



# OCBC Financial Wellness Index 2023

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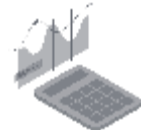







# The OCBC Financial Wellness Index:

- Fifth report since launch in 2019
- Review of Singaporeans' financial wellness
- A comprehensive framework comprising 10 financial wellness pillars, made up of 24 indicators, and distilled into a single Financial Wellness Index score
- Every year we conduct different thematic studies
- Sample size: 2,000 working adults in Singapore (Singapore Citizens & PRs)

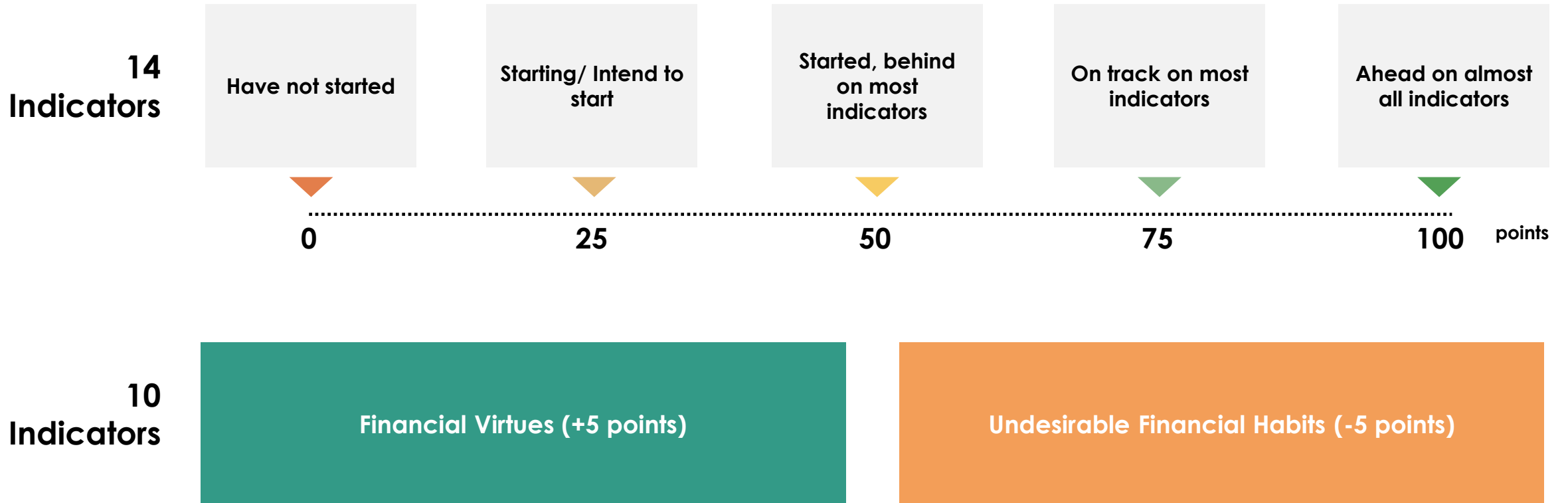




# The OCBC Financial Wellness Index tracks 10 pillars of financial wellness and the 24 indicators

SAVING HABITS	SPENDING BEYOND MEANS	MANAGEABLE DEBTS	PROTECTION FROM FINANCIAL EMERGENCIES	REGULAR REVIEWS	REGULAR INVESTING	RETIREMENT PLANNING	EXCESSIVE SPECULATION	BORROWING MONEY FROM LOVED ONES	GAMBLING HABIT
 <p><b>1.</b> Saving regularly</p>	 <p><b>2.</b> Sticking closely to a budget</p> <p><b>3.</b> Being able to spend comfortably</p> <p><b>4.</b> Being able to meet family's financial needs</p> <p><b>5.</b> Spending beyond means to keep up with peers</p>	 <p><b>6.</b> Managing unsecured debt well</p> <p><b>7.</b> Often paying the minimum sum on credit cards</p> <p><b>8.</b> Being able to pay off housing loan</p>	 <p><b>9.</b> Having enough funds to overcome crisis</p> <p><b>10.</b> Being able to defray major medical expenses</p> <p><b>11.</b> Being able to sustain financially for 6 months if jobless</p> <p><b>12.</b> Having sufficient mortgage insurance</p> <p><b>13.</b> Ensuring dependents are financially taken care of for at least 12 months in the event of my death</p> <p><b>14.</b> Ensuring finances are taken care of in the event of death</p>	 <p><b>15.</b> Reviewing financial plans annually</p> <p><b>16.</b> Being aware of tax relief schemes</p>	 <p><b>17.</b> Investing</p> <p><b>18.</b> Seeking professional advice and doing my own research before investing</p> <p><b>19.</b> Having regular passive income</p>	 <p><b>20.</b> Planning for retirement</p> <p><b>21.</b> Leading a healthy lifestyle so I can work for as long as I want</p>	 <p><b>22.</b> Excessively speculating for quick gains</p>	 <p><b>23.</b> Often borrowing money from friends/relatives</p>	 <p><b>24.</b> Gambling more than I can afford to lose</p>

# Each respondent is assessed on their current state of financial wellness

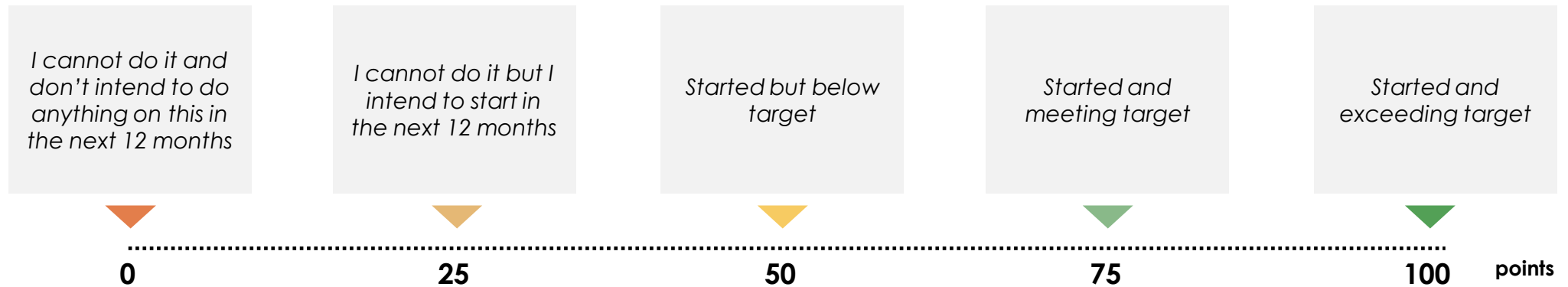


# How Index scores are calculated

## Example: Having 6 months of funds to overcome a crisis

Q. Please select the option that best describes you.

**Accumulating at least 6 months of my currently salary as funds to overcome a crisis should it occur**



# Every year we conduct different thematic studies to gain insights into prevailing trends



2020: Women and how they invest; millennials



2021: Digital tools and their adoption rate



2022: Gen Zs (including attitudes towards cryptocurrency)



