

HOUSEHOLD INCOME



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Household Income and Expenditure Survey (HIES)
Analytical Report: Household Income
2016

National Bureau of Statistics
Ministry of Finance & Treasury
Male', Maldives

The Household Income and Expenditure Survey (HIES) collects information on the income and expenditure of households in Maldives. It also obtains information on household characteristics, demographic and socio-economic characteristics and access and ownership of consumer durables. These include aspects such as education, migration, employment, marriage and fertility of household members.

Field work of HIES was carried out during March to May 2016 and August to November 2016, with a break during the month of Ramazan. This is the first time that HIES data has been collected with a sample size and design, that enabled results to be representative at the level of individual Atolls, in addition to Male' and the national level. The initial sample size was 4,985 households across the country. This sample size represents 8% of households at the national level, 3% in case of Male' and 11% for the rest of the Atolls. Response rate for the survey was 98%. Based on the response rate, the sample of HIES 2016 included 4,910 households with a population of 26,025 individuals across the country.

The HIES 2016 is the third nationwide HIES conducted by the National Bureau of Statistics (NBS) of Maldives. It is a household sample survey conducted regularly, once in every five years, by NBS. The first nationwide HIES was undertaken in 2002-2003 and its results representative at national level, for Male' and for Atolls as a whole. The second HIES carried out in 2009-2010 provided data at an additional level of detail, whereby results were also representative at region level, based on the grouping of islands that government used as regions at the time.

The 2016 HIES included a special labour force module designed to capture detailed information and to collect relevant data to study the labour market situation in the country. Data needed to measure different forms of work and labour underutilization were collected as per international definitions using the new guidelines adopted by the International Labour Organisation (ILO) in 2013. In the absence of a Labour Force Survey (LFS) in the country this is the best option available for NBS to collect employment statistics on a more

frequent basis. Special focus and efforts were made in the HIES 2016 to include additional data needed to improve the methodology used in the estimation of poverty in the country. Due to these methodological improvements direct comparisons with previous estimates are not possible. Hence data users need to take these methodological differences into consideration.

This publication primarily focused on the key finding on Income from HIES 2016. A series of publications with key findings and analysis focused on different aspects will be released from HIES 2016 by the NBS.

Results of the survey will be used by NBS to improve the statistics produced on national accounts and Gross Domestic Product (GDP) as well as the Consumer Price Index (CPI). Data on household expenditure will be used to update the estimates of household final consumption aggregates in GDP. Similarly changes in household consumption pattern observed in HIES will be used to update the expenditure weights assigned and revise the basket of goods and services. In addition to this NBS will compile poverty statistics, employment statistics and compile and update the Sustainable Development Goal (SDG) indicators using the data from HIES 2016.

It is expected that this report and data will be a valuable resource for other government agencies, researchers, students, NGOs, international agencies as well as the general public in making evidence-based and informed decisions. I hope that data from this survey will be used extensively and additional analysis and research outputs will be produced.

I would like to take this opportunity to thank each and every household that participated in the HIES 2016, for providing valuable information and time during this important exercise. The hard work and dedication of all the enumerators and supervisors in gathering the information and those who worked in coding and data entry is appreciated. It is the

cooperation extended by the households and the efforts during the field work, that made this survey results possible at this level of geographic disaggregation and high level of precision.

The technical support provided by the World Bank (WB), International Labour Organisation (ILO) and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is highly valued.

Support and guidance provided at the policy level by the Ministry of Finance and Treasury enabled the mobilization of finances and the smooth implementation of this survey possible and this is gratefully appreciated.

I commend and applaud the hard working and dedicated staff of NBS for their efforts during all stages of this survey from its initiation till the dissemination of the results. The role played by Ms. Aishath Laila who managed the survey operation, Ms. Fathimath Nihan who led the data processing work, and the staff of survey and data processing division of NBS deserve a special mention. The efforts made by Ms. Fathimath Riyaza in improving data required for poverty measurement and analysis is noted with appreciation. It was a privileged for me to be part of the team and to be able to provide support and guidance to the team during this important exercise. The names of persons who contributed to make this survey a success is duly noted under the acknowledgements section.

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I fully acknowledge and value the support provided at the policy level by the Minister of Finance and Treasury Hon. Ahmed Munawar and Minister of State for Finance and Treas-

sure Mr. Mohamed Ashmalee, throughout this survey.

We hope for continued support from the general public, to our surveys, to be able to provide high quality statistics, we consider a public good. We welcome your feedback and the staff of NBS will remain at your service to provide technical support and to facilitate the use of this data for informed decision making.



Aishath Shahuda

Chief Statistician

National Bureau of Statistics

4 July 2018

A study of this magnitude cannot be undertaken without the active help and support of a number of individuals and organizations.

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National Bureau of Statistics

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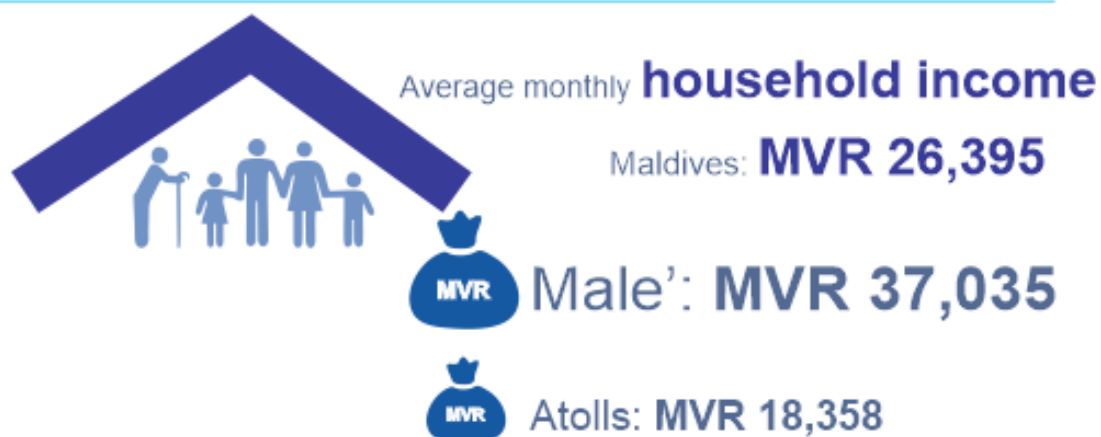
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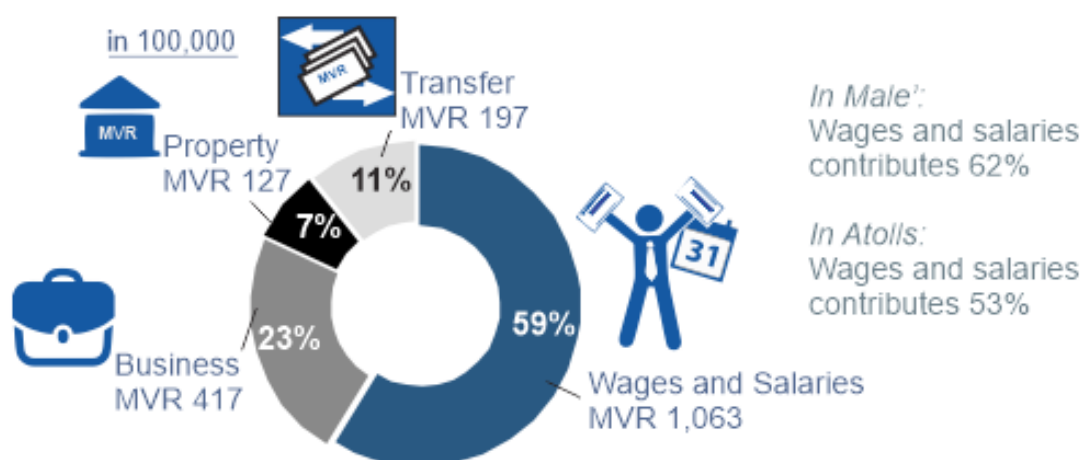
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Household **Income** from all sources



Wages and salaries contributes **59%** to total household income from all sources



Average monthly **per capita income**



Maldives: **MVR 4,944**

Male': **MVR 6,984**

Atolls: **MVR 3,421**

Average monthly **per earner income**



Maldives: **MVR 10,449**

Male': **MVR 13,763**

Atolls: **MVR 7,644**

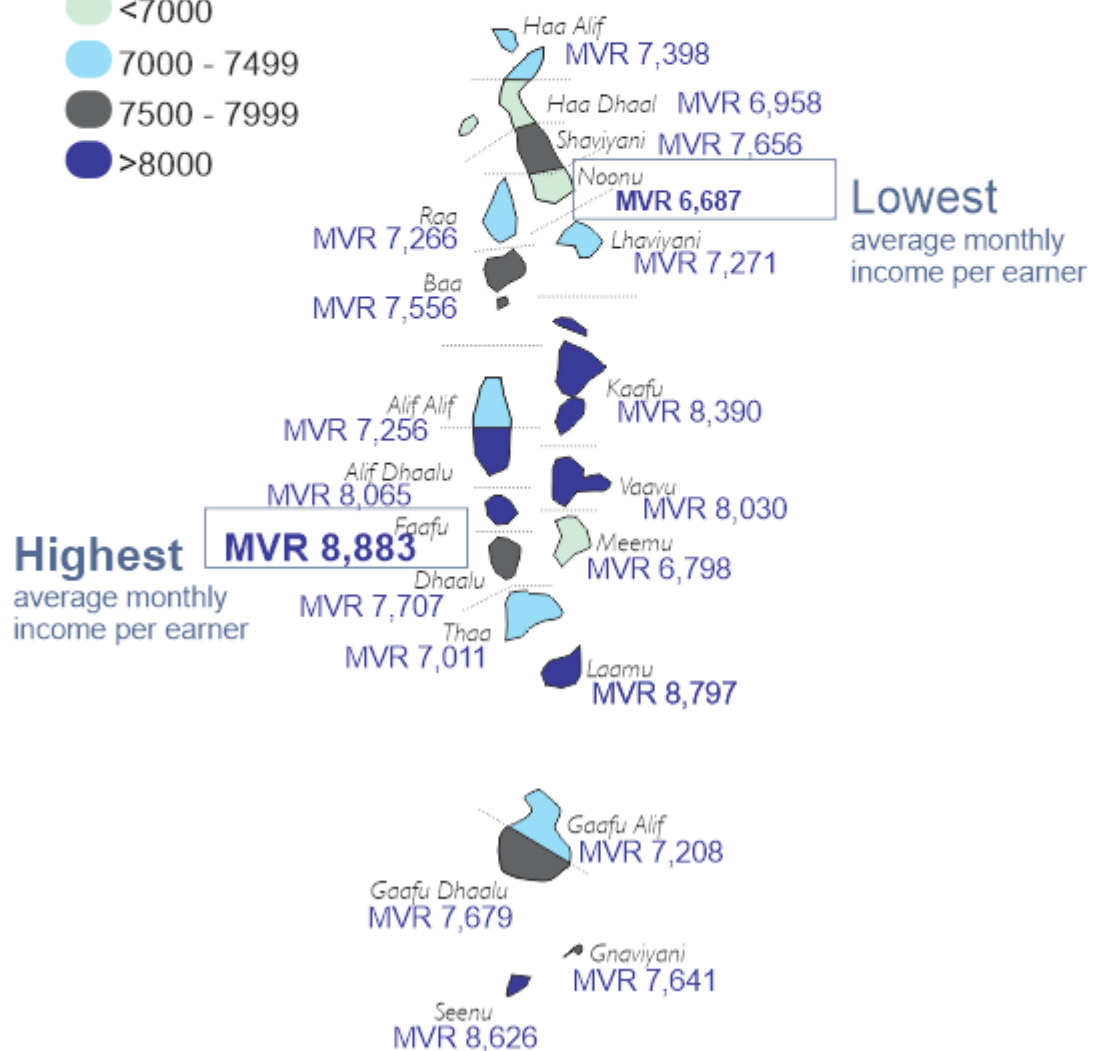
Average monthly **per earner income**

<7000

7000 - 7499

7500 - 7999

>8000



Revised

Locality	Average household size	Employment status		
		Percentage of population 15 years and above	Labour force participation rate (%)	Employment to population ratio (%)
Republic	5.3	71%	57.6%	54.1%
Male'	5.3	75%	60.7%	56.2%
Atolls	5.4	68%	55.1%	52.4%
HA	4.9	67%	59.9%	58.2%
Hdh	5.1	68%	56.1%	53.7%
Sh	5.5	66%	61.2%	59.4%
N	4.9	66%	52.4%	50.1%
R	5.5	67%	50.2%	47.5%
B	5.1	67%	52.5%	49.0%
Lh	5.2	72%	51.5%	47.5%
K	5.9	68%	61.6%	59.5%
AA	6.2	66%	63.3%	60.9%
Adh	6.6	67%	60.0%	57.8%
V	4.9	68%	66.4%	64.9%
M	5.0	74%	65.4%	63.4%
F	6.2	67%	67.9%	67.0%
Dh	6.4	69%	57.6%	55.8%
Th	5.3	69%	57.1%	51.8%
L	5.8	70%	56.5%	54.3%
GA	4.8	69%	50.4%	47.7%
Gdh	5.0	73%	48.7%	46.6%
Gn	5.5	65%	48.7%	44.5%
S	5.2	70%	46.1%	42.3%

1/ Only the households with income reported by all earners are used here.

2/ Based on ranking of all households by their monthly household income from all sources per household member.

3/ Earners also includes those people not in employment but receives transfer incomes (eg: basic pension for the elderly).

