

Federated States of Micronesia

Household Income and Expenditure Survey 2013/14

Main Analysis Report

(December 2014)



Statistics Division

Office of Statistics, Budget & Economic Management, Overseas Development

Assistance and Compact Management

Government of the Federated States of Micronesia

funding and technical support provided by:



Japan
Fund for
Poverty
Reduction



SPC
Secretariat
of the Pacific
Community

Photo courtesy:

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Chuuk – Statistics Office

Pohnpei – Dana Lee Ling

Kosrae – Phillip Ritter

FOREWORD

It is with great pleasure that we disseminate and communicate the results of the Federated States of Micronesia (FSM) 2013/14 Household Income & Expenditure Survey (HIES). This major accomplishment is the third of its kind to be conducted in the FSM. The last HIES was in 2005. The 2013/14 HIES is distinctly different from the previous ones because fieldwork was undertaken over a one-year period as opposed to the conventional two weeks of fieldwork practiced in the previous surveys. The extension of the fieldwork duration was to capture seasonal expenditures/incomes, a common occurrence in the FSM.

While the survey collects a wealth of information and has the potential to meet many objectives, the main objectives of the survey were to rebase the Consumer Price Index (CPI) basket; to supplement data in compiling components of National Accounts, Balance of Payment and other economic indicators; and to enable further analysis on poverty. Additionally, the survey results provide useful information and indicators on socio-economic situation of households. This information will inform policy makers in framing social developmental policies and in initiating financial measures for improving economic conditions of the people.

The publication is a valuable resource not only for the high end users but also for the casual readers with general interest in financial situations at the household level in FSM. The main table output centers around income and expenditure which is further broken down to finer details such as on consumption of Food and Non-Alcohol Beverages, Alcohol Beverages and Tobacco, Clothing and Footwear, which are some of the finer level details that are presented in the report.

The publication complements findings from previous surveys such as the 2010 Census and 2005 HIES, and other statistical publications, allowing for additional trend analysis.

The project was made possible through financial support provided by the Government of FSM and the Asian Development Bank (ADB) through the Japan Fund for Poverty Reduction (JFPR) Program. We are also grateful for the continued and valuable technical support from the Statistics for Development Division (SDD) of the Secretariat of the Pacific Community (SPC).

It is extremely important to extend special appreciation to the FSM households who participated and responded to the survey. The successful completion of the survey would not have been possible without their cooperation and contribution.

Finally, I would like to recognize the Division of Statistics, including the state statistics branch offices, Office of SBOC for the successful implementation of this project and to the several individuals who in any other capacity contributed to the work.

I hope the readers of this report have a productive and enlightening reading experience.



Evelyn Adolph
Director

ACKNOWLEDGEMENTS

On behalf of the FSM Statistics Division I acknowledge with great appreciation the financial and technical support towards the 2013/14 HIES from the Congress of the Federated States of Micronesia and the Asian Development Bank (ADB) through the Japan Fund for Poverty Reduction (JFPR) Program. I would also like to thank the Secretariat of the Pacific Community, Statistics for Development Division (SPC-SDD) for the technical expertise and facilitation of technical attachment(s) of the FSM Statistics staff to produce this report and the subsequent reports that will follow.

I extend a special thank you to the statistics staff, both at the national and state offices, for the successful implementation and completion of the 2013/14 HIES. Their dedication over the long period of the survey and their commitment to achieving the required tasks had yielded outputs of high quality.

I wish to further extend my utmost gratitude to the HIES field teams (interviewers, supervisors and quality control officers) and the FSM households. The successful completion of the survey would not have been possible without the persistence of the field teams in their tasks and cooperation of the households.

The findings of the 2013/14 HIES will provide updated socio-economic information required for policy and strategic planning development. With the continuing decrement of Compact funding it is ever more crucial that resource-use planning be evidence-based. It is therefore the vision of the FSM Statistics Office that the survey results will generate the highest level of interest from planning bodies like politicians and government authorities, and those in the general public as well.

The FSM Statistics aims at achieving a well informed and empowered society and public sector that will confidently shape the country's future. Thus, it looks forward to working with other national agencies and development partners in developing further outputs that may inform sectoral plans and reports, utilizing the HIES information. Outputs from such collaborative exercise promote the practice of a coherent planning process that directly links to the FSM's Strategic Development Plan (SDP).

As the publication contains the most current and best available statistics on household income and expenditure patterns, I encourage everyone to fully utilize the information presented in the publication.

Feedback or inquiries regarding this publication can be directed to the Statistics Division, Office of Statistics, Budget & Economic Management, Overseas Development Assistance and Compact Management (SBOC).



Mathew Chigiya
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TABLE OF CONTENTS

Content	Page
FOREWORD	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF ANALYSIS TABLES	iv
LIST OF FIGURES	v
LIST OF APPENDICES TABLES	v
ABBREVIATIONS AND SYMBOLS USED IN DOCUMENT	vi
SECTION 1 – SURVEY OVERVIEW	1
INTRODUCTION	1
BACKGROUND	1
SURVEY OBJECTIVES	2
SECTION 2 – DEMOGRAPHIC PROFILE	4
INTRODUCTION	4
DEMOGRAPHIC ANALYSIS	4
<i>Estimated Population of FSM at the time of the HIES</i>	4
<i>Comparison in Population Structures: Census 2010 vs. HIES 2013/14</i>	5
SECTION 3 – EXPENDITURE ANALYSIS	8
INTRODUCTION	8
<i>Formation of Main Expenditure Categories</i>	8
<i>Finer Level Divisions and Sub-categories for Main Expenditure Analysis</i>	8
<i>Type of expense</i>	9
EXPENDITURE ANALYSIS – MAIN TABLES & GRAPHS	11
<i>Distribution of Household Expenditure by Major categories</i>	11
<i>Annual Expenditure Amounts by Category & Type</i>	13
<i>Distribution of Consumption Expenditure by Detailed COICOP Class</i>	17
<i>Distribution of Household Expenditure by Category and Type</i>	25
<i>Percentage of Households with Certain Types of Expenditure</i>	27
<i>Comparison of Total expenditure: 2005 vs. 2013</i>	28
<i>Household Total Expenditure by Income Quintiles / Deciles</i>	29
<i>Household Total Expenditure by household / Head of Household characteristics</i>	32
<i>Household Total Expenditure by State</i>	38
SECTION 4 – INCOME ANALYSIS	40
INTRODUCTION	40
<i>Formation of Main Income Categories</i>	40
<i>Finer Level Categories for Main Income Analysis</i>	42
<i>Type of income</i>	43
INCOME ANALYSIS – MAIN TABLES & GRAPHS	45
<i>Distribution of Household Income/Receipts by Major category</i>	45
<i>Annual Income Amounts by Category & Type</i>	47
<i>Distribution of Employment Household Income by Detailed Category</i>	50
<i>Distribution of Household Income by Category and Type</i>	52
<i>Percentage of Households with Certain Types of Income/Receipts</i>	54
<i>Comparison of Total Income & Cash Income: 1998, 2005 & 2013</i>	55
<i>Household Total Income by income quintiles / deciles</i>	57
<i>Household Total and Average Income by Head of Household Characteristics</i>	59
<i>Household Total Income by state</i>	62
<i>Share of Remittances in Total Household Income</i>	64
<i>Inequality and Gini index</i>	65
SECTION 5 – SAVING	67
SECTION 6 – BUSINESS AND SUBSISTENCE ACTIVITIES RELATED EXPENDITURES	70
APPENDIX A – ADDITIONAL EXPENDITURE TABLES	74
APPENDIX B – ADDITIONAL INCOME TABLES	81
APPENDIX C – DETAIL OF EXPENDITURE SUB-CLASS LEVEL	95

LIST OF ANALYSIS TABLES

Table 2.1: Population by state, Census 2010 vs. HIES 2013/14 (estimated mid-point).....	4
Table 2.2: Comparisons of average household size by state; Census 2010 vs. HIES 2013/14.....	5
Table 2.3: Comparison of sex-ratios by state; Census 2010 vs. HIES 2013/14.....	5
Table 2.4: Comparison of place of birth (%), Census 2010 vs. HIES 2013/14.....	7
Table 3.1: Total annual household expenditure by expense category and expense type (US\$ 000).....	14
Table 3.2: Average annual household expenditure by expense category and expense type (US\$).....	15
Table 3.3: Average annual per-capita expenditure by expense category and expense type (US\$).....	16
Table 3.4: Distribution of household expenditure within group by expense category and expense type.....	25
Table 3.5: Distribution of household expenditure within total by expense category and expense type.....	26
Table 3.6: Percentage of households with expenditure by expense category and expense type.....	27
Table 3.7: Total annual expenditure, 2005 & 2013 (following the 2005 classification).....	28
Table 3.8: Percentage of home production in the food consumption, 2005 & 2013.....	29
Table 3.9: Total annual expenditure by total household income deciles and quintiles.....	29
Table 3.10: Total annual expenditure by division (COICOP and non-consumption) and income quintile (US\$ 000 & %).....	30
Table 3.11: Average annual and monthly household expenditure by total income deciles and quintiles.....	31
Table 3.12: Expenditure composition by expenditure type and income deciles (%).....	32
Table 3.13: Distribution of household expenditure by divisions (COICOP and non-consumption) and household size (%).....	34
Table 3.14: Distribution of households by household head characteristics.....	35
Table 3.15: Distribution of households by total income quintiles and sex of household head.....	35
Table 3.16: Average monthly household expenditure and percentage by expenditure division and sex of the household head.....	35
Table 3.17: Average monthly household expenditure (US\$) and percentage by expenditure division and age of household head.....	37
Table 3.18: Average monthly household expenditure (US\$) and percentage by division and work status of the household head.....	37
Table 3.19: Total annual expenditure, population, household, and average per capita household annual expenditure by state.....	38
Table 3.20: Household expenditure distribution by state and income quintile (%).....	39
Table 3.21: Total expenditure breakdown by state (%).....	39
Table 3.22: Total expenditure breakdown expenditure category and state (%).....	39
Table 4.1: Total annual household income by income category and income type (US\$ 000).....	47
Table 4.2: Average annual household income by income category and income type (US\$).....	48
Table 4.3: Average annual per capita income by income category and income type (US\$).....	49
Table 4.4: Total wage & salary income by industry.....	51
Table 4.5: Distribution of household income within group by income category and income type (%).....	52
Table 4.6: Distribution of household income within total by income category and income type (%).....	53
Table 4.7: Percentage of households with income by income category and income type.....	54
Table 4.8: Annual income and distribution of income – comparison 2005 vs. 2013.....	55
Table 4.9: Total household income (excluding imputed rents) – comparison 1998/2005/2013.....	55
Table 4.10: CPI adjusted household income in FSM converted to 2013 price (US\$) and annual real income growth rate (%).....	56
Table 4.11: Average annual and monthly household total income by deciles and quintiles.....	57
Table 4.12: Distribution of income type by total income deciles (%).....	58
Table 4.13: Average annual income by quintiles and states (US\$) – excluded imputed rents.....	58
Table 4.14: Average annual income (US\$) and distribution of the households (%) by sex of household head and state.....	59
Table 4.15: Distribution of households by total annual income group and sex of household head (%).....	60
Table 4.16: Income generation by sex of household head (%).....	60
Table 4.17: Average annual income by work status of household head (US\$).....	61
Table 4.18: Breakdown of total income (cash and non cash) excluding imputed rents by work status of household head.....	61
Table 4.19: Total income, average annual income and breakdown by type of income and state (US\$ 000 and %).....	62
Table 4.20: Total income disaggregated by income source and state (US\$ 000 and %).....	62
Table 4.21: Average annual income (US\$) and income reporting households (%) by income source and state.....	63
Table 4.22: Remittances beneficiaries (%) and average annual amount received (\$) by household head characteristics.....	64
Table 4.23: Gini index –total income vs. cash income.....	66
Table 4.24: Gini index – state comparison, 1998 & 2013.....	66
Table 5.1: Average household saving by income class and state (including imputed rents).....	68
Table 6.1: Percentage of households involved in own employment activities (for cash or own consumption).....	70
Table 6.2: Percentage of households making money in own employment activities.....	70
Table 6.3: Operating and overhead costs by type of own employment activities (US\$ 000 & %).....	71
Table 6.4: Detail of annual total operating and overhead costs by type of activities (US\$).....	72
Table 6.5: Gross income, operating and overhead costs and net income by type of own-employment activity (US\$ 000).....	73

LIST OF FIGURES

Figure 2.1: Population pyramids – Census 2010 vs. HIES 2013/14	6
Figure 3.1: Percentage of expenditure/disbursement by major categories.....	11
Figure 3.2: Percentage of total final consumption expenditure by COICOP divisions (COICOP divisions 1 to 12).....	12
Figure 3.3: Percentage of non-consumption expenditure by sub-category (non COICOP).....	12
Figure 3.4: Percentage of the investment expenditure by sub-category (non COICOP).....	13
Figure 3.5: Percentage breakdown of Food & Beverage division	17
Figure 3.6: Origin of the food items consumed	18
Figure 3.7: Percentage breakdown of Alcohol, Tobacco & Narcotics division.....	18
Figure 3.8: Percentage breakdown of Clothing & Footwear division.....	19
Figure 3.9a: Percentage breakdown of Housing, Water, Electricity & Other Fuels division.....	19
Figure 3.9b: Percentage breakdown of Housing, Water, Electricity & Other Fuels division (excluding imputed rents)	20
Figure 3.10: Percentage breakdown of Furnishings, Household Equipment & Maintenance division.....	21
Figure 3.11: Percentage breakdown of Health division	21
Figure 3.12: Percentage breakdown of Transport division.....	22
Figure 3.13: Percentage breakdown of Communications division.....	22
Figure 3.14: Percentage breakdown of Recreation & Culture division	23
Figure 3.15: Percentage breakdown of Education division.....	23
Figure 3.16: Percentage breakdown of Restaurants & Hotels division	24
Figure 3.17: Percentage breakdown of Miscellaneous Goods & Services division.....	24
Figure 3.18: Average household monthly total expenditure by household size (US\$).....	32
Figure 3.19: Household monthly total expenditure per-capita by household size (US\$).....	33
Figure 3.20: Composition of total expenditure by household size (%).....	33
Figure 3.21: Total household expenditure (%) and average annual per-capita expenditure by state (US\$).....	38
Figure 4.1: Distribution of household total income by major category.....	45
Figure 4.2: Total household income by type of income (US\$ 000).....	46
Figure 4.3: Distribution of cash income by Major category (%).....	46
Figure 4.4: Percentage contribution of main types of employment income to total employment income	50
Figure 4.5: Percentage contribution of main types of subsistence income to total subsistence income	51
Figure 4.6a: Average monthly income adjusted prices (US\$ 2013), current prices (US\$) and Consumer Price Index (CPI).....	56
Figure 4.6b: Disposable household monthly income (US\$) in 2013 price by state.....	57
Figure 4.7: Annual income distribution by state (excluded imputed rents)	59
Figure 4.8: Average annual household total income (excluding imputed rents) by age group of household head (US\$)	60
Figure 4.9: Income generation by age of household head (%).....	61
Figure 4.10: Lorenz curve – distribution of total income and cash income.....	65
Figure 5.1: Contribution to national savings (%).....	67
Figure 5.2: Average annual household savings by states and total income quintiles (US\$).....	67
Figure 5.3: Comparison of average annual total income and expenditure by income groups – including imputed rents (US\$).....	68
Figure 5.4: Average annual saving by characteristics of household head (US\$)	69
Figure 5.5: Average annual saving by household size (US\$).....	69

LIST OF APPENDICES TABLES

A1: Total Monthly Household Expenditure by Expense Category and Expense Type (US\$ 000) - FSM.....	74
A.2: Average Monthly Household Expenditure by Expense Category and Expense Type (US\$) - FSM.....	75
A.3: Average Monthly Per-capita Expenditure by Expense Category and Expense Type (US\$) - FSM.....	76
A.4a: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) - Yap.....	77
A.4b: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) - Chuuk.....	78
A.4c: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) - Pohnpei.....	79
A.4d: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) -Kosrae.....	80
B.1: Total Monthly Household Income by Income Category and Income Type (US\$ 000) - FSM.....	81
B.2: Average Monthly Household Income by Income Category and Income Type (US\$) - FSM.....	82
B.3: Average Per Capita Monthly Income by Income Category and Income Type (US\$) - FSM.....	83
B.4a: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Yap.....	84
B.4b: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Chuuk.....	85

B.4c: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Pohnpei	86
B.4d: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Kosrae.....	87
B.5a: Reporting Households by Income Category, Income Type and State - Yap	88
B.5b: Reporting Households by Income Category, Income Type and State - Chuuk.....	89
B.5c: Reporting Households by Income Category, Income Type and State - Pohnpei	90
B.5d: Reporting Households by Income Category, Income Type and State - Kosrae.....	91
B.6: Reporting Households, Total and Average Income by Sex of the Household Head - FSM.....	92
B.7: Reporting Households, Total and Average Income by Age of the Household Head, FSM.....	93
B.8: Reporting Households, Total Household Income and Average Household Income by Work Status of Household Head, FSM...	94
C.1: Total Annual Household Expenditure (US\$ 000) and Households Reporting Expenditure (%) by Expense Type and Expenditure Sub-class – FSM.....	95

ABBREVIATIONS AND SYMBOLS USED IN DOCUMENT

ADB	-	Asian Development Bank
CHK	-	Chuuk
CNMI	-	Commonwealth of the Northern Marianas
COICOP	-	Classification of Individual Consumption according to Purpose
CPI	-	Consumer Price Index
EEZ	-	Exclusive Economic Zone
Equip.	-	Equipment
FISIM	-	Financial Intermediation Services Indirectly Measured
FSM	-	Federated States of Micronesia
GDP	-	Gross Domestic Product
Hh/hh	-	Household
HIES	-	Household Income and Expenditure Survey
incl.	-	including
IT	-	Information and Technology
KM/km	-	Kilometers
KSA	-	Kosrae
n.e.c.	-	not elsewhere classified
PNI	-	Pohnpei
SBOC	-	Office of Statistics, Budget & Economic Management, Overseas Development Assistance and Compact Management
SDP	-	Strategic Development Plan
SPC-SDD	-	Secretariat of the Pacific Community – Statistics for Development Division
USA	-	United States of America
–	-	Zero or rounded up value less than 0.01
#	-	Number
%	-	Percent
&	-	And
US\$	-	United States Dollar

SECTION 1 – SURVEY OVERVIEW

INTRODUCTION

This report is the first generated output from the Federated States of Micronesia (FSM) Household Income and Expenditure Survey (HIES) 2013/14. The report provides the following information:

- 1) A Survey Overview
 - a. Background
 - b. Objectives
- 2) Main Analysis
 - a. Demographic Analysis
 - b. Expenditure Analysis
 - c. Income Analysis
- 3) Details on data quality

A secondary report has been produced to address the main methodology issues associated with the survey, focusing on:

- 1) Key Concepts & Definitions
- 2) Survey Procedures
- 3) Survey Materials Adopted
 - a. Questionnaires
 - b. Classification Codes

Aside from these two reports, additional outputs will be produced in the future to address other key survey objectives, as outlined in section 1.3. These shorter specific reports will address key sectors covered in the HIES and other key outputs produced from the survey will address economic statistics.

BACKGROUND

FSM is an independent sovereign island nation consisting of four states – from west to east, Yap, Chuuk, Pohnpei and Kosrae – that are spread across the Western Pacific Ocean. Together, the states comprise around 607 islands (a combined land area of approximately 702 km²) that cover a longitudinal distance of almost 2,700 km just north of the equator. They lie northeast of New Guinea, south of Guam and the Marianas, west of Nauru and the Marshall Islands, east of Palau and the Philippines.

While the FSM's total land area is quite small, it has an exclusive economic zone (EEZ) of more than 2,600,000 km². The capital is Palikir, located on Pohnpei State, while the largest city is Weno, located in Chuuk State.

For administrative purposes, the four states are divided into municipalities (Yap – 20; Chuuk – 40; Pohnpei – 11; Kosrae – 4).

Based on results from the 2010 census, there were an estimated 102,843 persons (Population: Yap – 11.1%; Chuuk – 47.3%; Pohnpei – 35.2%; Kosrae – 6.4%) residing in 16,767 households (Households: Yap – 13.8%; Chuuk – 41.9%; Pohnpei – 37.5%; Kosrae – 6.8%) in FSM.

The Statistics Division conducted the second HIES in 2005, with 1,600 households being selected in the survey, of which 1,380 responded with sufficient data to significantly contribute to the survey analysis (86.3%). For the 2013/14 HIES, 1,988 households were selected in the survey, with 83.7% response rate. 3.2% were classified as out of scope (did not meet residency requirements), 10.5% were vacant, 0.2% of interviews failed after three attempts and 2.4% were unsuccessful for other reasons, such as death or refusal.

The 2013/14 HIES was implemented adopting the newly developed standardized HIES methodology for the Pacific region. The new approach, currently being developed by the Secretariat of the Pacific Community (SPC), has resulted in better survey forms being used for data collection, and involved collecting the data over a 12 month period to account for seasonal factors, and keep field team to a smaller better qualified group which will also see significant improvements in data quality. This is a significant change from the 2005 HIES where data collection took place over a 2-week period only.

Economic changes between HIES 2005 and HIES 2013/14

During the 2005 HIES the economy was recovering from the collapse of garment exports after the 2004 expiration of the World Trade Organization's Agreement on Textiles and Clothing. Since then, real gross domestic product (GDP) had 3 years of contraction (2006 to 2008), with GDP growth reported for 2009 to 2011 and in 2013 (zero growth in 2012). Real GDP for 2013 decline by US\$ 6.9 million since the 2005 HIES - on a per capita basis, real GDP decline from US\$ 2,320 to US\$ 2,293 between 2005 and 2013 respectively (3%).

The contracting Compact of Free Association agreement with the United States remains effective until 2023 and the sale of fishing licenses to foreign vessels, which have bolstered government revenue.

Public sector jobs continue to dominate the employment structure, with private sector employment remaining at about 40% of total over the past decade. In this period, the FSM economy lost a net total of 1,159 jobs - 467 of which were in the private sector.

SURVEY OBJECTIVES

A survey such as a HIES, collects a wealth of information on not just income and expenditure, but also households access and use of certain facilities and assets. It therefore has the potential to meet many objectives.

The standardized HIES being developed for the Pacific region, and being used by FSM for the 2013/14 survey, aims to produce typical key outputs that focus on the following objectives:

- 1) To obtain expenditure weights and other useful data for the revision of the consumer price index;
- 2) To supplement the data available for use in compiling official estimates of various components in the systems of national accounts;

- 3) To supplement the data available for production of the Balance of Payments; and
- 4) To gather information on poverty lines and incidence of poverty throughout FSM.

In addition, the survey outputs aim to produce useful indicators/information for a range of sectors covered in the survey. While the focus is on income/expenditure, household access and use of certain facilities and assets are also analyzed. Short sector based reports will address topics of most importance to Pacific Island nations, such as:

Food security	Education	Gender
Fisheries	Labor Force	Home Production
Agriculture	Transport	Food in general
Health	IT/Communication	Ceremonies/Gift Giving

These outputs will provide basic data for social and economic planning and policy development.

SECTION 2 – DEMOGRAPHIC PROFILE

INTRODUCTION

This section of the report aims to undertake some basic demographic analysis of the characteristics of persons who were part of the 2013/14 HIES sample survey, and compare these to the results from the 2010 Census.

Although the characteristics of the population for the 2010 Census and 2013/14 HIES are not expected to be identical, it is hoped the rough distribution of the two populations will be similar, given the time difference between the two surveys (census date, and mid-point of HIES) was quite close. Similarities in the population structure for the two surveys will support the HIES sample being representative of the FSM population.

DEMOGRAPHIC ANALYSIS

ESTIMATED POPULATION OF FSM AT THE TIME OF THE HIES

The first section of the analysis shows the population counts for the private dwelling population in terms of households and persons for each State and municipality of FSM from the 2010 Census. Using projection data, these figures have been updated to estimate what the count of households and persons was estimated to be during the mid-point of the 2013/14 FSM HIES (April 1, 2014).

As can be seen from this table, it is estimated the overall population has grown from 102,843 reported in the 2010 Census to 103,382¹ in the mid-point of the 2013/14 HIES. This reflects a population increase of 0.5% between both surveys.

The projected number of private households was derived using the same household size as that witnessed in the 2010 census.

Table 2.1: Population by state, Census 2010 vs. HIES 2013/14 (estimated mid-point)

	Census 2010 (population)		HIES 2013/14 (weighted)		% change	
	HHs	Persons	HHs	Persons	HHs	Persons
Yap	2,311	11,377	2,353	11,995	1.8%	5.4%
Chuuk	7,024	48,654	6,819	48,703	-2.9%	0.1%
Pohnpei	6,289	36,196	6,416	36,936	2.0%	2.0%
Kosrae	1,143	6,616	1,089	5,748	-4.7%	-13.1%
Total	16,767	102,843	16,677	103,382	-0.5%	0.5%

¹ Household population from HIES sample that weighted households, not persons, and was based on household projections that was derived from the household listing in the census

COMPARISON IN POPULATION STRUCTURES: CENSUS 2010 VS. HIES 2013/14

The second component of analysis for this section compared the population structure witnessed during the 2010 census with the population structure from the sample of households in the HIES 2013/14.

Comparisons were done for the following:

- 1) Average household size for each state (Table 2.2)
- 2) Sex ratios for each state (Table 2.3)
- 3) General population structure via a population pyramid (Figures 2.1 & 2.2)
- 4) Country of birth breakdown (Table 2.4)

As can be seen from Table 2.2, the average household size is 1.1% higher in the weighted HIES sample (6.2 persons per household) compared to the census (6.1 persons per household). The difference is negligible, confirming the representativeness of the HIES data.

In Table 2.3, the sex ratios differ by less than one percent again confirming the representativeness of the HIES data when compared to 2010 census data.

This is also the case for the population pyramid's showing the difference in the population structure between the census and the HIES data. As stated earlier, whilst it is not expected that these comparisons should show very similar results, the magnitude of the differences is relatively minimal.

The last table, Table 2.4, shows the breakdown of FSM residents in the census and HIES by country of birth. The country of birth figures match – almost exactly – however when reported at the state level, there are discrepancies. It's difficult to interpret why these discrepancies occurred, but it is possibly due to the fact that this analysis was conducted on the un-weighted sample.

Table 2.2: Comparisons of average household size by state; Census 2010 vs. HIES 2013/14

State	Census 2010 (population)			HIES 2013/14 (weighted)			Percentage change
	HHs	Persons	Ave HH size	HHs	Persons	Ave HH size	
Yap	2,311	11,377	4.9	2,353	11,995	5.1	3.6%
Chuuk	7,024	48,654	6.9	6,819	48,703	7.1	3.1%
Pohnpei	6,289	36,196	5.8	6,416	36,936	5.8	0.0%
Kosrae	1,143	6,616	5.8	1,089	5,748	5.3	-8.8%
Total	16,767	102,843	6.1	16,677	103,382	6.2	1.1%

Table 2.3: Comparison of sex-ratios by state; Census 2010 vs. HIES 2013/14

State	Census 2010 (population)			HIES 2013/14 (weighted)			Percentage change
	Males	Females	Sex ratio	Males	Females	Sex ratio	
Yap	5,635	5,742	100.98	5,914	6,081	100.97	0.0%
Chuuk	24,835	23,819	101.04	24,544	24,159	101.02	0.0%
Pohnpei	18,371	17,825	101.03	18,141	18,807	100.96	-0.1%
Kosrae	3,352	3,264	101.03	2,841	2,907	100.98	0.0%
Total	52,193	50,650	101.03	51,440	51,954	100.99	0.0%

Figure 2.1: Population pyramids – Census 2010 vs. HIES 2013/14

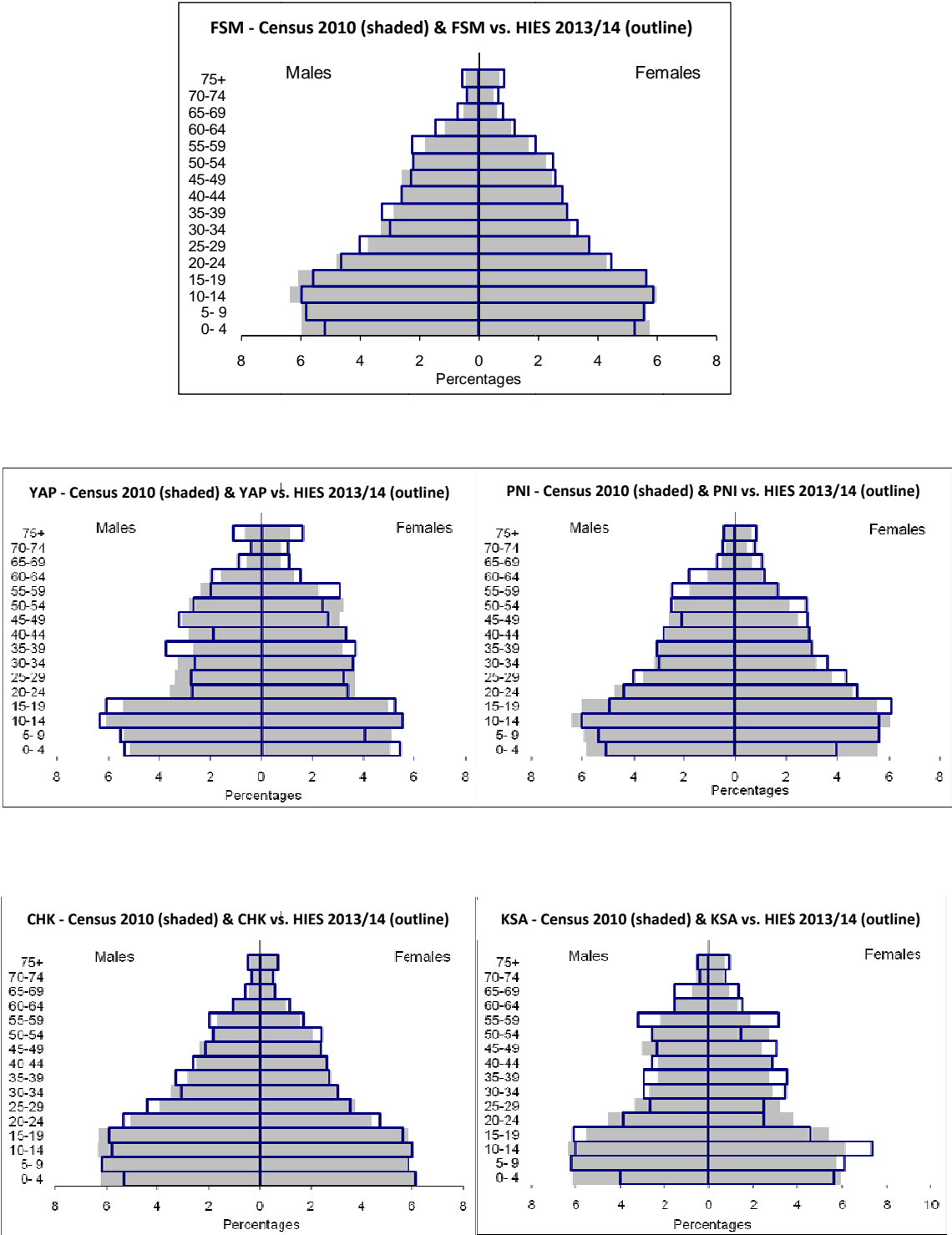


Table 2.4: Comparison of place of birth (%), Census 2010 vs. HIES 2013/14

Place of birth	Percent of population										Percent change
	Census 2010					HIES 2013/14					
	FSM	Yap	Chuuk	Pohnpei	Kosrae	FSM	Yap	Chuuk	Pohnpei	Kosrae	
FSM	96.9	94.4	99.0	95.3	93.9	96.9	95.7	98.1	96.7	94.6	0.0
Yap	10.5	92.7	0.0	0.6	0.1	17.4	94.1	1.0	2.0	0.3	6.9
Chuuk	47.6	0.9	98.8	2.2	0.4	40.7	1.2	96.5	2.4	0.6	-6.9
Pohnpei	32.7	0.8	0.2	91.8	2.4	29.1	0.3	0.6	91.8	3.1	-3.6
Kosrae	6.1	0.1	0.0	0.6	90.9	9.7	0.1	0.0	0.5	90.6	3.6
Philippines	0.8	1.9	0.2	1.3	1.0	0.7	1.7	0.3	0.9	0.5	-0.1
USA (incl. Guam, CNMI)	1.6	2.9	0.7	2.0	3.9	1.9	1.6	1.7	2.0	3.3	0.3
Other	0.7	0.8	0.1	1.4	1.3	0.5	1.0	0.0	0.4	1.6	-0.2

SECTION 3 – EXPENDITURE ANALYSIS

INTRODUCTION

FORMATION OF MAIN EXPENDITURE CATEGORIES

Section 3 of this report covers the analysis undertaken on the expenditure/disbursement information collected in the FSM 2013/14 HIES.

A main consideration to the development of this chapter was how best to classify the data collected, to provide the most meaningful results to users. As such, the format was based on Resolution 1 from the Seventeenth International Conference of Labor Statisticians. This Resolution proposes the following breakdown for classifying expenditure:

1. Consumption Expenditure:
 - 1.1. Household Consumption Expenditure: The value of consumer goods and services acquired, used or paid for by a household through direct monetary purchases, own-account production, barter or as income in-kind for the satisfaction of the needs and wants of its members.
 - 1.2. Other Consumption Expenditure: The value of consumer goods and services acquired or used by the household through transfers from government, non-profit institutions or other households.
2. Non-Consumption Expenditure: Those expenditures incurred by a household as transfers made to government, non-profit institutions and other households, without acquiring any goods or services in return for the satisfaction of the needs of its members.

