Measuring What Matters

Why India Needs a Household Income Survey

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The Household Income Survey, beginning with HIS 2026, should be institutionalised as a foundational reform. Drawing on India's prior efforts over the last two decades and global best practices, the conceptual, methodological, and institutional requirements for building a credible, disaggregated, and policy-relevant income data system are outlined. The introduction of a strategic design framework is proposed to ensure the evolution of HIS 2026 into a permanent infrastructure for facilitating inclusive, evidence-based policymaking.

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India's forthcoming Household Income Survey (HIS), initiated by the National Statistical Office (NSO) and scheduled to be conducted in 2026, signals a major turning point in the evolution of the country's statistical system. For too long, India has relied almost exclusively on household consumption expenditure surveys—based on data collected through successive rounds of the National Sample Survey (NSS)—as a proxy for income distribution and welfare analysis. While these surveys have been instrumental in measuring poverty and tracking living standards, they are increasingly becoming ineffective in meeting the analytical demands of a complex, informal, and service-driven economy.

The upcoming HIS 2026 fills a critical gap at a moment when the post-pandemic fiscal strain and the expansion of direct benefit transfers (DBTs) and targeted subsidies have made disaggregated, distribution-sensitive income data indispensable. Relying solely on aggregate economic indicators risks masking the lived realities of different segments of India's diverse population, while policymakers need timely and detailed information to evaluate who benefits from government support, who bears tax burdens, and how opportunities are distributed.

This recognition is not unique to India, as many countries regularly conduct household income surveys as part of their efforts to monitor living standards, poverty, and inequality. International best practices underscore the importance of regularly collected, well-designed income surveys that can inform policy in real time (UNECE 2011; OECD 2013). In this context, the HIS 2026 represents more than a technical upgrade; it is a strategic opportunity to embed systematic income measurement into the institutional framework of India's statistical governance.

Here, an important question to be addressed is: Why should income be selected over expenditure? Professionally and conceptually, there is a growing consensus that household income rather than consumption must serve as the primary variable for understanding inequality, economic mobility, and redistributive policy. This shift in emphasis is grounded in both empirical and normative considerations, as delineated below.

First, income captures the immediate flow of resources available to a household, be they derived from wages, self-employment, agricultural outputs, property, remittances, or public transfers. It is this flow that determines a household's capacity to save, invest, insure against risk, and accumulate assets over time (Canberra Group 2001; Haughton and Khandker 2009). In contrast, consumption reflects how much a household chooses to spend, which may be driven by past income,

savings, access to credit, or risk preferences. Consequently, consumption is an outcome of income, but not its absolute equivalent (Ray 1998; Todaro and Smith 2020).

Second, consumption tends to understate inequality. High-income households often save a large portion of their earnings, while low-income households consume most of their income or even dissave. This results in a compressed consumption distribution that underestimates the economic distance between the top and the bottom sections of the income ladder. Empirical studies both in India and elsewhere have shown that consumption-based Gini coefficients are consistently lower than those derived from income data, often by a significant margin (Deaton 2003; Banerjee and Piketty 2005; Table 3). Thus, relying solely on consumption leads to an incomplete and often misleading picture of economic disparity.

Third, income data are indispensable for fiscal policy analysis. Consumption data alone cannot help provide reliable answers to key questions, such as who benefits from tax cuts, who qualifies for subsidies, and how effective DBTs are in reaching the poor. Income is the basis for personal income tax calculations, eligibility thresholds for transfers, and assessments of fiscal incidence. Notwithstanding its importance, expenditure data, on the other hand, lack the necessary granularity and relevance for such assessments.

Fourth, income data enable a richer understanding of economic volatility and household vulnerability. While consumption may remain stable in the face of income shocks, due to various coping mechanisms used by households, such as borrowing, dissaving, or reliance on informal support networks, only income data can reveal the extent and distribution of these shocks (Haughton and Khandker 2009; Deaton 1997). Obtaining this information is particularly crucial in informal economies, which are characterised by irregular, seasonal, or unrecorded earnings, making income patterns more volatile and harder to monitor through consumption alone (Jolliffe et al 2015; Ray 1998).

