



Financial Freedom Index 2023





In 2023, Singlife introduced its inaugural

Financial Freedom Index

to understand the level of financial freedom amongst consumers in Singapore, their perceptions of financial freedom, and their financial behaviours and attitudes.

Online interviews were conducted with **3,000 Singaporeans and PRs** (aged 18-65) from **December 2022 to January 2023.**



We evaluated 25 indicators of financial freedom across 6 key themes

Retirement



1. I have sufficient savings to tap into when I retire to maintain my lifestyle.
2. I have the choice to stop working/retire whenever I want to.
3. I can estimate how much I would need to retire.
4. I have started planning the steps I need to take towards retirement.

Income Streams / Stability



5. I have alternative streams of income on top of my main income.
6. I have passive income streams.
7. I have a growth trajectory for my career/job situation.
8. I feel secure and stable with my job situation.
9. My income growth is consistently higher than the increase in my household expenses.

Managing Unexpected Events



10. I am able to maintain my current lifestyle in the event of unexpected circumstances for at least 12 months.
11. I have sufficient savings/emergency funds to tap into in unexpected situations.
12. I have the ability to settle my hospital bills if I fall ill.
13. I have the ability to settle the hospital bills of my dependents if they fall ill.

Spending / Saving & Goal Setting



14. I am able to meet my monthly savings goal after paying my monthly bills/loans.
15. I am able to put my financial knowledge into how I manage my money and am in full control of my personal finances.
16. I have more than enough savings/money to spend on my needs and wants.
17. I can estimate how much is needed to maintain my lifestyle in the period before I stop working.

Managing Recurring Expenses



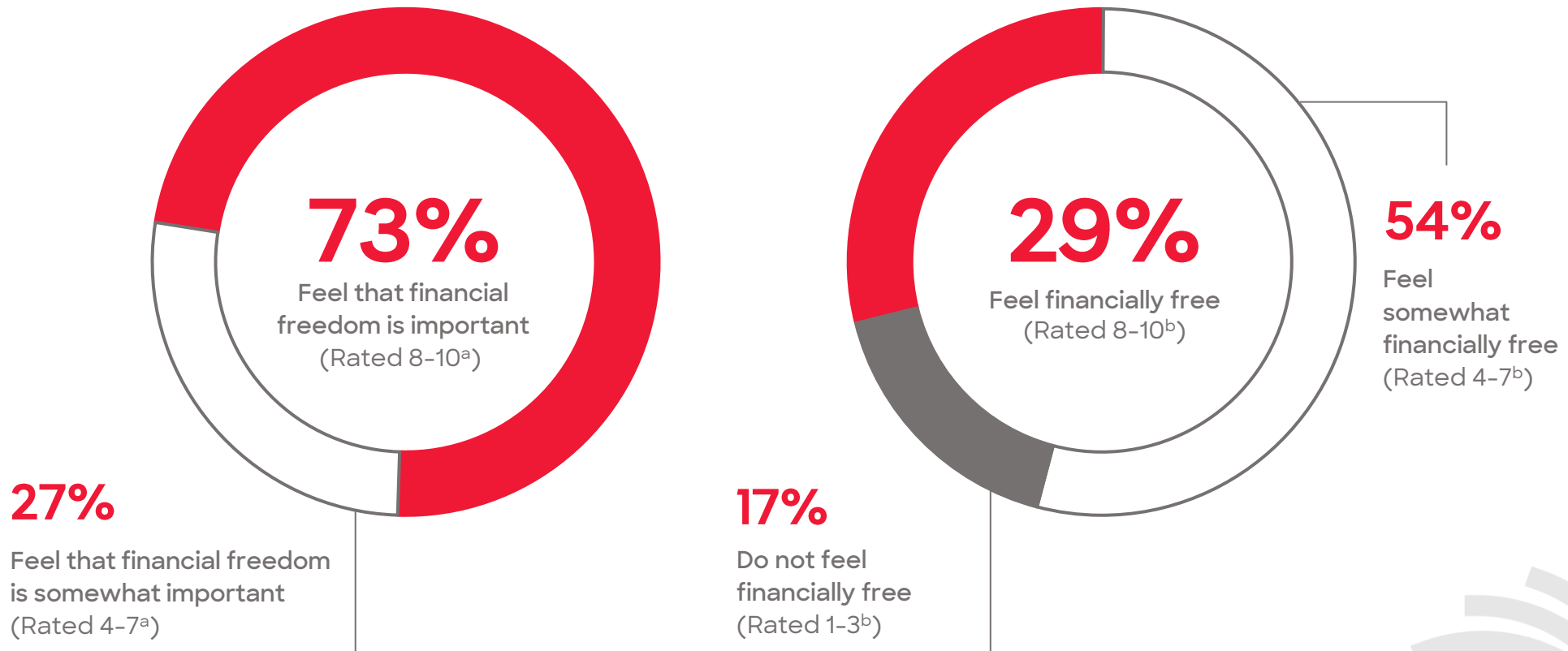
18. I can pay off my loans most/all of the time
19. I can pay off my monthly bills in full most/all of the time.
20. I can provide for my dependents comfortably.
21. I have the ability to manage rising costs/inflation.
22. I do not have to rely on others financially for my needs and wants today.
23. I do not expect to rely on others financially for my needs and wants in the future.