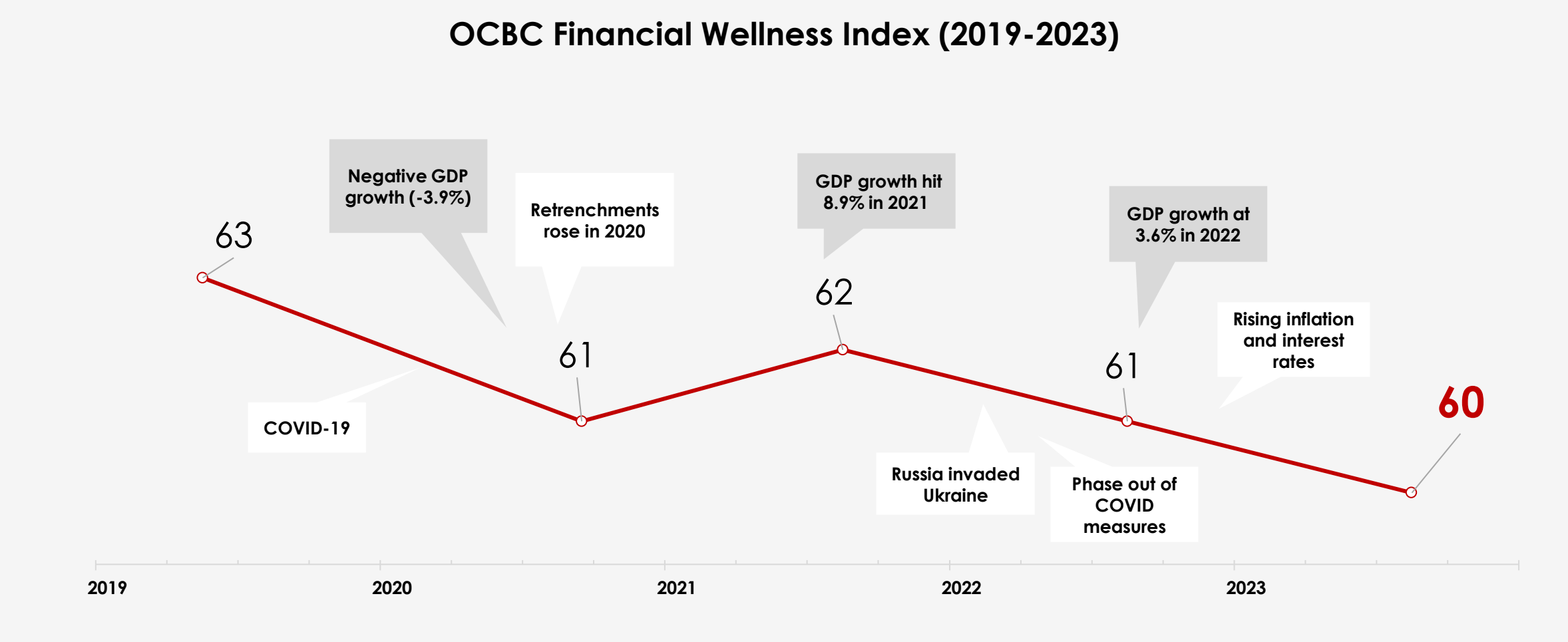
This year, we look at the impact of

## 2023: Financial personality traits

**How did Singapore fare  
this year?**



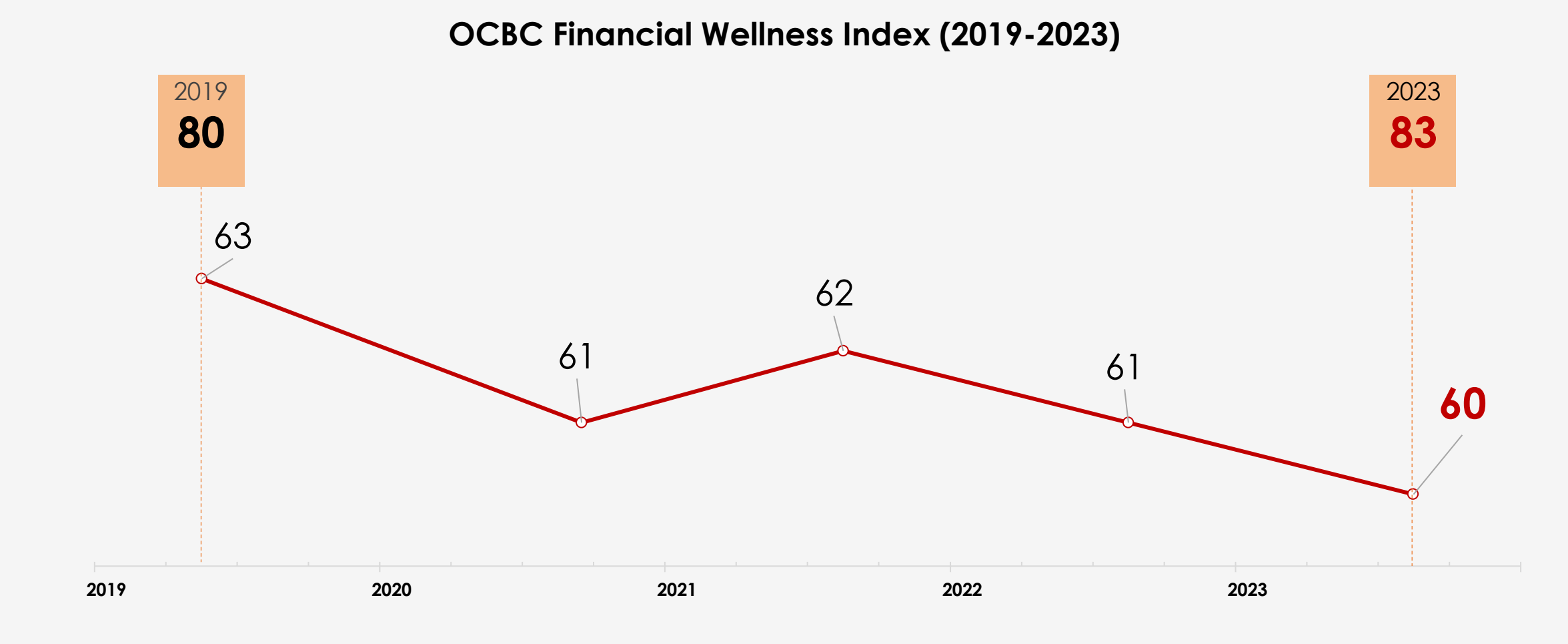
# The OCBC Financial Wellness Index Score 2023 is 60 - the lowest since inception



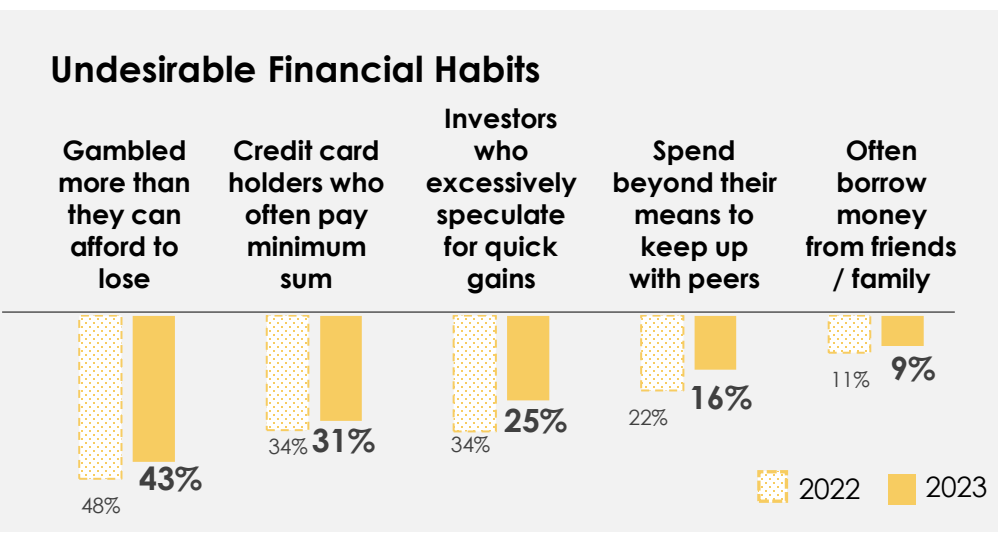
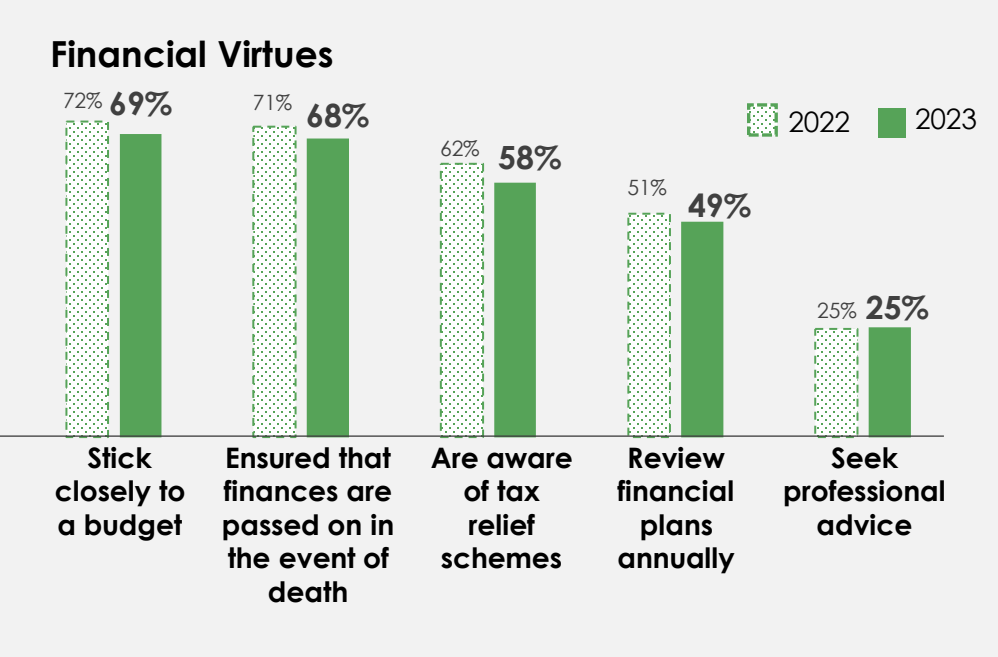
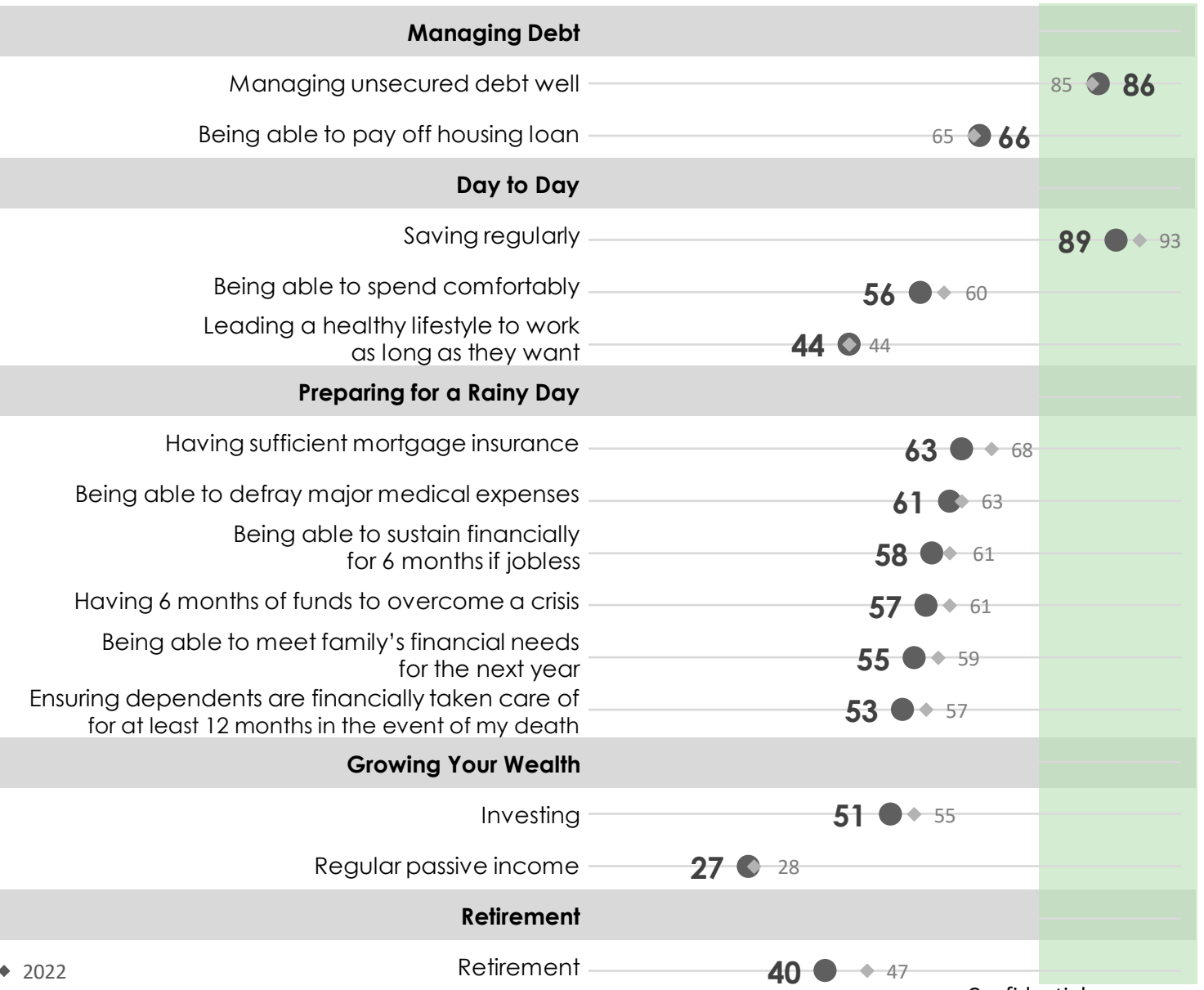


