# LABOUR MARKET ADVANCE RELEASE 2015



Manpower Research and Statistics Department Singapore

January 2016

## **COPYRIGHT NOTICE**

LABOUR MARKET ADVANCE RELEASE 2015

© Manpower Research and Statistics Department Ministry of Manpower Republic of Singapore

All rights reserved. Further reproduction of this material is prohibited without the written permission of the copyright holder. Application to reproduce any part of this publication should be addressed to:

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

In citation, please credit the source when you extract and use the information/data from the publication.

## **MISSION**

To provide timely and reliable

national statistical information on the labour market
to facilitate informed decision-making within the government and community-at-large

Statistical activities conducted by the Manpower Research and Statistics Department are governed by the provisions of the Statistics Act (Chapter 317). The Act guarantees the confidentiality of information collected from individuals and companies. It spells out the legislative authority and responsibility of the Director, Manpower Research and Statistics Department. The Statistics Act is available in the Singapore Department of Statistics website at <a href="https://www.singstat.gov.sg">www.singstat.gov.sg</a>.

# **Contents**

	Page
NOTATIONS AND ABBREVIATIONS	v
HIGHLIGHTS	vi
LABOUR MARKET ADVANCE RELEASE 2015	1
Unemployment	1
Employment	3
Redundancy	8
Income from Work	10
STATISTICAL APPENDIX	<b>A</b> 1
Table 1: Gross Monthly Income From Work (Including Employer CPF) Of Full-Time	
Employed Singapore Citizens	A1
Table 2: Gross Monthly Income From Work (Excluding Employer CPF) Of Full-Time Employed Singapore Citizens	A2
EXPLANATORY NOTES	А3

## **Notations**

: Nil or negligible
Preliminary
Q : Quarter
M : March
J : June
S : September
D : December

n.a. : Not applicable/not available

p.a. : Per annumCont'd : Continued

## **Abbreviations**

CPF : Central Provident Fund
CPI : Consumer Price Index
DOS : Department of Statistics
FDW : Foreign Domestic Workers

MOM: Ministry of Manpower

SSIC: Singapore Standard Industrial Classification

## **HIGHLIGHTS**

- Total employment growth slowed significantly in 2015. Foreign growth continued to moderate, while local growth was flat following exceptional increases in 2013 and 2014. In general, the sharp slowdown in local employment growth did not result in higher unemployment, as more stayed outside the labour force amid the softer economic conditions. Citizens continued to experience low unemployment rates and robust income growth. Layoffs rose steadily, amid continued business restructuring.
- Preliminary estimates showed that the overall seasonally adjusted unemployment rate eased from 2.0% in September 2015 to 1.9% in December 2015. Unemployment decreased for residents from 3.0% to 2.9% and for citizens from 3.1% to 3.0% over the same period. For the whole of 2015, unemployment stayed low averaging 1.9% overall, 2.8% for residents and 2.9% for citizens, broadly unchanged since 2011.
- Reflecting hiring for the year-end festivities, overall employment grew faster in the fourth quarter of 2015 (15,500) than the previous quarter (12,600), but lower than a year ago (40,700).
- Over the entire year of 2015, the employed pool is estimated to have grown by 31,800 (or 0.9%), lower than the 130,100 (3.7%) a year ago and the 136,200 (4.1%) in 2013. The growth in 2015 was the lowest since 2003, amid sluggish global economic conditions and tightened supply of foreign manpower. Employment growth among locals was flat (100 or 0.0%), as foreign employment growth slowed to 31,600 (or 2.3%) from previous years (2011: 7.6%; 2012: 5.9%; 2013: 4.2%; 2014: 2.6%). In December 2015, locals made up 66.2% of persons employed in Singapore (excluding foreign domestic workers), with foreigners forming 33.8%.
- The moderation in employment growth was broad-based across sectors.
   Employment declines in manufacturing, retail trade, real estate services and wholesale trade were offset by employment growth in most sectors, led by community, social & personal services, administrative & support services, construction and professional services.
- Some 4,200 workers were made redundant in the fourth quarter of 2015, up from 3,460 in the preceding quarter and 3,910 in the fourth quarter of 2014, amid ongoing business restructuring. For the whole of 2015, redundancies rose to 14,400, going up steadily since 2010. The increase in layoffs stemmed from manufacturing and services.

