

# FINANCIAL LITERACY SURVEY

Member Report, 2024-2025

*U.S., Japan and Singapore Results*



**MDRT**

The Premier Association  
of Financial Professionals®

# INTRODUCTION



As a member of The Premier Association of Financial Professionals®, you have access to a wide range of educational materials covering everything from sales tactics and work-life balance to fintech recommendations and research findings. This report falls under that final category, exploring and comparing the results of public opinion surveys MDRT ran on financial literacy in the U.S., Japan and Singapore in 2024 and 2025.

In the current era of market diversification, political change and information bubbles, teaching a base level of financial literacy is more important than ever to secure the well-being of clients, prospects and the general public. The explosive growth of financial advice on social media and the increasing use of generative AI tools as a source of financial information have unlocked financial planning for millions. But those same trends have also exposed people to scams and misinformation. The old days of entrusting one's personal finances entirely to a trusted professional or family member are over. Alongside their traditional work, financial advisors are now responsible for ensuring their clients are well-versed enough to safely navigate their own quests for information.

The good news is that **having a financial advisor is strongly correlated with better financial literacy among consumers in all three surveyed countries** – but there is work to do. Continue reading to see important findings from these surveys, including top statistics on financial knowledge, ownership rates of key financial planning tools and the most trusted sources of financial information.



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# Knowledge and ownership of financial tools

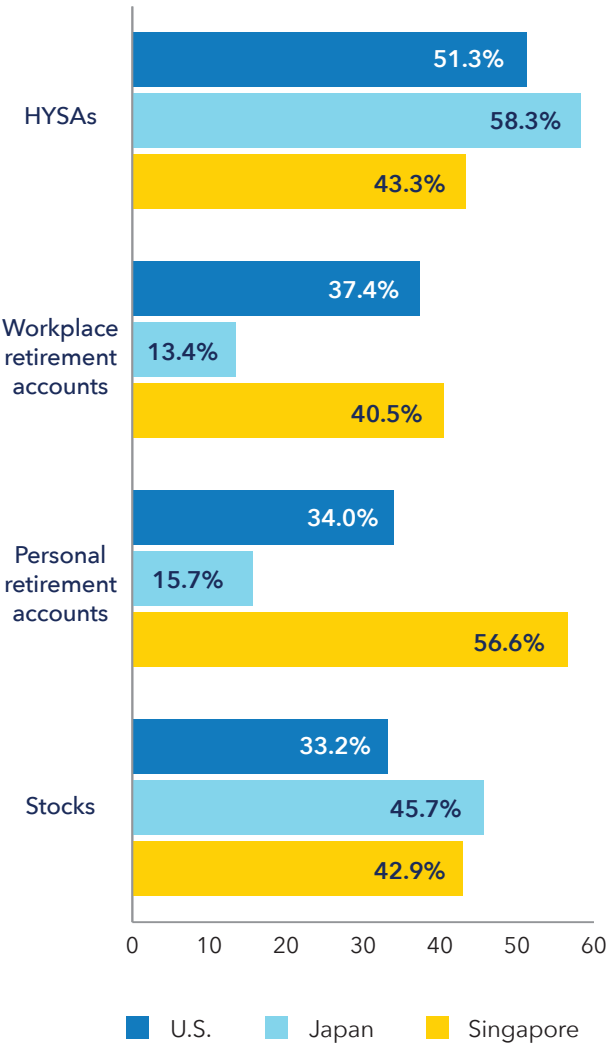
Across the U.S., Singapore and Japan, large proportions of consumers say they are aware of their savings, investment and insurance options, but many of these options are left unused. For many of these individuals, this is a matter of financial ability and life circumstances. There is dubious value in opening a personal retirement account for someone who is not taking full advantage of workplace plans. A single, childless person in their mid-20s is unlikely to need life insurance. Advisors navigate this balance with clients every day.

Still, there were many respondents across all three markets who have financial advisors while lacking important financial tools. For example, 33.2% of Americans who work with a financial advisor report not owning stocks, and **more than half report not having a high-yield savings account (HYSA)**. A lack of insurance coverage sticks out even more sharply, as **69.6% of Americans with advisors report not owning disability insurance** and 69.9% report not owning long-term care insurance.

Singapore has a unique, mandatory savings system, the Central Provident Fund (CPF), which covers most workers in the country. The CPF includes specific accounts for retirement savings, health care costs and financial goals like purchasing a home. However, **a majority of Singaporeans who work with financial advisors leave tax-advantaged supplemental options on the table**, including 56.6% of Singaporeans with advisors who do not use a Supplementary Retirement Scheme.

