

SOCIAL GRADE. A STANDARD DEMOGRAPHIC CLASSIFICATION

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As more and more countries show their interest in joining the European Union the need to standardize certain procedures used in market research has arisen. Precisely, standard classification tools ensuring comparability between different countries need to be identified.

For this reason, in 1980, ESOMAR has started investigating the possibility to produce a consistent social-demographic classification system. Many research teams in different countries were committed to solving this problem up to 1996; their work eventually resulted in the standard "Social Grade Scale". The scale was initially tested and validated on representative samples in 12 EU countries, in seven waves of the *Eurobarometer*, between September/October 1992 – April/May 1995. It is nowadays a standard used in most opinion and market research surveys in Europe.

The scale enables a standard social-demographic classification, respectively, a composite variable. This new variable enables creating comparable sub-samples for different markets and ensures that, in each country, the resulting sub-groups are defined in the same manner.

The definition of categories of the social grade (SG)

<Social Grade> is a composite variable built on the parameters below:

- occupation of the main income provider of the household;

- level of education of the main income provider of the household, indicated by the age of graduation (in order to ensure coherence through different education systems);
- the economic status of the household (defined depending on the number of assets owned, from a given list of 10 items), if the main income provider of the household is inactive.

Precisely, if the main income earner of the household is active (renders any kind of remunerated work), the “social grade” shall be determined depending on the person’s occupation and level of education; in the case of inactive persons, the “social status” is determined in relation with the person’s level of education and with the economic status of the household.

The list of elements composing the SG shows that **all members of a household are necessarily considered to be at the same level on the grade**. On other words, the SG is a feature of the household, relevant to all its members. Therefore, the SG is not a substitute, but a complement to the analysis of other social-demographic features (educational level, occupation etc.) of the interviewees.

ESOMAR social status classification methodology

The social grade is divided into 8 categories: **A** (the highest), **B, C1, C2, D, E1, E2, E3** (the lowest).

These 8 categories ensure a balance between the objectives listed below:

- correctly defining sub-groups on a specific market;
- rational, significant grouping of levels of education and occupation;
- defining coherent categories according to the rates relevant to the economic status;
- carrying out multi-national comparative analyses.

Practically, if the main income provider is an active person, the following table enables classification in one of the eight categories of social status:

		Occupation of the main income provider						
Age of graduation		e1+2	e 3+5	e 4,6+7	e 12	e 8+9	e 11+14	e 15
	21+	A	A	B	B	C1	C1	D
	17-20	A	B	C1	C1	C2	C2	D
	15-16	B	C1	C2	D	D	D	E1
	14	C1	D	D	E1	E1	E1	E3
	<13	D	D	D	E3	E2	E2	E3

The occupational categories considered are listed below:

- e1 general management, directors or top management with responsibility for six employees or more
- e2 self-employed professional
- e3 employed professional
- e4 general management, director or top management with responsibility for five employees or less
- e5 middle management, other management with responsibility for six employees or more
- e6 middle management, other management with responsibility for five employees or less
- e7 business proprietor, owner (full/partner) of company *or* owner of a shop, craftsman, other self-employed person with responsibility for six employees or more
- e8 employed position, working mainly at desk
- e9 business proprietor, owner (full/partner) of company *or* owner of a shop, craftsman, other self-employed person with responsibility for five employees or less
- e10 student
- e11 employed non-manual position, not at desk but travelling or in a service job
- e12 farmer or fisherman

- e13 responsible for ordinary shopping and looking after the home, housewife
- e14 supervisor and skilled manual worker
- e15 other (unskilled) manual worker, servant
- e16 retired or unable to work due to illness, unemployment or temporarily not working

Considering the above-mentioned, the general signification of the 8 categories of the social grade is as follows (titles are conventional, as long as categories apply to inactive persons as well):

Category A *“Well educated top managers and professionals”*

- well educated top to middle level managers with responsibilities for more extensive personnel;
- well educated, independent or self-employed professional people;
- professionals, specialists, other well educated employees.

Category B *“Middle managers”*

- well educated smaller middle level managers, officers, heads of departments with no more than 5 subordinates and medium level education;
- less well educated top managers with fewer personnel responsibilities;
- well educated farmers;
- well educated owners / handicraftsmen with 6 or more employees.

Category C1 *“Well educated non-manual employees, skilled workers and business owners”*

- less educated managers;
- small business owners;
- smaller middle level managers;
- employees with higher education;
- supervisors / skilled manual workers;
- farmers; high school graduates.

Category C2 “*Skilled workers and non-manual employees*”

- moderately well educated small business owners;
- moderately well educated non-manual employees;
- better educated supervisors / skilled manual workers.

Category D “*Skilled and unskilled manual workers and poorly educated people in non-manual / managerial positions*”

- employees, less educated;
- handworkers, less educated;
- owners ‘ handicraftsmen, less educated;
- general and deputy directors, managers, officers, heads of departments, less educated;
- farmers, less educated.

