



Israel Household Expenditure Survey and Income Survey 2007

About the surveys

The **Household Expenditure Survey** is the source of information published by the Central Bureau of Statistics on patterns of income and expenditures of households in Israel. In addition, the survey collects information on housing conditions of households and durable goods at their disposal, as well as on their demographic and economic characteristics (e.g., number of persons by decile, and number of earners per household).

The survey includes a questionnaire and a biweekly diary, which members of the household fill out.

From the 1950s until 1997 the survey was conducted about once in every five years. Since 1997, following the rapid pace of economic developments and the need for updated information on them, the survey has been conducted once a year.

The **Income Survey** also serves as a source of information on the income of households in Israel. It has been conducted annually since 1965, as part of the labour force survey. As of 1997, the data on income from the Household Expenditure Survey have been combined with those from the Income Survey into an Integrated Income Survey.

The Income Survey and the Household Expenditure Survey cover all households in Israel, i.e., more than 2 million households (except collective localities and Beduins living outside of localities). The sample of the Household Expenditure Survey includes approximately 6,000 households, and the sample of the Integrated Income Survey includes approximately 14,500 households per year.

Main uses of the data

Determining the “basket” of the Consumer Price index: Based on the records of the Household Expenditure Survey, the list of commodities and services purchased by households (the “basket” of the Consumer Price Index), and the relative weight of each commodity and service included in the “basket”, are determined (in 2007, for example, expenditures on food comprised 13.7% of the “basket”).

Social and economic policy: Data collected in the surveys, for the general population and for population groups, are the basis for policies set by government ministries, and for the follow-up of policy implementation. For example, every year, on the basis of income data, the National Insurance Institute determines the poverty line and monitors the number of households that live below and above that line.

Other uses: Extensive use of the data from the surveys is also made by private sector organizations, by researchers, and by the public at large. For example, the data assist in estimating the damage in cases of work accidents, and the alimony in cases of divorce.

Note: 2007 exchange rate - 1\$ = NIS 4.108

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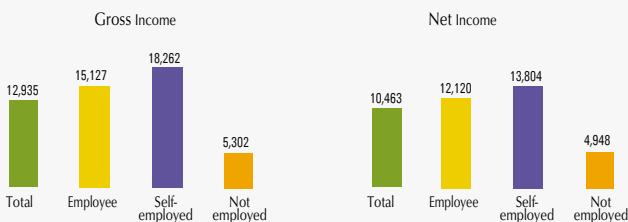
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Household income¹

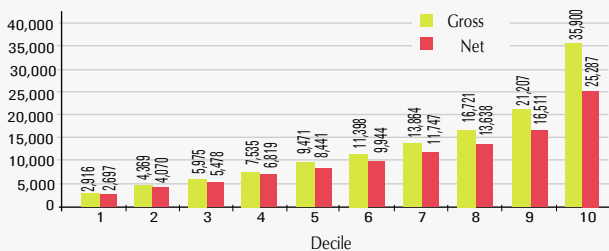
- In 2007, the gross monthly income of households was NIS 12,935 – a 4.2% real increase compared to 2006. After deduction of income tax, National Insurance payments and Health Insurance payments, the income of households was NIS 10,463 and the income per standard person² was NIS 3,843.
- 78% of the income derives from work, 9.2% from allowances and assistance from institutions in Israel (such as the National Insurance Institute), 7% from pensions or provident funds, and the rest from other sources, such as assistance from other households and from institutions abroad.

1. Monthly income per household, by employment status of household head, NIS, 2007



- 87% of the income of households headed by employees and 85% of the income of households headed by self-employed persons derives from work. In households headed by people who are not employed 42% of the income derives from allowances and assistance, and 37% – from pensions and provident funds.
- The share of income from work in all households decreased from 98% at the beginning of the 1960s to 78% in 2007, and the share of income from other sources, especially allowances and assistance, has increased accordingly.
- In 2007 the gross income of households in the highest decile³ was 12.3 times higher than the income of households in the lower decile. After deducting compulsory payments, the gap diminishes to 9.4 times.