Locality	Monthly Income from all the income generating activity										Average per-capita Income (MVR): 21st to 40th 2/	Average per-capita Income (MVR): 41st to 60th 2/	Average per-capita Income (MVR): 61st to 80th 2/	Average per-capita Income (MVR): richest 20% 2/	Share of per capita income in the poorest income quintile (%) 2/	Share of per capita income in the richest income quintile (%) 2/
	Average Monthly Income per Household (MVR)	Median Monthly income per Household (MVR)	Share of income source: Wages and Salaries (%)	Share of income source: Business (%)	Share of income source: Property (%)	Share of income source: Transfers (%)	Average Per-capita Income (MVR)	Average per-capita Income (MVR): poorest 20% 2/								
Republic	26,395	19,900	59%	23%	7%	11%	4,944	1,203	2,550	3,860	5,574	11,546	4%	58%		
Male'	37,035	29,600	62%	20%	10%	8%	6,984	1,243	2,592	3,908	5,620	11,756	1%	72%		
Atolls	18,358	13,955	53%	28%	3%	16%	3,421	1,198	2,535	3,830	5,508	10,738	8%	34%		
HA	18,778	14,384	49%	30%	1%	20%	3,814	1,331	2,574	3,838	5,462	11,871	6%	39%		
Hdh	17,097	12,500	54%	23%	4%	19%	3,359	1,235	2,510	3,818	5,418	13,051	10%	37%		
Sh	18,617	13,700	43%	41%	1%	15%	3,378	1,152	2,432	3,760	5,695	14,472	9%	44%		
N	15,831	13,000	50%	22%	4%	25%	3,249	1,232	2,544	3,685	5,524	10,565	10%	41%		
R	14,132	11,000	50%	33%	2%	14%	2,591	1,097	2,499	3,776	5,512	12,483	16%	14%		
B	16,249	12,000	59%	23%	4%	14%	3,160	1,158	2,592	3,812	5,535	9,168	9%	25%		
Lh	16,384	13,165	51%	32%	1%	15%	3,178	1,146	2,501	3,798	5,616	8,519	11%	26%		
K	23,269	20,000	53%	32%	5%	10%	3,930	1,085	2,693	3,920	5,498	9,643	4%	37%		
AA	19,194	15,275	55%	33%	3%	10%	3,120	1,107	2,528	3,652	5,389	9,116	9%	23%		
Adh	24,959	21,500	53%	28%	3%	16%	3,806	1,256	2,566	3,848	5,500	11,281	6%	39%		
V	20,579	15,000	63%	22%	2%	13%	4,194	1,083	2,575	3,887	5,211	10,095	4%	52%		
M	18,398	14,860	56%	26%	4%	14%	3,673	1,396	2,499	3,727	5,367	10,336	7%	37%		
F	26,523	22,900	44%	46%	1%	9%	4,308	1,298	2,566	3,968	5,632	10,095	2%	36%		
Dh	20,772	17,400	57%	31%	1%	10%	3,227	1,397	2,564	3,730	5,216	7,933	10%	21%		
Th	16,990	13,900	52%	33%	1%	14%	3,185	1,310	2,472	3,788	5,469	13,137	11%	31%		
L	21,219	15,500	58%	30%	2%	10%	3,650	1,140	2,509	3,870	5,612	9,857	7%	35%		
GA	14,537	11,200	56%	28%	4%	13%	3,019	1,211	2,466	3,665	5,503	9,436	10%	37%		
Gdh	17,422	13,000	53%	26%	3%	18%	3,452	1,142	2,468	4,016	5,605	10,571	8%	32%		
Gn	17,672	12,815	55%	17%	4%	24%	3,223	1,109	2,518	3,861	5,608	11,586	10%	30%		
S	18,953	14,350	61%	18%	2%	19%	3,655	1,273	2,614	3,922	5,555	9,910	8%	38%		

1/ Only the households with income reported by all earners are used here.

2/ Based on ranking of all households by their monthly household income from all sources per household member.

3/ Earners also includes those people not in employment but receives transfer incomes (eg: basic pension for the elderly).

Locality	Monthly Income from all the income generating activity										
	Median Per-capita Income (MVR)	Average number of Income Earners per Household (number) 3/	Earners per Household receiving employment related income (number)	Earners as % of 15+ population (%)	Male earners as % of 15+ Male pop. (%)	Female earners as % of 15+ Female pop. (%)	Share of Earners who receive income other than from employment (%)	Average Monthly Income per earner (MVR)	Median Monthly Income per earner (MVR)	Share of population in the poorest income quintile (%) 2/	Share of population in the richest income quintile (%)2/
Republic	3,850	2.5	2.2	66%	79%	55%	20%	10,449	8,574	20%	20%
Male'	5,667	2.7	2.3	67%	80%	54%	20%	13,763	11,241	5%	37%
Atolls	2,818	2.4	1.9	65%	77%	55%	21%	7,644	6,548	31%	7%
HA	3,000	2.5	2.2	76%	84%	69%	24%	7,398	6,118	22%	8%
Hdh	2,718	2.5	2.1	70%	77%	65%	22%	6,958	5,931	34%	6%
Sh	2,375	2.4	2.2	67%	80%	58%	17%	7,656	5,515	35%	8%
N	2,665	2.4	2.0	72%	85%	62%	29%	6,687	5,460	35%	7%
R	2,093	1.9	1.8	53%	67%	42%	18%	7,266	6,000	47%	2%
B	2,876	2.2	1.9	63%	73%	55%	21%	7,556	6,760	33%	4%
Lh	2,541	2.3	1.9	60%	76%	48%	21%	7,271	6,325	38%	7%
K	3,625	2.8	2.5	68%	85%	51%	16%	8,390	7,425	21%	9%
AA	2,767	2.6	2.4	66%	76%	57%	14%	7,256	6,640	28%	4%
Adh	3,413	3.1	2.6	70%	81%	63%	22%	8,065	7,650	19%	6%
V	3,692	2.6	2.3	76%	83%	70%	15%	8,030	7,150	22%	16%
M	3,255	2.7	2.4	73%	84%	64%	16%	6,798	6,204	25%	8%
F	3,667	3.0	2.7	72%	80%	64%	12%	8,883	7,700	9%	12%
Dh	2,935	2.7	2.4	61%	73%	49%	15%	7,707	7,100	26%	6%
Th	2,625	2.4	2.1	65%	78%	54%	20%	7,011	6,333	37%	3%
L	3,200	2.4	2.2	59%	75%	44%	14%	8,797	7,800	26%	9%
GA	2,250	2.0	1.8	60%	72%	49%	18%	7,208	6,548	41%	7%
Gdh	2,600	2.3	2.0	61%	76%	48%	26%	7,679	6,394	31%	9%
Gn	2,688	2.3	1.8	64%	74%	57%	33%	7,641	6,466	37%	6%
S	2,891	2.2	1.8	60%	71%	49%	27%	8,626	7,367	30%	12%

1/ Only the households with income reported by all earners are used here.

2/ Based on ranking of all households by their monthly household income from all sources per household member.

3/ Earners also includes those people not in employment but receives transfer incomes (eg: basic pension for the elderly).

Locality	Average number of earner by sector from the main job																					
	A - Agriculture, forestry and fishing	B - Fishing	B - Mining and quarrying	C - Manufacturing	D - Electricity, gas, steam and air conditioning supply	E - Water supply; sewerage, waste management and remediation activities	F - Construction	G - Wholesale and retail trade; repair of motor vehicles and motor-cycles	H - Transportation and storage	I - Accommodation and food service activities	J - Information and communication	K - Financial and insurance activities	L - Real estate activities	M - Professional, scientific and technical activities	N - Administrative and support service activities	O - Public administration and defence; compulsory social security	P - Education	Q - Human health and social work activities	R - Arts, entertainment and recreation	S - Other service activities	T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	U - Activities of extraterritorial organizations and bodies
Republic	2.9	2.9	3.0	3.0	2.8	3.1	3.1	3.2	3.0	3.1	2.8	3.4	3.0	3.3	2.7	3.0	3.0	3.0	3.9	3.2	2.8	4.0
Male'	3.5	3.4	0.0	3.1	2.8	3.5	3.0	3.3	3.1	3.1	2.8	3.6	3.0	3.3	2.7	3.2	3.4	3.1	3.9	4.2	3.0	0.0
Atolls	2.9	2.9	3.0	2.9	2.8	2.7	3.2	3.1	2.8	3.1	3.0	2.5	0.0	2.2	2.8	2.8	2.8	2.9	3.8	2.4	2.6	0.0
HA	2.9	2.8	3.9	3.4	3.1	5.0	2.7	3.0	2.3	2.7	0.0	0.0	0.0	2.0	2.6	2.8	3.0	2.2	1.5	1.8	3.2	0.0
Hdh	2.7	2.9	2.0	2.7	2.8	0.0	4.2	3.3	2.8	2.8	2.6	4.0	0.0	1.0	3.3	2.5	2.4	2.7	0.0	2.4	3.5	0.0
Sh	3.0	2.9	1.7	2.8	2.6	0.0	3.1	3.0	2.6	3.2	0.0	1.0	0.0	0.0	3.2	2.7	2.8	2.8	3.0	2.0	1.5	0.0
N	2.5	2.1	4.0	2.8	2.7	0.0	4.5	2.7	3.1	2.3	0.0	0.0	0.0	3.0	2.1	2.4	2.6	2.6	0.0	0.0	1.8	0.0
R	2.4	2.3	0.0	2.3	2.3	2.0	1.9	2.6	1.9	2.5	2.4	0.0	0.0	0.0	3.0	2.4	2.6	2.8	4.0	3.1	1.6	0.0
B	2.5	2.3	2.0	2.1	2.5	0.0	2.5	3.6	2.8	3.4	3.0	5.0	0.0	0.0	2.3	2.7	3.0	2.6	0.0	2.0	3.4	0.0
Lh	2.3	2.5	0.0	2.4	3.0	1.5	2.7	2.7	2.9	1.9	1.7	1.9	0.0	2.9	0.0	2.8	2.6	2.6	0.0	1.0	2.9	4.0
K	3.6	3.6	0.0	3.1	3.2	4.0	3.5	5.1	3.1	4.0	2.5	0.0	0.0	0.0	3.3	3.8	3.5	3.7	4.5	5.0	1.6	0.0
AA	3.2	3.7	4.0	3.9	3.4	1.0	2.2	3.4	4.2	3.9	0.0	0.0	0.0	0.0	1.3	3.2	3.2	4.5	4.4	0.0	4.2	0.0
Adh	3.7	3.6	4.0	3.5	2.8	4.7	4.2	3.9	4.0	3.3	4.2	3.0	0.0	2.5	4.0	4.0	3.3	3.5	3.9	2.0	2.6	4.2
V	2.7	2.8	0.0	2.9	2.9	2.0	3.6	2.8	2.3	3.1	6.0	4.0	0.0	0.0	2.8	3.1	2.8	3.7	3.3	0.0	1.7	0.0
M	3.4	3.4	0.0	3.7	4.3	0.0	2.8	3.2	3.3	6.0	3.0	4.0	0.0	0.0	2.7	3.3	3.3	3.1	0.0	2.2	1.0	0.0
F	3.4	3.3	0.0	3.4	2.2	3.2	3.4	3.2	5.5	3.9	0.0	5.0	0.0	0.0	4.1	3.3	3.5	3.7	0.0	2.9	0.0	0.0
Dh	3.6	3.6	0.0	3.3	3.7	3.0	4.1	3.3	4.9	2.5	0.0	3.5	0.0	0.0	3.2	3.0	3.1	2.7	13.0	3.0	4.4	0.0
Th	2.6	2.4	3.0	3.0	3.2	0.0	2.9	2.8	3.3	3.7	0.0	2.0	0.0	2.0	2.0	2.9	2.6	3.0	0.0	2.5	3.5	0.0
L	2.7	2.8	0.0	3.0	2.7	2.6	4.2	3.6	3.3	4.0	5.0	1.6	0.0	0.0	3.3	3.2	3.4	3.2	0.0	2.5	5.0	0.0
GA	2.1	2.1	3.0	3.1	1.8	4.0	1.3	2.4	2.2	2.8	0.0	1.0	0.0	1.0	3.8	2.0	2.6	2.3	0.0	3.5	1.6	0.0
Gdh	2.4	2.5	2.0	3.1	2.6	0.0	3.4	3.2	2.6	3.9	2.6	1.6	0.0	0.0	2.7	2.7	2.7	2.2	0.0	1.9	3.0	0.0
Gn	2.4	2.0	0.0	3.8	2.4	0.0	2.0	2.1	1.6	2.1	2.3	4.1	0.0	2.3	3.5	2.2	2.5	1.9	4.0	2.4	1.2	0.0
S	2.7	2.9	0.0	2.4	2.3	0.0	2.4	2.8	2.0	2.3	2.4	1.4	0.0	0.0	1.6	2.2	2.5	2.7	1.0	0.0	2.3	0.0

1/ Only the households with income reported by all earners are used here.

2/ Based on ranking of all households by their monthly household income from all sources per household member.

3/ Earners also includes those people not in employment but receives transfer incomes (eg: basic pension for the elderly).

Locality	Average Monthly Income by sector from the main Job (in MVR)																					U - Activities of extraterritorial organizations and bodies (MVR)	
	Average monthly income from the main job (MVR)	A - Agriculture, forestry and fishing (MVR)	B - Mining and quarrying (MVR)	C - Manufacturing (MVR)	D - Electricity, gas, steam and air conditioning supply (MVR)	E - Water supply, sewerage, waste management and remediation activities (MVR)	F - Construction (MVR)	G - Wholesale and retail trade; repair of motor vehicles and motor-cycles (MVR)	H - Transportation and storage (MVR)	I - Accommodation and food service activities (MVR)	J - Information and communication (MVR)	K - Financial and insurance activities (MVR)	L - Real estate activities (MVR)	M - Professional, scientific and technical activities (MVR)	N - Administrative and support service activities (MVR)	O - Public administration and defence; compulsory social security (MVR)	P - Education (MVR)	Q - Human health and social work activities (MVR)	R - Arts, entertainment and recreation (MVR)	S - Other service activities (MVR)	T - Activities of households as employers; undifferentiated goods and services-producing activities of households for own use (MVR)		
Republic	10,229	8,257	9,150	5,643	6,239	10,496	8,354	12,679	10,166	13,182	11,469	10,261	13,288	25,800	12,472	12,345	12,401	8,193	11,593	11,199	8,072	3,980	8,537
Male'	13,528	11,536	12,137	0	16,151	15,010	9,084	18,314	11,911	14,522	15,424	10,200	13,890	25,800	12,695	16,622	14,582	8,968	15,250	12,463	10,971	4,889	0
Atolls	7,385	8,017	8,909	5,643	3,436	8,927	7,428	7,563	7,815	9,319	7,982	10,470	10,903	0	6,915	3,632	9,146	7,749	9,703	8,178	5,507	3,030	8,537
HA	7,155	8,364	9,147	6,246	2,874	8,334	14,800	6,852	9,772	9,393	6,612	0	0	0	7,200	3,378	9,130	7,900	11,624	6,010	5,332	2,789	0
Hdh	6,383	3,985	8,817	8,000	2,060	7,566	0	8,391	7,764	8,403	5,981	8,642	12,038	0	6,656	3,270	10,686	7,313	9,617	0	5,088	2,057	0
Sh	6,800	7,199	9,463	4,015	2,581	8,767	0	6,229	16,381	10,967	7,740	0	10,000	0	0	2,709	9,100	7,577	7,589	12,949	150	4,500	0
N	6,399	6,771	6,791	5,000	3,438	6,818	0	5,187	6,325	8,032	5,948	0	0	0	8,000	2,187	7,865	8,855	8,842	0	0	1,765	0
R	6,704	8,319	8,805	0	4,429	7,700	10,143	7,236	6,496	6,928	7,788	7,000	0	0	0	3,548	7,843	8,255	7,999	8,000	6,234	1,924	0
B	7,340	5,970	6,254	6,000	2,926	7,614	0	7,823	7,939	9,579	8,296	9,000	22,000	0	0	2,452	8,743	7,808	9,290	0	7,000	2,894	0
Lh	7,356	9,218	9,739	0	5,690	12,321	3,501	6,025	6,166	5,192	9,764	14,834	10,256	0	4,543	0	7,717	5,913	6,936	0	5,343	4,214	8,537
K	8,195	9,219	9,537	0	4,145	12,956	7,925	6,520	6,485	14,203	9,730	8,291	0	0	0	1,822	10,068	5,917	9,148	9,232	3,392	6,437	0
AA	6,938	5,987	6,269	17,000	3,725	11,840	3,500	8,352	10,304	5,237	6,555	0	0	0	0	666	8,639	8,502	7,309	3,894	0	3,482	0
Adh	7,784	10,516	10,889	1,000	2,637	11,764	6,124	6,812	9,165	8,433	7,541	13,817	20,474	0	8,138	1,250	8,927	7,662	9,253	4,626	5,442	2,813	0
V	7,366	5,103	5,052	0	2,690	12,710	2,000	5,402	4,600	8,258	9,765	8,081	4,000	0	0	3,643	9,768	6,263	9,528	10,053	0	3,079	0
M	6,175	5,657	5,657	0	2,464	9,323	0	7,605	5,200	8,908	6,751	10,030	8,626	0	0	3,002	8,091	8,302	9,357	0	6,854	3,893	0
F	8,375	12,176	13,079	0	3,927	9,737	3,734	7,039	7,674	9,000	7,607	0	8,764	0	1,296	9,180	7,554	9,127	0	7,832	0	0	0
Dh	7,859	8,475	8,543	0	3,397	8,369	5,000	8,919	8,125	11,479	7,582	0	12,350	0	0	3,048	9,641	7,823	9,529	7,200	5,538	2,739	0
Th	6,909	5,626	5,849	1,667	3,472	8,856	0	6,587	10,246	10,661	6,110	0	10,000	0	2,500	1,255	8,946	8,604	8,507	0	4,717	2,180	0
L	8,584	10,437	12,020	0	4,091	7,854	6,460	5,736	5,861	9,785	9,662	16,033	11,101	0	0	2,870	9,930	8,913	12,552	0	5,003	4,128	0
GA	7,152	6,405	6,662	1,250	6,157	8,141	5,000	10,915	5,875	9,119	7,999	0	10,000	0	7,156	1,325	7,517	7,748	9,893	0	4,135	2,622	0
Gdh	7,545	10,859	11,095	6,500	3,591	6,068	0	6,687	5,984	9,486	6,558	4,000	7,895	0	0	18,940	7,061	6,700	8,317	0	6,008	1,800	0
Gn	7,614	5,497	7,490	0	5,298	10,860	0	9,823	6,055	7,348	6,212	8,690	8,400	0	8,338	4,499	10,852	7,344	15,057	7,000	6,052	2,589	0
S	8,847	8,269	9,929	0	4,664	8,490	0	12,111	8,536	10,118	8,840	14,749	10,763	0	0	4,535	10,008	8,744	13,040	4,000	0	3,666	0

1/ Only the households with income reported by all earners are used here.

