A Man is Not a Financial Plan: Women's Income Security and Care in Old Age

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Introduction

- It is projected that with the CPF Minimum Sum of $131,000, older persons aged 65+ in the 20th – 40th percentile of the income distribution will receive an adequate monthly retirement income of $1,100 for life (CPF, 2012).
- But what about older women with interrupted work histories?
- How realistic are women's expectations about growing old and remaining financially secure?

True or False?

1. Singaporean women can expect a secure retirement.
2. CPF balances are the same for retired men and women.
3. Older women and men can depend 100% on their children for financial support in old age.
4. Your husband's retirement savings guarantees your own economic well-being as you age.
5. Men and women over the age of 85 tend to outlive their savings at the same time.

1 = False; 2 = False; 3 = False; 4 = False; 5 = False

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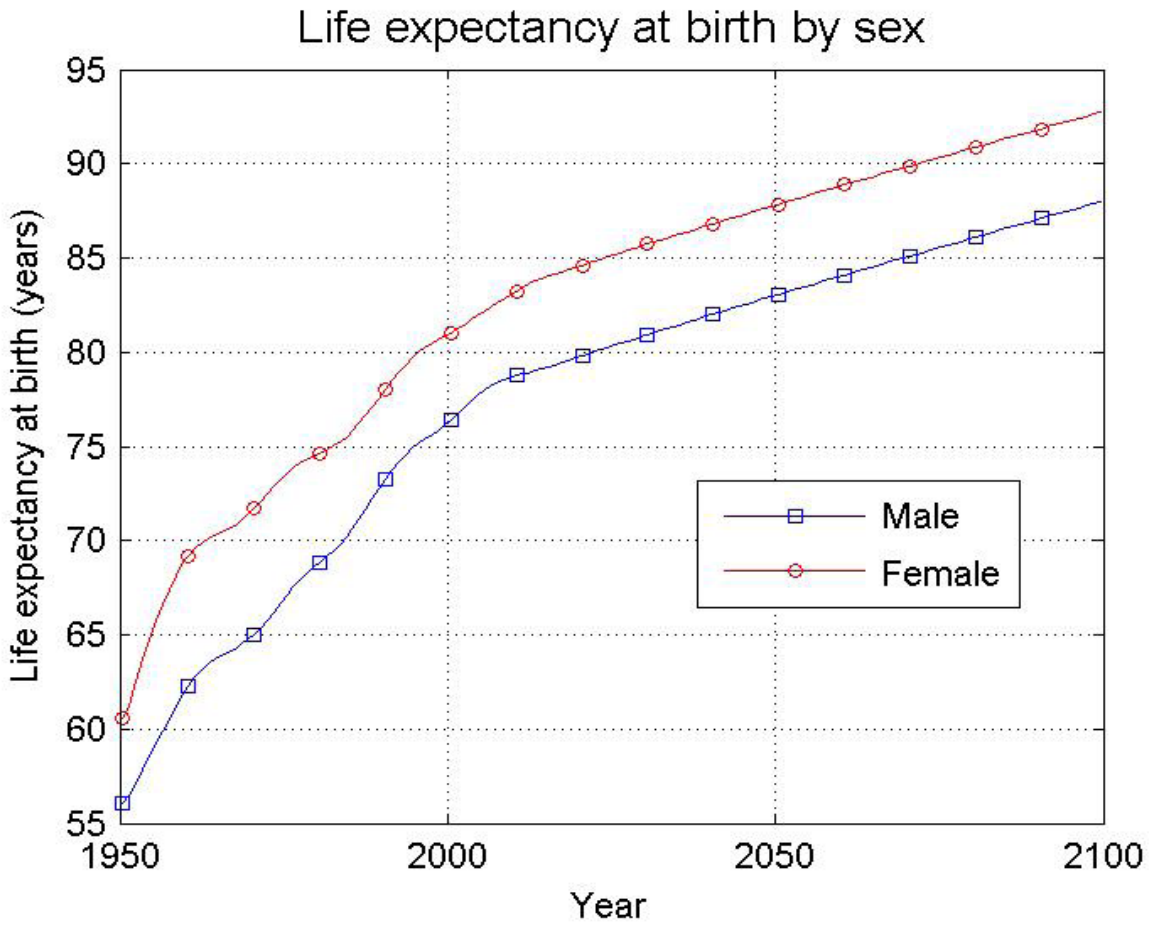
Retirement is not the same for Singaporean men and women since women on average live longer than men