• Median income grew strongly in 2015, amid continued labour market tightness and manpower shortages in some industries. The nominal median monthly income from work of full-time employed Singaporeans (including employer CPF contributions) rose by 6.5% over the year to \$3,798 in June 2015. After adjusting for negative inflation, real median income grew at a faster pace of 7.0% in 2015.

## Overview

Total employment growth slowed significantly in 2015. Foreign growth continued to moderate, while local growth was flat following exceptional increases in 2013 and 2014. In general, the sharp slowdown in local employment growth did not result in higher unemployment, as more stayed outside the labour force amid the softer economic conditions. Citizens continued to experience low unemployment rates and robust income growth. Layoffs rose steadily, amid continued business restructuring.

## Unemployment

## Unemployment decreased in December 2015

Preliminary estimates showed that the overall seasonally adjusted unemployment rate eased to 1.9% in December 2015, from 2.0% in September 2015. Similarly, the unemployment rate decreased for residents from 3.0% to 2.9% and citizens from 3.1% to 3.0%, after two consecutive quarters of increase.

An estimated 54,200 residents, including 49,000 Singapore citizens were unemployed in December 2015. The seasonally adjusted figures were 64,600 for residents and 57,800 for citizens.

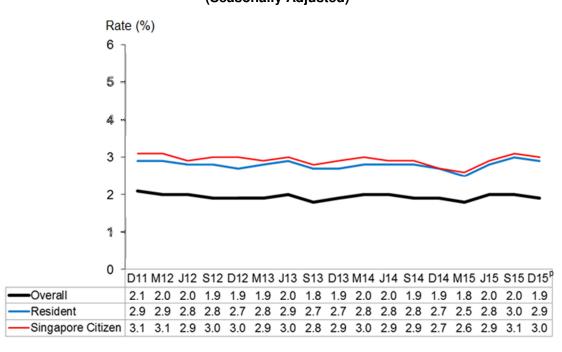


Chart 1: Unemployment Rate (Seasonally Adjusted)

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

P: Preliminary

## Unemployment stayed low for the whole of 2015

For the whole of 2015, unemployment stayed low averaging 1.9% overall, 2.8% for residents and 2.9% for citizens, broadly unchanged since 2011. On average, 62,400 residents including 55,700 Singapore citizens were unemployed in 2015. The corresponding figures in 2014 were slightly lower at 61,200 and 53,900.

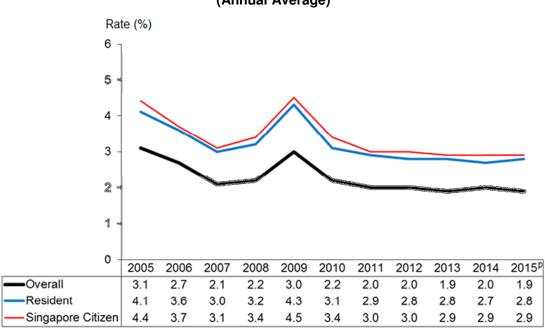


Chart 2: Unemployment Rate (Annual Average)

Source: Labour Force Survey, Manpower Research & Statistics Department, MOM, except data for June 2005 which are from the General Household Survey 2005 conducted by Department of Statistics, Ministry of Trade and Industry

#### Note:

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

P: Preliminary

## **Employment**

## Employment grew at a slower pace in 2015

Reflecting hiring for the year-end festivities, overall employment grew faster in the fourth quarter of 2015 (15,500) than the previous quarter (12,600). However, this was lower than a year ago (40,700), with broad-based slowdowns in the manufacturing (-1,400 to -6,700), construction (1,500 to 1,300) and services (40,100 to 20,900) sectors.

Over the entire year of 2015, the employed pool grew by an estimated 31,800 (or 0.9%), lower than the 130,100 (3.7%) a year ago and the 136,200 (4.1%) in 2013. This was the lowest since 2003 (-12,900 or -0.6%). The moderation in employment growth in 2015 occurred amid sluggish global economic conditions and tightened supply of foreign manpower.

