



PRESS RELEASE

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Income Survey – 2006

Gross Average Household Monetary Income per Month in 2006:

- Gross monthly monetary income per household: NIS 12,345
- Income per household in which the head of the household is an employee: NIS 14,468.
- Income per household in which the head of the household is self-employed: NIS 17,687.
- Compared with 2005, the average income of all households rose by 3.5% in real terms; in households in which the head of the household is an employee by 1.1%, and in households in which the head of the household is self-employed by 9.9%.

Inequality Among Households:

- In 2006 inequality of income among households, by net income per standard person, totaled 0.390 points; compared with 0.387 points in 2005.

Average Gross Income of Employees in 2006:

- Gross monthly income of employees: NIS 7,180
- The gap in income between men and women has remained stable since 2006: Income of men for a work-hour (NIS 45.80) was higher by 19.6% than that of women (NIS 38.30).
- The highest gross monthly income was that of managerial employees, NIS 16,54; and the lowest was that of unskilled labour, NIS 3,6279
- The greatest gender gap in monthly income and income per work-hour is among agents and sales and services workers.

Regarding the Survey

These data were processed from the **Combined Income Survey of 2006**.

Data of the 2006 Combined Income Survey are based on combined findings from the **Income Survey and the Household Expenditures Survey for 2006**, conducted by the Central Bureau of Statistics.

The survey population includes all the localities, except for kibbutzim and Bedouin who live outside localities.

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For explanations and clarifications regarding the contents of this Press Release,
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Data of the **2005 Combined Income Survey** are based on a sample of 14,582 households, of which 9,270 are households whose head is an employee, 1,492 are households whose head is self-employed, and 3,820 are households whose head does not work.

The Central Bureau of Statistics thanks the thousands of households that participated in the survey, responded patiently out of an understanding of the importance of their response, and thus contributed significantly to the entire system of statistical data of the country.

MAIN FINDINGS

Monetary monthly income per household (Table 1)

The average gross monthly monetary income per household reached NIS 12,345 in 2006. After deducting compulsory payments¹ (income tax, national insurance and health insurance) the net monetary income reached NIS 10,074; and net monetary income per standard person², which is the accepted index for the “Standard of Living”, totaled NIS 3,687 a month. Therefore, the compulsory payments of households constituted approximately 18.4% of the total gross income.

The average number of people per household totaled 3.3, and the average number of wage earners per household was 1.2. The source of 75.5% of the monetary income of households in 2006 was income from work (NIS 9,324), and of another 11% (NIS 1,357) from support and allowances from national institutions³.

Table 1.

Distribution of Income Among Deciles and Inequality (Table 2, Graph 1)

The income of the two upper deciles constitutes almost approximately one-half of the total gross income of households in the population (44.9%), compared with the two lower deciles, whose share of the total gross income of households in the population is 5.7%. In the last decade it is evident that the share of the lower decile in distribution of income has not changed, whereas the share of the upper decile rose by 0.7%.

Table 2.

The “Gini Index”⁴ for measuring inequality, by net monetary income per standard person, totaled 0.390 points in 2005. In order to examine whether a change has occurred in inequality from the previous year, a clarity test was performed, and it indicated that the change in the Gini Index from 005 to 2006 is not statistically clear (see Graph 1).

Graph 1

¹ **Compulsory payments** – these payments are not received directly from the household, but are estimated by the CBS according to the tax regulations used in Israel.

² **Standard Person** – in order to take into account the economic advantages of family size, a scale of standard persons was determined. According to this approach, each additional person in the family has a smaller marginal influence regarding the burden put on the family budget, as an expression of the advantage of size.

³ **Support and allowances from national institutions** – allowances from the National Insurance Institution and income from other government institutions.

⁴ **Gini Index** – an accepted index for measuring inequality in distribution of income. The values of the index range from 0 to indicate complete equality, to 1 to indicate maximum inequality.

Income According to the Head of the Household's Position at Work (Table 3)**A. Households in Which the Head of the Household is an "Employee"**

The **gross monetary income** of households in which the **head of the household is an employee**, reached an average of NIS 14,468 per month per household in 2006, compared with NIS 14,014 in 2005; a rise of 1.1% in real terms. After deducting compulsory payments, the **net monetary income** per household of employees reached NIS 11,686 in 2006, and the **net monetary income per standard person** totaled NIS 3,972 per month.