Japan has the lowest uptake of financial options among the three surveyed markets, with **58.3% of Japanese people with advisors forgoing HYSAs and 63% lacking term life insurance**.

SHARE OF CONSUMERS WITH FINANCIAL ADVISORS WHO LACK SAVINGS AND INVESTMENT ACCOUNTS



Workplace retirement accounts include 401(k) and Roth 401(k) plans in the U.S.; Defined Contribution Pension and iDeCo plans in Japan; and CPF Investment Schemes in Singapore.

Personal retirement accounts include IRAs and Roth IRAs in the U.S., NISAs in Japan and Supplementary Retirement Schemes in Singapore.





## WHAT TO DISCUSS WITH CLIENTS

Advancing the overall financial well-being of the general public is a keystone goal of the financial services profession, and it starts with advisors' clients. Today's regular check-ins go beyond ticking off a list of required questions. Advisors proactively working with clients help them understand how to fill in the gaps of their financial plans as global economies reckon with heightened uncertainty around issues like inflation, currency strength, tariffs and government welfare programs.

However, while only 6.4% of Japanese respondents have financial advisors, those clients are extremely likely to have retirement savings accounts. **In fact, 86.6% of Japanese people with advisors have workplace retirement accounts, compared with just 8.8% of Japanese people without advisors.** Similarly, 84.3% of Japanese people with advisors have personal retirement accounts, compared with just 21.3% of Japanese people without advisors.

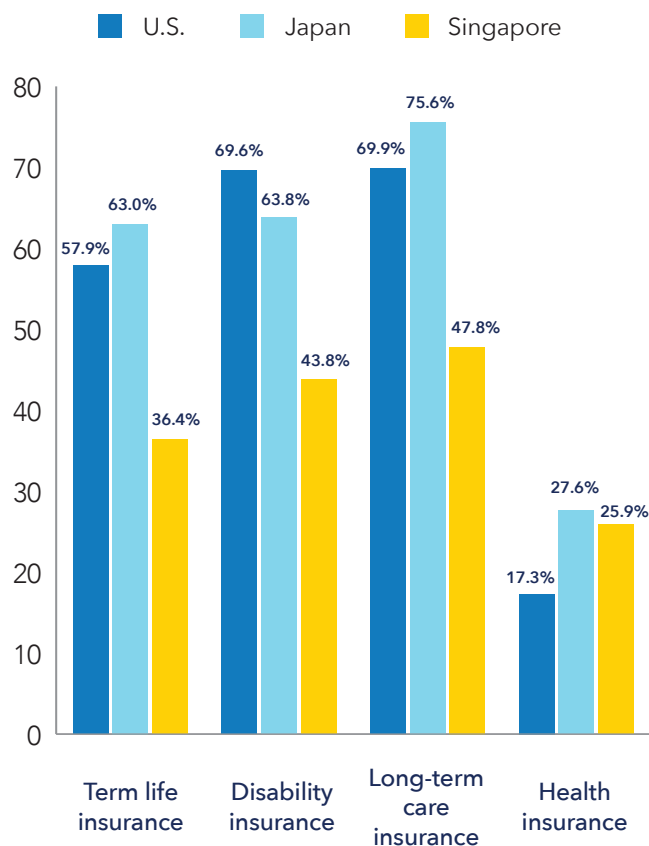
## DIFFERING LANDSCAPES

There are significant differences in the financial services offerings of all three surveyed markets. U.S. consumers have a very wide range of private market savings and insurance options to choose from, and they are also under meaningful cultural pressure to use those options if possible. **However, participation is ultimately voluntary.** Indeed, many U.S.-based advisors are now grappling with how to effectively talk clients out of shaky investment schemes based on timing markets or alternative investments, all while tax-advantaged traditional accounts remain underused.

In contrast, the Singaporean CPF is a regimented, government-run program **with mandatory contributions from most workers in the country.** Similarly, while all but the most basic insurance in Singapore is provided by the private market, there is a robust government structure regulating programs like health or long-term care insurance plans and ensuring maximal public buy-in.

Japan, on the other hand, is a **cash savings-oriented culture.** While the Japanese government does require the purchase of private health insurance and has pushed introductory retirement savings accounts, **public uptake of investments or non-health insurance policies remains low.** However, as shown by a recent inflation spike and weakening of the Japanese yen, cash-dependent financial strategies that seem conservative can, in fact, expose consumers to the risk of being financially left behind.

