Singapore Citizens in the Labour Force



Manpower Research and Statistics Department
Singapore

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SINGAPORE CITIZENS IN THE LABOUR FORCE

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national statistical information on the labour market

to facilitate informed decision-making within the government and community-at-large

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SINGAPORE CITIZENS IN THE LABOUR FORCE

PREFACE

An official statistic produced has to fulfil two basic requirements: it has to pass statistical quality standards and it has to be comparable. This comparability includes not only comparability against itself over time, but also comparability against the same statistic in another country. In publication, the most relevant statistic is chosen.

The Manpower Research and Statistics Department (MRSD) within the Ministry of Manpower produces the official labour statistics in Singapore.

International Comparability

Labour market statistics are intended to track labour market performance which reflects economic activity. The statistics are wide in coverage to provide a comprehensive picture.

With this intent in mind, statistical agencies worldwide typically cover the population residing in their country when presenting their regular statistical releases, without a breakdown by nationality.

In Singapore, official statistics on the labour market follow a similar practice. We regularly report on Total Employment and Overall Unemployment. The production and release of key labour market statistics are also aligned with international guidelines on official statistics set out by the International Labour Organisation and the International Monetary Fund.

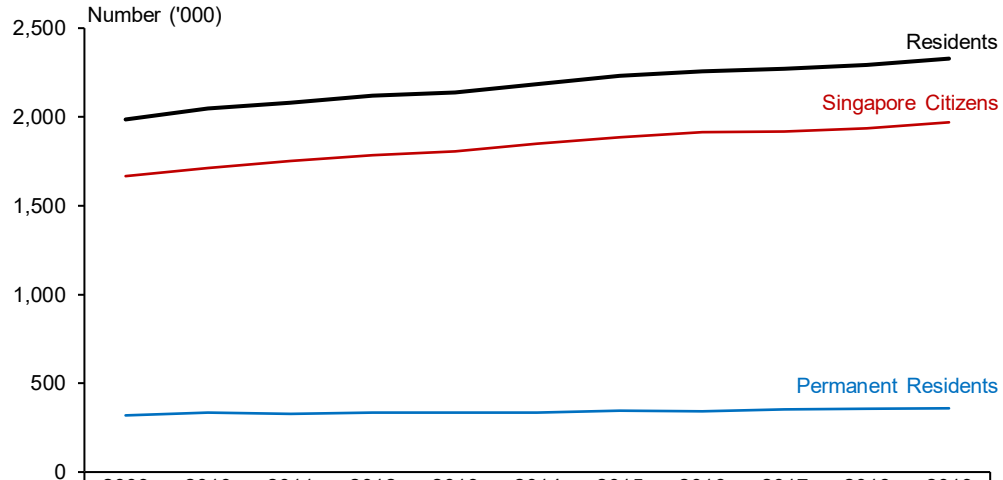
Relevance

Before 2006, statistics and papers from MRSD focused on the overall population. As the foreign population grew, it became relevant for us to consider not just Singapore's total population but also the country's resident population. Since 2006, statistics and papers released from our flagship Comprehensive Labour Force Survey has been based on the resident population (i.e. Singapore citizens and permanent residents).

A further refinement to move away from resident data and release only Singapore citizen data was not made because there was little value from a statistical standpoint to do so, as our indicators would lose coverage without gaining additional perspective.

Citizens make up a large majority of the resident labour force, at about 85%. The permanent resident population has also remained stable over time at about 0.5 million. These two facts taken together means that for the most part, resident data mirrors citizen data, and having citizen data in addition to resident data provides little additional information.

Chart 1: Resident Labour Force



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	1,985.7	2,047.3	2,080.1	2,119.6	2,138.8	2,185.2	2,232.3	2,257.6	2,269.7	2,292.7	2,328.5
Singapore Citizens	1,666.6	1,712.6	1,752.9	1,785.9	1,804.8	1,848.9	1,885.9	1,914.5	1,917.0	1,937.2	1,969.6
Permanent Residents	319.1	334.7	327.2	333.7	334.0	336.3	346.4	343.1	352.7	355.5	359.0

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Singapore Citizens in the Labour Force

Most[1] of statistics and papers released by MRSD from the Labour Force Surveys are now based on the resident population (i.e. Singapore citizens and permanent residents). Periodically, however, we release a review of the labour market outcome of Singapore citizens over the decade. We did so in a short report in 2008 and a fuller version in 2011. This paper follows up from the 2011 release. While the 2011 release focused only on Singapore citizen data, this release places resident data beside Singapore citizen data.

This paper analyses the performance of Singapore citizens in the labour force and the changes over time. The data are from the Comprehensive Labour Force Survey conducted by the Manpower Research and Statistics Department of the Ministry of Manpower. The data are for June periods of each year and pertain to citizens aged 15 & over, unless stated otherwise.

[1] Exceptions include the unemployment rate and income.

Executive Summary

Employment outcomes of Singapore citizens have been positive over the decade. Their trends track closely that of resident data because Singapore citizens consistently make up the majority (or around 85%) of the resident labour force:

- Over the last decade, the employment rate of Singapore citizens has risen from 60.0% in June 2009 to 63.6% in June 2019. The trends in citizen employment rate track closely those of the resident, which we regularly release in our annual publications. Similar to what the resident data showed, the increase was driven most consistently by those aged 65 & over, reflecting efforts to raise the employability of older workers. The employment rate for those aged 25 to 64 rose faster in the earlier part of the decade, but has since slowed as more in this age group became older. The employment rate among citizens aged 15 to 24 declined in recent years, as more were engaged in further studies. In absolute numbers, citizen employment continued to grow over the decade, with an increase of 50,300 from December 2015 to December 2018.

- The number and share of professionals, managers, executives & technicians (PMETs) among employed citizens have increased steadily from 742,800 (47%) in June 2009 to 1,050,300 (56%) in June 2019.

