

# Cross-National Comparisons of Poverty and Working-Class Earnings: How the United States Measures Up

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## Abstract

In a previous *Journal of Working-Class Studies* article, we found that the earnings of both the American poor and working class fared well compared with the whole world. When compared with only OECD countries, the U.S. absolute poverty rate was in the middle of the pack. This paper updates our 2022 analysis with more recent data, more countries, and a different absolute poverty measure. The new analysis presented here shows that the earnings of the American poor and working-class still fare well when compared with the rest of the world. Compared with a subset of the 30 wealthiest OECD countries, the American working class was still near the top of the rankings while the U.S. absolute poverty rate was in the middle of the pack. Thus, these new calculations update and largely confirm our earlier findings.

## Keywords

Absolute poverty, cross-national, economic inequality, educational attainment, Gini coefficient, inequality, JWCS, LIS, Luxembourg Income Study, OECD, Palma ratio, poverty, relative poverty, working class, World Bank

## Overview

In a previous article in the *Journal of Working-Class Studies* (JWCS) published in December 2022, we compared the earnings of the American poor and working class with other countries around the world. We also used an absolute poverty measure similar to the U.S. Census Bureau's official poverty line<sup>4</sup> to compare poverty's prevalence in the U.S. versus other Organisation for Economic

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<sup>4</sup> See U.S. Census Bureau (2025) for these thresholds.

Co-operation and Development (OECD)<sup>5</sup> countries (see Eppard et al., 2022). In that paper we found that the earnings of both the American working class and the poor fared well when compared with the whole world. When compared with only OECD countries, the absolute poverty rate in the U.S. was in the middle of the pack (Eppard et al., 2022). In this paper we update that 2022 analysis.

First, we update our previous work by providing more recent data on the earnings of the American working class. The most recent year available from the Luxembourg Income Study (LIS) for that earlier paper was 2019, while the most recent year available to us today is 2022.

Second, we update that earlier poverty analysis by (a) using a different absolute poverty measure and (b) including far more countries than our previous analysis. The measure we used previously was the U.S. Census Bureau's official poverty line<sup>6</sup> applied to LIS data. This paper's absolute measure comes from the World Bank (Hasell et al., 2025) and defines poverty as having less than \$30 (in USD) to spend per day.

### **Working Class Americans in Cross-National Context**

According to the U.S. Department of Education, about 29% of Americans between the ages of 25-34 had a bachelor's degree (but no higher degree) in 2022, a number that placed the U.S. above the average (26%) for OECD countries (see Figures 1-6 below for cross-national educational attainment/performance visualizations) (NCES, 2024).

For a household where the householder had a bachelor's degree or higher, the median household income was \$123,000 in that same year, according to the U.S. Census Bureau (Guzman & Kollar, 2024). Those are impressive earnings—but what about the working class?

For the sake of this discussion, we will consider the working class to be those with no more than a high school degree—they may have some college experience, but no completed college degree (for a discussion of the various working-class definitions, see Eppard et al., 2022).

The median income in 2022 was \$53,510 for households where the householder had a high school diploma but no college, and \$71,420 for high school graduates who had some college but no college degree (Guzman & Kollar, 2024).

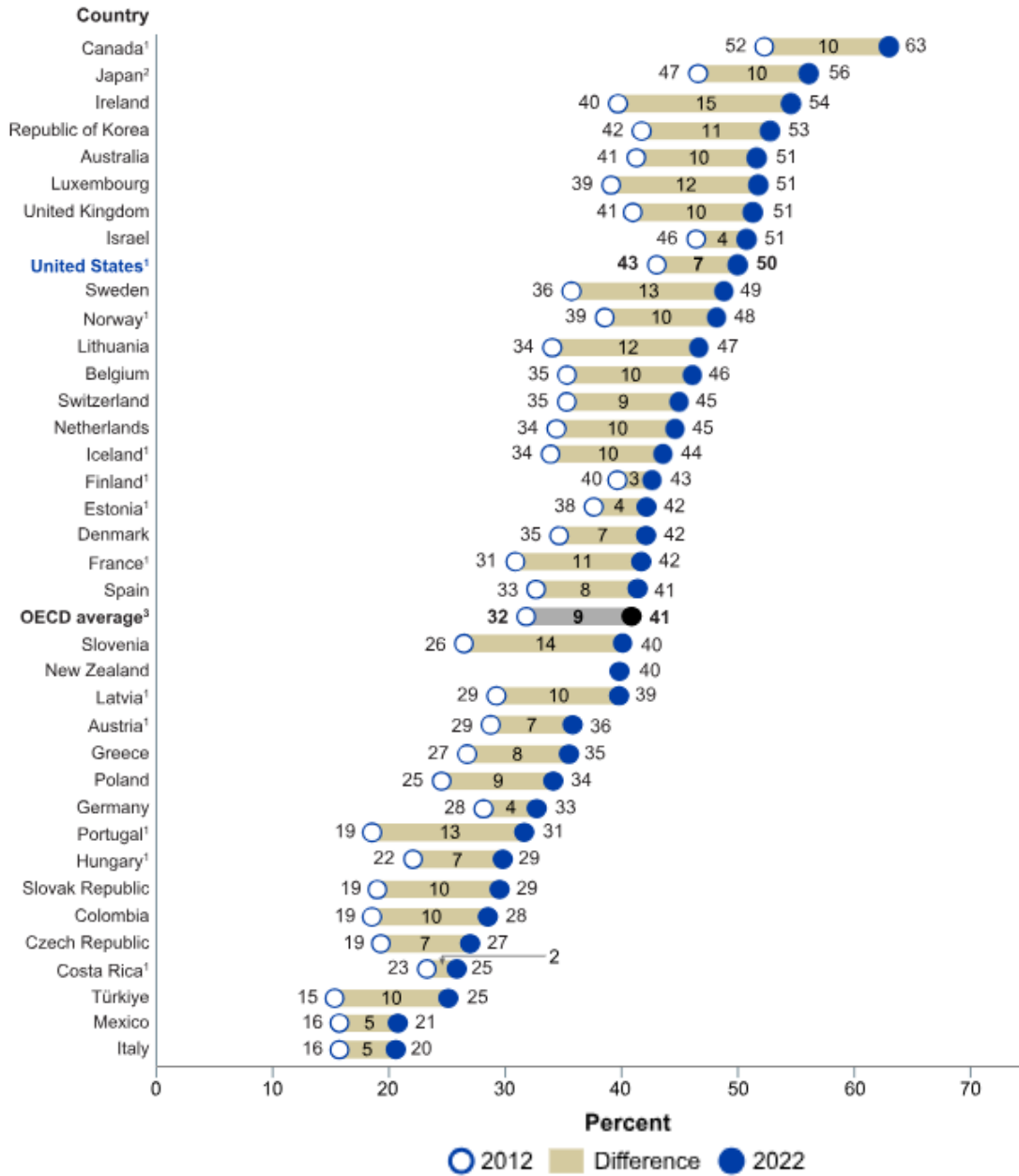
To assess how the American working class compares with their counterparts in other countries, we examined the incomes of people in the 3rd and 4th income deciles—not quite at the national median income, but also not poor. This would be the area of the U.S. income distribution, for instance, where you might find a single-income household headed by a high school educated general maintenance/repair worker or construction laborer/helper (BLS, 2025a & 2025b).

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<sup>5</sup> The OECD is an intergovernmental organization of 38 member countries committed to democracy and liberal economic markets. Scholars like us compare the U.S. to OECD countries when needing apples-to-apples, wealthy-to-wealthy country comparisons. If one wants to see how the U.S. compares with only wealthy, high-HDI countries, this is a (admittedly imperfect) shortcut that excludes most middle- and low-income countries.

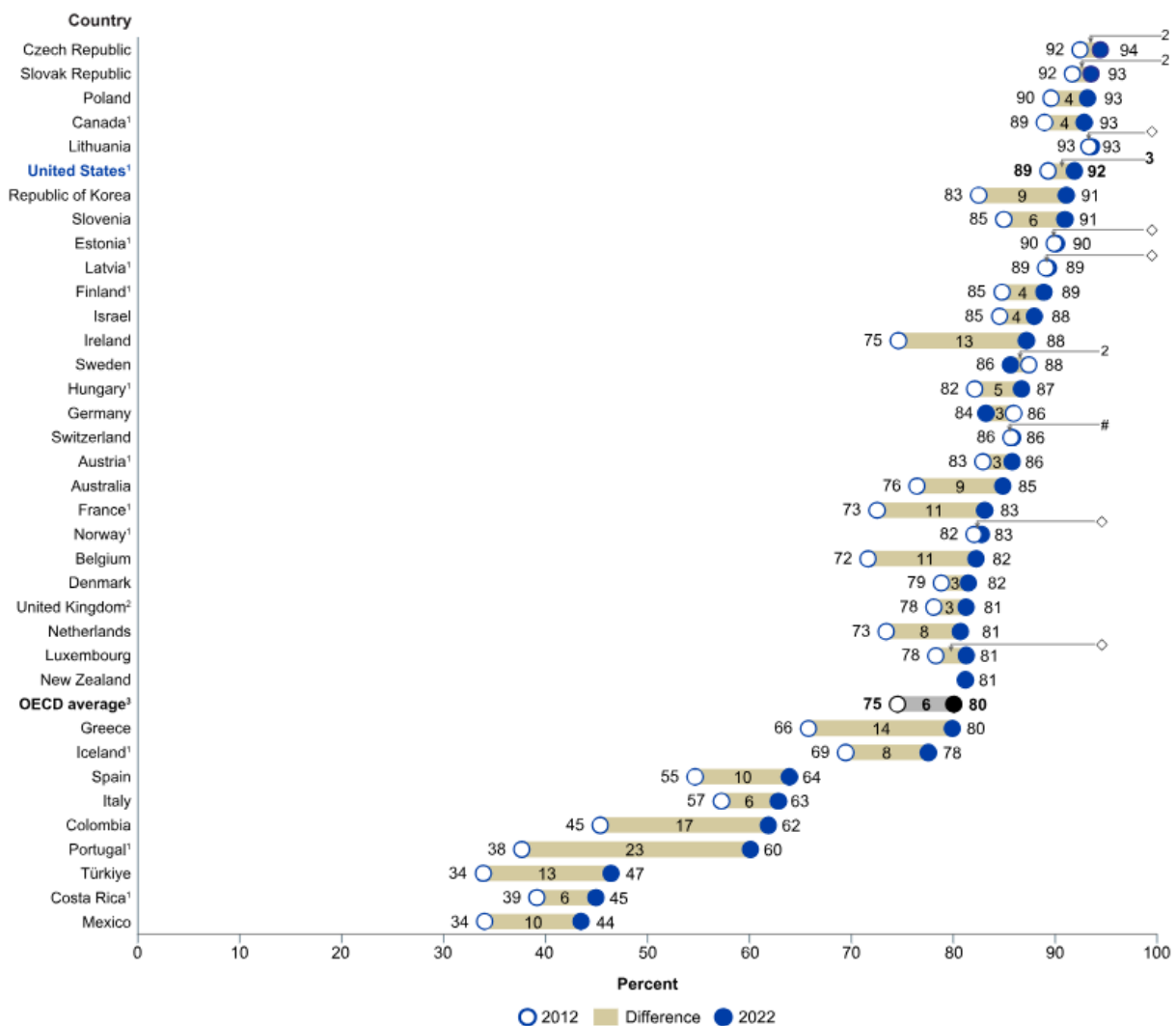
<sup>6</sup> See U.S. Census Bureau (2025) for these thresholds.

**FIG 1.** Percentage of Population with Any Postsecondary Degree, OECD Countries.



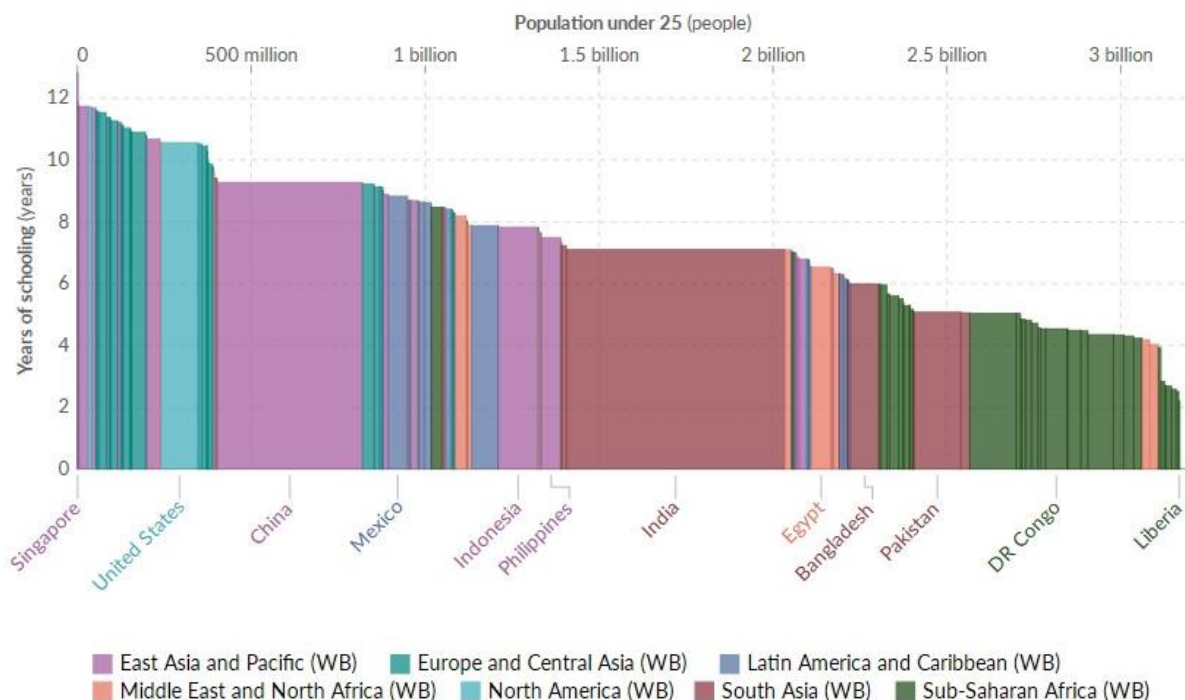
Source: NCES (2024).

**FIG 2.** Percentage of Population Completing High School, OECD Countries.



Source: NCES (2024).

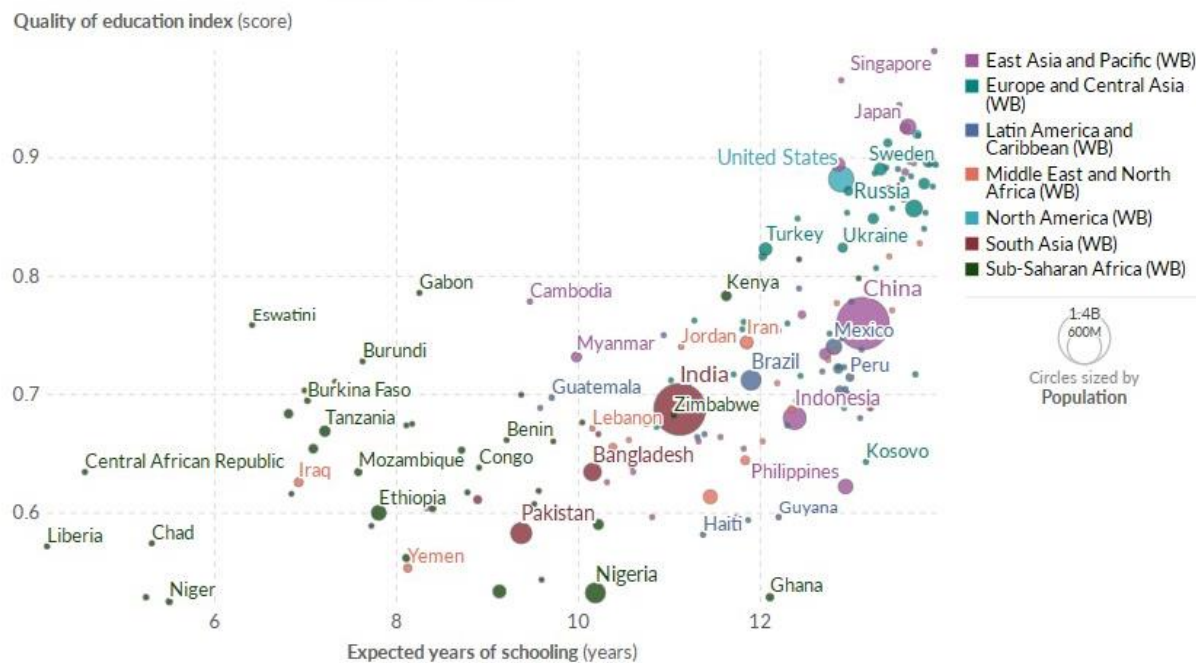
**FIG 3.** Learning-Adjusted Years of School Around the World.



*Note:* Indicator merges the quantity and quality of education into one metric to account for the fact that similar durations of schooling can yield different learning outcomes. Data from 2020.

