



Economic Commission for Europe**Conference of European Statisticians****Seventy-second plenary session**

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Item 10 (b) of the provisional agenda

Reports, guidelines and recommendations**prepared under the umbrella of the Conference:****Subjective poverty measures****Results of the consultation on the guidance on measuring subjective poverty****Note by the Secretariat***Summary*

This note summarizes the comments by members of the Conference of European Statisticians (CES) on the guidance on measuring subjective poverty (ECE/CES/2024/2). The Secretariat carried out an electronic consultation on the document in May 2024.

A total of 45 countries and organizations replied to the request for comments. All respondents agreed to endorse the document subject to incorporation of the comments made during this consultation. There was widespread support for the main findings and recommendations made in the document. Countries and organizations also provided detailed comments that are summarized in this document.

In view of the strong support, the Conference of European Statisticians is invited to endorse the guidance on measuring subjective poverty (ECE/CES/2024/2) subject to the amendments outlined in this document.



I. Introduction

1. The scope of the Task Force on subjective poverty measures was to explore the conceptual basis and provide approaches to the measurement and analysis of subjective poverty. The guidance on measuring subjective poverty consolidates country examples, reviews methodological challenges in data collection, and offers practical solutions from specific question wordings to ready-to-use R computer code for the estimation of subjective poverty. Building on existing international work, it recommends subjective poverty indicators for international comparison.
2. The present note summarizes the comments by members of the Conference of European Statisticians (CES) on the guide. The Secretariat carried out an electronic consultation on the guide in May 2024. The CES members were invited to express their general comments and provide feedback on individual chapters. In addition, the consultation welcomed countries to share their national experiences in measuring subjective poverty.
3. The guide was prepared by the Task Force on subjective poverty measures, which includes representatives from national statistical offices of the United States of America (Chair), Belarus, Brazil, Canada, Denmark, Israel, Mexico, Poland, and the United Kingdom of Great Britain and Northern Ireland. In addition, the following organizations and academia took part in the work: 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. UNECE acts as Secretariat to the Task Force. The Task Force revised the document as described in the present note and updated it with the country experiences shared in the consultation.
4. The comments and the Task Force's reactions are summarized in sections III–V. Several countries provided editorial comments and suggestions related to document formatting, typographical and linguistic issues. These are not presented in this note but will be taken into account when revising and editing the document for publication. Comments and observations about the specific situation in individual countries which have no direct implications for the content are also not presented in this note.

II. Summary

5. In the electronic consultation, responses were received from the following 45 countries and organizations: Albania, Armenia, Australia, Austria, Belarus, Belgium, Bulgaria, Canada, Chile, Costa Rica, Croatia, Czechia, Denmark, the Dominican Republic, Ecuador, Estonia, Finland, France, Georgia, Germany, Hungary, Ireland, Kazakhstan, Latvia, Lithuania, Malta, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Romania, the Russian Federation, Serbia, Slovenia, South Africa, Spain, Sweden, Switzerland, Türkiye, Ukraine, the United Kingdom, the United States and OECD.
6. All respondents stated explicitly their agreement that the document is ready for endorsement at the CES plenary session, subject to incorporation of the comments made in the consultation.

III. General comments

A. The guide overall

7. All countries express support and appreciation for the work. Belarus, Bulgaria, the Dominican Republic, Hungary, France, Romania and the United States note the guide's value added in the process of reaching a collective agreement at the international level on how to define subjective poverty indicators and advance harmonization efforts across countries. Belgium, the Netherlands, Poland, Serbia and Sweden describe the document as a rich and

thorough overview of all important aspects concerning the measurement of subjective poverty. Croatia and Bulgaria consider the guide a valuable resource that can improve the understanding and efforts to combat poverty, including poverty among children. According to Romania, a comprehensive understanding is crucial for elaborating strategies that not only mitigate the symptoms of poverty but also address its underlying causes in a sustainable manner. Ireland, Bulgaria and Ecuador praise it as a remarkable effort to review and summarize approaches in a challenging area. Germany finds it very helpful for developing a set of questions on subjective poverty. OECD emphasizes the importance of a robust foundation for all poverty measures, including subjective ones and views this guide as a valuable addition to previous UNECE publications on poverty measurement.

8. Numerous countries appreciate the usefulness and the practical value of the guide for national statistical offices, including country specific examples, explicit question formulations and ready-to-use R computer code for estimating subjective poverty lines. Hungary believes that the guide serves as a valuable tool for knowledge sharing and learning from successful practices implemented by other countries. Slovenia finds the examples of good practices associated with surveys very useful, especially in considering the possible impacts of survey mode, context (framing) and sampling methods and wording differences in analysing indicators on subjective poverty.

