Data disaggregated by income and/or other dimensions of poverty

By Leonardo Athias
Expert Group Meeting on Data Disaggregation
Session 5 – Data disaggregated by income and/or other dimensions of poverty

Concrete examples of current work and specific strategies
Monday, 27 June 2016

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Contents

1) Problem statement
2) Concrete examples
3) Methodological challenges
4) Identification of priority issues to be addressed for future guidance for SDG follow up and review
Brazil is a big middle income country with high levels of inequality

Along with urban/rural, gender, racial, and regional inequalities, income is one of the main inequalities if not the most studied
2) Concrete examples: income disaggregation

Educational achievement

Average years of schooling of people 25 y.o.+ per quintiles of average monthly household per capita income - Brazil - 2014

Source: IBGE, PNAD
2) Concrete examples: income disaggregation

Dwelling characteristics

Proportion of overcrowded households, total and 1st quintile of average monthly household per capita income - Brazil - 2004/2014

Note: overcrowding is defined as >3 persons per dormitory.
Source: IBGE, PNAD
2) Concrete examples: MDG monitoring

MDG national monitoring reports disclosed “UN indicators” and “National indicators” for Goal 1 such as:

• National income concentrated by 20% richest

Income concentration and Gini index

Middle income group (+6.9 p.p.) concentrated most of the 8% lost by 20% richest in the period

Data source: IBGE, PNAD
2) Concrete examples: MDG monitoring

MDG national monitoring reports disclosed “UN indicators” and “National indicators” for Goal 1 such as:

- National income concentrated by 20% richest
- Distribution of population in the 10% poorest and 1% richest, by race

**GRAPH 7** • Distribution of people among the poorest 10% and the richest 1%, by color/race — Brazil*, 2005 (%)

- 73.5% of the poorest 10% are White
- 26.5% of the poorest 10% are Black / Brown
- 88.4% of the richest 1% are White
- 11.6% of the richest 1% are Black / Brown

Data source: IBGE, PNAD
3) methodological challenges: data sources

**IBGE main household surveys**

Decennial census (municipality level), short/long form
Provides: total/labor/other income (reference month - July)

Regular income data with annual national Labor Force Survey, 1981-2015 (State, Metropolitan areas, urban/rural)
Provides: total/labor/other income (reference month - Sept.)

Transition since 2012 to panel LFS (HH stays 5 quarters), similar to Ireland and Mexico LFS.
Questionnaire revision: Oct/2015
Provides: total/labor/other income (reference: last month)

Budget survey is less frequent, 2002-2003, 2008-2009, ...
Provides: consumption, total/disposable income
(reference: 12 months)
3) methodological challenges: data sources

Income as variable and as disaggregation ... Distribution of personal or household (per capita) income by .... ... percentiles of income (20%,10%) ... 1/4, 1/2, ... 5+ minimum wage (today ~ US$500 PPP2011) classes

Other usual disaggregation:
Sex
Age groups
Race
Urban/rural
Regions
Disability (census data)
3) Methodological challenges
Brazil

Consumption is better indicator for monitoring (Goal 1) than income, but no annual recollection

Many income lines

Expenditure survey, 5x5 years (recommendation)
Perspective: continuous Budget survey

Income quintiles/deciles:
LFS with complex samples, minimum income & ties, database order, metadata

Disaggregation when near the target, e.g., US$1.25 PPP extreme poverty in Latin America // discussions in regional monitoring, population & development
3) Methodological challenges
International level

India comment on 1.1.1./1.1.2. indicators: In Asia consumption expenditure is collected instead of income

SDGs: Many themes and data sources (if available) how to link?

Questions about unifying income and consumption sources in World Bank data

Metadata from PovcalNet:
- Uses both income and consumption because of (un)availability and study with 20 countries
- Consumption aggregates differ

Many decisions regarding income/consumption / “poverty in all its dimensions”, “people living below...” (Tier 3)

How about transparency, replicability?
4) Identification of priority issues to be addressed for future guidance for SDG follow up and review

Pressures regarding censuses and surveys: periodicity, coverage, more & more & more questions?
How to set the limits of disaggregation?
How to prioritize disaggregation types?
4) Identification of priority issues to be addressed for future guidance for SDG follow up and review

Pressures regarding censuses and surveys: periodicity, coverage, more & more & more questions?
How to set the limits of disaggregation?
How to prioritize disaggregation types?

NSO = official statistics ...
How to integrate other data sources?
Non-official data, data with high error margins...
How to compose using records and census/survey data?
THANK YOU!

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## BACKUP
### Data sources & HH income components

**Canberra Group Handbook 2nd edition (UNECE, 2011)**

**IBGE surveys:**
- **HH Budget survey (POF)**
- **Continuous LFS (PNADC)**
- **LFS (PNAD)**
- **Census long form**

<table>
<thead>
<tr>
<th>Conceptual definition</th>
<th>Operational definition</th>
<th>HH Budget survey (POF)</th>
<th>Continuous LFS (PNADC)</th>
<th>LFS (PNAD)</th>
<th>Census long form</th>
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<tr>
<td><strong>1 Income from employment</strong></td>
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<td><strong>2 Property income</strong></td>
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<td>Income from financial assets, net of expenses</td>
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<td><strong>6 Primary income (sum of 2 and 5)</strong></td>
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<td><strong>7 Total income (sum of 4 and 6)</strong></td>
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<td><strong>8 Current transfers paid</strong></td>
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<td><strong>9 Disposable income (7 less 8)</strong></td>
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<td><strong>11 Adjusted disposable income (9 plus 10)</strong></td>
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</tbody>
</table>

BACKUP

1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)

1.2.1 Proportion of population living below the national poverty line, by sex and age

1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

10.1.1 Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population

10.2.1 Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities

17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts
Gini index of monthly income of 15 y.o. + persons with income by State - 2014