

SAWA's Budget Submission (2020)

Introduction

The Singapore Alliance for Women in Ageing (SAWA) is proud to present its first ever submission to the National Budget. We are an alliance of organisations (AWARE, Persatuan Pemudi Islam Singapura, Singapore Council of Women's Organisations, and the Tsao Foundation) that promote the independence, care, participation, dignity and self-fulfillment of older women. We were established in 2018 to bring public attention to the gendered nature of ageing.

As the population in Singapore ages, more and more older people are living with chronic health problems, declining ability to live independently, and frailty. The proportion of older adults with three or more chronic diseases has nearly doubled from 2009 to 2017.¹ Moreover, as the life expectancy increases in Singapore, so does the number of years spent in poor health. Singaporeans born in 2017 can “expect to live for 84.8 years, but 10.6 of those years would be spent in poor health.”² In comparison, those born in 1990 are expected to spend nine years in poor health.³ One in two Singaporeans at the age of 65 are expected to become severely disabled by the end of their lives.

These numbers are worse for women, who on average, live longer than men, and are more likely to develop age-related illnesses. From 2013 - 2017, the sex ratio of resident seniors aged 65 years and above was 800 men to a thousand women.⁴ More women are likely to be severely disabled than men, and they are likely to spend more time living in disability.⁵ While 2 in 5 healthy men at age 65 are expected to become severely disabled by the end of their lives, the number for women is 3 in 5. Researchers have also estimated based on a longitudinal survey of older Singaporeans in 2009 and 2011 to 2012, women aged 60 are expected to spend 7.8 years requiring assistance with any of the ADLs compared to 2.6 years for men aged 60.

Beyond the physical and physiological aspects of ageing, men and women age differently in social and economic terms as well, because of the inequality in men and women's caregiving

¹ Chan, Angelique, Malhotra, Rahul, Manap, Normala Bte, Ting, Yi Yuan, Visaria, Abhijit, Cheng Grand Hak-Land, Goh, Veronica Shi Min, Tay, Peter Kay Chi, Lee, June May Ling and Ad Maulod, Transitions in Health, Employment, Social Engagement And Intergenerational Transfers In Singapore Study (THE SIGNS Study) – I: Descriptive Statistics and Analysis of Key Aspects of Successful Ageing, (Singapore: Centre for Ageing Research and Education, Duke-NUS Medical School, 2018)

² Singaporeans have the world's longest life expectancy at 84.8 years, The Straits Times, June 20, 2019. Accessed here on 12 December 2019: <https://www.straitstimes.com/singapore/health/singapore-tops-in-life-expectancy-at-848-years>

³ Ibid

⁴ Elderly, youth and gender profile, Department of Statistics Singapore. Accessed on August 23, 2018: <https://www.singstat.gov.sg/find-data/search-by-theme/population/elderly-youth-and-gender-profile/latest-data>

⁵ Women live longer, but not as well as men, in their golden years, study finds, CNN. Accessed on August 23, 2018: <https://edition.cnn.com/2016/03/17/health/women-live-longer-more-disabilities-study/index.html>

responsibilities. Ageing men and women will receive care from relatives, most likely their daughters/daughters-in-law, who will face huge difficulties and dilemmas as they attempt to accommodate the older person they are caring for and the demands of their employment relationship.

In 2018, 41.3% of women outside of the labour force cited ‘family responsibilities’ (childcare, housework, caregiving to families/relatives) as the main reason, whereas only 3.8% of men outside of labour force cited the same reason.⁶ The impact of caregiving on a woman’s ability to work during her productive years is evident in her old age as women are more likely to age into poverty.⁷ The gap between men’s and women’s average CPF balances is still significant at 11% in 2016, though it has narrowed over the past decade.⁸

We appreciate the many initiatives - Careshield Life, Medisave withdrawals for Long-Term Care, Home Caregiving Grant, and Elderfund, to name a few - that the Government has taken to address the fast changing demographics of Singapore. However, these initiatives do not fully take into account gender and life-course perspectives, which would involve considering the importance of earlier life experiences for explaining behaviour later in life. So while CareShield Life offers gender-differentiated premiums on the grounds that women live longer and in poorer health, without a life course perspective⁹ it does not account for how caregiving earlier in life impacts their financial security in retirement.

