

POPS (3)

Resilience in the Economic Crisis

Survey by the
Institute of Policy Studies, Singapore
December 2009

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Acknowledgement

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Giving Hope. Improving Lives.

Outline

- Research Objectives
- Key Findings
- Cluster Analysis
- Conclusions

Main Takeaway:

Resilience is still relatively strong but has been weathered down through the crisis especially among some seniors and the poor.

Research Objectives & Background

POPS or 'Perception Of Policies in Singapore'

- An IPS survey series to inform policy discussion.
- Timely snap-shots of how stakeholders are affected, would be affected by, or perceive the policy issue at hand.
- Questions and analysis by IPS research team, fieldwork by third party survey firm.

Research Objectives & Background

POPS (3) Resilience in the Economic Crisis Dec 2009 to Jan 2010.

- A re-run of POPS(1) conducted in Feb 2009 to examine how Singaporean residents were coping with the economic downturn.
- This will give us a sense of their resilience, to check how the situation had changed over 9 months, and provide input for social policy.

Research Objectives & Background

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 people made?
- How will people cope if they lose main source of income?
- How much do people depend on the government?
- What is the impact of government measures?

Research Design

Interview Method

Telephone Interview

Respondent Criteria

Singapore citizens and permanent residents aged 21 yrs and above

Sampling

Age, gender and race were weighted according to their population proportion

Sample Size

2109 interviews

Fieldwork

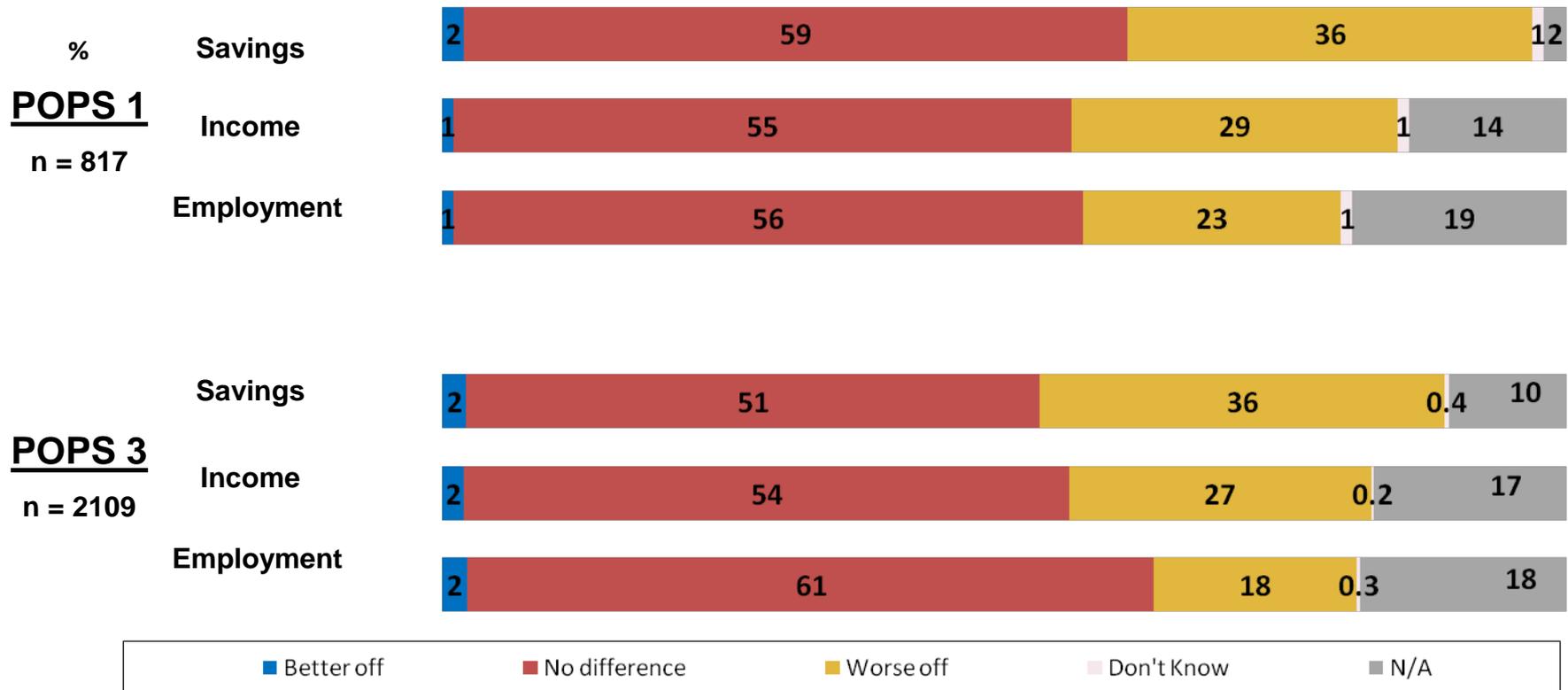
9 December 2009 to 6 January 2010

Impact on Livelihood

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

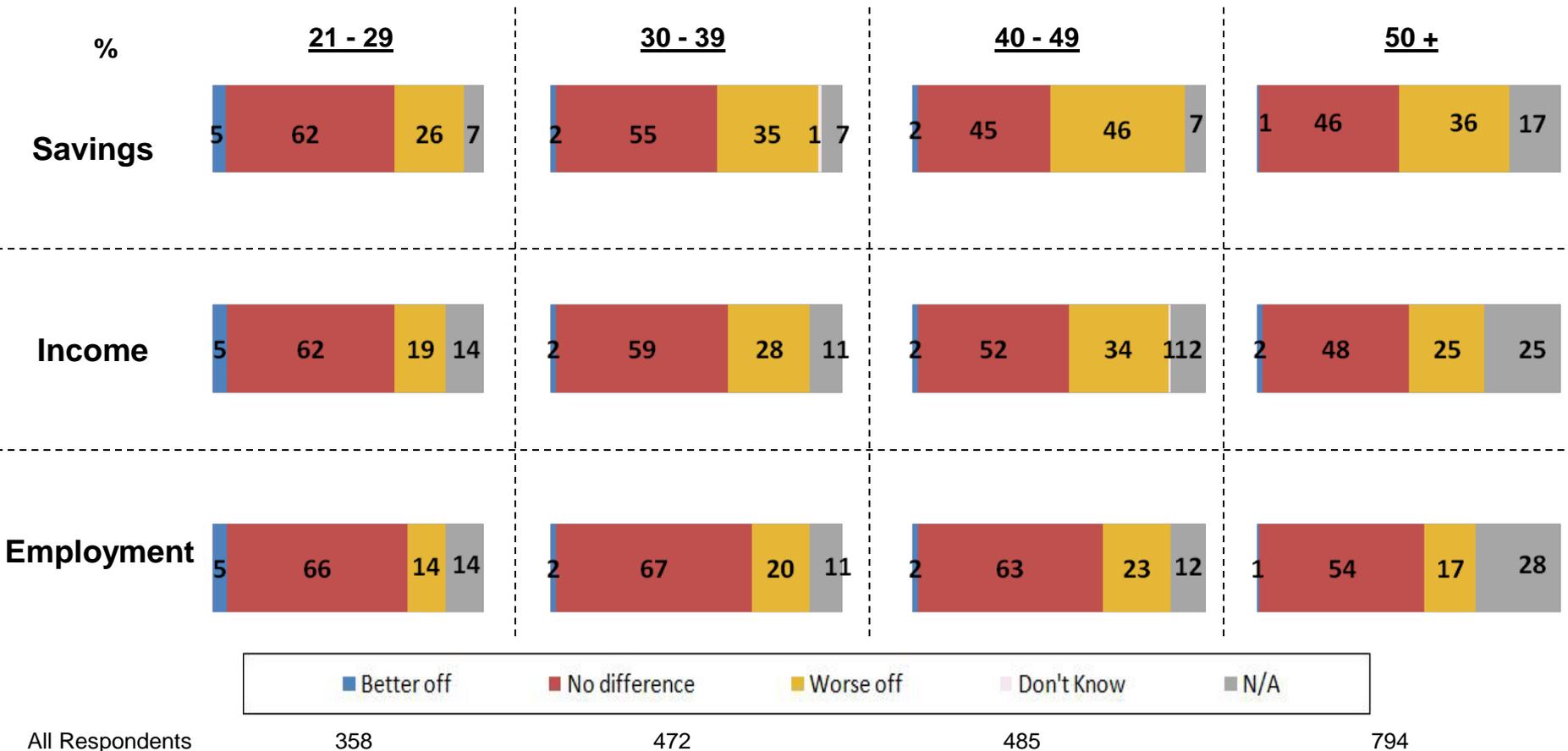
Impact on Livelihood

In POPS(3), reduced proportions of respondents said their income and employment status had been affected.



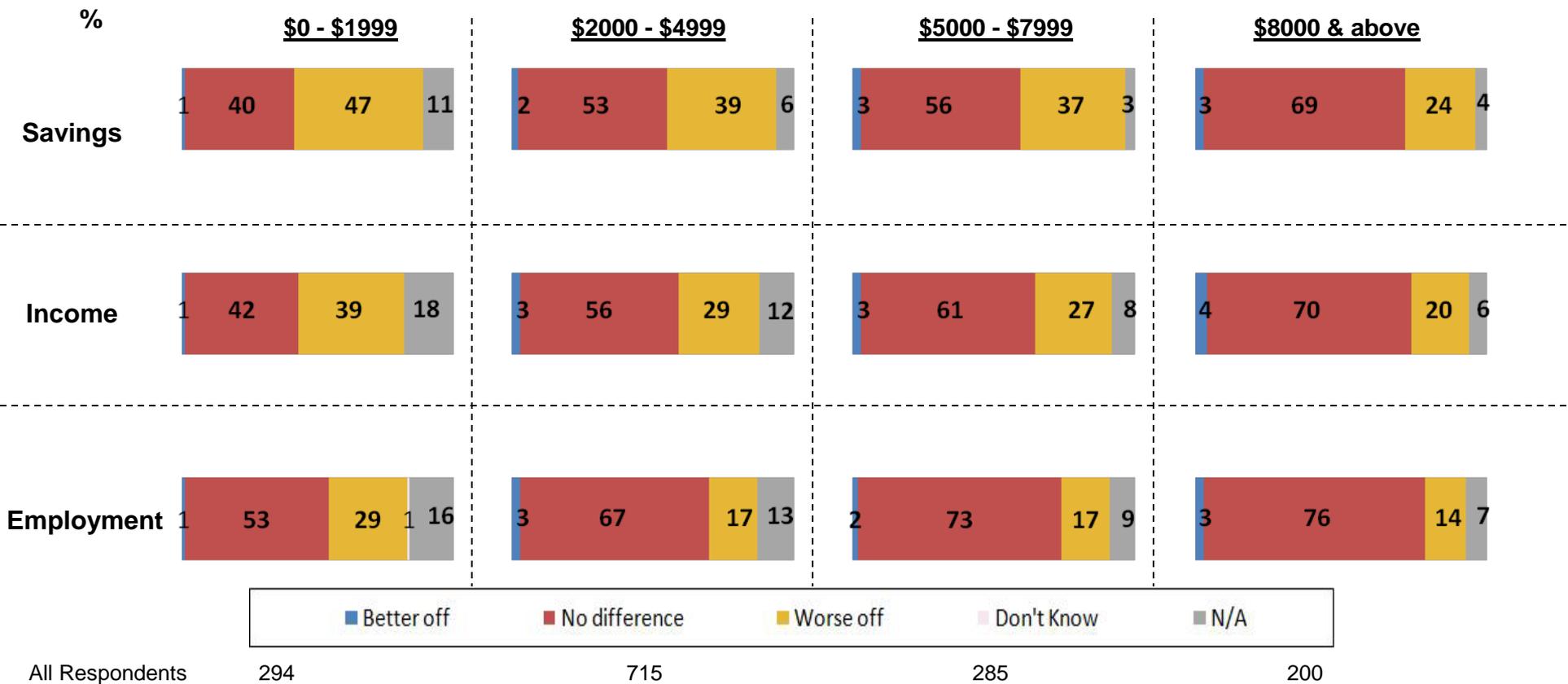
Impact on Livelihood (Age)

Those in the 40-49 band, a critical age in the life cycle, were most affected, somewhat similar to POPS(1).



Impact on Livelihood (HH Income)

The lowest household income group was most affected, but even 24% and 20% of those in the highest income group said they were 'worse off' with regard to their status in savings and income respectively.

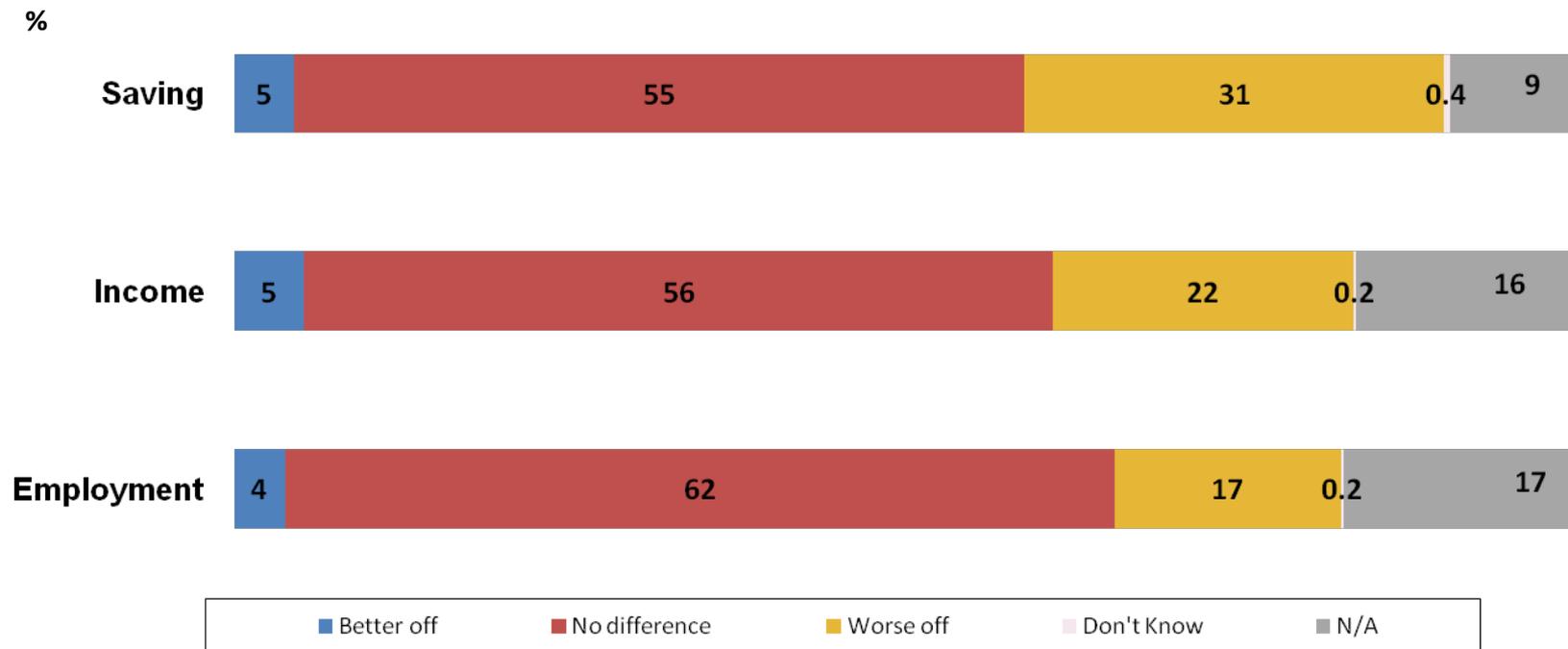


Impact on Livelihood for Past 6 Months

Just thinking about the past 6 months since the start of March 2009, what has been the state of your livelihood?

Impact on Livelihood for Past 6 Months

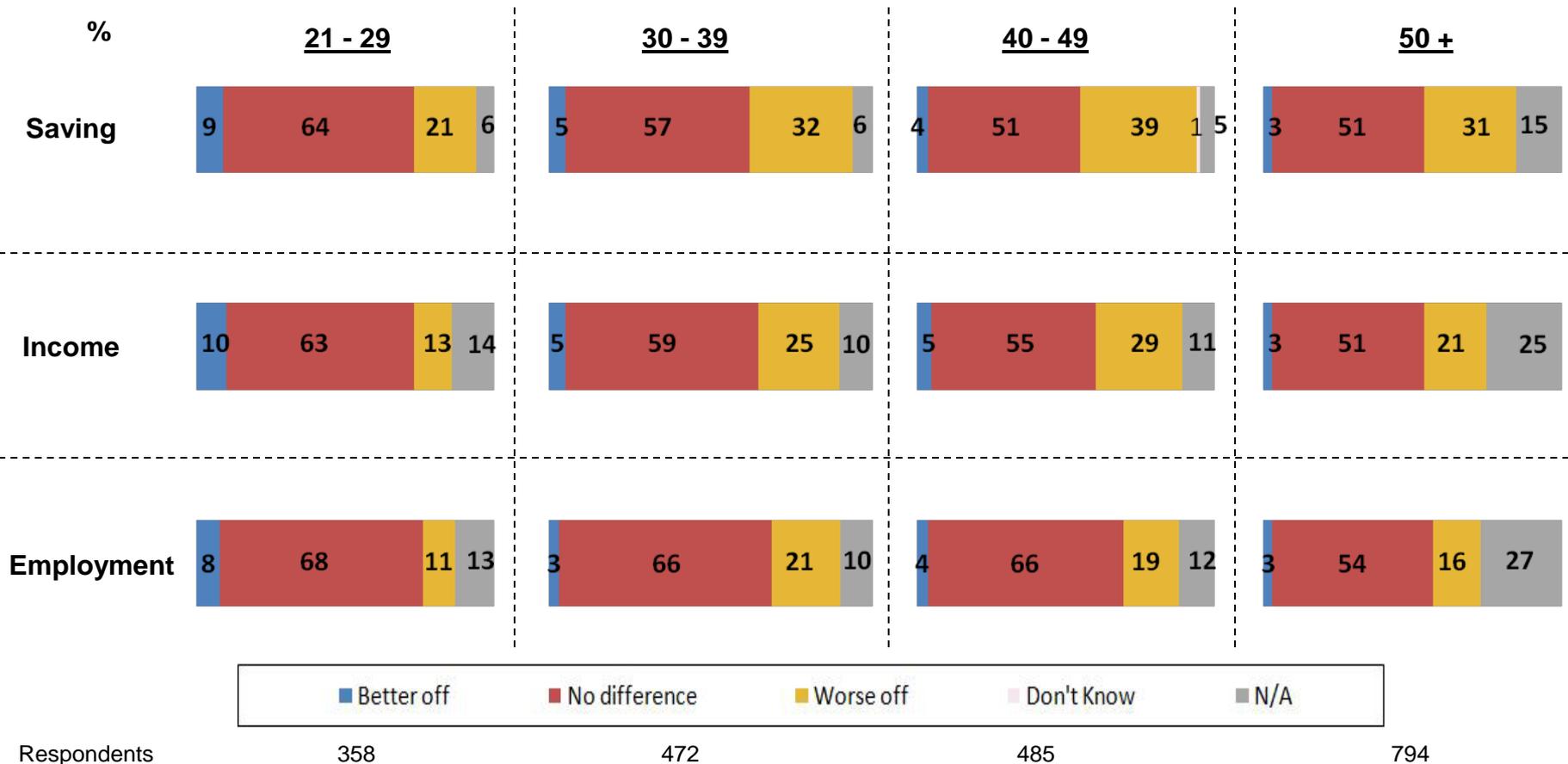
More than half of the respondents said that their livelihoods had not changed. About one third reported being 'worse off' with respect to 'Savings'. A small group felt they were better off.



