Introducing Singapore’s first Financial Wellness Index
Everywhere we turn, we see signs that people in Singapore take their health more seriously.
At all times of the day – before work, at lunch, after work – we see people run, cycle, hit the gym, do yoga and pilates.
Salad shops are now as common as fast food restaurants.

New healthy diets are all the rage.
At the same time, rising costs of living, topsy-turvy financial markets and caring for parents and children have raised stress levels. **Financial wellness is a major concern.**
That got us thinking:
While more are

taking care of
their health,

can we say the same for
how they are
taking care of
their wealth?
So we set out to find out.

With Singapore’s first Financial Wellness Index.
We first had to define financial wellness.

Our financial experts listed **10 pillars** that would define how financially well someone is.
From there, we asked respondents about 26 indicators which, taken together, paint a comprehensive picture of one’s financial wellness.

- Regular rate of savings
- Investing
- Mortgage insurance
- Sufficient medical insurance
- Financial retirement planning
- Taking steps to be healthy to work for as long as I want
- Good management of unsecured debt
- Regular passive income
- Stick closely to budget
- Research on investments and financial products
- Review of financial plan yearly
- Being aware of tax relief schemes
- Ensure finances are taken care of after passing on
- Gambling more than one can afford to lose
- Excessive speculation
- Often borrow money from friends/relatives
- Spend beyond means to keep up with peers
- Pay minimum sum on credit cards
- Enough funds to overcome crisis
- Able to defray major medical expenses
- Sustain financially for 6 months if jobless
- Pay off housing loan
- Meet family’s financial needs
- Dependents taken care of
- Spend comfortably on things
- Maintain lifestyle after retirement
we would know the level of Singaporeans’ financial wellness.
In May, we polled 2,000 working adults across the ages of 21 to 65 in Singapore.
We studied different segments of the population.
We found that more are taking their health seriously. But may need help with their wealth.

- **Exercise at least once a week**: 85%
- **Try to eat healthily**: 88%
Singaporeans scored an average **63**.
People in Singapore are good at the basics.

- 26% saved from the average person’s salary
- 82% have proactively gotten medical insurance coverage
- 69% set a budget and stick to it
But when it came to investing, they didn’t fare so well.

- **34%** do not invest
- **48%** have no passive income
- **36%** of investors have investments not performing to their targets
- **27%** investors who speculate excessively for quick gains
Regular savings, and not investing, is still seen by many as the mainstay of their retirement plans.

- 33% think of investing as a form of gambling
- 37% don’t know the best way to grow their money
Many are not equipped for financial emergencies.

42% on track to accumulate enough funds for an emergency

51% can stretch their savings to last for 6 months
They are not financially well-prepared to enjoy their golden years. 73% are not on track with their retirement plans. 65% are behind with accumulating enough funds for maintaining their lifestyle after retirement.
These financial gaps meant 40% had worried about money the week we surveyed them.
We also saw intriguing differences between the genders.

Women were, by and large, more averse to investing.

<table>
<thead>
<tr>
<th>Category</th>
<th>Men (%)</th>
<th>Women (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Investments</td>
<td>31</td>
<td>39</td>
</tr>
<tr>
<td>Don't know best way to grow wealth</td>
<td>32</td>
<td>43</td>
</tr>
<tr>
<td>No Passive Income</td>
<td>44</td>
<td>54</td>
</tr>
</tbody>
</table>

No. of respondents:
- Men: 1,120
- Women: 880
51% among the sandwiched generation find it tough to financially support both their parents and children.
The sandwiched generation deals with more financial gaps.

- **31%** have unsecured debt.
- **29%** are investors who speculate excessively for quick gains.
- **41%** had worried about money over previous seven days.

**Singapore Average:**
- **27%** have unsecured debt.
- **27%** are investors who speculate excessively for quick gains.
- **40%** had worried about money over previous seven days.

No. of respondents: 458
Because of these financial gaps, the sandwiched generation **does more to achieve financial stability.**

- **59%** review financial plans yearly. (Singapore average: 49%)
- **78%** have arranged for finances to be taken care of after their death. (Singapore average: 66%)
- **52%** are able to sustain themselves for 6 months if jobless. (Singapore average: 51%)
The 51% who find it tough supporting both their parents and children (slide 22) worry more about several issues.

