



Databases for measuring inequality

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Structure

- ❖ Household Budget Survey (HBS)
- ❖ Statistics on Income and Living Conditions (SILC)
- ❖ Application example: measuring poverty



Household Budget Survey (HBS)

Theme : Economic and social situation of the population

What : Household budget (income, consumption, savings) and composition of permanently resident population in Switzerland

Why :

- Update the basket of commodities listed in the Consumer Price Index (CPI)
- Publications on consumer behaviour and the income of private households

Who : private households

How :

- annually since 2000
- about 250 households per month / 3,000 households per year
- written questionnaires and telephone interviews

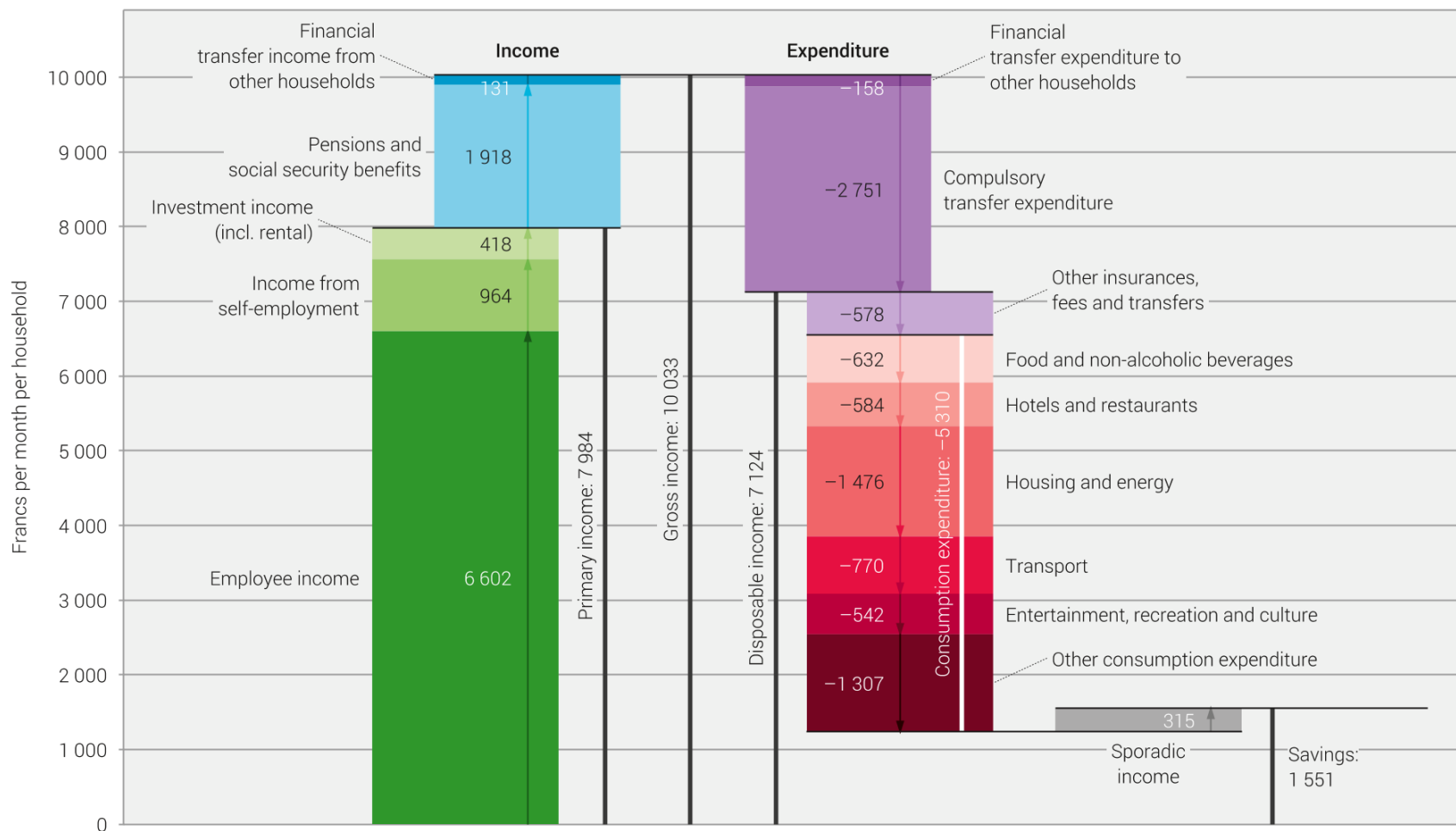


HBS captures many forms of inequality

- Detailed information on household **expenditures**
 - Consumption categories: food and beverages, transport, communication, health, housing and energy...
 - Assessment variables: major region, canton, linguistic region, age, income class (5), household type (5), number of kids + combinations
- Detailed information on household **income**
 - Multiple levels and sources of income
 - Assessment variables: as above



