



FOR IMMEDIATE RELEASE

Two-thirds of Hong Kong households feel financially included, according to a Principal® survey

Principal Financial Group® fielded a survey of 1,500 household financial decision makers across Singapore, Hong Kong, and Malaysia to assess individuals' point-in-time perceptions of financial inclusion in Asia. Financial inclusion isn't just about how people feel about their present situation—it's about finding balance between current and future needs.

The financial lives of respondents in Singapore, Hong Kong, and Malaysia remain challenged due to the increased global costs of living, despite a high degree of trust in governments, financial institutions, and employers to act in a financially inclusive manner.

Hong Kong, September 12, 2024 – Feelings of financial inclusion have slipped year over year according to the 2024 research, but it is encouraging to see that Hong Kong's financial system continues to play a pivotal role in supporting residents, particularly through the integration of technology.

Over two thirds (67%) of Hong Kong residents feel financially included, representing a drop over the last year – when nearly nine in 10 (89%) felt financially included.

Key Hong Kong Findings

- 77% of Hong Kong respondents say **the financial system plays a helpful role** in driving financial inclusion, the highest of the three pillars. This is aided through the implementation of technology and fintech.
- Hongkongers say they have **easy access** to bank accounts (85%), online banking (84%), insurance (66%), mortgages (61%), high-quality investment products (70%), and professional financial advice (64%).
- **The tech-enabled financial system is an especially bright spot:**
 - 58% of the Hong Kong respondents embrace AI technology and trust it will provide better access to a range of tools to help with personal finances.
 - 84% of respondents can easily access reliable online banking services that meet their needs.
 - 78% of respondents say they can easily engage in safe and secure transactions online.

Overall Survey Results

This year's consumer survey results reflect a downward trend in all three pillars of financial inclusion in Hong Kong. Hongkongers report feeling less supported by the financial system (a decline from 81% in the previous survey to 77%), by the government (from 72% to 67%), and by employers (from 68% to 59%).

Hong Kong resident perspectives on financial inclusion support from key systems Year-over-year comparison	2023	2024	YoY Change
	% net included	% net included	% net included
Feel financial systems act in a way which is helpful for you to feel financially included	81%	77%	-4 points
Feel the government acts in a way which is helpful for you to feel financially included	72%	67%	-5 points
Feel employers act in a way which is helpful for you to feel financially included	68%	59%	-9 points

This shift in sentiment, however, is not unique to Hong Kong and aligns with global trends. In 2024, overall perceptions of financial inclusion have fallen in 39 out of the 41 surveyed markets.

“As one of the leading asset managers in Asia, Principal is committed to enhancing investors’ access to high-quality financial products and professional advice, ultimately help in driving greater financial inclusion in Hong Kong. Notably, more than half of the respondents have embraced the potential of AI and see it as a trusted tool for managing their personal finances. These insights underscore the positive impact technology can bring.” said **Martin Lau, Head of Hong Kong, Principal Financial Group**.

Mixed Sentiments: Pessimism on Economic Outlook, Optimism for Personal Retirement

Hong Kong residents also exhibit a notable pessimism regarding the market's economic outlook, with only 39% of people surveyed feeling confident about the future. Furthermore, only 42% of Hong Kong respondents are confident they can achieve major financial life goals, and a mere 34% believe the next generation will be financially better off than they are.

However, there is a contrasting sense of hope when it comes to personal retirement planning. A substantial 70% of Hong Kong respondents report they can meet their current financial obligations while still saving or investing for retirement. Nearly 6 in 10 (58%) believe their financial situation will improve over their lifetime, and 54% expect to have financial freedom during retirement while 59% Hongkongers anticipate needing to work beyond retirement age.

To what extent do you agree with the following statements? (Net agree)	Hong Kong	Singapore
My financial situation will improve over the rest of my lifetime	58%	56%
I will have the financial freedom to live and do as I wish in retirement	54%	41%
I will have to work beyond the retirement age in my country	59%	69%

The survey also reveals a clear need for more proactive engagement from employers, as two thirds (66%) of employees expressed that their employer does not provide sufficient education and support to help them prepare for the transition into retirement. Equally, only 38% agree that their employer offers a generous pension plan.

*“While Hong Kong residents are optimistic about their ability to save for retirement even when accounting for longer life expectancy, employers in Hong Kong have a crucial role to play in supporting their employees’ retirement transition. Through enhanced education and support programs, employers can help address the expectation gaps” said **Martin Lau, Head of Hong Kong, Principal Financial Group.** “As we migrate to the new eMPF platform in 2025, Principal is committed to supporting Hong Kong employees and employers by providing necessary assistance and ensuring a smooth transition. We will continue to utilize our deep expertise in MPF services to help maximize the benefits for employees and employers alike, providing them with financial security and peace of mind.”*

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Methodology

The Global Financial Inclusion Index is a proprietary model output based upon certain assumptions that may change, are not guaranteed, and should not be relied upon as a significant basis for an investment decision.

