



Developing a Deprivation Index

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This presentation describes how Daily Bread Food Bank and the Caledon Institute developed a deprivation index for Ontario

1. The context
2. What is a deprivation index?
3. How we developed it

Ontario committed itself to a poverty reduction strategy with targets

- In 2007, the Ontario Liberals returned to government with a commitment to a poverty reduction strategy.
- Both government and anti-poverty advocates recognized measuring poverty is critical element to an effective strategy.
- In February 2008, Daily Bread, supported by the Metcalf Foundation, and the Caledon Institute, supported by the Maytree Foundation, began developing a 'deprivation index' and advocating for it as one of the ways to measure poverty in Ontario's Poverty Reduction Strategy.

Our advocacy succeeded – the first deprivation survey in North America has been completed

- After reviewing our preliminary deprivation list the Ontario government agreed to use it as one measure of poverty in its poverty reduction strategy.
- With Ontario government sponsorship, Statistics Canada has now surveyed 10,000 Ontario households, using the Daily Bread/Caledon deprivation index
 - Results of the survey will be available in December 2009

**So what the heck is a deprivation
index anyway?**

A 'deprivation index' is a list of items which *distinguishes* the poor from the non-poor

- Given prevailing social and economic conditions in a time and place, the items in a 'deprivation index:
 - should be widely seen as necessary for a household to have a standard of living above poverty -- so most households not in poverty are likely to have most of these items; and
 - should be such that households in poverty are likely to find some of them unaffordable and so *not* have all those items.

The deprivation index is not a comprehensive list of basic needs

- In a wealthy society such as Ontario's in 2009 most households, even the poor, are likely to have most of the basic necessities.
 - E.G., almost everyone in Ontario has clean running water (except infamously some First Nations reserves). 'Clean running water' does not distinguish poor from non-poor households in Ontario. But, being able to afford fresh fruits and vegetables every day *could* distinguish poor from non-poor households even in a wealthy place such as Ontario.

The deprivation index has some advantages not shared by other ways of measuring poverty

- It can be based on the real life experience of the poor and non-poor (as we shall describe)
 - It can be developed empirically and does not require dozens of arbitrary decisions and value judgements
 - It is grounded in a clear understanding of poverty as a standard of living.
- We see the deprivation approach as a supplement to and not a substitute for other ways of measuring poverty.
- In this presentation we are describing the process of development of the Ontario deprivation index by the 'third sector' rather than discussing its pros and cons.

But let's jump right to the conclusion first – here is the deprivation list that resulted from our research and was used in the Statistics Canada survey...

The Ontario deprivation list

1. Do you eat fresh fruit and vegetables every day?
2. Are you able to get dental care if needed?
3. Do you eat meat, fish or a vegetarian equivalent at least every other day?
4. Are you able to replace or repair broken or damaged appliances such as a vacuum or a toaster?
5. Do you have appropriate clothes for job interviews?
6. Are you able to get around your community, either by having a car or by taking the bus or an equivalent mode of transportation?
7. Are you able to have friends or family over for a meal at least once a month?
8. Is your house or apartment free of pests, such as cockroaches?
9. Are you able to buy some small gifts for family or friends at least once a year?
10. Do you have a hobby or leisure activity?

There were three phases in the development of the deprivation list

1. Survey of food bank users
2. Focus groups with food bank users and others
3. Ipsos-Reid survey of the general population

Phase 1: 1,775 food bank users were surveyed in 2008

- Surveyed in 55 food banks in Toronto, York , Durham and Peel-Halton regions.
- Surveys administered by 247 trained volunteers.
- Survey list of 29 items compiled by reviewing international deprivation research (UK and Australia) plus direct experience of food bank staff.
- “Which of the [29 items] do you consider to be necessary to live in Ontario today?” as well as “Which of the [29 items] do you NOT have because you CANNOT afford it?”

