

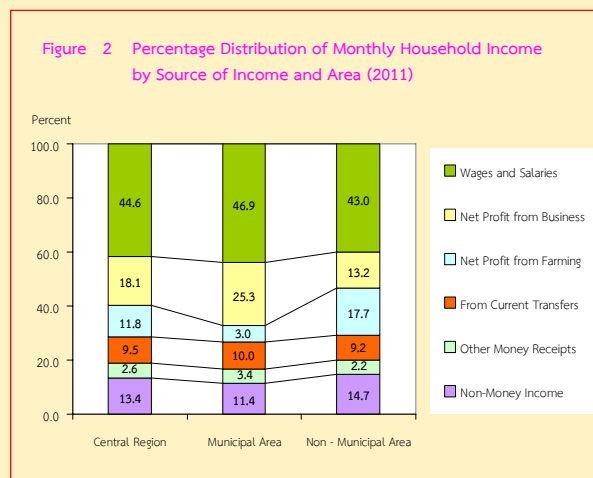
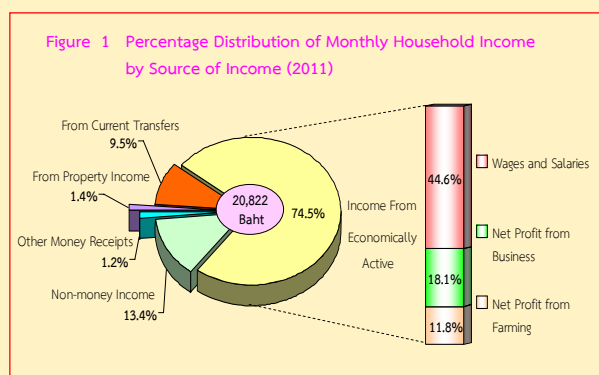
Chapter 2

Major Findings

2.1 Household Income (2011)

The result of the 2011 survey showed that households in Central region earned on average 20,822 baht per month. The major source of earnings (74.5%) was from economically active such as wages and salaries (44.6%), followed by net profit from non-farm business (18.1%), and net profit from farming (11.8%). Income from economically inactive was mainly from assistance from other persons outside the household or from the government (9.5%), 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 term of welfare/goods and services (13.4%).

Concerning by area, it was found that households in municipal area earned on average considerably greater than households in non-municipal area (23,737 and 19,222 baht, respectively). The main sources of household income in municipal areas were from wages and salaries and net profit from non-farm business (46.9% and 25.3%, respectively), while households in non-municipal area primarily earned from wages and salaries and net profit from farming (43.0% and 17.7%, respectively).

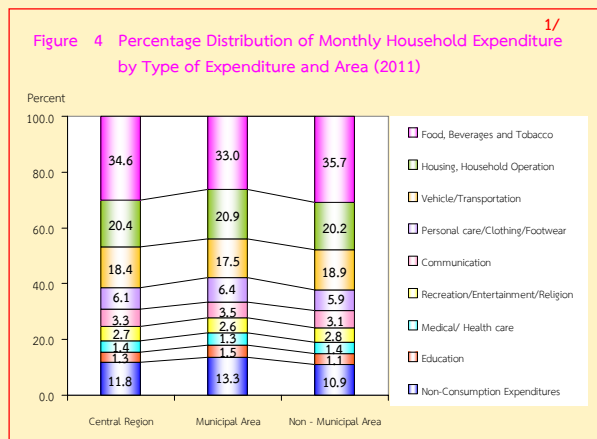
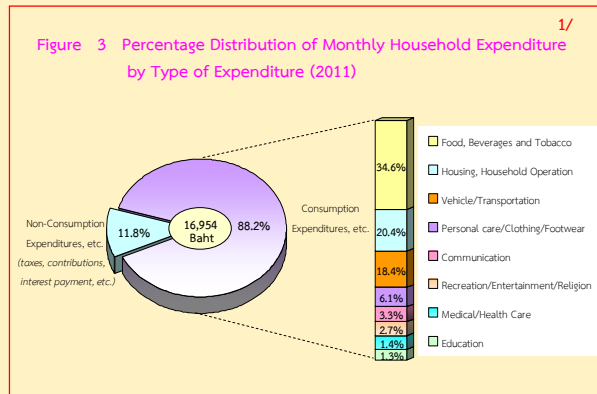


2.2 Household Expenditure (2011)

During the 2011 survey, household in the Central region spent on average 16,954 baht per month, or approximately 81.4 percent of their income. By this amount, 88.2 percent was spent on household consumption, of which 34.6 percent spent on food, beverages and tobacco, 0.8 percent spent on alcoholic beverages and 0.7 percent spent on tobacco products. The following were the expense on housing and household operation (20.4%), vehicle and transportation (18.4%), personal care/ clothing/ footwear (6.1%), communication (3.3%), recreation/ entertainment/religion (2.7%), medical and health care (1.4%), education (1.3%). Finally, the rest (11.8%) was spent on non-consumption expenditure such as taxes, gift, insurances, lottery and gambling, and interest payment.

