



The COVID-19 Pandemic's Financial Impact on Hong Kong Consumers

The COVID-19 pandemic is creating a new reality as its impact has stretched to consumers of all generations and income levels.

TransUnion is tracking the changes of this data weekly and will be sharing it with all of you.

WEEK

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Data collected week of
30 MARCH

BACKGROUND

The current global COVID-19 pandemic is creating major economic and financial distress for consumers across the globe. Many jobs in the Hong Kong economy are being impacted or at risk due to drastic demand shifts. We've conducted research to better understand consumers' perceptions and expectations for how this rapidly evolving situation is affecting their financial situation and subsequent ability to pay their bills. The insights in this report aim to help you make informed decisions at a time when information on consumer impact is still emerging. We are providing this report and additional resources to all so we can come together to support people during this trying time.

Key Takeaways

- Over 70% of Hong Kong consumers indicate that the COVID-19 pandemic has negatively impacted their household income due to reduced working hours and household job loss.
- The Kowloon region appears to be most significantly impacted, as nearly 4 out of 5 (79%) consumers located there indicate a negative impact on their household income.
- Nearly 7 out of 10 (69%) consumers who have been impacted are concerned about the ability to pay current bills and loans. Credit cards, rent payments and insurance premiums are of the most concern.
- 70% of respondents indicate they will be short at least HK\$ 4,000, with an average gap of HK\$ 9,645. The majority (51%) plan to use savings to help cover the deficit.

RESEARCH METHODOLOGY

This online survey of 1,081 adults in Hong Kong was conducted 31 March to 2 April 2020 by TransUnion in partnership with 3rd party research provider Qualtrics® Research-Services. Adults 18 years of age and older residing in the Hong Kong were surveyed using an online research panel method across a combination of computer, mobile and tablet devices. Survey questions were administered in English or Cantonese. To ensure general population sample representativeness across Hong Kong resident demographics, the survey included quotas to balance responses to the population statistics on the dimensions of age, gender, household income and region. These research results are unweighted and statistically significant at a 95% confidence level within ±2.98 percentage points based on calculated error margin.

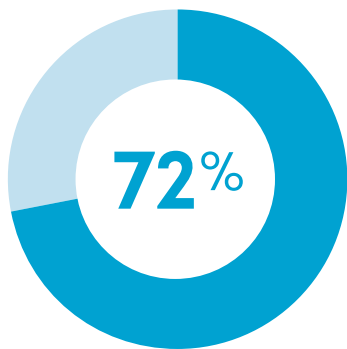
FINANCIAL IMPACT

WHAT IS THE SCALE AND TYPE OF IMPACT?

The COVID-19 pandemic is negatively impacting household incomes of 72% of consumers. Another 10% indicated they expect their household incomes will be impacted by the pandemic in the future. Millennials' household income is currently being impacted more than other generations, at 76%.

Over half (57%) of impacted consumers indicate their working hours have been reduced, and 29% say their partners have been impacted either by job loss or reduced working hours.

Figure 1. Perceived impact



Percentage of consumers who indicated their household income has been impacted.

Figure 2. Are you expecting to be impacted in the future?

