



Analysis of CPF Members' Balances by Gender

This article provides an analysis of CPF balances¹ by gender and examines how the savings patterns between male and female members have evolved over the past decade.

In Singapore, factors such as higher educational qualifications and increasing work opportunities have enabled women to increase their economic participation over the years. Women are also working more regularly and earning higher wages. As more contributions are paid into their CPF accounts, women are in a stronger position to accumulate CPF savings for retirement today compared to a decade ago.

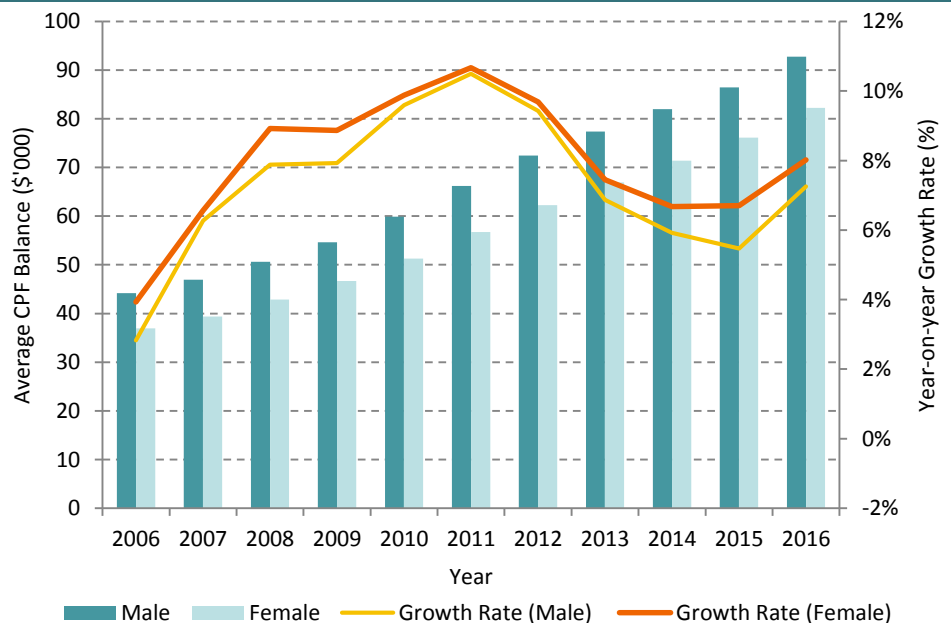
Growing average CPF balances

Overall, the average balances of CPF members² have grown at 8.0% annually on average over the last 10 years, from \$40,600 in 2006 to \$87,400 in 2016. The average CPF balances of women has grown by 8.3% per year over the last 10 years. This is faster than growth rate of 7.7% for men, reducing the gap between women's and men's average CPF balances from 16% to 11%.

From Chart 1a, it can be seen that although females have lower average CPF balances compared to males over the 10-year period, the year-on-year growth rate of average female CPF balances is consistently higher. Although the growth rates in recent years have moderated, they remain at healthy levels.

Females consistently record higher growth rates of average CPF balances than males

Chart 1a Average CPF balances by gender, 2006 to 2016



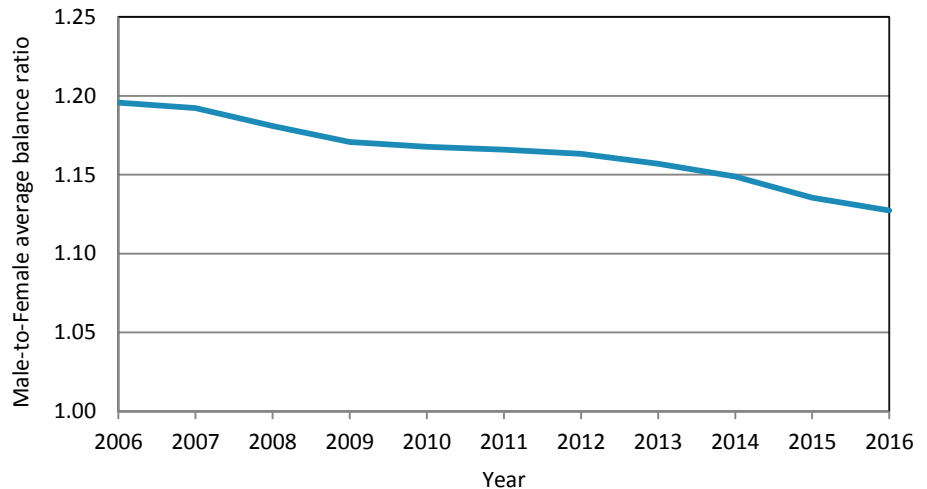
¹ CPF balances refer to balances in the Ordinary, Special, Medisave and Retirement Accounts.

