

The key findings are as following:

- Young people of the post-85s generation are not actually living paycheck-to-paycheck; their monthly consumption expenditures take up 50% of monthly income; and savings/financial investment account for up to 45% of monthly income.
- In fact, they plan consumption well. Over sixty percent of young people of the post-85s generation make spending plans or have the habit of bookkeeping.
- They favor overdrawn consumption. The main purpose for using credit cards is for online shopping; over forty percent said they would occasionally/often max out their cards.
- Young people of the post-85 generation are savers. Nearly eighty percent said they have the habit of allocating monthly regular savings. With regard to the motive for saving, it seems they are better at planning ahead than we might imagine.
- They have a strong working knowledge of the concepts of financial management. Those with higher family income have greater awareness.
- Over sixty percent of them have financial investments at present and improving quality of life is the most popular motive for financial investment. Lack of funds is the main reason for not making financial investments.
- When selecting among different financial products, young people of the post-85 generation pay more attention to security risks than return. They also value the investment threshold and ease of operation and tend to prefer sound investment strategies. Nearly seventy percent can accept a maximum investment horizon of one year or less.
- Internet "Bao" class financial products are preferred by young people of the post-85 generation mainly for the ease of operation and low threshold; Meanwhile, they also favor bank financing and funds.
- Young people of the post-85 generation who are adept with using mobile Internet consider mobile phone financial management as an important way of managing money.
- When making decisions about financial investments, young people of the post-85 generation will refer to information from multiple sources. Recommendations from financial investment advisers, website information, financial newspapers/magazines, and recommendations from others are important sources of information.

Survey on Consumption View and Financial Management of the Young Generation

Ipsos

As the average age of consumer groups gets younger, the post-80s generation has long been the largest component. In particular, consumers born post-1985 generation have become a new force in fashion consumption. The younger generation is becoming increasingly influential in both social and business environments. As "Moonlight Group" in most people's eyes, are post-85 generation really spending all their money every month? What is their particular consumption habit? And do they have their own smart money plan?

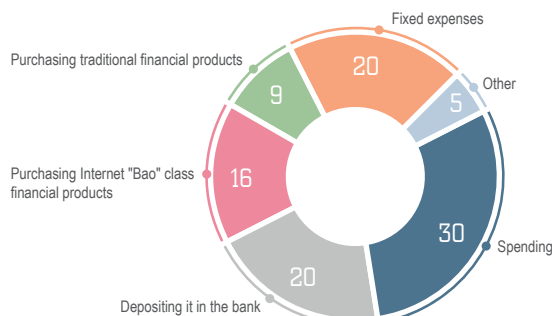
Recently, Ipsos conducted a survey among young consumers of the post-85 generation and thoroughly analyzed their consumer behavior and trends.



How do young people of the post-85 generation distribute their incomes?

Young people of the post-85 generation are not living paycheck-to-paycheck as many people think and they are better at planning in income distribution than many realize. On the whole, as shown in the survey, daily consumption expenditures account for 30% of monthly income and fixed expenses account for 20%, together making up 50% of monthly income distribution. Allocations to bank savings account for 20%, 16% is used for the purchase of Internet "Bao" class financial products, and 9% goes to the purchase of traditional financial products, with savings and financial investments together making up a 45% of monthly income.

How monthly cash income (income at hands) is distributed?



Base=all respondents

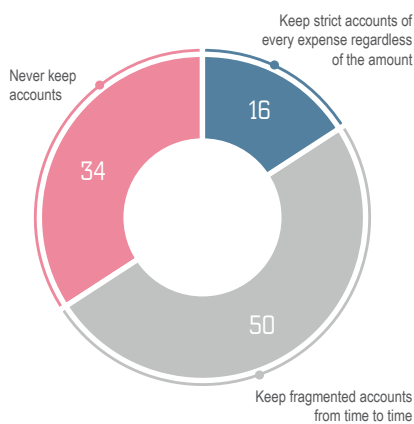
Source: Ipsos

Actually, young people of the post-85 generation plan consumption quite well!

Making spending plans and bookkeeping is the first step towards rational consumption and financial management. The survey shows that over sixty percent (61%) of the respondents said they usually make consumption plans. Of that, 9% claimed that they develop spending plans and stick to them, 42% said they would occasionally overspend, and 10% said they often overspend.

The survey also showed that 66% of the respondents said they have the habit of bookkeeping. Among them, 16% said they would keep strict records of every expense regardless of the amount and 50% said they would keep fragmented accounts from time to time.