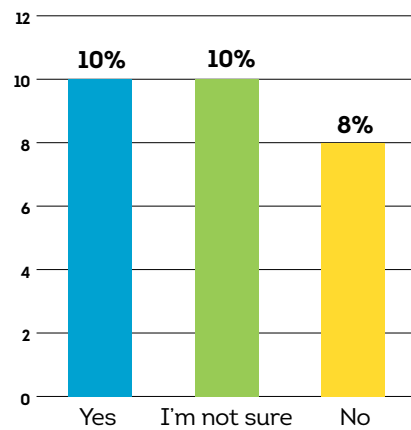
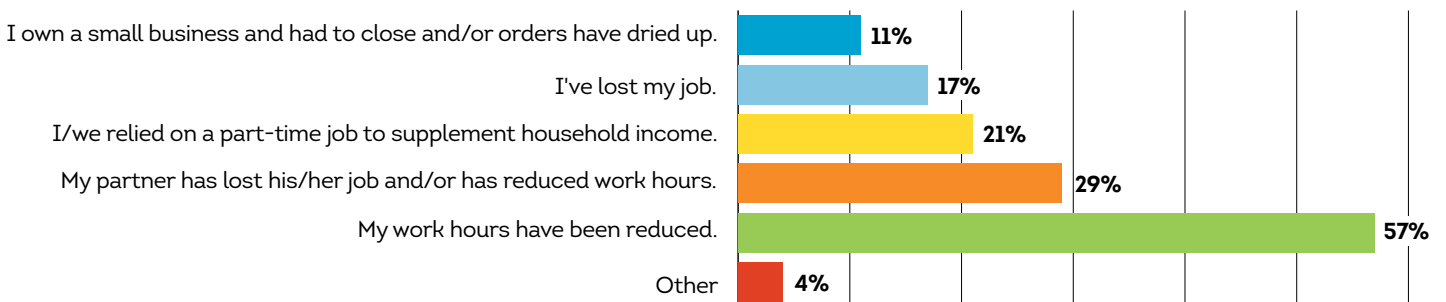


Figure 3. How is your current household income being impacted?



BILLS AND LOANS

HOW MUCH OF AN IMPACT WILL THIS HAVE ON BILLS AND LOANS?

Negatively impacted consumers are concerned about their ability to pay their bills (69%). On average, these consumers expect to be unable to pay their bills in about 8 weeks.

Impacted consumers expect to be unable to pay the following bills: 44% credit card, 34% rental payments, 31% insurance premium, 26% mortgage/home loan repayments and 26% personal loan repayments. Millennials are significantly more concerned than Gen Z across a variety of bill types.

Figure 4. How much is your budget shortfall?

On average, amount consumers who were impacted expect they will be short by the following amount when paying bills or loans.



How soon will you not be able to pay?

Consumers who were impacted expect they will not be able to pay their bills or loans in **7.9 weeks.**

Figure 5. Are you concerned about your ability to pay your current bills and loans?

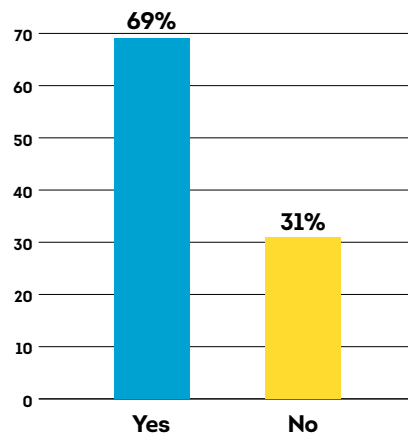


Figure 6. Regional level of concern regarding ability to pay bill(s)/loan(s)

