

POPS (1)

Resilience in the Economic Crisis

Findings of
survey conducted by the
Institute of Policy Studies, Singapore
16 to 26 February 2009

**THE PUBLIC RELEASE OF THE INFORMATION IN THIS PRESENTATION IS EMBARGOED
UNTIL 6 PM, 3 MAY 2009**

Acknowledgement

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Contents

Title	Page
Research Background & Objectives	4
Research Design	9
Impact on Livelihood	10
Impact on Life Choices	14
Length of Time Able to Cope	18
Sources of Resilience	21
Pay-cut for Survival Job	24
Taking Personal Initiatives	27
Government Measures	31
Overall Impact of Government Measures	34
Foreigners Working in Singapore	39
Cluster Analysis	44
Summary	51
Conclusion	57

Research Background & Objectives

- What is POPS and POPS (1)?
 - ❖ Research Background and Objectives
- How was POPS(1) conducted?
 - ❖ Research Design and Methodology
- What does POPS (1) tell us?
 - ❖ Detailed Findings
 - ❖ Conclusions

Focus: Timely insights into perceptions and attitudes of the resident population

Research Background & Objectives

POPS or 'Perception Of Policies in Singapore'

A new IPS survey series to inform policy discussion.

Timely snap-shots and insights of how stakeholders are affected, would be affected, or perceive the impact of the policy area investigated.

Questions and analysis by IPS research team, fieldwork by third party survey firm.

Quota sample of 800 to 1000 of Singapore residents.

Research Background & Objectives

POPS (1) Resilience in the Economic Crisis

How well can Singapore Residents cope with current downturn? How do they cope, and who are the vulnerable?

Aim: Capture views of the people across Singapore, (not just of disadvantaged groups).

Research Background & Objectives

Resilience – the capacity to carry on in the face of adversity

Preparation:

- ❖ Planning for difficult times

Availability of resources:

- ❖ Means to cope with difficult times

Ability to adapt:

- ❖ Willingness
- ❖ Extent
- ❖ Proactive or reactive

Research Background & Objectives

Questions on **resources** and **adaptability**

- What is the impact of the crisis?
- What adjustments have been made?
- How and in what ways will people cope if they lose main source of income?
- How much will people depend on government?
- How have government measures impacted them?

Research Design

<i>Interviewing Method</i>	<i><u>Nielsen Omnibus via Telephone Interviews</u></i>
<i>Respondent Criteria</i>	<i>Singapore citizens and permanent residents aged 21 yrs and above</i>
<i>Sampling</i>	<i>Age, gender and race quotas were implemented to ensure representativeness of sample</i>
<i>Sample Size</i>	<i>Total of <u>817</u> interviews</i>
<i>Fieldwork</i>	<i>16 Feb To 26 Feb 2009</i>

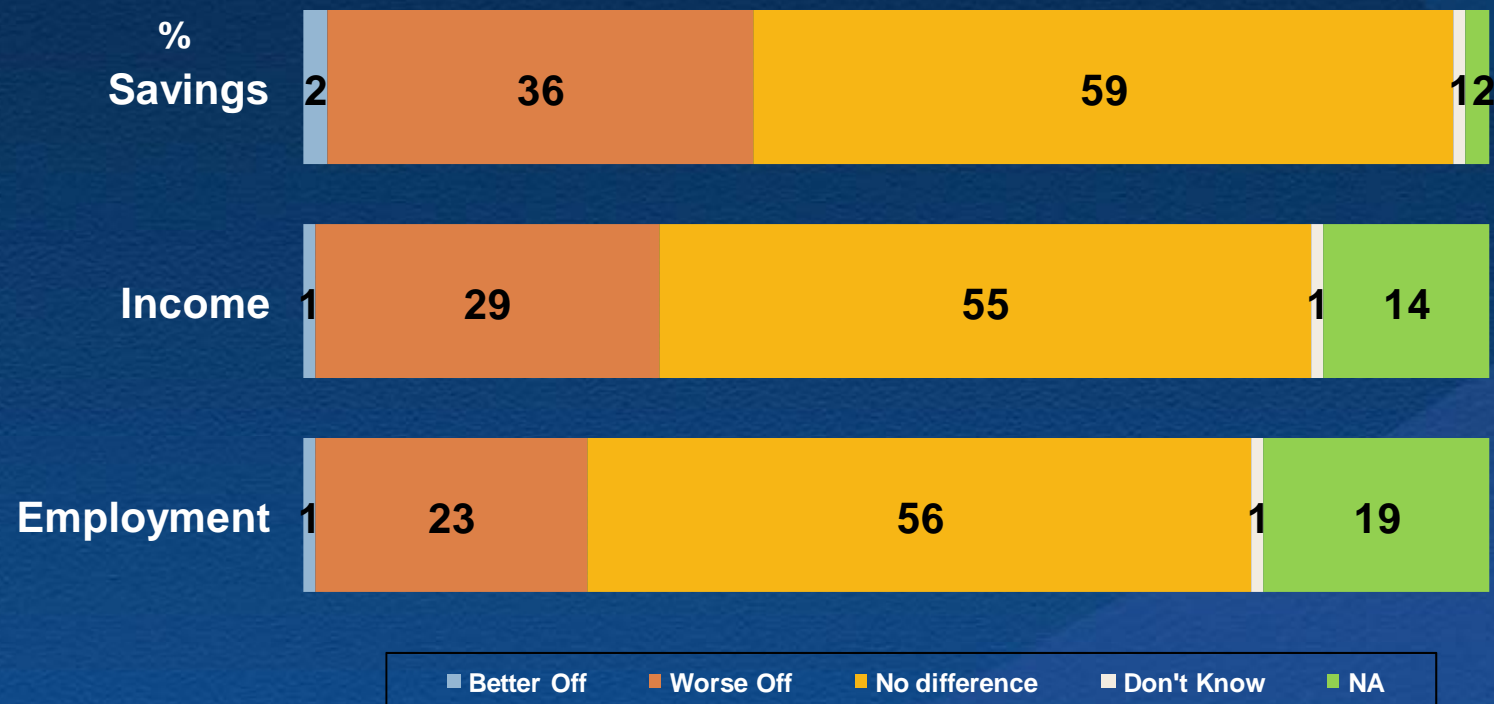
1003 participated in the omnibus survey, but only data for Singapore Residents, 21 years and above are analysed.

Impact on Livelihood

How has your livelihood been affected by the current economic crisis?

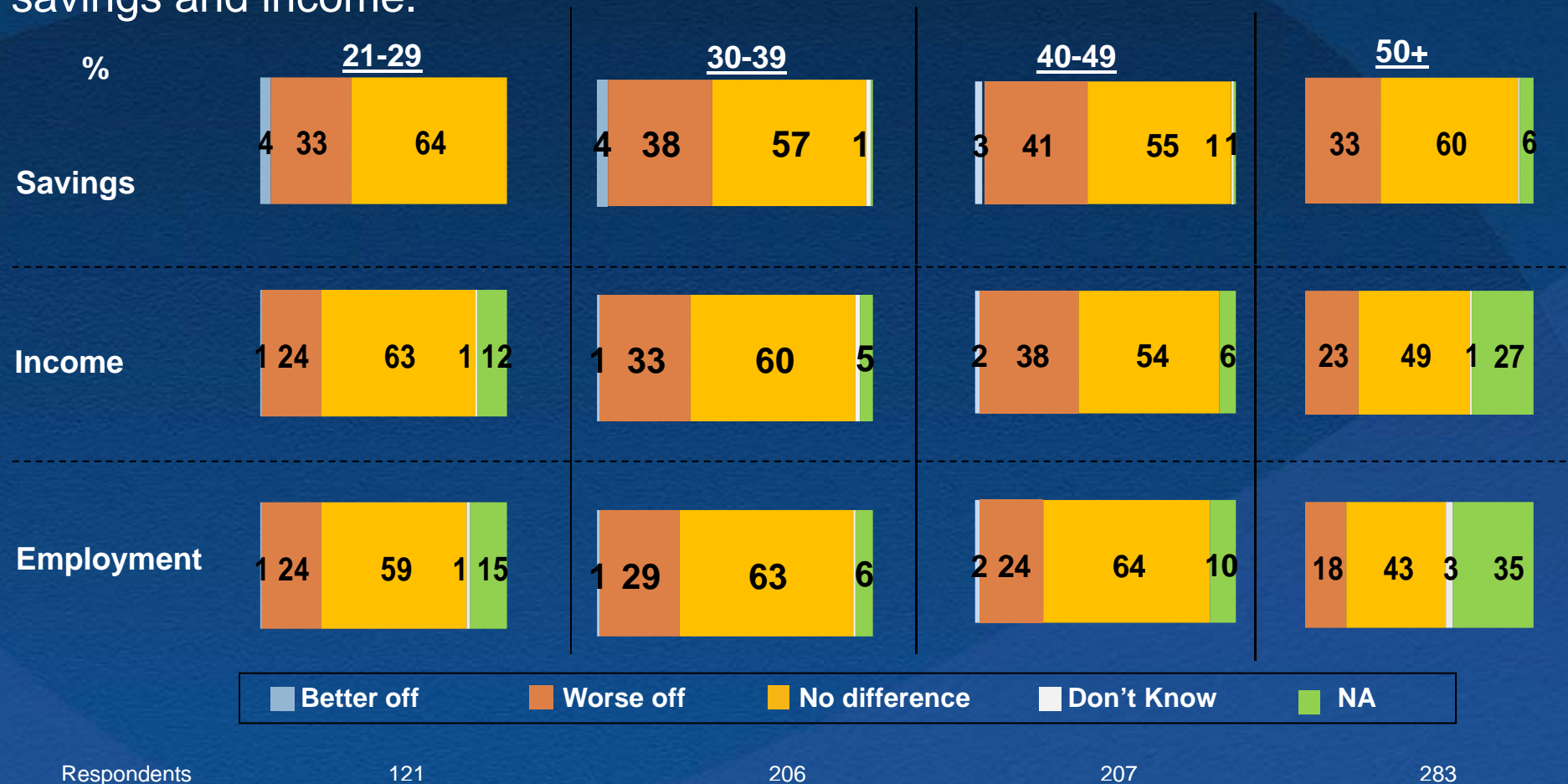
Impact on Livelihood

The majority was not affected, although the greatest impact was on savings with 36% reporting they were 'worse off'.



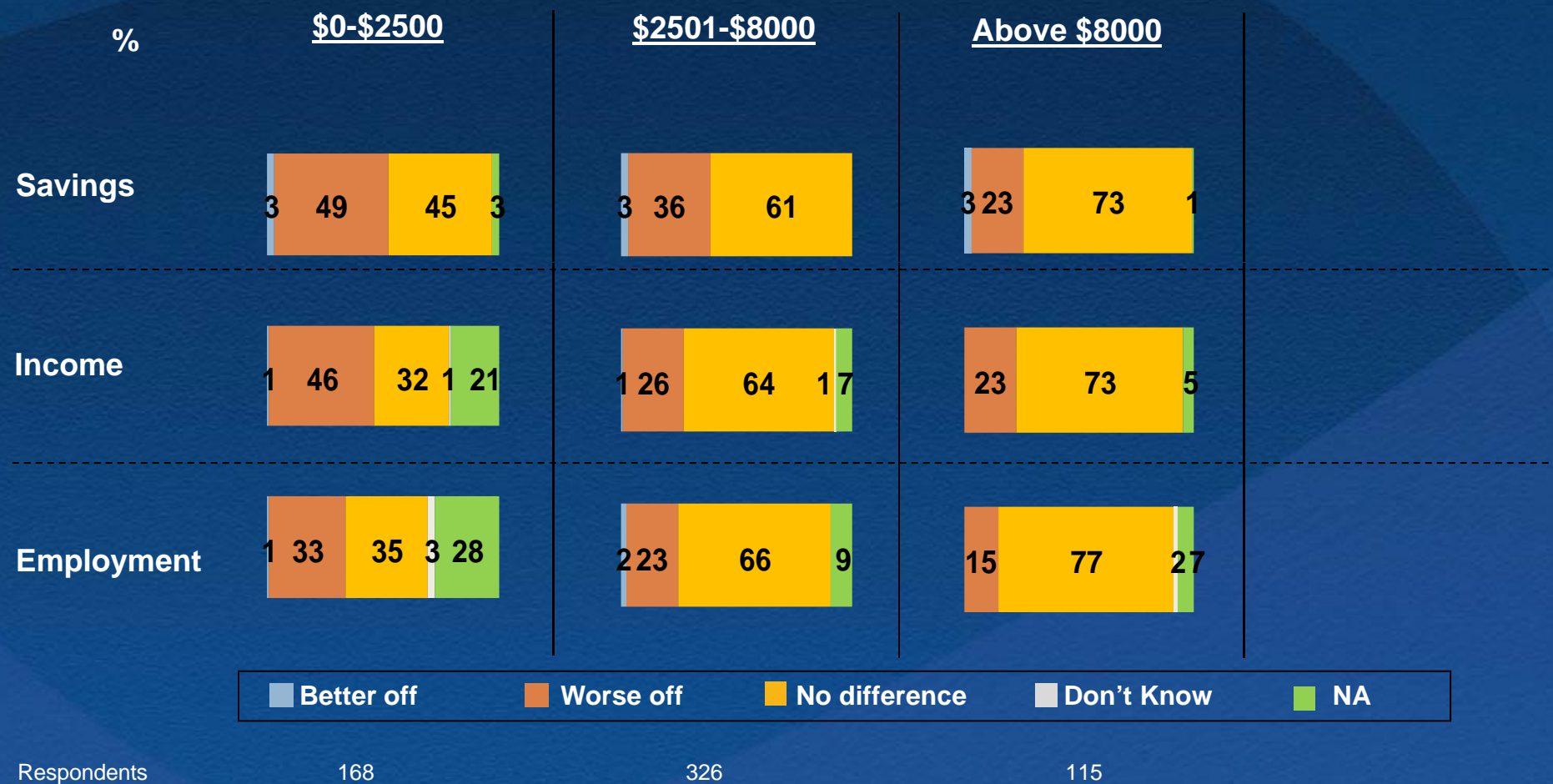
Impact on Livelihood (Age)

The economic crisis impacted those in their 30s and 40s the most, with increasing proportions from 20 up to 40 saying they were 'worse off' on savings and income.



Impact on Livelihood (HH Income)

The lower income group more affected by the economic crisis, with more in the segment reporting being 'worse off' in all aspects.

