Information Paper Series

Real Personal Disposable Income

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DEPARTMENT OF STATISTICS SINGAPORE
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Real Personal Disposable Income



What is Personal Disposable Income (PDI)?

PDI measures the income of households and private non-profit institutions that provide goods and services to households for free or at subsidised rates (referred to as non-profit institutions serving households or NPISHs).

PDI includes the following components:



Compensation of Employees & Self-Employment Income



Gross Operating Surplus on Ownership of Dwellings & NPISHs



Net Investment Income Received



Net Current Transfers Received



less Personal Income Tax Paid

Why Real PDI?

Real* PDI adjusts for price changes, allowing for a better assessment of **changes in purchasing power** over time.

** In November 2026, DOS released the quarterly real PDI data series to complement the existing nominal series.*

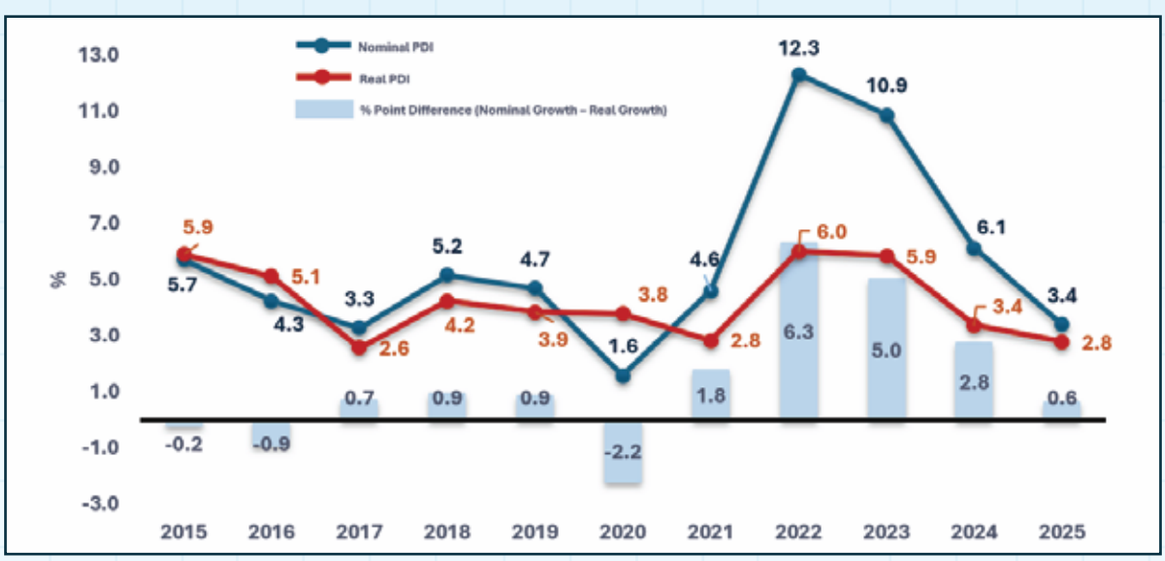
How is Real PDI Derived?

Real PDI =  Nominal PDI ÷  Private consumption expenditure* (PCE) Deflator x 100

** Refers to the final expenditure on goods and services by resident households and NPISHs.*

Key Trends

Annual Nominal and Real PDI Growth, 2015 - 2025



Real PDI **grew** at a compound annual growth rate (CAGR) of **4.0%** from 2015 to 2025, slower than the **5.6%** growth in nominal terms, reflecting the effect of rising prices over the period.

The gap between nominal and real PDI growth **peaked in 2022**, as strong post-COVID-19 demand and a tight labour market boosted nominal growth, while inflationary pressures from the Russia-Ukraine war weighed on real growth. The gap narrowed gradually from 2023.

Access the Real PDI Data Series in the SingStat Table Builder

Access the Nominal PDI Data Series in the SingStat Table Builder

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REAL PERSONAL DISPOSABLE INCOME

Singapore Department of Statistics

November 2026

Papers in this Information Paper Series are intended to inform and clarify conceptual and methodological changes and improvements in official statistics. The views expressed are based on the latest methodological developments in the international statistical community. Statistical estimates presented in the papers are based on new or revised official statistics compiled from the best available data. Comments and suggestions are welcome.

