

National Transfer Accounts: Singapore 2013

6 December 2017

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Potential applications of NTA in Singapore

- **Fiscal:** Evaluate the country's fiscal sustainability in view of the ageing population and changing household structure:
 - Assess the sustainability of public and private finances
 - Assess impact of social policies on intergenerational transfers and public-private expenditure (e.g. impact of new initiatives such as the Silver Support Scheme on private transfers)
- **Manpower:** Investigate the effects of changing manpower policies, such as extending retirement age or changing LFPRs on the economic life-cycle and economic dependency; education policies and life-long learning.
- **Economic:** Model the effects of different economic/LF growth models on fiscal sustainability and economic dependency

Methodology

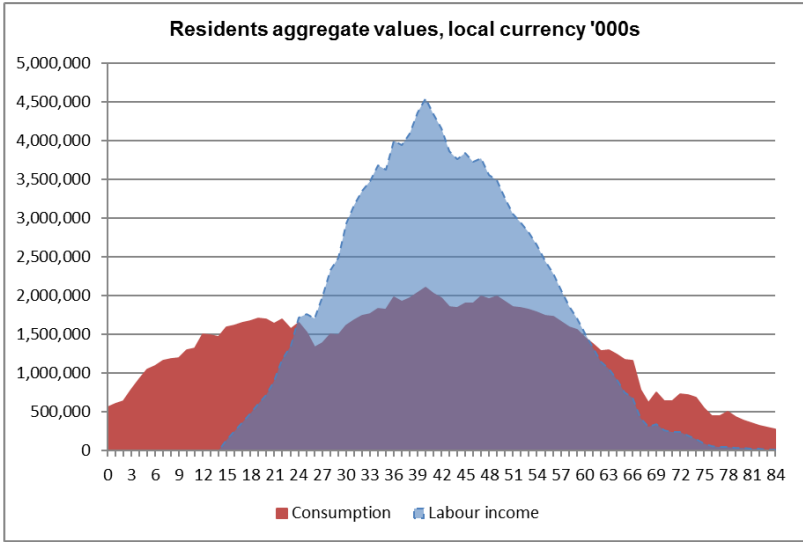
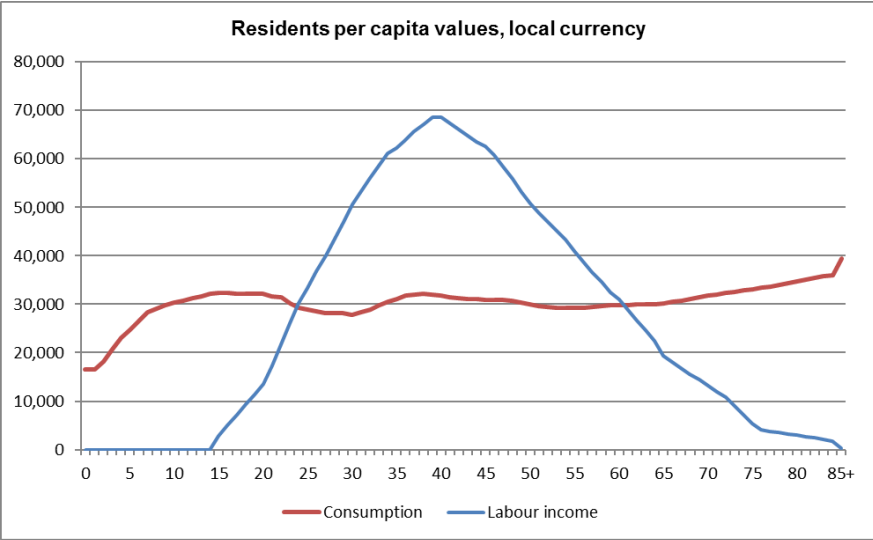
- $\text{Income} - \text{Consumption} = \text{Lifecycle deficit}$
- $\text{Lifecycle deficit} = \text{Private and public transfers} + \text{Private and public asset based reallocations}$
- Obtain age-specific profiles for income, consumption, transfers and asset based reallocations
 - Consumption and transfers by type (health, education, housing, pensions)
- Map to national aggregates for income
 - Adjust to population subsets (Singapore resident, SCs only)
 - Issues in development: Small, open economy; large GDP contribution from non-indigenous sources

