



MIRRA PULSE

Decoding CDC Vouchers

Coverage, friction, and the cash alternative — a behavioral simulation

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Produced by Mirra Labs — Behavioral Intelligence for Southeast Asia

1. Introduction: A four-year-old scheme that quietly became universal



The Community Development Council (CDC) Voucher is a government-issued digital voucher redeemable only at participating Singapore supermarkets, hawker stalls, and heartland merchants. It cannot be saved beyond its annual expiry, used online, or converted to cash.

- The program has run since **2020**, when it launched as COVID-19 relief.
- In Budget **2021** it became universal, reaching every Singaporean household.
- As of **mid-2025**, roughly **S\$2.3 billion** has flowed through the scheme — split almost evenly between hawkers and heartland merchants (**S\$1.26b**) and supermarkets (**S\$1.04b**).
- The **2025–26** cycle disbursed **S\$800 per household** in two tranches. Every Budget since has **expanded, extended, or repackaged it**.

By the measures governments care about — (~97%) redemption rate, island-wide merchant coverage (24,000+ merchants), political durability — the scheme is a resounding success. But that doesn't stop people from asking whether it's really the case for the recipients.

2. The question every household asks

By nature, **most people (including Singaporeans) rarely object to government handouts**. But this one, by design, comes with strings attached. In household WhatsApp chats, coffee-shop small talk, and opinion columns, **we heard the same three questions that keep surfacing**:

1. Does the money actually **reach** the households who need it?
2. The real **'frictions'** in utilizing the voucher, and how to get rid of them?
3. Why don't the government give out **cash** instead?

None of these gets a clean answer in public data.

- Survey responses to questions about a free government handout tend to **skew towards the socially desirable**
- while actual spending flows **are genuinely hard to trace** at the household level.

Which is what simulation is for. A study on a synthetic Singaporean household (i.e., “the recipient”) with no interviewer to impress, no anonymised admin record to reconcile. What emerges is a behavioral reading of how the voucher lands across the population — on the record, at the segment level.



