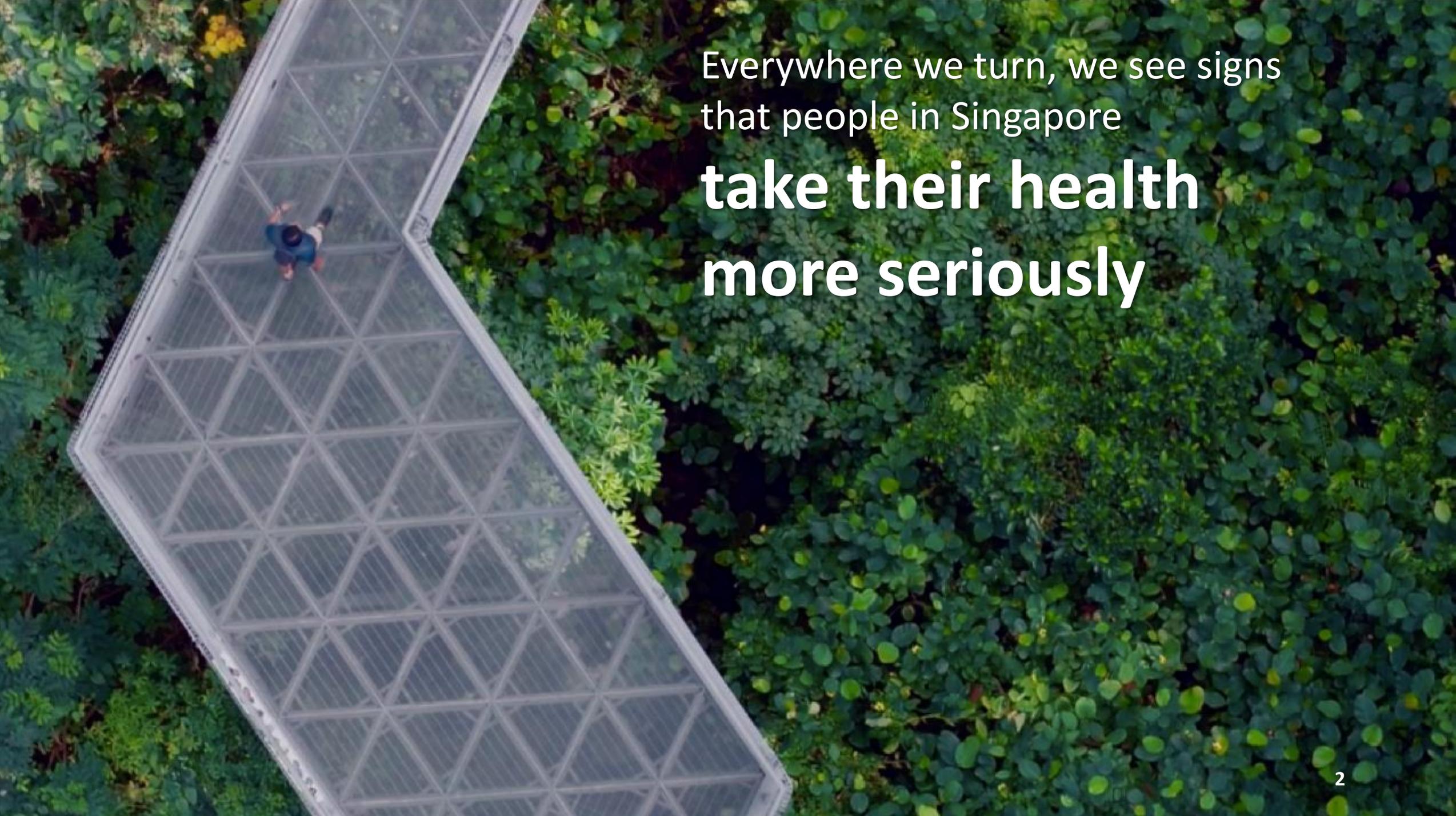




Introducing Singapore's first Financial Wellness Index

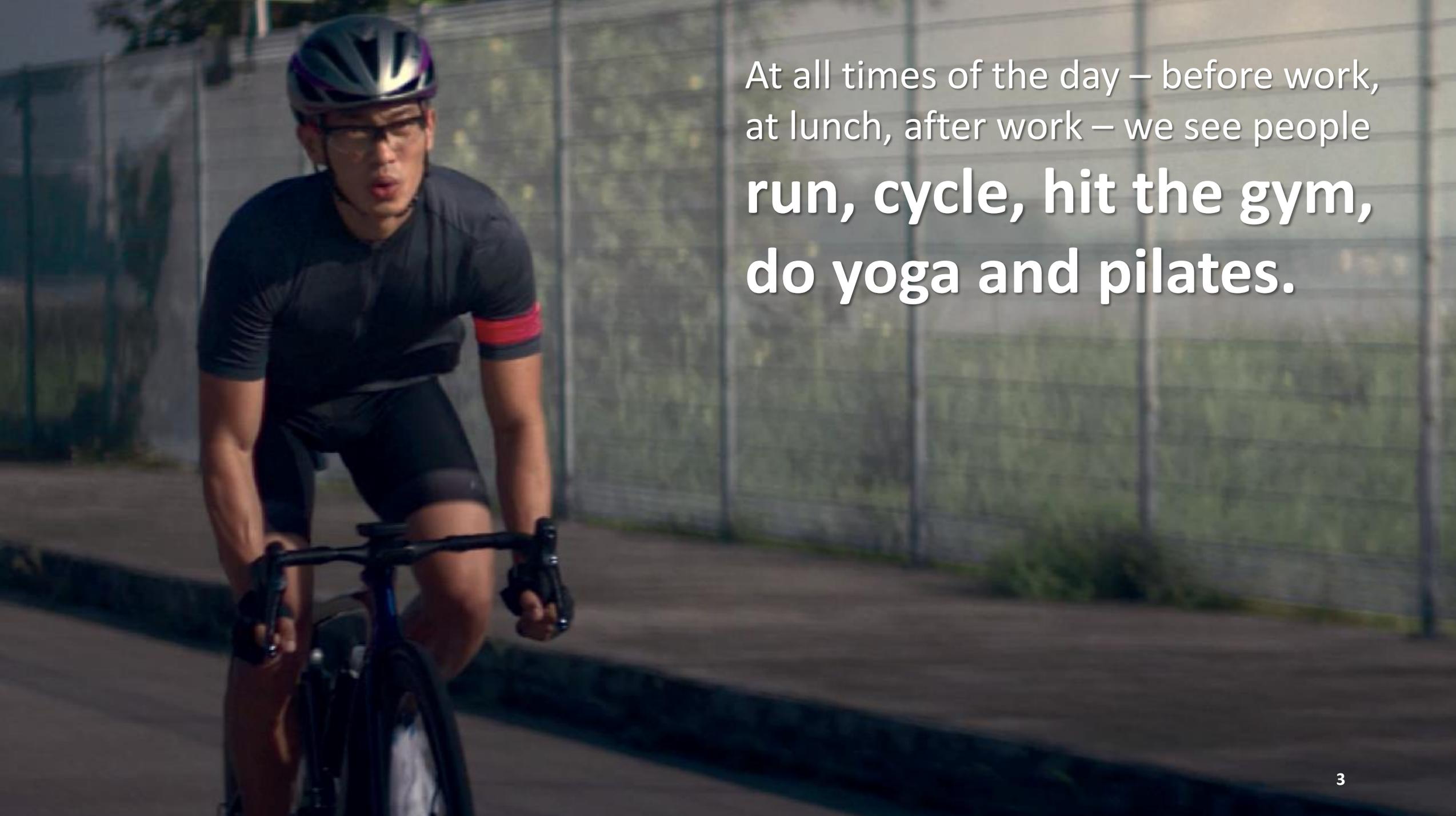
simply
spot on



An aerial photograph showing a person walking on a glass-enclosed walkway that runs diagonally across a dense, lush green forest. The walkway has a white metal frame with a triangular pattern. The surrounding vegetation is thick and vibrant green.

Everywhere we turn, we see signs
that people in Singapore

**take their health
more seriously**

A male cyclist wearing a black cycling jersey with a red stripe on the sleeve, black shorts, a black helmet, and glasses is riding a road bike on a paved path. He is leaning forward in a racing posture. The background consists of a chain-link fence and some greenery. The lighting suggests it's daytime.

At all times of the day – before work,
at lunch, after work – we see people
**run, cycle, hit the gym,
do yoga and pilates.**

