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HOUSEHOLD BUDGET SURVEY

2015/2016

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PREFACE

The Household Budget Survey 2015/2016 was conducted by the Statistical Service during the period of July 2015 to June 2016. The content, methods and definitions used in the Survey were in accordance with the recommendations of the European Statistical Office (EUROSTAT).

This report aims at examining the expenditure pattern of households, the distribution of income by source, as well as other information useful in the compilation of socio-economic indicators of the standard of living of the population.

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I. INTRODUCTION

I.1 Background and research objectives

The Household Budget Survey (HBS) is carried out by the Statistical Service on a regular basis, usually every 5 years (the first survey was conducted in 1966). The 2015/2016 survey is the eleventh in the series. The content, methods and definitions used in the Household Budget Survey 2015/2016 were in accordance with the recommendations of the European Statistical Office (EUROSTAT).

The main objectives of the Survey are:

- The study of the level and structure of the household expenditure over time aiming in revising the weights of the Consumer Price Index as well as the goods and services included in the so called “shopping basket”.
- The analysis of the level and distribution of household income by source and by various socio-economic and demographic groups.
- The study of the standard of living of the population by compiling various socio-economic indicators.

I.2 Geographical coverage

The survey was conducted in all the Government controlled areas, in all districts, urban and rural areas.

I.3 Statistical unit

All private households (with their members) residing permanently in Cyprus. The survey does not cover collective housing (i.e. institutions, hospitals, monasteries etc.), as well as foreign nationals serving in foreign diplomatic missions in Cyprus.

I.4 Sampling frame

As a sampling frame, the 2011 Population of Census catalogue was used along with a supplementary catalogue of domestic consumers which was provided by the Electricity Authority of Cyprus and included housing units that were completed after 2011.

I.5 Sample distribution

In total 4.500 households were selected in the urban and rural areas of every district proportionately to their population, in order to ensure the representativeness of the sample. The sampled households were evenly distributed over a 12-month period, so that the seasonal variations in consumers’ consumption habits were properly reflected. Table 1 that follows presents the final sample distribution.

Table 1: Final Sample Distribution of Households by District

DISTRICT	TOTAL	URBAN AREAS	RURAL AREAS
TOTAL	4.500	3.076	1.424
Lefkosia	1.771	1.337	434
Ammochostos	237	-	237
Larnaka	742	442	300
Lemesos	1.261	963	298
Paphos	489	334	155

I.6 Data collection period

The Survey was conducted by the Statistical Service during the period of July 2015 to June 2016.

I.7 Response

Initially 4.500 households were selected for the survey. Out of these households, 635 were non eligible for the survey as they were vacant/vacation homes/secondary residences, dwellings used for purposes other than residential, dwellings that were demolished, as well as dwellings that were occupied by people who had their usual residence elsewhere. Additionally, 31 households could not be located due to incomplete address data. From the remaining 3.834 households that were located, 775 did not respond to the survey, either due to refusal to cooperate, or because they were absent for a long period of time. Moreover, another 183 households were not interviewed for other purposes, e.g. due to language barriers or health issues. Finally, 2.876 households were successfully interviewed corresponding to 7.856 persons. The non-response rate was estimated as 25,6%.

I.8 Survey Questionnaire

The survey questionnaire is available on the website of the Statistical Service at the following link:

[http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/84BEE41E44415EFAC2257F46004C98B1/\\$file/HOUSEHOLD_BUDGET_SURVEY-2015-EN-260116.pdf?OpenElement](http://www.mof.gov.cy/mof/cystat/statistics.nsf/All/84BEE41E44415EFAC2257F46004C98B1/$file/HOUSEHOLD_BUDGET_SURVEY-2015-EN-260116.pdf?OpenElement)

II. METHODOLOGY AND ORGANISATION

II.1 The Sample

The sample was selected using stratification. More specifically:

The households were stratified in 9 strata based on district and urban/rural areas.

For the four urban areas, simple random sampling was used for selecting the households (the sample size in each stratum was proportional to its size).

In the five rural areas two-stage stratification was performed. Villages were the primary sampling unit, while households were the secondary sampling unit. Neighbouring small villages were merged to create complexes of villages. Subsequently, villages/complexes of villages were selected with probability proportionate to their size (P.P.S.). Then, a simple random sample of households was selected from each village/complex of villages.

II.2 Organisation of fieldwork

The sample of 4.500 households was spread evenly in 20 workloads of 18 days each, during a period of 12 months, from July 2015 to June 2016. The objective was to collect data that represent the purchasing habits of the households during a full year so as to take into account seasonal variations in consumers' consumption habits (household purchases during winter are very different from those in the summer). Additionally, the geographic location of the households was also taken into account, i.e. the district, urban/rural areas. The distribution of the sample in the whole duration of 12 months, fully ensured the representativeness of the sample.

During each 18-day workload, every interviewer had the responsibility to complete the main questionnaire for 14-16 households, while at the same time supervising or participating in the completion of the diary of the daily expenses that were recorded by the household for 14 successive days. The main questionnaire data provided a broad picture of the income and expenditure of the household for one year. The questions included in the questionnaire were of different reference period, 1 month, 3 months or 12 months depending on the type of expenditure, so as to minimize memory lapses of the respondent. Due to its length, the questionnaire was completed gradually over the 18-day period, in 2-3 visits, while at the same time the interviewer was assisting the respondent with the completion of the diary.

The diary of daily expenses was used for recording **all** of the household's daily expenses. The diary was the main source of recording the expenditure for the categories "Food and non-alcoholic beverages" and "Alcoholic beverages and tobacco".

II.3 Data collection method

The mode of data collection was personal interviewing using netbooks (CAPI: Computer Assisted Personal Interview) and the BLAISE software package. Data was also collected with the completion of the dairies, as it has already been explained.

II.4 Data collection

For the data collection of the Survey, 14 interviewers were employed in total; 5 in Nicosia, 3 in Larnaca/Famagusta, 4 in Limassol and 2 in Paphos.

II.5 Data analysis

The data entry of the diaries of the daily expenses was carried out using the «Access» software whereas the data analysis using the SAS statistical package.

III. DEFINITIONS

“Household”: consists of one person living alone or a group of 2 or more persons, not necessarily related, who are living together in the same dwelling, and make common provision for food and other essentials for their living; they also have a common budget to a greater or lesser extent.

“Household Member”: comprise of all persons who have their permanent residence within the household.

As household members are also considered to be:

- Children under 15 years old residing in boarding schools in Cyprus or abroad.
- Persons in the Armed Forces (permanent or not).
- Persons who work temporarily in the Arab or other countries, while their family is still in Cyprus.
- Persons who are living temporarily at another town/village in Cyprus for business, studies, holidays, at a hospital etc..
- Students abroad.
- Seamen irrespective of length of absence.
- Spouses, even if they are away from their families for 1 year or longer.

“Household Reference Person”: is considered to be the household member with the highest annual income.

“Consumption Expenditure”: refers to the value of all goods and services purchased by the household for consumption for one year. It includes the consumption of goods from their own production, mainly agricultural products and food, as well as the value of the imputed rent for owners/occupiers of dwellings and tenants who are living free of charge. In addition, households' expenditure on goods and services purchased as gifts to other households is also included, while gifts received by households from others are excluded. Consumption expenditure does not include investments, savings and direct taxes.

«Non-consumption expenditure»: refers to all expenditure other than consumption and corresponds to investments, repayments of loans and savings of the last 12 months.

“Main categories of goods and services”: The classification of goods and services (COICOP) that was proposed by EUROSTAT and the United Nations (Statistics Division) was used for the survey. The twelve (12) main categories of goods and services were:

- 01 Food and non-alcoholic beverages
- 02 Alcoholic beverages and tobacco
- 03 Clothing and footwear
- 04 Housing, water, electricity, gas and other fuels
- 05 Furnishings, household equipment and routine household maintenance
- 06 Health
- 07 Transport
- 08 Communication
- 09 Recreation and culture
- 10 Education
- 11 Hotels, cafés and restaurants
- 12 Miscellaneous goods and services

“Imputed rent”: is a self-assessment of the value an owner/occupier would pay for rent if he/she were to rent his/her house based on the rents payable on the market for similar dwellings.

«Household Net Income»: is computed after deductions for income tax, contributions to Social Insurance Fund and any other contributions to other funds. Net income consists of the following:

- I. Primary Income and Income from Property

1. Income from Employment (Employees)

- Net wages and salaries (after tax and other deductions).
- Benefits in kind (includes any benefits provided for personal gain within the context of paid employment).

2. Income from Self-employment

- Net income of self-employed persons (after tax and other deductions).
- Income in kind (it is the value of goods from own production, garden, farm etc. or from own enterprise that are used for the household's private consumption).

3. Net income from interests, dividends and other investments

- Net income from interests (e.g. from deposits at banks or coops, bonds), from dividends (e.g. dividends from shares/mutual funds, earnings from shares), and from capital investments in small scale unincorporated businesses (e.g. a silent partner in a small hairdresser saloon).

4. Net income from rents

- Imputed rent of the dwelling of owner/occupiers.
- Imputed rent of the dwelling of tenants living free of charge.
- Net rents received (from tenants of houses, shops or other immovable property, after deducting expenses for maintenance, property taxes, commissions etc.).

- II. Secondary Income (Pensions, Social Benefits etc.)

1. Net income from pensions

- It includes the following pensions: old-age, widowed, invalidity, disability, housewife, for victims of violent crimes, private pension etc.. Additionally, it includes the lump sum payments due to retirement from the Public Sector and the Broader Public Sector as well as payments from a Provident Fund, bonus due to retirement and lump sum payments for widowing/orphanage/disability.

