

INSTITUTO NACIONAL DE ESTADISTICA



**Main features of the  
Household Budget Survey 2006**

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## I. Methodological Summary

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### I.1 INTRODUCTION

Ever since the INE carried out the first Household Budget Survey (HBS), these statistical operations have experienced numerous methodological changes that have affected all aspects relating to this type of research, even having adopted several forms as regards their periodicity. Nonetheless, despite the differences among the subsequent methodologies, all the Household Budget Surveys have in common that they provide information on the nature and destination of consumption expenditures, as well as on several features related to household living conditions.

Traditionally, two types of HBS have been carried out: the structural or basic surveys every eight or ten years, and the short-term or quarterly surveys. In 1997, for the first time, an HBS was introduced that tried to agglutinate the most positive aspects of the two types of operation that had coexisted up to that moment for the purpose of responding to all user needs. In this manner, the two types of survey that had been carried out until that point were combined into one single study.

During the period from 1997 to 2006, new demands arose on the part of the different users, in addition to several methodological recommendations from different international forums, and from the Statistical Office of the European Communities (Eurostat) in particular. All the above, in addition to the logical demand of any permanent survey to review the main methodological elements that it is comprised of, have created the necessity for the methodological change whose main guideline is to ensure the maximum quality of the information from the new statistical operation.

This document highlights the main methodological aspects of the new survey, and indicates the main differences from the HBCS published up to the year 2005.

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### I.2 MAIN DIFFERENCES BETWEEN THE HBS BASE 1997 AND THE HBS 2006

The new Household Budget Survey (HBS), published annually, entered into force in January 2006. The main lines of work that are the focus of the process of methodological change are as follows:

- ***Change in the periodicity of the survey.*** In the survey base 1997, the information was published on a quarterly basis, and was substituted by an annual survey.

- **Increase in the sample size.** In the survey base 1997, 8,000 households were interviewed each quarter, which implied, bearing in mind the design of the survey, an annual sample size of approximately 11,000 households. In the new survey, the size is similar to that usually used in the traditional basic family budget surveys (approximately 24,000 households).
- **Introduction of a new household cooperation scheme.** The cooperation of each household in the sample changed from eight consecutive quarters to two subsequent years, which implies a considerable decrease in the effort required from the households.
- **Increase in the household cooperation period.** In the survey base 1997, this participation took one week, and it increased to two weeks. In this way, the international trend continues, while the effect that an atypical week can have on household expenditure behaviour is reduced.
- **Simplification of the information collection instruments.** This affects the design of the questionnaires and the number and content of the visits to the households. The aim is thus to facilitate a response and, therefore, to improve the quality of said response.
- **Reduction of the volume of variables to be studied on a permanent basis in the survey:** In comparison with the previous survey, *the number of variables studied continuously in the survey has been reduced; with this, it has been possible to unload certain parts of the previous questionnaires. The aim is to obtain the information from the suppressed sections through the introduction of thematic modules.*

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## II. Main features of HBS 2006

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### II.1 OBJECTIVES

Among the priority objectives of HBS 2006, are those that are traditionally common to a survey of this type, which are summarised in the following categories:

- Obtaining of estimates of the aggregate **annual** consumption expenditure of households for the **entire country and for the Autonomous Communities**, as well as their classification by different household variables.
- Estimation of the **interannual change** of the aggregate consumption expenditure for the entire nation and for the Autonomous Communities.
- Estimation of consumption in **physical quantities** for certain food goods for the entire country.

In addition, within the priority objectives, there are two others that are highlighted because of their importance and that are related to specific needs of

different survey users: the estimate of expenditure as an instrument for obtaining private consumption in the National Accounts, and the estimate of the weightings structure from the expenditure necessary for calculating the CPI.

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## II.2 HOUSEHOLD CONSUMPTION EXPENDITURE

As with the previous survey, the consumption expenditures registered in HBS 2006 refer to both the monetary flow that the household and each of its members spend on the payment of certain goods and services, considered to be final consumption goods and services, and the value of the consumption made by the households in terms of self-consumption, self-supply, wages in kind, free or subsidised food and rent imputed to the dwelling in which the household resides (when it is the owner of the same, or the dwelling was granted free of charge or at a very low price by other households or institutions).

Final household consumption expenditure is registered at acquisition prices, that is, at the price that the buyer should effectively have paid for the products at the time of purchase, and according to their cash price. The real value of the expenditure on goods and services is collected, in addition to all added expenses that might have been incurred through their purchase (tips, for example). The expenditure on a good should be registered at the time that the change of property takes place, and the expenditure on a service, in general, when the rendering of said service is finished.

