

WAGE RATES IN INDUSTRIES ... in Hotels and Restaurants (Fourth of an 18-Part Series)

This issue of the LABSTAT Updates on the results of the 2006 Occupational Wage Survey (OWS) highlights the wage rates of nine occupations in the hotels and restaurants industry. The 2006 OWS covered non-agricultural establishments employing 20 persons or more.

The monthly wage rates of the covered occupations varied from ₱6,517 (unskilled workers except janitors, messengers and freight handlers) to ₱15,742 (accountants and auditors). The wage rates of all occupations covered in the survey are posted on the BLES website.

Cooks were the highest paid service workers in hotels and restaurants

In August 2006, the average monthly wage rate of workers on full-time basis across all occupations covered by the OWS was ₱10,629. This figure was estimated based on the reports of sample non-agricultural establishments employing 20 persons or more.



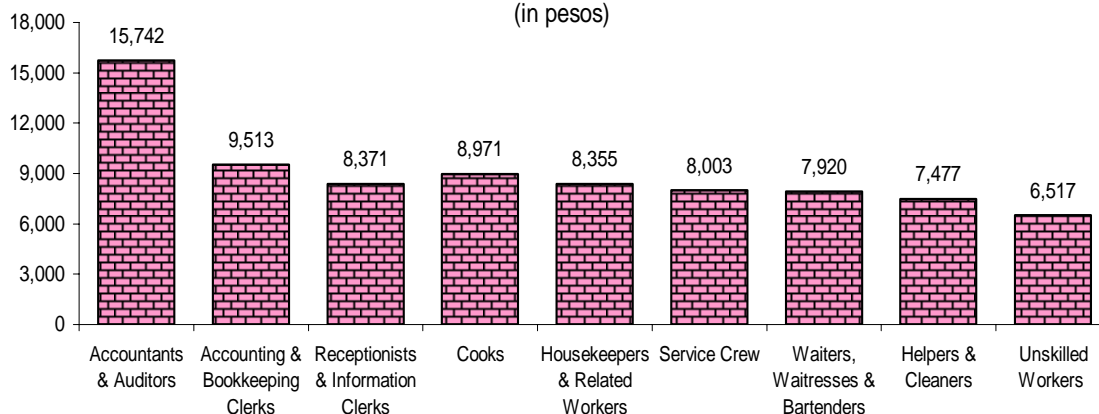
Taking a closer look at the six selected service worker groups in hotels and restaurants, cooks were paid the highest at ₱8,971 followed by housekeepers and related workers at ₱8,355 and service crew at ₱8,003.

Less variation was observed in the average wage rates of other service workers such as waiters, waitresses and bartenders (₱7,920) and helpers and cleaners (₱7,477). Unskilled workers had the lowest rate at ₱6,517.

Expectedly, accountants and auditors which were the only professional workers covered in the industry had the highest wage rate at ₱15,742.

Wage rates of accounting and bookkeeping clerks; and receptionists and information clerks were estimated at ₱9,513 and ₱8,371, respectively. (Figure 1)

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



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

Median basic pay in hotels and restaurants lower than the national pay

With regard to the time rate workers on full time basis in non-agricultural establishments covered by the survey, their median¹ monthly basic pay and allowances (for workers given allowances) were posted at ₱8,035 and ₱1,278, respectively.

On the other hand, the average basic pay in hotels and restaurants was estimated at ₱7,421 which was lower than the national basic pay while the average monthly allowance at ₱1,298 was slightly higher than the national rate.

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 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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