POV: Why younger Singaporeans need more attention and help amid inflation

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TODAY, 20 July 2022

Everybody hurts from the inflation scourge, but despite popular belief, youth are among the hardest-hit groups.

Young Singaporeans are also straddled with financial responsibilities, and yet enjoy a lower median pay, compared to their older counterparts.

For instance, fresh graduates may have student debts, while those starting a family have to juggle childcare expenses on top of mortgage payments.

And it's taking a toll on the youth's mental health.

According to a recent study by the Institute of Policy Studies (IPS), about 40 per cent of those aged 21 to 29 expressed "high worry" at the cost of living, compared to 24 per cent of those 60 and above.

The study cited how the youth's mental health has taken a hit at not being able to achieve their desired financial goals, such as procuring a property or saving up for marriage.

In contrast, those older are said to be less worried because they may have survived economic difficulties before, or have enough financial resources to tide through periods of high inflation.

TODAY's interviews with youth in a recent feature also revealed how inflation could have a long-seeded impact on their futures as they put aside investments.

Experts said that by not investing, youth run the risk of losing their savings' purchasing power as inflation erodes it.

Some reasons for not investing are: Preference to have more cash on hand, unwilling to take risks, and to sacrifice less of their increasingly expensive lifestyles.

It is a problem, given how inflation in Singapore is expected to continue rising till the third quarter of the year, before leveling off to "around 3.5 to 4 per cent", which is still well above the 1.5 per cent average since 2000.

Thus, there's a need to pay more attention to helping youth.

The Government has provided support for Singaporeans to cope with rising living costs, such as the S$1.5 billion package which will benefit 1.5 million adults in Singapore through one-off cash payments and utilities credits among other things.

But more targeted policies towards helping youth in building up long-term savings could elevate some stress stemming from their future financial security.

Also, official statistics show the pay raises since at least 2019 for younger Singaporeans in their 20s lagged behind that of their older counterparts.

All things equal, including productivity levels, it would help younger workers if their pay increases can match the pace of older workers.

Lastly, some empathy from people around youth in knowing that the “strawberry generation” may be permanently bruised by the long-term ramifications of inflation could go some way in elevating their anxieties.