- The Singapore citizen unemployment rate has been broadly stable, hovering around an average of 3.1% from 2010 to 2019 (June periods). The seasonally adjusted unemployment rate of Singapore citizens was 3.2% in June 2019, slightly higher than the 3.1% for all residents. This is to be expected because employability is often a key consideration for granting of permanent residency.

- Mirroring the resident trend, Singapore citizens continued to earn higher incomes in the recent five years. The real median income growth for full-time employed Singapore citizens over the last five years from June 2014 to June 2019 was 3.9% p.a.[P], faster than the growth of 2.1% p.a. in the previous five years from June 2009 to June 2014. Real income growth at the 20th percentile was also faster in the recent five years (4.6% p.a.[P]) than the earlier five years (1.5% p.a.).

- Tracking closely trends for residents, the number of discouraged workers who are Singapore citizens has been broadly stable for most part of the decade, and has declined in the past three years to 6,700 in June 2019, making up just 0.3% of the citizen labour force[2].

[P] Preliminary as full-year CPI data for 2019 is not available yet.
[2] Inclusive of discouraged workers.

Employment Rate

The employment rate expresses those who are employed as a percentage of the working-age population[3]. This indicator helps us gauge the ability of an economy to create employment for its population. Over longer periods when changes in population size can be significant, it provides a more holistic assessment than simpler measures like employment change. Employment change might tell us how many jobs are created but it does not tell us if the job creation has kept up with population growth. Movements in employment rate fill that gap.

For example, consider an economy where population size is broadly unchanged. While changes in the absolute number of employed may be modest, the employment rate may have continued to increase steadily suggesting that the economy has sufficient jobs to enable a higher share of its population to be involved in productive market activities.

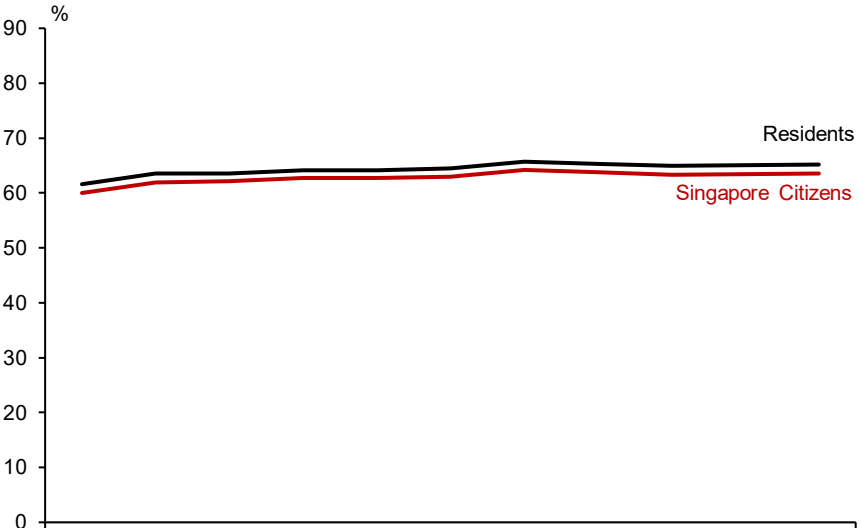
Employment rate increased, led by those aged 65 & over

Over the last decade, the employment rate of Singapore citizens has risen from 60.0% in June 2009 to 63.6% in June 2019. The trends in citizen employment rate track closely those of the resident, which we regularly release in our annual publications. Similar to resident data, the increase was led by those aged 65 & over, reflecting efforts to raise the employability of older workers. The employment rate for those aged 25 to 64 rose faster in the earlier part of the decade but has since slowed as more in this age group became older. This also affects the employment rates of residents compared to citizens. While still very close at this juncture, some divergence should be expected over time. This is because the profile of citizens will likely shift towards older ages, more so than for permanent residents[4], and older cohorts typically have lower employment rates. The employment rate among

[3] Refers to those aged 15 & over, consistent with international definitions.
[4] 27% of the Singapore citizen population in the 25-64 age group are 55-64 years old, compared with 10% of the permanent resident population.

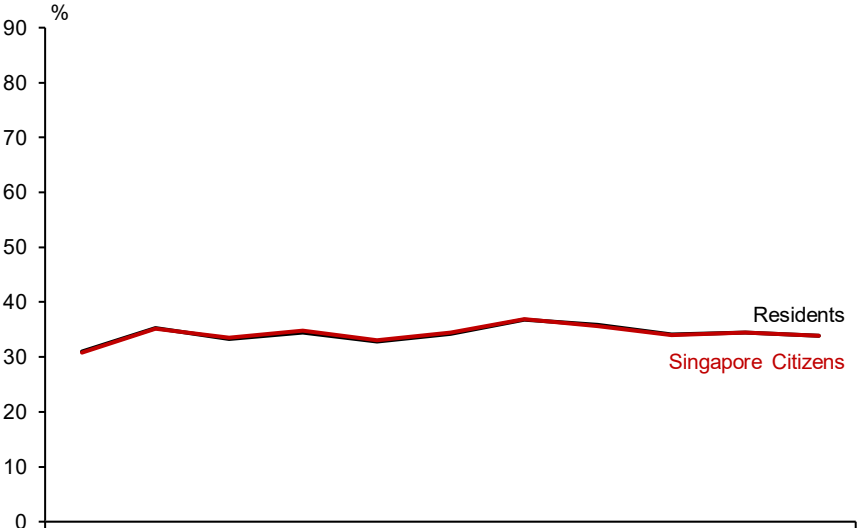
the young aged 15 to 24 declined in recent years, as more were engaged in further studies.

