OECD/INFE International Survey of Adult Financial Literacy Competencies - Hong Kong Report

October 2015

Prepared for the Investor Education Centre by NuanceTree Ltd.

Table of Content

Background

The OECD International Network on Financial Education (OECD/INFE) has developed a "financial literacy measurement toolkit" in 2009, which incorporated a core questionnaire and methodological guidance. It is designed to collect comparable information on the knowledge, attitudes and behavior of the adult population that can be used to create scores to indicate their levels of financial literacy. The toolkit was first used in an international pilot study in 2011 across 14 countries.

The toolkit has been updated and the first wave of the international study of financial literacy using the updated OECD survey tool took place in 2015. Hong Kong participated in this international comparison study along with 30 countries and economies from Africa, Asia, Europe, Australasia, North America and South America.

This report contains findings specific to the Hong Kong market. The research report containing comparisons of the financial literacy levels of the 30 economies can be downloaded here.

Research Objectives

To participate in an international comparison on financial literacy level

To collect baseline data on financial literacy so as to track changes over time

Research Design

Target Respondents

- Individuals aged 18 to 79
- Both Chinese & non-Chinese were covered to collect a representative sample of the total population in Hong Kong.

Methodology

- **Face-to-face interviews** via street intercepts were adopted. Interviewers were deployed at high traffic locations to intercept potential respondents.
- **Interviewing locations were randomly selected.** Tertiary Planning Unit (TPU) was the primary sampling unit being randomly drawn from the sampling frame of all 289 TPUs in Hong Kong (excluding outlying islands). In total 32 TPUs were selected randomly for the study.
- Only those who were living in the corresponding TPU have been invited for interviews.
- To ensure a representative sample from the total population in Hong Kong, quotas were set on the following aspects prior to fieldwork execution with reference to the latest statistics on population distribution from the Census and Statistics Department of HKSAR Government:
  - Age and gender (interlocked)
  - Ethnicity (Chinese vs. non-Chinese)
  - Working status (working vs. non-working)
  - Living district (3 key districts in Hong Kong)
  - Monthly household income
- All interviews were conducted in Cantonese or English.

Research Design

Sample Size

- In total 1,000 samples were completed.

- Weighting of gender and age (interlocked) was applied on individual level of the data.

- Weighting factors were calculated based on the latest statistics on *"Mid-year population by age group and sex"* of 2014 (including foreign domestic helpers), from **Demographic Statistics Section (1), Census and Statistics Department** of HKSAR Government.
  Source: http://www.censtatd.gov.hk/hkstat/sub/gender/demographic/index.jsp

- The samples were projected to the total population size of individuals aged 18-79 in Hong Kong, which was 5,908,200.

Fieldwork Period

- Fieldwork was executed from 8th to 30th June, 2015.

Weighted Sample Profile

Key demographic profile of the weighted sample is as below:

Gender & Age	Male	Female
	%	%
Aged 18-19	3	3
Aged 20-29	17	16
Aged 30-39	17	21
Aged 40-49	18	21
Aged 50-59	22	20
Aged 60-69	14	12
Aged 70-79	8	7

Living District	Total
	%
Hong Kong Island	18
Kowloon	30
N.T./ Islands	52

Working Status	Total
	%
Working	60
Non-working	40

Monthly Household Income	Total
	%
Below HK$15,000	31
HK$15,000-29,999	27
HK$30,000 or above	42

Definition of Key Subgroups

Definitions of some key subgroups in this report are as follow:

Subgroups	Definitions
Working status	
Students	Individuals aged 18 to 79 and claimed they are students
New-to-employment	Individuals aged 18 to 29 and are currently working (employed) or looking for work (unemployed)
Mature working adults	Individuals aged 30 to 49 and are currently working (employed) or looking for work (unemployed)
Pre-retirees	Individuals aged 50 or above and are currently working (employed) or looking for work (unemployed)
Retirees	Individuals aged 18 to 79 and claimed they are retired
Family status	
Parents with kids aged below 18	Individuals aged 18 to 79 and are currently living with their own (or their partners') kids under the age of 18
Others	Individuals aged 18 to 79 who are not currently living with their own (or their partners') kids under the age of 18

Notations used in the report:

◯   *Significantly higher at 95% confidence level compared to Total*

◌   *Higher compared to Total, not statistically significant but worth noting*

\#   *Small base (less than 50 individuals)*

\##   *Very small base (less than 30 individuals)*

*   *Figures which are less than 0.5%*

Executive Summary

Executive Summary (1)

Financial knowledge

- When asked to rate themselves on knowledge about financial matters on a 5-point scale ranging from "very low" to "very high", majority (64%) of Hong Kong people rated their own knowledge level "about average", with 18% giving themselves "quite high / very high" ratings while another 18% rating themselves towards the "low" end. Retirees and full-time homemakers tended to have lower confidence with 32% and 26% giving themselves a "low" score.

- Of the OECD/INFE's 7-question knowledge check of basic financial concepts, Hong Kong people score an average of 5.8 with slightly one third getting all 7 questions correct. Those who perceive themselves to have good financial knowledge score higher on the knowledge check. And echoing their lower self-confidence, retirees score slightly lower than other segments on the knowledge check while full-time homemakers fare about average.

No. of correct answers	Total	Self-rated knowledge level		
		Very/quite high	About average	Very/quite low
	%	%	%	%
7 *(all)*	36	49	39	14
6	33	31	36	27
5	16	10	15	26
4	8	6	7	15
3 or below	6	4	3	19
Average	*5.8*	*6.1*	*6.0*	*5.0*

Executive Summary (2)

Financial knowledge (cont'd)

- In general, people are familiar with the concept of inflation, simple interest and that high investment return usually involves high risk with well over 80% getting the correct answers.

- The concept of risk diversification is not as strong at 74% of correct answers, which is mainly dragged down by students and new-to-employment (59% & 62% answered correctly among respective segments). Understanding of compound interest is the weakest, with only 58% answering correctly.

- Mature working adults and pre-retirees perform the best while students, new-to-employment and retirees see weaker financial knowledge level.

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Inflation - concept	83	78	79	87	85	74	82
Inflation - impact	97	98	93	97	98	97	99
Interest on loan	95	87	95	95	97	95	96
Simple interest	79	82	78	85	86	68	67
Compound interest	58	56	53	65	60	48	53
Association of high investment return and high risk	96	94	96	95	98	94	98
Risk diversification	74	59	62	79	81	75	72
No. of correct answers	**5.8**	**5.5**	**5.6**	**6.0**	**6.1**	**5.5**	**5.7**

Executive Summary (3)

Attitudes towards personal finance

- Overall slightly less than half Hong Kong people (46%) are satisfied with their current financial situation. Satisfaction level is lower among students, new-to-employment and retirees – all of which have no or relatively low income (30%, 35% & 38% respectively).

- Meanwhile, 22% claimed to "worry about paying my normal living expenses", which was as high as 34% among retirees.

- Generally speaking, Hong Kong people appear to adopt prudent attitudes in managing their personal finance:
  - 82% agreed "I keep a close personal watch on my financial matters"
  - 90% agreed "Before I buy something I carefully consider whether I can afford it"
  - 89% agreed "I pay my bills on time"

- Females appear to be more careful spenders than males and parents with young kids also tend to be better at day-to-day money management compared with other segments.

- On the other hand, younger segments (ie students and new-to-employment) are more inclined to live for today and are less likely to have long term financial goals:
  - About half of the youth agreed "I tend to live for today and let tomorrow take care of itself"
  - Only 39% of students agreed "I set long term financial goals and strive to achieve them"

Executive Summary (4)

Attitudes towards personal finance (cont'd)

- Around half of Hong Kong people (52%) have set financial goals that they want to achieve, with the proportion being higher among mature working adults (66%), pre-retirees (63%), and parents (73%). Meanwhile, only 33% of students and 26% of retirees have set goals for themselves.

- Among those with financial goals, buying a property and preparing for retirement top the list (27% for both respectively). Younger segments tend to find buying a property the most important while pre-retirees and retirees are more focused on preparing for retirement.

Top financial goal	Students	New to employment (aged 18-29, employed/ unemployed)	Working adults (aged 30-49, employed/ unemployed)	Pre-retirees (aged 50+, employed/ unemployed)	Retirees (without age limitation)	Full-time homemakers
	%	%	%	%	%	%
Prepare for retirement	18	5	16	55	55	28
Buying a property	25	36	34	15	10	29

- Saving money for travel/working holiday is another main goal for the new-to-employment (27%) while saving for education fund for children is the top priority for parents (31%).

- Majority (98%) claimed to have taken actions to meet their goals, with saving being the most common action taken (89%) and followed at a distance by investment (45%).

Executive Summary (5)

Money management

- Close to two-thirds (61%) of individuals aged 18-79 claimed they have a household budget in place, with the highest incidence among parents with kids (74%).

- Gender difference is observed for involvement in making decisions about money in the household - males tended to dominate with half of them making decisions by themselves while only 23% of females being sole decision-makers. Meanwhile, females were mainly involved in making joint decisions with other household members.

- Majority of individuals in Hong Kong are actively saving (88%) and 47% save on a monthly basis, ranging from around 30% among students and retirees to 59% among pre-retirees.

  - Building up a balance in bank accounts is the most common way of saving money (63%), followed by saving cash at home (36%). Many also see purchasing financial products as a way to save money, particularly among working adults, pre-retirees and parents with kids aged below 18.

  - Interestingly, around one fifth of students and new-to-employment give money to family members to save on their behalf (18% & 23% respectively).

- Majority (73%) are able to deal with a personal expenditure shock (defined as paying for a major expense equivalent to one month's income without borrowing).

- In the hypothetical situation that the main source of household income is lost, more than two-thirds (68%) of individuals claimed they could cover the household living expenses for at least 3 months without borrowing or moving home. Mature working adults and pre-retirees are more financially sound, with over 40% being able to sustain their households for more than 6 months.

Executive Summary (6)

Making ends meet

- While 22% claimed they tend to "worry about paying normal living expenses", 16% said they actually experienced the situation in the previous 12 months when their income did not quite cover expenses. The proportion is the highest among the new-to-employment at 24%.

- Among these over-spenders, borrowing from family or friends and cutting back on spending were two common ways (53% & 41% respectively) used to make ends meet. Only 6% drew cash advance with credit cards and mentions of taking personal loans was negligible.

- Credit card is the most widely owned credit product at 65% ownership (up to around 80% among the working adults), followed by mortgage at 12%, while other types of loans (secured or unsecured) is less than 1%.

- Among credit card users, incidence of settling card bills with partial/ minimum payment or using cash advance in the past 12 months was at 10% and 4% respectively. The case is more worrying for the new-to-employment – as if echoing their "live for today" attitude, as much as 25% of them have settled card bills with partial/ minimum payment and 7% have used cash advance with their cards in the past year.

- Males are more likely to use cash advance or settle bills with partial/minimum payment compared with females.

Executive Summary (7)

Choosing financial products

▪ While people are familiar with the common financial products like stocks, life insurance, mortgage etc, only a quarter are aware of the less common ones such as certificate of deposits, ETFs, REITs and other derivatives or structured products.

▪ 40% of Hong Kong people currently hold at least one type of investment products (higher incidence among males than females) with stocks being the most popular at 38% ownership, followed at a distant second by funds (5%) and bonds (4%).

▪ Ownership of insurance policies (excluding those offered by employers) stands at 53%, with the highest ownership among parents with young kids at 75%. Life insurance is the most commonly held (37%), followed by medical insurance (30%) and critical illness (20%).

▪ When choosing financial products, more than half (56%) would consider different options from different companies. Nevertheless, students and retirees are less likely to shop around and tend to consider options from one single company with 20% retirees claiming they did not consider any other options at all the last time they chose a financial product (cf 10% among total respondents).

▪ When it comes to sources of information that are influential for choosing financial products, advice from friends/ relatives is the most commonly sought (77%). Newspaper/ magazine articles and information from sales staff of financial products are other key sources that influence people's product decisions (38% & 31% respectively). Information found on the Internet (23%) and social media (10%) play a lesser role.

Executive Summary (8)

Retirement planning

▪ In general, confidence for having prepared well for retirement rises with age – still, less than half of pre-retirees are confident about retirement. And only about one-third of those already retired feel they have prepared well financially.

Confidence in having well-planned for retirement	Students	New to employment (aged 18-29)	Working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
Top 2 *(out of 5-point scale)*	11%	22%	40%	43%	35%	35%

▪ Overall, majority (79%) see their own savings as the primary source of retirement fund, followed at some distance by MPF/ORSO (59%) accrued benefits and their children's support (35%).

▪ Comparing the actual source of retirement fund among retirees and the planned funding source among the pre-retirees, there are both differences and similarities:

- As much as 73% of retirees rely on children's support (73%) while only 31% of pre-retirees plan to do so, which may be due to less retirement protection / education in the past.

- About one in ten retirees are obtaining Comprehensive Social Security Assistance while 8% of pre-retirees thought they would apply for CSSA when they retire (cf 2-3% among younger groups of working adults).

- Only a quarter of the retirees are funding their living expenses with accrued benefits from MPF/ORSO schemes, while 70% of pre-retirees cited MPF/ORSO as a key source of funding for retirement.

▪ For younger segments, other retirement/ saving products like life insurance and private pension plans appear to be getting more popular.

Key Implications (1)

With more from the younger segments holding a belief of living for today, they tend be more vulnerable to debt traps created by credit products *(one-third of new-to-employment holding a credit card have settled card bills with partial/ minimum payment in the past 12 months)*. Education on proper money management and the knowledge of different credit products should be enhanced among young people.

The retirees see a lower confidence level in their financial knowledge, and their financial knowledge is also weaker than other segments. Further, they are less likely to shop around when choosing financial products. Strengthening their financial knowledge, especially for choosing financial products, may help them become more confident and better manage their personal finance.

Key Implications (2)

The top financial goal for young people in Hong Kong is to own their own home. Preparing for retirement tends to be more a focus in later life stage. Meanwhile, only about one-third are confident about the financial future of their retirement. Education on better retirement planning, especially among young people, is needed to help people financially well-planned for retirement.

Times are changing and children's support is becoming less viewed as a source of retirement funding. Instead, the younger generations are turning to financial products such as insurance policies and private pension plans for retirement protection. More education on the features of different financial products as retirement tools can facilitate people's retirement planning.

Detailed Findings

Financial Knowledge

Self-rated knowledge level – I

- Majority (64%) of individuals rated their knowledge about financial matters about average.
- Lower confidence levels observed among retirees and full-time homemakers – for both groups over a quarter considered themselves only having below average financial knowledge.

Individuals self-rated their overall knowledge about financial matters:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Top 2	**18**	**17**	**12**	**24**	**25**	**7**	**11**
Very high	2	1	1	2	2	1	1
Quite high	16	15	11	22	22	6	10
About average	64	67	70	65	60	61	63
Quite low	15	17	17	9	15	21	21
Very low	3	-	1	3	1	11	5
Sample size:	999	85	110	353	165	127	159

Don't know: less than 0.5%
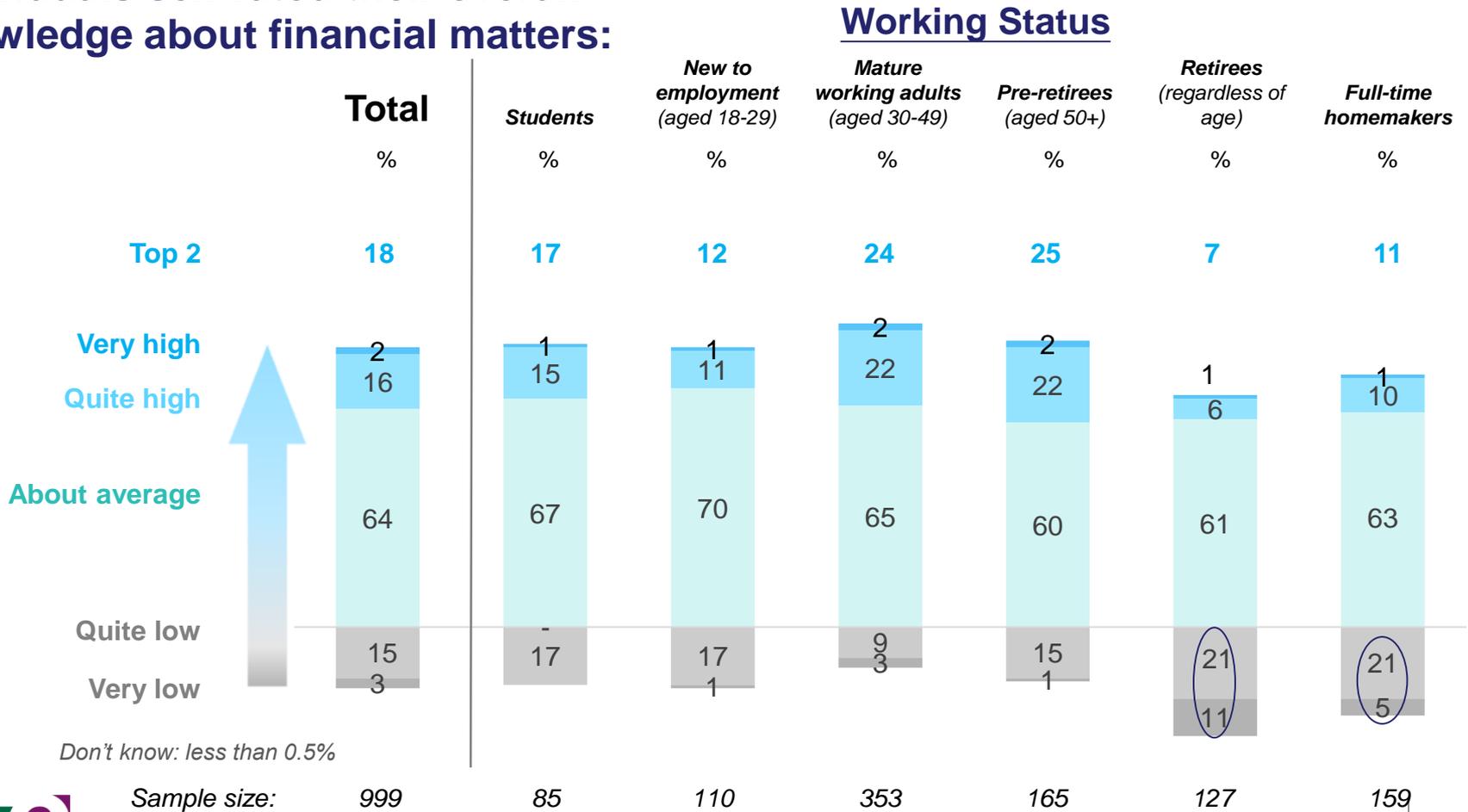
Base: Individuals aged 18-79, excluding those who have answered "refused"

Self-rated knowledge level – II

▪ Males tend to be more confident about themselves.