Household income and expenditure of all households, 2016



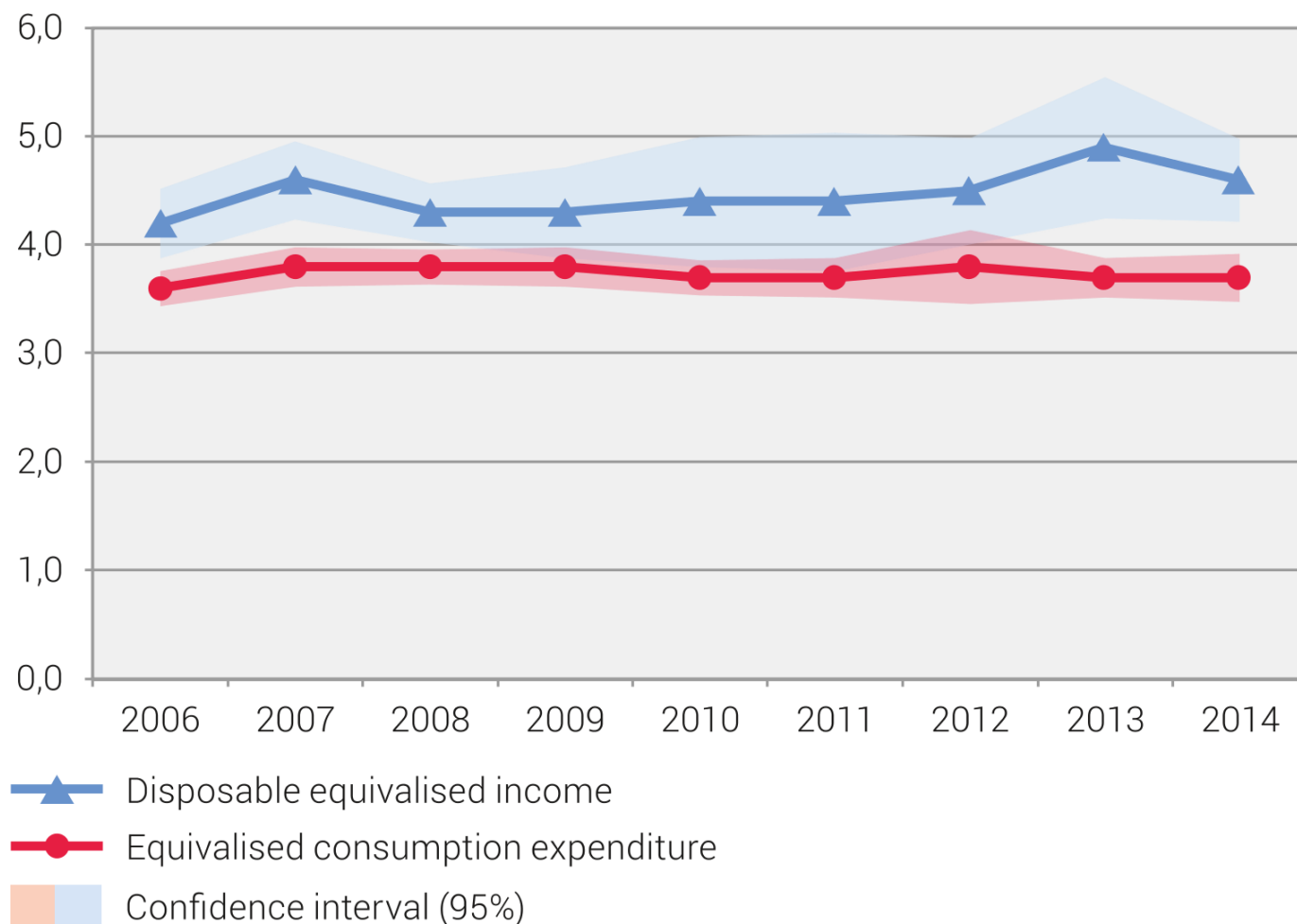
Source: FSO – Household Budget Survey (HBS)

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HBS captures many forms of inequality