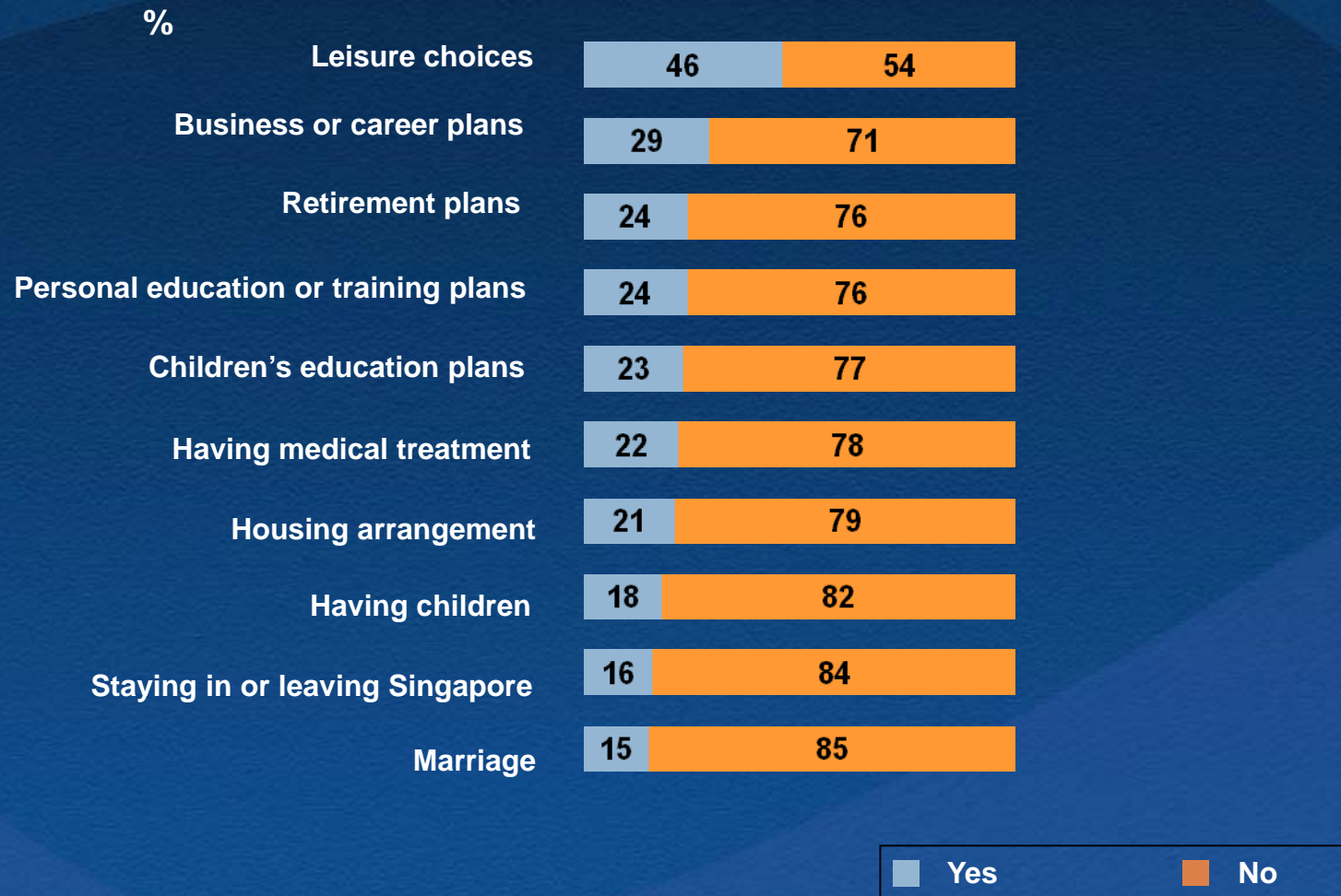


Impact on Life Choices

Will the current economic crisis affect or has it affected your decisions in the following areas?

Impact on Life Choices*

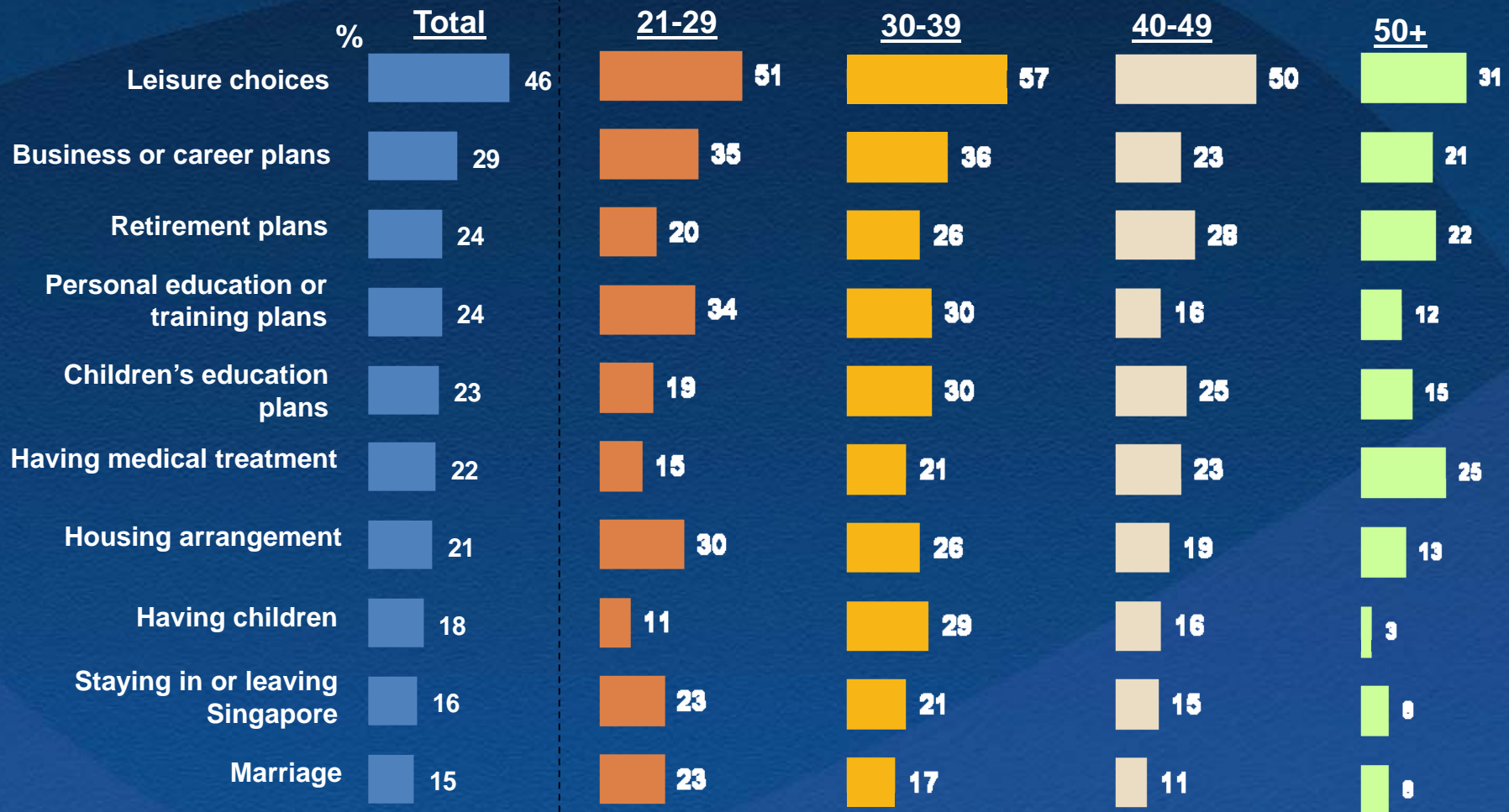
The economic crisis has had the most impact on leisure choices.



*NAs are removed from the analysis. Hence, base for each decision is different.

Impact of Life Choices (Age)*

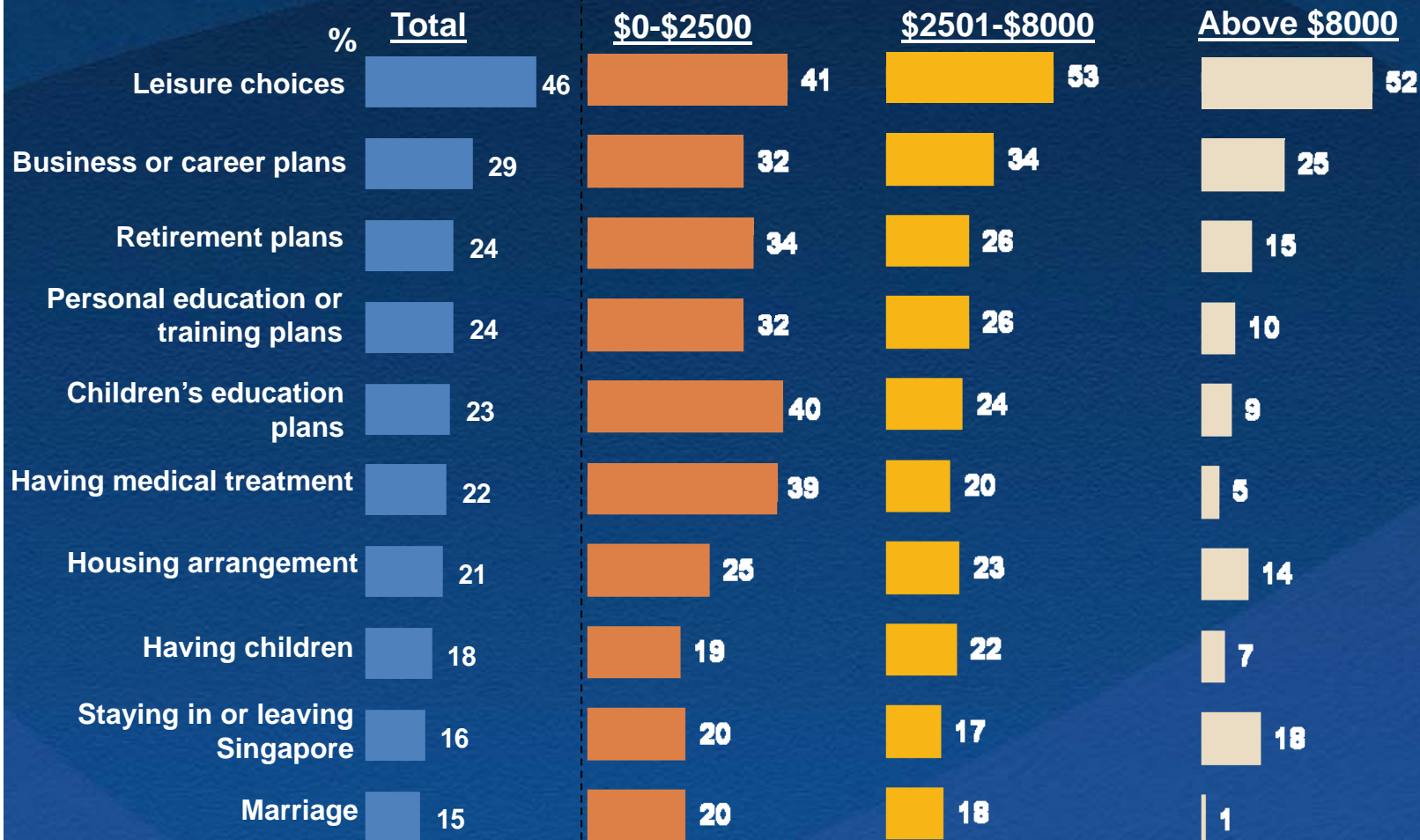
The 30-39 segment made most adjustments based on the highest number of areas and magnitude of differences compared to other segments.



*NAs are removed from the analysis. Hence, base for each decision is different.

Impact on Life Choices (HH Income)*

The low household income segment made the most adjustments based on the number of areas and magnitude of differences compared to other segments.



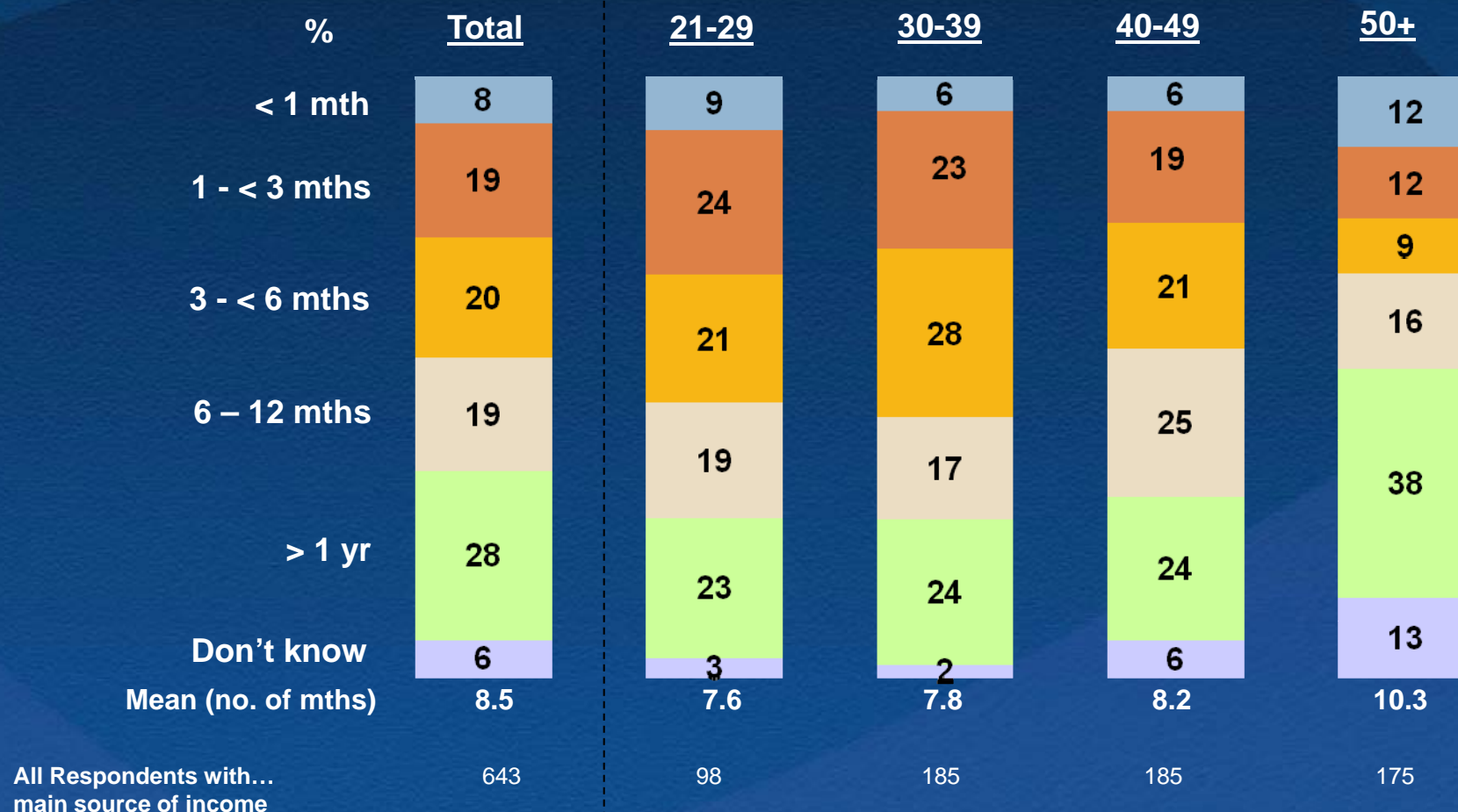
*NAs are removed from the analysis. Hence, base for each decision is different.

