

# Investigating Welfare on the Income and Expenditure Survey

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# The Israeli Household Expenditure Survey

- The Israeli expenditure survey has been conducted since the early 1950s.
- Until 1997 the survey was conducted every 5 years, and from 1997 the survey is conducted annually.
- It measures the total expenditure and the total income of households in Israel and the ownership of durable goods and services
- It also measures the total income of individuals in Israel
- It is a cross sectional survey
- It is an obligatory survey

# The Israeli Household Expenditure and Income Survey

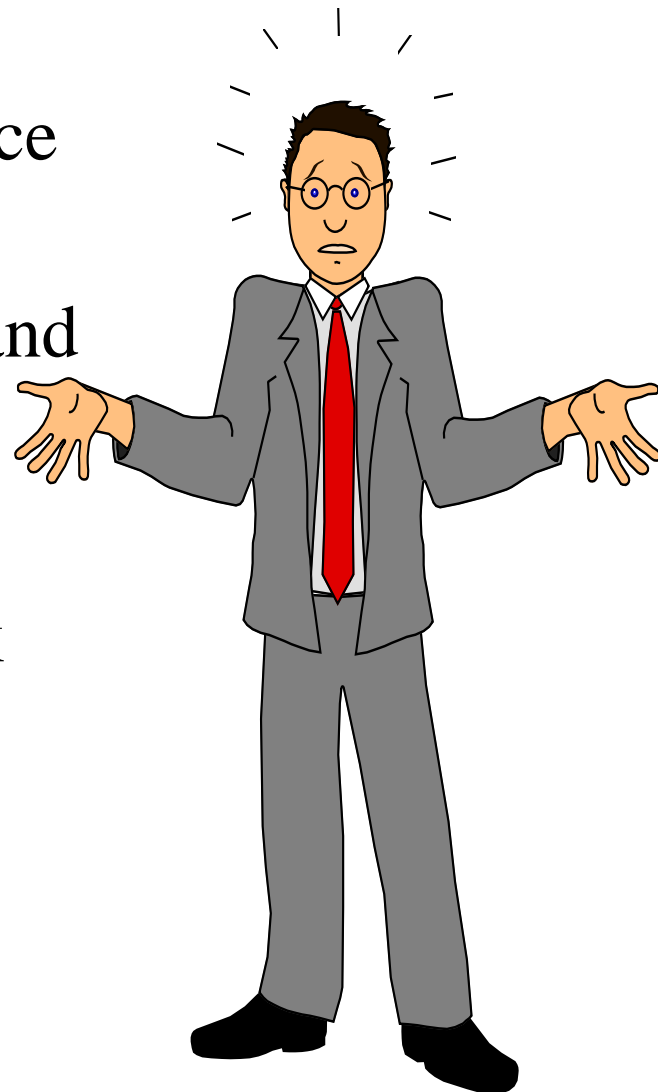
- The total income includes the income from all the sources - work, pension, capital, funds, assistance etc.
- The total expenditure includes 10 items of the CPI (consumer price index): food, housing, dwelling and maintenance, furniture and equipment, clothing and footwear, health, education and culture, transportation and communication and others goods and services.
- The survey population includes all localities – urban and non urban except –Bedouins living outside of localities
- The survey covers 97% of the population
- The response rate is approximately 83%.

