Kalyani Mehta
Paul P. L. Cheung

Retirement: Cross-cultural Perceptions and Preparation by Near Elderly in Singapore

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This series of research reports deals with the status of the elderly in several Asian countries. It presents research that is being conducted under a broad project sponsored by the U.S. National Institute on Aging, the Comparative Study of the Elderly in Four Asian Countries (Grant No. AG07637). The goal is to measure the social, economic and health characteristics of the older population (age 60 and above), to predict what changes may occur over the next decades, and to suggest implications for public policy. The original countries involved in the study are the Philippines, Singapore, Taiwan and Thailand. Reports on the elderly in other countries in Asia and on methods developed through the project using data from various countries may also be included in this report series.

Organizations collaborating in this research include: Population Studies and Training Center, Brown University; Population Institute, University of the Philippines; Department of Social Work and Psychology, National University of Singapore; Taiwan Provincial Institute of Family Planning; and Institute of Population Studies, Chulalongkorn University. For additional information about the comparative project, please contact the Principal Investigator: Albert I. Hermalin, Population Studies Center, University of Michigan, 1225 South University Avenue, Ann Arbor, Michigan 48104-2590.
Retirement: Cross-cultural Perceptions and Preparation by Near Elderly in Singapore

Abstract: Using a broad anthropological approach toward ‘retirement’ this paper discusses the findings from a qualitative cross-cultural study of Singaporean near elderly (aged 50-59 years). Thirteen focus groups were conducted in 1996 among the three major ethnic communities, i.e. the Chinese, Malays and Indians. Important cultural preferences emerged, such as the Indian inclination to retire in India and the Malay aversion to buying insurance policies. There were also gender differentials which cut across the three ethnic cultures. When these findings were triangulated with an earlier survey (1994) conducted by the Department of Statistics on the economic profile of Singaporeans belonging to the same age group, insightful clarifications and explanations emerged. Overall, both studies documented the concerns of this cohort over rising costs of living, especially medical costs, in Singapore.

Authors’ Addresses

Dr. Kalyani Mehta, Department of Social Work & Psychology, National University of Singapore, 10 Kent Ridge Crescent, Singapore. E-mail: swkkkm@leonis.nus.sg

Dr. Paul P. L. Cheung, Chief Statistician, Department of Statistics, Ministry of Trade and Industry, Singapore

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The concept of ‘retirement’ is highly deceptive – it appears simple yet contains a complexity of meanings. Moreover, it is often interpreted differently, depending upon the sociocultural and economic context concerned. Sussman (1972: 29) described retirement as a "phenomenon with multiple meanings." Maddox (1987: 577) elucidated the term ‘retirement’ at two levels. At the broader level, "it signifies a set of economic and societal practices that manage the size of the labor force...At the level of the individual, retirement can refer to a changed relationship to the economy, to the temporal event of withdrawal from work, and to a personal transition from one life role to another that entails a process of adaptation." If retirement were to be viewed as cessation of full-time work, then those who engage in part-time work, or are self-employed e.g. in family business or agricultural farms would find the concept of retirement irrelevant. Incidentally, a considerable majority of Asians are involved in such activities. Thus, for the purpose of this study, retirement has been defined as the termination of job(s) held during the major working years, with the attendant social and psychological changes such as alteration of social status, prestige, increase in leisure time and decrease of responsibilities. Within the context of the life course, it is a transitional phase or stage (Carp, 1972: 7) which has taken on crucial importance currently due to the increased life expectancy of the human species as well as the rapid demographic aging of most societies around the world.

This paper discusses the findings of a qualitative research conducted in Singapore between March-December 1996. Singapore, with its rich mix of
ethic cultures, languages and religions offers a natural laboratory for cross-cultural studies. The results are triangulated with the outcomes of an earlier survey on the assets and income profiles of Singaporeans of the same age group i.e. 50-59 years, who will be referred to as the ‘near elderly.’ This survey was conducted in 1994 by the Department of Statistics.