Length of Time Able to Cope

If you lose your main source of income, how long do you think you and your dependents will be able to cope?

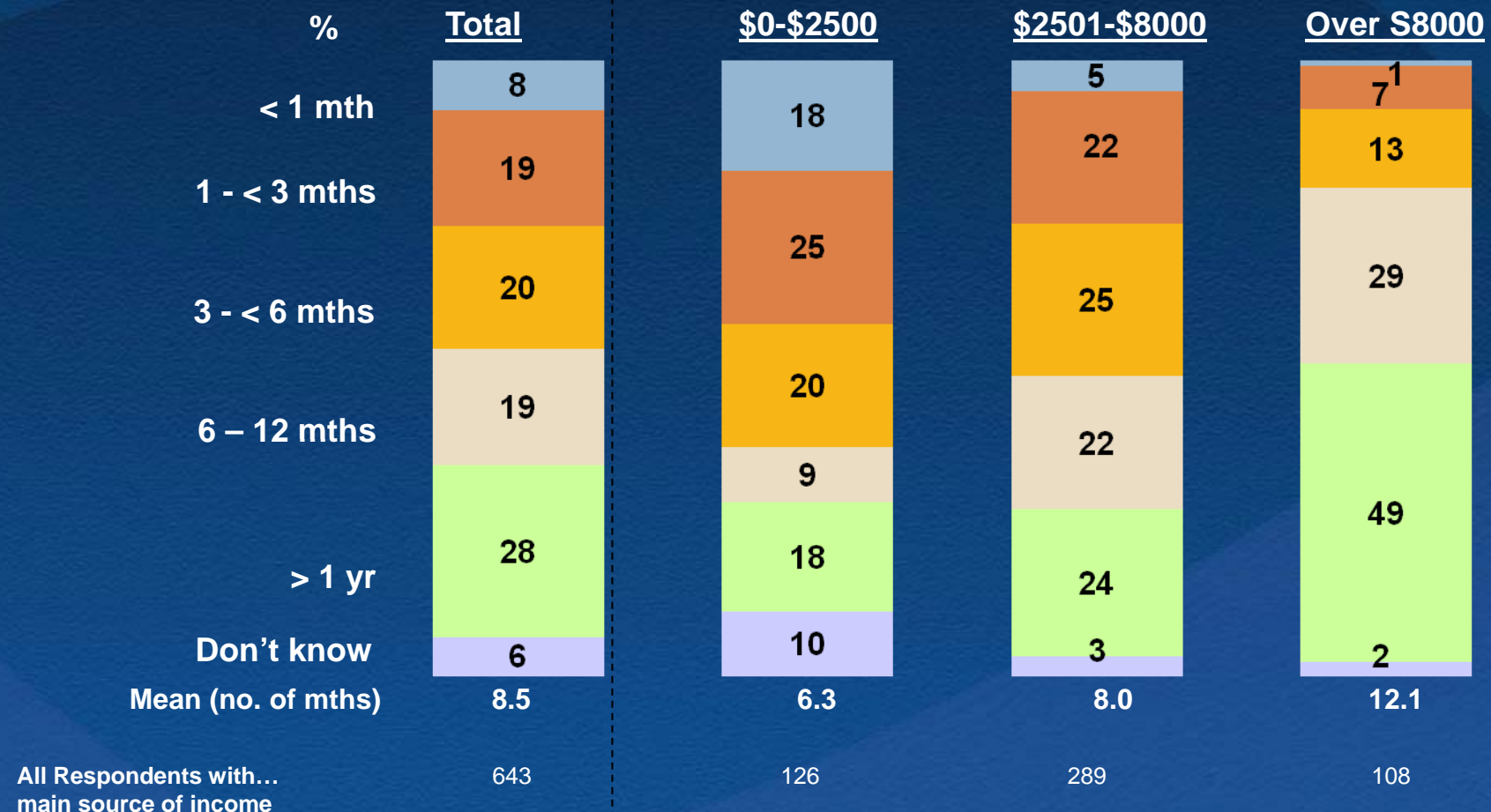
Length of Time Able to Cope (Age)

On average, respondents could cope for 8.5 months. Those in 21-29 have the shortest average time but the 30-39 segment was only little different.



Length of Time Able to Cope (HH Income)

Those in the low income segment could cope the shortest period.

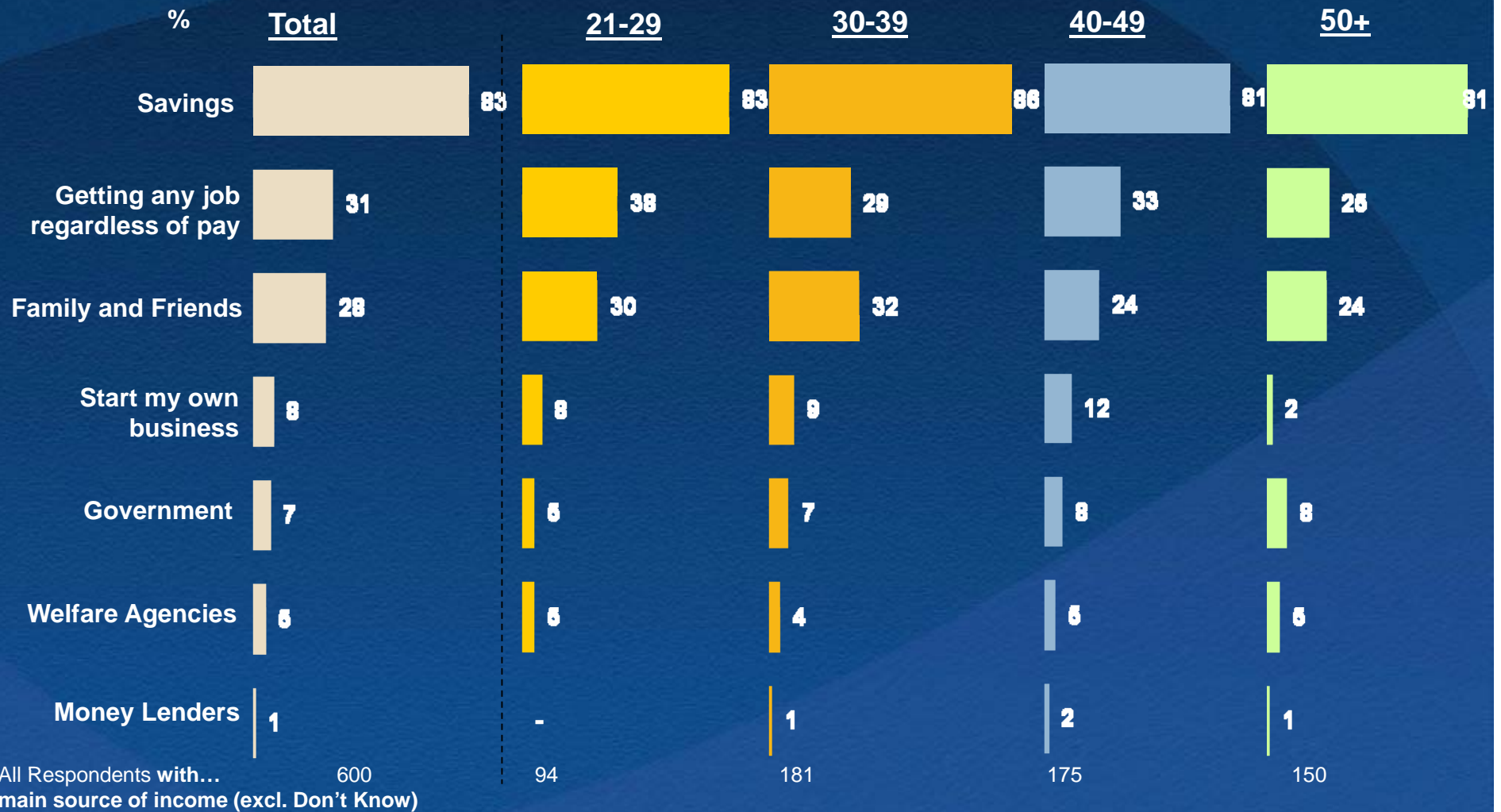


Sources of Resilience

You mentioned that you can cope for up to X mths, who or what will you rely on to cope?

Sources of Resilience (Age)

83% would rely on savings, 31% take any job, and 28% rely on family and friends. 21-29 segment had a greater proportion saying they would take any job.



Sources of Resilience (HH Income)

More in the high household income segment would rely on savings and consider starting a business. More in the low household income segment would rely on government and welfare agencies.

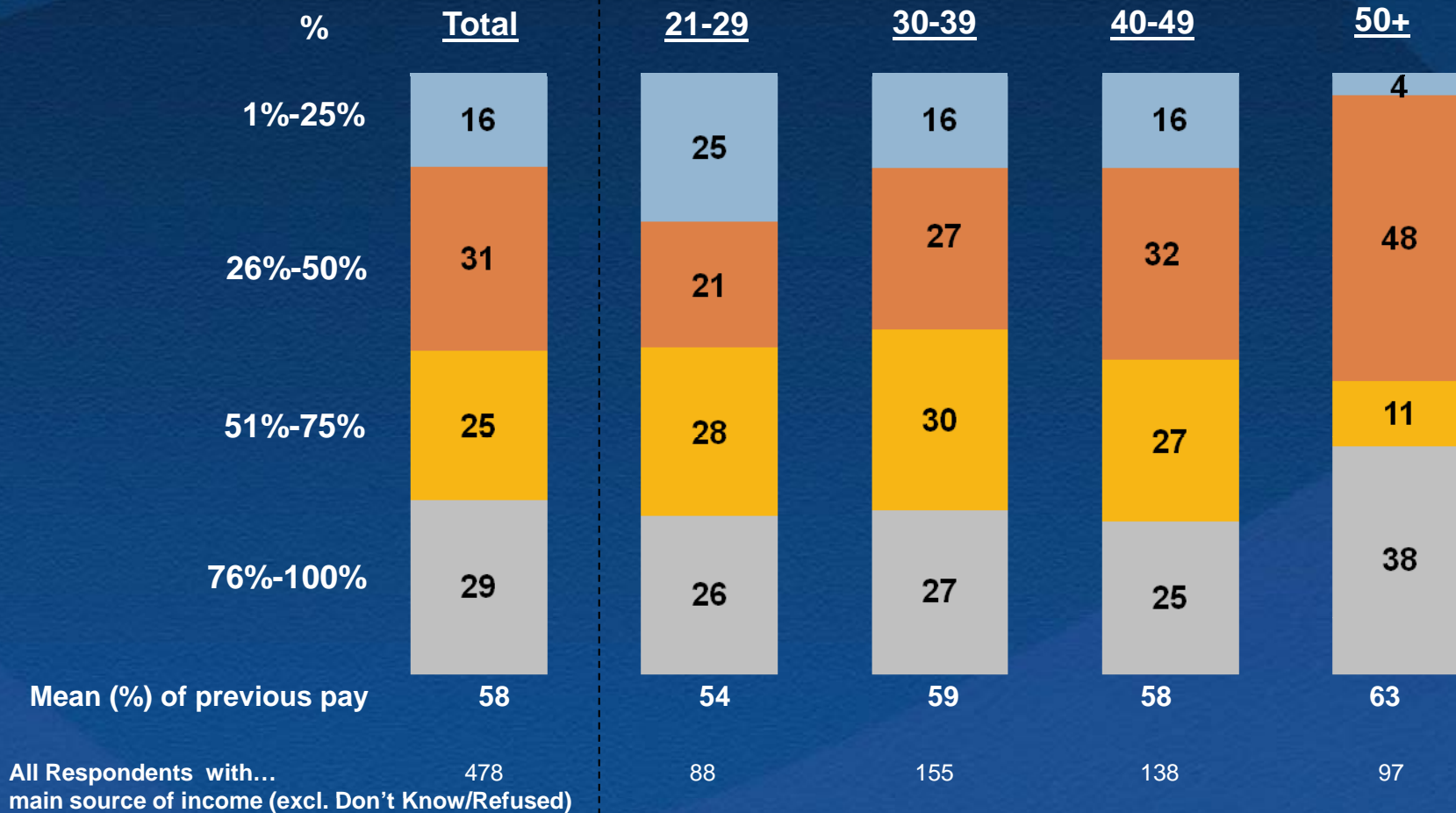


Pay-cut for Survival Job

If you lose your main source of income, what is the lowest pay you are willing to accept in your next job compared to the previous one?