## 3 Main Survey Targets

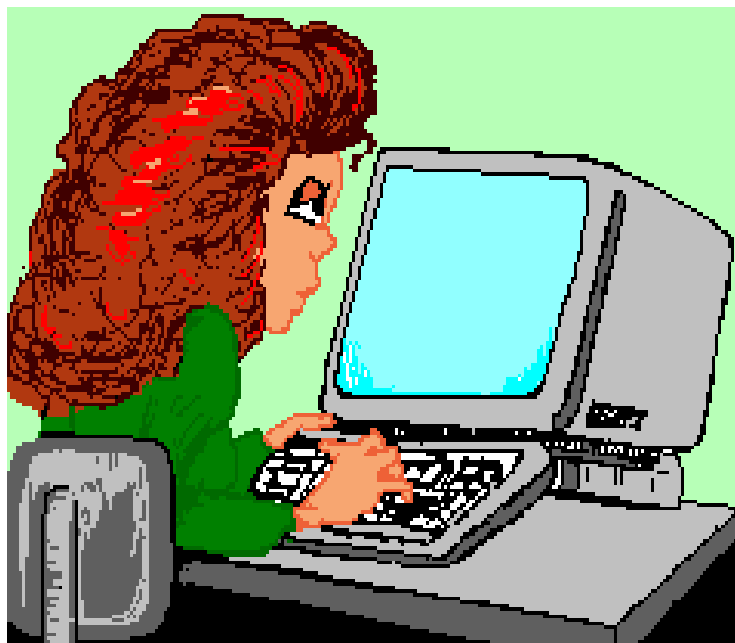
- The main target of the survey is the production of weights for the consumption basket for the Consumer Price Index;
- Evaluation of the consumption item within the GDP;
- Calculation of the poverty line and the income distribution (the GINI index).

# Data Users

- Poverty Line- National Insurance Institute
- The National Accounts – PPP and GDP
- Government
- Bank of Israel- the central bank
- Academic Research
- Businesses
- All population
- International organizations



# The survey performance



# The survey questionnaire

- The Households Expenditure Survey- by paper questionnaires
- Data collection equally spread over the year
- Research period: **the latest three months**
- It is a "Proxy" method- the reference person reports on the income of other household members
- No lump sum incomes are collected, only current incomes

# The survey questionnaires:

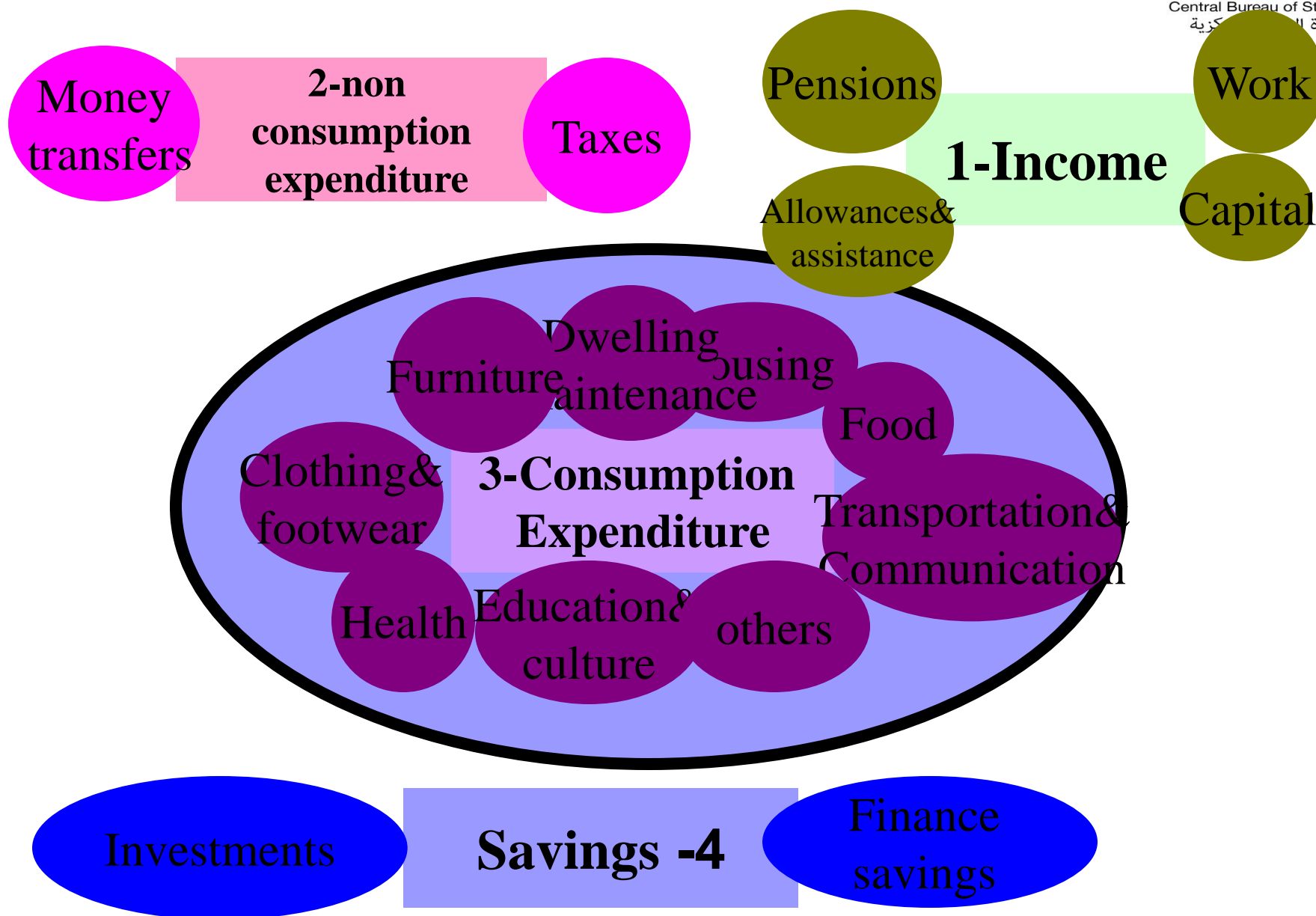
1. Questionnaire A: filled out by the interviewer, providing basic demographic and economic data on each member of the household (e.g., age, sex, country of birth, year of immigration, status at work, etc).
2. A biweekly diary - in which the household recorded each member's daily expenditures over a period of two weeks.
3. Questionnaire B : A questionnaire on large or exceptional expenditures and on income - filled out by the interviewer on the basis of reporting by the household, related to the 3- or 12-month period preceding the interview date (depending on the rarity of expenditures for the items investigated).



