REPUBLIC OF CYPRUS

MINISTRY OF FINANCE

STATISTICAL SERVICE

1444 NICOSIA

HOUSEHOLD BUDGET SURVEY
2023

PREFACE

This report presents data derived from the Household Budget Survey 2023, which was conducted by the Statistical Service during the period April 2023 - March 2024. The content, methods and definitions of the survey were designed and implemented in accordance with the recommendations of the European Statistical Office (EUROSTAT).

This report includes, among other things, data on the structure of household expenditure, the distribution of household income by source, as well as other useful information for the compilation of socioeconomic indicators related to the population's standard of living.

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HOUSEHOLD BUDGET SURVEY 2023

I. INTRODUCTION

I.1 Background and research objectives

The Household Budget Survey (HBS) is conducted by the Statistical Service on a regular basis, usually every 5 years, with the first survey having been carried out in 1966. The 2023 survey is the twelfth in the series of Household Budget Surveys. The content, methods and definitions used in the Household Budget Survey 2023 were designed and implemented in accordance with the recommendations and methodologies of the European Statistical Office (EUROSTAT).

The main objective of the survey is to measure the structure of household expenditure in order to:
- Revise the representative goods and services included in the "shopping basket", as well as the weighting factors that determine the relative importance of each good and service within the Consumer Price Index.
- Update statistical data used to estimate private consumption for national accounts purposes.

- Analyze the level and distribution of household expenditure and income, by source of income and various socioeconomic and demographic groups.

- Compile various socioeconomic indicators, with the ultimate goal of studying the standard of living of households.

I.2 Geographical coverage

The survey covered all the Government controlled areas, both urban and rural, in all the districts of Cyprus.

I.3 Statistical unit

All private households (along with their members) that are permanent residents of Cyprus. The survey does not cover collective living arrangements (e.g., institutions, hospitals, monasteries etc.), nor foreign nationals serving in foreign diplomatic missions in Cyprus.

The survey results were grossed up based on the total number of households which was estimated to 358.977.

I.4 Sampling frame

The sampling frame used was the list of inhabited households from the 2021 Population Census.

I.5 Sample distribution

A total of 4.800 households were selected from both urban and rural areas in each district, proportionally to their population, in order to ensure the representativeness of the sample. The selected households were evenly distributed over a 12-month period to accurately capture seasonal variations in consumer consumption habits. Table 1 below presents the final sample distribution.

Table 1: Final Sample Distribution of Households by District

DISTRICT	TOTAL	URBAN AREAS	RURAL AREAS
TOTAL	4.800	3.261	1.539
Lefkosia	1.839	1.389	450
Ammochostos	269	-	269
Larnaka	795	470	325
Lemesos	1.358	1.033	325
Paphos	539	369	170

I.6 Data collection period

The survey was conducted by the Statistical Service during the period of April 2023 - March 2024.

I.7 Response

The initial survey sample included 4.800 households. Out of these, 764 were classified as vacant, holiday or secondary residences, dwellings used for purposes other than residential, demolished dwellings, or dwellings occupied by individuals whose usual residence was elsewhere. Out of the remaining 4.036 households, 597 did not respond to the survey either due to refusal to participate or due to absence during the survey period. Additionally, 454 households did not participate for other reasons, such as language barriers, health issues or difficulty in being reached. Ultimately, 2.985 households participated in the survey, comprising a total of 7.761 individuals. The non-response rate was 26,0%.

I.8 Survey questionnaire

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

https://library.cystat.gov.cy/NEW/HOUSEHOLD_BUDGET_SURVEY-2023-EN-160523.pdf

II. METHODOLOGY AND ORGANISATION

II.1 Sampling method

The sample was selected using the stratified sampling method. More specifically:

- Based on the district and the division into urban and rural areas, nine strata were defined.

- In urban areas, a simple random sample of households was selected, with the sample size in each stratum being proportional to its population.

- In rural areas, a stratified two-stage sampling method was applied. The primary sampling units were the villages, while the secondary units were the households. Villages with a small number of households were merged to create complexes of villages. A sample of villages or complexes of villages was then selected with a probability proportional to their size. Finally, within each selected village or complex, a simple random sample of households was drawn.

II.2 Organisation of fieldwork

During the 12 months of the survey, from April 2023 to March 2024, the sample of 4.800 households was evenly distributed across 20 periods, each lasting 18 days. The objective was to collect data that accurately reflected household purchasing trends and habits throughout the year, taking into account seasonal variations in consumption habits (e.g., household purchases in winter differ significantly from those in the summer). Additionally, the geographic location of the households, that is the district and whether they were in urban or rural area, was also considered. The distribution of the sample in the whole duration of 12 months, fully ensured the representativeness of the data.

During each 18-day period, each enumerator was responsible for completing 14-16 main questionnaires, while also monitoring or assisting with the completion of the household's daily expenditure diary for 14 consecutive days. The main questionnaire collected data that provided an overall picture of the household income and expenditure for one-year period. The questions included in the questionnaire had different reference periods (1 month, 3 months or 12 months), depending on the type of expenses they referred to, making it easier for respondents to provide the most accurate information possible. The questionnaire was completed gradually over the 18-day period, in 2-3 visits, ensuring simultaneous supervision of the completion of the daily expenditure diary.

The daily expenditure diary was used for the detailed recording of all household daily expenses. It served as the primary source for documenting expenditure in the categories of "Food and non-alcoholic beverages" and "Alcoholic beverages and tobacco."

II.3 Data collection method

Data collection was conducted through personal interviews with households using laptops (CAPI: Computer Assisted Personal Interview) via the BLAISE software package, along with the completion of daily expenditure diaries, as mentioned above.

II.4 Data collection

A total of 16 enumerators participated in the data collection process: 6 in Nicosia, 4 in Larnaca/Famagusta, 4 in Limassol and 2 in Paphos.

II.5 Data analysis

The data recorded in the daily expenditure diaries was processed using the "Access" software and the statistical analysis of all collected data was performed using the SAS statistical package.

III. DEFINITIONS

"Household": A household consists of either a single person living alone or a group of two or more people residing together in the same dwelling, not necessarily related, who jointly make food and living arrangements, maintaining, to a greater or lesser extent, a shared budget.

"Household Members": All individuals who have their permanent residence within the household.
Household members are also considered:
- Children under the age of 16 residing in boarding schools in Cyprus or abroad.
- Individuals serving in the military (whether permanent or not).
- Individuals temporarily working in other countries, while their family remains permanently in Cyprus.
- Individuals temporarily residing in another city or village in Cyprus for work purposes, studies, vacations, medical treatment, etc.
- Students studying abroad.
- Seamen, regardless of the duration of their absence.
- Spouses, even if they have been away from their family for a year or more.

"Household Reference Person": The household member with the highest annual income.

"Consumption Expenditure": The total value of all goods and services purchased by the household for consumption within one year. It includes the consumption of goods from their own production (mainly agricultural products and food), as well as the imputed rent value for homeowners and housing occupants living rent-free. Additionally, it includes expenditure on gifts purchased for other households, whereas gifts received by the household from others are excluded. Consumption expenditure does not include investments, savings, or direct taxes.

"Non - consumption expenditure": All expenditure other than consumption expenditure, relating to investments, loan repayments and savings over the past 12 months.

"Main categories of goods and services": The classification of goods and services (COICOP), as recommended to EU member states by EUROSTAT was used for the survey. The thirteen (13) main categories of goods and services are:
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. Information and communication
09. Recreation, sport and culture
10. Education
11. Restaurants and accommodation services
12. Insurance and financial services
13. Personal care, social protection and miscellaneous goods and services

"Imputed rent": The self-assessment of the value of the rent an owner/occupier would pay if they were to rent their house, based on the market rents for similar dwellings.

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

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

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

Net income from interests, dividends and other investments
- Net income from interests (e.g. from deposits at banks, 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 home-based hair salon).

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.).

Net income from pensions
- It includes the following pensions: social insurance, old-age, widowed, invalidity, disability, social (housewife), for victims of violent crimes, survivor's, from private pension plans 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 from a Provident Fund for widowing/orphanage/disability.

Other benefits (net value)
- Health related benefits (includes sickness and injury benefits, allowance for the care of disabled persons, grants to the blind, financial assistance to cover special needs for the disabled).
- Educational benefits (includes students' allowance and public and non-public scholarship).
- Family benefits (includes child allowance, maternity allowance, paternity allowance, single parent allowance, allowance for the care of the elderly, maternity grant and funeral grant).
- Benefits to improve housing conditions.
- Minimum Guaranteed Income and Public Benefit.
- Other benefits.

