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The Hong Kong Affluent Gap widens further

Top 30% of population greatly increases investments in housing and stocks, creating massive gap with general population in Hong Kong. And many now stop mentioning their offshore accounts in this new Ipsos survey.

Hong Kong – As new Hong Kong government figures report that a record number of Hong Kong residents live in poverty, with one fifth of the population falling below the poverty line despite economic growth in the Hong Kong, according to Affluent Asia, Market Research firm Ipsos’s survey of the top 30% households in Hong Kong, the gap between the general population and its affluent segment keeps widening. Whether it is for property, financial investments or ownership of technology goods, the affluent population’s assets in the Hong Kong far outweigh that of the general population.

With housing a major issue in Hong Kong, 40% of the general population believe that “residential properties are just not affordable nowadays”, and barely a third (35%) declare currently owning a property.

By contrast, 54% of the Affluent population in Hong Kong – defined as the top 30% of the population in household revenue - declare owning at least one property, up from 49.6% in 2016. Besides, 51% say they own the property they currently live in, and 13% declare having other properties they own or are investing in.

The gap in terms of financial investments between the affluent group and the general population is becoming a massive one: while the average person in Hong Kong declares having invested HK\$ 94,564 over the past year (excluding insurance and MPF), within the Affluent group, the average amount stood at HK\$ 1,636,331 – 17 times the general population’s average and up 13% year on year.

This vast gap in investments is mirrored in the consumption gap between both groups:

Car ownership seems restricted to the richest part of the population in Hong Kong; 40% of Affluent declaring owning a car, against only 16% of the general population.

Their means to spend is further increased by their access to credit; 96% declare owning a credit card (up from 90% in 2016), while 22% of the general population still don't have one. 69% of the affluent group even own a platinum credit card (or above), up from 56% only last year.

The gap in consumption also spreads to everyday items, such as phones and TV sets: While 96% of the affluent own a smartphone (close to saturation yet up from 95% last year), ownership within the general population stands at 83%, a high number in itself, yet still quite off that of the affluent group. Similarly, 63% of the affluent own a tablet (up from 60% last year) against 45% of the general population. Meanwhile 40% own a smart TV (up from 37% last year) against 34% for the general population.

Massive increase in stock market investments

The Affluent group's investment portfolio is a very diverse one. While life insurance remains the #1 investment item (owned by 74% of affluent, up from 69% last year), investment in stocks, securities & bonds has surged to second position at 71%, up from 57% last year. By contrast, they favour managed funds much less, with only 17% having declared investing in unit trust funds and mutual funds, (19% last year).

As mentioned above, 51% have also invested in property they live in (47% in 2016), and 13% in additional properties (stable year on year). 35% also declare investing in foreign currencies (up from 29% last year) and 39% declare adhering to a private pension scheme.

Finally, the proportion of those declaring having offshore accounts for investment purposes has halved, from 10% to 5%. A sign that, as offshore investment leaks continue to make the global headlines, and a tightening of regulations for Hong Kong banks, the affluent are either renouncing to this practice, or being a lot quieter about it.

About Ipsos Affluent Asia

Ipsos Affluent Asia is an industry survey for reaching the region's affluent consumers. It provides a comprehensive overview of media consumption and product usage for this elusive and important group, which accounts for the top 20% by income of the APAC population.

Since its creation in 1997 Affluent Asia leads as the region's most comprehensive survey of the upscale affluent market covering 11 markets across the region, and is trusted by the most influential media owners & agencies in Asia Pacific.

When the study was first launched in 1997, it covered just 7 cities around the region. 20 years on Affluent Asia Study covers 11 markets representing a population of over 20 millions people aged 25-64.

About Ipsos

Founded in France in 1975, Ipsos is the only independent market research company that is controlled and managed by research professionals. In October 2011 Ipsos completed the acquisition of Synovate. The combination forms the world's third largest market research company.

With offices in 87 countries, Ipsos has the resources to conduct research wherever in the world our clients do business.

Working both on a global scale and in local markets, our expert teams give our clients the benefit of high value-added business solutions including qualitative, forecasting, modeling, market knowledge and consumer insights.

Ipsos professionals deliver insightful expertise across six research specializations: advertising, customer loyalty, marketing, media, public affairs research, and survey management.

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