

LIVING BELOW THE POVERTY LINE

Impact indicator

Indicator Phrasing

English: % of target households living below the poverty line (based on the PPI index)

French: % de ménages cibles vivant en dessous du seuil de pauvreté (sur la base de l'index Progress out of Poverty-PPI)

Portuguese: % de agregados familiares que vivem abaixo do limiar da pobreza (com base no índice IPP)

Czech: % cílových domácností žijících pod hranicí chudoby (na základě PPI indexu)

What is its purpose?

The Poverty Probability Index (PPI) is a poverty measurement tool that has been used by over 400 organizations and businesses. Based on the answers to 10 country-specific questions about a household's characteristics and asset ownership, it calculates the likelihood that the household is living below the poverty line.

How to Collect and Analyse the Required Data

The PPI is based on asking a representative group of the target household representatives a series of 10 country-specific questions available from the [PPI website](#), such as "*What material is your roof made out of?*" The survey respondent chooses an answer from multiple choices. It is important that the data collector asks and interprets the survey questions consistently across all respondents and as directed by the PPI guidelines in order to maintain accuracy (do not add, remove or modify any questions). Each answer is given a value, and the total value of all the answers is the respondent's PPI score. The PPI "look-up table" is then used to convert the PPI score to a likelihood of the respondent's household being below a poverty line (there are multiple national and international poverty lines to choose from). Take advantage of all the resources and more detailed guidance available at [PPI website](#).

Important Comments

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

2) It is not possible to determine poverty level based on using an average PPI score as it leads to incorrect poverty rate – read detail explanation [here](#).

3) The PPI methodology (and therefore also this indicator) can only be used in those countries for which PPI scorecards were developed. The list of countries is available at the [PPI website](#).

Access Additional Guidance

- [The Poverty Probability Index - FAQ](#)

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