DIGITAL FOR 100

PRUDENTIAL

Digital for 100:
Harnessing technology for longer lifespans

Written by

ECONOMIST IMPACT

The trend is unmistakable: Singaporeans are growing increasingly confident about their ability to live to 100.

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Introduction

The trend is unmistakable: Singaporeans are growing increasingly confident about their ability to live to 100. This is all the more remarkable in the aftermath of a devastating health crisis and amidst strong global economic headwinds.

Citizens' upbeat views about their prospects for ageing could be influenced in part by their country's demonstrated public health and economic resilience. However, the role of digital technology in helping people to monitor and improve their personal health and finances should not be underestimated.

Already among the most avid adopters of smartphones in the world, Singaporeans ascribe considerable importance to the use of personal health and finance technologies—such as wearable fitness devices and banking apps—in their efforts to support a long life span. Over half (54%) of respondents say that mobile devices and apps are the most important tools they have to help them live well for longer and get the most out of life.

And defying conventional age-related assumptions about technology use, the oldest cohort of working-age citizens value digital technologies for these purposes—namely, managing their personal health and their finances—almost as much as the youngest.

In previous reports exploring Singaporeans' readiness to live to 100, we focussed on their efforts to maintain a healthy lifestyle and build financial resilience.[1] In this article, we assess how Singaporeans are using digital technology to further those efforts.

About the research

This article is based on a survey of 800 Singapore residents conducted in June-July 2022. The respondents fall into four age cohorts: 25-34, 35-44, 45-54 and 55-65. The sample is split evenly between males and females and distributed among different income groups ranging from S$0-25,000 to S$200,000 and over.

1 See Ready for 100 website.

Building a nest egg the digital way

In each survey we have conducted in our Ready for 100 series, we've asked Singaporeans if they feel ready to live to 100 from a financial perspective. Their response in this latest survey is decidedly upbeat, with 54% saying they expect to be able to fund such longevity. This is substantially higher than the 29% positive response registered the previous year.

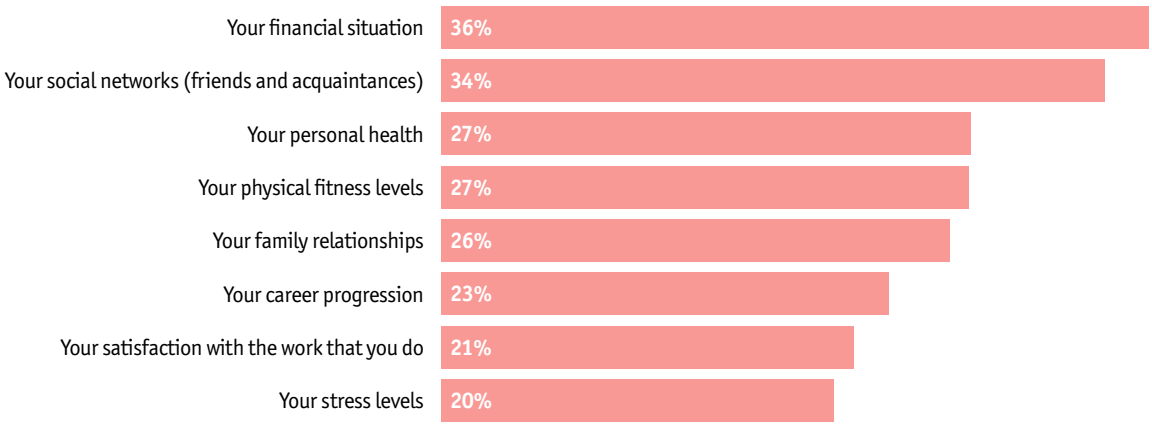
This improvement in outlook could be due at least partly to Singapore's strong economic performance in 2021 and 2022, and its success in containing new covid outbreaks in the past year. Kevin Lam, head, UOB TMRW and group digital banking, also attributes the respondents' relatively positive outlook to a high level of financial literacy among citizens and to the success of many people in strengthening their financial positions during the covid-19 crisis.