<u>Inflows / outflows on a regular basis (from/ to other households)</u>
This amount is made up of the following:
- Inflows <u>received on</u> a regular basis (includes remittances from persons living in Cyprus or abroad).
- Minus transfers <u>paid out</u> 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 / securities / bonds issued either by the government or by the semi-government or by the private sector
- Loans to others
- Any other investments.

"Equivalence scale": It is used in order to compare the expenditure and income of households differing in size and composition. By using it, all household members become equivalent to the reference person, determining 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 consisting of 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 <u>expenditure per adult equivalent</u> and <u>income per adult equivalent</u>, are calculated as follows:

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

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

IV. MAIN RESULTS

In summary, the main results of the 2023 survey are as follows:

- The mean annual consumption expenditure per household for 2023 amounted to €43.263.
- In urban areas, the mean annual consumption expenditure per household was €44.548, while in rural areas, it was €40.505. Consequently, households in urban areas in 2023 spent 10,0% more than households in rural areas.
- The largest share of household annual consumption expenditure was allocated to housing (27,5%), followed by food (14,5%) and transport (11,6%). The smallest share was attributed to the category of "Alcoholic beverages and tobacco" (1,4%).
- The mean annual consumption expenditure per household in the lowest and highest income decile amounted to €14.730 and €96.410, respectively.
- The mean annual consumption expenditure per adult equivalent in 2023 amounted to €25.216.
- In urban areas, the mean annual consumption expenditure per adult equivalent was €26.265, while in rural areas, it was €23.046.
- The mean annual consumption expenditure per adult equivalent in the lowest and highest income decile amounted to €11.537 and €48.137, respectively.
- The mean annual non-consumption expenditure per household in 2023 amounted to €10.585.
- The mean annual net income per household was €48.419.
- In urban areas, the mean annual net income per household was €51.382, while in rural areas, it was €42.064, that is 18,1% lower than that in urban areas.
- The mean annual net income per household in the lowest and highest income decile, was €12.529 and €142.066, respectively.
- The mean annual net income per adult equivalent amounted to €28.222. In urban areas, it was €30.294, while in rural areas, it was €23.933.
- The mean annual net income per adult equivalent in the lowest and highest income deciles, amounted to €9.884 and €76.484, respectively.

V. ANALYSIS OF RESULTS

A. CONSUMPTION EXPENDITURE

A.1 Mean Annual Consumption Expenditure of Household

The mean annual consumption expenditure per household in 2023 amounted to €43.263, compared to €31.206 in 2015/2016 (Figure 1). This represents an increase of 38,6% in nominal terms and 19,6 % in real terms compared to 2015/2016.

In urban areas, the mean annual consumption expenditure per household in 2023 amounted to €44.548, compared to €31.884 in 2015/2016, recording an increase of 39,7%. Similarly, in rural areas, the mean annual consumption expenditure per household in 2023 amounted to €40.505, compared to €29.740 in 2015/2016, reflecting an increase of 36,2%. Additionally, in 2023, households in urban areas spent 10,0% more than households in rural areas.

Figure 1: Mean Annual Consumption Expenditure per Household in Urban and Rural Areas in Euro, 2009, 2015/2016 and 2023

Figure 2 presents the percentage distribution of the mean annual consumption expenditure of households across the thirteen (13) main categories of goods and services for 2023. The categories are ranked based on the percentage of expenditure, with the category that is listed first having the highest percentage and the category listed last, having the lowest. As shown in the figure, the largest share of annual household consumption expenditure in 2023 was allocated to housing (27,5%) followed by the category "Food and non-alcoholic beverages"

(14,5%) and "Transport" (11,6%). Conversely, the smallest share was attributed to the category "Alcoholic beverages and tobacco" (1,4%).

Figure 2: Percentage Distribution of Mean Annual Consumption Expenditure per Household by Main Category of Goods and Services, 2023
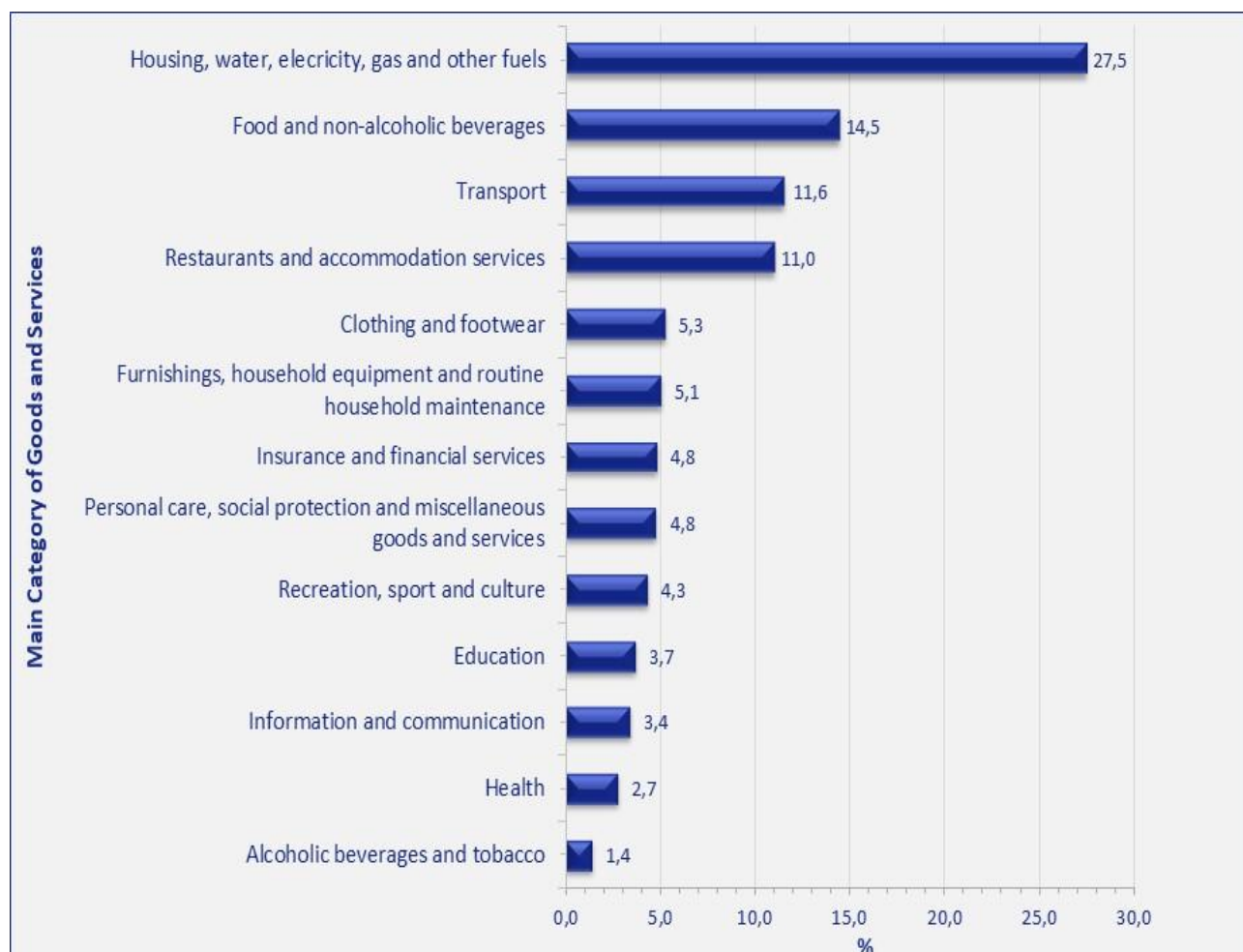

Figure 3 presents the percentage distribution of mean annual consumption expenditure for 2023, compared to 2015/2016. Since in the 2015/2016 survey, expenditure were classified into twelve (12) categories, while in 2023, they were classified into thirteen (13), two categories have been combined to enable comparison. Specifically, the category "Information and communication" has been combined with the category "Recreation, sport and culture".

