ABSTRACT

The life cycle model suggests retirees liquidate assets to sustain consumption. Because the largest store of wealth for most Singaporeans is their housing wealth they are expected to liquidate their housing wealth to fund consumption after retiring or reaching age 60.

The purpose of this study is to determine the attitudes of Singaporeans toward liquidation of housing wealth. The responses of 305 Singaporean homeowners to a mail questionnaire were examined through discriminant analysis to determine the economic, sociodemographic, and attitudinal variables that best explained the differences between homeowners who were and were not interested in liquidating housing wealth in the future after retiring or reaching age 60.

The results indicated that Singaporean homeowners were not behaving consistently with the original life cycle model. Those who expressed interest in liquidating housing wealth in the future tended to be male, more concerned about perceived income sufficiency, nonhome mortgage debt amount, but less concerned about leaving a bequest. Thus, attitudes were more helpful in explaining interest in future in liquidation of housing wealth than past behavior.

Total number of words: 15,000

KEYWORDS: Liquidation, housing wealth, home equity, reverse mortgage, home equity conversion programs.