

What's New with the PPI®

SPTF Outcomes Working Group

Julie Peachey

PPI Director

Varun Kshirsagar

PPI Technical Lead

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The PPI® - A 'Lean' Poverty Data Tool

- A statistically rigorous yet easy-to-administer poverty measurement tool
- **Country specific**, derived from National Income and Expenditure Survey
- **10 questions** and a scoring system
- Uses an **indirect approach** to poverty measurement
- Provides **likelihood** that respondent's household is living below poverty line
- Calibrated to **national and international poverty lines**
- Public good, available for **free download** at www.povertyindex.org



PPI® for Guatemala 2014

Important: A PPI score must be converted into a poverty likelihood using the PPI Look-up Table.

| Indicators | Responses | Score |
|--|--|-------|
| 1. How many members does the household have? | A. Eight or more | 0 |
| | B. Seven | 6 |
| | C. Six | 11 |
| | D. Five | 15 |
| | E. Four | 19 |
| | F. Three | 28 |
| | G. Two | 35 |
| | H. One | 45 |
| 2. How many rooms does the household use (excluding kitchen, bathrooms, hallways, garages, or rooms used only for business)? | A. One | 4 |
| | B. Two | 4 |
| | C. Three | 7 |
| | D. Four or more | 10 |
| 3. What type of toilet arrangement does the household have? | A. Latrine, covered pit, or none | 0 |
| | B. Hand-pour toilet, or toilet connected to septic tank or to sewer system | 3 |
| 4. Does the household possess, own, or have access to a stove (gas or electric)? | A. No | 0 |
| | B. Yes | 4 |
| 5. Does the household possess, own, or have access to a refrigerator? | A. No | 0 |
| | B. Yes | 3 |
| 6. Does the household possess, own, or have access to a blender? | A. No | 0 |
| | B. Yes | 3 |
| 7. Does the household possess, own, or have access to an electric iron? | A. No | 0 |
| | B. Yes | 4 |
| 8. Does the household have a television with cable? | A. No | 0 |

PPI® for Guatemala 2014

Look-up Tables

The following look-up tables are used to convert PPI scores to poverty likelihoods: National Poverty Lines.

| PPI Score | Food National | 100% National | 150% National | 200% National | Poorest half < 100% National |
|-----------|---------------|---------------|---------------|---------------|------------------------------|
| 0 - 4 | 80.8 | 100.0 | 100.0 | 100.0 | 85.3 |
| 5 - 9 | 71.8 | 99.7 | 100.0 | 100.0 | 82.1 |
| 10 - 14 | 66.6 | 99.2 | 100.0 | 100.0 | 76.4 |
| 15 - 19 | 55.8 | 94.8 | 99.8 | 100.0 | 70.6 |
| 20 - 24 | 38.9 | 93.4 | 99.6 | 99.9 | 55.4 |
| 25 - 29 | 26.0 | 87.3 | 99.3 | 99.9 | 36.9 |
| 30 - 34 | 12.2 | 78.2 | 98.5 | 99.9 | 22.0 |
| 35 - 39 | 8.3 | 66.0 | 95.4 | 99.3 | 14.6 |
| 40 - 44 | 3.3 | 46.6 | 89.0 | 97.7 | 5.9 |
| 45 - 49 | 1.2 | 33.8 | 75.9 | 93.2 | 2.5 |
| 50 - 54 | 0.2 | 22.7 | 65.4 | 90.1 | 0.4 |
| 55 - 59 | 0.2 | 15.6 | 55.2 | 82.4 | 0.2 |
| 60 - 64 | 0.0 | 2.8 | 29.0 | 60.9 | 0.0 |
| 65 - 69 | 0.0 | 0.7 | 22.5 | 43.6 | 0.0 |
| 70 - 74 | 0.0 | 0.2 | 8.6 | 31.6 | 0.0 |
| 75 - 79 | 0.0 | 0.0 | 2.1 | 14.9 | 0.0 |
| 80 - 84 | 0.0 | 0.0 | 0.6 | 7.8 | 0.0 |
| 85 - 89 | 0.0 | 0.0 | 0.0 | 0.9 | 0.0 |
| 90 - 94 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 95 - 100 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

This PPI was created in October 2016 using Guatemala's 2014 Household Living Standards Survey by Mark Schreiner of Monofrance Risk Management, L.L.C. For more information, please visit www.povertyindex.org.



