

# Chapter 1

## Demographic Realities: Opportunities and Challenges

1. Between now and 2030, we will witness a most profound age shift in our history. In 2005, one in 12 residents was 65 years or older. In 2030, one in five residents will be 65 years or older.
2. The baby boomers<sup>1</sup> represent the leading edge of this coming age wave. This generation fuelled our economy after their birth. They were the recipients of an evolving education system, the forerunners of industrialization, combatants of structural unemployment and the main contributors of Singapore's economic expansion and progression.
3. Now, this same generation will continue to fuel the market for goods and services related to age and its special needs and demands – varied products and services catering to the ageing process. As with the experiences of other ageing societies, seniors will not only become important social and political voices, but a key consumer group as well.
4. Today's business strategies and advertising dollars are largely aimed at the young<sup>2</sup>. But the seniors population is increasingly affluent and will wield spending power surpassing those of past ageing cohorts. Across the developed world – the United States, Japan, Korea, Australia and Europe – the “silver industry”, which has products and services catered for older persons, is already a burgeoning one. In South Korea, it is estimated that the size of the silver industry will spiral from S\$29 billion in 2000 to S\$69 billion by 2010<sup>3</sup>.
5. This silver industry will spawn interesting products and services. It varies from new housing options such as retirement housing with lifestyles suited for seniors to new education services such as Third Age Education

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<sup>1</sup> Baby boomers are defined as those born between 1947 and 1964.

<sup>2</sup> According to gerontologist Ken Dychtwald, president of the Age Wave think tank in San Francisco, ‘Americans aged 50 and above control \$7 trillion (70%) of all US wealth, bring in \$2 trillion in annual income and account for 50% of all discretionary spending. Yet, they are the target of only about 5% of advertising dollars.’ – The Houston Chronicle, 15 February 2004.

<sup>3</sup> The Korea Herald, 15 January 2003 and based on 1SGD = 595.464KRW.

which fulfils self-actualisation aspirations of seniors<sup>4</sup>. For instance, the NUS Extension (Centre for Lifelong Learning) which offers courses for seniors in Chinese history, culture, literature and poetry.

6. The growth of the silver industry here will benefit our economy and more importantly, our seniors. Seniors can look forward to products and services in healthcare, leisure, retail and other aspects of life being redesigned to suit their needs. A developing silver industry would also have considerable economic multiplier effects.

7. The ageing revolution will also change the face of our labour market. In a society where there will be a shortage of young workers, it will become increasingly critical for employers to attract and retain mature, experienced workers to maintain a competitive advantage in an evolving economy.

8. The coming demographic shift is to be reckoned with. The change in our age structure will have a profound effect on all parts of our society – individual, families, communities, businesses and Government.

## **THE AGEING POPULATION**

9. An ageing population brings both challenges and opportunities. Singapore's population is still relatively young today but this will change significantly over the next 6 – 24 years. The number of seniors will increase from 8.4% in 2005 to 18.7% in 2030. In absolute terms, seniors will increase from about 296,900 in June 2005 to 873,300 in 2030<sup>5</sup>.