Finally, international statistical frameworks, recommended by diverse literature ranging from the Canberra Group Handbook (UNECE 2011) to the Organisation for Economic Co-operation and Development's (OECD) income distribution guidelines, emphasise that income is the most analytically potent and policy-relevant metric for capturing economic well-being. Countries that collect robust income data are better positioned to examine inequality decomposition, simulate the effects of fiscal reforms, and design inclusive social protection systems.

India's historical reliance on consumption surveys stemmed partly from the logistical challenges of measuring income in a largely informal economy. Early NSS efforts, starting from the 1950s to the execution of a structured pilot in 1983–84, were eventually abandoned due to persistent inconsistencies, including results showing income estimates falling below reported consumption and savings (Anand and Harris 1994; Joshi 1996; Bakshi 2010; Jerven 2013). Further, the early contributions, such as those by K R Ranadive (1973), Ojha and Bhatt (1974), Bardhan (1974), Gaiha (1988), and NCAER (1987), played a foundational role in shaping early understandings of income distribution in post-independence India. Although limited in scale and scope, these studies raised important methodological questions that influenced future survey designs. However, pioneering efforts by two Indian private institutions in the last two decades, including the National Survey of Household Income and Expenditure (NSHIE)[1] conducted by the National Council of Applied Economic Research (NCAER) in 2005, and the ICE 360° surveys,[2] conducted by People Research on India's Consumer Economy (PRICE) in 2014, 2016, and 2021, have demonstrated that collecting detailed income data across diverse socio-economic contexts is both feasible and analytically valuable.

These surveys not only incorporated direct income reporting but also triangulated data from multiple sources, including wages, self-employment, transfers, and in-kind receipts, thereby offering a multidimensional view of household economics. Moreover, they pioneered methodological advancement, manifested in the use of stratified sampling across income groups, subjective assessments of income sufficiency, and modules on volatility and stress, many of which can now inform the HIS 2026 design.

Despite their success, however, these efforts have not found their way into the official statistical apparatus, which has limited their influence on mainstream policy discourse. The upcoming HIS presents an opportunity to institutionalise income measurement, ensuring periodicity, comparability, and public access to data. If implemented with methodological rigour and aligned with international standards, the HIS 2026 can become the cornerstone of a modern and responsive data infrastructure—one that reflects the lived economic realities of Indian households and enables more equitable policymaking.

This paper argues that the HIS 2026 must be seen not as a mere data collection exercise, but as a foundational reform in India's knowledge system. It makes a case for prioritising income data, reviews national and global income survey experiences, analyses the challenges and trade-offs in income measurement, and proposes strategic directions for building a credible and durable framework for income statistics in India.

Conceptual and Methodological Foundations of Income Measurement

Household income remains one of the most critical yet conceptually demanding variables in economic measurement. As both an analytical construct and a statistical indicator, income offers a direct lens into material well-being, inequality, vulnerability, and the redistributive impacts of public policy. Yet, capturing it accurately in household surveys poses numerous definitional, methodological, and institutional challenges. The proposed HIS 2026 must, therefore, be grounded in a profound understanding of the following questions: What is income? How is it generated and distributed? How can it be reliably captured in empirical data?

Income is best understood as a flow of resources: At its core, income is defined as the flow of economic resources received by individuals or households over a specified reference period. These flows may arise from multiple sources: labour earnings, self-employment profits, agricultural income, returns

on capital, property rents, social transfers, and remittances, both domestic and international. However, translating this broad conceptual scope into a measurable variable is fraught with complexity. Questions of whether income should be reported before or after taxes and transfers, whether it should include in-kind receipts or imputed values such as owner-occupied housing, and whether to collect data at the individual or household level introduce various degrees of ambiguity that must be unpacked through more intuitive and consistent definitions and carefully structured instruments.

Statistical guidelines classify income systematically: Global statistical frameworks, most notably the *Canberra Group Handbook on Household Income Statistics* (UNECE 2011) and OECD (2013) guidelines, offer a coherent typology of income. These frameworks recommend distinguishing between primary income (such as wages and profits) and secondary income (such as pensions or social transfers), and between gross income and disposable income. They also propose principles for treating irregular, in-kind, and imputed income sources. However, the operationalisation of these principles is particularly challenging in countries with large informal sectors, complex household structures, and variable income flows. India represents a notable example of such a challenge, as a significant share of its population earns income from informal labour, self-employment, and seasonal or irregular activities, all of which are often unrecorded and poorly documented.

