GENDER DIFFERENCES IN EVALUATION OF ECONOMIC POSITION OF HOUSEHOLDS

Implications for the assessment of

EU policy indicators in the EU-SILC

Alexander Mack

Overview

1. Background

2. Research Question

3. Research Design

4. Results

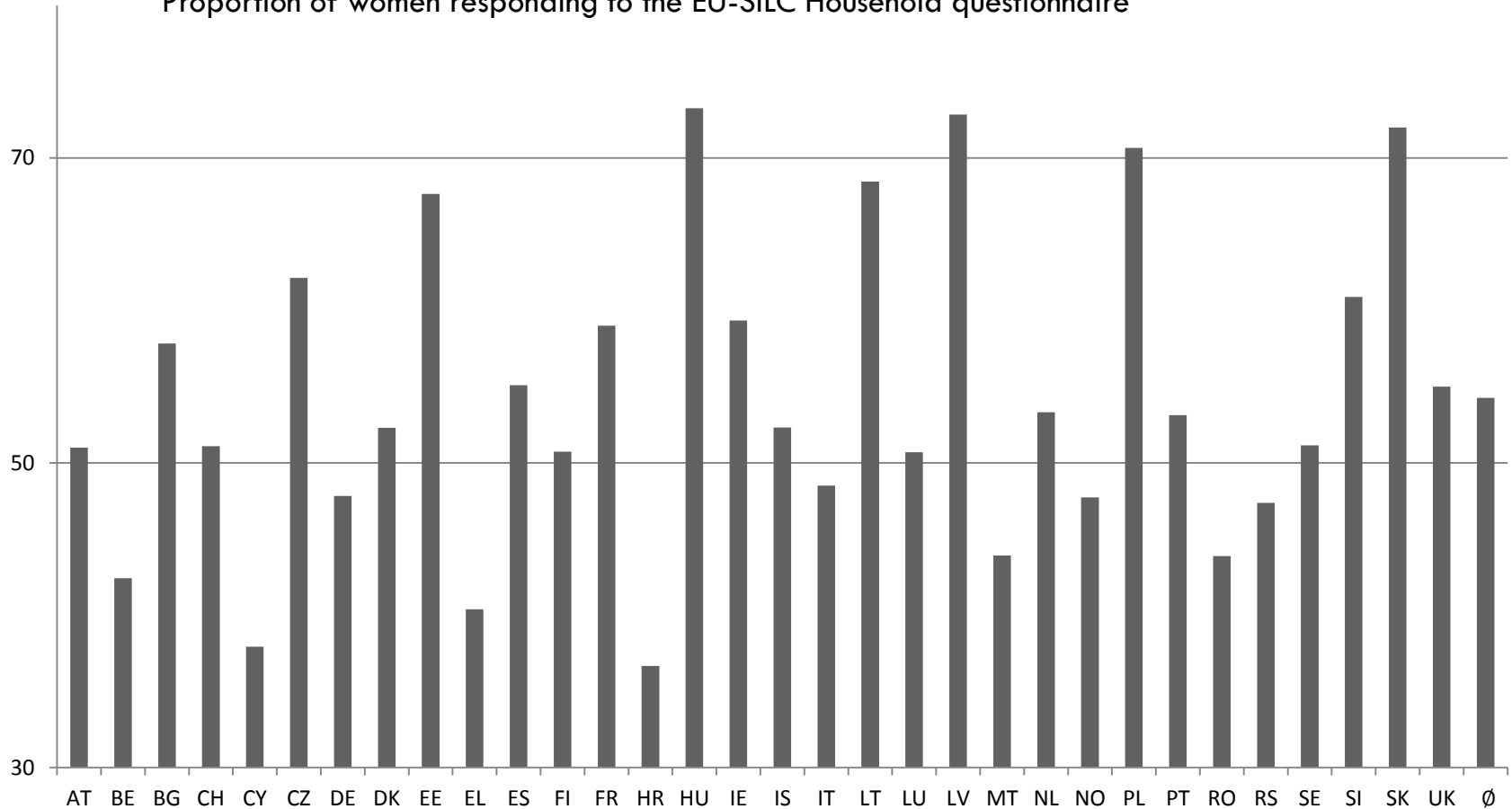5. Conclusion

6. Outlook

7. References

Background

- The economic situation of households is assessed via the household questionnaire in the EU-SILC

- Subjective indicators such as 'households ability to make ends meet' or 'material deprivation'

- This questionnaire is filled out by a selected 'household respondent'

- The selection of the household respondent is guided by a set of rules

Background

- We know from survey research that men and women respond differently to questions on income (Bound and Krueger 1991; Bollinger 1998; Neri and Zizza 2010; Kim and Tamborini 2014)

- Men tend to over report their earnings when these are low while women tend to underreport high earnings

- Are these findings also applicable to economic self-assessment?

