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## **Household Budget Survey (HBS 2006)**

### **2006. Main results**

- The new 2006 Household Budget Survey (HBS) is a substitute for the Household Budget Continuous Survey (HBCS), which was in force from 1997 until 2005.
- The HBS incorporates different methodological improvements, such as the change in periodicity (quarterly to annual) or the significant increase in sample size (up to 24,000 dwellings). Thus, the comparisons with previous data from the former survey must be carried out using statistical linking methods. The main methodological changes and the result of the aforementioned link are detailed in the technical appendix. The series links can be consulted on the INE website.
- According to the new HBS, the average annual household expenditure is 29,394 euros in the year 2006. The average expenditure per person increases to 10,632 euros.
- Of this budget, households allocate 26.4% to dwelling-related expenses, 14.3% to transport and 14.0% to food and non-alcoholic beverages consumed in the home.
- The Autonomous Communities that record the highest rates per person are Madrid (12,112 euros), Cataluña (11,995 euros) and País Vasco (11,856 euros). Conversely, Extremadura (8,566 euros), Castilla-La Mancha (8,945 euros) and Canarias (9,258 euros) are the Autonomous Communities with least expenditure per person.
- Three Autonomous Communities account for practically half the consumption expenditure in Spain: Cataluña (whose expenditure represents 17.9% of the national total), Andalucía (16%) and Madrid (15.5%).
- The expenditure per person in municipalities with the highest number of inhabitants (over 100,000) is 6.2% higher than the national average. On the other hand, the aforementioned expenditure stands at 9.7% lower than the aforementioned average in the smallest municipalities (those with fewer than 10,000 inhabitants).
- The budget given destined to consumption by a couple with three or more children is 41,935 euros, while persons over 64 years of age living alone only spend 12,329 euros per annum.

## Results for the country as a whole

For the country as a whole, each household spent an average of 29,394 euros on consumption in 2006.

Comparisons of these results with those of the Household Budget Continuous Survey for 2005 and previous years must be made taking into account the numerous and relevant methodological changes introduced (see attached methodological note). The link between the previous series and the current one has been obtained from the statistical methods placing the annual variation rate of expenditure at 7.7%.

In the group analysis, households spent 26.4% of their budget (equalling 7,757 euros) on dwelling-related expenses; this group included real rents, current expenditure on water, electricity, gas, community, heating, as well as estimated rent in those cases in which the household was the owner of the dwelling or it was transferred to the household.

Other expenditure groups which stood out as important were transport, which was destined 14.3% of the budget (4,208 euros), and food and non-alcoholic beverages consumed in the home, which represented 14.0% of the total expenditure (4,127 euros).

The average expenditure per person in 2006 was 10,632 euros.

### Average expenditure and percent distribution of expenditure by group

Expenditure Group	Distribution of expenditure (%)	Average expenditure per household	Average expenditure per person (euros)
<b>TOTAL</b>	<b>100</b>	<b>29,393.93</b>	<b>10,632.15</b>
1. Food and non-alcoholic beverages	14.04	4,126.98	1,492.78
2. Alcoholic beverages and tobacco	1.78	523.56	189.38
3. Clothes and shoes	6.66	1,958.92	708.57
4. Housing, water, electricity, gas and other fuels	26.39	7,757.35	2,805.93
5. Furniture, household equipment and current maintenance costs for th	5.78	1,699.32	614.67
6. Health	2.88	846.35	306.13
7. Transport	14.31	4,207.61	1,521.95
8. Communications	2.91	856.33	309.75
9. Leisure, performances and culture	6.75	1,983.80	717.57
10. Education	0.92	271.55	98.22
11. Hotels, cafes and restaurants	9.61	2,823.34	1,021.24
12. Other goods and services	7.96	2,338.81	845.98

## Results by Autonomous Community

The highest values per person corresponded to the Autonomous Communities of Madrid (12,112 euros), Cataluña (11,995 euros) and País Vasco (11,856 euros).

Conversely, Extremadura (8,566 euros), Castilla-La Mancha (8,945 euros) and Canarias (9,258 euros) were the Autonomous Communities with least expenditure per person in 2006.

The average expenditure per person in Madrid exceeded the national average by 13.9%, whilst expenditure in Extremadura was 19.4% lower than the average.

The proportion representing the total household expenditure as a whole in each Autonomous Community in the overall national expenditure is related to population. Thus, the Autonomous Communities with the greatest contribution of consumption expenditure to the national total were Cataluña (17.9%), Andalucía (16.0%) and Madrid (15.5%); the three of them accounted for almost half of national consumption.

