

LIVING STANDARDS IN RUSSIA IN AUGUST 2015¹

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The real personal disposable money income kept declining and the percentage of individuals with money income below the minimum subsistence level was increasing. Note that with a total decline (down 9% in January–August) in real income and real wages, this process is differentiated by industry and type of activity. Construction, financing activities, public administration and military security, publishing and printing, hotels and restaurants saw most of the decline in real wages, whereas agriculture, mining and quarrying, manufacturing, trade, community and social services experienced the lowest decline in real wages.

According to the preliminary data, the personal per capita money income in August 2015 averaged Rb 31004 and average monthly nominal accrued wages per worker ran at an average of Rb 31870². In January–August 2015 the real personal disposable money income and real wages decreased respectively by 9.0% and 3.1% compared to the corresponding period of 2014³. Overall, the real personal disposable money income and real wages declined in the period between November 2014 and August 2015 compared to the corresponding period of 2013–2014 (Fig 1). In August 2015 the real personal disposable money income decreased by 4.9% and real wages by 9.8% compared to the corresponding period during 2014.

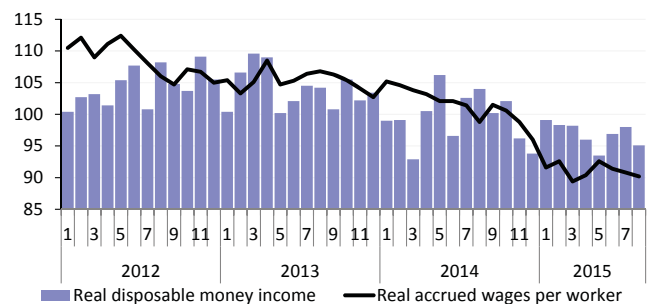
The decline of real money income resulted in substantial increase of the poverty level in H1 2015 to 15.1% (up 2 p.p.) compared to the same period a year ago (Fig. 2).

Overall, the poverty level in H1 2015 was higher than that in the same periods of 2012–2014.

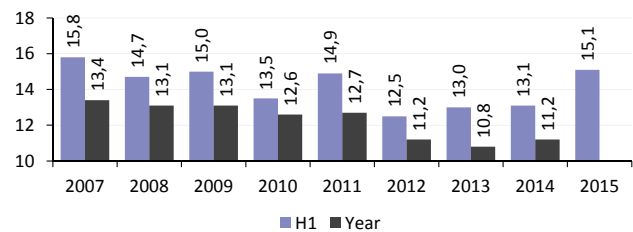
In Q2 2015, compared to the corresponding period of previous year, personal money income, wages and retirement benefits (pensions) saw a substantial decline compared to the minimum subsistence level.

Analysis shows that the real personal disposable money income kept falling and the percentage of individuals with money income below the minimum subsistence level was increasing.

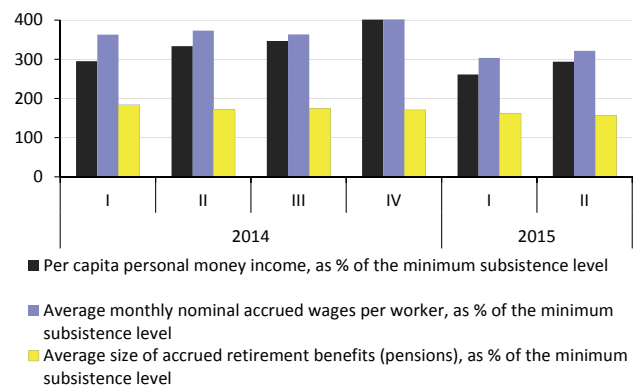
Additionally, growth rates of nominal wages of employees at organizations have been declining since Q4 2014 (Fig. 4). Real wages in January–August decreased by 9%.



