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

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES which aims to generate statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.

The OWS is one of the designated statistical activities per E.O. 352 (s. 1996) that requires the generation of critical data for decision making in the government and the private sector. The data "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 2010 OWS covered non-agricultural establishments employing at least 20 persons in 65 industry groups. 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 August 2010.

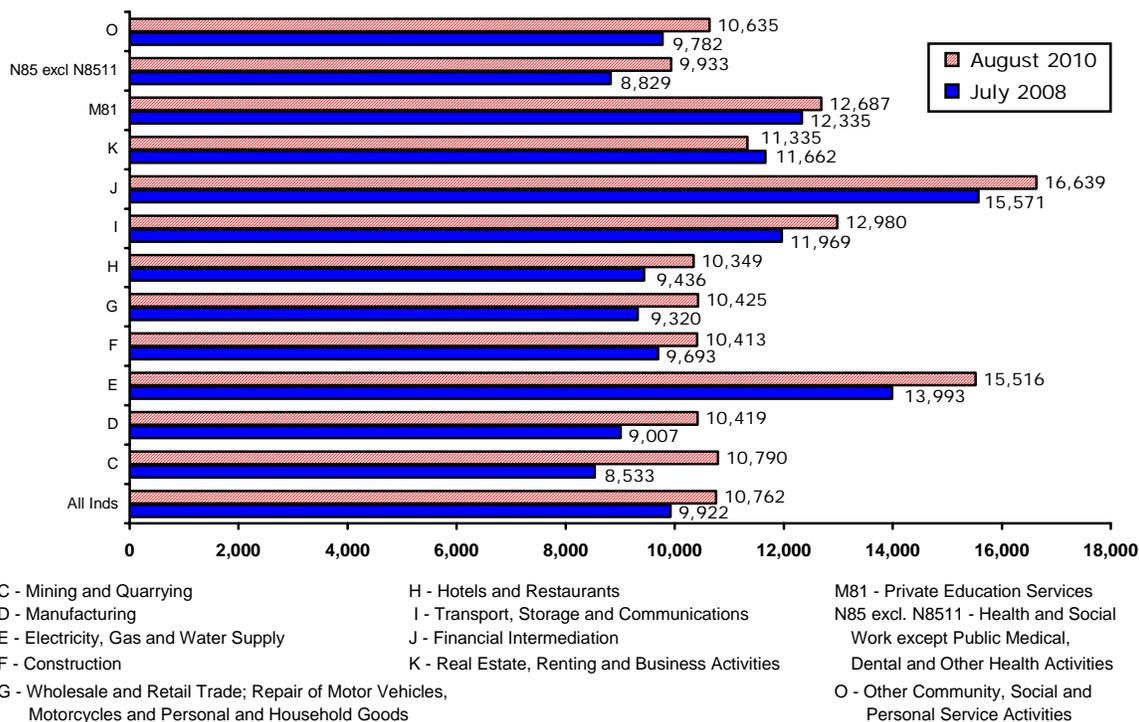
This fourth issue of LABSTAT Updates compares the monthly median basic pay and median allowances received by time-rate workers on full-time basis in July 2008 and August 2010. The metadata and the statistical tables of the survey are posted at the BLES website.

Average basic pay highest in financial intermediation in 2008 and 2010

- In August 2010, the average basic pay was estimated at ₱10,762, higher by 8.5% than ₱9,922 in July 2008.
- Highest average basic pay was observed in financial intermediation at ₱16,639 in August 2010 and ₱15,571 in July 2008.
- Five industry groups exhibited growth in basic pay of more than 10.0%, namely: mining and quarrying (26.5%); manufacturing (15.7%); health and social work except public medical, dental and other health activities (12.5%); wholesale and retail trade (11.9%); and electricity, gas and water supply (10.9%).
- Only real estate, renting and business activities posed a decline in the monthly basic pay (2.8%). (Figure 1)

Disclaimer: The Bureau of Labor and Employment Statistics (BLES) bears no responsibility for the use of the data or for interpretation or inferences made by data users outside BLES.

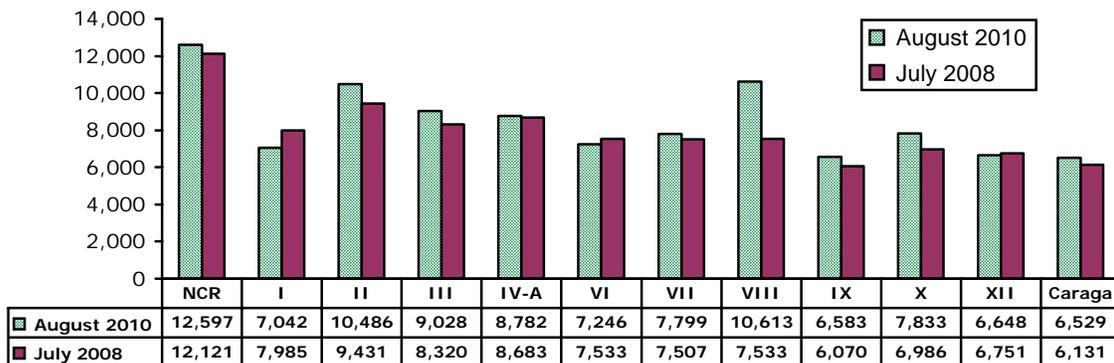
FIGURE 1 - Median Monthly Basic Pay of Time-Rate Workers on Full-Time Basis by Major Industry Group, Philippines: July 2008 and August 2010 (In Pesos)



Growth in average basic pay highest in Region VIII

- Across regions, median basic pay increased in majority of the regions with the highest growth registered in Region VIII at 40.9%.
- Other regions with more than 10.0% growth in basic pay were Region X (12.1%) and Region II (11.2%).
- Only three regions had decreased in basic pay, namely: Region I (11.8%); Region VI (3.8%); and Region XII (1.5%). (Figure 2)

FIGURE 2 - Median Basic Pay of Time-Rate Workers on Full-Time Basis by Region, Philippines: July 2008 and August 2010 (In Pesos)



Note: Data for CAR, Regions IV-B, V and XI in 2008; and Region IV-B and ARMM in 2010 were suppressed due to low response rates.