We call upon the government to adopt a gender and life-course approach to ageing. Our recommendations address the needs of working caregiving so that caregiving earlier in life does not compromise women’s ability to care for themselves in old age, and to ensure that caregivers have an adequate financial net for their retirements.

Policy recommendations to address the needs of working caregivers:

1. Legislate the right to request flexible work arrangements
2. Conversion of paid childcare leave to family care leave

Policy recommendations to help caregivers meet their financial needs in retirement:

3. Make CareShield premiums gender-neutral
4. Introduce a matched savings scheme for women outside the labour force

⁶ Labour Force Survey 2018, MOM.

⁷ Incomes and poverty during old age in Singapore (unpublished book chapter for Tsao Foundation), December 2015, Kok Hoe, Ng.

⁸ CPF Trends: Analysis of CPF Members’ Balances by Gender, Management Information Department. Accessed on August 23, 2018:

https://www.cpf.gov.sg/Assets/members/Documents/CPFTrends_AnalysisofCPFMembersBalancesbyGender2017.pdf

⁹ The life course perspective relies on these key concepts, such as cohort, transition, trajectory, life-event, turning point to explain how chronological age, relationships, common life transitions, and social change shape people’s lives from birth to death.

All policy recommendations are based on extensive primary and secondary research, and draw upon recent and current research studies by SAWA members.

Section 1: Legislate the right to request flexible work arrangements (FWA)

Singapore's economy loses dedicated and experienced talent when employees are caught between eldercare and their careers. In 2018, women leaving the workforce early gave caregiving for relatives as their main reason (58.9%) compared to only 10.4% of men.¹⁰ In AWARE's 2019 research Make Care Count¹¹, two-thirds of the respondents left work or changed their careers to continue eldercare. Most wanted to return to work but expressed serious concerns over combining work with the demands of eldercare.¹²

Eldercare is a different employment challenge than childcare because the number of employable years for caregivers of elderly after their caregiving responsibilities are over is significantly shorter than women who care for children. We know that 75% of those providing care are aged 50 and above, and the median time out of work for caregivers is nine years.¹³ This means that caregivers are likely to be aged 60 and above when they look to re-enter the market.

Several experts, such as Professor Wei-Jun Jean Yeung, have highlighted how ageism in Singapore's workplaces continues to undermine the employment of older workers despite evidence that physical ability and cognitive skills do not decline markedly until between 70 and 80 years old.¹⁴

The demand to work among caregivers is high, with a 2017 NTUC study of more than 500 stay-at-home women, aged between 25 and 54, finding that two-thirds wanted to return to work in flexi-work arrangements.¹⁵ The supply of such jobs in Singapore's tight labour economy however remains limited. Singapore has a very small part-time workforce proportion at only 10.9% of the employed workforce in 2018¹⁶, compared to 23.2% in the UK, 22% in Germany and 18.7% in Japan.¹⁷

¹⁰ Comprehensive Labour Force Survey, 2018, Ministry of Manpower

¹¹ Make Care Count, AWARE, 2018. Accessed on 12 December 2019 :https://d2t1lspzrtif2.cloudfront.net/wp-content/uploads/Aware_Eldercare-Research-Report-8-10-19.pdf

¹² Ibid

¹³ Josephine Teo, Minister for Manpower, Written Answer by Mrs Josephine Teo Minister for Manpower to Parliamentary Question on women out of the labour force, (Ministry of Manpower, Singapore, 2019).

¹⁴ Time to counter ageism in the workplace, Prof. Wei-Jun Jean Yeung, National University of Singapore. Accessed on 12 December: <https://www.fas.nus.edu.sg/srn/archives/60641>

¹⁵ NTUC seeks tripartite effort to open the way for about 35,000 non-working mature women to work, NTUC.

