



Press Release

**FOR IMMEDIATE RELEASE**

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## **Press Release**

### **Introduction**

The 2023 Household Budget Survey (HBS) provides a comprehensive source of information on the country's household sector, particularly expenditure. Apart from a housing and population census, an HBS is the most significant statistical activity carried out in the Cayman Islands.

### **Importance of the HBS**

As we continue to monitor GDP growth and other macroeconomic indicators, it is equally important to look deeper into the economic condition of households through the lenses of the HBS. This survey is necessary for three good reasons.

Firstly, it is a key component in updating the consumer price index (CPI) basket of goods and services. This is the most popular use of the HBS. The CPI is the most commonly used statistic in Cayman, mainly for cost of living adjustment (CoLA) or salary review, pension income review, electricity charges review, and similar price adjustment exercises not only in the public sector but also in the private sector. Some court cases dealing with monetary compensation or allowances also use the CPI.

Secondly, macroeconomic indicators such as GDP growth, GDP per capita, and the unemployment rate are estimated regularly to provide us with the country's overall economic condition. However, these are ineffective in evaluating households' economic well-being as measured by their consumption of goods and services. The HBS allows us to address critical questions, such as: Whether the market power (or value of total consumption) of households in Cayman declined or increased compared to the results of previous HBSs, such as the one in 2015. Which segment of the population experienced significant changes in their consumption patterns? How much is the "cost of living" for the average household, the households in the lowest 15 percent, those in the highest 15 percent, and the segments in between?

The information derived from the HBS has the potential to impact households in Cayman whose well-being is attached to specific dollar values. This includes assistance for families currently served by the Needs Assessment Unit, which uses a single income level to screen qualified recipients. The Workforce Opportunities & Residency Cayman (WORC, formerly The Department of Immigration) can also use the information to determine the minimum income level to grant permission for work permit holders to bring their dependents to the Islands. The HBS results can be used in revisiting these benchmarks and facilitating the introduction of more robust indicators to address the intended policy objectives.

Other agencies, such as the Public Service Pension Board (Cayman Ltd) and the Utility Regulation and Competition Office of the Cayman Islands (Ofreg), use the CPI to inform their decision-making.

Thirdly, the HBS provides the primary data for calculating the “expenditure multiplier” or total economic impact of government spending or private investment in the economy. The use of multipliers enriches the evaluation of fiscal policies or projects, such as constructing a new waste processing site or a new hotel project. The HBS guides the government in prioritizing projects or programs that require budgetary funding or concessions.

Given the pervasive use of the CPI, some countries have a continuous HBS, while the best practice is to conduct this type of survey every five years. Against this backdrop, HBS 2023 is at least two years overdue.

The last HBS for the Cayman Islands was conducted in 2015. The total annual consumption of goods and services estimated from that survey was approximately CI\$1.72 billion (March 2017). The overall per capita consumption was approximately CI\$28,748 (March 2017).

## **Conclusion**

The most crucial role in this exercise ultimately belongs to the household sector. The best way for the household sector to participate in the survey willingly is to gain a good understanding of the benefits of the survey data. The response to HBS 2023 will be for the good of every resident and the community at large.

Your participation (which is compulsory under the Statistics Act – 2016 Revision) and the accuracy of your data will have personal and direct implications on your welfare and those of the Cayman Islands. In other words, your participation in HBS 2023 will have a socio-economic impact on fellow Cayman residents over the next five years and even beyond. The expenditure you will report will have implications for your electricity bill, your parents’ pension, or your own salary.

Participating in the HBS 2023 is an input of an important national statistical exercise. More importantly, it is your contribution as a responsible member of society and a law-abiding resident of the Cayman Islands. Thank you in advance for your willing support and active cooperation.

The interviews are confidential in accordance with the Statistics Act (2016 Revision). No individual data will be published or disclosed. Survey data are exempt from Freedom of Information requests.

More information on the Cayman Islands Household Budget Survey 2023 may be downloaded from **[www.eso.ky](http://www.eso.ky)**