2/ Based on ranking of all households by their monthly household income from all sources per household member.

3/ Earners also includes those people not in employment but receives transfer incomes (eg: basic pension for the elderly).

This chapter contains the main findings on income levels and disparities. Moreover, the chapter highlights the characteristics of the main income earner and the characteristics of income generating households together with a general focus on the atoll level distribution. This chapter presents an analysis of income based on monthly household income, monthly per capita income and per earner income. In section 4 to section 5, the chapter looks into the detail of monthly income on average, median monthly household income. Section 7 highlights the sources of income and section 8 describes the income patterns by income groups and average income per earners. Section 9 presents limitations of the analysis and Section 10 summarizes the chapter.

1.2

CONCEPTS

The Household Income and Expenditure Survey (HIES) 2016, defines the household income as the total income received by all the members of the household, either in cash (monetary income) or in kind (non- monetary income) from all the sources.

The household income sources are investigated and reported under the following 4 main categories in the survey questionnaire.

1. Wages & salaries – including regular wages, overtime, tips, uniforms and travel allowances, goods and services in kind, such as health care, medical insurance, accommodation, food and clothing provided free of charge to an employee by the employer
2. Property income - including dividend, rent received from buildings, land and goods
3. Business profit – from self-employed persons, own-account workers and profits from family /other businesses
4. Transfer income - including social security benefits, government assistance, pension, cash contributions from relatives or friends who are not members of the household and other sources of transfer incomes. (Transfer income within the members of the same household was excluded in the data collection to avoid double counting.)

The 2016 HIES recorded individual income of all person 15 years and above receiving income from these sources. According to the definition used, persons who were living in resorts and other non-administrative islands were not included as household members. In addition, resorts and other non-administrative islands were outside the scope of HIES coverage. Hence, in case of employees working in resorts, although they earn wages and salaries, the income these non-resident workers send to their families living in administrative islands, will be included in HIES, from its recipient's side, which is as a transfer income of the receiving household. Same approach applies for income earned by non-resident members, and the income they send.

Nevertheless, the value of goods produced and consumed within the same household, imputed rent of owner-occupied housing and freely received goods such as gifts are NOT included as household income in this analysis.

The difference between monthly household income and monthly household expenditure in the HIES does not necessarily equate to savings/ dis-savings. Some households may finance their current household expenditure through irregular receipts or past savings.

Average (mean) is affected by outliers, (extremely large or small values), in the income distribution. Hence, it is important to look at a measure of average that is not affected by outliers, namely the median.

Median income is the income value at which the income distribution is divided into two equal size groups. This middle point or the median is important as always the income of one half of the population falls either above or below that value. Median household income is a better indicator than the mean (average) household income, as median is not dramatically affected by unusually high or low values. If the median and mean vary greatly, then income varies greatly among the households.

When we look at the average household income, a household receiving the same total income but with more number of household members will get a lower income per household member.

Hence, per capita income is considered as a better indicator, as it adjusts for these differences in the household size. Per capita monthly income is computed by summing all incomes reported by a household and dividing it by the total population of that household.

1.3 SUMMARY OF MONTHLY INCOME

HIES 2016 results shows that in Maldives, average monthly household¹ income is MVR 26,395 per household (Table 1.1). The average household income is double in Male' compared to the Atolls. Monthly per capita income at the national level is MVR 4,944. In Male' the per capita income is MVR 6,984 which is twice high income compare to the Atolls (MVR 3,421). The detail analysis is shown in the respective sections.

Table 1.1: Summary of monthly income by locality, 2016

Locality	Income (MVR) per month			
	Average Monthly Income per household	Median Monthly Income per household	Average Per capita Income	Median per capita Income
Maldives	26,395	19,900	4,944	3,850
Male'	37,035	29,600	6,984	5,667
Atolls	18,358	13,955	3,421	2,818
Haa Alif (HA)	18,778	14,384	3,814	3,000
Haa Dhaal (HDh) Atoll	17,097	12,500	3,359	2,718
Shaviyani (Sh) Atoll	18,617	13,700	3,378	2,375
Noonu (N) Atoll	15,831	13,000	3,249	2,665
Raa (R) Atoll	14,132	11,000	2,591	2,093
Baa (B) Atoll	16,249	12,000	3,160	2,876
Lhaviyani (Lh) Atoll	16,384	13,165	3,178	2,541
Kaafu (K) Atoll	23,269	20,000	3,930	3,625
Alif Alifu (AA)	19,194	15,275	3,120	2,767
Alifu Dhaal (Adh)	24,959	21,500	3,806	3,413
Vaavu (V)	20,579	15,000	4,194	3,692
Meemu (M)	18,398	14,860	3,673	3,255
Faafu (F) Atoll	26,523	22,900	4,308	3,667
Dhaal (Dh) Atoll	20,772	17,400	3,227	2,935
Thaa (T) Atoll	16,990	13,900	3,185	2,625
Laamu (L) Atoll	21,219	15,500	3,650	3,200
Gaafu Alif (GA) Atoll	14,537	11,200	3,019	2,250
Gaafu Dhaal (Gdh) Atoll	17,422	13,000	3,452	2,600
Gnaviyani (Gn) Atoll	17,672	12,815	3,223	2,688
Seenu (S) Atoll	18,953	14,350	3,655	2,891

Source: Household Income and Expenditure Survey, 2016

¹ Out of the 72,208 households in the survey, income analysis includes 68,426 households that had reported income values, in order to avoid distortions.

MONTHLY HOUSEHOLD INCOME

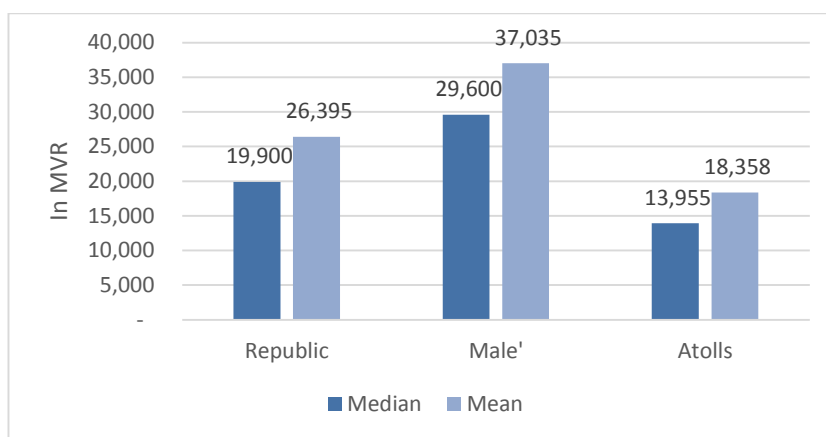
1.4

1.4.1 Average monthly household income

Average household income is the value obtained by dividing the total aggregate estimated household income by total number of estimated households in an area. In another words, average household income refers to the monthly income of an average household in Maldives or one particular area. The average household income presented in this report is computed based on those households where all the earning members had reported a value for income.

In 2016, average household income from all sources for the country as a whole was MVR 26,395 per month. Average household income in Male' of MVR 37,035 per month is double that of the Atolls average of MVR 18,358 per month (Figure 1.1 below).

Figure 1.1: Mean and Median income per household, 2016



Source: Household Income and Expenditure Survey, 2016

Median household income is a better indicator than the mean (average) household income as the median is not dramatically affected by extreme or unusually high or low values. If the median and mean vary greatly, then income varies greatly among the households.

In 2016 the median household income per month is MVR 19,900 which means 50 percent of the total households receive less than MVR 19,900 per month. Average household income of MVR 26,395 per month was higher compared to the median of MVR 19,900 per month.

Average income in Male' of MVR 37,035 per month was much higher compared to the median MVR 29,600. For the Atolls although average income MVR 18,358 was higher than the median MVR 13,955 the difference between mean and median is much smaller compared to Male' (Figure 1.1 below).

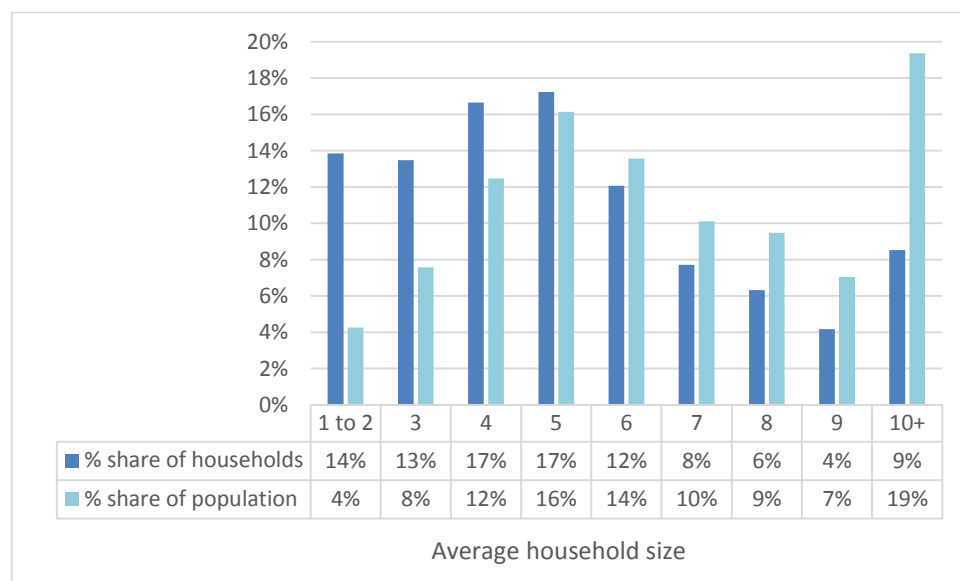
Overall, the median is approximately MVR 6,495 less than the average income with Male' showing a wider variation between median and average income indicating that income in Male' varies notably among households compared to atolls.

Household income is affected by the number of members in the household as well as the number of earning members in the household. Hence, a quick look at these aspects are important at the outset of this analysis.

Average household size in the administrative islands and households covered in the HIES 2016 comes to 5.3 persons per household (5.3 in Male' and 5.4 in Atolls).

Figure 5.2 shows the distribution of households by number of household members. It shows that 44 percent of the households have less than five members comprising one fourth of the population (24%). One tenth of the households (9%) have nine or more household members with one-fifth (19%) of the population. Details of average household income by household size and the per capita income is shown later (refer Section 1.5 Income by Household size).

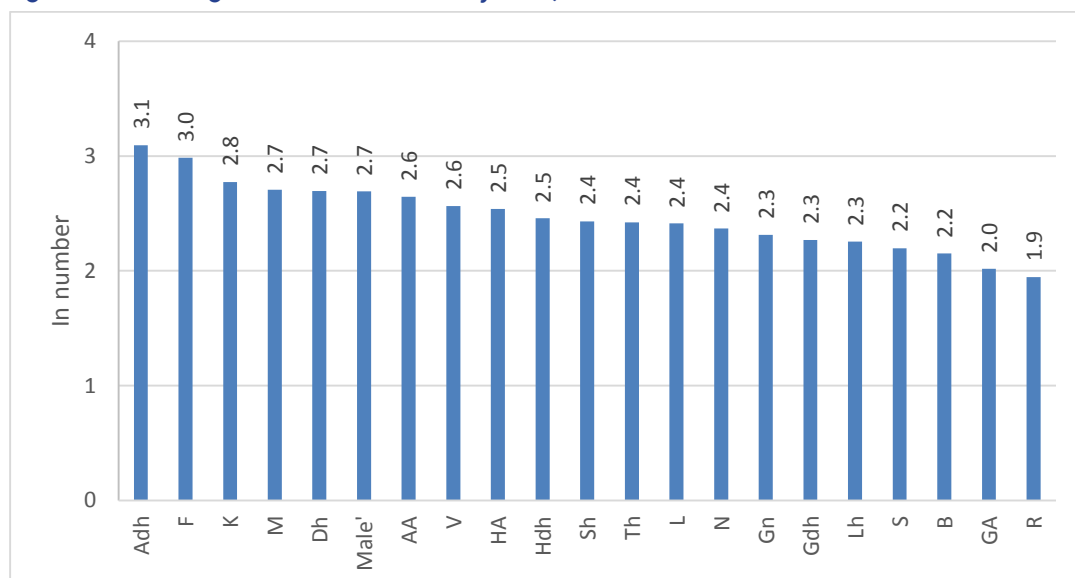
Figure 1.2: Percentage share of households and population by household size, 2016



Source: Household Income and Expenditure Survey, 2016

Out of the working age population (15 years and above) 66 percent were income earners. Earners also include those people not in employment but receives transfer incomes (eg: basic pension for the elderly). Average number of earners were 2.5 persons per household. Figure 1.3 gives Atoll level breakdowns. It shows that Alif Dhaal Atoll (Adh) has on average the highest number of earners followed by Faafu Atoll (F) at 3 earners per household. At the low end is Raa Atoll (R) with an average of 1.9 earners per household.

