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12/11/79

## Incidence and Composition of Poverty in the Philippines

A conceptual definition of poverty that included measures of the physical quality of life as well as quantifiable real income would be the ideal. Comparable information on such matters across different occupation and other socio-economic classifications does not exist, however, and for most purposes the analyst is restricted to the traditional and more readily available income data.

Two concepts of poverty appear frequently in the literature, relative and absolute. Measures of relative poverty focus on income distribution and equity questions, and generally utilize percentage cut-off points and statistical techniques like the Gini Index of Inequality. A commonly used statistic based on this approach is the proportion of total income enjoyed by the poorest 20 or 40 percent of all households. Using a 40 percent cut-off point, one can calculate the composition of relative poverty across occupational, geographic and other socio-economic groupings. One drawback of the relative poverty approach, however, is that the poorest 40% will always be there, regardless of whether the total population is richer or poorer and whether the pattern of income distribution is such that 20% or 60% of all families are below an absolute poverty threshold.

Most analysts prefer the absolute poverty concept, which attempts to determine the minimum income level that will allow a family to purchase the most basic essentials of life -- food, clothing, shelter and little else -- for use as the cut-off point. Any family receiving less cash and in-kind income than the minimum level required is considered absolutely poor. This approach is more consistent with the basic human needs orientation to development. Changes in the number and proportion of families below a specific poverty threshold can be monitored over time.

One of the more thorough analyses of absolute poverty thresholds in the Philippines was performed by MA. Alcestis S. Abrera<sup>1/</sup> in 1974-75. She adopted a basic menu designed and recommended by the Food and Nutrition Research Center to provide a nutritionally adequate minimum-cost diet, which was determined to cost a reference family of six in Manila ₱18.12 per day in May 1974. Utilizing food price indices to translate this figure into prices of other years and

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<sup>1/</sup> MA. Alcestis S. Abrera, "Philippine Poverty Thresholds", in Mahar Mangahas, ed., Measuring Philippine Development, Report of the Social Indicators Project, Development Academy of the Philippines, 1976, pp.223-273.

regional, urban and rural cost of living deflators to adjust for geographic variations in such prices, Abrera constructed in array of food poverty threshold figures for different years and different locations. She also utilized per capita estimates to calculate specific food thresholds by area and family size.

Abrera estimates that even the poorest families must spend about 40% of their income on non-food items. She then converts the minimum-cost food thresholds to a "total poverty threshold" simply by dividing the former by .6.

One can use either income or expenditure data to determine the number of families who fall below this total threshold. Both sets of data pose problems.

The best available income data, from the periodic Family Income and Expenditure Surveys (FIES) of the National Census and Statistics Office (NCSO), apparently suffer from a systematic under-reporting of income and under-coverage of upper-income households.<sup>1/</sup> As reported, total income accounted for only 83% of total expenditures in 1971, 89% in 1975. One analyst concluded that total household income reported in the 1971 FIES accounted for only 66% of the aggregate Personal Income estimates of the National Income Accounts, and that this ratio dropped to 44% in the 1975 FIES.<sup>2/</sup> Use of expenditure data instead of the income figures, as some have suggested, would seriously reduce the number of cross-tabulations available for analysis, due to the limited number of tabulations published by expenditure class. Even the expenditure data may be biased downward, however, due to the under-coverage problem.

Consequently, this analysis draws on income data. To compensate for the apparent downward bias in the available income data, however, the lower (60% of total) food threshold is used as the cut-off point.

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<sup>1/</sup> See Mahar Mangahas and Bruno Barros, "The Distribution of Income and Wealth: A Survey of Philippine Research," Philippine Institute for Development Studies, July 1979, pp. 25-30.

<sup>2/</sup> Ibid., Table 4.2, p. 28, from Antonio C. Lim, "An Evaluation of Income Distribution Data Sources in the Philippines", University of the Philippines, School of Economics, 1978, unpublished master's thesis, Table VIII, p. 90.

Abrera calculated 30 separate food thresholds for each year analyzed in order to dissect poverty by family size in Metro-Manila, other urban and rural areas and to provide relatively precise estimates of the incidence and composition of poverty.<sup>1/</sup> From her analysis it appears that 56% of all Filipino families reported incomes below the food threshold in 1971. The incidence of poverty by family was 64% in rural areas, 34% in Manila and 39% in other urban areas. Taking the families below the threshold as a group to determine its composition, 80% were in rural areas, 5% in Manila and 15% in other urban areas.