9. Many European Union (EU) countries mentioned that their involvement in measuring poverty is limited within the EU Statistics on Income and Living Conditions (EU-SILC) framework. Some however also see the potential of the guidance to encourage data producers to include subjective measures in their data collection procedures, conduct pilot studies to test survey questions and evaluate the feasibility and effectiveness of the proposed methodologies. Although the EU-SILC variable HS130 (MIQ) was dropped from core SILC in 2021, Ireland intends to keep this question as part of their national annual SILC questionnaire and give more prominence to subjective poverty measures in their national SILC publications. Norway also finds the guide useful if it could help to improve EU-SILC variables.

B. Role of subjective poverty measures

10. Several countries note that subjective poverty indicators should not be considered in isolation but should be compared to indicators from different domains. The United Kingdom is fully supportive of the idea that subjective poverty needs to be used to complement the traditional objective poverty measures and that it is important to keep exploring what unique insight this adds to other multi-dimensional poverty measures. Poland and Mexico trust that by considering the population's subjective views and experiences, policymakers can better understand the effectiveness of current social policies and potentially develop more targeted policies to address poverty. Switzerland considers the guide especially useful for their "National Poverty Monitoring" programme that is currently being established.

11. Furthermore, countries note the role of subjective poverty in complementing and improving the objective measures. Poland states that measuring subjective poverty in addition to objective measures (including measures of multidimensional poverty) is an important part of the diagnosis of this complex social problem. Albania reiterates the relevance subjective measures have for households that may have income just above an objectively defined poverty threshold, while still may have difficulties in meeting its material needs due to circumstances not accounted for in the objective measure. New Zealand agrees that the guidance provides valuable context and contrasts with objective measures of poverty, such as those based on income thresholds, and finds it useful in validating and comparing against objective measures that are currently produced as part of reporting requirements under the Child Poverty Reduction Act in New Zealand.

12. Austria adds that register-based income indicators and subjective questions on affordability are usually complementary as they measure different aspects of living conditions. Statistics Austria believes that subjective indicators have their value especially for timely reporting on current trends since a certain time lag is usually common when using register data. Example of national use of such indicators is their quarterly survey on the social

consequences of the COVID crisis “How are we today” – e.g., the ability to making ends meet question.

13. Armenia clarifies that the measurement of subjective level of poverty can also be achieved using a deprivation approach. In this way, subjective poverty is determined not only by insufficient income or low consumption of essential goods and services, but also by poor-quality nutrition, etc. Belarus notes the important contribution that indicators based on people’s subjective perception of their level of well-being can make to understanding poverty as a multidimensional phenomenon and complement its monetary measurement with non-monetary characteristics.

IV. Chapter-specific comments

14. Comments provided on specific chapters are addressed below.

A. Chapter 2. Focus on subjective poverty

15. Croatia, Hungary, the Netherlands, Poland, Portugal and Türkiye stressed the chapter’s benefits in providing a comprehensive theoretical and conceptual background of subjective poverty measurement and showing the complexity in diagnosis of this complex social problem.

16. Hungary highlights the diversity among the methodological approaches to subjective poverty, stressing the importance of careful method selection for effective policy. Hungary also advocates for Sen’s broader view of poverty, emphasizing qualitative assessments beyond monetary aspects and prioritizing a more consistent and holistic assessment of poverty.

17. Poland commends the academic language and diagrams for aiding beginners in understanding the concepts and differences between objective and subjective poverty measurements.

18. Portugal appreciates the chapter for defining and discussing subjective poverty, reviewing various measurements, introducing subjective poverty lines, and developing equivalent scales and geographic cost of living indexes.

19. Mexico asked for contextualization and grounding of the discussion on equivalence scales.

20. OECD points out that the Cantril Ladder measure has been replaced in the OECD well-being database with official data from national statistical offices, following the OECD Guidelines on subjective well-being. They also suggest including the Minimum Income Question used in the OECD webtool “Compare your income” in Box 10. OECD further propose that the guide should discuss the relationship between absolute and subjective poverty and include a discussion on utilization of subjective poverty lines in equivalence scales literature.

Response by the Task Force

21. The Task Force agrees that the guide’s main focus is on subjective poverty, while subjective well-being is a strongly related context. In this vein, the Task Force decided to remove the section “OECD work on well-being measurement and practices”. Instead, the OECD work on subjective well-being is now summarized in subsection E “Collection and analysis of subjective poverty at international agencies”.

22. The Task Force rephrased the text regarding the Cantril Ladder and included the MIQ used in the OECD webtool “Compare your income” in Box 10, as suggested by OECD.

23. The Task Force added discussion on the relationship between absolute and subjective poverty in the introductory section of Chapter 2.

