



PRESS RELEASE

KEY HOUSEHOLD INCOME TRENDS, 2016

Median Household Income from Work Grew 2.6% in Real Terms in 2016

1 Median household income from work grew in 2016, according to the “Key Household Income Trends, 2016” paper released by the Singapore Department of Statistics today.

2 Among resident employed households¹, median monthly household income from work² grew by 2.1 per cent in nominal terms from \$8,666 in 2015 to \$8,846 in 2016, or 2.6 per cent in real³ terms. This was a moderation from the increase of 4.5 per cent (nominal) and 4.9 per cent (real) in 2015⁴. Over the five-year period from 2011 to 2016, median monthly household income from work of resident employed households increased in real terms by 16.9 per cent cumulatively or 3.2 per cent per annum.

3 After taking household size into account, median monthly household income from work per household member rose in 2016 by 3.4 per cent in nominal terms, or 3.8 per cent in real terms. This was lower than the 5.0 per cent nominal growth and 5.4 per cent real growth in 2015. From 2011 to 2016, median monthly household income per household member increased in real terms by 20.5 per cent cumulatively or 3.8 per cent per annum.

Households in All Deciles⁵ Experienced Real Growth in Household Income Per Household Member

4 Resident employed households in all income groups experienced real growth in average household income from work per household member in 2016, albeit at slower rates compared to 2015. In 2016, real growth in average household income from work per household member ranged from 0.2 to 4.3 per cent across the different income groups. In comparison, real income growth in 2015 was between 5.7 and 10.7 per cent.

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) for All Items is used as a deflator to compute real income changes.

⁴ The slower growth in median household income from work is consistent with the slower growth in median income of full-time employed residents in 2016. According to the “Labour Force in Singapore 2016” report published by MOM, median income grew at a slower pace in 2016 amid the weaker economic environment. Median income of full-time employed residents rose by 2.7% (nominal) and 3.3% (real) in 2016, compared to the higher increase of 4.7% (nominal) and 5.3% (real) in 2015.

⁵ 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 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 they may not pertain to the same group of households.

5 From 2011 to 2016, resident employed households in all income groups saw real growth in average household income from work per household member. Households in the top 10% experienced slower real income growth (2.7 per cent per annum) compared to households in the other income groups (3.5 to 4.2 per cent per annum).

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

6 Resident households (including households with no working person) received \$4,168 per household member on average from various Government schemes in 2016. Resident households in HDB 1- & 2-room flats received \$9,806 per household member on average, more than double the transfers received by resident households staying in other dwelling types.

The Gini Coefficient Fell in 2016

7 The Gini coefficient⁶ declined from 0.463 in 2015 to 0.458 in 2016, and was the lowest in a decade. After adjusting for Government transfers and taxes, the Gini coefficient in 2016 fell from 0.458 to 0.402, reflecting the redistributive effect of Government transfers.

8 The report on “Key Household Income Trends, 2016” is available online on the Department of Statistics’ website at <http://www.singstat.gov.sg/>.

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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.