# EXECUTIVE SUMMARY

The National Statistical Office has carried out the 2013 Household Socio-economic Survey from January to December 2013. The survey covered household samples in both municipal and non-municipal area in every province. The sample size for this survey was approximately 52,000 households. Of this number 11,910 households were from the Northern region. The survey collected detailed information on income, expenditure, debt and asset of households as well as their housing characteristics. In the survey, expenditure data referred to expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land. The result for the Northern region is as following.

1. Household Income (2013)

The result of the 2013 survey showed that households in this region earned on average income 19,267 baht per month. The major source of earnings (70.0%) was from economically activities such as wages and salaries (28.7%), follow by the net profit from farming (21.6%) and the net profit from non-farm business (19.7%). Income from economically inactive was mainly from assistance from other persons outside the household or from the government (13.1%), followed by income from asset and property rental such as interest receipt (1.4%). The other source of earning (non-money income) was from assistance in terms of welfare/ goods and services (13.5%).

Figure 1 Percentage Distribution of Monthly Household Income by Source of Income (2013)
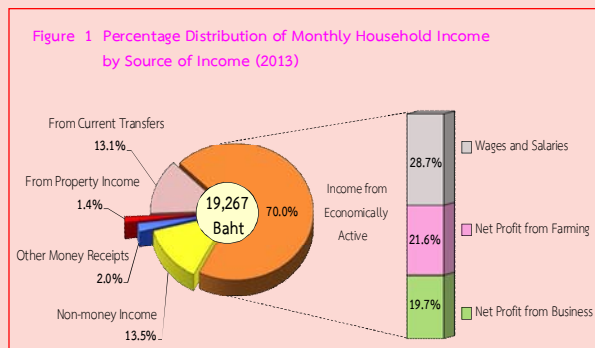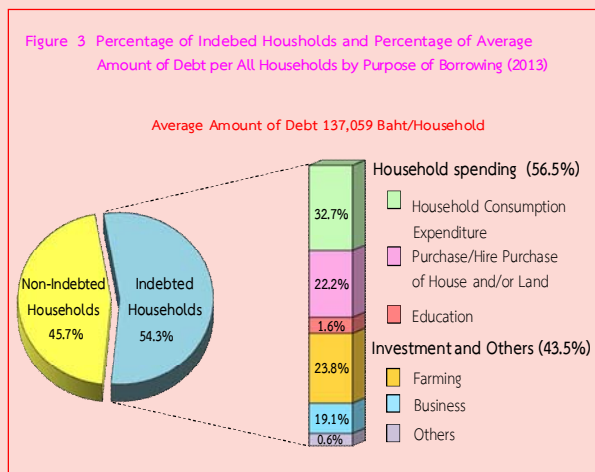
2. Household Expenditure (2013) 1/

During the 2013 survey, households in the Northern region spent on average 14,066 baht per month, or approximately 73.0 percent of their income. By this amount, 87.6 percent was spent on household consumption, in which 35.4 percent of household consumption was spent on food, beverages and tobacco (1.1 percent and 0.4 percent were respectively spent on alcoholic beverages and tobacco). Following were the expense on vehicle and transportation (19.4%), housing and household operation, furniture and equipment (18.4%), personal care/clothing/footwear (5.8%), communication (3.0%), recreation/ entertainment/religion (2.8%), medical and health care (1.5%) and education (1.3%). Finally, the rest of 12.4 percent was spent on non-consumption expenditure such as taxes, gift, insurances, lottery and gambling, and interest payment.
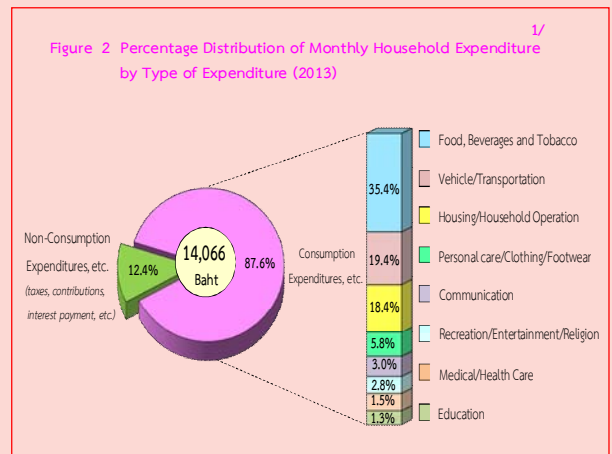
Figure 2 Percentage Distribution of Monthly Household Expenditure by Type of Expenditure (2013) 1/