Chart 2a: Employment Rate of Residents and Singapore Citizens Aged 15 & Over



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	61.6	63.5	63.5	64.1	64.1	64.5	65.7	65.3	64.9	65.1	65.2
Singapore Citizens	60.0	61.9	62.1	62.7	62.7	63.0	64.2	63.8	63.3	63.4	63.6

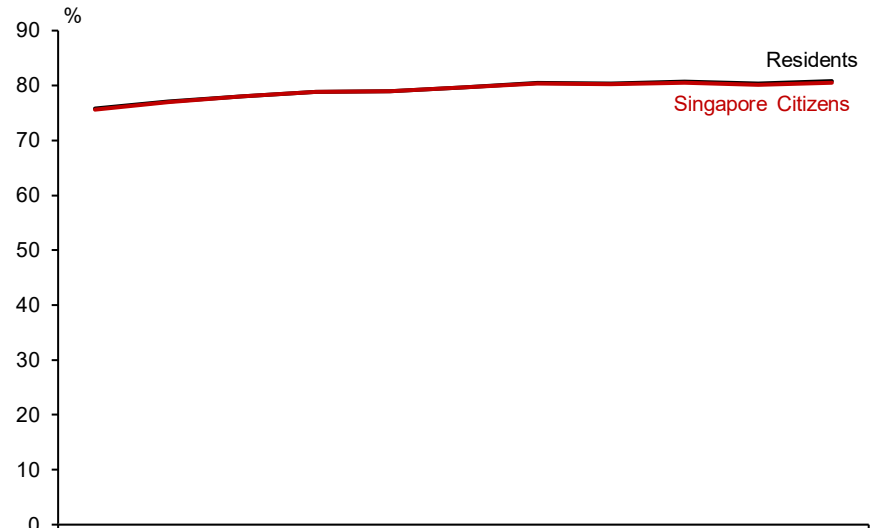
Chart 2b: Employment Rate of Residents and Singapore Citizens Aged 15-24



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	31.0	35.3	33.3	34.4	32.8	34.2	36.8	35.8	34.1	34.5	33.9
Singapore Citizens	30.8	35.2	33.5	34.8	33.1	34.4	36.9	35.6	34.0	34.5	33.9

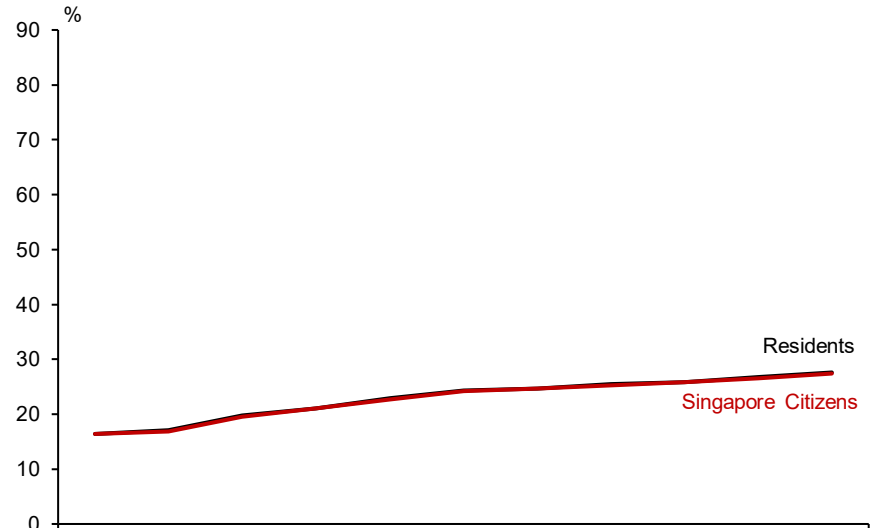
Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Chart 2c: Employment Rate of Residents and Singapore Citizens Aged 25-64



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	75.8	77.1	78.0	78.8	79.0	79.7	80.5	80.3	80.7	80.3	80.8
Singapore Citizens	75.6	77.0	78.0	78.8	78.9	79.6	80.4	80.2	80.5	80.1	80.5

Chart 2d: Employment Rate of Residents and Singapore Citizens Aged 65 & Over

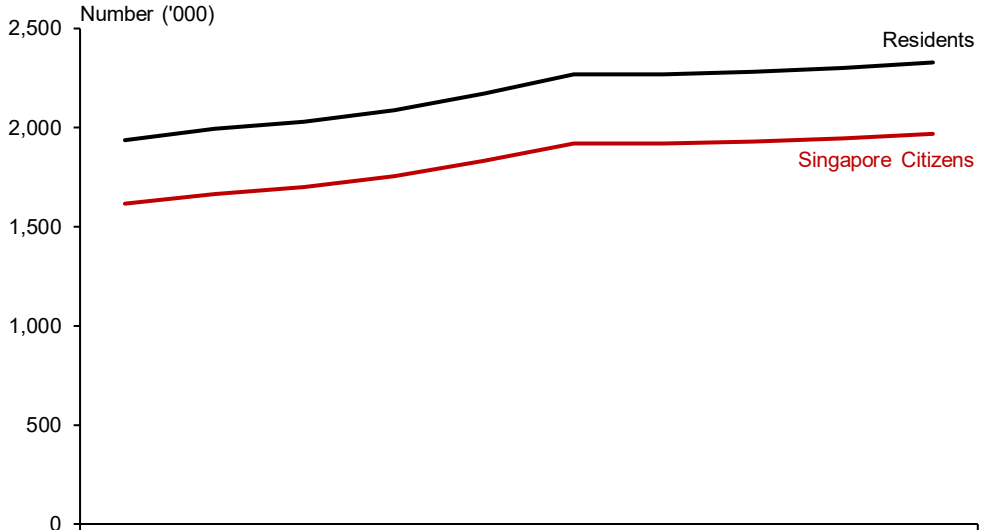


June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	16.4	17.1	19.8	21.0	22.9	24.3	24.7	25.5	25.8	26.8	27.6
Singapore Citizens	16.4	16.8	19.5	21.0	22.7	24.2	24.7	25.2	25.8	26.5	27.4

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

In absolute numbers, citizen employment has risen steadily over the decade, contributing to the majority of the increase in the resident employment level. Even in recent years where employment rate has stabilised, citizen employment increased[5] by 50,300 from December 2015 to December 2018.

