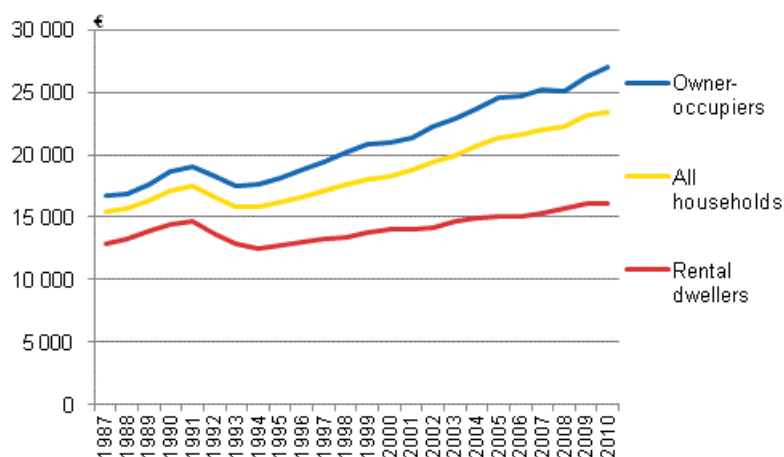


Income distribution statistics 2010

Development of income more favourable among owner-occupiers than among renters

The income differential between owner-occupier households and rental dweller households has grown significantly over the past 15 years. According to Statistics Finland's income distribution statistics, from 1995 to 2010 income level went up by 49 per cent among owner-occupier households and by 26 per cent among rental dweller households. In 2010, the average disposable income per consumption unit was EUR 26,970 for owner-occupiers and EUR 16,150 for renters. Of the 2,551,000 households in Finland, 68 per cent live in owner-occupied dwellings and 30 per cent in rented dwellings. One-half of the owner-occupied dwellings are debt-free.

Disposable income per consumption unit by tenure status of dwelling in 1987-2010, at 2010 currency value.



Households' average housing costs (including housing loan interests but not amortisations) amounted to 12 per cent of their disposable cash income in 2010. For rental dwellers the share was 22 per cent, for owner-occupiers of indebted dwellings 10 per cent and for owner-occupiers of debt-free dwellings 9 per cent. When amortisations of housings loans are also taken into consideration, housing costs accounted for the same share of income among owner-occupiers of indebted dwellings as among rental dwellers, i.e. 23 per cent.

If there is no housing debt, owner-occupier households have more money left for other consumption than other households with corresponding cash income do. The low loan interest rates in recent years have brought down the housing costs of owner-occupier households. However, it has also meant smaller tax deduction benefits. On the other hand, the rising of rents has increased differences in consumption possibilities between owner-occupier and rental dweller households.

In income distribution statistics the benefit gained from owner-occupancy is taken into consideration when calculating households' disposable income. However, the change percentages are almost identical even if imputed income from owner-occupied dwellings is deducted from income.

According to the latest income distribution statistics the median disposable income of a household was EUR 33,410 in 2010. The growth from the year before amounted to 1.7 per cent in real terms. However, the growth was minor by the yardstick of the 2000s. In the 2000s, households' income developed less favourably only during the 2006-2008 period.

Wage and salary income did not grow at all in 2010. During the two previous years, wages and salaries grew significantly only among households of people in 35–44 age group. Significant growth was only recorded in property income and current transfers received. Entrepreneurial income, especially from forestry, grew by 3.4 per cent. Hence, the income of self-employed persons and persons self-employed in agriculture, which mainly consists of entrepreneurial income and property income, grew by most in relative terms.

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Appendix tables

Appendix table 1. Income shares of decile groups (%) in 1966–2010.

