



Bringing you snippets of youth trends and issues compiled from diverse sources such as news reports, journals and press releases. Y+ is a bi-monthly e-newsletter that aims to help you stay in touch with the constantly evolving youth scene.

YOUTH & FINANCES

Foresight and sound economic and financial policies over the past half-century have propelled Singapore into a global financial hub. This can be attributed, in no small part, to the pioneering work of the late Mr Lee Kuan Yew and his team, which included Mr Hon Sui Sen and Mr Goh Keng Swee.

Economically, Singapore has prospered. Our per capital gross domestic product (GDP) is ranked in the top tier worldwide. Given the society's emphasis on financial success, it is not surprising therefore that our youths are highly concerned about finances. Earning lots of money, for example, is among the top life goals of Singapore's youths since 2005 ([AsiaOne Business, 2014](#); [YOUTH.sg 2014 Statistical Handbook, pg. 64 & 65](#); [YOUTH.sg 2014 Research Compilation, pg. 112 & 113](#)).

In the US, the top financial concern among youths is debts - particularly paying off student loans and credit spending. Closer to home, Malaysia is increasingly concerned as the proportion of youths with debts is increasing ([AsiaOne Business, 2014](#)). For some youths, possessing a debit rather than credit card is one way to ensure that they do not live on "future money" ([AsiaOne Business, 2014](#)). Yet this might not be sufficient. Financial education for youths is important. A survey conducted by Greenwald & Associates noted that youths are not saving enough for retirement and require discipline to reach their retirement goals ([Think Advisor, 2014](#)). This issue of Y+ discusses some of the latest trends and issues on youth finances.

In this issue:

1. Younger Generation Uneasy About Their Finances [Singapore]

Rachel Boon, *The Straits Times*

AsiaOne Business Website, 14 September 2014

2. Young Adults Take to Debit Cards [Singapore]

Rachel Boon, *The Straits Times*

AsiaOne Business Website, 19 August 2014

3. We Say White Coffee, You Say Latte [Malaysia]

Hariati Azizan, *The Star / Asia News Network*

AsiaOne Business Website, 9 November 2014

4. Gen Xers are Doing the Worst Job with Money : Survey [United States]

Tom Anderson, *Personal Finance, CNBC*

CNBC Website, 4 March 2015

5. Gen X, Y Lack Investing Direction: Financial Goal-Setting is Not A Strong Skill for Younger Investors [United States]

Danielle Andrus @Think_DanielleA
ThinkAdvisor Website, 12 September 2014

6. Why Millennials Need to Start Saving for Retirement Now [United States]

Stacy Francis, The Experts, Wealth Management
The Wall Street Journal Website, 3 March 2015

7. Student Debt Growing, Number of University Financial Education Programs Still Deficient [United States]

Kansas State University
Science Daily Website, 27 August 2014

8. 2013 MasterCard Index of Financial Literacy: Singapore's Youths Ranks 3rd in the Overall Financial Literacy Index

9. Further Readings

1. Younger Generation Uneasy About Their Finances [Singapore]

Singapore's youth are pessimistic about their future, and their financial position. About 87% of respondents in a recent study by NTUC income feel financially unprepared for the challenges ahead in life. Another 79% are not confident of their financial situation. The survey noted that young people lacked in-depth understanding of financial planning. Read more about the findings [here](#).

(Source: AsiaOne Business Website. Accessed on 12 March 2015)
<http://business.asiaone.com/personal-finance/news/younger-generation-uneasy-about-their-finances>

2. Young Adults Take to Debit Cards [Singapore]

More young adults are holding debit cards. The number of DBS and POSB debit cardholders increased by more than 20% in 2014, with almost a million unique cardholders being young adults. United Overseas Bank and Maybank noted a similar increase in their number of young adult debit cardholders. Reasons such as greater preference for online shopping and higher interest rates were cited as reasons for the spike in debit card ownership among young people. A debit card is considered a "safer" option than credit card as it prevents young people from using 'future money'. This article discusses the trend of debit card ownership among young people.

