



註冊財務策劃師協會  
Society of Registered Financial Planners

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## Recognition of Financial Planner Index (RFP Index)

To promote awareness of financial planning among the public, Society of Registered Financial Planners and the Centre for Corporate Governance and Financial Policy (CCGFP), School of Business at the Hong Kong Baptist University launched the Recognition of Financial Planner Index (RFP Index) since 2005. The aims of the survey were to understand the awareness, attitude and usage behaviors of professional financial planning services in the general public.



## RFPIndex2005

### New Survey Report Published for Financial Planning Services Providers to Make Successful Marketing and Strategic Planning



The Society has organized a research about the financial planning industry. The research was prepared by The Institute for Enterprise Development and Management Research - Hong Kong Baptist University and the findings announced in a press conference on May 31, 2005.

Financial Planning is a fledging profession in Hong Kong with vast market potential. According to some newspaper reports, Hong Kong is still one of the most affluent societies in Asia, second only to Japan. However, Hong Kong people tend to make extremely conservative financial decisions which result in low rate of investment in new financial products. According to a 2004 survey conducted by Citibank, Hong Kong people's investment rate (the percentage of the population that have investments) is 30% -- far lower than the U.S. ratio of 80%.

With Hong Kong's speedy economic recovery, the implementation of its Mandatory Provident Fund Scheme, the generally low income of its retired population, and the emergence of new investment products, many people argue that the prospects of Hong Kong's financial planning market are very bright. The vast potential of the development of financial planning in Hong Kong is evidenced by the active extension of services offered by financial institutions and the large number of people seeking to obtain professional financial planning qualifications each year.

However, there has been insufficient research conducted on the awareness and acceptance of the financial planning profession and its services in Hong Kong. There is also a lack of understanding about why Hong Kong people use or do



not use financial planning services. In addition, data is needed regarding Hong Kong people's need for the various aspects of financial planning services, their sources of advice when making financial or investment decisions, and the criteria they use when choosing financial planners.

To obtain this invaluable information, the Society of Registered Financial Planners (HKRFP) commissioned the School of Business of Hong Kong Baptist (HKBU) to conduct an independent survey in April 2005. A new index "Recognition of Financial Planners Index" (RFP Index) was also designed and compiled based on the findings of this survey. The Index will be used as benchmark indicating the long-term growth of the financial planning industry and the market acceptance of the profession.

The [survey findings](#) were released in May 2005 and reported immediately by almost every press and electronic media. The survey also created some enquiries from industry and discussions among many practitioners. It was highly amazed at the values of the survey findings in revealing the customer perception of professional planning services in Hong Kong. As a long-time professional financial planner, the findings gave you or any parties interested in financial planning a lot of insights to serve clients better.

### **Selected Quotes from the Press**

"The market for professional financial planning services remains untapped according to a survey released by HKBU" (SCMP, 1 Jun 2005)

"About 25% of respondents adopted or will adopt financial planning services, according to a survey of HKBU" (Apple Daily, 1 Jun 2005)

"HKBU survey found that penetration rate of (financial planning industry) is low.....the potential is high" (Ming Pao, 1 Jun 2005)

"According to a survey of HKBU & RFP-HK, working population should make financial planning earlier for a better life after retirement" (Hong Kong Economic Times, 1 Jun 2005)

"Hong Kong lacks 50,000 financial planners, said RFP-HK & HKBU" (Hong Kong Economic Journal, 1 Jun 2005).



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## RFPIndex2006 Improved Recognition for Financial Planning Profession and Early Plans for Retirement Needed





The Society of Registered Financial Planners (HKRFP) commissioned the Centre for Corporate Governance and Financial Policy (CCGFP), School of Business at the Hong Kong Baptist University (HKBU) for the second year to conduct a survey on the awareness, attitude and usage behaviors of professional financial planning services in the general public in July 2006. On top of the major issues covered in the last year, the survey in this year also unveiled some interesting findings on retirement planning issues in Hong Kong. The HKRFP hosted a press conference to announce the survey's findings on 30 August 2006 (Wednesday) at HKBU's campus. This was a big event for the financial planning profession.

Professor Joseph Sin and Mr. Michael Fan, President and Vice President of HKRFP, shared with us the latest development



of the financial planning profession and the history and objectives of the survey. Professor Simon S.M. Ho, Director of CCGFP and Dean of School of Business at HKBU, and Professor Raymond Chan, Associate Director of CCGFP, discussed the methodology, design and findings of this year's survey. The sponsor representative, Mr. Anthony Mak, Senior Vice President & Chief Marketing Officer of New York Life Insurance Worldwide Ltd., talked about the importance of the survey on the development of the industry from the angle of an industry expert.