# OCBC Wealth Management Experts scored an average of 83

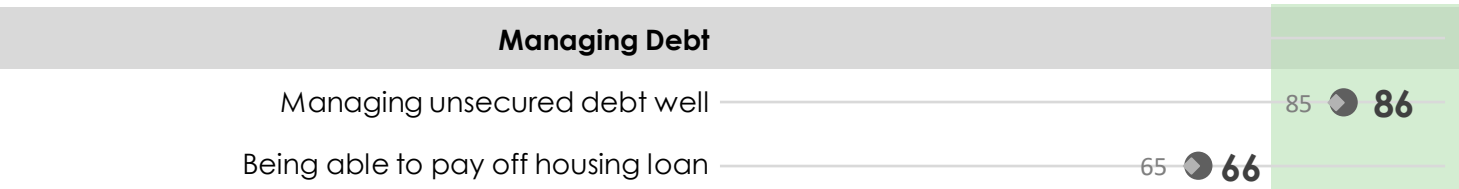
OCBC Wealth Management Experts' Score



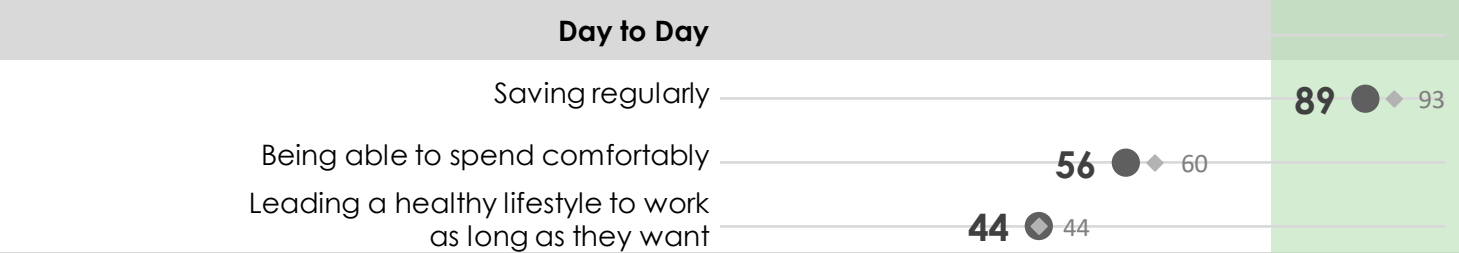
# OCBC Financial Wellness Index Score of 60 is based on these key indicators



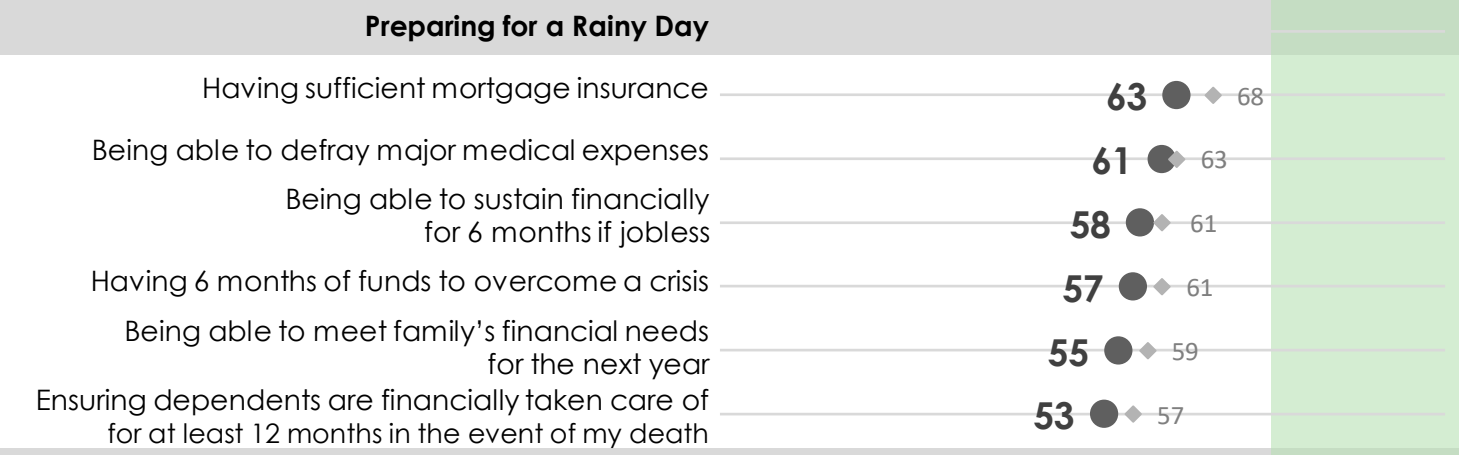
# There is a decline across most indicators, apart from debt management



- Singaporeans are prioritising debt management



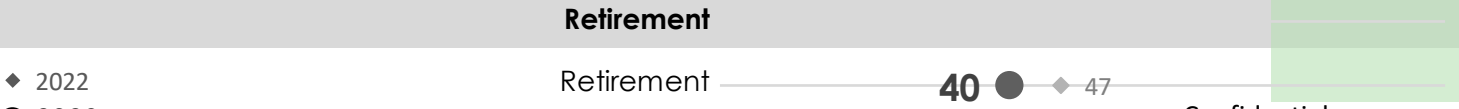
- Fewer are able to comfortably spend beyond the basics
- Singaporeans are also saving less



- Fewer are prepared for emergencies and family obligations



- On average, investors made lower returns this year



- Retirement planning has taken a back seat this year

◆ 2022  
● 2023

## Singaporeans are prioritising debt management.

**64%** <sup>▲</sup>+4%  
Paying off their  
housing loans on  
target

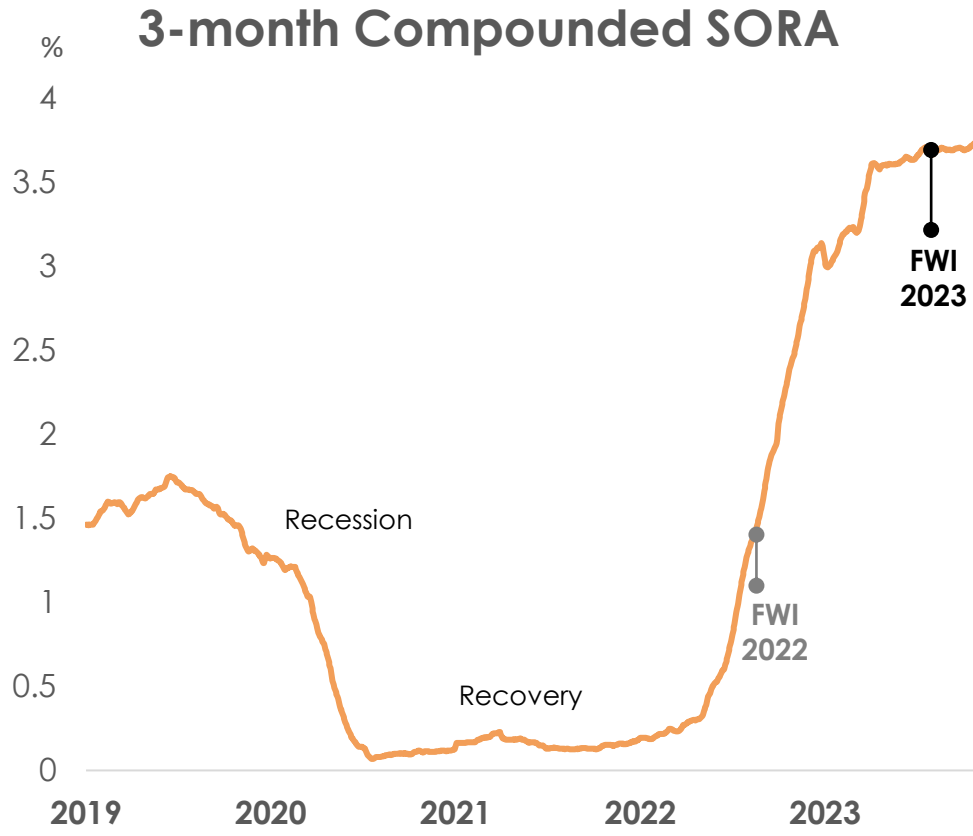
**28%** <sup>▼</sup>-3%  
Have unsecured  
debt



# 64% of Singaporeans are on target with paying off their housing loans, an increase of 4-percentage points from 2022

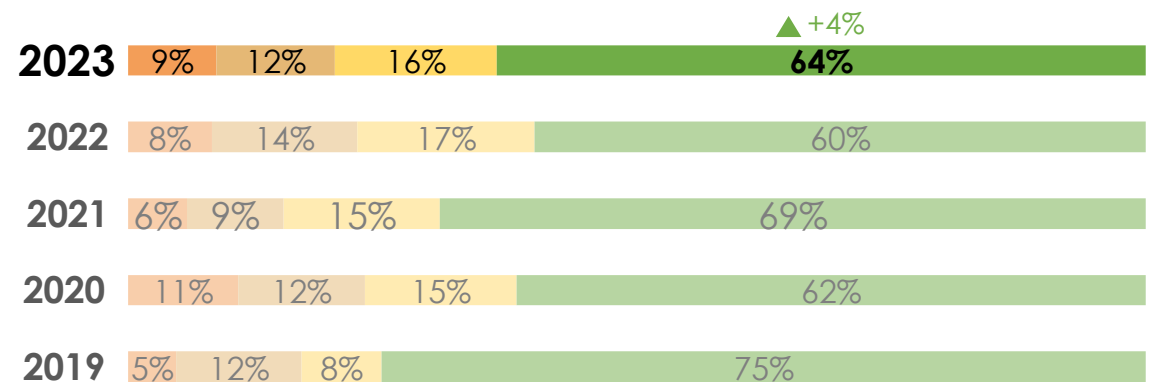
Being able to pay off housing loan	Scores	
	2023	2022

