



PRESS RELEASE

Highlights of the Preliminary Results of the 2021 Annual Family Income and Expenditure Survey

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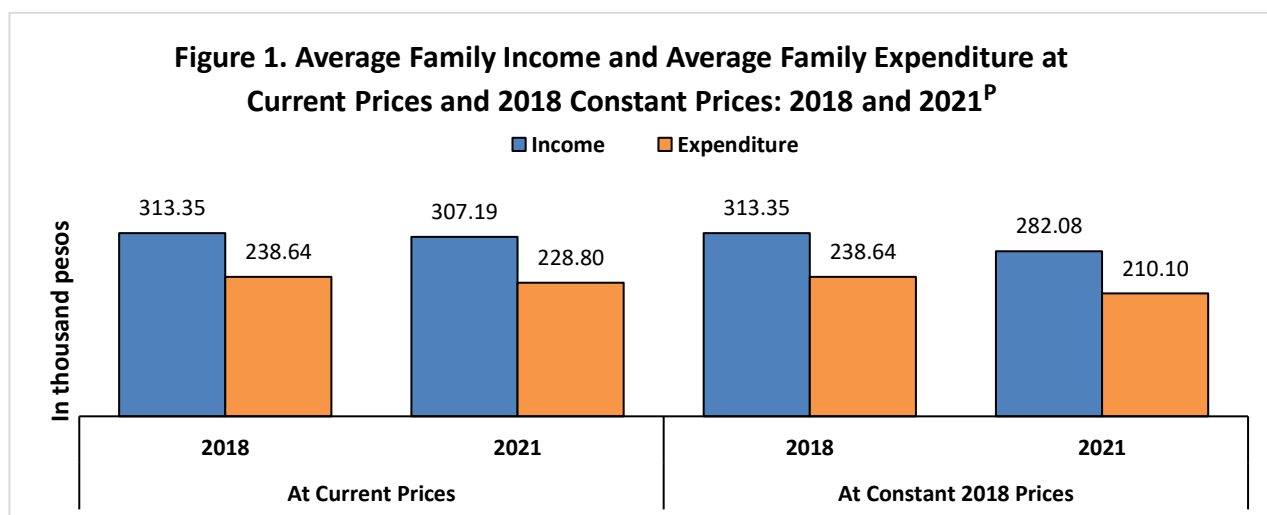
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Average annual family income in 2021 is estimated at PhP 307.19 thousand

The average income of Filipino families from January to December 2021 was estimated at PhP 307.19 thousand. This was lower by -2.0 percent from the PhP 313.35 thousand average family income in the same period of 2018. (Table 1.2 and Figure 1)

On the average, the Filipino families spent PhP 228.80 thousand in 2021, a decrease of -4.1 percent compared to the PhP 238.64 thousand average family expenditure in January to December 2018. (Table 1.2 and Figure 1)

At constant 2018 prices, which is obtained by adjusting the estimates with the 2018 inflation rate, the average annual family income in 2021 was valued at PhP 282.08 thousand. In the same manner, the average annual family expenditure during the year was valued at PhP 210.10 thousand at constant 2018 prices. (Tables 1.3 and Figure 1)



Source: Philippine Statistics Authority 's 2018 and 2021 Family Income and Expenditure Survey (FIES) and Retail Price Survey

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Among regions, the National Capital Region (NCR) retained its position as the region with the highest average annual family income in 2021 at PhP 417.85 thousand. Four of the country's 17 regions posted higher average annual family income compared to the national average of PhP 307.19 thousand. These were the following: NCR (PhP 417.85 thousand), Region IV-A (PhP 361.03 thousand), Cordillera Administrative Region (CAR) (PhP 350.43 thousand), and Region III (PhP 328.54 thousand). On the contrary, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) registered the lowest average annual family income of PhP 184.94 thousand. (Table 1.2)

Among provinces and Highly Urbanized Cities (HUCs), Makati City registered the highest average annual family income of PhP 579.57 thousand in 2021. On the other hand, the lowest average annual family income in 2021 was noted in Sulu at PhP 159.30 thousand. In terms of the growth in the average annual family income from 2018 to 2021, Lanao del Sur posted the highest growth rate of 42.9 percent, followed by Camarines Norte (27.6%), Apayao (22.7%), Batanes (22.2%), and Eastern Samar (21.9%). (Table 1.2)

