OCBC Financial Impact Survey for COVID-19

1 June 2020
We surveyed 1,000 working adults in Singapore to find out how COVID-19 has affected their finances and what actions they are taking in response to the crisis.

We asked them questions on their:

1. Financial situation
2. Job security
3. Income stability
4. Investments
5. Outlook on the future

Throughout history, crises have come and gone, but the impact of the financial decisions one makes in troubled times go beyond those few years. We conducted this survey to understand what gaps there are in Singaporeans’ financial knowledge, and to provide timely tips on how to move ahead.

It is part of our brand promise - to be Simply Spot On.
Only a third have enough funds to last them more than 6 months if they were to lose their jobs now; more than half have reduced their savings.

<table>
<thead>
<tr>
<th>Current Sentiments</th>
<th>Sentiments for 6 months ahead</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>My personal financial situation</td>
</tr>
<tr>
<td></td>
<td>The performance of my investment portfolio</td>
</tr>
<tr>
<td></td>
<td>Whether I have enough insurance coverage</td>
</tr>
<tr>
<td></td>
<td>My income stability</td>
</tr>
<tr>
<td></td>
<td>My job security</td>
</tr>
<tr>
<td>My personal financial situation</td>
<td>Worried</td>
</tr>
<tr>
<td>The performance of my investment portfolio</td>
<td>55%</td>
</tr>
<tr>
<td>Whether I have enough insurance coverage</td>
<td>54%</td>
</tr>
<tr>
<td>My income stability</td>
<td>41%</td>
</tr>
<tr>
<td>My job security</td>
<td>55%</td>
</tr>
<tr>
<td>How has your savings changed?</td>
<td>Intend to spend more prudently</td>
</tr>
<tr>
<td>Reduce by &gt;20%</td>
<td>22%</td>
</tr>
<tr>
<td>Reduce by 11% to 20%</td>
<td>18%</td>
</tr>
<tr>
<td>Reduce by 1% to 10%</td>
<td>15%</td>
</tr>
<tr>
<td>No change</td>
<td>19%</td>
</tr>
<tr>
<td>Increased by 1% to 10%</td>
<td>15%</td>
</tr>
<tr>
<td>Increased by 11% to 20%</td>
<td>7%</td>
</tr>
<tr>
<td>Increased by &gt;20%</td>
<td>5%</td>
</tr>
</tbody>
</table>

“I have enough savings to sustain myself for ___________ if I were to lose my job now.”

<table>
<thead>
<tr>
<th>Up to 1 month</th>
<th>Up to 3 months</th>
<th>Up to 6 months</th>
<th>More than 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>18%</td>
<td>28%</td>
<td>23%</td>
<td>30%</td>
</tr>
<tr>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Retrenchment and wage cuts were their biggest worries. Some are working harder to keep their jobs or taking up online courses to better prepare themselves.

**Current Sentiments**

<table>
<thead>
<tr>
<th>My income stability</th>
<th>Worried</th>
<th>Neutral</th>
<th>Optimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>55%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>My job security</td>
<td>55%</td>
<td>18%</td>
<td>27%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>My income stability</th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
<th>Net Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38%</td>
<td>46%</td>
<td>16%</td>
<td>-22%</td>
</tr>
<tr>
<td>My job security</td>
<td>35%</td>
<td>50%</td>
<td>15%</td>
<td>-20%</td>
</tr>
</tbody>
</table>

**How was your job affected, if any?**

- Wage cut: 24%
- Forced to take no-pay-leave: 20%
- Reduction in commission earnings: 15%
- Forced to convert to a part-time role: 9%
- Wage freeze: 14%
- Longer working hours or shift hours: 12%
- Forced to convert from a permanent role to a contractual role: 7%
- Other, please specify: 3%
- My job was not affected: 30%

**What are your worries about your job over the next 6 months?**

- Retrenchment / Termination: 46%
- Wage cut: 36%
- Reduction in bonus / No bonus: 36%
- Forced to take no-pay-leave: 21%
- Wage freeze: 19%
- Longer working hours or shift hours: 14%
- Reduction in commission earnings: 13%
- Forced to convert to a part-time role: 10%
- Forced to convert from a permanent role to a contractual role: 8%
- Other, please specify: 1%
- No worries regarding my job: 13%

- 4% took a 2nd job;
- 31% intend to take a 2nd job
- 53% attended more online courses than before
- 32% work harder so not to lose their job
- 22% worse sentiments for 6 months ahead
More people are thinking about reducing their investments and funds for retirement planning.