Figure 1.3 : Average number of earners by Atoll, 2016

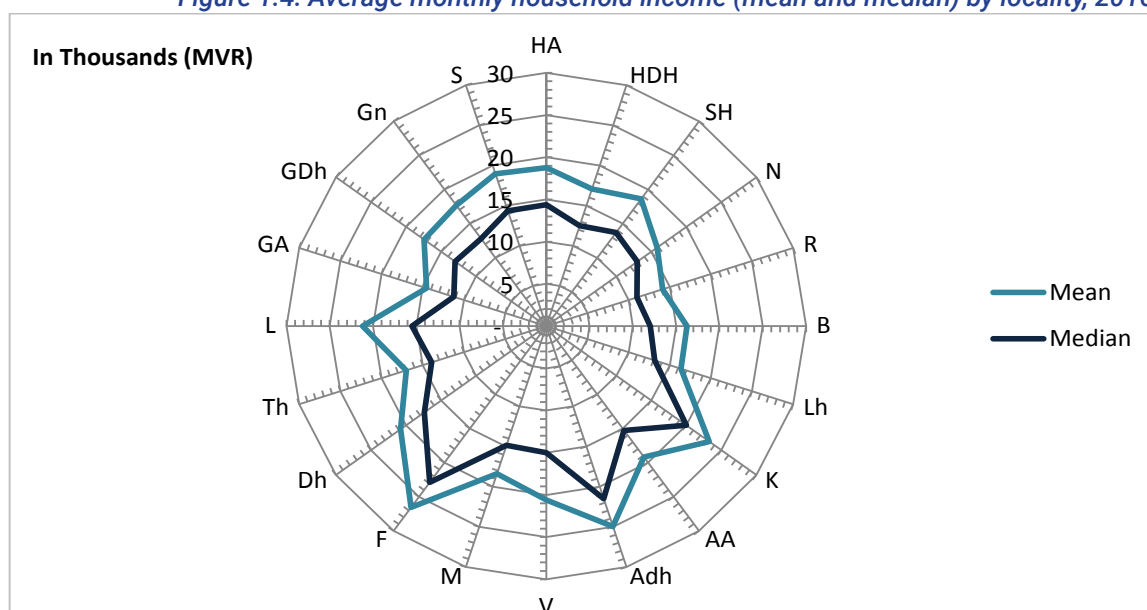


Source: Household Income and Expenditure Survey, 2016

Figure 1.4 gives the average and median household monthly income by locality. The three atolls with a median income of MVR 20,000 and above were Faafu (F) (MVR 22,900) Alif Dhaalu (Adh) (MVR 21,500) and Kaafu atoll (K) (MVR 20,000) atolls. Raa (R) (MVR 11,000) and Gaafu Alifu (GA) (MVR 11,200) were the atolls that had the lowest median household income.

Among the atolls, Noonu atoll (N) showed the least income variations between mean and median among the households while Laamu atoll (L) displayed the highest income disparity within households.

Figure 1.4: Average monthly household income (mean and median) by locality, 2016



Source: Household Income and Expenditure Survey, 2016

When average (mean) household income is compared within the Atolls, the income per household was highest in Faafu (F) Atoll. This is likely to be due to the high labour force participation rate (LFPR) and employment to population ratio as well as more earning members per household in the Atoll. In Faafu (F) Atoll the labour force participation rate (LFPR) was 68 percent and employment to population ratio was 67 percent (68% of the population 15 years and above were in the labour force and 67% of the 15+ population employed). On average there are 3 income earners per household in Faafu (F) atoll (refer employment chapter). And almost one fourth of the employed population is engaged in Fishing. On average a fisherman in Faafu (F) Atoll earns MVR 13,079 per month.

The lowest average household income is reported in Raa (R) Atoll. This is likely to be due to the lower labour force participation rate (LFPR) and employment to population ratio as well as less number of earning members per household in the Atoll. In Raa (R) Atoll the LFPR was 50 percent and employment to population ratio was 48 percent. In Raa (R) Atoll on average there are 1.9 income earners per household. About 14% of the employed population is engaged in retail trade. On average they earn MVR 6,496 per month (Refer to Annex for more detail). Another 25% of employed population was engaged in manufacturing where the average income was MVR 4,429 per month.

1.4.2 Monthly household income by quintiles

The structure of income distribution, particularly the inequality of the distribution is easier to understand when presented by income deciles and quintiles. To derive the quintiles, households are sorted by per capita income from least to the highest. Then these figures are divided into five equal groups referred to as income quintiles. The lowest group is the first quintile holds 20 percent of the total population which contain the lowest values of the distribution are attributes to, the second group refers to the second quintile and so on. The fifth quintile or richest 20 percent refers to the top twenty percent of households.

The deciles are derived in the same way as quintiles. However, the data is divided into ten groups and each of the deciles represents 10 percent of the households.

Looking at the variations of households and population by per capita income quintiles are important. Table 1.2 shows the share of household and population and average household income across the per capita income quintiles. The household income distribution by per capita income quintile shows that average household income varies a lot across quintiles both in Male' as well as in the Atolls. In case of Male' the poorest 20 percent of the total households earned an average income of MVR 7,016 compared to MVR 52,529 earned by the richest 20 percent. Similar differences in the distribution are observed in case of the

Atolls as well. In case of Atolls the poorest 20 percent of the households earned an average income of MVR 7,120 compared to MVR 35,878 earned by the richest ten percent of the households.

The share of household across per capita income quintile shows that 44% of the households fall to the richest 20 percent per capita quintile and 37% of the total population falls to richest 20 percent per capita quintile. While in Atolls, 28% of the households fall to the poorest 20 percent per capita quintile and 31% of the total population falls under the poorest 20 percent per capita quintile.

Table 1.2: Share of households, share of population and average household income by per capita income quintiles¹, 2016

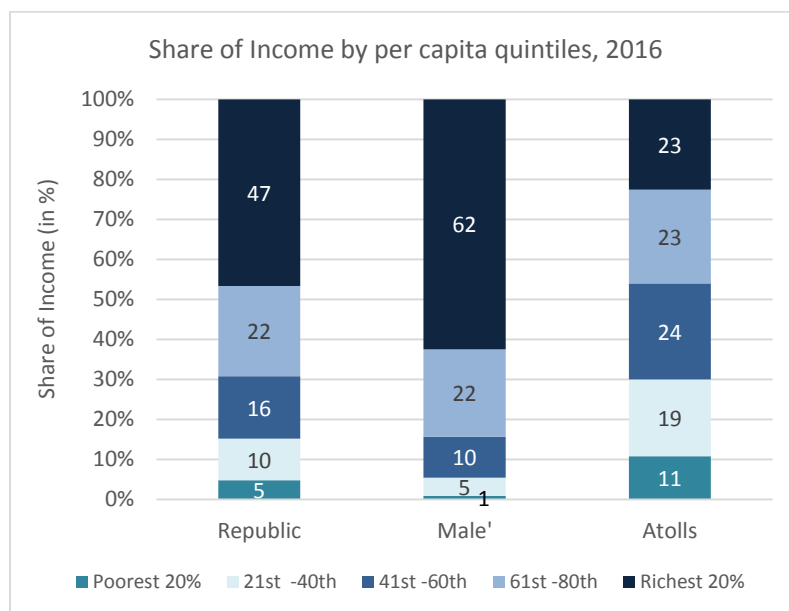
Per capita Income quintile	Share of households			Share of population			Average household Income		
	Maldives	Male'	Atolls	Maldives	Male'	Atolls	Maldives	Male'	Atolls
Poorest 20%	18%	5%	28%	20%	5%	31%	7,108	7,016	7,120
21 st -40 th	18%	11%	24%	20%	12%	26%	14,767	15,201	14,617
41 st -60 th	18%	16%	20%	20%	18%	21%	23,158	24,280	22,483
61 st -80 th	20%	24%	17%	20%	27%	15%	29,536	33,180	25,548
Richest 20%	26%	44%	12%	20%	37%	7%	48,236	52,529	35,878

1 Based on ranking of all households by their monthly household income from all sources per household member

Source: Household Income and Expenditure Survey, 2016

The household income distribution by per capita income quintiles shows that total household income varies a lot across quintiles both in Male' as well as in the Atolls. In case of Male' the poorest 20 percent of the total households earned only 1% of the total income compared to 62% of the total income earned by the richest 20 percent indicating inequality within Male'. In Atolls, the share of expenditure between different per capita quintiles is equally distributed among the top three quintiles (top 60 percent) with less share among the bottom 40 percent (Figure 1.5 below).

Figure 1.5 : Share of income from all sources, by income quintiles¹, 2016



Source: Household Income and Expenditure Survey, 2016

¹ Based on ranking of all households by their monthly household income from all sources per household member
Source: Household Income and Expenditure Survey, 2016

Household income depends on number of earners and with increase in number of earner the average household income will also increase. Due to these factors that affect the total and average household income, income per capita and income per earner will be shown later in the chapter, which adjusts for these differences in household income and give a better picture.

1.5 INCOME BY HOUSEHOLD SIZE

Number of persons usually live in a household is the definition for the household size. According to the survey average household size in Maldives is 5.3 persons per household.

Table 1.3 shows that with the increase in household size, the average household income increase and the reserve is seen for the per capita income, i.e. per capita income decreases with the increase in the household size. Majority of the households falls under the average household size category of 4-5 members per household. However, the majority of the population falls under the average household size category of 5-6 members per household. The same pattern is observed in Male' and Atolls with higher earnings among households in Male'. Across all the household size, average household income as well as the per capita income is almost double in Male' compared to Atolls.

Table 1.3: Average household and per capita income, share of the household and population by household size, Republic, Male' and Atolls, 2016

Household size	Average household Income (MVR)			Per capita Income (MVR)			Share of households (%)			Share of population (%)		
	Maldives	Male'	Atolls	Maldives	Male'	Atolls	Maldives	Male'	Atolls	Maldives	Male'	Atolls
1 to 2	17,917	28,423	10,937	10,898	17,039	6,717	14%	13%	15%	4%	4%	4%
3	19,714	26,410	13,486	6,571	8,803	4,495	13%	15%	12%	8%	9%	7%
4	21,442	30,288	14,740	5,360	7,572	3,685	17%	17%	17%	12%	13%	12%
5	24,826	35,358	15,867	4,965	7,072	3,173	17%	18%	16%	16%	17%	15%
6	27,151	37,998	19,370	4,525	6,333	3,228	12%	12%	12%	14%	13%	14%
7	27,847	39,964	21,050	3,978	5,709	3,007	8%	6%	9%	10%	8%	11%
8	38,470	50,953	26,269	4,809	6,369	3,284	6%	7%	6%	9%	11%	8%
9	36,674	53,925	26,303	4,075	5,992	2,923	4%	4%	5%	7%	6%	8%
10+	47,208	64,977	35,344	3,891	5,225	2,962	9%	8%	9%	19%	19%	20%
Total	26,395	37,035	18,358	4,944	6,984	3,421	100%	100%	100%	100%	100%	100%

Source: Household Income and Expenditure Survey, 2016

PER CAPITA MONTHLY INCOME

1.6

Per capita income is frequently used as better indicator to understand the country's standard of living and used to see the wealth of the population with those of others. The per capita income varies, in reverse to the household income with household size. Lower household size shows the higher per capita income. Per capita monthly income is computed by summing all incomes reported by a household and dividing it by the total population of that household.

Figure 1.6: Cumulative Distribution Function of total per capita monthly income, Maldives

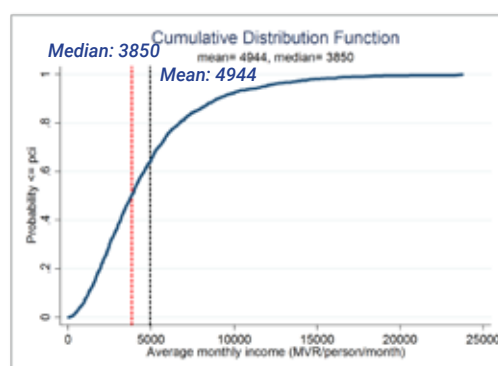
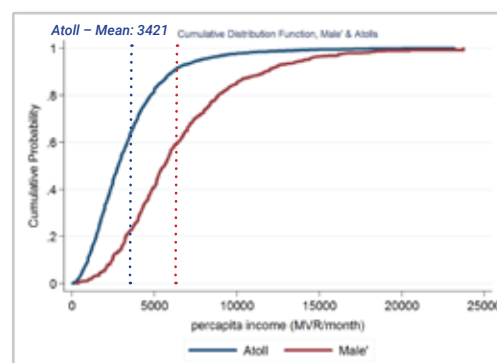


Figure 1.7: Cumulative Distribution Function of total per capita monthly income, Male' & Atolls



Source: Household Income and Expenditure Survey, 2016

Figure 1.6 shows the cumulative distribution function of the total per capita monthly income for Maldives. About 60% of population gets less than MVR 5,000 per person per month and less than 1% of population gets MVR 20,000 and above per person per month. Comparison between Male' and Atolls (Figure 1.7) shows cumulative distribution function for the Atoll is relatively steep than Male'. This means that people in the Atolls get less per capita income than those in the Male'. Almost 60% of the Atoll population gets less MVR 3,421 per person per month while only about 20% of the Male' population gets less MVR 3,421 per person per month. This shows that there is huge income disparity between Male' and in the Atolls.

Figure 1.8: Distribution of total per capita monthly income, Maldives

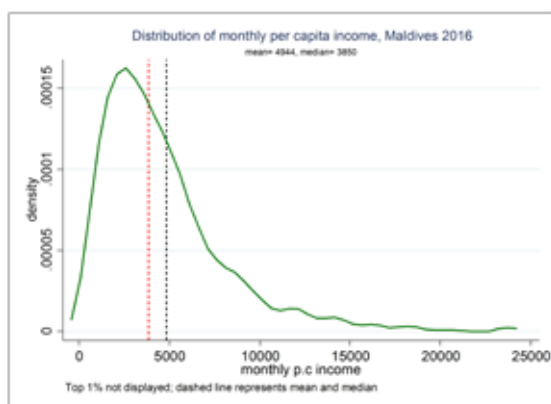
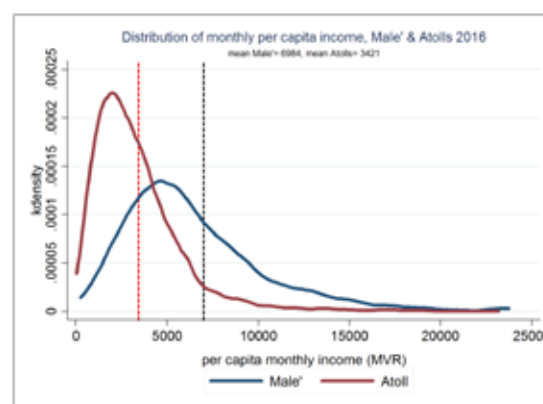


Figure 1.9: Distribution of total per capita monthly income, Male' & Atolls



Source: Household Income and Expenditure Survey, 2016

There is a large difference in income in Male' and the Atolls. Figure 1.8 shows the distribution of per capita income for Maldives. The income distribution of Maldives in 2016 is right (positive) skewed since the bulk of the values are concentrated on the left of the figure. Figure 1.9 shows the distribution of per capita income in Male' and in the Atolls. As seen from the figure, the distribution in Male' is shifted to the right, indicating higher income compare to Atolls. The distribution of Atolls shows majority of the population earns less income compared to Male'.