Through a random sampling of residential telephone numbers, 500 adult respondents were successfully contacted and interviewed, of which 37.6% had monthly household income at HK\$30,000 or above. Among this group of respondents, 16% had used the financial planning services over the past two years. 7.4% would consider using the services in the coming two years, and for those who had no plans to use the services, the most common reasons cited were they did not perceive a need for the services (58.3%) and did not know much about the profession (37.5%).

It was announced the survey findings on the awareness, attitude and usage behaviors of professional financial planning services in general public. Results indicated the recognition of financial planners in Hong Kong has been more common, and people in general tend to underestimate the aggregate amount needed for their retirement.



The Recognition of Financial Planner (RFP) Index measuring the acceptance of the profession building upon six questions on a 100-point scale was 43.4 this year, comparing with 38.4 in 2005. **Mr. Michael W.K. Fan, Vice President of HKRFP and Project Chairman** said, "This index score has suggested that the penetration of the services is progressing steadily in Hong Kong but we still have many more to do in order to further raise the public confidence and recognition of the profession"

In respect of retirement expectancy, about one-third of interviewees anticipated that they would have 16-20 years of retirement life. Over 30% estimated the total amount of money needed to maintain retirement life was less than HK\$1 million, but about 40% considered that their living standards would





drop. **Professor Simon S.M. Ho, Dean of School of Business of HKBU and Director of CCGFP**, commented, “Twenty years’ of retirement life seems a reasonable estimation, however, HK\$1 million or less for retirement appears to be under-estimated. Generally speaking, if we are to spend HK\$15,000 monthly income after retirement, we would need at least HK\$2.4 million at the time of retirement. Unsurprisingly, over half of respondents considered that their retirement funds or Mandatory Provident Funds (MPF) alone were not sufficient. Therefore, on top of mandatory schemes, having a well customized financial plan is indeed essential when one is young in order to maintain the living standards after retirement.”



The survey findings also embedded the views of respondents towards purchase of life insurance policies, and it was found that 30% of respondents, largely those aged over 50 with low education and income, had not pursued any life insurance plans, while about half were holding one or two policies with them. The primary purposes of buying life insurance policies were for saving (34.6%), retirement protection (28.3%) and risk management (18%). **Mr. Anthony Mak, Senior Vice President and Chief Marketing Officer of New York Life Insurance**

**Worldwide Ltd., and the sponsor representative**, further added, “Protection can be achieved through buying life insurance policies, so people must not disregard the value of this tool for retirement planning. As the population of Hong Kong is aging, early retirement planning will become more and more important.”

“The survey results have provided significant insights as to the perception and needs of financial planning services in Hong Kong, and I believe with greater efforts in education and promotion, the popularity of financial planning services will gradually be seen in the general public.” **Professor Joseph Sin, President of HKRFP** said





## RFPIndex2007 Improved Recognition for Financial Planning Profession and Preferred Medical Protection



did not know much about the profession (34.3%).

The Recognition of Financial Planner (RFP) Index measuring the acceptance of the profession building upon six questions on a 100-point scale was 41.6 this year, comparing with 37.6 in 2006. Tellingly, this index score and the increasing recognition have suggested that the penetration of the services is progressing steadily in Hong Kong.

Commissioned by HKRFP, the survey was conducted by CCGFP in June 2007 for the third year. Through a random sampling of residential telephone numbers, 1046 adult respondents were successfully contacted and interviewed. Among this group of respondents, 19% had used the professional financial planning services over the past two years. 8.6% would consider using the services in the coming two years, and for those who had no plans to use the services, the most common reasons cited were they did not perceive a need for the services (57.6%) and







mandatory medical insurance scheme, in which health insurance is mandatory to all residents and insurance companies will cover the bills for private care when necessary, was found in the survey. The second most acceptable health care financing model is mandatory medical savings scheme in which residents may use funding available in their accounts to pay for their medical expenses. For those who are unable to pay for the deficits in their accounts, the SAR government will cover these deficits.

In addition, survey also has been conducted regarding the public's attitude and preferences towards medical protection. Findings indicate that roughly half of the adult respondents have medical insurance purchased by their employers. 54.2% of them have purchased medical insurance on their own, with the insurance premium being cited as the most important factor in their considerations of whether they would purchase medical insurance. Meanwhile, roughly half of the adult respondents have medical expenses below \$1,000 during the past year. The most acceptable health care financing model is



“The survey results have provided significant insights as to the perception and needs of financial planning services in Hong Kong, and I believe with greater efforts in education and promotion, the popularity of financial planning services will gradually be seen in the general public.” **Mr. Michael W.K. Fan, Vice President of HKRFP and Project Chairman** said.