Comparing the average annual family income in 2018 and 2021, the top five provinces and HUCs that posted the highest negative growth rate were, Mandaluyong City (-28.5%), Cebu City (-20.4%), Las Piñas City (-19.5%), Pateros (-17.7%), and Bohol (-15.7%). (Table 1.2)

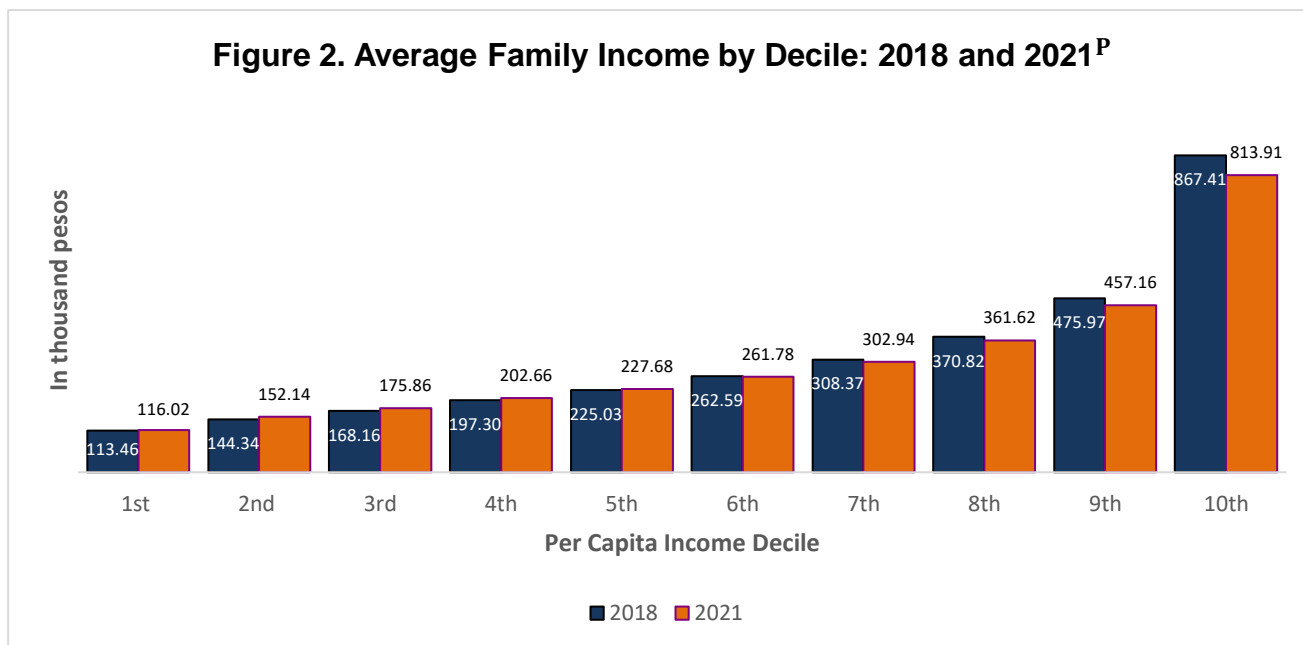
In terms of the average annual family expenditure, the top five provinces with the highest growth rate in average annual family expenditure from 2018 to 2021 were Lanao del Sur (63.6%), Batanes (29.6%), Kalinga (21.8%), Misamis Occidental (19.0%), and Zamboanga del Sur excluding Zamboanga City (18.3%). (Table 1.2)

Average Annual Family Income Grows among Lower Income Decile Groups

The average annual family income among the families in the first income decile to the fifth income decile in 2021 posted positive growths from their corresponding levels in 2018. The average annual family income of the families belonging to the first income decile grew by 2.3 percent, second decile by 5.4 percent, third decile by 4.6 percent, fourth decile by 2.7 percent, and fifth decile by 1.2 percent. (Table 2 and Figure 2)

On the other hand, the decline in the average annual family income of families in the sixth until the tenth income deciles from 2018 to 2021 ranged from -0.3 percent to -6.2 percent. (Table 2 and Figure 2)

Figure 2. Average Family Income by Decile: 2018 and 2021^P



Source: Philippine Statistics Authority's 2018 and 2021 Family Income and Expenditure Survey (FIES)
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Income disparity contracts in 2021

