Occasional Paper on Overqualification in Singapore 2025



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Singapore

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OVERQUALIFICATION IN SINGAPORE 2025

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Director
Manpower Research and Statistics Department
Ministry of Manpower
18 Havelock Road #05-01
Singapore 059764
Republic of Singapore

Email: mom_rsd@mom.gov.sg

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CONTENTS

Page

Highlights 1

1 Introduction 3

2 Overqualification as a measure of underemployment 4

3 International Comparison of Overqualification Rate 8

4 Trends in Overqualification 11

5 Profile of Overqualified Residents 15

6 Hiring Challenges and Skills Gaps 29

7 Conclusion 33

Annex A: Methodology for Measuring Overqualification 35

Annex B: Survey Coverage and Methodology 36

Abbreviations

IHLs	: Institutes of Higher Learning
ILO	: International Labour Organization
PEIs	: Private Education Institutions
OECD	: Organisation for Economic Co-operation and Development
PMETs	: Professionals, Managers, Executives & Technicians
SSEC	: Singapore Standard Educational Classification
SSIC	: Singapore Standard Industrial Classification
SSOC	: Singapore Standard Occupational Classification

Highlights

Overqualification – where a worker's qualifications exceed job requirements – is one aspect of underemployment that has attracted attention as educational attainment rises in high-income countries. Using a new indicator developed with the International Labour Organization (ILO), the Manpower Research and Statistics Department (MRSD) examines not only the incidence of overqualification, but also its underlying drivers, allowing for a more nuanced assessment beyond viewing it purely as a labour market mismatch. This paper also draws on employers' perspectives on skills gaps and continued workforce development.

Overqualification is common in high-income, highly educated countries

Overqualification tends to be more prevalent in high-income countries with a larger share of tertiary-educated workers. In 2025, 64.0% of Singapore's resident workforce held tertiary qualifications, compared with an average of 41.2% across high-income countries. Singapore's overqualification rate of 19.4% was below the high-income average of 21.6%, indicating that overall job matching remains relatively strong and broadly in line with international patterns.

Overqualification largely reflects voluntary choices

Singapore's overqualification rate rose from 16.3% in 2015 to 19.4% in 2025, and majority were workers who voluntarily accepted roles below their qualification level. These choices are often linked to preferences for job stability, flexibility, or opportunities to gain experience. In 2025, about nine in ten of overqualified workers (or 17.7% of the workforce) were voluntarily overqualified, while only 1.7% of the workforce were involuntarily overqualified. The latter group has remained low and stable at below 3.0% over the past decade, suggesting limited structural mismatch in the labour market.

Employers prioritise skills and experience over qualifications

This is consistent with employer hiring behaviour. In 2025, academic qualifications were not the primary consideration for 79.6% of vacancies. Instead, employers placed greater emphasis on relevant experience (48.2%) and skills and abilities (20.1%). This indicates that differences between workers' qualifications and job requirements do not necessarily translate into hiring disadvantages.

Where hiring challenges arise, they are less about qualification levels and more about whether workers possess the specific skills required. While overall hiring conditions have eased, skills mismatches in specialised PMET roles have become more pronounced. The share of PMET vacancies unfilled for at least six months rose from 14.4% in 2024 to 16.0% in 2025. Employers report difficulties filling roles requiring specialised technical expertise, such as data scientists,

teaching and training professionals, and civil engineers. This suggests that hiring frictions are increasingly driven by skills specificity rather than broad overqualification.

Evolving skills needs highlight the importance of continued workforce development

A quarter of employers (24.3%) also reported experiencing skills gaps in their workforce. These gaps resulted in increased workloads for other staff (49.9%) and difficulties in meeting quality standards (41.3%), alongside missed business opportunities and challenges in adapting to technological change. These findings reinforce that the key issue is not excess qualifications per se, but ensuring that workers' skills remain aligned with evolving job requirements.

1 Introduction

1.1 The International Labour Organization (ILO) defines underemployment as the underutilisation of the productive capacity of the employed population. It relates to an alternative employment situation in which persons are willing and available to engage. Reducing underemployment is desirable because it maximises scarce manpower resources and supports greater productivity-based growth. Hence, there is a need for robust measurement of underemployment to obtain statistics that will aid policy formulation to address it.

1.2 Currently, there is only one internationally recognised indicator on underemployment i.e. time-related underemployment. Time-related underemployment covers anyone who is not working full-time but are willing and available to work more hours. However, this indicator does not take into account other types of underemployment related to qualifications, skills or field of study.

1.3 To complement the existing indicator, the Manpower Research & Statistics Department (MRSD) participated in an international workgroup led by the ILO to develop a measure of overqualification. Overqualification occurs when a worker has a qualification that is higher than what is required for their job. This provides an additional perspective on underemployment that is not based on hours worked.

1.4 Overqualification may occur for different reasons. Workers may be voluntarily overqualified if they choose such roles because of preferred job attributes, such as stability, meaningful work, suitable working hours, flexible arrangements, or opportunities to gain experience. Others may be involuntarily overqualified if they are unable to find jobs that match their qualifications due to informational gaps, skills deterioration, or limited job openings in certain fields.

1.5 There are two main implications of overqualification. Voluntary overqualification points to an underutilisation of human capital while involuntary overqualification can lead to disenfranchisement for those who are overqualified.

1.6 This report aims to (i) examine the extent of overqualification among Singapore's resident workforce and (ii) identify groups that may benefit from targeted policy interventions. The analysis is based on data from the Comprehensive Labour Force Survey (CLFS), a representative survey covering 33,000 households in Singapore.[1]

2 Overqualification as a measure of underemployment

2.1 Overqualification occurs when a person possesses a qualification that is higher than what is required for the job.[2]

2.2 The measurement for overqualification is as follows:

- Overqualification is measured by comparing a worker's highest educational qualification with the qualification level typically required for their occupation. These assignment levels are based on international and national standards, including the ILO and the Singapore Standard Occupational Classification (SSOC). These guides provide mapping of specific occupations to their required qualification level. For e.g., jobs in Group I (Managers) and II (Professionals) are mapped to a university degree. Therefore, a degree holder is "overqualified" if he/she is not in a job in Group I (Managers) and II (Professionals).

2.3 Workers may be overqualified voluntarily or involuntarily:

- For voluntary overqualification, workers may choose to take on jobs that are below their qualification level. This may be driven by preferences for better work-life balance, personal interests or a sense of purpose in their chosen jobs.[3] They may also have taken on such jobs due to informational gaps in the labour market, where they may be unaware of alternative jobs that both require their level of qualifications and meet their preferences.

- For involuntary overqualification, workers may have taken on such jobs because they could not find better jobs for reasons such as informational gaps in the labour market and skills obsolescence.

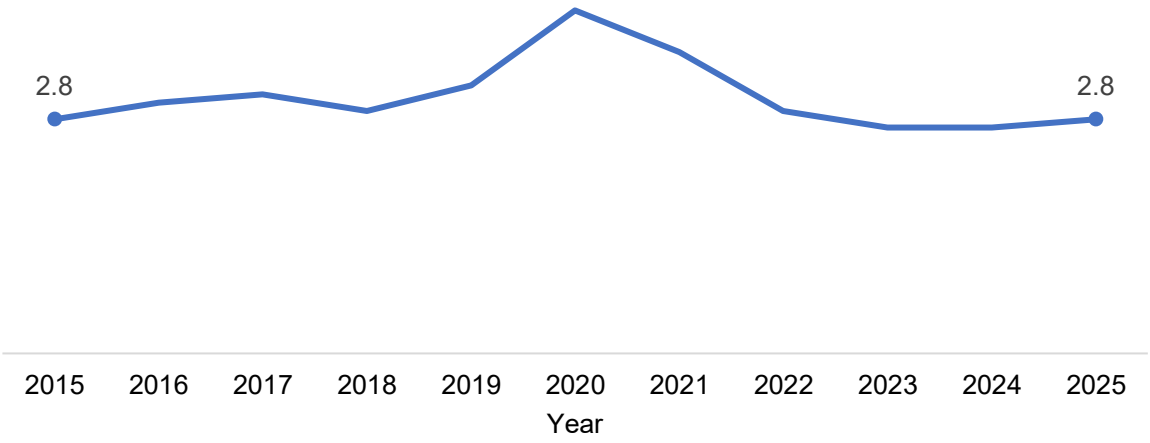
[1] For more details, refer to the section on Survey Coverage and Methodology.
[2] The measurement of overqualification in this paper is based on the normative approach, which is detailed in the Annex A.
[3] Examples of these jobs include real estate agents, sales-related roles or jobs within the gig economy, which they voluntarily chose to work in for more attractive remuneration or benefits such as flexible working hours.

Comparison with other labour market indicators

2.4 Overqualification provides an additional perspective on labour underutilisation, complementing traditional measures such as unemployment and time-related underemployment. Unemployment captures the extent of joblessness in the labour force, while time-related underemployment reflects underutilisation of labour through insufficient working hours. Overqualification, in contrast, highlights a mismatch between workers' qualifications and the requirements of their jobs.

2.5 Between 2015 and 2025, the unemployment rate among residents remained low and stable at 2.8% in 2025, similar to that observed a decade ago (2015: 2.8%) [Chart 1].

Chart 1: Annual average resident unemployment rate (%)

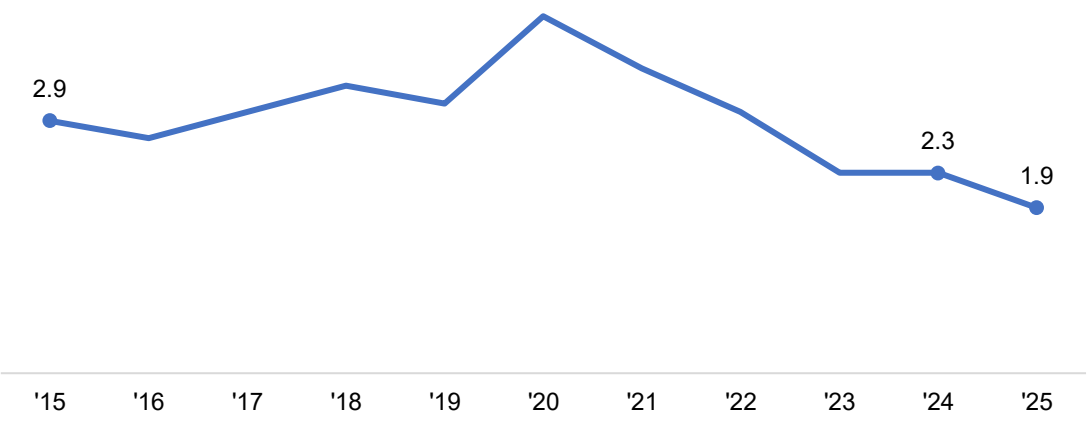


Source: Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Annual average unemployment figures have been revised to use seasonally adjusted (SA) data where available, in place of non-seasonally adjusted (NSA) data. This revision ensures the figures more accurately reflect the unemployment situation.

2.6 The resident time-related underemployment rate[4] was low at 1.9% in 2025, down 2.3% in 2024 [Chart 2]. This was also lower than a decade ago (2.9%).[5]

Chart 2: Resident time-related underemployment rate (%)



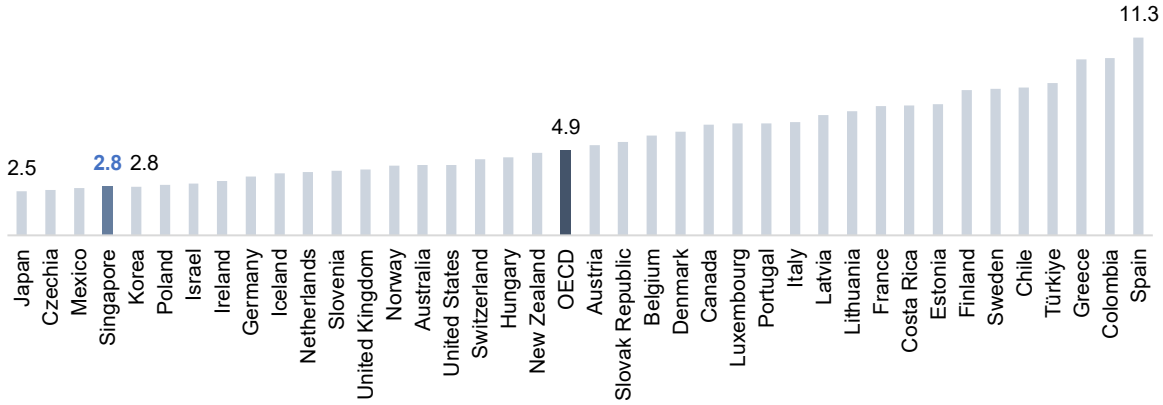
Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

2.7 Singapore has one of the lowest unemployment and time-related underemployment rates globally. Its unemployment rate remains well below the OECD average of 4.9% and is comparable to other Asian countries, such as Japan (2.5%) and South Korea (2.8%), which have similar population and labour force structures [Chart 3].