**66** **65**



Source: Singapore Overnight Rate Average (SORA) Interest Rate Benchmark (MAS)

## Payment of Housing Loans

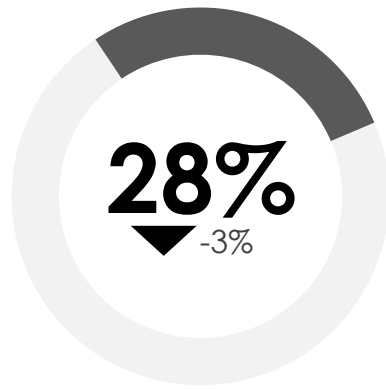


- May be forced to sell off or downgrade due to incapability to sustain the loan
- Sometimes miss paying on time due to financial constraints, but I catch up on schedule after
- Able to pay my monthly instalments on time but with some problems
- Able to pay my monthly instalments on target



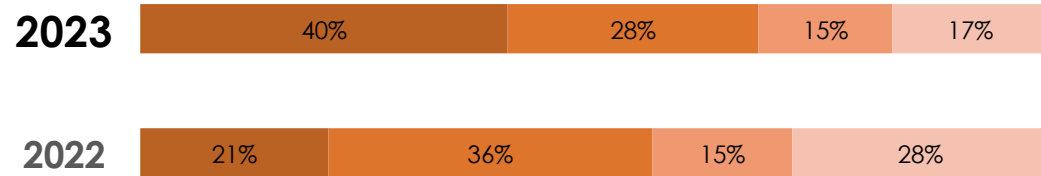
# 84% of Singaporeans are paying off their unsecured debt on time, an increase of 3-percentage points from 2022

Managing unsecured debt well	Scores	
	86	85
	2023	2022



**of Singaporeans** have unsecured debt

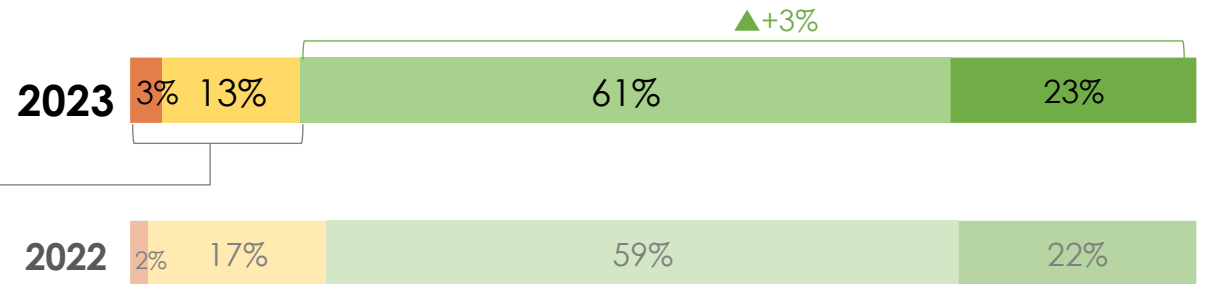
## Amount of Unsecured Debt



- The minimum that I need for the purpose of taking up the unsecured debt
- Up to 2x my monthly salary
- Up to 3x my monthly salary
- The maximum allowed by the Bank / Financial Institute

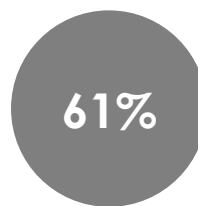


## Management of Unsecured Debt



- Don't intend to pay it off in the next 12 months
- Intend to start paying it off in the next 12 months
- Paying it off on time every time
- Paying it off ahead of time

### Among those not paying off unsecured debt on time



Have gambled more than I can afford to lose in past year (vs National Average: **43%**)



Often borrow money from friends & relatives (vs National Average: **9%**)

**Fewer are able to comfortably spend beyond the basics.**

**Singaporeans are also saving less.**

**40%** ▼  
-8%  
Can spend on things beyond basics most of the time

**84%** ▼  
-7%  
Save at least 10% of their salary

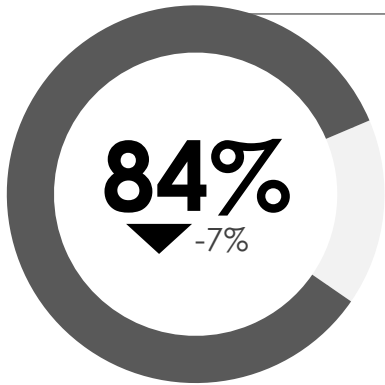
**46%** ▼  
-8%  
Have sufficient emergency funds

**42%** ▼  
-8%  
Have enough to meet family's needs in next 1 year

# An 8-percentage point decrease in those who can spend beyond the basics, and a decrease in the average monthly income saved

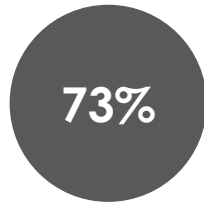
Saving regularly	Scores	
	89	93
	2023	2022

## Saving Regularly



**of Singaporeans** save at least 10% of their salary

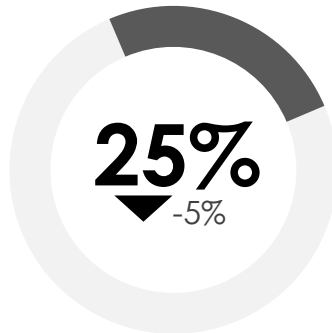
Among those who save at least 10% of their salary:



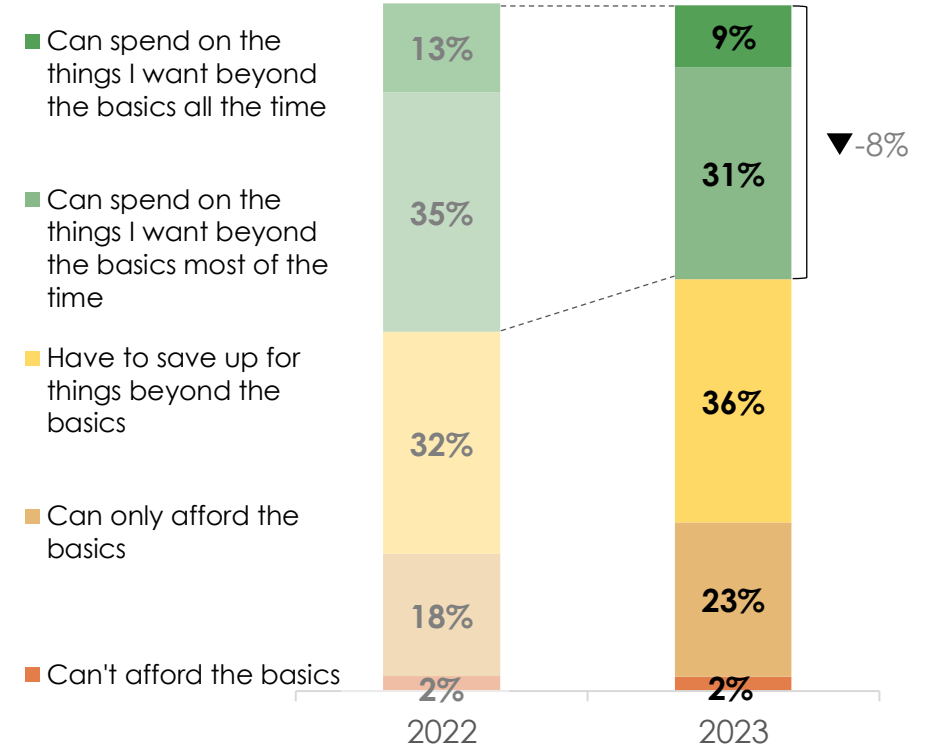
**Stick closely to a budget**

(vs those who do not save at least 10% of their salary: 47% stick closely to a budget)

What (%) are you saving from your personal monthly income as cash savings?



