

The Median Is the Message: A Better Measure of Development

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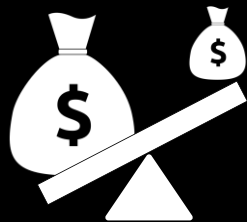
Three points about survey-based median household consumption



Simple and understandable

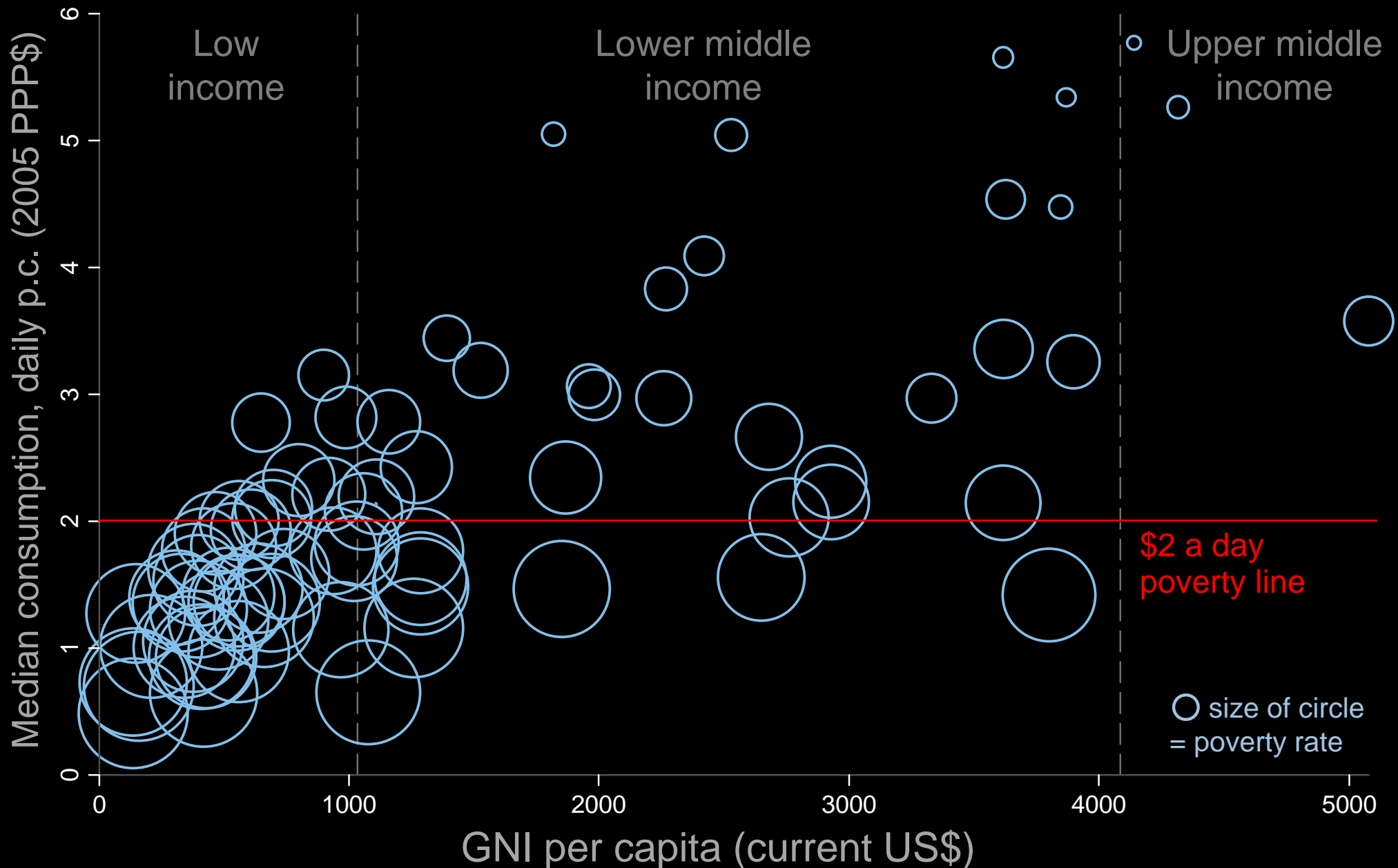


Durable over time
and across countries



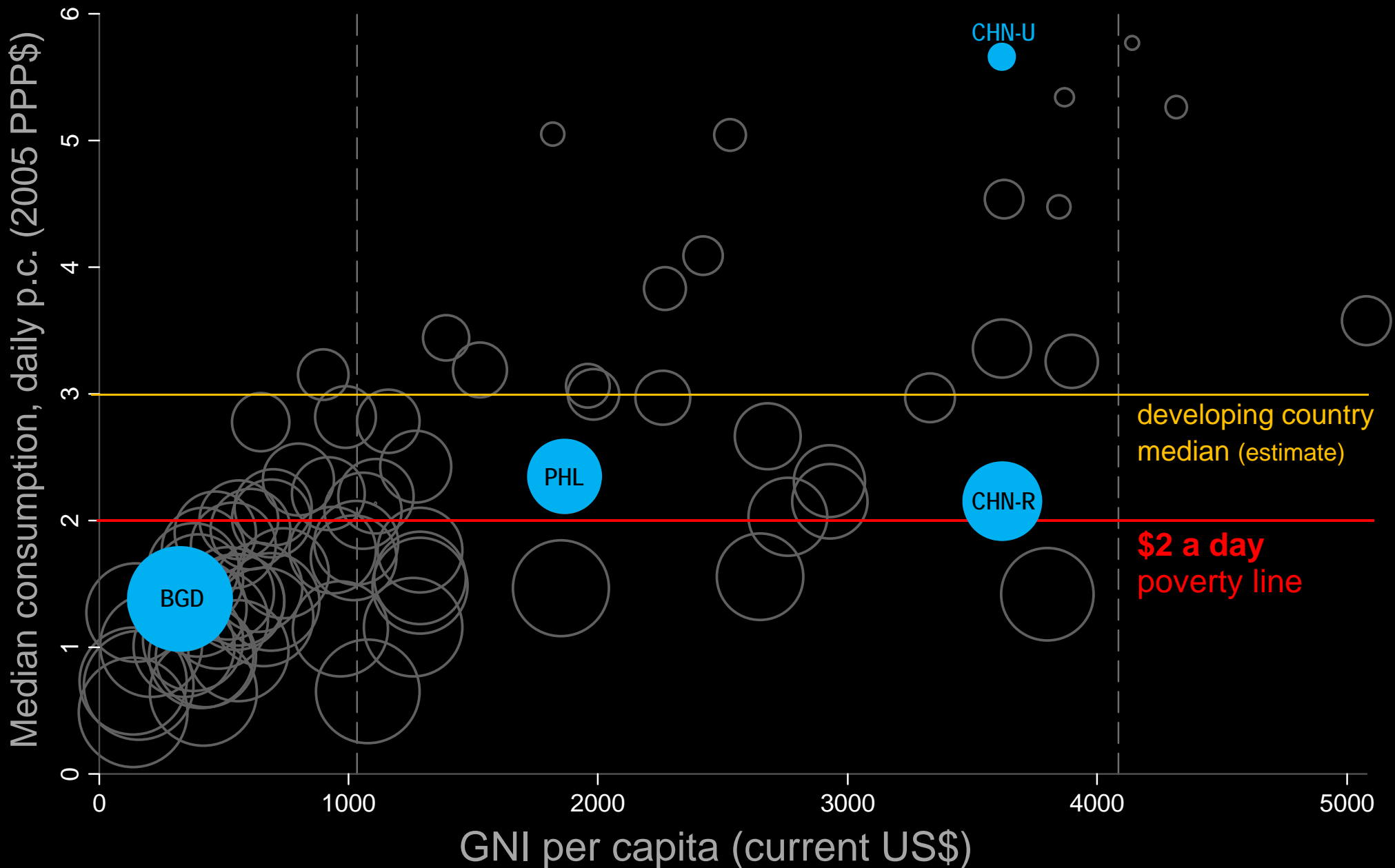
Good enough
measure of inequality

The median: simple, and reflects the poverty rate and much more

