

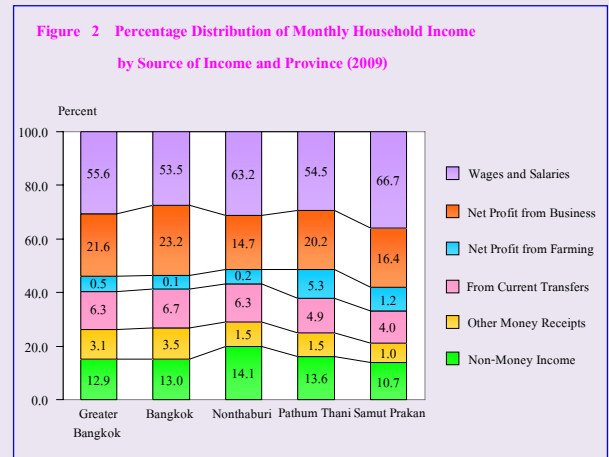
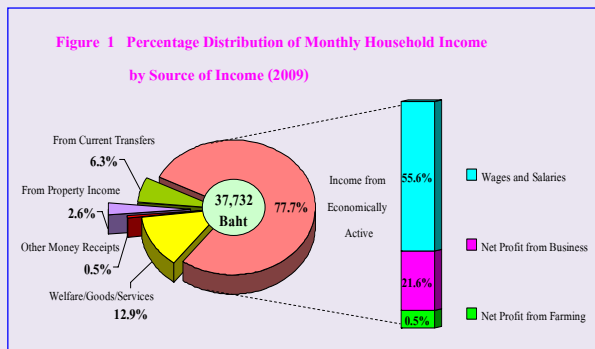
Chapter 2

Major Findings

2.1 Household Income (2009)

The result of the 2009 survey showed that households in this area earned on average 37,732 baht per month. The major source of earnings (77.7%) was from economically activities such as wages and salaries (55.6%), followed by net profit from non-farm business (21.6%), and net profit from farming (0.5%). Main source of income for economically inactive was from assistance from other persons outside the household or from the government (6.3%), followed by income from asset and property rental such as interest receipt (2.6%). Besides, households also earned from non-money income (12.9%).

Concerning each province, it was found that households in all provinces (Bangkok, Samut Prakan, Pathum Thani, and Nonthaburi) mostly earned from wages and salaries, especially for households in Samut Prakan, in which their earning from this source was up to 66.7 percent. This is because Samut Prakan has a high density of industrial business. Therefore the majority of workers received their income mostly in the form of wages and salaries.

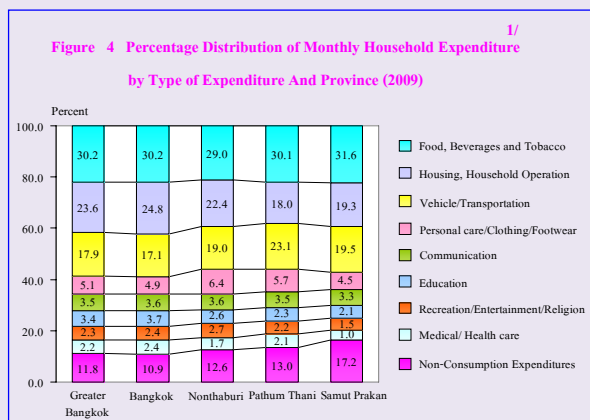
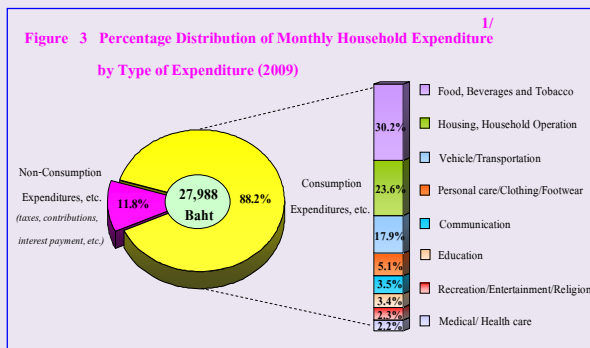


2.2 Household Expenditure^{1/} (2009)

During the 2009 survey, household in the Greater Bangkok Metropolitan Area (including Nonthaburi, Pathum Thani, and Samut Prakan) spent on average 27,988 baht per month, or approximately 74.2 percent of their income. By this amount, 88.2 percent was spent on household consumption, 30.2 percent of household consumption was spent on food, beverages and tobacco, only 1.2 percent and 0.5 percent were respectively spent on alcoholic beverages and tobacco products. The following were the expense on housing and household operation (23.6%), vehicle and transportation (17.9%), personal care/clothing/footware (5.1%), communication (3.5%), education (3.4%), recreation/entertainment/religion (2.3%), and medical and health care (2.2%). Finally, the rest of 11.8 percent was spent on non-consumption expenditure such as taxes, gift, insurances, lottery and gambling, and interest payment.