2.8 At 1.9%, Singapore's time-related underemployment rate was lower than South Korea's (2.6%) and Japan (3.4%) and the United Kingdom (4.7%) [Chart 4], which too have relatively high employment and labour force participation rates like in Singapore.[6] Taken together, the low unemployment and time-related underemployment rates indicate that most residents are willing and able to find full-time employment.

[4] Time-related underemployed persons refer to persons aged fifteen years and over who are working less than 35 hours a week (i.e. working part-time) and are willing and available to engage in additional work. The time-related underemployment rate is defined as the percentage of time-related underemployed persons to employed persons.
[5] Over the past decade, the time-related underemployment rate has averaged 2.9%, and has dropped to a new low of 1.9% in 2025.
[6] In 2024, Japan's employment rate and labour force participation rate were 61.7% and 63.3% respectively, while the United Kingdom's were 60.8% and 63.2%. Both countries recorded figures above the OECD average for these indicators.

Chart 3: Singapore's unemployment rate compared against OECD countries (%)

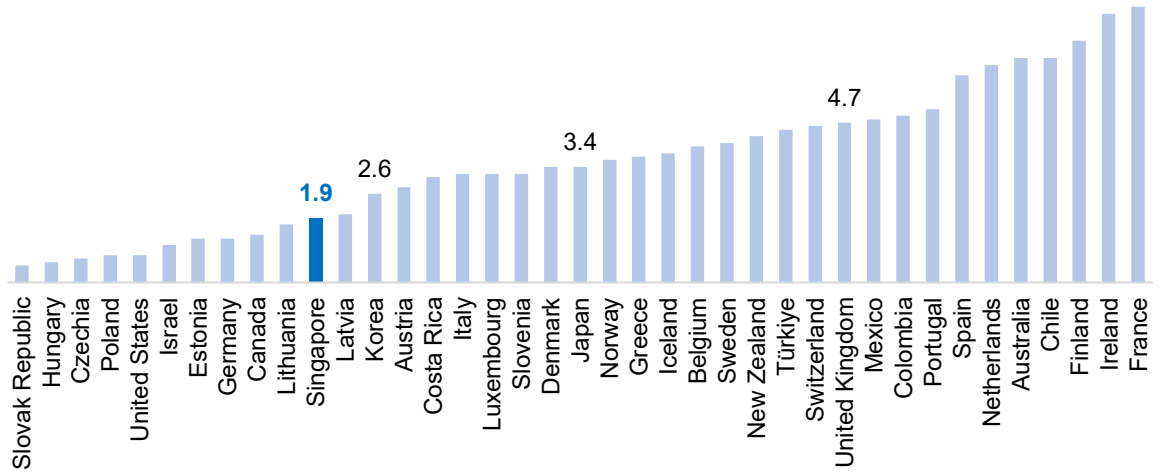


Source: Singapore – Labour Force Survey, Manpower Research & Statistics Department, MOM. OECD countries – OECD Data Explorer

Notes:

(1) Data shown are based on the latest available, i.e. 2025 for Singapore and 2024 for OECD countries.
(2) Data for Singapore are based on the annual average.

Chart 4: Singapore's time-related underemployment rate compared against OECD countries (%)



Sources: Singapore – Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM; OECD countries: ILOStat Database

Notes:

(1) Data shown are based on the latest available, i.e. 2025 for Singapore, 2024 or latest available year for other countries.
(2) Variations in how countries measure time-related underemployment will limit cross-country comparisons.

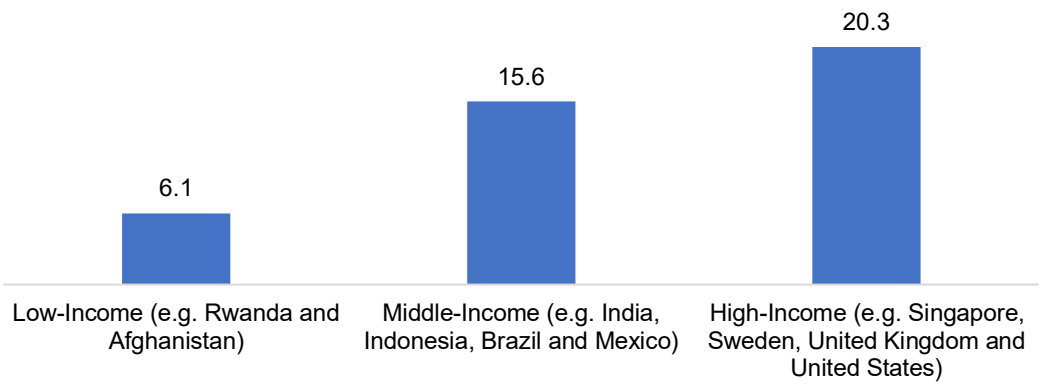
3 International Comparison of Overqualification Rate

Singapore's overqualification rate is comparable to other high-income countries

3.1 Overall, Singapore's overqualification rate is low and comparable to other high-income countries. Furthermore, young graduates, who tend to see higher rates of overqualification than workers in other age groups, have experienced good employment outcomes in terms of employment rate[7] and wages[8].

3.2 Comparing internationally, high-income countries tend to have higher incidence of overqualification [Chart 5]. This is attributed to their relatively higher proportion of the labour force with tertiary qualification compared to that of low-income countries. Singapore's overqualification rate at 19.4% in 2025 was comparable to other high-income countries with a similarly highly educated workforce.

Chart 5: Overqualification in countries of different income levels (% average)



Source: ILOSTAT Database, World Bank Income Groups; Singapore - Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM.

Notes:

(1) Data are based on unweighted average of the latest available year for all countries.

(2) Data for middle-income countries are based on the unweighted average of data for lower-middle and upper-middle income groups.

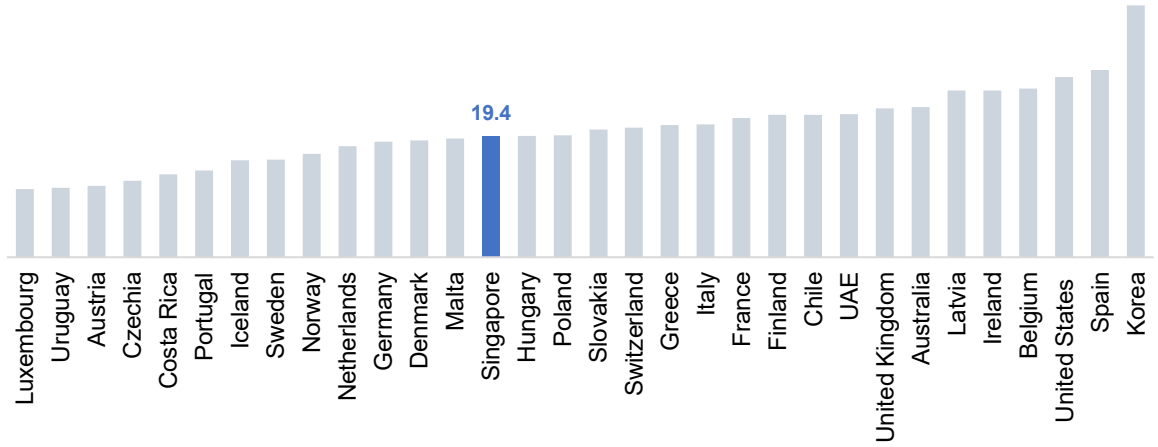
(3) Country groupings are based on the World Bank Income Groups classification. Income is measured using gross national income (GNI) per capita, in U.S. dollars, converted from local currency using the *World Bank Atlas* method. The classifications are as follows: high income (GNI per capita exceeds $13,935), upper-middle income ($4,496 to $13,935), lower-middle ($1,136 to $4,495), and low income ($1,135 or less).

[7] Singapore' s resident employment rate of those aged 25 to 29 was 85.2% in 2025, and ranked 5th when compared against OECD countries. Source: Singapore – Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM; Other countries – OECD Data Explorer.

[8] The median gross monthly starting salary of fresh graduates in full-time permanent employment has risen over the decade, from $3,300 in 2015 to $4,500 in 2025 for university graduates, and from $2,100 in 2015 to $2,900 in 2025 for polytechnic fresh graduates. Data excludes employer CPF and bonuses. Source: Graduate Employment Surveys conducted by various local publicly funded institutes of higher learning.

3.3 Within the high-income group, the incidence of overqualification in Singapore was lower than that of many other high-income countries [Chart 6].

Chart 6: Overqualification in high-income countries (%)

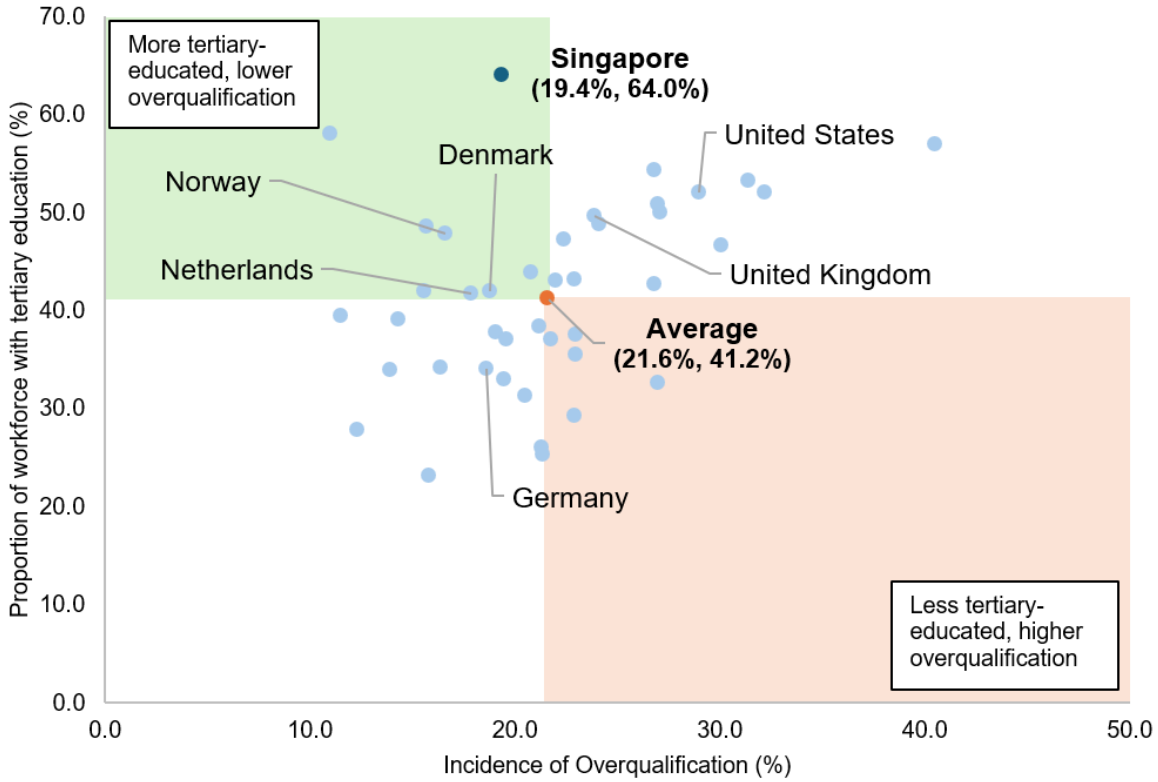


Source: Other countries - ILOSTAT Database; Singapore – Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM.

