

## How much money do you want from the G to make a baby?

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IT'S budget season. Newly-appointed Finance Minister Heng Swee Keat is due to deliver his first budget statement on March 24 – less than two months away. And as the date draws nearer, commentators on issues new and old are clamouring to get their say on what should go in.

In a piece in TODAY, two tax accountants took up the perennial topic of making babies, arguing that dangling money in front of prospective parents can only go so far. While the G has given out money to defray the actual costs of raising a child, they wonder if it can ever compensate parents for opportunity costs, such as taking unpaid leave. As they put it: “The question remains: How much is enough?”

The authors did not recommend a number but they want more financial support for three-generation households and operating grants for childcare centres in workplaces. Where the G gives out money, they prefer cash grants, because tax relief only benefits richer, taxable households. Finally, they point to Singaporeans’ “competitive psyche” and “a greater emphasis on self-actualisation” – cultural factors that have no easy fixes.

Their views come just a week after netizens slammed sperm-and-egg ads in trains for being patronising and insensitive. The ads are part of a campaign by advocacy group I Love Children – to them, what Singaporeans need is information to decide whether or not to have children.

These arguments, of course, are not new.

More than one fifth of married women here aged between 40 and 49 now have just one child. According to experts, parents may be richer, and receive assistance from the G, but choose to concentrate their resources on fewer children.

An Institute of Policy Studies (IPS) survey last year revealed that many couples were “sceptical” about many of the G’s measures. For instance, less than half of men and women thought that introducing paternity leave and shared parental leave would affect their decision to have a child.

Asked IPS researcher Christopher Gee: “Is this what people really do want? More money?” Pointing to Singapore’s stagnant birth rates, he added: “You need to give [incentives] but at the end of the day, if you don’t continue to increase it, double, it, triple it, I don’t think it will really have a significant impact.”

Since the Marriage and Parenthood (M&P) Package was introduced in 2001, birth rates have continued to decline. The total fertility rate – a measure of how many children are born to each woman – has stayed below 1.3 since 2003, well short of the 2.1 needed for the population to replace itself. This trend comes despite the G’s numerous enhancements to the M&P Package over the years, summarised below:

<b>Changes to Marriage &amp; Parenthood (M&amp;P) Package</b>	<b>Total cost of Package</b>	<b>Total Fertility Rate</b>
<b><u>2001</u></b>		
<ul style="list-style-type: none"> <li>Baby bonus for second child of \$3,000 and matching savings up to \$6,000 in Child Development Account (CDA), over six years; doubled for third child</li> <li>Eight weeks of paid maternity leave for third child</li> <li>Flexible work arrangements and paternity leave for civil servants</li> <li>Assistance for couples with difficulty conceiving</li> </ul>	\$260 million	1.41
<b><u>2003</u></b>		
<ul style="list-style-type: none"> <li>Childcare subsidies of up to \$150 per month for working mothers</li> </ul>	\$500 million	1.27
<b><u>2004</u></b>		
<ul style="list-style-type: none"> <li>Enhanced tax rebates</li> <li>Baby bonus and CDA extended to first and fourth children, over two years</li> <li>12 weeks of paid maternity leave</li> <li>Two days of paid childcare leave for parents of children under 7</li> <li>Foreign domestic worker levy concession for families with children under 12</li> </ul>	\$800 million	1.26
<b><u>2008</u></b>		
<ul style="list-style-type: none"> <li>Enhanced tax rebates</li> <li>Baby bonus increased to \$4,000 for first two children</li> <li>Matching savings up to \$6,000 in first child's CDA</li> <li>16 weeks of paid maternity leave</li> <li>Six days of paid childcare leave for parents of children under 7, six days of unpaid infant care leave</li> <li>Grants for childcare centres and kindergartens</li> <li>Childcare subsidies of up to \$300 per month for working mothers</li> </ul>	\$1.6 billion	1.28
<b><u>2013</u></b>		
<ul style="list-style-type: none"> <li>Baby bonus increased to \$6,000 for first two children and \$8,000 for third and fourth children</li> <li>Parenthood Priority Scheme for married couples with children to get public housing faster</li> </ul>	\$2 billion	1.19

- Paid childcare leave extended to parents of children under 12
- Medisave grant for newborns increased to \$3,000
- One week of shared parental leave
- One week of paid paternity leave

### **2015/16**

- Baby bonus increased to \$8,000 for first two children and \$10,000 for all subsequent children
- Medisave grant for newborns increased to \$4,000, covering premiums for MediShield Life until age 21
- Two weeks of paid paternity leave t.b.c.
- \$20,000 Proximity Housing Grant to encourage parents to live near elderly parents 1.25
- Enhanced foreign domestic worker levy concession, including families with children under 16

Prime Minister Lee Hsien Loong acknowledged as much at last year's National Day Rally, when he announced the latest tranche of enhancements to the M&P Package. To be sure, these included the now-standard tweaks to cash and tax incentives. But the G also promised two weeks of paid paternity leave, and a grant to encourage grandparents to live near grandchildren.

And before talking about these enhancements, PM Lee took care to show that he recognised the gravity of deciding to have a child, saying: "I hope couples continue to have many babies after SG50, but I know it is a serious decision. It is hard work and a lifelong commitment."

Earlier this month, the G announced that at least 33,793 Singaporean babies were born in 2015 – the highest number in 13 years. While some were quick to attribute the uptick to the M&P Package, Deputy Prime Minister Teo Chee Hean emphasised that policies were just "signalling devices", and fertility ultimately depended on "what the community wants and the community supports".

Does the M&P Package, already in its fourth iteration, have what it takes to boost fertility here? And if money isn't enough, what is? It may take more time – and babies – before we find out.