Income can be measured at both micro and macro levels: At the micro level, household surveys depend on self-reporting of income, allowing researchers to link income with demographic, occupational, and spatial variables. At the macro level, income flows are accounted for in the System of National Accounts (SNA), where labour compensation, operating surplus, and transfers are estimated through institutional and sectoral balances. The discrepancy between micro and macro estimates, a recurring issue in income statistics, is partly attributable to coverage gaps and valuation errors in household surveys. As Deaton et al (2005b) have observed, survey-based income aggregates in developing countries often fall significantly short of corresponding macroeconomic totals, especially in the upper tail of the distribution.

Income is diverse, irregular, and often non-monetary: The measurement of income is further complicated by its multiplicity and heterogeneity. Households typically receive income from several, often overlapping, sources. A rural household may simultaneously draw income from wage labour, small-scale farming, and government transfers, while an urban household might combine salaried employment with home-based enterprises or remittances. Many of these income flows are irregular, seasonal, or episodic. In-kind receipts, from farm produce to subsidised foodgrains, constitute a significant share of total resources, particularly among low-income groups. The valuation and inclusion of such non-monetary flows necessitate the drafting of a careful methodological design, especially in the context of an attempt to maintain comparability across household types and regions. Moreover, the practice of income pooling within households adds another layer of complexity, raising questions about intra-household distribution, individual agency, and the appropriate unit of analysis.

Under-reporting remains one of the most persistent challenges in income surveys: Higher-income households may be reluctant to disclose their earnings due to privacy concerns or fear of taxation, while lower-income respondents may be unable to accurately recall or report episodic incomes. In many surveys, data on informal sector earnings, piece-rate work, and income from self-employment are prone to omission or vague estimates. Social desirability bias can lead respondents to misrepresent their economic position, while cognitive burdens, especially among less literate respondents, can result in substantial measurement error. These problems are compounded when surveys use a single-question format or rely on overly aggregated response categories.

Robust methods demand source-specific probing: Methodologically, income measurement requires a source-by-source approach, with appropriate probing and disaggregation. Longer reference periods may reduce volatility but increase recall error, while shorter periods may capture income flows more precisely but risk missing seasonal variation. The inclusion of subjective assessments, such as perceived adequacy of income or financial stress, can provide qualitative validation and enrich the interpretation of quantitative data. The experience of ICE 360° suggests that a combination of detailed source-specific questions, internal consistency checks with consumption and savings data, and modules on volatility and coping strategies can significantly improve the reliability and depth of income reporting.

Income gains meaning within a wider lens of well-being: Beyond technical measurement, income must also be situated within a broader framework of household economic well-being. Contemporary debates emphasise the need to integrate income data with information on consumption and wealth. Income enables present consumption and future accumulation; consumption reflects immediate living standards; and wealth captures long-term security and opportunity. Together, these three dimensions form the pillars of economic well-being. Both the Stiglitz-Sen-Fitoussi Commission (Stiglitz et al 2009) and OECD (2013) have called for survey instruments that can jointly capture these variables, allowing for a more holistic analysis of inequality, poverty, and resilience.

Crucially, these conceptual and methodological choices are not merely technical, as they also shape how poverty and inequality are understood, how policies are designed, and how social justice is delivered. A narrow or inconsistent definition of income portends the risk of obscuring key aspects of vulnerability, while the use of robust and harmonised data can facilitate more precise fiscal policymaking and deeper democratic redistribution of resources. As India undertakes the task of

constructing a national income survey, the clarity and consistency of its conceptual framework will be as important as its logistical execution. The challenge is to move beyond minimal reporting toward a rich, accurate, and policy-relevant portrait of income in contemporary India.

Review of Indian and International Experiences in Income Surveys

India's renewed emphasis on direct income measurement through the upcoming HIS 2026 gains greater relevance when viewed against both domestic precedents and international practices. While the country has historically relied on consumption-based surveys for welfare analysis, past attempts to directly measure income offer valuable lessons. Globally, several countries have successfully institutionalised income surveys, offering models that India can adapt to suit its unique context. This section explores both Indian and international experiences to inform a robust design for HIS 2026.

