

# Personal Income in Curaçao 2007-2009

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## Introduction

*This article presents data on the gross personal income of Curaçao residents for the calendar years 2007, 2008 and 2009. These data are compiled from information collected in the Labor Force Surveys (LFS) 2007, 2008 and 2009, conducted by the Central Bureau of Statistics.*

*When interpreting the analysis presented in the article, the reader should take into account that as with all sample surveys, the LFS survey's results may be influenced by sampling errors.*

*This article discusses personal income and distribution of personal income, cross-tabulated by gender and age.*

## Income

In this article, income refers to income before tax per person, adjusted for inflation. Personal income refers to individual income and consists of income of all types and from all sources, such as labor, remittances, pensions, transfers and property income. It is applied to those who are fifteen years and older and are considered to be members of the labor force.

The mean income is the amount obtained by dividing the total income of all people by the total number of people. The mean is the only central tendency measure that takes into account the total of all the observations. It gives the total income, yet it is not as good a measure as the median, because it can be inflated by a few very large incomes.

Median income divides the distribution into two equal parts: one half of the cases falling below the median income and the other half above it. It is perhaps the best central tendency measure of what persons in Curaçao earn. Furthermore, it is resistant. That is, it changes very little (or not at all) by wild changes in a few observations. For example, if the top few incomes were to increase dramatically, nothing would happen to the median income.

## Mean Income vs. Median Income

	2007	2008	2009
Mean	5001	2256	2507
Median	1400	1375	1600

The mean income went down drastically between 2007 and 2009, from ANG 5,001 to ANG 2,507 per month, a ninety-nine percent decrease over the entire two-year period (see table 1).

The median income, on the other hand, increased during this 2007-2009 period. It rose from ANG 1,400 to ANG 1,600. Compared to 2007, the median income went down in 2008 from ANG 1,400 to ANG 1,375—a decrease of approximately 2 percent (see table 1)—but increased again in 2009.

**Personal Income Distribution**

The personal income distribution changed slightly in the different income categories during the period described above. In 2007 and 2008 for instance, the NAF 501-1000 and 1001-2000 income categories continued to be the largest groups, although the 501-1000 income category showed a decrease in 2009, from 26 percent to 23 percent, when compared to 2008. As table 2 shows, the income category of ANG 2,000 and below accounted for less than two-third (60%) of the respondents. The smallest group is made up of those in the ANG 5001-6000 income category (3%).

**Table 2. Distribution of Personal Income**

Income	2007	2008	2009
	%	%	%
<----- 500	12	12	11
501 - 1000	26	26	23
1001-2000	25	26	26
2001-3000	13	13	15
3001-4000	8	8	8
4001-5000	5	5	6
5001-6000	3	3	3
6001---- >	8	7	8
Total	100	100	100

**Income Distribution by Gender**

According to the results of the LFS, men tend to have higher incomes than women. As shown in table 3, 43 percent of women earned less than ANG 1,000 in 2009. In previous years, the percentages were higher, namely 46 percent, in both years. In comparison to women, 23 percent of men in Curaçao earned below ANG 1,000 in 2009. In 2007, the percentage was higher, namely 27 percent. In 2008, 26 percent of men earned below ANG 1,000. Based on these data it can be concluded that both the number of men and women earning less than ANG 1,000 has been in decline.

There are more men in the income categories ANG 2,000 income category and higher, than woman in the same categories. In 2009, fifty-one percent of men earned more than ANG 2,000. The amount of men in these categories has been on the rise (46 percent in 2007 and 48 percent in 2008). In 2009, only 31 percent of women had a personal income of more than ANG 2,000.

Only 7 percent of women earned more than ANG 5,000 in 2009, while 18 percent of men are in that income category. Compared to 2007 and 2008, the number of men earning more than ANG 5,000 rose (15 percent in 2007 and 16 percent in 2008).

**Table 3. Distribution of Personal Income by Sex**

	2007		2008		2009	
	%		%		%	
	Man	Woman	Man	Woman	Man	Woman
<----- 500	8	15	9	14	7	14
501 - 1000	19	31	17	32	16	29
1001-2000	27	24	26	26	26	26
2001-3000	16	11	16	11	17	13
3001-4000	9	6	9	7	9	7
4001-5000	6	5	7	4	7	4
5001-6000	4	2	5	2	5	3
6001----->	11	6	11	4	13	4
Total	100	100	100	100	100	100

The share of men in many income brackets is higher than that of females. The difference is the largest in the highest income group, ANG 6,000 and up per month, 13 percent of men versus 4 percent of women respectively in 2009.

## Income Distribution by Age Groups

The largest group in the income category below ANG 1,000 is the 60+ age group (54%). This high share is mainly explained by the height of the old age allowances and the number of elderly who are dependent on it as their main source of income (see table 4).

The second largest is the 15-39 age group. Twenty-six percent of individuals between 15 and 39 years of age had incomes below ANG 1,000 in 2009. In 2007 and 2008, 32 and 34 percent respectively earned less than ANG 1,000.

Seventy percent of the age category 60+ earned below ANG 2,000 in 2009, followed by the 15-39 age group, with 62 percent of respondents earning below ANG 2,000 in 2009. Of the 40-59 age group, 50 percent of respondents had an income below ANG 2,000.

Only 7 percent in the 60+ age group earned more than ANG 5,000, while 17 percent of those between 40-59 years have incomes exceeding ANG 5,000. Eight percent of those between 15-39 years earned above ANG 5,000.

**Table 4. Distribution of Personal Income by Age**

income	age								
	2007			2008			2009		
	%			%			%		
	15- 39	40- 59	60+	15- 39	40- 59	60+	15- 39	40- 59	60+
<----- 500	19	15	2	21	15	2	16	14	3
501 - 1000	13	10	56	13	11	55	10	9	51
1001-2000	36	24	18	34	28	16	36	27	16
2001-3000	13	16	10	14	14	11	17	15	13
3001-4000	7	10	5	8	9	6	9	9	6
4001-5000	4	8	3	4	7	4	4	9	4
5001-6000	1	5	2	2	6	2	2	5	2
6001----->	7	12	4	4	10	4	6	12	5
total	100	100	100	100	100	100	100	100	100

## Conclusion

In summary, it is observed that the mean income has decreased during the period 2007-2009, while median income has increased.

Personal income distribution changed little during the three years under consideration. The income class of ANG 1,000 or less is the one with the highest frequency.

The income distribution differs between the sexes and between ages. The percentage of women in the income category of ANG 1,000 or below is higher than that of the men.

Of the elderly, more than half (54%) have an income of ANG 1,000 or less. This share is much lower for the youngest age group (26%) and lowest for middle-aged persons (23%).

Middle-aged persons (40-59) are more likely (17 percent) to have a high income (more than ANG 5,000) than younger (8%) and older (7%) persons.