

The Trend of “Northward Retirement” from Hong Kong, China and Its Implications for Building a Diversified Retirement Welfare System in Mainland China

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Abstract

Hong Kong, China, ranks among the world's regions with the highest life expectancy, yet faces severe challenges posed by an aging society. Local pressures—including strained healthcare resources, limited per capita land area, and high elderly care costs—pose significant obstacles to securing adequate retirement provisions for its senior population. In recent years, “northward retirement” has emerged as a new option for some Hong Kong seniors, with this cross-border migration trend growing increasingly pronounced. This paper aims to systematically analyze the driving factors, current status, and trends of Hong Kong's “northward retirement” phenomenon, along with its implications for China's mainland in building a diversified elderly care welfare system. This study argues that the “northward retirement” trend reveals the limitations of Hong Kong's model of relying solely on local resources for elderly care. Consequently, it highlights the importance and necessity of establishing a “diversified elderly care welfare system” that integrates local, cross-border, governmental, market, and social forces. This research offers new perspectives and policy insights for mainland China in addressing the increasingly urgent challenges of aging, and also provides valuable reference for the social and livelihood integration within the Guangdong-Hong Kong-Macao Greater Bay Area.

Keywords

northward retirement, Guangdong-Hong Kong-Macao Greater Bay Area, population aging, diversified elderly care welfare system, cross-border elderly care

1. Introduction

With profound shifts in global demographic structures, aging has emerged as a critical challenge demanding urgent attention from nations and societies worldwide. According to the United Nations definition, when the proportion of individuals aged 65 or older reaches 20% in a country or region, it signifies entry into a “super-aged society.” Hong Kong, China entered this super-aged society in 2021. Furthermore, the “Third Pillar and Pension Research Report” jointly released by Tsinghua University and China Minsheng Bank predicts that mainland China will also enter a super-aged society by 2035 (Li et al., 2023). Currently, Hong Kong faces multiple challenges including scarce land resources, high housing costs, an overburdened public healthcare system, and severe shortages of nursing home beds. Against this backdrop, many elderly Hong Kong residents are choosing to “relocate north for retirement.” Unlike the traditional mainland concept of “moving north”—such as from southern regions to northern areas like Northeast China—Hong Kong's “moving north” primarily refers to moving from Hong Kong to cities within the Guangdong-Hong Kong-Macao Greater Bay Area. This

trend arises because the Guangdong-Hong Kong-Macao Greater Bay Area offers lower retirement living costs, more abundant medical resources, and superior residential experiences compared to Hong Kong. Additionally, the region's linguistic environment and cultural background are more similar to Hong Kong, making adaptation easier for the elderly.

Most existing research either focuses on analyzing local Hong Kong policies or remains limited to describing the “northward retirement” phenomenon. This paper connects the micro-level trend of “northward retirement” with the macro-level construction of a “diversified elderly care welfare system.” It explores implications for mainland China, offering forward-looking policy insights for mainland cities to prepare proactively and innovate elderly care models. It also provides academic references and practical foundations for promoting deeper integration and coordinated development in the social and livelihood sectors of the Guangdong-Hong Kong-Macao Greater Bay Area.

2. Current Status, Advantages, and Challenges of Hong Kong Seniors “Northward Retirement”

2.1 Current Status of “Northward Retirement”

Statistics from the Hong Kong SAR Government indicate that the number of elderly individuals continuously receiving the Long-term Care Allowance (Guangdong Scheme) and utilizing medical vouchers in mainland China has risen significantly year after year. This signifies a growing trend of Hong Kong seniors choosing to “move north for retirement.” Additionally, the demographic primarily consists of middle-class and lower-middle-class individuals. In terms of retirement models, three main approaches are observed: independent home ownership or rental for dispersed home-based care, admission to private elderly care facilities, and participation in government-subsidized programs (such as the “Guangdong Residential Care Service Scheme” and “Fujian Scheme” launched by the Hong Kong Social Welfare Department, which provide eligible seniors with subsidized residential care places in designated mainland elderly care homes). In terms of retirement destinations, the primary locations are mainland cities within the Guangdong-Hong Kong-Macao Greater Bay Area adjacent to Hong Kong. The core city is Shenzhen, with key cities including Guangzhou, Zhongshan, Zhuhai, and Jiangmen (Li et al., 2024).