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Our Vision

National Statistical Service of Quality, Integrity and Expertise

Our Mission

We deliver Insightful Statistics and Trusted Statistical Services that Empower Decision Making

Our Guiding Principles

Professionalism & Expertise	*We adhere to professional ethics and develop statistical competency to produce quality statistics that comply with international concepts and best practices.*
Relevance & Reliability	*We produce statistics that users need and trust.*
Accessibility	*We facilitate ease of access to our statistics through user-friendly platforms.*
Confidentiality	*We protect the confidentiality of individual information collected by us.*
Timeliness	*We disseminate statistics at the earliest possible date while maintaining data quality.*
Innovation	*We constantly seek ways to improve our processes, leveraging on new technology, to deliver better products and services to users.*
Collaboration	*We engage users on data needs, data providers and respondents on supply of data, and undertake the role of national statistical coordination.*
Effectiveness	*We optimise resource utilisation, leveraging on administrative and alternative data sources to ease respondent burden.*

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APPENDIX

REAL PERSONAL DISPOSABLE INCOME

I. Introduction

1. The Singapore Department of Statistics (DOS) currently releases nominal Personal Disposable Income (PDI) data on a quarterly basis. With effect from November 2026, DOS will also release the quarterly real PDI series to complement the nominal[1] series to facilitate a more robust economic analysis on households' disposable income by accounting for the impact of price changes. Compiled from a macroeconomic perspective, real PDI provides an indication of how the purchasing power of households' disposable income has changed over time.

2. Real PDI grew at a compound annual growth rate (CAGR) of 5.5% from 1980 to 2025, slower than the 7.4% growth in nominal PDI, reflecting the effect of rising prices. As Singapore's economy matures, the rate of growth in real PDI has slowed in recent decades. Nonetheless, Singapore's real PDI had generally outpaced that of other advanced economies, with particularly strong growth during the COVID-19 recovery period compared with other economies.

II. Concepts and Methodology

Nominal PDI

3. The concept of PDI in Singapore's national accounts adheres closely to international standards, i.e., the System of National Accounts (SNA)[2]. Conceptually, PDI can be generated either through the production process or the redistributive process. PDI measures the income of the personal sector (e.g., compensation of employees (CoE), self-employment income, gross operating surplus on ownership of dwellings and non-profit institutions serving households (NPISHs)[3]), after accounting for net investment income received (i.e., interest and dividends), net current transfers received

[1] Nominal PDI is the key release series as it preserves the accounting relationship between PDI and its constituent income components (e.g., wages, interest, dividends and personal income tax), allowing us to identify and quantify the drivers of PDI growth. For example, how much of the increase in nominal PDI is attributable to higher wages, interest or dividends.

[2] Adopted by the United Nations Statistical Commission (UNSC), the SNA 2008 describes a coherent, consistent and integrated set of macroeconomic accounts in the context of internationally agreed concepts, definitions, classifications and accounting rules.

[3] Refers to private non-profit institutions (e.g., charities and religious organisations) that provide goods and services to households for free or at subsidised rates.

and personal income tax paid. The components that make up PDI are as illustrated in Diagram 1.

Diagram 1: Components of PDI



Real PDI

4. Growth rates calculated from current price data are referred to as nominal growth rates. For PDI, nominal growth measures changes in the monetary value of income available to households over time. However, nominal PDI does not take into account changes in the prices of goods and services purchased by households, which affect the amount of goods and services that they would be able to buy with their disposable income. Hence, an increase in nominal PDI does not necessarily translate into an equivalent increase in households' purchasing power.

5. To assess changes in households' purchasing power over time, real PDI can be derived by adjusting nominal PDI to account for changes in prices of goods and services purchased by households. This provides an indication of whether households can purchase more or fewer goods and services with their disposable income over time.

6. To illustrate the impact of price changes on real PDI, suppose nominal PDI increases 5.0% while the prices of goods and services purchased by households increase 2.0%. Real PDI will increase approximately 3.0% which means that while households have 5.0% more disposable income in monetary terms, their purchasing power has increased only about 3.0%. Conversely, if prices of goods and services purchased by households rise faster than nominal PDI, real PDI will decline even though nominal

PDI has increased. In this case, while households have more income in dollar terms, they are only able to purchase fewer goods and services than before.