Chart 3: Employment Level of Residents and Singapore Citizens



December:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residents	1,936.5	1,992.7	2,030.6	2,089.3	2,172.2	2,268.2	2,268.9	2,280.1	2,301.4	2,328.8
Singapore Citizens	1,616.3	1,663.9	1,700.3	1,754.1	1,831.9	1,919.8	1,918.4	1,929.1	1,946.5	1,968.6

Source: Administrative Records and Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.

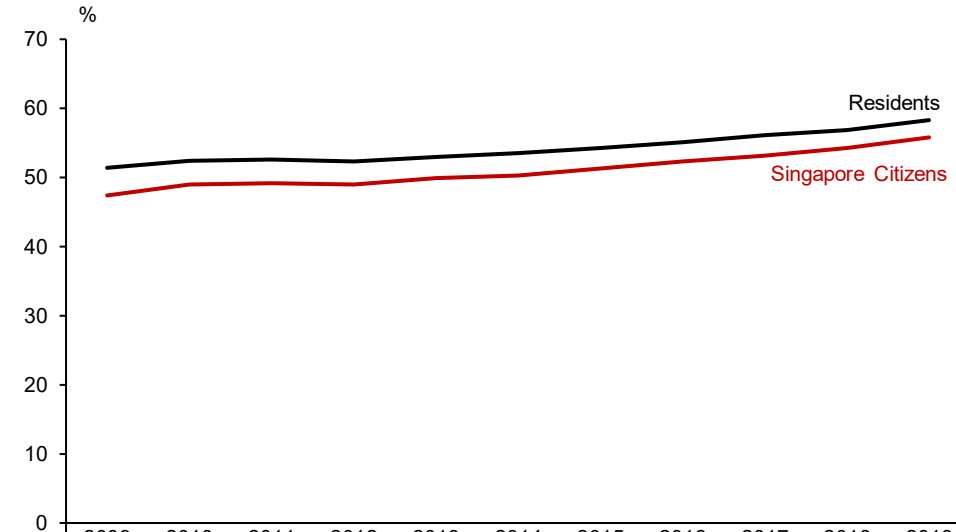
[5] Data on citizen employment change at the overall level are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey. It compares the employment level at the end of the reference period compared with the end of the preceding period.

Employment by Occupation

Share of employed citizens in PMET jobs increased steadily

When we analyse the pool of employed Singapore citizens by the occupations they are in, we observe that the number and share of professionals, managers, executives & technicians (PMETs) among employed citizens have increased steadily from 742,800 (47%) in June 2009 to 1,050,300 (56%) in June 2019.

Chart 4: PMET Share of Employment



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	51.4	52.4	52.6	52.3	53.0	53.5	54.3	55.1	56.1	56.9	58.3
Singapore Citizens	47.4	49.0	49.2	49.0	49.9	50.3	51.3	52.3	53.2	54.3	55.8

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Gross Monthly Income from Work

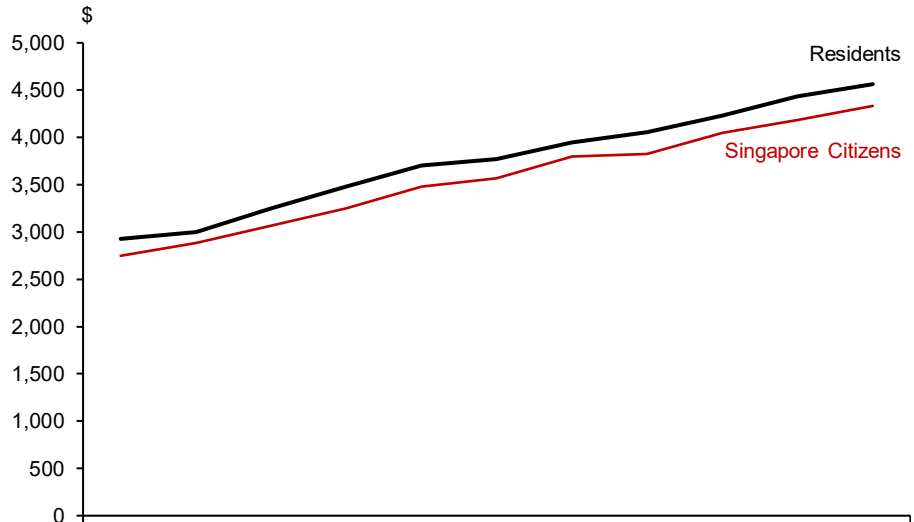
For employees, the gross monthly income from work refers to gross monthly wages or salaries before deduction of employee CPF contributions and personal income tax. It comprises basic wages, overtime pay, commission, tips, other allowances and one-twelfth of annual bonuses. For self-employed persons, it refers to the average monthly profits from their business, trade or profession, before deduction of income tax.

Singapore citizens experienced faster income growth in the recent five years

In our advance release of the Report on the Labour Force in Singapore 2019, we reported that residents continued to earn higher gross monthly incomes in the recent five years. This was similar to the experience of Singapore citizens. The real median income growth for full-time employed Singapore citizens over the last five years from June 2014 to June 2019 was 3.9% p.a.[P], faster than the growth of 2.1% p.a. in the previous five years from June 2009 to June 2014.

The citizen median income level is close to the resident median income level.

