

**AMERICANS BUYING HOMES ABROAD:
TREND INDICATORS AND SOME INITIAL ESTIMATES**

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***A White Paper for the
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By

Frederick E. Flick, Ph.D.
Real Estate Economics Consultant

and

Lawrence Yun, Ph.D.
National Association of REALTORS®



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Preface

Any recent media report about labor markets, the financial sector, or trade is likely to include at least a mention about the “globalization” of the worlds' economies. That globalization applies to housing as well.

NAR Research regularly reports on the level of foreign investment in U.S. real estate. Recently the Association has begun a series of surveys to determine the level of home-buying activity in the U.S. by non-U.S citizens or part-time U.S. residents (non-immigrants) whose primary home is in another country. Gathering data for these reports is relatively easy – there are public records of foreign companies purchasing stock in U.S. real estate companies, and NAR has developed the capability to survey its members relatively quickly about their experience with home buyers from other countries purchasing a U.S. property. With the U.S. dollar valued lower against many foreign (particularly European) currencies, the trend of foreign purchases of and investment in U.S. real estate is a trend that will probably continue for quite a while.

But the trend of Americans purchasing foreign real estate is not as easily discerned. The data is difficult to gather. Most REALTORS® do not broker properties located in another country. Other national (non-U.S.) real estate professional organizations – many which of which have cooperative agreements with NAR – do not necessarily survey their members about their business with American buyers of homes outside the U.S. While the U.S. Census Bureau, in its regularly scheduled surveys of all households residing in the U.S., *does* ask whether or not the household lives in a rented or owned domicile, it does *not* inquire whether or not the household owns a foreign-based property. Additionally, concerns about the number of and locations where Americans have purchased a foreign-based home raises issues of privacy and security.

To begin to answer the question – what is the level of foreign-home buying activity by U.S. citizens and permanent residents – NAR commissioned a study to look at indirect measurements of those Americans moving, working and/or living abroad and whether or not they purchased a residential property in foreign countries. This report is just the start of a process to measure that level of home buying by Americans abroad. Although it does not provide direct, clean statistics on such activity, we hope this report does provide some approximations on the prevalence and direction of activity (increasing or decreasing) of home-buying by Americans in various foreign locations.

Introduction

Donald Trump is building condos to sell to Americans in Baja California (Mexico). In that same country, the Lake Chapala area near Guadalajara has been a popular retirement area for Americans for decades. Recently, condos in Costa Rica have become popular, as have as villas in Tuscany and the south of France. Even properties in the Balkans have become short-stay vacation residences for many Americans. Exclusive real estate property listing magazines such as Sotheby's International and real estate ads in *The Wall Street Journal* promote properties in places from Morocco to Patagonia. All this is evidence that for many, owning a home abroad is as much a part of the "American Dream" as is owning a home in the U.S.

Given the apparent rise in international real estate transactions by U.S. citizens, the National Association of REALTORS® commissioned an investigation to determine what if any measures exist on the number of residential homes in foreign countries purchased by Americans.

The project also specified that several possible indicators of trends in this activity should be examined. These included U.S. State Department data on the numbers of Americans living abroad, Social Security Administration data on the number of American retirees collecting Social Security benefits abroad, and Internal Revenue Service statistics on the number of tax returns claiming the housing exclusion based on foreign-earned income.

This white paper looks at those indicators and analyses and discusses the issues and challenges involved in measuring American foreign-home buying trends. As part of this study, several experts on publicly available housing data were consulted. The organizations they represented included the New York Federal Reserve Bank Research Department, the Federal Reserve Board of Governors International Flow of Funds Section, the U.S. Department of State Consular Affairs Bureau, the Statistics of Income Branch of the Internal Revenue Service, and the Social Security Administration's Policy Statistics Branch.*

Finally, a Google search of private property listing sites on the Web suggested that while there are many online sources of information on buying properties in various foreign countries, neither they nor the three sources cited above provide any statistics measuring the aggregate numbers of properties owned by Americans (stock currently owned), or the flow of homes (sales volume trends) sold to Americans over a recent period.

Conclusions from the Research

It will always be difficult to accurately measure the stock or flow of foreign homes owned/purchased by Americans. This is because individuals can purchase property abroad and they do not necessarily file forms with the IRS or any government entity regarding these purchases. At this point, it is not known whether any foreign countries collect data on American real estate ownership or whether they have data processing systems that can produce any estimates. But even though there are no available official figures for the number of homes or vacation properties Americans have purchased in foreign countries, we can make some estimates based on an examination of the data from the State Department, the Social Security Administration and the IRS.

* The Bureau of the Census was also asked whether it had any measures of foreign-home ownership by Americans; unfortunately, the Bureau does not currently collect such information.

The most accurate potential source of information about American home purchases abroad on a country-by-country basis is the IRS Foreign Earned Income schedule, Form 2555, that is filed with the Form 1040. Form 2555 includes a line asking the filer whether he/she purchased a home abroad. Data from the U.S. State Department is also worth examining, as the department maintains records on the number of Americans living and working (even part-time) abroad. The Social Security Administration's (SSA) record-keeping includes information about the number of beneficiaries who receive SSA checks and where those checks are mailed.

A set of simulated estimates of potential housing purchases were constructed from the three data sources using known American rates of homeownership, household sizes, and a Census Bureau staffer's estimate of the number of American retired workers living overseas. The figures varied widely by data set and essentially cover distinct segments of the market of possible American foreign property buyers. (*Note: for purposes of this study, "Americans" includes U.S. citizens as well as those classified as "permanent" U.S. residents who may not be citizens.*)

- *Americans living abroad.* An evaluation of the data series that were analyzed suggests that there were possibly as many as 500,000 to 600,000 foreign properties owned by Americans living abroad.
- *American retirees living abroad.* Analysis of retired American workers living abroad suggests their ownership rate is likely to be in the range of 54,000 to 63,000 properties.
- *U.S. workers working abroad.* Examination of Americans working abroad and filing Form 2555, suggests that their foreign-home ownership rates are probably in the range of 80,000 to 100,000.

Comparison of the estimates from the retirees (based on Social Security data) and those working abroad with the State Department base, suggests that domestic demand for vacation and short-stay foreign properties may be in the range of 370,000 to 440,000 units.

Overall, the latter two segments suggest approximately 150,000 foreign properties owned by retirees and Americans working in a foreign country.

One segment not explicitly analyzed was the number of Americans residing in the U.S. who own properties in North American, Caribbean or Central American countries. This is likely a substantial number given the easy access to countries in these regions through air transport or even automobile. These figures could substantially exceed the estimates for the last two segments.*

* Unfortunately, even the Census Bureau cannot answer any questions regarding foreign properties owned by U.S. residents. There is currently no question on the Census Form addressing this. And while the National Association of REALTORS® conducts a regular survey on vacation/second-home purchasers, its study focuses on domestically owned properties.

Americans Living Abroad: A Baseline Measure

As part of the initial investigation, a general search of the Internet was undertaken seeking information on Americans buying homes abroad. This work uncovered a set of estimates of the number of Americans *living* abroad by country. A Geneva, Switzerland-based organization for Americans abroad provided a 1999 list, sourcing the “U.S. State Department Website.”¹ This file contains the most recently published figures on the number of Americans overseas and provides a baseline; however, no further data exists to determine a trend. A search of the State Department website turned up no similar information. Conversations with the State Department’s Public Information Counselor Affairs section revealed that after the events of September 11, 2001, these statistics were no longer compiled in a public database for security reasons.

The 1999 figures are estimates and enumerate, by country, the number of American citizens living or working in foreign countries, including U.S. government employees and military personnel stationed abroad. It is important to note that these figures do not differentiate among these three groups. It is most likely that the demand for owner housing abroad is strongest for those who are private citizens, as they usually have to provide their own housing. But, there are Americans whose primary residence is in the U.S. and who spend time abroad working. They are more likely to have foreign residences as part-time or vacation properties. It is also likely that the State Department data do not reflect many of these individuals. Nevertheless, the State Department figures provide some base for honing in on those countries where Americans have been and may be likely to purchase homes.

Table 1 shows that just over one-half of Americans living abroad in 1999 were located in the Americas – Canada, Mexico, Central America, South America, and the Caribbean islands. Europe was next with 28%, followed by Asia/Pacific at 12%.

**Table 1. American Citizens Living Abroad
By Major Region: 1999**

<u>Region</u>	<u>U.S. Citizens in Country</u>	<u>% of All U.S. Living Abroad</u>
Americas	2,113,295	50.8%
Europe	1,169,438	28.1%
Asia/Pacific*	517,800	12.4%
Middle East	295,645	7.1%
Africa	67,632	1.6%
Total World	4,163,810	100.0%

**includes Australia as well as Oceania*

Source: U.S. State Department, July 1999

Americans seem to like to stay close to home. Table 2 lists the estimates for the top 10 countries, the cumulative total and percentages. In 1999, Mexico accounted for about 25% of all Americans living abroad, with Canada a distant second at 17%. Note that the numbers and percentages drop off dramatically after Mexico and Canada. The United Kingdom (England, Scotland, Wales, and Northern Ireland) is ranked third at just over 5%, with Germany accounting for about the same percentage of American residents. Israel and Italy comprise 4% each. Finally, the Philippines, Australia, France, and Spain each claim about 100,000 residing

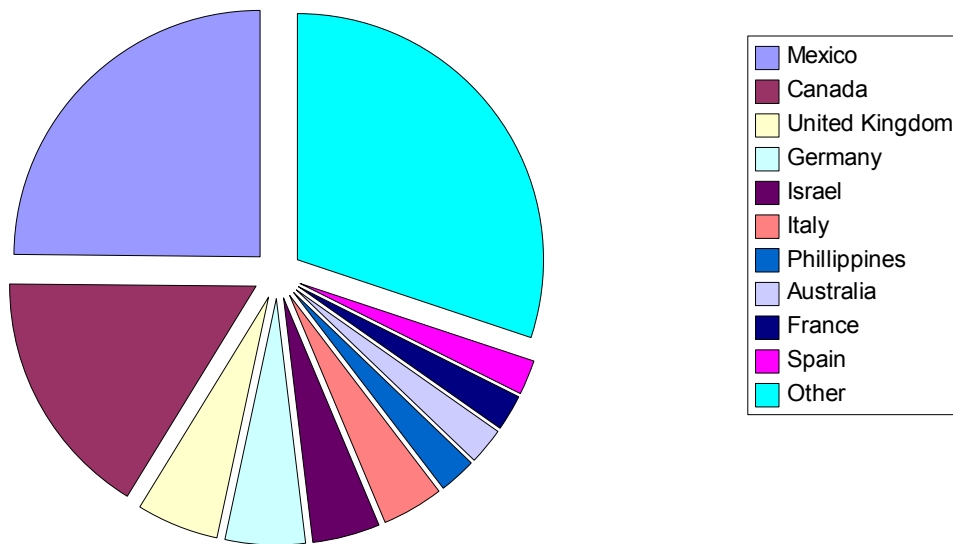
Americans with percentages ranging from 2% to 2.5%. In the rest of the world, the percentages drop to 1% or less for other countries.

**Table 2. American Citizens Living Abroad
Top Countries: 1999**

<u>Country/Region</u>	<u>U.S. Citizens in Country</u>	<u>% of All U.S. Living Abroad</u>
Mexico	1,036,300	24.9%
Canada	687,700	16.5%
United Kingdom	224,000	5.4%
Germany	210,880	5.1%
Israel	184,195	4.4%
Italy	168,967	4.1%
Philippines	105,000	2.5%
Australia	102,800	2.5%
France	101,750	2.4%
Spain	94,513	2.3%
Total of Top 10	2,916,105	70.0%

Chart 1 visually depicts the predominance of Mexico and Canada in terms of American foreign living locations.

**Chart 1. Top Ten Foreign Countries
(percentage distribution of Americans living abroad)**



In the Caribbean, Central and South American areas, the Dominican Republic accounted for 2% of Americans living abroad, followed by Brazil at 1%. Colombia and Argentina each accounted for 0.7%, Venezuela 0.6%, Costa Rica and Panama each one-half of a percent, and Peru only registered one-third of a percent. Within Europe, Greece claimed 1.7% of Americans living abroad, followed by Ireland at 1.1%.

In Asia, ranking below the Philippines and Australia, was Japan with 1.7%, followed by China at 1.6% and Taiwan with 0.9%. Israel accounted for 4.4% of Americans living abroad, but other countries in the Middle East reported lower percentages: Saudi Arabia less than 1%, the United Arab Emirates and Yemen at 0.4%, and Lebanon, Jordan, Kuwait, and Turkey at 0.2%. South Africa led the African region with almost 11,500 Americans, accounting for 0.3%, with Egypt close at just under 11,000, about 0.3%. Nigeria followed at 0.2%, but the remaining African nations were at most about 0.1% of all Americans abroad. (More detail can be found in the Appendix tables at the end of this report.)

