What is the role of unequal sharing of resources within households?

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UNECE Expert Meeting on Measuring Poverty and Inequality
30th November 2018
Outline of the problem

“While income is usually received by individuals, it is normally shared with other household members present e.g. spouse and children.”

“This distribution reflects the assumption that household income is shared equally between all members of the household, and does not reflect the direct receipt of income by individuals. Because many household members receive no money income, e.g. younger children, such an assumption is hard to avoid in practice.”

(Canberra Handbook, UNECE, 2011).

“...taking within-household factors into account in poverty measurement... [is an] agenda for action.“

(Jenkins, 1991).

“There is widespread concern that both women and children are disproportionately represented among the global poor. The Millennium Development Goals Report 2015 states that “women face a greater risk of living in poverty” (United Nations 2015a, 16).”

The [standard] household income model

- Inter-hh-transfers
- Employee income 1
- Employee income 2
- Family benefits
- Allowance 1
- Allowance 2

Household (distribution)

Share income

Living standard
Risk of poverty by gender using the [standard] hh income model

Estimated risk-of-poverty for women and men (in %)

- Family (2+ adults) plus at least 1 child:
  - Women: 16.0
  - Men: 15.1

- Single parent:
  - Women: 29.4
  - Men: 35.6

- Single household without pension:
  - Women: 27.9
  - Men: 23.5

- Single household with pension:
  - Women: 22.3
  - Men: 13.5

- 20 years +:
  - Women: 14.5
  - Men: 12.3

- Total:
  - Women: 15.3
  - Men: 13.5

Disaggregation of poverty measures

2 alternative approaches

- **Personal equivalised income approach** *(Ponthieux 2017)*
  
  pooling regime
  
  pooled vs. private income
  
  equivalised share of household income + private income

- **Individual personal income approach** *(Heuberger/Knittler 2018)*
  
  personal income + equal share of household income
  
  alternative at-risk-of-poverty threshold
Gender differences in poverty risk for couple hhs

Estimated risk-of-poverty for women and men (in %)

- Standard approach
  - Women: 8.0
  - Men: 8.0

- Standard approach with adjusted at-risk-of poverty threshold
  - Women: 9.8
  - Men: 9.8

- Modified equivalised income approach
  - Women: 17.2
  - Men: 9.2
  - Women: Men ratio: 1.9

- Individual personal income approach
  - Women: 33.8
  - Men: 2.5
  - Women: Men ratio: 13.5

S: Statistics Austria, EU-SILC 2010.
Couple households in the Austrian dataset of the EU-SILC module 2010.
Recommendations

1. Do not ignore intra-household distributions!
2. Use personal income components (register or quest.)
3. OR have some (simple) survey questions and/or model on intra-hh distributions.
   -> Use it to analyse income/wage based phenomena, monetary poverty, social transfer systems,…
4. Collect items on material well-being/deprivation on individual level.
   -> Use it to analyse differences between household members absolute living standard and/or to validate results of intra-household income distribution.
5. Dissaggregate poverty by social characteristics and don’t be afraid to show different poverty risks for persons living in the same households!
6. Remember the conceptual decisions behind your results.
   -> Use those „new“ individual poverty profiles for social policy making where you aim at the personal level (not the household as a unit).
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Thank you for your attention!