26 September 2023

For Immediate Release

<u>Most young adults have started financial planning;</u>
<u>A sizeable proportion are fine with asking their parents for financial help</u>

Planning for one's financial goals and achieving financial independence are fundamental aspects of adulting. What are the values and attitudes that young Singapore residents have towards financial planning? On the other end of the spectrum, what do young adults think about asking their parents for financial help? To find out more on the topic, RySense conducted an online poll among 678 respondents aged 20-39 from our online panel, HappyDot.sg. These are our key findings:

Top 3 financial priorities – emergency savings, retirement and supporting family
The top 3 financial priorities/goals of young adults are building up sufficient savings for emergencies, having sufficient money for retirement and supporting their family (e.g. paying for children's education, supporting ageing parents). (Figure 1)

Close to 9 in 10 (87%) young adults have started financial planning
Close to 9 in 10 (87%) young adults have started financial planning. However, 1 in 5 (17%) aged 20-29 have not started planning for their financial goals. More than half of the young adults we surveyed plan for most/all of their financial goals concurrently, as opposed to one at a time.

Practising frugality is a key method for wealth accumulation
Among those who have started financial planning, practising frugality is key over other ways of accumulating wealth. This is evident from the top 3 things they have done to help them achieve their financial goals:

1. Save more/cut down daily expenses - 72%
2. Increase salary through main employment (e.g. career progression) – 50%
3. Have a passive income (e.g. through investments) – 44%

(Figure 2)

Definition of 'financial independence' is not homogeneous
While most of our respondents felt that financial independence meant living debt free and having sufficient money to support themselves after retirement, the 20-29 year olds, in particular, prioritised 'not having to rely on other people to fund the lifestyle I want'. (Figure 3)

Less than 1 in 5 young adults describe themselves as 'financially independent'
When asked if they consider themselves as 'financially independent', less than 1 in 5 indicated 'yes', 4 in 10 said 'no, but I am on track to being financially independent' and about 4 in 10 said 'no, I still have a long way to being financially independent'.

61% of young adults (20-39) think asking for financial help from parents is acceptable
Asking for financial help from parents more acceptable by those in their 20s than those in their 30s
Generally, more in their 20s than those in their 30s consider it acceptable to ask their parents for financial help, especially in the areas of tertiary education, healthcare, housing and wedding expenses. (Figure 4) When asked if they would in turn extend financial help to their future adult children, those

currently in their 20s are also in turn more likely than those in their 30s to report willingness to extend such help. This help does not always come 'free', however. At least 4 in 10 of those who voice willingness to help their future adult children financially expect at least some form of repayment. (Figure 5)

While Singapore's young adults differ in their views on what constitutes financial independence, it is assuring to note that most have already started financial planning, a healthy sign of their pro-activeness when it comes to managing their finances. Although financial independence is an aspiration, many amongst our young adults still look towards financial help from their parents when they are faced with challenges such as the rising cost of living, unforeseen circumstances or even entering the next stage of life.