Giving Back



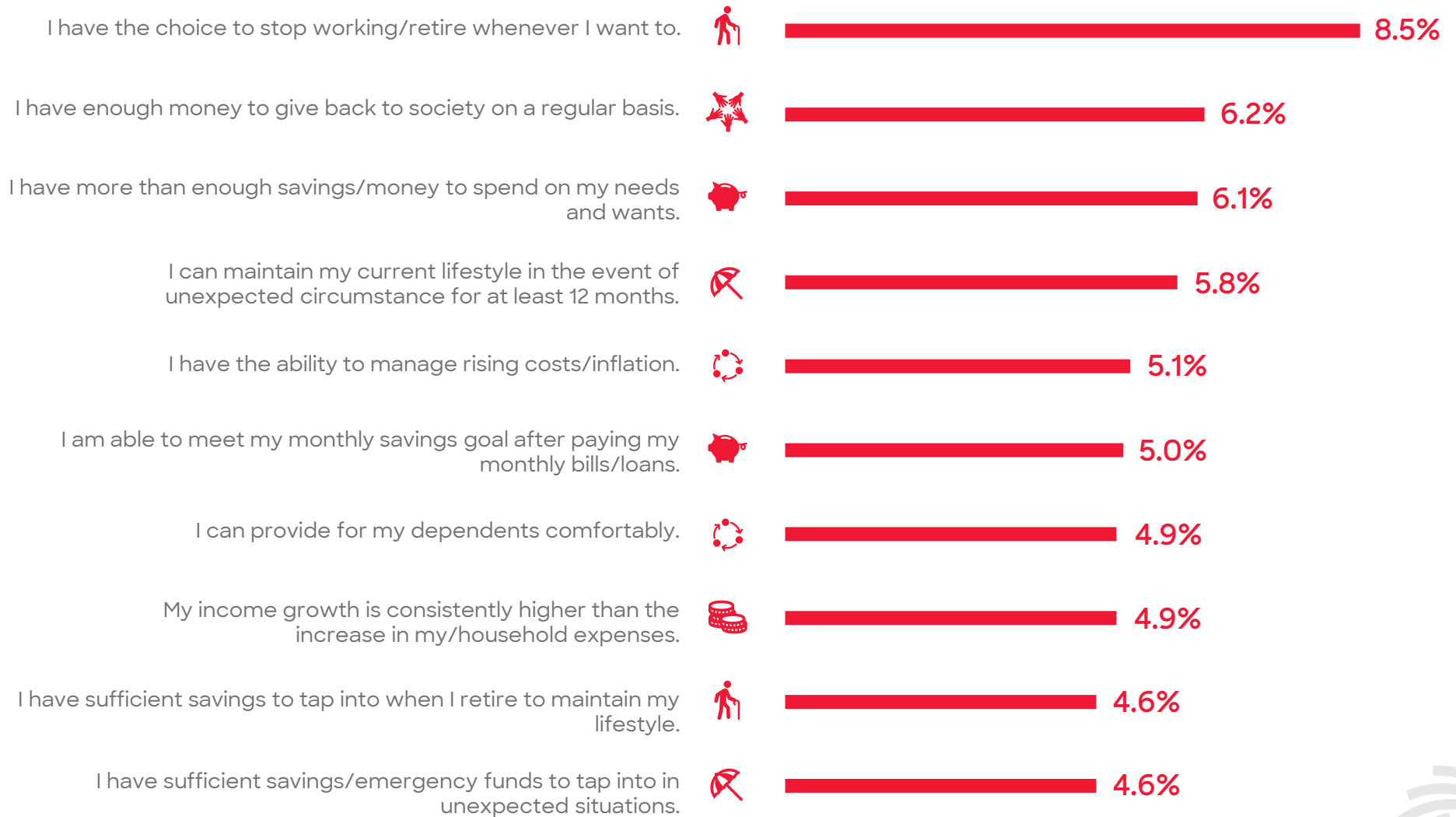
24. I expect myself to have enough money for the rest of my life and that my loved ones will also receive some inheritance from me should I pass on.
25. I have enough money to give back to society on a regular basis.