Conclusions about Americans Living Abroad

What do these figures tell us about Americans living overseas? First of all, Americans abroad tend to be located close to America. Both Canada and Mexico are familiar and close to home. The Caribbean islands have become popular vacation areas for Americans as well as the home of many offshore corporations. The Dominican Republic, with 82,000 Americans abroad, exceeded all of the individual countries in Central and South America. Only Brazil, Colombia, Argentina, Venezuela, Costa Rica and Panama are likely to have property ownership potential for many Americans.* While the current political situation in Venezuela is negative regarding the U.S., Costa Rica and Panama have been pushing vacation condo development to North Americans since the late 1990s.

Also, while some of those in the Americas region are working for the State Department, they are not likely to be military; most are likely to be working for multinational corporations or are retirees. Some of these American residents of foreign countries may hold dual citizenship, or have been born in the U.S. to immigrant parents. Those “connections” to the U.S. increases the probability that American property ownership is greater in these countries. Similarly, the United Kingdom has had close connections with North America (both the U.S. and Canada), with a common cultural heritage and language. Many Americans have worked in the U.K. for American or European companies. The relationships between London- and New York-based financial institutions and corporations have grown stronger over the past decade as western finance has become a worldwide industry.

Based on State Department data, we can probably obtain potentially accurate estimates of American property ownership abroad if we focus on the Americas and a few European countries. The next section of this paper examines the Social Security Administration data on retirees and the benefits they are receiving. This will help focus in on where American retirees are likely to be buying.

* It is also likely that Americans are looking to Puerto Rico as a location for homes. Even though it is technically a U.S. territory, Puerto Rico is viewed by some as a foreign country. While figures on buyers of Puerto Rico-properties as second/vacation homes are not available, due to its proximity to the mainland U.S. -- as well as its close ties to the U.S. -- an examination of second-home-buying activity in Puerto Rico by Americans would be fruitful. According to the Federal Financial Institutions Examination Council, in 2006 1.01 million loans were originated for second home purchases; the median loan amount was \$118,700. The median income of second-home buyers was \$118,000.

Analysis of Social Security Administration Beneficiaries

Most Americans anticipate receiving Social Security retirement benefits when they retire in their 60s or 70s. It is also the case that legal aliens who pay Social Security taxes are allowed to collect Social Security benefits when they retire. Table 3 shows the top 25 countries where these benefit checks are sent. The most recent data available is for December 2005. The data are taken from the Annual Statistical Supplement of the *Social Security Bulletin* which reports the total number of beneficiaries, retired worker beneficiaries, as well as the number receiving disability benefits, widowers' benefits, and child beneficiaries.² We have reproduced the data for all beneficiaries and retired worker categories only. Not surprisingly, retirees are the largest group among all beneficiaries and the benefits largely accrue to that group.

**Table 3. Top 25 Countries by Number of Social Security
Benefit Recipients Living/Working Abroad- December 2005**

	All Beneficiaries	Retired Workers	Pct. All Beneficiaries	Total Percent	Pct. Retired Workers	Total Percent
All countries	441,693	263,387	100.0%		100.0%	
Canada	100,747	59,022	22.8%	22.8%	22.4%	22.4%
Mexico	47,384	22,973	10.7%	33.5%	8.7%	31.1%
Italy	33,865	20,010	7.7%	41.2%	7.6%	38.7%
Germany	33,448	20,837	7.6%	48.8%	7.9%	46.6%
U.K.	30,210	18,884	6.8%	55.6%	7.2%	53.8%
Greece	22,640	13,416	5.1%	60.7%	5.1%	58.9%
Philippines	19,309	9,165	4.4%	65.1%	3.5%	62.4%
Portugal	12,050	8,243	2.7%	67.8%	3.1%	65.5%
France	10,661	6,930	2.4%	70.3%	2.6%	68.1%
Spain	9,875	5,817	2.2%	72.5%	2.2%	70.4%
Israel	8,571	4,879	1.9%	74.4%	1.9%	72.2%
Ireland	8,518	5,738	1.9%	76.4%	2.2%	74.4%
Japan	7,972	3,980	1.8%	78.2%	1.5%	75.9%
Australia	6,656	4,310	1.5%	79.7%	1.6%	77.5%
Dom. Repub.	6,503	4,270	1.5%	81.1%	1.6%	79.2%
Switzerland	6,435	4,367	1.5%	82.6%	1.7%	80.8%
Norway	6,432	3,820	1.5%	84.1%	1.5%	82.3%
Poland	5,268	3,607	1.2%	85.3%	1.4%	83.6%
Netherlands	4,407	2,798	1.0%	86.2%	1.1%	84.7%
Costa Rica	3,540	2,418	0.8%	87.0%	0.9%	85.6%
Sweden	3,464	2,287	0.8%	87.8%	0.9%	86.5%
Colombia	3,301	2,427	0.7%	88.6%	0.9%	87.4%
Argentina	3,221	2,052	0.7%	89.3%	0.8%	88.2%
Jamaica	2,724	2,182	0.6%	89.9%	0.8%	89.0%
Austria	2,452	1,559	0.6%	90.5%	0.6%	89.6%

Source: Table 5.J11, *Annual Statistical Supplement 2006*,
Social Security Bulletin, 2006.

Examining the 2005 data, we find that the top 25 countries, by all beneficiaries and retired workers categories, account for 90% of all recipients in those groups. Canada and Mexico account for almost one-third of all beneficiaries living abroad. The percentage rises to 54% when including Italy, Germany, and the U.K. Finally, the Philippines, Portugal, France and Spain push the cumulative percentage total to around 70%; and, Israel and Ireland bring it to 75%.

Similar to the results from the State Department data in which the top five countries account for slightly more than half of all Americans living abroad, the the top five countries comprise about 50% of all Social Security beneficiaries, and another seven countries raises the cumulative to 75%. Canada and Mexico are the top countries in terms of Social Security beneficiaries, followed by Italy, Germany, and the U.K. (Interestingly, the top 5 countries in terms of residence also included Mexico, Canada, the U.K. and Germany.)

Charts 2 through 4 graphically depict the trends for all beneficiaries and retired workers, in aggregates and on a country-by-country basis. For the most part the relationships are linear with a slight positive slope, reflecting gradual increases. There have not been any dramatic changes in the figures over the period 1999-2005. Canada and Mexico are by far, the top locations. However, these numbers and locations could show significant change in a few years as the number of baby-boomers – who are affluent and have traveled more extensively – retire.

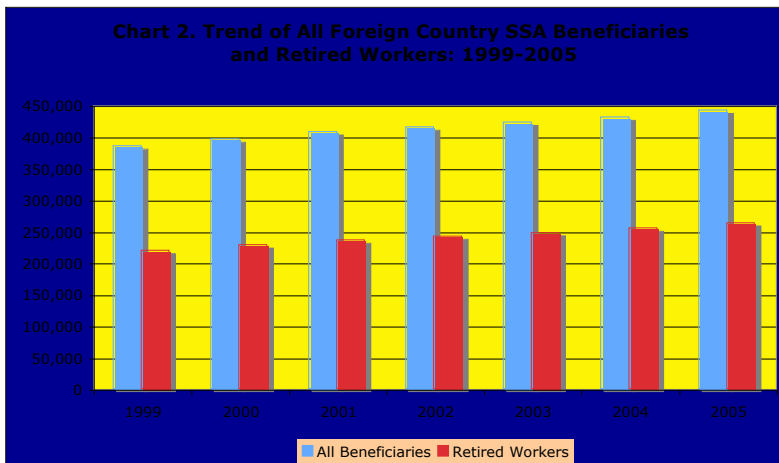


Chart 3. All Beneficiaries by Country: 1999-2005

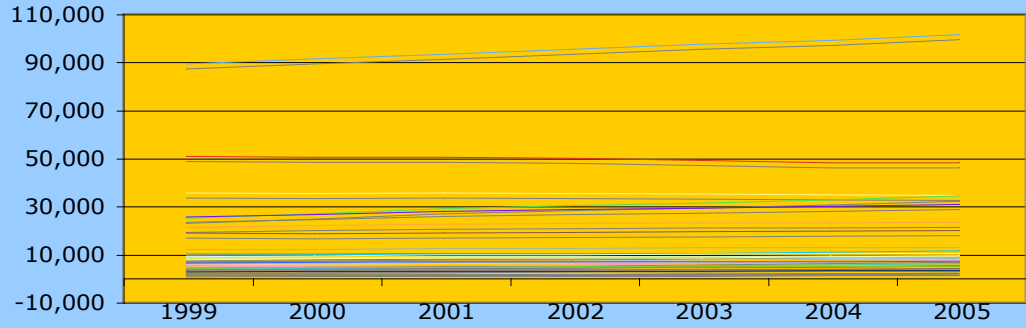
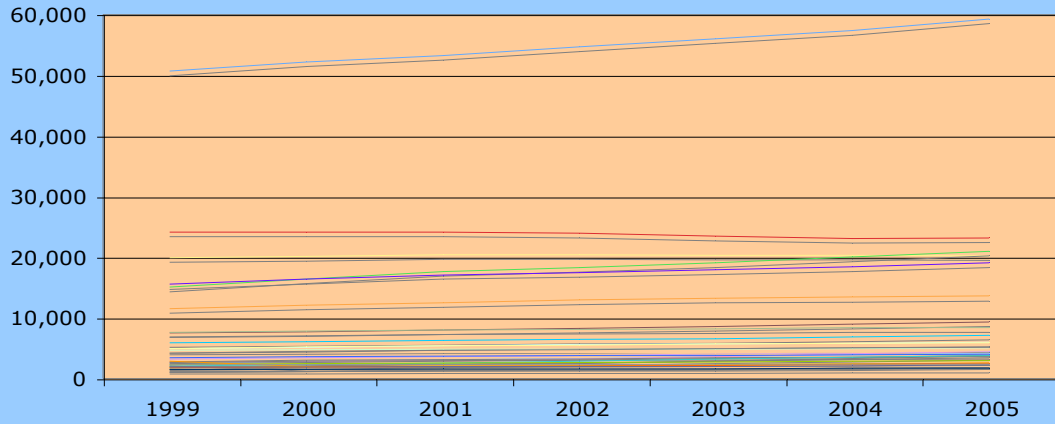


Chart 4. Retired Workers by Country: 1999-2005



Over the past decade, private ownership of housing has dramatically increased around the world, with many countries experiencing ownership and building booms. Housing in many of western European countries is expensive, relative to that in other foreign countries and to the U.S. national median home price. But housing in a number of countries on this list are quite affordable when compared to the price of homes in large U.S. metropolitan areas. A retiree who has worked for years in the U.S. and owned property could easily afford to relocate to Mexico, Canada, and southern and eastern Europe.

Analysis of Internal Revenue Service Data

Those Americans with jobs located abroad and who are residing overseas do not have to pay taxes on foreign earned income; however, they are required to file a 1040 return. Along with the 1040, they file a Form 2555, Foreign Earned Income.

Under U.S. tax law, citizens and resident aliens living and working abroad can exclude a certain amount of foreign earned income and foreign housing costs exceeding those provided by an employer. For those who are self-employed, a housing deduction can be taken above a certain base housing cost. An individual has to have a foreign tax home, which usually means the taxpayer has established and maintained residence in a foreign country for an uninterrupted period that included an entire taxable year.

Foreign-earned income includes the standard components (wages and salaries, consulting fees, etc.) as well as employer-provided allowances, overseas compensation differentials, quarters, education allowances, and the full rental value of property or facilities provided by an employer. Allowable housing expenses for the most part include rent, utilities, property insurance, lease fees, and household repairs. However, they do not include interest and taxes, the cost of buying or improving a home/property, mortgage principal payments, or depreciation of the home. These limitations on deductions do not favor home purchasing.

Among various questions about the employer and foreign residency period, Form 2555 contains a blank for the name of the country and a check-box to indicate whether the housing deduction is related to 'purchased house', rented property, or employer-provided housing. There is also a question asking whether the taxpayer maintained a home in the U.S. while living abroad.

The Internal Revenue Service publishes analyses of its tax return databases in the *Statistics of Income Bulletin*^{3,4,5} and provides downloadable summary data for many of its tax schedules. A major limitation of this data is that these results are available only at five-year intervals. This is because the databases are very complicated and database creation takes years to complete before analysts can start 'mining' the results. The available databases cover only the four tax years: 1987, 1991, 1996, and 2001. The 2006 tax year file data will be available in 2009.

Obviously, the IRS data should be further investigated as a future source of information about Americans who have purchased homes or own homes abroad. A request to the Internal Revenue Service for a special detailed cross-tabulation of data on Form 2555 would be needed in order to perform *specific technical analysis*. A detailed tabulation frequency by country for those filers who checked 'purchased house' could provide some useful information. Unfortunately, this information is not publicly reported and would have to be obtained through special computer tabulations by the IRS. This requires a Freedom of Information Request and would take several months or perhaps longer to process.

