

News Release

For Immediate Release
10 June 2024

Filipino Consumers See Managing Healthcare Costs as Critical for Financial Well-Being in Later Life, Manulife Survey Shows

- *Survey of 1,050 consumers in the Philippines focuses on health and long-term savings for longer life spans*
- *Rising healthcare costs is the number one concern, while medical inflation perceptions are too high*
- *Most people in the Philippines do not rely on their children to provide for them in old age*

Manila, Philippines, 10 June 2024—A healthy lifestyle and good physical well-being are the essential elements for positive financial and mental well-being among consumers in the Philippines as they plan for longer lifespans, and lengthier and more comfortable retirements, according to new research by Manulife. Yet financial confidence among Filipinos is low amid concerns about inflation, particularly rising healthcare costs.

Manulife’s new [Asia Care Survey 2024](#) drew on responses from 1,050 consumers in the Philippines. It launched Manulife’s MyFuture Readiness Index, which measures how consumers view their current and future physical, mental, and financial well-being. On a scale of 1 to 100, the index shows their desired readiness level to be 91, which is above the regional average, but the expected level to be 79, suggesting a lack of confidence about the future.

According to the Filipinos surveyed, the top five challenges impacting confidence in their future well-being are: rising healthcare costs (82%), inflation/rising costs of living (81%), economic slowdown/recession (78%), increasing interest rates (78%) and health trending down (73%).

To help save and prepare for their envisioned future, including for greater longevity, retirement and unexpected medical needs, the Filipinos surveyed highlighted having a passive income after retirement (43%), having sufficient savings for a rainy day (39%), financial freedom in retirement (32%) and having enough savings for healthcare needs (31%) as their main financial goals.

“The survey reveals a lot of anxiety around economic volatility, healthcare-related expenses and uncertainty, which dampens the optimism of many Filipinos in achieving high-quality well-being in the future,” said Rahul Hora, President and CEO, Manulife Philippines. “But there are ways to address these concerns so they are future-proofed. Significant of these is the value of financial advice and guidance that can help them assess and bring their goals closer to fruition, mitigate risks, and find the right products that provide stronger health and life protection, as well as investment and retirement solutions.”

Healthcare costs perceived to be too expensive

In the survey, 82% cited rising healthcare costs as a top threat— a percentage that rises to 86% among 50 to 60-year-olds. Their concerns are understandable given that 44.7% of health expenses in the Philippines are out-of-pocket, in total reaching US\$9 billion in 2022.¹ It is an amount that Manulife expects to reach US\$13 billion by 2028 and account for 38% of their overall medical expenses.

¹ [The Country’s Total Health Spending, Philippine Statistics Authority, August 20, 2023](#). Last Accessed June 6, 2024

“We see in the Philippines a realization of longer life expectancy and people rightly want to enjoy good health for a longer time. Healthcare costs trump inflation as their main concern for the future, with women being in general more concerned than men,” said Hora. “To navigate this, there is a need for effective financial planning. It is fair to expect medical costs to rise faster than inflation given aging populations and increased pressure on healthcare services, but our survey suggests that perceptions on the extent of such rises are well above actuality.”

The survey shows that over the past 12 months, the perception of the Filipinos surveyed on healthcare cost inflation was 32%, the highest in the region (average 23%) and around three times the actual rate². Most respondents (61%) are concerned about the rises in cost of prescriptions, while 59% of them are worried about hospitalization, and 45% about preventive healthcare. Curiously, elderly care (16%) is much lower.

The potential illnesses that worry people in the Philippines the most are heart disease (46%), the leading cause of death in the country³, diabetes (42%), stroke (34%) and cancer (31%). With the broader concerns about their physical well-being and rising medical costs, 78% of the respondents agree that increasing insurance coverage and benefits for inflation is a crucial part of planning for my future financial well-being.

The findings show a sizeable segment adopting a strategy of using less expensive healthcare (41%) services and medicines (53%), well above the regional average of 31% and 29% respectively. According to the survey, this would typically mean using government health services and generic drugs, rather than going private. Alongside that, about three quarters are exercising more or improving their diet.

Children no longer viewed as alternative to a pension

Across all the markets covered in Asia, 7 out of 10 of those surveyed said they feel health benefits and coverage from their employers are not enough. In the Philippines, it was a little higher at 76%. As things stand, 78% of the Filipinos surveyed feel a need to top up retirement and pension benefits they receive from their employers to boost their future financial well-being. In addition, 58% are looking to delay retirement because of their financial responsibility for their family.

Traditionally in Asia and elsewhere in the world, an alternative to insurance and a pension for old age would be having children. But that is not the case now in the Philippines where 58% of the Filipinos surveyed disagree that children are great investments because they provide support in old age. Only Japan had a higher rating at 70%. In the markets covered, half those surveyed said they do not plan to have kids. The average number of children wanted by Asians is 1.6. In the Philippines, the preferred number is 1.8.

“We encourage more Filipinos to consider ways to increase their health protection. At the same time, insurers have an important role in helping them do that, including changing perceptions on health costs and focusing on specific individual needs. There’s a need also for greater financial literacy,” said Hora. “Doing that will enable everyone to focus on ways to effectively address the challenges on health protection and long-term savings that exist.”

To help address the unique needs of Filipinos when it comes to their health, well-being and finances, Manulife Philippines offers a suite of innovative insurance and investment solutions that can help them financially prepare for the future, while ensuring life and health protection coverage in case of the unexpected.

About the Manulife Asia Care Survey 2024

In its fifth year running, the latest Manulife Asia Care Survey was conducted in January and February 2024 via online self-completed questionnaires in eight markets. A total of 8,400 individuals, evenly split between men and women, aged 25 to 60 years old were surveyed: mainland China (1,052), Hong Kong (1,052), Indonesia (1,063), Japan (1,000), Malaysia

² 2024 Global Medical Trends Survey, November 2023. Last Accessed June 6, 2024

³ 2023 Causes of Death, Philippine Statistics Authority, February 2024. Last Accessed June 6, 2024



(1,038), Philippines (1,050), Singapore (1,038) and Vietnam (1,107). Each of those surveyed either owns insurance or intends to buy insurance. For more info, visit www.manulife.com.ph

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About Manulife Philippines

The Manufacturers Life Insurance Company opened its doors for business in the Philippines in 1907. Since then, Manulife's Philippine Branch and later The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the country's leading life insurance companies. Manulife Philippines is a wholly owned domestic subsidiary of Manulife Financial Corporation, among the world's largest life insurance companies by market capitalization. Learn more about Manulife Philippines by visiting their website manulife.com.ph and following them on Facebook (facebook.com/ManulifePH), Twitter (@ManulifePH), and Instagram (@manulifeph).

About Manulife

Manulife Financial Corporation is a leading international financial services provider that helps people make their decisions easier and live better. With our global headquarters in Toronto, Canada, we provide financial advice and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States. Through Manulife Investment Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions, and retirement plan members worldwide. At the end of 2023, we had more than 38,000 employees, over 98,000 agents, and thousands of distribution partners, serving over 35 million customers. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges, and under '945' in Hong Kong.

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