7. To estimate real PDI, nominal PDI is deflated using an appropriate price index that reflects changes in the prices of goods and services purchased by households. In national accounts, the Private Consumption Expenditure (PCE)[4] deflator[5] is used to compute real PDI, as shown by the formula in Diagram 2. The PCE deflator is derived by dividing PCE at current prices by its equivalent value in chained volume terms.

Diagram 2: Formula for Computing Real PDI

$$Real\ PDI = \frac{Nominal\ PDI}{PCE\ Deflator}\ X\ 100$$

8. This methodology is aligned with international best practices adopted by the Organisation for Economic Co-operation and Development (OECD) and advanced statistical agencies such as the US Bureau of Economic Analysis (BEA) and the UK Office for National Statistics (ONS).

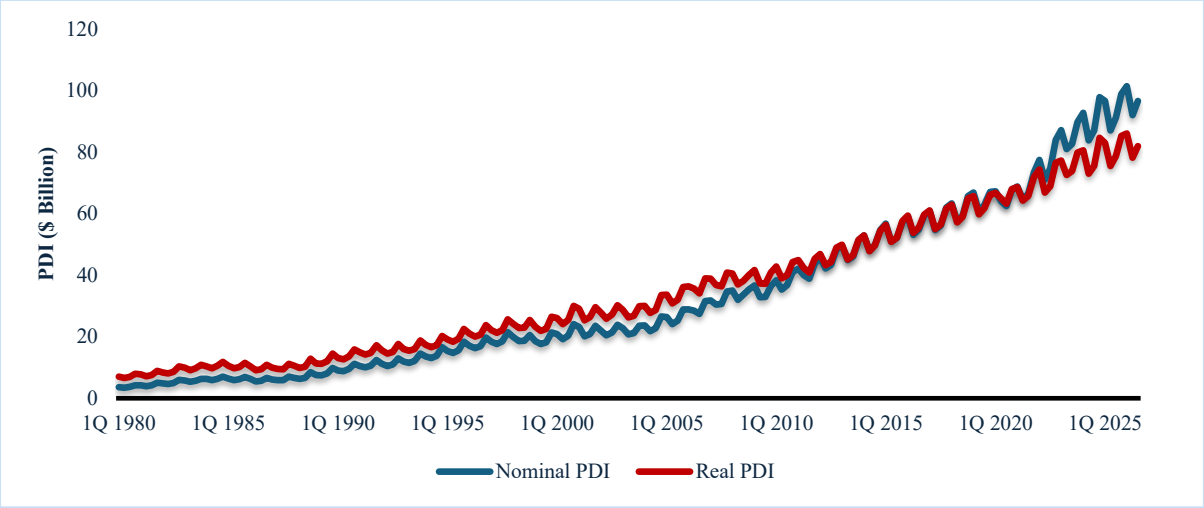
III. Analysis

Sustained but Slower Real PDI Growth Since 1980

9. PDI[6] has generally increased from $3.6 billion in 1Q 1980 to $96.7 billion in 3Q 2026, reflecting sustained growth in income available to the personal sector (Chart 1). Real PDI grew at a CAGR of 5.5% from 1980 to 2025, slower than the 7.4% growth in nominal PDI, reflecting the effect of rising prices over the period.

[4] Private consumption expenditure (PCE) refers to the final expenditure on goods and services by resident households and non-profit institutions serving households.
[5] The PCE deflator is preferred to the Consumer Price Index as the price deflator because the former measures price changes in consumption expenditure within the national accounts framework, which is also used in compiling PDI.
[6] There is a pronounced seasonal pattern in the quarterly PDI series, seasonally lower in Q2 and Q3 but seasonally higher in Q1 and Q4 of the year. This seasonality is largely driven by the compensation of employees (CoE) reflecting the timing of annual bonuses. The seasonally adjusted series removes these regular seasonal fluctuations, providing a clearer view of the underlying trend. Both the non-seasonally adjusted and seasonally adjusted quarterly real and nominal PDI series are available on the SingStat Table Builder.

