

# **Traveling Expenditure of Taiwanese Households: Engel Curve Analyses by Using Quantile Regression**

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## **Abstract**

Considering the possible heterogeneity of traveling expenditure of the household, this study estimates the Engel curve of Taiwan's household traveling expenditure based on quantile regression. By using the Survey of Family Income and Expenditure of Taiwan over the past three decades, 1976 to 2005, we are able to observe the changing patterns of Engel curve over fast economic growth along with evolution of socio-economic and socio-demographic factors. The empirical results show that evident heterogeneity exists not only in the marginal propensity to consume on travel but also in other household characteristics across the conditional distribution of traveling expenditure. Consequently, economic growth lead to higher expenditure of traveling in common while the shares on domestic and overseas traveling are crucially determined by demographic factors. Based on the estimation of quantile regression, this study is a prelude to the estimation of comprehensive conditional household traveling expenditure Engel curves. Contribution of this study is to provide new evidence on the heterogeneity of household traveling expenditure propensity that is less discussed in the existing literature.

**Keywords:** traveling expenditure, Engel curve, quantile regression

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