24. The Task Force inserted text in subsection B “Evolution of subjective poverty measurement and uses” on the utilization of subjective poverty lines in equivalence scales

derivation as well as on the utilization of subjective poverty thresholds to derive geographically defined interarea cost of living indexes.

25. An extended discussion on equivalence scales as well as references to literature are available in subsection B “Evolution of subjective poverty measurement and uses”, Chapter 2. It references numerous papers, and the first sentence provides justification for discussing equivalence scales.

26. Editorial suggestions were implemented following comments from Switzerland.

B. Chapter 3. Approaches for subjective poverty measurement and analysis

27. Countries express appreciation for the chapter’s depth, practicality, and facilitation of international comparisons in subjective poverty research. The Netherlands finds that the technical aspects outlined in the chapter provide interesting perspectives for further analysis. Poland and the United Kingdom praise the chapter’s coverage of different measurement approaches, its distinction between subjective poverty and well-being, and its detailed methodologies and country examples. Portugal commends the comprehensive catalogue of questions provided for subjective poverty measurement, and the delineation of methodologies for calculation. Albania and Türkiye underscore the importance of cross-country comparisons in subjective poverty measurement and the facilitation of such comparisons through standardized questions and response options. The Netherlands, Poland, Portugal and the United States specifically welcome the inclusion of R-code illustrations.

28. Several countries share feedback with data collection from subjective questions. Croatia advocates for a scale-based question methodology, emphasizing its acceptance by respondents and minimal non-response rates. Czechia finds the EU-SILC HS120 question (the Deleeck question) suitable for estimating subjective poverty, while cautioning against the use of the HS130 (the minimum income question) and HI010 (change in the household’s income in the last 12 months) questions due to negative field experiences (despite careful wording respondents interpret subjective questions differently). Norway highlights challenges in data collection, particularly regarding response burden and missing data and would be interested in information on how respondents with missing data are to be treated when measuring subjective poverty levels. Albania emphasizes the importance of face-to-face interviews for better quality of subjective poverty indicators. Croatia proposes introducing a new survey to ease the burden on respondents while aligning with EU-SILC indicators.

29. Hungary raises concerns about dichotomizing variables in poverty estimation, suggesting a multidimensional approach to capture nuanced perceptions. They do not recommend using the dichotomized approach to poverty where people are classified in the binary “poor” or “non-poor” outcome that fails to account for the diverse range of socioeconomic circumstances and gradients of deprivation experienced by individuals and households. They support methodologies that better capture the complexity of poverty dynamics and individual experiences. The United States also expressed concerns regarding the dichotomization of variables derived from categorical questions and highlights that, generally speaking, all poverty measures are inherently arbitrary.

30. The Dominican Republic and Ecuador emphasize the complexities of cross-country comparisons in subjective poverty due to variations in perceptions across countries, time and respondents. Ecuador suggests additional questions for clearer identification of poverty (e.g., “what do you think it is to be poor?”) and proposes refining methodologies for constructing poverty lines.

31. Most recent approach of Ecuador is related more to the notion of being able to save in the coming future, thus capturing both current financial situation as well as expectations that could relate to some other variables for analysis. For example: “Considering your economic situation, do you consider that in the future your household will: (a) Be able to save money?, (b) Barely be able to balance your income and expenses?, (c) Be forced to spend the savings? and (d) Be forced to go into debt?”.

32. OECD notes that the chapter encompasses a broader range of OECD work beyond subjective well-being, suggesting the need for appropriate framing of this section.

33. OECD suggested to consider the “household type” as one of the control variables in the regression models utilized in the practical application (Appendix B of Chapter 3).

34. OECD suggested including a reference to the poverty line used by OECD for monitoring and reporting, which is set at 50 per cent of national median income, in addition to the 60 per cent threshold widely used in the European Union.

Response by the Task Force

(a) Data collection on subjective poverty and non-response

35. As noted in the guide, non-response errors, including unit and item non-response, are inevitable and can introduce bias, particularly if specific patterns emerge during the administration of the survey such as a particular question being skipped by a significant number of respondents. An additional sentence suggested by Finland has been added: “Corrective measures, such as post-stratification or logistic regression models, can be employed to address non-response.”