We have previously documented the strong preferences of Singaporeans for using digital means to manage their personal finances, such as monitoring bank balances and managing their investments. This was the case even before covid-19. Although bank branches are open again and face-to-face meetings with financial advisors are possible, the preference for digital will remain strong, according to Sopnendu Mohanty, chief fintech officer at the Monetary Authority of Singapore. "People are much more knowledgeable now about how to conduct mobile banking and are more demanding than ever of their providers to deliver such services online," he says.

The respondents' self-assessed proficiency in using personal finance technologies is impressive. Large majorities—ranging between 63% and 85%—say they are well able to use mobile banking apps and financial management websites and apps. Proficiency is lower, however, when it comes to robo-advisors, share-trading apps and crypto platforms—niche financial tools that, according to Mr Mohanty, require more skill to use than online banking.

Figure 1: Digital has impacted people's finances more than other facets of life

In which of the following aspects of your life would you say that digital technologies have had the greatest positive impact to date? Select up to three.



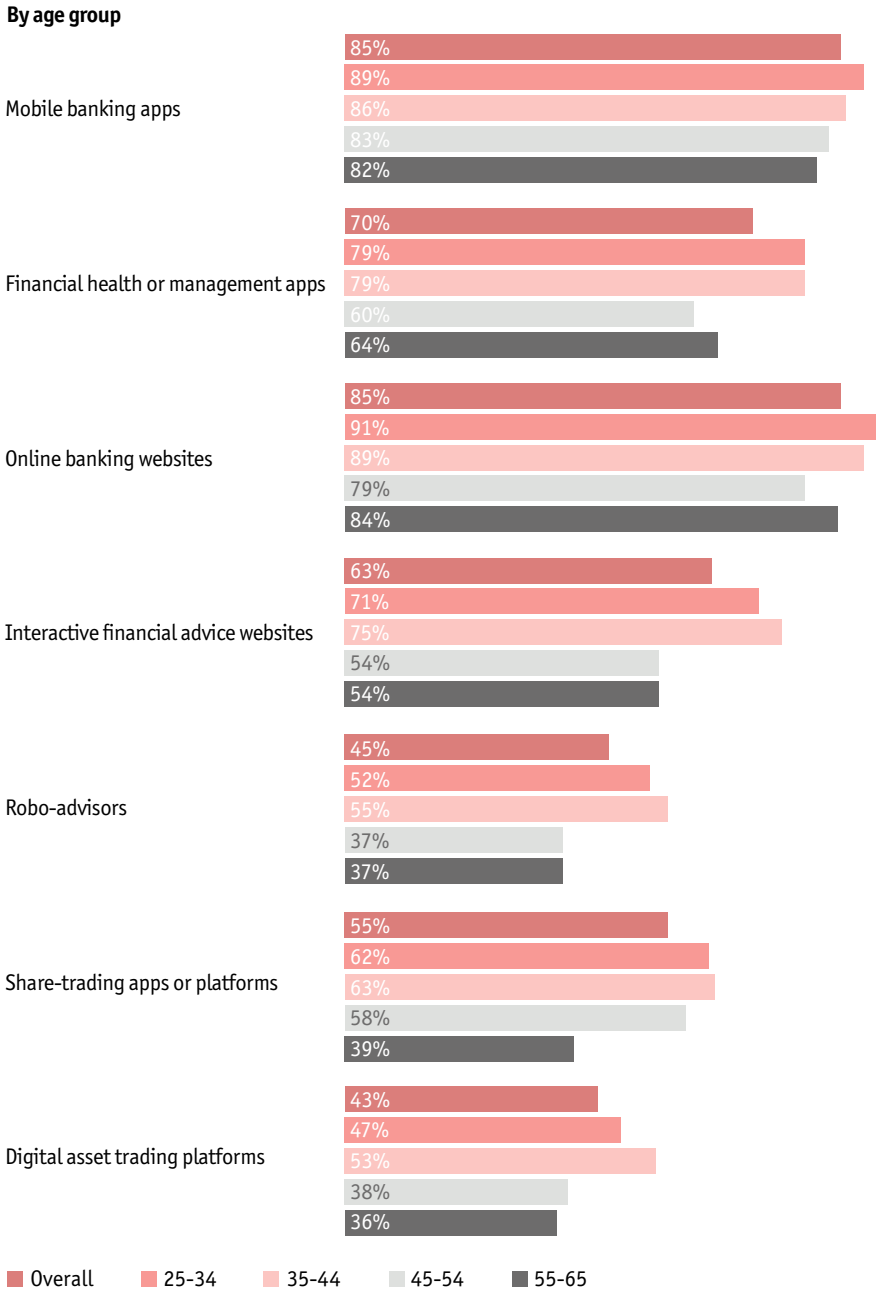
Source: Economist Impact (2022)

