



# 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 consumer behavior changes and providing results to all to inform understanding and decision-making during this time of uncertainty.

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WAVE 10 REPORT

Data collected week of November 30<sup>th</sup>

## 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 already 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

- Sixty-nine percent of consumers say they are financially impacted by the COVID-19 pandemic (Wave 9: 70%), and 73% of those impacted are concerned about their ability to pay their bills and loans (Wave 9: 76%).
- Forty percent of respondents say that their household finances are worse than planned (Wave 9: 47%).
- The vast majority of consumers (92%) continue to indicate that monitoring their credit during the ongoing COVID-19 pandemic is important (Wave 9: 93%). However, 38% of respondents do not know their credit score (Wave 9: 39%).

## RESEARCH METHODOLOGY

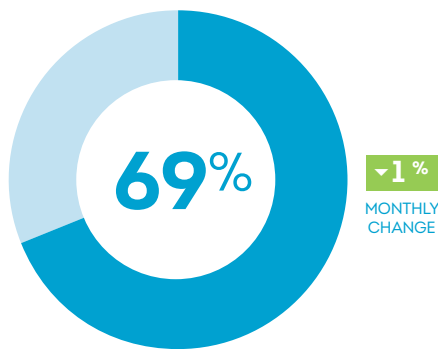
This online survey of 1,000 adults in Hong Kong was conducted December 1-5 2020 by TransUnion in partnership with third-party research provider Qualtrics® Research-Services. Adults 18 years of age and older residing in Hong Kong were surveyed using an online research panel method across a combination of computer, mobile and tablet devices. Survey questions were administered in English or Cantonese. To ensure the 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 ±3.10 percentage points based on a calculated error margin.

## FINANCIAL IMPACT

### WHAT IS THE SCALE AND TYPE OF IMPACT?

- Seventy-two percent of Millennial respondents say the pandemic has negatively impacted their household income (Wave 9: 74%).
- Job loss and work-hour reductions are relatively stable at 13% and 57%, respectively (Wave 9: 14% and 59%). Gen Z respondents report stable levels of job loss at 21% (Wave 9: 20%). There is an increase in Gen X respondents reporting their work hours have been reduced (62% vs. 56% in Wave 9).

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?

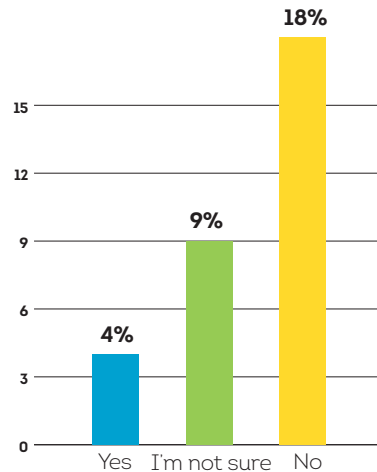
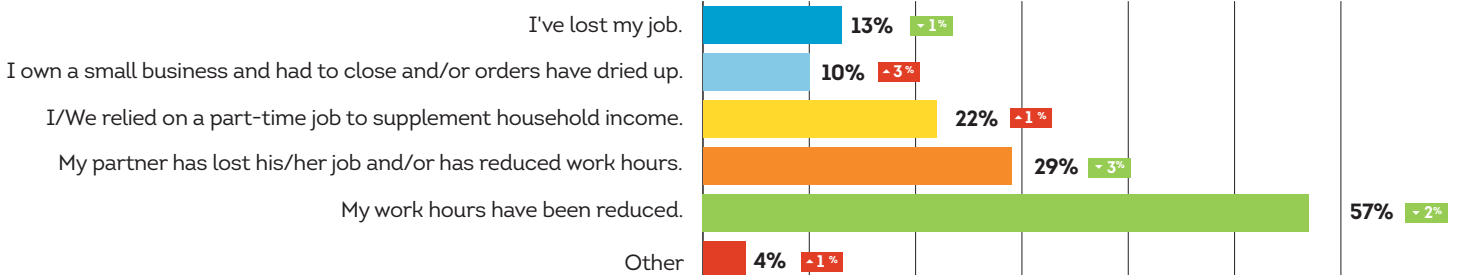


Figure 3. How is your current household income being impacted?