Individuals self-rated their overall knowledge about financial matters:

	Total	Gender		Family Status	
		Male	*Female*	***Parents with kids aged below 18*** *(living together)*	***Others*** *(not living with kids aged below 18)*
	%	%	%	%	%
Top 2	**18**	**22**	**14**	**28**	**15**
Very high	2	2	1	1	2
Quite high	16	20	13	27	13
About average	64	63	65	64	64
Quite low	15	13	17	7	17
Very low	3	3	4	1	4
Sample size:	*999*	*467*	*532*	*229*	*770*

Don't know: less than 0.5%
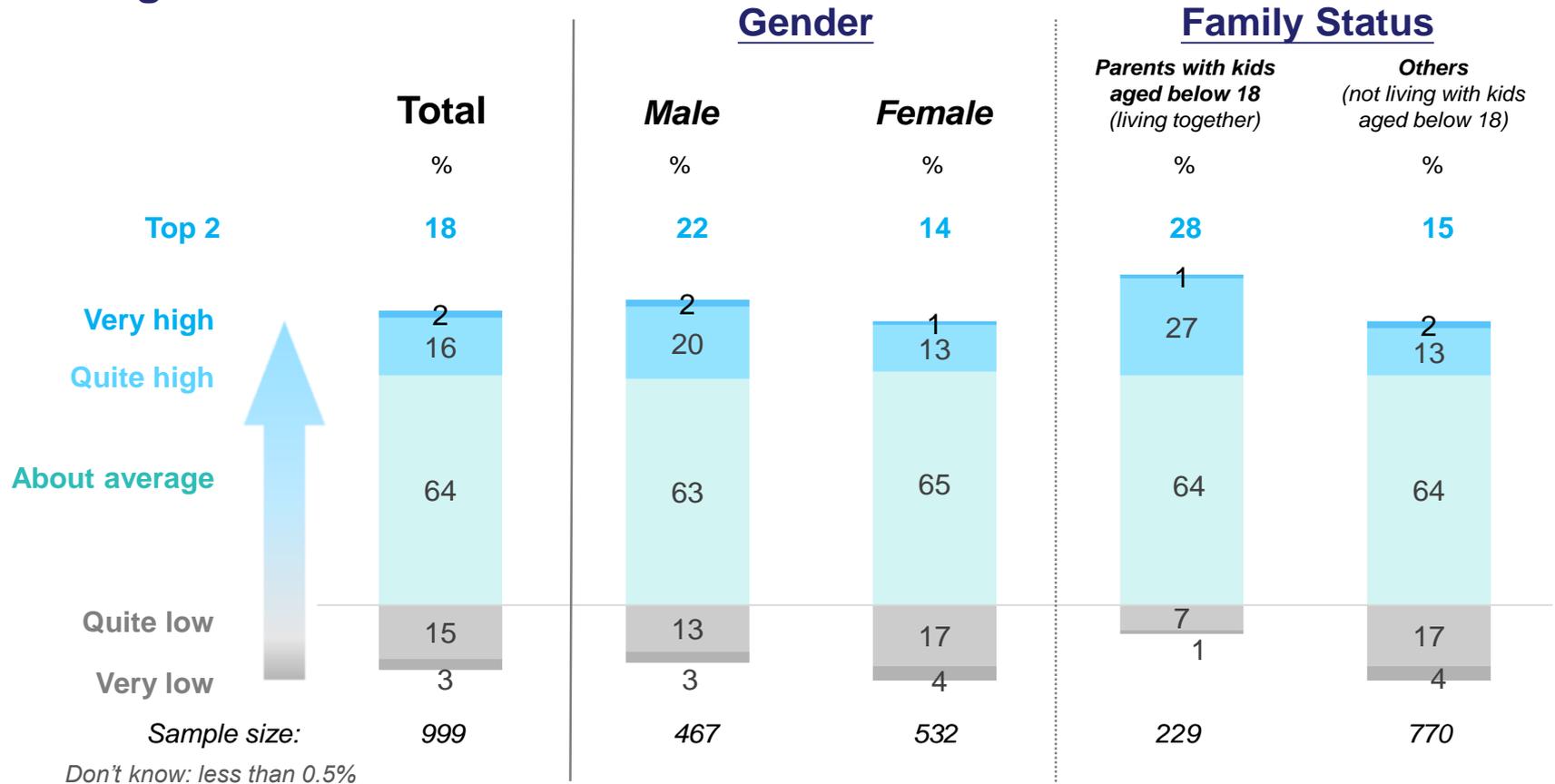
Base: Individuals aged 18-79, excluding those who have answered "refused"

Inflation – I

- Majority of individuals understand the concept of inflation and its impact well.
- There are relatively less retirees giving the correct answers, with one quarter either giving the wrong answer or simply saying they don't know.

Knowledge check Q1: Imagine that five brothers are given a gift of $1,000 in total, but they have to wait for one year to get this $1,000 and inflation stays at 2.8 percent. In one year's time will they be able to buy…

Working Status

	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
Less than they could buy today	**83**	**78**	**79**	**87**	**85**	**74**	**82**
Any incorrect answers	**15**	**20**	**18**	**12**	**14**	**19**	**16**
The same amount	*12*	*14*	*13*	*10*	*11*	*16*	*15*
More with the money than they could today	*2*	*6*	*4*	*2*	*3*	*2*	*1*
Depends on the types of things that they want to buy	*	-	*1*	*1*	-	*1*	-
Don't know	**2**	**2**	**3**	**1**	**1**	**7**	**2**

Knowledge check Q2

	Total	Students	New to employment	Mature working adults	Pre-retirees	Retirees	Full-time homemakers
High inflation means that the cost of living is increasing rapidly	**97**	**98**	**93**	**97**	**98**	**97**	**99**

■ True ■ False

Sample size:	*1,000*	*85*	*110*	*353*	*165*	*128*	*159*

Base: Individuals aged 18-79

Inflation – II

Knowledge check Q1: Imagine that five brothers are given a gift of $1,000 in total, but they have to wait for one year to get this $1,000 and inflation stays at 2.8 percent. In one year's time will they be able to buy…

	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Less than they could buy today	83	86	80	89	81
Any incorrect answers	15	12	18	11	16
The same amount	12	10	15	8	14
More with the money than they could today	2	2	2	3	2
Depends on the types of things that they want to buy	*	-	1	*	*
Don't know	2	2	2	-	3

Knowledge check Q2
High inflation means that the cost of living is increasing rapidly

	Total	Male	Female	Parents with kids	Others
	97	97	97	99	97

■ True ■ False

	Total	Male	Female	Parents	Others
Sample size:	1,000	467	533	229	771

Base: Individuals aged 18-79
[R]*IEC Research: Knowledge, Attitudes and Behaviour towards Money Management (1,716 individuals aged 18-64 interviewed in Jan 2014)*

Interest on loan – I

- Understanding of interest on loan is good with 95% getting the correct answer.
- Relatively more students appeared to be confused, with 10% saying they don't know the answer and 4% giving the wrong answers.

Knowledge check Q3
You lend $25 to a friend one evening and he gives you $25 back the next day. How much interest has he paid on this loan?

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
$0	95	87	95	95	97	95	96
Any incorrect answers	2	4	1	2	2	-	1
Don't know	4	10	4	3	1	5	3
Sample size:	1,000	85	110	353	165	128	159

Base: Individuals aged 18-79

26

Interest on loan – II

Knowledge check Q3

You lend $25 to a friend one evening and he gives you $25 back the next day. How much interest has he paid on this loan?

	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
$0	95	97	93	99	94
Any incorrect answers	2	1	2	-	2
Don't know	4	2	5	1	4
Sample size:	*1,000*	*467*	*533*	*229*	*771*

Base: Individuals aged 18-79

Simple interest – I

- Overall, about four in five of the individuals answer this question accurately.
- Retirees and full-time homemakers are weaker at calculating simple interest.

Knowledge check Q4
Suppose you put $100 into a <u>no fee, tax free</u> savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?

Working Status

	Total		Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%		%	%	%	%	%	%
$102		79	82	78	85	86	68	67
Any incorrect answers		8	7	11	7	7	5	13
Don't know		13	11	11	8	6	27	19
Sample size:		1,000	85	110	353	165	128	159

Base: Individuals aged 18-79

Simple interest – II

▪ Males are better than females at calculation.

Knowledge check Q4

Suppose you put $100 into a <u>no fee, tax free</u> savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?

	Total %	Gender		Family Status	
		Male %	*Female* %	*Parents with kids aged below 18 (living together)* %	*Others (not living with kids aged below 18)* %
$102	79	85	74	87	77
Any incorrect answers	8	8	9	7	9
Don't know	13	7	17	6	15
Sample size:	1,000	467	533	229	771

Base: Individuals aged 18-79
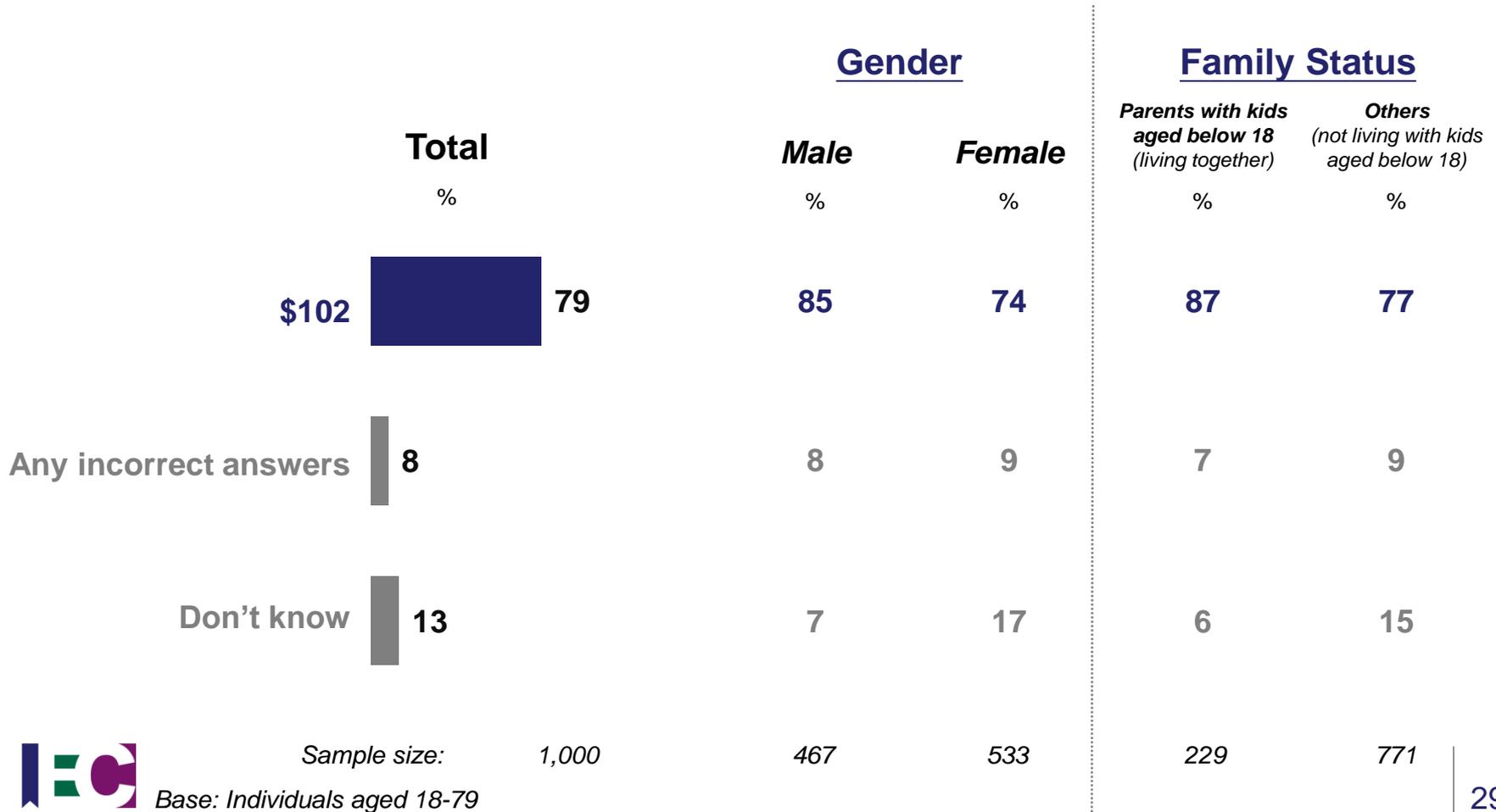
Compound interest – I

- Compound interest is a more difficult concept and proportion of individuals getting the answer correct is lower. About a quarter answered "exactly $110" without taking into consideration the additional earnings from the compounding effect.

Knowledge check Q5

Suppose you put $100 into a <u>no fee, tax free</u> savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of five years? Would it be…

Working Status

	Total %		Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
More than $110	58		56	53	65	60	48	53
Any incorrect answers	42		44	47	35	40	52	47
Exactly $110	26		27	31	23	29	26	24
Less than $110	7		8	11	6	6	4	10
Impossible to tell from the information given	2		6	2	2	1	3	1
Don't know	7		2	3	3	4	19	13
Sample size:	1,000		85	110	353	165	128	159

Base: Individuals aged 18-79

Compound interest – II

- As with simple interest, more males are able to grasp the concept of compound interest than females.

Knowledge check Q5

Suppose you put $100 into a <u>no fee, tax free</u> savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of five years? Would it be…

	Total		Gender		Family Status	
			Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%		%	%	%	%
More than $110	**58**		**62**	**54**	**71**	**54**
Any incorrect answers	**42**		38	46	29	46
Exactly $110	**26**		*26*	*26*	*22*	*27*
Less than $110	**7**		*6*	*8*	*3*	*8*
Impossible to tell from the information given	**2**		*1*	*3*	*1*	*2*
Don't know	**7**		4	9	2	8
Sample size:	*1,000*		*467*	*533*	*229*	*771*

Base: Individuals aged 18-79

Investment risks – I

- Vast majority are aware that high investment return usually comes with higher risks.
- Three-quarters of individuals are aware of the concept of diversification. Awareness is lower among younger segments.

I would like to know whether you think the following statements are true or false…

Working Status

	True (legend)	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
			True					
Knowledge check Q6 — An investment with a high return is likely to be high risk	True 96 / False 1 / Don't know 3	96	94	96	95	98	94	98
Knowledge check Q7 — It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares	True 74 / False 19 / Don't know 7	74	(59)	(62)	79	81	75	72
% saying false:			32%	32%				

Legend:
- ■ True
- ■ False
- ■ Don't know

Sample size:	1,000	85	110	353	165	128	159

Base: Individuals aged 18-79, excluding those who have answered "refused"

Investment risks – II

I would like to know whether you think the following statements are true or false…

	True		
	Gender		**Family Status**

	Total %	*Male* %	*Female* %	*Parents with kids aged below 18 (living together)* %	*Others (not living with kids aged below 18)* %
Knowledge check Q6 An investment with a high return is likely to be high risk	1 3 **96**	97	96	99	95
Knowledge check Q7 It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares	7 19 **74**	77	72	78	73
Sample size:	*1,000*	*467*	*533*	*229*	*771*

Legend: ■ True ■ False ■ Don't know
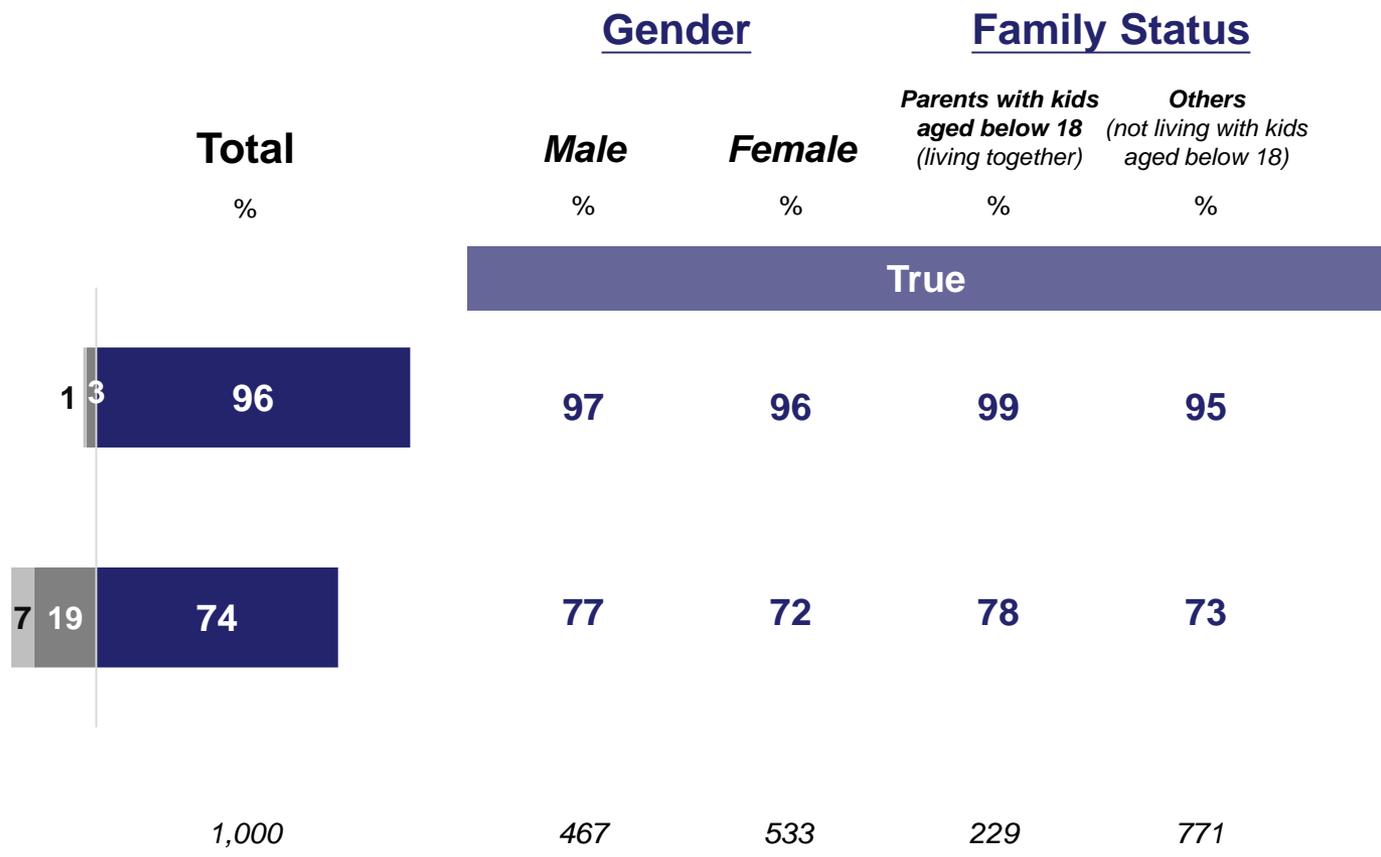
Base: Individuals aged 18-79, excluding those who have answered "refused"

Summary of financial knowledge check – I

- Overall, each of the 7 knowledge check questions see well over half respondents getting the correct answer, with compound interest being the least understood concept at 58%.

