

2016

# Labour Market Advance Release



MINISTRY OF  
MANPOWER

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and Statistics Department

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

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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

- Amid restructuring and a slower economy, local employment grew modestly in 2016, while foreign employment contracted. Unemployment increased for residents and citizens. Redundancies were also higher. Median income for citizens continued to grow over the last five years, although growth slowed in 2016.

### Fourth Quarter 2016

- Preliminary estimates showed that the seasonally adjusted unemployment rate rose for overall (from 2.1% in September 2016 to 2.2% in December 2016), residents (2.9% to 3.2%) and citizens (3.0% to 3.5%). This occurred even as employment grew as more people entered the labour force to look for work.
- Reflecting seasonal hiring for year-end festivities, total employment grew in the fourth quarter of 2016 (1,900), compared to the contraction in the third quarter (-2,700), but growth was lower than a year ago (16,100).
- Some 5,300 workers were laid off in the fourth quarter of 2016, higher than the third quarter (4,220), but similar to a year ago (5,370).

### Full Year 2016

- The annual average unemployment rate in 2016 rose to its highest since 2010 for overall (1.9% in 2015 to 2.1% in 2016), residents (2.8% to 3.0%) and citizens (2.9% to 3.1%). The increase was broad based across most age and education groups, with residents aged 30 to 39 and 50 & over, as well as those with secondary and degree qualifications particularly affected.
- For the whole of 2016, total employment is estimated to have increased by 16,400 or 0.4%, lower than the 32,300 or 0.9% in 2015. This was the lowest growth since 2003 (-12,900 or -0.6%). The moderation in total employment in 2016 took place amid slower growth in the Singapore economy, slowdown in local labour force growth and continued tightening of the supply of foreign workforce.
- Local employment increased by an estimated 10,700 (or 0.5%) in 2016. Growth occurred in many services sectors, including community, social and personal services, professional services and transportation and storage. On the other hand, foreign employment (excluding foreign domestic workers) contracted in 2016 (-2,500 or -0.2%), the first time since 2009. The declines were mainly in construction and marine. In December 2016, locals made up 66.4% of persons employed in Singapore (excluding foreign domestic workers), with foreigners forming 33.6%.
- For the whole of 2016, redundancies rose to 19,000, going up steadily since 2010. Layoffs generally increased across all three broad sectors.
- Year-on-year, the nominal median income (including employer CPF contributions) of full-time employed Singaporeans rose by 0.7% to \$3,823 in 2016, or 1.3% in real terms (after adjusting for negative inflation). This moderated from the increase of 6.5% (nominal) and 7.0% (real) in 2015. From 2011 to 2016, there was sustained real income growth of 3.1% p.a. at the median and 3.2% p.a. at the 20th percentile.

## Overview

Amid restructuring and a slower economy, local employment grew modestly in 2016, while foreign employment contracted. Unemployment increased for residents and citizens. Redundancies were also higher. Median income for citizens continued to grow over the last five years, although growth slowed in 2016.

## Fourth Quarter 2016

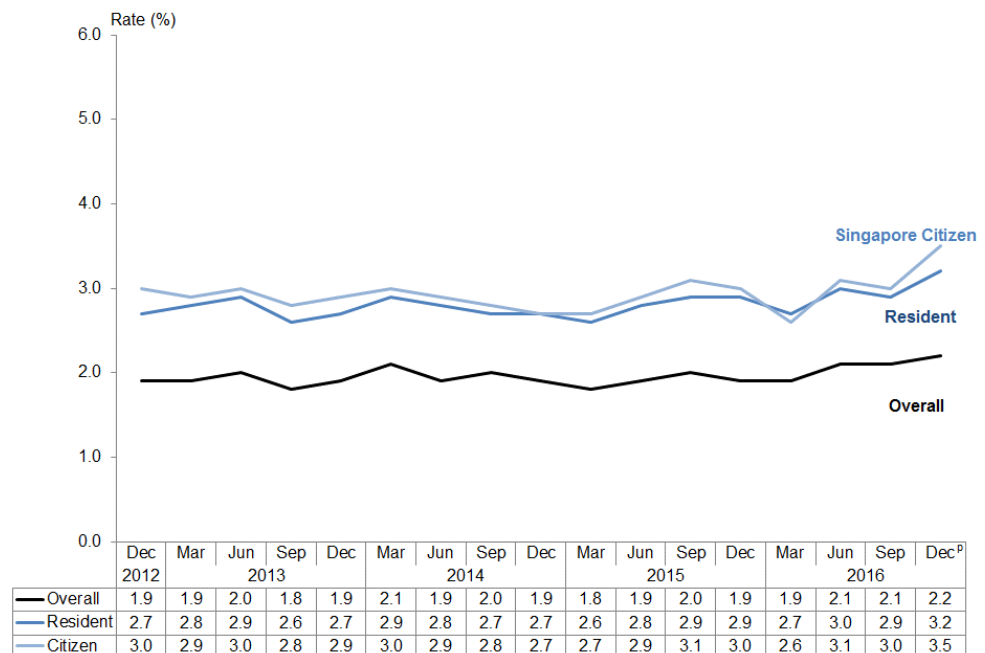
### Unemployment

**Unemployment rose over the quarter**

Preliminary estimates showed that the seasonally adjusted unemployment rate rose for overall (from 2.1% in September 2016 to 2.2% in December 2016), residents (2.9% to 3.2%) and citizens (3.0% to 3.5%). This occurred even as employment grew as more people entered the labour force to look for work.

