

# News Release

17 October 2017

## **Singaporeans put family needs ahead of their own – HSBC Survey**

- 45% supporting their grown-up children (over 18)
- 72% are financially supporting their parents
- 51% of those not managing well feel the financial strain will worsen in the future
- 62% do not have insurance that provides regular pay out in the event of illness or accident

Despite Singapore's economic and technological advances along with a modern outlook, traditional family values still drive decisions that will affect long-term financial security. The strain is particularly acute for the 'sandwich' generation – those in their 40s - who are supporting parents and children alike.

HSBC's new Power of Protection study, *Facing the future*, highlights Singaporeans' strong financial commitment to their family needs compared to their peers globally, as well as the increasing financial pressures they face. Putting family first means providing regular financial support to children, parents and/or partners at the expense of one's own financial future.

More than 13,000 people across 13 countries and territories, including about 1,000 respondents aged 25 and above from Singapore, provided views on their concerns about the future and how they are protecting themselves financially.

### **Family for life**

Compared to their counterparts in the UK (48%) and the USA (44%), the majority of Singaporeans (77%) are providing financial support to their family.

In particular, close to half (45%) of Singaporeans are still providing for their grow-up children (over 18 years of age), and 72% are financially supporting their living parents.

Providing this level of support for family members can take a toll on Singaporeans' finances, lifestyle and emotional well-being.

Of those that regularly support their family members financially, half (50%) of their disposable income is spent on others. On top of that, 46% of Singaporeans have to put off their own aspirations and 42% feel guilty of spending money on themselves instead of using it to help their family.

However, the 'feel good' factor of being able to provide the family more than make up for the emotional strain. For the personal sacrifices that they have to make, 57% of Singaporeans believe they are a good provider, while 54% feel appreciated by their family members.

Mr Ian Martin, Chief Executive Officer, HSBC Insurance (Singapore) said: "Strong family ties are an important part of many Asian cultures and Singapore is no exception. But strong family ties also mean Singaporeans are having to provide financial support for their family members that extend beyond levels seen in other cultures such as the West."

"This long-term financial dependency puts them in a challenging position. It is especially so for the 'sandwich' generation who are in their 30s and 40s. Not only do they need to provide for their growing children, but they are also in many cases supporting their aged parents. In doing so, the danger is that they may leave themselves inadequately prepared for their own retirement and health care needs."

### **Retirement planning takes a back seat to family members' needs**

When asked to choose between their own retirement fund and financial support for the family, nearly two-thirds (68%) of Singaporeans would prioritise paying for their children's education and 66% of them would prioritise their parents' health and social care over themselves.

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Looking ahead, Singaporeans feel even bleaker about their financial security. For those that are supporting someone in their family and managing well or very well financially, only 46% expect their situation to improve in the next three years, compared to 54% of their global peers. As for those that are already feeling that they are not managing at all well or just about managing with support from family or social benefits, more than half (51%) think that their position will worsen compared to 28% of their global peers.

Despite these worries, 62% of Singaporeans surveyed said they do not have insurance that would pay them a regular sum in the event of a serious illness or accident. While over half said they do not hold any insurance products that would pay out a lump sum to take care of their family or beneficiaries in the event of death (51%) or when they contracted a critical illness such as cancer (53%).

This is a concern given Singapore's rapidly aging population would mean that by 2024, the nation will join 33 others as a "super-aged" country, where one in five people are aged 65 or older<sup>1</sup>. With greater longevity, Singaporeans will need to plan better in order to sufficiently provide for their parents' as well as their own needs in old age.

Mr Martin added: "While most Singaporeans have existing safeguards in the form of their Medishield and integrated shield plans that will cover part of their medical expenses, having additional insurance coverage such as early critical care insurance will be equally important. Such insurance protections will ensure that dependents will continue to get the much-needed financial support when a breadwinner is hit with a major illness and is unable to work during the recovery period."

### **Practical steps**

Based on the research findings, HSBC has identified four actions which can help people better prepare their family to face the future:

#### **1. Identify your priorities**

Think about your priorities in life. Make sure you have a financial plan in place that addresses your needs as well as those of your family. Don't neglect your own aspirations when planning for the future.

#### **2. Assess your finances**

Consider how financially secure you feel. Think about whether any financial support you are giving to others is likely to increase or decrease in the future and if you need to update your financial plan.

#### **3. Plan for the whole family**

Unexpected life events can have knock-on effects for the whole family. Bear this in mind when reviewing if you have enough financial protection in place.

#### **4. Talk about the future**

Make time to talk to your family about the future. Discuss what could happen to them if you were to experience a life-changing circumstance and what financial safeguards you have in place. If you need help, seek professional advice.

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<sup>1</sup> <https://www.population.sg/articles/singapore-a-superaged-country>

## Notes to Editors

### **The Power of Protection research**

The Power of Protection is an independent consumer research study into global protection needs and trends, commissioned by HSBC. It provides authoritative insights into people's concerns about the future and how they are protecting themselves financially, around the world. This report, [Facing the future](#), is the third in the series and represents the views of 13,122 people in 13 countries and territories: Argentina, China, France, Hong Kong, India, Indonesia, Malaysia, Mexico, Singapore, Taiwan, UAE, UK and USA.

The findings are based on a survey of those aged 25 and over from a nationally representative online sample in 12 countries and a nationally representative face-to-face sample in the UAE. The research was conducted by Kantar TNS between March and May 2017.

Since The Power of Protection study began in 2016, more than 30,000 people have been surveyed worldwide. Figures have been rounded to the nearest whole number.

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### **About HSBC Singapore**

HSBC Group's history in Singapore dates back to 1877 when its founding member, The Hongkong and Shanghai Banking Corporation Limited, opened its first branch on the island. A qualifying full bank, HSBC in Singapore offers a comprehensive range of banking and financial services including retail banking and wealth management; commercial, investment and private banking; insurance; forfaiting and trustee services; securities and capital markets services. One of the earliest banks to establish in Singapore, HSBC today is a prominent player in Singapore's financial services sector serving the banking needs of multi-national corporations, home-grown businesses, private banking clients, institutional and retail customers. In May 2016, HSBC locally incorporated its retail banking and wealth management business in Singapore and established, HSBC Bank (Singapore) Limited. Till this day, HSBC's flagship office remains at the original Collyer Quay site where its first branch was set up. HSBC Singapore has a retail network of 11 branches (of which 9 are dedicated HSBC Premier Centre) and many locations across the island providing self-service terminals.

### **About The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves more than 37 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide from around 4,000 offices in 70 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,416bn at 31 March 2017, HSBC is one of the world's largest banking and financial services organisations.

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