² CPF members refer to persons with CPF balances in any of their CPF accounts.

Gradual decline in male-to-female average balance ratio

Next, we look at the male-to-female average balance ratio. This ratio measures the extent to which males have accumulated CPF balances compared to their female counterparts. Lower ratios over time can be interpreted as females catching up with males through improved balances. Chart 1b shows a steady decline in the male-to-female average balance ratio from 1.20 in 2006 to 1.13 in 2016. This means that the average balance of females is growing faster than that of males, likely due to higher labour force participation rates and wages³ for females over the past decade.

Chart 1b Male-to-female average balance ratio, 2006 to 2016



3 According to the 2016 labour force survey by the Ministry of Manpower, the median gross monthly income (including employer CPF) of females has increased from \$2,260 in 2006 to \$3,803 in 2016. For more information, please refer to <http://stats.mom.gov.sg/Pages/Labour-Force-In-Singapore-2016.aspx> (As at 16 February 2017)

Gradual increase in the number of active members

Increasing female participation in the labour force

An increasing number of active female CPF members⁴ over the last 10 years provides strong evidence that more females are in the workforce today (Chart 2). This is likely due to the increase in employment opportunities⁵ and greater availability of flexible work arrangements⁶.

Chart 2 Number of active CPF members by gender, 2006 to 2016



⁴ Active CPF members refer to persons who have at least one CPF employment contribution paid for them for the current or any of the preceding three months. Activity status is based on data as at end of each year.

⁵ According to the 2014 Singapore Workforce Report by the Ministry of Manpower, the increase in the labour force participation rate of women was attributed to the rise in employment opportunities in the services sector. For more information, please refer to <http://stats.mom.gov.sg/Pages/Labour-Force-In-Singapore-2014.aspx>. (As at 16 February 2017)

⁶ According to the 2015 Singapore Workforce Report by the Ministry of Manpower, the increase in the labour force participation rate of women and older residents occurred amid greater availability of flexible work arrangements and continued tripartite efforts to enhance employability of older workers. For more information, please refer to <http://stats.mom.gov.sg/Pages/Labour-Force-In-Singapore-2015.aspx>. (As at 16 February 2017)

Readiness for retirement

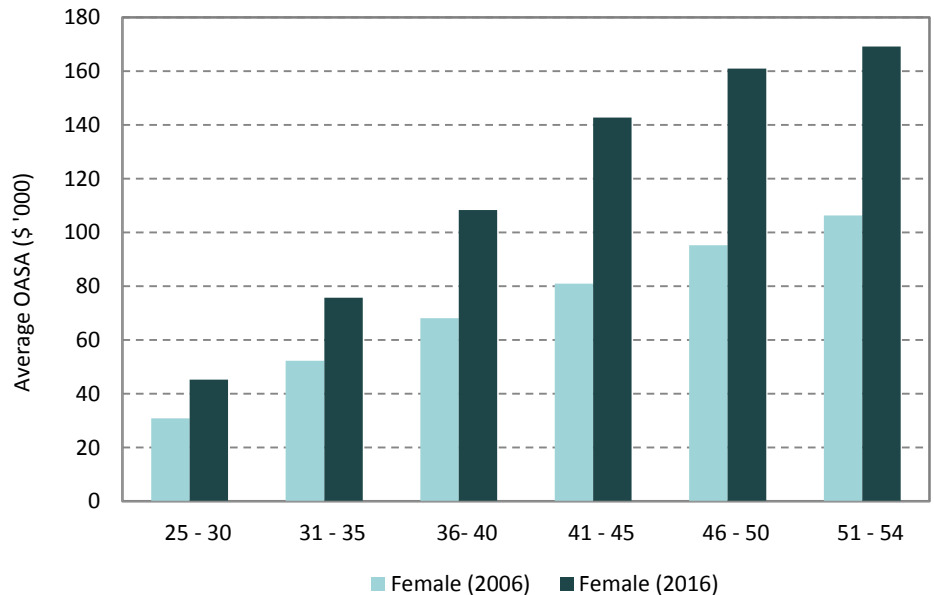
In the subsequent sections, we conduct an analysis on the average balances of active CPF members aged 25 to 54⁷ in their Ordinary and Special Accounts (or OASA)⁸. We looked at their balances in 2006 and 2016, to assess the extent to which the members are prepared for retirement.

