

Short Communication

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Updated BG Prasad's socio-economic status classification for the year 2025

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ABSTRACT

Socioeconomic status (SES) is a means to describe an individual's economic and social standing in the community. It indirectly gives a measure of the health condition of the individuals in the family as it determines the accessibility, affordability, acceptability and actual utilization of various health facilities. There are various socio-economic scales developed over time to measure the SES in different settings. BG Prasad's scale was developed in the year 1961 and is widely used to determine the SES in both the urban and rural areas. It considers only one parameter - monthly per capita income (PCI) of the family- to determine the SES of the family. Yearly update will help in latest SES calculation for reference by researchers and policy makers. In this article we have updated the BG Prasad for the year 2025 taking into consideration the current month consumer price index- industrial worker.

Keywords: Socioeconomic status, BG Prasad scale, Consumer price index, Inflation, Income

INTRODUCTION

Socio economic status (SES) is a means to describe an individual's economic and social standing in the community. It indirectly gives a measure of the health condition of the individuals in the family as it determines the accessibility, affordability, acceptability and actual utilization of various health facilities.¹

Most of the Indian population still lives in rural areas. As of 2023, rural population in India was estimated as 63.64%.² Economic opportunities, education, healthcare availability and accessibility varies in rural and urban areas. There are various socio-economic scales developed over time to measure the SES in different settings. Socio-economic scales such as modified Kuppuswamy scale, Kulshrestha scale, Srivastava scale, and Jalota scale, are used to calculate SES primarily in the urban areas while Udai Pareek scale, Radhukar scale, Shirpukar scale are used in the rural areas.³ BG Prasad's scale was developed in the year 1961 and is widely used to determine the SES

in both the urban and rural areas (Table 1).⁴ It considers only one parameter - monthly per capita income (PCI) of the family- to determine the SES of the family. It categorizes the family into one of the five social classes from I to V in which class I (upper class) has the highest PCI and class V (lower class) has the lowest PCI. This scale takes into consideration the consumer price index for industrial workers (CPI-IW) for categorization into different classes.⁵

The Labour Bureau under the flagship of Ministry of Labour and Employment, Government of India, complies, maintains and revises the Consumer Price Index. Since its start in 1944, the CPI has undergone a series of revisions on different bases i.e. 1944 to 1949, 1949 to 1960; 1960 to 1982, 1982 to 2001; and 2001 to 2016. The latest CPI-IW on base 2016 = 100 has been effective from September, 2020.⁶ Linking factors are used to convert the CPI from the new base to the old base. The first base year for CPI was 1960. The base of CPI for 1960 is taken as 100, and as it got modified in 1982, 2001, and 2016 the linking factors

were 4.93, 4.63, and 2.88 respectively. The values of linking factor between year series from 1960 to 2016 are given in Table 2.⁷

CPI- IW measures the relative changes in retail prices of 31 selected commodities consumed by industrial workers in urban areas from 88 selected centres every month.⁴

The CPI-IW is utilized for regulation of wages and dearness allowance for millions of workers and employees in the country. It is also used for measuring inflation and other policy formulations. Labour Bureau compiles monthly retail price indices for 31 selected commodities in urban areas for 88 selected centres every month.⁸

METHODS

For updated and modified value for the 2025 BG Prasad's scale the most recent value of (CPI-IW) released by Labor Bureau, Ministry of Labor and Employment is used.

Calculations

The new values can be calculated as follows.

The latest value of CPI-IW for January 2025 is 143.2.^{9,10}

Calculate the multiplication factor using the formula given.

Multiplication factor

$$= \text{current index value in January 2025 (143.2)} \\ \div \text{base index value in 2016 (100)} = 1.43$$

The new income values can thus be calculated using the following equation.⁵

New income value

$$= \text{Multiplication factor (1.43)} \\ \times [\text{Old income values} \\ \times \text{Linking factor between 1960 and 1982 series (4.93)} \\ \times \text{Linking factor between 1982 and 2001 series (4.63)} \\ \times \text{Linking factor between 2001 and 2016 series (2.88)}] \\ = 94.00 \times \text{old income values}$$

This calculation gives the lower value of each income category. The new monthly per capita income values in Indian National Rupee (INR) for January 2025 is given in the Table 3.

RESULTS

Adjusting the B.G Prasad scale to the current inflation rate of January, 2025 where the CPI-IW is 143.2, income of ₹9400 and above belong to upper class, ₹9399 to ₹4700 belong to upper middle class, ₹4699 to ₹2820 belong to middle class, ₹2819 to ₹1410 belong to lower middle class and below ₹1410 belong to lower class (Table 3).

Table 1: Original BG Prasad's socio-economic status classification, 1961.

Social class	Per capita monthly income limits (in INR/month)
I Upper	100 and above
II Upper middle	50–99
III Middle	30–49
IV Lower middle	15–29
V Lower	<15

Table 2: Linking factors for the calculation of per capita income from the year 1960 to 2016.

Price index year	Base value	Linking factors between the years (according to Labour Bureau)	Value
1960	100	1960–1982	4.93
1982	100	1982–2001	4.63
2001	100	2001–2016	2.88
2016	100		

Table 3: Updated BG Prasad's socio-economic status classification for January, 2025.

Social class	Per capita monthly income (in INR) as per revised classification (January 2024) ⁴	Updated per capita monthly income (in INR) for January, 2025 (rounded to next whole number)
I	9131 and above	9400 and above
II	4566–9130	4700–9399
III	2739–4565	2820–4699
IV	1370–2738	1410–2819
V	<1370	<1410

DISCUSSION

BG Prasad scale is used both in urban and rural areas. It uses the CPI-IW for the categorization of the families in socio-economic groups. The CPI-IW reflects the consumption pattern of the working-class families hence it is used to calculate the SES of a family.¹¹ The latest updation was done in 2024.¹² According to revised classification in 2024 by Mohanty et al, where CPI-IW was 138.9, income of ₹9131 and above belong to upper class, ₹9131 to ₹4566 belong to upper middle class, ₹4566 to ₹2739 to belong to middle class, ₹2738 to ₹1370 belong to lower middle class and below ₹1370 belong to lower class.⁴ After adjusting to the current inflation rate of January, 2025 where the CPI-IW is 143.2, income of ₹9400 and above belong to upper class, ₹9399 to ₹4700 belong to upper middle class, ₹4699 to ₹2820 belong to middle class, ₹2819 to ₹1410 belong to lower middle class and below ₹1410 belong to lower class (Table 3).

Yearly update will help in latest SES calculation for reference by researchers and policy makers. The BG Prasad scale plays a crucial role in promoting equity and improving public health outcomes in India, however, it has limitations in not considering other indirect indicators of SES such as possession of land, farms, power and social participation of family.

CONCLUSION

Socio-economic status is an indirect indicator for the health status of the individuals. BG Prasad scale is commonly used due to ease-at-use and adoption since per capita income of the family is considered. However, its effective application depends on regular updates as per the CPI-IW. It provides a reliable framework to analyze socio-economic status in the population.

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