

Singapore Budget 2019: Perceptions and predictions

FEBRUARY 2019



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METHODOLOGY

- These are findings of an Ipsos self-funded study.
- For this study, a sample of n=1,019 Singapore Citizens and Permanent residents were interviewed from Jan 30th to Feb 2nd, 2019. Quotas and weighting* were employed to ensure that the sample's composition reflects the overall population distribution, based on Singapore Department of Statistics 2018 population estimates.
- The precision of online surveys is measured using a credible interval. In this case, the results reported are accurate to +/- 3.5 percentage points of the views and perspectives of all Singaporeans aged 18+ (at 95% confidence). Credible intervals are wider among subsets of the population.
- Red and green text represents significant differences between a demographic subgroup and the rest of the population at 95% confidence.

BACKGROUND

The Singapore Budget is one of the foremost events in the annual political calendar.

2018's Budget - delivered by Finance Minister Mr Heng Swee Keat - saw the unveiling of a diverse array of fiscal, technological, social and environmental initiatives. Broadly speaking, these initiatives are aimed at addressing three key issues that will define Singapore's progress or regression over the upcoming decade.

- 1. A rebalancing of the global economy, with a transfer in power to Asian markets.**
- 2. The emergence and uptake of technologies that are set to transform industry and employment.**
- 3. A rapidly ageing population.**

Key announcements contained within the 2018 Budget included: a GST on imported services from 2020; additional support for individuals and families (such as SG Bonus and the Service & Conservancy Charges Rebate); and measures to stimulate employment opportunities and market innovation (including the Wage Credit Scheme and Corporate Income Tax Rebate).

In the months preceding the 2019 Singapore Budget – to be delivered by Minister Heng on February 18th at 3.30pm – there has been much discourse surrounding its likely content. Some have speculated that the budget may foreshadow the announcement of an early general election; while others have noted that Singaporeans' concern with the cost of living is a 'hot button' topic that has been extensively discussed throughout 2018.

In order to better understand Singaporeans' perceptions and predictions with respect to the 2019 Budget, Ipsos commissioned a survey of n=1,018 Singaporeans in late January and early February, 2019.



EXECUTIVE SUMMARY – KEY RESULTS

Perceptions and predictions for the 2019 Budget

- Two thirds (64%) of Singaporeans agree that the annual budget has a direct impact on their lives. This perception is elevated among those with a monthly household income of SGD 8,000 or more (69%).
- Optimism with regard to Singapore's financial security is high, with almost half of all Singaporeans (47%) agreeing that they are confident about the nation's financial security over the next five years.
- More than nine out of ten Singaporeans (96%) consider that the everyday cost of living in Singapore has increased over the past five years. Middle income households - those with a monthly household income of SGD 4,000 to SGD 7,999 - are more likely to hold this perception (98%).
- Inflation and cost of living is, by far, the most salient concern in the minds of Singaporeans. More than one quarter (26%) rank cost of living as the most important issue in determining the future of Singapore, while almost three quarters (72%) consider it to be one of the top five issues. Six in ten Singaporeans predict that inflation/cost of living (60%) will be the primary area of focus in the upcoming budget.

Sentiment regarding key social issues

- One quarter of Singaporeans (23%) believe that an early election will be held, while half (47%) predict an election in 2020.
- Almost half of all Singaporeans (48%) believe that the national security of Singapore is currently threatened by terrorism.
- More Singaporeans approve (41%) than disapprove (14%) of the way the Singapore Government has responded in the territorial waters dispute with Malaysia. Levels of approval are higher among males, older Singaporeans and higher income earners.
- Approval is largely predicated on the belief that the Singapore Government has struck a balance between assertiveness and diplomacy, and operated squarely within the bounds of international law.