Other information that will also prove useful in completing the expenditure/disbursement composition of the household includes:

3. Investment: Covers expense items incurred by household members for financial security or accumulation of significant assets, such as a house (including improvement of the house) and plants.

FINER LEVEL DIVISIONS AND SUB-CATEGORIES FOR MAIN EXPENDITURE ANALYSIS

Consumption Expenditure

For tabulation purposes, the analysis separates category 1, consumption expenditure, into divisions conforming to the COICOP classification guidelines. This would result in the following 12 divisions being formed in the tables for addressing consumption expenditure:

1. Food and Non-Alcoholic Beverages
2. Alcoholic Beverages, Tobacco and Narcotics
3. Clothing and Footwear

4. Housing, Water, Electricity, Gas and Other Fuels
5. Furnishings, Household Equipment and Routine Household Maintenance
6. Health
7. Transport
8. Communication
9. Recreation and Culture
10. Education
11. Restaurants and Hotels
12. Miscellaneous Goods and Services

Non-Consumption Expenditure

For category 2, non-consumption expenditure, the analysis will further split it to create sub-categories of importance to FSM. The six main categories identified for FSM include:

1. Cash donation for Special Events - Ceremonies
2. Cash Donations to support other households (in FSM or overseas)
3. Cash transfers to Church
4. Taxes
5. Donations to Community/School/Village
6. Other donations (i.e., charitable contributions)

Special events cover the household's contributions to weddings, funerals, birthdays etc. Except for taxes, the next five categories above refer more to acts of generosity on behalf of the household where they have provided assistance to the community in some form (i.e., another household, church, village, school).

Investment

For category 3, investments were only collected under 4 sub-categories which covered:

1. Land purchase
2. House purchase / major alteration of dwelling
3. Plants, equipment
4. Home mortgages

Although information was asked of households selected in the survey if they purchased a house, no cases arose during data collection.

TYPE OF EXPENSE

To add further value to the analysis, effort has been made throughout the survey to determine how that expenditure took place. Five main expenditure types have been created to establish the manner in which the expenditure took place, which include:

1. Cash/In-kind purchases
2. Home production
3. In-kind receipts – expenditure for the benefit of another household
4. In-kind receipts – home production given away
5. Imputed rents

Further explanations for each are provided below.

Cash/In-kind purchases

Cash/In-kind purchases represent any purchases made by the household for goods or services for which a payment was made by the household. The payment can be made in the form of a cash payment or payment in-kind (that is, the household pays for the good or service with something other than cash). In the situation where a purchase is made in-kind, the household is required to estimate the value of the item/service they exchanged for their purchase.

Home production

Home production in the expenditure tables only covers the value of items which were home produced by the household and then consumed by that household. Any home production given away or sold by the household is not regarded as an expense. In the case of the selected household being given home produced items from another household, this will be included in the group “in-kind receipts”.

In-kind receipts

In-kind receipts cover non-cash gifts given away by the households which in turn are consumed by another household. This may be a home produced item given away to another household or any other goods bought for the benefit of other households.

Imputed rents

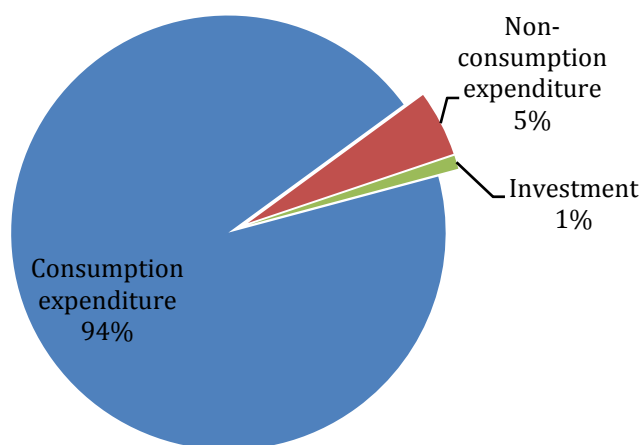
Imputed rents represent the value of the house for owner and people who live in their main house for free (rent free). An estimation of the monthly rent of the house (if they were to pay a rent) provided by the respondent allows us to get this amount.

EXPENDITURE ANALYSIS – MAIN TABLES & GRAPHS

DISTRIBUTION OF HOUSEHOLD EXPENDITURE BY MAJOR CATEGORIES

As can be seen from Figure 3.1 below, most household expenditure/disbursements are associated with consumption expenditure (94.1%), which as detailed earlier, represents items that the household consume itself. This analysis includes cash/in-kind purchases as well as home production consumed and gift given away outside the household. Non-consumption expenditure accounts for 4.9%, followed by only a small amount on investment/savings (1.0%).

Figure 3.1: Percentage of expenditure/disbursement by major categories



For the Consumption Expenditure category it can be clearly seen in Figure 3.2 that the majority of this expenditure is associated with “housing” (37.3%) especially due to imputed rents which totaled almost 80% of this expenditure category. “Food & non-alcoholic beverages” is the next most significant group (36.6%). These 2 divisions far exceeded expenditure of the other divisions. “Transport” and “Alcohol and tobacco” (including sakau and betel nuts) account for 7.0% and 5.5% of the total household consumption expenditure respectively, with eight other divisions registering contributions lower than 3%. The “Health” division recorded extremely low contributions (0.5%) due to the government’s significant assistance in this area. Figure 3.2 shows that a third of the food consumption is home produced by the household themselves, and half of the COICOP division 2 (alcohol, tobacco & narcotics), mainly due to home produced sakau & betel nuts.

Figure 3.2: Percentage of total final consumption expenditure by COICOP division (COICOP division 1 to 12)

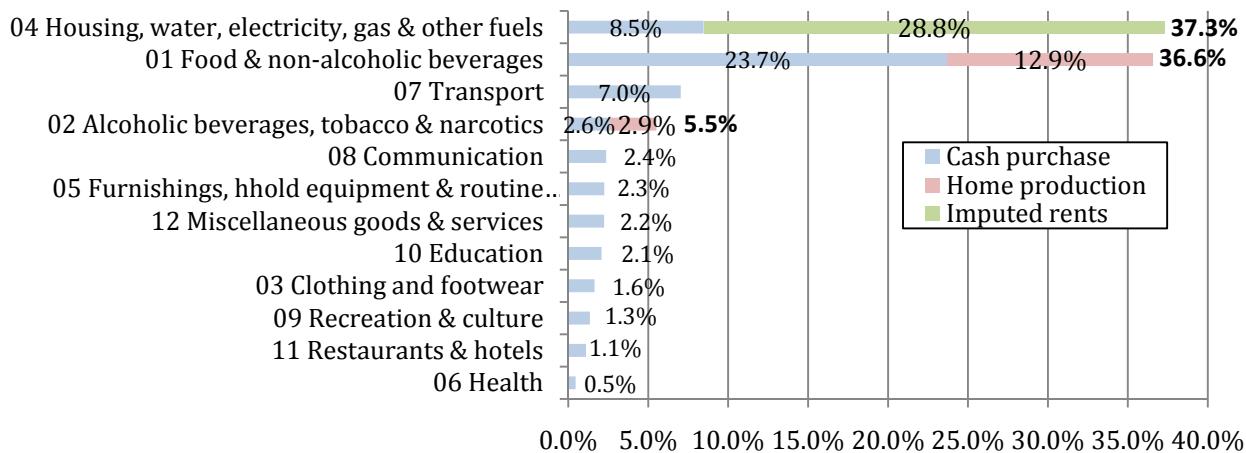
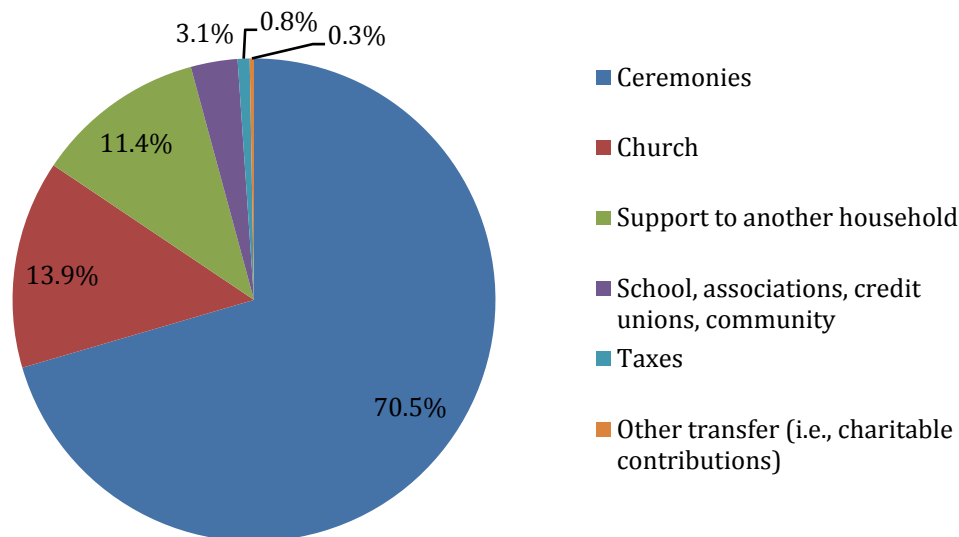


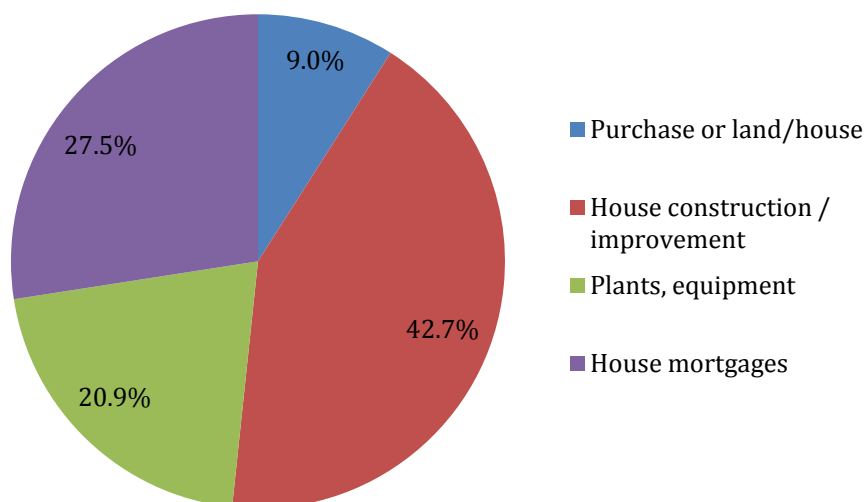
Figure 3.3 shows the breakdown of non-consumption expenditure category, amounting to 4.9% of total expenditure, by sub-category. As can be seen in this chart, “ceremonies” make up 70% of this category. “Donation to Church” makes significant contributions with almost 14%. “Support to other households” represents cash donation that did not happen in the context of any major events (11.4%). Other donations (village, association, groups or communities) make up 3.1% of this category. In terms of donation to school, the expenditure shown in this category is limited to money raised by school during fundraising, but most of the donation to school appear in the COICOP and are included with “school fees” (consumption expenditure) thereby underestimating the figures in Figures 3.3. “Taxes” show a low percentage of this category (0.8%) even if all types of taxes are mentioned (e.g., home, council, imported goods).

Figure 3.3: Percentage of non-consumption expenditure by sub-category (non COICOP)



Construction and house improvement is the main investment expenditure incurred by the households in FSM. This is followed by the reimbursement of home loans (as long as the loan has started before the period). Plants and equipment consist of generators, solar panel, water tank and all durables households bought for professional use.

Figure 3.4: Percentage of the investment expenditure by sub-category (non COICOP)



ANNUAL EXPENDITURE AMOUNTS BY CATEGORY & TYPE

The following three tables (Tables 3.1-3.3) show the actual dollar amounts spent by FSM households on each of the consumption and non-consumption expenditure categories as well as investment. To provide additional information in these tables for consumption expenditure, a split has been made to distinguish if the expense was a “cash/in-kind purchase”, “home production consumed”, or an “in-kind receipt”. The three tables provide the following information:

- Table 3.1: Total annual expenditure
- Table 3.2: Average annual household expenditure
- Table 3.3: Average annual per capita expenditure

for each broad category of expense, as well as expense type for consumption expenditure.

The same analysis is provided for each of these three tables for “monthly expenditure in Appendix A.

Table 3.1 shows that FSM households expended a little over US\$ 172M on goods and services in 2013 (total consumption expenditure, excluding imputed rents), the vast majority of this being cash purchases which account for US\$ 134M (78%). The consumption of home produced goods accounts for an additional US\$ 30M (18%), with in-kind receipts making up the remaining US\$ 9M (5%).

The table also shows that FSM households pay just over US\$ 11.5M on expenses they don’t consume themselves, the majority of this being on special event such as weddings, funerals, birthdays, etc.

In terms of average annual household amounts, Table 3.2 shows that households in FSM consume on average US\$ 7.1K a year on goods and services and spend on average 8.2K a year in total. A third of the food they consume is home produced.

Finally, when these figures are converted to per capita expenditure per year (Tab 3.3), the average FSM person is consuming an estimated US\$ 1,161 a year on goods and services. This amount equates to US\$ 494 on “Food and non-alcoholic beverages”, US\$ 179 on “Housing”, US\$ 147 on “Transport” for the main groups.

Table 3.1: Total annual household expenditure by expense category and expense type (US\$ 000)

Expense category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	51,042	24,374	1,825	4,400	-	81,641
2 - Alcoholic beverages, tobacco & narcotics	5,739	4,774	97	1,699	-	12,309
3 - Clothing & footwear	3,580	-	76	2	-	3,658
4 - Housing, water, electricity, gas, other fuel	18,515	-	378	-	64,336	83,229
5 - Furnishings, equip, routine maintenance	4,806	-	219	38	-	5,064
6 - Health	1,030	-	6	-	-	1,035
7 - Transport	15,212	-	501	-	-	15,712
8 - Communication	5,236	-	53	-	-	5,290
9 - Recreation & culture	2,939	-	73	20	-	3,032
10 - Education	4,619	-	28	-	-	4,647
11 - Restaurants & hotels	2,457	-	26	15	-	2,498
12 - Miscellaneous goods & services	4,888	-	121	50	-	5,059
TOTAL CONSUMPTION EXPENDITURE	120,063	29,148	3,403	6,224	64,336	223,174
Cash transfer - Ceremonies	8,163	-	-	-	-	8,163
Cash transfer - Support to another household	1,319	-	-	-	-	1,319
Cash transfer - Church	1,615	-	-	-	-	1,615
Cash transfer - Taxes	93	-	-	-	-	93
Cash transfer – School, community	362	-	-	-	-	362
Other cash transfer (i.e., charitable contribution)	33	-	-	-	-	33
TOTAL NON-CONSUMPTION EXPENDITURE	11,585	-	-	-	-	11,585
Land purchase	214	-	-	-	-	214
Construction/major alteration of dwelling	1,012	-	-	-	-	1,012
Plant, major equipment	495	-	-	-	-	495
Home mortgages	651	-	-	-	-	651
TOTAL INVESTMENT	2,373	-	-	-	-	2,373
TOTAL HOUSEHOLD EXPENDITURE	134,021	29,148	3,403	6,224	64,336	237,132

Table 3.2: Average annual household expenditure by expense category and expense type (US\$)

Expense category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Purchase	Home produced	Purchase	Home produced		
1 - Food & non-alcoholic beverages	3,061	1,462	109	264	-	4,895
2 - Alcoholic beverages, tobacco & narcotics	344	286	6	102	-	738
3 - Clothing & footwear	215	-	5	-	-	219
4 - Housing, water, electricity, gas, & other fuels	1,110	-	23	-	3,858	4,991
5 - Furnishings, equip., routine maintenance	288	-	13	2	-	304
6 - Health	62	-	-	-	-	62
7 - Transport	912	-	30	-	-	942
8 - Communication	314	-	3	-	-	317
9 - Recreation & culture	176	-	4	1	-	182
10 - Education	277	-	2	-	-	279
11 - Restaurants & hotels	147	-	2	1	-	150
12 - Miscellaneous goods & services	293	-	7	3	-	303
TOTAL CONSUMPTION EXPENDITURE	7,199	1,748	204	373	3,858	13,382
Cash transfer - Ceremonies	489	-	-	-	-	489
Cash transfer - Support to another household	79	-	-	-	-	79
Cash transfer - Church	97	-	-	-	-	97
Cash transfer - Taxes	6	-	-	-	-	6
Cash transfer - School, community	22	-	-	-	-	22
Other cash transfer (i.e., charitable contribution)	2	-	-	-	-	2
TOTAL NON CONSUMPTION EXPENDITURE	695	-	-	-	-	695
Land purchase	13	-	-	-	-	13
Construction/major alteration of dwelling	61	-	-	-	-	61
Plant, major equipment	30	-	-	-	-	30
Home mortgages	39	-	-	-	-	39
TOTAL INVESTMENT	142	-	-	-	-	142
TOTAL HOUSEHOLD EXPENDITURE	8,036	1,748	204	373	3,858	14,219

Table 3.3: Average annual per-capita expenditure by expense category and expense type (US\$)

Expense category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	494	236	18	43	-	790
2 - Alcoholic beverages, tobacco & narcotics	56	46	1	16	-	119
3 - Clothing & footwear	35	-	1	-	-	35
4 - Housing, water, electricity, gas & other fuels	179	-	4	-	622	805
5 - Furnishings, equip., routine maintenance	46	-	2	-	-	49
6 - Health	10	-	-	-	-	10
7 - Transport	147	-	5	-	-	152
8 - Communication	51	-	1	-	-	51
9 - Recreation & culture	28	-	1	-	-	29
10 - Education	45	-	-	-	-	45
11 - Restaurants & hotels	24	-	-	-	-	24
12 - Miscellaneous goods & services	47	-	1	-	-	49
TOTAL CONSUMPTION EXPENDITURE	1,161	282	33	60	622	2,159
Cash transfer - Ceremonies	79	-	-	-	-	79
Cash transfer - Support to another household	13	-	-	-	-	13
Cash transfer - Church	16	-	-	-	-	16
Cash transfer - Taxes	1	-	-	-	-	1
Cash transfer – School, community	4	-	-	-	-	4
Other cash transfer (i.e., charitable contribution)	-	-	-	-	-	-
TOTAL NON CONSUMPTION EXPENDITURE	112	-	-	-	-	112
Land purchase	2	-	-	-	-	2
Construction/major alteration of dwelling	10	-	-	-	-	10
Plant, major equipment	5	-	-	-	-	5
Home mortgages	6	-	-	-	-	6
TOTAL INVESTMENT	23	-	-	-	-	23
TOTAL HOUSEHOLD EXPENDITURE	1,296	282	33	60	622	2,294

DISTRIBUTION OF CONSUMPTION EXPENDITURE BY DETAILED COICOP CLASS

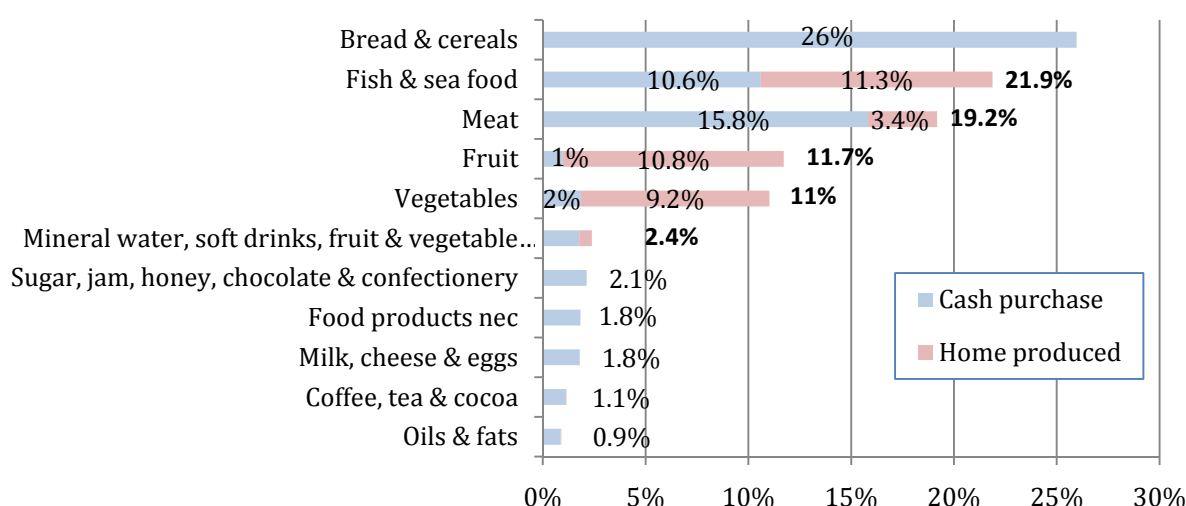
The following section shows the percentage distribution of each detailed class' contribution to the 12 divisions listed in consumption expenditure. The total annual amount from each expense class is listed, including the contribution of that division's to consumption expenditure to assist with putting things into perspective.

01 - Food & Non-alcoholic Beverages division

Total annual expenditure: US\$ 81.6M

Percentage contribution to consumption expenditure: 36.6%

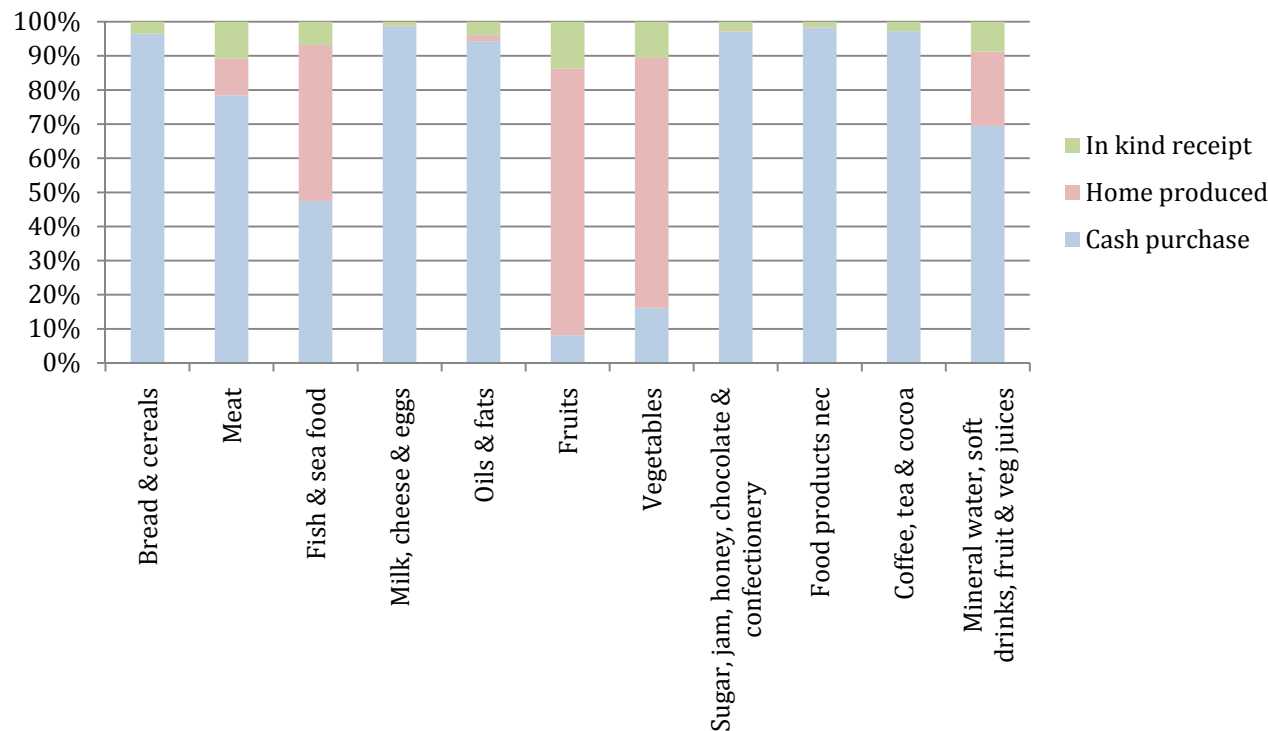
Figure 3.5: Percentage breakdown of Food & Beverage division



"Bread & cereals" is the main class within the food division, followed by the "fish & sea food" class. These two classes summed to almost half of the total food consumption expenditure. "Fish & sea food", "Fruits" and "Vegetables" are more commonly home produced than purchased. Figure 3.5 highlights the importance of the home production in the total food expenditure (contributing about 35% of the value of food and beverages consumed).

Figure 3.6 shows that two third of the vegetables and fruits consumed by the households in FSM are home produced and almost half of the fish. Non-alcoholic beverages show 20% of home production (mostly due to "sweet tuba" which is made of the sap extracted from the coconut tree).

Figure 3.6: Origin of the food items consumed

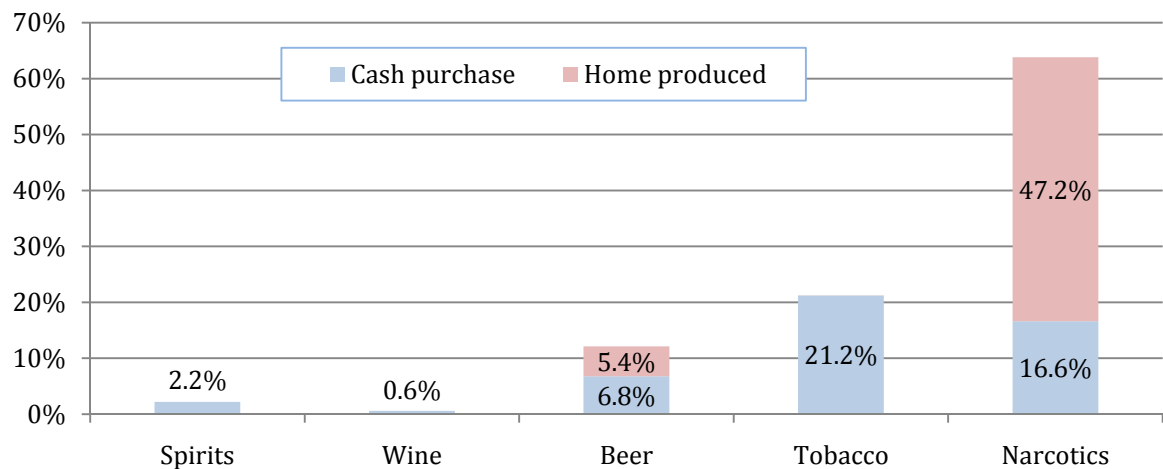


02 - Alcoholic Beverages, Tobacco & Narcotics division

Total annual expenditure: US\$ 12.3M

Percentage contribution to consumption expenditure: 5.5%

Figure 3.7: Percentage breakdown of Alcohol, Tobacco & Narcotics division



Narcotics (sakau & betel nuts) are the main component of this division (64%). Three quarters of the narcotics consumed are home produced. Tobacco contributed 21% of this division (100% purchased). All

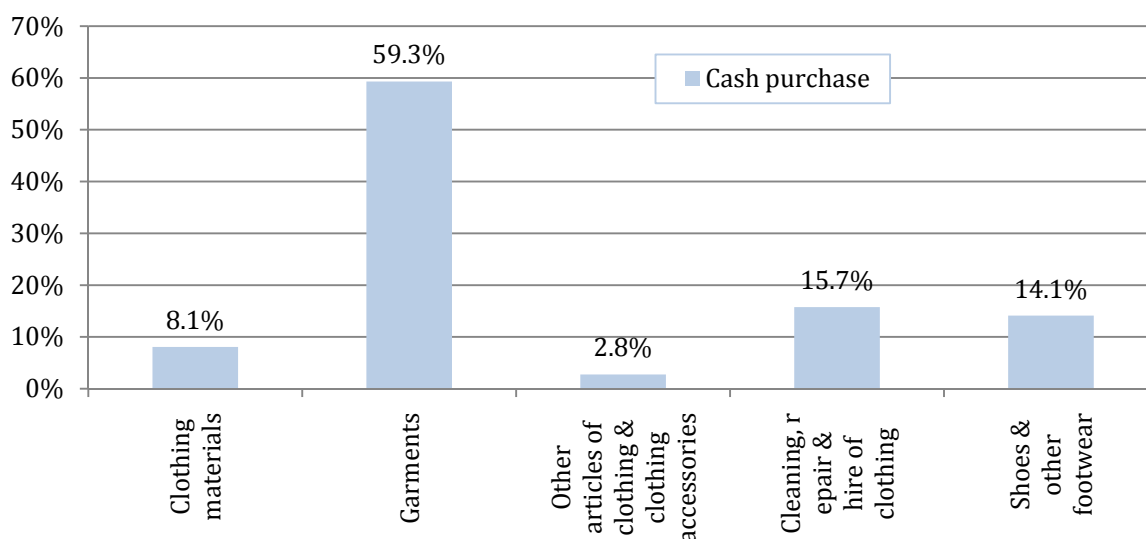
alcohol beverages together, the alcohol consumption totaled 15% of this division. Beer is the main alcohol consumed, with half of it home produced (as mature tuba coded under Beer in FSM).

03 - Clothing & Footwear division

Total annual expenditure: US\$ 3.6M

Percentage contribution to consumption expenditure: 1.6%

Figure 3.8: Percentage breakdown of Clothing & Footwear division



“Garments” represents the main class under clothing division, followed by clothing services (cleaning and repairing) and shoes.

04 - Housing, Water, Electricity & Other Fuels division

Total annual expenditure: US\$ 83.2M

Percentage contribution to consumption expenditure: 37.3%

Figure 3.9a: Percentage breakdown of Housing, Water, Electricity & Other Fuels division

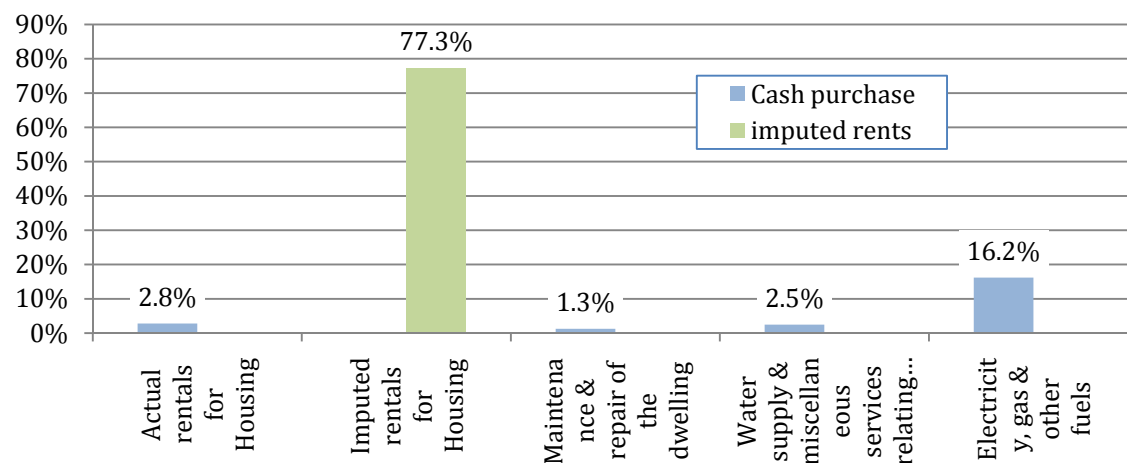


Figure 3.9a shows that almost 80% of the “housing expenditure” is due to the imputed rents (for owners occupied and for people who live in for free). Figure 3.9b shows the breakdown of the “housing” division excluding the classes related to imputed rents in order to get a better view of the total housing expenditure.