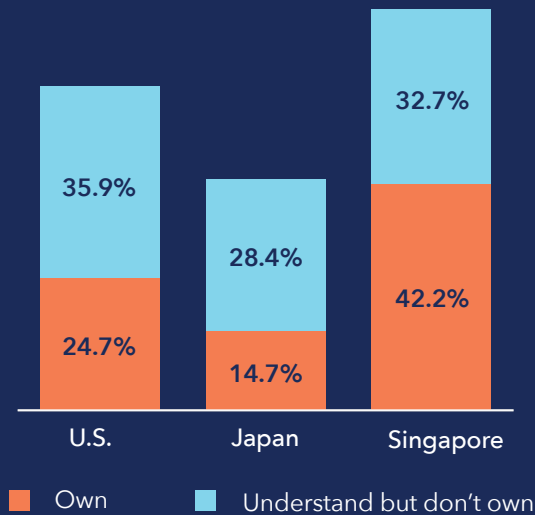
## SHARE OF CONSUMERS WITH FINANCIAL ADVISORS WHO LACK INSURANCE POLICIES



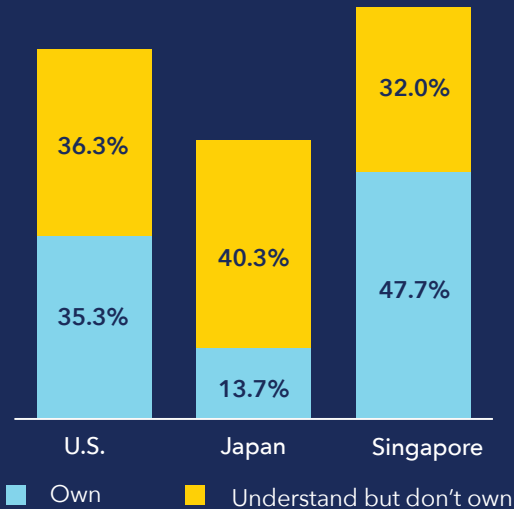
Singapore notes: Disability insurance excludes MediSave Care accounts. Long-term care insurance excludes CareShield Life and ElderShield plans. Health insurance refers to private hospitalization insurance or Integrated Shield Plans and excludes MediShield Life.

# Public ownership and understanding of savings, investment and insurance options

## HIGH-YIELD SAVINGS ACCOUNTS

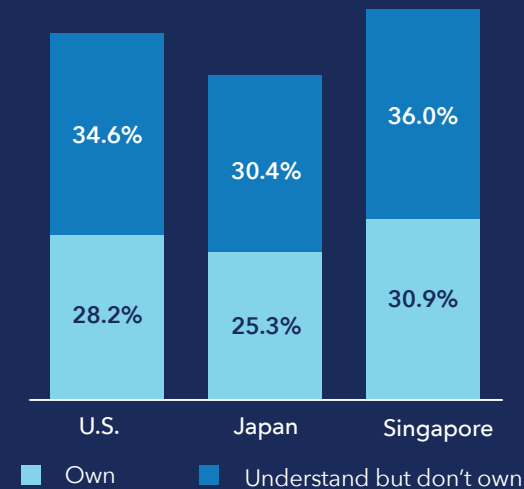


## WORKPLACE RETIREMENT ACCOUNTS



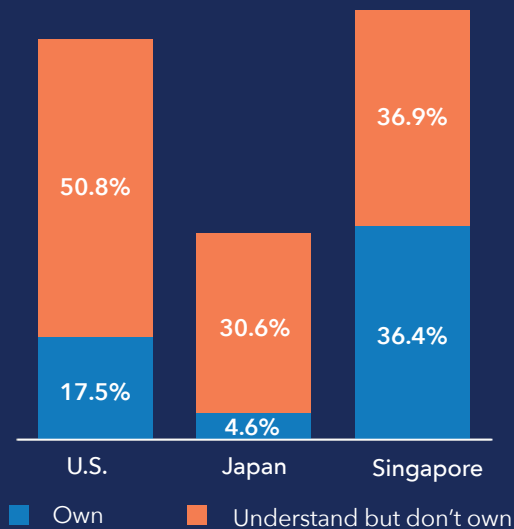
401(k) and Roth 401(k) plans in the U.S.; DCP and iDeCo plans in Japan; and CPF Investment Schemes in Singapore

