

**INSTITUTO NACIONAL DE INFORMACION
DE DESARROLLO
INIDE**

**RESULTS OF THE
National Households Survey on Measurement
of Level of Life, 2014**

Managua, October 2015

BACKGROUND

1993

1998

2001

2005

2009

2014

Surveys made
with comparable
guidelines



SURVEY OBJECTIVES

General objective

Measuring extreme and overall poverty in households of the country.

Knowing the percentage of the population who lives in extreme and overall poverty in each domain of study

Measuring the consumption distribution

Knowing the profile of the poor, the poverty determinants and its depth

METHODOLOGICAL ASPECTS

A. SURVEY METHODOLOGY 2014

Design and sample size

- Probabilistic sample of areas, stratified and biethnic with size of 7,570 households.
- The design variable was the extreme poverty rate, according to survey 2009.

Inference levels

- It allows to obtain national estimates.
- Urban and rural areas.
- Domains: Managua, Pacífico, Central and Costa Caribe.

B. CONSUMPTION AGGREGATE

Foods

Food purchased and consumed by household members

Foods derived from another source other than the home itself

Home-produced food consumed by household

Food from donations or gifts

Other than food

Housing

Healthcare

Education

Home equipment

Personal expenses

POVERTY LINES

EXTREME POVERTY LINE (EPL)

- It is defined as the level of total annual food consumption per person necessary to satisfy the minimum daily calorie requirements, estimated in an average of 2,282 calories.
- The cost of this requirement, according to final data from the survey 2014, sets the extreme poverty line in C\$ 10,523.92 annual per capita.

OVERALL POVERTY LINE (OPL):

- It is defined as the level of annual consumption per person in food (extreme poverty line) plus an additional amount for the consumption of services and non-food items such as housing, transportation, education, healthcare, clothing and other daily use at home.
- The value of the overall poverty line was estimated at a level of consumption of C\$ 17,011.47 annual per capita.