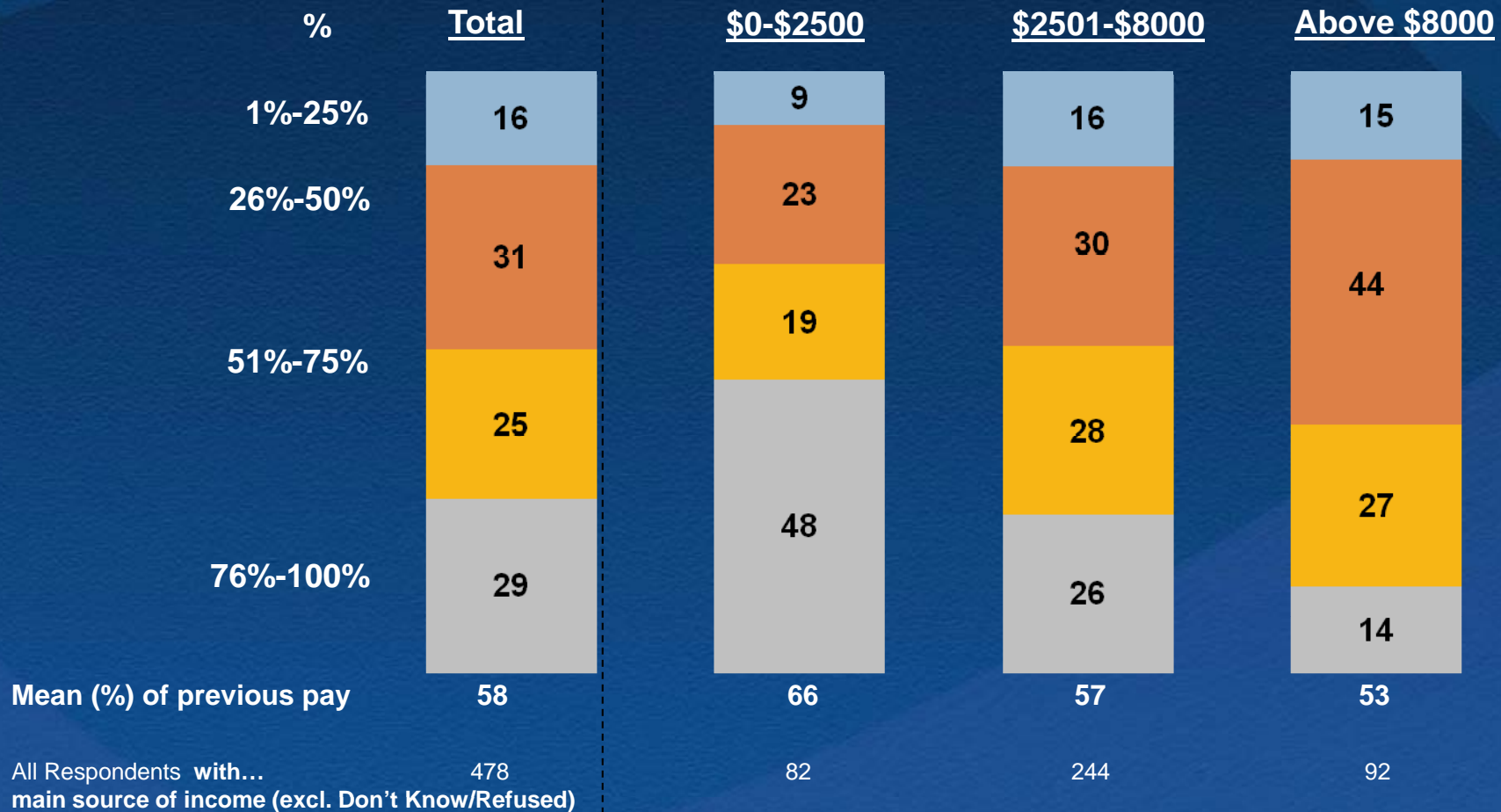
Pay-cut for Survival Job (Age)

The average for the sample was 58%. Those aged 50 yrs and above appear the highest, at 63% of previous pay, or a pay-cut of 37%.



Pay-cut for Survival Job (HH Income)

Those in the low household income segment had the highest average of 66%, or a pay-cut of 34%.

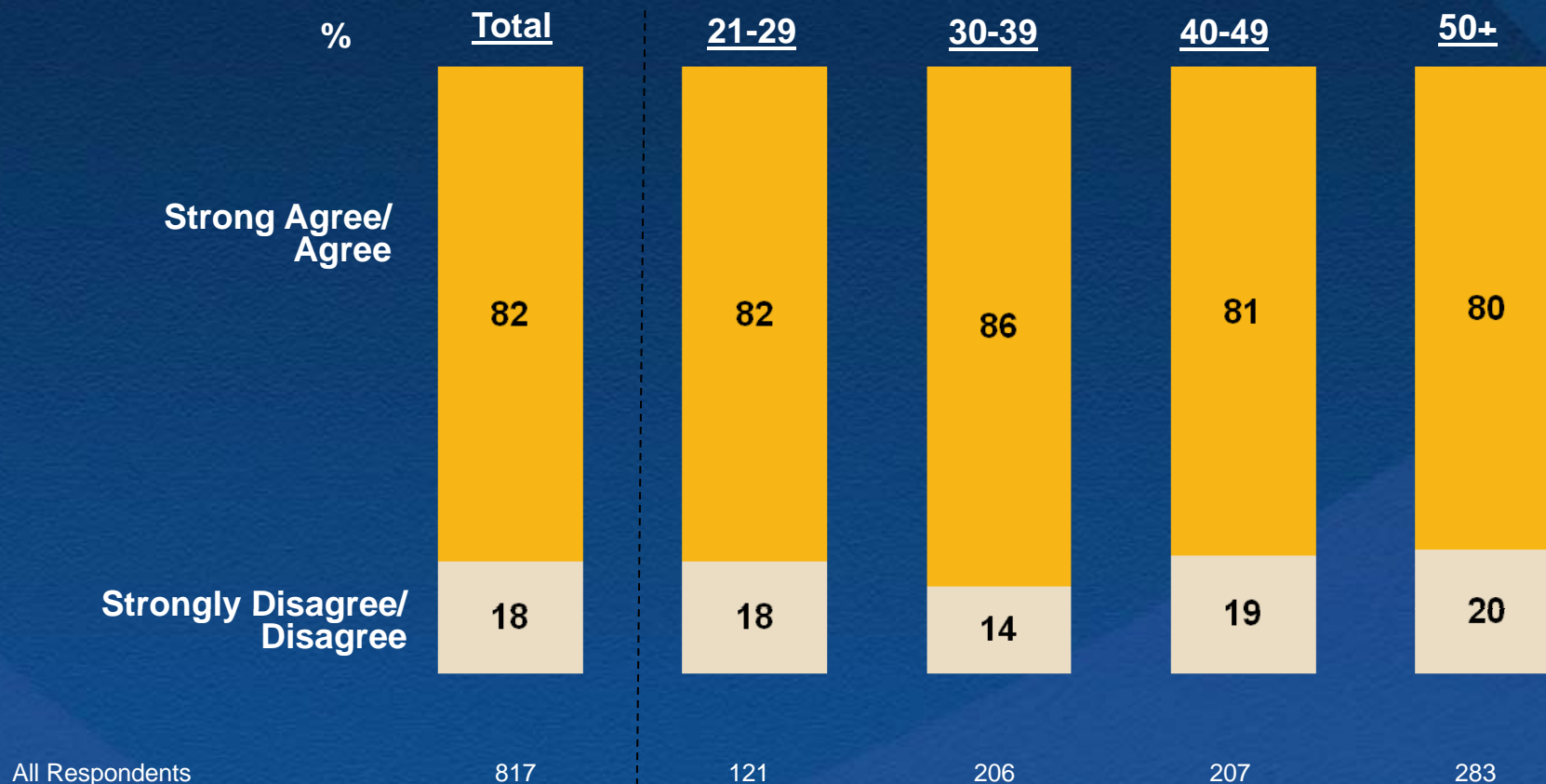


Taking Personal Initiative

“In an economic crisis, people should take personal initiative and make sacrifices to cope, rather than rely on government help.”

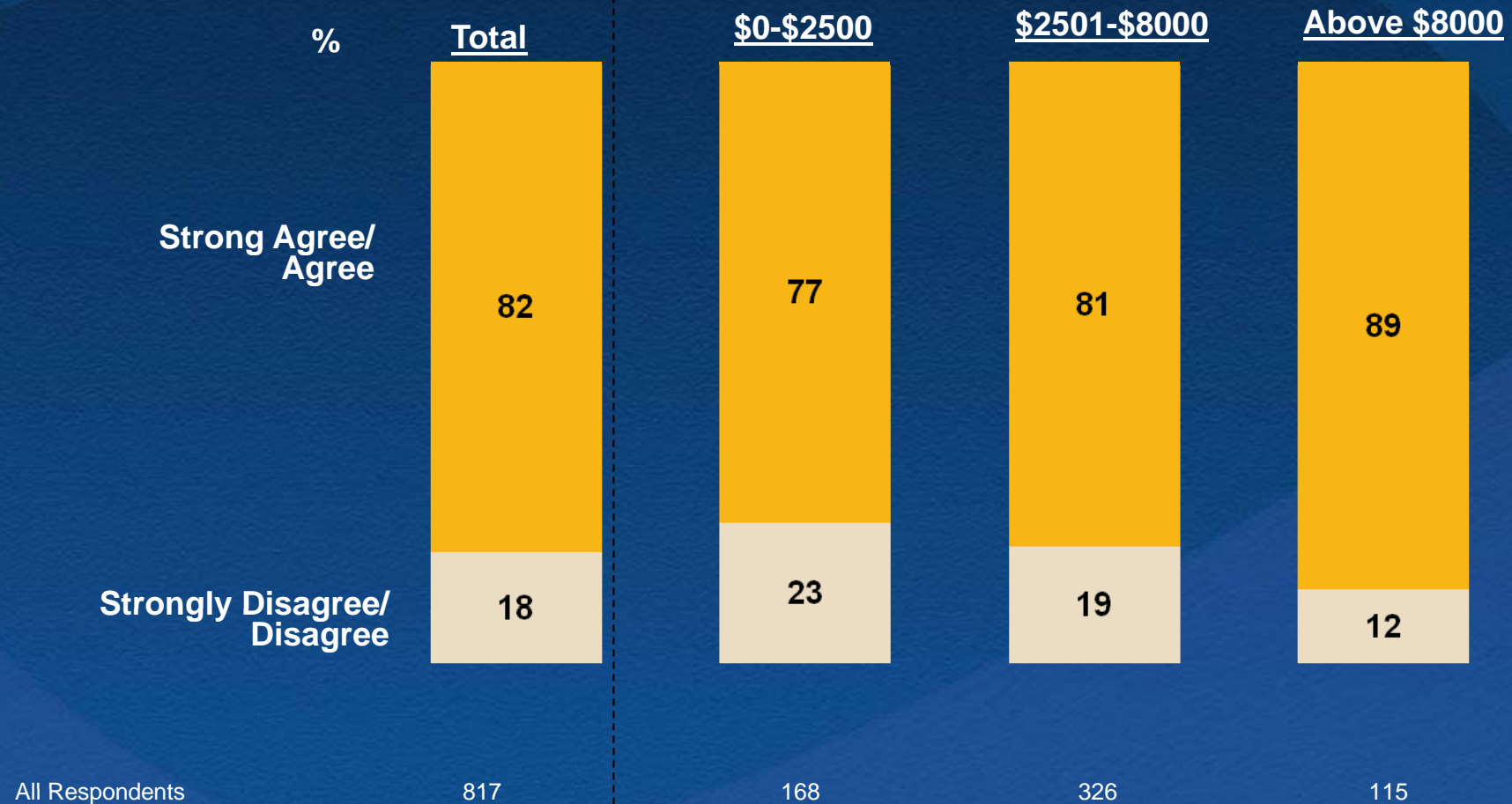
Taking Personal Initiative (Age)

8 in 10 agree that they should rely on themselves rather than the Government to cope with the highest assent from those in the 30-39 segment. Lowest level of agreement came from the 50+ age group.



Taking Personal Initiative (HH Income)

The highest level of agreement from the high household income segment. The lowest level of agreement was from the low household income segment.



Taking Personal Initiative

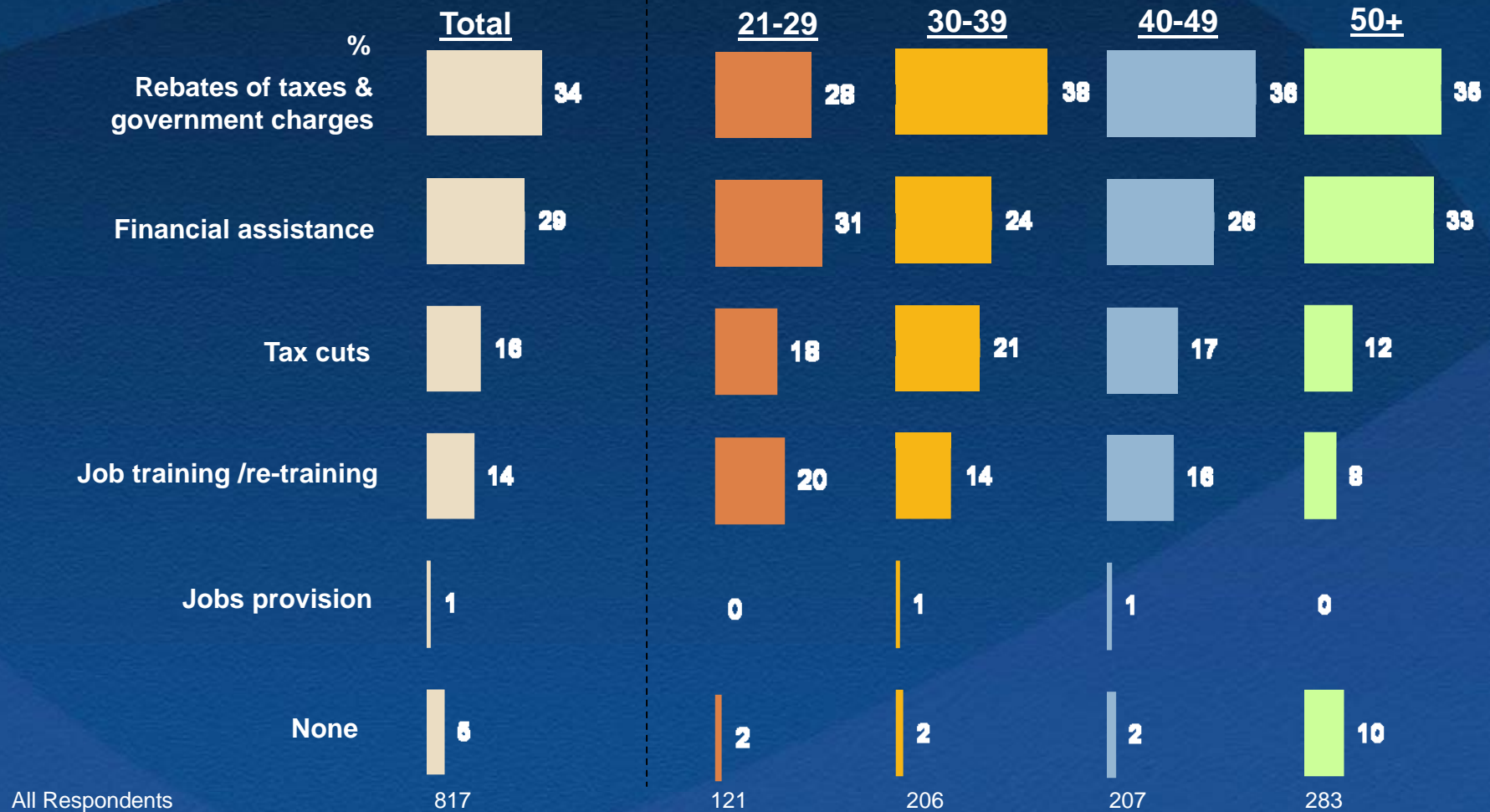
- More women than men agreed.
- Those who agreed were likely to have reported on earlier question that they experienced less impact of crisis on livelihood.
- Chinese more likely to agree with statement.

