

Speech by Senior Minister of State Josephine Teo at the 2nd Multipartite Regional Meeting on Financial Security of Older Women in the East and Southeast Asia, 10 Oct 2016

Partners from the Tsao Foundation and Citi Foundation,

Ladies and Gentlemen,

Good morning.

The challenge of ensuring that women have financial security in their elder years is one that deserves serious consideration, and I am pleased to have the opportunity to speak with you about it.

In Singapore today, nearly 14 per cent of our citizens are aged 65 and above, a significant increase compared with around 10 per cent just a decade ago.¹ Our population will continue to age. It is expected that by 2030, Singapore will join the club of “super-aged” countries, where one in five people are aged 65 or older.²

A society with more aged people will be a reality in many countries around the world. I am heartened to see participants from the region here with us today, because I believe we all share the same desire to help our people age well and to be better prepared as societies for the new reality.

Supporting Women in Fulfilling Their Aspirations

Women in Asia have come a long way. We are achieving higher educational levels and taking advantage of expanding socio-economic opportunities.

In Singapore, our female resident labour force participation rate has grown significantly, from only 25 per cent in the 1960s to around 60 per cent in 2015.³

Even so, we are cognizant that across Asia, women are more likely than men to experience poverty and be disadvantaged in their old age. For example, in urban China, poverty rates among older women are three to four times higher than among older men. In the European Union, the poverty rate of elderly women is 37 per cent higher than that of elderly men.⁴ Generally, women experience more interruptions to employment as they are more likely to be responsible for family caregiving, whether for children or elders.

More women today aspire to have fulfilling careers, in addition to family life. As societies, it is critical that we provide stronger support for women to achieve these goals.

From a social perspective, women need the assurance of support to plan for marriage and parenthood. At the same time, from an economic perspective, it makes sense to tap on the potential and strengths of women. This is also important in ensuring retirement adequacy for women, especially as life expectancies increase and women continue to outlive men.

The right to aspire and the desire to make the most of life is not limited to the younger generation. Older women, as much as younger ones, want their lives to matter.

That is why I fully support the Tsao Foundation’s tagline ‘Longevity is opportunity’. To my mind,

longer life brings opportunities to explore more possibilities and acquire new experiences. It means more time to pursue personal interests, to learn new skills, to enjoy new careers, and to build deep, meaningful relationships with family and friends.

However, longevity without financial adequacy would limit opportunities. That is why building up towards retirement adequacy is so important.

Ensuring Retirement Adequacy through Savings

In Singapore, our comprehensive social security savings scheme, the Central Provident Fund (CPF), is primarily accumulated via employer and employee contributions. While the disparity in average net CPF balances between men and women has narrowed over the years⁵, we can do more to help our current cohort of older women prepare for retirement.

One measure is the CPF Lifelong Income for the Elderly scheme, or CPF Life, an annuity scheme which ensures a lifelong monthly pay-out for those with CPF Retirement Account balances.⁶

For women who are homemakers and have little in their CPF, we have made it easier for Singaporeans to transfer their CPF savings to their spouses.

Apart from building up contributions to savings, we introduced the Silver Housing Bonus in 2013 to help seniors supplement their retirement incomes through right-sizing their homes. The Government supports the efforts of such home-owners by providing additional top ups to their CPF Retirement Account.⁷

For lower-income seniors who were not able to accumulate much savings during their working lives, we introduced the Silver Support Scheme in 2015. This provides a quarterly cash supplement to the bottom 20 per cent of elderly Singaporeans. They will automatically receive their cash supplement, as there is no need to apply. This scheme will benefit more than 140,000 elderly Singaporeans in 2016.

We recognise that many of our seniors want to stay active, to keep working and learning. In this era of continuous disruptions, our skills need constant refreshing and the Government has sought to create the right platforms to facilitate employment of our seniors.

Our Ministerial Committee on Ageing has come up with The Action Plan for Successful Ageing to offer a wide range of learning opportunities for seniors to keep healthy, and continue learning and developing.⁸

Beyond learning for interest, we also provide appropriate employment training and work preparation, so that older Singaporeans of all skill levels remain employable. We introduced the WorkPro scheme in 2013 to encourage employers to implement age-friendly

In 2007, the Workfare Income Supplement (WIS) scheme was introduced as a permanent feature of Singapore's social security system. WIS rewards regular work and individual effort by providing cash and CPF payouts to help with expenditure needs and retirement savings of older lower-wage workers. The WIS is complemented by the Workfare Training Support (WTS) scheme, which helps older lower-wage workers upgrade their skills and attain better employability and earning potential.