The total annual family income of the upper 10 percent income group was 7.02 times as much as that of the bottom 10 percent income group. On the other hand, the total annual family income of the upper 20 percent income group was 4.74 times as much as the total annual family income of the bottom 20 percent income group. (Table 2)

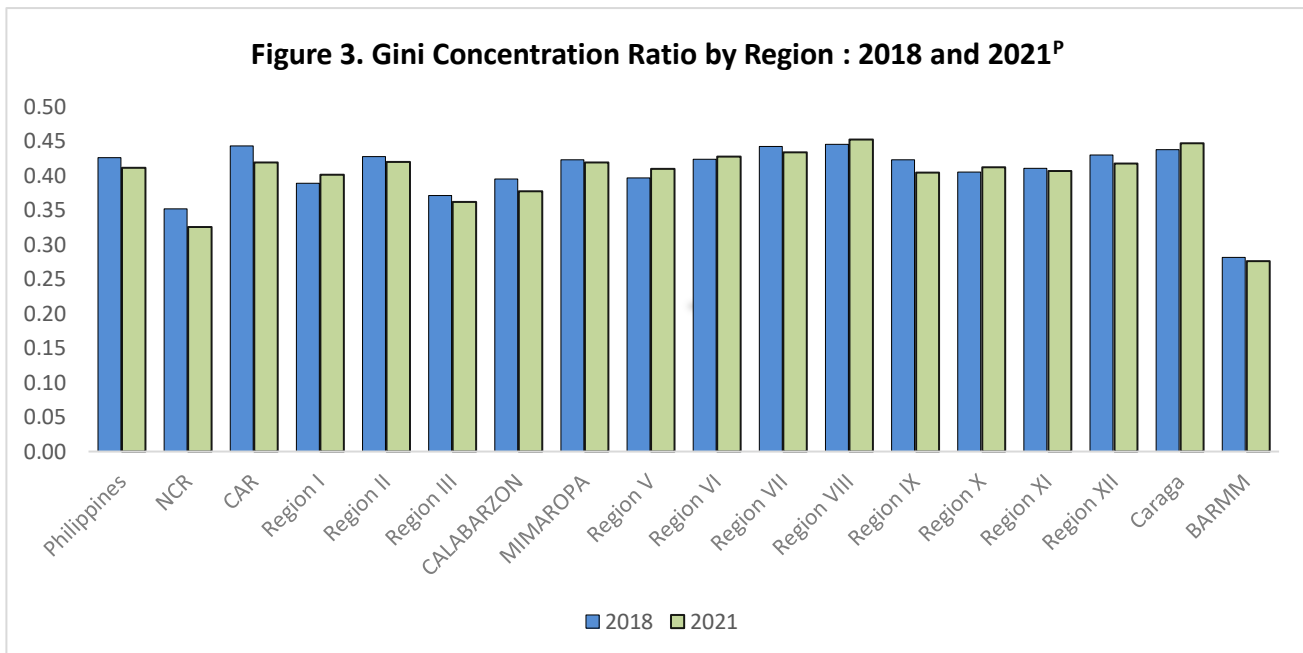
In 2021, income inequality in the country as measured by the Gini coefficient¹ was reduced to 0.4119 in 2021 from 0.4267 in 2018. (Table 5 and Figure 3)

This was driven by the growth in the average annual family income of the first to fifth income deciles and reduction in the average annual family income of the sixth to tenth income deciles. (Table 2)

Among the regions, BARMM had the lowest income disparity with a Gini coefficient of 0.2764, while Region VIII registered the highest income inequality with a Gini coefficient of 0.4531. (Table 5 and Figure 3)

Nine regions registered a Gini coefficient higher than the national figure. These were Region VIII (0.4531), Caraga (0.4474), Region VII (0.4344), Region VI (0.4283), Region II (0.4201), MIMAROPA (0.4193), CAR (0.4191), Region XII (0.4181), and Region X (0.4128). (Table 5 and Figure 3)

¹The Gini coefficient is used to measure the income inequality among families. It ranges from 0 to 1, with 0 indicating perfect income equality among families, while a value of 1 indicates absolute income inequality. An increase in the Gini coefficient indicates higher income disparity among families.