POVERTY CLASSIFICATION

High

No Poor

OPL = C\$ 17,011.47

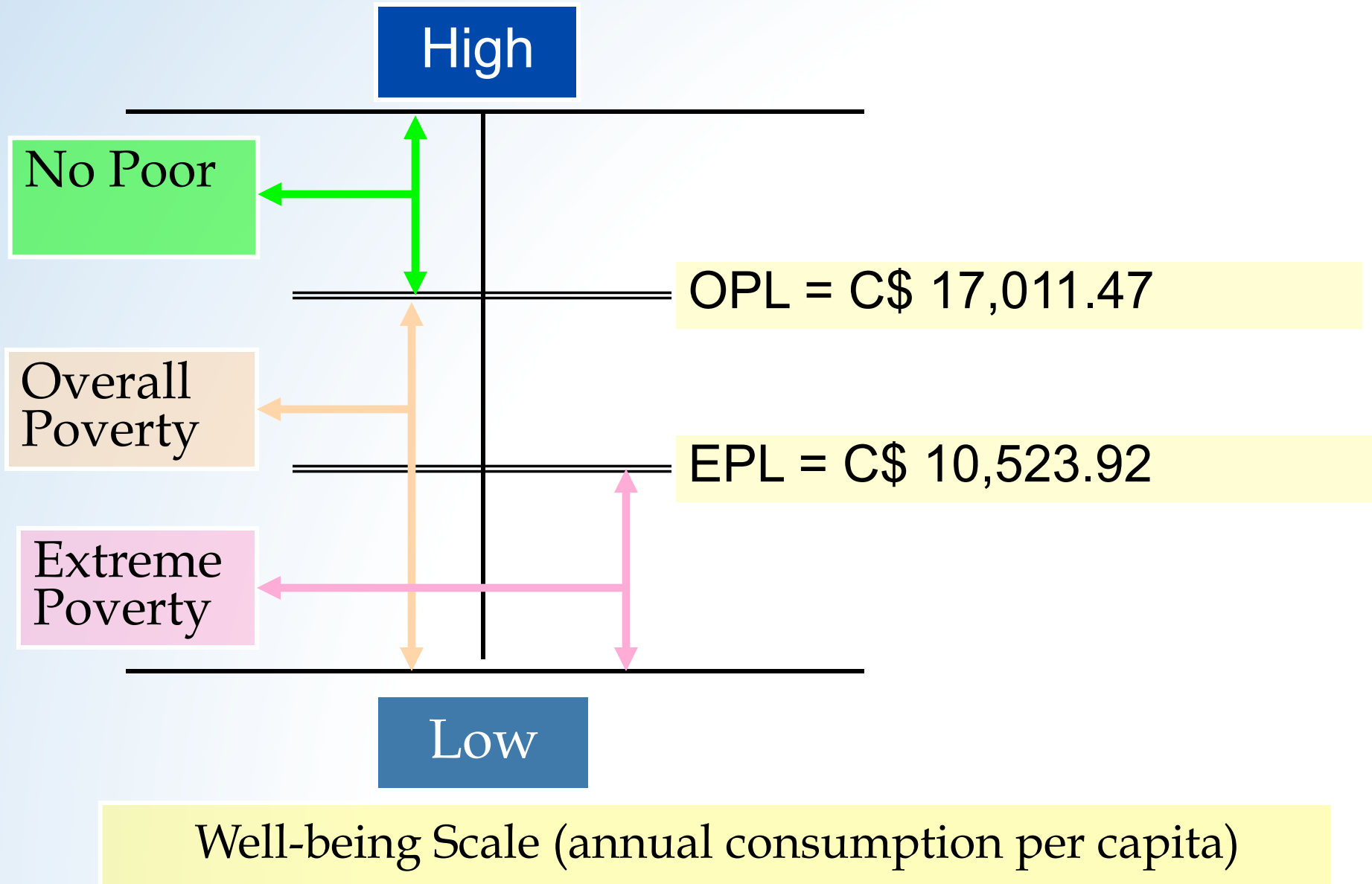
Overall Poverty

EPL = C\$ 10,523.92

Extreme Poverty

Low

Well-being Scale (annual consumption per capita)



MAIN RESULTS

The incidence of poverty continued its downward trend. In the period 2009-2014 was experienced a significant reduction of poverty ...