# The 4 main groups within the HES

- Incomes: **work, capital, pensions and social funds, allowances and assistance**
- Non Consumption Expenditure: taxes - compulsory payments
- Consumption Expenditure: **food, housing, dwelling maintenance, furniture and household equipment, clothing and footwear, health, education culture and entertainment, transport and communications, miscellaneous goods and services**
- Savings

# The Components of the HES



# International Manuals

- COICOP coding method
- Household Income and Expenditure Statistics, Report II of the 17th International Conference of Labour Statisticians in 2003, published by the International Labour Office.
- Canberra Group Handbook on Household Income Statistics, 2011 version.
- SNA- System of National Accounts 2008

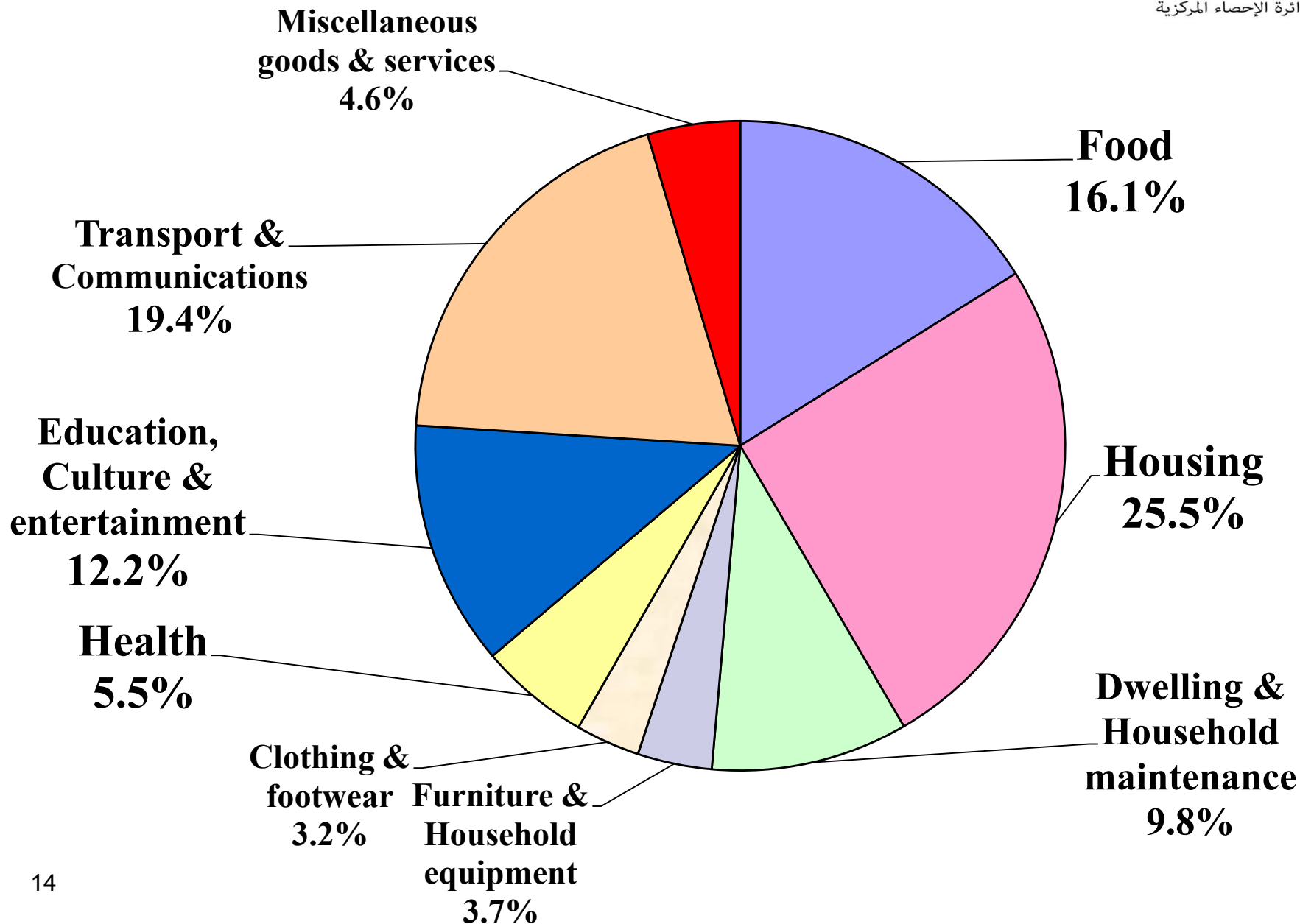
# Components of welfare in the survey

- Everything can be treated as welfare..
- Wealth on the survey: ownership of durable products like dwelling and cars
- Benefits and transfers from the government to households

# From 2012 on the HES

- The households are being asked about a reduction from government institutions, work or from the Kibbutz in a specific item
- Reduction on education, health and house maintenance products

