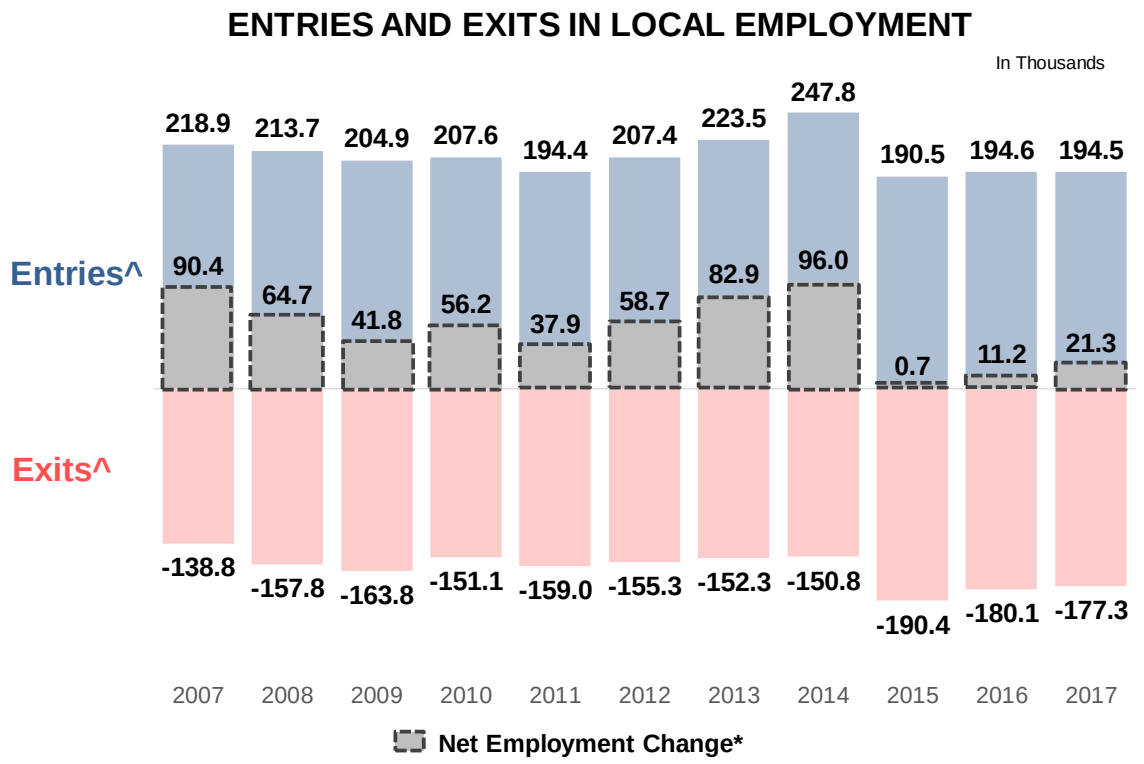
Technical Note on Entries and Exits in Local Employment

On 10 October 2016's Parliament sitting, Mr Lim Swee Say shared information on the entry and exit of workers into/from employment to provide a more complete picture of the local employment growth in 2015. In the 3 years from 2012 to 2014, an average of 226,000 locals joined, and 153,000 left the workforce each year, giving an average net increase of 73,000, or 79,000 if we include the self-employed. But in 2015, the number of locals entering dropped significantly by about 36,000, while the number leaving increased by about 37,000. This was a swing of 73,000, hence the flat growth in our local labour force. And with that, flat growth in local employment. The chart used in the sitting has been updated with the latest data as of 2017. Local employment growth picked up in 2016 and 2017 due to a higher number of entries, and a lower number of exits.

This technical note shares more on the concepts and definitions of the data.



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

Notes
(1) ^ – Excludes persons without CPF contributions
(2) * – Net Employment Change may not equal to Entries minus Exits as it includes estimates of self-employed persons.

Entries in local employment in year *t* refer to the number of locals (or residents) who are active Central Provident Fund (CPF) members[1] in December *t* and not December *t*-1. Conversely, **exits** in year *t* refer to the number of locals who were active CPF members in December *t*-1 and not December *t*.

Data on entries and exits are compiled from the CPF Board's administrative records for local employees. Both entries and exits exclude self-employed persons and men who are serving their 2-year full-time national service liability in the Singapore Armed Forces, Police and Civil Defence Forces. A local employee is a Singapore citizen or Permanent Resident who is employed by an employer under a contract of service or other agreement entered into in Singapore. Every local employee and his/her employer are required to make monthly contributions to the CPF.

The difference between the number of persons entering employment and the number exiting, i.e. entries minus exits, gives us the net employment change. A positive net employment change over the year means that there are more entries than exits. On the contrary, when exits are more than entries, net employment change is negative or fewer persons are in employment than a year ago.

Entries and exits are the movements of persons that underlie the ebb and flow of net employment change. They help provide insights on why net employment change picked up pace or moderated over time. For example, a moderation in net employment growth could be driven by a decline in the number of entries, meaning fewer people are entering jobs compared to the past. This could be due to a fall in demand and/or supply for labour. Slower employment growth could also happen when both exits and entries increase. This occurs when the increase in exits outpaces the increase in entries such as during industrial restructuring.

Entries and exits should be studied together to give a more holistic picture. Users should note that an increase in entries may not always mean more jobs created, especially when exits increase concurrently which could signal increased labour market churn.

[1] More details can be found at data.gov.sg/dataset/number-of-active-cpf-members-by-age-group-as-at-end-of-year

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