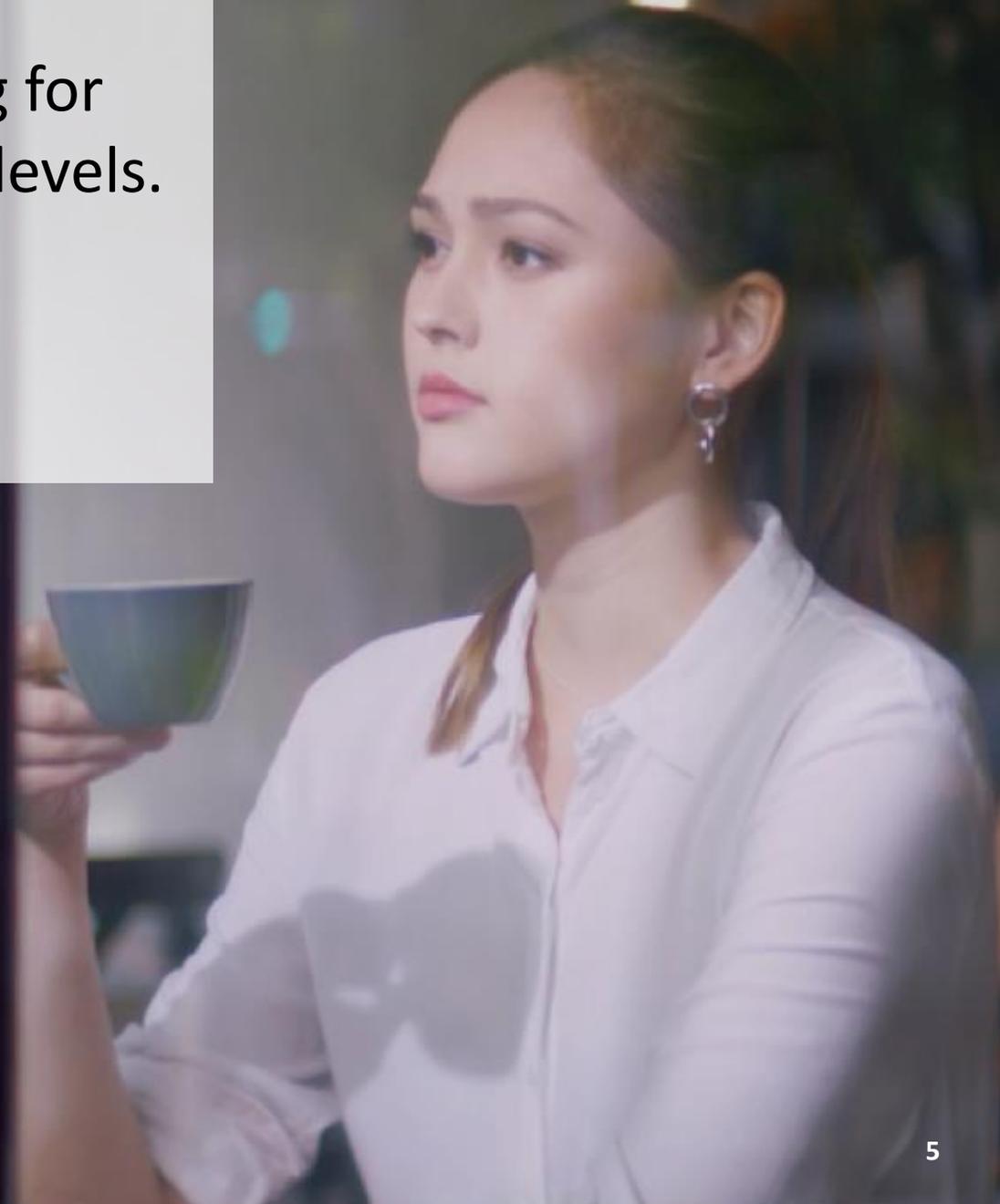
Salad shops are now
as common as fast food restaurants.

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.

SAVING
HABITS



REGULAR
INVESTING



REGULAR
REVIEWS



EXCESSIVE
SPECULATION



SPENDING
BEYOND MEANS



PROTECTION
FROM FINANCIAL
EMERGENCIES



RETIREMENT
PLANNING



GAMBLING
HABIT



BORROWING
MONEY FROM
LOVED ONES



MANAGEABLE
DEBTS



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

44
questions
later

we would know the level of
Singaporeans' financial wellness.

In May,
we polled

2,000
working
adults

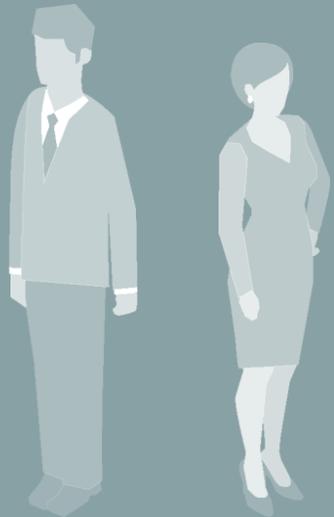
across the ages
of 21 to 65
in Singapore