United Nations Department of Economic and Social Affairs/Population Division

2 *World Population Prospects: The 2010, Volume II: Demographic Profiles*

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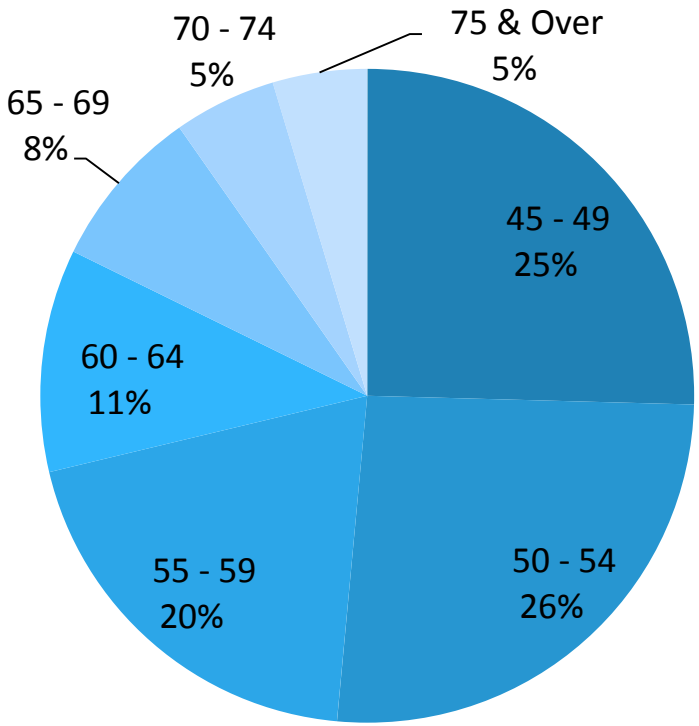
Women across the age groups tend to be homemakers



Notes: N = 181,543 Source: Singapore Department of Statistics General Household Survey 2005