Appendix

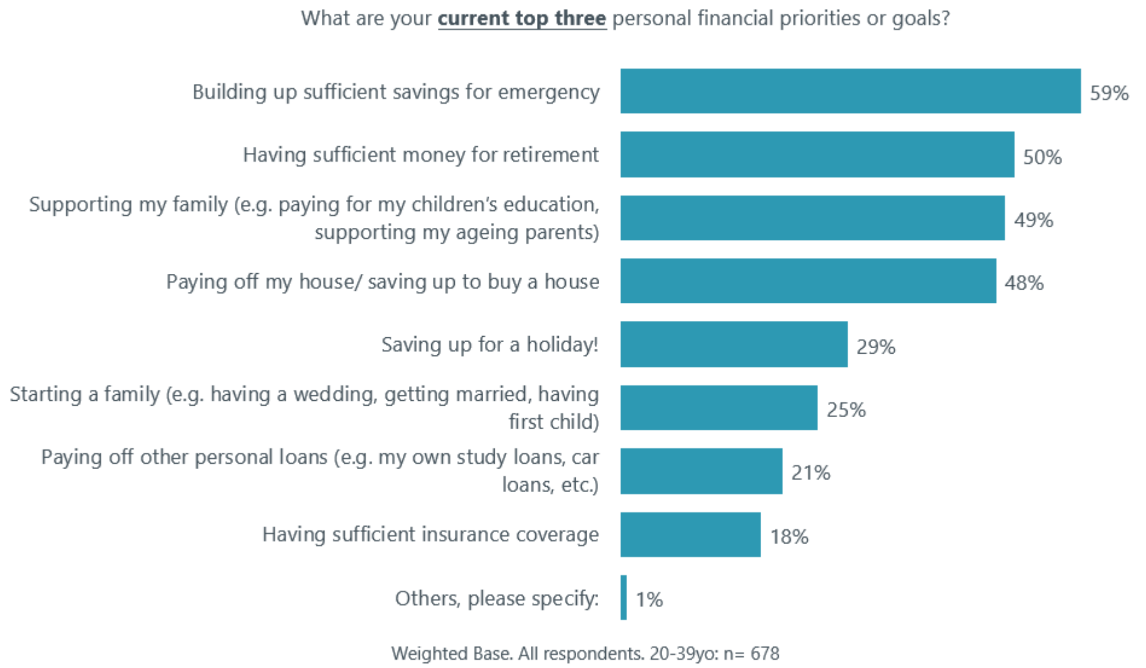

Figure 1

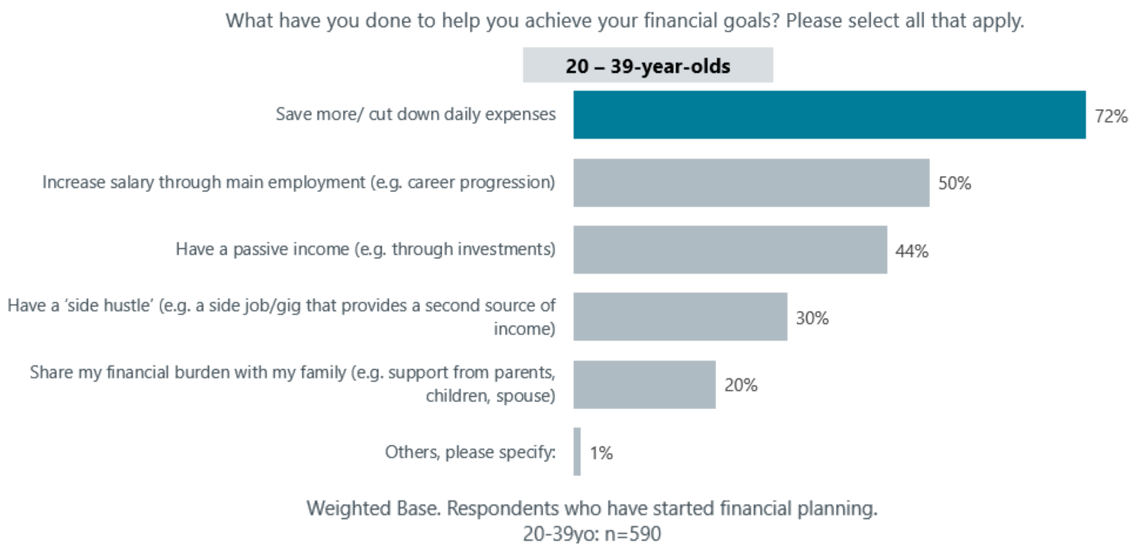

Figure 2

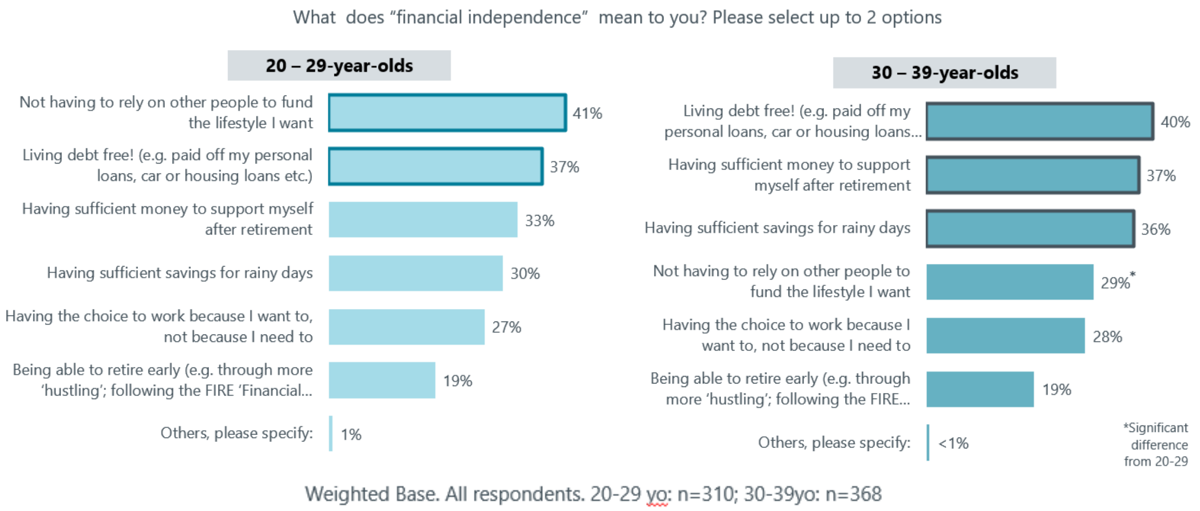

Figure 3

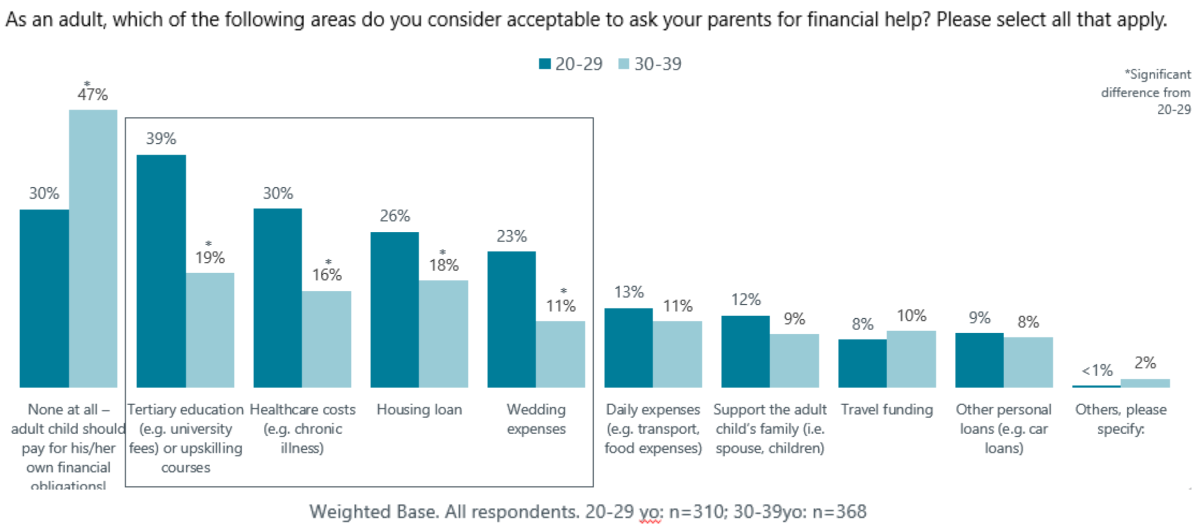

Figure 4

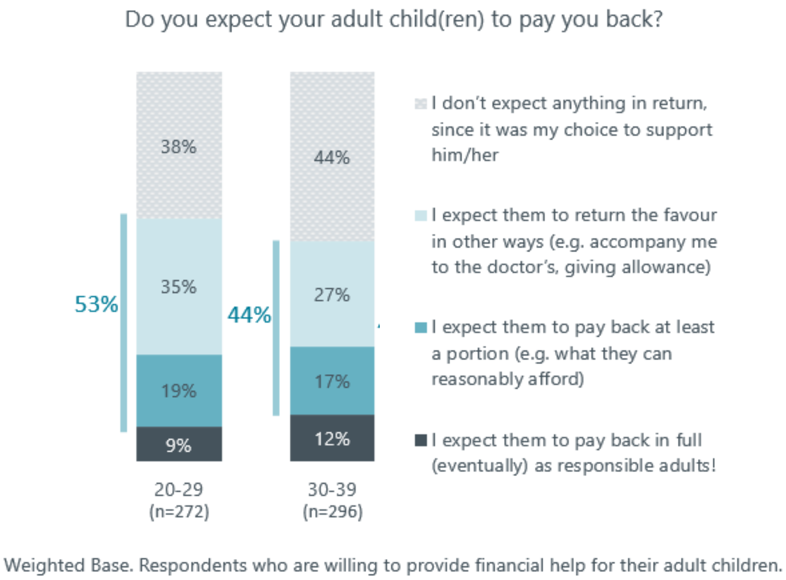

Figure 5

Survey results are based on a sample of 2,111 Singapore residents from RySense's online panel, HappyDot.sg, representative of the general population. Above Figures 1 to 5 are based on 678 Singapore residents aged 20-39 who participated in the survey conducted between 14 to 24 August 2023. Percentages are rounded off.

About RySense
RySense is a Singapore-based research organisation which seeks to understand what people in Singapore think, feel and do. We are specialists in research methods, public opinion research and social trends and have conducted research on a range of socio-economic issues as well as current affairs topics. Using robust approaches, we seek to generate reliable insights about the Singapore landscape, which reflect both subtle nuances and macro perspectives. We are run by a diverse team of market research professionals.

For more information, please visit www.rysense.sg.

About HappyDot.sg
HappyDot.sg is an online survey community for Singapore residents to voice their opinions on issues that impact Singapore. We survey our panellists on a variety of social issues to understand the aspirations of Singaporeans. HappyDot.sg is owned by RySense.

For more information, please visit www.happydot.sg.

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