Table 1.4 shows the mean and median monthly per capita income by locality. The mean monthly per capita income at national level is MVR 4,944 and that the median value is MVR 3,850. The mean monthly per capita income for Male' is MVR 6,984 which is almost 2 times higher than the Atolls average (MVR 3,421).

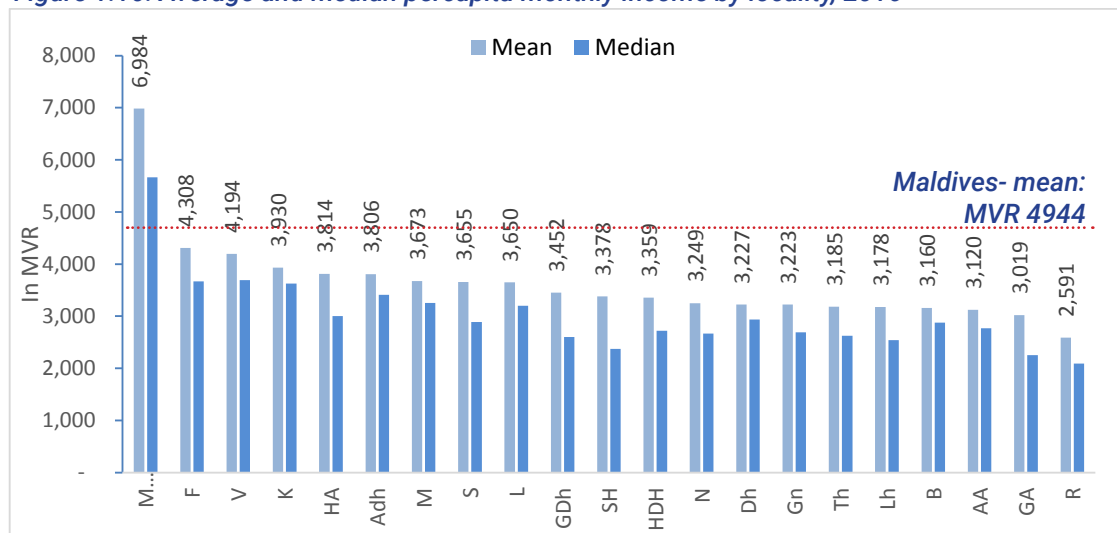
Table 1.4: Average (mean) and median of per capita Income by locality, 2016

Locality	Per capita Income	
	Mean	Median
Maldives	4,944	3,850
Male	6,984	5,667
Atoll	3,421	2,818

Source: Household Income and Expenditure Survey, 2016

Figure 1.10 illustrates percapita income by localities. Significant difference is observed in per capita income between Male' (MVR 6,984) and the atolls. Average per capita income in all the locations except Male' are below the national average as seen from Figure 1.10. Among the atolls, the highest per capita income is reported in Faafu (F) atoll followed by Vaavu (V) atoll while the lowest per-capita was seen in Raa (R) atoll. Previous argument holds in the case for Faafu (F) Atolls and Raa (R) Atolls.

Figure 1.10: Average and median percapita monthly income by locality, 2016



Source: Household Income and Expenditure Survey, 2016

Figure 1.10 depicts the existence of a greater disparity in monthly per capita mean income among Male' and the Atolls than that of per capita median income.

Table 1.5: Average (mean) per capita Income, household size and share of the per capita household income by income quintiles¹, 2016

Per capita Income quintile	per capita Income quintile range (in MVR)	Per capita Income (in MVR)			Share of per capita household income (%)			Household Size (persons)			Share of Population (%)		
		Maldives	Male'	Atolls	Maldives	Male'	Atolls	Maldives	Male'	Atolls	Maldives	Male'	Atolls
Poorest 20%	< 1951	1,203	1,243	1,198	4%	1%	8%	5.9	5.6	5.9	20%	5%	31%
21 st -40 th	1952 - 3192	2,550	2,592	2,535	8%	3%	15%	5.8	5.9	5.8	20%	12%	26%
41 st -60 th	3193 - 4619	3,860	3,908	3,830	12%	7%	19%	6.0	6.2	5.9	20%	18%	21%
61 st -80 th	4620 - 6826	5,574	5,620	5,508	19%	16%	23%	5.3	5.9	4.6	20%	27%	15%
Richest 20%	> 6827	11,546	11,756	10,738	58%	72%	34%	4.2	4.5	3.3	20%	37%	7%

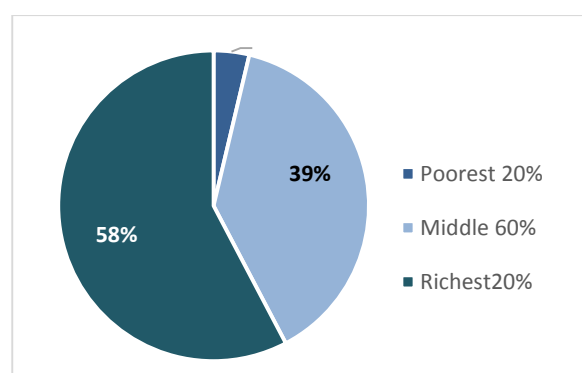
¹ Based on ranking of all households by their monthly household income from all sources per household member
Source: Household Income and Expenditure Survey, 2016

Table 1.5 shows the distribution of mean per capita income, share of household per capita income and household size by per capita income quintiles. According to the Table 1.5, the share of household per capita household income is more than half (58%) of the total per capita household income has been distributed among richest 20 percent of the household population in the country. However, 12% of the total income has been shared by population who are in 1st to 2nd quintiles (31 percent of the total population who receive the lower income than the rest).

Even though the mean monthly total per capita income for Male' is almost 2 times higher than the Atolls across the per capita income quintiles the distribution between Male' and Atolls is almost similar as seen from Table 1.5. This could be due to the factor that majority of the population in the Atolls falls to the poorest 20 percent while in Male' majority of the population falls to the richest 20 percent quintile creating overall gap between Male' and Atolls.

Table 1.5 shows that the household size gradually decreased from about 5.9 persons to about 4.2 persons with the increase of the household income across the first to fifth per capital income quintile group in Maldives.

Figure 1.11: Share of household per capita income by poorest 20%, middle 60% and richest 20%, 2016



Source: Household Income and Expenditure Survey, 2016

Table 1.6: Frequency distribution of population by per capita income group, Republic, Male' and Atolls, 2016

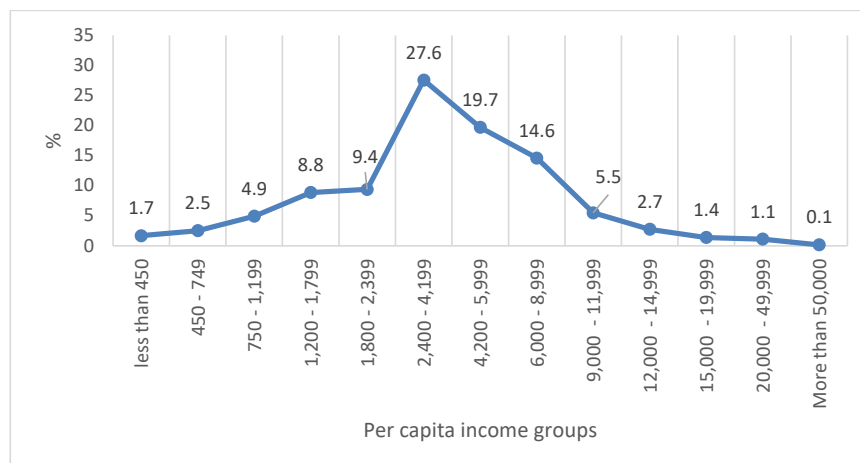
Per capital income groups	Number of persons			Percent of persons			% of person (Cumulative)		
	Maldives	Male'	Atolls	Maldives	Male'	Atolls	Maldives	Male'	Atolls
less than 450	6,107	771	5,337	1.7	0.5	2.6	1.7	0.5	2.6
450 - 749	9,167	782	8,385	2.5	0.5	4.0	4.2	1.0	6.6
750 - 1,199	17,953	1,797	16,156	4.9	1.2	7.7	9.1	2.1	14.3
1,200 - 1,799	32,308	4,033	28,275	8.8	2.6	13.5	17.9	4.7	27.8
1,800 - 2,399	34,284	6,974	27,310	9.4	4.5	13.1	27.3	9.2	40.9
2,400 - 4,199	100,684	32,576	68,108	27.6	20.9	32.6	54.9	30.1	73.4
4,200 - 5,999	71,967	39,104	32,862	19.7	25.0	15.7	74.6	55.1	89.1
6,000 - 8,999	53,280	37,809	15,471	14.6	24.2	7.4	89.2	79.3	96.5
9,000 - 11,999	20,025	15,945	4,080	5.5	10.2	2.0	94.7	89.5	98.5
12,000 - 14,999	9,992	8,395	1,597	2.7	5.4	0.8	97.4	94.9	99.2
15,000 - 19,999	4,991	3,972	1,019	1.4	2.5	0.5	98.8	97.5	99.7
20,000 - 49,999	4,017	3,594	422	1.1	2.3	0.2	99.9	99.8	99.9
More than 50,000	525	385	140	0.1	0.2	0.1	100.0	100.0	100.0
Total all groups	365,299	156,138	209,161	100	100	100			

Source: Household Income and Expenditure Survey, 2016

The cumulative percentage shares of population in the Table 1.6 is computed to show the percentage of population that falls below each per capita income group. It can be seen from Table 1.6 that approximately 90% of the population in Atolls gets below MVR 6,000 per month compared to Male' with 55 % of the population getting below MVR 6,000 per month. In Male' 5% of the population receives MVR 12,000 and above while in atolls less than 1% acquires a per-capita income above or equal to MVR 12,000 per month.

Looking at the distribution of per capita income groups Figure 1.12 at the national level, it can be seen that highest proportion of population (28%) gets per capita incomes between MVR 2,400 and 4,199 per month. Looking at the similar distribution for Male' and Atolls Figure 1.13 shows that per capita income of highest share of people in Atolls (33%) also falls in this category. In Male' highest proportion of population (25%) gets per capita incomes in the range above this that is between MVR 4,200 and 5,999 per month.

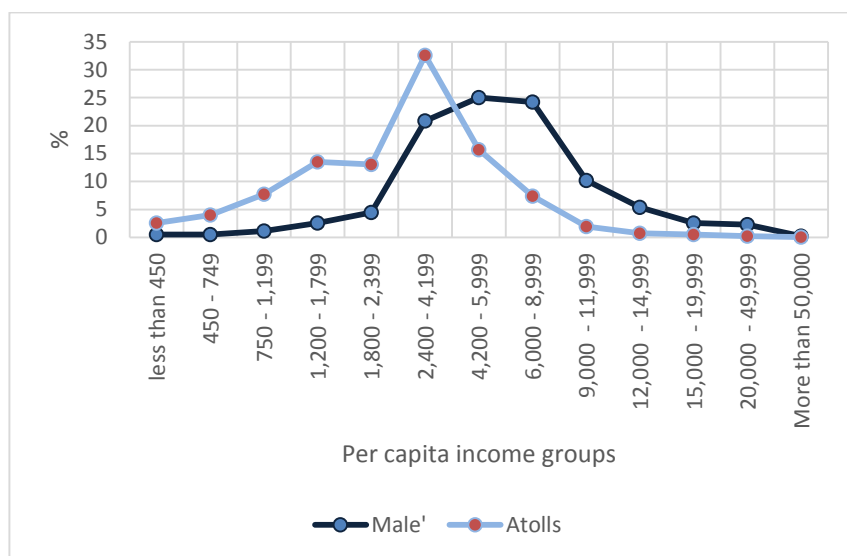
Figure 1.12: Frequency distribution of population by per capita income groups, Maldives, 2016



Source: Household Income and Expenditure Survey, 2016

In the Atolls 74 percent of the households have a per capita income between the ranges MVR 1,200 to 5,999 per month.

Figure 1.13: Frequency distribution of population by per capita income groups, Male' & Atolls, 2016



Source: Household Income and Expenditure Survey, 2016

SOURCE OF HOUSEHOLD INCOME

1.7

Income is received in two main ways, either in cash or in kind. The first is identified as monetary and the second is identified as non-monetary.

The major source of income persisted to be wages and salaries, contributing 59% to total household income from all sources (Table 1.7). Business income contributed another 23% while 11% was from transfer income such as government assistance, old age benefits/pension, money receives from relatives and friends residing in other households. It is important to take note of the data collection used in the HIES, which covered only administrative islands of the country, whereby the money sent by family members working and residing outside of the household (resorts, other islands/abroad) will be recorded as a transfer income in the household that receives the money.

Table 1.7: Average household income by sources of income and percentage distribution of total household income by source: 2016

Source of income	Average income			Income share		
	Maldives	Male'	Atolls	Maldives	Male'	Atolls
Wages & Salary	20,400	26,384	14,521	59	62	53
Business	13,355	21,938	9,379	23	20	28
Property	12,396	15,653	5,798	7	10	3
Dividends	1,757	1,779	1,735	0	0	0
Rent	13,512	16,753	6,410	7	10	3
Transfer	6,714	7,394	6,287	11	8	16
Old age pension	5,882	5,721	5,950	4	2	8

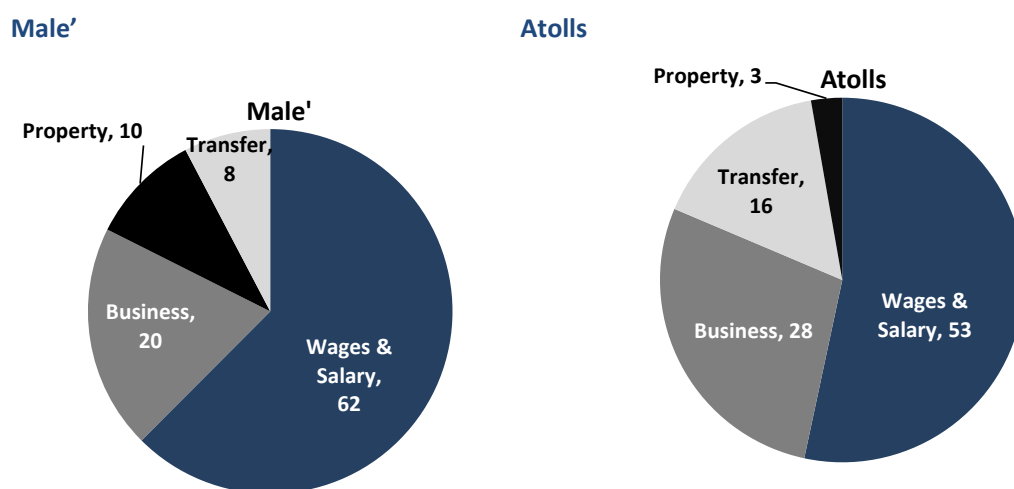
Source: Household Income and Expenditure Survey, 2016

Income is received in two main ways, either in cash or in kind. The first is identified as monetary and the second is identified as non-monetary.