Chart 5: Median Gross Monthly Income from Work (Including Employer CPF Contributions) of Full-Time Employed



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	2,927	3,000	3,249	3,480	3,705	3,770	3,949	4,056	4,232	4,437	4,563
Singapore Citizens	2,748	2,887	3,070	3,248	3,480	3,566	3,798	3,823	4,050	4,183	4,333

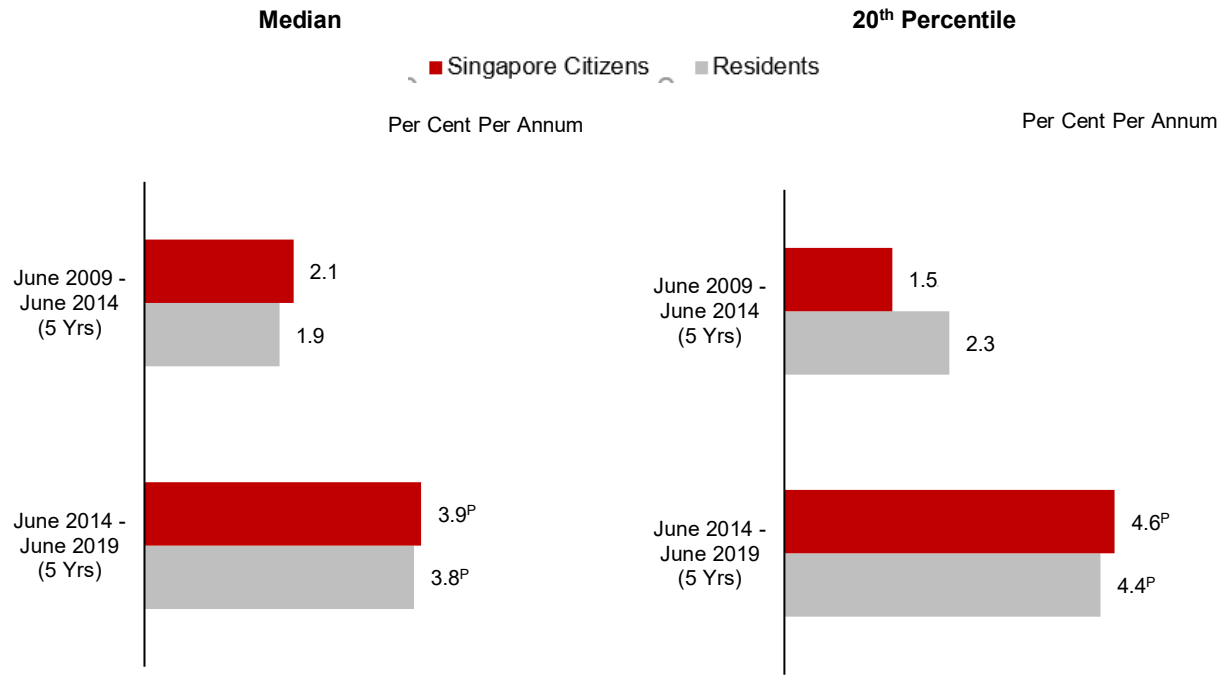
Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Data exclude full-time National Servicemen.

[P] Preliminary as full-year CPI data for 2019 are not available yet.

Over the last five years from June 2014 to June 2019, income at the 20th percentile[6] of full-time employed citizens increased by 4.6% p.a.P in real terms, higher than the 3.9% p.a.P at the median and significantly higher than in the preceding five years from June 2009 to June 2014. This was helped by collective policy measures such as the Progressive Wage Model, Wage Credit, Special Employment Credit, and foreign workforce policy adjustments. As a result, their income gap with the median worker[7] narrowed.

Chart 6: Annualised Change in Real* Gross Monthly Income from Work (Including Employer CPF Contributions) of Full-Time Employed



Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Notes: (1) Data exclude full-time National Servicemen.
(2) * – Deflated by Consumer Price Index (CPI) for all items at 2014 prices (2014 = 100).
(3) P Preliminary as the full-year CPI data for 2019 are not available yet.

[6] The 20th percentile income of full-time employed citizens was $2,340 (including employer CPF contributions) in June 2019.
[7] Refers to the ratio of the median income to the 20th percentile income of full-time employed citizens.

Retrenchment

Retrenchments refer to termination of employees due to redundancy. They commonly take place as part of business restructuring and re-organisation, and it was only during recessionary years when the number of retrenchments spiked.

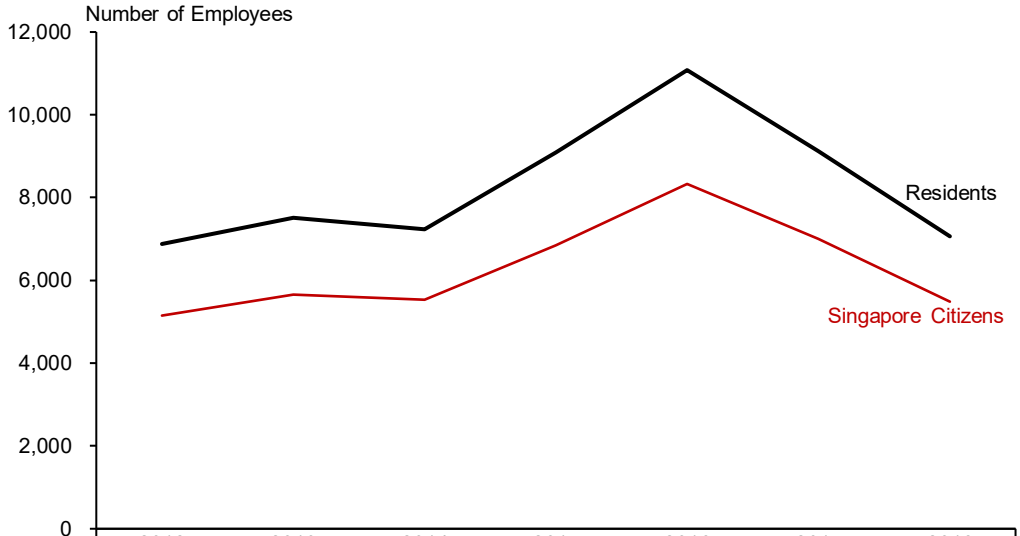
Not all retrenched persons become unemployed as some will re-enter employment or decide to leave the labour force. Retrenched persons will be classified as unemployed only if they have not found a new job and are actively seeking and available for work. Every quarter, retrenched persons make up a minority of the unemployed as other unemployed persons left their last job for various reasons such as to take care of their family or left the last job voluntarily for reasons such as pay, working hours or interest.

Number of retrenched Singapore citizens declined in 2017 and 2018, mirroring the trend for residents

Mirroring the trend for residents, the number of retrenched Singapore citizens declined from 2016 to 2018 (from 8,330 to 5,480), following two consecutive years of increase.

