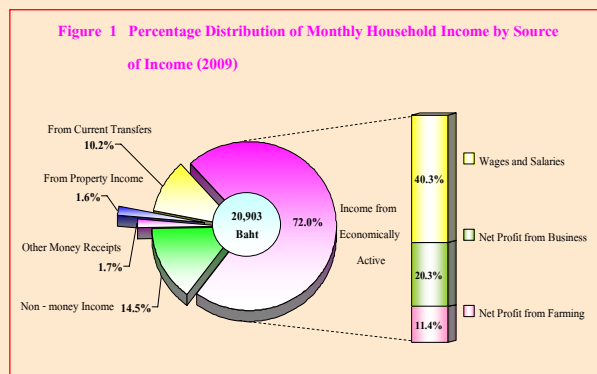


Chapter 2

Major Findings

2.1 Household Income (2009)

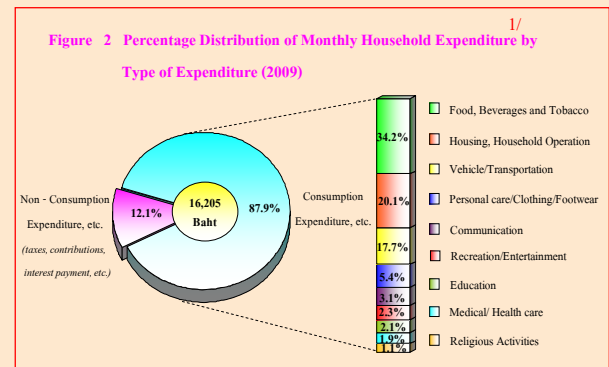
The result of the 2009 survey showed that household nationwide earned on average 20,903 baht per month. The major source of income (72.0%) was from economically activities such as wages and salaries (40.3%), followed by net profit from non-farm business (20.3%), and net profit from farming (11.4%). Income from economically inactive was mainly from assistance from other persons outside the household or from the government (10.2%), followed by income from asset and property rental such as interest receipt (1.6%). The other source of earning was from assistance in terms of welfare/goods and services (14.5%).



2.2 Household Expenditure (2009)

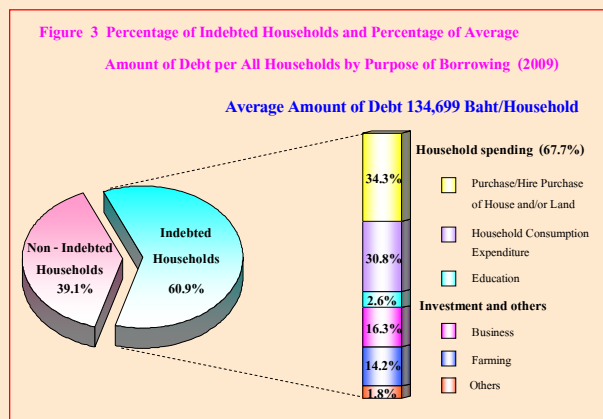
During the 2009 survey, household nationwide spent on average 16,205 baht per month. By this amount, 34.2 percent was mainly spent on food and beverages (of which 1.4 percent was paid for alcoholic drinking), followed by expense on housing and household appliances (20.1%), vehicles and transportation (17.7%), personal care/clothing/footwear (5.4%), communication (3.1%), recreation and entertainment (2.3%), education (2.1%), medical (1.9%), and activities related to religious (1.1%).

In addition, household had non-consumption expenditure such as expenses on taxes, gifts, insurance (non-accumulative), lottery, and interest payment, which was about 12.1 percent.



2.3 Household Debt (2009)

Over a half of households in the whole country (60.9%) were indebted. The average amount of debt was 134,699 baht per household. The main purpose of borrowing was for household spending (67.7%), which included buying house/land (34.3%), household consumption (30.8%) and the loan for education (only 2.6%). The share of debt for non-farm business was higher than for farming 2.1 percentage point.