**Methodology**

The cross-cultural qualitative study was carried out under a broad project sponsored by the U.S. National Institute on Aging, Rapid Demographic Change and Welfare of the Elderly. The focus group method was adopted because it is able to generate data regarding the perceptions and processes involved in the preparation for retirement. The loose structure of the guided discussion allowed participants to express freely their observations and opinions regarding matters that are familiar and intimate, offering a depth that structured surveys often cannot capture.

A total of 13 groups were conducted, including one pilot group of high income level Indians. The exact breakdown is as follows: 4 groups of Chinese near elderly, with two groups each of high and low income status; 4 groups of Malay near elderly, with two groups each of high and low income status; 5 groups of Indian near elderly, with three groups of high income and two groups of low income status. The size of a group ranged from 5 - 9 members, with the average size being 7. In most groups there was a mix of males and females. However, the ratio of females to males in the sample was 3:1. The high income participants had household income above S$3,000; the low income participants had household income below S$2,000. Two-thirds of the participants were still employed. The sample population was obtained largely through purposive sampling. The total number of participants was 95.

The survey on near elderly was conducted based on in-home, face-to-face interviews with a representative sample of 930 residents of Singapore. According to the 1990 Census, there were 218.5 thousand residents aged 50-59 in Singapore (1990 Census of Population: 35). The eight main sections included in the questionnaire were:
1. Household membership and living arrangements
2. Basic personal particulars of respondent
3. Economic activity/ employment
4. Retirement/ old age plan
5. Housing
6. Health Status & provision for Medical/Health care costs
7. Financial support and Generational transfers
8. Financial concerns and perceptions

The guideline of questions for the focus groups is included in the Appendix. The objective of the focus group discussions was to gain insights into the intercultural perceptions, provide explanations for some of the findings such as ethnic and gender patterns of retirement preparation, and lastly to clarify the role played by the Central Provident Fund, including the health care component Medisave and Medishield, as a source of financial support in the post-retirement years. Medisave is a mandatory scheme, wherein an individual is forced to save for hospitalisation expenses; it can be used for one’s parent’s hospitalisation expenses too. Medishield, an optional medical insurance scheme, covers the person till he/she is 75 years old.

**Perceptions of Retirement**

There were some similarities across the three ethnic groups regarding the question of retirement age. By and large, the majority of respondents across ethnic and economic lines felt that people should have the choice of working until the time that their health fails them. This finding is in keeping with an earlier survey on Retirement conducted by the Ministry of Community Development (1993) where 65% of the pre-retirees opined that there should be no specific age for retirement. Those who recognised that it was necessary from the society’s point of view that the seniors make way for the juniors, felt that the ideal age of retirement should be 65 and beyond (at present the official age of retirement is 60 years in Singapore). Reasons for employment included financial necessity, to be useful to society, to remain independent, to maintain self-esteem, to stay mentally alert and avoid
boredom, to continue a social network of friends, and lastly, to retain medical benefits which employers provide. Interestingly, in one low income Malay group, a member advocated for earlier retirement age - 55 for males and 50 for females. Her argument was that the later years should be devoted to accumulation of 'ibadat' (spiritual merits) and going for the Haj (pilgrimage to Mecca) if one had not been able to do so earlier.

When asked, during the discussions, whether members were in agreement with the government’s policy of raising the retirement age to 67 by the year 2003, the response was that it should not be made mandatory but rather a choice given to those who wished to continue working.

The meaning of retirement and its significance varied along income and gender lines. For the high income groups, a common sentiment was:

"But it’s going to be very difficult to retire and live in Singapore. Unless you have assistance from children, or you happen to be very rich i.e. you have a very good fixed income."

(High Income Indian group)

"At the same time I call myself a workaholic. I enjoy working. I have not given a thought as to when I should retire."

(High Income Chinese group)

For the lower income groups, retirement was seen as a luxury, which many could not afford. If they were forced to retire by their employers, some of them voiced anxiety over the likelihood of obtaining another job.

"The policy encourages us to work to 60. But do all places have work for people that age? That is the problem."

