

FINANCIAL SERVICES

Will Young China's desire for early retirement be bad for the luxury market?

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A growing counterculture within China's younger generations is increasingly pushing back against unreasonable work hours, which has led many to seek early retirement. Image credit: Balenciaga, Haitong Zheng

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When more than 1,600 friend requests popped up on Guo Yu's phone, he could not help but feel a little flattered.

Mr. Guo is an ex-programmer who retired when he was just 28 years old, and a story about his path toward financial independence had recently gone viral on Chinese social media.

"Most of them want to know how much money I made to be able to retire early," Mr. Guo said in an interview with Phoenix New Media.

Now, the former employee at [Bytedance](#), which is the parent company of [TikTok](#) and Douyin, did some freelance writing before officially retiring at one of his Japanese hotel investments.

Mr. Guo is one of a growing number of young Chinese who dreamed of early retirement. It is an approach that may be familiar to many in the West as FIRE: a radical personal-finance strategy made famous by online gurus such as the Canadian-born blogger [Peter Adeney](#), who is also known as Mr. Money Mustache.

FIRE stands for "Financial Independence, Retire Early." It is a strategy where one aims to accumulate enough assets to live off passive income, allowing that individual to retire decades earlier than they would have with a standard job. It is a movement that has gained popularity in the West in recent years, as FIRE influencer Mr. Adeney has reportedly made more than \$400,000 from the method in 2018.

Now, China also appears to be catching FIRE fever.

On Zhihu the Chinese version of Quora the topic "early retirement" has now garnered more than 1 million views.

In 2018, a small group of netizens translated English-language media articles about the FIRE movement and uploaded them to [Chinese social media](#) platforms.

In some ways, FIRE mirrors the natural extension of a growing counterculture in China, where 80 percent of workers have reported feeling overworked.

Now, young generations are increasingly pushing back against unreasonable work hours.

The pandemic has further fueled this trend.

Much like the 2008 financial crash, which caused a surge of interest in FIRE among Western millennials, the current economic slowdown has led many young Chinese to rethink their consumption habits while embracing alternative lifestyles.

Therefore, the crisis has birthed an uptick in wellness products, and anti-consumption trends have begun to garner more interest.

This radical shift allows young workers to work less but not without a massive sacrifice, as it requires many potential entrepreneurs to live without many extras as they work towards their retirement dreams.

And some FIRE supporters in China are expressing concern that those vying for early retirement are exposing themselves to financial risks further down the line.

But would the younger generations consider cutting their luxury spending to be able to retire early?

As an example, the 28-year-old programmer mentioned earlier was not living a frugal life while he was employed. In fact, his next retirement investment is going to be in the **leisure business**. After all, the point of the FIRE movement is to have a happier life.

The trick to retiring young is to spend less instead of more, but it also shares a philosophy that luxury brands advocate: only invest in high-quality products.

To attract these FIRE supporters, brands can achieve consumer stickiness through a strong brand identity that comes from its long-lasting goods.

For example, implementing a loyalty program, providing repair services, and offering resale options can help in this regard.

By convincing consumers that their money is well-spent, brands could attract and hold onto this group.

Most FIRE supporters are also anti-clutter, so fast fashion is off their shopping list. They also prefer to give shared experiences as gifts instead of physical objects, arguing this is a far better way of sustaining a friendship.

"In the old days, we may have tried to hide our penny-pinching ways," said Claer Barrett, the editor of FT Money, "but today, virtue signaling has made being thrifty fashionable."

Aside from wiser and more frugal spending, wanting to retire early in China has also boosted the country's healthcare industry, since young **millennials** and **Gen Zers** are paying more attention to wellness.

The Ketogenic diet and intermittent fasting are gaining momentum in China, as young workers want to offset long working hours with smarter health choices. After all, one needs to stay alive to spend the money they have saved.

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