



Israel Household Expenditure Survey and Income Survey 2010



הלשכה המרכזית לסטטיסטיקה
Central Bureau of Statistics
دائرة الإحصاء المركزية

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 the 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 technological developments and the need for updated information on them, the survey is being conducted once a year.

The Income Survey also serves as a source of information on the income of households and individuals 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 per year, and the sample of the Integrated Income Survey includes approximately 15,000 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 2010, for example, expenditures on food comprised 16% 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 the 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: 2010 exchange rate – 1\$ = NIS 3.733

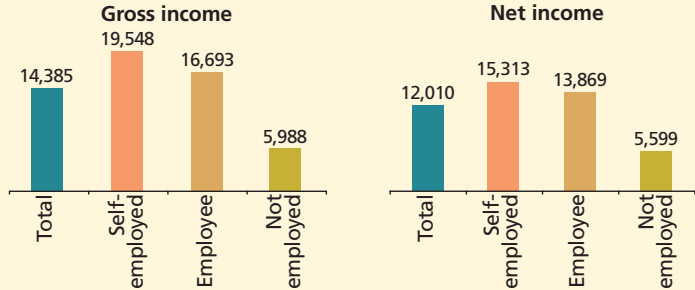
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Household income¹

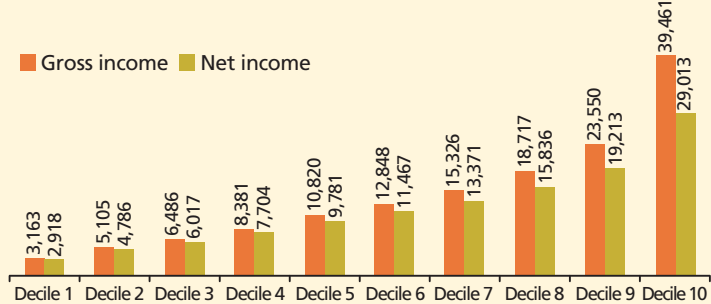
- In 2010, the gross monthly income of households was NIS 14,385 - a real increase of 3.2% compared to 2009. After deduction of income tax, National Insurance payments and Health Insurance payments, the income of households was NIS 12,010 and the income per standard person² was NIS 4,393.
- 77% of the gross monthly income of households derives from work, 13% 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.
- The share of income from work out of the total household income decreased from 98% at the beginning of the 1960s to 77% in 2010, and the share of income from other sources, especially allowances and assistance, has increased accordingly.
- 86% of the income of households headed by employees (66% of all households) and 85% of the income of households headed by self-employed persons (10% of all households) derive from work. In households headed by persons who are not employed, 55% of the income derives from allowances and assistance, and 36% - from pensions and provident funds.

1 Monthly income per household, by employment status of household head, NIS, 2010



- In 2010 the gross income of households in the highest decile³ was 12.5 times higher than the income of households in the lower decile. After deducting compulsory payments (taxes), the gap diminished to 9.9 times.

2 Gross monthly income per household, by decile, NIS, 2010

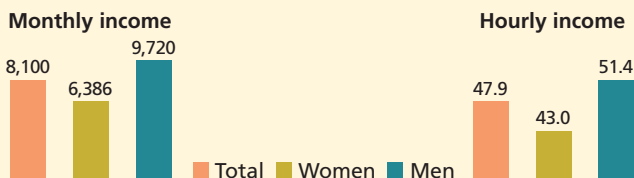


1. Only money income (current income from work, property, interest, dividends, allowances, and pensions).
 2. Standard person: the unit in the household whose expenditures were estimated based on the declining marginal weight of each additional person.
 3. In this pamphlet deciles are based on the money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

Income from work of employees

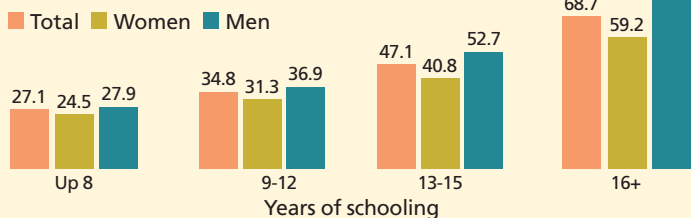
- Gross monthly income from work of employees in 2010 was NIS 8,100, and hourly income was NIS 47.9.
- Women are 49% of all employees. The monthly income of women employees (NIS 6,386) is 66% of the monthly income of men employees (NIS 9,720). This gap exists, in part, because women work on average fewer hours per week (36) than men (45). 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 income and hourly income of employees, by gender, NIS, 2010



