

For Immediate Release
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Manulife 3-Generation Survey: Millennials in Singapore prioritise spending on short-term goals over saving for retirement

SINGAPORE, 1 Nov 2018 – A recent study conducted by Manulife suggests that one in two Millennials have started saving for the future, ahead of any other generation. However, the research also revealed that compared to other generations, the majority of Millennials perceive short-term life goals such as creating an Instagram-worthy home as being more important than saving for retirement.

This is according to a survey commissioned by Manulife that polled 1,000 respondents in Singapore across three generations, Millennials, Gen X and Baby Boomers, to understand their saving priorities and attitudes towards retirement.

Difference in perceived life priorities; Millennials are starting to save for their future at a younger age than Gen X and Baby Boomers

Contrary to popular belief, Millennials in Singapore are super savers as it turns out that 55% of those surveyed are already saving up for the future; on average, they started at the age of 27. In comparison, the average Gen X started saving for retirement at 35 and a majority of Baby Boomers only started close to 40. In fact, a worrying one out of four respondents aged 50 and above has not started planning or saving for retirement, citing not having extra money as the main reason.

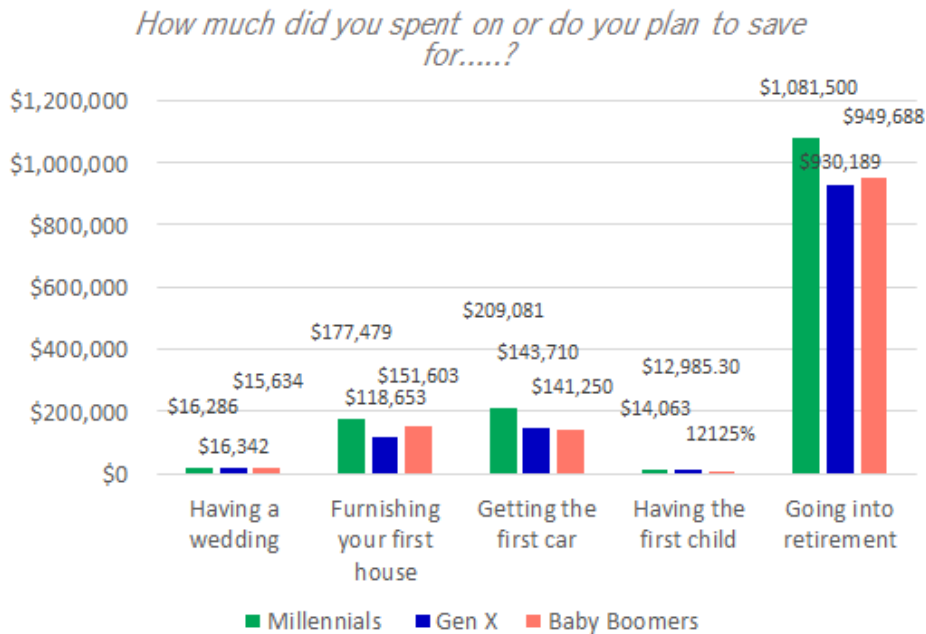
When asked about their top priorities in life, Millennials placed more importance on saving for their first home over saving for retirement. Across the board, all respondents cited buying a house as a top priority, with retirement being a higher priority than having their first child.

Millennials are also spending more than any other generation on their desired life stage goals splurging or expecting to splurge an average of \$177,000 on the renovation of their first house and over \$209,000 on the purchase of their first car, over 45% more than the other generations.

Figure 1: Saving & spending on life events

Saving & spending on life events:

Millennials are spending more than any other generation on their desired life stage goals



Early retirement: Wishful thinking or within reach?

The average Millennial expects to need over \$1.4 million in savings to enjoy their desired lifestyle in retirement. Yet, when asked about their ideal retirement age, most Millennials would want to stop working when they are 57, ahead of Gen X at 60 and Baby Boomers at 65. Will Millennials truly be able to have the retirement they desire – working less and yet having more savings than previous generations to enjoy their retirement?

