

## Media Release

### **The 13<sup>th</sup> AIA Desired Retirement Tracker Reveals 80% of Young Adults<sup>1</sup> Embrace the YOLO Mindset**

***YOLO mindset as priority; more than 60% aspire to entrepreneurship or slash careers but lack retirement planning knowledge, with nearly half not aware of MPF obligation;  
Nearly 80% see raising children to provide against old age as outdated,  
more than half prefer having pets over raising children;  
70% prefer short-term investments; nearly half intend to buy cryptocurrencies;  
70% value ESG investment<sup>2</sup>, wishing future retirement investments to consist  
of sustainable investments***

**HONG KONG, 20 January 2022** – AIA Hong Kong today announced the results of the “13<sup>th</sup> Desired Retirement Tracker” (the “Survey”), which explored attitudes towards retirement and investment among young adults aged 18-29 in Hong Kong with the following key findings:

- 80% of young adults embrace the You-Only-Live-Once (YOLO) mindset. They seize the day and make daring choices, with 75% prioritising fulfilling immediate short-term goals or aspirations over preparing for future retirement, higher than the overall ratio (63%).
- 65% of young adults are interested in becoming entrepreneurs, while 62% of them wish to have slash careers (“slashers”).
- Among the respondents interested in becoming entrepreneurs or slashers, 90% agree that planning for retirement and medical protection can ease the burden of pursuing their dreams, but up to 60% lack a clear retirement savings or investment plan. 45% do not know that entrepreneurs or slashers must also make MPF contributions.
- 76% of young adults see the concept of raising children to provide against old age as outdated and 54% prefer to keep pets over raising children.
- 70% of young adults believe that short-term investment returns are more attractive than long-term ones. 24% said they own or have invested in emerging assets, such as cryptocurrencies, and 49% said they plan to invest in emerging assets in the future.
- Overall, 70% of young adults value ESG investment (62% of overall respondents). 70% of them welcome sustainable investments in their future retirement investments.

#### **Detailed survey results:**

##### **Embracing YOLO, young adults yearn to break free from the traditional work model**

The survey found that 80% of young adults embrace a You-Only-Live-Once (YOLO) mindset, believing that life is too short and that one should dare to seize the day. It also revealed that 75% of these respondents believe that achieving immediate short-term goals is more important than preparing for future retirement, higher than the overall ratio (63%).

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<sup>1</sup> Young adults refer to those 18-29 years old.

<sup>2</sup> ESG investments incorporate elements of Environmental, Social, and Governance into the investment decision-making process.

The young respondents have a 'dare to dream and refuse to be bound' attitude, but they lack detailed and adequate planning for their retirement: 65% are interested in becoming an entrepreneur, while 62% want to become a slasher. These young adults, however, have not taken practical actions to make overall plans for their future. Although 90% agree that planning for future retirement and medical protection can make the pursuit of their dreams easier, as many as 60% have no clear retirement savings or investment plans. In addition, nearly half of these respondents (45%) are not aware that entrepreneurs or slashers must also make MPF contributions.

### **Pets over children**

Hong Kong is no exception to the ageing populations and falling birth rates in all parts of the world. When asked about their willingness to have children, nearly 80% (76%) of young adults say that the concept of raising children to provide against old age is outdated. 54% agree that they would rather keep pets than have children, far higher than the overall ratio (40%).

### **Young adults prefer short-term investments, with nearly half planning to buy cryptocurrencies**

The survey also explored the investment attitudes of respondents and found that young adults prefer aggressive and quick-return investment strategies. 70% of young adults believe that short-term gains are more attractive than long-term investment, higher than the ratio among older respondents<sup>3</sup> (57%). In addition, close to 80% (79%) of older respondents agree that regular fixed investments are an ideal way to save, while over one-third (38%) of young adults disagree with this concept.

Many people have come to regard cryptocurrencies as an investment tool in recent years, and the survey confirms that this emerging asset is becoming popular among young adults. One in four young adults (24%) are currently investing or have invested in emerging assets like cryptocurrencies, while nearly half (49%) plan to invest in emerging assets in the future.

### **ESG investment is gaining traction**

The survey also found that in addition to retirement investment returns, young adults also value ESG investment. Results showed that 70% of young adults are embracing ESG investment, higher than the overall ratio (62%). 70% of them welcome future retirement investments consisting of sustainable investments.

Young adults care about sustainable development, which can be seen in the way they handle MPF. More than 90% (91%) use electronic channels to handle MPF-related matters, higher than the overall ratio (78%). In doing so, they are reducing paper consumption and incorporating environmental protection concepts into their MPF management.

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<sup>3</sup> Older respondents refer to those 45-65 years old.

Ms. Elaine Lau, Chief Corporate Solutions Officer of AIA Hong Kong and Macau, remarked, “The findings of this survey show that young adults are embracing a YOLO mentality and dare to dream big and break away from traditional life planning. While pursuing their dream life, young adults should not neglect the importance of retirement and medical protection planning as financial fitness indeed enables them to chase their dreams. We suggest starting with small steps: Actively manage MPF accounts and acquire medical protection. If finances allow, go a step further by increasing MPF voluntary contributions and strengthening medical protection to build a better protection net.”

Ms. Lau added, “We noted that young adults are also seeking sustainable investments while pursuing returns on their investments. In 2006, AIA led the industry and launched Hong Kong’s first ESG concept MPF fund. MPF members may also take ESG factors into account when planning their retirement investments.”