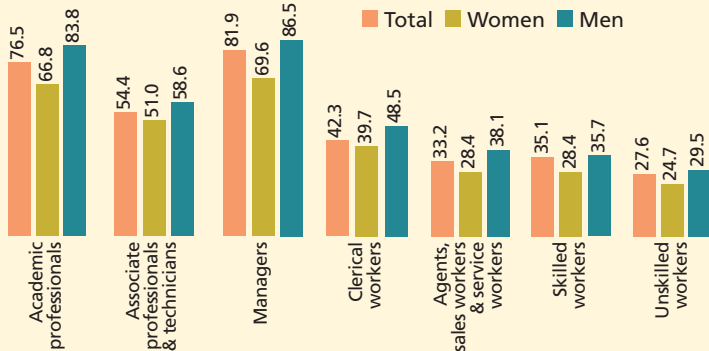
- Men's monthly income and hourly income are higher than those of women at all levels of education. The higher the level of education, the greater the gender gap. Among persons with up to 8 years of schooling, women's hourly income is 88% of men's; among those with 16+ years of schooling, women's income is 77% of men's.

4 Gross hourly income of employees, by gender and years of schooling, NIS, 2010



- 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 74% of men's), and smallest among associate professionals and technicians (87%).

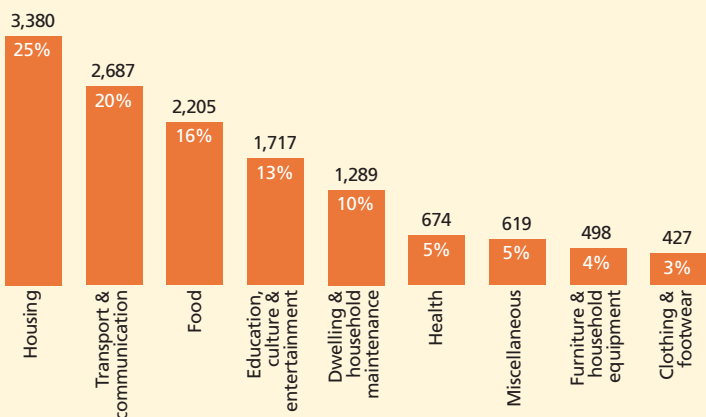
5 Gross hourly income of employees, by gender and occupation, NIS, 2010



Household expenditures on consumption

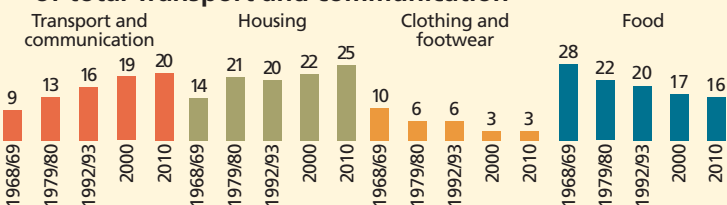
- In 2010 Israeli households spent on average NIS 13,496 per month on goods and services - a 1% real increase compared to 2009. The two largest expenditure items were housing (25%) and transport and communication (20%).

6 Monthly household expenditure on consumption, by main group, NIS and percentages of the total expenditure, 2010

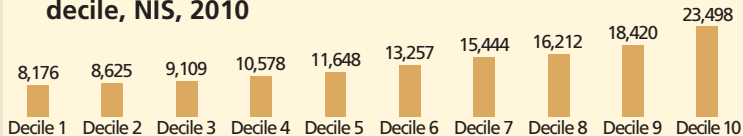


- The share of expenditure on transport and communication more than doubled since the late 1960s (9% of the total expenditure on consumption) to 2010 (20%), while the share of expenditure on food declined from 28% to 16%, respectively.

7 Monthly household expenditure on selected items, percent of total Transport and communication



8 Monthly household expenditure on consumption, by decile, NIS, 2010



9 Monthly household expenditure on selected items, by decile, NIS, 2010

	Total	Decile 1	Decile 10
Special bread	26	13	45
Rice	15	24	9
Cigarettes	125	139	69
Eating out	306	102	748
Health insurance	219	74	403
Public transportation	108	122	96
Travel abroad	444	106	1,921

Household expenditures (cont'd)

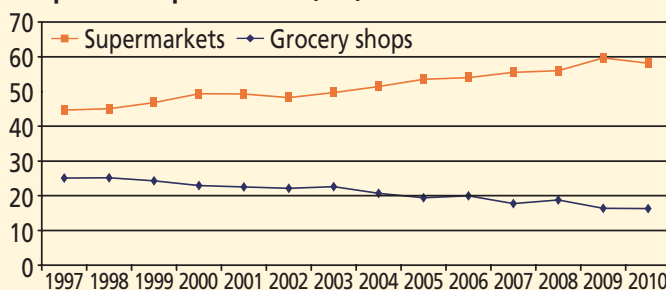
- In Tel Aviv-Yafo the monthly expenditure on eating out (NIS 689) is almost three times that in Jerusalem (NIS 240).