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## II.3 GEOGRAPHICAL AND FUNCTIONAL BREAKDOWN

The classification used to code the expenditures is the COICOP/HBS, structured into the following twelve large groups:

1. Food and non-alcoholic beverages
2. Alcoholic beverages, tobacco and narcotics
3. Clothing and footwear
4. Housing, water, electricity, gas and other fuels
5. Furnishings, household equipment and current maintenance costs for the dwelling
6. Health
7. Transport
8. Communications
9. Recreation, performances and culture
10. Education

11. Hotels, cafes and restaurants

12. Other goods and services

The level of functional breakdown used in the publication of results varies according to the degree of geographical breakdown to which we hope to obtain estimates; in the case of this survey, the sampling design was created in order to obtain estimates with the following two breakdowns:

- For the entire country, a maximum functional breakdown is reached to **five digits of the COICOP**.
- For the Autonomous Communities, the maximum functional breakdown level is to **four digits**.

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#### II.4 SAMPLING DESIGN

A sample size of 2,392 census sections (primary units) has been established, selecting 10 dwellings (secondary units) in each one of them, in which the information from all of the households residing therein is collected. Every year, one half of the sample is renewed, and thus each household cooperates for a maximum of two years.

With this scheme, the dwelling sample is uniformly distributed throughout the year, so that the annual sample is divided into 26 groups of dwellings that begin and end their annual cooperation at the same time within each group.

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#### II.5 HOUSEHOLD COOPERATION SCHEME

Each household remains in the sample for two consecutive years, with one collaboration each year, including for each of them a period of 14 days during which the families note down, in notebooks provided for this purpose, all of the goods and services consumed. However, because two weeks is an excessively short period of time to encompass the acquisition of all types of goods and services susceptible to consumption, the households in the sample are also requested, through interviews, information on the purchases made during a time longer than said period.

In the case of this survey, and given that the study period extends to one year, the reference periods or duration of time with which the expenditure on a good or service is made to correspond should be limited to this duration, using the following:

- Biweekly (goods of a high frequency or of small values)
- Monthly (goods of a medium frequency or of moderate values)
- Last payment (regular payments)

- Quarterly (goods of a low frequency or of high values, too much so to be considered biweekly or monthly)
- Annually (goods of scarce frequency or of very high values)

Therefore, the annual cooperation of each household consists of a two-week period in which all types of expenditure are requested by direct notation (period of intense cooperation), obtaining the rest of the information via interview throughout those fourteen days.

With this scheme, and according to the information collection system applied, the estimates provided do not refer to calendar years, given that, for certain goods and services, the consumption made is registered for the month, quarter, or year prior to the interview, which is variable for the different groups of households into which the sample is distributed throughout the year.

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## II.6 OTHER FEATURES STUDIED IN THE SURVEY

Although consumption expenditure is the main variable studied in the survey, other variables are also studied, though most of them only as classification variables. Thus, information is available on:

- **Geographical features** (Autonomous Community, size of municipality of residence, type of area, population density)
- **Household features** (household type and size, household economic situation (employed, active,), net monthly household income,...)
- **Household member features** (date of birth, nationality, marital status, relation with economic activity, level of education achieved,...)
- **Main breadwinner features** (relation with economic activity, occupation, activity of the establishment, professional situation, public or private sector,...)
- **Main dwelling features** (type of building, tenancy regime, age, number of bedrooms, useful area, source of energy for water and heating,...)
- **Other dwellings available to the household** (number of them, location - Autonomous Community or abroad - , tenancy regime, availability of certain installations or services and time available to the household during said period).

Another novelty in this survey as compared with the aforementioned is that the recording of the questionnaires, as well as the first information checks, is carried out in the provincial delegations of the INE, through the CADI (Computer Assisted Data Input) assisted recording system. The temporal and geographical closeness of the interview period with the filtering process facilitates the solution of problems with data inconsistencies, based on the direct contact with the household.

The sampling scheme presented in this survey allows for introducing different modules that will make it possible to study different aspects related to household living conditions. According to the demand of internal or external users, different social interest modules will be incorporated.

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## II.7 LINK WITH THE PREVIOUS SERIES

The previous sections show that there are content and methodological differences of no small importance between the new design of the HBS, begun in the year 2006, and the previous survey, in place since the third quarter of 1997, although the main observation variable in both cases is household consumption expenditure.

For this, it is necessary to apply a statistical technique that allows for linking the results obtained with both methodologies, that is, to obtain a single time series that permits observation of the evolution of consumption expenditure in Spain throughout a period in which the data refer to two surveys with different methodologies.

In order to build the liked series, estimates have been made on the values corresponding to years prior to 2006, using linking coefficients based on predictions obtained from time series models regarding the old series.

Linking coefficients have been obtained for the period from 1998 to 2005, according to the following geographical and functional breakdowns:

- Entire country: Series for total expenditure and the twelve expenditure groups of the COICOP classification.
- Autonomous Communities: Series for total expenditure, expenditure on food, alcoholic beverages and tobacco, and expenditure on the rest of the classification groups.

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## II.8 DISSEMINATION OF RESULTS

The dissemination of the results is made through two formats:

1. Annual results: aggregate information available in INEBASE.
2. Annual microdata files that are duly anonymised.