Figure 1.14 compare the sources of household income between Male' and the Atolls. Half of the total household income came from wages & salaries in the Atolls and nearly two third (62%) in Male'. Business income contributes another 28% in the Atolls and 20% in

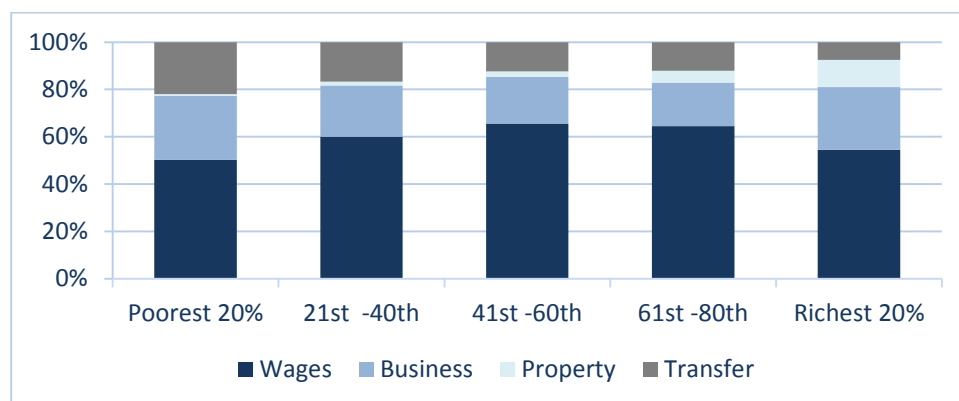
Male'. Property income is the third highest source of income in Male' (10%). In the Atolls, transfer income was the third highest source of income, which is twice that of Male'.

Figure 1.14 : Distribution of household income by source and locality: 2016



Source: Household Income and Expenditure Survey, 2016

Figure 1.15a: Distribution of sources of income by income quintile¹, Maldives, 2016

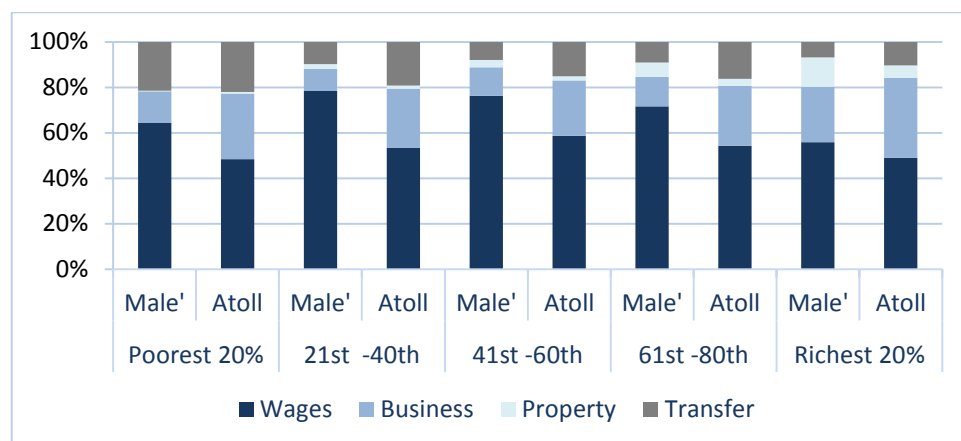


¹ Based on ranking of all households by their monthly household income from all sources per household member

Source: Household Income and Expenditure Survey, 2016

Wages & salaries is the main source of income in 2016 for all quintiles, and shares more than half of the total household income as seen from Figure 1.15a. The second highest source of income is business income for all quintiles. The third highest source of income for the richest 20 percent is property income while for the poorest 20 percent, source is transfer income. Share of transfer income decreases and the share of property income increases as the household income increases.

Figure 1.15b: Distribution of sources of income by locality and income quintile Male & Atolls¹, 2016



¹ Based on ranking of all households by their monthly household income from all sources per household member
Source: Household Income and Expenditure Survey, 2016

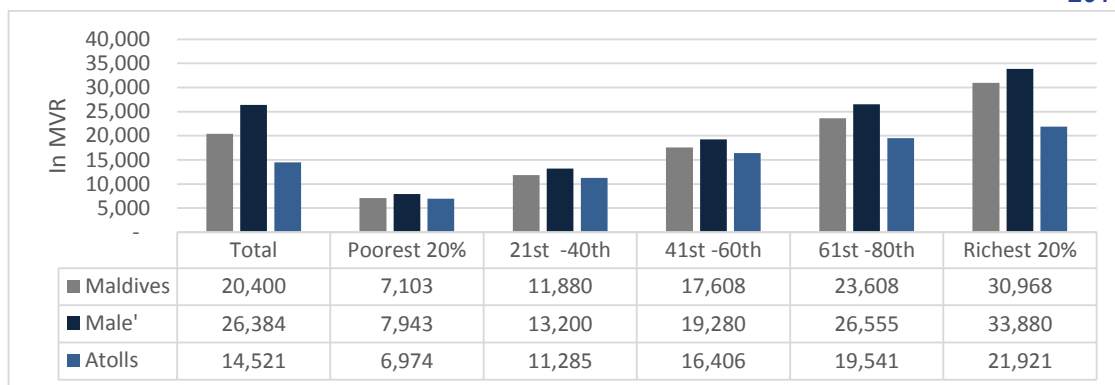
Wages and salaries is a bigger source of income for households in Male' in the 21st-40th percentiles, accounting 78% of their total household income in 2016 as seen from Figure 1.15b.

In comparison, business income is a second bigger source of income for the top 20% households. In 2016, business income contributes 24% of their total income in Male' and 35% in the Atolls.

Across the different income quintiles, the lowest 20% households are most reliant on income from transfers apart from wages and salaries. In 2016, around 22% of their household income came from transfers in Maldives as well as in the Atolls and 21% in Male'.

Figure 1.16 shows average household income from wages and salaries by per capita income quintiles. Among those household who earns income from wages and salaries, on average household income from wages and salaries is MVR 20,400 per month. The poorest 20% households earn MVR 7,103 per month from wages and salaries while the richest 20% households earn MVR 30,968 per month from wages and salaries. In all the per capita income quintiles, average household income from wages and salaries increased as per capita income quintiles increases. A similar pattern is seen for both Male' as well as in the Atolls.

Figure 1.16: Average household monthly income from wages and salaries by income quintiles¹, 2016

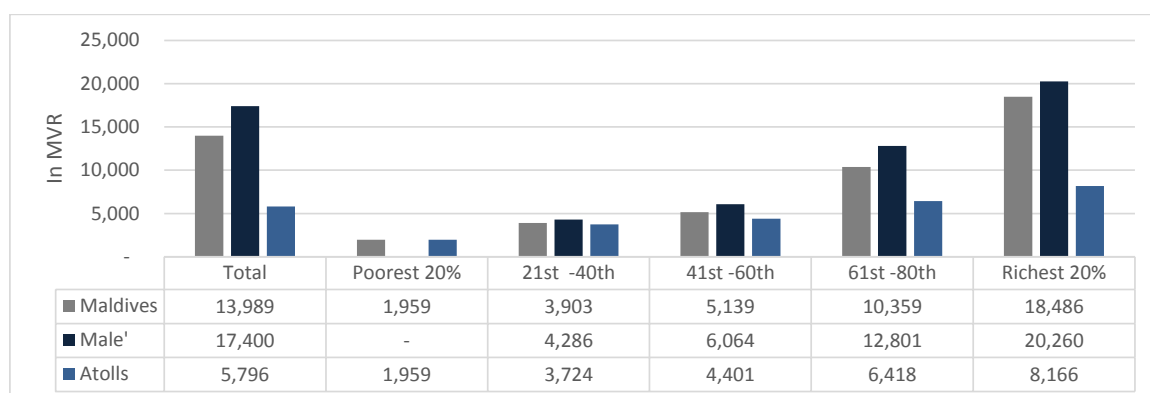


¹ Based on ranking of all households by their monthly household income from all sources per household member
Source: Household Income and Expenditure Survey, 2016

As the property income is dominant in Male', it is important to study the rental income especially in Male'. Among the households who receive an income from renting a building earns on average MVR 17,400 per month in Male'. This is three times the average in Atolls. In terms of the households those received an income from renting a building, 71% of them are in Male'.

It is interesting to note that, even though these households residing in Male' earns an income from renting a building, 44% of these households live in rented accommodation.

Figure 1.17: Average household income from renting a building by income quintiles¹, 2016

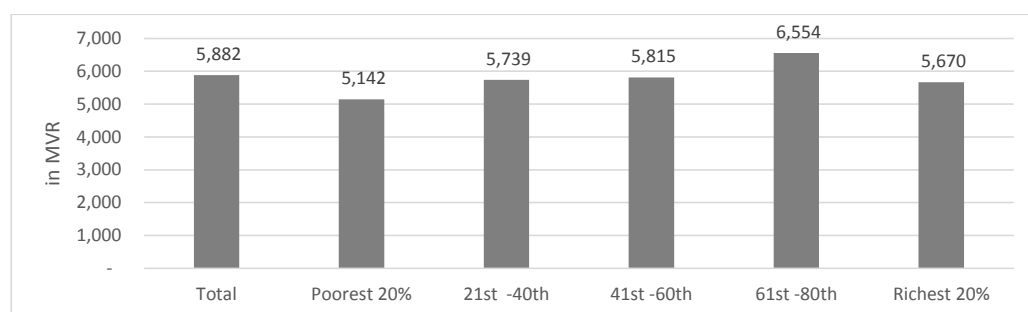


¹ Based on ranking of all households by their monthly household income from all sources per household member
Source: Household Income and Expenditure Survey, 2016

Looking at the distribution of average monthly household income from renting a building by per capita income quintiles, shows a variation among the households in Male' as well as in the Atolls. Among those household who earns rental income, there is no household which falls into the poorest twenty percent in Male' as seen from Figure 1.17 In Male', in all the per capita income quintiles, average rental income increased across the quintiles (MVR 4,000 to MVR 20,000 per month per household).

Old age pension consists of allowance given for all persons aged 65 years and above and the pension. Among transfer income, old age pension contributes 44% of the transfer income at national level. Old age pension contributes 30% of the transfer income in Male' while in the Atolls it contributes 54% of transfer income.

Figure 1.18: Average household income from old age pension by income quintiles¹, 2016



¹ Based on ranking of all households by their monthly household income from all sources per household member

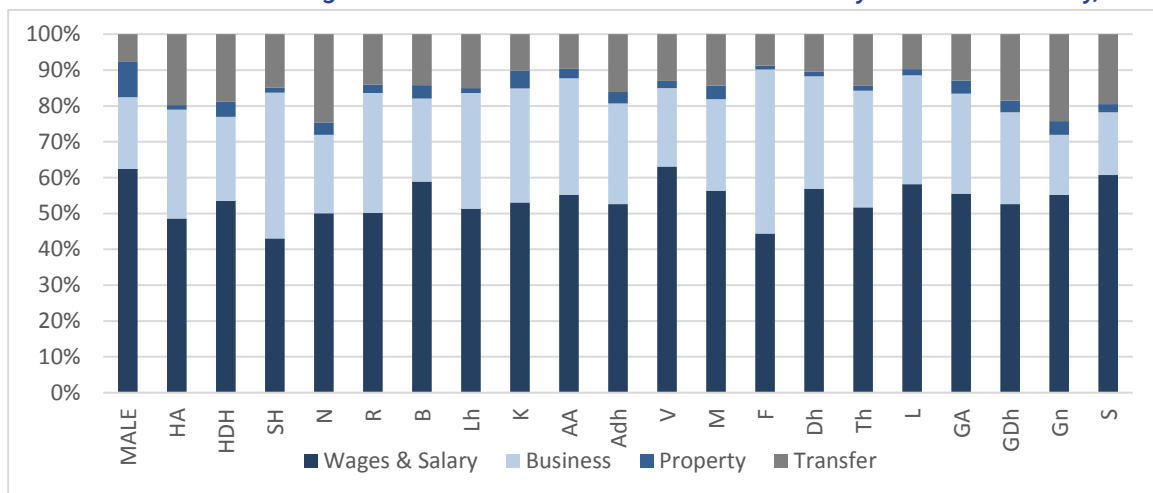
Source: Household Income and Expenditure Survey, 2016

Among those household receiving income from old age pension, on average, a household earns MVR 5,882 per month from old age pension. The majority of these people are those who earn the allowance given for the elderly persons aged 65 and above (amounting to a monthly amount of MVR 5,000 per person in 2016).

Figure 1.19 shows the distribution of household income by Atolls and by source of income. As in the case for Male' and Aolls, the main source of income was from wages & salaries in all Atolls except Faafu atoll (F). The share of income from wages and salaries were lowest

in Shaviyani atoll (Sh) and highest in Vaavu atoll (V). Business income share was highest in Faafu (F) (46%) atoll while Noonu atoll (N) exhibited the maximum transfer income. Property income has the lowest share for all localities and Male' displays the largest share of 10%

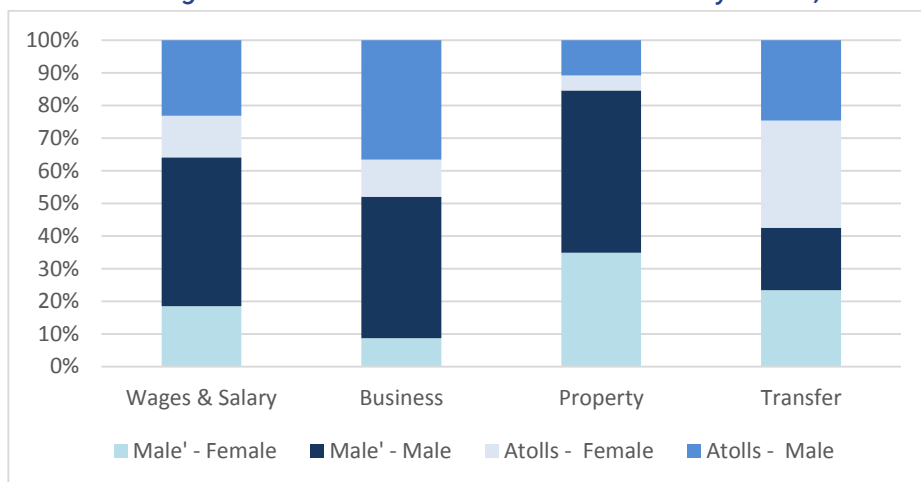
Figure 1.19: Distribution of household income by source and locality, 2016



Source: Household Income and Expenditure Survey, 2016

Income sources is further studied by sex in Figure 1.20. Transfer income shares are higher for females and dominant among females of Atolls in particular. With the exception of transfer income, males share was more than 60% of the income from other sources. In general men from Male' dominates the income share from business, property and also from the most prominent source; wages and salaries as well.

