

SPECIAL RELEASE

Family Income and Expenditure in CAR: 2015 and 2018

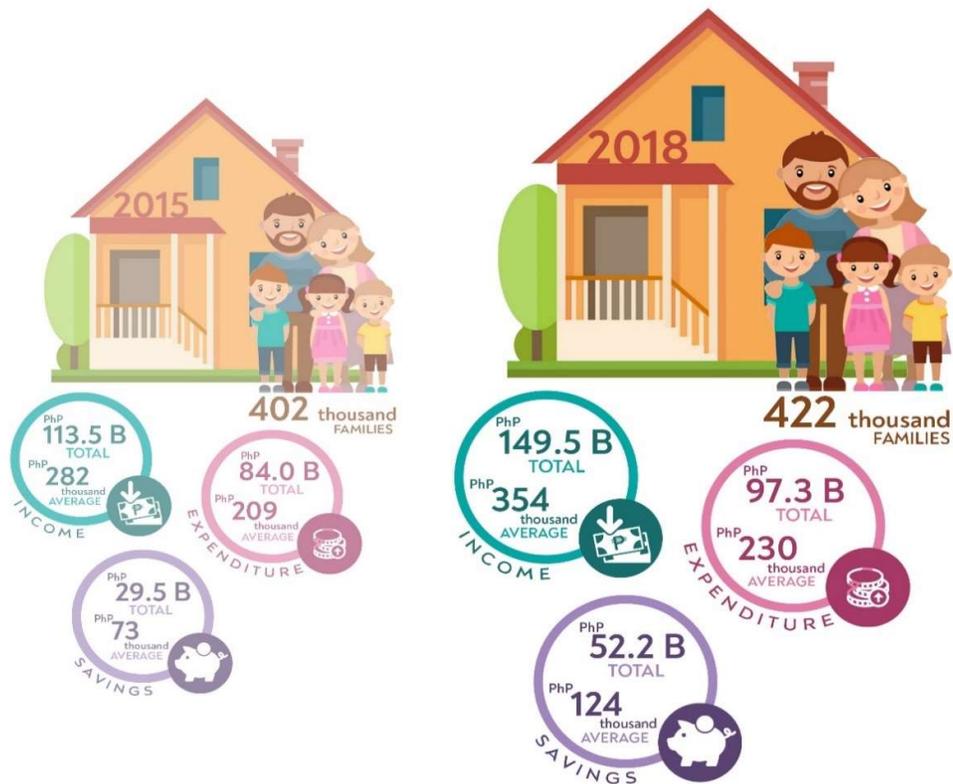
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The Family Income and Expenditure Survey (FIES) is a nationwide survey of households undertaken every three years. It is a main source of data on family income and expenditure, which include among others, levels of consumption by item of expenditure as well as sources of income in cash and in kind. The results of FIES provide information on the levels of living and disparities in income of Filipino families, as well as their spending patterns.

Average family income in CAR is 29.5 thousand pesos monthly

- In 2018, families in the Cordillera Administrative Region (CAR) had an average annual family income of 354 thousand pesos. In comparison, the annual expenditure for the same year was 230 thousand pesos on average. These figures meant an average annual saving of 124 thousand pesos per family.

Figure 1. Number of Families, Total and Average Annual Family Income and Expenditure, CAR: 2015 and 2018

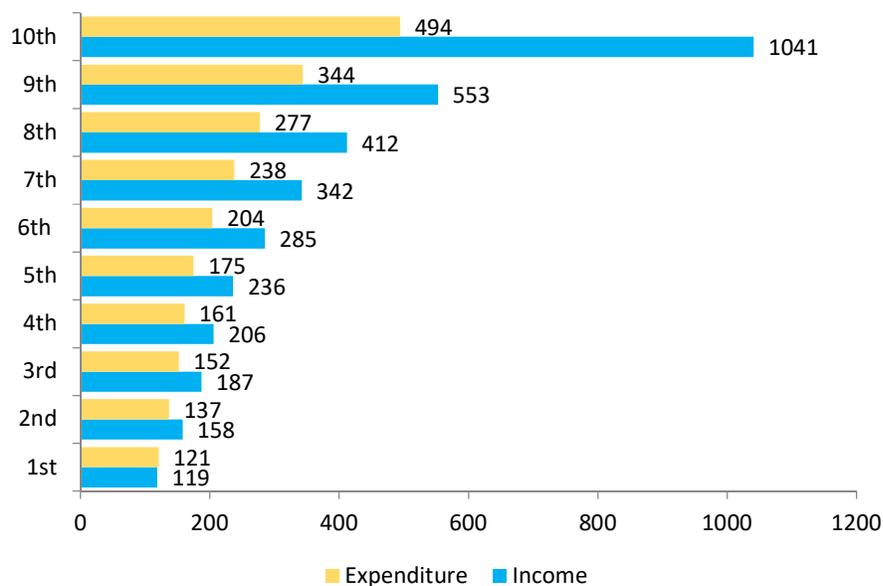


- The average family income of the region increased by 25.5 percent from 2015 to 2018. Also, the region's average annual expenditure also increased by 10 percent from 2015 to 2018. And the average savings increased by almost 70 percent.
- In real terms (taking out the effect of inflation) and using 2012 prices, the average annual family income in CAR in 2018 would be valued at 305 thousand pesos while the average annual family expenditure would be valued at 199 thousand pesos.