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.

Concerning by area, the result showed that households in municipal area and non-municipal area spent mostly on food, beverage and tobacco (33.0% and 35.7% respectively), followed by expenditure on housing and household operation (20.9% and 20.2% respectively). Moreover, the share of expense on non-consumption expenditure was higher in municipal area than non-municipal area.

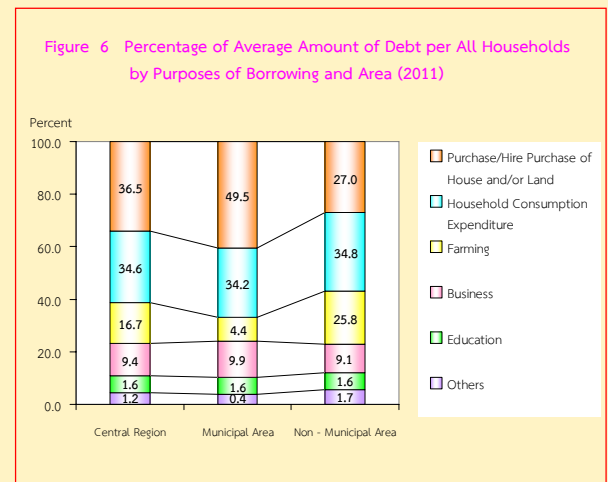
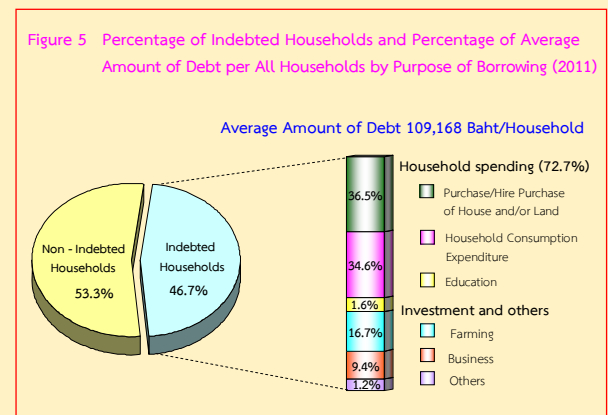


2.3 Household Debt (2011)

During the 2011 survey, nearly half of households in the Central region (46.7%) were indebted, which was 109,168 baht per household or approximately 5.2 times household income. Most of the household debt (72.7%) was for household spending, of this amount 36.5 percent

was for the purpose of purchase/hire purchase of house and land, followed by the purpose of household consumption (34.6%), and for education (1.6%). The rest were for agricultural operation and for business operation in non-farm business (16.7% and 9.4%, respectively).

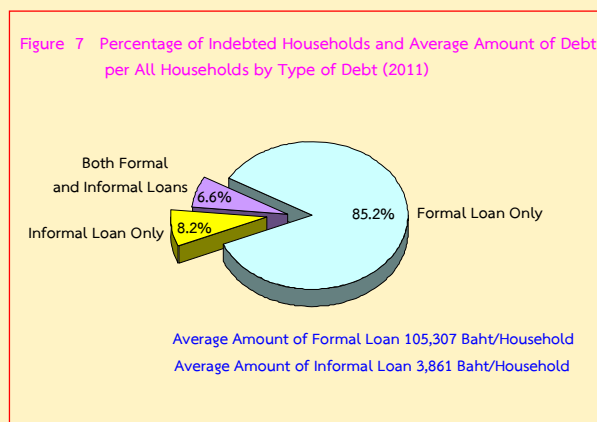
Concerning by area, it was noticed that indebted households in municipal area borrowed money for buying or hire-purchasing house and/or land and for household consumption (49.5% and 34.2%, respectively). For indebted households in non-municipal area, their borrowing purposes were mostly consumption for buying or hire-purchasing house and/or land and for household (34.8% and 27.0%, respectively).



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.

