Release No. 412
Date Released: February 5, 2009

2006 FAMILY INCOME AND EXPENDITURE SURVEY

(Final Results)

Increase in average annual family income and expenditure

In 2006, the average annual family income of Filipino families (P173 thousand) was 16.8 percent higher than the 2003 estimated average of P148 thousand.

Correspondingly, the average annual family expenditure of families increased from P124 thousand in 2003 to P147 thousand (18.5%) in 2006.

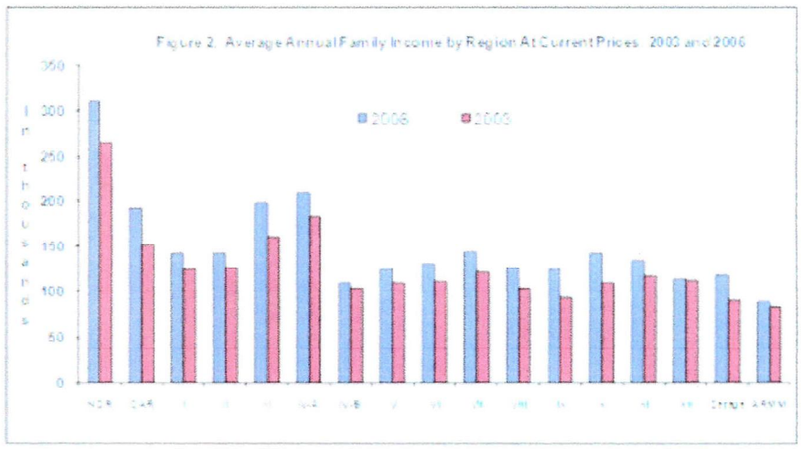
Adjusting for the inflation between 2003 and 2006, the average annual family income in 2006 (P173 thousand) would be valued at P125 thousand at 2000 prices. Likewise, the average annual family expenditure in 2006 (P147 thousand) would be valued at P107 thousand at 2000 prices.

Four regions posting estimates higher than the national average

All regions showed increases in the average annual family income between 2003 and 2006 at current prices.

The top four regions in terms of average income posting estimates higher than the national average (P173 thousand) were National Capital Region (P311 thousand), CALABARZON (P210 thousand), Central Luzon (P198 thousand) and Cordillera Administrative Region (P192 thousand). Meanwhile, the Autonomous Region in Muslim Mindanao registered the lowest average annual income (P89 thousand). This figure is however higher by 6.9 percent compared to the region's 2003 average annual income of P83 thousand.

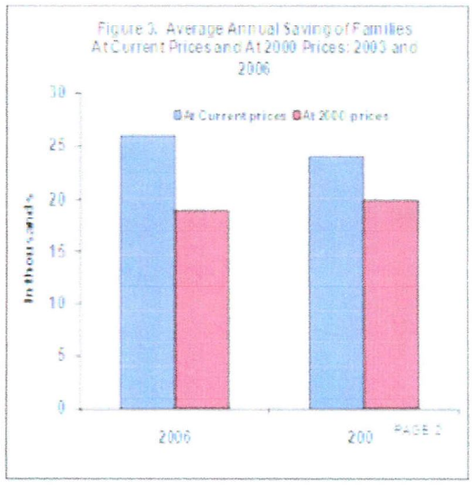
Adjusting for the inflation between 2000 and 2006, the annual average income for 2006 of NCR families would be valued at P221 thousand, CALABARZON at P153 thousand, Central Luzon at P147 thousand and CAR at P137 thousand.



Average annual family saving improve but not in real terms

Average annual family saving (average annual family income net of average annual family expenditure) at current prices was measured in 2006 at P26 thousand per family, increased by 5.6 percent from P24 thousand per family in 2003.

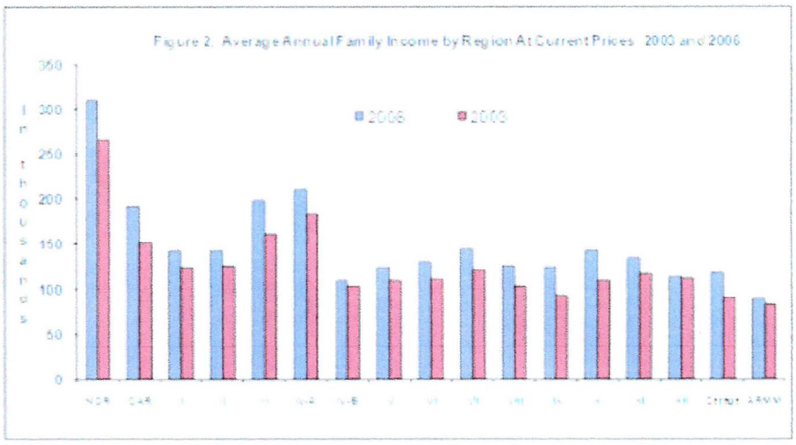
At 2000 prices, the 2006 real average saving per family is equivalent to P19 thousand which is lower than the 2003 average saving of P20 thousand per family.



