



MEASURING SUBJECTIVE POVERTY: AN OECD PERSPECTIVE

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Expert Meeting on Measuring Poverty and Inequality
Emerging issues: Subjective poverty
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The OECD's Compare your income tool

What's your share of the pie?

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When you think about your household's income, do you feel rich, poor, or just average? Most of us have no idea – or the wrong idea – of how we compare with the rest of the population. But here, in 10 clicks, you can find out how many households are better or worse off than yours, and see how your ideal world compares.

[Click here to learn more about the methodology](#) used to build this tool.

Get Started

- 1 Tell us about you
- 2 Tell us about your ideal world
- 3 In reality...

www.compareyourincome.org

Interactive web-tool launched in 2015 to:

- ✓ Inform and engage citizens
- ✓ Collect information on people's perceptions of income inequality in their country

36 OECD countries + 4 emerging economies

Data from the *OECD Income Distribution Database* (oe.cd/idd)

More than 2M users

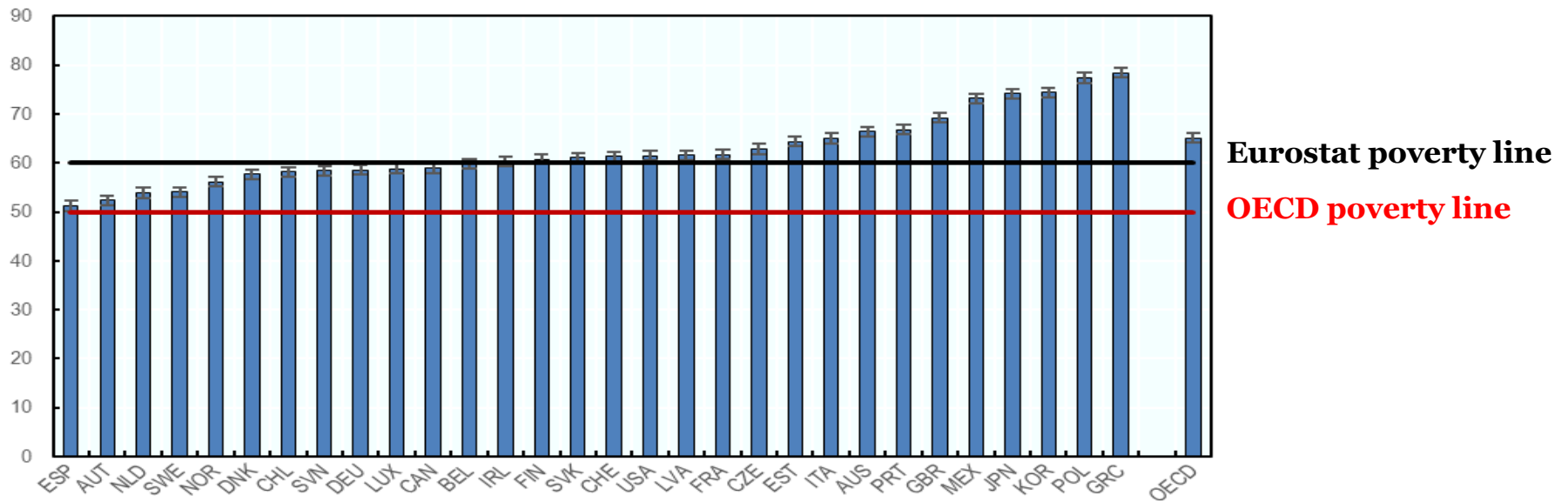
Questions on perceptions on:

- ✓ Position on the income ladder
- ✓ Income inequality (top 10%)
- ✓ Social mobility
- ✓ **Income poverty:** In your country, you would consider a household like yours poor if its income was below...

Information on country of residence, household income, age, gender and household size also provided