		Working Status					
With correct answers:	**Total**	*Students*	*New to employment (aged 18-29)*	*Mature working adults (aged 30-49)*	*Pre-retirees (aged 50+)*	*Retirees (regardless of age)*	*Full-time homemakers*
	%	%	%	%	%	%	%
Inflation - concept	83	78	79	87	85	74	82
Inflation - impact	97	98	93	97	98	97	99
Interest on loan	95	87	95	95	97	95	96
Simple interest	79	82	78	85	86	68	67
Compound interest	58	56	53	65	60	48	53
Association of high investment return and high risk	96	94	96	95	98	94	98
Risk diversification	74	59	62	79	81	75	72

Base: Individuals aged 18-79, excluding those who have answered "refused"

Summary of financial knowledge check – II

▪ Males generally got more questions correct than females, although the difference is far from significant.

With correct answers:	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Inflation - concept	83	86	80	89	81
Inflation - impact	97	97	97	99	97
Interest on loan	95	97	93	99	94
Simple interest	79	85	74	87	77
Compound interest	58	62	54	71	54
Association of high investment return and high risk	96	97	96	99	95
Risk diversification	74	77	72	78	73

Base: Individuals aged 18-79, excluding those who have answered "refused"

No. of questions answered correctly - I

- On average, Hong Kong people got 5.8 of the questions correct, with slightly over one third getting all 7 questions right.
- Mature working adults and pre-retirees scored the highest across all segments while retirees and students saw weaker financial knowledge.

No. of questions answered correctly	Total %	Students %	New to employment (aged 18-29) %	Working Status		Retirees (regardless of age) %	Full-time homemakers %
				Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %		
7 *(all)*	**36**	**28**	**26**	**45**	**41**	**27**	**30**
6	**33**	**33**	**30**	**32**	**35**	**31**	**37**
5	**16**	**20**	**26**	**13**	**14**	**21**	**14**
4	**8**	**6**	**11**	**4**	**6**	**13**	**12**
3	**4**	**9**	**5**	**3**	**3**	**4**	**5**
2	**2**	**4**	**2**	**1**	**-**	**2**	**2**
1	*****	**-**	**-**	**1**	**-**	**1**	**-**
None	*****	**-**	**-**	*****	**-**	**-**	**-**
Average	***5.8***	***5.5***	***5.6***	***6.0***	***6.1***	***5.5***	***5.7***

Working Status

Base: Individuals aged 18-79, excluding those who have answered "refused"

No. of questions answered correctly - II

No. of questions answered correctly	Total %	Gender		Family status	
		Male %	*Female* %	*Parents with kids aged below 18 (living together)* %	*Others (not living with kids aged below 18)* %
7 *(all)*	36	41	32	47	33
6	33	33	33	34	33
5	16	16	17	12	18
4	8	5	10	5	9
3	4	4	5	1	5
2	2	1	2	-	2
1	*	-	1	-	1
None	*	-	*	-	*
Average	*5.8*	*6.0*	*5.7*	*6.2*	*5.7*

Base: Individuals aged 18-79, excluding those who have answered "refused"

No. of questions answered correctly III

By self-rated knowledge level

Very/quite high	About average	Very/quite low
6.1	6.0	5.0

Average number of questions answered correctly: **5.8**

Number of questions answered correctly

Self-rated knowledge level
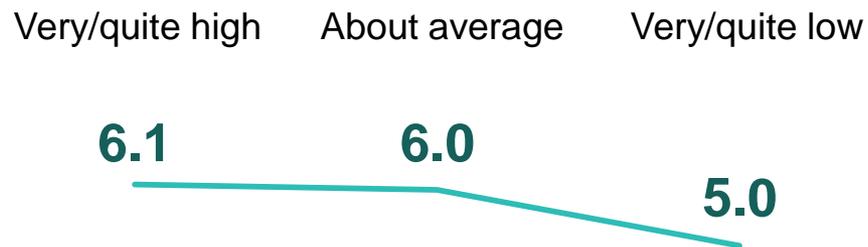
Number of questions answered correctly	Total %	Very/quite high %	About average %	Very/quite low %
7 *(all)*	36	49	39	14
6	33	31	36	27
5	16	10	15	26
4	8	6	7	15
3 or below	6	4	3	19

Detailed Findings

Attitudes towards Personal Finance

Satisfaction level with financial status – I

- Overall slightly less than half are satisfied with their current financial status, with lower satisfaction level among the young and old.

"I am satisfied with my present financial situation"

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Top 2	**46**	**30**	**35**	**51**	**54**	**38**	**48**
Completely agree	10	8	7	11	12	8	9
	36	21	28	40	43	29	39
	40	59	41	36	31	43	42
	11	10	21	10	9	10	7
Completely disagree	4	1	3	3	5	9	3

Sample size:	1000	85	110	353	165	128	159
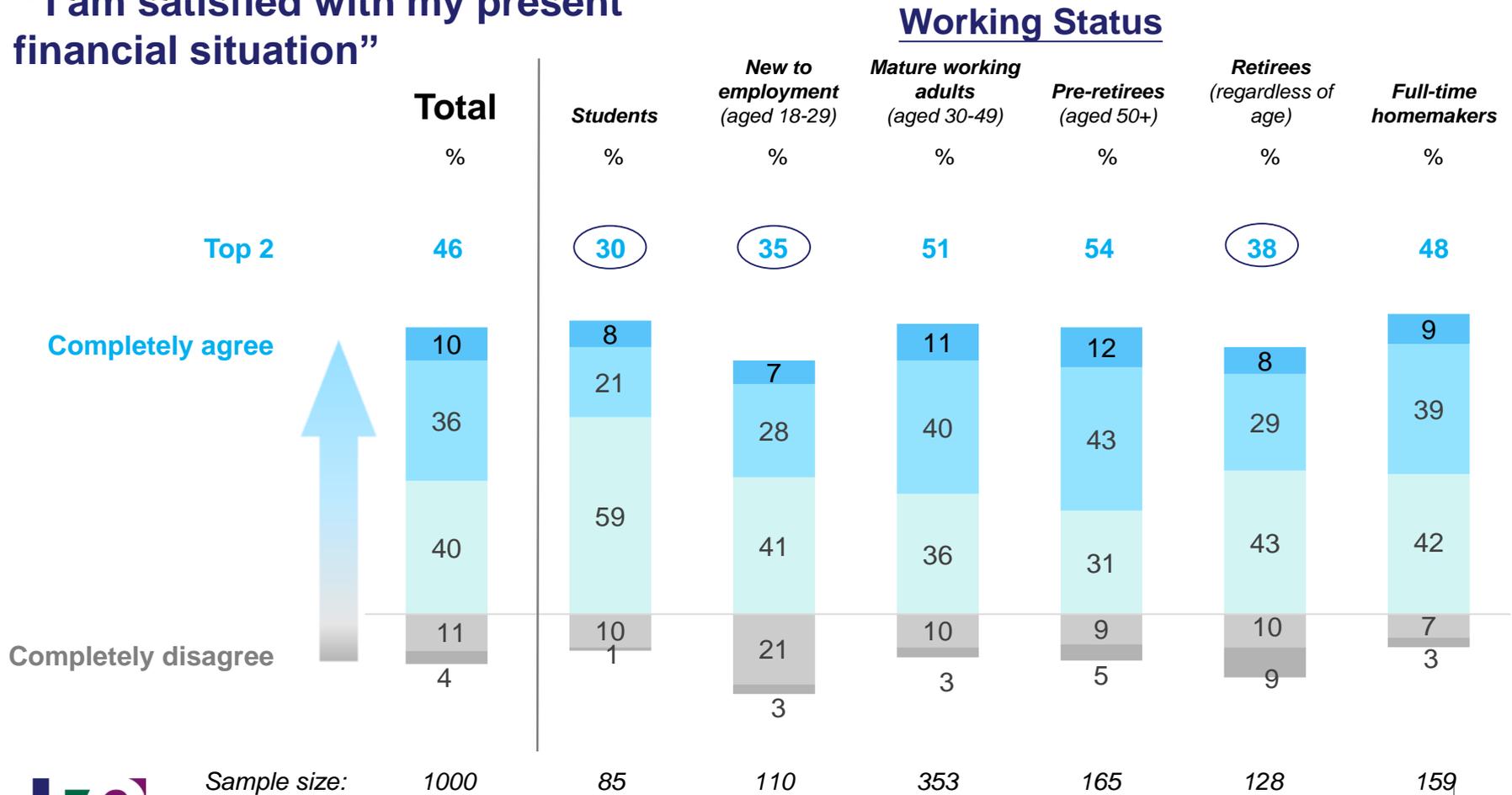
Base: Individuals aged 18-79, excluding those who have answered "don't know" or "refused"

Satisfaction level with financial status – II

"I am satisfied with my present financial situation"
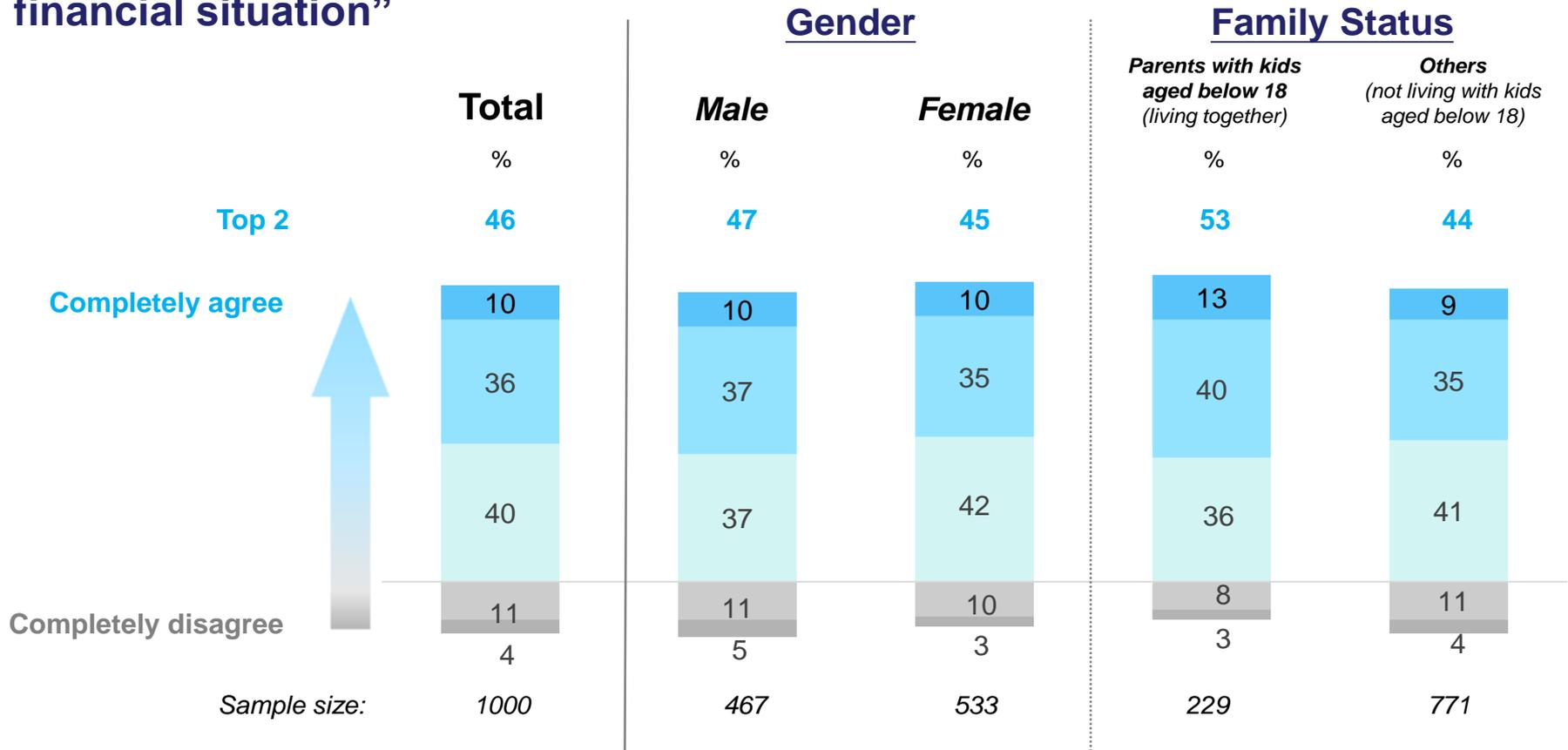
	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Top 2	**46**	**47**	**45**	**53**	**44**
Completely agree	10	10	10	13	9
	36	37	35	40	35
	40	37	42	36	41
	11	11	10	8	11
Completely disagree	4	5	3	3	4
Sample size:	1000	467	533	229	771

Base: Individuals aged 18-79, excluding those who have answered "don't know" or "refused"

Financial stress – I

- Echoing the mediocre satisfaction level about their own financial status, about half of Hong Kong people feel their finance limits what they can do with their life.
- As much as one-third of the retirees are also "worried about paying their normal living expenses".

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Completely agree / agree (top 2 boxes on a 5-point scale)							
My financial situation limits my ability to do the things that are important to me	**52**	57	61	49	54	55	49
I tend to worry about paying my normal living expenses	**22**	24	24	13	25	34	27
I have too much debt right now	**4**	2	5	4	5	1	3

Base: Individuals aged 18-79, excluding those who have answered "refused"

Financial stress – II

	Total	Gender		Family Status	
		Male	**Female**	**Parents with kids aged below 18** *(living together)*	**Others** *(not living with kids aged below 18)*
	%	%	%	%	%
	Completely agree / agree (top 2 boxes on a 5-point scale)				
My financial situation limits my ability to do the things that are important to me	**52**	47	45	53	44
I tend to worry about paying my normal living expenses	**22**	20	24	14	25
I have too much debt right now	**4**	3	4	3	4

Base: Individuals aged 18-79, excluding those who have answered "refused"

Attitudes towards spending – I

- Younger segments (i.e., students and new-to-employment) are relatively focusing more on short-term goal, with slightly more agreeing "I tend to live for today and let tomorrow take care of itself".

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
	Completely agree / agree (top 2 boxes on a 5-point scale)						
Before I buy something I carefully consider whether I can afford it	**90**	83	90	91	90	91	94
I pay my bills on time	**89**	70	84	92	89	90	98
Money is there to be spent	**67**	69	62	62	72	66	73
I tend to live for today and let tomorrow take care of itself	**38**	48	47	33	33	44	37
I find it more satisfying to spend money than to save it for the long term	**33**	33	30	34	37	27	31

Base: Individuals aged 18-79, excluding those who have answered "refused"

Attitudes towards spending – II

▪ Females appear to be more careful with spending their money.

	Total	**Gender**		**Family Status**	
		Male	*Female*	***Parents with kids aged below 18*** *(living together)*	***Others*** *(not living with kids aged below 18)*
	%	%	%	%	%
	Completely agree / agree (top 2 boxes on a 5-point scale)				
Before I buy something I carefully consider whether I can afford it	**90**	87	(93)	93	90
I pay my bills on time	**89**	86	(92)	98	87
Money is there to be spent	**67**	70	64	66	67
I tend to live for today and let tomorrow take care of itself	**38**	39	37	30	40
I find it more satisfying to spend money than to save it for the long term	**33**	31	34	37	32

Base: Individuals aged 18-79, excluding those who have answered "refused"

Attitudes towards money management – I

- Echoing their "live for today" attitude, the proportion of students setting long term financial goals and striving to achieve them is lower compared to other segments.

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Completely agree / agree (top 2 boxes on a 5-point scale)							
I keep a close personal watch on my financial affairs	**82**	74	73	85	84	84	84
I am prepared to risk some of my own money when saving or making an investment	**81**	73	73	85	86	79	78
I set long term financial goals and strive to achieve them	**58**	39	61	73	62	32	54

Base: Individuals aged 18-79, excluding those who have answered "refused"

Attitudes towards money management – II

- With more responsibilities in supporting families, more parents would "keep a close personal watch on financial affairs" and "set long term financial goals and strive to achieve them".

