

PRESS RELEASE

Proportion of Poor Filipinos registered at 21.0 percent in the First Semester of 2018

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Food and Poverty Thresholds

In the first semester of 2018, a family of five needed no less than PhP 7,337, on average, to meet the family's basic food needs for a month. This amount is the food threshold. On the other hand, no less than PhP 10,481, on average, was needed to meet both basic food and non-food needs of a family of five in a month. This amount is the poverty threshold. These are 10.9 percent higher than the food and poverty thresholds from the first semester of 2015¹.

Food threshold is the minimum income required to meet the basic food needs that satisfy the nutritional requirements based on the Recommended Energy and Nutrient Intake (RENI) to ensure that one remains economically and socially productive. Poverty threshold is the minimum income required to meet the basic food and non-food needs such as clothing, fuel, light and water, housing, rental of occupied dwelling units, transportation and communication, health and education expenses, non-durable furnishing, household operations and personal care and effects.

Poverty among Filipino families and individuals

Poverty incidence among Filipino families in the first semester of 2018 was estimated at 16.1 percent. This is defined as the proportion of families whose income is below the poverty line to the total number of families. This was estimated at 22.2 percent¹ in the same period in 2015.

**Table 1. Poverty incidence among families (%):
First Semester 2015 and 2018**

First Semester	Poverty Incidence (%)	Coefficient of Variation
2018	16.1^{a/}	1.1
2015^{1/}	22.2	4.8

a/ Statistically significant decrease between first semester 2015 and first semester 2018 based on t-test at $\alpha = 0.1$
Source: Philippine Statistics Authority

¹ Food thresholds are estimated using actual prices collected by PSA for the estimation of the Consumer Price Index (CPI). In consonance with the updating of the market basket for the collection of prices for CPI, First Semester 2015 Poverty Statistics were revised accordingly.



The poverty incidence among Filipino individuals in the first semester of 2018 was estimated at 21.0 percent. This is referred to as the proportion of the population living below the poverty line to the total population. During the same period in 2015, poverty incidence among Filipinos was recorded at 27.6 percent¹.

**Table 2. Poverty incidence among population (%):
First Semester 2015 and 2018**

First Semester	Poverty Incidence (%)	Coefficient of Variation
2018	21.0 ^{a/}	1.1
2015 ^{1/}	27.6	4.5

a/ Statistically significant decrease between first semester 2015 and first semester 2018 based on t-test at $\alpha = 0.1$
Source: Philippine Statistics Authority

The subsistence incidence among Filipino families was estimated at 6.2 percent¹ in the first semester of 2018. This is alternatively called as the proportion of Filipino families whose incomes fall below the food threshold. In the same period in 2015, the proportion of families who are food poor was recorded at 9.9 percent.

**Table 3. Subsistence incidence among families (%):
First Semester 2015 and 2018**

First Semester	Poverty Incidence (%)	Coefficient of Variation
2018	6.2 ^{a/}	1.8
2015 ^{1/}	9.9	5.8

a/ Statistically significant decrease between first semester 2015 and first semester 2018 based on t-test at $\alpha = 0.1$
Source: Philippine Statistics Authority

The subsistence incidence among Filipino individuals, was estimated at 8.5 percent in the first semester of 2018 and 13.0 percent¹ in the first semester of 2015. It refers to the proportion of Filipinos whose incomes fall below the food threshold.

**Table 4. Subsistence incidence among population (%):
First Semester 2015 and 2018**

First Semester	Poverty Incidence (%)	Coefficient of Variation
2018	8.5 ^{a/}	1.7
2015 ^{1/}	13.0	5.8

a/ Statistically significant decrease between first semester 2015 and first semester 2018 based on t-test at $\alpha = 0.1$
Source: Philippine Statistics Authority

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.


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In the first semester of 2018, on average, incomes of poor families were short by 26.9 percent of the poverty threshold.

**Table 5. Income Gap, Poverty Gap and Severity of Poverty:
First Semester 2015 and 2018**

Statistics	First Semester	
	2015 ^{a/}	2018
Income Gap	29.5	26.9 ^{a/}
Poverty Gap	6.6	4.3 ^{a/}
Severity of Poverty	2.8	1.8 ^{a/}

a/ Statistically significant decrease between first semester 2015 and first semester 2018 based on t-test at $\alpha = 0.1$
Source: Philippine Statistics Authority


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