IPS Working Papers

NOT QUITE IMPULSIVE SPENDERS: KEY FINDINGS FROM THE IPS-CNA SURVEY ON FINANCING BEHAVIOURS AMONG YOUNGER SINGAPOREANS

TEO KAY KEY
MATHEW MATHEWS
and
SAMANTHA NAH

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KEY FINDINGS FROM THE IPS-CNA SURVEY ON FINANCING BEHAVIOURS AMONG YOUNGER SINGAPOREANS[1]

TEO KAY KEY

Research Fellow

Institute of Policy Studies, Social Lab

MATHEW MATHEWS

Principal Research Fellow & Head, Social Lab

Institute of Policy Studies

AND

SAMANTHA NAH

Research Assistant

Institute of Policy Studies, Social Lab

April 2024

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[1] Please direct all comments and queries related to this study to the PI of the study Dr Mathew Mathews at mathew.mathews@nus.edu.sg. Data collection for this study was made possible through funds from Mediacorp. The researchers are grateful for the valuable inputs and comments offered by IPS colleagues.

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NOT QUITE IMPULSIVE SPENDERS: KEY FINDINGS FROM THE IPS-CNA SURVEY ON FINANCING BEHAVIOURS AMONG YOUNGER SINGAPOREANS

EXECUTIVE SUMMARY

The IPS-CNA Survey on Financing Behaviours Among Younger Singaporeans 2022 sought to understand financial attitudes and behaviour among younger Singaporeans. It investigated attitudes and behaviours related to debt, savings, coping with the cost living, as well as planning for the future. The key findings of the study are summarised below.

Spending and Saving

Almost half of all respondents indicated that food is their top or second top expenditure. Respondents aged 25 to 39 most often spend money on food (around eight in 10), clothes and footwear (over six in 10), and utility bills (around six in 10). Higher proportions of older respondents also indicated that they pay allowance to their children, parents or other dependents. Those aged 21 to 24 are slightly more likely than older respondents to spend on hobbies. Lower income earners tend to spend most on food, while higher income earners tend to spend most on food and loan payments. Effectively, respondents were more likely to indicate spending on needs compared to wants.

The majority of respondents (88.8 per cent) say they spend within their income every month. About 42.3 per cent of respondents aged 30 to 34 feel that they definitely or probably spend more than they earn, compared to under 36 per cent of the other three age cohorts. Comparing across income levels and employment, those earning below $3,000 were most likely to think they spend more than they earn, while full-time employees are the least likely to think so.

Nearly nine in 10 respondents would cut down on spending if they notice they are spending beyond their income. At the same time, six in 10 say they prefer to spend money on things that make them happy and not worry about the future. Younger respondents were more likely to make such spending decisions compared to older respondents. Respondents who have used at least one BNPL plan are more likely to spend to be happy, while workers who are not employed full-time are less likely to feel this way.

About eight in 10 respondents have at least a rough idea of their monthly spending, but still worry about whether they are spending too much. Older respondents are slightly more likely to know exactly (rather than roughly) how much they spend every month. In addition, around two-thirds of respondents aged 35 to 39 years old think in-depth about their financial situations very often, compared to over half of the younger respondents.

The vast majority — more than nine in 10 respondents — have felt personally affected by the rising cost of living. Those aged 21 to 24 felt more severely affected, while higher income earners were expectedly less affected. The top two strategies for coping are keeping to a fixed budget and deferring purchases until prices have become more affordable. Lower income earners are more likely to defer purchases, while higher income earners are more likely to use credit cards to get the item immediately.

About seven in 10 respondents have at least three months' worth of expenses set aside as savings, while another two in 10 have savings amounting to less than that. Respondents who are older, or more highly educated, are more likely to have this level of savings.

Most respondents (about seven in 10) want, have started saving for, or already have a family and an HDB flat respectively. Four in 10 respondents aged 21 to 24 do not want to start a family, which is the highest proportion among all age cohorts. Just 46.7 per cent of respondents who want to buy an HDB flat feel they can definitely afford one, while a slight majority of those who want a car, a wedding or to start a family believe they can definitely afford these.

About seven in 10 respondents had more or less developed a plan for retirement saving. Over eight in 10 of respondents with a plan were mostly or always able to stick to this plan. Respondents who are older and who earn higher incomes are more likely to have developed a plan. Those who earn less than $3,000 per month are somewhat less likely to be able to stick to their plan for retirement savings.

Over three quarters of respondents have tried to improve their financial knowledge in at least one way, with the most popular method being reading articles or a book on managing finances (53.5 per cent). Respondents are less likely to have taken any action if they are aged 21 to 24, earn lower incomes or have no retirement saving plans, and more likely if they are degree holders or BNPL users.

Loans

The most common loan types being serviced by respondents are property or real estate (one third) and credit card loans (two in 10). Meanwhile, 32.5 per cent had no loans to service. Older respondents are more likely to have at least one loan to service, especially real estate and credit card loans, while over half of those aged 21 to 24 had no loans to service. Higher income earners are more likely to have property or car loans to service. Half the respondents who took out personal loans (or 8.2 per cent of the total weighted sample) used the money to pay medical bills.

For different loan types, roughly half of the respondents were servicing loans amounting to a fifth of their monthly salary or less. Higher income earners tend to use a larger proportion of their salary to pay off their loans each month, compared to lower income earners.

Nine in 10 respondents would at least try their best to stick to the agreed loan repayment plan. Almost one in three had not missed out on any loan payments in the past year, with those aged 35 to 39 and those earning below $3,000 being the least likely to have missed payments. Respondents were most likely to miss payments for credit card bills (20.4 per cent). Among those who had missed out on loan repayments, additional charges were lowest for Buy Now, Pay Later (BNPL) plans.

Respondents were most likely to find it justifiable to take out a loan to fund housing or education, with seven to eight in 10 agreeing with this. To pay for non-necessities like a vacation or expensive branded item, respondents were more likely to find this justifiable if they are higher income earners or BNPL users. Respondents who already have loans to service are slightly more likely to find it justifiable to take out a loan or instalment plan to buy furniture and personal computing devices.

About one third of respondents would forego items until they can afford them, while the rest would turn to various avenues to borrow money. These include using a credit card (20.7 per cent) and using BNPL plans (14.2 per cent), Lower income earners are more likely to forgo an item, while higher income earners are more likely to use lines of credit. BNPL users are much less likely to forgo the item compared to non-BNPL users.

Credit Cards

Over one-third (36.2 per cent) of respondents have either never had a credit card, or no longer possess one. Older and more educated respondents, as well as full-time employees and those who earn higher incomes, are more likely to have credit cards.

Nearly half of the respondents with credit cards (44.9 per cent) say they always pay their monthly bills in full. Respondents who earn lower incomes are slightly less likely to always pay their monthly credit card bills in full. Meanwhile, those who never, rarely or sometimes pay their monthly credit card bills in full are least likely to use credit card of instalment plans to cope with rising costs. This may be because those who do not consistently pay off their bills may already owe late fees and thus cannot extend more credit from these sources.

Respondents with one to three credit cards are more likely to keep track of their expenses, but those with four or more credit cards were less likely to know exactly how much they spend. Meanwhile, those with three credit cards were most likely to have borrowed up to their credit limit, compared to those with four or more credit cards as well as those with two or fewer credit cards.

Over four in 10 respondents see credit cards as providing them access to items they would otherwise have put off or be unable to get. However, similar proportions worry about paying off their bills or carrying a balance on their card month-to-month. The more frequently respondents pay their monthly credit card bills in full, the less likely they are to express bill-related concerns, such as discouragement or worry about the amount they owe.

Respondents earning higher monthly income are slightly more likely to buy things they do not really need when using credit cards. Younger respondents and those earning higher monthly incomes are more likely to say that credit cards give them access to more things.

Buy Now, Pay Later (BNPL) Plans

Nearly seven in 10 respondents (65.4 per cent) have used a Buy Now, Pay Later (BNPL) plan before. Most respondents (73.8 per cent) had found out about these plans through advertisements. Respondents aged 30 to 34 years, who earn higher monthly incomes, or who own credit cards are more likely to have used at least one BNPL plan before. It should also be noted that over half of each group earning at least some income from employment had used BNPL plans before, indicating a large take-up rate across income levels.

Around four in 10 respondents indicated that they used BNPL plans for either convenience (40.9 per cent) or managing monthly expenditure (40.3 per cent). These were the two most popular reasons for using such plans. Rather than using BNPL plans to fulfil a desire to obtain luxury items, most respondents did so for pragmatic reasons. Similar to their views on credit cards, younger respondents are more likely to say that BNPL plans give them better access to purchase more items or services.

Respondents who know of or have used BNPL plans were asked about their awareness of late penalties. More than half (51.3 per cent) indicated that they are aware of these penalties, with those aged 30 to 34 and those earning higher incomes more likely to be aware. At the same time, around four in 10 always pay their instalments in full, and a similar proportion often do so. Those who say they do not know about late penalties are less likely to always pay their BNPL instalments in full. Meanwhile, 73 per cent those who always pay their credit card bills in full also always pay their BNPL bills in full.

Over two-thirds (67.8 per cent) say they make more purchases per month after they started making use of BNPL plans. Respondents aged 25 to 34 are more likely to agree that using BNPL plans has caused them to start making more purchases per month. Meanwhile, those earning $4,000 to $4,999 are least likely to agree that this is the case for them.

More than four in 10 respondents say they make more impulse purchases when using BNPL plans, that these plans make it easy to buy things they do not need, and that they buy more than they can really afford because of BNPL. Over half of students and fulltime national servicemen as well as those earning between $5,000 and $7,000 say they buy more things than they can afford with BNPL plans. However, only 29.3 per cent say that BNPL plans have gotten them into trouble, with younger respondents and those earning between $5,000 and $7,000 being more likely to indicate this.

Over half the respondents think about what they owe when using a BNPL plan, while over four in 10 worry about paying back instalments. Older respondents and those earning between $4,000 and $5,000 are less worried about paying back BNPL bills.

Government Interventions

When asked who should help people who cannot repay their loans, 62.6 per cent indicated that family and friends should do so. This is the most popular choice, and is consistent across respondents of different ages. A smaller proportion (32.5 per cent) felt that the government should help those who cannot pay their loans, Citizens and lower-income respondents are more likely to view the government and financial institutions as a source of help in such cases. Meanwhile, compared to older respondents, those aged 21 to 24 view the community and financial institutions as less helpful.

Over half of the sample totally or moderately agree that the government should institute services or policies to assist people in getting themselves out of debt. These include government measures to ensure people set aside emergency funds, or services to advise people on getting out of debt. Of the respondents who are currently servicing loans, more than half (51.9 per cent) are in favour of more government services and policies to assist people in getting out of debt. This is slightly higher than the proportion who are not servicing loans and felt the same way (45.7 per cent).

The reason for a person getting into debt affects respondents' views on whether public funds should be used to help them. Four in 10 respondents view this as relatively justifiable if the debts were incurred due to high medical bills or loss of work. Fewer felt the same for debt due to business failure or spending (using credit) on luxury products.

Those currently servicing loans are more likely to be understanding about government support for debts from credit cards or from household expenses amid a loss of work.

Various government cash payouts had been announced in Budget 2022 to help Singaporeans cope with the cost of living. When asked how they will be using the different government payouts, the most popular answer (46.8 per cent) was to cover household expenses. Respondents aged 21 to 24 are more likely to use payouts for purchasing items they desire, and least likely to use them to pay bills. Over seven in 10 respondents staying in 1-room flats plan to use the payouts for household expenses.

Attitudes to Indebtedness

Respondents are largely on board with taking loans, but still hold some seemingly contradictory views about this, especially when comparing self-reflections of loan behaviour and overall perceptions of people who take loans. Nearly nine in 10 respondents said they will take loans after making sure they can meet the terms. Three-quarters of respondents (78.7 per cent) accept credit as part of today's lifestyle, but a similar proportion (74.3 per cent) hold the view that people who take loans (apart from housing and car loans, which are viewed as desired objectives for Singaporeans) have not managed their finances well.

Another seeming contradiction is that nearly eight in 10 respondents say loans can help with immediate and long-term objectives, but around two-thirds (65.9 per cent) also worry about loans affecting their long-term financial stability. Respondents in the middle-income groups, and those currently servicing loans, are more likely to see loans as able to provide such returns in the short- and long-term.

A majority of respondents believe that the risks involved in taking out loans in Singapore are relatively manageable. Respondents who are currently servicing loans are more likely to feel this way than those who are not.

In terms of emotional reactions to taking loans, just over half of the respondents feel relaxed when taking out loans. Over seven in 10, report feeling stressed when faced with outstanding loans.

At least three-quarters of respondents try their best not to take out loans, while 85 per cent make sure they can repay their loans comfortably and as soon as possible. Those who earn between $4,000 and $7,000 are slightly less likely to be cautious about taking out loans.

Respondents were also asked a series of questions adapted from the Domain-Specific Risk-Taking scale for adults (Blais & Weber, 2006). We included only the financial, social and recreational dimensions, and used these to construct an overall risk-taking index. On a scale from one to six, respondents' propensity for risk-taking is 3.41, which hovers around the mid-point. Those aged 25 to 29 have the highest risk tolerance across all three domains. Mean risk-taking scores tend to be higher among males and those earning higher salaries.

In the area of financial risk, at least six in 10 are willing to take risks in investing money, but only one-third are willing to participate in gambling activities. Respondents who are male, earn higher incomes or are aged 25 to 34 are more open to undertaking risky financial behaviours.

Group with fewer financial resources

Some extra analysis was conducted on the financial attitudes and behaviours of a group that was identified as having lower financial resources. For respondents aged between 21 and 29 years old, we included respondents earning below $3,000 and currently living in 4-room HDB flats or other smaller housing types. For respondents aged between 31 and 39 years old, we included respondents earning below $3,500 and currently living in 4-room HDB flats or other smaller housing types. In total, 293 respondents, or 14.6 per cent of the full sample, fall within this group.

Three in 10 respondents with fewer financial resources have been affected to a large extent by rising costs, compared to two in 10 respondents in the overall sample. While these respondents hold less positive views of loans, are less likely to use credit cards to cope with rising costs, and are less likely to have used BNPL plans compared to those from higher income brackets, there were sufficient proportions of those with less resources who engaged in taking loans. More than half (54 per cent) of those with less financial resources had used BNPL plans, and 43 per cent of them believed it was justifiable to be in debt to go for a holiday to an exotic location and about a third agreeing that it was justifiable to take loans for branded items.

Among respondents who have debts, there was an interest in how they are coping with rising costs of living. Those who are paying back outstanding credit card fees and BNPL instalments, who took out personal loans to finance a business venture, or who have a higher loan quantum to repay, are more likely to feel affected by rising costs.

Cluster Analysis

A cluster analysis was run along three dimensions of respondents' financial attitudes. These are: appetite for financial risk-taking, openness to taking out loans, and proclivity to spend without much caution. Three distinct clusters were found, namely the Cautious Investors, the Adventurous Investors and the Short-term Spenders.

The Adventurous Investors are characterised by having the greatest appetite for financial risk-taking, as well as the greatest proclivity to spending incautiously. The other two clusters can both be seen as opposite to the Adventurous Investors in different dimensions. The Cautious Investors are the least likely to spend incautiously, holding onto their money without overspending but being willing to risk some of it for the possibility of gaining more. Finally, the Short-term Spenders are risk-averse yet open to spending, suggesting that they focus primarily on short-term wants, but do not try to grow their money for the long-term.

Those aged 21 to 24 are most likely to be Short-term Spenders, while those aged 35 to 39 are most likely to be Cautious Investors. Respondents who earn

$5,000 or more per month are most likely to be Adventurous Investors. Short-term Spenders tend to fare worse in terms of saving up for emergencies or retirement, and improving their financial knowledge.

1. INTRODUCTION

1.1 Literature review

In the last two years, there has been public concern about the financial behaviours of young people in Singapore in several aspects. Chief among these are personal debt and use of credit. According to an article published by the Straits Times, which cited data from Credit Bureau Singapore, personal loans and overdraft balances among people under 30 rose by about 23 per cent from the last quarter of 2020 to the first quarter of 2021 (Lim, 2021). At the same time, however, then Senior Minister, Mr Tharman Shanmugaratnam had cited statistics showing that there are "no worrying signs of rising indebtedness amongst young adults" (Shanmugaratnam, 2021).

Another prominent issue is the growth in popularity of Buy Now, Pay Later (BNPL) schemes and the potential for users to spend beyond their means (Choy, 2021; Ng, 2022). This is especially among Gen Z consumers (Cheok, 2021), whom analysts feared increasingly adopt an attitude of "buy now, worry later" (Jagdish, 2022). Initially, it was felt by both MAS and industry players that existing industry self-regulation measures would be sufficient to prevent rapid debt accumulation (Tan, 2022; Chor, 2022a), but subsequently a code of conduct was developed to further mitigate risk (Lee, 2022; Leow, 2022). It includes numerous stipulations, including capping outstanding BNPL payments at $2,000 before a customer's creditworthiness must be re-assessed (Chor, 2022b). Although it is possible for BNPL platforms to opt out, major players are complying with the code (Marquez, 2023). Experts believe that it is a good first step, but that more protection of young consumers may be needed (Tang, 2022).

Amid concern about young people's spending and borrowing, the IPS-CNA Survey on Financing Behaviours Among Younger Singaporeans 2022 seeks to understand financial attitudes and behaviour among younger Singaporeans. In particular, it investigates attitudes and behaviours related to debt, savings, coping with the cost of living, as well as planning for the future. These different aspects have implications for poverty and financial strain among younger persons.

Studies of young Singaporeans' financial decisions have been fairly limited thus far. One survey was conducted from March to April 2021 by the Citi Foundation and Singapore Management University (SMU), which jointly run a financial literacy programme. They surveyed over 1,000 people aged 18 to 30 (Tan, 2021a). The results showed that a third of respondents are not confident about managing debt, somewhat lacking knowledge in topics like investing, financial technology and comprehending risk (Tan, 2021b). Still, many had begun retirement planning — a finding attributed to the national Central Provident Fund (CPF) scheme.

Another survey of 2000 Singaporean residents from 18 to 79 years, the MoneySense National Financial Capability Survey (NFCS) 2021, conducted from February to June 2021 (Ang, 2022; Singapore Ministry of Manpower, 2021), found that Singapore residents generally manage their money well, but could stand to gain more financial knowledge (Monetary Authority of Singapore, 2022).

A 2022 study on extreme debtors was conducted by NUS in collaboration with the Singapore University of Social Sciences (SUSS) and with the support of Credit Counselling Singapore (CCS), and found that extreme debtors (those with credit card debt of at least 12 times their monthly income) tend to falsely believe that they have good self-control and are skillful borrowers who are making use of the resources available to them (NUS News, 2022; Krishnasamy, 2022). The present study looks at indebtedness more generally, although within the young adult population.

To get a sense of the reasons behind certain financial attitudes, this study took reference from previous studies conducted overseas. One of these is a qualitative study of undergraduates in the United Kingdom. Harrison et al. (2015) classified their respondents into six typologies of debt: debt-positive, debt-savvy, debt-resigned, debt-oblivious, debt-anxious and debt-angry. This study has adapted the traits of each profile into a series of questions in a quantitative survey. Separately, it also investigates risk appetites among the respondents based on a study by Blais & Weber (2006). Certain elements of risk-taking in different aspects (financial, social and recreational) have been adapted for this survey.

In the following sections, we will briefly discuss the survey methodology employed and respondents' demographic profiles, before detailing the results and analysis. Chapter 2 gives details about the spending and saving habits of survey respondents. Chapters 3, 4 and 5 respectively delve into their views and behaviours in terms of loans, and credit cards and instalment plans. Moving on, Chapter 6 covers matters relating to government interventions to aid people in debt and help people to cope with rising costs.

Later chapters attempt to detail certain typologies of people depending on their financial attitudes. Chapter 7, for instance, investigates different attitudes to indebtedness, while Chapter 8 zooms in on a group of respondents who may be more vulnerable to financial burden. Chapter 9 includes regressions and a cluster analysis based on several dimensions of financial attitudes. Finally, we discuss the key findings and their implications in the concluding chapter.

1.2 Methodology

Data for this report is derived from the IPS-CNA Survey on Financing Behaviours Among Younger Singaporeans 2022. Data collection took place from November to December 2022, and was conducted online by Pureprofile. In total, 2,001 Singaporean residents participated in the survey.

We chose not to conduct a face-to-face survey where respondents provided their answers to the interviewer verbally, since we cannot exclude the role of social desirability. This is especially for sensitive questions about the state of respondents' finances, including whether and how far they are in debt, as well as their spending and borrowing habits. The self-administered nature of the survey reduced the likelihood of socially desirable answers since respondents did not have to provide their answers directly to the interviewer. Attention check questions were also interspersed across the survey to ensure quality of responses in the final sample.

1.3 Demographics and representation

The overall responses for each question reported in the ensuing chapters are weighted by age and education to ensure that demographic proportions of the survey sample closely approximately those of the national population. Further breakdowns of the results into more specific groups are not weighted, to provide a more accurate representation of response patterns.

In the next two subsections, we explore some key demographic breakdowns of the sample both in relation to the general Singapore resident population, as well as each other.

1.3.1 Sample demographics largely mirror the Singapore resident population

Based on June 2022 data published by the Department of Statistics, the age breakdown of those aged 21 to 39 within the national population is as shown in Table 1.1 below. Compared with the sample, there is a higher proportion of survey respondents aged 25 to 29 and 30 to 34 than in the national resident population.

Table 1.1: Age profile of sample compared with national population

Age cohort	National resident population of those aged 21 to 39 (as of June 2022)	IPS-CNA sample
21–24 years old	17.6%	14.8%
25–29 years old	20.4%	28.3%
30–34 years old	23.6%	31.5%
35–39 years old	21.3%	25.3%

The gender and age profiles of the sample closely mirrors that of the population aged 21 to 39, as shown in Tables 1.2 and 1.3 below.

Table 1.2: Gender profile of sample compared with national population

Gender	National resident population (as of June 2022)	IPS-CNA sample
Male	48.9%	48.9%
Female	51.1%	51.1%

Table 1.3: Racial profile of sample compared with national population

Racial group	National resident population (as of June 2022)	IPS-CNA sample
Chinese	74.1%	72.8%
Malays	13.6%	16.5%
Indians	9.0%	9.3%
Others	3.3%	1.3%

1.3.2 Employment breakdown of sample

More than eight in 10 respondents are in full-time employment (see Figure 1.1 below). Respondents aged 21 to 24 were less likely than other age cohorts to be full-time employees (see Table 1.4 below). Larger proportions of this group indicated that they work part-time (11.8 per cent) or are students (24.2 per cent) compared to other groups. In contrast, over eight in 10 respondents older than 24 years old stated that they are full-time employees.

Figure 1.1: Breakdown of weighted sample, by working status (%)

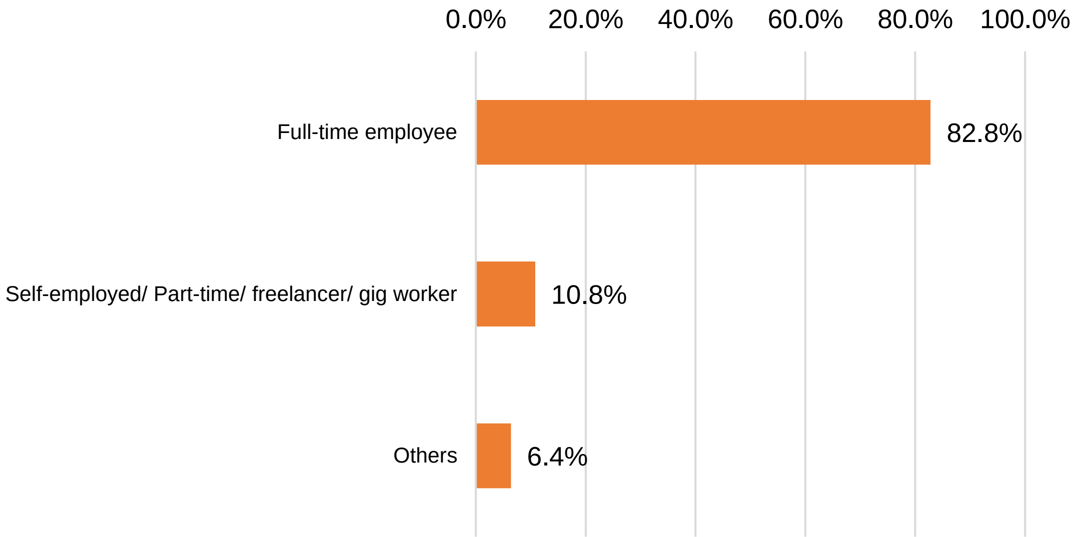

Table 1.4: Age cohort by working status

Age cohort	Working status		
	Full-time employee	Self-employed/ Part-time/ Freelancer/ Gig worker	Others
21–24 years old	52.9%	17.2%	30.0%
25–29 years old	82.7%	10.6%	3.7%
30–34 years old	90.8%	7.0%	2.2%
35–39 years old	91.9%	6.3%	1.8%

1.3.3 Residence breakdown of sample

The most common types of residence are 4-room (30.6 per cent) or 3-room (28.1 per cent) HDB flats (see Figure 1.2 below). Most respondents (91.8 per cent) stay in their own property or in property owned by their family, with only a small proportion renting (see Figure 1.3 below).

Around one in 10 respondents below 35 years old stay in rented property, with the proportion dropping to 5.1 per cent for those aged 35 to 39 (see Table 1.5 below). Meanwhile, the proportion of those staying in their own properties increased with age, from 43.8 per cent of those aged 21 to 24, to 81.7 per cent of those aged 35 to 39.

Figure 1.2: Breakdown of weighted sample, by housing type (%)

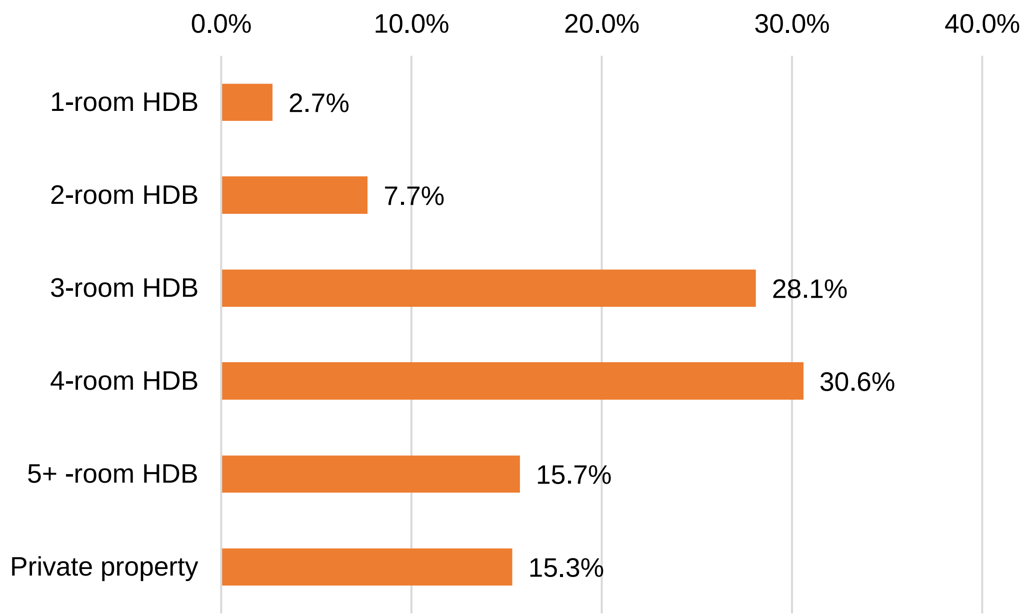

Figure 1.3: Breakdown of weighted sample, by living arrangement (%)

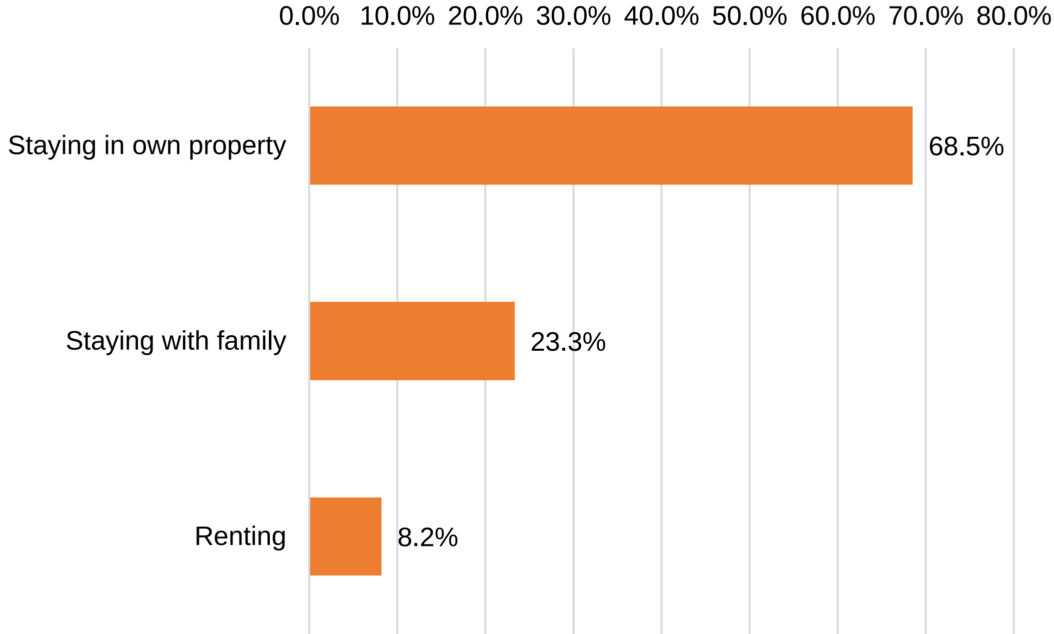

Table 1.5: Living arrangement by housing type

Age cohort	Living arrangement		
	Staying in own property	Staying with family	Renting
21–24 years old	43.8%	48.1%	8.1%
25–29 years old	58.8%	31.1%	10.1%
30–34 years old	76.2%	14.7%	9.0%
35–39 years old	81.7%	13.2%	5.1%

1.3.4 Living arrangements of sample

A majority of the respondents are staying in their own properties, regardless of housing type. Those living in 1- to 3-room HDB flats were less likely to be staying in the family home, with over 80 per cent indicating that they are either staying in a property they own or renting the place (see Table 1.6 below). Those residing in 5-room flats or larger flat types were more likely than other respondents to say they are staying with family, but they also comprise just 38.9 per cent of all respondents who are staying in this particular housing type.

Table 1.6: Living arrangement by housing type

Housing type	Living arrangement		
	Staying in own property	Staying with family	Renting
1-room HDB	65.1%	16.3%	18.6%
2-room HDB	77.1%	6.4%	16.4%
3-room HDB	75.2%	17.6%	7.2%
4-room HDB	64.6%	27.5%	7.9%
5+-room HDB	57.0%	38.9%	4.0%
Private property	68.7%	21.7%	9.6%

As there are too few respondents residing in each of the three smallest housing types, we have combined these groups for analysis (see Table 1.8 below). With the exception of those staying in 1- to 3-room flats, less than half of respondents aged 21 to 24 are staying in their own property. Over half of respondents in this age cohort staying in 4-room flats or larger housing types are staying with family. For respondents aged 25 to 29, those staying in 5-room flats are the most likely to be staying with family. When the three smallest housing type categories were combined, a majority of the respondents in this age cohort staying in other housing types indicate that they are staying in their own property.

Meanwhile, nearly eight in 10 of respondents aged 30 to 34 staying in 4-room flats and other smaller housing types indicate that they are staying in their own properties, compared to two-thirds of those staying in 5-room flats or private property (see Table 1.7 below). For respondents aged 35 to 39, less than two in 10 in each housing category indicate that they are staying with family.

Table 1.7: Living arrangement by housing type

Age cohort	Housing type	Living arrangement		
		Staying in own property	Staying with family	Renting
21–24 years old	1-room HDB*	62.5%	12.5%	25.0%
	2-room HDB*	57.1%	19.0%	23.8%
	3-room HDB	52.0%	40.0%	8.0%
	4-room HDB	42.1%	52.6%	5.3%
	5+-room HDB	34.4%	62.3%	3.3%
	Private property	35.1%	54.1%	10.8%
25–29 years old	1-room HDB*	40.0%	30.0%	30.0%
	2-room HDB*	74.5%	8.5%	17.0%
	3-room HDB	73.0%	17.0%	9.9%
	4-room HDB	54.7%	38.5%	6.8%
	5+-room HDB	45.2%	49.0%	5.8%
	Private property	54.2%	27.8%	18.1%
30–34 years old	1-room HDB*	87.5%	12.5%	0%
	2-room HDB*	75.0%	2.5%	22.5%
	3-room HDB	79.6%	13.3%	7.2%
	4-room HDB	74.9%	12.3%	12.8%
	5+-room HDB	66.7%	28.6%	4.8%
	Private property	66.7%	28.6%	4.8%
35–39 years old	1-room HDB*	55.6%	11.1%	33.3%
	2-room HDB*	96.9%	0%	3.1%
	3-room HDB	83.2%	12.3%	4.5%
	4-room HDB	79.5%	16.7%	3.8%
	5+-room HDB	81.9%	16.7%	1.4%
	Private property	79.4%	12.1%	8.4%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

Table 1.8: Living arrangement by housing type (1-3 room HDB category collapsed)

Age cohort	Housing type	Living arrangement		
		Staying in own property	Staying with family	Renting
21–24 years old	1- to 3-room HDB	53.8%	33.7%	12.5%
	4-room HDB	42.1%	52.6%	5.3%
	5+-room HDB	34.4%	62.3%	3.3%
	Private property	35.1%	54.1%	10.8%
25–29 years old	1- to 3-room HDB	71.7%	15.7%	12.6%
	4-room HDB	54.7%	38.5%	6.8%
	5+-room HDB	45.2%	49.0%	5.8%
	Private property	54.2%	27.8%	18.1%
30–34 years old	1- to 3-room HDB	79.3%	11.4%	9.3%
	4-room HDB	74.9%	12.3%	12.8%
	5+-room HDB	66.7%	28.6%	4.8%
	Private property	66.7%	28.6%	4.8%
35–39 years old	1- to 3-room HDB	84.2%	10.2%	5.6%
	4-room HDB	79.5%	16.7%	3.8%
	5+-room HDB	81.9%	16.7%	1.4%
	Private property	79.4%	12.1%	8.4%

1.3.5 Employment, age and income levels

Figure 1.4 below shows the proportion of income groups across the weighted sample. Over one quarter of the youngest age cohort said they are either students or full-time national servicemen (see Table 1.9 below). Overall, this group takes up just 4 per cent of the weighted sample. For those who are earning income from employment, older respondents were unsurprisingly more likely to earn higher monthly income. While just 8.1 per cent of the youngest age cohort earn above $7,000, around 23 per cent of those aged 30 and above say the same.

Figure 1.4: Breakdown of weighted sample, by income level (%)

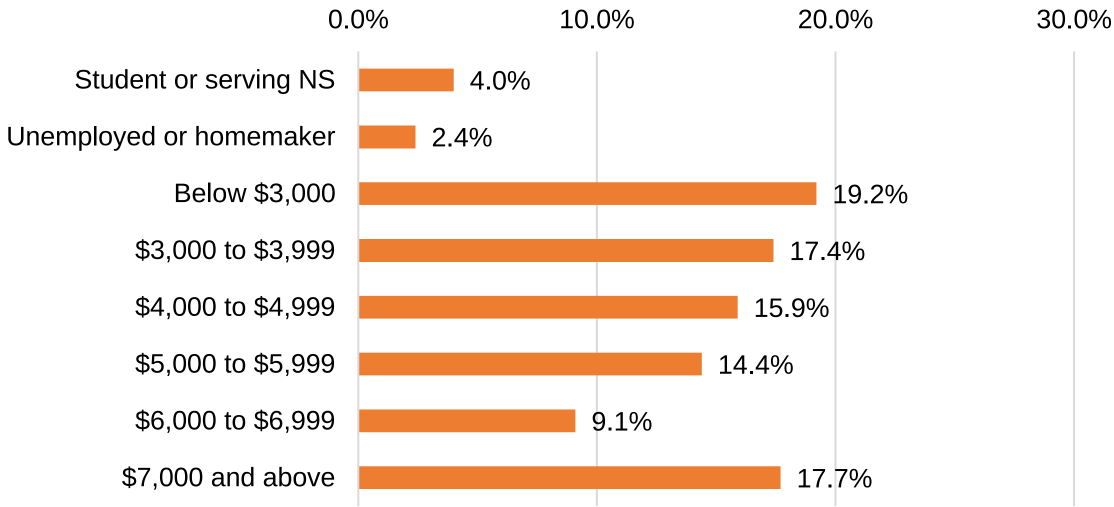

Table 1.9: Age cohort by income level

Age cohort	Income level							
	Student / NS	Unemployed/ Homemaker*	Below $3,000	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 and above
21–24 years old	27.8%	2.0%	26.9%	12.1%	10.4%	7.4%	5.4%	8.1%
25–29 years old	1.9%	1.8%	20.3%	23.0%	15.7%	14.5%	9.0%	13.8%
30–34 years old	0%	2.2%	12.4%	16.6%	17.3%	16.2%	12.0%	23.3%
35–39 years old	0.2%	1.6%	12.4%	17.8%	19.1%	16.6%	9.3%	23.1%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

A slightly larger proportion of students reside in the larger housing types. Respondents living in larger housing types were more likely to earn $7,000 and above, with 27.9 per cent of those staying in private properties choosing this option. The income levels of those staying in 2-room to 3-room flats were more likely to be below $6,000. Meanwhile, there appears to be a U-shaped distribution in terms of income levels for those staying in 4- to 5-room flats and to a lesser extent private property dwellers. For these three housing categories, larger proportions of respondents chose both extremes of the income spectrum compared to those that say they earn between $5,000 and $7,000 (see Table 1.10 below). It therefore appears that income levels are more able to proxy socioeconomic status and spending ability compared to housing type for this sample.