This specially tabulated data would provide estimates of the flow of housing purchases for Americans who are earning income abroad through working; however, it would not cover home purchases by Americans who work and reside in the U.S. and have purchased a foreign property; or, retirees who purchased a home overseas and still live in the U.S. Another limitation of the data gleaned from Form 2555 is that it only indicates that a taxpayer was living overseas for a tax year and lives in a purchased home. But that home could have been

purchased earlier, so such a tabulation would measure only a year's worth of information that does not tell us much about either the stock of houses purchased over a period of time or the flow of purchases in a particular year.

Form 2555 Country-by-Country Data

We can, however, examine the *aggregate* use of the deductions for the latest year data is available. In tax year 2001 there were 130,255,237 individual tax returns filed with the IRS. Of these, 294,763 filers – 0.2% of all returns -- submitted a Form 2555 with their 1040. Table 4 presents data from the 2001 Form 2555. The table shows, for the top 28 countries, the number of returns filed and average amounts of the foreign income earned. The countries are ranked by percentage of returns with Forms 2555 filed. *[Note, the IRS does not provide the number of returns filed claiming the income exclusion, housing exclusion, or housing deduction on a country-by-country basis. This is likely due to sample size considerations on an individual country basis.]*

Europe and Asia accounted for almost 70% of the Form 2555 filings. The percentage increases to 80% when one includes North America. Foreign income earned was about \$100,000 in Europe and Asia.

On an individual country basis, most Americans earning foreign income were working in the U.K. (11.3% of all filers), followed by Canada (8.4%), Japan (8.3%), with Germany (7.9%) close behind. Hong Kong is 5th on the Form 2555 list (accounting for 4%), most likely for international business reasons. France (3%), Israel (2.9%), and Australia (2.7%) are also well ranked, and Saudi Arabia-based filers accounted for 2.5% of all Form 2555 filers. All of these countries taken together pushed the cumulative percentage figure to 51.4%. Switzerland, Taiwan, and 'other Asian' contributed 2.4%. But unlike the rankings based on the State Department and Social Security data, Mexico was in 13th place (at 1.9%), Italy (1.5%) was ranked 20th with the Philippines and Spain only 1%. Obviously, the rankings are following the top international business locations. Three of the top five top countries on this ranked list – the U.K., Canada and Germany – are similar to the top five in the previous analysis.

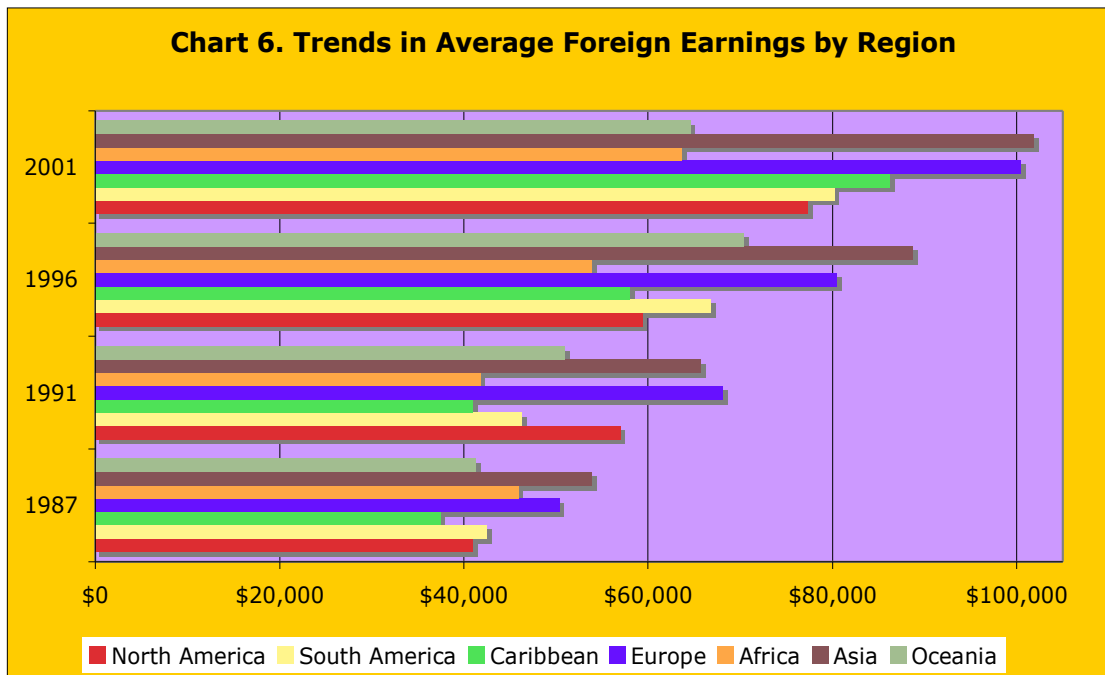
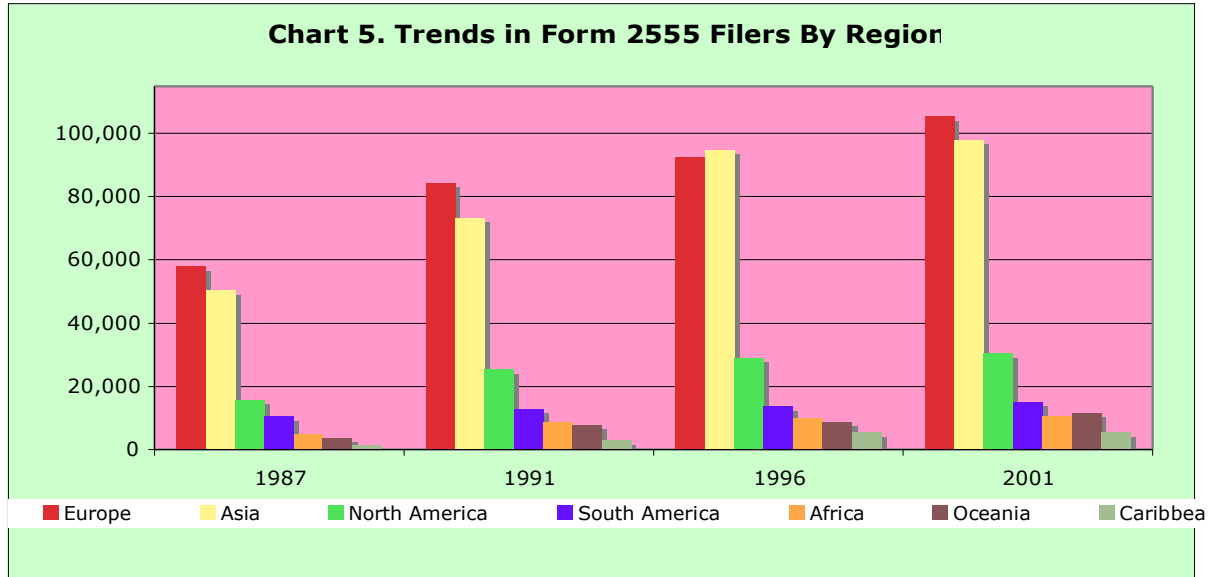
In 2001, of the 294,763 filers submitting foreign-earned income, 292,615 took the foreign earned income exclusion; the average foreign-earned income exclusion was \$48,097. However, only 64,349 taxpayers filed for the housing exclusion which averaged \$29,765 per filer and totaled \$1.915 billion for all who took the exclusion. For the housing *deduction* only 4,186 filed (for a total of \$92.1 million) with the average amount \$21,996. The end result was that approximately 55% of those who claimed the foreign-earned income and housing exclusion, or housing deduction, or any foreign tax credit (Form 1116) had no U.S. income tax liability.

Table 4: Number of 2001 Form 2555 Filers by Top 31 Countries and Average Foreign Earned Income

<u>Region/Countries</u>	<u>Number of Returns</u>	<u>Percent of All</u>	<u>Cum. Percent</u>	<u>Avg. For. Earn. Inc.(\$)</u>
All Areas	294,763	100.0%		\$93,024
Europe	105,590	35.8%	35.8%	\$100,488
Asia	98,037	33.3%	69.1%	\$101,815
North America	30,493	10.3%	79.4%	\$77,350
South America	15,307	5.2%	84.6%	\$80,224
Oceania	11,521	3.9%	88.5%	\$64,616
Africa	10,661	3.6%	92.1%	\$63,731
Caribbean	5,525	1.9%	94.0%	\$86,203
United Kingdom	33,344	11.3%	11.3%	\$165,449
Canada	24,790	8.4%	19.7%	\$72,023
Japan	24,578	8.3%	28.1%	\$93,141
Germany	23,432	7.9%	36.0%	\$52,461
Hong Kong	12,476	4.2%	40.2%	\$139,000
France	8,975	3.0%	43.3%	\$82,714
Israel	8,491	2.9%	46.2%	\$61,039
Australia	7,864	2.7%	48.8%	\$75,046
Saudi Arabia	7,449	2.5%	51.4%	\$112,479
Other Asian	6,977	2.4%	53.7%	\$80,208
Taiwan	6,840	2.3%	56.1%	\$72,236
Switzerland	6,370	2.2%	58.2%	\$99,780
Mexico	5,571	1.9%	60.1%	\$102,856
China	5,103	1.7%	61.8%	\$140,248
South Korea	4,885	1.7%	63.5%	\$92,637
Singapore	4,624	1.6%	65.1%	\$185,018
Brazil	4,466	1.5%	66.6%	\$88,717
Italy	4,301	1.5%	68.0%	\$67,730
Unit. Arab Emir.	4,100	1.4%	69.4%	\$90,334
Netherlands	3,926	1.3%	70.8%	\$90,057
Thailand	3,368	1.1%	71.9%	\$110,463
Philippines	3,266	1.1%	73.0%	\$56,425
Belgium	3,121	1.1%	74.1%	\$94,674
Spain	2,874	1.0%	75.0%	\$59,546
New Zealand	2,569	0.9%	75.9%	\$41,953
Indonesia	2,519	0.9%	76.8%	\$128,328
Egypt	2,403	0.8%	77.6%	\$80,665
Venezuela	2,281	0.8%	78.4%	\$85,257
India	1,906	0.6%	79.0%	\$70,199
Russia	1,816	0.6%	79.6%	\$123,687
<u>South Africa</u>	1,626	0.6%	80.2%	\$74,040

Source: Statistics of Income Bulletin, 2006.

Examining the amounts of income earned, we see that most of those earning foreign income earn at least in the six-figure range. Charts 5 and 6 present trends in the number of Form 2555 filers and average foreign earnings by region. As indicated above Europe and Asia, by far, are the top locations and provide the highest incomes.



Conclusions from the Form 2555 Data

We need to be careful in assessing the overseas home purchase potential of these households. The figures represent those who are currently making high incomes overseas and many of whom receive housing allowances from employers. Nevertheless, those in lucrative jobs such as finance, business consulting, and technology can afford to purchase property overseas. Analysis of Form 2555 data can provide estimates. However, the Form 2555 filers likely comprise a small subset of American foreign-home buyers.

In addition, while many Americans may live and purchase property overseas, they may not necessarily earn foreign income. For these households, any purchasing decision is probably driven less by a foreign employment situation than by a desire for a location. Also, some countries where the earnings are most lucrative may not be the most culturally comfortable for many Americans.

Estimating the Stock of American Owned Homes Abroad

Based on the data discussed above, we suggest a procedure to derive a range of initial estimates regarding the stock of homes owned abroad by Americans. This process will generate a baseline set of figures that can be used as 'ball park' comparison measures. It will have obvious limitations, but it may be useful as a 'first-cut' effort until we obtain more data.

Establishing a Baseline Stock Measure

American media frequently assail the public with information on the ownership of exotic property abroad by celebrities and very wealthy Americans. However, the tables above show us that most American foreign property ownership is likely to be concentrated in North America, Central America, and the Caribbean. A second area of likely concentration would be the U.K. and a few other countries in Western Europe. Therefore, as a practical approach, in deriving a range of estimates we can ignore most of the rest of the world, as the probabilities of Americans purchasing property in many countries are not known and are likely to be quite low.

The 1999 State Department data for the areas discussed above offer a large source of information about where Americans have been located but also contain figures on the number of government employees stationed abroad who are not likely home purchasers. Social Security retirees provide a much smaller base, but they include Americans (and non-Americans) who have the experience and wealth to own property. *[Note: A conversation with a Social Security staff analyst suggested that roughly half of all Social Security recipients abroad are not American citizens.]*

Finally, the majority of filers of Form 2555 are likely affluent employees and well-compensated self-employed who live and work abroad. They are a small segment of all Americans, but represent those who definitely have the financial income levels to purchase foreign property. They are distinct from the American Social Security retirees so there is no overlap between the two databases.

However, many Form 2555 filers are overseas working on a temporary basis and thus are less likely to be purchasing a home abroad, especially if their employers are providing housing subsidies or other subsidized living arrangements. Furthermore, the lack of a U.S. mortgage interest deduction for foreign property in many countries may discourage some foreign ownership. On the other hand, those countries that *do* allow mortgage interest deductions on income taxes often require the owner(s) (including those Americans earning incomes abroad) to add an imputed rental value component to their income. The bottom-line impact is, therefore, a lesser tax benefit from owning a property abroad.

