



ISO 9001:2000 Certified

Department of Labor and Employment  
Manila, Philippines

# LABSTAT

## Updates

Vol. 13 No. 15

October 2009

### WAGE RATES IN INDUSTRIES ... Basic Pay and Allowances in Major Economic Activities (Second of a series)

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES since 1989. Through the years, the survey has undergone revisions in its periodicity, scope and coverage and survey design to meet the needs of users for statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.

The OWS is one of the designated statistical activities in E.O. 352 (s. 1996) that generates critical data for decision making in the government and the private sector. The data category **average monthly occupational wage rates in selected occupations** is among those listed by the Philippine government under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. The SDDS serves as reference to member countries in the dissemination of economic and financial data to the public.

The 2008 OWS covered non-agricultural establishments employing at least 20 persons in 65 industry groups. In particular, data on wage rates of time-rate workers on full-time basis were collected for 180 occupations across 46 specific industries. It also inquired on the distributions of time-rate workers on full-time basis along pre-determined basic pay and allowance intervals. These wage distributions led to the determination of the median monthly basic pay and the median monthly allowances in the 65 industry groups. The reference period of the survey was July 2008.

This second issue on the series of LABSTAT Updates focuses on the basic pay and allowances of the non-agricultural sector of the economy. The national median monthly basic pay was estimated at ₱8,035 in August 2006 and ₱9,922 in July 2008 while the median monthly allowances (for those workers given allowances) was reported at ₱1,278 and ₱1,098 during the period, respectively. The metadata and the statistical tables of the 2008 OWS are posted on the BLES website.

#### Basic pay increased in almost all industries

The average basic pay of time-rate workers on full-time basis in non-agricultural establishments increased by 23.5% from ₱8,035 in August 2006 to ₱9,922 in July 2008.

Monthly basic pay increased in all industries except in mining and quarrying which declined by 12.9% from ₱9,794 to ₱8,533 for the same period.

Across industries, workers in real estate, renting and business activities enjoyed the highest increase at 36.4% from ₱8,548 to ₱11,662 in July 2008. The least growth was observed in private education services at 5.6% from ₱11,677 to ₱12,335, respectively. (Table 1)

#### Monthly allowances decreased across industries

In contrast, average monthly allowances decreased by 14.1% from ₱1,278 to ₱1,098 in July 2008. The drop was most pronounced in construction (77.2%) from ₱1,337 to only ₱305. Lowest decline at 4.0% (₱1,088 to ₱1,045) was noted in health and social work except public medical, dental and other health activities. On the other hand,

monthly allowances of time-rate workers on full-time basis upped in three major industry groups, namely: transport, storage and communications (₱1,439 from ₱1,289); real estate, renting and business activities (₱1,624 from ₱1,343); and private education services (₱1,166 from ₱1,076). (Table 1)

**Note:** The terms "average" and "median" are used interchangeably in the analysis of basic pay and allowances.

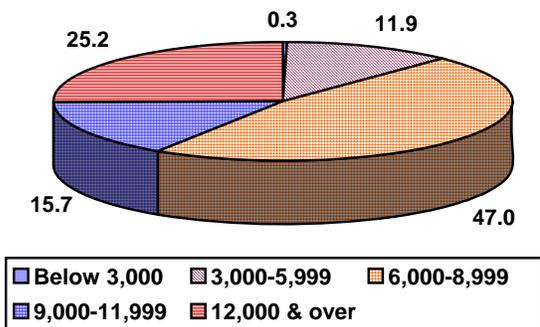
### More workers received basic pay of ₱9,000 or more

Time-rate workers on full-time basis in non-agricultural establishments employing 20 persons or more remained unchanged at 2.8 million in July 2008.

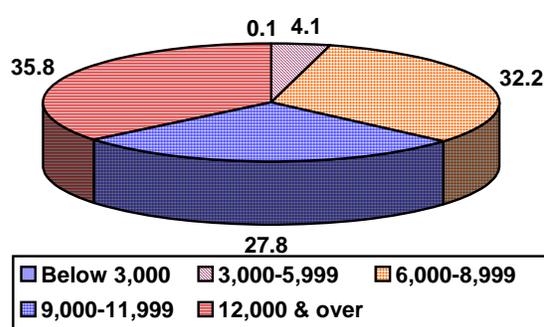
Almost half or 47.0% of time-rate workers received a monthly basic pay of

₱6,000 to ₱8,999 in August 2006. The proportion decreased to 32.2% two years after. The shift to higher basic pay intervals was observed as those receiving at least ₱9,000 accounted for 63.6% in July 2008. (Figures 1 and 2)

**FIGURE 1 - Percent Distribution of Time-Rate Workers on Full-Time Basis by Monthly Basic Pay, Philippines: August 2006**



**FIGURE 2 - Percent Distribution of Time-Rate Workers on Full-Time Basis by Monthly Basic Pay, Philippines: July 2008**



Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

### More than half of workers had no allowances

Results also showed that the proportion of time-rate workers on full-time basis with no allowances expanded to 54.4% in July 2008 from 47.1% in August 2006. Similarly, those receiving at least ₱1,500 grew to 17.8% from 14.6% in August 2006. Meanwhile, workers with average monthly allowances up to ₱1,499 dropped to 27.9% from 38.3%. In the series of minimum wage issuances in 2008, the cost of living allowance granted in some regions in 2006 were integrated in the basic pay.