Table 1.10: Housing type by income level

Housing type	Income level							
	Student/ NS	Unemployed/ homemaker	Below $3,000	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 and above
1-room HDB*	2.3%	0%	32.6%	2.3%	11.6%	37.2%	4.7%	9.3%
2-room HDB	1.4%	1.4%	21.4%	17.9%	21.4%	20.7%	6.4%	9.3%
3-room HDB	3.6%	2.9%	14.1%	20.3%	17.8%	16.1%	11.2%	13.9%
4-room HDB	4.5%	1.3%	17.4%	19.6%	15.9%	15.9%	8.4%	17.2%
5+-room HDB	8.1%	2.2%	19.6%	15.0%	14.3%	9.3%	8.1%	23.4%
Private property	5.3%	1.5%	13.3%	16.4%	14.9%	8.7%	12.1%	27.9%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

2. SPENDING AND SAVING

As a foundation for further questions about respondents' use of loans, credit cards and Buy Now, Pay Later (BNPL) plans, the survey first asked questions about their general spending and saving habits, from the short- to long-term. Generally, respondents appear to be financially prudent. The vast majority spend their money on necessities such as food and clothes, and do not overspend their monthly income. They also have general awareness of their monthly spending and will cut back if they are exceeding the amount they can afford. One challenge to this equilibrium, however, may be rising costs. Almost all respondents felt affected by this to some extent in recent months. They cope with this in a variety of ways, as a subsequent section in this chapter details.

One common piece of financial advice is to have money set aside for several months' worth of expenses. Indeed, this same threshold was used in the MoneySense National Financial Capability Survey (NFCS) 2021 (Monetary Authority of Singapore, 2022) to investigate respondents' level of emergency savings. When asked if they had enough saved up for at least three months' worth of expenses, a majority of responses indicated that this was the case. In terms of planning for the future, most respondents had also begun thinking about their retirement savings, or already begun setting funds aside regularly.

2.1 Respondents aged 25 to 39 most prevalently spend money on food, clothes and footwear, and utility bills, while those aged 21 to 24 are slightly more likely to spend on hobbies than older respondents

When respondents were asked what they spend their money on, the top few areas of expenditure generally related to fulfilling needs. For instance, 82.7 per cent of respondents indicated that they spend money on food, 65 per cent did so for clothes and footwear, and 59.7 per cent selected utility bills (see Table 2.1 below). Respondents also spent money on certain financial services that help to protect or improve one's standard of living, with 46.9 per cent paying insurance premiums and 38.8 per cent paying back loans. Four in 10 (42.8 per cent) indicated that they give allowance to their dependants.

Comparatively, the areas chosen by fewer respondents had more to do with wants than needs. These include sports, self-improvement and social media, at 21.8 per cent, 22.9 per cent and 27.6 per cent respectively. A higher proportion, 37.8 per cent, selected the category for hobbies, perhaps due to this being more general, covering a wider range of activities and associated expenditure.

Given the high level of digital access among Singaporeans, especially younger individuals like the respondents of this survey, it is no surprise that expenditure on technology was fairly commonplace. More than half, or 53.8 per cent, said that they spend money on telco bills, while 37.6 per cent do so for technological products.

It is worth qualifying the findings from this question: it is not necessarily true that respondents who did not select a type of expenditure never spend money on it. Rather, they may spend on these areas less frequently, and thus do not think of them as regular expenditures. Alternatively, those types of expenditure may be funded by other sources. For example, respondents' parents may pay for part of their expenses if they are still studying.

For respondents aged 25 to 29, 30 to 34, and 35 to 39, the three most prevalent types of expenditure were food (around eight in 10), clothes and footwear (over six in 10), and utility bills (around six in 10). Telco bills were another prevalent expenditure, with more than half the respondents in these age cohorts indicating that they pay these.

The older respondents are, the higher the proportion who pay allowance to their children, parents or other dependants. About 36.9 per cent of those aged 25 to 29 do this, along with 47.5 per cent of those aged 30 to 34 and more than half (55.6 per cent) of those aged 35 to 39. This makes sense as the older people get, the more likely they are to have had a child or children, and to have parents depending on them for financial support.

Those in the youngest age cohort had slightly different expenditure patterns beyond the top expense item, food (82.4 per cent), which they shared with the other age cohorts. Fewer of them reported spending money on utility bills (38.7 per cent) compared to older respondents. The same is true of telco bills, which are paid by 41.1 per cent of those aged 21 to 24, but more than half of older respondents. Instead of such bills, it appears that the youngest respondents are more likely than older respondents to spend on hobbies (51.2 per cent compared to about four in 10 respondents).

Table 2.1: Most prevalent types of expenditure, by age cohort

Rank	Overall	21–24 years old	25–29 years old	30–34 years old	35–39 years old
1	Food (82.7%)	Food (81.5%)	Food (84.3%)	Food (83.0%)	Food (82.4%)
2	Clothes and footwear (65.0%)	Clothes and footwear (68.4%)	Clothes and footwear (65.5%)	Clothes and footwear (63.5%)	Utility bills (69.0%)
3	Utility bills (59.7%)	Hobbies (51.2%)	Utility bills (58.8%)	Utility bills (60.5%)	Clothes and footwear (67.9%)
4	Telco bills (53.8%)	Tech products (42.4%)	Telco bills (55.1%)	Telco bills (54.7%)	Telco bills (56.0%)
5	Insurance premiums (46.9%)	Telco bills (41.1%)	Insurance premiums (48.6%)	Insurance premiums (53.2%)	Allowance (55.6%)
6	Allowance (42.8%)	Utility bills (38.7%)	Travel (40.6%)	Allowance (47.5%)	Insurance premiums (52.1%)
7	Loan payments (38.8%)	Travel (38.4%)	Hobbies (40.6%)	Loan payments (46.3%)	Loan payments (44.8%)
8	Hobbies (37.8%)	Insurance premiums (26.6%)	Tech products (39.4%)	Travel (39.3%)	Tech products (37.3%)
9	Tech products (37.6%)	Social media (26.6%)	Allowance (36.9%)	Tech products (37.4%)	Hobbies (36.7%)
10	Travel (36.7%)	Self-improvement (20.2%)	Loan payments (35.2%)	Hobbies (35.3%)	Travel (36.3%)
11	Social media (27.6%)	Allowance (19.2%)	Social media (28.1%)	Social media (29.0%)	Social media (26.2%)
12	Self-improvement (22.9%)	Sports (18.5%)	Self-improvement (27.0%)	Sports (26.0%)	Self-improvement (21.9%)
13	Sports (21.8%)	Loan payments (13.5%)	Sports (25.8%)	Self-improvement (24.1%)	Sports (18.7%)

2.1.1 Men are more likely to spend on technological products, while women are more likely to spend on clothing and footwear, or allowance for children, parents and other dependants

Women are slightly more likely to spend on clothes and footwear, with 70.8 per cent indicating this, compared to 60.8 per cent of men (see Table 2.2 below for top six items; refer to Table A1.1 in Appendix A for full table). Women are also slightly more likely to give allowances to children, parents or other dependants: 47.4 per cent of them indicated this, whereas 37.2 per cent of men said the same. Finally, men are slightly more likely to spend on technological products such as new phones, computers or tablets. About 45.1 per cent of male respondents indicated so, compared to 32.5 per cent of female respondents.

There were no substantial differences in spending on food, utility or telco bills, insurance premiums, loan payments, hobbies, travel, social media, self-improvement or sports. Moreover, when subsequently asked to rank their top expenditures, there were no substantial differences by gender.

Table 2.2: Most prevalent types of expenditure, by respondents' gender

Rank	Overall	Male	Female
1	Food (82.7%)	Food (80.4%)	Food (85.5%)
2	Clothes and footwear (65.0%)	Utility bills (61.1%)	Clothes and footwear (70.8%)
3	Utility bills (59.7%)	Clothes and footwear (60.8%)	Utility bills (56.9%)
4	Telco bills (53.8%)	Telco bills (52.9%)	Telco bills (53.3%)
5	Insurance premiums (46.9%)	Insurance premiums (46.5%)	Insurance premiums (48.8%)
6	Allowance (42.8%)	Technological products (45.1%)	Allowance (47.4%)

2.1.2 Almost half of all respondents indicated that food is their top or second top expenditure

Respondents were also asked to rank their expenditure from highest to lowest. The areas that were most frequently ranked as the top expenditure are food (27.9 per cent) and loan payments (20.2 per cent). The other areas were not frequently selected as the top expenditure. Considering the figures for the top two expenditures instead, as shown in Table 2.3 below, 46.2 per cent chose food, while 25.5 per cent chose loan payments. Other substantial items are: clothes and footwear (18.9 per cent), allowance for dependants (17.4 per cent), and insurance premiums (16.6 per cent).

Table 2.3: Respondents' top two types of expenditure

What do you spend your money on?	First choice	Second choice	First + Second
Food	27.9%	18.3%	46.2%
Loan payments (e.g., home loan, car loan)	20.2%	5.3%	25.5%
Clothes and footwear	8.1%	10.8%	18.9%
Allowance for children, parents or other dependants	6.9%	10.5%	17.4%
Insurance premiums	6.3%	10.3%	16.6%
Utility bills	5.6%	10.0%	15.7%
Travel	4.3%	6.7%	11.0%
Technological products, e.g., new phones, computers, tablets	5.0%	5.4%	10.4%
Hobbies	4.1%	4.5%	8.7%
Telco bills	2.9%	5.3%	8.2%
Social media (e.g., buying equipment or outfits, renting locations)	2.7%	4.2%	6.9%
Self-improvement e.g., courses	3.3%	2.3%	5.6%
Sports e.g., gym or club membership, purchasing equipment	1.7%	3.0%	4.8%

2.1.3 Eight in 10 respondents' parents do not give them money or give mostly in kind; male respondents report higher allowance amounts

Most respondents' parents do not help with their expenses. Within the sample, 61.9 per cent stated that their parents do not give them money, while another 23.2 per cent stated that their parents give mostly in kind, such as food and space to live in. The remaining 14.9 per cent of respondents reported a range of dollar amounts given to them by their parents each month. Cutting off the top and bottom 10 per cent of the unweighted sample to remove outliers, the mean is $773.74 while the median is $500.

As might be expected, older respondents are less likely to still be receiving money or in-kind contributions from their parents. Likewise, the proportion whose parents give in kind by providing food or a space to live in decreases as respondents' age increases, from 32.7 per cent of those aged 21 to 24 to 18.5 per cent of those aged 35 to 39.

For respondents who provided information on the amount of allowance they receive from their parents, we found some gender differences. When outliers were removed, male respondents (N = 165) receive a mean of $1,116.95 from their parents, with a median of $580. Meanwhile, female respondents (N = 135) receive a mean of $895.68 from their parents, with a median of $500. On average, then, male respondents receive more money from their parents than female respondents. These figures should be taken with caution, given that only a small proportion of the sample receive money from their parents in the first place. On face value, it seems possible that there is a gender bias in the amount of allowance that parents give to their children.

At the same time, a little over half of the male respondents (57.6 per cent) stated that their parents do not give them money (see Table 2.4 below). Comparatively, almost two-thirds (66.0 per cent) of the female respondents stated the same. However, similar proportions of male and female respondents indicated that their parents give mostly in kind, for example in terms of food and space to live in.

Table 2.4: Financial support from parents, by gender

Gender	Indicated amount that parents give	My parents do not give me money	My parents give mostly in kind (e.g., food, space to live in, etc.)
Male	16.9%	57.6%	25.5%
Female	13.3%	66.0%	20.7%

2.2 Almost nine in 10 respondents do not spend all their income each month, with younger respondents usually spending a lower proportion of their income compared to older respondents

Asked about their spending habits, 55.8 per cent of respondents stated that they spend more than half of their monthly income on the areas of expenditure they had identified previously (see Table 2.5 below). A further 33 per cent spend less than half of their income. This means that most respondents (88.8 per cent) do not spend all of their monthly income on their main expenditure items.

However, there is a small proportion of respondents, 11.2 per cent, who use all their monthly income. This group may be further split into the 7.6 per cent who spend all of their income, and the 3.6 per cent who not only spend their entire income but also tap on savings and other sources of funds, such as loans and pocket money.

Table 2.5: Respondents' expenditure relative to income

Please select the statement most relevant to your spending habits.	**Percentage**
I spend less than half of my monthly income on the items selected above.	33.0%
I spend more than half of my monthly income on the items selected above.	55.8%
I spend all of my monthly income on the items selected above.	7.6%
I spend all of my monthly income on the items selected above, and also tap on my savings or other sources of income (e.g., loans, pocket money from parents, etc.)	3.6%

Respondents in the youngest age cohort appear to spend less of their monthly income on the areas of expenditure they identified. Compared to the 55.3 per cent to 61.1 per cent of respondents in other age cohorts who spend more than half of their monthly income, only 48.1 per cent of those aged 21 to 24 do so (see Table 2.6 below). They may have fewer financial obligations as well as a different lifestyle, or their parents may still be paying for some expenses in their stead.

Table 2.6: Expenditure relative to income, by age cohort

Age cohort	Proportion of income spent on various items			
	Less than half	More than half	All of income	All of income plus other sources of funds
21–24 years old	39.1%	48.1%	8.1%	4.7%
25–29 years old	33.4%	55.3%	7.6%	3.7%
30–34 years old	33.8%	55.5%	7.1%	3.6%
35–39 years old	30.8%	61.1%	6.1%	2.0%

2.2.1 Respondents who spend their entire monthly income are more likely to not think in-depth about their financial situation

One potential source of concern is the group of respondents who indicated that they spend all of their monthly income on various areas of expenditure that they had identified. More than half the respondents who spend all their monthly income (58.7 per cent) as well as those who also tap on their savings or other sources of income (51.5 per cent) agreed that they do not think in-depth about their financial situation, including their spending (see Table 2.7 below). This is higher than the four in 10 respondents who spend less than half their income (40.9 per cent) or who spend more than half but less than all of their income (41.3 per cent).

Table 2.7: Not thinking about financial situation, by respondents' spending habits

Proportion of income spent on various items	I do not think in-depth about my financial situation (e.g., income, spending, any debts) very often.					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Less than half	11.6%	22.7%	24.8%	21.8%	12.5%	6.7%
More than half	10.9%	22.3%	25.4%	21.6%	14.4%	5.3%
All of income	9.1%	19.6%	12.6%	23.8%	21.7%	13.3%
All of income plus other sources of funds	29.4%	5.9%	13.2%	29.4%	14.7%	7.4%

2.2.2 Six in 10 respondents think that they do, or probably do, spend less than they earn; those aged 30 to 34, or who earn less than $3,000 a month, are the most likely to feel this way, whereas full-time employees are the least likely

Further along in the survey, respondents were asked if they think they spend more than they earn. Interestingly, although their previous answers indicated that only 11.2 per cent spent up to or beyond their income (see Table 2.5 above), a larger proportion of respondents had the impression that their expenditure outstrips their income. As shown below in Table 2.8, 38.3 per cent of respondents thought they definitely or probably spend more than they earn. Put another way, while 88.8 per cent of respondents had earlier affirmed that they spend less than their monthly income (see Table 2.5 above), 61.7 per cent were certain or somewhat certain that they spend less than they earn.

This disparity may have arisen from respondents spending on other areas that were not listed in the earlier question. There was an option for respondents to specify other expenditure items, although only 1.2 per cent did so. Another explanation for the disparity is that respondents are anxious or worried about how much they spend. This is corroborated by how, in answer to another question, 80 per cent of respondents said they worry about whether they are spending too much (see Table 2.8 below). This finding dovetails with results from a survey by GWI, which found that over half of adults in Singapore do not watch their spending (Tan, 2023).

Respondents aged 30 to 34 were most likely to feel that they definitely or probably spend more than they earn. About 42.3 per cent of them stated so, compared to 32.9 per cent of those aged 35 to 39 (see Table 2.8 below). The figures for the other two age cohorts are also somewhat lower: 35.4 per cent of those aged 21 to 24, and 35.3 per cent of those aged 25 to 29.

Fewer than four in 10 respondents who earn $3,000 and above said that they think they spend more than they earn, or that they probably do. In particular, only 27.9 per cent of those who earn $4,000 to $4,999 indicated this (see Table 2.8 below). In contrast, 45.8 per cent of those who earn below $3,000 did so. While less than half, this proportion is still higher than that for respondents at other income levels. Worries over spending too much may be higher among this group due to limited financial resources and/or greater financial burdens. A similar proportion of students and those serving NS (46.8 per cent) also stated that they spend more than they earn or probably do so.

As shown in Table 2.8 below, 35 per cent of respondents in full-time employment think they do, or probably do, spend more than they earn. This is lower than the 44.9 per cent of respondents in other forms of work who feel the same way, and the 50.4 per cent who are not employed.

Table 2.8: Impression of expenditure relative to income, by age cohort, income level and working status

Demographic variable	Do you think you spend more than you earn?			
	Yes	Probably yes	Probably not	No
Overall	13.6%	24.7%	31.2%	30.5%
21–24 years old	13.1%	22.2%	31.0%	33.7%
25–29 years old	12.7%	22.6%	35.5%	29.2%
30–34 years old	15.7%	26.6%	27.6%	30.1%
35–39 years old	8.5%	24.5%	30.6%	36.5%
Student / NS	20.2%	26.6%	29.8%	23.4%
Unemployed / Homemaker*	43.8%	31.3%	12.5%	12.5%
Below $3,000	16.7%	29.2%	31.5%	22.6%
$3,000 to $3,999	11.9%	22.4%	32.4%	33.2%
$4,000 to $4,999	7.4%	20.6%	33.4%	38.7%
$5,000 to $5,999	9.3%	25.9%	32.4%	32.4%
$6,000 to $6,999	13.2%	24.2%	32.6%	30.0%
$7,000 and above	12.8%	22.7%	26.5%	38.0%
Full-time employee	11.9%	23.1%	30.9%	34.1%
Self-employed / Part-time / Freelancer / Gig worker	11.8%	33.2%	35.3%	19.8%
Others	23.3%	27.1%	27.8%	21.8%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

2.3 Nearly nine in 10 respondents would cut down on spending if they notice they are spending beyond their income, while six in 10 prefer to spend money on things that make them happy and not worry about the future

Respondents were asked a series of questions relating to their spending habits and attitudes. About 86.5 per cent stated that if they notice they are spending beyond their income, they will cut down on expenditures for that month (see Table 2.9 below). At the same time, however, 60.2 per cent stated that they prefer to spend money on things that make them happy rather than worry too much about the future. There is thus some negotiation between the interests of careful spending, and spending to meet one's wants rather than just needs.

This may be reflective of the generally high standard of living in Singapore. Indeed, 57.6 per cent also indicated that they do not think in-depth about their financial situation very often. Thus, even though about eight in 10 (80.1 per cent) may worry about their spending, it is not a substantial enough source of anxiety for them to think deeply about.

Table 2.9: Respondents' spending habits and attitudes

How much do you agree or disagree with these statements about spending habits?	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
I worry about whether I am spending too much.	2.4%	6.0%	11.5%	33.4%	27.3%	19.4%
I do not think in-depth about my financial situation (e.g., income, spending, any debts) very often.	12.6%	20.7%	24.3%	21.9%	14.1%	6.4%
If I notice that I am spending beyond my income, I will cut down on expenditures for the month.	1.9%	2.7%	9.0%	32.9%	28.8%	24.8%
I prefer to spend my money on things that make me happy rather than worry too much about the future.	5.3%	11.9%	22.6%	30.6%	18.4%	11.1%

2.3.1 More than two-thirds of respondents aged 35 to 39 think in-depth about their financial situation, while nearly two-thirds of respondents aged 21 to 24 prefer to spend money on things that make them happy

There also seem to be differing attitudes towards money when compared across age cohorts. Older respondents are more likely to think in-depth about their financial situation. Compared to the 67.5 per cent of those aged 35 to 39 who said they do this very often, only 51.2 per cent of those aged 21 to 24 did so. Those in the middle two age cohorts also had less tendency to think in-depth about their financial situation: 53.9 per cent of those aged 25 to 29, and 54.8 per cent of those aged 30 to 34. This trend may result from older respondents having more financial obligations, such as loans to service, or dependants such as young children and aging parents.

Meanwhile, younger respondents are more likely to spend money on things that make them happy rather than worry too much about the future. While 64.3 per cent of those aged 21 to 24 held this sentiment, only 55.8 per cent of those aged 35 to 39 did so. This is consistent with the earlier finding that more than two-thirds of those aged 35 to 39 think in-depth about their financial situation. More generally, the difference in spending attitudes of younger and older respondents can be attributed to older respondents being likely to have more financial obligations. Given this reality, they are more likely to feel the need to moderate spending on non-necessities that would make them happy.

At the same time, however, there is a generalised worry of spending too much that is consistent at around 80 per cent of respondents, across all age cohorts. The majority of respondents across all age cohorts also said that they would cut down on expenditures if they notice they are spending beyond their income. This implies that the more indulgent spending among younger respondents is tempered by a level of financial prudence.

2.3.2 Those who earn $5,000 per month and above are slightly less likely to think in-depth about their financial situation, and slightly more likely to spend money on things that make them happy

Differences appear more sustained when comparing respondents with different levels of disposable income. Among respondents who earn below $3,000 per month, $3,000 to $3,999, and $4,000 to $4,999, just over six in 10 broadly disagreed that they do not think in-depth about their financial situation. That is, they felt that they do think in-depth about this. The figure drops to about half for those who earn $5,000 to $5,999 (52.4 per cent), $6,000 to $6,999 (54.2 per cent), and $7,000 and above (51.6 per cent).

Similarly, whereas respondents who earn $4,999 and below were split on whether they prefer to spend money on things that make them happy, over six in 10 respondents who earn $5,000 and above agreed with this statement. For instance, 68.3 per cent of those who earn $5,000 to $5,999 felt this way, compared to just over five in 10 respondents in the lower three income levels. At the same time, students and those serving NS are also more likely to feel this way, with 70.2 per cent agreeing. This may be because this group has fewer financial obligations and may still be supported by their parents. Their spending is thus more likely to be for personal wants rather than to fulfil needs.

Those at higher income levels are slightly more likely to not think in-depth about their financial situation, and to spend money on things that make them happy rather than worry about the future. This may be because they have attained a level of material comfort and security where they have general peace of mind about making ends meet. As a result, they are able to indulge in spending on wants rather than only needs.

2.3.3 People who are not employed in any form of work are most likely to worry about spending too much, but also more likely to not think in-depth about their financial situation

Respondents who are not currently working (homemakers, students, serving NS, or unemployed) are more likely to worry about spending too much. About 88 per cent of these respondents indicated so, compared to 78.8 per cent of full-time employees. This is likely because they have less disposable income and thus are more concerned about exceeding their budget.

Paradoxically, however, the same group of respondents is more likely to not think in-depth about their financial situation very often. Whereas about four in 10 of full-time employees and self-employed, part-time, freelance or gig workers felt so, the figure for those who are not working is 51.9 per cent. This disjuncture indicates that this group's worry about over-spending is more of a general concern or mental pressure, rather than the result of them necessarily having tangible issues with income, spending or debts.

2.4 About eight in 10 respondents have at least a rough idea of their monthly spending, but still worry about whether they are spending too much

Generally, the sample can be described as being aware of, but still anxious about, their spending. Most respondents have a rough (87.2 per cent) or exact (81.8 per cent) idea of how much they spend every month (see Table 2.10

below). Yet 80 per cent still worry about whether they are spending too much (see Table 2.9 above). This may be attributable to financial prudence being fairly ubiquitous among respondents.

Table 2.10: Respondents' awareness of spending

How much do you agree or disagree with these statements about spending habits?	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
I know exactly how much I spend every month.	1.6%	4.1%	12.6%	34.2%	30.7%	16.9%
I have a rough idea about how much I spend every month.	1.8%	2.7%	8.4%	35.0%	35.5%	16.7%

2.4.1 Older respondents are slightly more likely to know exactly (rather than roughly) how much they spend every month

While having a rough idea of one's monthly spending is consistent across respondents of different age cohorts, older respondents are slightly more likely to report that they know exactly how much they spend every month. About 84.2 per cent of those aged 30 to 34, and 83.8 per cent of those aged 35 to 39, said this. By comparison, 75.4 per cent of those in the youngest age cohort (21 to 24 years old) indicated that they had an exact awareness of their spending. This is in line with the earlier finding that older respondents are more likely to think in-depth about their financial situation (see Chapter 2.3.1).

2.4.2 Respondents who reported that they spend their entire monthly income have lower awareness of how much they spend

A large majority of respondents (over 80 per cent) who spend less than their entire monthly income know exactly how much they spend every month. Lower proportions of those who spend their entire monthly income, or do this and also tap on other sources of funds, felt the same way (see Table 2.11 below). About 64.3 per cent of those who spend all of their income agreed that they know exactly how much they spend every month. Interestingly, 72.1 per cent of those who not only spend their whole income but also tap on other sources of money indicated that this was the case for them. This may be explained by their needing to keep track of loans they have taken out, or how much they had drawn on their savings in a given month.

Table 2.11: Exact awareness of spending, by respondents' spending habits

Proportion of income spent on various items	I know exactly how much I spend every month.					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Less than half	1.8%	3.3%	11.4%	33.5%	30.0%	20.0%
More than half	1.2%	3.9%	11.6%	35.7%	32.3%	15.2%
All of income	2.8%	9.8%	23.1%	28.0%	22.4%	14.0%
All of income plus other sources of funds	4.4%	5.9%	17.6%	22.1%	30.9%	19.1%

2.5 More than nine in 10 respondents have felt personally affected by rising cost of living, with those aged 21 to 24 and lower-income earners more likely to feel this way

The vast majority of respondents (92.6 per cent) have felt personally affected by the rising cost of living in recent months (see Table 2.12 below). These respondents differ in the degree to which they have felt affected, with 27.8 per cent affected to a small extent, 41.2 per cent to some extent, and 23.6 per cent to a large extent. Only 7.2 per cent have not felt affected at all by costs of living issues in recent months. Virtually all respondents also implicitly agreed that costs have been rising, with only 0.2 per cent stating that they do not think costs have been rising. This is different from the group who felt unaffected, as they would concede that costs have been rising.

Across all age cohorts, respondents were most likely to feel affected to some extent by rising costs (see Table 2.12 below). Roughly 40 per cent of each age cohort felt this way. However, those aged 21 to 24 generally felt more heavily affected than older respondents. About 70.7 per cent of this group stated that they were affected to some or a large extent. This is compared to 64.3 per cent of those aged 25 to 29, 64.2 per cent of those aged 30 to 34, and 62.5 per cent of those aged 35 to 39. The disparity may have arisen because most of the respondents in the youngest age cohort would not have started working full-time yet as they are still completing their schooling, or would not have had time to advance in their career and gain salary increments. They would also have had less or no time to accumulate savings, unlike those in the older age cohorts.

Respondents at the highest income level seemed to be affected less by rising costs. While 76.8 per cent of those who earn less than $3,000 per month were affected to some or a large extent, only 51.4 per cent of those who earn $7,000 and above did (see Table 2.12 below). In each of the middle three income brackets, just over six in 10 respondents felt the same way.

Table 2.12: Impact of rising cost of living, by age cohort and income level

Demographic variable	To what extent have you felt personally affected by rising costs?			
	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
Overall	7.2%	27.8%	41.2%	23.6%
21–24 years old	7.4%	21.5%	45.5%	25.3%
25–29 years old	6.2%	29.0%	43.1%	21.2%
30–34 years old	9.0%	26.6%	41.4%	22.8%
35–39 years old	5.5%	32.0%	40.6%	21.9%
Student or NS	3.2%	19.1%	42.6%	35.1%
Unemployed / Homemaker*	12.5%	18.8%	37.5%	31.3%
Below $3,000	3.3%	19.6%	44.6%	32.1%
$3,000 to $3,999	6.1%	25.5%	46.3%	21.9%
$4,000 to $4,999	5.5%	33.7%	43.6%	17.2%
$5,000 to $5,999	11.4%	25.5%	40.7%	22.4%
$6,000 to $6,999	4.2%	30.0%	44.2%	21.6%
$7,000 and above	10.9%	36.9%	35.8%	15.6%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group. Due to low N, figures for the option "I don't think costs have been rising" are not shown here.

2.5.1 Around two-thirds of those who worry about their spending affected by rising costs

Respondents who worry about their spending or think more about their financial situation are more likely to say that they are affected by rising costs to some extent or a large extent. While 67.5 per cent of those who worry about whether they are spending too much say they are affected to some or a large extent by living costs, 53.9 per cent of those who disagree with the statement say the same (see Table 2.13 below).

Table 2.13: Perceived impact of rising costs, by worrying about overspending

I worry about whether I am spending too much	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
Agree	6.5%	25.8%	42.7%	24.8%
Disagree	9.4%	36.0%	40.6%	13.3%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group. Due to low N, figures for the option "I don't think costs have been rising" are not shown here.

2.5.2 Respondents' top two strategies to cope with rising costs are keeping to a fixed budget and deferring purchases

Respondents have adopted a variety of strategies to cope with rising costs (see Table 2.14 below). Of those who felt affected by rising costs to various extents, the top two strategies are to keep to a fixed budget every month (47.6 per cent) and defer purchasing items they like until the prices become more affordable (41.9 per cent). For this question, respondents were told to choose all that apply.

Other methods, such as making use of instalment plans and credit cards to pay for the items that respondents wished to buy, were less popular. Lower proportions of 26.2 per cent and 25.4 per cent respectively indicated that they did so. Among the 0.6 per cent who indicated they used other means, there were a handful of respondents who said they would spend less.

Finally, only 16.8 per cent of respondents said they would make use of government schemes. Since a much higher proportion of the population has received some form of assistance from the government already, especially amid the COVID-19 pandemic, it can be inferred that the respondents who did not select this option felt that the assistance was secondary, and not among their main ways of coping.

Table 2.14: Top strategies to cope with rising costs

Which of the following are you doing to help you better cope with rising costs?	**Percentage**
I keep to a fixed budget every month	47.6%
I defer purchasing items I like until a time when prices are more affordable	41.9%
I make use of instalment plans to pay for the items I want to buy	26.2%
I make use of credit cards to pay for the items I want to buy	25.4%
I make use of government schemes	16.8%
Others, please specify	0.6%

2.5.3 While the top two strategies are consistent across age groups, older respondents are more likely to use lines of credit rather than government schemes

The aforementioned top two strategies for coping with rising costs — namely, keeping to a fixed budget every month, and deferring purchases until prices become affordable — are consistent across age cohorts (see Table 2.15 below). For the other strategies, there are some differences by respondents' age. Making use of government schemes ranks as the third strategy to cope with rising costs for those aged 21 to 24, with 24.5 per cent indicating it. This is in contrast to every other age cohort, for whom government schemes rank as the fifth and last strategy, with only 14 to 17.2 per cent selecting it. The youngest age cohort may be more aware of government schemes compared to older groups. Alternatively, they may have lower incomes and thus the funds available from government schemes make a relatively bigger difference in helping them to defray their costs of living.

Respondents in the three older age cohorts would more likely use instalment plans and credit cards to government schemes. For instance, about a quarter of respondents in the three older age cohorts would use instalment plans, but only 16.1 per cent of those aged 21 to 24 would do so.

Table 2.15: Top strategies to cope with rising costs, by age cohort

Rank	21–24 years old	25–29 years old	30–34 years old	35–39 years old
1	Fixed budget (48.9%)	Fixed budget (48.7%)	Fixed budget (46.9%)	Fixed budget (46.3%)
2	Defer purchase (44.9%)	Defer purchase (43.4%)	Defer purchase (42.4%)	Defer purchase (39.0%)
3	Government schemes (24.5%)	Instalment plans (24.8%)	Credit cards (30.4%)	Instalment plans (28.2%)
4	Instalment plans (16.1%)	Credit cards (21.8%)	Instalment plans (28.8%)	Credit cards (28.0%)
5	Credit cards (14.6%)	Government schemes (17.2%)	Government schemes (15.2%)	Government schemes (14.0%)

2.5.4 Higher income earners are more likely to use credit cards to cope with rising costs, while lower income earners are more likely to defer purchases

Respondents who earn higher incomes appear to be generally more inclined to use credit cards to defray rising costs. Around three in 10 respondents who earn $4,000 and above indicated so, compared to 20.1 per cent of those who earn $3,000 to $3,999, and 16 per cent of those who earn below $3,000 (see Table 2.16 below). While preferences for different strategies might play a part in these decisions, it should also be noted that those earning lower monthly incomes are less likely to own credit cards. Therefore, a proportion of respondents with lower income might not view credit cards as an option to cope with rising costs because it is not available to them in the first place. There is a similar but less noticeable trend for the use of instalment plans. While 32.8 per cent of those who earn $7,000 and above would use these, only about 24 per cent of those in the lowest two income levels would do the same.

Deferring purchases until prices become more affordable seems to be preferred by lower income earners. Whereas only 34.7 per cent of those who earn $7,000 and above would do this, the figure is 46.3 per cent for those who earn below $3,000. Notably, higher proportions of those earning between $5,000 and $7,000 say that they would defer purchases to cope with rising costs compared to those earning between $3,000 and $5,000. In particular, 47.1 per cent of those earning between $5,000 and $6,000 say that they will defer purchases. It is possible that this strategy is preferred because this group has more financial obligations, as evidenced by the finding that over seven in 10 of these respondents are servicing at least one loan, compared to over six in 10 of those earning between $3,000 and $5,000 (see Chapter 3.1.3 for more details).

Table 2.16: Strategies to cope with rising costs, by income level

Income level	Which of the following are you doing to help you better cope with rising costs?				
	Fixed budget	Defer purchase	Instalment plans	Credit cards	Government schemes
Student / NS	50.5%	51.6%	8.8%	5.5%	29.7%
Unemployed / Homemaker*	28.6%	64.3%	14.3%	14.3%	21.4%
Below $3,000	52.5%	46.3%	24.4%	16.0%	21.3%
$3,000 to $3,999	52.1%	39.6%	24.3%	20.1%	16.6%
$4,000 to $4,999	43.2%	39.6%	25.6%	31.5%	10.4%
$5,000 to $5,999	37.7%	47.1%	29.6%	33.5%	14.4%
$6,000 to $6,999	51.6%	42.3%	23.6%	29.7%	14.3%
$7,000 and above	48.0%	34.7%	32.8%	30.3%	18.0%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

2.6 About seven in 10 respondents have at least three months' worth of expenses set aside, with older respondents and those who clearly track their monthly expenses more likely to have this level of savings, while those earning less than $3,000 per monthly are less likely

A common financial advice is to save up a minimum of three months' worth of expenses. Among the respondents in this survey, most (71.4 per cent) have at least this amount set aside (see Table 2.17 below). A further 21.9 per cent have savings amounting to less than they would need to cover three months of expenses. Only 6.7 per cent have no savings whatsoever.

Older respondents are more likely to have enough set aside for at least three months' worth of expenses (see Table 2.17 below). While 64.6 per cent of those aged 21 to 24 have this level of savings, the figures are 72.3 per cent for those aged 25 to 29, 77 per cent for those aged 30 to 34, and 74.2 per cent for those aged 35 to 39. Still, respondents in the youngest age cohort did have some savings. About a quarter of them, or 24.9 per cent, had savings amounting to less than three months' worth of expenses.

About nine in 10 respondents who earn an income have some level of savings, while the proportion is about eight in 10 for students and those serving NS (see Table 2.17 below). However, respondents who earn below $3,000 are less likely to have enough set aside for at least three months' worth of expenses. Less than six in 10 of this group (58.3 per cent) indicated so. This is much lower than the seven to eight in 10 respondents of all other income levels who said the same. Respondents at the lowest income level may find it more challenging to save up as much of their income is channelled towards making ends meet.

Close to a fifth of students and those serving NS (17 per cent) stated that they have no savings, making them the group most likely to have no savings. This is followed by 10.7 per cent of those who earn below $3,000 (setting aside the unemployed and homemakers as there are too few in the sample to draw any conclusions about this group).

Meanwhile, those who say they know exactly how much they spend every month were more likely to have savings amounting to at least three months' worth of expenses, with over three quarters (76.1 per cent) indicating this. In contrast, just 59.8 per cent of those who do not clearly keep track of their monthly expenses say the same.

Table 2.17: Level of savings, by age cohort, income level and awareness of spending

Demographic variable	Level of savings		
	At least three months' worth of expenses	Less than three months' worth of expenses	No savings
Overall	71.4%	21.9%	6.7%
21–24 years old	64.6%	24.9%	10.4%
25–29 years old	72.3%	22.4%	5.3%
30–34 years old	77.0%	18.5%	4.4%
35–39 years old	74.2%	19.7%	6.1%
Student / NS	60.6%	22.3%	17.0%
Unemployed / Homemaker*	43.8%	43.8%	12.5%
Below $3,000	58.3%	31.0%	10.7%
$3,000 to $3,999	75.3%	21.1%	3.6%
$4,000 to $4,999	75.5%	18.7%	5.8%
$5,000 to $5,999	78.6%	16.6%	4.8%
$6,000 to $6,999	77.4%	20.0%	2.6%
$7,000 and above	82.0%	14.8%	3.3%
Don't know exactly how much I spend every month	59.8%	26.4%	13.9%
Know exactly how much I spend every month	76.1%	19.7%	4.2%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

2.6.1 Among respondents aged 21 to 29, women are less likely than men to have at least three months' worth of expenses saved up

Younger women appear to lag behind younger men in their level of savings. While 71.5 per cent of men aged 21 to 24 have at least three months' worth of expenses saved up, only 58.2 per cent of women in the same age cohort do (see Table 2.18 below). However, this gender gap appears to narrow with age. Compared to the 76.2 per cent of men aged 25 to 29 who have savings worth three months of expenses, 68.3 per cent women in the same age cohort have the same. For the two older age cohorts, there is no substantial difference in the proportions of respondents who have this level of basic savings. Perhaps at the youngest age band, young men may have additional finances as a result of the allowances they receive during national service, compared to their female counterparts, most of whom might still be schooling and thus have fewer income sources.

Table 2.18: Level of savings, by age cohort and gender

Age cohort and gender		Do you have enough set aside for at least three months' worth of expenses?		
		Yes	No, my savings amount to less than three months' worth of expenses	No, I have no savings
21–24 years old	Male	71.5%	22.2%	6.3%
	Female	58.2%	27.5%	14.4%
25–29 years old	Male	76.2%	18.4%	5.3%
	Female	68.3%	26.4%	5.3%
30–34 years old	Male	79.5%	17.9%	2.6%
	Female	74.7%	19.1%	6.2%
35–39 years old	Male	74.8%	21.1%	4.1%
	Female	73.6%	18.4%	8.0%

2.6.2 About four in 10 respondents felt that they needed to save between 21 and 40 per cent of their income; those who earn below $3,000 are slightly more likely to think they need to save 1 to 20 per cent of their income

Respondents were asked an open-ended question about how much income they felt they need to save. Answers were given as a percentage of respondents' own income, then recoded into quintiles. The mean proportion of one's income that respondents felt they should save is 36.5 per cent. As shown in Table 2.19 below, the largest group comprised 43.7 per cent who felt that they need to save between 21 and 40 per cent of their income. Most of the rest were split, with 23.8 per cent feeling the need to save a fifth of their income or less, and 26.4 per cent opining that they should save 41 to 60 per cent of their income. Only about 6 per cent of respondents felt that they should save anywhere between 61 and 100 per cent of their income.