Age is a differentiator of tech skills for personal financial uses. The youngest cohorts are more likely to claim proficiency than older ones with all the technologies we inquired about (see figure 2). The differences are considerably less, however, when it comes to banking apps and websites, in which almost as many of the oldest respondents as the youngest ones claim proficiency.

Age differences are also evident in the importance that respondents give to using different finance technologies. All ages ascribe by far the greatest importance (61% overall) to technology that helps them manage their bank accounts. However, respondents closest to retirement are more likely than others to value technology in managing their Central Provident Fund (CPF) account, a compulsory savings and pension plan for working Singaporeans; whereas managing personal investment portfolios is more important to those in mid-career (35-54 year-olds).

According to Mr Lam, age is declining as a basis of segmentation when it comes to adoption of personal finance technologies. "We've found that certain psychographic criteria, such as openness to learning, provides a better basis of segmentation," he says. "There are young, digital-generation people who are averse to using financial-planning tools, for example, while older generations are now much more open to banking and even investing digitally, especially since covid-19 took hold."

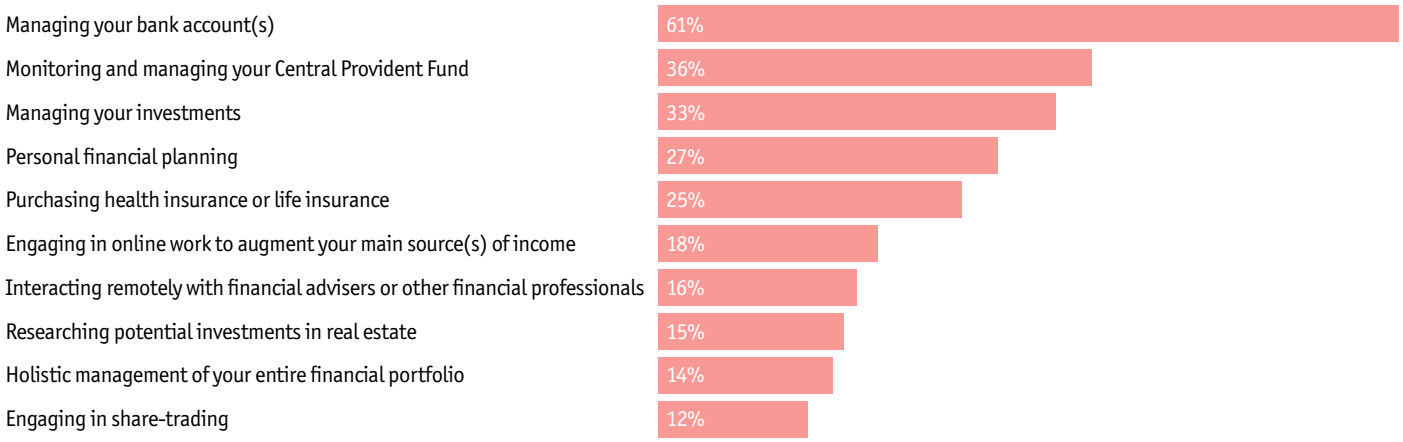
Figure 2: Singaporeans are adept at mobile and other forms of online banking
How would you describe your level of proficiency in using the following technologies to improve or monitor your financial health? (% of respondents selecting "good" or "excellent")