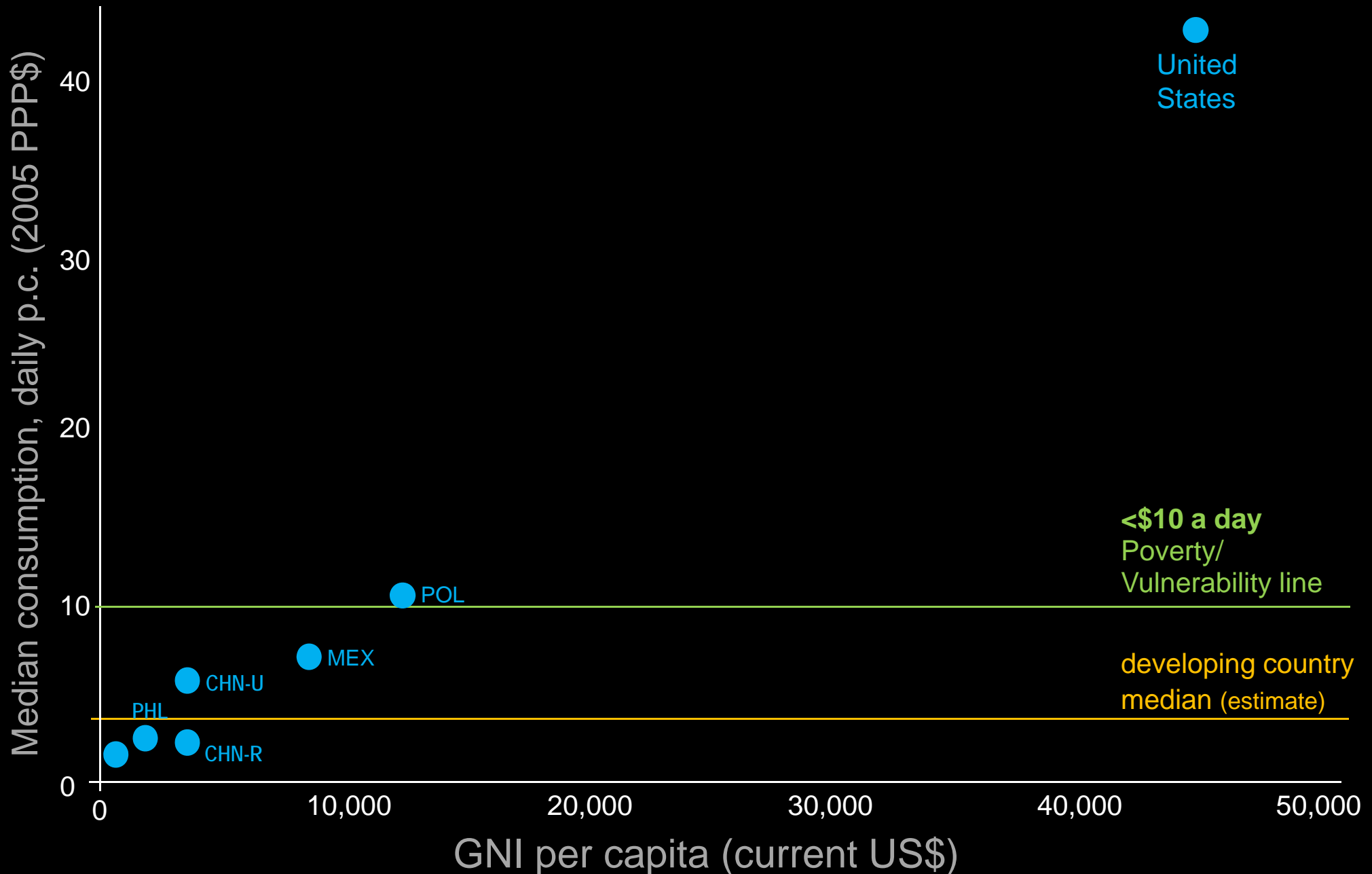


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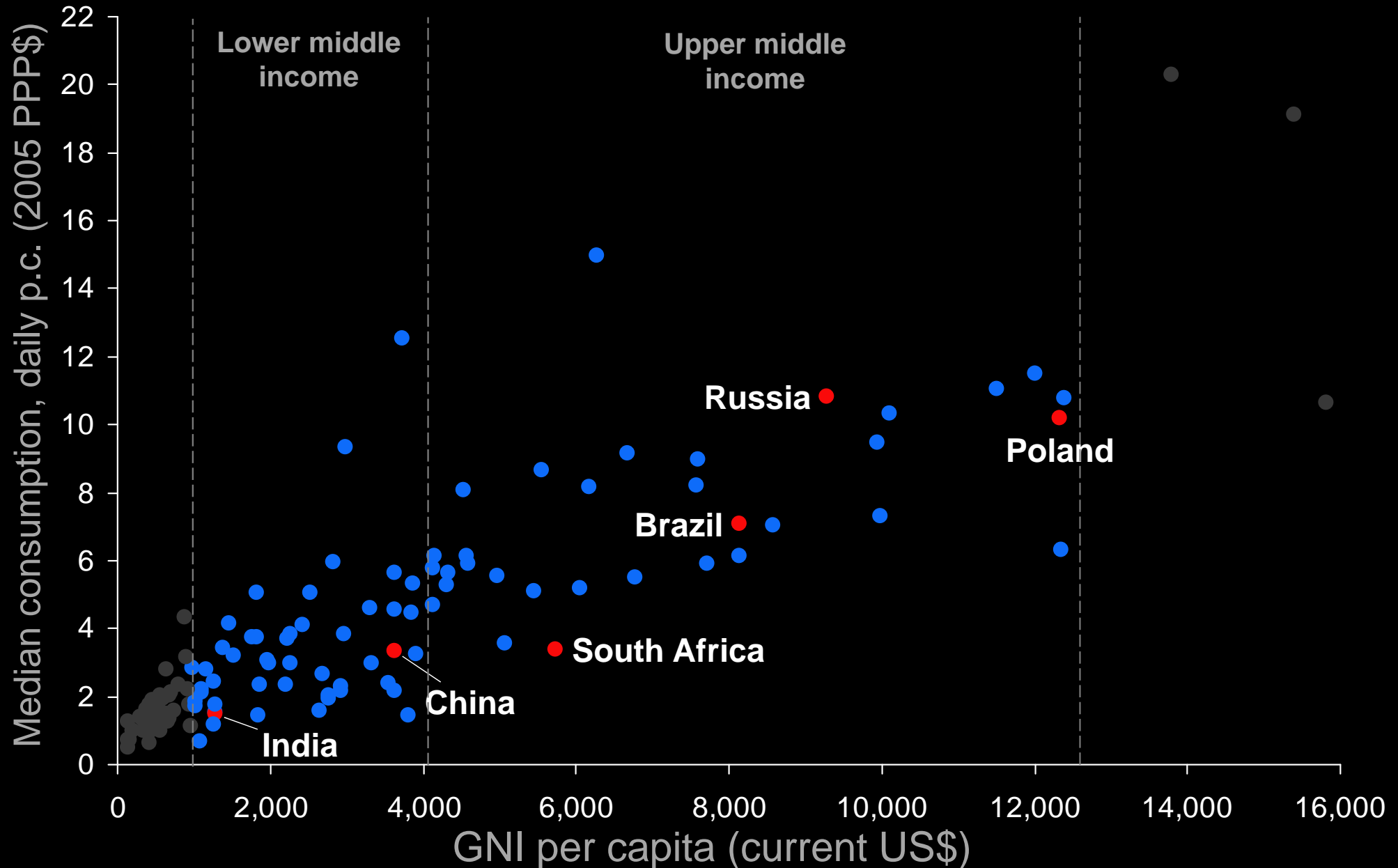
MEX



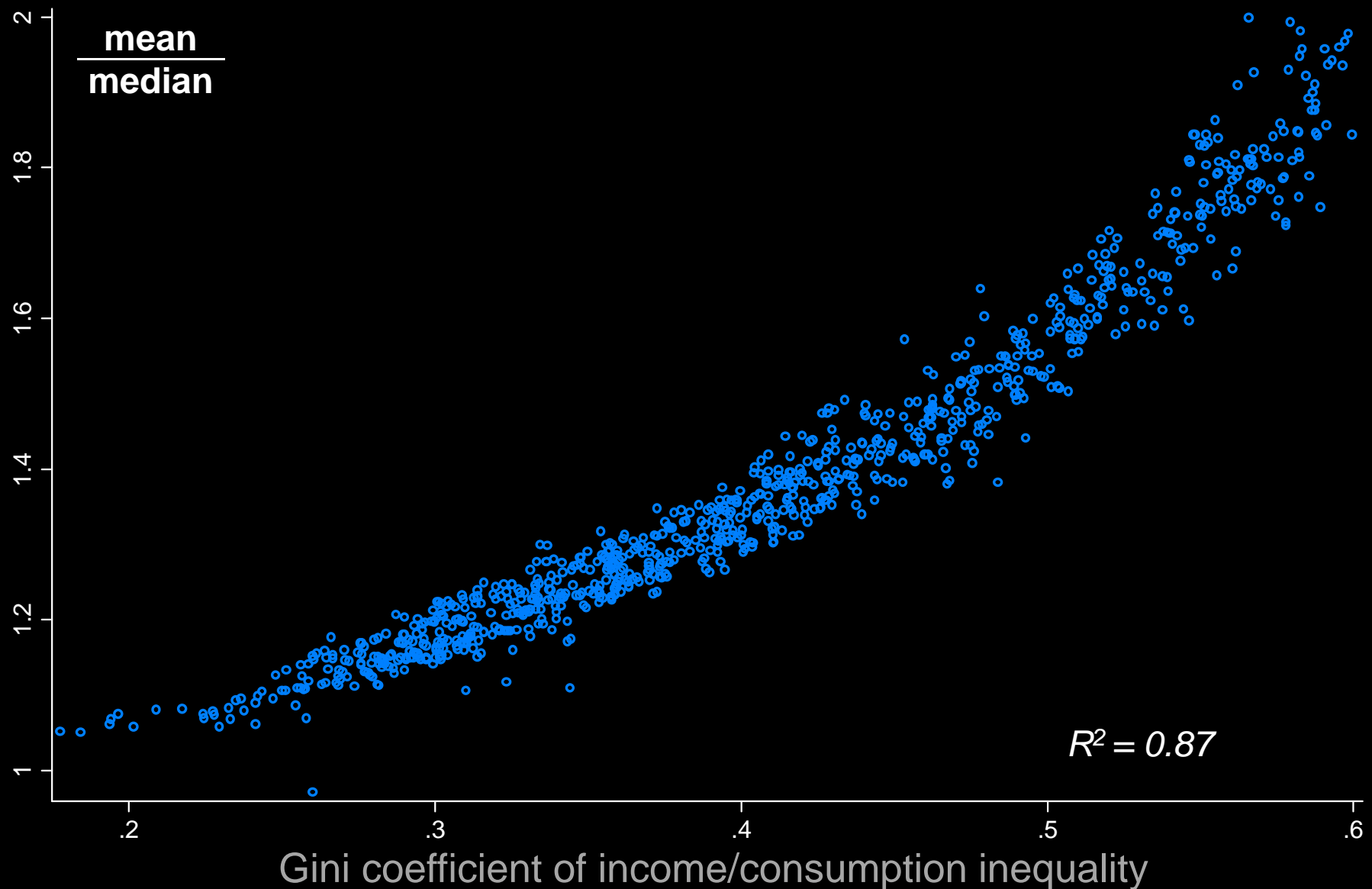
The median: in the developing world still below a \$10 PV line