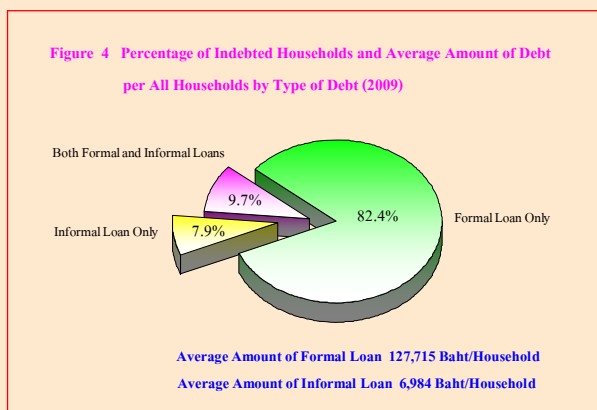


^{1/} expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

2.4 Indebted Household : Formal and Informal

Loans (2009)

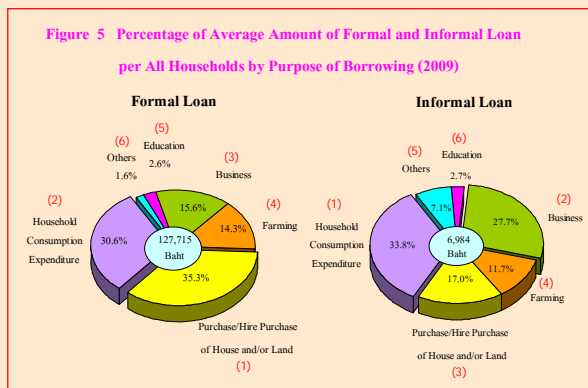
The majority of indebted households borrowed from formal sector. The share of indebted households with formal loan only was the largest (82.4%), followed by those with both formal and informal loans (9.7%), while those with informal loan only was the least (7.9%). The result also revealed that average amount of formal loan was 18 times higher than that of informal loan (127,715 and 6,984 baht, respectively).



2.5 Formal and Informal Loans by Purpose (2009)

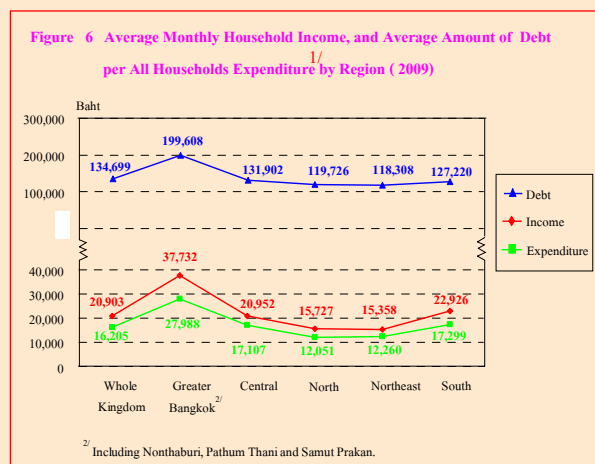
The result of the 2009 survey revealed that the main purpose of indebted households with formal loan was for buying house/land (35.3%). The tax stimulus for real estate campaign was likely the underlying reason. The purpose of household consumption was the next (30.6%). The loan for non-farm business had almost similar share to that for farming (15.6% and 14.3%, respectively). The loan for education, though, had only small share (2.6%).

In contrast, household consumption was the main purpose (33.8%) for indebted households with informal loan. The following purposes were for non-farm business, for buying house/land, and for farming (27.7%, 17.0%, and 11.7%, respectively). And again, the purpose of education was very small (2.7%).