# MANAGING THE HOUSEHOLD BUDGET

## HOW ARE CONSUMERS CHANGING THEIR HOUSEHOLD BUDGET IN RESPONSE TO THE PANDEMIC?

- The top five bills and loans impacted consumers report they will be unable to pay are credit card bills (43% vs. 46% in Wave 9), personal loans (33% vs. 32% in Wave 9), rent (31% vs. 29% in Wave 9), insurance bills (29% vs. 32% in Wave 9) and mortgage/home loan payments (26% vs. 32% in Wave 9).
- To cope with negative impact to household finances, impacted respondents continue to manage their budgets in similar ways to Wave 9. Thirty-one percent have saved more in an emergency fund (Wave 9: 34%), 25% have saved more for retirement (Wave 9: 27%), 28% are cutting back on saving for retirement (Wave 9: 25%), and 25% have canceled subscriptions or memberships (Wave 9: 24%). Impacted consumers indicated they are 4 percentage points less likely than in Wave 9 to cut back on discretionary spending (49% vs. 53% in Wave 9).

**Figure 4. How much is your budget shortfall?**

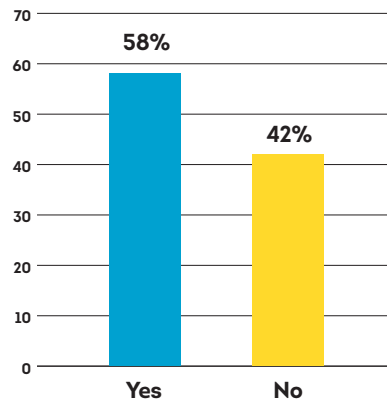
On average, amount consumers who were impacted expect they will be short when paying bills or loans.