2. Lump sum payment for redundancy / Unemployment benefit

3. Other benefits (net value)

- Health benefits (includes sickness and injury benefits).
- Educational benefits (includes students' allowance and public and non-public scholarship).
- Family allowances (includes maternity grant, child allowance, financial assistance to large families for purchasing a car, allowance for the care of disabled children, allowance for the care of the elderly, grant for the care of children placed with foster families, funeral grant, single parent allowance and missing person's allowance).
- Benefits to improve housing conditions.
- Minimum Guaranteed Income and Public Benefit.
- Other benefits.

4. Transfers received/paid out (from/to other households)

- Total transfers received on a regular basis (includes remittances from persons living in Cyprus or abroad).
- Minus transfers paid out on a regular basis (includes remittances to persons living in Cyprus or abroad).

“Total investments”: Investments made by the household include the following:

- Purchase or construction of a housing unit
- Purchase of other immovable property or enterprise
- Modifications / improvements / extensions of housing units or other buildings
- Shares / bonds / securities issued either by the government or by the semi-public sector or by the private sector
- Loans given to others
- Any other investments.

“Equivalence scale”: in order to compare the expenditure and income of households differing in size and composition, it is necessary to use an equivalence scale, where all household members become equivalent to the reference person. To be more specific, this scale determines the extent to which a household’s needs are increased as a function of its size and composition.

In this report the modified OECD scale was used, which is the scale that is recommended by EUROSTAT and uses the following weighting factors:

1st adult (reference person of household)= 1,0 unit

Additional persons aged over 13 years= 0,5 unit

Children aged 13 years and under= 0,3 unit

For example, a household with 4 members, where one is the reference person of age 40, the second person is aged 30 and the other two are children aged 12 and 6 years, then the equivalent size of this household is: 1+0,5+0,3+0,3=2,1.

As a result the terms expenditure per adult equivalent and income per adult equivalent, are estimated as follows:

$$\frac{\text{Total Household Expenditure}}{\text{Equivalent Size of Household}} = \text{Expenditure per adult equivalent}$$

$$\frac{\text{Total Household Income}}{\text{Equivalent Size of Household}} = \text{Income per adult equivalent}$$

IV. MAIN RESULTS

In summary, the main results of the survey were as follows:

- The mean annual consumption expenditure per household for 2015/2016 amounted to €31.206.
- In the urban areas the mean annual consumption expenditure per household for 2015/2016 was €31.884, while in the rural areas it was €29.740. Therefore, households in the urban areas in 2015/2016 spent 7,2% more than households in the rural areas.
- The highest share of the household annual consumption expenditure refers to housing (25,5%) followed by food (15,3%) and transport (12,0%), while the lowest share refers to the category of alcoholic beverages and tobacco (1,6%).
- The mean annual consumption expenditure per household at the lowest and highest income decile amounted to €10.693 and €64.374, respectively.
- The mean annual consumption expenditure per adult equivalent for 2015/2016 amounted to €17.671.
- In the urban areas the mean annual consumption expenditure per adult equivalent for 2015/2016 was €18.364, while in the rural areas it was €16.250.
- The mean annual consumption expenditure per adult equivalent at the lowest and highest income decile amounted to €8.662 and €32.847, respectively.
- The mean annual non consumption expenditure per household for 2015/2016 amounted to €6.193.
- The mean annual net income per household amounted to €33.047.
- In the urban areas the mean annual net income per household was €34.131. Respectively, in the rural areas it was €30.704, that is 10,0% lower than the mean annual net income in the urban areas.
- The mean annual net income per household at the lowest and highest income decile, was estimated at €8.397 and €84.429, respectively.
- The mean annual net income per adult equivalent amounted to €18.714. In the urban and rural areas, it was €19.658 and €16.776, respectively.
- The mean annual net income per adult equivalent at the lowest and highest income decile, was estimated at €6.685 and €45.226, respectively.

V. ANALYSIS OF RESULTS

A. CONSUMPTION EXPENDITURE

A.1 Mean Annual Consumption Expenditure of Household

The mean annual consumption expenditure per household for 2015/2016 amounted to €31.206, compared to €38.547 in 2009 (Graph 1). A decrease of 19,0% in nominal terms and 21,7% in real terms was recorded, compared to 2009.

In the urban areas, the mean annual consumption expenditure per household for 2015/2016 was €31.884 compared to €39.967 in 2009, recording a decrease of 20,2%. Respectively, in the rural areas, the mean annual consumption expenditure per household for 2015/2016 was €29.740 compared to €34.939 in 2009, recording a decrease of 14,9%. Moreover, households in the urban areas for 2015/2016 spent 7,0% more than households in the rural areas.

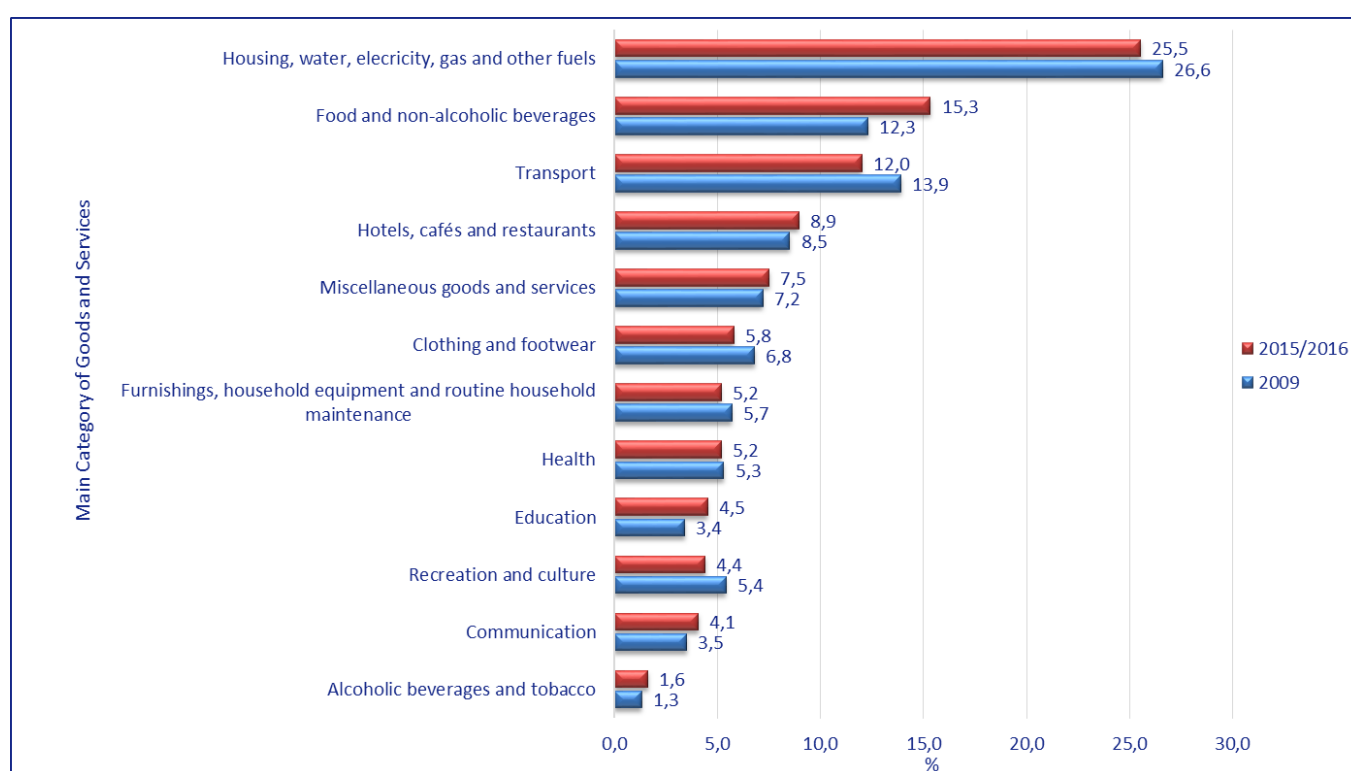
Graph 1: Mean Annual Consumption Expenditure per Household in Euro, 2003, 2009 and 2015/2016



Graph 2 presents the percentage distribution of the mean annual consumption expenditure of the households in the twelve (12) main categories of goods and services for years 2015/2016 and 2009. The category with the highest expenditure in 2015/2016 is presented first and the category with the lowest expenditure last. As it can be derived from the Graph, the highest share of annual household consumption expenditure for 2015/2016 relates to housing (25,5%) followed by “Food and non-alcoholic beverages” (15,3%) and “Transport” (12,0%), while the lowest share relates to the category “Alcoholic beverages and tobacco” (1,6%).

The pattern of consumption expenditure during 2015/2016 did not change significantly in relation to 2009. For example, the three categories with the highest percentages remain the same although their ranking differs.

Graph 2: Percentage Distribution of Mean Annual Consumption Expenditure per Household by Main Category of Goods and Services, 2009 and 2015/2016



In the Table that follows (Table 2), the mean consumption expenditure per household (in euro) is presented, as well as their percentage change in the twelve (12) main categories of goods and services for years 2015/2016 and 2009. As it arises from the Survey, the household annual mean consumption expenditure for housing amounted to €7.967, for “Food and non - alcoholic beverages” to €4.781 and for “Transport” to €3.748. Annually on average €502 is spent on the category “Alcoholic beverages and tobacco” which has the lowest share of expenditure.