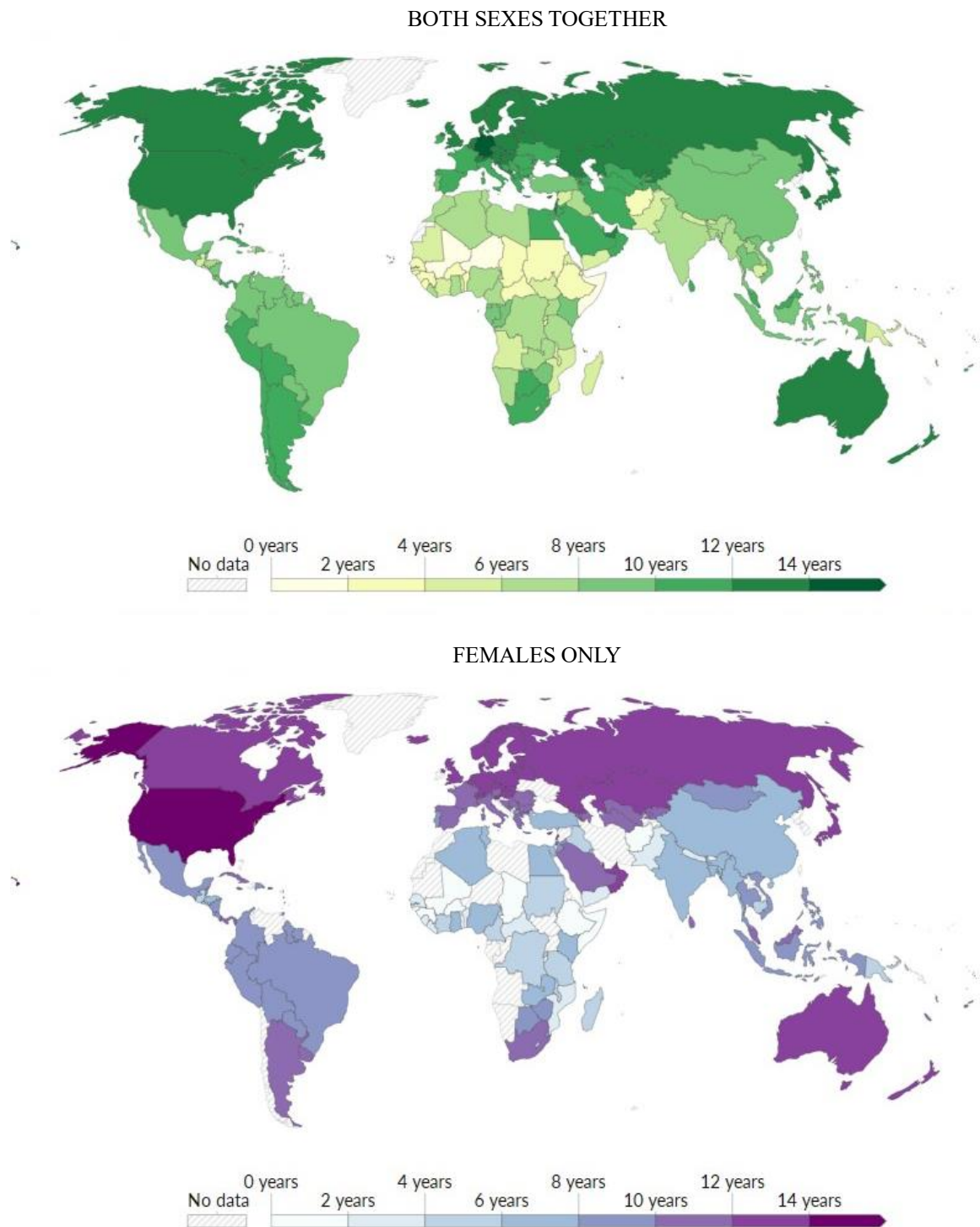
*Source:* OWD (2025).

**FIG 4.** Quantity versus Quality of Schooling Around the World.



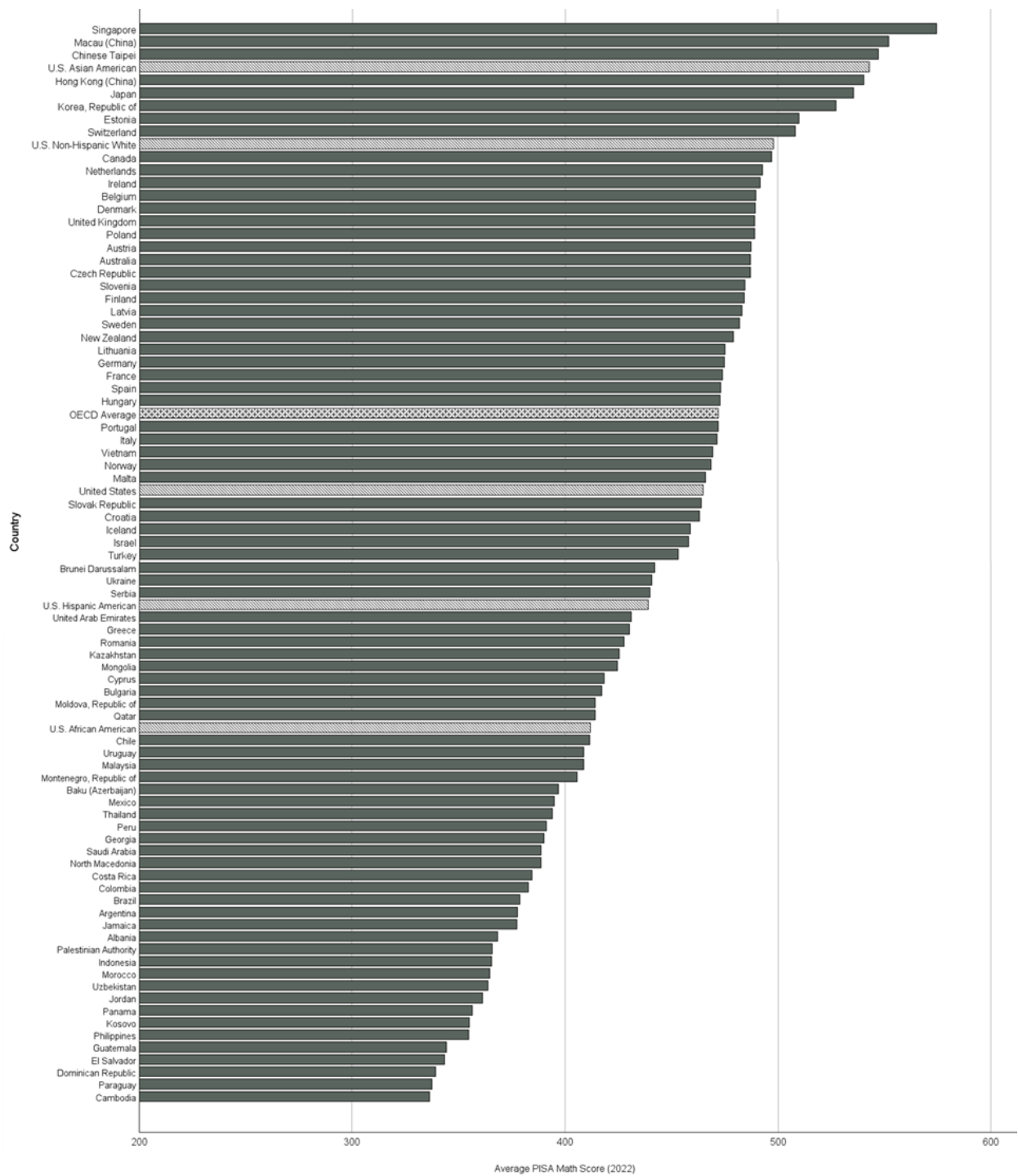
*Note:* Data from 2020.

*Source:* OWD (2025).

**FIG 5.** Average Years of Formal Education Around the World.

*Note:* For adults over 25 years old in 2023. Top map for males and females together, bottom for females only.  
*Source:* OWD (2025).

**FIG 6.** Average PISA Math Test Scores Around the World.



*Note:* For 15-year-old students in 2022.  
*Source:* NCES (2025).

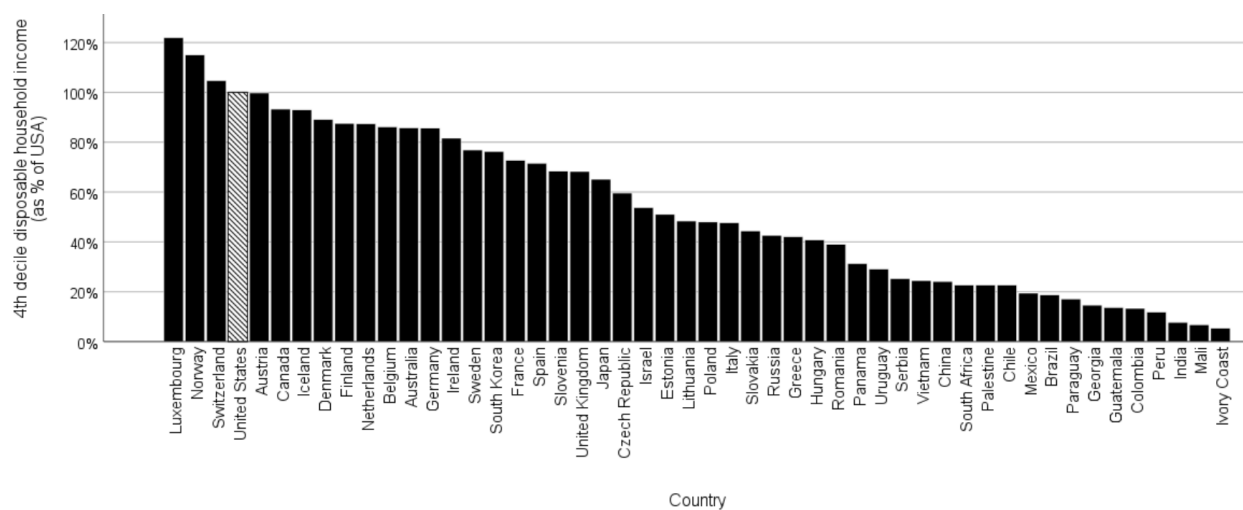
We express the cross-national working-class earnings comparisons as a percentage of U.S. income:

$$\left( \frac{\text{country decile income}}{\text{USA decile income}} \right) \times 100$$

The median disposable household income of the 3rd income decile in the U.S. fared very well versus the same decile in other countries, coming in at 6th best out of 50 countries with recent data in the LIS database. The top five countries were Luxembourg (129% of U.S. 3rd decile income), Norway (125%), Switzerland (112%), Austria (107%), and Iceland (101%). The bottom five were South Africa (11%), Peru (11%), India (8%), Mali (7%), and Ivory Coast (5%).

As you can see in Figure 7 below, the U.S. fared well at the 4th decile as well, coming in at 4th best out of 50 countries. The top five countries were Luxembourg (122% of U.S. 4th decile income), Norway (115%), Switzerland (105%), United States (100%), and Austria (99.8%). The bottom five were Colombia (13%), Peru (12%), India (8%), Mali (7%), and Ivory Coast (5%).

**FIG 7.** American Working-Class Household Income Relative to Other Countries.



*Source:* Authors' computations using LIS data (DART, 2025).

It appears that not much has changed since our 2022 analysis (Eppard et al., 2022) in the JWCS: the working class in the U.S. continues to compare favorably, at least in terms of income, to their counterparts around the world.

It is important to note that the database we rely upon for our working-class analysis, LIS, is disproportionately composed of wealthy countries. If most countries in the world were included, such as more middle- and low-income countries, it is safe to assume that the American working class would look even more impressive in comparison.

## American Poverty in Cross-National Context

It is common for social scientists to use a relative poverty measure when comparing two or more countries' poverty rates. Depending upon which relative measure one chooses to use, people are considered poor if they live in a household that earns less than 50% or 60% of their country's median national income (after taxes and government transfers).

Using a relative measure to compare countries, the U.S. has one of the highest poverty rates (18.3% under the 50% threshold) not only among OECD countries—a group containing some of the world's wealthiest countries—but among *all countries* in the world (at least among those 91 countries for which we have data). As you can see in Table 1 below, under the 50% relative threshold the U.S. ranks 79th out of 91 countries (with 91 being the highest-poverty country). Under this measure, the U.S. has more poverty than underdeveloped countries like Burkina Faso, Democratic Republic of Congo, Mali, Niger, and Sierra Leone.

The country with the lowest poverty rate in Table 1 is Pakistan (3.6%), followed by Kyrgyzstan (3.7%), Kazakhstan (3.8%), Moldova (3.9%), and Czechia (4.9%).

To many people, this probably seems a bit off. For example, the *richest 10%* have about \$3.31 to spend a day in the Democratic Republic of Congo and \$8.07 in Pakistan—compared with \$22.93/day for the *poorest 10%* in the U.S. (see Figure 8 below). In Pakistan, 94.5% of people lived on \$10/day or less in 2018, compared with only 2.5% in the U.S. (see Figure 9 below).

Considering this, how could Pakistan not only have significantly less poverty than the U.S., but the lowest poverty rate in the world? How is it possible that countries like the Democratic Republic of Congo (99% living on \$10/day or less) outperform the U.S. (2.5%) when it comes to poverty (see Figure 9)?

If different poverty measures lead to dramatically different cross-national poverty comparisons, which one is *really* measuring poverty?

In a previous article that was published in the JWCS (see Eppard et al., 2022), we used an absolute measure to compare countries, relying on data from LIS (see Figure 10 below). Absolute measures of poverty are calculated based on the assumption that, below the chosen income threshold, people cannot afford their basic needs. The absolute measure we used was designed to mirror, as closely as possible, the official poverty line published each year by the U.S. Census Bureau (see Table 2 below for the most recent Census poverty thresholds for different family sizes).

Unlike analyses which use a relative measure and find that the U.S. has one of the highest poverty rates among OECD countries, our absolute measure suggested that poverty in the U.S. was rather average for a wealthy country. We were limited in how satisfied we could be with that earlier analysis—including data issues that lead to imprecise estimates and a limited number of countries with recent data—so we decided to pursue this question further with different data in this paper.

**TABLE 1.** Absolute and Relative Poverty Rates Around the World.

Country	Absolute poverty rate (%)	Rank	Relative poverty rate (%)	Rank
Norway	6.96	1	8.04	16
UAE	7.67	2	11.43	45
Switzerland	9.11	3	11.25	42
Denmark	9.33	4	6.59	9
Luxembourg	10.55	5	14.31	64
Netherlands	11.47	6	8.09	17
Finland	11.94	7	6.79	11
Austria	12.59	8	10.24	31
Germany	13.25	9	10.75	35
Belgium	14.56	10	9.64	24
Canada	14.75	11	12.25	54
Australia	15.25	12	11.74	48
Sweden	16.12	13	10.77	36
France	16.26	14	10.03	30
United States	17.50	15	18.25	79
Ireland	19.44	16	7.11	12
Malta	22.85	17	9.67	26
United Kingdom	24.50	18	12.25	53
Cyprus	25.41	19	7.47	13
South Korea	26.75	20	14.25	62
Slovenia	27.15	21	5.30	8
Taiwan	29.49	22	8.50	19
Italy	31.06	23	15.23	68
Spain	34.64	24	15.71	71
Czechia	39.06	25	4.93	5
Estonia	43.48	26	9.89	28
Israel	43.74	27	20.49	87
Lithuania	53.96	28	13.25	56
Poland	55.71	29	9.53	23
Portugal	57.57	30	11.46	46
Latvia	60.22	31	11.87	50
Malaysia	61.33	32	17.02	75
Panama	64.82	33	22.32	88
Uruguay	66.09	34	16.91	73
Croatia	66.69	35	11.48	47
Greece	68.42	36	13.80	58
Slovakia	70.85	37	9.33	22
Hungary	71.14	38	10.93	39
Bulgaria	74.48	39	14.13	60
Costa Rica	74.82	40	19.30	83
Turkey	75.94	41	17.37	76
Russia	80.12	42	10.78	37
Seychelles	80.22	43	14.26	63
Grenada	80.57	44	14.48	65
Romania	81.66	45	18.12	78
Brazil	82.98	46	23.56	90
Bolivia	83.52	47	20.05	85
Paraguay	85.03	48	18.29	80

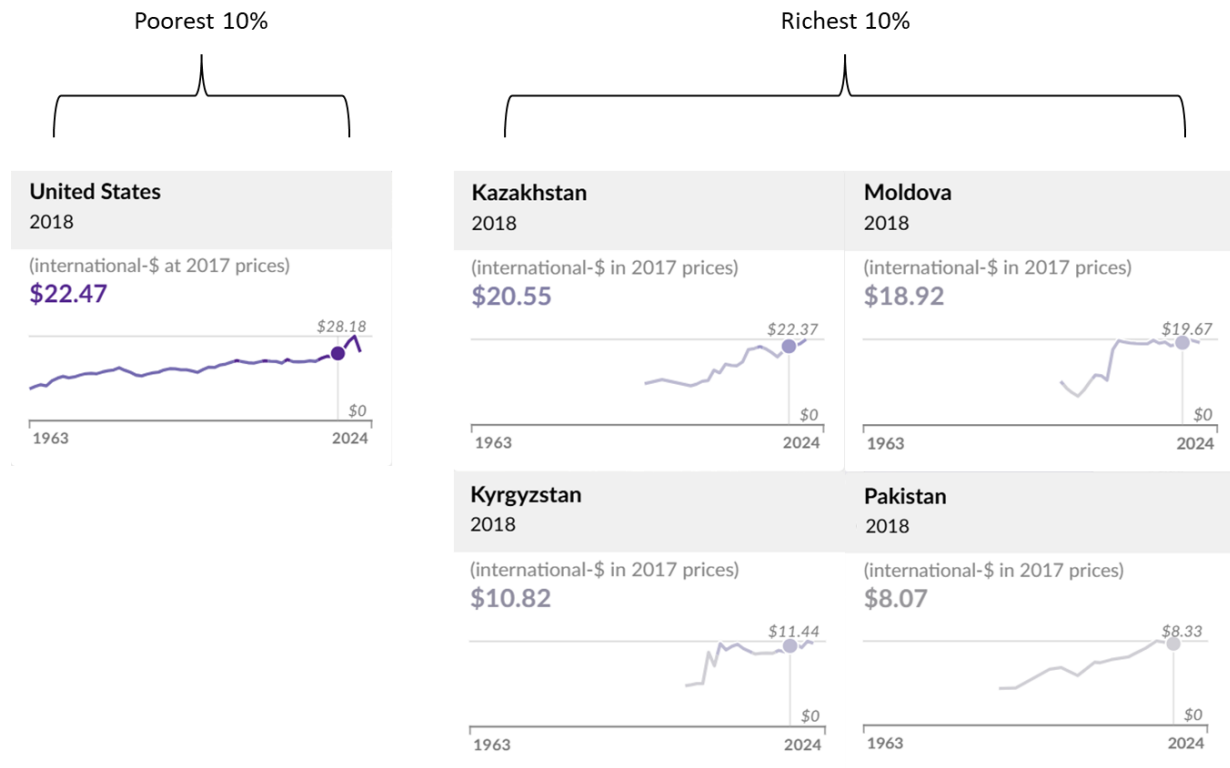
**TABLE 1 (continued).**

Country	Absolute poverty rate (%)	Rank	Relative poverty rate (%)	Rank
Jamaica	85.10	49	12.02	52
Montenegro	88.04	50	19.92	84
Ecuador	88.91	51	19.26	81
Colombia	89.65	52	20.43	86
Thailand	90.09	53	11.32	44
Dominican Republic	90.66	54	14.19	61
Mexico	90.90	55	16.03	72
Belarus	91.82	56	5.20	7
Serbia	92.11	57	16.96	74
Peru	92.42	58	19.28	82
China	93.18	59	14.75	67
Iran	93.48	60	12.37	55
Vietnam	94.18	61	13.97	59
Honduras	94.99	62	24.50	91
El Salvador	95.39	63	15.30	69
North Macedonia	95.64	64	17.45	77
Albania	96.28	65	11.77	49
Ukraine	96.78	66	5.02	6
Kazakhstan	97.07	67	3.77	3
Armenia	97.82	68	7.84	15
Moldova	97.94	69	3.86	4
Mongolia	98.22	70	9.86	27
Georgia	98.75	71	14.61	66
Philippines	98.84	72	11.21	41
Angola	98.86	73	22.79	89
Laos	98.90	74	10.34	33
Indonesia	99.04	75	10.30	32
Senegal	99.18	76	10.51	34
Cote d'Ivoire	99.55	77	11.88	51
Togo	99.55	78	15.66	70
Burkina Faso	99.58	79	11.27	43
Kyrgyzstan	99.63	80	3.70	2
Benin	99.64	81	11.00	40
Pakistan	99.74	82	3.55	1
India	99.75	83	6.75	10
Guinea-Bissau	99.76	84	9.08	21
Tanzania	99.77	85	9.90	29
Mali	99.82	86	9.04	20
Sierra Leone	99.83	87	7.49	14
Chad	99.84	88	10.82	38
Niger	99.86	89	8.12	18
Nigeria	99.93	90	13.32	57
Guinea	99.99	91	9.64	25