DETAILED FINDINGS

PERCEPTIONS,
RECOLLECTIONS AND
PREDICTIONS

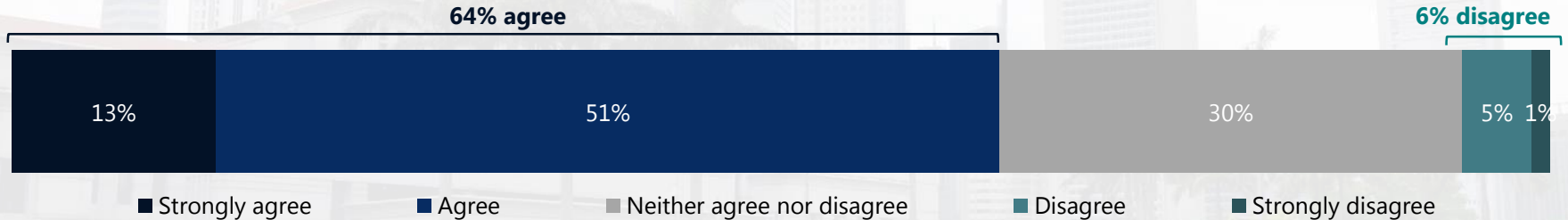


PERCEPTIONS OF THE SINGAPORE BUDGET

Two thirds (64%) of Singaporeans agree that the annual budget has a direct impact on their lives.

Agreement is significantly higher among males, those aged 50-64, and those with a monthly household income of SGD 8,000 or more. Conversely, agreement is lower among females, youth aged 18-29 and lower income earners (those with a monthly household income less than SGD 4,000).

'The annual Singapore Budget has a direct impact on my life'



	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION				
	Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others	
% Strongly agree or agree	64%	68%	60%	56%	63%	71%	69%	58%	64%	69%	62%	62%	67%	59%

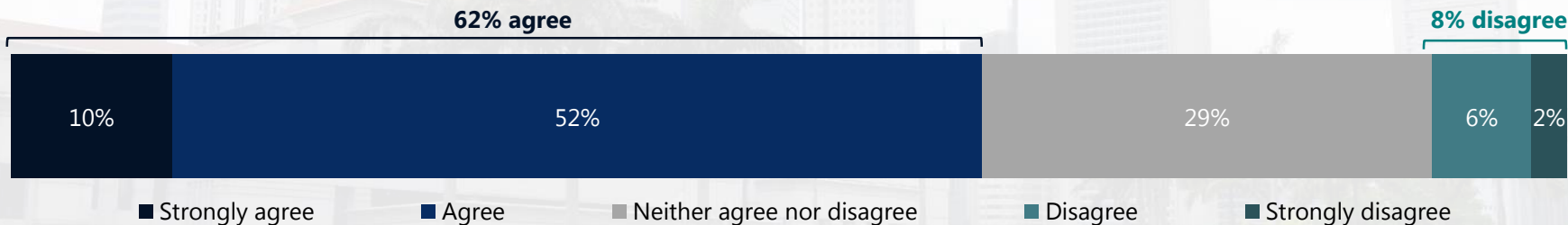


PERCEPTIONS OF THE SINGAPORE BUDGET

Given the commonly held perception that the Singapore Budget has a strong direct impact on citizens' lives, it is unsurprising that six in ten (62%) agree that they pay attention to its announcement each year.

Males, those aged 50 or more years, and those with a high school education or lower are significantly more likely to agree that they pay attention.

'I make sure to pay attention to the Singapore Budget announcement each year'



	Total	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION			
		Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
% Strongly agree or agree	62%	66%	59%	50%	57%	72%	76%	55%	64%	66%	71%	58%	61%	67%



PERCEPTIONS OF FINANCIAL SECURITY

Optimism with regard to Singapore's financial security is high, with almost half (47%) agreeing that they are confident about the nation's financial security over the next half decade.

Confidence is elevated among males and those with higher monthly household incomes (SGD 8,000 or more).

'I am confident about Singapore's financial security over the next five years'



	Total	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION			
		Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
% Strongly agree or agree	47%	51%	43%	50%	45%	47%	48%	38%	49%	54%	40%	49%	50%	40%