# Composition of consumption expenditure 2012



# Composition of monthly expenditure of households quintiles on Health

	Internal code	Total	quintiles				
			1	2	3	4	5
Households in population (thousands)		2,215.6	443.2	443.5	443.1	442.9	442.8
Average persons in household		3.3	4.3	3.5	3.2	3.0	2.7
Average earners in household		1.3	0.8	1.2	1.5	1.6	1.6
			percentages				
<b>Health</b>	<b>36</b>	100.0	100.0	100.0	100.0	100.0	100.0
<b>Health insurance</b>	<b>361</b>	32.6	23.4	30.4	33.2	32.5	36.1
Sick fund complementary insurance	361000	20.6	19.9	23.7	23.5	20.8	17.6
Health insurance in insurance company	361063	10.9	2.6	5.7	8.7	10.9	17.2
Other health insurance	361071	1.0	0.8	1.0	1.0	0.8	1.3
<b>Dental treatment</b>	<b>362</b>	26.0	33.9	28.3	23.8	28.0	22.4
<b>Expenditures on health services</b>	<b>363</b>	11.7	5.3	8.3	9.5	12.6	15.7
<b>Other expenditures on health</b>	<b>364</b>	29.7	37.5	33.0	33.4	26.9	25.7
Thereof :							
Medications through sick funds	364018	7.7	11.5	10.4	9.1	6.8	5.4
Medications from pharmacies	364026	7.5	11.9	8.0	7.5	6.7	6.4
Glasses and contact lenses	364059	7.6	6.1	7.4	8.8	7.1	7.8
Non-prescription vitamins	364208	1.0	1.3	0.6	0.8	1.0	1.1
Rehabilitation aids or medical equipment	364083	1.1	0.9	1.3	1.7	0.5	1.3
Dental and oral hygiene products	364190	2.1	2.3	2.3	2.4	2.3	1.7

