



SINGAPORE DEPARTMENT OF STATISTICS

PRESS RELEASE

HOUSEHOLD INCOME GREW ACROSS ALL INCOME GROUPS IN 2008

1 An Occasional Paper released by the Singapore Department of Statistics today on 'Key Household Income Trends, 2008' shows that household income from work grew in real terms in 2008. This was related to the strong labour market conditions for the majority of 2008, leading to an increase in the number of working persons in a household.

2 Median monthly household income from work among all *resident* households increased by 13 per cent from \$4,380 in 2007 to \$4,950 in 2008. After adjusting for higher consumer price inflation in 2008, resident households enjoyed real income growth of 6.2 per cent in 2008, compared to the 7.2 per cent in 2007.

Stronger Household Income Growth Among Households in Smaller Flat Type

3 Household income growth in 2008 was stronger among resident households in smaller housing types than those in bigger housing types. Median household income from work grew by a strong 13 to 15 per cent (6 to 9 per cent in real terms) among resident households in HDB 3-room or smaller flats in 2008, as compared to growth of 9 to 12 per cent (2 to 6 per cent in real terms) for those living in bigger housing types .

Average Household Income from Work Increases Across All Income Groups

4 In particular, among employed households, the average household income from work per household member increased in real terms across all income groups. The increase was highest between the 21st and 90th percentile employed households, which saw a 5.0 to 5.4 per cent increase in 2008 in real terms. The lowest 20% employed households had an increase in real income per household member of 2 to 3 per cent, while the top 10% employed household had growth of 0.9 per cent.

Narrowing of Income Distribution Among Employed Households

5 With the faster income growth among the 21st - 90th percentile of employed households, the distribution of income per household member among employed households narrowed in 2008. The Gini coefficient, a summary measure of income inequality, decreased from 0.489 in 2007 to 0.481 in 2008, the first time since 1998.

Effects of Government's Surplus Sharing Package

6 The Government's Surplus Sharing package gave a larger boost to the lower income groups. On average, the Surplus Sharing package added \$1,670 per household member to resident households in HDB 1- and 2-room flats and \$1,320 per household member to resident households in HDB 3-room flats. This was more than the \$720 per household member for households in private flats and landed properties.

7 The Surplus Sharing package helped in reducing the income disparity further in 2008. After adjusting for government benefits and taxes, the Gini coefficient among employed households was reduced to 0.462 in 2008, as compared to 0.479 in 2007.

8 The Occasional Paper on "Key Trends in Household Income, 2008" can be downloaded from the Department of Statistics' website at <http://www.singstat.gov.sg>.

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