Chart 1: Quarterly Non-Seasonally Adjusted PDI, 1Q 1980 to 3Q 2026



10. Real PDI exhibited slower growth over the years, from 6.6% during 1985 – 1995 to 4.0% during 2015 – 2025 (Table 1). The moderation in real PDI growth is consistent with that of real GDP growth, i.e., real PDI growth tends to moderate as the economy matures.

Table 1: Nominal and Real CAGR in PDI and GDP, 1985-2025

%

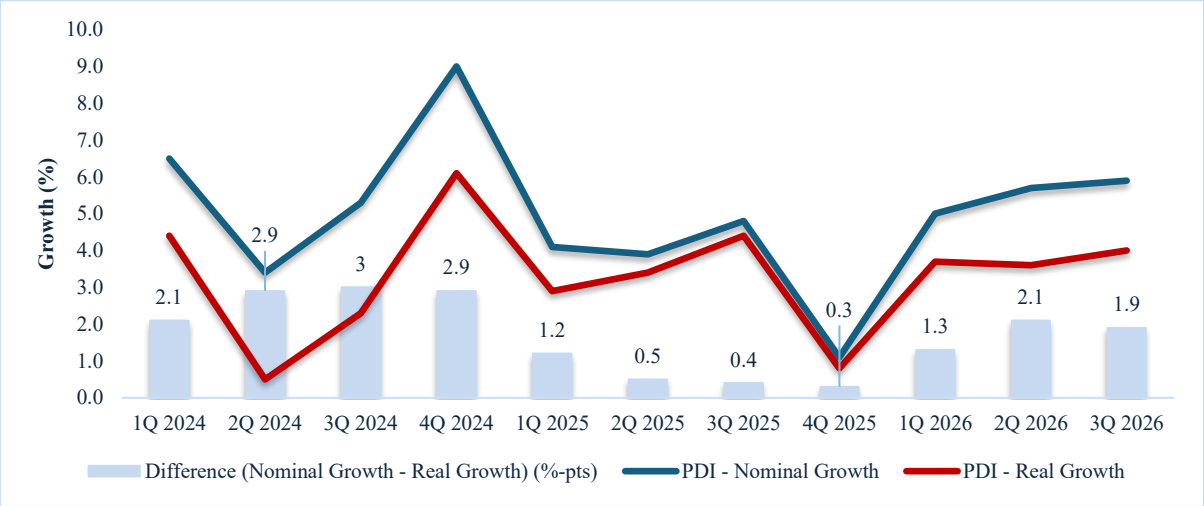
	1985-1995	1995-2005	2005-2015	2015-2025
Nominal PDI	9.7	5.0	7.6	5.6
Real PDI	6.6	5.3	5.0	4.0
GDP At Current Market Prices	11.8	5.5	7.1	6.4
GDP In Chained (2015) Dollars	8.6	5.2	5.6	3.4
PCE Deflator	3.0	-0.2	2.4	1.5

11. Nominal PDI growth had outpaced that of real PDI growth, except during 1995 – 2005, when real PDI grew at a CAGR of 5.3%, higher than the 5.0% CAGR recorded for nominal PDI. During this period, the PCE deflator fell 0.2%, indicating a modest decline in the prices of goods and services consumed by households. As a result, the purchasing power of households had increased in real terms. The slower growth in nominal PDI between 1995 and 2005 coincided with a period of weaker economic growth (i.e., Asian Financial Crisis in 1997-98, the dot-com bust in 2001 and the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003).

Nominal and Real PDI Growth Converged in 2025 Before Diverging Again in 2026 Amid Geopolitical Tensions in the Middle East

12. Focusing on the year-on-year trends in recent years, following a brief easing of inflationary pressures from 2024 to 2025, the gap between nominal and real PDI growth converged to between 0.3 and 0.5 percentage points from 2Q 2025 to 4Q 2025 (Chart 2). However, nominal and real PDI growth began to diverge again from 1Q 2026 amid inflationary pressures due to the heightened geopolitical tensions in the Middle East which drove up global energy and commodity prices. The nominal-real growth gap rose from 0.3 percentage points in 4Q 2025 to 1.9 percentage points in 3Q 2026.