The moderation was also broad-based across sectors. Certain sectors posted employment declines in 2015, including manufacturing<sup>2</sup>, retail trade<sup>3</sup>, real estate services<sup>4</sup> and wholesale trade<sup>5</sup>. Nonetheless, this was offset by employment gains in most sectors, led by community, social & personal services, administrative & support services, construction and professional services. Other sectors that added workers in 2015 include food & beverage services, information & communications, financial & insurance services and transportation & storage.

<sup>2</sup> Based on MTI's advance GDP estimates, the manufacturing sector contracted year-on-year by 6.0% in the fourth quarter of 2015. Source: MTI's Advance Estimates of GDP, 4 January 2016

3

<sup>&</sup>lt;sup>1</sup> According to the International Monetary Fund (IMF), the world economy is expected to grow by 3.1% in 2015, its slowest pace of growth since 2009. *Source: IMF World Economic Outlook Update, January 2016*<sup>2</sup> Record on MTI's advance CRR action to the control of the control

<sup>&</sup>lt;sup>3</sup> Excluding motor vehicles, retail sales volume continued to slow in November 2015, with the retail sales index falling year-on-year by 2.4% Source: Department of Statistics, MTI, 15 January 2016

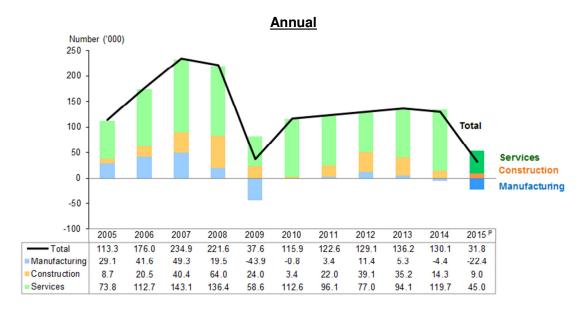
<sup>&</sup>lt;sup>4</sup> The number of registered agents in the real estate sector fell to 29,262 in January 2016, the lowest since 2011, possibly reflecting property market sentiments. *Source: Council for Estate Agents, MND, 21 January 2016* 

<sup>&</sup>lt;sup>5</sup> Employment declines within wholesale trade were concentrated in segments that were related to the retail trade and manufacturing sectors.

4.3 6.5 13.3

Quarterly Number ('000) 50 40 30 Services 20 Total 10 Construction / //anufacturing Employment Level In Dec 2015<sup>p</sup> -10 4Q11 1Q12 2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15 3Q15 4Q15 - Total 27.2 31.7 26.2 44.0 28.9 33.7 33.1 40.6 28.3 27.7 33.4 40.7 -6.1 9.7 12.6 3.655.6 Manufacturing 4.7 3.7 0.9 -1.2 0.9 -1.4 -4.3 -6.7 -1.42.0 2.3 3.3 -1.4 -2.1 0.5 -6.9 -4.4 513.6 Construction 8.4 8.7 9.7 9.7 11.1 8.4 8.5 10.7 7.6 4.7 4.4 3.7 1.5 -3.6 7.6 3.7 1.3 500.4 15.8 17.3 12.7 31.2 21.1 22.7 18.5 31.8 24.9 25.2 29.4 40.1 2,614.6

**Chart 3: Employment Change By Sector** 



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

Services

- Data are primarily from administrative records, with the self-employed component estimated from the Labour Force
- The industries are classified based on SSIC 2010 from 2009 onwards and SSIC 2005 before 2009.
- Data for the sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage & Waste Management.