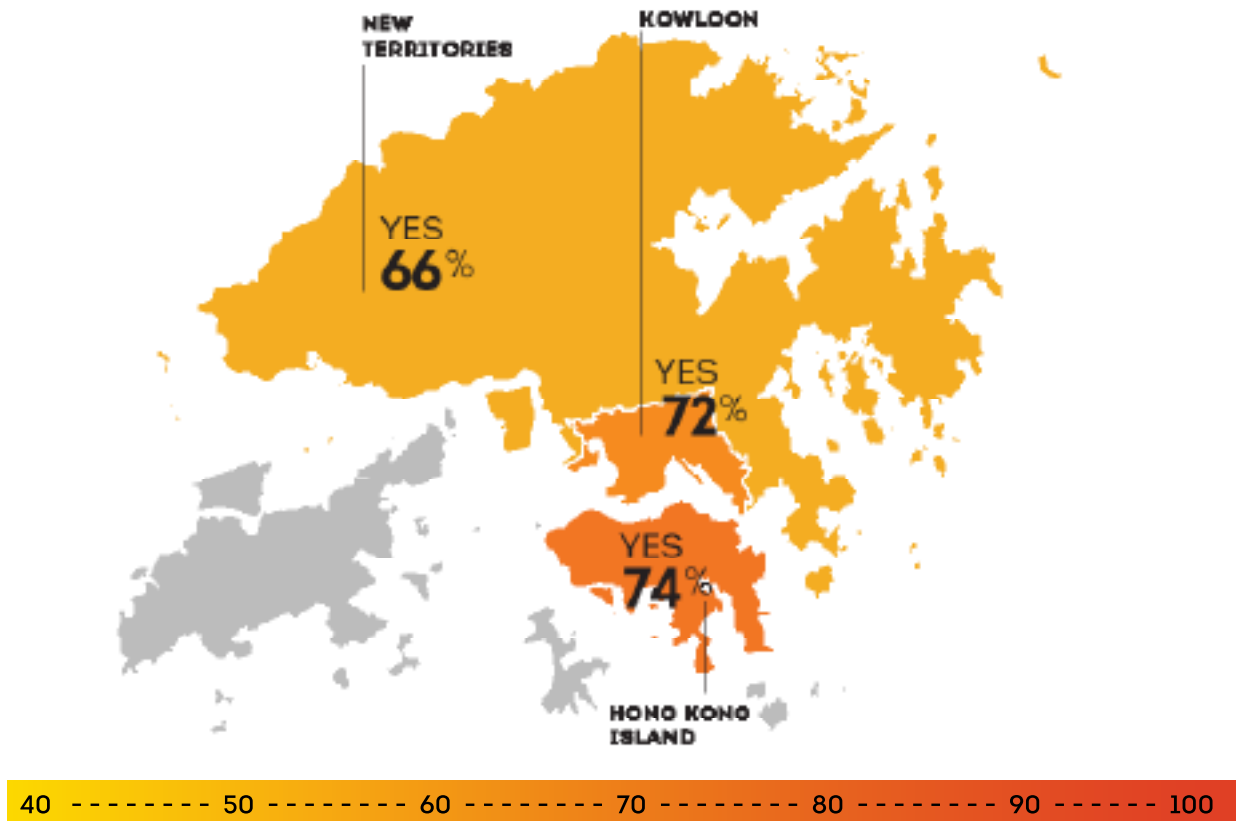
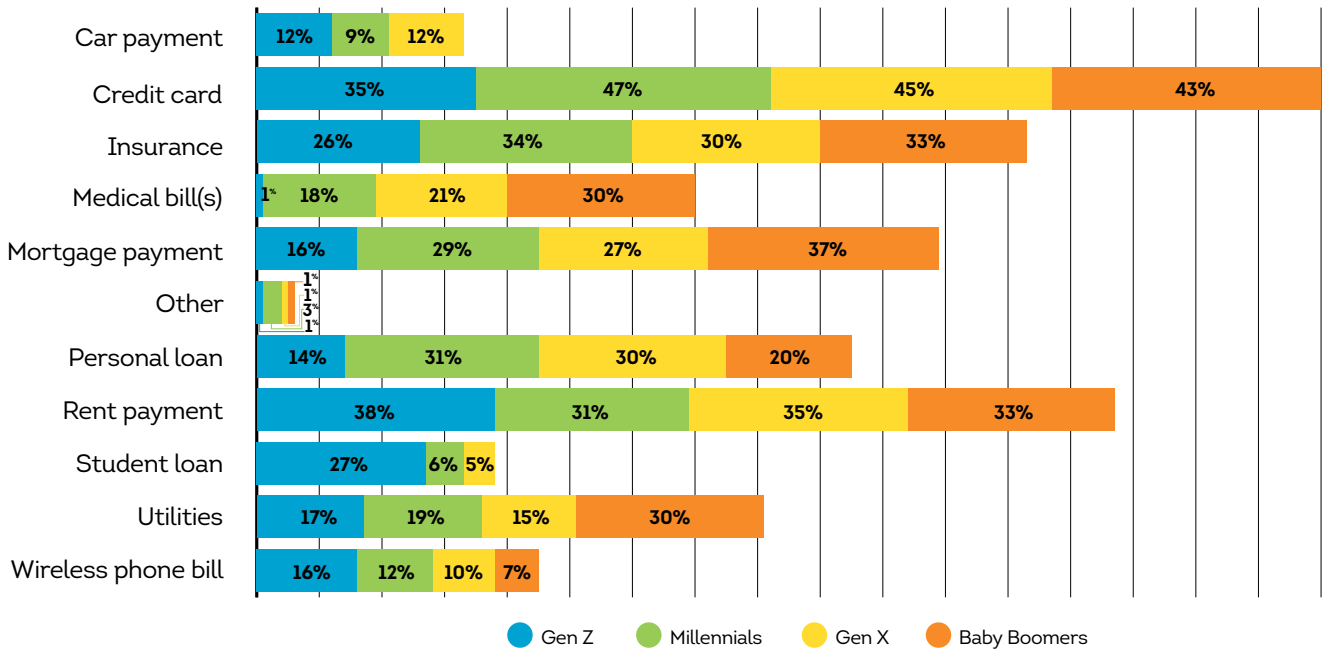