All Respondents = 2109

Impact on Livelihood (Age) for Past 6 Months

The impact to livelihood was greatest for people in their 40's. 'Savings' was most affected, followed by 'Income' and then 'Employment'.



Impact on Livelihood for Past 6 Months (HH Income)

Respondents from lower household income group were most affected across all livelihood measures.

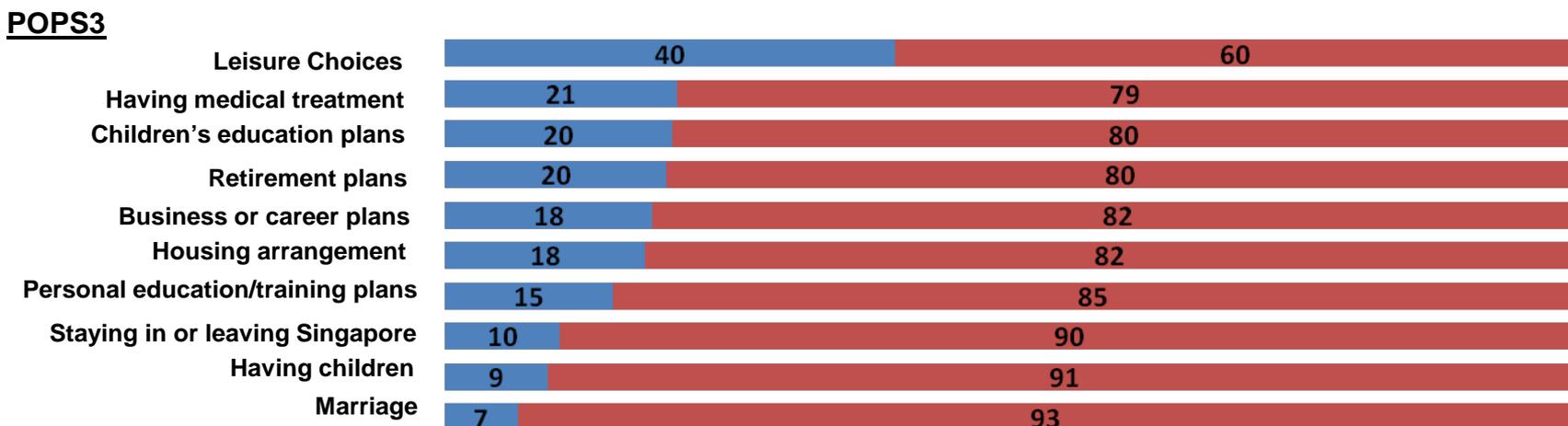
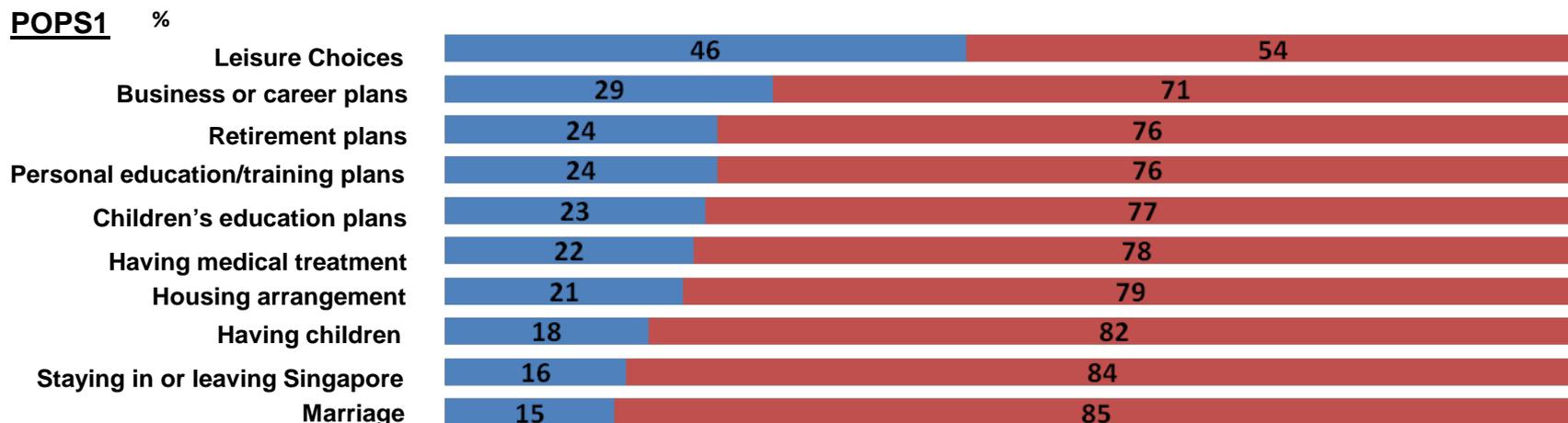


Impact on Life Choices

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

Impact of Life Choices*

The impact on life choices less severe in POPS(3), but 'Having Medical Treatment' has moved up as the second most cited area.

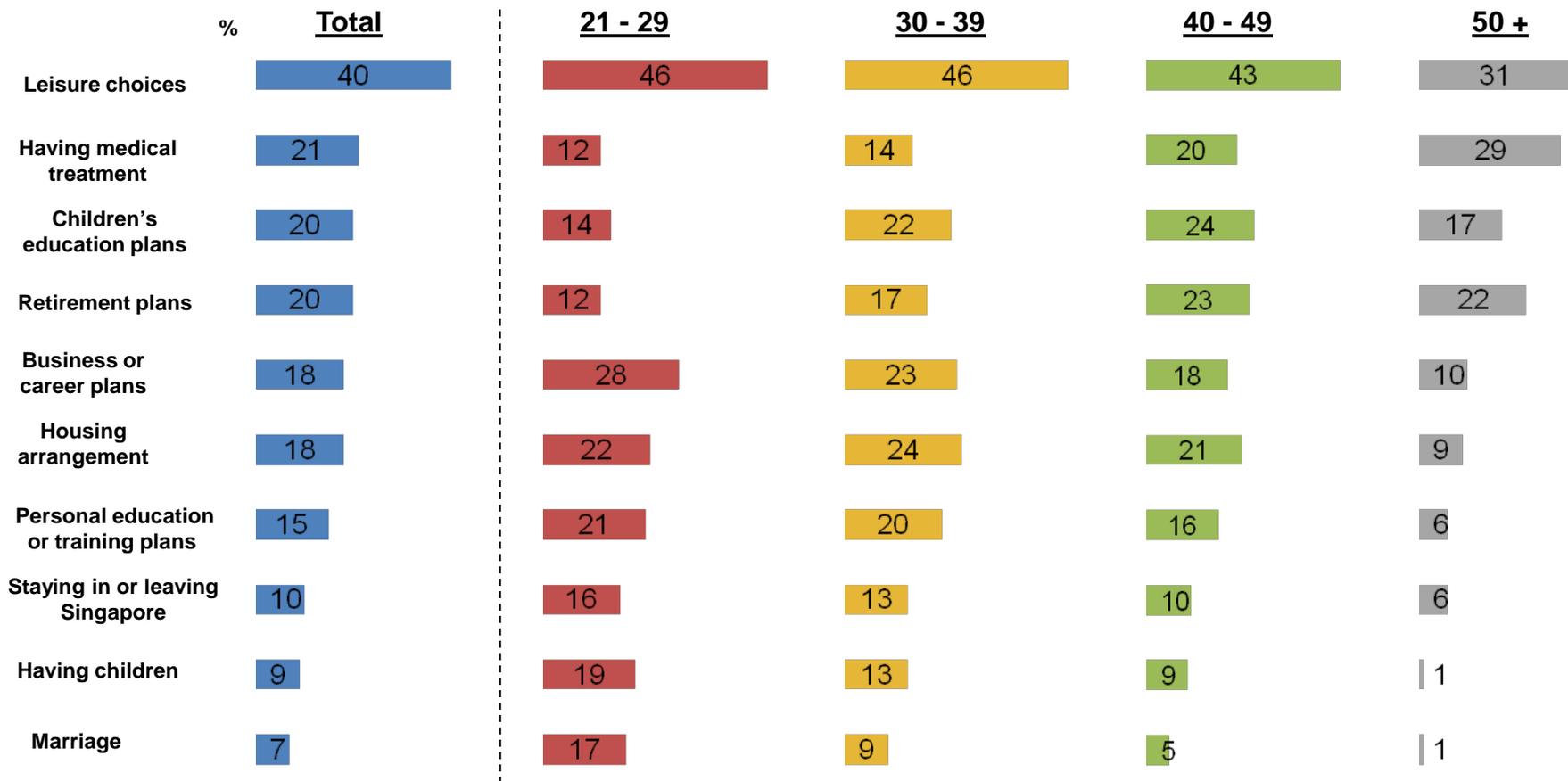


* NA and DK/Refused are removed from the analysis. Hence, base for each decision is different.



Impact of Life Choices (Age)*

People in their 20s more affected in terms of number of areas and magnitude of proportions who had made adjustments whereas those in their 30's were more affected in POPS(1).



* NA and DK/Refused are removed from the analysis. Hence, base for each decision is different.

Impact of Life Choices (HH Income)*

Respondents in the lowest income segment and those earning between \$5000-\$7999 made the most adjustments.



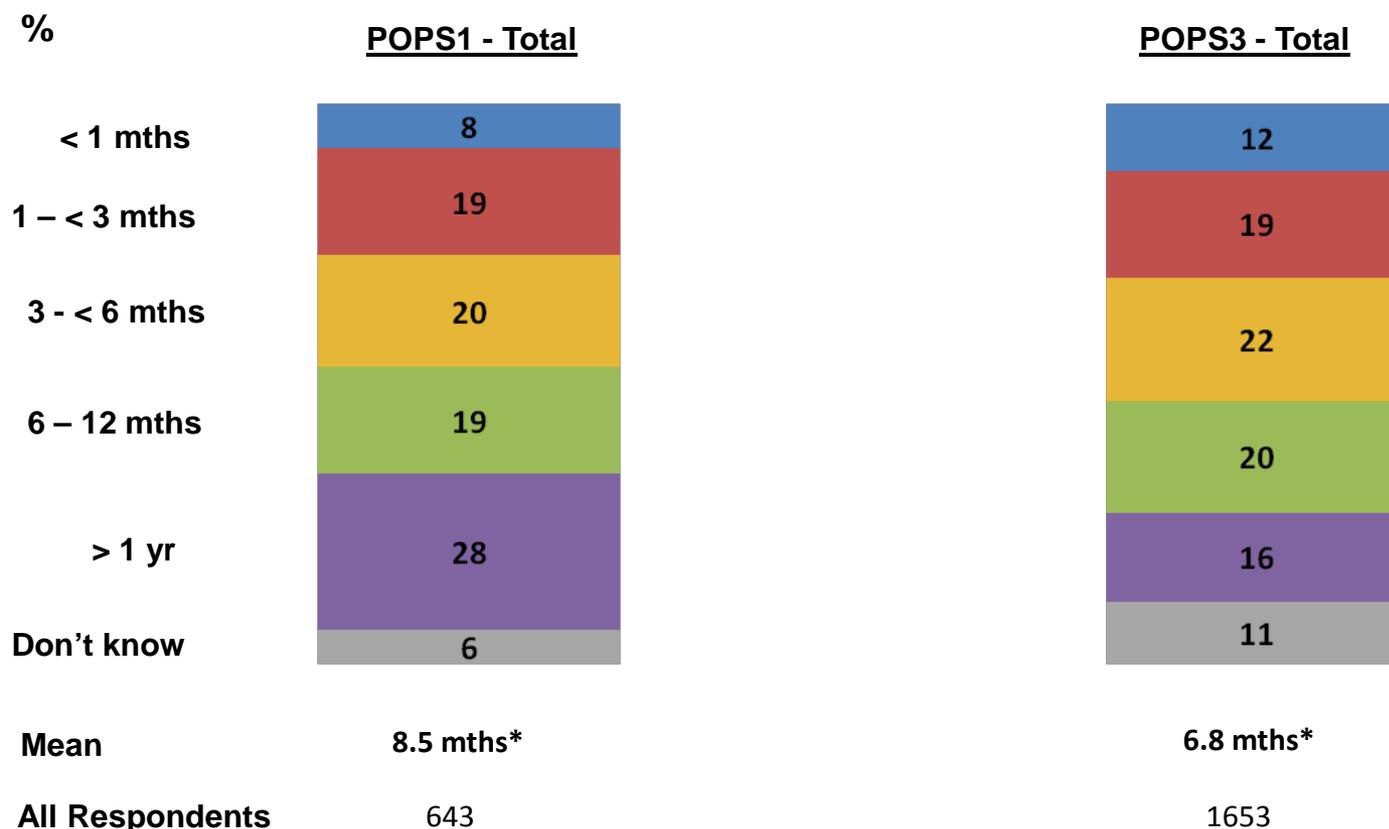
* NA and DK/Refused are removed from the analysis. Hence, base for each decision is different.

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

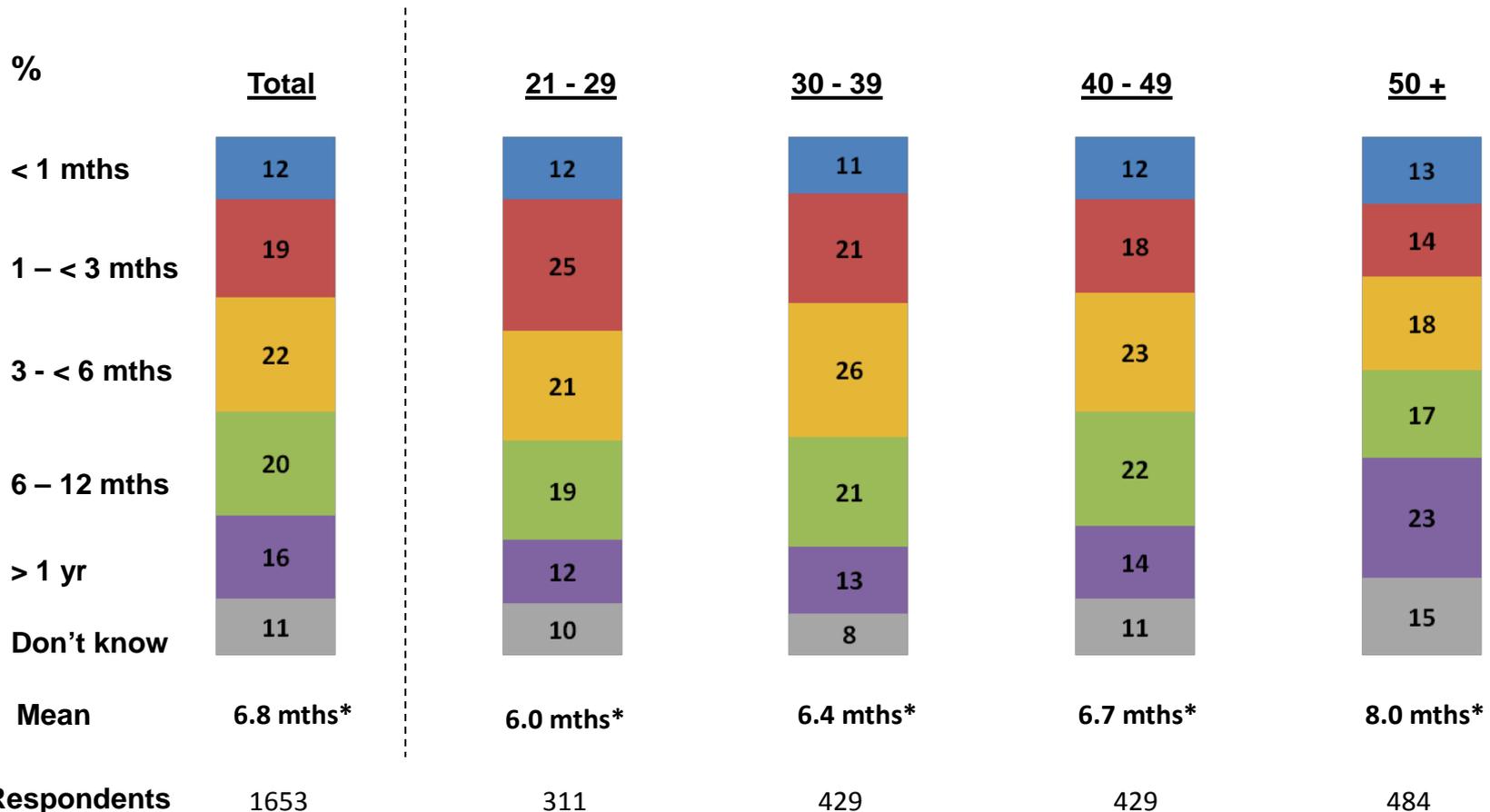
In POPS(3), the average period that respondents can cope after losing the main source of income has decreased from 8.5 mths to 6.8 mths.