(b) Concerns about dichotomization and arbitrariness

36. Dichotomization leads to a loss of information, as it simplifies the complexity of subjective poverty and involves arbitrary decisions about who is considered (subjectively) poor. Approaches that utilize the full set of ordered responses, such as those by Pittau and Zeli (2023) and Luo and Xiong (2012), offer multiple thresholds, providing a more nuanced analysis. However, scholars and policymakers still face the arbitrary task of selecting which measure or threshold to adopt, adding complexity to the interpretation of subjective poverty data. While the Task Force does not explicitly recommend dichotomizations, ultimately, each approach that leads to one single measure or threshold is about dichotomization, as in the end, we classify each household as “poor” or “non-poor”. This is also used for the social policy purposes. An additional paragraph has been included in subsection 5. “An Approach Based on Dichotomized Data”, Chapter 3, addressing concerns regarding dichotomization and the arbitrary nature of choices in (subjective) poverty measurement. Furthermore, a footnote was added to the same section: “Indeed, when poverty is based on welfare measures that are continuous in nature, such as income, consumption, or caloric intake, the production of poverty estimates necessitates the selection of a threshold that is in some way related to the underlying welfare. The selection of such a threshold may be considered somewhat arbitrary.” Another paragraph has been inserted in section B. “Qualitative Categorical Questions Focused on Specific Income (or Consumption)”, Chapter 3 on aggregating responses from categorical questions.

(c) Data comparability

37. People in different countries may have varying opinions for what they consider to be poverty, influenced by local cost of living, social safety nets, and cultural attitudes towards wealth and poverty. It may consequently be difficult to draw accurate comparisons and conclusions about subjective poverty levels between countries. Further discussion on the comparability of subjective poverty data, especially concerning challenges with cross-country comparisons, has been incorporated in section C. “National practice”, Chapter 3.

(d) Prediction questions

38. The Task Force appreciated the example provided by Ecuador illustrating prediction types of questions. Further discussion on this is available in section A. “Qualitative Questions not Focused on Specific Levels of Income (or Consumption)”, Chapter 3.

(e) OECD Guidelines

39. In collaboration with OECD, the Task Force made necessary revisions to ensure that the content aligns closely with the scope of OECD Subjective Well-being Guidelines.

Consequently, the text now remains focused on subjective well-being and does not extend beyond its intended boundaries.

(f) *Household type*

40. The Task Force preferred adhering to the standard approach, which includes household size as one of the key explanatory variables in equation (4). In practical applications, it is left to the user's discretion whether to include household size or the household-type variable, depending on the specific needs and requirements of different users. Ultimately, this choice will not significantly impact the estimated subjective poverty lines, and the procedure to estimate subjective poverty lines for different household sizes or types remains the same.

41. As suggested by OECD, the Task Force included the 50 per cent of median as one of the most often used income poverty thresholds.

C. Chapter 4. Data collection

42. Poland highlights the importance of method selection to maintain representativeness and achieve research objectives, emphasizing Table 7 as a valuable synthesis of data collection methods and their characteristics (e.g., collection mode, costs, survey purposes, control over respondents). They also rate high the discussion on key topics including error sources, validation, subjective poverty measures, and cultural influences on interpretation. Portugal appreciates the thorough examination of data collection sources, quality principles, error sources, and the impact of question wording and collection modes. Türkiye underscores the significance of employing multiple measures and data collection methods for accurate poverty assessment. The United States praises the chapter for a good discussion of technical and methodological survey topics that should be covered by any baseline document on running good surveys.

43. Hungary discusses the limitations of polls and alternative data collection methods, highlighting concerns about sampling bias. Norway raises methodological issues with web panels, excluding certain populations from data collection.

44. Czechia identifies issues with subjective questions, particularly regarding interpretation and understanding. In the Norwegian EU-SILC, 10–12 per cent of respondents selected “don't know” to the Deleeck question and suggested this could indicate a lack of understanding of the question. Hungary and Mexico emphasize the importance of cognitive testing for survey clarity and relevance.

45. The United States notes that the results of Gallup opinion polls are similar to those reported by the U.S. Consumer Financial Protection Bureau (CFPB 2023) for a similar type of survey, the Making Ends Meet Survey. In response to the question, “Have you had difficulty paying a bill or expense in the last 12 months?” about 40 per cent of respondents reported “yes” in 2019, this dropped to 34 per cent in 2021 during a period when the United States offered pandemic financial assistance and increased to 37 per cent in 2023. In addition, the United States references credit bureau data and provides additional information on non-response adjustments.

46. The United States suggests adding a discussion on how the unprecedented fiscal support during COVID-19 could impact measures of objective and subjective poverty.

47. Australia suggests considering the drawbacks of including Social Transfers in Kind (STIK) and proposes presenting complementary indicators. For instance, STIK may mask the underlying disadvantage as in health-related STIK: if a household is receiving STIK on account of poor health, then it may make them appear more better off than they actually are relative to the subjective poverty line. At the same time, the United States highlights the role of STIK in improving financial well-being as captured by subjective poverty questions.

48. Switzerland wants to know why the measurement of imputed rent is important for measuring subjective poverty. Finland demands more precision in discussing imputed rent calculation and terminology.

