

FSM 2004 Household Income and Expenditure Survey (HIES)

Background

The HIES is the only survey that focuses on income and expenditure to give a detailed picture of the economic situation of FSM households.

A HIES collects detailed information on the incomes (and income sources) and expenses (and expenditure items) for households in the FSM, including coverage of home produced/subsistence items such as fish, fruit and vegetables etc.

The survey is a 10 percent sample survey of FSM households, with the sample designed to give statistically valid data for each FSM state. The survey cannot be adequately conducted with a smaller sample.

Federal Program Funding

The 2004 FSM HIES will be conducted according to international standards. This includes obtaining sanction from the US Bureau of Census, so the data is deemed suitable for US Federal program purposes. It is essential that FSM agencies have this data available to support Federal program funding applications.

Statistical uses for the HIES

The HIES provides essential input into a number of key statistics including:

- data on the distribution of household income and expenditures throughout the FSM;
- data for National Accounts, particularly regarding income from home production activities and the consumption of goods and services derived from home production;
- nutritional information and food consumption patterns for the FSM households;
- data for poverty analysis; and,
- Consumer expenditure patterns used to develop weights for a revised FSM Consumer Price Index (CPI).

With out an updated HIES the quality of each of these statistics will deteriorate.

Need to run the HIES in 2004

The last FSM HIES was conducted in 1998, six years ago. The minimum recommended international repeat period for the HIES is every 5 years, although many countries conduct a more frequent HIES (e.g. every 3 months in the US). An FSM HIES was proposed in the FY2003 budget, but rejected by Congress.

Impact of budget reductions on the HIES survey

Preparation for the 2004 is already well underway. Any significant cut in the HIES budget would most probably result in calling the survey off until full funds were made available. Naturally this would mean that the data would not be available for the above purposes, including applications for Federal Program funding.

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