* “Don’t Know” responses are excluded from the mean computation analysis

Length of Time Able to Cope (Age)

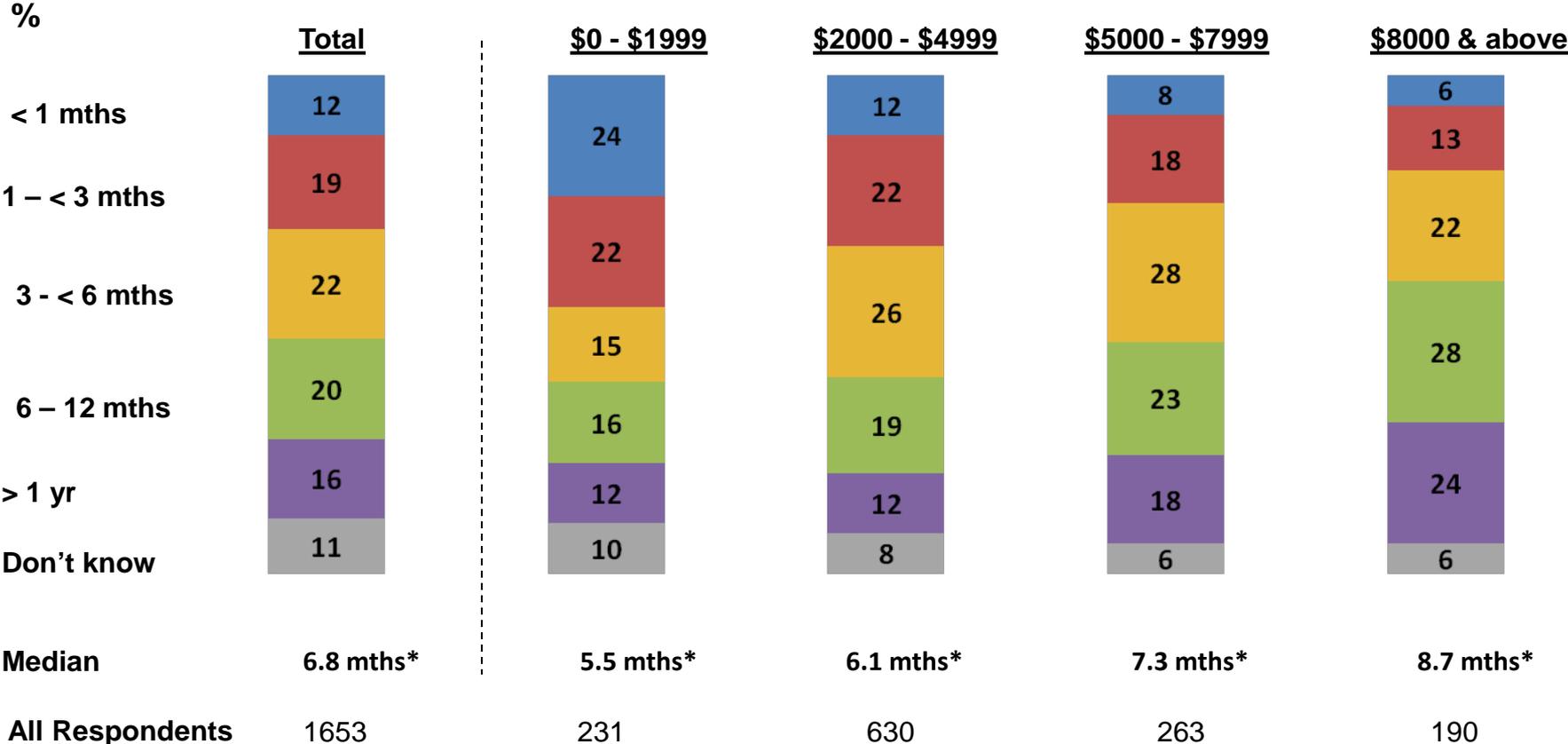
The average coping period increased with age; on average, the more senior the respondents, the longer they could cope.



* "Don't Know" responses are excluded from the mean computation analysis

Length of Time Able to Cope (HH Income)

The average coping period increased with household income; on average, the higher the income, the longer they could cope.

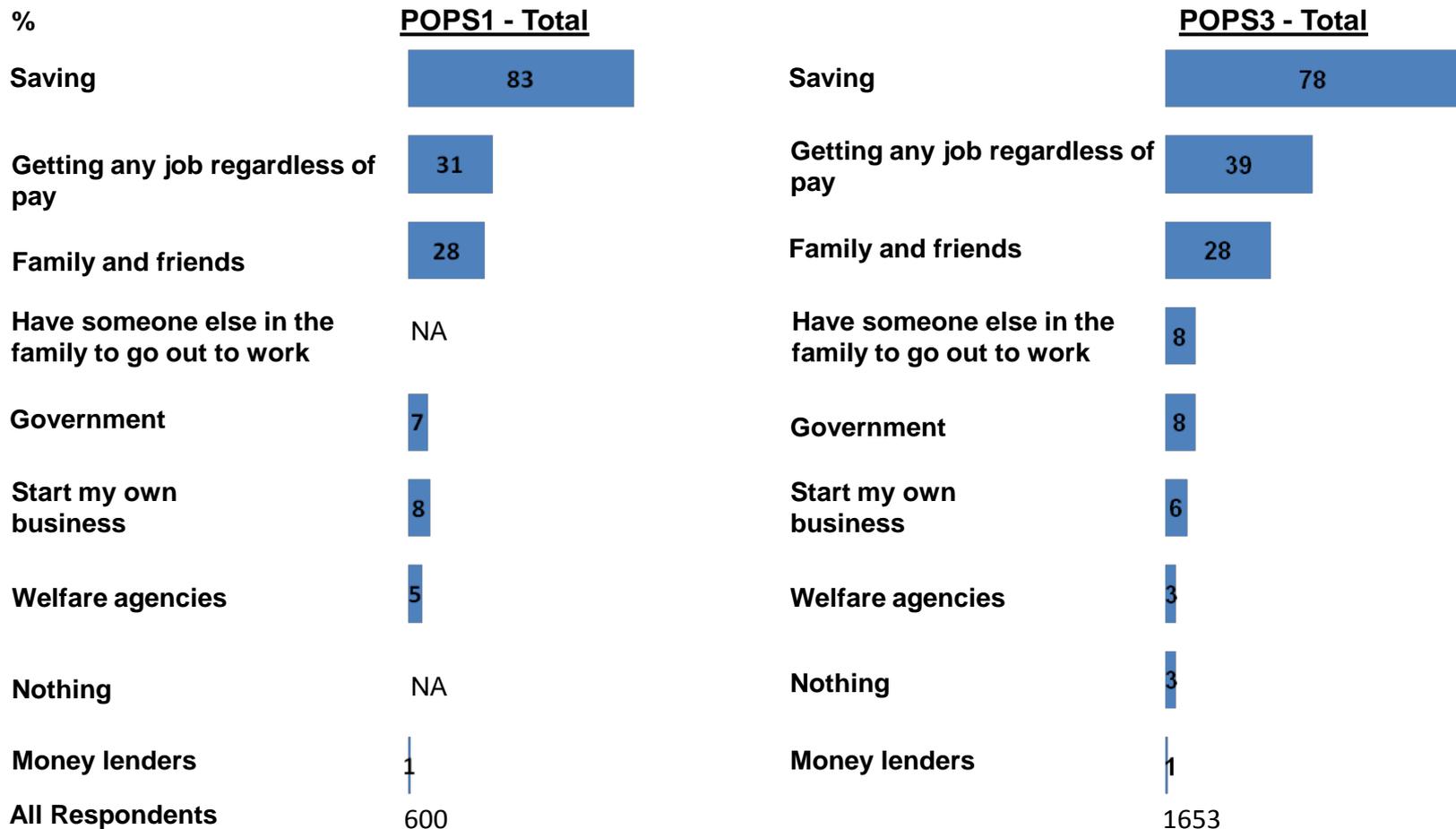


Sources of Resilience

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

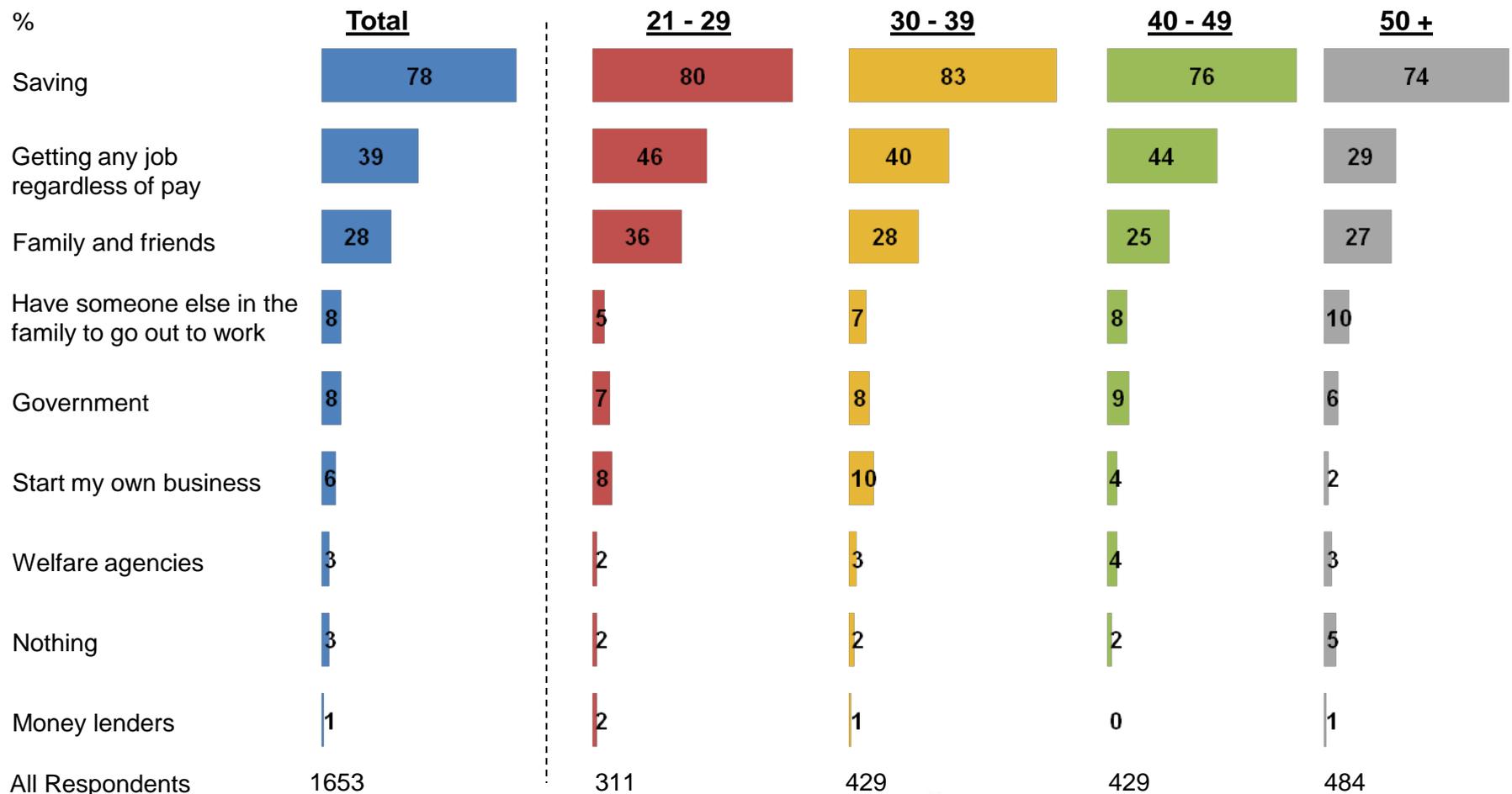
Sources of Resilience

In POPS(3), more people were willing to take on a survival job to cope. Reliance on government and welfare agencies remained relatively low.



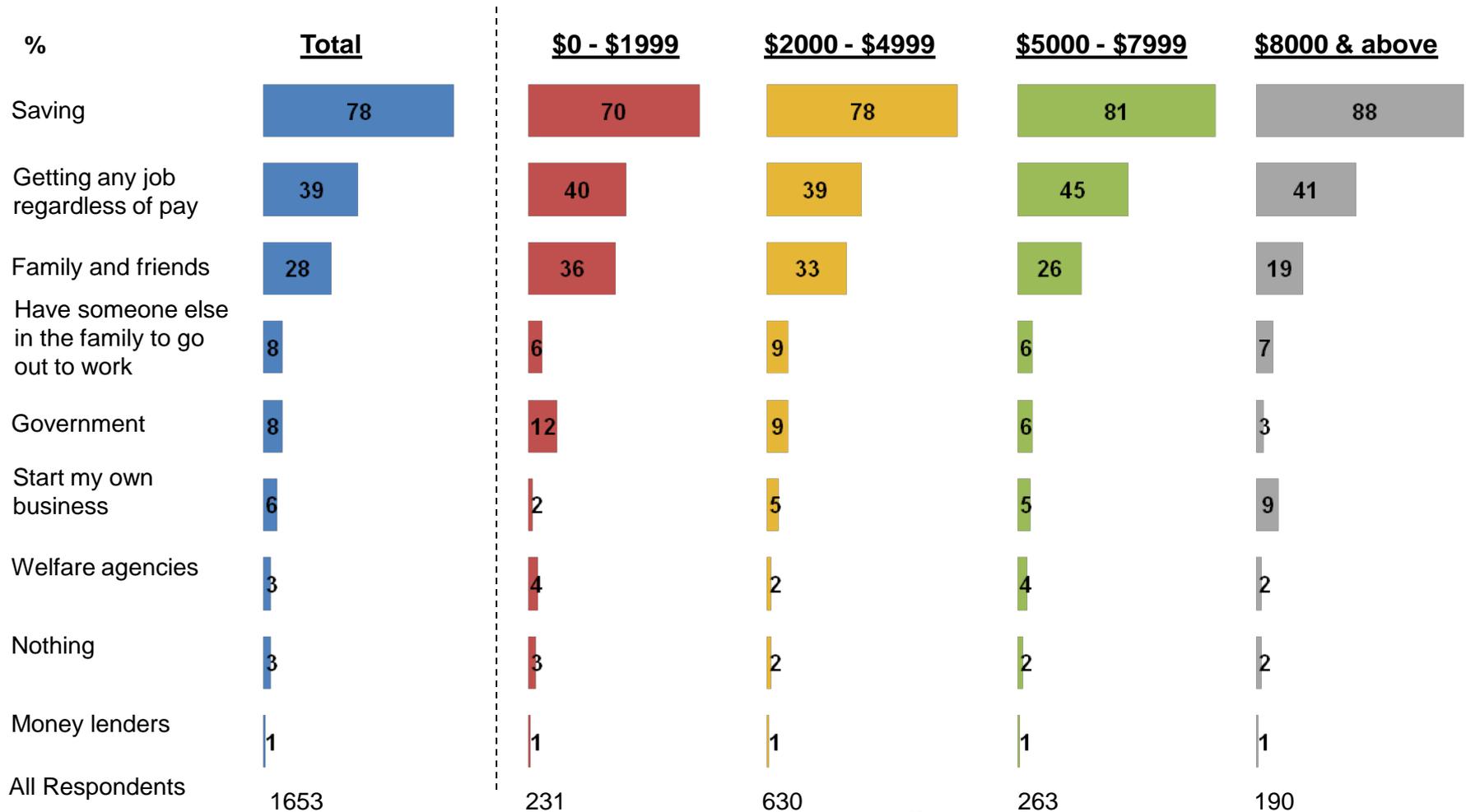
Sources of Resilience (Age)

In POPS(3) like POPS(1), a higher proportion among respondents in their 20s were open to accepting a survival job and relying on friends and family members to cope.



Sources of Resilience (HH Income)

Similar to POPS(1), a higher proportion of respondents with higher household income more likely to rely on savings or to starting a business. More in the lower income group would rely on the government.