Converting the numbers of families into population figures, however, indicates that 61% of all people were below the poverty line. The corresponding incidence of poverty figures by population are 69% in rural areas, 39% in Manila, and 44% in other urban areas. In addition to location, family size is also correlated with poverty. Of the population living in families of 6 or more members, 66% were below the poverty line, compared with only 48% of those in smaller families. The incidence of poverty was as high as 75% for people in rural families of 6 or more, but dropped to only 24% among smaller families in Manila. Nationwide families of 6 or more comprised half (50%) of all families, but contained 68% of all people and 75% of all poor people. (See Tables 1-4.)

TABLE 1. Population Incidence and Composition of Poverty by Family Size, Philippines, Urban and Rural

	<u>Family Size</u>	<u>Philippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>Incidence of Poverty</u>					
% of People Below Food Threshold	1-5	47.9	24.1	30.3	56.1
	<u>6 +</u>	<u>66.4</u>	<u>45.9</u>	<u>49.7</u>	<u>75.2</u>
	Total	60.5	39.1	43.6	68.9
<u>Composition of Poverty</u>					
% of Total Poor People:	1-5	25.3	1.1	3.4	20.8
	<u>6 +</u>	<u>74.7</u>	<u>4.4</u>	<u>12.4</u>	<u>57.9</u>
	Total	100.0	5.4	15.8	78.2

<sup>1/</sup> Abrera, op. cit., p. 265

The highest 1971 incidence rates of poverty were found in the household head occupational categories of "farmers, farm laborers, fishermen, hunters, loggers and related workers" (75%) and "manual workers and laborers not elsewhere classified" (70%). "Craftsmen and production process workers" and the "unemployed without work experience and those (household heads) not in labor force" also suffered high poverty incidence rates, the latter especially in rural areas (71%). (Table 7.)

Classified by main source of family income the highest poverty incidence rates were found among those families relying mainly on farming (79%), fishing, forestry, hunting (77%) and agricultural wages and salaries, (71%). Those engaged in rural manufacturing and trading activities also suffered high rates of poverty incidence (72 and 62%, respectively). (Table 10.)

Of all families below the 1971 food threshold, 61% were "farmers, farm laborers, fishermen, hunters, loggers and related workers". (This occupation category was not further broken down in the detailed income tabulations. It comprised 50% of all families, and of that number 79% were farmers, 9% were farm laborers, 10% fishermen, 0.03% hunters, and 1.4% loggers and other forestry workers.) Another 11% of the poor family heads were "craftsmen and production process workers", half of whom were in rural areas, and 9% were "unemployed without work experience and those not in labor force", two-thirds of whom were in rural areas. (Table 6.)

Some 44% of all poor families listed farming as their main source of income. Another 12% listed agricultural wages and salaries and 21% non-agricultural wages and salaries. Of the latter about a fifth were in Manila, two-fifths in other urban areas and two-fifths in rural areas. Over three-fourths (78%) of all poor families relied mainly on one of these three sources of income, and another 5% relied on fishing, forestry or hunting. (Table 9.)

Table 12 presents the 1971 data by Region and farm and non-farm families. Table 13 converts the regional food thresholds into 1975 values and applies them to preliminary data from the 1975 FIES. The apparent increase in the national poverty incidence rate from 61% in 1971 to 64% in 1975 may be due to the more serious downward bias suspected in the 1975 income data, as mentioned above. The regional variations in the poverty incidence rate appear to have narrowed from between 41 to 80% in 1971 to between 57 to 74% in 1975, resulting in

a 1975 regional composition of poverty that varies only slightly from the distribution of total population. The poverty incidence rate appears to have increased dramatically in Manila and the regions of Southern Tagalog and Central Luzon, while it decreased in Cagayan Valley.

Table 2. Population Below Food Threshold, by Family Size and Composition of Poverty  
Philippines, Urban and Rural, 1971

	<u>Family Size</u>	<u>Phil- ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>No. of People:</u>	1	45	1	5	40
	2	291	5	32	253
	3	917	33	131	752
	4	1744	63	249	1437
	5	2568	131	339	2099
	6	3104	172	590	2342
	7	3278	162	536	2580
	8	4422	222	590	3610
	9	2091	149	275	1667
	10+	3533	258	741	2534
	TOTAL	<u>21994</u>	<u>1198</u>	<u>3488</u>	<u>17308</u>
<u>Composition of Poverty:</u>					
<u>% of Total Poor People:</u>	1	0.2	0.01	0.02	0.2
	2	1.3	0.02	0.1	1.2
	3	4.2	0.2	0.6	3.4
	4	7.9	0.3	1.1	6.5
	5	11.7	0.6	1.5	9.5
	6	14.1	0.8	2.7	10.6
	7	14.9	0.7	2.4	11.7
	8	20.1	1.0	2.7	16.4
	9	9.5	0.7	1.2	7.6
	10+	16.1	1.2	3.4	11.5
	TOTAL	<u>100.0</u>	<u>5.4</u>	<u>15.8</u>	<u>78.2</u>

Source: Calculated from Table 3.