Data sources

- Data from publicly available sources including MOF Budget websites and Department of Statistics (DOS)
 - E.g. DOS' 2012/2013 Household Expenditure Survey
 - Singapore's System of National Accounts data 2013
- All other data are author's own estimates

Measuring economic flows across age groups

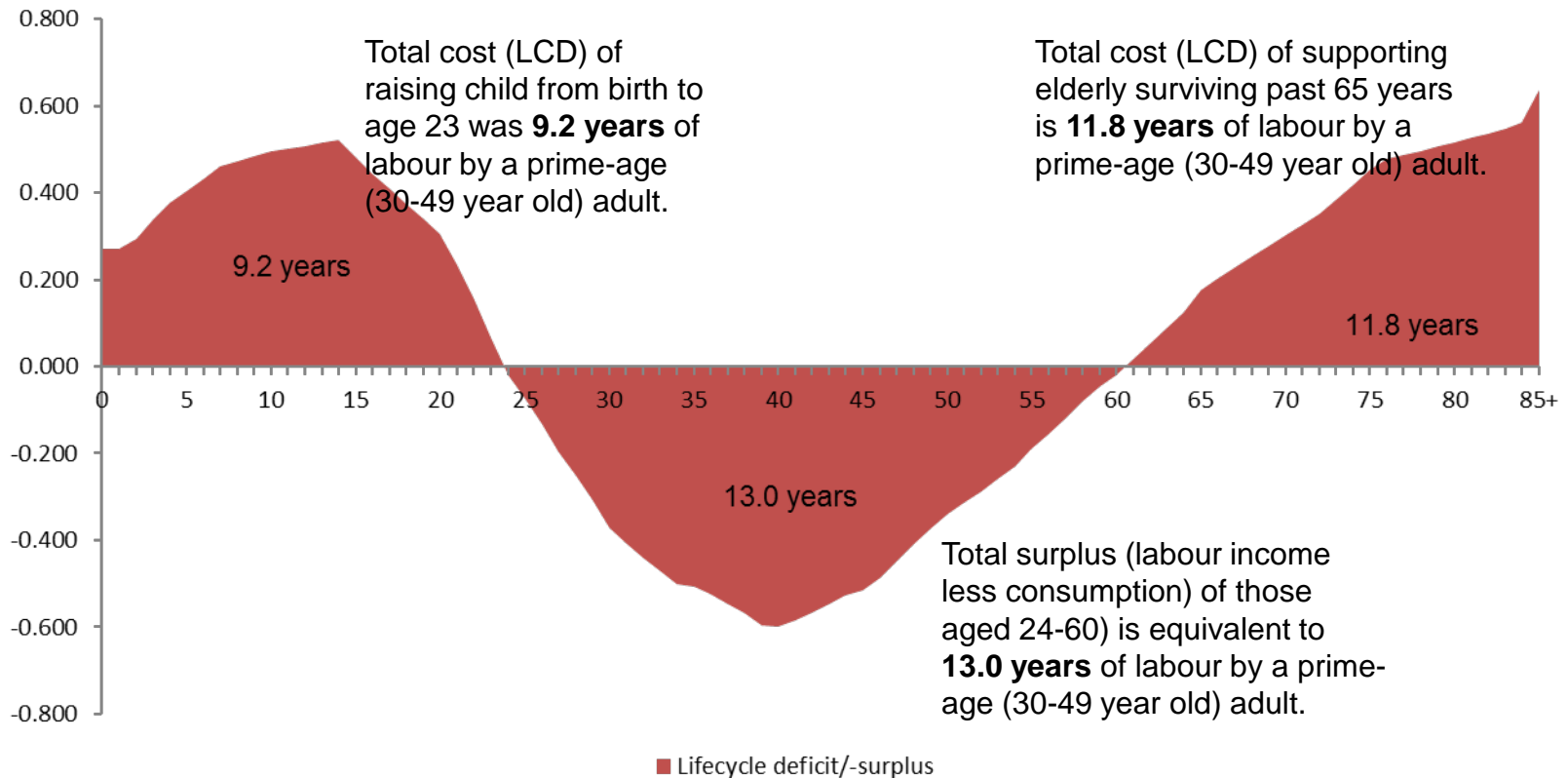
Economic life-cycle of Singapore residents, 2013



