Severe Material and Social Deprivation (Severe MSD) – Revised version

Technical documentation sheet

Indicator	Severe Material and Social Deprivation (severe MSD) – Revised version
JAF dimension	PA11 (as sub-indicator)
Policy relevance	The new "Material and Social Deprivation" (MSD) is the key EU indicator for measuring deprivation; it replaces the former "Material Deprivation" indicator[1].
	The severe MSD indicator is one of the three sub-indicators included in the headline at-risk-of-poverty-or-social-exclusion indicator. Informing about the *severity* of MSD is relevant to *complement* the MSD indicator. It provides useful information on the composition of the materially and socially deprived population. It allows distinguishing the severe forms of MSD from non-severe forms, thereby enabling to have specific tracking of the severely socially and materially deprived population. This tracking is relevant since the severe and non-severe materially and socially deprived populations may have different evolutions in a given Member State or since Member States with similar MSD rates may largely differ as regards the composition, from a severity perspective, of their materially and socially deprived populations.
	The principle of having a new indicator specifically targeting severe forms of material and social deprivation mirrors what was done with the creation of the Severe Material Deprivation indicator in addition to the "standard" Material Deprivation indicator.
Agreed definition	The index used for the **Severe MSD** indicator is the same as the one used for the MSD indicator. It is an unweighted sum of the following 13 material and social deprivation items[2] (6 relate to the individual and 7 to the household):
	Households items:
	1. Ability to face unexpected expenses;
	2. Afford one week annual holiday away from home;
	3. Avoid arrears (in mortgage rent, utility bills and/or hire purchase instalments);
	4. Afford a meal with meat, chicken, fish or vegetarian equivalent every second day;
	5. Afford keeping their home adequately warm;
	6. Have access to a car/van for personal use;
	7. Afford replacing worn-out furniture

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[1] The decision in 2017 to replace the "material deprivation" indicator with the MSD indicator results from the willingness to increase the reliability and validity of the EU measurement of deprivation. MSD takes into account social items (besides material items) and includes some items at the person level (besides household items). 6 of the 13 items included in MSD were already included in the former 9-item material deprivation indicator; the remaining 3 items in the former material deprivation indicator were not retained in the MSD indicator as they were not sufficiently robust.

[2] As regards the 13 MSD items for the (Severe) Material and Social Deprivation Indicator: "Seven out of the 13 deprivation items included in the new indicator are collected at the household level and are thus assumed to apply equally to all household members. The remaining six items are collected at the individual level: they are collected only for people aged 16 or over and have therefore to be "distributed" to children below 16. The rule applied for this distribution is the following: "if at least half the number of adults for which the information is available in the household lack an item, then the children living in that household are considered as deprived from that item". " (source: Annex 1 to SPC/ISG/2017/5/4 on the Material and Social Deprivation Indicator)

	Personal items: 8. Have access to an internet connection 9. Afford replacing worn-out clothes by some new ones 10. Afford having two pairs of properly fitting shoes (including a pair of all-weather shoes) 11.Afford spending a small amount of money each week on him/herself 12. Afford having regular leisure activities 13. Afford getting together with friends/family for a drink/meal at least once a month Some of these items are collected at the household level and thus capture household deprivation, while others are collected at the adult level and may therefore differ within the same household. Whereas a person is considered as materially and socially deprived when he/she experiences an enforced lack of 5 or more of the aforementioned 13 deprivation items, a person is considered as **severely materially and socially deprived** when he/she experiences an **enforced lack of 7 or more of these items.** **The Severe MSD rate in a given population is the percentage of persons in this population who are severely materially and socially deprived.**
Calculation method (incl. practical implementation, e.g. question in surveys)	A person is considered as **severely materially and socially deprived** when he/she experiences an **enforced lack of 7 [3] or more of the 13** deprivation items in the list.
Major breakdowns	**-By age and gender (note: age for this breakdown covers all ages (incl. children). The age categories should be the same as those available for Severe material deprivation in [ilc_mddd11])** **-By age, gender and most frequent activity status (population aged 18 and over)** **-By income quintile and household type** **-By age, gender and educational attainment level (population aged 18 and over)** **-By age, gender and broad group of citizenship (population aged 18 and over)** **-By age, gender and broad group of country of birth (population aged 18 and over)** **-By housing tenure status** **-By NUTS regions** **-By degree of urbanisation**
Data source(s)	EU-SILC
Data periodicity	Yearly
Data availability (countries * time, incl. EU aggregates)	The full 13 material and social deprivation items needed to calculate the new indicator are being **collected on a compulsory basis in all countries since 2014** (and were also collected on an ad hoc basis in 2009 and 2013).
Time changes	
Sustainability of the data collection	EU-SILC is a recurrent survey governed by regulation and implemented by the NSIs of the EU Member States

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[3] For children aged less than 16 years, among the 7+ deprivations required to be considered as severely and materially deprived, there needs to be at least three household deprivation items (same condition as the one used in MSD indicator for children aged less than 16 years).

Methodological issues (including comparability across countries and over time)	The data on this new indicator are published on the Eurostat website[4] [5].

Conformity with the SPC-ISG guiding principles for the selection of indicators and statistics[6]

SCP-ISG Methodological criteria	Indicator: severe material and social deprivation
The indicator captures the essence of the problem (policy relevance) and has a clear and accepted normative interpretation	Yes
The indicator is robust and statistically validated.	The material and social deprivation indicator – of which the new indicator is a severe version – is robust and has been statistically validated (see Guio et al, 2012, 2016 and 2017; as well as Chapters 10 and 21 in Atkinson et al, 2017[7])
The indicator provides sufficient level of cross countries comparability.	Yes
The indicator is built on available underlying data. It is timely and susceptible to revision.	Yes, data are being collected on a compulsory basis in all countries since 2014.
The indicator is responsive to policy interventions but not subject to manipulation.	Yes
EU/NAT classification	EU
Comments	

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[4] https://ec.europa.eu/eurostat/databrowser/view/ilc_mdsd11/default/table?lang=en

[5] There will also be a glossary item published, entitled "Glossary: Severe material and social deprivation rate (SMSD)"

[6] www.ec.europa.eu/social/BlobServlet?docId=10422&langId=en

[7] Guio, A.-C., Gordon, D. and Marlier, E. (2012), "Measuring material deprivation in the EU: Indicators for the whole population and child-specific indicators", Eurostat Methodologies and Working Papers, Publications office of the European Union, Luxembourg.
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