Respondents who earn more believe they need to save more. Those who earn below $3,000 appear to be slightly more likely to think they need to save 1 to 20 per cent of their income, with 30.4 per cent feeling this way, compared to about two in 10 respondents who earn higher incomes, and 16.7 per cent of those who earn $7,000 and above (see Table 2.19 below). Meanwhile, roughly half of respondents earning between $3,000 and $4,000 as well as four in 10 respondents who earn $4,000 to $7,000 and above think they need to save 21 per cent to 40 per cent of their income, and this is the modal range of income that respondents at these income levels feel they need to save. While it is possible that people with different income levels hold different beliefs about how much one needs to save, it is also possible that those earning below $3,000 stipulated a lower proportion because they are unable to save more after using their monthly income to pay for daily expenses and required purchases.

Table 2.19: Respondents' ideal proportion of savings, by income level

Income level	How much of your income do you think you need to save?				
	1–20%	21–40%	41–60%	61–80%	81–100%
Overall	23.8%	43.7%	26.4%	5.4%	0.6%
Student / NS	36.2%	35.1%	22.3%	6.4%	0.0%
Unemployed / Homemaker*	37.5%	12.5%	25.0%	12.5%	12.5%
Below $3,000	30.4%	38.1%	24.7%	6.0%	0.9%
$3,000 to $3,999	23.3%	51.5%	21.1%	4.2%	0.0%
$4,000 to $4,999	22.7%	46.3%	28.8%	1.8%	0.3%
$5,000 to $5,999	20.3%	45.5%	28.3%	5.9%	0.0%
$6,000 to $6,999	20.5%	43.2%	31.6%	4.7%	0.0%
$7,000 and above	16.7%	44.0%	28.7%	10.1%	0.5%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

2.7 About seven in 10 respondents want, have started saving for, or already have a family and an HDB flat respectively

To get an idea of respondents' long-term saving habits, the survey first asked them what their position was on several big expenses that people might normatively want. These include: buying a car, a condominium or an HDB flat, holding a wedding, and starting a family. For each of these five items, the majority (62.5 to 74 per cent) wanted, had started saving for, or had already achieved or completed this milestone (see Table 2.20 below).

Table 2.20: Respondents' positions on some big expenses

	Don't want	Want	Started saving for it	I already have or have done this
A car	30.9%	28.8%	18.3%	22.1%
A condominium	37.5%	25.4%	21.8%	15.2%
An HDB flat	32.5%	22.0%	23.9%	21.6%
Wedding	29.8%	17.6%	20.5%	32.1%
Starting a family (i.e., having children)	26.0%	20.9%	24.5%	28.6%

2.7.1 Four in 10 respondents aged 21 to 24 do not want to start a family, two in ten respondents of other age cohorts have similar views

When compared by age, it seems that younger respondents are less likely to want to start a family. Whereas 43.1 per cent of those aged 21 to 24 stated this, just over two in 10 of respondents in the three older age cohorts felt the same way (see Table 2.21 below). This result may simply reflect that the youngest respondents have other priorities at this stage in their lives and some will change their minds as they get older.

Table 2.21: Views on starting a family, by age cohort

Age cohort	Which of the following best represents your position on starting a family?			
	Don't want	Want	Started saving for it	I already have or have done this
21–24 years old	43.1%	24.9%	24.6%	7.4%
25–29 years old	25.4%	22.8%	34.6%	17.1%
30–34 years old	21.9%	19.3%	21.9%	36.9%
35–39 years old	23.7%	16.6%	17.8%	42.0%

2.7.2 More than half of respondents who earn less than $3,000 do not aspire to buying a condominium, and less than one in ten respondents believe they definitely cannot afford a HDB flat

Respondents who earn lower incomes were more likely not to want a condominium. More than half, or 52.1 per cent, of those who earn less than $3,000 stated so (see Table 2.22 below). This is more than twice the 25.7 per cent of those who earn $7,000 and above who feel the same way.

Table 2.22: Views on a condominium, by income level

Income level	Which of the following best represents your position on a condominium?			
	Don't want	Want	Started saving for it	I already have or have done this
Student / NS	40.4%	33.0%	22.3%	4.3%
Unemployed / Homemaker*	62.5%	12.5%	12.5%	12.5%
Below $3,000	52.1%	21.7%	17.3%	8.9%
$3,000 to $3,999	42.1%	22.4%	21.3%	14.1%
$4,000 to $4,999	31.6%	22.7%	24.2%	21.5%
$5,000 to $5,999	31.7%	27.6%	24.5%	16.2%
$6,000 to $6,999	26.3%	27.9%	28.4%	17.4%
$7,000 and above	25.7%	30.9%	23.2%	20.2%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

There is no clear income effect for respondents' views on buying an HDB flat, although interestingly, the group of respondents who earn $4,000 to $4,999 are the most likely to not want an HDB flat (see Table 2.23 below). While there may be income differences in aspirations, it is also likely that those currently earning a lower salary believe a condominium is out of their reach, and therefore keep their sights on an HDB flat, which is more attainable given substantial rebates for families and lower-income applicants.

Table 2.23: Views on a condominium, by income level

Income level	Which of the following best represents your position on an HDB flat?			
	Don't want	Want	Started saving for it	I already have or have done this
Student / NS	29.8%	35.1%	29.8%	5.3%
Unemployed / Homemaker*	18.8%	6.3%	31.3%	43.8%
Below $3,000	27.1%	25.9%	29.2%	17.9%
$3,000 to $3,999	28.5%	20.2%	26.9%	24.4%
$4,000 to $4,999	42.3%	17.2%	24.5%	16.0%
$5,000 to $5,999	32.1%	21.4%	25.9%	20.7%
$6,000 to $6,999	34.7%	17.4%	21.1%	26.8%
$7,000 and above	36.3%	21.6%	16.7%	25.4%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

Subsequently, respondents were asked whether they felt they would be able to afford the items they wanted. Generally, people were optimistic about being able to afford each item, with only a small proportion stating that they would never be able to afford it. Confidence in being able to afford a condominium was the lowest, with only 37.5 per cent sure that they could definitely afford this (see Table 2.24 below). An HDB flat was perceived as more affordable, with 46.7 per cent sure they could obtain this.

Conversely, for other items like a car, a wedding and starting a family, a slight majority (57.2 to 58.1 per cent) felt they would definitely be able to afford this.

Housing, whether in an HDB flat or a condominium, is thus considered more difficult to afford compared to these other items.

Table 2.24: Perceived affordability of some big expenses

	Definitely	Only if I get a better-paying job	I will never be able to afford this
A car	57.2%	36.9%	5.9%
A condominium	37.5%	51.8%	10.6%
An HDB flat	46.7%	46.3%	7.0%
Wedding	58.1%	38.8%	3.0%
Starting a family (i.e., having children)	57.9%	40.1%	2.0%

2.8 About seven in 10 respondents had at least more or less developed a plan for retirement saving, and over eight in 10 of them were mostly or always able to stick to this plan

To gauge their long-term savings habits, respondents were asked about retirement planning. Generally, most of them had a long-term plan to save up for retirement. A slight majority, 59.2 per cent, had tried to figure out how much they would need to save for retirement (see Table 2.25 below). An even greater proportion, 70.3 per cent, had or more or less developed such a plan (see Table 2.26 below). The disparity may be attributed to respondents who had begun saving for retirement without exactly calculating how much they would need.

Of the respondents who had at least some form of retirement plan, 84.4 per cent had mostly or always been able to stick to this plan (see Table 2.27 below).

Only a small proportion, 15.6 per cent, had a plan but were rarely or never able to stick to it.

Table 2.25: Respondents starting retirement planning

Have you ever tried to figure out how much you will need to save for retirement?	Percentage
Yes	59.2%
No	40.8%

Table 2.26: Respondents planning for retirement saving

Have you developed a plan for retirement saving?	Percentage
Yes	34.5%
More or less	35.8%
No	29.7%

Table 2.27: Effectiveness of retirement saving

How often have you been able to stick to this plan?	Percentage
Never	0.8%
Rarely	14.8%
Mostly	60.2%
Always	24.2%

2.8.1 Older respondents are more likely to have developed a plan for retirement saving, while those aged 21 to 24 are slightly less likely to be able to stick to their plan for retirement savings

Unsurprisingly, older respondents are much more likely to have tried to figure out how much they need to save for retirement (see Table 2.28 below). Almost two-thirds, or 65.1 per cent, of those aged 30 to 34 have done so, compared to just 40.7 per cent of those aged 21 to 24. About 60 per cent of those in the middle two age cohorts have also tried to figure this out.

Accordingly, older respondents in this survey are also more likely to have developed a plan to save up for retirement (see Table 2.29 below). Whereas just over half (52.9 per cent) of those aged 21 to 24 have at least more or less developed a plan, the figures are 72.1 per cent for those aged 25 to 29, 74.8 per cent for those aged 30 to 34, and 69.6 per cent for those aged 35 to 39.

Table 2.28: Starting retirement planning, by age cohort

Age cohort	Have you ever tried to figure out how much you will need to save for retirement?	
	Yes	No
21–24 years old	40.7%	59.3%
25–29 years old	60.6%	39.4%
30–34 years old	65.1%	34.9%
35–39 years old	59.2%	40.8%

Table 2.29: Planning for retirement saving, by age cohort

Age cohort	Have you developed a plan for retirement saving?		
	Yes	More or less	No
21–24 years old	22.9%	30.0%	47.1%
25–29 years old	34.6%	37.5%	27.9%
30–34 years old	41.8%	33.0%	25.2%
35–39 years old	32.0%	37.7%	30.4%

Respondents in the youngest age cohort of 21 to 24 years old are slightly less likely to be able to stick to their retirement savings plan (see Table 2.30 below). Just over three-quarters, or 78.3 per cent, of them said they are mostly or always able to stick to their plan. This is compared to more than 86 per cent of respondents in the other three age cohorts.

Comparing across genders within each age cohort, men were found to be slightly more likely to stick to their retirement saving plans. The exact breakdown of proportions is presented in Table A2.1 in Appendix A.

Table 2.30: Effectiveness of retirement saving, by age cohort

Age cohort	How often have you been able to stick to this plan?			
	Never	**Rarely**	**Mostly**	**Always**
21–24 years old	0.6%	21.0%	63.7%	14.6%
25–29 years old	0.7%	12.7%	64.0%	22.5%
30–34 years old	1.1%	12.9%	61.7%	24.4%
35–39 years old	0.6%	12.5%	58.9%	28.0%

2.8.2 Those who earn higher incomes are slightly more likely to have developed a plan for retirement savings, while those who earn less than $3,000 a month are somewhat less likely to be able to stick to their plan for retirement savings

When split by income levels, respondents with higher monthly incomes are slightly more likely to have developed, or more or less developed, a plan for retirement savings (see Table 2.31 below). This is the case for about six in 10 respondents who earn less than $3,000 (63.4 per cent) and those who earn between $3,000 and $3,999 (66.5 per cent). Meanwhile, about eight in 10 respondents in the two highest income levels stated the same. About 77.9 per cent of those who earn $6,000 to $6,999 had, or more or less had, developed a retirement savings plan, while the figure is 82.8 per cent for those who earn $7,000 and above.

Table 2.31: Planning for retirement saving, by income level

Income level	Have you developed a plan for retirement saving?		
	Yes	More or less	No
Student / NS	13.8%	20.2%	66.0%
Unemployed / Homemaker*	25.0%	50.0%	25.0%
Below $3,000	23.2%	40.2%	36.6%
$3,000 to $3,999	29.6%	36.8%	33.5%
$4,000 to $4,999	27.6%	41.7%	30.7%
$5,000 to $5,999	40.7%	30.7%	28.6%
$6,000 to $6,999	42.1%	35.8%	22.1%
$7,000 and above	53.6%	29.2%	17.2%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

About 70.9 per cent of respondents who earn less than $3,000 a month are mostly or always able to stick to their plan for retirement savings (see Table 2.32 below). The figure is between 84.5 and 90.8 per cent in the other income levels. Thus, although most of them still manage to stick to their retirement savings plan, respondents who earn the lowest incomes are somewhat less able to do this. They may have to cut back on the amount set aside for their retirement if, in a given month, other expenses arise. Comparatively, those who earn more are more likely to have enough extra funds to consistently save the amount they intended.

Table 2.32: Effectiveness of retirement saving, by income level

Income level	How often have you been able to stick to this plan?			
	Never	**Rarely**	**Mostly**	**Always**
Student / NS	3.1%	12.5%	71.9%	12.5%
Unemployed / Homemaker*	0.0%	33.3%	41.7%	25.0%
Below $3,000	1.9%	27.2%	54.5%	16.4%
$3,000 to $3,999	0.4%	12.5%	66.7%	20.4%
$4,000 to $4,999	0.4%	15.0%	62.8%	21.7%
$5,000 to $5,999	1.4%	8.7%	63.3%	26.6%
$6,000 to $6,999	0.0%	9.5%	68.9%	21.6%
$7,000 and above	0.3%	8.9%	57.1%	33.7%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

2.9 Over three quarters of respondents have tried to improve their financial knowledge in at least one way

About three quarters of all respondents, or 75.6 per cent, had tried to improve their financial knowledge in at least one way (see Table 2.33 below). The most popular method was to read articles or a book on managing finances, with 53.5 per cent of respondents doing so. A sizeable number had sought financial knowledge from a professional (31.5 per cent). Only 20.5 per cent of all respondents had attended a session by MoneySense, which is Singapore's national financial education programme. A higher proportion, 30.8 per cent, had attended other financial literacy programme(s).

Table 2.33: Ways of improving financial knowledge

Have you ever tried to improve your financial knowledge in any of the following ways? Please tick all that apply.	Percentage
Read articles or a book on managing finances	53.5%
Sought financial knowledge from a professional	31.5%
Attended other financial literacy programme(s)	30.8%
Attended a MoneySense session (Singapore's national financial education programme)	20.5%
None of the above	24.4%

2.9.1 More than a quarter of respondents aged 21 to 24 had done nothing to improve their financial knowledge

Across all age cohorts, the most popular way of improving financial knowledge was to read articles or a book about managing finances. More than half the respondents in each age cohort indicated that they had done this, with those between 25 and 29 years old the most likely (58.3 per cent) to have used this method (see Table 2.34 below). In keeping with the overall trend, the next most popular ways were seeking out a professional or attending financial literacy programmes.

However, a sizeable proportion of respondents also did nothing to improve their financial knowledge. For the sake of comparison, this is indicated in Table 2.34 (in red) despite not being a strategy. Those aged 21 to 24, and those aged 35 to 39, were the most likely to indicate this, at about 28.6 per cent and 29.4 per cent respectively. The youngest age cohort probably have not started planning because they are less likely to have thought about their finances seriously at this stage of their lives.

Table 2.34: Top ways of improving financial knowledge, by age cohort

Rank	21–24 years old	25–29 years old	30–34 years old	35–39 years old
1	Read articles or a book (51.9%)	Read articles or a book (58.3%)	Read articles or a book (53.6%)	Read articles or a book (51.7%)
2	Sought out professional (30.0%)	Sought out professional (31.4%)	Financial literacy programme(s) (35.2%)	Sought out professional (31.0%)
3	None of the above (28.6%)	Financial literacy programme(s) (30.7%)	Sought out professional (33.6%)	Financial literacy programme(s) (29.4%)
4	Financial literacy programme(s) (26.3%)	None of the above (20.0%)	MoneySense session (28.8%)	None of the above (29.4%)
5	MoneySense session (16.2%)	MoneySense session (19.3%)	None of the above (20.9%)	MoneySense session (15.4%)

2.9.2 Degree holders are slightly more likely to have improved their knowledge by reading articles or a book about managing finances

Respondents who hold a bachelor's degree or above are slightly more likely to have read articles or a book about managing finances (see Table 2.35 below). More than half (57.2 per cent) had done so, compared to less than half of those with secondary or ITE education (48.8 per cent) and those with polytechnic, professional qualifications, or still pursuing a bachelor's degree (49.3 per cent).

Table 2.35: Top ways of improving financial knowledge, by respondents' education level

Rank	Secondary / ITE	Polytechnic / Professional qualifications / Pursuing bachelor's degree	Bachelor's and above
1	Read articles or a book (48.8%)	Read articles or a book (49.3%)	Read articles or a book (57.2%)
2	Sought out professional (28.8%)	Financial literacy programme(s) (34.5%)	Sought out professional (32.5%)
3	None of the above (27.2%)	Sought out professional (31.5%)	Financial literacy programme(s) (30.8%)
4	Financial literacy programme(s) (26.0%)	None of the above (23.8%)	None of the above (23.4%)
5	MoneySense session (17.2%)	MoneySense session (22.8%)	MoneySense session (20.8%)

2.9.3 Respondents who earn lower incomes are more likely to have done nothing to improve their financial knowledge

About a third of respondents who earn less than $3,000 per month (33.3 per cent) or $3,000 to $3,999 (32.1 per cent) have not tried any means of improving their financial knowledge (see Table 2.36 below). This proportion is lower among respondents who earn higher incomes. Just 16.6 per cent of those who earn $5,000 to $5,999 said the same, along with 13.2 per cent of those who earn $6,000 to $6,999 and 9.6 per cent of those who earn $7,000 and above. This trend may be concerning, since those who earn lower incomes arguably could do with more financial knowledge to make the most of their resources.

While reading articles or a book about finances was popular among respondents of all income levels, larger proportions of higher income earners have adopted this method of improving their knowledge. Over six in 10 of those who earn $5,000 and above have done so, compared to less than half of those who earn $3,999 and below.

Interestingly, those who earn higher incomes are also more likely to have attended a MoneySense session. Whereas 17.3 per cent of those who earn below $3,000 per month have done so, the figure is 28.4 per cent for those who earn $6,000 to $6,999, and 34.7 per cent of those who earn $7,000 and above.

Table 2.36: Top ways of improving financial knowledge, by income level

Rank	Below $3,000	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 and above
1	Read articles or a book (45.5%)	Read articles or a book (44.6%)	Read articles or a book (52.8%)	Read articles or a book (60.7%)	Read articles or a book (60.0%)	Read articles or a book (68.0%)
2	None of the above (33.3%)	None of the above (32.1%)	Financial literacy programme(s) (31.0%)	Sought out professional (31.0%)	Financial literacy programme(s) (35.8%)	Sought out professional (42.1%)
3	Sought out professional (27.7%)	Sought out professional (31.3%)	Sought out professional (29.4%)	Financial literacy programme(s) (29.3%)	Sought out professional (31.1%)	Financial literacy programme(s) (40.7%)
4	Financial literacy programme(s) (25.9%)	Financial literacy programme(s) (26.9%)	None of the above (28.5%)	MoneySense session (24.5%)	MoneySense session (28.4%)	MoneySense session (34.7%)
5	MoneySense session (17.3%)	MoneySense session (15.0%)	MoneySense session (11.0%)	None of the above (16.6%)	None of the above (13.2%)	None of the above (9.6%)

2.9.4 Respondents with no retirement saving plans are less likely to have taken steps to accumulate financial knowledge

Compared to respondents who have started planning for their retirement, those who have not planned for retirement are quite different in the actions they are taking to accumulate financial knowledge. While the top strategy of those who clearly have a plan as well as those who more or less have a plan was to read articles or a book to improve their financial knowledge, the most popular option chosen by those without any retirement plans was “none of the above”. Furthermore, less than four in 10 of those who do not have any retirement plans chose any of the other strategies to accumulate financial knowledge (see Table 2.37 below).

Table 2.37: Top ways of improving financial knowledge, by respondents’ retirement planning

Rank	Has a plan for retirement saving	More or less has a plan for retirement	No plans for retirement saving
1	Read articles or a book (61.6%)	Read articles or a book (60.0%)	None of the above (46.6%)
2	Financial literacy programme(s) (41.7%)	Sought out professional (34.1%)	Read articles or a book (39.1%)
3	Sought out professional (38.8%)	Financial literacy programme(s) (32.6%)	Sought out professional (21.1%)
4	MoneySense session (35.2%)	None of the above (19.4%)	Financial literacy programme(s) (17.5%)
5	None of the above (8.4%)	MoneySense session (18.3%)	MoneySense session (7.5%)

3. LOANS

In this study, we also examined loan behaviours and attitudes toward loans. While many respondents, especially the older cohorts, have loans, these are often undertaken to acquire items that are regarded as normative and desirable, or even necessary. For instance, housing loans are among the most common types of loans being serviced by respondents. Respondents found it most justifiable to take out loans for housing or education.

Respondents did not report much financial and emotional burden as a result of their loans. They generally channelled a small portion of their monthly income to paying off loans and stuck to the agreed payment plan rather than missing payments and letting late payment fees accumulate.

3.1 The most common loan types being serviced are property or real estate (one third of respondents) and credit card loans (about two in 10 respondents)

Over a third of the respondents, or 34 per cent, stated that they are currently servicing property or real estate loans (see Table 3.1 below). The next most popular type of loan was credit card loans, with 22.1 per cent currently borrowing up to their credit limit. However, only 6.8 per cent of respondents had outstanding credit card fees. Apart from this, 17.1 per cent had car loans, while 16.3 per cent had personal loans. Finally, about a third (32.5 per cent) were not servicing any loans at all.

Table 3.1: Types of loan being serviced by respondents

What type(s) of loans are you currently servicing?	Percentage
Property/real estate loan (e.g., buying a house, paying for renovations)	34.0%
I do not have any loans to service at the moment.	32.5%
Credit card loan (borrowing up to your credit limit)	22.1%
Car loan	17.1%
Personal (e.g., wedding expenses, medical bills)	16.3%
Buy Now Pay Later instalments (Buy Now Pay Later plans allow consumers to split up payments for purchases instead of paying the entire sum upfront.)	12.8%
Outstanding credit card fees	6.8%
Student loan	6.3%
Other motor vehicle loan (e.g., motorcycle)	5.4%

3.1.1 Over half the respondents were servicing one or two types of loans, while only one in 10 were servicing three or more types of loans

Setting aside the third of respondents who are not servicing any loans, it was most common for respondents to be servicing one type of loan. This was the case for 31.7 per cent of all respondents (see Table 3.2 below). This does not mean that this group of respondents was only servicing one loan, as they could have multiple personal loans, for example. However, this number still serves as an indication of the mental load resulting from having debts to repay.

Over half, or 54.7 per cent, were servicing one or two types of loans. It was much less common for respondents to have three or more types of loans (12.8 per cent).

Table 3.2: Number of loan types being serviced by respondents

Number of types of loans being serviced	Percentage
Zero	32.5%
One	31.7%
Two	23.0%
Three or more	12.8%

3.1.2 Older respondents are more likely to have at least one loan to service, especially real estate and credit card loans

Younger respondents are more likely to have no loans to service. More than half, or 54.5 per cent, of those aged 21 to 24 have no loans to service (see Table 3.3 below). This is nearly twice the proportions of those aged 30 to 34, and 35 to 39, who have no loans to service.

Older respondents are especially more likely to be servicing real estate and credit card loans. This corresponds to the most popular loan types being serviced generally (as shown in Table 3.1 above). Four in 10, or 43.6 per cent, of those aged 35 to 39 are servicing property loans, compared to only 11.1 per cent of those aged 21 to 24 (see Table 3.4 below). Whereas only 12.8 per cent of those aged 21 to 24 are servicing credit card loans, more than two in 10 respondents in all other age cohorts are doing so.

Table 3.3: Number of loan types being serviced, by age cohort

Age cohort	Number of types of loans being serviced			
	Zero	One	Two	Three or more
21–24 years old	54.5%	25.3%	12.5%	7.7%
25–29 years old	33.2%	31.3%	20.8%	14.7%
30–34 years old	29.3%	31.1%	25.5%	14.1%
35–39 years old	29.2%	34.1%	25.4%	11.2%

Table 3.4: Most prevalent types of loan being serviced, by age cohort

Rank	21–24 years old	25–29 years old	30–34 years old	35–39 years old
1	No loans (54.5%)	No loans (33.2%)	Property/real estate loan (36.6%)	Property/real estate loan (43.6%)
2	Student loan (14.1%)	Property/real estate loan (28.1%)	No loans (29.3%)	No loans (29.2%)
3	Personal loan (13.8%)	Credit card loan (21.2%)	Credit card loan (24.6%)	Credit card loan (22.7%)
4	Credit card loan (12.8%)	Personal loan (20.8%)	Car loan (19.5%)	Car loan (19.7%)
5	Property/real estate loan (11.1%)	Car loan (14.8%)	Personal loan (16.5%)	Personal loan (12.6%)
6	BNPL instalments (9.8%)	BNPL instalments (11.7%)	BNPL instalments (13.5%)	BNPL instalments (12.0%)
7	Car loan (6.7%)	Student loan (10.8%)	Outstanding credit card fees (8.2%)	Outstanding credit card fees (6.7%)
8	Other motor vehicle loan (3.7%)	Outstanding credit card fees (6.5%)	Other motor vehicle loan (6.2%)	Other motor vehicle loan (4.3%)
9	Outstanding credit card fees (3.7%)	Other motor vehicle loan (6.2%)	Student loan (5.4%)	Student loan (2.4%)

3.1.3 Higher income earners are more likely to have property or car loans to service, and are more likely to be servicing at least one type of loan

Those who earn higher incomes were more likely to be servicing property or car loans. For example, 44.8 per cent of those who earn $7,000 and above, and 46.3 per cent of those who earn $6,000 to $6,999, have a property loan (see Table 3.5 below). This is compared to just 8.3 per cent of those who earn below

$3,000, and 8 per cent of those who earn $3,000 to $3,999. There is a similar trend for car loans, with 25.7 per cent of those who earn $7,000 and above servicing such a loan, much higher than the 7.7 per cent of those who earn $3,000 who reported the same. The difference by respondents' income level was not so apparent for other loan types, such as personal or student loans.

More than half, or 54.5 per cent, of those who earn below $3,000 are servicing at least one type of loan (see Table 3.6 below). Comparatively, the proportion of respondents at higher income levels who are servicing at least one type of loan ranged from 61.2 to 78.7 per cent. Thus, higher income earners are more likely to be servicing at least one type of loan — and it is more likely to be an investment to improve their standard of living, such as property or car loans.

There was no difference in prevalence of BNPL instalments to repay across respondents of different income levels. Meanwhile, those who earn more are more likely to have credit card loans to repay (see Table 3.5 below). While 13.7 per cent of those who earn below $3,000 were in this situation, more than twice that (32.8 per cent) of those who earn $7,000 and above said the same. However, there is no difference by income level in the prevalence of outstanding credit card fees, such as late fees when repayments are missed.

Table 3.5: Types of loan being serviced, by income level

Rank	Below $3,000	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 and above
1	No loans (45.5%)	No loans (38.8%)	Property/real estate loan (31.9%)	Property/real estate loan (36.9%)	Property/real estate loan (46.3%)	Property/real estate loan (44.8%)
2	Property/real estate loan (22.3%)	Property/real estate loan (26.0%)	No loans (31.9%)	No loans (26.6%)	Credit card loan (24.2%)	Credit card loan (32.8%)
3	Personal loan (16.1%)	Personal loan (17.2%)	Credit card loan (27.3%)	Car loan (24.8%)	No loans (23.7%)	Car loan (25.7%)
4	BNPL instalments (15.5%)	BNPL instalments (14.1%)	Car loan (17.2%)	Credit card loan (23.4%)	Car loan (15.8%)	Personal loan (23.5%)
5	Credit card loan (13.7%)	Credit card loan (13.3%)	Personal loan (13.8%)	Personal loan (14.8%)	Personal loan (15.3%)	No loans (21.3%)
6	Student loan (8.3%)	Car loan (13.0%)	Outstanding credit card fees (6.7%)	BNPL instalments (13.1%)	BNPL instalments (11.1%)	BNPL instalments (13.7%)
7	Car loan (7.7%)	Outstanding credit card fees (10.2%)	BNPL instalments (6.7%)	Student loan (6.2%)	Other motor vehicle loan (5.3%)	Other motor vehicle loan (10.9%)
8	Outstanding credit card fees (5.7%)	Student loan (8.0%)	Student loan (5.5%)	Other motor vehicle loan (5.9%)	Student loan (4.2%)	Student loan (8.2%)
9	Other motor vehicle loan (4.5%)	Other motor vehicle loan (3.0%)	Other motor vehicle loan (3.1%)	Outstanding credit card fees (5.5%)	Outstanding credit card fees (4.2%)	Outstanding credit card fees (7.4%)

Table 3.6: Number of loan types being serviced, by income level

Income level	Number of types of loans being serviced			
	Zero	One	Two	Three or more
Student / NS	69.1%	21.3%	8.5%	1.1%
Unemployed / Homemaker*	37.5%	37.5%	12.5%	12.5%
Below $3,000	45.5%	27.1%	18.2%	9.2%
$3,000 to $3,999	38.8%	31.0%	19.7%	10.5%
$4,000 to $4,999	31.9%	34.7%	26.1%	7.4%
$5,000 to $5,999	26.6%	36.6%	23.1%	13.8%
$6,000 to $6,999	23.7%	40.5%	24.2%	11.6%
$7,000 and above	21.3%	25.4%	27.9%	25.4%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

3.2 For different loan types, roughly half of the respondents were servicing loans amounting to a fifth of their monthly salary or less, although higher income earners tend to use a larger proportion of their salary to pay off their loans each month

Respondents' loans appeared to be fairly manageable. Most of the loans that they were servicing amounted to half their monthly salary or less (see Table 3.7 below). This ranged from 67.6 per cent of respondents whose student loans amounted to half their monthly salary or less, to 90.2 per cent for BNPL instalments. Roughly half of the respondents were servicing loans less than or equal to 20 per cent of their salary. BNPL instalments tend to be even smaller, with 64.3 per cent paying less than or equal to 20 per cent of their salary.

Table 3.7: Loan amounts relative to respondents' monthly salary

Loan amount relative to respondents' monthly salary	Less than or equal to 20%	50%	80%	1 to 11 months	12 months or above
Personal (e.g., wedding expenses, medical bills)	48.8%	32.4%	8.8%	7.4%	2.6%
Student loan	44.7%	22.9%	9.9%	15.0%	7.5%
Property/real estate loan (e.g., buying a house, paying for renovations)	45.7%	33.4%	8.9%	3.5%	8.5%
Car loan	54.2%	25.9%	9.3%	7.9%	2.7%
Other motor vehicle loan (e.g., motorcycle)	53.9%	23.8%	13.1%	8.4%	0.8%
Credit card loan (borrowing up to your credit limit)	53.4%	30.3%	10.1%	4.9%	1.3%
Outstanding credit card fees	54.2%	30.7%	6.4%	4.2%	4.4%
Buy Now Pay Later instalments	64.3%	25.9%	7.9%	1.8%	0.1%

Furthermore, virtually all, or 96.5 per cent, of the respondents who had loans used less than half their monthly salary to service them (see Table 3.8 below). A slight majority, or 62.6 per cent, channel 11 to 30 per cent of their monthly salary towards paying off their loans.

As income levels rise, respondents tend to channel a larger proportion of their salary to service their loans. While 65.7 per cent of those who earn $7,000 and above spend more than 20 per cent of their monthly income on loan payments, the figures are 47.5 per cent for those who earn $3,000 to $3,999, and 38.2 per cent for those who earn below $3,000 (see Table 3.8 below).

Table 3.8: Proportion of salary used to pay off loans, by income level

Income level	What proportion of your monthly income goes to repaying your loans?					
	10% or lower	**11-20%**	**21%-30%**	**31%-40%**	**41%-50%**	**More than 50%**
Overall	14.9%	31.1%	31.5%	14.0%	4.9%	3.5%
Student / NS*	31.0%	20.7%	31.0%	10.3%	0.0%	6.9%
Unemployed / Homemaker*	10.0%	40.0%	20.0%	20.0%	0.0%	10.0%
Below $3,000	23.0%	38.8%	18.0%	8.7%	4.9%	6.6%
$3,000 to $3,999	14.9%	37.6%	24.4%	12.7%	6.3%	4.1%
$4,000 to $4,999	10.8%	36.5%	33.8%	12.2%	5.0%	1.8%
$5,000 to $5,999	13.6%	29.1%	35.2%	15.5%	4.7%	1.9%
$6,000 to $6,999	22.1%	24.8%	31.0%	16.6%	3.4%	2.1%
$7,000 and above	10.8%	23.6%	38.9%	17.4%	5.9%	3.5%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

3.2.1 Half the respondents with personal loans did so to pay medical bills

As mentioned in the earlier section, 16.3 per cent indicated that they have taken out personal loans. The most common reason for respondents to take out a personal loan was to pay for medical bills — either their own or someone else's. About 50.6 per cent of these respondents (or 8.2 per cent of the total weighted sample) indicated that this was the case (see Table 3.9 below). Interestingly, a substantial proportion also took out personal loans to pay for non-necessities, such as overseas travel (31.3 per cent; or 5.1 per cent of the total weighted sample) and to buy expensive items (30 per cent; or 4.9 per cent of the total weighted sample).

Apart from the 19.9 per cent who took loans to pay for wedding expenses and 18 per cent who did so to finance a business venture, there was also the 7.5 per cent of respondents who specified other reasons, such as renovation expenses and to pay credit card bills. As this question was only posed to respondents who had taken out personal loans, there is a much more limited pool of respondents (N = 327). The further analysis presented below presents findings for the sample, but should not be taken as representative of the larger population. There were also differences by gender for this question. Women are more likely to have taken out a personal loan to pay for medical bills, while men are more likely to have done so to pay for an expensive item (see Table B1.1 in Appendix B).

Table 3.9: Reasons for taking out personal loans

What is the purpose of taking the personal loan?	Percentage of those with personal loans	Percentage of total sample (weighted)
Pay for medical bills incurred by myself or someone else	50.6%	8.2%
Pay for overseas travel, e.g., for holidays	31.3%	5.1%
Buy expensive items	30.0%	4.9%
Pay for wedding expenses	19.9%	3.2%
Finance a business venture	18.0%	2.9%
Others, please specify	7.5%	1.2%

3.2.2 Higher income earners are more likely to have taken out a personal loan to buy expensive items

Amongst the respondents who have taken out personal loans, those who earn $7,000 and above are more likely to have taken out a personal loan to buy expensive items (see Table 3.10 below). Almost half, or 46.5 per cent, of those at this income level had done so, compared to 24.1 per cent of those who earn below $3,000 a month. There is a similar trend for personal loans to pay for wedding expenses. Meanwhile, the prevalence of taking loans for overseas travel and to finance a business venture was consistent across income levels.

Table 3.10: Reasons for taking out personal loans, by income level

Income level	What is the purpose of taking the personal loan?				
	Pay for medical bills incurred by myself or someone else	Pay for overseas travel	Buy expensive items	Pay for wedding expenses	Finance a business venture
Below $3,000	13.0%	46.3%	24.1%	27.8%	13.0%
$3,000 to $3,999	24.2%	53.2%	24.2%	19.4%	21.0%
$4,000 to $4,999*	15.6%	44.4%	28.9%	28.9%	20.0%
$5,000 to $5,999*	16.3%	46.5%	27.9%	37.2%	30.2%
$6,000 to $6,999*	31.0%	55.2%	31.0%	31.0%	6.9%
$7,000 and above	25.6%	52.3%	46.5%	43.0%	16.3%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group. Due to low N, figures for students / NS and unemployed / homemaker are not shown here.

3.2.3 Respondents most often borrowed from their parents or the bank for personal loans

For each type of personal loan, respondents tended to borrow from either their parents or the bank (see Table 3.11 below). The latter was especially the preference for financing a business venture (68.3 per cent), buying expensive items (64.3 per cent), and paying for overseas travel (60.2 per cent).

Table 3.11: Parties from whom respondents take out personal loans

Source of funds for personal loans	Parents	Bank	Friends	Parents' CPF account
Pay for wedding expenses	47.4%	36.8%	8.3%	5.9%
Pay for medical bills incurred by myself or someone else	28.3%	49.7%	15.3%	5.3%
Pay for overseas travel, e.g., for holidays	23.4%	60.2%	13.3%	1.7%
Buy expensive items	15.1%	64.3%	14.7%	3.9%
Finance a business venture	15.5%	68.3%	11.6%	2.9%

3.3 Nine in 10 respondents would at least try their best to stick to the agreed loan repayment plan, with those aged 21 to 24 and lower-income earners slightly less inclined to repay their loans in a timely manner

When asked about their behaviour when repaying loans, 64.9 per cent of respondents stated that they generally stick to the agreed payment plan (see Table 3.12 below). A further 31.5 per cent would try to do so, failing which they would rollover the principal amount. Overall, then, virtually all of the respondents would try to repay the loan promptly.

The youngest age cohort of respondents, those aged 21 to 24, displayed a slightly lower propensity to repay their loans in a timely manner. Slightly more than half (54.8 per cent) of this group stated that they stick to the agreed repayment plan (see Table 3.12 below). This is compared to 70.2 per cent of those aged 30 to 34. However, this may not necessarily be a reason for concern. Those aged 21 to 24 are also the least likely to have loans to service.

Their attitudes may change later on, if or when they have to take out loans and learn to manage their finances.

Respondents with lower incomes had a slightly lower tendency to stick to the agreed payment plan. Whereas more than seven in 10 of those who earn $6,000 and above said they do so, only about half (51.4 per cent) of those who earn below $3,000 said the same (see Table 3.12 below). However, over nine in 10 of respondents in this group would at least try their best to repay the full sum. This is on par with respondents at other income levels.