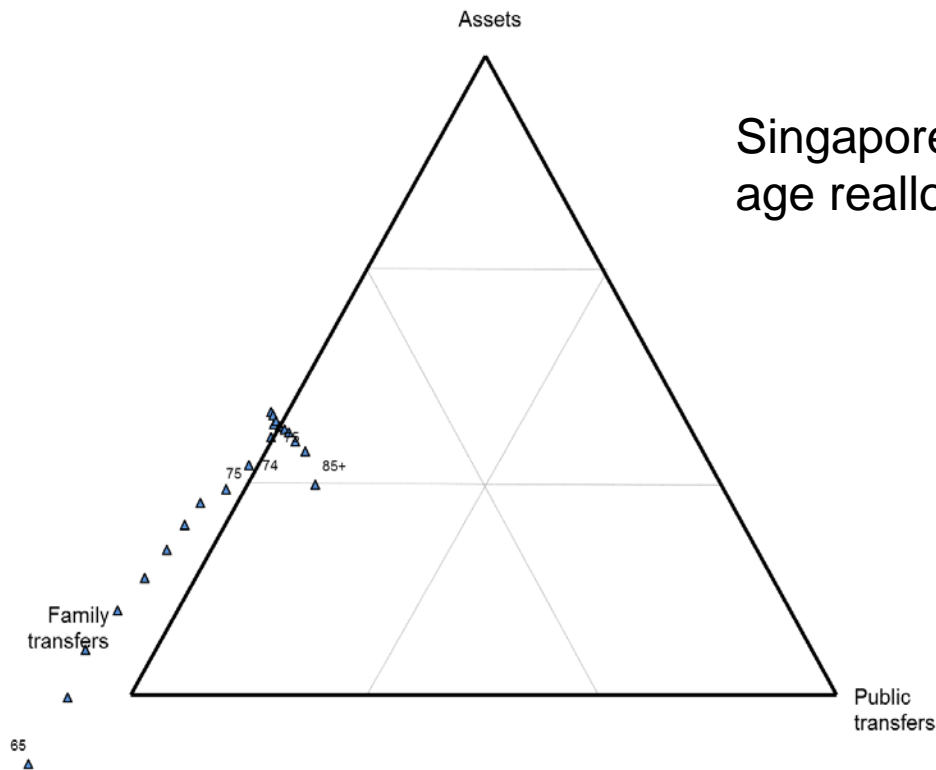
The lifecycle deficit (LCD)