Figure 1.20: Distribution of household income by source, sex 2016

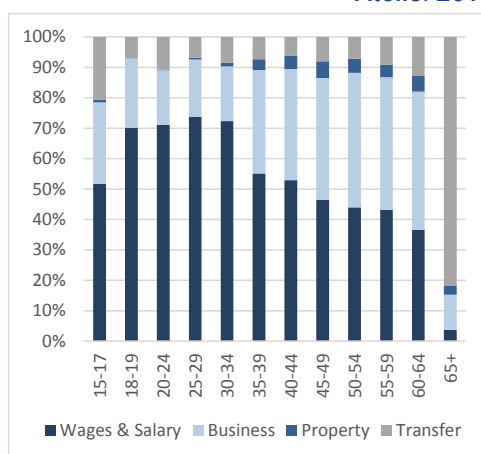


Source: Household Income and Expenditure Survey, 2016

Figure 1.21 and Figure 1.22 shows the contribution of sources of income by age group for Male' and Atolls. In Atolls income of lower age groups is composed of wages and salaries and after 35 years till 64, business income shares are relatively close to the income share from wages and salaries. In Atolls, for ages from 18t ill 34 years, the highest and foremost source of income is wages and salaries, contributing a share of around 70% across these age-groups. As for the 65 years and above age group which shares 10% of the total income of Atolls, adheres 82% from transfer income. This is expected, as all Maldivians 65 years and above is entitled to basic pension from the government amounting to MVR 5,000 per month. The likely reason for a higher transfer income for females in Atolls due to the higher prevalence among males of the families in Atolls to work elsewhere, often in resorts, industrial islands or in the capital Male' where job opportunities are more promising. And such absent working male members usually sends income back to their families residing in Atolls, which is recorded as transfer income in the surveyed households.

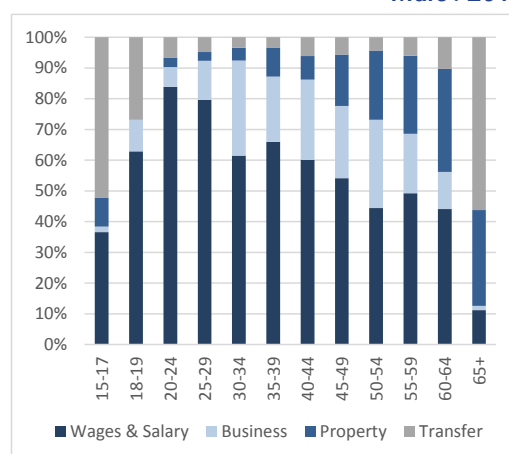
As for Male' throughout ages 18 to 64 years, income source is dominated by wages and salaries. Income levels of Male' are highest in age group 30-34 years and 35-39 years contributing to 17% and 16% respectively of total income of Male' of which wages and salaries contributes to 62% and 66% respectively of income within those age groups. In Male' children in the ages 15-17 years gets a higher share of transfer income compared to Atolls. This is likely to be transfer incomes received from their parents/guardians, as children from Atolls attend secondary and higher secondary education in Male' or other Islands with better educational opportunities.

Figure 1.21: Income source by age group in Atolls: 2016



Source: Household Income and Expenditure Survey, 2016

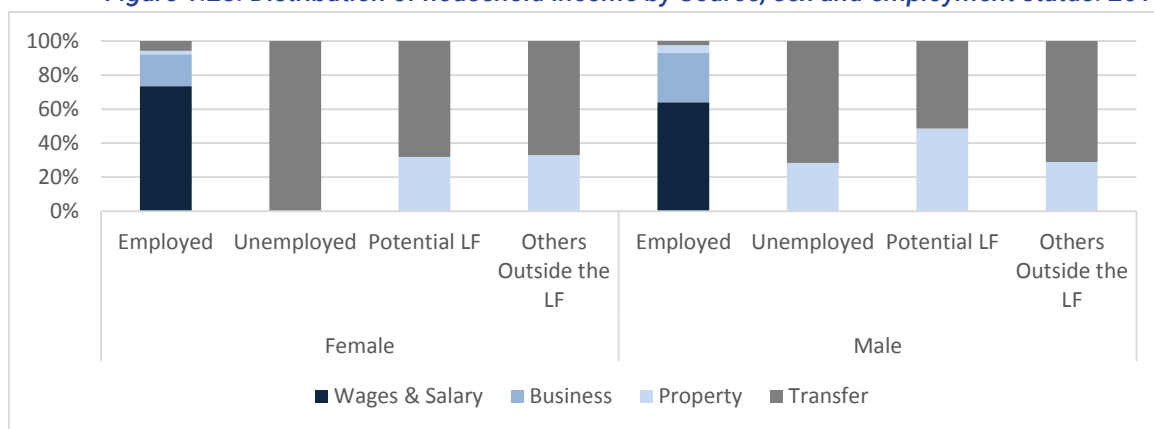
Figure 1.22: Income source by age group in Male': 2016



Source: Household Income and Expenditure Survey, 2016

Furthermore, sources of income also differ substantively by employment status (Figure 1.23). Income of employed population can come from either of the income source. And the non-working population which can be classified to either unemployed population, potential labour force or others outside the labour force who would either have income as transfers or as property income. The income of unemployed female population's entire depends on transfer while unemployed male receives transfer (72%) and property (28%) income. About one third of female potential labour force receives property income while half of the male potential labour force receives property income. In general mass of the non-working population's source of income comes as transfers.

Figure 1.23: Distribution of household income by Source, sex and employment status: 2016

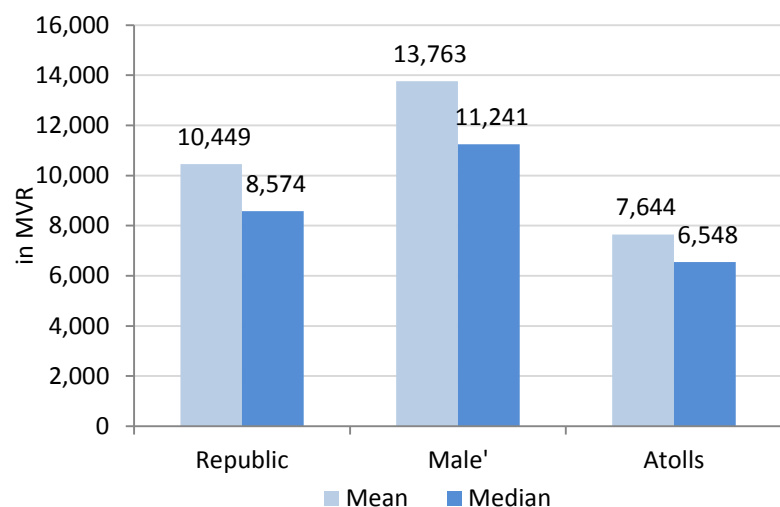


Source: Household Income and Expenditure Survey, 2016

AVERAGE MONTHLY INCOME PER EARNER 1.8

As per capita monthly income of MVR 4,944 in 2016 is including all household members irrespective of their age and whether they earn income, it is also important to recognize how much income an earner receives. Average income per earner is the value obtained by dividing the total aggregate household income by total number of earners in a household. Although the average household size in the country is 5.3 persons, average number of income earners is 2.5 persons per household.

Figure 1.24: Average (mean) and median monthly income per earner, 2016



Source: Household Income and Expenditure Survey, 2016

The analysis of the income earners reports that the average monthly income per earner mean income and median income were MVR 10,449 and MVR 8,574 in 2016 respectively. Income per earners' mean and median income in Male' is almost two times higher than those in the Atolls (Figure 1.24).

Looking at the distribution of average income per earning member (Table 1.8 below) in the household by per capita income quintiles, shows that average income varies a lot among the households. At the national level earners in the bottom 20 percent of households earned an average of MVR 4,296 per earner per month compared to MVR 18,146 in case of earners who belong to the top 20 percent of household. Similar differences are observed in

the distribution in case of the Male' and in the Atolls, although the difference in average income per earner is wider in Male' (MVR 4,986 vs. MVR 18,949).

In Male', average number of earners increases with the increase in the per capita income quintiles and reaches to peak in the 61st – 80th percentile and at the richest 20th percentiles the number of earners decline. In the case of the Atolls, majority of the earners are in the 41st – 60th percentile and starting from 61st – 80th percentile the number of earners decrease as the per capita income quintile increases. This indicates that only few people are earning relatively high income.

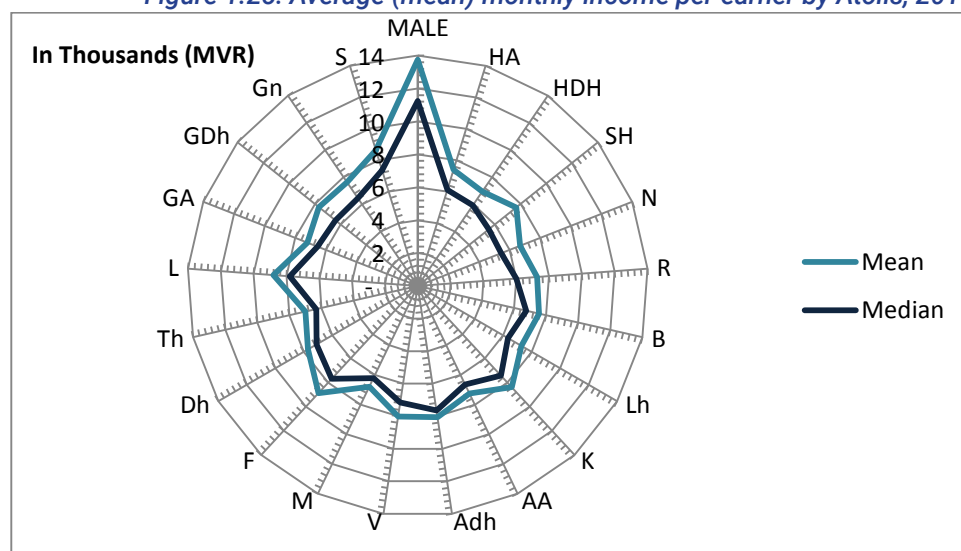
Table 1.8: Average number of earners and income per earner by income quintiles¹, 2016

Per capita Income quintile	Average number of earners			Income per earner (MVR)		
	Republic	Male'	Atolls	Republic	Male'	Atolls
Poorest 20%	1.7	1.4	1.7	4,296	4,986	4,218
21st -40th	2.3	2.1	2.4	6,292	7,408	5,969
41st -60th	2.9	2.7	3.0	7,980	8,990	7,438
61st -80th	3.0	3.1	2.8	9,937	10,746	8,977
Richest 20%	2.7	2.8	2.3	18,146	18,949	15,394

¹ Based on ranking of all households by their monthly household income from all sources per household member
Source: Household Income and Expenditure Survey, 2016

Figure 1.25 illustrates the distribution of mean and median monthly income per earner for each Atoll. According to figure the gap between mean and median income per earner is high in Shaviyani Atoll (Sh) and in Male'. This means relatively greater number of people in those Atolls earns large amount per month than those in other Atolls.

Figure 1.25: Average (mean) monthly income per earner by Atolls, 2016



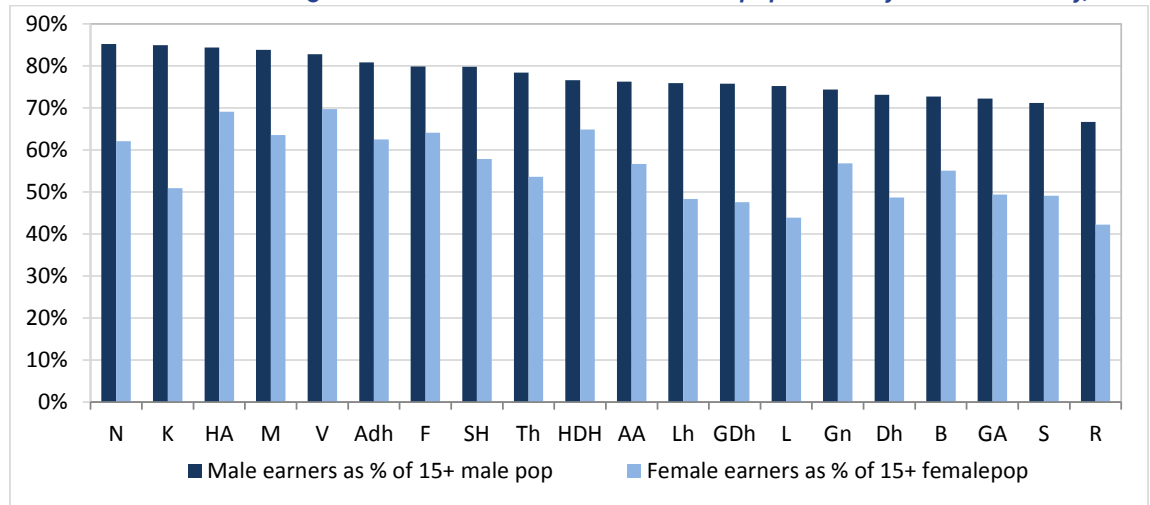
Source: Household Income and Expenditure Survey, 2016

Average monthly income per earner varies between MVR 6,687 and MVR 8,883 among the atolls. The highest average monthly income per earner was observed in Faafu atoll (F). The lowest average monthly income per earner was seen in Noonu (N) atoll.

Figure 1.26 compares the earners by sex as a proportion of the 15 years and above population of the respective sex. On average 79% of the 15 years and above male population are earners. Eight atolls namely, Kaafu (K), Shaviyani (Sh), Vaavu (V), Haa Alif (HA), Meemu (M), Noonu (N), Faafu (F) and Alif Dhaal (ADh) have reported more than 80% of 15 years and above male population as earners.

Proportion for female earners leads in Vaavu (V) and Haa Alif (HA) atoll with almost 70% of the 15 years and above female population recorded as earners. Seven atolls fall below 50% contribution of female earners with Raa (R) atoll at the lower most.

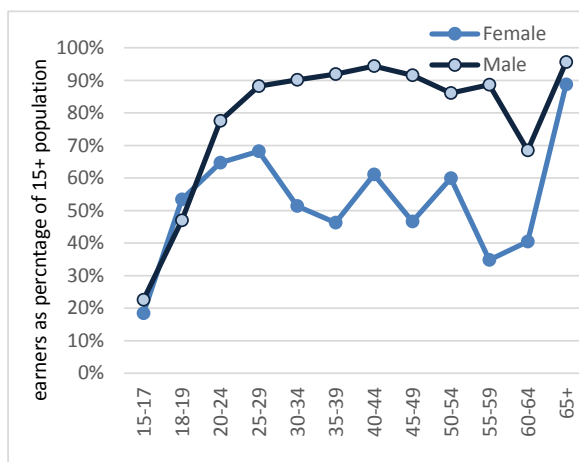
Figure 1.26: Earners and 15 and above population by sex and locality, 2016



Source: Household Income and Expenditure Survey, 2016

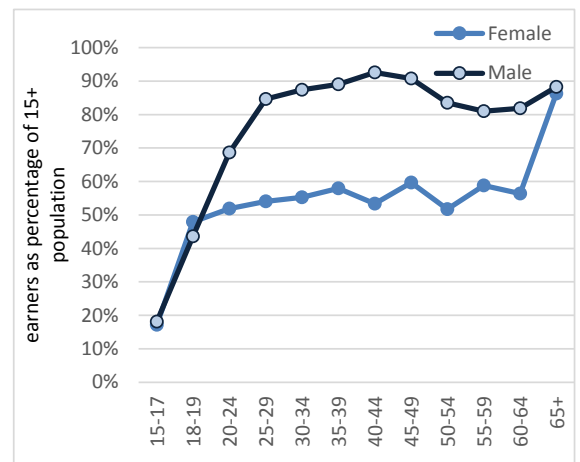
Figure 1.27 and Figure 1.28 shows percentage of earners in the age group as percentage of 15 years and above population. Similar to labour force participation rates (LFPR: employed and unemployed persons as a share of 15 years and above population), percentage share of male earners tend to be higher than that of female earners among the respective population aged 15 years and above, for both Male' and in the Atolls. However, the disparity between male and female is higher in Male' than in Atolls (Figure 1.27 and Figure 1.28). In both Male' as well as in the Atolls, female earners are almost the same as male earners in the younger earning population, ranging from 15-19 years.

