

WAGE RATES IN FINANCIAL INTERMEDIATION (10th of an 18-Part Series on 2006 OWS)

This issue of the LABSTAT Updates on the results of the 2006 Occupational Wages Survey (OWS) focuses on the wage rates of 14 occupations in financial intermediation. This major industry group consists of four sub-industries: banking institutions except central banking; non-bank financial intermediation; insurance and pension funding except compulsory social security; and activities auxiliary to financial intermediation. Average monthly wage rates of the selected occupations were monitored only in the first three sub-industries and these varied from ₱7,421 to ₱32,529.

The wage rates of selected occupations in other industries covered in the OWS are posted on the BLES website.

Actuaries had the highest average wage rate

Among the occupations covered in the three sub-industry groups of financial intermediation, actuaries in insurance and pension funding except compulsory social security had the highest average wage rate at ₱32,529. This was more than thrice the all-occupation average at ₱10,629.

Across the six common occupations in these sub-industry groups, accountants and auditors in insurance and pension funding except compulsory social security posted the highest wage rate at ₱26,526. Statisticians in the same sub-industry followed at ₱20,820. Unskilled workers in banking institutions had the least average wage rate at ₱7,421. (Figure 1)

Customer service representatives or call center agents had average wage rates ranging from ₱13,137 to ₱14,679.

The average wage rate of economists (₱27,932) in non-bank financial intermediation

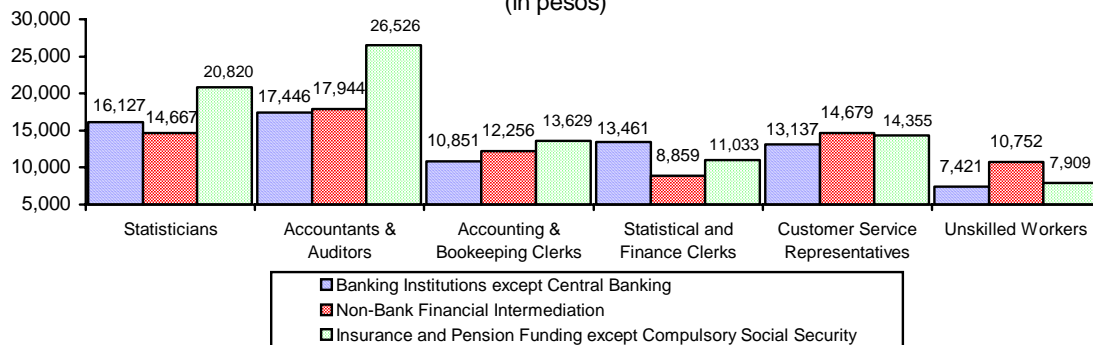
was more than double the wage rate of similar workers in banking institutions (₱11,612). In contrast, the average wage rate of bookkeepers (₱13,642) in banking institutions was more than their counterparts in non-bank financial intermediation (₱10,952).

Noteworthy, most of the occupations which were monitored only in insurance and pension funding posted high wage rates. These were computer programmers (₱24,125), insurance representatives (₱16,327) and appraisers and valuers (₱16,273).

The two other occupations which were monitored in specific sub-industries reported the following wage rates:

Tellers in banking institutions	₱10,661
Securities and finance dealers and brokers in non-bank financial intermediation	9,300

**FIGURE 1 - Average Monthly Wage Rates of Time-Rate Workers
on Full-Time Basis in Financial Intermediation, Philippines: August 2006**
(in pesos)

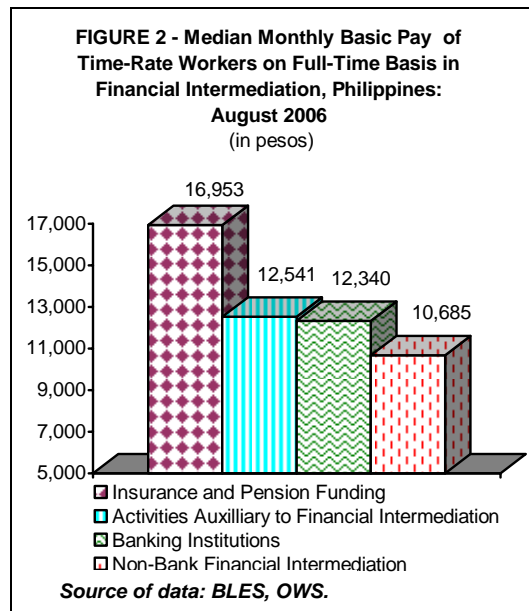


Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

Median basic pay and cash allowances higher than national averages

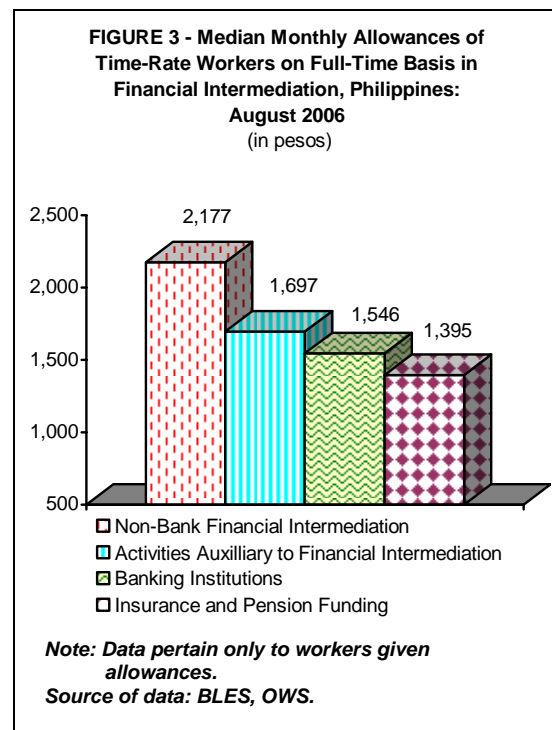
In August 2006, the median¹ basic pay and allowances of time rate workers on full-time basis in non-agricultural establishments employing 20 or more workers were posted at ₱8,035 and ₱1,278, respectively.

The average basic pay in financial intermediation at ₱12,401 was 54% higher than the national median basic pay. In relation to its sub-industry groups, insurance and pension funding (₱16,953) had the highest average basic pay followed by activities auxiliary to financial intermediation (₱12,541) and banking institutions (₱12,340). The workers in non-bank financial intermediation received the lowest basic pay at ₱10,685. (Figure 2)



The average monthly cash allowances of financial intermediation at ₱1,630 also surpassed the estimated national allowances.

Noteworthy, workers in all sub-industry groups of financial intermediation received allowances higher than the national average. Workers in non-bank financial intermediation had the biggest average allowances at ₱2,177 while those in insurance and pension funding had the smallest cash allowances at ₱1,395. This was a reversal of their standing relative to basic pay. (Figure 3)



¹ The terms "average" and "median" are used interchangeably in the analysis of basic pay and allowances.

Definition of Terms:

- **Wage rate** refers to the sum of basic pay and regular/guaranteed allowances.
- **Basic pay** refers to pay for normal/regular working time before deductions for employees' social security contributions and withholding taxes. It excludes overtime, night shift differential and other premium pay; commissions, tips and share of employees in service charge; and payment in kind.
- **Allowances** refer to regular/guaranteed cash payments. These include cost of living allowance but exclude reimbursements for travel, entertainment, meals and other expenses, etc. incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; family allowances.
- **Median** divides the wage distribution into two equal parts. It is the value where half of the workers in the distribution receive more while the other half receives less.

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