

press release

About a third of Hong Kong people's income dropped amid COVID-19

Self-employed among the hardest hit, 48% increased borrowing

6 Aug 2020, Hong Kong – A Standard Chartered survey finds that COVID-19 is significantly impacting personal finances globally, with more than one-third already earning less and a lot of them expecting the pandemic to further affect their income and employment.

The study of 12,000 adults was conducted in early July across our twelve markets – Hong Kong, Taiwan, China, Singapore, Indonesia, Malaysia, India, UAE, Kenya, Pakistan, the UK and the USA. It offers insights into the consumers' financial wellbeing and employment outlook in these challenging times, and how banks can play a role in helping them manage their money.

In Hong Kong, 28 per cent surveyed said their income had decreased in the past month, lower than the global average of 34 per cent. Forty-one per cent respondents said their spending had increased and 30 per cent needed to borrow more. Self-employed is hit hardest financially by the pandemic, with 36 per cent in Hong Kong saying their income had reduced and 48 per cent had increased borrowing.

A significant portion of Hong Kong respondents are anticipating major changes in their employment in the next three to six months, including: redundancy (35 per cent), reduced working hours (40 per cent) and reduced pay (37 per cent). Young people aged between 18-24 are less confident in their ability to thrive post-COVID, with 41 percent anticipating redundancy and 54 per cent expecting less working hours.

Hong Kong people in general are less optimistic about their future personal finances compared with the rest of Asia. Thirty-six per cent of respondents believed that their personal income is likely to improve in the next three to six months, compared with 50 per cent in China, 41 per cent in Taiwan, 33 per cent in Singapore, 45 per cent in Malaysia and 62 per cent in Indonesia. Twenty per cent of respondents in Hong Kong expected their income would drop, higher than the numbers for China, Taiwan, Malaysia and Indonesia.

Nevertheless, Hong Kong people are keen to find alternative ways to increase their earnings during this difficult period. Forty-five per cent said they would trade or invest in the financial markets to increase earnings, while over half of them would consider setting up a second income stream (56 per cent) or developing new skills (52 per cent).

Majority of surveyed in Hong Kong (68 per cent) said that they would like to be better at managing their finance amid the pandemic. While more than 50 per cent said they used more mobile and online banking in the past month, 57 per cent would like banks to help improve their confidence in managing their money digitally. Over 60 per cent surveyed would like banks to facilitate easier tracking of balance and transactions, and 62 per cent said improving banking security would be the most helpful things banks could do.

Ben Hung, Regional CEO for Greater China & North Asia, and CEO of Retail Banking, and Wealth Management at Standard Chartered, said: “The surveyed showed that many want to learn how to manage their finances better in the wake of the pandemic. They must be supported. Banks have a role to play both by helping them manage their money and providing tools that make banking easier so they can focus on leading the way to recovery.”

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