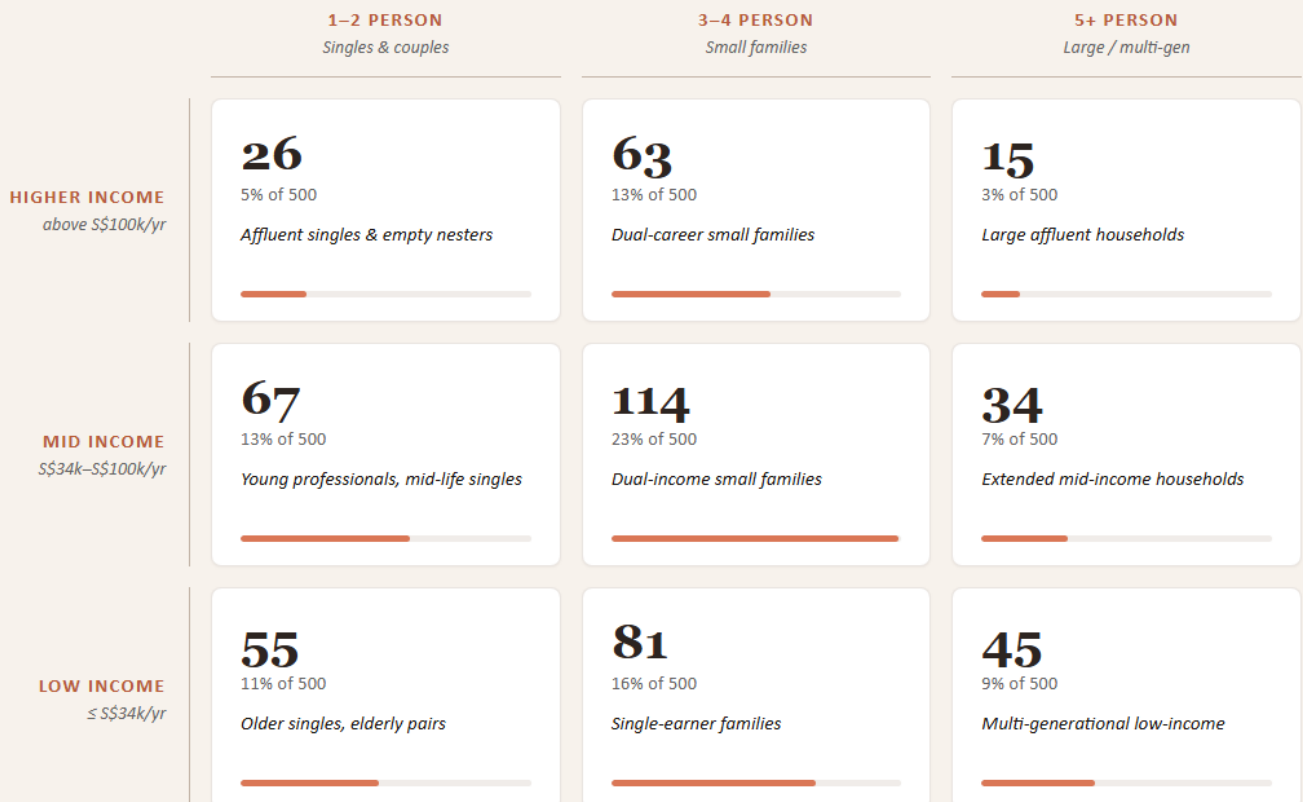
3. How we tested it

We built a synthetic population of **500 Singaporean adults** calibrated against national demographics — age, income, housing, household size, ethnicity — with **behavioral traits layered on top from public SG-specific sources** (e.g. financial wellness indices, trust surveys, digital adoption data, consumer panels, price and promotion sensitivity). And yes, ***we do incorporate ‘kiasu-ness’ explicitly in our agent’s behavior***, since any behavioral simulation of Singapore that skips this trait is clearly missing the core identity.

Each agent answered three questions in stateless parallel:

- 1. How much** of their household's voucher-eligible monthly spending the S\$800 covers.
- Which single **design friction** they would most want fixed.
- Voucher vs Cash:** ow they would allocate S\$500 as vouchers versus as equivalent cash.

Our 500 agents distribute across the segments that matter for the findings below:



4. The three findings

4.1. Finding 1: Modest in size, meaningful in use

The voucher is **modest** in absolute terms. S\$800/year per household works out to about S\$67/month. Against a typical SG household's voucher-eligible monthly spend — groceries, hawker meals, heartland retail, totaling roughly S\$900 on SingStat HES benchmarks — **that's around 7-10% of the relevant bill**. A bit more for low-income small households, a bit less for higher-income larger ones, but nowhere near transformative in absolute size. **The more interesting question is what households actually do with it once it arrives**. So we asked: when the S\$800 arrives in your digital wallet, what changes in your household's behavior?

97% of households said the voucher actively changes what they do — it almost never just quietly melts into the grocery bill. Three responses account for 99% of the distribution: redirecting the freed cash into savings, stocking up before expiry, or no deliberate change.

What households actually do with the voucher

Three responses account for 99% of the distribution. The vouchers provide benefits beyond hitting the daily grocery bills — 97% of households actively redirect either their cash or their shopping behaviour when the S\$800 lands.

Redirect freed cash into savings / investments

278 of 500

Spend as normal on groceries; route the displaced cash into savings, CPF, or investments.

56%

Stock up during the voucher window

204 of 500

Load up on rice, oil, staples before the expiry date. Concentrated in high-promo-sensitivity (kiasu) agents.

41%

No deliberate change — just a subsidy

13 of 500

Voucher quietly reduces the monthly bill; no active redirection of cash or shopping habits.

3%

Exhibit 1

Three dominant behavioral responses to the S\$800 voucher, across all 500 agents.

