

2017

# Labour Market Advance Release



MINISTRY OF  
MANPOWER

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and Statistics Department

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**Notations**

-	: nil or negligible
P	: Preliminary
Q	: Quarter
M	: March
J	: June
S	: September
D	: December

**Abbreviations**

CPF	: Central Provident Fund
EDB	: Economic Development Board
FDW	: Foreign Domestic Workers
excl	: Excluding
MOM	: Ministry of Manpower
MTI	: Ministry of Trade and Industry
PMETs	: Professionals, Managers, Executives & Technicians
Prod & Tpt Op, Cleaners & Labourers	: Production & Transport Operators, Cleaners & Labourers
Prof, Mgrs, Execs & Tech	: Professionals, Managers, Executives & Technicians
SSIC	: Singapore Standard Industrial Classification

# HIGHLIGHTS

- The labour market continued to improve in the fourth quarter of 2017. Unemployment rates declined in December 2017, lower than the previous quarter and a year ago. Retrenchments in 4Q 2017 remained at similar level as 3Q 2017, but was lower than that the year before. As a result, total retrenchments in 2017 were significantly lower than that in 2016. In 2017, total employment declined for the first time since 2003, largely due to a continued decrease in work permit holders in construction and marine. Local employment continued to grow, recording nearly double the growth in 2016.

### Fourth Quarter 2017

- Preliminary estimates showed that quarter-on-quarter, the seasonally adjusted unemployment rate declined for overall (from 2.2% to 2.1%), residents (3.1% to 2.9%) and citizens (3.2% to 3.0%) in December 2017.
- Total employment (excluding foreign domestic workers) grew in the fourth quarter of 2017 (10,700), after contracting in the first three quarters of the year. The increase was due to larger employment growth in services from seasonal hiring.
- The number of retrenchments in the fourth quarter of 2017 (3,300) was similar to the previous quarter (3,400), and continued to be lower than the year before (5,440).

### Full Year 2017

- The annual average unemployment rates for 2017 were higher than those in 2016. However as at the end of 2017, the unemployment rates in December 2017 were lower than a year ago, as the overall unemployment situation has shown improvement since June 2017.
- In 2017, total employment (excluding foreign domestic workers) was estimated to have declined by 10,700 (or -0.3%), a first since 2003. This was due to a contraction in foreign employment (-32,000 or -2.8%), even though local employment continued to grow.
- Local employment grew by an estimated 21,300 (or 0.9%) in 2017, nearly double the growth in 2016 (11,200 or 0.5%). The increase occurred in most services sectors, including community, social & personal services, financial & insurance services, transportation & storage and administrative & support services. On the other hand, the foreign employment decline was mainly due to the decrease in Work Permit Holders in construction and marine. In December 2017, locals made up 67.2% of persons employed in Singapore (excluding foreign domestic workers), with foreigners forming 32.8%.
- The number of retrenchments for the full year of 2017 (14,340) was significantly lower than in 2016 (19,170).
- Year-on-year, the gross monthly income of full-time employed Singaporeans in the middle of the income distribution (i.e. median) rose by 5.9% (or 5.3% after adjusting for inflation), from \$3,823 in June 2016 to \$4,050 in June 2017. This was higher than the increase from June 2015 to June 2016 (nominal: 0.7%, real: 1.3%), and could reflect the pick-up in economic growth, changing composition of the workforce and continued restructuring of the economy.

## Overview

The labour market continued to improve in the fourth quarter of 2017. Unemployment rates declined in December 2017, lower than the previous quarter and a year ago. Retrenchments in 4Q 2017 remained at similar level as 3Q 2017, but was lower than that the year before. As a result, total retrenchments in 2017 were significantly lower than that in 2016. In 2017, total employment declined for the first time since 2003, largely due to a continued decrease in work permit holders in construction and marine. Local employment continued to grow, recording nearly double the growth in 2016.

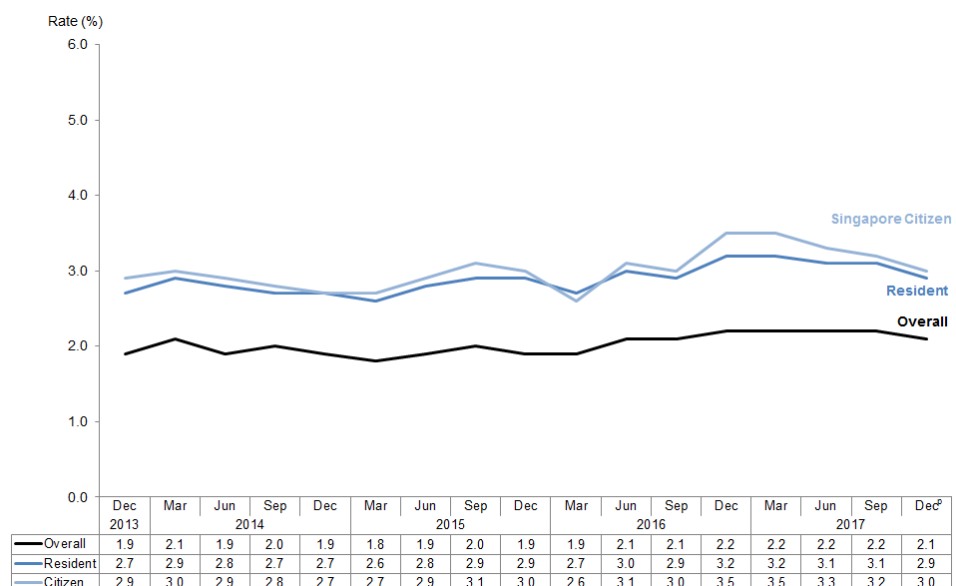
## Fourth Quarter 2017 Unemployment

### *Unemployment rates declined in December 2017*

Preliminary estimates showed that quarter-on-quarter, the seasonally adjusted unemployment rate declined for overall (from 2.2% to 2.1%), residents (3.1% to 2.9%) and citizens (3.2% to 3.0%) in December 2017.

In December 2017, an estimated 67,400 residents (including 57,700 citizens) were unemployed in December 2017. This was lower than the 71,600 (and 62,300) in September 2017.<sup>1</sup>

Chart 1 Unemployment Rate (Seasonally Adjusted)



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

P: Preliminary

<sup>1</sup> Based on seasonally adjusted data on number of unemployed persons.