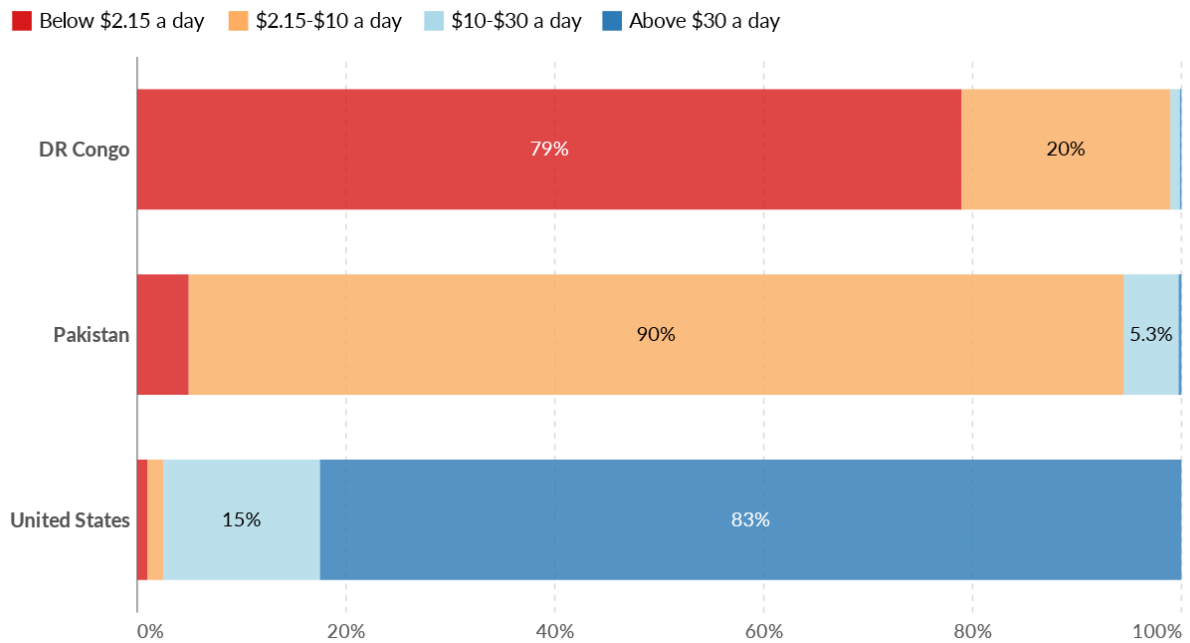
*Note:* Poverty rates from 2018.

*Source:* Hasell et al. (2025).

**FIG 8.** Consumption Per Day, Poorest Americans versus Richest Citizens in Select Countries.

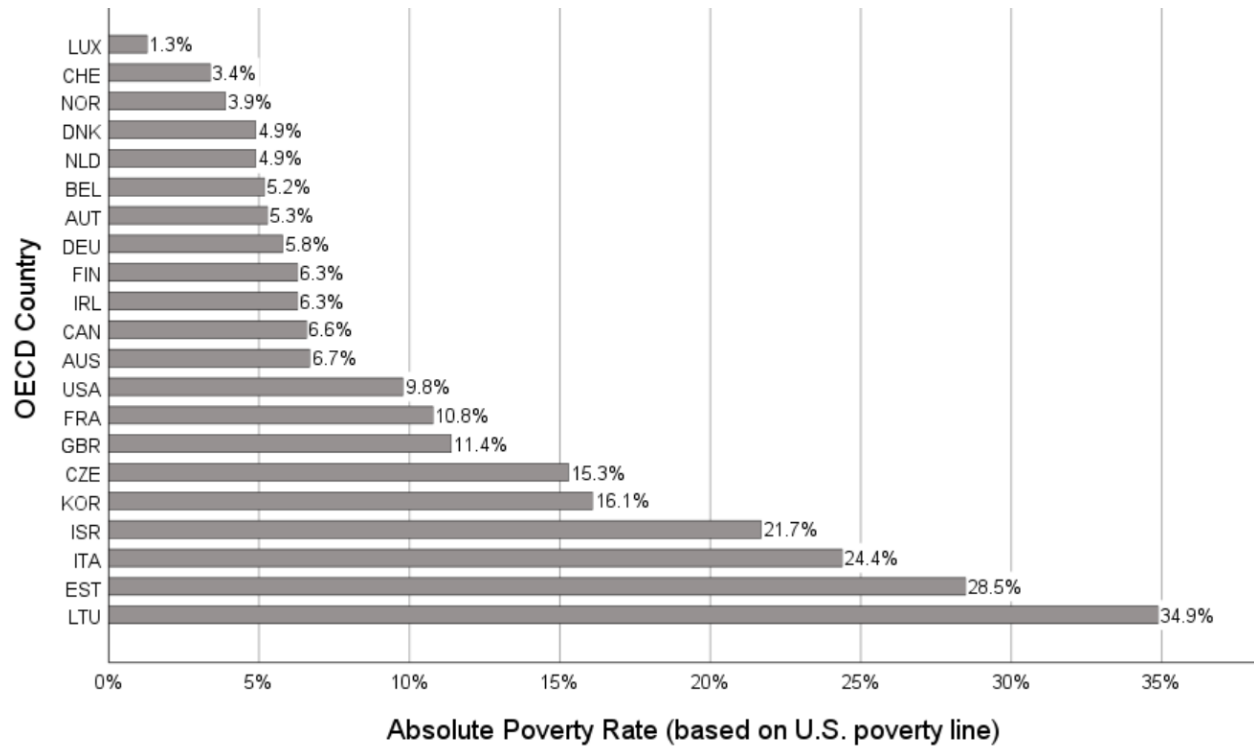


Source: OWD (2025).

**FIG 9.** Distribution of Population Between Different Income Levels for COD, PAK, and USA.

*Note:* Data from 2018 and adjusted for inflation and for differences in cost of living between countries.

*Source:* OWD (2025).

**FIG 10.** Absolute Poverty Rates Using U.S. Census Bureau Official Poverty Line, Select OECD Countries.

*Note:* Average poverty rate of 11.1% among the countries displayed.

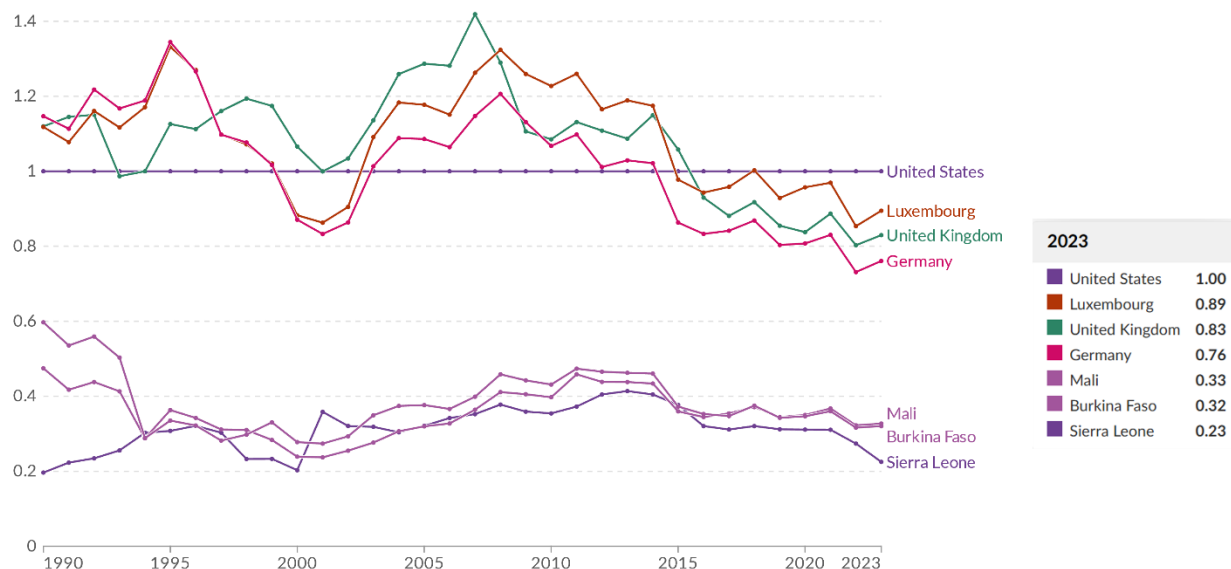
*Source:* Eppard et al. (2022).

**TABLE 2.** U.S. Census Bureau Official Poverty Thresholds for 2024 by Family Size

Size of family unit	Related children under 18 years old									
	0	1	2	3	4	5	6	7	8+	
One person (unrelated individual):										
Under 65	\$16,320									
65+	\$15,045									
2 people:										
Householder under 65	\$21,006	\$21,621								
Householder 65+	\$18,961	\$21,540								
3 people	\$24,537	\$25,249	\$25,273							
4 people	\$32,355	\$32,884	\$31,812	\$31,922						
5 people	\$39,019	\$39,586	\$38,374	\$37,436	\$36,863					
6 people	\$44,879	\$45,057	\$44,128	\$43,238	\$41,915	\$41,131				
7 people	\$51,638	\$51,961	\$50,849	\$50,075	\$48,631	\$46,948	\$45,100			
8 people	\$57,753	\$58,263	\$57,215	\$56,296	\$54,992	\$53,337	\$51,614	\$51,177		
9+ people	\$69,473	\$69,810	\$68,882	\$68,102	\$66,822	\$65,062	\$63,469	\$63,075	\$60,645	

Source: U.S. Census Bureau (2025).

**FIG 11.** The Importance of Purchasing Power Parity (PPP) Adjustments.



**GDP price levels relative to the US, 1990 to 2023**

This indicator measures differences in general price levels relative to the United States. A value below 1 means that a given sum of US dollars purchases more goods and services than in the US.

Source: Ortiz-Ospina & Molteni (2017).

In this paper, we will use an absolute poverty measure from the World Bank (see Hasell et al., 2025) to compare poverty rates cross-nationally. Our absolute measure is the percentage of the population living in households with income/consumption per person below \$30 per day (after taxes and benefits wherever possible). All incomes are converted into USD using Purchasing Power Parity (PPP) adjustments (see Figure 11 above).

The reason we chose the \$30/day threshold (rather than any of the other thresholds available, such as \$1.00, \$2.15, \$3.65, \$3.85, \$10.00, \$20.00, or \$40.00), is that \$30/day was the closest to approximating the U.S. Census Bureau's official poverty line. The \$20.00/day line resulted in a poverty rate that was far too low for the U.S., while \$40.00/day was far too high.<sup>7</sup>

As for the year we chose to analyze, 2018, we (a) wanted to use the most recent year in the database that had a large number of countries reporting data and (b) wanted to avoid any years where the COVID pandemic created odd distortions in the data. With these considerations in mind, we settled on 2018—a non-pandemic year where 91 countries reported data.

Like our analysis in our 2022 JWCS article, the U.S. poverty rate was not high compared with most other OECD countries when using the World Bank's \$30/day absolute threshold. In fact, the poverty rate for the U.S. (17.5%) was below both the average and median rates for OECD countries (36.5% and 26.7%, respectively). The average and median rates for just the wealthiest 30 OECD countries were 27.1% and 18.5%, respectively, placing the U.S. right in the middle of the pack (15th out of 30).<sup>8</sup>

Compared with all countries reporting data, the U.S. performed very well, coming in at the 15th lowest poverty rate among 91 countries (see Table 1 above).

To recap:

- Under the *relative* measure,<sup>9</sup> poverty in the U.S. was:
  - **High** compared with all countries (79th out of 91 countries).
  - **High** among OECD countries (34th out of 37).<sup>10</sup>
  - **High** among just the 30 wealthiest OECD countries (29th out of 30).
- Under the *absolute* measure,<sup>11</sup> poverty in the U.S. was:
  - **Low** compared with all countries (15th out of 91).
  - **Below average** among OECD countries (15th out of 37).
  - **Average** among just the 30 wealthiest OECD countries (15th out of 30).

As you can see, these two measures tell two very different stories about U.S. poverty in cross-national context. So which one is actually measuring poverty?

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<sup>7</sup> For how changing thresholds changes poverty rates, see Hasell et al. (2025).

<sup>8</sup> Comparing the U.S. to just the wealthiest 30 OECD countries is illustrative, as this excludes countries with much lower GDP per capita—countries like Costa Rica, Colombia, and Mexico.

<sup>9</sup> Earning less than 50% of the national median income in one's country.

<sup>10</sup> New Zealand did not have data, reducing our OECD dataset from 38 to 37.

<sup>11</sup> Having less than \$30/day in USD to spend.

To try to answer this question, we first calculated the Pearson bivariate correlation between the relative poverty measure (less than 50% of median national income) and our absolute poverty measure (less than \$30/day in USD to spend). The Pearson formula is as follows:

$$r = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum (x_i - \bar{x})^2 \sum (y_i - \bar{y})^2}}$$

As you can see in Table 3 below, their association is not statistically significant. The r-value was 0.14, with a *p*-value much higher than 0.05 (*p* = 0.198).

**TABLE 3.** Bivariate Correlations, Poverty Dimensions and Poverty Measures.

Variables	Absolute poverty measure	Relative poverty measure	N
<i>Poverty dimensions</i>			
Life expectancy	-0.74***	0.07	91
Infant mortality	0.58***	-0.11	90
Moderate or severe food insecurity	0.62***	0.16	76
Maternal death	0.42***	-0.08	90
Safe water access	-0.71***	-0.04	70
Consumption of bottom 10%	-0.97***	-0.27**	91
High school completion	-0.51***	-0.10	68
Internet access	-0.76***	-0.00	89
HDI (inequality adjusted)	-0.76***	-0.08	87
<i>Poverty measures</i>			
Absolute poverty measure	1	0.14	91
Relative poverty measure	0.14	1	91
<i>Economic inequality measures</i>			
Palma ratio	0.61***	0.78***	32
Post-tax/transfer Gini coefficient	0.49**	0.86***	35

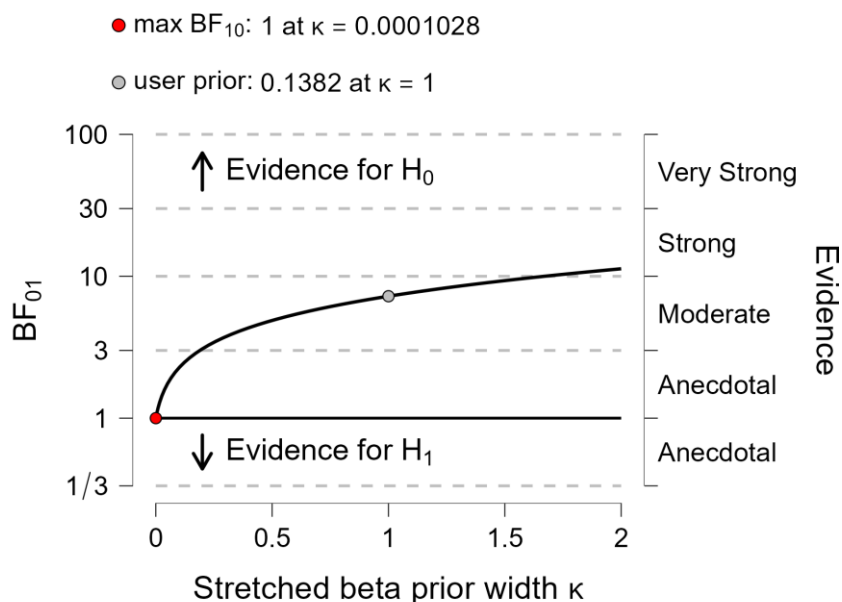
The relationship between absolute poverty and relative poverty was also tested using Kendall's tau because of a violation of normality ( $W = 0.90$ ,  $p < 0.001$ ). The results indicated that there is no relationship between absolute poverty and relative poverty ( $\tau_b = -0.01$ ,  $p = 0.883$ , 95% CI = [-0.15, 0.13]).<sup>12</sup>

To further demonstrate that no relationship between absolute poverty and relative poverty is present in the data, a Bayesian Kendall's tau was conducted between the variables with the

<sup>12</sup> See Appendix Tables 1 & 2 for more Kendall's tau analyses.

stretched beta prior width  $\kappa$  set to 1.0 (the default prior in JASP version 19.3). The results demonstrated *moderate* evidence in support of the null hypothesis that absolute poverty and relative poverty were not related ( $\tau_b = -0.01$ ,  $BF_{01} = 7.23$ ). Figure 12 below provides evidence regarding how the bayes factor changes at different prior probability settings.