49. The Dominican Republic suggests combining online surveys with small area estimation for data collection.

50. Mexico and Finland would like to see more detailed guidance and clarity in subsection B. “Sources of errors: concerns with response and representativeness”, including statistical validity and reliability issues related to subjective measures from different regions.

51. Finland asks whether susceptibility to non-sampling error is based on the respondent’s mood as explained in the guide or on the data collection method (mode effect).

52. Finland proposed several enhancements to the text as for example including web interview (in addition to web panel) and mixed-mode interview as collection modes for surveys in the Table 7.

Response by the Task Force

(a) Concerns about sampling bias

53. The Task Force further highlighted methodological issues related to sample bias and added the following paragraphs to section B. “Sources of error: concerns with response and representativeness”, Chapter 4:

“While polls and other data collection methods can provide valuable insights into public opinion, it is important to remain cautious when relying heavily on them for comprehensive statistical analysis. These methods, whether conducted online, in person, or through other mediums, may not always adhere to standards typically associated with traditional surveys utilizing probability sampling. One key concern is the potential for sampling bias, as polls often utilize convenience sampling or rely on self-selection, which can result in a skewed representation of the population, particularly if certain demographic groups are disproportionately represented. As a result, the generalizability of the findings may be compromised, leading to potentially misleading conclusions.

Adopting web panels for data collection introduces several methodological issues, even when random sampling is employed. One significant concern is the exclusion of individuals without digital access or knowledge, inherently biasing the sample towards those with internet connectivity and familiarity. This digital divide typically affects older adults, lower-income groups, residents of rural areas, and in cross-country comparison, residents of lesser developed countries. This leads to underrepresentation of these populations within and across countries. Additionally, individuals with lower reading and writing skills may struggle to complete web-based surveys, further skewing the results. Response rates can also be problematic, resulting in nonresponse bias even when responses are adjusted using representative population weighting. While web panels offer efficiency and cost-effectiveness, they risk producing data that lacks generalizability and they can fail to accurately reflect the diversity of the broader population. To mitigate these issues, researchers must consider supplementary methods (e.g., oversampling or special targeting) to include underrepresented groups and implement robust measures to address response rates, data accuracy, and privacy concerns, ensuring a more comprehensive and inclusive data collection process.”

(b) Cognitive testing

54. Further to comments on efforts to ensure that the subjective questions’ interpretation is clear, the Task Force added the experience of Hungary in employing cognitive testing in subsection 1. “What is the role of question wording?”, Chapter 4 as follows:

“Ensuring that the wording is clear and comprehensible for respondents can be achieved by conducting cognitive testing prior to incorporating questions into a survey. For example, Hungary conducts cognitive testing on variables before including them in surveys to uphold data quality and ensure the reliability of survey tools. By applying cognitive testing to the variables, their primary objective is to assess clarity, comprehensibility, and relevance for survey participants. This

procedure enables them to identify and rectify any ambiguities, biases, or cultural sensitivities in survey items, ultimately enhancing the precision and validity of the data collected.”

(c) *Opinion polls and administrative data*

55. The Task Force made a reference to the U.S. Consumer Financial Protection Bureau report in subsection 2. “Opinion Polls”, Chapter 4. Furthermore, the Task Force extended the text in subsection 7. “Administrative and registry data”, Chapter 4 to reflect limitations of administrative data.

(d) *Lessons learned from COVID-19*

56. In the discussion on lessons from COVID-19, the Task Force added a new section as suggested by the United States about the unprecedented fiscal support to individuals and households and its impact on measures of objective and subjective poverty. The section specifies that for objective measures, the effect will likely appear transitory, with measures returning to previous levels once the fiscal support ends. For subjective measures, however the effect may be more ambiguous as the increased resources that individuals and household received from the fiscal support may have altered their perception of what it means to be poor or be financially vulnerable. Further discussion is added from studies on the effectiveness of COVID-19 relief benefits programs.

(e) *Social transfers in kind*

57. The following explanation has been added to the discussion on STiK in subsection 5. “What is the role of Social Transfers in Kind (STiKs)?”, Chapter 4.

58. As suggested by the United States, the value of subjective poverty questions such as, “Were you able to pay your bills”, is that they include transfers (but exclude transfers not received) in the sense that they matter for financial well-being. Subjective well-being is thus better in this dimension than other “objective” measures which may or may not treat transfers correctly or adjust for income taxes. For example, the United States official poverty measure does not include in-kind transfers, nor does it adjust for income taxes, and thus it could be considered a poor measure of actual poverty. In addition, even “objective” poverty measures that include monetary and in-kind transfers may value such transfers differently than do recipients. In contrast, responses to subjective poverty questions reflect the value of such transfers by recipients; thus, subjective poverty may be a superior measure when monetary and in-kind transfers are important.