Source: The Russian Federal State Statistics Service (Rosstat).
Fig. 1. Dynamics of real personal disposable money income in 2012–2015, as % of corresponding period of previous year



Source: The Russian Federal State Statistics Service (Rosstat).
Fig. 2. The percentage of individuals with money income below the minimum subsistence level in the Russian Federation as a whole, %



Source: The Russian Federal State Statistics Service (Rosstat).
Fig. 3. The ratio of per capita nominal money income, average monthly nominal accrued wages per worker and average size of accrued retirement benefits (pensions), as % of the minimum subsistence level, 2014–2015

1 An article from the Online Monitoring of Russia's Economic Environment (OMES). Trends and challenges of the socio-economic development. 2015. No. 12. September.

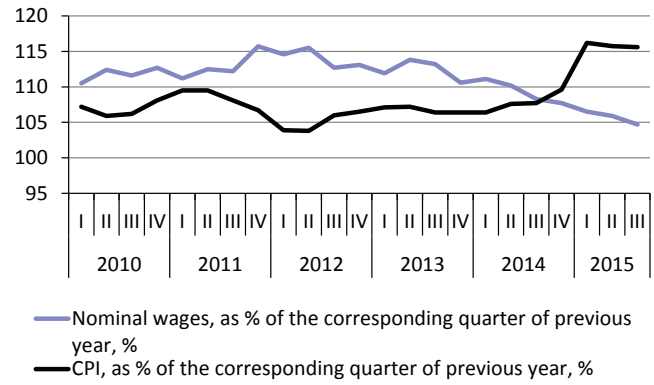
2 Source: Rosstat, Information on the socio-economic situation in Russia, January–August 2015.

3 Source: Rosstat, Information on the socio-economic situation in Russia, January–August 2015.

The situation differs in various types of economic activity (TEA) (Fig. 5). Marketable industries (sectors) (agriculture, mining and quarrying, manufacturing), as well as trade and other community, social and personal services, are facing a more positive situation.

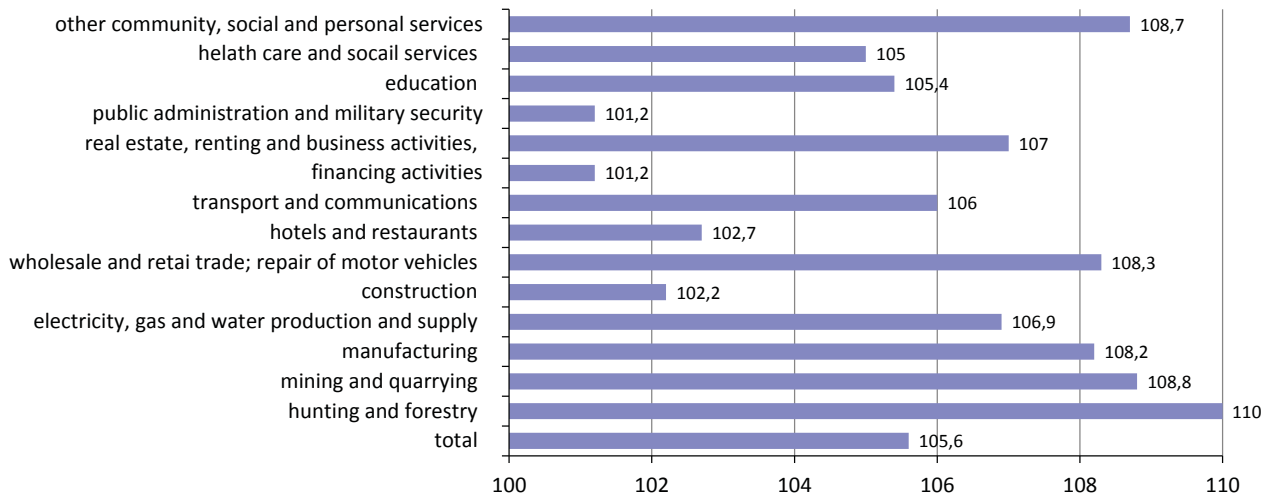
No difference in nominal wages was seen between January–July 2015 and the same period in 2014 (up 1–3%) in construction, hotels and restaurants, financing activities, public administration and military security. Including the CPI, real wages for the foregoing types of economic activity decreased by 12–13%. Real wages dropped 9.1–9.5% in education and healthcare. The agriculture, mining and quarrying, manufacturing, other community, social and personal services, and trade saw the most moderate decline (down 5.2–6.7%).