(Low Income Malay group)

Boredom, dependency, and fear that one’s health (both physical and mental) would deteriorate faster, were factors which mitigated against full retirement. Interesting gender differences also emerged. Mrs S., a housewife, defined retirement thus:

"My point of view for retirement is to fulfill my wish as I never was able to do (in the past)."

(High Income Indian group)

Family responsibilities e.g. raising of children and looking after elderly parents, as well as other commitments prevented homemakers from achieving their dreams and retirement meant a time to fulfill these. This lady wished to write a book on Indian folk songs and set up a Marriage Bureau for her
community! In another group of Indians, a lady expressed her hope of relinquishing the kitchen responsibilities to her future daughter-in-law so that she could ‘retire’ from the cooking scene. Conversely, where there was little hope of coresidence, women (in a low income group) voiced their envy that at least employees could look forward to retirement, whereas for housewives they had to continue their domestic chores till the day they died. The definitive gender roles in the family/household clearly point to differences in the expectations and experiences of retirement by males and females, a field which warrants further research (Szinovacz, 1982).

In a Malay High income group, women expressed their anxiety over the stability of their marriages once their husbands reached 55 and were able to withdraw their lump sum from the Central Provident Fund. Since the Islam religion allows a maximum of four marriages, with certain conditions, these women were concerned that their ‘rich’ husbands would fall prey to other women! The expectations of husbands and wives of the post-retirement years differed sometimes, especially if the wife had been a homemaker, and this was a potential source of friction, as observed by the participants.

"Most men are like that. They’ve had enough of finding money, enough of suffering in life and bringing up the family. We ladies have a chance to be at home. Men have to go to work and look after the family financially. That’s why I think they look forward to retirement, when they can rest.

After resting for 2-3 years won’t they get bored?

They won’t get bored but they’ll ‘kill’ their wives! (Laughter) They stay at home and they’ll ‘kill’ their wives. They don’t go out, so their wives don’t have any peace.

The wife has to go out and do community work just to stay away from home!"

(Low Income Indian group)

A form of role reversal between spouses and the challenge embedded in the adjustment to each other’s expectations surfaced during the discussions.

**Preparation for retirement**

Since a broad social anthropological view of retirement (Clark, 1972) has been adopted, preparation for retirement includes not only financial, healthcare, family but also housing, and spiritual dimensions. The cross-
cultural similarities and differences will be elaborated and a brief discussion of these will follow.

In the survey of near elderly in Singapore, it was found that only about half the sample planned financially for retirement. The rest gave reasons such as reliance on children, insufficient income to plan, sufficient funds and never thought of it (unawareness) for not having a financial plan. 41% were not working, most of whom were retirees or housewives. In the focus group discussions (FGDs) this topic was further probed. Participants were asked whether they were prepared/preparing financially for the post-retirement years. The more educated and higher income groups were in a better position to do so since they had the knowledge and the resources. Those in the lower income brackets explained that they were "happy-go-lucky" and worried less about tomorrow; they were also not aware and not exposed to such matters; circumstances also prevented them because they had shortage of funds due to a variety of reasons such as unemployment, family crises; and lastly, health problems within the family often wiped out their meagre savings resulting in premature termination of medical insurance policies. Cross-culturally, it was noticed that the Chinese and Indians had a strong motive of saving and buying investments for the sake of bequest to their children, while the Malays placed more emphasis on passing down of values and religious teachings than material wealth. In their culture, 'zuriat' (children) were the wealth that Allah prescribed and they had to bring them up the religious way.

In Singapore, the Central Provident Fund (CPF) which is a social security package for all employees, is a form of compulsory savings for old age. However, it does not have universal coverage since the foreign workers, the self-employed and some contract workers are not covered. At present, the employer’s and employee’s contribution rate is 20% each for all employees below 55 years. In the FGDs, nearly all those who had worked or were presently working had a CPF account. However, the amount in the CPF varied according to the salary scale. The findings of the FGDs supported that of the survey, which documented that the respondents did not think that their CPF savings would be sufficient for their post-retirement years i.e. old age. This view was upheld
across ethnic and income groups. When probed further, a respondent pointed out two factors. Firstly, the cost of living had risen rapidly over the last decade and therefore what was seen as a large amount of savings then could fetch much less today. Secondly, many Singaporeans use their CPF funds to pay for purchase of property e.g. HDB flat, hence the nest egg would be reduced significantly at 55, the official withdrawal age.

