

World Bank Center for Development Data (C4D2)
Partnership for Capacity Development in Household Surveys for Welfare Analysis

Measuring Income and Wealth through Household Surveys

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Course description

This course focuses on two main topics: first, it lays out a conceptual framework for understanding the links between household consumption, income, and wealth, and their importance for the measurement of living standards; second, it offers practical guidelines for survey design and data collection, in the specific context of household income and wealth modules.

Syllabus

Lecture 1 is introductory (or rather, motivational). Lecture 2 provides a conceptual framework to explain the links between consumption, income and wealth. Lectures 3, 4 and 5 provide operational definitions of income and wealth, defining their components and discussing aggregation plans. Lecture 6 is a “practice session” designed to experiment with practical applications of the concepts taught thus far. Lectures 7, 8 and 9 cover questionnaire design (for both income and wealth). Lecture 10 deals with strategies to minimize total survey error in the context of income and wealth data collection. Lectures 11 and 12 discuss data validation and data dissemination.

1. What is the use of household income and wealth data?

Introductory lecture, which provides an overview of the course, and motivates the interest in collecting income and wealth data. The lecture introduces the concepts of income and wealth, and provides definitions. The core of the lecture is an extensive overview of the many uses of income and wealth data, using real-life applications.

2. Measuring income and wealth: a conceptual framework

This lecture focuses on income and wealth in the context of welfare measurement. In particular, the lecture explains the links between consumption, income, and wealth (stressing the *stock* dimension of wealth, as opposed to the *flow* dimension of income), and touches on their respective use as living standards indicators.

3. An operational definition of income (part I)

This lecture is dedicated to walking the audience through the building blocks needed to construct an income aggregate. The main reference for this part is the Canberra Group Handbook. We provide definitions of technical terms and concepts. This is functional to the lectures on questionnaire design. This is the first of two twin lectures needed to cover income, and its focus is labor income.

4. An operational definition of income (part II)

This lecture concludes the definition of the income aggregate, by discussing property income, transfers, and income from the production of household services for own consumption.

5. An operational definition of wealth

As in lectures 3 and 4, but for wealth. We list wealth components, and illustrate the construction of a wealth aggregate.

6. Practice session

This session is designed to give participants a chance to test their understanding of the concepts and definitions covered up to this point. These concepts are a prerequisite for the lectures on questionnaire design.

7. Questionnaire design for income and wealth: the basics (part I)

The lecture provides questionnaire design guidelines, as they pertain to income and wealth. The focus is on the main choices one needs to make when approaching the design of income and wealth modules (e.g. the sequence of module, the choice of respondent, etc.)

8. Questionnaire design for income and wealth (part II)

This lecture presents examples of international practice in designing income modules (Bank of Italy's SHIW, the European SILC, South Africa's NIDS, Morocco's ENVM, Malawi's IHS, etc.)

9. Questionnaire design for income and wealth (part III)

This lecture presents examples of international practice in designing wealth modules (Bank of Italy's SHIW, the European SILC, South Africa's NIDS, Malawi's IHS, etc.)

10. Income, wealth and Total Survey Error (TSE)

The main goal of the lecture is to provide a gentle introduction to the Total Survey Error (TSE) framework, an approach to survey implementation that factors in and attempts to minimize all possible sources of error (sampling as well as nonsampling). In particular, we discuss the specific threats to data collection on income and wealth.

11. Data validation and diagnostics, outlier detection and treatment

After providing a general overview of the problems that arise when survey data are collected in the field and processed by National Statistical Offices, the lecture focuses on outliers (*i.e.* extreme values), which tend to be a recurring issue for income and wealth data. The goal of this lecture is to provide a conceptual framework and some techniques to detect and treat outliers.

12. Dissemination of data and findings

We conclude the course by illustrating the use of selected analytical tools (e.g. what to include in a basic income/wealth report).