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Reports, guidelines and recommendations prepared under the umbrella of the Conference: Subjective poverty measures

Subjective poverty

Prepared by the Task Force on subjective poverty measures

Summary

The document was prepared by the Task Force on subjective poverty measures, composed of representatives from the United States of America (Chair), Belarus, Brazil, Canada, Denmark, Israel, Mexico, Poland, United Kingdom of Great Britain and Northern Ireland, Interstate Statistical Committee of the Commonwealth of Independent States (CIS-Stat), Eurostat, Organisation for Economic Co-operation and Development (OECD), United Nations Development Programme (UNDP) Istanbul Regional Hub, United Nations Economic Commission for Europe (UNECE), United Nations Children's Fund (UNICEF), Oxford Poverty and Human Development Initiative, Institute of Sociology of the Czech Academy of Sciences and Technical University of Košice.

This document is a short version for translation purposes. It contains conceptual background, data collection methodology and conclusions and recommendations. It includes Chapter 2 Focus on subjective poverty, Sections I and II, including Subsections A and B; Chapter 4 Data collection, Section I, including Subsections A and D (1, 2, 5, 6); and Chapter 6 Recommendations and subjective poverty questions for international comparison. Footnotes 1, 5, 8, 50, 52, 55, 58 and 64 have been shortened in this version.

The full text of the document was sent to all members of the Conference of European Statisticians (CES) for electronic consultation in April 2024 and is available at the Conference [web page](#). Summary of the feedback from the consultation will be provided in document ECE/CES/2024/2/Add.1.

Subject to a positive outcome of the consultation, the CES plenary session will be invited to endorse the document.



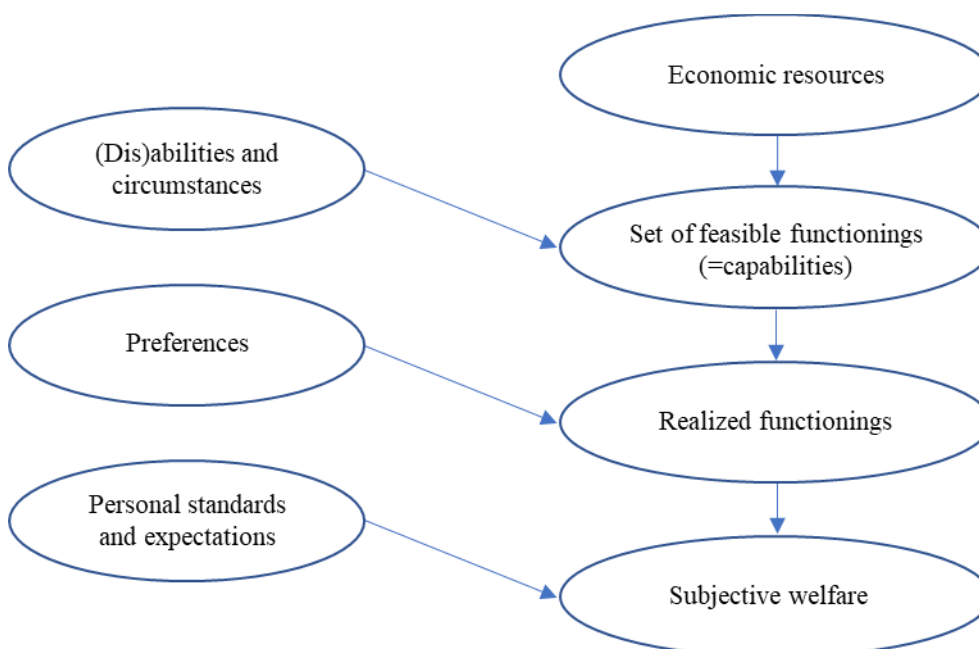
Chapter 2. Focus on subjective poverty

I. Introduction

1. Scholars across different disciplines of the social sciences agree that poverty is a multidimensional phenomenon. It is well recognized that traditional resource-based indicators (e.g., income compared to an official poverty line) alone cannot fully capture the complex nature of well-being, and thus ignoring other than the traditional or objective income/expenditure-based poverty measures can distort the overall picture. Similarly to objective measures, the focus of this document is poverty defined in terms of people not having economic resources to realize a set of basic “functionings” or minimum level or standard of living (Sen 1985, 1993).¹ The question is, however, whether subjective measures and not just objective ones can help define and measure whether this minimum level has been achieved.² Like for other measures of poverty, this achievement can be influenced by many factors (see Figure 1). While poverty can be approached from various perspectives, including domains such as human rights or sustainable development, for example, the UNECE Task Force on Subjective Poverty Measures narrowed its primary focus to economic poverty.

Figure 1

Concepts used in the definition or measurement of poverty



Source: Karel Van den Bosch, *Identifying the Poor Using subjective and consensual measures*, Ashgate Publishing, Hampshire, England, 2001, page 6.

2. The challenge for national statistical offices is to develop measures that can tie various aspects of poverty together, and that then could be used by governments to determine how effective policies support people in meeting minimum needs. We propose that subjective measures be included among the set of assessment tools used by countries. We are not proposing that these replace objective measures or multidimensional measures; rather that these be included in the arsenal used by countries to assess poverty. The Stiglitz et al. (2009)

¹ An alternative conceptualization of poverty is based on the scarcity theory (Mullainathan and Shafir, 2013). Following this theory, poverty can be defined as “the gap between one’s needs and the resources available to fulfil them” (Mani et al, 2013, 976).

² There is much research on the dynamic relationship between the subjective and objective measures. For example, many sociologists write about it regarding social boundaries and identity, e.g., Lamon and Mizrachi (2012), Mizrachi and Zawdu (2012), and Harold et al. (2021). Blanchflower and Bryson (2023) explore the role COVID-19 and the Great Recession had on objective and subjective well-being.

report cites the need for wider perspective and recommends that objective and subjective measures of well-being be included in a dashboard. OECD references this report and its recommendations as a motivation behind collecting subjective well-being data (OECD, 2013). Additionally following the report, Eurostat developed the European Union (EU) Statistics on Income and Living Conditions (EU-SILC) ad-hoc module on “wellbeing” in 2013. All of which has led to the creation of the OECD Better Life initiative (2023), which includes objective and subjective measures while no measure of poverty specifically. The primary purpose of this chapter is to provide an overview of the theoretical and conceptual background of subjective poverty measurement.

II. Definition of subjective poverty

3. To understand the concept of subjective poverty, we start with a description of what is subjective, emphasizing its relevance within the context of welfare. Something is subjective if it reflects one’s personal views, experiences, preferences, attitudes, values, or background and arises out of one’s own perceptions. In developing these perceptions, individuals compare their perceived status against their own standards of desirability. These perceptions are influenced by each respondent’s own income/expenditures/wealth, personality, family influences (e.g., background such as religion, disability of family members), and subjective well-being (e.g., happiness, life satisfaction in general) plus views regarding one’s community, society at large, and the general economy. Along these lines, many people are now familiar with the more broadly defined concept of “subjective well-being,” which focuses on life satisfaction or happiness (Mahoney 2023). Indicators of subjective poverty can be seen as complements to indicators of subjective well-being, with both drawing on how to measure these.³ An early contribution to the quantification of happiness in surveys was Cantril’s (1965) idea of the “ladder of life”. With reference to subjective well-being, for example see Diener (1984), Kashdan (2004). Early applications of subjective welfare concepts in economics included van Praag (1968), Kapteyn and van Praag (1976), and Easterlin (1974). Though the origins of subjective welfare come from happiness or life satisfaction, we focus here on subjective economic welfare and specifically subjective poverty.⁴

4. The determination of whether an individual or household is poor is based on their situation compared to a standard which could be objectively or subjectively determined and could be assessed in terms of a money-metric response (e.g., with respect to levels of income, expenditures, consumption, or wealth) or qualitative categorical response (e.g., one’s perception of being poor or satisfaction with one’s income). Subjective poverty measures they rely on individuals’ own assessments of their economic situation, or that of others’ economic situations. For example, being in poverty based on a subjective measure could mean being below a subjectively defined national threshold, experiencing a state of being that is less than that of others, or experiencing a state of being that is less than one’s own standard such as reporting having great difficulty making ends meet. The majority of subjective assessments, particularly those associated with poverty, reflect the respondent’s own situation; however, other questions refer to hypothetical situations or families. Assessments referring to another’s living conditions or expectations regarding minimum living standards are often referred to as hypothetical or consensual. In this report we consider hypothetical/consensual measures as a type of method for assessing subjective poverty. A detailed discussion comparing the use of the respondent’s own situation or a hypothetical one is provided in Chapter 4.