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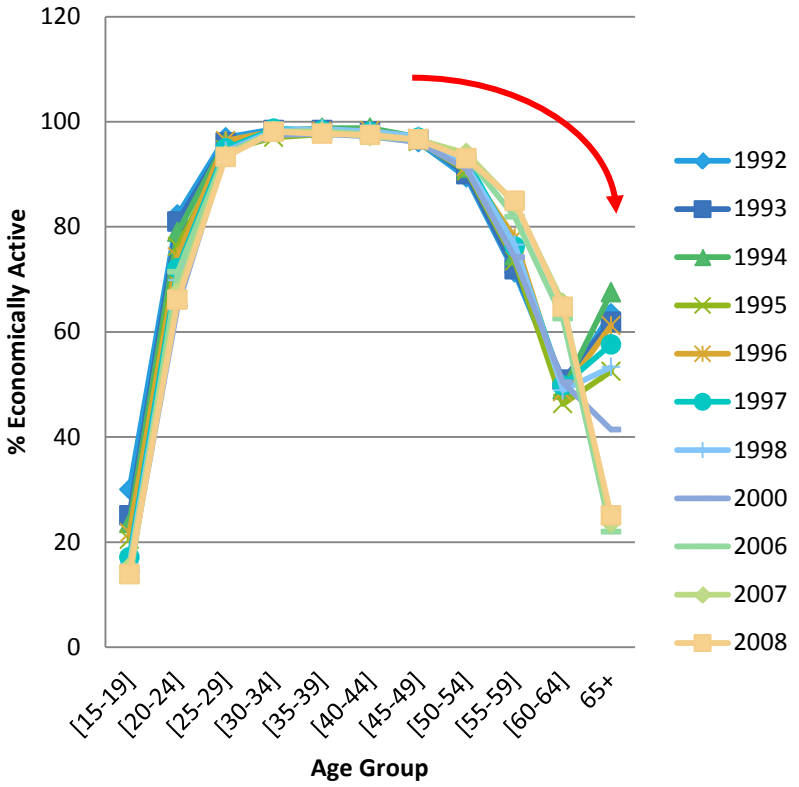
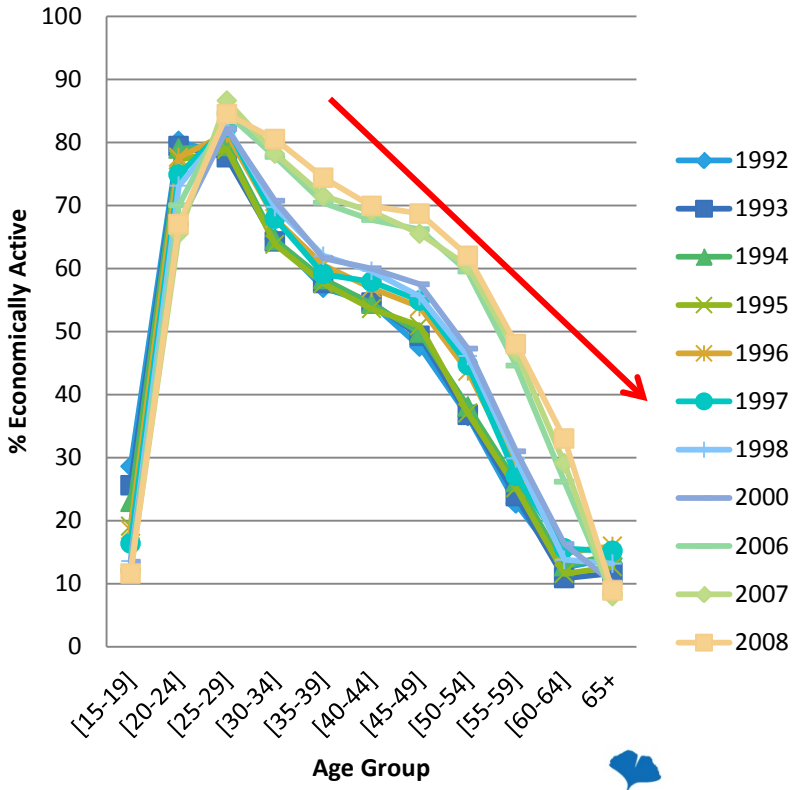
Women are less economically active than men across the working age 15 – 65+

Men, 15 – 65+



Women, 15 – 65+



Source: International Labor Organization (ILO), Labor Statistics 2010

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Smaller Household is the Norm

Living Arrangements, Age 65+ (%)	2000		2010	
	Male	Female	Male	Female
Living with spouse	73.7	32.0	76.8	37.9
Living alone	5.7	7.2	6.3	9.6
Living with children	15.1	54.6	12.1	45.9
Other living arrangements	5.5	6.2	4.8	6.6
Total	100	100	100	100

Source: Singapore Census of Population 2000 and Singapore Census of Population 2010

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Less Financial Support from Children

Main Sources of Financial Support (%)	2000	2010
Financial transfers from children	75.0	62.8
Financial transfers from spouse	2.3	3.2
Income from employment	9.9	12.3
Savings	8.0	10.0
Income from rental, dividends or trusts	0.007	2.9
Other sources including CPF	4.7	8.1
Total	100	100

Source: Singapore Census of Population 2000 and Singapore Census of Population 2010

Increased Dependence on Income from Employment

Main Sources of Financial Support (%)	2000	2010
Financial transfers from children	75.0	62.8
Financial transfers from spouse	2.3	3.2
Income from employment	9.9	12.3
Savings	8.0	10.0
Income from rental, dividends or trusts	0.007	2.9
Other sources including CPF	4.7	8.1
Total	100	100

Source: Singapore Census of Population 2000 and Singapore Census of Population 2010