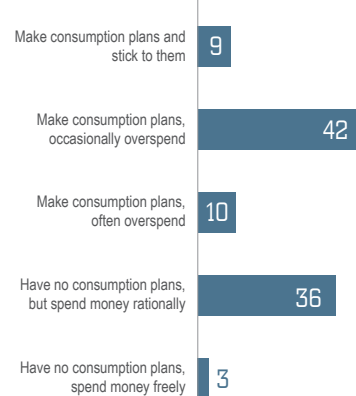
Do you usually keep accounts?



Base=all respondents

Source: Ipsos

Would you make consumption plans?



Base=all respondents

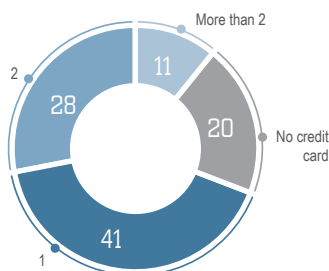
Source: Ipsos

Young people of the post-85 generation favor overdrawn consumption

Young consumers of the post-85 generation are in favor of overdrawn consumption. The survey shows that eighty percent of the respondents have credit cards, and nearly forty percent (39%) have two or more credit cards. The survey also shows that nearly half of the respondents (48%) spend more than RMB 2,000 with their credit cards, on average, every month.

The main purpose for young people of the post-85 generation to use credit cards is for online shopping, followed by convenience to carry instead of cash for daily consumption (49%), and emergency use (40%).

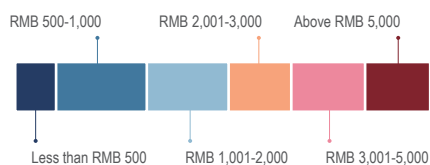
Number of credit cards held



Base=all respondents

Source: Ipsos

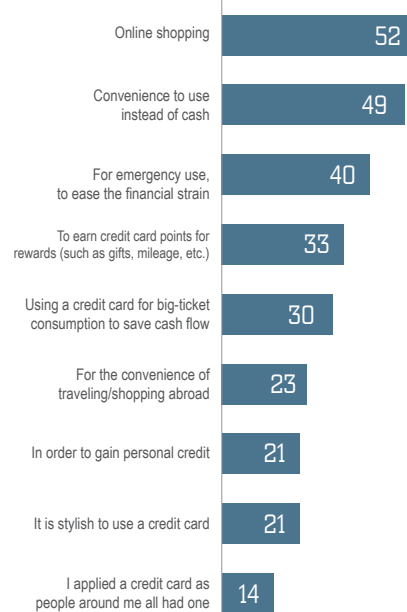
Average monthly credit card consumption amount



Base=respondents with credit cards

Source: Ipsos

Reasons of using credit cards



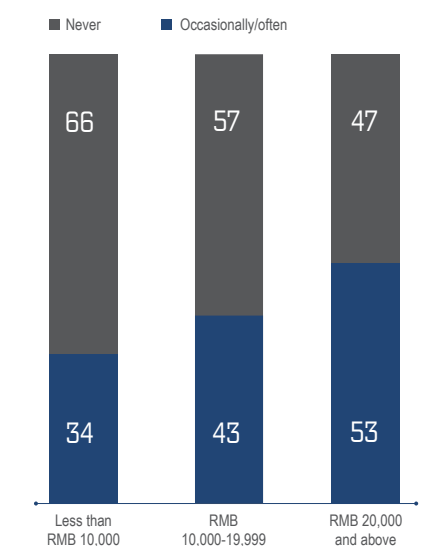
Base=respondents with credit cards

Source: Ipsos



Would you max out a credit card?

(by different monthly family income)



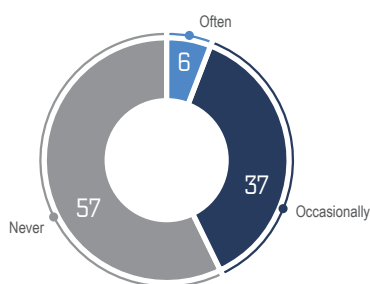
Base=respondents with credit cards

Source: Ipsos

Do young people of the post-85s generation often max out their cards?

According to the Ipsos survey, over forty percent (43%) of the respondents said they would occasionally/often max out their credit cards. As for credit card payments, seventy percent of young people of the post-85 generation said they prefer full repayment.

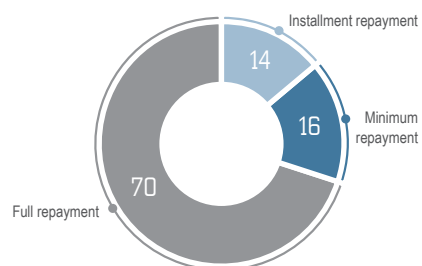
Would you max out a credit card?