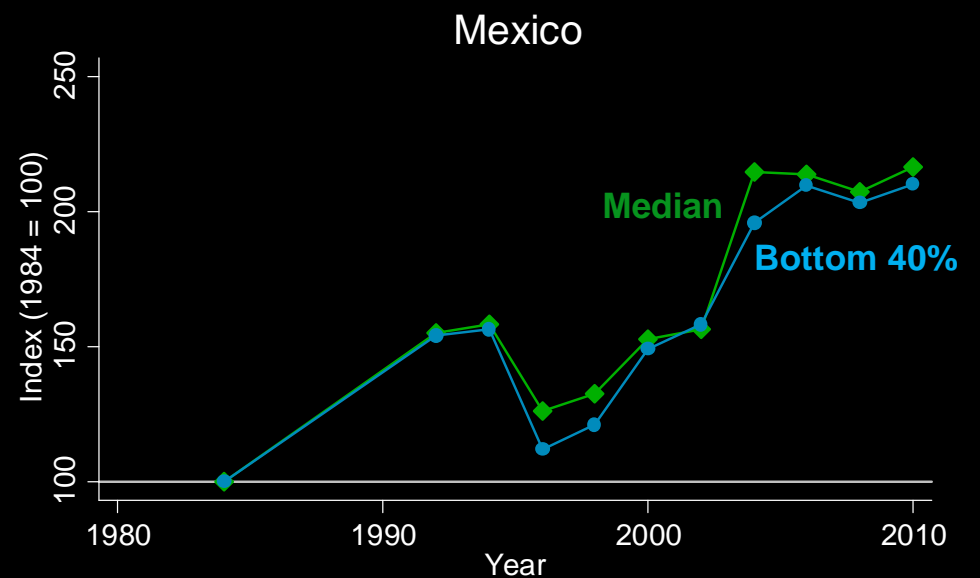
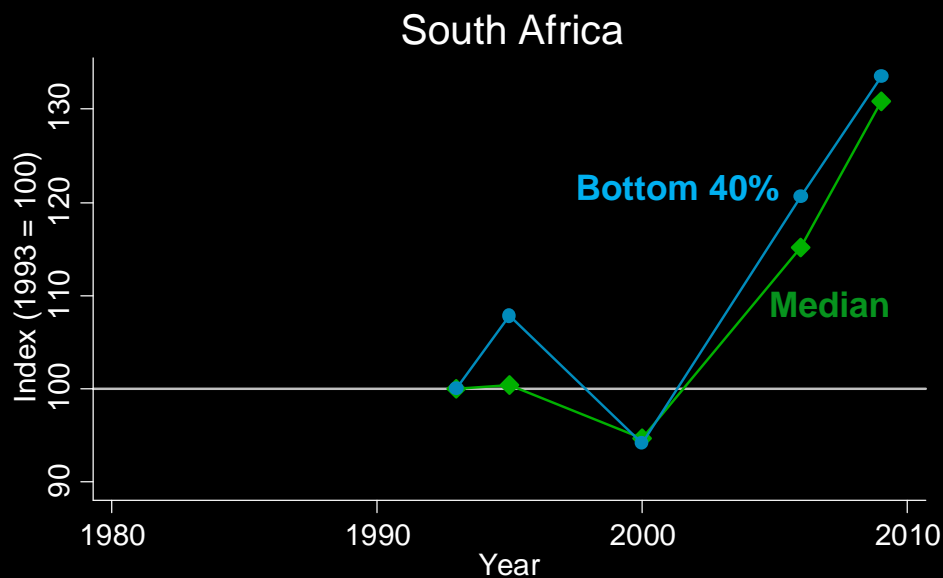
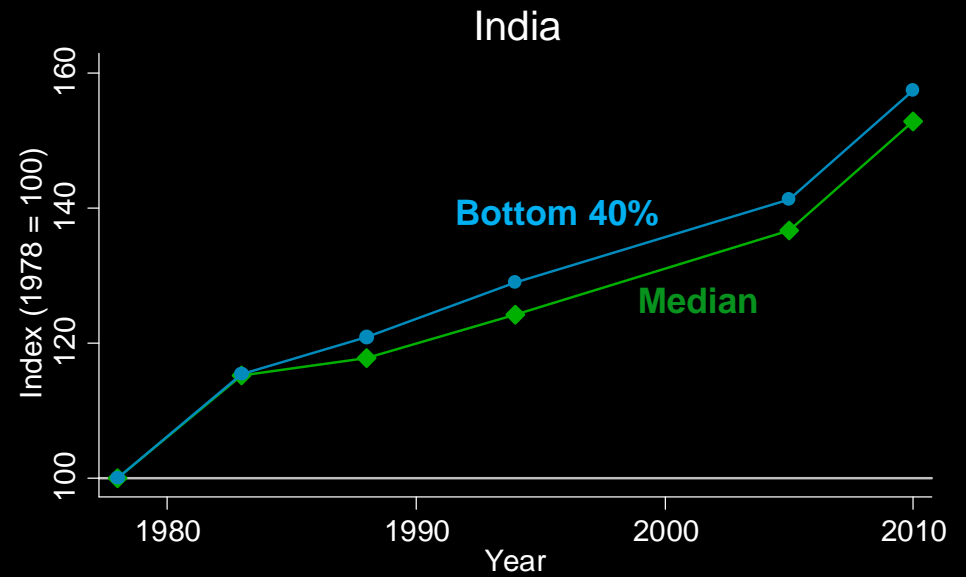
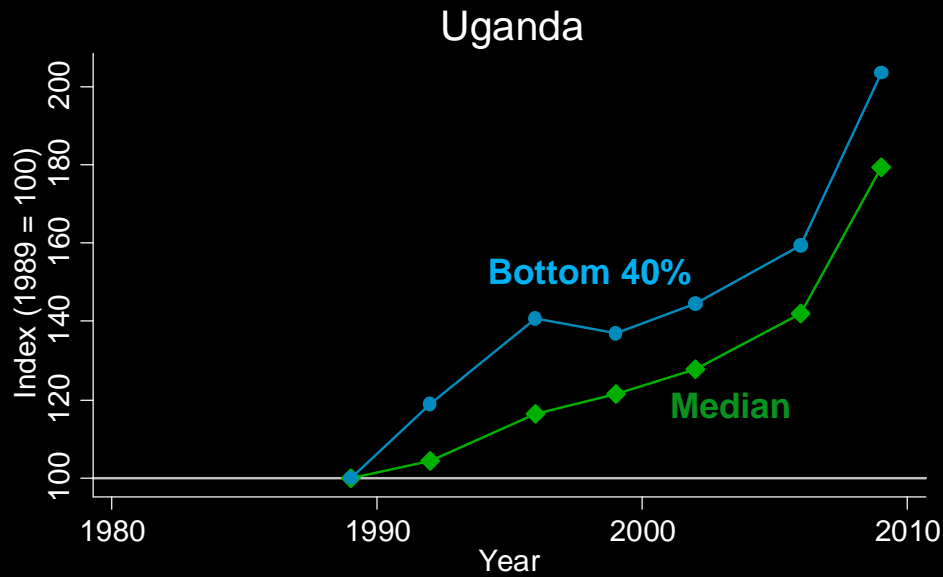
A durable measure of development