Accessed on 12 December 2019: https://www.ntuc.org.sg/wps/portal/up2/home/news/mediareleases/mediareleasesdetails?WCM_GLOBAL_CONTEXT=/Content_Library/ntuc/home/about%20ntuc/newsroom/media%20releases/b86c7689-1434-4203-9127-26c7b5e76f8d

¹⁶ Comprehensive Labour Force Survey, 2018, Ministry of Manpower

¹⁷ OECD (2019), Part-time employment rate (indicator). doi: 10.1787/f2ad596c-en. Accessed on 12 December 2019

The government's Tripartite Standards on Flexible Work Arrangements have opened a pathway for businesses to follow but the take-up has been relatively low. Furthermore, without enforcement, FWA risks becoming a policy that is only offered on paper. There is no national level data on FWA utilisation as yet, so the total impact of FWA on staff retention in Singapore is unknown. Demand for FWA goes beyond caregivers, as 74% of Singapore employees wanted flexible work arrangements which their workplace did not offer, according to a Randstad 2018 survey.¹⁸

We propose that the government introduce Flexible Work Arrangements right-to-request legislation as has been successfully introduced in the UK, New Zealand, Canada and Australia. This would return currently-excluded labour to our economy and introduce new flexibility and competitiveness to our workplaces.

The right to request legislation would come into force for fulltime and part-time staff on confirmation, with the right to request flexible work arrangements up to three times per year with advance notice of two months, waived in emergencies. Employers could refuse on limited business grounds clearly defined by an external Employee Mediation Board that would hear appeals.

The government should also provide guidelines and training for formalised HR processes and what constitutes a legitimate business case to reject an FWA request, and a national education campaign for employees on FWA rights.

The right to request should include the right to ask for the four types of Flexible Work Arrangements: part-time work, job-sharing, compressed week and telecommuting. We ask that the government consider including the right to request returning to full-time work as caregiving needs end.

Research shows that utilisation of FWAs is low due to bias by middle management and HR that stresses the need for "facetime" at the office for performance appraisal, bias against part-timers and reluctance to change the status quo.¹⁹ Without equal mandated access, those most in need, older women, are likely to be denied access to FWA and will have no choice but to exit the workforce to balance their work and caregiving responsibilities. In a 2013 NTUC survey, three quarters of the caregivers interviewed who were not working said "they would have reconsidered their decision to quit if they were given flexi-work arrangement options."²⁰

In New Zealand, all employees have the right to request a variation of their working arrangement from their first day of employment under the Employment Relations Act 2000.

¹⁸ Radstad workmonitor, 2018. Accessed on 12 December 2019: <https://www.randstad.com.sg/about-us/news/singapore-employers-and-employees-attuned-to-agile-working-randstad-workmonitor-research/>

¹⁹ Human Resources Director, How many SG employees are in flexible working arrangements?, (HRD, 2017). Accessed on 12 December 2019: <https://www.hcamag.com/asia/news/general/howmany-sg-employees-are-in-flexible-working-arrangements/149210>

²⁰ 3 out of 4 caregivers lack eldercare leave: Poll, The Straits Times, Oct 6 2013. Accessed on 12 December 2019: <https://www.straitstimes.com/singapore/3-out-of-4-caregivers-lack-eldercare-leave-poll>

Employers are obliged to respond within one month of the request with limited reasons to refuse requests. Many detractors of FWA argue that the costs of flexibility are too high for business. On the contrary, research demonstrates that when applied thoughtfully, FWA can boost productivity.

In New Zealand, for example, 70% of employers reported having employees on flexible work arrangements. Of these, 76% reported that they did not incur any costs and 87% reported that such arrangements had a positive impact. Of those employers who said they had incurred some costs associated with flexible work arrangements, a majority said that these costs were reasonable.²¹

By introducing the FWA right to request, we will also push companies to adopt newer HR processes that follow better performance assessments than simply being present in an office, increasing their business skills and competitiveness. Businesses will be able to retain valued staff through caregiving experiences and lower their long-term costs of employee retention and training. As a nationwide legislation, this equalises the competitive flexibility and offers it to all businesses in Singapore with the reasonable business grounds refusal clause.

Introducing a right to request Flexible Work Arrangements legislation will remove a serious barrier to work for a sizeable and experienced labour pool in Singapore. For women providing eldercare, FWA legislation would allow them to remain in their careers for longer and return to work faster, increasing their opportunity to save more for retirement. The overall benefits of FWA are neutral to positive, with a high impact shown on employee satisfaction and retention.²² The right to request FWA legislation has a network impact with a wider and better effect when mandated as it is mainstreamed and normalised.