Figure 3: Percentage Distribution of Mean Annual Consumption Expenditure per Household by Main Category of Goods and Services, 2015/2016 and 2023
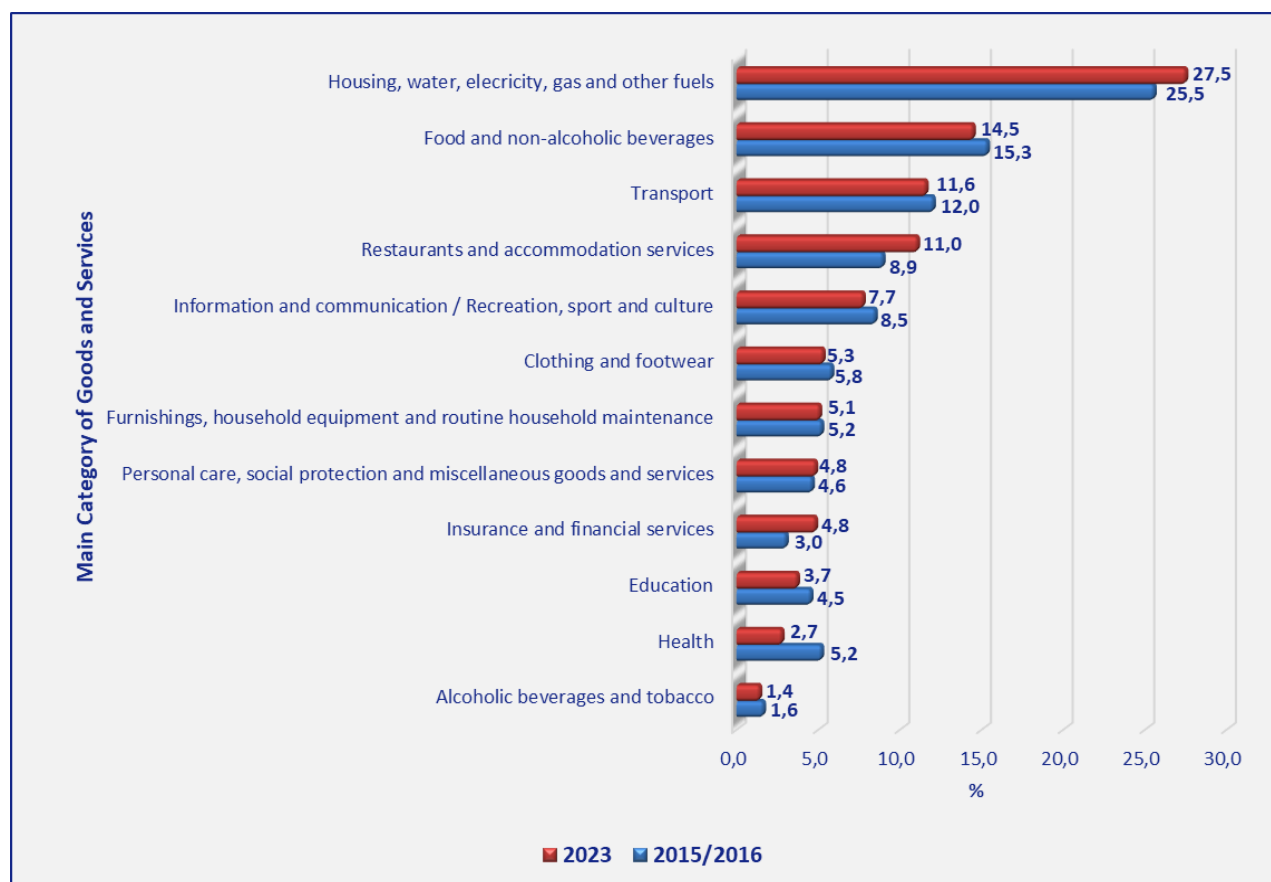
The figure shows that the four categories with the highest percentages remain unchanged in both years that the survey was conducted, maintaining the same ranking. These categories refer to "Housing, water, electricity, natural gas, and other fuels," "Food and non-alcoholic beverages," "Transport," and "Restaurants and accommodation services". Furthermore, the category "Alcoholic beverages and tobacco" presents the lowest percentages, as was the case in 2015/2016.

The following table (Table 2) presents the mean annual consumption expenditure per household (in euro) and the percentage distribution for 2023, classified into thirteen (13) main categories of goods and services. According to the survey results, the following amounts were spent in the four categories with the highest expenditure mentioned above: "Housing" mean annual consumption expenditure of €11.884, "Food and non-alcoholic beverages" €6.254, "Transport" €5.004, and "Restaurants and accommodation services" €4.777. Conversely, in the category "Alcoholic beverages and tobacco" which records the lowest mean annual consumption expenditure, the expenditure amounted to just €598.

Table 2: Mean Annual Consumption Expenditure per Household in Euro and Percentage Distribution by Main Category of Goods and Services, 2023

MAIN CATEGORY OF GOODS AND SERVICES		2023	
		EURO	%
TOTAL		43.263	100
01	FOOD AND NON-ALCOHOLIC BEVERAGES	6.254	14,5
02	ALCOHOLIC BEVERAGES AND TOBACCO	598	1,4
03	CLOTHING AND FOOTWEAR	2.276	5,3
04	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	11.884	27,5
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	2.185	5,1
06	HEALTH	1.188	2,7
07	TRANSPORT	5.004	11,6
08	INFORMATION AND COMMUNICATION	1.468	3,4
09	RECREATION, SPORT AND CULTURE	1.870	4,3
10	EDUCATION	1.596	3,7
11	RESTAURANTS AND ACCOMODATION SERVICES	4.777	11,0
12	INSURANCE AND FINANCIAL SERVICES	2.086	4,8
13	PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	2.075	4,8

Table 3 presents the mean annual consumption expenditure by main category of goods and services in euro for 2023, compared to 2015/2016. For the reasons mentioned above, two categories have been combined to enable the comparison.

Table 3: Mean Annual Consumption Expenditure per Household by Main Category of Goods and Services in Euro and Percentage Change, 2015/2016 and 2023

MAIN CATEGORY OF GOODS AND SERVICES		EURO		% CHANGE
		2015/2016	2023	
TOTAL		31.206	43.263	38,6
01	FOOD AND NON-ALCOHOLIC BEVERAGES	4.781	6.254	30,8
02	ALCOHOLIC BEVERAGES AND TOBACCO	502	598	19,1
03	CLOTHING AND FOOTWEAR	1.807	2.276	26,0
04	HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	7.967	11.884	49,2
05	FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	1.615	2.185	35,3
06	HEALTH	1.614	1.188	-26,4
07	TRANSPORT	3.748	5.004	33,5
08 + 09	INFORMATION AND COMMUNICATION / RECREATION, SPORT AND CULTURE	2.638	3.338	26,5
10	EDUCATION	1.408	1.596	13,4
11	RESTAURANTS AND ACCOMODATION SERVICES	2.786	4.777	71,5
12	INSURANCE AND FINANCIAL SERVICES	921	2.086	126,5
13	PERSONAL CARE, SOCIAL PROTECTION AND MISCELLANEOUS GOODS AND SERVICES	1.420	2.075	46,1

It is observed that in all the main categories of goods and services there were increases in expenditure compared to 2015/2016, with the exception of the category of "Health", where a decrease of 26,4% was recorded. The largest increase in expenditure was recorded in the category "Insurance and financial services", where expenditure increased by 126,5%. It is worth noting that these two categories are linked, since the reduction in healthcare expenditure is attributed to the implementation of the General Health System (GHS), while the significant increase in the "Insurance and financial services" category, is due to the contributions households are required to pay to the GHS. A significant increase was also recorded in the category "Restaurants and accommodation services", where expenditure increased by 71,5%, as well as in the category "Housing", where the increase amounted to 49,2%.

