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Poverty incidence among Filipinos registered at 26.3%, as of first semester of 2015 — PSA

The Philippine Statistics Authority (PSA) releases its latest report today on the country's official poverty statistics for the first semester of 2015. The PSA report provides the estimates of poverty incidence using income data from the first visit of the Family Income and Expenditure Survey (FIES) conducted in July 2015.

Poverty incidence among Filipinos¹ in the first semester of 2015 was estimated at 26.3 percent. During the same period in 2012, poverty incidence among Filipinos was recorded at 27.9 percent².

On the other hand, subsistence incidence among Filipinos, or the proportion of Filipinos whose incomes fall below the food threshold, was estimated at 12.1 percent in the first semester of 2015. In the first half of 2012, the subsistence incidence among Filipinos is at 13.4 percent³. Subsistence incidence among Filipinos is often referred to as the proportion of Filipinos in extreme or subsistence poverty.

Food and Poverty Thresholds

Food threshold is the minimum income required to meet basic food needs and satisfy the nutritional requirements set by the Food and Nutrition Research Institute (FNRI) to ensure that one remains economically and socially productive. It is used to measure extreme or subsistence poverty. Poverty threshold is a similar concept, expanded to include basic non-food needs such as clothing, housing, transportation, health, and education expenses.

During the first semester of 2015, a family of five needed at least PhP 6,365 on the average every month to meet the family's basic food needs and at least PhP 9,140 on the average every month to meet both basic food and non-food needs. These amounts represent the monthly food threshold and monthly poverty threshold, respectively. They indicate increases of about 17 percent in food threshold and poverty thresholds from the first semester of 2012 to the first semester of 2015⁴.

¹ Poverty incidence among Filipinos is the proportion of people below the poverty line to the total population.

² Based on the T-Test that was used to determine the statistical significance of the decrease in the poverty incidence among population at 90% level of significance, the results of the 2012 and 2015 First Semester Family Income and Expenditure Survey (FIES) does not indicate significant change from first semester 2012 to 2015.

³ Based on the T-Test at 90% level of significance, the subsistence incidence among population from the results of the 2012 and 2015 First Semester FIES does not indicate significant change from first semester 2012 to 2015.

⁴ Consumer Price Index (CPI) for Food increased by 13.6% while CPI for All Items increased by 9.5% between first semesters of 2012 and 2015.

Poverty among Filipino families

PSA also releases statistics on poverty among families – a crucial social indicator that guides policy makers in their efforts to alleviate poverty.

The poverty incidence among Filipino families based on the first visit of 2015 FIES was estimated at 21.1 percent during the first semester of 2015. In the first semester of 2012, the poverty incidence among Filipino families was estimated at 22.3 percent⁵.

The subsistence incidence among Filipino families, or the proportion of Filipino families in extreme poverty, was estimated at 9.2 percent during the first semester of 2015. In the same period in 2012, the proportion of families in extreme poverty was recorded at 10.0 percent⁶.

In addition to the thresholds and incidences, the PSA also releases other poverty-related statistics in the report such as the income gap, poverty gap and severity of poverty. The income gap measures the average income required by the poor in order to get out of poverty, expressed relative to the poverty threshold. The poverty gap refers to the income shortfall (expressed in proportion to the poverty threshold) of families with income below the poverty threshold, divided by the total number of families. The severity of poverty is the total of the squared income shortfall (expressed in proportion to the poverty threshold) of families with income below the poverty threshold, divided by the total number of families. This is a poverty measure that is sensitive to income distribution among the poor.

In the first semester of 2015, on the average, incomes of poor families were short by 29.0 percent of the poverty threshold. This means that on the average, an additional monthly income of Php 2,649 is needed by a poor family with five members in order to move out of poverty in the first semester of 2015.

Table 1. Income Gap, Poverty Gap and Severity of Poverty: First Semester 2012 and 2015

Statistics	1st Semester Estimates	
	2012	2015
Income Gap	29.2	29.0
Poverty Gap	6.5	6.1
Severity of Poverty	2.7	2.5

Source: Philippine Statistics Authority

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⁵ Based on the T-Test that was used to determine the statistical significance of the decrease in the poverty incidence among families at 90% level, the results of the 2012 and 2015 First Semester FIES does not indicate significant change from first semester 2012 to 2015.

⁶ Based on the T-Test at 90% level of significance, the subsistence incidence among families from the results of the 2012 and 2015 First Semester FIES does not indicate significant change from first semester 2012 to 2015.