Base=respondents with credit cards

Source: Ipsos

Mode of repayment commonly used



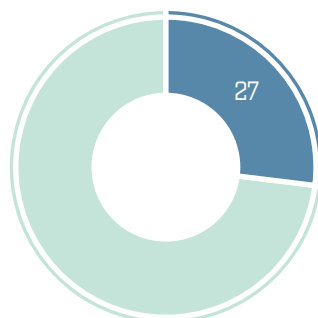
Base=respondents with credit cards

Source: Ipsos

What do young people of the post-85 generation think of saving money?

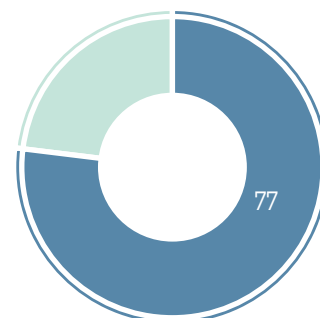
The Ipsos survey shows that the majority of young people of the post-85 generation appreciate the importance of savings. The survey shows that only 27% believe that they do not have to save much because when money is spent, they can get it back, while 77% of the respondents believe that they must set aside a certain amount of money "for a rainy day".

Proportion of respondents who somewhat agree/ completely agree with the view that "we do not have to save much because when money is spent, we can get it back"



Base=all respondents

Proportion of respondents who somewhat agree/ completely agree with the view that "we must set aside a certain amount of money for a rainy day"

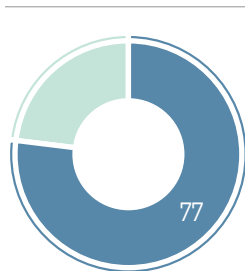


Source: Ipsos

77% of the respondents claimed that they have the habit of allocating regular monthly savings.

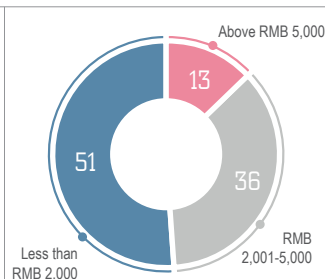
With regard to the motive for savings, it seems young people of the post-85 generation are better at planning ahead than we may think. 60% of respondents said they save money for a rainy day and 52% said they save money for the future. It is also worth mentioning that nearly forty percent (39%) said they save money for financial investment, and 31% said they accumulate funds to possibly start a business in the future.

Having the habit of allocating regular monthly savings



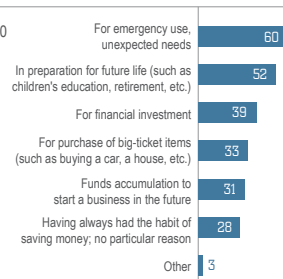
Base=all respondents

Amount of regular savings every month



Base=respondents with the habit of monthly regular savings

Reasons for regular savings



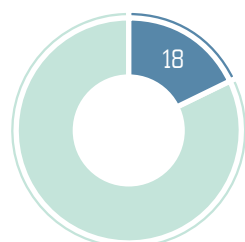
Source: Ipsos

Young people of the post-85 generation have a strong sense of investment and financial management

How would young people of the post-85 generation spend a small windfall (RMB 10,000)? The survey shows that only 20% of the respondents would spend it, 18% would save it, while over sixty percent (62%) would use it for financial investment. Interestingly, the higher the monthly family income, the greater the inclination for financial management.

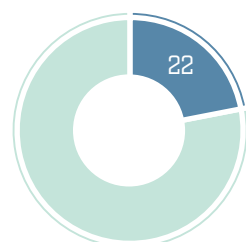
As for financial products, young people of the post-85 generation are most familiar with Internet "Bao" class financial products, and also have some knowledge of bank financial products, insurance, and funds.

Proportion of respondents who somewhat agree/completely agree with the view that "money is earned out; it makes little sense to manage money"

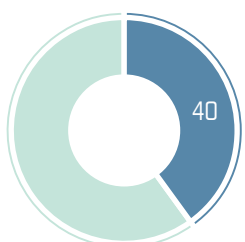


Base=all respondents

Proportion of respondents who somewhat agree/completely agree with the view that "financial management is the business of the rich"

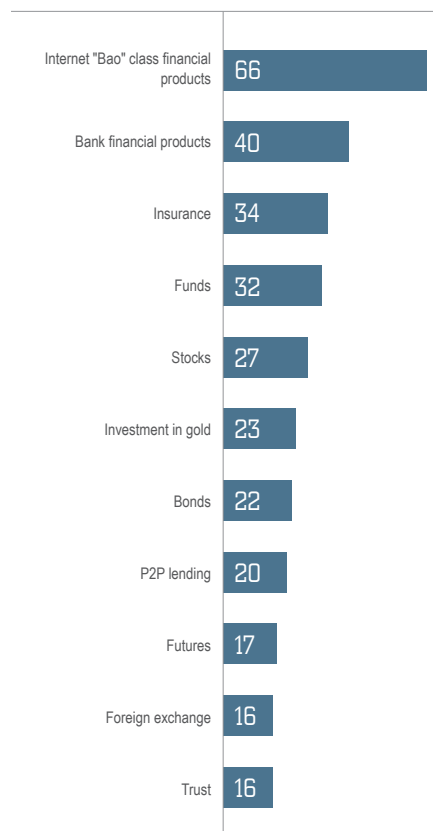


Proportion of respondents who somewhat agree/completely agree with the view that "the objective of financial management is to achieve wealth appreciation in a short time"