Government Measures

The government has said that it will help citizens cope with the crisis. Which of the following is most important in helping you cope?

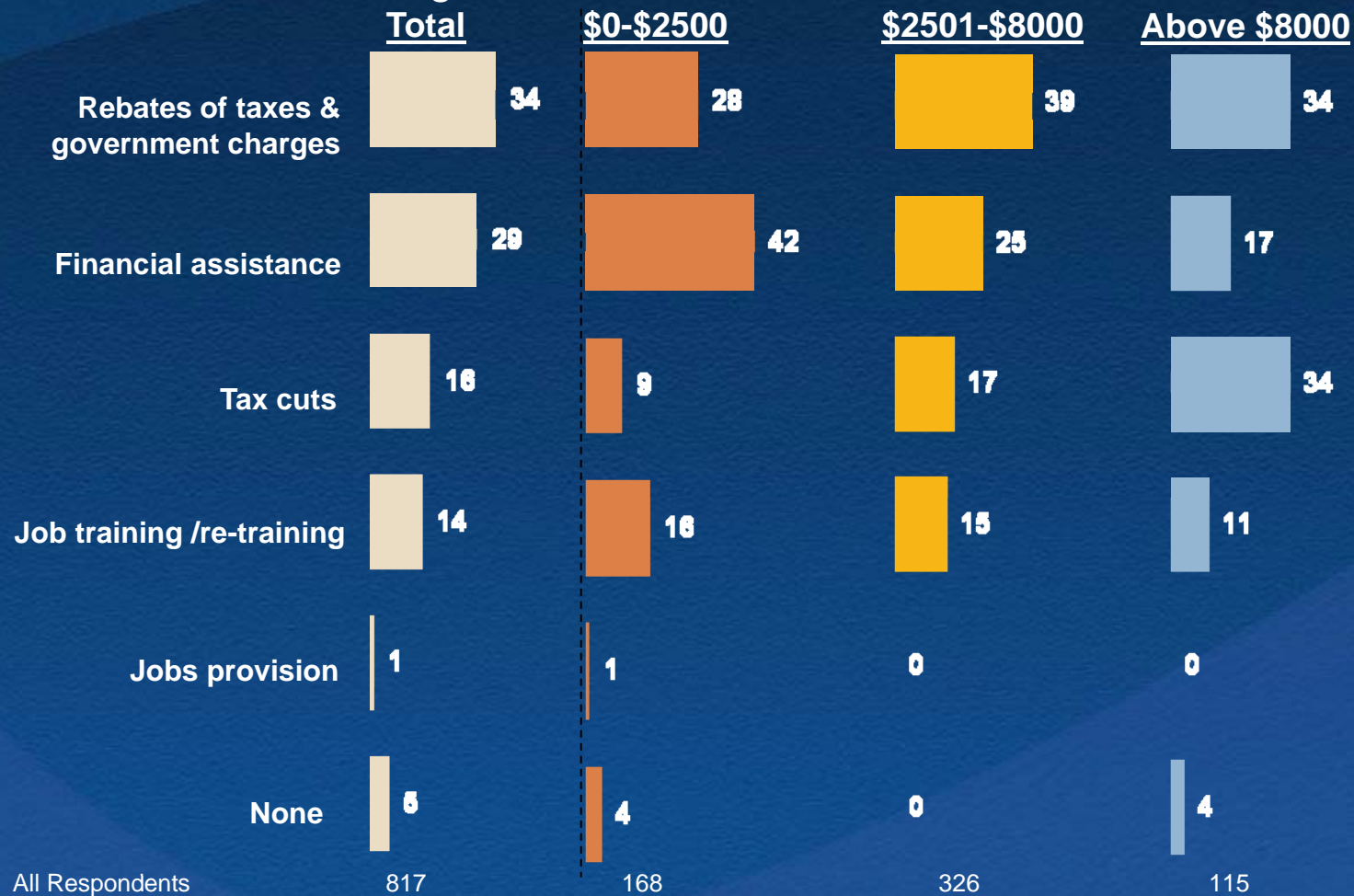
Government Measures (Age)

Rebates and direct financial assistance were seen as most important. Compared to other age groups, the rebates were least useful for the 21-29 segment, job-training the most useful for them.



Government Measures (HH Income)

Rebates most useful for middle household income segment and financial assistance most useful for low household income segment, and tax cuts most useful for the high household income segment.



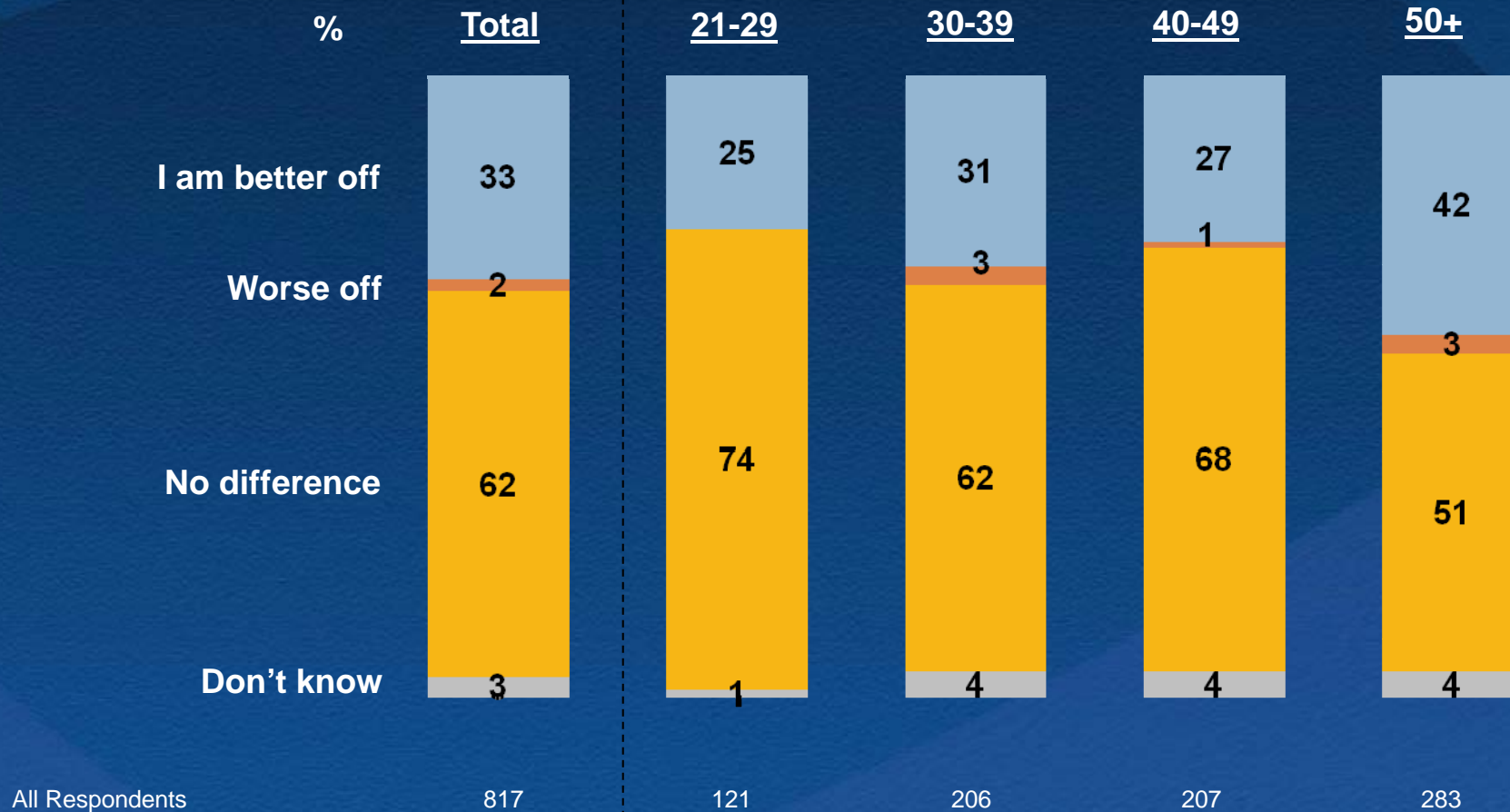
Overall Impact of Government Measures

How much do the government measures designed to address the economic crisis help you cope?

How much do the government measures designed to address the economic crisis help our country cope?

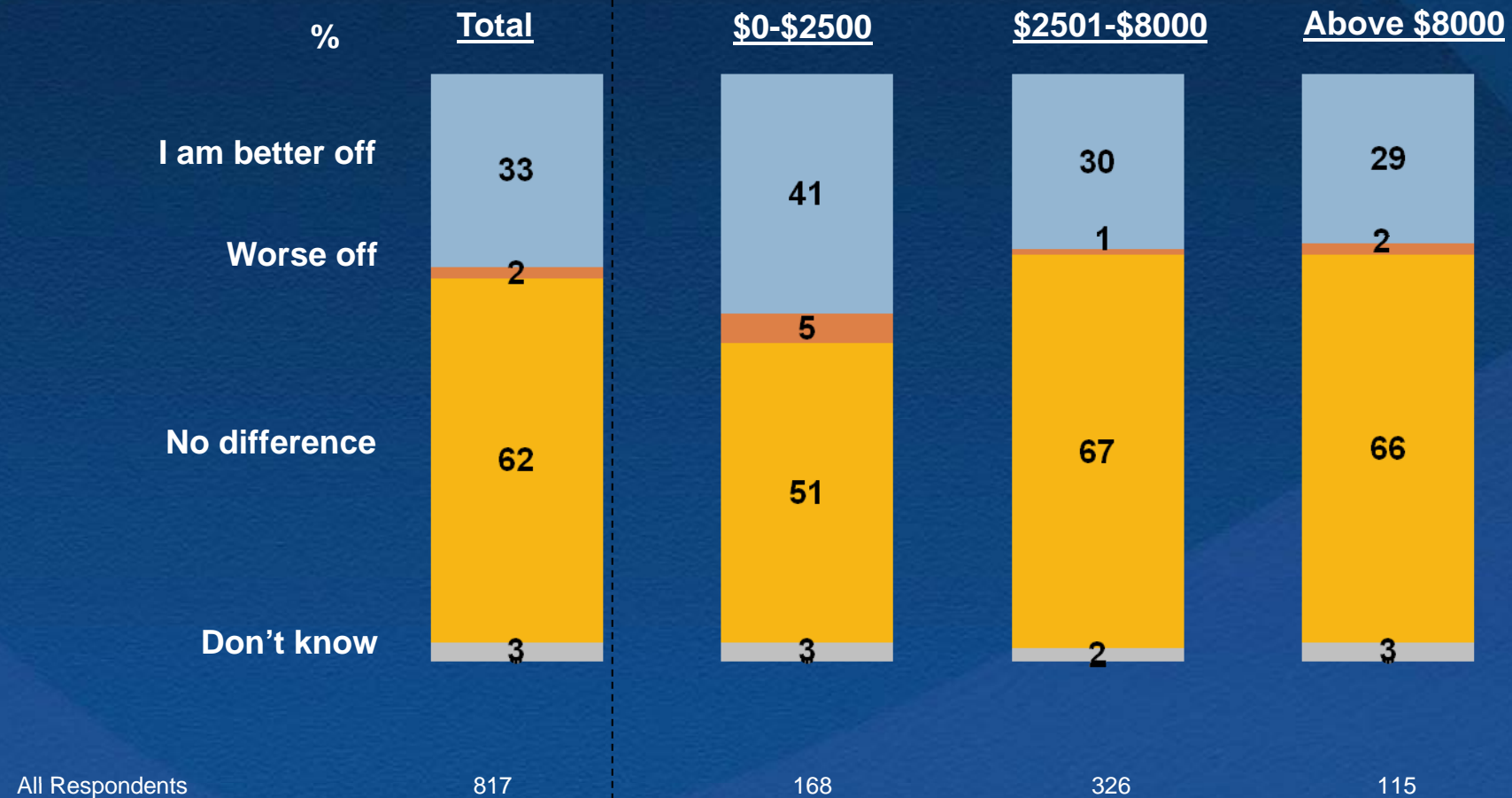
Overall Impact of Government Measures on Me (Age)

33% said they were 'better off', while 62% said there was no impact on them. Those 50 yrs and above reported they were 'better off' and a larger than average proportion reported there was 'no difference'.