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Table 3. Families below Food Threshold, by Size of Family, 1971  
and Composition of Poverty, Philippines, Urban and Rural

	<u>Family Size</u>	<u>Phil- ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>No. of Families (1000):</u>	1	45	1	5	40
	2	146	3	16	127
	3	306	11	44	251
	4	436	16	62	358
	5	514	26	68	420
	6	517	29	98	390
	7	468	23	77	369
	8	553	28	74	451
	9	232	17	31	185
	10+	348	24	70	253
	TOTAL	<u>3564</u>	<u>177</u>	<u>544</u>	<u>2843</u>
<u>Composition of Poverty:</u>					
<u>% of Total Poor Families:</u>	1	1.2	0.03	0.1	1.1
	2	4.1	0.1	0.5	3.6
	3	8.6	0.3	1.2	7.0
	4	12.2	0.4	1.7	10.0
	5	14.4	0.7	1.9	11.8
	6	14.5	0.8	2.8	11.0
	7	13.1	0.7	2.1	10.3
	8	15.5	0.8	2.1	12.7
	9	6.5	0.5	0.9	5.2
	10	9.7	0.7	2.0	7.1
	TOTAL	<u>100.0</u>	<u>5.0</u>	<u>15.3</u>	<u>79.8</u>

Source: MA. Alcestis S. Abrera, "Philippine Poverty Thresholds," in Mahar Mangahas, ed., Measuring Philippine Development, Development Academy of the Philippines, 1976, p. 269. Abrera estimated separate poverty thresholds for each family size by area of residence.

Table 4. Population by Size of Family and Percentage Incidence of Poverty  
Philippines, Urban and Rural, 1971

	<u>Family Size</u>	<u>Phil- ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>No. of People (1000):</u>	1	115	10	22	83
	2	878	58	174	646
	3	2211	189	474	1548
	4	3780	296	888	2596
	5	4645	415	935	3295
	6	5130	432	1212	3480
	7	5145	392	1197	3563
	8	5592	416	1136	4040
	9	3177	270	693	2205
	10+	5695	588	1264	3650
	TOTAL	36368	3066	7995	25106
<u>Percentage of Total:</u>	1	0.3	0.03	0.06	0.2
	2	2.4	0.2	0.5	1.8
	3	6.1	0.5	1.3	4.3
	4	10.4	0.8	2.4	7.1
	5	12.8	1.1	2.6	9.1
	6	14.1	1.2	3.3	9.6
	7	14.1	1.1	3.3	9.8
	8	15.4	1.1	3.1	11.1
	9	8.7	0.7	1.9	6.1
	10+	15.7	1.6	3.5	10.0
	TOTAL	100.0	8.4	22.0	69.0
<u>Incidence of Poverty:</u>	1	39.4	12.0	20.5	47.7
<u>% of People below</u>	2	33.1	9.3	18.5	39.2
<u>Food Threshold</u>	3	41.5	17.6	27.7	48.6
	4	46.1	21.4	28.0	55.1
	5	55.3	31.4	36.2	63.7
	6	60.5	39.9	48.7	67.3
	7	63.7	41.4	44.7	72.4
	8	79.1	53.5	52.0	89.3
	9	65.8	55.3	39.6	75.6
	10+	62.0	43.9	58.6	69.4
	TOTAL	60.5	39.1	43.6	68.9

NOTE: Items may not add exactly to totals due to rounding error.

Source: Calculated from Tables 2 and 5.