Note: Data shown are based on the latest available.

3.4 Singapore has also performed well in terms of creating high-skilled jobs for its increasingly educated and higher-skilled workforce. Among the high-income countries compared, Singapore had an above-average proportion of workforce with tertiary education (64.0% compared to 41.2%), but a slightly below-average incidence of overqualification (19.4% compared to the average of 21.6%) [Chart 7].

Chart 7: Proportion of workforce with tertiary education and incidence of overqualification among high-income countries (%)



Source: Other countries - ILOSTAT Database; Singapore – Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM.

Notes:

(1) Data shown are based on the latest available.

(2) The chart does not include all countries in the high-income group; the comparison uses a smaller subset of high-income countries for which comparable education data is available.

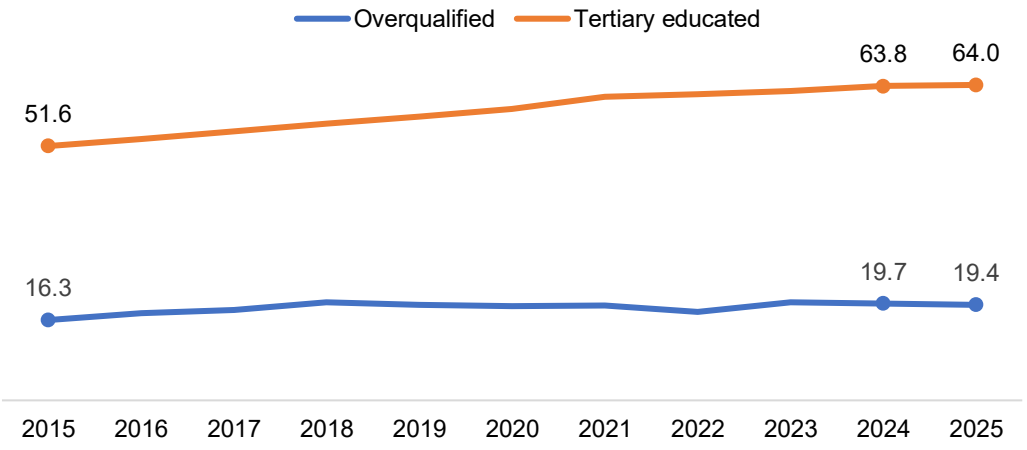
(3) Country groupings are based on the World Bank Income Groups classification. Income is measured using gross national income (GNI) per capita, in U.S. dollars, converted from local currency using the *World Bank Atlas* method. The classifications are as follows: high income (GNI per capita exceeds $13,935), upper-middle income ($4,496 to $13,935), lower-middle ($1,136 to $4,495), and low income ($1,135 or less).

4 Trends in Overqualification

Overqualification rose as the education profile improved, with more attaining tertiary education

4.1 Between 2015 and 2025, the proportion of tertiary-educated residents increased from 51.6% to 64.0%. Over the same period, the overqualification rate rose from 16.3% to 19.4%, indicating a modest increase relative to the rise in educational attainment [Chart 8].

Chart 8: Proportion of resident workforce who are overqualified and tertiary educated, 2015 - 2025 (%)



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

Notes:

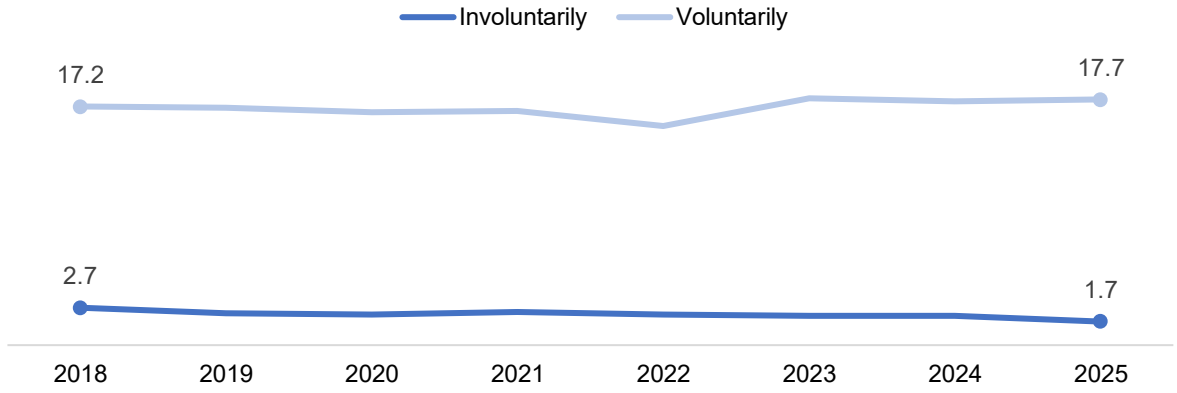
(1) Reference month of June.
(2) Residents refer to Singapore Citizens and Permanent Residents.
(3) The classification of occupations is based on the Singapore Standard Occupational Classification (SSOC) 2024.

4.2 In general, higher-educated workers are more likely to experience overqualification. This is unlikely to be due to the lack of suitable well-matched jobs by education – the proportion of jobs that require tertiary education[9] (64.2%) was slightly higher than that of tertiary-educated workers in the resident workforce (64.0%). Additionally, tertiary graduates continued to see wage growth, with the median monthly income of full-time employed graduates rising from $5,800 to $7,605 over the last decade. The starting salary of fresh graduates from local institutes of higher learning has also increased.[10] This suggests that the labour market has so far been able to absorb a growing pool of tertiary graduates, whose employment outcomes remain favourable.

Overqualification was mostly due to voluntary reasons

4.3 Among the group of overqualified workers, about nine in ten (17.7% of the workforce) were in their jobs on a voluntary basis. The remaining 1.7% of the workforce were overqualified and in their jobs on an involuntary basis [Chart 9]. The share of employed residents who are in jobs they are overqualified for on an involuntary basis has been low and stable over the last five years and has remained below 3.0%.

Chart 9: Proportion of resident workforce who are overqualified (%)



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

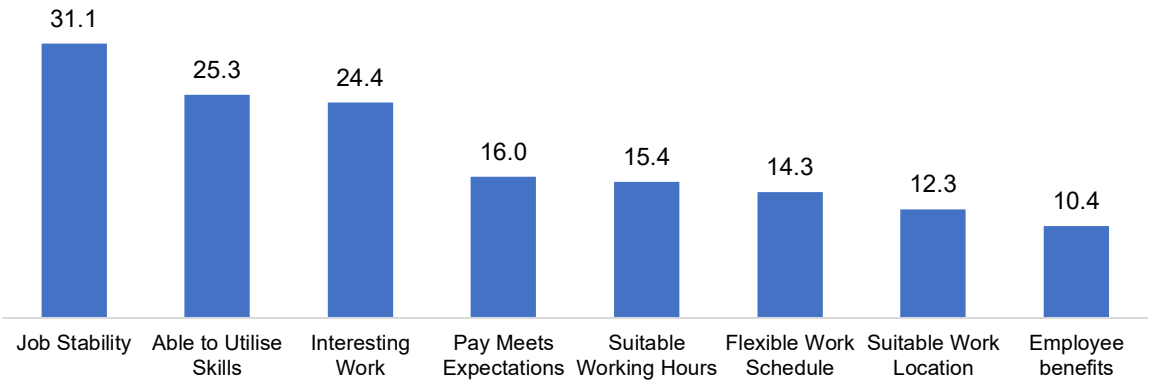
Note: Data to derive the breakdown into voluntary and involuntary overqualification was only collected from 2018 onwards.

[9] This is proxied by the proportion of employed residents with PMET occupations. In 2025, 64.2% of employed residents were in PMET occupations.

[10] The median gross monthly starting salary of fresh graduates in full-time permanent employment has risen over the decade, from $3,300 in 2015 to $4,500 in 2025 for university graduates, and from $2,100 in 2015 to $2,900 in 2025 for polytechnic fresh graduates. Data excludes employer CPF and bonuses. Source: Graduate Employment Surveys conducted by various local publicly funded institutes of higher learning.

4.4 Among overqualified resident employees who were in their jobs voluntarily, the more commonly cited reasons were job stability (31.1%), ability to utilise skills (25.3%) and interesting work (24.4%) [Chart 10]. Fewer cited employee benefits (10.4%).[11]

Chart 10: Proportion of resident employees who are voluntarily overqualified by the top reasons for taking current job, 2025 (%)



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

Notes:

(1) Data do not sum up to 100% because survey respondents may select more than one reason.
(2) Reasons selected by less than 10% of resident employees who are voluntarily overqualified are not separately shown.

4.5 There is no significant difference in the proportion of reasons cited, suggesting that motivations for being voluntarily overqualified are diverse.[12] For example, some chose their current job because the work arrangements suited their needs, such as suitable working hours (15.4%) and flexible schedules (14.3%). These workers may potentially be matched to roles that better align with their qualifications if more flexible work arrangements were available.

[11] Other less common reasons (less than 10%) include: learning opportunities (9.2%), enjoying the organisational culture (5.4%), and being attracted to employer brand (4.1%).
[12] Increasingly, evolving work and retirement trends such as micro-retirements and non-traditional career paths could also influence such choices, as some workers intentionally take roles below their qualifications to prioritise lifestyle goals, flexibility or meaning.

4.6 Overall, most overqualified workers choose jobs that do not fully use their qualifications because they value other aspects such as stability, flexible hours, opportunities to gain experience, or incentive-based pay. Some may, however, be unaware of alternative roles that better match both their qualifications and career preferences, especially when job postings do not clearly describe the skills required and the job amenities offered. Informational gaps about workers' skills and job characteristics may also drive differences in employers' satisfaction of prospective hires through different channels.[13]

4.7 The Career & Skills Passport will help improve job–skills matching through consolidated data on workers' experience, skills and qualifications. This enables workers to search more effectively for suitable jobs (e.g., via WSG's CareersFinder) and helps employers hire based on transferable skills, supporting greater mobility across sectors – much like how recruitment agencies help both workers and employers navigate information gaps by clarifying skills and facilitating job match based on skills and experience.

4.8 Enabling more sustainable work and careers can expand the availability of jobs that meet the evolving preferences of our diverse workforce. For instance, as Singapore's population ages, more workers may require flexible work arrangements to balance work and caregiving responsibilities. The Tripartite Guidelines on Flexible Work Arrangement Requests support this by encouraging more widespread adoption of flexible work arrangements and guiding employers to redesign jobs accordingly. This can improve productivity, widen the talent pool available to employers, and help overqualified individuals find better-fitting positions.

[13] When asked about the quality of job match (i.e. how well candidates met expectations in terms of skills, qualifications, and work experience), employers are more likely to report being satisfied when selecting candidates from recruitment/employment agencies (56.4% of employers satisfied), compared to other channels such as online job portals (40.4%), social media platforms (45.4%), and the organisation's own website (47.9%). Source: Job Vacancy Survey, Manpower Research & Statistics Department, MOM.

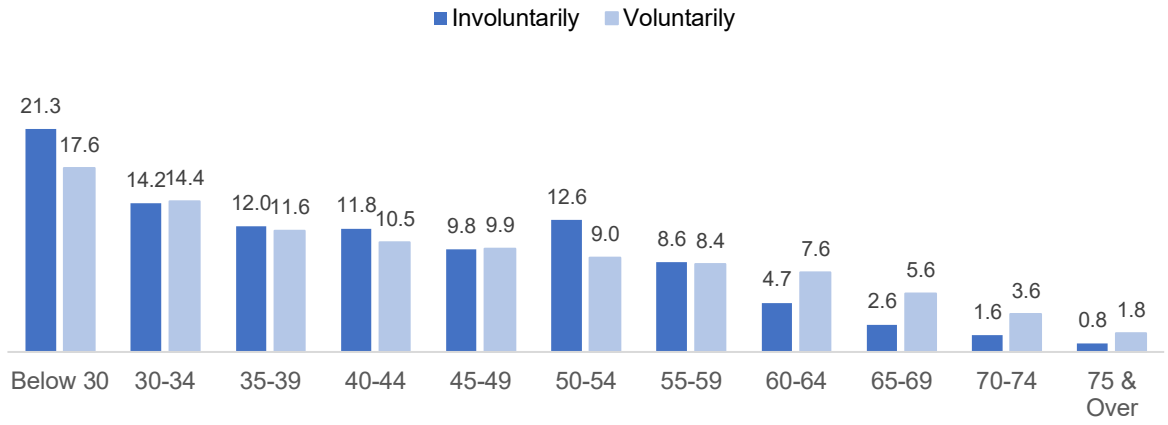
5 Profile of Overqualified Residents

Overqualification was more common among the young and more educated

Age

5.1 The age profile of the involuntarily overqualified was similar to that of the voluntarily overqualified [Chart 11]. Among residents who were overqualified in their jobs involuntarily, more than one-third were younger (21.3% were aged below 30, and 14.2% were aged 30 to 34).