Current PPI Alliance Members

Anchor Funder:



Foundational Partner:



Institutional Support Partner:



Steering Members:



Basic Members:



Announcing Our New Name: Poverty Probability Index



is now



New PPI Construction Method

It is essentially the same from the user perspective.

So, why the change?

- Greater model stability
- Reduced subjectivity
- Long-term sustainability

What is changing?

IMPORTANT:

Existing PPIs are still valid and will continue to be supported by the PPI Help Desk.

PPI Questions

- First question on region/province
- One or two questions more sensitive to changes in consumption (i.e. food)

Food Poverty Line – Scorecard Zambia 2015 PPI®

Important: Convert each household's PPI score into a poverty likelihood using the PPI Look-up Table. Then average individual household poverty likelihoods to obtain the poverty rate of a group of households. DO NOT average their PPI scores directly.

| Indicators | Responses | Points (Food Poverty Line) |
|--|--|----------------------------|
| 1. In which province does this household live? | A. Western | 0 |
| | B. Copperbelt | 7 |
| | C. Eastern | 6 |
| | D. Luapula | 0 |
| | E. Lusaka | 13 |
| | F. Muchinga | 4 |
| | G. Northern | 0 |
| | H. Northwestern | 11 |
| | I. Southern | 11 |
| | J. Central | 10 |
| 2. How many members does this household have?* | A. More than 6 | 0 |
| | B. 5 or 6 | 6 |
| | C. 4 or less | 16 |
| 3. Are all household members ages 6 to 12 currently attending school?* | A. At least one child between 6 and 12 is not attending school | 0 |
| | B. Everyone aged between 6 and 12 is attending school | 0 |
| | C. No one aged between 6 and 12 | 4 |
| 4. Is your house connected to electricity? | A. No | 0 |
| | B. Yes | 13 |
| 5. Does this household own a Television? | A. No | 0 |
| | B. Yes | 4 |
| 6. Does this household own a Mbaula/Brazier? | A. No | 0 |
| | B. Yes | 7 |
| 7. Does this household own a Gas or Electric stove? | A. No | 0 |
| | B. Yes | 10 |
| 8. Does this household own an Iron? | A. No | 0 |
| | B. Electric | 13 |
| | C. Non-electric | 6 |
| 9. Does this household own a Lounge Suite/Sofa? | A. No | 0 |
| | B. Yes | 7 |
| 10. Did this household purchase/consume/receive milk (fresh), milk (powdered, excl. baby milk), cheese, or other dairy products during the last 2 weeks? | A. No | 0 |
| | B. Yes | 14 |
| PPI Score: | | |

Different points for indicators based on poverty line used

Food Poverty Line – Scorecard Zambia 2015 PPI®

Important: Convert each household's PPI score into a poverty likelihood using the PPI Look-up Table. Then average individual household poverty likelihoods to obtain the poverty rate of a group of households. DO NOT average their PPI scores directly.