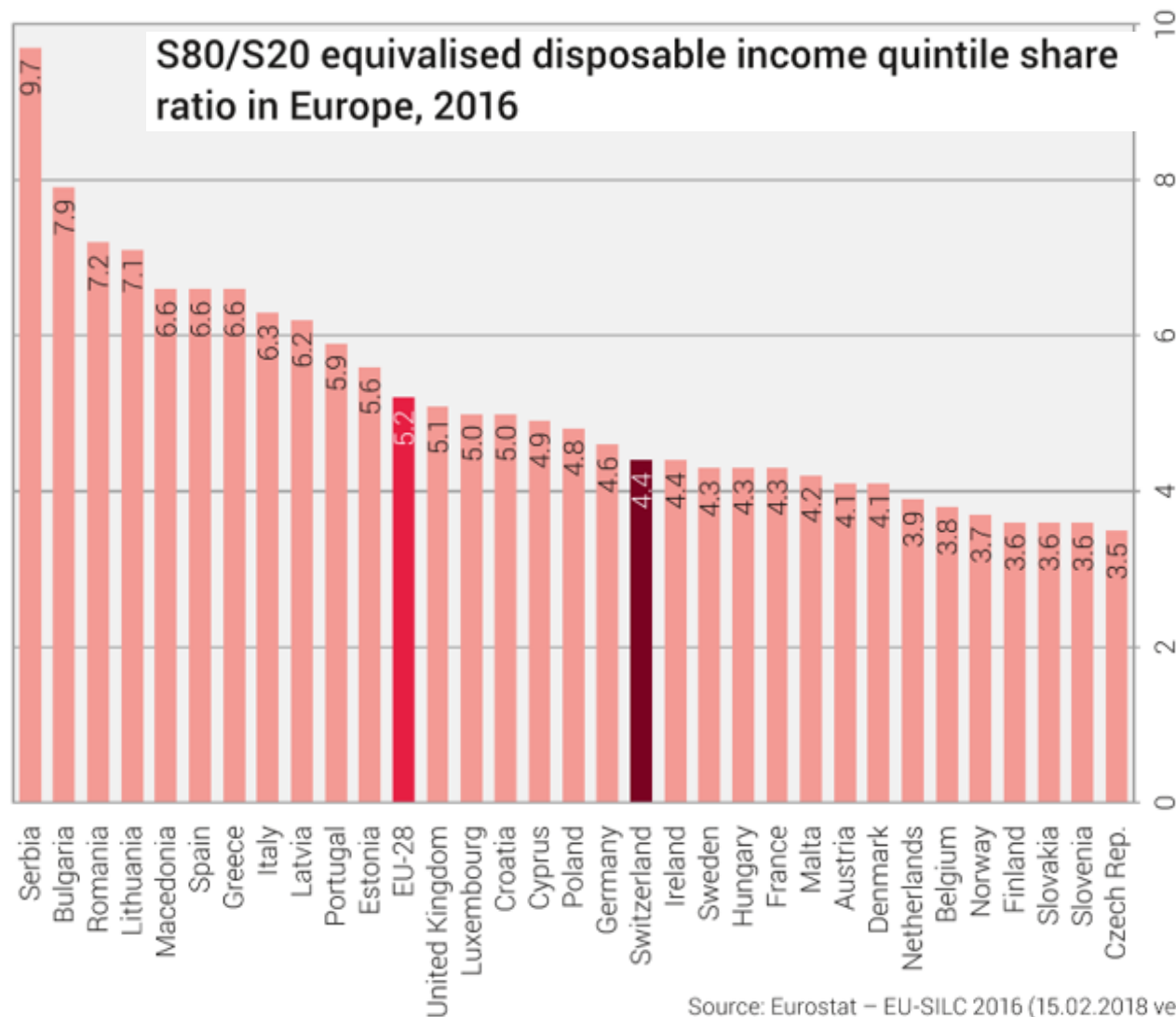
Trends in quintile share ratios (S80/S20)





SILC for European comparisons

[...Quintile share ratio in Europe](#)



Source: Eurostat – EU-SILC 2016 (15.02.2018 version)



Statistics on Income and Living Conditions (SILC)

Theme : Economic and social situation of the population

What : Income, living standards and quality of life of permanently resident population in Switzerland

Why :

- studying poverty, social exclusion and living conditions in over 30 countries in Europe

Who : private households

How :

- in Switzerland annually since 2007
- about 8,000 households / 18,000 persons per year
- 4-year rotational panel
- telephone interviews
- calibrated population weights and imputation of missing values



SILC captures many forms of inequality

- Detailed information on household **income**
 - extensive use of administrative data for salaries and benefits from the 1st pillar of social security, other incomes collected in the interview
 - household income = sum of individual incomes (all household members from age 16 onwards are interviewed) + household-level incomes
- Module on household **wealth** conducted in 2011/12, 2015, 2018
 - estimated value of real estate property, bank accounts, stocks or bonds, valuables