**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 **8.1 weeks.**

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



**Figure 6. Regional concern over ability to pay bills/loans.**

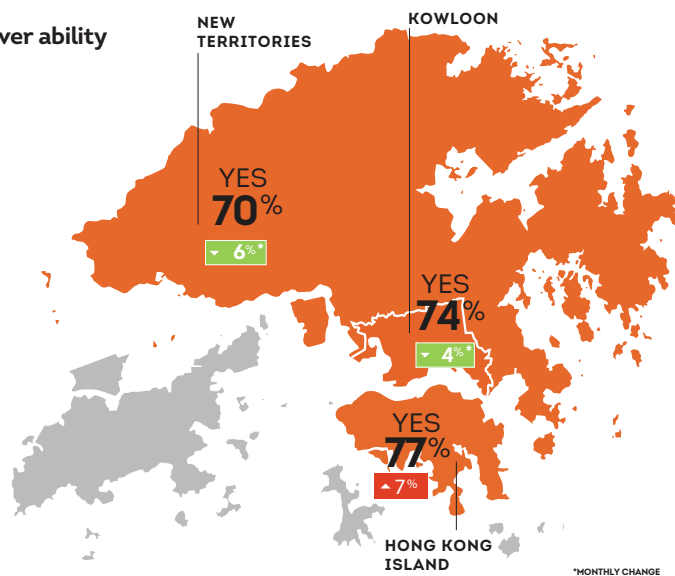
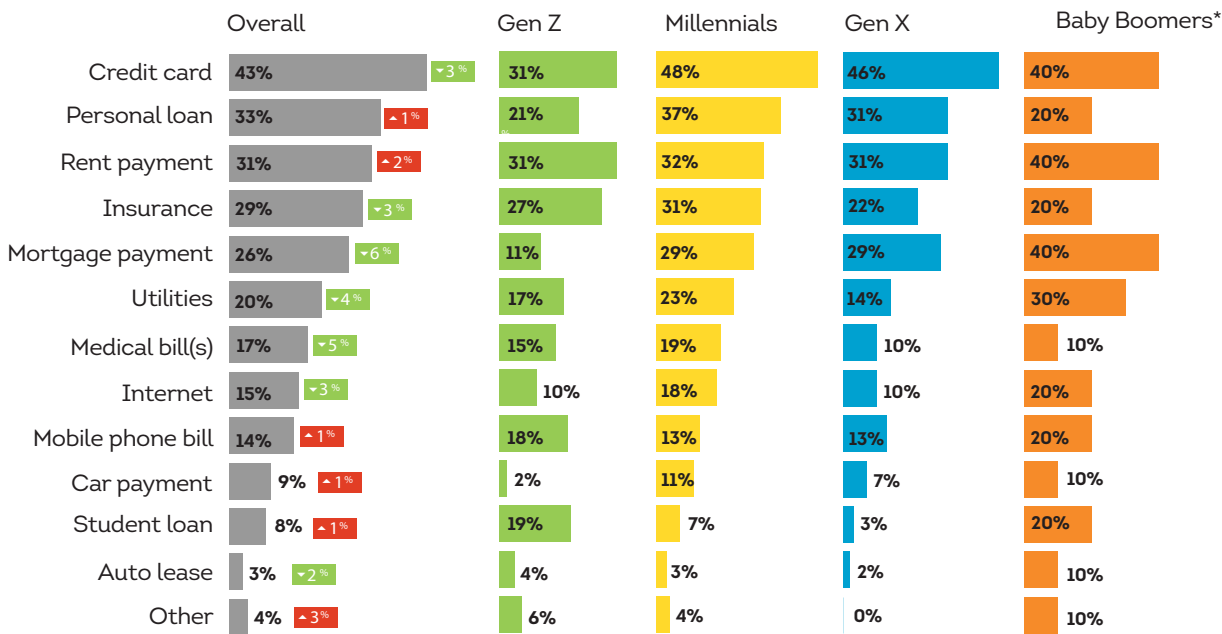
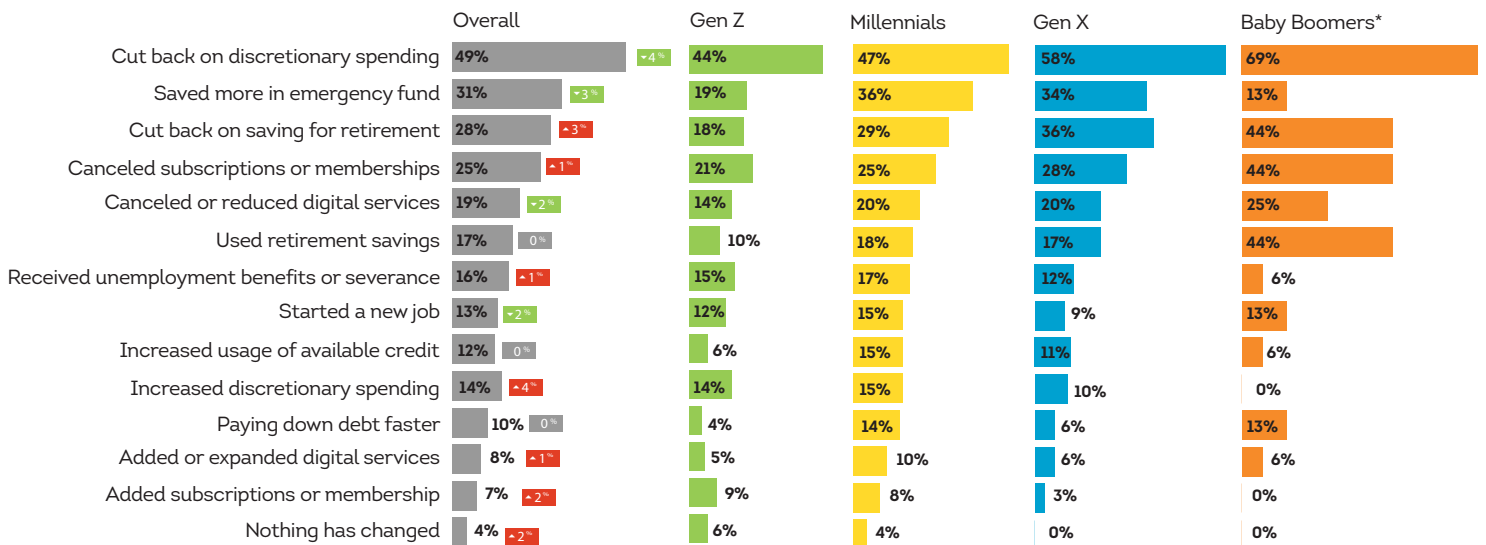


Figure 7. What bills and loans are you concerned about your ability to pay?



