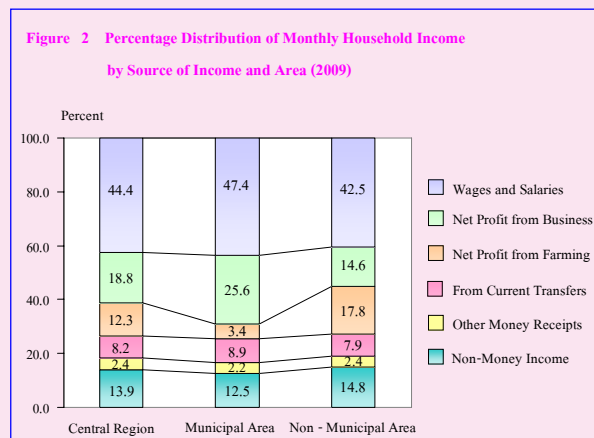
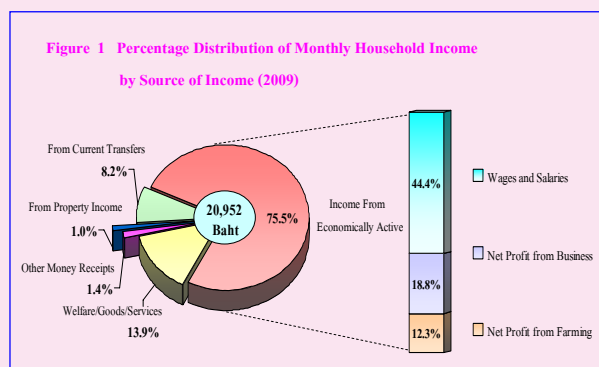


Chapter 2

Major Findings

2.1 Household Income (2009)

The result of the 2009 survey showed that households in this central region earned on average 20,952 baht per month. The major source of earnings (75.5%) was from economically active which consisted of wages and salaries (44.4%), followed by net profit from non-farm business (18.8%), and net profit from farming (12.3%). Main source of income for economically inactive was from assistance from other persons outside the household or from the government (8.2%), followed by income from asset and property rental such as interest receipt (1.0%). Beside, households also earned from non-money income (13.9%). Concerning by area, it was found that households in municipal area earned on average considerably greater than households in non-municipal area (24,628 and 19,220 baht, respectively). The main sources of household income in municipal areas were from wages and salaries and net profit from non-farm business (47.4% and 25.6%, respectively), while households in non-municipal area primarily earned from wages and salaries and net profit from farming (42.5% and 17.8%, respectively).

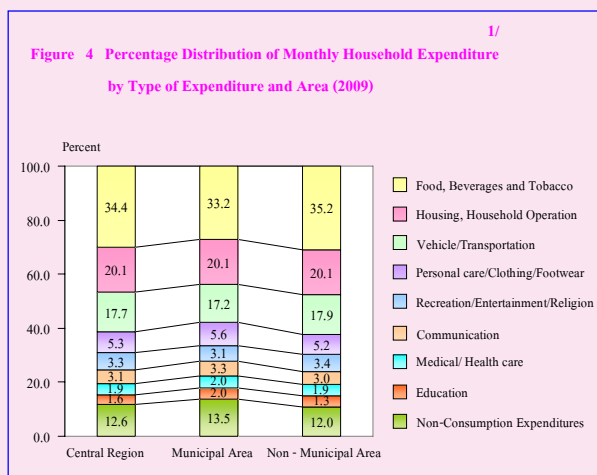
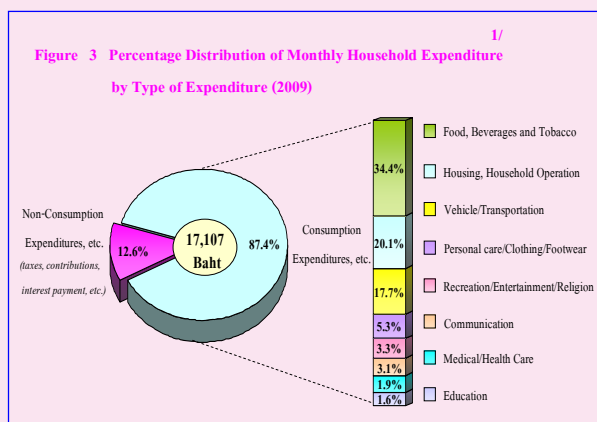


2.2 Household Expenditure (2009)

During the 2009 survey, household in the Central region spent on average 17,107 baht per month, or approximately 81.6 percent of their income. By this amount 87.4 percent was spent on household consumption, 34.4 percent of household consumption was spent on food, beverages and tobacco, of which 1.9 percent and 0.9 percent were respectively for alcoholic beverages and tobacco products. The following were the expense on housing and household operation (20.1%), vehicle and transportation (17.7%), personal care/clothing/footwear (5.3%), recreation/entertainment/religion (3.3%), communication (3.1%), medical and health care (1.9%), education (1.6%). Finally, the rest of 12.6 percent was spent on non-consumption expenditure such as taxes, gift, insurances, lottery and gambling, and interest payment.