Source: Philippine Statistics Authority's 2018 and 2021 Family Income and Expenditure Survey (FIES)
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Among the provinces and HUCs, the top five areas with the most equitable distribution of income were Lanao del Sur (0.2036), Sulu (0.2253), Navotas City (0.2575), Tawi-Tawi (0.2682), and Maguindanao (0.2695). (Table 5)

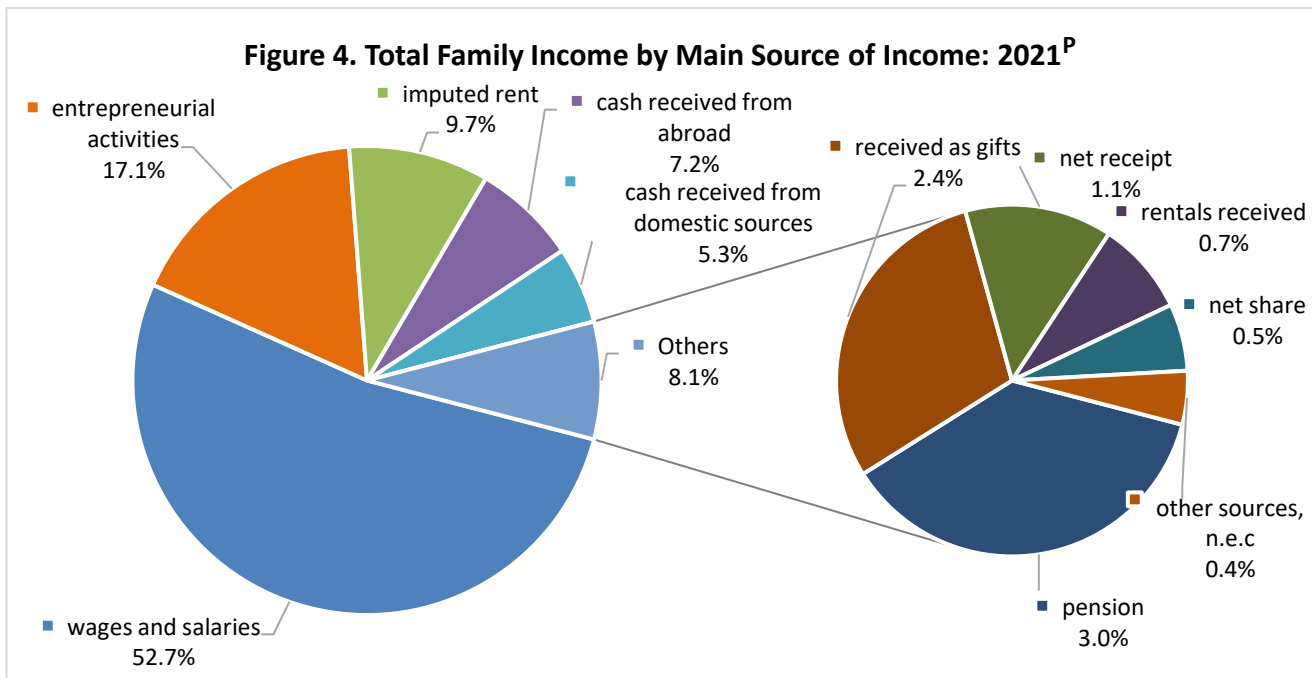
On the other hand, the top five provinces and HUCs with the highest level of income inequality were observed in Tacloban City (0.4893), Negros Oriental (0.4723), Zamboanga Sibugay (0.4670), Butuan City (0.4611), and Iloilo, excluding Iloilo City (0.4606). (Table 5)

Income inequality can also be measured using the Palma ratio, which is calculated as the ratio of the total family income of the upper 10 percent income decile group to the lower 40 percent income decile group. In 2021, it was observed that the income inequality measured by the Palma ratio was reduced to 1.26 from 1.39 in 2018, implying lower income inequality in 2021. (Table 2)

Wages and Salaries remain as the primary source of total family income

In 2021, wages and salaries remained to be the primary source of total family income with a share of 52.7 percent to the total family income, or an increase of 2.3 percentage points from 50.4 percent in 2018. (Table 4 and Figure 4)

Other than wages and salaries, the income from entrepreneurial activities, imputed rent, cash receipts from abroad, and cash receipts from domestic sources remained to be the top contributors to total family income. (Table 4 and Figure 4)



Source: Philippine Statistics Authority's 2021 Family Income and Expenditure Survey (FIES)
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