POVERTY INCIDENCE BY GEOGRAPHICAL AREA

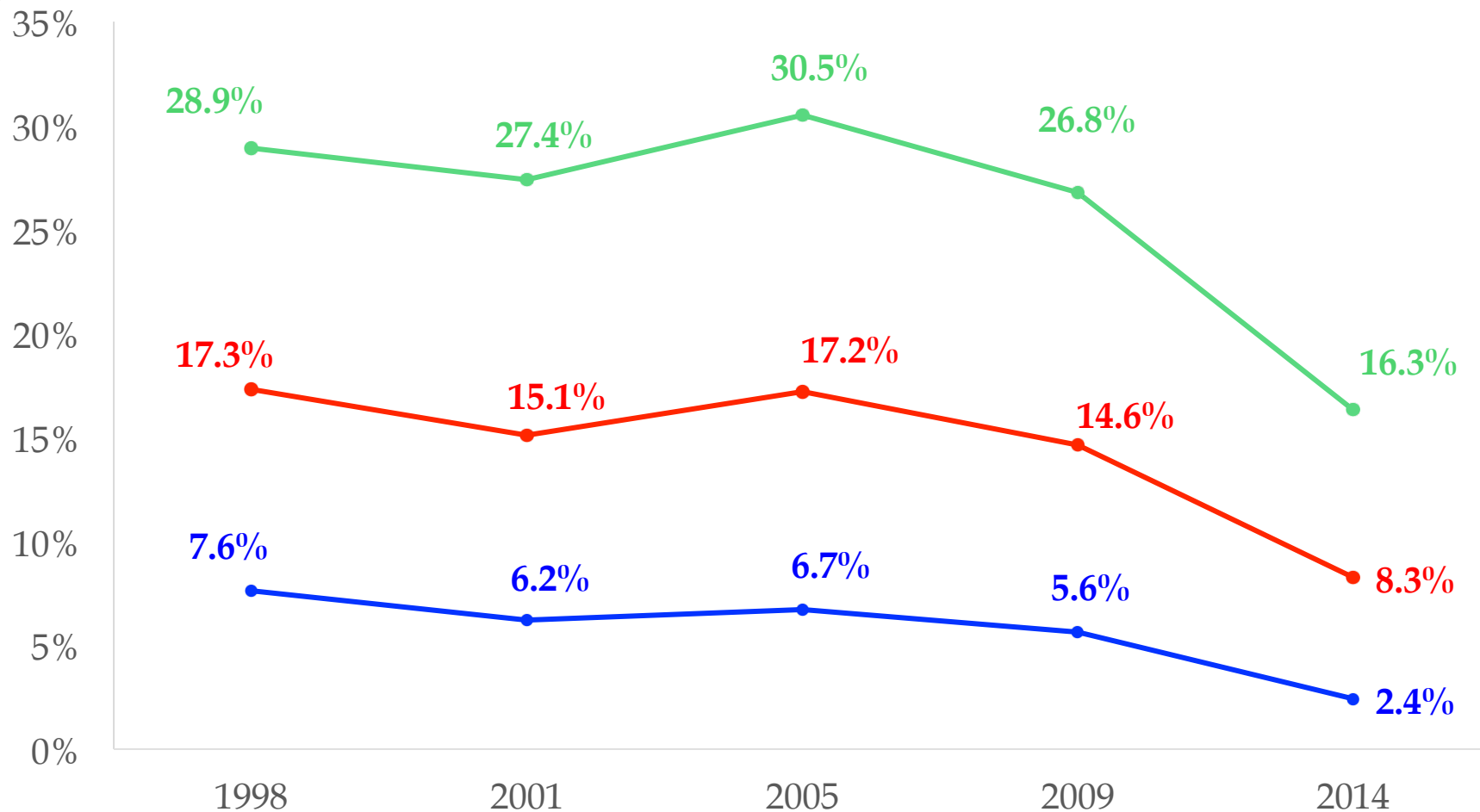
Geographic area	Extreme Poor	Overall Poor*	No Poor	Total
National	8.3	29.6	70.4	100
Urban	2.4	14.8	85.2	100
Rural	16.3	50.1	49.9	100
Managua	1.8	11.6	88.4	100
Pacífico	3.8	18.5	81.5	100
Central	13.9	44.4	55.6	100
Costa Caribe	11.5	39.0	61.0	100

* Includes the extreme poor

Source: INIDE/Survey 2014

The reduction of extreme and overall poverty in the period 2009 - 2014 was presented in all the domains of study. . . .