10 Monthly household expenditure on selected goods and services in Jerusalem, Tel Aviv-Yafo and Haifa, NIS, 2010

	Communication	Computer, internet & products	Eating out	Dental treatment	Public transportation
Jerusalem	542	45	240	225	168
Tel Aviv-Yafo	529	49	689	121	144
Haifa	419	32	332	120	117

- From 1997 to 2010 the share of expenditures on food in supermarkets increased (from 45% to 58%) and in grocery stores - decreased (from 25% to 16%).

11 Monthly household expenditure on food in grocery shops and supermarkets, %, 2010



- 8% of all expenditures on entertainment and electronics equipment and 7% of all expenditures on computers and accessories are through the internet.

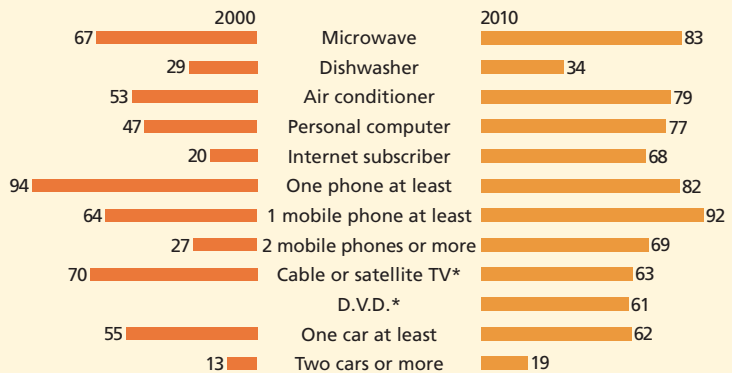
12 Distribution of expenditures on selected products, by place of purchase, %, 2010

	Total	Stores	Catalog/TV	Internet	Abroad (incl. duty-free)
Entertainment & electronics equipment	100	86	1	8	5
Computer & accessories	100	87	1	7	5
Exercise equipment	100	93	2	4	1
Kitchen electric appliances	100	91	3	5	1
Jewelry & watches	100	97	0	0	3
Washing machine & dryer	100	97	0	3	0

Housing and durable goods

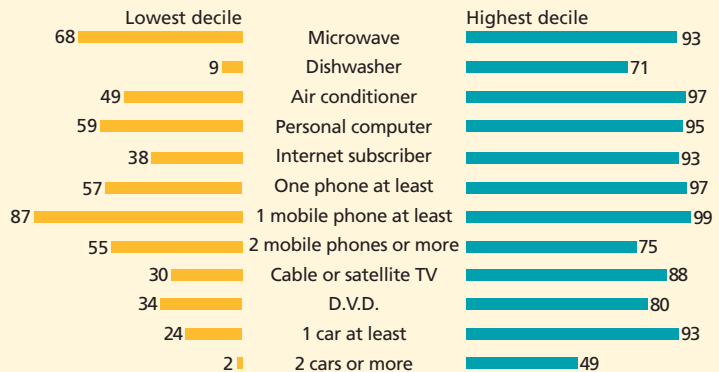
- In 2010, the average monthly household expenditure on housing (comprising 25% of the total household expenditures on consumption) was NIS 3,380. The two main components of the expenditure on housing were rent (in rented dwellings) and housing services (in owned dwellings), i.e., the sum of rent that would have been required had they rented a similar dwelling.
- The average monthly expenditure on dwelling and housing maintenance was NIS 1,289 (10% of the total household expenditures on consumption). Of that amount, the largest shares were for electricity, gas and fuel (30%) and for municipal property tax (24%).
- In 2010, 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.
- In 45% of all households there is more than one person per room.
- 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 a special rapid pace.

13 Durable goods in households, percent, 2000, 2010



* Satellite TV and D.V.D. were introduced to survey in 2001

14 Durable goods in households, in lowest and highest deciles, percent, 2010





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* In the CBS web site.