The largest cohort — 56% of households, or 278 of our 500 agents — **redirects the freed cash into savings, investments, or CPF top-ups**. These households notice that the voucher covers groceries they'd buy anyway, **so their own cash has more room**, and they deliberately route the displaced amount into a savings destination. For them, the voucher functions as a quiet savings tailwind.

The next 41% stock up during the voucher window — loading up on rice, cooking oil, toiletries, and household staples before the expiry deadline. What drives this isn't income or household size. It's one persona trait: promo-sensitivity, our behavioral proxy for kiasu. Of the 204 stock-up responses, 92% come from agents with high promo-sensitivity. Within that cohort — roughly half the population — 79% stock up; in the rest of the population, only 5% do. The expiry deadline creates a "use it before it disappears" pressure, and the kiasu half responds by loading up.

The S\$800 isn't just a transfer. It's a structure that different households actively work in different directions — kiasu households use it to pull consumption forward, while disciplined savers use it as a quiet savings tailwind. Either way, the voucher doesn't just reduce the grocery bill; it reshapes what happens around it.

4.2. Finding 2: The friction isn't uniform

On paper, Singapore is among the most digitally advanced consumer societies on the planet — smartphone penetration above 92%, Singpass effectively universal, PayNow in every hawker stall. Against that backdrop, a digital-only voucher scheme looks unremarkable: a natural extension of the way the country already works.

But national averages hide pockets. When we asked each agent to pick the single friction they would most want to fix, one cohort came back with a **categorically different answer** from everyone else.

That cohort is older (median age 53 vs 49 for the whole population), skewed toward the 55+ age band, and split roughly evenly between low and middle income. They live mostly in 4- to 5-room HDB flats. In behavioral terms, they are the **agents with low digital comfort**. For these households, 90% said the fix they most wanted was a **non-digital path to claim and spend** — a paper voucher, an in-person counter, something that works without a phone. Getting into the scheme at all is the problem.

For the other 90% of the population — high and medium digital comfort — the digital design is invisible. Their complaint is **operational, not categorical**. The forced 50/50 split between supermarkets and hawker/heartland merchants means making two separate shopping trips, or tracking two separate budgets. Annoying, but manageable.

One scheme, two kinds of friction

Two complaints account for 99.6% of the distribution. The operational split dominates the population in volume. The digital-access complaint is smaller — but where it shows up, it is categorical, not incremental.

Forced 50/50 split between supermarkets and hawker/heartland

439 of 500

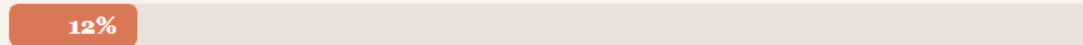
Two budgets, two shopping trips. An operational annoyance that crosses every cohort.



Digital-only access: Singpass and smartphone required

59 of 500

Categorical barrier, not inconvenience. Concentrated in low-digital-comfort agents — 90% of them pick this as their fix.



The remaining frictions built into the scheme — expiry, the merchant list, no online redemption — attracted fewer than 1% of votes combined. Effectively non-issues.

Exhibit 2

Most Singaporeans find the 'forced split' operationally annoying (but manageable), while a specific cohort finds it categorically inaccessible.

These are two different frictions. A policymaker who treats them as the same thing will fix the wrong one first.

4.3. Finding 3: Cash would not land the same money in the same places

Finding 1 showed that even under vouchers, the savings-oriented half of the population still saves — they simply redirect their own displaced cash into a savings destination. **A natural follow-up: what happens if the government skipped the voucher wrapper entirely and handed over S\$500 in cash instead?**

When we asked each agent to allocate S\$500 under each scenario — once as a voucher, once as cash — the two distributions pulled apart sharply.

Same S\$500, two different economies

Where agents allocate S\$500 under each scenario. Under vouchers, all of it enters the local physical economy. Under cash, roughly a third parks in savings, a portion upgrades to dining out, a portion redirects to non-essentials.

