



ANALYZING THE RESULTS OF THE HOUSEHOLD BUDGET SURVEY

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Executive Summary:

The Household Budget Survey is one of the most important statistical surveys that give emphasis to the standard of living of inhabitant population of citizens and expatriates. The survey measures the success of economic and social policies intended to raise the standard of living of the population. The results of the survey provide general indicators which help decision makers in formulating development policies for improving standards of living.

The second Household Budget Survey of 2007-2008 was conducted in the Emirate of Abu Dhabi, 10 years after the first 1997 survey. The Statistics Centre - Abu Dhabi, suggests conducting this survey every five years, due to its importance and relevance to the standard of living of the overall population of the emirate (citizens and expatriates).

The 2007-2008 Household Budget Survey findings were analyzed, to help detect the actual conditions of citizen, expatriate and collective families in the emirate, and enable decision makers to assess standards of living and the related factors. Due to the different technicalities and methods used in two first surveys, comparison of results and findings was difficult, and this necessitated using standard methodologies in forthcoming surveys, to enable drawing comparisons, and identifying improvement areas. Therefore, the analysis was confined, in this study, to the findings of Household Budget Survey 2007-2008.

Findings:

1. The average family size in the emirate of Abu Dhabi was 5.5 persons per family, where it stood at 10.2 persons for the citizen family, 4.2 persons for non-citizens family and 4 persons in general for the collective family. The findings revealed differences in the average number of family members for UAE citizen families in urban compared to rural areas; where the average was 7.2 persons per family in urban areas, compared to 12.4 persons per family in rural areas. Dependency

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- ratio in the emirate was registered at 54.8%, ranging between 47.6% for Asian families, 62.5% for Arab families and 53% for UAE citizen families.
2. UAE Families constituted 22% of the total number of families; non-citizen families represented 52.4% of the total number of families; whereas collective families comprised 25.6% of the total number of families in the emirate of Abu Dhabi.
 3. The average monthly expenditure of the citizen family amounted to AED 25677, non-UAE family accounted for AED 8938 and collective families about AED 3999 on average. In the meantime, the average family monthly income for the citizen family reached AED 47066; non-UAE family average monthly income amounted to AED 14856 and for collective family totaled AED 7824. Accordingly, the percentage of expenditure out of income on average in the emirate of Abu Dhabi amounted to 57%. For the citizen family, the percentage comprised 54.6%, for the Arab family it reached 66.8%, European and American families registered 38.4%, and for other families the percentage of expenditure out of income amounted to 52.8%
 4. Spending on housing rentals and maintenance ranked first in the structure of household expenditure accounting for 37.7% of total household expenditure, followed by transport and communications by 17.9%, and food and drink in the third place by 16.4% of total expenditure.
 5. The average annual household income varies according to nationality; as it reached AED 565.8 thousand for the citizen family, around AED 478.6 thousand for the European and American family, AED 181.7 thousand for the Arab family, and AED 130.5 thousand for the Asian family.
 6. There is great disparity between average per capita income in urban and rural areas. The general average annual per capita income in urban Abu Dhabi marked AED 53.4 thousand, compared to AED 21.6 thousand in rural areas of Al Ain, varying by 147.2%.
 7. The distribution of income and expenditure tends to be more in favor of higher income groups; this tendency increases in Abu Dhabi rural areas; and in the urban and rural areas of Al Ain.

8. Nearly 41.8% of citizen families in the Emirate of Abu Dhabi, live in low-cost housing, about 26.3% live in villas, 22.6% in apartments; while 67.9% of non-citizen families and 32.2% of collective families live in apartments.
9. Most of the productive activities of citizen families are mainly in agricultural and livestock production, constituting 74.2%, of citizens' activities, followed by sales and other activities which account for 10.1%.of total citizen activities.
10. Salaries, wages and in kind benefits, came in the first place as a source of income; which is directly proportional to the educational status of persons. This source accounted for 57.1% of income sources for citizen families, 91.5% for non-citizen families and 93.6% for collective families' income. This clearly explains the vulnerability of all families in the Emirate to any increase in prices; as salaries and wages are relatively stable, compared to other sources of income.
11. Almost 87.9% of household get drinking water from the public network, while 8.3% get drinking water from private water pumps, and about 3.8% (8900 families) do not have a water source. These families are concentrated in both urban and rural areas of Al Ain, the Western Region and islands.
12. Nearly 99.2% of households in Abu Dhabi are connected to the public sewerage network, while the percentage lowers down to 41.4% in rural areas of Al Ain.

MOST IMPORTANT RECOMMENDATIONS:

1. The real estate sector must be regulated, as housing ranks first in the list of household expenditure. This would help reduce the burden on the family budget. Building of low-cost housing should be expanded to meet the needs of low income groups, especially migrant workers.

2. Wages and salaries, which represent the main source of income for UAE citizens, should be revised on a regular basis, taking into account inflation rates to ensure stability and improvement of the standards of living.
3. A strategy must be developed to improve and develop the agricultural and livestock production, given the concentration of most of the productive activities of UAE families in this vital sector, which provides work opportunities for UAE citizens. In addition to its contribution in supplying basic goods, and its role in stabilization of price levels.
4. Water and sewerage network should be extended to the underserved areas, particularly Al Ain, the Western Region and the Islands.