SINGAPOREANS are poor money managers says a study commissioned by OCBC Bank and conducted by Singapore Management University (SMU).

The survey, which examined the financial planning habits of about 1,000 respondents, found that Singaporeans do not start saving until they are married and that they invest too little, too late.

Worse, most people are generally ill-prepared for retirement and emergencies such as retrenchment.

People aged 55 tend to have approximately $40,000 in liquid assets and $20,000 in investment assets to help fund their retirement.

That, together with an average $60,000 from Central Provident Fund (CPF) balances, provides around $120,000 to fund their retirement.

That means $500 a month for the next 20 years, which is insufficient unless other forms of assistance are available, said SMU. However most expect to retire with an average monthly income of $1,800 a month. And seven out of 10 want to retire before 62.

A worrying trend is that 16 per cent of individuals (those likely to earn less than $3,000) have less than one month of savings to tide them over if they become unemployed. And two in five Singaporeans have just over five months’ savings to cover their expenses.

Practice Professor Francis Koh, associate dean of SMU’s Lee Kong Chian School of Business said that to alleviate this people should raise the savings ratio to at least 15 per cent of their monthly salary from the current 12 per cent.