In December 2016, an estimated 74,000 residents, including 67,400 Singapore citizens were unemployed, up from September 2016 (residents: 66,600, citizens: 58,500).<sup>1</sup>

**Chart 1** Unemployment Rate (Seasonally Adjusted)



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

P: Preliminary

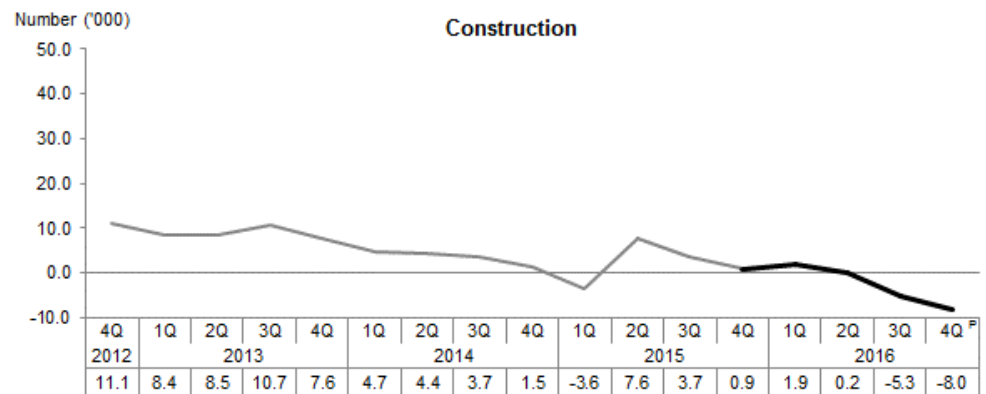
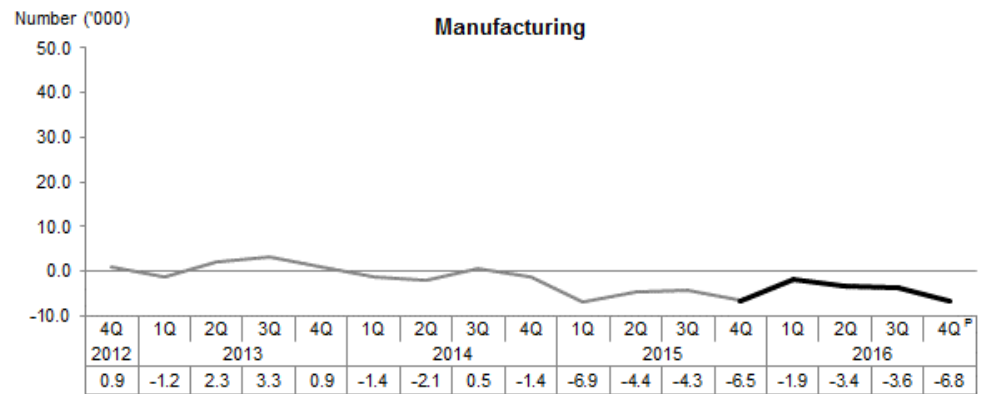
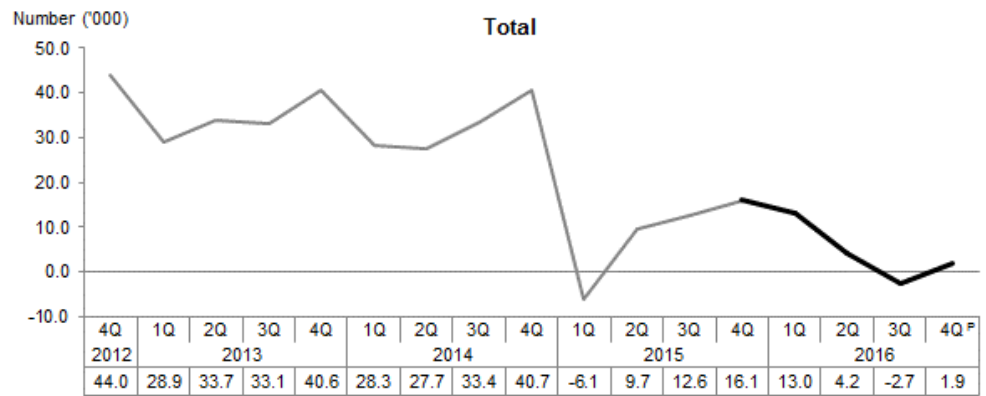
<sup>1</sup> Based on seasonally adjusted data on number of unemployed persons.

## Employment

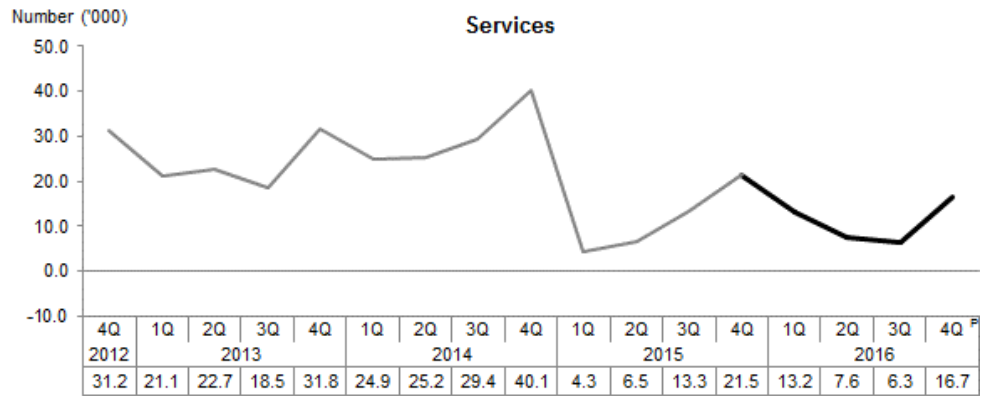
### Employment grew in the fourth quarter

Reflecting seasonal hiring for year-end festivities, total employment grew in the fourth quarter of 2016 (1,900), compared to the contraction in the third quarter (-2,700), but growth was lower than the fourth quarter of 2015 (16,100).

