Standard Chartered

press release

Asia's emerging affluent: missing out on a potential 42 per cent uplift in savings

- ***In India, top savings priority is Children's Education***

24 April 2017, India – Emerging affluent consumers in Asia could boost their savings by an average of 42 per cent if they move from a basic savings approach to a low-risk wealth management strategy, a new Standard Chartered study shows.

The emerging affluent are consumers who are earning enough to start saving – and investing – and that's what makes them a crucial engine of economic growth.

The ***Emerging Affluent Report – The Race to Save*** reveals how this rising consumer class are losing out on savings as a result of an overly simplistic approach to their personal finances. While the emerging affluent are 'active' savers, with two in three (67 per cent) putting money aside every month, a majority are using basic products – savings accounts and fixed-term deposits – to reach their financial goals.

A switch to a more effective approach could make a huge difference. Consumers in Hong Kong, Singapore, **India** and Taiwan could increase their savings by as much as 86 per cent, 52 per cent, **48 per cent** and 43 per cent respectively over 10 years.

Growth in 10-year returns by switching from a basic savings approach to a low-risk wealth management investment approach

Average	**Hong Kong**	**Singapore**	**India**	**Taiwan**	**Korea**	**China**
42%	86%	52%	48%	43%	16%	10%

The study of 8,000 emerging affluent consumers across eight markets in Asia and Africa also finds that home ownership and children's education are top savings priorities for most individuals – ahead of retirement. **Saving for life after work only comes out on top for the 45-55 year olds, whereas in India, children's education is the priority for almost all age groups** (see appendix below on page 3).

Shyamal Saxena, Head of Retail Banking, Standard Chartered, India, said "Around **17%** of Emerging affluent consumer **respondents in India save money every week** for their top savings priority **while 60% do it on a monthly basis.** The frequent use of digital tools and services is also high among the **Indians at 43%,** which is lower only to China at 47%. Considering the saving methods used, saving instruments **(42% in savings accounts)** and advise from friends and family **(42%)** topping the source of information to help finances, we see a good business opportunity for banks to further tap this segment."

Karen Fawcett, CEO of Retail Banking, Standard Chartered, said: "These ambitious consumers have pressing reasons to save: longer life spans and the rising cost of education, health care and home ownership. With access to the right information and simple, low-risk wealth management solutions, they will have a better chance of achieving their goals of owning a home, funding their children's education and putting enough aside for their retirement."

Other findings from the study, now in its third year, include:

Saving regularly but less confident
The emerging affluent are saving regularly but their confidence seems to be slipping. At the end of 2016, fewer emerging affluent consumers in China, Kenya, Hong Kong, **India** and Singapore were confident in reaching their savings goals (72 per cent), compared to 2015 (83 per cent).

The digitally-savvy save more
Digital banking tools have a good following among the emerging affluent, with more than half (54 per cent) saying they use them at least sometimes and almost a quarter (23 per cent) using them frequently. The latter save, on average, 8 per cent more of their income than those who use digital tools less often or not at all.

China's emerging affluent: the most entrepreneurial and digitally-savvy
When it comes to digital uptake, China stands out. Chinese emerging affluent are the most likely to use digital tools and services frequently (47 per cent) and get expert money advice on social media (37 per cent). They are also the most entrepreneurially-minded. A quarter (25 per cent) cite funding a business as a top three priority, rising to one-third (32 per cent) among millennials (aged 25 to 34).

Low interest rates deter savers
While the vast majority of the emerging affluent (96 per cent) do save, many say that low interest rates discourage them from saving more than they currently do. Almost a third (30 per cent) of people in the markets surveyed say low interest rates stop them from saving more. This sentiment is felt strongest in China (39 per cent), Korea (38 per cent), Taiwan (38 per cent) and **India (32 per cent).**

Average	China	Korea	Taiwan	India	Kenya	Singapore	Hong Kong	Pakistan
30%	39%	38%	38%	32%	26%	23%	20%	20%

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Appendix

Top savings priority by country and age breakdown

	25-34	**35-44**	**45-55**
Average	Home	Children's education	Retirement
India	Children's education	Children's education	Children's education
Hong Kong	Home	Home	Retirement
Singapore	Home	Children's education	Retirement
China	Business	Children's education	Retirement
Korea	Home	Home	Retirement
Taiwan	Home	Home	Retirement
Pakistan	Children's education	Children's education	Children's education
Kenya	Home	Children's education	Children's education

Note to Editors

- Standard Chartered partnered with GlobeScan, an independent research agency to conduct the study
- Basic savings versus low-risk wealth management percentage was calculated by Standard Chartered's Wealth Management team

Standard Chartered

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