- 31% Have problems teaching their children about the value of money
  - Singapore average: 26%
- 74% Economy not improving in the next 12 months
  - Singapore average: 70%
- 63% Not being able to spend comfortably beyond the basics
  - Singapore average: 51%
- 39% Concerned about not being able to match peers’ lifestyles
  - Singapore average: 34%
- 48% Don’t know the best way to grow their money
  - Singapore average: 37%
- 22% Among those with unsecured debt
  - Singapore average: 18%
We also saw intriguing differences between those who were married and those who weren’t.

Those who were married were more likely to have made plans for the future.

- **Own Investments**: 69% Married, 62% Single
- **Have Passive Income**: 55% Married, 47% Single
- **On Track with Retirement Plans**: 31% Married, 21% Single

No. of respondents: Married: 1,244, Single: 681
People of different age groups had different scores in the Financial Wellness Index.

<table>
<thead>
<tr>
<th>Age</th>
<th>FINANCIAL WELLNESS INDEX SCORE</th>
<th>WANTS TO RETIRE AT* / WITH HOW MUCH*</th>
</tr>
</thead>
<tbody>
<tr>
<td>20s</td>
<td>61</td>
<td>56 $1m</td>
</tr>
<tr>
<td>30s</td>
<td>62</td>
<td>59 $900k</td>
</tr>
<tr>
<td>40 to 54</td>
<td>64</td>
<td>62 $800k</td>
</tr>
<tr>
<td>55 and older</td>
<td>65</td>
<td>67 $500k</td>
</tr>
</tbody>
</table>

- Disciplined savers and spenders
- Started investing early
- Need to know the right way to grow wealth
- Avoid excessive risk in investments
- Taken steps to grow investments and passive income
- Struggle between balancing debt and wealth accumulation
- Need to reinforce their safety net
- Many are on track with investments and passive income
- Married 40s better positioned
- Single 40s have insufficient planning
- Some struggle to meet needs of both parents and children
- Many have made plans to pass on their assets
- Many still not on track with their retirement plans, family needs, sustaining lifestyle after retirement

*Average
*Median
Those in their 20s save conscientiously and stick to their budget more so than other age groups.

**SPENDING**
72% Stick to their budget

VS.
69% S’poreans stick closely to budget

But more males are concerned about keeping up with their peers*

**SAVINGS**
31% Average saving rate

VS.
Singapore average savings rate is 26%

**INVESTMENT**
56% Have investment products

VS.
60% 52% More males have started investing than females

Products owned include Stocks and shares (local and international), Unit Trust, Exchange traded funds (ETFs), Investment-linked insurance, Fixed income securities/bonds

**RETIREMENT**
Younger desired retirement age

56 vs. 61
20s Singaporeans

Desire higher retirement fund**

S$1mil vs. S$800k
20s Singaporeans

But half have not started on retirement planning:

50% vs. 32%
20s Singaporeans

*worried about not able to maintain their lifestyle comparable to their peers

*Average

**Median

All figures are out of 20s unless stated
But they should seek qualified financial advice or do more research to better meet their investment targets.

Half of 20s females don’t know the best way to grow their money and shy away from investing

“Don’t know the best way to grow my money”

32% 55% vs 37% Singapore average

Wealth accumulation

1. Cash Deposits 35%
2. Stocks/shares 24%
3. Insurance 9%

Cash Deposits 55%

INSURANCE

INSURANCE

PERFORMANCE OF INVESTMENT

Close to half follow tips from friends/family or do no research, impacting investment performance

I don’t do any research* 0% 47%
Follow tips from friends/family 63% 67%
Follow qualified financial reps 71% 69%

Conduct research beyond what qualified financial reps told me to do 30%

FINANCIAL REGRETS

56% Have investment products
Among which, 32% Excessively speculate for quick gains

“Investing or speculating in individual stocks”
“Getting into forex trading before doing an in-depth research”
“Invested in a stock that resulted in a 60% loss in capital”
“Buying stocks without checking their fundamentals”

All figures are out of 20s unless stated
Those in their 30s are stretched between wealth accumulation and debt creeping in.

30s are at a life stage where financial obligations arise

- **60%** are married
- **51%** are servicing a mortgage loan (out of which 30% have some trouble paying monthly housing loan installments)
- **31%** have unsecured debt
  - **25%** Credit Card debt
  - **13%** Personal Line of credit
- **30%** have some trouble paying monthly housing loan installments

30s are also actively trying to grow their wealth

- **69%** have investment products
  - **75%** More males have started investing than females
  - **66%** S’poreans own investments
  - **66%** S’poreans own investments

- **55%** have regular passive income
  - **62%** More males have regular passive income
  - **52%** S’poreans have regular passive income

Review financial plan yearly with a financial planner

54% vs. 49%

Singapore avg.