Notwithstanding the decline in 2017 and 2018, the number of retrenched Singapore citizens in 2018 (5,480) was higher than in 2012 (5,150), as the number of employees also increased. After adjusting for the rise in the number of employees, the incidence of retrenched Singapore citizens among Singapore citizen employees in 2018 (5.0 retrenched per 1,000 Singapore citizen employees) was lower than in 2012 (5.3 per 1,000). Among residents, the incidence of retrenchments in 2018 (5.4 per 1,000 resident employees) was similarly lower than in 2012 (5.9 per 1,000).

Chart 7: Retrenchments

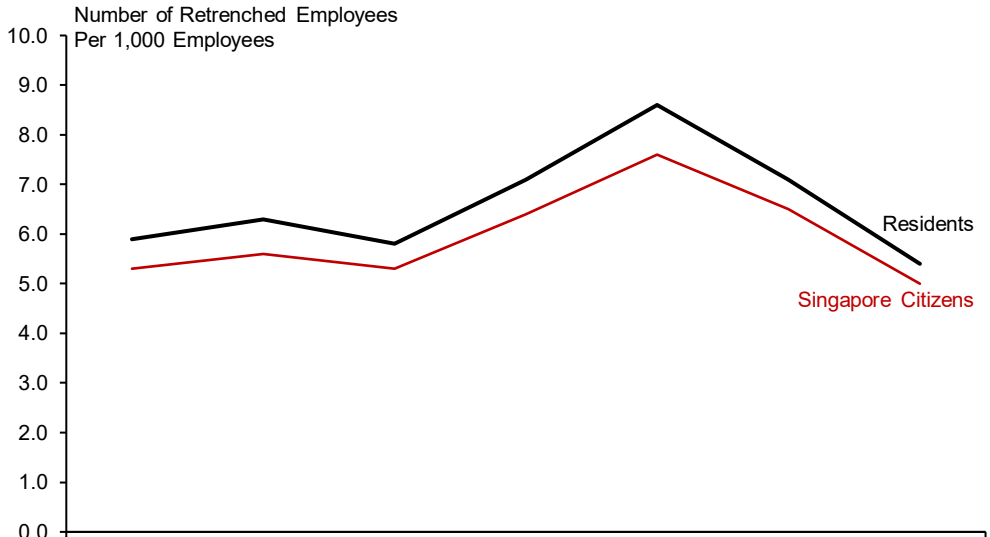


	2012	2013	2014	2015	2016	2017	2018
Residents	6,880	7,520	7,240	9,090	11,080	9,120	7,070
Singapore Citizens	5,150	5,650	5,530	6,850	8,330	7,000	5,480

Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Notes: (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
(2) Data on the number of retrenchments are rounded to the nearest 10.
(3) Data series for Singapore citizens are not available before 2012.

Chart 8: Incidence of Retrenchment



	2012	2013	2014	2015	2016	2017	2018
Residents	5.9	6.3	5.8	7.1	8.6	7.1	5.4
Singapore Citizens	5.3	5.6	5.3	6.4	7.6	6.5	5.0

Source: Labour Market Survey, Manpower Research & Statistics Department, MOM

Notes: (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
(2) Data series for Singapore citizens are not available before 2012.

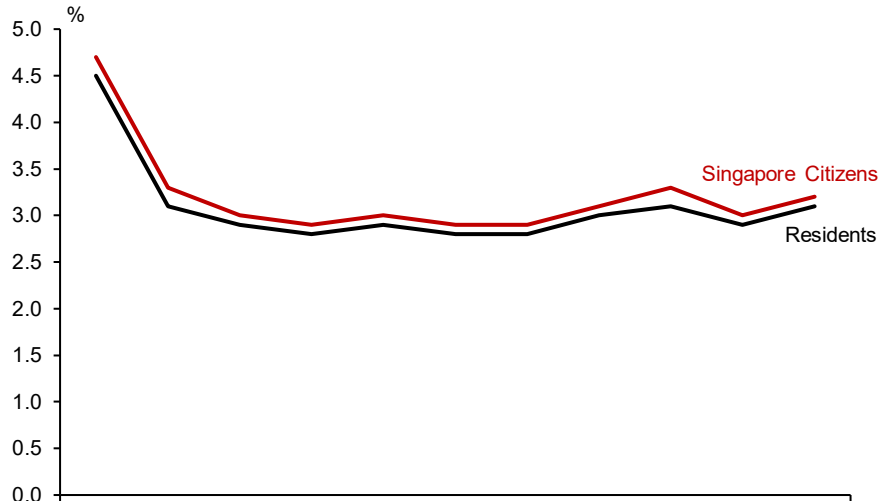
Unemployment

In line with international definitions, the unemployment rate refers to the unemployed as a proportion of the labour force (unlike the employment rate, which is expressed as a percentage of the working-age population). The unemployment rate tells us how well persons who are seeking work and who are available to work can find work. Therefore, persons who are not seeking work, or are unavailable to work are excluded from the calculation. Examples of such persons include students, homemakers and retired people. Persons who express a desire to work without having acted on their desire by actively seeking work are not included (see section on Discouraged Workers).

Singapore citizen unemployment rate has been broadly stable

The seasonally adjusted unemployment rate of Singapore citizens was 3.2% in June 2019, slightly higher than the 3.1% for all residents (Singapore citizens and permanent residents). The resident unemployment rate is typically lower because permanent residents typically have to demonstrate a high degree of employability before being granted permanent residency. The Singapore citizen unemployment rate has been broadly stable, averaging at 3.1% from 2010 to 2019 (June periods).