Year	Decile group										Total	S80/S20
	I (Lowest-income 10 %)	II	III	IV	V	VI	VII	VIII	IX	X (Highest-income 10 %)		
1966	3,2	4,8	5,9	6,9	8,0	9,3	10,7	12,4	15,1	23,8	100,0	4,9
1971	3,7	5,4	6,5	7,5	8,5	9,5	10,7	12,2	14,4	21,4	100,0	3,9
1976	4,5	6,2	7,2	8,1	9,1	10,0	11,0	12,1	13,6	18,4	100,0	3,0
1981	4,3	6,3	7,4	8,4	9,3	10,1	11,0	12,1	13,6	17,5	100,0	2,9
1987	4,8	6,5	7,5	8,3	9,2	10,0	10,9	11,9	13,4	17,6	100,0	2,7
1988	4,8	6,5	7,4	8,3	9,1	9,8	10,8	11,8	13,4	18,0	100,0	2,8
1989	4,8	6,4	7,4	8,2	9,0	9,9	10,8	11,9	13,4	18,3	100,0	2,8
1990	4,9	6,5	7,4	8,2	9,0	9,9	10,8	11,8	13,4	18,1	100,0	2,8
1991	4,8	6,5	7,5	8,3	9,1	9,8	10,7	11,8	13,4	18,1	100,0	2,8
1992	4,9	6,7	7,5	8,3	9,0	9,8	10,7	11,7	13,2	18,2	100,0	2,7
1993	4,9	6,5	7,4	8,1	8,8	9,6	10,5	11,7	13,3	19,2	100,0	2,9
1994	4,9	6,5	7,3	8,1	8,8	9,6	10,5	11,6	13,4	19,1	100,0	2,9
1995	4,8	6,4	7,3	8,0	8,8	9,6	10,5	11,7	13,4	19,6	100,0	2,9
1996	4,7	6,3	7,2	8,0	8,8	9,6	10,5	11,7	13,5	19,8	100,0	3,0
1997	4,5	6,1	7,0	7,8	8,6	9,4	10,5	11,7	13,6	20,8	100,0	3,2
1998	4,4	5,9	6,8	7,7	8,6	9,4	10,5	11,7	13,5	21,5	100,0	3,4
1999	4,3	5,8	6,7	7,6	8,4	9,3	10,3	11,5	13,3	22,7	100,0	3,6
2000	4,3	5,6	6,6	7,5	8,3	9,2	10,3	11,5	13,4	23,3	100,0	3,7
2001	4,2	5,8	6,7	7,6	8,5	9,4	10,4	11,7	13,5	22,2	100,0	3,6
2002	4,2	5,7	6,7	7,7	8,5	9,4	10,4	11,7	13,5	22,0	100,0	3,6
2003	4,2	5,7	6,7	7,6	8,5	9,4	10,4	11,6	13,6	22,3	100,0	3,6
2004	4,1	5,6	6,6	7,5	8,4	9,3	10,4	11,6	13,6	22,8	100,0	3,8
2005	4,1	5,6	6,6	7,5	8,4	9,3	10,3	11,7	13,5	22,9	100,0	3,8
2006	4,0	5,5	6,5	7,5	8,3	9,3	10,3	11,6	13,6	23,3	100,0	3,9
2007	3,9	5,4	6,5	7,4	8,3	9,2	10,2	11,6	13,6	23,9	100,0	4,0
2008	3,9	5,6	6,6	7,6	8,5	9,4	10,4	11,6	13,6	22,8	100,0	3,8
2009	4,0	5,6	6,7	7,7	8,6	9,5	10,5	11,7	13,7	22,0	100,0	3,7
2010	4,0	5,5	6,6	7,5	8,5	9,4	10,5	11,9	13,9	22,2	100,0	3,8

- Decile groups have been formed among persons according to disposable income per consumption unit.
- Due to rounding the shares do not always sum up to 100.
- Due to revisions to income concepts the figures for 1966–1981, 1987–1992 and 1993–2010 are not fully comparable with each other.
- S80/S20 = ratio between income shares of highest and lowest income quintile.

Appendix table 2. Gini-coefficients for factor income, gross income and disposable income, and redistributive effect of current transfers on income differentials in 1966–2010.