Per capita economic life-cycle by age, Singapore residents, 2013

Residents per capita values, normalised to average labour income 30-49 years

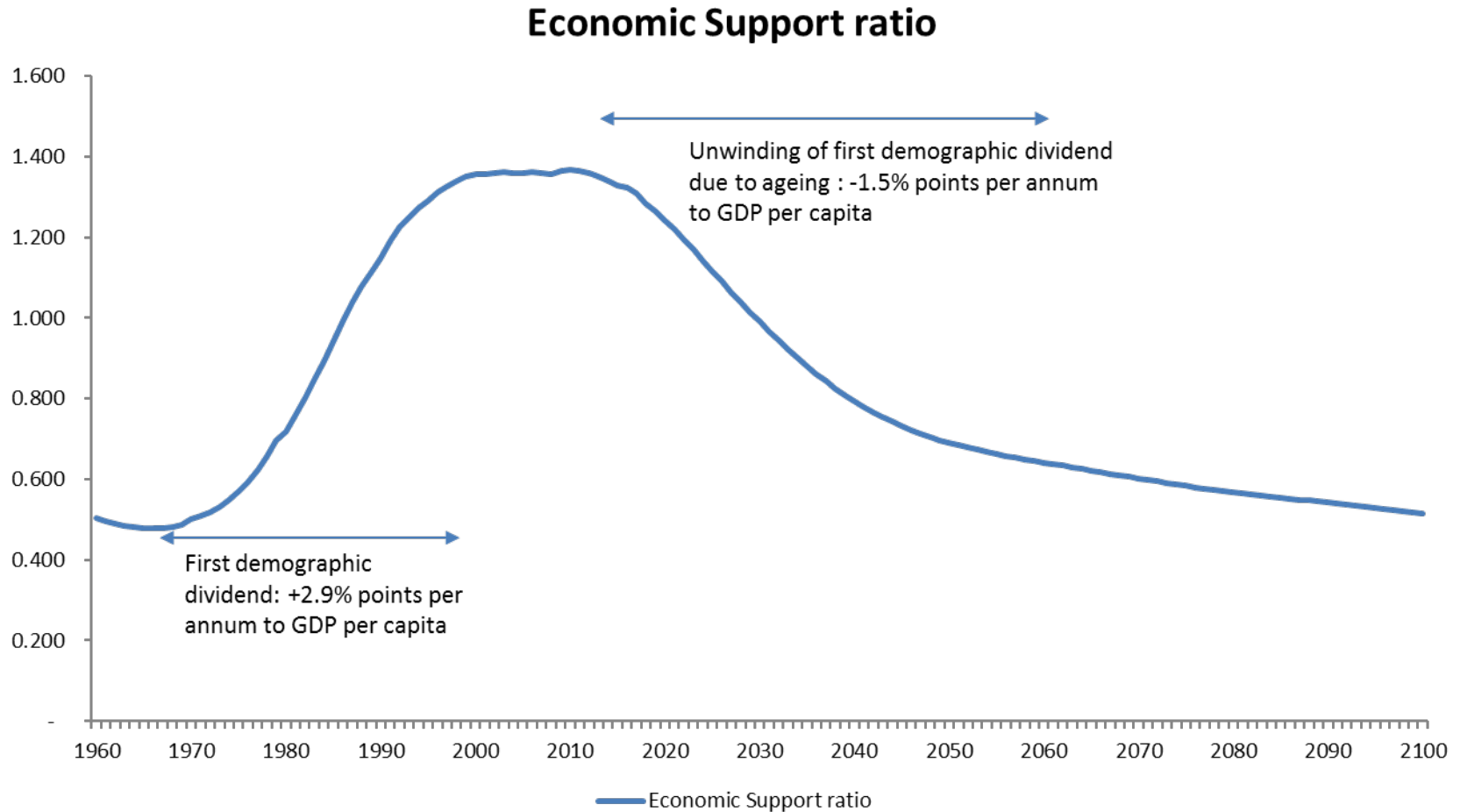


Age reallocations



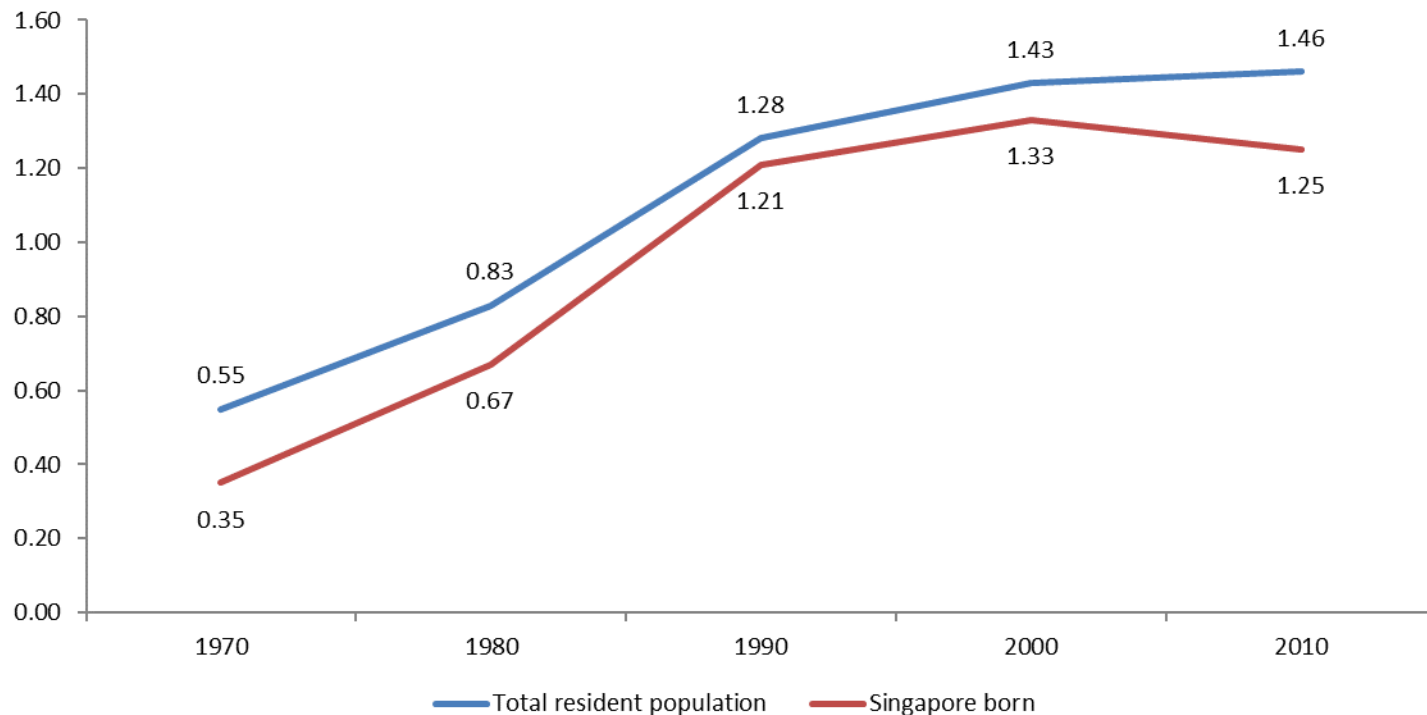
Singapore resident population:
age reallocations 61-85+