Homeownership Rates in America

In order to determine the potential number of owner homes, we can apply American homeownership rates to our gross stock of people/households and use these to simulate the possible number of households that own a property overseas. The U.S. homeownership rate is calculated through a Census Bureau questionnaire that inquires whether a household that owns the property also occupies it. In general, U.S. homeownership rates are produced as a ratio or percentage of the number of owner-occupied households relative to the number of renter households. These figures are also broken out by age of the head of the household, so we can roughly differentiate between older and younger groups, as older households tend to be more

likely to own their home.^{6,7}

However, using the figures above necessitates converting the individual person retirees into households.⁸ There has been a slight decrease in the number of persons per household since 1999. In that year, there were 2.6 persons per household; in 2001 the figure was 2.59, and the current Census estimate is 2.55 persons per household. Retiree households are smaller, so those numbers need to be adjusted downward.

The State Department Counts

If we assume that Americans living in these countries were primarily civilian, non-government employees, the State Department data give us a baseline of the total American residents abroad at roughly the beginning of this decade. Assuming that the figures on the top 20 countries in 1999 are representative of the number of Americans living in those countries over the past few years, they can provide estimates of potential property owners abroad. We are also assuming a single owned property per household. Wealthy households may have several foreign short-stay residences.

Using the 1999 top 20 countries as a base, there were 1,370,658 persons abroad. If we apply a very conservative low homeownership rate of 40% [which corresponds to that for households under the age of 35, the lowest rate in 1999] and the 2.6 people per household ratio, we obtain about 527,200 potential homes owned abroad by Americans. The State Department's 1999 total world figures imply about 640,600 Americans may own properties abroad.

These figures are small in comparison with the approximately 70 million owner-occupied homes in America.

However, it should be noted that only about 20% of Americans have passports,* a significantly lower rate than citizens in European countries and other parts of the world.⁹ The large numbers of Americans living abroad in the Northern hemisphere indicates a tendency to stay close to home. While overseas travel has become more common for Americans, and globalization has contributed to an increase of foreign job opportunities, it is still likely that Americans will tend to purchase property in close and convenient locations. This would suggest conservative ownership figures abroad, especially outside of North America.

The Social Security Data

Figures from the 2005 Social Security retired workers category indicates 235,991 individuals living abroad and receiving Social Security benefits in the top 25 countries. Since the homeownership rate has been about 80% for older Americans, and since many retirees are likely to have owned a home in the U.S., this base suggests the number of potential owners is about 188,800. However, assuming only about half of those retiree beneficiaries are American citizens, our base is only 94,400.

Household size ratio is also an issue. Most retirees are 'empty nesters' and many are widowed. The average household size in 2005 was 2.57 persons, but this is too large for a typical retiree household. We will use estimates of 2 and 1.5 persons per household. The latter

* It should be noted that these figures pre-date the most recent State Department and Homeland Security regulations requiring passports for Americans traveling anywhere outside the U.S. or U.S. territories.

ratios yield potential estimates of about 47,200 and 62,900 potential foreign-owned properties.

The relatively slow growth of retired workers abroad also suggests a relatively steady rate of foreign property ownership over a recent period of time. At this point, figures ranging from between 50,000 to 90,000 properties by this group seem an intelligent estimate.

The Internal Revenue Service Data

Examining the top 25 countries, there are almost 219,300 filers of Form 2555. Moreover, many are earning six-figure incomes and certainly could afford foreign property ownership. Because married couples usually file jointly, it is also likely that these returns represent individual households. The question then becomes: Which homeownership rate shall we apply?

A conservative 40% homeownership rate yields about 87,700 potential property owners. If we use all 54 countries reported in the SOI data, the figure is 100,700 properties.

A Summing Up

Table 5 provides estimates under various homeownership rate assumptions. The estimates have been rounded to emphasize the relative magnitudes. We are using a low homeownership rate of 40%, along with the relatively current U.S. homeownership rate of 68%, and a higher rate for older homeowners. Household sizes for retirees are provided for ratios of 2 and 1.5 persons, respectively. The number of countries is most important for the State and IRS bases and we have selected the most reasonable assumptions there.

Table 5: Simulated Property Ownership Abroad

	Assumed Homeownership Rates		
	40%	68%	80%
U.S. State Dept. (1999) (Americans Abroad)			
Top 20 countries	527,000	896,000	1,100,000
All countries	641,000	1,100,000	1,300,000
Social Security (2005) (Retired Workers)			
Household size: 2	24,000	40,000	47,000
Household size: 1.5	32,000	54,000	63,000
IRA SOI (2001) (Form 2555 filers)			
Top 25 countries	88,000	149,000	175,000
All countries	101,000	171,000	201,000

Source: Consultant Estimates

Examining the State Department overseas figures, depending on the assumed homeownership rate of Americans abroad, they suggest a very wide range of from 500,000 to 1.3 million properties. One obvious drawback of using this data is that much of the demand for foreign ownership will likely come from Americans who are not routinely abroad but purchase properties for vacation or short-stays. This group is not represented in the State Department figures. The State Department data also include Americans employed by the government, civilian and military. Because most of these individuals are not likely to purchase housing abroad, to some extent they can compensate somewhat for the missing domestic demand. But, that extent at this point is not knowable. The bottom line: we can conservatively estimate in the range of 500,000 to 600,000 potential properties owned abroad.

While the Social Security and IRS data are more likely to give us close estimates, they ignore large segments of the U.S.-based demand for foreign properties. On the conservative side, if retired workers abroad are about as likely to own as domestics, their ownership numbers probably are in the 54,000 to 63,000-property range, given the assumption of a small household size. Examining the IRS figures for this group of private sector workers, it is more likely that their ownership rates are more conservative, at best the national average. Many of these well-compensated households are receiving some housing subsidies and extra compensation to cover their living costs. In extreme cases, they are living in employer-provided housing, or housing developed by the foreign country to house Americans during their working period. This would argue for a conservative ownership rate parameter. At this point, an educated guess is that for this group, the ownership of property abroad probably is in the range of 80,000 to 100,000 properties.

Combining the optimistic range from the Social Security data and the conservative figures from the IRS data, the ranges suggest roughly 130,000 to 160,000 properties owned abroad by these segments. These estimates contrast dramatically with the State Department figures. What is most likely is that many Americans have a principal residence in the U.S., but are purchasing seasonal stay and vacation properties located in our closest neighbors. However, since many Americans, especially upper-middle income households, own multiple properties in the U.S., the likelihood of owning a similar property outside the U.S. borders has to be lower.

Accordingly, the conservative 500,000 to 600,000 figure from the State Department may be a good estimator of the total world ownership abroad by all Americans, with roughly 370,000 to 440,000 properties owned by Americans who have a principal residence in the U.S. These figures seem very reasonable, with roughly three-quarters of the foreign properties near the U.S. and used primarily as second/vacation homes.

Limitations of the Analysis

Purchases in foreign countries have likely been occurring much more frequently over the recent decade of housing boom times and significant wealth accumulation by the Baby Boomer generation. However, there are large segments of the American demand for foreign property, which we cannot address with the above methodology.

We are also ignoring time-shares; they offer competition to individual ownership and provide an attractive short-stay/vacation option. Many time-shares are located in close-by foreign countries only a few hours away by airplane. However, without some very survey specific data we cannot be more accurate than this.

Our procedures provide no information on the flow of sales over time. Furthermore, the lack of contemporaneous time series for the three segments is a consistency limitation.

Looking Ahead

What is really needed to accurately measure the number and location of foreign homes owned and purchased by Americans is a large survey of the American public. For instance, the National Association of REALTORS®, in conducting future surveys of home buyers and sellers as well as second home and vacation property ownership, could include a question that asks specifically if the respondent purchased a property in a foreign country. However, the sample size will need to be large. Another possibility is that the Association's members could be surveyed to determine the extent to which they have been involved in any foreign transactions – that is, sold a foreign property -- or have knowledge of a client or friend who owns property abroad. These surveys could provide some useful parameters that would be helpful in filling in the gaps.

However, even with results from surveys such as these, determining the extent of American ownership of foreign properties is still challenging. Unless the U.S. Census Bureau asks a specific set of questions on this topic, analysts looking at the extent to which Americans purchase foreign properties will be piecing together many sets of information, looking for the connecting threads that provide a complete answer. In the short-run, a more recent and more detailed analysis of the IRS Form 2555 data would help us with a narrow segment of the potential buyers. Short of a decennial U.S. Census question, we are likely to be working with small segments and samples for a long time to come.

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APPENDIX I

American Citizens Living Abroad by Country: 1999

(Original Source: U.S. State Department Website July 1999)

<u>Americas</u>	U.S. Citizens in Country	% All U.S. Abroad
Mexico	1,036,300	24.9%
Canada	687,700	16.5%
Domin. Repub.	82,000	2.0%
Brazil	40,640	1.0%
Colombia	30,680	0.7%
Argentina	27,600	0.7%
Venezuela	25,000	0.6%
Costa Rica	19,800	0.5%
Panama	19,700	0.5%
Peru	14,143	0.3%
Ecuador	13,824	0.3%
Barbados	12,000	0.3%
Chile	11,790	0.3%
Haiti	11,000	0.3%
Honduras	10,500	0.3%
Guatemala	10,000	0.2%
El Salvador	10,000	0.2%
Jamaica	7,500	0.2%
Bahamas	7,050	0.2%
Netherlands Antilles	6,075	0.1%
Nicaragua	5,000	0.1%
Bermuda	4,300	0.1%
Uruguay	3,500	0.1%
Trinidad & Tobago	3,200	0.1%
Bolivia	3,000	0.1%
Belize	2,700	0.1%
Paraguay	2,368	0.1%
Cuba	2,000	0.0%
Grenada	2,000	0.0%
Guyana	1,500	0.0%
Surinam	425	0.0%
Total	2,113,295	50.8%

<u>Europe</u>	U.S. Citizens in Country	% All U.S. Abroad
United Kingdom	224,000	5.4%
Germany	210,880	5.1%
Italy	168,967	4.1%
France	101,750	2.4%
Spain	94,513	2.3%
Greece	72,500	1.7%
Ireland	46,984	1.1%
Poland	39,300	0.9%

Belgium	35,328	0.8%
Netherlands	23,707	0.6%
Sweden	18,000	0.4%
Hungary	15,000	0.4%
Norway	15,000	0.4%
Austria	14,000	0.3%
Romania	13,152	0.3%
Switzerland	12,113	0.3%
Czech Republic	10,000	0.2%
Russia	9,448	0.2%
Denmark	9,380	0.2%
Finland	4,700	0.1%
Serbia-Montenegro	4,514	0.1%
Cyprus	4,175	0.1%
Ukraine	3,000	0.1%
Portugal	2,172	0.1%
Latvia	2,084	0.1%
Croatia	1,921	0.0%
Iceland	1,730	0.0%
Bosnia-Herzegovina	1,600	0.0%
Luxembourg	1,527	0.0%
Lithuania	1,500	0.0%
Estonia	1,000	0.0%
Slovak Republic	850	0.0%
Macedonia	800	0.0%
Malta	700	0.0%
Slovenia	650	0.0%
Albania	646	0.0%
Azerbaijan	600	0.0%
Bulgaria	400	0.0%
Georgia	303	0.0%
Armenia	229	0.0%
Belarus	190	0.0%
Moldova	125	0.0%
Total	1,169,438	28.1%

<u>Asia-Pacific</u>	<u>U.S. Citizens in Country</u>	<u>% All U.S. Abroad</u>
Philippines	105,000	2.5%
Australia	102,800	2.5%
Japan	70,350	1.7%
China	65,157	1.6%
Taiwan	38,000	0.9%
S. Korea	30,000	0.7%
Thailand	18,100	0.4%
India	15,369	0.4%
Singapore	15,000	0.4%
New Zealand	14,540	0.3%
Indonesia	9,058	0.2%

Malaysia	6,639	0.2%
Fiji	5,288	0.1%
Pakistan	4,231	0.1%
Kazakhstan	3,600	0.1%
Vietnam	3,000	0.1%
Papua New Guinea	2,468	0.1%
Nepal	1,600	0.0%
Bangladesh	1,320	0.0%
Cambodia	1,200	0.0%
Micronesia	760	0.0%
Sri Lanka	658	0.0%
Uzbekistan	590	0.0%
Marshall Islands	580	0.0%
Western Samoa	495	0.0%
Mongolia	450	0.0%
Burma (Myanmar)	332	0.0%
Palau	300	0.0%
Laos	293	0.0%
Brunei	248	0.0%
Kyrgyzstan	150	0.0%
Tajikistan	117	0.0%
Turkmenistan	107	0.0%
Iran	0	0.0%
Iraq	0	0.0%
Afghanistan	0	0.0%
N. Korea	0	0.0%
Total	517,800	12.4%

