



PRESS RELEASE

Median Household Income from Work Increased in 2012

1 Median household income from work increased in 2012, and over the last 5 years, according to the Singapore Department of Statistics' latest report on "Key Household Income Trends, 2012". Below are some key findings on the report.

Median Household Income Grew

2 Among resident employed households¹, median monthly household income from work² increased from \$7,040 in 2011 to \$7,570 in 2012, a 7.5 per cent growth in nominal terms, or 2.7 per cent in real³ terms.

3 Taking into consideration changes in household size, median monthly household income from work per household member increased by 6.7 per cent in nominal terms, or 1.9 per cent in real terms in 2012. Over the last 5 years from 2007 to 2012, the median monthly household income from work per household member of resident employed households rose by 13 per cent in real terms.

Increase in Real Household Income Per Household Member

4 Income growth by different income groups has tended to vary from year to year. However, taking the last 5 years as a whole, there has been a significant increase in incomes across income deciles. Resident employed households in all income groups experienced nominal and real growth in average household income per household member from 2007 to 2012. For resident employed households in the 1st – 60th percentiles, significantly stronger real growth was observed for the recent 5-year period (2007 – 2012), as compared to the earlier 5-year period (2002 – 2007).

¹ Resident employed households refer to households headed by Singapore Citizens or permanent residents 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) is used as a deflator to compute real income changes.

Households in Smaller Types of Dwelling Received More Government Transfers

5 On average, resident households received \$1,340 of transfers per member from various government schemes in 2012. Those in HDB 1- & 2-room flats received the most, at an annual average of \$6,140 per household member, followed by those in HDB 3-room flats at \$1,530 per household member on average.

Government Transfers had a Redistributive Effect on Household Income

6 The Gini coefficient⁴ increased slightly from 0.473 in 2011 to 0.478 in 2012. After adjusting for Government transfers and taxes, the Gini coefficient in 2012 was lower at 0.459, reflecting the redistributive effect of government transfers.

7 Internationally, there are differences in computation methods for Gini coefficients in different countries. Using the 'modified OECD scale' which is used for Gini coefficients in many of the developed countries, Singapore's Gini would be 0.457 (before Government transfers and taxes) and 0.437 (after Government transfers and taxes) in 2012

For More Information

8 The paper "Key Household Income Trends, 2012" can be downloaded from the Singapore Department of Statistics' website at <http://www.singstat.gov.sg>.

National Archives of Singapore

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⁴ 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.