Apart from CPF savings, private savings were the most popular type of financial plan. However, with escalating medical costs, one’s private savings could be wiped out in one medical emergency/operation. An Indian lady gave an example of how their savings were exhausted when their five-year old daughter was hospitalized for three months due to leukaemia.

Medisave was viewed as insufficient as a healthcare plan for old age; the better educated and informed participants underlined the need for private medical insurance policies. Analysis of the FGD findings revealed that men were more likely to have insurance policies than women, and of the three ethnic groups Malays were least likely to purchase insurance policies. Of course, higher income participants had a greater tendency to buy insurance policies than lower income respondents. These findings are consistent with that of the survey.

During the FGDs, the explanations for the abovementioned gendered tendencies were sought. The higher likelihood of men working in jobs which provided medical benefits as compared to women was one explanation. The second explanation was related to the traditional notion that since men were breadwinners of their families, in case of medical crisis their families would not suffer unduly. With regard to life insurance policies, the next quote explains.

"Usually males have (life) insurance policies, because they are the breadwinners. So they are afraid that if something happened to them what would happen to their families?"
(Indian Lower Income group)

Lack of awareness of the implications of women’s longer life expectancy and the subsequent burden on the children if women were not medically insured, was an additional explanation. Other aspects which surfaced were the incidences
of children buying insurance for their parents (mainly among lower income groups) and parents buying insurance for their children especially when children were young.

The Malay FGDs provided a dynamic setting for the discussion of Muslim aversion to buying of insurance policies.

"Because as Muslims we leave everything to Allah Ta’ala ...It is our Muslim tradition. Islam means returning to Allah, it is a debt, we return everything to Allah, Allah decides. We ask for blessing from Allah, that’s all....

Because in Islam, insurance has two types. Now they have Takaful, which is said to be in accordance with Islam...

If from the (muslim) law, it is not allowed. If we know it is not allowed, and we do it we are fasik (disapproved) and as Muslims we don’t want that."

(Malay High Income group)

Takaful, the Special Muslim Insurance/Investment Schemes, which are acceptable to Islamic law, have been established recently i.e. in the past 1-2 years. To date there only two of them, and membership is relatively small as compared to the size of the Malay community. Muslims who buy these insurance schemes are assured that their money will be invested in businesses which operate in line with Islamic principles e.g. non-alcoholic enterprises. Another feature of these schemes is that members are allowed to withdraw their savings for the purpose of Haj pilgrimage to Mecca. Future surveys would need to include this type of insurance scheme to capture the Muslims’ coverage. Another unique example of the Malay way of financial investment was the establishment of a Family Fund, wherein a common fund was set up by a respondent and his siblings for use during emergencies. His brother helped to manage the fund so that it would be invested wisely.

With regard to other types of financial plans, shares were not popular amongst the participants, because they were perceived to be ‘unsafe.’ Properties as a form of investment were affordable only to the higher income groups. An interesting variation was the finding that some Indians (both high and low income groups) bought property in India and were contemplating retirement in India for a few reasons. First, the inflation in Singapore made the prospect of living in India attractive. Second, medical costs were cheaper
there. Third, social support systems were viable in India because many Indians still had siblings, children especially daughters residing there, and other extended family members available in India. Fourth, for religiously inclined Indians the attraction of India was greater. The only negative factor about retirement in India was the change in lifestyle required for adjustment.

On the whole, their flats were the most important asset for the near elderly. According to the survey, 85% of the near elderly owned/jointly owned the flats in which they resided. In terms of future income-generating plans, a few participants mentioned downgrading to smaller homes, and others had thought of renting out a room in future to tenants.