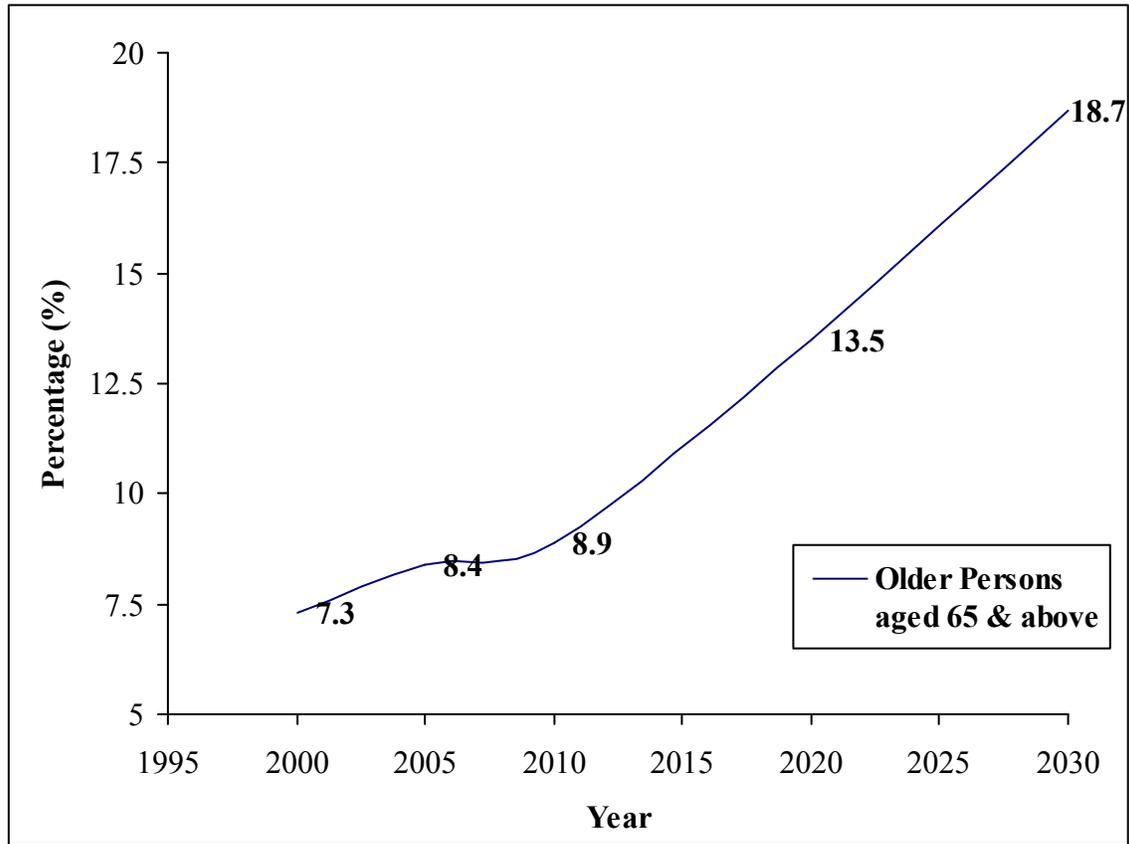
10. The first batch of baby boomers will hit 65 by 2012. The next five years present a window of opportunity to put in place policies and programmes to meet emerging needs of an ageing population after 2012.

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<sup>4</sup> Unless otherwise stated, seniors refer to persons aged 65 and over in this report.

<sup>5</sup> Singapore Department of Statistics (DOS).

Chart 1.1: Proportion of Resident Population<sup>6</sup> Aged 65 & Over From 2000 – 2030



Source: Singapore Department of Statistics (DOS), 2005

<sup>6</sup> Comprises Singapore Citizens and Permanent Residents.

## PROFILE OF THE BABY BOOMERS

11. A majority of this group will be healthier, better educated and richer.

12. **Healthier.** In terms of mobility, about 87% of seniors are ambulant and physically independent. They will also be living longer. Our seniors will want to remain active while ageing and our policies and programmes must thus consciously factor this in.