Ratio of mean to median: A good-enough measure of inequality

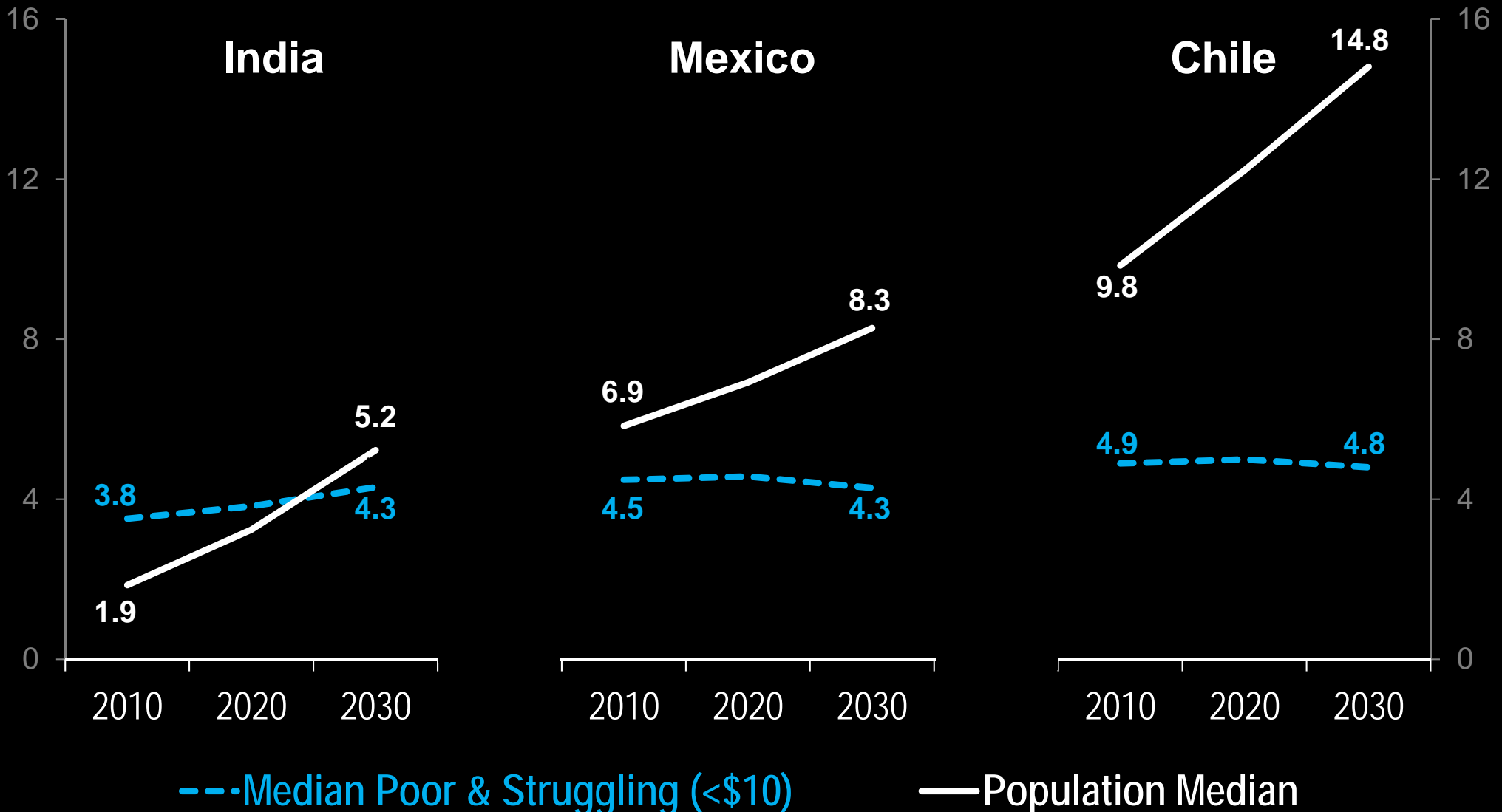


Growth of the bottom 40% closely tracks growth at the median



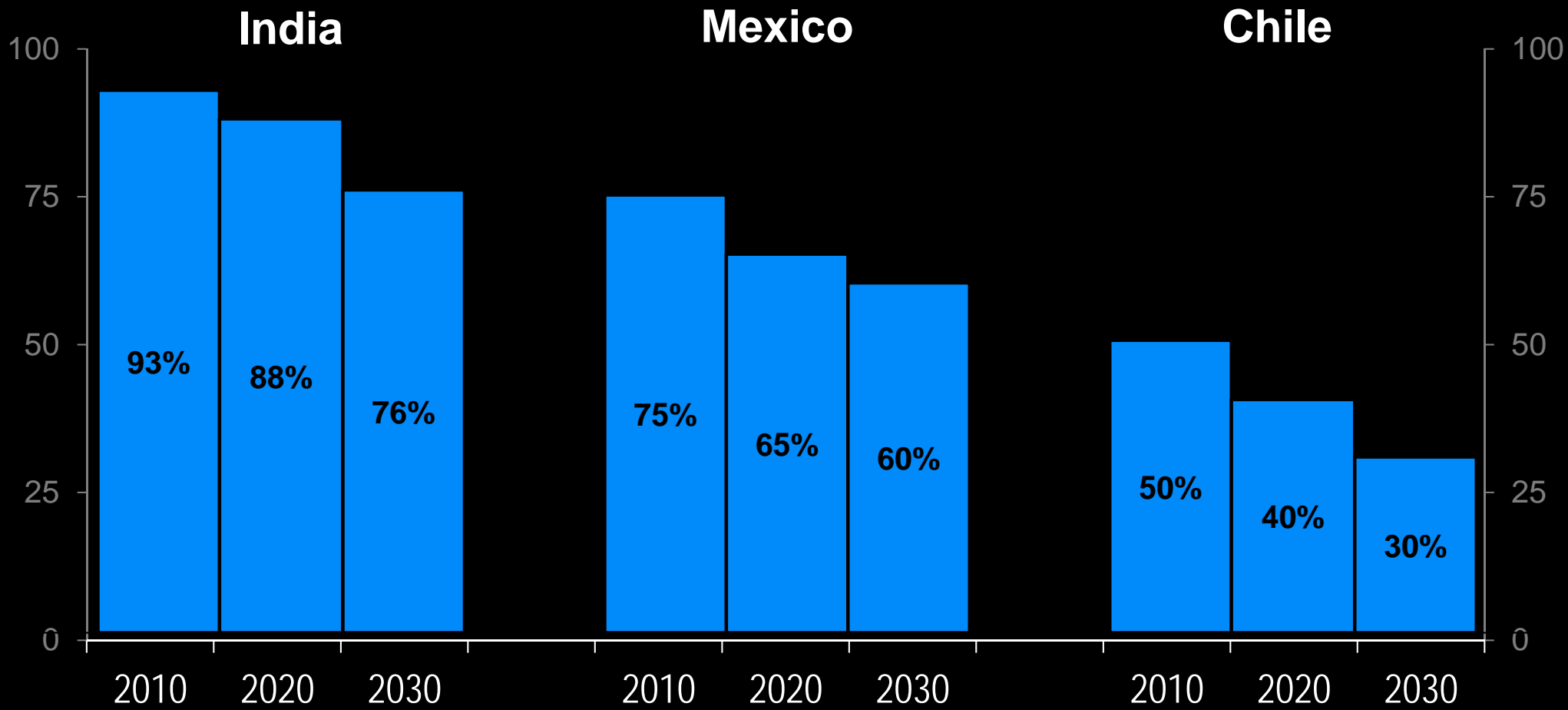
A better measure than the World Bank's “shared prosperity”

Median consumption per capita per day (2005 PPP\$)



The poor and vulnerable will still account for a large share of the population over the next decades