2.2 Key Advantages of “Northward Retirement”

2.2.1 Reduced Financial Burden for Elderly Care

Statistics indicate that Hong Kong currently has over 1,000 elderly care facilities, primarily operated by non-governmental organizations and private institutions. These provide both government-subsidized and non-subsidized beds. Subsidized beds charge no more than HK\$2,000 per month and with additional government welfare policies, they are nearly free. However, the number of such subsidized beds is limited and in short supply, making them difficult for most elderly individuals to obtain. Fees for non-subsidized beds range from HK\$10,000 to HK\$50,000, which is relatively expensive (Zhang, 2024). Across the Greater Bay Area, elderly care service fees are generally lower than in Hong Kong. Even in Shenzhen, where the cost of living is relatively high, mainstream private nursing homes or publicly-built, privately-operated elderly care facilities typically charge around RMB 6,000 to 12,000 per month. Even high-end elderly care institutions charge only approximately RMB 12,000 to 30,000+ per month, far below the fees in Hong Kong. Elderly residents can access more comprehensive and higher-quality care at lower costs.

2.2.2 Enhancing Elderly Care Quality

Hong Kong's limited land area and dense population have driven the city's spiral-like vertical development (Wei & Sun, 2023), yet residents still experience significant crowding in daily life—manifesting in housing, transportation, and other essentials. Nursing homes are no exception, often confining seniors to cramped, shared rooms. In contrast, mainland facilities offer more spacious environments and private rooms, significantly improving residents' living experience. Additionally, seniors can access superior care at lower costs. While Hong Kong facilities typically assign one caregiver to multiple residents, mainland institutions provide dedicated attendants who respond more promptly to individual needs and deliver more comprehensive services. Furthermore, Hong Kong's dense housing creates a “concrete jungle” feel, making it difficult for

mobility-impaired seniors to connect with nature. In contrast, mainland facilities are often located at a distance from city centers in areas with superior natural environments, helping seniors relax and enjoy nature. Overall, the quality of elderly care has improved across all aspects.

2.2.3 Reduced Medical Costs and Enhanced Healthcare Access for the Elderly

For Hong Kong residents seeking medical care, both public and private hospitals are common choices. However, the cost disparity between the two is significant. Private hospitals generally charge exorbitant fees, while public hospitals, despite offering various subsidies and welfare reductions, have limited availability and lengthy appointment waiting times, undoubtedly increasing the difficulty for the elderly to access medical services. Mainland hospitals, however, offer lower overall fees and more efficient, convenient access. In October 2015, the Hong Kong SAR Government launched a pilot “Elderly Healthcare Voucher Scheme” at the University of Hong Kong-Shenzhen Hospital, pioneering the cross-border transfer of medical benefits. This initiative provides eligible Hong Kong seniors aged 65 and above with an annual financial subsidy of HK\$2,000 per person, enabling them to select the most suitable private healthcare services based on their needs while alleviating pressure on the public healthcare system. Currently, the scheme covers designated medical institutions across multiple cities within the Guangdong-Hong Kong-Macao Greater Bay Area. For Hong Kong seniors pursuing cross-border retirement, certain medical benefits previously enjoyed remain accessible after crossing the border, further reducing healthcare costs (Su et al., 2023).