Indian experiences—NSHIE and ICE 360°: Although India has a long-standing tradition of conducting household surveys, direct income measurement has remained rare and fragmented in the country. NCAER's NSHIE signified one of the major national efforts to measure income directly. It gathered comprehensive data across income sources, including wages, self-employment, agriculture, remittances, pensions, and in-kind transfers, in tandem with consumption data for carrying out consistency checks. Despite being a one-off survey, it established a valuable methodological foundation. A re-examination of the survey from a qualitative perspective confirms that its national-level estimates are broadly satisfactory, with sampling errors largely confined to the within 2%–3% range, reflecting the robustness of the sampling design and the adequacy of sample sizes (Srivastava et al 2009).

A decade later, the PRICE's ICE 360° surveys expanded upon NSHIE's groundwork. Conducted in 2014, 2016, and 2021, these surveys introduced multistage, stratified sampling to reflect India's diverse income spectrum, ranging from urban professionals to rural labourers. ICE 360° recognised the multidimensional nature of income by not only disaggregating income sources but also capturing the irregularity, seasonality, and financial stress associated with income.

Methodologically, ICE 360° pioneered several innovations, such as source-specific recall periods, structured probes to reduce under-reporting, and cross-validation using savings and consumption data. It also explored household coping mechanisms like borrowing or curtailing expenses, offering a richer understanding of economic resilience in informal settings (Shukla 2010a, 2010b; Shukla et al 2010).

Both NSHIE and ICE 360° were steered by the author of this paper, ensuring continuity in learning, refinement of tools, and conceptual evolution. Their credibility is affirmed by numerous academic and policy studies, including those by the Reserve Bank of India (RBI 2017), Krishna and Shukla (2023), Rani et al (2019), Chatterjee et al (2024), and Rose et al (2022), thanks in part to ICE 360°'s commitment to public data access.

Despite their non-inclusion in official statistics, these efforts demonstrate the feasibility and necessity of direct income surveys in India. They highlight the importance of high-quality instrument design, enumerator training, and sensitivity to informal economic realities. These experiences offer a practical and tested base that HIS 2026 can build upon. The goal must now thus be to move from sporadic, externally driven data collection efforts to a permanent, recurring, and publicly accessible income survey system.

International experiences and lessons: Globally, many countries have shifted away from sole reliance on consumption as a welfare proxy, instead adopting sophisticated income surveys as central tools of economic governance. These efforts offer both practical models and cautionary insights for India.

Brazil's Continuous National Household Sample Survey (PNAD), conducted by the Brazilian Institute of Geography and Statistics (IBGE), exemplifies this trend. It integrates income with data on labour, housing, and education, providing annual updates across detailed income categories (IBGE 2022). This multi-topic approach enhances both cost-efficiency and explanatory power—attributes that are especially relevant for India, where stand-alone surveys can be resource-intensive.

In South Africa, the National Income Dynamics Study (NIDS) offers a longitudinal model, following the same households over time. This approach captures income transitions, life-cycle changes, and responses to economic shocks. The NIDS also links survey data with administrative sources such as tax records and social grants (Wittenberg 2017), offering a validated and comprehensive income profile. In view of the rapid expansion of India's digital infrastructure, through the Aadhaar, GST, and DBT platforms, such linkages are increasingly becoming feasible, though they still need to be approached with robust safeguards.

The Indonesian National Socio-economic Survey, called SUSENAS (*Survei Sosial Ekonomi Nasional*), provides another adaptable example. Conducted frequently and nationally, this survey combines income and expenditure data with rotating modules. Its high frequency and regional disaggregation support real-time assessments and decentralised policymaking. Subnational governments in Indonesia have used SUSENAS data for budgeting and social protection targeting (Silveira-Neto et al 2015).

The above examples share key features: institutionalisation, frequency, methodological clarity, and data integration. Countries that have embedded income surveys within permanent statistical frameworks, supported by government legislation and the deployment of professional staff, have enhanced their capacity for responsive policymaking and public accountability.

Another critical global lesson is the criticality of institutional collaboration. High-quality income surveys often entail partnerships among statistical agencies, academic experts, and finance ministries. For instance, Europe's EU-SILC is harmonised

across member states through shared protocols. For India, a coordinated effort, potentially led by the NSO, Ministry of Finance, NITI Aayog, and academic institutions, could ensure both analytic depth and policy relevance of HIS 2026.

Finally, global best practices increasingly emphasise the subjective and psychological aspects of income. Questions seeking to identify perceived financial stress, future expectations, and coping strategies enrich traditional data and offer a more holistic view of economic well-being. ICE 360° has incorporated some of these questions, and HIS 2026 can build on them to align with emerging global norms.