	Total	Gender		Family Status	
		Male	Female	Parents with kids aged below 18 (living together)	Others (not living with kids aged below 18)
	%	%	%	%	%
	Completely agree / agree (top 2 boxes on a 5-point scale)				
I keep a close personal watch on my financial affairs	**82**	81	84	93	79
I am prepared to risk some of my own money when saving or making an investment	**81**	82	80	88	79
I set long term financial goals and strive to achieve them	**58**	57	60	75	54
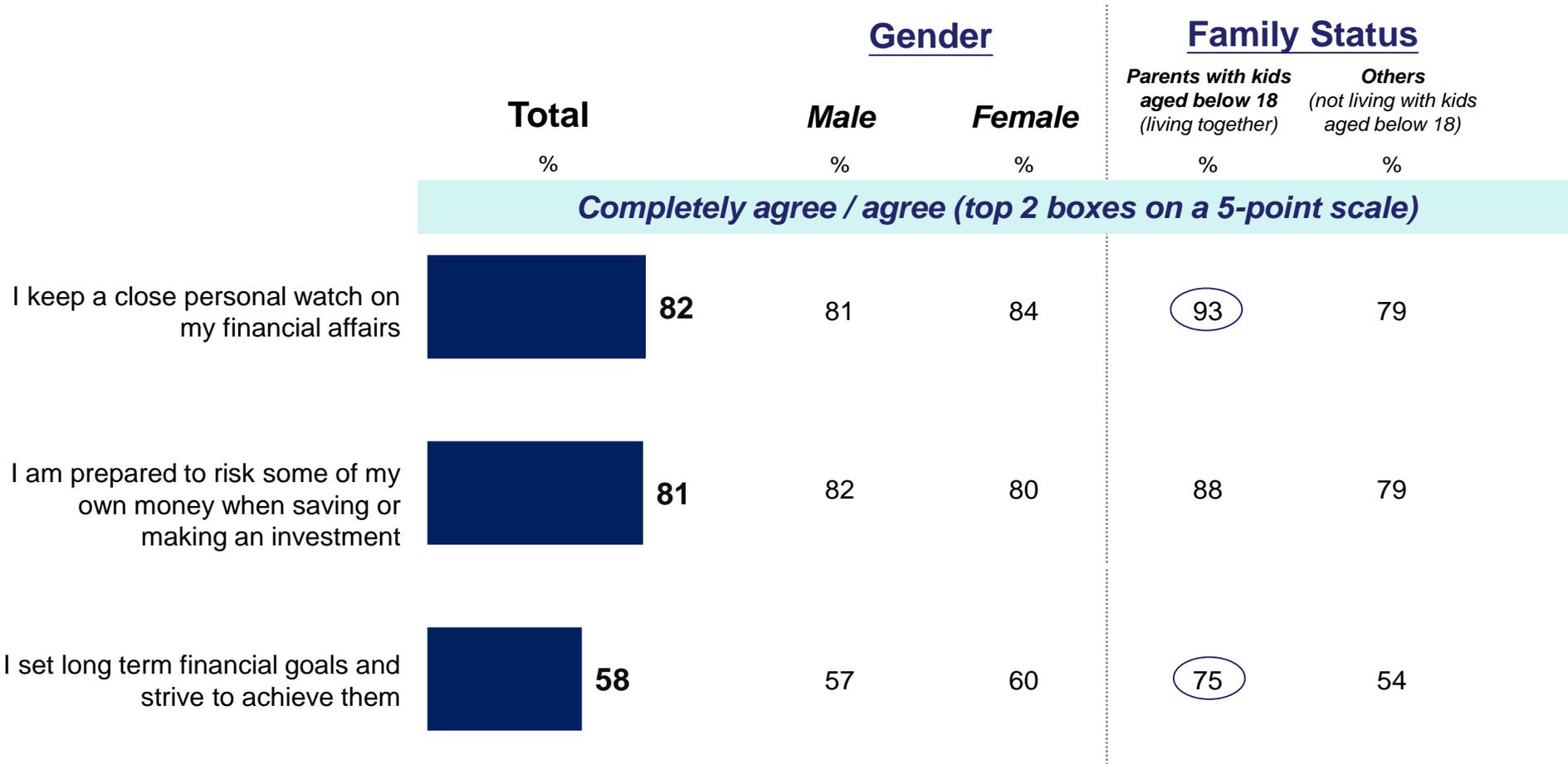
Base: Individuals aged 18-79, excluding those who have answered "refused"

Financial goals – I

- Half of the individuals have set financial goals for themselves, with higher proportion among mature working adults and pre-retirees, and lower among students and retirees.

Incidence of having any financial goals:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Yes	52	33	50	66	63	26	45
Sample size:	1,000	85	110	353	165	128	159
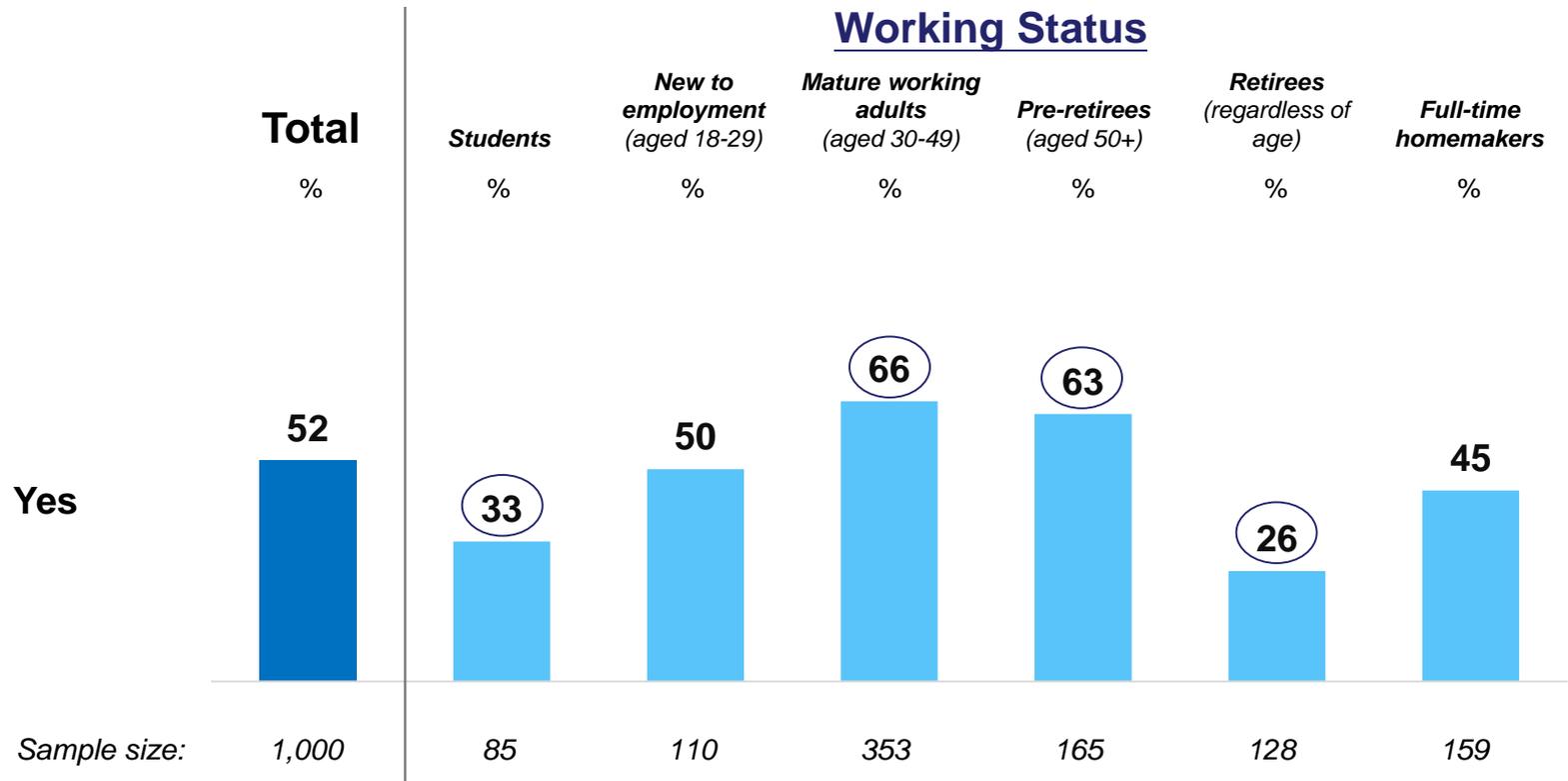
Base: Individuals aged 18-79

Financial goals – II

- It is also more common for parents with kids aged below 18 to have financial goals set for themselves.

Incidence of having any financial goals:

	Total	**Gender**		**Family Status**	
		Male	*Female*	**Parents with kids aged below 18** *(living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Yes	52	53	51	73	46
Sample size:	*1,000*	*467*	*533*	*229*	*771*

Base: Individuals aged 18-79
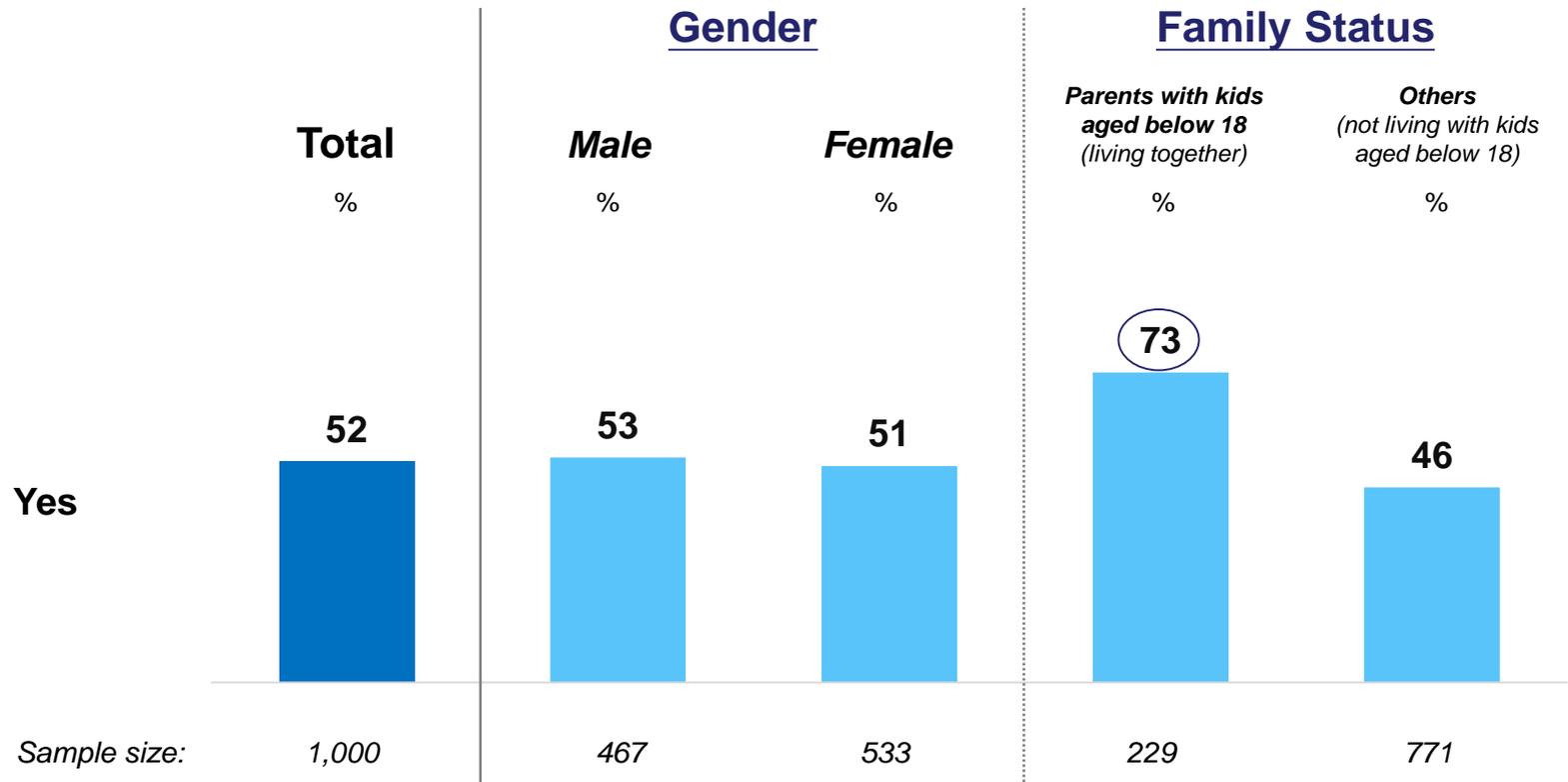
Financial Goals – III

- Overall, buying a home and preparing for retirement are the main financial goals.
- For the new-to-employment, preparing for retirement is low on their priority and saving for travel/ working holiday is deemed more important.

Most important financial goal:

Working Status

	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
Buying property	27	25	36	34	15	10	29
Preparing for retirement	27	18	5	16	55	55	28
Saving money for children	20	7	4	28	16	15	23
Education fund for children	12	-	-	17	9	-	17
Inheritance for the next generation	5	4	2	4	5	15	4
Saving money for having a new baby	3	3	2	6	-	-	1
Saving money for travel/ Working Holiday	10	11	27	9	4	9	12
Buying a car	4	7	9	6	3	-	-
Saving for emergency	2	3	-	1	3	11	3
Prepare capital for starting my own business	2	4	5	3	-	-	1
Saving money for getting married	2	3	9	1	-	-	-
Buying favourite items (e.g. handbag / camera / electronic gadgets)	2	14	-	1	1	-	1
Education funds for my further studies	1	7	3	*	1	-	-
Other goals (each 1% or less)							

Sample size: 525   28##   55   234   104   33#   71

Base: Those who have financial goals, excluding those who have answered "refused"

Top 3 goals

 # Small base (< 50)
Very small base (< 30)

50

Financial Goals – IV

- Saving money for children, especially for education fund, is the main financial goal for parents.

Most important financial goal:

	Total	Gender		Family Status	
		Male	*Female*	***Parents with kids*** *aged below 18 (living together)*	***Others*** *(not living with kids aged below 18)*
	%	%	%	%	%
Buying property	27	28	27	26	28
Preparing for retirement	27	28	27	18	31
Saving money for children	*20*	18	22	40	12
Education fund for children	*12*	10	13	31	3
Prepared for the next generation	5	4	5	5	5
Saving money for having a new baby	*3*	2	4	1	4
Saving money for travel/ Working Holiday	*10*	8	13	6	12
Buying a car	4	6	2	3	5
Saving for emergency	2	3	2	3	2
Prepare capital for starting my own business	2	3	1	1	2
Saving money for getting married	2	2	1	-	2
Buying favourite items *(e.g. handbag / camera / electronic gadgets)*	2	2	2	1	2
Education funds for my further studies	1	2	1	-	2
Other goals (each 1% or less)					
Sample size:	525	250	275	168	357

Base: Those who have financial goals, excluding those who have answered "refused"

Top 3 goals

Action plans – I

- Saving is the most common action taken to meet the financial goal.
- Half of mature working adults, pre-retirees & retirees have made use of investment products to meet their financial goal.

Action(s) taken to meet the most important financial goal (unaided):

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Saved money	**89**	83	81	92	88	85	94
Invested money	**45**	10	27	49	53	56	39
Cut-back on spending	*17*	3	22	19	16	15	17
Looked for new/ different/ additional work	*3*	14	9	3	2	-	-
Other actions (each 1% or less)							
Do nothing	*2*	10	3	*	2	3	-
Sample size:	525	28##	55	234	104	33#	71

Base: Those who have financial goals, excluding those who have answered "refused"

52

Action plans – II

Action(s) taken to meet the most important financial goal (unaided):

	Total %	Gender		Family Status	
		Male %	*Female* %	*Parents with kids aged below 18 (living together)* %	*Others (not living with kids aged below 18)* %
Saved money	89	87	92	85	91
Invested money	45	50	40	59	38
Cut-back on spending	17	18	17	15	18
Looked for new/ different/ additional work	3	5	2	2	4
Other actions (each 1% or less)					
Do nothing	2	3	1	1	2
Sample size:	525	250	275	168	357

Base: Those who have financial goals, excluding those who have answered "refused"

53

Detailed Findings

Money Management

Decision-makers about money – I

- Overall, majority of individuals (85%) are involved in making day-to-day decisions about money in the household, while younger individuals (i.e., students and new-to-employment) are less involved.
- Full-time homemakers tend to make joint decisions with other household members.

Involvement in making decisions about money in household:

	Total	Students	New to employment (aged 18-29)	Mature Working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Involved in decision making	**85**	**39**	**68**	**93**	**98**	**89**	**88**
You make these decisions by yourself	35	14	32	38	49	44	19
You make these decisions with someone else	50	25	36	55	49	45	69
Someone else makes these decisions	15	61	33	7	2	12	12
Sample size:	*1,000*	*85*	*110*	*353*	*165*	*128*	*159*

Working Status

Base: Individuals aged 18-79

55

Decision-makers about money – II

- By gender, both males and females are involved in the decision making of household finance but males tend to dominate with half (49%) of them making decisions by themselves while only 23% of females being so. That more females are non-working and hence non-income earners is one possible reason for this phenomenon.
- Parents with kids tend to make joint decisions than others.

Involvement in making decisions about money in household:

	Total	Gender		Family Status	
		Male	**Female**	Parents with kids aged below 18 (living together)	Others (not living with kids aged below 18)
	%	%	%	%	%
Involved in decision making	85	89	82	97	81
You make these decisions by yourself	35	49	23	30	36
You make these decisions with someone else	50	40	59	67	45
Someone else makes these decisions	15	11	18	3	18
Sample size:	*1,000*	*467*	*533*	*229*	*771*

Work status:

	Male	Female
• Working	70%	51%
• Non-working	30%	49%

Base: Individuals aged 18-79

Household budget – I

- Close to two-thirds of individuals claimed that there is a budget in place for their households.

Incidence of having a budget for households:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
	61	42	49	69	66	55	61

Students: 17% answered "don't know"

| Sample size: | 1,000 | 71 | 110 | 353 | 165 | 128 | 159 |

Base: Individuals aged 18-79

57
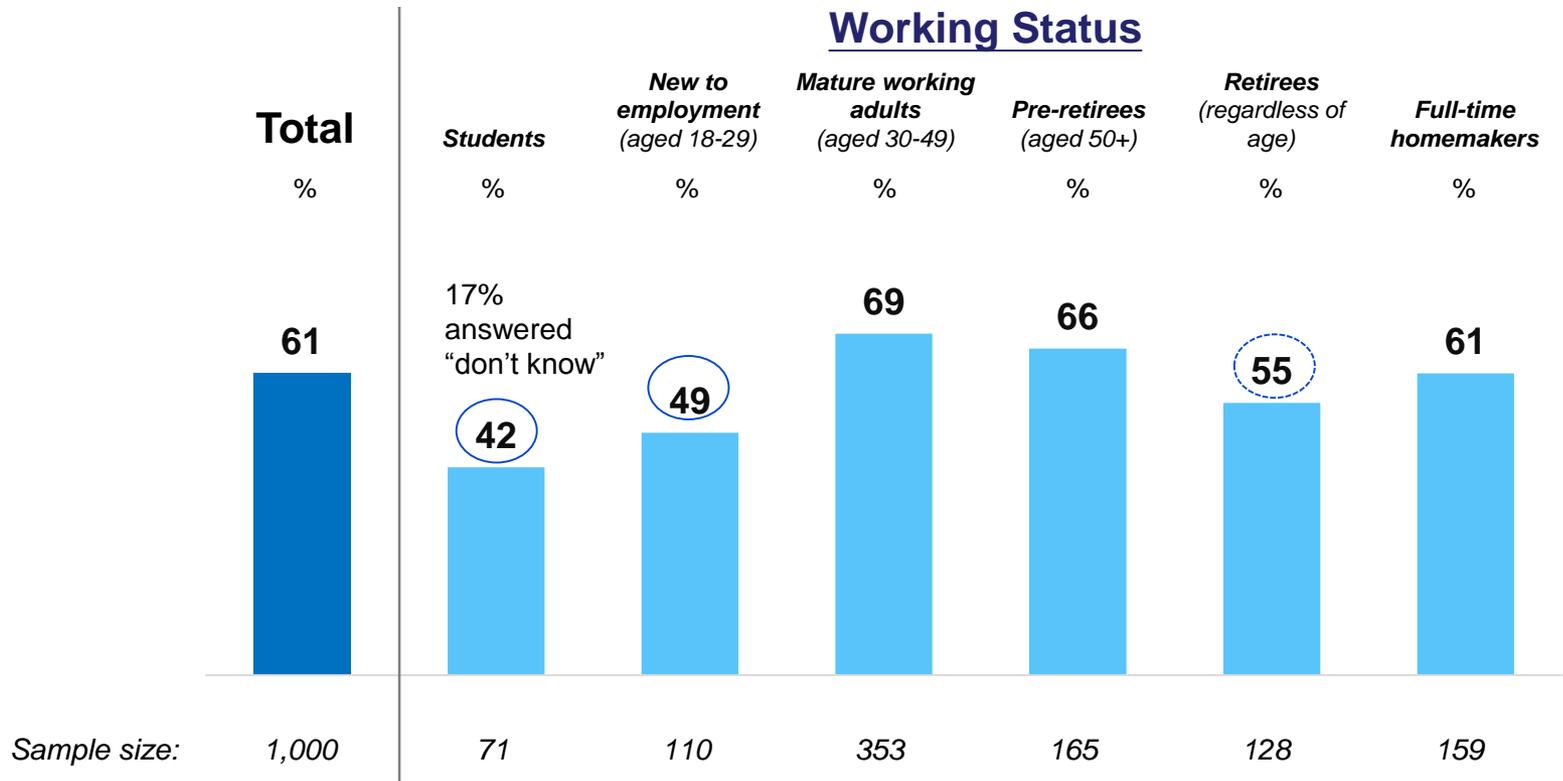
Household budget – II

- Three-quarters of parents with kids have a household budget, which is higher than others.