Category E “*Less well educated skilled and unskilled manual workers, small business owners and farmers / fishermen*”

- **E1** - poorly educated supervisors / skilled manual workers;
 - better educated unskilled workers;
 - poorly educated non-office non-manual employees and small business owners;
- **E2** – very poorly educated supervisors / skilled manual workers;
 - very poorly educated small business owners;
 - very poorly educated non-office non-manual workers;
- **E3** – poorly educated unskilled manual workers and farmers / fishermen

For a more synthetic classification, or when working with small samples, these 8 categories can be merged into three classes listed below:

- category **AB (high)**: “*managers and professionals*”

- category **C¹ (medium)**: “skilled workers and non-manual employees”
- category **DE (lower)**: “unskilled manual workers, other less well educated workers/ employees”.

The following table (**Social Grade Matrix**) applies if the main income provider is inactive:

		Economic status of the household (number of assets owned)					
		5+	4	3	2	1	0/NR
Age of graduation	21+	A	A	B	C1	C1	D
	17-20	A	B	B	C2	C2	D
	15-16	B	C1	C1	E1	E1	E2
	14	C1	C2	C2	E1	E2	E3
	<13	D	D	D	E2	E3	E3

The social grade applied to Romania

The goal of the IMAS Department for analysis and Methodology was to use the social status classification in a form that is as close as possible to the ESOMAR standard, at the same time adapting it for the Romanian current situation. The main modifications, compared to the standard methodology, are listed below.

Considering that discontinuity of formal education was a frequent feature in Romania, especially before 1989, **the level of education** of the main income earner was determined by establishing a relation between the age of graduation and the type of school graduated. For instance, one could graduate from secondary school at the age of 14, enter high school (non-compulsory attendance form) three years later, and graduate from high school at 22 years of age.

¹ ESOMAR recommends using 4 classes - categories C1 and C2 are approached separately.

Obviously, the education of such a person is not comparable to a university graduate.

Another reason is found in the availability of official statistical (census) data on the last graduated school level, which enables determining to what extent the used samples are representative.

The relations used were:

Type of school graduated	Age of graduation
▪ no school graduated, primary school	<13
▪ secondary school	14
▪ 1 st stage high school	16
▪ vocational school	15-16
▪ high school	18
▪ post-secondary school, college	19-20
▪ higher education	>20

The multiple changes which have occurred in the Romanian education system resulted in variations in so far as the age of education of different levels of education is concerned, however, these variations are of little significance to the classification pertaining to the social status. The age of graduation is only used to ensure that the last type of school graduated was recorded correctly.

The set of assets owned (10 items) was modified by eliminating those assets that are very rare in Romania². For active main income providers, the choice from many possible combinations of items relies on a concordance between the SG categories defined according to the person's occupation and categories defined according to the economic status of the

² ESOMAR recommends adapting and modifying the set of assets according to local particularities of different markets (Bates, 1998, p. 112).

household. Precisely, we have used the set of items that resulted in minimal differences on a sample of approximately 3600 active persons.

ESOMAR

Color TV set
VCR
Video camera
Two or more cars
Camera
PC
Electric drill
Electric deep fat fryer
Radio-clock
Second home or holiday home/flat

IMAS

Color TV set
VCR
Video camera
Two or more cars
Camera
PC
Automatic washer
Electric grill
Stereo sound system
Second home or holiday home/flat

Validation of the typology

Two main lines were followed in validating the SG composite variable:

- Questions measuring the variables that compose the grade were applied for four consecutive months on independent national representative samples. The conclusion was that percents in each category of the typology tend to remain constant in time.
- Not taking into account particularities of each country, we have found that the distribution in categories from many European countries is similar to the distribution in Romania.

The social status profile in several European countries

The data in the table below were taken from *Bates, 1999* (for all countries except Romania).

The data for Romania were obtained from four consecutive waves of the IMAS **Romnibus**, respectively October, December 1999

and January 2000. The samples are nationally representative for Romania's adult population, and have covered more than 1500 persons each.

percents of total

Social status → ↓ European countries	base:	A	B	AB	C1	C2	C	D	E1	E2	E3	DE	NR
EU (12 countries)	89600	9.2	9.3	18.5	15.2	23.1	38.3	15.3	10.7	7.6	6.3	39.8	3.4
Belgium	7000	8.7	6.4	15.1	19.8	30.4	50.2	11.3	10.7	1.8	5.6	29.5	5.3
Denmark	7000	13.6	13.9	27.5	31.9	15.6	47.5	11.1	5.5	0.2	3.6	20.4	4.7
Germany	14000	10.7	11.5	22.2	19.7	30.3	50.0	13.4	7.3	0.6	2.8	24.1	3.7
Spain	7000	5.5	5.5	11.0	10.0	15.2	25.2	14	19.1	18.1	12	63.1	0.7
France	7000	8.0	12.1	20.1	16.9	27.7	44.6	16.4	12	3.9	2.5	34.8	0.5
Greece	7000	7.5	5.8	13.3	12.9	20.7	33.2	11.5	3.2	21.7	16.6	53.0	0.1
Ireland	7000	5.9	6.0	11.9	12.1	21.8	33.9	21.7	16.9	1.5	8.5	48.6	5.6
Italy	7000	9.4	7.5	16.9	11.1	20.9	32.0	11.6	9.5	17.9	12.2	51.2	0.0
Luxembourg	3500	11.1	12.1	23.1	18.0	23.2	41.2	17.3	9.9	1.3	3.0	31.5	4.1
Holland	7000	13.6	11.8	25.3	22.8	24.4	47.2	12.5	5.2	2.0	2.6	22	5.2
Portugal	7000	4.0	4.4	8.4	6.2	10.0	16.2	12.4	7.1	34.9	14.1	68.5	6.9
United Kingdom	9100	10.1	8.8	18.9	12.4	17.3	29.7	23.8	13.4	0.9	3.3	41.4	9.9
Romania	6285	8.0	4.3	12.2	5.4	24.1	29.5	19.2	13.3	7.7	18.1	58.2	0.0

