

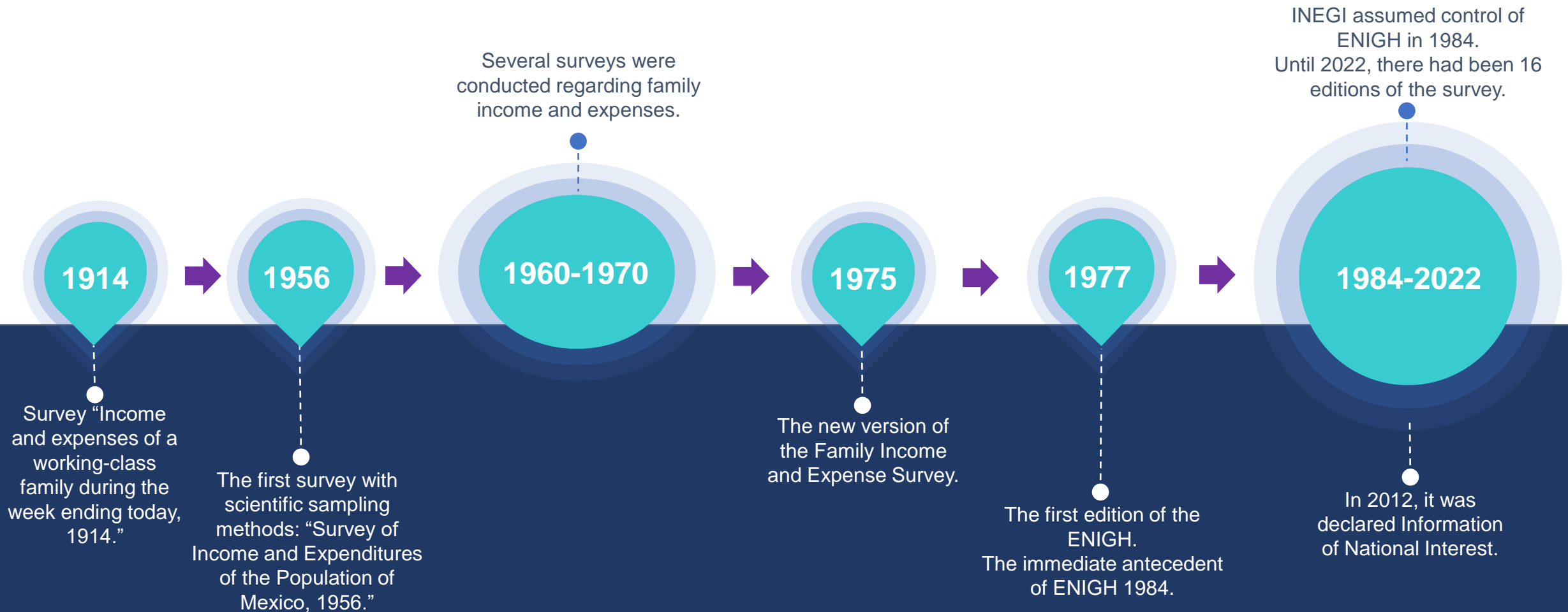


# National Survey of Household Income and Expenditure (ENIGH, in Spanish)

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# Background



# ENIGH responds to an information need

© Mexico was the first country to establish an official multidimensional poverty measurement. This means that, in addition to considering the inadequacy of economic resources, it considers several additional dimensions on which social policy should focus.

- According to the General Law of Social Development, guidelines and criteria on defining, identifying, and measuring poverty, issued by CONEVAL<sup>1</sup>, are mandatory for any Mexican institution that executes social development programs.
- CONEVAL should use the information generated by Mexico's National Statistics Office to estimate poverty and must update that estimation every two years at the national and state levels and every five years at the municipality level.

<sup>1</sup>National Council for the Evaluation of Social Development Policy (CONEVAL, by its Spanish acronym).

