IndiKit

LIVING BELOW THE POVERTY LINE

Impact indicator

Indicator Phrasing

INDICATOR PHRASING: % of households below the poverty line (based on the PPI)

Français: to be added later

What is its purpose?

This indicator uses the Poverty Probability Index® (PPI®) tool to measure the likelihood that a household is below the poverty line. It is based on the answers to 10 country-specific questions about a household's characteristics and asset ownership. The results can be used to determine the percentage of beneficiary households that live below the poverty line. Be aware that this tool can currently be used in 45 countries only (see step 1 below).

How to Collect and Analyse the Required Data

Summary of the PPI Tool: The PPI is a poverty measurement tool that asks a representative sample of the beneficiary households 10 country-specific questions, such as "What material is your roof made out of?" Each answer is given points. The points for all the answers are added up to get the household's total PPI score. This PPI score for a given household is then converted to a poverty likelihood value (or the probability that the household is below the poverty line) using a simple PPI look-up table. As the next step, you have to obtain the average of the poverty likelihoods of all surveyed households - i.e, add all likelihood values together and divide the sum by the number of households surveyed. The resulting number is the poverty rate of this group of beneficiary households (or the percentage of beneficiary households that are below the poverty line).

It is highly recommended that you **take a maximum advantage of the useful guidance and tools provided on the** [PPI website](#) (you will have to register to be able to access them). To make things easier for you, the text below provides a basic overview of the main steps involved in using PPI for measuring poverty rates.

Main steps involved in using the PPI:

1) Verify whether a PPI is available for your country: Go to [this site](#) to verify whether the survey questions, a PPI scorecard and look-up table is available for the country in which you plan to conduct a survey (you have to register / log-in to be able to access them). If a PPI for your country is not available, do not use another country's PPI, even if the country appears similar – the results will not be accurate. Instead, use another indicator, such as Tearfund's indicator Satisfaction with Economic Situation.

2) Explore all the tools and guidance available for your country on the PPI website: Go through the resources available on the [PPI site](#) for the country where you plan to conduct a survey. Focus especially

on the "PPI Scorecard +Lookup Table" and "Interview Guidance" documents that include the specific survey questions, guidance on their use and on the subsequent scoring.

3) Integrate the content of the PPI scorecard into your questionnaire: Each "PPI Scorecard + Look-Up Table" document includes 10 country-specific survey questions, answers and points that you should integrate in your baseline / endline questionnaire. Under any circumstances, **do not change, remove or add any survey questions or answers** – even small changes can make the resulting data inaccurate.

4) Train enumerators on using the PPI: When preparing enumerators training, use the "Interview Guidance" available among the country-specific resources on the [PPI website](#). During the training, emphasize that the enumerators should follow the guidance provided, and that they cannot skip or add any questions.

5) Collect the required data: Conduct interviews with a representative sample of beneficiary households, asking them the 10 country-specific questions. When preparing the sample, consider using the sample size calculator provided with the Data Analysis Tool among the country-specific resources on the PPI website.

6) Calculate the PPI score: Either during the interview or when analysing the data, indicate the relevant points given to each answer. As the next step, sum up the points given to each answer based on the guidance provided in the PPI Scorecard (available at the PPI site for the country where you conduct a survey). The total PPI score should fall between 0 and 100.

7) Convert the PPI score to a poverty likelihood value: For each interviewed household, use the "PPI look-up table" to convert the total PPI score to a likelihood of the household being below a poverty line – the "poverty likelihood value". The look-up table is included in the "PPI Scorecard + Look-up Table" document for the given country. There are multiple national and international poverty lines to choose from – it is recommended that you use the 100% National Poverty Line.

8) Calculate the average poverty likelihood value: Use Excel to calculate the poverty rate by adding the poverty likelihood values of all the surveyed households together and dividing the sum by the number of households surveyed.

9) The resulting number is the percentage of beneficiary households that are below the poverty line.

Disaggregate by

Disaggregate the data by location, single-headed households and other criteria relevant to the context of your project.

Important Comments

1) Use this indicator only if your project is implemented in one of the 45 countries for which the PPI is currently available – otherwise, you will not be able to collect the data required for this indicator. If a PPI is not available for your country, consider using Tearfund's indicator Satisfaction with Economic Situation.

2) There is a **range of useful guidance and materials available on the** PPI website, including:

- 7 minute video introducing PPI and its use

- handbook for first-time users of the PPI (read especially the chapter How to use the PPI)

- country-specific resources –

1. PPI Scorecards + Look-up tables: country-specific set of PPI survey questions, points and corresponding look-up tables

2. PPI Interview Guidance: official instructions (where available) for administering each indicator in the PPI scorecard.

3. Data Analysis Tool: an easy-to-use, Excel-based Data Analysis Tool which automatically computes poverty likelihoods and rates from survey data (including sample size guidance, benchmarking data, and basic charts)

3) Keep in mind that you **cannot alter the PPI's questions, answer options, points, or look-up tables without rendering the PPI inaccurate.** Even a small change can have a big impact on the PPI's accuracy.

4) If you need **support with using the PPI,** contact Tearfund's Livelihoods or M&E Advisor.

Access Additional Guidance

- Frequently Asked Questions on Using PPI

- Handbook for First-Time Users of the PPI

- Country-Specific Guidance and Survey Questions