A2IE | ASSET TO INCOME ESTIMATOR

Relative wealth is a commonly used method to assess wealth in comparison to others within the country or population of interest, and allows for assignment into quintiles based on assets owned. However, additional contexts are needed to compare across populations or countries. Adding absolute wealth – which provides a real dollar value for an individual or household's income – can allow those comparisons, but it typically requires expensive and time-consuming data collection that may be beyond the means of the project or the timeline of an urgent response.

AN ABSOLUTE WEALTH COMPARISON WITH EXISTING RELATIVE WEALTH DATA? YES.

The Asset to Income Estimator (A2IE) connects the relative measure of assets and quintiles to an absolute measure of dollars per capita, providing an estimate of income for an individual or a household without the need to collect consumption or expenditure data. This makes it possible to estimate income, in real dollar values, with only asset-based wealth index data or even with a simple wealth quintile.

Developed based on methodology by Kenneth Harttgen and Sebastian Vollmer (2013),[1] the A2IE provides a good estimate of income for each wealth quintile, with over 50% of A2IE estimates within 2 percentage points of the World Bank poverty headcount ratio, and over 90% within 5 percentage points.

ESTIMATE INCOME ACROSS PROGRAMS, ACROSS THE GLOBE, IN REAL TIME

Available for countries with the EquityTool, the free, online A2IE can be used to compare how much an individual or household makes per day, month, or year. It can be combined with the EquityTool and other measures of relative wealth to expand or fine tune data.

The A2IE makes it easier and less expensive to determine appropriate subsidies and aid packages, supports quicker targeting of beneficiaries, and allows comparison of targeted populations in programs implemented in different countries. The A2IE can also be used to estimate changes in a target population over time, supporting monitoring of project impacts between formal evaluations. Access the A2IE use cases online.

M4M can help you use the Asset to Income Estimator in your project. For more information contact communications@m4mgmt.org.

ENDING POVERTY IS HARD. UNDERSTANDING IT SHOULDN'T BE.

---

[1]   Harttgen, K. and Vollmer, S. (November 2013). Using an asset index to simulate household income. *Economic Letters, 121*(2), 257-262. doi.org/10.1016/j.econlet.2013.08.014.

METRICS FOR MANAGEMENT

✉ communications@m4mgmt.org
🔗 www.m4mgmt.org

🐦 @metrics4mgmt
in linkedin.com/company/m4mgmt