

Study: Older singles need \$1,379 a month

Researchers define sum needed for basic standard of living at age 65

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For the first time, researchers in Singapore gathered people aged 55 and above to talk about what they considered to be their basic standard of living and calculated that a single man or woman aged 65 and up would need at least \$1,379 a month to achieve it.

A couple aged 65 and above would need \$2,351.

The researchers, from different institutions, based their calculations only on those items that all participants agreed were necessary to them – which they had to justify – and which included occasional inexpensive meals out, homes that are safe and comfortable and an annual holiday to a nearby destination that costs about \$500.

Left out of the list were things deemed too extravagant, like air-conditioning and a car.

Published yesterday, the household budgets study titled “What older people need in Singapore”, raises a range of policy concerns, said the researchers, as to how the older population would have enough to meet their

aspirations.

Among other things, it may not be sustainable for coming generations of older Singaporeans to rely on family support as a source of retirement income, while basic retirement payouts from the Central Provident Fund (CPF) alone may also be inadequate.

The qualitative study, led by Assistant Professor Ng Kok Hoe from the Lee Kuan Yew School of Public Policy included, among others, Associate Professor Teo You Yenn, head of sociology at Nanyang Technological University. The study involved focus group discussions with 103 participants from diverse backgrounds.

They included people who lived in rental flats as well as private property and a larger representation of some groups, such as minorities and women, to ensure a diversity of views.

In defining a basic standard of living, participants went beyond housing, food and clothing and included opportunities to education, employment, work-life balance and health-

care. It should also enable a sense of belonging, respect, security, independence and include freedom to participate in social activities and engage in cultural and religious practices.

With a detailed agreed-on list, which included items that were not the cheapest but priced “low” or “average”, researchers worked out a budget based on price lists at stores like FairPrice and consulted experts on the sums needed for expenses.

The study’s authors noted that some of Singapore’s older population would not have the means to retire, but would have to supplement their incomes through sources such as transfers from family members and personal savings to achieve their desired basic standard.

Only 55 per cent of those turning 55 had enough savings in their CPF accounts to fulfil the Basic Retirement Sum in 2013, meaning that around half will not even receive the basic annuity of less than \$800 a month, the study added.

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