Table 3.12: Loan repayment behaviour, by age cohort and income level

Demographic variable	Which of these apply to your loan repayment behaviour?		
	Stick to the agreed payment plan	Try my best to fully repay within specified timeframe, failing which I will rollover the principal amount	Usually pay minimum sum and rollover principal amount
Overall	64.9%	31.5%	3.6%
21–24 years old	54.8%	34.1%	11.1%
25–29 years old	60.1%	36.0%	4.0%
30–34 years old	70.2%	26.9%	2.9%
35–39 years old	66.6%	31.5%	1.9%
Student / NS*	69.0%	20.7%	10.3%
Unemployed / Homemaker*	30.0%	70.0%	0.0%
Below $3,000	51.4%	42.1%	6.6%
$3,000 to $3,999	61.5%	34.4%	4.1%
$4,000 to $4,999	64.4%	33.3%	2.3%
$5,000 to $5,999	65.7%	29.6%	4.7%
$6,000 to $6,999	72.4%	24.8%	2.8%
$7,000 and above	72.6%	25.0%	2.4%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group.

3.3.1 Almost one in three respondents had not missed out on any loan payments in the past year, with those aged 35 to 39 being the least likely to have done so, and higher income earners the most likely to have missed credit card payments

Even though 64.9 per cent of respondents affirmed that they stick to the agreed payment plan when repaying loans (see Table 3.12 above), only 31.5 per cent stated that they had not missed out on any payments in the last year (see Table 3.13 below). The rest had missed out on at least one type of repayment. The most common one by far is credit card bills, which 20.4 per cent of respondents had missed at least once in the last year. Respondents who reported that they did not have any loans or credit cards were not shown this question.

Comparing the proportions of respondents in different age cohorts who indicated that they had missed out on loan repayments in the past year, the figures are consistent by age for personal, real estate and motor vehicle loans, as well as Buy Now Pay Later instalments (see Table 3.13 below). For credit card bills, those aged 21 to 24 were the least likely to have missed out on payments (11.1 per cent), whereas more than a quarter (25.8 per cent) of those aged 30 to 34 had done so.

Overall, older respondents are less likely to have missed out on agreed payments for loans. Nearly four in 10 of those aged 35 to 39 indicated that they had not missed out on repayments for any of their loan types, compared to about two in 10 of those aged 21 to 24. This may indicate growing ability to manage one’s loan repayments over time, perhaps with more experience and additional financial obligations that respondents must be responsible for.

Whereas only about one in 10 (11 per cent) of those who earn less than $3,000 per month have missed out on credit card bill payments in the past year, the figure is more than double for those who earn $4,000 and above (see Table 3.13 below). About 21.2 per cent of those who earn $4,000 to $4,999 have missed out on credit card bill payments, and this rises to 29.5 per cent of those who earn $6,000 to $6,999. It may be that those who earn lower incomes tend to be much more mindful to avoid accidentally missing payments, for fear of incurring late charges that may pose a strain on their finances. Meanwhile, late charges are not as much of a deterrent to those who earn higher incomes.

Table 3.13: Respondents' missed repayments, by age cohort and income level

Demographic variable	Any missed agreed payment schedule (e.g., every month) in the last year?					
	Credit card bill	Personal loan	Real estate loan	Motor vehicle loan	BNPL instalment	None of the above
Overall	20.4%	4.9%	7.7%	3.8%	4.6%	31.5%
21–24 years old	11.1%	4.0%	2.4%	3.0%	2.4%	20.2%
25–29 years old	20.5%	8.1%	8.3%	4.2%	3.2%	26.9%
30–34 years old	25.8%	4.6%	9.4%	3.0%	5.1%	31.4%
35–39 years old	19.3%	3.2%	7.1%	3.9%	4.3%	39.3%
Student / NS*	4.3%	2.1%	1.1%	0.0%	0.0%	17.0%
Unemployed / Homemaker*	18.8%	0.0%	6.3%	18.8%	0.0%	12.5%
Below $3,000	11.0%	5.4%	5.4%	2.4%	6.5%	25.3%
$3,000 to $3,999	15.8%	3.9%	5.8%	2.5%	3.0%	31.9%
$4,000 to $4,999	21.2%	4.3%	4.9%	2.8%	2.1%	36.2%
$5,000 to $5,999	27.2%	2.1%	9.7%	3.1%	2.4%	34.8%
$6,000 to $6,999	29.5%	6.8%	13.2%	3.2%	2.6%	31.6%
$7,000 and above	28.1%	9.6%	10.4%	7.7%	7.1%	29.8%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

3.3.2 Among respondents who had missed out on loan repayments, additional charges were lowest for BNPL plans

Respondents who had missed payments incurred additional charges as a result. Due to differing principal sums for each respondent's loan(s), as well as differing numbers of respondents who had missed out on repaying each type of loan, it is difficult to make any comparisons. However, it may be interesting to note which ranges of additional charges are more common for each type of loan. For Buy Now Pay Later instalments, for instance, most of the additional charges fall within the lowest ranges, with 61 per cent of respondents paying between $1 and $300 as a result of missing payments (see Table 3.14 below). By comparison, the additional charges incurred for missing credit card bill repayments tended to be spread out across higher ranges.

Table 3.14: Additional charges due to missed payments

	Credit card bill	Personal loan	Real estate loan	Motor vehicle loan	BNPL instalment
$1 - $100	17.8%	8.5%	4.6%	4.4%	24.7%
$101 - $200	16.1%	15.1%	5.1%	20.4%	19.5%
$201 - $300	9.2%	11.1%	14.2%	18.2%	16.8%
$301 - $400	9.4%	13.2%	15.9%	14.0%	6.9%
$401 - $500	11.0%	9.6%	12.0%	11.1%	11.5%
$501 - $1,000	11.7%	10.9%	9.0%	7.1%	4.8%
$1,001 - $2,000	7.4%	9.7%	17.0%	5.9%	11.9%
$2,001 - $3,000	8.8%	10.1%	12.6%	3.4%	1.0%
$3,001 - $4,000	7.0%	8.1%	3.3%	5.9%	1.9%
$4,001 - $5,000	1.0%	1.0%	5.1%	2.8%	0.0%
Above $5,000	0.6%	2.7%	1.3%	6.7%	1.0%
N	409	99	154	77	91

3.4 Respondents were most likely to find it justifiable to take out a loan to fund housing or education

Respondents were presented with a variety of expenses, and asked how justifiable they felt it was to take out a loan to finance each one. The six-point scale given was: totally unjustifiable, unjustifiable, somewhat unjustifiable, somewhat justifiable, justifiable, and totally justifiable. For the purpose of clarity, the following analysis mostly collapses these into two categories: respondents either feel that something is broadly justifiable, or broadly unjustifiable.

A simple majority (more than half) felt it was justifiable to take out a loan for all the expenses, with the exceptions being a vacation to an exotic destination and an expensive branded item (see Table 3.15 below). Respectively, only 44.3 per cent and 39.1 per cent felt it was justifiable to fund these purchases using a loan. Moreover, there is quite a strong sentiment that borrowing to buy these items is unjustifiable. Looking at the more detailed breakdown of responses, 17.1 per cent indicated that it is “totally unjustifiable” to get a loan to fund a vacation, while 23.2 per cent feel the same way for buying an expensive branded item. These figures are more than twice than the proportions of those who found it “totally unjustifiable” to fund any other type of expense listed (ranging from 1.6 to 8.2 per cent).

The disapproval towards borrowing for these purposes may be because they are considered non-necessities. In line with this logic, one expense that polarised respondents is hosting a wedding reception. Slightly more than half, or 55.7 per cent, think it is justifiable to fund this by taking out a loan. The split may arise from respondents’ differing views on how extravagant a wedding reception should be, especially in consideration of the couple’s financial situation.

Loans viewed as most justifiable were all related to education or housing (see Table 3.15 below). In order, the top four were: housing (88.2 per cent), a postgraduate degree or diploma (77.7 per cent), a bigger home (76.4 per cent) and an undergraduate degree (75.9 per cent). This reflects normative pragmatic concerns of Singaporeans in securing needs such as a roof over one's head and the educational qualifications necessary to compete in the job market.

Table 3.15: Justifiability of taking out various loans, ranked by most justifiable

To what extent do you think it is justifiable to take out a loan from any source (bank, money lender, friends) or instalment plan with interest to fund the following expenses?	Somewhat justifiable / Justifiable / Totally justifiable
Housing	88.2%
A postgraduate degree or diploma	77.7%
A bigger home	76.4%
An undergraduate degree	75.9%
Furniture that is a large purchase, (e.g., television, sofa, refrigerator)	68.7%
Insurance premiums	64.3%
Living expenses for the month	64.0%
Personal computing devices (e.g., laptop, tablets, smartphones)	64.0%
Hosting a wedding reception	55.7%
Vacation to an exotic destination	44.3%
Expensive branded item (e.g., bag, shoes, clothes)	39.1%

3.4.1 Those aged 35 to 39 are less likely to find it justifiable to take out a loan to fund an undergraduate or postgraduate degree; those with above secondary education who do not have a bachelor's degree are most likely to find it justifiable to take out a student loan

However, those aged 35 to 39 were less likely to find it broadly justifiable to take out a loan to fund an undergraduate (68 per cent) or postgraduate degree (71 per cent). This is compared to about eight in 10 respondents for both types of degree in all the other age cohorts.

Those aged 35 to 39 are the oldest respondents in the sample and have probably spent the longest time out of the school system and gaining skills via on-the-job training. This may explain why they do not find it as justifiable to take out a loan to fund an undergraduate or postgraduate degree. Alternatively, this may be a generational difference. Younger respondents have grown up in an environment where university qualifications are perceived as a baseline requirement to be competitive in the job market, and thus can more easily justify taking a loan to acquire them. It is also possible that respondents belonging to the oldest age group have accumulated enough resources that they are able to pay for more education without taking out loans.

Meanwhile, respondents across all age cohorts were consistent in their views on taking out loans for housing and a bigger home. Around nine in 10 respondents across all age cohorts found it broadly justifiable to take out a loan for housing, while nearly eight in 10 respondents across all age cohorts felt the same way for funding a bigger home.

There is a slight inverted U-shaped distribution in how justifiable respondents with different education levels found it to take out a student loan. Those with polytechnic or professional qualifications, or those in the process of obtaining a bachelor’s degree, were most likely to feel this way. More than eight in 10 such respondents find it justifiable to take out a loan for undergraduate (82.6 per cent) or postgraduate education (84 per cent). It is likely that many more of these respondents are aspiring or currently using loans to further their education.

Those who have a bachelor's degree or above are more likely than those with secondary or ITE level education to find it broadly justifiable to take out a loan to fund an undergraduate degree. About 77 per cent of those with a bachelor's degree feel this way, compared to 68.4 per cent of respondents with secondary or ITE level education. For postgraduate education, there is no substantial difference in views between these two groups.

3.4.2 Higher income earners are more likely to find it justifiable to take out a loan to pay for a vacation or branded item; men are slightly more likely than women to find it justifiable to take out a loan to pay for an expensive branded item

Respondents earning less than $3,000 per month were the least likely to find it broadly justifiable to take out a loan to fund a vacation (36 per cent) or branded item (28.6 per cent). Those who earn more generally had a greater tendency to find this justifiable. More than half of the group who earn $7,000 and above found it justifiable to borrow money in these two cases — 57.9 per cent for a vacation, and 52.2 per cent for an expensive branded item. This is likely because those who earn more feel more able to pay back loans and are thus not as worried about incurring them, even for more frivolous reasons.

Although fewer than half feel this way, men are slightly more likely than women to find it justifiable to take out a loan for an expensive branded item. About 46.4 per cent of male respondents feel this way, compared to 34.7 per cent of female respondents.

The figures for the justifiability of taking out a loan to pay for an exotic destination do not differ as much by gender, but men once again find this more justifiable. About 48.1 per cent of men feel this way, compared to 41.1 per cent of women.

3.4.3 Respondents who have loans to service are slightly more likely to find it justifiable to take out a loan or instalment plan to buy furniture and personal computing devices, or host a wedding reception

Respondents servicing at least one loan, meaning they are currently in debt, are slightly more likely to see taking out loans or instalment plans to purchase furniture that is a large purchase, personal computing devices, or to host a wedding reception as justifiable. Just under six in 10 respondents without debts, or 59.3 per cent, felt this way about purchasing furniture, compared to 72.5 per cent of respondents who are servicing at least one. About half, or 54.5 per cent, of respondents who have no debt find it justifiable to take out a loan or instalment plan to buy personal computing devices, while the figure among those with loans is 68.9 per cent. Meanwhile, 60.2 per cent of respondents who have loans would find it justifiable to take out a loan or instalment plan to host a wedding reception, compared to only 48 per cent of respondents without loans.

This may be because those who are channelling some of their income to paying off a debt may wish to have more flexibility when buying something relatively costly, but which they consider necessary at a certain point in their lives — namely, when they need new furniture or technological products because previous ones have spoiled, or when they get married. Taking out a loan or instalment plan in these cases would help them to manage their cashflow better. It may also be that respondents who have no loans to service are generally more averse to using credit, and prefer to pay upfront for any purchase.

3.4.4 Lower income earners are less likely than higher income earners to find it justifiable to take out a loan to pay living expenses for the month or to pay for insurance premiums

Six in 10 respondents who earn monthly incomes of below $3,000 (60.7 per cent), $3,000 to $3,999 (61.5 per cent) and $4,000 to $4,999 (60.4 per cent) find it broadly justifiable to take out a loan or instalment plan to pay for living expenses for the month. Respondents with higher incomes than this are slightly more likely to feel this way. About seven in 10 respondents who earn monthly incomes of $5,000 to $5,999 (70.7 per cent) and $7,000 and above (70.2 per cent) find it broadly justifiable to do this.

There could be several explanations for this trend. On the one hand, those who earn lower incomes may be more cautious about taking loans or instalment plans to cover living expenses because they are more likely to already have monthly cashflow issues. As such, they would be less likely to use credit to cover basic living expenses, as this would incur interest further along the road. On the other hand, those who earn higher incomes may not have had to realistically contemplate having to take out a loan or instalment plan to cover living expenses. They may be agreeing that this is justifiable in theory. Alternatively, they may have more varied and volatile sources of income, or a higher level of savings, making them not as worried about paying back a loan or making monthly instalment payments down the road.

Meanwhile, around seven in 10 respondents who earn $5,000 and above per month find it broadly justifiable to take out a loan to pay for insurance premiums. By comparison, only 56.5 per cent of those who earn below $3,000 feel the same way. The proportions are about six in 10 for those who earn $3,000 to $3,999 (62.6 per cent) and $4,000 to $4,999 (60.7 per cent). Lower income earners may not wish to incur interest rates on loans for the purpose of insurance premiums as such plans may not be as much of a priority for them if they cannot afford the premiums upfront.

3.5 About one third of respondents would forgo items until they can afford them, while the rest would turn to various avenues to borrow money

If respondents did not have enough money to pay for something that they really wanted, the tendency was to turn to various avenues to borrow the money and obtain the item. Slightly over a third of respondents, or 34.5 per cent, would forgo the item until they could afford it (see Table 3.16 below). The rest were split across several different means, including using a credit card (20.7 per cent), making use of Buy Now Pay Later plans (14.2 per cent) and borrowing from other sources.

When compared across demographic characteristics, it was found that lower income earners, those aged 21 to 24 years old, as well as women, are more likely to forgo the item until they can afford it. Meanwhile, as income levels increase, there is a general trend for respondents to prefer using credit cards or BNPL plans to pay for the item. The tables showing income, age, and gender differences can be found in Tables B2.1 to B2.3 in Appendix B.

Table 3.16: First resort to buy something you cannot afford

If you do not have enough money to pay for something but really want it, which of the following actions would you take as a first resort?	Percentage
Forgo the item until you can afford it	34.5%
Use your credit card to pay for expenses	20.7%
Make use of Buy Now, Pay Later (BNPL) plans	14.2%
Borrow money from parents	13.0%
Borrow from the bank	9.3%
Borrow money from friends	8.1%

4. CREDIT CARDS

Credit cards have now become highly prevalent modes of spending. We take a look at how our respondents make use of credit cards in their daily lives, as well as how they feel about it.

In general, eligibility criteria for credit cards include an income component. Applicants have to show that they are earning above a certain threshold before their credit card applications can be approved. While those currently earning incomes below such thresholds might have applied for credit cards when they were earning more, or might be holding supplementary cards issued to them by another credit card owner, it is less likely that respondents earning lower income will have access to credit cards. Therefore, it is unsurprising to see that respondents with higher reported income are more likely to hold credit cards.

Respondents seem to view credit cards as a double-edged sword. While they provide access to purchasing more items, respondents also registered some anxieties that they may overspend as a result.

4.1 Over one-third currently do not have any credit cards; another 46 per cent have one or two cards

Over one-third (36.2 per cent) of respondents either never had a credit card before, or no longer possess any. For those who indicated that they have credit cards, most had one (24.9 per cent) or two (22.1 per cent). Only 5.5 per cent indicated that they had four or more credit cards (see Table 4.1 below).

Table 4.1: Number of credit cards

Number of credit cards	Percentage
Never had a credit card	23.1%
No credit cards currently, but used to have one or more	13.1%
One	24.6%
Two	21.8%
Three	11.9%
Four or more	5.5%

Respondents who have owned at least one credit card before were also asked if they pay (or paid) their monthly credit card bills in full. Only 5.8 per cent said they never or rarely did so. In contrast, 44.9 per cent said they always pay their monthly credit card bills in full (see Table 4.2 below).

Table 4.2: Do you pay your monthly credit card bills in full?

Do you pay your monthly credit card bills in full?	Percentage
Never	3.0%
Rarely	2.8%
Sometimes	14.9%
Often	34.4%
Always	44.9%

To further examine the profile of respondents based on their payment patterns, we divided the responses of these questions based on the number of credit cards respondents own. Those who currently hold credit cards were more likely to indicate that they always or often pay their monthly credit card bills in full —

over eight in 10 such respondents indicated thus, compared to 61.6 per cent of those who used to hold credit cards. In contrast, those who said they used to have one or more, but currently do not have any credit cards, were more likely to indicate that they never or rarely paid their monthly credit card bills in full. Over one in 10 respondents who used to hold credit cards never paid their monthly credit card bills in full, compared to less than 5 per cent of those who currently own credit cards (see Table 4.3 below). It is likely that such payment patterns could have contributed to these respondents deciding to switch to a lifestyle without credit cards.

Table 4.3: Number of credit cards by Do you pay your monthly credit card bills in full?

Number of credit cards	Do you pay your monthly credit card bills in full?				
	Never	Rarely	Sometimes	Often	Always
No credit cards currently, but used to have one or more	12.2%	5.5%	20.8%	29.8%	31.8%
One	2.2%	2.2%	13.9%	34.9%	46.8%
Two	0%	1.4%	12.0%	37.8%	48.9%
Three	0%	2.9%	10.9%	35.1%	51.0%
Four or more	0%	1.8%	12.6%	29.7%	55.9%

4.1.1 Older, more educated respondents, as well as those with higher income were more likely to have credit cards

As expected, younger respondents are less likely to have any credit cards at all. Compared to under three in 10 respondents aged 25 and above, nearly half of those aged 21 to 24 said they never had a credit card before. For the three older age cohorts, the proportions of respondents indicating different numbers of credit cards were fairly similar. Meanwhile, under 15 per cent of each age group said they used to have one or more credit cards but no longer have any (see Table C1.1 in Appendix C).

When compared across employment statuses, full-time employees were most likely to have one or more credit cards (see Table C1.2 in Appendix C). This difference is expected given that applications for credit cards usually include minimal salary requirements, which are more easily met if an individual has a regular, monthly salary.

Similarly, there was an income effect on the proportion of respondents who said they have never had a credit card. Compared to 40.5 per cent of respondents with below $3,000, only 9.8 per cent of respondents earning $7,000 and above never had a credit card before. Meanwhile, respondents who were students or fulltime national servicemen were the least likely to ever have a credit card, with 63.8 per cent indicating thus. Slightly over one-third of respondents who are unemployed or homemakers never had a credit card before. This group also had the largest proportion (28.9 per cent) indicating that they used to have credit cards, but no longer do (see Table C1.3 in Appendix C). The observed income differences are to be expected given that applications for credit cards are dependent on declared income.

4.1.2 Under four in 10 of those earning below $3,000 per month always pay their monthly credit card bills in full, compared to around half of other respondents

Respondents earning between $3,000 and $4,000 per month were most likely to say they always pay their monthly credit card bills in full. While nearly half of respondents earning $4,000 and above also say so, only 38.1 per cent of those earning below $3,000 indicated that they always pay their monthly credit card bills in full (see Table 4.4 below).

Table 4.4: Paying monthly credit card bills by income level

Income level	Do you pay your monthly credit card bills in full?				
	Never	Rarely	Sometimes	Often	Always
Student/NS*	11.8%	2.9%	14.7%	20.6%	50.0%
Unemployed/ Homemaker*	0%	16.7%	37.5%	8.3%	37.5%
Below $3,000	8.4%	6.4%	22.8%	24.3%	38.1%
$3,000 - $3,999	5.1%	1.6%	16.5%	26.7%	50.2%
$4,000 - $4,999	0.4%	1.1%	12.8%	40.1%	45.6%
$5,000 - $5,999	1.6%	1.2%	10.1%	41.9%	45.3%
$6,000 - $6,999	0%	1.8%	8.8%	43.9%	45.6%
$7,000 & above	1.2%	2.7%	11.5%	34.7%	49.8%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

4.1.3 Over half of those who often pay their bills in full also use credit to cope with rising living costs

Respondents who never, rarely, or sometimes pay their monthly credit card bills in full were the least likely to make use of credit card or instalment plans to cope with rising living costs — only 39.1 per cent of those with such bill payment behaviour selected these coping strategies. It is likely that those who have not been able to regularly pay their bills in full already owe late penalties, and are thus unlikely to be able to extend more credit from these sources. In contrast, 54.9 per cent of those who often pay their bills in full said they would use credit card or instalment plans to cope with rising costs, while 44 per cent of those who always pay their bills in full say so (see Table 4.5 below).

Table 4.5: Payment of credit card bills by using credit to cope with rising costs

Do you pay your monthly credit card bills in full?	Use credit card or instalment plans to cope with rising costs	
	Yes	No
Never / Rarely / Sometimes	39.1%	60.9%
Often	54.9%	45.1%
Always	44.0%	56.0%

4.2 Respondents who have one to three credit cards are slightly more likely to know how much they spend than those who have never had a credit card, but those with four or more credit cards are less likely to know this

Compared to respondents who have never had a credit card, of whom 76.8 per cent stated that they know exactly how much they spend every month, respondents with one, two or three credit cards are slightly more likely to have an exact awareness of their spending (see Table C1.4 in Appendix C). The proportions who agreed that this is the case for them range from 84.5 per cent to 85.9 per cent. There is a sharp drop, however, at four or more credit cards, with 66.7 per cent of this group having an exact awareness of their spending.

This trend may be the result of respondents who have gotten at least one credit card making a more conscious effort to track their spending. For those who have four or more credit cards, it may become difficult to track spending exactly.

4.2.1 The more credit cards a respondent has, the more likely they are to have borrowed up to their credit limit, except for those with four or more credit cards

Respondents with more credit cards were more likely to have credit card loans in the sense of borrowing up to their credit limit. About 41 per cent of those with three credit cards did so, compared to 32.8 per cent of those with two credit cards, and 25.3 per cent of those with one credit card (see Table 4.6 below).

However, in a departure from this trend, those with four or more credit cards are not more likely than those with fewer cards to have credit card loans. Just 29.7 per cent of this group indicated that this is the case, putting them on par with the proportion of those with one credit card. It may be that respondents with this many credit cards are able to spread out their spending so that they do not reach their credit limit on any one card. As for outstanding credit card fees, the likelihood of respondents paying these does not seem to vary substantially with the number of credit cards they hold.

Table 4.6: Credit loans being serviced, by respondents' number of credit cards

Number of credit cards	What type(s) of loans are you currently servicing?	
	Credit card loan (borrowing up to your credit limit)	Outstanding credit card fees
One	25.3%	8.4%
Two	32.8%	9.3%
Three	41.0%	7.1%
Four or more	29.7%	13.5%

4.2.2 Respondents who have never had a credit card are less likely to find it justifiable to take out a loan to pay for a vacation or expensive item

Respondents who stated that they have never had a credit card are less likely than those with one or more credit cards, or who used to have one or more credit cards, to find it justifiable to take out a loan to pay for a vacation to an exotic destination. Whereas nearly half the respondents with up to three credit cards, or who used to have one or more credit cards, feel this way, only 38.4 per cent of those who have never had a credit card agree (see Table 4.7 below). The trend is similar for taking out loans to buy expensive items. It is possible that respondents who have never had a credit card are less inclined to using credit generally, and hence would be especially unlikely to do so for non-necessities.

Interestingly, 36.9 per cent of those with four or more credit cards find it broadly justifiable to take out a loan to pay for a vacation. This departs from the trend observed in those with one to three credit cards, as it means that those with four or more credit cards are no more likely than those who have never had a credit card, to find this justifiable. At the same time, the group of respondents with four or more credit cards are no less inclined than those with fewer credit cards to take out loans for expensive branded items (see Table 4.8 below). One possible consideration they may have is while buyer's remorse can be managed by reselling an expensive item to gain back some of the money needed to pay off a loan, the same cannot be done for a vacation.

Table 4.7: Justifiability of taking out a loan for a vacation, by respondents' number of credit cards

Number of credit cards	Taking out a loan to fund a vacation to an exotic destination					
	Totally unjustifiable	Unjustifiable	Somewhat unjustifiable	Somewhat justifiable	Justifiable	Totally justifiable
Never had a credit card	19.1%	19.5%	23.0%	21.7%	12.5%	4.2%
No credit cards currently, used to have one or more	14.9%	13.7%	24.3%	26.7%	14.1%	6.3%
One	15.7%	15.7%	22.7%	21.7%	14.7%	9.6%
Two	16.3%	11.8%	24.4%	25.3%	14.3%	7.9%
Three	13.0%	11.7%	26.8%	25.5%	15.5%	7.5%
Four or more	22.5%	10.8%	29.7%	19.8%	13.5%	3.6%

Table 4.8: Justifiability of taking out a loan for an expensive branded item, by respondents' number of credit cards

Number of credit cards	Taking out a loan to buy an expensive branded item					
	Totally unjustifiable	Unjustifiable	Somewhat unjustifiable	Somewhat justifiable	Justifiable	Totally justifiable
Never had a credit card	28.5%	19.3%	23.5%	17.1%	6.6%	5.0%
No credit cards currently, used to have one or more	16.9%	14.5%	19.6%	28.6%	14.1%	6.3%
One	24.3%	14.5%	22.7%	15.5%	14.3%	8.8%
Two	19.9%	15.4%	19.9%	22.2%	13.3%	9.3%
Three	15.9%	16.7%	18.8%	24.3%	15.5%	8.8%
Four or more	26.1%	11.7%	19.8%	26.1%	12.6%	3.6%

4.3 Over four in 10 respondents see credit cards as providing more access to purchasing items, but similar proportions also worry about credit card payments

When asked about their views towards credit cards, around three in 10 expressed neutrality about whether credit cards make them spend more or whether they feel worried about their bills. Overall, 44 per cent disagree that credit cards have gotten them into trouble. But over half of the respondents said they think about what they owe whenever they use a credit card. Over 45 per cent indicated that they buy more things than they can afford with a credit card, credit cards allow them to buy things now that they would have otherwise put off, and credit cards give them access to things they could not get without them; but similar proportions also worry about paying it off carrying a balance on their credit card month-to-month, and think about what they owe.

Overall, these sentiments seem to indicate that credit cards can provide some privileges in terms of accessibility to a range of products for sale. At the same time, however, respondents seem to express worries that there might not be enough control over their expenses when using credit cards.

4.3.1 Slightly under half believe credit cards allow them more access to different items, but similar proportions also believe credit cards induce them to buy more things or do so more impulsively

When we look specifically at purchase-related aspects, we note that most respondents hold neutral to positive perceptions about credit cards. Notably, 44 per cent disagreed that credit cards have gotten them into trouble and another 26.8 per cent neither agreed or disagreed to this statement. In addition, nearly half indicated that credit cards allow them to buy things that they would have put off purchasing till a later date (48.7 per cent) and give them access to things they could not get otherwise (48.1 per cent). Furthermore, 63.4 per cent felt that rewards, cashback and other privileges make using credit cards worthwhile (see Table 4.9 below).

However, credit cards also seem to make individuals spend more than required. Around four in 10 said that credit cards induce them to buy things they do not really need and make more impulse purchases. In addition, 46.6 per cent say that they buy more things than they can afford with a credit card (see Table 4.9 below).

Table 4.9: Respondents' views on purchasing patterns using credit cards

How much do you agree or disagree with these statements about credit cards?	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
Credit cards have gotten me into trouble	20.4%	23.6%	26.8%	18.6%	10.6%
Credit cards make me want to buy things I do not really need	9.6%	20.3%	31.3%	26.3%	12.4%
With a credit card I buy more things than I can really afford	7.9%	14.6%	30.9%	32.6%	14.0%
I make more impulse purchases when I use credit cards	8.6%	19.5%	29.5%	29.0%	13.3%
Credit cards allow me to buy things now that I would have to put off purchasing till a later date	5.5%	13.1%	32.8%	37.1%	11.6%
Credit cards give me access to things I could not get without them	6.2%	13.1%	32.5%	36.1%	12.0%
Credit cards give me rewards/cashback and/or other privileges like dining discounts that make it worthwhile for me to use them	3.1%	7.3%	26.2%	43.6%	19.8%

4.3.2 Older, higher-SES respondents less likely to say that credit cards have gotten them into trouble

Older respondents were more likely to disagree that credit cards have gotten them into trouble. Compared to 37.4 per cent of those aged 21 to 24, 54.6 per cent of those aged 35 to 39 disagreed with the statement. In addition, younger respondents were more likely to express neutrality towards this statement, with 32.7 per cent of those in the youngest age cohort doing so, compared to under 30 per cent of the other age cohorts.

For most of the income categories, roughly three in 10 indicated that credit cards have gotten them into trouble. The only exception were the respondents who earn between $4,000 and $5,000 every month — for this group, only 18.7 per cent said that credit cards have gotten them into trouble.

4.3.3 Respondents earning higher monthly income more likely to buy things they do not really need when using credit cards; younger respondents and those earning higher incomes more likely to say credit cards give them access to more things

While over four in 10 of those earning $5,000 and above agreed that credit cards make them buy things they do not really need, only around 35 per cent or less of those earning below $5,000 said the same. The only exception to this trend was the students or fulltime national servicemen, of which 50 per cent said credit cards make them want to buy things they do not really need. For the overall trend, it is possible that those with higher spending ability (as proxied by their monthly salaries) were more likely to have the capacity to make purchases beyond necessities, especially when the process is facilitated by the use of credit cards. Meanwhile students and fulltime national servicemen, being younger, might be more likely to be enticed by marketing strategies for consumer goods that they do not really need.

Older respondents were more likely to disagree or remain neutral when responding to the statement that credit cards give them access to things they could not get without (see Table C2.1 in Appendix C). It is possible that older respondents might already have more access to different things even without credit cards when compared to younger respondents, who might be earning less or have fewer networks to tap on. Therefore, the function of credit cards to open doors for consumers in terms of less accessible goods seems to decline as individuals grow older.

Compared to around four in 10 of respondents earning up to $4,999, over half of those earning $5,000 and above as well as those who are students or fulltime national servicemen indicated that credit cards give them access to things they could not get without them. Given that the average age of students and fulltime national servicemen is lower compared to the overall sample, the reason for a higher agreement rate is likely similar to the age trends found above. The lower proportions found for respondents earning below $5,000 is likely because they are less likely to own credit cards at the moment, and therefore may not have the experiences to relate to this statement.

4.3.4 Over four in 10 express some concern related to paying credit card bills, but the more frequently respondents pay their monthly credit card bills in full, the less likely they are to express bill-related concerns

But even while impressions of credit card use are relatively positive, over four in 10 respondents expressed some degree of concern related to credit card bills. Of the four statements related to bills, respondents were most likely to agree or strongly agree with the statement “Whenever I use a credit card I think about what I owe” (56 per cent). Meanwhile, 46.9 per cent said they worry about paying off a credit card bill whenever they use it, 34.9 per cent said they worry about carrying a balance on their credit card month-to-month, and 37.1 per cent said they are discouraged about the amount of money they owe on their credit card bills. An additional three in 10 respondents indicated neutrality about these statements (see Table 4.10 below).

Table 4.10: Respondents' views on credit card bills

How much do you agree or disagree with these statements about credit cards?	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
I am discouraged about the amount of money I owe on my credit card bills	9.9%	21.5%	31.6%	26.3%	10.8%
Whenever I use a credit card I think about what I owe	4.4%	11.7%	27.8%	39.2%	16.8%
Whenever I use a credit card I worry about paying it off	7.5%	17.5%	28.1%	32.5%	14.4%
I worry about carrying a balance on my credit card month-to-month	7.4%	18.0%	29.7%	29.4%	15.5%

The more often respondents pay their monthly credit card bills in full, the less likely they are to agree that they are discouraged by the amount of money they owe on their credit card bills. Compared with nearly half of those who never or rarely pay their bills in full, around one-third of those who sometimes, often, or always say they are discouraged by the amount of money they owe on their credit card bills.

Meanwhile, respondents who never pay their monthly credit card bills in full were more likely than other respondents to agree that they think about what they owe whenever they use a credit card. Over seven in 10 of those who never pay their monthly bills in full, compared with around half of the other groups, say they think about what they owe. In addition, compared to around 51 per cent of those who rarely, sometimes, or often pay their bills in full, 58 per cent of those who always pay their bills in full think about what they owe when they use a credit card. It is likely that this particular group is used to keeping tabs on their spending, which is in line with the practice of always paying their credit card bills in full.

Respondents who always pay their monthly credit card bills in full were the most likely to disagree with the statement “Whenever I use a credit card I worry about paying it off”. Compared to under 20 per cent of those who never, rarely, or sometimes pay their monthly credit card bills in full and 26.8 per cent of those who often pay their bills in full, 40.2 per cent of those who always pay their bills in full disagreed with the statement. Similarly, while over half of those who rarely (55 per cent) or never (62.8 per cent) pay their monthly credit card bills in full worry about carrying a balance on their credit card month-to-month, under half of those who pay their bills more regularly say the same.

4.3.5 Respondents without regular employment income and those earning between $5,000 and $7,000 more likely to be discouraged by amount of money they owe on credit card bills or think about what they owe

Students or fulltime national servicemen were the most likely to agree that they are discouraged by the amount of money they owe on their credit card bills, with over four in 10 indicating so. Meanwhile, around three in 10 of those who earn income from employment give similar answers. Interestingly, those earning between $5,000 and $7,000 were more likely to indicate that they are discouraged by the amount of money they owe on their credit card bills (around 40 per cent) compared to all other groups earning income from employment (ranging from 31.3 per cent to 38 per cent).

Comparing those earning below $5,000 from employment, those with lower income were more likely to say that they think about what they owe whenever they use a credit card. Compared to 51.7 per cent of students or fulltime national servicemen and 59.6 per cent of those earning below $3,000, 43.7 per cent of those earning between $4,000 and $4,999 say they will think about what they owe whenever they use a credit card. For those earning $5,000 and above, however, the proportion of respondents who say they think about what they owe increased to over 53 per cent. Further examination found that those who earn $5,000 and above are more likely to have outstanding loans compared to those earning below this amount, which is likely the reason why they are more aware of what they owe after each additional expenditure.

4.3.6 Younger respondents, those earning lower incomes, and those earning above $5,000 more likely to worry about carrying a balance on their credit cards month to month

Older respondents are less likely to say they worry about carrying a balance on their credit card month-to-month. Compared to 51.9 per cent of those aged 21 to 24 years old, just 35.2 per cent of those aged 35 to 39 years old said they worry about this issue.

Over 46 per cent of respondents earning below $4,000 said they worry about carrying a balance on their credit card month-to-month. At least 40 per cent of those earning $5,000 and above also hold such worries. Notably, 49.5 per cent of those earning between $6,000 and $7,000 worry about carrying a balance on their credit card month-to-month. This proportion is just second to that reported for the students and fulltime national servicemen (50 per cent). In comparison, the group earning between $4,000 and $5,000 had the lowest proportion expressing such views (37.1 per cent). Those who earn less each month might feel more pressure when faced with different bills, including those for credit cards, which can explain why nearly half of the respondents in the lower income categories express worry (see Table C2.2 in Appendix C). Given the loan commitments of higher-income groups mentioned in the section above, the concerns expressed by those earning $5,000 and above likely reflect their combined worries about their credit card bills as well as other outstanding loans.

5. BUY NOW, PAY LATER (BNPL) PLANS

One form of payment that has gotten attention recently is Buy Now, Pay Later (BNPL) plans. These are usually arrangements made for individual purchases facilitated by an online platform. The recent Code of Conduct for companies offering BNPL schemes has introduced regulations to curb the likelihood of users incurring debt as a result of using such plans. These include a cap on late fees, and a suspension of users' accounts when fees are overdue. There is also a creditworthiness assessment before the BNPL limit is increased above a threshold of $2,000 (Chor, 2022b).

At the time the survey was carried out, however, the Code had only just been rolled out. Although respondents may have read the details in the news, most of their views as presented in this chapter largely reflect the climate before greater safeguards were put in place. Thus, while respondents generally held a mixed view of BNPL plans similar to views on credit cards — believing them to be useful in providing access to purchasing items, while also posing some risk of incurring debts — they were slightly more worried about BNPL.

5.1 Nearly seven in 10 respondents have used a Buy Now, Pay Later (BNPL) plan before

Only slightly more than half of the respondents said they have used a BNPL plan before. But when we took a look at the respondents who indicated using at least one specific BNPL plan, this proportion increased to 65.4 per cent (see

Table 5.1 below). It is possible that respondents might not have been sure about whether certain plans were classified as BNPL even though a definition was provided to them. Another possibility is that respondents answered the first question based on an overall perception of their own spending behaviour, and only recalled using different plans when prompted with the names. Going forward, we will examine the results based on those who have reported using at least one BNPL plan.

We also note that many BNPL providers might offer first-time user discounts to consumers making eligible purchases. Therefore, there might be individuals who decide to make use of the BNPL provider for a one-time purchase just to enjoy the discounts, and do not use the plans regularly afterwards. Hence, we do recognise that these questions do not identify regular users of BNPL plans.

However, we note that even for existing users of apps like Grab and ShopBack, which provide other services other than BNPL plans, there are additional steps to go through before the user can successfully make use of the BNPL function. Even respondents who only use such plans once would have taken the extra effort to go through the application process. As the findings in Table 5.3 below will show, some respondents remain unaware of many apps providing such plans. Therefore, while the proportion of frequent users is undoubtedly important information, the intent of this survey is to first provide an understanding of the proportion of young Singaporeans who have come into contact with BNPL plans before, rather than look at frequent users.