Figure 3.9b: Percentage breakdown of Housing, Water, Electricity & Other Fuels division (excluding imputed rents)

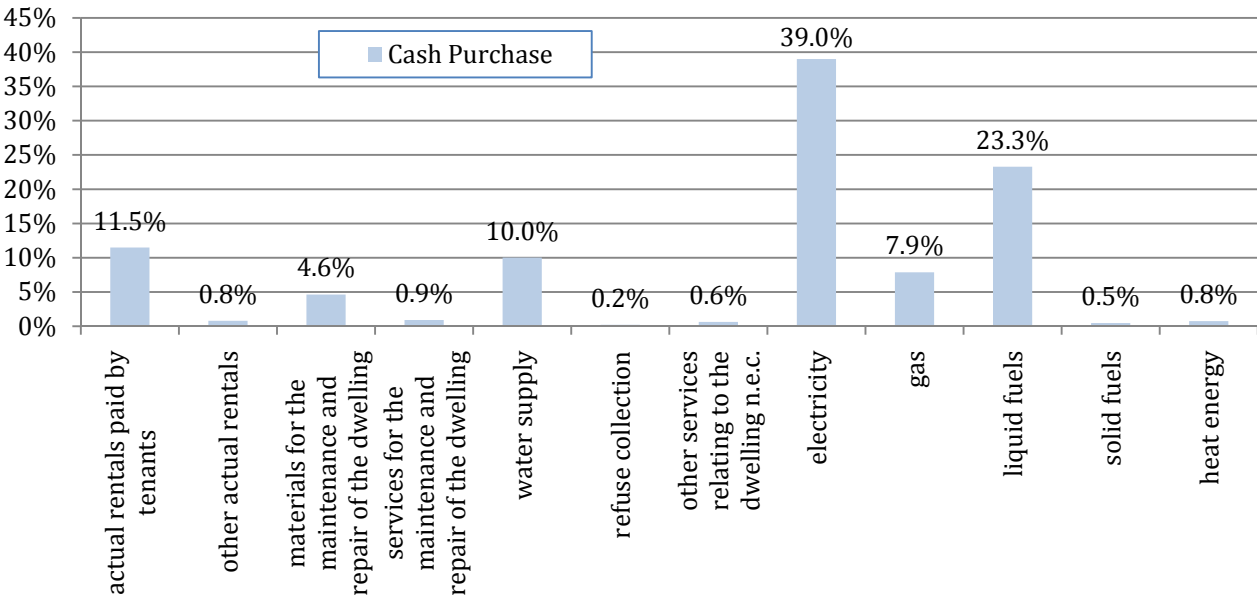


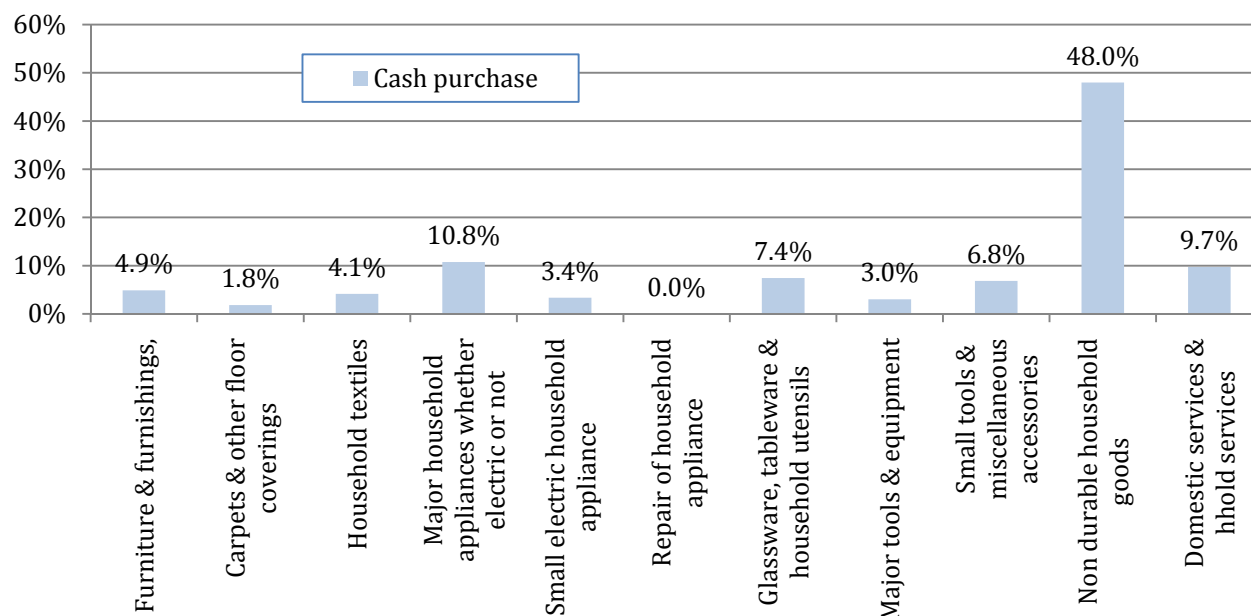
Figure 3.8b presents a better view of the real “housing” expenditure, focusing only on cash purchases. Electricity is the main item under this division (almost half of the housing expenditure) followed by the liquid fuels and the rents.

05 - Furnishings, Household Equipment & Maintenance division

Total annual expenditure: US\$ 5.0M

Percentage contribution to consumption expenditure: 2.3%

Figure 3.10: Percentage breakdown of Furnishings, Household Equipment & Maintenance division



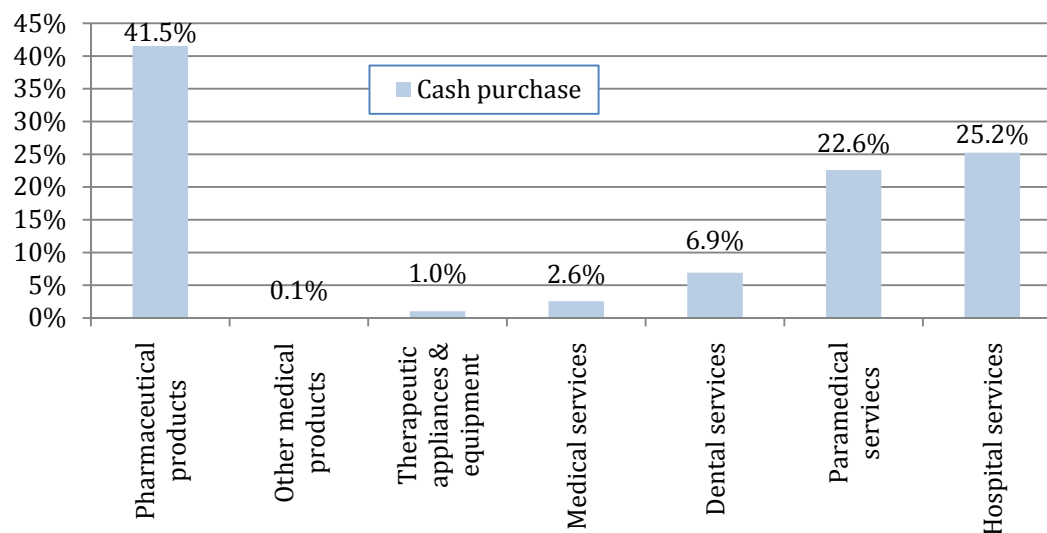
This division is highly dominated by the non-durable goods (such as washing products like detergent and washing soap).

06 - Health division

Total annual expenditure: US\$ 1.0M

Percentage contribution to consumption expenditure: 0.5%

Figure 3.11: Percentage breakdown of Health division



Pharmaceutical products consist of all medicine, whether prescribed or not by a doctor. Expenditure on health (doctor or professional health staff) is very low in FSM due to the fact that it is largely subsidized

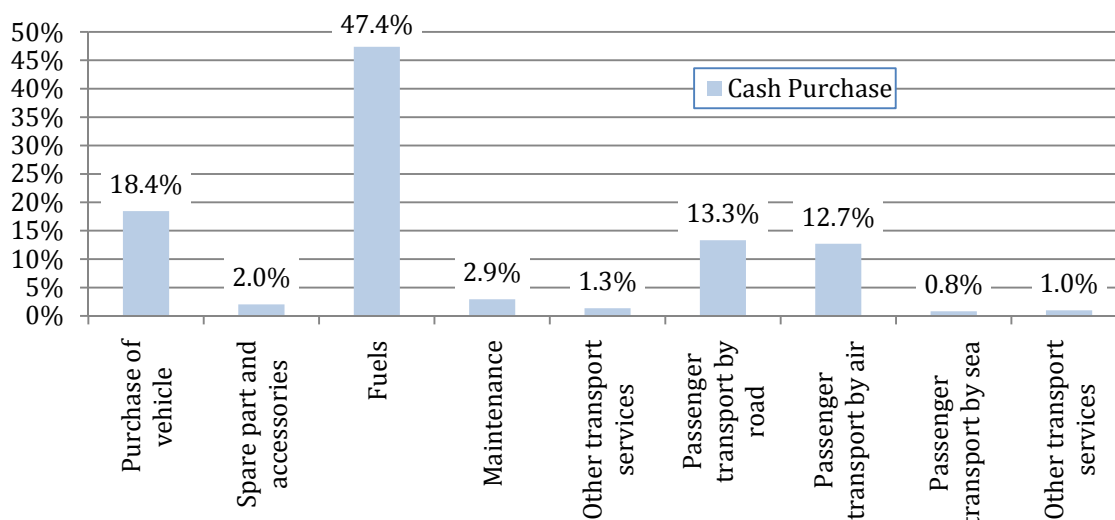
by the government.

07 - Transport division

Total annual expenditure: US\$ 15.7M

Percentage contribution to consumption expenditure: 7.0%

Figure 3.12: Percentage breakdown of Transport division



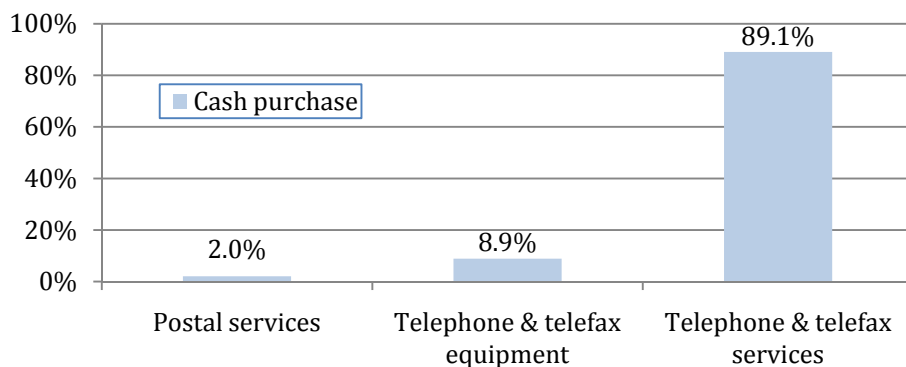
Almost half of the transport expenditure is on fuel. Fuel expenditure is comprised of fuel for cars and motorized tools only. Fuel for boat is excluded from final consumption expenditure (as it is an intermediate expense) and fuel for domestic use is covered under COICOP division 4.

08 - Communications division

Total annual expenditure: US\$ 5.3M

Percentage contribution to consumption expenditure: 2.4%

Figure 3.13: Percentage breakdown of Communications division



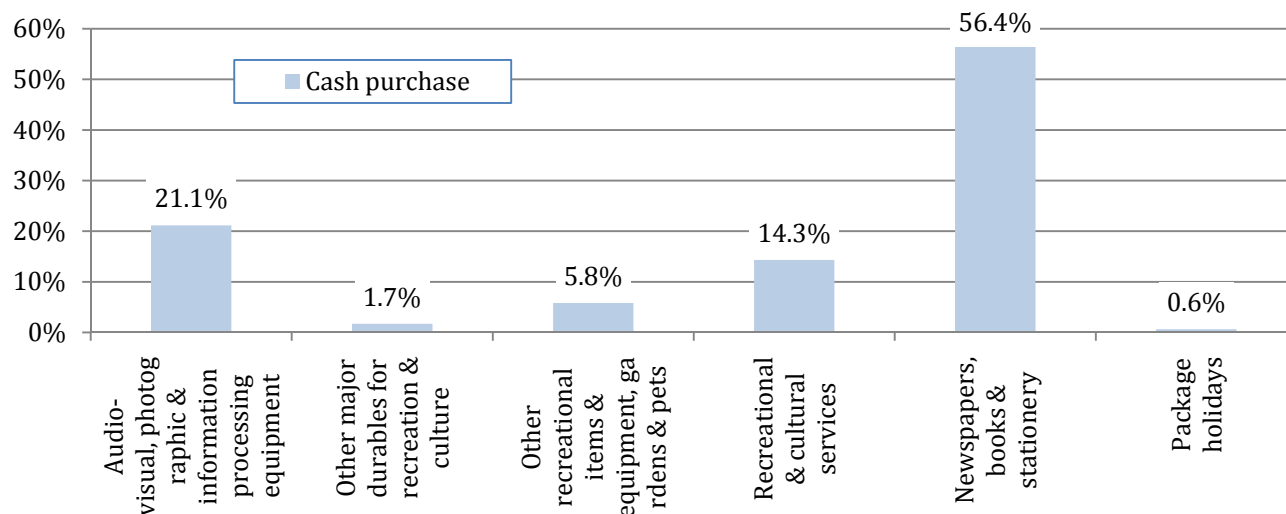
Telephone services comprised of subscription to land line phone, however, phone cards makes up 70% of the telephone services expenditure.

09 - Recreation & Culture division

Total annual expenditure: US\$ 3.0M

Percentage contribution to consumption expenditure: 1.4%

Figure 3.14: Percentage breakdown of Recreation & Culture division



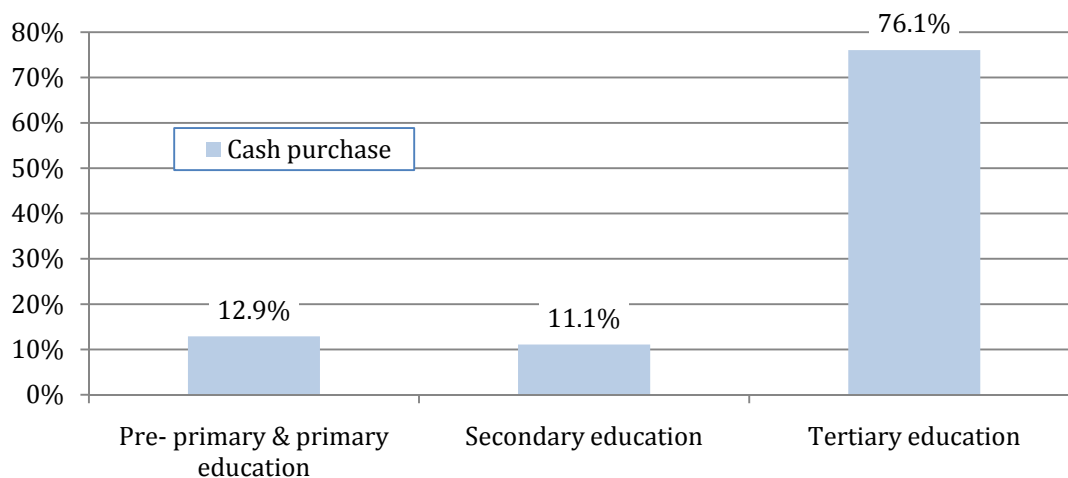
Recreation & culture division is dominated by the “Newspapers, books and stationery” COICOP class, mainly due to the fact that most of the education items do not belong to the “Education” division but are part of the culture division.

10 - Education division

Total annual expenditure: US\$ 4.6M

Percentage contribution to consumption expenditure: 2.1%

Figure 3.15: Percentage breakdown of Education division



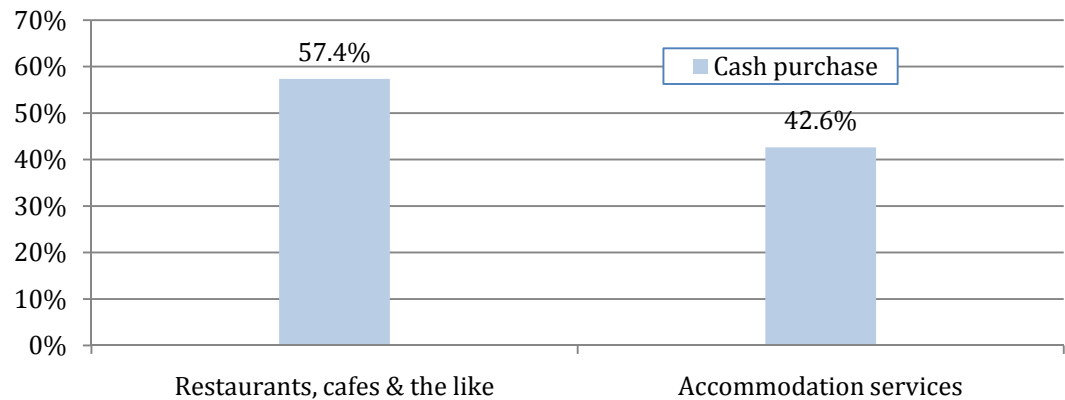
Education expenditure following the COICOP is strictly dedicated to school fees. School uniform are coded under garments (“clothing” division 03) and books and stationeries under “newspapers, books & stationeries” (“recreational and culture” division 09)

11 - Restaurants & Hotels division

Total annual expenditure: US\$ 2.5M

Percentage contribution to consumption expenditure: 1.1%

Figure 3.16: Percentage breakdown of Restaurants & Hotels division



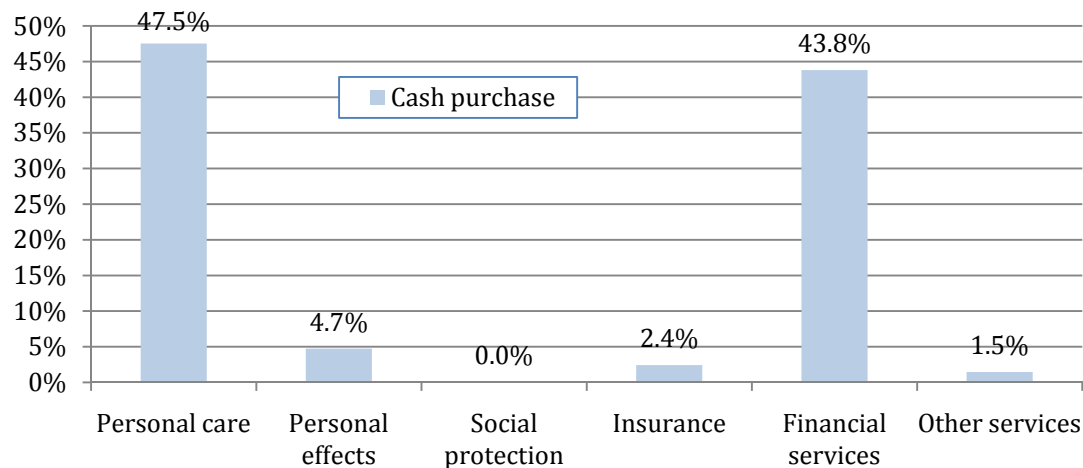
The “Restaurants, cafes & the like” section includes all the take away food items households in FSM consumed or used. Accommodation services mainly comprise of accommodation for student (i.e., boarding or rooming fees).

12 - Miscellaneous Goods & Services division

Total annual expenditure: US\$ 5.1M

Percentage contribution to consumption expenditure: 2.3%

Figure 3.17: Percentage breakdown of Miscellaneous Goods & Services division



“Personal care” is comprised of all personal hygiene items like body soap, gels, toilet paper, diapers, and so forth. The “financial services” is mainly dominated by the interest paid on loans.

DISTRIBUTION OF HOUSEHOLD EXPENDITURE BY CATEGORY AND TYPE

The following two tables (Tables 3.4 and 3.5) show the distribution of each expenditure category and expenditure type with respect to the total expenditure.

The first table (Table 3.4) shows the percentage contribution within each of the three broad categories; “consumption expenditure”, “non-consumption expenditure” & “investments”. To interpret this table we can see that food & non-alcoholic beverages contribute 36.6% to the total consumption expense, however, actual cash/in-kind purchases of food & non-alcoholic beverages only contribute to 22.9 percent of total consumption expenditure (23.7% if we sum the purchase for the household and for the benefit of another household). Additionally, Table 3.4 shows that 15.9% of the final consumption expenditure is home produced (13.1% + 2.8%).

Table 3.4: Distribution of household expenditure within group by expense category and expense type

Expense category	Beneficiary: the household		Beneficiary: another hhold (in-kind receipt)		Imputed rents	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	22.9%	10.9%	0.8%	2.0%	-	36.6%
2 - Alcoholic beverages, tobacco & narcotics	2.6%	2.1%	-	0.8%	-	5.5%
3 - Clothing & footwear	1.6%	-	-	-	-	1.6%
4 - Housing, water, electricity, gas & other fuels	8.3%	-	0.2%	-	28.8%	37.3%
5 - Furnishings, equip, routine maintenance	2.2%	-	0.1%	-	-	2.3%
6 - Health	0.5%	-	-	-	-	0.5%
7 - Transport	6.8%	-	0.2%	-	-	7.0%
8 - Communication	2.3%	-	-	-	-	2.4%
9 - Recreation & culture	1.3%	-	-	-	-	1.4%
10 - Education	2.1%	-	-	-	-	2.1%
11 - Restaurants & hotels	1.1%	-	-	-	-	1.1%
12 - Miscellaneous goods & services	2.2%	-	0.1%	-	-	2.3%
TOTAL CONSUMPTION EXPENDITURE	53.8%	13.1%	1.5%	2.8%	28.8%	100.0%
Cash transfer - Ceremonies	70.5%	-	-	-	-	70.5%
Cash transfer - Support to another household	11.4%	-	-	-	-	11.4%
Cash transfer - Church	13.9%	-	-	-	-	13.9%
Cash transfer - Taxes	0.8%	-	-	-	-	0.8%
Cash transfer – School, community	3.1%	-	-	-	-	3.1%
Other cash transfer (i.e., charitable contribution)	0.3%	-	-	-	-	0.3%
TOTAL NON CONSUMPTION EXPENDITURE	100.0%	-	-	-	-	100.0%
Land purchase	9.0%	-	-	-	-	9.0%
Construction/major alteration of dwelling	42.7%	-	-	-	-	42.7%
Plant, major equipment	20.9%	-	-	-	-	20.9%
Home mortgages	27.5%	-	-	-	-	27.5%
TOTAL INVESTMENT	100.0%	-	-	-	-	100.0%

The second table (Table 3.5) shows the percentage contribution to the overall total for the three broad categories combined. As the information is now expressed as percentages of the overall total, the figures are somewhat smaller than those presented in Table 3.4. For example, expenditure for ceremonies may represent 70.5% of non-consumption expenditure, as can be seen in Table 3.4, but as illustrated in Table 3.5 this expenditure only represents 3.4% of all expenditures/disbursements.

Table 3.5: Distribution of household expenditure within total by expense category and expense type

Expense category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rents	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	21.5%	10.3%	0.8%	1.9%	-	34.4%
2 - Alcoholic beverages, tobacco & narcotics	2.4%	2.0%	-	0.7%	-	5.2%
3 - Clothing & footwear	1.5%	-	-	-	-	1.5%
4 - Housing, water, electricity, gas & other fuels	7.8%	-	0.2%	-	27.1%	35.1%
5 - Furnishings, equip, routine maintenance	2.0%	-	0.1%	-	-	2.1%
6 - Health	0.4%	-	-	-	-	0.4%
7 - Transport	6.4%	-	0.2%	-	-	6.6%
8 - Communication	2.2%	-	-	-	-	2.2%
9 - Recreation & culture	1.2%	-	-	-	-	1.3%
10 - Education	1.9%	-	-	-	-	2.0%
11 - Restaurants & hotels	1.0%	-	-	-	-	1.1%
12 - Miscellaneous goods & services	2.1%	-	0.1%	-	-	2.1%
TOTAL CONSUMPTION EXPENDITURE	50.6%	12.3%	1.4%	2.6%	27.1%	94.1%
Cash transfer - Ceremonies	3.4%	-	-	-	-	3.4%
Cash transfer - Support to another household	0.6%	-	-	-	-	0.6%
Cash transfer - Church	0.7%	-	-	-	-	0.7%
Cash transfer - Taxes	0.0%	-	-	-	-	0.0%
Cash transfer – School, community	0.2%	-	-	-	-	0.2%
Other cash transfer (i.e., charitable contribution)	0.0%	-	-	-	-	0.0%
TOTAL NON CONSUMPTION EXPENDITURE	4.9%	-	-	-	-	4.9%
Land purchase	0.1%	-	-	-	-	0.1%
Construction/major alteration of dwelling	0.4%	-	-	-	-	0.4%
Plant, major equipment	0.2%	-	-	-	-	0.2%
Home mortgages	0.3%	-	-	-	-	0.3%
TOTAL INVESTMENT	1.0%	-	-	-	-	1.0%
TOTAL HOUSEHOLD CONSUMPTION	56.5%	12.3%	1.4%	2.6%	27.1%	100.0%

PERCENTAGE OF HOUSEHOLDS WITH CERTAIN TYPES OF EXPENDITURE

This section provides information on what proportion of households actually incurred each expenditure category and type. As would be expected, nearly all households surveyed reported some cash/in-kind purchase of “food and non-alcoholic beverages” (99%). The other key consumption expenditures which had high incidences of cash/in-kind purchases included “furnishings, equipment & maintenance” (82.9%), “miscellaneous goods & services” (78.2%), “housing, water, electricity, gas & other fuel” (79.3%).

In the non-consumption expenditure categories the most prolific were “special events” (71.3%) and “church donations” (56.3%).

Table 3.6: Percentage of households with expenditure by expense category and expense type

Expense category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rents	TOTAL
	Purchase	Home produced	Purchase	Home produced		
1 - Food & non-alcoholic beverages	93.9%	76.0%	9.4%	36.6%	-	98.6%
2 - Alcoholic beverages, tobacco & narcotics	54.7%	15.3%	2.2%	9.1%	-	59.1%
3 - Clothing & footwear	55.6%	-	1.5%	0.1%	-	56.0%
4 - Housing, water, electricity, gas & other fuels	79.3%	-	2.4%	-	98.1%	100.0%
5 - Furnishings, equip & routine maintenance	82.9%	-	2.9%	0.6%	-	83.1%
6 - Health	24.8%	-	0.3%	-	-	24.9%
7 - Transport	60.5%	-	4.1%	-	-	61.4%
8 - Communication	59.2%	-	0.3%	-	-	59.3%
9 - Recreation & culture	47.7%	-	1.5%	0.2%	-	48.3%
10 - Education	19.1%	-	0.4%	-	-	19.3%
11 - Restaurants & hotels	20.9%	-	0.4%	0.4%	-	21.2%
12 - Miscellaneous goods & services	78.2%	-	6.9%	0.6%	-	78.6%
Cash transfer - Ceremonies	71.3%	-	-	-	-	71.3%
Cash transfer - Support to another household	30.2%	-	-	-	-	30.2%
Cash transfer - Church	56.3%	-	-	-	-	56.3%
Cash transfer - Taxes	1.6%	-	-	-	-	1.6%
Cash transfer – School, community	16.4%	-	-	-	-	16.4%
Other cash transfer (i.e., charitable contribution)	2.1%	-	-	-	-	2.1%
Land purchase	0.1%	-	-	-	-	0.1%
Construction/major alteration of dwelling	3.3%	-	-	-	-	3.3%
Plant, major equipment	2.4%	-	-	-	-	2.4%
Home mortgages	1.9%	-	-	-	-	1.9%
TOTAL HOUSEHOLD CONSUMPTION	98.0%	76.7%	21.5%	38.3%	98.1%	100%

COMPARISON OF TOTAL EXPENDITURE: 2005 VS. 2013

The previous 2005 HIES did not code items according to COICOP, which makes comparison difficult at the item level, but at a broad level, (Division and Class) Table 3.7 shows a compares total expenditure between HIES 2005 and 2013.

Table 3.7: Total annual expenditure, 2005 & 2013 (following the 2005 classification)

Category	2005		2013	
	US\$ 000	Percent	US\$ 000	Percent
Food and non-alcoholic beverages	83,132	40.9%	76,808	32.4%
<i>incl. Cereal & Bakery Products</i>	14,281	7.0%	20,456	8.6%
<i>Meat & Poultry</i>	12,345	6.1%	13,976	5.9%
<i>Fish & Seafood</i>	23,004	11.3%	16,643	7.0%
<i>Fruits, Vegetables & Tubers</i>	17,159	8.5%	16,312	6.9%
<i>Dairy & Egg Products</i>	2,071	1.0%	1,453	0.6%
<i>Non-alcoholic beverages</i>	4,880	2.4%	2,691	1.1%
<i>Miscellaneous Food</i>	7,826	3.9%	3,884	1.6%
<i>Meals away from home</i>	1,565	0.8%	1,393	0.6%
Housing, household maintenance, repairs & operations	36,608	18.0%	69,857	29.5%
<i>incl. Imputed rents</i>	22,783	11.2%	64,336	27.1%
Transportation & communication	19,536	9.6%	20,448	8.6%
Gifts	13,057	6.4%	21,212	8.9%
Fuel, light & water	10,737	5.3%	15,367	6.5%
Furniture, equipment & accessories	8,598	4.2%	4,806	2.0%
Clothing & footwear	7,716	3.8%	3,580	1.5%
Alcohol, tobacco, sakau, & betel nut	7,478	3.7%	10,513	4.4%
Medical care	4,145	2.0%	1,030	0.4%
Recreation	3,476	1.7%	2,939	1.2%
Education	489	0.2%	4,619	1.9%
Other expenses	8,046	4.0%	5,952	2.5%
TOTAL	203,018	100.0%	237,132	100.0%

Total household expenditure increased by 17% between 2005 and 2013. This increase is mainly due to the imputed rents that were estimated at US\$ 22,783M in 2005 and US\$ 64,336M in 2013. The estimation value of the imputed rents is subjective and based on the respondent only.

At a broad level, the expenditure on food has dropped between the two surveys, but it remains the main division of expenditure in 2013. As in 2005, 9 years later, “Housing, household maintenance, repairs and operations” is still the second main division in terms of total expenditure (18% of the expenditure in 2005 and 29.5% in 2013). According to the 2005 classification of goods and services, “Transportation and communication” ranked third in 2005 and has been exceeded by the division “Gifts” in 2013.

Table 3.8: Percentage of home production in the food consumption, 2005 & 2013

Category	2005	2013
FOOD	46.1%	35.2%
Meat & Poultry	25.5%	17.5%
Fish & Seafood	68.4%	51.5%
Fruits, Vegetables & Tubers	89.6%	87.6%

In 2005 46% of the food consumed by FSM households was home produced and 9 years later this dropped to 35%. “Fruits, vegetables and tubers” are still mainly (87.6%) home produced in 2013, only “Meat and Poultry” and especially “Fish and seafood” show lower percentage in 2013 (68% of the “Fish and seafood” consumption was home produced in 2005 and 52% in 2013).

HOUSEHOLD TOTAL EXPENDITURE BY INCOME QUINTILES / DECILES

Table 3.9 shows the distribution of total household expenditure according to the total net income deciles². The poorest 10% of the households in FSM only account for 4.2% of total expenditure and almost 25% of total expenditure is spent by the 10% richest households in FSM. The quintile section of Table 3.9 shows that the 20% highest quintile households account for more than 40% of total expenditure.

Table 3.9: Total annual expenditure by total household income deciles and quintiles

Total net income deciles	US\$ 000	Percent	Total net income quintiles	US\$ 000	Percent
Decile1	9,932	4.2%			
Decile2	12,220	5.2%	Quintile1	22,152	9.3%
Decile3	13,165	5.6%			
Decile4	16,059	6.8%	Quintile2	29,223	12.3%
Decile5	16,117	6.8%			
Decile6	20,116	8.5%	Quintile3	36,233	15.3%
Decile7	23,412	9.9%			
Decile8	30,568	12.9%	Quintile4	53,979	22.8%
Decile9	37,592	15.9%			
Decile10	57,952	24.4%	Quintile5	95,545	40.3%
Total	237,132	100.0%	Total	237,132	100.0%

² Imputed rents have been excluded from the computation of Income deciles

Table 3.10: Total annual expenditure by division (COICOP and non-consumption) and income quintile (US\$ 000 & %)

Expenditure divisions	Quintile 1		Quintile 2		Quintile 3		Quintile 4		Quintile 5		Total	
	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%
1 - Food & non-alcoholic beverages	8,254	37.3	13,588	46.5	13,772	38.0	19,113	35.4	26,913	28.2	81,641	34.4
2 - Alcohol, tobacco & narcotics	450	2.0	740	2.5	1,551	4.3	3,059	5.7	6,510	6.8	12,309	5.2
3 - Clothing & footwear	246	1.1	345	1.2	619	1.7	809	1.5	1,639	1.7	3,658	1.5
4 - Housing, water, electricity & other fuels	10,264	46.3	10,719	36.7	13,461	37.2	17,918	33.2	30,866	32.3	83,229	35.1
5 - Furnishings, equipment & maintenance	504	2.3	643	2.2	742	2.0	1,097	2.0	2,222	2.3	5,209	2.2
6 - Health	67	0.3	74	0.3	136	0.4	127	0.2	631	0.7	1,035	0.4
7 - Transport	683	3.1	819	2.8	2,119	5.8	3,916	7.3	8,174	8.6	15,712	6.6
8 - Communication	398	1.8	526	1.8	812	2.2	1,132	2.1	2,420	2.5	5,290	2.2
9 - Recreation & culture	151	0.7	163	0.6	280	0.8	832	1.5	1,956	2.0	3,382	1.4
10 - Education	16	0.1	79	0.3	277	0.8	1,235	2.3	3,039	3.2	4,647	2.0
11 - Restaurants & hotels	25	0.1	59	0.2	101	0.3	532	1.0	1,781	1.9	2,498	1.1
12 - Miscellaneous goods & services	301	1.4	385	1.3	638	1.8	1,086	2.0	2,649	2.8	5,059	2.1
Non Consumption Expenditure	794	3.6	1,081	3.7	1,724	4.8	3,120	5.8	6,745	7.1	13,463	5.7
Total	22,152	100.0	29,223	100.0	36,233	100.0	53,979	100.0	95,545	100.0	237,132	100.0

In terms of annual total expenditure, the upper quintile spent on average 4 times more than the lowest quintile. All expenditure divisions show higher amount. “Education” shows the highest difference between quintile 1 and 5. Expenditure on school fees represent US\$ 16,000 for the 20% poorest households, however, the same division reaches more than US\$ 3M for the most wealthy group. “Restaurant and hotels” division shows a similar trend (70 times higher in quintile 5). “Alcohol, tobacco and narcotics”, “Health”, “Transport”, “Recreation and culture” and “Non consumption expenditure” and “Miscellaneous goods and services” show expenditure in quintile 5 around 10 times higher than quintile 1.