2.4 Indebted Household : Formal and Informal Loans (2011)

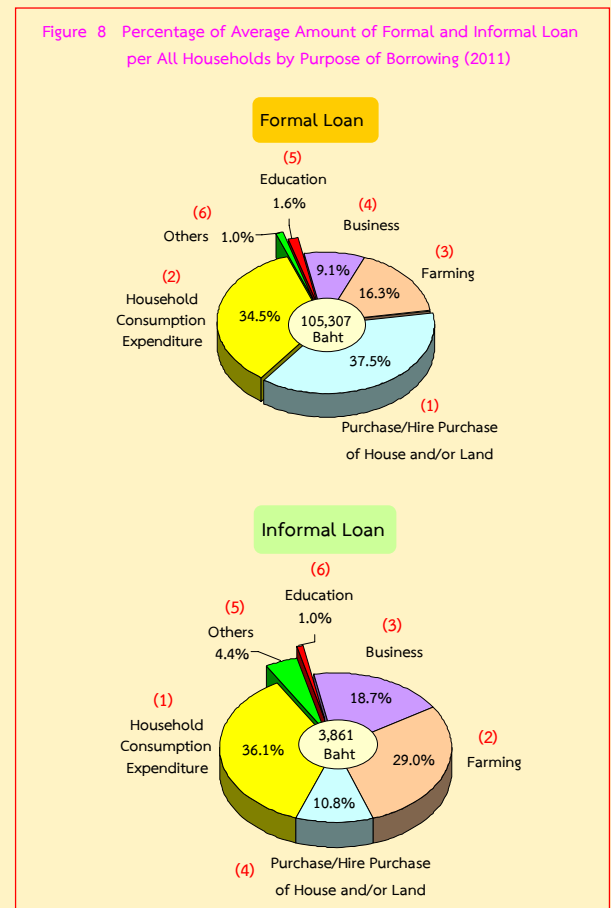
The majority of indebted households in Central region borrowed from formal sector. The share of indebted households with formal loan only was the largest (85.2%), followed by those with both formal and informal loans (6.6%), while those with informal loan only was the least (8.2%). The result also revealed that average amount of formal loan was 27 times higher than that of informal loan (105,307 and 3,861 baht, respectively).



2.5 Formal and Informal Loans by Purpose (2011)

The result of the 2011 survey revealed that the main purpose of indebted households with formal loan was for buying house/land (37.5%), follow by the purpose of household consumption (34.5%). The loan for farming had slightly difference share to that for non-farm business (16.3% and 9.1%, respectively). The loan for education, though, had only small share (1.6%).

In contrast, household consumption was the main purpose (36.1%) for indebted households with informal loan. The following purposes were for farming, for non-farm business, and for buying house/land, (29.0%, 18.7% and 10.8%, respectively). And again, the purpose of education was very small (1.0%).



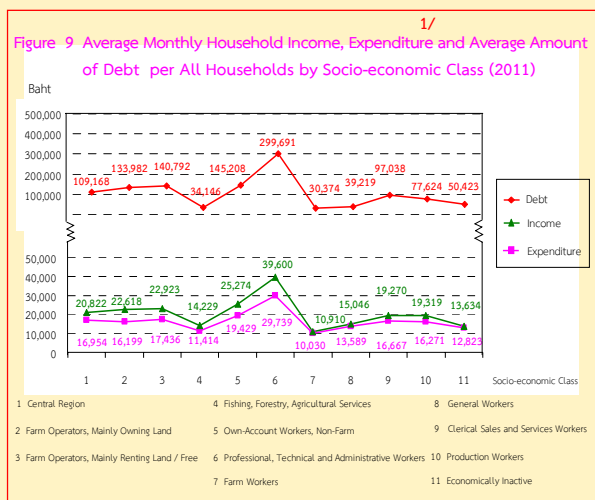
2.6 Comparing Household Income, Household Expenditure, and Household Debt by Household Socio-economic Class (by type of occupation) (2011)

Concerning by type of occupation, it was found that households of employed professional, technical and executive workers earned the highest income about 39,600 baht per month, followed by households of operators in non-farm business

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.

and households of farm operators mainly renting land/occupied free (25,274 and 22,923 baht, respectively). The lowest earning approximately 10,910 baht per month was of households of farm workers. The result also showed that by type of occupation, most of households with high income also spent more and had high amount of debt.

Furthermore, it was noticed that households of economically inactive had the ratio of expenditure to income approximately 94.1 percent, resulting in the lowest proportion of their remaining money for saving and repaying debt comparing to other occupational groups (which were around 71%-92%).