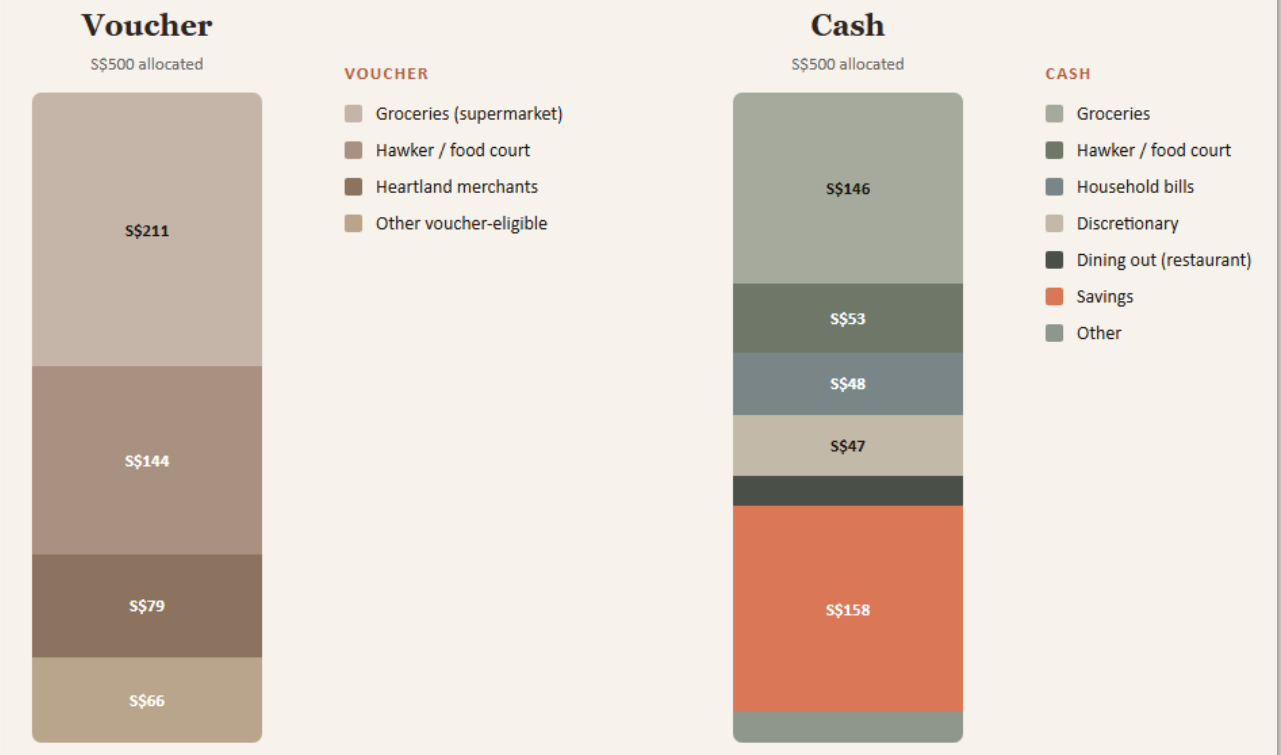


Exhibit 3

Where agents allocate S\$500 under each scenario. Savings parks a third of the cash; the voucher cannot be saved.

Under vouchers, essentially all of the S\$500 flows into the local physical economy. Groceries, hawker meals, and heartland merchants account for **87% of the allocation**. Another ~12% spills into 'other' voucher-eligible categories — personal services, small heartland retail, and neighbourhood shops that

don't fit the three main buckets. Less than 1% is held unspent for later in the voucher window.

Nothing leaves the scheme, and nothing parks in savings — by design, it can't.

Under cash, **S\$158 — roughly 32% of the handout — parks in savings**. Hawker spending collapses from **S\$144 to S\$53**. The difference reroutes: some to restaurant dining, some to household bills, some to discretionary treats. The money is still spent, but on different things, in different places, at a different velocity.

The savings preference from Finding 1 doesn't disappear under cash — it simply gets **directed at the government's money instead of the household's**. From the stimulus lens, that's the whole point of the voucher design: it doesn't force households to spend (they'd spend anyway); it keeps the S\$800 itself inside the physical economy, while **letting households run their own savings decisions on their own cash**. What looks like inconvenience from the household's side is the mechanism by which the voucher functions as physical-economy stimulus rather than a general-purpose transfer.

