

Israel 1997: Survey Documentation

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A. General Characteristics

Name

Family Expenditure Survey

Purpose

The aim of the survey is to gather budget components of urban households and additional data that characterize the living standards of those households from different aspects, e.g. patterns of consumption, level and composition of nutrition, level and composition of income, housing conditions, etc. The survey is also used for market research, as a model for the prediction of consumer behavior, research on indirect tax incidence on various population groups etc. An important use of the survey is its use to determine the weights for the consumption basket of the Consumer Price

Administrative unit responsible for the survey

Central Bureau of Statistics
<http://www.cbs.gov.il/engindex.htm>

LIS contact and provider of the Survey data

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Changes with regard to previous surveys

Outlays on health insurance in sick funds have been transferred from the Health group in Consumption Expenditure to Compulsory payments in Non-Consumption Expenditure and are presented under the heading “ State Health Insurance”

In the present survey, head of household is no longer referred to as previously defined and which has served to classify a household by this definition.

The method of imputation of household consumption in kind has been altered. Previously, this item was imputed as the value of services received from the dwelling, which represented the alternative interest on the capital invested in the dwelling, with addition of the value of depreciation of the structure. In the 92/93 survey, these were evaluated, between them as an annual 4% of the value of the dwelling. In the present survey, household consumption in kind was estimated by imputing “alternative” rent, in accordance with the recommendation of the subcommittee for the examination of the measuring method of services of owned dwellings, within the frame of the Consumer Price Index. The Government statistician has adopted this recommendation.

B. Population, sample size and sampling methods

The population examined is the population common to the present survey and the 1992/'93 survey, i.e., households in urban localities only.

Sample

The survey sample is a sample of dwellings, the household living in the sampled dwelling being subject to investigation during the survey period, as well as any other household living in the same dwelling.

Sample frame and sampling method

The principal frame for sampling was the municipal tax (Arnona) file. The sample was drawn in two stages. In the first stage, a stratified sample of localities was drawn. In the second stage -dwellings were sampled, by a random-systematic method, in each locality included in the sample. The main sample of dwellings was supplemented by samples of dwelling units in student dormitories, absorption centers, caravans and cabins and in the protected housing for the elderly. Moreover, the sample was updated during the survey year by the addition of new dwellings, which were sampled from a special frame of new building.

Sample size

The sample consists of 5230 dwellings in 127 urban localities.

C. Data collection and acquisition

Collecting the survey data. From each household, data were collected as follows

- (1) A questionnaire on the composition of the household. Basic demographic and economic data for each member of the household (age, sex, country of birth, year of immigration, employment status, etc.) These data were filled out by the enumerator accordingly the answers of the investigated persons.
- (2) A biweekly diary of all daily expenses of all members of the household. The household filled in this diary.
- (3) A questionnaire on large or uncommon expenses and on income, related to the 3 or 12 months that preceded the date of the interview (in accordance with the rarity of the investigated items). These data were filled out by the enumerator accordingly the answers of the household.

Survey period

Data were collected during 13 months, from January 1997 through January 1998. The investigation was spread out on the whole period, to represent all weeks of the year. The survey estimates concerning the expenditure obtained by the diary refer to 15 months (Oct 1996-Dec 1997) or to 24 months (Jan. 1996 through Dec. 1997) in accordance with type of expenditure. In the survey estimates, different months have different weights.

Data processing

Editing and coding

The diaries collected from the households were edited in the district offices of the bureau, immediately after they were filled in. They were then transferred to the main office for data entry. This included keying, editing, logical and quality checks and coding of commodities. Data entry was carried out on PC's. The checks were done online during keying and the coding of commodities was done in an automatic way.

Estimation of budget components per household

Most estimates were obtained by the approach of net expenditure on the purchase of the commodity, i.e. the positive difference between the household's expense on the

commodity and the receipts (if any) from the sale of such a commodity, e.g.: the difference between the expenditure on the purchase of a new fridge and the and the receipt from the sale of an old one, is the estimate of the purchase of a fridge.

Expenditure on housing and vehicles were estimated by other methods, as follows:

Housing

The main components of outlays on housing are rent in rented dwelling and housing services consumption in owned dwellings. The rent was obtained directly from the households paying it , and, as for dwellings owned by the households, housing services were imputed by allocating the value of alternative rent in dwellings of a similar size, in similar areas and in similar period of the year, from the current survey data on rent in the framework of the Consumer Price Index.

For dwellings on key money, the difference between the rent actually paid and the full rent due was allocated, (and not 70% of the value of housing services in owned dwellings, as was done in the previous survey).

All components of the budget for each household were reduced to a common factor: a monthly estimate at a uniform price level of the mean of the survey period. Hence, the expenses recorded in the diary were multiplied by about 2.17 in order to convert them to a monthly value; and the estimates based on the questionnaire were obtained by dividing the records in it by 3 or by 12, according to the period to which the question referred.