**FIG 12.** Bayes Factor Robustness Check.



*Note:* Bayes factor robustness check shows strength of bayes factor at different stretch beta prior widths.

Absolute poverty is not normally distributed given a very large ceiling effect. Kendall's tau, which is robust to any violation of normality, shows the same pattern of results as our Pearson correlations (see Appendix Tables 1 & 2).

If absolute poverty and relative poverty are not correlated, and thus they are not measuring the same phenomena, this begs the question: which one is measuring poverty?

To determine this, we first identified several dimensions of poverty beyond income where a poor person would struggle. Somebody who is poor, for instance, is not just struggling financially, but also when it comes to things like their health and access to food. Any poverty measure should be correlated with these measures, as they should rise and fall together.

So while we included the amount of money available to the poor (bottom 10% consumption), we also selected the following non-income poverty dimensions: food insecurity, high school completion, inequality-adjusted HDI (IHDI), infant mortality, internet access, life expectancy, maternal death, and water access:

- “Bottom 10% consumption” refers to the level of after-tax income or consumption per day per capita in the bottom 10% of the population in a given country (expressed in USD). These data come from the World Bank (OWD, 2025).
- “Food insecurity” refers to the percentage of the population in a given country that is either moderately (the inability to regularly eat a healthy, nutritious diet) or severely (an insufficient quantity of food) food insecure. Food insecurity is defined by the Food Insecurity Experience Scale (FIES). These data come from the United Nations (OWD, 2025).
- “High school completion” refers to the percentage of people who have completed upper secondary education in a given country. Upper secondary education refers to education that typically happens between ages 15 and 18 and prepares students for tertiary education and/or the workforce. These data come from the United Nations (OWD, 2025).
- “Inequality-adjusted HDI” (IHDI) data come from United Nations (OWD, 2025). “HDI” refers to the Human Development Index, which examines three dimensions of human development in a population: living a long and healthy life, educational attainment, and having enough income to maintain a decent standard of living. The IHDI measure accounts for inequalities in these dimensions across a given population. The higher the value (values range between 0 and 1), the more evenly these dimensions of human development are spread across a given country’s population. A country’s score on the IHDI would be the same as its HDI score if there is no inequality in its population. The greater the level of inequality, the lower the IHDI relative to the HDI (OWD, 2025).
- “Infant mortality” refers to the estimated percentage of newborns in a given country who die before they reach one year of age. These data come from the United Nations (OWD, 2025).
- “Internet access” refers to the percentage of the population in a given country who used the internet at some point in the last three months. These data come from the International Telecommunication Union via the World Bank (OWD, 2025).
- “Life expectancy” refers to the average number of years a newborn is expected to live in a given country, assuming that the mortality rates that were present at the time of their birth stayed constant throughout their life. These data come from a variety of sources compiled by economist Max Roser’s team at OWD (2025).
- “Maternal death” refers to the estimated number of women who die due to childbirth in a given country per 100,000 live births. These data come from a variety of sources compiled by OWD (2025).
- “Safe water access” refers to the percentage of the population that has an improved water source located at home that is available when needed and is free from contamination. These data come from the World Health Organization (WHO) and the United Nations (OWD, 2025).

The values of these nine poverty dimensions, we believe, should rise and fall in relation to the degree to which a valid poverty measure rises and falls. A good metaphor would be a thermometer—if the air temperature rises a given number of degrees, the reading on a thermometer should rise the same number of degrees. Likewise, if the number of people suffering from hunger

increases in a given country during a given period of time, one would expect a valid poverty measure to increase in a corresponding fashion—otherwise, it is not clear that it is measuring poverty.

Table 3 (above) and Figures 13 & 14 (below) display the Pearson correlations between our absolute and relative poverty measures and the nine poverty dimensions. All nine of the poverty dimensions had statistically significant ( $p \leq 0.05$ ) correlations below the 0.001 level with our absolute poverty measure. Eight out of nine were strongly correlated ( $r > 0.50$ ) and one (maternal death,  $r = 0.42^{***}$ ) was moderately correlated (r-value between 0.30 and 0.49) (see Cohen, 1992)

Eight out of nine poverty dimensions did not have statistically significant correlations ( $p > 0.05$ ) with our relative poverty measure. The one that did was bottom 10% consumption, with a weak correlation (r-value between 0.10 and 0.29) of  $-0.27^{**}$ . Bottom 10% consumption was much more strongly correlated with our absolute poverty measure (r-value of  $-0.97^{***}$ ).

The results in Table 3 are quite striking. All of the poverty dimensions are much more strongly associated with our absolute poverty measure. This supports the notion that, if absolute and relative poverty are measuring different things, whatever our absolute variable is measuring is much closer to poverty than what the relative variable is measuring.

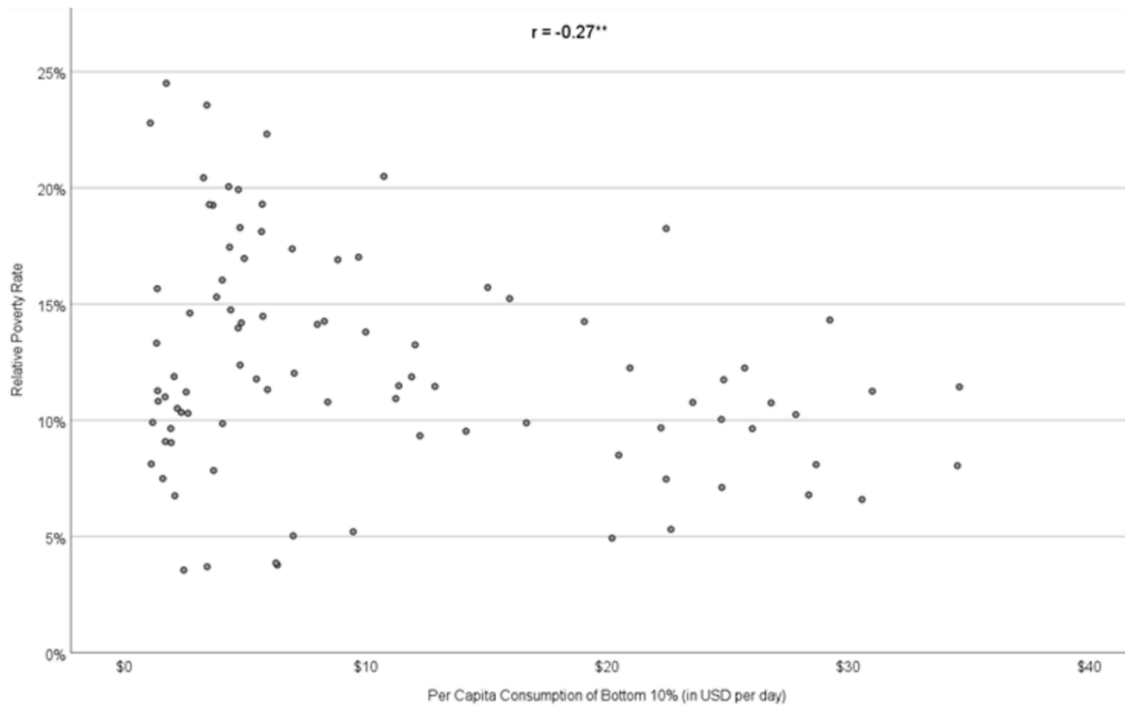
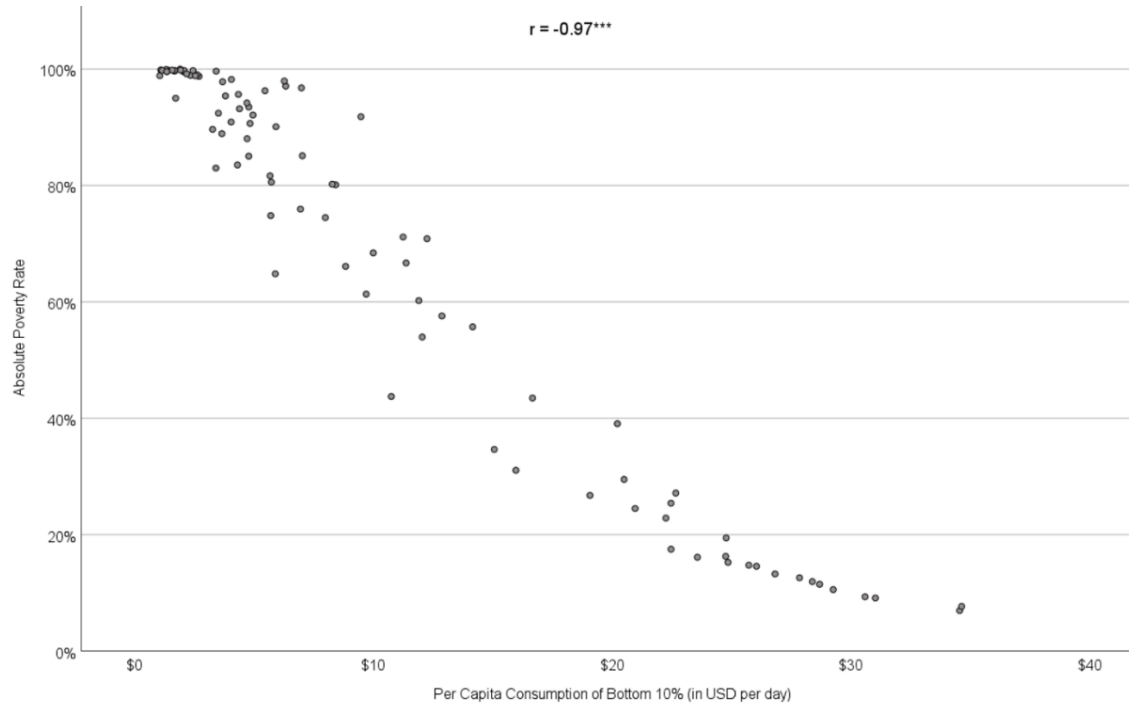
We then calculated where each country ranked on the nine poverty dimensions and averaged each country's rank across all nine dimensions. We also calculated each country's rank on both poverty measures. Then, we calculated Pearson correlations between countries' average poverty dimension rankings and their relative and absolute poverty rankings. As you can see in Table 4 and Figure 15 below, the correlation between poverty dimension ranking and relative poverty ranking was not statistically significant ( $p > 0.05$ ). The correlation between poverty dimension ranking and absolute poverty ranking, however, was incredibly strong ( $0.92^{***}$ ).

In a regression model predicting poverty dimension ranking, absolute poverty ranking ( $0.930^{***}$ ) had a much larger standardized coefficient than relative poverty ranking ( $0.179^{***}$ ) (model r-square  $0.886^{***}$ ).

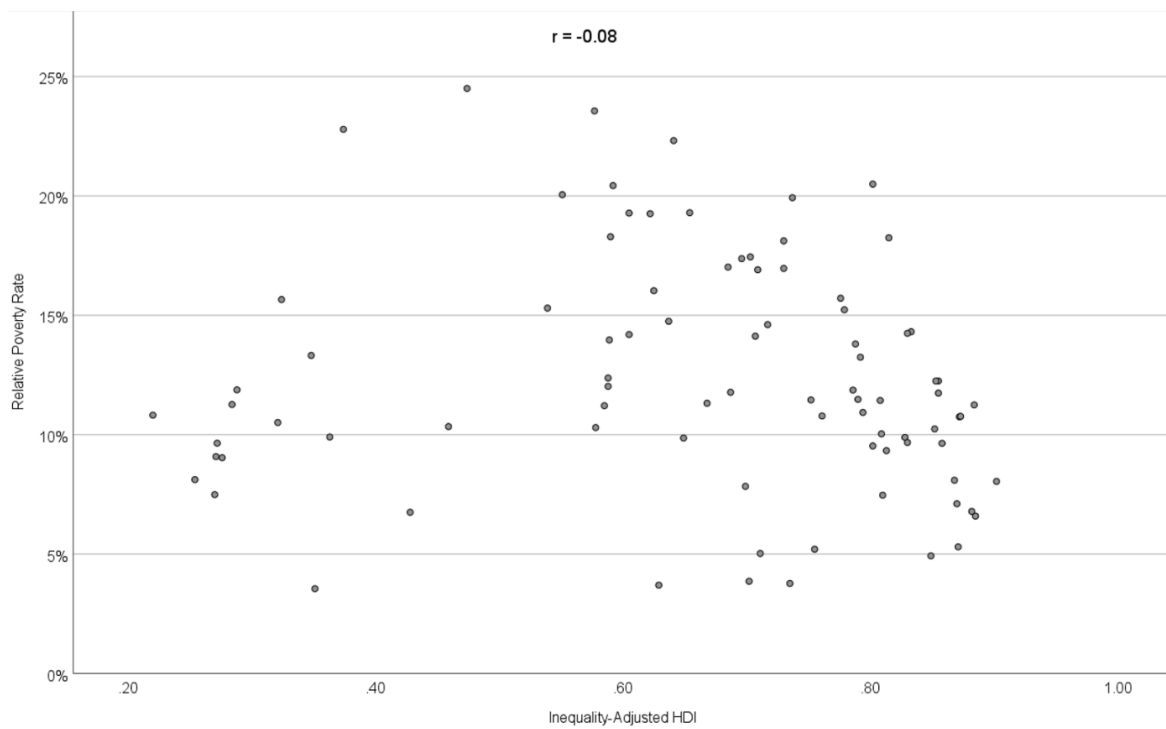
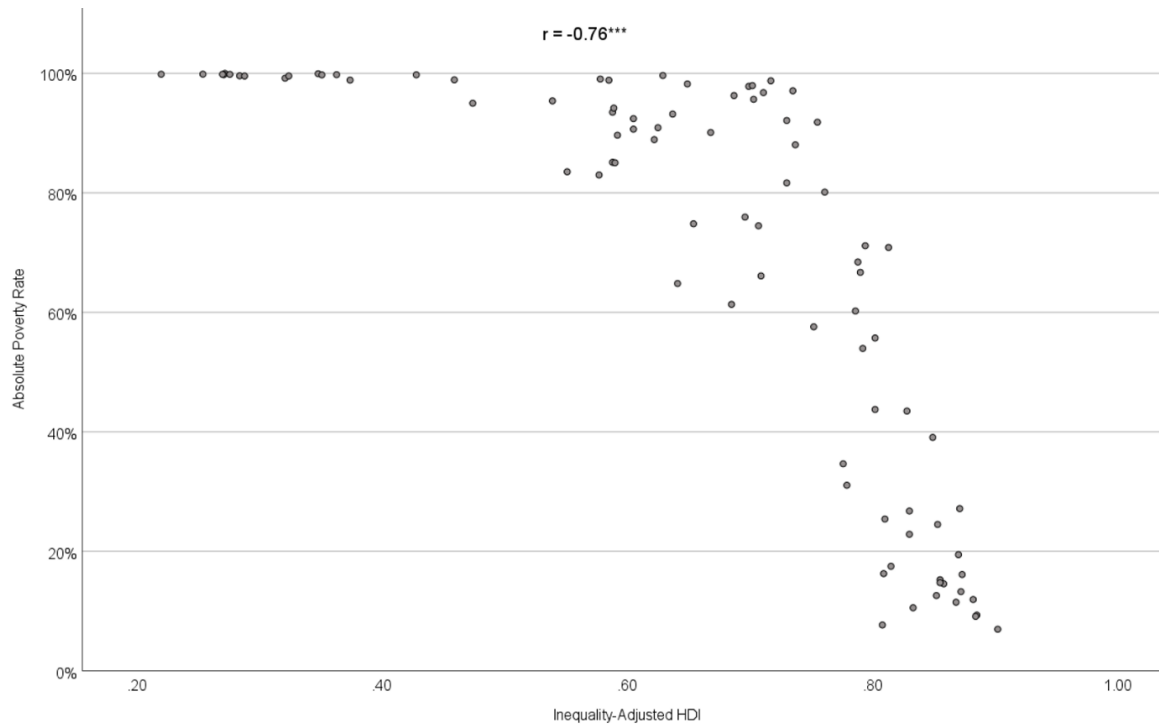
We then calculated a cross-tabulation table (Table 5 below) demonstrating the average values across the nine poverty dimensions in high-poverty and low-poverty countries based on both our absolute and relative measures. Whichever poverty measure is more accurately measuring poverty should have worse averages across these dimensions.

And in fact, all of these dimensions were worse under the absolute poverty measure than under the relative poverty measure. Life expectancy, for instance, was only 62.3 years in the poorest countries in absolute terms, but 75.5 in the poorest countries in relative terms. The same pattern held for infant mortality (5.0 deaths under absolute poverty versus 1.2 deaths under relative poverty), food insecurity (44.3% versus 23.5%), maternal death (431.8 deaths per 100k versus 52.9), safe water access (27.0% versus 78.2%), bottom 10% consumption (\$1.88/day versus \$5.95/day), high school completion (28.1% versus 71.0%), internet access (24.5% versus 65.3%), and IHDI (0.35 versus 0.64).