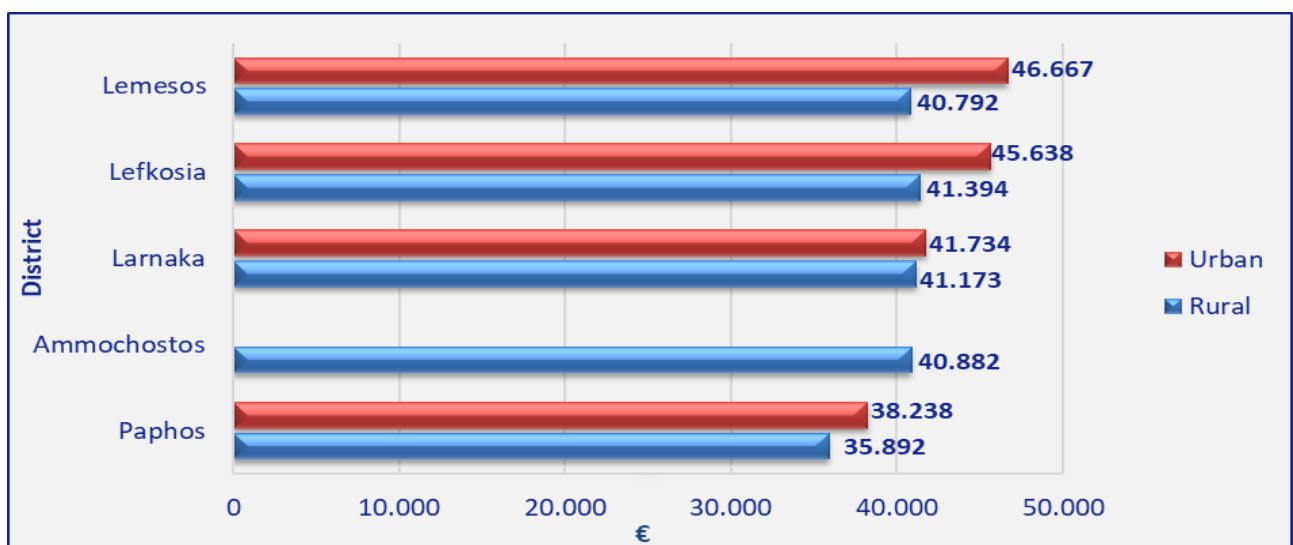## A.2 Consumption Expenditure by District, Urban and Rural Areas

The mean annual consumption expenditure by district is presented in figure 4. Lemesos has the highest mean annual consumption expenditure, which is slightly higher than that of Lefkosia, while Paphos records the lowest.

Figure 4: Mean Annual Consumption Expenditure per Household in Euro by District, 2023
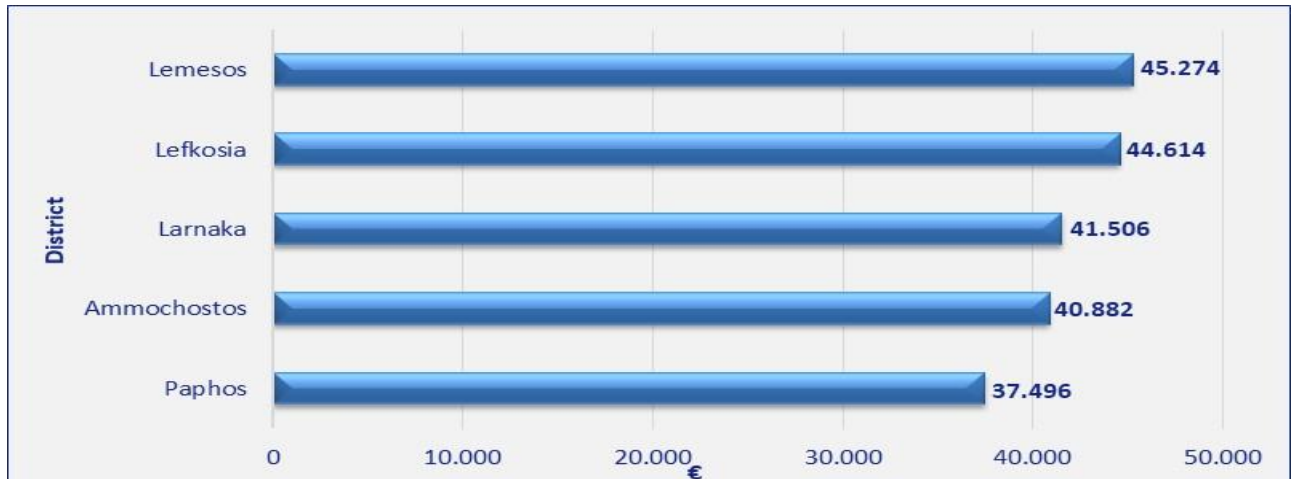
By further examining the expenditure by district and by urban and rural areas (Figure 5), we observe that expenditure in the urban areas in each district is higher than in the rural areas. The biggest difference in expenditure between urban and rural areas within the same district, is recorded in the district of Lemesos. In the particular district, the mean consumption expenditure in rural areas is by 12,6% lower than the corresponding expenditure in urban areas. This is followed by the district of Lefkosia, where rural areas have expenditure that are 9,3% lower than those in urban areas. The smallest difference is observed in the Larnaca district, where rural areas record a 1,3% lower expenditure compared to urban areas.

Figure 5: Mean Annual Consumption Expenditure per Household in Euro by District and Urban/Rural Areas, 2023

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

The figure that follows (Figure 6) presents the differences in the structure of the percentage distribution of consumption expenditure between the 10% poorest households (that is, households in the first income decile, with mean annual net income of €12.529), and the 10% wealthiest households (that is, households in the highest income decile, with mean annual net income of €142.066).

In both of these categories, the highest percentage of the households' annual budget is allocated to "Housing". However, there are significant differences across the remaining categories. Specifically, among the poorest households, the second-largest expenditure category is "Food and non-alcoholic beverages", accounting for 24,7%, whereas in the wealthiest households, the same category ranks forth, with 9,6%. On the contrary, for the wealthiest households, the second-largest category is "Restaurants and accommodation services," at 13,2%, while in the poorest households this category ranks fourth, with 6,5%. Significant differences are also recorded in the categories of "Education" and "Transport."

Figure 6: Percentage Distribution of Consumption Expenditure at the Lowest and Highest Income Decile by Main Category of Goods and Services, 2023
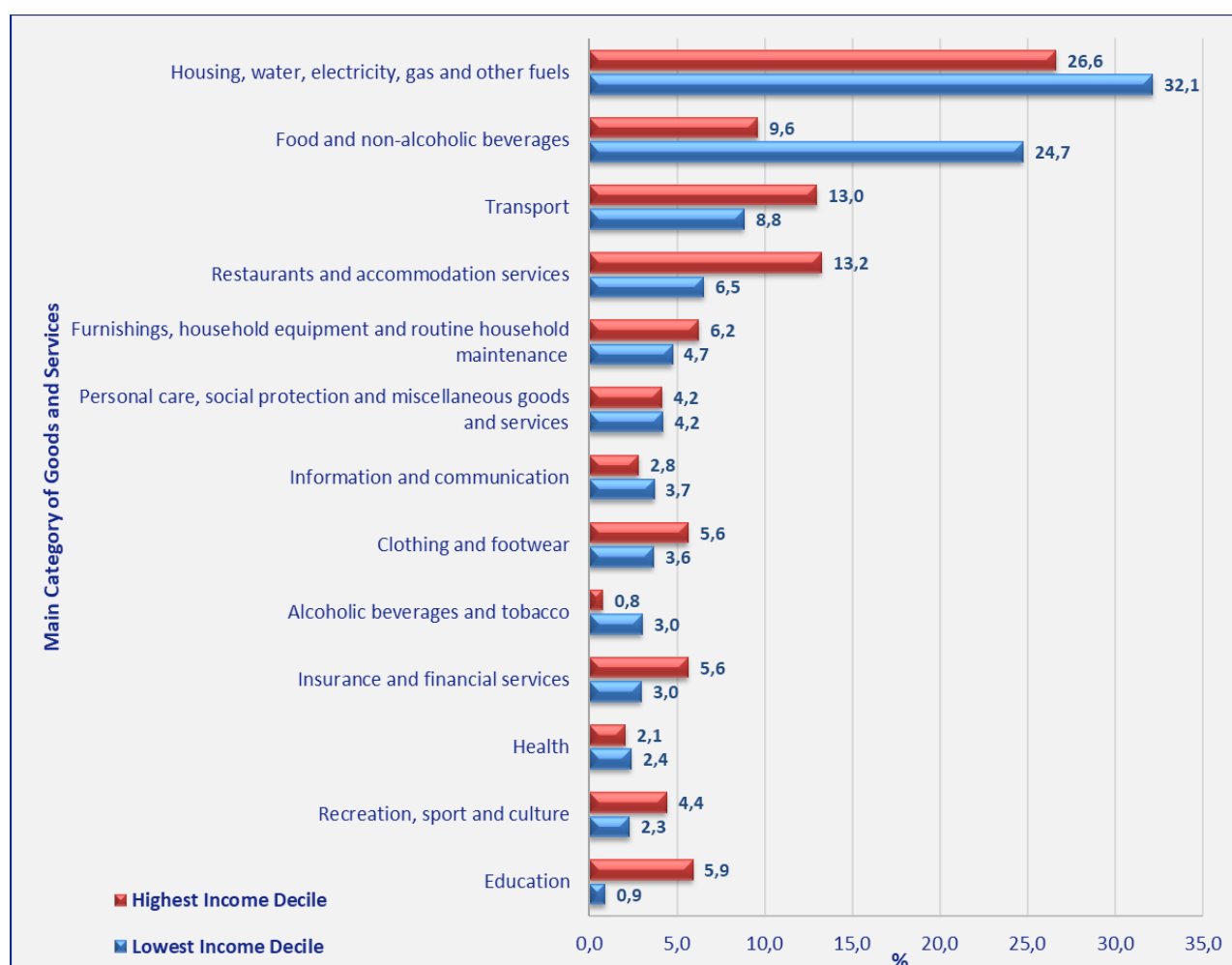
The following figure (Figure 7) presents the mean annual consumption expenditure in euro by income decile, as well as the percentage of total expenditure that is allocated to housing and food. As shown in the figure, households in the two lowest deciles (I, II), allocate more than 50% of their total annual expenditure in these two categories. This percentage gradually decreases across the higher deciles, with the highest income decile (X) recording the lowest share, at 36,2%.

