



**Documentation**  
**Household Expenditure Potential 2008**

# Household Expenditure Potential 2008

## *January, 2008*

### **SOURCE**

Statistics Canada Survey of Household Spending 2003, Environics Analytics Demographic Estimates & Projections 2008, and PRIZM<sub>CE</sub> 2008.

### **PURPOSE**

Environics Analytics Household Expenditure Potential (HEP) is based upon Statistics Canada's Survey of Household Spending for 2003. More than 24,000 private households across all Provinces and Territories were asked detailed questions on their spending patterns. This product can be used to estimate the spending behaviour of Canadians at any geographic level, from Canada down to a local trade area.

HEP is distributed at standard levels of Census geography for which total estimated dollar expenditures are provided for 240 categories of expenditure. In addition to the 240 HEP variables, current year average and aggregate household incomes, and total estimated household and population counts from Demographic Estimates and Projections (DEP) are provided.

### **USAGE NOTES**

The HEP database is based upon Statistics Canada's Survey of Household Spending (SHS) 2003 survey - the most recent survey available at the time EA did this research in the Spring of 2005. More than 24,000 pseudo-randomly selected private households across all Provinces and Territories were asked detailed questions on their spending patterns. These data are collected annually by Statistics Canada for a number of purposes including the estimation of the consumer price index. The survey is very well designed and controlled and is very highly respected for its rigour and reliability. The SHS has, for a number of years, replaced its long standing predecessor at Statistics Canada - which was called the Family Expenditure Survey (FAMEX).

Environics Analytics contracted with Statistics Canada to tie the data in the SHS survey to EA's proprietary cluster system PRIZM<sub>CE</sub> in its inaugural 2005 vintage. Each respondent to the survey that could be coded was assigned a PRIZM<sub>CE</sub> cluster code. Then Statistics Canada re-aggregated the amounts spent on each category by surveyed households to average amounts and total dollars spent per household by cluster. They then reported these statistics to our team. Some additional modeling work was required for cases in which the summary data were suppressed because the number of purchasers per cluster was rather small. If insufficient data were available for more than a small number of clusters, EA did not include the category - as noted above. In a few cases in which the alternative was rejection we aggregated two or more original categories into more inclusive classes and renamed them when these were similar. For this 2008 update, the cluster level coefficients were combined with the 2008 average household income (current dollars) and household counts to calculate DA level expenditures which were then 'rolled out' to the other levels of Census geography.

It is difficult to verify the data quality for this product in a formal sense because no good auxiliary data exists to test the results for almost all of the categories and for most Canadian geographies. We have tested the database using all available tests. For example, we have tested to see that our household averages and totals for Canada and the provinces come close to the totals provided by Statistics Canada in published data from the SHS. The data certainly pass the face value validity test. We have also used other tests of certain categories where averages or totals had been independently known or estimated. We are very pleased with the results. We expect, but cannot verify, that these data will be very reliable.

## FURTHER DOCUMENTATION

We have provided below two linkages to information that related to the Statistics Canada SHS survey.

This is linkage to the Statistics Canada SHS "Users Guide". Please note that this does not directly relate to the EA HEP product but rather presents taxonomies and issues that are relevant to the survey upon which the HEP product was derived:

<http://www.statcan.ca:8096/bsolc/english/bsolc?catno=62F0026M2004003>

This is a linkage to the Statistics Canada SHS research paper series that presents concepts issues and methodologies related to the SHS survey:

<http://www.statcan.ca:8096/bsolc/english/bsolc?catno=62F0026M>

## DATA FILE FORMAT

Expenditures at the DA level have been pre-computed using Demographic Estimates & Projections 2008. Any DA that has zero households has a value of zero for each HEP category. Other levels of geography were created by grouping DA data according to the census geographical hierarchy.

These data are also available as DA level averages or in PRIZM<sub>CE</sub> level coefficients format.

## VARIABLES

The list of variables is available as an Excel file – "HEP 2008 - Variables".

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