

Study finds older singles need \$1,379 per month

Researchers calculate sum needed for basic standard of living after focus group dialogues

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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 above would need at least \$1,379 a month to sustain it.

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

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

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

Published yesterday, the household budgets study, “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 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 (LKYSPP) and including Associate Professor Teo You Yenn, head of sociology at Nanyang Technological University, 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, for 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 healthcare. It should also enable a sense of

belonging, respect, security and independence and include freedom to participate in social activities, and engage in one’s cultural and religious practices.

The list, said researchers, reflected the norms and values held by Singaporeans today.

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 such as food and healthcare.

The overall shape of the household budgets was strikingly similar to retired households’ actual expenditure patterns, said researchers. But the budgets had larger recreation and culture components, and smaller healthcare components, as the study assumed good health.

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.

For instance, while the median monthly work income of full-time workers aged 60 and above was \$2,000 in 2017, the median monthly work income of cleaners and labourers in the same age group was \$1,200 that year, the study said.

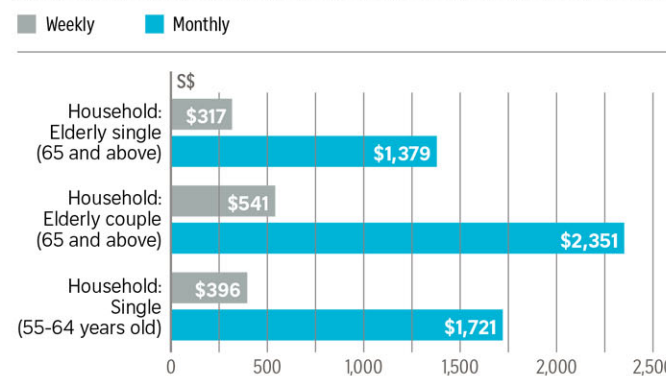
Only 55 per cent of persons turning 55 had enough savings in their CPF accounts to fulfil the Basic Retirement Sum in 2013, meaning that around half will not even receive the basic annuity of less than \$800 a month, the study added.

Prof Ng said that while the study did not look into how many people relied only on government assistance and handouts from social organisations to meet these needs, Singapore may face constraints if it continues to promote family as a primary source of income for the elderly, as household sizes shrink.

It is key to ensure that other income sources, such as wages, are adequate, he said.

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Total household budget to meet basic standards of living*



NOTE: *This includes other needs such as expenses for holidays and social activities

Source: WHAT OLDER PEOPLE NEED IN SINGAPORE: A HOUSEHOLD BUDGETS STUDY
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