**Chart 2** Quarterly Employment Change By Sector







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

P: Preliminary

**Notes:**

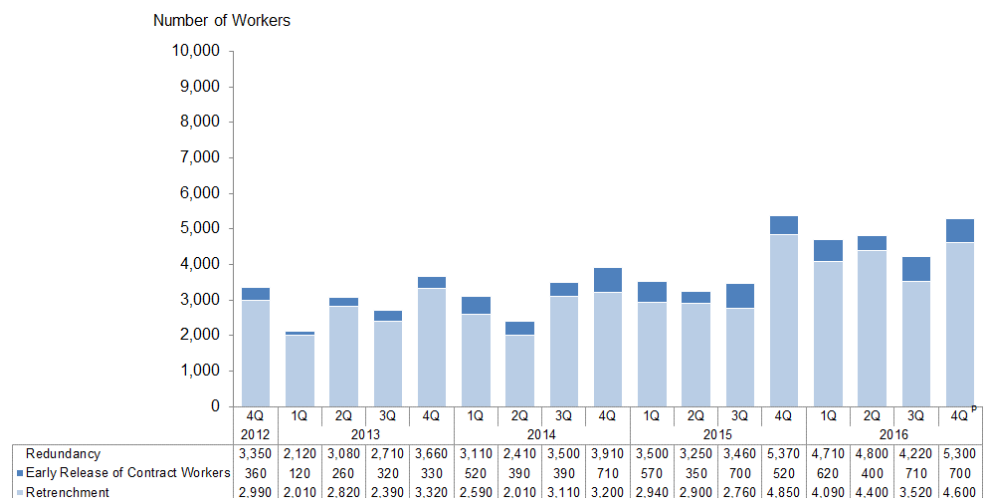
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes agriculture, fishing, quarrying, utilities and sewerage & waste management.
- (3) The 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.

## Redundancy

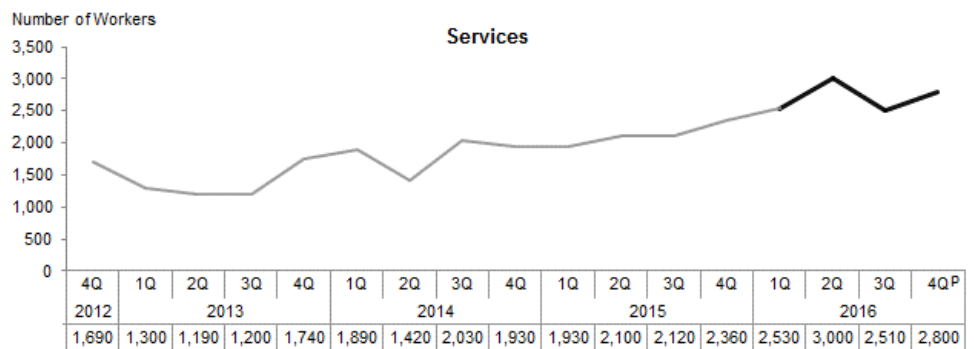
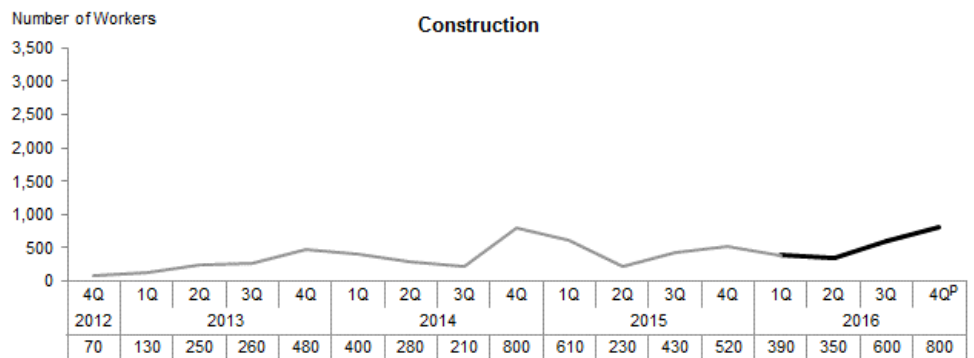
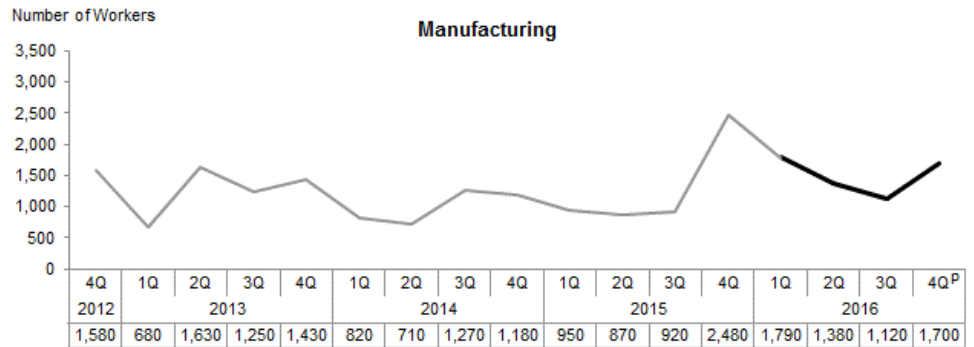
**Layoffs increased in the fourth quarter**

Redundancies increased in the fourth quarter of 2016. 5,300 workers were laid off in the fourth quarter of 2016, higher than the third quarter (4,220), but similar to a year ago (5,370).