Monthly Allowances	July 2008	August 2006
No allowances	54.4	47.1
Below 500	12.3	8.2
500 - 999	9.0	9.8
1,000 – 1,499	6.6	20.3
1,500 – 1,999	4.9	3.9
2,000 and over	12.9	10.7

### Growth in basic pay noted in ten regions

Average basic pay increased in ten regions. The highest growth was observed in Region II at 35.3% from ₱6,968 in August 2006 to ₱9,431 in July 2008. Region IX accounted for the least growth at 6.7% from ₱5,687 to ₱6,070. (Table 2)

In terms of monthly allowances, Region I reported a substantial change at 139.6% from ₱508 to ₱1,217. In contrast, average monthly cash allowances received by workers in Region IX significantly decreased by 70.1% from ₱2,046 to ₱612.

#### Definition of Terms:

- o **Wage rate** refers to the sum of basic pay and regular/guaranteed allowances.
- o **Basic pay** refers to pay for normal/regular working time before deductions for employees' social security contributions and withholding taxes. It excludes overtime, night shift differential and other premium pay; commissions, tips and share of employees in service charge; and payment in kind.
- o **Allowances** refer to regular/guaranteed cash payments. These include living allowance but exclude reimbursements for travel, entertainment, meals and other expenses, etc. incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; family allowances.
- o **Median** divides the wage distribution into two equal parts. It is the value where half of the workers in the distribution receive more while the other half receives less.

**TABLE 1 – Median Monthly Basic Pay and Allowances of Time-Rate Workers on Full-Time Basis by Major Industry Group, Philippines: August 2006 and July 2008 (In pesos. In non-agricultural establishments employing 20 or more workers.)**

Major Industry Group	Median Basic Pay		Median Allowances	
	July 2008	August 2006	July 2008	August 2006
All Industries	9,922	8,035	1,098	1,278
Mining and Quarrying	8,533	9,794	574	630
Manufacturing	9,007	7,683	717	1,175
Electricity, Gas and Water Supply	13,993	12,734	1,990	2,077
Construction	9,693	7,866	305	1,337
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	9,320	7,691	578	1,275
Hotels and Restaurants	9,436	7,421	1,191	1,298
Transport, Storage and Communications	11,969	9,593	1,439	1,289
Financial Intermediation	15,571	12,401	1,319	1,630
Real Estate, Renting and Business Activities	11,662	8,548	1,624	1,343
Private Education Services	12,335	11,677	1,166	1,076
Health and Social Work except Public Medical, Dental and Other Health Activities	8,829	8,056	1,045	1,088
Other Community, Social and Personal Service Activities	9,782	7,971	872	1,021

Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

**TABLE 2 – Median Monthly Basic Pay and Allowances of Time-Rate Workers on Full-Time Basis by Region, Philippines: August 2006 and July 2008 (In pesos. In non-agricultural establishments employing 20 or more workers.)**

Region	Median Basic Pay		Median Allowances	
	July 2008	August 2006	July 2008	August 2006
Philippines	9,922	8,035	1,098	1,278
National Capital Region	12,121	9,757	1,479	1,366
Cordillera Administrative Region	a	9,242	a	1,007
Region I - Ilocos Region	7,985	6,128	1,217	508
Region II - Cagayan Valley	9,431	6,968	496	732
Region III - Central Luzon	8,320	7,064	487	1,064
Region IVA - CALABARZON	8,683	7,703	1,095	942
Region IVB - MIMAROPA	a	7,525	a	2,016
Region V - Bicol	a	6,218	a	510
Region VI - Western Visayas	7,533	6,545	808	987
Region VII - Central Visayas	7,507	6,829	1,004	1,067
Region VIII - Eastern Visayas	7,533	7,909	712	1,565
Region IX - Zamboanga Peninsula	6,070	5,687	612	2,046
Region X - Northern Mindanao	6,986	6,158	716	438
Region XI - Davao	a	6,573	a	473
Region XII - SOCCSKSARGEN	6,751	5,690	558	413
Caraga	6,131	6,200	633	588
Autonomous Region in Muslim Mindanao	5,523	a	1,031	a

a - Suppressed due to low response rate.

Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

**FOR INQUIRIES:**

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