The proportion of total expenditure on “Food & non-alcoholic beverages” and “Housing, water, electricity and other fuels” is lower for higher quintiles. Those 2 divisions contributes more than 84% of the total expenditure for the poorest households (quintile 1) and only 60% for the highest income households (quintile 5), which shows a positive link between expenditure diversity and total income. “Transport”, “Alcohol, tobacco and narcotics” and “Non consumption expenditure”, showing higher share in quintile 5, illustrating this change in the consumption pattern of better off households. When the basic needs (Food and Housing) are sufficiently covered, income is allocated to expenditure on other divisions: “Recreation and culture”, “Communication”, “Restaurants and hotels”, “Miscellaneous goods and services”, “Clothing”. “Education” proportion of total expenditure is higher in quintile 5. Households in quintile 5 dedicated 0.7% of their total budget to “Health” division which may be a low share of their total budget, but represents expenditure ten times higher than quintile 1.

Only division “Furnishing equipment and routine maintenance of the dwelling” remains stable over the 5 quintile groups.

Total monthly household expenditure, on average, amounts to US\$ 1,185 (including home production, gifts and imputed rents) in 2013 in FSM. Table 3.11 presents the breakdown by household total net income deciles and quintiles. The lowest decile group spends on average monthly around US\$ 498 and the highest decile spends 5.7 times more (US\$ 2900).

Table 3.11: Average annual and monthly household expenditure by total income deciles and quintiles

Total net income deciles	Average total expenditure (US\$)		Total net income quintiles	Average total expenditure (US\$)	
	Annual	Monthly		Monthly	Annual
Decile1	5,977	498	Quintile1	6,648	554
Decile2	7,317	610			
Decile3	7,935	661	Quintile2	8,767	731
Decile4	9,591	799			
Decile5	9,715	810	Quintile3	10,879	907
Decile6	12,033	1,003			
Decile7	13,960	1,163	Quintile4	16,163	1,347
Decile8	18,387	1,532			
Decile9	22,577	1,881	Quintile5	28,586	2,382
Decile10	34,552	2,879			
Total	14,218	1,185	Total	14,218	1,185

Higher income household are more dependent on the cash economy as two-third of their expenditure is cash based and only 12% is home produced. Home production almost reaches 20% of the total expenditure in low decile groups (except decile1). Households in the lowest decile may have overestimated the value of their house as the imputed rents estimation totaled more than 40% of the expenditure (see Table 3.12).

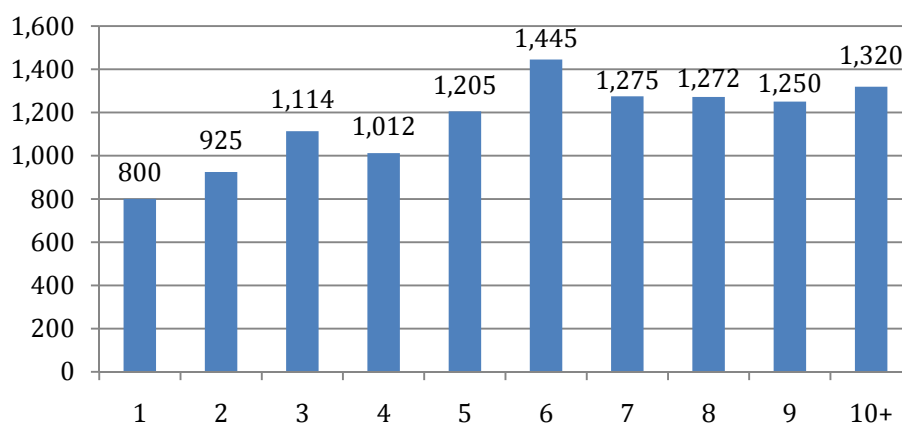
Table 3.12: Expenditure composition by expenditure type and income deciles (%)

TOTAL NET INCOME deciles	Total cash purchase	Total home produced	Imputed rents	Total expenditure
Decile1	50.9%	8.3%	40.8%	100.0%
Decile2	46.9%	14.1%	39.0%	100.0%
Decile3	52.1%	18.5%	29.4%	100.0%
Decile4	50.3%	17.6%	32.1%	100.0%
Decile5	53.0%	17.4%	29.6%	100.0%
Decile6	52.6%	16.1%	31.3%	100.0%
Decile7	55.5%	17.3%	27.3%	100.0%
Decile8	58.9%	15.4%	25.7%	100.0%
Decile9	60.9%	16.2%	22.9%	100.0%
Decile10	66.8%	11.5%	21.7%	100.0%
Total	58.0%	14.9%	27.1%	100.0%

HOUSEHOLD TOTAL EXPENDITURE BY HOUSEHOLD / HEAD OF HOUSEHOLD CHARACTERISTICS

Figure 3.18 compares household size and the average household expenditure. Up to 6 members, there is a positive correlation between household size and expenditure. However beyond 6 household members average household expenditure falls and stabilized, meaning that household above 6 members are likely to suffer economic hardship.

Figure 3.18: Average household monthly total expenditure by household size (US\$)



Households with 1 person spend on average US\$ 800 monthly, which is 3.3 times more than households with 6 persons. Per capita average expenditure declines as household size increases (Figure 3.19).

Figure 3.19: Household monthly total expenditure per-capita by household size (US\$)

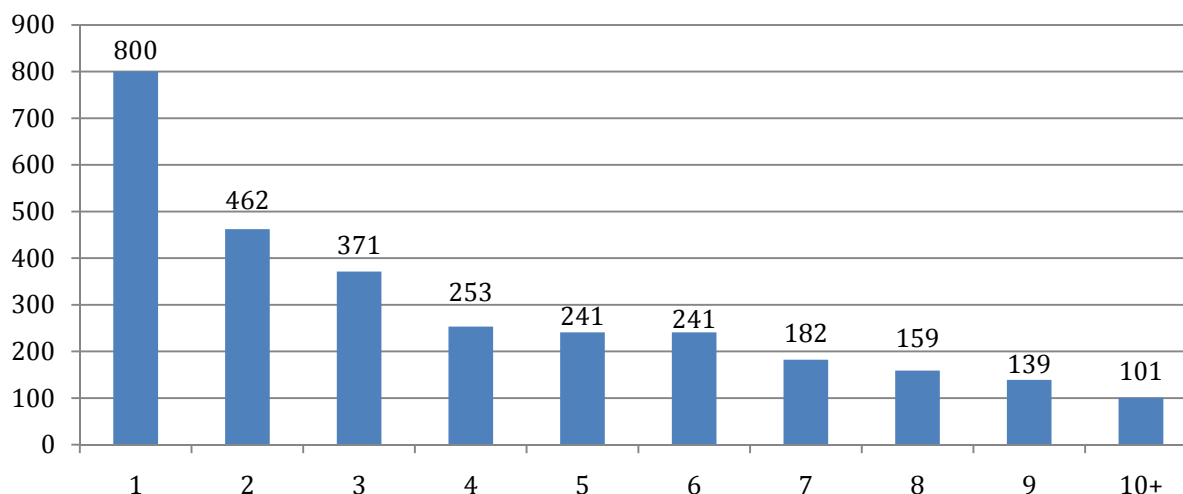


Figure 3.20 highlights the importance of home production in large households (around 20%) mainly as a supplement of cash expenditure.

Figure 3.20: Composition of total expenditure by household size (%)

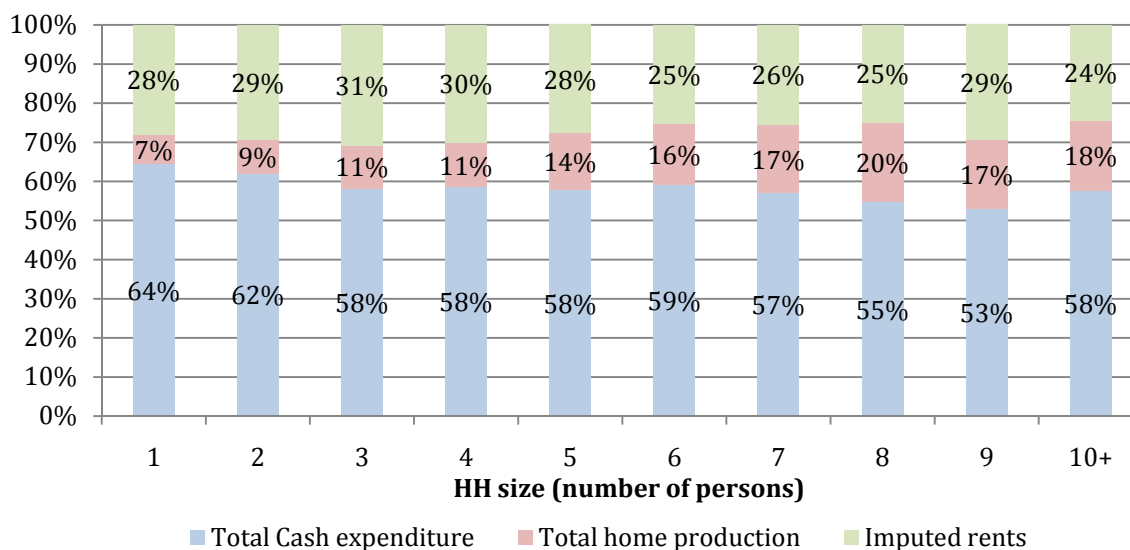


Table 3.13: Distribution of household expenditure by divisions (COICOP and non-consumption) and household size (%)

Expenditure division	Household size										Total
	1	2	3	4	5	6	7	8	9	10+	
1 - Food & non-alcoholic beverages	24.3%	29.2%	30.4%	33.1%	31.6%	36.5%	36.3%	39.8%	37.5%	37.4%	34.4%
2 - Alcohol, tobacco & narcotics	4.6%	3.7%	5.0%	3.5%	6.0%	5.8%	6.9%	5.5%	3.3%	5.5%	5.2%
3 - Clothing & footwear	1.1%	1.0%	1.7%	2.1%	2.1%	1.6%	1.4%	1.4%	1.3%	1.3%	1.5%
4 - Housing, water, electricity & other fuels	52.4%	42.0%	39.0%	37.2%	33.8%	31.6%	32.7%	31.7%	36.0%	31.6%	35.1%
5 - Furnishings, equipment & maintenance	1.6%	2.2%	2.2%	2.3%	2.3%	2.4%	1.9%	2.0%	2.2%	2.2%	2.2%
6 - Health	0.2%	0.3%	0.4%	0.4%	0.8%	0.4%	0.6%	0.6%	0.2%	0.3%	0.4%
7 - Transport	5.4%	6.6%	7.9%	6.3%	7.7%	5.7%	6.7%	7.0%	4.6%	6.9%	6.6%
8 - Communication	2.0%	2.3%	3.0%	3.2%	2.2%	1.8%	2.0%	1.8%	1.9%	2.0%	2.2%
9 - Recreation & culture	0.5%	1.0%	1.0%	1.6%	1.4%	1.3%	1.4%	1.3%	2.1%	2.0%	1.4%
10 - Education	0.1%	0.6%	0.9%	1.6%	2.3%	2.6%	2.8%	1.5%	2.3%	2.5%	2.0%
11 - Restaurants & hotels	1.5%	0.7%	0.6%	0.9%	1.1%	1.5%	1.2%	0.8%	0.7%	1.1%	1.1%
12 - Miscellaneous goods & services	2.4%	2.6%	2.3%	2.6%	2.7%	2.4%	1.6%	1.5%	2.0%	1.6%	2.1%
Non Consumption Expenditure	3.9%	7.9%	5.8%	5.3%	6.1%	6.3%	4.2%	5.0%	6.0%	5.7%	5.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The proportion of expenditure on “Housing, water, electricity, gas and other fuels” declines as household size increases from half of the total expenditure (1 person) to less than a third of the total expenditure (10+). As expected, the proportion of total expenditure dedicated to “Food and Non-alcoholic beverages” increases with the household size. There are no other clear trends that come out from Table 3.13, as regardless of its size, households dedicated between 70% and 75% to their basic needs (food and housing).

Table 3.14: Distribution of households by household head characteristics

Sex	Households	Age	Households	Occupation status	Households
Male	13,365	< 30	712	Work for pay employee	5,755
Female	3,312	30 - 39	2,972	Work for pay – other	871
		40 - 49	3,993	Work – no pay	4,705
		50 - 59	4,756	Retired	2,121
		60 - 69	2,682	Home duties	2,646
		70+	1,562	No work - other	581
Total	16,677	Total	16,677	Total	16,677

About 80% of the head of household is male, and mostly between 50 and 59 years old. Almost 68% of the household heads are part of the labor force, (Table 3.14).

Table 3.15: Distribution of households by total income quintiles and sex of household head

Total Net Income Quintile	Male	Female
Quintile 1	20.2%	19.3%
Quintile 2	19.7%	21.2%
Quintile 3	19.1%	23.4%
Quintile 4	20.1%	19.8%
Quintile 5	20.9%	16.4%
Total	100.0%	100.0%

The share of the households headed by male follows similar structure of household quintiles (20%). In the case of female household head, there is a slight difference, especially in the highest quintile where there is a lower proportion of households headed by women in. This is indicative that high quintile households are less likely to be headed by women.

Table 3.16: Average monthly household expenditure and percentage by expenditure division and sex of the household head

Expenditure division	Average household monthly expenditure (US\$)			Percent		
	Male	Female	Total	Male	Female	Total
1 - Food & non-alcoholic beverages	417	371	408	34.4%	34.5%	34.4%
2 - Alcoholic beverages, tobacco & narcotics	60	67	62	5.0%	6.2%	5.2%
3 - Clothing & footwear	19	15	18	1.6%	1.4%	1.5%
4 - Housing, water, electricity & other fuels	424	384	416	35.0%	35.7%	35.1%
5 - Furnishings, equipment & maintenance	26	27	26	2.1%	2.5%	2.2%
6 - Health	5	5	5	0.4%	0.5%	0.4%
7 - Transport	85	53	79	7.0%	4.9%	6.6%
8 - Communication	27	25	26	2.2%	2.3%	2.2%
9 - Recreation & culture	17	16	17	1.4%	1.5%	1.4%
10 - Education	23	23	23	1.9%	2.1%	2.0%
11 - Restaurants & hotels	13	10	12	1.1%	0.9%	1.1%
12 - Miscellaneous goods & services	25	24	25	2.1%	2.3%	2.1%
Non Consumption Expenditure	70	55	67	5.8%	5.1%	5.7%
Total	1,212	1,076	1,185	100.0%	100.0%	100.0%

Households headed by male spend on average 12% more than female. In terms of percentage distribution of the household expenditure there is no major difference (Table 3.16).

Average household expenditure increases with older household head. Households headed by a person within the 60 – 69 years old spend two times more than young headed household (<30). Expenditure pattern (%) does not highlight any significant discrepancy between age groups (Table 3.17).

Households headed by persons involved in “Home duties” as main activity had the lowest expenditure (US\$ 850 per month). Paid employee or employer households spend twice as much as the home duties. Households headed by other non-workers spend more than retired but slightly less than paid employee (remittances might help them to afford expenditures).

Table 3.17: Average monthly household expenditure (US\$) and percentage by expenditure division and age of the household head

Expenditure division	Average monthly household expenditure (US\$)						Age of household head					
	< 30	30 - 39	40 - 49	50 - 59	60 - 69	70+	< 30	30 - 39	40 - 49	50 - 59	60 - 69	70+
1 - Food & non-alcoholic beverages	263	358	394	406	531	400	36.4%	36.4%	33.9%	32.8%	36.6%	33.0%
2 - Alcoholic beverages, tobacco & narcotics	32	57	63	64	73	53	4.4%	5.8%	5.5%	5.1%	5.1%	4.4%
3 - Clothing & footwear	12	22	21	18	18	10	1.7%	2.2%	1.8%	1.4%	1.3%	0.8%
4 - Housing, water, electricity & other fuels	281	346	384	430	491	519	39.0%	35.2%	33.0%	34.7%	33.9%	42.9%
5 - Furnishings, equipment & maintenance	18	19	26	29	32	24	2.4%	1.9%	2.2%	2.4%	2.2%	2.0%
6 - Health	3	2	4	9	6	4	0.4%	0.2%	0.3%	0.7%	0.4%	0.3%
7 - Transport	33	62	82	86	101	60	4.6%	6.3%	7.0%	6.9%	7.0%	5.0%
8 - Communication	17	19	26	33	31	19	2.3%	2.0%	2.3%	2.6%	2.1%	1.6%
9 - Recreation & culture	11	15	18	20	16	13	1.5%	1.5%	1.5%	1.6%	1.1%	1.0%
10 - Education	2	11	32	30	20	18	0.3%	1.1%	2.7%	2.4%	1.4%	1.5%
11 - Restaurants & hotels	2	10	16	13	13	9	0.3%	1.0%	1.4%	1.1%	0.9%	0.7%
12 - Miscellaneous goods & services	18	20	29	25	28	24	2.6%	2.0%	2.5%	2.1%	1.9%	2.0%
Non Consumption Expenditure	29	43	68	77	91	59	4.1%	4.3%	5.9%	6.2%	6.2%	4.9%
Total	721	983	1,163	1,240	1,452	1,211	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3.18: Average monthly household expenditure (US\$) and percentage by division and work status of the household head

Expenditure division	Average monthly expenditure (US\$)						Percentage					
	Work for pay Employee	Work Other without pay	Home Retired	No work duties	No work - other		Work for pay Employee	Work Other without pay	Home Retired	No work duties	No work - other	
1 - Food & non-alcoholic beverages	442	409	403	404	345	404	30.9%	25.1%	40.9%	35.0%	40.4%	31.0%
2 - Alcoholic beverages, tobacco & narcotics	64	62	73	39	48	93	4.5%	3.8%	7.4%	3.3%	5.6%	7.1%
3 - Clothing & footwear	26	25	16	12	8	16	1.8%	1.6%	1.7%	1.1%	1.0%	1.3%
4 - Housing, water, electricity & other fuels	483	707	319	446	301	509	33.8%	43.4%	32.3%	38.5%	35.4%	39.1%
5 - Furnishings, equipment & maintenance	33	37	20	25	20	28	2.3%	2.3%	2.0%	2.1%	2.3%	2.1%
6 - Health	8	4	3	5	2	8	0.6%	0.3%	0.3%	0.4%	0.3%	0.6%
7 - Transport	113	160	47	78	34	75	7.9%	9.9%	4.7%	6.7%	4.0%	5.7%
8 - Communication	40	48	15	22	14	29	2.8%	3.0%	1.5%	1.9%	1.7%	2.2%
9 - Recreation & culture	23	33	10	15	14	12	1.6%	2.0%	1.0%	1.3%	1.6%	0.9%
10 - Education	39	14	13	23	11	17	2.7%	0.9%	1.4%	2.0%	1.3%	1.3%
11 - Restaurants & hotels	22	19	5	10	4	12	1.5%	1.2%	0.5%	0.9%	0.5%	1.0%
12 - Miscellaneous goods & services	41	37	12	23	11	33	2.9%	2.3%	1.2%	2.0%	1.3%	2.6%
Non Consumption Expenditure	98	72	50	54	41	65	6.8%	4.4%	5.1%	4.7%	4.8%	5.0%
Total	1,432	1,628	986	1,157	853	1,302	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

HOUSEHOLD TOTAL EXPENDITURE BY STATE

Pohnpei accounts for half of FSM total expenditure and counts slightly more than a third of the population. This results in a much higher average expenditure in Pohnpei. Conversely Chuuk totaled almost half of the population in FSM but contributes for less than 30% to the total expenditure (Table 3.19 and Figure 3.21).

Table 3.19: Total annual expenditure, population, household, and average per capita household annual expenditure by state

State	Total annual expenditure		Population		Households		Average total annual expenditure (US\$)	
	US\$ 000	%	Number	%	Number	%	Per capita	Households
Yap	32,471	13.7%	11,995	11.6%	2,353	14.1%	2,707	13,801
Chuuk	70,637	29.8%	48,703	47.1%	6,819	40.9%	1,450	10,358
Pohnpei	116,517	49.1%	36,948	35.7%	6,416	38.5%	3,154	18,159
Kosrae	17,507	7.4%	5,748	5.6%	1,089	6.5%	3,046	16,072
FSM	237,132	100.0%	103,395	100.0%	16,678	100.0%	2,293	14,218

The average annual per capita expenditure in Pohnpei and Kosrae is twice as high as Chuuk. Yap averages US\$ 2,700 annual per capita, and is ranked closer to Pohnpei and Kosrae than Chuuk.

Figure 3.21: Total household expenditure (%) and average annual per-capita expenditure by state (US\$)

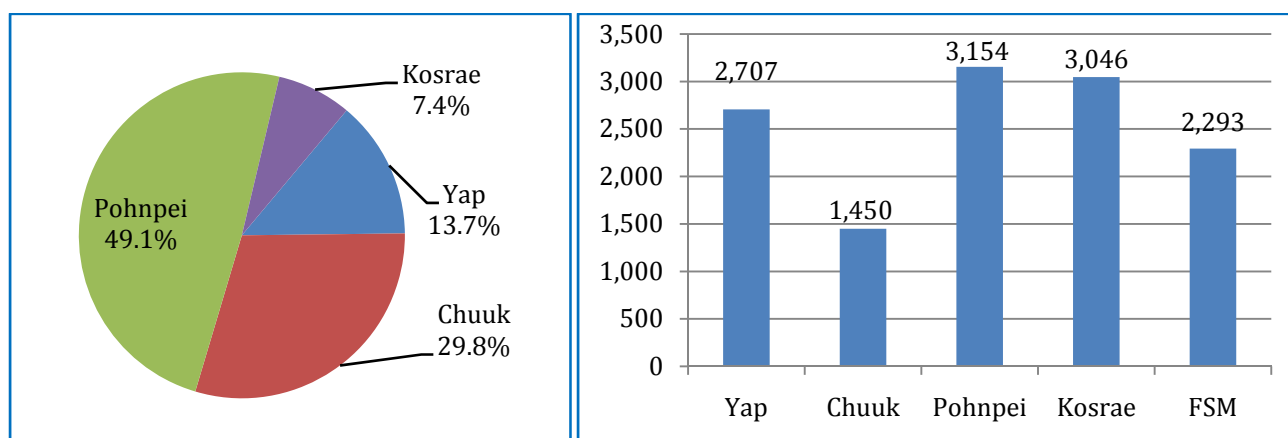


Table 3.20: Household expenditure distribution by state and income quintile (%)

Income Quintile	Yap	Chuuk	Pohnpei	Kosrae	Total
Quintile 1	6.6%	60.1%	25.9%	7.4%	100.0%
Quintile 2	7.3%	62.3%	24.8%	5.6%	100.0%
Quintile 3	18.1%	35.9%	41.9%	4.1%	100.0%
Quintile 4	21.4%	25.8%	45.1%	7.7%	100.0%
Quintile 5	17.1%	20.4%	54.7%	7.9%	100.0%
Total	13.7%	29.8%	49.1%	7.4%	100.0%

More than 60% of the households from the lowest quintiles (quintile 1 & 2) come from Chuuk, and more than half of the high income quintile (quintile 5) comes from Pohnpei. This distribution shows a high level of inequality between those states.

At the National level 15% of expenditure is home produced in FSM (Table 3.21). However, Kosrae and Yap do not follow this trend. Kosrae households are highly dependent on the cash economy as 75% of their expenditure is cash and only 5% is home produced. Yap shows an opposite trend with a quarter of the consumption home produced.

Table 3.21: Total expenditure breakdown by state (%)

State	Cash	Home produced	Imputed rents	Total
Yap	59.8%	26.2%	13.9%	100.0%
Chuuk	55.7%	15.5%	28.8%	100.0%
Pohnpei	56.3%	12.9%	30.8%	100.0%
Kosrae	74.4%	5.0%	20.7%	100.0%
FSM	58.0%	14.9%	27.1%	100.0%

Pohnpei consumption pattern reflects a developed country profile with a lower percentage dedicated to food and higher for housing or non-consumption expenditure (Table 3.22).

Table 3.22: Total expenditure breakdown expenditure category and state (%)

Expenditure category	Yap	Chuuk	Pohnpei	Kosrae	Total
1 - Food & non-alcoholic beverages	42.1%	42.5%	27.1%	35.9%	34.4%
2 - Alcoholic beverages, tobacco & narcotics	7.9%	1.4%	7.2%	1.9%	5.2%
3 - Clothing & footwear	1.4%	1.5%	1.6%	1.7%	1.5%
4 - Housing, water, electricity & other fuels	21.8%	36.4%	38.9%	29.2%	35.1%
5 - Furnishings, equipment & maintenance	1.9%	2.1%	2.2%	3.2%	2.2%
6 - Health	0.4%	0.4%	0.5%	0.2%	0.4%
7 - Transport	9.1%	4.2%	7.1%	8.8%	6.6%
8 - Communication	2.5%	2.6%	1.9%	2.1%	2.2%
9 - Recreation & culture	1.2%	1.2%	1.5%	2.5%	1.4%
10 - Education	2.1%	1.7%	2.0%	2.8%	2.0%
11 - Restaurants & hotels	1.2%	0.4%	1.5%	0.8%	1.1%
12 - Miscellaneous goods & services	3.9%	1.2%	1.8%	4.7%	2.1%
Non Consumption Expenditure	4.5%	4.4%	6.7%	6.3%	5.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

SECTION 4 – INCOME ANALYSIS

INTRODUCTION

FORMATION OF MAIN INCOME CATEGORIES

Section 4 of this report covers the analysis undertaken on the income/other receipts information collected in the FSM 2013/14 HIES.

As with expenditure, a main consideration to the development of this chapter was how best to classify the data collected, to provide the most meaningful results to users. Once again, the format was based on Resolution 1 from the Seventeenth International Conference of Labour Statisticians. This Resolution proposes the following breakdown for classifying income and other receipts:

1. Household Income: Consists of all receipts whether monetary or in-kind (goods and services) that are received by the household or by individual members of the household at annual or more frequent intervals, but excludes windfall gains and other such irregular and typically one-time receipts. Household income receipts are available for current consumption and do not reduce the net worth of the household through a reduction of its cash, the disposal of its financial or non-financial assets or an increase in its liabilities. Four main components of household income are defined here, which include:
 - 1.1 Income from Employment: Comprises receipts for participation in economic activities in a strictly employment related capacity. It consists of two components:
 - 1.1.1 Employment Income: Comprises direct wages and salaries for time worked and work done, cash bonuses and gratuities, commissions and tips, directors' fees, profit -sharing bonuses and other forms of profit-related pay, remuneration for time not worked as well as free or subsidized goods and services from an employer. It may include severance and termination pay as well as employers' social insurance contributions. These items should be reported separately, when included. Employee income may be received in cash (monetary) or in-kind as goods or services.
 - 1.1.2 Income from Self-Employment: Is defined as income received by individuals, over a given reference period, as a result of their involvement in self-employment jobs. In particular, income from self-employment concerns primarily owners of unincorporated enterprises who work in these enterprises. It excludes profits from capital investment of partners who do not work in these enterprises ("sleeping partners"), dividends and directors' fees paid to owners of incorporated enterprises. Income from self-employment includes the estimated value of goods and services produced for barter as well as goods produced for own consumption, less expenses.
 - 1.2 Property Income: Property income is defined as receipts that arise from the ownership of assets (return for use of assets) that are provided to others for their use. These are returns, usually monetary, from financial assets (interests, dividends), from non-financial assets (rents) and from royalties (return for services of patented or copyright material). Interest receipts are payments

received from accounts with banks, building societies, credit unions and other financial institutions, certificates of deposit, government bonds/loans, securities, debentures and loans to non-household members. Dividends are receipts from investment in an enterprise in which the investor does not work. Pensions and annuities in the form of dividends from voluntary private insurance schemes are also included. Rents are payments received for the use of both unproduced assets (i.e. natural resources), such as land; and for produced assets, such as houses. Rents should be recorded net of expenses (i.e., they should be recorded and collected separately from other consumption expenditures, so they can be treated as both income and expenditure). Royalties are receipts from writings, right to make use of inventions, etc. (i.e. patented or copyright materials).

- 1.3 Income from Household Production for Services of Own Consumption: Income from household production of services for own consumption consists of the net estimated value of housing services provided by owner-occupied dwellings, of unpaid domestic services and of services from household consumer durables. These are services that fall under the general production boundary of the system of national accounts. Because of measurement issues, owner-occupied dwellings may be the only part of this component that could be included for now. The operational definition of this component should be clearly described when estimates for it are presented or included in estimates of the total income of households. The net estimated values of housing services from owner-occupied dwellings should be presented separately from the estimates for other services. Estimates of the values of these services should be made in a consistent manner in producing household income and household expenditure statistics when these are to be analyzed jointly.
- 1.4 Transfer Income: Transfers are receipts for which the recipient does not give anything to the donor in direct return for the receipts. Transfers can consist of cash (in the monetary sense), of goods or of services. Current transfers are those that usually recur regularly (relative to the reference period used for income), tend to be small and are also mostly available for use during the reference period. Regarded as income are all current transfers received in cash and as goods as follows:
- (a) Social security pensions, insurance benefits and allowances generated from government sponsored social insurance schemes (compulsory/legal schemes) such as pensions (including military and overseas pensions), unemployment benefits, and sickness benefits;
 - (b) Pensions and other insurance benefits from employer-sponsored social insurance schemes not covered by social security legislation (both funded and unfunded) such as education allowance and medical expenses;
 - (c) Social assistance benefits from governments (universal or means-tested) which provide the same benefits as social security schemes but which are not provided for under such schemes;
 - (d) Current transfers from non-profit institutions (e.g. charities, trade unions, religious bodies) in the form of regular gifts and financial support such as scholarships, union strike pay, union's sickness benefits, and relief payments;
 - (e) Current transfers from other households in the form of family support payments (such as alimony, child and parental support), regular receipts from inheritances and trust funds, regular gifts, financial support or transfer in-kind of goods.

Transfer of housing services between households should be considered as income for the recipient household. Although income includes current transfers received in the form of services from governments and non-profit institutions (social transfers in-kind) and in the form of other services

from households, the operational definition of income should exclude such transfers until methods exist for valuing them that are widely acceptable.

2. Irregular Gifts Received & casual income: As stated above, household income covers all receipts which are received by the household or by individual members of the household at annual or more frequent intervals. In the Pacific, many gifts are received by households, whether it is by other households or other community groups, on an ad-hoc irregular basis. For this reason, a section in the tabulations has been included to cover such receipts, due to their significance for a country like FSM. Any other receipts the household may receive will also be covered in this section, and include things like “funeral allowance”, “sale of motor vehicle”, “sale of other assets” & “inheritances”.

NB: All these components will be addressed in the Income/Receipts analysis in this section, with the exception of “1.3 Income from Household Production for Services of Own Consumption”. Only the estimated value of housing services provided by owner-occupied dwellings was collected in the survey, and the quality of this data is still under review.

FINER LEVEL CATEGORIES FOR MAIN INCOME ANALYSIS

Household Income

For household income, it is desirable to have the following three categories remain:

- 1.1 Income from Employment
- 1.2 Property Income
- 1.3 Transfer Income

For each sub-category, finer level breakdowns for FSM income analysis will be as follows:

1.1 Income from Employment: The main categories included here are:

- 1. Wage & Salary Income
- 2. Income from own business (non-subsistence)
- 3. Subsistence Income (Agriculture)
- 4. Subsistence Income (Handicraft)
- 5. Subsistence Income (Livestock)
- 6. Subsistence Income (fishing)
- 7. Home Production Consumed

An effort has also been made to separate out the main subsistence activities in to the four main activities identified – fisheries, agriculture, livestock and other (covers home processed food and handicrafts). Whilst it will be seen that not great deal of money will be collected from these sectors, they still play a very significant role in the lives of Micronesians in terms of consuming what is collected/produced and gift sharing amongst household – especially in the fisheries sector.

1.2 Property Income: As discussed above, property income is income which arises from the ownership of assets. In FSM, income from this source plays a significant role in the livelihood of Micronesians. For this reason this category has been split in to the major types of property income which includes:

1. Home Rental
2. Other income from capital (dividends, interests, royalties)

In the questionnaire on income (module 4), land lease was actually collected under “Other property income”, whereas in the tabulations to follow, “Other Property Income” will be comprised of interest from financial institutions overseas, interest from money lending and dividends.

1.3 Transfer Income: As discussed above, transfer income covers receipts for which the recipient does not give anything to the donor in direct return for the receipts. Transfer income does not have a major impact on the roles of Micronesians, but it has still been split in to four sub-categories, based on level of interest:

1. Remittances
2. Pensions
3. Scholarship
4. Other transfers (from within FSM and overseas)

Irregular Gifts Received & casual income

As stated above, this section addresses cash and gifts which are received by households, whether it is from another household or other community groups, on an ad-hoc irregular basis. The categories of most relevance to FSM which are covered in this section are as follows:

1. Items received for free as a gift (home produced or bought)
2. Casual income (i.e., sale of assets, inheritance)

TYPE OF INCOME

To add further value to the analysis, effort has been made throughout the survey to determine how that income was received. Seven main categories have been created to establish the manner in which the income was received, which include:

1. Cash income
2. Home production consumed
3. In-kind receipts – bought goods & services (purchased for the benefit of another household)
4. In-kind receipts – home production given away
5. Imputed rents
6. Intermediate expenditure
7. In-kind income

Further explanations for each are provided as follows:

Cash Income

Cash income will account for most of the income households receive as it will account for the majority of wage and salary income, business income, and sales of home production. All receipts from property income and transfer income will also be classified as a cash income source.