We studied different segments of the population

**Sandwiched
Generation**

Married

Singles



20's

30's

**40 to
54**

**55 and
older**

We found that more are
**taking their
health seriously**

EXERCISE
AT LEAST
ONCE A WEEK

85%

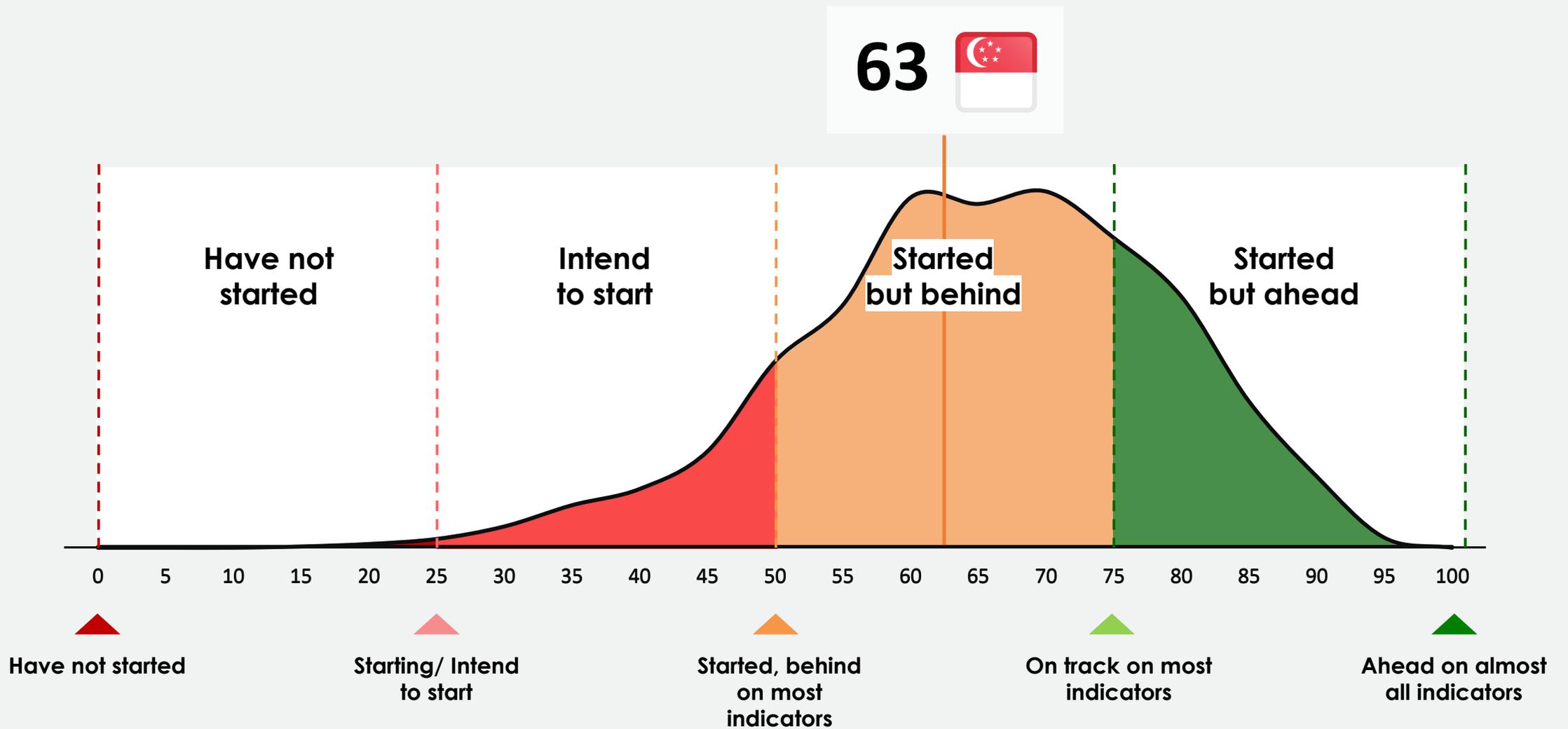
TRY TO EAT
HEALTHILY

88%



But may
**need help with
their wealth.**

Singaporeans scored an average **63**.

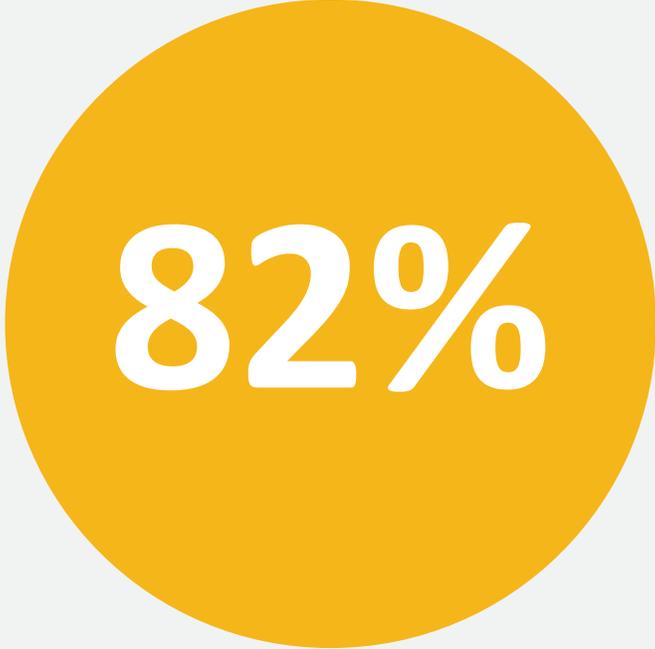


People in Singapore are
good at the basics.