Source: Ipsos

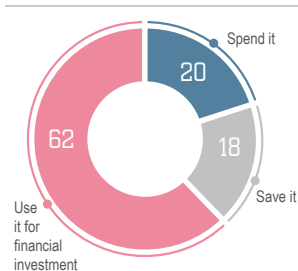
How well do you know various financial products? (Know reasonably well and know a lot)



Base=all respondents

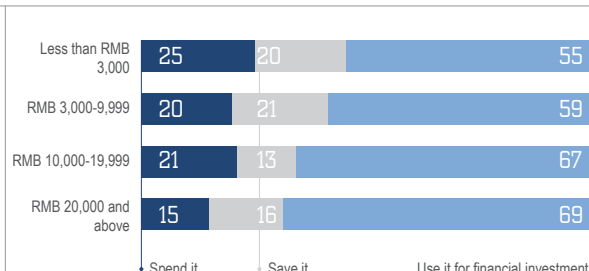
Source: Ipsos

If you got a small and unexpected windfall, how would you allocate it?



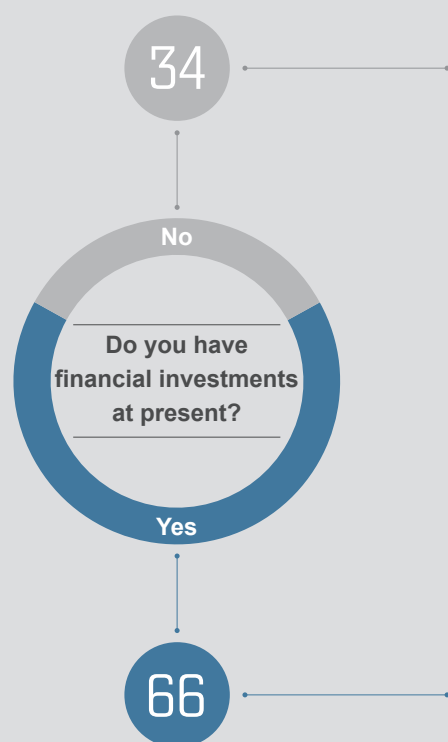
Base=all respondents

If you got a small and unexpected windfall, how would you allocate it? (by different monthly family income)



Source: Ipsos





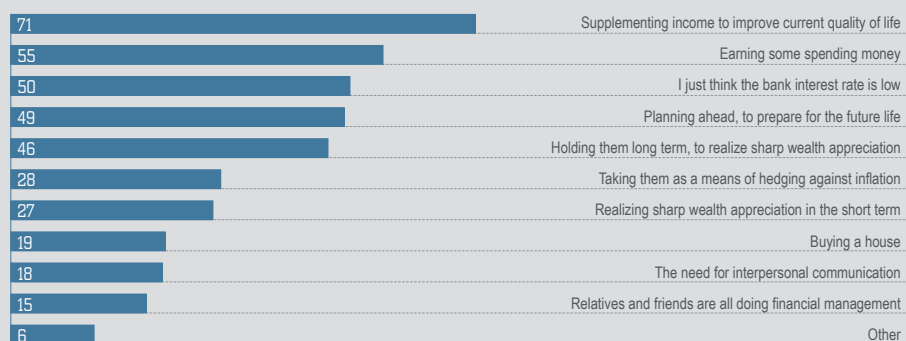
Why not making financial investments?



Base =respondents having no financial investments

Source: Ipsos

Why making financial investments



Base =respondents with financial investments

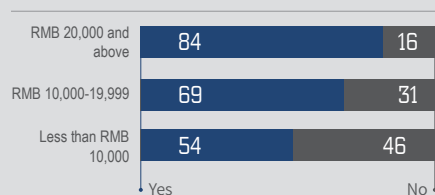
Source: Ipsos

Over sixty percent of the respondents (63%) have financial investments at present. Supplementing income to improve current quality of life (46%) is the main reason for making financial investments; and lack of funds is the main reason for not making financial investments.