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| | C. Eastern | 6 |
| | D. Luapula | 0 |
| | E. Lusaka | 13 |
| | F. Muchinga | 4 |
| | G. Northern | 0 |
| | H. Northwestern | 11 |
| | I. Southern | 11 |
| | J. Central | 10 |
| 2. How many members does this household have?* | A. More than 6 | 0 |
| | B. 5 or 6 | 6 |
| | C. 4 or less | 16 |
| 3. Are all household members ages 6 to 12 currently attending school?* | A. At least one child between 6 and 12 is not attending school | 0 |
| | B. Everyone aged between 6 and 12 is attending school | 0 |
| | C. No one aged between 6 and 12 | 4 |
| 4. Is your house connected to electricity? | A. No | 0 |
| | B. Yes | 13 |
| 5. Does this household own a Television? | A. No | 0 |
| | B. Yes | 4 |
| 6. Does this household own a Mbaula/Brazier? | A. No | 0 |
| | B. Yes | 7 |
| 7. Does this household own a Gas or Electric stove? | A. No | 0 |
| | B. Yes | 10 |
| 8. Does this household own an Iron? | A. No | 0 |
| | B. Electric | 13 |
| | C. Non-electric | 6 |
| 9. Does this household own a Lounge Suite/Sofa? | A. No | 0 |
| | B. Yes | 7 |
| 10. Did this household purchase/consume/receive milk (fresh), milk (powdered, excl. baby milk), cheese, or other dairy products during the last 2 weeks? | A. No | 0 |
| | B. Yes | 14 |
| PPI Score: | | |

*Use Household Roster for recording responses to this indicator.

National Poverty Line – Scorecard Zambia 2015 PPI®

Important: Convert each household's PPI score into a poverty likelihood using the PPI Look-up Table. Then average individual household poverty likelihoods to obtain the poverty rate of a group of households. DO NOT average their PPI scores directly.

| Indicators | Responses | Points (National Poverty Line) |
|--|--|--------------------------------|
| 1. In which province does this household live? | A. Western | 0 |
| | B. Copperbelt | 5 |
| | C. Eastern | 7 |
| | D. Luapula | 0 |
| | E. Lusaka | 10 |
| | F. Muchinga | 3 |
| | G. Northern | 1 |
| | H. Northwestern | 7 |
| | I. Southern | 7 |
| | J. Central | 8 |
| 2. How many members does this household have?* | A. More than 6 | 0 |
| | B. 5 or 6 | 8 |
| | C. 4 or less | 17 |
| 3. Are all household members ages 6 to 12 currently attending school?* | A. At least one child between 6 and 12 is not attending school | 0 |
| | B. Everyone aged between 6 and 12 is attending school | 3 |
| | C. No one aged between 6 and 12 | 6 |
| 4. Is your house connected to electricity? | A. No | 0 |
| | B. Yes | 12 |
| 5. Does this household own a Television? | A. No | 0 |
| | B. Yes | 7 |
| 6. Does this household own a Mbaula/Brazier? | A. No | 0 |
| | B. Yes | 8 |
| 7. Does this household own a Gas or Electric stove? | A. No | 0 |
| | B. Yes | 10 |
| 8. Does this household own an Iron? | A. No | 0 |
| | B. Electric | 8 |
| | C. Non-electric | 6 |
| 9. Does this household own a Lounge Suite/Sofa? | A. No | 0 |
| | B. Yes | 8 |
| 10. Did this household purchase/consume/receive milk (fresh), milk (powdered, excl. baby milk), cheese, or other dairy products during the last 2 weeks? | A. No | 0 |
| | B. Yes | 14 |
| PPI Score: | | |