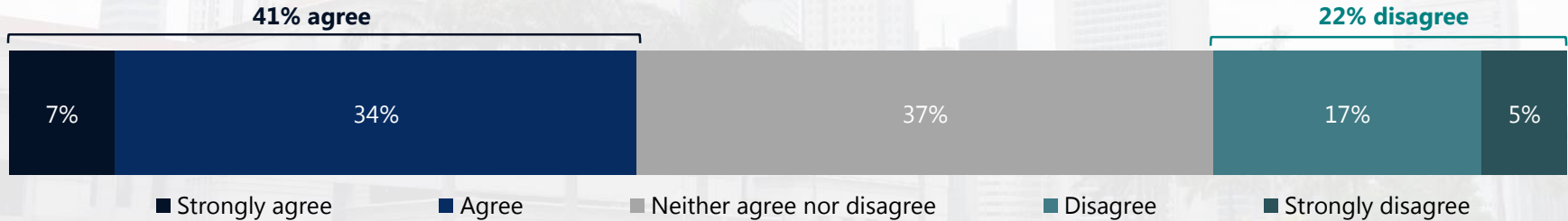


PERCEPTIONS OF FINANCIAL SECURITY

Despite this optimism regarding the country's ongoing economic security, fewer Singaporeans are confident about their personal finances (41% 'agree' and 'strongly agree').

Levels of confidence regarding personal financial security over the next five years are significantly lower among females, those aged 30-49 and those with monthly household incomes less than SGD 4,000.

'I am confident about my financial security over the next five years'



	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION				
	Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others	
% Strongly agree or agree	41%	45%	36%	37%	36%	43%	49%	32%	42%	46%	38%	37%	44%	35%

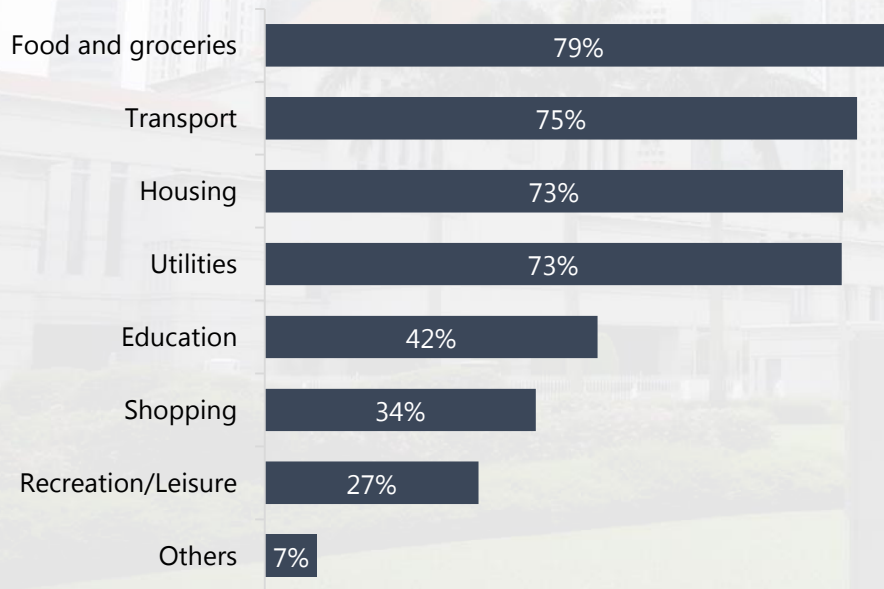


COST OF LIVING IN SINGAPORE

Across demographic groups, a majority of Singaporeans believe that the increases in everyday cost of living are associated with rising food and grocery prices (79%). This view is particularly common among those aged 65 or more years (87%).

Transport (75%), housing (73%) and utilities (73%) are also considered to be drivers of such increases.

'What do you think is driving the increase in everyday cost of living? Is it the costs associated with...?'



Gender	Male		Female	
Rank 1	Food and groceries – 80%		Food and groceries – 79%	
Age	18-29	30-49	50-64	65+
Rank 1	Transport – 81%	Food and groceries – 79%	Food and groceries – 79%	Food and groceries – 87%
Monthly HH income	<SGD 4,000		SGD 4,000 – SGD 7,999	SGD 8,000+
Rank 1	Food and groceries – 81%		Food and groceries – 78%	Food and groceries – 80%
Highest educ.	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
Rank 1	Food and groceries – 84%	Food and groceries – 78%	Food and groceries – 78%	Food and groceries – 82%

© 2019 Ipsos A5b. What do you think is driving the increase in everyday cost of living? Is it the costs associated with...? Base n = 978, respondents who believe that the everyday cost of living is increasing.