Section 2: Conversion of paid childcare leave to family care leave

Unpaid caregiving leave is not sufficient for carers as they must use up their own personal and medical leave, leading to caregiver burnout and health problems, and even eventual exit from the workforce. The unpredictable and recurring healthcare needs of the elderly may require urgent leave that cannot be scheduled ahead.

As Singapore's population rapidly ages and eldercare responsibilities increase among our workforce, converting six days of paid childcare leave to family care leave sends a clear message to the working caregivers that the government and businesses recognize and value their contributions both to the economy and their families.

²¹ Flexible Workplace Futures: Flexible Work, Working for You and Your Business, Government of South Australia. Accessed on 12 December 2019: https://eoc.sa.gov.au/sites/default/files/inline-files/Flexible_Workplace_Futures_Package_0.pdf

²² SHRM Research: Flexible Work Arrangements. Accessed on 12 December 2019: <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/Flexible%20Work%20Arrangements.pdf>

In Singapore, family leave that allows for caregiving of relatives is voluntary, unlike childcare leave that is mandated at six days paid per parent for Singapore citizens. In 2008, only 20.3% of companies offered some type of paid family care leave.²³

While the Tripartite Standard on Unpaid Leave for Unexpected Care Needs outlines why it might be useful for employers to offer caregiving leave, ultimately it is left to the goodwill of companies and managers to follow it in practice. In AWARE's 2019 research, working caregivers reported using up their personal medical and annual leave, which is consistent with the advice that the Tripartite Standard mentioned above offers²⁴. Respondents cited lack of paid eldercare leave as a stress point in work and a contributing factor in leaving the workforce.

Another reason caregivers may be discouraged from using unpaid caregiving leave is that there is no surety that they can return to their jobs and at the same wage. This issue is explicitly recognised by the United States' Family and Medical Leave Act (FMLA) of 1993, which allows workers to take up to a 12-week unpaid leave to care for an ill family member and guarantees the worker will return to his/her job at the same wage. This policy removes the uncertainty about their jobs after the leave and encourages more full and part-time work for women.²⁵ If the Singapore government believes that providing paid eldercare leave is unsustainable from a business point of view—although research shows that paid family caregiving is an important factor in employment recruitment and retention, and can improve productivity and reduce absenteeism²⁶—a possible halfway house solution could be to ask employers to provide job security at the same wage for those who take unpaid caregiving leave.

There are many benefits to converting paid childcare to family care leave: a) It reduces the financial burden on caregivers directly through reducing unpaid leave use; b) It allows caregivers to use their medical leave for their own health. This will be especially useful for female caregivers, who face additional health risks due to caregiving-related stress,²⁷ and thus more likely to develop chronic health conditions, increasing their own healthcare costs, especially in later life. Access to medical leave is also a public health need as caregivers are otherwise forced to work while sick; c) It will encourage caregivers to utilise their annual leave for the purpose of rest to prevent caregiver burnout, increasing their productivity at work and home and preventing them from leaving the workforce or worsening health.

²³ Fann Sim, More companies offering flexible work arrangements: MOM report, (Channel NewsAsia, 2019). Accessed on 12 December 2019: <https://www.channelnewsasia.com/news/singapore/manpower-flexible-work-arrangement-annual-leave-report-11128916>

²⁴ "While employees are encouraged to first utilise their statutory leave, employers can be more compassionate and provide additional unpaid leave to support employees during such stressful periods." Tripartite Standard on Unpaid Leave for Unexpected Care Needs. Accessed on 12 December 2019: <https://www.tal.sg/tafep/getting-started/progressive/tripartite-standards#unpaid-leave>

²⁵ Family and Medical Leave, US Department of Labour, United States. Accessed on 12 December 2019: <https://www.dol.gov/general/topic/benefits-leave/fmla>

²⁶ For example, see David G. Allen, Phillip Bryant, and James M. Vardaman, Retaining Talent: Replacing Misconceptions with Evidence-based Strategies, *The Academy of Management Perspectives* 24, no. 2(2010): 28 - 64, Menasche Horowitz et al., Americans Widely Support Paid Family and Medical Leave

²⁷ Bevans, M., & Sternberg, E. M. (2012). Caregiving burden, stress, and health effects among family caregivers of adult cancer patients. *JAMA*, 307(4), 398–403. doi:10.1001/jama.2012.29