It may be concluded that both Indian and international experiences suggest that effective income surveys require more than good questionnaires. They demand institutional continuity, methodological innovation, periodic implementation, inter-agency coordination, and open access. The advent of HIS 2026, therefore, represents a rare opportunity for India to consolidate past learning, adopt global best practices, and establish a permanent and efficient infrastructure for income data collection. Done right, it could transform how India understands and addresses economic inequality and insecurity.

Income Surveys and Policy Value: NSHIE and ICE 360° Experience

Coverage of income components in the ICE 360° survey: The ICE 360° surveys measure net household income in both cash and kind, covering a broad spectrum of income sources. These include not just traditional wages and self-employment earnings but also government transfers, pensions, remittances, and capital income such as interest and dividends. This hierarchical structure aligns with global best practices even while being adapted to India's unique labour market and socio-economic conditions.

One of the key strengths of this approach is its ability to reflect the diverse and informal nature of the Indian economy. For instance, income emanating from self-employment was reported by 54.4% of the households and contributed 34.7% to total income in 2020–21 (Table 1). Similarly, casual wage labour, a form of employment typically under-reported or misclassified in conventional surveys, was captured in both its agricultural and non-agricultural forms, with nearly 46% of the households reporting it as a source of income.

Table 1: Key Findings from the PRICE ICE 360° Survey, 2020–21

Income Component	% Households Reporting (All India)	Share in Total Income (All India) (%)
Regular wages	29.2	31.8
Casual wages	46.0	25.0
Self-employment	54.4	34.7
DBT/Social benefits	14.5	0.7
Pension + Investments	~12	~4.4
Remittances	~2.1	~0.9

Source: Authors' estimates using microdata of PRICE's ICE 360° survey (2021).

The survey also recognises the growing importance of government social transfers. About 14.5% of the households reported receiving DBTs or other social benefits, though these accounted for only 0.7% of the total income, underscoring their role as part of supplementary income rather than a primary livelihood source. In contrast, asset-based and financial incomes, such as pensions, rental income, and interest/dividends, were relatively minor, pointing to low asset ownership and financial inclusion, especially among rural households.

By adopting this comprehensive and disaggregated structure, the ICE 360° survey not only facilitates international comparability but also ensures contextual accuracy by capturing income sources that are essential for understanding the metrics of poverty, inequality, and livelihood resilience in India. While challenges such as valuation of in-kind income and under-reporting of irregular earnings persist, the survey's framework marks a significant improvement over earlier income data systems that focused narrowly on salaried employment and overlooked informal and transfer incomes.

Framing inequality through reliable income data: Granular and disaggregated income data are essential for evaluating both economic well-being and inequality. Evidence from successive ICE 360° surveys reveals sharp fluctuations in inequality over time: the income Gini fell from 0.475 in 2004–05 to 0.395 in 2015–16, before spiking to 0.528 during the pandemic, and declining again to 0.410 by 2022–23. This non-linear trend underscores how external shocks and policy responses shape income distribution, as also why periodic and methodologically consistent income surveys are crucial for tracking these changes in real time.

Beyond the Gini coefficients, per capita income growth has shown unequal trajectories across the population. Between 2021 and 2023, the bottom 20% saw a remarkable income recovery (45.4%), while the top 20% experienced a modest decline (Table 2). A national household income survey can build on these learnings by ensuring temporal comparability, enabling statistical systems to produce inequality-sensitive indicators that reflect the lived realities of Indian households across income classes, regions, and occupations.

Table 2: Percentage Distribution of Disposable Personal Income by Quintile Groups of Population—All India

Quintile Group of Population (%)	2004–05	2013–14	2015–16	2020–21	2022–23
Q1 (0–20)	5.2	6.7	6.7	3.3	6.0
Q2 (20–40)	8.7	11.1	10.5	7.2	10.0
Q3 (40–60)	12.8	15.1	14.9	12.3	14.8
Q4 (60–80)	20.6	21.2	22.1	21.0	22.3
Q5 (80–100)	52.7	46.0	45.7	56.3	46.8
Total	100.0	100.0	100.0	100.0	100.0
Bottom 20	13.9	17.7	17.3	10.5	16.1
Top 20	52.7	46.0	45.7	56.3	46.8
Gini ratio	0.475	0.399	0.395	0.528	0.410

Source: Authors' estimates using distribution of income from "How India Earns, Spends and Saves" (2010) and estimates using microdata of PRICE's ICE 360° surveys (2014–23).

