**ABSTRACT 80**

**Title of the Paper**

Do intergenerational transfers and co-residency with children reduce the need for Singaporeans to work into older age?

**Authors**

Treena Wu and Angelique Chan

**Institution**

Duke – NUS

**Abstract keywords**

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**Background**

In Singapore, people are living longer and 8 working persons aged 15–64, now support 1 person aged 65 and older. The social security system, the Central Provident Fund (CPF) stresses personal and family responsibility where there are minimum age based entitlements. As such pension income for old age may be insufficient unless the elderly continue to work more years. However strong support from children may enable older Singaporeans to stop working and achieve financial security in old age.

**Objectives**

This paper studies financial transfers and co-residency. The aim is to determine the link between the transfer decision and co-residency patterns and whether this link drives elderly labor supply.

**Methods**

Using a cross-sectional dataset of Singaporeans aged 60+ we model the labor supply decision using the labor market characteristics and health status of the elderly; and the characteristics of co-residing and non co-residing children. We carry out ordered probit estimation.

**Results**

For ages 60 – 64, co-residency with children increases the probability of working into older age while non co-residency reduces this probability. This implies a lower income family pooling common housing. This pattern is more acute for the elderly 65+. If children choose to provide financial transfers to their parents, there is a much lower probability of working into older age particularly for ages 60 – 64. CPF social security plays a small but important role in reducing the probability of working.

**Conclusions**

Intergenerational transfers reduce the need for the elderly to work into older age while co-residency strongly implies the need to share housing. Intergenerational transfers strongly complement the social security system in providing old age security