



Chapter 2

INCOME AND PRICES

Consumer price index (CPI) is a statistical measure of changes in average retail prices of commodities bought by a specific group of consumers in a given area in a given period of time. On the other hand, inflation rate is the annual rate of change or the year change in CPI. It shows how fast or slow the CPI increases or decreases. Purchasing power of the peso indicates the value of the peso in the period under review as compared to the peso in the base period. It is computed as the reciprocal of the CPI for the period under review multiplied by 100. These data describe the standard of living of negrenses, their purchasing capacity and their demands for commodities and services needed in the province.

Planners, program managers, and executives both in the government and non-government organizations can use these data as bases for any poverty alleviation efforts in the province. These information can also help them evaluate the programs and projects effectiveness to reduce poverty and uplift the lives of the people. Investors and other business oriented organizations can determine their markets for the goods and services that are in demand in the province.

This chapter includes data for the region and provinces pertaining to family income, expenditures and savings. Also included in this chapter are data on sources of income, distribution of family expenditure, poverty threshold and incidence, consumer price indices and inflation rate in the province of Negros Occidental.

Sectoral Highlights

| INDICATOR | PARTICULARS |
|------------------------------------|---|
| Family Income | <p>The 2000 results of the Family Income and Expenditure Survey (FIES) revealed that the average family income of families in Negros Occidental increased by 9.25 percent from PhP67,665 in 1997 to 73,923 in 2000.</p> |
| Main Source of Income | <p>The main source of income of families in Negros Occidental comes from wages and salaries with computed 52 percent of the 422,175 families in 2000. 27 percent of these are dependent on entrepreneurial activities and the remaining 21 percent derived their income from other sources such as cash receipts, gifts and other forms of assistance from abroad, pension and retirement, workmen’s compensation and social security benefits, among others. It can be noted that families getting their income from other sources increases by 5 percentage points in 2000 based on the 1997 figure of 16 percent.</p> <p>Combining all families dependent on agricultural activities both earning from wages and salaries and entrepreneurial activities, the total reaches 44 percent of the total families in 2000. This is lower compared to the 1997 figure which is computed at 55 percent.</p> |
| Family Expenditure and Savings | <p>From the average income of PhP73,923, 93.67 percent were spent on various expenditures such as food, clothing, education, transportation and communications, and other household operations. The remaining 6.33 percent of the income were kept as savings.</p> |
| Distribution of Family Expenditure | <p>Based on the 2000 FIES, 53.6 percent of family income was spent on food, 8.7 percent on rent/rental value of occupied dwelling unit, 6.2 percent was spent on fuel, light and water, and 3.7 percent on transportation and communication.</p> |
| Poverty Threshold and Incidence | <p>The annual per capita poverty threshold in 2006, or the amount required to be spent to satisfy the nutritional requirements and other basic needs of an individual is PhP 13,975.</p> <p>Poverty incidence of families notably decreased by 10.2 percentage points from 41.6 in 2000 to 31.4 in 2003. Poverty incidence of population also increased by 2.5 from 39.5 in 2003 to 42.0 in 2006..</p> |
| Inflation Rate | <p>The province’s recorded inflation rate in 2008 with 2000=100 is at 9.8 percent.</p> |
| Purchasing Power of Peso | <p>The purchasing power of the peso weakened to PhP0.70 in 2008 from the value of PhP0.76 in 2007 at 2000=100.</p> |

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