

# **How might we help Singapore's young and ageing population to participate in, and contribute to, the economy?**

by

**Yash Chhabra, David Sebastian Hartono, and Aditya Keshav Singanamala**

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## **1. Introduction**

Singapore is facing the challenge of a rapidly aging population, making it crucial to integrate elderly citizens effectively into the economy. Many elderly individuals rely on cash transactions and face barriers transitioning to a cashless payment system. This reliance on cash can limit their participation in an increasingly digital economy. We propose a solution that focuses on integrating cash-based transactions into the existing public transport payment infrastructure, specifically designed to benefit elderly citizens.

## **2. Problem Identification**

The primary challenge for Singapore's elderly population is navigating the transition from a cash-based economy to a digital one. Despite having access to technology, many elderly people prefer cash transactions, particularly for everyday expenses like food, groceries, and transport. The inconvenience of managing small amounts of change, especially in hawker centers and local markets, hampers their ability to participate in economic activities.

## **3. Proposed Solution: Using MRT Cards for Digital Change Deposits**

Our proposed solution focuses on enabling the elderly to use their existing MRT (Mass Rapid Transit) cards to manage small amounts of change from cash-based transactions. By integrating these cash transactions into the digital ecosystem, we can enhance financial inclusivity and reduce the burden of carrying physical currency.

### **3.1 User Journey Mapping**

1. Customer Interaction: Visualize the journey of an elderly user making a purchase:
  - Arriving at a vendor.
  - Making a cash payment.
  - Receiving the option to credit change to their MRT card.
2. Vendor Interaction: Map the vendor's experience, detailing how they process the transaction using simple, intuitive devices.

### **3.2 How the Solution Works**

- Transactions at Vendors: When elderly individuals make cash purchases, any small change (coins) they are due can be credited directly to their MRT card instead of being

handed out physically. This applies to transactions at hawker centers, grocery stores, and other outlets frequented by the elderly.

- **Vendor Integration:** Vendors who deal heavily in cash transactions would be equipped with user-friendly devices that allow them to credit change to customers' MRT cards.
- **MRT Card Benefits:** MRT cards, widely used by the elderly, can serve as a bridge between cash-based and cashless transactions. This allows elderly users to not only pay for transportation but also use the saved change for other purchases at stores that accept these cards.

#### **4. Economic Benefits**

**4.1 Ease of Use:** Elderly individuals can continue using cash for larger bills while conveniently storing small coins digitally.

**4.2 Reduced Cash Handling:** This solution reduces the burden of carrying and managing small denominations, making everyday transactions more manageable.

**4.3 Increased Digital Engagement:** By introducing elderly users to digital transactions without overwhelming them with new technologies, this solution can help them gradually transition into a cashless economy.

#### **5. Market Survey Findings**

**5.1 Objectives of the Survey:** The survey aimed to understand the financial habits and preferences of Singapore's elderly population and gauge their attitudes towards digital payments and cash transactions.

**5.2 Methodology:** The survey was conducted with a sample size of 10 elderly participants, aged 60 and above, using face-to-face interviews over a two-day period.

##### **5.3 Key Findings:**

- **Cash Preference:** 90% of respondents prefer cash transactions for daily purchases, citing ease of use and familiarity.
- **Digital Payment Awareness:** All of them are aware of digital payment options, but express difficulty in using them due to technology barriers.
- **Change is a Hassle:** Many respondents highlighted that managing small change is cumbersome, contributing to their preference for cash.
- **Interest in MRT Card Integration:** 70% of respondents showed interest in a system that allows them to credit change to their MRT cards.

#### **6. Policy Implications and Government Support**

To ensure widespread adoption, government initiatives could include:

- **Subsidizing Vendor Equipment:** The government can subsidize the cost of the point-of-sale devices required to credit small amounts to MRT cards.

- **Incentives for Adoption:** Provide tax incentives or rebates for vendors who implement the system, encouraging widespread adoption.
- **Financial Literacy Programs:** Establish campaigns that educate the elderly about the benefits of using their MRT cards for more than just transportation, integrating it as a tool for everyday financial management.

In addition, this initiative directly supports United Nations **Sustainable Development Goals** (SDGs), particularly **SDG 10** (Reduced Inequalities) and **SDG 8** (Decent Work and Economic Growth). By promoting financial inclusivity for the elderly, the solution addresses inequality and supports their continued participation in the economy. This helps to ensure that no one is left behind in the transition to a cashless society, reflecting the global commitment to fostering inclusive and sustainable economic growth.

## **7. Conclusion**

Singapore's aging population represents a key segment of the economy that requires support. By leveraging MRT cards and allowing small change to be deposited directly onto these cards, we can create a solution that enhances convenience and promotes inclusivity, enabling the elderly to contribute more fully to the economy. This initiative aligns with Singapore's Smart Nation vision, focusing on financial inclusivity and making everyday transactions easier for elderly citizens. By ensuring that no one is left behind in the transition to a cashless society, we reflect a commitment to fostering inclusive and sustainable economic growth.