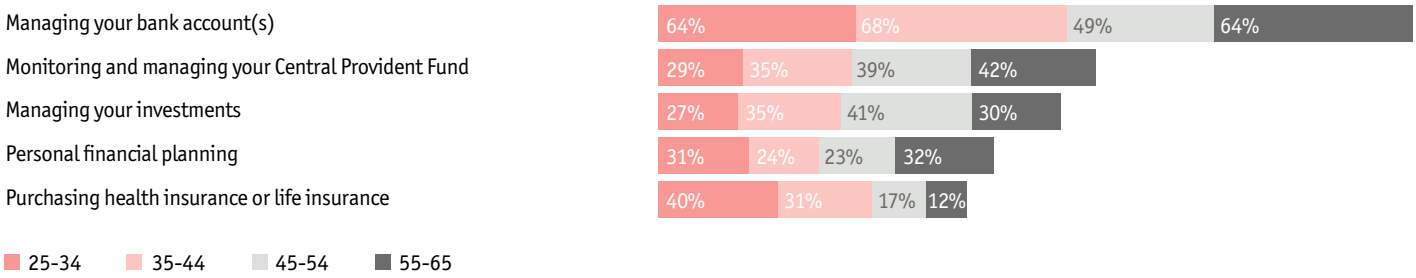
Source: Economist Impact (2022)

Figure 3: Where financial technologies help most
Which of the following uses of digital technology are most important to your ability to look after your financial health as you age? Select up to three.

Overall



By age group (top responses)



Source: Economist Impact (2022)

Compared to the previous year's survey, Singaporeans today feel more ready to live to 100 from a financial perspective. This improvement in outlook could be due at least partly to Singapore's strong economic performance in 2021 and 2022, and its success in containing new covid-19 outbreaks in the past year.

Tech for healthy ageing

Asked if they feel ready to live to 100 from a health perspective, 42% of respondents respond in the affirmative—the highest figure in any of the Ready for 100 surveys. The distress and uncertainties of the covid-19 crisis have clearly not dented people's perceptions of improvement in their long-term health prospects.