*Use Household Roster for recording responses to this indicator

Poverty likelihood for every score

| PPI Score | Poverty Likelihood (%) | PPI Score | Poverty Likelihood (%) | PPI Score | Poverty Likelihood (%) |
|-----------|------------------------|-----------|------------------------|-----------|------------------------|
| 0 | 94.9% | 34 | 30.7% | 68 | 1.1% |
| 1 | 94.3% | 35 | 28.5% | 69 | 0.9% |
| 2 | 93.7% | 36 | 26.3% | 70 | 0.8% |
| 3 | 93.0% | 37 | 24.2% | 71 | 0.8% |
| 4 | 92.3% | 38 | 22.3% | 72 | 0.7% |
| 5 | 91.5% | 39 | 20.4% | 73 | 0.6% |
| 6 | 90.6% | 40 | 18.7% | 74 | 0.5% |
| 7 | 89.6% | 41 | 17.1% | 75 | 0.5% |
| 8 | 88.5% | 42 | 15.6% | 76 | 0.4% |
| 9 | 87.3% | 43 | 14.2% | 77 | 0.4% |
| 10 | 86.1% | 44 | 12.9% | 78 | 0.4% |
| 11 | 84.7% | 45 | 11.7% | 79 | 0.3% |
| 12 | 83.2% | 46 | 10.6% | 80 | 0.3% |
| 13 | 81.6% | 47 | 9.6% | 81 | 0.3% |
| 14 | 79.9% | 48 | 8.7% | 82 | 0.2% |
| 15 | 78.1% | 49 | 7.9% | 83 | 0.2% |
| 16 | 76.2% | 50 | 7.1% | 84 | 0.2% |
| 17 | 74.1% | 51 | 6.4% | 85 | 0.2% |
| 18 | 72.0% | 52 | 5.8% | 86 | 0.1% |
| 19 | 69.7% | 53 | 5.2% | 87 | 0.1% |
| 20 | 67.3% | 54 | 4.7% | 88 | 0.1% |
| 21 | 64.9% | 55 | 4.2% | 89 | 0.1% |
| 22 | 62.4% | 56 | 3.8% | 90 | 0.1% |

Data Analysis Tool

| Line | Beneficiary Household Poverty Rate | National Poverty Rate* | Rural Poverty Rate* | Urban Poverty Rate* | Central Regional Poverty Rate* | Copperbelt Regional Poverty Rate* | Eastern Regional Poverty Rate* | Luapula Regional Poverty Rate* | Lusaka Regional Poverty Rate* | Muchinga Regional Poverty Rate* | Northern Regional Poverty Rate* | Northwestern Regional Poverty Rate* | Southern Regional Poverty Rate* | Western Regional Poverty Rate* |
|------------------------|------------------------------------|------------------------|---------------------|---------------------|--------------------------------|-----------------------------------|--------------------------------|--------------------------------|-------------------------------|---------------------------------|---------------------------------|-------------------------------------|---------------------------------|--------------------------------|
| Food Poverty Line | #DIV/0! | 35.7% | 55.0% | 10.0% | 33.1% | 15.0% | 50.0% | 63.3% | 8.6% | 48.6% | 62.5% | 43.2% | 32.5% | 68.2% |
| National Poverty Line | #DIV/0! | 49.0% | 71.2% | 19.3% | 49.3% | 26.2% | 65.5% | 78.0% | 16.7% | 64.7% | 75.6% | 61.4% | 50.1% | 78.1% |
| 150% National | #DIV/0! | 35.7% | 55.0% | 10.0% | 33.1% | 15.0% | 50.0% | 63.3% | 8.6% | 48.6% | 62.5% | 43.2% | 32.5% | 68.2% |
| 200% National | #DIV/0! | 49.0% | 71.2% | 19.3% | 49.3% | 26.2% | 65.5% | 78.0% | 16.7% | 64.7% | 75.6% | 61.4% | 50.1% | 78.1% |
| \$1.00/day 2011 | #DIV/0! | 27.6% | 43.3% | 6.8% | 24.8% | 8.9% | 37.5% | 53.3% | 5.9% | 40.0% | 51.4% | 32.5% | 24.2% | 55.8% |
| \$1.90/day 2011 | #DIV/0! | 69.7% | 72.9% | 21.1% | 51.4% | 27.7% | 68.0% | 79.5% | 19.0% | 66.4% | 75.4% | 63.0% | 51.7% | 79.8% |
| \$3.20/day 2011 | #DIV/0! | 69.3% | 89.0% | 42.9% | 73.2% | 49.3% | 84.8% | 90.3% | 42.6% | 80.5% | 88.5% | 81.6% | 72.7% | 89.2% |
| \$5.50/day 2011 | #DIV/0! | 83.9% | 96.4% | 67.3% | 88.0% | 70.5% | 93.7% | 96.0% | 69.0% | 89.5% | 95.4% | 92.0% | 85.3% | 94.8% |
| \$1.25/day 2005 | #DIV/0! | 60.4% | 82.7% | 30.7% | 65.0% | 37.5% | 77.7% | 86.8% | 28.3% | 74.1% | 83.9% | 73.6% | 64.4% | 84.7% |
| \$2.50/day 2005 | #DIV/0! | 81.7% | 95.5% | 63.3% | 86.1% | 66.7% | 92.9% | 95.3% | 64.7% | 88.6% | 94.2% | 90.4% | 83.4% | 94.5% |
| \$5.00/day 2005 | #DIV/0! | 93.3% | 99.0% | 85.6% | 95.0% | 88.3% | 98.2% | 98.9% | 84.7% | 97.2% | 98.0% | 96.9% | 94.6% | 98.2% |
| Bottom 20th percentile | #DIV/0! | 16.7% | 26.5% | 3.5% | 14.0% | 4.5% | 21.3% | 35.1% | 3.2% | 24.4% | 35.5% | 17.6% | 12.5% | 36.7% |
| Bottom 40th percentile | #DIV/0! | 34.9% | 53.9% | 9.5% | 32.8% | 13.9% | 49.0% | 62.8% | 8.2% | 48.0% | 61.6% | 41.8% | 31.6% | 66.1% |
| Bottom 60th percentile | #DIV/0! | 54.7% | 77.5% | 24.3% | 57.3% | 31.6% | 71.9% | 82.6% | 21.3% | 69.9% | 81.1% | 67.1% | 57.9% | 81.9% |
| Bottom 80th percentile | #DIV/0! | 76.2% | 93.2% | 53.5% | 80.7% | 57.6% | 90.6% | 93.1% | 54.7% | 86.0% | 92.0% | 86.8% | 78.4% | 92.7% |