## Total and average expenditures by Autonomous Community of residence

Autonomous Community	Total expenditure (thousand euros)	Expenditure distribution (%)	Average expenditure per person (euros)	Index on the average per person
<b>NATIONAL TOTAL</b>	<b>466.058.239,00</b>	<b>100</b>	<b>10.632,15</b>	<b>100</b>
Andalucía	74.713.408,96	16,03	9.554,63	89,87
Aragón	13.396.998,93	2,87	10.684,19	100,49
Asturias (Principado de)	11.209.494,27	2,41	10.662,51	100,29
Baleares (Illes)	11.143.809,03	2,39	11.208,57	105,42
Canarias	18.201.196,07	3,91	9.257,72	87,07
Cantabria	5.376.245,43	1,15	9.668,21	90,93
Castilla y León	24.520.587,36	5,26	10.000,27	94,06
Castilla-La Mancha	16.967.890,81	3,64	8.945,31	84,13
Cataluña	83.546.703,11	17,93	11.994,94	112,82
Comunitat Valenciana	50.150.352,93	10,76	10.720,13	100,83
Extremadura	9.124.607,55	1,96	8.565,99	80,57
Galicia	27.285.464,75	5,85	10.083,93	94,84
Madrid (Comunidad de)	72.196.963,06	15,49	12.111,83	113,92
Murcia (Región de)	12.645.428,17	2,71	9.391,17	88,33
Navarra (Comunidad Foral de)	6.744.936,17	1,45	11.542,70	108,56
País Vasco	24.910.353,90	5,34	11.855,74	111,51
La Rioja	2.802.784,51	0,60	9.320,97	87,67
Ceuta y Melilla	1.121.014,00	0,24	8.190,13	77,03

## Results by specific geographical feature

The level of expenditure and its distribution among the different groups of goods and services varied by **size of the municipality of residence**.

In municipalities with more than 100,000 inhabitants, expenditure per person was 6.2% above the average. In turn, in those with fewer than 10,000 inhabitants, expenditure was 9.7% lower.

## Average expenditure and index by size of municipality of residence

Size of municipality	Average expenditure per household	Average expenditure per person	Index on the average per person
<b>TOTAL</b>	<b>29,393.93</b>	<b>10,632.15</b>	<b>100</b>
100.000 o más habitantes	30,539.82	11,288.50	106.17
De 50.000 a 100.000 habitantes	30,358.61	10,775.57	101.35
De 20.000 a 50.000 habitantes	29,701.71	10,643.93	100.11
De 10.000 a 20.000 habitantes	29,063.21	10,075.05	94.76
Menos de 10.000 habitantes	26,632.60	9,598.55	90.28

Expenditure distribution is also related to the size of the municipality of residence. Thus, households residing in municipalities with fewer than 10,000 inhabitants were those with the

greatest proportion of expenditure destined to food (15.3%), whilst for those residing in municipalities with more than 100,000 inhabitants, this percentage was 13.4%.

In turn, the highest percentage of expenditure on the dwelling (28.0%) corresponded to households residing in large municipalities, whilst households in municipalities with between 10,000 and 20,000 inhabitants, were those who destined the lowest proportion of the aforementioned expenditure (23.4%). This relationship is reversed in the case of expenditure on transport, in which the highest percentage of expenditure corresponded to these last municipalities (16.1%) and the lowest to large municipalities (12.7%).

## Structure of total expenditure, by size of municipality of residence

Expenditure group	Size of municipality					
	TOTAL	100,000 or more inhab.	50,000 to 100,000 inhab.	20,000 to 50,000 inhab.	10,000 to 20,000 inhab.	Fewer than 10,000 inhab.
	100	100	100	100	100	100
1. Food and non-alcoholic beverages	14.04	13.44	13.91	13.93	14.52	15.26
2. Alcoholic beverages and tobacco	1.78	1.71	1.74	1.87	1.85	1.85
3. Clothes and shoes	6.66	6.53	6.79	6.33	6.96	6.98
4. Housing, water, electricity, gas and other fuel	26.39	28.04	26.48	26.02	23.44	24.54
5. Furniture, household equipment and current maintenance costs for the dwelling	5.78	6.03	5.61	5.48	5.59	5.67
6. Health	2.88	2.86	2.90	2.89	2.94	2.88
7. Transport	14.31	12.67	14.49	15.50	16.12	15.97
8. Communications	2.91	2.96	2.94	2.82	2.98	2.84
9. Leisure, performances and culture	6.75	7.05	6.79	6.78	6.64	6.11
10. Education	0.92	1.12	1.09	0.70	0.78	0.63
11. Hotels, cafes and restaurants	9.61	9.73	9.51	9.57	9.85	9.30
12. Other goods and services	7.96	7.87	7.73	8.11	8.34	7.98

The profile of the **main breadwinner** (person making the largest contribution to the household communal budget) is a decisive element in household expenditure.