5. For subjective poverty, measures do not rely on any externally given absolute or relative resource-based threshold or measure. Distinguishing between absolute and relative approaches to measuring poverty yields a different perspective on the classification of poverty measures. The absolute approach typically involves comparing one’s situation to a

³ See Simona-Moussa (2020) for a recent study of subjective well-being and measures of vulnerability to poverty considered together.

⁴ For related work on defining what is subjective and methodological guidelines, see the OECD report (OECD 2013).

fixed-level threshold, deemed necessary to meet certain needs. In contrast, relative poverty measures set the threshold according to a specific distribution within a country, aiming to establish it relative to a common standard in society. The corresponding thresholds in both absolute and relative approaches can be set in monetary or non-monetary terms; and these are often based on what are considered objective measures, for example, one's household income or whether the household has running water. However, thresholds that are absolute could have initially been based on a subjective concept, for example, a threshold derived from using the Minimum Income Question (MIQ) and intersection method would become an absolute threshold if derived for one year and then updated for the following years using a price index.

A. Contrast to objective poverty

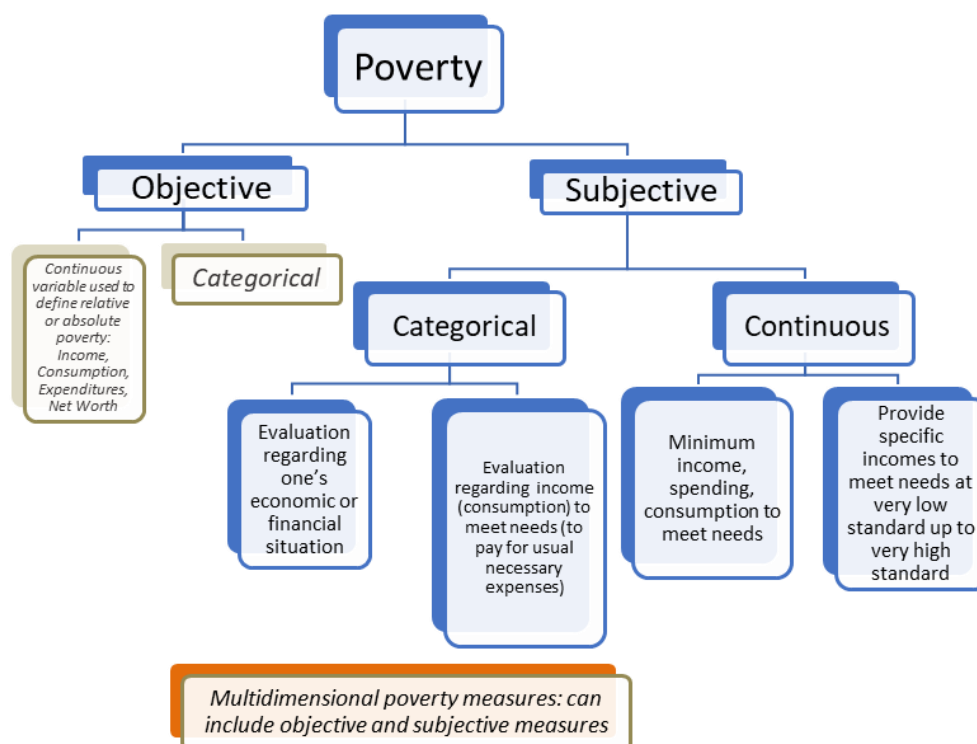
6. Subjective and objective assessments of poverty are related; however, they are distinct. When considered together, they provide a more comprehensive view of poverty. Objective approaches are typically based on household income, expenditures, consumption, wealth, access to or possession of various goods or services or “attainment” of certain observable and “objectively” measurable variables. On the other hand, subjective approaches rely on respondents' self-assessments of their own or another's financial and/or material situations and reflect all circumstances of their living conditions. With subjective measures there are particular concerns about methodological issues such as comparability (across people and time), validity, reproducibility, and generalizability⁵ cross-nationally. While objective measures, such as a specific income level, can be influenced by these same circumstances, the reporting of this income is not expected to be influenced by one's self-assessment of one's financial situation. The objective approach is typically the preferred option by national and international statistics offices as the data are often readily available from large-scale household surveys and cross-country comparisons are more easily understood; however, (low) income only represents one dimension of poverty. For an illustration of how objective and subjective poverty relate, see Figure 2. An elaboration of what is meant by subjective poverty in this report is presented in Chapter 3. Please note that this report focuses on subjective poverty. Therefore, we do not delve into objective poverty measures in this report, and we only illustrate the fundamental classification in Figure 2.

7. To produce valid and practical poverty standards for a country, subjective assessments are also needed. These assessments provide insight into how well people are faring personally and adapting to policies to alleviate poverty. In addition, they can be used as indicators of economic insecurity or vulnerability regarding needs that are unmet by current policies.⁶ For example, a family may have income that is just above an objectively defined poverty threshold, but still may have difficulty meeting its material needs due to circumstances not accounted for in this objective measure. In this case, a subjective measure can provide additional information for the development of policies to improve the economic well-being of such families that income alone has not been able to address.

⁵ Generalizability is a measure of how representative your sample is to the target population, also known as external validity.

⁶ See Duboux and Papuchon (2019a,b) and Bertolini et al. (2017).

Figure 2
Objective versus subjective poverty measurement



B. Frameworks for subjective poverty

8. Recent UNECE studies have proposed alternative frameworks to group questions that can be used for the measurement of subjective poverty. The UNECE Guide on Poverty Measurement (2017) proposed grouping questions into three groups: (1) ability to meet various needs focused on financial restrictions faced by the household; (2) considering oneself as poor via individual self-assessment; and (3) income necessary to make ends meet and households' minimum perceived needs. In a 2021 in-depth review under the Conference of European Statisticians, Statistics Poland presents a framework based on responses to a survey on current country practices for measuring subjective poverty (2021). They classify questions as (1) direct identification, (2) perceived financial difficulty, and (3) a subjective poverty line approach. The subjective poverty line approach is divided into two subcategories: perceived poverty line and statistical methods.