**Chart 3** Quarterly Redundancies



**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.

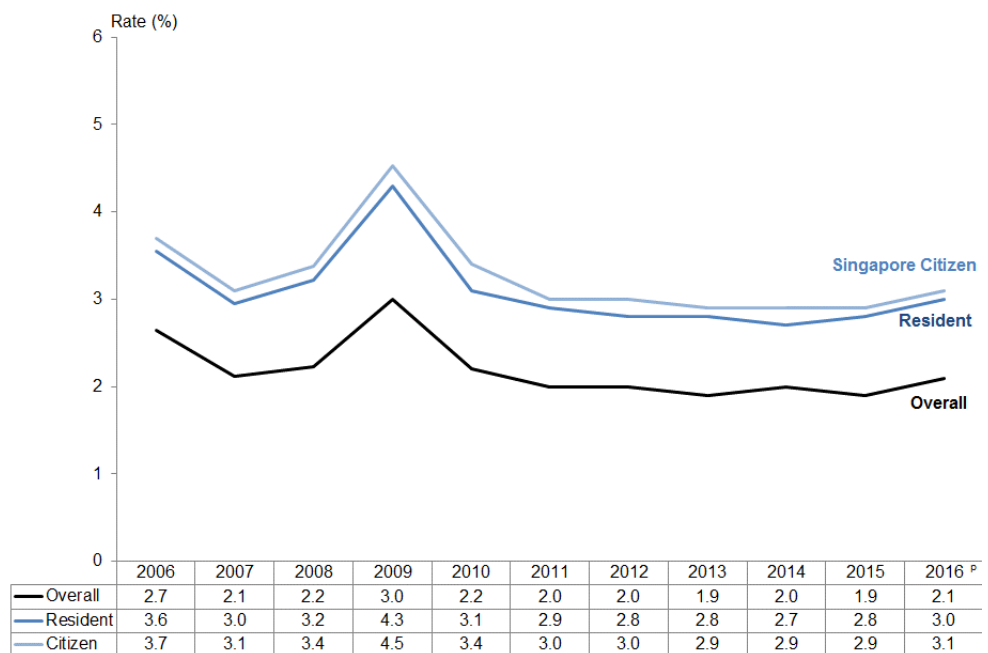
## Full Year 2016 Unemployment

### *Unemployment rose for residents and citizens*

The annual average unemployment rate in 2016 rose to its highest since 2010 for overall (1.9% in 2015 to 2.1% in 2016), residents (2.8% to 3.0%) and citizens (2.9% to 3.1%). The increase was broad based across most age and education groups, with residents aged 30 to 39 and 50 & over, as well as those with secondary and degree qualifications particularly affected.

On average, 67,400 residents including 59,200 Singapore citizens were unemployed in 2016. The corresponding figures in 2015 were slightly lower at 62,500 and 55,700.

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



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

<sup>P</sup>: Preliminary

**Note:**

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

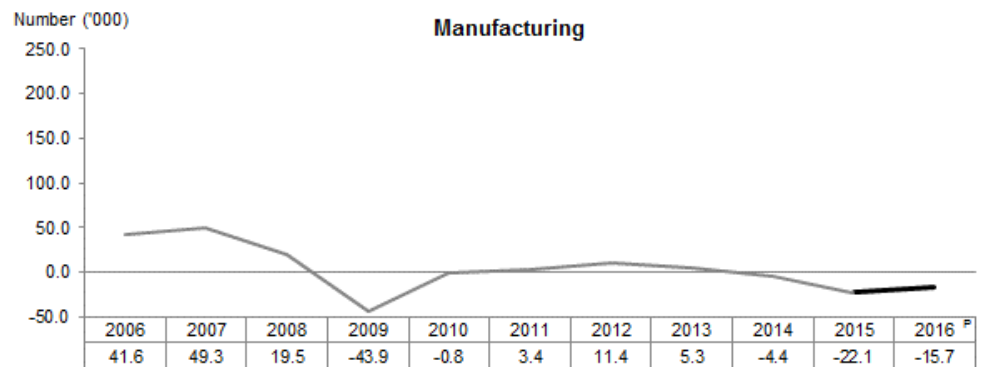
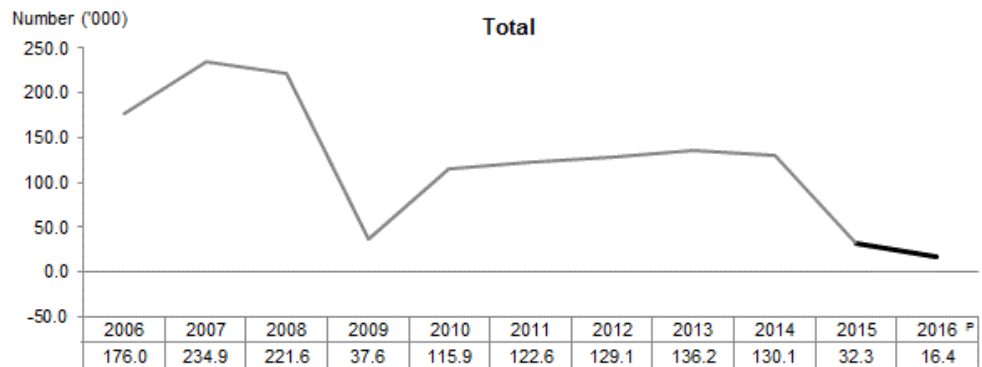
## Employment