# Poverty measurement should include at least, eight indicators:

1 current per capita income

2 educational gap

3 access to health services

4 access to social security

5 quality and spaces of the dwelling

6 access to essential services in the housing

7 access to food

8 and the degree of social cohesion

ENIGH generates all of them

## Survey Goals

1. Present an overview of the behavior of **income and expenditure** at the household level in terms of amount, origin, and distribution.
2. Additionally, ENIGH provides information on **labor participation and the socio-demographic characteristics** of household members. It also includes information on dwelling characteristics and equipment.
3. Initially, the design of the ENIGH focused on the need to provide information about spending patterns. However, the data collected by the survey has had many other uses in the last few years: **studies on socioeconomic levels of the population, monitoring of SDG indicators, market studies, and poverty measurement.**
4. This data source is **designed to generate a rigorous diagnosis.**



# METHODOLOGICAL ASPECTS

# Main methodological characteristics

Characteristic	Description
Target population	All households within the country's boundaries.
Observation unit	The dwelling, the households and their usual residents.
Geographical coverage	The survey is designed to provide results at the following levels: <ul style="list-style-type: none"><li>• National</li><li>• Each of the 32 states</li><li>• At the state level, for urban and rural domains.</li></ul>
Sample Design	<ul style="list-style-type: none"><li>• <b>Probabilistic:</b> The sampling units have a known probability different from zero of being selected.</li><li>• <b>Conglomerates:</b> Also called primary sampling units (PSU), they are built by joining blocks in urban areas, or, where appropriate, specific blocks or localities in rural areas. All the PSU have a similar weight of dwellings units.</li><li>• <b>Stratified:</b> The PSU with similar characteristics are grouped.</li><li>• <b>Double stage:</b> In the first stage we select PSU through probabilities proportional to size, in the second stage we select homes within the PSU</li></ul>
Sample size	105,525 dwellings (the largest in the history of the survey since 2020).
Survey date	From August 21 to November 28, 2022.

# The questionnaires and booklet used in the **ENIGH 2022**

- 1 Questionnaire of households and housing
- 2 Questionnaire for people aged 12 and over
- 3 Questionnaire for home businesses
- 4 Questionnaire for people under 12 years old
- 5 Household expenses questionnaire
- 6 Booklet of daily expenses





# Conceptual Design

**Total income is made up of total current income and the total income financial assets and capital.**

The **total current income** of households is formed by the inputs that satisfy these three criteria:

## INCLUSION CRITERIA

## EXCLUSION CRITERIA

 **REGULARITY**

 **AVAILABILITY**

 **WEALTH**

Income sources must be regular and subject to an uninterrupted flow in each period.

Income sources must contribute to economic well-being; that is, they must be available to purchase goods and services that the household can use.

These income sources should not include the flows that modify the net wealth or the net value of the assets and debts of the household.

# Current monetary income

1. Income from work
2. Revenue of property
3. Transfers

- Remunerations for subordinate work.
- Wages, cash bonuses, and overtime wages.
- Income of the self-employed.
- Family enterprises and the self-employed.
- Other work income.
- Other jobs different from the primary and secondary occupations.
- Income from assets.
- Interests and dividends from investment in an enterprise where the investor does not work.
- Income from transfers.

# Monetary income *from transfers*

Variables included under this concept are:

- ⊙ Retirements and pensions.
- ⊙ Scholarships from government and institutions.
- ⊙ Donations of money from institutions or another household.
- ⊙ Income from other countries.
- ⊙ Benefits from government programs.

# Non-monetary current income:

## ⊙ Self-consumption:

An estimate of the value of the products and services taken from the family enterprise for household consumption.

## ⊙ In-kind remuneration:

An estimate of the value of the products and services that workers receive as payment for their work.

## ⊙ In-kind transfers:

An estimate of the value of the transfers in goods and services a household receives, whether from other households, the government, or a private institution.

## ⊙ Estimated rent value of their own home:

An estimate of the rent cost if the dwelling did not belong to the household.

**By composition, the current monetary expenditure of households is grouped into nine items:**

1. Food, beverages, and tobacco;
2. Clothing and footwear;
3. Housing and conservation services; Electric power and fuels;
4. Items and services for cleaning and care of the house: glassware, whites, and household utensils; household goods and furniture;
5. Health expenditure;
6. Transportation expenditure; acquisition, maintenance, accessories, vehicles services; and communications;
7. Expenditure on education, leisure items, and services; Tour and Party Packages, Lodging and Accommodation;
8. Personal care; accessories, personal effects, and other miscellaneous expenditures;
9. Expenditure other transfers.

