

What is Market Income and why it is important



What is market income?

Market income refers to income from employment and non-employment sources, before any Government transfers or taxes

Examples of non-employment income include:

- **Investment income**
- **Rental income**
- **Annuity payout**



How is it measured?

The Department of Statistics combines administrative data with household surveys to estimate non-employment income

Some asset incomes such as overseas investments, are challenging to capture, especially for higher income households

Some underestimation for certain groups is expected



Trends seen in the Occasional Paper

Average household market income grew in real terms across every decile over the last decade

Higher growth seen among the lower- and middle-income deciles

Gini coefficient based on market income has decreased over time and is now at its lowest point on record

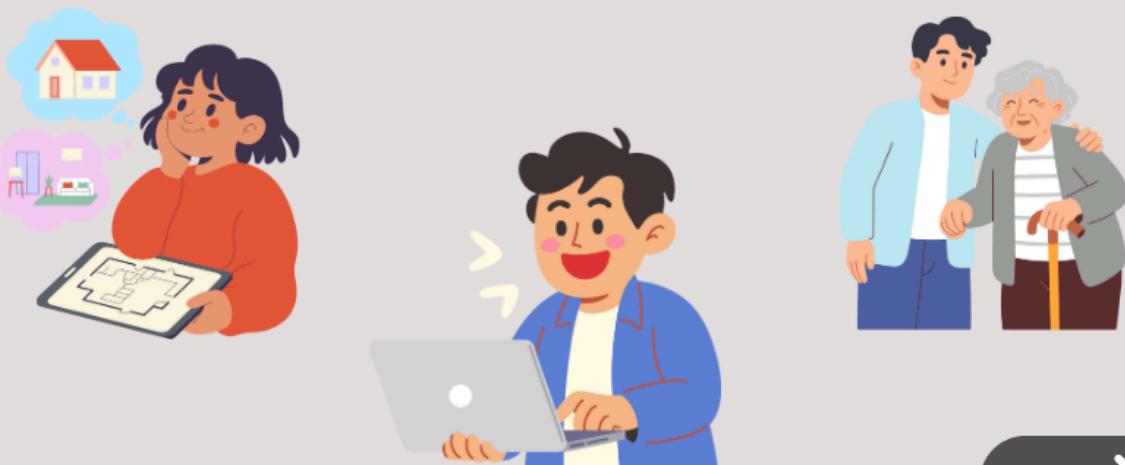


Why does it matter?

With growing affluence and more retirees, more households receive non-employment income such as:

- **Rental**
- **Investment Income**
- **CPF LIFE/Retirement Sum Scheme payouts**

Measuring market income gives us a more complete view of household income



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