Year	Gini-coefficient, %			Redistributive effect of current transfers on income differentials		
	Factor income	Gross income	Disposable income	Current transfers received	Current transfers paid	Combined effect
1966	38,9	33,4	30,9	14,3	7,5	20,7
1971	38,5	30,9	26,7	19,8	13,4	30,6
1976	35,3	26,3	21,5	25,4	18,2	39,0
1981	35,8	25,2	20,5	29,4	18,7	42,6
1987	38,0	25,1	19,7	33,9	21,5	48,1
1988	38,8	25,8	20,2	33,4	21,8	47,9
1989	39,3	26,1	20,5	33,5	21,7	47,9
1990	38,9	25,6	20,2	34,2	20,8	47,9
1991	39,5	25,1	20,1	36,4	19,8	49,0
1992	42,1	25,2	19,9	40,1	21,1	52,8
1993	45,1	26,2	21,1	41,9	19,5	53,2
1994	45,8	26,1	21,1	42,9	19,3	54,0
1995	45,5	26,6	21,7	41,5	18,4	52,3
1996	45,8	27,3	22,3	40,5	18,2	51,3
1997	46,3	28,4	23,7	38,7	16,3	48,7
1998	46,0	29,2	24,8	36,4	15,3	46,1
1999	46,4	30,1	25,9	35,0	14,1	44,1
2000	46,5	30,8	26,7	33,7	13,3	42,6
2001	45,8	29,9	25,8	34,7	13,7	43,7
2002	45,4	29,7	25,6	34,5	13,7	43,5
2003	45,4	29,6	26,0	34,7	12,4	42,8
2004	46,0	30,2	26,6	34,2	11,8	42,0
2005	45,9	30,6	26,7	33,4	12,7	41,9
2006	46,7	31,4	27,3	32,9	13,1	41,7
2007	46,4	31,9	28,0	31,3	12,1	39,6
2008	45,5	30,7	26,8	32,4	12,8	41,1
2009	45,3	29,7	25,9	34,5	12,8	42,9
2010	46,1	30,3	26,6	34,2	12,3	42,4

- Due to revisions to income concepts the figures for 1966–1981, 1987–1992 and 1993–2010 are not fully comparable with each other.
- Current transfers received: Relative change in Gini-coefficient (%) when moving from factor income to gross income.
- Current transfers paid: Relative change in Gini-coefficient (%) when moving from gross income to disposable income.
- Combined effect of current transfers: Relative change in Gini-coefficient (%) when moving from factor income to disposable income.
- Due to changes made to the time series, the Gini coefficients have partly changed from the previous annual publications in the data of the years 1989 and 1993 to 2005.

Appendix table 3. Household income: structure by brackets ordered according to households' gross income 2010.

Mean, €	Gross income, €								
	0–14999	15000–19999	20000–39999	40000–69999	70000–89999	90000–119999	120000–139999	140000–	All households
Number of households interviewed	664	503	2 146	2 872	1 319	985	355	507	9 351
Number of households in population, 1000	269,0	238,1	742,4	716,9	283,4	181,0	53,9	66,4	2 551,0
Average size of households	1,07	1,15	1,63	2,37	2,94	3,24	3,31	3,34	2,08
Average number of adults	1,06	1,10	1,42	1,86	2,09	2,22	2,23	2,28	1,65
Average number of children	0,01	0,05	0,22	0,50	0,86	1,02	1,08	1,05	0,43
Average number of consumption units	1,04	1,07	1,28	1,61	1,84	1,98	2,01	2,02	1,47
Average number of economically active household members	0,10	0,17	0,53	1,09	1,58	1,75	1,81	1,73	0,87
1. Wages and salaries	1 599	2 764	12 041	30 823	54 689	72 288	88 052	112 926	28 598
2. Entrepreneurial income	141	160	746	2 459	4 108	5 469	9 582	14 776	2 370
3. Income from property	780	2 053	3 249	6 105	8 671	13 345	20 981	82 309	7 432
4. Factor income (1+2+3)	2 520	4 978	16 035	39 387	67 468	91 102	118 616	210 011	38 400
5. Current transfers received	9 047	12 539	13 810	14 280	11 707	11 075	9 989	11 980	12 765
6. Gross income (4 + 5)	11 567	17 516	29 845	53 668	79 175	102 177	128 604	221 991	51 165
7. Current transfers paid	647	1 720	4 677	10 946	18 938	26 373	35 883	64 480	11 078
8. Disposable income (6–7)	10 920	15 796	25 168	42 722	60 236	75 804	92 722	157 511	40 086
Disposable cash income	10 202	13 867	22 427	38 395	54 536	68 457	83 954	145 811	36 173
Cash income	10 848	15 587	27 104	49 341	73 474	94 831	119 837	210 291	47 251
Income subject to state taxation	8 013	13 607	25 398	47 393	70 740	90 238	111 423	187 139	44 313

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Source: Income Distribution Statistics 2010, Statistics Finland