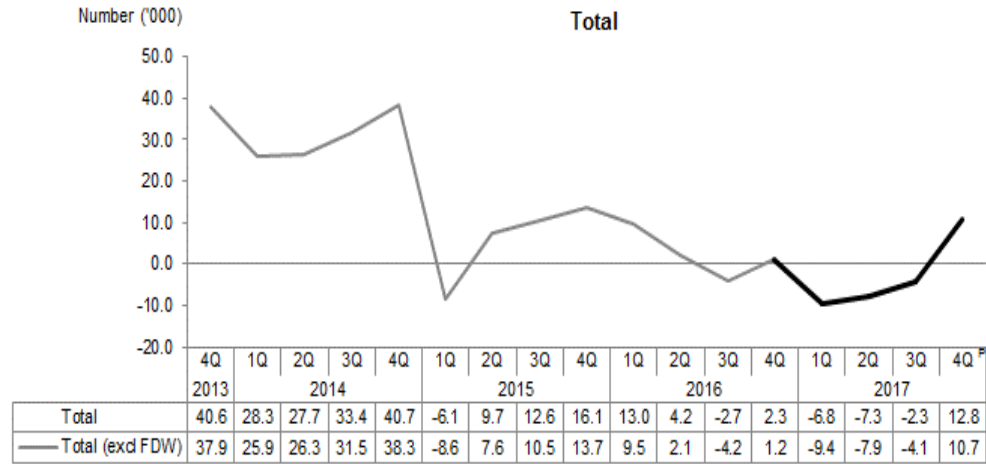
## Employment

**Total employment increased, after contracting in previous three quarters**

Total employment grew in the fourth quarter of 2017 (12,800), after contracting in the first three quarters of the year. Excluding foreign domestic workers (FDW), the growth was lower at 10,700, but remained higher than the increase in the fourth quarter of 2016 (1,200).

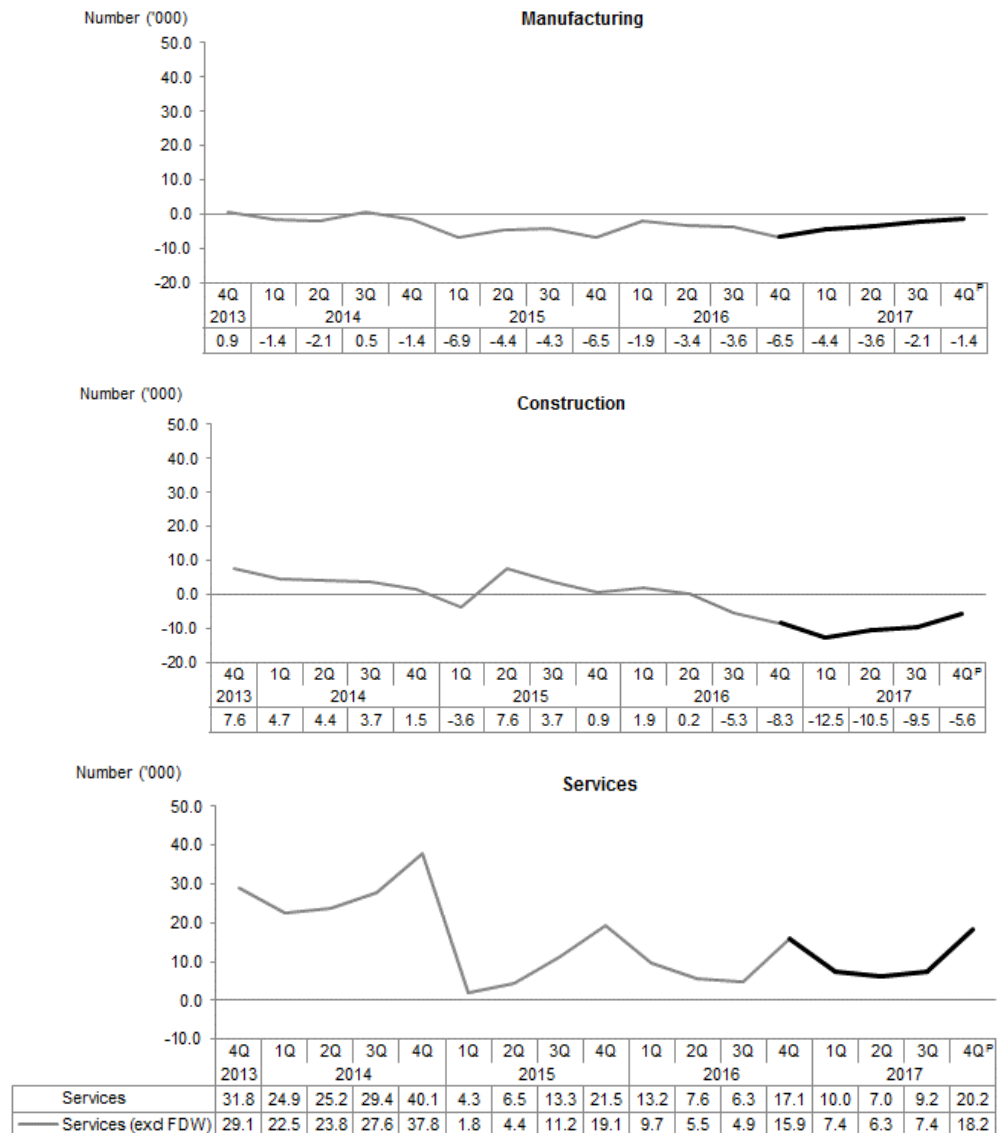
The increase was due to larger employment growth in services, supported by hiring for the year-end festive season. Manufacturing and construction employment continued to contract, but at a slower pace.

**Chart 2** Quarterly Employment Change By Sector





### By Sector



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

<sup>P</sup>: Preliminary

**Notes:**

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes agriculture, fishing, quarrying, utilities and sewerage & waste management.
- (3) The industries are classified based on SSIC 2010.
- (4) Employment change is the difference in the employment level at the end of the reference period compared with the end of the preceding period.