# Social transfers in **ENIGH**

# **Social transfers in all its modalities represent just over half of the entire budget that is spent on social protection in Mexico**

⊙ These transfers are aimed to reduce poverty in the country.

⊙ ENIGH considers that transfers are monetary entries received by household members and for which the provider or donor does not demand compensation of any kind.

## The variables included under this concept are:

- ⊙ Retirements and pensions;
- ⊙ Scholarships from government and institutions;
- ⊙ Donations of money from institutions or another household;
- ⊙ Income from other countries;
- ⊙ Benefits from government programs;
- ⊙ Social Transfers In-kind (STIK) from other households (gifts);
- ⊙ In-kind transfers from institutions.



# Social transfers

⊙ Regarding retirement or pension, transfers refer to those from mixed contribution systems or schemes derived from contributions made by employers, workers, and the government.

⊙ In all cases, the informant estimates the value of in-kind transfers based on the retail market value of the goods or services he received.

⊙ The supports are considered as social transfers in-kind (STIK) or cash, depending on how the support is granted. STIK contributes to the increase in disposable income. These transfers benefit population groups in different ways.

- ⊙ Excluding STIK from the definition of income affects the international comparison.

- ⊙ Informant estimates the value of STIK.

# Social transfers by the Mexican government:

In the monetary income from transfers section, ENIGH captures the following items:

## © Benito Juárez Basic Education Scholarship for Well-being (formerly PROSPERA) (P101)

- © A program that provides financial assistance to families with economic needs and children enrolled in preschool, primary, or secondary education in any modality.
- © Each family is eligible for only one scholarship, regardless of the number of family members or their level of education. The scholarship is disbursed to the mother, father, or guardian via a bank card or at service desks in areas without bank coverage.

# Social transfers by the Mexican government:

## © Benito Juárez Universal High School Scholarship (formerly PROSPERA) (P102)

- A program that provides monetary support to the low-income population enrolled in public higher education institutions of the National Education System, prioritizing the indigenous community living in poverty or vulnerable conditions.

## © Young People Writing the Future (Higher Education) (P103)

- A program targeting poor or vulnerable populations in areas with high violence rates. Including indigenous and Afro-descendant students enrolled in priority higher education institutions of the National Education System.

# Social transfers by the government:

## ©Benefits PROCAMPO Benefit/ProAgro Productive/Production for Well-being (P043)

- ⦿ A program to support small and medium-sized producers to increase productivity and achieve food self-sufficiency in maize, beans, rice, bread-making wheat, milk, meat, fishery, and aquaculture products.

## ©Pension Program for the Well-being of the Elderly (formerly Program 65 and over) (P104)

- ⦿ A federal government program is available to provide financial assistance to senior adults 68 years or older nationwide. The program also extends its benefits to those aged 65 years or above who reside in indigenous areas. Additionally, senior adults aged 65 to 67 who are active beneficiaries in the Registry of Beneficiaries of the Pension Program as of December 2018 can also avail of the program's benefits.

# Social transfers by the government:

## ©Benefit from other programs for older adults (P045)

- ⦿ Money support that the state or municipal government grants to people over 60 years.

## ©Pension Program for the Well-being of Persons with Permanent Disabilities (P105)

- ⦿ This program offers financial assistance to individuals with permanent disabilities between the ages of 0 and 29 residing in municipalities and urban areas with high and very high marginalization. It also provides financial support to indigenous people with disabilities aged 0 to 64 years who live in the same conditions.

# Social transfers by the government:

## ©Support Program for the Well-being of Children of Working Mothers (formerly Children's Stays) (P106)

- ⦿ A program that offers financial assistance to single parents or guardians who work seek employment, or study and are not eligible for direct or kinship to social security benefits, specifically for childcare and labor support.

## ©Life Insurance for Female Heads of Household (P107)

- ⦿ Program that provides financial support to children, adolescents, and young people who are orphans of their mothers, up to 23 years of age (one day before their 24th birthday), who are studying in the National Education System.