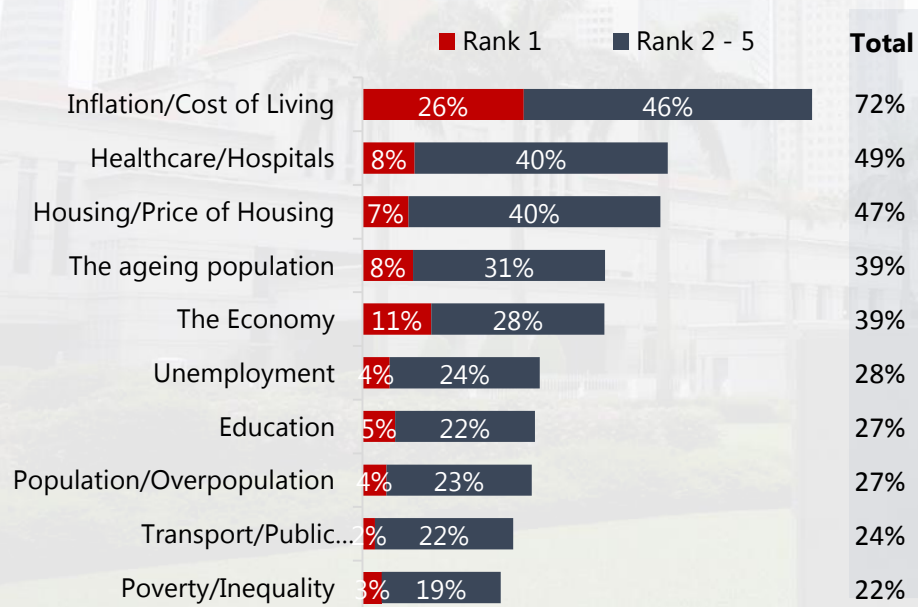




PERCEPTIONS OF SOCIAL ISSUES FACING SINGAPORE

Given these beliefs, it is unsurprising that inflation and cost of living is, by far, the principal issue on the minds of Singaporeans. More than one quarter (26%) rank cost of living as the most important issue in determining the future of Singapore, while almost three quarters (72%) consider it to be one of the top five issues. Healthcare/hospitals (8% ranked first, 49% within the top 5) and housing/price of housing (7% ranked first, 47% within the top 5) are secondary concerns.

'Please select and rank the five issues that you deem to be the most important in determining the future of Singapore...'



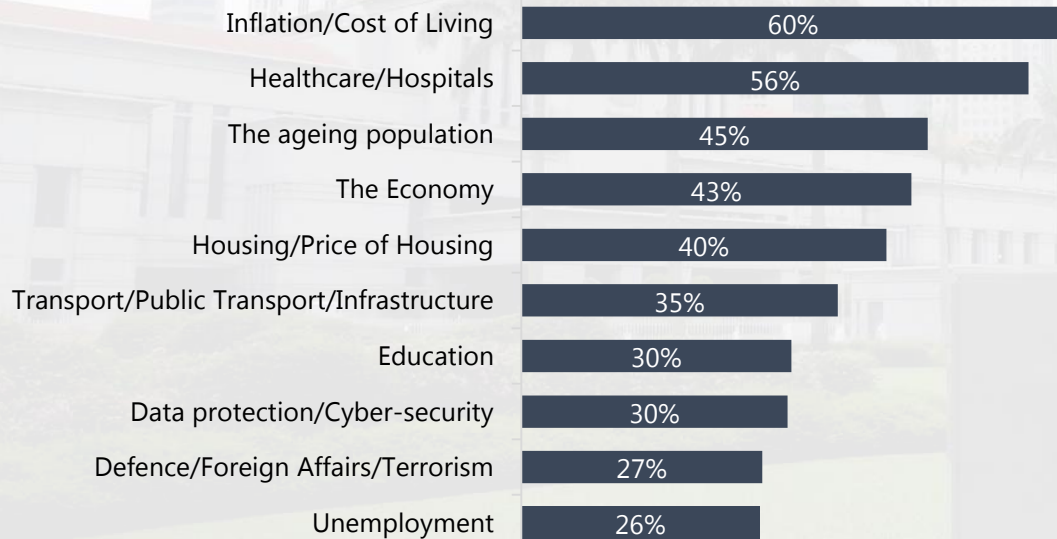
Gender	Male		Female	
Rank 1	Cost of living – 24%		Cost of living – 27%	
Age	18-29	30-49	50-64	65+
Rank 1	Cost of living – 29%	Cost of living – 28%	Cost of living – 23%	Cost of living – 20%
Monthly HH income	<SGD 4,000		SGD 4,000 – SGD 7,999	
Rank 1	Cost of living – 25%		Cost of living – 26%	
Highest educ.	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
Rank 1	Cost of living – 25%	Cost of living – 25%	Cost of living – 26%	Cost of living – 25%