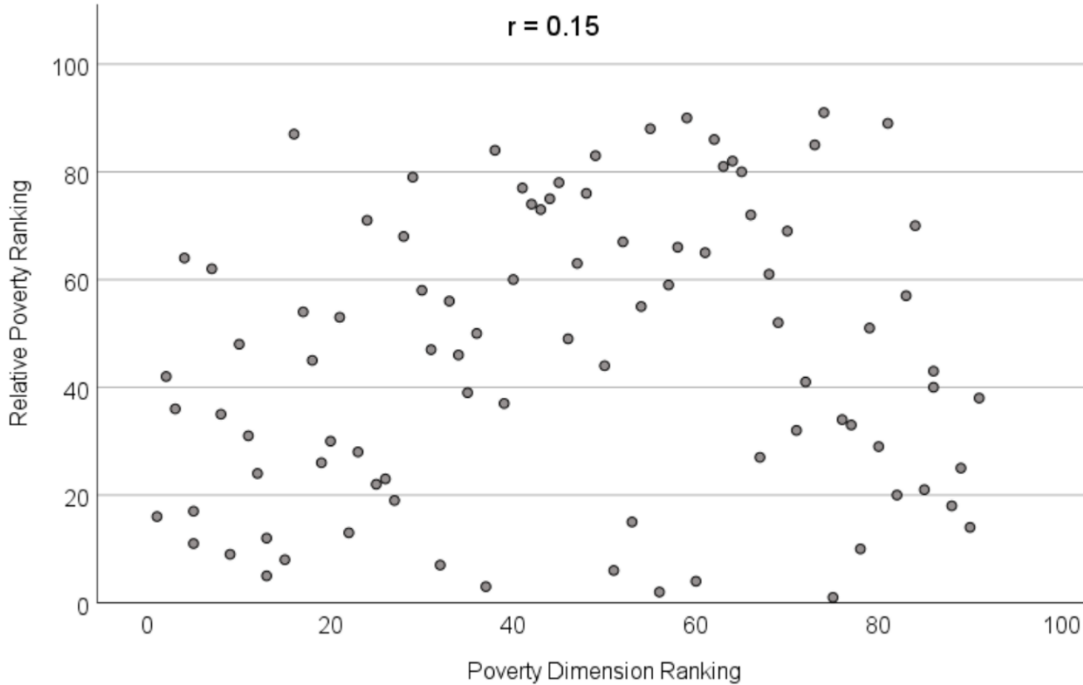
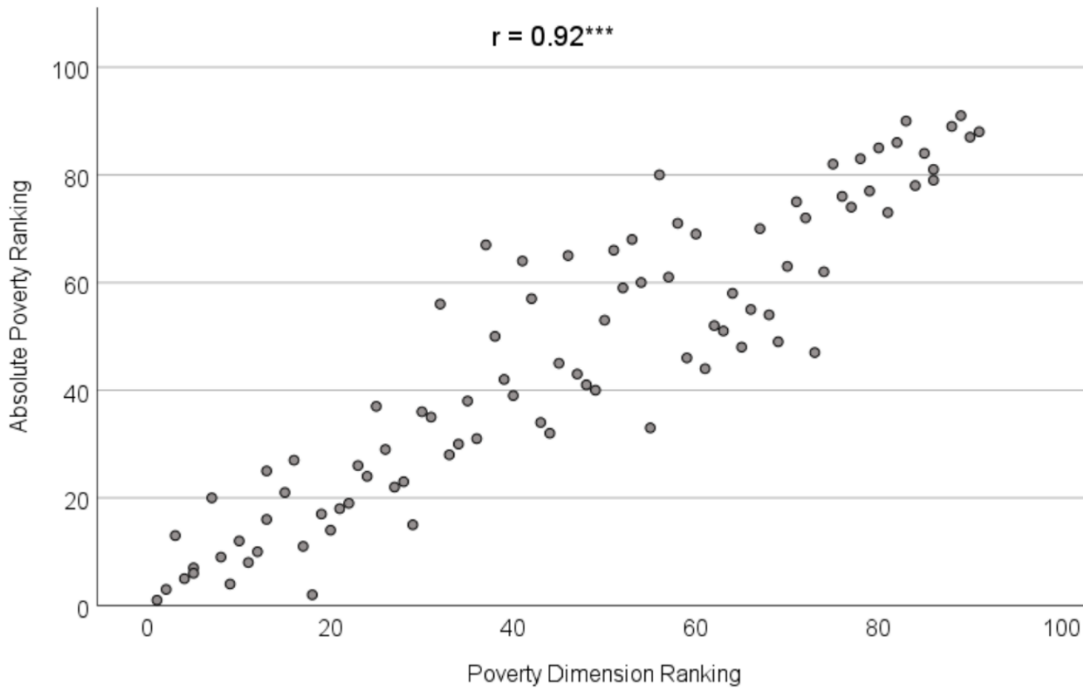
**FIG 13.** Bivariate Correlation Between Bottom 10% Consumption and Both Poverty Measures.



**FIG 14.** Bivariate Correlation Between IHDI and Both Poverty Measures.



**FIG 15.** Correlations Between Rankings on Poverty Dimensions and Poverty Measures.



**TABLE 4.** Correlations Between Rankings on Poverty Dimensions and Poverty Measures.

Rankings	Rankings		
	Absolute rank	Relative rank	Dimension rank
Absolute rank	—	-0.03	0.92***
Relative rank	-0.03	—	0.15
Dimension rank	0.92***	0.15	—

**TABLE 5.** Poverty Dimension Averages in High- and Low-Poverty Countries.

Poverty dimensions	Averages			
	Absolute pov bottom 20% (poorest)	Relative pov bottom 20% (poorest)	Absolute pov top 20% (least poor)	Relative pov top 20% (least poor)
Life expectancy (yrs)	62.3	75.5	81.9	74.6
Infant mortality (%)	5.0	1.2	0.4	1.7
Food Insecurity (%)	44.3	23.5	5.7	17.4
Maternal death (per 100k)	431.8	52.9	6.8	77.5
Safe water access (%)	27.0	78.2	99.0	84.0
Poor consumption (USD/day)	1.88	5.95	27.06	14.21
High school completion (%)	28.1	71.0	84.8	76.3
Internet access (%)	24.5	65.3	90.5	68.2
IHDI	0.35	0.64	0.86	0.69

The relationship holds at the top as well—there is less suffering in low absolute poverty countries than in low relative poverty countries. In low absolute poverty countries, for instance, the average life expectancy is 7.3 years longer than in low relative poverty countries. The same pattern holds for infant mortality (0.4 deaths per 100 versus 1.7), food insecurity (5.7% versus 17.4%), maternal death (6.8 deaths per 100k versus 77.5), safe water access (99.0% versus 84.0%), bottom 10% consumption (\$27.06/day versus \$14.21/day), high school completion (84.8% versus 76.3%), internet access (90.5% versus 68.2%), and IHDI (0.86 versus 0.69).

We calculated linear regression models for each poverty dimension—with both poverty measures as independent variables in the models and the poverty dimensions as the dependent variable (see Table 6 below). The basic formula for multiple linear regression is as follows:

$$y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \cdots + \beta_kx_k + \epsilon$$

For each poverty dimension there are two models—one with relative poverty alone, and a second with absolute poverty added. This of course allows us to see the relative contribution of each independent variable in predicting the poverty dimensions. But it also demonstrates how much of the variance in the dependent variable (r-square value) is explained by relative poverty alone (Model 1) and then how much is added once absolute poverty is included (Model 2).

The only Model 1 that was statistically significant was for bottom 10% consumption. The standardized coefficient for relative poverty alone was  $-0.272^{**}$ , explaining only 7% of the variance in the dependent variable. In Model 2 the r-square increased significantly, explaining 96% of the variance. In Model 2 the standardized coefficient for relative poverty decreased to  $-0.142^{***}$ , while the standardized coefficient for absolute poverty was  $-0.952^{***}$  (see Table 6 below).

Interestingly, the bottom 10% in the U.S. have more to spend per capita per day than most countries in the world, with only sixteen countries outperforming the U.S. (\$22.93/day) (see Figure 16 below). In fact, the poor in the U.S. have more to spend than the poor in most OECD countries. Additionally, the bottom 10% in the U.S. have more to spend per day than the *top 10%* have to spend in 42 countries for which we have data.

Like the bottom 10% consumption regression models (r-square change from 7% in Model 1 to 96% in Model 2), there were large increases in r-square values in the rest of the models as well (from <1% to 58%, 3% to 39%, 1% to 37%, <1% to 20%, <1% to 51%, <1% to 26%, <1% to 59%, and <1% to 58%). Absolute poverty had a much larger standardized coefficient than relative poverty in each Model 2, and relative poverty was not statistically significant in six out of nine of these second models (see Table 6).

### *Just Wealthy Countries?*

Some scholars may counter this analysis by arguing that the relative poverty measure is useful as long as it is only applied to wealthy countries, while the absolute measure is appropriate to use when comparing poor countries (for an example, see Brady, 2009)

The pattern in our analyses does not change, however, when we restrict the comparisons to only wealthy countries (see Table 7 & Figure 17 below).

Take a look at Table 7 below. In this table, we recalculated our regression analyses, but this time only with the 30 wealthiest OECD countries, excluding the lowest GDP per capita countries.

In all of these models, the r-square value increased from Model 1 (where only relative poverty was an independent variable) to Model 2 (both relative poverty and absolute poverty included). And in all of the models, absolute poverty was a stronger predictor of the dependent variable than relative poverty.

The dependent variables high school completion, infant mortality, and maternal death did not return statistically significant models, so we focus our discussion on the six statistically significant dependent variables.

In most cases in Table 7 (below), the difference in coefficients was rather large. For life expectancy, for instance, relative poverty was not statistically significant while the absolute poverty standardized coefficient was  $-0.693^{***}$ . The same large differences existed for internet access (not significant versus  $-0.771^{***}$ ), safe water access (not significant versus  $-0.471^*$ ), bottom 10% consumption ( $-0.265^{***}$  versus  $-0.882^{***}$ ), and food insecurity (not significant versus  $0.371^*$ ). A difference for IHDI was present but smaller ( $-0.445^{***}$  versus  $-0.680^{***}$ ).

**TABLE 6.** Standardized Regression Coefficients, Poverty Measures Predicting Poverty Dimensions.

Independent variables	Model 1	Model 2	Model 1	Model 2
	<u>Life expectancy</u>		<u>Food insecurity</u>	
Relative pov	0.071	0.175*	0.157	0.062
Absolute pov	—	$-0.764^{***}$	—	$0.615^{***}$
(r-square)	(0.005)	(0.577 <sup>***</sup> )	(0.025)	(0.394 <sup>***</sup> )
	<u>Infant mortality</u>		<u>Maternal death</u>	
Relative pov	-0.109	$-0.186^*$	-0.077	-0.132
Absolute pov	—	$0.604^{***}$	—	$0.440^{***}$
(r-square)	(0.012)	(0.371 <sup>***</sup> )	(0.006)	(0.197 <sup>***</sup> )
	<u>Safe water access</u>		<u>Bottom 10% consumption</u>	
Relative pov	-0.040	0.063	$-0.272^{**}$	$-0.142^{***}$
Absolute pov	—	$-0.723^{***}$	—	$-0.952^{***}$
(r-square)	(0.002)	(0.514 <sup>***</sup> )	(0.074 <sup>**</sup> )	(0.963 <sup>***</sup> )
	<u>High school completion</u>		<u>Internet access</u>	
Relative pov	-0.095	0.028	-0.001	0.107
Absolute pov	—	$-0.512^{***}$	—	$-0.778^{***}$
(r-square)	(0.009)	(0.255 <sup>***</sup> )	(0.000)	(0.594 <sup>***</sup> )
	<u>IHDI</u>			
Relative pov	-0.080	0.017		
Absolute pov	—	$-0.763^{***}$		
(r-square)	(0.006)	(0.580 <sup>***</sup> )		

### *Relative Poverty and Economic Inequality*

Supporters of the relative poverty measure have made several arguments in its favor, including that it measures poverty as it is culturally understood in a particular place and time. They argue that a poverty measure should capture what it means to be poor to people in a particular culture at a particular moment in time. Being poor might mean going hungry in one culture, for instance, while in another culture the poor are well-fed and higher-order needs like the ability to afford childcare delineate the poor from the nonpoor.

By this logic, relative poverty measures are not so much measuring poverty (at least as it is generally understood by many) but economic inequality, social exclusion, capability deprivation, social isolation, marginalization, or something else. It is fine to measure those things, but it would then be much more appropriate in our view to make the argument that directly refers to what you are measuring. Using imperfectly aligned terms like “relative poverty” seems to obfuscate the analysis. If you are measuring social exclusion, call it that.

Divorcing the meaning of “poverty” from what many people understand it as—lacking the means to afford one’s basic material needs—is unnecessary in our view. We already have a vocabulary to describe the relative difference between income groups in a society: economic inequality. We already have appropriate measures for this as well, like the Gini coefficient and Palma ratio.

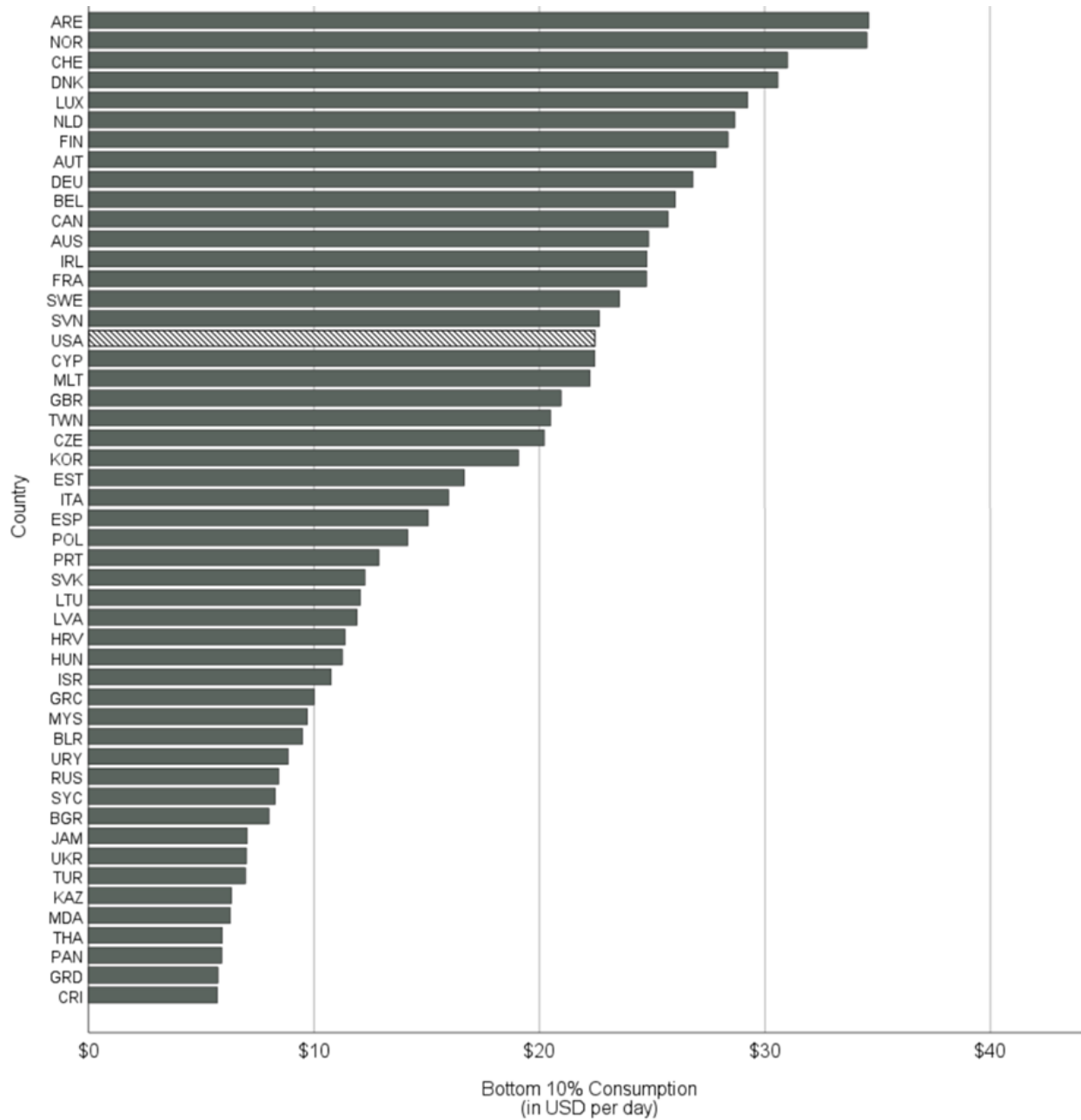
**TABLE 7.** Standardized Regression Coefficients, Wealthy Countries Only.