Table 5.1: Using BNPL plans

BNPL plans	Yes	No
Have you ever used a Buy Now, Pay Later (BNPL) plan?	51.5%	48.5%
Indicated use of at least one BNPL plan (see Table below for specific plans asked)	65.4%	34.6%

Advertisements were the most common way in which respondents found out about BNPL plans, followed by word of mouth. Over seven in 10 said that they found out about BNPL plans through advertisements (see Table 5.2 below).

Table 5.2: Getting to know BNPL plans

BNPL plans	Selected
Advertisements	73.8%
Word of mouth	43.3%
Others (eg. Alerted when using the apps for other uses, informed by salespeople when paying in stores that offer such plans)	1.0%

Grab PayLater was the most well-known BNPL plan, followed by ShopBack PayLater, Fave Pay, and Atome. But even though between 66.3 per cent and 82.4 per cent of the respondents have heard of these four plans, only around three in 10 of all respondents have actually made use of these plans (see Table 5.3 below).

Table 5.3: BNPL plans

Buy Now, Pay Later (BNPL) instalment plans	Know of	Use	Never heard of
Grab PayLater	82.4%	30.6%	17.6%
ShopBack PayLater	74.3%	26.6%	25.7%
Fave Pay	70.9%	26.3%	29.1%
Atome	66.3%	30.6%	33.7%
Hoolah	50.9%	18.2%	49.1%
Pace	44.4%	14.9%	55.6%
Rely	40.7%	15.4%	59.3%
LatitudePay	37.5%	13.2%	62.5%

In addition, most respondents' social circles are quite open to BNPL plans. Overall, 22.5 per cent say that many of their friends use BNPL plans while another 52.8 per cent say that their friends are open to using such plans (see Table 5.4 below).

Table 5.4: Respondents' friends' attitudes towards BNPL plans

Friends' attitudes to BNPL plans	Percentage
Most or many of them use such plans	22.5%
Most or many of them are open to using such plans	52.8%
Most or many of them would not use such plans	18.5%
Most or many of them do not know of such plans	6.2%

5.1.1 Respondents aged 30 to 34 years, earning higher income, or who own credit cards more likely to have used at least one BNPL plan before

Respondents aged 30 to 34 were the most likely to have used such plans before, with 72.3 per cent indicating usage of at least one plan. In contrast, only 53.2 per cent of those aged 21 to 24 have used at least one BNPL plan before (see Table 5.5 below).

Respondents earning higher income were more likely to have used at least one BNPL plan before. In particular, over eight in 10 respondents earning between $6,000 and $7,000 indicated use of at least one BNPL plan (see Table 5.5 below). It should also be noted that even for those earning below $4,000 per month, over half of the groups with more than 50 respondents indicate that they have used at least one BNPL plan before. This does indicate a large take-up rate across all income levels, likely because there are lower income restrictions — or even none, in some cases — to use BNPL plans compared to credit cards.

Those who have never owned a credit card were less likely to have used BNPL plans before. It was the only group with less than half indicating use of at least one BNPL plan. In contrast, around three-quarters of those who have two or more credit cards have used at least one BNPL plan before (see Table 5.5 below).

Respondents with friends who are also using BNPL plans or open to using BNPL plans were much more likely to also have used BNPL plans before. While 86.4 per cent of those with social circles mostly using BNPL plans and 74.6 per cent of those with most friends open to using BNPL plans have used at least one such plan before, just 46.7 per cent of those with friends who would not use such plans and 27.7 per cent of those with friends who do not know of these plans say they have used BNPL plans before (see Table 5.5 below). Therefore, the use of BNPL plans and the financial behaviour of the individual's social circle do appear correlated to some extent. However, it is not clear from this trend whether individuals tend to make friends with those who have similar financial habits, or if they are influenced by their friends.

Table 5.5: Used at least one BNPL plan by age cohort, income level, number of credit cards owned, and friends' attitudes to BNPL

Demographic variable	Used at least one BNPL plan before	
	Yes	No
21–24 years old	53.2%	46.8%
25–29 years old	69.3%	30.7%
30–34 years old	72.3%	27.7%
35–39 years old	59.8%	40.2%
Student/ NS	56.4%	43.6%
Unemployed/ Homemaker*	42.1%	57.9%
Below $3,000	54.8%	45.2%
$3,000 - $3,999	54.3%	45.7%
$4,000 - $4,999	65.0%	35.0%
$5,000 - $5,999	73.1%	26.9%
$6,000 - $6,999	81.1%	18.9%
$7,000 and above	77.0%	23.0%
Never had a credit card	43.0%	57.0%
Used to own credit card	68.2%	31.8%
One credit card	66.7%	33.3%
Two credit cards	76.9%	23.1%
Three credit cards	78.2%	21.8%
Four or more credit cards	72.1%	27.9%
Most or many of them use such plans	86.4%	13.6%
Most or many of them are open to using such plans	74.6%	25.4%
Most or many of them would not use such plans	46.7%	53.3%
Most or many of them do not know of such plans	27.7%	72.3%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

5.1.2 Older respondents and those earning higher income had social circles more open to using BNPL plans

Older respondents have social circles that are more receptive to BNPL plans. While 66.5 per cent of the youngest cohort had friends who would use or are open to using such plans, over 72 per cent of the other three older cohorts provided such descriptions of their social circles (see Table 5.6 below).

While around two-thirds of students and fulltime national servicemen as well as those earning below $3,000 had friends using such plans or were open to them, over seven in 10 of those earning $3,000 and above said the same. In particular, 80.3 per cent of those earning $7,000 and above had friends who were open or already using BNPL plans (see Table 5.6 below).

Table 5.6: Respondents' friends' attitudes towards BNPL plans by age cohort and income level

Demographic variable	Respondents' friends' attitudes towards BNPL plans			
	Most or many of them use such plans	Most or many of them are open to using such plans	Most or many of them would not use such plans	Most or many of them do not know of such plans
21–24 years old	16.9%	49.6%	24.1%	9.4%
25–29 years old	18.4%	57.7%	19.0%	4.9%
30–34 years old	26.3%	53.0%	16.4%	4.3%
35–39 years old	21.1%	51.5%	20.5%	7.0%
Student/ NS	14.0%	53.5%	22.1%	10.5%
Unemployed/ Homemaker*	5.9%	41.2%	35.3%	17.6%
Below $3,000	19.2%	48.1%	19.8%	12.9%
$3,000 - $3,999	15.9%	55.1%	24.3%	4.7%
$4,000 - $4,999	19.0%	60.1%	18.0%	2.9%
$5,000 - $5,999	24.7%	54.8%	13.6%	6.8%
$6,000 - $6,999	18.7%	58.8%	19.8%	2.7%
$7,000 and above	32.0%	48.3%	17.4%	2.2%

Note: Rows marked with asterisk (*) indicate that there are less than 50 respondents belonging to the group

5.1.3 Respondents more likely to use BNPL plans for expenditure planning reasons

We provided a list of five possible reasons for using BNPL plans. Respondents were asked to select all the reasons that applied to them, then rank the selected reasons according to importance.

Convenience and managing monthly expenditures were the two most popular reasons for using BNPL plans. Around four in 10 respondents chose either of these two reasons when asked. Other reasons include to save money (35.3 per cent), to buy essential items if money is tight (34.8 per cent), and to buy costly items they typically cannot afford (23.7 per cent). When asked to rank the reasons they chose, the ones most typically chosen as the most important reasons were to manage monthly expenditures (15 per cent) and buy essential items if money is tight (14.7 per cent) (see Table 5.7 below). Based on these responses, it appears that the use of BNPL plans were mostly to meet pragmatic objectives like expenditure planning or saving money, rather than to fulfil the desire to purchase more high-value items.

Table 5.7: Reasons for using BNPL plans

BNPL plans	Selected	Most important reason
For convenience	40.9%	13.7%
To manage my monthly expenditure	40.3%	15.0%
To save money	35.3%	13.0%
To buy essential items if money is tight	34.8%	14.7%
To buy costly items I cannot typically afford	23.7%	8.4%

All age cohorts made use of BNPL plans for reasons related to money and spending rather than utilising the plans to obtain material possessions. For the youngest cohort, saving money was the most popular reason, with 42.4 per cent selecting it. Meanwhile the second most popular reason was convenience, selected by 36.1 per cent of the cohort. There were two equally popular reasons for respondents aged 25 to 29 — both convenience and managing monthly expenditures were selected by 38.4 per cent of this age cohort. Convenience was the most popular reason for those aged 30 to 34, with 43 per cent selecting it. The next most popular reason was managing monthly expenditure (38.6 per cent). Meanwhile, the oldest cohort was more likely to choose managing monthly expenditures (47.2 per cent) and convenience (40.3 per cent) (see Table 5.8 below).

Students or fulltime national servicemen were most likely to say that they use BNPL plans for convenience (45.3 per cent) or to save money (41.5 per cent). Meanwhile, those earning below $3,000 per month was the only group that had buying essential items if money is tight as the most popular reason (41.3 per cent). The most popular reason for those earning between $3,000 and $5,000 was to manage monthly expenditures. For those earning between $5,000 and $6,000, convenience and managing monthly expenditures were both equally popular. Meanwhile, convenience was the most commonly chosen reason for respondents earning $6,000 and above (see Table 5.8 below).

Table 5.8: Reasons for using BNPL plans by age cohort and income level

Demographic variable	Reasons				
	Buy essential items if money is tight	Buy costly items I cannot afford	Convenience	Save money	Manage monthly expenditure
21–24 years old	29.1%	22.8%	36.1%	42.4%	32.9%
25–29 years old	35.9%	21.9%	38.4%	35.1%	38.4%
30–34 years old	36.0%	27.6%	43.0%	30.3%	38.6%
35–39 years old	31.6%	20.8%	40.3%	38.3%	47.2%
Student/ NS	20.8%	17.0%	45.3%	41.5%	30.2%
Unemployed/ Homemaker*	31.3%	12.5%	31.3%	18.8%	18.8%
Below $3,000	41.3%	25.0%	37.0%	35.9%	35.9%
$3,000 - $3,999	35.2%	21.4%	36.7%	30.1%	47.4%
$4,000 - $4,999	36.2%	27.7%	34.7%	35.2%	41.8%
$5,000 - $5,999	33.5%	24.1%	35.8%	37.3%	35.8%
$6,000 - $6,999	27.3%	23.4%	40.9%	29.2%	39.0%
$7,000 and above	34.0%	23.4%	51.1%	39.0%	42.9%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

5.2 Around half are aware of late BNPL penalties; around four in 10 always pay their BNPL instalments in full

Respondents who said they know of different BNPL plans as well as those who have used BNPL plans before were also asked about their awareness of BNPL late penalties. Overall, 51.3 per cent indicated that they were aware of them, 31.5 per cent were unaware, while 17.3 per cent were unsure (see Table 5.9 below). Meanwhile, 39.9 per cent said they always pay their monthly BNPL instalments in full, while 38.2 per cent say they do so often. In contrast, only 4.1 per cent never or rarely pay their instalments in full (see Table 5.10 below).

Table 5.9: Awareness of penalties for late BNPL payments

Are you aware of the penalties if you miss out on payments for BNPL plans?	Percentage
Yes	51.3%
No	31.5%
I'm not sure	17.3%

Table 5.10: Do you pay your monthly BNPL instalments in full?

Do you pay your monthly BNPL instalments in full?	Percentage
Never	1.2%
Rarely	2.9%
Sometimes	17.7%
Often	38.2%
Always	39.9%

Compared to respondents who are aware or unsure of BNPL late penalties, those who say they do not know the late penalties are much less likely to always pay their monthly BNPL instalments in full. Over four in 10 of those who are aware or unsure always pay their monthly instalments in full, while only 28.5 per cent of those who are unaware do so (see Table 5.11 below).

Table 5.11: Payment of BNPL instalments by awareness of BNPL late penalties

Are you aware of the penalties if you miss out on payments for BNPL plans?	Do you pay your monthly BNPL instalments in full?				
	Never	Rarely	Sometimes	Often	Always
Yes	1.0%	1.7%	14.7%	38.7%	43.9%
No	1.0%	6.7%	26.0%	37.8%	28.5%
I'm not sure	2.8%	4.0%	15.3%	35.2%	42.6%

5.2.1 Respondents who may miss their monthly BNPL instalments split between the four possible strategies; those who try to pay back the penalties on their own more likely to have used the BNPL plan with full knowledge of terms and conditions

For respondents who do not always pay their monthly instalments in full (60.1 per cent of the respondents who use BNPL plans, or 39.3 per cent of the entire sample), we asked them an additional question on their next course of action after missing a payment for a BNPL plan. Respondents were quite evenly spread across the four different options, with borrowing money from friends or parents (29.2 per cent) being slightly more popular than the other three (23 to 24 per cent for each option) (see Table 5.12 below).

Table 5.12: Response to missing on BNPL payments

If you cannot meet the payments for one BNPL plan, how do you respond?	Proportion of respondents who missed payments	Proportion of sample
Accept late payment penalties and continue paying when I can	23.0%	9.1%
Borrow money (eg. from friends or parents) to make the payment	29.2%	11.5%
Start using a different BNPL plan for other purchases	24.5%	9.6%
Stop using BNPL plans until I can pay off my current purchases	23.3%	9.1%

Respondents who said they would accept late payment penalties and continue paying when they are able to were most likely to be aware of BNPL late penalties. Over seven in 10 of this group indicated thus, compared to 61.6 per cent of those who would stop BNPL plans until they can pay off their current purchases, 59.8 per cent of those who would use a different BNPL plan instead, and 46.7 per cent who would borrow money to make the payment (see Table 5.13 below). These patterns suggest that those who are more accepting of penalties and would try to ensure they get out of the situation with their own financial resources typically choose to use BNPL plans after they obtain full knowledge of all possible outcomes. Meanwhile, those who make use of other sources of funds to continue their use of BNPL plans are less likely to have taken note of all the terms and conditions before using the plans.

Table 5.13: Awareness of BNPL late penalties by response to missing on BNPL payments

If you cannot meet the payments for one BNPL plan, how do you respond?	Are you aware of the penalties if you miss out on payments for BNPL plans?		
	Yes	No	Not sure
Accept late payment penalties and continue paying when I can	70.9%	20.7%	8.4%
Borrow money (eg. from friends or parents) to make the payment	46.7%	35.4%	17.9%
Start using a different BNPL plan for other purchases	59.8%	32.0%	8.2%
Stop using BNPL plans until I can pay off my current purchases	61.6%	22.7%	15.7%

5.2.2 Over seven in 10 respondents who always pay their credit card bills in full also do the same for their BNPL payments

As expected, respondents who always pay their credit card bills in full were also more likely to say they always pay their BNPL instalments in full. Over seven in 10 respondents who regularly pay off their credit card bills said they also always pay off their BNPL instalments. The reverse trend was also found — 58.8 per cent of those who never, rarely, or sometimes pay their credit card bills in full also behaved the same way with their BNPL instalments (see Table 5.14 below). These results suggest that individuals are likely to have similar payment patterns with different types of bills. It might be of interest to look further at the group that typically do not pay their bills in full.

Table 5.14: Payment of BNPL instalments by payment of credit card bills

Do you pay your monthly credit card bills in full?	Do you pay your monthly BNPL instalments in full?		
	Never/ Rarely/ Sometimes	Often	Always
Never/ Rarely/ Sometimes	58.8%	26.4%	14.8%
Often	14.5%	66.8%	18.7%
Always	6.6%	20.5%	73.0%

5.2.3 Respondents aged 30 to 34 and those earning higher incomes more aware of BNPL late penalties and always pay their BNPL instalments in full; those aged 35 to 39 also more likely to always pay their BNPL instalments in full

Over half of the respondents aged 25 to 34 were aware of BNPL late penalties. In contrast, around 44 per cent of those aged 21 to 24 and those aged 35 to 39 said the same. Looking at the overall patterns, respondents aged 30 to 34 were the most aware of BNPL late penalties: only 25.4 per cent said they did not know of the late penalties, compared to at least 33 per cent of the other age cohorts (see Table 5.15 below).

Similar age trends were found for payment behaviour. Compared to those younger than 30 years old, respondents aged 30 to 39 were more likely to repay their monthly BNPL instalments in full often or all the time. While 72.2 per cent of the youngest age cohort and 73 per cent of those aged 25 to 29 pay their monthly instalments in full often or always, 82.2 per cent of those aged 30 to 34 and 81.5 per cent of those aged 35 to 39 said the same (see Table 5.16 below).

Meanwhile, respondents earning higher salaries were more likely to be aware of BNPL late penalties and always pay their BNPL instalments in full. While under half of those earning below $5,000 said they were aware of BNPL late penalties, 61.9 per cent of those earning $7,000 and above indicated so (see Table 5.15 below). Compared to 66.3 per cent of those earning below $3,000, 85.8 per cent of those earning between $6,000 and $7,000 as well as 82.2 per cent of those earning $7,000 and above pay their monthly BNPL instalments in full often or all the time (see Table 5.16 below).

Table 5.15: Awareness of BNPL late penalties by age cohort and income level

Demographic variable	Are you aware of the penalties if you miss out on payments for BNPL plans?		
	Yes	No	I'm not sure
21–24 years old	43.9%	36.7%	19.4%
25–29 years old	51.8%	34.1%	14.1%
30–34 years old	59.5%	25.4%	15.1%
35–39 years old	44.3%	33.3%	22.4%
Student/ NS	34.9%	43.0%	22.1%
Unemployed/ Homemaker*	41.2%	20.6%	38.2%
Below $3,000	47.8%	30.8%	21.4%
$3,000 - $3,999	44.2%	34.0%	21.8%
$4,000 - $4,999	47.3%	32.2%	20.6%
$5,000 - $5,999	56.6%	33.7%	9.7%
$6,000 - $6,999	56.1%	29.4%	14.4%
$7,000 and above	61.9%	27.3%	10.8%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

Table 5.16: Payment of BNPL instalments by age cohort and income level

Age cohort	Do you pay your monthly BNPL instalments in full?				
	Never	Rarely	Sometimes	Often	Always
21–24 years old	1.3%	6.3%	20.3%	28.5%	43.7%
25–29 years old	1.5%	3.3%	22.1%	31.8%	41.2%
30–34 years old	1.1%	3.1%	13.6%	43.4%	38.8%
35–39 years old	1.0%	1.7%	15.8%	42.9%	38.6%
Student/ NS	0%	7.5%	11.3%	24.5%	56.6%
Unemployed/ Homemaker*	0%	6.3%	25.0%	25.0%	43.8%
Below $3,000	2.7%	4.9%	26.1%	26.1%	40.2%
$3,000 - $3,999	1.5%	1.5%	20.4%	33.7%	42.9%
$4,000 - $4,999	0.9%	4.7%	15.5%	46.0%	32.9%
$5,000 - $5,999	2.4%	2.4%	17.5%	43.4%	34.4%
$6,000 - $6,999	0%	1.3%	13.0%	48.1%	37.7%
$7,000 and above	0.4%	2.8%	14.5%	36.5%	45.7%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

5.3 Over two-thirds say that they make more purchases per month after they started making use of BNPL plans

Use of BNPL plans seems to make respondents more likely to make more purchases, with over two-thirds expressing this opinion (see Table 5.17 below). When compared with payment behaviour, it is clear that those who do not always pay their bills in full were more likely to believe that they make more purchases after using BNPL plans. Around three-quarters of those who never, rarely, sometimes, or often pay their BNPL instalments in full said it is likely true that they make more purchases after they started using BNPL. However, it should also be noted that there are still nearly six in 10 respondents who always pay their bills in full saying that using BNPL plans has led to them making more purchases than before (see Table 5.18 below). In effect, BNPL plans have had an impact on purchase patterns and quantity of young consumers.

Table 5.17: Purchase patterns after using BNPL plans

"After I started making use of these BNPL plans, I make more purchases per month compared to before." Do you think this is true of your experience?	Percentage
Yes	24.3%
Probably yes	43.5%
Probably not	21.0%
No	11.1%

Table 5.18: Purchase patterns after using BNPL plans by payment of BNPL instalments

Do you pay your monthly BNPL instalments in full?	"After I started making use of these BNPL plans, I make more purchases per month compared to before." Do you think this is true of your experience?	
	Yes/ Probably yes	No/ Probably no
Never/ Rarely/ Sometimes	76.0%	24.0%
Often	74.1%	25.9%
Always	57.9%	42.1%

5.3.1 Number of purchases made by respondents aged 25 to 34 more likely to be affected after using BNPL plans; those earning $4,000 to $4,999 least affected

Respondents aged 25 to 34 were more likely to agree with the statement that using BNPL plans has made them start making more purchases per month. Compared to 62.1 per cent of those aged 21 to 24 and 60.7 per cent of those aged 35 to 39, 70.3 per cent of those aged 25 to 29 and 74 per cent of those aged 30 to 34 agreed with the statement to some extent (see Table 5.19 below).

All but three income groups — respondents earning below $3,000, those earning between $4,000 and $5,000, and students or fulltime national servicemen — had over seven in 10 respondents saying that they make more purchases after they started using BNPL plans. In particular, only 53.5 per cent of those earning between $4,000 and $5,000 gave such responses. In effect, over seven in 10 of those earning between $3,000 and $4,000 as well as those earning $5,000 and above have seen the number of monthly purchases they make increase after making use of BNPL plans (see Table 5.19 below).

Table 5.19: Purchase patterns after using BNPL plans by age cohort and income level

Demographic variable	"After I started making use of these BNPL plans, I make more purchases per month compared to before." Do you think this is true of your experience?			
	Yes	Probably yes	Probably not	No
21–24 years old	24.1%	38.0%	22.8%	15.2%
25–29 years old	26.0%	44.3%	18.8%	10.9%
30–34 years old	29.6%	43.4%	18.9%	8.1%
35–39 years old	15.8%	44.9%	27.1%	12.2%
Student/ NS	20.8%	41.5%	24.5%	13.2%
Unemployed/ Homemaker*	12.5%	50.0%	12.5%	25.0%
Below $3,000	23.9%	43.5%	18.5%	14.1%
$3,000 - $3,999	25.5%	45.9%	17.9%	10.7%
$4,000 - $4,999	15.0%	38.5%	36.2%	10.3%
$5,000 - $5,999	26.4%	48.1%	17.5%	8.0%
$6,000 - $6,999	26.0%	46.8%	18.8%	8.4%
$7,000 and above	31.2%	39.7%	18.1%	11.0%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

5.4 Over four in 10 believe BNPL plans make it easier for them to make more purchases of different types; over half think about what they owe when they use a BNPL plan

Around three in 10 respondents were neutral about all the questions asked regarding BNPL plans. However, a larger proportion of respondents agreed than disagreed that BNPL plans make them spend more, make more impulse purchases, and that they have concerns about paying off these BNPL instalments. There was also the prevailing sentiment that BNPL plans allow them to purchase things that they might not have access to previously, likely because of price-related concerns.

Compared to sentiments on credit cards, respondents were more worried about making more purchases and spending more money. Over half say that they think about what they owe whenever they use a BNPL plan (54.2 per cent), but also that BNPL plans allow them to buy things they would have otherwise put off purchasing till a later date (54.1 per cent) and give them access to things they could not get without them (50.8 per cent). Meanwhile, over four in 10 say that BNPL plans make it easy to buy things they do not need (48.7 per cent), they buy more things than they can afford (46.7 per cent), they make more impulse purchases with BNPL plans (33.6 per cent), and they worry about not being able to pay for their BNPL plan month-to-month (42.9 per cent).

5.4.1 Over four in 10 indicate that BNPL plans have increased their purchases in different ways; less than three in 10 say BNPL plans have gotten them in trouble, but younger respondents and those earning between $5,000 and $7,000 more likely to say this

Sentiments towards BNPL plans suggest that they are able to influence respondents to make purchases beyond what is necessary. In particular, 54.1 per cent say that BNPL plans allow them to buy things now that they would have put off purchasing till a later date, while 50.8 per cent say BNPL plans give them access they could not get without them. Over four in 10 also say that they make more impulse purchases when using BNPL plans, that BNPL plans make it easy to buy things they do not need, and they buy more things than they can really afford with BNPL plans. Essentially, BNPL plans influence purchase patterns by increasing consumption of goods and services beyond respondents' usual purchases. Interestingly, however, only 29.3 per cent say that BNPL plans have gotten them into trouble, which suggests that the increase in purchases and expenditure because of BNPL plans is still deemed by many respondents to be within reasonable limits (see Table 5.20 below).

Table 5.20: Respondents' views on BNPL plans

How much do you agree or disagree with these statements about credit cards?	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
BNPL plans have gotten me into trouble	17.0%	24.9%	28.8%	19.1%	10.2%
BNPL plans make it easy to buy things I do not need	6.2%	13.6%	31.5%	35.7%	13.0%
With a BNPL plan I buy more things than I can really afford	6.2%	14.6%	32.4%	33.2%	13.5%
I make more impulse purchases when I use BNPL plans	7.3%	16.0%	33.1%	31.0%	12.6%
BNPL plans allow me to buy things now that I would have to put off purchasing till a later date	4.1%	9.8%	32.0%	40.1%	14.0%
BNPL plans give me access to things I could not get without them	4.9%	11.8%	32.5%	36.6%	14.2%

Older respondents are less likely to agree that BNPL plans have gotten them into trouble. Compared to 33.8 per cent of those aged 21 to 24, just 22.5 per cent of those aged 35 to 39 say that BNPL plans have gotten them into trouble.

When compared across income levels, those earning between $5,000 and $7,000 were most likely to say that BNPL plans have gotten them into trouble. While under three in 10 of all the other income categories agreed with the statement, 37.9 per cent of those earning between $5,000 and $6,000 as well as 33.2 per cent of those earning between $6,000 and $7,000 did so).

5.4.2 Younger respondents more likely to say that BNPL plans give them better access to purchase more items

Younger respondents were more likely to say that BNPL plans make it easy for them to buy things they do not need, that they buy more things than they can really afford with BNPL plans, and that these plans give them access to things they could not get without them. For those aged 21 to 24, 55 per cent agreed that BNPL plans make it easy to buy things they do not need. Meanwhile, around half of those aged 25 to 34, and 43 per cent of those aged 35 to 39, expressed this sentiment. When it comes to increased volume of purchases, slightly over half of those aged 21 to 29 expressed such sentiments, compared to 46 per cent of those aged 30 to 34 and 40.9 per cent of those aged 35 to 39.

The same trend applies when it comes to the statement that BNPL plans give them access to things they could not get without them. While 54.3 per cent of those aged 21 to 24 agree with this statement, just 45.4 per cent of those aged 35 to 39 said the same.

5.4.3 Respondents in the middle income categories say BNPL plans give them better access to items; over half of students or fulltime national servicemen and those earning between $5,000 and $7,000 buy more things than they can really afford with a BNPL plan

With the exception of those who earn between $4,000 and $5,000, of whom 48.2 per cent agreed that BNPL plans allow them to buy things now that they would have to put off purchasing till a later date, over half of all other income groups indicated such sentiments. In particular, 60.5 per cent of students or fulltime national servicemen as well as 58.8 per cent of those earning below $3,000 agreed with the statement. These results highlight the ability of BNPL plans to allow those with lower liquidity to purchase more items or services at the same time.

While 45 to 49 per cent of those earning between $3,000 and $5,000 as well as those earning $7,000 and above say that BNPL plans give them access to things they could not get without them, over half of all other income categories indicated the same sentiments. In particular, around 59 per cent of students or fulltime national servicemen as well as those earning between $5,000 and $6,000 expressed agreement with this statement.

Compared across income levels, respondents who are students or fulltime national servicemen or earn between $5,000 and $7,000 are more likely to say that they buy more things than they can really afford with a BNPL plan. Over half of these groups said that they buy more things than they can really afford when using BNPL plans, compared to around four in 10 of the other groups.

5.4.4 Over half think about what they owe when they use a BNPL plan, but older respondents and those earning between $4,000 and $5,000 less likely to worry about paying off BNPL plans when they use one

As shown in the sections above, BNPL plans influence respondents' purchase patterns to some extent. They also appear to make respondents more anxious about their expenditure. In particular, 54.2 per cent say that they think about what they owe whenever they use a BNPL plan, and 44.5 per cent say they worry about paying off the BNPL plan whenever they use one. In addition, 42.9 per cent say they worry about not being able to pay for their BNPL plan month-to-month, while 35.5 per cent are discouraged about the amount of money they owe on their BNPL plans (see Table 5.21 below). Still, it should be noted that nearly one-third neither agreed nor disagreed with each of the statements.

Table 5.21: Respondents' views on BNPL plans

How much do you agree or disagree with these statements about credit cards?	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
I am discouraged about the amount of money I owe on my BNPL plan(s)	11.2%	21.0%	32.3%	24.8%	10.7%
Whenever I use a BNPL plan I think about what I owe	3.9%	11.2%	30.7%	38.7%	15.5%
Whenever I use a BNPL plan I worry about paying it off	6.9%	17.6%	31.1%	32.4%	12.1%
I worry about not being able to pay for my BNPL plan month-to-month	6.4%	18.0%	32.8%	28.9%	14.0%

Respondents below 35 years old were more likely to say they worry about paying off a BNPL plan whenever they use one. In particular, around 47 per cent of those aged 21 to 29 gave such responses, compared to 37.1 per cent of those aged 35 to 39.

Overall, respondents earning between $4,000 and $5,000 were the most relaxed about the money they owe towards BNPL plans. This is surprising given that the findings in Chapter 5.2.3 indicated that this group was the least likely to say they always pay their BNPL bills in full.

Respondents earning between $6,000 and $7,000 were the most likely to say they feel discouraged about the amount of money they owe on their BNPL plans, with 43.9 per cent giving such respondents. In contrast, only 29.6 per cent of those earning between $4,000 and $5,000 responded in the same way (see Table D1.1 in Appendix D).

Respondents earning between $4,000 and $5,000 were the least likely to say that they think about what they owe whenever they use a BNPL plan, with 43.7 per cent giving such responses. Meanwhile, over half of all other the income groups agreed with this statement. In particular, 58.2 per cent of students or fulltime national servicemen as well as 44.2 per cent of those earning between $3,000 and $4,000 said they think about what they owe when they use a BNPL plan.

Just over one-third of those earning from $4,000 to $4,999 say that they worry about paying off a BNPL plan whenever they use one — the group with the lowest proportion to give such responses. In contrast, 49 per cent of those earning below $3,000 and 48.4 per cent of those earning between $5,000 and $6,000 said they worry about paying BNPL plans they use.

Compared to 33.9 per cent of those earning between $4,000 and $5,000 and 38.1 per cent of those earning $7,000 and above, those earning below $3,000 were much more anxious about not being able to pay for their BNPL plans month-to-month. Nearly half of those earning below $3,000 said they worry about their BNPL bills.

5.5 Respondents who have used BNPL plans before more likely to have social circles using BNPL plans or open to them

We also conducted some exploratory comparisons between those who have used at least one BNPL plan before and those who have never used any of such plans, to see if they have any behavioural differences towards their finances on the outset. Further statistical analyses of BNPL use can be found in Section 9.2.2.

Respondents who have used BNPL plans before were more likely to say that their most or many of their friends use such plans, or that most or many of their friends are open to using such plans. While 9.3 per cent of non-users said a majority of their social circles use BNPL plans, and another 43.8 per cent said majority of their social circles were open to using these plans, 26.7 per cent of those who have used at least one BNPL plan before said a majority of their friends use BNPL plans and another 57.8 per cent said majority of their friends are open to using such plans. Meanwhile, 13.8 per cent of non-users, compared to just 2.4 per cent of those who have used at least one BNPL plan before, said that most or many of their friends do not know of BNPL plans (see Table 5.22 below).

Table 5.22: Friends' attitudes of BNPL, by respondents' usage of BNPL

Used at least one BNPL plan before	Friends' attitudes to BNPL plans			
	Most or many of them use such plans	Most or many of them are open to using such plans	Most or many of them would not use such plans	Most or many of them do not know of such plans
Yes	26.7%	57.8%	13.1%	2.4%
No	9.3%	43.8%	33.1%	13.8%

5.5.1 BNPL users are slightly more likely than non-BNPL users to think they spend more than they earn

Over four in 10, or 42 per cent, of respondents who had used at least one Buy Now, Pay Later (BNPL) plan stated that they did, or probably did, spend more than they earn (see Table 5.23 below). This is higher than the 27.3 per cent of respondents who had never used a BNPL plan and said the same. BNPL users thus appear slightly more likely to think that they outspend their earnings. When divided by age, these trends remain the same, with the largest contrast found for those aged 30 to 34. For this age cohort, 47.5 per cent of BNPL users said that they spend more than they earn, compared to just 28.6 per cent of non-users (see Table 5.24 below).

Table 5.23: Impression of expenditure relative to income, by respondents' usage of BNPL

Used at least one BNPL plan before	Do you think you spend more than you earn?			
	Yes	Probably yes	Probably not	No
Yes	14.9%	27.1%	31.5%	26.5%
No	8.4%	18.9%	30.3%	42.3%

Table 5.24: Impression of expenditure relative to income, by respondents' usage of BNPL

Age cohort	Used at least one BNPL plan before	Do you think you spend more than you earn?			
		Yes	Probably yes	Probably not	No
21–24 years old	**Yes**	17.1%	25.9%	32.9%	24.1%
	No	8.6%	18.0%	28.8%	44.6%
25–29 years old	**Yes**	14.0%	24.5%	36.5%	25.0%
	No	9.8%	18.4%	33.3%	38.5%
30–34 years old	**Yes**	17.5%	30.0%	25.9%	26.5%
	No	10.9%	17.7%	32.0%	39.4%
35–39 years old	**Yes**	10.9%	26.7%	32.7%	29.7%
	No	4.9%	21.1%	27.5%	46.6%

5.5.2 Younger respondents who have used BNPL plans more likely to have saved at least three months' worth of expenses; opposite trend observed for older respondents

No clear differences were observed when respondents' savings were compared simply by whether they have used BNPL plans before. However, when compared across age, some interesting trends emerged. For respondents aged

21 to 24 years old, 69 per cent of those who have used BNPL plans before said they have at least three months' worth of expenses saved up, compared to 59.7 per cent of those who never used BNPL before. A similar but much less pronounced trend was observed for those aged 25 to 29.

For respondents aged 30 and above, lower proportions of those who have used BNPL plans before said that they have at least three months' worth of expenses compared to non-users. However, over two in 10 of those who have used BNPL plans before, compared to under 15 per cent of non-users, said that they have less than three months' worth of expenses saved. Consequently, slightly lower proportions of those who have used BNPL plans before said that they have no savings at all, compared to those who have never used BNPL plans before (see Table 5.25 below).

Table 5.25: Impression of expenditure relative to income, by respondents' usage of BNPL

Age cohort	Used at least one BNPL plan before	Do you have enough set aside for at least three months' worth of expenses?		
		Yes	Less than 3 months	No savings
21–24 years old	Yes	69.0%	24.9%	12.0%
	No	59.7%	31.7%	8.6%
25–29 years old	Yes	73.2%	22.2%	4.6%
	No	70.1%	23.0%	6.9%
30–34 years old	Yes	75.2%	21.3%	3.5%
	No	81.7%	11.4%	6.9%
35–39 years old	Yes	71.6%	23.1%	5.3%
	No	77.9%	14.7%	7.4%

5.5.3 Respondents who have used at least one BNPL plan are more likely to prefer spending money on things that make them happy, and less likely to think in-depth about their financial situation

Among income levels, respondents who have used at least one Buy Now, Pay Later (BNPL) plan were more likely to say that they prefer to spend money on things that make them happy rather than worry too much about the future (see Table 5.26 below). This is higher than the 53.8 per cent of respondents who had never used BNPL plans and felt the same way.

Although less than half of the respondents who have used at least one BNPL plan broadly agreed that they do not think in-depth about their financial situation, the proportion who felt this way is still higher than that of respondents who have not used BNPL plans at all. As shown in Table 5.27 below, 46.5 per cent of those who have used BNPL before felt this way, compared to 35.7 per cent of those who had not.

Table 5.26: Spending money to be happy, by income level and respondents' usage of BNPL

Income level	Used at least one BNPL plan before	I prefer to spend my money on things that make me happy rather than worry too much about the future.					
		Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student / NS	**Yes**	5.7%	7.5%	15.1%	35.8%	28.3%	7.5%
	No	2.4%	7.3%	22.0%	39.0%	19.5%	9.8%
Unemployed / Homemaker*	**Yes**	0%	12.5%	12.5%	43.8%	25.0%	6.3%
	No	13.6%	9.1%	18.2%	45.5%	4.5%	9.1%
Below $3,000	**Yes**	7.1%	15.2%	23.9%	27.2%	16.3%	10.3%
	No	7.9%	7.2%	28.3%	34.9%	13.2%	8.6%
$3,000 to $3,999	**Yes**	4.6%	16.8%	16.3%	24.5%	23.5%	14.3%
	No	4.8%	10.9%	32.7%	26.1%	17.6%	7.9%
$4,000 to $4,999	**Yes**	6.1%	19.3%	23.7%	31.6%	12.3%	7.0%
	No	4.2%	11.8%	30.2%	30.2%	17.5%	6.1%
$5,000 to $5,999	**Yes**	0.9%	6.1%	16.5%	36.3%	23.6%	16.5%
	No	7.7%	24.4%	21.8%	33.3%	6.4%	6.4%
$6,000 to $6,999	**Yes**	5.8%	8.4%	14.9%	34.4%	26.0%	10.4%
	No	0%	19.4%	27.8%	33.3%	13.9%	5.6%
$7,000 and above	**Yes**	4.6%	9.6%	20.6%	23.4%	24.8%	17.0%
	No	3.6%	16.7%	23.8%	27.4%	19.0%	9.5%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

Table 5.27: Not thinking about financial situation, by income level and respondents' usage of BNPL

Income level	Used at least one BNPL plan before	I do not think in-depth about my financial situation (e.g., income, spending, any debts) very often.					
		Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student / NS	Yes	17.0%	11.3%	20.8%	26.4%	20.8%	3.8%
	No	14.6%	19.5%	12.2%	34.1%	14.6%	4.9%
Unemployed / Homemaker*	Yes	12.5%	31.3%	12.5%	37.5%	6.3%	0%
	No	13.6%	13.6%	18.2%	31.8%	13.6%	9.1%
Below $3,000	Yes	17.9%	21.7%	22.3%	22.3%	12.0%	3.8%
	No	13.8%	25.0%	28.3%	19.1%	7.9%	5.9%
$3,000 to $3,999	Yes	18.9%	23.5%	19.4%	19.4%	11.7%	7.1%
	No	9.1%	23.0%	29.1%	20.6%	14.5%	3.6%
$4,000 to $4,999	Yes	8.5%	22.6%	27.4%	26.9%	12.7%	1.9%
	No	8.8%	32.5%	24.6%	23.7%	8.8%	1.8%
$5,000 to $5,999	Yes	4.7%	11.8%	26.4%	21.2%	19.8%	16.0%
	No	11.5%	41.0%	25.6%	12.8%	9.0%	0%
$6,000 to $6,999	Yes	9.7%	16.2%	26.0%	24.0%	13.6%	10.4%
	No	2.8%	25.0%	36.1%	22.2%	11.1%	2.8%
$7,000 and above	Yes	8.9%	20.2%	18.8%	20.2%	23.4%	8.5%
	No	22.6%	20.2%	21.4%	21.4%	8.3%	6.0%

5.5.4 BNPL users are much less likely to forgo an item until they can afford it, compared to those who have never used a BNPL plan before

Respondents who have used a Buy Now, Pay Later (BNPL) plan before are much less likely to forgo an item until they can afford it. Whereas nearly six in 10 (57.8 per cent) of respondents who have not used BNPL plans would adopt this as a first resort, only 23.5 per cent of those who have used at least one BNPL plan would (see Table 5.28 below).