PREDICTIONS FOR 2019 BUDGET PRIORITIES

More than half of all Singaporeans predict that inflation/cost of living (60%) and healthcare/hospitals (56%) will be the primary areas of focus in the upcoming budget. Younger Singaporeans - those aged 18-29 and 30-49 - are more likely to predict that cost of living will be the primary focus, while older Singaporeans - those aged 50-64 and 65+ - are more likely to predict that healthcare/hospitals will be the main focus.

'And which five of the following social issues do you think will be the primary areas of focus in the upcoming Singapore budget?'

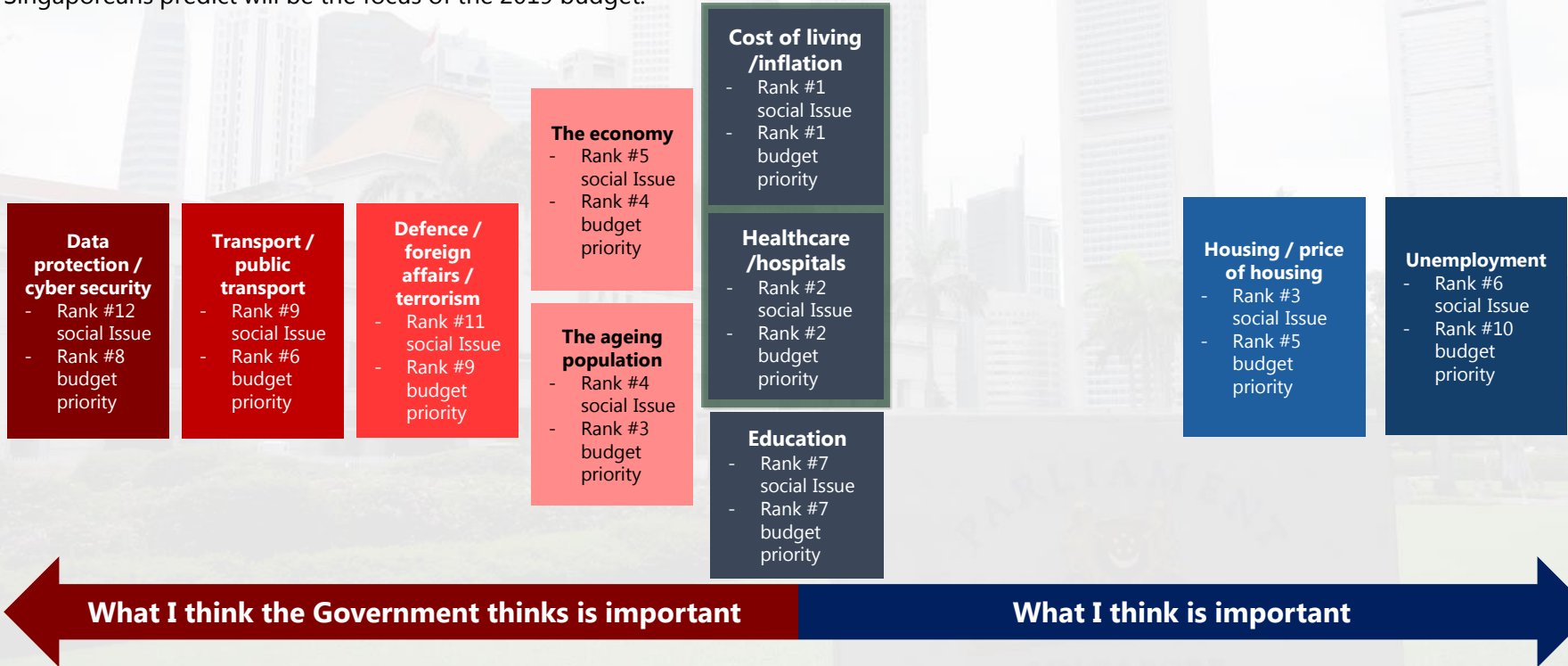


Gender	Male		Female	
Rank 1	Cost of living – 61%		Cost of living – 60%	
Age	18-29	30-49	50-64	65+
Rank 1	Cost of living – 54%	Cost of living – 63%	Health-care – 69%	Health-care – 68%
Monthly HH income	<SGD 4,000		SGD 4,000 – SGD 7,999	SGD 8,000+
Rank 1	Cost of living – 56%		Cost of living – 62%	Cost of living – 62%
Highest educ.	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
Rank 1	Health-care – 61%	Cost of living – 58%	Cost of living – 63%	Ageing popn – 54%



ALIGNMENT OF PRIORITIES – SOCIAL ISSUES

Overall, most Singaporeans predict that the main priorities of the 2019 Budget will be aligned with the biggest social challenges. Specifically, cost of living and healthcare are considered the most important issues in shaping the future of Singapore; these are also the issues that Singaporeans predict will be the focus of the 2019 budget.



