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Effects of Data Collection Methods on Estimated Household Consumption and Poverty, and on Survey Costs: Evidence from a Survey Experiment in the Marshall Islands

Several countries use data from Household Income and Expenditure Surveys (HIES) for their poverty monitoring. These surveys are costly, and so are fielded infrequently, which limits the value for monitoring. They also are burdensome for respondents, especially if using the diary-keeping method. The resulting non-compliance and partial-compliance complicates poverty measurement because it is hard to separate the genuinely poor from households who either stop keeping the diary or who revert to an informal recall survey when interviewers revisit. This paper reports on a survey experiment carried out in the Marshall Islands where two variants of existing 14-day diary-keeping HIES used in the Pacific are compared with a 14-day diary survey that uses computer-assisted personal interviewing (CAPI) and with two variants of 7-day recall surveys using CAPI. Variable costs for the *status quo* diary survey design are between 2.8 and 4.4 times as expensive as for a single-visit 7-day recall survey, while the CAPI diary is even more costly. Despite the high cost of the *status quo* diary surveys they provide data that appear to be of worse quality, whose use would distort measurement of household consumption and poverty.