Chart 2: Year-on-Year Growth in Nominal and Real Quarterly Non-Seasonally Adjusted PDI, 1Q 2024 to 3Q 2026



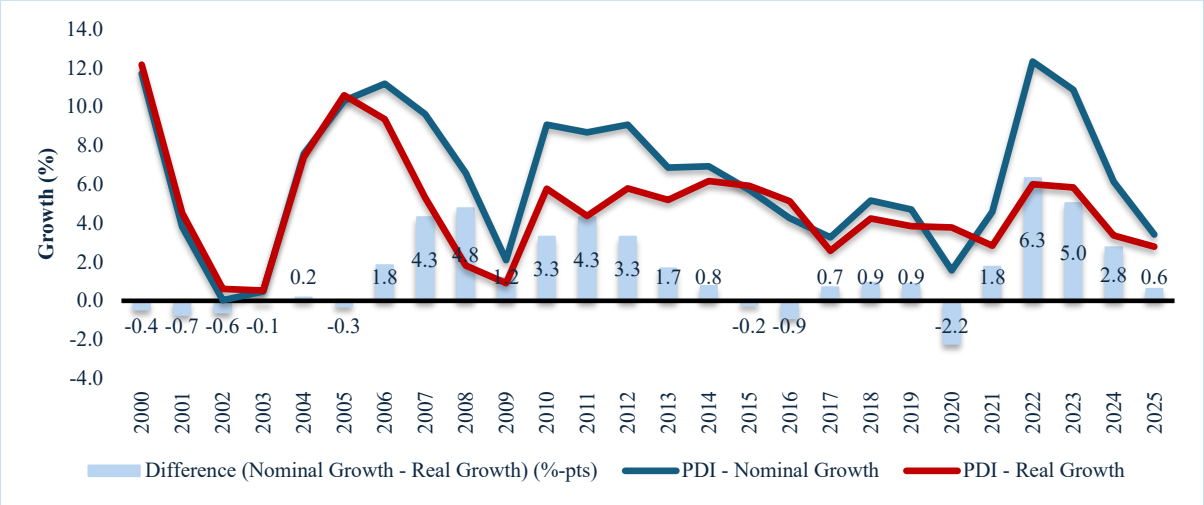
Real PDI Remained Resilient Amid Global Economic Uncertainty in 2022

13. In 2022, nominal PDI growth reached a decade-high of 12.3%, mainly driven by post-COVID-19 demand and tight labour market conditions, which pushed up nominal wages[7] (Chart 3). The concurrent global demand-supply imbalances and the outbreak of the Russia-Ukraine war in February 2022 pushed up commodity prices and import costs, generating significant inflationary pressure. Hence, real PDI grew at a more modest rate of 6.0% in 2022.

14. This divergence between nominal and real PDI growth of 6.3 percentage points was the most pronounced since 2000. However, the gap narrowed considerably in 2025, reflecting the gradual easing of inflationary pressures.

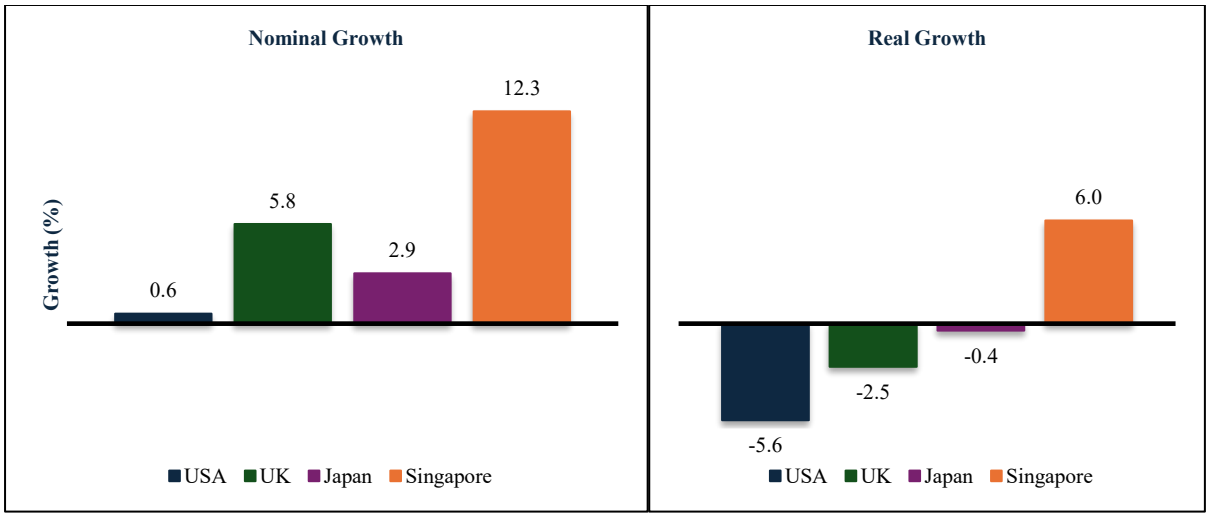
[7] The nominal wage increases accounted for over two-thirds of the nominal PDI growth.