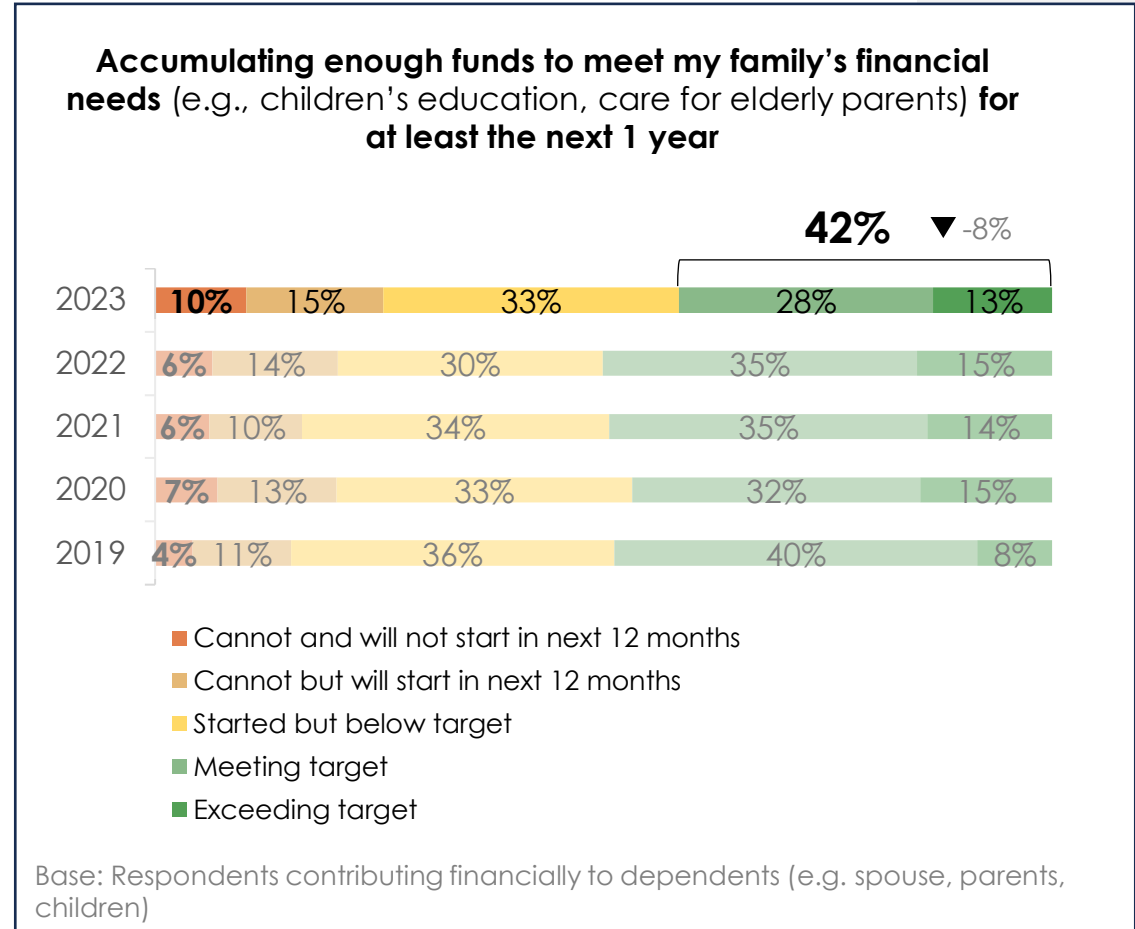
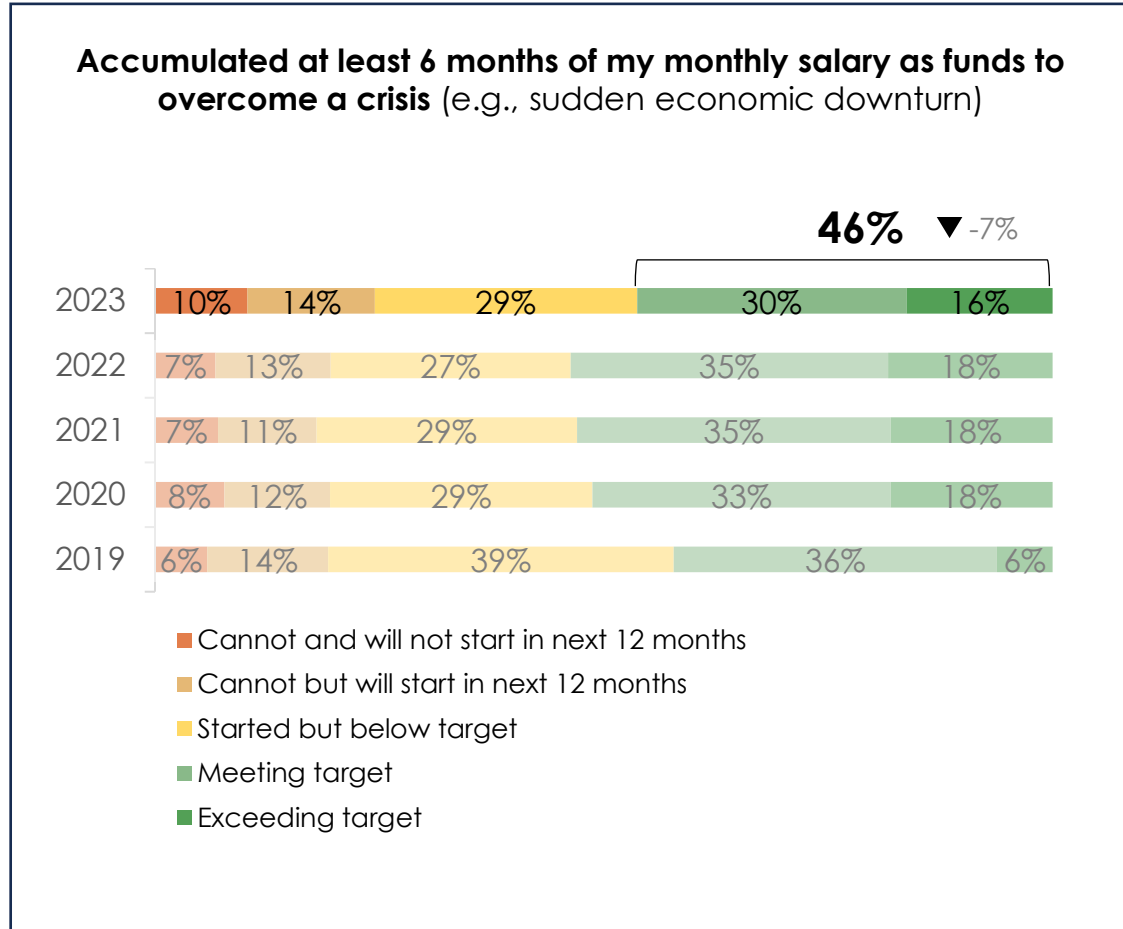
## Spending





# Less than half are prepared for emergency and family obligations

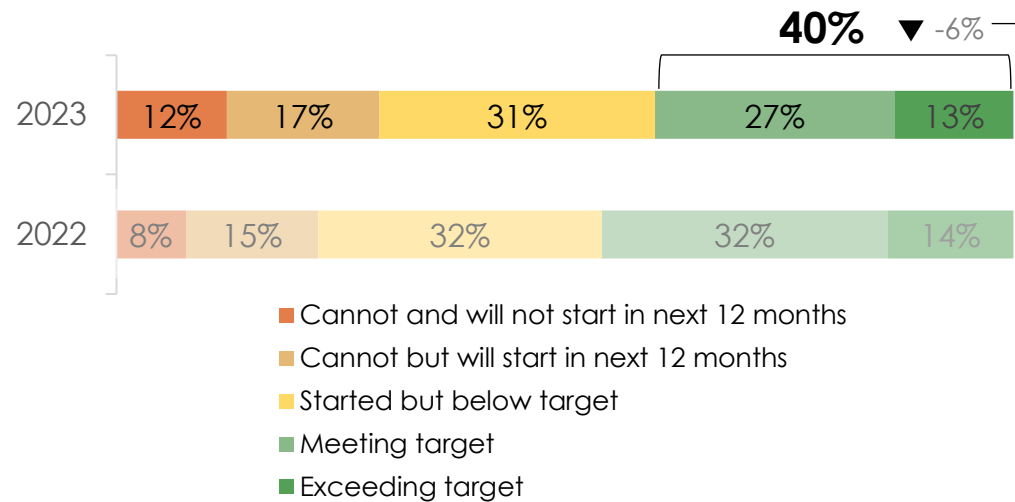
Having enough funds to overcome a crisis	Scores	
	57	61
	2023	2022
Being able to meet family's financial needs for the next year	Scores	
	55	59
	2023	2022



# Fewer Singaporeans are on target in accumulating funds to take care of their dependents for a year if they pass on

Dependents are taken care of for at least 12 months in the event of my death	Scores	
	<b>53</b>	<b>57</b>
	2023	2022

I am accumulating enough funds to have my dependents financially taken care of for at least 12 months after I pass on



<b>Overall</b>	<b>40%</b>	-6%
<b>20s</b>	<b>31%</b>	-4%
<b>30s</b>	<b>39%</b>	-3%
<b>40s</b>	<b>41%</b>	-4%
<b>50s</b>	<b>46%</b>	-10%
<b>60-65</b>	<b>43%</b>	-19%

Base: Respondents contributing financially to dependents (e.g. spouse, parents, children)

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**On average, investors made lower returns this year.**

**40%** ▼  
-1%

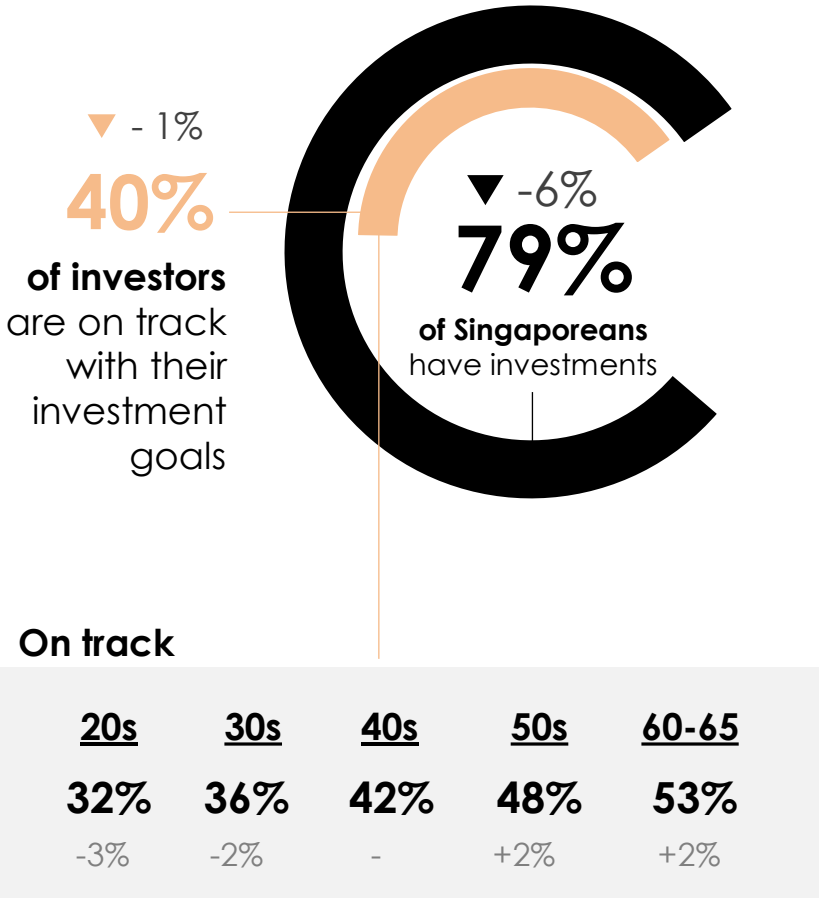
**Of investors are on track with investment goals**