Figure 7: Percentage of Housing and Food Expenditure per Household in terms of the Total Mean Annual Consumption Expenditure per Income Decile, 2023
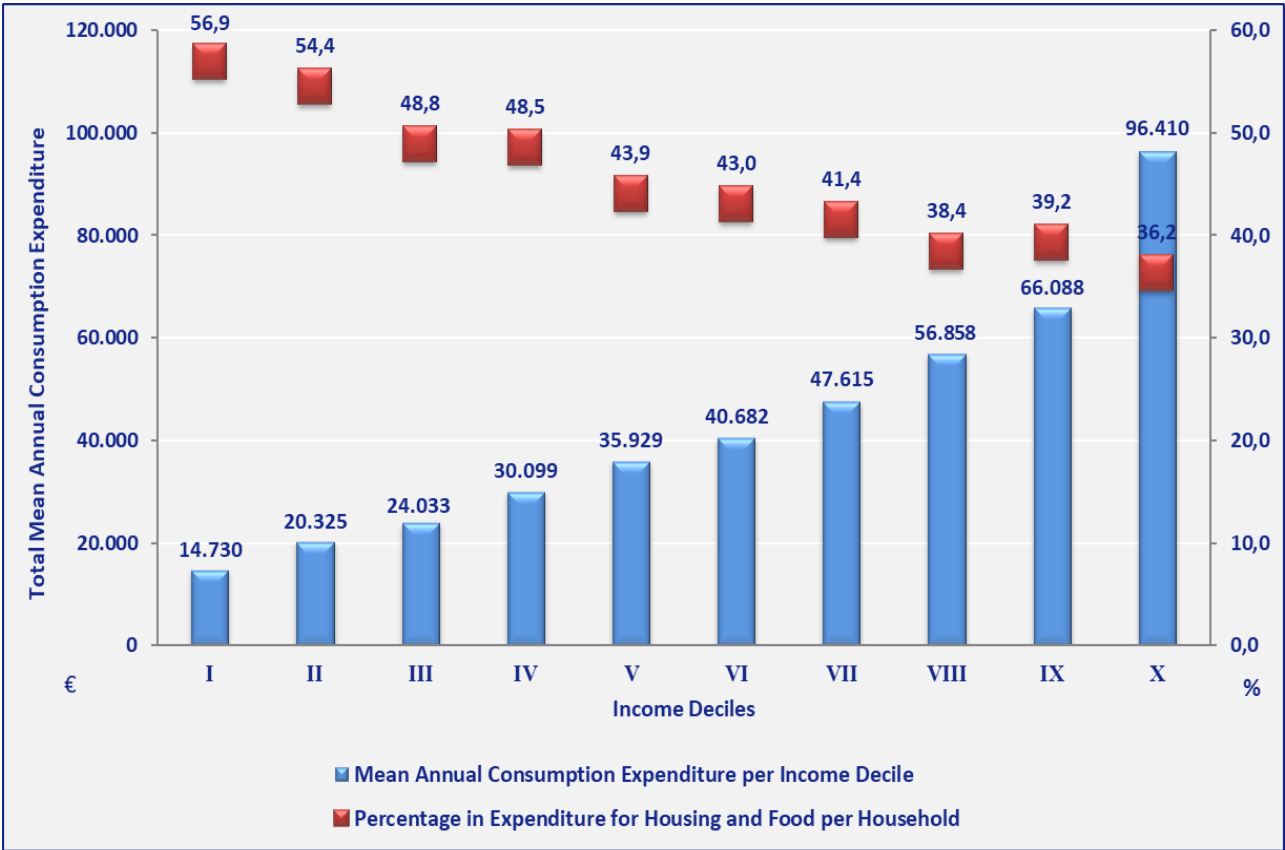
A.4 Consumption Expenditure per Adult Equivalent

The mean annual consumption expenditure per adult equivalent for 2023 amounted to €25.216, compared to €17.671 in 2015/2016 (Figure 8). This corresponds to an increase of 42,7% compared to 2015/2016.

In urban areas, the mean annual consumption expenditure per adult equivalent for 2023 was €26.265, compared to €18.364 in 2015/2016, recording an increase of 43,0%. Respectively, in rural areas, the mean annual consumption expenditure per adult equivalent for 2023 was €23.046, compared to €16.250 in 2015/2016, presenting an increase of 41,8%. Moreover, the mean annual consumption expenditure per adult equivalent in urban areas for 2023 is by 14,0% higher than in rural areas.

Figure 8: Mean Annual Consumption Expenditure per Adult Equivalent in Urban and Rural Areas in Euro, 2009, 2015/2016 and 2023

The following figure (Figure 9), presents the mean annual consumption expenditure per adult equivalent across all income deciles. As shown in the figure, the mean annual consumption expenditure per adult equivalent at the lowest income decile amounted to €11.537, while in the highest decile it reached €48.137. Additionally, the share of total consumption expenditure per income decile to the overall consumption expenditure is presented. The lowest income decile accounts for 4,7% of the total consumption expenditure, while the highest income decile accounts for 19,3% of the total consumption expenditure.

Figure 9: Mean Annual and Percentage Distribution of Consumption Expenditure per Adult Equivalent and by Income Decile, 2023
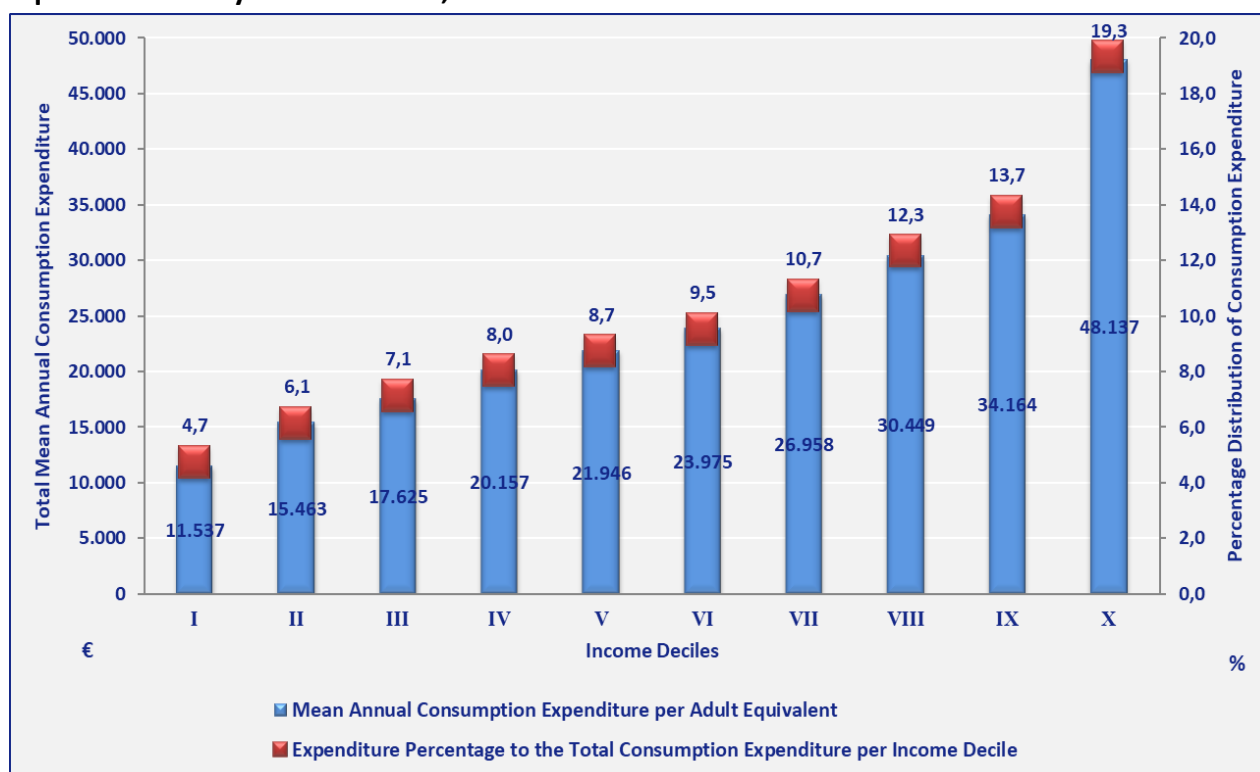
A.5 Consumption Expenditure in relation to various Socioeconomic Characteristics of the Household

Consumption Expenditure per Household

Households where the reference person holds a non-manual occupation in the public sector, report the highest mean annual consumption expenditure, which amounts to €64.137. This amount is 48,2% above the mean consumption expenditure of all households.