Chart 11: Age distribution of residents overqualified in their current jobs involuntarily/voluntarily, 2025 (%)



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

5.2 Younger workers formed a higher share of overqualified workers who were in their current jobs on an involuntary basis as they were likely still building the experience for more desirable higher-level positions.[14] However, as they age and accumulate experience, they eventually move into jobs which match their qualifications.[15] For example, more young workers initially took on entry-level executive jobs (e.g. in financial and insurance sales) in Financial Services and Professional Services, but subsequently move into higher-skilled jobs such as financial analysts and accountants.

[14] Among PMET vacancies, 51.1% required mid-level experience (i.e., 2 to 5 years), compared with 21.1% requiring no work experience and 13.5% requiring 1 year of experience in 2025. The higher proportion requiring mid-level experience reflects common practicum and industry training in professional fields. Source: Job Vacancy Survey, Manpower Research & Statistics Department, MOM.

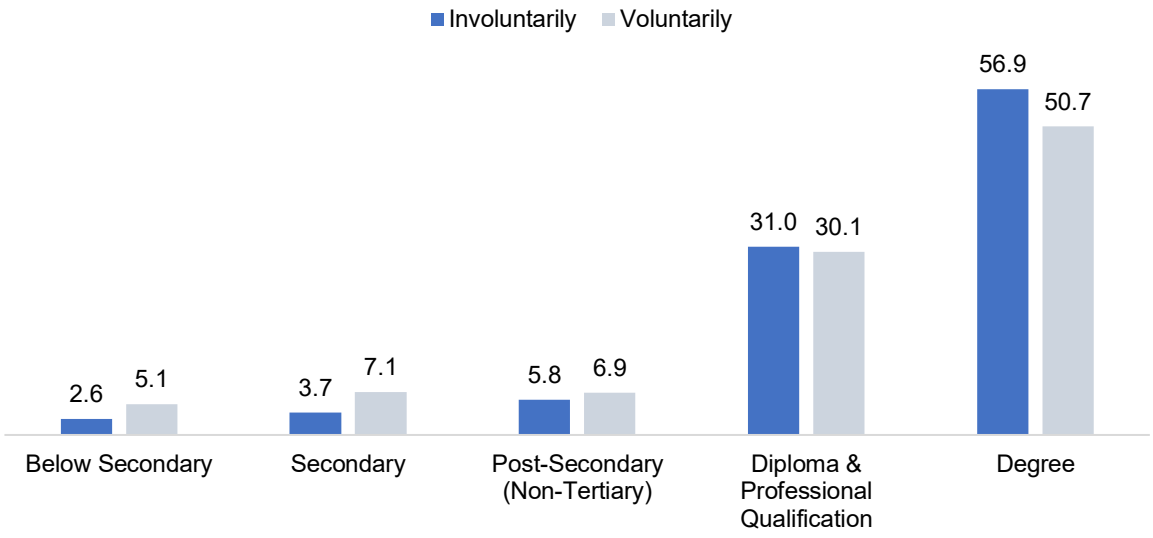
[15] The incidence of overqualification was 29.7% among those aged below 30, and lower at 21.1% among those in their 30s.

5.3 For older workers aged 60 and above, a higher proportion are voluntarily overqualified, compared to involuntarily overqualified – this suggests how seniors may choose to take on roles that require lower qualifications as they transition toward retirement, exploring alternative career options that aligns with their personal interests or provide them with flexibility.

Education

5.4 Those with tertiary qualifications formed a majority of those involuntarily overqualified (close to nine in ten). The education profile of the involuntarily overqualified was similar to that of the voluntarily overqualified [Chart 12]. The share of degree holders among those involuntarily overqualified was the highest (56.9%), followed by those with diploma and professional qualification (31.0%), compared to those with non-tertiary education of 12.2%.

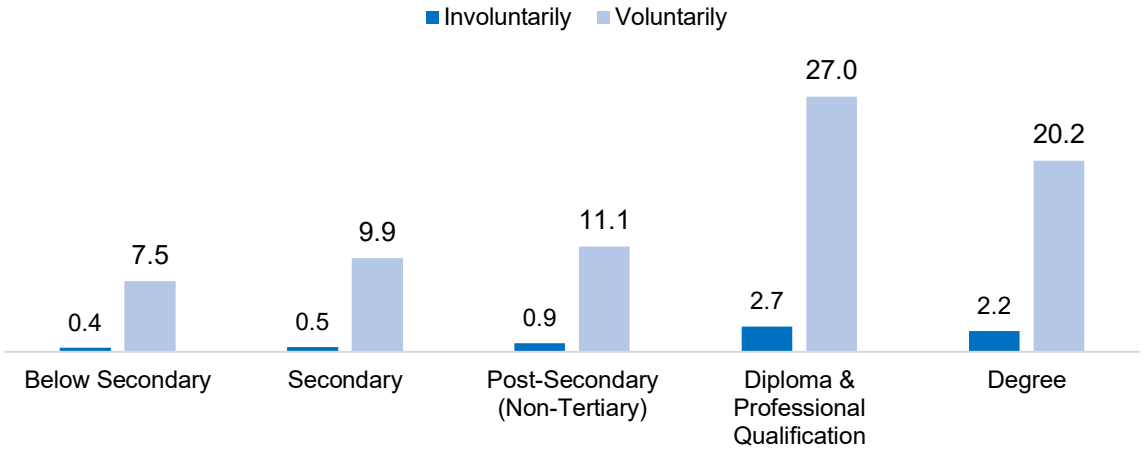
Chart 12: Educational distribution of residents overqualifed in their current jobs involuntarily/voluntarily, 2025 (%)



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

5.5 Expectedly, higher-educated workers are more likely to experience overqualification. The incidence of involuntary and voluntary overqualification for those with tertiary education was higher compared to those with non-tertiary education.[16] Among those with tertiary education, the incidence of voluntary overqualification among diploma and other professional qualification holders stood at 27.0%, compared to 20.2% for degree holders [Chart 13]. However, the involuntary overqualification rates for both groups are broadly similar – 2.7% and 2.2% respectively.[17]

Chart 13: Incidence of overqualified residents in their current jobs involuntarily/voluntarily, by educational attainment, 2025 (%)

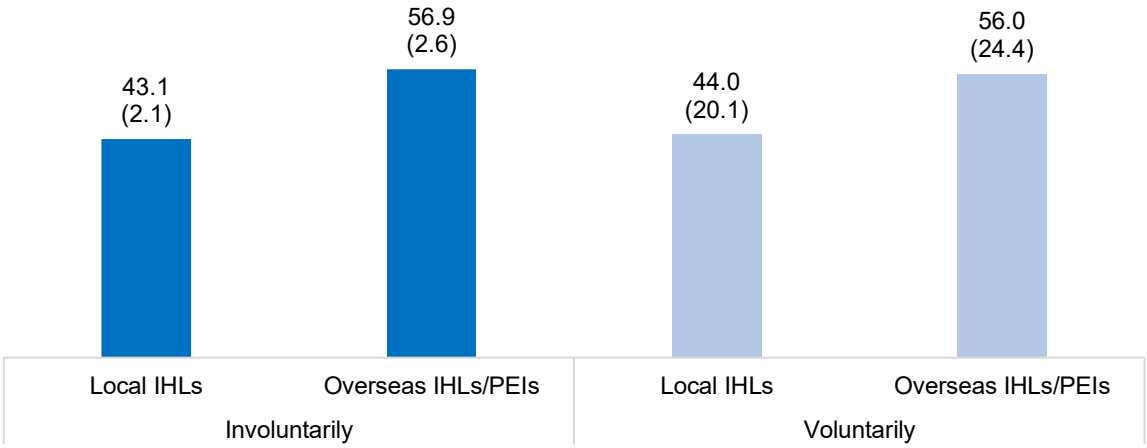


Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

[16] Among non-tertiary educated workers, the overall incidence of overqualification was low, at 10.0% in 2025.
[17] The overall incidence of overqualification was 29.7% among diploma and other professional qualification holders, compared to 22.4% for degree holders.

5.6 Among overqualified tertiary educated employed residents, those from local publicly-funded institutes of higher learning (IHLs) formed a smaller share of the overqualified group, compared to those from overseas institutes of higher learning and local private education institutions (PEIs). The incidence of overqualification of graduates from local publicly-funded IHLs was also lower, both on an involuntary and voluntary basis [Chart 14]. This likely reflects the Government's strategic approach to manpower planning, where the places in the local IHLs are calibrated based on Singapore's manpower demand across various sectors, resulting in better matching of local IHL graduates to available job opportunities.

Chart 14: Distribution of overqualified tertiary educated residents in their current jobs involuntarily/voluntarily, by place of study, 2025 (%)

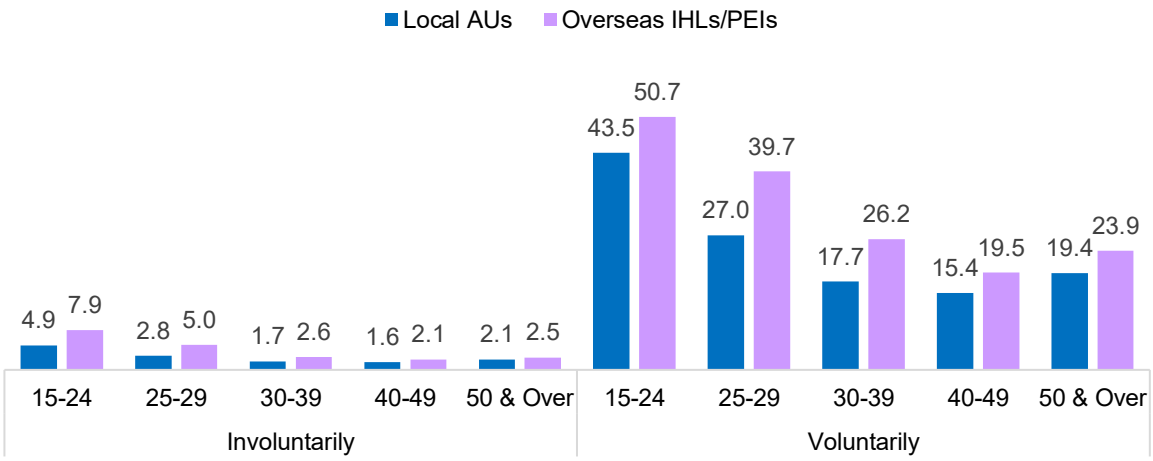


Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Note: Data in parentheses refer to the incidence of overqualification by place of study.

5.7 Regardless of place of study, however, the incidence of overqualification was higher among graduates aged below 25 and 25 to 29 compared to other age groups, both on an involuntary and voluntary basis, but declines as they gain work experience and transit into the next age group. This downward trend is observed across all places of study, suggesting that overqualification tends to decrease with age and experience [Chart 15].