Instead of forgoing the item, the top choices among BNPL users are to use credit cards (24.2 per cent) or BNPL plans (19.8 per cent) as a first resort. This group may be more inclined to using lines of credit generally. For instance, only 14 per cent of respondents who have not used BNPL plans before would use a credit card to buy something they cannot afford. Still fewer, 3.9 per cent, would use a BNPL plan for the first time in this scenario.

Table 5.28: First resort to buy something you cannot afford, by respondents' usage of BNPL

Used at least one BNPL plan before	If you do not have enough money to pay for something but really want it, which of the following actions would you take as a first resort?					
	Forgo item	Credit card	BNPL plans	Borrow from parents	Borrow from bank	Borrow from friends
Yes	23.5%	24.2%	19.8%	13.1%	11.5%	7.7%
No	57.8%	14.0%	3.9%	12.4%	4.5%	6.9%

6. GOVERNMENT INTERVENTIONS

This survey also examined respondents' perceptions towards government policies on helping the population retain their financial health. It included questions about the extent to which the government should be responsible to help individuals get out of debt, whether there should be more institutions to help individuals remain out of debt, as well as a check on whether they are receiving any one-off financial payouts that are being disbursed recently.

With the Covid-19 pandemic affecting the financial stability of millions of people globally, as well as rising living costs both at home and globally, the importance of government financial policies and assistance has been brought to the forefront. While financial payouts or institutions can help to keep individuals' heads above the water, some may argue it is the individuals' or their close ones' responsibilities to maintain their own finances. We therefore examine the opinions and perceptions of respondents relating to the role of government in this area.

The findings for this chapter indicate that respondents in general believe the first port of call for those in financial difficulty should not be the government. However, they are in favour of having more safeguards in the form of policies or institutions that can help prevent people from getting into trouble financially. There were also higher levels of tolerance for debts accrued for circumstances out of the individual's control, for example high medical expenses and loss of work. In contrast, debts incurred due to excessive spending were not seen as justifiable by a large majority.

6.1 Family and friends selected as most popular and top source of help for people unable to repay their loans

Respondents were asked to name the sources of help for people who cannot repay their loans. They were allowed to select more than one option. The results indicated that family and friends were the most popular source. Over six in 10 respondents believed that they should help those who cannot pay their loans. Meanwhile, 43.4 per cent felt that financial institutions should help, 32.5 per cent believed the government should have the responsibility, while 28.6 per cent chose the community as a source of help (see Table 6.1 below).

Table 6.1: Help for loans

When someone cannot pay their loans, who do you think should help them?	Percentage
Family and friends	62.6%
Financial institutions	43.4%
Government	32.5%
Community (social service agencies, religious institutions)	28.6%

The question on sources of help was also asked in a different way — respondents were asked to rank all four available options from most to least helpful. Again, family and friends were seen as the most helpful, with 45.4 per cent selecting it as the top choice. Financial institutions were a distant second, with 22.8 per cent selecting it as most helpful. It appears that respondents felt that the government should be the last resort, given that it had the largest proportion (33.2 per cent) choose it as the least helpful (see Table 6.2 below).

Table 6.2: Help for loans

Who do you think will be the most to the least help when someone cannot pay their loans?	Most help (1)	2	3	Least help (4)
Family and friends	45.4%	19.2%	15.5%	19.8%
Financial institutions	22.8%	32.2%	25.9%	19.0%
Community (social service agencies, religious institutions)	11.9%	27.1%	33.0%	28.0%
Government	19.8%	21.4%	25.6%	33.2%

6.1.1 Family and friends remain the most popular option across age; younger respondents more likely to name government as a source of help

Family and friends were the most popular resource regardless of respondents' age. Over four in 10 of those older than 24 felt that financial institutions should help those who cannot pay their loans, making it the second most popular option. In comparison, financial institutions were a close third for those aged 21 to 24, who were slightly more likely to believe the government should be a resource for those who cannot pay their loans. It is possible that younger respondents, given their age, have not come into too much contact with financial institutions like banks, and therefore fewer would prioritise them as sources of help. Meanwhile, the government was the least popular option for the oldest cohort, with just 24.1 per cent selecting it as an option.

6.1.2 Citizens and lower income respondents are more likely to say that government and financial institutions should help those who cannot pay their loans; higher SES respondents are less likely to think that family and friends should be a source of help

Citizens were more likely than permanent residents to say that government and financial institutions should help those who cannot pay their loans. Compared to 37.1 per cent of permanent citizens, 43.9 per cent of citizens felt that financial institutions should help. Similarly, while 26.8 per cent of PRs felt that the government should help, 34.8 per cent of citizens held this opinion.

Respondents living in private property were least likely to say that family and friends should help people who cannot repay their loans compared to the rest of the sample. While all other groups had over six in 10 selecting family and friends as an option, only 53.1 per cent of private property dwellers did the same. Meanwhile, those living in 1- to 3-room flats were less likely compared to the rest of the sample to say that financial institutions should help — only 34 per cent of this group chose financial institutions as an option, compared to over 46 per cent of the other groups.

Around six in 10 to two-thirds of respondents in each income category felt that family and friends should help those who cannot repay their loans. Notably, just 59.8 per cent of those earning below $3,000 felt that this should be the case, which is around the same as the proportion for those earning $7,000 and above (60.9 per cent). Perhaps those earning lower incomes do not feel that they have the spare capacity to help others they know with their debts, while those earning the most might believe they are likely to be the first port of call, especially if they earn more than those around them.

Perceptions towards financial institutions and the government, however, differed. With the exception of those earning $7,000 and above, lower income respondents were more likely to say that financial institutions should help. Similarly, as income levels increased, there was a general decline in the proportion of respondents who felt that the government should be a source of help (see Table E1.1 in Appendix E).

6.1.3 Family and friends viewed as top source of help regardless of SES background

A lower proportion of respondents living in private property (38.3 per cent) chose family and friends as the most helpful, compared to those living in public housing (over 45 per cent). Nonetheless, the most popular rank for family and friends for each housing category was still “most help” (see Table E1.2 in Appendix E).

Over half of those earning between $3,000 and $3,999 ranked family and friends as the most helpful. In contrast, only 36.8 per cent of those earning between $6,000 and $7,000 ranked family and friends as the most helpful (see Table E1.3 in Appendix E).

6.1.4 Youngest age cohort view government as more helpful than older respondents, and community and financial institutions as less helpful

The youngest cohort was more likely to rank government as the most helpful (28.3 per cent) or second most helpful (27.9 per cent). Meanwhile, the three older cohorts were more likely to say that that the government is the least helpful source. In particular, 39.4 per cent of those aged 35 to 39 said that the government is the least helpful source (see Table E1.4 in Appendix E).

Respondents aged 21 to 24 were more likely to perceive the community as least helpful, with 35.7 per cent selecting this option. Meanwhile, those aged 25 to 34 were more likely to rank it as third most helpful. The oldest age cohort, on the other hand, were more likely to rank it as second most helpful (see Table E1.5 in Appendix E). These findings indicate that the community is perceived to be more helpful for those in debt by older respondents.

Over three in 10 respondents said that financial institutions were the second most helpful regardless of age. But while this option was the most popular choice for those older than 24 years old, the youngest cohort was more split in views, as another 30.6 per cent ranked it as third most helpful (see Table E1.6 in Appendix E). Overall, it appears that those older than 24 were more likely than the youngest cohort to rank financial institutions as more important.

6.2 Over half totally or moderately agree that the government should institute services or policies that assist people in getting themselves out of debt

In general, respondents felt that there should be some degree of government action to help people get out of debt. At the same time, they also generally agreed that the individual's family should also come to the person's aid. When looking only at the proportions who said they totally or moderately agree with each of the statements, the differences were slightly wider. Over half felt that the government should set up more services to advise people on how to get out of debt (53.5 per cent) and that the government should have policies that ensure people set aside a portion of money for emergencies (50.1 per cent). Slightly lower proportions felt that the government should be responsible for preventing people from getting into too much debt (44.5 per cent) and that a person's family should help them get out of debt (41 per cent) (see Table 6.3 below). Essentially, respondents leaned slightly more towards having mechanisms that facilitate individuals to help themselves out of debt.

Table 6.3: Respondents' views on government interventions

How much do you agree or disagree with the following statements?	Totally disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Totally agree
The government should be responsible for preventing people from going into too much debt.	2.2%	5.4%	10.2%	37.8%	26.8%	17.7%
The government should institute policies to make sure people set aside a portion of money to draw down in emergencies.	1.2%	2.5%	8.9%	37.2%	32.1%	18.0%
The government should set up more services to advise people on how to get out of their debt.	0.6%	1.4%	6.4%	38.1%	32.4%	21.1%
A person's family should help him or her get out of debt.	2.2%	3.2%	14.1%	39.6%	25.0%	16.0%

6.2.1 Nearly half of those earning between $3,000 and $4,000 moderately or totally agree that government should be responsible for preventing people from going too much into debt, compared to under four in 10 of those earning between $6,000 and $7,000

Respondents earning between $6,000 and $7,000 were the least likely to say they moderately or totally agree with the statement that the government should be responsible for preventing people from going into too much debt, with 36.4 per cent selecting these two options. In contrast, 48.7 per cent of those earning between $3,000 and $4,000 selected these two options, making them the group with the largest proportion supportive of this sentiment.

6.2.2 Over half of respondents currently servicing loans in favour of more government services or policies to assist people to get themselves out of debt

Respondents who are currently servicing loans were slightly more likely to agree that there should be policies making sure people set aside money to draw down in emergencies. Compared to 45.7 per cent of those without outstanding loans, 51.9 per cent of those with loans moderately or totally agree with this statement.

When asked whether there should be more government services to advise people how to get out of debt, 55.9 per cent of those currently servicing loans moderately or totally agreed. A slightly lower proportion (48.6 per cent) of those who do not have outstanding loans gave the same answers.

6.3 Four in 10 view it as relatively justifiable to use public funds to help with debts incurred by high medical bills or covering everyday expenses due to loss of work

There are different reasons people get into debt. Therefore, respondents were also asked about their opinions on using public funds to help with debts of different types. Four in 10 felt that it was moderately or totally justifiable for public funds to help pay off debts incurred due to high medical bills for non-subsidised treatments, as well as to cover everyday household expenses because of loss of work.

Less than three in 10 believed it was similarly justifiable if the debt resulted from business failure, while only 19.3 per cent felt this way for debts incurred from overuse of credit cards to buy luxury products. In fact, 42.6 per cent felt that it was moderately or totally unjustifiable to bail out those who got into debt because they used credit cards to buy luxury products. For reference, the proportions finding it moderately or totally unjustifiable to bail out the other three types of debt were 6.5 per cent for household expenses, 7.3 per cent for medical expenses, and 17.9 per cent for business failure (see Table 6.4 below). These findings indicate that while there is some understanding for debt incurred for things relatively out of one's control like medical expenses and financial difficulties as a result of loss of income, there is much lower tolerance if debts are incurred for more materialistic goals.

Table 6.4: Respondents' views on government help for debts

How justifiable is it to you for the government to use public funds to pay off debts of citizens who are in debt for the following reasons?	**Totally unjustifiable**	**Moderately unjustifiable**	**Slightly unjustifiable**	**Slightly justifiable**	**Moderately justifiable**	**Totally justifiable**
Debt from high medical bills because of the use of non-subsidised treatments	2.7%	4.6%	14.4%	37.4%	26.9%	14.0%
Debt because of business failure	7.1%	10.8%	19.0%	35.6%	18.2%	9.3%
Debt from the overuse of credit cards to buy luxury products	29.2%	13.4%	19.7%	18.5%	11.9%	7.4%
Debt to cover everyday household expenses because of loss of work	2.3%	4.2%	16.3%	36.3%	25.8%	15.1%

6.3.1 Respondents aged 35 to 39 less likely to see government support for debts from medical bills as justifiable, while those with diploma, professional qualifications, or who are studying towards a Bachelor's degree more likely to feel this way

The oldest cohort was less likely to say that using public funds to pay off debts incurred from non-subsidised medical treatment is moderately or totally justifiable. While around 43 per cent of the three younger age cohorts expressed these opinions, just 35.3 per cent of those aged 35 to 39 did the same.

Respondents in the middle education category were the most likely to feel that it is justified to use public funds to pay off debts from unsubsidised medical treatments compared to the other two groups. Within this group, 48.1 per cent said they felt it was moderately or totally justifiable. In comparison, 41.2 per cent of those with secondary school or ITE qualifications and 38.2 per cent of those who completed university education said the same.

6.3.2 Respondents aged 30 to 34 years old or those with higher monthly income more likely to be understanding about using public funds to pay off debts due to business failure

Respondents aged 30 to 34 seemed most amenable to using public funds to pay off individual debts due to business failure. Compared to around 25 per cent of the other age cohorts, 31.8 per cent of this group said they felt it was moderately or totally justifiable.

In general, respondents with higher incomes were more likely to believe that using government funds to pay off debts due to business failures is moderately or totally justifiable. In particular, 36.7 per cent of those earning $7,000 and above gave such responses (see Table E2.1 in Appendix E).

6.3.3 Respondents currently servicing loans more understanding about government support for debt from credit cards and debt to cover everyday expenses

While there were no major demographic differences for the question on credit card debt, respondents currently servicing loans were more sympathetic to using public funds. While 51.4 per cent of those who currently do not have outstanding loans say it is totally or moderately unjustifiable for public funds to be used for such debts, only 37.3 per cent of those currently servicing loans think the same.

Similarly, respondents currently servicing loans were more likely to say that it is moderately or totally justifiable to use public funds to pay off debts incurred for everyday household expenses because of loss of work. Compared to 34.3 per cent of those who do not have outstanding loans, 43.8 per cent of those currently servicing loans expressed such opinions.

6.5 Government payouts most likely to be used to cope with different types of regular expenses rather than one-off purchases or holidays

The Assurance Package as well as the Cost of Living Special Payment were announced in the 2022 Budget as a way to help Singaporeans cope with the rising cost of living and GST increases.

Around half of the respondents, or 52.7 per cent, said they would receive or have received the payouts related to cost of living. A similar proportion, or 56.3 per cent, said that they would receive or have received the payouts related to Covid-19 support (see Table 6.7 below).

Table 6.7: Types of government payouts

Type of government payout	Percentage
Cost of living/GST-related	52.7%
Covid-19-related	56.3%

When asked how they will use the money from payouts, paying for household expenses was the most popular option, with 46.8 per cent selecting this. It was followed by paying for insurance bills (33.6 per cent) and paying for credit card bills (29.4 per cent). Meanwhile, 18.5 per cent would also be using the payouts to purchase items they had put off purchasing, while 8.3 per cent said they would use the payouts to pay for a holiday (see Table 6.8 below).

Table 6.8: Usage of government payouts

Reported usage of government payout	Percentage
Pay for household expenses	46.8%
Pay insurance bills	33.6%
Pay credit card bills	29.4%
Purchase items I wanted to but put off purchasing	18.5%
Pay for a holiday	8.3%

6.5.1 Household expenses remain the most popular usage for government payouts; youngest cohort more likely to use payouts for purchasing desired items and least likely to use them for paying bills

There were no major age differences for the proportions wanting to use the payouts for household expenses (over four in 10) as well as those who want to use them to pay for a holiday (under one in 10). However, the youngest cohort differed from the other three age cohorts for the other three categories. Compared to around three in 10 respondents aged 25 to 39, around two in 10 of those aged 21 to 24 say they want to use the payouts to pay insurance and credit card bills. It is possible that the youngest cohort may have lower insurance premiums and credit card bills to service, and therefore are less likely to require extra help to pay for these aspects. In contrast, the youngest cohort was most likely to use the payouts to purchase desired items they put off purchasing.

6.5.2 Over seven in 10 staying in 1-room flats will use payouts for household expenses, while higher-income individuals are more likely to use payouts for household expenses and bills payment

Compared to the other housing types, higher proportions of respondents staying in 1-room flats selected each of the five categories. In particular, 72.1 per cent of those staying in 1-room flats said they will use the payouts to pay for household expenses, compared to 51.4 per cent of those staying in 2-room flats and under half of those in the other housing categories. It is likely that those in 1-room flats may be more in need of extra financial help in coping with the various aspects of their lives.

U-shaped trends were found between income level and the intention to pay for household expenses and desired items respondents put off purchasing. Over half of those earning below $3,000 as well as those earning $6,000 and above said that they would be using their payouts to pay for household expenses, compared with around one-third of those earning between $3,000 and $5,000 and 45.2 per cent of those earning between $5,000 and $6,000. Meanwhile, around one-fifth of those earning below $3,000 as well as those earning $5,000 and above said they would use the payouts to purchase items they put off purchasing. When it came to insurance and credit card bills, those with higher income were more likely to say they would use their payouts to pay for these.

7. ATTITUDES TO INDEBTEDNESS

As part of the survey, respondents were probed about the attitudes they hold towards taking loans, in terms of how normative and useful they find loans, how risky they perceive loans to be, and their emotional reactions to taking loans. They were also asked questions adapted from the Domain-Specific Risk-Taking scale for adults (Blais & Weber, 2006). Based on these, they were evaluated in terms of how risk-averse they are in financial, social and recreational dimensions, and an overall risk-taking index was computed from these.

Respondents hold somewhat contradictory views on taking loans, especially when comparing self-reflections of loan behaviour and general perceptions of people who take loans. Most of them are open to taking loans and accept them as part of today's lifestyle, but a similar proportion hold the view that taking loans (apart from housing and car loans) signals that people have not managed their finances well. Respondents also think that loans help with immediate and long-term objectives, yet worry they will affect one's long-term financial stability. Most respond to taking loans with feelings of stress. However, the majority still believe that the risks involved in taking out loans in Singapore are manageable.

On a scale from one to six, respondents' propensity for risk-taking hovers around the mid-point. Mean risk-taking scores are higher among those aged 25 to 29, males, and those earning higher salaries. For financial risk-taking, a slight majority are willing to take risks in investing money. Scores are more muted for social and recreational risk-taking.

7.1 Nearly nine in 10 will take loans after making sure they can meet the terms; over seven in 10 say that loans can be taken if they are used to meet long-term goals or immediate needs, but similar proportions view loans in a more negative light

Respondents were most likely to say they agree to at least some extent with the statements that they make the decision to take a loan after ascertaining that they are able to afford the loan terms — nearly nine in 10 said they slightly, moderately, or strongly agree with such sentiments, while over half said they moderately or strongly agree.

But sentiments towards loans were mixed, given that there was over 70 per cent agreement rate for both statements that describe loans positively — loans can be taken if they satisfy goals in the long-run or short-term needs — as well as those that describe loans in a negative light, for example that they have been taught that loans are not desirable behaviour, and loans aside from housing or car loans are taken by people who have not managed their finances well.

Meanwhile, only 51.5 per cent agreed to varying extents (with 23.9 per cent saying they totally or moderately agree) that they feel relaxed when taking out loans, indicating that even people who view loans positively still feel some degree of stress when they make the decision to take out a loan.

7.2 Three-quarters accept credit as part of today's lifestyle, but a similar proportion do not think well of people who take loans aside from housing and car loans

Six of the questions relate more to respondents' perceptions of the norms around taking loans, like whether the act of taking loans was viewed positive or negatively. Responses present a conflicted picture (see Table 7.1 below). Around three-quarters say that credit is an essential part of today's lifestyle (78.7 per cent) and that everyone takes out loans from time to time (76 per cent), but also that people who take loans for purposes other than purchasing housing or cars are not managing their finances properly (74.3 per cent). In addition, 70.5 per cent say that they have been taught that borrowing money is not desired behaviour, but around 63 per cent say that making use of loans is healthy financial behaviour and that taking a loan is a good thing as it allows you to make your life better.

It is likely that values passed down from the older generation depict loans as bad, as revealed in the second statement. However, because owning one's own house and car is seen as a desired objective for most Singaporeans, housing and car loans are likely to be viewed as more socially acceptable. It is also possible that people think more about housing and car loans when answering the questions about financial behaviour and credit, since these loans are inevitable in today's economy for the vast majority of individuals.

Table 7.1: Respondents' views on taking out loans

How much do you agree or disagree with the following statements about taking out loans?	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Everyone takes out loans from time to time	1.5%	5.3%	17.2%	40.0%	23.9%	12.1%
I have been taught that borrowing money is not desirable behaviour	3.1%	10.0%	16.4%	32.2%	22.2%	16.1%
Making use of loans is healthy financial behaviour	6.8%	8.6%	20.9%	31.9%	21.5%	10.4%
Apart from housing or car loans, people normally take other loans because they have not managed their finances well	2.5%	6.1%	16.9%	37.1%	25.3%	11.9%
Taking out a loan is a good thing as it allows you to make your life better	5.9%	8.2%	22.0%	35.3%	20.2%	8.4%
Credit is an essential part of today's lifestyle	2.1%	5.2%	13.9%	39.5%	25.8%	13.4%

7.2.1 Respondents aged 30 to 34 view loans most positively

The cohort aged 30 to 34 appears to have the most positive perception of loans when comparing the three statements where age differences were found. As shown in Tables F1.1 and F1.2 in Appendix F, compared to the other age cohorts, this group responded the most positively to the statements that everyone takes out loans from time to time (41.7 per cent moderately or strongly agree; 79.3 per cent slightly, moderately, or strongly agree) and that making use of loans is healthy financial behaviour (37.1 per cent moderately or strongly agree; 68.3 per cent slightly, moderately, or strongly agree). In contrast, the oldest and youngest age cohorts were less positive about these two statements.

Meanwhile, older respondents were less in agreement with the statement that they have been taught that borrowing money is not desirable behaviour. Compared to 44.1 per cent of those aged 21 to 24, just 33.1 per cent of those aged 35 to 39 moderately or strongly agree that they have been taught that borrowing money is not desirable behaviour (see Table F1.3 in Appendix F).

7.2.2 University-educated respondents most likely to think that everyone takes out loans from time to time and that it is healthy financial behaviour; least likely to have been taught that borrowing money is not desirable

As shown in Tables F1.4 and F1.5 in Appendix F, respondents who have completed university education are most likely to agree that everyone takes out loans from time to time (77.8 per cent slightly, moderately, or strongly agree) and that making use of loans is healthy financial behaviour (67.3 per cent slightly, moderately, or strongly agree). Correspondingly, as shown in Table F1.6 in Appendix F, this group is also least likely to say that they have been taught that borrowing money is not desirable behaviour (66.8 per cent slightly, moderately, or strongly agree). On the whole, it appears that university graduates are most likely to see taking loans as an accepted financial behaviour, especially when compared to the other two educational groups.

7.2.3 Respondents earning $3,000 to $4,999 less likely to say that everyone takes out loans from time to time and that they have been taught that borrowing money is not desirable behaviour, while higher income individuals are more likely to agree that loans are beneficial in different ways

In general, there appears to be a U-shaped trend when comparing the responses of the different income categories for the statements that talk about loans as a norm. Respondents earning between $3,000 and $4,000 were least likely to agree that everyone takes out loans from time to time — 68.6 per cent agreed with the statement to some extent, while at least three-quarters of the other groups with over 50 respondents gave the same responses (see Table F1.7 in Appendix F).

Interestingly, the same group (those earning between $3,000 and $4,000) also had the lowest proportion reflecting that they were taught that borrowing money is not desirable behaviour, together with those earning between $6,000 and $7,000 (see Table F1.8 in Appendix F). However, there was no clear income trend for this particular statement, with agreement rates ranging between 65.1 per cent and 79.8 per cent.

When it came to statements pointing out possible benefits of loans, respondents earning higher income are more likely to agree to different extents. This might suggest that those with more disposable income are more savvy about using different types of strategies to stretch their dollar.

Respondents earning $5,000 or above were more likely than respondents earning lower monthly income to agree that making use of loans is healthy financial behaviour. While at least 68 per cent of the higher-income respondents said they slightly, moderately, or strongly agree with this statement, around six in 10 of the other respondents gave similar responses.

The positive relationship between income level and agreement rate is even clearer when looking at reactions to the statement that loans allow you to make your life better, and the one stating that credit is an essential part of today's lifestyle (see Tables F1.9 and F1.10 in Appendix F). For respondents earning below $7,000, those earning higher income are more likely to agree with these two statements to some extent. Interestingly, the agreement rates for those earning below $7,000 tend to be slightly lower compared to the highest income group.

7.2.4 Respondents currently servicing loans more likely to agree that loans make one's life better, everyone takes out loans from time to time, and that credit is an essential part of today's lifestyle

It is not surprising to find that those with outstanding loans have a more positive perception of loans compared to those without. The differences were pronounced for three statements. While just half of those with no loans said that taking loans is a good thing as it allows you to make your life better, 72 per cent of those with outstanding loans expressed the same opinion. In addition, similar trends were observed for the statement that everyone takes out loans from time to time (67.5 per cent of those without loans compared to 81.3 per cent of those servicing loans) and the statement that credit is an essential part of today's lifestyle (71.8 per cent of those without loans compared to 83.6 per cent of those servicing loans).

7.3 Nearly eight in 10 say loans can help with immediate and long-term objectives; but around two-thirds also worry about loans affecting long-term financial stability

Nearly eight in 10 respondents (78.9 per cent) say that they will take a loan if it allows them to do something that will pay off in the long run (see Table 7.2 below). A similar proportion (77.3 per cent) also agree that loans enable them to satisfy immediate needs, while 67.1 per cent believe that taking loans allows them to stretch out their money the most. Interestingly, however, 65.9 per cent also say that loans worsen one's financial stability in the long run. Taken together, these trends suggest that respondents hold mixed views about loans. On one hand, they acknowledge the usefulness of loans in an individual's financial journey. On the other, however, they are concerned about its negative impact on long-run financial stability, likely because loans imply a long period of debt repayment.

Table 7.2: Respondents' views on taking out loans

How much do you agree or disagree with the following statements about taking out loans?	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
I will take a loan if it allows me to do something that will pay off in the long-run	3.6%	4.1%	13.5%	37.1%	28.3%	13.5%
Taking loans allows you to stretch out your money the most	4.5%	8.0%	20.4%	35.9%	21.3%	9.9%
Loans enable me to satisfy immediate needs	3.6%	4.7%	14.4%	42.3%	24.0%	11.0%
In the long term, loans worsen one's financial stability	4.5%	10.7%	19.1%	28.9%	22.0%	15.0%

7.3.1 Respondents in the middle income groups more likely to see loans as able to provide immediate and long-run returns

When responses were compared across income categories, the trends were similar for most of the statements. An N-shaped trend for agreement rate was found when respondents were asked about whether they will take a loan if it is for something with a pay-off in the long-run, whether loans stretch out one's money, and whether loans enable people to satisfy immediate needs. Respondents earning between $5,000 and $6,000 were the most likely to agree with two of the three statements — 86.8 per cent said they will take a loan for a long-run plan, and 83.1 per cent said that loans enable them to satisfy immediate needs (see Tables F2.1 and F2.2 in Appendix F). Meanwhile, respondents earning between $6,000 and $7,000 had the highest proportion (78.9 per cent) agreeing that taking loans allow people to stretch out their money the most (see Table F2.3 in Appendix F).

7.3.2 Older respondents more likely to see loans as able to satisfy immediate needs

Older respondents are more likely to agree that loans enable them to satisfy immediate needs, but less likely to agree that loans worsen one's long-term financial stability. Compared to 71.3 per cent of those aged 21 to 24, 80.1 per cent of those aged 35 to 39 agreed that loans enable them to satisfy immediate needs.

7.3.3 Respondents currently servicing loans have more positive perceptions regarding pay-offs for taking loans

Respondents who are currently servicing loans are more likely to agree that they will take loans to do something with a long-run pay-off, that taking loans allows them to stretch out their money the most, and that loans enable them to satisfy immediate needs (see Tables F2.4, F2.5 and F2.6 in Appendix F). These differences are not surprising given that these individuals have already taken out loans, and are more likely to have considered the pros and cons of doing so.

7.3.4 Older respondents, those earning $4,000-$4,999, and university-educated respondents less likely to think loans worsen one's long-term financial stability

Compared to 70.7 per cent of those aged 21 to 24 and 83.2 per cent of those aged 25 to 29, just 65.5 per cent of those aged 30 to 34 and 60.4 per cent of those aged 35 to 39 felt that loans worsen one's long-term financial stability. Given that older respondents are more likely to have taken loans for different objectives, it is possible that this has affected their perceptions of how loans and financial stability are related.

Around seven in 10 of respondents in most income categories agree with the statement that loans worsen one's long-term financial stability. However, only 59.9 per cent of those earning between $4,000 and $5,000, as well as under 65 per cent of those earning $6,000 and above agreed to some extent, indicating that these groups view loans more positively.

Meanwhile, respondents who have completed university education were the least likely to say that loans worsen one's long-term financial stability. Compared to 73 per cent of those in the middle education category and 67.2 per cent of those with secondary school or ITE qualifications, 63 per cent of university-educated respondents agreed with the statement.

7.4 Majority of respondents believe risks involved in taking out loans in Singapore are relatively manageable

The statement with the highest agreement rate was the one stating that the government makes sure that legal loans are well-regulated. Overall, 84.3 per cent agreed with this statement, suggesting that the general trust people hold in the Singapore government also extends to this aspect of society (see Table 7.3 below). Correspondingly, 76.1 per cent also agreed that there are enough controls in Singapore to ensure people do not borrow more than they can pay back. A slightly lower proportion, 69.7 per cent, agreed that you can easily find loans with manageable interest rates. Finally, when asked about their own individual inclinations, 72.7 per cent said that they do not mind borrowing money if the debt repayment terms are manageable. In effect, there appears to be a general perception that the risks involved in taking out loans in Singapore are relatively manageable, and that most would only take out loans if they determine themselves to be able to handle the repayment terms.

Table 7.3: Respondents' views on taking out loans

How much do you agree or disagree with the following statements about taking out loans?	**Strongly disagree**	**Moderately disagree**	**Slightly disagree**	**Slightly agree**	**Moderately agree**	**Strongly agree**
There are enough controls in Singapore to ensure people do not borrow more than they can pay back	2.6%	5.8%	15.5%	38.8%	25.9%	11.4%
You can easily find loans with manageable interest rates	3.4%	7.3%	19.7%	38.4%	21.6%	9.7%
Nowadays, the government makes sure that legal loans are well-regulated	1.6%	2.7%	11.4%	39.0%	30.8%	14.5%
I don't mind borrowing money if the debt repayment terms are manageable	5.5%	7.1%	14.7%	36.5%	24.5%	11.7%

7.4.1 Respondents earning $5,000-$5,999 most positive about risks related to taking out loans; most likely to take out loans if terms are manageable

Respondents earning between $5,000 and $6,000 were the most likely to agree with all four statements related to the level of risk in taking out loans (see Tables F3.1 to F3.4 in Appendix F). This means that this group of respondents hold the most trust in regulation of loans in Singapore, and were most likely to take out loans if they find the debt repayment terms manageable. For all four statements, an N-shaped trend was found when comparing overall agreement rates against the income categories. In addition, respondents belonging to the lower end of the income spectrum were less likely to agree to these statements compared to those belonging to the two highest income groups. The only exception was for the statement regarding government regulation of legal loans — 87.2 per cent of those earning below $3,000 agreed that the government makes sure legal loans are well-regulated, a proportion just below the 89 per cent reported for those earning between $5,000 and $6,000 (see Table F3.3 in Appendix F).

7.5 Just over half feel relaxed when taking out loans; around seven in 10 report stress-related reactions when faced with outstanding loans

Despite the large proportions acknowledging the positive aspects of loans in earlier sections, respondents still feel stressed when they have to take out loans. Just over half, or 51.5 per cent, say they feel relaxed when taking out loans (see Table 7.4 below). Around seven in 10 also say they feel anxious at the thought of taking up a loan (68.3 per cent), that they cannot sleep well if they know there are creditors waiting for their repayment (71.6 per cent), and that they feel stressed when they think about the amount of debt they have to pay (73.7 per cent). These results suggest that while most respondents may rationally understand that there are financial benefits to taking out loans and would only take out loans that they can manage, emotional reactions towards the idea of having an outstanding loan are still par for the course.

Table 7.4: Respondents' views on taking out loans

How much do you agree or disagree with the following statements about taking out loans?	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
I feel anxious at the thought of taking up a loan	2.7%	10.5%	18.6%	30.0%	22.6%	15.7%
I cannot sleep well if I know there are creditors waiting for my repayment	2.4%	8.0%	18.1%	31.2%	22.3%	18.1%
I feel relaxed when taking out loans	11.3%	12.8%	24.4%	27.6%	17.3%	6.6%
I feel stressed when I think about the amount of debt I have to pay	3.0%	7.4%	15.9%	32.4%	24.3%	17.0%

7.5.1 Older and more highly educated respondents slightly less likely to report stress when facing outstanding loans, while respondents with higher monthly incomes are more likely to have less stress-related reactions to outstanding loans

Older respondents are more likely to take things in stride when they face an outstanding loan. The older the age cohort, the smaller the proportion of respondents who say they feel anxious at the thought of taking up a loan or that they cannot sleep well if they know there are creditors waiting for their repayment. In particular, 62.1 per cent of those aged 34 to 39, compared to 77.5 per cent of those aged 21 to 24, said they feel anxious at the thought of taking up a loan.

Meanwhile, those aged 21 to 24 was the only age cohort where less than half said they feel relaxed when taking on loans (see Table F4.1 in Appendix F). For this statement, the highest agreement rate was reported for the cohort aged 30 to 34, with 55.6 per cent agreeing to some extent.

Respondents who earn between $4,000 and $5,000 were least likely to report feeling anxious or that they cannot sleep well when they face outstanding debt (see Tables F4.2 and F4.3 in Appendix F). When comparing the remaining income categories, respondents with higher monthly income were more likely to agree with they feel relaxed when taking on loans. Compared to under half of those earning below $4,000, 51.2 per cent of those earning between $4,000 and $5,000, as well as around six in 10 of those earning $5,000 and above, said that they feel relaxed when taking on loans. Stress levels also appear to fall for those with higher income. While 80 per cent of those earning below $3,000 and 74.8 per cent of those earning between $3,000 and $4,000 say they feel stressed about the amount of debt they have to pay, 70 per cent or less of those earning $4,000 and above say the same. Therefore, having higher monthly disposable income can help in reducing individuals’ emotional loads when facing debt repayments.

7.5.2 Respondents with outstanding loans less likely to feel pressure when taking on loans

Respondents with outstanding loans appear to feel much less pressure when faced with the decision to take on a loan. While 37.9 per cent of those with no outstanding loans agree to some extent that they feel relaxed when taking on loans, 60 per cent of those currently servicing loans say the same. This proportion is also much larger compared to the 41.3 per cent reported for the overall sample, indicating that there is a marked difference between people who take loans and those who do not when facing the prospect of borrowing money.

7.6 At least three-quarters try their best not to take out loans; 85 per cent make sure they can repay their loans comfortably and as soon as possible

The decision of taking on a loan appears to be a big one for most respondents. Over eight in 10, or 85.7 per cent, agree that if they have no choice but to take out a loan, they will make sure to repay it in full as soon as possible; and that they will make sure they can repay it comfortably before they take out a loan for a big purchase (see Table 7.5 below). Additionally, 74.9 per cent agree that they will try their best not to take out loans, regardless of the reason.

Table 7.5: Respondents' views on taking out loans

How much do you agree or disagree with the following statements about taking out loans?	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
I will try my best not to take out loans, regardless of the reason	3.0%	7.4%	14.7%	31.3%	23.0%	20.6%
If I have no choice but to take out a loan, I will make sure to repay it in full as soon as possible	1.7%	3.0%	9.7%	34.7%	27.4%	23.6%
Before I take out a loan for a big purchase, I make sure I know that I can repay it comfortably	1.6%	2.7%	10.0%	32.7%	30.7%	22.3%

7.6.1 Respondents earning between $4,000 and $7,000 slightly less likely to be cautious about taking out loans

There were nearly no major demographic differences found for these three statements, except when the responses for the first statement were compared across income groups. Respondents earning between $4,000 and $7,000 were slightly less likely compared to the other income groups to say that they will try their best not to take out loans, regardless of the reason. In particular, 69.5 per cent of those earning between $6,000 and $7,000 said so, compared to over seven in 10 of those earning between $4,000 and $6,000, and at least three-quarters of the other income groups.

7.6.2 Older respondents are slightly more likely to make sure they can repay a big loan comfortably before taking it, while younger respondents are more likely to try and avoid taking out loans

The oldest age cohort of respondents, those aged 35 to 39, were slightly more likely to make sure they know they can repay a big loan comfortably before taking it out. About 89.2 per cent of this group felt this way, compared to 82.5 per cent of those between 21 and 24 years old. This may be attributed to older respondents being more likely to have undertaken loans before, or indeed already have loans to service, thus inclining them to carefully calculate whether they can comfortably repay an additional loan.

There are only slight differences by respondents' age in their desire to avoid taking out loans. Those between 25 and 29 years old were the most likely to try their best not to take out loans, with 79.3 per cent expressing this sentiment. This is compared to 70 per cent for those between 30 and 39 years old. It is possible that younger respondents have this attitude of avoidance rather than pragmatically managing loans because they have not had to undertake any loans yet, or not as many.