2.2.4 Reduced Psychological Barriers for the Elderly

Leaving a city where one has lived for many years inevitably causes psychological discomfort, especially for relatively traditional seniors. Environmental and sociocultural changes can heighten their psychological barriers. However, the Guangdong-Hong Kong-Macao Greater Bay Area shares the same Cantonese cultural sphere, with highly consistent language (Cantonese), cuisine, and customs. This significantly reduces seniors' adaptation challenges and cultural barriers, fostering a sense of belonging. Moreover, many Hong Kong residents originally hail from Guangdong, Fujian, and other parts of China, maintaining relatives and friends on the mainland. Their pre-existing social networks provide psychological support and social capital for “retiring northward,” enabling them to adapt more swiftly to elderly care life on the mainland.

2.3 Challenges of “northward retirement”

2.3.1 Policy and Institutional Barriers Between Hong Kong and Mainland China

Although Hong Kong and mainland China have partially aligned their elderly care policies and welfare systems, significant barriers remain. For instance, core benefits such as Hong Kong's Comprehensive Social Security Assistance (CSSA) cannot be transferred across borders. Elderly individuals who leave Hong Kong for extended periods may lose their eligibility for CSSA. A substantial portion of seniors choosing to retire in mainland China are precisely those with modest economic means who rely on CSSA. This policy barrier thus severely limits the options available to grassroots seniors. Additionally, certain cross-border welfare policies remain poorly integrated. For instance, the use of medical vouchers is subject to numerous restrictions, failing to cover substantial expenses like routine outpatient care and hospitalization. Furthermore, mainland medical insurance operates entirely independently from Hong Kong's healthcare system, with Hong Kong residents unable to enroll. This poses significant risks for seniors pursuing retirement in mainland China.

2.3.2 Oversight of Elderly Care Service Quality and the Trust Crisis

When selecting mainland elderly care facilities, Hong Kong seniors often lack authoritative and transparent channels to ascertain the true conditions of service providers. This not only compounds their decision-making difficulties but also heightens the risk of choosing substandard institutions, thereby undermining their vital interests and triggering a trust crisis. Moreover, the Hong Kong SAR government lacks effective regulatory authority and evaluation standards over mainland elderly care facilities. Consequently, the service quality, safety standards, and staff qualifications of these institutions cannot be consistently and uniformly guaranteed. Some facilities may even primarily offer “cross-border elderly care” services with few mainland consumers, making it difficult for mainland regulators to identify actual problems within these institutions.

2.3.3 Cross-Border Uncertainties and Risks

Although the Guangdong-Hong Kong-Macao Greater Bay Area is part of mainland China, it encompasses both domestic and overseas territories, potentially introducing uncertainties and risks from policy changes or unforeseen events. First, many current measures supporting “northbound elderly care” remain in pilot or exploratory phases, creating uncertainty regarding policy continuity and stability. Future adjustments to mainland policies on household registration, housing, healthcare, etc., could directly impact the lives of Hong Kong and Macao seniors relocating northward. Additionally, during sudden public events, cross-border travel may be restricted, potentially leading to prolonged separation from family members and obstructed access to medical care. For instance, during the pandemic, cross-border travel between the mainland and Hong Kong/Macao was severely disrupted, causing significant inconvenience for residents and exposing the vulnerability of the cross-border retirement model.

3. Insights for Mainland China in Building a Diversified Elderly Care Welfare System from “Northward Retirement”

The challenges faced by Hong Kong in addressing elderly care, the subsequent experience of “Northward Retirement,” and the challenges encountered therein provide important insights for mainland China in establishing a diversified elderly care welfare system.

3.1 Advancing Standardization and Internationalization of Home-Based, Community-Based, and Institutional Care

China's current elderly care services primarily consist of three models: home-based care, community-based care, and institutional care. Approximately 90% of seniors still rely on home-based care, with only a small proportion utilizing community-based or institutional care. However, during industrialization, the family's role in supporting the elderly has weakened (Yan, 2023). And an increasing number of families will opt for community-based and institutional care in the future. Hong Kong residents seeking elderly care services in the Greater Bay Area, rather than locally, is partly due to the subpar quality of some local services. Overall, it is particularly urgent for mainland China to promote the standardization and internationalization of these three elderly care models. There is an urgent need to establish a unified set of elderly care service standards, evaluation systems, and oversight mechanisms that are both suited to national conditions and compatible with international practices. For “home-based care,” this could involve establishing uniform criteria for assessing elderly individuals in need, providing standardized physical care facilities, and deploying professional follow-up personnel. For “community-based care,” the focus should be on narrowing the urban-rural gap and promoting the unification and standardization of community care services across urban and rural areas. For “institutional care,” the emphasis should be on establishing high-standard industry regulations and oversight mechanisms to drive the overall improvement of service quality across the sector.