Concerning by area, the result showed that households in municipal area and non-municipal area spent mostly on food, beverage and tobacco (33.2% and 35.2% respectively), followed by expenditure on housing and household operation (same share, 20.1%). Moreover, the share of expense on non-consumption expenditure was higher in municipal area than non-municipal area.

^{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.

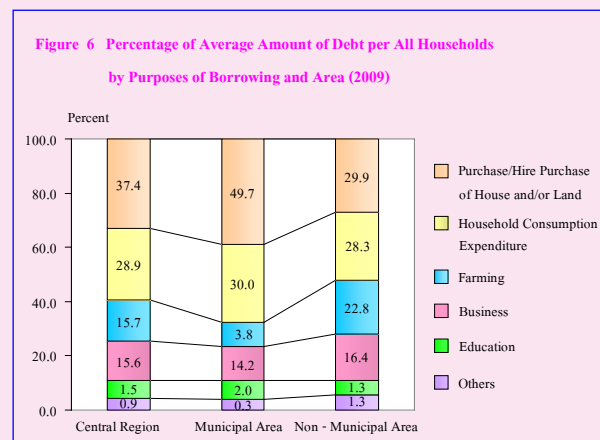
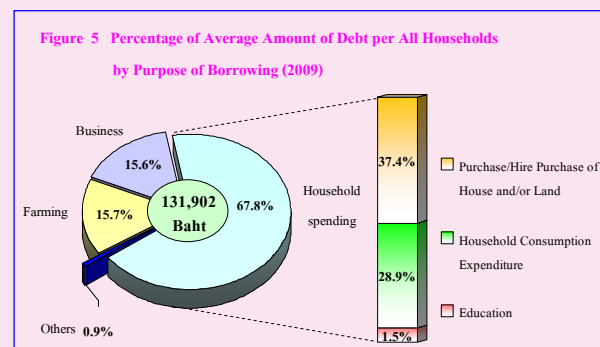


2.3 Household Debt (2009)

During the 2009 survey, over a half of households in the Central region (56.1%) were indebted, which was 131,902 baht per household or approximately 6.3 times household income. Most of the household debt (67.8%) was for household spending, of this amount 37.4 percent was for purchase/hire purchase of house and land, followed by the purpose of household consumption (28.9%), and for education (1.5%). The rest were for agricultural operation (15.7%), and for operation in non-farm business (15.6%).

Concerning by area, it was noticed that indebted households in municipal area borrowed money for buying or hire-purchasing house and/or

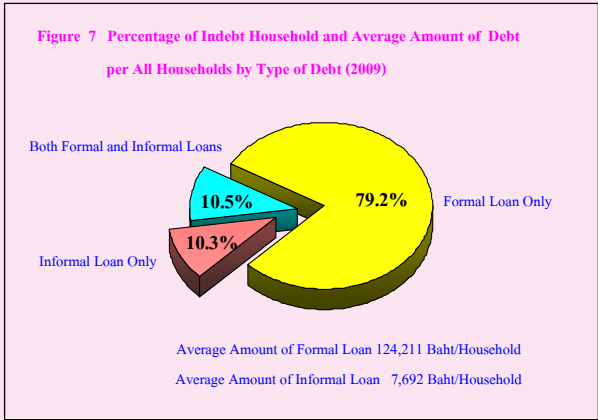
land and for household consumption (49.7% and 30.0%, respectively). For indebted households in non-municipal area, their borrowing purposes were mostly for buying or hire-purchasing house and/or land and for household consumption (29.9% and 28.3%, respectively).



2.4 Indebted Household : Formal and Informal Loans (2009)

The majority of indebted households in Central region borrowed from formal sector. The share of indebted households with formal loan only was the largest (79.2%), followed by those with both formal and informal loans (10.5%), while those with informal loan only was the least (10.3%). The result also revealed that average amount of formal loan was 16 times higher than that of informal loan (124,211 and 7,692 baht, respectively).