Incidence of having a budget for households:

	Gender		Family Status	
Total	*Male*	*Female*	**Parents with kids aged below 18** *(living together)*	**Others** *(not living with kids aged below 18)*
%	%	%	%	%
61	60	62	74	59
Sample size: 1000	467	533	229	771

Base: Individuals aged 18-79
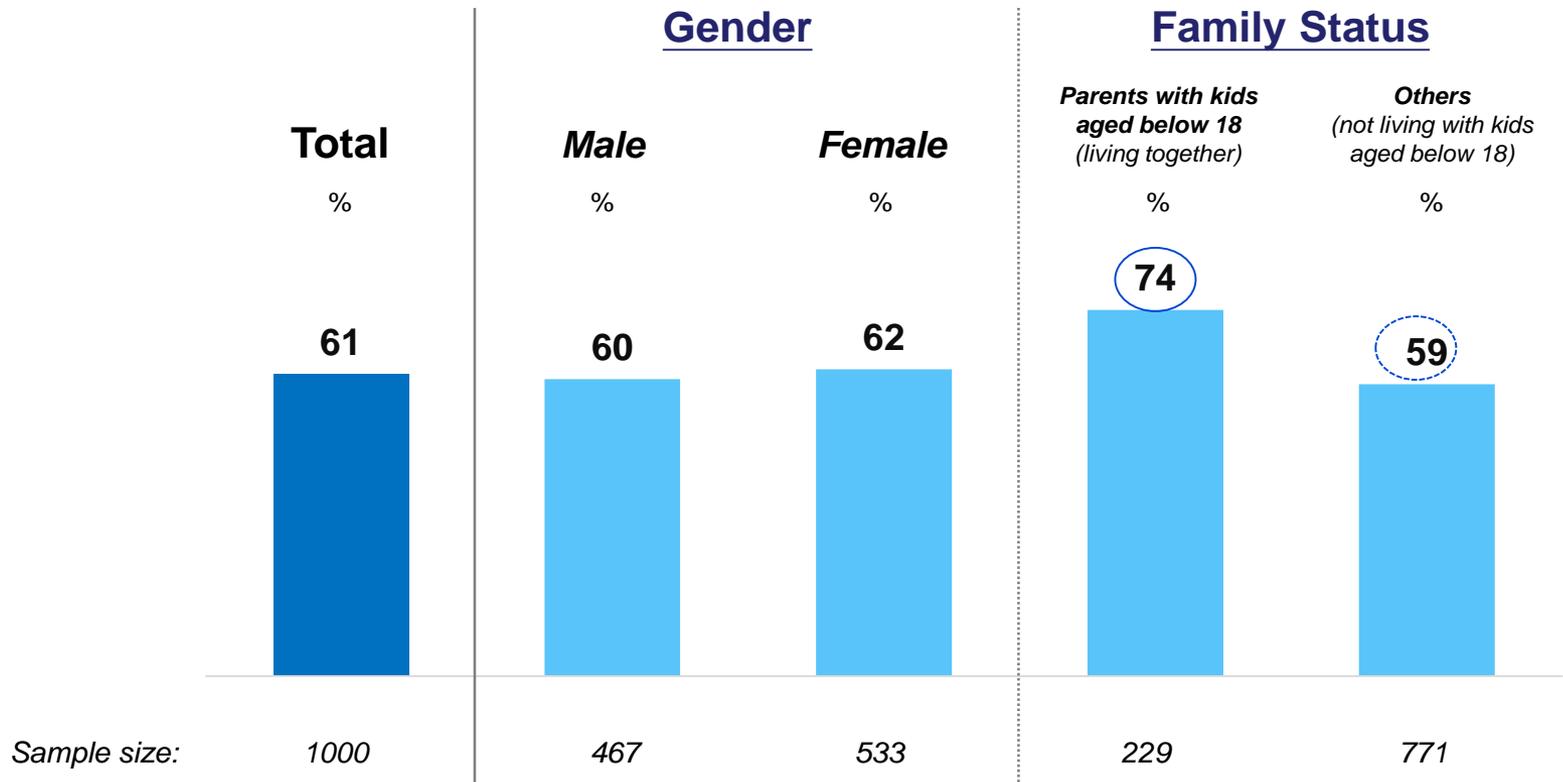
Different ways of saving money – I

- Majority of individuals aged 18-79 are actively saving and building up a balance of money in bank account is the most popular way of saving.
- Financial investment products are more popular saving tools for mature working adults and pre-retirees, while about a quarter of new-to-employment give money to family to save on their behalf.

Incidence of saving money in different ways in the past 12 months:

Working Status

	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
Building up a balance of money in bank account	62	43	58	73	68	53	56
Saving cash at home or in wallet	35	48	38	34	39	34	27
Paying money into saving account	33	25	23	35	36	28	41
Buying financial investment products	25	3	15	37	32	16	21
Giving money to family to save on your behalf	12	18	23	13	7	12	5
Informal savings club	2	-	4	3	1	-	1
In some other way (including remittances, buying livestock, gold or property)	7	1	2	8	8	6	8
Has not been actively saving	12	20	12	5	8	23	15
Don't know	*	-	-	-	-	2	1
Sample size:	999	85	110	353	164	128	159

Base: Individuals aged 18-79, excluding those who have answered "refused"

Different ways of saving money – II

- Parents with kids are more likely to use different ways to save, including building up balance in bank account, paying money into saving account, and buying financial investment products.

Incidence of saving money in different ways in the past 12 months:

	Total	Gender		Family Status	
		Male	Female	Parents with kids aged below 18 (living together)	Others (not living with kids aged below 18)
	%	%	%	%	%
Building up a balance of money in bank account	62	61	63	71	60
Saving cash at home or in wallet	35	36	35	28	38
Paying money into saving account	33	31	35	44	30
Buying financial investment products	25	30	21	43	21
Giving money to family to save on your behalf	12	16	9	8	13
Informal savings club	2	1	2	1	2
In some other way *(including remittances, buying livestock, gold or property)*	7	7	6	13	5
Has not been actively saving	12	13	10	6	13
Don't know	*	*	*	-	1
Sample size:	999	467	532	228	771

Base: Individuals aged 18-79, excluding those who have answered "refused"

Expenditure shock – I

- 72% of individuals claimed they are capable in handling expenditure shock without seeking help from others. Mature working adults and pre-retirees are more well prepared.
- Students are the least capable because they do not have stable income and not much saving.

Able to pay for a major personal expense
(equivalent to one month's income) **without borrowing:**

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
	72	32	62	82	83	67	66
Sample size:	951	70	110	351	165	112	143
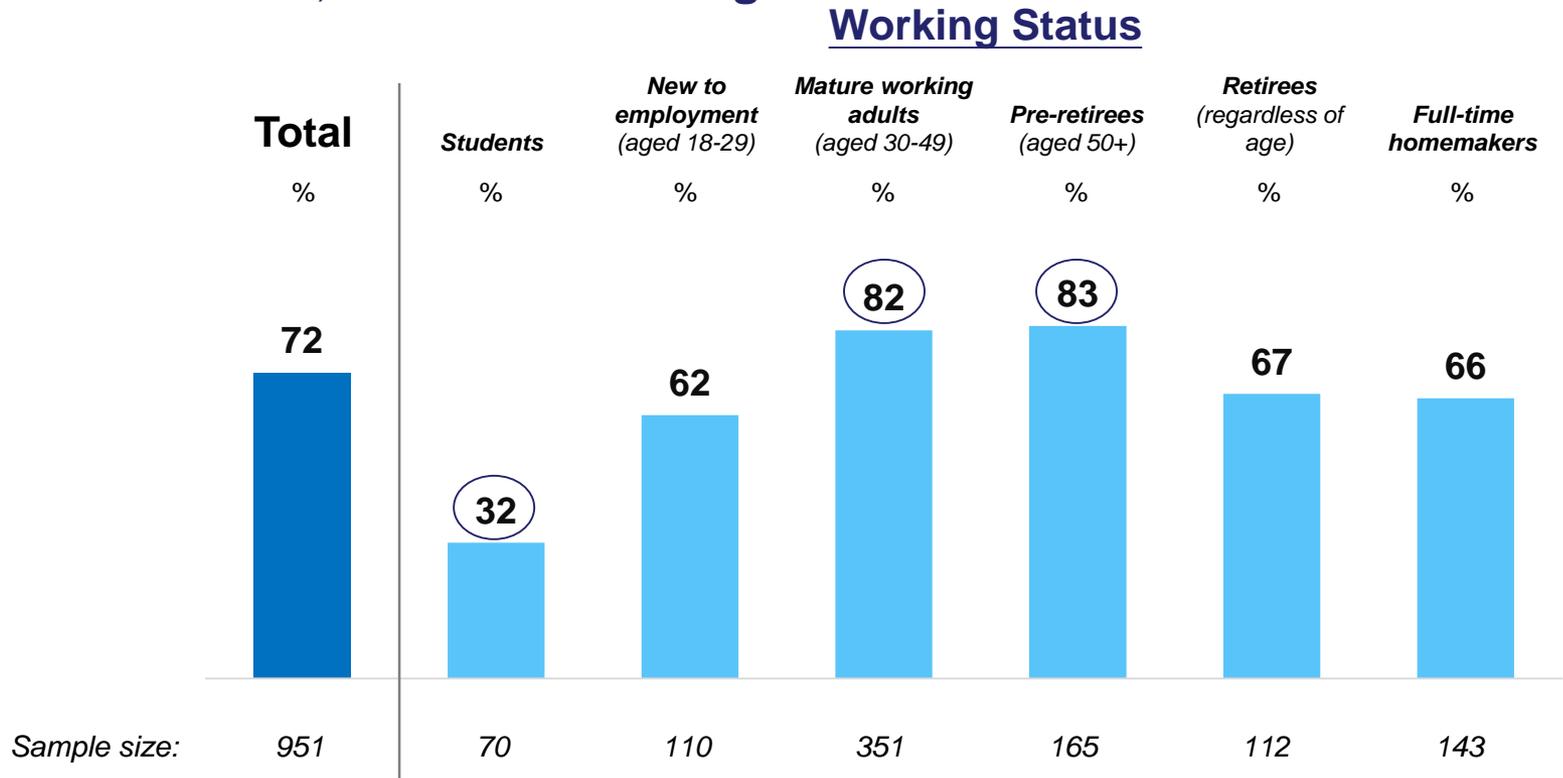
Base: Individuals aged 18-79, excluding those who have answered "not applicable" or "refused"

Expenditure Shock – II

- Parents with kids aged below 18 are more capable in dealing with expenditure shock without seeking help from others.

Able to pay for a major personal expense

(equivalent to one month's income) **without borrowing:**

	Gender		**Family Status**	
Total	*Male*	*Female*	**Parents with kids aged below 18** (living together)	**Others** (not living with kids aged below 18)
%	%	%	%	%
73	76	70	85	69

Sample size: 951 | 448 | 503 | 224 | 727
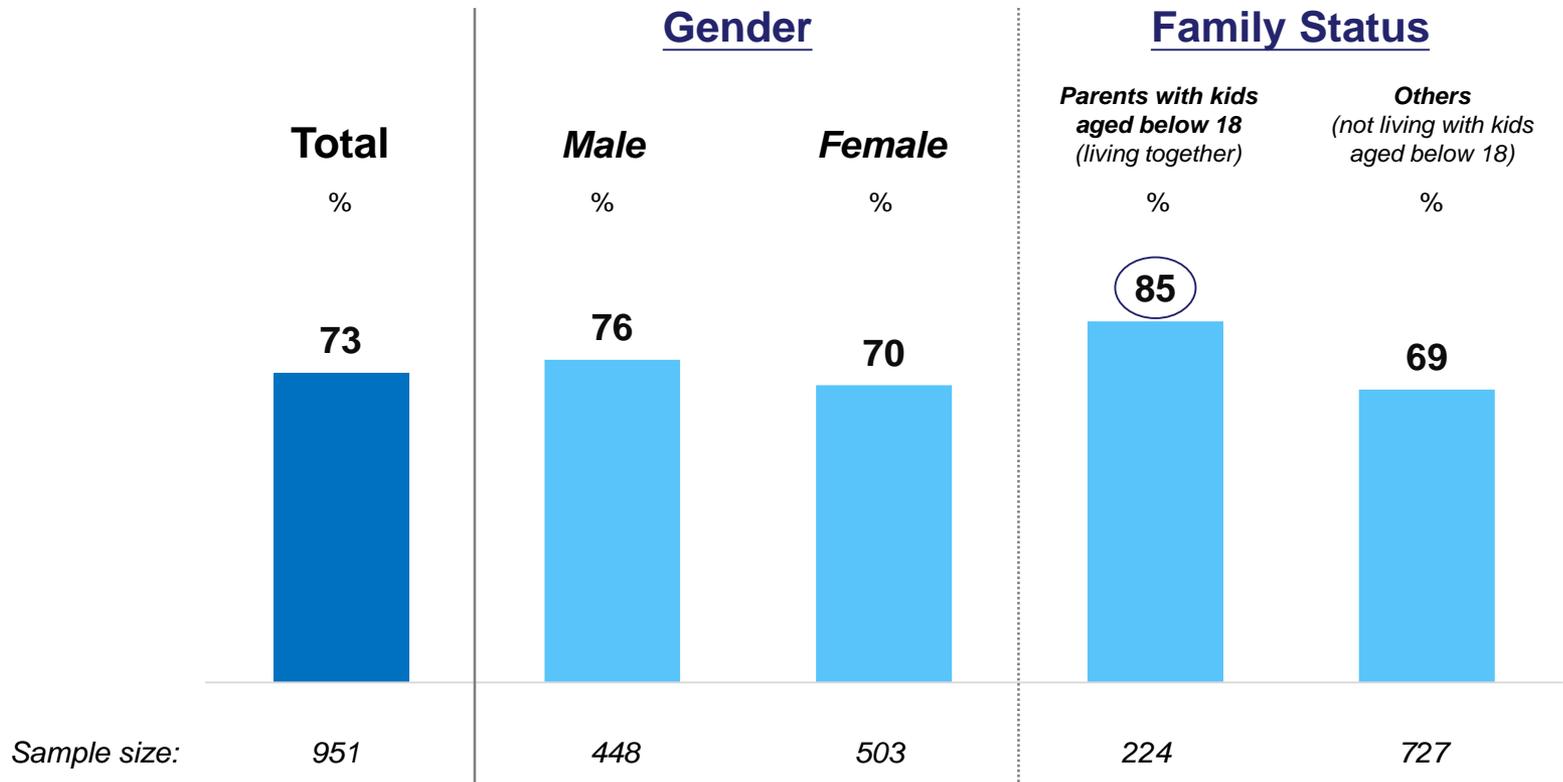
Household emergency fund – I

- Overall, more than two-thirds (68%) of individuals could cover their living expenses for at least 3 months without borrowing.
- Mature working adults and pre-retirees are more financially sound, with over 40% being able to sustain their living for more than 6 months.