Consumer poll: The research was conducted by Opinium, among a sample of 500 financial decision making adults in the Hong Kong, from May 10 – May 31, 2024.

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About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with 20,000 employees¹ passionate about improving the wealth and well-being of people and businesses. In business for 145 years, we're helping more than 64 million customers¹ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of the 2024 World's Most Ethical Companies², a member of the Bloomberg Gender Equality Index, and named as a "Best Places to Work in Money Management³." Learn more about Principal and our commitment to sustainability, inclusion, and purpose at [principal.com](https://www.principal.com).

¹ As of June 30, 2024

² Ethisphere, 2024

³ Pensions & Investments, 2023

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The Global Financial Inclusion Index

Examining the foundational elements of financial security

The following is a preview of Hong Kong consumer data collected via online survey as part of the annual [Global Financial Inclusion Index](#) from Principal®. The full 2024 Global Financial Inclusion Index report will be released in the fourth quarter of 2024.

Two-thirds of Hong Kong consumers feel financially included, dropping from 89% year-on-year

While many Hong Kong financial decision makers report access to financial products and solutions, feelings of financial inclusion have fallen year over year, according to new research from Principal Financial Group®. While two-thirds (67%) of Hong Kong residents feel financially included, it's notable that 89% of Hong Kongers felt financially included last year.

Feelings of financial inclusion among Hong Kong consumers

Year	Percentage of people that feel financially included	Net change since previous year
2022	88%	-
2023	89%	+1 point
2024	67%	-22 points

While key systems continue to implement various efforts, continued impacts of inflation and the drying up of pandemic-era consumer spending surpluses are just some of the macroeconomic factors that likely influence how supported consumers feel.

Percentage of household financial decision makers who feel key pillars support their financial inclusion

Hong Kong household financial decision maker sentiment Year-over-year comparison	2022	2023	2024	Net change since 2022
Feel the government acts in a way which is helpful for you to feel financially included	74%	72%	67%	-7 points
Feel financial systems act in a way which is helpful for you to feel financially included	82%	81%	77%	-5 points
Feel employers act in a way which is helpful for you to feel financially included	66%	68%	59%	-7 points

Underscoring the overall decline in sentiment, Hongkongers feel less supported across all three pillars compared to the previous year, by the government (72% to 67%), the financial system (81% to 77%), and employers (68% to 59%). This reflects a global trend, where overall perceptions have fallen in 39 of the 41 markets surveyed.

The government is largely improving the financial inclusion of its residents

Over half of Hongkongers agree:

- Paying my taxes is easy and straightforward (83%)
- There is good regulation to protect people from unfair business practices (71%)
- The government makes it easy and affordable to go to school/send my children to school (70%)
- The tax system is fair (62%)
- The government has good systems in place to protect people against financial fraud and abuse (62%)
- I can easily access and understand financial education provided by the government (58%)

The financial system ranks highest among the three pillars in supporting financial inclusion

Tech-enabled financial system proved to be an especially bright spot among survey respondents:

- A majority say the financial system plays a helpful role in driving financial inclusion (77%)
- More than half (58%) of the survey population embraces AI and trust that it will be a benefit to their personal finances
- Respondents report easy access to bank accounts (85%), online banking (84%), insurance (66%), mortgages (61%), and professional financial advice (64%)
- Hong Kongers believe they can easily make safe and secure online transactions (78%)

Residents are pessimistic on the economic outlook...

- I feel confident about the economic future of Hong Kong (39%)
- I am confident that I can achieve major financial goals (42%)
- The next generation will be financially better off than me (34%)
- I believe my financial situation will improve over my lifetime (58%)

...but are optimistic on personal retirement

- I am able to meet my current financial obligations while still saving or investing for retirement (70%)
- I expect financial freedom during retirement (54%)
- I anticipate needing to work beyond retirement age (59%)

The third annual Global Financial Inclusion Index will be released in the fourth quarter of 2024.

**To learn more about the Global Financial Inclusion Index,
visit principal.com/financial-inclusion.**

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Defining financial inclusion: Financial inclusion measures the degree to which people have access to useful and affordable financial products, services and support that meet their needs. These products and services include those provided by the government, the financial services industry, and employers. Examples of such products and services include basic bank accounts, savings accounts, credit and loans, mortgages, insurance products, investments, retirement/pension plans, access to employment the opportunity to earn an income.

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