In comparing respondents according to level of family income, those with higher family income would have greater proportions of financial management in their income distribution. 84% of the respondents with monthly family income above RMB 20,000 are engaged in financial management at present. That percentage is higher than that of respondents with lower monthly family income (69% for respondents with monthly family income of RMB 10,000-19,999, and 54% for less than RMB 10,000).

In examining the motives for financial management, low-income groups choose financial management more to improve their current living standards and earn pocket money while high-income groups pay more attention to future security and long-term investment returns.

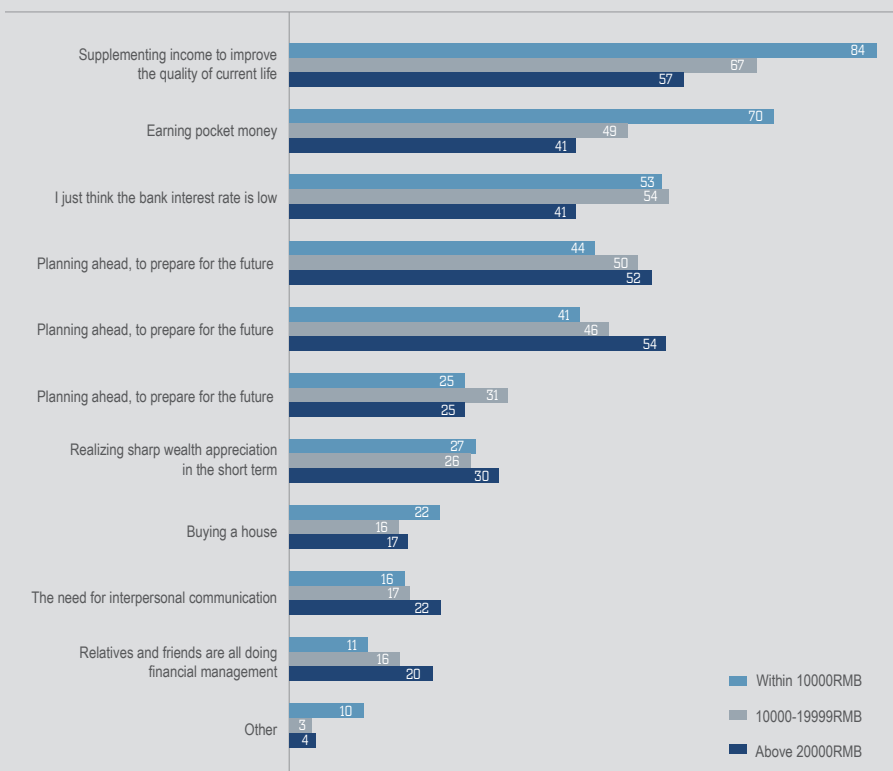
Do you have financial investments at present? (by different ages)



Base=all respondents

Source: Ipsos

Why making financial investments (by different ages)



Base=respondents having financial investments

Source: Ipsos

Contrary to the conventional wisdom that young people are more adventurous, the post-85 generation attach more importance to the security of funds than prospective earnings when selecting different financial products. The survey shows that funds security risk (66%) is the primary concern of young people of the post-85 generation when selecting different financial products, which makes up a higher proportion than the prospective earnings (59%).

In addition, the investment threshold (50%), ease of operation (47%), financial liquidity (45%) and investment horizon (42%) are also important factors that young people of the post-85 generation would consider. Therefore, financial products with high security, low threshold, easy operation, and strong liquidity are more likely to be favored by young people of the post-85 generation.

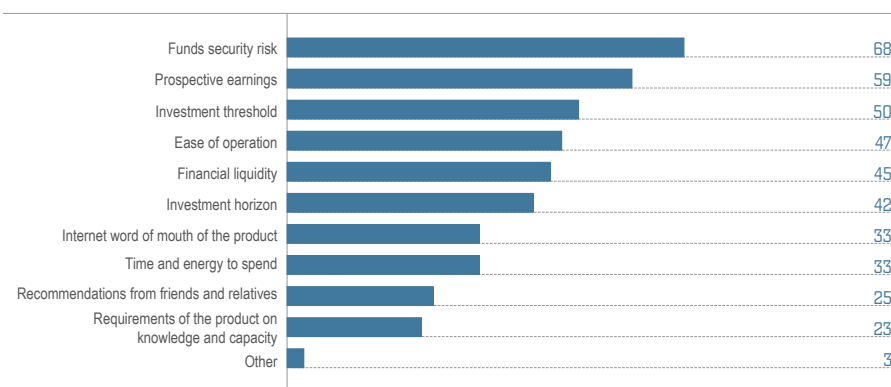
The factors valued by respondents with different family income when selecting financial products have significant differences. Compared with respondents with low family income, respondents with higher family income pay more attention to funds security risk, investment horizon, and recommendations from acquaintances.