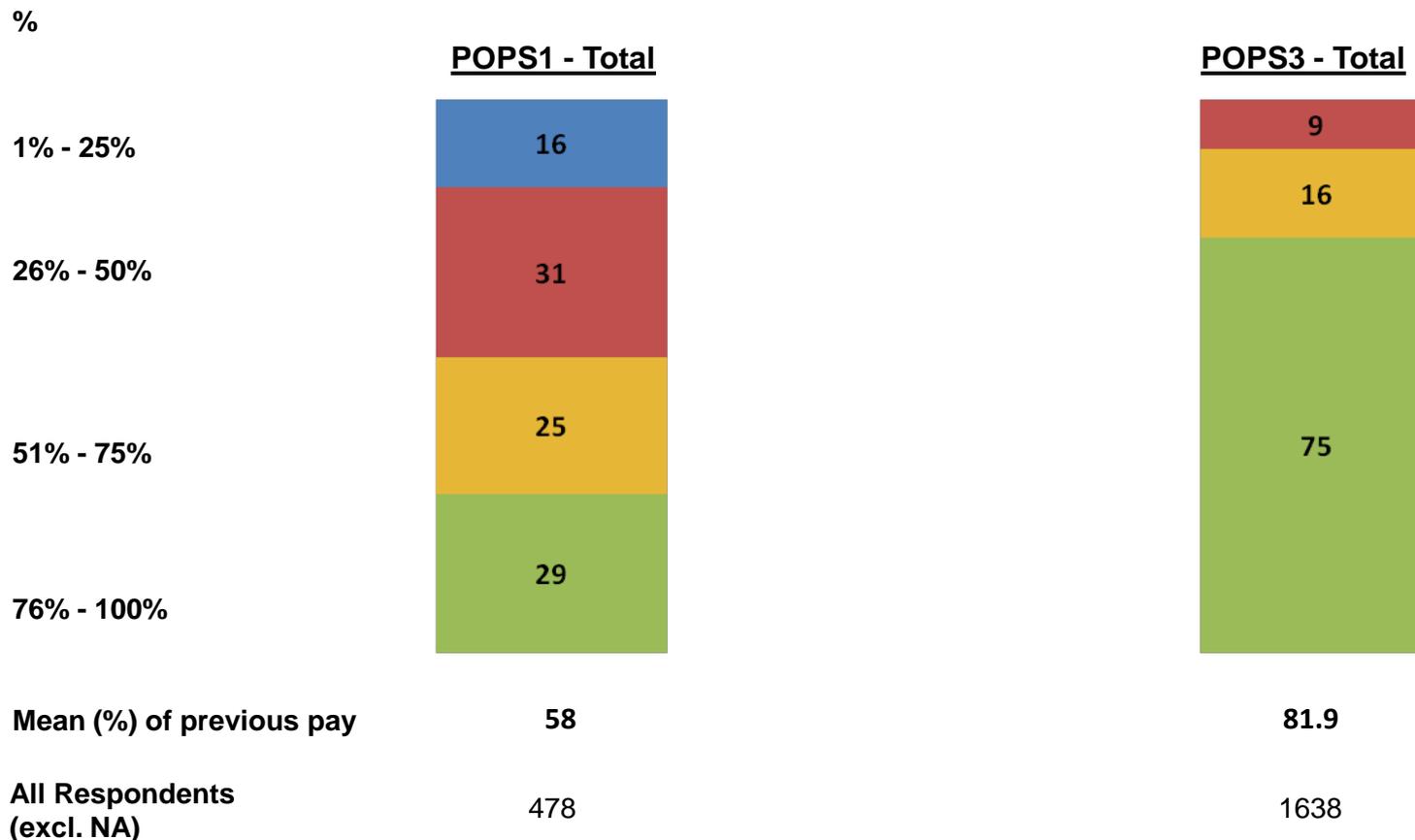


Pay-cut for Survival Job

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?

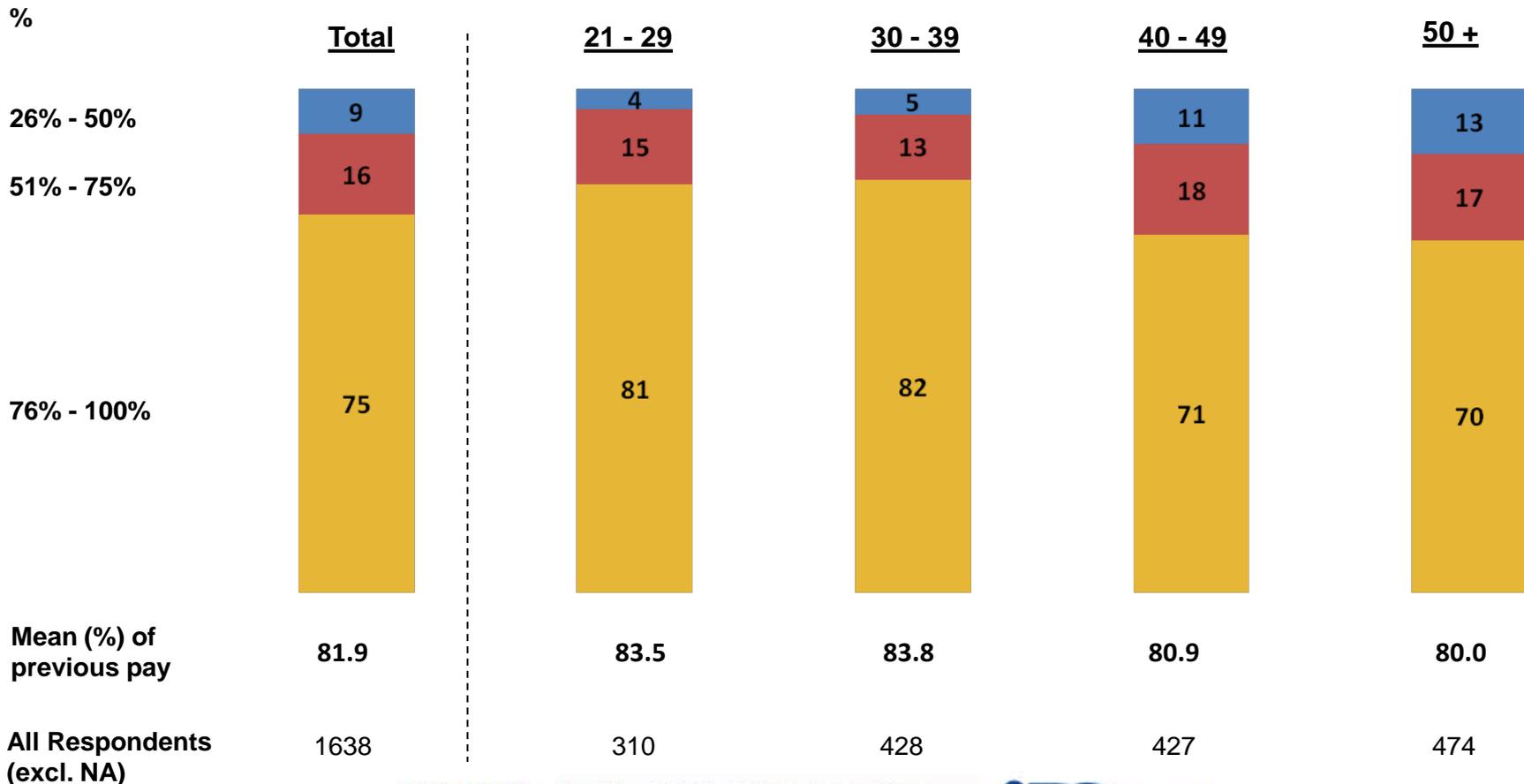
Pay-cut for Survival Job

In POPS(3), there was a decline in the level of pay-cut acceptable, where the mean of the salary expected was 81.9% of previous pay, or a 18.1% pay-cut.



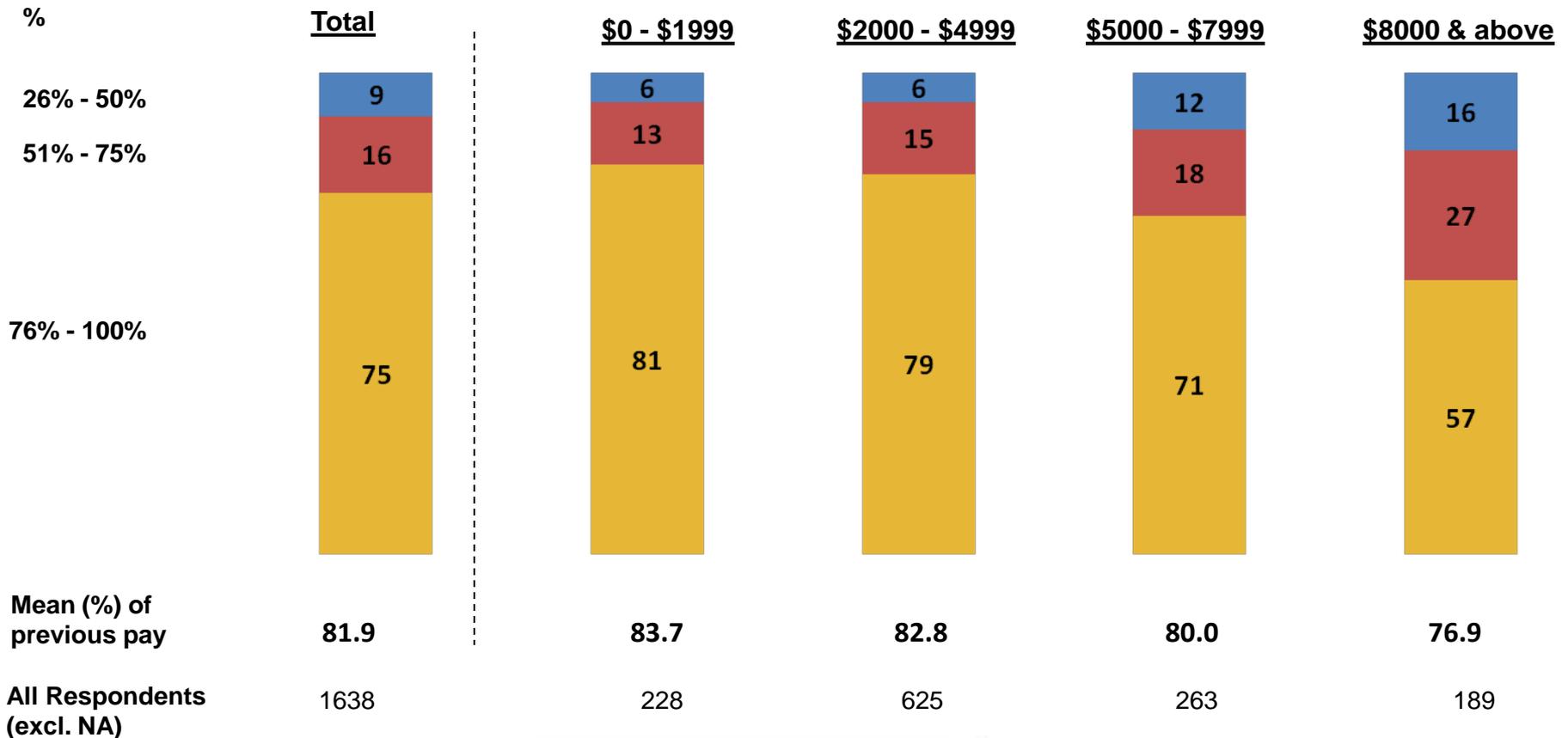
Pay-cut for Survival Job (Age)

The average salary expected was lowest among the most senior workers, 80% and the highest, for 30-39 year olds at 83.8%. Hence the group prepared for greatest pay-cut is '50+' category, but it is still only a 20% pay-cut.



Pay-cut for Survival Job (HH Income)

Respondents with higher household income were more willing to accept bigger pay-cut with an expected salary of 76.9%. Those in the lowest household band needed, on average, 83.7% of their previous salary.

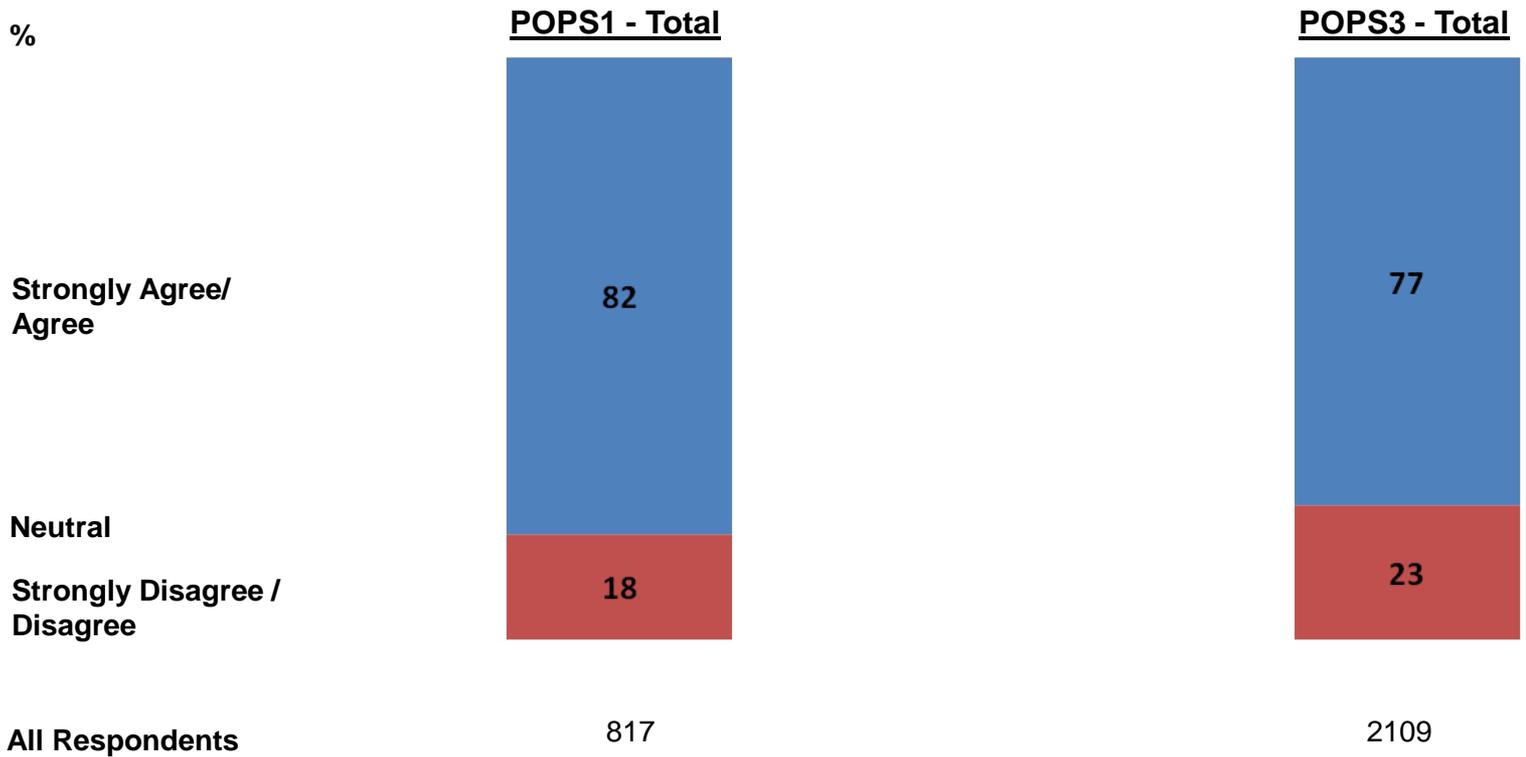


Taking Personal Initiative

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

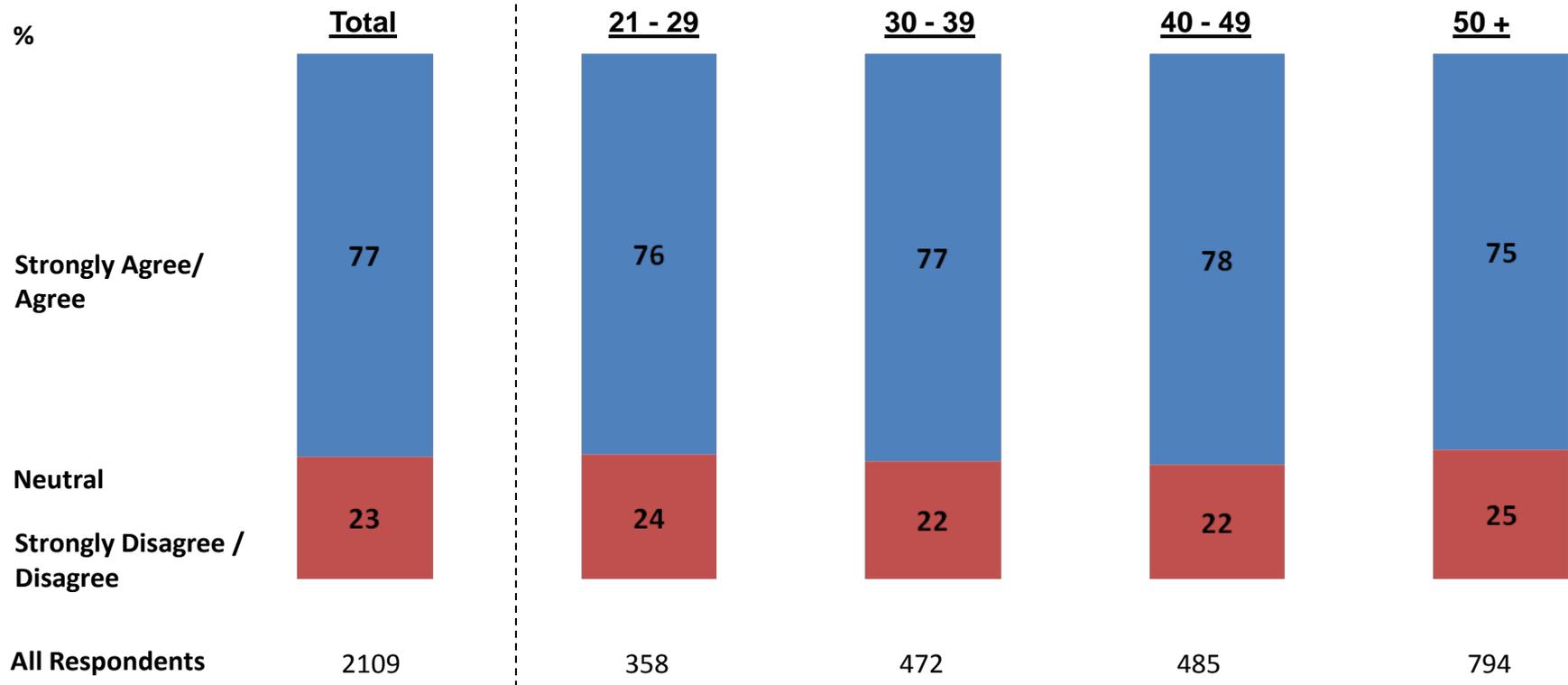
Taking Personal Initiative

In POPS(3), a lower proportion of respondents agreed with the statement on taking personal initiative and making sacrifices to cope with the crisis.