Chart 3: Annual Nominal and Real PDI Growth, 2000 – 2025



15. Despite the large divergence between Singapore's nominal and real PDI growth, Singapore's PDI growth was significantly higher than that of the United States of America (USA), United Kingdom (UK), and Japan in 2022. In nominal terms, Singapore's PDI grew at more than double the rate of the other three countries (Chart 4). In real terms, Singapore was the only country among the four to record positive growth in 2022 as the USA, UK and Japan recorded declines in real PDI of 5.6%, 2.5% and 0.4%, respectively.

Chart 4: Real and Nominal PDI Growth for Selected Economies, 2022

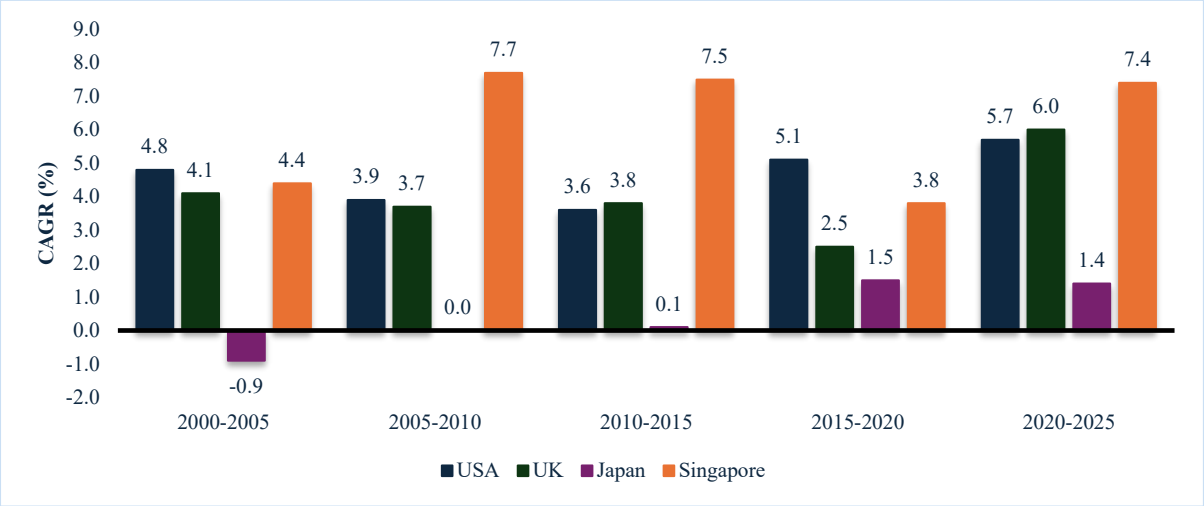


Sources: US Bureau of Economic Analysis (BEA), UK Office for National Statistics (ONS), Japan Cabinet Office and Singapore Department of Statistics.

Singapore's Real PDI Growth Outpaced That of Selected Economies

16. Singapore's nominal PDI generally outpaced that of advanced economies such as USA, UK and Japan during the five-year periods of 2005 – 2010, 2010 – 2015 and 2020 – 2025 (Chart 5).