Figure 2: Retirement needs

Retirement needs:

The average Millennial expects to need over \$1.4 million in savings to enjoy their desired lifestyle in retirement



Figure 3: Retirement age

Retirement age:

Most Millennials would want to stop working when they are 57, years ahead of Gen X at 60 and Baby Boomers at 65



Across the generations, CPF, savings and investment returns are the top three main sources of retirement income for Singaporeans. Unlike their parents' generation which places more reliance on CPF, Millennials expect their primary source of income to be self-funded through savings. Out of the three age groups, Gen X (38%) followed by Millennials (35%) and Baby Boomers (31%) respectively are looking to rely on an insurance-based retirement plan. In addition, Millennials are most expectant of additional government assistance (18%), followed by those from Gen X (15%) and Baby Boomers (11%).

All three generations share the same dream of an active retirement citing “travelling”, “spending quality time with friends and family” and “pursuing hobbies” as the top three activities they look forward to most when they retire.

Figure 4: Source of retirement income

Retirement income I:

CPF, savings and investment returns are the top three main sources of retirement income

	Millennials	Gen X	Baby Boomers
CPF	69%	75%	78%
Supplementary Retirement Scheme	18%	22%	30%
Private pension	8%	7%	6%
Investment returns	51%	48%	54%
Revenue from selling your property	18%	21%	26%
Financial support from children	27%	16%	19%
Working through retirement	24%	36%	37%
Drawing down on savings	57%	56%	55%
Retirement plans	31%	38%	35%
Additional government assistance	18%	15%	11%

1 in 2 of all Singaporeans not confident about retiring

Regardless of their generation, spending priorities and saving plans, about half of the respondents expressed uncertainties when asked about how confident they are to afford their desired lifestyle during retirement. Among those who have not started planning for retirement, one in four Millennials is unsure how much is needed for a comfortable retirement.

A noteworthy 30% of Millennials, 41% Gen X and 46% Baby Boomers indicated that they will be looking for other sources of income after retiring. In fact, one in three respondents is expecting to work through retirement, underscoring the question of whether Singaporeans are adequately preparing themselves to achieve a comfortable long-term retirement.

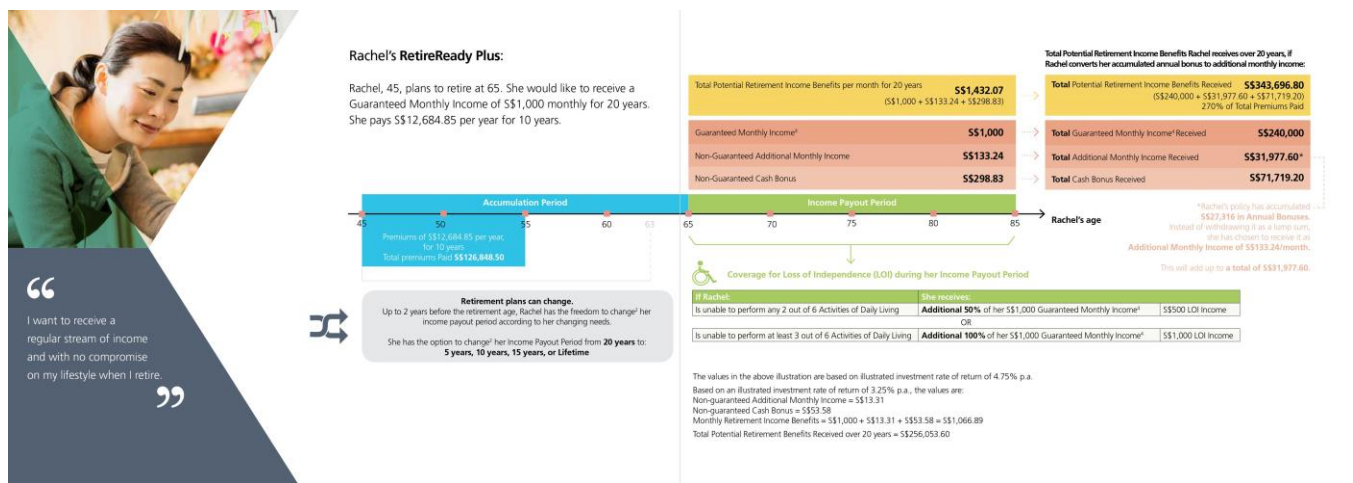
Kwek-Perroy Li Choo, Chief Customer Officer and Chief Transformation Officer of Manulife Singapore, said: “Based on the survey results, it seems that Millennials are expecting to invest more to have a good quality of life, as they are more willing to spend on their perceived life priorities compared to the other generations. To continue living the life they want, it is necessary to help them understand what options they have at their disposal when it comes to retirement planning and planning for the future. These options also need to be simplified so as to make retirement planning as simple and hassle-free as possible. Once Millennials have more insights into the cost of their retirement and how to achieve it, they will be able to take the necessary steps along their life journeys to get to where they want to be. With life’s unpredictabilities, having the freedom and flexibility to adapt to changes is key.”