Richest have income 9 times that of the poorest and spend 4 times than the poorest

- Families were grouped and ranked into per capita income deciles. The richest decile represents families belonging to the highest ten percent in terms of per capita income, while the poorest decile represents families in the lowest ten percent. From 2012 to 2018, the average annual family income in all deciles increased.
- In 2018, the mean family income in the region ranged from 121 thousand pesos for the 1st income decile (poorest) to 494 thousand pesos for the 10th income decile (richest). For the expenditure, it ranged from 119 thousand pesos for the 1st income decile to 1,041 for the 10th income decile.
- The average annual family income of the tenth decile in 2018 was almost nine times that of the first decile while the expenditure is four times higher from the first to the tenth decile.

Figure 2: Mean Family Income and Expenditure by Per Capita Income Decile, CAR: 2018 (In Thousand Pesos)

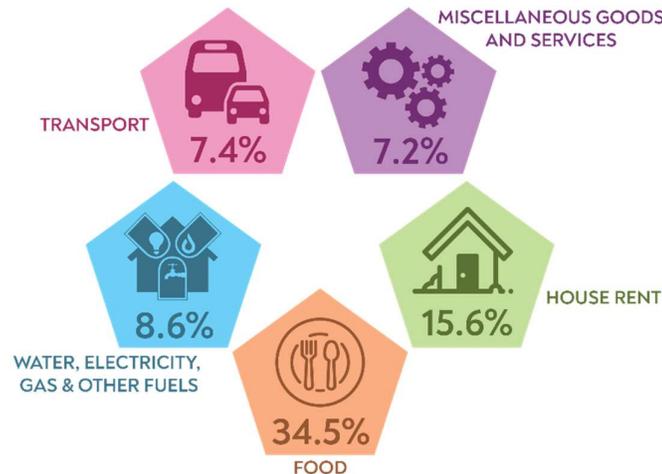


Source: Philippine Statistics Authority

Spending on house rental and utilities remain second to food expenses

- More than a third of the total expenses of all income groups in 2018 were on food, followed by spending on house rental which was at 15.6 percent.
- The percent share of expenditure on Water, Electricity, Gas and Other Fuels came third with 8.6 percent.

Figure 3: Expenditure Pattern of All Income Groups, CAR: 2018



Source: Philippine Statistics Authority

- Poor families spent more on education (0.7% of the total expenditure) than on alcoholic beverages and tobacco (0.4% of the total expenditure).

Income disparity remains wide but improved in 2018

- The Gini coefficient, a measure of income inequality within a population, was estimated at 0.4267 in 2018 for the whole Philippines. This figure was lower than the 2015 ratio of 0.4438, which may indicate some improvement in the income distribution among families (Table 1). A Gini coefficient ranges from 0 to 1, with 0 indicating perfect income equality among families, while value of 1 indicates absolute income inequality.
- Five regions had higher coefficients than the national including the Cordillera Administrative Region (0.4437). The other four regions were Eastern Visayas (0.4457), Central Visayas (0.4425), Caraga (0.4383) and SOCCSAKSARGEN (0.4303). ARMM had the lowest Gini coefficient at 0.2819.
- The Gini coefficient of income of families in CAR was estimated at 0.4437 in 2018, higher than the estimated coefficient in 2015 at 0.4209. This could mean that income inequality in CAR widened.

Table 1: Gini Concentration Ratios by Region: 2015 and 2018

Region	2015	2018
Philippines	0.4438	0.4267
National Capital Region	0.3908	0.3520
Cordillera Administrative Region	0.4209	0.4437
I - Ilocos Region	0.3977	0.3893
II - Cagayan Valley	0.4063	0.4278
III - Central Luzon	0.3939	0.3717
IVA - CALABARZON	0.4011	0.3952
IVB - MIMAROPA	0.4564	0.4230
V - Bicol Region	0.3960	0.3937
VI - Western Visayas	0.4361	0.4241
VII - Central Visayas	0.4645	0.4425
VIII - Eastern Visayas	0.4647	0.4457
IX - Zamboanga Peninsula	0.4359	0.4231
X - Northern Mindanao	0.4633	0.4059
XI - Davao Region	0.4294	0.4108
XII - SOCCSKSARGEN	0.4624	0.4303
Caraga	0.4336	0.4383
Autonomous Region in Muslim Mindanao	0.2800	0.2819

Note: Gini coefficient was computed using STATA software
 Source: Philippine Statistics Authority

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Technical Notes

Inflation is a sustained increase in the general level of prices of goods and services.

Current Price is the price at which goods are currently being sold in the market.

Income Decile are groupings that result from ranking either all households or all persons in the population in ascending order according to income, and then dividing the population into ten equal groups, each comprising approximately 10% of the estimated population.

Gini Coefficient is a statistical measure of the degree of variation or inequality represented in a set of values, used especially in analyzing income inequality.

The **2018 FIES enumeration** was conducted twice – the first visit was in July 2018 covering the first semester (January to June 2018) as the reference period; the second visit was in January 2019 with the second semester (July to December 2018) as reference period. The same set of questions is asked for both visits.

Starting **2018 FIES**, the survey adopted the 2013 Master Sample Design, with a sample size of approximately 180,000 sample households.

The **number of families** for the 2015 and 2018 FIES was estimated using the household population projections-based on the household population counts from the 2015 Census of Population (POPCEN 2015). Starting 2012 FIES, the survey adopted the 2009 Philippine Classification of Individual Consumption According to Purpose (PCOICOP). The 2009 PCOICOP is the first standard classification of individual consumption expenditure in the country.

The **standard error** can be used to calculate confidence intervals within which the true value for the population can reasonably be assumed to fall. For example, for any given statistic calculated from a sample survey, the value of that statistic will fall within a range of plus or minus two times the standard error of that statistic in 95 percent of all possible samples of the same size and design.