Figure 7. What bills and loans?



NEXT ACTION

WHAT IS YOUR GAME PLAN?

Over half (51%) of impacted consumers say they will draw on their savings to cover outstanding payments. A significant portion (43%) plans to borrow money from friends or family members to help pay their bills, while 27% plan to partially settle outstanding payments.

Under these circumstances, 40% of impacted consumers have reached out to their creditors for alternative repayment arrangement. Millennials and Gen Z are the most likely to have reached out to discuss payment options compared with other generational groups.

Figure 8. What is your plan to help pay your current bill(s) or loans?

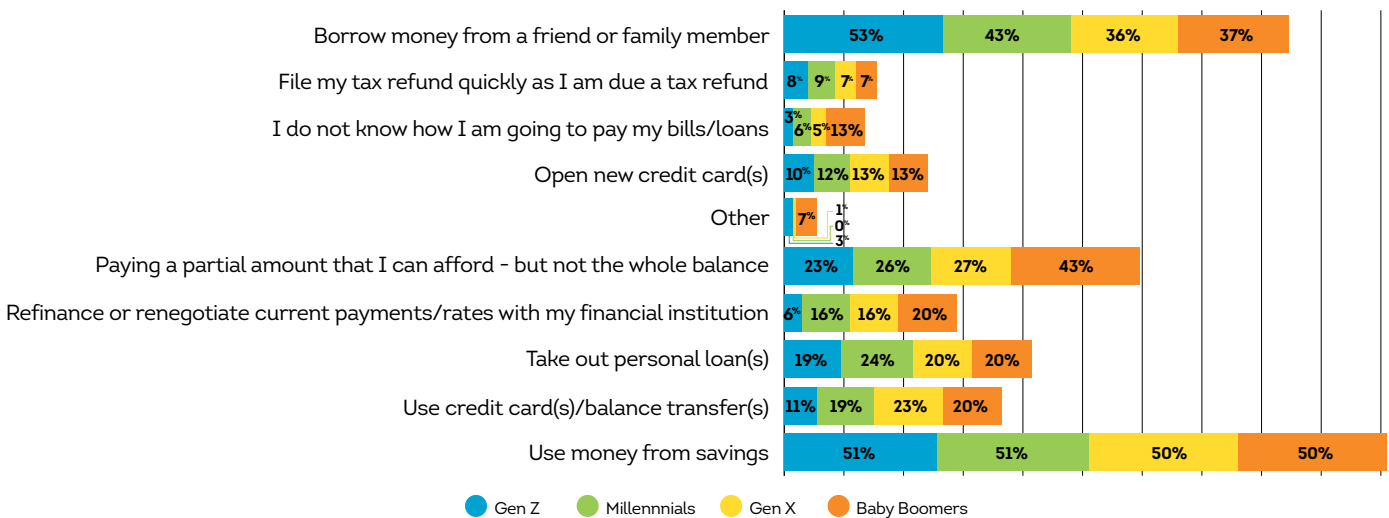


Figure 9. Have you reached out to companies you have accounts with to discuss payment options?