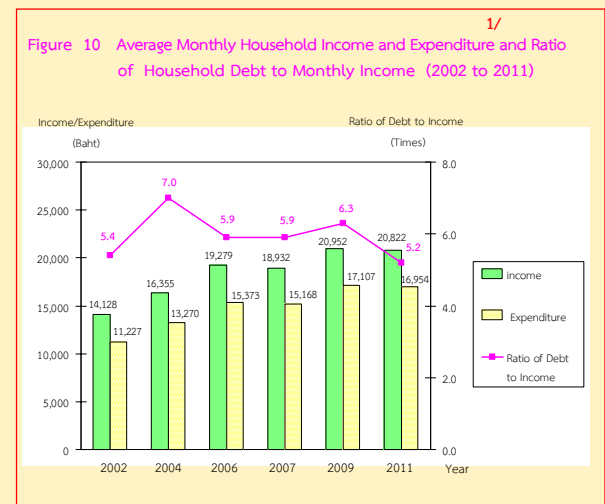


2.7 Comparing Income, Expenditure, and Ratio of Debt per Income (2002 to 2011)

During 2002 to 2011, the overall figure showed that income was higher than expenditure for necessary items for daily life. In addition to this, income had increased from 14,128 baht in 2002 to 19,279 baht in 2006, then decreased to 18,932 baht in 2007. Likewise, expenditure had increased from 11,227 baht in 2002 to 15,373 baht in 2006, then decreased to 15,168 baht in 2007.

However, in 2011 income and expenditure both increased to 20,822 and 16,954 baht, respectively. Considering the different between income and expenditure in 2011, it was found that income was higher than expenditure for necessary items for daily life about 3,868 baht per household or approximately 1,248 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 decreased to 5.2 times in 2011.

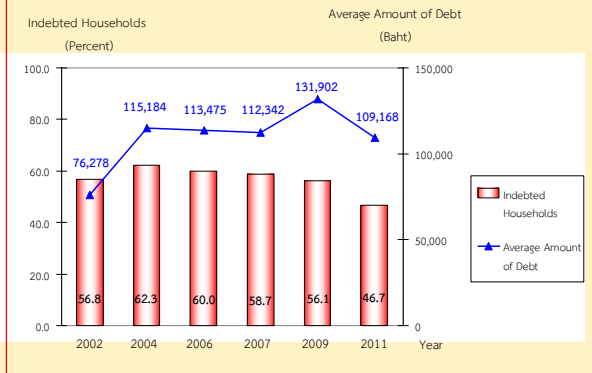


2.8 Comparing Percentage of Indebted Households and Average Amount of Debt (2002 to 2011)

From 2002 to 2004, indebted households increased from 56.8 percent to 62.3 percent. However, it continually decreased from 60.0 percent in 2006 to 46.7 percent in 2011. The rise of average amount of debt was found from 76,278 baht in 2002 to 115,184 baht in 2004, but it showed decreasing trend during 2006-2007, then started to increase to 131,902 baht in 2009, but decreased to 109,168 baht in 2011.

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.

Figure 11 Percentage of Indebted Households and Average Amount of Debt per All Households (2002 to 2011)

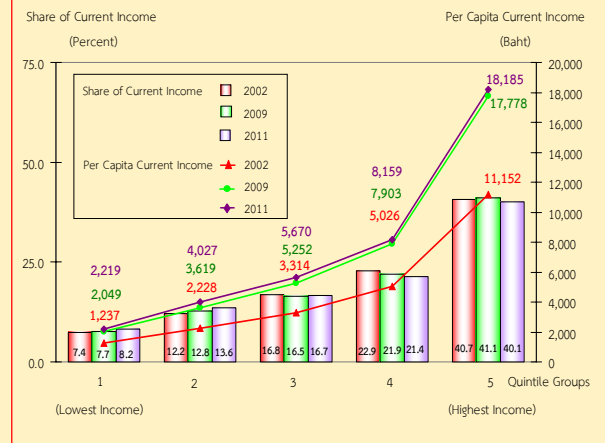


2.9 Comparing Distribution of Household Income (2002 to 2011)

In the analysis of income distribution, 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 income of the fifth group was 40.1 percent, whereas that of the first group was 8.2 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 40.7 percent in 2002 to 40.1 percent in 2011. In addition, the result of the Gini Coefficient analysis had declined from 0.310 in 2002 to 0.286 in 2011. However, the welfare of the lowest group showed slightly improvement since the share of income increased from 7.4 percent to 8.2 percent.

An average monthly income per capita increased from 4,048 baht in 2002 to 6,737 baht in 2011. Households of the highest income group had an average monthly income per capita rising from 11,152 baht to 18,185 baht. In the meantime, households of the lowest income group also experienced an increase in an average monthly income per capita rising from 1,237 baht to 2,219 baht.

Figure 12 Share of Household Current Income by Quintile Groups (2002 to 2011)



	2002	2009	2011
Gini Coefficient (Quintile Groups)	0.310	0.303	0.286
Per Capita Current Income	4,048	6,441	6,737