(Source: AsiaOne Business Website. Accessed on 11 March 2015)
<http://business.asiaone.com/news/personal-finance/young-adults-take-debit-cards>

3. We Say White Coffee, You Say Latte [Malaysia]

The rate of bankruptcy among young Malaysians is rising and reasons for the trend include the failure to repay loans and credit cards debts. Approximately 579 youths below the age of 25 declared bankrupt in the first six months of 2014. Minister in the Prime Minister's Department, Nancy Shukri, noted that youths' spending habits such as living beyond their means, contribute to the trend. While the older generation feels that this is an issue of youths' inability to distinct needs and wants, youths disagree. They noted that times are different and what was "a want" is now a necessity. This article discusses the reasons behind the trend of youth bankruptcy in Malaysia and the differing perspectives stakeholders hold towards the issue.

(Source: AsiaOne Business Website. Accessed on 30 March 2015)

<http://business.asiaone.com/news/we-say-white-coffee-you-say-latte>

4. Gen Xers are Doing the Worst Job with Money: Survey [United States]

A survey by Financial Finesse found Millennials better in managing day-to-day finances than Gen-Xers. 72% of millennials spend less than they make each month compared to 68% of Gen-Xers. They are also more likely to pay their bills on time, avoid late fees and pay off credit card balances in full. Millennials, however, are bogged down by high student debts, leaving them with less money for savings. Gen-Xers, on the other hand, had competing financial priorities – paying for their children's education and saving for retirement. They are also the most likely to report being financially stressed out. Click [here](#) to find out more.

(Source: CNBC Website. Accessed on 11 March 2015)

<http://www.cnbc.com/id/102475944>

5. Gen X, Y Lack Investing Direction: Financial Goal-Setting is Not a Strong Skill for Younger Investors [United States]



In a survey on financial maturity, US-based insurer Greenwald & Associates noted that two-thirds of Generation X and Y investors have not calculated the amount of savings they require for retirement, although nine in ten are aware of its importance. Almost half of the respondents feel they are behind in retirement savings. Although Gen X and Y are known to be internet savvy, only 18% of the respondents would seek financial advice online. Most prefer to seek advice from financial advisors or their parents. Results affirm the need to continually reach out to young investors and the role financial advisors could play in providing guidance on financial literacy matters.

(Source: ThinkAdvisor Website. Accessed on 11 March 2015)

<http://www.thinkadvisor.com/2014/09/12/gen-x-y-lack-investing-direction>

6. Why Millennials Need to Start Saving for Retirement Now [United States]

There is never a "good" time to start planning for retirement. For professionals in their 20s, the idea of starting a retirement savings programme can be difficult especially when they have competing financial priorities. The author, however, posits that early retirement planning has a lot of benefits such as allowing millennials the freedom to take financial risks when they are older. This article discusses the benefits of early retirement savings for the Millennial generation.



(Source: The Wall Street Journal Website. Accessed on 11 March 2015)

<http://blogs.wsj.com/experts/2015/03/03/why-millennials-need-to-start-saving-for-retirement-now/>

7. Student Debt Growing, Number of University Financial Education Programs Still Deficient [United States]



Universities can do more to help students become financially literate according to a [report](#) titled "*Financial Literacy in Higher Education: The Most Successful Models and Methods for Gaining Traction*". This is important as one of the top reasons for students dropping out from college is finances. Many students also do not possess basic money management skills. The report outlines different types of financial literacy programmes that universities could consider adopting for their students.

(Source: Science Daily website. Accessed on 12 March 2015)

<http://www.sciencedaily.com/releases/2014/08/140827111817.htm>

8. 2013 MasterCard Index of Financial Literacy: Singapore's Youths Ranks 3rd in the Overall Financial Literacy Index

Ranking		Overall Financial Literacy Index
Asia/Pacific		63
1	Hong Kong	69
2	New Zealand	68
3	Singapore	68
4	Malaysia	67
5	Taiwan	67
6	Thailand	67
7	Philippines	67
8	Australia	66

9. Further Readings

- + [The Financial Capability of Young Adults – A Generational View Report](#)
 - + [Wealth Generation: The Financial Challenges for Generations X & Y](#)
 - + [Gen-Y: Cocky, Curious About Banking](#)
 - + [What Nation Has the Most Money-Smart Teens? It's Not the US](#)
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