



Gmail Carsten Holz <carstenholz@gmail.com>

FYI / for the record

Carsten Holz <carstenholz@gmail.com>

Tue, Sep 19, 2023 at
11:13 AM

To: [division head, Social Science Division; dean, School of Humanities and Social Science]

Cc: [provost, HKUST]

Dear [division head] and [dean],

I want to share with you that, as substantiated full professor, I am paying nearly half of my salary in rent (HKD 55,000, see attached). This has a number of implications.

The other half of my salary is uncomfortably tight, having to cover all other expenses from moving expenses (container shipment back after my Princeton no-pay leave) to real estate agent fees, health care, the various daily expenses, taxes, and travel expenses overseas due to my wife and I both having parents in their mid-80s (in Germany and the U.S.).

It takes 2+ hours from the residence in Cheung Sha, South Lantau, to campus, one way, which suggests coming to campus only to teach. I contacted the HKUST estate office about renting on campus and no top floor apartment was available. (We ruled out upstairs neighbors given my experience on campus many years ago.) We looked at suitable apartments in Silverstrand / Clear Water Bay and they were more expensive than half my salary.

What I am paying as rent, I should be saving for retirement. My BCT balance as of 6 September 2023 was HKD 5,846,881. (On the strikingly low returns of the HKUST substantiation scheme, see <https://carstenholz.people.ust.hk/Retirement/HKUST-Pension-Underfunded-22Dec2020.pdf>.) In simplest terms, divide my BCT balance by 30 years and I'll have a pension of HKD 16,000 per month. Add another 7 years' contributions (till mandatory retirement), hope for the best, and my pension might cover half the rent in retirement. Where will the other half of the rent come from, and how are we going to eat?

Two decades ago, I signed up for the Home Financing Scheme and then didn't buy. Why not, I have documented earlier:

<https://carstenholz.people.ust.hk/FakeMeritReview2019/CarstenHolz%20HFA.pdf>. I blame university managers violating university rules—in my case with the effect of subsequently limiting the Home Financing Allowance and thereby making buying a property near-/impossible—and I blame university managers subsequently repeatedly taking actions that make a purchase not only financially near-/impossible but also implausible.

Nobody wants to be burdened by predecessors' misconduct. (I first pointed out the issue to then Dean James Lee in 2015, who promptly ignored it.) The fact is that there is a real problem with real consequences today and going forward. I spending nearly half of my salary on rent is—especially given the HKUST pension situation—irrational for me to do

and unsustainable. I believe it is also irrational (violating basic cost-benefit considerations) for a university, as an academic institution, to put a faculty member in such a position.

I am additionally sending you a hard copy and request that you put the hard copy into whatever file your office maintains on me.

Sincerely,
Carsten

[Carsten HOLZ, Prof., SOSC]



CarstenHolz Lease 7Sep2023.pdf
3839K