Independent variables	Model 1	Model 2	Model 1	Model 2
	Life expectancy		Food insecurity	
Relative pov	0.121	0.240	0.369	0.308
Absolute pov	—	-0.693***	—	0.371*
(r-square)	(0.015)	(0.480***)	(0.136)	(0.270*)
	Safe water access		Bottom 10% consumption	
Relative pov	-0.024	0.060	-0.416*	-0.265***
Absolute pov	—	-0.471*	—	-0.882***
(r-square)	(0.001)	(0.216*)	(0.173*)	(0.923***)
	IHDI		Internet access	
Relative pov	-0.562***	-0.445***	-0.070	0.063
Absolute pov	—	-0.680***	—	-0.771***
(r-square)	(0.316***)	(0.765**)	(0.005)	(0.583***)

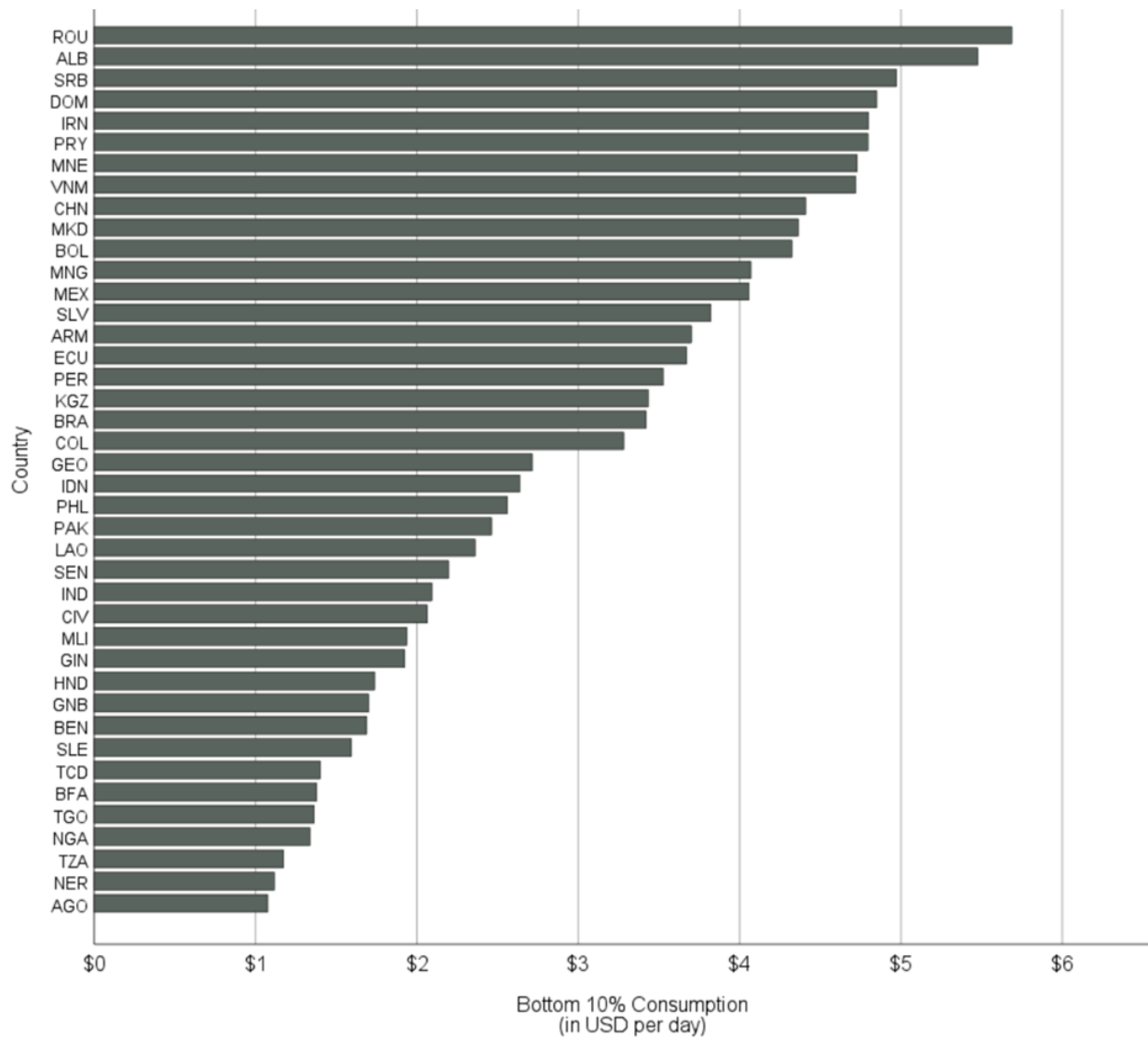
To test the relationship between relative poverty and poverty dimensions after controlling for income inequality, a series of hierarchical linear regressions were conducted. The hierarchical linear regressions were conducted by regressing a measure of income inequality, post-tax Gini coefficient values, and relative poverty onto poverty dimensions. Post-tax Gini coefficients were entered into the first block and relative poverty was added in the second block. Results indicated that, after controlling for income inequality, relative poverty provides no additional predictive contribution. These results are displayed in Table 8 below.

It is important to note that, while not displayed in Table 8, this pattern of results holds if Palma ratio values are used as a substitute for post-tax Gini coefficients as a measure of income inequality.

**FIG 16.** Bottom 10% Consumption Per Capita Per Day (countries 1-50).

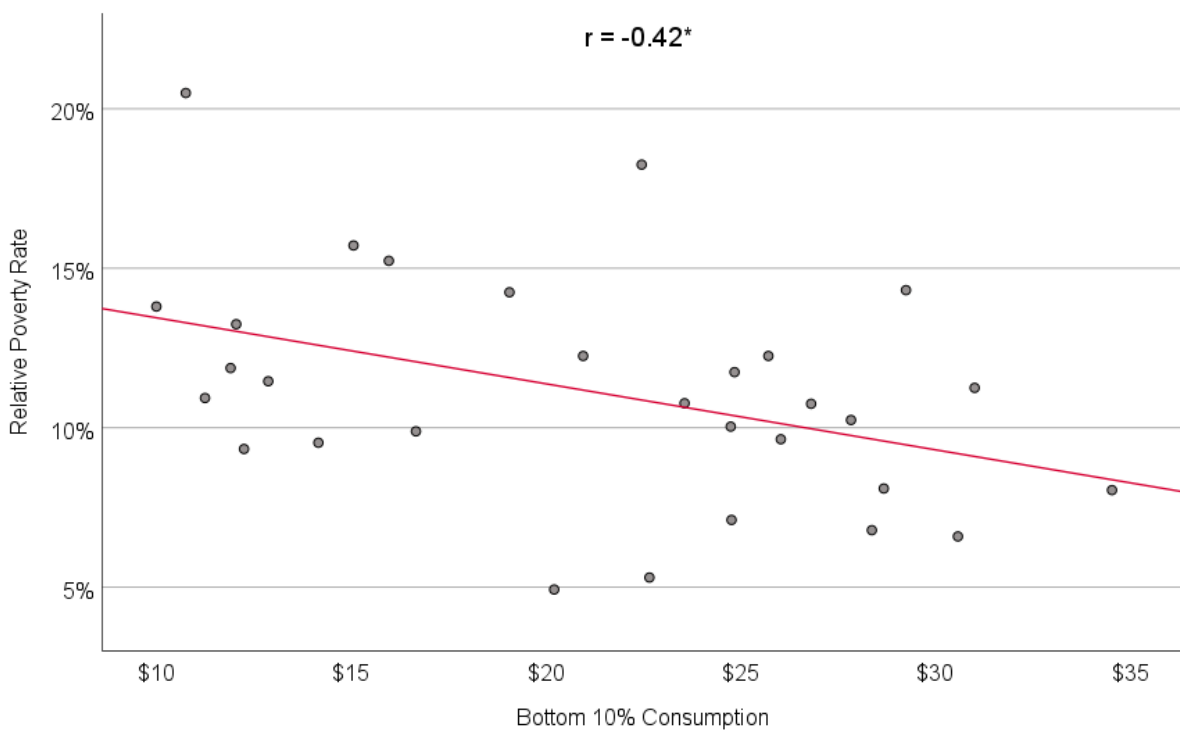
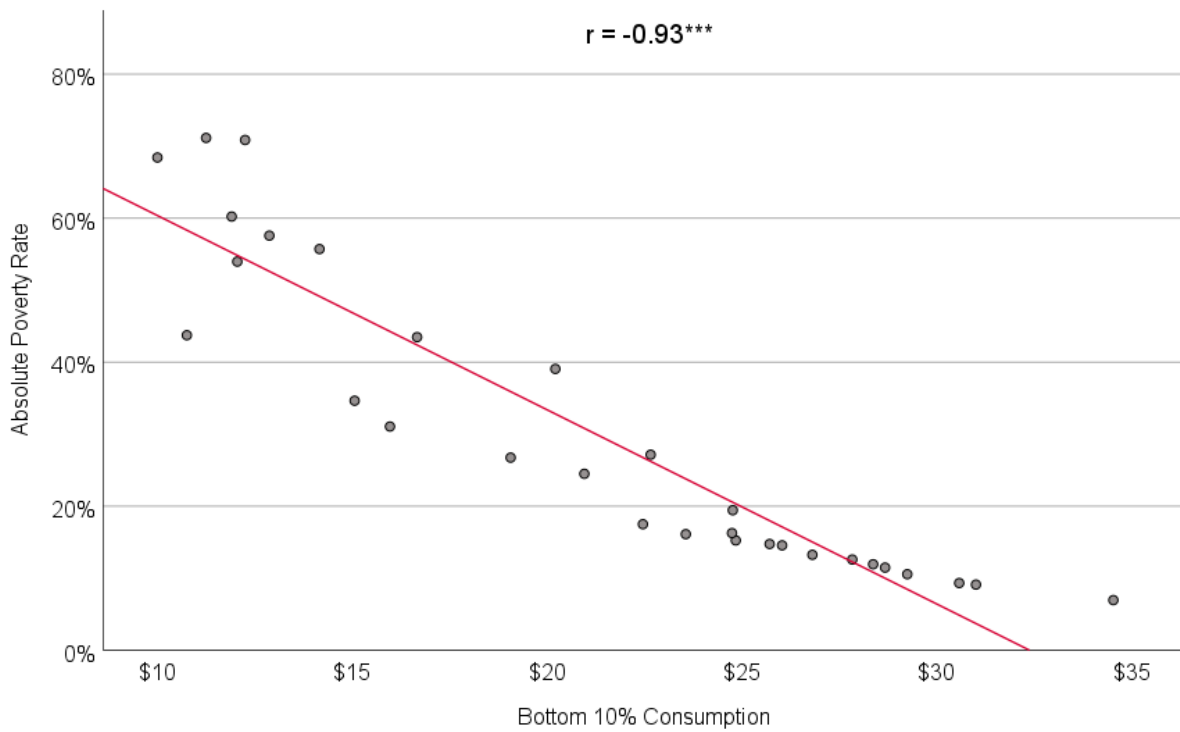


Source: OWD (2025).

**FIG 16 (continued).** Bottom 10% Consumption Per Capita Per Day (countries 51-91).

Source: OWD (2025).

**FIG 17.** Association Between Poverty Measures and Bottom 10% Consumption, Wealthiest OECD Countries.



**TABLE 8.** Relative Poverty Predictive Power Controlling for Gini Coefficient.

Poverty dimension	R <sup>2</sup> change	$\beta$	t	p
Life expectancy	0.039	0.388	1.23	0.230
Infant mortality	0.006	-0.151	-0.61	0.549
Maternal death	0.026	-0.317	-1.34	0.189
Food insecurity	0.002	-0.063	-0.27	0.872
Safe water access	0.026	0.311	1.02	0.316
Bottom 10% cons.	0.037	-0.379	-1.39	0.174
HS completion	0.038	0.374	1.33	0.194
Internet access	0.001	0.048	0.16	0.876
IHDI	0.002	-0.084	-0.39	0.697

**TABLE 9.** Absolute Poverty Predictive Power Controlling for Gini Coefficient.

Poverty dimension	R <sup>2</sup> change	$\beta$	t	p
Life expectancy	0.485***	-0.800	-6.30	< 0.001
Infant mortality	0.171***	0.475	3.94	< 0.001
Maternal death	0.104**	0.370	2.93	0.006
Food insecurity	0.119**	0.391	2.62	0.014
Safe water access	0.241***	-0.648	-3.69	< 0.001
Bottom 10% cons.	0.585***	-0.879	-16.44	< 0.001
HS completion	0.001	0.032	0.19	0.854
Internet access	0.537***	-0.824	-8.25	< 0.001
IHDI	0.273***	-0.614	-9.52	< 0.001

To test the relationship between absolute poverty and poverty dimensions after controlling for income inequality, another series of hierarchical linear regressions were conducted. The hierarchical linear regressions were conducted by regressing the measure of income inequality, post-tax Gini coefficient values, and absolute poverty onto poverty dimensions. Post-tax Gini coefficients were entered into the first block and absolute poverty was added in the second block. Results indicated that after controlling for income inequality, absolute poverty provided additional predictive value of most poverty dimensions above and beyond that of income inequality. These results are displayed in Table 9 above.

These results suggest that absolute poverty is a distinct predictor of poverty dimensions. There is one notable exception to this pattern in that high school completion is not predicted by absolute poverty over that of income inequality as measured by post-tax Gini coefficients. It is important to note that, while not displayed in Table 9, this pattern of results holds if Palma ratio values are used as a substitute for post-tax Gini coefficients as a measure of income inequality.

For additional insights, refer to both Table 3 (bivariate correlations) and Appendix Table 3 (additional regression analyses), which demonstrate how much more strongly relative poverty is associated with Gini coefficients and Palma ratios than absolute poverty.

### **Summary**

In a previous JWCS article, we found that the earnings of both the American poor and working class fared well compared with the whole world. When compared with only OECD countries, the U.S. absolute poverty rate was in the middle of the pack. This paper updates our 2022 analysis with more recent data, more countries, and a different absolute poverty measure.

The new analysis presented in this paper largely confirms those earlier findings. The earnings of the American poor and working-class still fared well when compared with the rest of the world. Compared with a subset of the 30 wealthiest OECD countries, the American working class was still near the top of the rankings while the U.S. absolute poverty rate was in the middle of the pack.

We also find that absolute poverty is a much better predictor of poverty dimensions than relative poverty. Since relative poverty does not measure the condition of poverty as it is generally understood by most people, we believe it inappropriate to use this measure to study poverty.

Finally, we find that (a) relative poverty appears to be measuring economic inequality instead of poverty and (b) other established measures, like the Gini coefficient and Palma ratio, seem to be better measures of economic inequality than relative poverty.

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### Appendix

**TABLE A1.** Kendall's Tau Correlations, Absolute Poverty.

			Kendall's tau B	<i>p</i>
AbsoPov	-	LifeExpect	-0.726	< .001
AbsoPov	-	Infant	0.667	< .001
AbsoPov	-	FoodInsec	0.581	< .001
AbsoPov	-	MomDeath	0.561	< .001
AbsoPov	-	Water	-0.716	< .001
AbsoPov	-	PoorConsump	-0.839	< .001
AbsoPov	-	HighSchool	-0.379	< .001
AbsoPov	-	Internet	-0.761	< .001
AbsoPov	-	IHDI	-0.738	< .001
AbsoPov	-	POSTGINI	0.338	0.004
AbsoPov	-	PREGINI	0.123	0.309
AbsoPov	-	Palma	0.484	< .001

**TABLE A2.** Kendall's Tau Correlations, Relative Poverty.

			Kendall's tau B	<i>p</i>
RelPov	-	LifeExpect	0.038	0.590
RelPov	-	Infant	0.068	0.341
RelPov	-	FoodInsec	0.196	0.012
RelPov	-	MomDeath	0.082	0.254
RelPov	-	Water	-0.092	0.263
RelPov	-	PoorConsump	-0.138	0.053
RelPov	-	HighSchool	-0.155	0.061
RelPov	-	Internet	-0.053	0.465
RelPov	-	IHDI	-0.136	0.063
RelPov	-	POSTGINI	0.718	< .001
RelPov	-	PREGINI	0.388	< .001
RelPov	-	Palma	0.665	< .001

**TABLE A3.** Standardized Regression Coefficients Predicting Economic Inequality Dependent Variables.

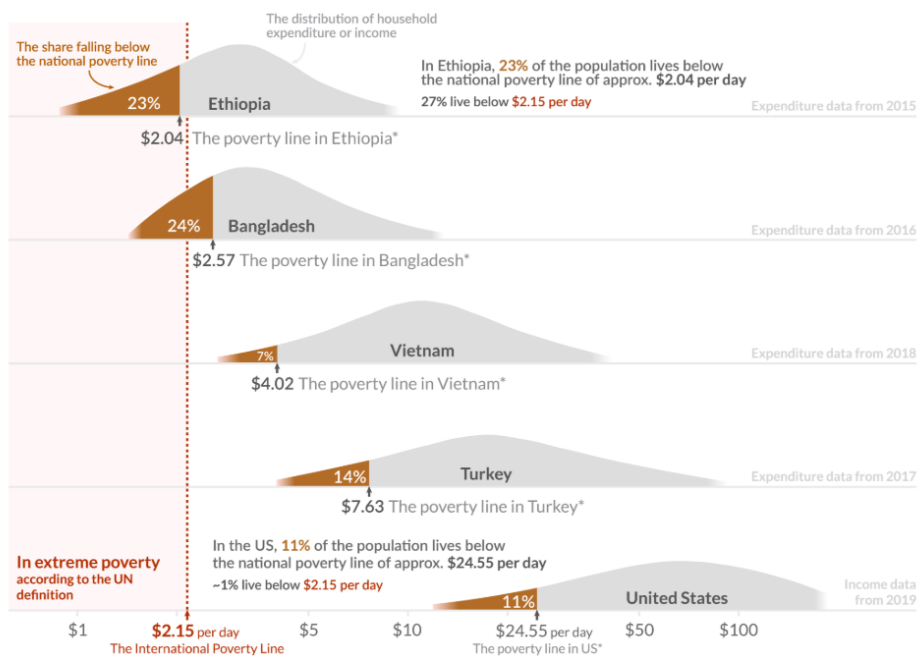
Independent variables	Dependent variables		
	Palma ratio	Pre-tax/transfer Gini coefficient	Post-tax/transfer Gini coefficient
<i>Model 1</i>			
Absolute poverty	0.284*	—	—
Relative poverty (r-square)	0.637*** (0.673***)	—	—
<i>Model 2</i>			
Absolute poverty	—	-0.115	—
Relative poverty (r-square)	—	0.655*** (0.374***)	—
<i>Model 3</i>			
Absolute poverty	—	—	0.127
Relative poverty (r-square)	—	—	0.803*** (0.753***)

**FIG A1.**

National poverty lines, poverty rates & incomes in five countries



All figures are adjusted to account for differences in the cost of living across countries.



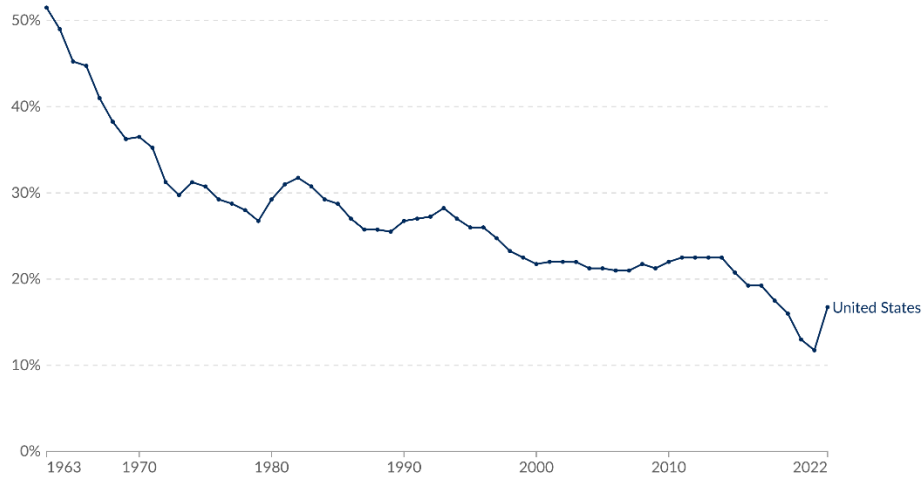
Source: OWD (2025).

**FIG A2.**

**Poverty: Share of population living on less than \$30 a day, 1963 to 2022**



This data is adjusted for inflation and for differences in living costs between countries.



