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LILLY FAMILY
SCHOOL OF PHILANTHROPY
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Indianapolis

HUMAN NEEDS INDEX FACT SHEET

The Human Needs Index (HNI) is a new multidimensional measure of poverty in the United States from the nonprofit perspective, based on objective data from a nonprofit organization on the front lines of providing social services.

The Data

- The Salvation Army operates more than 7,500 centers in communities across the United States, each of which collects high-quality data on a wide variety of poverty-related social services.
- To compile the Human Needs Index, researchers at the Indiana University Lilly Family School of Philanthropy, together with Salvation Army staff, reviewed 230 kinds of data to select the seven service categories that the HNI comprises.
- The seven variables chosen were determined through validation and testing to be the most representative of the basic needs people have for survival.

The Variables

- Meals provided – served through a Salvation Army or other facility
- Groceries provided – food items provided by voucher or distributed through a food pantry or food bank
- Housing assistance – the number of rent or mortgage assistance payments to establish or maintain an individual or family in their own home
- Furniture provided – the number of furniture-order providers
- Clothing provided – the number of clothing orders provided
- Medical assistance – assistance with prescription medicines and volunteers/hours served in medically related roles
- Energy assistance – assistance with energy bills and volunteers/hours served in energy-related roles

The Index

- A standardized index, the HNI employed empirical evidence, statistical methodologies and expert consultation.
- More than 450 combinations of 230 organizational service variables were tested at the national, regional and state levels.
- Principal Component Analysis was used to build the HNI because it allowed for both intuitive variable selection and statistical confirmation of individual variables' utility in the overall model.

Visualizing the Data

- The scale of the HNI begins at 0 – indicating a minimum level of need.
- The HNI can be viewed at the national level and at individual state levels.
- On the line chart: When comparing a state HNI with the national HNI over time, the most important elements to observe are whether the direction of the state line matches the national, and whether the angle of the line is sharper (indicating a greater rate of increased need).
- The seven variables are combined to produce a single HNI score. When viewing both the line chart and the map, the raw numbers for the individual variables can be observed.