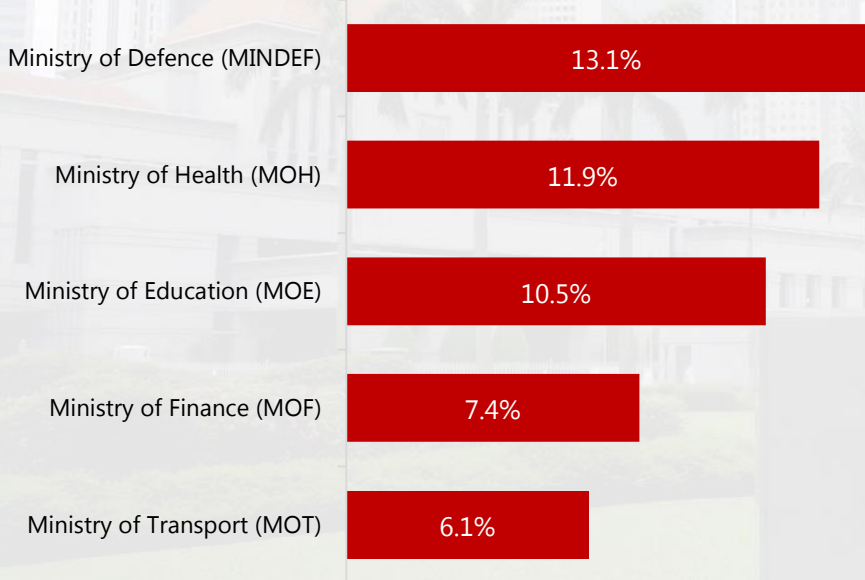
A1. Please select and rank the five issues that you deem to be the most important in determining the future of Singapore, selecting the most important issue first.
A1b. And which five of the following social issues do you think will be the primary areas of focus in the upcoming Singapore budget?
Base n = 1019, total sample.



PREDICTIONS FOR 2019 EXPENDITURE - ALLOCATIONS TO MINISTRIES

When asked to predict the allocation of Government expenditure to Ministries in 2019, Singaporeans' average prediction is that allocation to MINDEF will be highest (13.1% of Government expenditure), followed by MOH (11.9%) and MOE (10.5%).

'Thinking about the upcoming financial year, approximately what proportion of the Government's expenditure do you think will be allocated to the following Ministries?'



Gender	Male		Female	
Rank 1	MINDEF – 13.9%		MOH – 12.9%	
Age	18-29	30-49	50-64	65+
Rank 1	MINDEF – 13.6%	MINDEF – 12.1%	MINDEF – 13.3%	MINDEF – 14.4%
Monthly HH income	<SGD 4,000		SGD 4,000 – SGD 7,999	SGD 8,000+
Rank 1	MINDEF – 13.8%	MINDEF – 13.3%	MINDEF – 12.4%	
Highest educ.	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
Rank 1	MOH – 13.1%	MINDEF – 13.2%	MINDEF – 13.3%	MOH – 15.1%

A2a. Thinking about the upcoming financial year, approximately what proportion of the Government's expenditure do you think will be allocated to the following Ministries?
 Base n = 1019, total sample.

