Poverty and Education
Philippine Profile

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Poverty Defined

Poverty Defined

By law, the poor in the Philippines are defined as "individuals and families whose income fall below the poverty threshold as defined by the National Economic and Development Authority and/or cannot afford in a sustained manner to provide their minimum basic needs of food, health, education, housing and other amenities of life."

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Poverty Threshold, 2009

Poverty Threshold, 2009

- Income Poverty: **P1,403** per month per person. Family of 5 needs P7,017/month

- Core/Food/Subsistence Poverty: **P974** per month per person (P4,869/month)

Poverty Incidence, 2009

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Poverty Incidence, 2009

Income Poverty: 20.9% (households)

                                   26.5% (population)

Core Poverty: 7.9% (households)

                                   10.8% (population)

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The National Averages Hides Large Variations in Poverty Incidence

The National Averages Hides Large Variations in Poverty Incidence

- Regional : 4% (NCR); 47.5% (Caraga)

- Provincial: 2.5% (Fourth District, NCR); 6.4% (Cavite); 61.6% (Zamboanga del Norte)

- Municipal/City: 1% (Binondo); 79.9% (Siayan, Zamboanga del Norte)

Profile of Philippine Poverty

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Profile of Philippine Poverty

- Poverty is mostly a rural phenomenon
  - ★ Contribution to total poverty, rural: 78.1%
  - ★ Contribution to total poverty, urban: 21.9%

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Profile of Philippine Poverty

- It is also an agricultural phenomenon
  - ★ 61.4% of the total poor are in agriculture

Profile of Philippine Poverty

Sector	Contributionto Total Poverty	Poverty Incidence
Agriculture	61.4	47.9
Mining	1.0	48.7
Manufacturing	4.0	17.8
Utilities	0.1	3.2
Construction	6.9	24.5
Trade	5.7	13.1
Trans and Comm	6.3	18.2
Finance	0.1	2.5
Services	6.8	11.9
Unemployed	7.9	12.8

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Profile of Philippine Poverty

- Majority(52.6%) of the poor are either self-employed or work in in a family-operated farm or business

Philippine Poverty Profile

Class of Worker	Contribution to Poverty	Poverty Incidence
Worked for private household	1.9	28.1
Worked for private establishment	34.7	27.9
Worked for govt/govt corp	2.9	10.8
Worked w pay in family-operated farm or business	0.0	34.8
Worked w/out pay in family-operated farm or business	0.5	21.2
Self-employed w/out any employee	45.1	35.4
Employer in own family-operated farm or business	7.0	22.7
Unemployed	7.9	12.8

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Profile of Philippine Poverty

- A great majority of the poor belong to large families

- 59.9% of our poor households, comprising 73.3% of our population, have at least six members in the family. And poverty incidence increases with family size.

Profile of Philippine Poverty

Household Size	Share of Total Poverty, Population	Poverty Incidence
1	0.1	3.4
2	1.0	7.2
3	3.0	8.7
4	7.7	13.0
5	15.0	20.3
6	19.9	30.1
7	18.7	37.0
8	13.3	41.2
9	9.2	44.6
10 or more	12.2	46.6
	100.0	**100.0**

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Philippine Poverty Profile

- 68.8% of the total poor are those whose heads of households have at most an elementary education

- poverty incidence decreases with higher educational attainment of household head.

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Philippine Poverty Profile

Educational Attainment of HH Head	Contribution to Total Poverty	Poverty Incidence
No Education	6.4	50.7
Elementary Undergrad	37.9	37.8
Elementary Grad	24.5	27.1
Highschool Undergrad	13.8	24.2
Highschool Grad	13.7	12.5
College Undergrad	3.1`	5.3
College grad	0.6	1.1

Philippine Education Profile

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Philippine Education Profile

- Average family income increases with higher educational attainment of household head

Philippine Education Profile

Highest Educational Attainment of HH Head	Average Family Income, 2009
No schooling	P79,185
Elementary Undergrad	P111,120
Elem Grad	P142,368
HS Undergrad	P153,725
HS Grad	P203,441
College Undergrad	P274,388
College Grad	P505,688

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Philippine Education Profile

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Philippine Education Profile

- ***For Every 100 students that enter Grade 1:***
  - ★ 18 will drop out by Grade 2
  - ★ Another 4 will drop out by Grade 4
  - ★ Another 10 will drop out by Grade 6
- ***Of the 68 who will finish Grade 6:***
  - ★ Only 60 will enter HS
  - ★ Only 45 will finish HS
  - ★ Only 26 will enter College
  - ★ Only 13 will finish College

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Philippine Educational Profile

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Philippine Educational Profile

- ***Millennium Development Goals:***

  - ★ Goal 1 has to do with income poverty

  - ★ Goals 2-7 have to do with outcome poverty

  - ★ Goal 8 has to do with the financing necessary to achieve the goals

- ***GOAL 2 is the education goal.***

Progress toward MDGs 1 and 2 (selected indicators)

Goal 1: halve the proportion of people living on less than $1 PPP a day

Indicator: Probability:

Proportion of population below national poverty threshold

33.1   16.6   26.5   **X**

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Goal 2: Achieve Universal Primary Education

Target: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Indicator 2.1 Net enrolment ratio in primary education

84.6	100.0	91.21	**X**
(1990)	(2015)	(2011)	

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MDG PROGRESS

Indicator 2.2: Proportion of pupiols starting grade 1 who reach grade 6 (Cohort Survival Rate)

69.7   100.0   73.76   **X**

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Indicator 2.2a: Primary completion rate

64.2	100	70.96	
(1990)	(2015)	(2011)	**X**

Will the CCT reduce poverty?

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Will the CCT reduce poverty?

1. *Not in the present or in the short term;*

- Why? Originally CCT only up to 14 years old

- Transfers not enough to push families over the poverty line.

2. ***BUT***: it will certainly reduce the intergenerational transfer of poverty; and, with the extension of the program to cover HS, it is reasonable to expect success in the medium to long term.

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THE END

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