\* Note: small base size (n<50)

Figure 8. What has changed in your household budget during the COVID-19 pandemic?



\* Note: small base size (n<50)

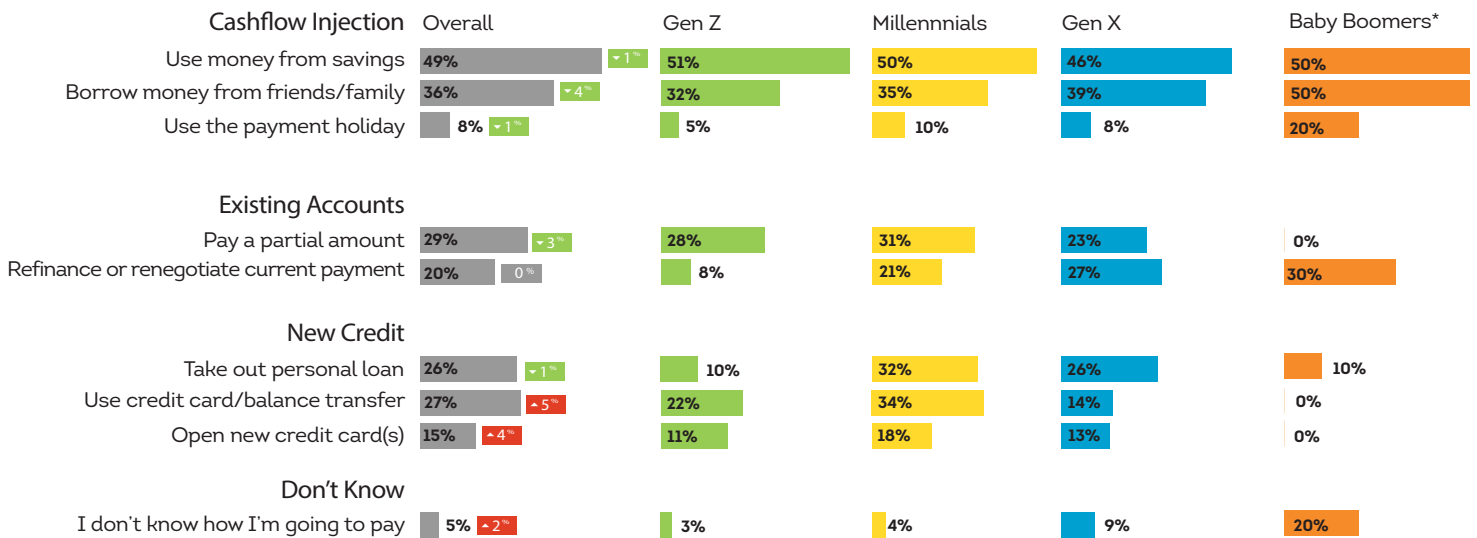
## RECOVERY PLANS

### WHAT IS YOUR GAME PLAN?

→ Impacted consumers increasingly state they plan to use credit cards or balance transfers to help pay their bills and loans (27% vs. 22% in Wave 9). They report a decrease in plans to borrow money from friends or family members (36% vs. 40% in Wave 9) and pay a partial amount they can afford (29% vs. 32% in Wave 9). Plans to use money from savings (49% vs. 50% in Wave 9) or take out personal loans (26% vs. 27% in Wave 9) to help pay remain stable.