# Social transfers by the government:

## © Young People Building the Future (P108)

- © The monetary scholarship program is aimed at young individuals aged between 18 and 29 who are neither studying nor employed. The scholarship aims to allow them to train for one year in companies, public institutions, and social organizations. This program prioritizes young people living in areas with a majority indigenous population, high degree of marginalization, and high rates of violence.

## © Benefits of other social programs (Specify) (P048)

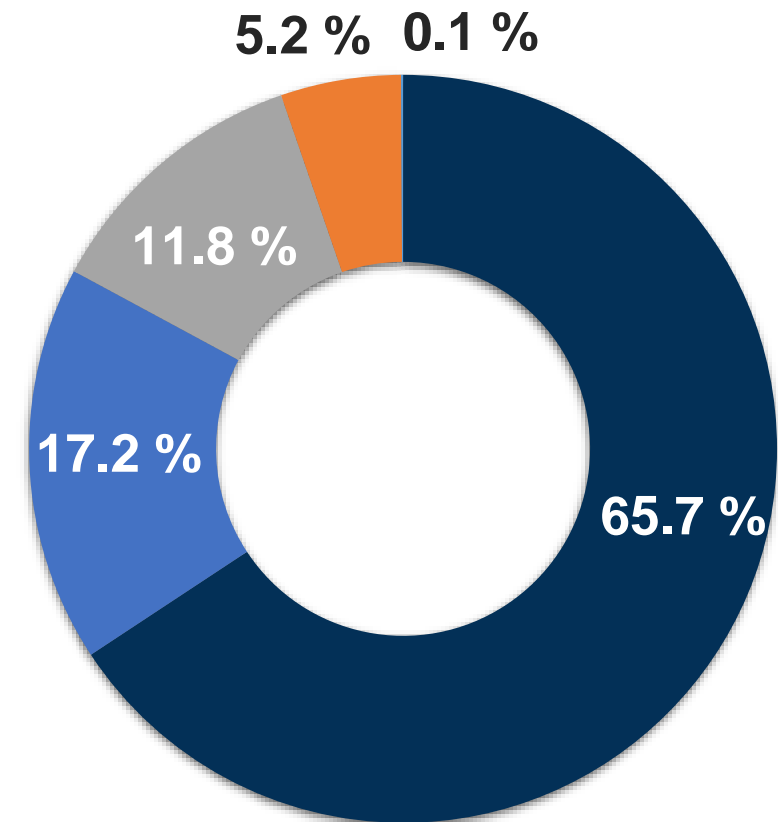
- © These benefits include bonuses or donations from public institutions, such as support programs for vulnerable groups such as people with disabilities single mothers, and government cards for heads of household.

# RESULTS



# Distribution of total current income by sources of income

© In Mexico, the primary source is income from work with 65.7%, followed by transfers with 17.2%, the estimate of the rental of housing with 11.8%, the revenue of property with 5.2%, and other current income 0.1 percent.