**Total employment grew at a slower pace in 2016**

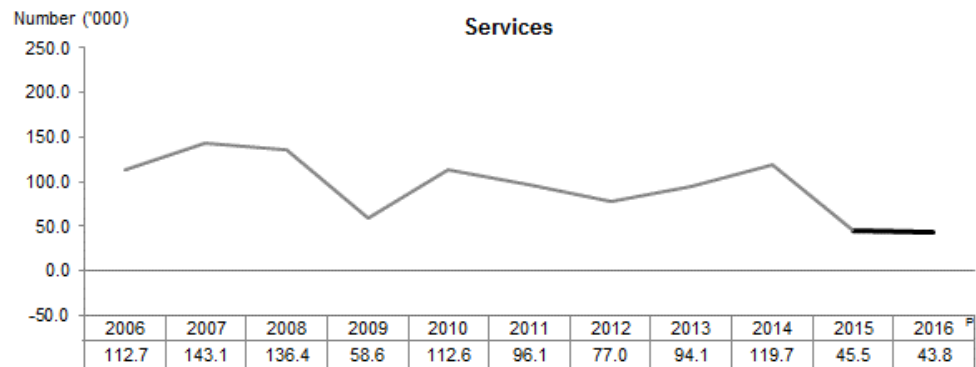
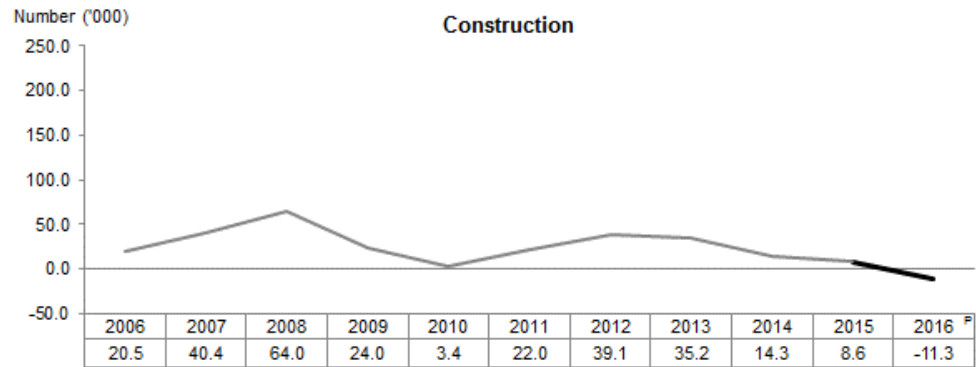
For the whole of 2016, total employment is estimated to have increased by 16,400 or 0.4%, lower than the 32,300 or 0.9% in 2015. This was the lowest growth since 2003 (-12,900 or -0.6%). The moderation in total employment in 2016 took place amid slower growth in the Singapore economy, slowdown in local labour force growth and continued tightening of the supply of foreign workforce.

Across broad sectors, manufacturing (-15,700) and construction (-11,300) contracted in 2016. Only services employment grew (43,800), with a pace that was broadly similar to 2015 (45,500).<sup>2</sup>

**Chart 5** Annual Employment Change By Sector



<sup>2</sup> This brought December 2016 employment levels to 498,100 in manufacturing, 488,700 in construction and 2,659,000 in services.



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

**Notes:**

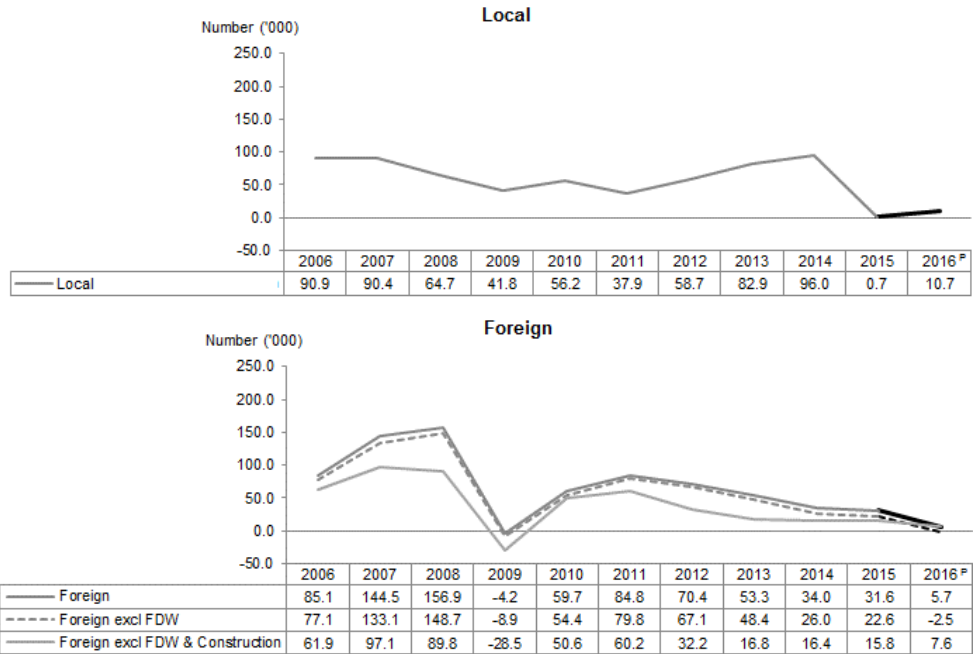
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Data for the three major sectors do not add up to the total as the latter includes agriculture, fishing, quarrying, utilities and sewerage & waste management.
- (3) The 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 employment grew, while foreign employment (excl FDW) contracted**

Local employment increased by an estimated 10,700 (or 0.5%) in 2016, rebounding from the flat growth in 2015. Local employment growth occurred in many services sectors, including community, social and personal services, professional services and transportation and storage. On the other hand, foreign employment (excluding FDW) contracted in 2016 (-2,500 or -0.2%), the first time since 2009. The declines were mainly in construction and marine. Including FDW, foreign employment grew in 2016, though at a slower pace than a year ago.

