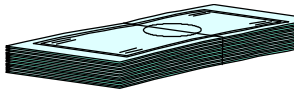


## WAGE RATES IN INDUSTRIES ... in Financial Intermediation (15th of a Series)

*This issue of the LABSTAT Updates is the 15th in the series of statistical releases on the results of the 2004 Occupational Wages Survey (OWS) conducted last year in coordination with the DOLE Regional Offices. The OWS is a nationwide survey covering 6,827 non-agricultural establishments employing 50 or more workers. It aims to provide statistics for wage and salary administration and for wage determination in collective bargaining negotiations.*

*This issue focuses on the wage rates of selected occupations and the basic pay and allowance of time-rate workers on full-time basis in financial intermediation. There are 168 occupations in 43 industries covered by the OWS. Fourteen occupations were chosen to represent financial intermediation across three out of its four minor divisions namely banking institutions except central banking; non-bank financial intermediation; and insurance and pension funding, except compulsory social security.*

*In June 2004, the average monthly wage rates of the 14 representative occupations in the industry ranged from ₱ 7,496 to ₱ 36,891. The median monthly basic pay was ₱ 14,857 while the median monthly allowance (of those workers given allowances) was ₱ 1,265.*



### Actuaries were highest paid workers in financial intermediation

Average wage rates varied across specific industries and even among similar occupations in financial intermediation.

Among the occupations covered in the industry group and the professional group in particular, actuaries in insurance and pension funding except compulsory social security received the highest wage rate at ₱ 36,891. This is more than thrice the all-occupation average of ₱ 10,161. (Table 1)

Statisticians in non-bank financial intermediation were the least paid professionals at ₱ 10,104.

However, banking institutions except central banking paid their statisticians ₱ 21,341 while those in insurance and pension funding except compulsory social security received ₱ 19,356.

Bank economists likewise, had a higher wage rate (₱ 21,518) than their counterparts in non-bank financial intermediation (₱ 13,609).

Wage differences were also pronounced among selected associate professional workers. Highest wage rate at ₱ 18,252 was given to insurance representatives in insurance pension funding except compulsory social security while the lowest wage

rate for the group was ₱ 9,448 for bookkeepers in non-bank financial intermediation. However, bookkeepers in banking institutions received ₱ 16,276.

On the other hand, wage rates of accountants and auditors in the banking sector and non-bank financial intermediation differed slightly at ₱ 17,997 and ₱ 16,434, respectively. Similar occupations, though, in insurance and pension funding except compulsory social security received a wage rate at ₱ 22,088.

In the three sub-industries of financial intermediation covered by the survey, wage rates of accounting and bookkeeping clerks (₱ 11,006 to ₱ 12,481) and statistical and finance clerks (₱ 10,809 to ₱ 12,108) had lesser variations.

Wage rates of customer service representatives/associates employed in call centers of the three financial intermediation sub-industries ranged from ₱ 10,083 to ₱ 15,369.

### **Basic pay and cash allowance in financial intermediation higher than the national levels**

Across the four sub-industries of financial intermediation (activities auxiliary to financial intermediation included) the median<sup>1</sup> monthly basic pay was ₱ 14,857, almost twice that of the national figure at ₱ 7,542. Likewise, its median<sup>1</sup> monthly cash allowance at ₱ 1,265 was higher by 36.0 percent than the all-industry average at ₱ 930. (Table 2)

Among these sub-industries, median basic pay was highest in banking institutions except central banking at ₱ 16,069. Insurance and

pension funding except compulsory social security followed with ₱ 14,994. Average basic pay of non-bank financial intermediation was ₱ 12,590 while least was ₱ 11,739 for activities auxiliary to financial intermediation.

Like basic pay, the median cash allowance was higher than the national level in all financial intermediation sub-industries. It was highest in activities auxiliary to financial intermediation at ₱ 2,145 and least in non-bank financial intermediation at ₱ 1,100.

*1 Aside from occupational wage rates, the OWS inquires on the distribution of the time-rate workers on full-time basis along basic pay intervals per time unit of work (hourly, daily and monthly). The distribution of these workers who are given regular/guaranteed cash allowances are also inquired into. These wage distributions lead to the generation of the median monthly basic pay and the median monthly allowance. **Median refers to that amount where half of the workers in the distribution receive more while the other half receives less.***

## Hiring rates, minimum requirements on education and experience ...

For the first time in the 2004 round of the OWS, the survey inquired into the hiring rates, minimum educational requirement and minimum years of related experience needed for the various occupations covered by the survey. Some of the findings particularly on minimum hiring rates may be contentious as some rates are below the existing minimum wage rates.

This indicates that the inquiry on these variables of interest have to be improved to better capture the realities. Nevertheless, the survey results can, to some extent, shed light on some aspects of recruitment of employees, in particular, the range or the differentials between the maximum and minimum wage rates offered for various occupations.

