

**SINGAPORE
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Singapore Perspectives 2018

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Fairmont Ballroom, Raffles City Convention Centre















Misconceptions that Frame Singaporeans Living Longer as a Liability

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Population White Paper

- ▶ “1.10-- For society as a whole, a declining old-age support ratio would mean rising taxes and a heavier economic load on a smaller base of working age Singaporeans. Companies may not find enough workers. Business activity would slow, and job and employment opportunities would shrink. “
- ▶ (NPTD, 2013, para1.10)

Declining old age support ratio

Year	Elderly Citizen	Citizens in working-age band of 20-64 years of age	
1970			13.5
2000			8.4
2011			6.3
2015			4.8
2020			3.6
2025			2.6
2030			2.1

Declining Old-Age Support Ratio

Source: Department of Statistics

How older people's savings alter support ratios

How the elderly's savings can change the outlook for our ageing population

Dependency and support ratios, conventional and savings-adjusted

	Birth cohort					
	c.1945	c.1950	c.1955	c.1960	c.1965	c.1970
Year at age 65	2010	2015	2020	2025	2030	2035
(a) Average savings/ expenditure ratio of the elderly	0.51	0.69	0.91	1.26	1.49	2.03
Resident population in millions						
(b) Age 20-64	2.52	2.60	2.79	2.92	3.03	3.11
(c) Age 65 & above	0.34	0.46	0.60	0.77	0.93	1.02
Old-age dependency ratio in %						
(d) Conventional (c/b)100	13.5	17.7	21.6	26.4	30.6	33.0
(e) Savings adjusted (d/a)	26.5	25.7	23.6	20.9	20.5	16.2
Old-age support ratio						
(f) Conventional (b/c)	7.4	5.7	4.6	3.8	3.3	3.0
(g) Savings-adjusted (f/a)	3.8	3.9	4.2	4.8	4.9	6.2

NOTE: Population projections are from the Institute of Policy Studies.

Source: TILAK ABEYSINGHE STRAITS TIMES GRAPHICS

Total Dependency Ratio

Dependency and Support Ratios (Resident Population)							
	1970	1980	1990	2000	2010	2011	2014
Total Dependency Ratio (Per 100 persons aged 15-64 years)	73.9	48.2	40.8	41.1	35.7	35.3	36.7
Child (Under age 15 years)	68.1	41	32.3	30.9	23.5	22.7	21.5
Old age (Aged 65 years and over)	5.9	7.3	8.5	10.1	12.2	12.6	15.2
Old-Age Support Ratio (Number aged 15-64 years Per Elderly aged 65 and over)	17.0	13.8	11.8	9.9	8.2	7.9	6.6

Source: Population Trends 2014, DOS.

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Silver Economy—growth in industries –travel, healthcare, pharma, biotechnology, insurance, retail

- ▶ Older Singaporeans are consumers paying GST and not just dependents
- ▶ Intergenerational conflict minimal---CPF encourages self reliance— not burdening future generations with increasing taxes
- ▶ Intra-familial transfers from older to younger generations

AGEISM---mammoth misconception

- ▶ Negative stereotyping of, and
- ▶ Discrimination against individuals or a group of individuals because of their age
- ▶ Cognition--psychological functions do not decline gradually--plateau until a late age
- ▶ Crystallized intelligence

Manpower Ministry

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- ▶ **Retirement at 62**
- ▶ **Retirement and Re-employment Act**
- ▶ Offer of re-employment till 67
- ▶ Wages and medical benefits
- ▶ Termination with notice
- ▶ Offer a one-off Employment Assistance Payment (EAP)—3.5 months of salary
- ▶ Age Discrimination is practised
- ▶ MOM agrees specific anti-discrimination laws needed
- ▶ government protection may be bad for business--companies
- ▶ global competitiveness stable of places with anti-discrimination laws—US, UK, HK, Japan, Germany, Sweden, etc
- ▶ So why no anti-discrimination law?

