

Poverty Reduction Part III: Identifying Key Indicators for Poverty Reduction

KNOWLEDGE BRIEF



INTRODUCTION

As a complex social issue, poverty has many dimensions that can be measured. Poverty always involves a lack of income, so low income measures are certainly important to defining poverty and supporting its reduction (see **Poverty Reduction Part I: What is Poverty Reduction? Identifying Strategies and Initiatives in Rural Communities**). However, what indicators can be used to measure the depth, breadth and duration of poverty in a community? What indicators can go beyond lack of income to reflect social inclusion or well-being? How can indicators be used to evaluate the success of poverty reduction efforts? Indicator usage in poverty reduction work differs in scale and focus. Common poverty reduction indicators are highlighted in three categories: monitoring trends, identifying community challenges, and evaluating programs.

INDICATORS CAN SUPPORT PLANNING & STRATEGY

Effective planning for poverty reduction must be supported by indicators that **monitor trends**, reflecting the depth, breadth, and duration of poverty in a community.¹ These indicators should go beyond income to reflect the extent to which households are able to meet their needs, including

necessities such as food, housing and healthcare, but also related categories such as employment, education opportunities, and degree of social inclusion. Additionally, indicators can be analysed to provide information about population groups where poverty may be more acute, including household types or demographic groups with higher rates of poverty, such as female lone-parent households, the Aboriginal population, recent immigrants and refugees, or people with disabilities (including mental health issues).²⁻⁴

Approaches to selecting trend measures will vary according to the needs of the specific community. They may cover a broad range of poverty dimensions or focus more narrowly on certain dimensions in more detail. For example, the Revelstoke poverty reduction strategy focuses on indicators of core necessities including income security, food security, and housing security, drawing on data sources available at the level of rural communities.⁵ The Region of Waterloo chose to select one representative indicator for each of ten different dimensions of poverty: income, standard of living, food security, healthy child development, health, employment, education, housing, social inclusion, and income inequality.⁶ In contrast, the Saskatoon Health Region explored multiple indicators of health

inequity in substantial detail.⁷ The City of Surrey created their comprehensive poverty reduction strategy around four theme areas: transportation, housing, income, and support services, defining several key indicators in each category.⁸

INDICATORS CAN IDENTIFY KEY CHALLENGES FOR RURAL COMMUNITIES

Rural and small town places in British Columbia are likely to face unique challenges specific to the social and economic conditions of each community. Indicators can be used to **identify community challenges and support more targeted responses**. Many rural communities have undergone rapid economic and social transitions over the last three decades, creating new and unpredictable demands for households at risk of poverty.⁹ Additionally, rural mountain communities in British Columbia may experience rapidly increasing housing prices, amenity migration, and changes to the sense of place and cohesion within small communities as a result of resort tourism and development.¹⁰

Within this context, employment conditions are one of the most significant triggers of poverty in rural communities,¹¹ yet the limited availability of rural labour market data poses challenges for studying this issue effectively.¹² Communities wanting to fill this data gap may focus on important indicators such as workforce profile (e.g., type and quality of positions available, wage breakdown by sector); projected workforce expansion or contraction; or education and training needs. These questions and more were recently explored in a detailed labour market survey carried out at the local level for Revelstoke, resulting in data that is applicable not only for business and community development, but for targeted poverty reduction efforts as well.¹³

The living wage rate is an important indicator that is drawing increasing attention across Canada since a standard calculation formula was developed in 2008.¹⁴ Although there is a perception that the cost of living is lower in rural communities and smaller towns, the living wage rate draws awareness to the true cost of living in a specific community. For example, Revelstoke recently determined a living wage rate for the community of \$18.87 per hour – a rate that, at the time of calculation, was the third highest among other communities in the province

with calculated rates.¹⁵

Other indicators focused on identifying community challenges may look at the local housing market, such as demand for home ownership, trends in property values, availability and price of rental housing stock, and social housing usage or wait lists.¹⁶ Additional options might focus on the community's transportation infrastructure, spending leakage to larger cities, or inventory of locally available support services. Despite some promising developments in this area, more work needs to be done to define indicators that address the unique conditions of poverty in rural communities, and to support improved data quality and availability at the local level.¹⁷

INDICATORS CAN SUPPORT SUCCESSFUL INITIATIVES

Indicators can also be used retrospectively in order to **evaluate the outcomes of specific programs or policy interventions**. One challenge with this type of assessment is that often poverty reduction strategies will include a number of simultaneous interventions, posing difficulties for isolating the effects that an individual program or policy change may have had.¹⁸ Despite this challenge, researchers studying food insecurity in Newfoundland and Labrador were able to design a methodology to connect an unprecedented decline in household food insecurity with the government's implementation of a province-wide poverty reduction strategy.¹⁹ On a smaller scale, organizations report benefits associated with incorporating indicator measurement at every level of the organization from strategic planning to program curriculum.²⁰ Another organization describes how "embedded data collection procedures" within program delivery can enable ongoing quantitative measurement without strain on the organization's resources.²¹

Common evaluative indicators recommended by the Vibrant Communities Common Evaluation Framework include measuring the number of households impacted or number of individuals accessing a given program/intervention; the number of community partners engaged by an initiative; the number of changes to policy, funding process, or system; or changes to community awareness or attitudes about poverty.²²

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The Columbia Basin Rural Development Institute, at Selkirk College, is a regional research centre with a mandate to support informed decision-making by Columbia Basin-Boundary communities through the provision of information, applied research and related outreach and extension support.