*2015 Household Poverty Rates based on the Living Conditions Monitoring Survey conducted by the Central Statistical Office in Zambia, to be used for comparison and benchmarking

Comparing Poverty Rates

Comparing Poverty Rates Across Provinces

Read
Questionnaire
Sampling
Data
Averages
Quintiles
Confidence
Scoring
Likelihoods
+

User Friendly Guide

Section 1 How to Use this PPI:

- ✓ to measure group poverty rates
- ✓ to benchmark
- ✓ for targeting
- ✓ to estimate change over time

Section 2 – Annexures

- ✓ Poverty lines used
- ✓ PPI Construction
- ✓ Confidence
- ✓ Data Analysis Tool



ZAMBIA 2015 PPI®

User Guide

The Poverty Probability Index (PPI®) is a poverty measurement tool for organizations and businesses with a mission to serve the poor. The latest version of the PPI for Zambia was created in November 2017 based on data from 2015.

For more information about the PPI, please visit www.povertyindex.org.

New Communications and Resources

The screenshot shows the PPI website interface. At the top, there is a navigation bar with the PPI logo (Poverty Probability Index) and the text "Powered by IPA". The main navigation menu includes "GET STARTED", "PPI BY COUNTRY", "RESOURCES", "ABOUT", "BLOG", and "FAQS". A search bar is located on the right side of the menu. Below the navigation bar, a blue banner reads "Connect with other PPI Users to share your experiences with the PPI." The main content area features a "PPI Discussion Forum" section. A sidebar on the left lists various resources: Learning Materials, Videos, Case Studies and Reports, Services, Data Tools, and PPI Discussion Forum. The forum post titled "Variations in Questions and Scores" is highlighted, showing the user profile of Jasim Sheikh from Islamic Relief in Pakistan, dated 10/19/17, with 1 comment. The post content reads: "Hey All, Has anyone tried to alter the questions and their responses/scores to try to make the tool more meaningful?". A welcome message on the right side of the forum states: "Welcome to the PPI Discussion Forum! This space is designed for PPI users to collaboratively learn, exchange experiences, and share advice related to using the PPI. It is open to anyone with a PPI account on this site. There are categories for different topics. The PPI team will actively moderate this discussion forum. If you have any trouble utilizing the forum, please write to the Help Desk at ppihelpdesk@poverty-action.org."

