

17 March 2023

HSBC FINFIT STUDY: FINANCIAL DISCIPLINE IS KEY TO BECOME DOWNTURN WINNERS

*59% Of Respondents Gained At Least 2% In Liquid Assets Last Year
86% Of These Downturn Winners Are Rated Financially Moderately Fit Or Above¹*

A recent study by HSBC finds that Hong Kong people struggled to maintain healthy money habits amid the pandemic in 2022, resulting in a slight drop in financial fitness. Yet, 59 per cent of the surveyed respondents achieved at least 2 per cent return from their liquid assets, against local inflation rate of 1.9 per cent² and a 15.5 per cent fall in Hang Seng Index last year³. Among these downturn winners, 86 per cent are classified moderately fit or above, indicating a potential correlation between their financial fitness and wealth return.

In HSBC's fourth FinFit study, Hong Kong people scored 64 out of 100 in 2022, down from 65 last year and on a downward trajectory since the inception of the study in 2020 when their score reached 67.

The pandemic continued to take a toll on people's living, while undermining their ability to sustain healthy investment and saving habits. Only 54 per cent of respondents have investments, such as stock, fund and bond, down 25 percentage points from a year earlier. The proportion of respondents with a saving habit also dropped to 57 per cent from 61 per cent previously.

Fewer Hong Kong people, especially those with a FinFit score of under 50, practiced mindful spending. Only 37 per cent of these respondents monitored their monthly expenses, down 9 percentage points from a year earlier. Less attention was also paid on their financial future last year, where only 64 per cent of all the surveyed respondents did review their financial plan and 48 per cent put in place their retirement plan, down 5 percentage points and 6 percentage points from previously.

Maggie Ng, Head of Wealth and Personal Banking, HSBC, Hong Kong, said: "No one is safe from market uncertainties, but those with good financial habits and well diversified portfolios weather through downturns much better. It is never difficult to develop financial discipline. By starting with a budget, setting your money goals and saving for the unexpected, anyone can remain resilient even in unfavorable situations."

Based on the survey, financial discipline may have a bearing on investment return. Accordingly, those with a FinFit score of 80 or above tend to display the following characteristics against their weaker counterparts:

- More active in diversified investment (including exposure to alternative assets), with an average holding of 4.7 types of investment and insurance products, comparing to 1.6 types among those with a score below 50
- 76 per cent would seek financial guidance from the professionals vs only 20 per cent for the unfit, and are less reliant on social circles, such as family or friends (35 per cent vs 70 per cent for those scored below 50)
- 98 per cent of them monitored their spending regularly, comparing to 37 per cent for those scored below 50
- 88 per cent have stayed within the budget, vs 26 per cent for counterparts with a score below 50

Brian Hui, Head of Customer Proposition and Marketing, Wealth and Personal Banking, Hong Kong, HSBC, said: “Building financial fitness is a long-term voyage and HSBC is also taking a long-term approach to drive financial literacy and draw public attention to the importance of financial discipline. Whether it be the FinFit study, professional advice from our relationship managers and wealth coaches, or mobile banking based personal financial management tool ‘Budget’ and ‘Future Planner’, we continue to combine technology innovation, professional advisory, and financial education resources to support customers through their journey towards financial fitness.”

To further raise the awareness of financial fitness, HSBC is launching a FinFit Month featuring a series of financial literacy activities:

- Mobile roadshow vehicle running across the city to promote FinFit tips and giveaway of FinFit themed “Two-dish-rice” coupons starting from 29 March
- Branch tours and workshops on everyday banking and money management for students with special education needs
- Financial management workshop for social workers, who will be empowered with knowledge and other miscellaneous support to help the underprivileged build financial resilience
- Mini FinFit game on social media platform with lucky draw prizes
- Preferential offers for customers taking their first step to improve financial fitness through dedicated financial planning errands (more details to follow soon)

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About HSBC FinFit study:

The study was conducted in Jan 2023 to measure the financial fitness of Hong Kong banking population, it covered a sample of 1,511 respondents aged between 18 and 64 years which is representative of the population of Hong Kong in terms of age and gender based on census data. The FinFit index adopts an algorithmic approach by combining external survey responses with internal customer data in a financial behaviour study.

For details: <https://www.hsbc.com.hk/finfitstudy>

<p>Photo caption</p> 	<p>HSBC today announced the fourth HSBC FinFit Study, which highlights financial discipline is key to better prepared for a market downturn.</p> <p>Ng Wai Kuen, owner and chef of Kuen Fat Restaurant (second left), film director Vincent Kok (middle), were invited to share their wealth management experience. In the picture: Maggie Ng, Head of Wealth and Personal Banking, HSBC, HK (second right), Brian Hui, Head of Customer Propositions and Marketing, Wealth and Personal Banking, HSBC, HK, (right), Cheuk Shum, Head of Marketing, Wealth and Personal Banking, HSBC, HK (left).</p>
	<p>Starting from 29 March, HSBC will arrange mobile roadshow vehicles running across the city to promote FinFit tips and giveaway of FinFit themed “Two-dish-rice” coupons</p>

Note to editors:

1. Based on their FinFit score, respondents are categorised as unfit (below 50), moderately fit (from 50 to 79), and very fit (80 or above).

2. Source: Consumer Price Indices for December 2022 -
<https://www.info.gov.hk/gia/general/202301/20/P2023012000342.htm>

3. Source: Hang Seng Indexes - 2022 Year-End Report
https://www.hsi.com.hk/static/uploads/contents/en/dl_centre/other_materials/20221230e.pdf

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