Table 2: Mean Annual Consumption Expenditure per Household by Main Category of Goods and Services in Euro, 2009 and 2015/2016

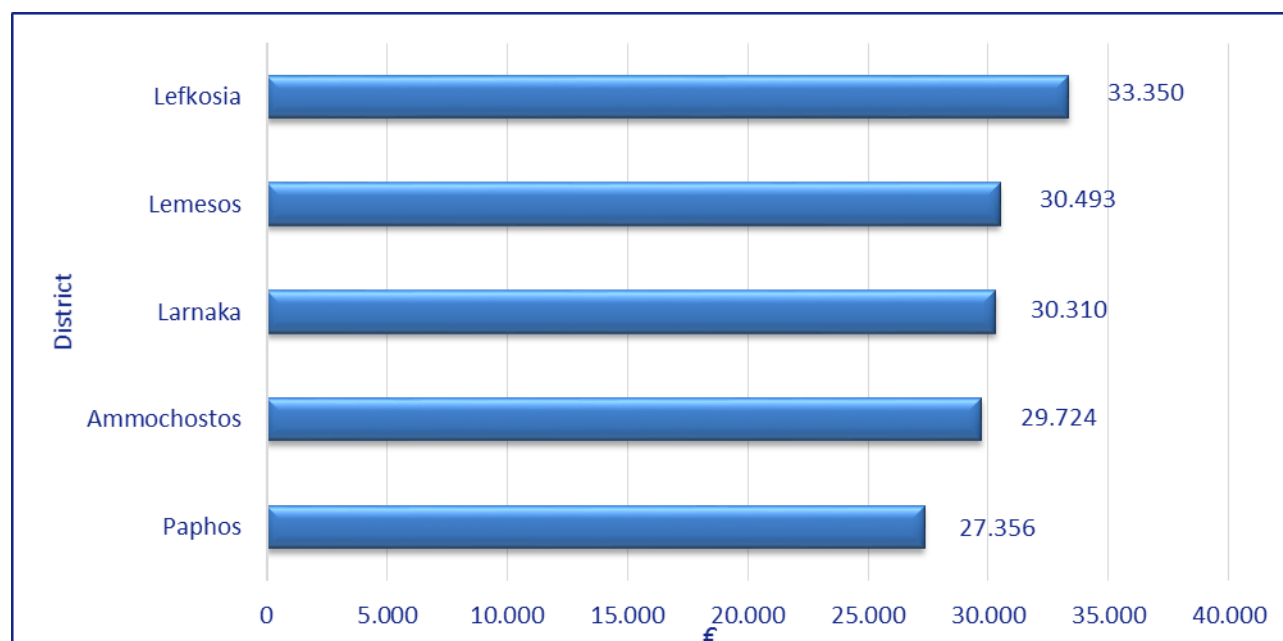
MAIN CATEGORY OF GOODS AND SERVICES		EURO		% CHANGE
		2009	2015/2016	
TOTAL		38.547	31.206	-19,0
01	FOOD AND NON-ALCOHOLIC BEVERAGES	4.735	4.781	1,0
02	ALCOHOLIC BEVERAGES AND TOBACCO	507	502	-1,0
03	CLOTHING AND FOOTWEAR	2.639	1.807	-31,5
04	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	10.236	7.967	-22,2
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	2.207	1.615	-26,8
06	HEALTH	2.061	1.614	-21,7
07	TRANSPORT	5.351	3.748	-30,0
08	COMMUNICATION	1.364	1.267	-7,1
09	RECREATION AND CULTURE	2.082	1.371	-34,1
10	EDUCATION	1.314	1.408	7,2
11	HOTELS, CAFES AND RESTAURANTS	3.290	2.786	-15,3
12	MISCELLANEOUS GOODS AND SERVICES	2.762	2.341	-15,2

In all the main categories of goods and services decreases were recorded in expenditure compared to 2009, with the exception of the category of “Food and non-alcoholic beverages” and the category of “Education”. In these two categories, increases of 1,0% and 7,2% were recorded, respectively. The highest decrease in expenditure compared to 2009, was recorded in the category “Recreation and culture”, with a decrease of 34,1%, followed by the category “Clothing and footwear” with a decrease of 31,5% and the category “Transport” with 30,0% decrease.

A.2 Consumption Expenditure by District, Urban and Rural Areas

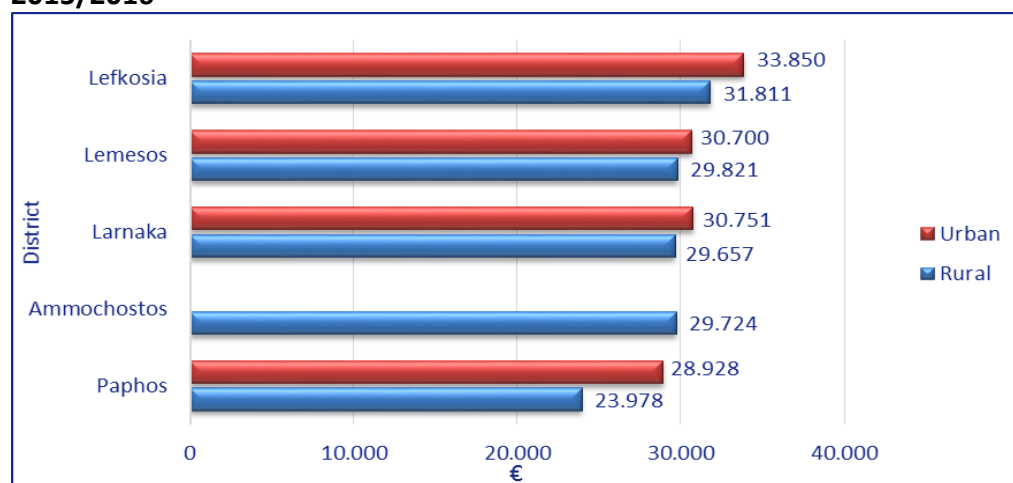
The mean annual consumption expenditure by district is presented in Graph 3. Lefkosia had the highest mean annual consumption expenditure, while Paphos had the lowest. In the rest of the districts, expenditure is about the same level.

Graph 3: Mean Annual Consumption Expenditure per Household in Euro by District, 2015/2016



Examining further the expenditure by district and by urban and rural areas (Graph 4), it can be said that expenditure in the urban areas of every district is higher than the corresponding expenditure in the rural areas. The biggest difference in expenditure between urban and rural areas within the same district, is noted in Paphos. In the particular district, the mean consumption expenditure in the rural areas is by 17,1% lower than the corresponding expenditure in the urban areas. The differences in the districts of Lefkosia, Lemesos and Larnaka are much lower, with the rural areas to have lower rates than the urban areas by 6,0%, 2,9% and 3,6% respectively.

Graph 4: Mean Annual Consumption Expenditure per Household in Euro by District and Urban/Rural Areas, 2015/2016

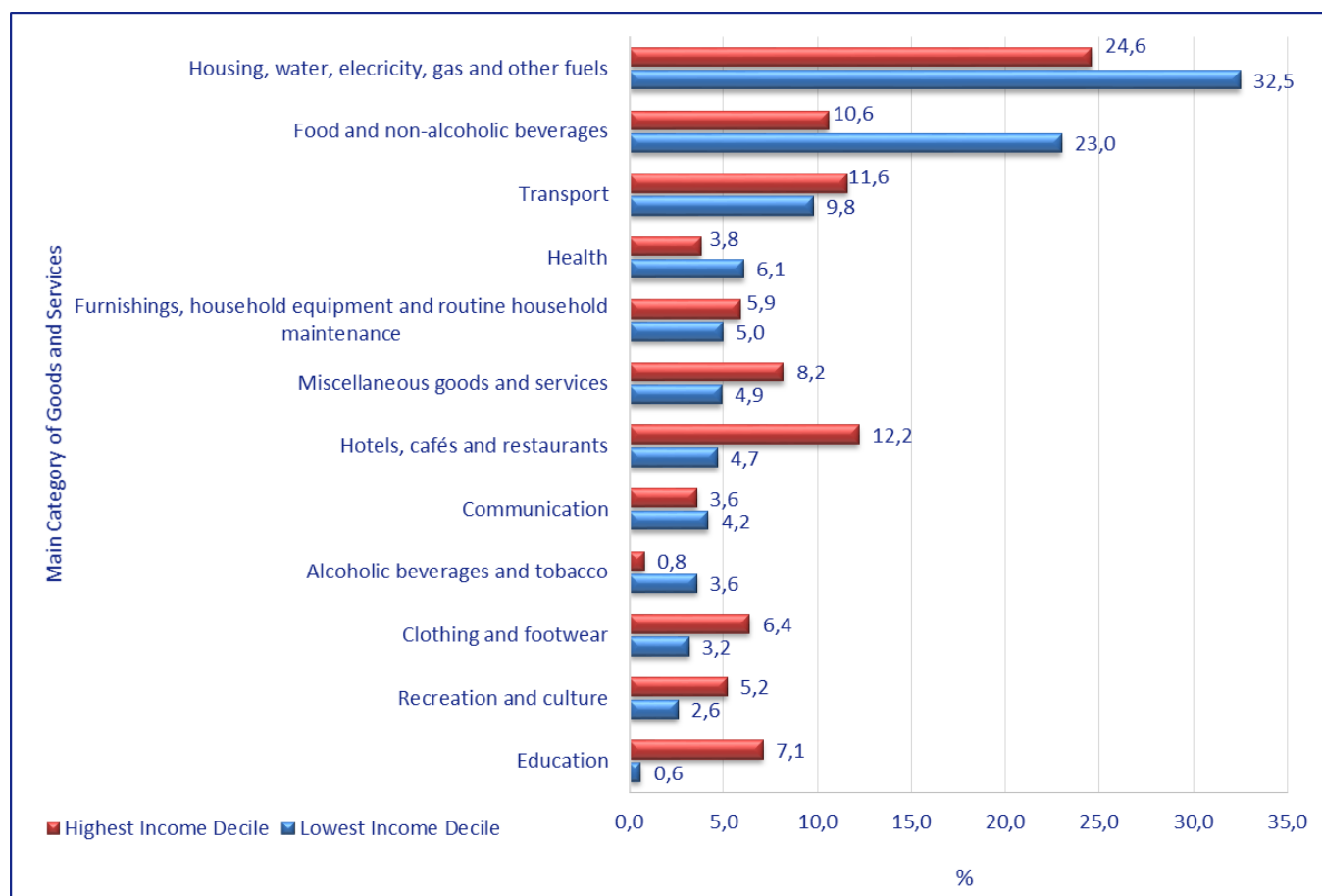


A.3 Consumption Expenditure in relation to the Income Deciles of the Households

The Graph that follows (Graph 5), presents the percentage distribution of consumer expenditure of the 10% poorest households (that is, households that belong to the first income decile with mean annual net income €8.397), in relation to the distribution of the 10% wealthiest households (that is, households that belong to the last income decile with mean annual net income €84.429).