They are followed by two nearly equivalent categories, where the reference person is employed in:

• A non-manual occupation in the private sector, with a mean annual expenditure of €50.334, an amount 16,3% above the overall mean consumption expenditure.

• A manual occupation in the public sector, with a mean annual expenditure of €49.050, an amount 13,4% above the overall mean consumption expenditure.

In contrast, households where the reference person belongs to the category of the non-economically active population (excluding pensioners - including housewives, chronically ill people and income recipients), record the lowest mean annual consumption expenditure, which amounts to €26.368. This amount is 39,1% lower than the overall mean consumption expenditure.

Next are households where the reference person is a pensioner, with mean annual expenditure of €30.714, an amount 29,0% lower than the overall mean.

Consumption Expenditure per Adult Equivalent

However, it should be noted that the differences in consumption expenditure may be largely due to household size and composition. For this reason, a better basis for comparison is the calculation of consumption expenditure per adult equivalent, as this limits the effects related to household composition and size.

Based on expenditure per adult equivalent, households where the reference person of the household holds a non-manual occupation in the public sector continue to record the highest mean consumption expenditure, which amounts to €31.147 per adult equivalent. This amount is 23,5% higher than the overall mean consumption per adult equivalent, reflecting the difference more realistically compared to the 48,2% which is recorded when the comparison is made at the household level.

Next are households where the reference person holds a non-manual occupation in the private sector, with expenditure amounting to €28.876 per adult equivalent. This amount is 14,5% higher than the mean, compared to 16,3% when measured at the household level.

In contrast, the lowest expenditure per adult equivalent is recorded in households where the reference person is employed in a manual occupation in the private sector, with mean annual expenditure of €18.667. This amount is 26,0% lower than the overall mean consumption

expenditure per adult equivalent, compared to 17,9% lower when measured at the household level.

These are followed by households where the reference person belongs to the non-economically active population category (excluding pensioners) with annual expenditure €19.124. This amount is 24,2% lower than the mean, compared to a 39,1% lower figure at the household level (Table 4).

Table 4: Mean Annual Consumption Expenditure per Household and per Adult Equivalent in Euro and by Socioeconomic Status of the Reference Person of the Household, 2023

SOCIOECONOMIC STATUS OF REFERENCE PERSON	MEAN ANNUAL CONSUMPTION EXPENDITURE			
	PER HOUSEHOLD		PER ADULT EQUIVALENT	
TOTAL	43.263=100		25.216=100	
Manual workers except (private sector)	35.522	82,1	18.667	74,0
Non-manual workers (private sector)	50.334	116,3	28.876	114,5
Manual workers (public sector)	49.050	113,4	23.077	91,5
Non-manual workers (public sector)	64.137	148,2	31.147	123,5
Self-employed persons	43.859	101,4	23.098	91,6
Unemployed	31.630	73,1	20.827	82,6
Pensioners	30.714	71,0	22.342	88,6
Non-economically active population (excluding pensioners)	26.368	60,9	19.124	75,8

Examining the mean annual consumption expenditure per adult equivalent by type of household (Table 5), it can be derived that couples where both persons are under 65 years, record the highest mean annual consumption expenditure per adult equivalent, which amounts to €30.597. This amount is 21,3% higher than the overall mean consumption expenditure per adult equivalent. Next are couples with one child aged up to 16, with expenditure of €27.778, an amount that exceeds the overall mean by 10,2%.

On the contrary, couples with three or more children all aged up to 16, record the lowest mean annual consumption expenditure per adult equivalent, which amounts to €19.898, an amount just 78,9% of the overall mean.

Table 5: Mean Annual Consumption Expenditure per Household and per Adult Equivalent in Euro and by Household Type, 2023

TYPE OF HOUSEHOLD	MEAN ANNUAL CONSUMPTION EXPENDITURE			
	PER HOUSEHOLD		PER ADULT EQUIVALENT	
TOTAL	43.263=100		25.216=100	
One person household aged 65 or over	21.993	50,8	21.993	87,2
One person household aged 64 or under	24.602	56,9	24.602	97,6
One person with children aged up to 16	32.039	74,1	22.055	87,5
Couple, with at least one person aged 65 or over	35.484	82,0	23.656	93,8
Couple, with both persons under 65	45.896	106,1	30.597	121,3
Couple with one child aged up to 16	50.532	116,8	27.778	110,2
Couple with two children, both aged up to 16	53.565	123,8	25.138	99,7
Couple with three or more children, all aged up to 16	50.007	115,6	19.898	78,9
Single parent or couple with at least one child over 16	62.231	143,8	26.778	106,2
Other household type with all members being related	46.217	106,8	21.258	84,3
Other household type with one or more members not being related	46.131	106,6	22.776	90,3

B. NON - CONSUMPTION EXPENDITURE

The mean annual non-consumption expenditure per household for 2023 amounted to €10.585, compared to €6.654 in 2015/2016, recording an increase of 59,1%. As it can be seen in the subsequent figure (Figure 10), in 2023 there was an increase in total deposits and investments compared to 2015/2016, while on the contrary a decrease was recorded in the total repayment of loans.

Figure 10: Mean Annual Non-Consumption Expenditure per Household in Euro, 2015/2016 and 2023
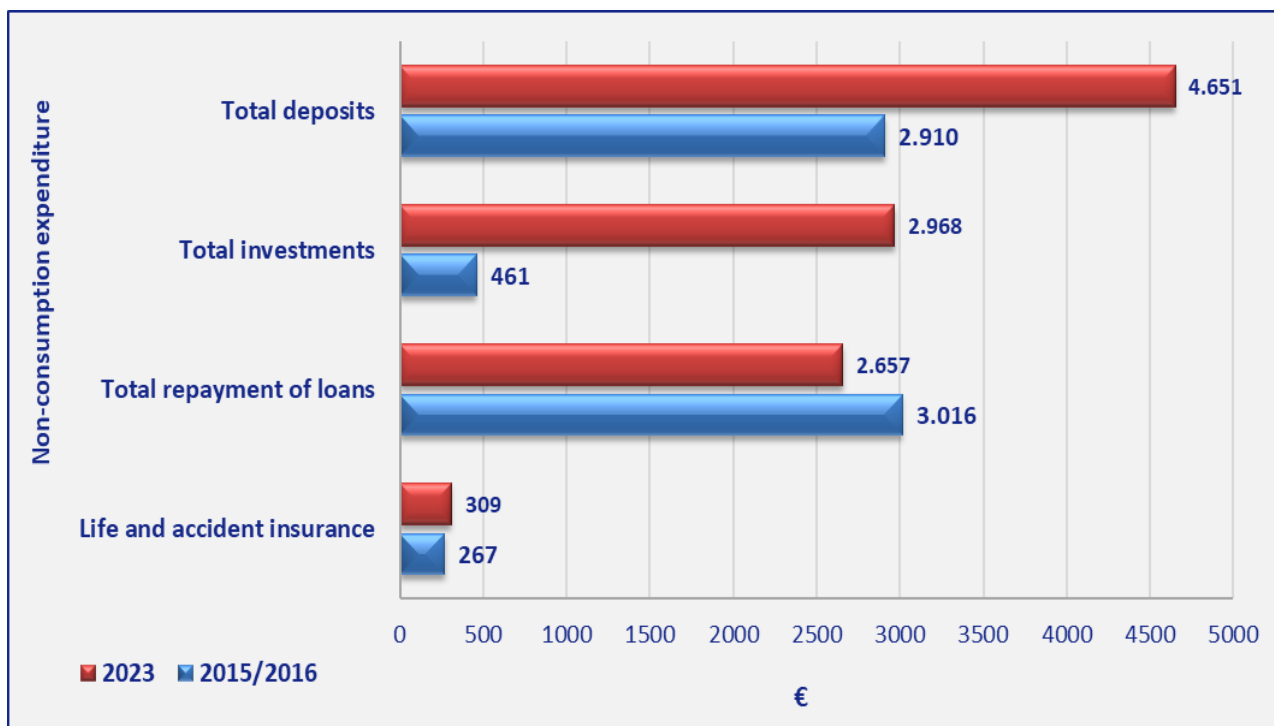
C. INCOME