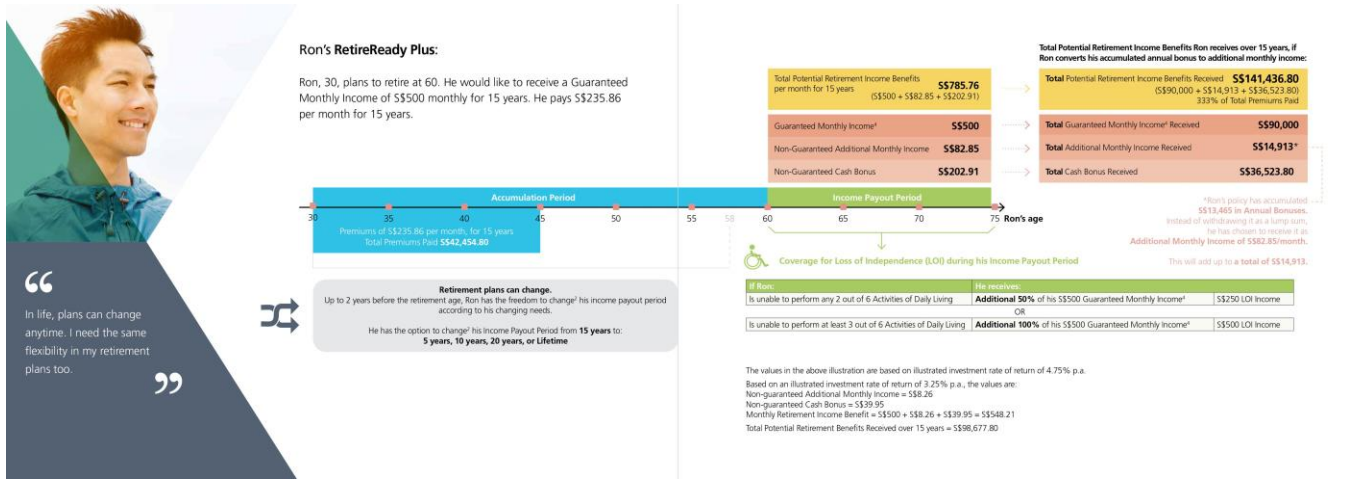
Manulife RetireReady Plus: Guranteed lifetime income for financial freedom

As Singaporeans live longer and healthier, planning for retirement becomes planning for longevity. Today’s retirement is varied, representing changing short-term needs and opportunities from 20s to 90s.

Designed for today’s generation of retirees, Manulife Singapore has launched RetireReady Plus, an enhanced retirement income plan with the *flexibility to choose and change your income payout period* and the *freedom to spend your retirement exactly as you wish with the guaranteed monthly income*.

Visit our RetireReady Plus [webpage](#) for further information, or download the [brochure](#).





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Survey methodology:

The study was conducted online among 1,000 respondents based in Singapore among Millennial respondents between the ages of 21 – 34, Gen X respondents between the ages of 35 – 49 and Baby Boomers above the age of 50. Percentages may not total to 100 due to rounding.

About Manulife Singapore

Established in 1980, Manulife Singapore provides insurance, retirement and wealth management solutions to meet the financial needs of our customers across their various life stages. Customers can readily access our solutions through our extensive multi-channel distribution network. In addition to our established agency force, we distribute our products through a number of specialist partners, including banks and financial advisory firms. For more information on Manulife Singapore, visit manulife.com.sg.

About Manulife

Manulife Financial Corporation is a leading international financial services group that helps people achieve their dreams and aspirations by putting customers' needs first and providing the right advice and solutions. We operate as John Hancock in the United States and Manulife elsewhere. We provide financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions. At the end of 2016, we had approximately 35,000 employees, 70,000 agents, and thousands of distribution partners, serving more than 22 million customers. As of March 31, 2017, we had \$1 trillion (US\$754 billion) in assets under management and administration, and in the previous 12 months we made almost \$26.3 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 100 years. With our global headquarters in Toronto, Canada, we trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

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