1/ expenditure on necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.
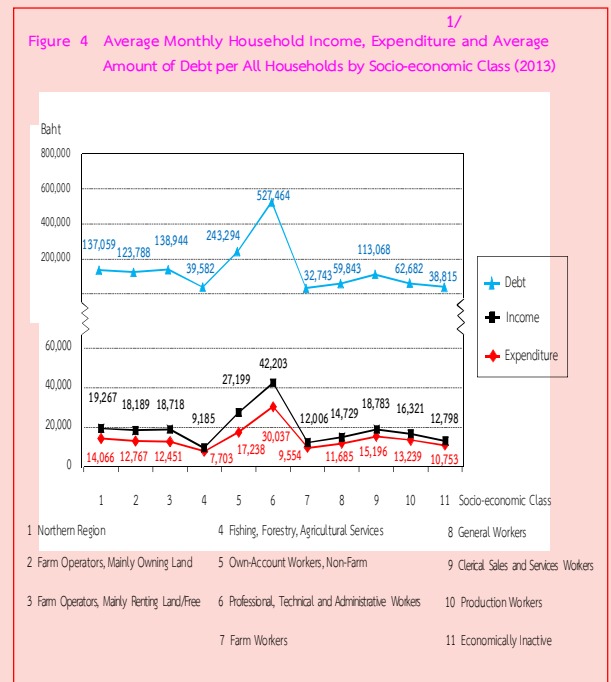
3. Household Debt (2013)

During the 2013 survey, over a half of households in the Northern region (54.3%) were indebted, which was 137,059 baht per household or approximately 7.1 times household income. Most of the household debt (56.5%) was for household spending, of this amount 32.7 percent was for the purpose of household consumption, followed by the purpose of purchase/hire purchase of house and land (22.2%), and for education purpose (1.6%). The rest were for agricultural operation and for business operation in non-farm business (23.8% and 19.1%, respectively).

Figure 3 Percentage of Indebed Housholds and Percentage of Average Amount of Debt per All Households by Purpose of Borrowing (2013)

Average Amount of Debt 137,059 Baht/Household

4. Comparing Household Income, Household Expenditure, and Household Debt by Household Socio-economic Class (by type of occupation) (2013)[1/]

Concerning by type of occupation, it was found that households of employed professional, technical and executive workers earned the most income about 42,203 baht per month, followed by households of operators in non-farm business and households of clerical, sale and services workers (27,199 baht and 18,783 baht, respectively). The lowest earning approximately 9,185 baht per month was of households of fishing, foresting, and hunting. The result showed that by type of occupation, most of households with high income also spent more and had high debt.

Furthermore, it was noticed that households of economically inactive had the ratio of expenditure to income approximately 84.0 percent, resulting in the lowest proportion of their remaining money for saving and debt payment comparing to other occupational groups (which were around 63% – 82%).

Figure 4 Average Monthly Household Income, Expenditure and Average Amount of Debt per All Households by Socio-economic Class (2013)[1/]

1 Northern Region
2 Farm Operators, Mainly Owning Land
3 Farm Operators, Mainly Renting Land/Free
4 Fishing, Forestry, Agricultural Services
5 Own-Account Workers, Non-Farm
6 Professional, Technical and Administrative Workers
7 Farm Workers
8 General Workers
9 Clerical Sales and Services Workers
10 Production Workers
11 Economically Inactive

5. Comparing Distribution of Household Income (2011 to 2013)

In analyzing income distribution during 2011 to 2013, households were equally divided into 5 groups, from those with the lowest to the highest of their monthly income per capita (the first group earned the lowest income, while the fifth group earned the highest income.) The result showed that the percentage share of the least income group in 2011 and 2013 were equal at 7.6 percent, while the share of the highest income group increased only 0.1 percent. In addition, the Gini Coefficient for five quintiles had a few change from 0.335 in 2011 to 0.336 in 2013. This was implied the level of income gap between the rich and the poor still remained.

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

An average monthly income per capita increased from 5,713 baht in 2011 to 6,664 baht in 2013. Households of the highest income group had an average monthly income per capita rising from 16,039 baht to 18,585 baht. In the meantime, households of the lowest income group also experienced an increase in an average monthly income per capita rising from 1,789 baht to 2,088 baht.

Figure 5 Share of Household Current Income by Quintile Groups (2011 to 2013)
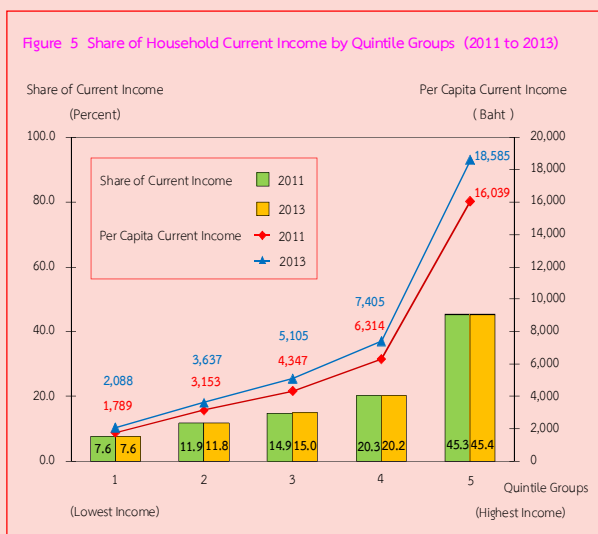
	2011	2013
Gini Coefficient (Quintile Groups)	0.335	0.336
Per Capita Current Income	5,713	6,664