C.1 Mean Annual Net Income

The mean annual net income per household for 2023 amounted to €48.419, compared to €33.047 in 2015/2016 (Figure 11). An increase of 46,5% in nominal terms and 25,5% in real terms was recorded, compared to 2015/2016.
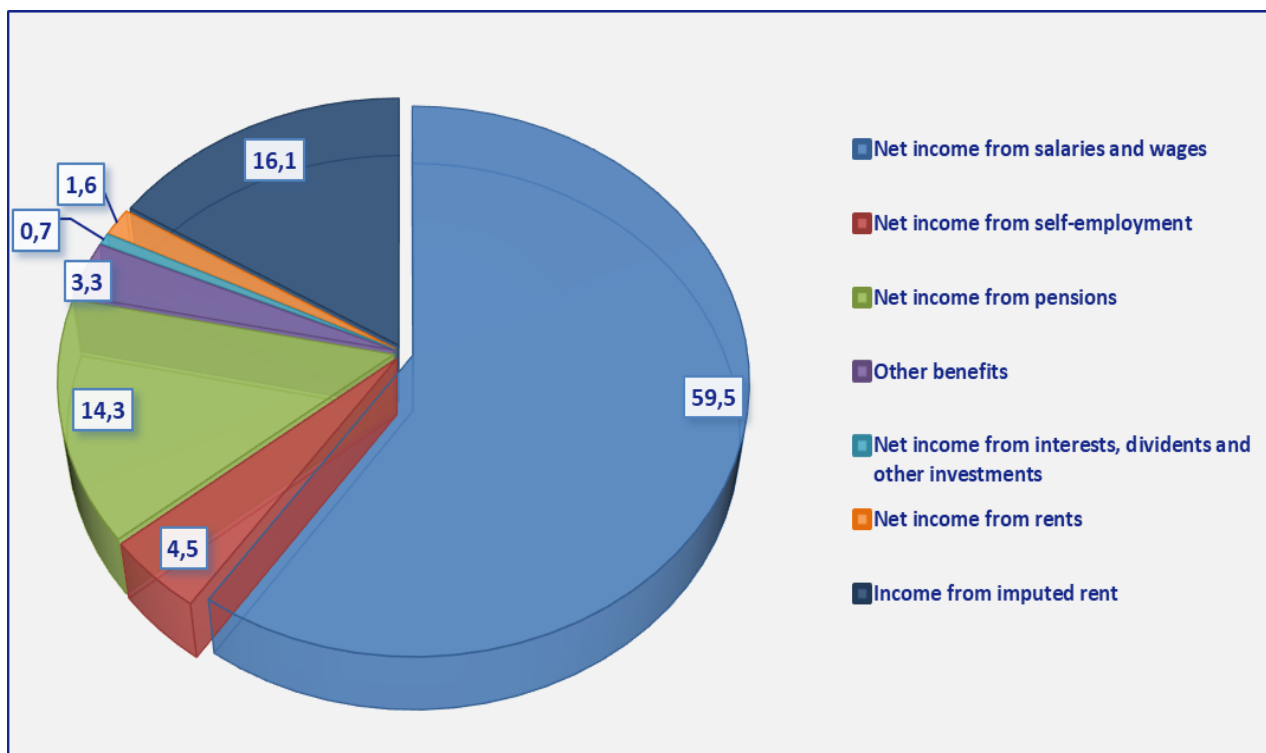
In urban areas, the mean annual net income amounted to €51.382, compared to €34.131 in 2015/2016, recording an increase of 50,5%. Respectively, in rural areas, the mean annual net income amounted to €42.064, compared to €30.704 in 2015/2016, recording an increase of 37,0%. Moreover, in 2023, households in rural areas had an 18,1% lower mean annual net income compared to households in urban areas.

Figure 11: Mean Annual Net Income per Household in Urban and Rural areas in Euro, 2009, 2015/2016 and 2023

Net income from salaries and wages, self-employment, interests, dividends and other investments, as well as from rent (including imputed rent) constitutes 82,4% of the total net income per household for 2023 (€39.897). The remaining 17,6% (€8.522) of the total net household income for 2023 consists of pensions, lump sum payments from redundancy fund and benefits. The percentage distribution of income by source is presented in the following figure (Figure 12).

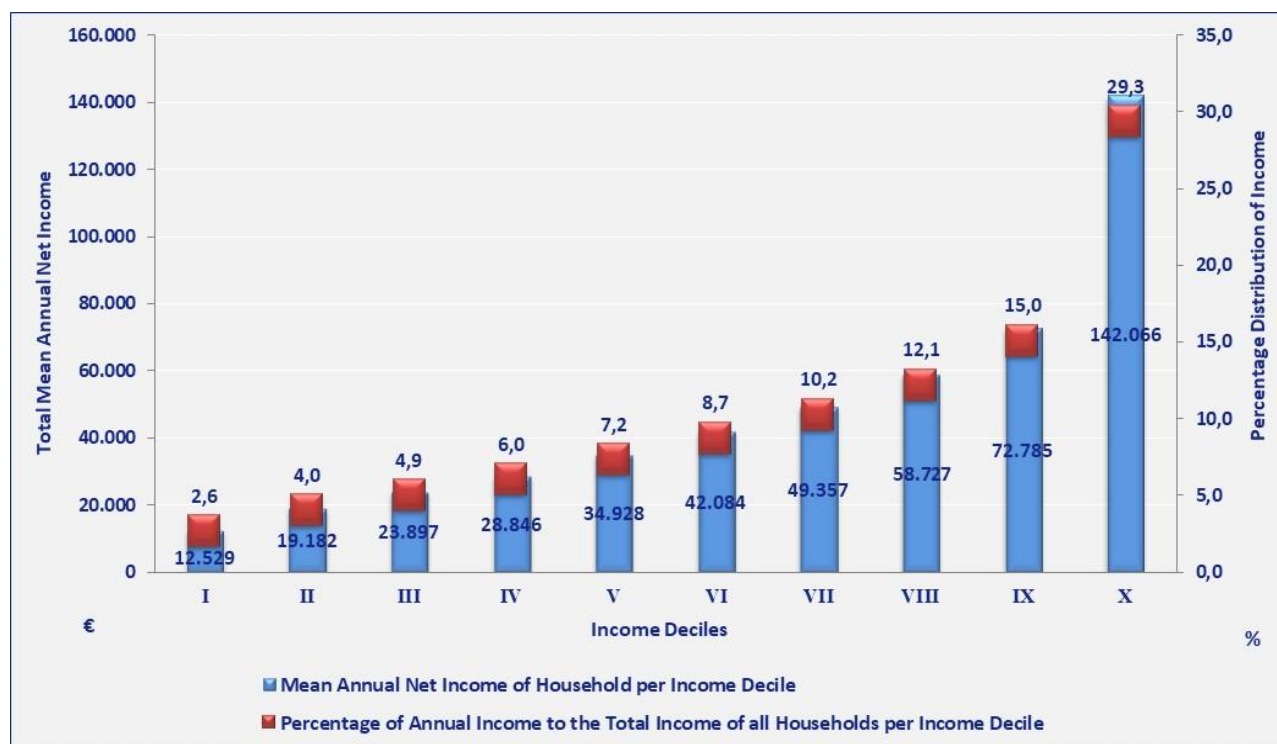**Figure 12: Percentage Distribution of Income by Source, 2023**

C.2 Income Deciles

The mean annual net income per household at the lowest and highest income decile, amounted to €12.529 and €142.066, respectively. This means that the 10% of the households with the lowest income had mean annual net income of €12.529, while the 10% of the households with the highest income had mean annual net income of €142.066.

In Figure 13, the mean annual net income per household as well as the percentage distribution of total annual net income 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 total household income, while the respective percentage for the wealthiest 10% of households (decile X) was 29,3%.

Figure 13: Mean Annual Net Income and Percentage Distribution of Household Annual Net Income by Income Decile, 2023

A better measure of comparison for income is income per adult equivalent. In Figure 14, the mean annual net income per adult equivalent for each income decile is presented. As it is derived from the figure, the mean annual net income per adult equivalent at the lowest and highest income decile amounted to €9.884 and €76.484, respectively.

