



Senate Economic
Planning Office

FIES

At a Glance

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The National Statistics Office(NSO) recently released the final results of the 2003 Family Income and Expenditure Survey (FIES). This fact sheet presents some of the highlights of the said survey. On the whole, while average real income of families declined from its previous level, a lesser inequality in the income distribution was observed.

Table 1. Average Annual Income, Expenditures and Saving of Families At Constant Prices by National Income Decile, 2000 to 2003

Decile	2000			2003		
	Average	Average	Average	Average	Average	Average
	Income	Expenditure	Saving	Income	Expenditure	Saving
Philippines	145,121	118,839	26,282	130,604	109,988	20,615
First decile	24,506	26,463	-1,957	23,199	25,197	-1,997
Second decile	39,620	40,537	-917	37,261	38,393	-1,133
Third decile	51,250	50,795	455	48,388	48,422	-34
Fourth decile	64,231	61,693	2,538	60,444	58,196	2,247
Fifth decile	80,247	74,015	6,232	74,822	70,386	4,436
Sixth decile	100,549	90,878	9,671	92,964	86,800	6,164
Seventh decile	128,203	113,094	15,109	117,737	105,998	11,740
Eighth decile	169,290	141,769	27,521	154,385	134,710	19,674
Ninth decile	237,029	189,464	47,565	216,148	181,061	35,087
Tenth decile	556,277	399,678	156,599	480,689	350,719	129,970

Source: NSO

- There were 16 million families in the Philippines, with an average of five members, down from the previous family size of six.
- In 2003, a family had an average annual income of PhP148,757, or an increase of only 2.5 percent over the 2000 level. When the effect of inflation is taken in, average family income actually declined by 10 percent.
- Eighty four percent of family income went to expenditures, with just enough left for a little savings. Average annual saving of families in real terms got even smaller in 2003, declining by 22 percent, from P26,282 to PhP20,615.
- Lower-income families spent more than they earned, leaving them with negative savings.

- While the 2003 Gini coefficient slightly declined from 0.48 to 0.47, indicating a lesser family income disparity, the income of the richest 10 percent is still 20 times the income of the poorest 10 percent.
- Income inequality was highest in Zamboanga Peninsula, Northern Mindanao and Central Visayas and lowest in Central Luzon and ARMM.

Table2. Gini Coefficients, By Region

Region	2000	2003
Philippines	0.48	0.47
National Capital Region	0.45	0.41
Cordillera Administrative Region	0.44	0.43
Region I – Ilocos	0.41	0.40
Region II - Cagayan Valley	0.42	0.44
Region III - Central Luzon	0.36	0.35
Region IVA - CALABARZON	0.41	0.41
Region IVB - MIMAROPA	0.41	0.44
Region V – Bicol	0.45	0.46
Region VI - Western Visayas	0.46	0.44
Region VII - Central Visayas	0.47	0.47
Region VIII - Eastern Visayas	0.48	0.46
Region IX - Zamboanga Peninsula	0.47	0.52
Region X - Northern Mindanao	0.48	0.48
Region XI – Davao	0.43	0.46
Region XII - SOCCSKSARGEN	0.46	0.46
Region XIII – Caraga	0.41	0.43
Autonomous Region of Muslim Mindanao	0.32	0.35

Source: NSO, FIES

Note: A value of 0 represents perfect equality, a value of 1, perfect inequality

Table3. Gini Coefficients, Selected Countries

Country	Gini Coefficient	Survey year
Indonesia ^{1/}	0.34	2002
Korea ^{1/}	0.31	2003
Lao PDR ^{1/}	0.37	1997
Malaysia ^{1/}	0.44	1999
Philippines ^{2/}	0.48	2003
Singapore ^{1/}	0.42	1998
Thailand ^{1/}	0.43	2000
Vietnam ^{1/}	0.37	2002

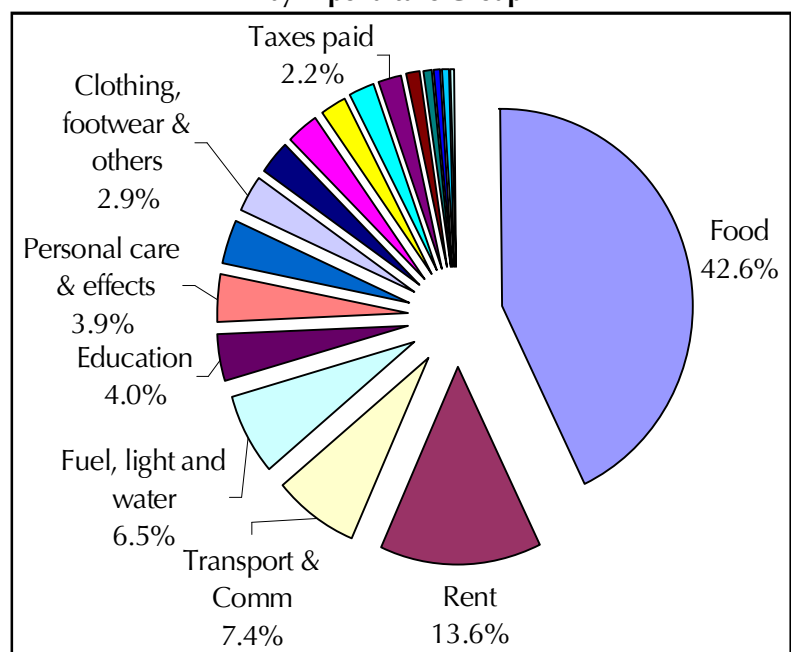
Sources: ^{1/} 2005 ADB Key Indicators

^{2/} 2003 FIES-NSO

- It should be noted that the Philippines has one of the worst income distributions compared with its neighboring countries.

- While food expenses still account for almost half of the family's total spending, its share went down to 42.6 percent, from 43.6 percent in 2000, signifying a change in the Filipino families' spending pattern.
- Families also appear to eat out more often, as higher spending on food consumed outside the home went up from 5.0 percent in 2000 to 5.3 percent in 2003. There was also a marked increase in the share of transportation and communication to total spending from 6.8 percent to 7.4 percent.

Figure1. Percentage Distribution of Total Family Expenditures by Expenditure Group



Source: 2003 FIES - NSO