2.6 Household Income, Household Expenditure, and Household Debt by Region (2009)

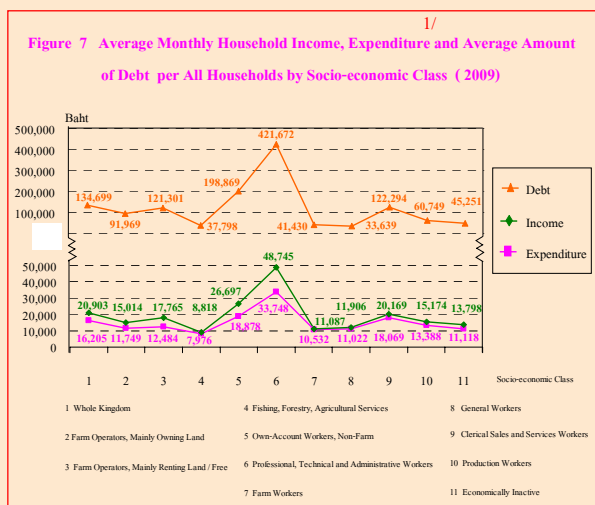
Considering household income, household expenditure, and household debt by region, the survey result showed that households in Bangkok Metropolitan and the three provinces nearby, which are Nonthaburi, Patum Thani, and Samut Prakan, earned the highest average income of about 37,732 baht. In this region, it was discovered that household expenditure and household debt were also found the highest figures which were 27,988 baht and 199,608 baht, respectively. Moreover, the proportion of expenditure per income in this region was 74.2 percent. Households in the Central have the lowest figures in income, expenditure, and debt. By this, the proportion of expenditure per income was 81.6 percent. As a result, households in this region would have less money for saving or for repaying debt comparing to other region (those of households in South/ North/Northeast were between 75-80 percent).



^{1/} expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

2.7 Household Income, Household Expenditure, and Household Debt by Household Socio-economic Class (by type of occupation) (2009)

Concerning by type of occupation, the survey result showed that households of employed professional/technical/executive workers earned the highest average income of about 48,745 baht, followed by households of operators in non-farm business, households of clerical/sales/service workers, and households of farm operators with mainly renting land/free (26,697 baht, 20,169 baht, and 17,765 baht, respectively). Households earned the lowest income were those of agricultural operators on fishery/forestry/hunting (8,818 baht). In addition, most of households which earned high income also had high expenditure and debt.

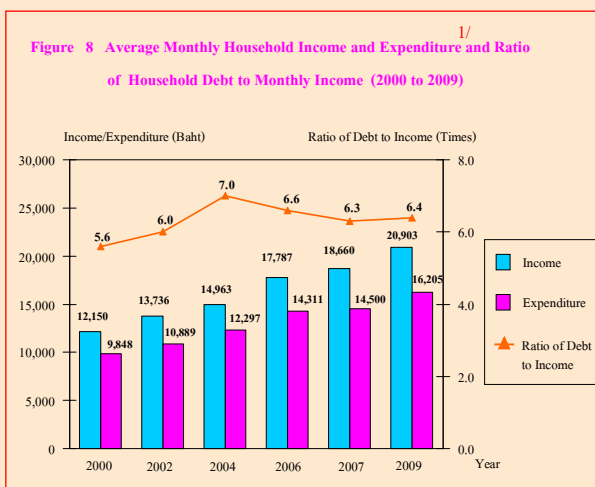


2.8 Comparing Income, Expenditure, and Ratio of Debt to Income (2000 to 2009)

During 2000 to 2009, the overall figure showed that income was higher than expenditure for necessary items for daily life. In addition to this, income had increased from 12,150 baht in 2000 to 20,903 baht in 2009, and in the same time, expenditure had increased from 9,848 baht to 16,205 baht. Considering the difference between income and expenditure in 2009, it was found that income was higher than expenditure for necessary items for daily life averagely about 4,698 baht per household or approximately 1,424 baht per capita,

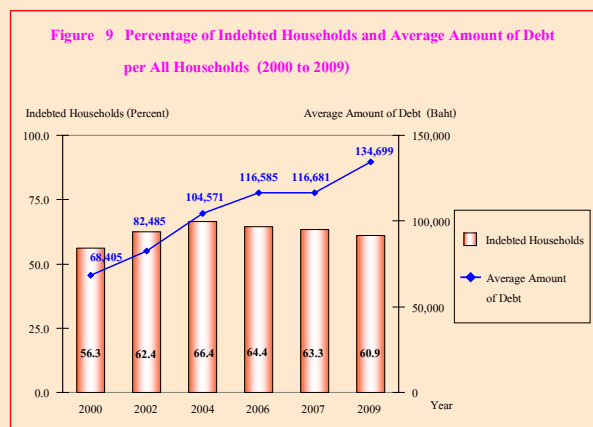
which was mainly used for saving and repaying debt or hire purchase house and land, etc.

