

For Immediate Release

Hong Kong Deposit Protection Board Survey Shows 7% Growth in Hongkongers Average Monthly Savings

Pre-retirees require HK\$5,240,000 to gain a sufficient “sense of security” for retirement

(HONG KONG, September 18, 2019) The Hong Kong Deposit Protection Board (HKDPB) announced today the findings of the second “Hongkongers’ Sense of Security on Savings” survey in its multi-year series. The survey conducted by the Hong Kong Public Opinion Research Institute (PORI, former Public Opinion Programme, the University of Hong Kong), shows that around 65% of Hongkongers have a habit of saving, and a larger number (78%) of those aged 18-59 have such a habit. The average monthly savings of Hongkongers is 7% higher than last year’s record, with the median reaching HK\$5,000.

Hongkongers scored an average rating of 56.1 marks for the “sense of security” on their own savings, which is largely consistent with last year’s 55.5 marks. The respondents perceive that they need to have HK\$780,000 in savings to acquire a sufficient “sense of security”. Among all age groups’ rating for “sense of security”, Hongkongers aged under 30 (18-29) rated the highest (57.9), whereas those aged above 70 gave the lowest rating (53.5). The two groups, respectively, think they need \$490,000 or HK\$600,000 in savings to gain a sufficient “sense of security”. The findings may imply that young people need a smaller amount of financial reserves due to less apprehension.

The survey also looked into the saving habits of pre-retirees aged 50-65 in Hong Kong to understand their savings for retirement. Pre-retirees think they need on average HK\$5,240,000 in retirement savings to gain a sufficient “sense of security”. The survey found that 72% of them have regular saving habits and save up to HK\$9,900 a month on average, which is 31.6% higher than the monthly saving amount of the general public.

Other highlights of the survey results:

- Hongkongers aged 50-59 save most per month (HK\$9,334), and males’ monthly saving increased by 10% (HK\$8,541) compared with the previous year’s findings (HK\$7,760).
- 86.1% of those aged 18-29 have saving habits, and almost half of them (49%) have a yearly saving target which is the highest proportion among all age groups.
- About one-third of regular savers save more than HK\$10,000 a month, and those aged 30-49 topped the list with a proportion up to 51%.
- More Hongkongers (67%) do not have a saving target in 2019, the percentage surged by 16% compared with last year’s findings.
- Deposit in banks (42%) is the most common method of savings for retirement by pre-retirees aged 50-65, followed by investments (32%), and over a quarter (25%) of pre-retirees save more than HK\$15,000 a month.

Findings from both years show that deposits with banks remain the most common form of savings, with a penetration of 75%, similar to the findings of last year (73%), followed by savings insurance (33%) and various types of investment (32%). The top reasons for Hongkongers save up are for meeting emergency needs (38%) and preparing for retirement (29%).

The aggregate amount of relevant bank deposits held with members of the Deposit Protection Scheme (i.e., licensed banks in Hong Kong) grew by 4% to HK\$2,290 billion during 2018, compared with HK\$2,197 billion in 2017, based on returns submitted by members. Under the Scheme, the maximum protection is HK\$500,000 per depositor per bank in the event of a bank failure. According to the members' statistics, about 90% of depositors are fully protected by the Scheme.

Professor Michael Hui King-man, Chairman of HKDPB concluded, "Even though the monthly saving amount has gone up this year, we see a decline in the percentage of regular savers compared with 2018 and an increasing number of Hongkongers reported that they do not have a specific saving target. It might reflect that, despite a high level of understanding on the importance of savings, many people may not have actual plans or actions to increase their savings and sense of security."

"We have an aging population in Hong Kong, more people need to start saving for their retirement and pre-retirees indeed perceive that they require a larger amount of savings to gain an adequate sense of security. However, there are still 30% of pre-retirees aged 50-65 who said that they do not have a habit of saving. With the importance of saving in mind, we hope to enhance public awareness of the sense of security that comes with sufficient savings and the statutory protection offered by the Deposit Protection Scheme through our community education and publicity efforts," Professor Hui added.

According to the survey, pre-retirees normally plan to retire between the age of 60 and 69 (67%). They point out that good health (78%), a stable residence (55%) and sufficient savings (54%) are the top three contributors to their sense of security for retirement.

From August 6 to 22 this year, PORI polled a total of 1,000 Hongkongers aged 18 or above across the city by telephone, and simultaneously, carried out a more in-depth survey with 308 pre-retirees aged 50-65.

-End-

Media Photos

Photo 1



Prof. Michael Hui King-man, MH, Chairman of the HKDPB (right) and Dr. Robert Chung Ting-yiu, President and CEO of PORI (left) announced the findings of the 2019 “Hongkongers’ Sense of Security on Savings” survey.

Photo 2



The HKDPB conducted the second in its multi-year series of “Hongkongers’ Sense of Security on Savings” survey, result shows that around 65% of Hongkongers have a habit of saving.

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)

For media enquiries, please contact:

Ogilvy Public Relations

Wing Law

Tel: 2884 8165

Email: wing.law@ogilvy.com

Tiffany Tam

Tel: 2884 8190

Email: tiffany.tam@ogilvy.com