If lost main household income, length of time for household to continue to cover living expenses without borrowing :

Working Status

	Total	*Students*	*New to employment (aged 18-29)*	*Mature working adults (aged 30-49)*	*Pre-retirees (aged 50+)*	*Retirees (regardless of age)*	*Full-time homemakers*
	%	%	%	%	%	%	%
3 months or longer	**68**	**59**	**71**	**72**	**69**	**60**	**68**

Legend:
- More than 6 months
- At least 3 months but not more than 6 months
- At least 1 month but not more than 3 months
- At least a week but not more than 1 month
- Less than 1 week

	Total	Students	New to employment	Mature working adults	Pre-retirees	Retirees	Full-time homemakers
More than 6 months	37	24	30	42	43	34	36
At least 3 months but not more than 6 months	29	29	38	29	25	23	30
At least 1 month but not more than 3 months	21	28	18	19	25	19	20
At least a week but not more than 1 month	8	10	8	5	6	16	10
Less than 1 week	2	-	3	3	1	2	2
Sample size:	1000	85	110	353	165	128	159

Base: Individuals aged 18-79

63
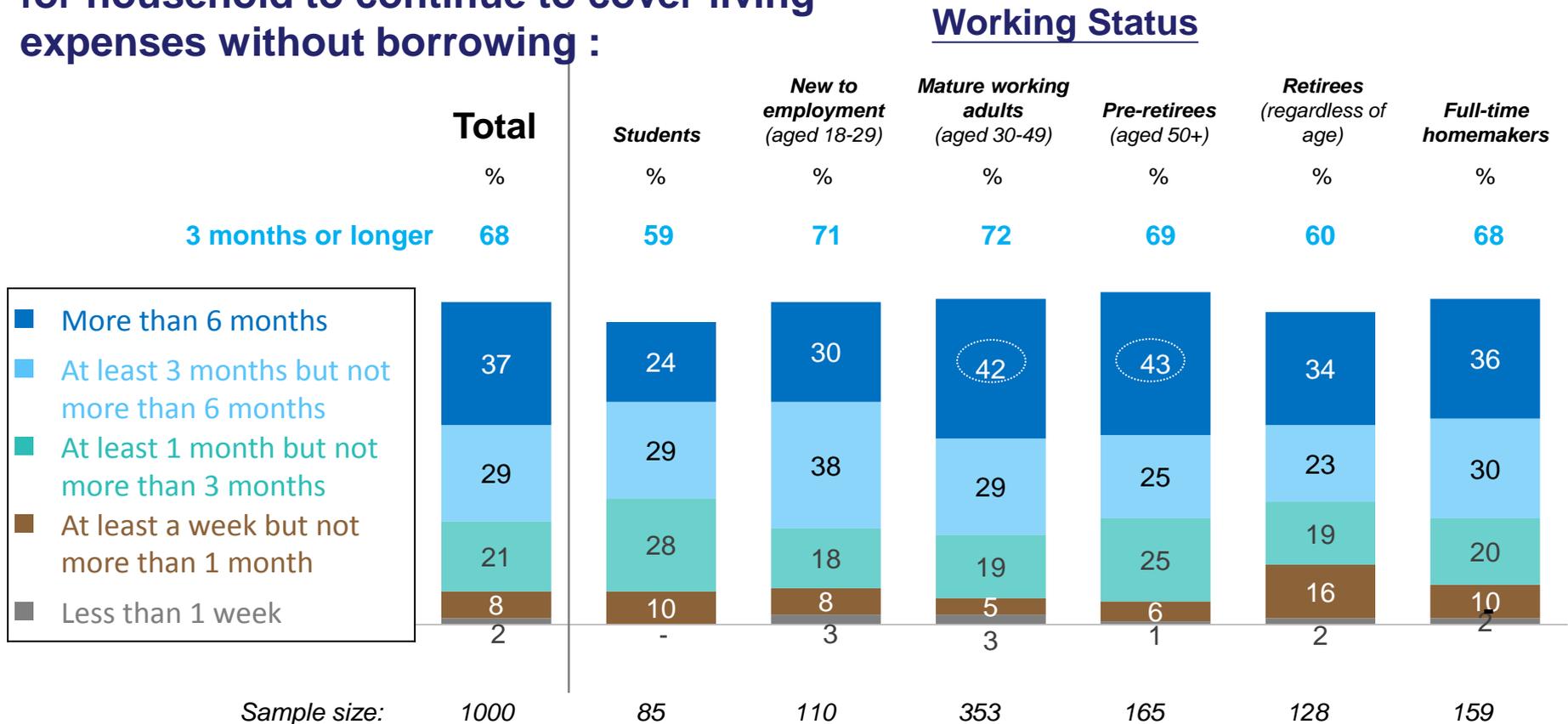
Household emergency fund – II

- Parents tend to have more adequate reserve of money, with 45% of them being able to cover living expenses without external resources for more than 6 months.

If lost main household income, length of time for household to continue to cover living expenses without borrowing :

	Total	**Gender**		**Family Status**	
		Male	*Female*	**Parents with kids aged below 18** *(living together)*	**Others** *(not living with kids aged below 18)*
	%	%	%	%	%
3 months or longer	**68**	**67**	**69**	**74**	**66**

Legend:
- More than 6 months
- At least 3 months but not more than 6 months
- At least 1 month but not more than 3 months
- At least a week but not more than 1 month
- Less than 1 week

	Total	Male	Female	Parents with kids aged below 18	Others
More than 6 months	37	37	37	45	35
At least 3 months but not more than 6 months	29	29	29	28	29
At least 1 month but not more than 3 months	21	23	19	19	21
At least a week but not more than 1 month	8	8	8	6	9
Less than 1 week	2	1	3	-	2
Sample size:	1000	467	533	229	771

Base: Individuals aged 18-79

64

Detailed Findings
Making Ends Meet

Difficulty in covering living expenses – I

- About one quarter of new-to-employment and retirees (24% and 23% respectively) have experienced difficulties in covering their living expenses with their income in the past 12 months.

Incidence of experiencing income does not quite cover expenses in the past 12 months:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
	16	14	24	11	17	23	14
Sample size:	995	83	110	353	165	127	157
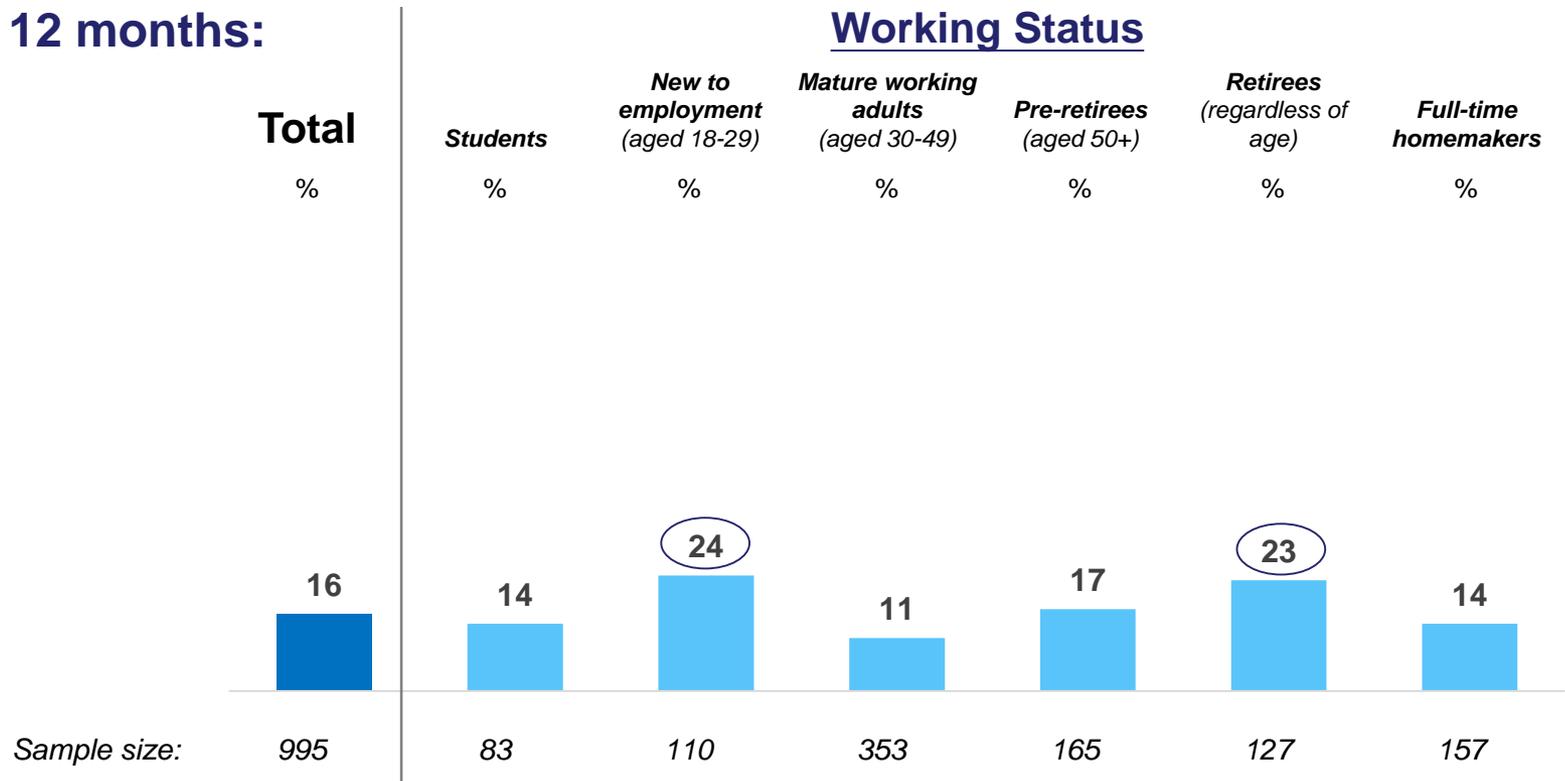
Base: Individuals aged 18-79, excluding those who have answered "not applicable" or "refused"

Difficulty in covering living expenses – II

Incidence of experiencing income does not quite cover expenses in the past 12 months:
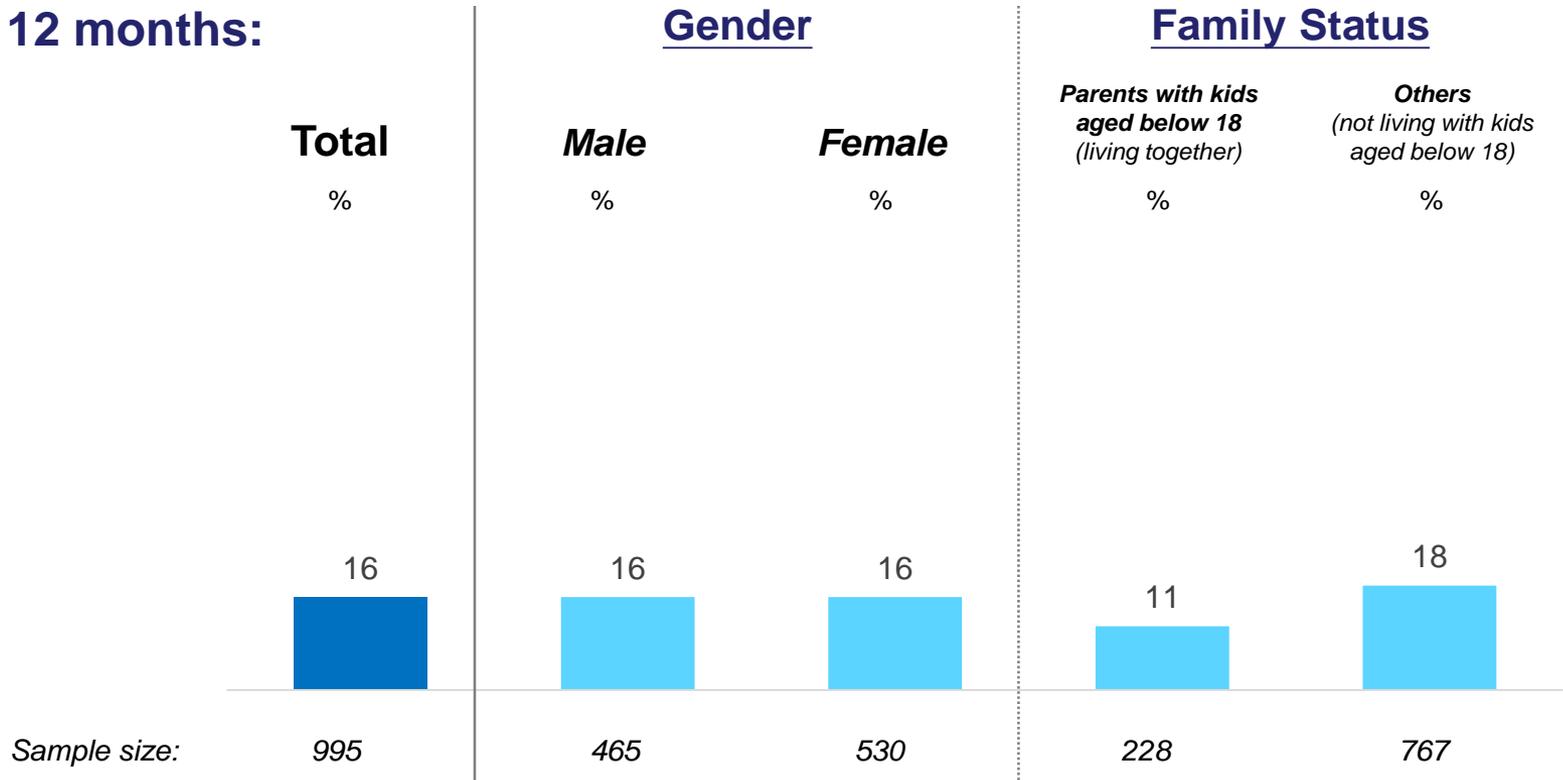
	Total	Gender		Family Status	
		Male	Female	Parents with kids aged below 18 (living together)	Others (not living with kids aged below 18)
	%	%	%	%	%
	16	16	16	11	18
Sample size:	995	465	530	228	767

Making ends meet – I

- To make ends meet, borrowing from family or friends and cutting back on spending are main actions taken to deal with the issue.

Methods used to make ends meet
[unaided]:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Borrow from family or friends	53	58	54	50	47	53	63
Cut back on spending	41	34	47	35	46	42	41
Draw money from savings	18	-	15	13	22	28	21
Use credit card for a cash advance	6	-	8	7	18	-	-
Work overtime/do extra part-time jobs to earn extra money	4	18	7	8	-	-	-
Other sources (each 1% or less)							
Don't know		1	-	-	-	3	-
Sample size:	157	12##	26##	40#	27##	29##	23##

Base: Those who have found their income not able to cover their living costs, excluding those answered "don't know" or "refused"

 # Small base (< 50)
Very small base (< 30)

Making ends meet – II

- By gender, men tend to borrow from family or friends while women tend to cut back on spending to make ends meet.

Methods used to make ends meet
[unaided]:

	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Borrow from family or friends	53	61	46	71	50
Cut back on spending	41	31	50	29	43
Draw money from savings	18	18	18	25	17
Use credit card for a cash advance	6	7	6	13	5
Work overtime/do extra part-time jobs to earn extra money	4	4	5	4	4
Other sources (each 1% or less)					
Don't know		1	-	-	1
Sample size:	*157*	*74*	*83*	*24##*	*133*

Base: Those who have found their income not able to cover their living costs, excluding those answered "don't know" or "refused"

Debit balance – I

- Overall one in tend individuals have settled their credit card bills with partial or minimum payment in the past 12 months. A much higher incidence is noted among the new-to-employment (25%).

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Card ownership	**65**	**47**	**80**	**82**	**80**	**28**	**46**
Incidence of settling credit card bills with partial / minimum payment in the past 12 months:	10	7	25	12	10	-	5
Sample size:	*1000*	*85*	*110*	*353*	*165*	*128*	*159*
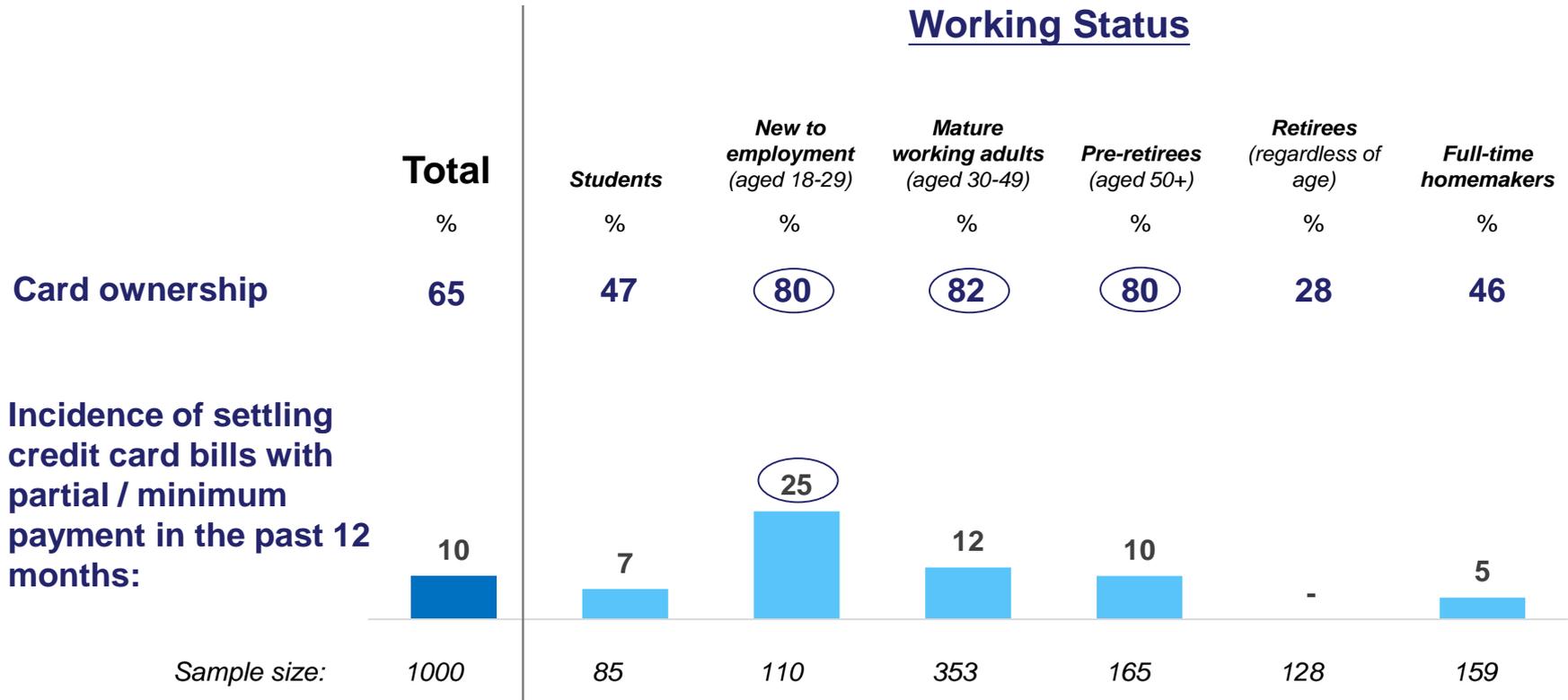
Base: Individuals aged 18-79

Debit balance – II

- Males see higher credit card ownership and they are also more likely to settle card bills with minimum/partial payment.

