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Sun Life Financial Resilience Index Finds Inflation Forcing Malaysians to Prioritise Short-Term Needs, with Gen Z Feeling Least Financially Secure



Ho Teck Seng, President & Country Head of Sun Life Malaysia

- 66% of Baby Boomers feel financially secure compared to just 52% of Gen Z respondents.
- More than a quarter of Gen Z respondents (29%) do not seek help when making financial decisions.
- 92% of Malaysians are feeling the pressure of inflation, and 43% face a significant impact on their ability to cover expenses.
- More than half (56%) of respondents still lack a financial plan that extends beyond 12 months, and only 8% are planning more than 10 years ahead.

KUALA LUMPUR, July 17 (Bernama) -- Sun Life Malaysia today unveiled its second *Sun Life Asia Financial Resilience Index: Balancing today's needs and tomorrow's goals*, offering a detailed look into how individuals across the region are managing their finances while navigating today's volatile financial landscape. In Malaysia, the findings reveal that while overall perceptions of financial security have slightly improved, the reality is more sobering – particularly for Gen Z, who emerge as the least financially secure and resilient generation surveyed, in sharp contrast to 66% of Baby Boomers who feel financially secure.

The research surveyed over 6,000 respondents across Malaysia, Hong Kong, the Philippines, Indonesia, Singapore, and Vietnam, and highlights trends in financial planning, literacy, risk appetite, and the role of professional advice in building long-term resilience.

Short-Term Focus Over Long-Term Wealth

After several years of high inflation, many people are struggling to manage their daily and long-term expenses. 92% of people are feeling the effects of persistent price increases, and 43% note a significant impact on their ability to cover monthly expenses.

As rising living costs continue to squeeze household budgets, more Malaysians are focused on meeting their immediate needs rather than planning for their future goals. Managing day-to-day expenses is the top financial priority for 62% of respondents, up from 55% last year, while retirement planning has dropped from second to seventh place this year – a clear sign that budgeting for the present has taken precedence over long-term goals.

In an uncertain economic environment, building emergency savings has also climbed the ranks and is now the second most important goal (41%).

Achieving financial security is further challenged by a lack of long-term planning. Despite slight year-on-year improvements, long-term financial preparedness remains dangerously low. More than half of respondents (56%) still lack a plan that extends beyond 12 months, and only 8% are planning further than 10 years ahead, revealing a widespread gap in financial foresight and resilience.

Ho Teck Seng, President & Country Head at Sun Life Malaysia said the findings show a clear divide: "While some Malaysians feel financially secure, many are struggling with daily expenses and lack of long-term financial planning. The situation is made worse by increasing inflation, which especially impacts the younger generations. As a trusted insurance and takaful company, we recognise the important role we play in helping Malaysians improve their financial literacy so they can manage their money better, save more, and reach their future goals."

Building on the success of the InsureLit Campaign 2024, Sun Life Malaysia is set to expand its efforts in 2025 with a series of targeted initiatives. These include digital and social educational resources, nationwide roadshows, an explainer video series, and a youth-focused financial literacy programme. Through these initiatives, the company aims to deepen public understanding of financial planning and empower Malaysians—especially younger generations—with the tools and knowledge to make informed financial decisions.

Younger Generation are Uncertain about Their Financial Situation

Gen Z lags behind other generations in both confidence and preparedness. Only 52% of Gen Z respondents feel financially secure, well below 66% of Baby Boomers, the most financially secure generation, and 60% of Millennials. While time is on their side, their investment approach suggests hesitation rather than ambition, with 60% describing themselves as conservative investors, pointing to a lack of awareness around how to balance risk and long-term reward.

Gen Z is also the most isolated in their financial decision-making compared to other generations. More than a quarter (29%) do not seek any advice at all, despite being the generation most in need of structured guidance and support. Notably, Gen Z are also most likely to consult AI tools (24%) for financial advice than other age groups (Millennials 15%; Gen X 7%; Baby Boomers 14%).

David Broom, Chief Client and Distribution Officer at Sun Life Asia said, "Gen Z has time on their side, but instead of confidence, we're seeing hesitation and concern as they are coming of age in a world shaped by economic volatility and rising living costs. Strengthening their financial literacy and connecting them with a variety of trusted sources of advice will give them the tools to build a more stable future."

Bridging the Resilience Divide

The survey findings also reveal a stark difference between those with high financial resilience and those without.

High resilience individuals – categorised in this survey as those having high ability to withstand financial shocks and meet their financial goals – are more likely to prioritise building emergency savings (42%) and education for themselves or their children (40%). In contrast, low resilience individuals categorised in this survey as having more limited ability to withstand financial shocks and limited confidence to meet financial goals – are more focused on paying off debt (38%) or building emergency funds (38%).

For high resilience individuals, financial confidence also runs high – 83% are sure they can meet short-term obligations and 84% believe they will achieve long-term savings goals. Nearly half (44%) say they could financially support themselves for more than six months in the event of a crisis. This group is also more likely to seek professional advice, with 42% working with financial advisors. Many are taking proactive steps to improve their financial situation – 45% are reading up on personal finance and 43% are investing for stronger returns.

Only 27% of low resilience individuals feel they can manage short-term finances, and just 16% expect to meet long-term financial goals. Alarming, 73% say they wouldn't be able to support themselves for more than six months in the face of job loss or serious illness. Just 25% consult professional advisors, relying more often on informal networks or social media.