Thus, by sex and age, the greatest expenditure (36,571 euros) in 2006 corresponded to households whose main breadwinner was male and aged between 45 and 64.

Households recording the lowest expenditure were those whose main breadwinner was a woman aged over 64 (15,463 euros).

## Average expenditure and index by sex and age of the main breadwinner

Sex and age of the main breadwinner	Average household expenditure	Average expenditure per person	Index on the average per person
TOTAL	29,393.93	10,632.15	100
Total men	31,288.28	10,470.18	98.48
16 to 29 years old	28,294.60	11,394.24	107.17
30 to 44 years old	31,798.78	10,144.64	95.41
45 to 64 years old	36,570.74	10,998.05	103.44
65 and older	22,307.86	9,567.78	89.99
Total women	23,525.61	11,355.95	106.81
16 to 29 years old	22,860.52	10,783.78	101.43
30 to 44 years old	29,139.41	11,444.83	107.64
45 to 64 years old	29,535.46	11,779.14	110.79
65 and older	15,463.17	10,797.07	101.55

By **household type**, the greatest expenditure per person (19,660 euros) was recorded in households made up of persons living alone and aged under 65, followed by households made up of a couple with no children (13,075 euros).

At the opposite end of the scale were couples with three or more children, with an expenditure per person of more than 8,018 euros. Nevertheless, these households were precisely those with the greatest average expenditure (41,935 euros).

### Average expenditure and index by household type

Household type	Average expenditure per household	Average expenditure per person	Index on the average per person
TOTAL	29,393.93	10,632.15	100
Person living alone and aged under 65	19,660.47	19,660.47	184.92
Person living alone and aged 65 or older	12,328.53	12,328.53	115.96
Couple without children	26,149.44	13,074.72	122.97
Couple with one child	33,166.51	11,055.50	103.98
Couple with two children	38,734.24	9,683.56	91.08
Couple with three or more children	41,934.62	8,017.82	75.41
One adult with children	25,028.96	10,256.56	96.47
Other type of household	32,798.17	8,480.74	79.77

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## Technical annex

The INE is publishing today the results of the new Household Budget Survey (HBS), relating to the year 2006. **This survey aims to obtain a better estimate of the consumption expenditure of households residing in Spain, as well as its distribution among the different consumption divisions.**

The new 2006 Household Budget Survey (HBS) is a substitute for the Household Budget Continuous Survey (HBCS), which was in force from 1997 until 2005. Both surveys obtain their information by means of a personal interview with randomly selected households which, in the case of the new survey, cooperate for two consecutive weeks in the two years in which they are part of the sample.

In the scope of the País Vasco, the survey has been conducted in partnership with the Basque Statistics Institute (Eustat).

### Main methodological changes

#### *Change in the periodicity of the survey*

The 2006 HBS has an **annual periodicity**, as opposed to the quarterly periodicity of the previous survey. This lends the survey a structural nature, which makes it possible to determine with a great deal of precision the behaviour of households residing in Spain in relation to consumption.

Likewise, it provides essential information for estimating the consumption expenditure of households in National Accounts and for updating the CPI weightings.

#### *Increase in the sample size*

**The number of households included in the sample is approximately 24,000** (more than double that of the preceding survey), which are selected at random and are distributed among the 52 Spanish provinces by population criteria, except in País Vasco where the theoretical sample has doubled due to the aforementioned partnership with Eustat.

The sample size of the new HBS puts it on the same level as the former basic family budget surveys carried out by the INE with an approximate periodicity of every ten years.

#### *Decrease in the household cooperation period*

Cooperation of households in the survey has changed from eight consecutive quarters to two cooperation periods in consecutive years. Each of these cooperation periods lasts two weeks, which represents a significant decrease in the effort made by households in providing information required in the questionnaires.