Average subjective poverty line as share of median disposable income, by country

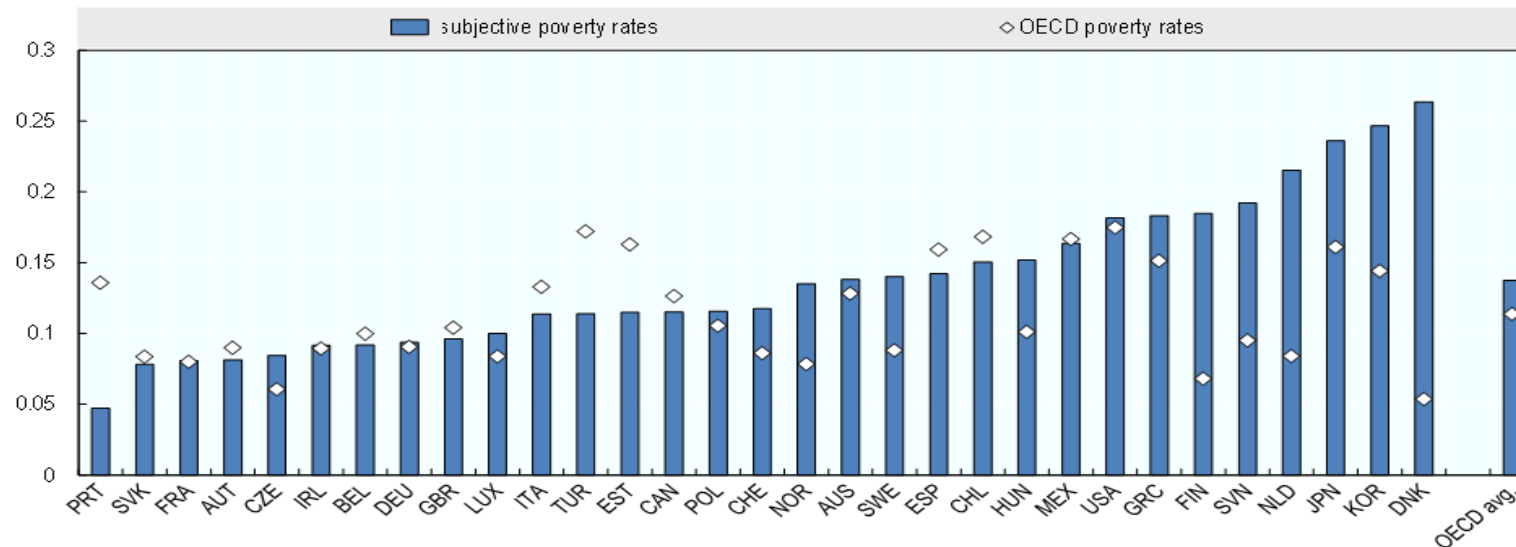


Source: OECD Income Distribution Dataset (www.oecd.org/idd) and OECD estimates based on users' replies from the "Compare your income" tool.

When asked about the income that a household like theirs would need to avoid poverty, users in most OECD countries indicate **a level between 50 and 60% of median income.**