59. It is important to frame the subjective poverty assessment question in a fashion that the respondents understand that they need to consider all resources available to them, such as income, rent subsidies, and STiKs. Subjective question wording for instance could specify whether respondents are to include or exclude STiK, i.e., when using skip questions to direct respondents to answer different questions – one for those who receive STiK and another for those who do not. For example, the survey could ask first if the family receives STiK (e.g., free or reduced-price school meals, free or reduced rent, free or reduced transit). If yes, the survey could ask the minimum income question, adding phrase at the end regarding STiKs: “What is the minimum income that you and your family would need to meet your basic spending needs if you did not receive in-kind benefits?”, or else it could ask (all respondents) “what is the minimum income that you and your family would need to meet your basic spending needs beyond what in-kind benefits cover?”.

60. To address certain drawbacks that may make a respondent appear better off than they actually are due to STiKs, Statistics Canada suggests incorporating the national accounts concept of adjusted disposable income into distributional household data (<https://www150.statcan.gc.ca/n1/pub/13-607-x/2016001/1396-eng.htm>). Per OECD, STiKs can be grouped by education, health and other. Health related spending is highly age dependent, therefore by allocating STiK related to health is an example how the integration of STiK into a survey adds richness to the data. This breakdown will help distinguish social transfers in kind provided to children (e.g. education), to the elderly (e.g. health care), and on a regional basis.

(f) *Imputed rent*

61. More clarification has been added on imputed rent. “Non-financial assets such as the principal residence represent the largest component of wealth for most households, and for the largest share of their consumption. There is an increasing importance of housing wealth in social indicators to provide an assessment of the impact of relative poverty on households. Including imputed rents in income and consumption provides a comparative of relative poverty between countries with a low share of owner-occupiers who own their homes outright (with no mortgage) and countries with a higher share of owner-occupants who have mortgages (List, 2022). When a household owns its home or has a small mortgage (and thus a relatively large share of home equity), it will tend to have lower shelter out-of-pocket expenditures. When thresholds do not account for differences in homeownership, families that own their home without a mortgage could be identified as poor when incomes are compared to thresholds. This is one reason that in the United States the Supplemental Poverty Measure includes three thresholds – for renters, owners with mortgages, and owners without mortgages. Another option is that the income (or consumption) measure would include the implicit rental income from home ownership and the threshold would account for this as well. When families do not have a mortgage, for example, they have more resources to spend on other necessities. In several countries’ contexts when housing costs are ignored, poverty would be overestimated when income is used as the resource measure to determine poverty; this is the case for seniors who own their homes without mortgage. Households living in subsidized housing also pay less than market rates for their dwellings, and therefore, have more left to pay for other necessities than do comparable households in market rent apartments (Heisz and Phipps-Burton, 2018). Consequently, subjective poverty statistics should also include a breakdown by housing tenure.”

(g) *Small area estimation technique*

62. Small area estimation technique can be suitable for countries as highlighted by the [United Nations Statistics Division¹](#) and in the various case studies has been used to answer research questions ranging from ending poverty to achieving gender equality. While most studies consist of using a combination of various data sources, such as survey data, administrative/register or census data, or second data source with measurement errors, e.g., a larger survey, to create their small area estimation models, to our knowledge, a web-based collection mode has not yet been applied.

(h) *Sources of error*

63. The Task Force agrees that more research is needed to provide guidance and clarity on the sources of errors, including statistical validity and reliability issues related to subjective poverty measurement.

(i) *Non-sampling error*

64. Per Wavrock et al (2023), the framing and mode effects have implications for survey collection of subjective content on life satisfaction responses. Some research suggests that online collection platforms often reduce social desirability bias comparatively to other survey collection methods. Depending on the source of the data being used, observed changes in average life satisfaction between years may be partially explained by changes in preceding survey content and by differences in the mode used to collect responses. Therefore, carefully building measurement indicators, and factoring in the context and method of collection must be considered. It is also possible that the effects across demographic groups vary as some groups may experience survey priming and desirability bias differently than others, preliminary investigations suggest that such differences may be present across age groups.

65. For the U.S. Making Ends Meet Survey (CFPB 2023), credit bureau data, which is timely and include recent addresses, are used for the sampling frame. This allows for the oversampling of people having financial difficulty (e.g., recent delinquencies, low credit scores, medical collections). By observing the data of responders and non-responders, the

¹ <https://unstats.un.org/wiki/display/SAE4SDG/SAE+by+SDGs>

non-response adjustment is considered more comprehensive and exact than is possible in most other surveys. But like administrative data, credit bureau data are limited when people without a credit record are not in the sample frame.