3.2 Accelerating the Integration and Coordination of Cross-Regional Social Security Systems

The greatest obstacle to “northward retirement” lies in institutional barriers between different regions. This underscores the need for mainland China to adopt a more forward-looking and flexible approach when building a diversified pension welfare system, gradually eliminating regional institutional barriers. The Greater Bay Area's pilot program for cross-border social security settlement for Hong Kong and Macau residents provides a national model. This also suggests that mainland China's future pension welfare system should transcend household registration restrictions and explore benefit entitlement mechanisms based on “place of residence” or “citizenship.” Particularly in healthcare coverage—closely linked to pension security—efforts should focus on establishing a unified national medical insurance settlement platform and cross-regional medical treatment supervision system. Gradually advancing reforms in cross-regional medical payment methods will reduce the additional healthcare costs incurred by patients seeking treatment outside their registered regions (Chen et al., 2024). Concurrently, efforts should be made to integrate the multi-tiered pension security system. Specifically, commercial insurance institutions could be encouraged to develop supplementary insurance products tailored for cross-regional retirement planning, complementing basic social insurance. Through policy guidance, the

government can facilitate the seamless transfer and continuity of the three pillars—basic security, enterprise/occupational pensions, and commercial insurance—across different regions.

3.3 Enhancing the Supportive Role of Technological Tools

The challenges posed by cross-border elderly care—including information asymmetry, communication difficulties, and emergency management—highlight the immense potential for technology in the elderly care sector. While basic technological tools have been introduced into mainland China's elderly care services, further integration is needed to establish a unified smart technology platform. Specifically, efforts should accelerate the development of a cross-regional, one-stop smart elderly care service platform integrating functions such as health monitoring, emergency alerts, online medical services, policy consultation, social interaction, and online administrative services. Considering seniors' relative unfamiliarity with technology, such platforms should adopt senior-friendly designs to ensure technology truly serves people. Furthermore, smart elderly care devices and applications can be promoted, such as encouraging seniors to use smart wearables, remote monitoring systems, and smart home devices. This enables children and caregivers to provide “remote care” across geographical distances, effectively alleviating the weakening of family caregiving functions caused by population mobility and providing technological support for the “long-distance elderly care” model.

4. Conclusion

This study systematically analyzes the emerging trend of “northward retirement” in China, examining its underlying drivers, current developments, and challenges. Analysis indicates that Hong Kong's high cost of living, limited land and healthcare resources, and unfavorable external environment for aging contrast sharply with mainland cities in the Greater Bay Area, which offer increasing livability, affordable quality elderly care services, and seamless cross-border transportation networks. These factors collectively propel “northward retirement” from an isolated choice to a significant trend. However, institutional barriers in cross-border coordination, regulatory and trust crises in service quality, and uncertainties/risks associated with cross-border arrangements have exposed the limitations of traditional, locally-reliant or isolated retirement models in addressing complex aging challenges. Based on this, this study proposes recommendations tailored to China's mainland elderly care services. These include advancing the standardization and internationalization of elderly care services, accelerating the integration and coordination of cross-regional social security systems, and strengthening the supportive role of technological tools. The aim is to foster the establishment of a diversified elderly welfare system in mainland China and expedite the development of a modern elderly care service system capable of meeting local residents' needs while attracting and accommodating external demand.

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Conflicts of Interest

The authors declare no conflict of interest.

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