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**HSBC SURVEY: HONG KONG'S AFFLUENT BECOME MILLIONAIRES AT 33 YEARS OLD ON AVERAGE**

*\*Expect to build HKD10 million in liquid assets by the average age of 62, 6 per cent respondents already hit the HKD10 million mark at 45 on average\**

*\*Fewer people see property investment as an elixir to wealth preservation\**

*\*54 per cent of the surveyed parents include grandchildren in legacy planning\**

Reaching liquid assets of HKD1 million, aka “the first pot of gold”, is a common financial goal for many Hongkongers. On average, the city’s affluent become millionaires at the age of 33, and they are confident about reaching the next milestone of HKD10 million by 62, the latest HSBC Premier 2023 Affluent Survey finds.

According to the survey, most respondents (61 per cent) count on savings from salary to accumulate their first HKD1 million, rather than other income sources such as profit from investments. When it comes to achieving their liquid asset ambition of HKD10 million, just one-third rely mainly on savings. Instead, more people achieved their goal through profit from trading investment products (21 per cent) and fixed assets (14 per cent).

Nearly 60 per cent of respondents suggested that a sluggish macroeconomic and investment environment is the predominant challenge they face when trying to reach the milestone of HKD10 million. Other major impediments include wrong investment decisions, unexpected expenses and career/salary bottlenecks.

The HKD10 million milestone is not out-of-the-way when 1 out of 17 respondents have already reached this status at the average age of 45. Unravelling their portfolio composition, it shows that these respondents have adopted a more aggressive investment approach, with 70 per cent of their cash in financial assets. In comparison, their counterparts with liquid asset of less than HKD10 million have kept over 40 per cent of their cash in risk-free deposits.

**Sami Abouzahr, Head of Investments and Wealth Solutions, Wealth and Personal Banking, Hong Kong, HSBC**, said: “The first local currency million is an important milestone that many in Hong Kong feel comfortable achieving. Building net worth that caters for greater life ambitions is a bigger challenge. There are no proven formulas for building wealth but our experience with clients shows the tried and tested way is through early planning, regular saving, disciplined investing and diversification. These core principles

continue to guide us as we develop solutions for clients across the wealth continuum.”

Recent weakness in the real estate market has brought about skepticism on using property to preserve wealth. Only half of the respondents endorse the wealth protection power of property, down 23 percentage points from last year’s survey. Meanwhile, as much as 57 per cent of respondents expect a correction in the city’s home prices in the next 12 months. Three quarters also foresee no improvement or even deterioration in the local economy for next year.

The doom-and-gloom outlook has not completely undermined the perception that property is an indispensable tool for wealth building and legacy planning. Up to 44 per cent of surveyed parents will financially support their children in home purchasing, with a plan to subsidise HKD1.93 million on average. Four in ten of these parents will help their children to buy a property when they get married, while a quarter intend to do so on or before their children turn 18.

Additionally, property is just behind cash as the most popular asset for wealth transfer to spouses, children and grandchildren. On average, surveyed parents intend to leave behind 1.3 properties for each of their children.

According to the survey, legacy planning does not only cover immediate children but also future generations. Up to 54 per cent of respondents consider grandchildren as one of the puzzle pieces in wealth succession. Although most respondents value legacy planning, only 25 per cent have already started working on their plans.

**Brian Hui, Head of Customer Proposition and Marketing, Wealth and Personal Banking, HSBC, Hong Kong,** said: “At HSBC, we listen to what matters most to our customers. The survey findings reveal that affluent individuals are focusing more on the needs of their family members and succession planning as part of their overall wealth journey. It becomes important for us to put forward more family-based services and solutions to cover areas, such as health protection, international education, and cross-generation wealth transfer.”

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**Note to editors:**

**About the HSBC Premier 2023 Affluent Survey**

The HSBC Premier Affluent Survey is an annual survey aims to understand the financial needs and aspirations of the affluent class in Hong Kong. An online and offline survey was conducted between 1 and 10 September 2023 covered a sample of 1,098 respondents aged between 24 and 64 years with liquid asset of HKD1 million or above.

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