	U.S. Citizens in Country	% All U.S. Abroad
<u>Middle East</u>		
Israel	184,195	4.4%
Saudi Arabia	35,989	0.9%
United Arab Emirates	16,500	0.4%
Yemen	15,300	0.4%
Lebanon	10,000	0.2%
Jordan	8,000	0.2%
Kuwait	7,710	0.2%
Turkey	7,076	0.2%
Syria	3,856	0.1%
Qatar	3,775	0.1%
Bahrain	1,800	0.0%
Oman	1,444	0.0%
Total	295,645	7.1%

	U.S. Citizens in Country	% All U.S. Abroad
<u>Africa</u>		
South Africa	11,467	0.3%
Egypt	10,892	0.3%
Nigeria	10,000	0.2%

Kenya	4,237	0.1%
Ghana	3,780	0.1%
Ethiopia	2,190	0.1%
Zimbabwe	2,125	0.1%
Ivory Coast	2,100	0.1%
Sudan	1,479	0.0%
Morocco	1,401	0.0%
Uganda	1,350	0.0%
Tanzania	1,186	0.0%
Cameroon	1,161	0.0%
Cape Verde	1,000	0.0%
Zambia	980	0.0%
Malawi	863	0.0%
Angola	845	0.0%
Botswana	800	0.0%
Algeria	793	0.0%
Senegal	791	0.0%
Tunisia	700	0.0%
Guinea	660	0.0%
Mozambique	641	0.0%
Gambia	546	0.0%
Mali	460	0.0%
Congo, Dem. Repub.	440	0.0%
Madagascar	372	0.0%
Eritrea	356	0.0%
Swaziland	352	0.0%
Namibia	350	0.0%
Niger	335	0.0%
Burkina Faso	329	0.0%
Togo	329	0.0%
Mauritius	320	0.0%
Gabon	298	0.0%
Benin	250	0.0%
Congo, Repub.	233	0.0%
Liberia	220	0.0%
Lesotho	190	0.0%
Rwanda	165	0.0%
Chad	162	0.0%
Sierra Leone	130	0.0%
Mauritania	100	0.0%
Central African Repub.	91	0.0%
Djibouti	50	0.0%
Burundi	46	0.0%
Equatorial Guinea	30	0.0%
Guinea-Bissau	25	0.0%
Somalia	12	0.0%
Total	67,632	1.6%

APPENDIX II

Number of Recipients and Dollar Amounts of Social Security Benefits : 1999 - 2005

(Countries with 500 or more beneficiaries; totals include all foreign residents)

			Total Monthly Benefits		Avg. Monthly Benefits	
	All Beneficiaries	Retired Workers	All (\$000s)	Retirees (\$000s)	All	Retirees
December 2005						
All countries	441,693	263,387	235,254	149,425	\$533	\$567
Canada	100,747	59,022	45,396	28,116	\$451	\$476
Mexico	47,384	22,973	24,820	13,033	\$524	\$567
Central America and Caribbean	22,407	15,743	15,521	11,537	\$693	\$733
Barbados	1,036	860	810	692	\$782	\$805
Costa Rica	3,540	2,418	2,790	2,020	\$788	\$835
Dominican Republic	6,503	4,270	3,983	2,823	\$612	\$661
El Salvador	973	685	609	443	\$626	\$647
Guatemala	1,240	832	825	574	\$665	\$690
Honduras	954	611	696	479	\$730	\$784
Jamaica	2,724	2,182	1,880	1,564	\$690	\$717
Panama	1,117	692	813	523	\$728	\$756
Trinidad and Tobago	881	691	675	547	\$766	\$792
South America	14,925	10,213	10,065	7,197	\$674	\$705
Argentina	3,221	2,052	2,091	1,431	\$649	\$697
Brazil	1,956	1,171	1,412	895	\$722	\$764
Chile	1,382	935	997	708	\$721	\$757
Colombia	3,301	2,427	2,190	1,645	\$663	\$678
Ecuador	2,350	1,736	1,513	1,153	\$644	\$664
Peru	911	612	639	447	\$701	\$730
Uruguay	776	590	499	396	\$643	\$671
Africa	1,887	1,114	1,331	878	\$705	\$788
Asia	45,034	23,293	29,127	17,397	\$647	\$747
Cyprus	508	295	320	204	\$630	\$692
Hong Kong	929	517	588	368	\$633	\$712
India	912	619	649	455	\$712	\$735
Israel	8,571	4,879	5,760	3,782	\$672	\$775
Japan	7,972	3,980	5,641	3,276	\$708	\$823
Philippines	19,309	9,165	11,509	6,253	\$596	\$682
Thailand	1,552	1,118	1,374	1,023	\$885	\$915
Turkey	685	426	502	329	\$733	\$772
Yemen	1,456	452	710	333	\$488	\$737
Europe	201,217	125,795	103,720	67,578	\$515	\$537
Austria	2,452	1,559	1,263	812	\$515	\$521
Belgium	1,722	1,062	892	574	\$518	\$540
Croatia	1,485	899	1,119	717	\$754	\$798
Czech Republic	572	416	481	357	\$841	\$858
Denmark	868	538	643	405	\$741	\$753
Finland	815	519	470	302	\$577	\$582

France	10,661	6,930	5,839	4,076	\$548	\$588
Germany	33,448	20,837	14,896	9,095	\$445	\$436
Greece	22,640	13,416	11,678	7,409	\$516	\$552
Hungary	1,903	1,436	1,609	1,265	\$846	\$881
Ireland	8,518	5,738	5,113	3,688	\$600	\$643
Italy	33,865	20,010	17,461	10,975	\$516	\$548
Malta	584	312	418	239	\$716	\$766
Netherlands	4,407	2,798	1,942	1,261	\$441	\$451
Norway	6,432	3,820	2,571	1,550	\$400	\$406
Poland	5,268	3,607	2,992	2,017	\$568	\$559
Portugal	12,050	8,243	6,547	4,645	\$543	\$564
Serbia	959	592	666	415	\$694	\$701
Spain	9,875	5,817	5,606	3,566	\$568	\$613
Sweden	3,464	2,287	1,502	974	\$434	\$426
Switzerland	6,435	4,367	2,654	1,850	\$412	\$424
United Kingdom	30,210	18,884	15,599	10,155	\$516	\$538
Oceania	8,092	5,234	5,275	3,689	\$652	\$705
Australia	6,656	4,310	4,196	2,909	\$630	\$675
New Zealand	1,003	695	783	593	\$781	\$853

Total Monthly Benefits

	All	Retired	All	Retirees	Avg. Monthly Benefits	
December 2004	Beneficiaries	Workers	(\$'000s)	(\$'000s)	All	Retirees
All countries	431,138	254,985	220,839	139,528	\$512	\$547
Canada	98,390	57,160	42,778	26,414	\$435	\$462
Mexico	47,363	22,938	23,697	12,488	\$500	\$544
Central America and Caribbean	21,777	15,121	14,344	10,591	\$659	\$700
Barbados	1,081	894	806	686	\$746	\$767
Costa Rica	3,341	2,257	2,496	1,800	\$747	\$798
Dominican Republic	6,302	4,043	3,659	2,552	\$581	\$631
El Salvador	887	605	529	373	\$596	\$617
Guatemala	1,205	806	767	531	\$637	\$659
Honduras	925	578	633	431	\$684	\$746
Jamaica	2,725	2,151	1,796	1,475	\$659	\$686
Panama	994	611	678	443	\$682	\$725
Trinidad and Tobago	887	688	654	523	\$737	\$760
South America	14,190	9,587	9,086	6,417	\$640	\$669
Argentina	3,101	1,954	1,908	1,297	\$615	\$664
Brazil	1,870	1,107	1,279	798	\$684	\$721
Chile	1,283	852	887	622	\$691	\$730
Colombia	3,063	2,224	1,930	1,433	\$630	\$644
Ecuador	2,281	1,663	1,393	1,045	\$611	\$628
Peru	849	567	566	392	\$667	\$691
Uruguay	730	541	444	345	\$608	\$638
Africa	1,829	1,065	1,222	798	\$668	\$749
Asia	43,585	22,027	26,725	15,701	\$613	\$713
Cyprus	529	304	317	199	\$599	\$655

Hong Kong	877	471	531	321	\$605	\$682
India	820	555	565	392	\$689	\$706
Israel	8,478	4,767	5,446	3,556	\$642	\$746
Japan	7,435	3,708	5,070	2,931	\$682	\$790
Philippines	18,955	8,732	10,656	5,651	\$562	\$647
Thailand	1,324	946	1,113	826	\$841	\$873
Turkey	653	402	458	298	\$701	\$741
Yemen	1,581	465	714	327	\$452	\$703
Europe	196,537	122,340	98,257	63,854	\$500	\$522
Austria	2,406	1,524	1,223	796	\$508	\$522
Belgium	1,656	1,027	851	553	\$514	\$538
Croatia	1,478	859	1,052	646	\$712	\$752
Czech Republic	541	387	430	315	\$795	\$814
Denmark	877	535	620	382	\$707	\$714
Finland	780	496	447	282	\$573	\$569
France	10,340	6,708	5,476	3,814	\$530	\$569
Germany	31,957	19,826	13,912	8,481	\$435	\$428
Greece	22,512	13,234	11,188	7,058	\$497	\$533
Hungary	1,882	1,414	1,520	1,195	\$808	\$845
Ireland	8,263	5,618	4,848	3,532	\$587	\$629
Italy	34,098	20,136	17,027	10,667	\$499	\$530
Malta	577	310	395	224	\$685	\$723
Netherlands	4,218	2,661	1,827	1,195	\$433	\$449
Norway	6,283	3,702	2,460	1,469	\$392	\$397
Poland	4,863	3,310	2,716	1,811	\$559	\$547
Portugal	12,032	8,181	6,208	4,381	\$516	\$536
Serbia	963	579	636	380	\$660	\$656
Spain	9,646	5,668	5,261	3,342	\$545	\$590
Sweden	3,231	2,129	1,410	920	\$436	\$432
Switzerland	6,125	4,137	2,447	1,702	\$400	\$411
United Kingdom	29,305	18,263	14,662	9,563	\$500	\$524
Oceania	7,467	4,747	4,730	3,265	\$633	\$688
Australia	6,126	3,905	3,772	2,588	\$616	\$663
New Zealand	942	644	700	526	\$743	\$817

	Total Monthly Benefits					
	All	Retired	All	Retirees	Avg. Monthly Benefits	
December 2003	Beneficiaries	Workers	(\$000s)	(\$000s)	All	Retirees
All countries	423,062	248,012	\$211,538	\$132,725	\$500	\$535
Canada	96,810	55,848	\$41,212	\$25,352	\$426	\$454
Mexico	48,328	23,302	\$23,386	\$12,315	\$484	\$528
Central America and Caribbean	21,288	14,675	\$13,561	\$9,921	\$637	\$676
Barbados	1,060	873	\$765	\$643	\$722	\$737
Costa Rica	3,171	2,116	\$2,281	\$1,626	\$719	\$768
Dominican Republic	6,106	3,869	\$3,425	\$2,344	\$561	\$606
El Salvador	853	583	\$490	\$346	\$574	\$593

Guatemala	1,164	769	\$706	\$488	\$607	\$635
Honduras	923	578	\$621	\$425	\$673	\$735
Jamaica	2,734	2,159	\$1,755	\$1,442	\$642	\$668
Panama	955	579	\$625	\$400	\$654	\$691
Trinidad and Tobago	849	664	\$609	\$486	\$717	\$732
South America	13,540	9,057	\$8,358	\$5,839	\$617	\$645
Argentina	2,959	1,853	\$1,756	\$1,182	\$593	\$638
Brazil	1,808	1,050	\$1,184	\$720	\$655	\$686
Chile	1,200	789	\$806	\$556	\$672	\$705
Colombia	2,858	2,040	\$1,733	\$1,264	\$606	\$620
Ecuador	2,230	1,614	\$1,315	\$981	\$590	\$608
Peru	796	533	\$513	\$360	\$644	\$675
Uruguay	681	508	\$397	\$310	\$583	\$610
Africa	1,717	994	\$1,114	\$723	\$649	\$727
Asia	42,198	20,947	\$24,846	\$14,379	\$589	\$686
Cyprus	522	310	\$304	\$195	\$582	\$629
Hong Kong	846	439	\$488	\$283	\$577	\$645
India	713	485	\$474	\$330	\$665	\$680
Israel	8,363	4,716	\$5,227	\$3,431	\$625	\$728
Japan	6,924	3,431	\$4,600	\$2,633	\$664	\$767
Philippines	18,688	8,371	\$10,056	\$5,201	\$538	\$621
Thailand	1,131	804	\$908	\$673	\$803	\$837
Turkey	649	400	\$433	\$284	\$667	\$710
Yemen	1,583	442	\$679	\$295	\$429	\$667
Europe	192,433	118,941	\$94,753	\$61,225	\$492	\$515
Austria	2,323	1,478	\$1,167	\$763	\$502	\$516
Belgium	1,629	1,017	\$819	\$538	\$503	\$529
Croatia	1,471	834	\$1,017	\$605	\$691	\$725
Denmark	878	520	\$592	\$359	\$674	\$690
Finland	760	496	\$433	\$279	\$570	\$563
France	9,911	6,414	\$5,138	\$3,569	\$518	\$556
Germany	30,659	18,889	\$13,316	\$8,095	\$434	\$429
Greece	22,394	13,027	\$10,889	\$6,801	\$486	\$522
Hungary	1,804	1,360	\$1,418	\$1,115	\$786	\$820
Ireland	8,093	5,490	\$4,680	\$3,407	\$578	\$621
Italy	34,223	20,080	\$16,772	\$10,418	\$490	\$519
Malta	590	315	\$387	\$219	\$656	\$695
Netherlands	4,083	2,567	\$1,780	\$1,165	\$436	\$454
Norway	6,169	3,589	\$2,402	\$1,430	\$389	\$398
Poland	4,540	3,039	\$2,500	\$1,642	\$551	\$540
Portugal	11,932	8,029	\$5,963	\$4,155	\$500	\$517
Serbia	959	557	\$622	\$355	\$649	\$637
Spain	9,427	5,541	\$5,046	\$3,211	\$535	\$579
Sweden	3,062	2,022	\$1,343	\$881	\$439	\$436
Switzerland	5,889	3,979	\$2,330	\$1,624	\$396	\$408
United Kingdom	28,607	17,705	\$14,117	\$9,190	\$493	\$519
Oceania	6,748	4,248	\$4,307	\$2,971	\$638	\$699
Australia	5,481	3,454	\$3,447	\$2,364	\$629	\$684
New Zealand	871	599	\$620	\$465	\$712	\$776

