

Financial Resilience Index Singapore



Optimism Deserves a Plan





Introduction

Singapore is one of the eight key Asian markets covered by the Sun Life Asia Financial Resilience Index, which measures household financial resilience across five pillars: literacy and confidence, behaviour, planning, tools, and resources. In October 2023, a survey of 8,000 consumers was conducted in Singapore, mainland China, Hong Kong SAR, India, Indonesia, Malaysia, Vietnam and the Philippines, with respondents drawn from different wealth levels, generations, and both rural and urban settings.

The Sun Life Asia Financial Resilience Index

Sun Life's purpose is to help people achieve lifetime financial security and live healthier lives. When times are good and people can meet their day-to-day expenses, they can experience a sense of financial wellbeing. However, most financial goals require long-term planning, and when economic or financial shocks occur many people realise they do not have the necessary resources to cope. How individuals and communities plan for – and overcome – these unexpected, higher-impact events is called **financial resilience**.

This report seeks to understand financial resilience in Asia. Through a survey, we investigated the factors and behaviours that contribute to financial resilience in the region, including financial literacy, planning and budgeting, and access to advice and services (and by drawing comparisons between those who are most resilient and those who are less so). We will be in a better position to create workable strategies for the people who need it most*.

Overall, the survey shows a need for greater financial planning, supported by widespread financial education. We all thrive when Asia's communities have the knowledge, skills and support to navigate the complexities of personal finance, because financially stable economies rely on financially resilient individuals.

Chris Albrecht
Chief Executive Officer, Singapore

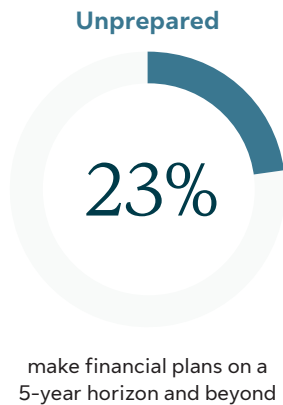
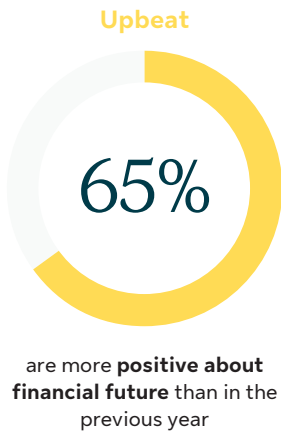
*Sun Life Assurance Company of Canada Singapore Branch is a Direct Insurer (Life), licensed and regulated by the Monetary Authority of Singapore ("MAS"), serving a defined market segment.

Key Findings

#1

Optimism is high, but achieving financial goals requires a plan

A long-term approach to financial planning is critical for building resilience. However, our survey shows a gap when it comes to Singaporeans' optimism about their finances versus their long-term preparedness.

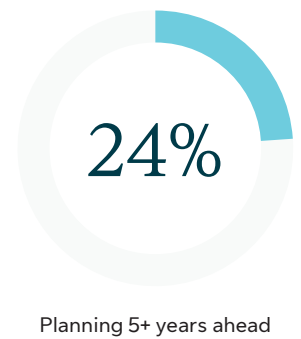
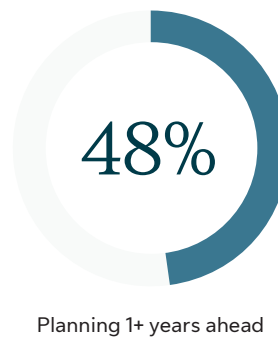


#2

Even wealthy Singaporeans have gaps in financial resilience

Good discipline in money management goes hand in hand with improved financial resilience at all wealth levels. Our survey shows that even among the wealthiest respondents, many people in Singapore lack preparedness and underestimate their expenditure levels or the benefits of building a long-term financial plan.