2. Gross monthly income per household, by decile, NIS, 2007

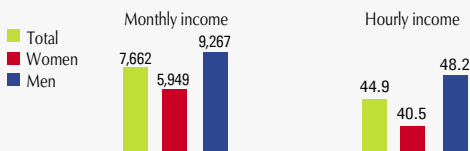


1. Only money income (current income from work, property, interest, dividends, subsidies, allowances, and pensions).
2. Standard person: the unit in the household whose expenditures were estimated based on the declining marginal weight of each additional person.
3. In this pamphlet, decile refers to deciles based on the money income per standard person.

Income of employees

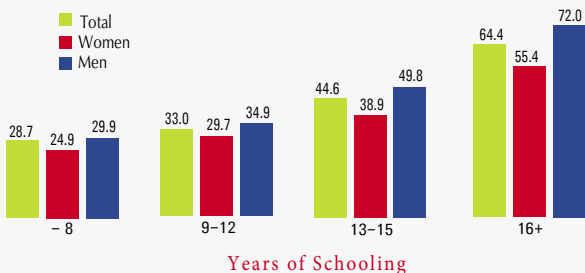
- Gross monthly income from work of employees in 2007 was NIS 7,662 and hourly income was NIS 44.9.
- 48% of all employees are women. The monthly income of women employees (NIS 5,949) is 64% of the monthly income of men employees (NIS 9,267). This gap exists, in part, because women work on average fewer hours per week (36) than men (46). The gap in hourly income is smaller than the gap in monthly income – women’s hourly income is 84% of men’s hourly income.

3. Gross monthly and hourly income of employees, NIS, 2007



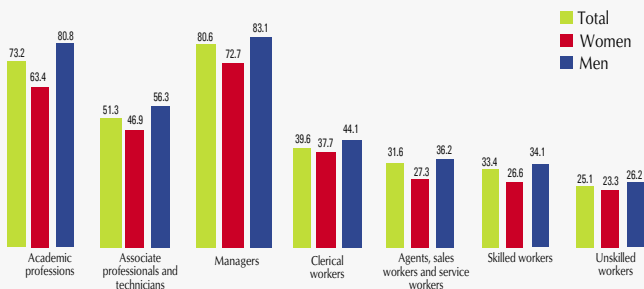
- Men’s monthly income and hourly income are higher than those of women at all levels of education. The higher the level of education, the greater the gender gap. Among persons with up to 8 years of schooling, women’s hourly income is 83% of men’s; among those with 16+ years of schooling, women’s income is 77% of men’s.

4. Gross hourly income of employees, by years of schooling, NIS, 2007



- Men’s hourly income is also higher than that of women in all occupations. The relative gap is largest among agents and workers in sales and services (women’s income is 75% of men’s), and smallest among managers (88%) and unskilled workers (89%).

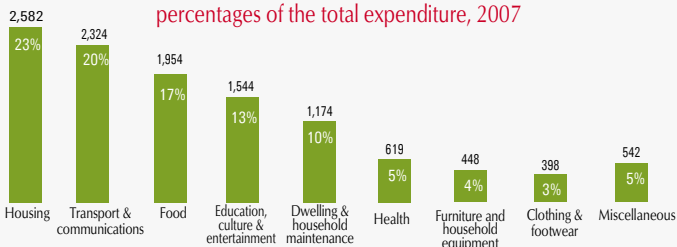
5. Gross hourly income of employees, by occupation, NIS, 2007



Household expenditures

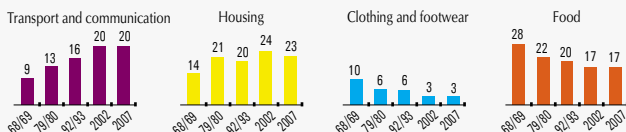
- In 2007, Israeli households spent on average NIS 11,584 per month on goods and services – a 3.5% real increase compared to 2006. The two largest expenditure items were housing (23%) and transport and communication (20%).