Moreover, in same the figure, the percentage of the total annual net income that corresponds to each income decile is presented. Specifically, the lowest income decile (I) holds 3,5% of the total income, while the highest decile (X) holds 27,7% of the total income.

Figure 14: Mean Net Annual Income and Percentage Distribution of Annual Net Income per Adult Equivalent by Income Decile, 2023

Legend:
- ■ Mean Annual Net Income per Adult Equivalent
- ■ Percentage of Annual Equivalised Income to the Total Equivalised Income per Income Decile

Chart data:

Income Decile	Mean Annual Net Income per Adult Equivalent (€)	Percentage Income Distribution (%)
I	9.884	3,5
II	14.250	5,0
III	16.547	5,9
IV	19.266	6,8
V	21.727	7,7
VI	24.317	8,7
VII	27.544	9,7
VIII	32.036	11,3
IX	38.492	13,7
X	76.484	27,7
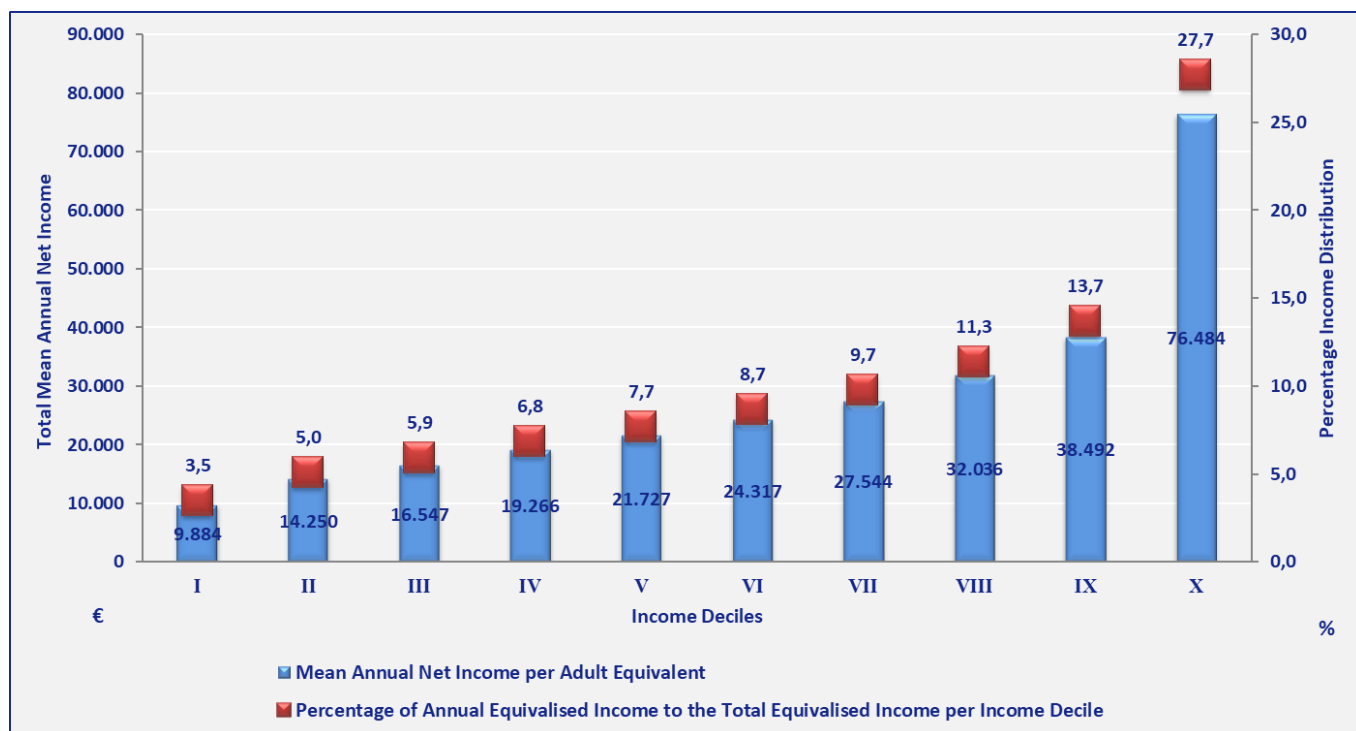
C.3 Income Distribution in relation to various Socioeconomic Characteristics of the Household

The survey data indicate that household income is directly related to the number of employed members within each household. Specifically, households in which the reference person, spouse, and at least one other member were employed, recorded the highest mean annual net income, amounting to €82.423. This corresponds to 170,2% of the overall mean household income. In contrast, households in which no member was employed had the lowest mean annual net income, which amounted to €29.392. This amount corresponds to 60,7% of the overall mean annual net household income.

However, these percentages are not entirely comparable, as they do not consider the household size. A more accurate approach is to examine the mean annual net income per adult equivalent. According to this analysis, the highest income is no longer recorded in households where the reference person, the spouse and at least one other member are employed, but rather in households where only the reference person and the spouse are employed. In this case, the mean annual net income per adult equivalent amounts to €33.716, which corresponds to 119,5% of the overall mean annual net income per adult equivalent.

A similar variation is observed at the lowest mean annual income per adult equivalent. Specifically, the lowest income per adult equivalent is not recorded in households where nobody works, but in those where neither the reference person nor the spouse is working but at least one other member works. In this case, the mean annual net income per adult equivalent amounts to €21.277, which corresponds to 75,4% of the overall mean net income per adult equivalent.

Table 6: Mean Annual Net Income per Household and per Adult Equivalent in Euro by Economic Situation of the Household, 2023

ECONOMIC SITUATION OF THE HOUSEHOLD	MEAN ANNUAL NET INCOME			
	PER HOUSEHOLD		PER ADULT EQUIVALENT	
TOTAL	48.419 = 100		28.222 = 100	
Reference person, spouse and other member/s are working	82.423	170,2	31.284	110,8
Only reference person and spouse are working	67.302	139,0	33.716	119,5
Either reference person or spouse is working and at least one other member is working	62.230	128,5	27.432	97,2
Either reference person or spouse is working and no other member is working	37.661	77,8	25.588	90,7
Neither reference person nor spouse is working but at least one other member is working	37.637	77,7	21.277	75,4
Nobody is working	29.392	60,7	22.934	81,3

The distribution of income is also linked to the socioeconomic status of the reference person. Specifically, households in which the reference person worked in non-manual work in the public sector had the highest mean annual net income, which amounted to €69.359, an amount corresponding to 143,2% of the overall mean annual net income. On the contrary, households in which the reference person belongs to the category of the non-economically active population (excluding pensioners) had the lowest mean annual net income, €26.945, which corresponds to 55,6% of the overall mean annual net income of households.

However, it should be noted that these percentages are not entirely comparable, as they do not consider the size of the household. Examining the data per adult equivalent, the highest percentage, 123,1% of the overall mean annual net income per adult equivalent, is recorded in households where the reference person works in non-manual work in the private sector.

In contrast, the lowest mean annual net income per adult equivalent is recorded in households where the reference person is a manual worker in the private sector, with the income corresponding to 66,7% of the overall mean annual net income per adult equivalent. This is followed by households where the reference person belongs to the category of the non-economically active population (excluding pensioners), where the corresponding percentage amounts to 69,2% of the overall mean per adult equivalent.

Table 7: Mean Annual Net Income per Household and per Adult Equivalent in Euro and by Socioeconomic Status of the Reference Person of the Household, 2023

SOCIOECONOMIC STATUS OF THE REFERENCE PERSON	MEAN ANNUAL NET INCOME			
	PER HOUSEHOLD		PER ADULT EQUIVALENT	
TOTAL	48.419=100		28.222=100	
Manual workers (private sector)	35.813	74,0	18.820	66,7
Non-manual workers (private sector)	60.539	125,0	34.731	123,1
Manual workers (public sector)	48.516	100,2	22.826	80,9
Non-manual workers (public sector)	69.359	143,2	33.683	119,4
Self-employed persons	45.404	93,8	23.911	84,7
Unemployed	33.482	69,2	22.046	78,1
Pensioners	34.589	71,4	25.161	89,2
Non-economically active population (excluding pensioners)	26.945	55,6	19.542	69,2

VI. ANALYTICAL TABLES

All the analytical tables related to the Household Budget Survey 2023 are available on the online database of the Statistical Service CYSTAT-DB, at the following link:

https://cystatdb.cystat.gov.cy/pxweb/en/8.CYSTAT-DB/8.CYSTAT-%20DB__Living%20Conditions,%20Social%20Protection__