

For Immediate Release

HKDPB's Annual Survey Shows Reduction in Hongkongers' Average Monthly Savings, but Respondents Now Have a Clearer Saving Target

Hong Kong parents expect to save nearly HK\$1,000,000 per child to fund their educational expenses

(HONG KONG, October 22, 2020) The Hong Kong Deposit Protection Board (HKDPB) commissioned the Hong Kong Public Opinion Research Institute (PORI) to conduct its third annual “Hongkongers’ Sense of Security on Savings” survey from August to September 2020. Under the current pandemic situation, the saving ability of Hongkongers has come under stress and challenges. The survey shows that around 67% of respondents have built a habit for saving, which is consistent with last year’s result. However, the average monthly savings of Hongkongers was HK\$7,000, a reduction of around 7% from last year, and a fall back to the level reported in 2018. The median monthly savings remained at HK\$5,000.

The recent economic instability has prompted Hong Kong people to adjust their monthly savings, which has in fact awoken their awareness about the importance of saving money. According to the survey, 46% of respondents stated that they have saved up to prepare for emergency needs, an increase of 8% compared to last year. The survey also points out that Hongkongers set clearer saving goals. Around 40% of respondents said that they have set a saving target this year, which is 6% higher than last year. Among those who have a saving target, 70% of them are confident in meeting their targets.

In terms of Hongkongers’ “sense of security” on their own savings, more than 75% of the respondents achieved 50 marks or above though the overall average rating has slightly declined from 56.1 marks in 2019 to 54.8 marks this year. Meanwhile, respondents perceived that they need to acquire HK\$500,000 in savings to gain a sufficient “sense of security”, which is significantly less than the amount of HK\$780,000 last year. The findings may imply that under the current pandemic situation and economic downturn, while the saving ability of Hongkongers may have declined, people would find it easier to achieve satisfaction with less savings.

The survey also interviewed parents with at least one child aged 10 or below to understand how they save up for their children. It reveals that 76% of them have regular saving habits and would save \$8,600 a month on average, which is 22% higher than the monthly savings of the general public. Nearly half of them claimed that they made extra savings with a target amount of around HK\$1,000,000 for each child, mainly for education purpose.

Others highlights of the survey results:

- 83% of those aged 18-29 have saving habits which is the highest proportion among all age groups. Almost half of them have a yearly saving target, which is 11% higher than the general public.
- Hongkongers aged 40-49 (HK\$8,250) save the most per month among different age groups.
- Among all age groups, those aged 50-59 scored the highest on the “sense of security” (56.4 marks), whereas those aged between 60-69 achieved the lowest average score (52.9 marks).

- Parents with at least one child aged 10 or below believe that they require about HK\$740,000 to obtain a sufficient “sense of security”, which is 47% higher than the general public.
- Among the parents who made extra savings for their children, 61% of them encourage their children to develop saving habits, while opening a bank saving account (33%) is the most common method of saving money.

This year’s findings show that having deposits with bank remains the most common form of savings for Hongkongers among different age groups, with a penetration of 72%. The survey also reveals that nearly a quarter of those aged 18-29 would choose to save cash at home, while those aged 30-49 would prefer saving insurance (38%) and various investment products (including bonds, stocks and funds) (37%). Parents, on the other hand, would prefer having saving insurance (66%) and making bank deposits (41%) to save up for their children.

Professor Michael Hui King-man, MH, Chairman of HKDPB concluded, “I believe most of us agree that having more savings help us build a greater sense of security. In light of the current economic uncertainties, developing a consistent saving habit and setting a clear saving target are more important now than ever. According to this year’s survey, it is obvious that Hongkongers have a much clearer saving goal than last year. This may suggest that respondents are more well-planned for their savings about which I am delighted to know.”

“This year, we also take a closer look into the saving habit of parents. The findings reflect that parents have more stable saving habits and higher saving targets than the average Hongkonger. In the meantime, we are pleased to learn that more parents are cultivating saving habits in their children. We hope to educate the public on the importance of savings through our continuous publicity and educational efforts, and will continue to provide statutory protection to their bank deposits to enhance their sense of security”, Professor Hui continued.

The aggregate amount of relevant bank deposits held with members of the Deposit Protection Scheme (the DPS), i.e., licensed banks in Hong Kong, grew by 3% to HK\$2,368 billion during 2019, compared with HK\$2,290 billion in 2018, based on returns submitted by members. Under the DPS, the maximum protection is HK\$500,000 per depositor per bank in the event of a bank failure. According to scheme members’ statistics, while the DPS protects all depositors, about 90% of the depositors have deposits fully protected

From August 24 to September 20 this year, PORI polled a total of 1,000 Hongkongers aged 18 or above across the city by telephone and then carried out a more in-depth survey with a total of 301 Hong Kong parents aged 18 or above with at least one child aged 10 or below.

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About Hong Kong Deposit Protection Board

The Hong Kong Deposit Protection Board is a statutory body established under the Deposit Protection Scheme Ordinance to oversee the operations of the Deposit Protection Scheme. The objectives of the Scheme are to protect depositors and to help maintain the stability of Hong Kong's banking system. (www.dps.org.hk)

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