7 in 10 consumers value financial freedom, but **less than 3 in 10** currently feel financially free – highlighting the need to bridge this gap by supporting their journey to financial freedom.



a. Respondents were asked to rate how important being financially free is to them on a scale of 1 – 10.
b. Respondents were asked to rate how financially free they are on a scale of 1 – 10.

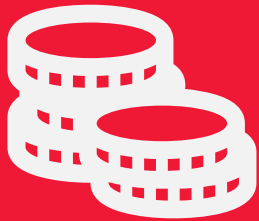
Indicators of financial freedom, ranked in order of importance



Indicators of financial freedom, ranked in order of importance (cont')



Over half of consumers need at least S\$500,000 to feel financially free



S\$566,640

Median Amount Required to Feel Financially Free



Based on median monthly savings of S\$1,733, the average consumer would take

27.3 years

to accumulate enough savings to feel financially free

We discovered that

**the ability to retire at any time
and regularly give back to society**

are top indicators of financial freedom
amongst consumers in Singapore

Key findings

Retirement



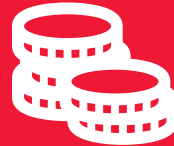
Nearly

4 in 10 (39%)

Have **started planning for retirement** and can estimate the amount needed for a comfortable retirement.

Only 3 in 10 are confident about **having the freedom to retire whenever they want.**

Income Streams / Stability



3 in 10 (31%)

have alternative income streams.

This indicates a strong desire to accumulate wealth beyond a single income stream.

Managing Unexpected Events



Consumers are most confident in **managing unexpected events that happen to themselves.**

However, they feel less confident about financing dependents during unexpected events.

Key findings

Spending / Saving & Goal Setting



4 in 10 (39%)

Can meet their monthly savings goals after paying for essentials.

Fewer consumers (34%) are satisfied with their ability to **save and spend on their wants** at the same time.

Managing Recurring Expenses



Over 50%

Can pay off their monthly bills in full, but only

1 in 3 (33%)

Are confident in managing **rising costs/inflation** in Singapore.