*Trouble: sometimes miss paying on time, able to pay but with some problems, may be forced to sell or downgrade
* Passive income refers to rental, dividends, interest income, royalties, payout from annuities etc.
All figures are out of 30s unless stated
The anxiety of wealth accumulation combined with their obligations can potentially lead to less-than-ideal outcomes.

**BAD HABITS**

- 29% Don’t stick closely to budget
- 25% Pay only the min credit card bills
- 25% Excessively speculate for quick gains
- 21% Spend a large extent or above their means to keep up with peers
- 11% Often borrow money from friends/relatives

**LESS THAN IDEAL OUTCOMES**

- 39% Worried about money in the past week
- 29% Cannot sustain themselves for 6 months if jobless
- 22% Insufficient funds to overcome crisis
- 19% Can’t spend comfortably
- 13% Tough meeting family’s financial needs*

*Among people with dependents, family financial needs: e.g. Children education, Care for parents
^Can’t spend comfortably refer to only able or cannot even afford the basic
All figures are out of 30s unless stated
Those between 40 to 54 who are married are into growing their wealth and financial protection while singles are falling behind.

<table>
<thead>
<tr>
<th>MIDDLE AGE</th>
<th>LIFE STAGE</th>
<th>FINANCIAL WELLNESS INDEX</th>
<th>INVESTMENT &amp; PASSIVE INCOME</th>
<th>MEDICAL INSURANCE</th>
<th>MORTGAGES</th>
<th>REVIEW FINANCIAL PLAN</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARRIED</td>
<td>WITH KIDS</td>
<td>64</td>
<td>69% Own Investments</td>
<td>66% On track with performance of investment (among those who have investments)</td>
<td>87%</td>
<td>53% Review financial plan yearly with a financial planner</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>57% Have regular passive income*</td>
<td>70% On track with performance of passive income* (among those who have passive income)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MARRIED</td>
<td>WITHOUT KIDS</td>
<td>65</td>
<td>65% Own Investments</td>
<td>57% On track with performance of investment (among those who have investments)</td>
<td>87%</td>
<td>35% Review financial plan yearly with a financial planner</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>59% Have regular passive income*</td>
<td>61% On track with performance of passive income* (among those who have passive income)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SINGLE</td>
<td></td>
<td>62</td>
<td>62% Own Investments</td>
<td>50% On track with performance of investment (among those who have investments)</td>
<td>79%</td>
<td>41% Review financial plan yearly with a financial planner</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>46% Have regular passive income*</td>
<td>58% On track with performance of passive income* (among those who have passive income)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Passive income refers to rental, dividends, interest income, royalties, payout from annuities etc. All figures are out of 40-54 unless stated.
1 in 2 who financially support both parents and children have difficulties meeting both parties’ needs.

**Dependents**
- 88% Have dependents
- 12% No dependents

1 in 3 are supporting both children and parents financially

### Among those who are financially supporting children and parents...

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
<th>Average age</th>
<th>Main Occupation</th>
<th>Average Monthly personal income</th>
<th>Average Monthly household income</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>Can meet the needs of both Children &amp; Parents</td>
<td>45 years old</td>
<td>Senior, Middle Management</td>
<td>$8.6k</td>
<td>$12.6k</td>
</tr>
<tr>
<td>30%</td>
<td>Can mainly meet the needs of Children</td>
<td>45 years old</td>
<td>Middle Management, Professionals</td>
<td>$7.9k</td>
<td>$11.9k</td>
</tr>
<tr>
<td>14%</td>
<td>Can mainly meet the need of Parents</td>
<td>45 years old</td>
<td>Middle Management, Junior Management,</td>
<td>$6.9k</td>
<td>$10.2k</td>
</tr>
<tr>
<td>6%</td>
<td>Tough meeting both needs*</td>
<td>47 years old</td>
<td>Middle Management, Office Workers, Skilled</td>
<td>$5.2k</td>
<td>$7.7k</td>
</tr>
</tbody>
</table>

*Read with caution – sample size less than 30

All figures are out of 40-54 unless stated
This is largely due to **insufficient planning and financial management.**