Proportion of workers receiving higher basic pay intervals increased

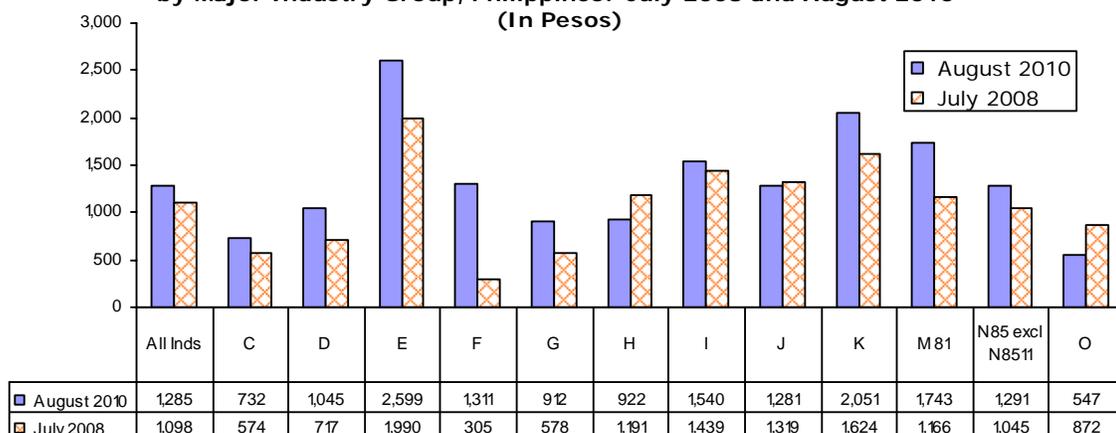
- The number of time-rate workers on full-time basis in non-agricultural establishments decreased slightly from 2.780 million in July 2008 to 2.752 million in August 2010.
- About one-third (35.8%) of workers in 2008 was located at higher pay interval of ₱12,000 and over. The proportion increased to 40.1% in August 2010.

Monthly Basic Pay	August 2010 (In %)	July 2008 (In %)
Below ₱3,000	0.1	0.1
₱3,000 – ₱5,999	3.6	4.1
₱6,000 – ₱8,999	27.9	32.2
₱9,000 – ₱11,999	28.3	27.8
₱12,000 – ₱14,999	12.5	12.0
₱15,000 and over	27.6	23.8

Workers in electricity, gas and water supply industry got the highest median monthly allowances

- Regular cash allowances amounting to ₱1,285 were provided to time-rate workers on full-time basis in August 2010, more than 17.0% compared to average allowances given in July 2008 at ₱1,098.
- Among industry groups, workers in electricity, gas and water supply received the highest monthly allowances of ₱2,599 in August 2010 and ₱1,990 in July 2008.
- Majority of the industry groups had increased in allowances except for three groups where allowances declined, namely: hotels and restaurants (from ₱1,191 to ₱922); financial intermediation (from ₱1,319 to ₱1,281); and other personal services (from ₱872 to ₱547). (Figure 3)

FIGURE 3 - Median Allowances of Time-Rate Workers on Full-Time Basis by Major Industry Group, Philippines: July 2008 and August 2010 (In Pesos)



C - Mining and Quarrying
 D - Manufacturing
 E - Electricity, Gas and Water Supply
 F - Construction
 G - Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods
 H - Hotels and Restaurants
 I - Transport, Storage and Communications
 J - Financial Intermediation
 K - Real Estate, Renting and Business Activities
 M81 - Private Education Services
 N85 excl. N8511 - Health and Social Work except Public Medical, Dental and Other Health Activities
 O - Other Community, Social and Personal Service Activities

Workers with no allowances expanded

- | | <i>Monthly
Allowances</i> | <i>August
2010
(In %)</i> | <i>July
2008
(In %)</i> |
|--|-------------------------------|-----------------------------------|---------------------------------|
| <ul style="list-style-type: none"> ▪ The proportion of time-rate workers on full-time basis who received monthly allowances of at least P1,500 grew from 17.8% to 18.7% in August 2010. | <i>No Allowances</i> | 59.2 | 54.4 |
| <ul style="list-style-type: none"> ▪ Those who had monthly allowances up to P1,499 dropped from 27.9% to 22.1%. | <i>Below P500</i> | 9.4 | 12.3 |
| | <i>P500 – P,999</i> | 6.6 | 9.0 |
| | <i>P1,000 – P1,499</i> | 6.1 | 6.6 |
| | <i>P1,500 – P1,999</i> | 3.7 | 4.9 |
| <ul style="list-style-type: none"> ▪ Meanwhile, workers not receiving allowances expanded to 59.2% from 54.4%. | <i>P2,000 and over</i> | 15.0 | 12.9 |

Definition of Terms:

Wage rate refers to the sum of basic pay and regular/guaranteed cash allowances.

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.

Allowances refer to regular/guaranteed cash payments. These include living allowance but exclude reimbursements for travel, entertainment, meals and other expenses incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; and family allowances.

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.

FOR INQUIRIES

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