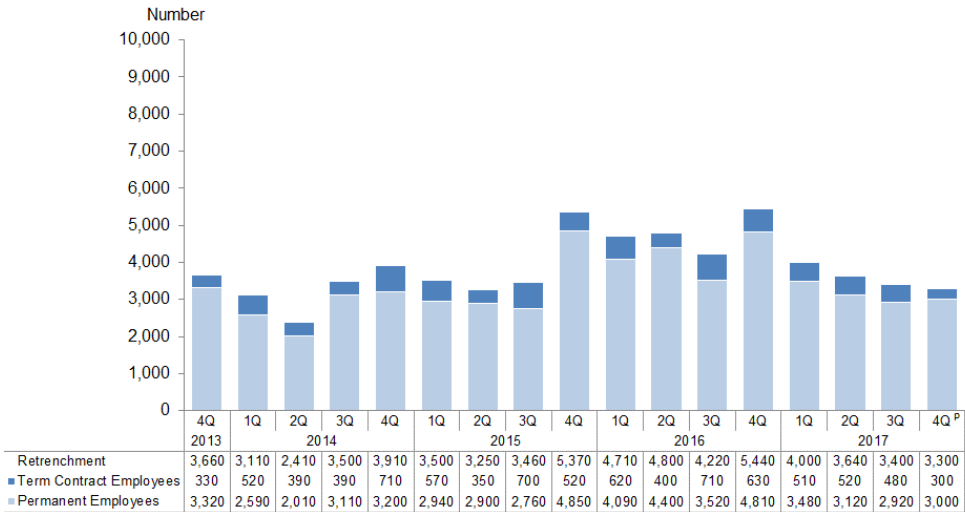
## Retrenchments

*Retrenchments similar to previous quarter*

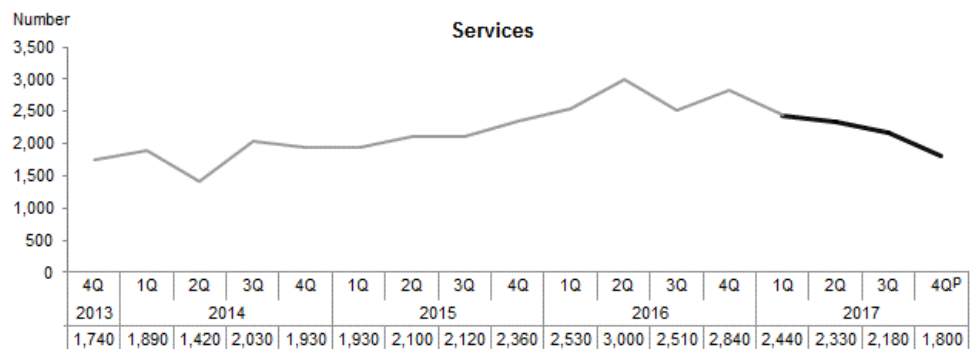
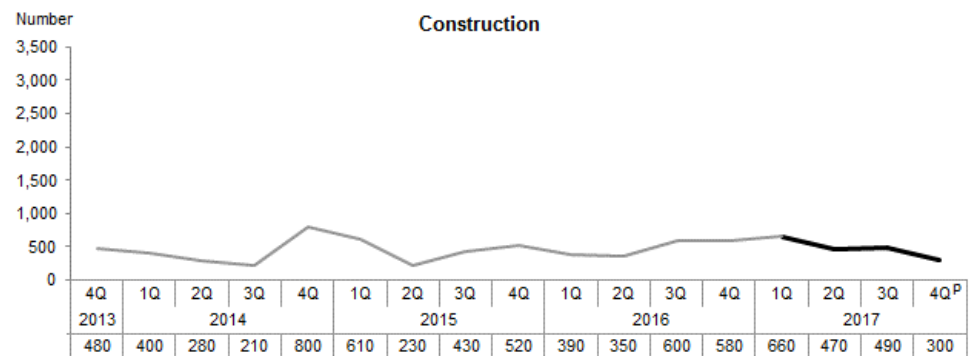
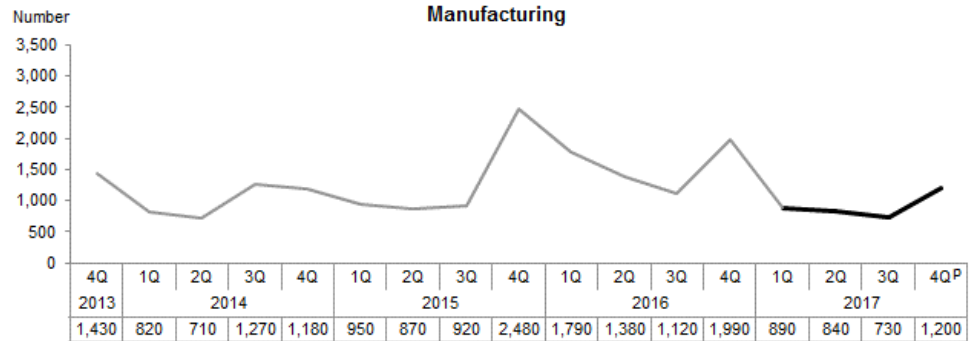
The number of retrenchments in the fourth quarter of 2017 (3,300) was similar to the previous quarter (3,400), and continued to be lower than the year before (5,440). The decline over the year was observed across manufacturing, construction and services.

Between the third and fourth quarter of 2017, retrenchments also decreased in construction and services, but rose in manufacturing.

**Chart 3** Quarterly Retrenchments



**By Sector**



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

<sup>P</sup>: Preliminary

**Notes:**

- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) The industries are classified based on SSIC 2010.
- (3) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (4) Data are rounded to the nearest 10. Hence, they may not add up due to rounding.

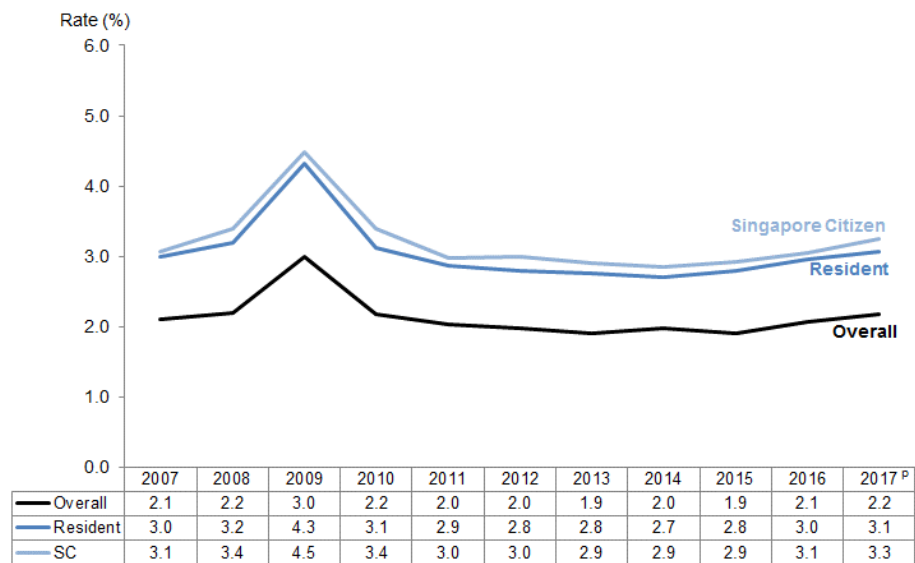
## Full Year 2017 Unemployment

**Unemployment rates for full year of 2017 higher than that in 2016**

The annual average unemployment rate for 2017 was higher than that in 2016 for overall (from 2.1% to 2.2%), residents (3.0% to 3.1%) and citizens (3.1% to 3.3%). However as at the end of 2017, the unemployment rate in December 2017 was lower than a year ago for overall (from 2.2% to 2.1%), residents (3.2% to 2.9%) and citizens (3.5% to 3.0%), as the overall unemployment situation has shown improvement since June 2017.