Chart 15: Incidence of overqualified tertiary educated residents in their current jobs involuntarily/voluntarily, by place of study and age, 2025 (%)



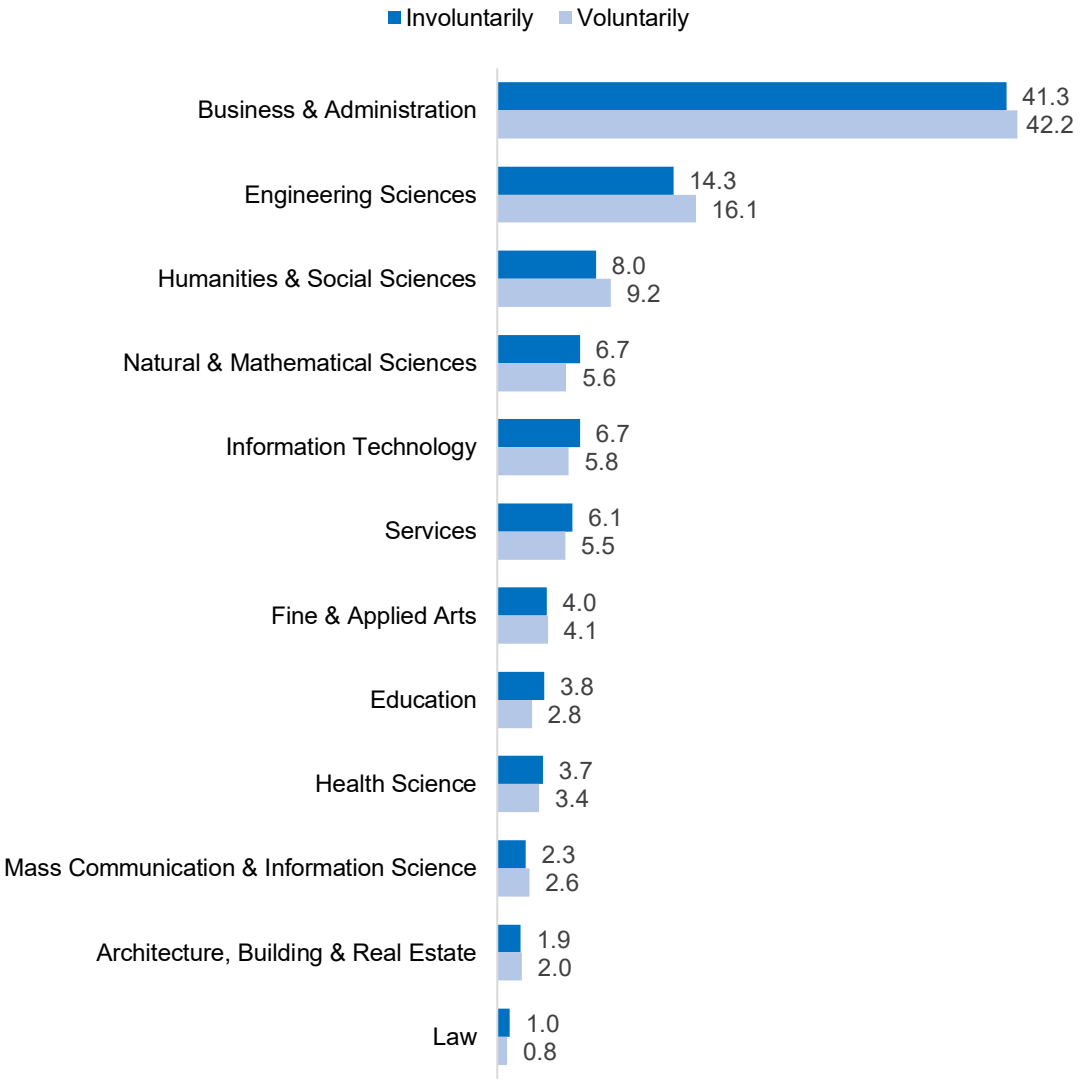
Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

5.8 Notwithstanding the higher incidence of overqualification among younger graduates, the employment rates of fresh graduates from local IHLs has remained broadly stable over the past ten years. The starting salary of fresh graduates from local IHLs has also increased in real terms over the past ten years. This indicates that the labour market continues to demonstrate strong demand for fresh tertiary graduates.

Field of Study

5.9 By field of study, four in ten of overqualified workers were from the Business & Administration discipline [Chart 16]. Their higher representation can be attributed to the higher number of intakes for graduates in this field[18] relative to more niche fields of study.

Chart 16: Distribution of tertiary-educated residents overqualified in their jobs involuntarily/voluntarily, by field of study, 2025 (%)

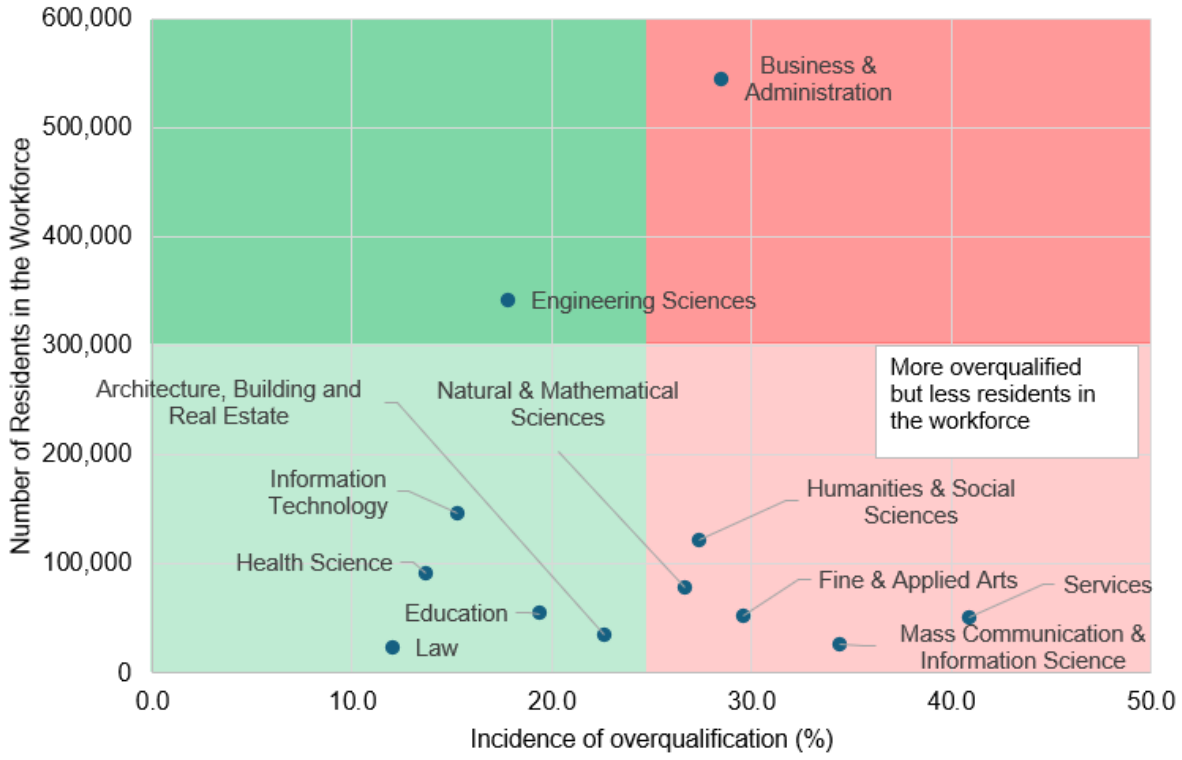


Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

[18] Across the various courses, the number of degree graduates and polytechnic diploma graduates in Business & Administration (including Accountancy) were the among the highest (in 2024: degree – 5,146 and polytechnic diploma – 4,309). Source: DOS, MOE and Various IHLs.

5.10 Though there were fewer graduates in these fields, the incidence of overqualification was higher in fields such as Humanities & Social Sciences, Fine & Applied Arts and Mass Communication & Information Science – suggesting that graduates in these fields may traverse a broader spectrum of jobs that may not typically require tertiary qualification, but with a focus on technical or practical skills; for example, they may take up creative trades or community-oriented roles [Chart 17]. In contrast, the incidence of overqualification was lower in fields such as Law and Health Science, where formal qualifications are typically needed for professional practice.

Chart 17: Number in resident workforce by field of study and incidence of overqualification by field of study, 2025 (%)



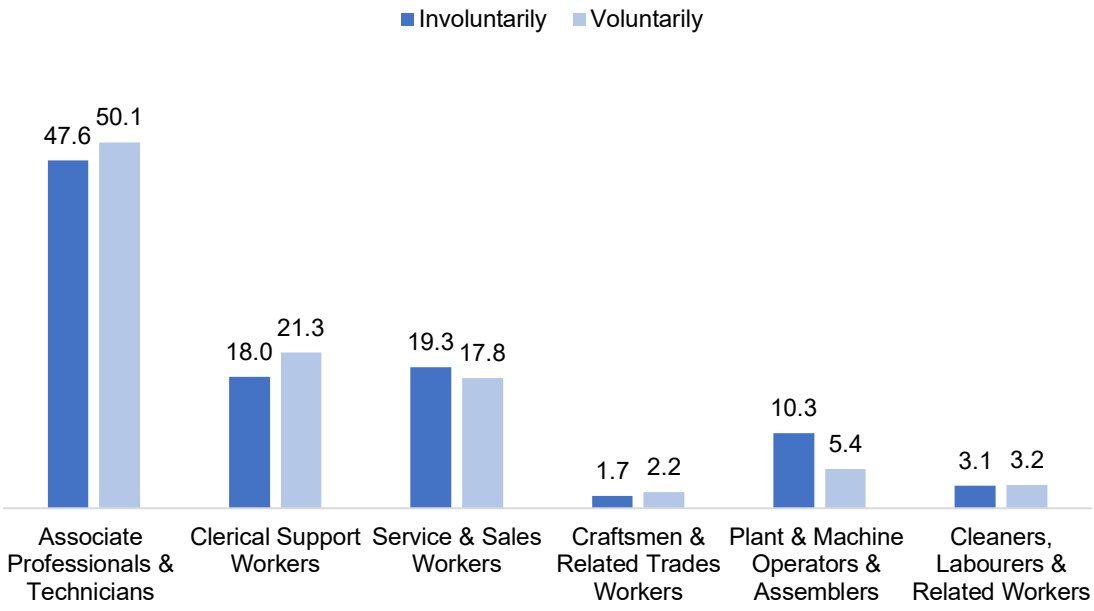
Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

Occupation

Majority of overqualified tertiary graduates were in APT jobs

5.11 The occupation profile of the tertiary-educated involuntarily overqualified was similar to that of tertiary-educated voluntarily overqualified [Chart 18]. Among the tertiary-educated, a larger share of the involuntarily and voluntarily overqualified (47.6% and 50.1%) were working as associate professionals & technicians as more young workers take on entry-level executive jobs to accumulate the experience required to take on higher-skilled jobs.

Chart 18: Occupation distribution of the tertiary educated who were involuntarily/voluntarily overqualified, 2025 (%)



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

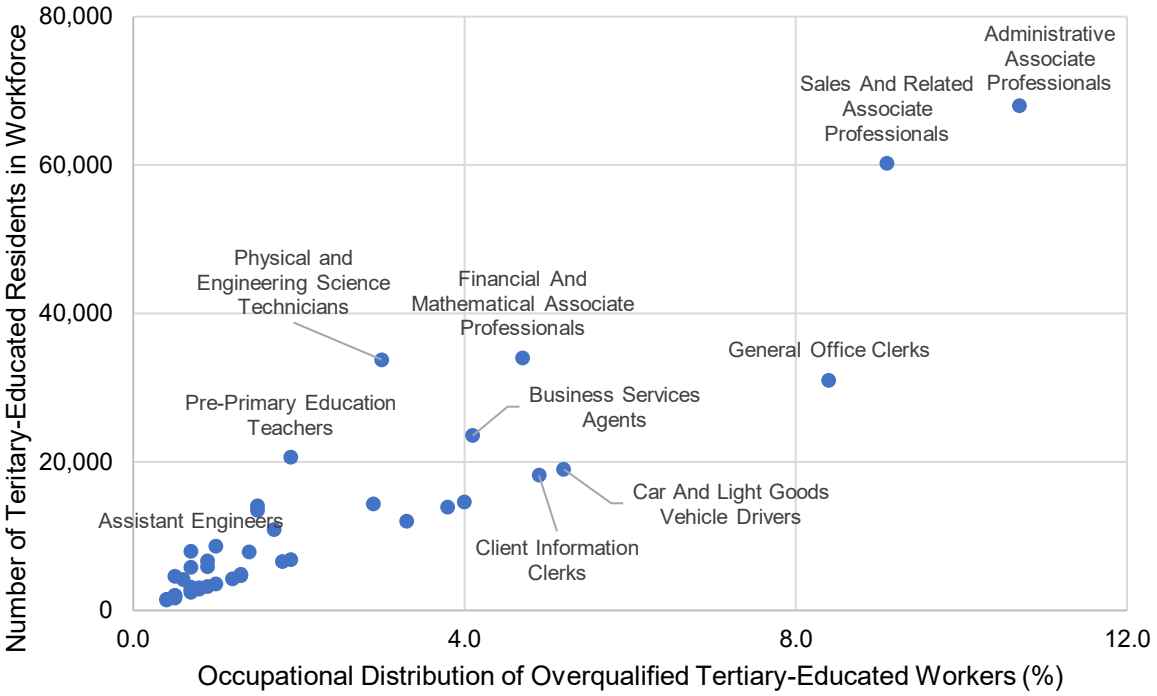
5.12 At a more detailed occupational level, tertiary educated workers who were overqualified were in sales and related associate professional, administrative associate professionals, as well as financial and mathematical associate professionals [Chart 19].[19] These jobs tend to be in sales (e.g. insurance sales, business development or after sales adviser/client account servicing), which may offer high earning potential, or in financial-related (e.g. assistant accountant, financial services administrators, or credit/loans officer) and administrative-related roles (e.g, management executives, operations officers and logistics/production planner), where young workers may start in entry-level roles before progressing to higher-skilled positions (e.g. accountants, auditors or in managerial positions).

