MDRT
The Premier Association of Financial Professionals®

MDRT Survey: Singaporeans Know Their Financial Options but Aren't Using Them

- Only one in two Singaporeans consider their financial literacy to be good
- Nearly a quarter are willing to take out high-interest loans for stock market investments
- Despite high awareness of financial tools, Singaporeans show mixed appetites

Singapore, 2 April 2025 – Only one in two Singaporeans perceive their financial literacy to be "good" (34%) or "excellent" (15%) in a recent survey by MDRT. Despite this confidence, a concerning portion showed a big risk appetite.

Almost a quarter (23%) of Singaporeans agree that taking out a loan with a 10% interest rate to open a stock market account is feasible. This risk appetite is particularly pronounced among Gen Z (29%) and millennials (31%), who showed a higher propensity to take such loans, than Gen X (16%) and baby boomers (7%).

"I find it extremely concerning that younger people are willing to invest with borrowed money at high interest rates. This could be due to early exposure to diverse information platforms, which can sometimes contribute to the spread of misinformation, biased perspectives, and overly optimistic expectations regarding certain investments," said Jake Lim, AEPP, an eight-year MDRT member. "This underscores the critical need to educate Singaporeans, not just about the financial tools available, but more importantly, the risks."

Singaporeans Still Rely on Traditional Information Sources

When it comes to financial planning, Singaporeans report a strong awareness of the tools available, including various types of savings accounts, investment options, and CPF schemes. This can be attributed to the wide range of information sources available, with online platforms (48%), social media (38%), friends (31%), and news outlets (27%) being the most popular ways to learn about personal finance.

Despite the popularity of online sources and social media, Singaporeans still place more trust in getting financial information from family (62%), schools (60%), newspapers (54%), and financial advisors (53%). This suggests that while digital channels help to provide financial information, personal relationships and professional expertise remain highly influential in financial decision-making.

High Awareness, Mixed Appetites

Even with a broad majority of Singaporeans saying they understand how financial tools work or have heard of them, this may not have led to corresponding take-up rates in various financial products.

Most Singaporeans (81%) still rely on traditional basic savings accounts for financial security, instead of other saving methods such as fixed deposit accounts (49%), high-yield savings accounts (42%), short-term bonds (33%), or endowment plans (29%).

Singaporeans also have different risk appetites regarding investments. Over three in four Singaporeans (77%) hold at least one type of investment account, with CPF investment schemes (48%) and stocks (47%) being the most popular tools. Other more commonly held investment instruments include investment-linked insurance (40%), long-term bonds (33%), and the Supplementary Retirement Scheme (31%).

Risk appetites also vary across generations, with younger Singaporeans showing a greater inclination towards risk-taking. Millennials and Gen Z have diversified into higher-risk investments such as cryptocurrencies (millennials: 31%, Gen Z: 26%) and alternative assets like art, wine, and forestry (millennials: 22%, Gen Z: 20%). In comparison, only 19% of Gen X and 6% of baby boomers invest in cryptocurrencies, and even fewer (Gen X: 10%, baby boomers: 2%) allocate funds to alternative investments.

Greater Protection Needed: Are Singaporeans Adequately Safeguarding Themselves?

Similarly, despite near-universal awareness of personal insurance policy types among Singaporeans, there is a lower uptake of basic insurance policies such as hospitalization insurance (65%), critical illness insurance (56%), personal accident or accidental death insurance (54%), and permanent or whole life insurance (54%). In addition, only 41% and 36% of Singaporeans have disability and long-term care insurance respectively.

When it comes to property-related insurance, only half (52%) of Singaporean adults have a home insurance policy. First-time homeowners (66%) and repeat home buyers (63%) are also more than twice as likely as renters (24%) to have home insurance.

Another area of low adoption is pet insurance, which remains uncommon despite rising pet ownership. Only 14% of Singaporeans hold a pet insurance policy, even though 81% are aware of it. Gen Z (19%) and millennials (20%) are also much more likely to use pet insurance than older generations (Gen X: 9%; baby boomers: 2%), indicating a growing trend among younger demographics in prioritizing financial planning for pet care.

Singaporeans Without Financial Advisors Tend to Have Less Diverse Portfolios

Those currently working with financial advisors (37%) are likely to have more comprehensive personal insurance coverage. They also tend to hold various savings and investment accounts.

"Across the board, I do see many Singaporeans who are under-insured. Younger generations tend to feel the squeeze from other financial pressures, such as purchasing their first home, saving to start a family or buying a car as they establish their family," said Joyce Chan, ChFC/S, a seven-year MDRT member. "It can be easy to overlook personal insurance as a priority when there are so many other competing demands in different stages of life. I would still recommend allocating budget toward building a diverse financial portfolio to ensure holistic protection and safeguard against unforeseen situations."

***

Survey Methodology
This survey was conducted online by market research and insights agency Opinium between January 30 and February 7, 2025. The sample consisted of 2,000 Singaporean adults and was weighted to be nationally representative based on age, race, and gender.

About MDRT
MDRT (Million Dollar Round Table), The Premier Association of Financial Professionals®, is a global, independent association of the world's leading life insurance and financial services professionals from 85 nations and territories and more than 700 companies. MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of excellence in the life insurance and financial services business. For more information, please visit mdrt.org.