Singaporeans are poor money managers, according to a new survey that examined the financial planning habits of about 1,000 respondents.

Commissioned by OCBC Bank, the survey conducted by Singapore Management University (SMU) found that Singaporeans do not start saving until they are married and invest too little and too late.

It also found they are ill-prepared for retirement and emergencies such as retrenchment.

The survey examined the money management behaviour of Singaporeans at various stages of life.

It found that those aged 55 tend to have only about $40,000 in liquid assets and $20,000 in investment assets to help fund their retirement.

Coupled with about $60,000 in their Central Provident Fund (CPF) balances, this provides a total of around $120,000 for their golden years.

That translates to $500 a month for the next 20 years, which is insufficient unless other forms of assistance are available, said SMU.

The estimated CPF balance of $60,000 at age 55 excludes CPF savings that are invested in properties.

This is because SMU is not advocating the sale or downgrading of properties upon retirement as that means a change in lifestyle, said Practice Professor Francis Koh, the associate dean of SMU’s Lee Kong Chian School of Business.

Despite the evidence of a significant shortfall, seven out of 10 Singaporeans wish to retire before 62 and many expect to retire with an average monthly income of $1,800.

At the press conference to unveil the survey’s results yesterday, OCBC’s head of wealth management, Mr Nicholas Tan, emphasised the importance of “saving and investing early”.

“It is a marathon, not a sprint. The power of compounding kicks in only after a period of time. Wealth management is for everybody,” he said.

He added that “it is too late” for individuals to start investing in their 30s when they start a family.

Another worrying trend identified by the survey is that 16 per cent of individuals have less than one month of savings to tide them over if they become unemployed.

These workers are likely to earn less than $3,000 monthly, making them “most vulnerable” financially.

Labour statistics show that four out of 10 retrenched workers took more than six months to be re-employed.

However, the OCBC-SMU survey indicated that two in five Singaporeans have just over five months’ savings to tide over their expenses.

To alleviate this, Prof Koh’s advice is for individuals to raise the savings ratio to at least 15 per cent of the monthly salary from the current 12 per cent.