Home production income

Home production income only covers the value of home production that the household produces themselves and then consumes. If the household sells the home produce it is categorized as a cash income, as cash was generated from the sale.

In-kind receipts

This type of income is similar as the one described on the expenditure analysis. All goods given away are treated as expenditure and income, and can come from cash purchase or home production (for the benefit of another household).

Imputed rents

Imputed rents are treated as income and expenditure as well.

Intermediate expenditure

Even if this is not an income, those expenditures will allow the estimation of net income for business activities and subsistence activities. All equipments are not considered as intermediate expenditure but household investment (see in the expenditure analysis). Only the salary to staff, the current expenditure are covered in this group (i.e., fuel for boat [fishing], pig feeder [livestock].)

In-kind income

In-kind income covers any income received by the household which was not in the form of cash. For wage and salary, this would entail the employer paying the household member, in full or partially, with a gift in-kind instead of cash. For the section in the tables addressing "Irregular Gifts Received & Other Receipts", the component "ad-hoc gifts received" will also be categorized as a form of in-kind income.

INCOME ANALYSIS – MAIN TABLES & GRAPHS

DISTRIBUTION OF HOUSEHOLD INCOME/RECEIPTS BY MAJOR CATEGORY

The following graph (Figure 4.1) shows the distribution of household income across each of the major categories collected in the survey. The analysis clearly shows that income from “Employment” is the most important source of income accounting for 57% of the total household income. This income from employment amount includes all wages and salary income (66%), home production (17%), and own business income and income from subsistence activities that shared the rest (8% each).

The next major category contributing to household income is “imputed rents” that accounts for income and expenditure (estimation of the amount of the house). The group “Regular transfers”, ranked third, includes all the pension (55% of this group), cash remittances received (27% of this group) and scholarship (16% of this group).

“Other casual income” includes all goods given away (purchased and home produced) and irregular cash income that come from casual sales, inheritance, and similar sources.

The “Property” category is made of home rental received by owners, royalties, sale of bonds, and interests.

More details on the key contributors to some of these groups can be found later in this section.

Figure 4.1: Distribution of household total income by major category

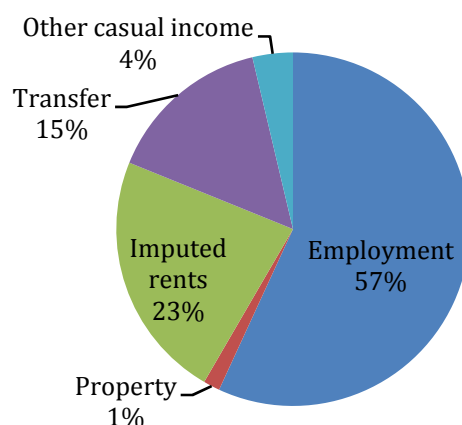
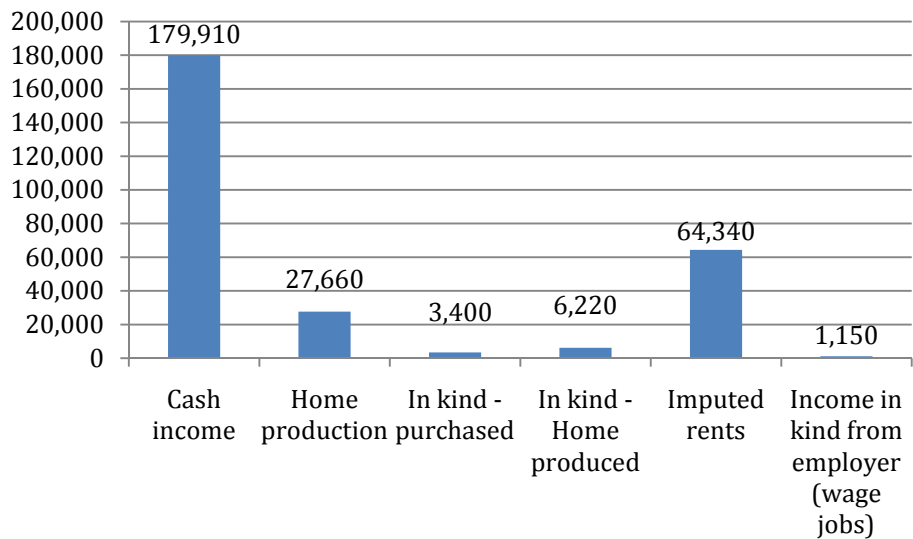


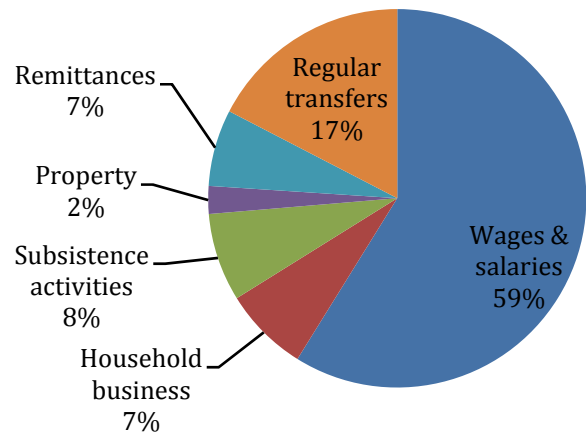
Figure 4.2 presents the breakdown of the total household income by type of income. Total household income in FSM reached 283 million (US\$) in 2013. Cash income is the main income type showing 64% of the total household income. The estimation of the imputed rents comes next (23%). Home production consumed by the household represents 10% of the household income, In-kind receipts together (purchases and home produced items given away) totaled 3.4% of the total household income, and finally income in-kind from employer 0.4%.

Figure 4.2: Total household income by type of income (US\$ 000)



The next graph (Figure 4.3) focuses on “cash income” only. Almost 60% of the household cash income comes from wage jobs, and 17% from regular transfers (mainly pension). Cash income made from subsistence activities (mainly the sale of agricultural items) ranks third showing a similar level as cash income made from household business. 96% of the remittances come from overseas, and represent the fifth major source of cash income for FSM households. Property income shows a lower part of the household cash income with only 1.9% (mainly due to home rental income that amounted to 80% of the total property income).

Figure 4.3: Distribution of cash income by Major category (%)



ANNUAL INCOME AMOUNTS BY CATEGORY & TYPE

The following three tables (Tables 4.1-4.3) show the actual dollar amounts received by FSM households by income category and type. The three tables provide the following amounts:

- Table 4.1: Total annual income/receipts
- Table 4.2: Average annual household income/receipts
- Table 4.3: Average annual per capita income/receipts

for each broad category of income, as well as income type.

The same analysis is provided for each of these three tables for “monthly” income/receipts in Appendix B.

Table 4.1 shows that FSM households had a total household income of just above US\$ 218M in 2013 (excluded imputed rents).

Table 4.1: Total annual household income by income category and income type (US\$ 000)

	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	105,394	-	-	-	-	1,150	106,544
Business income	13,058	-	-	-	-	-	13,058
Subsistence – agriculture	6,594	-	-	-	-	-	6,594
Subsistence – handicraft	2,578	-	-	-	-	-	2,578
Subsistence – livestock	690	-	-	-	-	-	690
Subsistence – fisheries	3,638	-	-	-	-	-	3,638
Home production consumed	-	27,659 ³	-	-	-	-	27,659
EMPLOYMENT INCOME	131,951	27,659	-	-	-	1,150	160,760
Rental	3,394	-	-	-	-	-	3,394
Other property income	863	-	-	-	-	-	863
PROPERTY INCOME	4,257	-	-	-	-	-	4,257
Remittances	11,728	-	-	-	-	-	11,728
Pensions	23,723	-	-	-	-	-	23,723
Scholarship	7,040	-	-	-	-	-	7,040
Other transfers	410	-	-	-	-	-	410
REGULAR TRANSFERS	42,902	-	-	-	-	-	42,902
Items received for free	-	-	3,403	6,224	-	-	9,628
Other casual income	801	-	-	-	-	-	801
CASUAL INCOME	801	-	3,403	6,224	-	-	10,429
TOTAL HHOLD INCOME	179,910	27,659	3,403	6,224	-	1,150	218,348
IMPUTED RENTS	-	-	-	-	64,336	-	64,336
TOTAL HHOLD INCOME (incl. Imputed rents)	179,910	27,659	3,403	6,224	64,336	1,150	282,683

³ Home production in income chapter is presented as net amount that is why it does not match with the home production presented in expenditure chapter which is gross amount. Section 6 explains the difference between both values.

Converted to average annual household amounts, Table 4.2 shows that households in FSM had an average annual household income of US\$ 13,000 in 2013. The employment income component of this amount was US\$ 7,900 of which wage and salary accounted for US\$ 6,320. In terms of cash income, households in FSM earned in 2013 US\$ 10,800.

Table 4.2: Average annual household income by income category and income type (US\$)

	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	6,320	-	-	-	-	69	6,389
Business income	783	-	-	-	-	-	783
Subsistence – agriculture	395	-	-	-	-	-	395
Subsistence – handicraft	155	-	-	-	-	-	155
Subsistence – livestock	41	-	-	-	-	-	41
Subsistence – fisheries	218	-	-	-	-	-	218
Home production consumed	-	1,659	-	-	-	-	1,659
EMPLOYMENT INCOME	7,912	1,659	-	-	-	69	9,640
Rental	204	-	-	-	-	-	204
Other property income	52	-	-	-	-	-	52
PROPERTY INCOME	255	-	-	-	-	-	255
Remittances	703	-	-	-	-	-	703
Pensions	1,423	-	-	-	-	-	1,423
Scholarship	422	-	-	-	-	-	422
Other transfers	25	-	-	-	-	-	25
REGULAR TRANSFERS	2,573	-	-	-	-	-	2,573
Items received for free	-	-	204	373	-	-	577
Other casual income	48	-	-	-	-	-	48
CASUAL INCOME	48	-	204	373	-	-	625
TOTAL HHOLD INCOME	10,788	1,659	204	373	-	69	13,093
IMPUTED RENTS	-	-	-	-	3,858	-	3,858
TOTAL HHOLD INCOME (incl. Imputed rents)	10,788	1,659	204	373	3,858	69	16,950

Finally, when these figures are converted to per capita household income per year (Table 4.3), on average one person in FSM has an income estimated at US\$ 2,112 a year of which employment income accounted for US\$ 1,276 (excluded estimated rents).

Table 4.3: Average annual per capita income by income category and income type (US\$)

	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Pur- chase	Home produced			
Wages & salaries	1,019	-	-	-	-	11	1,031
Business income	126	-	-	-	-	-	126
Subsistence – agriculture	64	-	-	-	-	-	64
Subsistence – handicraft	25	-	-	-	-	-	25
Subsistence – livestock	7	-	-	-	-	-	7
Subsistence – fisheries	35	-	-	-	-	-	35
Home production consumed	-	268	-	-	-	-	268
EMPLOYMENT INCOME	1,276	268	-	-	-	11	1,555
Rental	33	-	-	-	-	-	33
Other property income	8	-	-	-	-	-	8
PROPERTY INCOME	41	-	-	-	-	-	41
Remittances	113	-	-	-	-	-	113
Pensions	229	-	-	-	-	-	229
Scholarship	68	-	-	-	-	-	68
Other transfers	4	-	-	-	-	-	4
REGULAR TRANSFERS	415	-	-	-	-	-	415
Items received for free	-	-	33	60	-	-	93
Other casual income	8	-	-	-	-	-	8
CASUAL INCOME	8	-	33	60	-	-	101
TOTAL HHOLD INCOME	1,740	268	33	60	-	11	2,112
IMPUTED RENTS	-	-	-	-	622	-	622
TOTAL HHOLD INCOME (incl. Imputed rents)	1,740	268	33	60	622	11	2,734

DISTRIBUTION OF EMPLOYMENT HOUSEHOLD INCOME BY DETAILED CATEGORY

The following section shows the percentage distribution of the employment income through different characteristics:

- 1) Employment income (breakdown through the main category of this group)
- 2) Home production
- 3) Wages & salary income through industry

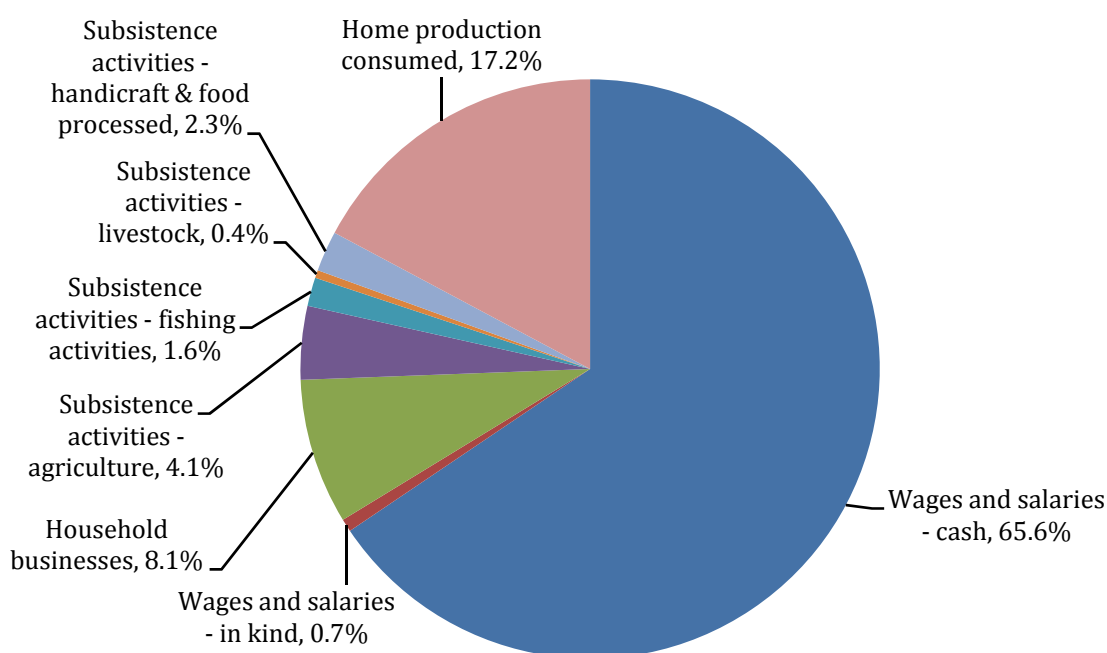
The total annual amount from that household income group is listed for each, along with the contribution of that group to household income to assist with putting things in perspective. For the additional analysis on subsistence income, the contribution of this group to both employment income and total household income is provided.

Employment Income

Total annual employment income: US\$ 161M

Percentage contribution to household income: 57%

Figure 4.4: Percentage contribution of main types of employment income to total employment income



Home production

Total annual subsistence income: US\$ 29.1M

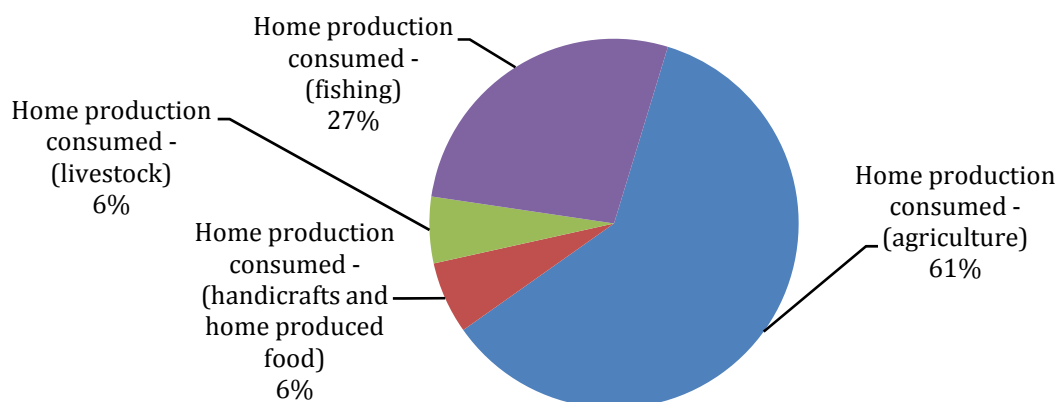
Total annual intermediate expenditure related to subsistence activities; US\$ 1.5M

Total value of the net home production: US\$ 27.6M

Percentage contribution to employment income: 17.2%

Percentage contribution to household income: 9.7%

Figure 4.5: Percentage contribution of main types of subsistence income to total subsistence income



Wage & salary by industry

Total annual wage and salary cash income: US\$ 105M

Percentage contribution to employment income: 66%

Percentage contribution to total household income: 37%

Table 4.4: Total wage & salary income by industry

Industry	US\$ 000	Percent
Education	25,965	24.6%
Public administration & defence	19,571	18.6%
Wholesale & retail trade, repair of motor vehicles	10,193	9.7%
Human health & social work	9,590	9.1%
Construction	4,896	4.6%
Transportation & storage	4,597	4.4%
Accommodation and food service activities	3,779	3.6%
Financial & insurance activities	3,704	3.5%
Electricity, gas, steam & air conditioning supply	3,165	3.0%
Professional, scientific & technical activities	3,020	2.9%
Activities of extraterritorial organizations	2,949	2.8%
Information & communication	2,386	2.3%
Activities of households as employer	2,352	2.2%
Manufacturing	2,072	2.0%
Fishing	1,921	1.8%
Other services activities	1,863	1.8%
Administrative & support service activities	1,801	1.7%
Agriculture	612	0.6%
Water supply, sewerage, waste management	312	0.3%
Quarrying	255	0.2%
Arts, entertainment & recreation	231	0.2%
Forestry	87	0.1%
Real estate activities	76	0.1%
TOTAL WAGE & SALARY	105,394	100.0%

DISTRIBUTION OF HOUSEHOLD INCOME BY CATEGORY AND TYPE

The following two tables (Table 4.5 & 4.6) show the distribution of each income category and income type with respect to the total income.

The first table (Table 4.5) shows the percentage contribution within each of the main broad household income types; “employment income”, “property income” & “transfer income”, as well as the grouping for “casual income”. To interpret this table we can see that wage & salary income contribute 65.6 percent to the total employment cash income, an addition 0.7% comes from the income in-kind and other benefits from employer which leads to a total 66.3% contribution of wage and salary to the employment income.

Pension is the main component of the transfer income (55% of this category) followed by remittances and scholarship.

Table 4.5: Distribution of household income within group by income category and income type (%)

Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	65.6%	-	-	-	-	0.7%	66.3%
Business income	8.1%	-	-	-	-	-	8.1%
Subsistence – agriculture	4.1%	-	-	-	-	-	4.1%
Subsistence – handicraft	1.6%	-	-	-	-	-	1.6%
Subsistence – livestock	0.4%	-	-	-	-	-	0.4%
Subsistence – fisheries	2.3%	-	-	-	-	-	2.3%
Home production consumed	-	17.2%	-	-	-	-	17.2%
EMPLOYMENT INCOME	82.1%	17.2%	-	-	-	0.7%	100.0%
Rental	79.7%	-	-	-	-	-	79.7%
Other property income	20.3%	-	-	-	-	-	20.3%
PROPERTY INCOME	100.0%	-	-	-	-	-	100.0%
Remittances	27.3%	-	-	-	-	-	27.3%
Pensions	55.3%	-	-	-	-	-	55.3%
Scholarship	16.4%	-	-	-	-	-	16.4%
Other transfers	1.0%	-	-	-	-	-	1.0%
REGULAR TRANSFERS	100.0%	-	-	-	-	-	100.0%
Items received for free	-	-	32.6%	59.7%	-	-	92.3%
Other casual income	7.7%	-	-	-	-	-	7.7%
CASUAL INCOME	7.7%	-	32.6%	59.7%	-	-	100.0%
TOTAL HHOLD INCOME	82.4%	12.7%	1.6%	2.9%	-	0.5%	100.0%
IMPUTED RENTS	-	-	-	-	100.0%	-	100.0%
TOTAL HHOLD INCOME (incl. Imputed rents)	63.6%	9.8%	1.2%	2.2%	22.8%	0.4%	100.0%

The second table (Table 4.6) shows the percentage contribution to the overall total for the household income groups.

As the information is now expressed as percentages of the overall total, the figures are somewhat smaller than those presented in Table 4.5. For example, income from home rental may represent 79.7% of total property income, as can be seen in Table 4.5, but as illustrated in Table 4.6, this income only represents 1.2% of total income/receipts (imputed rents excluded).

Table 4.6: Distribution of household income within total by income category and income type (%)

Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	37.3%	-	-	-	-	0.4%	37.7%
Business income	4.6%	-	-	-	-	-	4.6%
Subsistence – agriculture	2.3%	-	-	-	-	-	2.3%
Subsistence – handicraft	0.9%	-	-	-	-	-	0.9%
Subsistence – livestock	0.2%	-	-	-	-	-	0.2%
Subsistence – fisheries	1.3%	-	-	-	-	-	1.3%
Home production consumed	-	9.8%	-	-	-	-	9.8%
EMPLOYMENT INCOME	46.7%	9.8%	-	-	-	0.4%	56.9%
Rental	1.2%	-	-	-	-	-	1.2%
Other property income	0.3%	-	-	-	-	-	0.3%
PROPERTY INCOME	1.5%	-	-	-	-	-	1.5%
Remittances	4.1%	-	-	-	-	-	4.1%
Pensions	8.4%	-	-	-	-	-	8.4%
Scholarship	2.5%	-	-	-	-	-	2.5%
Other transfers	0.1%	-	-	-	-	-	0.1%
REGULAR TRANSFERS	15.2%	-	-	-	-	-	15.2%
Items received for free	-	-	1.2%	2.2%	-	-	3.4%
Other casual income	0.3%	-	-	-	-	-	0.3%
CASUAL INCOME	0.3%	-	1.2%	2.2%	-	-	3.7%
TOTAL HHOLD INCOME	63.6%	9.8%	1.2%	2.2%	-	0.4%	77.2%
IMPUTED RENTS	-	-	-	-	22.8%	-	22.8%
TOTAL HHOLD INCOME (incl. Imputed rents)	63.6%	9.8%	1.2%	2.2%	22.8%	0.4%	100.0%

PERCENTAGE OF HOUSEHOLDS WITH CERTAIN TYPES OF INCOME/RECEIPTS

The analysis presented in Table 4.7 provides information on what proportion of households actually received each income/receipt group and type. As would be expected, the majority of households surveyed reported some cash income from a current wage and salary job (55.5%). However the most common source of income for households in FSM is the home production (mainly agriculture items) with 76% of the households involved in some form of subsistence activity. It is also interesting to note from this analysis the large proportion of households that reported receiving remittances (41.6%).

In addition to this, 50% of the households received some gift for free from other households (mainly food) which highlight the importance of the exchange and solidarity in FSM communities.

Table 4.7: Percentage of households with income by income category and income type

Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Pur- chase	Home produced			
Wages & salaries	55.5%	-	-	-	-	2.3%	55.5%
Business income	4.5%	-	-	-	-	-	4.5%
Subsistence – agriculture	24.1%	-	-	-	-	-	24.1%
Subsistence – handicraft	15.8%	-	-	-	-	-	15.8%
Subsistence – livestock	12.1%	-	-	-	-	-	12.1%
Subsistence – fisheries	12.9%	-	-	-	-	-	12.9%
Home production consumed	0.0%	76.7%	-	-	-	-	76.7%
EMPLOYMENT INCOME	78.2%	76.7%	-	-	-	2.3%	97.0%
Rental	0.9%	-	-	-	-	-	0.9%
Other property income	3.0%	-	-	-	-	-	3.0%
PROPERTY INCOME	3.8%	-	-	-	-	-	3.8%
Remittances	41.6%	-	-	-	-	-	41.6%
Pensions	18.6%	-	-	-	-	-	18.6%
Scholarship	7.5%	-	-	-	-	-	7.5%
Other transfers	0.9%	-	-	-	-	-	0.9%
REGULAR TRANSFERS	54.5%	-	-	-	-	-	54.5%
Items received for free	-	-	21.5%	38.3%	-	-	50.4%
Other casual income	1.3%	-	-	-	-	-	1.3%
CASUAL INCOME	1.3%	-	21.5%	38.3%	-	-	50.9%
IMPUTED RENTS	-	-	-	-	98.1%	-	98.1%
TOTAL HHOLD INCOME (incl. Imputed rents)	91.7%	76.7%	21.5%	38.3%	98.1%	2.3%	100.0%

COMPARISON OF TOTAL INCOME & CASH INCOME: 1998, 2005 & 2013

Table 4.8 presents the 2013 HIES income outputs using the 2005 income classification. At a broad level, total income has increased by 28% over the period between HIES 2005 and 2013 (8 years).

Table 4.8: Annual income and distribution of income – comparison 2005 vs. 2013

Source of income (2005 classification)	2005		2013	
	US\$ 000	%	US\$ 000	%
Wages & salaries	104,146	47.2	106,544 ⁴	37.7
Business income	19,972	9.1	13,058	4.6
Rental	2,167	1.0	3,394	1.2
Scholarship	4,478	2.0	7,040	2.5
Subsistence	39,577	18.0	41,159	14.6
Remittances	6,973	3.2	11,728	4.1
Gift	7,933	3.6	9,627	3.4
Other	12,436	5.6	26,038	9.2
Imputed rents	22,783	10.3	64,095	22.7
TOTAL	220,465	100.0	282,683	100.0

“Wages & Salaries” is still the main source of income in 2013, but its contribution declined by 10% for the benefits of “Imputed rents”. In 2005 income from “Subsistence” activities were ranked second after “Wage & salaries” and third in 2013 due to the increase in “Imputed rents”.

Excluding imputed rents from the analysis, the income growth rate over the period is reduced to 10.5%. Table 4.9 shows that considering the average household income (excluding imputed rents) income growth rate dropped to 8.9% while the Consumer Price Index (CPI) has risen by more than 40%.

Table 4.9: Total household income (excluding imputed rents) – comparison 1998/2005/2013⁵

Indicator	Unit	1998	2005	2013
Total income (excluding imputed rents)	US\$ 000	173,468	197,682	218,588
Total number of households	#	16,100	16,427	16,677
Monthly average household income (excluding imputed rents)	US\$	898	1,003	1,092
Monthly average income growth rate period 1998-2005 & 2005-2013	%	-	11.6%	8.9%
CPI index rate period Q1.1999 to Q4 2005 & Q4.2005 to Q4.2013	%	-	11.7%	42.9%

⁴ Including wages in-kind from the employer

⁵ FSM HIES report 1998 & 2005 – FSM National Statistics Office

The paragraph below compares average monthly total income (excluding imputed rents) in 1998, 2005 and 2013 in nominal prices over both periods:

- 1998 to 2005: the average monthly household income increased by 11.6% and the CPI by 11.7%
- 2005 to 2013: the average monthly household income has increased by 11.7% and the CPI by 42.9%

In order to compare the real disposable income of FSM households at different HIES, the price effect (change in cost of living due to CPI increase) has to be adjusted (as demonstrated in Table 4.10).

Table 4.10: CPI adjusted household income in FSM converted to 2013 price (US\$) and annual real income growth rate (%)

Indicator	1998	2005	2013
Total cash income price 2013 (US\$)	1,432	1,433	1,092
Annual growth rate – period (%)	-	0%	-3.3%

Table 4.10 shows the disposable household income in 1998, 2005 and 2013 in 2013 prices (according to the CPI growth rate during the period). During the period 1998 to 2005 the household income remained stable, and during the period 2005 to 2013, households lost 3.3% of purchasing power each year.

Figure 4.6a: Average monthly income adjusted prices (US\$ 2013), current prices (US\$) and Consumer Price Index (CPI)

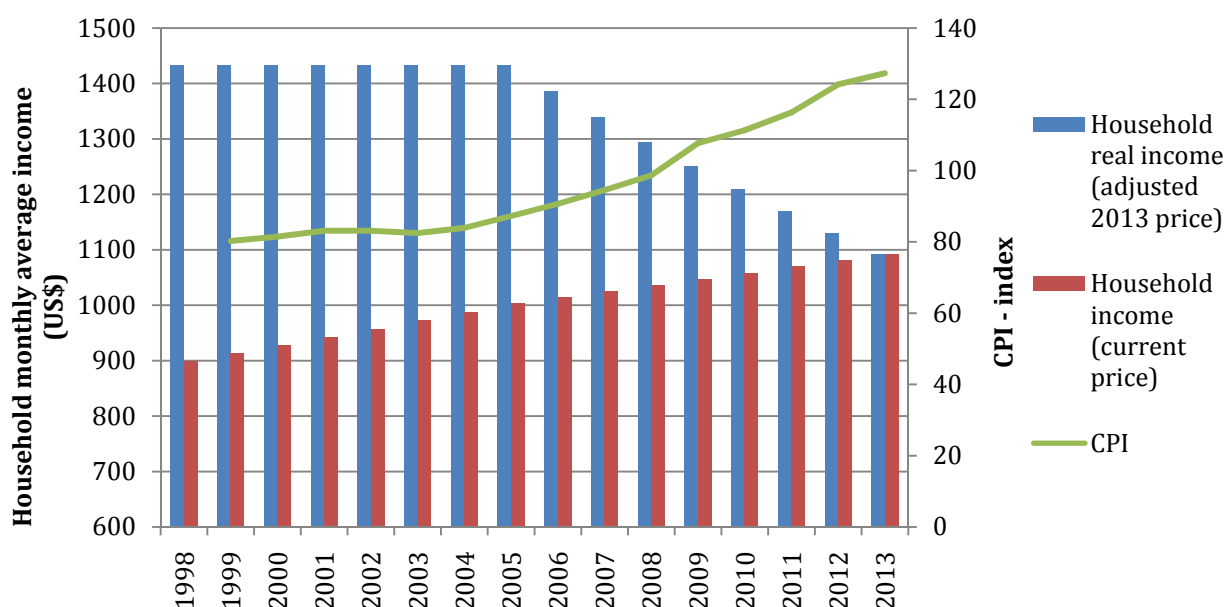


Figure 4.6a illustrates this loss in the purchasing power of FSM households as household nominal income is deflated by the higher cost of living (i.e. real income is decreasing).

Figure 4.6b: Disposable household monthly income (US\$) in 2013 price by state

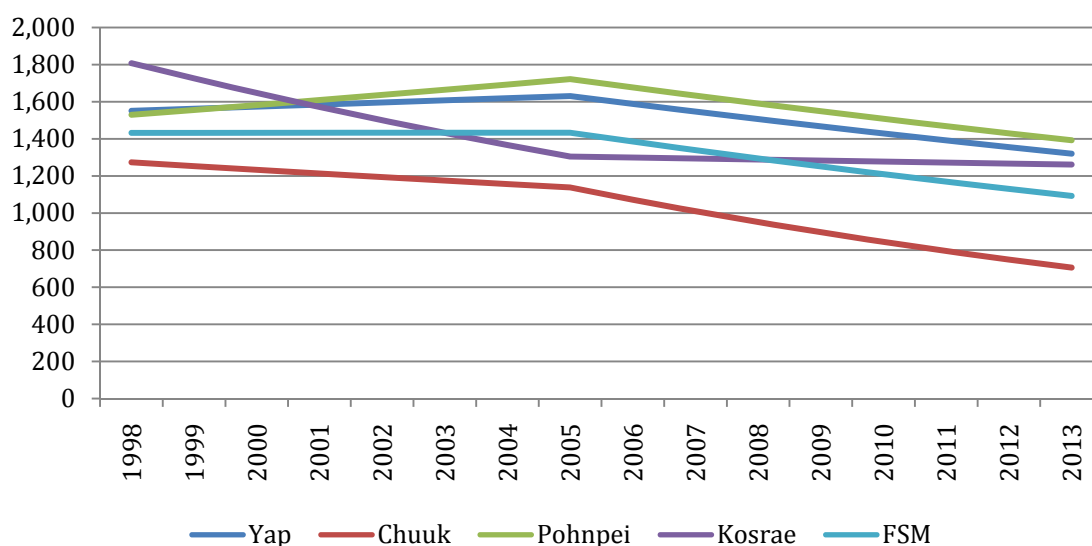


Figure 4.6b extends the analysis to all four states and shows some different trends. During the first period (1998 to 2005) households in Kosrae and Chuuk incurred an important drop in their real disposable income (-4.5% and -1.6% respectively). However households in Yap and especially in Pohnpei have seen their purchasing power increase. The second period (2005 to 2013) shows a downward trend in all four states, and Chuuk seems to be the most affected, losing almost 6% of disposable income each year during the period 2005 to 2013.

HOUSEHOLD TOTAL INCOME BY INCOME QUINTILES / DECILES

Total income in FSM in 2013 averaged US\$ 16,950 (Table 4.11). This average hides important inequalities between deciles as households who belong to the lowest decile (decile 1) earn on average US\$ 263 monthly, and the better-off households (decile 10) earns on average 207 times more (US\$ 5,254).