DETAILED FINDINGS

SENTIMENT
REGARDING KEY
SOCIAL ISSUES



PREDICTIONS FOR THE NEXT GENERAL ELECTION

One quarter of Singaporeans (23%) believe that an early election will be held, while half (47%) predict an election in 2020. Singaporeans with higher educational attainment – university undergraduate degree or above – and those aged 50-64 are more likely to anticipate an election in 2019.

'In what year do you think the next Singaporean general election will be held?'



	Total	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION			
		Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
2019	23%	25%	21%	15%	24%	29%	23%	24%	23%	24%	21%	20%	26%	21%
2020	47%	52%	43%	43%	48%	47%	49%	38%	45%	55%	37%	48%	51%	46%
2021 or 2022	20%	16%	24%	30%	18%	16%	17%	23%	22%	15%	23%	22%	17%	18%
Don't know	10%	7%	13%	12%	10%	8%	11%	15%	10%	6%	18%	10%	6%	16%



PERCEPTIONS OF NATIONAL SECURITY

Almost half of all Singaporeans (48%) believe that the national security of Singapore is currently threatened by terrorism. Perceptions differ significantly according to demographic membership: males, those aged 50-64, those living in middle income households and degree holders are more likely to agree; while females, youth aged 18-29 and those living in lower income households are more likely to disagree.

'I believe that the national security of Singapore is currently threatened by terrorism'



	Total	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION			
		Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
% Strongly agree or agree	48%	54%	43%	41%	46%	57%	50%	41%	53%	51%	47%	47%	52%	37%



APPROVAL OF GOVERNMENT RESPONSE IN TERRITORIAL WATERS DISPUTE

On balance, more Singaporeans approve (41%) than disapprove (14%) of the way the Singapore Government has responded in the territorial waters dispute with Malaysia. Levels of approval are higher among males, older Singaporeans and higher income earners.

'To what extent do you approve or disapprove of the way that the Singapore Government has responded in the territorial waters dispute with Malaysia?'



	Total	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION			
		Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
% Strongly approve or approve	41%	47%	34%	39%	36%	40%	54%	34%	41%	46%	37%	41%	42%	36%



REASONS FOR APPROVAL OF THE GOVERNMENT RESPONSE

Those who approve of the response in the territorial waters dispute primarily do so because they feel that the Singapore Government has struck a balance between assertiveness and diplomacy, and has operated squarely within the bounds of international law.

'Why do you strongly approve/approve of the way that the Singapore Government has responded in the territorial waters dispute with Malaysia?'

"[The Government] is calm and composed in handling the pressing issues - that could potentially trigger conflict - through peaceful negotiations
- Female, 18

The Singapore Government has handled the situation well - with professionalism and diplomacy and in accordance with the laws governing the situation.
- Female, 57

"It's right for the Singapore Government to raise the infringement of Malaysia on her sovereign waters or else things can escalate out of control. It's alerting the world at large that this is happening and to let the Malaysian authorities know that she is aware of what Malaysia is trying to do."

- Female, 61

There is no shying away from necessary and firm diplomatic engagements with their counterparts yet keeping things on an even keel. To be able to maintain calm professionalism and looking at the big picture is harder than it seems; its certainly easier to rattle sabres and appeal to 'nationalist sentiments' and score some political points.

- Male, 60



PERCEPTION OF SINGAPORE'S RELATIONSHIP WITH MALAYSIA

Six in ten believe that Singapore's relationship with Malaysia has worsened over the past year. This perception is more commonly held by males, those aged 50 or more years, and those with a higher household income (SGD 8,000 or more per month).

'Do you think Singapore's relationship with Malaysia has improved or worsened over the past year?'