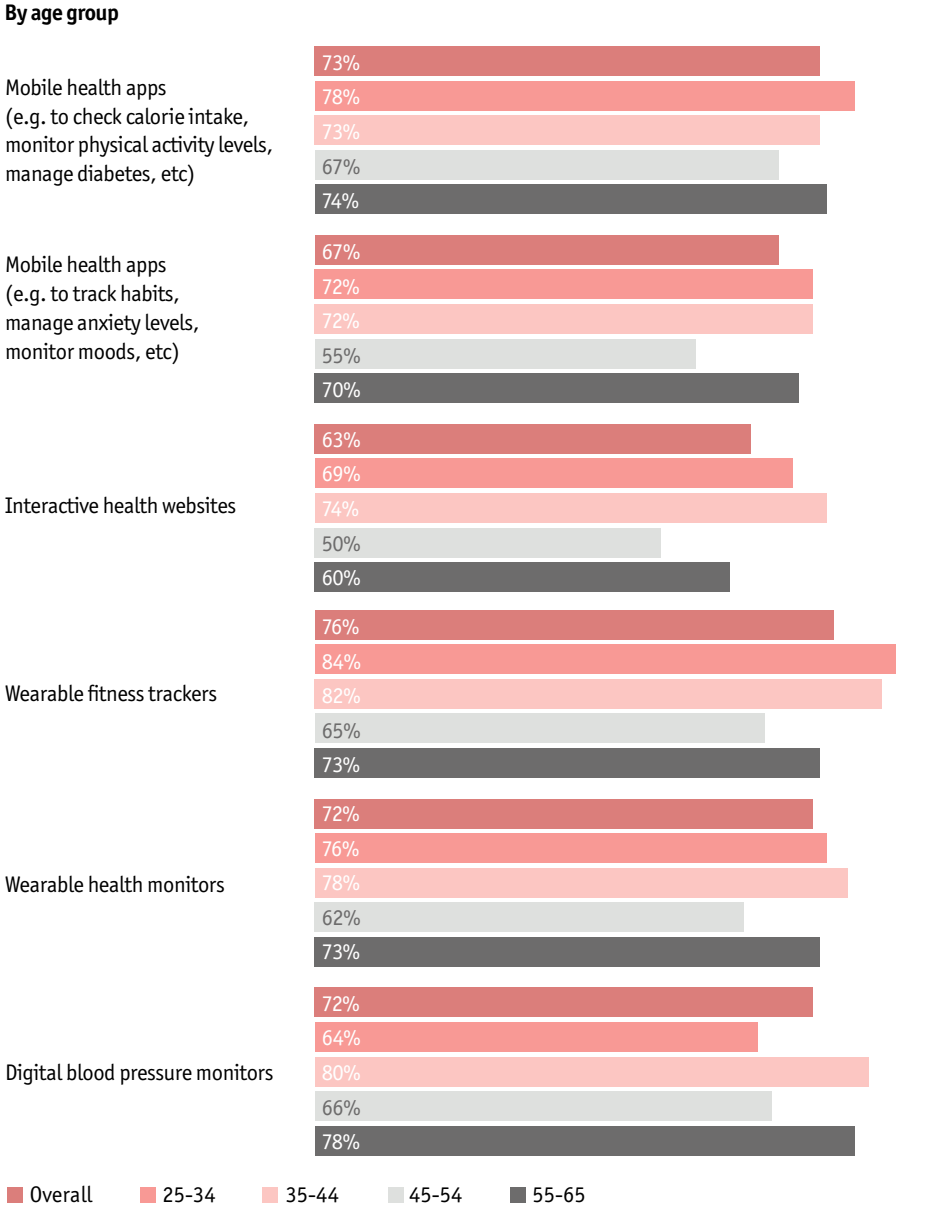
As we have detailed in previous reports, many Singaporeans have proactively striven to improve or at least maintain their fitness levels and lead healthy lifestyles. It is clear from our latest research that digital health technologies are instrumental in their efforts.

When asked about their proficiency with different health tools, 73% of respondents rate themselves as good or excellent at using mobile health apps, such as those that measure calorie intake, monitor physical activity levels or manage diabetes. Even more (76%) claim such proficiency with wearable fitness trackers—used, among other things, to count steps taken and determine distances of walks or jogs. Most of the respondents (72%) also put to good use wearable monitors that gauge such things as heart rate, oxygen level and quality of sleep.

Just over two-thirds (67%) are also proficient users of tools relating to mental health, such as apps that measure stress and anxiety levels and monitor moods.

"As taboos around discussing mental health have eroded here, consumers have become much more open to leveraging such technologies," says Kavita Rekhraj, life

Figure 4: Wearables and mobile apps are used effectively to monitor health
How would you describe your level of proficiency in using the following technologies to improve or monitor your personal health? (% of respondents selecting "good" or "excellent")



Source: Economist Impact (2022)

sciences and healthcare industry leader for Southeast Asia at Deloitte. Her colleague, SuHi Choi, consulting senior manager (health care sector), Deloitte Southeast Asia, adds that growing demand for mental health apps is helping fuel local start-up activity in this field.

Age seems to dictate proficiency with health technologies considerably less than it does with financial ones. The oldest and youngest cohorts, for example, claim similar levels of aptitude with several health technologies.

