

Comparing poverty estimates using income, expenditure and material deprivation through statistical matching of EU-SILC and HBS microdata

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Abstract:

The Europe 2020 social inclusion target will be measured according to work attachment, income and material deprivation indicators using the EU Statistics on Income and Living Conditions (EU-SILC).

However, there has been increasing interest in recent years in whether expenditure and consumption provide more appropriate measures of standard of living than income. This paper therefore aims to compare people's exposure to poverty using three different measures: income, expenditure and material deprivation. However, no single data source provides joint information on all these variables.

The first part of this paper therefore presents the results of methodological work conducted to statistically match expenditure from the Household Budget Survey (HBS) with income and material deprivation contained within EU Statistics on Income and Living Conditions (SILC) using 2010 data for a number of EU countries, including Germany, UK and Belgium. In the second part of the paper, these matched datasets are used to analyse the overlap between income and expenditure poverty and material deprivation, as well as the relationship between these poverty measures and other measures of social exclusion. The implications of the findings, including those for the future design of ESS surveys, are discussed.