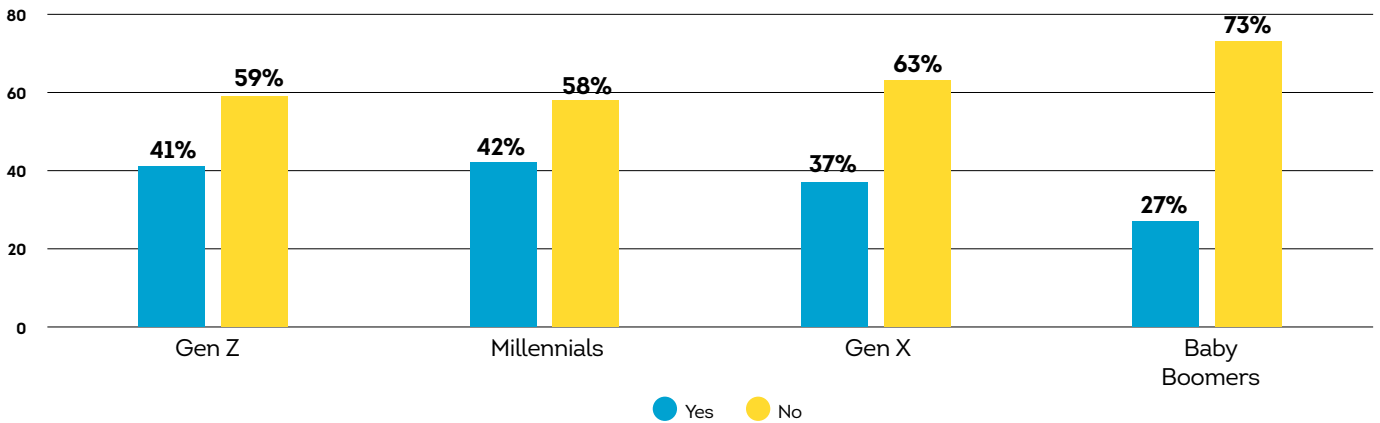
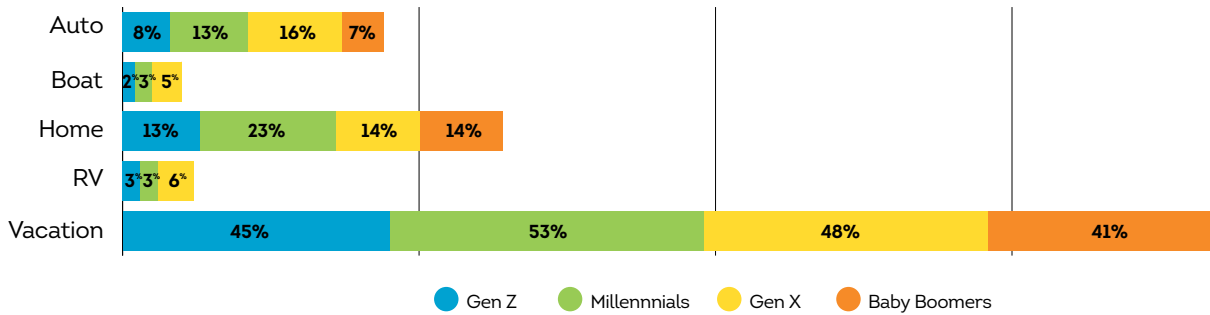


Figure 10. Are you delaying any of the following major purchases?



Other Key Insights

- 84% of consumers indicated that the costs for screening and treatment of COVID-19 are at least moderately important to them considering treatment.
- 29% of all consumers are aware of digital fraud attempts related to COVID-19, but less than 1 in 10 (8.5%) have become a victim. Millennials and Gen X are the most aware of this type of digital fraud.
- Nearly half (49%) of consumers will delay their upcoming vacations, one-third (33%) had not planned for any major purchases and 18% will defer home purchases.

Figure 11. How important is cost to you when evaluating potential screening or treatment?