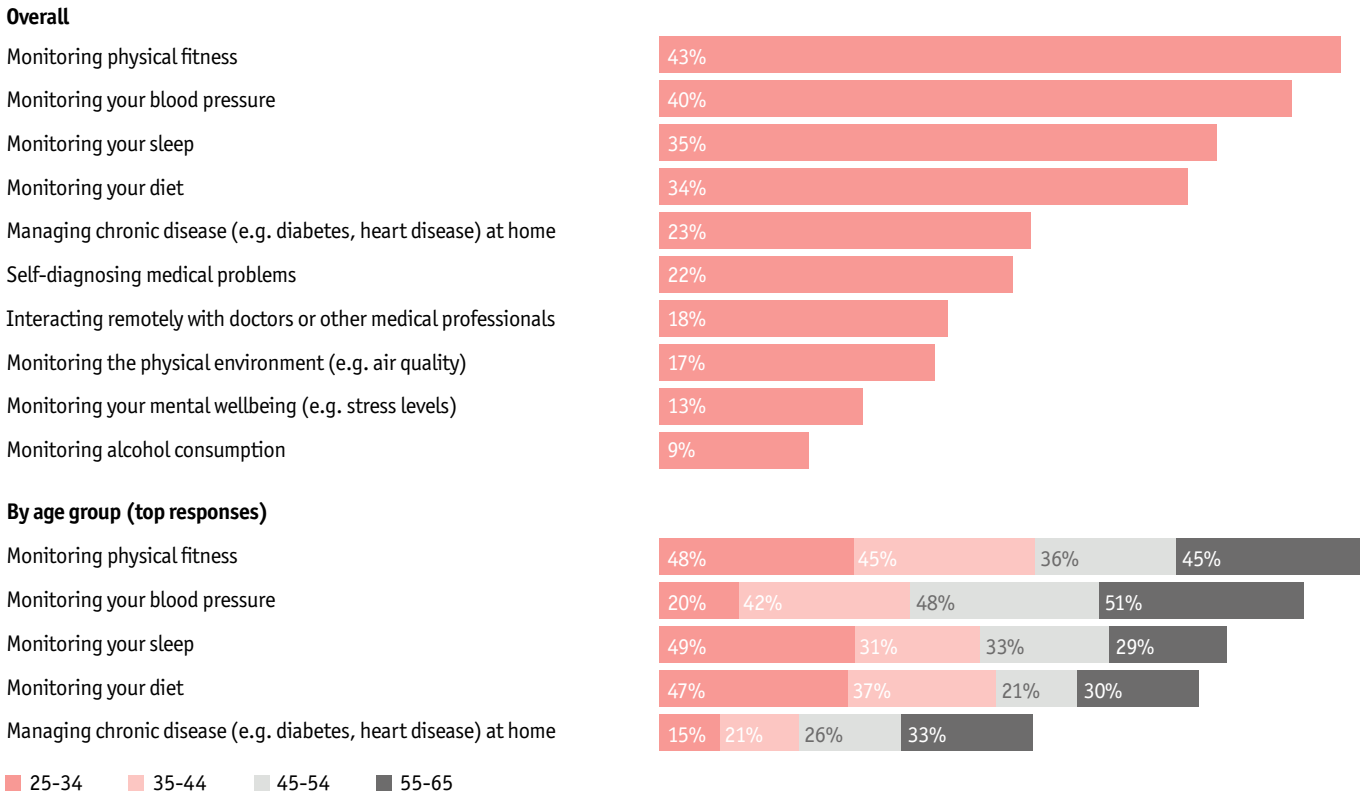
Lim Sun Sun, professor of communication and technology at the Singapore University of Technology and Design, attributes the popularity of such technologies across age groups partly to the government's proactive role in encouraging health tech adoption. An example, she says, is the National Steps Challenge, a government initiative that incentivises Singaporeans to clock in more steps and increase their physical activity with rewards including e-vouchers: "This helped to equalise access to wearable devices, smart watches, activity checkers and other tools for people of all age groups, including the elderly. Awareness of such devices is now widespread, and knowledge of how to use them is almost taken for granted."