6. Monthly household expenditure on consumption, by main group, NIS and percentages of the total expenditure, 2007



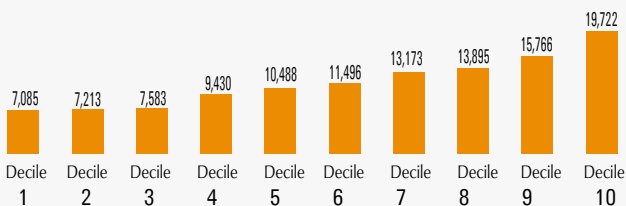
- In the past four decades, the share of expenditure on food declined from 28% to 17%, as did the share of expenditure on clothing and footwear – from 10% to 3%. During that period, the share of expenditure on housing increased from 14% to 22%, as did the share of expenditure on transport and communication – from 9% to 20%.

7. Monthly household expenditure on selected items, percent of total



- In 2007, the average monthly expenditure on consumption per household in the highest decile was NIS 19,722 – 2.8 times the monthly expenditure on consumption in the lowest decile – NIS 7,085.

8. Monthly household expenditure on consumption, by decile, NIS, 2007



9. Monthly expenditure on selected goods and services, by decile, NIS, 2007

	Total	Decile 1 (lowest)	Decile 10 (highest)
Special bread	23	11	39
Rice	11	16	7
Health insurance	158	57	290
Cigarettes	103	113	67
Meals away from home	158	57	290
Domestic help	98	13	390
Travel abroad	394	89	1,415

Household expenditures (cont'd)

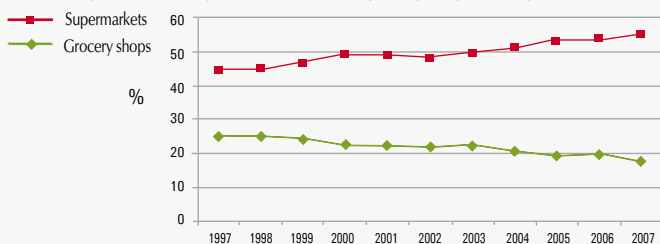
- The monthly expenditure on cigarettes and smoking accessories in urban Arab localities (NIS 212) is more than double the expenditure in urban Jewish localities (NIS 93).
- In Tel Aviv-Yafo the monthly expenditure on eating out (NIS 569) is almost three times that in Jerusalem (NIS 198).

10. Monthly household expenditure on selected goods and services, by type of locality (selected categories), NIS, 2007

	Post, telephone, communication	Computer, internet & products	Recreation & excursions	Dental treatment	Eating out	Public transport
All localities	458	101	97	175	278	110
Urban localities	453	101	95	174	275	110
Thereof:						
Jerusalem	380	84	107	162	198	206
Tel Aviv - Yafo	429	107	104	135	569	113
Haifa	376	90	85	181	319	117
Rural localities	550	104	150	199	338	94

- From 1997 to 2007 the share of expenditures on food in supermarkets increased (from 45% to 56%) and in grocery shops - decreased (from 25% to 18%).

11. Monthly household expenditure on food in grocery shops and supermarkets, %, 2007



- 13% of all expenditures on entertainment and electronics equipment are not in stores.

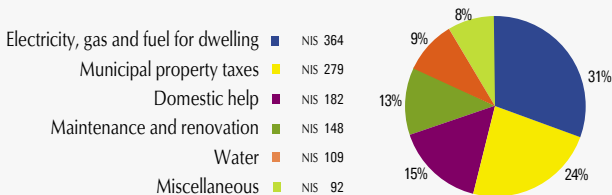
12. Distribution of expenditures on selected products, by place of purchase, %, 2007