This brought the total number of employed persons in Singapore to 3,672,600 in December 2016, with 2,279,700 locals and 1,393,000 foreigners (or 1,153,200 excluding foreign domestic workers). Of every three persons in employment (excluding foreign domestic workers), two were locals (66.4%) and one was a foreigner (33.6%).

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



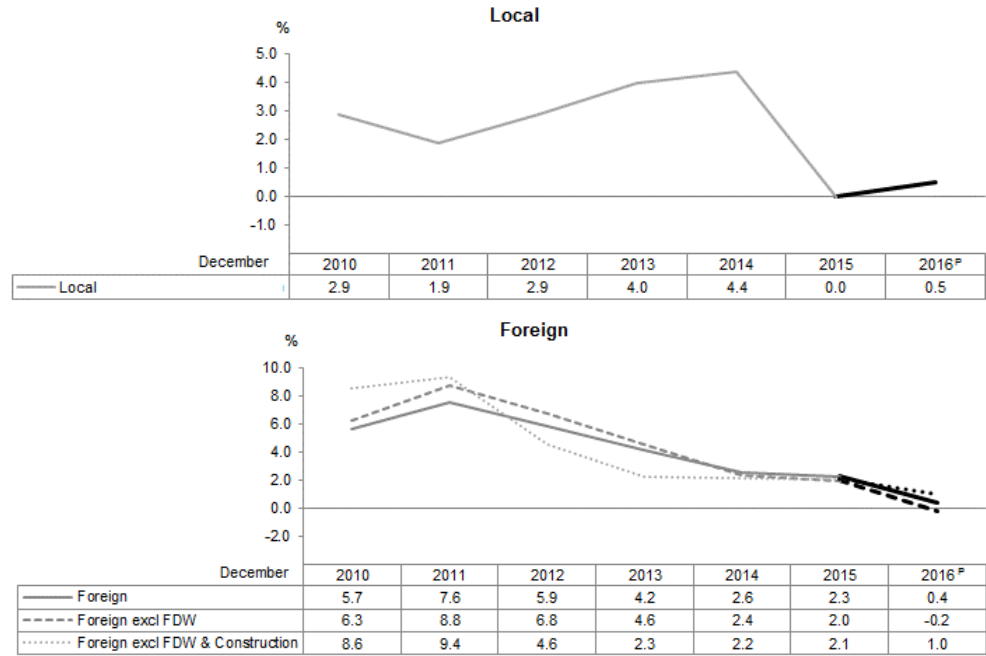
Source: Administrative Records and Labour Force Survey, Manpower Research & Statistics Department, MOM

<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:**

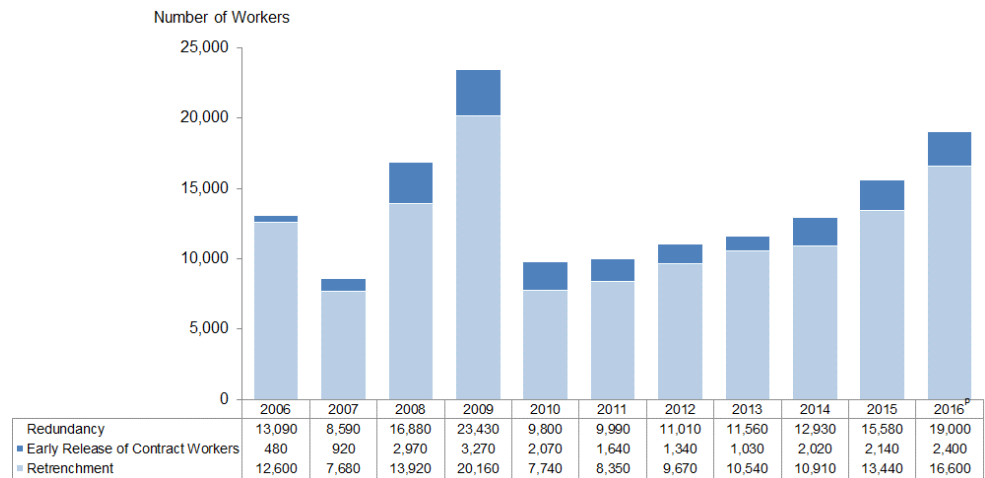
- (1) Data are primarily from administrative records, with the self-employed component estimated from the Labour Force Survey.
- (2) Locals also known as residents refer to Singapore citizens and permanent residents.
- (3) 'excl FDW' refers to excluding foreign domestic workers.
- (4) Data may not add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