Age differences are more apparent in the main purposes that citizens use such technologies for.

Monitoring blood pressure, for example, is a more common use among older respondents. Younger ones, meanwhile, find it more important to use technology to monitor their sleep or diets.

Figure 5: Where health technologies help most

Which of the following uses of digital technology are most important to your ability to look after your personal health as you age? Select up to three.



Source: Economist Impact (2022)

The distress and uncertainties of the covid-19 crisis have clearly not dented people's perceptions of improvement in their long-term health prospects.

Complexity, stress and security concerns

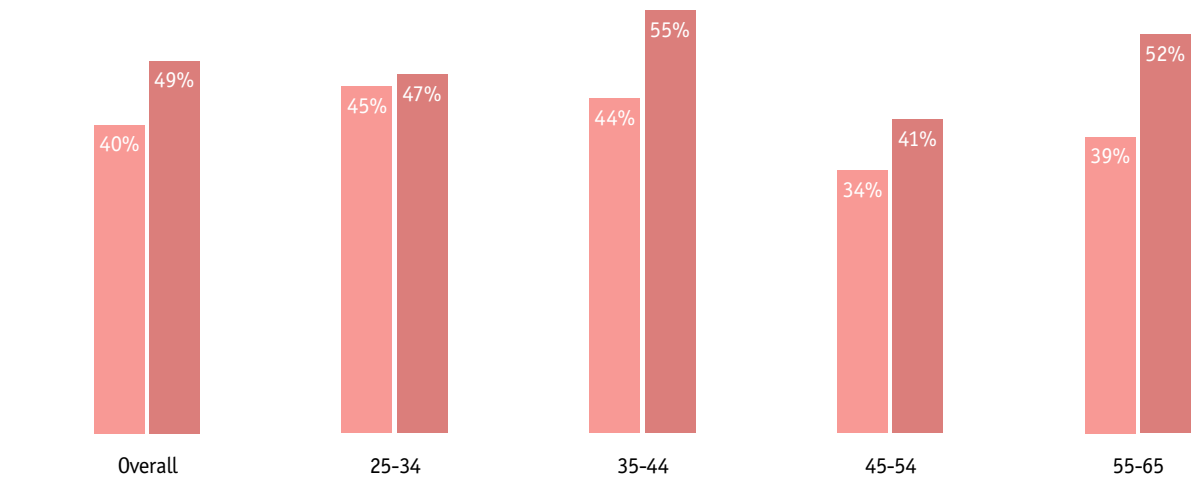
Proficiency is not the same as comfort or ease. The experience of covid-19 lockdowns demonstrated the negative impact that always-on connectivity (compounded by isolation) could have on people's mental health. The survey shows, for example, that technology-based anxiety is a concern for many citizens. For 40%, using digital technologies creates more anxiety than enjoyment.

"For younger people, anxiety often comes from being overconnected, and being inundated by all kinds of notifications," says Ms Lim. "Among older people, on the other hand, the complexity of using some technologies can cause considerable stress, particularly when apps or devices don't work the way people want them to."

Just under half of respondents (49%) say that modern digital technologies are becoming increasingly complex for them to use. More 55-65 year-olds (52%) complain of complexity than the survey group as a whole, although even more in the 35-44 age cohort (55%) do the same, confirming that some devices and apps can be complex for people of any age.

Whether it's finance or other apps, complexity is a big inhibitor to wider adoption among Singaporeans, according to Mr Mohanty. "It is incumbent on technology companies and service providers to construct their solutions in the simplest possible design," he says. He holds up PayNow, a peer-to-peer funds transfer service used by Singapore banks, as a model to emulate for its simplicity.