Chart 9: Unemployment Rate (Seasonally Adjusted)



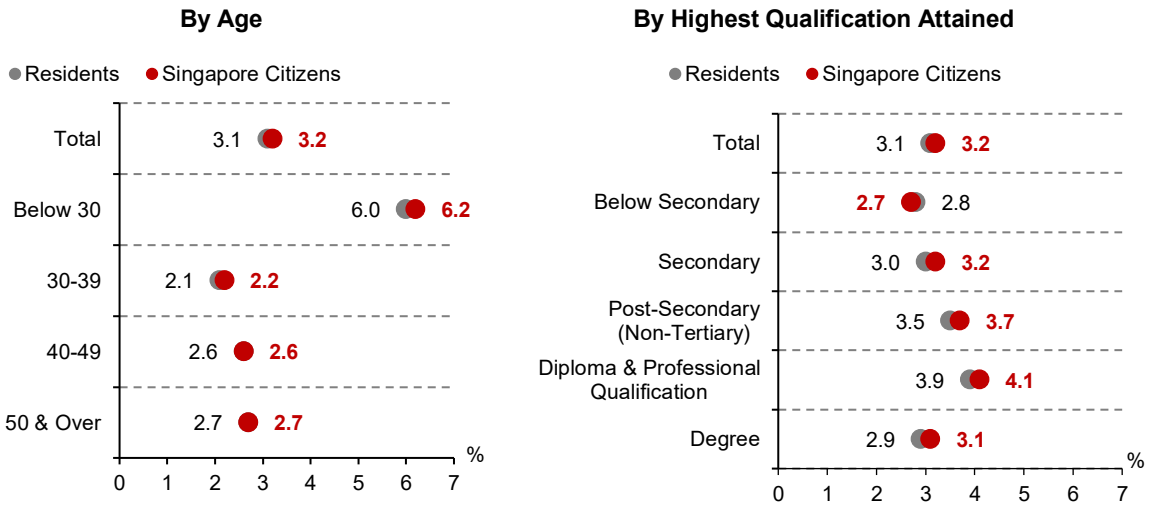
June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	4.5	3.1	2.9	2.8	2.9	2.8	2.8	3.0	3.1	2.9	3.1
Singapore Citizens	4.7	3.3	3.0	2.9	3.0	2.9	2.9	3.1	3.3	3.0	3.2

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Similar to resident data, the unemployment rate for citizens across most age groups were lower than average. The exception was younger citizens aged below 30 whose unemployment rate of 6.2% was above-average. This reflects the greater extent of job search among younger citizens. Many of them were new entrants to the labour market or in the early stages of their career and exploring different career options.

Among the education groups, those with post-secondary (non-tertiary) and diploma & professional qualifications had above-average unemployment rate, pulled up by the higher share of younger citizens in these education groups.

Chart 10: Unemployment Rate by Age and Highest Qualification Attained, June 2019 (Seasonally Adjusted)

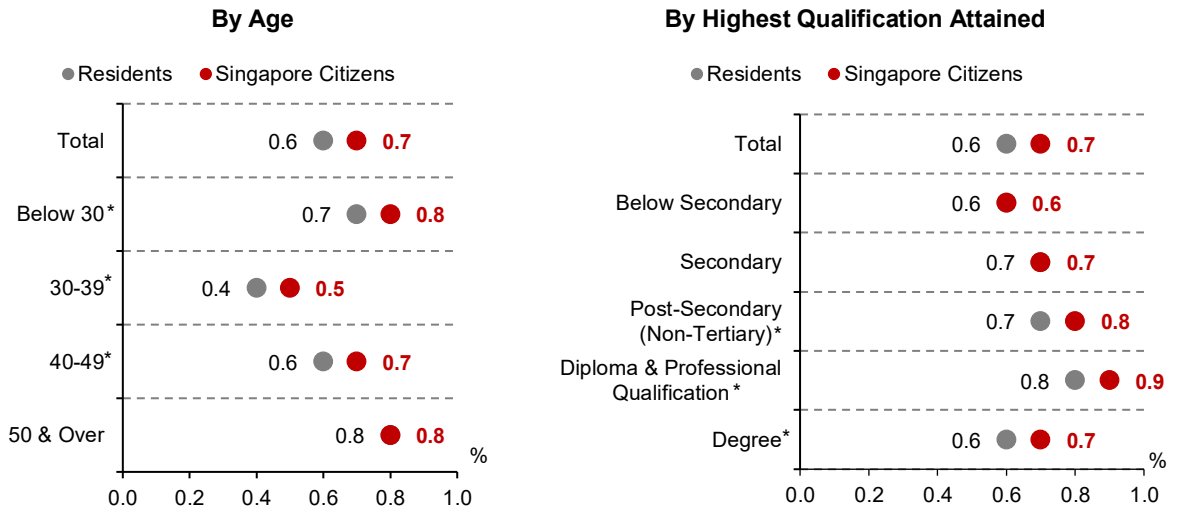


Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Although older citizens have below-average unemployment rate, they tend to stay unemployed longer. The median duration of unemployment among citizens aged 50 & over was 12 weeks in June 2019, compared with 8 weeks for all unemployed citizens. As a result, the long-term unemployment rate for older citizens aged 50 & over (0.8%) was slightly higher than that for all citizens (0.7%). The slightly higher long-term unemployment rate for citizens aged below 30 reflects their higher unemployment rate and not long unemployment periods, as their median duration of unemployment was relatively shorter at 4 weeks.

By education, the post-secondary (non-tertiary) and diploma & professional qualification groups also had higher long-term unemployment rate than the other education groups, though the difference was smaller than that for unemployment rate.

Chart 11: Long-Term Unemployment Rate by Age and Highest Qualification Attained, June 2019 (Seasonally Adjusted)



Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Notes: (1) Long-term unemployed refers to those unemployed for at least 25 weeks.
(2) * These series are not seasonally adjusted because they have weak or no seasonality.