Table 5. Number of Families by Size and Percentage Incidence of Poverty  
Philippines, Urban and Rural, 1971

	<u>Family Size</u>	<u>Phil- ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>No. of Families (1000):</u>	1	115	10	22	83
	2	439	29	87	323
	3	737	63	158	516
	4	945	74	222	649
	5	929	83	187	659
	6	855	72	202	580
	7	735	56	171	509
	8	699	52	142	505
	9	353	30	77	245
	10+	539	54	120	365
	TOTAL	6347	525	1388	4434
<u>Average Family Size</u>		5.73	5.84	5.76	5.66
<u>Percentage of Total:</u>	1	1.8	0.2	0.3	1.3
	2	6.9	0.5	1.4	5.1
	3	11.6	1.0	2.5	8.1
	4	14.9	1.2	3.5	10.2
	5	14.6	1.3	2.9	10.4
	6	13.5	1.1	3.2	9.1
	7	11.6	0.9	2.7	8.0
	8	11.0	0.8	2.2	8.0
	9	5.6	0.5	1.2	3.9
	10+	8.5	0.9	1.9	5.8
	TOTAL	100.0	8.3	21.9	69.9
<u>Incidence of Poverty:</u> <u>% of Families below</u> <u>Food Threshold</u>	1	39.4	11.9	20.3	47.7
	2	33.1	9.5	18.5	39.2
	3	41.5	17.6	27.7	48.6
	4	46.1	21.4	28.0	55.1
	5	55.3	31.4	36.2	63.7
	6	60.5	39.8	48.7	67.3
	7	63.7	41.5	44.8	72.4
	8	79.1	53.5	52.0	89.4
	9	65.8	55.4	40.0	75.6
	10+	64.5	44.0	58.6	69.4
	TOTAL	56.2	34.1	39.3	64.0

Sources: Family Income and Expenditures: 1971, The BCS Survey of Households Bulletin No. 34, Bureau of the Census and Statistics, Manila, Table 6, and MA. Alcestis S. Abrera, "Philippine Poverty Thresholds," in Mahar Mangahas, ed., Measuring Philippine Development, Development Academy of the Philippines, 1976, pp. 249 and 269.

Table 6. Composition of Poverty by Major Occupation Group of Household Head  
Philippines, Urban and Rural, 1971

Major Occupation Group of Household Head	No. of Families Below Food Threshold <sup>1/</sup> (1000)				Percentage of Philippine Total			
	Phil- ippines	Manila & Suburbs	Other Urban	Rural	Phil- ippines	Manila & Suburbs	Other Urban	Rural
Professional, technical & related workers	26.5	2.1	13.5	10.9	0.7	0.1	0.3	0.3
Admin., executive & managerial	17.5	0.6	9.7	7.2	0.4	0.02	0.2	0.2
Clerical	44.8	11.1	23.5	10.2	1.1	0.3	0.6	0.3
Sales	214.4	28.3	79.9	106.2	5.4	0.7	2.0	2.7
Farmers, farm laborers, fishermen, hunters, loggers & related	2383.2	--	122.5	2260.7	60.6	--	3.1	57.5
Miners, quarrymen & related	--	--	--	--	--	--	--	--
Transportation & communication	181.5	38.5	62.7	80.3	4.6	9.8	1.6	2.0
Craftsmen, production-process	446.5	76.4	150.1	220.0	11.3	1.9	3.8	5.6
Manual workers & laborers not elsewhere classified	107.6	11.6	40.3	55.7	2.7	0.3	1.0	1.4
Service, sports & related	140.6	25.7	52.3	62.6	3.6	0.7	1.3	1.6
Unemployed w/o work experience & those not in labor force	351.0	17.6	89.1	244.3	8.9	0.4	2.3	6.2
Occupation not reported	--	--	--	--	--	--	--	--
<b>TOTAL</b>	<b>3934.7</b>	<b>213.7</b>	<b>648.2</b>	<b>3072.8</b>	<b>100.0</b>	<b>5.4</b>	<b>16.5</b>	<b>78.1</b>

<sup>1/</sup> See footnote on Table 7.

Source: Calculated from Tables 7 and 8.

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Table 7. Incidence of Poverty by Major Occupation Group of Household Head  
Philippines, Urban and Rural, 1971

Major Occupation Group of Household Head	Percentage Incidence of Poverty <sup>1/</sup>			
	Phil- ippines	Manila & Suburbs	Other Urban	Rural
Professional, technical & related workers	11.6	4.4	14.7	12.5
Admin., executive & managerial	14.0	2.7	16.8	16.7
Clerical	22.3	24.2	23.5	18.9
Sales	45.7	37.7	38.6	56.8
Farmers, farm laborers, fishermen, hunters, loggers & related	75.4	--	62.2	76.4
Miners, quarrymen & related	--	--	--	--
Transportation & communication	50.4	56.6	49.8	48.4
Craftsmen, production process	59.3	59.7	55.8	61.8
Manual workers & laborers not elsewhere classified	69.9	77.5	79.0	63.3
Service, sports & related	48.0	46.7	50.3	46.7
Unemployed w/o work experience & those not in labor force	60.3	28.8	51.2	70.6
Occupation not reported	--	--	--	--
TOTAL	62.0	40.7	46.7	69.3