The average price index for the survey period, according to which the survey data are presented, was 150 points on the base 1993=100.

Estimation of budget components for the entire population.

In order to obtain estimates that relate to the entire survey population, an inflating factor was computed for each household in the final sample, which should convey the number of households in the population, which it represents. The estimation method and the establishment of a system of inflating factors were intended to minimize, as far as possible, eventual biases of the survey estimates, since the rate of responses is not uniform in different population groups and since households that did not respond might differ from the participating ones in their characteristics and expending habits. Estimation methods are also destined to reduce the sampling errors.

The variables, according to which the inflating factors were determined, were, among others, size of household, size of dwelling, education of household members, etc. The factors were determined in a multi-stage process by the RAKING method, by which the break down of the inflated sample is adjusted to external breakdowns, which are determined by selected variables. The adjustment is made separately (not combined) for each breakdown.

D. Definition of the survey units

Unit of observation

The unit of observation is the household; this is a group of persons living in the same dwelling most days of the week with a common budget for expenses and food.

Household

A group of persons sharing the same dwelling most days of the week and having a common budget of expenditure on food. A household includes members who are soldiers or children studying in boarding schools.

Standard Person

Conversion of the number of persons in the household, allowing for a decreasing marginal addition for each person in the household, as an expression of the advantage of size. A full detail of the conversion table has been presented in the Statistical Abstract of Israel no 49-1998, p. 56.

Deciles

The grouping of the population into ten equal parts, in ascending order, according to some variable, e.g.: the lowest decile according to gross income per household is the group of 10% of households in which the gross income per household is the lowest.

Budget

The composition of the sources at the disposal of the household (current income) on the one hand, and the uses, on the other hand. Uses include: consumption expenditure, non-consumption expenditure (compulsory payments and transfers to other households) and savings. Each component was investigated separately, by various means in each household. Thus income from work received directly from the households, income from child allowances were received according to the National Insurance table-according to the number of children entitled to allowances; expenditure on food was received by the daily records of the household members in the diary, which was left with them for a fortnight; compulsory payments of the household were computed according to the various taxation laws, separately for each household member. The saving component was only partly researched, therefore only some saving items are presented.

Gross money income

Total current money income of the household **before** deduction of compulsory payments. This income includes all income from employed work of all household members (all additions included, e.g. 13 th. month salary, recuperation and clothing allowances,

overtime, premiums, etc.), from self-employment or from business, current income from assistance and pensions as well as money income from property, interests and dividends.

Overall Income.

Total Gross Money Income of the household (as above), with the addition of non-money income, which is the imputed estimate of income in kind from durable goods (dwelling and vehicle), as well as the value of goods supplied gratis by the employer or the institution.

Income from Capital

Includes rents from Israel and abroad; income from interests on deposits and securities, dividends on shares and non-money income, as defined in overall income above.

Compulsory payments

Direct taxes imposed on current income-Income Tax, National Insurance and State health Insurance payments. These payments were computed routinely according to taxation tables and were not received directly from households.

Transfers to other households

Include: donations, gifts and financial support to other households, both in Israel and abroad.

Consumption expenditure

Total outlays of the household on the purchase of goods or services as well as imputed consumption on housing and vehicles (the purchase of which is defined as investment and not as consumption). Payments sometimes include also interest, transportation or installation payments. The full amount of purchase of a commodity is recorded on the day of its receipt, even though only part of its cost has been paid; as a consequence, advance payments on account of goods or services not yet supplied or payments of debts on account of a commodity already in possession of the household, are not considered as consumption expenditure but as an increase in savings.

Miscellaneous food

A group including goods such as tea, coffee, cocoa, spices, powders, dry pulses, vegetarian articles and purchase or ordering of ready made food.

Housing consumption in kind

The value of monthly expenditure on consumption services in owned dwellings, dwellings on key money or gratis housing.

Miscellaneous household articles

The group includes detergents for dishwashing, laundry and home maintenance, disinfectants, candlesticks, napkins, matches, etc.

Health Insurance

At present, this group includes only payments of complementary health insurance of the sick funds and payments for insurance companies. Payments for State Health Insurance, which is considered as a tax, is part of compulsory payments and classified under non-consumption expenditure.

E. Availability of Labor Market Information

Number of hours worked per week, only available for employees, no distinction between full time and part time.

Person's occupation and industry status are available.

F. Quality of Data

Rate of participation

About 10% of the sampled dwellings were unoccupied (empty, served for commercial purposes, etc.) or were occupied by tenants who did not belong to the survey population (tourists, diplomats, etc.) In the remaining dwellings there were 6990 households that were destined for investigation. From these, 5677 households participated in the survey, which were 82% of those that were intended for investigation; thereof, 5230 were urban households and those were used for the survey. The main reasons for non-participation were refusals, dropouts and absence.