5. The design, seen clearly

Three takeaways, none of them obvious.

- 1. The voucher is small but actively worked.** S\$800/year covers roughly 7-10% of a typical household's monthly voucher-eligible spend — a bit more for low-income small households, a bit less for higher-income larger ones. But coverage is only the mechanical read. **97% of households actively work the S\$800**, with the kiasu half stocking up before expiry and the other half routing the freed cash into savings. **The scheme doesn't just land; it gets structured.**
- 2. The friction story is really two stories.** For most Singaporeans, the scheme is annoying. For a specific cohort — older, lower digital comfort — the scheme is a barrier. Those are not the same problem. **Fixing the forced split helps 90% of households a little. Adding a non-digital path helps 10% of households a lot.** The two fixes compete for the same policy attention; they should not be pretended to be the same.
- 3. Cash is not a Pareto improvement.** Replacing the voucher with cash of equal value would shift roughly a third of the handout into savings, a portion into restaurant upgrades, and a portion out of the domestic physical economy entirely. This isn't because cash suppresses spending or vouchers prevent saving — households save under both. The difference is whose money gets absorbed by the savings preference: under cash, the government's; under vouchers, the household's own. **The voucher works as stimulus precisely because it keeps the S\$800 itself inside the physical economy, while leaving households free to run their own savings decisions on their own cash.** Different instruments, different outcomes— and **the choice between them should be made on stated policy goals**, not on the assumption that cash is always the flexible default.

The real debate in 2026 isn't cash vs voucher. It's whether **S\$800 can be both a stimulus lever and an inclusive transfer**. Our data says mostly yes — except at the digital access margin.

6. Methodology and sources

500 synthetic Singaporean adults (21+) were sampled independently from a calibrated national demographic distribution. "Each agent answered four underlying questions in stateless parallel: voucher-eligible coverage share, behavioral response to the voucher, the single friction they would most want fixed, and a paired voucher-vs-cash allocation of S\$500. Sum validators enforced allocations to within $\pm S\$2$. Allocation distributions were verified stable across multiple prompt-engineering iterations. Coverage percentages in §4.1 are benchmarked against SingStat HES 2022-23, not agent self-reports. This is a behavioral simulation using synthetic agents — not a direct survey of Singaporean households."

Demographic calibration drew on SingStat, HDB, IRAS, MOM, the 2020 Population Census, CPF, and Mendaki publications. Behavioral calibration drew on OCBC Financial Wellness Index, Singlife Financial Freedom Index, MAS consumer surveys, Edelman Trust Barometer Singapore, ABS consumer indicators, Visa Consumer Payment Attitudes (Singapore), IMDA digital society surveys, DataReportal, and Milieu Insight consumer data. CDC Voucher programme facts verified against the CDC Vouchers Scheme official site, Ministry of Culture, Community & Youth disbursement releases, and Ministry of Finance announcements.

7. About Mirra Labs

Mirra Labs is a research technology company building a decision simulation engine for Southeast Asia. Our platform builds behavioral simulations — populations of synthetic, demographically-calibrated agents — and runs them through the same questions and probing to generate high quality insights on their behavior. The output is segment-level behavioral intelligence with predictive value, delivered faster and cheaper than traditional research infrastructure allows.

Agent-based behavioral simulation is **grounded in peer-reviewed computational social science** and is already **adopted by leading global consulting firms, asset managers, and research organizations.**

Mirra Labs applies this methodology with deep demographic calibration for Southeast Asian populations — where traditional consumer research infrastructure is sparse, expensive, and slow.

Send us a proposition you want to test, or a customer segment you want to understand better.

We run custom behavioral simulations calibrated to your specific market, customer base, and product questions — across any Southeast Asian market. Tell us what you're trying to learn, and we'll deliver decision-ready answer, not a proposal.

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