9. The purpose of subjective poverty questions is to provide a subjective measure of the welfare space, where the "welfare space" is defined as economic poverty. To measure the welfare space, we first need to operationalize it. Ravallion (2014) suggested there are two approaches to measuring subjective poverty based on responses. The first approach asks for a money metric of subjective welfare, and the second approach uses qualitative categories in the welfare space. Adopting Ravallion's suggestion, we propose a framework for thinking about subjective poverty questions based on the same two approaches. Our framework aligns closely with the work by Statistics Poland and the UNECE proposal, while also taking into consideration the qualitative categorical classification proposed by OECD in their 2023 report, Subjective Well-being Measurement: Current Practices and New Frontiers.⁷

10. Money metric questions ask respondents to report a specific monetary value. The subject of these questions is typically income or expenditures with respect to some attribute, such as ability to make ends meet, satisfaction, or adequacy of consumption, and were

⁷ Alternative frameworks are available when discussing subjective well-being more generally, rather than subjective poverty specifically.

designed for estimation of subjective poverty lines.⁸ Though attempts have been made to apply simpler methods, such as averaging responses to subjective quantitative questions (e.g., respondents reported minimum income to meet basic needs), or contrasting the responses directly to the actual income (comparing respondents actual income to their reported minimum incomes), these (naïve) methods lead to less reliable results. This is because individuals often misperceive the true minimum income. Econometric methods have been developed that are based on the intersection of actual and reported minimum incomes that produce reliable results (Knight and Gunatilaka, 2012; Garner and Short, 2005). It is the multidimensionality of factors considered by respondents and the heterogeneity in their answers that predetermines the necessity to apply appropriate econometric techniques to analyse the subjective quantitative questions.⁹

11. In contrast, **qualitative questions** rely on categorical responses, rather a specific monetary value, and typically ask respondents about perceptions of their (or a hypothetical household's) material, financial, or economic situation. For instance, does the respondent consider his/her family to be poor: "Yes" or "No". The goal of such questions is for respondents to assess their situations holistically as opposed to providing a particular income or expenditure value. When assessing their financial or economic situation, respondents are expected (and sometimes asked specifically) to consider factors such as income sufficiency, the extent of their savings and other financial assets, their ability to repay debt, and their capacity to cover unexpected expenses. Within the concept of qualitative questions, we further operationalize the welfare space by specifying three subcategories or groups based on what the question is asking of the respondent: **evaluation, identification, and prediction**. More detailed descriptions of the money metric and qualitative categorical questions, as well as examples, are provided in Chapter 4, Section A.

Chapter 4. Data collection

I. Methods of data collection

12. This section focuses on methods that can be used to collect subjective poverty measurement data and to support the underlying structure of samples from whom the data are collected. Several approaches are described along with examples and guidelines to consider when selecting an approach. Emphasis is given to the importance of survey frame quality and sample selection in data collection, and thereby provides organizations with a toolkit to choose the most suitable approach for the purpose at hand.

13. The initial step in gathering and validating subjective poverty data involves understanding the range of available collection methods, types and modes. This section provides a description and comparison of common approaches, focusing on major collection types and modes, and offering specific country examples. These approaches span from household surveys dependent on complex sampling methods to simpler crowdsourcing; several approaches are presented in Table 1. While this table does not serve as an exhaustive study comparing data collection types and modes, it offers an overview based on Statistics Canada's experience and that of other national statistical offices. Factors such as sample control and possible costs are highlighted. Notably, there is a trade-off between cheaper and quicker surveys with higher error rates and limited generalizability to population estimates, impacting the ability to study subpopulations as opposed to more expensive tradition household surveys which are designed to produce higher quality data. Therefore, aligning data collection methods with specific research needs is a critical initial step, and Table 7 serves as a helpful starting point for organizations engaged in subjective poverty research.

⁸ While subjective monetary measures that ask about income or expenditures might be more useful in developed countries, measures focusing on consumption could be more relevant for lesser developed ones. Consumption-based measures typically focus on one's assessment of the value of consumption needed for the respondent to feel well-off and account for not just income but all resources available, for example, home production and uses of credit and access to wealth.

⁹ See Chapter 3, Section II.B for an overview of the most common estimation procedures.

14. In essence, this section outlines the importance of understanding various subjective poverty data collection methods and introduces a practical reference tool, as seen in Table 7, which organizations can use to make informed decisions based on their resource constraints and research objectives.

Table 7
Methods of data collection

Data Collection Types		Collection Mode	Purpose	Selection of Participants	Control over respondents	Cost	Country Use Examples
Survey							
	Traditional Interview or Recordkeeping Survey	face-to-face or by mail, phone, mobile text, or web panel	'Specialized need'	By sample design	Very high control	Relatively more expensive	EU-SILC
	Opinion Poll Survey		'Specialized need'		Some control	Medium expense	U. S. Gallup Poll
	Omnibus Survey		'General Social Data'		High control	Medium expense	Canadian Social Survey
	Rapid Response Survey		'Pulse Check'		Some control	Medium expense	U.S. Census Bureau Household Pulse Survey
Focus Groups		In-person	Used to develop survey questions and measures	self-selected but to be represented of certain demographic groups	Little	Low expense	U.S. research on MIQ and MSQ
Crowdsourcing		Mobile text/web	'Pulse check'	self-selected	None	Low expense	Statistics Canada
Administrative records		Legal access	Used to improve sampling and calibration of traditional household surveys	required by law	None	Varies	Statistics Denmark

15. Prior to elaborating further on each of the data collection options it is worth mentioning one primary consideration: that the data collected be representative of the population for which statistics are to be based. For data collected using samples, this translates into (1) the necessity of a high-quality survey sampling frame, and (2) care in sample selection. A description of a survey frame is presented in this chapter; however, this report assumes a certain degree of prior knowledge of surveys by its readers. As an example, Statistics Canada uses two types of frames: a list frame and an area frame. As noted in Statistics Canada reports (e.g., 2010), qualities of a good frame include:

- **Relevance:** the extent to which the survey frame corresponds and permits access to the target population.
- **Accuracy:** includes evaluation of coverage errors to minimize and assess coverage and classification errors of the statistical units in the frame.
- **Timeliness:** how up-to date is the frame with respect to the survey reference period and current affairs.
- **Cost:** the total cost to develop the frame in comparison to the total cost of a survey.

16. The second consideration is sample selection when choosing a data collection method. Sample selection poses the following questions: (1) Is the survey mandatory or voluntary?

(2) Is probability or non-probability sampling used? (3) How large is the sample size? For a review of survey designs and sample considerations, see for example, publications from the American Association for Public Opinion Research Statistics Canada, the World Bank, the U.S. Census Bureau.¹⁰ The following descriptions of data collection options are written in an accessible way such that, we hope, a more complex understanding of survey frames and samples is not needed. The details of approach should be considered as secondary to the broad overview of approaches described below.

17. The shift towards online surveys is increasing. Online surveys have gained popularity due to their cost-effectiveness, quick distribution, and utilization of multimedia elements. Questions are not asked face-to-face or by telephone, but over the Internet. Web panel surveys are a fast and cost-efficient method in market surveys thanks to the continued use of the Internet and increasing nonresponse rates and prices. However, online surveys often differ in terms of sampling principles. Many online surveys do not use probability sampling (an exception is the Gallup web panels), which allows for unbiased estimates and accuracy calculations. Instead, they rely on self-selection of respondents (Bethlehem, 2008). This departure from probability sampling can lead to biased results and prevents the application of probability theory. Web surveys often rely on self-selection of respondents instead of probability sampling having serious impact on the quality of survey. There are also risks of coverage and measurement errors. The absence of an inferential framework and of data quality indicators is an obstacle against using the web panel approach for high-quality statistics about general populations. The difference is the principles of probability sampling are not applied. In contrast, when web panels are based on random sampling, probability theory can be applied, making it possible to compute unbiased, more accurate estimates.

18. Self-selection surveys are not a viable solution. However, web surveys conducted within the framework of probability sampling hold potential, either as standalone surveys or as part of mixed-mode approaches. In these cases, web surveys can contribute to addressing the dilemma of limited budgets and increased information demands.