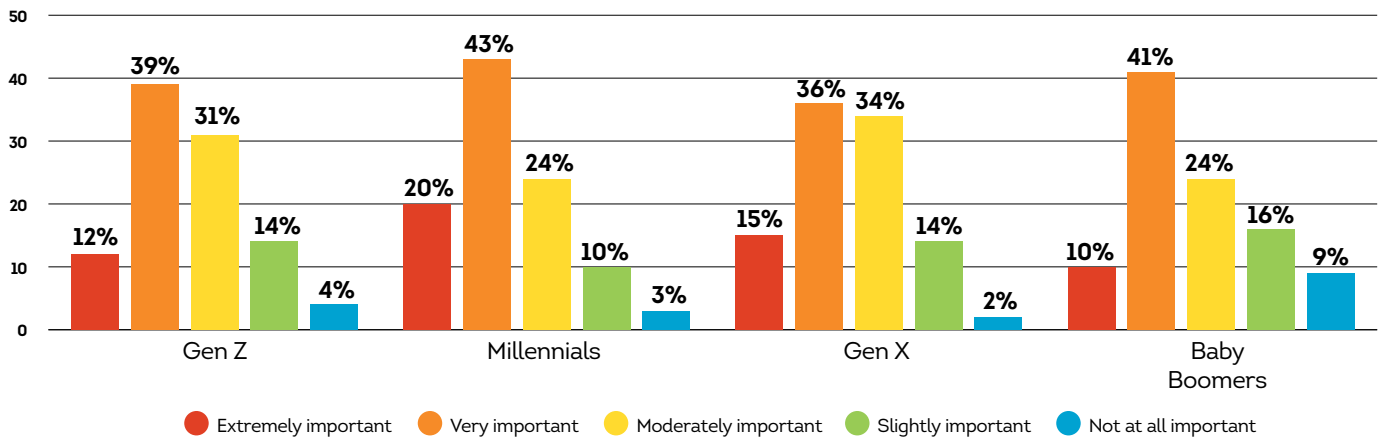
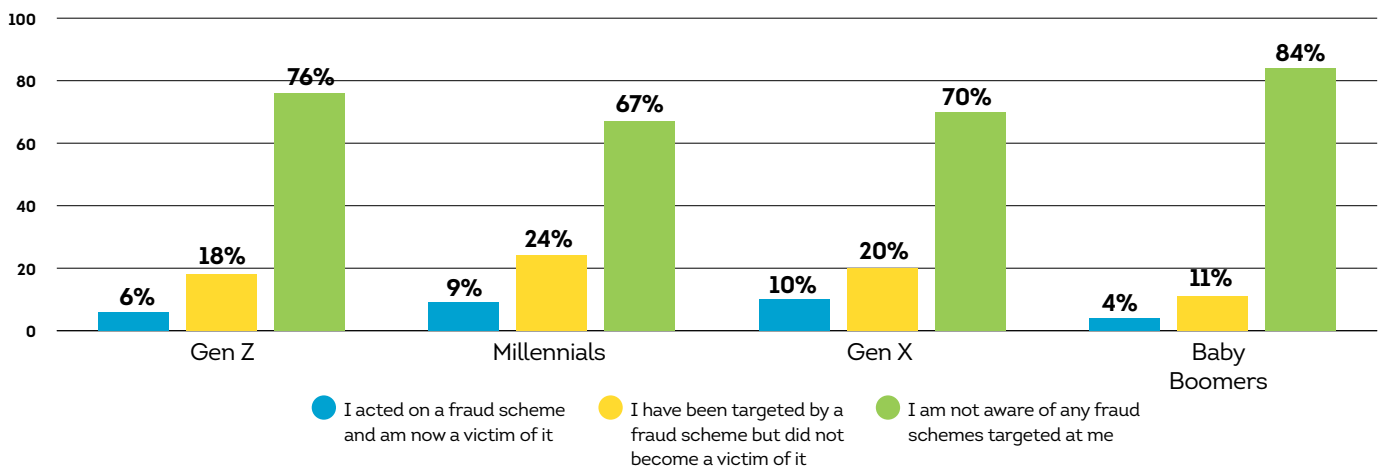


Figure 12. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?



CALL TO ACTION

If you found this information useful and would like to learn more, please come back for next week's report and visit our [Hong Kong Consumer Financial Hardship Study website](#). We at TransUnion are committed to continuing to provide you the updates, tools and resources you need to understand this evolving situation.

If you are a member of the media and would like to learn more, please contact:

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