	Total	Stores	Catalog/TV	Internet	Abroad (incl. duty-free)
Entertainment and electronics equipment	100	87	2	8	3
Computer and accessories	100	88	2	7	3
Exercise equipment	100	90	8	2	0
Kitchen electric appliances	100	93	2	5	0
Jewelry and watches	100	94	0	0	6
Washing machine and dryer	100	94	0	6	0

Housing

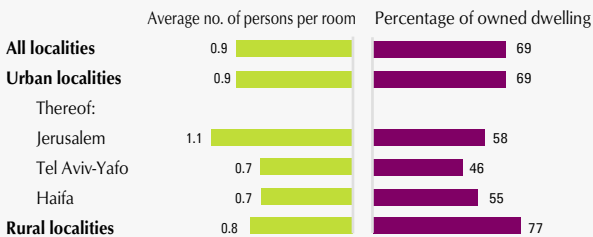
- In 2007, the average monthly household expenditure on housing (comprising 23% of the total household expenditures on consumption) was NIS 2,582. The two main components of the expenditure on housing were rent (in rented dwellings) and housing services (in owned dwellings), i.e., the sum of rent that would have been required had they rented a similar dwelling.
- The average monthly expenditure on dwelling and housing maintenance was NIS 1,174. Of that amount, the largest share was for electricity, gas and fuel (31%).

13. Components of monthly expenditure on dwelling and household maintenance, NIS and %, 2007

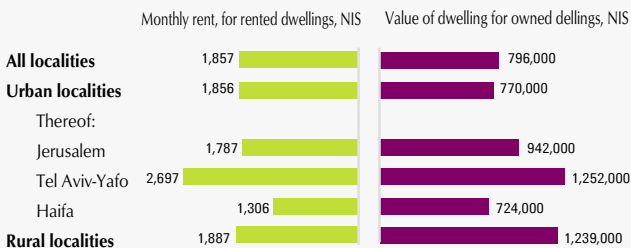


- In 2007, 69% of the households lived in owned dwellings, 26% lived in rented dwellings and the rest lived in key-money dwellings or in free housing.
- The average number of persons per dwelling is 3.3.

14. Housing density and percent living in owned dwellings, by type of locality (selected), 2007



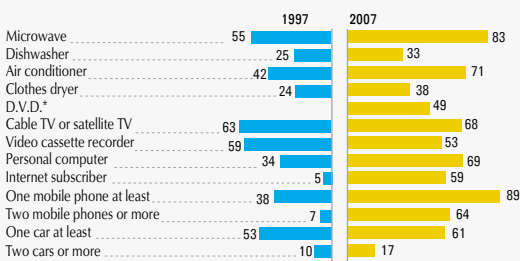
15. Monthly rent and value of dwelling, by type of locality (selected), NIS, 2007



Durable goods in households

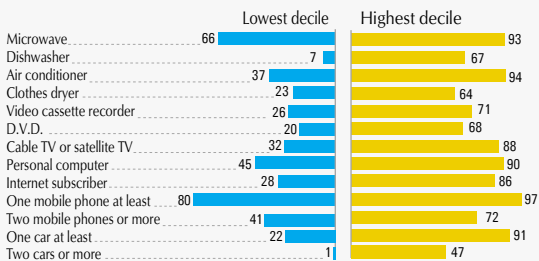
- Following technological developments and improvements in the standard of living in Israel, some products became an integral part of life in Israeli households. Communications products penetrated households at an especially rapid pace.

16. Durable goods in households, % 1997, 2007



* Introduced to survey in 2001

17. Durable goods in households in lowest and highest deciles, %, 2007



18. Durable goods in households, by type of locality (selected), %, 2007

	Dish washer	Cable/Satellite TV	DVD	PC	Internet	One mobile phone at least
All localities	33	68	49	69	59	89
Urban localities	33	68	49	68	59	89
Thereof:						
Jerusalem	22	37	35	60	46	87
Tel Aviv - Yafo	31	81	57	77	74	92
Haifa	28	76	40	70	65	90
Rural localities	47	73	53	79	69	93