<u>December 2002</u>	Total Monthly Benefits					
	All Beneficiaries	Retired Workers	All (\$000s)	Retirees (\$000s)	Avg. Monthly Benefits	
					All	Retirees
All countries	415,179	242,128	\$203,428	\$127,212	\$490	\$306
Canada	94,693	54,488	\$39,887	\$24,537	\$421	\$259
Mexico	49,105	23,782	\$23,195	\$12,322	\$472	\$251
Central America and Caribbean						
	20,636	14,099	\$12,755	\$9,272	\$618	\$449
Barbados	1,048	850	\$736	\$608	\$702	\$580
Costa Rica	3,020	2,010	\$2,082	\$1,488	\$689	\$493
Dominican Republic	5,763	3,639	\$3,155	\$2,152	\$547	\$373
El Salvador	821	555	\$457	\$318	\$557	\$387
Guatemala	1,142	732	\$665	\$450	\$582	\$394
Honduras	937	568	\$612	\$409	\$653	\$436
Jamaica	2,711	2,124	\$1,694	\$1,382	\$625	\$510
Panama	880	534	\$554	\$354	\$630	\$402
Trinidad and Tobago	855	663	\$590	\$468	\$690	\$547
South America	13,065	8,677	\$7,859	\$5,473	\$602	\$419
Argentina	2,866	1,794	\$1,656	\$1,115	\$578	\$389
Brazil	1,757	1,022	\$1,118	\$685	\$636	\$390
Chile	1,133	736	\$749	\$515	\$661	\$455
Colombia	2,692	1,904	\$1,590	\$1,153	\$591	\$428
Ecuador	2,187	1,592	\$1,267	\$949	\$579	\$434
Peru	755	501	\$474	\$333	\$628	\$441
Uruguay	635	463	\$353	\$269	\$556	\$424
Africa	1,566	890	\$970	\$619	\$619	\$395
Asia	41,076	19,983	\$23,375	\$13,337	\$569	\$325
Cyprus	527	302	\$291	\$183	\$552	\$347
Hong Kong	830	398	\$464	\$248	\$559	\$299
India	691	455	\$435	\$296	\$630	\$428
Israel	8,326	4,677	\$5,096	\$3,333	\$612	\$400
Japan	6,527	3,176	\$4,225	\$2,376	\$647	\$364
Philippines	18,408	8,070	\$9,538	\$4,856	\$518	\$264
Thailand	1,004	720	\$775	\$581	\$772	\$579
Turkey	633	389	\$407	\$265	\$643	\$419
Yemen	1,589	419	\$656	\$273	\$413	\$172
Europe	189,007	116,406	\$91,530	\$58,980	\$484	\$312
Austria	2,252	1,463	\$1,118	\$747	\$496	\$332
Belgium	1,610	1,012	\$804	\$535	\$499	\$332
Croatia	1,452	789	\$966	\$552	\$665	\$380
Denmark	876	530	\$575	\$359	\$656	\$410
Finland	745	485	\$422	\$270	\$566	\$362
France	9,728	6,318	\$4,932	\$3,446	\$507	\$354
Germany	29,500	18,141	\$12,717	\$7,743	\$431	\$262
Greece	22,235	12,767	\$10,598	\$6,544	\$477	\$294
Hungary	1,771	1,330	\$1,354	\$1,061	\$765	\$599
Ireland	7,893	5,356	\$4,461	\$3,240	\$565	\$410
Italy	34,651	20,211	\$16,697	\$10,304	\$482	\$297

Malta	595	308	\$376	\$211	\$632	\$355
Netherlands	3,999	2,497	\$1,743	\$1,130	\$436	\$283
Norway	6,130	3,583	\$2,381	\$1,429	\$388	\$233
Poland	4,134	2,718	\$2,257	\$1,465	\$546	\$354
Portugal	11,858	7,927	\$5,753	\$3,984	\$485	\$336
Serbia	971	535	\$618	\$328	\$636	\$338
Spain	9,217	5,404	\$4,797	\$3,038	\$520	\$330
Sweden	2,950	1,951	\$1,291	\$851	\$438	\$288
Switzerland	5,693	3,862	\$2,221	\$1,559	\$390	\$274
United Kingdom	27,854	17,311	\$13,551	\$8,862	\$487	\$318
Oceania	6,031	3,803	\$3,857	\$2,673	\$640	\$443
Australia	4,849	3,079	\$3,093	\$2,140	\$638	\$441
New Zealand	804	541	\$546	\$405	\$679	\$504

	Total Monthly Benefits					
	All	Retired	All	Retirees	Avg. Monthly Benefits	
December 2001	Beneficiaries	Workers	(\$000s)	(\$000s)	All	Retirees
All countries	407,466	235,797	196,861	122,452	\$483	\$519
Canada	92,418	52,990	38,670	23,772	\$418	\$449
Mexico	49,734	23,903	23,065	12,256	\$464	\$513
Central America and Caribbean	20,159	13,609	12,154	8,768	\$603	\$644
Barbados	1,013	813	699	572	\$690	\$704
Costa Rica	2,859	1,876	1,906	1,347	\$667	\$718
Dominican Republic	5,608	3,476	2,987	2,011	\$533	\$579
El Salvador	774	514	414	289	\$535	\$562
Guatemala	1,082	690	616	413	\$569	\$599
Honduras	967	590	627	420	\$648	\$712
Jamaica	2,735	2,128	1,685	1,369	\$616	\$643
Panama	856	516	528	338	\$617	\$655
Trinidad and Tobago	829	638	557	441	\$672	\$691
South America	12,823	8,460	7,537	5,225	\$588	\$618
Argentina	2,829	1,769	1,605	1,078	\$567	\$609
Brazil	1,725	1,022	1,074	671	\$623	\$657
Chile	1,089	717	714	496	\$656	\$692
Colombia	2,616	1,797	1,496	1,059	\$572	\$589
Ecuador	2,203	1,596	1,252	941	\$568	\$590
Peru	713	455	434	294	\$609	\$646
Uruguay	615	452	335	257	\$545	\$569
Africa	1,507	848	917	581	\$608	\$685
Asia	40,367	19,157	22,357	12,557	\$554	\$655
Cyprus	550	314	296	188	\$538	\$599
Hong Kong	820	371	452	230	\$551	\$620
India	659	415	405	266	\$615	\$641
Israel	8,360	4,668	5,006	3,267	\$599	\$700
Japan	6,143	2,926	3,896	2,154	\$634	\$736
Thailand	867	629	655	502	\$755	\$798

Philippines	18,271	7,790	9,236	4,602	\$506	\$591
Turkey	631	385	397	256	\$629	\$665
Yemen	1,684	411	663	265	\$394	\$645
Europe	184,803	113,298	88,657	56,876	\$480	\$502
Austria	2,220	1,441	1,114	746	\$502	\$518
Belgium	1,571	986	781	520	\$497	\$527
Croatia	1,431	776	939	531	\$656	\$684
Denmark	866	510	559	342	\$645	\$671
Finland	741	475	417	267	\$563	\$562
France	9,457	6,143	4,699	3,303	\$497	\$538
Germany	28,169	17,410	12,144	7,446	\$431	\$428
Greece	21,818	12,341	10,313	6,267	\$473	\$508
Hungary	1,706	1,275	1,285	1,001	\$753	\$785
Ireland	7,659	5,203	4,299	3,134	\$561	\$602
Italy	34,878	20,217	16,637	10,175	\$477	\$503
Malta	597	308	366	208	\$613	\$675
Netherlands	3,860	2,407	1,669	1,076	\$432	\$447
Norway	6,096	3,573	2,390	1,441	\$392	\$403
Poland	3,801	2,424	2,090	1,318	\$550	\$544
Portugal	11,789	7,826	5,586	3,843	\$474	\$491
Serbia	964	515	601	307	\$623	\$596
Spain	8,995	5,235	4,562	2,868	\$507	\$548
Sweden	2,857	1,882	1,252	824	\$438	\$438
Switzerland	5,476	3,730	2,135	1,497	\$390	\$401
United Kingdom	27,149	16,866	13,088	8,572	\$482	\$508
Oceania	5,655	3,532	3,504	2,417	\$620	\$684
Australia	4,565	2,879	2,830	1,955	\$620	\$679
New Zealand	721	485	470	345	\$652	\$711

	Total Monthly Benefits					
	All	Retired	All	Retirees	Avg. Monthly Benefits	
December 2000	Beneficiaries	Workers	(\$000s)	(\$000s)	All	Retirees
All countries	396,482	228,215	187,156	115,952	\$472	\$508
Canada	90,657	52,011	37,206	22,972	\$410	\$442
Mexico	49,814	23,969	22,449	11,978	\$451	\$500
Central America and Caribbean	19,670	13,098	11,466	8,181	\$583	\$625
Barbados	1,005	797	668	542	\$665	\$680
Costa Rica	2,672	1,719	1,710	1,180	\$640	\$686
Dominican Republic	5,398	3,268	2,786	1,831	\$516	\$560
El Salvador	778	505	401	275	\$515	\$545
Guatemala	1,070	679	586	394	\$548	\$580
Honduras	972	565	608	392	\$626	\$694
Jamaica	2,717	2,111	1,639	1,329	\$603	\$630
Panama	821	487	484	309	\$590	\$634
Trinidad and Tobago	815	631	526	423	\$645	\$670
South America	12,461	8,117	7,080	4,862	\$568	\$599
Argentina	2,785	1,743	1,536	1,033	\$552	\$593

Brazil	1,656	968	991	613	\$598	\$633
Chile	1,047	670	669	455	\$639	\$679
Colombia	2,538	1,714	1,404	982	\$553	\$573
Ecuador	2,128	1,526	1,170	871	\$550	\$571
Peru	699	435	406	267	\$581	\$614
Uruguay	601	434	315	239	\$524	\$551
Africa	1,412	774	828	514	\$586	\$664
Asia	38,929	18,175	20,904	11,570	\$537	\$637
Cyprus	558	314	288	183	\$516	\$583
Hong Kong	804	338	428	203	\$532	\$601
India	603	368	351	222	\$582	\$603
Israel	8,181	4,571	4,788	3,119	\$585	\$682
Japan	5,648	2,643	3,496	1,913	\$619	\$724
Thailand	766	563	563	433	\$735	\$769
Philippines	17,988	7,515	8,806	4,308	\$490	\$573
Turkey	607	360	373	233	\$614	\$647
Yemen	1,589	377	607	238	\$382	\$631
Europe	178,237	108,777	84,046	53,701	\$472	\$494
Austria	2,087	1,364	1,044	702	\$500	\$515
Belgium	1,507	938	735	489	\$488	\$521
Croatia	1,414	742	890	480	\$629	\$647
Denmark	859	498	538	324	\$626	\$651
Finland	716	458	398	257	\$556	\$561
France	9,109	5,953	4,427	3,118	\$486	\$524
Germany	26,233	16,231	11,282	6,953	\$430	\$428
Greece	21,334	11,969	9,865	5,946	\$462	\$497
Hungary	1,591	1,186	1,168	905	\$734	\$763
Ireland	7,405	5,033	4,087	2,978	\$552	\$592
Italy	34,687	19,949	16,204	9,810	\$467	\$492
Malta	590	311	350	206	\$593	\$662
Netherlands	3,693	2,302	1,584	1,029	\$429	\$447
Norway	5,820	3,406	2,290	1,386	\$393	\$407
Poland	3,412	2,141	1,879	1,164	\$551	\$544
Portugal	11,601	7,630	5,332	3,642	\$460	\$477
Serbia	962	503	588	292	\$611	\$581
Spain	8,637	5,005	4,268	2,661	\$494	\$532
Sweden	2,742	1,820	1,220	805	\$445	\$442
Switzerland	5,228	3,582	2,011	1,427	\$385	\$398
United Kingdom	25,971	16,081	12,243	8,023	\$471	\$499
Oceania	5,302	3,294	3,177	2,174	\$599	\$660
Australia	4,285	2,674	2,570	1,751	\$600	\$655
New Zealand	652	450	412	306	\$632	\$680