7.7 Respondents' propensity for risk-taking hover around the mid-point of the full range

Respondents also answered a series of questions that examine the degree to which they are open to taking risks. These questions were adapted from the Domain-Specific Risk-Taking scale for adults (Blais & Weber, 2006). The full scale included five domains — ethical, financial, health/safety, recreational, and social. In order not to overly tax respondents, we included just three domains we deemed to be more related to financing behaviours, namely financial, social, and recreational. Respondents answered these questions on a scale of one to six. Given the focus of this paper, discussions will focus mainly on the overall score as well as the score for the financial domain.

The combined mean score for all three domains was 3.41 against a maximum score of 6.0 (see Table 7.6 below). When examined separately, the scores were 3.55 for the financial domain, 3.63 for the social domain, and 3.04 for the recreational domain. With the exception of the recreational domain, the other three scores hovered around the mid-point of the full scale, meaning that respondents were quite measured in taking risks overall and for the financial and social domains, while being less adventurous for the recreational domain.

Table 7.6: Respondent risk-taking scores

Combined risk-taking score	3.41
Financial risk-taking score	3.55
Social risk-taking score	3.63
Recreational risk-taking score	3.04

Examining the questions individually in Table 7.7 below, respondents were most likely to say that they would invest 10 per cent of their annual income in a moderate growth mutual fund (69.4 per cent). The other behaviours that over half of the respondents said they were likely to engage in include choosing a career that they truly enjoy over a more secure one (67.5 per cent), investing 5 per cent of their annual income in a very speculative stock (62.1 per cent), starting a new career in their mid-thirties (61.6 per cent), and investing 10 per cent of their annual income in a new business venture (59.5 per cent).

In contrast, the behaviours that respondents were least likely to engage in were piloting a small plane (32.4 per cent), betting a day's income at the horse races or sporting event (36.9 per cent), and bungee jumping off a tall bridge (38.1 per cent). It is clear that respondents were more comfortable with taking calculated risks, particularly those related to finance decisions, compared to going for adrenaline-filled activities like bungee-jumping.

Table 7.7: Respondents' views on taking risks

How likely are you to engage in the following behaviours?	Extremely unlikely	Moderately unlikely	Slightly unlikely	Slightly likely	Moderately likely	Extremely likely
[F] Betting a day's income at the horse races/sporting event	27.9%	17.2%	18.0%	18.9%	12.0%	6.0%
[F] Investing 10% of your annual income in a moderate growth mutual fund	5.7%	8.7%	16.1%	36.8%	22.7%	9.9%
[F] Investing 5% of your annual income in a very speculative stock	8.1%	10.3%	19.5%	33.2%	20.3%	8.6%
[F] Investing 10% of your annual income in a new business venture	8.3%	11.7%	20.5%	32.5%	18.5%	8.5%
[S] Disagreeing with an authority figure (like your boss) on a major issue)	9.8%	17.8%	26.8%	24.0%	13.9%	7.7%
[S] Choosing a career that you truly enjoy over a more secure one	4.9%	9.3%	18.3%	29.9%	23.5%	14.1%
[S] Speaking your mind about an unpopular issue in a meeting at work	9.2%	16.9%	27.4%	24.4%	14.2%	7.9%
[S] Starting a new career in your mid-thirties	6.6%	13.1%	18.7%	32.5%	19.1%	10.0%
[R] Going camping in a forest overseas	17.4%	15.8%	20.6%	22.4%	15.8%	7.9%
[R] Taking a skydiving class	21.1%	18.5%	19.4%	20.3%	12.3%	8.3%
[R] Bungee jumping off a tall bridge	24.5%	17.4%	20.0%	18.8%	11.7%	7.6%
[R] Piloting a small plane	27.7%	18.7%	21.3%	15.6%	10.4%	6.4%

Note: F — Financial domain; S — Social domain; R — Recreational domain

7.7.1 Respondents aged 25 to 29 have highest risk tolerance across all domains, and men and higher income earners are generally more open to taking risks

Regardless of domain, respondents aged 25 to 34 were more willing to take risks compared to the oldest and youngest age cohorts. In particular, those aged 25 to 29 reported the highest mean scores for all domains when compared with the other three age cohorts (see Table 7.8 below).

In the financial domain, respondents aged 21 to 24 are the least willing to take risks, given that they report just a mean score of 3.36, which is even lower compared to those aged 35 to 39 (mean score of 3.46). It is possible that the youngest cohort have not started considering the different ways they can use their money, or have not accumulated enough money to think about using larger sums to enter a venture with some degree of risk. Meanwhile, the oldest cohort possibly has more financial obligations that prevent them from being overly risk-taking with their money — for example, they are more likely to have more loans compared to the other three younger cohorts.

In the social and recreational domains, the oldest cohort was the least willing to take risks. Given that the social domain questions relate mostly to career choices and interactions in the office, those who are older might be less willing to take risks given their heavier financial obligations as stated above. Meanwhile, the recreational domain questions relate more to risky sports, which might be less appealing to older individuals.

Males were in general more open to taking risks compared to females. The combined mean score for males was 3.56, compared with 3.27 for females (see Table 7.8 below). The greatest difference in mean scores was observed for the financial domain. While males reported a mean score of 3.75, females only reported a score of 3.37.

Respondents who are students or full-time national servicemen as well as those who earn below $3,000 reported mean scores of 3.36 when the scores for all three domains were combined (see Table 7.8 below). This score was higher than those reported for respondents earning between $3,000 and $5,000. For respondents earning $3,000 and above, those earning higher income reported higher mean scores for the three domains combined. In particular, those earning at least $5,000 reported scores above 3.6, much higher compared to those earning below $5,000.

It is not surprising to see that those with higher monthly income have markedly higher mean scores for financial risk-taking. While the highest reported mean score for those earning below $5,000 was 3.42, the lowest mean score reported by respondents earning at least $5,000 was 3.72. When comparing across all income levels, the highest mean score was 3.87, reported by those earning between $5,000 and $6,000. A similar trend was observed for the recreational domain. Respondents earning higher salaries were more likely to be more willing to take risks.

Meanwhile, a U-shaped trend was observed for the social domain. Respondents on both ends of the income spectrum scored higher than those in the middle. Those earning between $3,000 and $5,000 reported mean scores of around 3.4, while the other groups reported mean scores ranging from 3.65 to 3.82.

Table 7.8: Respondent risk-taking scores by age cohort, gender and income level

Demographic variable	Combined score	Financial score	Social score	Recreational score
21–24 years old	3.28	3.36	3.53	2.94
25–29 years old	3.54	3.66	3.76	3.20
30–34 years old	3.49	3.63	3.68	3.15
35–39 years old	3.26	3.46	3.47	2.86
Male	3.56	3.75	3.74	3.19
Female	3.27	3.37	3.51	2.93
Student/ NS	3.36	3.41	3.65	3.01
Unemployed/ Homemaker*	3.15	2.90	3.64	2.90
Below $3,000	3.36	3.42	3.73	2.93
$3,000 - $3,999	3.16	3.31	3.38	2.80
$4,000 - $4,999	3.21	3.42	3.40	2.81
$5,000 - $5,999	3.64	3.87	3.73	3.31
$6,000 - $6,999	3.63	3.72	3.82	3.35
$7,000 & above	3.65	3.82	3.78	3.33

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

7.7.2 Respondents who never had credit cards before are less tolerant of risk-taking, while those who have used BNPL plans before are much more open to risk-taking

Respondents who never had credit cards had markedly different scores compared to those who currently or previously own credit cards. Those who never had a credit card reported a mean score of 3.11 for the three domains combined, while the other groups reported scores of 3.5 (see Table 7.9 below). This group also reported the lowest mean scores for each of the three domains.

The most marked difference was found for the financial domain. Respondents who never had a credit card were much less willing to take risks in the financial domain compared to those who used to or currently own credit cards. Those who never had a credit card reported a mean score of 3.18, much lower than the mean score of 3.53 reported by those who used to own credit cards. Meanwhile, those who own credit cards reported a mean score of 3.69.

Respondents who have used BNPL plans before were much more tolerant towards risks compared to those who have not used BNPL plans before. These differences were found for the combined score as well as the three different domains. The most marked difference was found in the finance domain. Compared to the mean score of 3.06 reported by those who have never used BNPL before, the respondents who reported the use of at least one BNPL plan had a mean score of 3.82 (see Table 7.9 below). The trend holds true when controlling for age. Among respondents in each age cohort, those who have used at least one BNPL plan before had lower scores in all domains.

Table 7.9: Respondent risk-taking scores by credit card ownership and usage of BNPL plans

Own credit card / Used BNPL plan	Combined score	Financial score	Social score	Recreational score
Never had a credit card	3.11	3.18	3.41	2.74
No credit cards currently, but used to have one or more	3.45	3.53	3.64	3.19
One or more	3.51	3.69	3.70	3.14
Used at least one BNPL plan before	3.67	3.82	3.83	3.36
Never used BNPL before	2.93	3.06	3.24	2.49

7.7.3 Risk-takers more likely to have already obtained or desire big-ticket items; the more cautious respondents more likely to say they do not want these items

We also examined if those who aspire towards different big-ticket items like a condominium, a car or a family are different in their risk profiles. Given that respondents are relatively young and aspirations can change with age, we examined these differences in overall risk-taking scores within the various age cohorts. In general, it appears that those who were relatively higher on the risk-taking spectrum were more likely to already own each of the big-ticket items or desire them, while those who were relatively lower on the spectrum were more likely to say they do not want these things.

For the youngest cohort, those who have higher propensity to take risks are more likely to have already obtained most of the big-ticket items — those who reported the highest overall risk-taking scores already own a car, an HDB flat, had a wedding or started a family scored, and say they have started saving for a condominium. Meanwhile, respondents who do not want a condominium, an HDB flat, a wedding or start a family, as well as those who already started saving for a car were the least likely to take risks.

For the two cohorts in the middle (i.e. those aged 25 to 34), respondents who were the most cautious were more likely to not want a car or condominium, but more likely to already have an HDB flat, hold a wedding and start a family. The ones with the highest propensity to take risks were more likely to want all the big-ticket items, and to have already started saving for an HDB flat.

For respondents aged 35 to 39, those who with the lowest propensity to take risks were more likely to not want a car, condominium, wedding, or start a family, but were more likely to already own an HDB flat. In contrast, the most adventurous within this age cohort were more likely to say they want a car, condominium, as well as a wedding, and that they have started saving for an HDB flat and starting a family (see Table 7.10 below).

Table 7.10: Respondent overall risk-taking scores by perceptions towards owning a car

Age cohort	Perceptions	Car	Condominium	HDB flat	Wedding	Family
21–24 years old	Don't want	3.17	**3.17**	**3.03**	**3.10**	**2.97**
	Want	3.46	3.34	3.43	3.34	3.43
	Started saving for it	**3.08**	**3.36**	3.34	3.37	3.49
	I already have/ have done this	**3.53**	3.31	**3.53**	**3.67**	**3.84**
25–29 years old	Don't want	**3.37**	**3.40**	3.47	3.55	3.51
	Want	**3.74**	**3.69**	**3.62**	**3.69**	**3.63**
	Started saving for it	3.52	3.61	**3.62**	3.59	3.57
	I already have/ have done this	3.55	3.49	**3.43**	**3.29**	**3.42**
30–34 years old	Don't want	**3.21**	**3.26**	3.32	3.38	3.29
	Want	**3.87**	**3.75**	**3.77**	**3.93**	**4.00**
	Started saving for it	3.62	3.62	**3.77**	3.87	3.76
	I already have/ have done this	3.23	3.34	**3.14**	**3.23**	**3.17**
35–39 years old	Don't want	**2.88**	**3.04**	3.15	**2.96**	**2.97**
	Want	**3.68**	**3.62**	3.34	**3.73**	3.64
	Started saving for it	3.51	3.33	**3.68**	3.57	**3.66**
	I already have/ have done this	3.20	3.27	**3.14**	3.25	3.11

Note: Lowest scores for each age cohort shown in **red**, highest scores for each age cohort shown in **blue**.

8. GROUPS WITH FEWER FINANCIAL RESOURCES

While the overall pattern of responses indicate that most respondents are relatively cautious about their money and spend within their means, those with fewer financial resources might be more vulnerable to precarity if they encounter circumstances that require large and sudden financial outflows, like medical emergencies. This chapter focuses on such groups, which include respondents with debts, as well as those who are less likely to have financial resources or networks to tap on and therefore more vulnerable to sudden financial exigencies or debt. To identify potentially vulnerable individuals, we looked at only working respondents because these individuals are more likely to be depending on their salaries to fund their own living expenses, focusing on those earning income levels that fall below the 25th percentile of the total sample. We also recognise that older respondents usually have more work experience and therefore are likely to have relatively higher salaries.

Hence, there were two different income cut-offs — for respondents between 21 and 29 years old, the income threshold was below $3,000, and for respondents between 31 and 39 years old, it was below $3,500. We noted in Section 1.3.5 that some respondents earning lower income also stay in larger housing types like 5-room flats and private properties, which means that they are likely to have other financial resources available from their families or other related sources. To identify those less likely to have such additional support, we included an additional filter in terms of housing type. For respondents of each age cohort earning income below the 25th percentile, we only included those staying in 4-room HDB flats or other smaller housing types. In total, 293 respondents, or 14.6 per cent of the full sample, fall within this group. For brevity, we will refer to this group as "lower financial capacity" for the rest of the chapter.

Some of the aspects of this group's experience that are examined in this chapter include how rising costs in Singapore may have intensified concerns for this group in particular, and how this may have led to the increased use of strategies such as instalment payment.

8.1 Three in 10 respondents with lower financial capacity have been affected to a large extent by rising costs, compared to two in 10 respondents in the overall sample

Compared with 22.5 per cent of the overall sample, 30 per cent of the respondents with lower financial capacity say that they have been affected to a large extent by rising costs. It thus appears that rising costs have affected those with lower financial capacity more than the general population, but not too much perhaps due to the level of support they receive from government schemes targeted at those with lower incomes (see Table 8.1 below).

Table 8.1: Perceived impact of rising costs, by respondents' financial capacity

Financial capacity	To what extent have you felt personally affected by rising costs?			
	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
Lower financial capacity	5.1%	23.2%	41.3%	30.0%
Overall sample (unweighted)	7.1%	27.9%	42.3%	22.5%

Note: Due to low N, figures for the option "I don't think costs have been rising" are not shown here.

8.1.1 Those who are paying back outstanding credit card fees and BNPL instalments are more likely to feel affected by rising costs

On the whole, respondents who reported that they are servicing at least one type of loan were not any more likely to feel affected by rising costs (see Table 8.2 below). For context, 67.5 per cent are servicing at least one loan currently.

Table 8.2: Perceived impact of rising cost of living, by respondents' indebtedness

Indebtedness	To what extent have you felt personally affected by rising costs?			
	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
No debt	8.2%	27.4%	43.0%	21.1%
Have debts	6.5%	28.1%	41.9%	23.2%

However, some differences are apparent when comparing by different types of loans (see Table 8.3 below). While slightly less than two-thirds, or 64.1 per cent, of respondents with no loans to service were affected to some or a large extent by rising costs, higher proportions of those who are paying back outstanding credit card fees (74.6 per cent) and Buy Now, Pay Later (BNPL) instalments

(75.1 per cent) reported being affected. For all other types of loan that were asked about, there was no substantial difference in the felt impact of rising costs. This may be because loans for education, housing and modes of transport are seen as necessities, and respondents have already accounted for future inflation before undertaking these major loans. As such, it does not factor as much in their sense of strain from having existing debts even as costs rise.

Table 8.3: Perceived impact of rising cost of living, by respondents' type of debts

Type of loan being serviced by respondent	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
Personal loan	8.6%	23.5%	40.7%	26.6%
Student loan	6.0%	23.5%	45.6%	24.2%
Property/real estate loan	7.1%	27.5%	41.9%	23.3%
Car loan	8.6%	23.5%	45.6%	22.0%
Other motor vehicle loan	6.5%	37.4%	36.4%	18.7%
Credit card loan (borrowing up to your credit limit)	4.9%	30.6%	42.5%	21.7%
Outstanding credit card fees	3.0%	21.6%	40.3%	34.3%
Buy Now Pay Later instalments	3.7%	21.2%	45.2%	29.9%
No loans	8.2%	27.4%	43.0%	21.1%

Note: Due to low N, figures for the option "I don't think costs have been rising" are not shown here.

8.1.2 Respondents who took out personal loans to finance a business venture are most likely to feel more strongly affected by rising costs

For the category of personal loans, the purpose of taking these loans differs (see Table 8.4 below). It should be noted, however, that when respondents taking personal loans are further divided according to the purpose of the loan, the size of each group becomes quite small. Therefore, comparisons are presented to provide context, but these results should not be taken as representative.

Within this category, those who took loans to finance a business venture were the most likely to say they felt affected to some or a large extent by rising costs (78 per cent) (see Table 8.4 below). This is probably because rising costs would hit their business directly, affecting their ability to pay back the loan.

Interestingly, among respondents who took personal loans to pay for non-necessities such as overseas travel and expensive items, the proportions who felt affected to some or a large extent by rising costs are not substantially higher — at 65 per cent and 70.2 per cent respectively (see Table 8.4 below) — than the "baseline" 64.1 per cent of those who have no loans to service (see Table 8.3 above).

Table 8.4: Perceived impact of rising cost of living, by purpose of personal loans

Purpose of personal loan being serviced by respondent	N	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
Pay for wedding expenses	68	13.2%	22.1%	35.3%	29.4%
Pay for medical bills incurred by myself or someone else	163	6.7%	25.8%	37.4%	30.1%
Pay for overseas travel, e.g., for holidays	103	8.7%	25.2%	45.6%	19.4%
Buy expensive items	104	9.6%	19.2%	40.4%	29.8%
Finance a business venture	59	5.1%	16.9%	45.8%	32.2%

Note: Due to low N, figures for the option "I don't think costs have been rising" are not shown here.

8.1.3 Those with higher loan quantum to repay tend to feel more affected by the rising cost of living

When compared across the amount of loan repayments, it was clear that those with higher amounts of monthly repayment relative to their monthly salary felt more affected by rising costs of living. Under three in 10 of those using up to 40 per cent of their monthly income to repay their loans say they are affected to a large extent, while 43.8 per cent of those who are using more than 40 per cent of their income say the same (see Table 8.5 below).

Table 8.5: Perceived impact of rising cost of living, by quantum of monthly loan repayment

Monthly loan repayment quantum (% of monthly income)	N	Not affected at all	Affected to a small extent	Affected to some extent	Affected to a large extent
10% or lower	202	4.0%	30.7%	40.6%	24.8%
11% to 20%	412	6.8%	34.5%	42.2%	16.5%
21% to 30%	407	7.4%	26.8%	44.2%	21.1%
31% to 40%	185	7.6%	23.2%	40.5%	28.6%
More than 40%	112	5.4%	13.4%	36.6%	43.8%

Note: Due to low N, figures for the option "I don't think costs have been rising" are not shown here. The group using between 41% and 50% of their monthly income to repay loans have been combined with those using more than 50% of their monthly income due to small group sizes.

The group owing more than 40 per cent of their income turned out to be fairly evenly spread across the various income levels, with slightly fewer earning between $6,000 and $7,000 (see Table 8.6 below). For this group, therefore, the quantum of loan (measured as a ratio of one's income), does not appear to be very correlated with the individual's income.

Table 8.6: Perceived impact of rising cost of living, by age and income of respondents owing more than 40 per cent of their monthly income

Income level	Monthly loan repayment quantum more than 40% of monthly income	
	N	% of group with loans
Student or NS	2	1.8%
Unemployed or homemaker	2	1.8%
Below $3,000	21	18.8%
$3,000 to $3,999	23	20.5%
$4,000 to $4,999	15	13.4%
$5,000 to $5,999	14	12.5%
$6,000 to $6,999	8	7.1%
$7,000 and above	27	24.1%

8.2 Respondents with lower financial capacity are less likely to use credit cards to cope with rising costs

To cope with rising costs, respondents with lower financial capacity were as likely as respondents in the overall sample to choose strategies like deferring purchases or making use of instalment plans. However, just 15.2 per cent of those with lower financial capacity, compared with 25 per cent of the overall sample, said that they will use credit cards to pay for the items they want to buy (see Table 8.7 below). This lower proportion is expected, given that credit card applications usually have a minimum income requirement. This means that those with lower income are less likely to have successfully applied for credit cards, especially if they have always been earning lower income.

Table 8.7: Strategies to cope with rising costs, by respondents' financial capacity

	Fewer financial resources group	Overall sample (unweighted)
I defer purchasing items I like until a time when prices are more affordable	42.6%	42.2%
I make use of instalment plans to pay for the items I want to buy	23.1%	25.6%
I make use of credit cards to pay for the items I want to buy	15.2%	25.0%

8.2.1 Respondents with lower financial capacity are less likely to find it justifiable to take out a loan to pay for a vacation or an expensive branded item

Respondents with lower financial capacity were slightly less likely than the overall sample to say that it is justifiable to take out a loan to fund a vacation to an exotic destination or to buy expensive items. The difference was greater for purchase of expensive items, with 33.5 per cent of those with lower financial capacity, compared to 40 per cent of the overall sample saying it is justifiable (see Table 8.8 below).

Table 8.8: Attitudes to taking loans for non-necessities, by respondents' financial capacity

	Fewer financial resources group	Overall sample (unweighted)
Consider it justifiable to take out a loan to fund a vacation to an exotic destination	43.0%	44.5%
Consider it justifiable to take out a loan to buy expensive branded items	33.5%	40.0%

8.2.2 Those with fewer financial resources tend to hold slightly less positive views of loans

Respondents with lower financial capacity were less likely to hold positive views of loans. Larger differences were found for the statements that making use of loans is healthy financial behaviour and that taking out a loan is a good thing as it allows you to make your life better. An average of 54 per cent of those with lower financial capacity agreed with these two statements to some extent, compared to around 64 per cent of the overall sample. Smaller differences were noted for the other statements (see Table 8.9 below).

But while the results show some differences in attitudes between the overall sample and those with lower financial capacity, it should be noted that over half of the latter group still agree with the five statements listing positive attributes of loans. In essence, those with lower financial capacity are fairly receptive to taking loans, albeit to a slightly smaller extent compared to the overall sample.

Table 8.9: Perceptions of loans, by respondents' financial capacity

Slightly agree/ Moderately agree/ Strongly agree with the following statements:	Lower financial capacity group	Overall sample (unweighted)
Making use of loans is healthy financial behaviour	53.6%	64.9%
Taking out a loan is a good thing as it allows you to make your life better	55.7%	64.6%
I will take a loan if it allows me to do something that will pay off in the long run	73.4%	79.7%
Taking loans allows you to stretch out your money the most	60.0%	67.5%
Loans enable me to satisfy immediate needs	71.1%	76.9%
In the long run, loans worsen one's financial stability	70.3%	66.0%

8.2.3 About half of the respondents with lower financial capacity have used BNPL plans, compared to six in 10 of the overall sample

Respondents were also asked about their usage of Buy Now, Pay Later (BNPL) plans. For those with lower financial capacity, 53.6 per cent say that they have used at least one BNPL plan before. While this is a lower proportion compared to the 65.4 per cent reported for the overall sample, it still constitutes more than half of the group (see Table 8.10 below). It therefore indicates that BNPL plans are a possible source of credit for those with lower financial capacity.

Table 8.10: BNPL plan usage, by respondents' financial capacity

Used at least one BNPL plan before	Lower financial capacity group	Overall sample (unweighted)
Yes	53.6%	65.4%
No	46.4%	34.6%

8.3 Respondents with lower financial capacity are more averse to taking financial risks than respondents in the overall sample

As detailed in Chapter 7.7, a risk-taking index was constructed based on how likely respondents were to engage in certain risky behaviours across financial, social and recreational areas. Respondents with lower financial capacity reported lower risk-taking scores for all three domains, as well as the overall score. The biggest difference was found for the financial risk-taking domain. While the overall sample reported a mean score of 3.56, those with lower financial capacity reported a mean score of 3.38. Meanwhile, the differences for the social and recreational domains were very slight (see Table 8.11 below). Taken together, these results indicate that financial risk-taking is affected by how much financial resources one has on hand. The more resources one has, the more confidence one likely holds when taking different risks with their money.

Table 8.11: Risk-taking scores, by respondents' financial capacity

	Lower financial capacity	Overall sample (unweighted)
Financial	3.38	3.56
Social	3.62	3.63
Recreational	2.99	3.06
Overall	3.33	3.41

Overall, practically everyone is affected by the impact of rising costs, especially those who have high levels of debt. While it is expected that those with lower incomes feel this impact more profoundly, the proportion among this group greatly affected by rising cost was somewhat muted, possibly because of government support.

While most respondents coped with rising costs by budgeting and deferring purchases, about a quarter take on debt to take care of their purchases. While the lower income group was generally financially prudent, and more financially risk-averse than those with more resources, at least a quarter of the lower income group was willing to get into debt to take care of their financial needs, with even more justifying debt to undertake a vacation.

With the accessibility of Buy Now, Pay Later (BNPL) schemes to even those who have much lower incomes, it is important to consider whether more of those with lower incomes may be plunged into greater debts during this more uncertain economic period. Given that respondents are still young, this may have longer term consequence for family formation and stability.

9. REGRESSIONS AND CLUSTER ANALYSIS

A cluster analysis was run along three dimensions of respondents' financial attitudes. These are their appetite for financial risk-taking, openness to taking out loans, and proclivity to spend incautiously. Three distinct clusters were found, namely the Cautious Investors, the Adventurous Investors and the Short-term Spenders. Regressions were also run to test certain correlations identified in earlier chapters. These are detailed in this chapter.

9.1 Cluster analysis

This section seeks to better understand how different groups of people think about and behave when it comes to their finances. Through a cluster analysis, it distils respondents into groups with similar attitudes.

Respondents have been grouped according to several dimensions of their financial attitudes. These include their appetite for financial risk-taking, openness to taking out loans, and proclivity to spend incautiously. Further details are given below in Table 9.1, while Table 9.2 presents the correlations between these dimensions.

Table 9.1: Cluster dimensions

Dimension	Included Components
Appetite for financial risk-taking	Likelihood of betting a day's income at the horse races or a sporting event
	Likelihood of investing 10% of annual income in a moderate growth mutual fund
	Likelihood of investing 5% of annual income in a very speculative stock
	Likelihood of investing 10% of annual income in a new business venture
Openness to taking out loans	Strength of belief that taking loans is the norm and constitutes healthy financial behaviour
	Strength of belief that taking loans is useful in the short- and long-run
	Degree of perception that loans in Singapore are well-regulated and repayment is manageable
	Valence of emotional response to taking loans (i.e., more positive than negative)
Proclivity to spending incautiously	Preference to spend money on things to be happy rather than worrying about the future
	Unwillingness to cut down on expenditures for the month if over-spending

Table 9.2: Correlations of cluster dimensions

Dimension	Correlations	
	Proclivity to spending incautiously	Openness to taking out loans
Appetite for financial risk-taking	.253**	.394**
Openness to taking out loans	.108**	

9.1.1 Three distinct clusters found in relation to select financial attitudes and behaviours

Based on the three dimensions listed above, we derived three clusters of respondents. The characteristics of each cluster are presented in Tables 9.3, 9.4 and 9.5 below. The three clusters are similar in size, but the largest one is Cautious Investors, which comprise 35.9 per cent of the sample. This is followed by Adventurous Investors at 33.3 per cent, and Short-term Spenders at 30.7 per cent.

The Adventurous Investors are characterised by having the greatest appetite for financial risk-taking, as well as the greatest proclivity to spending without much caution. On scales with values ranging from 0 to 1, their mean financial risk-taking score is 0.76, while their mean score for spending incautiously is 0.82. These respondents spend money in an arguably imprudent way, and are willing to take risks to try and grow their money quickly. In terms of demographic variables, those aged 25 to 29 (35 per cent) or 30 to 34 (36.8 per cent), men (38.3 per cent) and those who earn $5,000 per month or above are most likely to be Adventurous Investors.

The other two clusters can each be seen as opposite to the “Adventurous Investors” in different ways. The Cautious Investors are the least likely to spend incautiously, scoring a mean of only 0.57 in this dimension. At the same time, however, they have a healthy appetite for financial risk-taking (0.61). Thus, these are respondents who hold onto their money without overspending, but are willing to risk some of it for the possibility of gaining more. In terms of demographic variables, those aged 35 to 39 (39.1 per cent) or 25 to 29 (37.3 per cent), those with secondary or ITE education (41.2 per cent) and those who earn $4,000 to $4,999 (42.6 per cent) or below $3,000 (39.3 per cent) per month are the most likely to be Cautious Investors.

In contrast to the high financial risk-taking appetite of Adventurous Investors, the Short-term Spenders scored the lowest mean (0.39) in this dimension, indicating that they are generally risk-averse. Paradoxically, however, they have quite a high propensity to spend incautiously (0.71). Taken together, this suggests that these respondents focus primarily on the short-term and on the money that they actually have. They spend money to satisfy their current needs and wants, but do not try to grow it. This is bolstered by slight differences in the mean scores for openness to taking out loans. While the Cautious Investors and Adventurous Investors have around the same level of openness to taking out loans (0.62 and 0.65 respectively), the Short-term Spenders are slightly less willing to do this, with a mean score of 0.56. This again indicates that this group is less willing to try and grow their money for the long-term. In terms of demographic variables, those aged 21 to 24 (37.7 per cent), women (37.3 per cent) and those who earn $3,000 to $3,999 per month (37.4 per cent) are the most likely to be Short-term Spenders.

Table 9.3: Cluster characteristics, by dimension

Dimension	Clusters		
	Cautious Investors	Short-term Spenders	Adventurous Investors
	N = 719 (35.9%)	N = 615 (30.7%)	N = 667 (33.3%)
Appetite for financial risk-taking	0.61	0.39	0.76
Openness to taking out loans	0.62	0.56	0.65
Proclivity to spending incautiously	0.57	0.71	0.82

Table 9.4: Summary demographic characteristics of clusters

Demographic variable	Clusters		
	Cautious Investors	Short-term Spenders	Adventurous Investors
	N = 719 (35.9%)	N = 615 (30.7%)	N = 667 (33.3%)
Age	More people aged 25 to 29 and 35 to 39	More people aged 21 to 24	More people aged 25 to 34
Gender	Evenly distributed	More females	More males
Education	Less educated (secondary/ITE)	-	More educated (polytechnic/professional qualifications)
Income	More people who earn $4,000 to $4,999 per month, or below $3,000	More people who earn $3,000 to $3,999 per month	More people who earn $5,000 or above per month

Table 9.5: Detailed demographic characteristics of clusters

Demographic variable	Clusters		
	Cautious Investors	Short-term Spenders	Adventurous Investors
21–24 years old	32.7%	37.7%	29.6%
25–29 years old	37.3%	27.7%	35.0%
30–34 years old	33.8%	29.5%	36.8%
35–39 years old	39.1%	31.6%	29.4%
Male	37.8%	23.9%	38.3%
Female	34.1%	37.3%	28.6%
Secondary / ITE	41.2%	34.8%	24.0%
Polytechnic/Professional qualifications / Pursuing Bachelor's	33.5%	27.3%	39.2%
Bachelor's and above	35.9%	31.3%	32.8%
Student / NS	27.7%	37.2%	35.1%
Unemployed / Homemaker*	18.8%	62.5%	18.8%
Below $3,000	39.3%	36.3%	24.4%
$3,000 to $3,999	31.9%	37.4%	30.7%
$4,000 to $4,999	42.6%	33.4%	23.9%
$5,000 to $5,999	34.1%	22.1%	43.8%
$6,000 to $6,999	32.6%	28.9%	38.4%
$7,000 and above	36.6%	21.0%	42.3%

Note: Rows marked with an asterisk (*) indicate that there are less than 50 respondents belonging to the group

9.1.2 Financial behaviours of different clusters

Respondents in different clusters also differ in their financial behaviours (see Tables 9.6 and 9.7 below). Those who are currently servicing at least one type of loan (39.2 per cent), have at least three months' worth of expenses set aside (34.9 per cent), have developed a plan for retirement saving (47 per cent), are always able to stick to this plan (52.9 per cent) and who have attended MoneySense sessions (51.6 per cent) or other financial literacy programmes (46.5 per cent) are most likely to be Adventurous Investors.

Those who are currently servicing at least one type of loan (37.9 per cent), have three months' worth of expenses (36.5 per cent) or less (36.1 per cent) set aside, have more or less developed a plan for retirement saving (39.7 per cent) and who are rarely able to stick to this plan (49.5 per cent) are most likely to be Cautious Investors.

Those who are not currently servicing any loans (46 per cent), who have never used a BNPL plan before (47.3 per cent), who have no savings (44.2 per cent), who have not tried to figure out how much they need to save for retirement (41.2 per cent), who have not developed a plan for retirement saving (45.3 per cent), who are never able to stick to this plan (54.5 per cent) and who have done nothing to improve their financial knowledge (51.8 per cent) are most likely to be Short-term Spenders.

Table 9.6: Summary financial behaviours of clusters

Financial behaviour	Clusters		
	Cautious Investors	**Short-term Spenders**	**Adventurous Investors**
	N = 719 (35.9%)	**N = 615 (30.7%)**	**N = 667 (33.3%)**
Loan status	More people who are servicing at least one loan	More people who are not currently servicing any loans	More people who are servicing at least one loan
BNPL usage	Evenly distributed	More people who have never used a BNPL plan	More people who have used a BNPL plan before
Basic savings	More people with some level of savings	More people who have no savings	More people who have at least three months' worth of expenses set aside
Retirement planning / saving	More people who have more or less developed a plan; more people who are rarely able to stick to it	Fewer people with a plan for retirement saving; more people who are never able to stick to their plan	More people with a plan for retirement saving and who always stick to it
Improving financial knowledge	Evenly distributed	More people who have done nothing to improve their knowledge	More people who have attended MoneySense or other financial literacy programmes

Table 9.7: Detailed financial behaviours of clusters

Financial behaviour	Clusters		
	Cautious Investors	Short-term Spenders	Adventurous Investors
Servicing at least one type of loan	37.9%	22.8%	39.2%
I do not have any loans to service at the moment.	32.1%	46.0%	22.0%
Have never used a BNPL plan	33.7%	47.3%	19.1%
Used at least one BNPL plan	37.1%	22.0%	40.9%
At least three months' worth of expenses set aside	36.5%	28.6%	34.9%
Savings of less than three months' worth of expenses	36.1%	34.2%	29.7%
No savings	28.3%	44.2%	27.5%
Tried to figure out how much they need to save for retirement	36.1%	23.4%	40.5%
Have not tried to figure out how much they need for retirement	35.7%	41.2%	23.1%
Have developed a plan for retirement saving	35.7%	17.4%	47.0%
More or less developed a plan	39.7%	31.1%	29.1%
No plan for retirement saving	31.9%	45.3%	22.7%
Never able to stick to plan for retirement saving	18.2%	54.5%	27.3%
Rarely able to stick to plan for retirement saving	49.5%	27.4%	23.2%
Mostly able to stick to plan for retirement saving	38.5%	25.8%	35.7%
Always able to stick to plan for retirement saving	29.5%	17.6%	52.9%
Attended a MoneySense session	33.3%	15.1%	51.6%
Attended other financial literacy programme(s)	36.1%	17.3%	46.5%
Read articles or a book on managing finances	37.1%	24.8%	38.1%
Sought financial knowledge from a professional	37.9%	22.6%	39.5%
None of the above	33.6%	51.8%	14.6%

9.2 Regressions

9.2.1 Respondents who are more comfortable financially are more likely to view loans positively, but those with both high risk-taking scores and high incomes are less inclined towards loans

In order to understand what are the factors that influence how respondents view loans, Ordinary Least Squares (OLS) regressions were conducted (see Table 9.8 below). Model 1 shows the regression with just independent variables, while Model 2 includes an interaction variable for income and financial risk-taking scores.

The results from Model 1 indicate that the respondents (1) with higher financial risk-taking scores, (2) who are more likely to spend without much worries, (3) keep track of their monthly expenditure, (4) are less affected by rising living costs, (5) are not part of the group with few financial resources, and (6) are staying in a property they own, are more likely to have more positive attitudes towards loans. Excluding the financial risk-taking scores and income findings, the results from Model 2 mostly replicate the findings from Model 1. But when it comes to the interaction variable, the results show that while respondents with high risk-taking propensity alone as well as respondents with high income alone have more positive attitudes towards loans, respondents with both high risk-taking propensity and high income have less positive attitudes towards loans. This indicates that the individuals who are willing to take more risks with their finances and also have a lot of financial resources on hand are less likely to view loans positively.

Extrapolating from these results, it appears that the respondents who hold more positive attitudes towards loans are those who are more likely to be comfortable with the repayment terms, because they are the ones with more financial resources and are not struggling to make ends meet. However, the ones who are both more adventurous with their finances and have high income at their disposal appear to be the least inclined towards loans. It is likely that their high incomes mean that they do not really need those loans, and they might want to look at growing their money using other financial tools rather than tying themselves down with repayment terms after borrowing money from others.

Table 9.8: OLS regression model

Variables	Dependent variable: Attitude towards loans	
	Model 1 Standardised coefficient	Model 2 Standardised coefficient
Risk-taking propensity (Finance)	.329***	.478***
Effort to improve financial knowledge	.012	.007
Openness to spending	.104***	.109***
Clarity of monthly expenditure amount	.121***	.127***
Monthly expenditure relative to salary		
More than half of monthly salary	.031	.032
All of monthly salary/ All of monthly salary plus tap on other sources	.023	.026
Reference category: Less than half of monthly salary		
Have savings that cover at least three months' expenses (vs not enough)	.007	.005
Affected by rising living costs		
Affected to some extent	.015	.014
Affected to a large extent	-.063**	-.063
Reference category: Affected to a small extent/ Not affected at all		
Gender (females vs males)	.021	.024
Age	-.037	-.039
Education		
Secondary school/ ITE	-.036	-.032
Diploma/ Professional qualification	-.012	-.011
Reference group: Bachelor's and above		
Monthly income	.003	.253***
Financial risk-taking x income		-.318***
Low income + live in smaller housing types (vs higher income living in various housing types)	-.060**	-.059**
Have full-time employment (vs no full-time employment	.032	.028
Living arrangement		
Staying in own property	.210***	.211***
Renting	.043	.041
Reference category: Staying with parents		
Adjusted R^2	.244	.249

9.2.2 Respondents who understand BNPL penalties, have social circles open to BNPL, but are less cognizant of their own financial situations, are more likely to have used BNPL plans before

We also examined the factors that make people more likely to have used BNPL plans before. Model 1 shows the effects of the individual independent variables (see Table 9.9 below). Those who (1) are aware of BNPL penalties, (2) have higher financial risk-taking scores, (3) have friends who use or are open to BNPL plans, (4) have more positive attitudes towards loans, (5) are not clear how much they spend per month, (6) do not have savings that cover at least three months' worth of expenses, (7) earn higher monthly income and (8) are staying in their own property rather than with parents, are more likely to have used at least one BNPL plan before.