Background

Proportion of women responding to the EU-SILC Household questionnaire
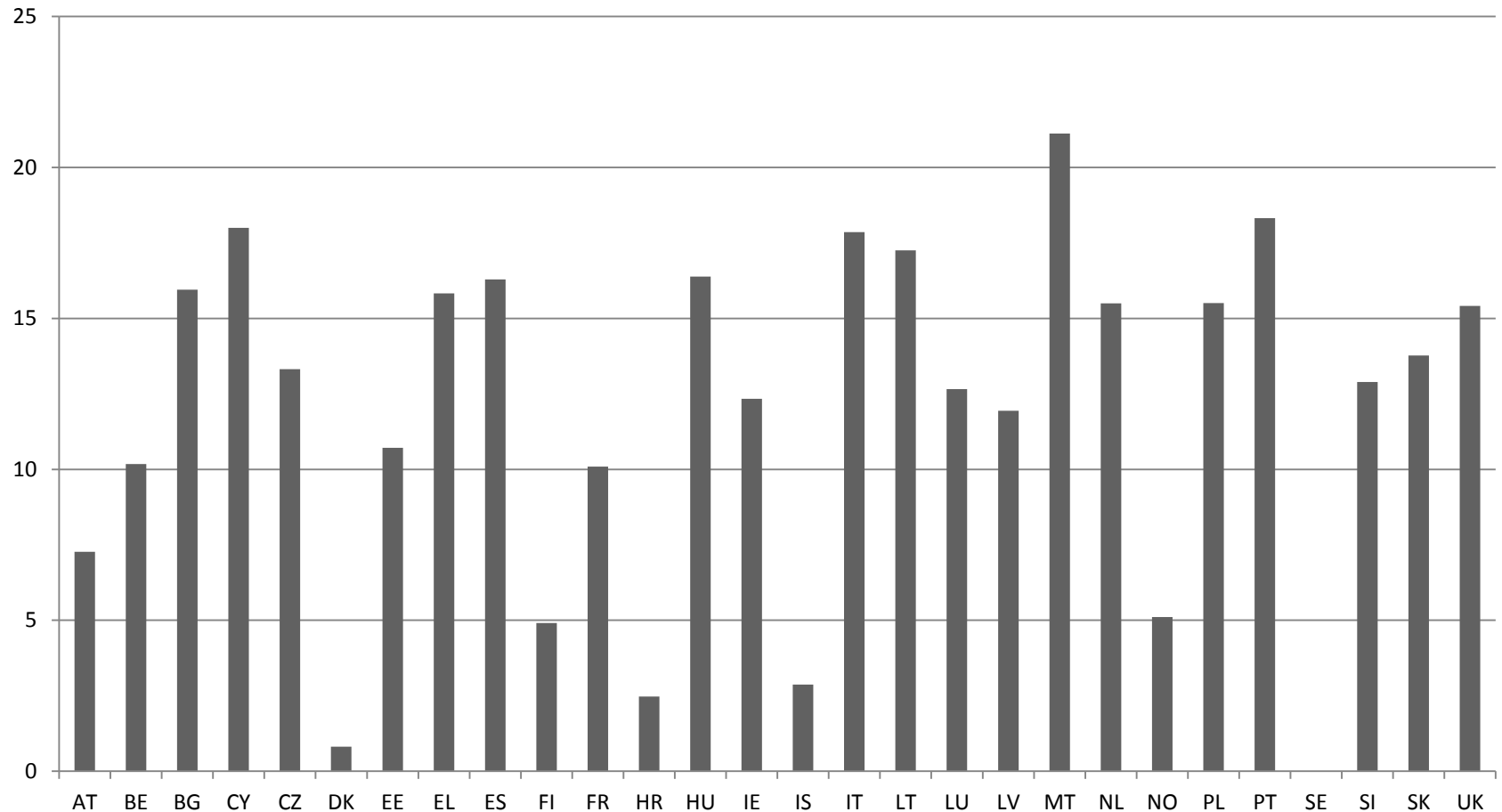
Source: EU-SILC 2013, own calculations

Research Question

- Can gender differences be observed in the response behavior to subjective economic self assessment indicators?