Improvement in OASA balances of active female CPF members

From Chart 3, it is evident that female CPF members across different age groups showed an improvement in their average OASA balances from 2006 to 2016. In particular, the older age group saw a greater improvement in their average OASA balances, likely due to increasing participation in the workforce.

On average, the older age group saw a greater improvement in their OASA

Chart 3 Average OASA balances by age groups for active female CPF members, 2006 vs 2016



⁷ CPF members can withdraw their CPF savings when they turn 55, after setting aside their applicable CPF retirement sum. Therefore, only members aged 25 to 54 are analysed.

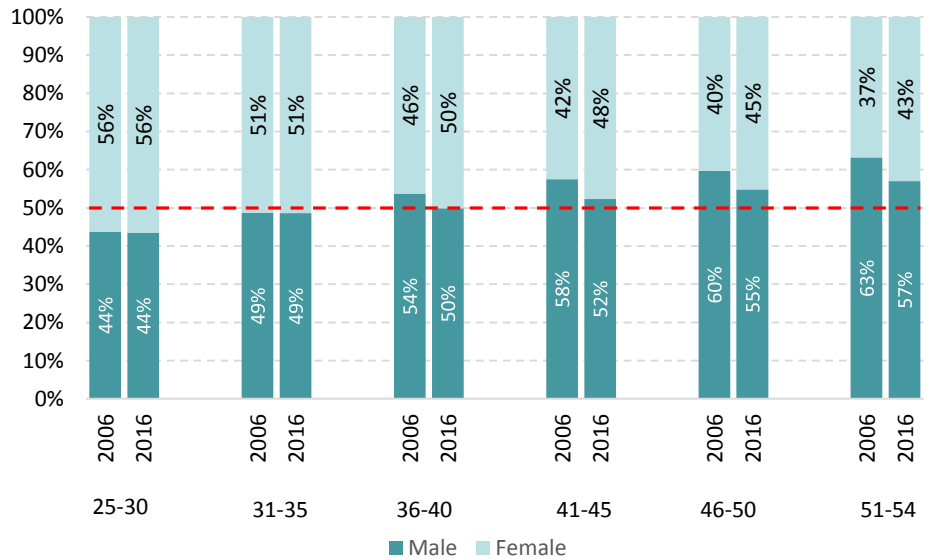
⁸ The OASA balance is the sum of the balances in the Ordinary Account (OA), Special Account (SA) and the amount withdrawn under the CPF Investment Scheme (CPFIS). It is an indicator of how much the member is setting aside for retirement.

Active females catching up with active males in the accumulation of OASA

Narrowing disparity between gender and age groups

Chart 4 presents the percentage of total OASA balances for active male and female members across different age groups. A percentage of 50% indicates that there is no disparity across gender in terms of total OASA balances. The percentage of total OASA balances for females for most age groups have increased in 2016, suggesting that females were catching up with males in the accumulation of their OASA balances.

Chart 4 Percentage of total OASA balances by age group and gender for active members, 2006 vs 2016



Summary

The comparison of CPF balances by gender from 2006 to 2016 shows an increase in CPF balances accumulated by female members, due to their higher participation rates in the workforce. If the trend is sustained, an improvement in the retirement adequacy of females can be expected.

About CPF Trends

CPF Trends is a regular series of papers produced by the Management Information Department to disseminate analyses of statistical data and trends on CPF related issues. These papers are generally brief and aimed at a broad audience interested in CPF related issues.