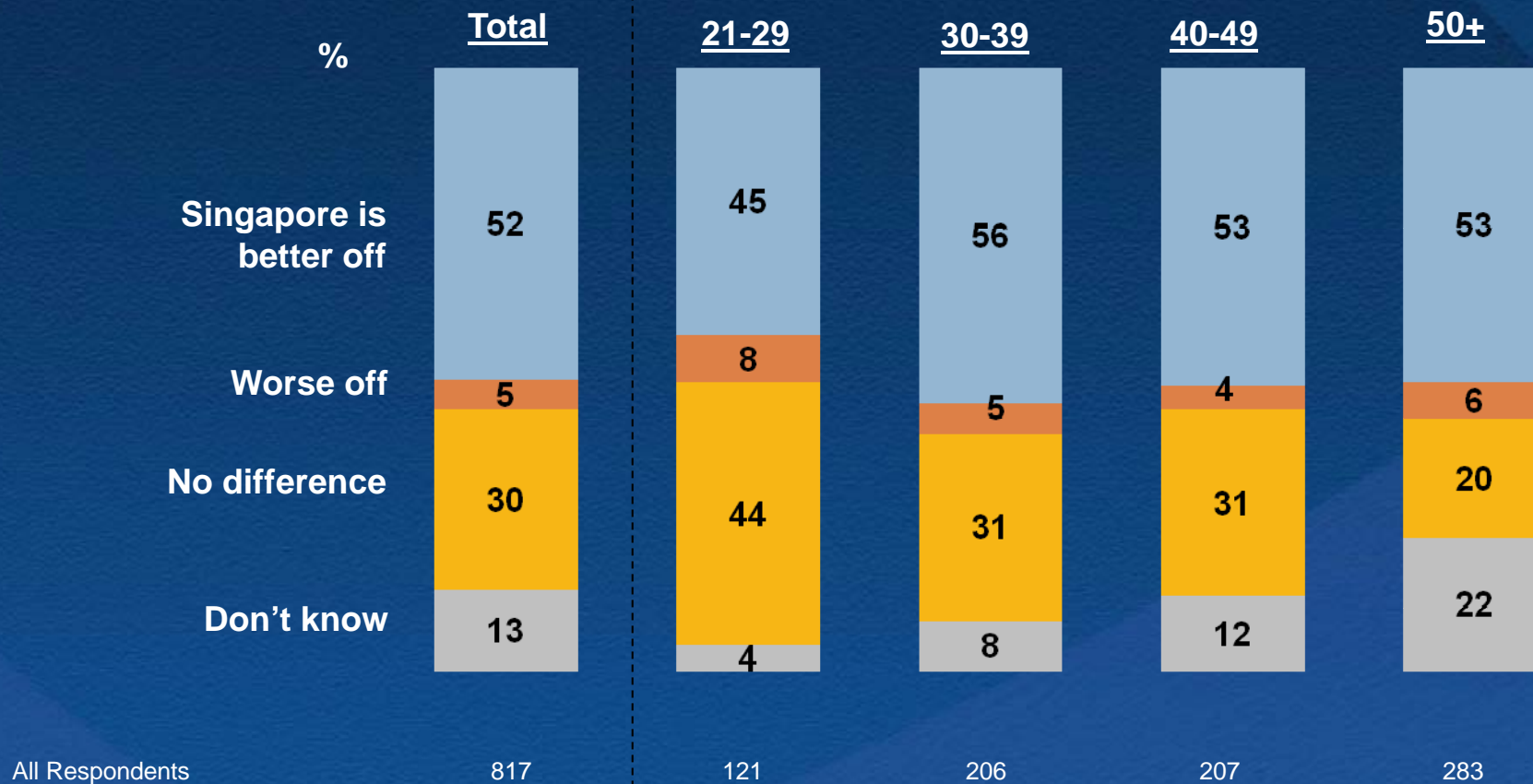
Overall Impact of Government Measures on Me (HH Income)

More in the low household income segment report being better off.



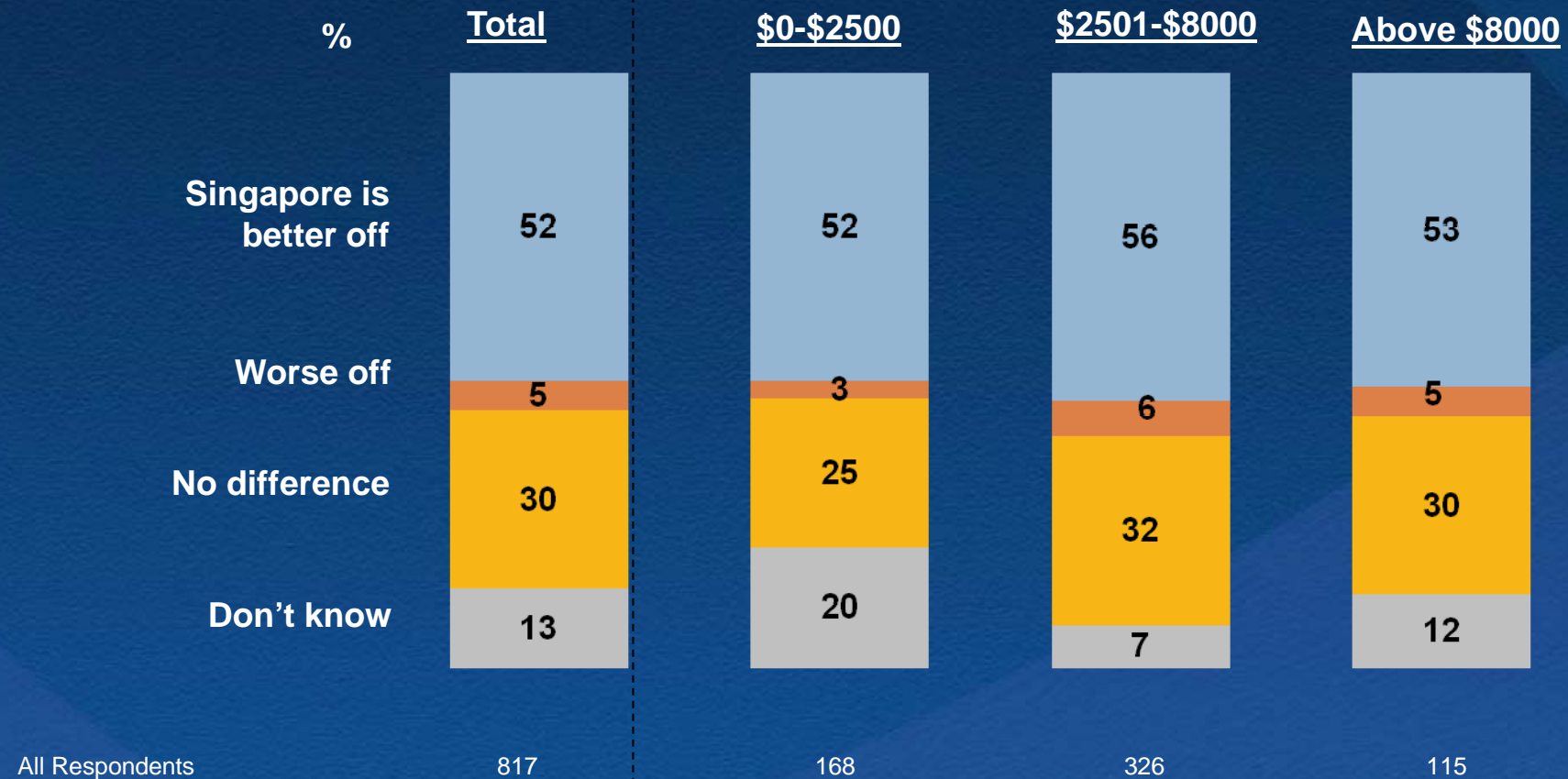
Overall Impact of Government Measures on *Singapore Cope* (Age)

52% said Singapore was better off. Compared to other age groups, more in the 21-29 year age group said Singapore was 'no different'.



Overall Impact of Government Measures on *Singapore Cope* (HH Income)

Responses were similar across the segments except that more in the low household income segment felt that the measures made no impact on Singapore .



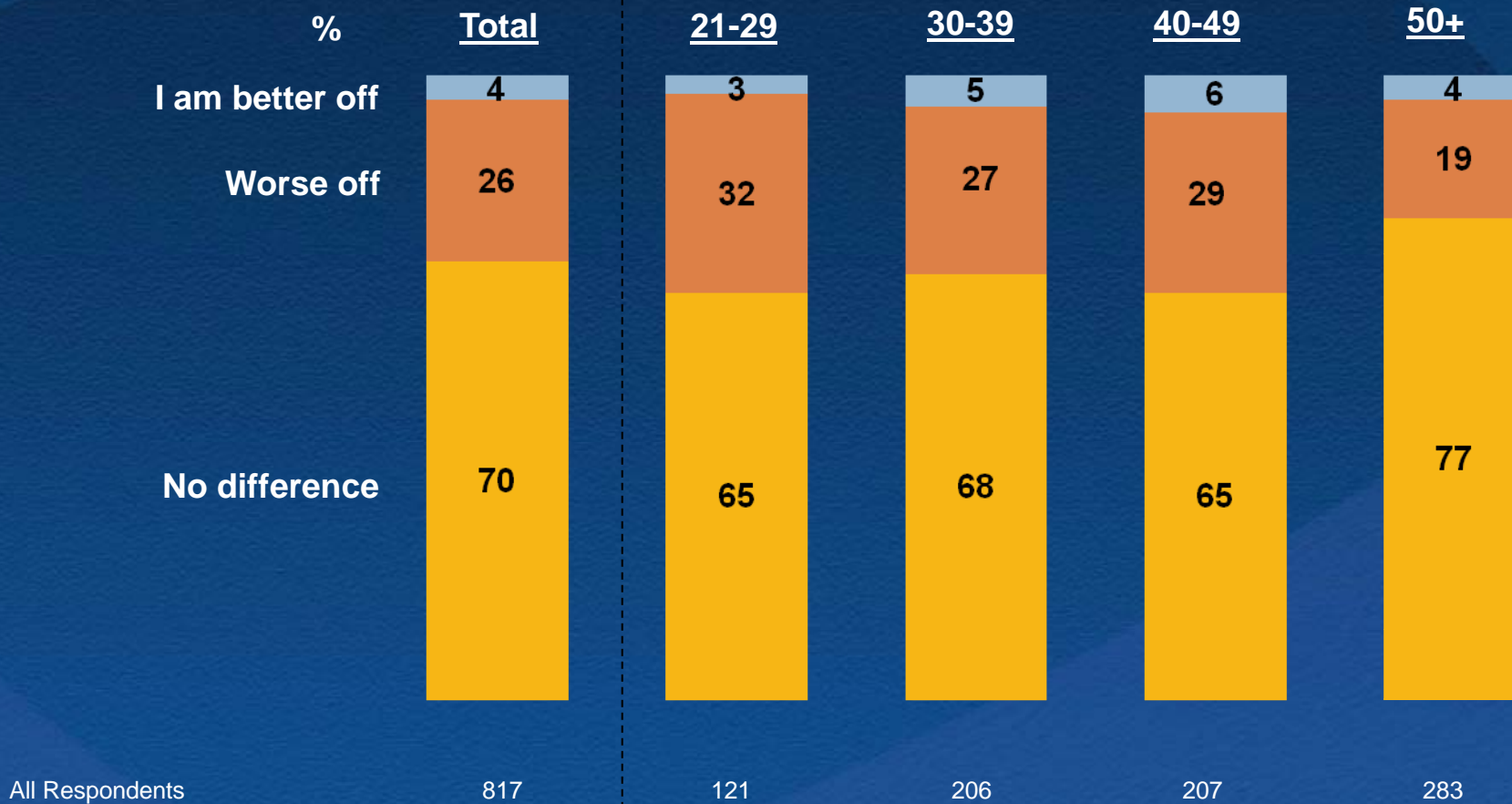
Foreigners Working in Singapore

How does having foreigners working in Singapore affect you economically, during this crisis?

How does having foreigners working in Singapore affect the economic prospects of Singapore?

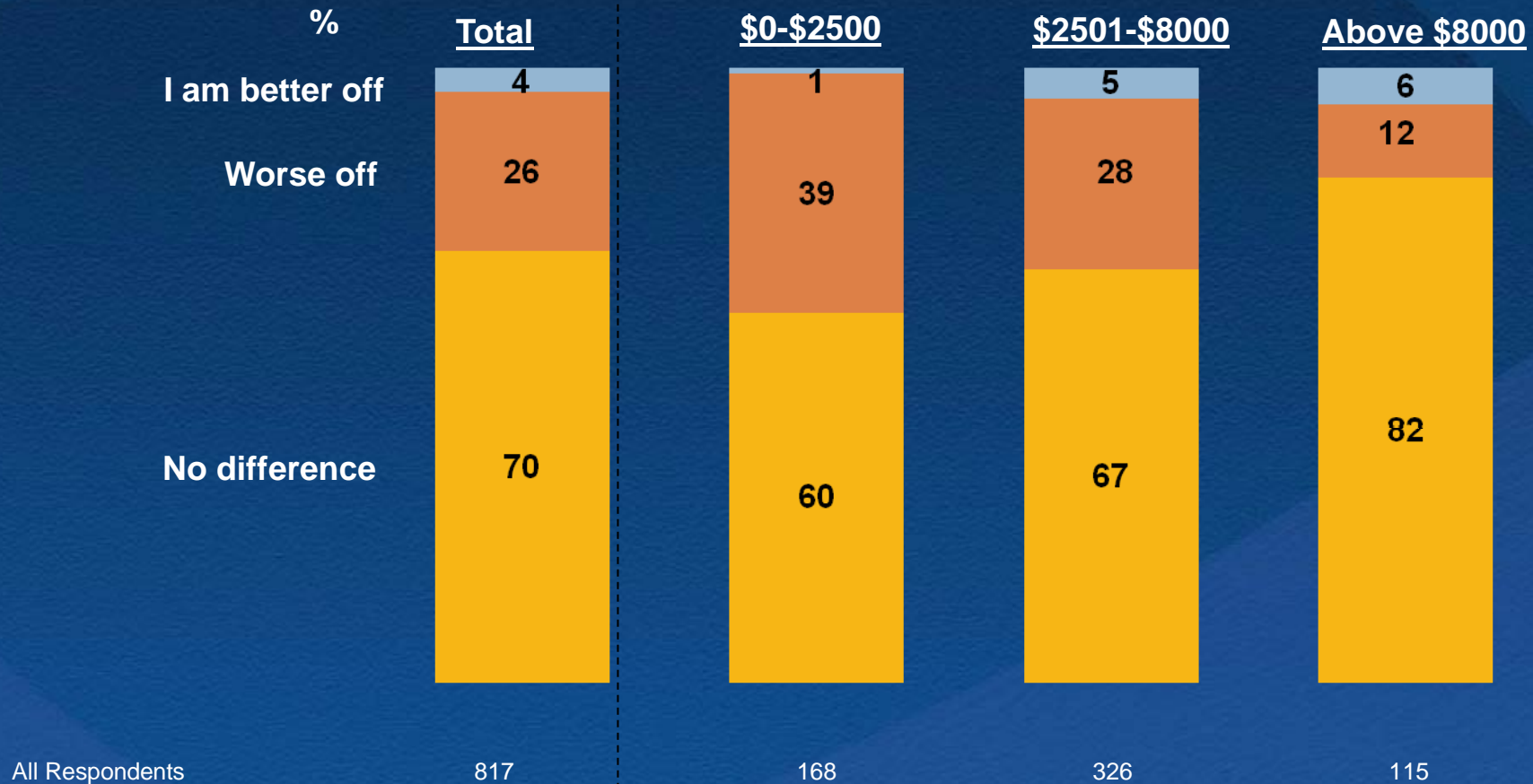
Foreigners and Economic Impact on Me (Age)

7 in 10 said they were 'no different', 26% felt they were 'worse off', particularly those in the 21-29 segment.