## PERSONAL RETIREMENT ACCOUNTS



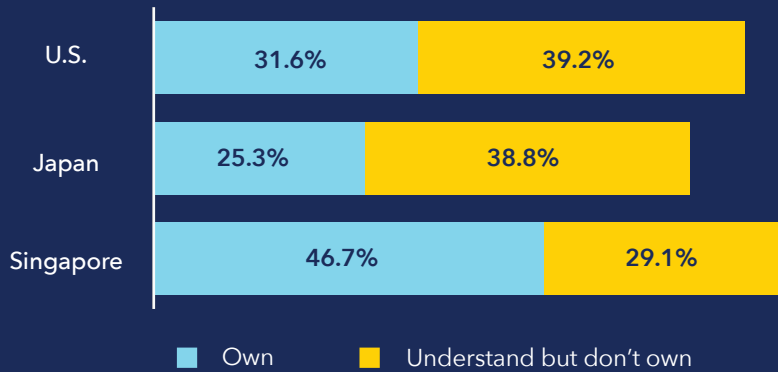
IRAs and Roth IRAs in the U.S.; NISAs in Japan; and Supplementary Retirement Schemes in Singapore

## LONG-TERM CARE INSURANCE

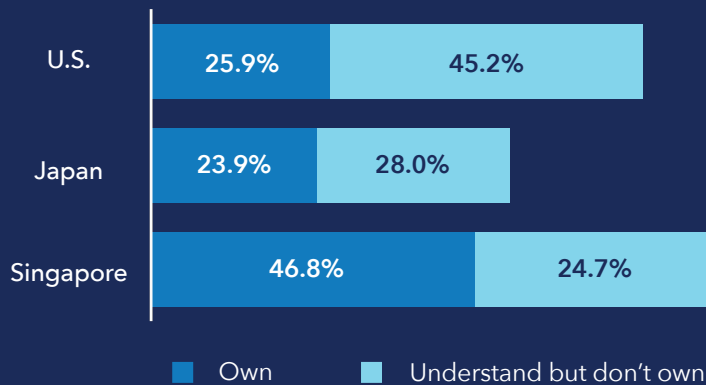


Excludes CareShield Life and ElderShield plans in Singapore

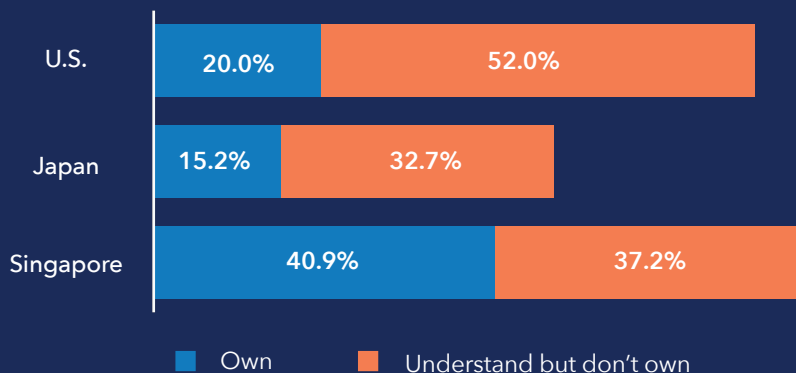
## STOCKS



## TERM LIFE INSURANCE



## DISABILITY INSURANCE



Excludes MediSave Care accounts in Singapore



## WHAT TO DISCUSS WITH CLIENTS

Ownership and knowledge of financial tools varies widely for consumers in all three surveyed markets. A new client might already understand what long-term care insurance is but not know that HYSAs exist, even though the latter is considered more of a beginner step in personal finance. Avoiding assumptions and seeking a full financial picture in a clear, direct manner will help advisors best serve their clients.

# Trusted sources of financial information

Respondents across surveyed markets listed financial advisors as trusted sources of financial information, but advisors should consider ways clients can pick up misinformation. Many consumers report ambivalence or distrust of non-personal sources of information, like social media, news outlets or generative AI programs. In contrast, family members, significant others and friends – along with financial advisors – are considered more trustworthy sources.