Respondents with low family income pay more attention to the prospective earnings and investment threshold.

Nearly seventy percent (68%) of respondents can accept a maximum investment horizon of less than 1 year and nearly twenty percent can accept a maximum investment horizon of three months.

Compared with young people of the post-85 generation, respondents of the post-90 generation aged 18-24 prefer short-term investment strategies. A quarter of respondents of the post-90 generation can accept a maximum investment horizon of three months, which is higher than the proportion of those of the post-85 generation (15%). Nearly eighty percent of respondents of the post-90 generation can accept a maximum investment horizon of 1 year, while the proportion of those of the post-85 generation is 63%.

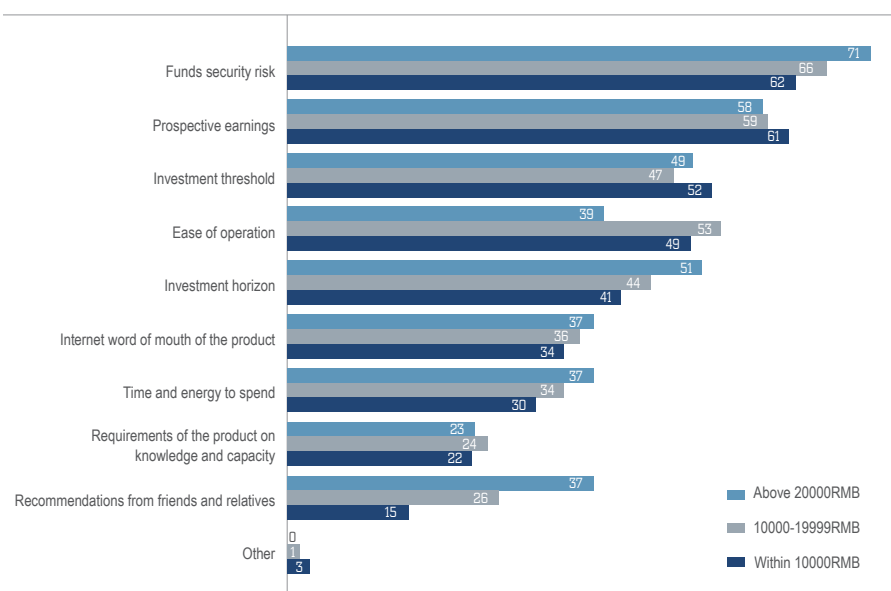
Considerations for selecting different financial products



Base=respondents having financial investments

Source: Ipsos

Considerations for selecting different financial products (by different monthly family income)

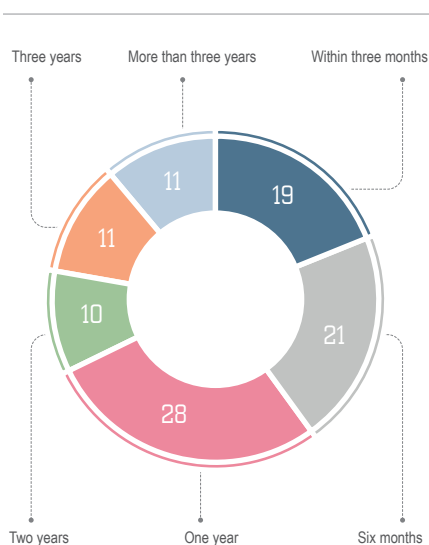


Base=respondents having financial investments

Source: Ipsos



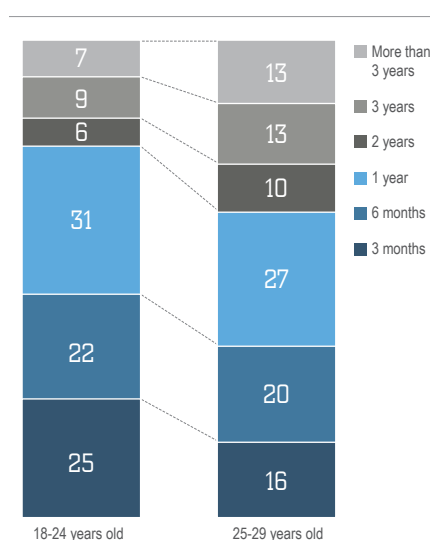
Acceptable maximum investment horizon



Base=respondents having financial investments

Source: Ipsos

Acceptable maximum investment horizon (by different ages)



