KEY HOUSEHOLD INCOME TRENDS, 2014

Median Household Income from Work Grew in 2014

1   The Singapore Department of Statistics today released its latest report on "Key Household Income Trends, 2014". The report found that median household income from work increased in nominal and real terms in 2014.

Median Household Income from Work Grew

2   Among resident employed households[1], median monthly household income from work[2] rose from $7,870 in 2013 to $8,290 in 2014, a 5.3 per cent increase in nominal terms, or 4.1 per cent increase in real[3] terms. Over the last 5 years from 2009 to 2014, the median monthly household income from work of resident employed households rose by 18 per cent in real terms.

3   Taking household size into account, median monthly household income from work <u>per household member</u> rose by 5.9 per cent in nominal terms, or 4.7 per cent in real terms in 2014.

Households in HDB 1- & 2-Room Flats Received More Government Transfers

4   Overall, resident households (including households with no working person) received $3,370 per household member on average from various Government schemes in 2014. This was 25% higher than the average amount of $2,700 received five years earlier, in 2009. It was about 8% lower than the average amount of $3,650 received in 2013, owing to a lower level of one-off transfers in 2014[4]. However, Government structural transfers (i.e. transfers excluding one-off payments) rose in 2014 compared to 2013.

---

[1] A resident employed household refers to a household headed by a Singapore citizen or permanent resident and with at least one working person.

[2] Household income from work includes employer Central Provident Fund (CPF) contributions.

[3] The Consumer Price Index (CPI) is used as a deflator to compute real income changes.

[4] The Government had made several one-off payments in 2013, such as special payments on top of the permanent GST Voucher payments, one-off Medisave top-ups, NS45 vouchers, property tax rebates and income tax rebates. 2014 also saw the cessation of the Workfare special bonus payment.

5   The various Government schemes gave a larger boost to those staying in HDB 1- & 2-room flats. In 2014, resident households in HDB 1- & 2-room flats received $9,030 per household member on average from Government schemes, more than 2.5 times the transfers received by resident households in other types of dwelling.

Real Growth in Household Income from Work Per Member for All Deciles

6   Resident employed households in all deciles enjoyed nominal and real growth in average household income per household member in 2014[5], as well as over the last decade. Households in the lowest 50% enjoyed higher real growth in average household income per household member than the top 50% over the last 5 years from 2009 to 2014.

The Gini Coefficient Remained Relatively Stable in 2014

7   The Gini coefficient[6] was 0.464 in 2014, relatively stable compared to 0.463 in 2013. After adjusting for Government transfers and taxes, the Gini coefficient in 2014 fell from 0.464 to 0.412, reflecting the redistributive effect of Government transfers. In the last two years, the Gini after accounting for Government transfers and taxes has been at its lowest level in a decade.

8   The report on "Key Household Income Trends, 2014" is available online on the Department of Statistics' website at http://www.singstat.gov.sg/.

Singapore Department of Statistics
16 February 2015

_____

For media enquiries, please contact
Mr Lim Jianwei T (+65) 6332 8327 **E** Lim_Jianwei@singstat.gov.sg

---

[5] In comparing the performance of any particular decile group over time, it is important to note that they may not pertain to the same group of households. For example, an employed household may move down from a higher decile in a particular year due to temporary unemployment of a household member, before moving up the deciles when the member resumes work in the subsequent year.

[6] The Gini coefficient is a summary measure of income inequality. It is equal to zero in the case of total income equality and to one in the case of total inequality.