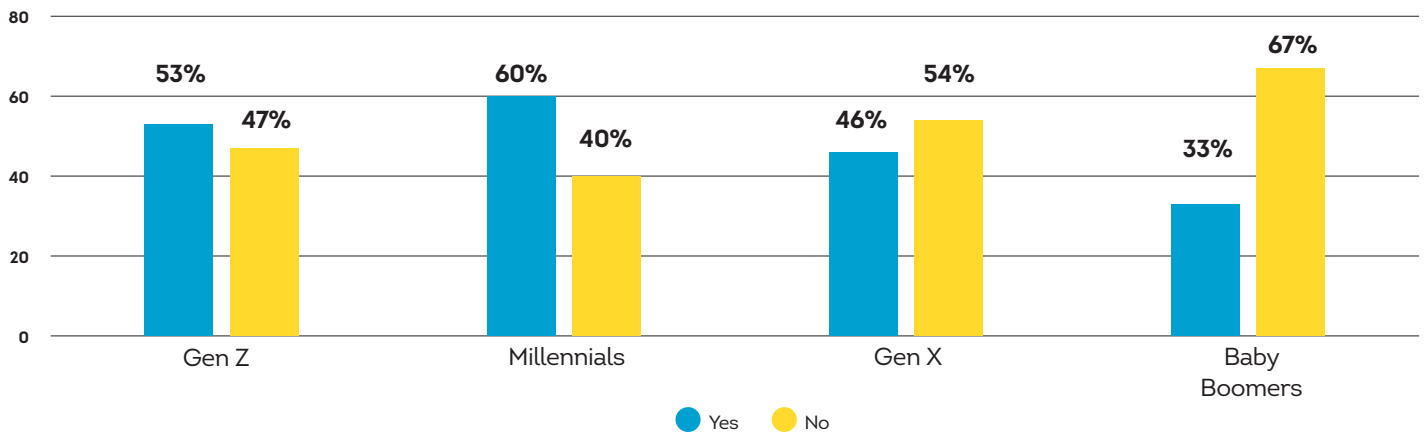
- Impacted consumers continue to approach companies they have accounts with to discuss payment options (57% vs. 55% in Wave 9), and a steady 61% of companies have provided some sort of guidance (Wave 9: 61%).
- Nearly the same percentage of respondents indicate they have received a financial accommodation from their lender (30% vs. 31% in Wave 9). Among impacted consumers who have received a financial accommodation, 34% of those with a personal loan received an accommodation, and 27% of consumers who have mortgages received one.
- Nearly half (49%) of consumers indicate they plan to delay their vacation/holiday due to the COVID-19 pandemic (Wave 9: 53%), while a quarter (26%) plan to delay home improvement spending (Wave 9: 26%). Additionally, 17% plan to delay a home purchase (Wave 9: 14%), 12% say they will delay an auto purchase (Wave 9: 10%), and 12% indicate they will delay spending on education (Wave 9: 13%).

Figure 9. What is your plan to help pay your current bill(s) or loans?

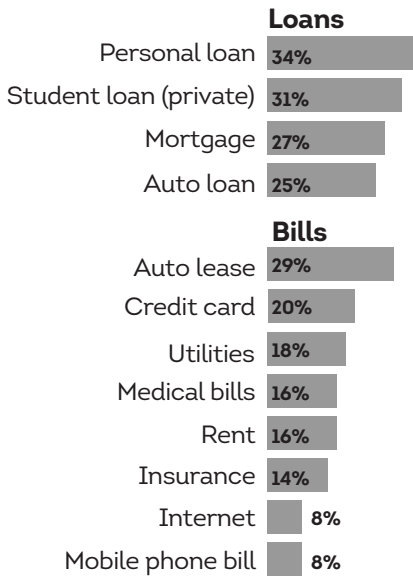


\* Note: small base size (n<50)

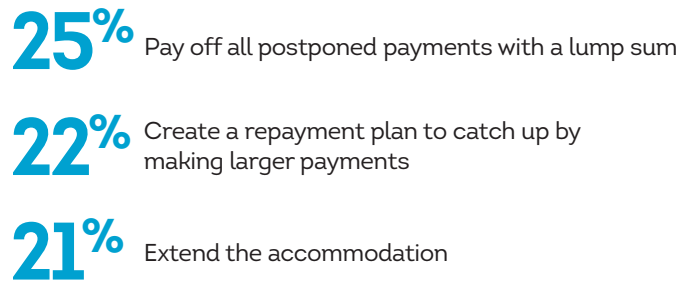
Figure 10. Have you reached out to companies you have accounts with to discuss payment options?