<sup>1/</sup> Percentage of families with incomes below 1971 Food Threshold as defined by MA. Alcestis S. Abrera, "Philippine Poverty Thresholds", in Mahar Mangahas, ed., Measuring Philippine Development, The Development Academy of the Philippines, 1976, pp. 236-241. The food threshold values estimated for 1971 were ₱4284 for Greater Manila, ₱3428 for other urban areas, and ₱3000 for rural areas. At ₱6.44/\$, these values equal \$665, \$532 and \$466, respectively, per household, or \$111, \$89 and \$78, respectively, per capita, in 1971 dollars.

Source: Calculated from Family Income and Expenditures: 1971, The BCS Survey of Households Bulletin, Bureau of the Census and Statistics, Manila, Table 37.

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Table 8. Distribution of Families by Major Occupation Group of Household Head  
Philippines, Urban and Rural, 1971

Major Occupation Group of Household Head	Number of Families (1000)				Percentage of Total			
	Phil- ippines	Manila & Suburbs	Other Urban	Rural	Phil- ippines	Manila & Suburbs	Other Urban	Rural
Professional, technical & related workers	228	48	92	87	3.6	0.8	1.4	1.4
Admin., executive & managerial	125	24	58	43	2.0	0.4	0.9	0.7
Clerical	201	46	100	54	3.2	0.7	1.6	0.9
Sales	469	75	207	187	7.4	1.2	3.3	2.9
Farmers, farm laborers, fishermen, hunters, loggers & related	3161	5	197	2959	49.8	0.1	3.1	46.6
Miners, quarrymen & related	15	1	7	7	0.2	0.02	0.1	0.1
Transportation & communication	360	68	126	166	5.7	1.1	2.0	2.6
Craftsmen, production-process	753	128	269	356	11.9	2.0	4.2	5.6
Manual workers & laborers not elsewhere classified	154	15	51	88	2.4	0.2	0.8	1.4
Service, sports & related	293	55	104	134	4.6	0.9	1.6	2.1
Unemployed w/o work experience & those not in labor force	582	61	174	346	9.2	1.0	2.7	5.5
Occupation not reported	8	--	2	5	0.1	--	0.03	0.1
<b>TOTAL</b>	<b>6347</b>	<b>525</b>	<b>1388</b>	<b>4434</b>	<b>100.0</b>	<b>8.3</b>	<b>21.9</b>	<b>69.9</b>

1/ The total composition of this category is:

<u>Occupation</u>	<u>No. of Families (1000)</u>	<u>% of Category</u>
Farm owners	1036	32.8
Farmer part-owners	187	5.9
Farmer tenants	986	31.2
Farmers not specified & tuba gatherers (self-employed)	286	9.0
Farmer managers, administrators & overseers	10	0.3
Farm laborers, incl. foremen, copra workers, tuba gatherers, farm equipment operators, etc.	287	9.1
Fishermen, fishpond laborers & related workers	323	10.2
Hunters, trappers & related workers	1	0.03
Loggers & other forestry workers	45	1.4
<b>TOTAL</b>	<b>3161</b>	<b>100.0</b>

Source: Calculated from Family Income and Expenditures: 1971, The BCS Survey of Households Bulletin, Bureau of the Census and Statistics, Manila, Tables 37 and 43.

Table 9. Composition of Poverty by Main Source of Family Income  
Philippines, Urban and Rural, 1971

