

Offering interesting insights in relation to CPF members and schemes. ...



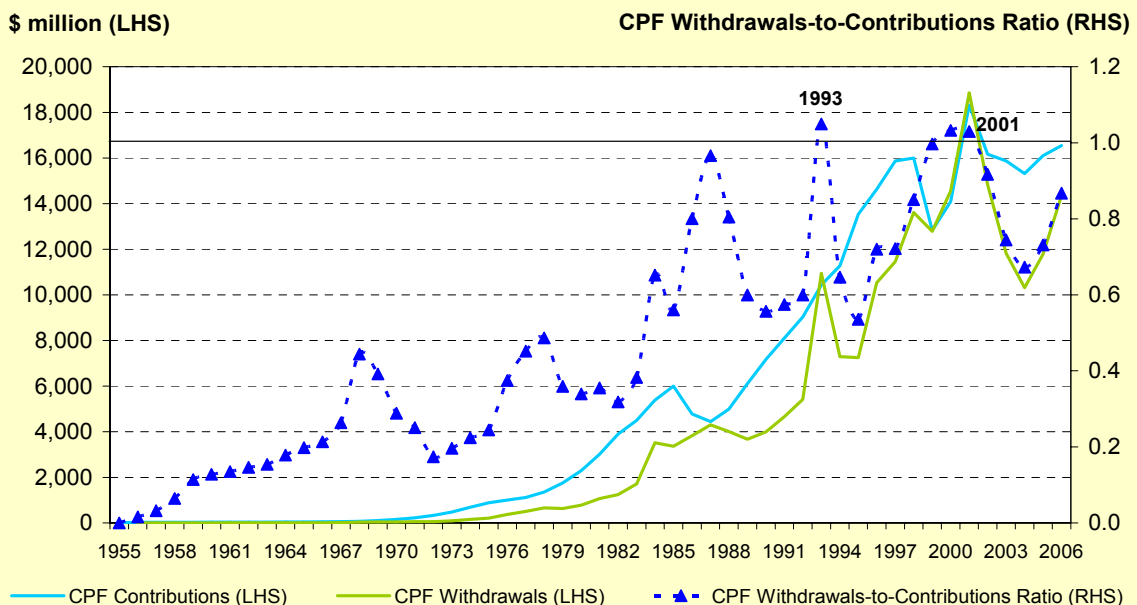
CPF Contributions and Withdrawals

CPF contributions grew from \$9.1 million in 1955 to \$16.6 billion in 2006 (Refer to Chart 1). Correspondingly, CPF withdrawals rose from \$0.4 million in 1956 to \$14.4 billion in 2006. From 1955 to the mid-1960s, CPF contributions exceeded withdrawals by a large margin, and the gap gradually narrowed with the liberalisation of the use of CPF savings for public housing (from 1968), private housing (1981) and investments (1986). These changes resulted in an increase in the CPF withdrawals-to-contributions ratio.

In most years, annual CPF contributions exceed withdrawals (i.e. CPF withdrawals-to-contributions ratio < 1). However, there are a few exceptions :

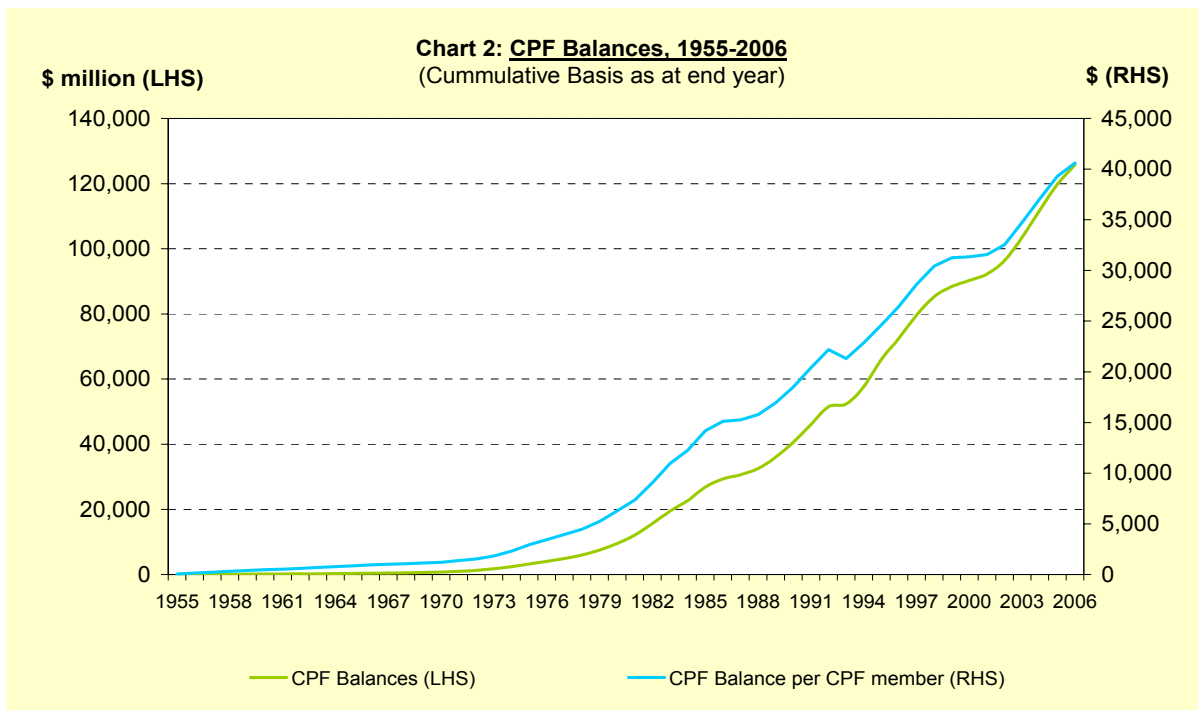
- 1993: This coincided with the launch of the SingTel Special Discounted Shares Scheme; and
- 2001: This was the year the CPF Investment Scheme - Special Account was started.

Chart 1: Annual CPF Contributions and Withdrawals, 1955-2006



CPF balances grew at a compound annual growth rate (CAGR) of 20.6% from \$9.1 million in 1955 to \$125.8 billion in 2006 (Refer to Chart 2). Similarly, CPF balance per member increased sharply at a CAGR of 14% from only \$51 in 1955 to \$40,600 in 2006.

The growth in CPF balance per member over the past four decades could be attributed to the robust performance of the Singapore economy, wage increases as well as the increase in the CPF contribution rate from 10% in 1955 to 33% in 2006. The growth in the CPF membership base also contributed to the growth of CPF balances.



Notes:

- A CPF member refers to a person who has a positive balance in any of his CPF accounts.
- CPF Balances refers to the balances in the members' CPF accounts.
- Compound Annual Growth Rate (CAGR): Measures the average annual growth rate over a specified period of time.