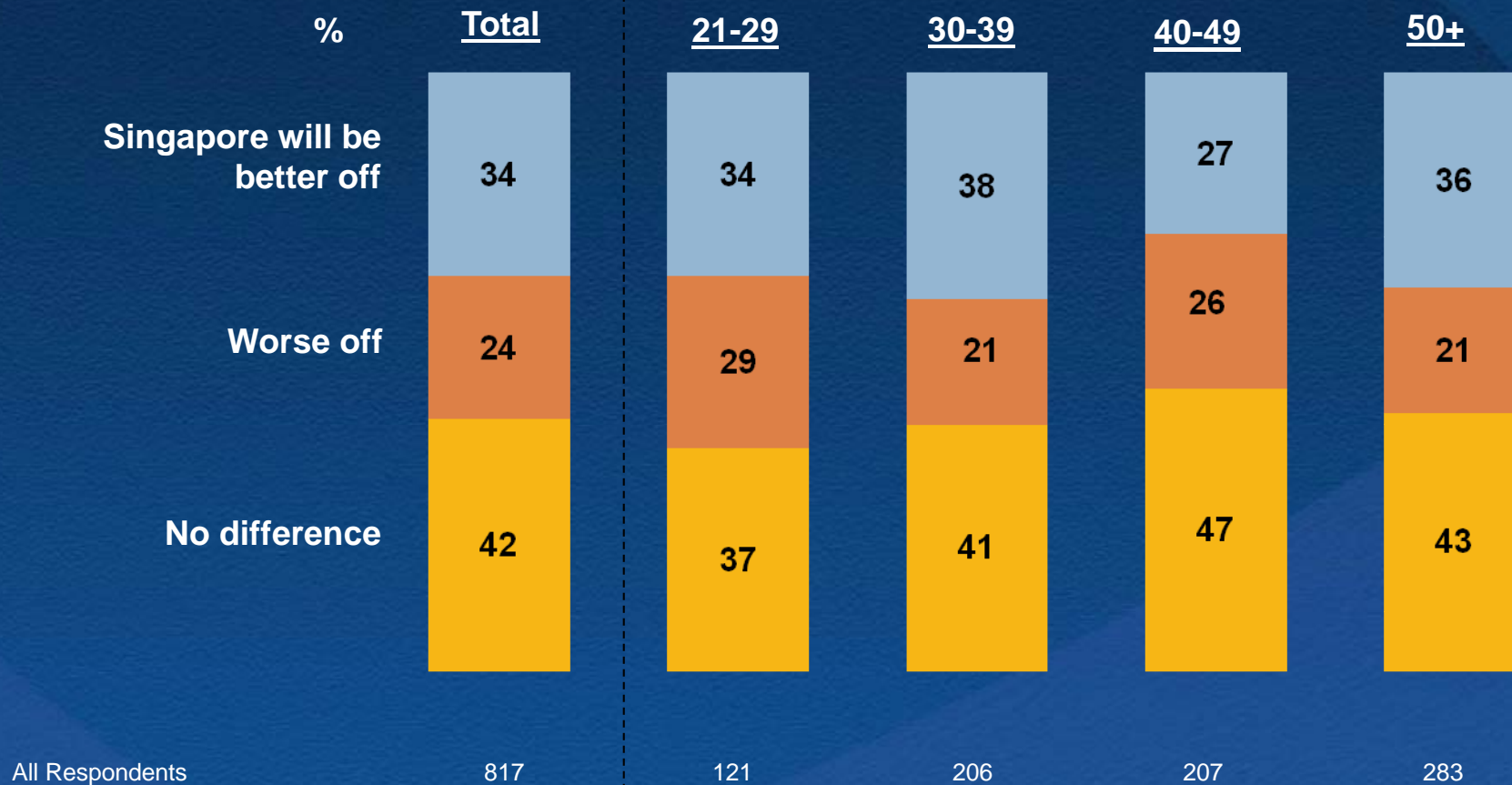
Foreigners and Economic Impact on Me (HH Income)

There was a higher than average proportion among low household income segment who felt they were 'worse off'.



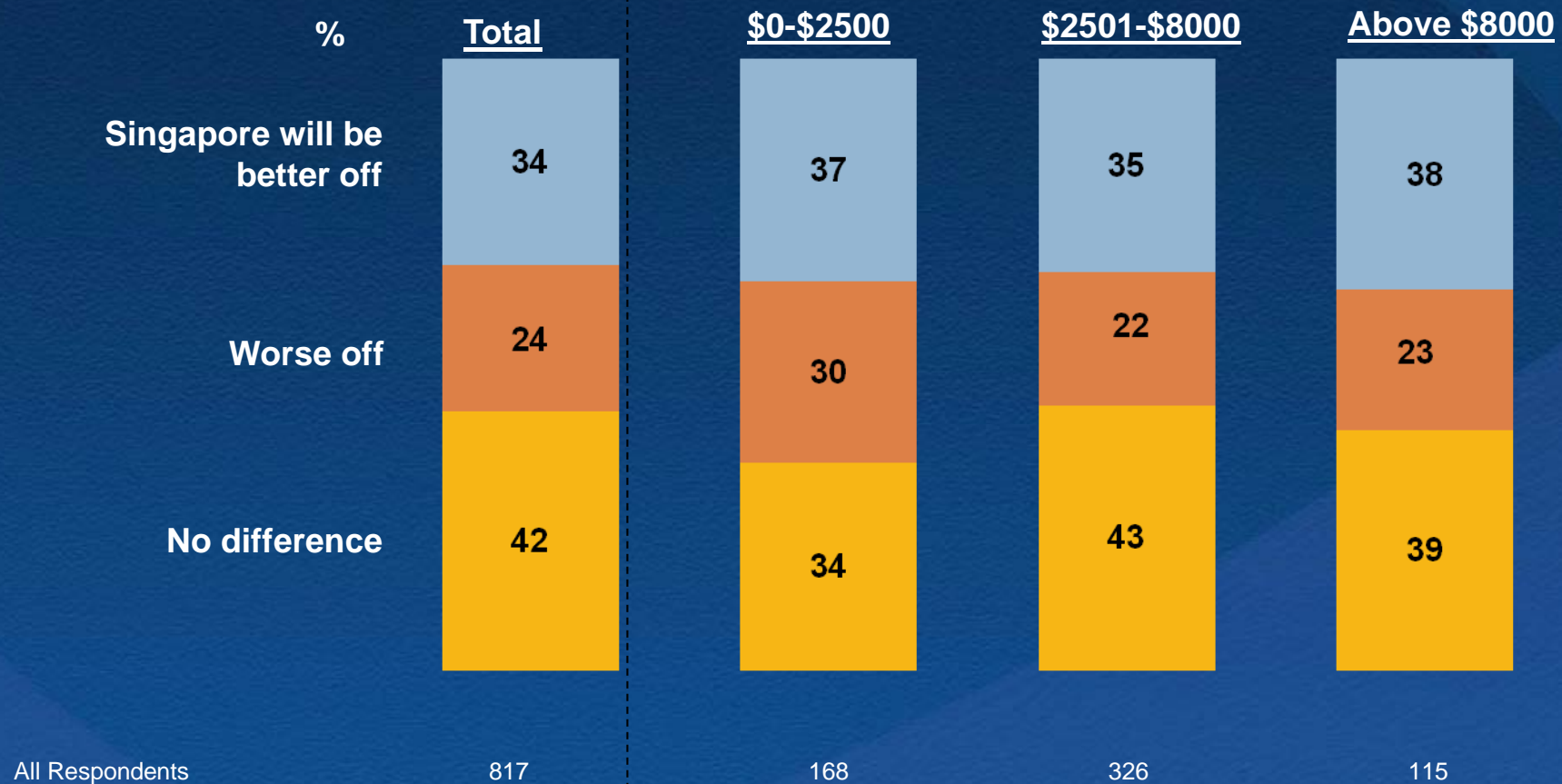
Foreigners and Economic Impact on *Singapore* (Age)

About 1 in 3 acknowledge that Singapore will be better off with foreigners working here during the crisis, with those in the 30-39 segment more likely to say so.



Foreigners and Economic Impact on *Singapore* (HH Income)

More in the low household income segment felt Singapore would be 'worse off'.



Cluster Analysis

Analyzing the profiles of Singaporeans in the economic crisis

Cluster Analysis

- Statistical method to suggest a categorisation of respondents on key dimensions of interest, that is, 'resilience'.
- 'Resilience' is defined as the capacity to carry on in the face of adversity. Major dimensions of resilience include:
 - Preparation:
 - ❖ Planning for difficult times
 - Availability of resources:
 - ❖ Means to cope with difficult times
 - Ability to adapt:
 - ❖ Willingness
 - ❖ Extent
 - ❖ Proactive or reactive
- The analysis would surface groups of residents that were similar within each group based on how they felt they were impacted by the crisis and how well they could cope if they lost their main source of income.

Cluster Analysis

- Four dimensions/variables selected for cluster analysis:

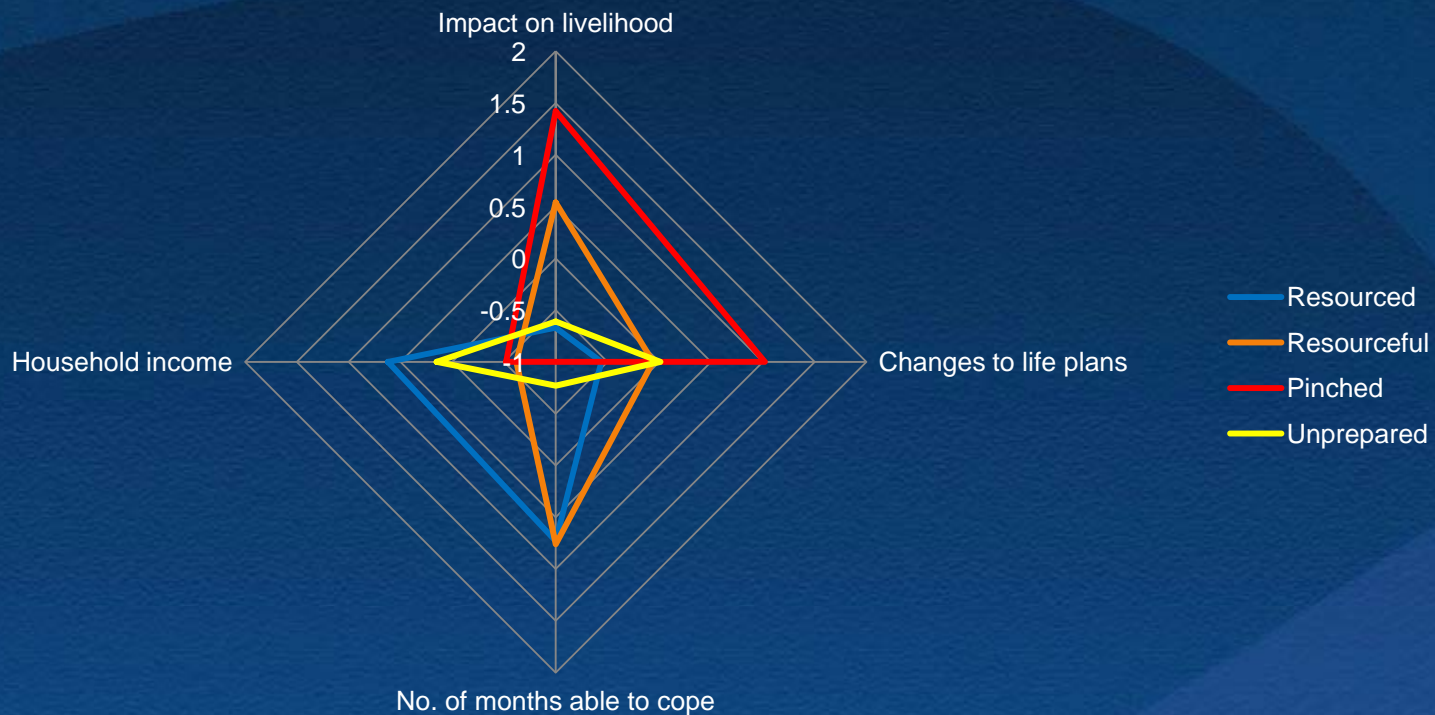
Availability of resources

- ❖ Household income

Adaptability

- ❖ Impact on livelihood
 - ❖ Changes to life plans
 - ❖ Number of months respondents and dependents can cope after losing the main source of income
- Generated four clusters of respondents
 - ❖ Each cluster experienced varying degrees of economic impact and each demonstrated different prognosis of resilience
 - ❖ Focus should be on relative positions