Figure 6: For many, using technology can be complex and stressful
% of respondents agreeing "somewhat" or "strongly" to the indicated statements



Source: Economist Impact (2022)

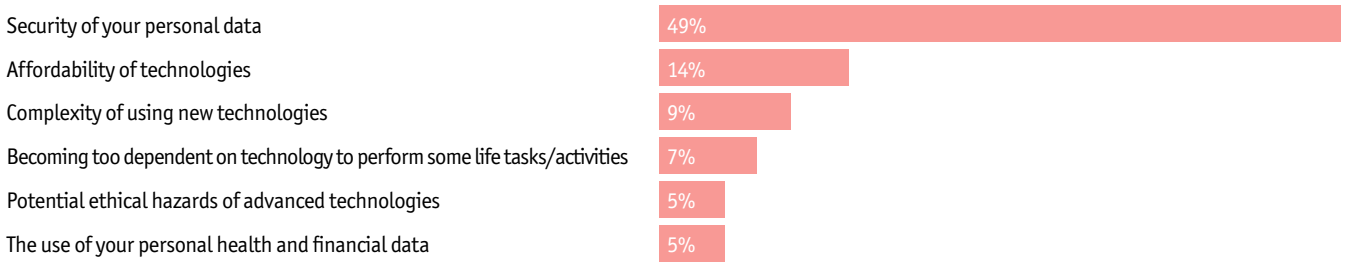
Many Singaporeans also have concerns about the security of their personal data as they use apps and devices. This is their chief worry, overshadowing affordability and other concerns. "Trust is the underlying issue with such concerns," says Ms Rekhraj. "People want to know what's being done with their personal data and where it's going. It calls for transparency and some education on the part of technology and service providers."

Building trust is also imperative to enable wider adoption of financial technologies, according to Mr Lam. This is especially the case with share-trading or other investment apps where people can suffer losses, but it also applies to digital banking. "Our research suggests that people will deposit more money in banks which they trust," says Mr Lam.

There is another hazard that people need to be more aware of, says Ms Lim—the proliferation of falsehoods on social media. "False information about miracle cures or diets or inadvisable fitness regimes too often find traction among vulnerable segments of the population who might be less discerning," she says. "Technology companies in particular need to do more to combat the spread of such misinformation."

Figure 7: A future of tech is not without its worries

What are the greatest concerns you have for the future as regards the use digital technologies to improve your life? (% of respondents ranking each concern 1st)



Source: Economist Impact (2022)

Singaporeans are clearly no laggards when it comes to putting digital technology to use to improve their lives and their chances of enjoying their old age.

Next steps for digital

Singaporeans are clearly no laggards when it comes to putting digital technology to use to improve their lives and their chances of enjoying their old age. This is true regardless of age. The government deserves credit for this in the digital initiatives it has taken, as does the private sector for the innovative finance and health technologies it has brought to market.

Nevertheless, there is room for improvement in the efforts that government, business and civil society can undertake to better prepare citizens digitally for longevity. Three areas emerge prominently in this research:

Digital inclusivity. It is not just the old; younger people as well can turn away from using certain technologies if they are not user-friendly. Embedding user-intuitive design must be the default for any new health or finance app or device. This is primarily an imperative for technology businesses and application developers, but public-sector organisations can also advocate for it. Bringing empathy and compassion at the heart of product design, says Ms Rekhraj, is the key to digital inclusivity.

Personalisation. Another key to unlock wider adoption of health and financial technologies is greater personalisation. According to our interviewees, consumers in Singapore want the information and advice they receive from apps to be increasingly tailored to their specific age, physical or financial profiles. Building AI (artificial intelligence) into such apps is necessary to advance such personalisation.

Training. Government can help combat complexity by improving the digital training its institutions offer to the public. For example, training provided to the elderly at community level would benefit, according to Ms Lim, by being less generic and more tailored to specific apps or device models. Better training can also help such groups protect themselves against misinformation and online scams.

Employers can also do more to train employees in technology use that will also help the latter achieve their personal goals. Younger respondents give decent marks to their employers for such training, but older ones are less likely to. To explore this further, our next article in this series will take a closer look at employers' role in helping employees use technology to prepare for a long life span.

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