(j) *Update of Table 7*

66. The Task Force updated Table 7 with web-based data collection modes as suggested by Finland. Examples include the U.S. Current Population Survey which is a mix of in-person and telephone interviews. The U.S. Consumer Expenditure Surveys also use mixed mode data collection but with two different samples – in-person interviews with up to four interviews over a 12-month period, and a diary of daily recordkeeping for two consecutive weeks.

D. Chapter 5. Country and cross-national statistical office examples

67. Poland highlights the chapter’s exploration of various countries’ approaches to poverty measurement, offering inspiring and valuable insights for designing subjective poverty surveys. Portugal underscores the chapter’s detailed comparison between subjective poverty measures based on the “ability to make ends meet” question and income distribution indicators, helping to shed light on the impact of income difficulties. Belgium notes similarities with the Dutch approach aiming to integrate objective and subjective approaches (through combined use of qualitative questions and quantitative questions) to estimate a new poverty line. Türkiye and the United States find visualizations of subjective poverty data valuable for providing an overview, emphasizing the importance of individual cross-sectional weights for accurate representation.

68. Switzerland comments that the country examples in section IV and the appendix, Chapter 5 seem quite diverse and the relation between subjective poverty, monetary poverty and deprivation varies between countries. They welcome further interpretation of the reasons for the contrasting results (e.g., small subsamples).

69. Finland suggested utilizing the survey year for household characteristics and the previous calendar year for the income reference period. Additionally, they proposed presenting data examples for EU-SILC 2021 and 2022, as well as newer comparative EU-SILC data beyond 2020. Furthermore, they recommended providing more precise descriptions of the applied measures and offering deeper conclusions regarding the suitability of the subjective poverty metrics.

70. Kazakhstan and Ukraine provide additional information on their national experience. Mexico suggests including a framework to assess national approaches’ strengths and weaknesses as an appendix.

71. Mexico finds that some text at the beginning of Chapter 5 seems more like a continuation of the COVID-19 outbreak theme; and some re-organization of text might be worth considering.

Response by the Task Force

72. The text in section IV. “Visualization of subjective poverty statistics using EU-SILC data”, Chapter 5, has been extended to provide further clarification on the country examples’ structure and sample interpretations. In response to Switzerland, the Task Force added the clarification that some results are based on small sub-samples, particularly for less frequent categories in the ability to make ends meet question and should be interpreted with caution.

73. In response to Finland, the Task Force incorporated a reference to the paragraph detailing the intersection method upon introducing the visualizations in section IV. “Visualization of subjective poverty statistics using EU-SILC data”. Furthermore, the Task Force opted to retain the visualizations in section IV in their current state, aligning with the income reference period typically reported by Eurostat. Additionally, due to the exclusion of MIQ from EU-SILC after 2020, it is impossible to provide country examples with more recent data.

74. The additional information by Kazakhstan and Ukraine has been added in section II. “Country examples of statistics on subjective poverty”, Chapter 5. All the country examples are mentioned in theoretical sections of the guide, and therefore, their strengths and weaknesses have been implicitly assessed.

75. The section that provides an overview of UNDP socioeconomic impact assessments for households in countries of UNECE region (section I, Chapter 5) have been integrated in Chapter 4, as suggested by Mexico.

E. Chapter 6. Recommendations and subjective poverty questions for international comparison

76. Croatia and Switzerland explicitly support the recommendations. Mexico finds the concluding remarks and recommendations very pertinent, and appreciates the very specific recommendations, which will allow each country to determine what they consider to be the most appropriate way forward and the next steps to take.

77. Portugal notes that Deleek question and Minimum Income Question (MIQ) would be realistic for EU-SILC countries, as the “ability to make ends meet” questions already exist, only being necessary to add MIQ. They agree that Recommendation 5 “Subjective poverty measures should be disaggregated by at-risk groups, in a similar fashion as recommended in UNECE” is important, although its implementation is not fully feasible for characteristics not requested on a regular basis (ethnicity) or subject to unbalanced disaggregation (disability status, migratory status). Belarus plans to consider the inclusion of the Deleek question in the household living standards survey questionnaire as a supplement to the minimum income question. They are also considering expanding their disaggregation list by risk groups.

78. Hungary points out that cross-country comparisons in the case of subjective indicators are challenging, and results are strongly influenced by the behavioural culture of the given country and by the tendency towards positive or rather negative emotions. It is typical in a society that people measure themselves against each other, so for example, the more superiority they see in the people around them, the higher the rate of dissatisfaction and feeling of inferiority. The Dominican Republic also agrees that the international comparison is a challenge for measuring poverty, every country would have a self-perception on what poverty means; however, all the poverty measures have a global or regional some commonalities that societies consider poverty.