## Redundancy

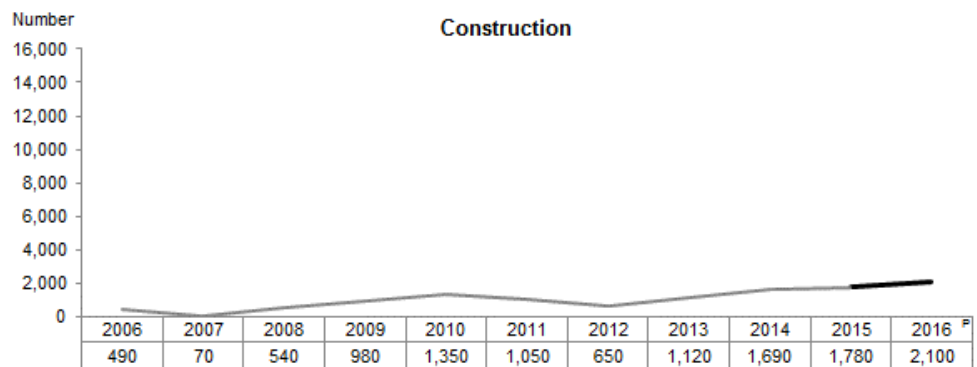
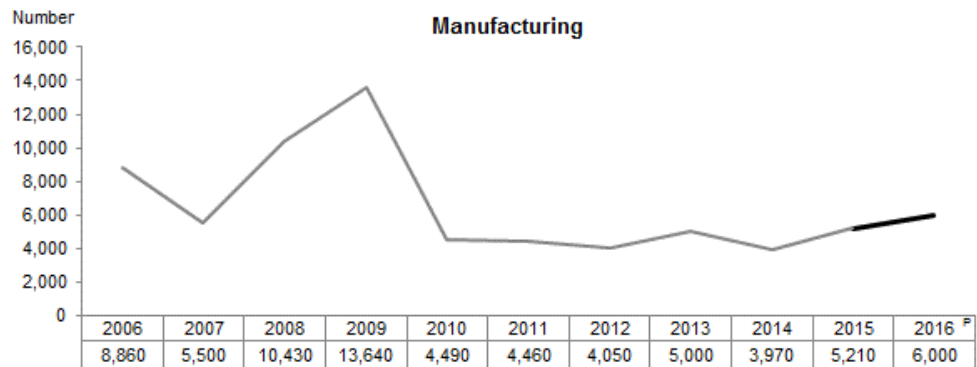
*Layoffs rose, amid business restructuring and a slower economy*

For the whole of 2016, redundancies rose to 19,000, mainly due to restructuring and a slower economy. Redundancies have trended up since 2010, but remained lower than the recessionary high in 2009. Layoffs generally increased across all three broad sectors.

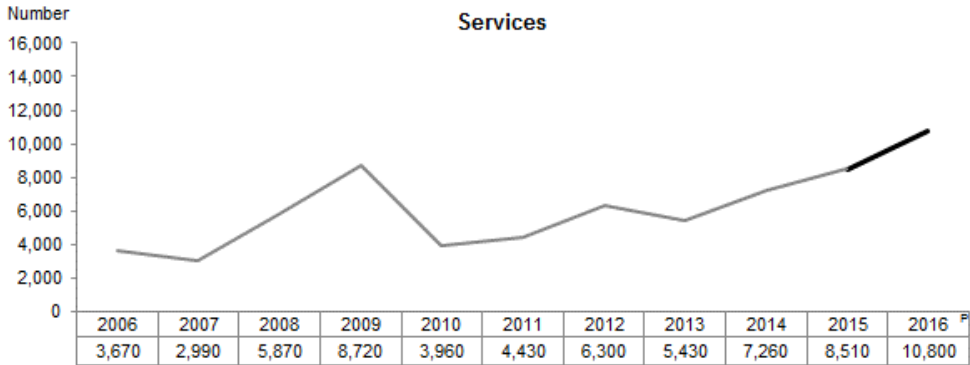
**Chart 8** Annual Redundancies



### By Sector







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

<sup>P</sup>: Preliminary

Notes:

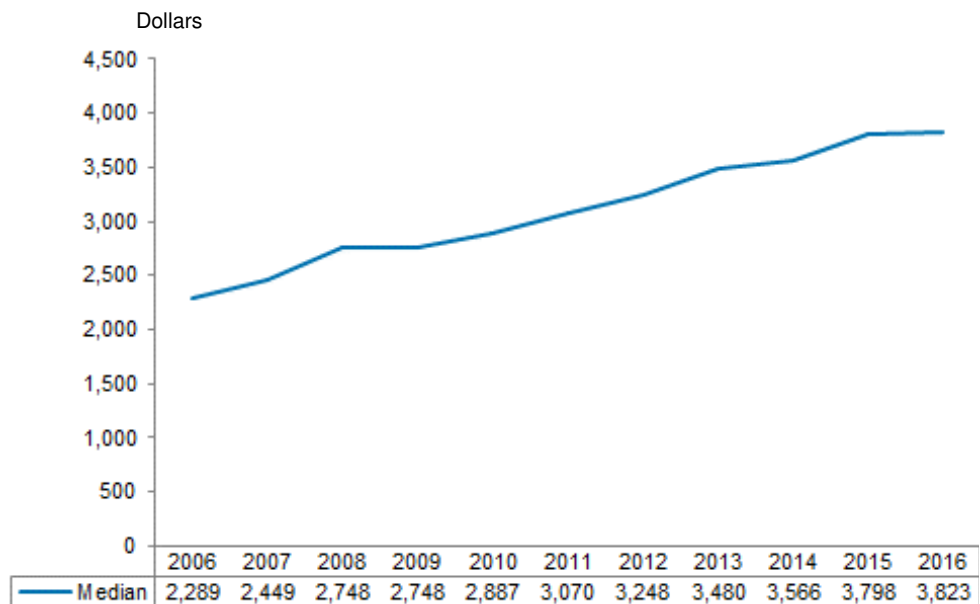
- (1) Data pertain to private sector establishments (each with at least 25 employees) and the public sector.
- (2) The industries are classified based on SSIC 2010.
- (3) Data for the three major sectors do not add up to the total as the latter includes Agriculture, Fishing, Quarrying, Utilities and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