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

HAVE NO
PASSIVE INCOME

48%

36%

OF INVESTORS
HAVE
INVESTMENTS
NOT PERFORMING
TO THEIR TARGETS

INVESTORS WHO
SPECULATE
EXCESSIVELY FOR
QUICK GAINS

27%

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

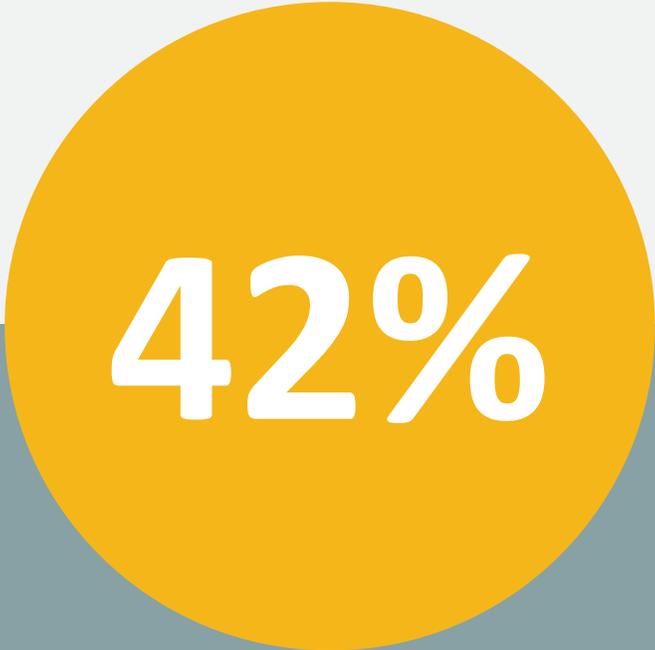


37%

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 maintain 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.

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.

No. of respondents: 458



31%

HAVE UNSECURED DEBT

SINGAPORE AVERAGE:

27%



29%

INVESTORS WHO SPECULATE
EXCESSIVELY FOR QUICK GAINS

SINGAPORE AVERAGE:

27%



41%

HAD WORRIED ABOUT MONEY
OVER PREVIOUS SEVEN DAYS

SINGAPORE AVERAGE:

40%

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%

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.

Index score

59

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%

Not being on target in paying off unsecured debt
Singapore average: 18%

Among those with unsecured debt

We also saw intriguing differences between those who were married and those who weren't.

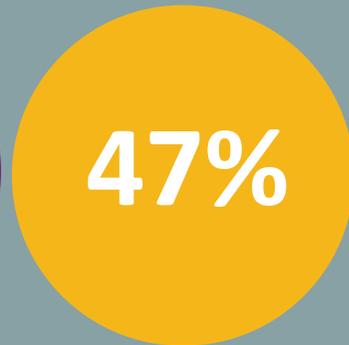
Those who were married were more likely to have **made plans for the future.**