A. Survey

19. Surveys can be used to collect data in-person (face-to-face), or by mail, phone, mobile text, or web (Internet). Diary, or recordkeeping, surveys usually are not face-to-face but instead are maintained by the respondent using a paper or web instrument; however, Diary data can be reported using the other modes of data collection when needed. Within this broad category, the most frequently used data collection types are traditional surveys, opinion polls, omnibus surveys, and rapid response surveys.

1. Traditional surveys

20. The strengths of traditional surveys are their standardization, generalizability, and versatility. They are administered to well-defined samples. Traditional surveys are the method of gathering information from a set of people with the purpose of generalizing the results to a larger population. Such surveys are used to understand the choices, preferences, and experiences of respondents. Typically, they are longer and more detailed than polls and as noted in Table 7 can be conducted in-person, over the phone, by mail, mobile text, or online. When compared to non-survey-based data collection techniques such as focus groups traditional surveys are more cost effective to capture data on a specific population but are the most expensive data collection approach reviewed here. Strict control over the survey sample facilitates probability sampling and improves generalizability to the target populations.

¹⁰ References for developing samples including:

1. [Survey Methods and Practices \(statcan.gc.ca\)](https://www.statcan.gc.ca)
2. American Association for Public Opinion Research (AAPOR): [Survey Practice](#)
3. The U.S. Census Bureau [Our Surveys & Programs \(census.gov\)](#)
4. The World Bank's [Data Quality Assessment Framework \(DQAF\) for the International Comparison Program \(ICP\): paper for session five \(worldbank.org\)](#).

21. The European Union Statistics on Income and Living Conditions (EU-SILC) is an example of a traditional survey. It collects timely, cross-sectional, and longitudinal microdata from multiple European countries on income, social inclusion and living conditions cover objective and subjective aspects in monetary and non-monetary terms for households and individuals. Anchored in the European Statistical System (ESS), this survey was launched in 2003, replacing the European Community Household Panel (ECHP), which expired in 2001. The reference population includes all private households and their residents who were in the country at the time of data collection. All household members are considered, but only those aged 16 or older are interviewed. Persons living in collective households or institutions are excluded from the target population. The data it collects is comparable between the member countries on: (a) income, (b) poverty, (c) social exclusion, (d) housing, (e) labour, (f) education, (g) health. They are used to monitor the Europe 2030 targets of the European Pillar of Social Rights Action Plan,¹¹ particularly its poverty reduction targets. Within EU-SILC, many subjective questions are asked. Prior to 2022, the Minimum Income Question (MIQ) was asked for subjective poverty assessment. More recently greater attention has been given to the subjective assessment question regarding households' ability to meet their economic ends meet with a focus on financial difficulty.

22. The United States Consumer Expenditure Survey is another example of a traditional survey, but uses two separate survey instruments, an interview and a diary, to collect data with each having its own independent sample.¹² Early household expenditure and income data were collected using interview surveys in the late nineteenth century, but the samples were not representative of the United States population. More recent data collection has been based on probability samples of the total United States non-institutional population. The Consumer Expenditure Survey has been a continuous survey since the early 1980s with data collected throughout the year. The interview is used to collect expenditure data four times over a 12-month period at three-month intervals and the diary is used by respondents to record expenditures daily for two consecutive weeks. Using both instruments income and sociodemographic data are also collected; assets and liabilities are only asked about in the interview. In the 1982 interview, MIQ was asked of respondents. More recent interview surveys have asked about the receipt and planned use of Covid-19 economic impact payments (EIP) and expanded child tax credits (ECTC). Both MIQ and expected use of EIP are subjective questions. Subjective poverty lines were derived using responses to MIQ, reported income, and the intersection method; subjective poverty rates were produced and compared to similarly defined subjective poverty lines for the Netherlands.¹³

2. Opinion polls

23. Opinion polls are surveys that serve as a rapid means to gather public sentiment on specific topics and can be conducted online, paper, in-person, voice phone, mobile text messaging (SMS), or web panel. A poll is a method of collecting data by asking a single question or a series of questions with a limited number of answer options. Polls are generally used to ask respondents to make quick decisions. These polls are particularly useful for gauging majority opinions and can be applied to assess perceived poverty levels or evaluate the validity of official poverty thresholds. With an adequate sample size and randomization, opinion polls offer reliable insights across various demographic groups and are generally cost-effective compared to traditional surveys. In Canada, government departments often collaborate with external organizations to conduct public opinion research, utilizing their expertise in questionnaire design and occasionally involving subject matter experts, such as psychologists or sociologists, to refine questionnaire wording and content.

¹¹ EU 2030 target on social protection aims that “out of 15 million people to lift out of poverty or social exclusion by 2030, at least 5 million should be children.”. [The European Pillar of Social Rights Action Plan \(europa.eu\)](#).

¹² See Consumer Expenditure Surveys at <https://stats.bls.gov/cex/>.

¹³ Thesia I. Garner and Klaas de Vos, “Income Sufficiency vs. Poverty: Results from the United States and the Netherlands,” *Journal of Population Economics*, vol. 8, 1995 pp. 117-134. Also see: Klaas de Vos and Thesia I. Garner, “An Evaluation of Subjective Poverty Definitions: Comparing Results from the U.S. and the Netherlands,” *Review of Income and Wealth*, Series 37, Number 3, September 1991.

24. The Gallup Polls are an example of opinion polls. Gallup uses face-to-face and telephone interviewing as well as web panels to collect data from probability samples.¹⁴ For the United States, a 1989 Gallup Poll asked adults the weekly income they would use as a poverty line for a family of four (husband, wife, and two children) in their community. The average response (annualized) was 24 per cent higher than the official poverty threshold for such families.¹⁵ More recently, the Gallup World Poll was introduced to track important issues worldwide including food access, employment, leadership performance, and well-being. Since creating the World Poll in 2005, Gallup has conducted studies in more than 160 countries that include 99 per cent of the world's adult population since creating the World Poll in 2005.¹⁶ Recent Gallup World Polls have focused on suffering. As reported by Clifton (2020), in 2007, Gallup reported that "9 per cent of people around the world rated their lives so poorly they were considered suffering. By 2019, it was 17 per cent. Clifton reported "that much of the suffering stemmed from people being unable to meet their basic needs. When asked, "Have there been times in the past 12 months when you didn't have enough money to provide adequate shelter or housing for you and your family?" three in 10 people around the world say 'yes' (another record high in Gallup's tracking). When asked, "Have there been times in the past 12 months when you didn't have enough money to buy food that you or your family needed?" 35 per cent of people worldwide say 'yes'."¹⁷

25. For a Gallup Panel web survey, United States adults were asked questions in 2022 that were used for the Gallup Life Evaluation Index. The panel was a probability-based, non-opt-in panel of about 115,000 adults across all 50 states and the District of Columbia. Gallup classified people living in the United States as "thriving", "struggling" or "suffering", according to how they rate their current and future lives on a ladder scale with steps numbered from 0 to 10, based on the Cantril Self-Anchoring Striving Scale. A score of 4 or lower on current and future lives is identified by Gallup as suffering. Those who rate their current life a 7 or higher and their anticipated life in five years an 8 or higher are classified as thriving. Witters and Agrawal (2022)¹⁸ stated that 5.6 per cent of United States respondents evaluated their lives poorly enough to be considered "suffering" on Gallup's Life Evaluation Index in July 2022; this was the highest reported percentage of suffering since the index was first introduced in 2008.