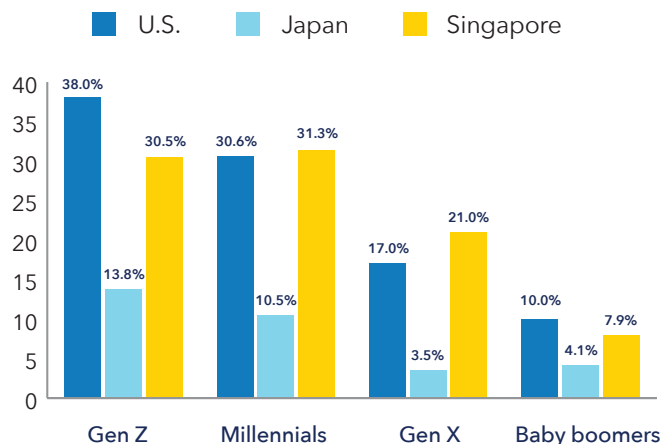
## ADVISOR RESPONSIBILITIES

This breakdown simultaneously makes sense and creates a loophole for bad advice. It is normal for people to trust those closest to them, and **financial advisors do not supplant the role family and friends play in financial planning**. However, advisors can remind clients to politely check where their loved ones are getting their information to ensure there are adequate safeguards against dangerous scams and other pitfalls.

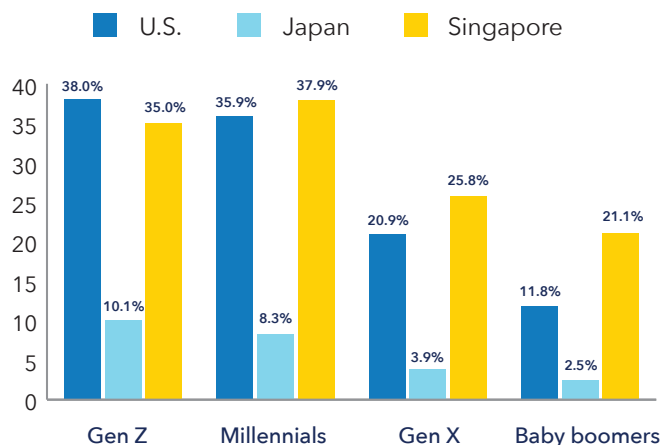
In the U.S., 63.1% of survey respondents labelled financial advisors as generally trustworthy, making them the second-most trusted source of financial information. While this holds true across most demographic lines, **85.6% of Americans with advisors say advisors are trustworthy**, compared with 60.1% of Americans without advisors.

Other highly trusted sources in the U.S. include **family members and significant others (68.6%)**, **formal personal finance classes (58.2%)** and **friends (57.8%)**. Faith leaders and news outlets (e.g., TV stations, newspapers, online and podcast/radio) are all trusted by between 30% and 40% of Americans. The least trusted sources are generative AI programs (25%) and social media (22%).

## TRUST IN SOCIAL MEDIA AS A SOURCE OF FINANCIAL INFORMATION



## TRUST IN GENERATIVE AI AS A SOURCE OF FINANCIAL INFORMATION



Unsurprisingly, **younger Americans are more likely to find generative AI and social media trustworthy**. Thirty-six percent of millennials (ages 28-43 in the U.S.) and 38% of Gen Z say they find generative AI programs trustworthy. Similarly, 31% of millennials and 38% of Gen Z say the same about social media.





## WHAT TO DISCUSS WITH CLIENTS

Simply telling clients not to trust social media, friends or other sources of information is unlikely to yield the results advisors want. Instead, **advisors can canvass the exact sources of information clients use to make financial decisions and evaluate their credibility.** Which social media influencers do clients and their family members follow? What questions are they typing into AI programs, and what sources are those programs using to generate answers? Which news outlets do clients deem credible? If these questions are part of standard, recurring client check-ins, then **advisors can ensure that clients who are the most open to outside information do not accidentally start going down the wrong path.**

In Singapore, 53% of survey respondents labelled financial advisors as generally trustworthy, making them the fourth-most trusted source of financial information. **Among Singaporeans with advisors, 69.1% say advisors are trustworthy**, compared with 43.4% of Singaporeans without advisors.

Other highly trusted sources in Singapore include **family members and significant others (61.9%), formal personal finance classes (59.6%) and newspapers (54.4%)**. Friends and TV stations sit in a second tier followed by faith leaders and other news sources. Generative AI programs (31.6%) and social media (25.1%) are the least trusted sources.