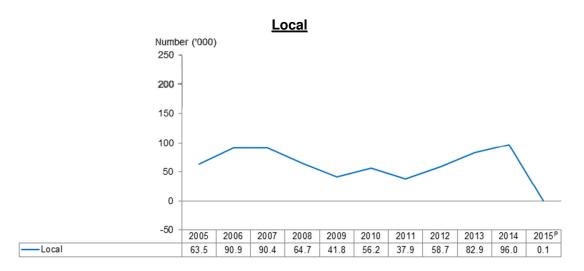
P: Preliminary

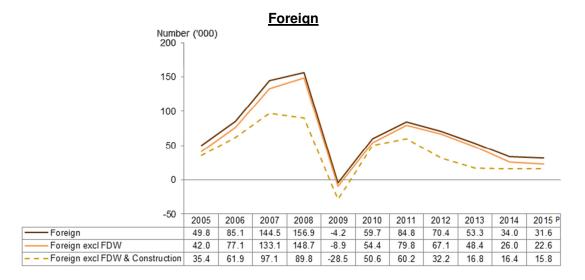
## Local growth was flat, while foreign growth moderated

Local employment growth over the year was flat (100 or 0.0%), after growing strongly in 2014 (96,000 or 4.4%) and 2013 (82,900 or 4.0%). In general, the sharp slowdown in local employment growth did not result in higher unemployment, as more stayed outside the labour force amid the softer economic conditions. Meanwhile, foreign employment growth moderated to 31,600 (or 2.3%) in 2015 from previous years (2011: 7.6%; 2012: 5.9%; 2013: 4.2%; 2014: 2.6%), amid tightened supply of foreign manpower. Excluding FDW and construction, the pace of foreign employment growth dipped in 2015 (15,800) from 2014 (16,400) and 2013 (16,800).

This brought the total number of employed persons in Singapore to 3,655,600 in December 2015, with 2,268,300 locals and 1,387,300 foreigners (or 1,155,800 excluding foreign domestic workers). Of every three persons in employment (excluding foreign domestic workers), two were locals (66.2%) and one was a foreigner (33.8%).

Chart 4: Annual Employment Change By Residential Status



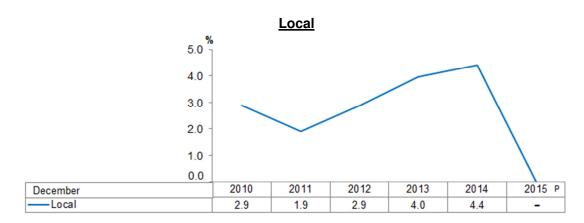


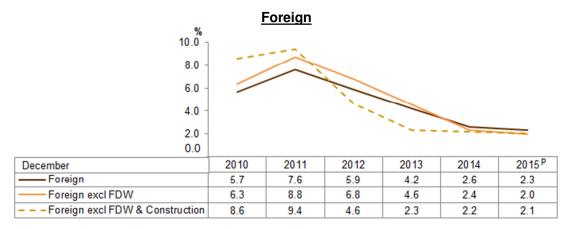
Source: Administrative Records and Labour Force Survey, Manpower Research & Statistics Department, MOM

- (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.

P: Preliminary

Chart 5: Year-on-Year Percentage Change in Employment By Residential Status





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

- (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) Growth rates refer to December-on-December.

P: Preliminary

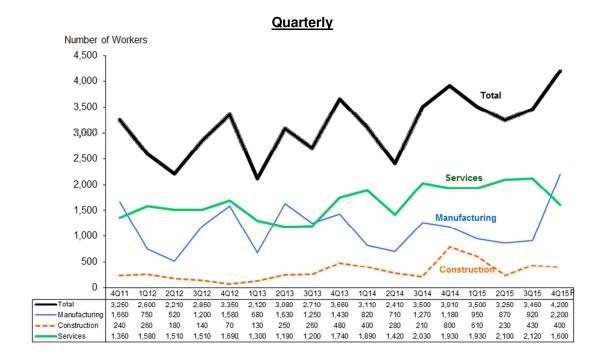
<sup>- :</sup> nil or negligible

## Redundancy

## Redundancies rose steadily, amidst business restructuring

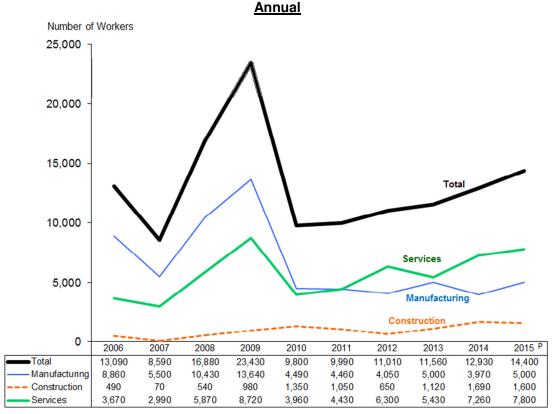
Some 4,200 workers were made redundant in the fourth quarter of 2015, up from 3,460 in the preceding quarter and 3,910 in the fourth quarter of 2014, amid on-going business restructuring.

