



Saving, the Singapore way

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Alexander Forbes has questioned the premise that an exclusive focus on retirement savings should be the top priority for South African savers.

Anne Cabot-Alletzhauer, head of the Alexander Forbes Research Institute, says while savings are vital for the economy and individuals, it is time to rethink how compulsory savings may be better deployed to solve a holistic savings problem.

Is the current focus on retirement addressing the needs of South Africans?

A recent survey suggests that about 30%

of South Africans don't expect to live to retirement, Cabot-Alletzhauer says.

In considering what an improved model could look like, they stumbled upon the Singapore case study.

The government created a framework for a compulsory savings vehicle that would solve a family's basic retirement needs, but beyond that, individuals were free to decide how they wanted to address needs such as education and housing.

There is nothing stopping the private sector from acknowledging that individuals have to deal with more than retirement savings and to solve a holistic savings problem, she argues.