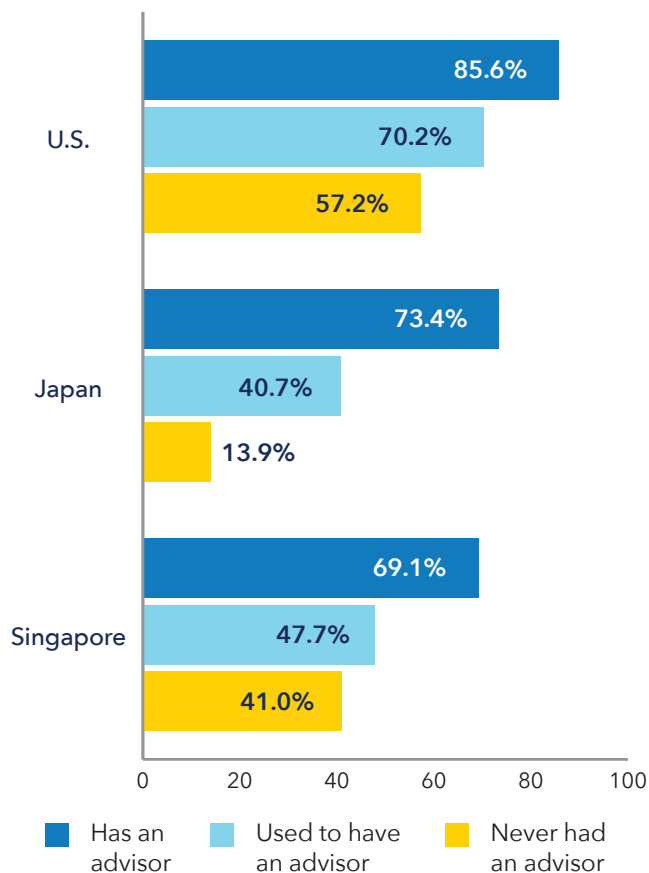
**Younger Singaporeans are more likely to find generative AI and social media trustworthy than their older counterparts, much like in the U.S.** Among millennials (ages 28-43 in Singapore), 37.9% say they find generative AI programs trustworthy, alongside 35% of Gen Z. Social media is seen as trustworthy by 31.3% of millennials and 30.5% of Gen Z.

In Japan, 20% of survey respondents labelled financial advisors as generally trustworthy, making them the third-most trusted source of financial information. However, there is an extremely large gap between Japanese respondents with and without advisors: **73.4% of Japanese consumers with advisors say advisors are trustworthy**, while just 17.7% of Japanese consumers without advisors say the same.

Japan stands out as a low-trust society when it comes to financial information, though **family members and significant others (27.2%), newspapers (23.8%) and TV stations (17.4%)** emerge as relatively more trusted sources. Friends, formal personal finance classes and online news sites are the only other sources trusted by more than 10% of the population. Social media (6.2%) and generative AI programs (5%) are among the least trusted sources.

In contrast to the U.S. and Singapore, **younger Japanese people are not markedly more likely to find social media or generative AI to be trustworthy sources of financial information.** Less than 15% of all generations in Japan find either source to be trustworthy.

## TRUST IN FINANCIAL ADVISORS AS A SOURCE OF FINANCIAL INFORMATION



# Most trusted sources of financial information in the U.S., Japan and Singapore

**\*Key for Page 10\***

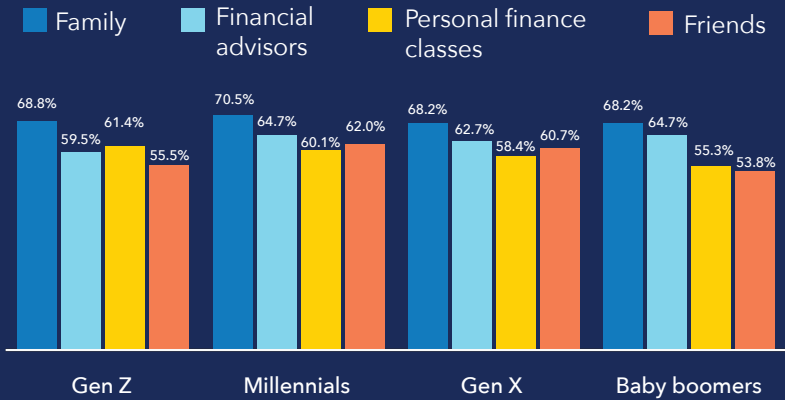
- Dark blue: most trusted source
- Light blue: second-most trusted source
- Yellow: third-most trusted source
- Orange: fourth-most trusted source