Cumulatively over the year, redundancies rose to 14,400 in 2015, going up steadily since 2010. The increase in layoffs stemmed from manufacturing (from 3,970 in 2014 to 5,000 in 2015) and services (7,260 in 2014 to 7,800 in 2015).



**Chart 6: Redundancy By Sector** 

## (cont'd)



Source: Labour Market Survey, MOM

## P: Preliminary

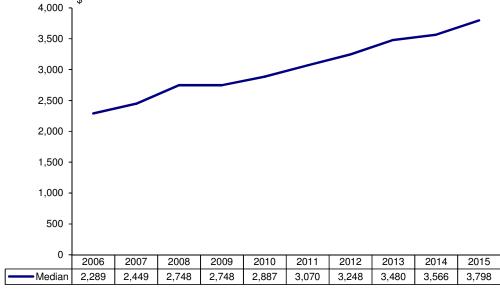
- (1) Data pertain to the public sector and private sector establishments each with at least 25 employees.
- (2) The industries are classified based on SSIC 2010.
- (3) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and Sewerage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

## **Income from Work**

## Strong median income growth in 2015, amid tight labour market

Median income grew strongly in 2015, amid continued labour market tightness and manpower shortages in some industries.<sup>6</sup> The nominal median monthly income from work of full-time employed Singaporeans (including employer CPF contributions) rose by 6.5% over the year to \$3,798 in June 2015. After adjusting for negative inflation,<sup>7</sup> real median income grew at a faster pace of 7.0% in 2015.<sup>8</sup>

Chart 7: Median Gross Monthly Income From Work Of Full-Time Employed Singapore Citizens, 2006 To 2015 (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>&</sup>lt;sup>6</sup> The Monetary Authority of Singapore's Labour Market Pressure Indicator, which captures the extent of labour market tightness, eased in the second quarter of 2015 but remained higher than its historical average. The vacancy rate for all sectors, except construction and manufacturing, were higher than their 10-year historical average. Source: Macroeconomic Review, October 2015, Monetary Authority of Singapore

The Consumer Price Index (CPI) for all items fell by 0.5% in 2015.

<sup>&</sup>lt;sup>8</sup> Real income growth adjusted using CPI less imputed rentals on owner-occupied accommodation, which relates more directly to the actual spending of households, was 6.4% in 2015.

## Sustained rise in income at the median and 20th percentile over the last five years

Full-time employed Singaporeans registered sustained median income growth (including employer CPF contributions) of 32% from \$2,887 in 2010 to \$3,798 in 2015 in nominal terms, or 5.6% p.a. After adjusting for inflation, real median income grew by 16% or 3.0% p.a. in the recent five years. The growth was comparable with that of income at the 20<sup>th</sup> percentile, which also rose by a similar pace of 31% or 5.5% p.a. over the last five years to \$1,965 in 2015, and 16% or 2.9% p.a. in real terms.

Table 1: Change In Gross Monthly Income From Work Of Full-Time Employed Singapore Citizens, 2010 To 2015 (June)

	Nominal		Real*	
	Cumulative (%)	Annualised (% p.a.)	Cumulative (%)	Annualised (% p.a.)
Median (50th Percentile)	31.6	5.6	16.1	3.0
			(18.0)	(3.4)
20th Percentile	31.0	5.5	15.6	2.9
			(17.5)	(3.3)

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

- (1) Income from work includes employer CPF contributions for employees.
- (2) Data exclude full-time National Servicemen.
- (3) \* Deflated by Consumer Price Index for all items at 2014 prices (2014 = 100). Figures in brackets are deflated by Consumer Price Index less imputed rentals on owner-occupied accommodation at 2014 prices (2014 = 100).