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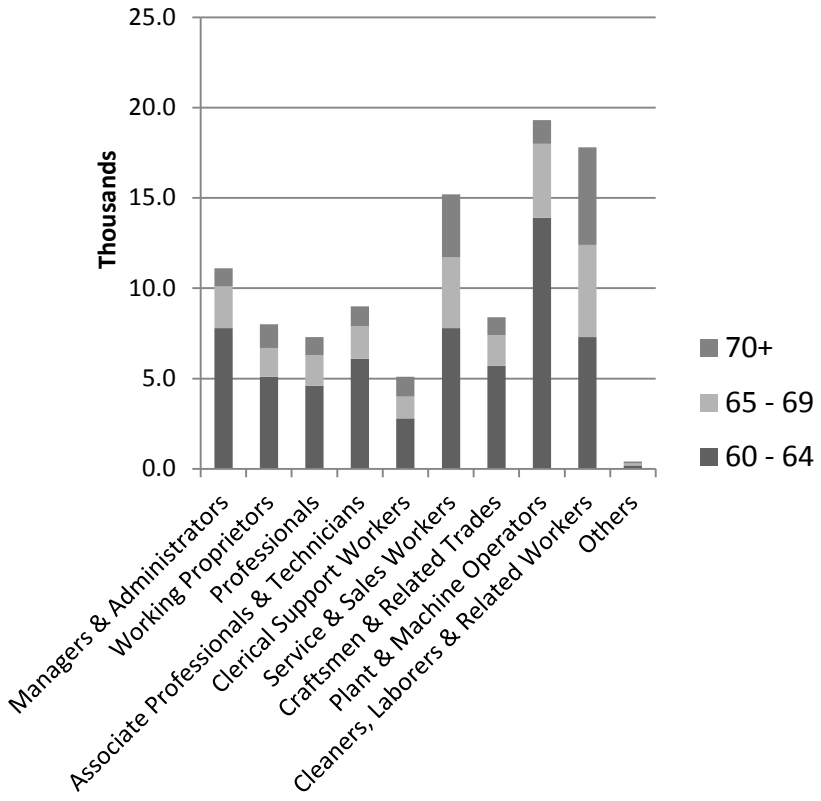
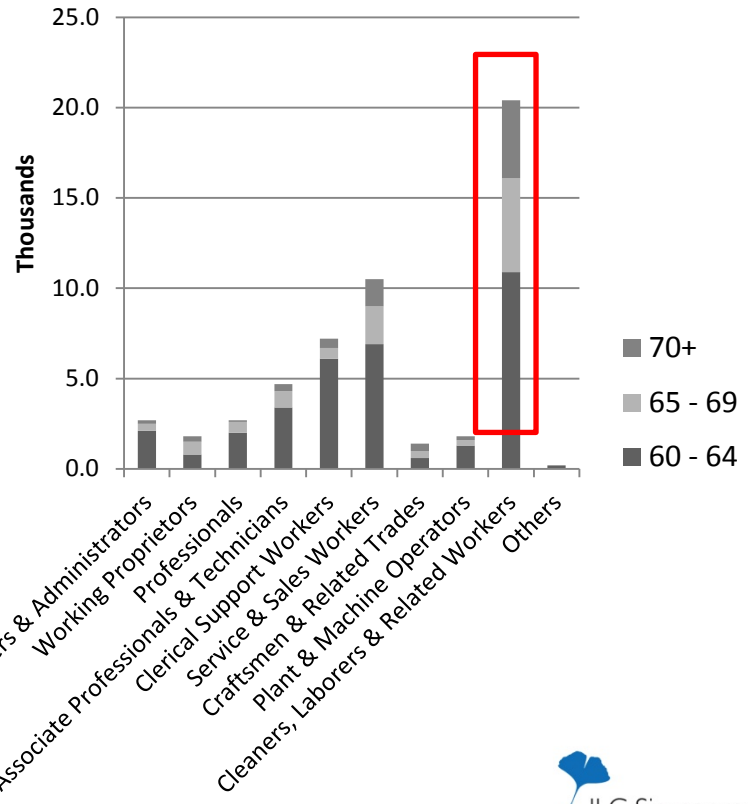
But…Older Women 60+ Tend to be in Lower Skilled and Lower Paid Occupations

Older Men 60+



Older Women 60+



Source: Singapore Ministry of Manpower Report on the Labor Force in Singapore 2010