Capturing inequality of savings—moving beyond income and consumption: One of the most powerful lessons from PRICE's ICE 360° dataset is that inequality in financial security, measured by the distribution and size of household savings, is substantially greater than income or consumption inequality. In 2005, the saving Gini stood at 0.781. Although it dropped to 0.604 in 2014, it rose again to 0.730 during the pandemic, before

Table 3: Income, Expenditure and Saving Gini Ratios—All India

Gini Ratios	2004–05	2013–14	2015–16	2020–21	2022–23
Income	0.475	0.399	0.395	0.528	0.410
Expenditure	0.357	0.325	0.327	0.462	0.357
Saving	0.781	0.604	0.622	0.730	0.560

Source: Authors' estimates using distribution of income from "How India Earns, Spends and Saves" (2010) and estimates using microdata of PRICE's ICE 360° surveys (2014–23).

declining to 0.560 in 2023, though still being much higher than the income (0.410) and expenditure (0.357) Ginis (Table 3).

This finding signals a deeper structural problem: while incomes may rise and consumption may be smoothened through transfers or borrowing, the capacity to build financial buffers remains unequally distributed. A national household income survey must address this blind spot by integrating modules on savings, surplus, and financial stress. Without access to such information, policy design will continue to underestimate vulnerability and overestimate household resilience.

Tracking mobility—why household income surveys must include retrospective modules: If inequality is about outcomes, intergenerational mobility is about opportunity. PRICE's 2020–21 ICE 360° survey estimates India's intergenerational income elasticity (IGE) at 0.56, implying that more than half of an individual's economic status is inherited rather than earned. A national household income survey must take cognisance of this structural stickiness.

Disaggregated data show that mobility is particularly low among the Scheduled Tribes (STs) (IGE: 0.66), Muslims (0.63), and urban households (0.57). IGE remains high (0.60) even among graduate households, revealing the limits of education in offsetting inherited disadvantage (Shukla 2025a). A national survey should, therefore, include retrospective modules capturing parental occupation, education, and income. This will allow for national mobility trends to be systematically monitored and help inform policy across ministries.

Reconciling global and national inequality estimates—A case for household surveys: One of the most persistent data tensions lies in the divergence between national survey estimates and international databases like the World Inequality Database (WID). For instance, while household surveys report the bottom 50% holding a 22.8% share of income in 2022–23, WID estimates it at around 15% (Table 4). This discrepancy arises because WID relies heavily on tax and national accounts data that systematically under-represent informal and lower-income populations.

Table 4: Share in Net National Income of India—Indian Household Income Surveys (IHIS) versus World Inequality Database (WID) (%)

Survey Periods	Share of Bottom 50%		Share of Middle 40%		Share of Top 10%		Share of Top 1%	
	IHIS	WID	IHIS	WID	IHIS	WID	IHIS	WID
1953–55	22.0	19.8	44.0	41.5	34.0	38.8	Micro-level household data are not available.	
1961–62	25.5	21.7	43.6	41.3	30.9	36.9		
1964–65	25.5	22.5	41.2	41.6	33.4	35.9		
1967–68	18.9	22.6	44.6	42.3	36.5	35.2		
1975–76	22.2	22.7	43.9	43.0	33.9	34.4		
1994–95	21.9	20.9	45.2	40.8	32.9	38.3		
2004–05	19.6	18.4	44.3	36.1	36.1	45.5	8.3	19.3
2013–14	24.7	14.7	45.1	29.2	30.2	56.1	6.2	21.3
2015–16	24.1	14.1	46.2	27.7	29.7	58.2	6.5	22.2
2020–21	15.8	15.4	45.6	27.6	38.6	57.0	9.0	21.7
2022–23	22.8	15.0	46.6	27.3	30.6	57.7	7.3	22.6

Source: Shukla (2025b).

Similarly, WID estimates show the top 10% share rising to 57.7% in 2022–23, while household surveys peg it at a more moderate 38.6%. The top 1% gap is even more stark: WID claims a 22.6% share, while surveys suggest that it is closer to 9%. A national household income survey can help resolve this data divide by generating robust, nationally representative, and reusable household income data that complement macroeconomic aggregates without over-relying on elite-biased tax records (Shukla 2025b).