On average, 70,600 residents (including 62,600 citizens) were unemployed in 2017. The corresponding figures in 2016 were lower at 67,400 and 59,100 respectively.

**Chart 4** Unemployment Rate (Annual Average)



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

<sup>P</sup>: Preliminary

**Note:**

Annual figures are the simple averages of the non-seasonally adjusted unemployment figures obtained at quarterly intervals.

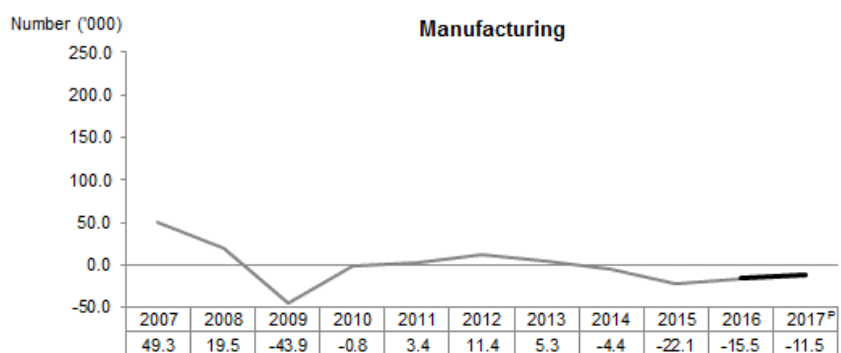
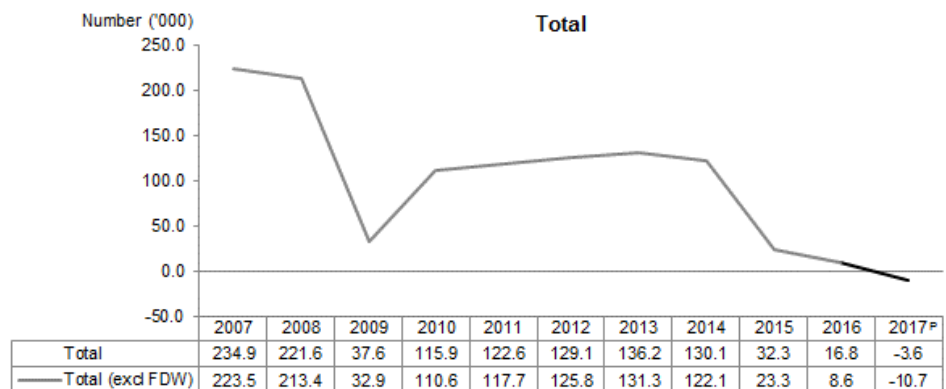
## Employment

### *Total employment declined in 2017, a first since 2003*

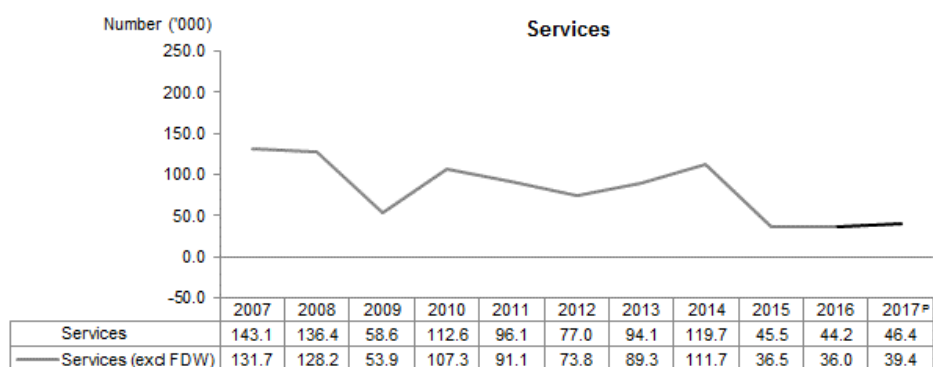
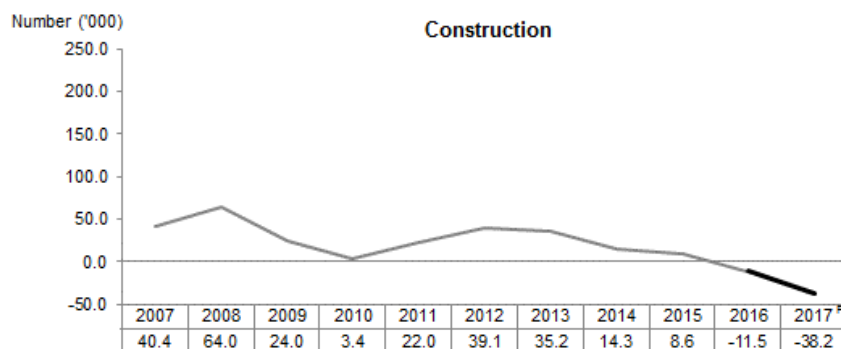
In 2017, total employment (excluding FDW) was estimated to have declined by 10,700 (or -0.3%), a first since 2003 (-11,700 or -0.6%). This was due to a larger contraction in foreign employment (-32,000 or -2.8%) compared to 2016 (-2,500 or -0.2%), even though local employment continued to grow.

Across broad sectors, sustained employment contractions were seen in manufacturing (-11,500) and construction (-38,200). These declines outweighed the increase in services employment (39,400), which kept pace with the sector's growth in the preceding two years.<sup>2</sup>

**Chart 5** Annual Employment Change By Sector



<sup>2</sup> This brought December 2017 employment levels to 488,100 in manufacturing, 451,000 in construction and 2,456,700 in services (excluding FDW).