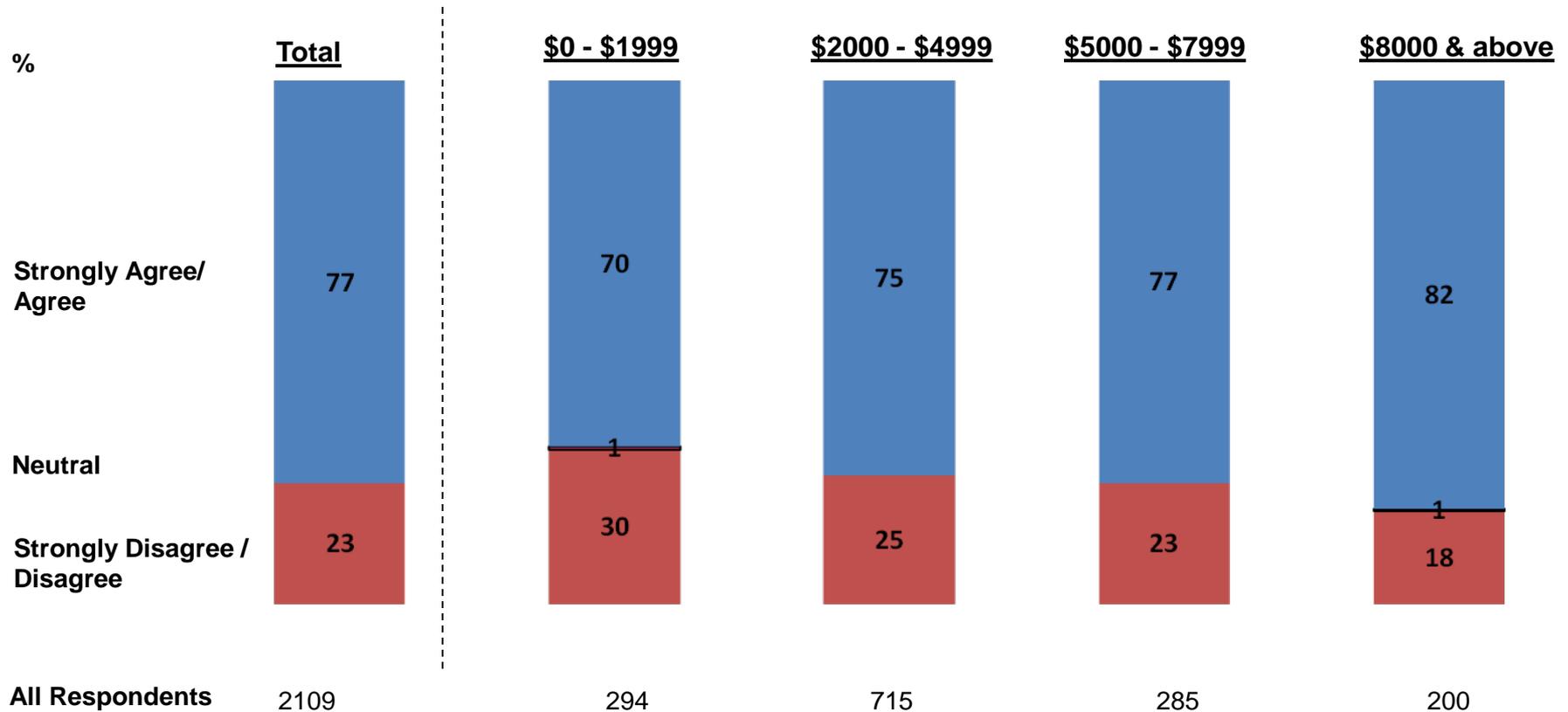
Taking Personal Initiative (Age)

The seniors were more likely to disagree with the statement and therefore think that the government should do more.



Taking Personal Initiative (HH Income)

Respondents with lower household income were more likely to disagree with the statement.

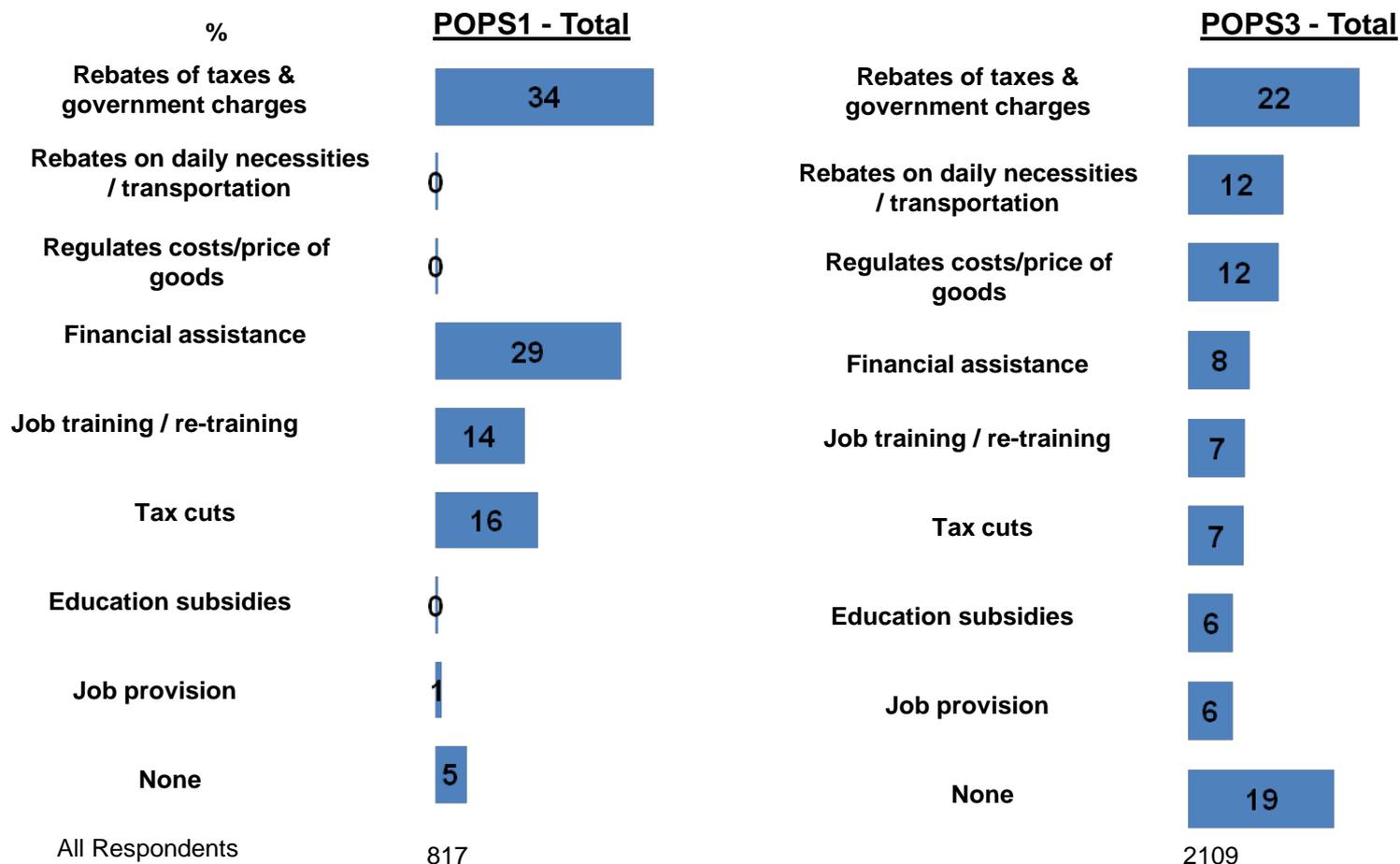


Government Measures

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

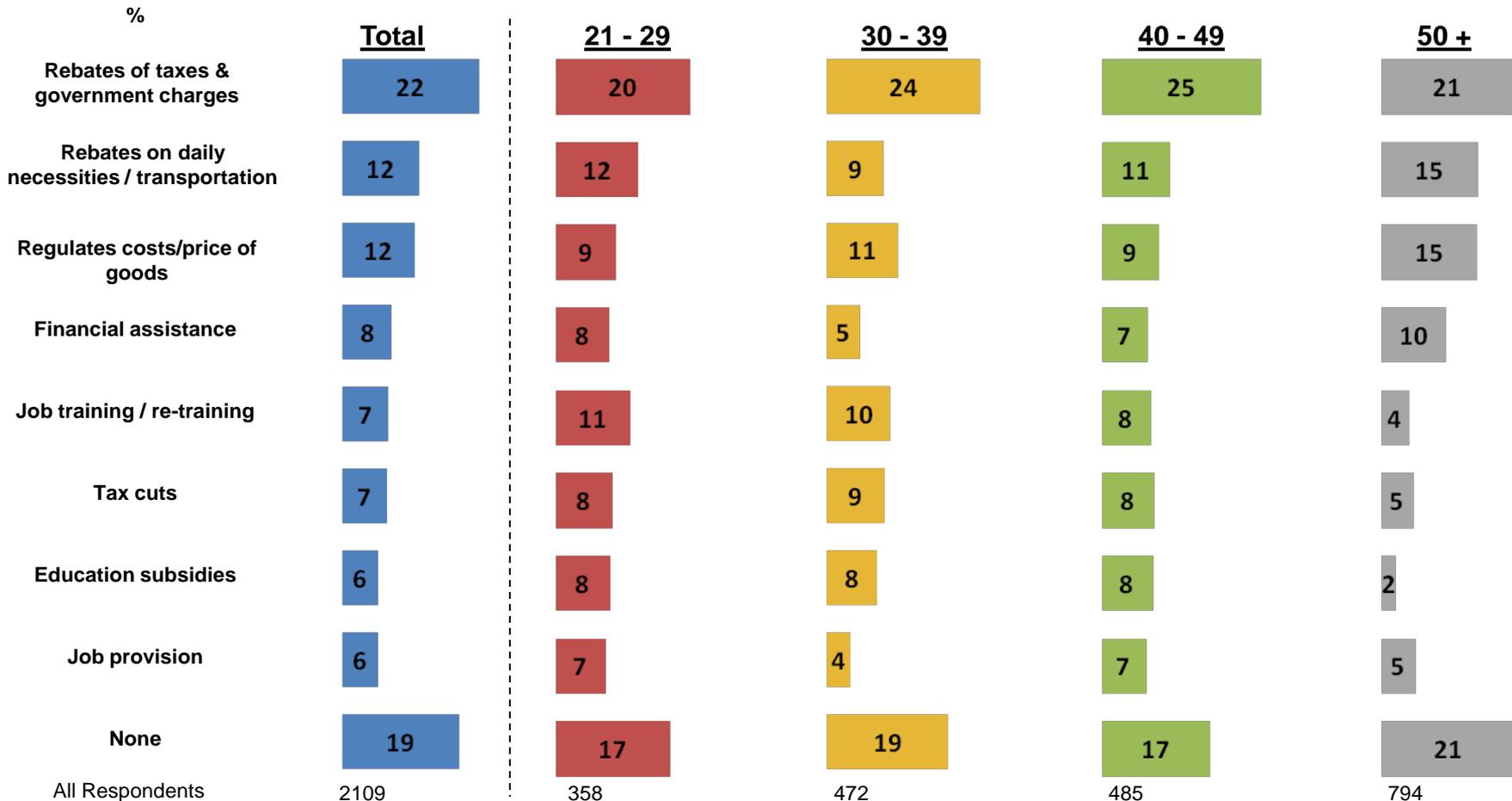
Government Measures

In POPS(3), there was less reliance on rebates on taxes and government charges, financial assistance, job training/retraining and tax cuts, and greater reliance on rebates on daily necessities/ transport, regulating costs of goods. More said none of the measures were important.



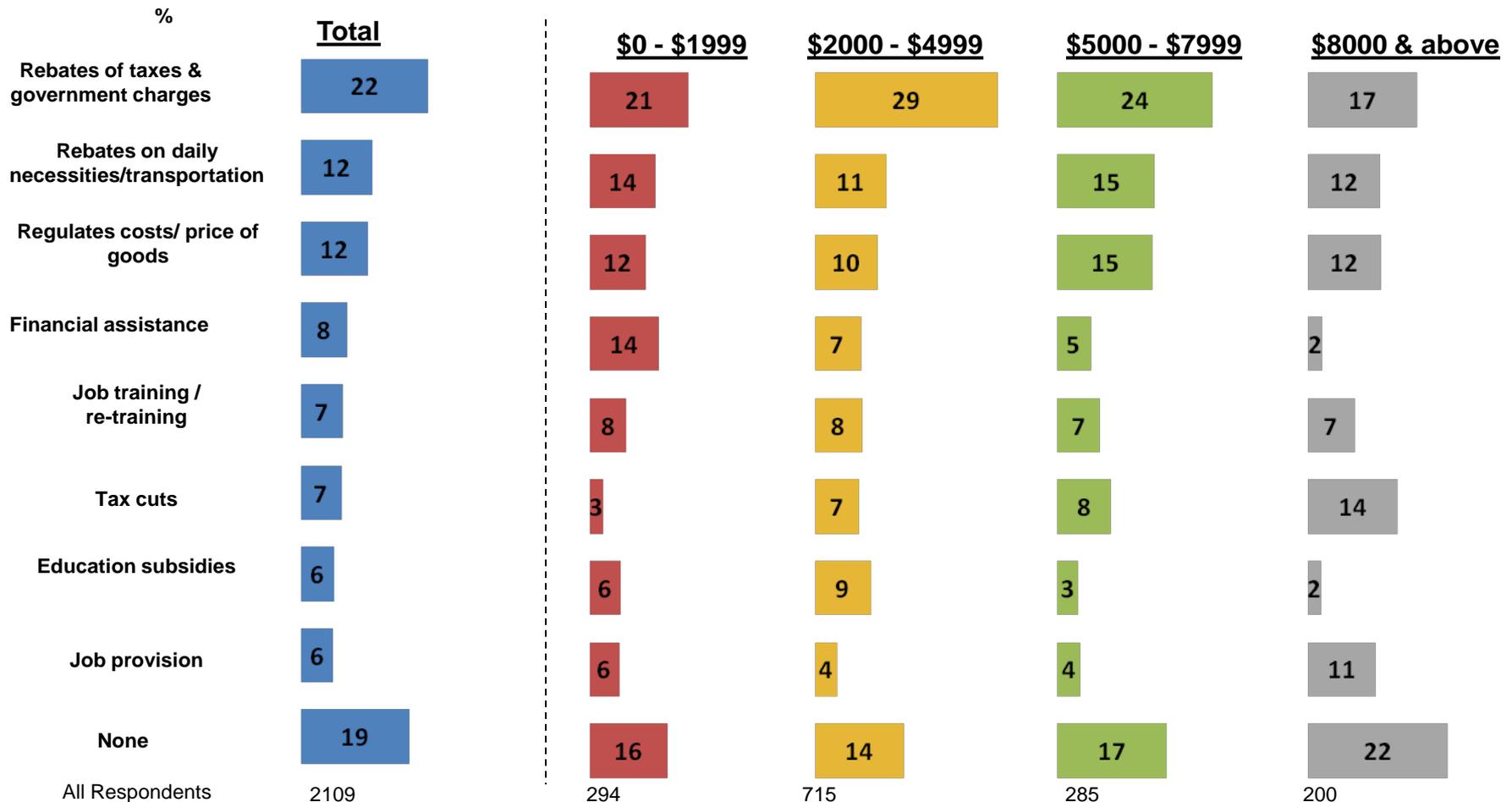
Government Measures (Age)

Rebates of taxes and government charges were seen as most important for the 40-49 segment. Job-training was most important to those in the 21-29 band. Respondents in their 50s and above most likely to find none of the measures important to them.



Government Measure (HH Income)

Rebates on taxes and government charges were most important to those in the \$2000-\$4999 segment, financial assistance for the lowest income segment, tax cuts for the highest.



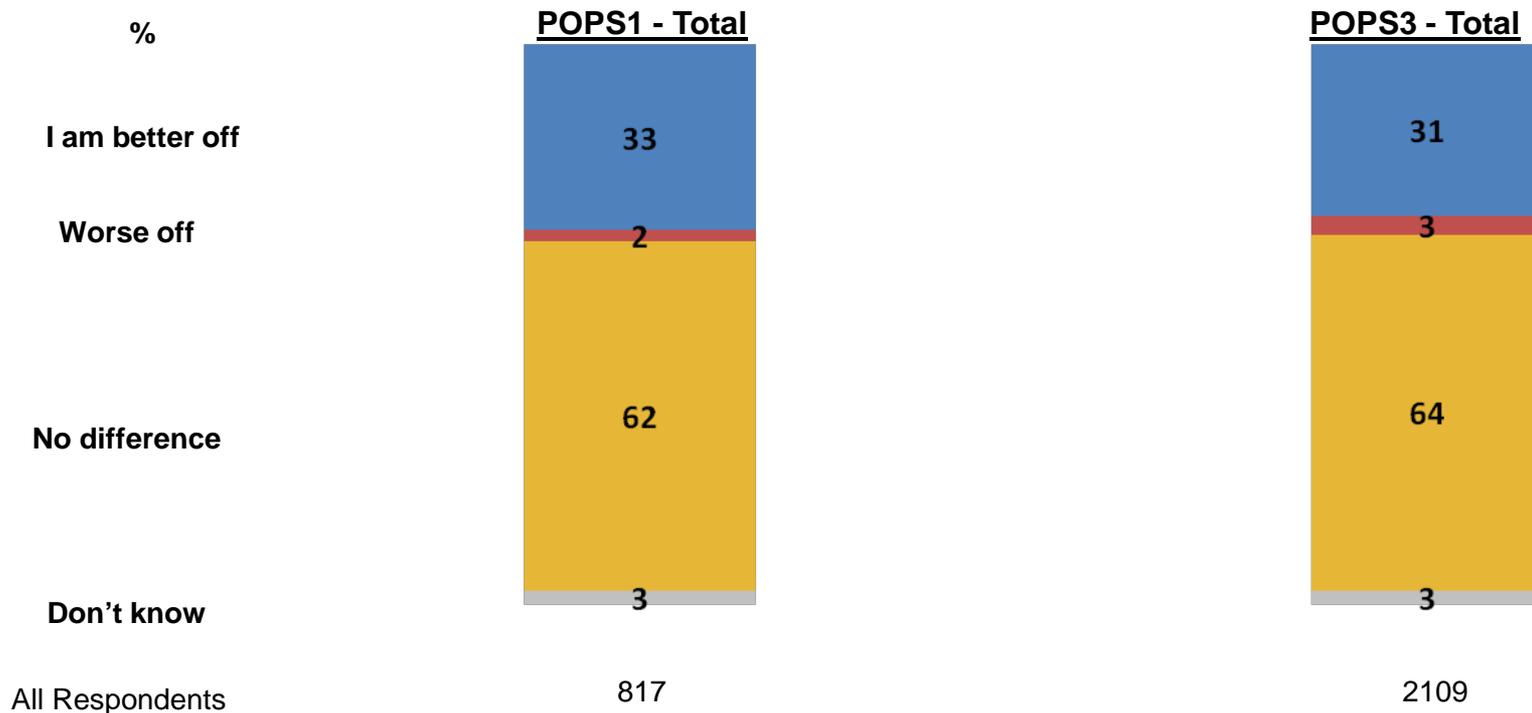
Overall Impact of Government Measures

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?