The Demographic Dividend in Singapore

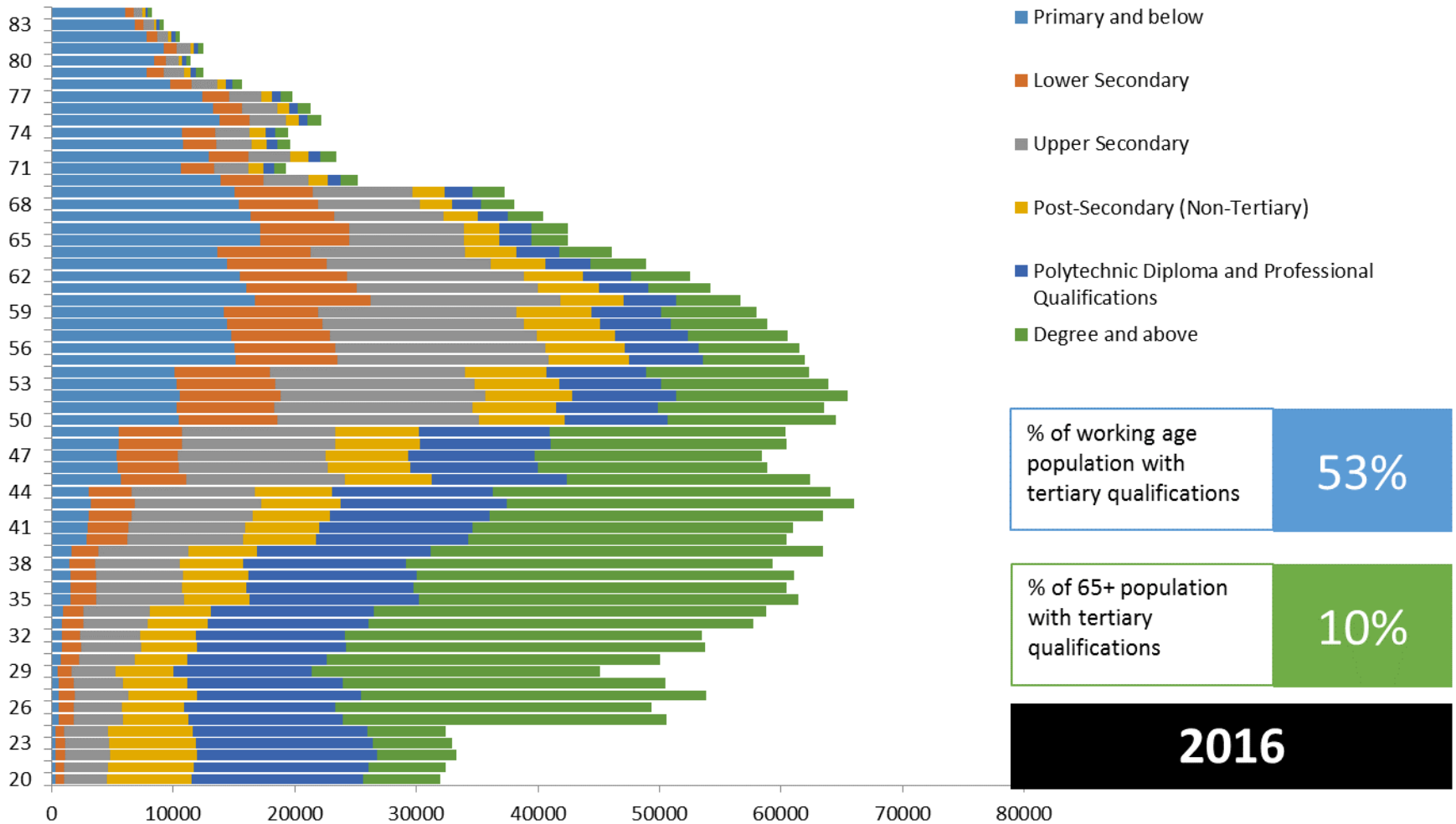


Demographic dividend decomposition: migration