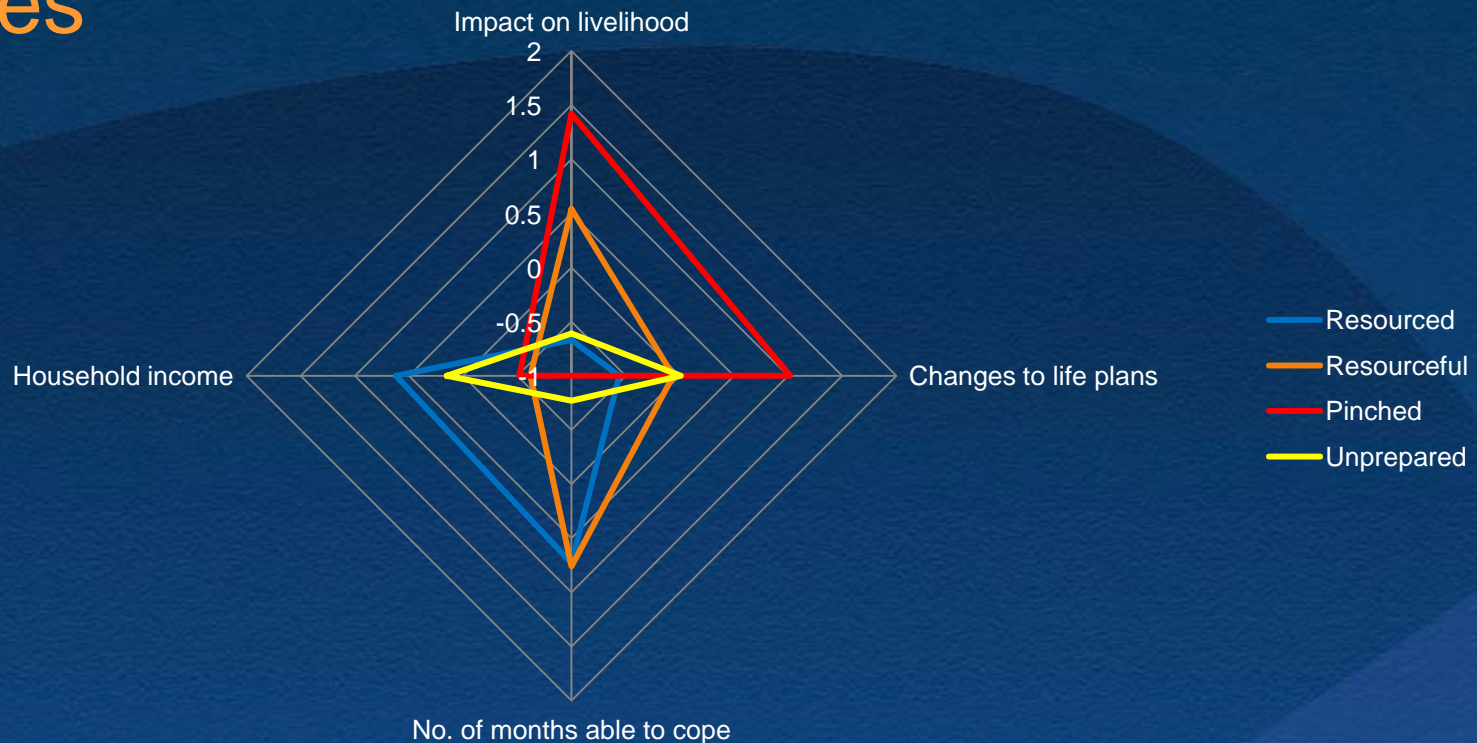
Profiles



The Resourced Cluster n=188, 31% of sample

Relatively higher household income. Made fewer adjustments to livelihood and life plans so far and would last a good number of months. Disproportionately more tertiary educated people, more living in private properties, & more 50+ people.

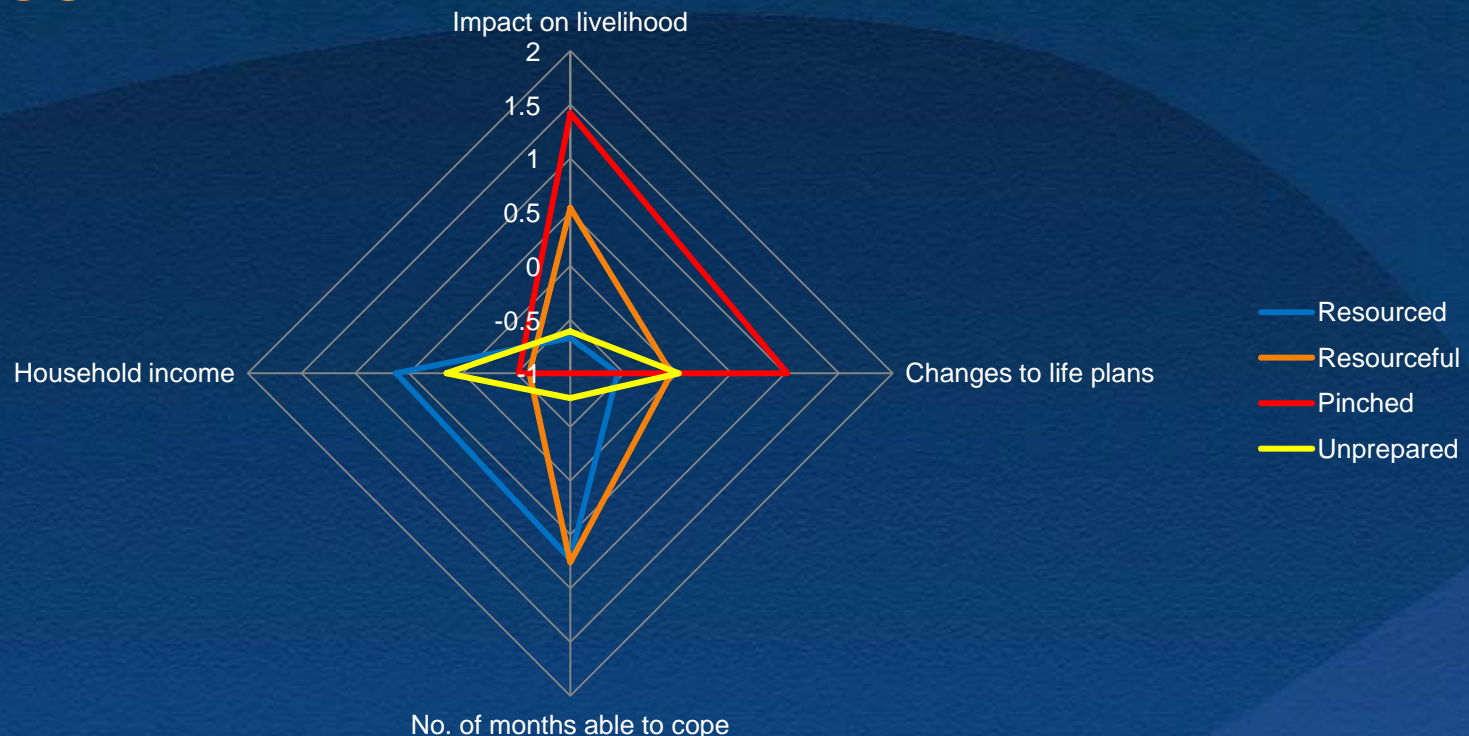
Profiles



The Resourceful Cluster, n=141, 23% of sample

Comprises low household income families. Some impact to livelihood & life plans but were unlikely to be seriously affected if the main income source was disrupted. Disproportionately more people with primary & secondary education only, residing in 3rm flat, & those in their 50+.

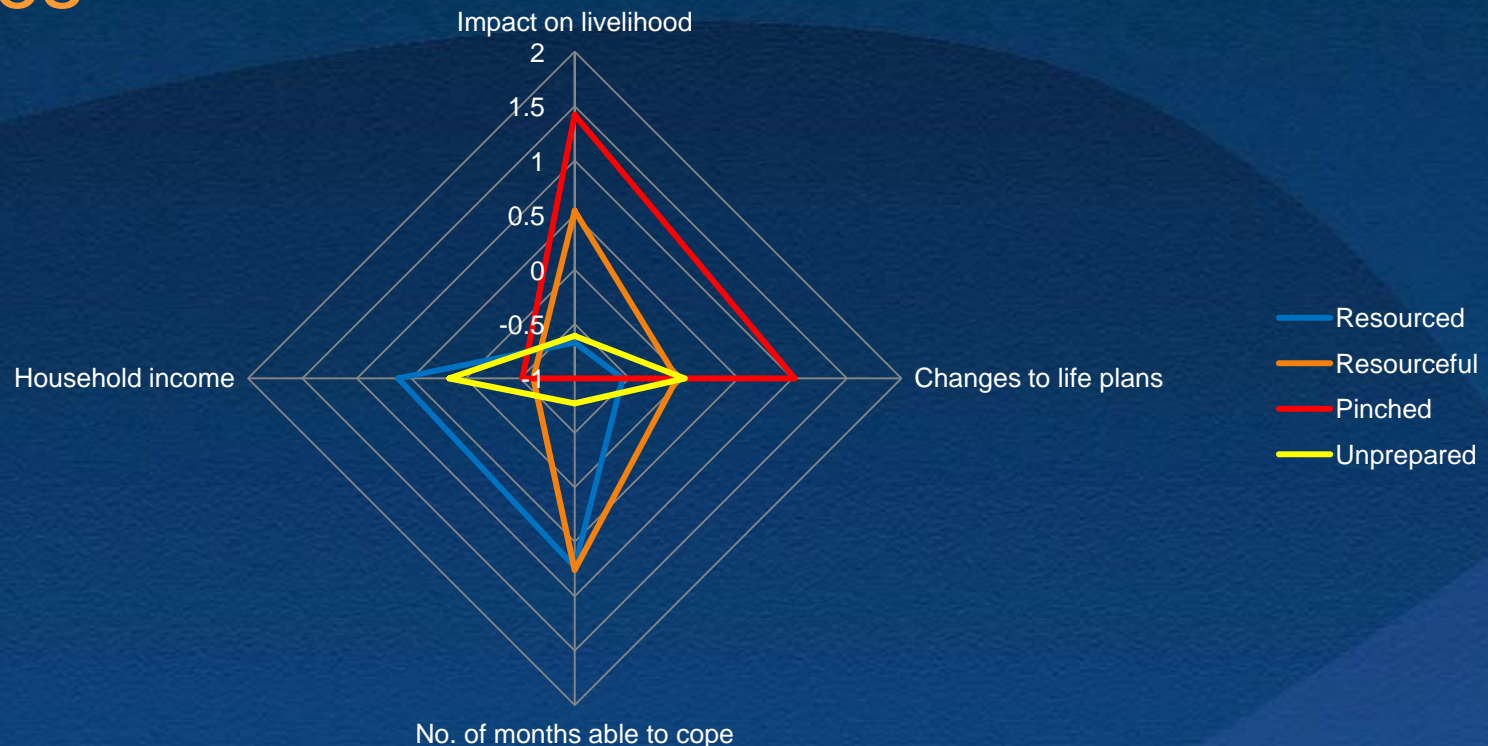
Profiles



The Pinched Cluster, n=109, 18% of sample

Relatively mid to low level household income with significant impact on livelihood and significant adjustments to life plans. At the same time, unable to cope should the main source of income be disrupted. Disproportionate number of people in their 30s, & those with secondary education only.

Profiles



The Unprepared Cluster, n=171, 28% of sample

Relatively mid-level household income, relatively less impact on livelihood, some changes to lifestyle and life plans but yet, very limited number of months of coping if main income source was terminated. Disproportionately more polytechnic & tertiary graduates, more people in their 30s, & more singles.

Summary

Impact of Crisis

- At the time of the survey (16 – 26 Feb 2009), the economic crisis had not had a huge impact
 - ❖ More than half said crisis had not impacted savings, income or employment.
 - ❖ The harder-hit segments were those in their prime years, and those in the low household income group.
 - ❖ Across all segments, on life choices, the crisis appears to have impacted leisure choices most. More in the 30s and low household income segments made significant level of adjustments.

Coping with Loss of Main Source of Income

- Respondents report being able to cope for an average period of 8.5 months
 - ❖ The lowest lengths were found in the 21-29 segment and low household income group at averages of 7.6 and 6.3 months respectively.
 - ❖ Majority will rely heavily on their savings to tide them over with 31% of sample willing to take 'survival jobs' with average of 42% pay-cut.
 - ❖ Older workers could take average of 37% pay-cut, and those in the low household income group, average of 34%. These were the lowest levels.

Government Measures

- Rebates of taxes and other government charges, and financial assistance were most helpful for coping with the crisis
 - ❖ Rebates were deemed most important for those with household income of \$2501 and above.
 - ❖ On the other hand, financial assistance was most important to those with household income of less than \$2501.
 - ❖ 8% of the sample willing to start own business.

Government Measures

- While 33% said they were 'better off' personally, a greater proportion, 52% said the country was 'better off' with the measures.
 - ❖ More in the 50+ said they were 'better off' personally while more in the 21-29 age group said they were 'no different'.
 - ❖ More in the low household income segment said they were personally, 'better off'.
- Dependence on government help is not as strong; self-reliance is
 - ❖ A relatively large proportion (82%) agree that people should take personal initiative and make sacrifices to cope, rather than rely on government help.

Foreigners Working in Singapore

- This is just a benchmark to measure against over time.
- Most, 7 in 10, were indifferent to the impact of foreigners working in Singapore during this crisis
 - ❖ 26% felt 'worse off' personally, and perception increased going down the household income scales, and among the 21-29 group.
 - ❖ No more than 6% said they were personally 'better off'.
 - ❖ On the other hand, one third believe Singapore as a country was 'better off'. The 21-29 age and those in the lowest household income segments were more likely to say that the country was 'worse off'.

Cluster Analysis

- Cluster analysis based on four critical dimensions of impact and coping capabilities (i.e., impact on livelihood, impact on life decisions, no of months that can cope, and household income).
- Reveals four distinct clusters of people; each cluster experience different elements of the crisis and each has a different prognosis.
- The Pinched and the Unprepared may face more difficult times ahead if the economic condition deteriorates.
- A calibrated but flexible approach to offering social assistance will be helpful, e.g., more help to the educated but retrenched professionals

Conclusion

Preparedness

- There were people in prime ages and in the low household income brackets who felt greater impact from the crisis and were making many adjustments. We must help them anticipate mid-term effect if the crisis worsens.

Resources

- Intervention will be needed for most 8.5 months after they have lost their main source of income.
- Singapore residents will rely on personal resources and at least 31% might take a survival job available before relying on friends and family.

Adaptability

- Different groups making different levels of adjustments to lives. The tolerance for pay-cut would be lowest among the older and lower-paid workers. Average for the group was no less than 58% of previous pay.

Conclusion

Adaptability

- Job-training programmes were useful to a few; taking the 'survival job' was a more popular option.

Ethic of Self-Reliance

- Overall, regardless of demography or the impact from the economic crisis, the majority demonstrates a self-reliant attitude in coping with the recession.
- However, if asked, people find rebates and financial assistance most useful among government measures. The younger age segment were least impacted by government measures.
- While social assistance is important especially for certain groups, the ethic of self-reliance and resilience is strong among Singapore residents today.

Conclusion

- Singapore as a country is always better off as a result of government policy than one's own self.

Overall

- Limitations: sample size, household income segmentation
- Snap-shot of perceptions and attitudes of Singapore residents for further investigation and triangulation.
- Anticipate impact if crisis worsens.

The End