Average annual family income in all deciles increase

From 2003 to 2006, average annual family income in all deciles increased.

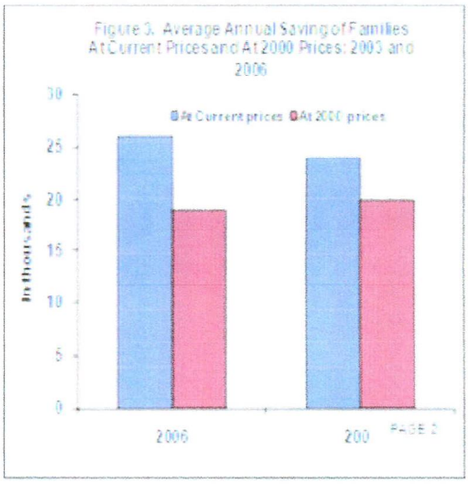
The average annual family income of the bottom 30 percent of families (or the lowest three income deciles combined) was estimated at P49 thousand, higher by around P7 thousand from the average annual family income in 2003 (P42 thousand). Likewise, the average annual family income of the upper 70 percent of families increased by around P33 thousand. For all families, the increase was P25 thousand.



Average annual family saving improve but not in real terms

Average annual family saving (average annual family income net of average annual family expenditure) at current prices was measured in 2006 at P26 thousand per family, increased by 5.6 percent from P24 thousand per family in 2003.

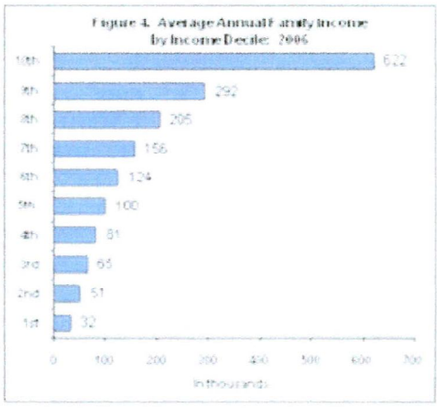
At 2000 prices, the 2006 real average saving per family is equivalent to P19 thousand which is lower than the 2003 average saving of P20 thousand per family.



Average annual family income in all deciles increase

From 2003 to 2006, average annual family income in all deciles increased.

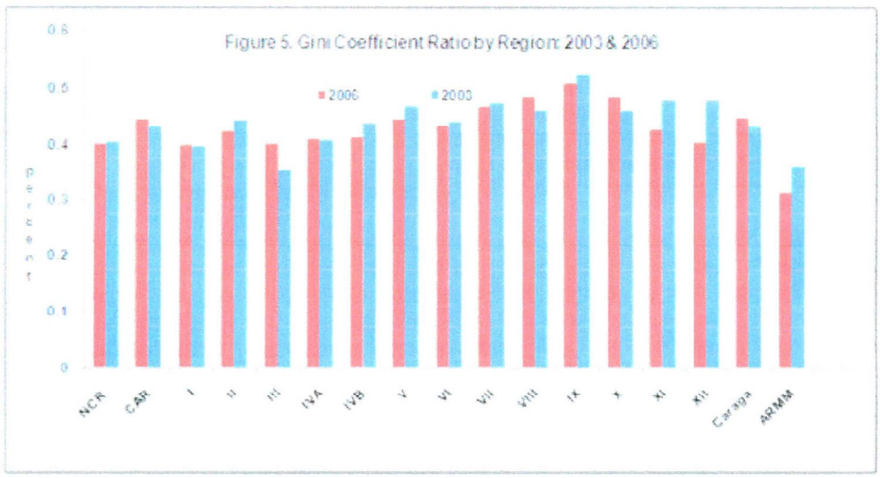
The average annual family income of the bottom 30 percent of families (or the lowest three income deciles combined) was estimated at P49 thousand, higher by around P7 thousand from the average annual family income in 2003 (P42 thousand). Likewise, the average annual family income of the upper 70 percent of families increased by around P33 thousand. For all families, the increase was P25 thousand.



Less unequal income distribution in 2006

The resulting Gini coefficient was estimated at 0.4580 in 2006, slightly lower than the 2003 ratio of 0.4605. A lower Gini coefficient indicates a movement towards a more equal or a less unequal income distribution.

Increases in the Gini coefficient indicating a movement towards a widening income disparity among families was observed in six regions with Central Luzon showing the biggest increment from 0.3515 in 2003 to 0.3994 in 2006. ARMM had the lowest income disparity with a Gini coefficient of 0.3113, which is even lower than its 2003 figure of 0.3578.