No. of respondents:
Married: 1,244
Single: 681

OWN INVESTMENTS

HAVE PASSIVE INCOME

ON TRACK WITH RETIREMENT PLANS



MARRIED

SINGLE

MARRIED

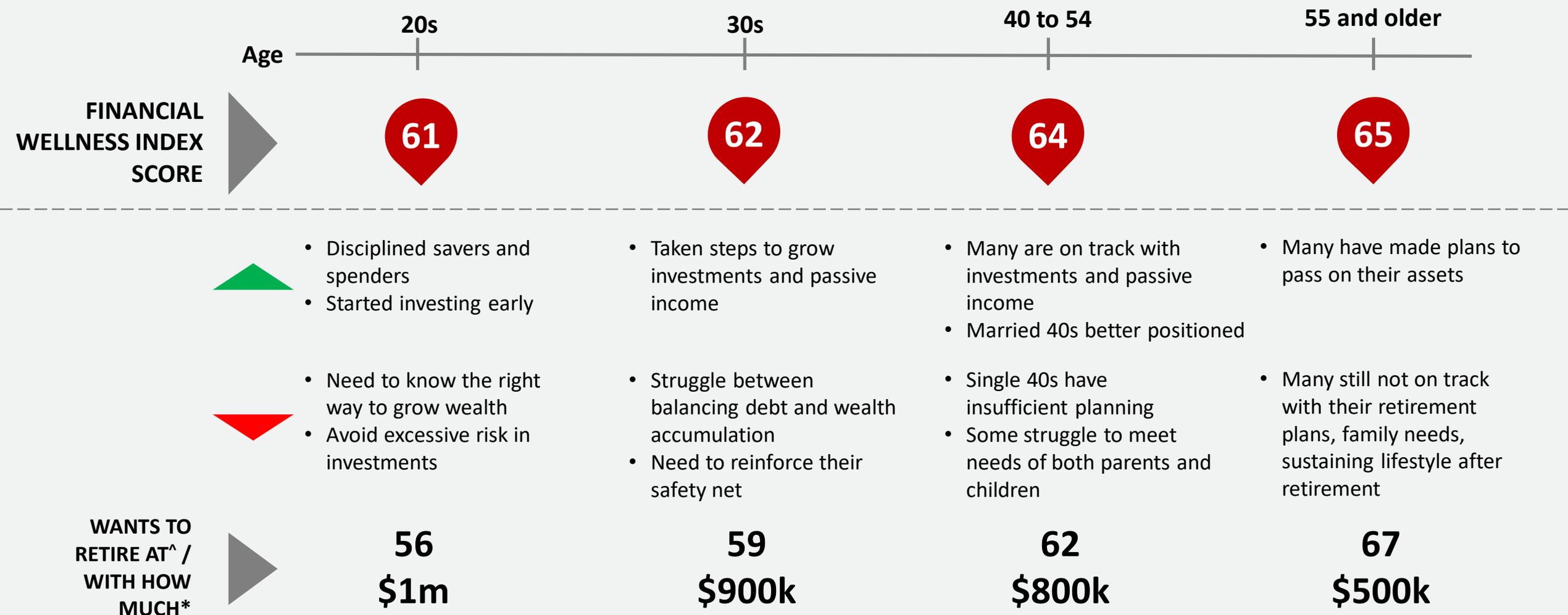
SINGLE

MARRIED

SINGLE

People of different age groups

had different scores in the Financial Wellness Index.



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



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

VS.

66% S'poreans own investments

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

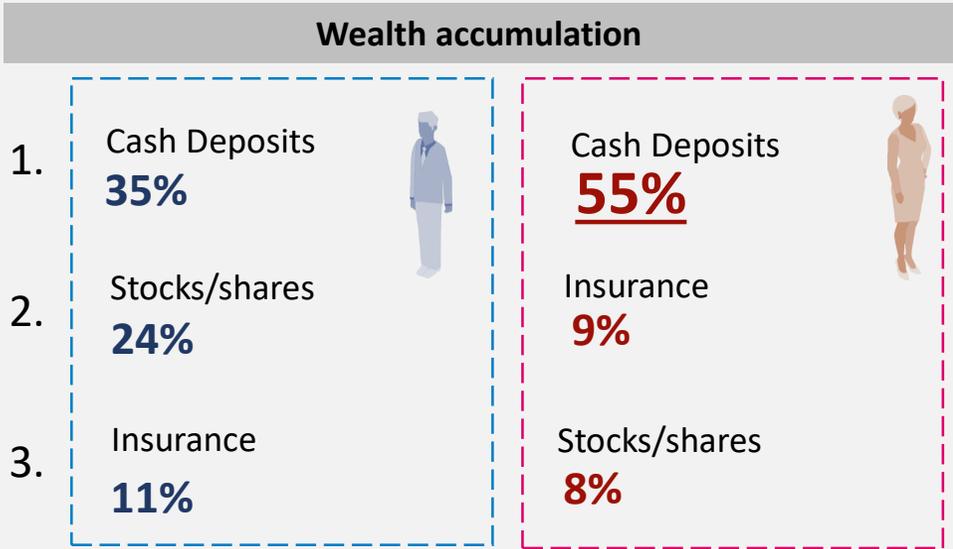
[^]Average

**Median

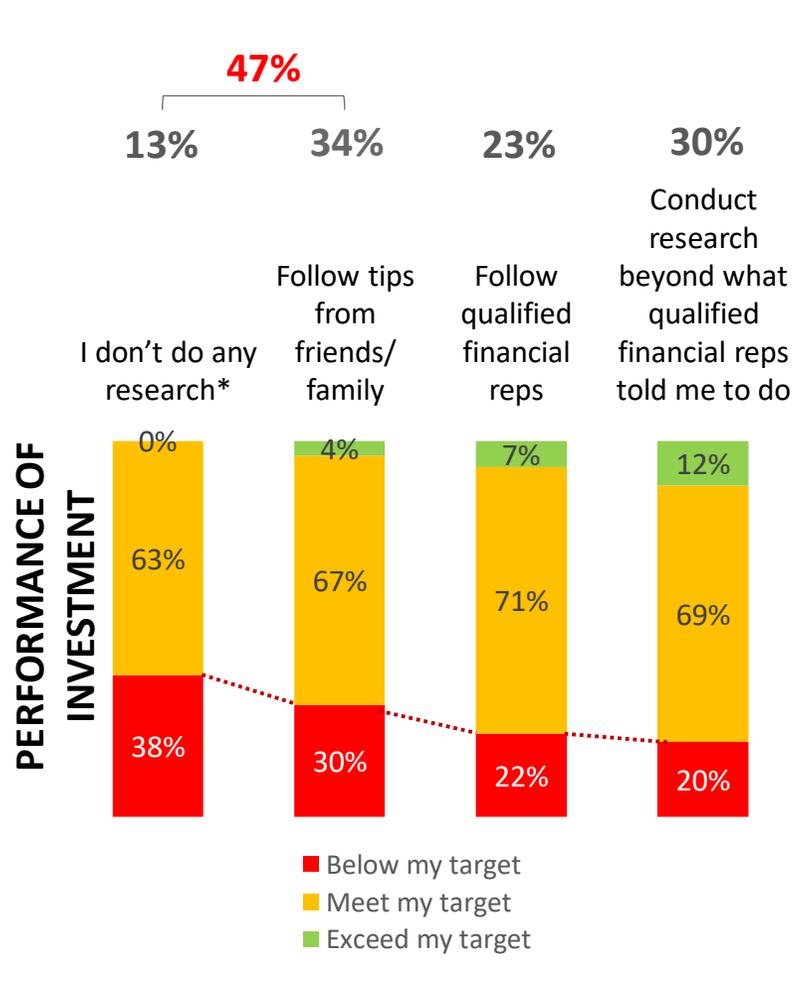
All figures are out of 20s unless stated

