

THE ECONOMY & YOU

Household Expenditure

The Household Expenditure Survey is designed to obtain information about the pattern of expenditure of households throughout the country. Today, we will show you the importance of supplying accurate information for the survey.

Household Expenditure Surveys have several purposes. First, they provide data on what families spend and on the consumption of goods and services. This information is needed to establish and to revise the Consumer Price Index or CPI about which we spoke in an earlier programme.

Secondly, the details on consumer purchases, along with estimates of the value of gifts are useful in compiling the National Income Accounts.

Thirdly, the survey provides a lot of useful information. For example, in the business community, the data can be used to analyse consumer demand. If the supermarket chains know what brand of corned beef or detergent their customers prefer, they'll be able to keep these items in stock.

In addition, data from the survey are valuable to agencies interested in studying the welfare of particular segments of the population.

A sample of households is selected and information is obtained from those households concerning their spending. Households selected are asked to provide information on the amount of money they spend on food, drink, clothing, household goods, transportation, rent, entertainment, and on all other types of

household goods and services on which money was spent during the survey period.

All items used by the household but not purchased for cash would also be identified. In some countries, households produce various agricultural crops for their own consumption. This would also be included in the survey.

The sample households provide data that are used to establish patterns of household expenditure throughout the island. It is very important that the data are accurate. Any error from even one household, will be reflected in the total. This may result in inaccurate estimates of total expenditure.

Most ECCU countries would have conducted household expenditure surveys in the last five years. The year the survey was conducted is now the base year of CPI.