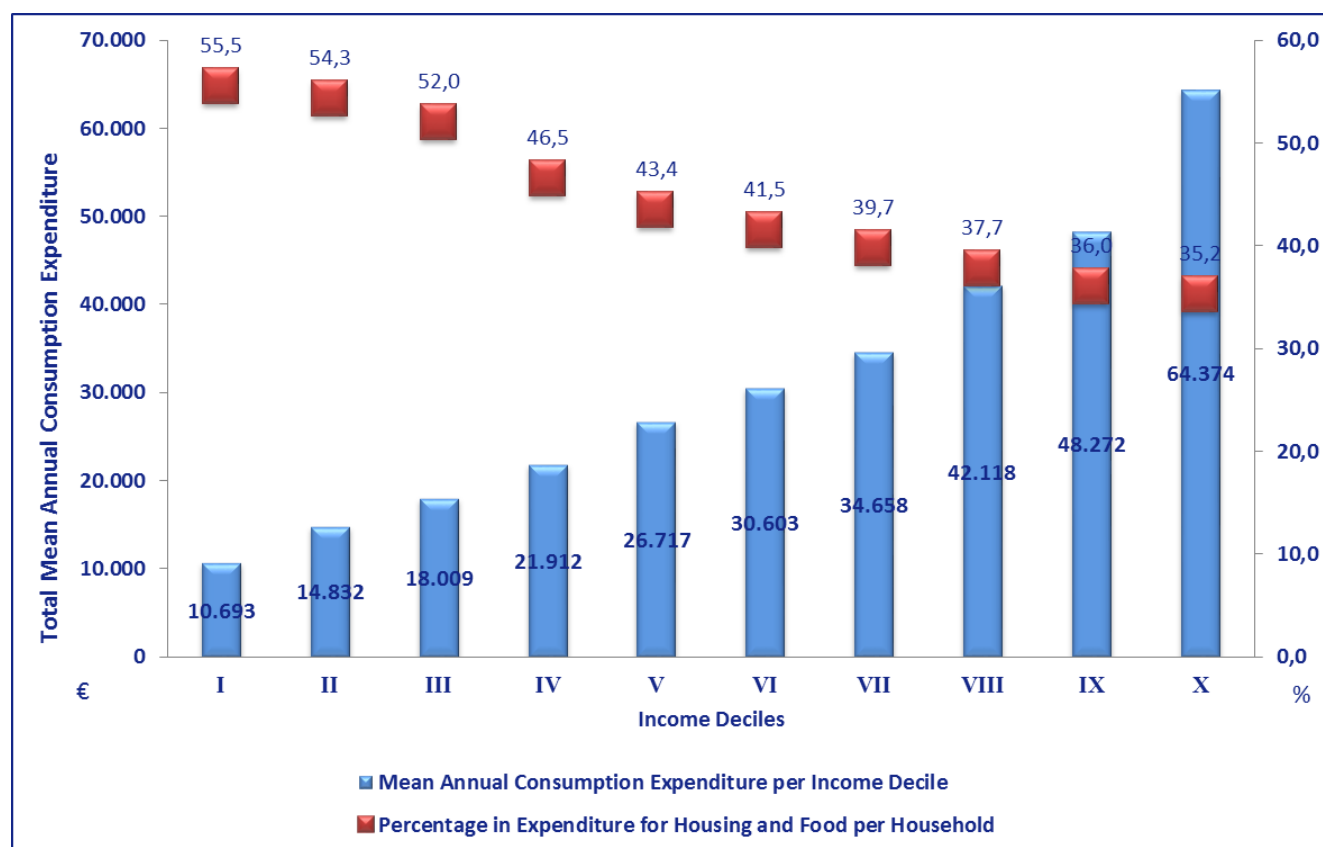
Both in the first income decile as well as in the last, it is observed that the highest percentage of the households' annual budget is spent on housing. Among the poorest households, the category that ranks second on their annual budget is "Food and Non-Alcoholic beverages" with a percentage of 23,0%, whereas the respective percentage for the wealthiest households is 10,6% and the ranking of this category on their annual budget is fourth. On the contrary, the category "Hotels, cafés and restaurants" ranks second on the wealthiest households' annual budget with a percentage of 12,2%, while on the poorest households' annual budget this category ranks seventh with a percentage of just 4,7%. Big differences also exist in the categories of "Education", "Clothing and Footwear" and "Recreation and Culture".

Graph 5: Percentage Distribution of Consumption Expenditure at the Lowest and Highest Income Decile by Main Category of Goods and Services, 2015/2016



In the subsequent Graph (Graph 6) the mean annual consumption expenditure in euro per income decile, as well as the percentage that is spent by the households for housing and “Food and Non-Alcoholic Beverages”, in terms of the total expenditure, are presented. From the Graph it can be derived that households that belong in the first three income deciles (I, II and III) spend more than 50% of their total annual budget in these two categories. The percentages are gradually decreasing in the deciles that follow, with the last decile (X) to present the lowest rate, 35,2%.

Graph 6: Percentage of Housing and Food Expenditure per Household in terms of the Total Mean Annual Consumption Expenditure per Income Decile, 2015/2016

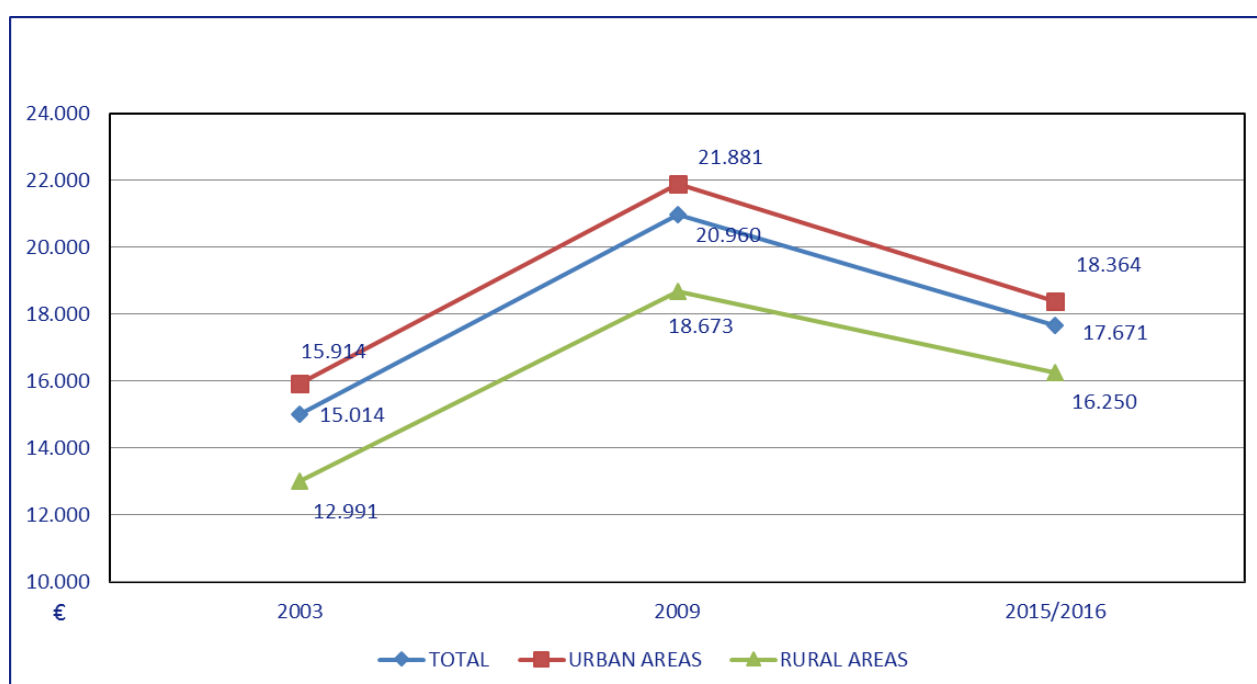


A.4 Consumption Expenditure per Adult Equivalent

The mean annual consumption expenditure per adult equivalent for 2015/2016 amounted to €17.671, compared to €20.960 in 2009 (Graph 7). A decrease of 15,7% was recorded in nominal values compared to 2009.