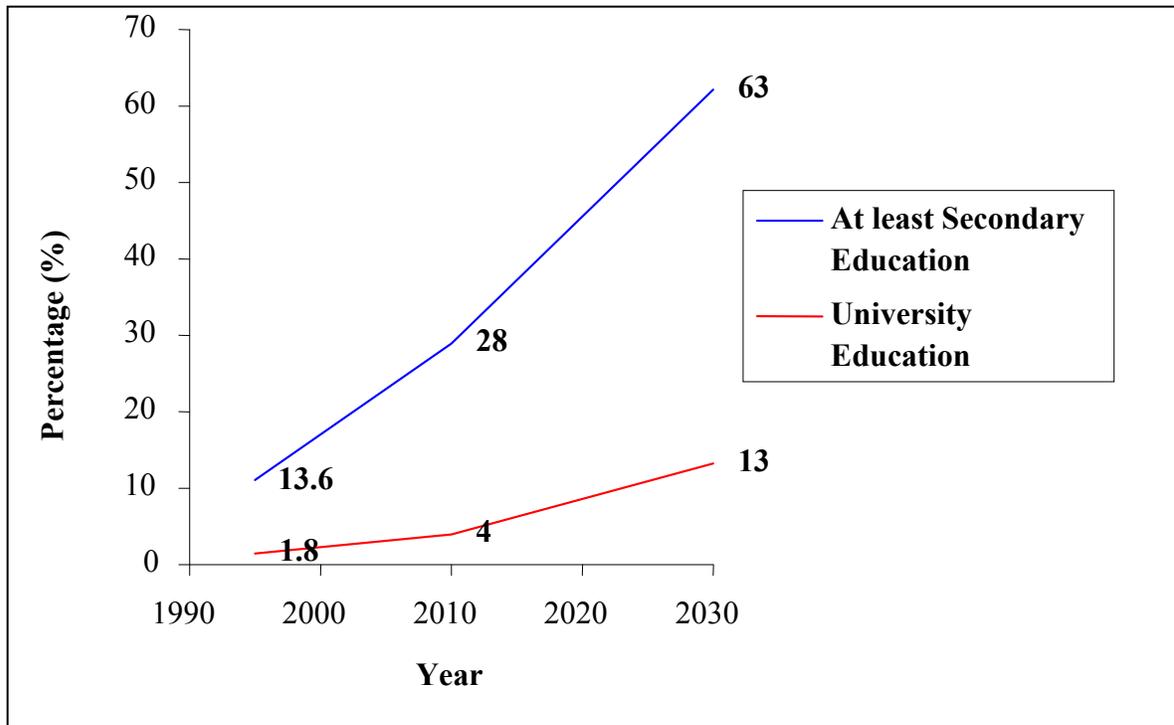
Table 1.1: Ambulant Status of Seniors

Are you able to move around physically without any help?	65 years old and above (%)	65 to 74 years old (%)	75 years old & above (%)
Ambulant and physically independent	87	93	78
Ambulant and physically independent but require walking aid	8	5	13
Require some physical assistance to move around and need some assistive device	3	1	6
Not bedridden but require total physical assistance for movement	0.7	0.4	1
Bedridden	1	0.5	2

Source: NSSC 2005

13. **Better educated.** The proportion of seniors aged 65 – 74 with at least a secondary education is projected to increase from 13.9% in 2005 to 28% by 2010 and to 63% by 2030. The proportion of seniors with a university education will increase from about 2.3% in 2005 to 4% by 2010 and 13% by 2030<sup>7</sup>.

Chart 1.2: Education Profile of Resident Population<sup>8</sup> Aged 65 – 74 years, 2000 – 2030 (% of Resident Population Aged 65 – 74 years)



Source: National Survey of Senior Citizens (NSSC) 2005 and DOS

<sup>7</sup> Data for 2010 and 2030 are from DOS.

<sup>8</sup> Comprises Singapore Residents and Permanent Residents.

14. **Richer.** Each successive cohort of older people will be increasingly affluent and wield greater economic power<sup>9</sup>. As consumers, they represent a potentially large and untapped market sector.

Table 1.2: Average Monthly Income from Work at Equivalent Life Stage

Cohort	Equivalent age group (years)	Total
<i>In 1999 dollars</i>		
Late baby boomers <sup>10</sup>	35 – 44 in 1999	3,310
Early baby boomers <sup>11</sup>	36 – 43 in 1990	2,140
Pre-war / war-time cohort <sup>12</sup>	34 – 45 in 1980	1,280

Source: The baby boomers in Singapore, DOS 2000

15. These statistics show that the future seniors will be qualitatively different and will have different needs and aspirations. The majority will be healthy and ambulant, and will engage in social and economic initiatives. They represent a major ability pool who can make significant contributions to their families, communities, society and to the economy.

## CHANGES TO THE HOUSEHOLD PROFILE

16. Changes are also expected to the household profile. The increased prevalence of smaller, nuclear families and the trend of more individuals not getting married will result in an increase in the number of wholly-elderly households.

