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**Titel:** Inconsistencies between past annual income and current household composition in EU-SILC and their potential impact on low income rates

**Abstract:** One of the main aims of the statistics on income and living condition EU-SILC is the accurate survey of household incomes in Europe. The incomes of all household members are aggregated to obtain household income and then equivalised by household size to calculate the at-risk-of-poverty rate. In this process the information on household income is combined with information on household composition which have different reference periods. In EU-SILC the income reference period is one year, usually the previous calendar year. This income is related to the household composition at the time of the interview. For households which have been newly formed or have changed their composition inconsistencies have to be expected. This raises the question whether estimates based on the previous annual income are (systematically) biased.

In some cases, this mismatch will challenge the editing process. For example if a single earner couple splits up into two separate households, the partner who did not earn any income in the previous year, would be correctly recorded as a household with zero income in the subsequent survey wave. Further, the relationships between income variables and other household characteristics may be difficult to ascertain. In the first part of this contribution we present empirical evidence on the extent of the mismatch.

In the second part we discuss whether current monthly household income is a possible alternative. This variable has been proposed as a social core variable and is already collected in EU-SILC by some countries. Current monthly income consistently relates to the income and household situation at the time of the interview. It requires little editing effort and can be made available more timely than annual income. Current monthly income may also provide a source for flash estimates on the evolution of the at-risk-of-poverty rate. The contribution is based on a special analysis of data from at least 3 EU-SILC countries which collect data on current monthly income.