### ***Simplifying questionnaires***

In order to make it easier for informant households to respond, the questionnaires used to collect data have been simplified. Their structure has therefore been improved, with a resulting increase in the quality of the information.

### ***Thematic modules***

For the purpose of simplifying the questionnaires, numerous questions have been eliminated from them, to become a part of specific thematic modules.

These modules will be dedicated to studying, in greater detail, household behaviour regarding especially relevant activities, such as health, education, etc..

### **Objective estimation of the rent**

**The purchase of a dwelling is not considered a consumption expenditure.** Nevertheless, when the dwelling is the property of the household or it is granted free of charge or at a low price by other households or institutions, the rent that would be paid if the household were to be the lessor of the dwelling is considered consumption.

In the previous survey, the rent was obtained directly from the subjective evaluation provided by the household. In this new survey, objective methods are applied, carrying out an estimation from the real rents of dwellings with similar characteristics.

As a result of the methodological changes described, the following table shows the expenditure structures in the year 2005 with the old survey, and in the year 2006 with the new survey. In the said table, we observe a decrease in the weight of the expenditure related to dwellings, which is fundamentally due to the different criteria applied in the estimation of the rent in both surveys.

#### **Percent distribution of expenditure by group**

Expenditure Group	Percent distribution	
	Year 2005	Year 2006
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>
1. Food and non-alcoholic beverages	16.49	14.04
2. Alcoholic beverages and tobacco	2.09	1.78
3. Clothes and shoes	6.66	6.66
4. Housing, water, electricity, gas and other fuels	32.12	26.39
5. Furniture, household equipment and current maintenance	4.61	5.78
6. Health	2.21	2.88
7. Transport	10.91	14.31
8. Communications	2.77	2.91
9. Leisure, performances and culture	6.13	6.75
10. Education	1.03	0.92
11. Hotels, cafes and restaurants	8.81	9.61
12. Other goods and services	6.17	7.96

## Main conceptual aspects

### Objectives

The HBS 2006 allows for obtaining estimations of the **annual** household consumption expenditure, as well as the **corresponding interannual change** for the **nation as a whole and for the Autonomous Communities**.

The expenditure estimates from the survey are a basic element for the calculation of the household consumption expenditure in the National Accounts. Likewise, the information from the HBS is used to establish a CPI weightings structure.

### Household consumption expenditure

As in the case of the previous survey, the consumption expenditure that is registered in the HBS 2006 refers to both the **monetary** flow that the household pays for certain final consumption goods and services, and the value of certain **non-monetary household consumption**, among which are the following:

- Those proceeding from self-supply final consumption production (garden, farm, factory, workshop, or those taken from one's own shop).
- Salary in kind.
- Free or subsidised food or restaurant checks at the workplace or in the hotel establishment that is the property of some member of the household.
- Estimated rent of the dwelling in which the household is located (when one is the owner of said dwelling, or it is granted free of charge or at a low price by other households or institutions).

### Classification of the consumption

The different household expenditures are coded using the COICOP classification (Classification of Individual Consumption by Purpose). The use of this classification facilitates international comparability, in particular on a European Union scale, in accordance with the requirements of the corresponding Statistical Office (Eurostat).

Said classification is structured in the following 12 large groups:

1. Food and non-alcoholic beverages
2. Alcoholic beverages and tobacco
3. Clothes and shoes
4. Housing, water, electricity, gas and other fuels
5. Furniture, household equipment and current maintenance costs for the dwelling
6. Health
7. Transport
8. Communications
9. Leisure, performances and culture
10. Education
11. Hotels, cafes and restaurants
12. Other goods and services



## ***Expenditure evaluation criteria***

Household expenditure is registered at **acquisition prices**, that is, at the price that the buyer effectively should pay for the products at the time of purchase and in accordance with the cash price.

## **Link between the HBCS 97 and the HBS 2006**

The new methodology, whose most relevant features have been described in this document, implies an important change with respect to the methodology that was used previously in the HBCS 97. For this reason, the comparison of the results of both surveys, relating to expenditure, cannot be carried out directly, but rather through the application of statistical linking methods.

**The variation rate of the total expenditure in 2006 obtained in this manner was 7.7%.**

In the INEbase database in the INE website ([www.ine/en/welcome\\_en.htm](http://www.ine/en/welcome_en.htm)), the user can find, along with the results of the new survey, the linked series of the total national expenditure by expenditure group and of the Autonomous Communities, as well as a descriptive note of the process followed to obtain said results.