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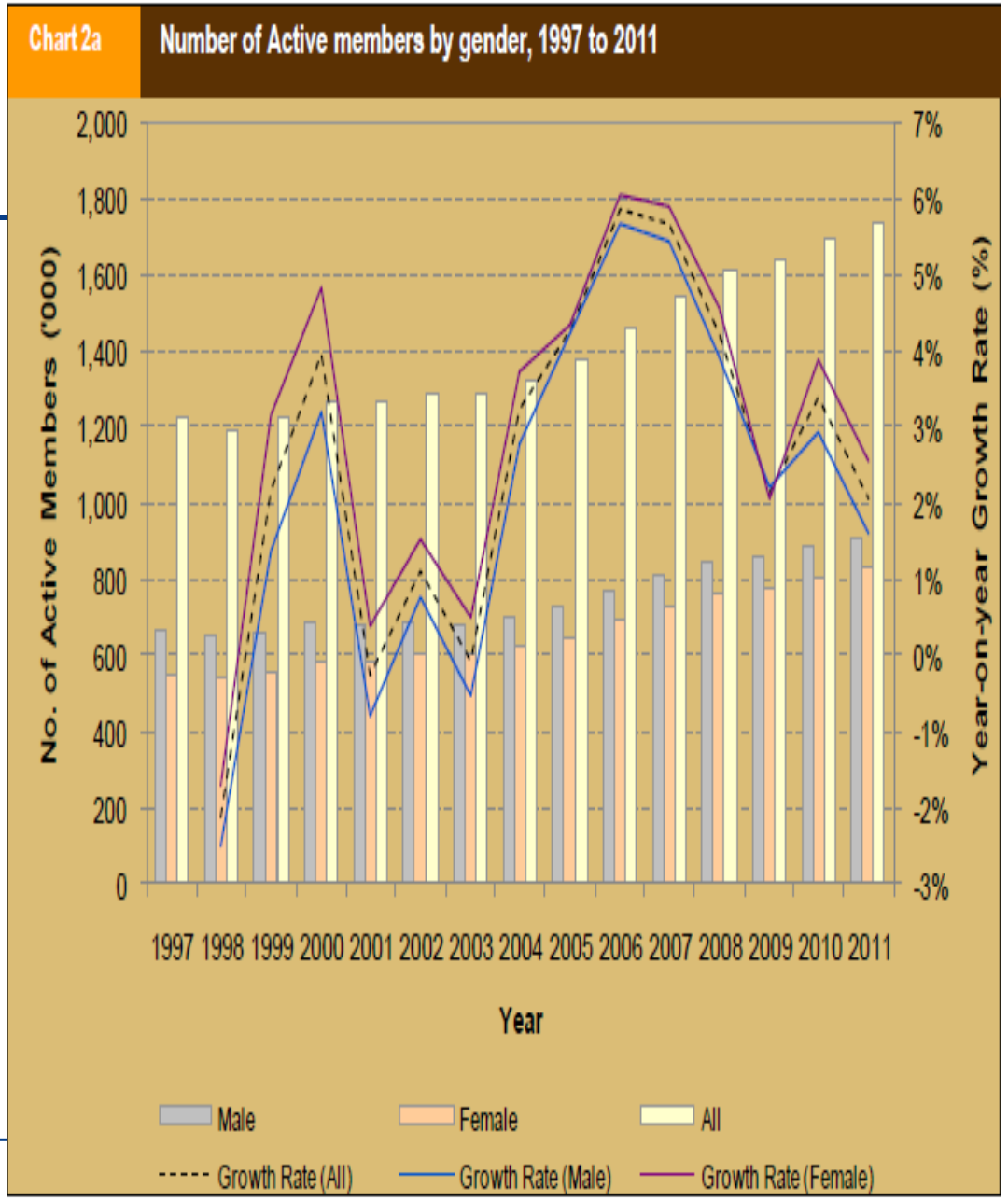
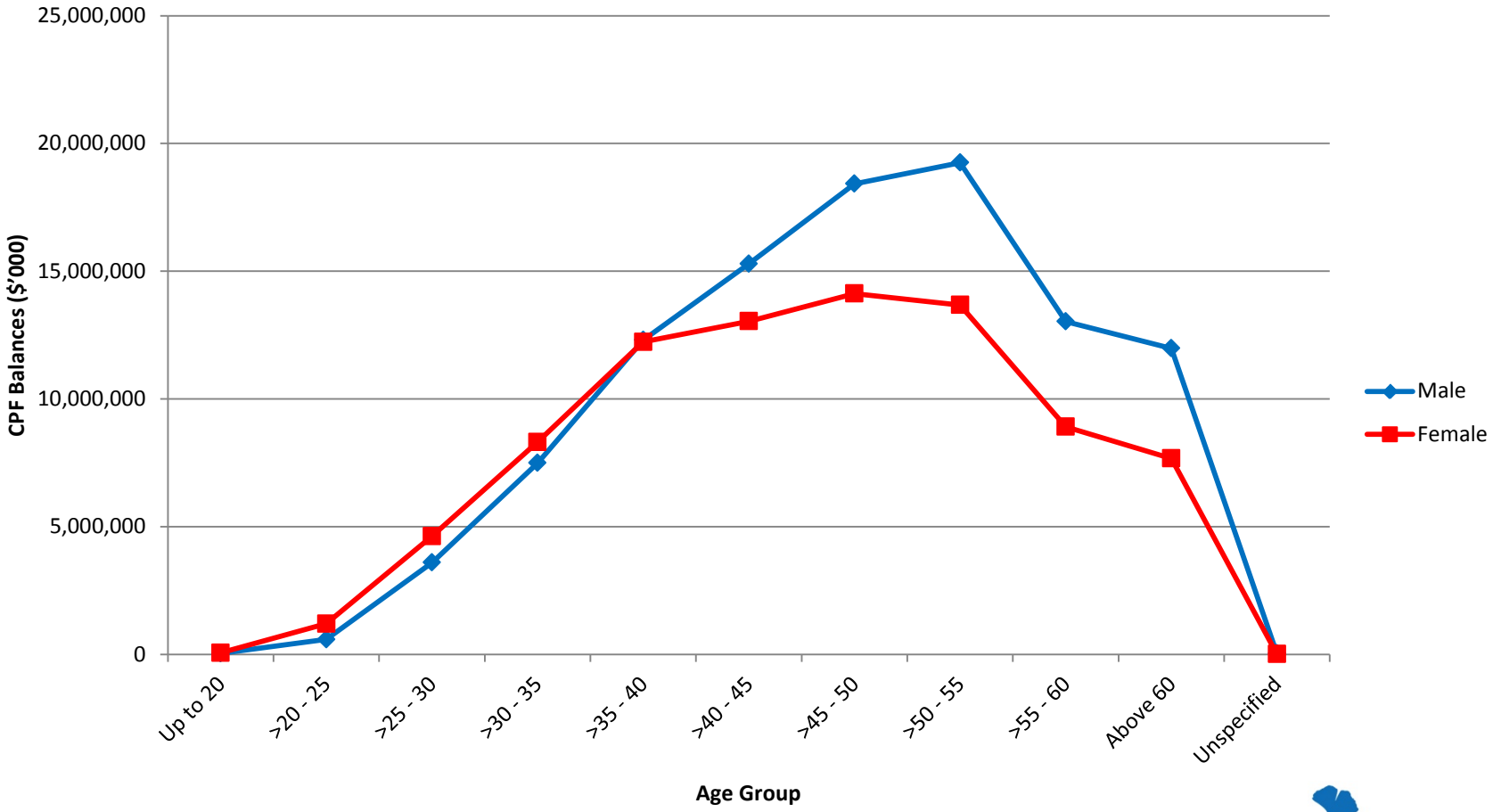
Is it Different for the Younger Generation of Women < 60? Perhaps…

- From 1997 – 2011, the number of active female members each year has grown faster than for the number of active male members (CPF)
- But this is an incomplete picture. What are the CPF balances for active female members? Is it:

1. Less compared to male members?
2. The same as male members?
3. More compared to male members?



Female members <40 have higher CPF balances than male members



Source: CPF Annual Report 2010 Annex H

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Improving financial security for Singaporean women will consist of two market segments

Women ≥40, Less Economically Active

Women 20 – 39, More Economically Active

Summary of issues to be considered for women's income security and care in old age

1. Older women with interrupted work histories (care for the family, homemakers or part-time work only) can no longer just depend on their husbands and children for retirement. Rethink the status quo.
2. What can be done to cover the retirement savings gap for older women? Public and / or private sector solutions?
3. The new generation of younger women aged <40 are working more and likely to be self-sufficient compared to the older generation.
4. What can be done to keep younger women on the right track towards self-sufficiency in old age?

Thank you very much!

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