	Total Monthly Benefits					
	All	Retired	All	Retirees	Avg. Monthly Benefits	
December 1999	Beneficiaries	Workers	(\$000s)	(\$000s)	All	Retirees
All countries	385,492	219,504	176,780	108,649	\$459	\$495

Canada	88,415	50,507	35,466	21,849	\$401	\$433
Mexico	50,129	23,969	21,731	11,576	\$434	\$483
Central America and Caribbean	19,008	12,490	10,630	7,523	\$559	\$602
Barbados	967	763	615	499	\$636	\$654
Costa Rica	2,511	1,595	1,535	1,047	\$611	\$656
Dominican Republic	5,210	3,073	2,555	1,655	\$490	\$539
El Salvador	763	491	372	253	\$488	\$515
Guatemala	1,010	619	540	350	\$535	\$565
Honduras	922	533	562	363	\$610	\$681
Jamaica	2,657	2,063	1,543	1,251	\$581	\$606
Panama	798	463	456	285	\$571	\$616
Trinidad and Tobago	779	599	489	390	\$628	\$651
South America	12,170	7,810	6,624	4,496	\$544	\$576
Argentina	2,731	1,697	1,441	958	\$528	\$565
Brazil	1,603	939	917	571	\$572	\$608
Chile	1,017	633	620	415	\$610	\$656
Colombia	2,480	1,636	1,317	904	\$531	\$553
Ecuador	2,085	1,471	1,093	805	\$524	\$547
Peru	671	408	374	244	\$557	\$598
Uruguay	553	400	279	211	\$505	\$528
Venezuela	531	276	300	170	\$565	\$616
Africa	1,322	725	756	469	\$572	\$647
Asia	37,967	17,241	19,476	10,526	\$513	\$611
Cyprus	557	307	280	174	\$503	\$567
Hong Kong	785	303	400	172	\$510	\$568
India	578	339	319	191	\$552	\$563
Israel	8,008	4,459	4,548	2,959	\$568	\$664
Japan	5,113	2,317	3,031	1,610	\$593	\$695
Thailand	671	485	478	362	\$712	\$746
Philippines	18,108	7,326	8,459	4,026	\$467	\$550
Turkey	587	353	341	216	\$581	\$612
Yemen	1,591	378	597	229	\$375	\$606
Europe	171,373	103,627	79,169	50,226	\$462	\$485
Austria	2,002	1,301	994	666	\$497	\$512
Belgium	1,421	895	690	461	\$486	\$515
Croatia	1,402	705	838	436	\$598	\$618
Denmark	850	497	514	311	\$605	\$626
Finland	683	427	376	241	\$551	\$564
France	8,743	5,702	4,133	2,894	\$473	\$508
Germany	24,142	14,887	10,318	6,362	\$427	\$427
Greece	20,622	11,352	9,264	5,488	\$449	\$483
Hungary	1,480	1,118	1,045	817	\$706	\$731
Ireland	7,090	4,813	3,839	2,792	\$541	\$580
Italy	34,747	19,784	15,835	9,512	\$456	\$481
Malta	595	318	335	202	\$563	\$635
Netherlands	3,436	2,117	1,471	955	\$428	\$451
Norway	5,531	3,205	2,194	1,322	\$397	\$412
Poland	3,142	1,921	1,718	1,045	\$547	\$544

Portugal	11,377	7,412	5,029	3,403	\$442	\$459
Serbia	984	505	586	280	\$596	\$554
Spain	8,284	4,753	3,975	2,459	\$480	\$517
Sweden	2,670	1,754	1,200	789	\$449	\$450
Switzerland	4,891	3,339	1,888	1,339	\$386	\$401
United Kingdom	24,749	15,242	11,417	7,456	\$461	\$489
Oceania	5,108	3,135	2,929	1,983	\$573	\$633
Australia	4,125	2,553	2,369	1,605	\$574	\$629
New Zealand	642	435	390	286	\$607	\$657

APPENDIX III

Form 2555: Foreign-Earned Income and Average Exclusion by Country and Region*

2001	Number of Returns	Percent of all Areas	Total Foreign - Earned Income (\$000s)	Average For.-Earned Income (\$s)	Average For.-Earned Exclus.(\$s)
All Areas	294,763	100.0%	\$27,420,096	\$93,024	\$47,746
North America	30,493	10.3%	\$2,358,620	\$77,350	\$43,177
Canada	24,790	8.4%	\$1,785,456	\$72,023	\$40,990
Greenland	131	0.0%	\$151	\$1,153	\$1,153
Mexico	5,571	1.9%	\$573,013	\$102,856	\$53,902
South America	15,307	5.2%	\$1,227,983	\$80,224	\$45,360
Argentina	1,378	0.5%	\$131,426	\$95,374	\$39,547
Brazil	4,466	1.5%	\$396,212	\$88,717	\$46,777
Chile	1,074	0.4%	\$91,167	\$84,885	\$54,619
Colombia	930	0.3%	\$49,816	\$53,566	\$41,587
Panama	759	0.3%	\$45,066	\$59,375	\$47,881
Peru	870	0.3%	\$60,948	\$70,055	\$45,890
Venezuela	2,281	0.8%	\$194,471	\$85,257	\$49,588
Other S.A.	3,549	1.2%	\$258,877	\$72,944	\$40,636
Caribbean	5,525	1.9%	\$476,273	\$86,203	\$49,268
Bermuda	1,040	0.4%	\$182,755	\$175,726	\$66,788
Cayman Islands	634	0.2%	\$41,135	\$64,882	\$50,609
Netherlands Antil.	35	0.0%	\$3,912	\$111,771	\$74,457
Other Caribbean	3,816	1.3%	\$248,471	\$65,113	\$44,040
Europe	105,590	35.8%	\$10,610,551	\$100,488	\$47,173
Austria	1,164	0.4%	\$78,728	\$67,636	\$41,621
Belgium	3,121	1.1%	\$295,478	\$94,674	\$50,632
Czech Republic	872	0.3%	\$88,225	\$101,175	\$60,126
Denmark	1,499	0.5%	\$70,112	\$46,773	\$39,732
Finland	500	0.2%	\$26,763	\$53,526	\$44,070
France	8,975	3.0%	\$742,355	\$82,714	\$45,160
Germany	23,432	7.9%	\$1,229,262	\$52,461	\$35,051
Greece	1,077	0.4%	\$71,313	\$66,214	\$44,591
Hungary	540	0.2%	\$47,776	\$88,474	\$47,548
Ireland	1,309	0.4%	\$87,775	\$67,055	\$41,232
Italy	4,301	1.5%	\$291,305	\$67,730	\$40,529
Luxembourg	101	0.0%	\$19,537	\$193,436	\$63,772
Netherlands	3,926	1.3%	\$353,563	\$90,057	\$49,155
Norway	1,345	0.5%	\$83,949	\$62,416	\$43,105
Poland	1,382	0.5%	\$84,990	\$61,498	\$33,812
Portugal	125	0.0%	\$8,402	\$67,216	\$37,584
Russia	1,816	0.6%	\$224,615	\$123,687	\$52,585
Spain	2,874	1.0%	\$171,134	\$59,546	\$37,320
Sweden	907	0.3%	\$66,673	\$73,509	\$48,422
Switzerland	6,370	2.2%	\$635,599	\$99,780	\$55,688
Turkey	1,330	0.5%	\$72,221	\$54,302	\$38,694

United Kingdom	33,344	11.3%	\$5,516,725	\$165,449	\$55,931
Other Europe	5,280	1.8%	\$344,051	\$65,161	\$54,011
Africa	10,661	3.6%	\$679,432	\$63,731	\$43,057
Algeria	72	0.0%	\$13,550	\$188,194	\$73,014
Angola	290	0.1%	\$39,584	\$136,497	\$42,614
Egypt	2,403	0.8%	\$193,838	\$80,665	\$51,052
Kenya	1,035	0.4%	\$35,360	\$34,164	\$32,961
Nigeria	776	0.3%	\$56,223	\$72,452	\$49,218
South Africa	1,626	0.6%	\$120,389	\$74,040	\$40,871
Other African	4,459	1.5%	\$220,488	\$49,448	\$40,362
Asia	98,037	33.3%	\$9,981,613	\$101,815	\$51,945
China	5,103	1.7%	\$715,684	\$140,248	\$54,688
Hong Kong	12,476	4.2%	\$1,734,165	\$139,000	\$57,402
India	1,906	0.6%	\$133,800	\$70,199	\$36,484
Indonesia	2,519	0.9%	\$323,258	\$128,328	\$58,267
Israel	8,491	2.9%	\$518,280	\$61,039	\$47,573
Japan	24,578	8.3%	\$2,289,208	\$93,141	\$44,858
Malaysia	1,455	0.5%	\$140,919	\$96,852	\$54,588
Philippines	3,266	1.1%	\$184,284	\$56,425	\$34,685
Saudi Arabia	7,449	2.5%	\$837,853	\$112,479	\$65,741
Singapore	4,624	1.6%	\$855,521	\$185,018	\$70,874
South Korea	4,885	1.7%	\$452,530	\$92,637	\$47,185
Taiwan	6,840	2.3%	\$494,092	\$72,236	\$48,581
Thailand	3,368	1.1%	\$372,038	\$110,463	\$59,284
United Arab Emir.	4,100	1.4%	\$370,369	\$90,334	\$56,003
Other Asia	6,977	2.4%	\$559,612	\$80,208	\$53,361
Oceania	11,521	3.9%	\$744,446	\$64,616	\$42,955
Australia	7,864	2.7%	\$590,165	\$75,046	\$44,766
New Zealand	2,569	0.9%	\$107,776	\$41,953	\$38,938
Other Oceania	1,088	0.4%	\$46,505	\$42,744	\$39,351
All Others	17,796	6.0%	\$1,359,479	\$76,392	\$43,589

	Number of	Percent	Total	Average	Average
	Returns	of all Areas	For. - Earned	For.-Earned	For.-Earned
1996			Income (\$000s)	Income (\$s)	Exclus.(\$s)
All Areas	279,758	100.0%	\$21,116,034	\$75,480	\$43,219
North America	29,028	10.4%	\$1,724,579	\$59,411	\$39,358
Canada	23,333	8.3%	\$1,305,384	\$55,946	\$38,184
Greenland	50	0.0%	\$3,270	\$65,400	\$65,400
Mexico	5,645	2.0%	\$415,925	\$73,680	\$43,981
South America	13,761	4.9%	\$919,630	\$66,829	\$41,045
Argentina	1,027	0.4%	\$106,922	\$104,111	\$45,778
Brazil	2,889	1.0%	\$221,409	\$76,639	\$37,363
Chile	1,316	0.5%	\$106,261	\$80,745	\$55,543
Colombia	749	0.3%	\$54,221	\$72,391	\$48,199
Panama	980	0.4%	\$49,662	\$50,676	\$39,852
Peru	503	0.2%	\$46,393	\$92,233	\$51,479
Venezuela	1,954	0.7%	\$167,166	\$85,551	\$50,722