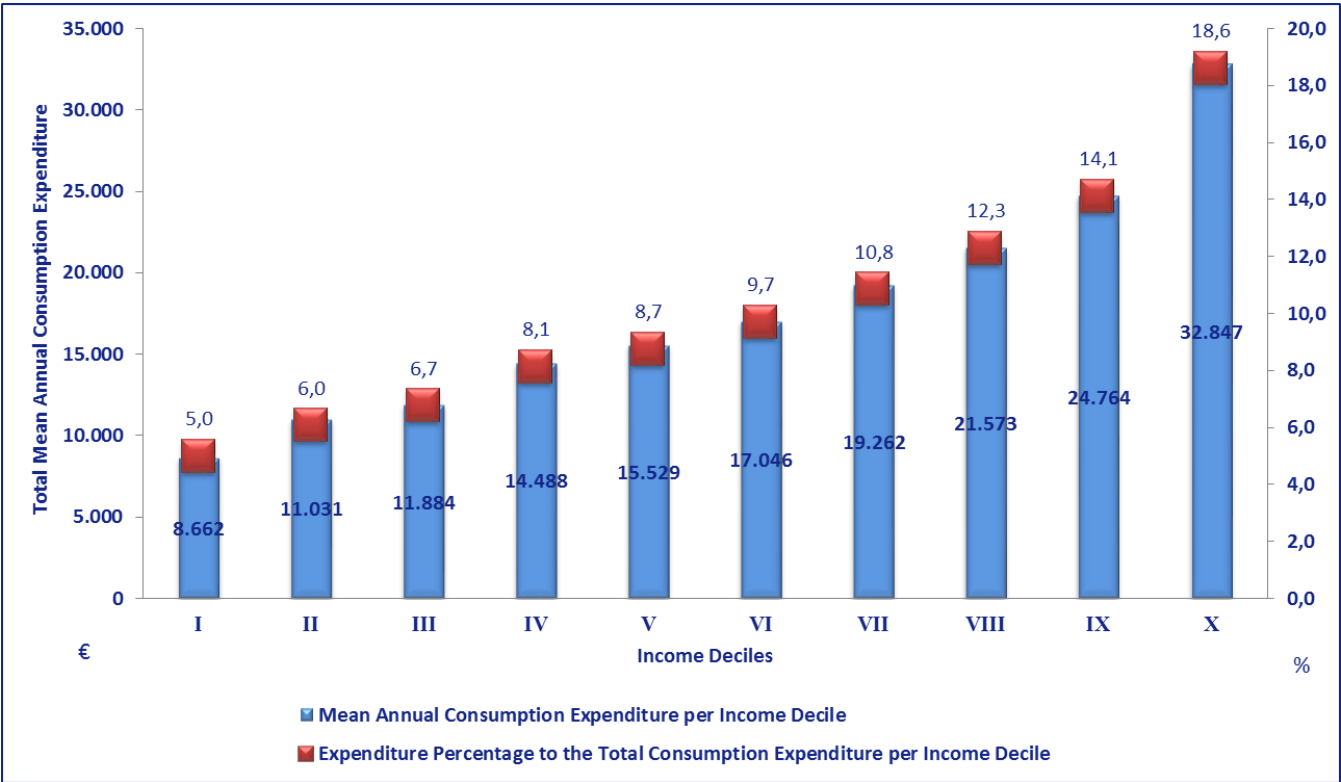
In the urban areas, the mean annual consumption expenditure per adult equivalent for 2015/2016 was €18.364 compared to €21.881 in 2009, recording a decrease of 16,1%. Respectively, in the rural areas, the mean annual consumption expenditure per adult equivalent for 2015/2016 was €16.250 compared to €18.673 in 2009, presenting a decrease of 13,0%. Moreover, the mean annual consumption expenditure per adult equivalent in the urban areas for 2015/2016 is by 12,2% higher than in the rural areas.

Graph 7: Mean Annual Consumption Expenditure per Adult Equivalent in Euro, 2003, 2009 and 2015/2016



The subsequent Graph (Graph 8) presents the mean annual consumption expenditure per adult equivalent in all income deciles. As it can be derived from the Graph, the mean annual consumption expenditure per adult equivalent at the highest and lowest income decile amounted to €8.662 and €32.847, respectively. Additionally, the share of total consumption expenditure per income decile to the total consumption expenditure of all the households is presented. The lowest income decile accounts for 5,0% of the total consumption expenditure, while the highest income decile accounts for 18,6% of the total consumption expenditure.

Graph 8: Mean Annual and Percentage Distribution of Consumption Expenditure per Adult Equivalent and by Income Decile, 2015/2016



A.5 Consumption Expenditure in relation to different Socio-economic Characteristics of the Household

Households where the reference person was a non-manual worker except agriculture in the public sector (which corresponded to 10,5% of the total households), spent on average €45.992 annually, which was the highest mean annual household consumption expenditure. Specifically, this amount was by 47,4% higher than the total mean consumption expenditure of all the households. The households in which the reference person was a non-manual worker except agriculture in the private sector (which corresponded to 20,2% of the total households), spent on average €42.055, an amount which is by 34,8% higher than the total mean consumption expenditure. This amount was the second highest mean annual household consumption expenditure.

Households where the reference person was a housewife/income recipient (which corresponded to 1,3% of the total households) spent on average €19.535 annually, which was the lowest mean annual household consumption expenditure. In particular, this amount was by 37,4% lower than the total mean annual consumption expenditure of all the households. The households in which the reference person was chronically ill (which correspond to 2,8% of the total households), spent €21.424 annually, an amount which is by 31,3% lower than the mean annual consumption expenditure of all the households.

However, it should be noted that to a large extent the aforementioned may be due to differences in the household size and composition. It is generally accepted that a better measure of comparison is the computation of the consumption expenditure per adult equivalent, a measure which to a great extent eliminates the differences resulting from the composition and size of the household.

Based on the expenditure per adult equivalent, households where the reference person is a non-manual worker except agriculture in the public sector, still have the highest mean annual consumption expenditure, that is €22.867. This amount is by 29,4% higher than the mean of the total consumption expenditure per adult equivalent and better reflects the difference than the 47,4%, which was the result based on the mean consumption expenditure per household. The second higher mean consumption expenditure per adult equivalent corresponded to households where the reference person was a non-manual worker except agriculture in the private sector, that is €22.397, an amount which is by 26,7% higher than the mean of the total mean equivalised consumption expenditure. The respective result based on the mean consumption expenditure per household, was 34,8% was somehow misleading.

Expenditure per adult equivalent in households where the reference person is a housewife/income recipient amounted to €12.882 and still remains the lowest mean annual consumption expenditure. However, this amount is by 27,1% lower than the total mean consumption expenditure per adult equivalent, in contrast to 37,4%, which was the respective result based on the mean consumption expenditure per household. The mean annual consumption expenditure per adult equivalent of the households where the reference person was unemployed, corresponded to €13.007, whereas the respective amount for the households where the reference person was chronically ill was €13.221 (Table 3).

Table 3: Mean Annual Consumption Expenditure per Household and per Adult Equivalent in Euro and by Socio-economic Status of the Reference Person of the Household, 2015/2016

SOCIO-ECONOMIC STATUS OF REFERENCE PERSON	MEAN ANNUAL CONSUMPTION EXPENDITURE			
	PER HOUSEHOLD		PER ADULT EQUIVALENT	
TOTAL	31.206=100		17.671=100	
Manual workers except agriculture (private sector)	28.539	91	14.550	82
Non manual workers except agriculture (private sector)	42.055	135	22.397	127
Manual workers except agriculture (public sector)	36.626	117	16.756	95
Non manual workers except agriculture (public sector)	45.992	147	22.867	129
Self-employed persons except agriculture	31.640	101	16.708	95
Agriculture workers	29.717	95	14.949	85
Unemployed	21.912	70	13.007	74
Retired	22.068	71	16.089	91
Housewives / Income recipients	19.535	63	12.882	73
Chronically ill persons	21.424	69	13.221	75

When examining the mean annual consumption expenditure per adult equivalent by the type of household (Table 4), it can be derived that households with one person aged 30-64 years, had the highest mean annual consumption expenditure per adult equivalent, €20.234. Second in the rank were the households consisting of a couple where both persons were under 65 years, with mean consumption expenditure per adult equivalent €20.175. On the contrary, the household type “Other with all the household members being related”, had the lowest consumption expenditure per adult equivalent, €13.477, which corresponds only to 76,3% of the total equivalised mean.

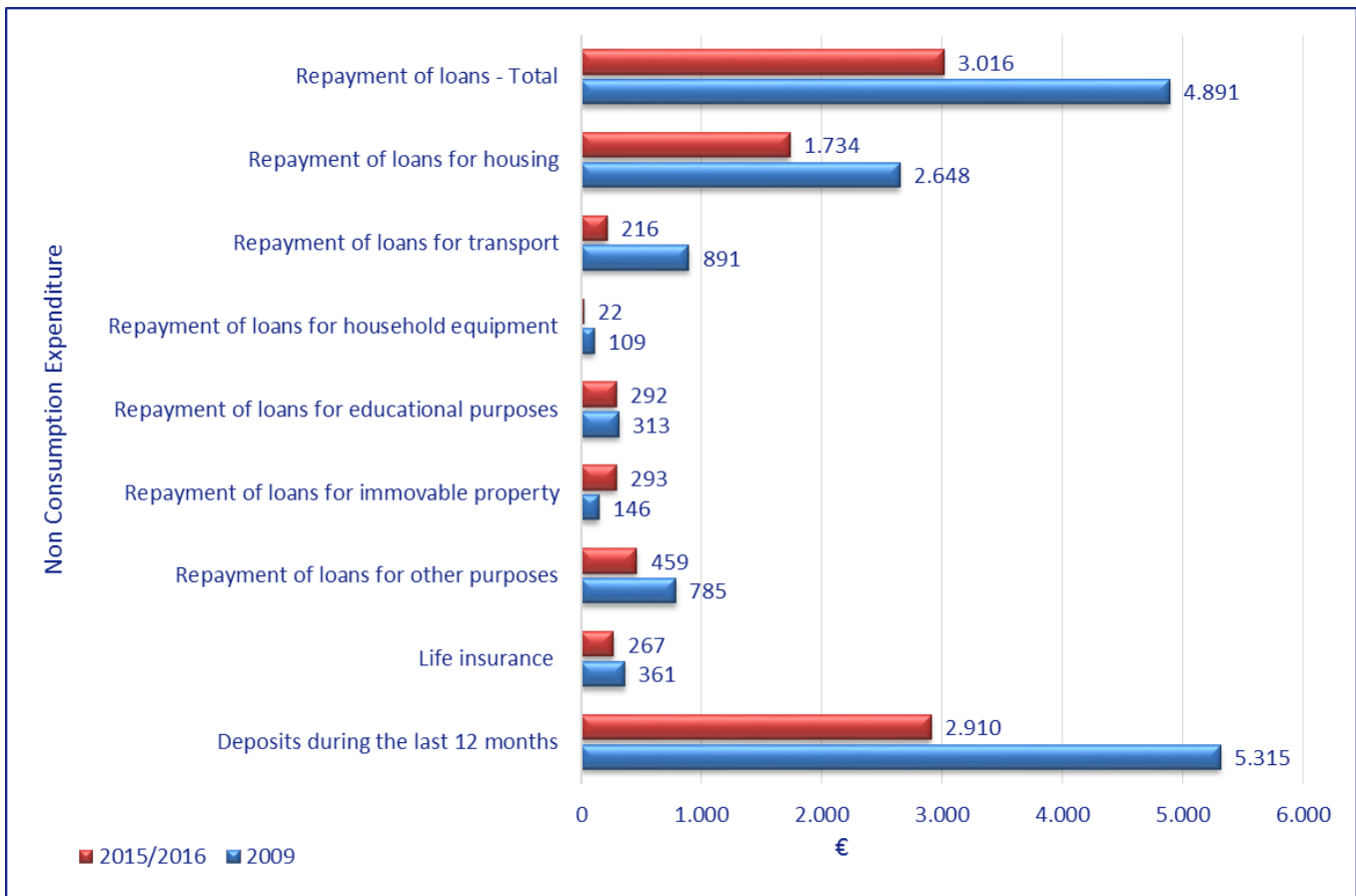
Table 4: Mean Annual Consumption Expenditure per Household and per Adult Equivalent in Euro and by Household Type, 2015/2016