The **compulsory payments** of households whose head is an employee, were 19.2% of the gross income. The **average number of persons** per household was 3.7, and the **average number of wage earners** was 1.7 per household.

The **source** of 81.9% of monetary income of households whose head was an employee in 2006 is **income from work as an employee** (NIS 11,845), and another 6.7% **from support and allowances from national institutions** (NIS 963 monthly).

B. Households in Which the Head of the Household is "Self-Employed"

The **gross monetary income** of households in which **the head of the household is self-employed** for 2006, reached a monthly average of NIS 17,687 per household; a rise of 9.9% in real terms compared with 2005. After deduction of compulsory payments the **net monetary income** per household the head of which is self-employed, totaled NIS 13,633. This income is 16.7% higher than the net income of households of employees. The **net monetary income per standard person** totaled NIS 4,493 per month.

Compulsory payments (NIS 4,054) constituted 22.9% of the gross income. The average number of **persons** per each household the head of which is self-employed, totaled 3.8 persons; and the average number of **wage earners** was 1.7 in 2006.

In 2006 the **source** of 60.7% of **monetary income** of households in which the head of the household was self-employed, is **income from self-employed work** (NIS 10,743), and the source of 19.3% of the monetary income of these households is from work as employees. The source of another 4.7% is **from support and allowances from national institutions** (NIS 829).

C. Households in which the Head of the Household "Did Not Work"

The **gross monetary income** in the group of households in which **the head of the household did not work**, in 2006, reached a monthly average of NIS 5,121 per household, compared with NIS 4,789 per household per month in 2005 – a rise of 4.7% in real terms. The **net monetary income** per household totaled NIS 4,778, and the **net monetary income per standard person** totaled NIS 2,272. The **net monetary income per standard person** in households of employed persons (a monthly average of NIS 3,972) is 74.8% higher than that of the corresponding income in households in which the head of the household did not work.

Compulsory payments of the gross income of households in which the head of the household did not work, totaled 6.7%. The average number of **persons** per household totaled 2.3 persons in 2006, and the average **age of the head of a household** was 62.2 (compared with 40.5, the average age of the head of a household who is an employee).

The source of 49.2% of the income of households in which the head of the household did not work was **support and allowances from national institutions** (NIS 2,519); with 43.8% of the monetary income of these households coming from the National Insurance Institute (NIS 2,243). Over one-half of the income from the National Insurance Institute came from old age pensions (NIS 1,282).

Table 3.

Employees: Income and Main Characteristics (Table 4, Graph 2)

The following data are based on 15,950 employees in 14,582 households that appeared in the survey sample.

The **gross** monetary income of an **employee** from wages and salary in 2006, reached NIS 7,180 a month; a drop in real terms of 0.3%, compared with 2005. The **income per work hour** reached NIS 42.70, compared with NIS 41.80 in 2005.

52% of all employees are **men** and 48% are **women**. In 2006, the **monthly** income of a **male employee** was NIS 8,712, 58% higher than the income of a **female employee** –NIS 5,521. Part of the gender gap in monthly income stems from the difference in the number of work hours of men and women (45.4 weekly work hours for men, and 34.8 work hours for women). Therefore, when calculating the income per work hours the gap is reduced. Thus, the income per work hour of a male employee was NIS 45.8, and of a **female** employee was NIS 38.3; i.e., the income of a man was **20%** higher than that of a **woman**. This gap has remained stable since 2003.

Of all **occupations**, the gross income of employees who are **managers** was the highest, and reached NIS 16,549; and that of unskilled workers was the lowest – NIS 3,627. Comparing incomes by gender shows that the average monthly income of a male employee at a managerial level was NIS 18,120, 46.7% higher than that of a female manager – NIS 12,355. The income per hour for male managers was NIS 81.70, 22.7% higher than that of a female manager – NIS 66.60. The monthly income of male unskilled workers was NIS 4,299, 55% higher than that of female unskilled workers – NIS 2,773. The income per work hour for male unskilled workers was NIS 25.9, 17% higher than that of female unskilled workers – NIS 22.2. The greatest gender gap in monthly and hourly income is among **agents and workers in sales and services**. The monthly income of a man in this occupation is 86.1% higher than that of a woman, and the hourly income is higher by 34.8%,

Table 4

Graph 2