Population below \$10 a day, percentage



The median is the message



Simple and understandable



Durable over time and across countries



Good enough measure of inequality

Thank you



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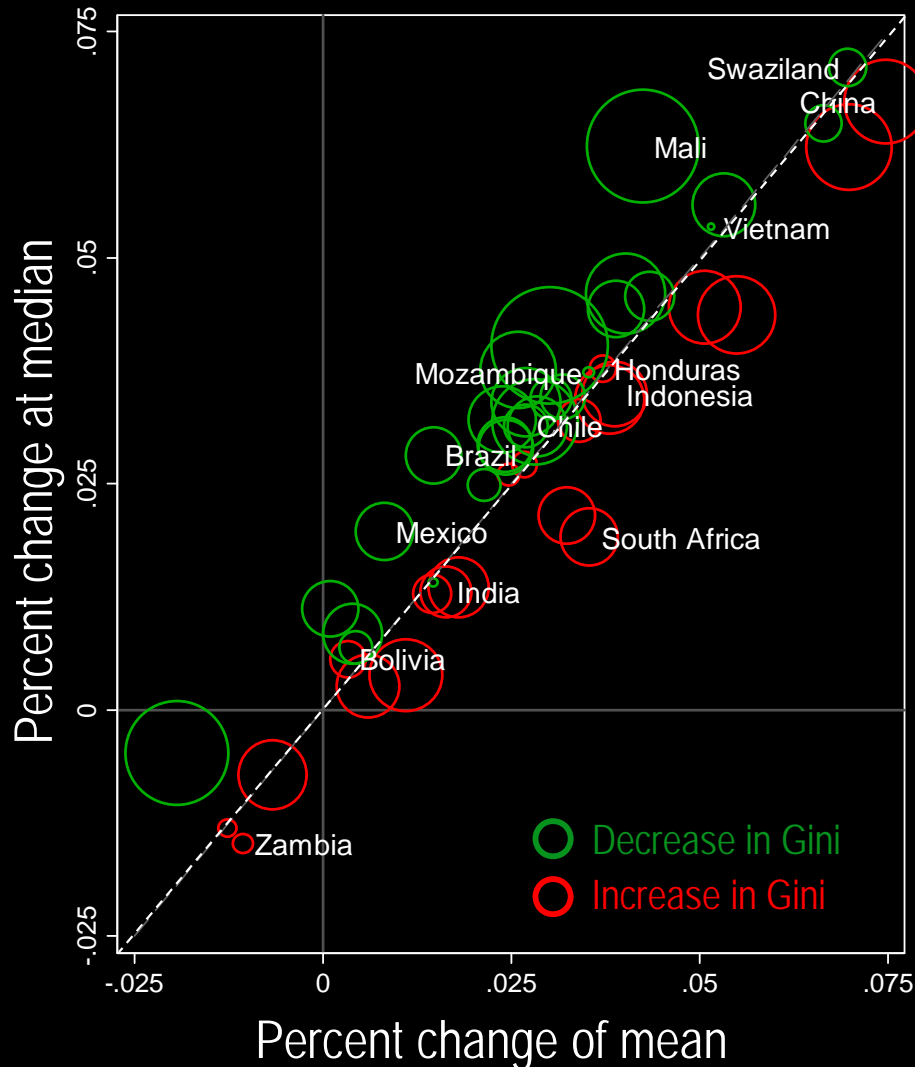
Source: Birdsall and Meyer (2013), based on data from World Bank PovcalNet (iresearch.worldbank.org/PovcalNet/)