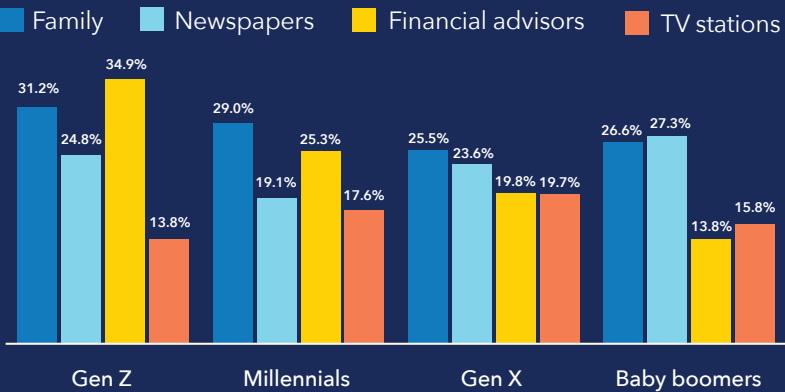
**TAKEAWAY:**

While digital media continues to gain prominence, consumers across borders still primarily trust traditional sources of information like close friends and family, financial advisors and traditional news outlets. Advisors have the professional authority to ask about what other advice clients are receiving, evaluate its credibility and give clients contravening recommendations if necessary.