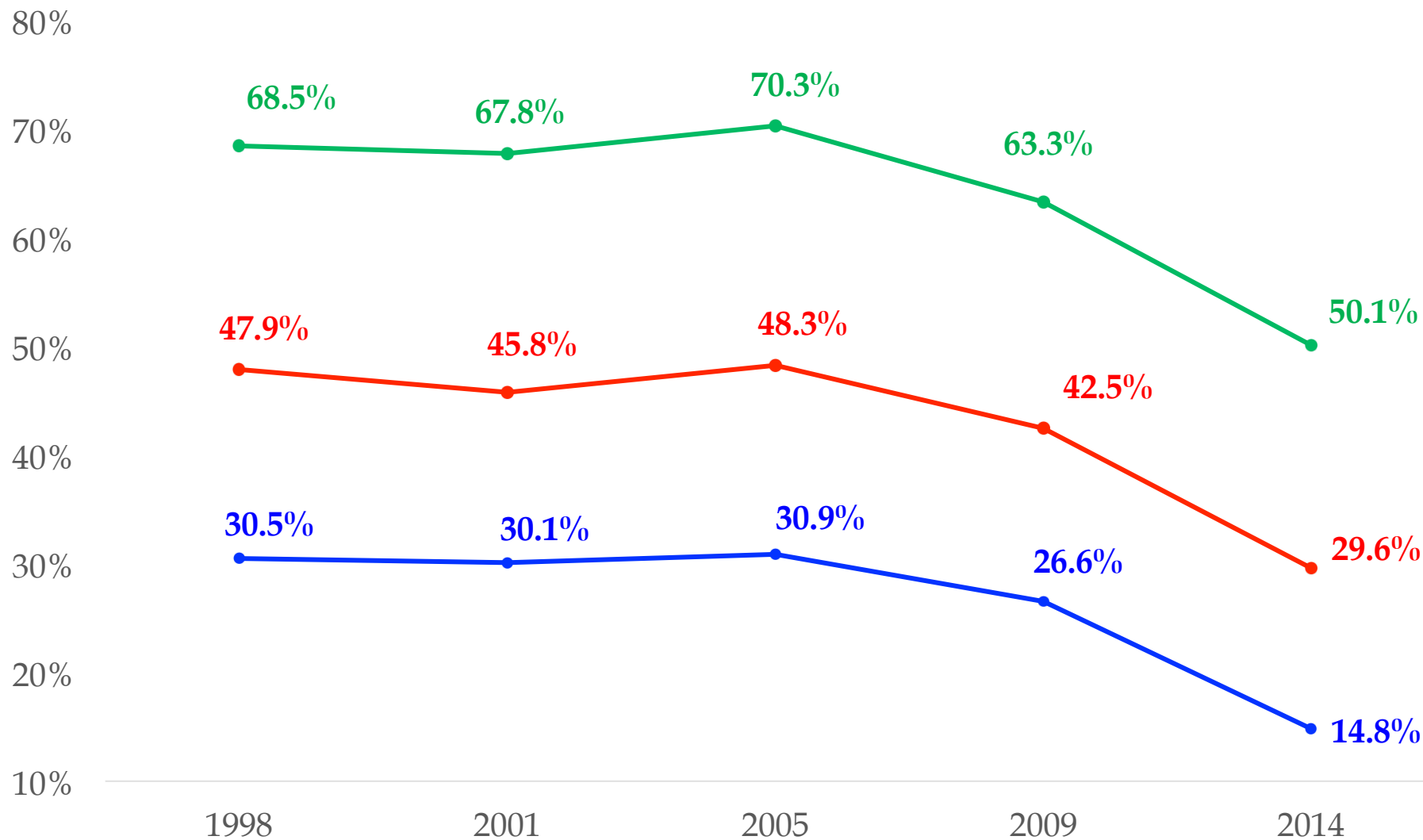
EXTREME POVERTY EVOLUTION



Source: INIDE/Surveys 1998, 2001, 2005, 2009 y 2014

—●— National —●— Urban —●— Rural

OVERALL POVERTY EVOLUTION



Source: INIDE/Surveys 1998, 2001, 2005, 2009 y 2014

— National — Urban — Rural

Consumption

For all the quintiles of household, food
represents the largest share of
consumption

Distribution of consumption components by quintile

Components	Consumption quintile					Total
	1	2	3	4	5	
Consumption C\$/ Person/year	10,772	17,273	24,279	34,176	71,862	31,674
Foods	58.4%	55.2%	51.7%	46.4%	31.6%	42.3%
Housing	11.9%	11.7%	12.9%	15.0%	23.0%	17.7%
Basics services	7.4%	8.2%	8.3%	8.9%	9.8%	9.0%
Healthcare	4.7%	4.6%	5.3%	5.9%	5.4%	5.3%
Education	4.0%	4.8%	4.8%	5.4%	4.9%	4.9%
Personal expenses	10.2%	9.9%	10.0%	10.1%	10.7%	10.4%
Using durable goods	1.4%	2.1%	2.8%	3.6%	7.4%	4.9%
Transport	2.0%	3.5%	4.1%	4.7%	7.2%	5.4%
Other	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%