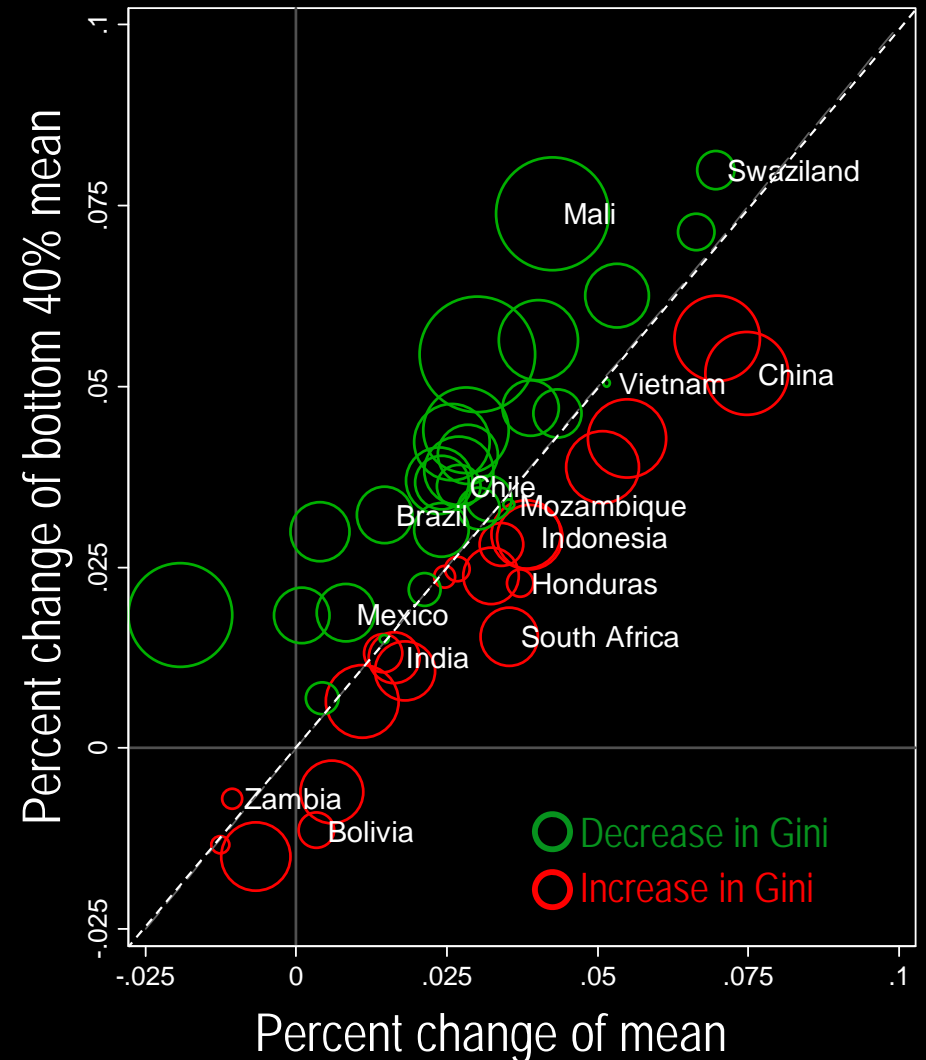
Illustrations by Daniel Hetteix, Jerry Wang, Roman Trilo (The Noun Project)

Change in median and mean tells same story as World Bank Shared Prosperity indicator (ca. 1995 to 2010)