Communications and Resources (cont)

Using the PPI® to Improve Customer Centricity

A case study of KOMIDA
October 2017



Photo Credit: KOMIDA

Acknowledgements

This case study was authored by Veena Yamini Annadanam, Founder & MD, Ankuram Social Ventures, in August 2017, and published in October 2017. Special thanks go to Ruslianaht Syafie, Manager SPM & Reporting, KOMIDA for providing input on this case study; to Julie Peachey, PPI Director and Sharada Ramanathan, PPI Knowledge Manager, for their review and edits; and to Calum Scott, Global Impact Director at Opportunity International, and Charu Adesnik, Deputy Director, Cisco Foundation, for their support and input.

IMPACT MANAGEMENT PROJECT

UNDERSTAND IMPACT INTENTIONS & CONSTRAINTS SET GOALS DELIVER & IMPROVE

IMPACT MANAGEMENT PROJECT

ppi
POVERTY PROBABILITY INDEX

[Signposting to the shared fundamentals: PPI](#)

NOVEMBER 8, 2017

By: Julie Peachey

PPI Blog



Poverty Outreach Goals – What is the right one for my organization? >

✎ Sharada Ramanathan • 12/08/17 • Posted in [poverty outreach](#), [benchmarking](#), [targeting](#), [segmenting](#) • 0 Comments

This is a question that many PPI users grapple with. As an organization that serves the poor, what is the measurable metric related to reaching the poor that we must aim for? To paraphrase the well-known Goldilocks fairy tale – how do I ensure that it is neither too high, nor too low, but just right?

This installment of the PPI Practitioner Guidance Series demonstrates how applying the PPI to your customer base and determining who you already serve before setting targets will generally ensure that your poverty goals are realistic.

[...Read More >](#)

Training and Support Services Available through IPA

Training and support services may be the fastest way to build your organization's capacity to use the PPI, get buy-in from senior leaders, and overcome challenges that are unique to your context. Innovations for Poverty Action currently offers the following services on a fee basis:

1) PPI Training

We provide training that imparts the essential skills and knowledge for successfully utilizing the PPI. This training can include an orientation for management teams to set expectations for results, in-depth training for enumerators on how to ask and score the PPI questions, plus training for research or IT staff on how to manage and interpret the data. This training covers the topics outlined in the [Basic Standards of Use](#).

2) Sampling Guidance

How large should your sample size be for the PPI? Is it representative of the population you are surveying? Or should you collect PPI from all of your clients? Our experts will provide guidance on your sampling plan and support you to implement it.

3) Data Collection Support

We offer technical assistance on planning and executing PPI data collection. Topics covered can include:

- ▶ Integration of the PPI questions into a larger survey or regular touchpoints with customers
- ▶ Options for automating data collection
- ▶ How to establish systems that protect the integrity of the PPI data, and cleaning / validating your data

4) Analysis and Report Review

Our experts will review analysis that you or others in your organization have done to find any errors, ensure adherence to PPI best practices, suggest improvements, and help you get the most out of your PPI data.

5) Basic PPI Data Analysis

We will ensure proper conversion to poverty likelihoods, calculate group poverty rates, and create basic charts and graphs representing your organization's poverty outreach.

6) Market Segmentation Analysis

Give us all your PPI data and any other relevant client demographic, financial, or operational data. We will make poverty data relevant for your strategic goals by analyzing household poverty estimates with other program-relevant dimensions to achieve an in-depth understanding of your client segments.

Contact Us:

Contact us at ppi@poverty-action.org to obtain a quote for customized PPI training or support.

Thank you!

Stay informed about the PPI:

- ✓ Create an account on www.povertyindex.org
- ✓ Sign up for the PPI newsletter
- ✓ Follow PPI on Twitter: [@povertyindex](https://twitter.com/povertyindex)
- ✓ Contact us: ppi@poverty-action.org