Source: INIDE/Survey 2014

There was an increase in the annual consumption per capita and the consumption per capita of all quintiles, in the period 2009 - 2014

VARIATION IN CONSUMPTION COMPONENTS

Components	2009	2014	Variation in C\$	Variation in %
Consumption C\$/ Person/year	23,669	31,674	8,006	33.8%
Foods	10,682	13,389	2,707	25.3%
Housing	3,790	5,621	1,831	48.3%
Basics services	2,257	2,864	607	26.9%
Healthcare	1,242	1,692	451	36.3%
Education	1,270	1,562	292	23.0%
Personal expenses	2,421	3,280	859	35.5%
Using durable goods	834	1,542	708	84.9%
Transport	1,165	1,710	545	46.8%
Other	8	13	6	72.8%

Source: INIDE/Survey 2014

Note: Exchange 2009 córdobas were multiplied by 1.4 for inflation given by the CPI between one survey and the other

VARIATION IN TOTAL AVERAGE ANNUAL PER CAPITA CONSUMPTION BY QUINTILE

Quintile	2009	2014	Variation in C \$	Variation in %
1	8,097.27	10,772.29	2,675.02	33.04
2	13,243.71	17,272.61	4,028.90	30.42
3	18,492.91	24,279.06	5,786.15	31.29
4	25,875.72	34,176.44	8,300.72	32.08
5	52,671.15	71,861.61	19,190.46	36.43
Total	23,668.51	31,674.35	8,005.84	33.82

Source: INIDE/Survey 2009, 2014
Real córdobas 2014

It presents an improvement in the evolution of the main macroeconomic indicators.

EVOLUTION OF THE SURVEY SOCIOECONOMIC INDICATORS

Indicators	2005	2009	2014	Change 2005-2014
Total Household Members	5.20	4.75	4.34	-0.41
Overcrowding	27%	20%	11%	-61%
Insufficient Services	25%	23%	8%	-66%
Low Education	16%	14%	8%	-47%
Television tenure	65%	72%	75%	15%
Cell Phone tenure	23%	62%	89%	285%
Cell number per household	1.7	1.7	2.1	25%
Motorcycle tenure	2%	5%	11%	513%

Source: INIDE/Survey 2005, 2009, 2014

Some Key Factors

NUMBER OF HOUSEHOLD MEMBERS

- The number of members per household has decreased from 4.75 (2009) to 4.34 members per household (2014).
- Due to consumption is calculated as an average for each person, this decrease in household size helped to increase the per capita consumption, reducing poverty at the same time.
- If, for example, the size of the households had not changed since 2009:
 - The increase in per capita consumption would have been 22.3% (compared to 33.8%)
 - The total poverty would have been 34.6% (compared to 29.6%).

REMITTANCE INCOME

- Remittances: in 2009-2014 remittances increased C\$ 7,603.7 million, or an average of C\$ 946 per year per capita. This increase would explain the 12% of the increase in consumption during the same period.

Increase in consumption per capita 2009-2014 (C\$/year)	8,006
Remittances increase 2009-2014	946
Increase in remittances / Increase in consumption (%)	12%

Population in Nicaragua in 2014 in the month of the survey: 6,216,872

SOCIAL PROGRAMS HAVE HIGHER COVERAGE

- Comparisons between survey 2009 - 2014, show increase in the number of programs that benefit the population, in the same way its increasing the coverage of existing ones.
- It was simulated the impact that would have on poverty the absence of the school snack program and the school bag program. The simulation shows that these two programs helped to reduce poverty by two percentage points.

LABOR INCOME

- International experience in Latin America shows that the increase in income from work tend to be the main component in the improvement of household welfare.

Thank you.