



To: News/Business Editor
(For Immediate Release)

Hong Kong Teens Predict Prosperous Future for Hong Kong

Majority Think They Will Be Rich

(HONG KONG, 22 June 2005) – The majority of Hong Kong’s teenagers have high hopes for the territory’s future: More than half of those polled (59%) believe Hong Kong will be more prosperous in coming years, according to a new survey by the Hong Kong Institute of Certified Public Accountants.

Forty-nine percent believe Hong Kong will be somewhat more prosperous and 10 percent believe Hong Kong will be much more prosperous. Boys are more likely to be pessimistic than girls (19% versus 8%) and pessimistic teens have lower average monthly incomes (\$1,062 versus \$1,485 for those who are more optimistic).

A big majority of the teenagers – four out of five or 75 percent – believe this prosperity will flow directly to them and they will be rich some day. According to the research, the mean age at which they believe they will be rich is 36 years old. Two thirds believe they will get there by the age of 44. An even more optimistic minority (14%) believe they will make it when they are 25.

And what, to a teenager, is rich? While the most commonly cited figure was \$1 million in assets, 41 percent believe they need more than a million and 14 percent say they need at least \$10 million.

Money, according to those polled, is important to them: Most (82%) say money is important to them right now and slightly fewer (73%) agree that it is important to earn a lot of money to be happy in life.

The survey was commissioned by the Hong Kong Institute of CPAs and conducted by the leading independent research consultancy, Market Insights Group, to look at teenagers’ attitudes towards money. Four hundred teenagers between the ages of 15 and 18 were interviewed in May and June. The maximum sampling error for this survey is plus or minus 4.9 percent.

The survey is part of the Institute’s year-long initiative called “Rich Kid, Poor Kid,” which will include road shows to secondary schools with accountants teaching teens to handle their money.

Being Comfortable

The survey showed that when it comes to being simply comfortable rather than wealthy, nearly every Hong Kong teenager (98%) believes he or she will earn a comfortable living, which they define on average as \$20,000 per month. (This compares to average monthly earnings from the Hong Kong 2001 census of \$18,705.) Half (51%) of those polled say they will be earning that salary by age 26. They are also willing to work hard for the money: Seventy-one percent say they expect to work more than 40 hours per week, and the mean number of hours was 48 per week. One quarter say they will work more than 50 hours to earn a comfortable salary. These findings were true for both girls and boys.

Spending and Saving

The mean income of 15 to 18 year olds is \$1,356, with nearly all of them (95%) relying on their parents and other family members for cash. Parents give their teenagers an average allowance of \$924 per month.

The survey found a nearly even split between two camps when it comes to money – savers and spenders. Savers, who say they enjoy saving money more than spending it (53%) tend to be older (17 to 18), are more likely to believe they are good at managing their money and that it is important for young people to work. Those who enjoy spending more than saving (47%) agree they tend to spend money without thinking and that they would rather spend time doing things they want, even if it means less money.

Overall, the majority of Hong Kong teenagers (74%) save nearly a quarter of their income (24%) or an average of \$325 each month.

“This is an encouraging finding,” says Ms. Winnie Cheung, Chief Executive and Registrar of the Institute. “We’ve been hearing stories of young people getting way over their heads in debt when the survey shows that even the ‘spenders’ are conscious of the need to save.”

Even though they are saving money, ninety percent say they wish they were better at it, with almost all the girls (94%) wishing they were better at saving money.

“This is the reason we are taking the ‘Rich Kid, Poor Kid’ programme to schools,” says Susanna Chiu, chairperson of the Community Services Committee, which is in charge of the “Rich Kid, Poor Kid” campaign. “Who is better than accountants to teach teens about managing their money? Our brand promise is ‘the success ingredient’ and our aim is to help teenagers – and ultimately their families – be successful with money.”

The most common reason teenagers gave for saving money “a rainy day, or nothing in particular” (47% set aside money for this purpose), followed by “for a purchase of a specific thing” (31% set aside money for this purpose). Only 12 percent of average savings is for education and 10 percent is for travel.