The “13<sup>th</sup> AIA Desired Retirement Tracker” was conducted between 27 October and 4 November 2021. Through online questionnaires and face-to-face interviews, a total of 1,122 working people in Hong Kong aged 18-65 with at least one MPF account were interviewed to explore their goals, views on their desired retirement life and the possibility of achieving them. The survey data is weighted according to the distribution of Hong Kong’s working population (including age, gender, and monthly personal income) to ensure that the sample fully reflects the characteristics of Hong Kong’s working population. The entire survey was conducted by Cimigo, an independent market research and consultancy agency.

Six recommendations from AIA Hong Kong for young adults:	
<b>Retirement Planning</b>	<ul style="list-style-type: none"> <li>While seizing the day, remember to plan for your retirement and medical needs as well. Actively manage your MPF well and increase your voluntary MPF contributions according to your investment objective and risk tolerance. At the same time, ensure you have adequate medical protection, and consider VHIS (Voluntary Health Insurance Scheme) based on your needs and affordability.</li> <li>Entrepreneurs or slashers enjoy high flexibility in their work life but may not necessarily have stable income. To save for retirement, you should arrange MPF for yourself, save and manage your investment, as well as maintain an emergency fund. You can also make good use of the MPF tax-deductible voluntary contributions to enjoy tax benefits.</li> <li>If you decide not to have children, you may lose a layer of support for your future retirement protection. Remember to make a long-term and comprehensive retirement plan.</li> </ul>
<b>Retirement Investment</b>	<ul style="list-style-type: none"> <li>When investing, it is necessary to understand clearly about asset characteristics and related risks, manage risks, and establish a diversified asset portfolio.</li> <li>Being young is a benefit. Recognise the benefits of compounding effect to accumulate wealth over time and make better preparations for retirement through long-term fixed investments.</li> <li>Learn about ESG concepts first, and then the investment projects and related risks. You can also refer to the top 10 holdings of the fund to deepen your understanding of investment strategies, as well as consider long-term investments when choosing a suitable MPF fund.</li> </ul>

Remarks:

- I. Investment involves risks. Investment performance and returns may go down as well as up. Past performance is not indicative of future performance. You should seek appropriate professional advice regarding evaluation of any specific product, index, report, opinion, advice or other content. You should refer to the MPF Scheme Brochure for details (including risk factors and fees and charges) before making any investment decision. Please refer to MPFA website for details and fees and charges for each individual fund.
- II. As tax deduction amounts can vary according to different individuals' situation, for all MPF Tax Deductible Voluntary Contributions deductions, please refer to the prevailing "Inland Revenue Ordinance" rules and regulation.
- III. Tax deductions is one of the allowable deductions from assessable income, it does not equate to a direct deduction from total tax payable. For details of tax deductions, please visit Inland Revenue Department (IRD) of HKSAR website and consult your tax and accounting advisors for tax advice.
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## The 13<sup>th</sup> AIA Desired Retirement Tracker Summary of Key Data

Comparison of goals and perceptions on ideal retirement life with the results of the 12 <sup>th</sup> Survey <sup>4</sup>		
Key Points	Data (The 13 <sup>th</sup> AIA Desired Retirement Tracker)	Data (The 12 <sup>th</sup> AIA Desired Retirement Tracker <sup>4</sup> )
<b>Desired retirement age</b>	62.3 years old (Average)	62.1 years old (Average)
<b>Desired retirement reserves</b>	HK\$ 3.826 million (Median)	HK\$ 3.484 million (Median)
<b>Desired monthly living expenditure after retirement</b>	HK\$ 15,177 (Median)	HK\$ 15,262 (Median)
<b>Monthly savings or investments (including MPF) <u>currently</u> allocated for retirement reserves</b>	HK\$ 5,414 (Median)	HK\$ 5,093 (Median)
<b>Confidence in achieving desired retirement goals</b>	52% of respondents	38% of respondents
<b>People with insufficient retirement reserves</b> <i>(Those who have <u>insufficient retirement reserves</u> for their desired living expenditure after retirement)</i>	67% of respondents	63% of respondents
<b>Retirement reserve shortfall</b>	HK\$ 2.3 million (Median)	HK\$ 2.23 million (Median)

<sup>4</sup> The 12<sup>th</sup> AIA Desired Retirement Tracker was conducted from 19 to 29 October 2020 through online questionnaires and face-to-face interviews with a total of 1,000 working people in Hong Kong aged 18-65 with at least one MPF account. Survey results were announced on 12 January 2021.



The “13<sup>th</sup> AIA Desired Retirement Tracker” reveals that more than 60% of young adults want to become entrepreneurs or slashers but lack retirement planning knowledge.

Also, nearly half (45%) are not aware of their MPF obligation.

Pictured is Ms. Elaine Lau, Chief Corporate Solutions Officer of AIA Hong Kong and Macau.

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### About AIA Hong Kong & Macau

AIA Group Limited established its operations in Hong Kong in 1931. To date, AIA Hong Kong and AIA Macau have close to 19,000 financial planners<sup>1</sup>, as well as an extensive network of brokerage and bancassurance partners. We serve over 3.4 million customers<sup>2</sup>, offering them a wide selection of professional services and products ranging from individual life, group life, accident, medical and health, pension, personal lines insurance to investment-linked assurance schemes with numerous investment options. We are also dedicated to providing superb product solutions to meet the financial needs of high net worth customers.

<sup>1</sup> as at 31 December 2021

<sup>2</sup> Including AIA Hong Kong and AIA Macau's individual life, group insurance and pension customers (as at 31 December 2021)

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