^{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.

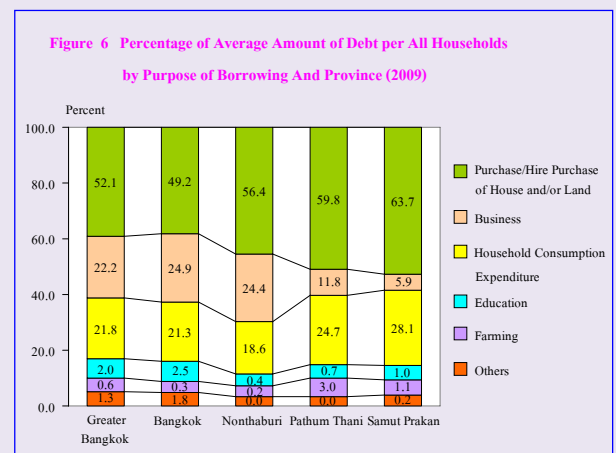
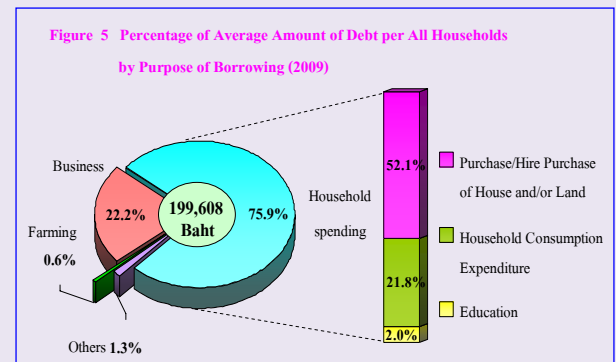
Concerning each province, the result showed that households spent mostly on food, beverages and tobacco, followed by housing and household operation except for households in Pathum Thani and Samut Prakan which their expense on vehicles and transportation was higher than expense on housing and household operation (23.1% and 19.5%, respectively). It was noticed that households in Samut Prakan had non-consumption expenditure up to 17.2 percent.



2.3 Household Debt (2009)

During the 2009 survey, around 44.4 percent of households in Bangkok and the three provinces nearby were indebted, which was 199,608 baht per household or approximately 5.3 times household income. Most of the household debt (75.9%) was for household spending, and of this amount 52.1 percent was for the purpose of purchase/hire purchase of house and/or land, followed by the purpose of household consumption (21.8%), and for education (2.0%). The rest were for operation in non-farm business (22.2%), and for agricultural operation (0.6%).

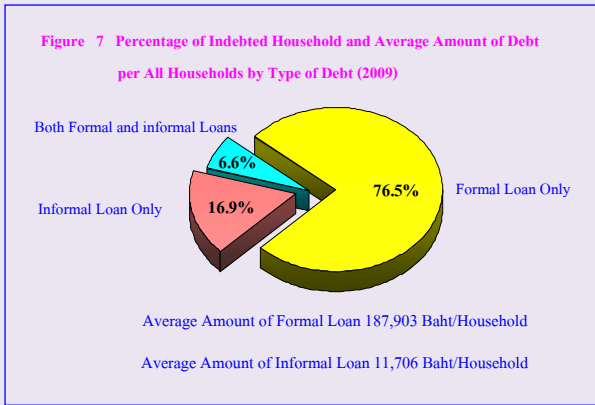
Concerning each province, the result showed that indebted households mainly borrowed money for purchasing/hire purchasing of house and/or land. Households in Samut Prakan had relatively high figure for this purpose up to 63.7 percent. The following two main purposes of borrowing were for household consumption and for non-farm business.



2.4 Indebted Household : Formal and Informal Loans (2009)

The majority of indebted households in this area borrowed from formal sector. The share of indebted households with formal loan only was the largest (76.5%), followed by those with both formal and informal loans (6.6%), while those with informal loan only was the least (16.9%). The result also revealed that average amount of formal loan was 16 times higher than that of informal loan (187,903 and 11,706 baht, respectively).