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

<sup>P</sup>: Preliminary

Notes:

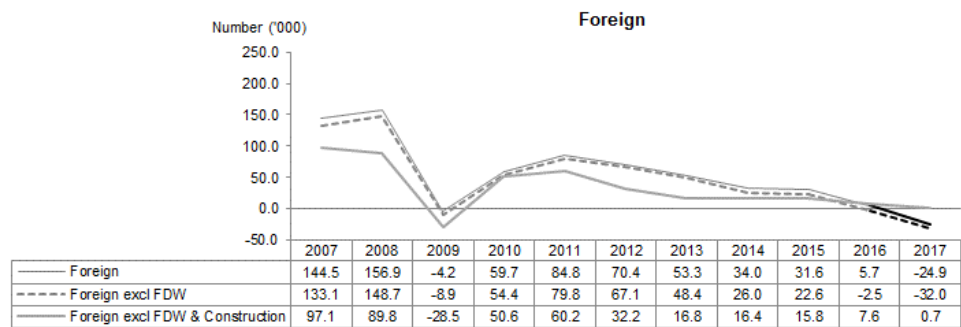
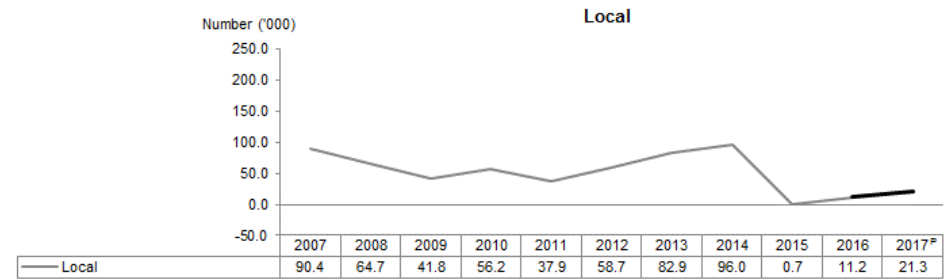
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes agriculture, fishing, quarrying, utilities and sewerage & waste management.
- (3) The industries are classified based on SSIC 2010.
- (4) Employment change is the difference in the employment level at the end of the reference period compared with the end of the preceding period.

**Local growth nearly doubled, while foreign employment contracted**

Local employment grew by an estimated 21,300 (or 0.9%) in 2017, nearly double the growth in 2016 (11,200 or 0.5%). The increase occurred in most services sectors, including community, social & personal services, financial & insurance services, transportation & storage and administrative & support services. On the other hand, the foreign employment decline was mainly due to the decrease in Work Permit Holders in construction and marine.

This brought the total number of employed persons (excluding FDW) in Singapore to 3,422,700 in December 2017, with 2,301,400 locals and 1,121,300 foreigners. Of every three persons in employment (excluding FDW), two were locals (67.2%) and one was a foreigner (32.8%).

**Chart 6** Annual Employment Change By Residential Status



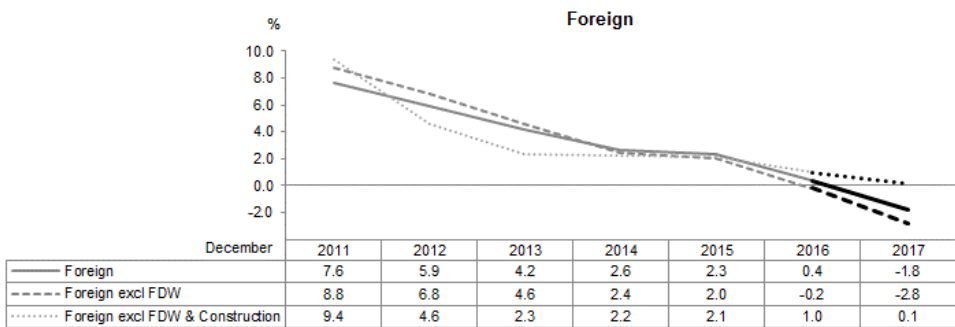
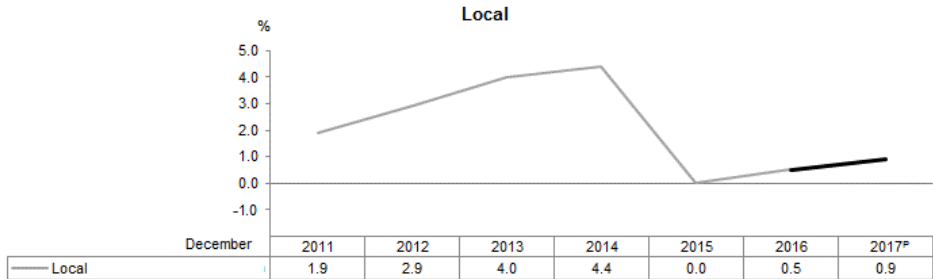
Source: Administrative Records and Labour Force Survey, Manpower Research & Statistics Department, MOM

<sup>P</sup>: Preliminary

**Notes:**

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Locals also known as residents refer to Singapore citizens and permanent residents.
- (3) 'excl FDW' refers to excluding foreign domestic workers.
- (4) Data may not add up to total due to rounding.

**Chart 7** Year-on-Year Percentage Change in Employment By Residential Status



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

<sup>P</sup>: Preliminary

Notes:

- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Locals also known as residents refer to Singapore citizens and permanent residents.
- (3) 'excl FDW' refers to excluding foreign domestic workers.