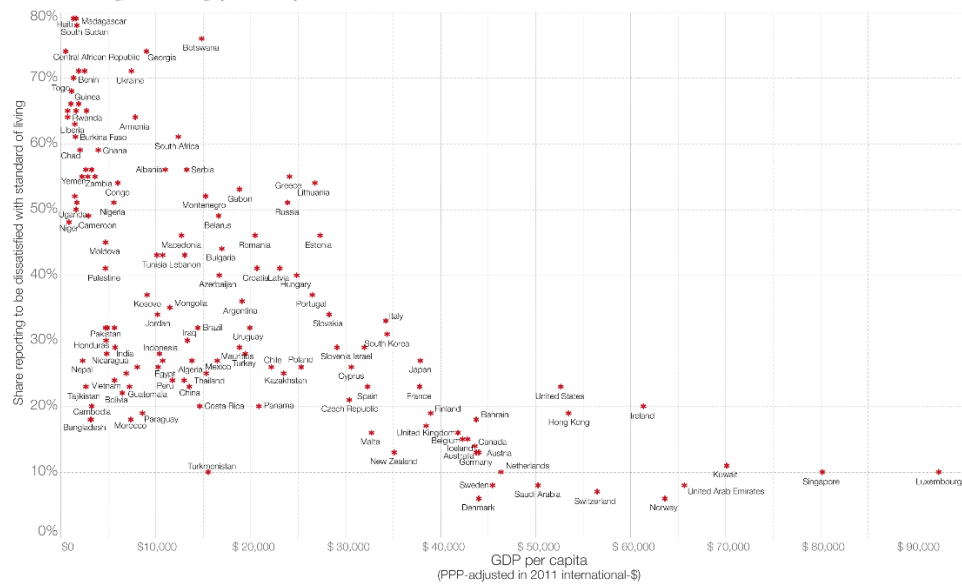
Source: OWD (2025).

**FIG A3.**

**Dissatisfaction with standard of living vs GDP per capita**



Shown on the y-axis is the share that answered 'dissatisfied' to the question 'Are you satisfied or dissatisfied with your standard of living, all the things you can buy and do?'.

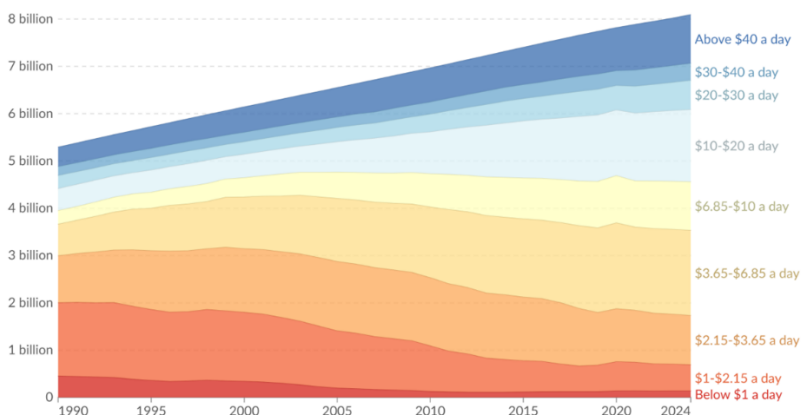


Source: OWD (2025).

**FIG A4.**

**Distribution of population between different poverty thresholds, World, 1990 to 2024**

This data is adjusted for inflation and for differences in living costs between countries.



Our World in Data

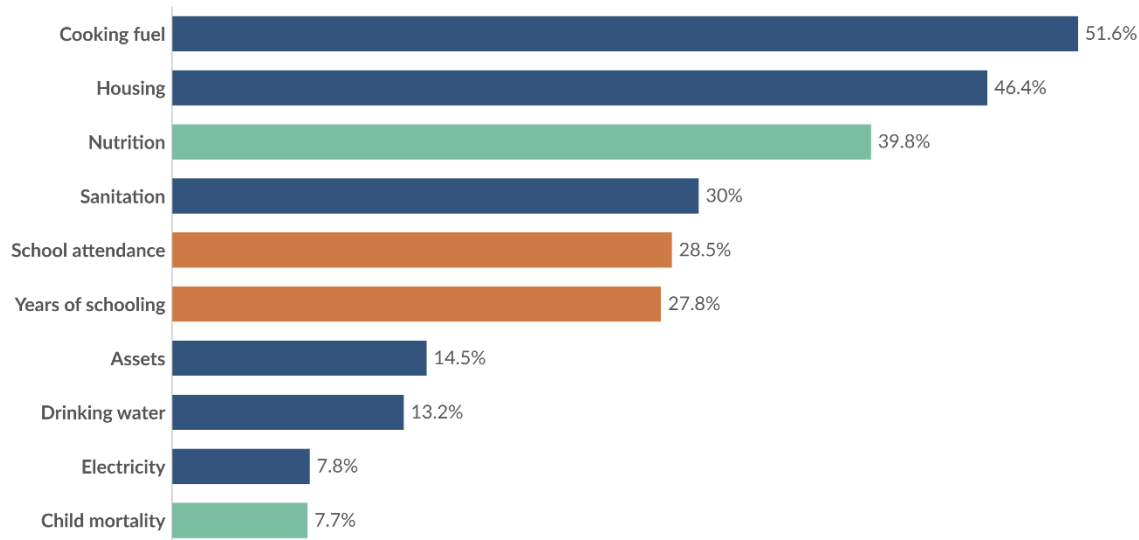
2024 in people	
Above \$40 a day	1.03 billion
\$30-\$40 a day	363.00 million
\$20-\$30 a day	613.35 million
\$10-\$20 a day	1.53 billion
\$6.85-\$10 a day	1.03 billion
\$3.65-\$6.85 a day	1.80 billion
\$2.15-\$3.65 a day	1.04 billion
\$1-\$2.15 a day	554.28 million
Below \$1 a day	137.48 million
<b>Total</b>	<b>8.10 billion</b>

Source: OWD (2025).

**FIG A5.**

**Share of population deprived by multidimensional poverty indicators, Pakistan, 2017**

Multidimensional poverty is defined as being deprived in a range of health (green), education (orange) and living standards (blue) indicators.



Our World in Data

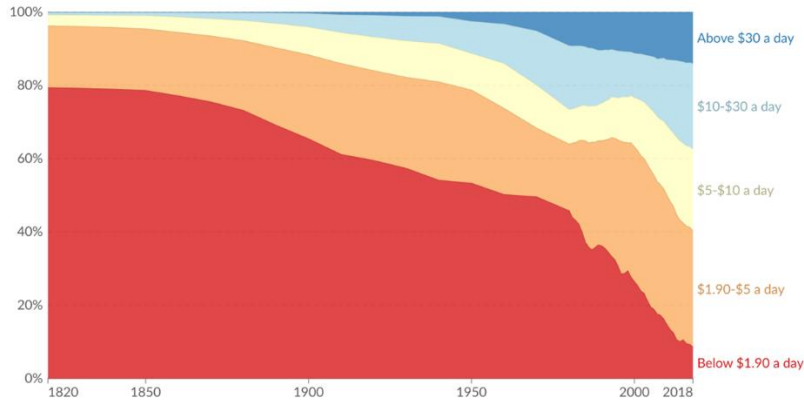
Source: OWD (2025).

**FIG A6.**

**Distribution of population between different poverty thresholds, World, 1820 to 2018**



This data is adjusted for inflation and for differences in living costs between countries. Data after 1981 relates to household income or consumption surveys collated by the World Bank; before 1981 it is based on historical reconstructions of GDP per capita and inequality data.



**2018**

Above \$30 a day	14.02%
\$10-\$30 a day	23.32%
\$5-\$10 a day	22.37%
\$1.90-\$5 a day	31.67%
Below \$1.90 a day	8.61%

**1820**

Above \$30 a day	0.05%
\$10-\$30 a day	0.71%
\$5-\$10 a day	2.95%
\$1.90-\$5 a day	16.92%
Below \$1.90 a day	79.36%

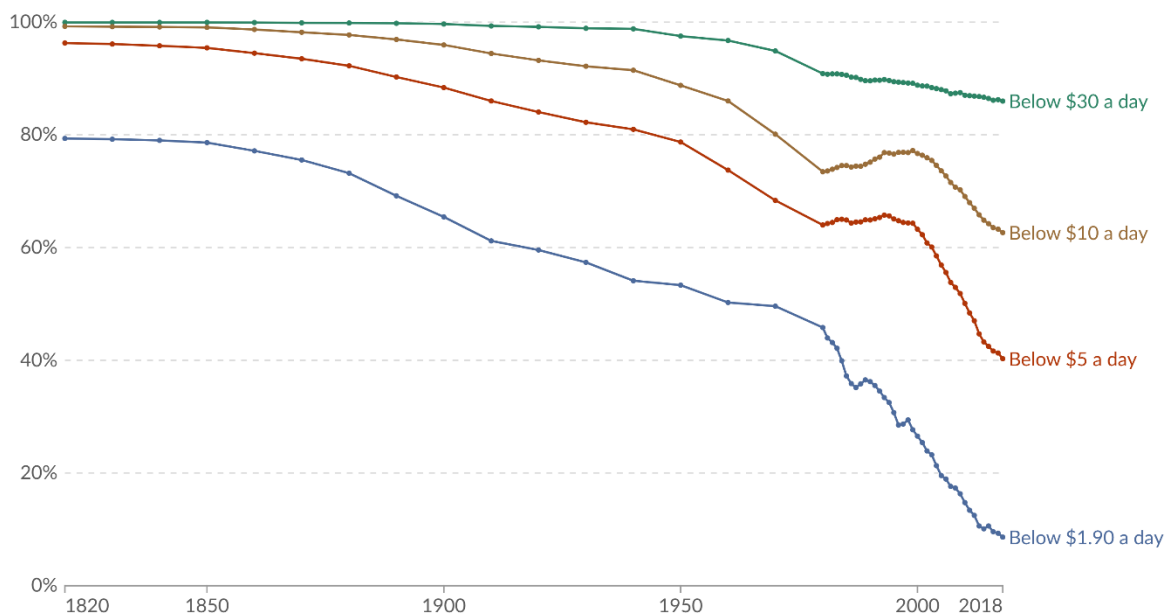
Source: OWD (2025).

**FIG A7.**

**Share in poverty relative to different poverty thresholds, World, 1820 to 2018**



This data is adjusted for inflation and for differences in living costs between countries.



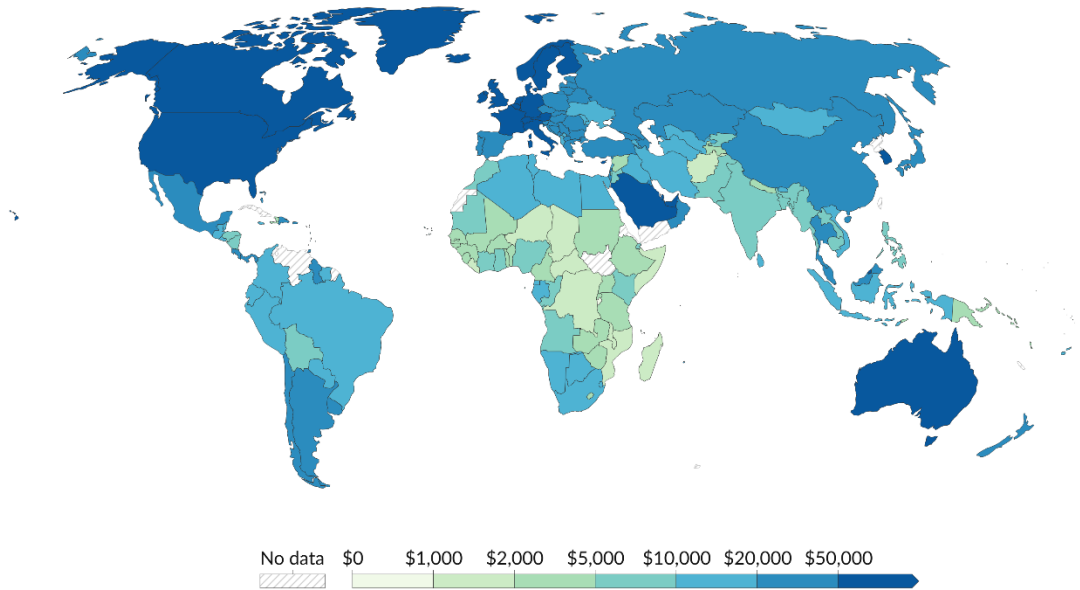
Source: OWD (2025).

**FIG A8.**

### GDP per capita, 2023



This data is adjusted for inflation and for differences in living costs between countries.



Source: OWD (2025).

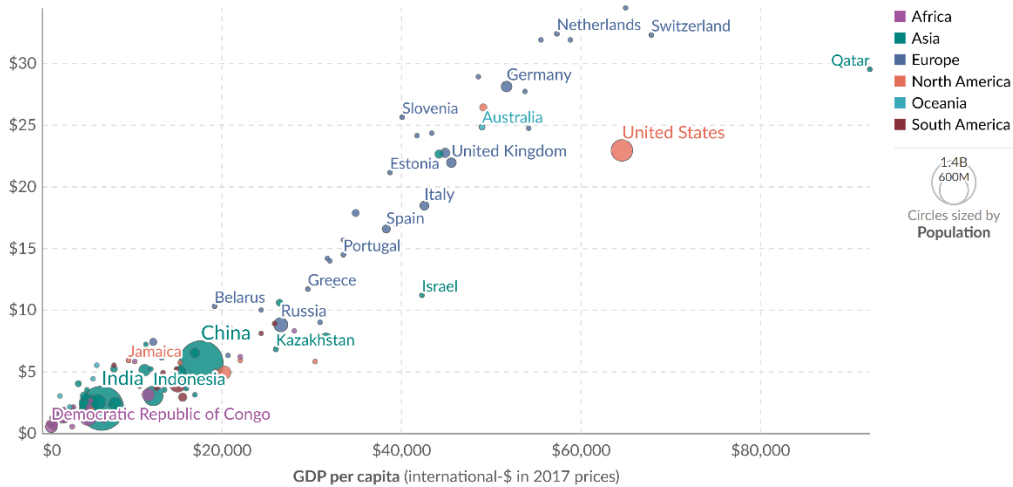
**FIG A9.**

### Income or consumption of the poorest 10% vs. GDP per capita, 2022



Level of income or consumption per person per day below which 10% of the population falls, plotted against GDP per capita. This data is adjusted for inflation and differences in living costs between countries.

Income or consumption of the poorest 10% (international-\$ at 2017 prices)

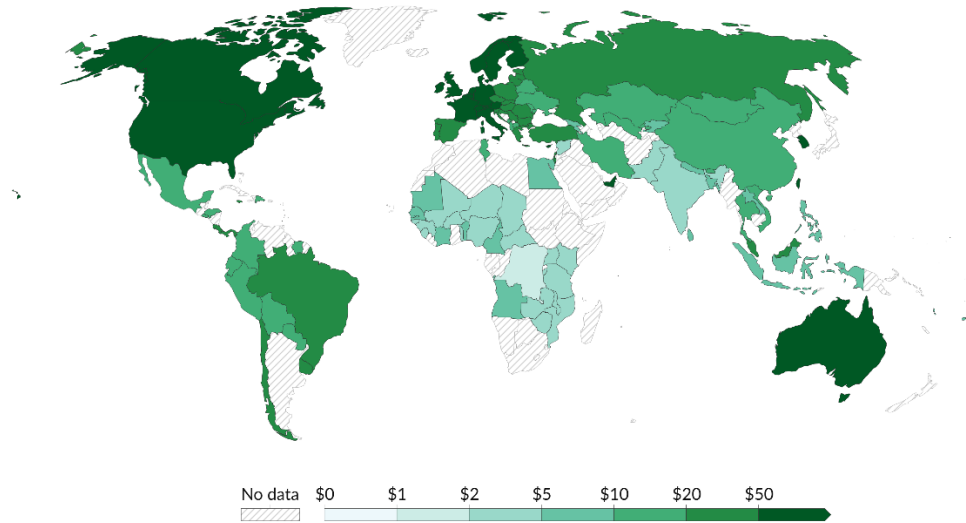


Source: OWD (2025).

**FIG A10.**

### Mean income or consumption per day, 2023

This data is adjusted for inflation and for differences in living costs between countries.



Source: OWD (2025).

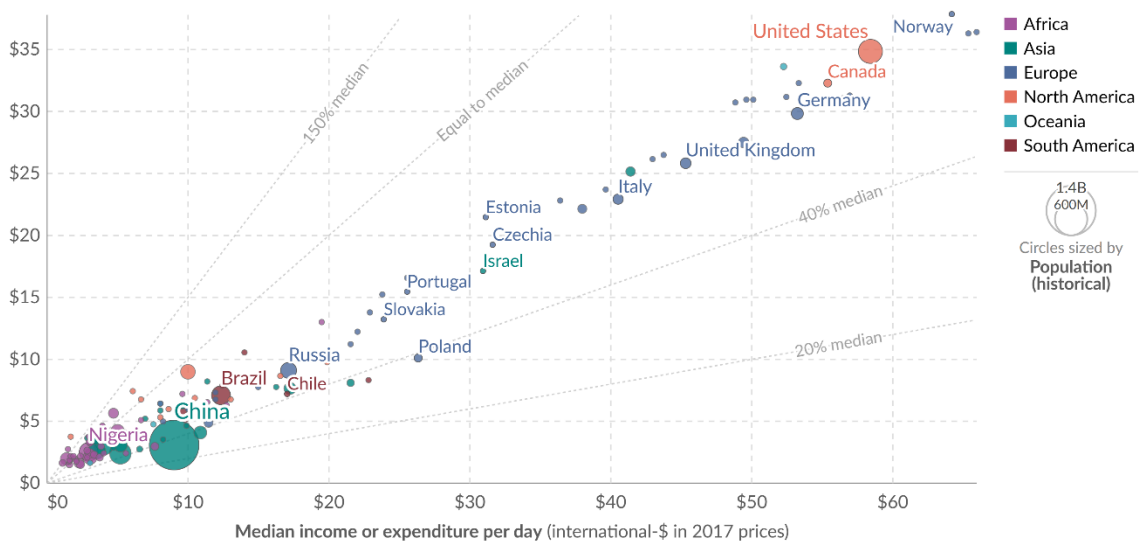
**FIG A11.**

### National poverty line vs. median income or consumption per day, 2017

This data is adjusted for inflation and for differences in living costs between countries.