5.13 A significant share was also employed in clerical roles, such as general office clerks and client information clerks. Car and light goods vehicle drivers, which comprise private-hire car drivers, also accounted for a portion of overqualified tertiary-educated workers, who may either be in transition in between jobs or value the flexibility and autonomy these roles provide.

5.14 Over time, with the growing adoption of AI, some of these roles within clerical, administrative or routine functions may increasingly be augmented or replaced by technology. This trend may accelerate the need for workers to upskill and move into other roles requiring analytical or interpersonal skills (e.g. advisory services, or data-driven financial analysis, business development or strategic planning), in order for workers to be better matched for the jobs they apply for.

[19] Tertiary-educated workers in administrative associate professional roles, and financial and mathematical associate professional roles typically start in entry- to mid-level positions and may progress to more experienced/managerial roles within their occupational families as they gain skills and experience.

Chart 19: Number of tertiary-educated residents in workforce and occupational distribution of overqualified tertiary-educated workers (3-digit SSOC), 2025



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

Note: Each point represents a 3-digit SSOC occupation.

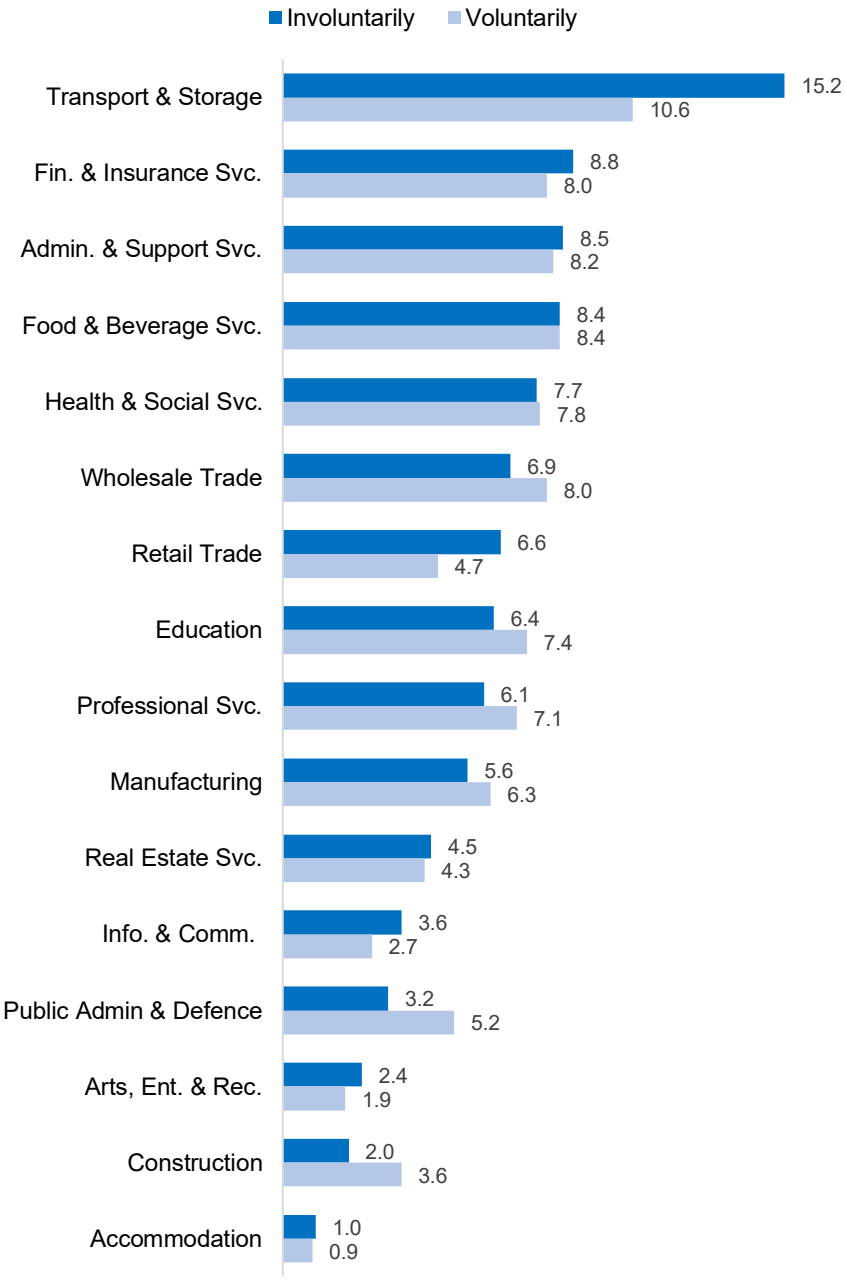
Industry

5.15 In 2025, workers from *Transportation & Storage* also formed the highest share of overqualified employed residents (15.2% of the involuntarily overqualified; and 10.6% of the voluntarily overqualified) [Chart 20]. They were in their jobs both on an involuntary and voluntary basis and were mainly private-hire car drivers, who could be in transition between jobs who may face difficulty securing positions that match their qualifications, or who value the flexibility and immediate income opportunities these roles provide. The relatively lower barriers to entry in ride-hail and delivery services create greater opportunities for higher-educated workers to take up lower-skilled roles. Taken together, this resulted in a higher incidence of overqualification within the sector.

5.16 In contrast, industries such as *Accommodation* and *Arts, Entertainment and Recreation* had lower shares of overqualified employed residents. This likely reflects the vocational or skill-specific nature of roles in these industries, as well as the smaller workforce size, which better match employees' qualifications and contribute to a lower incidence of overqualification in the sector.[20]

[20] Within *Accommodation*, employment is typically concentrated in roles that are vocational or skill-specific, such as hotel receptionists (7.7% of roles within the sector), chefs (7.1%) and hotel operations/lodging services manager (6.7%). This is similar for the *Arts, Entertainment and Recreation* sector, where roles are concentrated in gaming services professionals e.g. casino dealers/gaming supervisors (8.2%), or fitness-related e.g. physical fitness instructors (8.0%).

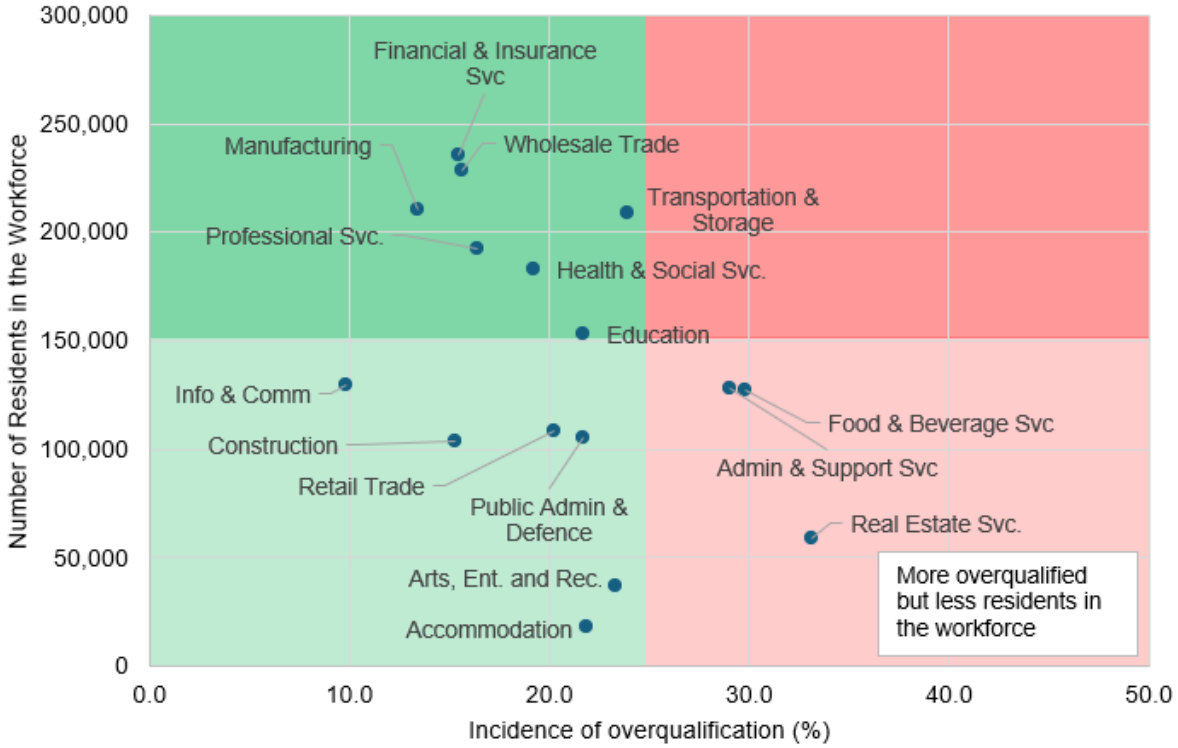
Chart 20: Industry distribution of residents overqualified in their current jobs involuntarily/voluntarily, 2025 (%)



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

5.17 The incidence of overqualification was higher in industries such as *Administrative & Support Services* and *Food & Beverage Services*, which recorded higher proportions of overqualified workers relative to their workforce size [Chart 21]. This is partly because these industries have a higher share of non-PMET employment,[21] where many roles are lower-skilled relative to the qualifications of the workers filling them, contributing to a higher incidence of overqualification. In contrast, industries such as *Information & Communications* and *Professional Services* have lower incidences of overqualification, in line with their higher concentration of jobs requiring specialised qualifications.

Chart 21: Number in resident workforce by industry and incidence of overqualification by industry, 2025 (%)



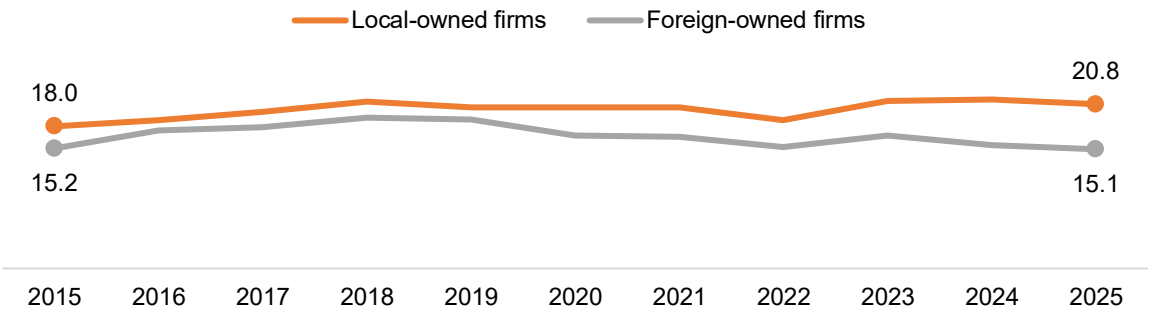
Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

[21] The non-PMET share of employment was 70.3% in *Administrative & Support Services* and 83.0% in *Food & Beverage Services*. Within *Real Estate Services*, a larger share of employment comprised Associate Professional & Technician roles, such as real estate agents. These roles typically do not require degree-level qualifications, but may be filled by degree-holders, contributing to a higher incidence of overqualification.