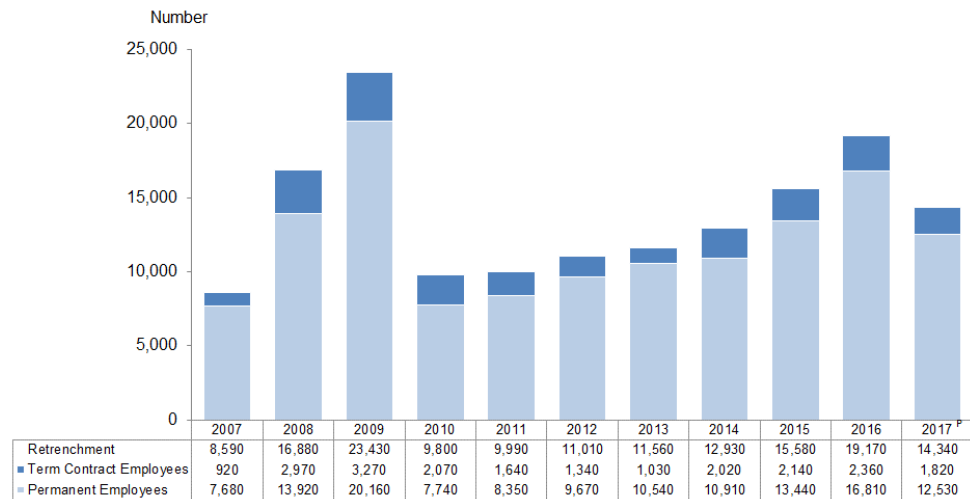


## Retrenchments

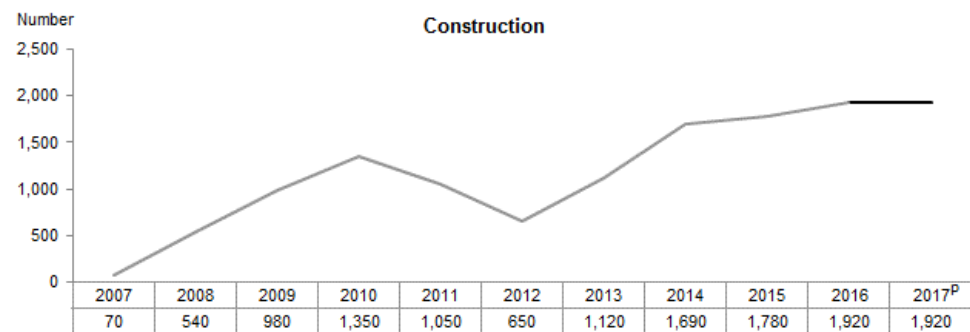
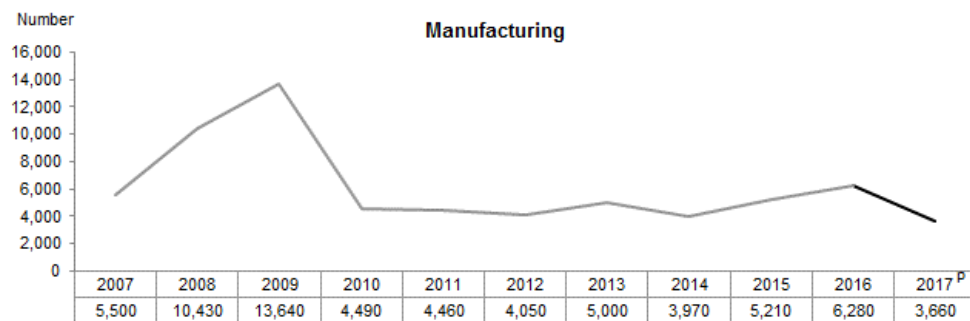
**Retrenchments significantly lower than in 2016**

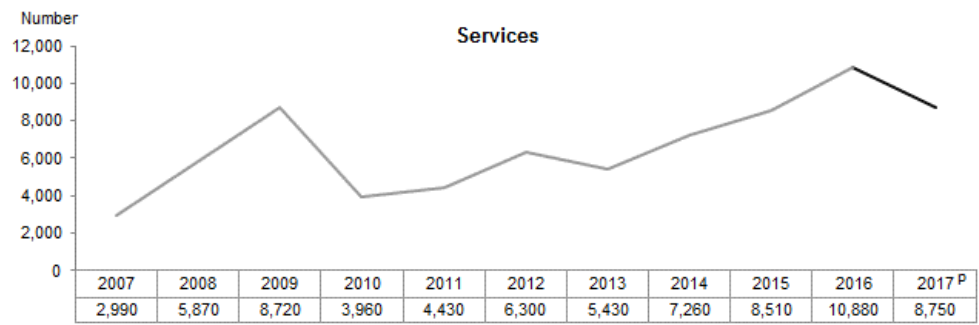
The number of retrenchments for the full year of 2017 (14,340) was significantly lower than in 2016 (19,170). Compared with 2016, the number of layoffs declined in manufacturing and services, and remained similar in construction. Services contributed the bulk of retrenchments in 2017.

**Chart 8** Annual Retrenchments



### By Sector





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

<sup>P</sup>: Preliminary

Notes:

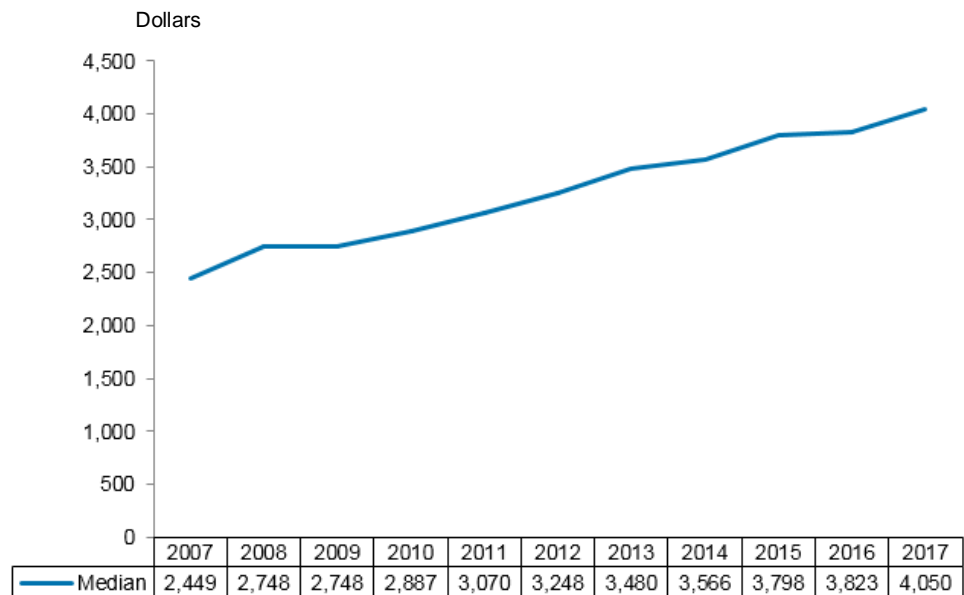
- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) The industries are classified based on SSIC 2010.
- (3) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.
- (4) Data are rounded to the nearest 10. Hence, they may not add up due to rounding.

## Income from Work

### Higher income growth at the median in 2017

Year-on-year, the gross monthly income of full-time employed Singaporeans in the middle of the income distribution (i.e. median)<sup>3</sup> rose by 5.9% (or 5.3% after adjusting for inflation), from \$3,823 in June 2016 to \$4,050 in June 2017. This was higher than the increase from June 2015 to June 2016 (nominal: 0.7%, real: 1.3%), and could reflect the pick-up in economic growth,<sup>4</sup> changing composition of the workforce and continued restructuring of the economy.

**Chart 9** Median Gross Monthly Income From Work (Including Employer CPF Contributions) Of Full-Time Employed Singapore Citizens, June



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

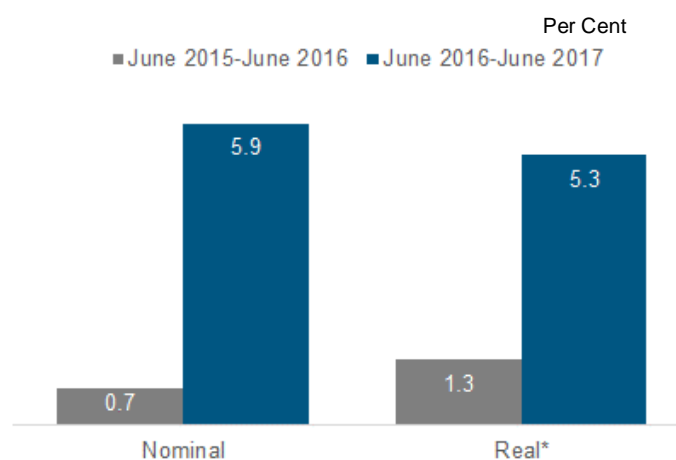
#### Notes:

- (1) Income from work includes employer CPF contributions for employees.
- (2) Data exclude full-time National Servicemen.