3. Omnibus survey

26. An omnibus survey collects data on a wide variety of subjects in the same interview while sharing the common demographic data collected from each respondent. They provide a convenient and efficient way to collect data from a consistent group of respondents. They allow researchers to leverage the same sample over time, thereby improving the accuracy of their results, optimizing survey procedures, and potentially reducing costs associated with recruiting new samples for each individual survey. This approach is particularly valuable when there is a need for quick and frequent insights across different subjects within a population. The Canadian Social Survey (CSS) is an example of an omnibus survey is one conducted by Statistics Canada.

27. The Canadian Social Survey (CSS) is used to examine various social issues every three months and pools the data over a year to track changes in living conditions and well-being. This survey showcases Statistics Canada's approach to studying subjective well-being. Some indicators relevant to subjective poverty include job satisfaction, financial well-being,

¹⁴ <https://news.gallup.com/poll/101872/how-does-gallup-polling-work.aspx> and Witters, Dan and Sangeeta Agrawal. "In U.S., Poor Life Ratings Reach Record High." Gallup August 22, 2022. <https://news.gallup.com/poll/397286/poor-life-ratings-reach-record-high.aspx>.

¹⁵ See O'Hare et al. 1990. "Real Life Poverty in America: Where the American Public Would Set the Poverty Line." Available via <https://eric.ed.gov/?id=ED322266>.

¹⁶ "How Does the Gallup World Poll Work? Measures the Attitudes and Behaviors of the World's Residents." Methodology. <https://www.gallup.com/178667/gallup-world-poll-work.aspx>.

¹⁷ See Clifton, Jon. "Economics Alone Don't Tell the Full Story of Poverty," Gallup Blog, September 25, 2020. <https://news.gallup.com/opinion/gallup/320912/economics-alone-don-tell-full-story-poverty.aspx>.

¹⁸ Witters, Dan and Sangeeta Agrawal. "In U.S., Poor Life Ratings Reach Record High." Gallup August 22, 2022. <https://news.gallup.com/poll/397286/poor-life-ratings-reach-record-high.aspx>.

self-rated health, and trust. Data from this survey are used to support the Canadian Quality of Life Framework which consists of 84 indicators organized into five domains: prosperity, health, environment, good governance, and society. In addition to the omnibus survey, Statistics Canada gathers data for many of the indicators through other surveys and administrative sources, with 58 of them presently defined on the Quality-of-Life hub. The Quality of Life Framework of Canada, introduced in the 2021 budget alongside the report “Measuring What Matters” move beyond GDP and incorporate social, economic, and environmental factors into Canada assessment of quality of life. This framework acknowledges the multifaceted nature of well-being and incorporates both subjective and objective measures, some of which can be adapted to assess subjective poverty. It aligns with global trends seen in frameworks from countries like Iceland, New Zealand, and the United Kingdom,¹⁹ which blend subjective and objective indicators in response to recommendations from the 2009 Commission on the Measurement of Economic Performance and Social Progress.

4. Rapid response

28. Rapid response surveys are surveys that provide snapshots of a population on specific issues and can obtain information directly on the most pressing data needs. While this shares many common features as typical surveys, when timeliness is of great importance, certain parameters are loosened, such as randomization of the sample. This allows the survey to be developed and fielded faster than a typical survey. The benefit of this is that it can provide a pulse on a particular subject or subjects more quickly than traditional surveys. A drawback to this speed is that often they are less representative of the target population and are considered of lower quality data. Rapid response surveys have been used widely during the pandemic, when the rapidly changing economic and political environment due to the ongoing health crisis necessitated more timely information for decision makers than had previously been built into official data collection strategies.

29. An example of such a survey is the U.S. Census Bureau’s Household Pulse Survey that was launched in response to the Covid-19 pandemic.²⁰ The Household Pulse Survey was developed in collaboration with multiple federal agencies. Like other rapid response surveys, the Household Pulse Survey aimed to provide timely and efficient data compared to traditional surveys. The Household Pulse Survey operates in two-week survey periods, with a one-week gap between them, and data releases about a week after each survey period ends.²¹ Since the beginning of the Household Pulse Survey in 2020, federal agencies contribute critical questionnaire items to inform their missions and understand the pandemic’s impact on individuals, families, and households. The questions are periodically reviewed and updated to address evolving economic conditions and agency-specific needs. The HPS sampling frame combines the Census Bureau’s Master Address File with email addresses and mobile phone numbers. Participants receive email or text invitations to complete the online questionnaire, and follow-up reminders are sent if there’s no response. Each survey period involves approximately one million households, resulting in about 80,000 respondents despite low response rates of around 8 per cent. Weight adjustments ensure that responses are representative of the population of the United States. The Household Pulse Survey collects a wide range of data, including both objective and subjective well-being dimensions. Objective questions cover household income, employment experiences, health-care access, educational disruptions, and vaccination status. Subjective questions focus on perceptions of food and housing security, physical and mental health, and general financial well-being.

¹⁹ [Our Living Standards Framework – New Zealand, Quality of life in the UK, National Performance Framework – Iceland.](#)

²⁰ Additional details about the Household Pulse Survey and the public use data: <https://www.census.gov/programs-surveys/household-pulse-survey.html>.

²¹ For additional information about how the survey was conducted during earlier cycles see the technical documentation available on the Household Pulse Survey web page.

Garner, Safir, and Schild (2020)^{22,23} analysed responses to the financial difficulty questions and in relationship to income using data collected from August 19 to 31, 2020. The data shows that financial difficulty is correlated with income, with 59.1 per cent of those earning less than \$25,000 reporting some financial difficulty compared to 7.5 per cent among those earning \$200,000 or more. Depending on how poverty is defined, it ranges from one-third of the population experiencing some difficulty to 8.3 per cent facing both difficulty and lower income.

5. Crowdsourced surveys

30. Crowdsourcing involves collecting information by accessing a large community of online users on a given topic. This method lessens the burden for respondents and allows for quick responses on a variety of subjects. Crowdsourcing is less costly than traditional surveys, quicker than other survey types, and can be a tool to improve how information is collected by filling data gaps. Its strengths, however, come with risks of population bias due to the lack of sampling control (like other web surveys with non-probability samples). Statistics Canada has conducted several crowdsourced surveys via means of a mobile application and engagement.

31. An example of crowdsourced data is that collected by Statistics Canada to collect subjective poverty data. Two Statistics Canada papers discussed the methodological issues that arise from integrating crowdsourced data into existing data sources. The goal is to use existing data sources to improve accuracy and remove bias in the crowdsourced data. The two approaches were the sample matching method (Poirier, 2021) and the small area estimation technique (Ding and Chatrchi, 2021). Both papers explored the Canadian Perspective Survey Series (CPSS) – an initiative that began during the pandemic to improve data timeliness. It collected data on just over 32,000 Canadians every month.

32. The sample matching method combined the larger sample of the CPSS crowdsourced survey with an online web panel survey, a quarter of its size. Only provincial estimates could be provided due to the smaller sample size. The web panel survey used a probability sample of randomly selected respondents aged 15 years and older from the Labour Force Survey. The probability sample applied sample weights from the Labour Force Survey to a portion of the CPSS respondents, thus reducing bias in the crowdsourced data, with the caveat that the bias reduction depended on the variable of interest.

33. The small area estimation technique used a basic area-level model to evaluate the effectiveness of a crowdsourced survey to reduce the variance in web panel estimates. It adopted a similar methodology to the Labour Force Survey. The small area estimate is based on two quantities: the direct estimate from the survey data and a predication-based model, also known as a synthetic estimate. The results from the first round of modelling were successful for the domains of province, age group, and sex. For the other domains of interest, such as the Census Metropolitan Area (CMA),²⁴ the results were unsatisfactory. The area-level model may have improved the precision of estimates, yet achieving a suitable model remains a challenge.