	Total	Gender		Family Status	
		Male	**Female**	**Parents with kids aged below 18** (living together)	**Others** (not living with kids aged below 18)
	%	%	%	%	%
Card ownership	65	73	59	80	61
Incidence of settling credit card bills with partial / minimum payment in the past 12 months:	10	12	8	7	11
Sample size:	1000	467	533	229	771
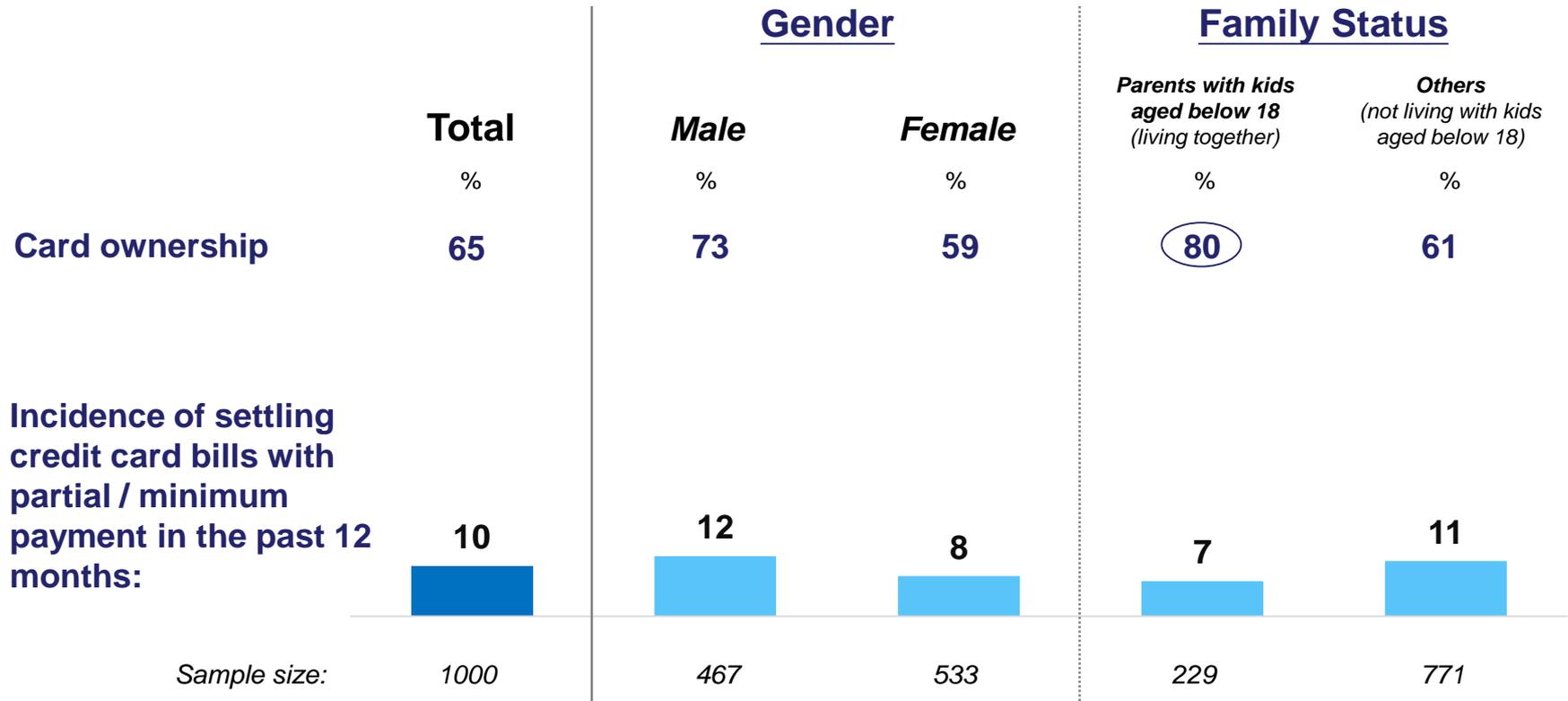
Base: Individuals aged 18-79

Cash advance – I

- Incidence of using cash advance is low in general.
- Again slightly more new-to-employment (7%) have used cash advance in past 12 months.

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Card ownership	65	47	80	82	80	28	46
Usage of cash advance in the past 12 months	4	4	7	4	5	-	1
Sample size:	1000	85	110	353	165	128	159
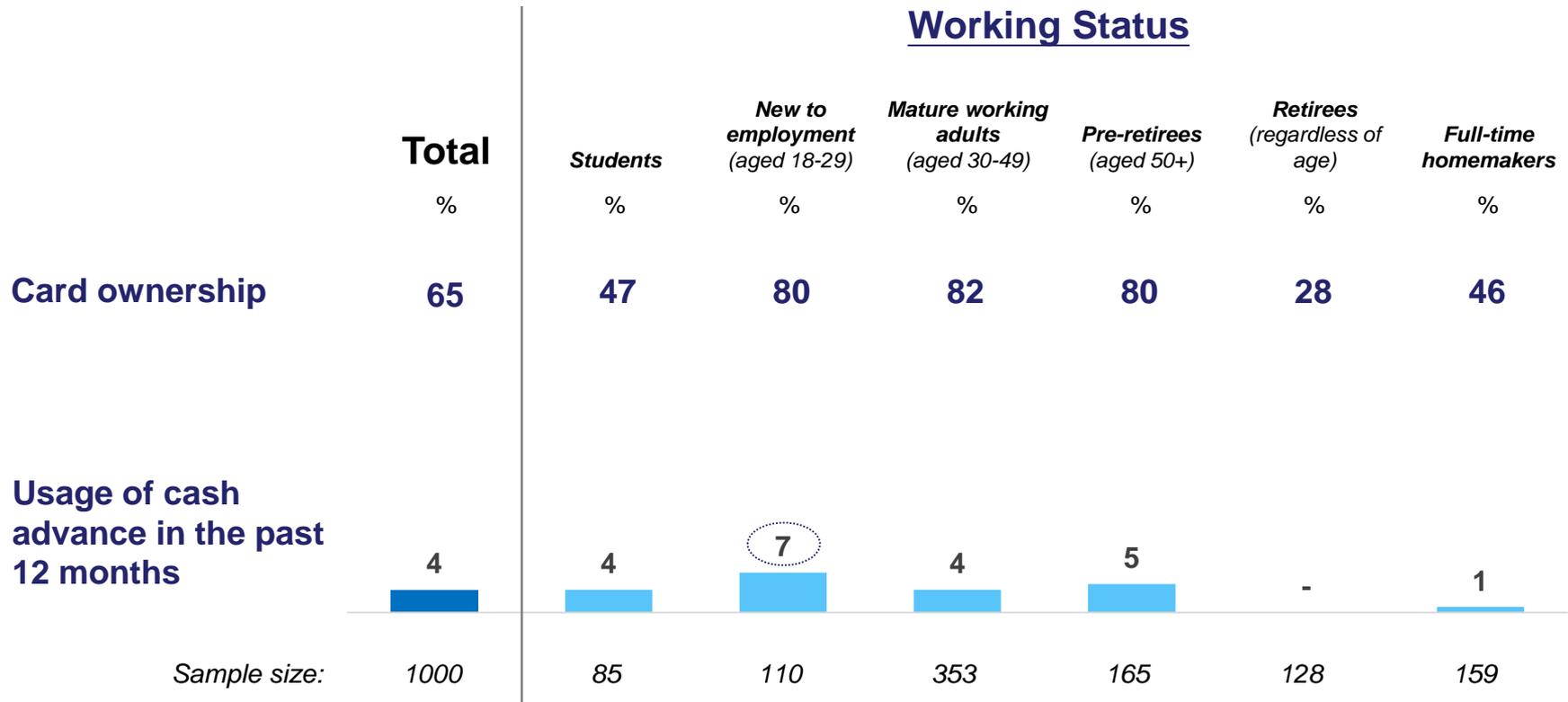
Base: Individuals aged 18-79

Cash advance – II

- Again, males are more likely to use cash advance with their cards than females.

	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Card ownership	**65**	**73**	**59**	**80**	**61**
Usage of cash advance in the past 12 months	**4**	**5**	**2**	**4**	**3**
Sample size:	*1000*	*467*	*533*	*229*	*771*
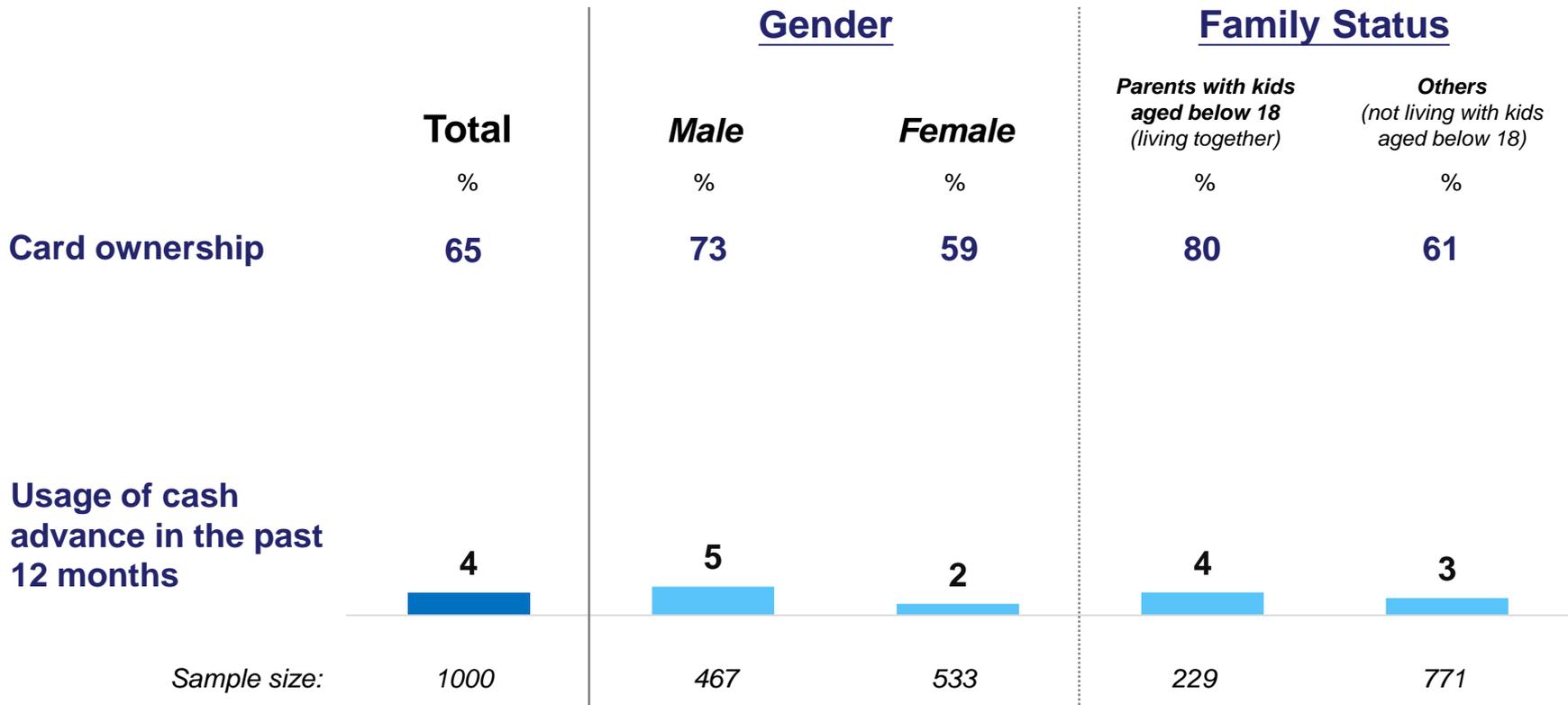
Base: Individuals aged 18-79

Detailed Findings

Choosing Financial Products

Awareness of financial products – I

▪ Generally high awareness of common financial products, while only a quarter of individuals are aware of derivatives like ETF, REIT and structured products.

Working Status

	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
Savings account	99	100	100	99	99	99	99
Hong Kong dollars savings account	99	100	100	98	99	99	99
Foreign currency savings account	90	75	90	93	93	87	89
Investment products	94	96	93	95	99	91	90
Stocks and shares	92	93	90	93	98	90	89
Bonds	71	65	73	77	80	59	62
Unit trust/ mutual fund	66	51	64	74	75	52	59
Options/ futures/ warrants/ CBBC	52	34	52	60	60	42	44
REITs/ ETFs	27	19	27	35	33	16	16
Structured products	26	13	31	31	34	17	19
Certificate of deposit (CD)	24	16	24	31	31	14	16
Insurance products	93	96	93	94	95	84	92
Life Insurance	90	90	90	93	92	80	88
Private Medical Insurance	82	74	85	88	86	71	79
Critical illness insurance	76	63	78	83	81	63	72
Investment linked insurance	48	34	44	59	57	32	40
A credit card	92	92	97	95	95	86	88
A mortgage	87	73	85	89	93	82	80
A loan secured on a property	61	42	61	73	69	48	51
An unsecured loan	47	22	49	58	56	35	39

Don't know: less than 0.5%

Avg. no. of products:	11.3	9.6	11.4	12.3	12.3	9.7	10.3
Sample size:	1000	85	110	353	165	128	159

Base: Individuals aged 18-79

Awareness of financial products – II

- Males generally see higher awareness of different financial products, especially the less common ones.

	Total %	Gender		Family Status	
		Male %	*Female* %	*Parents with kids aged below 18 (living together)* %	*Others (not living with kids aged below 18)* %
Savings account	99	99	99	100	99
Hong Kong dollars savings account	99	99	99	99	99
Foreign currency savings account	90	91	89	95	88
Investment products	94	97	92	99	93
Stocks and shares	92	95	90	99	91
Bonds	71	79	64	80	69
Unit trust/ mutual fund	66	73	60	74	63
Options/ futures/ warrants/ CBBC	52	60	46	60	50
REITs/ ETFs	27	35	20	34	25
Structured products	26	36	18	33	24
Certificate of deposit (CD)	24	31	18	31	22
Insurance products	93	95	91	96	92
Life Insurance	90	92	88	95	89
Private Medical Insurance	82	86	79	90	80
Critical illness insurance	76	81	72	83	74
Investment linked insurance	48	57	41	63	44
A credit card	92	95	91	94	92
A mortgage	87	88	84	91	84
A loan secured on a property	61	70	55	74	58
An unsecured loan	47	58	39	56	45

Don't know: less than 0.5%

Avg. no. of products:	11.3	12.3	10.5	12.5	11.0
Sample size:	*1000*	*467*	*533*	*229*	*771*

Base: Individuals aged 18-79

Financial products currently holding – I

- There are also more working adults & pre-retirees holding various insurance, investment products and mortgage.
- Less than 1% were on a personal loan.

Working Status

	Total	Students	New to employment (aged 18-29, employed/ unemployed)	Working adults (aged 30-49, employed/ unemployed)	Pre-retirees (aged 50+, employed/ unemployed)	Retirees (without age limitation)	Full-time homemakers
	%	%	%	%	%	%	%
Savings account	99	97	98	99	100	100	99
Hong Kong dollars savings account	99	97	97	98	100	100	98
Foreign currency savings account	32	9	21	35	44	26	34
A credit card	65	47	80	82	80	28	46
Insurance products	53	21	34	70	66	37	48
Life Insurance	37	16	21	52	45	24	32
Private Medical Insurance	30	9	18	44	39	18	22
Critical illness insurance	20	1	11	29	26	12	17
Investment linked insurance	9	-	7	14	12	4	8
Investment products	40	9	22	52	53	29	34
Stocks and shares	38	5	18	51	51	29	33
Unit trust/ mutual fund	5	2	6	7	5	3	3
Bonds	4	1	-	5	5	3	4
Mortgage	12	-	2	21	15	4	7

Products with less than 3% mentions (including personal loans) are not shown

Avg. no. of products:	*3.5*	*1.9*	*2.9*	*4.4*	*4.3*	*2.5*	*3.1*
Sample size:	*984*	*79*	*109*	*349*	*162*	*127*	*158*

Base: Individuals aged 18-79, excluding those who have answered "don't know" or "refused"

77

Financial products currently holding - II

- Males are more likely to invest than females.
- Parents see higher ownership of various financial products in general, particularly for insurance products.

	Total %	Gender		Family Status	
		Male %	**Female** %	**Parents with kids aged below 18** (living together) %	**Others** (not living with kids aged below 18) %
Savings account	99	**99**	**99**	**100**	**99**
Hong Kong dollars savings account	99	99	98	100	98
Foreign currency savings account	32	30	33	40	29
Credit card	65	**73**	**59**	**80**	**61**
Insurance products	53	**57**	**50**	**75**	**47**
Life Insurance	37	39	36	58	32
Private Medical Insurance	30	35	26	44	26
Critical illness insurance	20	23	18	36	16
Investment linked insurance	9	12	7	15	8
Investment products	40	**44**	**36**	**61**	**33**
Stocks and shares	38	42	34	58	32
Unit trust/ mutual fund	5	6	4	8	4
Bonds	4	5	3	5	3
Mortgage	12	**11**	**12**	**27**	**7**

Products with less than 3% mentions (including personal loans) are not shown

	Total	Male	Female	Parents	Others
Avg. no. of products:	3.5	3.8	3.3	4.8	3.2
Sample size:	984	462	522	228	756

Base: Individuals aged 18-79, excluding those who have answered "don't know" or "refused"

Financial products recently chosen – I

- Slightly over half of Hong Kong people have made choices about financial products in the past two years, with recent decisions mostly involving trading stocks (more so among mature working adults and pre-retirees), opening savings account and getting credit cards (higher incidence among students and the new-to-employment).

Financial products chosen in past 2 years:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Investment products	**28**	**7**	**13**	**38**	**36**	**20**	**23**
Stocks and shares	26	4	11	37	34	19	21
Bonds	2	1	-	3	3	1	2
Unit trust/ mutual fund	2	1	4	2	1	1	2
Options/ futures/ warrants/CBBC	2	-	2	2	2	1	2
Savings account	**20**	**31**	**32**	**19**	**16**	**13**	**18**
Hong Kong dollars savings account	17	29	27	16	12	13	16
Foreign currency savings account	6	6	9	5	8	1	7
Credit card	**20**	**28**	**44**	**24**	**20**	**4**	**6**
Insurance products	**12**	**9**	**14**	**15**	**12**	**10**	**7**
Life Insurance	6	7	7	7	4	6	3
Private Medical Insurance	6	3	6	6	7	6	3
Critical illness insurance	2	-	3	4	3	1	1

Other mentions (less than 3%)

| Sample size: | 1000 | 85 | 110 | 353 | 165 | 128 | 159 |

Base: Individuals aged 18-79

Financial products recently chosen – II

Financial products chosen in past 2 years:

	Total		Gender		Family Status	
			Male	**Female**	**Parents with kids aged below 18** *(living together)*	**Others** *(not living with kids aged below 18)*
	%		%	%	%	%
Investment products	**28**		**31**	**25**	**46**	**22**
Stocks and shares	26		30	22	45	21
Bonds	2		2	2	4	2
Unit trust/ mutual fund	2		2	2	3	1
Options/ futures/ warrants/CBBC	2		2	1	4	1
Savings account	**20**		**18**	**22**	**18**	**20**
Hong Kong dollars savings account	17		15	19	14	18
Foreign currency savings account	6		4	7	8	5
Credit card	**20**		**23**	**18**	**19**	**20**
Insurance products	**12**		**12**	**12**	**16**	**11**
Life Insurance	6		5	6	6	5
Private Medical Insurance	6		6	5	7	5
Critical illness insurance	2		3	2	4	2
Other mentions (less than 3%)						
Sample size:		1000	467	533	229	771

Base: Individuals aged 18-79

Financial product chosen most recently – I

- Among those who have made choices about financial products in the past 2 years, stocks were the most recent product choice for many, followed by savings accounts and credit cards.