Concerning the proportion of debt to income, it was found that the figure in 2004 was the highest comparing to other years. However, after that, the figure declined from 7.0 times to 6.3 times in 2007, and it started to increase again in 2009 (6.4 times).



2.9 Comparing Percentage of Indebted Households and Average Amount of Debt (2000 to 2009)

From 2000 to 2004, indebted households increased from 56.3 percent to 66.4 percent, then decreased to 64.4 percent in 2006 and 60.9 percent in 2009. Conversely, the rise of average amount of debt was found from 68,405 baht in 2000 to 134,699 baht in 2009.



1/ expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

2.10 Comparing Changes of Household Income, Household Expenditure and Household Debt (2007 to 2009)

By comparing the annual change rate of household income, household expenditure, and household debt, the survey result found that household income and household expenditure in 2009 increased. However, the increasing rate of household income (5.8%) was slightly higher than that of household expenditure (5.7%). As a result, the proportion of expenditure per income declined from 77.7 percent in 2007 to 77.5 percent in 2009.

Furthermore, the figure of household debt was shown an improving of household status. That is, the number of indebted households decreased by 1.9 percent. In contrast, the average amount of debt per household rose by 7.4 percent.

Table 1 Changes of Income, Expenditure, and Debt (2007 to 2009)

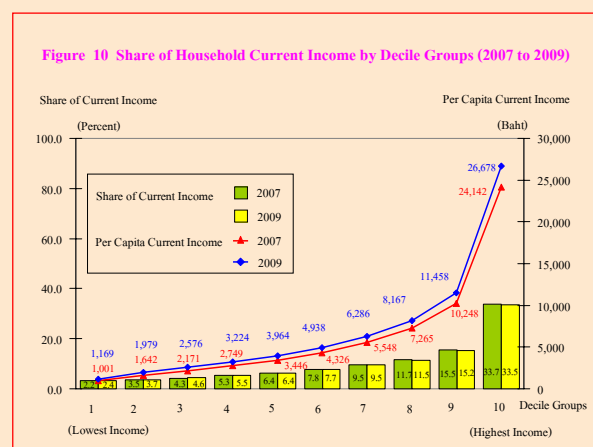
Items	2007	2009	Annual percentage changes
			2009/07
Income (Baht)	18,660	20,903	5.8
Expenditure (Baht)	14,500	16,205	5.7
Proportion of Expenditure per Income (Percent)	77.7	77.5	-0.1
Average Amount of Debt per Household (Baht)	116,681	134,699	7.4
Indebted Households (Percent)	63.3	60.9	-1.9
Ratio of Debt to Income (Times)	6.3	6.4	0.8

2.11 Comparing Distribution of Household Income (2007 to 2009)

In analyzing income distribution, households were equally divided into 10 groups, from those with the lowest to the highest of their monthly income per capita (the first group earned the lowest

income, while the tenth group earned the highest income). The result showed that the percentage share of income of the tenth group was 33.5 percent, whereas that of the first group was 2.4 percent. However, it was found that income inequality had decreased. That is, the percentage share of income of the highest income group fell from 33.7 percent in 2007 to 33.5 percent in 2009, while that of the lowest income group grew up from 2.2 percent in 2007 to 2.4 percent in 2009. Furthermore, the result of the Gini coefficient analysis had declined from 0.418 in 2007 to 0.408 in 2009.

Considering an average monthly income per capita, it was found the increase figure averagely from 5,494 baht in 2007 to 6,219 baht in 2009, demonstrating increasing trends in all groups. For instance, households from the highest group had average monthly income per capita rose from 24,142 baht to 26,678 baht, and households from the lowest group also experienced an increase in average monthly income per capita from 1,001 baht to 1,169 baht.



	2007	2009
Gini Coefficient (Decile Groups)	0.418	0.408
Per Capita Current Income	5,494	6,219

^{1/} expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.