Table 4.11: Average annual and monthly household total income by deciles and quintiles

Total net income deciles	Cumulative share of the total income	Average total income (US\$)		Total net income quintiles	Cumulative share of the total income	Average total income (US\$)	
		Annual	Monthly			Annual	Monthly
Decile1	1.9%	3,158	263				
Decile2	4.8%	4,904	409	Quintile1	4.8%	4,033	336
Decile3	8.0%	5,583	465				
Decile4	12.6%	7,707	642	Quintile2	12.6%	6,650	554
Decile5	18.0%	9,229	769				
Decile6	25.2%	12,148	1,012	Quintile3	25.2%	10,694	891
Decile7	34.1%	15,018	1,252				
Decile8	46.0%	20,245	1,687	Quintile4	46.0%	17,620	1,468
Decile9	62.6%	28,143	2,345				
Decile10	100.0%	63,051	5,254	Quintile5	100.0%	45,661	3,805
Total		16,950	1,412	Total		16,950	1,412

Table 4.12: Distribution of income type by total income deciles (%)

Income deciles	Cash %	Home production %	Gift given away %	Imputed rents %	Income in- kind %	Total %
Decile1	6.5%	14.6%	1.6%	77.2%	0.1%	100.0%
Decile2	20.0%	19.5%	2.3%	58.1%	0.0%	100.0%
Decile3	31.3%	24.4%	2.6%	41.7%	0.0%	100.0%
Decile4	37.2%	20.2%	2.5%	39.9%	0.2%	100.0%
Decile5	49.2%	16.1%	3.0%	31.2%	0.5%	100.0%
Decile6	52.4%	13.6%	2.9%	31.0%	0.1%	100.0%
Decile7	57.6%	13.6%	3.3%	25.3%	0.1%	100.0%
Decile8	61.6%	11.2%	3.9%	23.3%	0.0%	100.0%
Decile9	66.0%	10.3%	4.6%	18.4%	0.7%	100.0%
Decile10	79.8%	4.4%	3.3%	11.9%	0.6%	100.0%
Total	63.1%	10.3%	3.4%	22.8%	0.4%	100.0%

Better off households depend more on cash income as from decile 8, more than 60% of the total income comes from cash income. Home production and Imputed rents decline as the household income increases. For the lower deciles (decile 1 to 3), imputed rents is the main source of income, meaning that the value of the estimated rent is higher than the money they earn and the items they home produce (Table 4.12).

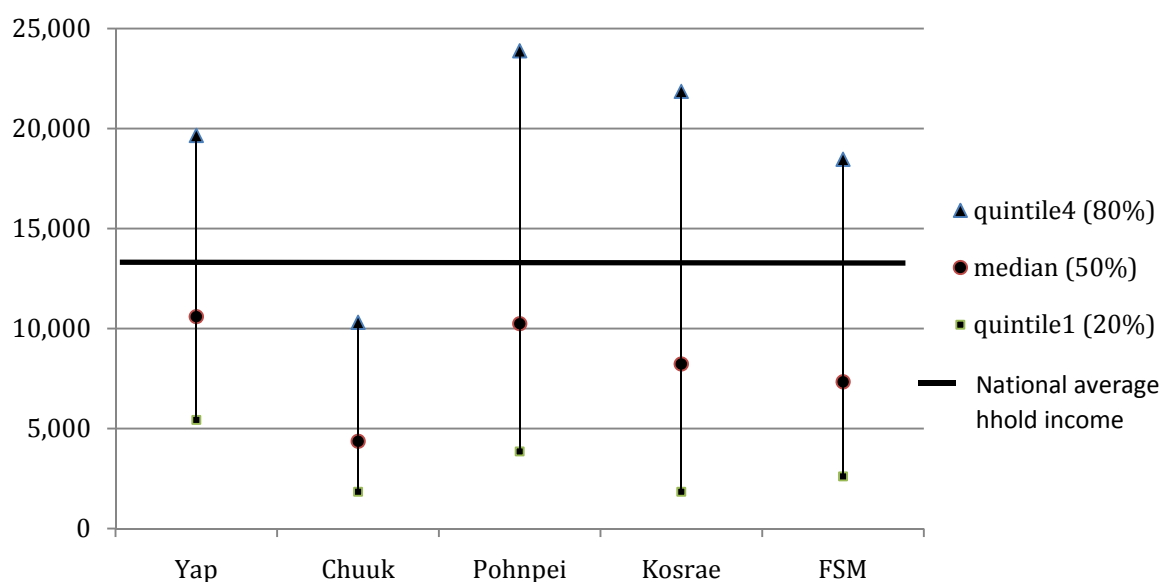
As imputed rents is a subjective estimation of the value of the house provided by the respondent, Table 4.13 presents the average income excluding imputed rents (only cash/in kind income, home production and gift).

Table 4.13: Average annual income by quintiles and states (US\$) – excluded imputed rents

Income quintiles	States				FSM
	Yap	Chuuk	Pohnpei	Kosrae	
Quintile1	2,894	958	2,016	1,033	1,394
Quintile2	7,101	2,662	6,051	3,676	3,948
Quintile3	10,717	4,434	10,229	8,441	7,363
Quintile4	16,359	7,538	17,777	15,802	13,343
Quintile5	41,851	26,404	47,148	46,378	39,195
Total	15,844	8,415	16,707	15,137	13,092

Excluding imputed rents, households in FSM earned on average US\$ 13,000 in 2013. Table 4.13 shows that the average annual income is twice as high in Pohnpei as Chuuk. Pohnpei displays the highest annual average income. Lowest quintile households in Chuuk earned on average US\$ 960 in 2013 and demonstrating the low level of income in this province. Kosrae is a very unequal province regarding income, as highest quintile households earned on average 45 times more than lowest quintile.

Figure 4.7: Annual income distribution by state (excluded imputed rents)



This annual average income of US\$ 13,092 at the national level hides some inequality as 70% of the households do not reach this level. In 2013, 20% of the households earned less than US\$ 2,600 (first quintile). Figure 4.7 shows the different situation in each state. Chuuk shows a very low level of income as 85% of the households in Chuuk earned less than the national average income in 2013 (US\$ 13,090). Half of the households in FSM earn less than US\$ 7,300 (national median) per year however this less prosperous half share only 13% of the total income (excluding imputed rents) which results to high level income inequality.

HOUSEHOLD TOTAL AND AVERAGE INCOME BY HEAD OF HOUSEHOLD CHARACTERISTICS

At the National level, female headed households contribute 18% to the total household income. Households headed by males earn on average 9% more than female headed households (total net income excluding imputed rents) and 11% more based on cash income. The difference between male and female head is higher in Chuuk where households headed by males earned 42% more than female headed households. Chuuk has fewer female headed households as only 16.7% of the households are headed by female, compared to Yap where it is more than a quarter.

Table 4.14: Average annual income (US\$) and distribution of the households (%) by sex of household head and state

State	Average annual income (excluding imputed rents)				Distribution of households		
	Male US\$	Female US\$	Growth rate, (male/female) %	Difference (male – female) US\$	Male %	Female %	Total %
Yap	16,103	15,085	6.7%	1,018	74.6%	25.4%	100.0%
Chuuk	8,858	6,197	42.9%	2,660	83.3%	16.7%	100.0%
Pohnpei	17,033	15,517	9.8%	1,516	78.5%	21.5%	100.0%
Kosrae	15,190	14,896	2.0%	294	81.9%	18.1%	100.0%
FSM	13,311	12,208	9.0%	1,103	80.1%	19.9%	100.0%

Table 4.15: Distribution of households by total annual income group and sex of household head (%)

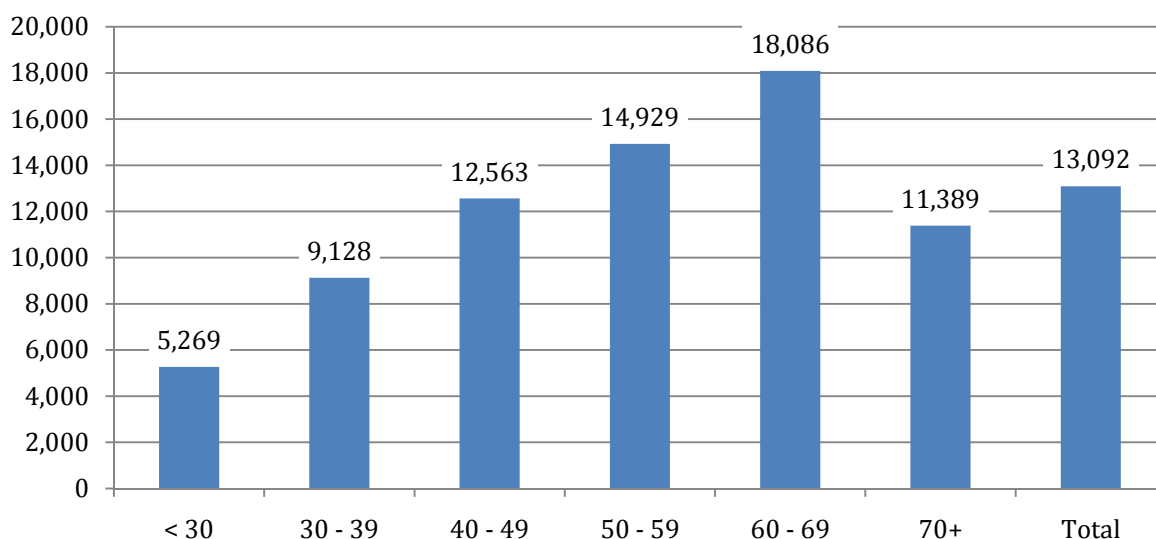
Annual total income group	Male	Female
Less than 5,000	37.4%	36.7%
5,000 to 9,999	23.2%	28.2%
10,000 to 29,999	29.2%	28.4%
more than 30,000	10.2%	6.7%
Total	100.0%	100.0%

The percentage of households that earn less than US\$ 5000 annual is the same for both male and female household heads. The distribution of households headed by male shows higher percentage at the highest income group as 10.2% get annually more than US\$ 30,000 whilst 6.7% for the households headed by female. Regarding the source of income, there is no significant difference according to the sex of household head (see Table 4.16).

Table 4.16: Income generation by sex of household head (%)

Sex of the household head	Cash	Home production	Gift	Imputed rents	Income in-kind	Total
Male	63.4%	10.2%	3.2%	22.7%	0.4%	100.0%
Female	61.7%	10.7%	4.2%	22.9%	0.5%	100.0%
Total	63.1%	10.3%	3.4%	22.8%	0.4%	100.0%

Figure 4.8: Average annual household total income (excluding imputed rents) by age group of household head (US\$)



Household income increases with older household head (Figure 4.8) and only the oldest age class declines. Cash income is the main type of income for all age groups, and tends to decline for the oldest group (following the average income trend). Home production share slightly declines as well (from 15% for the young group to 10% at 70+).

Figure 4.9: Income generation by age of household head (%)

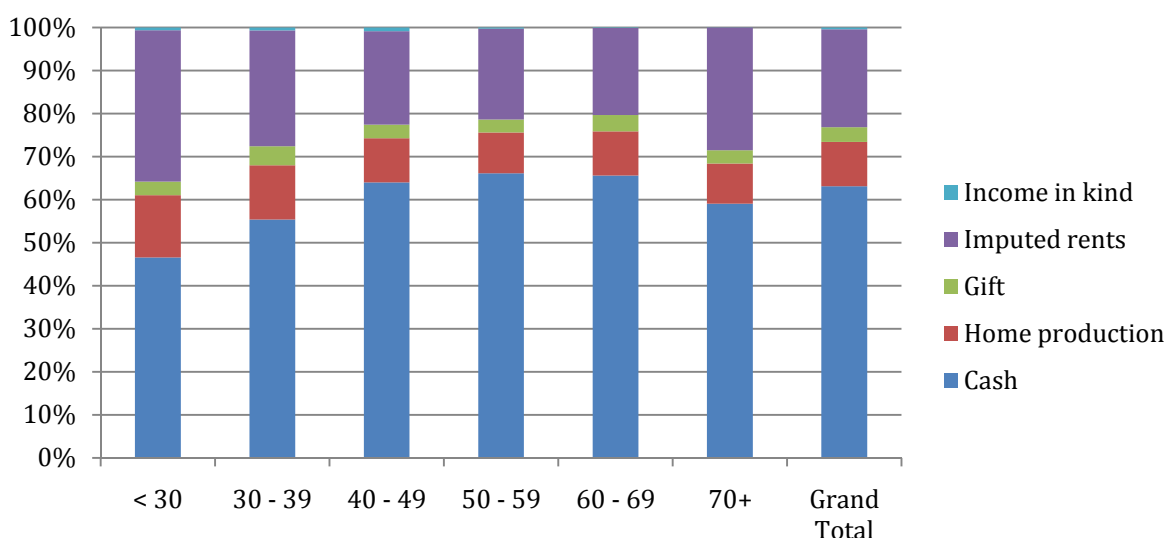


Table 4.17: Average annual income by work status of household head (US\$)

Work status of household head	Average annual income (US\$)
Work for money - employee	18,365
Work for money - other	20,078
Work no money	8,496
Retired	13,624
Home duties	7,613
No work - other	10,623
Total	13,092

As expected, headed households who are involved in paid work earn on average 36% more than the retired and obviously much higher than the one who work for free (might be home production for consumption or volunteers).

Table 4.18: Breakdown of total income (cash and non cash) excluding imputed rents by work status of household head

Work status of the household head	Cash income	Non cash income
Work for money - employee	88.2%	11.8%
Work for money - other	89.8%	10.2%
Work no money	62.8%	37.2%
Retired	86.6%	13.4%
Home duties	72.6%	27.4%
No work - other	76.7%	23.3%
Total	81.7%	18.3%

Households in FSM are dependent on cash income as 82% of their total income is cash. The less cash dependent households are the one whose heads work for free (not for cash) as they are involved in subsistence activities for own consumption. About 18% of the household heads in FSM are involved in subsistence activities as their main activity.

TOTAL HOUSEHOLD INCOME BY STATE

Pohnpei households contribute 50% to the total household income. Pohnpei and Chuuk are the most populated states, but Chuuk contributed only 27% of the total household income, which results in a very low average annual income for Chuuk. Kosrae is the state that is the most dependent on cash income as home production reaches only 3% of the total income.

Table 4.19: Total income, average annual income and breakdown by type of income and state (US\$ 000 and %)

Average annual household income									
Total annual household income			%						
State	US\$ 000	%	Amount	Home			Imputed rents	Income in-kind	Total
			US\$	Cash	produc-tion	Gifts			
Yap	41,807	14.8%	17,768	67.1%	16.7%	5.3%	10.8%	0.1%	100.0%
Chuuk	77,726	27.5%	11,398	58.6%	13.2%	1.8%	26.2%	0.2%	100.0%
Pohnpei	143,042	50.6%	22,293	62.6%	7.9%	3.8%	25.1%	0.6%	100.0%
Kosrae	20,109	7.1%	18,461	75.6%	3.0%	3.0%	18.0%	0.4%	100.0%
FSM	282,683	100.0%	16,950	63.1%	10.3%	3.4%	22.8%	0.4%	100.0%

Table 4.20 presents disaggregated income by state. “Wages and salaries” remain the main source of income in all states, followed by “imputed rents” at the national level. In Yap, “Home production consumed” is ranked after “Wages and salaries” and in Kosrae, “Other transfers” (mainly pension and scholarship) is higher than imputed rents.

Table 4.20: Total income disaggregated by income source and state (US\$ 000 and %)

Income source	Yap		Chuuk		Pohnpei		Kosrae		FSM	
	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%	US\$ 000	%
Wages & salaries - cash	16,629	39.8	27,787	35.8	54,530	38.1	6,447	32.1	105,394	37.3
Imputed rents	4,528	10.8	20,342	26.2	35,845	25.1	3,621	18.0	64,336	22.8
Other transfers	4,100	9.8	5,886	7.6	16,008	11.2	5,180	25.8	31,173	11.0
Home production consumed	6,869	16.4	9,956	12.8	10,281	7.2	553	2.8	27,659	9.8
Business income	3,839	9.2	2,580	3.3	5,259	3.7	1,380	6.9	13,058	4.6
Remittances	650	1.6	6,201	8.0	3,497	2.4	1,380	6.9	11,728	4.1
Gifts in-kind	2,218	5.3	1,389	1.8	5,422	3.8	600	3.0	9,628	3.4
Subsistence - agriculture	1,083	2.6	915	1.2	4,437	3.1	159	0.8	6,594	2.3
Property income	846	2.0	755	1.0	2,186	1.5	470	2.3	4,257	1.5
Subsistence - fisheries	275	0.7	216	0.3	3,062	2.1	84	0.4	3,638	1.3
Subsistence - handicraft	196	0.5	1,220	1.6	1,083	0.8	78	0.4	2,578	0.9
Wages & salaries - in-kind	46	0.1	170	0.2	846	0.6	89	0.4	1,150	0.4
Casual income	476	1.1	7	0.0	319	0.2	0	0.0	801	0.3
Subsistence - livestock	53	0.1	302	0.4	266	0.2	69	0.3	690	0.2
Total	41,807	100.0	77,726	100.0	143,042	100.0	20,109	100.0	282,683	100.0

In 2013, households who were involved in wage jobs earned on average US\$ 11,386 per year, which is not the highest income as households involved in business earned on average US\$ 17,371 per year. “Other transfers” (mainly pension and scholarship) and “Property income” (mainly house rents) respectively earn US\$ 7,594 and US\$ 6,805. Apart from “Imputed rents”, which incurred in 2013 to 98% of the households (all households except tenants), “Home production consumed” is the main source of income for the households in FSM. About 79% of FSM households were involved in such activities). “Wages and salaries” is the third most common

source of income for FSM households - 55% of FSM households in FSM obtained income from this source. "Remittances" came in at fourth place with 41%.

"Home production consumed" is very common in Yap where 96.3% of the households were involved and only 70% in Pohnpei. Pohnpei is more cash oriented than other states as it show highest percentage of households involved in the sale of subsistence items (e.g. fish, crops). As illustrated in Table 4.21, "Property income" is the most valuable source of income in Pohnpei (mainly house rents) as households who rent out houses made on average in 2013 US\$ 20,500. In Chuuk, more households received remittances (50%) than salaries (42%) in 2013.

Table 4.21: Average annual income (US\$) and income reporting households (%) by income source and state

Income source	Yap		Chuuk		Pohnpei		Kosrae		FSM	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
Wages and salaries - cash	11,804	59.9	9,578	42.5	13,029	65.2	8,474	69.8	11,386	55.5
Wages and salaries - in-kind	1,932	1.0	2,578	1.0	5,385	2.4	676	12.1	3,043	2.3
Business income	24,960	6.5	11,045	3.4	19,004	4.3	15,754	8.0	17,371	4.5
Subsistence - agriculture	1,635	28.1	1,098	12.2	1,947	35.5	745	19.6	1,654	23.9
Subsistence - handicraft	1,089	7.7	1,472	12.2	1,137	14.9	430	16.6	1,203	12.9
Subsistence - livestock	233	9.6	382	11.6	301	13.8	662	9.5	344	12.0
Subsistence - fisheries	1,011	11.6	432	7.3	1,723	27.7	963	8.0	1,379	15.8
Home production consumed	3,030	96.3	1,747	83.6	2,316	69.2	674	75.4	2,091	79.3
Property income	2,019	17.8	12,144	0.9	20,580	1.7	12,257	3.5	6,805	3.8
Imputed rents	1,995	96.5	3,016	98.9	5,708	97.9	3,392	98.0	3,932	98.1
Remittances	905	30.5	1,810	50.2	1,599	34.1	2,252	56.3	1,689	41.6
Other transfers	5,607	31.1	7,178	12.0	7,566	33.0	11,828	40.2	7,594	24.6
Casual income	5,864	3.4	333	0.3	2,745	1.8	-	-	3,696	1.3
Gifts in-kind	1,297	72.7	528	38.6	1,570	53.8	969	56.8	1,144	50.4

SHARE OF REMITTANCES IN TOTAL HOUSEHOLD INCOME

Remittances contribute 4.1% to the total household income but were more important in Chuuk and Kosrae (8% and 7% respectively see Table 4.20). In FSM 41.6% of the households received remittances in 2013 (a US\$ 1,689 additional to the annual cash budget), and 50% gave gift in-kind away to another household. In Kosrae and Chuuk remittances were received by more than half of the households.

At the National level, 9% of the money transferred to FSM households comes from a military person. Son and daughters are more likely to send remittances to their parents as half of the remittances received by households in FSM come from their children. 95% of the money come from overseas and mainly the United States main land (42% of the total amount), Hawaii accounted for 28% of the total amount received, and Guam 23% [unpublished data].

Table 4.22: Remittances beneficiaries (%) and average annual amount received (\$) by household head characteristics

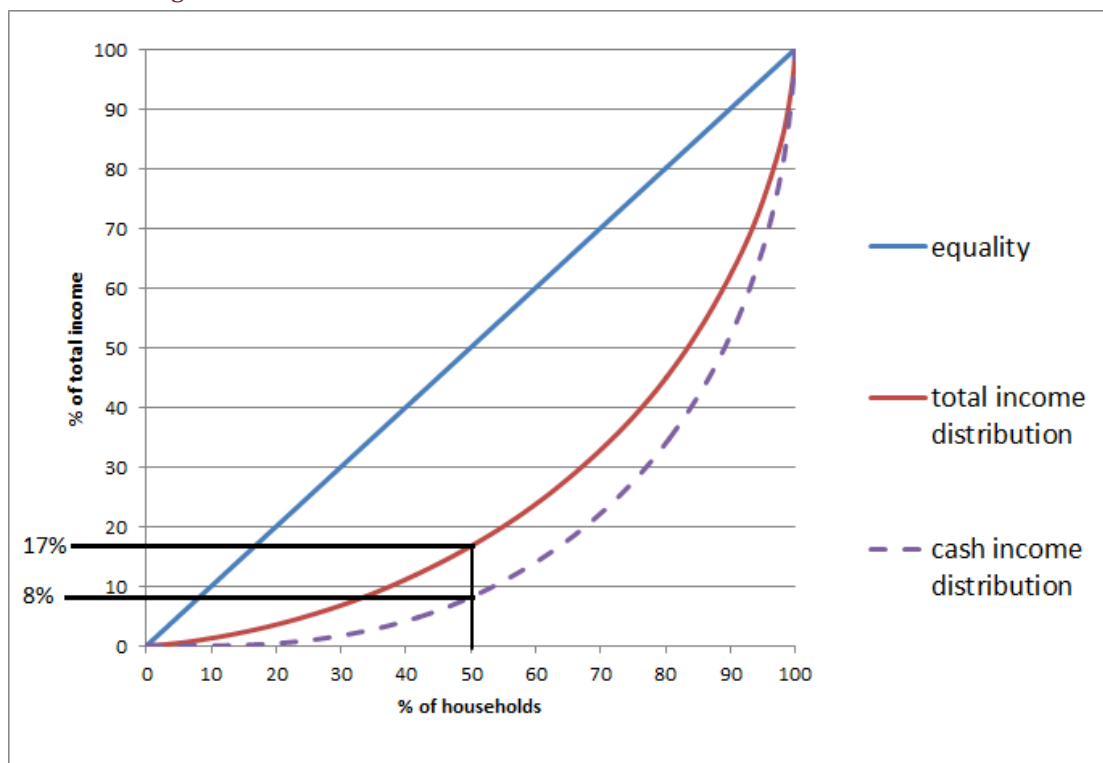
Household head characteristics		Remittances beneficiary (households) %	Average annual amount received US \$
Sex:	Male	40.5%	1,759
	Female	46.1%	1,440
Age group:	< 30	39.5%	951
	30 - 39	38.0%	1,229
	40 - 49	36.6%	1,940
	50 - 59	42.0%	1,703
	60 - 69	49.3%	1,848
	70+	48.1%	1,853
Work status:	Work for pay - employee	28.7%	1,360
	Work for pay - business	37.4%	1,955
	Work no pay	45.3%	1,921
	Retired	54.2%	1,815
	Home duties	54.0%	1,328
	No work - other	44.0%	2,996

Female headed households are more likely to receive remittances than male headed households (46% of the female headed households received financial support in 2013 whilst 40% of male headed households). Financial support increases as age of household head increased. In 2013 households headed by a person aged more than 70 years old received twice as much support as households headed by a person lower than 30 (Table 4.22). Regarding the work status of the household head, only 28.7% of the households headed by a person who works for pay received support, compared to more than half for the retired and home duties headed households.

INEQUALITY AND GINI INDEX

The distribution of income throughout the population demonstrates a high degree of income inequality, with the poorest 50% of households in FSM accounting for only 18% of the total household income (Table 4.11). That is, the distribution of income is unequal among households in FSM, as illustrated in Figure 4.10. The Lorenz curve shows the distribution of the total income among households population in relation to equal income distribution, which is portrayed by the blue line.

Figure 4.10: Lorenz curve – distribution of total income and cash income



The cash income Lorenz curve shows even higher discrepancies as the poorest half of households only received 8% of total cash income.

The Gini index summarizes the inequality in the household income illustrated by the Lorenz curve. This index ranges between 0 and 1, and the closer to 0 the more equal the income distribution (see equality on the straight line on Figure 4.10). A Gini index of 0 means that all households earn the same amount and a Gini index of 1 means that 1 household earns the total household income and others get nothing.

Table 4.23: Gini index –total income vs. cash income

Income	Gini Index
Total income	0.50
Cash income	0.64

Inequality is higher with respect to cash income (as the Gini index is higher and as demonstrated in Figure 4.10). The effect of home production reduces inequality when it comes to total income as presented in Table 4.23. The high level of imputed rents declared by low decile households may also explain the difference between cash and total income in the Gini index.

Table 4.24: Gini index – state comparison, 1998 & 2013

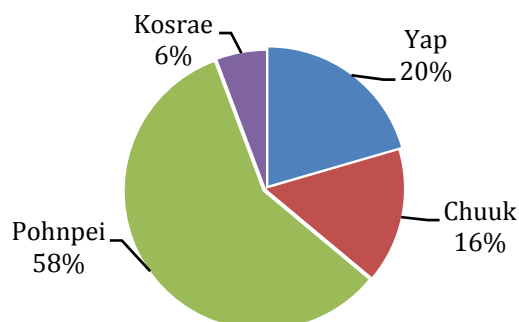
	1998	2013
FSM	0.4075	0.5078
Yap	0.3360	0.4575
Chuuk	0.3624	0.4850
Pohnpei	0.4156	0.4771
Kosrae	0.4084	0.5197

Income inequality has increased since 1998 as demonstrated by the higher 2013 Gini index in Table 4.24. In 1998 Pohnpei was the most unequal state in terms of household income distribution, overtaken by Kosrae during the 15 year period. Inequality has increased in all four states however Yap remains the most equal in 2013.

SECTION 5 – SAVING

Savings is calculated as the difference between income and expenditure. FSM households in 2013 saved US\$ 45.5M in total. 58% of the saving came from Pohnpei households (Figure 5.1) who saved, on average, US\$ 4,134 in 2013 (Figure 5.2).

Figure 5.1: Contribution to national savings (%)



In FSM households saved US\$ 2,700 on average in 2013. As shown in Figure 5.2, households in Pohnpei and Yap were the highest saving States. Average household saving is four times higher in Pohnpei than in Chuuk, which corresponds with state disaggregated income levels. Savings increase as average household income increases through the quintiles. Looking at savings by income quintiles, only two highest quintiles (the richest) realized savings in 2013 (i.e., expenditure did not exceed income).

Figure 5.2: Average annual household savings by states and total income quintiles (US\$)

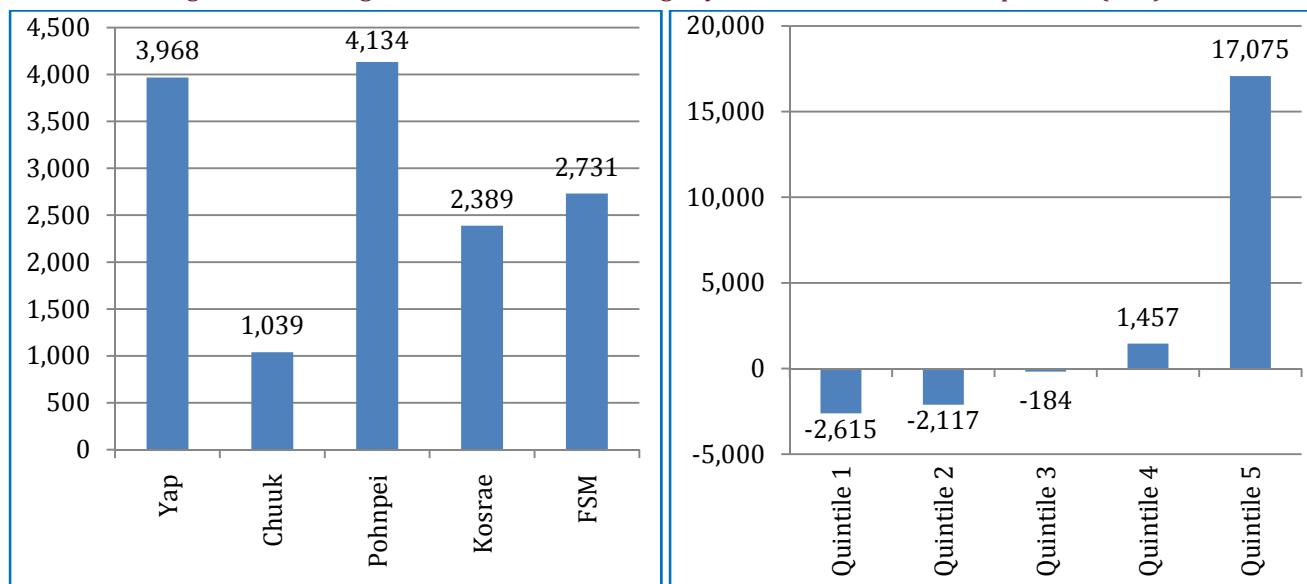
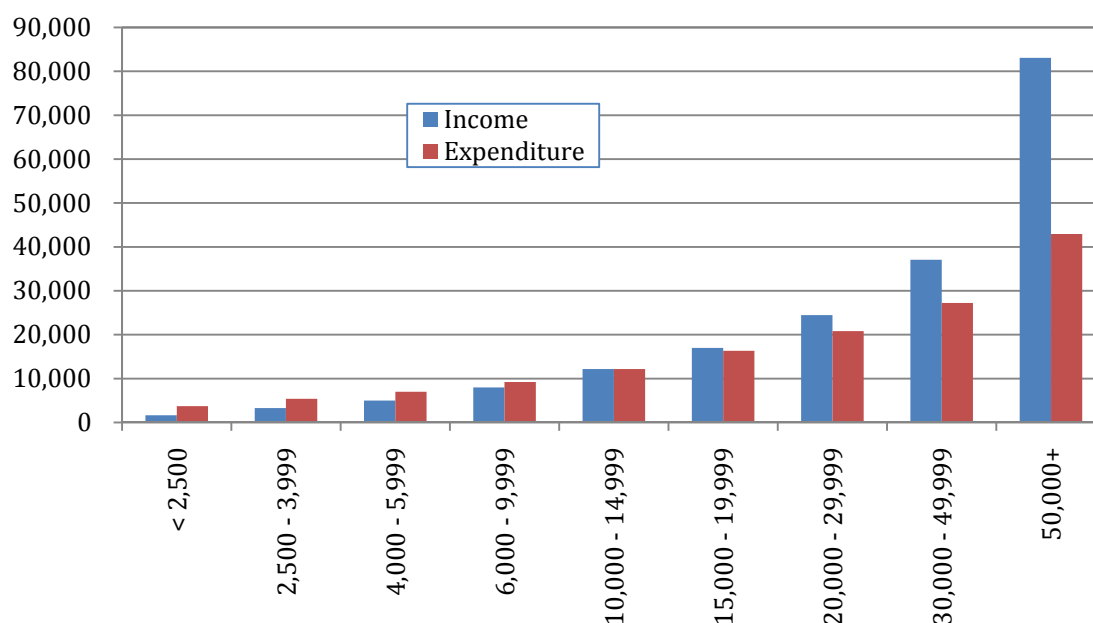


Table 5.1: Average household saving by income class and state (including imputed rents)

Income class	FSM		Yap		Chuuk		Pohnpei		Kosrae	
	# hh	Saving (US\$)	# hh	Saving (US\$)	# hh	Saving (US\$)	# hh	Saving (US\$)	# hh	Saving (US\$)
< 2,500	1,017	-2,055	75	-337	587	-1,905	279	-1,764	77	-5,927
2,500-3,999	1,627	-2,124	154	-514	1,001	-1,861	368	-2,714	104	-4,962
4,000-5,999	2,077	-1,983	184	-594	1,331	-2,126	425	-417	137	-7,317
6,000 - 9,999	3,204	-1,234	503	-364	1,560	-1,594	966	-391	175	-5,167
10,000 - 14,999	2,661	-2	476	5	939	731	1,093	-577	153	-411
15,000 - 19,999	1,833	659	364	882	556	1,860	803	276	109	-3,362
20,000 - 29,999	1,901	3,639	297	4,172	394	4,282	1,051	3,546	159	1,663
30,000 - 49,999	1,437	9,825	194	10,801	277	11,255	867	8,087	99	19,172
50,000+	920	40,127	105	57,972	174	50,959	565	32,281	77	49,022
Total / average	16,678	2,731	2,353	3,968	6,819	1,039	6,416	4,134	1,089	2,389

At the national level, two thirds of the households had dissaving. Similar to the national pattern, households in the lower income classes in the states had dissaving. In Kosrae, households with income of less than US\$ 20,000 have dissaving, representing about 70% of total households population (Table 5.1).

Figure 5.3: Comparison of average annual total income and expenditure by income groups – including imputed rents (US\$)



As show in Figure 5.3 in FSM, households who earn more than US\$ 15,000 incurred savings.