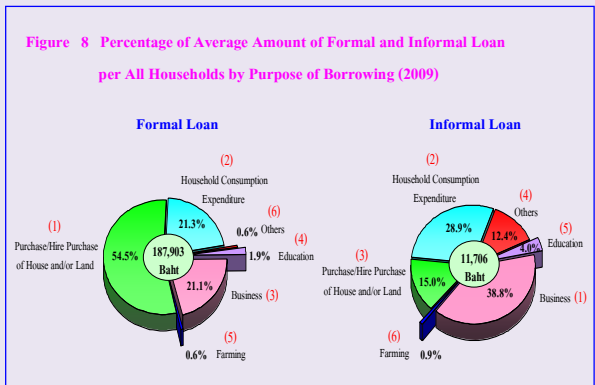
^{1/} expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.



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 (54.5%). The tax stimulus for real estate campaign was likely the underlying reason. The next were the loan for household consumption and that for non-farm business (21.3% and 21.1%, respectively). The loan for education, though, had only small share (1.9%). The loan for farming and other purposes had similar share (0.6%).

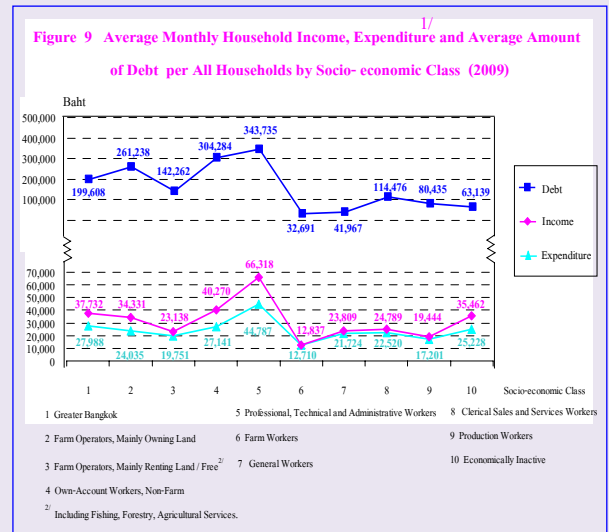
In contrast, the loan for non-farm business was the main purpose (38.8%) for indebted households with informal loan. The following purposes were for household consumption, buying house/land, and for other purposes (28.9%, 15.0%, and 12.4%, respectively). Likewise, the purpose of education and that of farming were only 4.0% and 0.9%, respectively.



2.6 Comparing Household Income, Household Expenditure^{1/}, 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 average income about 66,318 baht per month, followed by households of non-farm business and economically inactive households (40,270 and 35,462 baht, respectively). The lowest earning approximately 12,837 baht per month was found in households of farm workers. The result also showed that by type of occupation, most of household with high income spent more and had high debt.

Furthermore, it was noticed that the ratio of expenditure to income for households of farm workers was 99 percent, resulting in the lowest proportion of their remained money for saving and repaying debt comparing to other occupational groups (which were around 67% - 92%).



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

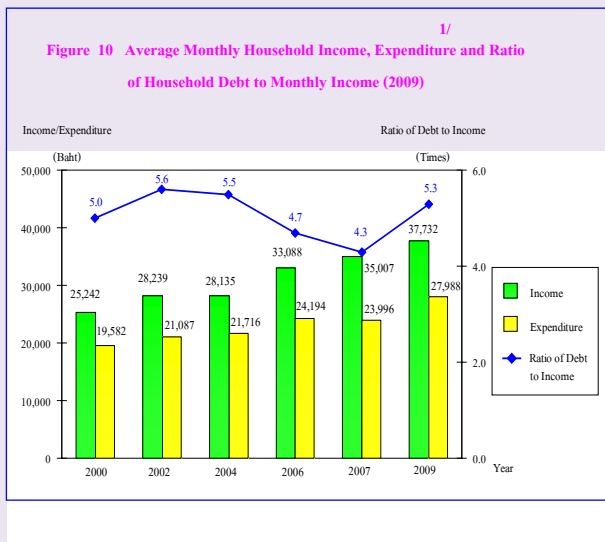
During 2000 to 2009, the overall figure showed that income was higher than expenditure for necessary items for daily life. In addition to this, income had increased from 25,242 baht in 2000 to

^{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.

37,732 baht in 2009, while expenditure had increased from 19,582 baht in 2000 to 24,194 baht in 2006 and slightly decreased in 2007, then increased to 27,988 baht in 2009. The economic stimulus program was likely the underlying reason.

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 9,744 baht per household or approximately 3,045 baht per capita, which was mainly used to repay debt.