Minimum hiring rates for the selected occupations in the three sub-industries covered varied from P 3,392

to P 12,400. At the same time, maximum hiring rates were from P 7,600 to P 50,000, the latter rate offered to actuaries, and accountants and auditors in insurance and pension funding except compulsory social security. Maximum entry wage rate for bank economists was also high at P 48,885. For customer service representatives/associates employed in the industry call centers, maximum hiring rate was P 20,000. (*Table 3*)

A college degree is required for all the covered occupations except for unskilled workers (high school completion).

Only statisticians in banking and insurance and pension funding are required to have two years of experience. For the rest, none or one year of experience is necessary for employment in financial intermediation.

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**TABLE 1 - Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis in  
Selected Occupations in Financial Intermediation, Philippines: June 2004**

*(Non-agricultural establishments employing 50 and over. Wage rates are defined as including basic pay and regular/guaranteed cash allowances.)*

1994 PSIC/ 1992 PSOC	Industry and Occupation	Average Monthly Wage Rates (P)
<b>AVERAGE OF SELECTED OCUPATIONS</b>		<b>10,161<sup>a</sup></b>
<b>J65 excl.</b>		
<b>J6510</b>	<b>Banking Institutions except Central Banking</b>	
2122	Statisticians	21,341
2411	Accountants and Auditors	17,997
2441	Economists	21,518
3433	Bookkeepers	16,276
4121	Accounting and Bookkeeping Clerks	11,487
4122	Statistical and Finance Clerks	12,108
4212	Tellers	13,120
4225 <sup>b</sup>	Customer Service Representatives/Associates (in call centers)	15,369
9400 <sup>b</sup>	Unskilled Workers except Janitors, Messengers and Freight Handlers	7,496
<b>J66</b>	<b>Non-Bank Financial Intermediation</b>	
2122	Statisticians	10,104
2411	Accountants and Auditors	16,434
2441	Economists	13,609
3411	Securities and Finance Dealers and Brokers	9,573
3433	Bookkeepers	9,448
4121	Accounting and Bookkeeping Clerks	11,006
4122	Statistical and Finance Clerks	11,590
4225 <sup>b</sup>	Customer Service Representatives/Associates	10,083
9400 <sup>b</sup>	Unskilled Workers except Janitors, Messengers and Freight Handlers	9,208
<b>J67</b>	<b>Insurance and Pension Funding except Compulsory Social Security</b>	
2121	Actuaries	36,891
2122	Statisticians	19,356
2132	Computer Programmers	22,038
2411	Accountants and Auditors	22,088
3412	Insurance Representatives	18,252
3417	Appraisers and Valuers	15,884
4121	Accounting and Bookkeeping Clerks	12,481
4122	Statistical and Finance Clerks	10,809
4225 <sup>b</sup>	Customer Service Representatives/Associates (in call centers)	13,419
9400 <sup>b</sup>	Unskilled Workers except Janitors, Messengers and Freight Handlers	7,966

*Notes: 1. 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.*

*2. Allowances refer to regular/guaranteed cash payments. These include 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.*

*a The data refers to the average monthly wage rate across 168 occupations in 43 non-agricultural industries.*

*b BLES Code (no 1992 PSOC).*

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

**TABLE 2 - Median Monthly Basic Pay and Monthly Allowances of Time-Rate  
Workers on Full-Time Basis in Financial Intermediation, Philippines: June 2004**  
(Non-agricultural establishments employing 50 and over. Median refers to that amount where half of the  
workers in the distribution receive more while the other half receives less.)

1994 PSIC	Industry	Median Monthly Basic Pay (₱)	Median Monthly Allowances <sup>1</sup> (₱)
	<b>All Non-Agricultural Industries</b>	<b>7,542</b>	<b>930</b>
<b>J</b>	<b>Financial Intermediation</b>	<b>14,857</b>	<b>1,265</b>
J65 excl. J6510	Banking Institutions except Central Banking	16,069	1,751
J66	Non-Bank Financial Intermediation	12,590	1,100
J67	Insurance and Pension Funding except Compulsory Social Security	14,994	1,394
J68	Activities Auxiliary to Financial Intermediation	11,739	2,145

**Notes:** 1. 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.  
2. Allowances refer to regular/guaranteed cash payments. These include 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.  
1 Refer only to those workers given regular/guaranteed cash allowances.

