

For Immediate Release

World Financial Planning Day on 7 October
“COVID-19 Impact on Retirement Planning” Survey Results Reveals
80% Starts to Save for Retirement Confidence in Retirement Falls to 13%

(Hong Kong – 7 October, 2020) The Institute of Financial Planners of Hong Kong (IFPHK) supports the World Financial Planning Day for the fourth year running through a public survey to understand COVID-19’s impact on retirement planning.

The rapidly evolving COVID-19 pandemic continues to have a dramatic and disruptive impact on life plans. The IFPHK have surveyed the Hong Kong’s public to understand how this unanticipated crisis is impacting their planning for retirement.

A total of 1,080 responses have been collected between 11 to 17 September online. Survey findings are highlighted as below:

- **78% of respondents is preparing savings or investment for retirement. Of that total, those who have set aside \$1 - \$1,000,000 for retirement falls from 64% to 52%. A significant increase from 6% to 13% of respondents state they have saved \$3,000,001 - \$5,000,000. Respondents indicating with retirement savings over \$5,000,001 slightly increase from 3% to 7%.**
- **Speaking of confidence in their ability to live comfortably throughout retirement, only 13% express confidence in retirement, records a 4% drop. 40% of respondents feels somewhat negative after the Pandemic, a significant increase of 8%, while 47% remains neutral.**
- **In terms of income sources for retirement, the top three options remain the same despite the pandemic, namely the MPF (27%), Stocks or Funds (24%) and Currency Savings (24%). Those who opt for the “HKMC Retirement Solutions” has raised from 6% to 8%.**
- **A majority of respondents (64%) think that the less than \$30,000 of passive monthly income would be good enough for retirement, while 36% or respondents reflects \$30,000 or more would be more ideal. The results have shown a slight 8% shift to the higher income segment after the pandemic.**

Hongkongers Look Beyond the Pandemic and Plan Harder for Retirement

Amidst the lack of confidence to achieve an ideal retirement life, a vast majority of respondents remain engaged in retirement planning and has seen a shift in allocating more retirement savings. They did not compromise on saving less for retirement, showing a rosier view and more pro-active approach in retirement planning amid the crisis.

Although the pandemic might have put a downward pressure in one’s planning, respondents are adapting by setting a higher goal of passive income for retirement, reflecting a call for security and stability. It is also worth noting that an increase of respondent has chosen the “HKMC Retirement Solutions” as their source of income for retirement, suggesting their expectation on a product that guarantees income for life. Overall, there is some indication of a changing scenario as Hongkongers have paid more attention to crisis management and downside protection on retirement planning through the pandemic.

IFPHK's Recommendation on Retirement Planning During Times of Uncertainty

To cope with the unprecedented challenges, the IFPHK recommends three strategies to plan for retirement:

- **Maintain a Stable Cash Flow: Keeping the tank nice and full to reduce the odds**
- **Prepare Contingency Savings: Regularly putting money aside for emergency**
- **Ensure an All-rounded Medical Protection: Worry-free from medical and long-term care expenses throughout any circuit breaker period**

About “World Financial Planning Day 2020” (“WFPD”)

The IFPHK hosts the “World Financial Planning Day 2020” (“WFPD”) in Hong Kong, as a support to the Financial Planning Standards Board (“FPSB”) initiatives during the International Organization of Securities Commissions’ (“IOSCO”) World Investor Week. The WFPD is set on 7 October, 2020 this year.

During the WFPD, the IFPHK and all FPSB’s affiliate organizations representing a global community of over 181,000 CFP® professionals will provide programs to promote consumer awareness and understanding of financial planning.

IOSCO’s World Investor Week is a week-long global campaign designed to raise awareness about the importance of investor education and protection, and to highlight the investor education and protection initiatives of securities regulators around the world. As part of its global campaign, IOSCO has invited securities regulators from six continents, alone or in partnership with local and international nonprofit groups, to provide programs and events to promote the importance and value of investor education and protection.

For more information about the WFPD, please visit: <http://worldfpday.org/>

For more information about IFPHK’s WFPD initiatives, please visit: <http://www.ifphk.org/wfpd2020/index.html>

About IFPHK

IFPHK was established in June 2000 as a non-profit organization for the fast-growing financial services industry. It aims to be recognized in the region as the premier professional body representing financial planners dedicated to upholding the highest professional standards.

The Institute is the sole licensing body in Hong Kong authorized by Financial Planning Standards Board Limited to grant the much-coveted and internationally-recognized CFP® Certification and AFP® Certification to qualified financial planning professionals in Hong Kong and Macau.

Currently there are more than 188,100 CFP certificants in 26 countries/regions; the majority of these professionals are in the U.S., Canada, China, Australia and Japan, with approximately 4,400 CFP certificants in Hong Kong.

IFPHK has more than 7,500 members in Hong Kong including 1,100 Qualified Retirement Adviser (QRA) holders; and represents financial planning practitioners in diverse professional backgrounds such as banking, insurance, independent financial advisory, stock broking, accounting, and legal services.



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