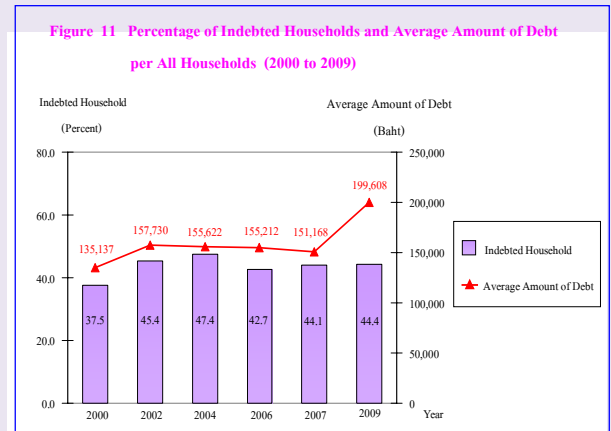
Concerning the proportion of debt per income, it was found that the figure in 2002 was highest comparing to other years (5.6 times). Although the trend was decreasing during 2004 - 2007 (5.5 to 4.3 times), the figure increased to 5.3 times in 2009, which was possibly affected by the economic crisis.



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

It was found that indebted households continually increased from 2000 to 2004 from 37.5 percent to 47.4 percent. This was because during this period the government had launched various schemes of government loan. However, in 2006, the figure declined to 42.7 percent then changed to increase in 2007 and 2009 (44.1% and 44.4%, respectively). Concerning the average amount of debt, it had continually decreased during 2002 - 2007 (from 157,730 to 151,168 baht).

In addition, the average amount of debt was highest in 2009 (199,608 baht).



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

By comparing the annual 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 income (3.8%) was smaller than that of household expenditure (8.0%). As a result, the proportion of expenditure per income increased from 68.6 percent in 2007 to 74.2 percent in 2009. Concerning household debt, the result showed that the number of indebted households and the ratio of debt to income increased (0.3% and 11.0%, respectively). The amount of debt also increased from 151,168 to 199,608 baht.

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

Items	2007	2009	Annual percentage changes
			2009/07
Income (Baht)	35,007	37,732	3.8
Expenditure ^{1/} (Baht)	23,996	27,988	8.0
Proportion of Expenditure per Income (Percent)	68.6	74.2	4.0
Average amount of debt per household (Baht)	151,168	199,608	14.9
Indebted Households (Percent)	44.1	44.4	0.3
Ratio of Debt to Income (Times)	4.3	5.3	11.0

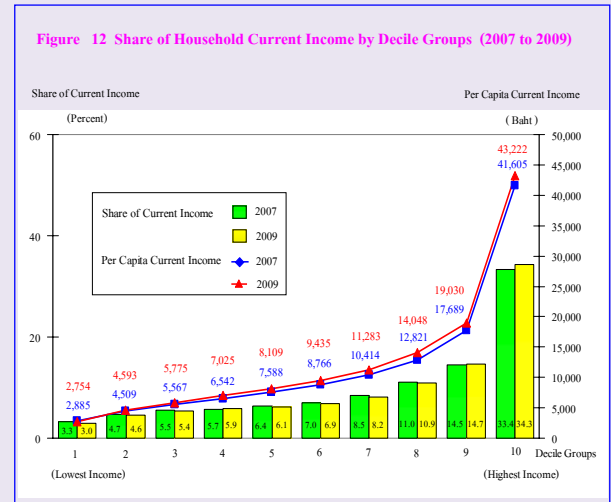
^{1/} expenditure for necessary items for daily life, which excluded saving and capital formation expenditures such as purchase or hire-purchase of house and land, etc.

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 34.3 percent, whereas that of the first group was 3.0 percent. Furthermore, it was found that income inequality had increased. That is, the percentage share of income of the highest income group rose from 33.4 percent to 34.3 percent. In addition, the result of the Gini Coefficient analysis had increased from 0.376 in 2007 to 0.387 in 2009. Moreover, the welfare of the lowest group was not improved since the share of income dropped from 3.3 percent in 2007 to 3.0 percent in 2009.

Considering an average monthly income per capita, it was found the increase averagely from 11,125 baht in 2007 to 11,868 baht in 2009. However, the lowest income group was only the group which experienced a decrease in income per capita (from 2,885 baht in 2007 to 2,754 baht in 2009).

On the other hand, income per capita of the highest income group rose from 41,605 to 43,222 baht in 2009 or approximately 15.7 time the first group. As a result, the gap between the poor (the first group) and the rich (the tenth group) was widened comparing to the year 2007 (in the 2007 survey, income per capita of the tenth group was 14.4 times greater than that of the first group).



	2007	2009
Gini Coefficient (Decile Groups)	0,376	0,387
Per Capita Current Income	11,125	11,868