In particular, those who are aware of BNPL penalties and those who have friends who have used or are open to BNPL plans are more than four times more likely to have used BNPL plans before. This seems to indicate that respondents who have used BNPL plans are those who have found out more about the terms and conditions, or at least have social circles where such plans are viewed as the norm. However, they seem less cognizant of their own financial standings, given that those who do not keep track of their spending and do not have adequate savings are 1.3 to 1.4 times more likely to have used BNPL plans before. It should also be noted that while the effect of income is highly statistically significant, the size of the effect is not very large, given that it means that those with higher monthly income were 1.04 times more likely to have used BNPL plans before.

In order to check the effect of the interaction between risk-taking scores and income, Model 2 was also run (see Table 9.9 below). The findings for the other variables remain the same, albeit with some slight variations in the odds ratio values. Interestingly, the main effect of risk-taking scores disappeared. Instead, the results for Model 2 indicate that respondents who both score high on financial risk-taking and have high monthly income are just 1.03 times more likely to have used a BNPL plan before. Overall, the results indicate that social norms around BNPL, understanding the plans' terms and conditions, and not keeping track of one's spending are more important factors in determining if someone has used a BNPL plan before.

Table 9.9: Logistic regression model

Variables	Dependent variable: Used at least one BNPL plan before	
	Model 1 Odds ratio	**Model 2 Odds ratio**
Aware of BNPL penalties (vs not aware)	4.014***	4.051***
Risk-taking propensity (Finance)	1.616***	1.216
Friends' attitudes towards BNPL	4.113***	4.186***
Attitudes towards loans	1.308*	1.327*
Openness to spending	1.055	1.053
Clarity of monthly expenditure amount	.777***	.772***
Have savings that cover at least three months' expenses (vs not enough)	.715*	.725*
Gender (females vs males)	1.088	1.080
Age	.997	.997
Education		
Secondary school/ ITE	.867	.847
Diploma/ Professional qualification	1.135	1.128
Reference group: Bachelor's and above		
Monthly income	1.040**	.941
Financial risk-taking x income		1.030**
Have full-time employment (vs no full-time employment	.852	.854
Living arrangement		
Staying in own property	1.576**	1.543**
Renting	1.032	1.041
Reference category: Staying with parents		
Pseudo R^2 (Nagelkerke)	.394	.397

9.2.3 High-income individuals with high risk-taking scores more likely to be relaxed about spending habits

Which individuals have less conscientious spending habits? The OLS regression for individual independent variables found that those who (1) make fewer efforts to improve their financial knowledge, (2) have more positive attitudes towards loans, (3) do not keep track of their monthly expenditure, (4) are less affected by rising living costs and (5) stay in their own property are less conscientious about spending (see Model 1 in Table 9.10 below).

An additional regression was also conducted to see whether there was an interaction effect for risk-taking scores and income, because it is likely that respondents who are more adventurous might become more relaxed about their money if they have more resources on hand. Indeed, we found that those with higher incomes but lower risk-taking scores actually are cautious about their money; however, those who have both high income and high scores in the financial domain of risk-taking are much more relaxed about spending money.
Overall, the results indicate that believing one has adequate financial resources, whether in terms of income or the perception that they are living a comfortable life with their current financial capacity, is a necessary condition for individuals to be more relaxed about their money. But this perception also needs to be coupled with high propensity to take risks, or at least some level of financial disorganisation.

Table 9.10: OLS regression model

Variables	Dependent variable: Openness to spending	
	Model 1 Standardised coefficient	Model 2 Standardised coefficient
Risk-taking propensity (Finance)	.158***	.015
Effort to improve financial knowledge	-.127***	-.122***
Attitudes towards loans	.118***	.124***
Used at least one BNPL plan before	-.003	-.004
Clarity of monthly expenditure amount	-.262***	-.267***
Monthly expenditure relative to salary		
More than half of monthly salary	.013	.012
All of monthly salary/ All of monthly salary plus tap on other sources	.045	.042
Reference category: Less than half of monthly salary		
Have savings that cover at least three months' expenses (vs not enough)	.010	.012
Affected by rising living costs		
Affected to some extent	-.106***	-.104***
Affected to a large extent	-.159***	-.158***
Reference category: Affected to a small extent/ Not affected at all		
Gender (females vs males)	-.023	-.025
Age	-.040	-.037
Education		
Secondary school/ ITE	-.014	-.018
Diploma/ Professional qualification	.017	.016
Reference group: Bachelor's and above		
Monthly income	.072**	-.163*
Financial risk-taking x income		.300***
Living arrangement		
Staying in own property	.077**	.074**
Renting	.016	.018
Reference category: Staying with parents		
Adjusted R^2	.146	.150

10. CONCLUSION

In this paper, we have outlined key findings about the financial behaviours of those under 40 years old. In general respondents demonstrate prudence in dealing with their finances — whether it is spending within their monthly incomes, keeping aside money for a rainy day, or in the use of credit cards and Buy Now, Pay Later (BNPL) plans. A majority have also developed retirement plans and are keeping to them. These results indicate that most young adults keep within their means for day-to-day expenses and are unlikely to take loans or use credit on impulse.

It is possible that such financial behaviours have developed because young adults view loans, credit cards and BNPL plans with some level of caution even though they do make use of these financial instruments in their daily lives. Loans are seen as more justified if one is trying to achieve a certain goal in their life, like buying a home or pursuing further education, but less so for pursuits like branded items or vacations. Furthermore, even though loans are seen as healthy financial behaviour, some types of loans are viewed in a more negative light. Many are also worried that loans will affect their long-term financial stability. Similar concerns were expressed for credit cards and BNPL plans, with around four in 10 indicating that these instruments make them less disciplined with their spending.

While the overall picture presented shows that young adults have relatively healthy financial habits, we do note some potential issue areas and pain points. Over nine in 10 say that they feel personally affected by the rising cost of living, with younger and lower-income respondents being affected to a larger extent.

We also note marked income differences for some aspects. In particular, nearly half of those who earn below $3,000 said that they believe they spend more than they earn, even though over six in 10 of this group said that they think in-depth about their financial situation. This group is also less likely to have at least three months' worth of expenses saved. Taken together, these results indicate the precarity and struggle of lower-income respondents.

Younger respondents are also less likely to plan for the longer term, with larger proportions preferring to spend on things that make them happy. They are also less likely than older cohorts to frequently ruminate over their financial situation. But given that older cohorts do think more about their finances, it is likely that perceptions and attitudes change as people grow older.

While many respondents take up loans to pay for big-ticket expenses like homes, education, and cars or other motor vehicles, some are also servicing credit card-related loans, BNPL instalments or personal loans. In particular, over two in 10 of those aged 25 and above are servicing credit card loans, which can indicate potential dangers for overdrafts for this group of individuals.

We also note that those with relatively fewer financial resources are more adversely impacted by rising costs of living. However, they are not so different from the overall sample with regard to their perceptions of loans and BNPL plans. This suggests that they are likely to make use of these instruments if they see a need. While there are benefits to using these instruments, there is a higher risk for these individuals because they have fewer financial resources to cope with unforeseen circumstances, especially if they also have to deal with liabilities like credit card bills or loans, or BNPL instalments.

Young adults also appear to be relatively cautious about taking financial risks, with only a third of the respondents in the survey showing more than a mild likelihood to invest in speculative stocks. Together with the other data in this report such as young adults' efforts to be informed about their financial wellbeing, either through reading about the topic, seeking professional advice or attending financial literacy programmes this should give us confidence that some prevailing social perceptions of younger individuals as impulsive spenders with no future planning are mistaken.

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APPENDIX A. SPENDING AND SAVING

A1 Tables relating to popular areas of expenditure and allowance

Table A1.1: Most prevalent types of expenditure, by respondents' gender

Rank	Overall	Male	Female
1	Food (82.7%)	Food (80.4%)	Food (85.5%)
2	Clothes and footwear (65.0%)	Utility bills (61.1%)	Clothes and footwear (70.8%)
3	Utility bills (59.7%)	Clothes and footwear (60.8%)	Utility bills (56.9%)
4	Telco bills (53.8%)	Telco bills (52.9%)	Telco bills (53.3%)
5	Insurance premiums (46.9%)	Insurance premiums (46.5%)	Insurance premiums (48.8%)
6	Allowance (42.8%)	Technological products (45.1%)	Allowance (47.4%)
7	Loan payments (38.8%)	Hobbies (42.0%)	Travel (39.7%)
8	Hobbies (37.8%)	Loan payments (38.2%)	Loan payments (37.6%)
9	Technological products (37.6%)	Travel (37.8%)	Hobbies (37.2%)
10	Travel (36.7%)	Allowance (37.2%)	Technological products (32.5%)
11	Social media (27.6%)	Social media (28.2%)	Social media (27.2%)
12	Self-improvement (22.9%)	Sports (26.5%)	Self-improvement (23.7%)
13	Sports (21.8%)	Self-improvement (23.9%)	Sports (19.7%)

A2 Self-perceptions of financial situation

Table A2.1: Effectiveness of retirement saving, by age cohort and gender

Age cohort and gender		How often have you been able to stick to this plan?			
		Never	Rarely	Mostly	Always
21–24 years old	Male	1.3%	18.8%	67.5%	12.5%
	Female	0.0%	23.4%	59.7%	16.9%
25–29 years old	Male	0.9%	7.4%	65.7%	25.9%
	Female	0.5%	18.8%	62.0%	18.8%
30–34 years old	Male	1.3%	9.8%	66.4%	22.6%
	Female	0.8%	16.0%	57.0%	26.2%
35–39 years old	Male	0.6%	10.7%	61.2%	27.5%
	Female	0.6%	14.3%	56.6%	28.6%

APPENDIX B. LOANS

B1 Tables relating to reasons for taking loans

Table B1.1: Reasons for taking out personal loans, by respondents' gender

Gender	What is the purpose of taking the personal loan?				
	Medical bills	Overseas travel	Expensive items	Wedding expenses	Business venture
Male	44.2%	30.9%	39.4%	22.4%	17.0%
Female	55.6%	32.1%	24.1%	19.1%	19.1%

B2 Tables relating to buying something one cannot afford

Table B2.1: First resort to buy something you cannot afford, by income level

Income level	If you do not have enough money to pay for something but really want it, which of the following actions would you take as a first resort?					
	Forgo item	Credit card	BNPL plans	Borrow from parents	Borrow from bank	Borrow from friends
Student / NS	47.9%	10.6%	7.4%	29.8%	2.1%	2.1%
Unemployed / Homemaker*	50.0%	18.8%	6.3%	18.8%	6.3%	0.0%
Below $3,000	47.9%	9.8%	11.6%	13.4%	7.1%	9.8%
$3,000 to $3,999	48.2%	16.9%	14.7%	8.3%	5.5%	6.1%
$4,000 to $4,999	31.0%	21.8%	13.2%	16.3%	10.1%	7.4%
$5,000 to $5,999	29.3%	28.3%	11.7%	13.1%	9.3%	7.9%
$6,000 to $6,999	21.6%	26.3%	17.9%	16.8%	6.8%	10.0%
$7,000 and above	21.0%	28.1%	20.5%	7.4%	16.4%	6.6%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table B2.2: First resort to buy something you cannot afford, by income level

Age cohort	If you do not have enough money to pay for something but really want it, which of the following actions would you take as a first resort?					
	Forgo item	Credit card	BNPL plans	Borrow from parents	Borrow from bank	Borrow from friends
21–24 years old	44.4%	12.8%	11.8%	18.9%	6.4%	5.4%
25–29 years old	34.6%	20.7%	13.6%	15.5%	9.2%	5.8%
30–34 years old	32.8%	24.4%	17.3%	9.0%	9.5%	7.0%
35–39 years old	34.1%	20.7%	12.8%	11.2%	9.9%	11.0%

Table B2.3: First resort to buy something you cannot afford, by respondents' gender

Gender	If you do not have enough money to pay for something but really want it, which of the following actions would you take as a first resort?					
	Forgo item	Credit card	BNPL plans	Borrow from parents	Borrow from bank	Borrow from friends
Male	30.3%	21.9%	13.6%	14.6%	11.1%	8.3%
Female	40.2%	19.6%	15.0%	11.3%	7.0%	6.7%

APPENDIX C. CREDIT CARDS

C1 Tables relating to credit card ownership

Table C1.1: Number of credit cards by age cohort

Age cohort	Number of credit cards					
	Never had a credit card	No credit cards currently, but used to have one or more	One	Two	Three	Four or more
21–24 years old	47.8%	13.5%	17.2%	13.8%	4.4%	3.4%
25–29 years old	26.9%	12.9%	25.6%	20.1%	10.4%	4.1%
30–34 years old	11.4%	11.3%	29.2%	25.8%	15.2%	7.1%
35–39 years old	17.9%	14.0%	23.2%	24.4%	14.0%	6.5%

Table C1.2: Number of credit cards by employment status

Employment status	Number of credit cards					
	Never had a credit card	No credit cards currently, but used to have one or more	One	Two	Three	Four or more
Full-time employee	19.6%	12.2%	26.1%	23.8%	12.7%	5.6%
Self-employed/ Part-time employment/ freelancer/ gig worker	27.3%	15.0%	20.3%	16.6%	13.4%	7.5%
Others	56.4%	16.5%	15.8%	8.3%	0.8%	2.3%

Table C1.3: Number of credit cards by income level

Income level	Number of credit cards					
	Never had a credit card	No credit cards currently, but used to have one or more	One	Two	Three	Four or more
Student/NS	63.8%	11.7%	16.0%	7.4%	0%	1.1%
Unemployed/ Homemaker*	36.8%	28.9%	15.8%	10.5%	2.6%	5.3%
Below $3,000	40.5%	18.5%	21.1%	11.6%	6.5%	1.8%
$3,000 - $3,999	29.6%	13.0%	28.5%	18.5%	8.9%	1.4%
$4,000 - $4,999	16.0%	8.0%	27.0%	25.8%	16.3%	7.1%
$5,000 - $5,999	11.0%	12.8%	29.3%	25.5%	12.4%	9.0%
$6,000 - $6,999	10.0%	16.8%	22.1%	30.0%	16.8%	4.2%
$7,000 & above	9.8%	7.9%	24.0%	30.1%	17.2%	10.9%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table C1.4: Exact awareness of spending, by respondents' number of credit cards

Number of credit cards	I know exactly how much I spend every month.					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Never had a credit card	2.0%	4.8%	16.4%	32.9%	30.0%	13.8%
No credit cards currently but used to have one or more	1.6%	5.9%	13.3%	35.3%	28.6%	15.3%
One	1.0%	2.4%	10.6%	36.1%	29.9%	19.9%
Two	2.0%	2.7%	10.0%	32.1%	36.0%	17.2%
Three	2.1%	4.2%	9.2%	34.7%	32.2%	17.6%
Four or more	0.0%	11.7%	21.6%	30.6%	18.9%	17.1%

C2 Tables relating to perceptions of credit cards

Table C2.1: View of credit cards by age cohort

Age cohort	Credit cards give me access to things I could not get without them				
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
21–24 years old	6.7%	11.1%	32.3%	34.0%	15.8%
25–29 years old	6.5%	12.9%	29.7%	38.9%	12.0%
30–34 years old	5.9%	12.8%	31.2%	37.7%	12.4%
35–39 years old	6.7%	16.6%	36.9%	30.2%	9.7%

Table C2.2: View of credit cards by income level

Income level	I worry about carrying a balance on my credit card month-to-month				
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
Student/ NS	1.1%	18.1%	30.9%	30.9%	19.1%
Unemployed/ Homemaker*	5.3%	15.8%	31.6%	28.9%	18.4%
Below $3,000	8.3%	17.0%	27.7%	33.6%	13.4%
$3,000 - $3,999	9.1%	16.6%	28.0%	30.2%	16.1%
$4,000 - $4,999	8.6%	25.5%	28.8%	27.3%	9.8%
$5,000 - $5,999	5.5%	14.8%	32.4%	28.6%	18.6%
$6,000 - $6,999	6.8%	15.3%	28.4%	32.1%	17.4%
$7,000 & above	7.9%	22.4%	27.6%	28.7%	13.4%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

APPENDIX D. BUY NOW, PAY LATER (BNPL) PLANS

D1 Tables relating to use of BNPL plans

Table D1.1: View of BNPL plans by income level

Income level	I am discouraged about the amount of money I owe on my BNPL plan(s)				
	Strongly Disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
Student/ NS	9.3%	17.4%	34.9%	25.6%	12.8%
Unemployed/ Homemaker*	14.7%	8.8%	44.1%	29.4%	2.9%
Below $3,000	9.7%	15.4%	39.0%	25.8%	10.1%
$3,000 - $3,999	11.2%	21.5%	36.1%	23.1%	8.1%
$4,000 - $4,999	12.9%	27.3%	30.2%	20.3%	9.3%
$5,000 - $5,999	10.0%	23.7%	29.4%	21.5%	15.4%
$6,000 - $6,999	13.9%	21.4%	20.9%	30.5%	13.4%
$7,000 & above	10.5%	22.9%	27.6%	27.6%	11.3%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

APPENDIX E. GOVERNMENT INTERVENTIONS

E1 Tables relating to sources of help for individual debt

Table E1.1: Help for loans by income level

Income level	When someone cannot pay their loans, who do you think should help them?			
	Government	Family and friends	Community	Financial institutions
Student/ NS	44.7%	67.0%	31.9%	53.2%
Unemployed/ Homemaker*	28.9%	55.3%	21.1%	46.8%
Below $3,000	39.6%	59.8%	31.0%	50.0%
$3,000 - $3,999	30.2%	62.9%	27.4%	45.7%
$4,000 - $4,999	33.1%	65.3%	29.1%	35.3%
$5,000 - $5,999	34.1%	64.8%	22.4%	33.1%
$6,000 - $6,999	29.5%	64.7%	28.9%	36.3%
$7,000 and above	27.0%	60.9%	30.6%	45.9%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table E1.2: Family and friends help for loans by housing type

Housing type	Who do you think will be the most to the least help when someone cannot pay their loans? Family and friends			
	Most help (1)	2	3	Least help (4)
1- to 3-room HDB	48.6%	20.0%	14.7%	16.7%
4-room HDB	45.6%	18.7%	17.7%	18.0%
5+-room HDB	48.0%	14.6%	16.2%	21.2%
Private property	38.3%	21.0%	15.4%	25.3%

Table E1.3: Family and friends help for loans by income level

Income level	Who do you think will be the most to the least help when someone cannot pay their loans? Family and friends			
	Most help (1)	2	3	Least help (4)
Student/ NS	48.9%	17.0%	08.1%	16.0%
Unemployed/ Homemaker*	44.7%	21.1%	7.9%	26.3%
Below $3,000	41.4%	19.6%	15.8%	23.2%
$3,000 - $3,999	51.0%	15.5%	15.0%	18.6%
$4,000 - $4,999	48.2%	17.5%	18.1%	16.3%
$5,000 - $5,999	49.0%	17.6%	13.4%	20.0%
$6,000 - $6,999	36.8%	25.3%	18.4%	19.5%
$7,000 and above	44.5%	20.8%	16.4%	18.3%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table E1.4: Government help for loans by age cohort

Age cohort	Who do you think will be the most to the least help when someone cannot pay their loans? Government			
	Most help (1)	2	3	Least help (4)
21–24 years old	28.3%	27.9%	20.2%	23.6%
25–29 years old	22.4%	22.3%	26.0%	29.3%
30–34 years old	19.2%	23.5%	23.9%	33.4%
35–39 years old	14.2%	17.9%	28.4%	39.4%

Table E1.5: Community help for loans by age cohort

Age cohort	Who do you think will be the most to the least help when someone cannot pay their loans? Community (social service agencies, religious institutions)			
	Most help (1)	2	3	Least help (4)
21–24 years old	8.4%	25.3%	30.6%	35.7%
25–29 years old	9.9%	23.0%	34.8%	32.3%
30–34 years old	12.0%	24.6%	35.3%	28.1%
35–39 years old	13.8%	34.1%	30.2%	21.9%

Table E1.6: Financial institutions help for loans by age cohort

Age cohort	Who do you think will be the most to the least help when someone cannot pay their loans? Financial institutions			
	Most help (1)	2	3	Least help (4)
21–24 years old	17.5%	30.0%	30.6%	21.9%
25–29 years old	21.9%	34.8%	23.7%	19.6%
30–34 years old	24.6%	32.3%	24.6%	18.5%
35–39 years old	23.9%	30.0%	26.6%	19.5%

E2 Tables relating to views on government interventions

Table E2.1: Respondents' views on government help for debts by income level

Income level	How justifiable is it to you for the government to use public funds to pay off debts of citizens who are in debt for the following reasons? Debt because of business failure					
	Totally unjustifiable	Moderately unjustifiable	Slightly unjustifiable	Slightly justifiable	Moderately justifiable	Totally justifiable
Student/ NS	5.3%	14.9%	24.5%	38.3%	9.6%	7.4%
Unemployed/ Homemaker*	21.1%	13.2%	21.1%	21.1%	21.1%	2.6%
Below $3,000	5.7%	12.5%	22.0%	37.8%	16.4%	5.7%
$3,000 - $3,999	5.8%	13.6%	21.6%	34.1%	16.9%	8.0%
$4,000 - $4,999	6.7%	9.5%	26.4%	34.4%	16.6%	6.4%
$5,000 - $5,999	10.0%	13.1%	14.5%	30.7%	18.3%	13.4%
$6,000 - $6,999	10.0%	13.2%	12.1%	35.3%	15.8%	13.7%
$7,000 & above	5.5%	7.9%	15.0%	35.0%	26.0%	10.7%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

APPENDIX F. ATTITUDES TO INDEBTEDNESS

F1 Tables relating to views on loans as normative

Table F1.1: Respondents' views on taking out loans by age cohort

Age cohort	Everyone takes out loans from time to time					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
21–24 years old	1.3%	7.1%	18.2%	39.7%	22.2%	11.4%
25–29 years old	1.1%	6.2%	16.8%	39.6%	25.1%	11.3%
30–34 years old	1.4%	4.0%	15.4%	37.6%	27.9%	13.8%
35–39 years old	1.8%	5.5%	17.0%	45.0%	20.9%	9.9%

Table F1.2: Respondents' views on taking out loans by age cohort

Age cohort	Making use of loans is healthy financial behaviour					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
21–24 years old	6.4%	11.8%	25.6%	30.3%	18.5%	7.4%
25–29 years old	5.8%	7.8%	18.9%	33.4%	23.7%	10.4%
30–34 years old	5.5%	7.9%	18.2%	31.2%	25.4%	11.7%
35–39 years old	6.1%	8.1%	23.1%	34.7%	19.1%	8.9%

Table F1.3: Respondents' views on taking out loans by age cohort

Age cohort	I have been taught that borrowing money is not desirable behaviour					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
21–24 years old	2.7%	7.1%	15.8%	30.3%	23.6%	20.5%
25–29 years old	1.8%	9.7%	15.4%	32.5%	25.1%	15.5%
30–34 years old	3.3%	9.2%	16.8%	32.8%	21.9%	16.0%
35–39 years old	4.1%	13.0%	19.5%	30.2%	21.1%	12.0%

Table F1.4: Respondents' views on taking out loans by education level

Education level	Everyone takes out loans from time to time					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Secondary/ ITE	1.6%	5.2%	22.8%	37.6%	18.8%	14.0%
Polytechnic/ Prof. Qual./ Pursuing Bachelor's	1.0%	5.5%	17.0%	35.0%	27.7%	13.7%
Bachelor's and above	1.5%	5.5%	15.2%	43.0%	24.3%	10.5%

Table F1.5: Respondents' views on taking out loans by education level

Education level	Making use of loans is healthy financial behaviour					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Secondary/ ITE	12.4%	9.2%	24.0%	27.2%	17.2%	10.0%
Polytechnic/ Prof. Qual./ Pursuing Bachelor's	6.1%	9.7%	20.0%	29.3%	21.6%	13.3%
Bachelor's and above	4.5%	7.9%	20.4%	35.0%	23.6%	8.7%

Table F1.6: Respondents' views on taking out loans by education level

Education level	I have been taught that borrowing money is not desirable behaviour					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Secondary/ ITE	2.4%	8.8%	14.4%	33.6%	21.6%	19.2%
Polytechnic/ Prof. Qual./ Pursuing Bachelor's	3.2%	6.9%	14.1%	32.9%	22.0%	21.0%
Bachelor's and above	3.0%	11.5%	18.6%	30.8%	23.4%	12.6%

Table F1.7: Respondents' views on taking out loans by income level

Income level	Everyone takes out loans from time to time					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	0%	4.3%	17.0%	40.4%	27.7%	10.6%
Unemployed/ Homemaker*	0%	13.2%	18.4%	34.2%	23.7%	10.5%
Below $3,000	3.0%	5.4%	14.0%	43.2%	23.5%	11.0%
$3,000 - $3,999	1.1%	9.4%	20.8%	38.2%	20.2%	10.2%
$4,000 - $4,999	1.5%	4.0%	18.7%	48.5%	20.2%	7.1%
$5,000 - $5,999	0.3%	3.4%	12.1%	39.7%	28.6%	15.9%
$6,000 - $6,999	1.1%	4.7%	14.2%	42.1%	26.3%	11.6%
$7,000 & above	1.6%	4.4%	17.5%	32.8%	28.4%	15.3%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F1.8: Respondents’ views on taking out loans by income level

Income level	I have been taught that borrowing money is not desirable behaviour					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	0%	8.5%	11.7%	24.5%	31.9%	23.4%
Unemployed/ Homemaker*	2.6%	0%	21.1%	21.1%	23.7%	31.6%
Below $3,000	4.8%	8.9%	14.0%	31.8%	20.5%	19.9%
$3,000 - $3,999	3.9%	10.8%	20.2%	33.0%	20.5%	11.6%
$4,000 - $4,999	3.7%	8.3%	14.4%	42.0%	21.2%	10.4%
$5,000 - $5,999	0.3%	10.7%	20.7%	25.5%	26.6%	16.2%
$6,000 - $6,999	1.6%	15.3%	17.9%	27.9%	20.5%	16.8%
$7,000 & above	3.6%	9.8%	16.1%	30.9%	24.6%	15.0%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F1.9: Respondents’ views on taking out loans by income level

Income level	Taking out a loan is a good thing as it allows you to make your life better					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	4.3%	10.6%	24.5%	38.3%	11.7%	10.6%
Unemployed/ Homemaker*	18.4%	13.2%	21.1%	31.6%	10.5%	5.3%
Below $3,000	13.4%	10.1%	20.8%	32.4%	17.0%	6.3%
$3,000 - $3,999	4.2%	11.6%	24.7%	34.3%	18.6%	6.6%
$4,000 - $4,999	2.5%	4.9%	27.0%	41.7%	17.8%	6.1%
$5,000 - $5,999	1.7%	5.9%	17.9%	37.9%	24.5%	12.1%
$6,000 - $6,999	2.1%	7.9%	18.9%	33.7%	28.4%	8.9%
$7,000 & above	3.3%	7.4%	21.0%	32.0%	24.6%	11.7%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F1.10: Respondents' views on taking out loans by income level

Income level	Credit is an essential part of today's lifestyle					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	2.1%	7.4%	11.7%	42.6%	23.4%	12.8%
Unemployed/ Homemaker*	10.5%	7.9%	18.4%	39.5%	13.2%	10.5%
Below $3,000	3.0%	7.1%	16.4%	41.7%	23.5%	8.3%
$3,000 - $3,999	1.7%	6.4%	13.9%	39.6%	25.8%	12.7%
$4,000 - $4,999	1.5%	2.8%	14.1%	46.3%	25.2%	10.1%
$5,000 - $5,999	0.7%	2.1%	11.0%	41.0%	27.6%	17.6%
$6,000 - $6,999	1.6%	2.6%	8.9%	39.5%	30.5%	16.8%
$7,000 & above	1.6%	6.8%	13.9%	30.3%	29.8%	17.5%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

F2 Tables relating to loans as useful

Table F2.1: Respondents' views on taking out loans by income level

Income level	I will take a loan if it allows me to do something that will pay off in the long-run					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	2.1%	2.1%	11.7%	37.2%	28.7%	18.1%
Unemployed/ Homemaker*	13.2%	7.9%	23.7%	28.9%	18.4%	7.9%
Below $3,000	6.8%	2.7%	14.3%	36.3%	27.4%	12.5%
$3,000 - $3,999	4.4%	4.2%	14.1%	39.3%	26.3%	11.6%
$4,000 - $4,999	0.9%	3.4%	12.9%	47.2%	26.4%	9.2%
$5,000 - $5,999	0.3%	4.5%	8.6%	37.2%	32.8%	16.6%
$6,000 - $6,999	1.6%	4.7%	12.6%	33.2%	30.0%	17.9%
$7,000 & above	1.9%	6.3%	14.2%	33.1%	30.9%	13.7%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F2.2: Respondents' views on taking out loans by income level

Income level	Loans enable me to satisfy immediate needs					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	1.1%	6.4%	23.4%	35.1%	27.7%	6.4%
Unemployed/ Homemaker*	13.2%	2.6%	21.1%	47.4%	10.5%	5.3%
Below $3,000	4.2%	6.3%	14.9%	42.6%	23.8%	8.3%
$3,000 - $3,999	4.2%	4.4%	15.8%	44.3%	21.9%	9.4%
$4,000 - $4,999	2.5%	4.9%	15.6%	45.7%	22.1%	9.2%
$5,000 - $5,999	1.4%	3.4%	12.1%	37.6%	31.0%	14.5%
$6,000 - $6,999	2.1%	3.2%	16.3%	40.5%	25.8%	12.1%
$7,000 & above	3.0%	6.6%	12.0%	41.5%	23.2%	13.7%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F2.3: Respondents' views on taking out loans by income level

Income level	Taking loans allows you to stretch out your money the most					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	3.2%	9.6%	20.2%	36.2%	23.4%	7.4%
Unemployed/ Homemaker*	5.3%	15.8%	31.6%	26.3%	18.4%	2.6%
Below $3,000	7.4%	9.5%	23.2%	30.4%	18.2%	11.3%
$3,000 - $3,999	3.6%	8.6%	21.9%	38.2%	19.9%	7.8%
$4,000 - $4,999	3.4%	7.1%	22.1%	41.7%	19.9%	5.8%
$5,000 - $5,999	2.1%	5.9%	16.9%	36.9%	24.8%	13.4%
$6,000 - $6,999	3.2%	6.3%	11.6%	42.6%	25.8%	10.5%
$7,000 & above	4.6%	9.3%	19.7%	29.8%	25.7%	10.9%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F2.4: Respondents' views on taking out loans by whether one is servicing loans currently

Servicing loans?	I will take a loan if it allows me to do something that will pay off in the long-run					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Yes	2.4%	3.6%	10.6%	37.6%	30.3%	15.4%
No	4.1%	5.4%	17.9%	38.2%	25.2%	9.2%

Table F2.5: Respondents' views on taking out loans by whether one is servicing loans currently

Servicing loans?	Taking loans allows you to stretch out your money the most					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Yes	4.1%	6.3%	18.1%	36.1%	24.7%	10.6%
No	4.2%	11.9%	24.0%	35.3%	17.0%	7.6%

Table F2.6: Respondents' views on taking out loans by whether one is servicing loans currently

Servicing loans?	Loans enable me to satisfy immediate needs					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Yes	2.6%	4.4%	10.9%	42.0%	27.3%	12.8%
No	4.1%	6.1%	22.5%	42.2%	18.3%	6.7%

F3 Tables relating to views on risks of taking out loans

Table F3.1: Respondents' views on taking out loans by income level

Income level	There are enough controls in Singapore to ensure people do not borrow more than they can pay back					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	3.2%	5.3%	21.3%	35.1%	28.7%	6.4%
Unemployed/ Homemaker*	2.6%	7.9%	21.1%	47.4%	13.2%	7.9%
Below $3,000	3.6%	6.8%	14.9%	40.8%	25.6%	8.3%
$3,000 - $3,999	2.8%	5.8%	16.6%	38.8%	26.0%	10.0%
$4,000 - $4,999	2.1%	6.7%	14.7%	44.5%	22.7%	9.2%
$5,000 - $5,999	2.1%	4.5%	10.7%	42.4%	26.2%	14.1%
$6,000 - $6,999	2.6%	4.7%	14.7%	38.4%	25.8%	13.7%
$7,000 & above	1.4%	5.5%	15.6%	31.1%	34.2%	12.3%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F3.2: Respondents' views on taking out loans by income level

Income level	You can easily find loans with manageable interest rates					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	4.3%	8.5%	22.3%	37.2%	20.2%	7.4%
Unemployed/ Homemaker*	7.9%	21.1%	21.1%	34.2%	7.9%	7.9%
Below $3,000	5.4%	10.7%	18.2%	38.7%	21.4%	5.7%
$3,000 - $3,999	3.9%	7.5%	23.3%	32.4%	22.7%	10.2%
$4,000 - $4,999	2.5%	4.9%	21.8%	45.1%	18.4%	7.4%
$5,000 - $5,999	1.7%	6.2%	14.5%	43.4%	23.8%	10.3%
$6,000 - $6,999	2.1%	5.8%	17.9%	41.6%	21.6%	11.1%
$7,000 & above	0.8%	6.6%	18.0%	33.1%	28.7%	12.8%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F3.3: Respondents' views on taking out loans by income level

Income level	Nowadays, the government makes sure that legal loans are well-regulated					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	3.2%	3.2%	9.6%	41.5%	28.7%	13.8%
Unemployed/ Homemaker*	0%	2.6%	10.5%	44.7%	21.1%	21.1%
Below $3,000	1.8%	2.1%	8.9%	40.8%	33.9%	12.5%
$3,000 - $3,999	1.7%	2.8%	14.1%	39.6%	27.4%	14.4%
$4,000 - $4,999	1.5%	3.1%	12.6%	42.6%	27.0%	13.2%
$5,000 - $5,999	0.3%	2.1%	8.6%	39.7%	32.4%	16.9%
$6,000 - $6,999	2.1%	0.5%	11.1%	39.5%	32.6%	14.2%
$7,000 & above	1.1%	5.7%	14.5%	30.6%	34.2%	13.9%

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Table F3.4: Respondents' views on taking out loans by income level

Income level	I don't mind borrowing money if the debt repayment terms are manageable					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	0%	8.5%	12.8%	45.7%	21.3%	11.7%
Unemployed/ Homemaker*	21.1%	13.2%	23.7%	26.3%	7.9%	7.9%
Below $3,000	8.9%	9.2%	14.9%	36.0%	21.1%	9.8%
$3,000 - $3,999	5.3%	7.8%	18.3%	36.0%	22.2%	10.5%
$4,000 - $4,999	2.1%	6.7%	18.1%	43.9%	21.8%	7.4%
$5,000 - $5,999	2.1%	5.9%	10.7%	35.5%	28.3%	17.6%
$6,000 - $6,999	4.7%	3.7%	16.3%	28.9%	34.7%	11.6%
$7,000 & above	2.7%	7.7%	12.8%	33.6%	30.1%	13.1%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

F4 Tables relating to emotions and actions when taking out loans

Table F4.1: Respondents' views on taking out loans by age cohort

Age cohort	I feel relaxed when taking on loans					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
21–24 years old	14.1%	13.8%	23.9%	27.6%	13.5%	7.1%
25–29 years old	9.0%	11.7%	26.1%	29.0%	17.3%	6.9%
30–34 years old	10.1%	12.0%	22.2%	26.1%	20.9%	8.6%
35–39 years old	9.1%	14.4%	26.4%	30.2%	14.8%	5.1%

Table F4.2: Respondents' views on taking out loans by income level

Income level	I feel anxious at the thought of taking up a loan					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	3.2%	1.1%	13.8%	30.9%	30.9%	20.2%
Unemployed/ Homemaker*	0%	2.6%	10.5%	36.8%	18.4%	31.6%
Below $3,000	2.7%	8.3%	12.8%	35.4%	21.4%	19.3%
$3,000 - $3,999	3.6%	9.7%	17.7%	30.2%	23.8%	15.0%
$4,000 - $4,999	3.7%	13.8%	25.5%	27.0%	21.5%	8.6%
$5,000 - $5,999	1.0%	11.7%	21.7%	26.9%	24.5%	14.1%
$6,000 - $6,999	3.7%	7.4%	26.3%	24.7%	23.7%	14.2%
$7,000 & above	2.5%	10.9%	19.1%	30.9%	23.2%	13.4%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

Table F4.3: Respondents' views on taking out loans by income level

Income level	I cannot sleep well if I know there are creditors waiting for my repayment					
	Strongly disagree	Moderately disagree	Slightly disagree	Slightly agree	Moderately agree	Strongly agree
Student/ NS	3.2%	2.1%	14.9%	34.0%	27.7%	19.1%
Unemployed/ Homemaker*	0%	5.3%	7.9%	28.9%	21.1%	36.8%
Below $3,000	2.7%	8.3%	16.7%	30.1%	21.1%	21.1%
$3,000 - $3,999	1.9%	9.1%	17.2%	30.5%	25.8%	15.5%
$4,000 - $4,999	2.5%	8.3%	24.8%	32.2%	18.7%	13.5%
$5,000 - $5,999	2.8%	7.2%	19.7%	30.3%	21.7%	18.3%
$6,000 - $6,999	2.1%	7.4%	20.5%	28.4%	25.8%	15.8%
$7,000 & above	2.2%	10.7%	17.8%	30.1%	25.4%	13.9%

Note: Rows marked with asterisk * indicate that there are less than 50 respondents belonging to the group

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Institute of Policy Studies
Lee Kuan Yew School of Public Policy
National University of Singapore
1C Cluny Road House 5
Singapore 259599

Tel: (65) 6516 8388
Web: www.lkyspp.nus.edu.sg/ips
Registration Number: 200604346E