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

**TABLE 3 - Hiring/Entry Wage Rates, Minimum Educational Requirement and Minimum Years of Related Experience of Time-Rate Workers on Full-Time Basis in Selected Occupations in Financial Intermediation, Philippines: June 2004**

*(Non-agricultural establishments employing 50 and over.)*

Industry/Occupation	Hiring/Entry Wage Rate <sup>1</sup> (P)		Minimum Educational Requirement		Minimum Years of Related Experience	
	Minimum	Maximum	Level	Percent of Establishments <sup>2</sup>	Years	Percent of Establishments <sup>3</sup>
<b>Banking Institutions except Central Banking</b>						
Statisticians	12,400	15,400	College graduate	100.0	2 years	56.5
Accountants and Auditors	5,000	39,000	College graduate	96.4	1 year	34.9
Economists	8,185	48,885	College graduate	100.0	None	43.1
Bookkeepers	5,000	30,750	College graduate	100.0	None	62.3
Accounting and Bookkeeping Clerks	4,825	25,750	College graduate	98.3	None	58.9
Statistical and Finance Clerks	5,040	13,439	College graduate	100.0	1 year	43.7
Tellers	4,825	25,700	College graduate	98.7	None	60.6
Customer Service Representatives/Associates (in call centers)	5,458	20,000	College graduate	100.0	None	39.1
Unskilled Workers except Janitors, Messengers and Freight Handlers	5,738	7,600	High school graduate	47.4	None	100.0
<b>Non-Bank Financial Intermediation</b>						
Statisticians	3,392	14,300	College graduate	75.1	1 year	67.7
Accountants and Auditors	3,392	25,000	College graduate	100.0	1 year	45.1
Economists	10,535	10,535	College graduate	100.0	1 year	100.0
Securities and Finance Dealers and Brokers	3,392	8,860	College graduate	84.8	None	60.7
Bookkeepers	7,327	9,318	College graduate	100.0	None	42.8
Accounting and Bookkeeping Clerks	3,392	12,000	College graduate	100.0	1 year	54.6
Statistical and Finance Clerks	3,392	15,754	College graduate	89.8	1 year	49.5
Customer Service Representatives/Associates (in call centers)	3,392	9,709	College graduate	87.7	None	54.4
Unskilled Workers except Janitors, Messengers and Freight Handlers	3,392	7,825	High school graduate	64.6	None	91.2

<sup>1</sup> Defined as including basic pay and regular/guaranteed cash allowances.

<sup>2</sup> Refers to educational level which has the highest proportion or share of estimated number of establishments reporting the requirement relative to the estimated number of establishments reporting the occupation. The choices for the minimum educational requirement are "elementary graduate, high school graduate, trade school graduate, college graduate, others".

<sup>3</sup> Refers to years of related experience which has the highest proportion or share of estimated number of establishments reporting the requirement relative to the estimated number of establishments reporting the occupation. The choices for the minimum years of related experience are "none, 1 year, 2 years, 3 years, 4 or more".

**TABLE 3 - Hiring/Entry Wage Rates, Minimum Educational Requirement and Minimum Years of Related Experience of Time-Rate Workers on Full-Time Basis in Selected Occupations in Financial Intermediation, Philippines: June 2004 (Cont'd.)**

*(Non-agricultural establishments employing 50 and over.)*

Industry/Occupation	Hiring/Entry Wage Rate <sup>1</sup> (P)		Minimum Educational Requirement		Minimum Years of Related Experience	
	Minimum	Maximum	Level	Percent of Establishments <sup>2</sup>	Years	Percent of Establishments <sup>3</sup>
<b>Insurance and Pension Funding except Compulsory Social Security</b>						
Actuaries	7,800	50,000	College graduate	100.0	1 year	50.1
Statisticians	8,000	13,100	College graduate	100.0	2 years	66.7
Computer Programmers	6,160	35,000	College graduate	96.8	1 year	42.0
Accountants and Auditors	6,500	50,000	College graduate	100.0	1 year	32.4
Insurance Representatives	6,200	16,000	College graduate	100.0	1 year	36.6
Appraisers and Valuers	7,100	20,000	College graduate	100.0	None	43.9
Accounting and Bookkeeping Clerks	3,704	12,579	College graduate	100.0	1 year	43.5
Statistical and Finance Clerks	6,600	18,895	College graduate	100.0	1 year	46.2
Customer Service Representatives/Associates (in call centers)	4,250	16,000	College graduate	100.0	None	45.3
Unskilled Workers except Janitors, Messengers and Freight Handlers	6,120	8,750	High school graduate	40.1	None	40.1

<sup>1</sup> Defined as including basic pay and regular/guaranteed cash allowances.

<sup>2</sup> Refers to educational level which has the highest proportion or share of estimated number of establishments reporting the requirement relative to the estimated number of establishments reporting the occupation. The choices for the minimum educational requirement are "elementary graduate, high school graduate, trade school graduate, college graduate, others".

<sup>3</sup> Refers to years of related experience which has the highest proportion or share of estimated number of establishments reporting the requirement relative to the estimated number of establishments reporting the occupation. The choices for the minimum years of related experience are "none, 1 year, 2 years, 3 years, 4 or more".

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