6. Focus groups

34. Focus groups are used to collect data using less structured methods than used for surveys. While not used to collect subjective poverty data, they are used to formulate question wording that is meaningful to respondents and that is the topic of interest by researchers and

²² Thesia I. Garner, Adam Safir, and Jake Schild, “Changes in consumer behaviors and financial well-being during the coronavirus pandemic: results from the U.S. Household Pulse Survey,” *Monthly Labor Review*, U.S. Bureau of Labor Statistics, December 2020, <https://doi.org/10.21916/mlr.2020.26>.

²³ Thesia I. Garner, Adam Safir, and Jake Schild, “Receipt and use of stimulus payments in the time of the Covid-19 pandemic,” *Beyond the Numbers: Prices & Spending*, vol. 9, no. 10 (U.S. Bureau of Labor Statistics, August 2020), <https://www.bls.gov/opub/btn/volume-9/receipt-and-use-of-stimulus-payments-in-the-time-of-the-covid-19-pandemic.htm>.

²⁴ A Census Metropolitan Area (CMA) is formed by one or more adjacent municipalities centred on a population centre (known as the core).

statistical offices. They can also be used to understand the responses given in the collection of subjective data using surveys. Focus groups are used to facilitate discussions of a particular topic and are guided, monitored, and recorded by a facilitator.²⁵ For example, such groups were used by the U.S. Bureau of Labor Statistics in the 1990s to understand how respondents interpret subjective assessments with regard to meeting economic needs. Specifically, Stinson (1997 and 1998) ran a series of cognitive tests, including the running of focus groups, to evaluate the effectiveness of various subjective poverty questions and alternative approaches to asking questions. The questions that were tested in 1996 included the Minimum Income Question (MIQ), Minimum Satisfaction Question (MSQ), Income Evaluation Question (IEQ), and Delighted/Terrible (D/T) 7-points scales ranging from a deep frown to a broad smile. More on this topic is provided later in this chapter under question wording.

7. Administrative and registry data

35. Like focus groups, administrative and registry data are valuable for enhancing survey data. Such data can be used to reduce response burden, although they are not typically used directly to measure subjective poverty. These data sources, including demographics, income, wealth, labour market participation, and education, can improve data quality through methods like weight calibration after sampling that are used in combination with survey data. For instance, a census dataset linked to administrative data like income or education allows statisticians to oversample low-income households, enhancing the accuracy of subjective poverty surveys.

36. In countries with low response rates and biases in voluntary household surveys, calibrating survey weights based on factors such as income and demographics can help mitigate these biases, provided there is a strong correlation between these factors and the measure of subjective poverty under investigation. However, one limitation of administrative data is its timeliness, as income data may not align with survey collection periods, necessitating the use of preceding years' data or preliminary income information.

37. An example of administrative data being used for sampling and calibration is provided by Denmark. The EU-SILC survey serves as the primary source for data on subjective poverty, with a voluntary participation rate of 52 per cent in 2022, leading to biased responses where low-income households participate less frequently.²⁶ To address this bias, Statistics Denmark employs administrative registers extensively for both sampling and post-calibration of survey weights. Using an anonymized version of the Danish Central Personal identifiers, Statistics Denmark links surveys and administrative data, obtaining comprehensive information on both respondents and non-respondents. The Danish census is continually updated, providing an up-to-date sampling frame for EU-SILC. To ensure adequate coverage of less populated regions, the EU-SILC sample is stratified regionally (NUTS-2)²⁷ and incorporates preliminary income data to oversample households likely to have incomes below 60 per cent of the median. Following data collection, the survey undergoes calibration using administrative data on age groups, household size, income groups, and socioeconomic status for the entire population, ensuring more accurate and representative results. This comprehensive approach leveraging administrative data helps mitigate bias and improve the quality of subjective poverty data in the EU-SILC survey in Denmark.

D. Methodological and context issues

38. The following section focuses on methodological issues including question wording and research related to the development and evaluation of subjective questions used for poverty measurement. Also included are issues that could impact responses like the receipt

²⁵ Kitzinger J. The methodology of focus groups: the importance of interaction between research participants. *Social Health Illn* 1994; 103–121; and Morgan D L. *The focus group guide book*. London: Sage Publications, 1998. These are reference in: <https://www.nature.com/articles/bdj.2008.192#Sec6>.

²⁶ [Documentation of statistics: Survey on Living Conditions \(SILC\) – Statistics Denmark \(dst.dk\)](#).

²⁷ Nomenclature of Territorial Units.

of social transfers in-kind, differences in geographic prices, within household sharing, and culture.

1. What is the role of question wording?

39. The role of question wording and survey design in subjective questions is critical, impacting the data collected. Research suggests that respondents often prefer precise, straightforward language and questions categorized by components (e.g., shelter, transportation, food) (Morrissette and Poulin, 1991). While considering respondents' preferences can reduce response burden, it remains uncertain whether this enhances data accuracy due to the lack of consistent measures of external validity for subjective questions. The more focused the subjective question is on the respondent's situation, the more relevant for the respondent. However, asking about the needs of others provides another perspective on subjective well-being. For example, hypothetical questions are used to assess subjective poverty. Researchers often employ hypothetical questions to ask respondents to consider their own basic needs or those of a reference or hypothetical family, such as what would be required for a family of two adults and two children to make ends meet or not be considered poor. This approach allows researchers to maintain control over the survey context and reduces concerns about respondents' current situations.

40. With respect to others, hypothetical assessments can be framed as second-order beliefs where respondents are asked not to provide their opinion but to estimate what other respondents would answer on average. This approach helps assess social norms, which can shape individuals' first-order beliefs and influence what they find acceptable. Some argue that second-order beliefs are better predictors of behaviour than personal beliefs and can be incentivized to reduce social desirability bias (Babin, 2019). However, it is essential to recognize that hypothetical household questions represent a departure from the more common subjective approach, as they gauge respondents' perceptions of a hypothetical family's welfare rather than their own, resulting in different conceptualizations of poverty.

41. Regarding response options, notable studies, such as Andrews and Withey's (1976) quality-of-life surveys, have explored effective scales like delighted/terrible (D/T) for measuring income-related feelings. Kapteyn et al. (1979) focused on income equation questions (IEQ) and D/T scales for assessing an individual's welfare function of income (WFI), with a preference for annual income reporting. Antonides et al. (1968) examined ten alternative methods for measuring welfare functions, emphasizing the need for further research. Garner's work (1991) compared data between the United States and the Netherlands, highlighting variations in responses attributed to question wording, survey design, and data collection instruments. These studies underscore the significance of question formulation and survey design in subjective data collection but also highlight the complexities in achieving consistency across responses.

Statistics Canada's experience with question wording

42. A study conducted at Statistics Canada by Morrissette and Poulin (1991) found, using an Income Satisfaction Survey (IS), that question wording had a significant impact on the average minimum income reported by respondents. Using more restrictive language reduced the average minimum income by between 12 to 32 per cent based on the 1987 and 1988 survey questions. The 1987 IS was split into two sample groups, each being asked a variation of the minimum income question, with the notable difference of using 'considered necessary' in one and 'absolutely necessary' in the second. The more restrictive language found in Figure 8, Version 2 led to a 12 per cent decrease in the amount of income reported.

Figure 8

More restrictive language lowers reported minimum income

Version 1 (1987)	Version 2 (1987)
To meet the expenses you consider necessary , what do you think is the minimum income a family like yours needs, on a yearly basis, to make ends meet (if you are not living with relatives, what are the minimum income needs of an individual like you)?	What do you think is the smallest yearly income a family the size of yours would need to meet absolutely necessary expenses (if you are not living with relatives, what is the smallest yearly income an individual like you would need)?