TYPE OF HOUSEHOLD	MEAN ANNUAL CONSUMPTION EXPENDITURE			
	PER HOUSEHOLD		PER ADULT EQUIVALENT	
TOTAL	31.206=100		17.671=100	
One person aged 65+	15.347	49	15.347	87
One person aged 30-64	20.234	65	20.234	115
One person aged less than 30	17.582	56	17.582	99
One person with children aged up to 16	23.753	76	15.884	90
Couple with at least one of the two aged 65+	24.506	79	16.337	92
Couple with both persons less than 65 years old	30.262	97	20.175	114
Couple with one child, aged up to 16	35.146	113	19.446	110
Couple with two children, both aged up to 16	38.098	122	17.995	102
Couple with at least three children, all of them aged up to 16	39.032	125	15.697	89
Single parent or couple, with at least one child aged over 16	43.045	138	18.104	102
Other household type with all members being related	31.732	102	13.477	76
Other household type with one or more members not being related	39.307	126	18.483	105

B. NON CONSUMPTION EXPENDITURE

Non-consumption expenditure per household for 2015/2016 amounted to €6.193 compared to €10.567 in 2009. A decrease of 58,6% in nominal values was hence recorded. In the subsequent Graph, non-consumption expenditure in the different categories is presented. As it can be derived from Graph 9, for 2015/2016 decreases were noted in all the major categories constituting the non-consumption expenditure - loan repayments, life insurance and deposits during the last 12 months - in relation to 2009.

Graph 9: Non-consumption Expenditure per Household in Euro, 2009 and 2015/2016



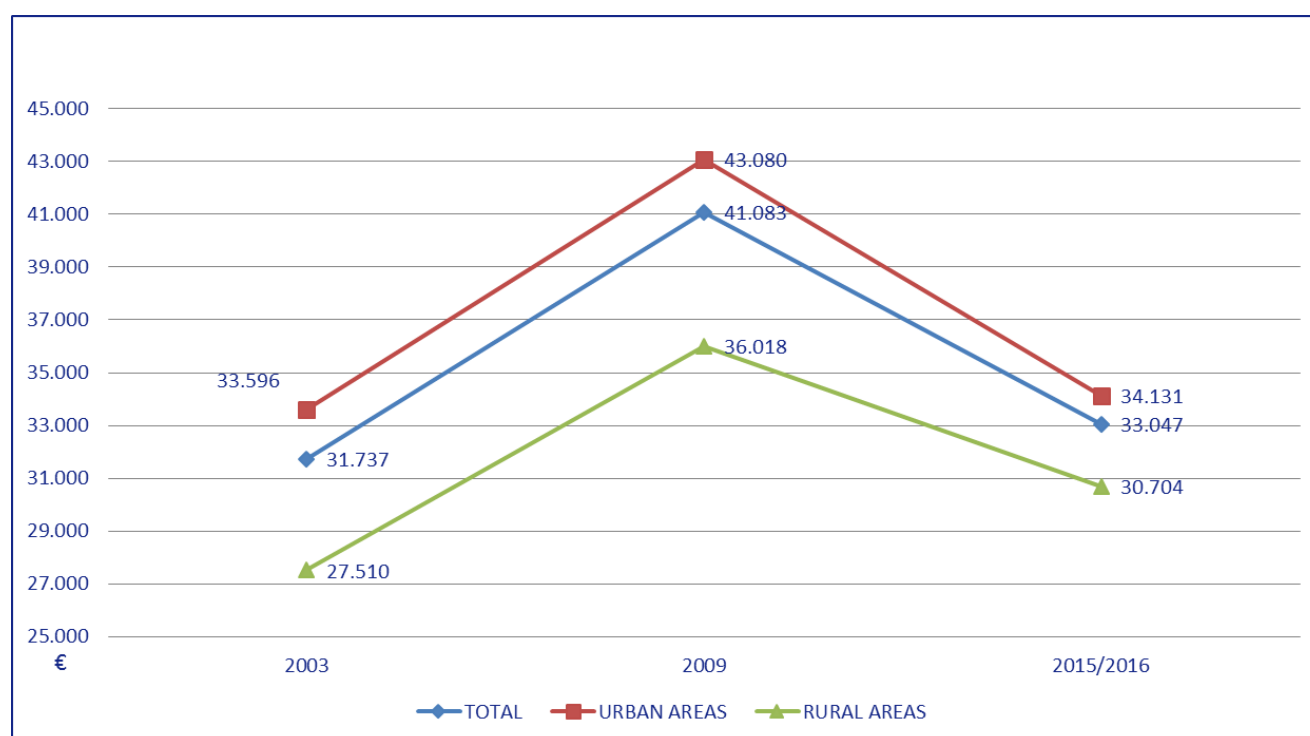
C. INCOME

C.1 Mean Annual Net Income

The mean annual net income per household for 2015/2016 amounted to €33.047, compared to €41.083 in 2009 (Graph 10). A decrease of 19,6% in nominal terms and 22,3% in real terms was recorded, as compared to 2009.

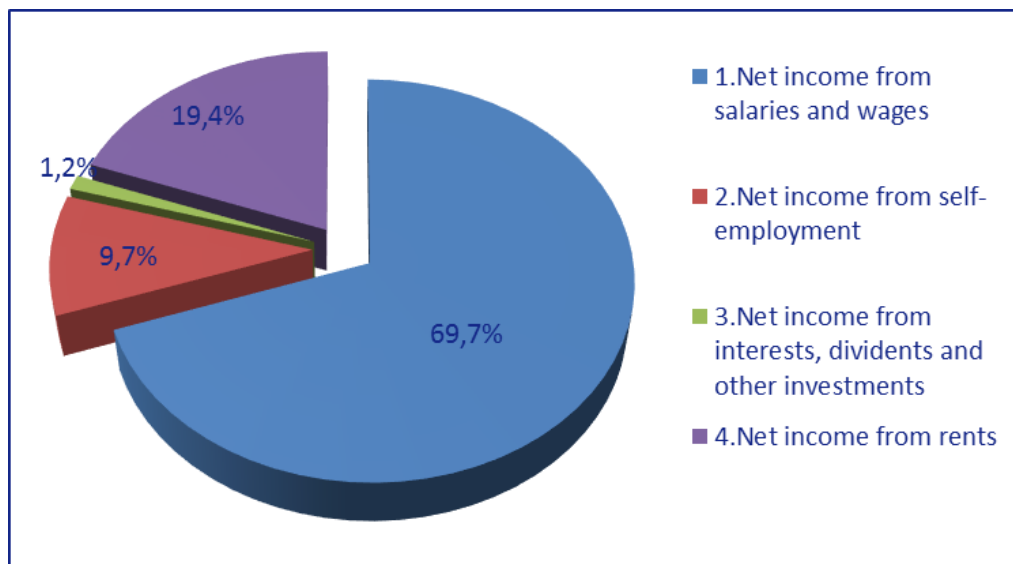
In the urban areas the mean annual net income per household for 2015/2016 was €34.131 compared to €43.080 in 2009, recording a decrease of 20,8%. Respectively, in the rural areas the mean annual net income per household was €30.704 compared to €36.018 in 2009, recording a decrease of 14,8%. Moreover, for 2015/2016 households in the rural areas had a lower mean annual net income by 10,0% when compared to households in the urban areas.