Figure 1.27: Earners as a share of 15 year and above population by age and sex in Male', 2016



Source: Household Income and Expenditure Survey, 2016

Figure 1.28: Earners as a share of 15 year and above population by age and sex in Atolls, 2016

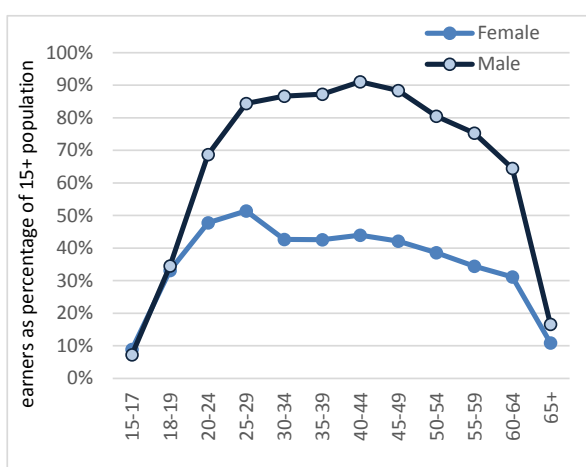


Source: Household Income and Expenditure Survey, 2016

Among 65 years and above population, 93% of them in Male' have stated that they earn an income while in the Atolls, 87% of 65 years and above population earns an income. Hence, it is worthwhile to analyze employment related income (I.e. wages and salaries and business income) and other sources of income separately.

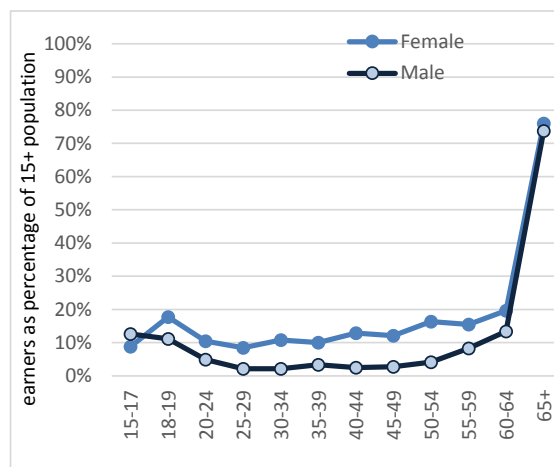
Those who earn employment related income, male earners curve is above the female curve, reflecting a higher percentage share of employment related earners among males at all age group compared to females, 20 years and above. There is a huge disparity between male and female earners in terms of employment related activity as seen from Figure 1.29. This is in line with the lower labour force participation rates and employment to population ratios of women compared with men, observed from the employment analysis. Unlike employment related income, female earners tend to be higher than male earners from other sources income such as transfers and property income. The gender gap is fairly narrow (Figure 1.30). It is not surprising to see a peak in the age group 65 years and above, given the fact that all the Maldivians aged 65 years and above receive basic pension allowance, as social security benefits.

Figure 1.29: Earners as a share of 15 year and above population from employment related income by age and sex, 2016



Source: Household Income and Expenditure Survey, 2016

Figure 1.30: Earners as a share of 15 year and above population from other sources of income by age and sex, 2016

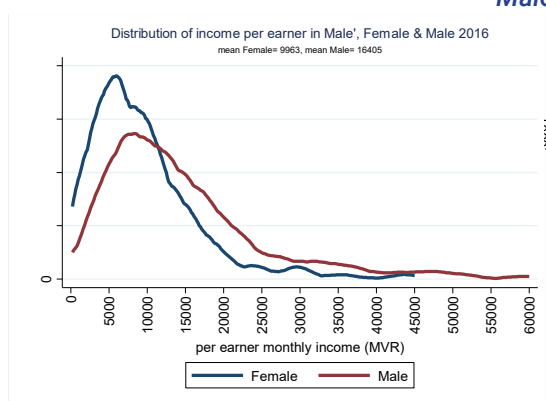


Source: Household Income and Expenditure Survey, 2016

Figure 1.31 shows the distribution of income per earner from all sources of income for Male'. There are huge differences in the income earned by male and female, as seen from Figure 1.31. Average income per earner is much higher in Male' at MVR 9,186 per month compared to MVR 5,861 per month for females. The distribution of per earner income by female earners was toward the left, which shows that the majority of the females earn below the average of MVR 9,963. The distribution of per earner income by male earners is more towards the right indicating higher level of income per male earner. The tail of the distribution for male earners are also much further to the right which indicates that a small proportion of males in Male' earners a lot.

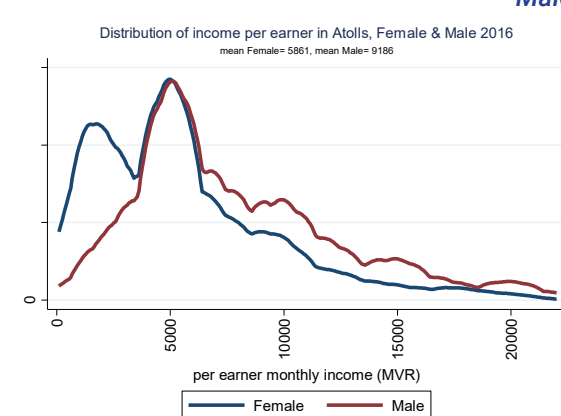
Figure 1.32 shows the distribution of income per earner from all sources of income for Atolls. Like Male', the majority of the female earns less than the average of MVR 5,861. In the case of females, it shows bi-model distribution. However, the distribution of income for males is uni-model and skewed to the right, indicating that higher levels of income per male earner.

Figure 1.31: Distribution of income per earner in Male' from all sources of income, Female and Male



Source: Household Income and Expenditure Survey, 2016

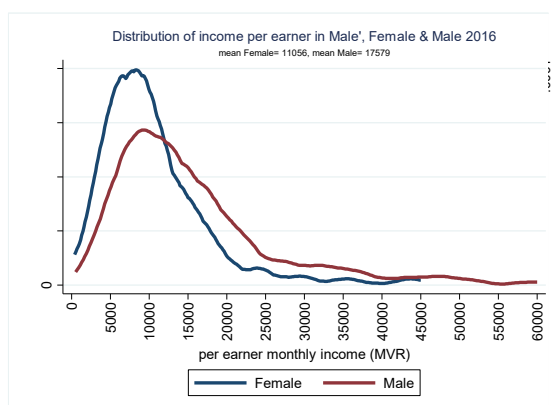
Figure 1.32: Distribution of income per earner in Atolls from all sources of income, Female and Male



If total income further disaggregated by employment related earning and other sources of income, then the distribution of income per earner from employment related income for Male' (Figure 1.33) is almost similar to the overall distribution (Figure 1.31). Males earn a higher level of income than females. This statement holds in the case of Atolls also. Income per male earner from employment related income is higher than female earner as seen from Figure 1.34. When the income is analyzed only using income from other sources, the distribution is almost similar between male and female. However, in Male' a slight peak at MVR 5,000 is observed for male while the difference is significant in the Atolls between male and female at MVR 5,000 (Figure 1.35 and Figure 1.36).

Distribution of earners by employment related income and other income sources

Figure 1.33: Distribution of income per earner from employment related income in Male': 2016



Source: Household Income and Expenditure Survey, 2016

Figure 1.34: Distribution of income per earner from employment related income in Atolls: 2016

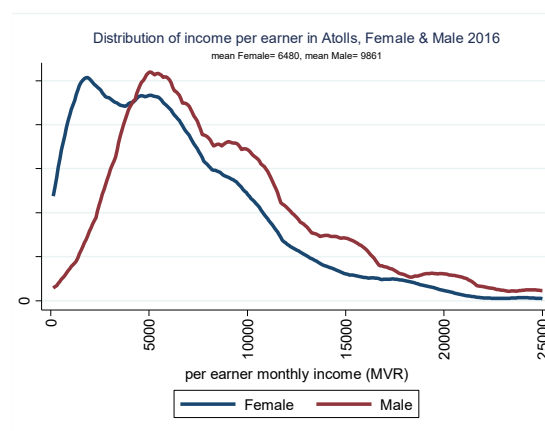


Figure 1.35: Distribution of income per earner from income from other sources in Male': 2016

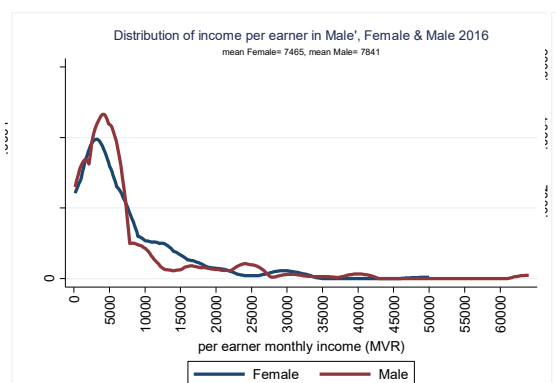
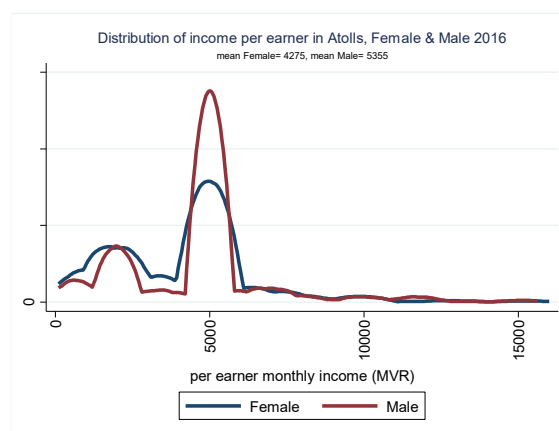


Figure 1.36: Distribution of income per earner from income from other sources in Atolls: 2016



1.9 Limitations

The analysis presented in this chapter is based on the data collected from the Household Income and Expenditure Survey (HIES) 2016, conducted by National Bureau of Statistics. The analysis includes only the households where all earners have reported income. Out of the total of 72,208 households in the survey, income analysis includes 68,426 households (95% of the total households) where at least one household member reported income. 5% of the total households were removed from the analysis in order to avoid distortions where no member reported the income.

The results presented in this chapter are in nominal terms. This chapter does not provide any comparison with the previous household income and expenditure surveys.

5.9.1 Comparisons with previous Household Income and Expenditure Surveys

Data users who undertake comparisons with previous HIES 2009-2010 and 2002-2003, the following changes to the civil service salary (Table 1.9) and changes to social protection (Table 1.10) needs to be considered. Fieldwork of HIES 2009-2010 were carried out from September 2009 to September 2010.

Table 1.9: Changes to wages and salaries

Year	Month	Detail
2004	July	A general wage increase given to government employees. On average government wages went up by 32%
2009	January	Salaries of civil servants increased by 32% on average
2009	October	Effective from 1 st October: Reduction in, salaries of civil servants by 13% on average (restored in 2011)
2011	January	Salaries were restored to previous level
2012 -2013	July 2012 – June 2013	Wages reduced in October 2009 was repaid over the period

In addition, those users who want to make projections need to consider the additional allowance introduced, for civil servants in February 2018.

Table 1.10: Details of the social benefits and changes

Year	Detail
2010	<p>Introduced Single parent allowance (per child MVR 1,000 per month is given with a maximum coverage of 3 children per family).</p> <p>Introduced Foster Parent allowance (MVR 1,000 per foster child and MVR 500 per parent per month).</p> <p>Introduced Disability Allowance (MVR 2,000 per person per month with persons in the disability register of the National Social Protection Agency)</p> <p>The Disability Act was introduced and implemented in 2010. The Social Protection Act was introduced much later in 2016 under which the Single Parent allowance and Foster Parent allowance continued to be given without any change to the amount given.</p>
2010, Feb	Basic Pension allowance was introduced on February 2010 and MVR 2,000 was given by government to Maldivians aged 65 years and above
2014, Feb	Basic Pension allowance was increased and renamed to Senior Citizen Allowance and MVR 5,000 was given by government to all Maldivians aged 65 years and above
2016	The Food subsidy (normal rice, wheat flour, sugar) was removed in Oct 2016. The target Cash Transfer for food subsidy started in May 2016. The government targeted food subsidy for people living in poverty under the social protection act. Each eligible beneficiary receives MVR 40 per month to a maximum of MVR 240 per household.

1.9.1.1 Inflation over the period - 2010 to 2016

It is also important to consider the inflation overtime and Table 1.11 summarizes this:

Table 1.11: Annual inflation by locality. 2010 to 2016

Year	Maldives	Male'	Atolls
2010	6.2	6.2	na
2011	11.3	11.3	na
2012	10.9	10.9	na
2013	3.8	4.0	na
2014	2.1	2.4	1.8
2015	1.0	1.4	0.6
2016	0.5	0.8	0.2

na- Not Available

Note: The series for the Republic prior to June 2012 was linked to previously published series for Male' and hence Male' and Republic have the same values prior to June 2012

Source: Consumer Price Index (CPI)- 2010-2016, NBS

Inflation in year 2010 was 6.1% and hiked to 11.3% in 2011 due to introduction of GST in the country. The high inflation for 2012 again was due to the revision of GST in the country. However, starting from 2013 the annual inflation grew at a slow rate as seen from Table 1.11.

1.9.1.2 Nominal vs. Real

The main difference between nominal and real values is that real values are adjusted for inflation, while nominal values are not. As a result, nominal values will often appear higher than real values.

Nominal values from different time period can differ due to changes in quantities or changes in prices or changes due to policy changes. As a result, taking inflation into account is necessary when determining if we are really better or worse off when making comparison between different time periods.

SUMMARY 1.10

The summary of these changes and variations are as follows:

Percapita income was estimated to be MVR 4,944 and for Male' is MVR 6,984. As for atolls, highest per capita income was observed in Faafu atoll (F) while the lowest in Raa atoll (R). Approximately 60% of the Atoll population gets less MVR 3,421 per person per month while only about 20% of the Male' population gets less MVR 3,421 per person per month. This shows that there is huge income disparity between Male' and in the Atolls.

Average monthly income per earner was estimated as MVR 10,449. Income per earner varies between MVR 6,687 and MVR 8,883 among the atolls where Faafu (F) had the highest. Average monthly income per earner of Male' was MVR 13,763.

The major source of household income was wages & salaries, contributing 59% to the total income of the entire country. Other significant sources were business with 23% and transfer income with 11%.

Average household income for the nation was estimated as MVR 26,395 and for Male' as MVR 37,035. Faafu atoll recorded the highest among atolls (MVR 26,523) while Raa atoll had the lowest average household income at about MVR 14,132.

Median income was estimated to be MVR 19,900. The median is lower than the average in all regions. The difference between median and average household income were highest in Male' followed by Laamu (L) atoll. Raa (R) atoll had the lowest median household income (MVR 11,000).



National Bureau of Statistics
Ministry of Finance & Treasury
Male', Maldives