



## PRESS RELEASE

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### Key Household Income Trends, 2020

February 2021

#### ***Median Household Income from Work Fell in 2020 But Increased Over Last 5 Years; Government Transfers Reduced Gini Coefficient More in 2020***

1. Median household income from work fell in 2020 but increased over the last 5 years, according to the “Key Household Income Trends, 2020” paper released by the Singapore Department of Statistics today.
2. Among resident employed households<sup>1</sup>, median monthly household income from work<sup>2</sup> fell by 2.5 per cent in nominal terms, from \$9,425 in 2019 to \$9,189 in 2020, reflecting the impact of the COVID-19 pandemic. After adjusting for inflation<sup>3</sup>, median monthly household income from work dropped by 2.4 per cent in real terms in 2020. Notwithstanding the decline in 2020, median monthly household income from work of resident employed households increased over the last five years by 5.2 per cent cumulatively or 1.0 per cent per annum in real terms.
3. Taking into account household size, median monthly household income from work per household member dropped from \$2,925 in 2019 to \$2,886 in 2020, a decline of 1.3 per cent in nominal terms or 1.2 per cent in real terms. From 2015 to 2020, median monthly household income per household member grew by 14.6 per cent cumulatively or 2.8 per cent per annum in real terms.

#### ***Households in All Income Deciles<sup>4</sup> Saw Real Declines in Average Household Income from Work Per Household Member in 2020 But Experienced Increases Over Last 5 Years***

4. In 2020, resident employed households in all income groups registered real declines in average household income from work per household member amidst the economic downturn caused by the COVID-19 pandemic. Households in the 1st – 60th percentile groups saw a \$37 to \$49 drop in their average household income per member, whereas households in the 61st – 100th

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<sup>1</sup> A resident employed household refers to a household where the household reference person is a Singapore citizen or permanent resident, and with at least one working person.

<sup>2</sup> Household income from work includes employer Central Provident Fund (CPF) contributions.

<sup>3</sup> The Consumer Price Index (CPI) for All Items is used as the deflator to compute real income changes.

<sup>4</sup> It should be noted that not all households are consistently in the same decile group from one year to the next. For example, a household may move down from a higher decile in a particular year due to the temporary unemployment of a household member, before moving up the deciles when the member resumes work in the subsequent year. In comparing the performance of any particular decile group over time, it is therefore relevant to note that the comparison may not pertain to the same group of households.

percentile groups saw a higher drop in income of between \$96 and \$337. After adjusting for inflation, households in the top 90% income groups recorded real income declines of 1.4 to 3.2 per cent, while households in the bottom 10% income group saw a larger real decline of 6.1 per cent due to their lower income levels.

5. Nevertheless, between 2015 and 2020, resident employed households in all income groups experienced real growth in average household income from work per household member, ranging from 0.6 to 2.9 per cent per annum.

***Households Received Significantly More Government Transfers in 2020, Especially Households Staying in Smaller HDB Flats***

6. Resident households (including households with no working person) received \$6,308 per household member on average from various Government schemes in 2020, which was much higher than the \$4,684 received in 2019. This was due to the schemes introduced in 2020 to cushion the impact of the COVID-19 pandemic. In particular, resident households in HDB 1- & 2-room flats received \$13,670 per household member on average, close to double the transfers received by resident households in HDB 3-room flats.

***Higher Government Transfers for Households in Smaller HDB Flats Reduced the Gini Coefficient More in 2020 Compared to Previous Years***

7. The Gini coefficient<sup>5</sup> based on household income from work per household member was 0.452 in 2020, unchanged from 2019.

8. Government transfers and taxes reduced the Gini coefficient in 2020 from 0.452 to 0.375, larger than the reduction in the Gini coefficient in 2019 from 0.452 to 0.398. This can be attributed to the significant amount of government support provided during the COVID-19 crisis in 2020, especially for households staying in the smaller HDB flats.

9. The report on “Key Household Income Trends, 2020” is available online on the Department of Statistics’ website at [www.singstat.gov.sg](http://www.singstat.gov.sg).

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<sup>5</sup> 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.