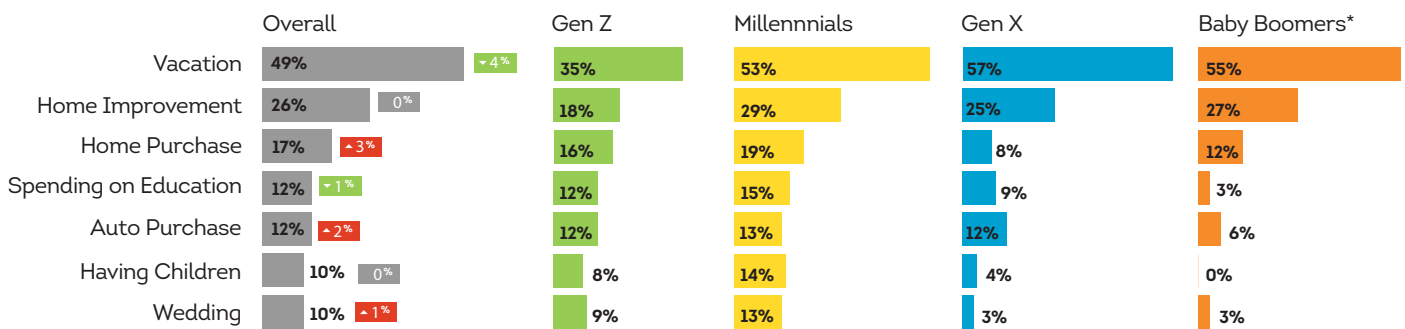
**Figure 11. Loans/bills enrolled in financial accommodation**  
(among those with financial product).



**Figure 12. Repayment preference when financial accommodation period ends (top 3 options).**



**Figure 13. Are you delaying any of the following major purchases or events?**



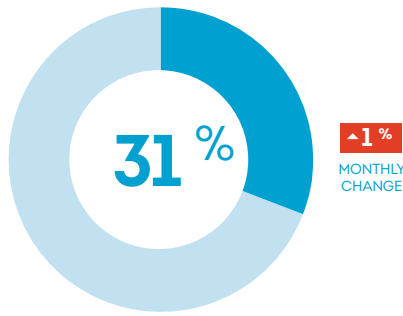
\* Note: small base size (n<50)

## TAKING CARE OF YOURSELF

### HEALTHCARE, FRAUD, AND CREDIT MONITORING

- The percentage of consumers who have canceled or delayed their non-COVID-19 medical appointment remains stable at 31% (Wave 9: 30%). Twenty-three percent will reschedule these types of appointments when they no longer believe there is a high risk of COVID-19 infection in doing so (Wave 9: 26%).
- Ten percent of respondents indicate they have acted on a fraud scheme and are now a victim of it (Wave 9: 8%). Among consumers who have experienced fraud, fraudulent COVID-19 vaccines, cures, tests and PPE is now the most common scheme (26% vs. 19% in Wave 9), while phishing (24% vs. 32% in Wave 9) and shipping fraud (20% vs. 25% in Wave 9) have both reduced but continue to be among the top three schemes.
- The vast majority of consumers (92%) continue to indicate that monitoring their credit during the ongoing COVID-19 pandemic is important (Wave 9: 93%). However, 38% of respondents do not know their credit score (Wave 9: 39%).

Figure 14a. Delayed medical procedures.



Percentage of consumers who have had an elective surgery, medical appointment or procedure delayed or canceled due to COVID-19.

Figure 14b. How urgently do you plan to reschedule your elective surgery, medical appointment or procedure?

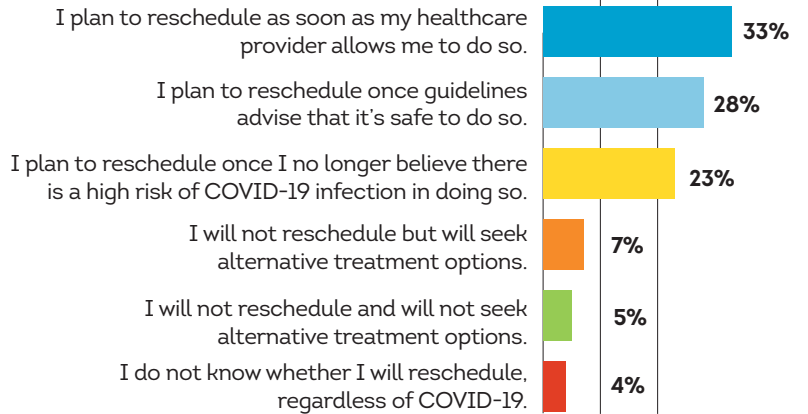


Figure 15. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?