In France, all employees have access to extensive leave arrangements for those caring for relatives at the end of lives.²⁸ In Belgium, unpaid leave of up to 10 days per year is available for any unexpected or sudden circumstances including family illnesses, and benefits-paid leave in blocks of one to three months can be taken for up to 12 months full-time or 24 months part-time to look after seriously ill family members.²⁹ In Holland, short-term leave at 70% of pay for ten days a year can be used for looking after a parent.³⁰ Australia's National Employment Standards mandate 10 paid and two unpaid days of protected personal leave for employees to care for family, including parents and grandparents.

We call on the government to convert paid childcare to family care leave for Singapore citizens who are the primary caregiver and residing with an elderly immediate family member (to include parents, spouses/partners, and siblings)) over the age of 70 with an illness (e.g. cancer, dialysis) and/or disability

This would come into effect after they had worked for their employer or been self-employed at least 3 continuous months. Following the Childcare Leave model, payments could be capped at \$500 per day, including CPF contributions.

By converting paid childcare to family care leave, the state removes the negotiation of family leave from employees who are already struggling with career and filial care conflicts, and gives both businesses and employees a clear structure to manage childcare and eldercare caregiving responsibilities.

Section 3: Make CareShield premiums gender-neutral

Singapore is now the only country in the world to have a gender-segregated national disability scheme that marginalises women, the main caregivers and who are most likely to be disabled and financially vulnerable elderly.

The introduction of CareShield with its 30% higher premiums for women and identical monthly payouts for both men and women with disabilities in old age, has reinforced the view that women's caregiving contributions are economically irrelevant.

CareShield will replace our current ElderShield by mid-2020, automatically enrolling Singaporeans and PRs born between 1980 and 1990 and those turning 30 later. The new CareShield Life has higher monthly payouts starting at \$600 which will increase over time and last as long as the policyholders are severely disabled. The degree of severe disability has been

²⁸ France Labour Compliance Guide. Accessed on 11 December 2019: <https://www.replicon.com/regulation/france-labor-laws/>

²⁹ Brief overview of measures related to work-life balance in the European Union, OSE. Accessed on 12 December 2019: https://www.etuc.org/sites/default/files/press-release/file/2018-06/etuc_wlb_country_sheets_ose_final_19_01_2018.pdf

³⁰ Leave Schemes, Netherlands. Accessed on 11 December 2019: <https://business.gov.nl/regulation/leave-schemes/>

set at a steep level of a minimum of 3 or more ADLs, and those with mental health conditions like dementia, a major elderly condition requiring caregiving do not automatically qualify. The new scheme includes support measures for those who cannot afford the premiums and allows for payment of premiums from Medisave.

Ability to perform IADLs could also be taken into consideration when setting the eligibility criteria, as it allows for a more nuanced assessment of disability. Receiving financial resources earlier may allow those with mild or moderate disabilities to access rehabilitation services that could prevent the worsening of their conditions — an overall reduction in future healthcare costs.

The Ministry of Health (MOH) justified their gender-segregation of CareShield based on the life expectancy of women in Singapore being 85.4 years over 80.9 years for men, a 4.5 year difference. While women in Singapore as in the rest of the world, outlive men, Singaporean women experience more disability, while Singaporean men experience more disease.³¹ Although the study used by MOH also showed strong differences in elderly disability rates by ethnicity and education, the state has not suggested segregating CareShield by ethnicity nor education.³²

We call on the government to make CareShield Life premiums gender-neutral. The 30% higher premiums to be paid throughout the expected 37-years working life of a woman for CareShield are a \$1,860 penalty for being a woman in Singapore.

Women in Singapore already face structural inequalities in the workplace that lead to a recognized pay gap³³ that means they are more likely to retire with less savings and fewer resources, making them more vulnerable to financial stress and in need of a state safety support like CareShield for disability in their old age.

