News Release

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Asia's affluent prioritise financial security, protection needs amid rising costs and health-related concerns: HSBC Quality of Life survey

- *4 in 10 in Asia are off-track for retirement goals*
- *8 in 10 worldwide say legacy planning is essential, but only 3 in 10 in Asia have created a will or succession plan*
- *HSBC Quality of Life Index: Hong Kong and Singapore bounce back with biggest gains in 2024 amidst global decline in financial fitness; India, Indonesia top Index*

HSBC's latest Quality of Life survey shows Asia's affluent are prioritising their financial security and protection needs amid concerns about living costs and health-related factors.

The study of over 11,000 affluent individuals in 11 markets worldwide reveals global worry that the increasing cost of living (expressed by 68% of respondents) and the impact of inflation on savings (61%) could impact life plans. But respondents in Asia are also focused on health-related risks, including rising healthcare costs (54%) and the impact of physical (60%) and mental (44%) health issues.[1]

These concerns are reflected in the financial priorities of Asia's affluent. Consistent with their non-Asia peers, Asia respondents ranked 'gaining wealth for financial security' (46%) and 'planning for retirement' (43%) as their top two financial goals, closely followed by 'having sufficient insurance coverage' (41%).

However, the survey also reveals gaps in planning:

Healthcare protection

- 38 per cent of affluent globally say having sufficient insurance coverage is a top financial goal – up from 31 per cent in 2023 – but 23 per cent still do not have adequate healthcare protection. In Hong Kong, the figure climbs to 29 per cent versus 9 per cent in Indonesia.
- In Asia, one in four Gen Xers lack adequate health coverage, compared to one in five Gen Z and Millennials.

Retirement planning

- 42 per cent of affluent individuals in Asia do not feel prepared for retirement, with those in Hong Kong (47%), mainland China (55%) and Taiwan (51%) feeling less prepared than those in other markets.

- Gen Xers are less likely than other generations to have a comprehensive retirement plan, while for Baby Boomers, three in ten are still behind on their savings goals and more than a quarter lack a plan.[2]

Wealth accumulation

- Affluent investors globally allocate nearly 32 per cent of their portfolios to cash, but those planning to rebalance their portfolios within the next year say they will invest 54 per cent of this cash, on average.[3]
- Gen Z and Millennials, on average, start investing up to a decade earlier than Baby Boomers, invest a higher proportion of their income (27%), and monitor their portfolios more frequently.
- 34 per cent of affluent investors in major international wealth centres plan to invest more outside their home markets, with the United States and mainland China the top two destinations.[4]

Legacy planning

- Most affluent individuals (79%) believe that early planning is crucial for passing on their legacy, but fewer than four in ten created a will or succession plan.
- Affluent in Asia (33%) are even less likely to have created a will or succession plan than those outside of the region (43%), although Malaysia (47%) leads all markets.
- Around one third of Baby Boomers (35%) acknowledge the need to start planning but have yet to do so, underscoring an intention-action gap as more respondents overall prefer to start transferring during their lifetimes than upon their passing (45% versus 37%).

Commenting on the findings, **Kai Zhang, General Manager and Head of Wealth and Personal Banking, South and Southeast Asia, HSBC** said: "These findings highlight the interconnectedness of financial and health challenges, revealing how deficiencies in one area can impact the other. This underscores the necessity of an integrated approach to managing wealth and health, as the way we plan our financial futures significantly influences our overall well-being."

The study also reveals a connection between how people plan their financial futures and their life satisfaction. The data show that those who address a broad range of their financial needs and objectives in their planning are, on average, 50% more satisfied with their lives. Moreover, nine in ten of those who take a comprehensive approach to financial planning – encompassing protection, wealth accumulation, retirement, and legacy objectives – feel satisfied with their lives. In contrast, only six in ten of those with a narrower focus feel the same way.

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HSBC Quality of Life Index: Decline in financial fitness

The HSBC Quality of Life Index now stands at 76 out of 100 – up one point from 2023 – buoyed by improvements in physical (+4) and mental wellness (+2), despite a four-point decline in overall financial fitness.[5]

Highlights from the latest Index:

- The decline in financial fitness is evident in all markets but Malaysia (+1) and Singapore (+1), and generationally among Millennials (-5), Gen Xers (-5), and Baby Boomers (-2). Indonesia tops financial fitness scores with 85.[6]

- India and Indonesia currently top the Index with 81 points overall. Hong Kong (+5, 73pts) and Singapore (+6, 74pts) registered the largest overall gains in 2024.
- Hong Kong, Singapore, and United States each posted the largest increases in physical wellness (+8), while Singapore's seven-point increase in mental wellness was reflected in Gen Xers relatively high confidence (+18%) and optimism about the future (+17%).

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Notes to Editors:

HSBC Bank (Vietnam) Ltd.

HSBC has been in Vietnam for over 150 years – the bank first opened an office in Saigon (now Ho Chi Minh City) in 1870. HSBC was the first foreign bank to launch its locally incorporated entity on 1 January 2009 as HSBC Bank (Vietnam) Ltd. The bank's current network includes two branches and four transaction offices in Ho Chi Minh City, one branch and four transaction offices in Hanoi, and two full-service branches in Binh Duong and Da Nang. HSBC is one of the largest foreign banks in the country in terms of investment capital, product range, and customer base.

Note

1. Asia respondents, accounting for 60% of the sample size, rated concerns about healthcare costs (54% vs 43%), physical health (60% vs 54%), mental health (44% vs 35%) higher than non-Asia peers.

2. According to the Quality of Life Report 2023, Baby Boomers anticipate retiring at an average age of 64.

3. For further details, refer to the HSBC Affluent Investor Snapshot: A Global Quality of Life special report, released 5 June 2024.

4. "Major international wealth centres" refers to five of the top ten booking centres globally by market sizing (HK, SG, US, UK mainland, UAE) according to Boston Consulting Group's Global Wealth Report 2024.

5. The Index is based on an assessment of three interlinked dimensions driving overall Quality of Life: physical wellness, mental wellness, and financial fitness.

6. In 2024, the global financial fitness score dropped four points to 78. Financial fitness scores dropped in mainland China (-14), Hong Kong (-2), India (-3), Mexico (-5), United Arab Emirates (-3), United Kingdom (-2), United States (-4). Indonesia and Taiwan were not included in the 2023 survey. In 2024, Indonesia scored 85 in financial fitness – the highest score globally – while Taiwan scored 80, above the global average of 78.

About HSBC Global Quality of Life Report 2024

HSBC published the first Global Quality of Life Report in 2023. The report explores what a good quality of life means for affluent individuals across different generations and investigates the relationship between physical and mental wellness, and financial fitness. The HSBC Global Quality of Life 2024 builds on these themes, examining changes over the past year and delving deeper into attitudes, priorities, and behaviours specific to retirement, healthcare protection, wealth accumulation, legacy planning, and international education. The research was conducted by Intuit Research (www.intuit-research.com), on behalf of HSBC from the 4th to 20th March 2024. A total of 11,230 affluent individuals with investable assets of USD 100,000 to 2 million were surveyed via online access panels. Respondent criteria: aged 25-69; financial decision makers for themselves; have invested in financial products. Markets Surveyed: mainland China, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, United Arab Emirates, United Kingdom and the United States of America.

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