Giving Back



4 in 10 (40%)

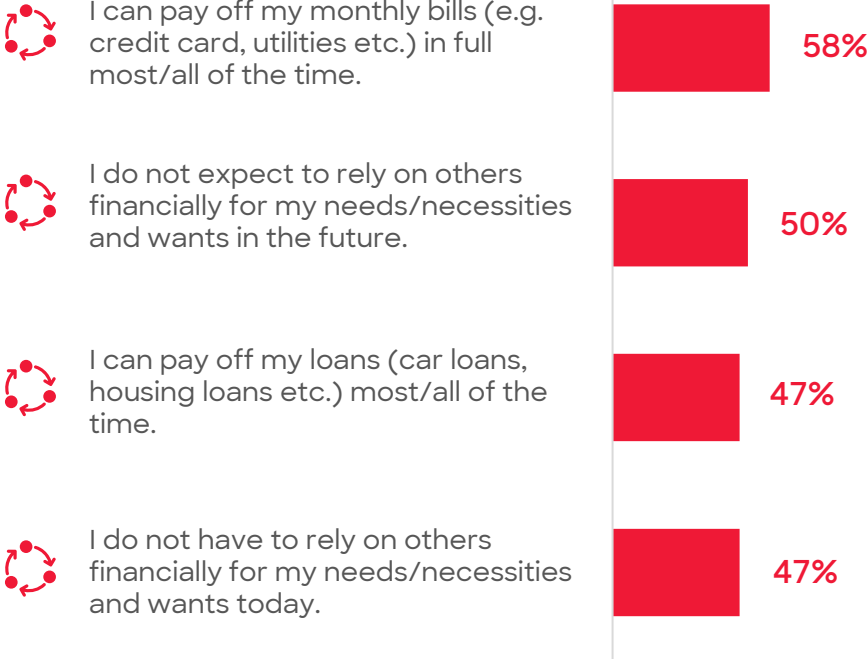
Expect to have enough money to **leave an inheritance** for future generations.

1 in 4 (28%)

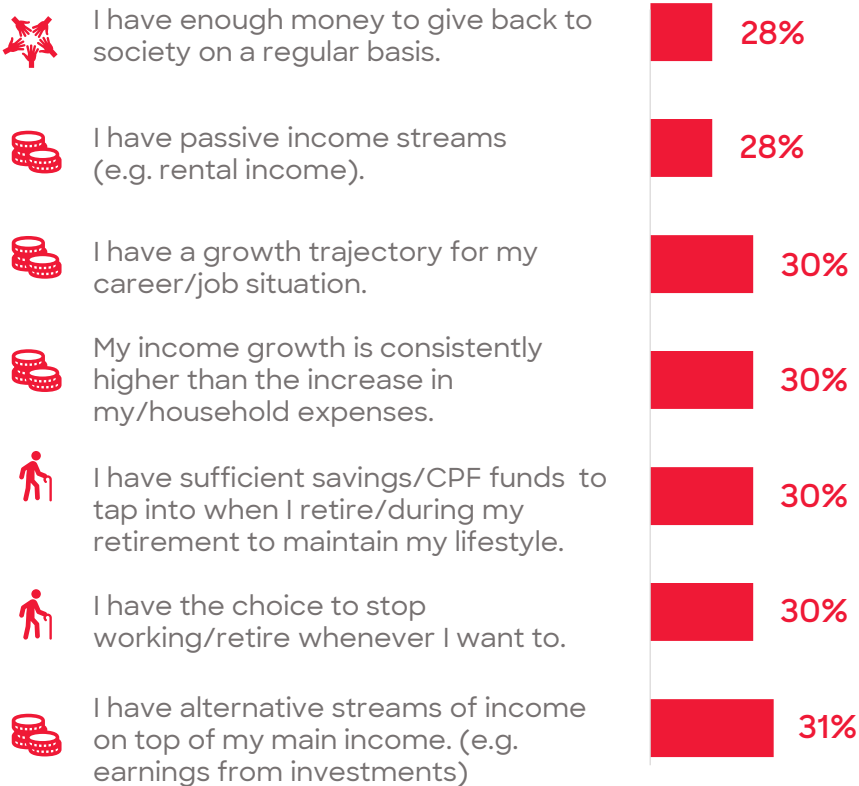
Have enough money to regularly **give back to society**.

