

## For Immediate Release

### **Hong Kong Deposit Protection Board Survey Reveals Hongkongers Save HK\$7,000 a month**

*Full-time female home-makers need around HK\$500,000 in savings to gain “sense of security”*

(HONG KONG, October 24, 2018) Financially savvy Hongkongers who have a habit of saving put away an average of HK\$7,000 every month, while female home-makers in the city save around HK\$4,000 a month. Hongkongers aged 30-49 and males save the most, according to the latest survey of the Hong Kong Deposit Protection Board (HKDPB).

Currently, 70% of Hongkongers have a habit of saving money, and a comparatively smaller number of female home-makers (52%) in the city report to have the same habit. Over a quarter (26%) of those who have saving habits save more than HK\$10,000 per month. However, more than 50% of the general public sample and 60% of female home-makers sub-sample do not have a yearly savings target.

Full-time female home-makers in Hong Kong think they need around HK\$500,000 in savings to gain sufficient “sense of security” to get by for a year while average Hongkongers perceive requiring around HK\$725,000, according to the HKDPB survey.

The “Survey on Hongkongers’ Sense of Security on Savings”, commissioned by HKDPB and conducted by The University of Hong Kong (HKU POP), shows that the sense of security that the average Hongkongers currently have in their savings scored a mean rating of 55.5 marks whereas the female home-makers gave 54.5 marks. While this reflects a mediocre comfort level of Hongkongers with their savings, 21% of them expressed a high sense of security at or over 80 marks.

Below are the key highlights of the survey results:

- Hongkongers aged 30-49 (HK\$8,537) and males (HK\$7,760) save most per month
- Aged under 30 (aged 18-29) save (HK\$5,768), less than aged 30+ (HK\$7,355) per month
- Over a quarter (26%) of those who have savings save more than HK\$10,000 per month. Of this group, those aged 30-49 (51%) topped the list, followed by those above 50 (33%)
- Deposit (73%) in banks is the most common form of savings, followed by various forms of investments (63%) and cash at home (17%)
- More female home-makers (22%) are found to keep cash at home, compared to the general public sample (17%)

The survey shows that over half (51%) of the Hongkongers hold savings accounts in more than one bank, while most of the female home-makers (47%) have account with only one bank. Catering for different financial needs ranging from mortgages, savings to a remuneration account

(56%) is the most frequently cited reason for having accounts with more than one bank, followed by enjoyment of services and discounts of different banks (17%) and risk reduction (16%). Under the Deposit Protection Scheme (DPS), depositors will enjoy a maximum protection of HK\$500,000 per bank in the event of a bank failure.

The aggregate amount of relevant bank deposits held with the members of the DPS (i.e., licensed banks in Hong Kong) grew by 8% to HK\$2,197 billion during 2017, compared with HK\$2,026 billion in 2016, based on returns submitted by members. About 90% of depositors are fully protected by the DPS, according to its members' statistics.

Professor Michael Hui King-man, Chairman of HKDPB remarked, "With the interest rate hike cycle poised to accelerate, it is anticipated that savings will be in a growth trajectory. In light of the growing amount of savings and the saving habits of Hongkongers as noted in the survey report, it is important that Hongkongers are aware of means to enhance protection of their hard-earned savings, though Hong Kong has a robust financial infrastructure in place.

"Female home-makers are found to not have sufficient knowledge of ways to protect their savings, with 22% of full-time female home-makers who save reporting that they keep cash at home. We will continue to implement a variety of educational initiatives via different channels to better equip female home-makers, especially at the grassroots level," continued Professor Hui.

Nearly one-third of female home-makers sub-sample has "pin money" and on average they save HK\$3,500 "pin money" a month. Close to 80% (78%) of the female home-makers sub-sample who have "pin money" said that their family members are aware of their possessions of such savings.

Reserve for emergency needs (37%), preparing for retirement (25%) and enhancing future living standard (12%) are the top three reasons for making people saved up while inability to make ends meet (39%) and no income (32%) are the two major reasons why some Hongkongers do not save, said the survey.

From August 10 to 15 this year, HKU POP polled a total of 1,015 Hongkongers aged 18 or above across the city by telephone, and there were another 221 successful interviews with eligible full-time female home-makers.

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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](http://www.dps.org.hk))

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