“As for spending, the results are what you would expect for a group of teenagers – they want to have fun,” says Ms. Chiu. This group says they spend about half their income (49%) on entertainment and having a good time. They only spend seven percent of their money on the purchase of goods and a negligible amount (1%) is spent on investments.

What about Work?

While a big percentage believe it is important for young people to work (82%), less than one in five (18%) are working now. (Teens who work have an additional \$2,704 dollars on average to spend each month.) However, the majority (78%) also thinks it's okay to rely on their parents for money at their age and agree that they would rather spend time doing the things they want rather than earning money (84%).

The numbers, however, show attitudes go through a sharp shift as students enter their matriculation year when they are 17 or 18 years old: They agree more strongly that it is important to work, are less likely to agree that relying on parents for money is okay (compared to 15 and 16 year olds), and less likely to agree they spend money without thinking of their finances.

"This indicates to me that Hong Kong teens are maturing at about the right time – they know when it's time to get out and work," says Edward Chow, President of the Institute and father of six. "They should be thinking more about their studies than working when they are younger."

What about Careers?

"I'm happy to report that the second most favored occupation among this group – after travel and tourism – is accounting," says Ms. Chiu, the committee chairperson. "And just as many girls are interested in accounting as a career as boys, which is a good balance."

Of 20 possible occupations mentioned by the teenagers polled, accounting ranked second, with 10.4 percent of teenagers mentioning accounting and slightly fewer mentioning work with government and NGOs as a preferred occupation. The most favored occupation was tourism and hospitality. Law and education came in after accounting at nine percent.

"I'm convinced that if Hong Kong Disneyland were not opening this year, accounting would have come in first," says Mr. Chow. "Young people know it's a good career and that training as an accountant can lead to many paths."

The majority of teens (89%) surveyed want to attend university, but only 12 percent of saving, on average, is set aside for that purpose alone.

Implications for Parents

"The data imply that most teenagers are fairly responsible with their money," says Ms. Cheung. "It seems most teenagers, even the spenders, are habitual savers and do not carry debt. The other observation is that Hong Kong parents are good to their teenagers, but not overly generous."

Another part of the picture is that Hong Kong teenagers tend to think of themselves first. The pollsters asked the teenagers what they would do with a \$10,000 windfall. Only one percent said they would give it all to their parents, but 60 percent said they would give some to their parents. Fewer than one in five said they would give money to charity. But most of them (73%) said they also would save some of it while nearly the same number say they would spend some on entertainment and having a good time.

"This is different from earlier generations, when children often gave money to their parents," says Mr. Chow. "It might simply mean that now that Hong Kong is more affluent, children no longer need to contribute to the family purse."

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Editor's Notes

About Hong Kong Institute of Certified Public Accountants

The Hong Kong Institute of CPAs is the only body authorised by law to register and grant practising certificates to Certified Public Accountants in Hong Kong. The Institute has more than 24,000 members and nearly 10,000 registered students. Members of the Institute are entitled to the description *Certified Public Accountant* and to the designatory letters *CPA*.

The Hong Kong Institute of CPAs evolved from the Hong Kong Society of Accountants, which was established on 1 January 1973.

The Institute operates under the Professional Accountants Ordinance and works in the public interest. The Institute has wide-ranging responsibilities, including assuring the quality of entry into the profession through its postgraduate CPA Qualification Programme and promulgating financial reporting, auditing and ethical standards in Hong Kong. The Institute has responsibility for regulating and promoting efficient accounting practices in Hong Kong to safeguard its leadership as an international financial centre.

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About Market Insights Group

Market Insights Group is an independent team of marketing and brand research specialists headquartered in Hong Kong and operating throughout the Asia Pacific region.

Market Insight Group helps companies understand their markets and develop their brands by delivering high quality market research and analysis.

Market Insights Group also provides social research services to Government and NGOs to enhance their understanding of their constituencies and of the wider community.

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