# What's New with the PPI®

### SPTF Outcomes Working Group

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PPI Director

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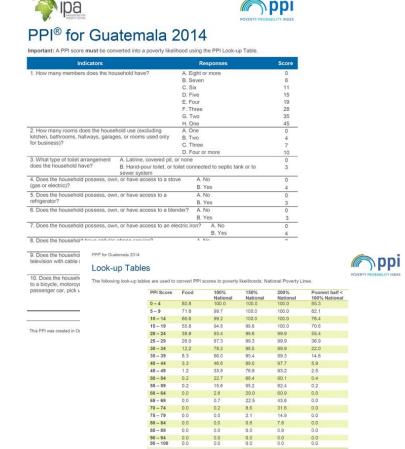
December 11, 2017





### The PPI® - A 'Lean' Poverty Data Tool

- A statistically rigorous yet easy-toadminister 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





### **Current PPI Alliance Members**

**Anchor Funder:** 

**Foundational Partner:** 

**Institutional Support Partner:** 

BILL & MELINDA GATES foundation





### **Steering Members:**













#### **Basic Members:**





# Announcing Our New Name: Poverty Probability Index







### 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<sup>®</sup>

**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 ha	ave?*	A. More than 6	0
		B. 5 or 6	6
		C. 4 or less	16
3. Are all household members ages 6 to 12		ast one child between 6 and	0
currently attending school?*		not attending school	0
	,	one aged between 6 and attending school	0
		ne 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?	6. Does this household own a Mbaula/Brazier?		0
		B. Yes	7
7. Does this household own a Gas or Electric s	stove?	A. No	0
		B. Yes	10
8. Does this household own an Iron?		A. No	0
		B. Electric	13
9. Does this household own a Lounge Suite/Sofa?		C. Non-electric	6 0
		B. Yes	7
10. Did this household purchase/consume/receive milk		A. No	0
(fresh), milk (powdered, excl. baby milk), c or other dairy products during the last 2 we	heese,	B. Yes	14
		PPI Score:	

# Different points for indicators based on poverty line used

### Food Poverty Line – Scorecard Zambia 2015 PPI<sup>®</sup>

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		F. Muchinga	4
		G Northern	0
		H Northwestern	11
		I Southern	11
		J Central	10
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currently attending school?*	12 is no	t attending school	
		ne aged between 6 and	0
		ending school	
4.1	C. No one	aged between 6 and 12	4
4. Is your house connected to electricity?		A. No B. Yes	0
5.5			13
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6 Does this household own a Mbaula/Brazier	2	A No	0
o. Does this household own a Mbadia/Brazier	f	B. Yes	7
7 Dans His harrand arm a Oas as Electric atoms		A No	0
7. Does this household own a Gas or Electric stove?		B. Yes	10
8 Does this household own an Iron?		A No	0
o. Does this flousehold own an iron?		B. Electric	13
		C. Non-electric	6
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		B. Yes	7
10. Did this household purchase/consume/receive milk		A. No	0
(fresh), milk (powdered, excl. baby milk), or other dairy products during the last 2 we		B. Yes	14
		PPI Score:	

<sup>\*</sup>Use Household Roster for recording responses to this indicator.

### National Poverty Line – Scorecard Zambia 2015 PPI<sup>®</sup>

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.

