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Headline: 33% of young adults in Singapore not confident about managing debt: Poll

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About one in three young adults polled are not confident about managing debt, a new survey by Citi Foundation and Singapore Management University (SMU) shows.

The survey is aimed at understanding the factors influencing financial wellness, including financial literacy, among young adults in Singapore.

It shows how resilient they are in withstanding financial challenges, especially in the light of the Covid-19 pandemic and the disruptions it can cause, SMU said yesterday.

Such resilience is vital amid the changing financial landscape and job market, it added.

The survey of 1,068 individuals aged between 18 and 30 found that respondents had higher scores in areas such as saving, borrowing, budgeting, digital literacy and consuming. But they did worse in areas like earning, investing, financial technology, insurance and comprehending risk.

The survey also found that 33 per cent of the respondents are not confident about managing debt, and nearly 20 per cent find it difficult to make ends meet.

However, the vast majority – 97 per cent – have already started the process of planning for their retirement.

This is probably due to the availability of the Central Provident Fund system and their awareness of it, SMU noted.

Nearly all respondents said they would find it easy to arrange emergency purchases. But 22 per cent noted that they would find it difficult to obtain emergency cash.

Assistant Professor Aurobindo Ghosh of SMU, head of the survey research project, said: "Financial wellness and financial resilience are key factors of personal and professional development goals that are catalysed by financial inclusion.

"Individuals with working financial knowledge and thus sufficient financial wellness and resilience at an early stage can make more informed economic decisions and judgments vis-a-vis the aggregate population."

Those with a higher score in the survey were also less likely to fall for financial scams, the project revealed.

Young adults across various disciplines of study showed a difference in their financial wellness and resilience scores.

For instance, respondents from disciplines such as business as well as information and digital technology had a greater likelihood of having higher percentile scores, compared with those from art, design and media, and dentistry.

SMU president Lily Kong said: "The survey findings are an important reference for various stakeholders to formulate intervention measures for different young adult groups to level up their financial literacy and, beyond that, strengthen their financial resilience."

Prof Ghosh, who is also programme director and principal investigator of research for the Citi Foundation-SMU financial literacy programme, added that through the ongoing research, the project seeks to produce a comprehensive quantitative measure of participants' financial wellness and resilience.

This can be the benchmark for future improvements and help researchers to study the relationship among the various components of financial wellness, he said.

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