It is thus obvious that a well-designed national household income survey is not merely a statistical exercise, but a vital instrument of inclusive policymaking. The Indian experience, through NCAER's income surveys and PRICE's ICE 360° surveys, outlines the crucial value of collecting integrated data on income, expenditure, and savings.

Design and Implementation Considerations for HIS 2026

Translating the conceptual clarity and professional consensus around income measurement into a successful nationwide survey is an inherently complex task. For India's NSO, the upcoming HIS 2026 presents an opportunity to not just correct a long-standing omission in the country's statistical portfolio, but also design a policy-relevant instrument that is both scientifically credible and operationally feasible. The success of HIS 2026 will ultimately depend on its ability to integrate robust statistical design with the practical realities of India's socio-economic heterogeneity and administrative capacity.

A foundational consideration for the HIS 2026 is the sampling strategy. Given India's size and diversity, a multistage, stratified random sampling framework is a prerequisite for ensuring representativeness across rural and urban areas, income groups, occupational types, and geographic regions. Stratification by income strata is particularly critical in an income survey, as low-income and high-income households differ from each other not only in levels but also in income composition, volatility, and reporting behaviour. The challenge lies in sampling hard-to-reach or under-represented groups, such as the urban rich, migrant households, or those with multiple informal income sources without compromising statistical efficiency or cost-effectiveness. Drawing lessons from ICE 360°, the sampling design must allow for both national and subnational inference, while also ensuring sufficient variation to capture distributional tails.

The structure and sequencing of the income questionnaire will be equally consequential. Past experience has shown that income is best captured through a disaggregated, source-by-source approach, with tailored reference periods and probing techniques. A single-question format or overly aggregated modules tend to yield under-reporting, especially when the

respondents are uncertain about what to include or are reluctant to disclose precise figures. To address this, HIS 2026 should adopt a modular format that separates income into clearly defined categories, such as wages and salaries, self-employment income, agricultural earnings, property income, public transfers, private remittances, and in-kind receipts. Each category should contain follow-up questions that can probe for frequency, amount, regularity, and mode of receipt of the income. Wherever possible, cross-checks with expenditure, savings, and debt data can be built in to assess consistency and flag anomalies.

The issue of reference periods also requires careful calibration. While shorter recall periods, such as the past month or quarter, are more accurate for regular income sources like salaries, they may miss collection of information on seasonal earnings or infrequent transfers. Conversely, annual recall is appropriate for irregular income but prone to memory lapses. It is advisable to adopt a hybrid approach, wherein different sources are assigned context-appropriate recall windows. Enumerator training will be central to this strategy, as field investigators must be equipped to explain concepts, probe sensitively, and adapt questioning to the respondents' contexts.

Given the prominence of informal and non-monetised income in India, HIS 2026 must also develop rigorous protocols for valuing in-kind receipts, home-produced goods, and joint production activities, such as household enterprises. These are often under-reported due to lack of market valuation or cognitive burden on the respondent. The use of standardised valuation tables, contextual prompts, and secondary data on prevailing prices can improve estimation accuracy. Moreover, the questionnaire must incorporate items that can capture income volatility and financial stress, allowing researchers to distinguish between stable, adequate income, on the one hand, and precarious or uncertain flows that mask economic insecurity, on the other.

Another important design element is the unit of reporting. While income is often received at the individual level, household-level reporting better captures pooled resources and shared consumption. However, intra-household income asymmetries, such as gendered earnings or differential control over resources, can be masked in such aggregation. The inclusion of both household-level and individual-level income modules, at least for working-age adults, can allow for disaggregation and enable more nuanced gender and intra-household analysis. Simultaneously, the survey should clarify the treatment of joint income, shared remittances, and informal transfers to avoid duplication or omission.

Implementation logistics will require close attention. Fieldwork for HIS 2026 must account for regional variation in literacy, language, and familiarity with the survey processes. Additionally, data quality assurance must go beyond field-level supervision. It will be essential to incorporate a clear framework for internal validation, real-time monitoring, and post-survey data cleaning. This includes automated checks for outliers, consistency across modules, and handling of missing or implausible responses. Drawing on the ICE 360° experience, anonymised microdata should be processed and documented systematically to produce tabulations for public analysis, and policy briefs tailored to specific use cases, and metadata on sampling weights, variable definitions, and imputation methods should be made available to researchers.