**35%** ▼  
-1%

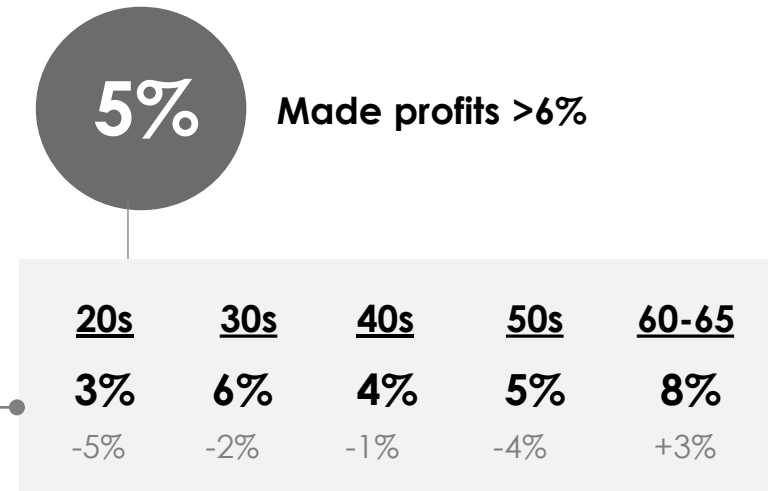
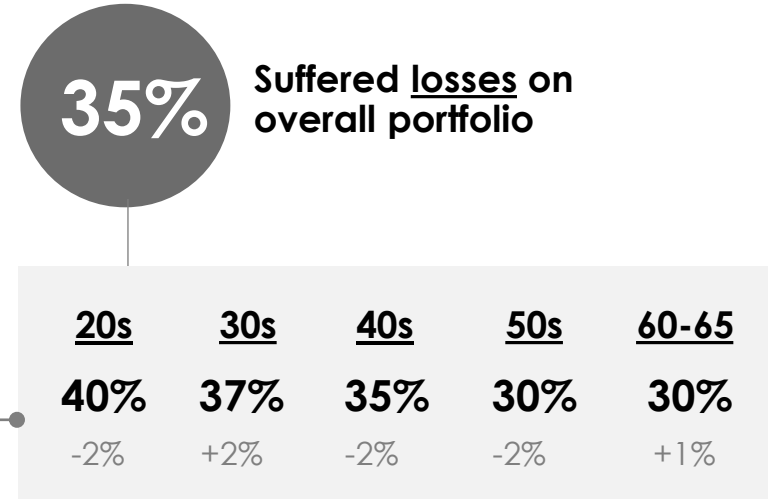
**Of investors suffered overall investment losses**

# On average, investors made lower returns this year

Investing	Scores	
	2023	2022
	51	55



Average rate of return from investments		
	2022	2023
Overall	0.7%	0.4% ▼ -0.3%
<0% Made a loss	36%	35% ▼
0.1 – 2.9%	29%	32% ▲
3 – 6%	28%	28% =
>6%	7%	5% ▼





# More investors bought fixed income securities and bonds this year, and these products performed better

Investing	Scores	
	51	55
	2023	2022

Top 5 Product Holdings		
<b>Fixed income securities/ bonds</b> E.g., SGS Bonds, Treasury Bills, Corporate Bonds	38%	+9%
<b>Local shares/ stocks</b>	36%	-5%
<b>Unit trust</b>	28%	-2%
<b>International shares/ stocks</b>	26%	+1%
<b>Exchange traded funds (ETFs)</b>	21%	-1%

Base: Investors

**Holding Fixed Deposits**  
46% (+4%)

Base: All

Of your current investments,

What is your <b>best</b> performing investment?	
<b>Fixed income securities/ bonds</b>	20%
<b>International shares/ stocks</b>	9%
<b>Local shares/ stocks</b>	9%





What is your <b>worst</b> performing investment?	
<b>Local shares/ stocks</b>	17%
<b>Unit trust</b>	11%
<b>International shares/ stocks</b>	10%

Base: Investors






# Despite the preference for self-help channels, those who seek qualified advice from financial institutions have better investment outcomes

Investing	Scores	
	2023	51

Self-help Sources	
 Social Media*	55%
 Online articles /forums	44%
 YouTube	37%
 Family/ Friends	26%

**35%**  
Of those who only rely on self-help sources are on track with investments

**43%** Seek Advice from Financial Institutions (FIs)

 Financial Advisor	24%
 Seminars by FIs	15%
 Bank Analysts	18%

**46%**  
Of those who rely on FIs are on track with investments



On average, those who sought qualified financial advice had a **3.3x** higher rate of return on overall investments compared to the national average

Base: Investors

\*Social Media Channels include Facebook, LinkedIn, Twitter, Instagram, TikTok and Chat groups e.g., WhatsApp, Telegram

**Retirement planning has  
taken a back seat this year.**

**60%** ▼  
-8%  
**Working on  
retirement plans**

**35%** ▼  
-7%  
**On track with  
retirement plans**

# We asked Singaporeans about their preferred retirement lifestyle

Retirement Lifestyle A
Owens & lives in a HDB property
Commutes via public mass transport
Medical consultation/ treatment at polyclinics and government hospitals
No domestic helper
Regional holidays 2 times a year e.g., Thailand, Hong Kong

**\$2,665** 

Retirement Lifestyle B
Owens & lives in a HDB property
Commutes via taxi or owns a mid-range car
Medical consultation/ treatment at General Practitioner and government hospitals
Employs part-time domestic helper
Regional holidays 3 times a year e.g., Thailand, Hong Kong, Korea

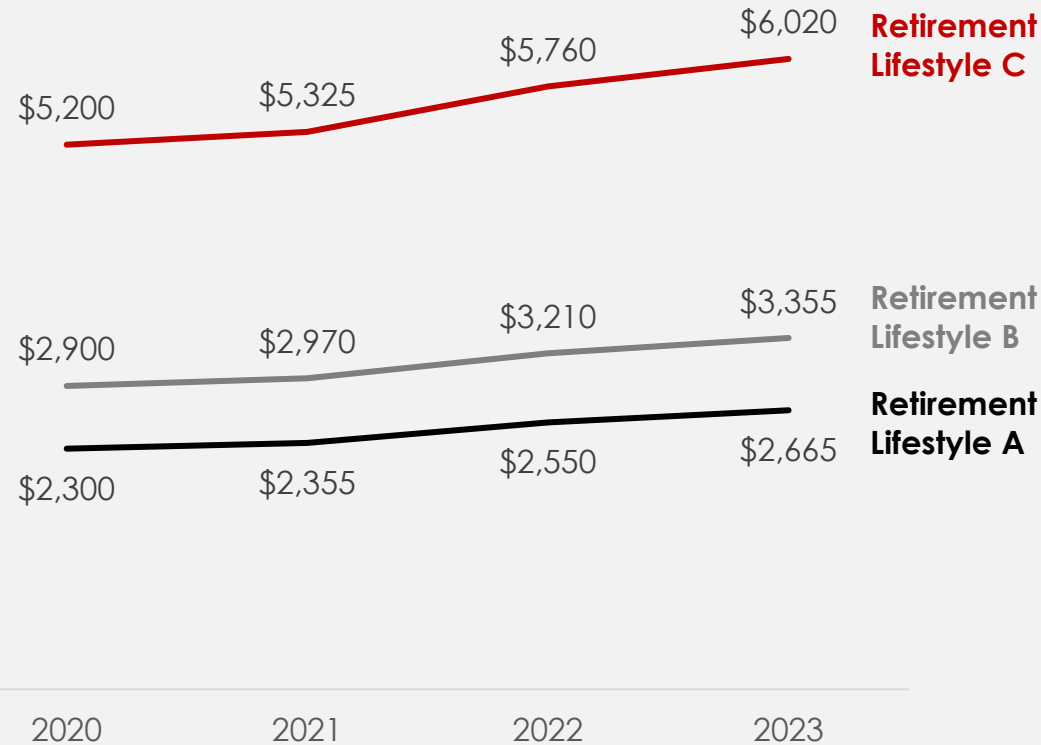
**\$3,355** 

Retirement Lifestyle C
Owens and lives in private property
Owens a high-end car
Medical consultation / treatment at General Practitioners and private hospitals
Employs a full-time domestic helper
International holidays 2 times a year e.g., Europe, America
Enjoys lifestyle & wellness experiences