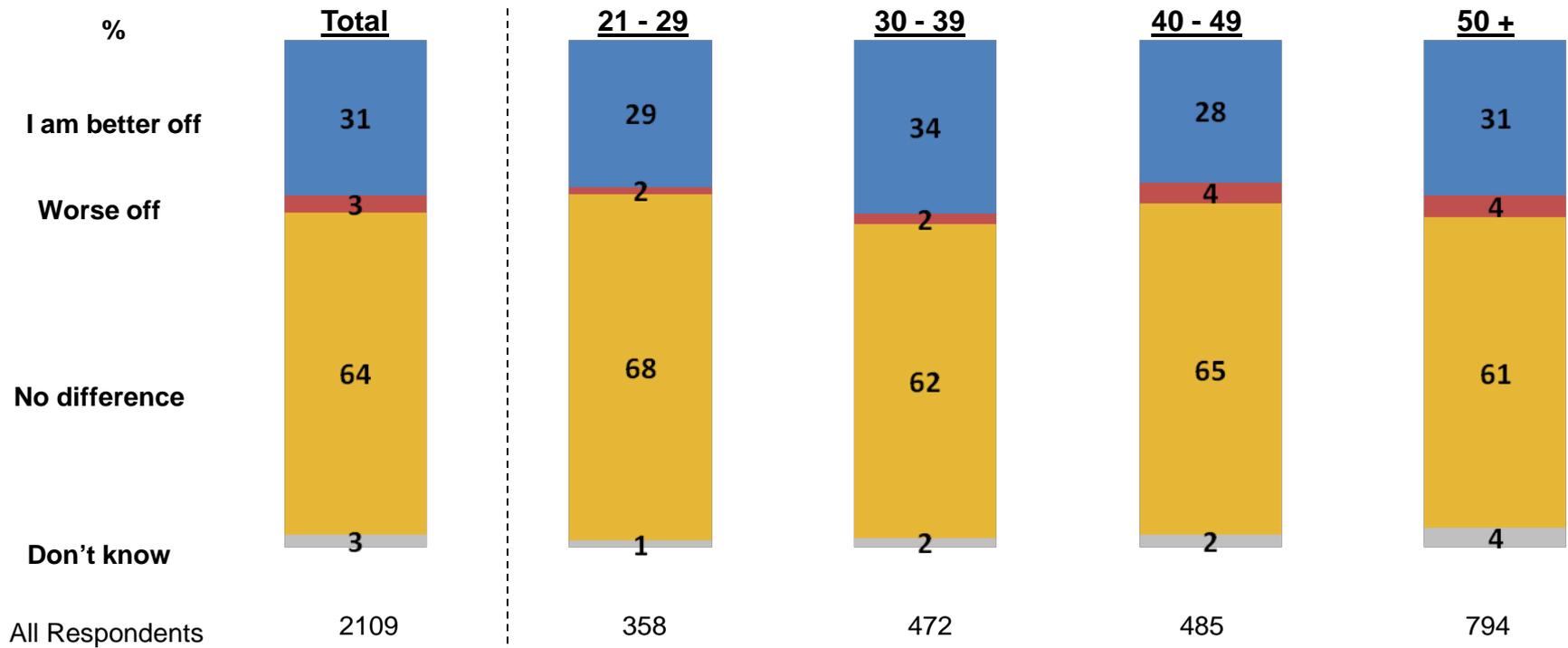
Overall Impact of Government Measures on Me

In POPS(3), there was a slight dip in the proportion of respondents who felt they were 'better off' because of government measures – 33% to 31%.



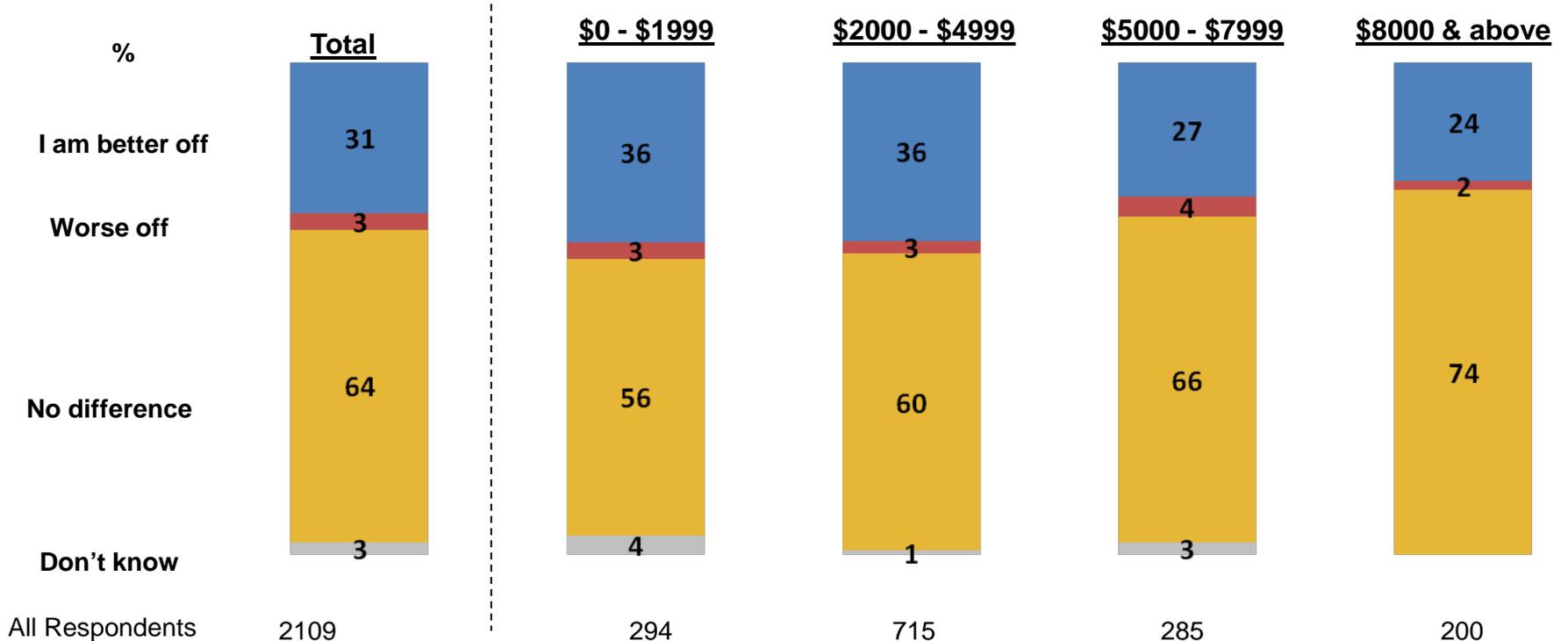
Overall Impact of Government Measures on Me (Age)

The age group with the highest of proportion of those who felt better off was the 30-39 segment.



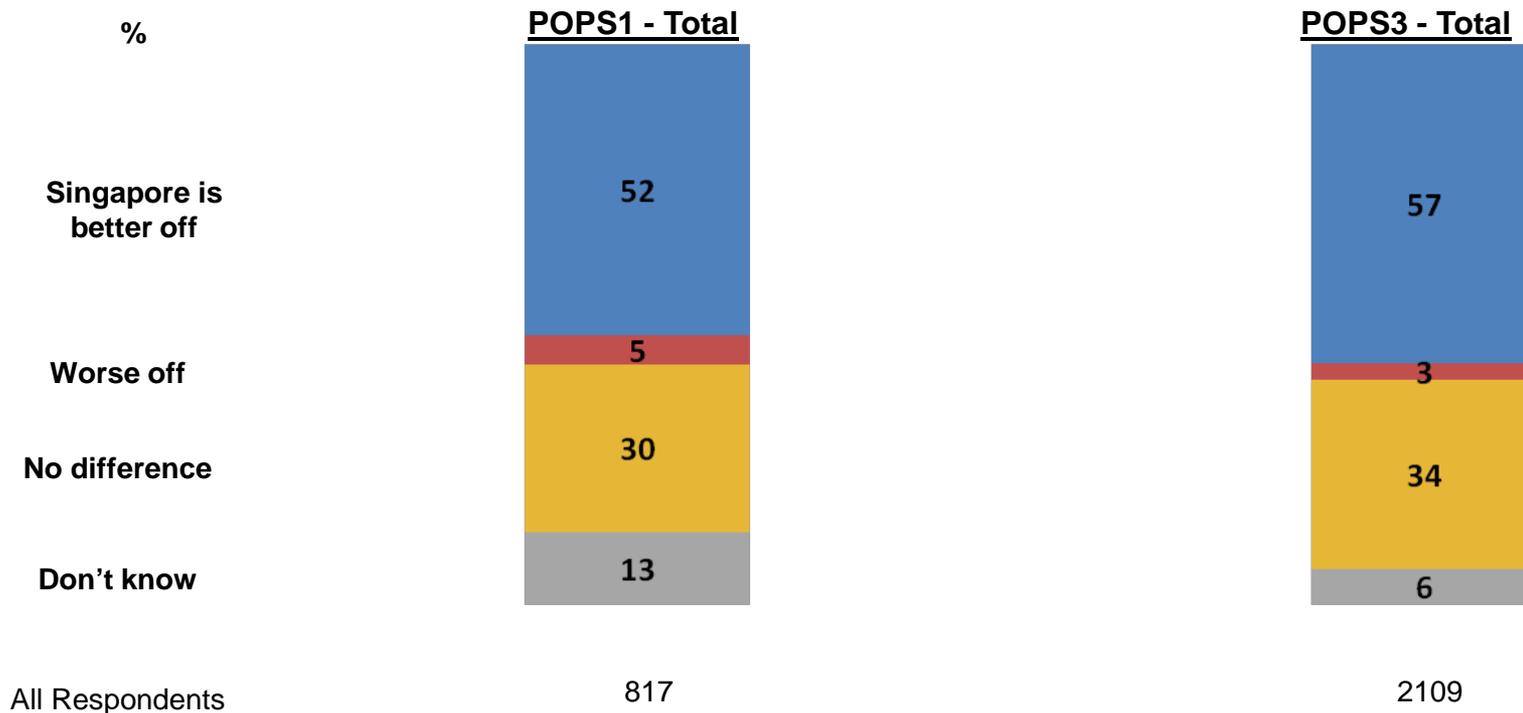
Overall Impact of Government Measures on Me (HH Income)

The largest proportions of those who felt that better off with the government measures were those between \$0 to \$4999. Those in the \$8000+ band were most likely among the groups to say that they were 'no different'.



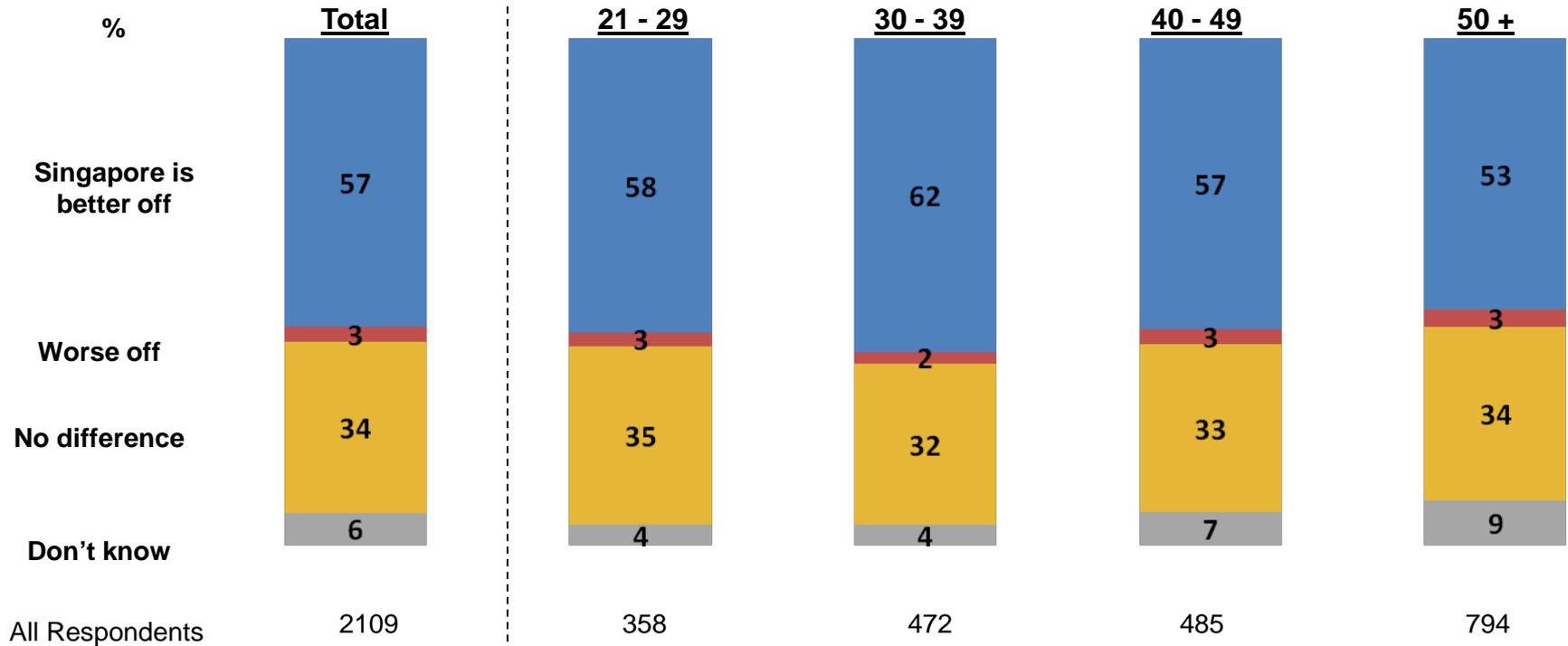
Overall Impact of Government Measures on Singapore

In POPS(3), more people indicated that Singapore was better off with the government measures – 52% to 57%.



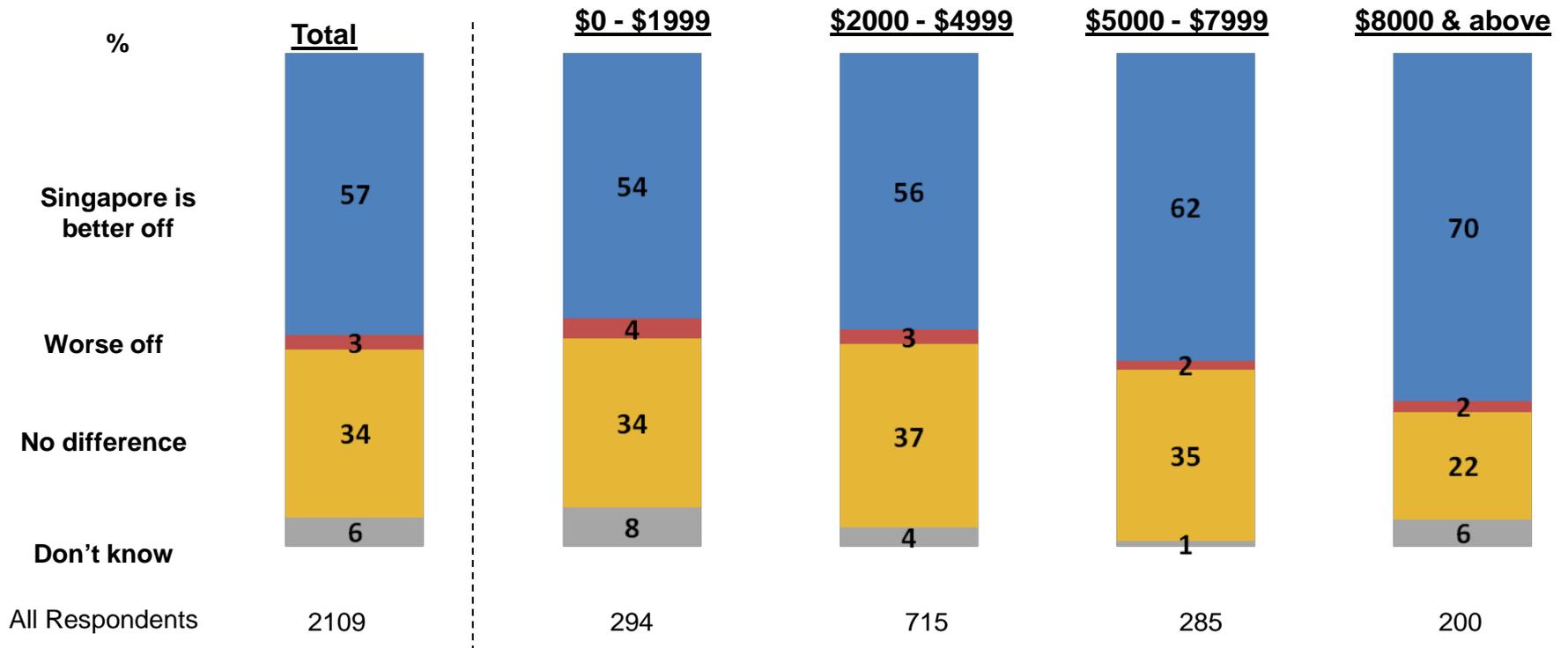
Overall Impact of Government Measures on Singapore (Age)

The largest proportion of those who felt that Singapore was better off as a country was in the 30-39 segment. The largest proportion of those who felt the country was 'no different' was in the 21-29 segment.