Firm Characteristics

5.18 Local-owned firms tend to have higher incidence of overqualification. This proportion has increased slightly over the last decade, while that for foreign-owned firms has remained broadly stable [Chart 22]. This is due to the difference in workforce composition, as foreign-owned firms tend to have a higher share of PME employment (57.7%), which contributes to a lower incidence of overqualification compared to local-owned firms (PME employment share: 39.1%).

Chart 22: Share of resident employees who are overqualified by firm ownership, 2015 - 2025 (%)

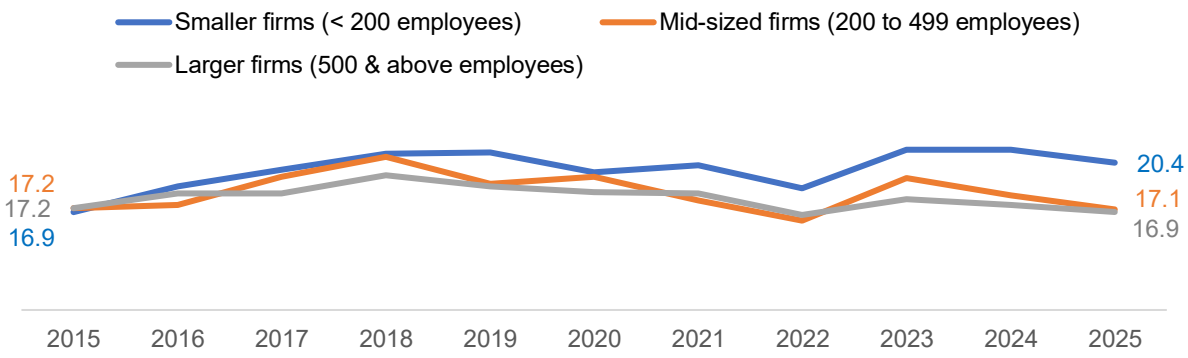


Source: Comprehensive Labour Force Survey and Administrative Records, Manpower Research & Statistics Department, MOM

Note: Local-owned firms refer to firms with at least 50% local ownership, while foreign-owned firms refer to firms with less than 50% local ownership.

5.19 Smaller firms also tend to have higher incidence of overqualification, and this has risen over the decade [Chart 23]. Among smaller firms, the increase in number of overqualified residents were larger in industries such as Administrative & Support Services, and Food & Beverage Services between 2015 and 2025.

Chart 23: Share of resident employees who are overqualified by firm size, 2015 - 2025 (%)



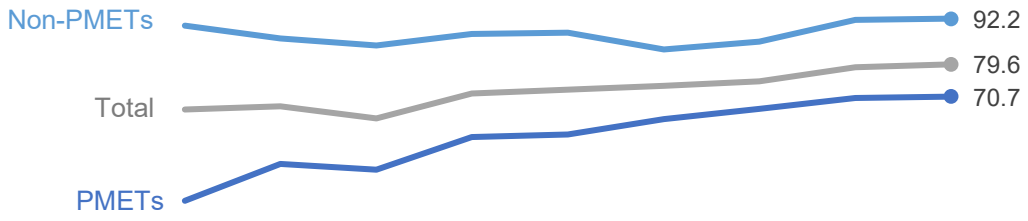
Source: Comprehensive Labour Force Survey and Administrative Records, Manpower Research & Statistics Department, MOM

6 Hiring Challenges and Skills Gaps

Employers prioritise skills and experience over qualifications

6.1 From the employers' perspective, academic qualifications were not the main hiring consideration for 79.6% of vacancies in 2025 [Chart 24]. Instead, relevant experience (48.2%) and skills and abilities (20.1%) ranked as the top hiring factors, indicating that credential gaps observed in overqualification data do not directly translate into hiring disadvantages for most workers [Chart 25].

Chart 24: Proportion of job vacancies for which academic qualifications were not the main consideration (%)

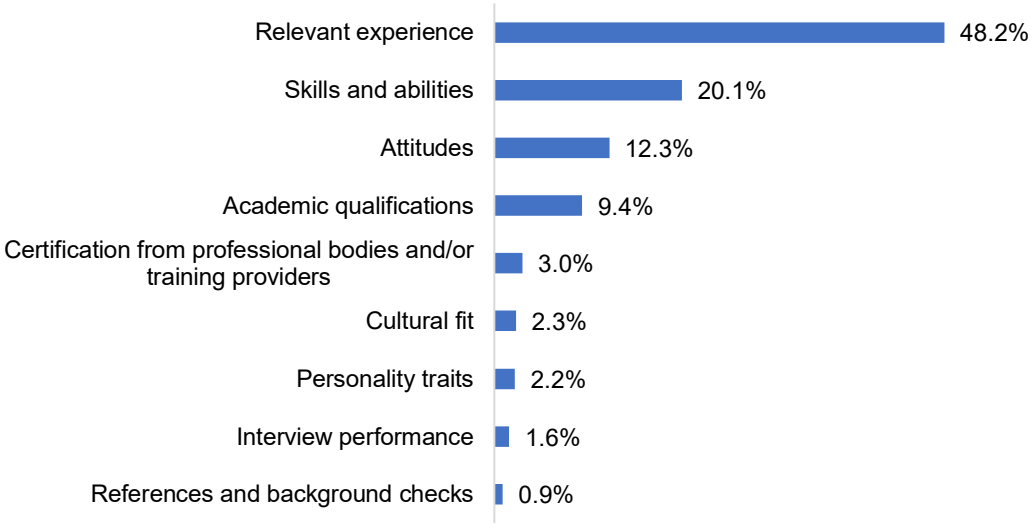


	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total	67.1	68.1	64.7	71.5	72.6	73.6	74.9	78.8	79.6
PMETs	42.0	52.2	50.6	59.5	60.2	64.5	67.3	70.3	70.7
Non-PMETs	90.3	86.7	84.8	87.9	88.4	83.7	85.9	91.9	92.2

Source: Job Vacancy Survey, Manpower Research & Statistics Department, MOM

Note: Data are available from 2017 onwards.

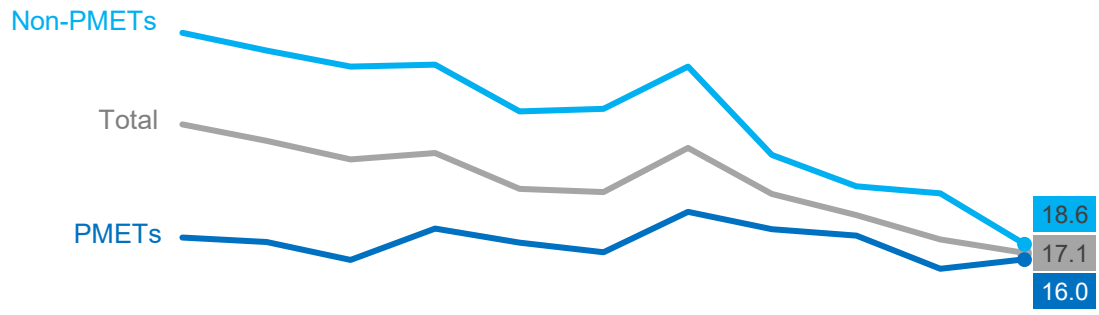
Chart 25: Distribution of job vacancies by top-ranked hiring factors, 2025 (%)



Source: Job Vacancy Survey, Manpower Research & Statistics Department, MOM

6.2 Where employers do face hiring challenges, it is less about the level of qualifications workers hold, and more about whether those qualifications are matched by the specific skills and experience the role demands. Yet even as overall hiring difficulty has eased, employers report that skills mismatches in specialised PMET roles are becoming more pronounced. The share of PMET vacancies unfilled for at least six months rose from 14.4% in 2024 to 16.0% in 2025 [Chart 26]. Employers cite difficulties filling roles requiring specific technical skills or experience, including data scientists, teaching and training professionals, and civil engineers. This points to a labour market where demand for professionals is shifting, and where credentials alone do not always meet what employers need, underscoring the importance of aligning skills development with evolving job requirements.

Chart 26: Proportion of job vacancies which were unfilled for at least six months (%)



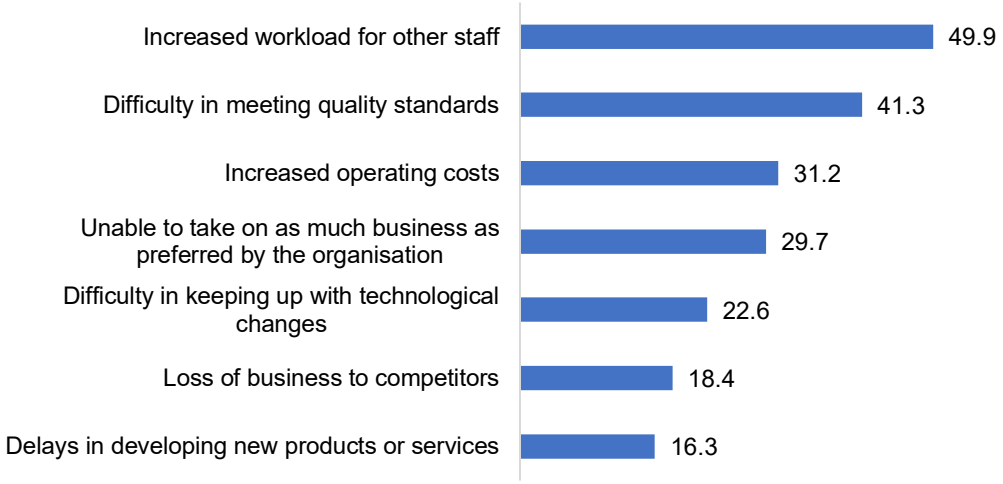
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total	39.0	36.2	33.0	34.1	28.0	27.5	35.0	27.1	23.5	19.4	17.1
PMETs	19.7	19.0	15.9	21.2	18.8	17.2	24.1	21.1	20.0	14.4	16.0
Non-PMETs	54.6	51.6	48.8	49.2	41.2	41.6	48.9	33.8	28.5	27.2	18.6

Source: Job Vacancy Survey, Manpower Research & Statistics Department, MOM

Evolving skills needs highlight the importance of continued workforce development

6.3 When asked whether they had experienced a skills gap[22] among employees, 24.3% of employers reported that they did. Among these employers, skill gaps among employees had tangible operational impacts [Chart 27], including increased workload for other employees (49.9%) and difficulty in meeting quality standards (41.3%). Some employers also reported that such skill gaps led to missed business opportunities and difficulties in keeping up with technological changes, suggesting that skills gap left unaddressed can erode business competitiveness over time.

Chart 27: Impact on organisation due to skills gap of their workforce, 2024 (%)



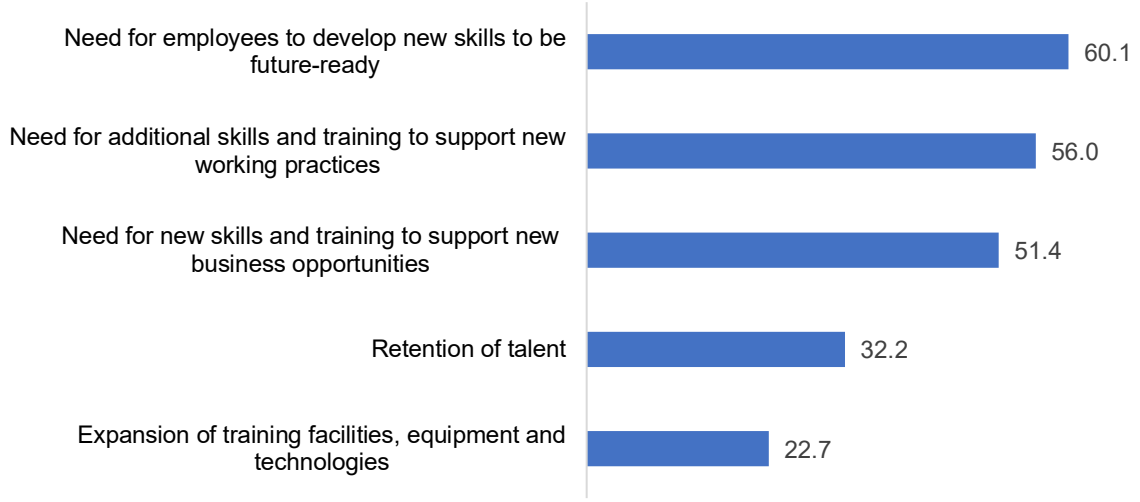
Source: Employer Supported Training Survey, Manpower Research & Statistics Department, MOM

Note: Respondents may indicate more than one option.