Female headed households saved 9% more than male headed households. The saving increases as the age of the head of the household increases (Figure 5.4). Households headed by person aged less than 30 on average spend more than they earn (dissaving). Households headed by person aged 50 to 59 save annually more than

US\$ 4,000, and more than 5,000 for heads aged 60 to 69. In terms of work status of the household head, households headed by an active worker who works as an independent have the highest level of annual saving (average US\$ 5,800). Household size and saving are positively correlated until 3 persons, and from 4 persons the saving start to decrease as household size increases (See Figure 5.5).

Figure 5.4: Average annual saving by characteristics of household head (US\$)

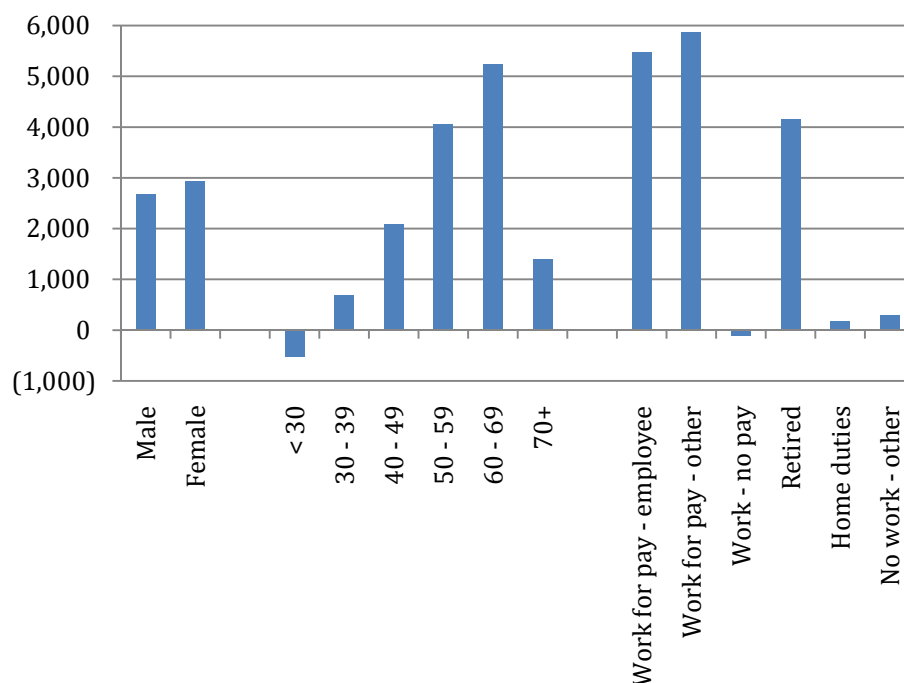
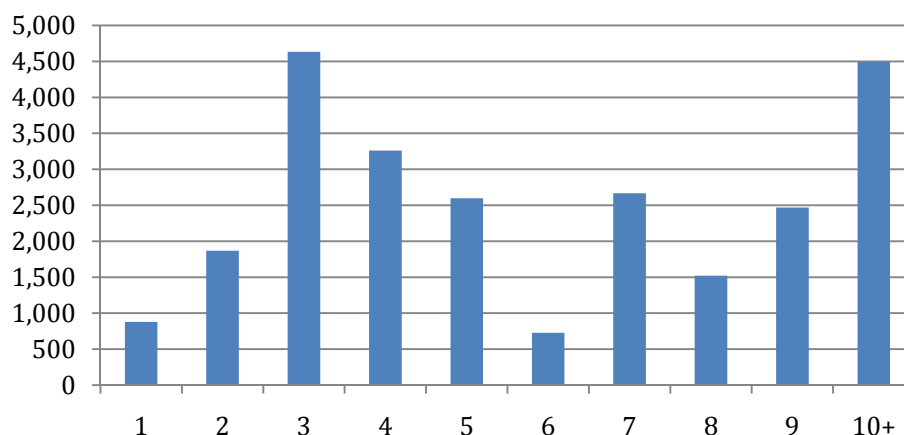


Figure 5.5: Average annual saving by household size (US\$)



SECTION 6 – BUSINESS AND SUBSISTENCE ACTIVITIES RELATED EXPENDITURES

This section aims to extend the expenditure analysis to include operating and overhead costs incurred by households involved in family business, or subsistence activities (i.e., agriculture, fishing, livestock raising). As one of the main objective of HIES is the estimation of household income, the employment income section deals with money households made from the sale of subsistence items (i.e., crops, fishes, livestock, handicraft). In addition to simply listing income and in order to provide more accurate net income figures, all the costs related to the activity are collected (for instance fuel for fishing, animal feed for livestock, etc). Households involved in subsistence activities solely for home consumption (i.e. not selling) incur similar costs to those who produce with the purpose of generating income, which is deducted from the estimated value of home production. That is, operating and overhead costs are deducted from gross income; however the equipment expenditure (capital expenditure) is excluded.

Table 6.1: Percentage of households involved in own employment activities (for cash or own consumption)

State	Household Business (non-subsistence)	Subsistence activities for cash and own consumption				House- holds partici- pating
		Agriculture & forestry	Handicraft & home production	Livestock & aquaculture	Fishing, hunting & gathering	
Yap	6.8%	89.7%	32.2%	74.0%	66.5%	94.5%
Chuuk	3.4%	48.5%	17.5%	29.4%	48.6%	65.9%
Pohnpei	4.5%	68.2%	29.0%	60.8%	37.7%	81.8%
Kosrae	8.5%	56.8%	9.6%	52.3%	47.8%	81.4%
FSM	4.7%	62.4%	23.5%	49.3%	46.8%	77.1%

In 2013, about 77% of FSM households are involved in at least one subsistence activity. Agriculture seems to be the most common with two-thirds of households reporting subsistence agriculture income (Table 6.1).

However as demonstrated in Table 6.2, only 39.8% of the households are involved in subsistence activities solely for cash.

Table 6.2: Percentage of households making money in own employment activities

State	Household Business (non- subsistence)	Subsistence activities for cash only				House-holds partici- pating
		Agriculture & forestry	Handicraft & home production	Livestock & aquaculture	Fishing, hunting & gathering	
Yap	6.8%	28.1%	11.6%	9.6%	7.7%	41.1%
Chuuk	3.4%	12.4%	7.3%	11.6%	12.2%	29.1%
Pohnpei	4.5%	35.7%	27.7%	14.0%	15.0%	50.9%
Kosrae	8.5%	19.6%	8.0%	9.6%	16.6%	38.7%
FSM	4.7%	24.1%	15.8%	12.1%	12.9%	39.8%

All households involved in non-subsistence business do it for cash. Regarding subsistence activities, some households produce solely with the purpose of home consumption, and some with mixed consumption and income intention. The sale of agriculture items seems to be the most popular source of cash income regarding own employment in FSM, as almost a quarter of households is obtained income thru this activity. Table 6.2 shows Pohnpei has a higher proportion of households selling subsistence items for cash income.

In 2013, operating and overhead costs of US\$ 20.5M were incurred by household businesses and households participating in subsistence activities (for home production and cash purposes) in 2013. Household businesses (retail store, sakau selling, and the like) accounted for almost 85% of those costs. As for subsistence activities, livestock and fishing incurred more costs than other subsistence activities (Table 6.3).

Table 6.3: Operating and overhead costs by type of own employment activities (US\$ 000 & %)

Own employment activities	US\$ 000	Percent
Household business (non-subsistence)	17,377	84.4%
Subsistence	3,218	15.6%
<i>incl. Agriculture</i>	104	0.5%
<i>Handicraft & food processed from home</i>	408	2.0%
<i>Livestock & aquaculture</i>	1,430	6.9%
<i>Fishing, hunting & gathering</i>	1,277	6.2%
Total own employment	20,594	100.0%

Table 6.4 presents a breakdown of the different kind of operating costs that business and subsistence activities incur. An extra activity has been added compared to Table 6.3: “subsistence activities for own consumption”. This activity refers to the households that did not declare any income from fish, handicraft, agriculture items or livestock as they exclusively consumed them but nonetheless incurred production costs.

“Goods for resale” (i.e. costs of goods sold) is the highest operating costs as most of non- subsistence businesses in FSM are retail stores.

Looking at the animal feed, it appears that 68% of the expenditure was made by households that did not make money selling livestock. Fuel expenditure is equally distributed between non subsistence businesses (US\$ 848,232) and fishing activities (US\$ 941,356 which is the sum of the total spent by households that fish for cash and those that fish for own consumption).

Finally, Table 6.5 presents the aggregated amount of gross and net income by type of own employment activities. Deducting the costs allows the estimation of net income.

Table 6.4: Detail of annual total operating and overhead costs by type of activities (US\$)

Operating and overhead costs	Household business (non- subsistence)	Subsistence activities - cash oriented				Subsistence activities - own consumption oriented	Total
		Agriculture & forestry	Handicraft & home processed food	Livestock & aquaculture	Fishing, hunting & gathering		
Goods for resale	5,396,946	-	-	-	-	-	5,396,946
Labour	5,132,276	10,258	21,299	14,232	28,304	21,960	5,228,330
Electricity	2,342,651	-	-	-	-	-	2,342,651
Fuel	848,232	-	-	-	579,520	361,836	1,789,588
Animal feed	-	-	-	455,776	-	958,980	1,414,756
Registration/licenses fees	1,247,682	-	-	-	-	-	1,247,682
Repair and maintenance	1,032,005	-	-	-	22,307	24,976	1,079,288
Water	593,419	-	-	-	-	-	593,419
Equipment rental	313,102	573	-	-	-	2,863	316,538
Communications	258,840	-	-	-	-	-	258,840
Ingredients for making food	-	-	216,686	-	-	24,486	241,172
Building rental	152,771	-	-	-	-	-	152,771
Ice	-	-	-	-	114,214	32,598	146,812
Transport	-	35,449	17,078	391	44,249	27,043	124,210
Materials for making handicrafts	-	-	85,419	-	-	17,097	102,516
Other costs	-	12,023	24,869	-	30,352	32,907	100,151
Raw materials	58,819	-	-	-	-	-	58,819
Total operating & overhead costs	17,376,746	58,303	365,352	470,399	818,947	1,504,746	20,594,491

Table 6.5: Gross income, operating and overhead costs and net income by type of own-employment activity (US\$ 000)

	Gross amount		Operating & overhead costs	Net amount	
	Cash income	Home production		Cash income	Home production
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Own employment activity					
Household business (non-subsistence)	30,435	-	17,377	13,058	-
Subsistence activities cash oriented					
Agriculture & forestry	6,652	-	58	6,594	-
Fishing, hunting & gathering	3,397	-	819	2,578	-
Livestock & aquaculture	1,160	-	470	690	-
Handicraft & home processed food	4,003	-	365	3,638	-
Subsistence - own consumption oriented	-	29,164	1,505	-	27,659
Total own employment	45,647	29,164	20,594	26,557	27,659

Net income (gross income less cost) figures presented above match the tables presented in section 4 (income analysis). Regarding home production, section 3 (expenditure analysis) presents gross amounts (US (\$'000) 29,164), which is why there are discrepancies between expenditure and income tables. That is, the expenditure tables present the estimated value of home production consumed if it were to be purchased, so production costs cannot be estimated, hence the figures are gross. More importantly, the income section shows net amounts (US (\$'000) 27,659), which match with the above analysis of cost and net income.

APPENDIX A – ADDITIONAL EXPENDITURE TABLES

A1: Total Monthly Household Expenditure by Expense Category and Expense Type (US\$ 000) - FSM

Expenditure category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	4,253	2,031	152	367	-	6,803
2 - Alcoholic beverages, tobacco & narcotics	478	398	8	142	-	1,026
3 - Clothing & footwear	298	-	6	-	-	305
4 - Housing, water, electricity, gas, other fuels	1,543	-	32	-	5,361	6,936
5 - Furnishings, equip, routine maintenance	401	-	18	3	-	422
6 - Health	86	-	-	-	-	86
7 - Transport	1,268	-	42	-	-	1,309
8 - Communication	436	-	4	-	-	441
9 - Recreation & culture	245	-	6	2	-	253
10 - Education	385	-	2	-	-	387
11 - Restaurants & hotels	205	-	2	1	-	208
12 - Miscellaneous goods & services	407	-	10	4	-	422
TOTAL CONSUMPTION EXPENDITURE	10,005	2,429	284	519	5,361	18,598
Cash transfer - Ceremonies	680	-	-	-	-	680
Cash transfer - Support to another household	110	-	-	-	-	110
Cash transfer - Church	135	-	-	-	-	135
Cash transfer - Taxes	8	-	-	-	-	8
Cash transfer – School, community	30	-	-	-	-	30
Other cash transfer (i.e., charitable contribution)	3	-	-	-	-	3
TOTAL NON CONSUMPTION EXPENDITURE	965	-	-	-	-	965
Land purchase	18	-	-	-	-	18
Construction/major alteration of dwelling	84	-	-	-	-	84
Plant, major equipment	41	-	-	-	-	41
Home mortgages	54	-	-	-	-	54
TOTAL INVESTMENT	198	-	-	-	-	198
TOTAL HOUSEHOLD EXPENDITURE	11,168	2,429	284	519	5,361	19,761

A.2: Average Monthly Household Expenditure by Expense Category and Expense Type (US\$) - FSM

Expenditure category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	255	122	9	22	-	408
2 - Alcoholic beverages, tobacco & narcotics	29	24	-	8	-	62
3 - Clothing & footwear	18	-	-	-	-	18
4 - Housing, water, electricity, gas, other fuels	93	-	2	-	321	416
5 - Furnishings, equip. & routine maintenance	24	-	1	-	-	25
6 - Health	5	-	-	-	-	5
7 - Transport	76	-	3	-	-	79
8 - Communication	26	-	-	-	-	26
9 - Recreation & culture	15	-	-	-	-	15
10 - Education	23	-	-	-	-	23
11 - Restaurants & hotels	12	-	-	-	-	12
12 - Miscellaneous goods & services	24	-	1	-	-	25
TOTAL CONSUMPTION EXPENDITURE	600	146	17	31	321	1,115
Cash transfer - Ceremonies	41	-	-	-	-	41
Cash transfer - Support to another household	7	-	-	-	-	7
Cash transfer - Church	8	-	-	-	-	8
Cash transfer - Taxes	-	-	-	-	-	-
Cash transfer - School, community	2	-	-	-	-	2
Other cash transfer (i.e., charitable contrib.)	-	-	-	-	-	-
TOTAL NON CONSUMPTION EXPENDITURE	58	-	-	-	-	58
Land purchase	1	-	-	-	-	1
Construction/major alteration of dwelling	5	-	-	-	-	5
Plant, major equipment	2	-	-	-	-	2
Home mortgages	3	-	-	-	-	3
TOTAL INVESTMENT	12	-	-	-	-	12
TOTAL HOUSEHOLD EXPENDITURE	670	146	17	31	321	1,185

A.3: Average Monthly Per-capita Expenditure by Expense Category and Expense Type (US\$) - FSM

Expenditure category	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
1 - Food & non-alcoholic beverages	41	20	1	4	-	66
2 - Alcoholic beverages, tobacco & narcotics	5	4	-	1	-	10
3 - Clothing & footwear	3	-	-	-	-	3
4 - Housing, water, electricity, gas, other fuels	15	-	-	-	52	67
5 - Furnishings, equip & routine maintenance	4	-	-	-	-	4
6 - Health	1	-	-	-	-	1
7 - Transport	12	-	-	-	-	13
8 - Communication	4	-	-	-	-	4
9 - Recreation & culture	2	-	-	-	-	2
10 - Education	4	-	-	-	-	4
11 - Restaurants & hotels	2	-	-	-	-	2
12 - Miscellaneous goods & services	4	-	-	-	-	4
TOTAL CONSUMPTION EXPENDITURE	97	23	3	5	52	180
Cash transfer - Ceremonies	7	-	-	-	-	7
Cash transfer - Support to another household	1	-	-	-	-	1
Cash transfer - Church	1	-	-	-	-	1
Cash transfer - Taxes	-	-	-	-	-	-
Cash transfer - School, community	-	-	-	-	-	-
Other cash transfer (i.e., charitable contrib.)	-	-	-	-	-	-
TOTAL NON CONSUMPTION EXPENDITURE	9	-	-	-	-	9
Land purchase	-	-	-	-	-	-
Construction/major alteration of dwelling	1	-	-	-	-	1
Plant, major equipment	-	-	-	-	-	-
Home mortgages	1	-	-	-	-	1
TOTAL INVESTMENT	2	-	-	-	-	2
TOTAL HOUSEHOLD EXPENDITURE	108	23	3	5	52	191

A.4a: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) - Yap

State - YAP	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
Expenditure category						
1 - Food & non-alcoholic beverages	5,902	6,002	345	1,424	-	13,673
2 - Alcoholic beverages, tobacco, narcotics	1,458	965	42	113	-	2,578
3 - Clothing & footwear	430	-	14	-	-	444
4 - Housing, water, electricity, gas, other fuel	2,504	-	39	-	4,528	7,071
5 - Furnishings, equip & routine maintenance	592	-	21	10	-	623
6 - Health	131	-	-	-	-	132
7 - Transport	2,892	-	65	-	-	2,957
8 - Communication	782	-	42	-	-	824
9 - Recreation & culture	362	-	17	-	-	379
10 - Education	652	-	17	-	-	668
11 - Restaurants & hotels	363	-	18	-	-	381
12 - Miscellaneous goods & services	1,229	-	49	2	-	1,280
TOTAL CONSUMPTION EXPENDITURE	17,297	6,967	669	1,549	4,528	31,009
Cash transfer - Ceremonies	542	-	-	-	-	542
Cash transfer - Support to another hhold	260	-	-	-	-	260
Cash transfer - Church	73	-	-	-	-	73
Cash transfer - Taxes	21	-	-	-	-	21
Cash transfer – School, community	53	-	-	-	-	53
Other cash transfer (i.e., charitable contrib.)	2	-	-	-	-	2
TOTAL NON CONSUMPTION EXPENDITURE	950	-	-	-	-	950
Land purchase	378	-	-	-	-	378
Construction/major alteration of dwelling	6	-	-	-	-	6
Plant, major equipment	128	-	-	-	-	128
Home mortgages	512	-	-	-	-	512
TOTAL INVESTMENT	378	-	-	-	-	378
TOTAL HOUSEHOLD EXPENDITURE	18,759	6,967	669	1,549	4,528	32,471

A.4b: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) - Chuuk

State - CHUUK	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
Expenditure category						
1 - Food & non-alcoholic beverages	18,645	10,238	498	669	-	30,051
2 - Alcoholic beverages, tobacco, narcotics	937	2	25	3	-	967
3 - Clothing & footwear	1,063	-	6	-	-	1,069
4 - Housing, water, electricity, gas, other fuels	5,246	-	116	-	20,342	25,704
5 - Furnishings, equip, routine maintenance	1,330	-	11	9	-	1,350
6 - Health	255	-	-	-	-	255
7 - Transport	2,937	-	35	-	-	2,973
8 - Communication	1,856	-	-	-	-	1,856
9 - Recreation & culture	625	-	-	-	-	625
10 - Education	1,203	-	-	-	-	1,203
11 - Restaurants & hotels	283	-	-	-	-	283
12 - Miscellaneous goods & services	860	-	12	3	-	875
TOTAL CONSUMPTION EXPENDITURE	35,240	10,240	705	684	20,342	67,210
Cash transfer - Ceremonies	1,637	-	-	-	-	1,637
Cash transfer - Support to another household	192	-	-	-	-	192
Cash transfer - Church	585	-	-	-	-	585
Cash transfer - Taxes	3	-	-	-	-	3
Cash transfer - School, community	105	-	-	-	-	105
Other cash transfer (i.e., charitable contribution)	15	-	-	-	-	15
TOTAL NON CONSUMPTION EXPENDITURE	2,538	-	-	-	-	2,538
Land purchase	187	-	-	-	-	187
Construction/major alteration of dwelling	349	-	-	-	-	349
Plant, major equipment	332	-	-	-	-	332
Home mortgages	22	-	-	-	-	22
TOTAL INVESTMENT	890	-	-	-	-	890
TOTAL HOUSEHOLD EXPENDITURE	38,667	10,240	705	684	20,342	70,637

A.4c: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) - Pohnpei

State - POHNPEI	Beneficiary: the household		Beneficiary: another ousehold (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
Expenditure category						
1 - Food & non-alcoholic beverages	21,203	7,553	833	2,038	-	31,627
2 - Alcoholic beverages, tobacco & narcotics	3,023	3,799	29	1,580	-	8,431
3 - Clothing & footwear	1,808	-	40	-	-	1,849
4 - Housing, water, electricity, gas & other fuels	9,330	-	168	-	35,845	45,342
5 - Furnishings, equip & routine maintenance	2,340	-	176	19	-	2,536
6 - Health	606	-	5	-	-	611
7 - Transport	7,920	-	328	-	-	8,248
8 - Communication	2,244	-	4	-	-	2,248
9 - Recreation & culture	1,570	-	50	20	-	1,640
10 - Education	2,272	-	11	-	-	2,282
11 - Restaurants & hotels	1,673	-	6	12	-	1,692
12 - Miscellaneous goods & services	1,978	-	57	45	-	2,080
TOTAL CONSUMPTION EXPENDITURE	55,967	11,352	1,708	3,714	35,845	108,586
Cash transfer - Ceremonies	5,341	-	-	-	-	5,341
Cash transfer - Support to another household	795	-	-	-	-	795
Cash transfer - Church	741	-	-	-	-	741
Cash transfer - Taxes	36	-	-	-	-	36
Cash transfer – School, community	167	-	-	-	-	167
Other cash transfer (i.e., charitable contrib.)	4	-	-	-	-	4
TOTAL NON CONSUMPTION EXPENDITURE	7,085	-	-	-	-	7,085
Land purchase	265	-	-	-	-	265
Construction/major alteration of dwelling	116	-	-	-	-	116
Plant, major equipment	465	-	-	-	-	465
Home mortgages	846	-	-	-	-	846
TOTAL INVESTMENT	265	-	-	-	-	265
TOTAL HOUSEHOLD EXPENDITURE	63,898	11,352	1,708	3,714	35,845	116,517

A.4d: Total Annual Household Expenditure by Expense Category, Expense Type and State (US\$ 000) -Kosrae

State - KOSRAE	Beneficiary: the household		Beneficiary: another household (in-kind receipt)		Imputed rent	TOTAL
	Pur- chase	Home produced	Pur- chase	Home produced		
Expenditure category						
1 - Food & non-alcoholic beverages	5,291	582	149	269	-	6,291
2 - Alcoholic beverages, tobacco & narcotics	321	8	1	3	-	334
3 - Clothing & footwear	279	-	15	2	-	296
4 - Housing, water, electricity, gas, other fuels	1,436	-	55	-	3,621	5,112
5 - Furnishings, equip, routine maintenance	543	-	11	1	-	555
6 - Health	37	-	-	-	-	37
7 - Transport	1,462	-	73	-	-	1,535
8 - Communication	355	-	7	-	-	362
9 - Recreation & culture	383	-	6	-	-	388
10 - Education	493	-	-	-	-	493
11 - Restaurants & hotels	138	-	1	4	-	142
12 - Miscellaneous goods & services	821	-	3	-	-	824
TOTAL CONSUMPTION EXPENDITURE	11,559	590	322	278	3,621	16,369
Cash transfer - Ceremonies	642	-	-	-	-	642
Cash transfer - Support to another household	72	-	-	-	-	72
Cash transfer - Church	216	-	-	-	-	216
Cash transfer - Taxes	33	-	-	-	-	33
Cash transfer – School, community	37	-	-	-	-	37
Other cash transfer (i.e., charitable contrib.)	12	-	-	-	-	12
TOTAL NON CONSUMPTION EXPENDITURE	1,013	-	-	-	-	1,013
Land purchase	27	-	-	-	-	27
Construction/major alteration of dwelling	21	-	-	-	-	21
Plant, major equipment	41	-	-	-	-	41
Home mortgages	37	-	-	-	-	37
TOTAL INVESTMENT	98	-	-	-	-	98
TOTAL HOUSEHOLD EXPENDITURE	12,670	590	322	278	3,621	17,480

APPENDIX B – ADDITIONAL INCOME TABLES

B.1: Total Monthly Household Income by Income Category and Income Type (US\$ 000) - FSM

Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	8,783	-	-	-	-	96	8,879
Business income	1,088	-	-	-	-	-	1,088
Subsistence – agriculture	549	-	-	-	-	-	549
Subsistence – handicraft	215	-	-	-	-	-	215
Subsistence – livestock	57	-	-	-	-	-	57
Subsistence – fisheries	303	-	-	-	-	-	303
Home production consumed	-	2,305	-	-	-	-	2,305
EMPLOYMENT INCOME	10,996	2,305	-	-	-	96	13,397
Rental	283	-	-	-	-	-	283
Other property income	72	-	-	-	-	-	72
PROPERTY INCOME	355	-	-	-	-	-	355
Remittances	977	-	-	-	-	-	977
Pensions	1,977	-	-	-	-	-	1,977
Scholarship	587	-	-	-	-	-	587
Other transfers	34	-	-	-	-	-	34
REGULAR TRANSFERS	3,575	-	-	-	-	-	3,575
Items received for free	-	-	284	519	-	-	802
Other casual income	67	-	-	-	-	-	67
CASUAL INCOME	67	-	284	519	-	-	869
TOTAL HHOLD INCOME	14,993	2,305	284	519	-	96	18,196
IMPUTED RENTS	-	-	-	-	5,361	-	5,361
TOTAL HHOLD INCOME (incl. Imputed rents)	14,993	2,305	284	519	5,361	96	23,557

B.2: Average Monthly Household Income by Income Category and Income Type (US\$) - FSM

Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	527	-	-	-	-	6	532
Business income	65	-	-	-	-	-	65
Subsistence – agriculture	33	-	-	-	-	-	33
Subsistence – handicraft	13	-	-	-	-	-	13
Subsistence – livestock	3	-	-	-	-	-	3
Subsistence – fisheries	18	-	-	-	-	-	18
Home production consumed	-	138	-	-	-	-	138
EMPLOYMENT INCOME	659	138	-	-	-	6	803
Rental	17	-	-	-	-	-	17
Other property income	4	-	-	-	-	-	4
PROPERTY INCOME	21	-	-	-	-	-	21
Remittances	59	-	-	-	-	-	59
Pensions	119	-	-	-	-	-	119
Scholarship	35	-	-	-	-	-	35
Other transfers	2	-	-	-	-	-	2
REGULAR TRANSFERS	214	-	-	-	-	-	214
Items received for free	-	-	17	31	-	-	48
Other casual income	4	-	-	-	-	-	4
CASUAL INCOME	4	-	17	31	-	-	52
TOTAL HHOLD INCOME	899	138	17	31	-	6	1,091
IMPUTED RENTS	-	-	-	-	321	-	321
TOTAL HHOLD INCOME (incl. Imputed rents)	899	138	17	31	321	6	1,413

B.3: Average Per Capita Monthly Income by Income Category and Income Type (US\$) - FSM

Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Wages & salaries	85	-	-	-	-	1	86
Business income	11	-	-	-	-	-	11
Subsistence – agriculture	5	-	-	-	-	-	5
Subsistence – handicraft	2	-	-	-	-	-	2
Subsistence – livestock	1	-	-	-	-	-	1
Subsistence – fisheries	3	-	-	-	-	-	3
Home production consumed	-	22	-	-	-	-	22
EMPLOYMENT INCOME	106	22	-	-	-	1	130
Rental	3	-	-	-	-	-	3
Other property income	1	-	-	-	-	-	1
PROPERTY INCOME	3	-	-	-	-	-	3
Remittances	9	-	-	-	-	-	9
Pensions	19	-	-	-	-	-	19
Scholarship	6	-	-	-	-	-	6
Other transfers	-	-	-	-	-	-	-
REGULAR TRANSFERS	35	-	-	-	-	-	35
Items received for free	-	-	3	5	-	-	8
Other casual income	1	-	-	-	-	-	1
CASUAL INCOME	1	-	3	5	-	-	8
TOTAL HHOLD INCOME	145	22	3	5	-	1	176
IMPUTED RENTS	-	-	-	-	52	-	52
TOTAL HHOLD INCOME (incl. Imputed rents)	145	22	3	5	52	1	228

B.4a: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Yap

State – YAP							Income in-kind (wage jobs)	
Income category	Net cash	Home production consumed	In-kind receipts		Imputed rents			Total
			Purchase	Home produced				
Wages & salaries	16,629	-	-	-	-	-	46	16,675
Business income	3,839	-	-	-	-	-	-	3,839
Subsistence – agriculture	1083	-	-	-	-	-	-	1,083
Subsistence – handicraft	275	-	-	-	-	-	-	275
Subsistence – livestock	53	-	-	-	-	-	-	53
Subsistence – fisheries	196	-	-	-	-	-	-	196
Home production consumed	-	6,869	-	-	-	-	-	6,869
EMPLOYMENT INCOME	22,075	6,869	-	-	-	-	46	28,990
Rental	339	-	-	-	-	-	-	339
Other property income	507	-	-	-	-	-	-	507
PROPERTY INCOME	846	-	-	-	-	-	-	846
Remittances	3,196	-	-	-	-	-	-	3,196
Pensions	130	-	-	-	-	-	-	130
Scholarship	650	-	-	-	-	-	-	650
Other transfers	773	-	-	-	-	-	-	773
REGULAR TRANSFERS	4,749	-	-	-	-	-	-	4,749
Items received for free	-	-	669	1549	-	-	-	2218
Other casual income	476	-	-	-	-	-	-	476
CASUAL INCOME	476	-	669	1549	-	-	-	2694
TOTAL HHOLD INCOME	28,146	6,869	669	1,549	-	-	46	37,279
IMPUTED RENTS	-	-	-	-	4,528	-	-	4,528
TOTAL HHOLD INCOME (incl. Imputed rents)	28,146	6,869	669	1,549	4,528	-	46	41,807

B.4b: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Chuuk

State – CHUUK		Home production consumed	In-kind receipts		Imputed rents	Income In-kind (wage jobs)	Total
Income category	Net cash		Purchase	Home produced			
Wages & salaries	27,787	-	-	-	-	170	27,957
Business income	2,580	-	-	-	-	-	2,580
Subsistence – agriculture	915	-	-	-	-	-	915
Subsistence – handicraft	216	-	-	-	-	-	216
Subsistence – livestock	302	-	-	-	-	-	302
Subsistence – fisheries	1,220	-	-	-	-	-	1,220
Home production consumed	-	9,956	-	-	-	-	9,956
EMPLOYMENT INCOME	33,020	9,956	-	-	-	170	43,146
Rental	733	-	-	-	-	-	733
Other property income	22	-	-	-	-	-	22
PROPERTY INCOME	755	-	-	-	-	-	755
Remittances	4,528	-	-	-	-	-	4,528
Pensions	111	-	-	-	-	-	111
Scholarship	6,201	-	-	-	-	-	6,201
Other transfers	1,247	-	-	-	-	-	1,247
REGULAR TRANSFERS	12,087	-	-	-	-	-	12,087
Items received for free	-	-	705	684	-	-	1389
Other casual income	7	-	-	-	-	-	7
CASUAL INCOME	7	-	705	684	-	-	1396
TOTAL HHOLD INCOME	45,869	9,956	705	684	-	170	57,384
IMPUTED RENTS	-	-	-	-	20,342	-	20,342
TOTAL HHOLD INCOME (incl. Imputed rents)	45,869	9,956	705	684	20,342	170	77,726

B.4c: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Pohnpei

State – POHNPEI		Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
Income category	Net cash		Purchase	Home produced			
Wages & salaries	54,530	-	-	-	-	846	55,376
Business income	5,259	-	-	-	-	-	5,259
Subsistence – agriculture	4,437	-	-	-	-	-	4,437
Subsistence – handicraft	3,062	-	-	-	-	-	3,062
Subsistence – livestock	266	-	-	-	-	-	266
Subsistence – fisheries	1,083	-	-	-	-	-	1,083
Home production consumed	-	10,281	-	-	-	-	10,281
EMPLOYMENT INCOME	68,637	10,281	-	-	-	846	79,764
Rental	1,859	-	-	-	-	-	1,859
Other property income	327	-	-	-	-	-	327
PROPERTY INCOME	2,186	-	-	-	-	-	2,186
Remittances	11,640	-	-	-	-	-	11,640
Pensions	169	-	-	-	-	-	169
Scholarship	3,497	-	-	-	-	-	3,497
Other transfers	4,199	-	-	-	-	-	4,199
REGULAR TRANSFERS	19,505	-	-	-	-	-	19,505
Items received for free	-	-	1,708	3,714	-	-	5,422
Other casual income	319	-	-	-	-	-	319
CASUAL INCOME	319	-	1,708	3,714	-	-	5,741
TOTAL HHOLD INCOME	90,647	10,281	1,708	3,714	-	846	107,196
IMPUTED RENTS	-	-	-	-	35,845	-	35,845
TOTAL HHOLD INCOME (incl. Imputed rents)	90,647	10,281	1,708	3,714	35,845	846	143,041

B.4d: Total Annual Household Income by Income Category, Income Type and State (US\$ 000) - Kosrae