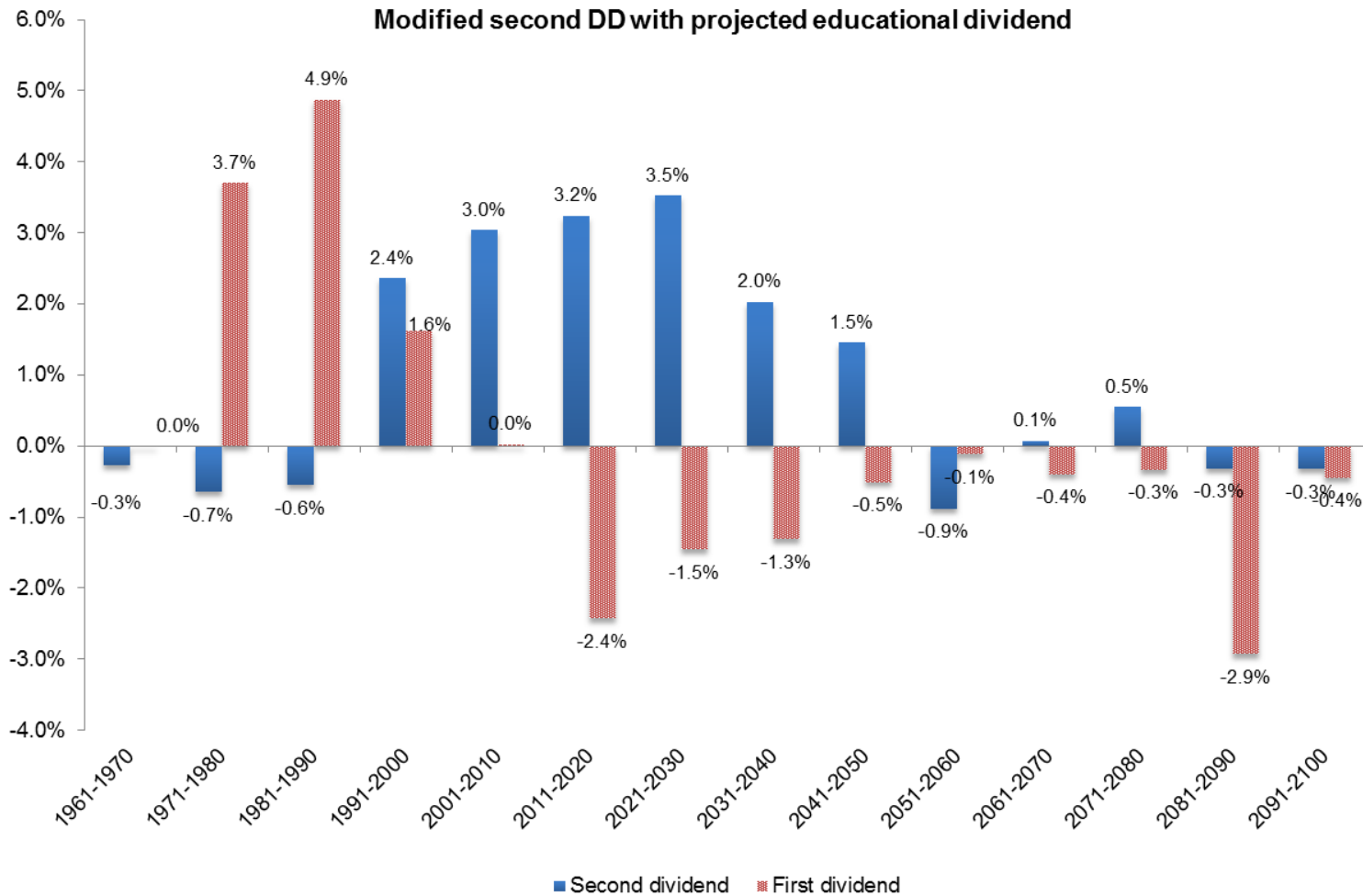
Economic support ratio: by place of birth (1970-2010)