Graph 10: Mean Annual Net Income per Household in Urban and Rural areas in Euro, 2003, 2009 and 2015/2016

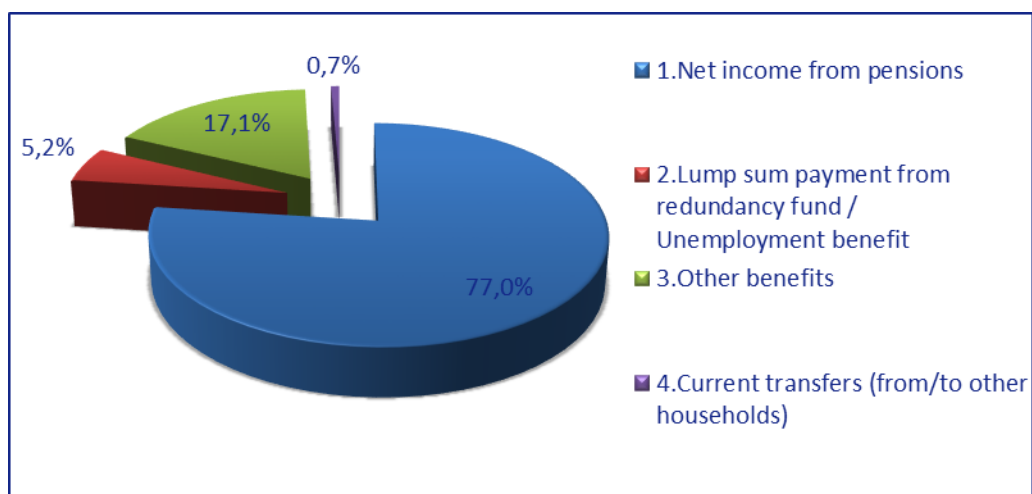


The total net income of the household for 2015/2016 consists of 77,5% (€25.605) primary income and of 22,5% (€7.442) secondary income. The percentage distribution of the primary and secondary income by source of income is presented in the subsequent Graphs (Graphs 11 and 12).

Graph 11: Primary Income Percentage Distribution by Source, 2015/2016



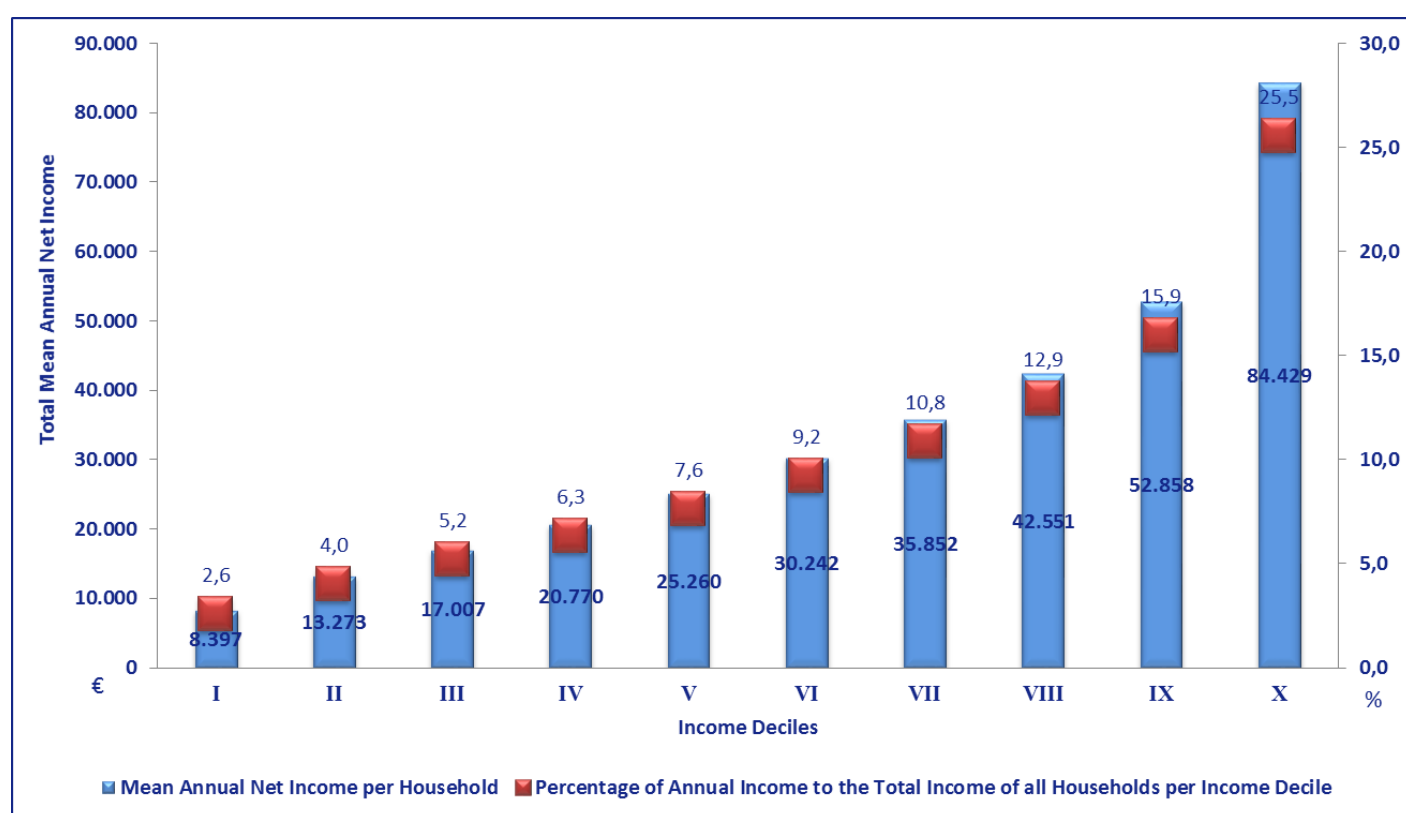
Graph 12: Secondary Income Percentage Distribution by Source, 2015/2016



C.2 Income Deciles

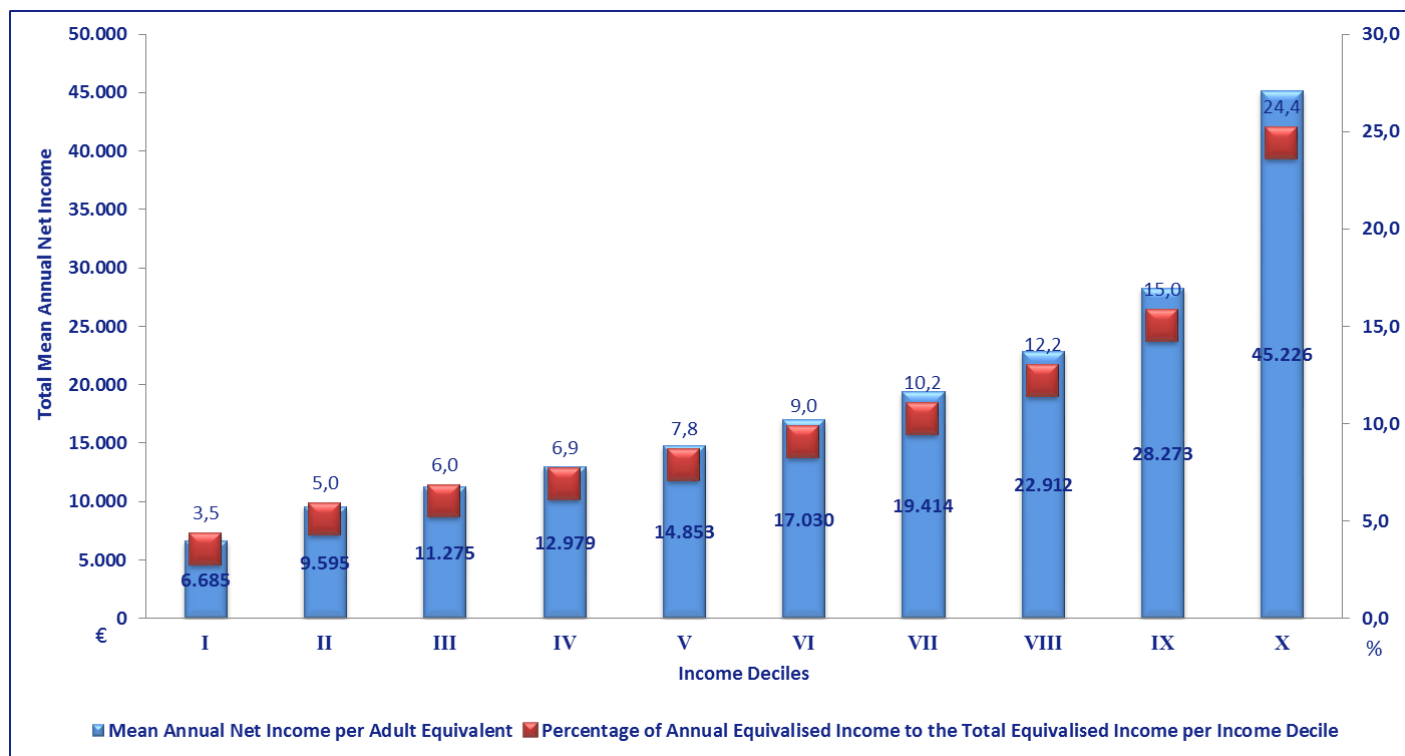
The mean annual net income per household at the lowest and highest income decile, was estimated at €8.397 and €84.429, respectively. This means that the 10% of the households with the lowest income had mean annual net income of €8.397, while the 10% of the households with the highest income had mean annual net income of €84.429. In Graph 13, the mean annual net income per household as well as the percentage of annual income to the total income of all households per income decile is presented. As it is observed, income from households at the lowest income decile (decile I) accounted only for 2,6% of the annual total income of all households, while the respective percentage for the wealthiest 10% of households (decile X) was 25,5%.

Graph 13: Mean and Percentage Distribution of Household Annual Net Income by Income Decile, 2015/2016



A better measure of comparison is income per adult equivalent. In the subsequent Graph (Graph 14), the mean annual net income per adult equivalent for each income decile is presented. As it is derived from the Graph, the mean annual net income per adult equivalent at the highest and lowest income decile corresponded to €6.685 and €45.226, respectively. Moreover, in the Graph, the share of the total annual net income per income decile to the total income of all the population is presented. For the households in the lowest income decile (I) corresponded the 3,5% of the total income, while for the households in the highest income decile (X) corresponded the 24,4% of the total income.