The higher premiums directly have the highest cost for the most disadvantaged group in CareShield. They also send a clear message that the contributions of women are not valued equally by the state. Women who provide the vast majority of caregiving to children, the disabled and the elderly in Singapore due to cultural norms, are also increasingly fulltime and part-time participants in the workforce, a double burden that results in financial costs as women earn less and spend more on family and caregiving compared to men, while also incurring

³¹ Yong, Vanessa & Saito, Yasuhiko & Chan, Angelique. (2011). Gender Differences in Health and Health Expectancies of Older Adults in Singapore: An Examination of Diseases, Impairments, and Functional Disabilities. *Journal of cross-cultural gerontology*. 26. 189-203. 10.1007/s10823-011-9143-0.

³² Chan, Angelique & Malhotra, Rahul & Matchar, David & Ma, Stefan & Saito, Yasuhiko. (2015). Gender, educational and ethnic differences in active life expectancy among older Singaporeans: Differences in active life expectancy. *Geriatrics & gerontology international*. 16. 10.1111/ggi.12493.

³³ Women in Singapore earn 13% less than men as gender wage gap persists: Glassdoor, The Straits Times, March 27, 2019. Accessed on 11 December 2019: <https://www.straitstimes.com/business/economy/women-in-singapore-earning-13-less-than-men-as-gender-wage-gap-persists-glassdoor>

healthcare issues. Caregivers show higher rates of fatigue, heart and chronic disease, stress and depression than non-caregivers, all major issues for women in Singapore.³⁴

While private insurance premiums are often gender-differentiated, private insurance also differentiates based on occupation such as the military, lifestyle factors such as smoking and weight, past medical history, and in some cases protected classes such as age and race, CareShield is a government provision for citizens and should not primarily be driven by concerns of profit. Otherwise, there would be no provision to include those unable to pay premiums.

There was widespread and vocal opposition to the introduction of the gender-segregated premiums in the press, parliament and online forums.³⁵ The detailed statistics and actuarial data behind the government's decision to introduce the world's first national long-term care insurance scheme with gender-segregated premiums have not been released for further clarification. Detailed data on the total number of women who are caregivers and the number of vulnerable elderly women who will be affected by the higher premiums are also not currently tracked or released.

The two nations cited in the EldersShield Review Committee report as comparisons for differentiated premiums, Japan and Germany, differentiate their premiums based on income, not gender.

Low enrolment by men who may refuse to pay slightly higher insurance premiums for the same payout for a gender-neutral averaged premium is a justification offered by the ministry for the gender-segregated premiums. Yet CareShield will be compulsory for those born in 1980 and after, making the refusal to enrol relevant only to the small segment of men born between 1955 and 1980, those who will pay comparatively fewer premiums and enjoy more immediate benefits.

PPIS conducted five focus group discussions (FGD) with a total of 30 participants, all women born after 1980. An overwhelming majority of participants (80%) said they were in favour of gender-neutral CareShield premiums, and 20% for an alternative differentiation such as means-testing, with none supporting the continuation of the current gender-segregation premiums. The lack of transparency around the actuarial data and the perceived devaluation of women's contribution to the nation through the symbolic exchange of the state's support in old age disability, were voiced as the most significant issues.

CareShield is an evolving policy that can be further developed to better reflect Singapore's values as a nation of equality and justice, built on traditional values of community and filial piety

³⁴ Committee on Family Caregiving for Older Adults; Board on Health Care Services; Health and Medicine Division; National Academies of Sciences, Engineering, and Medicine; Schulz R, Eden J, editors. Families Caring for an Aging America. Washington (DC): National Academies Press (US); 2016 Nov 8. 3, Family Caregiving Roles and Impacts. Available from: <https://www.ncbi.nlm.nih.gov/books/NBK396398/>

³⁵ For example, see <https://www.todayonline.com/singapore/careshield-life-sparks-hot-debate-over-gender-differentiated-premiums>

with an increasingly aging population and the need for financial balance. We call on the government to deliver those values by making CareShield premiums gender-neutral.

Section 4: Implement a matched-savings scheme to help caregiving women finance their needs in old age

Inequality around caregiving norms translates into a gender gap in retirement savings. According to CPF statistics, about four in 10 active CPF members who turned 55 in 2017 did not hit the Basic Retirement Sum (BRS) of \$83,000 in their Retirement Accounts.³⁶ Women have more difficulty meeting the BRS:

Table 4: BRS attainment of active CPF members by gender³⁷

Year that member turned age 55	Proportion of active CPF members of each gender who set aside their cohort BRS at age 55	
	Male	Female
2016	63%	52%
2017	66%	53%
2018	67%	56%

As observed in the table above, a smaller proportion of women than men are able to achieve the BRS upon turning 55 years old. The difference in proportion is relatively stable at around 12% on average, suggesting that the gap has not improved significantly in recent years.