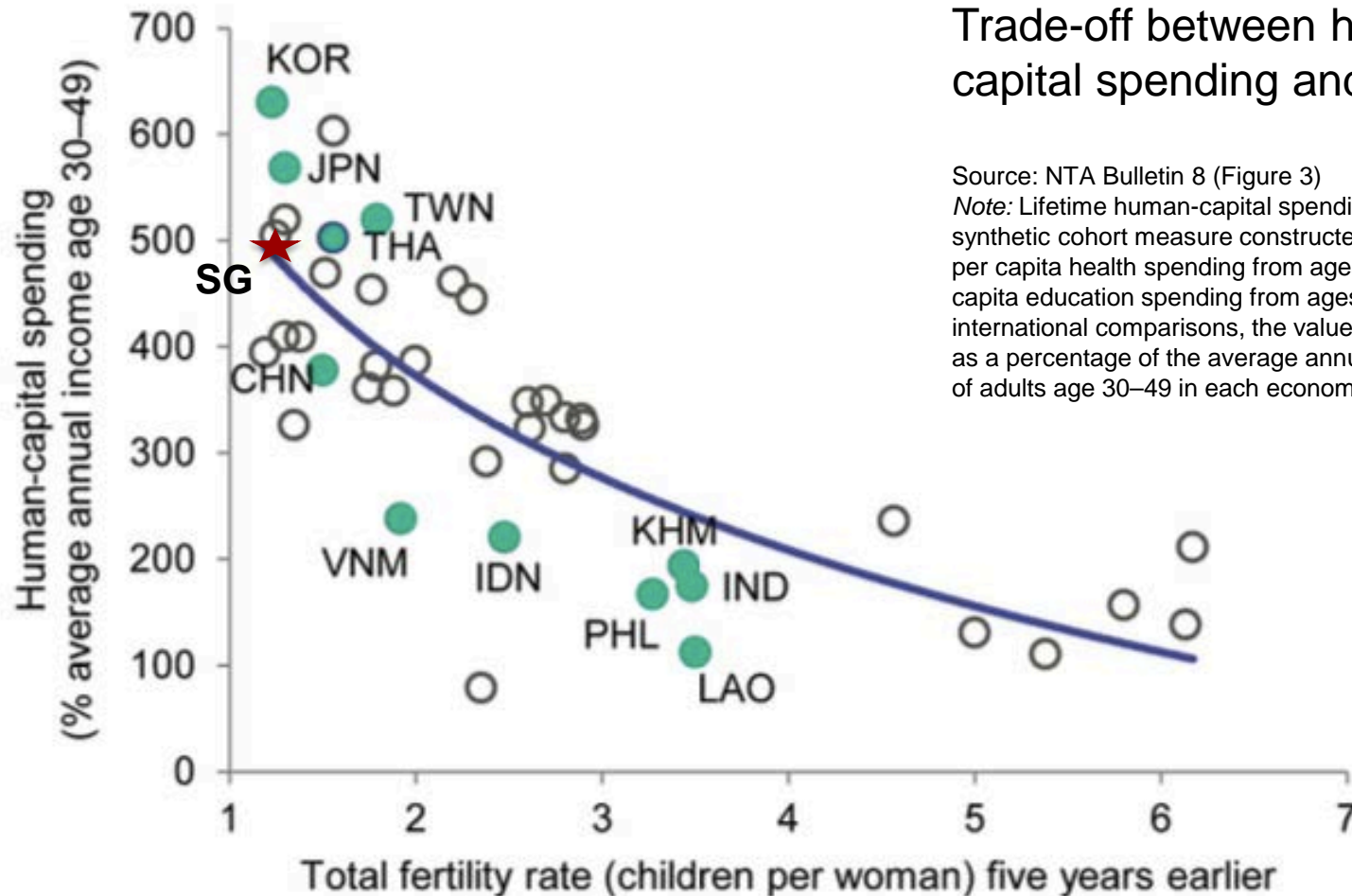
Singapore's Educational Dividend



First and second demographic dividends



Human capital investment and TFR

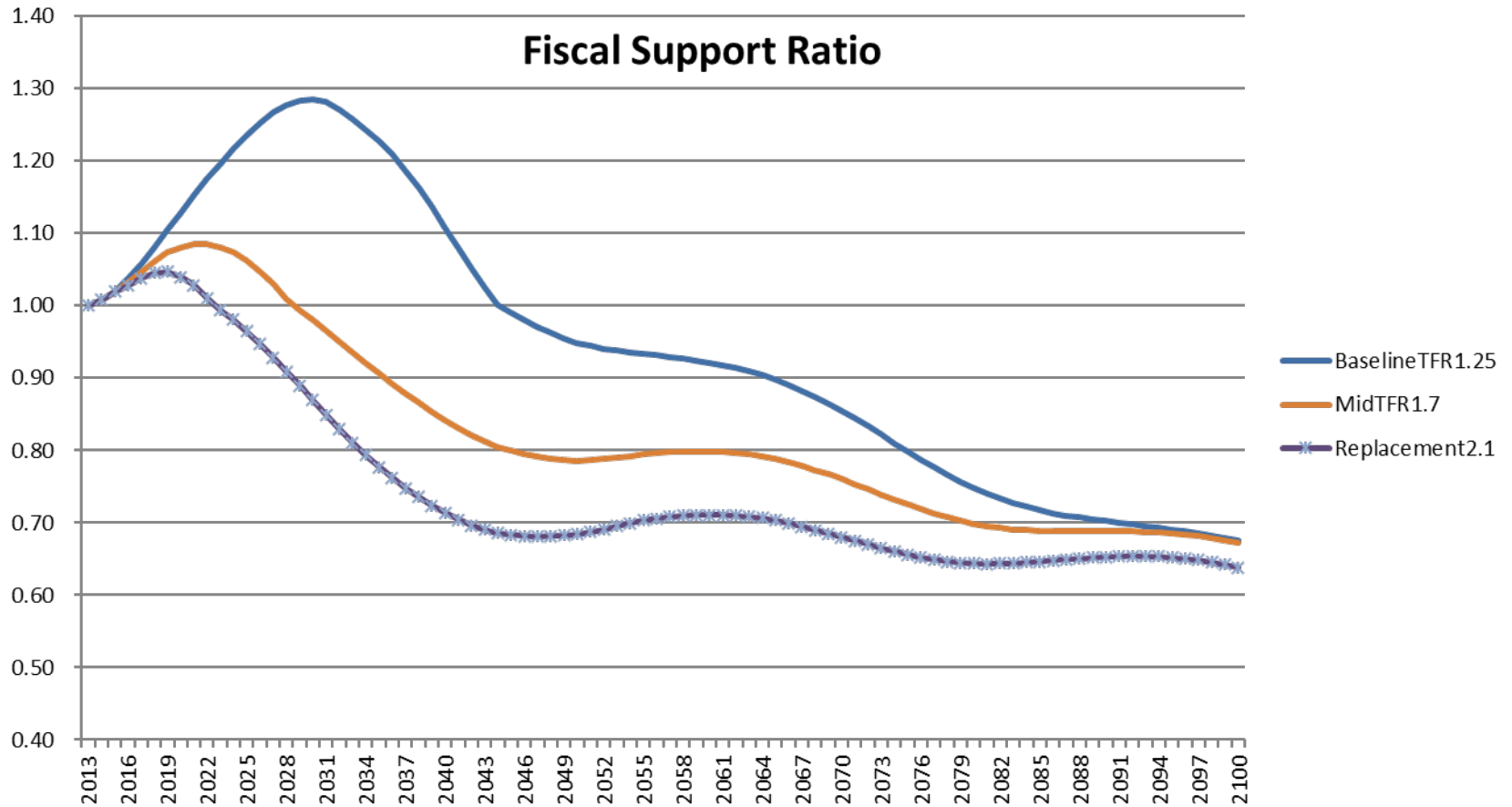


Trade-off between human capital spending and fertility

Source: NTA Bulletin 8 (Figure 3)

Note: Lifetime human-capital spending per child is a synthetic cohort measure constructed by cumulating per capita health spending from ages 0–17 and per capita education spending from ages 3–26. To enable international comparisons, the values are expressed as a percentage of the average annual labor income of adults age 30–49 in each economy.

Fiscal sustainability



Next steps

- Approvals for publication of our NTA 2013 results for Singapore resident population
- Application for NTA Network membership
- Peer-review of SG NTA 2013
- NTA by highest education attained
- NTA by place of birth
- NTA by gender
- NTA for 2017/18
- National Time Transfer Accounts for 2017/18

END

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you have any questions.