Labour Market Advance Release 2015

TABLE 1
GROSS MONTHLY INCOME FROM WORK (INCLUDING EMPLOYER CPF) OF FULL-TIME EMPLOYED
SINGAPORE CITIZENS, 2006 - 2015

(June)

Year/ Period	Median (50th Percentile)	20th Percentile	
	Level (Dollars)		
2006	2,289	1,224	
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	
	Nominal Change (Per Cent Per Annum)		
2006 - 2015	5.8	5.4	
2006 - 2010	6.0	5.2	
2010 - 2015	5.6	5.5	
	Real* Change (Per Cent Per Annum)		
2006 - 2015	3.0 (3.3)	2.6 (2.9)	
2006 - 2010	2.9 (3.3)	2.1 (2.5)	
2010 - 2015	3.0 (3.4)	2.9 (3.3)	

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

- 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). Figures in brackets are deflated by Consumer Price Index less imputed rentals on owner-occupied accommodation at 2014 prices (2014 = 100).

<sup>1.</sup> Data exclude full-time National Servicemen.

TABLE 2
GROSS MONTHLY INCOME FROM WORK (EXCLUDING EMPLOYER CPF) OF FULL-TIME EMPLOYED
SINGAPORE CITIZENS, 2006 - 2015

(June)

Year/ Period	Median (50th Percentile)	20th Percentile	
	Level (Dollars)		
2006	2,072	1,100	
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	
	Nominal Change (Per Cent Per Annum)		
2006 - 2015	5.1	5.2	
2006 - 2010	5.7	6.2	
2010 - 2015	4.7	4.4	
	Real* Change (Per Cent Per Annum)		
2006 - 2015	2.3 (2.7)	2.4 (2.7)	
2006 - 2010	2.6 (3.0)	3.1 (3.5)	
2010 - 2015	2.1 (2.4)	1.8 (2.1)	

 ${\tt Source: Comprehensive\ Labour\ Force\ Survey,\ Manpower\ Research\ and\ Statistics\ Department,\ MOM}$ 

<sup>1.</sup> Data exclude full-time National Servicemen.

<sup>2.</sup> 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).

<sup>3. \* -</sup> Deflated by Consumer Price Index for all items at 2014 prices (2014 = 100). Figures in brackets are deflated by Consumer Price Index less imputed rentals on owner-occupied accommodation at 2014 prices (2014 = 100).

Labour Market Advance Release 2015

## **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.

#### **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 increase in labour supply from new entrants or re-entrants to the labour market. It will also rise if more people guit 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.

## Redundancy

#### 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**

**Redundancy** comprises retrenchment and early release of contract workers due to redundancy.

**Retrenchment** refers to the termination of employment of a permanent employee due to redundancy. In the public sector, it includes those who left service under the Special Resignation Scheme (introduced in April 1988) that allows redundant non-deployable Civil Service or Statutory Board employees to leave their organisations with compensation.

Early release of contract workers refers to employees on term contracts which were terminated prematurely because of redundancy.

#### **Uses and Limitations**

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

The number of persons made redundant (flow) should not be confused with persons unemployed (stock). Not all persons made redundant will be unemployed as some will re-enter into employment or decide to leave the labour force.

## **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.

**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.

20th 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 labour force 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.

# **Other Publications**





Labour Force in Singapore 2015	28/01/2016
Labour Market Third Quarter 2015	15/12/2015
Employer Supported Training 2014	05/10/2015
Labour Market Second Quarter 2015	15/09/2015
Singapore Yearbook of Manpower Statistics 2015	30/06/2015
Manpower Statistics in Brief 2015	18/06/2015
Labour Market First Quarter 2015	15/06/2015
Report on Wage Practices 2014	04/06/2015
Redundancy and Re-entry into Employment 2014	23/04/2015
Labour Market 2014	13/03/2015
Job Vacancies 2014	27/01/2015
Conditions of Employment 2014	09/12/2014



## **Available Online**

Related Charts/Tables



Other Publications