Income poverty rates based on 'objective' and 'subjective' thresholds

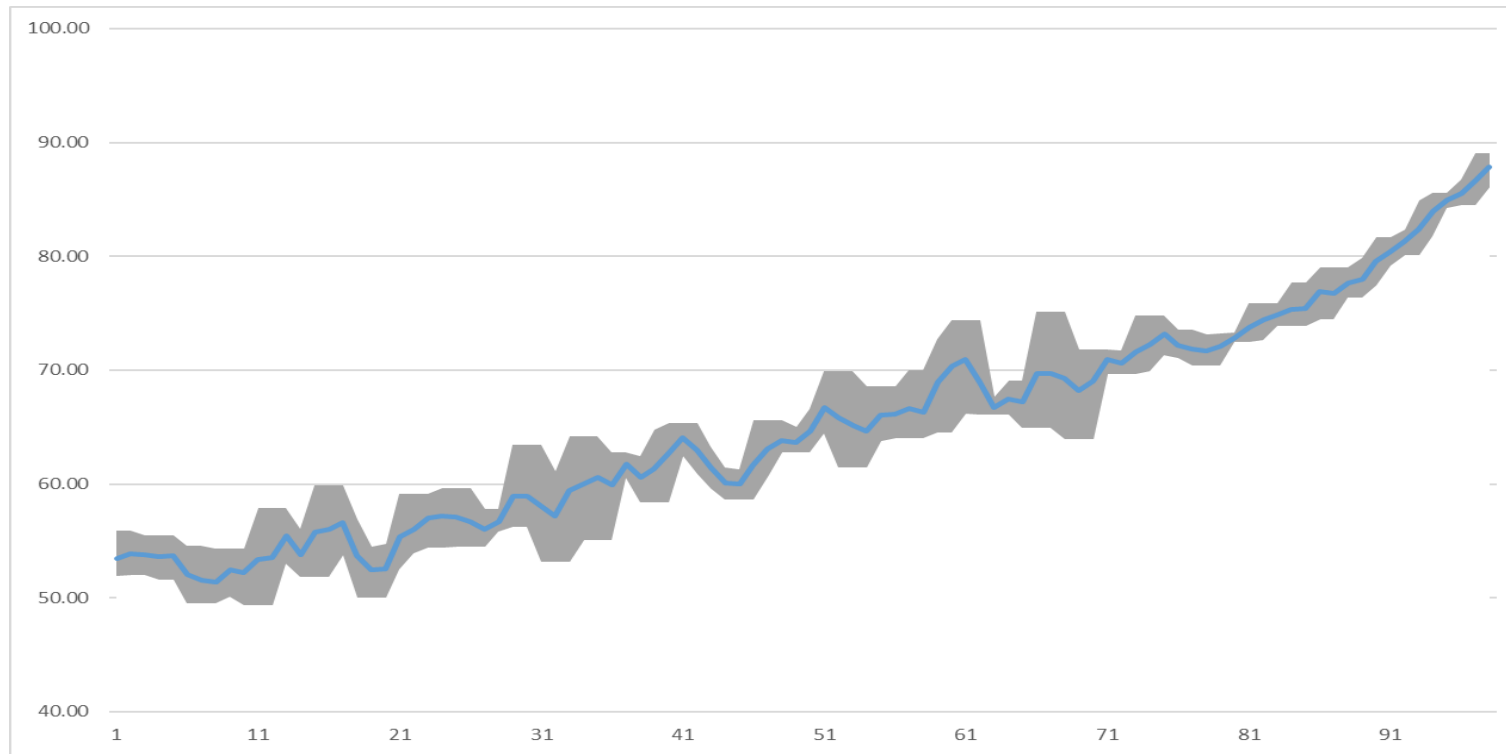


Source: OECD Income Distribution Dataset (www.oecd.org/idd) and OECD estimates based on users' replies from the "Compare your income" tool.

Poverty rates computed on the basis of subjective poverty lines are considerably **higher** than the OECD IDD estimates in Japan, Slovak Republic, Korea and the Nordic countries, while they are **lower** in Portugal, Turkey and Estonia (countries that are, however, characterised by relatively small number of users of Compare Your Income). In countries such as Belgium, Chile, France, Mexico and Spain, where sample sizes are much larger, the gap between 'subjective' and objective poverty rates is almost **negligible**.



Subjective poverty line by users' income levels

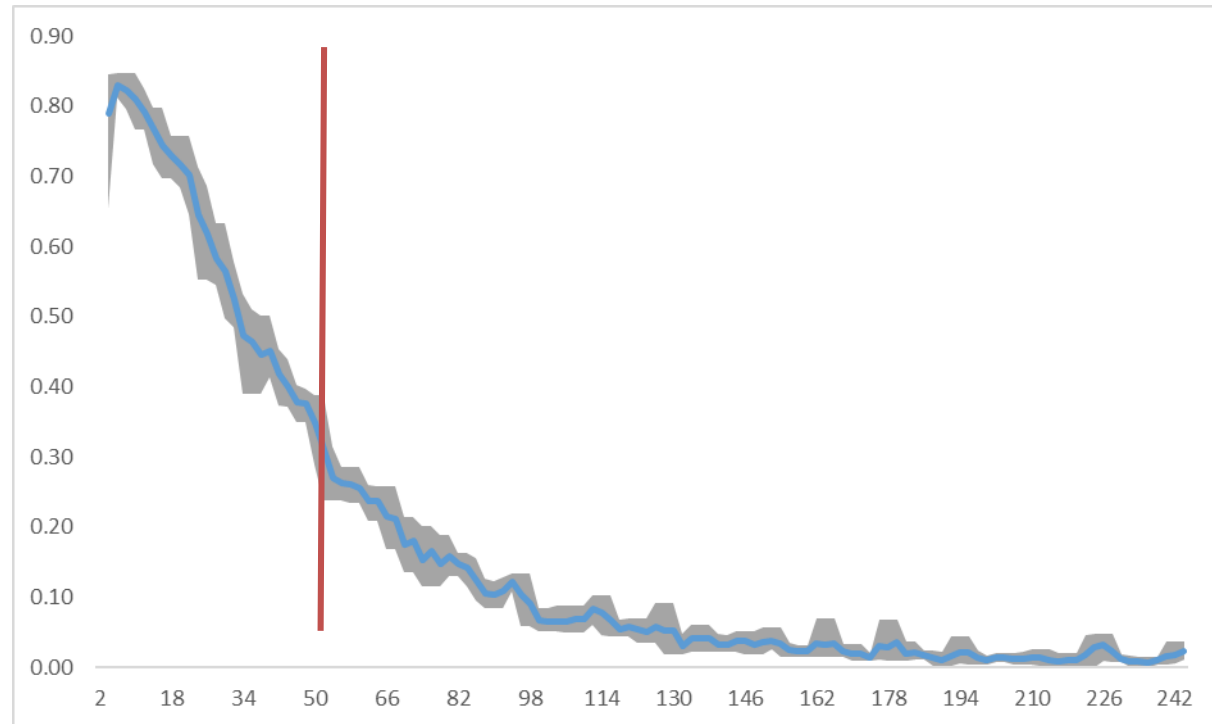


Source: OECD Income Distribution Dataset (www.oecd.org/idd) and OECD estimates based on users' replies from the "Compare your income" tool.

