

press release

Standard Chartered study reveals online banking giving Hong Kong's emerging affluent more control of their finances

Investing in financial products most popular strategy to meet financial goals and increase wealth

29 October 2018, [Hong Kong] – More than half (55%) of Hong Kong's emerging affluent believe online banking gives them more control over their money and investments, and half (50%) feel familiarity with digital tools has been vital to their personal success, according to a new Standard Chartered study.

The Emerging Affluent Study 2018 – *Climbing the Prosperity Ladder* – examines the views of 11,000 emerging affluent consumers – individuals who are earning enough to save and invest – from 11 markets across Asia, Africa and the Middle East.

In Hong Kong the emerging affluent are embracing digital wealth management: nearly half (48%) say they would invest in financial products online with assistance from an on-demand advisor, compared to only 16% that would not; and 49% would accept a high level of risk for a high level of return when investing online, whereas only 18% would not.

The study reveals that the number one financial goal for Hong Kong's emerging affluent is saving towards their children's education, with 12% stating this; it is also the top savings priority across the markets in the study (16%). When it comes to meeting their financial goals and increasing their wealth, the most popular strategy among the emerging affluent in Hong Kong is investing in financial products, with more than half (54%) choosing this. More than four in 10 (44%) of Hong Kong's emerging affluent invest with a target and a strategy to achieve it.

Despite these good intentions they are currently using more basic approaches to achieve their top financial goals: savings accounts are the preferred method for nearly half (45%) of the emerging affluent in Hong Kong. Although equity investments are used by more than a quarter (26%). By comparison, less than a fifth use fixed income investments (15%) and less than one in 10 use mutual funds (9%).

This could explain why currently more than half (54%) of Hong Kong's emerging affluent feel far away from achieving their top financial goal. The emerging affluent in Hong Kong recognise that a lack of financial understanding and advice may be stopping them from meeting their financial goals: more than a third (36%) say they feel held back in their aspirations by their lack of financial knowledge; 56% believe financial education would help them reach their financial goals faster; and 36% admit that friends and family are their top source of financial advice – making this the number one source in the market.

The study also reveals that more than half (53%) of Hong Kong's emerging affluent believe effective wealth management holds the key to greater social mobility, so addressing the

financial knowledge and advice gap could play a crucial role in helping them to keep moving up the ladder.

Other findings from the study, now in its fourth year, include:

Social mobility booming in Hong Kong

Nearly six in 10 (59%) of emerging affluent consumers in Hong Kong are experiencing upward social mobility; this is in line with the average figure of 59% across the markets in the study. Of these, 6% are enjoying ‘supercharged’* social mobility, not just relative to the previous generation, but compared to the rest of the socially mobile.

The socially mobile in Hong Kong are scaling the ladder thanks to impressive earnings growth, with one fifth (20%) enjoying a salary increase of 10% or more in the past year, and 18% seeing their earnings jump by 50% or more in the past five years. The socially mobile are also better educated and achieving higher levels of employment and home ownership than their parents. 81% went to university, compared to 31% of their fathers and 27% of their mothers; and more than two-thirds (68%) are in management positions or running their own businesses compared to 31% of their fathers and 26% of their mothers. 82% of the socially mobile own their own home, compared to 68% of their parents.

Social status of the emerging affluent

	Average	China	Hong Kong	India	Indonesia	Kenya	Malaysia	Nigeria	Pakistan	Singapore	South Korea	UAE
‘Super charged’ Socially Mobile*	7%	7%	6%	11%	4%	7%	6%	6%	11%	4%	4%	7%
Socially Mobile*	52%	60%	53%	56%	50%	54%	49%	50%	53%	51%	45%	50%
Not Socially Mobile	42%	33%	41%	33%	46%	39%	45%	44%	37%	46%	51%	43%

**mobile in an upward direction*

Teddy Wong, Regional Head of Segments & Client Journeys, Retail Banking, Hong Kong & Greater China and North Asia, Standard Chartered said: “The study reveals that the emerging affluent consumers have clear financial goals. They are also digital savvy and believe technology holds the key to financial success. As they are embracing digital ways to control their finance and investment, there is a growing appetite for online financial services and products.

To stay relevant to our clients’ needs, we have invested in Fintech and enhanced our digital banking platform including the launch of the upgraded version of SC Mobile App equipped with a suite of new functions; the debut of SC Pay (FPS), which allows clients to enjoy the convenience of real-time inter-bank and person-to-person transfers via the Faster Payment System (FPS) and the upcoming launch of a chatbot, to name a few. We strive to provide financial tools and services that help the emerging affluent to save and invest wisely with a high degree of autonomy, and to achieve their financial goals faster.”

View the [report](#) for more.

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Note to Editors

- *For the purposes of this study, 'supercharged' is defined as individuals who are demonstrating extreme positive mobility by advancing their position further and faster than the rest of the socially mobile, resulting in a very significant gap between their parents' situation and their own, and a strong increase in earnings
- The survey markets: China, Hong Kong, India, Indonesia, Kenya, Malaysia, Nigeria, Pakistan, Singapore, South Korea, the UAE
- In charts, due to the rounding of decimal places, displayed figures may not always add up to 100%

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