[22] Skills gap refer to the mismatch between employees' skills and those required for effective job performance.

6.4 These findings underscore the importance of sustained employer investment in training. Among employers who had planned to increase their training budget in 2025, the most cited reasons reflect both forward-looking and immediate business needs. Key reasons cited include the need for employees to be future-ready (60.1%), as well as the need for skills and training to support new working practices (56.0%) or new business opportunities (51.4%) [Chart 28]. Some employers also cited talent retention (32.2%) as another factor, whereby training can enhance employees' career development prospects and job satisfaction.

Chart 28: Reasons for increasing training budget in 2025 (%)



Source: Employer Supported Training Survey, Manpower Research & Statistics Department, MOM

Note: Respondents may indicate more than one option.

7 Conclusion

7.1 The measure of overqualification provides additional insight into underemployment beyond time-based indicators. Overqualification is commonly observed in high-income countries with large tertiary-educated workforces. In Singapore, 64.0% of the resident workforce held tertiary qualifications in 2025, compared with an average of 41.2% across high-income countries. Despite this, Singapore's overqualification rate of 19.4% remains below the high-income countries' average of 21.6%. While the rate has increased over the decade, much of this rise is associated with workers voluntarily taking on jobs below their qualification level due to other valued job attributes.

7.2 A small share of the workforce — 1.7% in 2025 — were involuntarily overqualified, meaning they preferred roles aligned with their qualifications but were unable to secure them. This proportion has remained below 3.0% over time. Support for this group remains important, as they could benefit from training and career guidance to help them obtain jobs that better match their qualifications.

7.3 Overqualification may arise when skills have not been kept current. As employers increasingly prioritise skills over formal academic credentials, workers whose skills have become less relevant may find themselves misaligned with job requirements – even where their qualifications remain adequate. For employers, skills gaps carry tangible operational consequences, highlighting the need for sustained investment in workforce skills development to maintain competitiveness.

7.4 To address overqualification in Singapore:

a. Workers can be encouraged to reskill and upskill to address skills atrophy, which may reduce both voluntary and involuntary overqualification.
b. Individuals may benefit from better information about job opportunities through initiatives such as Career Health SG.
c. Efforts to enable sustainable work and careers can help workers with different needs and preferences find roles that better fit their qualifications.

7.5 Workforce Singapore (WSG) and SkillsFuture Singapore (SSG) offer a range of reskilling and upskilling programmes, including enhanced Career Conversion Programmes (CCPs) with higher salary support and expanded eligibility for mid-career workers. The SkillsFuture Level-Up Programme provides additional credits, subsidies, and training allowances to support more substantive upskilling. For young graduates, SkillsFuture Work-Study Programmes, apprenticeships, and GRaduate Industry Traineeships offer pathways to build experience and access meaningful early-career roles.

7.6 Information gaps in the labour market may also contribute to overqualification. Some workers may be unaware of job opportunities that both align with their preferences (e.g., social impact, flexibility) and utilise their qualifications. The Career & Skills Passport consolidates workers' experience, qualifications, and skills to strengthen job-skills matching. MOM and WSG will continue to support long-term career planning through digital tools, career guidance, and partnerships with private providers.

7.7 Efforts to support sustainable work and careers may expand the availability of roles that meet the diverse preferences of the workforce. As the population ages, more workers may require flexible arrangements to balance work and caregiving responsibilities. The Tripartite Guidelines on Flexible Work Arrangement Requests encourage wider adoption of such arrangements, while job redesign efforts support employers in accommodating flexibility.

Annex A: Methodology for Measuring Overqualification

The normative approach[23] to measuring underemployment allows for consistent measurement over time and between countries. The classification of overqualified workers follows the framework established by ILO which has defined the education levels for each occupation group: -

i. Workers classified as "underqualified" possess educational qualifications below the level required [Table 1].
ii. Workers classified as "matched" possess educational qualifications that correspond to the formal education required for their major occupation group.
iii. Lastly, workers classified as "overqualified" possess educational qualifications above the level required.

This is an objective measurement which allows for a consistent measurement over time and a fair comparison across countries, unlike a subjective measurement based on individuals' self-assessment of their own situation.

Table 1: Level of Qualification Required for Occupations

Major Occupation Group (SSOC 2024)	Formal Education Required (SSEC 2020)
Managers & Administrators	Polytechnic Diploma or equivalent and above
Professionals	Bachelor's Degree or equivalent and above
Associate Professionals & Technicians	Polytechnic Diploma or equivalent
Clerical Support Workers	Lower Secondary to Post-Secondary (Non-Tertiary)
Service & Sales Workers	
Craftsmen and Related Trades Workers	
Plant & Machine Operators and Assembler	
Cleaners, Labourers & Related Workers	Primary

Source: Adapted from Measurement of qualifications and skills mismatches of persons in employment. International Labour Office.

[23] There are two other approaches, statistical and self-assessment. These other approaches are outside the scope of this report.

Annex B: Survey Coverage and Methodology

The 2025 Comprehensive Labour Force Survey (CLFS) is the forty-eighth in the series of mid-year labour force surveys conducted in Singapore by the Manpower Research and Statistics Department of the Ministry of Manpower. The objective of the survey is to collect data on the economic activities of the population, including detailed information on employment and unemployment as well as characteristics of persons in and outside the labour force.

The survey is conducted under the Statistics Act 1973 (2020 Revised Edition) which empowers the Director of the Manpower Research and Statistics Department to collect information from survey respondents. The Act also guarantees the confidentiality of individual information obtained from the survey.

Coverage

The survey covers private households in Singapore. It excludes workers living in construction worksites, dormitories and workers' quarters at the workplace and persons commuting from abroad to work in Singapore. Estimates of the total labour force are derived by combining data on residents obtained from the survey with non-resident employment data compiled from administrative records.

Concepts and Definitions

The concepts and definitions used in the survey conform to international guidelines recommended by the International Labour Organisation. The terms and definitions used are as follows:

Unemployment Rate	This is defined as the percentage of unemployed persons to the labour force.
Time-Related Underemployed Persons	This refers to persons aged 15 years and over who normally work less than 35 hours a week but are willing and available to engage in additional work.
Time-Related Underemployment Rate	This is defined as the percentage of time-related underemployed persons to employed persons.
Highest Qualification Attained	This refers to the highest grade or standard of education a person has passed or the highest level of education where a certificate, diploma or degree is awarded by an educational or training institution. The classification of highest qualification attained is based on the Singapore Standard Educational Classification (SSEC) 2020.

	A person is classified into one of the following categories according to the highest qualification attained: **No Formal Qualification / Pre-Primary / Lower Primary** ➢ This refers to those who have never attended school, have pre-primary education, or have primary education but without Primary School Leaving Examination (PSLE) certificate or their equivalent, or have Certificate in Basic Education for Skills Training (BEST) 1-3. **Primary** ➢ This refers to those who have PSLE or other certificate of equivalent standard, or have Certificate in BEST 4 or at least 3 Statements of Attainment and/or certification [24] for different Workplace Literacy or Numeracy (WPLN) skills at Level 1 or 2. **Lower Secondary** ➢ This refers to those who have secondary education without any subject pass at General Certificate of Education (GCE) Normal ('N')/Ordinary ('O') Level or equivalent, or have Certificate in Worker Improvement through Secondary Education (WISE) 1-3, or basic vocational certificates (including Institute of Technical Education (ITE) Basic Vocational Training), or at least 3 Statements of Attainment and/or certification[22] for different WPLN skills at Level 3 or 4. **Secondary** ➢ This refers to those who have at least 1 subject pass at GCE 'N'/'O' Level, or have National ITE Certificate (Intermediate) or equivalent (including National Technical Certificate (NTC) Grade 3, Certificate of Vocational Training, Building and Construction Authority (BCA) Builder Certificate), or have ITE Skills Certificate (ISC) or equivalent (including Certificate of Competency, Certificate in Service Skills) or at least 3 Statements of Attainment and/or certification[22] for different WPLN skills at Level 5 and above.

[24] This refers to both Workforce Skills Qualifications (WSQ) Statement of Attainment and/or certification issued by SkillsFuture Singapore's appointed WPLN assessment partner.

	Post-Secondary (Non-Tertiary) ➢ This refers to those who have at least 1 subject pass at GCE Advanced ('A')/Higher 2 ('H2') Level or other certificates/qualifications of equivalent standard. It also includes those who have National ITE Certificate (Nitec) (including Post Nitec Certificate, Specialist Nitec, Certificate in Office Skills, NTC Grade 2, National Certificate in Nursing, BCA Advanced Builder Certificate), or have Higher Nitec (including Certificate in Business Skills, Industrial Technician Certificate and other polytechnic certificates), or Master Nitec or equivalent (including NTC Grade 1). This group also includes WSQ Certificate/Higher Certificate/Advanced Certificate or equivalent, International Baccalaureate/National University of Singapore (NUS) High school diploma or other post-secondary certificates/qualifications (including Singapore Institute of Management (SIM) certificates). **Polytechnic Diploma** ➢ This refers to those who have Polytechnic diploma, or Polytechnic post-diploma (including Polytechnic advanced/specialist/management/graduate diploma, diploma (conversion)). **Professional Qualification and Other Diploma** ➢ This refers to those who have qualifications awarded by professional bodies (including Association of Chartered Certified Accountants (ACCA), Chartered Financial Analyst (CFA)), and other diploma qualifications (including ITE diploma, National Institute of Education (NIE) diploma, SIM diploma, LASALLE diploma, Nanyang Academy of Fine Arts (NAFA) diploma, WSQ diploma, WSQ specialist diploma etc.). **Degree** ➢ This refers to those who have Bachelor's degree, Postgraduate diploma/certificate (including NIE postgraduate diploma, WSQ graduate certificate, WSQ graduate diploma), Master's, or Doctoral degree.
Field of Study	This refers to the principal discipline, branch or subject matter of study that leads to the award of the highest qualification attained at

	degree, diploma & professional qualification levels. The SSEC 2020 is used to classify the field of study, unless otherwise specified.
Occupation	This refers to the type of work performed by workers during the reference period, which may not necessarily be related to their training, skill or professional qualification. In the case of workers who perform two or more kinds of work, their occupation would refer to the one in which they usually work the longest hours during the reference period. The classification of occupations is based on the Singapore Standard Occupational Classification (SSOC) 2024, unless otherwise specified.
Industry	This refers to the major kind of economic activity or the nature of business of the firm, organisation or establishment in which the person is employed during the reference period. For self-employed persons, industry refers to the kind of economic activity or nature of business they are operating. The classification of industries is based on the Singapore Standard Industrial Classification (SSIC) 2020, unless otherwise specified.

Sampling Design

The sample for the 2025 survey was selected based on a stratified design with proportional allocation. The sample selection was undertaken by Singapore Department of Statistics, Ministry of Trade and Industry, which maintains a sampling frame of residential dwellings in Singapore. The selection is done in accordance with the specified sampling criteria.

Dwelling units in the sampling frame were divided into different groups (or strata). The groups are defined based on the planning areas demarcated by the Urban Redevelopment Authority and broad dwelling type groups. A random sample was then selected proportionally from the different groups by systematic sampling with a random start. The samples selected from each group were combined to form the required sample of 33,000 dwelling units.

This sample design yields an overall equal probability and self-weighting sample.

Response

Of the 33,000 housing units selected in the initial sample, 1,507 were excluded from the survey as they were unoccupied, non-residential or demolished. A total of 27,324 households responded to the survey, achieving an overall response rate of 86.8%.