Other S.A.	4,343	1.6%	\$167,596	\$38,590	\$31,455
Caribbean	5,484	2.0%	\$318,495	\$58,077	\$42,822
Bermuda	1,324	0.5%	\$105,263	\$79,504	\$43,942
Cayman Islands	1,089	0.4%	\$53,595	\$49,215	\$45,163
Jamaica	426	0.2%	\$25,677	n.a.	\$44,627
Other Caribbean	2,645	0.9%	\$133,960	\$50,647	\$41,006
Europe	92,534	33.1%	\$7,452,475	\$80,538	\$42,520
Austria	2,023	0.7%	\$106,870	\$52,827	\$37,693
Belgium	2,536	0.9%	\$314,929	\$124,183	\$53,390
Czech Republic	956	0.3%	\$69,420	\$72,615	\$42,897
Denmark	1,169	0.4%	\$67,022	\$57,333	\$35,367
Finland	668	0.2%	\$41,770	\$62,530	\$53,410
France	8,553	3.1%	\$692,880	\$81,010	\$44,246
Germany	22,802	8.2%	\$1,236,579	\$54,231	\$35,324
Greece	744	0.3%	\$38,191	\$51,332	\$36,481
Hungary	485	0.2%	\$46,736	\$96,363	\$50,740
Ireland	404	0.1%	\$37,801	\$93,567	\$57,767
Italy	4,004	1.4%	\$208,541	\$52,083	\$31,988
Luxembourg	143	0.1%	\$23,114	\$161,636	\$63,587
Netherlands	3,486	1.2%	\$323,127	\$92,693	\$49,858
Norway	892	0.3%	\$81,263	\$91,102	\$42,519
Poland	1,069	0.4%	\$67,105	\$62,774	\$33,687
Portugal	487	0.2%	\$17,894	\$36,743	\$25,072
Russia	3,878	1.4%	\$259,876	\$67,013	\$40,881
Sweden	957	0.3%	\$69,547	\$72,672	\$50,063
Switzerland	6,674	2.4%	\$645,362	\$96,698	\$55,269
Turkey	2,131	0.8%	\$79,332	\$37,228	\$28,968
United Kingdom	23,426	8.4%	\$2,705,533	\$115,493	\$47,063
Other Europe	5,047	1.8%	\$319,583	\$63,321	\$41,454
Africa	10,138	3.6%	\$546,621	\$53,918	\$40,028
Algeria	170	0.1%	\$20,139	\$118,465	\$62,929
Angola	79	0.0%	\$7,615	\$96,392	\$62,570
Egypt	1,393	0.5%	\$116,507	\$83,637	\$54,345
Kenya	1,209	0.4%	\$38,446	\$31,800	\$27,966
Nigeria	1,196	0.4%	\$91,336	\$76,368	\$54,838
South Africa	1,188	0.4%	\$67,422	\$56,753	\$41,419
Other African	4,903	1.8%	\$205,156	\$41,843	\$33,828
Asia	94,764	33.9%	\$8,413,042	\$88,779	\$48,608
China	4,561	1.6%	\$529,850	\$116,170	\$51,617
Hong Kong	12,564	4.5%	\$1,687,824	\$134,338	\$55,994
India	1,348	0.5%	\$100,372	\$74,460	\$39,630
Indonesia	3,568	1.3%	\$427,181	\$119,726	\$55,161
Israel	6,640	2.4%	\$332,454	\$50,068	\$43,705
Japan	20,456	7.3%	\$1,649,367	\$80,630	\$43,569
Malaysia	1,670	0.6%	\$157,986	\$94,602	\$50,575
Pakistan	666	0.2%	\$41,578	n.a.	\$40,137
Philippines	4,027	1.4%	\$240,733	\$59,780	\$40,356
Saudi Arabia	11,033	3.9%	\$851,479	\$77,176	\$56,480
Singapore	5,049	1.8%	\$809,346	\$160,298	\$59,519

South Korea	4,979	1.8%	\$272,201	\$54,670	\$35,510
Taiwan	6,070	2.2%	\$471,315	\$77,647	\$50,979
Thailand	3,140	1.1%	\$275,658	\$87,789	\$48,345
Untd. Arab Emir.	2,184	0.8%	\$159,585	\$73,070	\$50,484
Other Asia	6,809	2.4%	\$406,113	\$59,644	\$42,585
Oceania	8,918	3.2%	\$628,085	\$70,429	\$43,010
Australia	5,833	2.1%	\$468,219	\$80,271	\$44,268
New Zealand	1,932	0.7%	\$107,222	\$55,498	\$40,012
Other Oceania	1,153	0.4%	\$52,644	\$45,658	\$41,673
All Others	25,132	9.0%	\$1,113,127	\$44,291	\$32,568

	Number of	Percent	Total	Average	Average
	Returns	of all Areas	For. - Earned	For.-Earned	For.-Earned
1991			Income (\$000s)	Income (\$s)	Exclus.(\$s)
All Areas	220,851	100.0%	\$13,748,634	\$62,253	\$43,909
North America	25,477	11.5%	\$1,452,629	\$57,017	\$42,724
Canada	20,517	9.3%	\$1,189,420	\$57,972	\$43,102
Mexico	4,960	2.2%	\$263,209	\$53,066	\$41,162
South America	13,018	5.9%	\$602,346	\$46,270	\$34,314
Argentina	601	0.3%	\$44,495	\$74,035	\$42,539
Brazil	2,678	1.2%	\$159,618	\$59,603	\$40,948
Chile	687	0.3%	\$39,635	\$57,693	\$42,015
Colombia	976	0.4%	\$45,096	\$46,205	\$32,038
Costa Rica	773	0.4%	\$31,644	\$40,937	\$34,546
Guatemala	416	0.2%	\$16,277	\$39,127	\$33,750
Panama	1,086	0.5%	\$36,386	\$33,505	\$30,150
Peru	633	0.3%	\$21,834	\$34,493	\$25,777
Venezuela	1,544	0.7%	\$87,375	\$56,590	\$39,306
Other S.A.	3,624	1.6%	\$119,986	\$33,109	\$27,829
Other West. Hemis.	1,963	0.9%	\$77,223	\$39,339	\$35,796
Caribbean	3,022	1.4%	\$123,892	\$40,997	\$20,814
Bahamas	1,262	0.6%	\$50,695	\$40,170	\$33,306
Bermuda	1,234	0.6%	\$54,454	\$44,128	\$37,164
Cayman Islands	526	0.2%	\$18,743	\$35,633	\$32,397
Europe	84,488	38.3%	\$5,755,312	\$68,120	\$44,186
Austria	1,535	0.7%	\$80,393	\$52,373	\$41,519
Belgium	2,841	1.3%	\$264,061	\$92,946	\$54,414
Denmark	387	0.2%	\$19,836	\$51,256	\$38,323
Finland	267	0.1%	\$12,242	\$45,850	\$39,442
France	8,784	4.0%	\$664,392	\$75,637	\$53,838
Germany	25,389	11.5%	\$1,006,173	\$39,630	\$30,267
Greece	1,122	0.5%	\$42,447	\$37,832	\$32,286
Ireland	360	0.2%	\$23,345	\$64,847	\$48,675
Italy	4,459	2.0%	\$243,908	\$54,700	\$38,754
Luxembourg	211	0.1%	\$15,299	\$72,507	\$51,905
Netherlands	2,096	0.9%	\$171,332	\$81,742	\$53,935
Norway	673	0.3%	\$73,967	\$109,906	\$52,242
Portugal	297	0.1%	\$16,483	\$55,498	\$37,259

Spain	2,461	1.1%	\$157,574	n.a.	\$41,683
Sweden	943	0.4%	\$46,811	\$49,641	\$37,965
Switzerland	5,611	2.5%	\$466,402	\$83,123	\$56,491
Turkey	1,560	0.7%	\$69,092	\$44,290	\$38,945
United Kingdom	23,004	10.4%	\$2,258,920	\$98,197	\$54,193
Other Europe	2,488	1.1%	\$122,635	\$49,291	\$35,617
Africa	11,367	5.1%	\$475,124	\$41,799	\$32,881
Egypt	2,381	1.1%	\$130,744	\$54,911	\$43,236
Nigeria	802	0.4%	\$53,250	\$66,397	\$45,800
South Africa	1,512	0.7%	\$65,380	\$43,241	\$33,581
Other African	6,672	3.0%	\$225,750	\$33,835	\$27,473
Asia	73,397	33.2%	\$4,825,372	\$65,743	\$48,533
China	1,532	0.7%	\$95,615	\$62,412	\$45,582
Hong Kong	5,958	2.7%	\$592,814	\$99,499	\$70,402
India	652	0.3%	\$29,565	\$45,345	\$34,319
Indonesia	3,713	1.7%	\$307,802	\$82,898	\$49,516
Israel	5,091	2.3%	\$162,018	\$31,824	\$29,097
Japan	20,003	9.1%	\$1,311,512	\$65,566	\$47,279
Malaysia	1,033	0.5%	\$59,038	\$57,152	\$42,402
Philippines	2,801	1.3%	\$112,398	\$40,128	\$32,418
Saudi Arabia	13,143	6.0%	\$851,121	\$64,759	\$50,630
Singapore	3,056	1.4%	\$334,713	\$109,527	\$74,600
South Korea	3,541	1.6%	\$188,394	\$53,204	\$41,131
Taiwan	4,850	2.2%	\$339,722	\$70,046	\$51,809
Thailand	1,913	0.9%	\$136,041	\$71,114	\$45,580
Other Asia	6,111	2.8%	\$304,619	\$49,848	\$42,660
Oceania	7,883	3.6%	\$402,105	\$51,009	\$39,541
Australia	4,877	2.2%	\$287,727	\$58,997	\$42,846
New Zealand	869	0.4%	\$38,066	\$43,804	\$34,903
Other Oceania	2,137	1.0%	\$76,312	\$35,710	\$33,886
All Others	190	0.1%	\$7,861	\$41,374	\$30,700

	Number of	Percent	Total	Average	Average
1987	Returns	of All Areas	For. - Earned	For.-Earned	For.-Earned
All Areas			Income (\$000s)	Income (\$s)	Exclus.(\$s)
All Areas	171,191	100.0%	\$8,147,355	\$47,592	\$56,646
North America	15,750	9.2%	\$645,984	\$41,015	\$69,110
Canada	12,912	7.5%	\$521,312	\$40,374	\$68,488
Mexico	2,838	1.7%	\$124,672	\$43,930	\$71,939
South America	10,523	6.1%	\$446,666	\$42,447	\$42,450
Argentina	544	0.3%	\$30,260	\$55,625	\$46,996
Brazil	3,140	1.8%	\$132,503	\$42,198	\$34,923
Chile	693	0.4%	\$38,625	\$55,736	\$41,651
Colombia	1,346	0.8%	\$70,015	\$52,017	\$23,231
Costa Rica	801	0.5%	\$22,916	\$28,609	\$33,338
Ecuador	637	0.4%	\$19,009	\$29,841	n.a.
Honduras	796	0.5%	\$22,151	\$27,828	n.a.
Panama	464	0.3%	\$23,247	\$50,101	\$70,567
Peru	373	0.2%	\$15,910	\$42,654	\$43,745

Venezuela	1,729	1.0%	\$72,030	\$41,660	\$35,101
Caribbean	1,620	0.9%	\$60,622	\$37,421	\$38,828
Bahamas	553	0.3%	\$20,280	\$36,673	\$76,007
Bermuda	585	0.3%	\$24,219	\$41,400	\$78,393
Dominican Rep.	482	0.3%	\$16,123	\$33,450	n.a.
Europe	57,923	33.8%	\$2,919,530	\$50,404	\$64,451
Austria	1,039	0.6%	\$42,387	\$40,796	\$61,340
Belgium	1,687	1.0%	\$138,023	\$81,816	\$91,637
Denmark	149	0.1%	\$11,217	\$75,282	\$99,537
France	5,392	3.1%	\$282,993	\$52,484	\$87,707
Germany	18,149	10.6%	\$625,246	\$34,451	\$42,341
Greece	1,514	0.9%	\$49,408	\$32,634	\$23,927
Italy	2,679	1.6%	\$128,070	\$47,805	\$64,503
Netherlands	1,897	1.1%	\$124,232	\$65,489	\$59,593
Norway	1,072	0.6%	\$73,132	\$68,220	\$32,798
Spain	1,789	1.0%	\$80,015	n.a.	\$57,340
Sweden	861	0.5%	\$29,623	\$34,405	\$41,581
Switzerland	4,343	2.5%	\$227,759	\$52,443	\$72,985
Turkey	1,523	0.9%	\$62,999	\$41,365	\$39,891
United Kingdom	15,829	9.2%	\$1,044,426	\$65,982	\$78,757
Africa	4,996	2.9%	\$229,190	\$45,875	\$74,811
Egypt	1,580	0.9%	\$103,858	\$65,733	\$65,155
Kenya	1,188	0.7%	\$27,967	\$23,541	n.a.
South Africa	1,473	0.9%	\$54,545	\$37,030	\$34,470
Asia	50,375	29.4%	\$2,714,627	\$53,888	\$70,714
China	1,011	0.6%	\$69,894	\$69,134	\$69,072
Hong Kong	3,221	1.9%	\$236,489	\$73,421	\$130,224
India	552	0.3%	\$23,052	\$41,761	\$40,536
Indonesia	3,062	1.8%	\$202,388	\$66,097	\$60,043
Israel	5,077	3.0%	\$106,746	\$21,025	\$29,177
Japan	10,196	6.0%	\$680,728	\$66,764	\$92,755
Malaysia	652	0.4%	\$33,443	\$51,293	\$67,179
Pakistan	619	0.4%	\$18,551	n.a.	n.a.
Philippines	3,040	1.8%	\$87,636	\$28,828	\$29,870
Saudi Arabia	13,407	7.8%	\$753,323	\$56,189	\$49,633
Singapore	1,781	1.0%	\$130,374	\$73,203	\$128,005
South Korea	2,887	1.7%	\$137,192	\$47,521	\$50,449
Taiwan	2,441	1.4%	\$102,610	\$42,036	\$102,939
Thailand	1,405	0.8%	\$54,185	\$38,566	\$62,060
Untd. Arab Emir.	1,024	0.6%	\$78,016	\$76,188	n.a.
Oceania	3,748	2.2%	\$154,658	\$41,264	\$83,166
Australia	3,748	2.2%	\$154,658	\$41,264	\$55,752
All Others	--	0.0%	n.a.	n.a.	n.a.

*Notes: n.a. - Some figures not available for all countries due to small sample size.

n.a. - Small samples for a category and country are not reported.