



DEPARTMENT OF STATISTICS, SINGAPORE
PRESS RELEASE

HOUSEHOLD INCOME GREW
AMIDST STRONG ECONOMIC PERFORMANCE

Real income growth across all income groups among employed households

1 An Occasional Paper released by the Singapore Department of Statistics today on 'Key Household Income Trends, 2007' found strong growth in household income from work in 2007. The strong household income growth in 2007 may be attributed to strong wage growth on the back of healthy economic growth and a tight labour market.

2 Average monthly household income from work among all *resident* households rose to \$6,280 in 2007, up from \$5,730 in 2006. This was a 9.6 per cent increase over 2006, the fastest growth over the last decade. Among *employed* households (i.e. households with at least one working person), average monthly household income from work grew by 9.1 per cent to reach \$6,830. After adjusting for inflation, employed households enjoyed real income growth of 6.9 per cent in 2007.

3 In 2007, half of the employed households had monthly household income from work of at least \$4,870, compared to the median household income of \$4,500 in 2006.

4 Among employed households, all income groups experienced increases in household income from work *per household member* in real terms in 2007.

5 Higher-income employed households continued to experience faster income growth, reflecting higher wage increases for skilled and knowledge workers. The distribution of income per household member among employed households thus widened further in 2007. The Gini coefficient, a summary measure of income inequality, increased from 0.472 in 2006 to 0.485 in 2007.

6 However, the Government's disbursement of the GST offset package which was weighted in favour of the lower-income groups helped in mitigating the effects of widening household income disparity. After adjusting for Government benefits and taxes, the Gini coefficient among employed households was lower at 0.460 in 2007 compared with 0.485 before the adjustment.

7 The Occasional Paper on “Key Trends in Household Income, 2007” is available for download from the Department of Statistics’ website at <http://www.singstat.gov.sg>. For enquires, please contact Mr Heng Tze Chow at Tel: 6332 7770.

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