# Types of Incomes collected

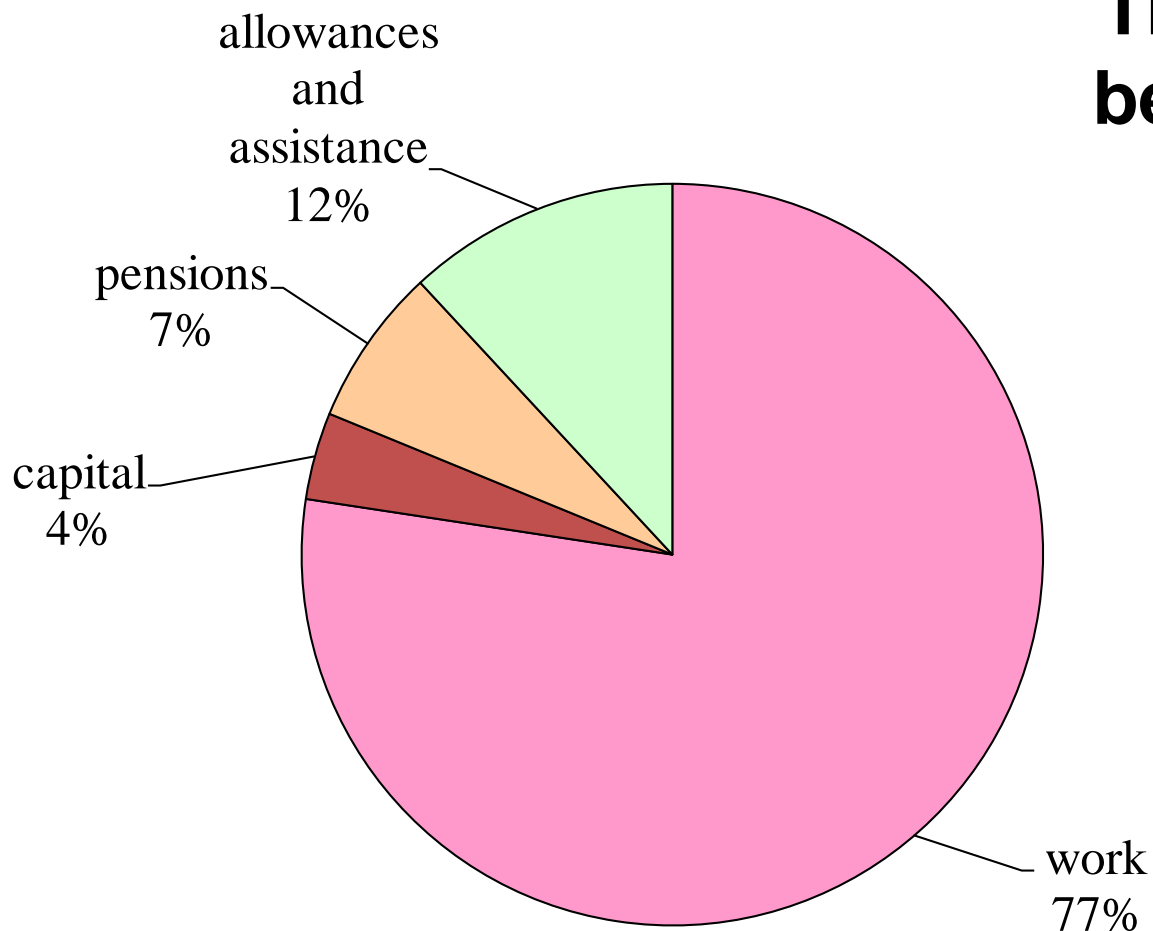
- Income from **Work**: paid employee and self employment
- Income from **Capital**: Interest (from savings) and dividends, renting a property or a business
- Income from **Pensions and social funds**: pensions, trusts, social insurance funds
- Income from **Allowances and Assistance**: from national insurance institute (old age, survivor, unemployment benefits, support income, children allowances) and other institutions (ministry of defense, ministry of finance, ministry of constructions and housing) or from other individuals