Singaporean consumers generally feel most confident when **managing their recurring expenses**. However, when it comes to **income streams and retirement**, confidence is low, with less than a third feeling satisfied with their current situation.

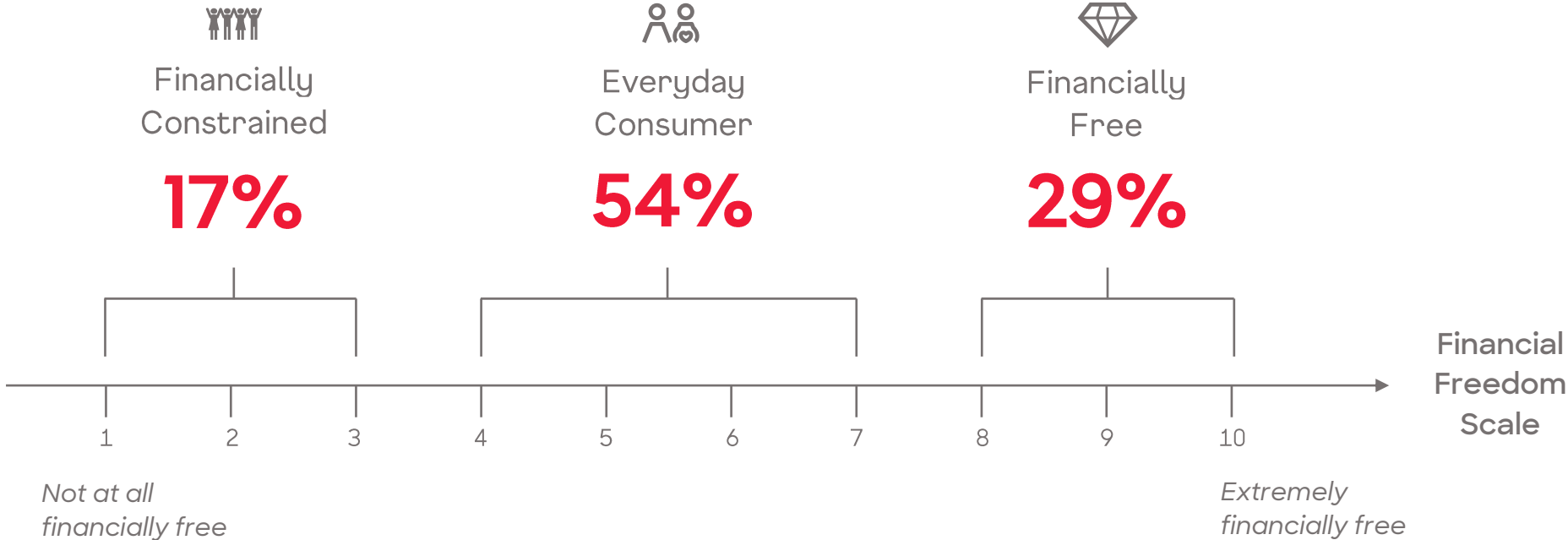
Consumers are **most** confident about:



Consumers are **least** confident about:












We identified 3 consumer groups based on their perceived current level of financial freedom










Respondents were asked to rate how financially free they feel on a scale of 1 - 10.

Demographic breakdown across 3 consumer groups

	 Average Age	 Gender	 Average Monthly Personal income	 Average Monthly Household income	 Average Value of Liquid Assets	 Housing Type
 Financially Constrained	38.1	Male: 47% Female: 53%	S\$3,442	S\$6,932	S\$141,504	4 to 5-room flats
 Everyday Consumer	41.7	Male: 47% Female: 53%	S\$5,652	S\$9,536	S\$319,754	4 to 5-room flats
 Financially Free	45.2	Male: 57% Female: 43%	S\$9,067	S\$13,402	S\$758,559	Private Property

Over half of Everyday Consumers are left with <30% of their income after covering expenses. Over 6 in 10 Financially Constrained individuals have little or no savings, and they are more likely to live month-to-month.