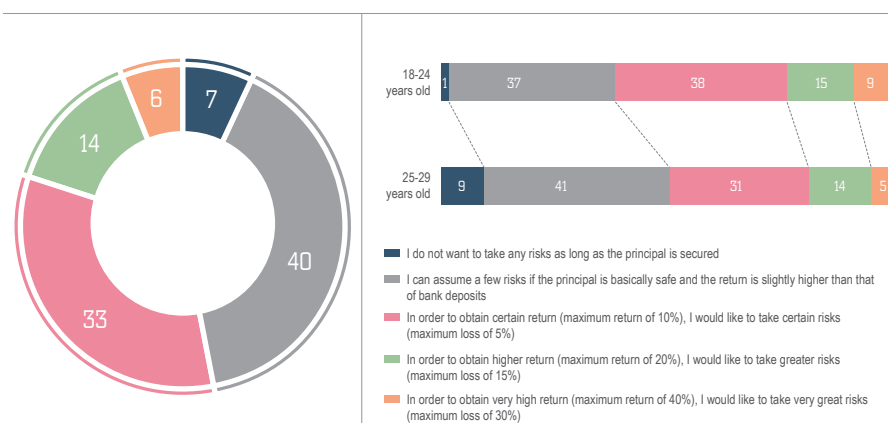
Base=respondents having financial investments

Source: Ipsos

On the whole, younger age groups are more inclined to adopt prudent investment strategies, with nearly seventy percent (68%) saying they can accept a maximum investment horizon of less than 1 year.

However, compared with those of the post-85 generation, respondents of the post-90 generation are more likely to try financial products with certain risks. 62% of respondents of the post-90 generation would like to try products with certain risks/high risks, which is higher than the proportion of those of the post-85 generation (50%);

More inclined to which kind of investment strategies



Base=respondents having financial investments

Source: Ipsos

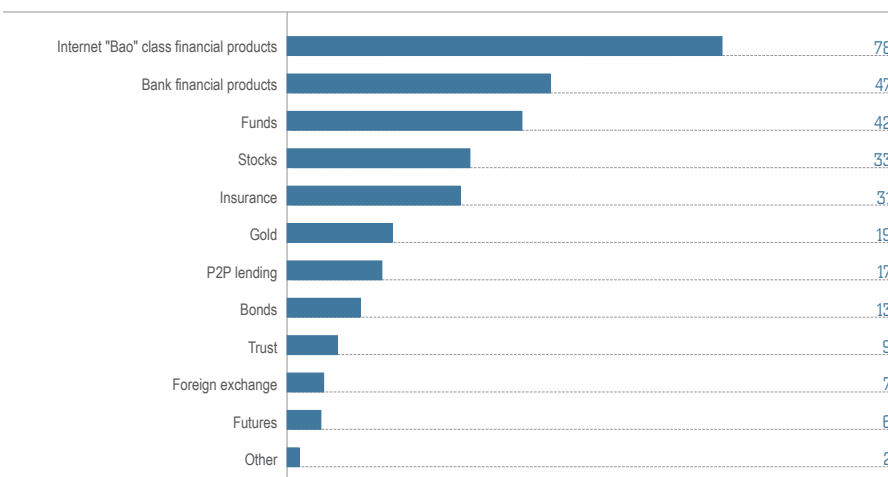
Internet "Bao" class financial products are most favored by young people of the post-85s generation

For the selection of financial products, Internet "Bao" class financial products are most favored by young people of the post-85 generation. Among the respondents with financial investments (63%), 68% have purchased Internet "Bao" class financial products. Also, young people of the post-85 generation also tend to favor bank financial products (45%) and funds (40%).

In the selection of financial products, respondents of different family income are significantly different. For respondents with monthly family income less than RMB 10,000, Internet "Bao" class financial products are most popular choice at 78%, which is significantly higher than other product categories. Their investment options are relatively simple.

For respondents with higher family income, the proportions of those who choose traditional financial products such as bank financial products, funds, and stocks are higher. Their investments are diversified. For respondents with monthly family income above RMB 20,000, Internet "Bao" class financial products, bank financial products, stocks, and funds are all the most common selections.

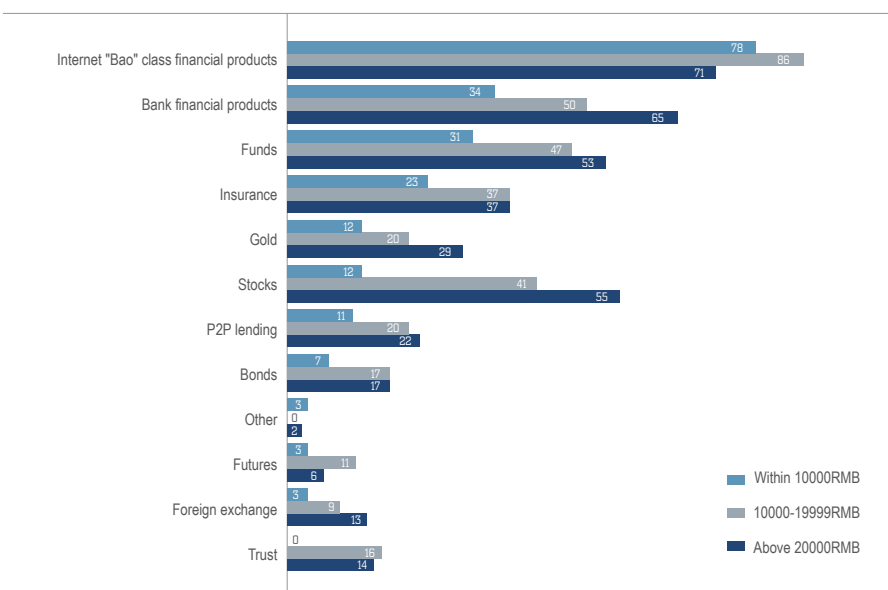
Type of financial investment that you are doing for the moment



