

Helping women save more for retirement

Study finds matched savings schemes help elderly women keep up regular saving habit

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Although women outnumber men in Singapore, fewer of them are in the workforce and this contributes to lower retirement savings.

With women living five years longer than men on average, the lack of savings may affect the quality of their life in later years, the Tsao Foundation said on Thursday.

The foundation champions elder-care and ageing issues.

Last year, it conducted a study to examine how elderly women from low-income households can be encouraged to save more, and for longer. "The study was undertaken because, as an ageing society, we know that there will be more women who will live longer. But, in living longer than men, women may find themselves in later years experiencing widowhood," said Ms Susana Harding, director of the foundation's International Longevity Centre Singapore.

Researchers led by psychology professor David Chan monitored the savings behaviour of 377 elderly women from low-income households over 18 months. They looked at voluntary monthly top-up contributions to the women's Central Provident Fund Special Accounts.

They found that schemes that match what women put aside for their retirement can be effective in helping them sustain retirement savings behaviour. In the study, the women saved \$50 or \$100 a month.

Sponsors then matched what they saved with different amounts, from matching half of what the women put aside to double the amount.

Overall, seven in 10 with matched savings stayed with the scheme for the period of the study. The study

also found that the retention rate was higher when the women were given more money, and the way the schemes are presented can affect the outcome as well.

Professor Chan said the findings let policymakers know the impor-

ance of framing or wording such schemes to ensure more stay on.

Matched savings schemes have proven successful in encouraging saving habits overseas, including in Australia, Britain and the United States, the foundation said.

Singapore Management University finance professor Benedict Koh, who was part of Prof Chan's team of researchers, said such matched savings schemes are best accompanied

by a financial literacy course. The women in the study had received such a programme beforehand.

Said Ms Harding: "We trust that this study on matched savings will be useful to policymakers and any of us seeking ways to enhance the financial security of older persons and especially of women who are in particularly vulnerable positions."

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