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



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



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

FINANCIAL REGRETS

"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



30% Have some *trouble paying monthly housing loan installments

31% have unsecured debt
VS.
27% S'poreans have unsecured debt

25% Credit Card debt
13% Personal Line of credit

BUT

30s are also actively trying to grow their wealth

69% have investment products

INVESTMENT



75% **63%**

More males have started investing than females



VS.

66%

S'poreans own investments

55% have regular passive income

PASSIVE INCOME[^]



62% **49%**

More males have regular passive income



VS.

52%

S'poreans have regular passive income

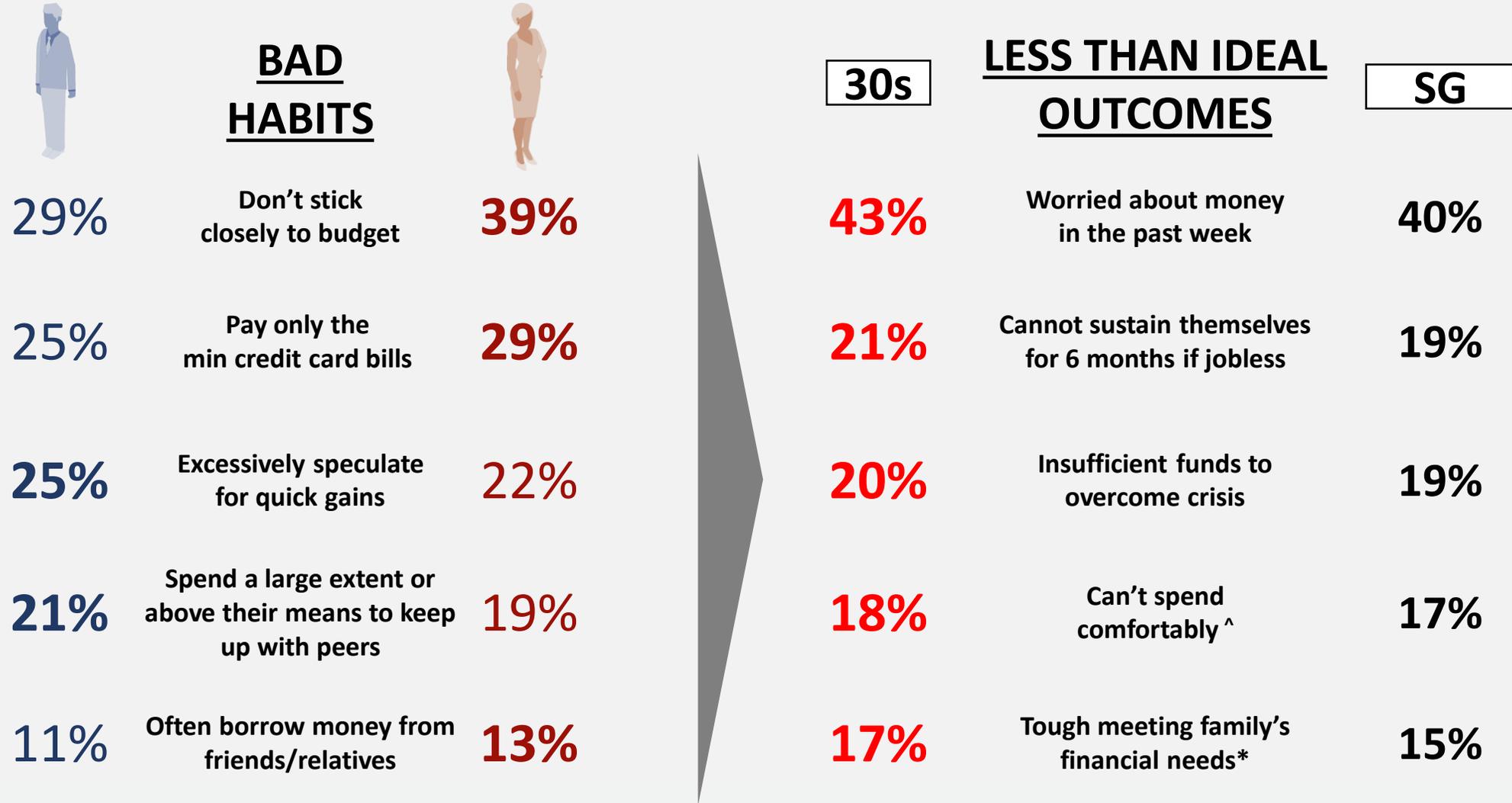
Review financial plan yearly with a financial planner **54%** VS. **49%** Singapore avg.