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Stocks and shares	41	5	13	46	53	51	47
Savings account	22	41	30	17	13	23	28
Hong Kong dollars savings account	19	36	24	16	10	23	25
Foreign currency savings account	3	5	6	2	4	-	3
Credit card	21	44	44	20	18	3	8
Insurance products	11	5	10	12	10	16	10
Private Medical Insurance	6	-	3	6	6	12	6
Life Insurance	3	5	2	3	2	4	2

Other mentions (less than 3%)
Don't know: less than 1%

| Sample size: | 541 | 41# | 67 | 229 | 99 | 41# | 64 |

Base: Those who have chosen products in P2Y, excluding those who have answered "not applicable" or "refused"

 # Small base (< 50)
Very small base (< 30)

81

Financial product chosen most recently – II

	Total	Gender		Family Status	
		Male	*Female*	**Parents with kids aged below 18** *(living together)*	**Others** *(not living with kids aged below 18)*
	%	%	%	%	%
Stocks and shares	41	44	38	59	34
Savings account	22	19	25	14	24
Hong Kong dollars savings account	19	16	22	11	22
Foreign currency savings account	3	3	3	3	3
Credit card	21	21	21	10	25
Insurance products	11	11	11	11	11
Private Medical Insurance	6	4	7	5	6
Life Insurance	3	3	2	2	3
Other mentions (less than 3%)					
Don't know: less than 1%					
Sample size:	*541*	264	274	151	390

Base: Those who have chosen products in P2Y, excluding those who have answered "not applicable" or "refused"

Choosing financial products – I

- Overall, more than half would consider several options from different companies when choosing financial products.
- Students and retirees are less likely to shop around.

Incidence of shopping around with the most recent product:

Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Considered **several options** from **different companies**	56	46	58	61	52	34	60
Considered **various options** from **one company**	31	42	27	28	31	36	37
Didn't consider any other options at all	10	12	12	8	15	18	2
Looked around but there were no other options to consider	2	-	3	2	2	-	-
Sample size:	397	40#	66	160	62	27##	42#

Don't know: less than 1%

Base: Those who have chosen any financial product in P2Y, excluding those answered "refused"

 # Small base (< 50)
Very small base (< 30)

83

Choosing financial products – II

Incidence of shopping around with the most recent product:

	Total		Gender		Family Status	
			Male	*Female*	***Parents with kids aged below 18*** *(living together)*	***Others*** *(not living with kids aged below 18)*
	%		%	%	%	%
Considered **several options** from **different companies**	56		54	57	61	54
Considered **various options** from **one company**	31		34	29	34	31
Didn't consider any other options at all	10		9	12	2	13
Looked around but there were no other options to consider	2		3	1	3	1

Don't know: less than 1%

Sample size:	397	188	209	96	301

Base: Those who have chosen any financial product in P2Y, excluding answered "refused"

Information sources influencing decision – I

▪ Younger segments tend to look for product specific information from the Internet, while mature segments find financial information from mass media, including print, TV & financial websites more influential.

Working Status

	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
General advice	**76**	**83**	**62**	**81**	**74**	**66**	**88**
Friends/relatives (Not related to financial industry)	55	70	50	57	58	44	50
Friends/relatives (Related to financial industry)	49	37	36	58	42	49	63
Product-specific information	**59**	**66**	**72**	**58**	**55**	**52**	**51**
Information from sales staff of the product firm	31	28	23	32	39	26	33
Information picked up in a branch of bank	26	17	36	26	20	30	21
Product specific information found on Internet	23	35	39	23	16	4	9
Product information sent through the post	21	23	28	24	21	3	8
Media coverage	**48**	**35**	**38**	**54**	**60**	**41**	**43**
Newspaper/magazine articles	38	22	27	45	45	37	31
Television programmes	26	10	18	31	37	14	24
Financial websites	16	12	6	21	19	8	12
Radio programmes	6	3	4	7	10	8	2
Best buy guidance	**48**	**33**	**52**	**50**	**54**	**48**	**39**
From bank staff	25	15	22	25	32	31	25
From financial experts	21	5	21	26	22	14	17
From independent financial adviser	15	10	18	18	14	7	7
From social media	10	18	14	8	12	-	5
My own previous experience	**34**	**40**	**21**	**39**	**32**	**41**	**31**
Adverts	**25**	**22**	**35**	**27**	**15**	**22**	**22**
Newspaper/magazine adverts	20	7	28	23	15	19	17
Online adverts	10	13	21	10	6	-	2
Television adverts	7	12	6	6	6	14	8

Other sources (each 3% or less)
Don't know: less than 0.5%

| Sample size: | 397 | 40# | 66 | 160 | 62 | 27## | 42# |

Base: Those who have chosen any financial product in P2Y, excluding those answered "refused"

Information sources influencing decision – II

	Total	Gender		Family Status	
		Male	**Female**	**Parents with kids aged below 18** *(living together)*	**Others** *(not living with kids aged below 18)*
	%	%	%	%	%
General advice	77	77	76	78	76
Friends/relatives (Not related to financial industry)	56	58	53	51	57
Friends/relatives (Related to financial industry)	50	50	49	57	47
Product-specific information	60	56	61	73	55
Information from sales staff of the product firm	31	23	38	38	29
Information picked up in a branch of bank	26	29	22	37	22
Product specific information found on Internet	23	25	21	27	21
Product information sent through the post	21	20	21	26	19
Media coverage	49	47	49	55	46
Newspaper/magazine articles	38	38	37	44	36
Television programmes	26	26	26	24	26
Financial websites	16	16	15	19	14
Radio programmes	6	5	7	5	6
Best buy guidance	48	51	46	52	47
From bank staff	25	25	25	26	25
From financial experts	21	23	18	25	19
From independent financial adviser	15	16	13	19	13
From social media	10	9	11	9	10
My own previous experience	35	38	31	45	31
Adverts	25	26	24	26	24
Newspaper/magazine adverts	20	21	19	21	20
Online adverts	10	11	9	14	9
Television adverts	7	10	5	5	8

Other sources (each 3% or less)
Don't know: less than 0.5%

Sample size:	397	188	209	96	301

*Base: Those who have chosen any financial product in P2Y, excluding answered "refused"*

86

Detailed Findings

Retirement Planning

Retirement confidence – I

- The confidence of having prepared well for retirement rises with age, reaching 43% among pre-retirees.
- Yet, confidence drops among those already in their retirement.

Level of confidence in being financially well-planned for retirement:
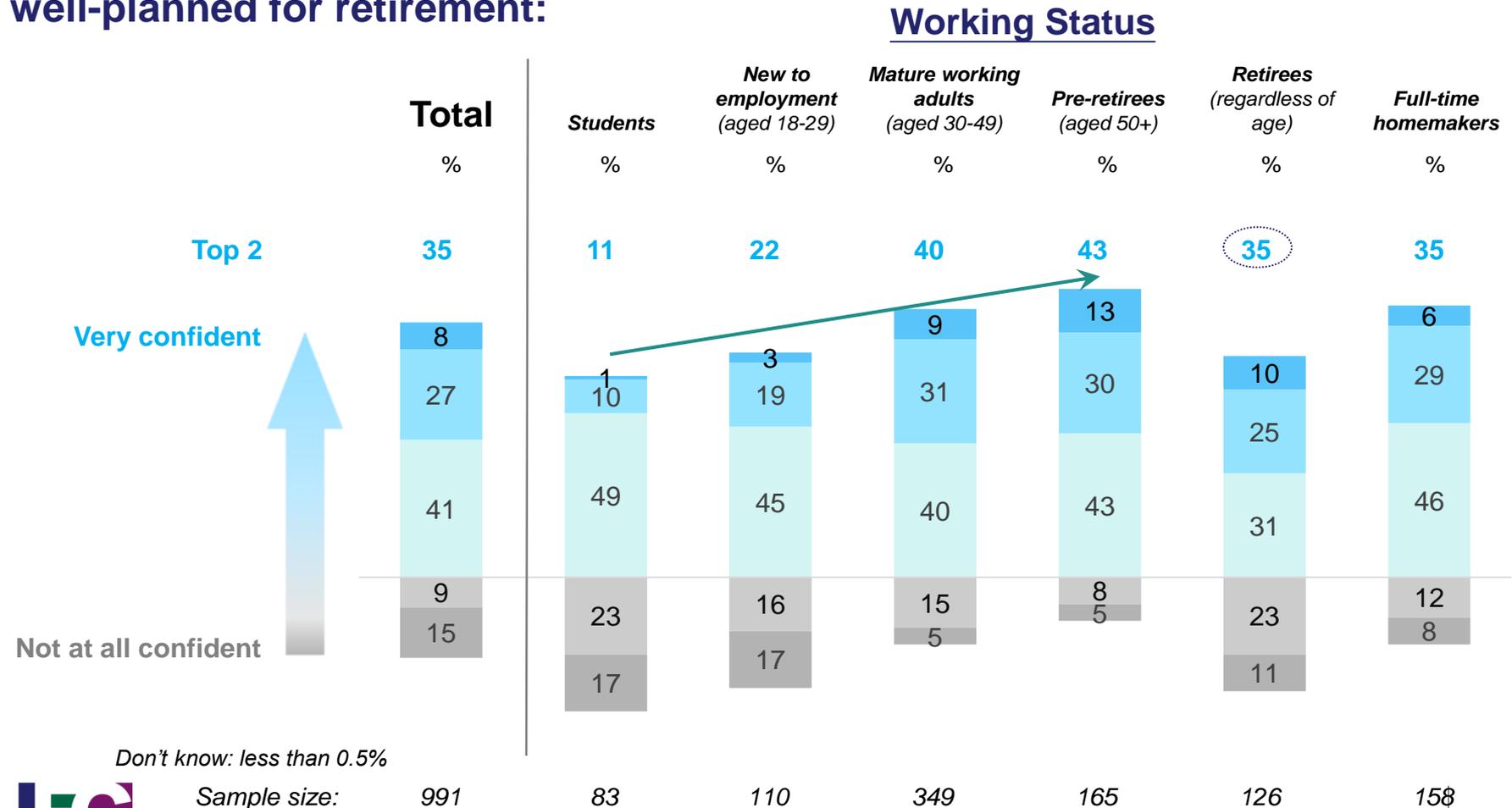
Working Status

	Total	Students	New to employment (aged 18-29)	Mature working adults (aged 30-49)	Pre-retirees (aged 50+)	Retirees (regardless of age)	Full-time homemakers
	%	%	%	%	%	%	%
Top 2	**35**	**11**	**22**	**40**	**43**	**35**	**35**
Very confident	8	1	3	9	13	10	6
	27	10	19	31	30	25	29
	41	49	45	40	43	31	46
	9	23	16	15	8	23	12
Not at all confident	15	17	17	5	5	11	8

Don't know: less than 0.5%

Sample size: 991 | 83 | 110 | 349 | 165 | 126 | 158

Base: Individuals aged 18-79, excluding those who have no retirement plan or answered "refused"

Retirement confidence – II

Level of confidence in being financially well-planned for retirement:
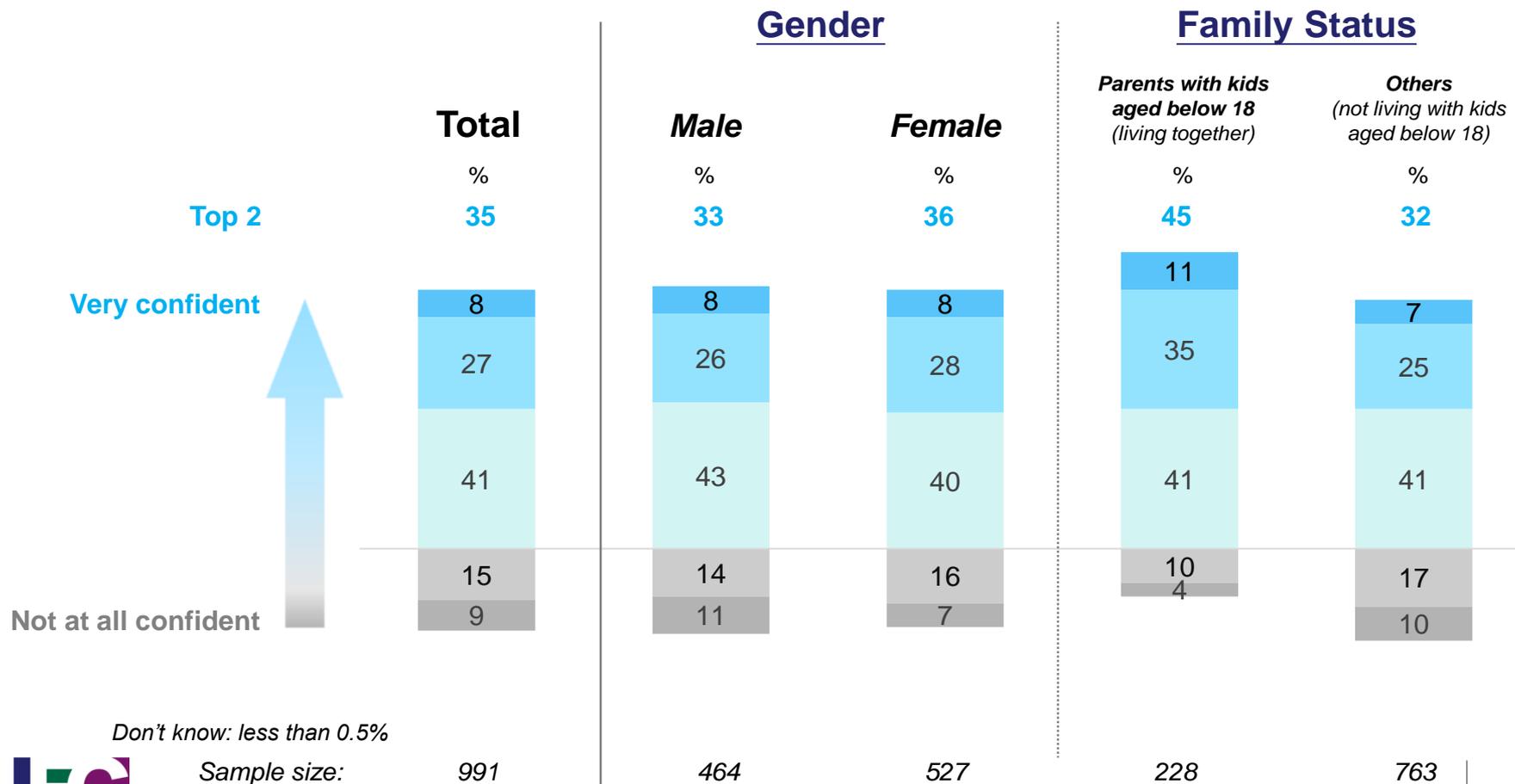
		Total	Male	Female	Parents with kids aged below 18 (living together)	Others (not living with kids aged below 18)
		Gender			**Family Status**	
		%	%	%	%	%
Top 2		**35**	**33**	**36**	**45**	**32**
Very confident		8	8	8	11	7
		27	26	28	35	25
		41	43	40	41	41
		15	14	16	10	17
Not at all confident		9	11	7	4	10
	Sample size:	991	464	527	228	763

Don't know: less than 0.5%

Base: Individuals aged 18-79, excluding those who have no retirement plan or answered "refused"

Planned/actual source of retirement funding – I

▪ With less retirement protection/ education in the past, retirees mainly rely on children/ other family members & savings for retirement. Younger ones (students to pre-retirees) are better protected with MPF/ ORSO. Other retirement/ saving products like life insurance and private pension plans appear to be getting popular among younger generations.

Working Status

	Total %	Students %	New to employment (aged 18-29) %	Mature working adults (aged 30-49) %	Pre-retirees (aged 50+) %	Retirees (regardless of age) %	Full-time homemakers %
Savings in bank account/ cash savings	79	81	80	84	87	68	70
MPF/ ORSO	59	55	79	83	70	24	16
Relying on your children/ other family members	35	19	10	25	31	73	57
Old-age benefit - (SSA) Scheme	23	5	15	15	29	42	32
Selling your financial assets	21	5	13	27	25	15	21
Own life insurance policy	20	21	23	29	19	10	9
Income generated by your financial/ non-financial assets	11	7	9	15	11	6	8
Relying on a spouse/partner	11	9	4	11	5	6	26
Private pension plan	10	20	15	9	13	3	5
Comprehensive Social Security Assistance/ Disability Allowance	5	-	3	2	8	9	7
Selling your non-financial assets	3	1	4	4	3	1	3
Sample size:	1000	85	110	353	165	128	159

Other sources (each 1% or less)
Don't know: less than 0.5%

Base: Individuals aged 18-79

90

Planned/actual source of retirement funding – II

- Females are more likely to depend on their children or spouse when retired, while less than one-third of parents with young kids plan to count on their children.
- There are more parents than others selling their assets for retirement, which comes from higher ownership of investment products in the first place (61% vs 33% currently hold any investment products).

	Total	Gender		Family Status	
		Male	*Female*	*Parents with kids aged below 18 (living together)*	*Others (not living with kids aged below 18)*
	%	%	%	%	%
Savings in bank account/ cash savings	79	82	77	82	79
MPF/ ORSO	59	70	49	70	56
Relying on your children/ other family members	35	29	(40)	29	37
Old-age benefit - (SSA) Scheme	23	22	24	18	25
Selling your financial assets	21	23	19	(33)	17
Own life insurance policy	20	24	17	30	17
Income generated by your financial/ non-financial assets	11	13	8	15	9
Relying on a spouse/partner	11	1	(19)	13	10
Private pension plan	10	11	9	11	10
Comprehensive Social Security Assistance/ Disability Allowance	5	5	4	3	5
Selling your non-financial assets	3	3	3	5	2

Other sources (each 1% or less)
Don't know: less than 0.5%

Sample size:	*995*	*467*	*533*	*229*	*771*

Base: Individuals aged 18-79

The End