<sup>9</sup> From the Department of Statistics (DOS) study on ‘The Baby Boomers in Singapore’, June 2000, it was highlighted that succeeding generations were doing better financially than the preceding ones at equivalent age and occupational groups with a rising real income over time.

<sup>10</sup> Persons born between 1955 and 1964.

<sup>11</sup> Persons born between 1947 and 1954.

<sup>12</sup> Persons born between 1935 and 1946.

17. *More wholly-seniors households.* There is a decrease in the average household size, although more seniors are staying in close proximity to their married children in 2003 as compared to 1998<sup>13</sup>. Seniors who were living alone or with their spouse almost doubled, from 9.7% in 1995 to 19.9% in 2005. This, together with the findings that 90%<sup>14</sup> of married residents aged 55 years and above received at least monthly visits from married children not staying with them, attests to the desired phenomenon of “intimacy at a distance”.

Table 1.3: Living Arrangements of Senior Citizens

Living arrangement	2005 Survey			1995 Survey		
	Age group					
	Total (%)	55 to 64 (%)	65 & above (%)	Total (%)	55 to 64 (%)	65 & above (%)
Total	100.0	100.0	100.0	100.0	100.0	100.0
Living alone	5.6	4.2	7.3	3.1	2.7	3.4
With spouse only	11.0	9.5	12.6	5.2	4.2	6.3
With spouse & children but w/o grandchildren	38.7	53.5	22.6	37.1	51.0	21.6
With spouse, children & grandchildren	10.1	9.6	10.7	12.1	11.8	12.4
Without spouse but w / children & / or grandchildren	27.6	16.7	39.6	37.0	25.1	50.4
Other living arrangements	6.9	6.5	7.3	5.6	5.3	5.9

Source: National Survey on Senior Citizen (NSSC) 2005

<sup>13</sup> HDB Sample Household Survey (SHS) 03.

<sup>14</sup> HDB SHS 03.

18. ***More singles.*** Marriage rates have been declining, from 52.6 per 1,000 unmarried resident males and 60.9 per 1,000 unmarried resident females in 1990 to 43.1 and 42.1 respectively in 2004<sup>15</sup>. Correspondingly, proportionately more resident males and females had remained single. Some 14 – 16% of resident males and females at age 40 – 44 remained single in 2004. This was higher than the 11% in 1994.

19. With increasing numbers of seniors living alone, we need to start now to build an environment with sufficient and easily-accessible facilities and services for seniors.

## **EMPOWERING SENIORS TO CONTRIBUTE**

20. The arrival of the baby boomers brings opportunities as well as the inevitable challenges. By making informed responses, we can seize the opportunities and prepare for the challenges of an ageing population, and enable seniors to lead enriching and fulfilling lives.

21. ***Housing for Seniors.*** We have been successful in making Singapore a nation of home owners. Going ahead, we need to provide a wider range of options to cater to a more diverse baby boomer cohort with higher expectations. These housing options need to be fitted with age-sensitive features to enable seniors to remain independent.

22. ***Accessibility for Seniors.*** We need to build a barrier-free environment to facilitate seniors' independence and continued engagement in society. In addition, an enabling environment can support the family in its care of their less ambulant older members at home and in the community.

23. ***Caring for Seniors.*** We need healthcare and eldercare services that are easy to use, convenient and close to seniors. Access to integrated and quality healthcare and eldercare services will ensure that institutionalisation will be avoided as far as possible.

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<sup>15</sup> DOS.

24. *Opportunities for Seniors.* With a large group possessing vast experience and energy, it will be a waste not to tap their strengths and abilities so that they can continue to contribute meaningfully to their families, communities and to society. Singaporeans, both young and old, must adopt positive attitudes towards ageing and seniors.

## **CONCLUSION**

25. Our growing pool of seniors will have varied expectations and needs. They will have to be offered greater variety and choice. However, this also means we will increasingly have a critical mass of senior citizens to make many services and programmes more cost effective to implement. In consequence, a silver industry will be developed to offer new products and services with senior-friendly features.

26. The challenges of an ageing population cut across all sectors of society. We will require the support and cooperation of all sectors – the public, private and people sectors – in order to achieve “Successful Ageing for Singapore”.