Source: Morrissette and Poulin (1991).

43. As in the 1987 IS survey, the 1988 IS survey had two subsamples. It found an even larger impact due to question wording. Compared with using ‘consider necessary’ language and an additional qualifier of ‘before tax’ income, the more restrictive language referring to ‘basic needs’ in Figure 9, Version 2 reduced respondents’ minimum income by 32 per cent.

Figure 9

“Before tax” in the question has a large impact on income reported

Version 1 (1988)	Version 2 (1988)
To meet the expenses you consider necessary , what do you think is the minimum income, before tax , a family like yours needs, on a yearly basis, to make ends meet (if you are not living with relatives, what are the minimum needs, before tax, of an individual like you)?	In your opinion, how much do you have to spend each year in order to provide the basic needs for your family? By basic needs I mean barely adequate food, shelter, clothing and other essential items required for daily living.

Source: Morrissette and Poulin (1991).

44. It is important to note that these surveys also contained several unchanged questions, which helped ensure that the distributions of average minimum incomes were relatively stable over time. The data obtained from the original unchanged questions for 1983, 1986, and 1987 confirmed this (Morissette, 1991). It emphasizes the importance of consistency with question wording over time.

45. Other examples, such as the General Social Survey ran extensive cognitive testing on the new concepts of criminal victimization to better understand the ways in which sensitive survey topics such as family violence required greater security. While it was determined that cognitive tests were needed to study sensitive topics, researchers started to run cognitive tests to evaluate subjective poverty questions.

Experience of the U.S. Bureau of Labor Statistics with question wording

46. As noted earlier, the U.S. Bureau of Labor Statistics researcher Stinson (1997 and 1998) ran a series of cognitive tests to evaluate the effectiveness of various subjective poverty questions and alternative approaches to asking questions. The questions that were tested in 1996 included the Minimum Income Question (MIQ), Minimum Satisfaction Question (MSQ), Income Evaluation Question (IEQ), and Delighted/Terrible (D/T) 7-points scales ranging from a deep frown to a broad smile. The 1997 cognitive test looked at alternative measures to test respondents’ feelings about the questions by using images such as faces, feeling thermometers, D/T, circles, economic attitudes, income balance, and positive and

negative lines scales.²⁸ Both tests revealed important lessons for subjective poverty questions, as demonstrated below in waves 1 and 2.

47. Wave 1 findings showed that questions about feelings towards income and expenses were informative but complex and burdensome, with hidden internal questions increasing respondent burden. Language framing and response categories were also ambiguous, suggesting the need for clearer language to enhance response precision.

48. In Wave 2, cognitive testing introduced new question wording and formats. Respondents preferred a segmented MIQ, breaking it down into food, shelter, clothing, utilities, and work expenses, making it simpler and easier to understand. About 67 per cent of respondents favoured a shorter IEQ version. These findings emphasized the importance of question format in consistency of responses and revealed some inconsistencies between feelings expressed and objective assessments. Overall, respondents preferred simple, traditional survey question wording.

2. Framing and mode effects

49. Research has emphasized the significance of frame and mode effects in survey design and delivery, particularly when examining subjective phenomena. Frame effects, influenced by the survey's content or theme, have been observed to impact responses to subjective indicators. A study comparing the General Social Survey and the Canadian Community Health Survey (CCHS) revealed that changing theme of the General Social Survey led to variations in life satisfaction responses, mainly due to framing effects (Waverock et al., 2023). These effects were responsible for substantial year-over-year fluctuations in average self-reported life satisfaction.

50. Mode effects, on the other hand, are influenced by the method of data collection, such as interviews, online surveys, or paper questionnaires. These effects have been found to create differences in self-reported life satisfaction, particularly across various sociodemographic backgrounds. Furthermore, the design and content of welcome screens in online surveys play a critical role in influencing response rates. Factors like the stated survey duration and the emphasis on explaining privacy rights on the welcome screen significantly impact participants' decisions to engage in web surveys.

51. Both effects have the possibility of influencing a respondent, but the potential impact is greater for subjective questions. Individuals' responses can be 'primed' by preceding questions. The mode effects respondents experience, leading to a social desirability bias (Atkeson, Adams and Alvarez 2014; Tourangeau and Yan 2007) by responding differently if they believe they will be viewed negatively by the interviewer, resulting in differences depending on the method of data collection.

52. Measurement errors in surveys like EU-SILC can stem from various sources, including the questionnaire, interview process, respondent, and data collection methods. To ensure data accuracy, it's crucial to construct questionnaires that facilitate accurate and efficient responses. This involves drawing insights from pilot surveys and past EU-SILC waves to identify and address potential issues. Pre-testing questionnaires helps anticipate problems and enhance the data collection process.

5. What is the role of social transfers in kind?

53. According to research conducted by Eurostat, social transfers in kind (STiKs)²⁹ are significant contributors to household income, particularly for those with lower incomes. These transfers, provided by governments or non-profit organizations, encompass various services and support for needs such as education, health, childcare, and long-term care. The analysis conducted by Alaminos and Geske specifically focuses on health-related STiKs received by households from governments. Understanding the impact of these social transfers

²⁸ When used by Andrews and Withey, the faces formed a seven (7)-point scale ranging from a deep frown to a broad smile. In Stinson 1998, test was restricted the scale to five (5) faces.

²⁹ [Impact of health social transfers in kind on income distribution and inequality – Statistics Explained \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1).

is crucial for assessing material well-being, especially in Europe, both before and during economic crises.

54. Household disposable income represents the income available to a household after taxes and can be spent or saved. It comprises both monetary and non-monetary components. Traditional monetary income indicators, derived from disposable income, are frequently used to analyse poverty and inequality. People are considered at risk of monetary poverty when their equivalized disposable income falls below the at-risk-of-poverty threshold, typically set at 60 or 50 per cent of the national median disposable income after social transfers. However, these indicators do not account for non-monetary income. Adjusted disposable income, which includes both monetary income and STiKs, provides a more equitable measure of income distribution. International statistical guidelines recommend using adjusted disposable income to analyse the total redistributive impact of government interventions in the form of benefits and taxes on household income.

55. Non-monetary indicators complement traditional monetary measures and help explore aspects of inequality not covered by monetary indicators. In Eurostat's analysis, the EU-SILC survey microdata on disposable income is augmented by imputing health-related STiKs to calculate health STiK adjusted disposable income. These health-related STiKs align with government health expenditure profiles by age and gender, as reported in the National Accounts. The study examines the impact of health-related STiKs on income distribution and inequality measures like the Gini index. The findings demonstrate that health STiKs contribute to a more equitable distribution of household income across income quintiles, reducing income shares in the highest quintiles and increasing them in the lowest. Without these health-related STiKs, income inequality would significantly worsen, especially for those needing to cover primary health expenditures from their own pockets.

6. What is the role of housing wealth and imputed rent?

56. Non-financial assets such as the principal residence represent the largest component of wealth for most households. Per Maestri (2015), imputed rent for owner-occupied accommodation is the most important form of non-cash income advantage. The difficult perception of this economic advantage is due to the dual nature of housing, representing at the same time consumption and investment. Living in social housing is another form of housing advantage. The rental equivalence approach consists of estimating the market rent that homeowners or below-market rate tenants should pay if they had to rent their places at full price. For homeowners, the capital market approach can be applied, which is the imputed rent that can be estimated as the rent that they would pay if the house were rented (net of costs such as mortgage interests). For tenants in social housing or under rent control, imputed rent is estimated as the difference between market and paid rent. The inclusion of tenants with below-market rent reduces relative poverty and inequality. On the other hand, the inclusion of homeowners only as beneficiaries of imputed rent leads to inequality and relative poverty tends to increase. If market rent is imputed for tenants with below-market rent as well, inequality and relative poverty decrease (Maestri, 2015).