The distribution of SG categories per averages, categories of places and nationality in Romania, on a sample of 6285 personas, is:

SG category →		A	B	AB	C1	C2	C	D	E1	E2	E3	DE
Type of settlement	rural	2.1	1.7	3.8	3.4	16.7	20.1	20.2	16.6	10.6	28.7	76.1
	small town (<49 thousands)	7.9	4.4	12.3	7.3	35.1	42.4	20.3	8.9	6.2	9.9	45.3
	medium town (50-199 thousands)	13.7	7.7	21.4	6.9	31.1	38.0	18.2	10.9	4.4	7.1	40.6
	large city (>200 thousands)	16.0	7.1	23.0	7.3	27.7	35.0	17.2	11.0	4.9	8.9	41.9
Geographic area	Transylvania	8.7	4.7	13.4	5.5	25.6	31.0	18.8	13.8	8.0	15.0	55.6
	Muntenia	5.7	3.5	9.2	5.9	24.3	30.2	19.1	13.4	7.8	20.3	60.5
	Moldova	6.1	3.5	9.6	3.8	19.8	23.6	20.2	14.2	9.1	23.2	66.8
	Bucharest	16.9	7.1	24.1	7.0	27.6	34.6	18.5	9.6	3.6	9.6	41.3
Nationality	Romanian	8.3	4.4	12.7	5.5	24.5	30.0	19.3	13.0	7.4	17.7	57.4
	Hungarian	5.3	3.3	8.6	4.7	23.8	28.5	20.7	16.0	10.2	16.0	62.9
	Roma	1.1	0.0	1.1	1.1	6.7	7.9	6.7	20.2	12.4	51.7	91.0
	Other	5.8	2.6	8.4	3.2	13.0	16.2	9.1	15.6	12.3	38.3	75.3

Comparing the SG categories against the stated income per capita reveals a strong correlation between the two variables³:

SG category →		A	B	AB	C1	C2	C	D	E1	E2	E3	DE
Income per capita during the previous month	1 st quartile	0.3	1.2	1.6	2.3	8.7	10.9	18.4	19.5	12.0	37.5	87.5
	2 nd quartile	1.5	1.3	2.8	2.9	21.5	24.4	24.4	15.5	10.1	22.7	72.7
	3 rd quartile	5.6	4.4	9.9	5.3	32.1	37.4	21.2	12.8	6.8	11.9	52.7
	4 th quartile	23.2	9.9	33.0	11.0	34.4	45.4	11.8	5.7	2.2	1.8	21.6

It means that, in principle, the distribution of different characteristics depending on the interviewees' income – which is indispensable in most opinion and market research studies – can be considered to be equivalent to the SG distribution. One advantage would be that the rate of non-answers is negligible and therefore

³ The Pearson correlation coefficient, calculated for the 5965 persons that have stated their incomes, is of 0.536.

inaccuracies (intended or unintentional) that usually occur in any attempt to record incomes are eliminated. Also, last but not least: due to the high inflation rates the procedure involving taking the incomes into account implies great difficulties in trend analyses in Romania

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SG category →		A	B	AB	CI	C2	C	D	E1	E2	E3	E4
Income per capita during the previous month	1 st quartile	0.3	1.2	1.6	2.3	8.7	10.9	18.4	19.2	12.0	37.2	87.2
	2 nd quartile	1.2	1.3	2.8	2.9	21.2	24.4	12.2	10.1	22.7	72.7	
	3 rd quartile	2.6	4.4	9.2	2.3	32.1	27.4	21.2	12.8	6.8	11.9	52.7
	4 th quartile	23.2	9.9	13.0	11.0	34.4	25.4	11.8	2.7	2.2	1.8	21.6

It means that, in principle, the distribution of different characteristics depending on the interviewees' income - which is indispensable in most opinion and market research studies - can be considered to be equivalent to the SG distribution. One advantage would be that the rate of non-answers is negligible and therefore

² The Pearson correlation coefficient, calculated for the 2962 persons that have stated their incomes, is of 0.236.