	 Current Financial Situation	 Median Monthly Savings	 Median Amount Needed to Feel Financially Free	 Time Required to Reach Financial Freedom
 Financially Constrained	64% of Financially Constrained have little or no savings left after covering expenses	\$804	\$657,980	68.2 Years
 Everyday Consumer	57% of Everyday Consumers have <30% of their income left after covering expenses	\$1,372	\$553,100	33.6 Years
 Financially Free	32% of Financially Free have >30% of their income left after covering expenses	\$4,114	\$541,070	11.0 Years

Everyday Consumers can comfortably manage essential costs but are cautious when it comes to spending on non-essential items.



Top Indicators of Financial Freedom



Spending Behaviour



Perception of Financials



Financial Knowledge



Financially Constrained

Paying off loans most/all of the time
 Not having to rely on others financially
 Paying off monthly bills in full most/all of the time

36%
 Comfortable spending on **essential needs only**

71%
 I am **doing worse** than my peers in a similar life stage

72%
 I am **not sure** how to achieve financial freedom



Everyday Consumer

Ability to pay off loans most/all of the time
 Do not have to rely on others financially
 Ability to pay off monthly bills in full most/all of the time

43%
 Comfortable spending on needs but **thinks twice before spending on wants.**

65%
 I am doing **as well as** my peers in a similar life stage

49%
 I am **not sure** how to achieve financial freedom



Financially Free

Ability to pay off monthly bills
 Ability to pay off loans most/all of the time
 Ability to pay off hospital bills

45%
 Comfortable spending/splurging on **needs and wants**

31%
 I am **doing better than** my peers in a similar life stage

77%
 I **know** how to achieve financial freedom

Life insurance emerged as the top insurance product owned across all 3 groups. Financially Free individuals own fewer health-related insurance products than the Everyday Consumer and Financially Constrained.

Top 3 Insurance Products Owned



Financially Free

1. Life insurance
2. Motor insurance
3. Travel insurance



Everyday Consumer

1. Life insurance
2. Critical illness insurance
3. Integrated Shield



Financially Constrained

1. Life insurance
2. Critical illness insurance
3. Personal accident

Regardless of their level of financial freedom, consumers in Singapore own the same top 3 investment products.

Top 5 Investment Products Owned



Financially Free

1. Stocks/shares
2. Fixed deposits
3. Unit trusts/mutual funds
4. Property/real estate
5. Bank wealth management



Everyday Consumer

1. Stocks/shares
2. Fixed deposits
3. Unit trusts/mutual funds
4. REIT/investment trusts
5. Government securities



Financially Constrained

1. Stocks/shares
2. Fixed deposits
3. Unit trusts/mutual funds
4. Government securities
5. REIT/investment trusts



“Financial freedom can mean different things to people at different stages of life. Singlife aims to empower Singaporeans to take control of their financial wellbeing through our products and services, regardless of their life stage or financial situation. The Financial Freedom Index helps us to understand the evolving needs of Singapore consumers on an even deeper level.”

Pearlyn Phau
Group Chief Executive Officer
Singlife

About Singlife

Singlife is a leading homegrown financial services company, offering consumers a better way to financial freedom. Through innovative, technology-enabled solutions and a wide range of products and services, Singlife provides consumers control over their financial wellbeing at every stage of their lives.

In addition to a comprehensive suite of insurance plans, employee benefits, partnerships with financial adviser channels and bancassurance, Singlife offers investment and advisory solutions through its Navigator platform. It also offers the Singlife Account, a mobile-first insurance savings plan.

Singlife is the exclusive insurance provider for the Ministry of Defence, Ministry of Home Affairs and Public Officers Group Insurance Scheme. Singlife is also an official signatory of the United Nations Principles for Sustainable Insurance and the United Nations-supported Principles for Responsible Investment, affirming its commitment to finding a better way to sustainability.

First announced in September 2020 and valued at S\$3.2 billion, the merger of Aviva Singapore and Singlife was the largest insurance deal in Singapore then and created one of the largest homegrown financial services companies in the republic.

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