

Calculation of Composite Index of Individual Living Conditions

This document summarises how the composite index of individual living conditions has been calculated. The index represents average scores of 7 subindices, all within a range from 1 to 5; thus the composite index also varies between 1 and 5. The database used is the ECHP. The index is based on only those variables which are supposed to be included into the EU-SILC as well. The table below presents more detailed information about the domains, variables, categories and calculation principles.

The index has not been calculated for 1994 since one of the health variables is available only from 1995 onwards.

The index cannot be computed for the Netherlands 1998-2001 and for France 1999-2001, since the respondents' educational level was obviously classified incorrectly in these cases.

<i>Domain</i>	<i>Variables</i>	<i>Categories</i>	<i>Calculation of subindex ranging from 1 - 5</i>
Income / Standard of Living	<p>equivalised household net income as a percentage of the national median</p> <p>affordability of:</p> <ul style="list-style-type: none"> keeping home adequately warm annual holiday trip new clothes meat every second day 	<p>less than 60% of the national median = 1 60% - < 90% of the national median = 2 90% - < 110% of the national median = 3 110% - < 140% of the national median = 4 140% of the national median and above = 5</p> <p>number of affordable items:</p> <ul style="list-style-type: none"> 0 = 1 1 = 2 2 = 3 3 = 4 4 = 5 	<p>Subindex = (sum of values of the variables listed) / 4</p> <p>The subindex represents the average scale value across the 4 components. It thus ranges from 1 to 5.</p>

possession of durables:	number of durables which are in possession of the household or which the household could afford if wanted
car	0 = 1
colour TV	1 = 2
dishwasher	2 = 3
telephone	3 = 4
	4 = 5
ability to make ends meet	with great difficulty = 1 with difficulty = 2 with some difficulty = 3 fairly easily = 4 easily, very easily = 5

Housing	rooms/person	less than 1 room (excl. kitchen) = 0 one room = 1 more than 1 room = 2	Subindex = recoded sum of values of the variables listed: 0=1 1=2 2=3 3=4 4=5
	bath/WC available	both available = 1 else = 0	
	state of repair leaky roof damp walls, floors rot in window frames or floors	neither leaky roof nor dampness nor rot = 1 else = 0	

Housing Area	noise from neighbours or outside	no = 1	Subindex = recoded sum of values of the variables listed: 0=1 1=2.333 2=3.666 3=5
	any pollution, crime or other environmental problem caused by traffic/industry	no = 1	
	crime or vandalism in the area	no = 1	
Education	education level	third level (ISCED 5-7) = 5 second stage of secondary level (ISCED 3) = 3 less than second stage of secondary level (ISCED 0-2) = 1 still at school for a third level education = 5	Subindex = variable
Health	Self-rated health status	very good = 3 good = 2 fair = 1 bad, very bad = 0	Subindex = recoded sum of values of the variables listed: 0 = 1 1 = 1.66 2 = 2.33 3 = 2.99 4 = 3.66 5 = 4.33 6 = 5
	Chronic health problem	no = 1 yes = 0	
	Hampered in daily activities by any health problem	no = 2 yes, to some extent = 1 yes, severely = 0	

Social Relations	<p>household size</p> <p>membership in club/organization</p> <p>frequency of meeting friends/relatives</p>	<p>more than one person = 1 one person = 0</p> <p>yes = 1 no = 0</p> <p>on most days, once/twice a week = 2 once/twice a month = 1 less often, never = 0</p>	<p>Subindex = recoded sum of values of the variables listed:</p> <p>0 = 1 1 = 2 2 = 3 3 = 4 4 = 5</p>
Work	<p>Activity status / Looking for work / Reasons for not looking for work</p>		<p>Subindex =combination of variables:</p> <p>working or (economically inactive and not looking for work) = 4 (not working but looking for work) or (not working and not looking for work due to discouragement) = 2</p>