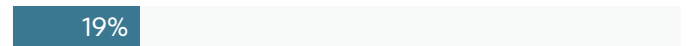
A minority of high-income respondents are planning long term



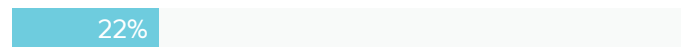
High-income and lower-income groups show similar gaps in financial planning

Spend beyond monthly budget

High-income



Lower-income



Able to cover short-term expenses while saving for long-term goals

High-income



Lower-income

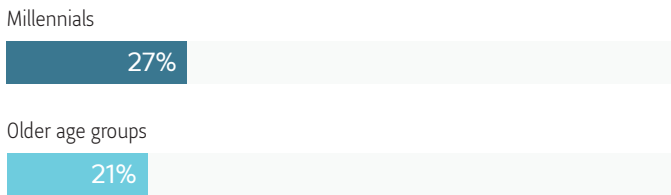


#3

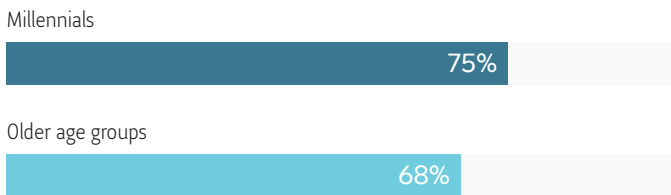
Millennials – Singapore’s most financially resilient generation

Millennials in Singapore appear to be in the sweet spot in life, with enough investable assets, less familial obligations than older groups, and just the right amount of adventure and knowledge to build toward their financial future.

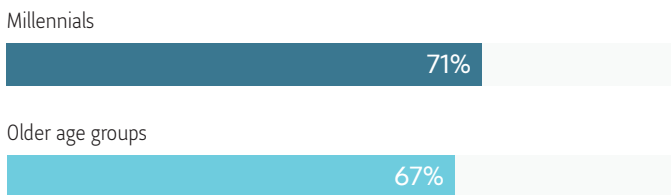
More likely to have a 5+ year financial plan in place than older generations



More confident than older age groups when it comes to their ability to meet long-term financial goals



Higher financial resilience in managing their finances month to month than older generations

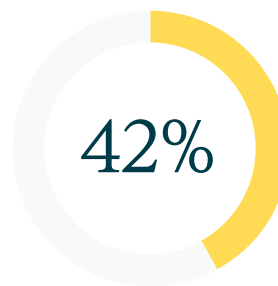


#4

Financial behaviour is often guided by emotion, while desire for education is strong

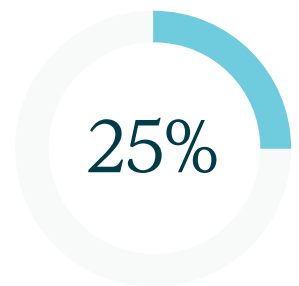
The survey found that perceptions of trust and emotion play a large part in financial behaviour, with 42% of respondents saying it influenced their financial decisions. Financial education was identified as a key desire by 39% of respondents, underlining the need for better access and professional help in financial management.

Trust-based decisions



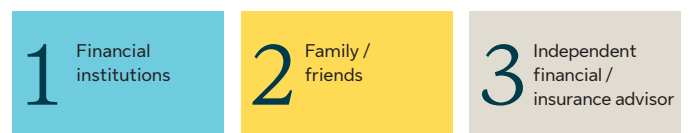
influenced by **trust and emotion** in making financial decisions

Gut feelings

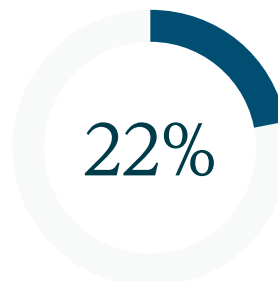


make decisions **purely** on emotional connection and trust

Top three most trusted sources of information



Untapped expertise



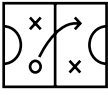
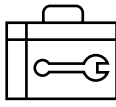



seek professional **financial advice**

How financially resilient are people in Singapore?

To understand how Singapore measures up in terms of financial resilience, we also need to compare it with other markets in the region. Overall, Singapore shows higher levels of resilience in financial planning, tools and resources than the other Asia markets surveyed. The Sun Life Asia Financial Resilience Index demonstrates that in Singapore, confidence and behaviour are key to achieving greater resilience. With a clearer understanding of financial resilience and the means to realise it, Singaporeans could secure a prosperous future for themselves and contribute to a reinvigorated national economy.

Measuring financial resilience across five key pillars:

	Literacy and Confidence 	Behaviour 	Planning 	Tools 	Resources 
High resilience					
Asia	49%	17%	34%	8%	37%
Singapore	49%	17%	35%	10%	43%
Moderate resilience					
Asia	43%	64%	41%	36%	44%
Singapore	44%	62%	42%	37%	42%
Low resilience					
Asia	8%	19%	25%	56%	19%
Singapore	11%	21%	22%	53%	15%

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Life's
brighter
under
the sun