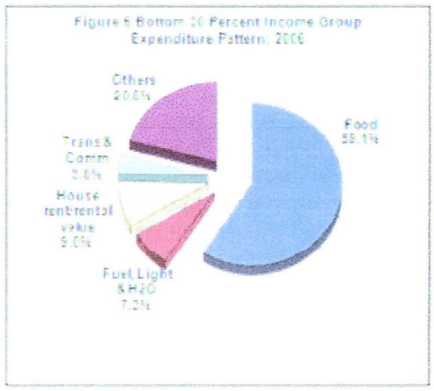
Shift in the spending pattern continue particularly those in the bottom 30 percent income group

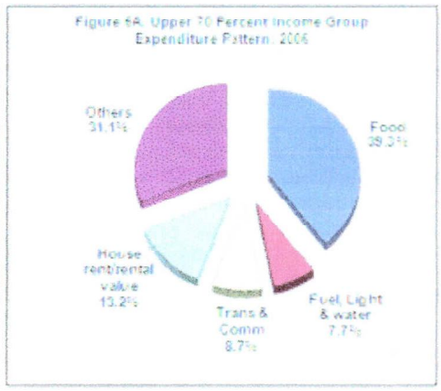
The spending pattern of Filipino families particularly those in the bottom 30 percent income group continued to slide towards less spending on food. In 2006, 59.1 percent of all expenditures by this group were on food, decreased by 1.1 percentage points from 60.2 percent in 2003.

Likewise, expenditure on tobacco for the bottom 30 percent income group decreased from a share of 2.0 percent in 2003 to 1.7 percent in 2006; clothing, footwear and other wear, from 2.5 percent to 2.0 percent.

Housing expenditures which represents the second largest in the family budget showed an increase from 8.8 percent in 2003 to 9.0 percent in 2006. Other expenditure groups for the bottom 30 percent income group which showed an increase are medical care, from 1.4 percent to 1.7 percent, transportation and communication, from 3.2 percent to 3.8 percent, fuel, light and water, from 6.6 percent to 7.3 percent, and household operation, from 1.7 percent to 1.8 percent.

On the other hand, the food expenditures of the upper 70 percent income group also decreased by 1.8 percentage points from 41.1 percent in 2003 to 39.3 percent in 2006.





TECHNICAL NOTES

The 2006 Family Income and Expenditure Survey (FIES) is a nationwide survey of households undertaken every three years by the National Statistics Office (NSO). It is the 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.

The 2006 FIES is a sample survey designed to provide income and expenditure data that are representative of the country and its 17 regions. It used four replicates of the 2003 Master Sample (MS) created for household surveys on the basis of the 2000 Census of Population and Housing. The 2003 MS has been designed to produce the sample size needed for large surveys, like the FIES. To facilitate subsampling, the 2003 MS has been designed to readily produce four replicate samples from the full set of sampled PSUs.

In the 2003 MS, a stratified, three-stage sampling design was employed: the selection of Primary Sampling Units (PSUs) for the first stage, sample enumeration areas (EAs) for the second stage, and sampling units for the third stage. The domains are the regions which were stratified by province, highly urbanized city (HUC), independent component city (ICC), and other factors within the geographical strata. The overall sampling fractions vary across regions to generate adequate sample size for each region. Survey weights are used in order to produce valid estimates of the population parameter. Base weights are computed to compensate for the unequal selection probabilities in the sample design. These were adjusted to account for unit nonresponse and to conform to known population distributions (eg. projected population counts).

The 2006 FIES enumeration was conducted twice - the first visit was done in July 2006 with the first semester January to June as the reference period; the second visit was made in January 2007 with the second semester of 2006, that is, July to

December 2006 as reference period. The same set of questions is asked for both visits.

The number of households/families for the 2006 FIES was estimated using the 2000 Census of Population and Housing (CPH)-based population projections and information from the 2000 CPH on the average household size by province.

The estimates from the 2006 FIES include results of the first FIES visit for the NCR based on the questionnaires recovered from the fire that hit the NCR's Statistics Office on October 3, 2006. Damaged questionnaires were around 58 percent of the total questionnaires for the FIES first visit. Questionnaires that were encoded and processed covered around 42 percent of these questionnaires. In the preliminary results, values for the burned questionnaires were imputed using a ratio which requires data from the recovered questionnaires and data from corresponding questionnaires from the second visit. The ratio was computed by getting the sums of the total income and total expenditure in the recovered questionnaires from the first visit and the sums of the same data from corresponding second visit questionnaires and then by dividing the sums from the second visit by the sums from the first visit. The annual estimates on income and expenditure for NCR were computed by dividing the second visit values by the computed ratio. For the final results, the annual estimates for the NCR were computed by multiplying by 2 the second visit data. This imputation procedure was opted after it has been established that there was no significant difference between using the ratio and the multiplier '2'.