Ageism in employment

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- ▶ "I think we have to tackle ageism in Singapore. There is sort of a quiet, unstated discrimination among the mid-careers and those who are in their 50s." DPM Tharman 2015
- ▶ "We are still very much an ageist society. Sometimes people may not even know that they are being ageist. I receive a lot of feedback from elderly job applicants and they say it is very difficult for them to get a job....." Mdm Halimah Yacob 2014

Self reliance and ageing workforce

- ▶ LFPR for 55—64
67% (highest in OECD countries)
- ▶ LFPR for 65—69
43%
- ▶ LRPF for > 70 15%
- ▶ Median age of workforce in 2016---
43 years
- ▶ One 1 in 3 of workers
is over 50 years old
- ▶ Median age of workforce in 2020—
47 years

Negative Framing of Older People in Media

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THE STRAITS TIMES

Risking death as Mount Agung's
ELD marks 70 years of ensuring
Celebrate Christmas StarHub

Recommended by

Singaporeans aged 65 and older form 13.1 per cent of citizen population as society continues to age



Elderly people aged 65 and older form 13.1 per cent of the citizen population as of June 2015, according to a report released by the National Population and Talent Division on Sept 30, 2015. ST PHOTO: ALICIA CHAN

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BUSINESS

Singapore's resident population

Year	More than 65 years old (%)	Less than 65 years old (%)
2015	13.1	86.9
2016 (f)	13.5	86.5
2020 (f)	14.5	85.5

Median age of resident population

Year	Singapore (years)	ASEAN (years)
1960	18.8	21.3
1990	22.3	21.3
2010	32.8	21.3
2015	32.8	21.3
2020 (f)	37.3	21.3
2030 (f)	47.0	21.3

Median age at death (Singapore v Asean)

Year	Singapore (years)	ASEAN (years)
1961	71.4	62
1981	74.4	64
2001	77.4	66
2015	78.3	67
2021 (f)	79.3	68
2031 (f)	83.3	72

S'pore faces 'demographic time bomb'

Ageing population may mean changes to taxes, immigration rules, says economist

As the elderly population starts to crowd out the young, the "demographic time bomb" may mean changes to taxes, immigration rules and social services, he said.

At this rate, seniors in Singapore's population will make up more than double the share of the youngest resident in 2030.

With already the oldest population in Asean, the Singapore of 2030 will probably look a lot like the demographics-embodied Japan of last year, Mr Tan's figures show. That is all making policy more complicated as the city-state seeks to ensure that the elderly population is being cared for without curbing the well-being of its younger residents.

One way to increase the labour supply would be to ease immigration restrictions, a move that would have to be done at a managed pace to avoid worsening the "foreigner assimilation issue" in Singapore, even though the country cannot afford zero immigration, Mr Tan said.

He used the analogy of a restaurateur's kitchen to show how ageing threatens growth and the quality of output.

"If there are fewer new chefs coming into the kitchen to cook the massive pot of broth (because of low birth rates and low levels of immigration), the existing pool of experienced chefs is ageing and retiring and there is no improvement in labour productivity, the amount of broth (gross domestic product) that will be produced in the next period will certainly be less, or worse still, be of inferior quality," he wrote.

The stark trend also helps explain why Prime Minister Lee Hsien Loong has said tax increases are not a matter of if, but when.

Mr Tan sees the Government increasing the goods and services tax (GST) next year to 8 per cent from 7 per cent, with an equal boost in 2018.

Still, he noted: "The demographic time bomb starts ticking only in 2018 - it does not mean that it will explode yet. There is still a sizeable percentage of working-age population supporting the economy. That said, one will have to understand that this cannot last forever."

In a briefing on the outlook for next year, OCBC Bank economist Soledad Ling argued that it would be overly simplistic to immediately assume a broad-based GST hike.

"There are many other options for taxes the Government could hike to substantially raise revenues, she said yesterday.

The timing for any tax hike has to be carefully considered, because next year will likely see a confluence of factors that will make the operating environment challenging for businesses in Singapore, and a GST hike would exacerbate matters, she noted.

ST FILE PHOTO: BLOOMBERG

Action Plan for Successful Ageing

To prepare for our transition to being a super-aged society in 2030—need to understand causes of ageism and to reduce age discrimination



2015 WHO World Report on Ageing and Health

- ▶ “Age-based stereotypes influence behaviours, policy development and even research. Addressing these by combating ageism must lie at the core of any public health response to population ageing.”

Ageing is a dynamic process--changing all the time but there is a structural lag of many years between public policy & lived experiences of older people

- ▶ Because of stereotyping of older people as part of the past, we are often overlooked in society's plans for the future.
- ▶ If older Singaporeans were considered as an asset, there will be a different orientation towards health and social expenditure for this group of citizens

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