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AFFLUENT SYDNEYSIDERS ARE THE REGION'S QUIET ACHIEVERS WHEN IT COMES TO WEALTH

While Australians are far from shy about success on the sports field, new research from HSBC reveals when it comes to attitudes toward wealth and wealth accumulation, Sydneysiders are the ultimate quiet achievers.

The findings come from research by HSBC into wealth attitudes of the affluent in Asia's top cities, with over 2,500 people from the top 20% of income earners interviewed in Sydney, Hong Kong, Singapore, Shanghai and Mumbai.

Graham Heunis, head of retail banking for HSBC Australia said: "Sydney's results contrast with neighbours in Hong Kong, Singapore, Shanghai and Mumbai, where the impact of political, economic, social and cultural changes are producing a range of differing socio-economic nuances.

"HSBC's research shows that Sydney's affluent are surprisingly understated when it comes to their money. While they consider themselves rich in intangible assets, they consider themselves among the poorest in the region when it comes to tangible assets.

"In terms of wealth aspirations, Sydneysiders see themselves as less sophisticated investors, but more conservative and less likely to achieve their wealth aspirations than the other cities, however the reality is different. Their appetite for risk means the majority of them reached or exceeded their wealth growth targets last year."

Perceptions of wealth

When it comes to measuring intangible wealth, such as relationships and personal lifestyle, Sydneysiders consider themselves the luckiest in the region with mean wealth levels at 71%. Shanghai feels the same, while Mumbai is decidedly unsatisfied with a mean of just 59%.

In contrast, Sydneysiders are remarkably modest when it comes to tangible assets, ranking among the lowest in the region with a mean wealth level of just 50%. Only Singapore considers itself poorer at 49%, while Mumbai considers itself the rich man of the region with mean wealth levels at 71%.

Affluent Sydneysiders are the region's quiet achievers when it comes to wealth/2

So can wealth buy happiness? The general consensus is yes, but Sydneysiders are among the region's most prudent, with only 74% agreeing wealth can buy happiness. Booming markets have obviously brought a smile to Shanghai and Mumbai faces, with 95% and 93% agreeing that happiness is there for purchase while Hong Kong firmly takes the middle road, with 85% agreeing, and Singapore conservative at 80%.

Motivation for wealth

Sydneysiders' focus on living the lifestyle they want is in sharp contrast to all other cities where family or children come first. Fifty-two per cent of Sydneysiders ranked their lifestyle in the top three motivators for growing wealth while Shanghai and Mumbai put children's education first, and Hong Kong and Singapore said providing their family with a comfortable lifestyle was their top priority.

As motivations for growing their wealth, Sydneysiders' mortgage comes second and their family third, followed sharply by supporting their retirement and retiring early. Less than a quarter of respondents saw paying for their children's education as a priority and even fewer thought to support their parents (6% included it in their top three) or leave money behind for family (5% cited it in their top three).

When they reach retirement, Sydneysiders stand out in their self-centrism. While all cities surveyed cited maintaining quality of life as the top priority, Sydney's focus on travel (55%) and new hobbies (42%) were standout contrasts to all other cities' focus on saving money for their children.

Wealth aspirations

Sydneysiders are among the least confident in achieving their desired level of tangible wealth. Less than half think they'll reach their wealth targets, contrasting sharply with Shanghai and Mumbai where almost seven out of ten believe they'll achieve their wealth aspirations.

Sydneysiders cite lack of capital as the greatest obstacle to growing their wealth (78% of respondents), a sentiment echoed by those in Hong Kong (59%) and Singapore (65%). This is most likely a result of higher living costs in more developed markets, such as the heavy burden of mortgages. In contrast, those in Shanghai and Mumbai lament their slow progress relative to the super accelerated economic developments they see in their own markets.

Affluent Sydneysiders are the region's quiet achievers when it comes to wealth/3

Closer to home, Sydneysiders see themselves as among the least sophisticated and most conservative investors in the region. Seventy-six per cent of Sydney respondents saw themselves as unsophisticated and 69% saw themselves as conservative investors. Mumbai is at the other extreme with 79% seeing themselves as sophisticated investors and only 33% seeing themselves as conservative. Most akin to Sydney's profile is Shanghai, with 81% seeing themselves as unsophisticated and 61% seeing themselves as conservative.

Despite Sydney's perceived conservatism, their risk appetite is the highest in the region, with 65% of respondents saying they'll tolerate some/high risk to increase their potential return and only 10% saying they'll pursue the lowest chance of loss, at the risk of yielding less than inflation. Interestingly, Mumbai's apparent sophistication isn't matched by their risk appetite. Only 31% will accept some/high risk to increase their potential return and a significant 24% will risk trailing inflation in order to avoid capital loss.

At the end of the day, however, money talks. And for all the financial modesty and conservatism of Sydney's affluent, more than two thirds reached their target return last year, ahead of neighbours in Singapore (49%) and Shanghai (61%), although trailing those in Hong Kong (75% and Mumbai (88%).

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Notes to editors

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