The subjective poverty line (as share of median income) **increases** with the level of income reported by the users.



Poverty self-assessment as a function by users' income levels (as a share of median income)

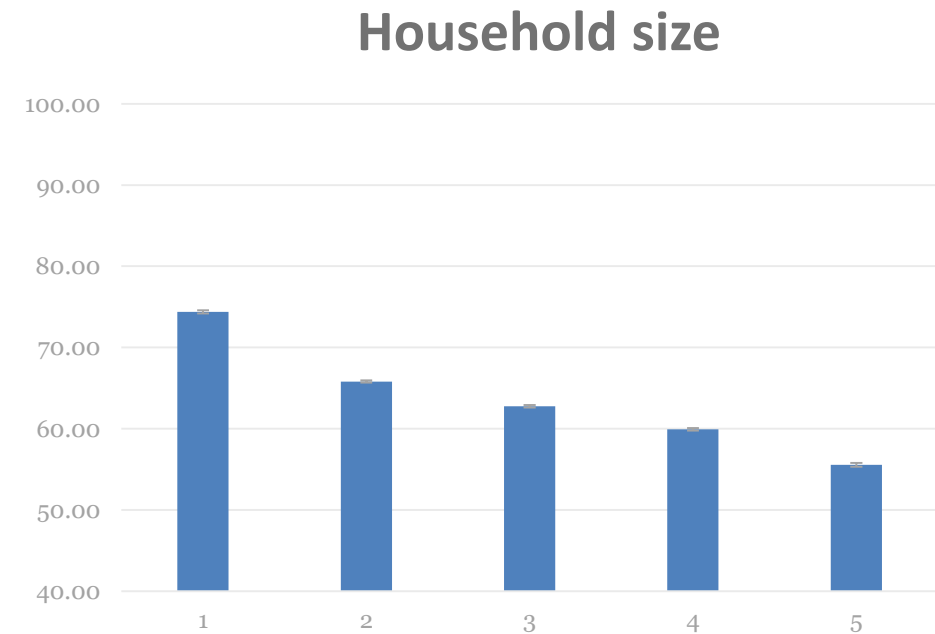
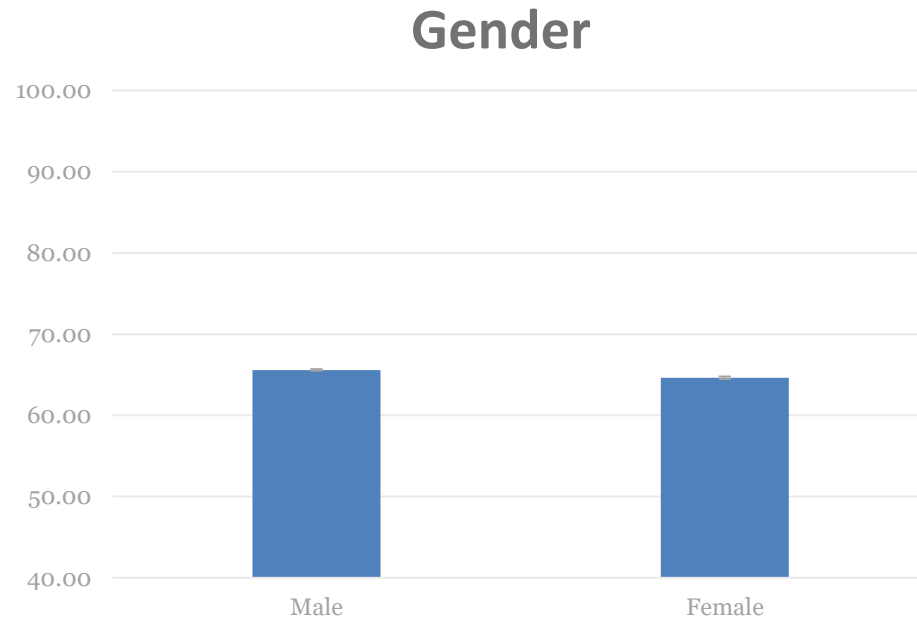


Source: OECD Income Distribution Dataset (www.oecd.org/idd) and OECD estimates based on users' replies from the "Compare your income" tool.

On average, **65%** of those who are "objectively poor" think they are poor; **8%** of those who are not think they are.



Subjective poverty line by selected users' characteristics



Source: OECD Income Distribution Dataset (www.oecd.org/idd) and OECD estimates based on users' replies from the "Compare your income" tool.

Negligible effect of gender.

Negative effect of household size (equivalence scales).



Thank you!

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(Stay tuned: OECD report with full set of results in Q1 2019!)