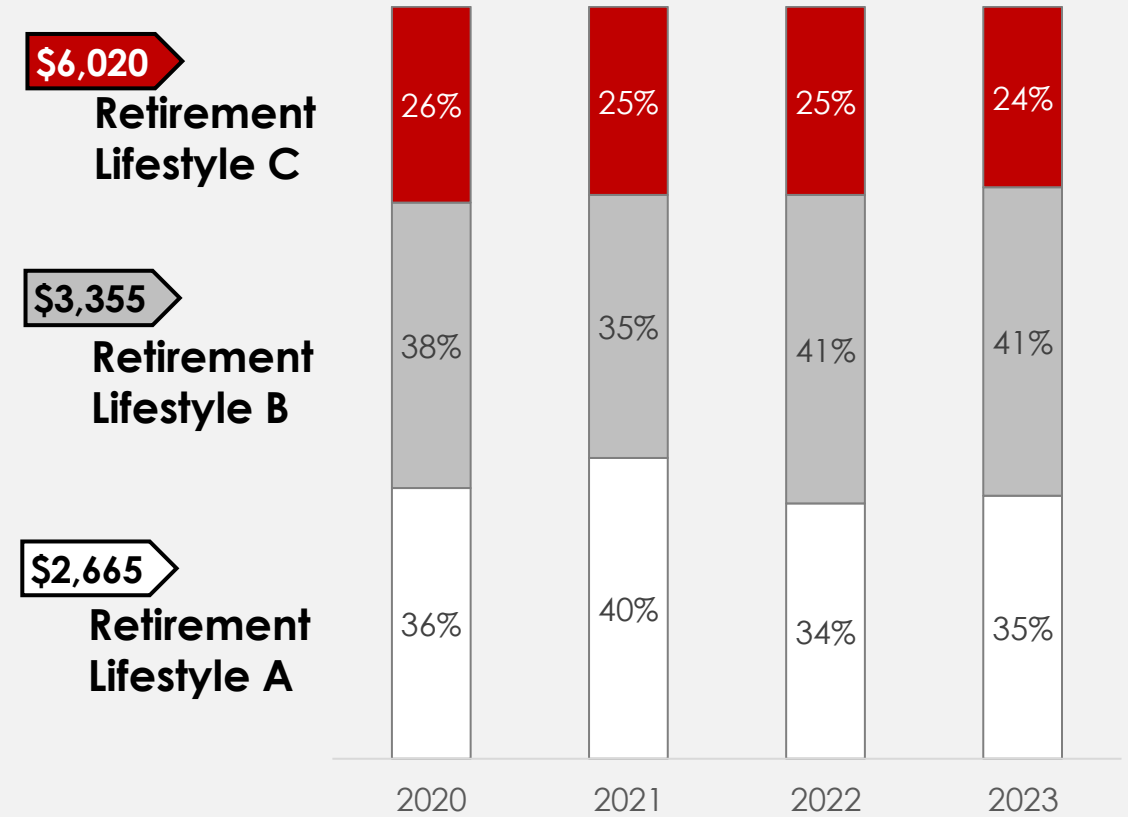
**\$6,020** 

# Singaporeans are not compromising on their retirement aspirations

Present value of retirement lifestyles



Which lifestyle best reflects the type of lifestyle you would like to have for yourself after retirement?



# Singaporeans' ability to contribute to their retirement funds has been affected, and fewer are on track with retirement plans

	Scores	
Retirement	40	47
	2023	2022

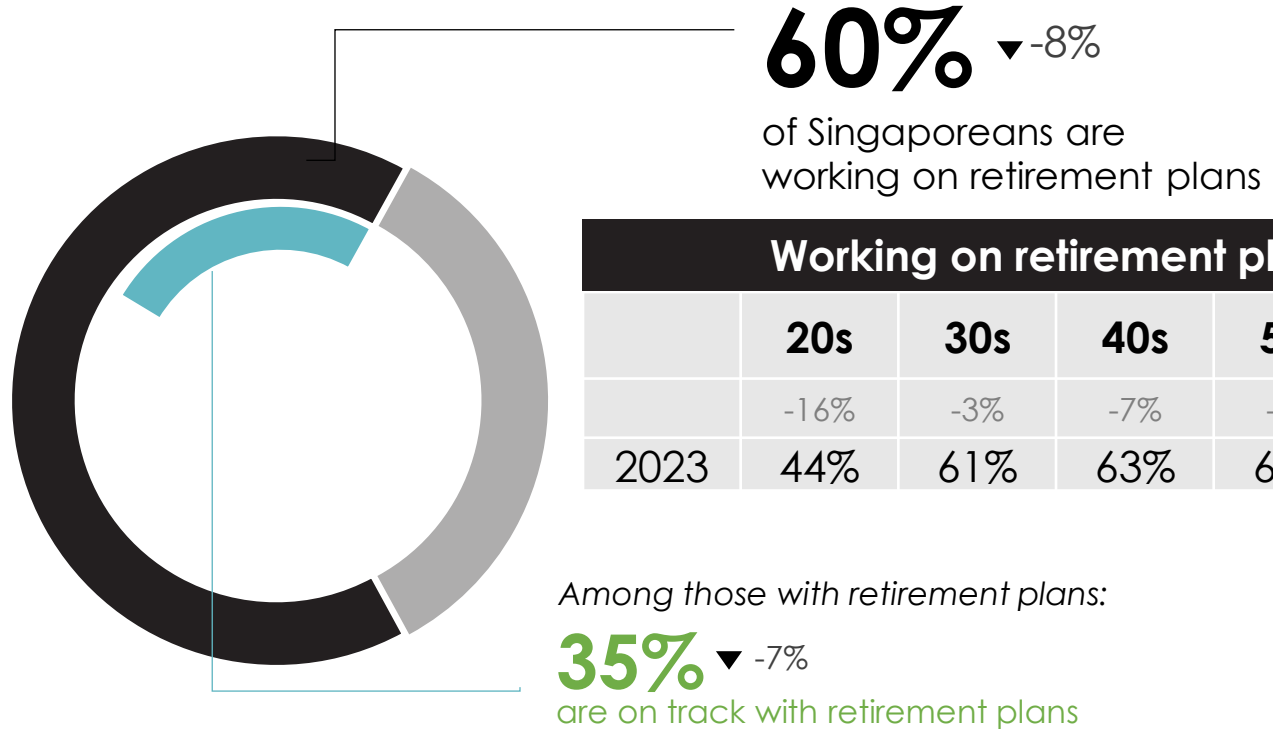
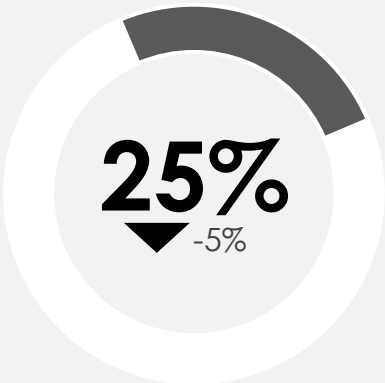
## Ability to contribute to retirement funds has been affected

### (1) Investment returns have fallen

Average rate of return from investments		
	2022	2023
Overall	0.7%	0.4% ▼ -0.3%

### (2) Average % of savings has decreased

How much (%) are you saving from your personal monthly income as cash savings?



Working on retirement plans					
	20s	30s	40s	50s	60-65
	-16%	-3%	-7%	-6%	-16%
2023	44%	61%	63%	65%	66%

Among those with retirement plans:

**35%** ▼ -7% are on track with retirement plans

On track with retirement plans					
	20s	30s	40s	50s	60-65
	-1%	-9%	-9%	-8%	+5%
2023	16%	27%	37%	50%	56%

# Singaporeans who are on track with retirement plans tend to practise these three habits

		Scores	
Retirement	2023	40	47
	2022		

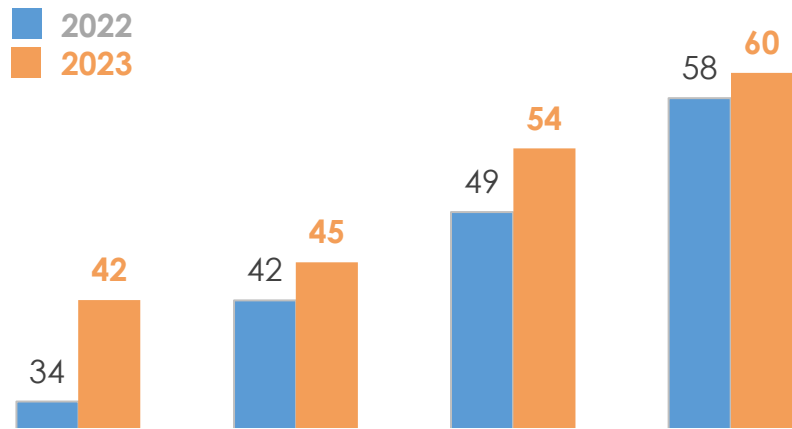




# Singaporeans intend to start retirement planning at a later age and are also considering these retirement strategies







	Scores	
Retirement	40	47
	2023	2022

Average age at which each age group intends to start planning for retirement



Base: Have not started on retirement plans

This year, we asked Singaporeans who had not started on their retirement plans about their alternative retirement strategies:

 Working at my job till a later age (beyond retirement age)	37%
 Taking on a different job	30%
 Retire overseas where the cost of living is lower	28%
 Start a business	20%
 Rely on government support	13%
 Rely on my children	9%

Base: Have not started on retirement plans

**This year, apart from income and demographics, we looked at financial personality traits and how it can affect financial wellness.**



# Deriving the Financial Personality Traits & Personas

**1.**

## **16 Financial Behaviours**

OCBC wealth management experts identified 14 positive financial and 2 negative financial behaviours that they observed affect financial wellness.



**2.**

## **4 Personality Traits**

Factor Analysis was used to group the 16 behaviours into 4 Financial Personality Traits:

- Conscientious
- Confident
- Careful
- Emotional



**3.**

## **6 Personas**

We developed 6 personas, based on a combination of the top 2 financial personality traits.

# The 4 Financial Personality Traits

Factor Analysis was first used to group the 16 behaviours into 4 Financial Personality Traits

## Conscientious

- Sets financial goals & develops a plan
- Finds out more about new financial products
- Always looks out for developments that affect investments
- Has a product purchase evaluation process
- Consistently saves towards goals

## Confident

- Not afraid to make big financial decisions
- Will not let one bad investment decision stop them
- Does not give up after a financial setback
- Can retire with enough money
- Knows their risk tolerance
- Does not procrastinate

## Careful

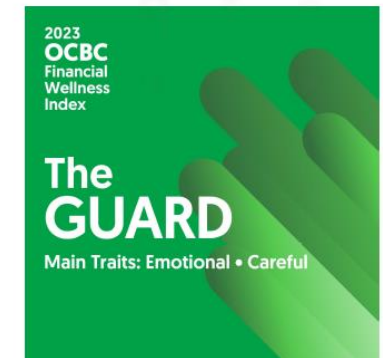
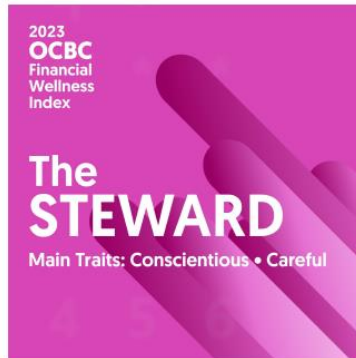
- Prioritises debt payment
- Estimates retirement requirements by accounting for lifestyle preferences, inflation, and various costs
- Revises goals & targets when financial situation changes

## Emotional

- Finds it hard to put aside emotions
- Often regrets financial decisions

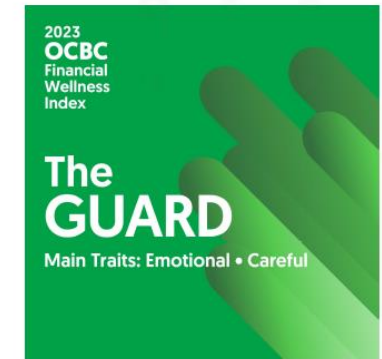
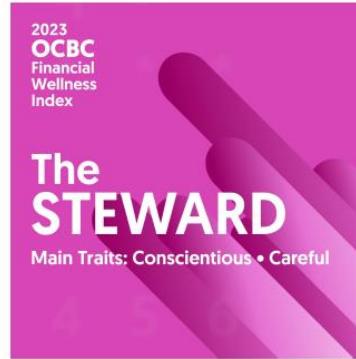
# The 6 Personas

There are 6 personas, of which 68% were classified based on their top 2 dominant financial personality traits.





