



Poverty and Living-Standards Measurement

Course: HIES, Poverty Lines, Inequality and MPI



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Introduction:

Poverty and living-standards measurement, using HIES data, poverty lines, inequality measures and the MPI, is a 1-week course for poverty statistics units, social development analysts and charity research teams that ends with a Poverty Measurement Methodology Note for a case organisation. Poverty figures lose credibility when welfare aggregates, poverty lines and deprivation cutoffs are set without documented choices, so headcounts shift between survey rounds for reasons nobody can explain. Nominees already analyse household survey or welfare data, and learning is by modelling build on survey microdata extracts. CoreConcept Training Center delivers this poverty measurement course.

Course Objectives:

- Construct consumption and income aggregates from HIES microdata with adult equivalence scales and spatial price deflators
- Set absolute poverty lines with the cost of basic needs and food energy intake methods, and relative lines as a share of median welfare
- Calculate Foster-Greer-Thorbecke headcount, poverty gap and severity indices with standard errors that reflect the survey design
- Measure inequality with the Lorenz curve, Gini coefficient, Theil index and Palma ratio and decompose it by population subgroup
- Build a multidimensional poverty index with the Alkire-Foster method, from indicator cutoffs to the adjusted headcount ratio
- Produce small-area poverty estimates and SDG 1 indicator tables that support geographic targeting and public reporting

Target Audience:

- Poverty and living conditions statistics units responsible for producing official poverty and inequality figures
 - Social development policy analysts responsible for poverty profiles that inform anti-poverty strategies
 - Charity and foundation research units responsible for measuring the welfare of the households they serve
 - Household survey analysis teams responsible for cleaning expenditure modules and building welfare aggregates
 - SDG monitoring units responsible for compiling and reporting Goal 1 poverty indicators
 - Targeting and geographic planning analysts responsible for ranking areas by poverty incidence
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Course Outline:

Day 1: Living-Standards Concepts and Household Welfare Data

- Monetary Versus Non-Monetary Welfare Concepts and Their Measurement Choices
- Consumption Versus Income as the Preferred Welfare Indicator
- HIES Expenditure Modules, Diary and Recall Period Effects
- SDG 1 Poverty Indicators and Their Data Requirements
- Current Poverty Statistics Practice Gap Review for the Organisation

Day 2: Welfare Aggregates, Poverty Lines and FGT Measures

- Food and Non-Food Consumption Aggregate Construction From HIES Microdata
- Imputed Rent and Durable Goods Use Value Estimation
- Adult Equivalence Scales and Spatial Price Deflator Application
- Cost of Basic Needs and Food Energy Intake Line Setting
- Foster-Greer-Thorbecke Headcount, Gap and Severity Index Calculation

Day 3: Inequality Measures and Multidimensional Poverty Index Construction

- Lorenz Curve Plotting and Gini Coefficient Calculation From Microdata
- Theil Index Decomposition Between and Within Population Groups
- Palma Ratio and Tail Shares of the Welfare Distribution
- Alkire-Foster Dimensions, Indicators, Weights and Deprivation Cutoffs
- Adjusted Headcount Ratio M0 With Incidence and Intensity Breakdown

Day 4: Robustness, Small-Area Estimation and Poverty Mapping

- Survey Design Standard Errors for Poverty Headcount Estimates
- Poverty Line and MPI Cutoff Sensitivity and Dominance Tests
- Comparability Breaks Between Survey Rounds and Splicing Options
- Fay-Herriot Area-Level Model With Census Auxiliary Variables
- Small-Area Poverty Map Validation and Geographic Targeting Use

Day 5: Modelling Build Capstone on the Poverty Measurement Methodology Note

- Case HIES Extract Welfare Aggregate and Deflator Workbook Build
 - Case Poverty Line Derivation and FGT Results Table
 - Case Inequality Profile and MPI Censored Headcount Tables
 - Case Poverty Map and SDG 1 Indicator Reporting Sheet
 - Poverty Measurement Methodology Note Completion and Panel Review
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Skills You Will Gain:

- Welfare Aggregate Construction
- Poverty Line Derivation
- FGT Index Estimation
- Inequality Decomposition
- Multidimensional Deprivation Analysis
- Poverty Estimate Sensitivity Testing
- Small-Area Poverty Mapping
- Poverty Statistics Documentation

Why Attend This Course:

- Deliver a Poverty Measurement Methodology Note to the head of social statistics or the research director for approval
- Decide which welfare indicator, equivalence scale, poverty line method and MPI cutoffs the organisation should publish, with a documented basis
- Avoid unexplained jumps in poverty headcounts, disputed inequality figures and poorly ranked target areas
- Equip survey, policy and targeting colleagues with the aggregate workbook, FGT calculator and MPI templates

Conclusion:

Back at work, the participant presents the Poverty Measurement Methodology Note to the head of social statistics or the research director, who use it to approve the welfare aggregate, poverty lines, inequality measures and multidimensional index the organisation will publish. Policy and targeting teams use its poverty map to rank areas for programmes and its tables for SDG 1 reporting. After the first release under the note, the unit should review standard errors, sensitivity results and user questions, then revise the choices that did not hold.

Frequently Asked Questions FAQ:

What should participants know before a poverty and living-standards measurement course?

Participants should already work with household survey or welfare data and be comfortable with spreadsheets and basic statistics such as means, medians and weights. Bringing an anonymised HIES extract or current poverty profile from their own organisation makes the modelling build more useful.

How does poverty and living-standards measurement training differ from a social protection or price index course?

This course measures who is poor and how unequal welfare is, using HIES data, poverty lines, inequality measures and the MPI. Social protection courses design transfer schemes and registries, and price index courses build inflation measures; both use poverty figures rather than produce them.

Why do poverty and living-standards measurement teams use an MPI alongside monetary poverty lines?

A household can sit above the monetary poverty line yet lack schooling, health or decent housing. The MPI counts these overlapping deprivations with the Alkire-Foster method, showing both how many people are poor and how intensely, which a monetary headcount alone cannot show.

What do participants take back from poverty and living-standards measurement training?

Participants take back a Poverty Measurement Methodology Note for a case organisation, with a welfare aggregate workbook, poverty line derivation, FGT and inequality tables, an MPI template and a small-area poverty map they can adapt to their own data.