	Total	GENDER		AGE				MONTHLY HOUSEHOLD INCOME			EDUCATION			
		Male	Female	18-29	30-49	50-64	65+	<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
% Worsened a little/lot	60%	64%	57%	57%	52%	67%	71%	51%	61%	67%	53%	61%	63%	57%

APPENDIX:

METHODOLOGY AND ADDITIONAL RESULTS

BASE SIZES – KEY GROUPS

Male	Female
49%	51%
n=499	n=520

18-29	30-49	50-64	65+
22%	37%	25%	16%
n=205	n=407	n=324	n=83

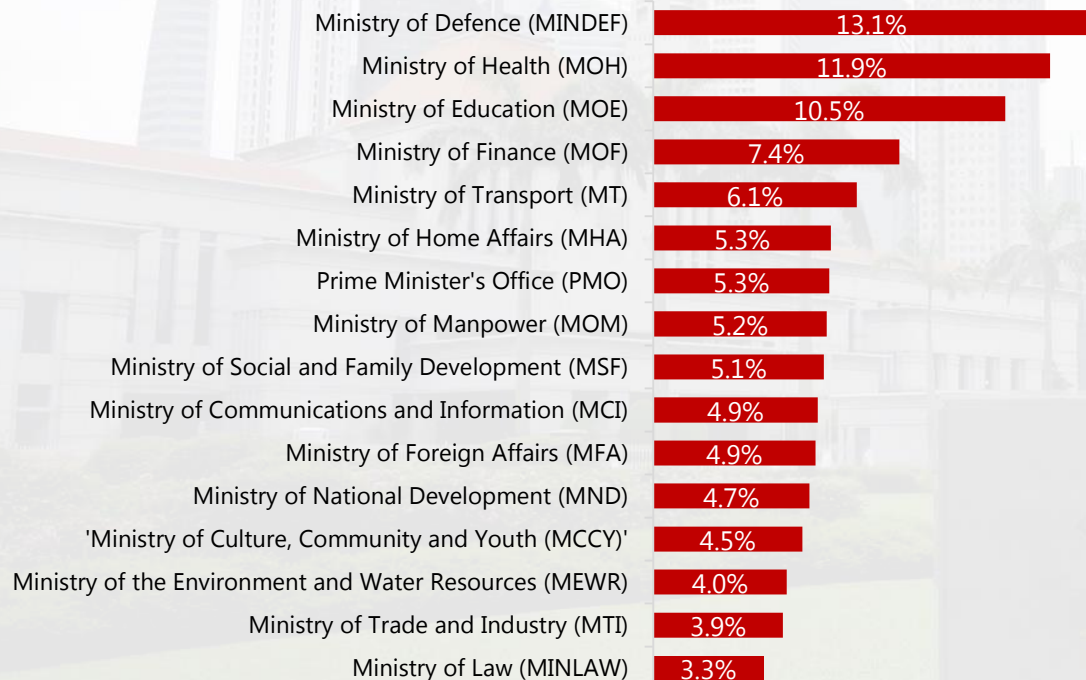
<SGD 4,000	SGD 4,000 – SGD 7,999	SGD 8,000+
27%	33%	36%
n=265	n=338	n=376

≤HS	JC/ Pre-U + Poly	Degree or higher	Others
18%	21%	33%	7%
n=169	n=315	n=467	n=68



PREDICTIONS FOR 2019 BUDGET MINISTRY ALLOCATIONS

'Thinking about the upcoming financial year, approximately what proportion of the Government's expenditure do you think will be allocated to the following Ministries?'



Gender	Male		Female	
Rank 1	MINDEF – 13.9%		MOH – 12.9%	
Age	18-29	30-49	50-64	65+
Rank 1	MINDEF – 13.6%	MINDEF – 12.1%	MINDEF – 13.3%	MINDEF – 14.4%
Monthly HH income	<SGD 4,000		SGD 4,000 – SGD 7,999	SGD 8,000+
Rank 1	MINDEF – 13.8%		MINDEF – 13.3%	MINDEF – 12.4%
Highest educ.	≤HS	JC/ Pre-U + Poly	Degree or higher	Others
Rank 1	MOH – 13.1%	MINDEF – 13.2%	MINDEF – 13.3%	MOH – 15.1%

A2a. Thinking about the upcoming financial year, approximately what proportion of the Government's expenditure do you think will be allocated to the following Ministries?
Base n = 1019, total sample.