Nominal wages in manufacturing increased 9.6–11.7% in the manufacture of electric, electronic and

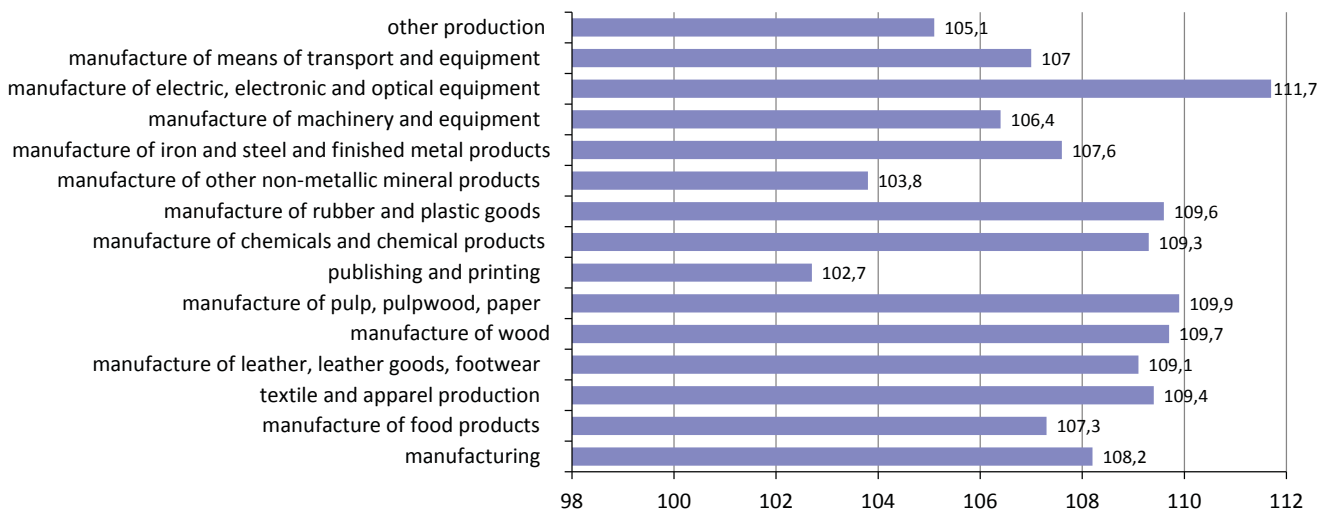


Source: The Russian Federal State Statistics Service (Rosstat).
Fig. 4. The dynamics of nominal wages and the CPI, as % of corresponding quarter of previous year

optical equipment, woodworking, manufacture of rubber and plastic products (Fig. 6). Real wages in these industries decreased by 4–5%. The lowest decline of



Source: The Russian Federal State Statistics Service (Rosstat).
Fig. 5. Nominal wages in January–July 2015, as a percentage change from January–July 2014



Source: The Russian Federal State Statistics Service (Rosstat).
Fig. 6. Nominal wages in January–July 2015, as a percentage change from January–July 2014

real wages in sub-items of this type of activity was seen in the manufacture of other non-metallic mineral products and in publishing and printing (down 11–12%).

The situation with overdue wage arrears at large and medium-sized enterprises remains relatively sta-

ble. The total wage arrears as of 1 September 2015 was 8% less than that as of 1 August 2015, running at Rb 3.2bn (less than 1% of the monthly gross payroll of workers engaged in the observed types of economic activity).