PRESS RELEASE

Key Household Income Trends, 2021
15 February 2022

**Median Household Income from Work Grew in 2021**

1. Median household income from work grew in 2021, according to the “Key Household Income Trends, 2021” paper released by the Singapore Department of Statistics today.

2. Among resident employed households, median monthly household income from work grew by 3.6 per cent in nominal terms, from $9,189 in 2020 to $9,520 in 2021, surpassing pre-COVID-19 levels. After adjusting for inflation, median monthly household income from work rose by 1.5 per cent in real terms in 2021. From 2016 to 2021, median monthly household income from work of resident employed households increased by 4.2 per cent cumulatively or 0.8 per cent per annum in real terms.

3. Taking into account household size, median monthly household income from work per household member rose from $2,886 in 2020 to $3,027 in 2021, an increase of 4.9 per cent in nominal terms or 2.8 per cent in real terms. From 2016 to 2021, median monthly household income per household member grew by 13.4 per cent cumulatively or 2.5 per cent per annum in real terms.

**Households Across Almost All Income Deciles Saw Increases in Real Average Household Income from Work Per Household Member in 2021**

4. In 2021, average household income from work per household member increased by 1.7 to 7.3 per cent in nominal terms for resident employed households in all income groups. After adjusting for inflation, households in the first nine deciles saw real income growth of 0.6 to 5.5 per cent, while those in the top decile saw a real income decline of 1.1 per cent.

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1 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 employed person.

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

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

4 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.
5. Between 2016 and 2021, average household income from work per household member among resident employed households in all income groups rose by 0.4 to 2.6 per cent per annum in real terms.

**Households Continued to Receive a Significant Amount of Government Transfers in 2021, Although Less Compared to 2020 Due to the Cessation of One-off Schemes**

6. Resident households (including households with no employed person) received $5,096 per household member on average from various Government schemes in 2021. This was less than the $6,324 received in 2020, due to the cessation of one-off schemes introduced in 2020 to cushion the impact of COVID-19.

7. Resident households staying in HDB 1- & 2-room flats continued to receive the most Government transfers. In 2021, they received $11,363 per household member on average from Government schemes, more than double the transfers received by resident households staying in HDB 3-room flats.

**Household Income Inequality Fell in 2021 Before Accounting for Government Transfers and Taxes. After Accounting for Government Transfers and Taxes, Household Income Inequality was Second Lowest since 2000.**

8. The Gini coefficient\(^5\) based on household income from work per household member was 0.444 in 2021, lower than the 0.452 observed in 2019 and 2020.

9. After adjusting for Government transfers and taxes, the Gini coefficient in 2021 fell from 0.444 to 0.386, the second lowest level since the start of the series in 2000. Nonetheless, this was an increase from the Gini coefficient of 0.375 in 2020, which was the lowest on record, due to the cessation of one-off schemes introduced in 2020 to cushion the impact of the COVID-19 pandemic.


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\(^5\) 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.