

Can cope — but for only eight-and-a-half months

S'poreans would take 42% pay cut and would not rely on Government help: Survey

Today

Lin Yanqin, 4 May 2009

IF THEY lost their jobs, Singaporeans on average think they would be able to cope without their main source of income for eight and a half months.

In survey findings that the Institute of Policy Studies (IPS) hopes will guide the future calibration of social support for retrenched individuals, it was noted that younger people and the lower-income would be less resilient. For instance, there were more in their 20s and 30s, than in the older age groups, who would be able to cope for only up to six months.

Eight in 10 respondents would rely mainly on their personal savings.

But while just 31 per cent would step out of their comfort zone to take on any job, tellingly, respondents were on average willing to take a hefty 42-per-cent pay-cut in their next job, should they lose their current one (though the pain threshold for lower-income respondents was far lower at 34 per cent).

Very few people (5 to 7 per cent) would turn to the Government or welfare agencies for help; more (28 per cent) prefer the support of friends and family.

These findings, gathered from 817 Singaporeans and Permanent residents in mid-February, showed that Singapore residents were on the whole a fairly resilient lot, said IPS senior research fellow Gillian Koh.

The study is the first of a series to study the perceptions of policies in Singapore.

On the Government's Budget measures to help Singaporeans through the economic crisis, more believed that the country on the whole was better off as a result — than they believed the measures were helpful on a personal level.

Just 33 per cent felt they were personally better off with the measures, compared with 52 per cent feeling the country was in better stead.

Assistance has not eroded resilience

But overwhelmingly, 82 per cent of Singapore residents felt it was more important to take one's own initiative to cope with the economic crisis — such as by cutting leisure spending and taking a pay cut — than to depend on the Government.

This sentiment was especially strong among the higher-income group. Just slightly fewer respondents (77 per cent) among the lower-income agreed, with Dr Koh noting that this group has benefited more from Government help.

Even so, the study concluded that while social assistance is still needed by some, “it has not eroded the general sense of self-reliance and the level of resilience” today. The presence of foreigners in Singapore also came up for examination, and threw up another interesting disparity.

Seven in 10 respondents felt that having foreigners here made no difference to them economically during the crisis. Less than six per cent of any age or income group felt they were personally better off — yet overall, 34 per cent of respondents felt the country as a whole was better off.

The youngest and the low-income groups were more likely to say the country was “worse off” for having foreigners working here.

Overall, more than 50 per cent of the respondents indicated the crisis had made no difference to their savings, income, or employment.

But Dr Koh agreed that it would be interesting to see if perceptions change in a few months, given how it is early days yet in the economic crisis.

“We’d need to anticipate impact if the crisis worsens,” she said.