

press release

Hong Kong's wealthy people tends to adopt conservative wealth management approach, hard to achieve retirement aspirations

22 January 2020, Hong Kong – Standard Chartered's new Wealth Expectancy Report 2019, which examines the saving and investment habits of 10,000 emerging affluent, affluent and high-net-worth individuals (HNWIs) across 10 fast-growing economies, reveals a universal challenge: people's aspirations outstrip their 'wealth expectancy', or their total net wealth at age 60.

Open markets, a highly skilled workforce and high-tech infrastructure have made Hong Kong one of the most prosperous markets in the world. The average expectancy of those in Hong Kong is USD2,497,000, the highest among the 10 economies surveyed and more than double the global average.

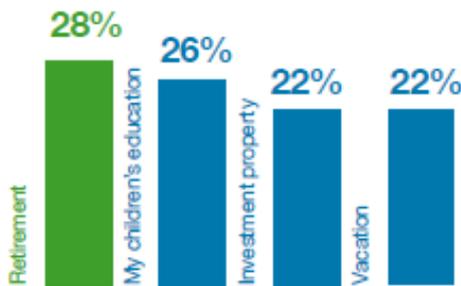
On average, this would give Hong Kong's wealthy people USD3,827 to live on per month during retirement, which is much less than both their current income and their wealth aspiration. If they were to spend at the average monthly rate to which they aspire, their wealth expectancy would last the emerging affluent and affluent just 10 years of retirement, while HNWIs could fund 15 years.

The great wealth aspirations of wealthy people in Hong Kong, coupled with a relatively limited use of sophisticated investment products, means there is a considerable wealth expectancy gap in this market. Only 31 per cent of savers are halfway to achieving their wealth aspiration, compared to 44 per cent across the market surveyed. 28 per cent will be more than 80 per cent away from achieving their wealth aspiration.

Although wealthy people in Hong Kong would combine simple savings products with investment in stocks and shares to achieve their goals, there is a tendency to place more emphasis on traditional savings accounts, especially among the emerging affluent (69 per cent). A relatively high proportion of savers in Hong Kong also feel they have insufficient funds to justify an investment portfolio.

On the upside, a quarter of Hong Kong's emerging affluent believe that investment is the best strategy for increasing their wealth in order to enhance their quality of life. This rises to 28 per cent in the affluent group, which is the most positive attitude to investment seen in the 10 markets studied.

What are Hongkongers saving for?



Retirement, funding their children's education, investing in property and going on vacation are the most common savings goals for people in Hong Kong.

Eugene Puar, Head of Wealth Management at Standard Chartered Hong Kong said: "Identifying as high net worth or affluent now is not an indicator of being able to achieve your wealth aspiration in future. With 56 per cent of savers in our study looking set to be disappointed with their financial situation when it comes to retirement, it is important for them to take actions as early as possible. At Standard Chartered, we have a full suite of products to help our clients to manage their wealth in line with their retirement aspirations".

The Standard Chartered Wealth Expectancy Report 2019 is available to download at: <https://www.sc.com/en/banking/driving-wealth-prosperity/wealth-expectancy-report-2019/>

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NOTES TO EDITORS:

The Standard Chartered Wealth Expectancy Report 2019 uses a blend of opinion research into the financial situation and behaviours of 10,000 wealth creators across China, Hong Kong, India, Kenya, Malaysia, Pakistan, Singapore, South Korea, Taiwan and the UAE, and a proprietary economic model that considers other macroeconomic factors such as GDP growth and interest rates, to calculate how much the wealth creators are set to be worth at their wealthiest, assumed to be age 60. This wealth expectancy figure is then used to calculate how much individuals can live off each month throughout their retirement. Unlike traditional measures of prosperity, such as GDP or life expectancy, Wealth Expectancy offers a more nuanced measure of prosperity that individuals have the power to change.

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