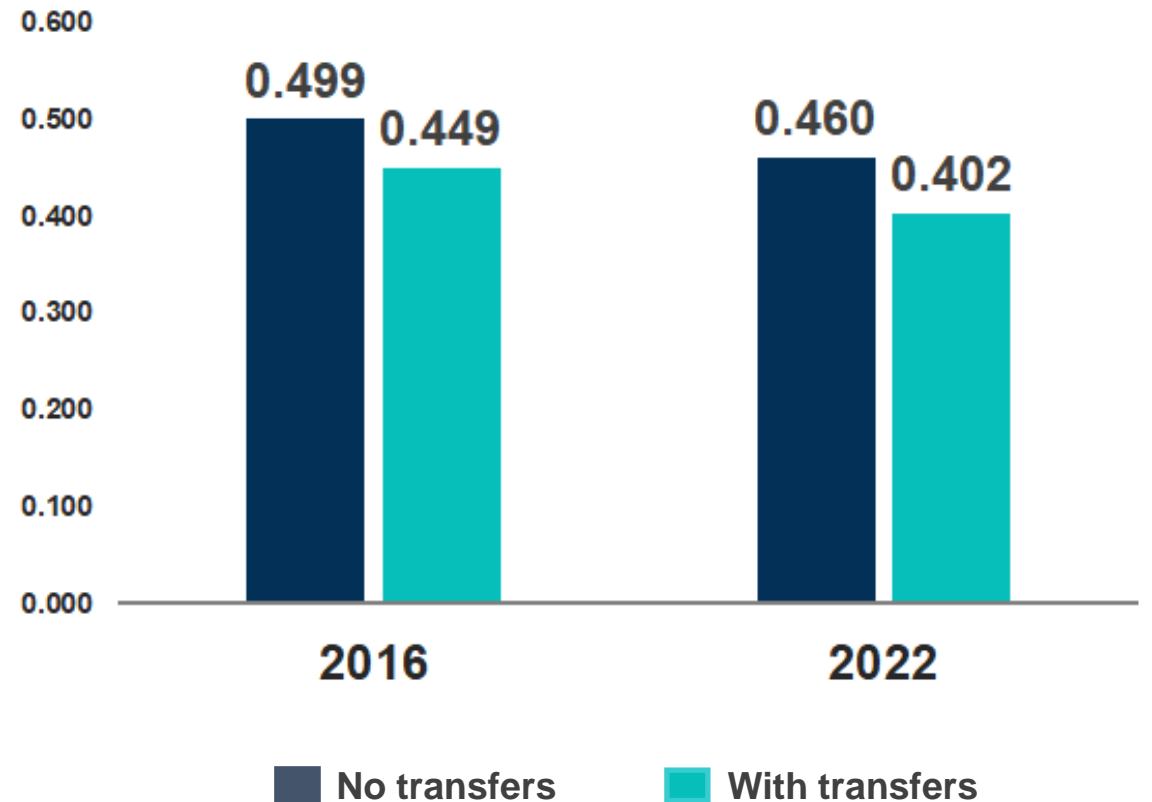
**Note:** The sum of the partials may not add up to one hundred percent, due to rounding.

## Gini coefficient 2016-2022

Gini Coefficient allows appreciating income inequality.

The value of this coefficient for income by deciles of households was 0.402 in 2022.

Furthermore, the Gini Coefficient allows to appreciate the positive effects of transfers on income distribution. If in 2022 there were no transfers of income, the concentration of these would have been higher, because the Gini coefficient would have had a value of 0.46.



# Quarterly average current monetary expenditure by large expenditure sectors, according to year of survey. (USD)

The quarterly average current monetary expenditure was **1 985.9 USD**.

- The **food, beverages, and tobacco** sector represented the largest sector, being **748.3 USD**.
- In contrast, **the healthcare** sector obtained **66.8 USD**.

\* Statistically significant difference compared to 2016.

\*\* Other transfers: correspond to monetary aid to relatives and people outside the household, money contributions to charitable institutions, payments to public sector services (issuance of passports, certificates, licenses, license plates, etc.), as well as expenses for the purchase of gifts to people outside the household.

**SOURCE:** INEGI. National Survey of Household Income and Expenditure 2016, 2018, 2020 and 2022.

Expenditure sectors	Averages (USD)				Percentage variation		
	ENIGH 2016	ENIGH 2018	ENIGH 2020	ENIGH 2022	2016-2018	2018-2020	2020-2022
Current monetary expenditure	1 908.9	1 945.3	1 694.9	1 985.9	1.9	-12.9	17.2
Education and recreation	237.5	235.6	130.1	194.8	-0.8	-44.8	49.7
Clothing and footwear	88.3	87.2	50.6	75.7	-1.2	-42.0	49.6
Transport and Communications	369.1	388.1	314.6	383.3	5.2	-18.9	21.8
Food, beverages and tobacco	670.9	685.1	644.8	748.3	2.1	-5.9	16.0
Personal care	141.1	144	135.7	152.8	2.1	-5.8	12.6
Other transfers**	56	54.5	50.1	54.7	-2.7	-8.0	9.2
Household Cleaning	112.6	114.1	111	120.8	1.4	-2.8	8.9
Housing and services	181.8	185.5	186.1	188.5	2.1	0.3	1.2
Healthcare	51.5	51.1	71.7	66.8	-0.9	40.5	-6.8



THANK YOU!