<sup>3</sup> The gross monthly income includes employers' CPF contributions, income received from more than one job and any movement in income as a result of job changes. The median income is the income such that half of the workers earn less and the other half earn more. Thus the change in median income is different from the mean change in wages, which is the average of all the wage changes of the population considered.

<sup>4</sup> Real GDP grew by 2.4% in the twelve months ending June 2017, compared with 1.8% in the same period ending June 2016. Source: Singapore Department of Statistics.

**Chart 10** Year-On-Year Change In Median Gross Monthly Income From Work (Including Employer CPF Contributions) Of Full-Time Employed Singapore Citizens



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

Notes:

- (1) Data exclude full-time National Servicemen.
- (2) \* - Deflated by Consumer Price Index for all items at 2014 prices (2014=100).

***Income growth at the 20th percentile higher than at the median***

Over the last five years from 2012 to 2017, the median income of full-time employed Singaporeans rose by 4.5% p.a. in nominal terms from \$3,248 to \$4,050, or 3.9% p.a. in real terms. Supported by initiatives to raise the income of low-wage workers in recent years,<sup>5</sup> the income growth at the 20th percentile of full-time employed Singaporeans was higher than at the median. The 20th percentile income rose by 4.9% p.a. in nominal terms from \$1,647 in 2012 to \$2,095<sup>6</sup> in 2017, or 4.3% p.a. in real terms.<sup>7</sup>

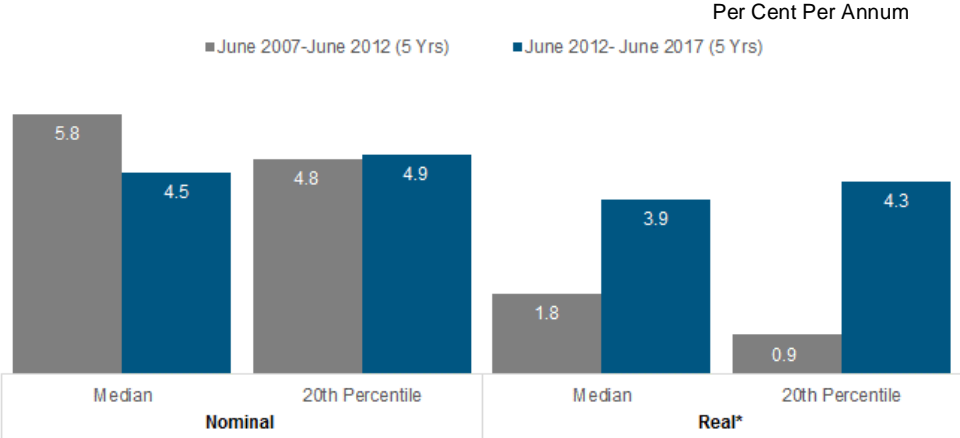
Real income growth at both the median and 20th percentile were significantly higher than the growth in the preceding five years (i.e. 2007 to 2012), supported by lower inflation.

<sup>5</sup> This includes the National Wages Council's quantitative wage recommendations for low-wage workers and the Progressive Wage Model for the cleaning, security and landscape sectors.

<sup>6</sup> Excluding employer CPF contributions, the income of full-time employed Singaporeans at the 20th percentile was \$1,900 in June 2017.

<sup>7</sup> As the data are captured from a sample survey, the income changes for the 20th percentile nearer the end of the income spectrum tend to be more volatile over shorter (e.g. year-on-year) than longer periods (e.g. 5 or 10 years). Studying income at the 20th percentile level over longer periods allows for more meaningful analysis of the income growth, as the year-on-year volatility in the data gets smoothed out.

**Chart 11** Annualised Change In Gross Monthly Income From Work (Including Employer CPF Contributions) Of Full-Time Employed Singapore Citizens



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

Notes:

- (1) Data exclude full-time National Servicemen.
- (2) \* - Deflated by Consumer Price Index for all items at 2014 prices (2014=100).

**TABLE 1**  
**GROSS MONTHLY INCOME FROM WORK (INCLUDING EMPLOYER CPF) OF FULL-TIME EMPLOYED**  
**SINGAPORE CITIZENS, 2007 - 2017**  
 (June)

Year/ Period	Median (50th Percentile)	20th Percentile
	Level (Dollars)	
2007	2,449	1,300
2008	2,748	1,400
2009	2,748	1,468
2010	2,887	1,500
2011	3,070	1,617
2012	3,248	1,647
2013	3,480	1,800
2014	3,566	1,856
2015	3,798	1,965
2016	3,823	2,021
2017	4,050	2,095
	Nominal Change (Per Cent Per Annum)	
2007 - 2017	5.2	4.9
2007 - 2012	5.8	4.8
2012 - 2017	4.5	4.9
	Real* Change (Per Cent Per Annum)	
2007 - 2017	2.9	2.6
2007 - 2012	1.8	0.9
2012 - 2017	3.9	4.3

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

Notes :

1. Data exclude full-time National Servicemen.

2. As the income data are captured from a sample survey, the income changes for the 20th percentile nearer the end of the income spectrum tend to be more volatile over shorter (e.g. year-on-year) than longer periods (e.g. 5 or 10 years).

3. \* – Deflated by Consumer Price Index for all items at 2014 prices (2014 = 100).

**TABLE 2**  
**GROSS MONTHLY INCOME FROM WORK (EXCLUDING EMPLOYER CPF) OF FULL-TIME EMPLOYED**  
**SINGAPORE CITIZENS, 2007 - 2017**  
 (June)

Year/ Period	Median (50th Percentile)	20th Percentile
	Level (Dollars)	
2007	2,167	1,200
2008	2,492	1,300
2009	2,500	1,300
2010	2,588	1,400
2011	2,708	1,500
2012	2,925	1,500
2013	3,052	1,613
2014	3,179	1,639
2015	3,250	1,733
2016	3,375	1,836
2017	3,500	1,900
	Nominal Change (Per Cent Per Annum)	
2007 - 2017	4.9	4.7
2007 - 2012	6.2	4.6
2012 - 2017	3.7	4.8
	Real* Change (Per Cent Per Annum)	
2007 - 2017	2.6	2.4
2007 - 2012	2.2	0.6
2012 - 2017	3.1	4.2

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

Notes :

1. Data exclude full-time National Servicemen.

2. As the income data are captured from a sample survey, the income changes for the 20th percentile nearer the end of the income spectrum tend to be more volatile over shorter (e.g. year-on-year) than longer periods (e.g. 5 or 10 years).

