



Fact Sheet - Who are the Ultra-Poor Households?

What constitutes ultra-poverty?

In the Global State of Ultra-Poverty, the ultra-poor households are identified using a multi-dimensional measure.

This measure is not based on monetary deprivation, but on deprivation of essential basic services:

- Access to Health (including proper nutrition)
- Access to basic education
- Access to basic livelihood services (latrines, electricity...)

The idea here is that it is not necessary to include a monetary dimension, because it would be redundant as, for a very poor household, money is precisely used to provide access to essential basic services.

We use the Oxford Poverty and Human Development Institute Methodology, where all three dimensions (health, education, and livelihood) are given the same weight

And within each of the dimensions, each component (latrines and electricity) is given same weight.

This allows us to weigh the deprivations experienced by each household. A household with no deprivations at all would get a score of 0%, and one experiencing all deprivations would get a score of 100%.

We call ultra-poor those households whose deprivation level is 60% or more.

Concretely what does it mean?

An analysis of the raw data allows to conclude the following:

- A) An ultra-poor household is in one the following dire situations:
 - It is critically deprived in at least 2 of the following 3 dimensions: health, education or livelihood;
or
 - It is critically deprived in only one of the 3 dimensions, but it also significantly deprived in both of the remaining dimensions
- B) In fact, the majority of the poor households where there are less than five years of schooling, where children do not attend school or that have experienced child mortality, are households in ultra-poverty. The ultra-poor households tend to bear the most acute manifestations of poverty.

- C) In most cases, households in ultra-poverty are also monetarily poor, and have an income per capita of less than \$1.90/day.
- D) In most cases, that income will be very difficult to assess because the household will live in a rural area where income may not be expressed in currency but in an agricultural equivalent. In fact, it can be estimated that depending on the country, ultra-poverty may be twice as prevalent in rural areas than in urban areas. In some countries, that prevalence may be more than six times higher in rural areas.
- E) Three fifths of the households in ultra-poverty live in Sub-Saharan Africa, almost two fifths in South Asia, and barely 2% in Latin America. Ultra-poverty households are more likely to live in a fragile or post-conflict country.
- F) Ultra-poor households are more likely to be headed by a female
- G) Children are more likely to be victims of ultra-poverty. They are up to 40% more likely to live in ultra-poverty than their adult counterpart. In fact, in Sub-Saharan Africa, the average child lives right at the ultra-poverty deprivation cut-off rate.

For a more complete understanding of the characteristics of acute poverty (extreme and ultra-poverty), see our document on What we know about acute poverty

Key Questions for Self-Directed Learning

What are the three types of deprivation that make up ultra-poverty?

What do we know about ultra-poor households: composition, geographic location and monetary income?
