

National Household Income Survey - Explained

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Income Survey Latest News

- The Ministry of Statistics and Programme Implementation (MoSPI) is set to launch India's first-ever National Household Income Survey to collect reliable data on household income distribution across the country.

First National Household Income Survey

- The Ministry of Statistics and Programme Implementation (MoSPI) is preparing to launch the country's **first-ever National Household Income Survey (NHIS)** in **February 2026**, a landmark initiative to gather comprehensive income data from Indian households.
- The survey aims to fill a critical information gap in India's economic landscape by providing a reliable estimate of income distribution, data that has long been missing from the country's statistical system.
- According to **MoSPI**, the NHIS will be one of the "toughest" surveys ever conducted by the ministry due to the sensitive nature of the data being collected.
- The results of the survey are expected to be available by **mid-2027**.

Background and Need for the Survey

- While India regularly conducts large-scale surveys on **consumption, employment, and household expenditure**, there has never been a successful nationwide effort to measure **household income**.
- Earlier attempts, dating back to the 1950s, failed because the income data collected were often inconsistent, in many cases showing household income to be lower than the sum of consumption and savings.
- The absence of reliable income data has long hindered **evidence-based policymaking**.
- Policymakers have had to rely on consumption data as a proxy for income distribution, which often masks the true extent of **income inequality, underemployment, and informal sector earnings**.
- Recognising this gap, MoSPI had earlier announced that the income survey was “vital” to understanding **structural changes in India’s economy over the past 75 years**, particularly the shifts from agriculture to services and the rise of informal work.

Challenges in Conducting Income Surveys

- Income surveys are considered among the **most complex and sensitive statistical exercises worldwide**, owing to respondents’ reluctance to disclose accurate information about their earnings.
- According to MoSPI’s pre-survey testing conducted in August 2025, **95% of respondents found income-related questions “sensitive”** and were **uncomfortable disclosing income details** from different sources.
- Most also **refused to answer questions related to taxes paid**.
- This hesitation stems from cultural and psychological barriers, concerns about privacy, and fear of disclosure to tax authorities.
- To address this, MoSPI has emphasised **public awareness, transparency, and anonymity assurances** as critical factors for the survey’s success.

Pre-Survey Findings and Strategy

- The pre-survey testing of the NHIS questionnaire revealed that:
 - **73%** of respondents found the questionnaire relevant.
 - **84%** had a partial-to-good understanding of the survey’s purpose.
 - **95%** considered income-related data “sensitive” and required assurance of confidentiality.
- To overcome these challenges, MoSPI will conduct an extensive **communication campaign** to inform households about the survey’s objectives and the strict anonymity protocols.
- Field staff will be trained to **build rapport with households**, clarify misconceptions, and assure respondents that the data will be used solely for statistical purposes.
- At the operational level, MoSPI will develop a **Standard Operating Procedure (SOP)** for surveyors to ensure uniformity, accuracy, and privacy protection during data collection.

Institutional Framework and Expert Oversight

- The ministry has established a **Technical Expert Group (TEG)** chaired by **Surjit S. Bhalla**, former Executive Director of India at the International Monetary Fund (IMF).

- The TEG will guide the survey's methodology, oversee implementation, and provide recommendations on the presentation and release of results.
- The MoSPI would take a decision on the final release of results only after the expert group's review to ensure data credibility.
- This cautious approach follows the controversy surrounding the **non-release of the 2017-18 Consumer Expenditure Survey**, which was withheld due to data quality concerns.

Significance of the Survey

- The NHIS will provide critical insights into **income inequality, taxation patterns, and the structure of household earnings** across urban and rural India. The data will help policymakers design more effective **welfare schemes, social security programmes, and fiscal redistribution policies**.
- It will also support India's efforts to align with global statistical standards such as those set by the **United Nations System of National Accounts (SNA)** and the **OECD's Guidelines for Income and Wealth Distribution**.
- By capturing detailed information on sources of income, including wages, self-employment, agriculture, remittances, and government transfers, the NHIS will enable a **more accurate mapping of India's economic reality**, particularly for informal sector workers who make up nearly 80% of the workforce.

Source: **IE**

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