The set of samples selected for the 2006 FIES is only one of the possible sets of samples of equal size that could have been selected from the same population using the same sampling design. Estimates derived from each of these sets of samples would differ from one another. Sampling error is a measure of the variability of the estimates among all possible sets of samples. It is usually measured in terms of the standard error for a particular statistic.

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.

Back to HomePage

Source: **National Statistics Office**
Manila, Philippines

Page last revised: **February 23, 2009**

Human Development Index

Highlights of the Report of the
2000 Philippine Human Development Index
Posted 21 Jan. 2003

State of Philippine Human Development Improving in 2000

The country's state of human development improved in 2000 as human development index stood at 0.656, or 0.027 points higher than the 1997 computed index.of 0.629. All component indices grew in 2000 but the most remarkable progress was noted in income index.

The Philippine HDI, LEI, EI and II, 1994, 1997 and 2000

Index	2000	1997	1994	Difference	
				2000-1997	1997-1994
HDI	0.656	0.629	0.627	0.027	0.002
LEI	0.732	0.717	0.707	0.015	0.010
EI	0.840	0.835	0.812	0.005	0.023
II	0.394	0.336	0.361	0.058	(0.025)

Note:
LEI - Life Expectancy Index
EI - Education Index
II - Income Index

Source: National Statistical Coordination Board

Bulacan, Highest Ranking in 2000 HDI

In 2000, Bulacan enjoyed the highest HDI at 0.760. It rose to the top rank in 2000 from ranking fourth in 1994 and 1997 and also recorded the biggest growth from 1997 to 2000 at 8.3 percent. Next in line was Bataan, 0.746; and Cavite, 0.735. Table 2 shows the top ranking provinces in 2000 along with their ranks in 1997 and 1994:

Table 2. The Top Ten Provinces in HDI, 2000

Province	2000		1997		1994		Percent Change	
	HDI	Rank	HDI	Rank	HDI	Rank	2000-1997	1997-1994
Bulacan	0.760	1	0.702	4	0.727	4	8.3	(3.4)
Bataan	0.746	2	0.727	1	0.653	8	2.6	11.3
Cavite	0.735	3	0.724	2	0.782	1	1.5	(7.4)
Rizal	0.733	4	0.693	5	0.730	3	5.8	(5.1)
Batanes	0.717	5	0.713	3	0.760	2	0.5	(6.2)
Laguna	0.709	6	0.676	7	0.721	5	4.8	(6.2)
Ilocos Norte	0.684	7	0.646	9	0.623	12	5.8	3.7

Batangas	0.683	8	0.684	6	0.672	6	(0.1)	1.8
Pampanga	0.665	9	0.648	8	0.664	7	2.6	(2.4)
Isabela	0.649	10	0.626	10	0.624	10	3.6	0.3

Source: National Statistical Coordination Board

Sulu, Lagging in 2000 HDI

At the bottom end of the HDI ladder in 2000 was Sulu (Table 3), and was also the most lagging province in 1997 and 1994. Among the ten lagging provinces, Tawi-Tawi and Basilan experienced a worsening of their state of human development in 2000 as Tawi-Tawi's HDI declined by 9.3 percent from its index in 1997 and Basilan, by 3.3 percent. Also, of the bottom 10 provinces, 8 were in Mindanao; one in Visayas (Western Samar); and one in Luzon (Ifugao).

Table 3. The Bottom Ten Provinces, 2000

Province	2000		1997		1994		Percent Change	
	HDI	Rank	HDI	Rank	HDI	Rank	2000-1997	1997-1994
Sulu	0.351	77	0.336	77	0.357	76	4.3	(5.9)
Tawi-Tawi	0.390	76	0.430	74	0.387	75	(9.3)	11.1
Basilan	0.425	75	0.439	73	0.423	73	(3.3)	3.8
Ifugao	0.461	74	0.452	72	0.406	74	1.9	11.3
Maguindanao	0.461	73	0.416	75	0.449	71	10.8	(7.3)
Lanao del Sur	0.464	72	0.415	76	0.442	72	11.8	(6.1)
Agusan del Sur	0.482	71	0.482	70	0.459	70	-	5.0
Samar	0.511	70	0.493	67	0.462	67	3.6	6.7
Lanao del Norte	0.512	69	0.470	71	0.473	65	8.8	(0.6)
Sarangani	0.516	68	0.494	66	0.529	46	4.5	(6.6)

Source: National Statistical Coordination Board

Note: The number of provinces in 1997 and 2000 was 77 due to the splitting of the province of Kalinga-Apayao into Kalinga and Apayao in 1997.