Current Sentiments*

<table>
<thead>
<tr>
<th>The performance of my investment portfolio</th>
<th>Worried</th>
<th>Neutral</th>
<th>Optimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worried</td>
<td>54%</td>
<td>23%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Sentiments for 6 months ahead

<table>
<thead>
<tr>
<th>The performance of my investment portfolio</th>
<th>Worse</th>
<th>Same</th>
<th>Better</th>
<th>Net Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worse</td>
<td>40%</td>
<td>40%</td>
<td>20%</td>
<td>-19%</td>
</tr>
</tbody>
</table>

How do you intend to change your investments over the next 6 months?*

<table>
<thead>
<tr>
<th>How do you intend to change your investments over the next 6 months?*</th>
<th>Number of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce by &gt;20%</td>
<td>16%</td>
</tr>
<tr>
<td>Reduce by 11% to 20%</td>
<td>12%</td>
</tr>
<tr>
<td>Reduce by 1% to 10%</td>
<td>12%</td>
</tr>
<tr>
<td>Remain the same</td>
<td>34%</td>
</tr>
<tr>
<td>Increased by 1% to 10%</td>
<td>14%</td>
</tr>
<tr>
<td>Increased by 11% to 20%</td>
<td>6%</td>
</tr>
<tr>
<td>Increased by &gt;20%</td>
<td>5%</td>
</tr>
</tbody>
</table>

9% Intend to liquidate (some of) my investments

Have investment property

33% What changes do you intend to make to your property plans?

- Sell-off my house: 2%
- Downgrade my house: 3%
- Postpone plans of getting property: 14%
- Purchase another property: 4%

70% Have financial retirement plan

70% What changes have you made to your retirement plans?

- Stop setting aside: 8%
- Reduce funds for retirement: 19%
- No changes: 51%
- Set aside more funds: 19%

* Among those with investments
4 in 10 are worried about having sufficient insurance coverage, yet 12% of insurance policyholders intend to decrease or terminate their policies.

Among those have insurance policy, what changes do you intend to make to your insurance plans?

- Increase my current insurance coverage: 12%
- Decrease my current insurance premium: 8%
- Terminate my insurance policy due to incapability to pay my premiums: 12%

Borrowed from your friends/relatives to tide over any financial hardship in the last 3 months

- 1-2 months: 41%
- 3-4 months: 50%
- 5-6 months: 7%
- > 6 months: 2%

“I am at a loss over what the future holds.”

- Strongly disagree: 7%
- Disagree: 21%
- Neutral: 34%
- Agree: 30%
- Strongly agree: 9%
Those in their 20s are the group making the most out of the Circuit Breaker; 64% are taking more online courses than before, and 23% are setting aside more funds for retirement.

**TWENTIES**

- **Sentiment on Personal Financial Situation**
  - Worried = Neutral = Optimistic
  - **NOW**
    - 54% Worried
    - 19% Neutral
    - 26% Optimistic
  - **FUTURE**
    - 30% Worried
    - 49% Neutral
    - 21% Optimistic
    - -8%

- 64% are working harder
- 64% are taking up more online courses
- 38% have increased their savings
- 30% intend to increase investments
- 23% are setting aside more funds for retirement*

**THIRTIES**

- **Sentiment on Personal Financial Situation**
  - Worried = Neutral = Optimistic
  - **NOW**
    - 49% Worried
    - 19% Neutral
    - 33% Optimistic
  - **FUTURE**
    - 31% Worried
    - 43% Neutral
    - 26% Optimistic
    - -5%

- 65% are working harder
- 61% are taking up more online courses
- 28% have increased their savings
- 28% intend to increase investments
- 21% are setting aside more funds for retirement*

**40 TO 54**

- **Sentiment on Personal Financial Situation**
  - Worried = Neutral = Optimistic
  - **NOW**
    - 59% Worried
    - 17% Neutral
    - 24% Optimistic
  - **FUTURE**
    - 42% Worried
    - 36% Neutral
    - 21% Optimistic
    - -21%

- 61% are working harder
- 50% are taking up more online courses
- 22% have increased their savings
- 25% intend to increase investments
- 18% are setting aside more funds for retirement*

**SILVERS**

- **Sentiment on Personal Financial Situation**
  - Worried = Neutral = Optimistic
  - **NOW**
    - 55% Worried
    - 27% Neutral
    - 17% Optimistic
  - **FUTURE**
    - 44% Worried
    - 49% Neutral
    - 8% Optimistic
    - -36%

- 47% are working harder
- 31% are taking up more online courses
- 20% have increased their savings
- 18% intend to increase investments
- 12% are setting aside more funds for retirement*

*Among those with retirement plans