I am happy to share that our efforts in creating a more elder-friendly working environment has paid off. More seniors have been able to remain in or return to the workforce. Last year, more than 40 per cent of seniors aged 65 to 69 were still working, compared with just 24 per cent a decade ago.⁹

Contributions from Our Grassroots and Community Organisations

Today, I would also like to acknowledge the good work of our grassroots and community organisations, who have played a big part in advocating for financial literacy to our seniors.

For example, Singapore's largest women's grassroots organisation, the People's Association Women's Integration Network, has adapted the Citi-Tsao Foundation Financial Education Programme for Mature Women to help them become more financially secure in their old age. The programme has trained more than 2,500 women in financial literacy, and reached out to 6,000 more in various short introductory sessions. I understand that this programme has since been adopted in 6 provinces in Indonesia.

Grassroots and community efforts are able to bring in many more helping hands and serve as a powerful complement to policy interventions.

I am glad to see more such efforts emerging, such as the Tsao Foundation's "Build Your Own Nest" or BYON programme, where women save money into their CPF Special Account on a monthly basis with matching contributions by Tsao Foundation. The Tsao Foundation has recently completed a study on the effectiveness of such a matched savings scheme, and I look forward to them sharing the results which I believe will provide useful insights for everyone here.

I hope that on-going exchanges between community organisations, researchers and policymakers, such as through today's forum, will continue and spur innovative new efforts to enhance the financial security of older women.

Closing Remarks

Let me conclude. Longevity provides opportunities we don't want to miss. To fully realise the benefits of longevity, we need innovative and supportive policies, as well as active ground-up initiatives from employers and community organisations, to strengthen the financial security of older women. I hope the discussions and actions arising from this meeting will make a contribution to improving the lives of older women all over the world.

I thank Tsao Foundation, Citi Foundation and the Regional Network partners from Indonesia, Malaysia, Philippines, Thailand, Vietnam, Hong Kong and Brunei Darussalam for this advocacy on financial security for women. I wish you a very fruitful and productive meeting.

Thank you.

¹ NPTD Population in Brief 2016, 2016. <http://www.nptd.gov.sg/Portals/0/Homepage/Highlights/population-in-brief-2016.pdf>

² Population SG. Feng Zengkun. "Singapore's Silver Age", 3 August 2016. <https://www.population.sg/articles/singapores-silver-age>

³ Ministry of Manpower, 2016. "Time Series Table: Labour Force". <http://stats.mom.gov.sg/Pages/LabourForceTimeSeries.aspx>

⁴ UN Women, 2015. "Expert's take: Old age – a double whammy for women?" <http://www.unwomen.org/en/news/stories/2015/9/experts-take-old-age-a-double-whammy-for-women>
<http://progress.unwomen.org/en/2015/pdf/ch3.pdf>

⁵ Central Provident Fund Board, 2014. "Analysis of Balances of CPF Members by Gender" https://www.cpf.gov.sg/Assets/members/Documents/CPFTrends_AnalysisOfBalancesByGender2013.pdf

⁶ Central Provident Fund Board, 2016. "CPF: Your Assurance in Retirement"
https://www.cpf.gov.sg/Assets/members/Documents/CPF_Retirement_Booklet.pdf

⁷ Housing and Development Board, 2016. "Right-sizing with Silvering Housing Bonus"
<http://www.hdb.gov.sg/cs/infoweb/residential/living-in-an-hdb-flat/for-our-seniors/right-size-with-silverhousing-bonus>

⁸ Ministry of Health, 2015. "\$3billion Action Plan to Enable Singaporeans to Age Successfully"
https://www.moh.gov.sg/content/moh_web/home/pressRoom/pressRoomItemRelease/2015/-3billionaction-plan-to-enable-singaporeans-to-age-successfully.html

⁹ The Times with stats provided by Ministry of Manpower, 2016. "More in Singapore remaining in workforce past 65"
<https://www.gov.sg/news/content/the-straits-times-more-in-singapore-remaining-in-workforce-past-65>