New Measures of Global Income From the Gallup World Poll

Through its World Poll, Gallup can now report comprehensive and globally comparable income figures from 131 countries based on data collected from 2006 through 2012. By aggregating the thousands of surveys conducted in these countries across multiple years, for the first time Gallup can share four unique measures of income:

1. **Household income**: The mean and median household income figures.
2. **Household income per capita**: Gallup calculates per-capita income data by dividing each respondent's reported household income by the total number of occupants in his or her household and calculating the resulting mean and median figures.
3. **Poverty estimates**: The percentages of each population living on less than $1.25 and $2 (adjusted for purchasing power parity) per day. The World Bank takes the $2 per-day income level as the average poverty line for developing countries, while incomes less than $1.25 per day meet its definition of extreme poverty.
4. **The degree of income inequality in each country**: The share of cumulative household income in each country held by the richest 20% of respondents, followed by the next-richest 20%, down to the poorest 20%. In Botswana, where there is a huge gap between rich and poor, the richest one-fifth hold 70% of the total income among all households. In Sweden, where incomes are among the most equal in the world, the richest one-fifth hold 42.8% of the total income.

To calculate these metrics, Gallup asked respondents in most countries the following question: "What is your total *monthly** household income in [local currency], before taxes? Please include income from wages and salaries, remittances from family members living elsewhere, farming, and all other sources. Again, please provide your total *monthly* household income." (*In Organization for Economic Co-operation and Development countries where appropriate, the question asked about annual rather than monthly income.) Those respondents who hesitate to answer or have trouble coming up with a precise estimate are presented a set of income ranges and asked which group they fall into. Their estimates are taken as the midpoint of the range.

The results are expressed in international dollars, created using the World Bank's individual consumption PPP conversion factor, so that income estimates are comparable across all 131 countries. The minimal sample size required for inclusion in Gallup's results is 2,000 respondents, with total sample sizes ranging from that minimum to more than 26,000.**

Gallup's World Poll is the most far-reaching nationally representative tracking survey ever implemented; it continually surveys residents in more than 160 countries that are home to more than 98% of the world's population. Gallup's uniformly high methodological standards for translation, sampling and data collection, and the consistency of its core questionnaire help improve standardization of results among countries and over time.

**Gallup created income variables by calculating international dollars for each respondent in a given year using the World Bank household consumption PPP for that year and then adjusting all records for 2010 U.S. inflation. All variables had missing values imputed using the multiple imputation algorithms from SPSS 20.

In the case of income, the data provide a previously unavailable worldwide benchmark for investigating cross-country relationships between self-reported income levels and a broad range of other well-being indicators. The World Poll's high degree of standardization also improves the reliability of trended data, reducing the sources of measurement error relative to trends that rely on national data sets that the statistical offices of individual countries supply.

Visit the Worldwide Research Methodology page on Gallup.com for a full description of World Poll methodology.