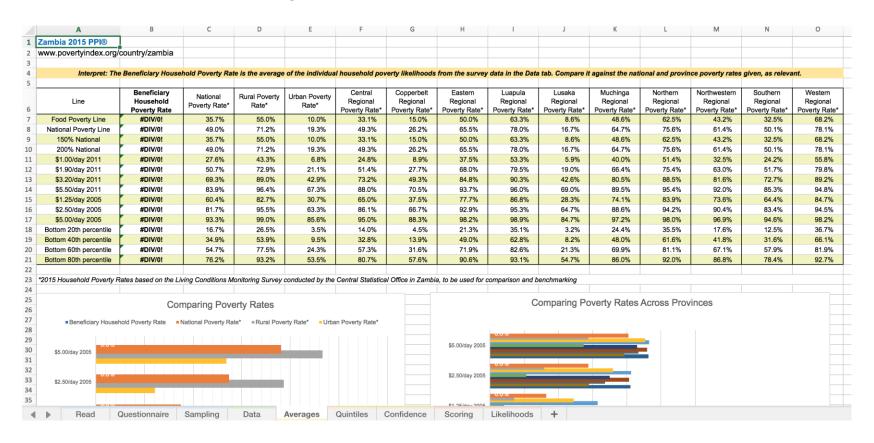
Indicators	Responses	Points (National Poverty Line)
1. In which province does this household live?	A. Western	0
	B. Copperbelt	5
	C. Eastern	7
	D. Luapula	0
	F Lusaka	10
	F. Muchinga	3
	G. Northern	1
	H. Northwestern	7
	I. Southern	7
	J. Central	8
2. How many members does this household have?		0
	B. 5 or 6 C. 4 or less	8 17
Are all household members ages 6 to 12     A.	At least one child between 6 and	0
currently attending school?*	12 is not attending school	U
	Everyone aged between 6 and	3
Ь.	12 is attending school	3
C	No one aged between 6 and 12	6
Is your house connected to electricity?	A No	0
,,	B. Yes	12
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	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 n		0
(fresh), milk (powdered, excl. baby milk), cheese or other dairy products during the last 2 weeks?		14
	PPI Score:	

<sup>\*</sup>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



# 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





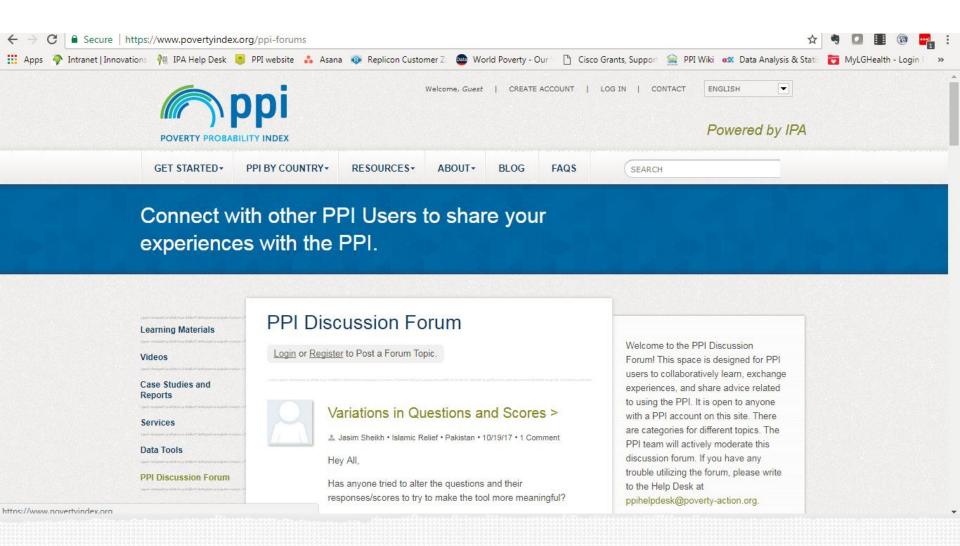
### ZAMBIA 2015 PPI<sup>®</sup>

#### User Guide

The Poverty Probability Index  $(PPI^{\otimes})$  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 <a href="https://www.povertyindex.org">www.povertyindex.org</a>.

### **New Communications and Resources**



### Communications and Resources (cont)

### Using the PPI® to Improve Customer Centricity

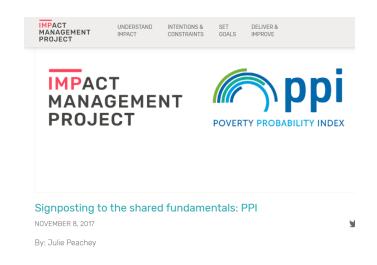
A case study of KOMIDA October 2017



Photo Credit AOMIDA

#### Acknowledgements

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#### **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.

#### 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.

### 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 <a href="mailto:ppi@poverty-action.org">ppi@poverty-action.org</a> to obtain a quote for customized PPI training or support.

# Thank you!

### Stay informed about the PPI:

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- ✓ Contact us: ppi@poverty-action.org

