

Comparing poverty estimates using income, expenditure and material deprivation

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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 Net-SILC2 work package therefore aims to compare people's exposure to poverty using four different measures: income, expenditure, material deprivation and low work intensity. However, no single data source provides joint information on all these variables. Therefore, the analysis described in this paper uses the results of statistically matching 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 the UK, Germany and Belgium. These matched datasets were used to analyse the overlap between income and expenditure poverty and material deprivation, as well as the relationship between income and expenditure poverty and other measures of social exclusion.