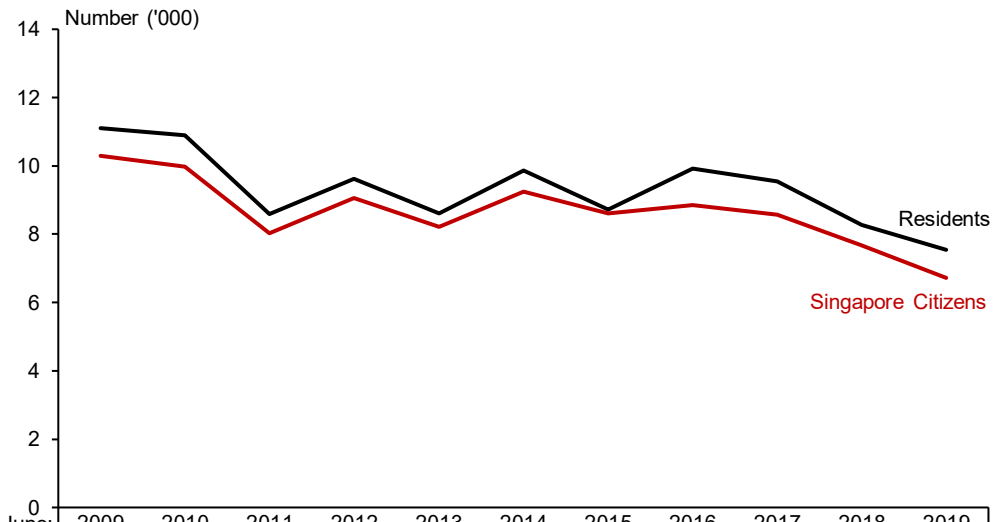
Discouraged Workers

In the section on "Unemployment", we looked at how well persons who are seeking work and who are available to work can find employment. We excluded from consideration jobless persons who have not followed up on their desire to work with active job search. Discouraged workers considers how many persons from this group are not looking for work because they believe their job search would not yield results.

Number and incidence of discouraged workers among Singapore citizens continued to trend downwards

The number of Singapore citizens who are defined as discouraged workers has been broadly stable for most of the decade, and has declined in the past three years to 6,700 in June 2019, making up just 0.3% of the citizen labour force[8]. The trend for Singapore citizen tracks closely to that of the residents.

Chart 12: Number of Discouraged Workers



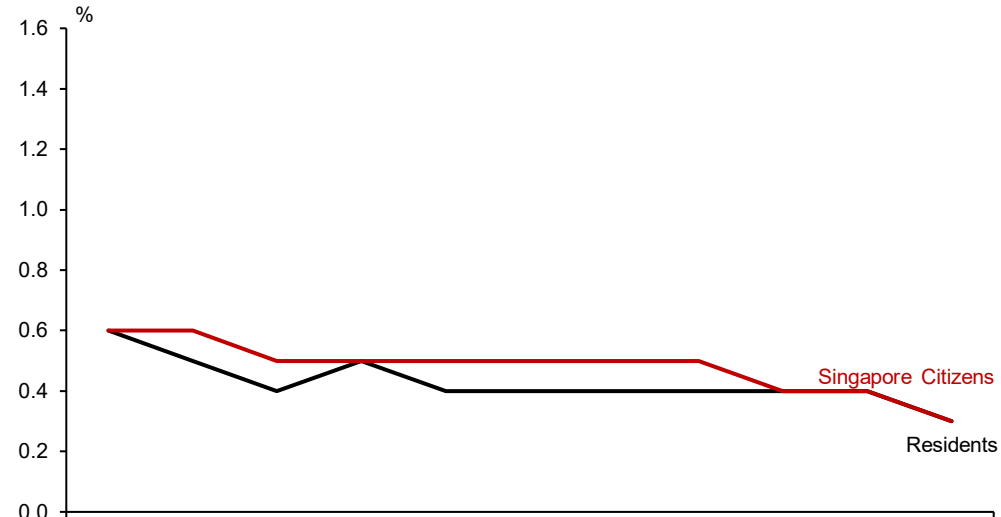
June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	11.1	10.9	8.6	9.6	8.6	9.9	8.7	9.9	9.5	8.3	7.5
Singapore Citizens	10.3	10.0	8.0	9.1	8.2	9.2	8.6	8.9	8.6	7.7	6.7

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Discouraged workers are persons outside the labour force who are not actively looking for a job because they believe their job search would not yield results. Reasons cited for being discouraged include: (a) Believes no suitable work available; (b) Employers' discrimination (e.g. prefer younger workers) and (c) Lacks necessary qualification, training, skills or experience.

[8] Inclusive of discouraged workers.

Chart 13: Incidence (%) of Discouraged Workers



June:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residents	0.6	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3
Singapore Citizens	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.3

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Notes: (1) Discouraged workers are persons outside the labour force who are not actively looking for a job because they believe their job search would not yield results. Reasons cited for being discouraged include: (a) Believes no suitable work available; (b) Employers' discrimination (e.g. prefer younger workers) and (c) Lacks necessary qualification, training, skills or experience.

(2) Incidence refers to discouraged workers as a percentage of the labour force (inclusive of discouraged workers).

Conclusion

Singapore citizens have performed well in the labour market over the last decade, with a higher proportion of the population in employment. More Singapore citizens were in PMET jobs supported by the improvement in education profile. Singapore citizens also experienced faster income growth in the recent five years compared with the earlier five years.

FEEDBACK FORM

Report Title: Singapore Citizens in the Labour Force

1. How would you rate this report in terms of:

	Excellent	Good	Average	Poor
a) Relevance to your work	☐	☐	☐	☐
b) Providing useful insights on prevailing labour market trends/development	☐	☐	☐	☐
c) Ease of understanding	☐	☐	☐	☐

2. Which area(s) of the report do you find most useful? Please provide reasons.

_____

_____

3. How do you find the length of the report?

☐ Too detailed ☐ Just right ☐ Too brief

	Excellent	Good	Average	Poor
4. Overall, how would you rate this report?	☐	☐	☐	☐

5. What additional information (if any) would you like us to include in our future issues?

_____

_____

6. Any other comments or suggestions you wish to bring to our attention?

_____

_____

Thank you for your valuable feedback

Name: _____ Designation : _____

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_____

Please return the above to:

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