

To raise birth rate, the middle ground is fertile ground

It may be easier to get couples with one child to have a second one than to convince those with two to have a third.

Kalpna Vignehsa

Singapore's latest initiative to address its declining birth rate presents a paradox. In the 2025 Budget, Prime Minister and Minister for Finance Lawrence Wong unveiled the Large Families Scheme, offering substantial financial support totalling \$16,000 – equivalent to the cost of more than two years of pre-school in Singapore. However, this support will be available only to families with three or more children. Demographic realities render this approach less effective than it could be.

Recent data paints a stark picture: Among ever-married resident females aged 40 to 49, only 17.9 per cent had three or more children in 2024 – a 7.1 percentage-point decline from 2019. This downward trend is likely to continue when we consider that the fertility intentions of younger women are becoming progressively more constrained. Given this trajectory, the Large Families Scheme is likely to benefit increasingly smaller proportions of Singaporean families.

A more impactful approach would be to extend these benefits to families with two or more children. This would account for 59.7 per cent of the segment of ever-married females aged 40 to 49 – a substantial cohort, even after accounting for declining fertility rates. If the objective is to nudge Singaporeans to have more children, it may be easier to persuade those with one child to have another than to convince

those with two children to have a third.

POLICY STRUCTURE AND INTENT

The Large Families Scheme introduces three new benefits: First, newborns who are third or higher in birth order will receive a doubled Child Development Account First Step grant of \$10,000, up from the current \$5,000. Second, mothers will receive a \$5,000 Large Family MediSave Grant to offset pregnancy and birth costs for each third or subsequent child. Third, the Large Family SG Credits Scheme will provide families with three or more children aged six and below \$1,000 annually in LifeSG credits for each eligible child until they turn six.

The policy's intent is commendable. Parenting is an enormous emotional and financial commitment, and supporting parents is crucial to ensuring social renewal. Young minds not only rejuvenate our culture with their fresh perspectives and talents, shoring up its long-term sustainability, but they also eventually become taxpayers themselves. This would enable Singapore to maintain its social compact and create an equitable society. In these inflationary times, supporting parents is not just desirable – it's necessary.

The policy also wisely focuses on incentivising those who have already had children to have more. It is easier to encourage parents who have navigated the challenges of pregnancy, childbirth and early parenting to expand their families than to



The writer suggests expanding the Large Families Scheme to include all families with more than one child. This approach would actively support the sizeable majority of families with newborns, born into families with at least one other child, while also tangibly incentivising the majority of parents with just one child, who express a desire for more. ST PHOTO: GIN TAY

convince those without children to take the leap. Those who have one child have already adapted their lives to accommodate parenting, and many would like to give their first child a sibling. However, unlike a parent's capacity for love that may expand with each additional child, the same cannot be said about their energy and fiscal reserves that are stretched with each new birth.

THE SPACE BETWEEN ASPIRATION AND REALITY

Couples being "one and done", that is, choosing to have only one child, are fast entrenching their position as the predominant segment of child-raising families in Singapore. However, alongside this trend, the "two-child ideal" remains deeply embedded within the collective consciousness of prospective parents.

This is evidenced by compelling data: In 2024, among resident females who are just past their childbearing years, a clear majority of 41.8 per cent had two children, compared with 25.1 per cent who had one child and 17.9

per cent who had three or more. However, while having two children has long been the most common choice for couples in Singapore, this segment is shrinking as more couples have fewer or no children.

Since 2019, those having just one child have increased by 4.3 percentage points, while those having two children decreased by 2.5 percentage points, and those having three or more children declined by a starker margin of 7.1 percentage points. This suggests that while the two-child norm is still entrenched, it may not always remain so.

The Singapore Perspectives 2024 (SP2024) poll, which I co-authored with Dr Wong Chin Yi, further illuminates this pattern. Among respondents aged 21 to 49 years with one child, 54.2 per cent indicated they would like another child. However, this inclination drops dramatically to 22.1 per cent among those who already had two children. Here we see how the two-child ideal has a strong effect on fertility desires, even as the birth rates decline year on year. It is this

space between aspiration and reality that offers hope for well-aimed policy interventions.

The SP2024 poll also revealed distinct motivations for not having more children between these groups. Prohibitive expense, satisfaction with their current family size, and worries about providing adequate support for their children are the top three concerns for parents with one child. Meanwhile, those with two children are most motivated by satisfaction with their current family size, followed by the prohibitive expense, and finally, not having the time and energy to have more children. This suggests that financial support could be more effective at motivating parents to have a second child as opposed to a third child. After all, financial incentives are unlikely to alter satisfaction with family size or provide the energy boost needed for parents to consider a third child.

THE WORKPLACE CHALLENGE

Another significant challenge parents face is making time for

bringing small children into being. The journey from conception through pregnancy, recovery and early parenting typically spans years, not counting the psychological and financial preparation required. Because of these demands, parents often wait two to four years between children. With Singapore's median age of first-time mothers at 31.6 years, having three children would require many couples to start their families significantly earlier.

Yet couples' decisions to delay parenthood reflect rational responses to modern workplace challenges. This is especially true in dual-career households where parenthood penalties disproportionately affect mothers' careers as they are likely to take more time away from work in the intensive period of early parenting.

For many women, career advancement before parenthood serves as a strategic buffer against these penalties. Indeed, these workplace norms affect fathers in specific ways too. Recent data from the Flex Appeal 2024 survey by non-profit organisation SG Her Empowerment (SHE) revealed that fathers were twice as likely as mothers to report receiving backlash from supervisors or senior management for taking parental leave.

With most parents having to juggle demanding jobs and family responsibilities in a work environment that penalises family commitments, a policy targeting only families with three or more children is likely to have limited impact.

FERTILE GROUND

Thankfully the long work of cultural change required to transform workplace norms has begun, with more parental leave and the framework for flexible work arrangements implemented last year.

However, we can take immediate action by expanding the Large Families Scheme to include all families with more than one child. This approach would actively support the sizeable majority of families with newborns, born into families with at least one other child, while also tangibly incentivising the majority of parents with just one child, who express a desire for more.

This broader approach would target the substantial middle ground of parents who might be willing to have more children with adequate support. More importantly, it would send a clear message that Singapore is finding more and more ways to help those who choose to build bigger families.

In our quest to reverse declining birth rates, we must ensure our policies align with both our aspirations and demographic realities. A middle ground approach may not only be more achievable – it could prove more effective.

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