National poverty line (international-\$ at 2017 prices)



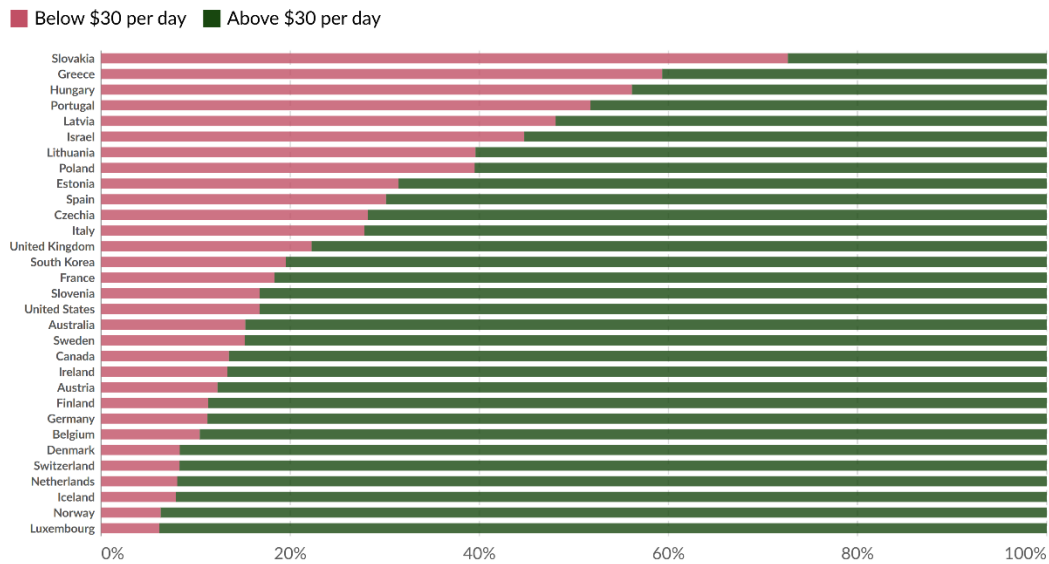
Source: OWD (2025).

FIG A12.

### Share of population below and above \$30 per day, 2022



This data is adjusted for inflation and for differences in living costs between countries.



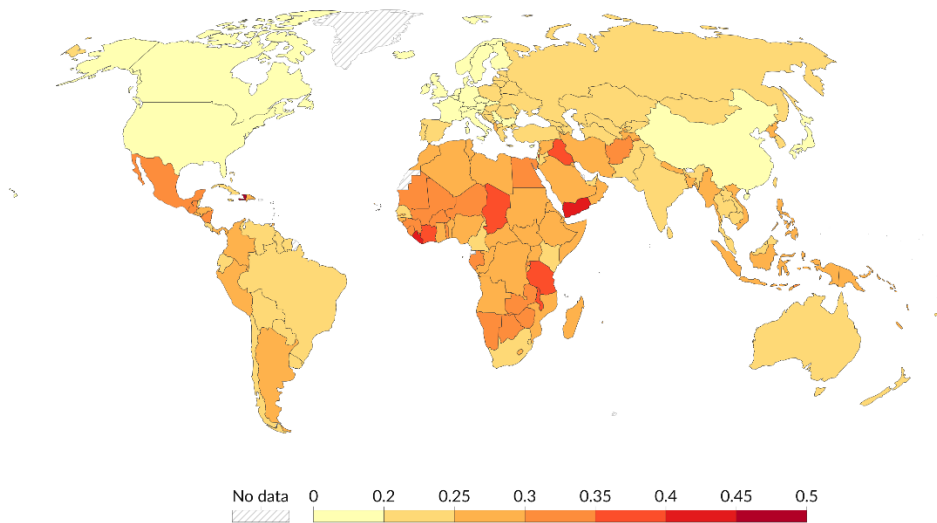
Source: OWD (2025).

FIG A13.

### Inequality in per capita calorie intake, 2018



The inequality in dietary calorie intake is measured as the coefficient of variation in energy intake. It represents the spread of intakes around the mean. Higher values represent larger levels of dietary inequality.



Source: OWD (2025).

**TABLE A4.**

### Total daily supply of calories per person, 2018

Quantity that is available for consumption at the end of the supply chain. It does not account for consumer waste, so the quantity that is actually consumed may be lower. This is the total of all agricultural produce, both crops and livestock.

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in Data

Table | Map | Chart

Filter by: All (242) Search for a country

Total daily supply of calories per person kilocalories per day per capita

Country ↑↓	↑ 2018
Ireland	3,907.90 kcal/day
Belgium	3,807.82 kcal/day
Northern America (FAO)	3,801.04 kcal/day
United States	3,790.30 kcal/day
Austria	3,754.12 kcal/day
Turkey	3,716.22 kcal/day
Saudi Arabia	3,706.50 kcal/day

Source: OWD (2025).

**TABLE A5.**

### Inequality in per capita calorie intake, 2018

The inequality in dietary calorie intake is measured as the coefficient of variation in energy intake. It represents the spread of intakes around the mean. Higher values represent larger levels of dietary inequality.

Our World  
in Data

Table | Map | Chart

Filter by: All (185) Search for a country or region

Coefficient of Variation (CV) of caloric intake

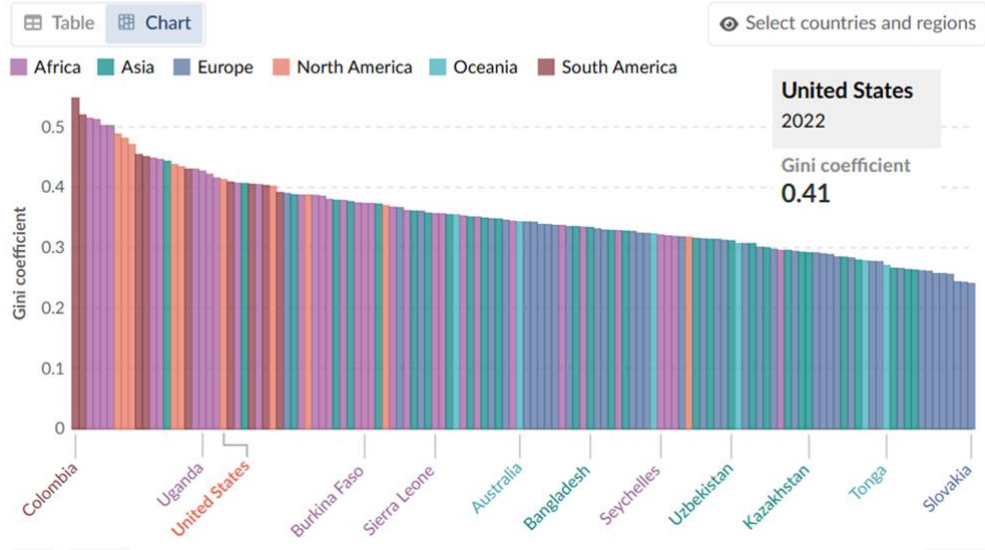
Country or region ↑↓	↓ 2018
United States	0.17
Japan	0.17
Cyprus	0.18
Bulgaria	0.19
Moldova	0.19
China	0.19
United Kingdom	0.20

Source: OWD (2025).

FIG A14.

**Income inequality: Gini coefficient, 2022**

The Gini coefficient measures inequality on a scale from 0 to 1. Higher values indicate higher inequality. Depending on the country and year, the data relates to income measured after taxes and benefits, or to consumption, per capita.

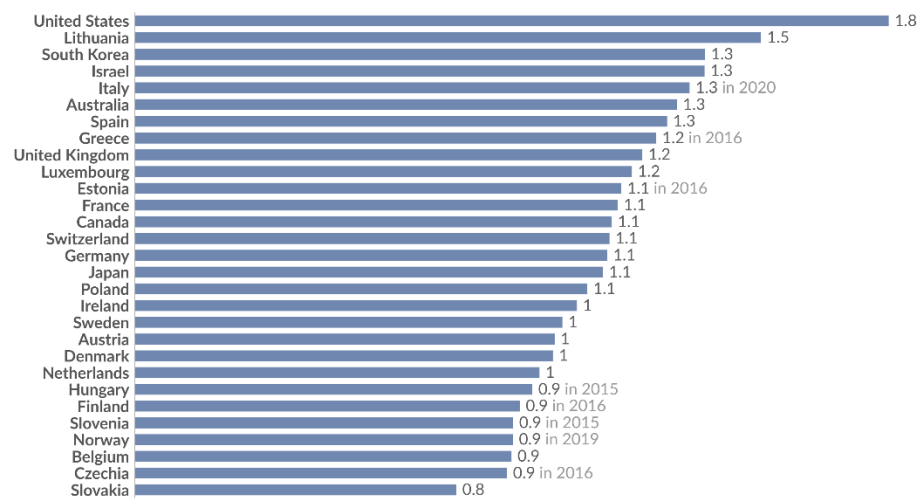


Source: OWD (2025).

FIG A15.

**Income inequality: Palma ratio (after tax), 2018**

The Palma ratio is a measure of inequality that divides the share received by the richest 10% by the share of the poorest 40%. Higher values indicate higher inequality. Inequality is measured here in terms of income after taxes and benefits.



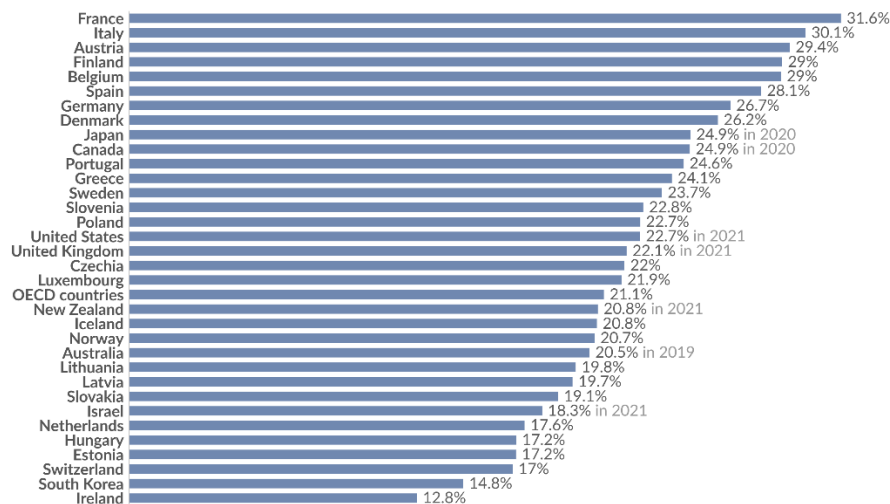
Source: OWD (2025).

FIG A16.

Public social spending as share of GDP, 2022



Social spending includes, among others, the following areas: health, old age, incapacity-related benefits, family, active labor market programmes, unemployment, and housing.



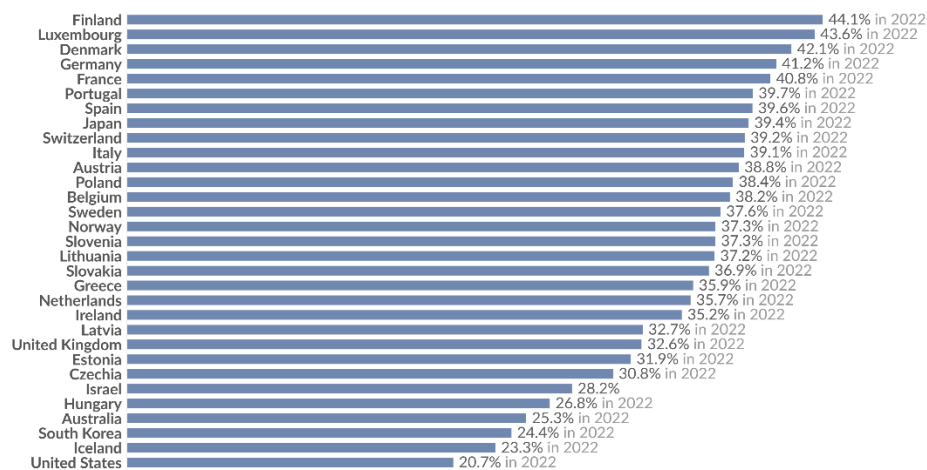
Source: OWD (2025).

FIG A17.

Social protection spending as share of total government spending, 2023



Social protection includes the following main areas: sickness, disability, pensions, housing, unemployment, family and children.



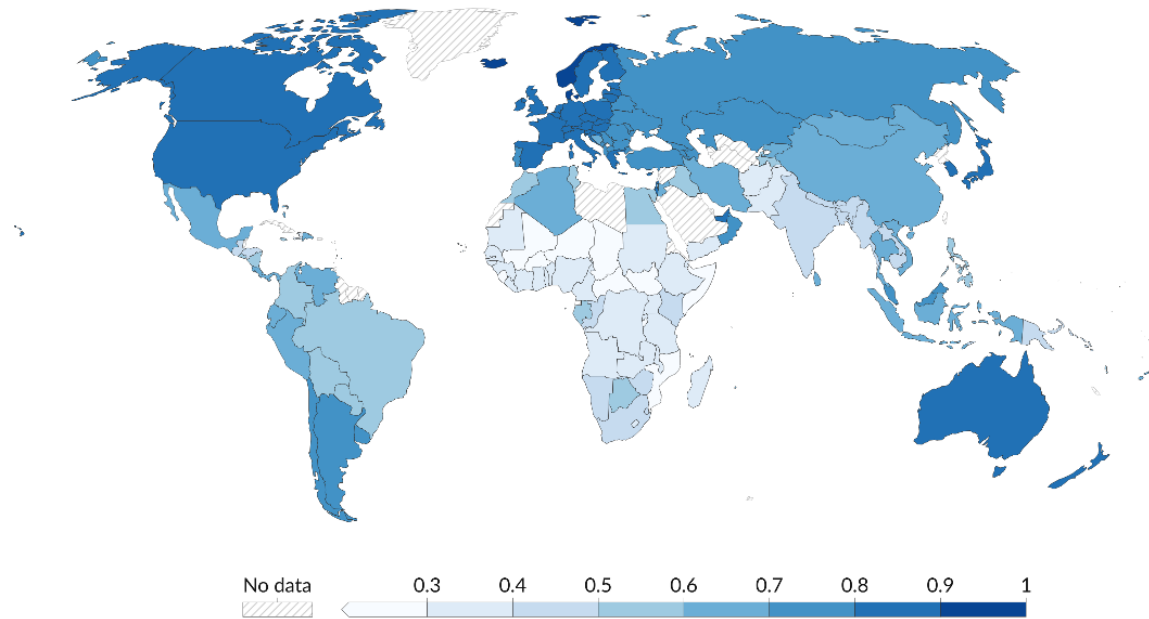
Source: OWD (2025).

**FIG A18.**

## Inequality-adjusted Human Development Index, 2023

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The Inequality-adjusted Human Development Index (IHDI) is a summary measure of key dimensions of human development: a long and healthy life, a good education, and a decent standard of living, adjusted for inequalities in these dimensions. Higher values indicate higher and more equal human development.



Source: OWD (2025).

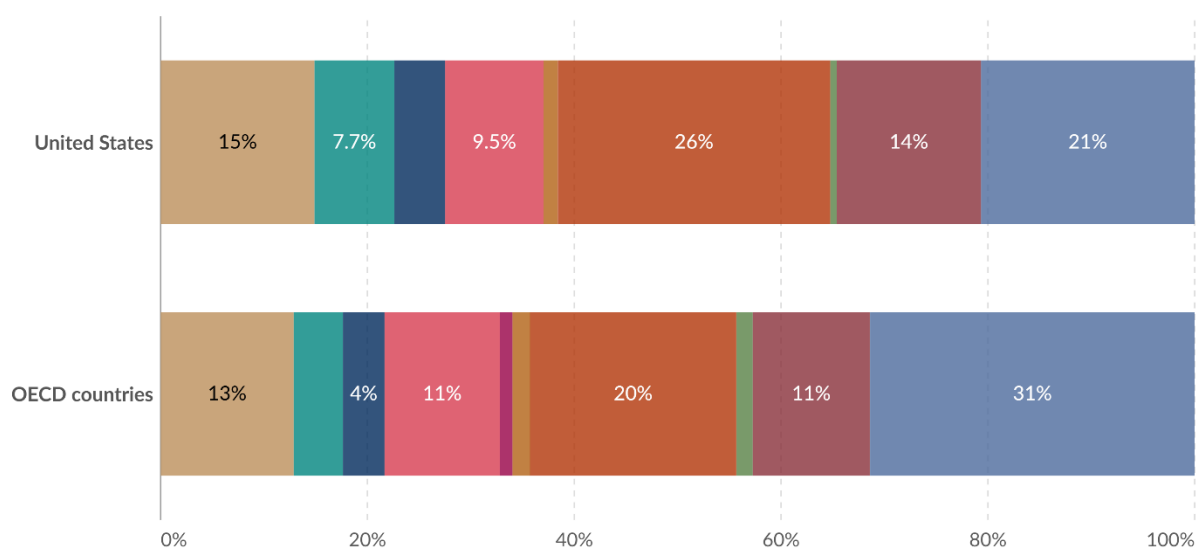
FIG A19.

### Government spending by function, 2022



Share of total government spending by purpose of government activity. Categories are based on the Classification of the Functions of Government (COFOG).

- General public services
- Defense
- Public order and safety
- Economic affairs
- Environmental protection
- Housing and community amenities
- Health
- Recreation, culture and religion
- Education
- Social protection



OECD countries in % of government expenditure		United States in % of government expenditure	
General public services	12.8%	General public services	14.9%
Defense	4.8%	Defense	7.7%
Public order and safety	4.0%	Public order and safety	4.9%
Economic affairs	11.2%	Economic affairs	9.5%
Environmental protection	1.2%	Environmental protection	0.0%
Housing and community amenities	1.7%	Housing and community amenities	1.4%
Health	20.0%	Health	26.4%
Recreation, culture and religion	1.6%	Recreation, culture and religion	0.6%
Education	11.3%	Education	14.0%
Social protection	31.4%	Social protection	20.7%

Source: OWD (2025).

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