Institutionally, the success of HIS 2026 will hinge on inter-agency coordination. While the NSO would serve as the implementing body, collaboration with other government entities, academic and civil society institutions with expertise in income measurement should be engaged during the design phase to strengthen methodological rigour. International partnerships with organisations, such as the World Bank, UNESCAP, and OECD, can provide benchmarking opportunities and technical support.

Equally important is the commitment to ensure transparency and public dissemination. For HIS 2026 to generate trust and utility, its data must be made available in a timely and accessible manner. Delays in release, limited access, or lack of documentation, as have been seen with other official surveys, will undermine both credibility and impact.

Finally, HIS 2026 must be conceptualised not as a one-time effort but as the foundation for a permanent statistical infrastructure. Periodicity is vital: a one-off income survey, no matter how well designed it may be, cannot capture trends, dynamics, or the impact of shocks, such as economic downturns, pandemics, or major policy changes. Institutionalising income measurement, whether through an annual, biennial, or rotating panel model, would bring India in line with global standards and allow for longitudinal tracking of inequality and household welfare.

The design and implementation of HIS 2026 must, therefore, be governed by a commitment to scientific integrity, contextual relevance, and institutional continuity. The survey offers an unparalleled opportunity to address long-standing gaps in India's income data infrastructure. To realise this potential, it must move beyond enumeration to build a durable framework for understanding, analysing, and acting upon the economic realities of Indian households.

Conclusions

It may be argued that HIS 2026 presents a historic opportunity to address a critical void in India's statistical architecture by institutionalising the direct measurement of household income. For far too long, reliance on consumption as a proxy has constrained our understanding of inequality and limited the precision of fiscal policymaking, especially in an economy characterised by informality, volatility, and deep socio-economic divides.

The collection and utilisation of robust income data are essential for targeting social transfers, evaluating subsidies and taxes, and identifying economic vulnerability. They inform not just household welfare but also broader questions of tax liability, eligibility for state support, and the capacity to absorb shocks. The absence of such data heightens the risk of key fiscal instruments operating on assumption rather than evidence.

India's previous efforts, such as NCAER's NSHIE and PRICE's ICE 360°, proved that it is feasible to measure income even in complex informal settings. HIS 2026 now offers the chance to embed this capacity within the official system, while transforming ad hoc initiatives into a regular, transparent, and nationally representative income survey. Global experience too shows that such integration enhances policy responsiveness and resilience.

If designed and executed with care, HIS 2026 can do more than generate data—it can reshape how India governs, redistributes, and plans for achieving inclusive growth. If it could facilitate making income visible and measurable, the survey would lay the groundwork for more just and accountable policymaking, thereby aligning statistical systems with the country's development goals and democratic aspirations.

NOTES

1 NSHIE, launched by NCAER in 2005, evolved from its earlier Market Information Survey of Households (MISH, 1985–2001), which, despite its market focus and limitation of a single-question format, drew policy interest for its income data (Bery and Shukla 2003). Highlighting the need for more rigorous income surveys, scholars like Deaton and Kozel (2005a) suggested a redesign. Under expert guidance, NSHIE thereafter introduced a refined income module aligned with international standards and improved methodologies in sampling and estimation. The survey covered 63,016 households (including roughly half rural and half urban), based on a listing of 4,50,792 households across 24 major states, making it one of India's most comprehensive income datasets.

2 PRICE's ICE 360° surveys, called "Household Survey of India's Consumer Economy and Consumer Environment," aimed to generate integrated longitudinal data to provide a 360° view of "household's and people's" progress on financial conditions (income, expenditure, saving and borrowings), living conditions, access to public goods, amenities, state welfare, health, education, occupational conditions, social and occupational mobility and inclusion in the household economy. These surveys signify a mammoth and complex exercise. For instance, the ICE 360° (2016) covered more than 3,00,000 households through a household listing exercise, followed by a more detailed survey deploying a probability sample design, covering 61,000 households, including 25,000 in rural India and 36,000 in urban India. Geographically, the sample has been drawn from across 216 districts, 1217 villages, and 487 towns spread across 25 major states (PRICE 2021).

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