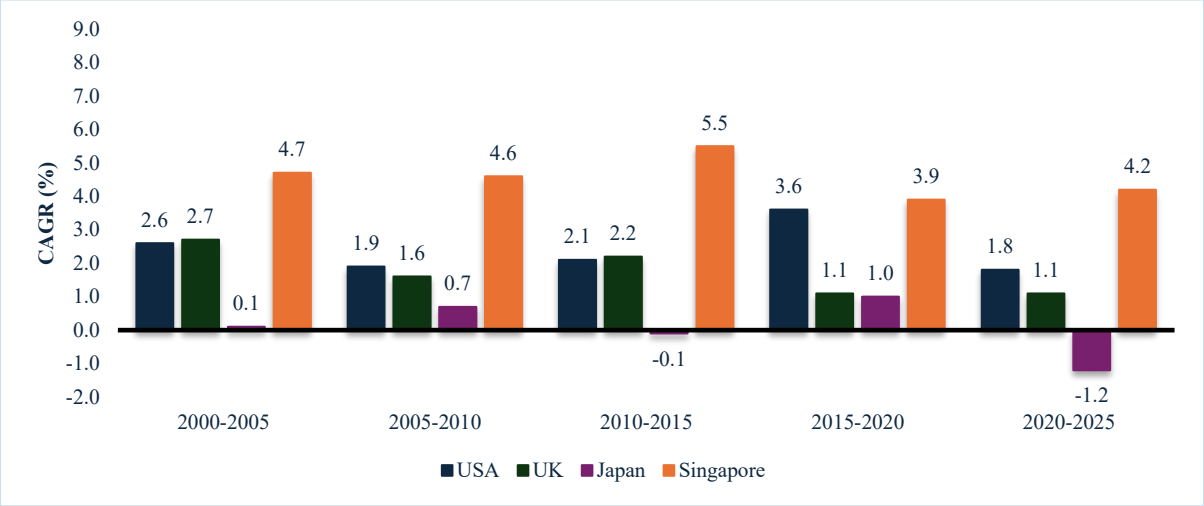
Chart 5: Compound Annual Nominal PDI Growth for Selected Economies, 2000 – 2025



Sources: US Bureau of Economic Analysis (BEA), UK Office for National Statistics (ONS), Japan Cabinet Office and Singapore Department of Statistics.

17. After adjusting for price changes, Singapore's real PDI growth grew by about 4.0% to 5.0% per annum since 2000, consistently outpacing that of the USA, UK and Japan (Chart 6).

Chart 6: Compound Annual Real PDI Growth for Selected Economies, 2000 to 2025



Sources: US Bureau of Economic Analysis (BEA), UK Office for National Statistics (ONS), Japan Cabinet Office and Singapore Department of Statistics.

IV. Conclusion

18. The development of the quarterly real PDI series further strengthens the coverage and availability of Singapore's macroeconomic statistics. Real PDI provides an indication of how the purchasing power of households' disposable income has changed over time, complementing nominal PDI by accounting for changes in the prices of goods and services consumed by the personal sector.

19. More broadly, real PDI complements existing indicators such as real GDP and real PCE by providing an income-based perspective on the economic circumstances of the personal sector. This will support a more comprehensive assessment of Singapore's macroeconomic developments and enhance users' understanding of how changes in the broader economy and prices translate into the purchasing power of households' disposable income.

Singapore Department of Statistics
Nov 2026

Appendix

More information is available on the SingStat Website:

Data Series	QR Code
Nominal Personal Disposable Income https://tablebuilder.singstat.gov.sg/table/TS/M016081	
Real Personal Disposable Income https://tablebuilder.singstat.gov.sg/table/TS/M016281	
Nominal Private Consumption Expenditure https://tablebuilder.singstat.gov.sg/table/TS/M014871	
Real Private Consumption Expenditure https://tablebuilder.singstat.gov.sg/table/TS/M014811	
Compensation of Employees https://tablebuilder.singstat.gov.sg/table/TS/M015971	
Infographic on the Key Differences Between Personal Disposable Income and Household Market Income https://www.singstat.gov.sg/files/3018444e-ec2c-4b3f-836a-5126ad1bb9c1.pdf	

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