*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**.



*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.



MIDDLE AGE BY LIFE STAGE

FINANCIAL WELLNESS INDEX

INVESTMENT & PASSIVE INCOME

MEDICAL INSURANCE

MORTGAGES

Among those servicing mortgage loans

REVIEW FINANCIAL PLAN

MARRIED WITH KIDS



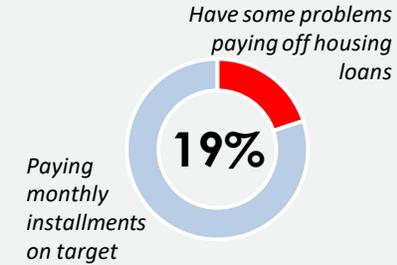
69%
Own Investments

57%
Have regular passive income*

66% On track with performance of investment (among those who have investments)

70% On track with performance of passive income* (among those who have passive income)

87%
Proactively obtain personal medical insurance



53% Review financial plan yearly with a financial planner

MARRIED WITHOUT KIDS



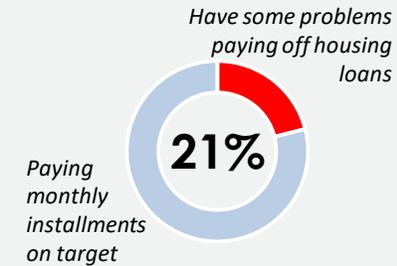
65%
Own Investments

59%
Have regular passive income*

57% On track with performance of investment (among those who have investments)

61% On track with performance of passive income* (among those who have passive income)

87%
Proactively obtain personal medical insurance



35% Review financial plan yearly with a financial planner

SINGLE



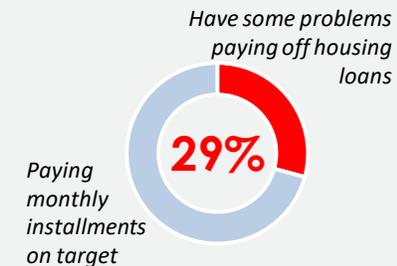
62%
Own Investments

46%
Have regular passive income*

50% On track with performance of investment (among those who have investments)

58% On track with performance of passive income* (among those who have passive income)

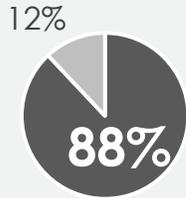
79%
Proactively obtain personal medical insurance



41% Review financial plan yearly with a financial planner

*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

- Have dependents
- No dependents

1 in 3 are supporting both children and parents financially

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

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

*Read with caution – sample size less than 30

This is largely due to insufficient planning and financial management.

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

*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.**

64

	50% Can meet the needs of both Children & Parents	30% Can mainly meet the needs of <u>Children</u>	14% Can mainly meet the need of <u>Parents</u>	6% Tough meeting both needs*
Made financial retirement plans	53% behind target/not started	84% behind target/not started	82% behind target/not started	94% behind target/not started
Retirement plans in place (Top 3)	<ol style="list-style-type: none"> 1. Regular Savings 2. Interest from savings 3. Fixed deposits 	<ol style="list-style-type: none"> 1. Regular Savings 2. CPF LIFE 3. Whole life insurance 	<ol style="list-style-type: none"> 1. Regular Savings 2. Fixed deposits 3. CPF LIFE 	
Funds to maintain current lifestyle after retirement	47% behind target/not started	79% behind target/not started	74% behind target/not started	88% behind target/not started
Worried about money in the past week	30%	47%	44%	81%

*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	Deposits
2.	CPF	CPF
3.	Stocks/ shares	Endowment

78% vs. 66%
Singapore average

Done something to ensure finances are taken care of after they pass on

60% vs. 48%
Singapore average

Able to meet family's financial needs* (e.g. children's education, care for elderly parents)

63% vs. 73%
Singapore average

Not on track with their financial retirement plans

51% **Tough to sustain lifestyle after retirement** **67%**

Health vs Wealth

93%
Try to Eat healthily

75%
Have medical insurance plan

84%
Exercise

48%
Have passive income[^]

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.