SILC captures many forms of inequality





Application example: measuring poverty

«People are considered to be poor if they do not have the **financial means** to buy goods and services that are necessary for a socially integrated life.» (FSO 2018)

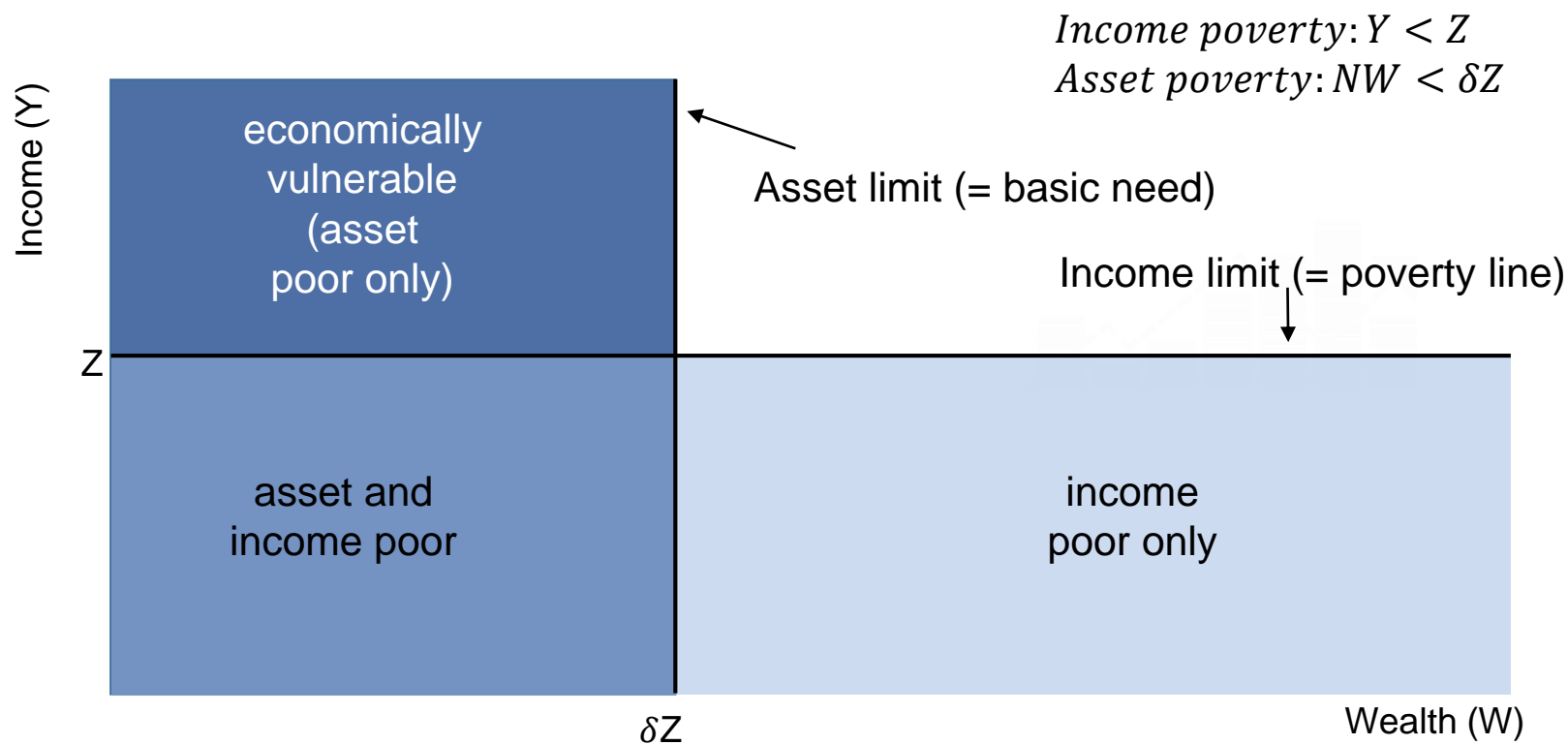
- Statistical reality: **poverty = income poverty**
→ income from assets is considered, but not assets themselves
- Consequence: poverty rate (especially of the elderly) is overestimated
- Objective: integrate wealth into poverty measurement



Asset-based poverty (two-dimensional approach)

«Asset poverty is defined as an individual having insufficient wealth to meet their basic needs over time.»

Source: UNECE (2017): Guide on poverty measurement, p. 159



Source: OECD 2018



THANK YOU

FSO's results on economic inequality : www.statistics.admin.ch

- Look for statistics
- 20 - Economic and social situation of the population
- Social situation, well-being and poverty
- ...
 - ... [Inequality of income distribution](#)
 - ... [Poverty and material deprivation](#)