rely on others’ assistance. Later, they may even need frequent and special medical care. A safe living environment will, for example, reduce the risks of injuries and accidents caused by falling and dementia, which are common occurrences among the elderly, and lessen the pressure on caregivers.

Risk management system building – A management system is necessary to control the above risks:



3 The importance of caregiver participation in elderly care



Caregivers play a pivotal role in the wellbeing of the elderly, whether the latter choose to age in place or at a residential care home. Addressing caregivers' needs will therefore help enhance the quality of services for the elderly.

In the Chief Executive's 2022 Policy Address, the government promised to roll out policies and measures to

strengthen support for caregivers of elderly people who are living at home. Caregivers today span various age groups, with most between the ages of 30 and 60. Those shouldering the responsibilities of caring for the elderly, who require an increasing amount of care as time goes by, deserve better support from society. Systematic one-stop support should be established to provide caregivers with training and learning opportunities, information and consultancy services, health and emotional support, assistance in case of hospital discharge and emergencies, as well as help with residential care home application. Assistance should also be extended to caregivers to alleviate their financial burden.

Today's caregivers will retire and become old one day. Taking care of their ageing parents can serve as a learning opportunity for caregivers, enlightening them to make better retirement plans for themselves and help their next generation rethink retirement and ageing.

4 Continuous education to enhance retirement planning

Retirement is a new chapter in life. In the first 10 years (ages 60-70), people usually enjoy pretty good physical health and manage to take care of themselves and even their families. If retirees can get a good grasp of retirement skills and planning concepts, they will not only be able to help themselves but also others as well. During the second 10-year period (ages 71-80), physical health may begin to deteriorate further. Some people may not be able to fully care for themselves and will require outside assistance. At this time, they should be helped to stay as autonomous as possible and maintain coordination with their caregivers. In the third 10-year period or more after retirement, some people may require full-time care. Learning life skills at this point may not be helpful, but it is no doubt better to be psychologically prepared for the future than not.

Continuous learning is a universal need among retirees and caregivers, regardless of their wealth, education, experience and social status. It helps them discover new things, catch up with social changes and even reinvent themselves. It is therefore necessary to establish a system of continuous education and training for retirees and caregivers. The education should be designed around retirement needs, covering areas such as personal finance, health and healthcare, social life, entertainment, life skills, psychology, and the use of tools and essential information, with the aim of helping retirees and caregivers make



integrated planning and enhancing their life skills and ability to withstand risk.

In the past decades, the insurance industry had been educating the public as it developed. In face of the challenges arising from population ageing, we can leverage government subsidies, promotion by social enterprises and support from commercial organisations to create a continuous education system for retirees and caregivers in Hong Kong. For instance, we may develop basic and advanced courses for retirees and caregivers and certificate courses for caregivers, and provide incentives for them to enrol. By equipping them with greater knowledge and skills, we will not only help our customers better overcome risks, but also nurture more "qualified" retirees and caregivers to benefit society as a whole.

5 Integration of insurance and services

Many retirees have expressed two types of regrets when it comes to insurance – not getting enough coverage from the policies they took out in their younger days and not being able to take out a policy due to the age limits when they finally need and are willing to commit to an insurance policy.

There are many different types of “traditional” insurance products catered toward retirement needs, such as savings insurance offering payouts, life insurance, annuity insurance, critical illness insurance and medical insurance. In response to changing demands for elderly care services, various sectors have been revamping their products in recent years, paving the way for innovative retirement products. For example, the Policy Reverse Mortgage Programme launched by the Hong Kong government in partnership with insurance companies allows customers to create their own pension to meet retirement needs. Meanwhile, insurance companies permit change of policyowner and unlimited transfer of policy ownership so that the insurers’ assets can be inherited by designated beneficiaries. We believe that in the future new insurance products and terms such as joint insurers, family insurance account and long-term care insurance will emerge to provide more comprehensive protection for retirees.

The insurance landscape has been undergoing momentous changes in face of various challenges, from



staggering inflation and interest rates to the trend of economic recession, IFRS17 coming into effect as well as artificial intelligence. The “weapons” of industry competition have also shifted from products to customised services. To stay competitive in the digital era and maintain ESG sustainability, insurance companies have been actively incorporating new technologies such as blockchain, AI, Internet of things and big data into their businesses, as well as creating new products, services and experiences for customers.

Insurance companies are moving towards a customer-centric, service-oriented ecosystem. In light of Hong Kong’s market development and customers’ needs, we are working with other sectors to promote the integration of insurance with health, retirement and education to link up individuals, families, circles of friends and commercial organisations. Joining forces with other stakeholders in society, we strive to put forward an all-win cooperation model whereby businesses and different sectors across industries and society can achieve synergy.