Overall Impact of Government Measures on Singapore (HH Income)

The largest proportion of those who felt that Singapore was better off was found in the highest income segment. The largest proportion of those who felt that Singapore was no different was found in the \$2000-\$4999 segment.



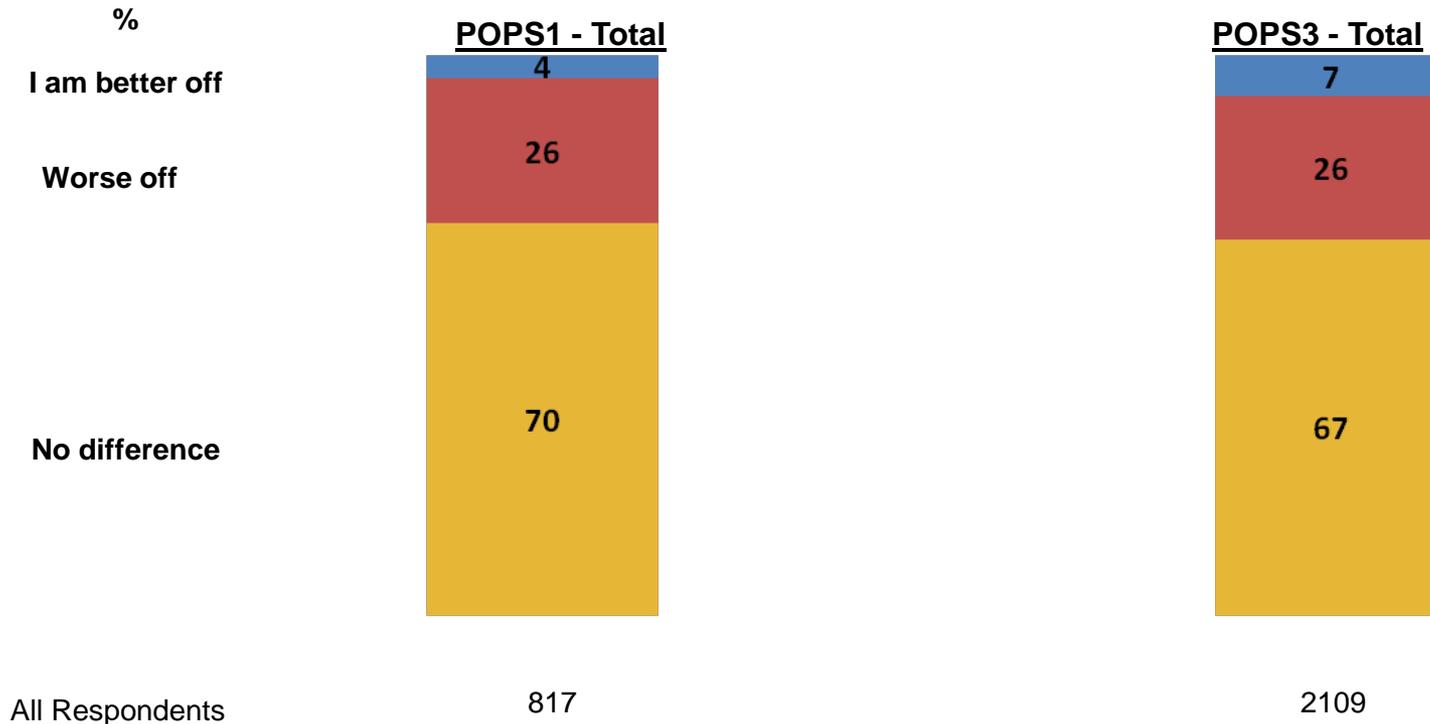
Foreigners Working in Singapore

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?

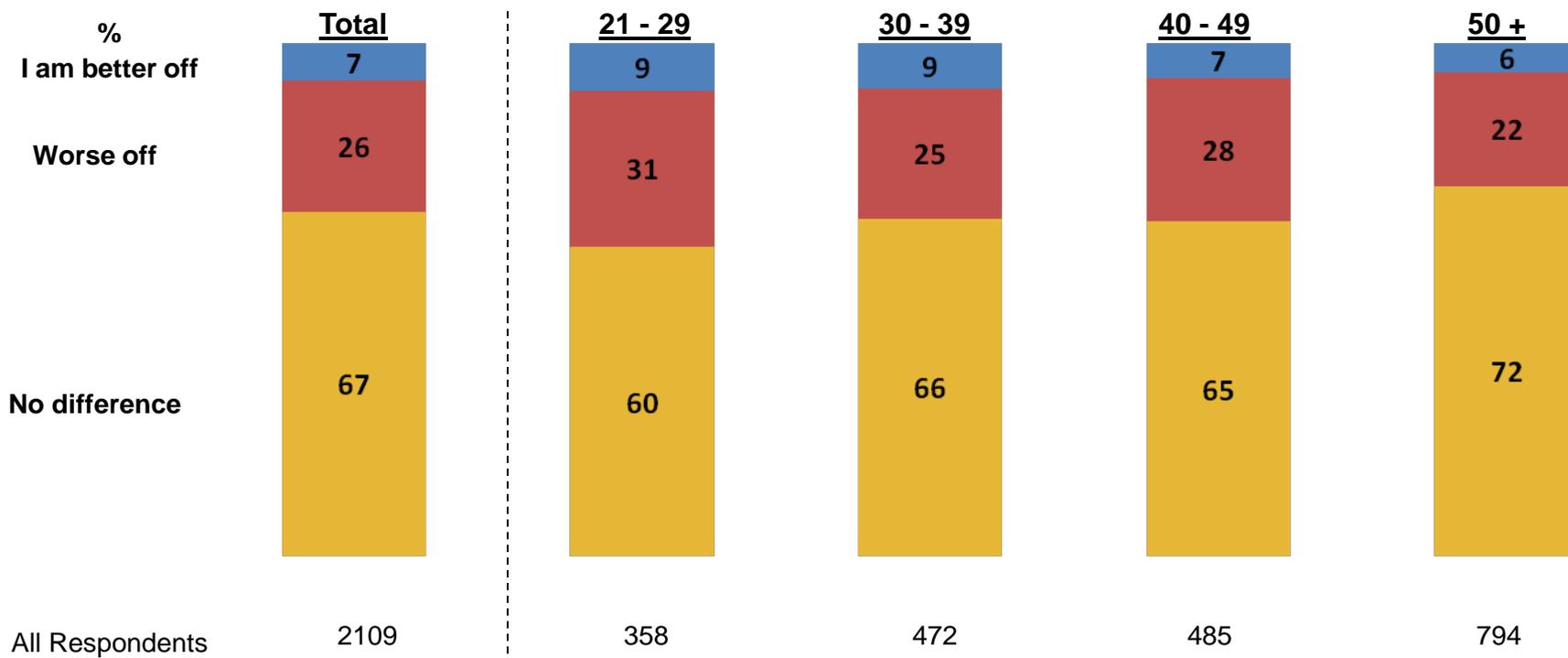
Foreigners and Economic Impact on Me

There was a slight increase in the proportion of respondents who felt that foreigners had a positive economic effect on their wellbeing – 4% to 7% and no change in the proportion who said they were ‘worse off’.



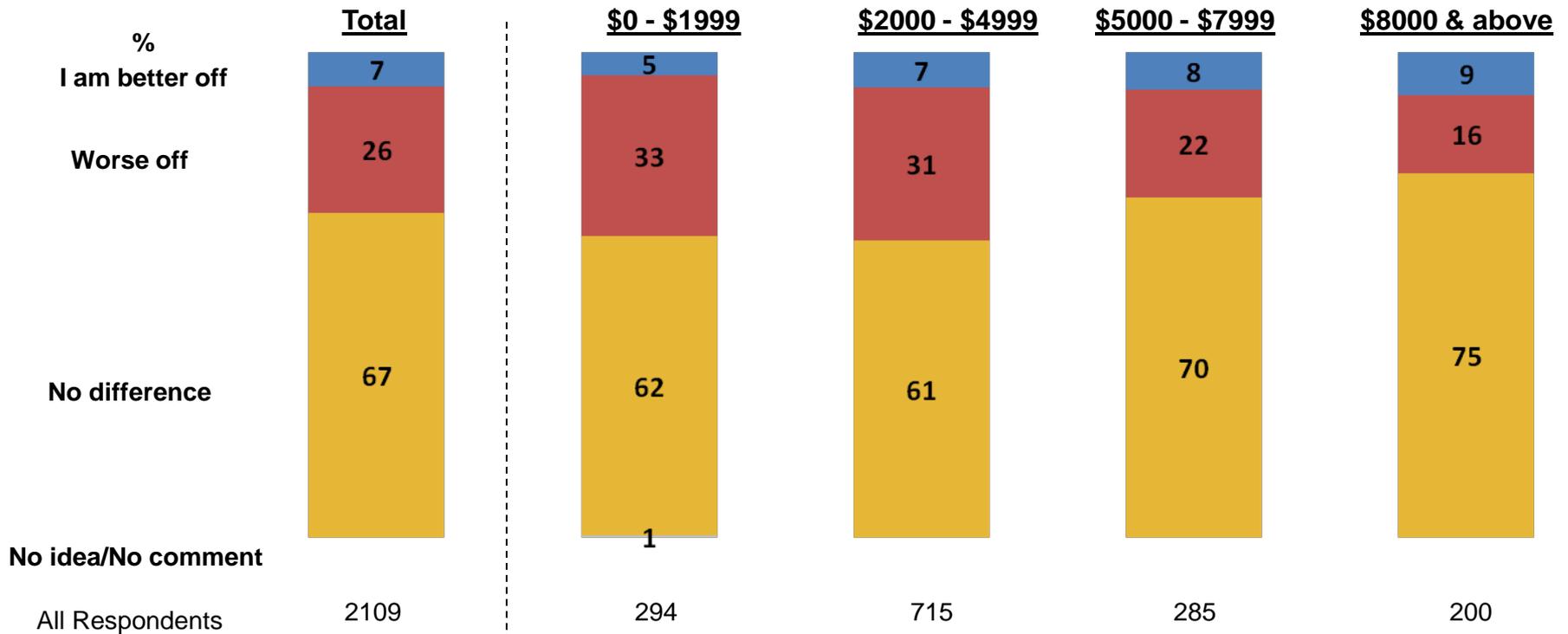
Foreigners and Economic Impact on Me (Age)

The proportion of respondents who felt they were better off was the highest in the 21-39 age range, but the proportion of those who felt they were 'worse off' was also the highest in the 21-29 segment.



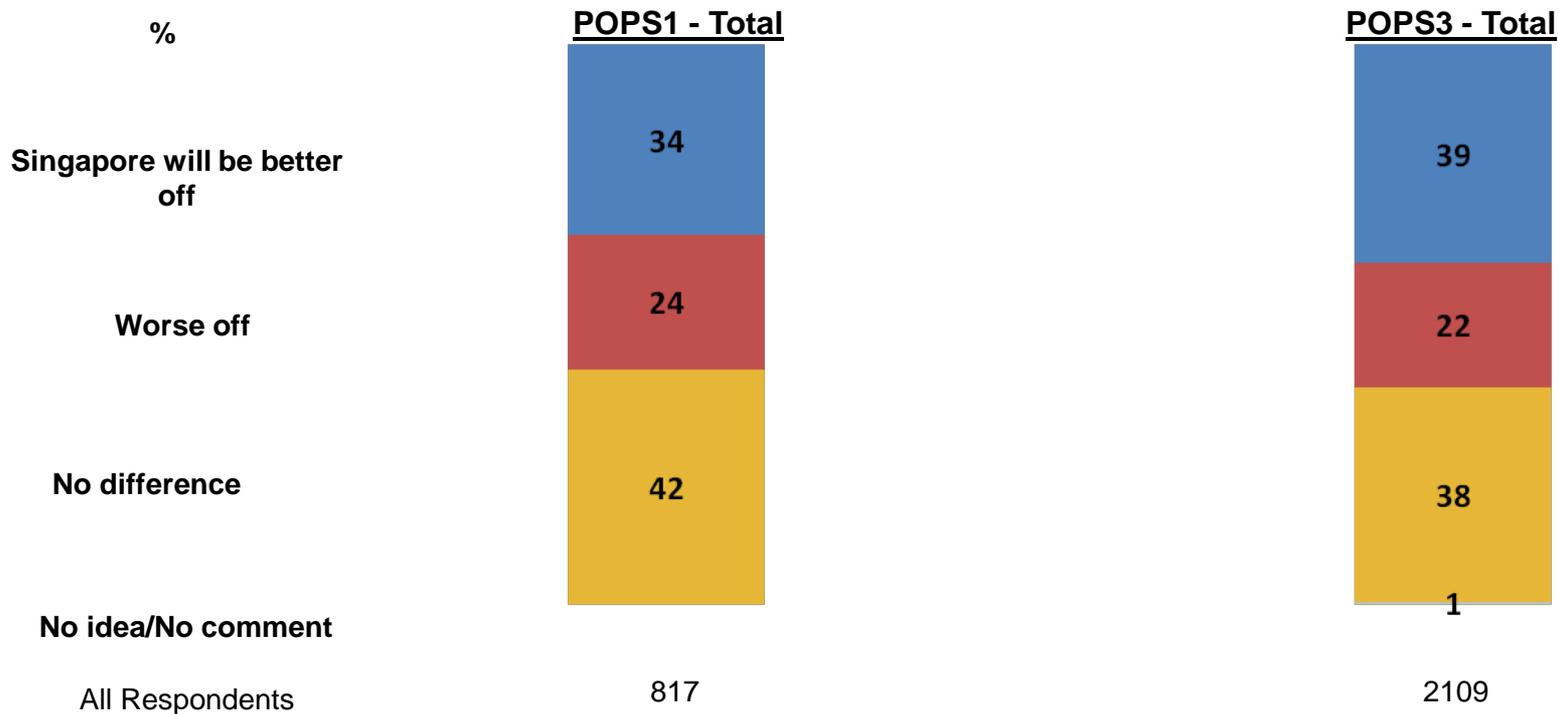
Foreigners and Economic Impact on Me (HH Income)

The proportion of those who felt they were better off was the largest in the highest income segment. The proportion of those who felt they were worse off was the largest in the lowest income segment.



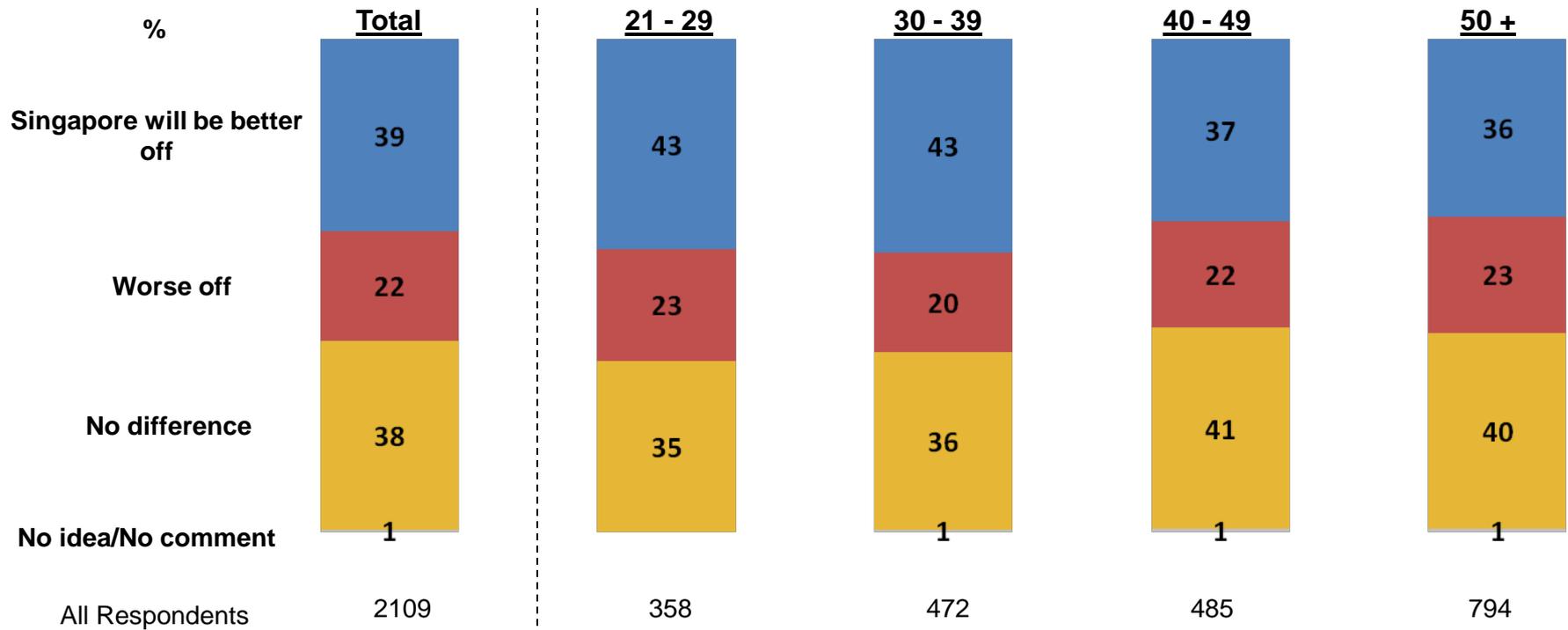
Foreigners and Economic Impact on Singapore

In POPS(3), there was an increase in the proportion of those who felt that Singapore was better off with foreigners – 34% to 39%.