79. The United States note that Recommendation 3 highlights the impact of survey mode, context and sampling methods on results but omits aspects of cultural or social bias in responses (discussed in Chapter 4).

80. Finland suggests that the recommendations should include guidelines on common characteristics on the prioritized indicators (the Minimum Income Question and intersection approach), e.g., guidelines on common characteristics/control variables that should be included at a minimum in regression models used for estimation for providing comparable unbiased estimates. Poland suggested to add a recommendation to avoid broad response scales in subjective poverty questions for respondents.

81. Mexico proposed in addition to some of the suggested questions to look deeper into a more comprehensive battery of indicators, not just a short set.

Response by the Task Force

(a) Number of recommended questions

82. One justification for suggesting only two questions (MIQ and “ability to make ends meet”) at this stage is that these questions are standard, have been widely used in scientific research, and are collected by National Statistical Offices (NSOs), therefore there is substantial experience and evidence supporting their use. Proposing a larger set of questions would lengthen surveys, which is undesirable. Additionally, if more questions were suggested, countries would likely choose only one or two, making cross-country comparisons challenging. The Task Force considers that additional research conducted cross-nationally

could help to improve on the wording of the MIQ for greater understanding (e.g., add reference to STiKs, to spending needs, etc.).

(b) *Cross-country comparisons*

83. Section C. “National practices” has been amended to reflect that cross-country comparisons of subjective poverty statistics are challenging and should be approached with caution due to differences in cultural norms, economic conditions and social perceptions across countries. People in different countries may have varying opinions for what they consider to be poverty, influenced by local cost of living, social safety nets, and cultural attitudes towards wealth and poverty. It may consequently be difficult to draw accurate comparisons and conclusions about subjective poverty levels between countries. This is why multivariate (e.g., regression) based studies are useful and allow to include explanatory variables in the models to identify the importance and role of such differences across countries.

84. Additional clarification regarding small sub-samples and related difficulties in cross-country comparisons have been made in section IV. “Visualization of subjective poverty statistics using EU-SILC data”.

(c) *Cultural and social topics*

85. The Task Force extended the Recommendation 3 to acknowledge the cultural and social topics by adding the following text:

“NSOs should explicitly acknowledge and address the potential cultural and social biases that may affect responses in subjective poverty surveys. By acknowledging and addressing these broader cultural and social factors, NSOs can improve the accuracy and comparability of subjective poverty data. This includes, but is not limited to:

- Recognizing that cultural norms, values and expectations can shape individuals’ perceptions of poverty.
- Including documentation on how cultural and social factors were considered during the survey design and implementation phases.
- Sharing best practices and case studies from selected NSOs that have successfully addressed cultural and social biases in their subjective poverty measurements.”

(d) *Control variables and response scale*

86. The Task Force expanded Recommendation 2 by offering general guidelines for the inclusion of control variables. It is advised against using overly broad response scales in categorical questions for respondents. Although both short and long response scales have their advantages and disadvantages, long scales can result in increased cognitive load and consequently, respondents may find them burdensome, potentially leading to lower response rates.

87. When utilizing the Minimum Income Question (Box 10) and the Intersection Approach (Box 13), it is recommended to primarily use household size as a control variable. NSOs may also consider including additional control variables for reporting breakdowns of respective subpopulations.

(e) *Pool of subjective poverty questions*

88. The Task Force appreciated the proposal of Mexico to include a pool of subjective poverty questions. It will consider ways of publishing the results of the UNECE survey that collected information on subjective poverty questions available in 53 countries.

F. Other comments on the document

89. Lithuania pointed out the need to extensively communicate and explain to the public about subjective indicators so that they are properly understood. Mexico also agrees the importance of the communication and would appreciate a practical and actionable advice about communicating statistics to those involved in poverty measurement, policymakers and researchers.

90. The United States acknowledges that the guide provides a thorough overview of the topic and effectively accomplishes the goal of proposing ways to initiate consistent data collection on subjective poverty but highlights the absence of discussion or recommendations regarding the utilization of collected and analysed data, particularly concerning subjective poverty, leaving questions about its implications for policymakers unaddressed.

Response by the Task Force

91. The Task Force agrees with the comments from Lithuania and Mexico and encourages national statistical offices to work with their publication offices to promote these measures and to provide web pages directed specifically to the public.

92. While the guide does not have a separate section on implication for policy, however countries responded on the usefulness of these measures. The Task Force will add a paragraph in the guide bringing together what countries reported as well as findings from the literature.

V. Proposal to the Conference

93. The Conference is invited to endorse the guidance on measuring subjective poverty, subject to the amendments outlined in this document.