6 Promoting synergetic and joint development of elderly care in the Greater Bay Area

Cross-border retirement – More and more Hong Kong people are choosing to retire in Mainland cities in the Guangdong-Hong Kong-Macao Greater Bay Area to take advantage of their low cost of living and the less hectic lifestyle. In May 2023, the Guangdong and Hong Kong authorities signed a memorandum of understanding to foster cooperation in the area of elderly care on various fronts, such as promoting training and exchange and encouraging organisations in the two places to explore and expand collaboration. Through facilitating cooperation and complementarity in the Greater Bay Area, the MoU is conducive to elevating the quality of life of the elderly in both Hong Kong and Guangdong.

Cross-sector collaboration and synergetic development – Home to five of the world’s top 100 universities and 159 Grade 3A hospitals, in addition to numerous pharmaceutical and biotech companies, the Greater Bay Area boasts a wealth of healthcare resources and strong scientific research capacity, including the conversion of ageing research results.

The Greater Bay Area cities also enjoy geographical proximity, smooth flow of personnel and complementarity of strengths and resources, which provide ample opportunities for cross-discipline, cross-border and cross-sector cooperation and synergetic development in the area of elderly care. Continuous development of cross-border infrastructure and facilities, community care services for the elderly, sharing of resources, nurturing of professionals and cooperation and exchange will further enhance the quality and efficiency of elderly care services in the Greater Bay Area and contribute to the country’s strategy for tackling population ageing.





Conclusion

This study has taught us a few key takeaways. First, elderly care services should look after both the physical health and emotional wellbeing of the elderly. Second, in addition to the needs of the elderly, society should respect and support the needs of caregivers. Third, the provision of elderly care services is a shared social responsibility. While the government should allocate more resources to meet the demands of a rapidly ageing population, the welfare and business sectors need to actively seek opportunities to collaborate and achieve synergy.

We should all strive to redefine ageing and create a more inclusive, age-friendly future for everyone in society. We hope that the transformation of the retirement ecosystem will motivate all stakeholders, from caregivers to the government, as well as commercial organisations and different communities to work together in caring for the elderly and more actively contribute to realising the vision of providing the elderly with a sense of belonging, a sense of security and a sense of worthiness.



About

BOC Life



BOC Group Life Assurance Company Limited ('BOC Life') was founded in Hong Kong and has served the local market for decades. We have grown to be one of the top life insurance companies in Hong Kong, with a commitment to offering comprehensive services in life insurance, wealth management and retirement protection. BOC Life is owned by BOC Hong Kong (Holdings) Limited and Bank of China Group Insurance Company Limited. In addition to the channels of tied agency, brokerage and eChannel, BOC Life distributes its acclaimed life insurance products in Hong Kong via the professional relationship managers at various branches of Bank of China (Hong Kong) Limited and Chiyu Banking Corporation Limited. We strive to provide our customers with tailored insurance and financial planning services that meet their personal needs and targets.

BOC Life's solid financial strength has been affirmed by international rating agencies, including the financial strength ratings of "A" by Standard & Poor's and "A1" by Moody's Investors Service.

Golden Age Foundation



Established in 2015, Golden Age Foundation (GAF) was launched as a non-profit organisation (Charity Registration Number: 91/ 14446) by our founder and chair Ms Rebecca Yung and a group of social entrepreneurs. Our mission at GAF supports the Golden Age community of individuals aged 45 and above to lead fulfilling, healthy and quality lifestyles. We are also passionate about promoting the Golden Age Economy and establishing cross-sector and inter-generational collaborations and innovative platforms.

In the last five years, GAF continues to take the lead in social innovation and tackles population ageing issues through training programmes, including the Golden Age Fellows programme, the Golden Age Docent programme, the Golden Age – Climate Change & Conservation Ambassador Programme, School Dialogues and the Pledge of Love from Generation to Generation programme. The programmes are specially designed to foster cross-generational harmony and allow Golden Agers to give back to society by discovering new passions and talents.

In 2016, GAF also launched the annual Golden Age Expo and Summit to cultivate cross-sector collaborations. Aiming to establish Hong Kong as a smart ageing city, the event showcases global innovative products, services and solutions and has reached over 25,000 members and participants. The expo and summit also gather leaders and entrepreneurs from all sectors to share and exchange experiences and promote collaborative efforts across different sectors to develop Hong Kong into a smart ageing city.

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