## Income from Work

**Real median income growth moderated in 2016**

Median income grew at a slower pace amid the weaker economic environment. Year-on-year, the nominal median income (including employer CPF contributions) of full-time employed Singaporeans rose by 0.7% to \$3,823 in 2016, or 1.3% in real terms (after adjusting for negative inflation<sup>3</sup>). This moderated from the increase of 6.5% (nominal) and 7.0% (real) in 2015.<sup>4</sup>

**Chart 9** 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

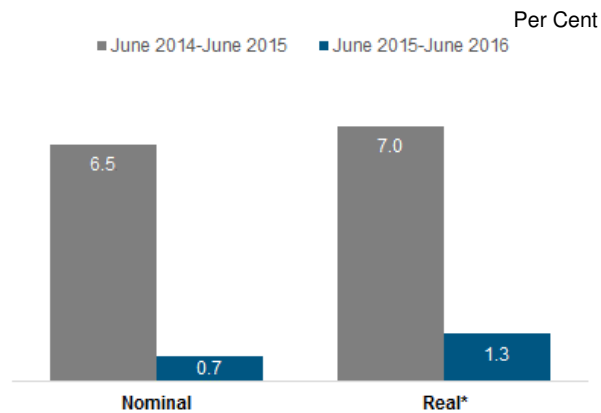
**Notes:**

- (1) Income from work includes employer CPF contributions for employees.
- (2) For data in this chart, adjusted figures for 2007 are the same as the original figures.
- (3) Data exclude full-time National Servicemen.

<sup>3</sup> The Consumer Price Index (CPI) for all items fell by 0.5% in 2016.

<sup>4</sup> Real median income growth adjusted using CPI less imputed rentals on owner-occupied accommodation, which relates more directly to the actual spending of households, was 0.5% in 2016, lower than the 6.4% in 2015.

**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

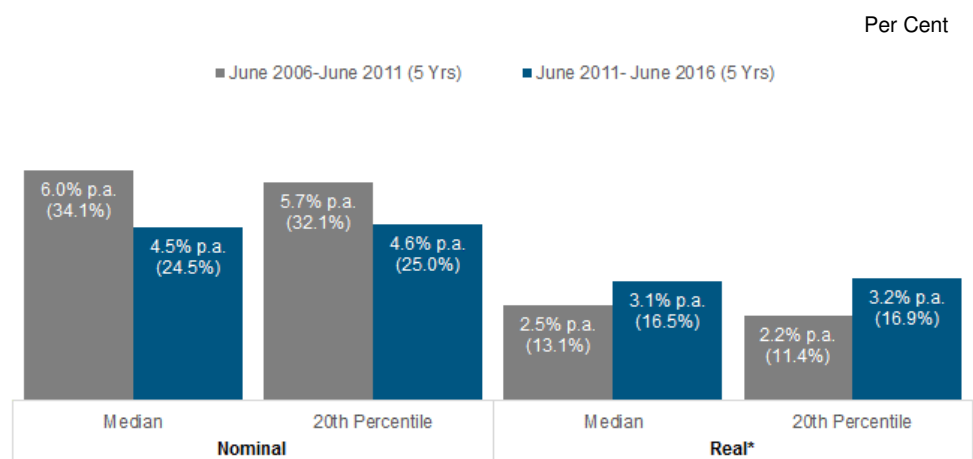
**Notes:**

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

**Sustained rise in income at the median and 20<sup>th</sup> percentile over the last five years**

From 2011 to 2016, there was sustained median income growth of 25% or 4.5% p.a. in nominal terms from \$3,070 to \$3,823, and 16% or 3.1% p.a. in real terms. Income at the 20th percentile of full-time employed Singaporeans also grew at a similar pace from \$1,617 in 2011 to \$2,021<sup>5</sup> in 2016, unlike in the earlier five years when it grew at a slower rate than the median.

**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).
- (3) Figures in brackets refer to cumulative change.

<sup>5</sup> Excluding employer CPF contributions, the income of full-time employed Singaporeans at the 20<sup>th</sup> percentile was \$1,836 in June 2016.

**TABLE 1**  
**GROSS MONTHLY INCOME FROM WORK (INCLUDING EMPLOYER CPF) OF FULL-TIME EMPLOYED**  
**SINGAPORE CITIZENS, 2006 - 2016**  
 (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
2016	3,823	2,021
	Nominal Change (Per Cent Per Annum)	
2006 - 2016	5.3	5.1
2006 - 2011	6.0	5.7
2011 - 2016	4.5	4.6
	Real* Change (Per Cent Per Annum)	
2006 - 2016	2.8 (3.0)	2.7 (2.9)
2006 - 2011	2.5 (3.0)	2.2 (2.7)
2011 - 2016	3.1 (3.1)	3.2 (3.1)

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

**TABLE 2**  
**GROSS MONTHLY INCOME FROM WORK (EXCLUDING EMPLOYER CPF) OF FULL-TIME EMPLOYED**  
**SINGAPORE CITIZENS, 2006 - 2016**  
 (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
2016	3,375	1,836
	Nominal Change (Per Cent Per Annum)	
2006 - 2016	5.0	5.3
2006 - 2011	5.5	6.4
2011 - 2016	4.5	4.1
	Real* Change (Per Cent Per Annum)	
2006 - 2016	2.5 (2.8)	2.8 (3.0)
2006 - 2011	2.0 (2.5)	2.8 (3.4)
2011 - 2016	3.1 (3.1)	2.7 (2.7)

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). Figures in brackets are deflated by Consumer Price Index less imputed rentals on owner-occupied accommodation 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 March and June are finalised in September while figures for September and December are finalised in March the next year. 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.

## 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 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. 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.

**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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