- If so does this lead to bias in policy relevant indicators calculated on the basis of the EU-SILC?
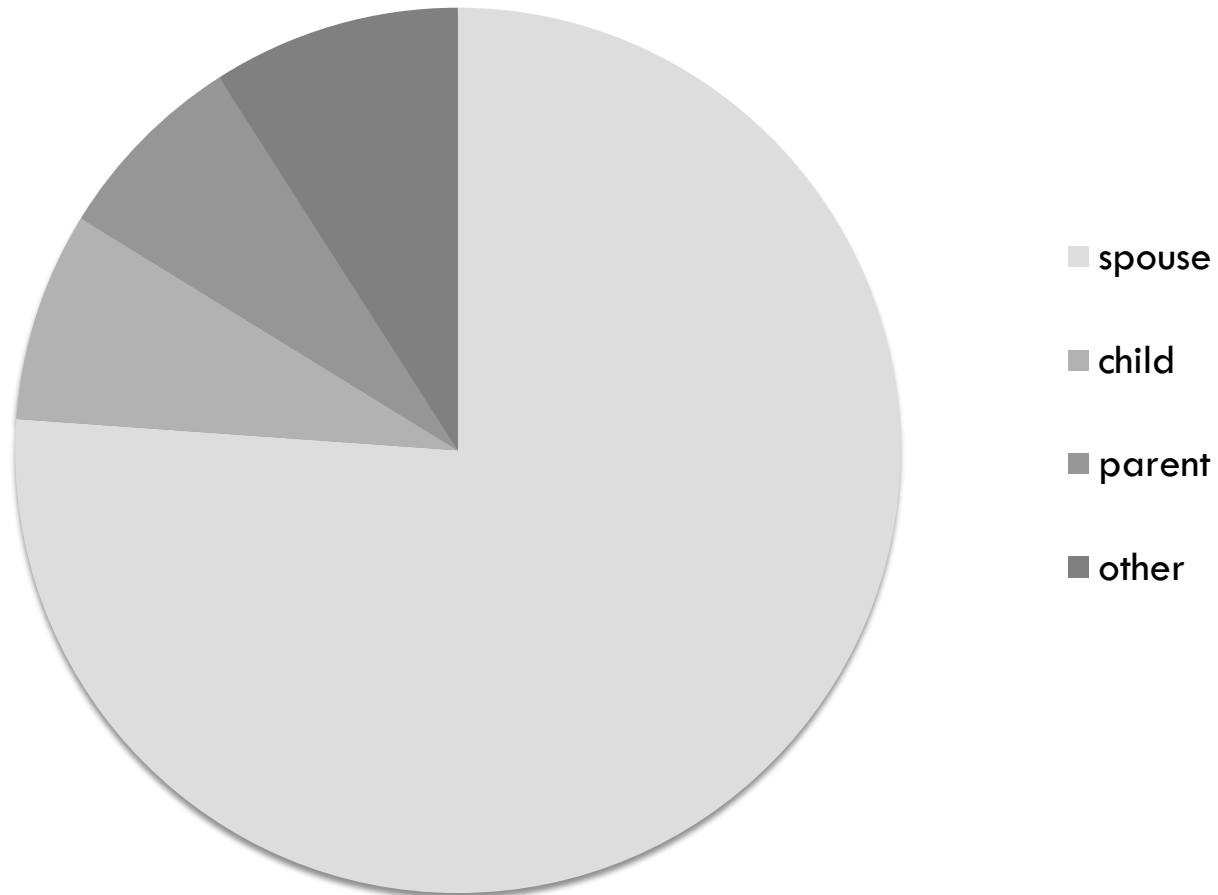
Research Design

Respondent changes between the 2012 and 2013 EU-SILC household questionnaire (in %)

Source: EU-SILC 2013, own calculations

Research Design

Types of respondent changes between the 2012 and 2013 EU-SILC (in %)

- spouse
- child
- parent
- other

Research Design

- EU-SILC longitudinal data (2013)
- Households in which a change of the household respondent occurred between waves
- Households in which the household composition remains unchanged between waves
- Only households in which the household head was in a partnership are included
- Ability to make ends meet
- Material deprivation

Results – Make ends meet

Ability to make ends meet

A household may have different sources of income and more than one household member may contribute to it. Thinking of your household's total income, is your household able to make ends meet, namely, to pay for its usual necessary expenses?