# Find out what financial persona you are



Scan to take the quiz.

# The 6 Personas



## The Planner

Set goals and confidently work towards achieving them



## The Steward

Carefully work towards financial goals without taking too much risks & debt



## The Navigator

Disciplined debt managers, adaptable to changes and resilient to setbacks



## The Dreamer

Emotional, curious, but carefree



## The Enthusiast

Emotional, confident, and decisive



## The Guard

Careful and playing it safe

Top 2 Financial Personality Traits

Conscientious

Confident

Conscientious

Careful

Careful

Confident

Emotional

Conscientious

Emotional

Confident

Emotional

Careful

Size

13%

12%

11%

9%

11%

12%

Behavioral statements

- Consistently saves towards his goals
- Not afraid to make big financial decisions
- Always looks out for developments that affect investments
- Finds out more about new financial products

- Sets financial goals & develop a plan
- Has a product purchase evaluation process
- Prioritises debt payment

- Prioritises debt payment
- Revises goals & targets when financial situation changes
- Does not give up after a financial setback







- Often regrets their financial decisions
- Finds it hard to put aside emotions
- Finds out more about new products
- Does not know his risk tolerance

- Often regrets financial decisions
- Finds it hard to put aside emotions
- Not afraid to make big financial decisions
- Does not procrastinate

- Often regrets financial decisions
- Finds it hard to put aside emotions
- Prioritises debt payment
- Afraid to make big financial decisions

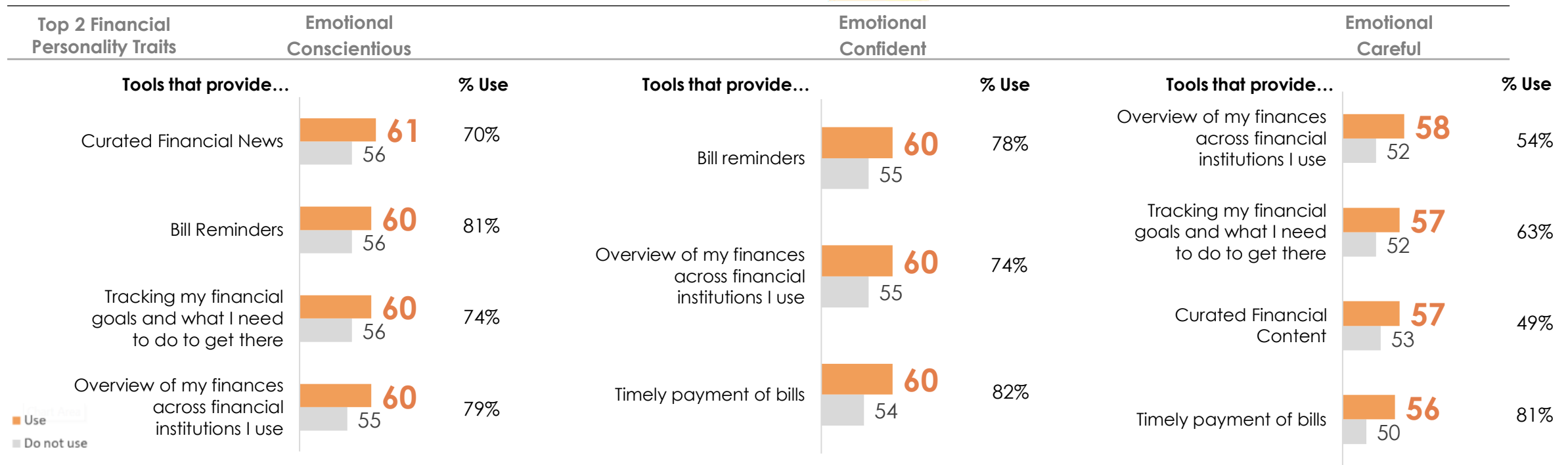


# People with 'Emotional' in their top 2 traits – Dreamers, Enthusiasts and Guards – had lower Financial Wellness Index scores







	 <b>The Planner</b>	 <b>The Steward</b>	 <b>The Navigator</b>	 <b>The Dreamer</b>	 <b>The Enthusiast</b>	 <b>The Guard</b>
<b>Size</b>	<b>13%</b>	<b>12%</b>	<b>11%</b>	<b>9%</b>	<b>11%</b>	<b>12%</b>
	<i>Set goals and confidently work towards achieving them</i>	<i>Carefully work towards financial goals without taking too much risks &amp; debt</i>	<i>Disciplined debt managers, adaptable to changes and resilient to setbacks</i>	<i>Emotional, curious, but carefree</i>	<i>Emotional, confident, and decisive</i>	<i>Careful and playing it safe</i>
<b>Top 2 Financial Personality Traits</b>	<b>Conscientious Confident</b>	<b>Conscientious Careful</b>	<b>Careful Confident</b>	<b>Emotional Conscientious</b>	<b>Emotional Confident</b>	<b>Emotional Careful</b>
<b>Financial Wellness Index Scores (2023 Average: 60)</b>	<b>68</b>	<b>67</b>	<b>66</b>	<b>59</b>	<b>59</b>	<b>55</b>

# Amongst the Dreamers, Enthusiasts and Guards who use digital financial tools, their FWI scores are higher compared to those who do not use such tools

## Average Financial Wellness Index Score by Usage of Digital Financial Tools



# The Dreamers, Enthusiasts and Guards also had lower returns on investments on average

	 <b>The Planner</b>	 <b>The Steward</b>	 <b>The Navigator</b>	 <b>The Dreamer</b>	 <b>The Enthusiast</b>	 <b>The Guard</b>
<b>Top 2 Financial Personality Traits</b>	Conscientious Confident	Conscientious Careful	Careful Confident	Emotional Conscientious	Emotional Confident	Emotional Careful
<b>Financial Wellness Index Scores</b>	68	67	66	59	59	55
<b>% that have invested</b>	94%	86%	86%	80%	84%	70%
<b>Among those who have invested...</b>						
<b>Low risk appetite</b> <i>(0% to 3% returns per annum with no potential loss in principal)</i>	15%	25%	22%	35%	29%	38%
<b>Annual average rate of return on investments</b>	2.2%	1.4%	1.0%	-0.1%	-0.1%	-0.6%



68

Being able to pay off housing loan (Pillar Score) (vs National Average: 66)

# The Dreamers, Enthusiasts and Guards who consulted financial advisors had higher returns on investments compared to those who did not



	The Dreamer	The Enthusiast	The Guard
<b>Top 2 Financial Personality Traits</b>	<b>Emotional Conscientious</b>	<b>Emotional Confident</b>	<b>Emotional Careful</b>
<b>Annual average rate of return on investments by those who have...</b>			
Researched on investment / financial products recommended by financial representatives	<b>2.5%</b>	<b>0.5%</b>	<b>0.1%</b>
A financial advisor managing investment portfolio	<b>2.5%</b>	<b>0.4%</b>	<b>2.1%</b>
Done neither	<b>-0.5%</b>	<b>-0.2%</b>	<b>-1.1%</b>
<b>% that have ...</b>			
Researched on investment / financial products recommended by financial representatives	<b>9%</b>	<b>5%</b>	<b>9%</b>
A financial advisor managing investment portfolio	<b>5%</b>	<b>4%</b>	<b>14%</b>
Done neither	<b>86%</b>	<b>91%</b>	<b>80%</b>

# The Planners and Stewards have better investment outcomes



Top 2 Financial Personality Traits	The Planners Conscientious Confident	The Stewards Conscientious Careful	National Average
Have investments	<b>94%</b>	<b>86%</b>	79%
<b><i>Among those with investments</i></b>			
Annual rate of return	<b>2.2</b>	<b>1.4</b>	0.4
Have Regular monthly investment plans	<b>74%</b>	<b>67%</b>	65%
% that have started on using investment to fund their retirement (among those who have started on retirement planning)	<b>67%</b>	<b>65%</b>	56%

... and more are using investments to fund their retirement plans

# Young adults with ‘Conscientious’ as their dominant trait also have better investment outcomes

**65%**  
 Of young adult investors (in their 20s and 30s) are not on track with their investment goals

	Conscientious (Most dominant personality trait)	National Average
<b>Among young adults (those in their 20s-30s)</b>		
Have investments	89%	80%
<b>Among young adults with investments</b>		
Annual rate of return	<b>1.2</b>	0.3
Have regular monthly investment plans	<b>80%</b>	74%
% that have started on using investment to fund their retirement (among those who have started on retirement planning)	<b>62%</b>	58%

# Inflation will stay elevated. Financial markets face higher volatility. How can Singaporeans improve financial wellness?

## 1. Understand your personality to help yourself

- Most people do not make rational financial decisions.
- Find out your persona to understand your strengths and weaknesses.
- Overcome your weaknesses using digital tools and seek professional advice to improve your outcomes.

## 2. Continue to practice good financial virtues

- “Saving regularly”, “managing unsecured debt” and placing money in safer instruments like T-bills and fixed deposits.
- While Singaporeans find it harder to stick to financial virtues, they have cut down on undesirable financial habits
- MAS has released the Basic Financial Planning Guide to help Singaporeans plan better.

## 3. Take a disciplined approach to achieve your goals

- Consider diversifying into assets like investment-grade bonds and dividend-paying stocks, which can also generate income in tough market conditions.
- Use monthly investment plans to reduce the effect of emotions on decision-making.
- Set automated reminders to review your financial goals and portfolio regularly.