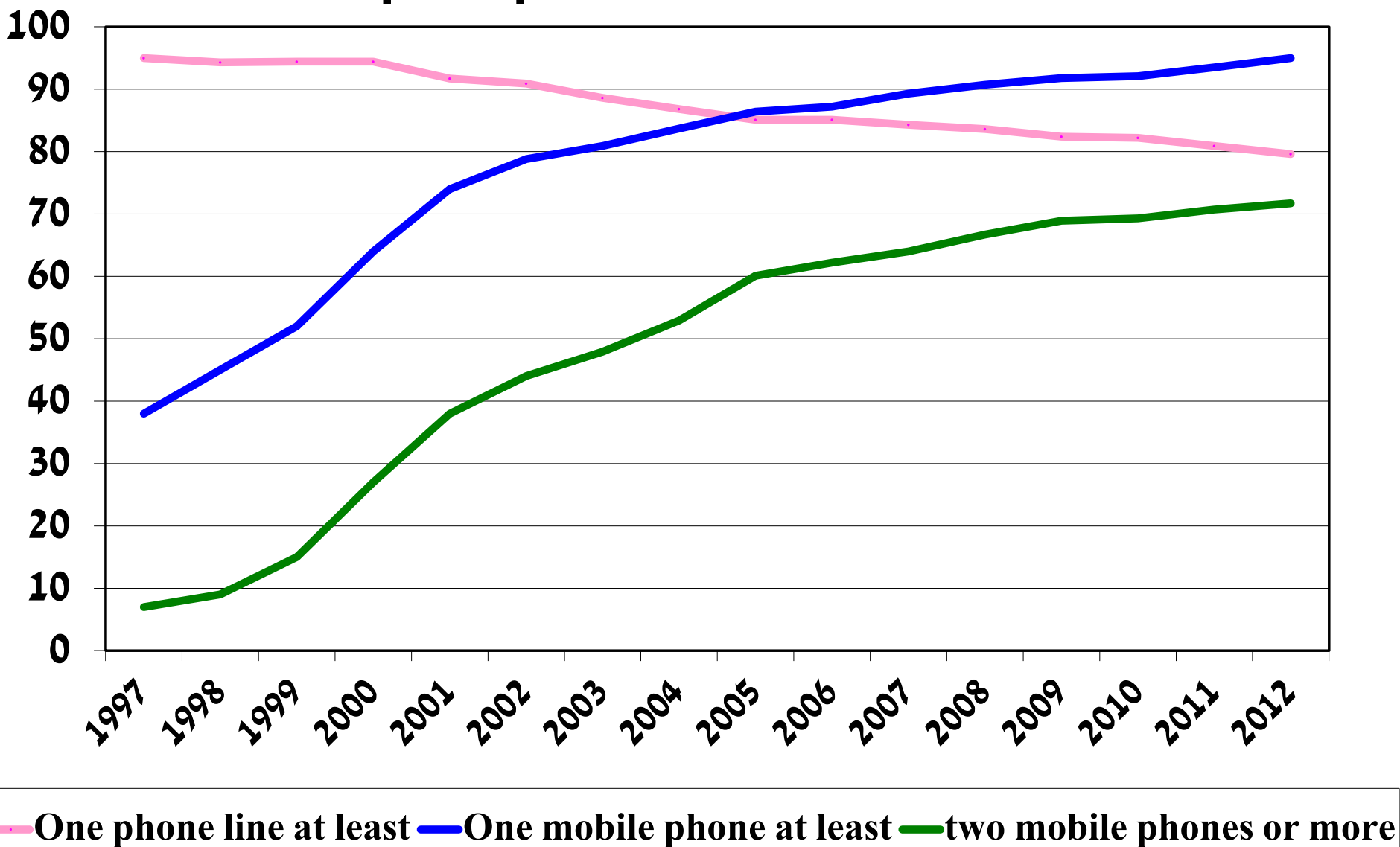
# Composition of Income 2012

**The total income  
before taxes 2012**

**16,577 NIS**



# Ownership on phones 1997-2012



# Questions – expectations from the welfare workshop

- To understand what is satellite accounts- where it is been done, why it is so important
- How welfare can be measured at the HES survey?
- To learn about the best way to measure STIK
- Where STIK should be added at the micro level, on the income side or the consumption side or both
- What are the differences between the SNA measure and the Micro welfare measure?

# *Thank you !*

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