State – KOSRAE	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Income category							
Wages & salaries	6,447	-	-	-	-	89	6,536
Business income	1,380	-	-	-	-	-	1,380
Subsistence – agriculture	159	-	-	-	-	-	159
Subsistence – handicraft	84	-	-	-	-	-	84
Subsistence – livestock	69	-	-	-	-	-	69
Subsistence – fisheries	78	-	-	-	-	-	78
Home production consumed	-	553	-	-	-	-	553
EMPLOYMENT INCOME	8,217	553	-	-	-	89	8,859
Rental	462	-	-	-	-	-	462
Other property income	7	-	-	-	-	-	7
PROPERTY INCOME	469	-	-	-	-	-	469
Remittances	4,359	-	-	-	-	-	4,359
Pensions	-	-	-	-	-	-	-
Scholarship	1,380	-	-	-	-	-	1,380
Other transfers	820	-	-	-	-	-	820
REGULAR TRANSFERS	6,559	-	-	-	-	-	6,559
Items received for free	-	-	322	278	-	-	600
Other casual income	-	-	-	-	-	-	-
CASUAL INCOME	-	-	322	278	-	-	600
	-	-	-	-	-	-	-
TOTAL HHOLD INCOME	15,245	553	322	278	-	89	16,487
IMPUTED RENTS	-	-	-	-	3,621	-	3,621
TOTAL HHOLD INCOME (incl. Imputed rents)	15,245	553	322	278	3,621	89	20,108

B.5a: Reporting Households by Income Category, Income Type and State - Yap

State – YAP		Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
Income category	Net cash		Purchase	Home produced			
Wages & salaries	1,409	-	-	-	-	24	1,409
Business income	154	-	-	-	-	-	154
Subsistence – agriculture	662	-	-	-	-	-	662
Subsistence – handicraft	272	-	-	-	-	-	272
Subsistence – livestock	226	-	-	-	-	-	226
Subsistence – fisheries	180	-	-	-	-	-	180
Home production consumed	-	2,267	-	-	-	-	2,267
EMPLOYMENT INCOME	1,834	2,267	-	-	-	24	2,346
Rental	24	-	-	-	-	-	24
Other property income	419	-	-	-	-	-	419
PROPERTY INCOME	419	-	-	-	-	-	419
Remittances	598	-	-	-	-	-	598
Pensions	27	-	-	-	-	-	27
Scholarship	718	-	-	-	-	-	718
Other transfers	185	-	-	-	-	-	185
REGULAR TRANSFERS	1,164	-	-	-	-	-	1,164
Items received for free	-	-	680	1,463	-	-	1,710
Other casual income	81	-	-	-	-	-	81
CASUAL INCOME	81	-	680	1,463	-	-	1,737
TOTAL HHOLD INCOME	2,096	2,267	680	1,463	-	24	2,353
IMPUTED RENTS	-	-	-	-	2,270	-	2,270
TOTAL HHOLD INCOME (incl. Imputed rents)	2,096	2,267	680	1,463	2,270	24	2,352

B.5b: Reporting Households by Income Category, Income Type and State - Chuuk

State – CHUUK		Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
Income category	Net cash		Purchase	Home produced			
Wages & salaries	2,901	-	-	-	-	66	2,901
Business income	234	-	-	-	-	-	234
Subsistence – agriculture	847	-	-	-	-	-	847
Subsistence – handicraft	501	-	-	-	-	-	501
Subsistence – livestock	790	-	-	-	-	-	790
Subsistence – fisheries	829	-	-	-	-	-	829
Home production consumed	-	5,699	-	-	-	-	5,699
EMPLOYMENT INCOME	4,429	5,699	-	-	-	66	6,608
Rental	37	-	-	-	-	-	37
Other property income	25	-	-	-	-	-	25
PROPERTY INCOME	62	-	-	-	-	-	62
Remittances	653	-	-	-	-	-	653
Pensions	98	-	-	-	-	-	98
Scholarship	3,425	-	-	-	-	-	3,425
Other transfers	114	-	-	-	-	-	114
REGULAR TRANSFERS	3,801	-	-	-	-	-	3,801
Items received for free	-	-	1,018	1,957	-	-	2,631
Other casual income	7	-	-	-	-	-	-
CASUAL INCOME	7	-	1,018	1,957	-	-	2,637
TOTAL HHOLD INCOME	5,871	5,699	1,018	1,957	-	66	6,749
IMPUTED RENTS	-	-	-	-	6,745	-	6,745
TOTAL HHOLD INCOME (incl. Imputed rents)	5,871	5,699	1,018	1,957	6,745	66	6,819

B.5c: Reporting Households by Income Category, Income Type and State - Pohnpei

State – POHNPEI		Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
Income category	Net cash		Purchase	Home produced			
Wages & salaries	4,185	-	-	-	-	157	4,185
Business income	277	-	-	-	-	-	277
Subsistence – agriculture	2,290	-	-	-	-	-	2,290
Subsistence – handicraft	1,777	-	-	-	-	-	1,777
Subsistence – livestock	897	-	-	-	-	-	897
Subsistence – fisheries	965	-	-	-	-	-	965
Home production consumed	-	4,439	-	-	-	-	4,439
EMPLOYMENT INCOME	5,835	4,439	-	-	-	157	6,244
Rental	60	-	-	-	-	-	60
Other property income	46	-	-	-	-	-	46
PROPERTY INCOME	106	-	-	-	-	-	106
Remittances	1,523	-	-	-	-	-	1,523
Pensions	24	-	-	-	-	-	24
Scholarship	2,187	-	-	-	-	-	2,187
Other transfers	831	-	-	-	-	-	831
REGULAR TRANSFERS	3,321	-	-	-	-	-	3,321
Items received for free	-	-	1,507	2,620	-	-	3,453
Other casual income	116	-	-	-	-	-	-
CASUAL INCOME	116	-	1,507	2,620	-	-	3,488
TOTAL HHOLD INCOME	6,256	4,439	1,507	2,620	-	157	6,355
IMPUTED RENTS	-	-	-	-	6,280	-	6,280
TOTAL HHOLD INCOME (incl. Imputed rents)	6,256	4,439	1,507	2,620	6,280	157	6,416

B.5d: Reporting Households by Income Category, Income Type and State - Kosrae

State – KOSRAE	Net cash	Home production consumed	In-kind receipts		Imputed rents	Income in-kind (wage jobs)	Total
			Purchase	Home produced			
Income category							
Wages & salaries	761	-	-	-	-	131	761
Business income	88	-	-	-	-	-	88
Subsistence – agriculture	213	-	-	-	-	-	213
Subsistence – handicraft	88	-	-	-	-	-	88
Subsistence – livestock	104	-	-	-	-	-	104
Subsistence – fisheries	181	-	-	-	-	-	181
Home production consumed	-	821	-	-	-	-	821
EMPLOYMENT INCOME	942	821	-	-	-	131	1,040
Rental	27	-	-	-	-	-	27
Other property income	11	-	-	-	-	-	11
PROPERTY INCOME	38	-	-	-	-	-	38
Remittances	334	-	-	-	-	-	334
Pensions	-	-	-	-	-	-	-
Scholarship	613	-	-	-	-	-	613
Other transfers	126	-	-	-	-	-	126
REGULAR TRANSFERS	805	-	-	-	-	-	805
Items received for free	-	-	389	345	-	-	619
Other casual income	-	-	-	-	-	-	-
CASUAL INCOME	-	-	389	345	-	-	619
TOTAL HHOLD INCOME	1,072	821	389	345	-	131	1,089
IMPUTED RENTS	-	-	-	-	1,067	-	1,067
TOTAL HHOLD INCOME (incl. Imputed rents)	1,072	821	389	345	1,067	131	1,089

B.6: Reporting Households, Total and Average Income by Sex of the Household Head - FSM

Source of income	Male headed households			Female headed households		
	Number of households	Total annual income	Average annual income	Number of households	Total annual income	Average annual income
		US\$ 000	US\$		US\$ 000	US\$
Wages and salaries - cash	7,658	89,042	11,627	1,598	16,352	10,234
Wages and salaries - in-kind	313	882	2,820	65	268	4,107
Business income	635	10,037	15,819	117	3,021	25,774
Subsistence - agriculture	3,361	5,576	1,659	626	1,018	1,625
Subsistence - fisheries	1,882	2,337	1,242	262	241	922
Subsistence - livestock	1,774	620	350	233	70	301
Subsistence - handicraft	2,127	3,068	1,442	511	569	1,115
Home production consumed	10,522	22,221	2,112	2,703	5,438	2,012
Rental	125	3,188	25,542	24	206	8,671
Other property income	391	366	936	110	498	4,525
Imputed rents	13,115	52,320	3,989	3,246	12,016	3,702
Remittances	5,416	9,529	1,759	1,528	2,199	1,440
Pensions	1,922	17,134	8,917	1,186	6,589	5,555
Scholarship	959	5,514	5,752	297	1,526	5,134
Other transfers	92	214	2,334	58	196	3,393
Casual income	173	729	4,216	44	72	1,646
Gift in-kind	6,690	7,445	1,113	1,722	2,183	1,267
Total	13,365	230,221	17,226	3,313	52,462	15,835

B.7: Reporting Households, Total and Average Income by Age of the Household Head, FSM

Source of income	< 30			30 - 39			40 - 49			50 - 59			60 - 69			70+		
	Hh #	Total income US\$ 000	Average Income US\$	Hh #	Total income US\$ 000	Average Income US\$	Hh #	Total income US\$ 000	Average Income US\$	Hh #	Total income US\$ 000	Average Income US\$	Hh #	Total income US\$ 000	Average Income US\$	Hh #	Total income US\$ 000	Average Income US\$
Wages and salaries - cash	1,573	247	6,380	12,523	1,490	8,407	29,342	2,522	11,636	39,424	3,083	12,789	16,787	1,282	13,096	5,745	634	9,064
Wages and salaries - in-kind	36	24	1,507	244	64	3,815	553	157	3,526	242	83	2,919	74	45	1,654	5	50	
Business income	420	7	62,400	2,783	63	43,926	1,953	179	10,880	4,162	294	14,168	2,643	177	14,927	1,098	31	34,998
Subsistence - agriculture	194	187	1,037	1,061	812	1,307	1,847	983	1,880	1,824	1,055	1,729	1,331	719	1,850	337	232	1,455
Subsistence - fisheries	32	77	411	603	495	1,219	770	552	1,397	670	602	1,114	388	329	1,177	115	89	1,297
Subsistence - livestock	16	45	351	125	353	355	102	424	240	228	701	325	173	363	475	47	121	386
Subsistence - handicraft	135	80	1,685	567	495	1,146	881	625	1,410	1,248	797	1,565	667	436	1,531	140	205	682
Home production consumed	807	572	1,411	4,518	2,316	1,951	6,257	3,072	2,037	8,064	3,804	2,120	5,826	2,140	2,722	2,186	1,321	1,655
Rental							106	19	5,549	891	60	14,869	2,224	53	42,115	173	17	10,380
Other property income	20	31	651	21	70	300	17	86	193	492	155	3,174	302	94	3,211	11	64	178
Imputed rents	2,037	712	2,860	9,992	2,959	3,376	13,914	3,856	3,609	19,015	4,624	4,112	12,284	2,659	4,619	7,092	1,550	4,574
Remittances	268	282	951	1,389	1,131	1,229	2,835	1,461	1,940	3,402	1,997	1,703	2,443	1,322	1,848	1,392	751	1,853
Pensions	40	17	2,360	789	173	4,575	1,482	209	7,089	4,704	468	10,049	11,616	1,262	9,204	5,092	979	5,202
Scholarship	30	12	2,588	757	139	5,442	1,882	326	5,768	2,822	449	6,280	1,016	224	4,544	534	106	5,030
Other transfers				43	36	1,205	87	31	2,783	1	7	200	130	18	7,185	148	58	2,569
Casual income				51	7	7,600	36	41	873	122	71	1,719	582	58	10,042	9	40	232
Gift in-kind	184	335	547	1,651	1,518	1,087	2,017	2,070	975	2,705	2,402	1,127	2,300	1,371	1,677	771	716	1,076
Total	5,791	712	8,128	37,120	2,972	12,490	64,082	3,993	16,047	90,016	4,756	18,928	60,785	2,682	22,666	24,889	1,563	15,927

B.8: Reporting Households, Total Household Income and Average Household Income by Work Status of the Household Head, FSM

Income source	Work - employee			Work - business			Work no pay			Retired			Home duties			No work - other		
	Total		Average	Total		Average	Total		Average	Total		Average	Total		Average	Total		Average
	Hh	income	Income	Hh	income	Income	Hh	income	Income	Hh	income	Income	Hh	income	Income	Hh	income	Income
	#	US\$ 000	US\$	#	US\$ 000	US\$	#	US\$ 000	US\$	#	US\$ 000	US\$	#	US\$ 000	US\$	#	US\$ 000	US\$
Wages and salaries - cash	5,694	74,984	13,169	542	6,430	11,867	1,009	7,150	7,086	881	8,337	9,463	807	5,723	7,088	322	2,769	8,588
Wages and salaries - in-kind	241	913	3,783	27	19	700	62	60	968				42	136	3,247	5	22	4,000
Business income	314	6,162	19,597	121	5,518	45,743	152	952	6,242	74	160	2,179	78	49	626	12	217	17,795
Subsistence - agriculture	1,040	1,412	1,358	255	503	1,976	1,858	3,505	1,887	345	447	1,298	396	584	1,476	94	141	1,498
Subsistence - fisheries	362	387	1,067	186	200	1,079	1,139	1,452	1,274	179	251	1,403	193	239	1,239	84	49	586
Subsistence - livestock	618	178	288	117	95	807	791	252	319	210	96	459	232	54	234	38	14	374
Subsistence - handicraft	648	817	1,261	140	233	1,664	1,184	2,051	1,733	207	118	569	357	320	898	103	98	957
Home production consumed	4,023	7,221	1,795	630	1,057	1,678	4,173	11,436	2,741	1,673	2,970	1,775	2,281	4,073	1,785	446	903	2,025
Rental	67	1,151	17,161	12	67	5,529	16	430	26,167	18	1,542	87,927	35	203	5,762			
Other property income	257	32	125	47	470	9,924	66	41	618	84	6	70	46	315	6,852			
Imputed rents	5,472	24,644	4,504	848	4,625	5,454	4,699	15,241	3,243	2,121	9,361	4,414	2,641	7,387	2,797	581	3,078	5,298
Remittances	1,653	2,248	1,360	326	637	1,955	2,131	4,095	1,921	1,149	2,086	1,815	1,429	1,897	1,328	256	766	2,996
Pensions	386	2,607	6,745	51	1,391	27,098	581	4,028	6,937	1,315	10,486	7,971	605	4,702	7,765	168	510	3,032
Scholarship	661	3,888	5,883	23	171	7,503	196	1,212	6,177	206	1,011	4,915	119	555	4,679	52	203	3,933
Other transfers	38	81	2,150				28	31	1,100	56	272	4,849	27	25	929			
Casual income	49	38	790	18	73	4,169	69	249	3,593	45	355	7,876	23	33	1,416	13	53	4,010
Gift in-kind	3,064	3,570	1,165	449	617	1,376	2,612	3,026	1,158	872	755	866	1,130	1,233	1,091	286	426	1,490
Total	5,755	130,334	22,647	871	22,107	25,390	4,705	55,210	11,735	2,121	38,253	18,039	2,646	27,529	10,404	2,461	9,251	3,759

APPENDIX C – DETAIL OF EXPENDITURE SUB-CLASS LEVEL

C.1: Total Annual Household Expenditure (US\$ '000) and Households Reporting Expenditure (%) by Expense Type and Expenditure Sub-class – FSM

Expenditure division and class	TOTAL EXPENDITURE (USD '000)						PERCENTAGE OF HOUSEHOLDS					
	This household		Another household		Imputed rents	Total	This household		Another household		Imputed rents	Total
	Cash	Home produced	Cash	Home produced			Cash	Home produced	Cash	Home produced		
TOTAL EXPENDITURE	134,020.7	29,148.1	3,403.4	6,224.0	64,335.9	237,132.1	97.9%	76.7%	21.5%	38.3%	98.1%	100.0%
TOTAL CONSUMPTION EXPENDITURE	120,062.7	29,148.1	3,403.4	6,224.0	64,335.9	223,174.1	97.5%	76.7%	21.5%	38.3%	98.1%	100.0%
[101] Food and non-alcoholic beverages	51,041.7	24,373.9	1,825.3	4,399.9	-	81,640.8	93.9%	76.0%	9.4%	36.6%	-	98.6%
Bread and cereals	20,456.2	-	739.4	7.4	-	21,203.0	90.3%	-	6.3%	-	-	90.3%
Fish and sea food	8,484.3	8,158.6	178.5	1,039.0	-	17,860.3	84.2%	51.6%	2.8%	17.0%	-	93.9%
Meat	12,285.3	1,690.5	630.6	1,054.7	-	15,661.1	74.6%	7.8%	3.5%	3.5%	-	76.7%
Fruit	778.6	7,483.1	15.0	1,293.8	-	9,570.6	25.0%	68.5%	1.0%	25.6%	-	79.8%
Vegetables	1,458.4	6,592.3	52.9	900.3	-	9,003.9	45.6%	54.1%	1.8%	15.4%	-	78.1%
Mineral water, soft drinks, and juices	1,355.8	425.1	91.0	78.9	-	1,950.8	39.6%	1.7%	2.2%	0.7%	-	41.5%
Sugar, jam, honey, chocolate and confectionery	1,699.0	3.3	44.8	3.1	-	1,750.2	59.3%	0.2%	1.3%	0.1%	-	59.5%
Food products n.e.c.	1,471.2	3.1	19.1	4.1	-	1,497.5	58.3%	0.4%	0.9%	0.2%	-	58.5%
Milk, cheese and eggs	1,448.6	4.9	16.1	1.4	-	1,470.9	36.7%	0.3%	0.9%	0.2%	-	37.1%
Coffee, tea and cocoa	909.7	-	26.0	0.1	-	935.8	33.9%	-	0.8%	-	-	34.2%
Oils and fats	694.7	13.0	12.0	17.1	-	736.8	25.8%	0.4%	0.3%	0.5%	-	26.4%
[102] Alcoholic beverages, tobacco and narcotics	5,739.1	4,774.2	97.2	1,698.9	-	12,309.4	54.7%	15.3%	2.2%	9.1%	-	59.1%
Narcotics	2,030.8	4,129.5	15.8	1,681.1	-	7,857.1	28.8%	14.8%	0.5%	8.7%	-	37.6%
Tobacco	2,579.1	0.8	33.2	1.9	-	2,615.0	48.1%	0.1%	1.6%	0.1%	-	48.2%
Beer	798.2	643.9	35.0	15.9	-	1,493.0	11.5%	0.8%	0.3%	0.4%	-	12.8%
Spirits	257.9	-	13.2	-	-	271.1	5.3%	-	0.4%	-	-	5.4%
Wine	73.1	-	-	-	-	73.1	0.5%	-	-	-	-	0.5%
[103] Clothing and footwear	3,579.9	-	76.1	1.9	-	3,658.0	55.6%	-	1.5%	0.1%	-	56.0%
Garments	2,132.5	-	37.4	-	-	2,169.9	48.9%	-	1.1%	-	-	49.2%
Cleaning, repair and hire of clothing	572.3	-	3.6	-	-	575.9	8.4%	-	0.2%	-	-	8.6%
Shoes and other footwear	503.2	-	12.9	-	-	516.1	23.4%	-	0.4%	-	-	23.6%
Clothing materials	279.2	-	14.3	1.9	-	295.4	2.6%	-	0.1%	0.1%	-	2.7%
Other articles of clothing and accessories	92.7	-	7.9	-	-	100.6	5.2%	-	0.1%	-	-	5.3%

C.1: Total Annual Household Expenditure (US\$ '000) and Households Reporting Expenditure (%) by Expense Type and Expenditure Sub-class – FSM (continue)

Expenditure division and class	TOTAL EXPENDITURE (USD '000)						PERCENTAGE OF HOUSEHOLDS					
	This household		Another household		Imputed rents	Total	This household		Another household		Imputed rents	Total
	Cash	Home produced	Cash	Home produced			Cash	Home produced	Cash	Home produced		
[104] Housing and utilities	18,515.2	-	378.1	-	64,335.9	83,229.2	79.3%	-	2.4%	-	98.1%	100.0%
Imputed rentals of owner-occupiers	-	-	-	-	58,370.9	58,370.9	-	-	-	-	94.0%	94.0%
Electricity	7,274.0	-	94.6	-	-	7,368.6	56.9%	-	0.8%	-	-	57.4%
Other imputed rentals	-	-	-	-	5,965.0	5,965.0	-	-	-	-	8.5%	8.5%
Liquid fuels	4,347.4	-	49.6	-	-	4,396.9	48.4%	-	0.6%	-	-	48.8%
Actual rentals paid by tenants	2,168.6	-	-	-	-	2,168.6	2.0%	-	-	-	-	2.0%
Water supply	1,883.8	-	8.6	-	-	1,892.4	25.6%	-	0.2%	-	-	25.8%
Gas	1,481.0	-	4.9	-	-	1,485.9	28.3%	-	0.1%	-	-	28.4%
Materials for the maintenance/repair of dwelling	861.8	-	11.2	-	-	872.9	8.0%	-	0.1%	-	-	8.1%
Services for the maintenance/repair of dwelling	117.9	-	53.1	-	-	171.0	0.6%	-	0.1%	-	-	0.7%
Other actual rentals	-	-	148.1	-	-	148.1	0.4%	-	-	-	-	0.4%
Heat energy	135.9	-	6.8	-	-	142.7	8.1%	-	0.1%	-	-	8.2%
Other services relating to the dwelling n.e.c.	118.6	-	0.9	-	-	119.5	0.6%	-	0.2%	-	-	0.8%
Solid fuels	86.8	-	-	-	-	86.8	2.9%	-	-	-	-	2.9%
Refuse collection	39.5	-	0.4	-	-	39.9	3.2%	-	0.1%	-	-	3.2%
[105] Furnishings, equipment & maintenance	4,806.2	-	218.9	38.3	-	5,063.5	82.9%	-	2.9%	0.6%	-	83.1%
Non-durable household goods	2,382.5	-	38.5	8.1	-	2,429.1	76.6%	-	1.2%	0.4%	-	76.7%
Major household appliances whether electric or not	531.1	-	13.8	-	-	545.0	10.6%	-	0.3%	-	-	10.8%
Domestic services and household services	368.8	-	123.6	-	-	492.4	3.5%	-	0.4%	-	-	3.9%
Glassware, tableware and household utensils	360.6	-	15.6	-	-	376.2	6.4%	-	0.4%	-	-	6.5%
Small tools and miscellaneous accessories	333.3	-	12.2	-	-	345.5	13.9%	-	0.4%	-	-	13.9%
Furniture and furnishings	244.5	-	2.6	-	-	247.1	6.0%	-	0.2%	-	-	6.2%
Household textiles	199.3	-	10.8	-	-	210.1	14.9%	-	0.6%	-	-	15.3%
Small electric household appliance	170.2	-	-	-	-	170.2	1.9%	-	0.0%	-	-	1.9%
Major tools and equipment	151.5	-	1.8	-	-	153.3	3.0%	-	0.1%	-	-	10.8%
Carpets and other floor coverings	62.6	-	-	30.2	-	92.9	0.7%	-	0.3%	-	-	1.0%
Repair of household appliances	1.7	-	-	-	-	1.7	0.1%	-	-	-	-	0.1%
[106] Health	1,029.6	-	5.7	-	-	1,035.3	24.8%	-	0.3%	-	-	24.9%
Pharmaceutical products	429.6	-	0.4	-	-	430.0	15.7%	-	0.1%	-	-	15.7%
Hospital services	259.0	-	2.3	-	-	261.3	7.7%	-	0.1%	-	-	7.8%
Paramedical services	233.9	-	-	-	-	233.9	4.2%	-	-	-	-	4.2%
Dental services	68.7	-	3.0	-	-	71.7	3.8%	-	0.1%	-	-	3.8%
Medical services	26.5	-	-	-	-	26.5	3.3%	-	-	-	-	3.3%
Therapeutic appliances and equipment	10.7	-	-	-	-	10.7	0.3%	-	-	-	-	0.3%
Other medical products	1.2	-	-	-	-	1.2	0.1%	-	-	-	-	0.1%

C.1: Total Annual Household Expenditure (US\$ '000) and Households Reporting Expenditure (%) by Expense Type and Expenditure Sub-class – FSM (Continue)

Expenditure division and class	TOTAL EXPENDITURE (USD '000)						PERCENTAGE OF HOUSEHOLDS					
	This household		Another household		Imputed rents	Total	This household		Another household		Imputed rents	Total
	Cash	Home produced	Cash	Home produced			Cash	Home produced	Cash	Home produced		
[107] Transportation	15,211.5	-	500.5	-	-	15,712.1	60.5%	-	4.1%	-	-	61.4%
Fuels and lubricants for transport equipment	7,310.9	-	134.2	-	-	7,445.2	33.1%	-	1.0%	-	-	33.9%
Motor cars	2,781.4	-	108.7	-	-	2,890.1	4.9%	-	0.2%	-	-	5.1%
Passenger transport by road	2,051.1	-	42.0	-	-	2,093.1	32.7%	-	1.7%	-	-	33.5%
Passenger transport by air	1,842.3	-	154.5	-	-	1,996.8	5.0%	-	0.8%	-	-	5.7%
Maintenance and repair of transport equipment	461.4	-	-	-	-	461.4	19.1%	-	-	-	-	19.1%
Spare parts and accessories	319.7	-	-	-	-	319.7	9.9%	-	-	-	-	9.9%
Other services of transport equipment	211.3	-	0.2	-	-	211.5	25.3%	-	0.2%	-	-	25.3%
Other purchased transport services	100.2	-	56.2	-	-	156.4	1.8%	-	0.2%	-	-	2.0%
Passenger transport by sea and inland waterway	125.4	-	4.8	-	-	130.2	2.4%	-	0.3%	-	-	2.5%
Bicycles	5.0	-	-	-	-	5.0	0.3%	-	-	-	-	0.3%
Motor cycles	2.7	-	-	-	-	2.7	4.9%	-	0.2%	-	-	0.0%
[108] Communication	5,236.4	-	53.4	-	-	5,289.8	59.2%	-	0.3%	-	-	59.3%
Telephone and telefax services	4,700.3	-	12.4	-	-	4,712.7	54.5%	-	0.3%	-	-	54.6%
Telephone and telefax equipment	429.0	-	40.7	-	-	469.8	11.5%	-	0.1%	-	-	11.6%
Postal services	107.1	-	0.3	-	-	107.3	33.1%	-	0.1%	-	-	33.1%
[109] Recreation and culture	2,939.3	-	73.0	19.6	-	3,031.9	47.7%	-	1.5%	-	-	48.3%
Books	1,387.0	-	7.3	-	-	1,394.3	11.2%	-	0.3%	-	-	11.4%
Cultural services	384.7	-	9.0	-	-	393.8	7.8%	-	0.2%	-	-	8.1%
Equipment for sound and pictures	358.4	-	1.8	-	-	360.2	6.7%	-	0.1%	-	-	6.8%
Stationery and drawing materials	273.9	-	2.4	-	-	276.3	31.2%	-	0.4%	-	-	31.5%
Information processing equipment	221.9	-	0.4	-	-	222.3	2.8%	-	0.1%	-	-	2.9%
Games, toys and hobbies	56.6	-	3.2	-	-	59.8	1.1%	-	0.1%	-	-	1.1%
Gardens, plants and flowers	15.1	-	22.0	19.6	-	56.7	0.4%	-	0.2%	0.2%	-	0.7%
Recording media	41.9	-	1.3	-	-	43.2	2.1%	-	0.0%	-	-	2.2%
Miscellaneous printed matter	38.8	-	-	-	-	38.8	0.2%	-	-	-	-	0.2%
Games of chance	32.0	-	6.0	-	-	38.0	0.4%	-	0.1%	-	-	0.5%
Equipment for sport and recreation	35.5	-	-	-	-	35.5	0.7%	-	-	-	-	0.7%
Major durables for outdoor recreation	25.8	-	-	-	-	25.8	0.3%	-	-	-	-	0.3%
Musical instruments	25.6	-	-	-	-	25.6	0.0%	-	-	-	-	0.0%
Pets and related products	23.9	-	-	-	-	23.9	0.4%	-	-	-	-	0.4%
Package holidays	-	-	19.0	-	-	19.0	0.1%	-	-	-	-	0.1%
Photographic and cinematographic equipment	12.9	-	0.7	-	-	13.5	0.5%	-	0.0%	-	-	0.5%
Recreational and sporting services	2.8	-	-	-	-	2.8	0.0%	-	-	-	-	0.0%
Repair of audio-visual and IT equipment	1.9	-	-	-	-	1.9	0.1%	-	-	-	-	0.1%
Newspapers and periodicals	0.6	-	-	-	-	0.6	0.1%	-	-	-	-	0.1%

C.1: Total Annual Household Expenditure (US\$ '000) and Households Reporting Expenditure (%) by Expense Type and Expenditure Sub-class – FSM (continue)

Expenditure division and class	TOTAL EXPENDITURE (USD '000)						PERCENTAGE OF HOUSEHOLDS					
	This household		Another household		Imputed rents	Total	This household		Another household		Imputed rents	Total
	Cash	Home produced	Cash	Home produced			Cash	Home produced	Cash	Home produced		
[110] Education	4,619.2	-	27.6	-	-	4,646.8	19.1%	-	0.4%	-	-	19.3%
Tertiary education	3,510.7	-	23.5	-	-	3,534.1	8.3%	-	0.3%	-	-	8.6%
Pre- primary and primary education	593.9	-	4.1	-	-	598.0	8.7%	-	0.1%	-	-	8.7%
Secondary education	514.7	-	-	-	-	514.7	4.8%	-	-	-	-	4.8%
[111] Restaurants and hotels	2,456.8	-	26.3	15.3	-	2,498.4	20.9%	-	0.4%	0.4%	-	21.2%
Restaurants, cafes and the like	1,392.8	-	25.3	15.3	-	1,433.5	16.0%	-	0.4%	0.4%	-	16.3%
Accommodation services	1,064.0	-	0.9	-	-	1,064.9	7.3%	-	0.1%	-	-	7.3%
[112] Miscellaneous good and services	4,887.7	-	121.2	50.1	-	5,059.0	78.2%	6.9%	0.6%	-	-	78.6%
Appliances and products for personal care	2,182.1	-	52.1	0.1	-	2,234.4	71.4%	1.4%	0.0%	-	-	71.5%
FISIM	2,185.1	-	-	-	-	2,185.1	15.5%	-	-	-	-	15.5%
Hairdressing and grooming	145.8	-	24.6	-	-	170.4	3.8%	0.1%	-	-	-	3.9%
Other personal effects	115.8	-	22.1	21.0	-	158.9	8.4%	0.3%	0.4%	-	-	8.9%
Jewelry, clocks and watches	38.8	-	13.4	28.9	-	81.1	0.8%	0.1%	0.2%	-	-	1.1%
Insurance connected with the dwelling	77.3	-	-	-	-	77.3	0.2%	-	-	-	-	0.2%
Other services n.e.c.	72.5	-	1.5	-	-	73.9	4.5%	-	0.2%	-	-	4.7%
Insurance connected with transport	36.0	-	-	-	-	36.0	0.5%	-	-	-	-	0.5%
Other financial services n.e.c.	30.4	-	0.8	-	-	31.3	1.1%	-	0.2%	-	-	1.3%
Other Insurance	1.4	-	5.1	-	-	6.5	0.2%	-	0.2%	-	-	0.3%
Insurance connected with health	1.6	-	0.7	-	-	2.4	4.1%	-	4.1%	-	-	4.1%
Life Insurance	0.8	-	0.4	-	-	1.2	2.2%	-	2.2%	-	-	2.2%
Social protection	-	-	0.3	-	-	0.3	-	-	0.0%	-	-	0.0%
TOTAL NON-CONSUMPTION EXPENDITURE	11,585.1	-	-	-	-	11,585.1	81.3%	-	-	-	-	81.3%
[201] Ceremonies	8,162.7	-	-	-	-	8,162.7	71.3%	-	-	-	-	71.3%
[202] Cash donations to households	1,319.1	-	-	-	-	1,319.1	30.2%	-	-	-	-	30.2%
[203] Cash donations to church	1,615.4	-	-	-	-	1,615.4	56.3%	-	-	-	-	56.3%
[205] Taxes and fines	93.3	-	-	-	-	93.3	1.6%	-	-	-	-	1.6%
[206] Cash donations to associations	362.0	-	-	-	-	362.0	16.4%	-	-	-	-	16.4%
[207] Other charitable contributions	32.7	-	-	-	-	32.7	2.1%	-	-	-	-	2.1%
TOTAL INVESTMENT EXPENDITURE	2,372.9	-	-	-	-	2,372.9	7.0%	-	-	-	-	7.0%
[301] Purchase of land or house	214.0	-	-	-	-	214.0	0.1%	-	-	-	-	0.1%
[302] House construction	1,012.1	-	-	-	-	1,012.1	3.3%	-	-	-	-	3.3%
[303] Major improvements to house	495.4	-	-	-	-	495.4	2.4%	-	-	-	-	2.4%
Boats and outboard motors	350.3	-	-	-	-	350.3	0.8%	-	-	-	-	0.8%
Generators, water tanks, solar power	145.1	-	-	-	-	145.1	2.2%	-	-	-	-	2.2%
[305] Mortgage payment	651.4	-	-	-	-	651.4	1.9%	-	-	-	-	1.9%