The purchase of gold jewellery as a form of financial security was popular among both higher and lower income groups. It was practised cross-culturally, suggesting that it is traditionally a common form of investment for Asians. One member explained that even a poor person can afford to buy a small piece of gold jewellery for financial security, apart from the ornamental value. Women, of course were the main culprits! Among the Indian groups, it was discussed that mothers tended to buy gold jewellery with the aim of presenting it to the daughter(s) at the latter’s wedding, since this was the traditional ritual. By collecting the jewellery beforehand the mothers hoped that the financial pressure on the family would be reduced at the time of the weddings of the daughters (usually this occurs when parents are retired due to the life course stages).

In the family arena, it was found in the survey that children were the main source as well as recipients of financial transfers. This is consistent with the previous surveys on elderly in Singapore (National Survey of Senior Citizens, 1983, 1995; Survey of elderly living in the community, 1986). The FGDs also highlighted that with rising costs of living, children in future may wish to meet the medical expenses of their parents but due to their own circumstances, may not be able to do so. There was a realistic tone in the discussions about the low possibility of expecting children to coreside because the latter would prefer their own privacy. However, economic conditions needed to be considered, both of the elderly of the future as well
as the adult children. As a last resort, the participants stated that if the children were too busy and the health of the elderly was poor, even the option of a Nursing home was acceptable. If all efforts failed, they felt that they would have to rely on the state welfare or voluntary welfare organisations.

It was noticeable that the ‘spiritual’ aspect of preparation for retirement was emphasized by the Indian and Malay groups but not the Chinese groups. The following quotes illustrate.

"At times like this, our spiritual savings are very useful; and that spiritual savings helps you out and pulls you through."  
(Indian Lower Income group)

"We are a group which listen to religious teaching. That is to improve oneself. Once a week we meet to recite ‘Sura Yasin’ from the Quran. That is our way, the old.. It is the culture of Muslims."  
(Malay Lower Income group)

When asked about their ways of preparing for the retirement years, in all the Malay and Indian groups the aspect of religious/spiritual preparation was raised but it did not arise in the Chinese groups. The significance of religious/spiritual preparation for old age was also underscored by the elderly Malays and Indians sampled in another study (Mehta, 1994).

**Discussion**

The survey on near elderly clearly highlighted the concerns of the respondents over the rapid rise in cost of living and medical costs. Higher costs of living was the main culprit (55%) cited for deterioration in financial situation after 60, followed by loss of income after retirement (13%). This concern arose in all the FGDs, which indicates its importance in their future plans. The majority of respondents felt that the Central Provident Fund would be inadequate in meeting their expenses in the post-retirement years. Alternate private savings were deemed necessary for self-support especially in meeting medical expenses. The significance of medical insurance was recognised, but the members felt that coverage should extend beyond 70 years since it was in late old age that medical costs were likely to rise. The government has set a leading example by raising the upper limit
of Medishield coverage to 75 years in July 1996.

The question of retirement age drew the common response that individuals should be given the option of continuing work if their health permitted. This was supported by the hopes of some of the better educated participants of entering into a second career. The Singaporean employers, including the government, need to look at this issue more closely since the corps of older workers will grow rapidly as we enter into the 21st century.

In terms of cross-cultural differences, this paper has highlighted the indigenous preferences in the choice of financial plans, as well as how religion and country of origin influence ethnic selection of place to retire. Cutting across ethnocultural differences were issues related to gender and income levels. Women generally were less informed about financial and healthcare plans; they were also less likely to have a pool of financial resources saved for their retirement years if they had never worked. It was clear from both the survey and the FGDs that men have greater chances of being covered by life and medical insurance. The implications for policies and public education are evident. Participants from lower income groups were incapacitated by lack of knowledge and resources vis a vis financial preparation for old age. What was encouraging was the fact that many of them were owners or joint owners of their homes (government flats) – their main asset.