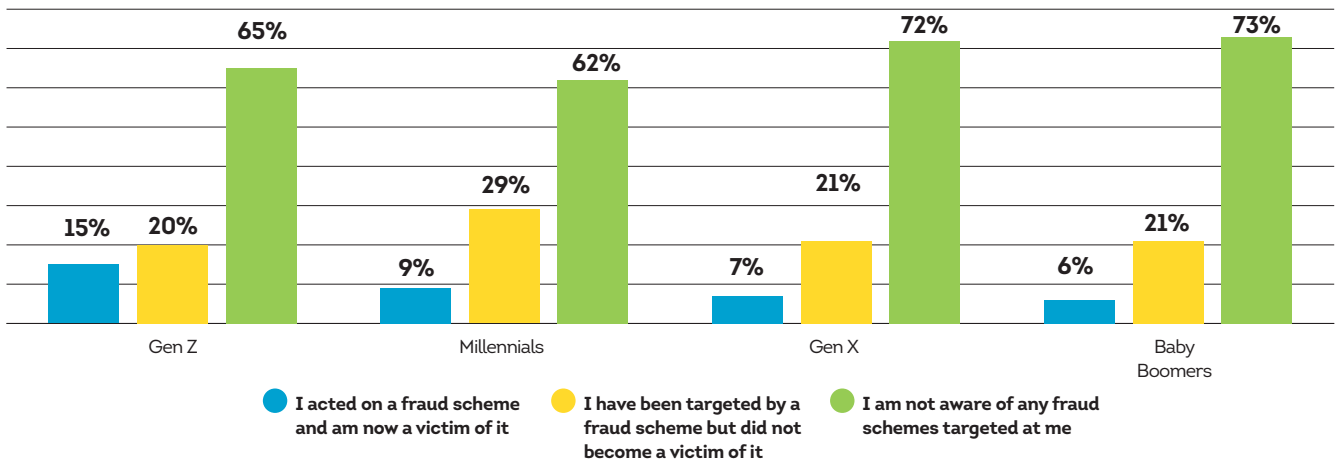
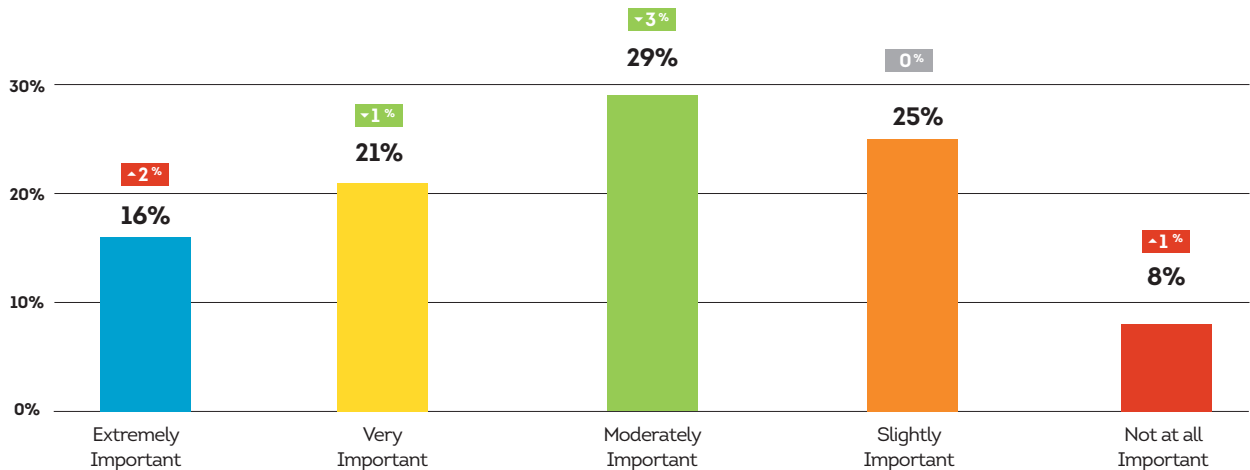


Figure 17. Importance of monitoring credit during the COVID-19 pandemic.



## CALL TO ACTION

If you found this information useful and would like to learn more, please 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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