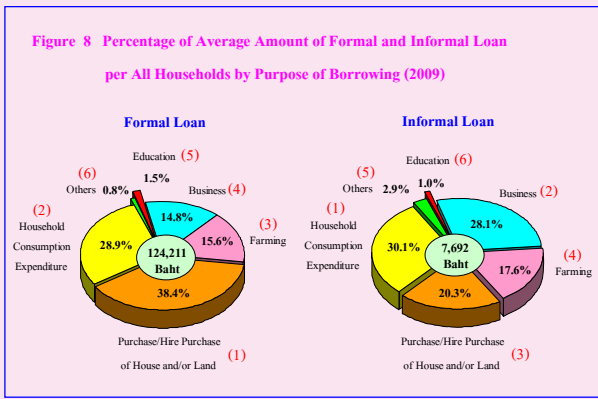
1/ expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.



2.5 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 (38.4%). The tax stimulus for real estate campaign was likely the underlying reason. The purpose of household consumption was the next (28.9%). The loan for farming had almost similar share to that for non-farm business (15.6% and 14.8%, respectively). The loan for education, though, had only small share (1.5%).

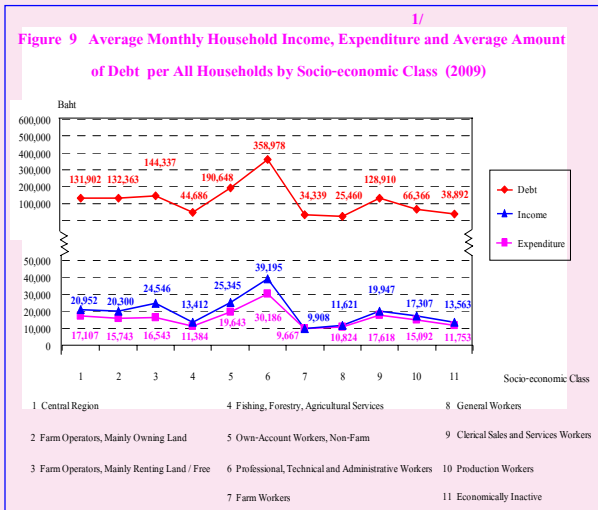
In contrast, household consumption was the main purpose (30.1%) for indebted households with informal loan. The following purposes were for non-farm business, for buying house/land, and for farming (28.1%, 20.3%, and 17.6%, respectively). And again, the purpose of education was very small (1.0%).



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

Concerning by type of occupation, it was found that households of employed professional, technical and executive workers earned the highest income about 39,195 baht per month, followed by households of operators in non-farm business and households of farm operators mainly renting land/ free (25,345 and 24,546 baht, respectively). The lowest earning approximately 9,908 baht per month was of households of farm workers. The result also showed that by type of occupation, most of households with high income spent more and had high debt.

Furthermore, it was noticed that households of farm workers had the ratio of expenditure to income approximately 97.6 percent, resulting in the lowest proportion of their remained money for saving and debt payment comparing to other occupational groups (which were around 70% - 93%).



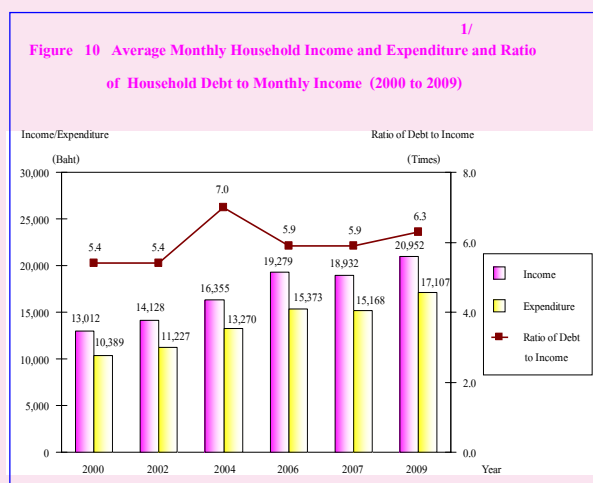
2.7 Comparing Income, Expenditure, and Ratio of Debt per Income (2000 to 2009)

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 13,012 baht in 2000 to

^{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.