Graph 14: Mean and Percentage Distribution of Annual Net Income per Adult Equivalent by Income Decile, 2015/2016



C.3 Income Distribution in relation to different Socio-economic Characteristics of the Household

From the survey data, it can be derived that household income is directly related to the number of profitable employed people in each household. Subsequently, households in which no person was working had on average the lowest annual net income, €20.586, which corresponded to 62,3% of the mean annual net income of all households. On the contrary, households with 3 or more profitable employed persons had the highest mean annual income, €59.913, which corresponded to 181,3% of the mean annual income of all households.

However, these percentages are not entirely comparable, since the size of the household was not taken into account. A more correct approach would be the examination of the mean annual net income per adult equivalent. By examining the mean annual net income per adult equivalent, it can be noted that households in which no person was working no longer hold the lowest mean per adult equivalent. Instead, the households where neither the reference person nor the spouse was working but at least two other members were working, had the lowest mean annual net income per adult equivalent, with €12.922. This amount corresponded to 69,0% of the total mean net income per adult equivalent.

The same applies to the highest mean per adult equivalent. Households with 3 or more profitable employed persons no longer had the highest mean, the households where only the reference person and the spouse were employed had the highest mean income per adult equivalent, that is €21.999. This amount corresponds to the 117,6% of the total mean annual net income per adult equivalent.

Table 5: Mean Annual Net Income per Household and per Adult Equivalent in Euro by Economic Situation of the Household, 2015/2016

ECONOMIC SITUATION OF THE HOUSEHOLD	MEAN ANNUAL NET INCOME	
	PER HOUSEHOLD	PER ADULT EQUIVALENT
TOTAL	33.047	18.714
Reference person, spouse and other member/s is/are working	59.913	21.356
Only reference person and spouse are working	45.532	21.999
Either reference person or spouse is working and at least one other member is working	33.759	15.327
Either reference person or spouse is working and no other member is working	29.417	20.667
Neither reference person nor spouse is working but at least two other members are working	28.616	12.922
Neither reference person nor spouse is working and only one other member is working	23.449	14.957
Nobody is working	20.586	16.419

The distribution of income is also linked to the socio-economic status of the reference person. Hence, households in which the reference person was a housewife/income recipient had on average the lowest annual net income, €18.051, which corresponded to the 54,6% of the mean annual net income of all households. On the contrary, households in which the reference person was a non-manual worker except agriculture in the public sector, had the highest mean annual net income, €52.616, which corresponded to 159,2% of the mean annual net income of all the households.

However, these percentages are not entirely comparable, since the size of the household was not taken into account. By examining the data per adult equivalent, the lowest percentage, 61,5% of the total mean annual net income per adult equivalent, corresponded to households in which the reference person was a chronically ill person. The next lower percentage was 63,0% of the total mean annual net income per adult equivalent and corresponded to the households where the reference person was unemployed. The highest percentage, 139,8% of the total mean annual net income per adult equivalent, again corresponded to households in which the reference person was a non-manual worker except agriculture in the public sector.

Table 6: Mean Annual Net Income per Household and per Adult Equivalent in Euro, by Socio-economic Status of the Reference Person, 2015/2016

SOCIO-ECONOMIC STATUS OF THE REFERENCE PERSON	MEAN ANNUAL NET INCOME	
	PER HOUSEHOLD	PER ADULT EQUIVALENT
TOTAL	33.047	18.714
Manual workers except agriculture (private sector)	27.660	14.102
Non-manual workers except agriculture (private sector)	45.044	23.989
Manual workers except agriculture (public sector)	37.973	17.372
Non-manual workers except agriculture (public sector)	52.616	26.160
Self-employed persons except agriculture	35.621	18.810
Agriculture workers	25.992	13.075
Unemployed	19.857	11.787
Retired	24.724	18.025
Housewives / Income recipients	18.051	11.904
Chronically ill	18.641	11.504

D. CONSUMER DURABLE GOODS AND HOUSING AMENITIES

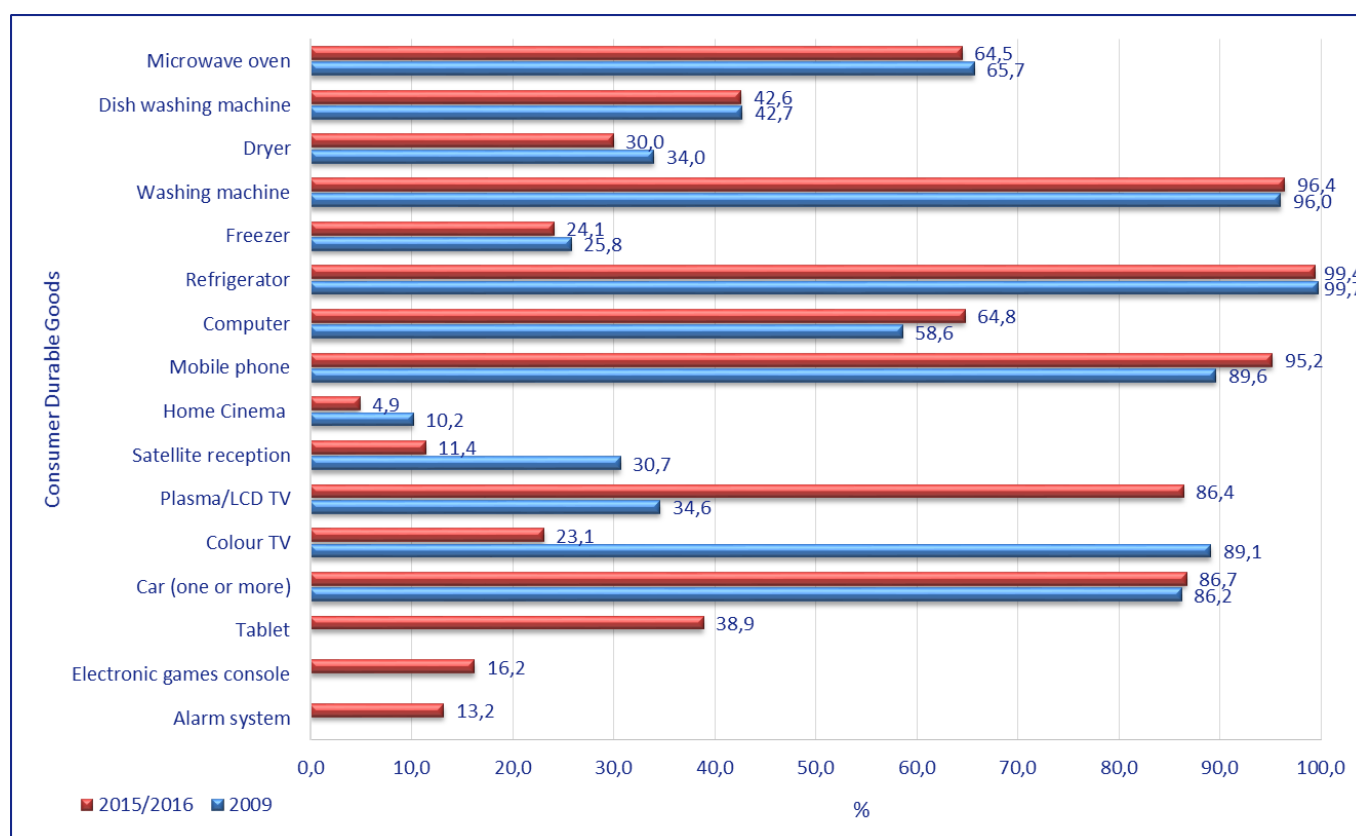
D.1 Consumer Durable Goods

Apart from data on household expenditure – consumption and non-consumption expenditure – and data concerning the household's income, the Survey is also a good source of information for the durable goods that households own.

The percentages of households that own selected durable goods are presented by Graph 15, for 2009 and 2015/2016. For certain durable goods - tablets, electronic game consoles and alarm systems - there is no available data from the Survey of 2009.

From the Graph, it is apparent that the number of households which own plasma/LCD TV has increased, while the number of households owning a colour TV of an older type has decreased. Furthermore, the number of households which own a personal computer has increased, while a significant proportion of households also owns a tablet. However, the percentage of households owning a home cinema system and satellite reception has decreased. It was expected that satellite reception systems would decrease due to the telecommunication packages that are now available in the market, offering similar services.

Graph 15: Percentage of Households that own Selected Consumer Durable Goods, 2009 and 2015/2016



D.2 Housing Amenities

This survey is also a good source of information concerning housing amenities. Relevant data is presented in Table 7. The results suggest that no major changes have been recorded in relation to 2009. An increase compared to 2009 has been recorded in the number of households which own an air-conditioning system and a garage, while a decrease has been recorded in the number of households which own a fixed telephone line.

Table 7: Percentage Distribution of Households by Housing Amenities, 2009 and 2015/2016

HOUSING AMENITIES	2009	2015/2016
Kitchen	100,0	99,8
Bathroom	99,8	99,9
Flush toilet	100,0	99,9
Facilities for the provision of running water	100,0	100,0
Facilities for hot water	99,0	99,2
Central heating	37,3	36,7
Air-conditioning system	79,1	84,0
Fixed telephone	79,5	62,8
Electricity	99,6	99,7
Garage	34,0	42,8
Secondary residence	8,0	7,7

VI. ANALYTICAL TABLES

All the analytical tables related to the Household Budget Survey 2015/2016 (Excel files), can be downloaded from the website of the Statistical Service of Cyprus, by following the link:

http://www.mof.gov.cy/mof/cystat/statistics.nsf/populationcondition_25main_en/populationcondition_25main_en?OpenForm&sub=5&sel=2