Base=respondents having financial investments

Source: Ipsos

Type of financial investment that you are doing for the moment (by different monthly family income)



Base=respondents having financial investments

Source: Ipsos

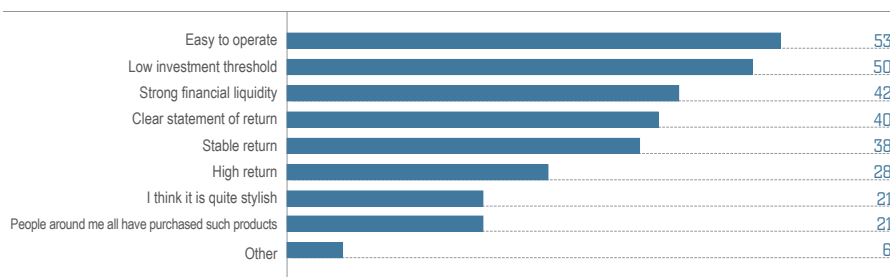


Young people of the post-85 generation favor Internet "Bao" class financial products for their ease of operation and low investment threshold; return is not the main reason for their choice.

According to the Ipsos survey, over half of the respondents of the post-85 generation (52%) have purchased Internet "Bao" class financial products. Ease of operation (53%) and low investment threshold (50%) are the main reasons for the, to purchase Internet "Bao" class financial products. In addition, strong financial liquidity (42%), clear statement of return (40%), and stable return (38%) are also important reasons for purchasing these products. For respondents who have not purchased Internet "Bao" class financial products, lack of knowledge of the products (38%) and concerns about network security (35%) are the main barriers to purchase.

In selecting different Internet "Bao" class financial products, network security is the factor that the respondents value the most (59%), followed by stability of return (51%), and financial liquidity (50%).

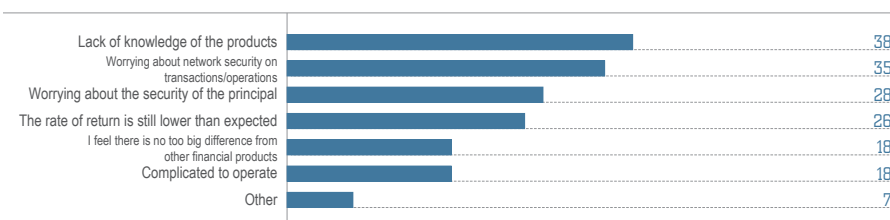
Reasons for purchasing Internet "Bao" class financial products



Base=respondents having purchased Internet "Bao" class financial products

Source: Ipsos

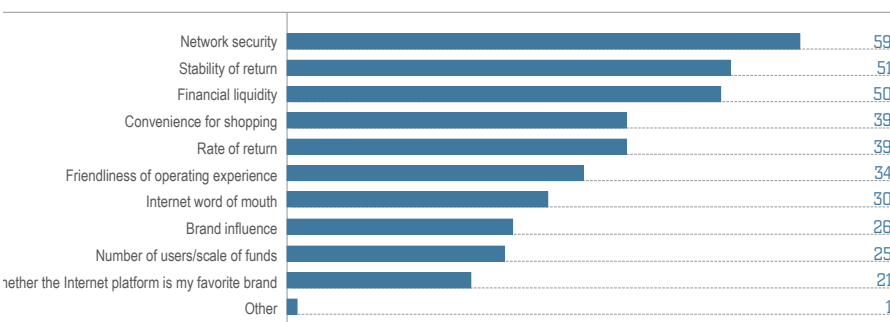
Reasons for not purchasing Internet "Bao" class financial products



Base=respondents having not purchased Internet "Bao" class financial products

Source: Ipsos

Considerations for selecting different Internet "Bao" class financial products



Base=respondents having purchased Internet "Bao" class financial products

Source: Ipsos