List of ten items derived empirically from the survey

- The sample of food bank users is unique in that it is a large population almost all of whom are likely to be poor.
- Each item was assigned a score by multiplying the probability of an item being seen as necessary times the probability of its being unaffordable.
- The resulting list of ten items are those most likely to be seen by a large sample of the poor in Ontario as necessary but which they do not have.

Table 2: Deprivation scores of items in Daily Bread's survey

Item	% who lacked the item	% who felt the item was a necessity	Deprivation score (%)
Regular savings of at least about \$20 dollars per month for rainy days or retirement	63	81	5096
Fresh fruits and vegetables every day	52	89	4669
Meat, fish or vegetarian equivalent every other day	48	89	4291
Small amount of money to spend each week on yourself	61	70	4258
Being able to get around your community, either by having a car or in a larger centre a monthly bus pass or equivalent	44	85	3767
Appropriate clothes for job interviews	45	83	3721
Replace worn out furniture	61	61	3713
Being able to buy modest presents for family/friends at least once per year	54	65	3520
Having at least 2 pairs of shoes, including one pair to wear outside in winter	38	90	3412
Being able to have friends or family over for a meal at least once per month	49	67	3269
Hobby or leisure activity	48	67	3268
Having at least 2 good meals a day for adults	35	93	3214

Phase 2: Focus groups, 49 people across the GTA and Cornwall

- The purpose of the focus groups was to:
 - help us refine the initial deprivation questionnaire of 29 items to reflect more accurately the lived experiences of those in poverty, including different ethnic and language groups
 - give low-income people an opportunity for input of other items that may not have been included on our original survey
 - make any wording or conceptual changes with items already on the list
 - collect qualitative data on the experience of poverty and the stories that accompany the items in the list and explore the experience of low-income people with respect to poverty and deprivation.

Focus group participants

1. Short-term poverty – 6 participants
2. Longer-term poverty – 6 participants
3. Both short- and longer-term poverty – 8 participants
4. Russian-speaking – 3 participants
5. Born in Africa – 4 participants
6. Spanish-speaking – 6 participants
7. Spanish-speaking – 2 participants
8. Mississauga/Peel Region – 5 participants
9. Newmarket/Aurora – 6 participants
10. Cornwall – 5 participants

Focus group outcomes – adjustment in wording and content to create a revised list of 25 items

- Some examples of changes made as a result of focus groups:
 - Consumer items eliminated
 - Food processor, CD player, Home computer
 - Financial security items altered
 - ‘Having regular savings of at least \$20 a month for rainy days or retirement’ reworded to ‘Having regular savings of at least \$20 a month for emergencies.’

Phase 3: Ipsos-Reid deprivation survey was conducted in all Ontario

- New revised list of 25 items.
- Ipsos-Reid was contracted to conduct a province-wide Deprivation Survey. The purpose was to obtain a random sample of Ontarians at a wide range of income levels and regions.
- The total sample size was 2,047 persons.
- Data was weighted to be representative of age, region, gender and household income

We used the Ipsos-Reid survey to create a revised 'short list'

- Deprivation list should reflect items poor are likely *not* to have but non-poor are likely *to* have
- New 'deprivation score' for each item calculated:
 - percent of whole population who feel item is necessary; multiplied by the
 - percent of population with low income minus percent with high income who *cannot* afford the item
 - Items that more than 10 percent of upper-income respondents reported not having were automatically removed from the list

The resulting deprivation list (Slide 9) was used for the survey of 10,000 Ontario household

- This is a new way to measure poverty but it is also the story of a community organization, in cooperation with a policy institute, researching and developing a new poverty measure from the ground up and then partnering with the Ontario government to implement it
- For the results of the survey...stay tuned

For a detailed presentation of the material in this power point see
**‘Developing a Deprivation Index:
The Research Process’**
by Richard Matern, Michael Mendelson and Michael Oliphant
on the Daily Bread Food Bank and the Caledon Institute of Social Policy web sites as of November 30th