More than half of the respondents (13) interviewed for AWARE’s research reported tapping into their own savings to finance caregiving expenses. Of these, most (9) were not working. We should therefore remain concerned about women’s ability to accumulate retirement resources, particularly for those who are low-income or who have been outside the labour force for sustained periods of time.

Furthermore, the data is only available for active CPF members and not for those who have not received at least one CPF employment contribution paid for them in the last three months. Given the fact that more women than men are outside of the labour force, and thus less likely to have received CPF employment contributions (and meet the BRS), it is reasonable to expect that the gender gap widens if we take inactive members into account.

To close the gender gap in retirement savings and ensure that women are able to finance their old age needs, we suggest implementing a **matched savings scheme**.

According to a matched savings scheme research study commissioned by the International Longevity Centre – Singapore (ILC – Singapore) of the Tsao Foundation, a monthly matched

³⁶ Linette Lai, *Minister gives details of CPF retirement payouts*, The Straits Times, Singapore, 2019

³⁷ Josephine Teo, Minister for Manpower, *Written Answer by Mrs Josephine Teo Minister for Manpower to Parliamentary Question on CPF members with and without Basic Retirement Sum in their Retirement Accounts on reaching 55 in the last three years*, (Ministry of Manpower, Singapore, 2019).

savings scheme is effective in sustaining the retirement savings behaviour among a group of 377 elderly women from low-income households over the study period of 18 months.³⁸ Overall, around 70% of the participants made monthly savings contribution to their CPF Special Account throughout the study period. The study also offered insights as to the design of such a scheme:

1. The retention rate was higher when the amount saved was more, i.e., \$100 (77%) rather than \$50 (65%);
2. The retention rate was higher when the matching ratio was higher;
3. The retention rate was higher when the matching ratio was framed as a “matching percentage of the amount saved” (74%), as compared to framing it as an “expansion of the amount saved” (68%).

We recommend a pilot matched savings scheme whereby the government matches transfers made by family members of elderly care recipients to non-working caregivers. We suggest starting the scheme for non-working caregivers 45 years and above based on the findings of the survey on informal caregiving that 85% of caregivers of the elderly (over the age of 75 years) are over the age of 45 years, and their employment profile based on AWARE’s study that found that caregivers typically have to give up work for caregiving.

We believe that the matched savings scheme would distribute the financial costs associated with caregiving responsibilities more evenly - rather than relying on the individual family caregiver alone - by encouraging other family members of the elderly to transfer their excess savings to the caregiver to strengthen their retirement savings. The scheme can be means-tested, and yearly transfers capped at a reasonable amount as determined by the government.

If successful, the scheme could be extended to those caregivers who were forced to cut down on their working hours to provide care. For this category of caregivers, the government could match CPF contributions made by employers.

Conclusion

Singapore, like many other Asian countries, is experiencing significant demographic changes and an ageing population is a major factor. Ageing in women creates a mortality-morbidity paradox, which means that although women live longer, they spend more time in disability.

Families - mostly women - are the main source of care for older persons who are either losing their autonomy, sick or dependent. If caregivers are employed when they start providing care, as many of them tend to be, they often experience tensions between their care and work responsibilities leading to work-related compromises. Many female caregivers either spend a median of nine years outside the labour force, or end up retiring earlier than expected, resulting in financial difficulties in their old age.

³⁸ David Chan, Benedict Koh, Build Your Own Nest: Singapore’s first study on matched savings schemes for lower income, older women, (Tsao Foundation, 2018). Accessed on 10 December: https://tsaofoundation.org/doc/Study_report_for_website_ANNEX.pdf

Given the continuing ageing of our population, women's desire to remain employed, and Singapore's determination to help its residents to be self-sufficient during their productive years and in retirement, we tried to think of policy recommendations that would benefit women who are trying to balance work and caregiving responsibilities, and help them build up their retirement coffers so that they are not dependent on the state or the community in old age.

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