57. There are three ways of estimating imputed rents. First is the rental equivalence approach, which calculates the value of housing from equivalent units in the private rental market. Rents are estimated per square metre and housing costs deducted and compared to owner-occupied housing to arrive at a market value. This method finds that imputed rents reduce income inequality as the distribution of imputed rents, while right skewed, is less unequal than the distribution of other income (Maestri, 2015).

58. The second estimation method is the capital market approach, which sees housing as capital income from an investment and assumes a return on its value in housing. Using the capital market approach reduces the dampening effect of imputed rent on income inequality.

59. The third method is the self-assessment method, which uses subjective estimates provided by the owners on rent from their housing to measure the opportunity cost of renting out owner-occupied housing and is then used as a proxy for rent. This method leads to the smallest reduction in inequality (Maestri, 2015).

60. Using the 2010 EU-SILC data to provide an assessment of the impact of the housing situation of households shows that relative income poverty and inequality decrease if imputed

rent is taken into account, while they increase if housing expenses are considered. Therefore, the deduction of housing expenses provides a better measure of relative poverty. To add imputed rent, it can be estimated from rental equivalence and capital market methods. To deduct housing expenses from disposable income, it can be obtained from the out-of-pocket approach. The comparison of disposable income plus imputed rent, minus housing expenses and perception of housing costs provides useful hints on the distributional effects of housing in different housing systems and sheds some light on their possible future developments (Maestri, 2015).

61. In another study, the Household Finance and Consumption Survey conducted by the European System of Central Banks was used to estimate non-cash income from owner-occupied housing, subsidized rental housing, and free use of the main residence in Austria. The Household Finance and Consumption Survey provides detailed information on mortgages, debt of renters in cooperative housing and subjective information provided by interviewers on the dwellings and building quality. It enabled the evaluation of the impact of non-cash income from housing on the full unconditional household income distribution. Imputed rents have an equalizing effect on the distribution of income, and we find similar evidence for non-cash income from subsidized rents. However, imputed rents from owner-occupied housing equalize the upper part of the income distribution, and subsidized housing has an (albeit smaller) equalizing effect for the lower part of the income distribution (Fessler et al, 2016).

Chapter 6. Recommendations and subjective poverty questions for international comparison

62. Based on the provided conceptual considerations and guidelines on how to develop the subjective measures, the task force makes the following recommendations.

Recommendation 1:

Subjective measures of poverty should be included among the set of assessment tools used by countries. These do not replace objective measures or multidimensional measures; rather, they are a complement.

Countries with dashboards of poverty indicators should include subjective assessments among the poverty indicators.

63. Chapter 2 addresses the questions “What is subjective poverty?”, “What is a subjective poverty measure?” and “Why should national statistics offices (NSOs) measure subjective poverty?”. As its name suggests, subjective poverty is based on the personal perspective and evaluation of individuals. In subjective poverty, poverty is assigned in one of two ways. In the first way, individuals or households are asked to evaluate their life situation, thereby identifying themselves as “poor” or finding it “very difficult to make ends meet” through their response to a question. In the second, a household makes an evaluation of what resources are required to meet a standard such as “making ends meet”, which can in turn be converted into a “subjective poverty line”. Subjective poverty measures can capture aspects of poverty missed by traditional monetary poverty metrics. Subjective poverty incorporates the fundamental aspect of reflecting citizen’s perspectives on what constitutes poverty – an aspect which is, perhaps surprisingly, under-considered in policy development.

Recommendation 2:

It is recommended to use the Deleeck question and Minimum Income Question for collecting internationally comparable data on subjective poverty.

Given their inclusion in EU-SILC, and their utility in identifying subjective poverty, the Deleeck question and Minimum Income Question should be considered by NSOs as a standard for international comparison purposes. The Minimum Income Question and the intersection approach should be utilized as the primary methods for estimating subjective poverty lines.

A household may have different sources of income and more than one household member may contribute to it. Thinking of your household's total income, is your household able to make ends meet, namely, to pay for its usual necessary expenses? (With great difficulty, With difficulty, With some difficulty, Fairly easily, Easily, Very easily). EU-SILC Question HS120.

In your opinion, what is the very lowest net monthly income that your household would have to have in order to make ends meet, that is to pay its usual necessary expenses? Please answer in relation to the present circumstances of your household, and what you consider to be usual necessary expenses (to make ends meet). EU-SILC variable HS130.

64. Chapters 2 and 3 relate non-monetary subjective poverty measures to the more common measures of subjective well-being, such as the Cantril ladder, and introduces the most common non-monetary subjective poverty question forms. They also introduce the most common monetary subjective poverty question forms including the Deleeck question and the Minimum Income Question.

65. Examples of subjective poverty measures include some that ask respondents to **(1) self-identify as poor**: *Do you consider yourself poor?*; **(2) evaluate their own situation as one of “making ends meet”** (known as the Deleeck question and is found in EU-SILC): *Thinking of your household's total income, is your household able to make ends meet, namely, to pay for its usual necessary expenses? With great difficulty, With difficulty, With some difficulties, Fairly easily, Easily, Very easily*; or **(3) provide a subjective valuation of a poverty line** (known as the Minimum Income Question): *Taking into account the current situation of your family, what would be the minimum monthly income needed to “make ends meet”?*

66. Chapter 3 then describes various ways that subjective questions can be used to create a subjective poverty line. The Minimum Income Question is one type of subjective poverty question that can be used to create a subjective poverty line, using a method known as the *intersection method*.

Recommendation 3:

NSOs and analysts should consider the possible impacts of survey mode, context (framing) and sampling methods and wording differences when analysing indicators on subjective poverty.

67. Chapter 4 examines in depth good practices associated with surveys which can be used to determine subjective poverty. Several different survey types can be considered for subjective poverty content. While subjective poverty measures are not considered replacements for objective poverty measures, their inclusion on “pulse”, “omnibus”, “crowdsourced” and opinion polls can provide timely information on individuals self-assessments of poverty status. Nevertheless, different survey models may have implications for results. Similarly, experimental results show that small differences in question wording or changes in question wording over time can have large effects on observed results.

Recommendation 4:

NSOs and analysts should continue to demonstrate the utility of subjective poverty measures, considering issues of overlap with objective poverty measures and policy applications.

68. Chapters 4 and 5 examine several efforts made by statistical agencies worldwide to rapidly pivot to provide information during the Covid-19 pandemic. The examples underscored the transformative impact of the Covid-19 pandemic on the landscape of subjective research and the need to adapt research methodologies to effectively capture and understand subjective experiences, especially concerning poverty and well-being assessments. In the conclusions, Chapter 5 underscores the need to continue to demonstrate, through empirical studies, the policy utility of subjective poverty measures.

Recommendation 5:

Subjective poverty measures should be disaggregated to at-risk groups, in a similar fashion as recommended in *UNECE Poverty Measurement: Guide to Data Disaggregation*.

69. As with other measures of poverty, subjective poverty is concentrated among particular groups. A similar breakdown of disaggregated groups suggested in the *UNECE Poverty Measurement: Guide to Data Disaggregation* should be used for disaggregation of subjective poverty. These would include age, sex, disability status, migratory status, ethnicity, household type, employment status, tenure status of the household, receipt of social transfers, educational attainment and degree of urbanization.