1 with great difficulty - 6 no difficulty at all

Results - Make ends meet

Ability to make ends meet (Multinomial Fixed Effects Logistic Regression - Odds Ratios)

	Low – Medium	Medium - High
Respondent Change	1.042	0.976
	(0.031)	(0.039)
Female	1.326**	0.850*
	(0.066)	(0.056)
HH Income (Equivalized)	0.896**	1.072**
	(0.010)	(0.015)
Age of Respondent	1.052**	0.966**
	(0.008)	(0.010)
Respondent's Employment Status	0.833*	0.912
	(0.066)	(0.081)
ll	-15047	
N	41870	

EU-SILC Longitudinal 2013, own calculations using femlogit (Pforr 2014)

Results - Material Deprivation

Material Deprivation Sub-indicators

pay rent, mortgage or utility bills

keep their home adequately warm

to face unexpected expenses

to eat meat or vegetarian equivalent regularly

to go on holiday once per year

television

washing machine

car

telephone

Results - Material Deprivation

Material Deprivation Sub-indicators

pay rent, mortgage or utility bills

keep their home adequately warm

to face unexpected expenses

to eat meat or vegetarian equivalent regularly

to go on holiday once per year

television

washing machine

car

telephone

Results – Material Deprivation

Material Deprivation Sub-Indicators (fixed effects logistic regression OR)

	Keep home warm	Afford 1 week of holiday	Pay for unexpected expenses
Respondent Change	0.992	0.946	0.991
	(0.038)	(0.029)	(0.030)
Female	1.037	1.120[*]	1.172[**]
	(0.067)	(0.055)	(0.058)
HH Income (Equivalized)	0.895[**]	0.892[**]	0.854[**]
	(0.014)	(0.010)	(0.010)
Age of Respondent	1.018	0.998	1.003
	(0.010)	(0.008)	(0.008)
Respondent's Employment Status	0.830	1.046	1.032
	(0.087)	(0.083)	(0.084)
ll	-4285	-8161	-8221
N	12042	22941	23237

EU-SILC Longitudinal 2013, own calculations

Results – Material Deprivation

Material deprivation (fixed effects logistic regression OR)

	3 items	4 items	5 items
Respondent Change	0.926[*]	0.893[*]	1.031
	(0.034)	(0.044)	(0.080)
Female	1.152[*]	1.131	1.313[*]
	(0.068)	(0.089)	(0.164)
HH Income (Equivalized)	0.855[**]	0.862[**]	0.784[**]
	(0.012)	(0.017)	(0.026)
Age of Respondent	1.021[*]	1.023[*]	1.005
	(0.009)	(0.012)	(0.016)
Respondent's Employment Status	0.952	1.082	0.772
	(0.095)	(0.142)	(0.183)
ll	-5258	-2828	-1141
N	14877	8004	3283

EU-SILC Longitudinal 2013, own calculations

Conclusion

- Gender differences in economic self assessment

- Especially for „Ability to make ends meet" indicator

- Effects of gender can also be observed for two sub-indicators of „material deprivation"

- However the gender effect on the integrated material deprivation indicator is not large and not significant for severe material deprivation

Outlook

- Accurate assessment of gender bias requires analysis by country

- What about theory? (Social desirability)

- What do these results imply for the measurement of household income in the EU-SILC ?

Thank you for your attention!

amack@gmx.net

Working Paper on Research Gate

References

Bound, J., & Krueger, A. B. (1991). The extent of measurement error in longitudinal earnings data: Do two wrongs make a right? *Journal of Labor Economics*, 1-24.

Bollinger, C. R. (1998). Measurement error in the current population survey: A nonparametric look. *Journal of Labor Economics*, *16*(3), 576-594.

Kim, C., & Tamborini, C. R. (2014). Response Error in Earnings An Analysis of the Survey of Income and Program Participation Matched With Administrative Data. *Sociological Methods & Research*, *43*(1), 39-72.

Neri, A., & Zizza, R. (2010). Income reporting behaviour in sample surveys. *Bank of Italy Temi di Discussione (Working Paper) No, 777*.

Pforr, K. (2014). femlogit—implementation of the multinomial logit model with fixed effects. *Stata Journal*, *14*(4), 847-62.