<table>
<thead>
<tr>
<th>50%</th>
<th>30%</th>
<th>14%</th>
<th>6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can meet the needs of both Children &amp; Parents</td>
<td>Can mainly meet the needs of Children</td>
<td>Can mainly meet the need of Parents</td>
<td>Tough meeting both needs*</td>
</tr>
<tr>
<td>77% stick to their budget closely</td>
<td>53% investment performs below target (among those who have investments)</td>
<td>35% don’t stick to their budget closely</td>
<td>56% don’t stick to their budget closely</td>
</tr>
<tr>
<td>Save 28% of their income monthly</td>
<td>47% passive income^ performs below target (among those who have passive income)</td>
<td>35% speculate excessively for quick gains</td>
<td>44% Gambled more than they can afford to lose sometimes / most of the time / almost always</td>
</tr>
<tr>
<td>70% Review financial plan yearly with a professional</td>
<td>28% Gambled more than they can afford to lose sometimes / most of the time / almost always</td>
<td>30% pay the min. sum required for credit card bills (among credit card holders)</td>
<td>44% don’t do any research when making financial decisions</td>
</tr>
<tr>
<td>38% conducted own research on investment products</td>
<td>32% don’t stick to their budget closely</td>
<td>Among those servicing mortgage loans have problems paying off housing loan</td>
<td>29%</td>
</tr>
<tr>
<td>24% Credit card debts</td>
<td>21% Spend a large extent or above their means to keep up with peers</td>
<td>10% fear being forced to sell off/downgrade</td>
<td></td>
</tr>
</tbody>
</table>

*Read with caution – sample size less than 30

* Passive income refers to rental, dividends, interest income, royalties, payout from annuities etc.

All figures are out of 40-54 who have both parents and children as financial dependents unless stated.
Some in this age group are also struggling with their retirement plans.

<table>
<thead>
<tr>
<th>50%</th>
<th>30%</th>
<th>14%</th>
<th>6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can meet the needs of both Children &amp; Parents</td>
<td>Can mainly meet the needs of Children</td>
<td>Can mainly meet the need of Parents</td>
<td>Tough meeting both needs*</td>
</tr>
</tbody>
</table>

- Made financial retirement plans
- Retirement plans in place (Top 3)
- Funds to maintain current lifestyle after retirement
- Worried about money in the past week

<table>
<thead>
<tr>
<th>53% behind target/not started</th>
<th>84% behind target/not started</th>
<th>82% behind target/not started</th>
<th>94% behind target/not started</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Regular Savings</td>
<td>1. Regular Savings</td>
<td>1. Regular Savings</td>
<td>1. Regular Savings</td>
</tr>
<tr>
<td>2. Interest from savings</td>
<td>2. CPF LIFE</td>
<td>2. Fixed deposits</td>
<td>2. CPF LIFE</td>
</tr>
<tr>
<td>3. Fixed deposits</td>
<td>3. Whole life insurance</td>
<td>3. CPF LIFE</td>
<td>3. CPF LIFE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>47% behind target/not started</th>
<th>79% behind target/not started</th>
<th>74% behind target/not started</th>
<th>88% behind target/not started</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td>47%</td>
<td>44%</td>
<td>81%</td>
</tr>
</tbody>
</table>

*Read with caution – sample size less than 30

All figures are out of 40-54 who have both parents and children as financial dependents unless stated
Those 55 and older have made plans for their families but could do more to maintain their lifestyles after retirement.

**Retirement Funds required**
- $500k
- $500k

**Retirement Plans in place**
1. Deposits
2. CPF
3. Stocks/shares
   - CPF
   - Endowment

**78% vs. 66%**
- Done something to ensure finances are taken care of after they pass on
- Singapore average

**60% vs. 48%**
- Able to meet family's financial needs*
- (e.g. children’s education, care for elderly parents)
- Singapore average

**63% vs. 73%**
- Not on track with their financial retirement plans
- Singapore average

**78% vs. 66%**
- Tough to sustain lifestyle after retirement
- Singapore average

**Health vs Wealth**
- 93% Try to Eat healthily
- 75% Have medical insurance plan
- 84% Exercise
- 48% Have passive income^* (Singapore average)
- 78% Go for health checks
- 40% Review financial plan

**BEST FINANCIAL DECISIONS**
- “Investment and long term savings”
- “Bought insurance while still young”

**FINANCIAL REGRETS**
- “I regretted for not starting early with investments”
- “Invested in bad stocks”

^Passive income refers to rental, dividends, interest income, royalties, payout from annuities etc.
^Among people with dependents
All figures are out of >55 unless stated
These are insights from Singapore’s first Financial Wellness Index by OCBC.

We will conduct this research every year to gauge Singapore’s financial wellness.