**Conclusion**

There is a need to redefine the concept of retirement within the context of aging Asian nations. Before the swift urbanization process occurred in Asia, the idea of gradually receding from strenuous work as one increased in age due to declining health, was prevalent. Work was defined not as employment but as any form of ‘gainful activity’. From the responses during the FGDs it is evident that Singaporean near elderly wish to continue being useful and productive as long as their health permits. It would be sad if society were prevented from benefitting because of lack of opportunities and negative attitudes towards the potentials of older persons. As Singapore ages rapidly,
along with the other nations around the globe, it is necessary for policy-makers, private and public sectors of the economy and social fields to facilitate the contributions of senior citizens through creative and flexible schemes. These could complement, and not necessarily compete with the younger cohorts in society.
REFERENCES


APPENDIX

GUIDELINE FOR FOCUS-GROUP DISCUSSION WITH NEAR ELDERLY

LIVING ARRANGEMENTS

1. Nowadays, who do you think people of your age group are living with?

2. If with children, probe marital status, birth order, gender of coresident children

   If with older generation, probe nature of relationship

   Why do people of your age group have such forms of living arrangement?

3. What are their plans in term of living arrangement in old age— who will they live with and why such forms of arrangement?

4. Homeownership in relation to choice of living arrangement.

ECONOMIC ACTIVITY / EMPLOYMENT

5. Do most people in your age group still work at this point? Why? Are there gender differences?

6. What do people in your age group think about paid work at this stage of their lives? Why? Are there gender differences?

7. What other factors affect employment decisions at this stage of their lives?

RETIREMENT/ OLD AGE FINANCIAL PLAN

8. Should people retire at a particular age? If yes, what do people on your age group think is the ideal age to stop working?

9. Do people on your age group make any plans for financial security? Why? Approximately at what age?

10. What kinds of plans do they make? Why? Probe: Differences by gender, economic circumstances, ethnicity, family size education, generation status, etc.

HEALTH CARE PLANS

11. What type of health care plans do people in your age group make? Probe: Choice of the different plans and whether these are related to gender, economic circumstance, ethnicity, family size, education etc.

12. What do people in your age group think of children’s role in provision of health care in old age?

13. What kinds of health care support do people in your age group expect from a) children (probe: gender, birth order and marital status) b) relatives etc. c) state
FINANCIAL SUPPORT AND INTERGENERATIONAL TRANSFERS

14. Do people in your age group expect children to be a significant source of financial support in their old age? Probe: difference by gender, economic circumstance, ethnicity, family size, education etc.
   a) If yes, which child(ren) is expected to provide the larger share of financial support? - Gender, birth order, marital status

15. For those who do not expect children to be a significant source of financial support in their old age, which other source will they get the financial support from?

16. What other forms of support e.g. physical care, companionship, do people in your age group expect from their children and/or grandchildren?

17. Do people in your age group still provide financial and other support to their children? Why? (Probe other types of support) For how long do you think they will continue providing this support?

18. Who else (other than children) do people in your age group provide financial and other support to? Why? (Probe other types of support)

19. Looking at the larger time dimension, it is generally accepted that past, present and future circumstances are inter-related. In terms of economic transfers, to what extent does inheritance play an important role in determining your present economic situation?

20. Do people in your generation make plans about inheritance for their future generation? What are some of these plans?

CONCERNS AND PERCEPTION

21. What are the main concerns of people in your age group? Why? Are there gender and ethnic differences? (e.g. ability to go on a pilgrimage, doing community service etc, ability to fund children’s weddings) (Interviewer take note of the different concerns mentioned)
   Please rank these concerns in order of importance to the people in your age group.

22. Do people in your age group generally feel that they have adequate financial security at this stage of their lives? Why?

CPF AND OTHER ASSETS

23. What forms of savings and assets do people in your age group have as a measure of security? (e.g. owning house, savings, investment in shares, second residential properties both in and outside Singapore etc.) Do cultural norms affect people’s choice of savings and asset accumulation? How? Probe into culture specific choices. Will the CPF be enough?

24. Savings and consumption behaviours are inter-related. In deciding on major expenditures at this age, what are the factors you consider? (Probe into bequest motive etc.)

CONCLUDING REMARKS