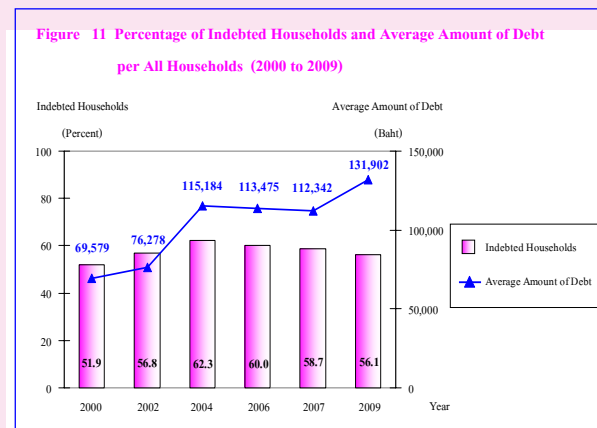
19,279 baht in 2006, then decreased to 18,932 baht in 2007. Likewise, expenditure had increased from 10,389 baht in 2000 to 15,373 baht in 2006, then decreased to 15,168 baht in 2007. However, in 2009 income and expenditure both increased to 20,952 and 17,107 baht, respectively. Considering the different between income and expenditure in 2009, it was found that income was higher than expenditure for necessary items for daily life about 3,845 baht per household or approximately 1,202 baht per capita, which was mainly used to repay debt.

Concerning the proportion of debt to income, it was founded that the figure in 2004 was the highest comparing to other years (7.0 times). However, the figure declined to 5.9 in 2006 and 2007 and increased to 6.3 times in 2009.



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

From 2000 to 2004, indebted households increased from 51.9 percent to 62.3 percent. However, it continually decreased from 60.0 percent in 2006 to 56.1 percent in 2009. The rise of average amount of debt was found from 69,579 baht in 2000 to 115,184 baht in 2004, but it showed decreasing trend during 2006-2007, then started to increase to 131,902 baht in 2009.



2.9 Comparing Changes of Household Income, ^{1/} Household Expenditure and Household Debt (2007 to 2009)

By comparing the change rates of household income, household expenditure, and household debt, the survey result suggested that household income and expenditure increased. By this, the increasing rate of household expenditure (6.2%) was higher than that of household income (5.2%). As a result, the proportion of expenditure per income increased from 80.1 percent in 2007 to 81.6 percent in 2009. Concerning household debt, the result showed that while the amount of debt and the ratio of debt to income increased (8.4% and 3.3%, respectively), the number of indebted households decreased from 58.7 percent to 56.1 percent.

1/

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

Items	2007	2009	Annual percentage changes
			2009/07
Income (Baht)	18,932	20,952	5.2
Expenditure ^{1/} (Baht)	15,168	17,107	6.2
Proportion of Expenditure per Income (Percent)	80.1	81.6	0.9
Average amount of debt per household (Baht)	112,342	131,902	8.4
Indebted Households (Percent)	58.7	56.1	-2.2
Ratio of Debt to Income (Times)	5.9	6.3	3.3

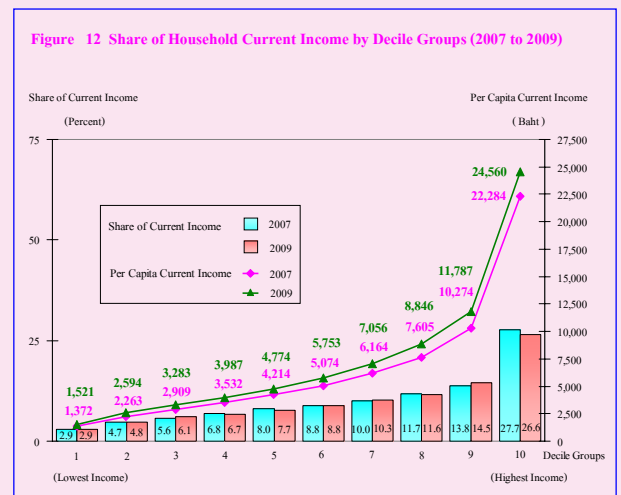
^{1/} expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

2.10 Comparing Distribution of Household Income (2007 to 2009)

In the analysis of 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 26.6 percent, whereas that of the first group was 2.9 percent. Furthermore, it was found that income inequality had slightly decreased. That is, the percentage share of income of the highest income group fell from 27.7 percent in 2007 to 26.6 percent in 2009. In addition, the result of the Gini Coefficient analysis had slightly declined from 0.328 in 2007 to 0.320 in 2009. However, the welfare of the lowest group was not improved since the share of income had not changed (2.9%).

Considering an average monthly income per capita, it was found the increase figure averagely from 5,745 baht in 2007 to 6,441 baht in 2009. For instance, income per capita of the lowest income group rose from 1,372 baht in 2007

to 1,521 baht in 2009, while that of the highest income group increased from 22,284 baht in 2007 to 24,560 baht in 2009 or approximately 16.1 times the first group. Moreover, the gap between the poor (the first group) and the rich (the tenth group) in 2009 was almost similar with that of the year 2007 (in the 2007 survey, income per capita of the tenth group was 16.2 times greater than that of the first group).



	2007	2009
Gini Coefficient (Decile Groups)	0.328	0.320
Per Capita Current Income	5,745	6,441