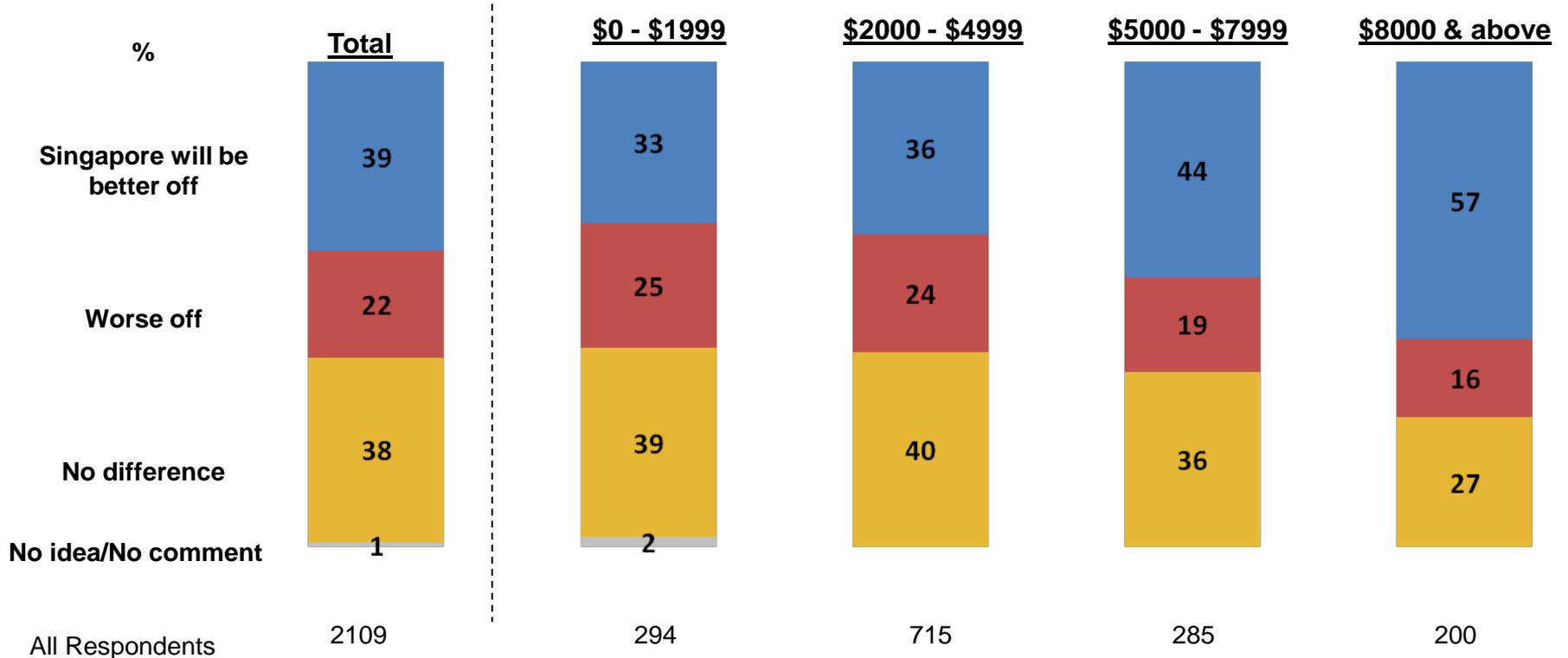
Foreigners and Economic Impact on Singapore (Age)

The proportion of those who felt that the country was better off was highest among respondents between 21 to 39 years old. The proportion who felt that the country was worse off was highest among the 21-29 and 50+ age segments.

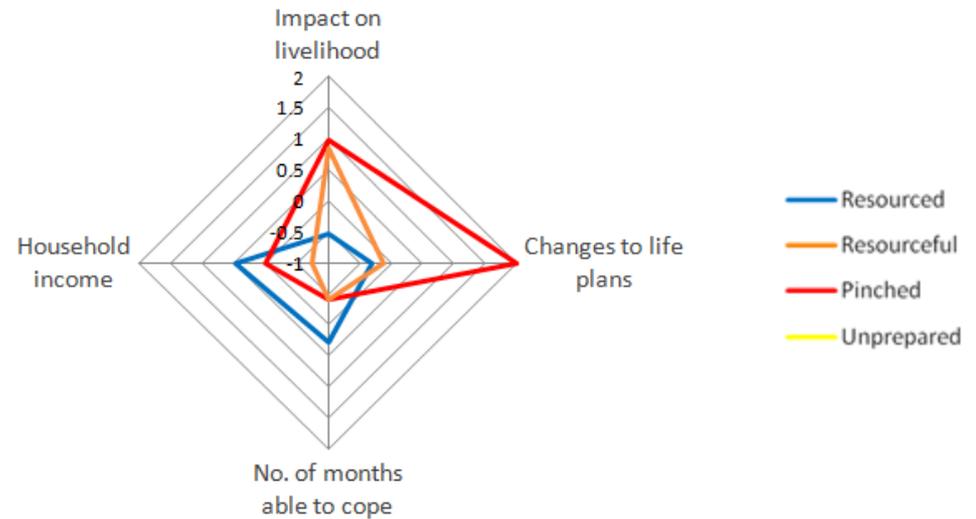
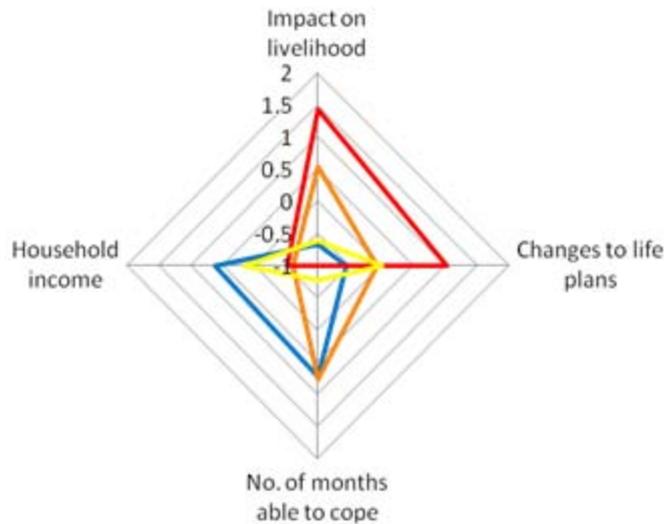


Foreigners and Economic Impact on Singapore (HH Income)

The proportion of respondents who felt that Singapore was better off was in the highest income segment. The proportion of respondents who felt that the country was worse off was found in the lowest income segment.



Cluster Analysis



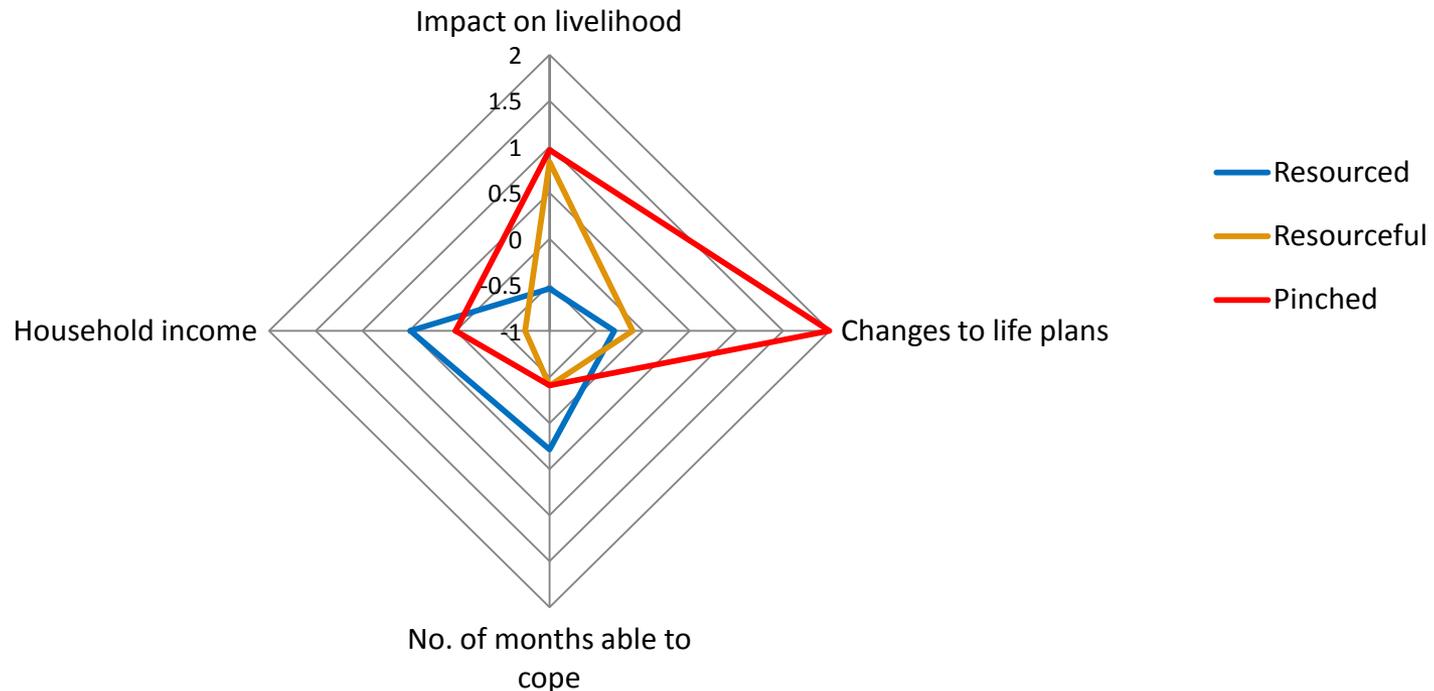
POPS(1) April 2009

Resourced (n=188, 31%)
 Resourceful (n=141, 23%)
 Pinched (n=109, 18%)
 Unprepared (n=171, 28%)

POPS(3) April 2010

Resourced (n=618, 54.1%)
 Resourceful (n=343, 30%)
 Pinched (n=182, 15.9%)

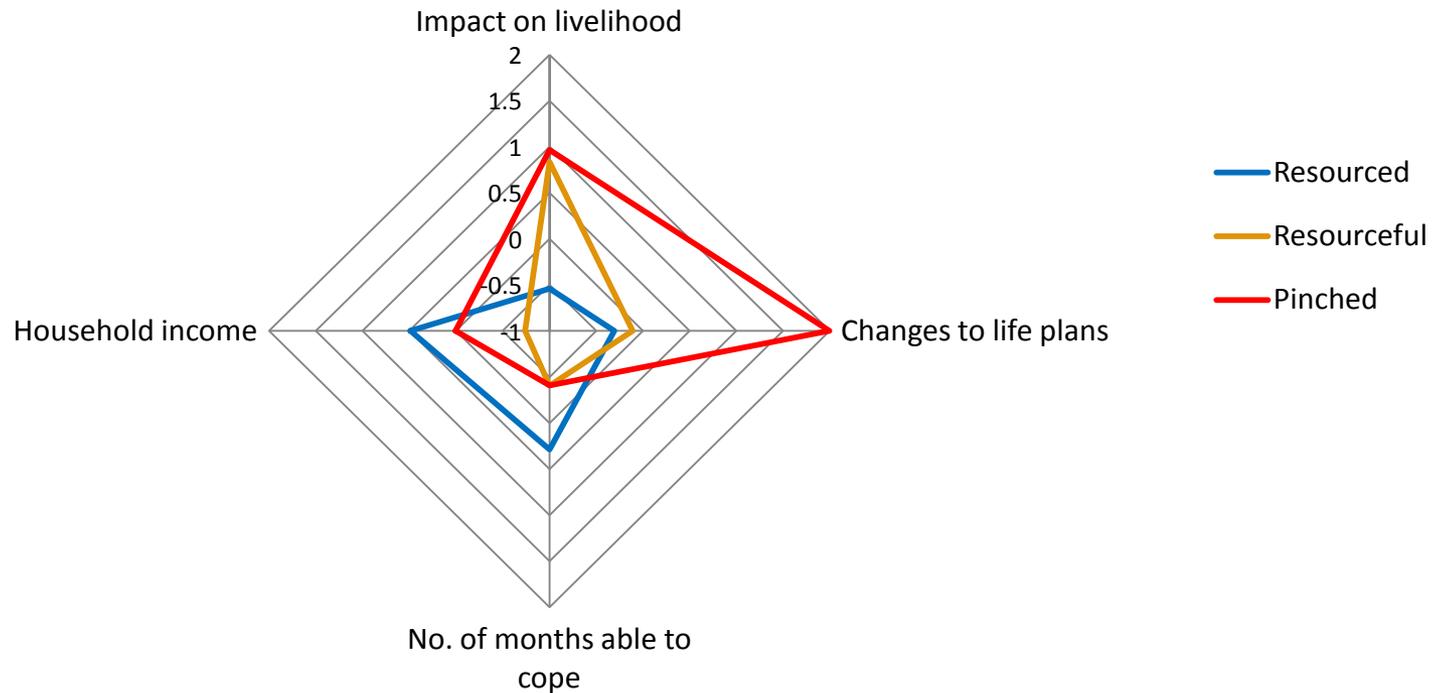
Cluster Analysis



The Resourced Cluster n=618, 54.1% of sample

This cluster comprises respondents with relatively higher household incomes, made fewer adjustments to their lives, and would last a good number of months. There were disproportionately more singles, people in their 20's and 30', with at least a junior college education, living in 5 room or larger HDB flats or private properties in this cluster.

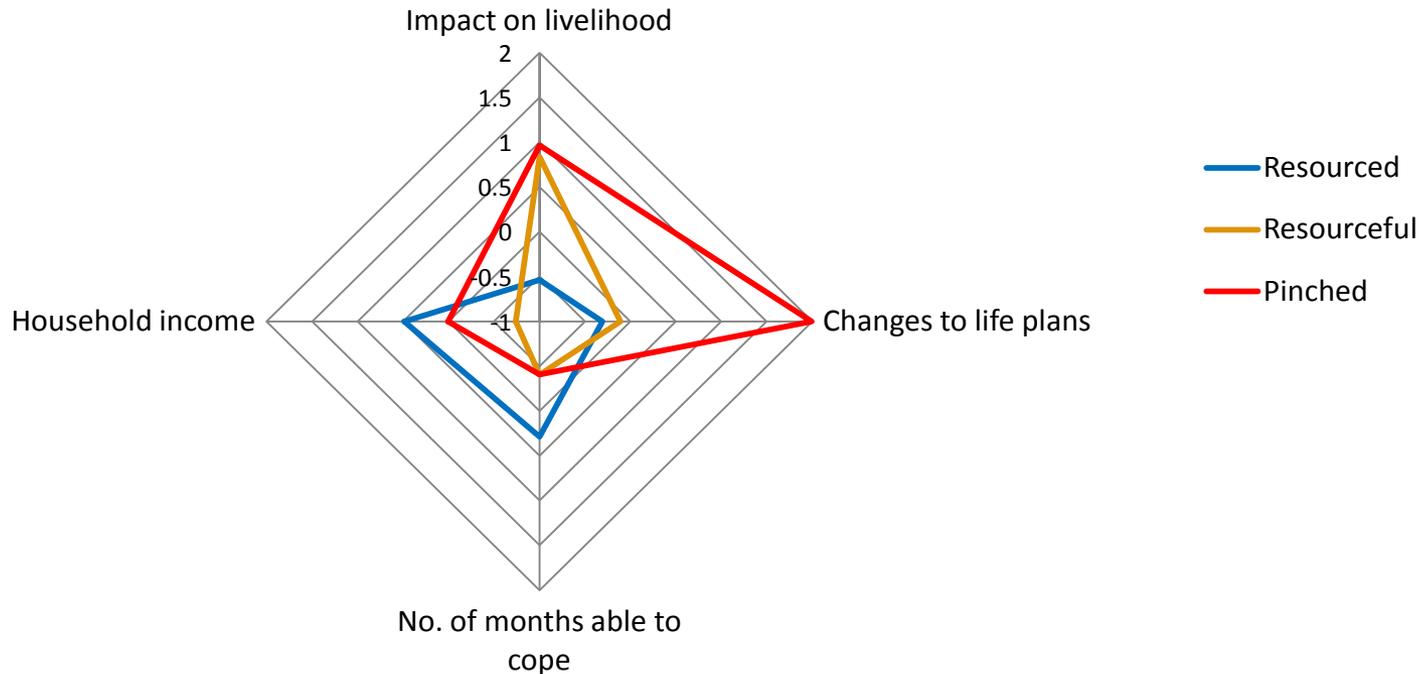
Cluster Analysis



The Resourceful Cluster, n=343, 30% of sample

This cluster comprises respondents who have low household incomes and have suffered some disruption to their lives and would relatively poorly if they lost their jobs. There were disproportionately more people in their 40's and 50's, residing in 1-4 room flats, divorced/separated and widowed, only those with no formal education and up to secondary and vocational education were found in this cluster.

Cluster Analysis



The Pinched Cluster, n=182, 15.9% of sample

This cluster comprises respondents whose income levels stand between the other two but who have seen significant disruption because of the recession. At the same time, their ability to cope with losing their main source of income was as low as the Resourceful. There were disproportionately more people who were married, residents of 5 room or larger HDB flats, with vocational diplomas to university degree were in this cluster.

Conclusion

- Resilience in The Resourceful cluster weakened inspite of government programmes targetted at the poorest and economic recovery.
- Ability to cope with job-loss shortened compared to Feb 2009, especially among those in the lowest household income category and some of those in the 20s.
- Pay-cut tolerated for the survival job lower on average compared to Feb 2009, especially among the poor and those in their 30s.

Conclusion

- Ethic of self-reliance relatively strong with savings, relying on friends and family and an increased willingness to take the survival job as key strategies to cope if there was job-loss.
- However, a slightly lower proportion of respondents agreed that taking personal initiative to cope with the downturn was more important than relying on government measures, especially among seniors and poor.
- Sentiment towards contribution of foreigners, improved.

The End