Manulife

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Manulife Investor Sentiment Index 2018: Gig workers are falling far behind on savings

SINGAPORE, 4 October 2018 – Singaporeans in gig economy jobs have an average savings gap of 55% wider than traditional "nine-to-five" jobbers, reveals new research by Manulife. The Manulife Investor Sentiment Index (MISI) polled 500 gig workers and regular employees to shed light on how the rising gig economy is changing the way Singaporeans earn, spend and save.

Gig Economy – Understanding the New Normal

The gig economy continues to grow rapidly as more Singaporeans seek alternative work options beyond a traditional 9-to-5 job. According to the survey, one in three Singaporeans is engaged in a gig economy job and almost half (49%) of those currently not in one have indicated interest to be part of the gig workforce. Key motivators cited for the rising popularity of gig economy jobs include additional source of income, job satisfaction, flexibility, and new opportunities.

While Singaporeans are generally optimistic about the opportunities provided by the gig economy, the survey revealed an underlying worry that gig jobs may one day take over the traditional workforce.

On the positive end of the spectrum, over 80% of respondents believe that digital technology will increase the possibility and flexibility of working after retirement and 68% feel that gig jobs would give them an opportunity to be business owners. At the other end, over half of those surveyed are concerned that gig work will steal jobs and 59% expressed worry that their current job would be fully or partially automated in the future.

Surviving, Thriving and Retiring in the Gig Economy

Despite the attractiveness and the growing number of contributors to the gig economy, the flexible nature of this alternative workforce has also ushered in a wave of new challenges.

Singaporeans in gig jobs are considerably less optimistic than their peers in terms of financial security with 61% expressing concerns about the unstable wage and the lack of protections specifically in the areas of retirement (74%), medical (71%) and income (71%).

Without the benefits and stability of a regular job, gig workers are notably most worried about retirement savings. The study revealed that Singaporeans are expecting to need an average of $1 million in savings to retire. 65% of respondents indicated that they will need to save more as income is less certain in gig jobs.

Everyone is battling the clock towards retirement as close to 40% of respondents are currently facing a savings gap of over $500,000. Among those surveyed, gig workers have an average savings gap of $893,000, a very concerning 55% wider than the $576,000 savings gap among regular jobbers.

While a majority of respondents own mandatory retirement plans, more than half feel that it will be insufficient especially if they are in gig work. To that end, over 80% of respondents are inclined to work after retirement, with half willing to continue working full-time.

Given the unpredictability of today's landscape and the inadequacy of pension in ensuring a good retirement life, 70% of respondents will consider voluntarily subscribing to insurance or saving plans to secure an all-embracing retirement protection.

Kwek-Perroy Li Choo, Chief Customer Officer and Chief Transformation Officer of Manulife Singapore, said: "The gig economy has grown to become a massive opportunity and the rise of gig jobs has challenged conventional employment. At Manulife, we recognise the impact the gig economy has on employment and retirement planning, and remain committed to developing solutions that support our customers every step of the way, regardless of their vocation."

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About the Manulife Investor Sentiment Index (MISI) in Asia
Manulife's Investor Sentiment Index in Asia is a yearly proprietary survey measuring and tracking investors' views across eight markets in the region on their attitudes towards key asset classes and issues related to personal financial planning. The Index is calculated as a net score (% of "Very good time" and "Good time" minus % of "Bad time" and "Very bad time") for each asset class. The overall index is calculated as an average of the index figures of asset classes. A positive number means a positive sentiment, zero means a neutral sentiment, and a negative number means negative sentiment.

The Manulife ISI is based on 500 online interviews each in Hong Kong, China, Taiwan, Thailand, Singapore, Malaysia, the Philippines and Indonesia. Respondents are middle class to affluent investors, aged 25 years and above who are the primary decision maker of financial matters in the household and currently have investment products. The Manulife ISI is a long-established research series in North America.

The Manulife ISI is a long-established research series in North America. The Manulife ISI has been measuring investor sentiment in Canada for the past years, and extended this to its John Hancock operation in the U.S. in 2011 and Asia in 2013. Asset classes taken into Manulife ISI Asia calculations are stocks/equities, real estate (primary residence and other investment properties), mutual funds/unit trusts, fixed income investment, cash, commodity (newly added since 2017) and foreign exchange (newly added since 2017).

The latest survey was conducted between May 2018 and June 2018 by Kantar TNS, a leading global research firm.

For more information on the Manulife Investor Sentiment Index, please visit manulife.com.

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 make their decisions easier and lives better. We operate primarily 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 2017, we had about 35,000 employees, 73,000 agents, and thousands of distribution partners, serving more than 26 million customers. As of June 30, 2018, we had over $1.1 trillion (US$849 billion) in assets under management and administration, and in the previous 12 months we made $27.6 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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