3. \* – Deflated by Consumer Price Index for all items at 2014 prices (2014 = 100).

## Explanatory Notes

### Unemployment

#### Source

Labour Force 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 (also known as locals) obtained from the survey with foreign employment data compiled from administrative records.<sup>1</sup>

#### Concepts and Definitions

**Unemployed persons** refer to persons aged 15 years and over who did not work but were actively looking and available for work during the reference period. They include persons who were not working but were taking steps to start their own business or taking up a new job after the reference period.

**Unemployment rate** is defined as the percentage of unemployed persons to the labour force (i.e. employed and unemployed persons) aged 15 years and over.

**Long-term unemployed persons** refer to persons aged 15 years and over who have been unemployed for 25 weeks or more.

**Long-term unemployment rate** is defined as the percentage of long-term unemployed persons to the labour force.

#### Uses and Limitations

The unemployment rate is probably the best-known measure of the labour market. It measures unutilised labour supply and is useful in the study of the economic cycle as it is closely related to economic fluctuations.

Unemployment can have frictional, cyclical and structural elements. As it takes time for job seekers and employers to find a match, there is always a certain level of frictional unemployment due to people changing jobs and from new entrants looking for work for the first time. Unemployment can also be structural e.g. arising from a mismatch between the job seekers and the job openings available. With structural unemployment, even if job vacancies and job seekers coexist in the labour market, they may not be matched over a long period of time. Finally, unemployment can be cyclical. This occurs when there is a general decline in demand for manpower as aggregate demand for goods and services fall in the event of a cyclical downturn. Unlike structural and frictional unemployment where the problem is in matching job openings with job seekers, cyclical unemployment occurs when there are not enough jobs to go around.

Unemployment can vary due to changes in demand or supply of manpower. It can decline if more people succeed in securing employment or when the unemployed persons stop looking for a job and leave the labour force either temporarily (e.g. to take up training) or permanently (e.g. to retire). Conversely, unemployment may rise due to

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<sup>1</sup> Population figures for each quarter will be finalised in the next quarter. Unemployment data are therefore subject to the latest available population estimates.



increase in labour supply from new entrants or re-entrants to the labour market. It will also rise if more people quit their jobs to look for alternative employment or if there is an increase in layoffs.

## Employment

### Source

Primarily from administrative records. The self-employed component is estimated from the Labour Force Survey.

### Coverage

Employment data comprise all persons in employment i.e. employees and the self-employed. However, it excludes men who are serving their 2-year full-time national service liability in the Singapore Armed Forces, Police and Civil Defence Forces.

Data on the number of local (also known as resident) employees are compiled from the Central Provident Fund (CPF) Board's administrative records of active contributors, defined as local employees who have at least one CPF contribution paid for him/her. 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 CPF is a compulsory savings scheme that provides workers financial security in old age and helps meet the needs of healthcare, home-ownership, family protection and asset enhancement.

Data on foreigners working in Singapore are compiled from administrative records of foreigners on valid work passes issued by the Ministry of Manpower. Foreigners can work in Singapore only if they have valid work passes issued by the Ministry of Manpower.

The number of self-employed residents is estimated from the Labour Force Survey. The self-employed comprises persons aged 15 years and over who are own account workers, employers or contributing family workers.

### Concepts and Definitions

**Employment change** refers to the change in the number of persons who are in employment, derived by taking the difference in the employment level (i.e. number of employed persons) at the end of the reference period compared with the end of the preceding period. A positive change refers to the additional number of persons who are in employment, while a negative change refers to the decline in number of persons in employment.

### Uses and Limitations

Analysis of employment change over time helps in understanding the impact of cyclical and structural changes in the economy on the demand for workers. In particular, the breakdown of employment by industry helps identify sectors where employment is growing or falling.

Conceptually, the change in employment over the reference period is the difference between people entering and exiting employment during the period. Users should not mistake an increase in employment as gross job creation i.e. the increase in employment in expanding establishments only.

## Retrenchment

### Source

Labour Market Survey

### Coverage

Before 2006, the survey covers private establishments with at least 25 employees. From 2006 onwards, the survey also includes the public sector comprising government ministries, organs of state and statutory boards.

### Concepts and Definitions

**Retrenchment** refers to

- i) termination of permanent employees due to redundancy; and
- ii) early termination of term contract employees due to redundancy.

In the public sector, it includes those who left service under the Special Resignation Scheme<sup>2</sup>.

### Uses and Limitations

Data on retrenchment are useful in the analysis of re-structuring or ailing industries.

The number of retrenched persons (flow) should not be confused with persons unemployed (stock). Not all retrenched persons will be unemployed as some will re-enter into employment or decide to leave the labour force. If the persons have not found a new job and are actively looking and available for work, they join the pool of unemployed.

## Income from Work

### Source

Comprehensive Labour Force 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.

### Concepts and Definitions

**Gross monthly income from work** refers to income earned from employment. For employees, it refers to the gross monthly wages or salaries before deduction of employee CPF contributions and personal income tax. It comprises basic wages, overtime pay, commissions, tips, other allowances and one-twelfth of annual bonuses. For self-employed persons, gross monthly income refers to the average monthly profits from their business, trade or profession (i.e. total receipts less business expenses incurred) before deduction of income tax.

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<sup>2</sup> The Special Resignation Scheme (introduced in April 1988) allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

**Median (or 50<sup>th</sup> percentile) income** refers to the income level at the middle of the income distribution which divides the bottom half of income earners from the upper half.

**20<sup>th</sup> percentile income** refers to the income level which divides the bottom 20% of income earners from the rest.

### Uses and Limitations

Data on income from work are useful in understanding the living standards of workers. The data are useful in economic planning and social development.

As the Comprehensive Labour Force Survey covers a representative sample of households in Singapore, the income data can be used to study the income trends of the employed persons covering both employees and the self-employed.

When analysing how workers' income has changed over time, it is more meaningful to focus on workers in full-time employment. This will avoid clouding the income trends with the changing mix of full-timers and part-timers among employed persons, as part-time work involves shorter working hours and correspondingly lower income. Moreover, full-timers form the bulk of workers in Singapore. Year-on-year income growth may fluctuate and should be examined against longer-term growth trends (e.g. 5 or 10 years). This can also reflect the underlying changes in the mix of workers, e.g. entry and exit of workers and demographic profile.

Data on the real change in income from work enables users to study the trends in income growth after adjusting for inflation, as changes in the price of consumer goods and services over time affect the purchasing power of individuals. To adjust for inflation, we use the Consumer Price Index (CPI) for all items. We also report the real income changes, after adjusting for CPI less imputed rentals on owner-occupied accommodation (OOA), given that imputed rentals on OOA have no impact on the cash expenditure of most households in Singapore as they already own their homes.

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