

**Overview of Socioeconomic Indicators
to Measure Living Conditions & Impoverishment**

Morris et al (2000) give a very good account on strengths and weaknesses of two approaches to measure wealth and income (which are theoretically different concepts with different trajectories to influence health and informed by different aspects of policymaking).

1) The asset-based approach as a proxy for **wealth**

- Lists household assets (context-specific items) to elicit a weighted score which can be used to identify the poor from the non-poor.
- Most countries have an LSMS (Living Standards Measurement Survey by the World Bank)¹, adjusted to local circumstances. Questionnaires can be downloaded from the web to identify a suitable list of assets.
- Does not take into account the most valuable household items due to difficulty of measurement. This includes land, house, livestock, financial capital and human resources.

2) Total household expenditure as a proxy for **income**

- Total household expenditure is an accepted alternative to household income in developing country settings.
- Consumption/expenditure data provides a better proxy for socioeconomic status in low-resource settings than reported income (empirically proven) as it takes items into account which affect consumption but which would not appear if information on income was sought.
- Where the majority of people are living from daily labor and agricultural work, consumption is easier to measure than income.
- Includes a short list of key expenditures items.
- Key items can be taken from LSMS surveys (see above) or analysis of items most highly correlated with total income.
- Recall bias affecting reported income also affects reported expenditures.

Galobardes et al (2006) provide a good overview for widely used socioeconomic indicators, including their interpretation, meanings, values, strengths, weaknesses and measurements. For our purposes, their account of income and occupation is useful:

Income:

- Individual or household.
- If household: information on family size is needed for a weighted and comparable result.
- It can provide useful information about the poverty level when compared to the national poverty line.
- Disposable income is most useful, though difficult to discern from gross income.
- Income is age-specific. Retired and young people have lower incomes and income tends to grow over time.

¹ <http://www.worldbank.org/LSMS/guide/select.html>

Occupation:

- Gives information about the social status of an individual and related income.
- Provides information about working conditions and hazards.
- Information on occupation is available in many routine data collections
- Not useful with unpaid, household, informal and illegal work; the unemployed, retired and students.

Not all poverty is alike. There are different kinds of poverty stratification, for example migrants, single mothers, refugees, unemployed persons, slum dwellers, and rural farmers. They all have different socioeconomic characteristics. There are however a set of indicators which are widely used and have empirically shown to adequately capture socioeconomic status among the various poverty sub-groups.

Wide applicability:

- ☐ literacy
- ☐ level of education
- ☐ place of residence
- ☐ work status
- ☐ type of employment
- ☐ occupation
- ☐ type of work
- ☐ schooling of children
- ☐ income (household, individual)
- ☐ food availability
- ☐ food vs non-food expenditures

Context specific:

- ☐ housing tenure (rented, owned)
- ☐ housing conditions (type of building, materials, crowding)
- ☐ household amenities (water, toilet, electricity)
- ☐ assets, i.e. electric appliances, furniture
- ☐ health insurance
- ☐ land ownership
- ☐ productive assets
- ☐ school-aged children working
- ☐ adult man in household
- ☐ occupation of household head
- ☐ clothing
- ☐ social involvement
- ☐ cooking fuel source

Conclusion

The above provides list of widely used indicators which can serve as a checklist for questionnaires stratifying patients according to socioeconomic status. The interpretation of these indicators is always context-specific, though there are indicators used globally and are proven and popular measures to assess socioeconomic status. The literature sources below provide ample information on the correct interpretation and usage of socioeconomic indicators and can guide the adaptation of the generic questionnaire to local circumstances and the interpretation of survey results.

Income

It is useful to include measures of household consumption on food and non-food items as well as individual and household reported income for reasons given above. Asset-based approaches are useful tools, but context specific. If assets are included, questionnaires need to be adapted to local circumstances. This can be done by using data/questions from World Bank LSMS studies. Information on

assets can be collected through interviews away from the patient's home, but it is better to assess them directly in the patient's home.

Sources:

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