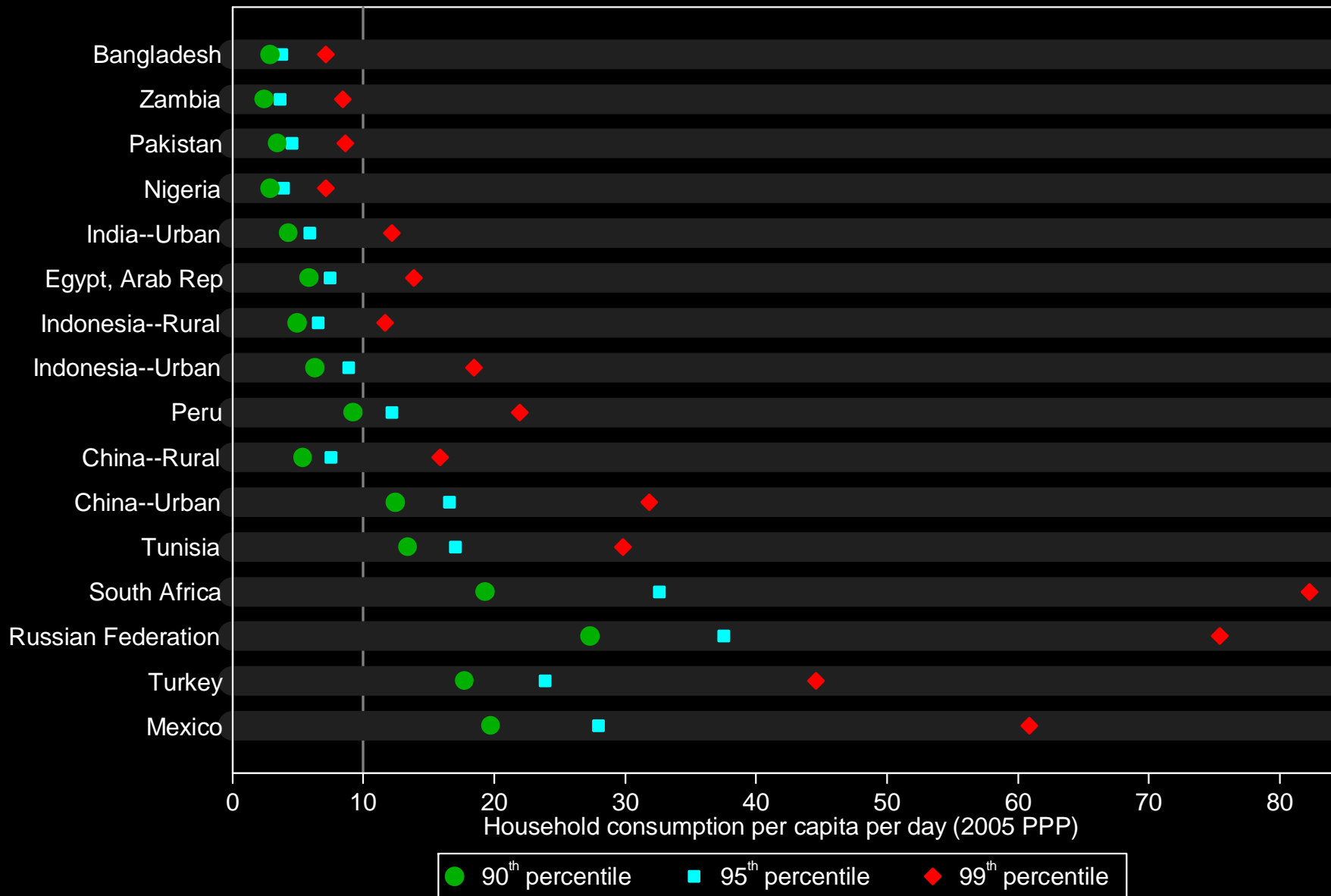
Change at Median vs. change of mean



Change of Shared Prosperity indicator vs. change of mean

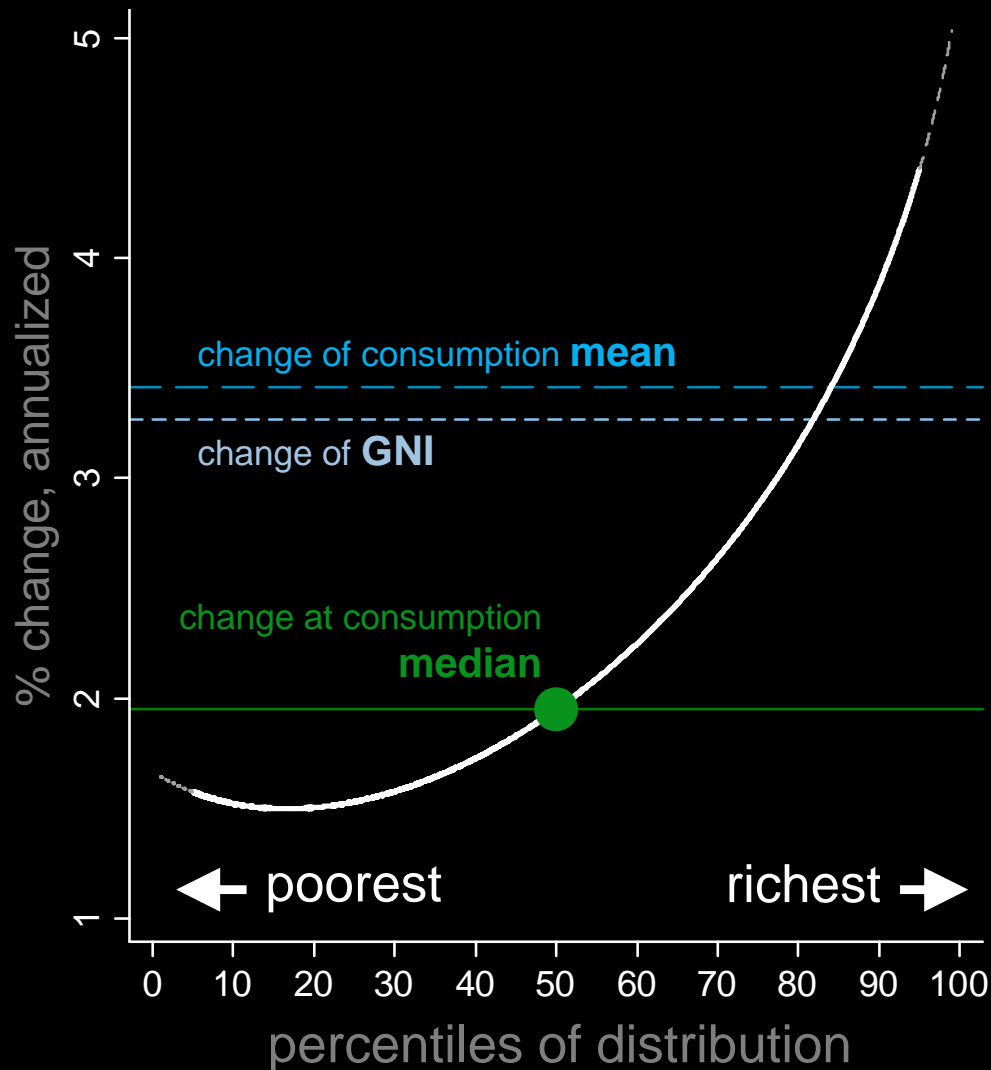


Top incomes at the 90th, 95th and 99th pecentile (from PovcalNet)



It matters at what point of the distribution we measure growth: Who benefitted between 1995-2010?

 South Africa



 Mexico