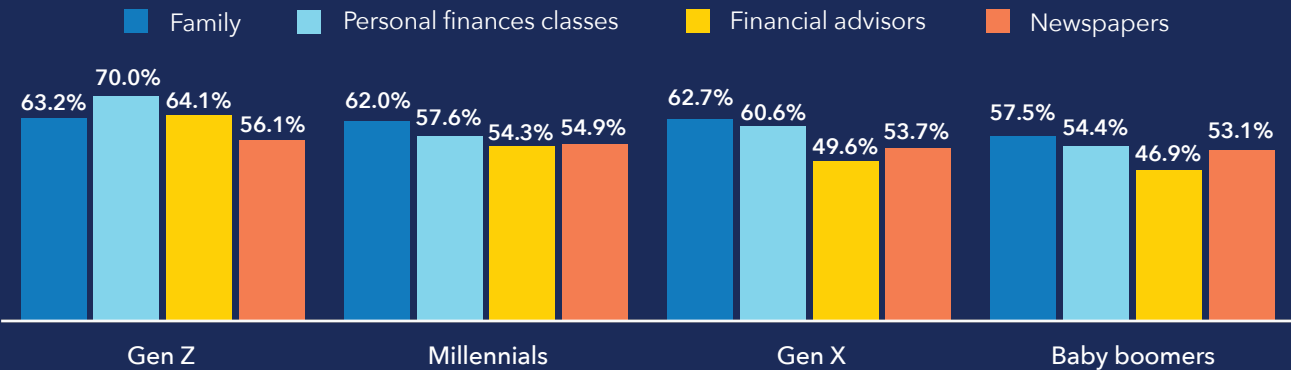
**MOST TRUSTED SOURCES OF FINANCIAL INFORMATION IN THE U.S. BY GENERATION**



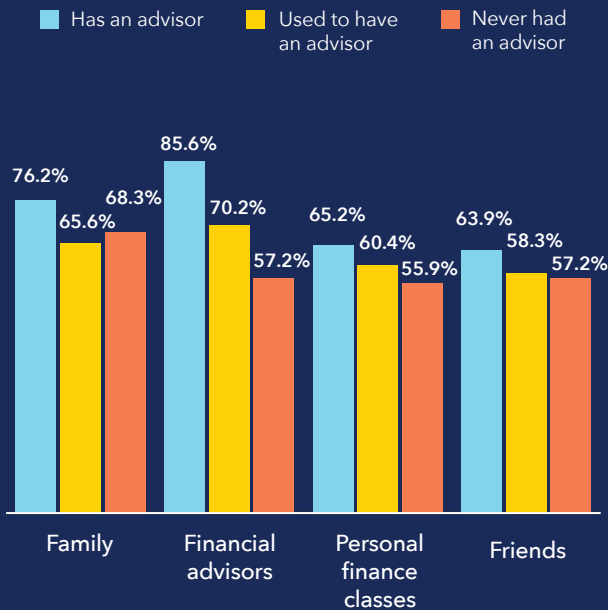
**MOST TRUSTED SOURCES OF FINANCIAL INFORMATION IN JAPAN BY GENERATION**



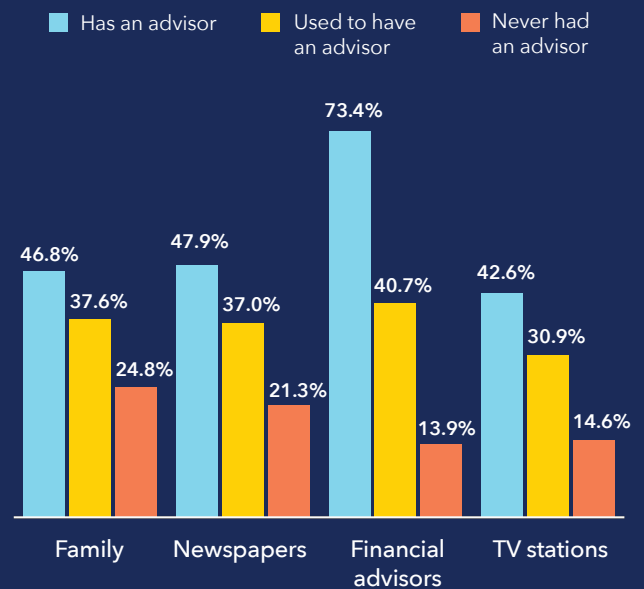
**MOST TRUSTED SOURCES OF FINANCIAL INFORMATION IN SINGAPORE BY GENERATION**



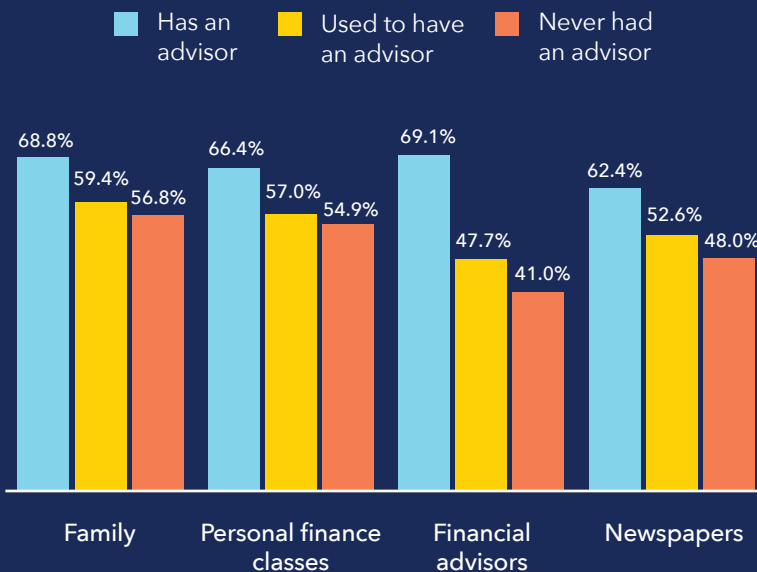
### MOST TRUSTED SOURCES OF FINANCIAL INFORMATION IN THE U.S. BY ADVISOR STATUS



### MOST TRUSTED SOURCES OF FINANCIAL INFORMATION IN JAPAN BY ADVISOR STATUS



### MOST TRUSTED SOURCES OF FINANCIAL INFORMATION IN SINGAPORE BY ADVISOR STATUS



#### TAKEAWAY:

Advisors are most trusted by clients, which is an excellent reflection of our profession's work, but barriers exist for those who have not yet sought out an advisor. These potential clients also need to hear from our profession to change their patterns of trust and their methods for soliciting financial advice.



# INTERESTED IN LEARNING MORE?

Use the QR code below to view a digital version of this report and other related survey assets.



Additional data is available from MDRT upon request. Please reach out to [mdrtmarketing@mdrt.org](mailto:mdrtmarketing@mdrt.org) with questions.



## Notes and survey methodologies

**U.S. survey methodology:** This survey was conducted by Opinion on behalf of MDRT through a panel of individuals who have agreed to take part in surveys. Fieldwork was undertaken September 19-23, 2024, with a representative sample of 2,000 U.S. consumers ages 18 and older, weighted on age, gender, region, race, ethnicity and education according to the 2020 U.S. Census.

**Japan survey methodology:** The survey was conducted online in Japan by NeoMarketing on behalf of MDRT from November 1-4, 2024, among 2,000 Japanese adults aged 22 to 79. Twenty percent of the respondents had experience in consulting with a financial expert.

**Singapore survey methodology:** This survey was conducted online by market research and insights agency Opinion from January 30-February 7, 2025. The sample consisted of 2,000 Singaporean adults ages 18 and older and was weighted to be nationally representative based on age, race and gender.