Main Source of Income	No. of Families Below Food Threshold <sup>1/</sup> (1000)				Percentage of Philippine Total			
	Philippines	Manila & Suburbs	Other Urban	Rural	Philippines	Manila & Suburbs	Other Urban	Rural
<u>Wages &amp; Salaries</u>	1321.2	162.5	359.4	799.3	33.6	4.1	9.1	20.3
Agricultural	484.5	0.4	32.9	451.2	12.3	0.01	0.8	11.5
Non-agricultural	836.2	162.1	326.3	347.8	21.3	4.1	8.3	8.8
<u>Entrepreneurial Activities</u>	2366.9	26.3	228.1	2112.5	60.2	0.7	5.8	53.7
Trading	208.9	14.5	75.9	118.5	5.3	0.4	1.9	3.0
Manufacturing	128.9	5.7	36.8	86.4	3.3	0.14	0.9	2.2
Transport	39.8	0.9	10.4	28.5	1.0	0.02	0.3	0.7
Other Enterprises	35.9	2.8	16.4	16.7	0.9	0.07	0.4	0.4
Profession or Trade	11.4	2.6	4.5	4.3	0.3	0.07	0.1	0.1
Farming (including livestock & poultry)	1731.9	--	60.9	1671.0	44.1	--	1.5	42.5
Fishing, Forestry & Hunting	209.7	--	23.2	186.5	5.3	--	0.6	4.7
<u>Other Sources</u>	228.4	9.5	59.2	159.7	5.8	0.2	1.5	4.1
<u>Source not identified in data</u>	15.0	15.0			0.4	0.4		
TOTAL	3931.4	213.2	646.7	3071.5	100.0	5.4	16.4	78.1

<sup>1/</sup> Number of families with incomes below 1971 Food Threshold as defined by MA. Alcestis S. Abrera, "Philippine Poverty Thresholds", in Mahar Mangahas, ed., Measuring Philippine Development, The Development Academy of the Philippines, 1976, pp. 236-41. The food threshold values estimated for 1971 were ₱4284 for Greater Manila, ₱3428 for other urban areas, and ₱3000 for rural areas, at ₱6.44/\$, these values equal \$665, \$532 and \$466, respectively, per household, or \$111, \$89 and \$78, respectively, per capita, in 1971 dollars.

Source: Calculated from Family Income and Expenditures: 1971, The BCS Survey of Households Bulletin, Bureau of the Census and Statistics, Manila, Table 9.

Table 10. Incidence of Poverty by Main Source of Family Income  
Philippines, Urban and Rural, 1971

<u>Main Source of Income</u>	<u>Percentage Incidence of Poverty</u> <sup>1/</sup>			
	<u>Phil-ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>Wages and Salaries</u>	48.4	40.1	42.0	54.5
Agricultural	71.4	36.4	59.3	72.7
Non-agricultural	40.8	40.1	40.8	41.3
<u>Entrepreneurial Activities</u>	73.2	32.5	54.6	77.2
Trading	53.3	36.3	46.7	62.1
Manufacturing	64.8	40.1	54.1	72.2
Transport	48.0	15.5	53.6	49.5
Other Enterprises	56.1	33.3	49.2	75.2
Profession or Trade	27.1	21.5	32.4	24.3
Farming (including livestock and poultry)	79.3	--	71.9	79.7
Fishing, forestry & hunting	76.8	--	64.3	79.4
<u>Other Sources</u>	59.5	24.4	51.4	69.3
<u>TOTAL</u>	61.9	40.6	46.6	69.3

<sup>1/</sup> See footnote on Table 9.

Source: Calculated from Tables 9 and 11.

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Table 11. Distribution of Families by Main Source of Income  
Philippines, Urban and Rural 1971

<u>Main Source of Income</u>	<u>Number of Families (1000)</u>				<u>Percentage of Total</u>			
	<u>Phil-ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>	<u>Phil-ippines</u>	<u>Manila &amp; Suburbs</u>	<u>Other Urban</u>	<u>Rural</u>
<u>Wages and Salaries</u>	2727	405.3	855.0	1467.7	43.0	6.4	13.5	23.1
Agricultural	679	1.1	55.5	620.8	10.7	0.02	0.9	9.8
Non-agricultural	2050	404.3	799.5	842.5	32.3	6.4	12.6	13.3
<u>Entrepreneurial Activities</u>	3235	80.9	417.8	2735.8	51.0	1.3	6.6	43.1
Trading	392	39.9	162.4	190.7	6.2	0.6	2.6	3.0
Manufacturing	199	14.2	68.0	119.7	3.1	0.2	1.1	1.9
Transport	83	5.8	19.4	57.6	1.3	0.1	0.3	0.9
Other Enterprises	64	8.4	33.3	22.2	1.0	0.1	0.5	0.3
Profession or Trade	42	12.1	13.9	17.7	0.7	0.2	0.2	0.3
Farming (including livestock and poultry)	2183	0.5	84.7	2097.3	34.4	0.01	1.3	33.0
Fishing, Forestry & Hunting	273	0.5	36.1	235.0	4.3	0.01	0.6	3.7
<u>Other Sources</u>	384	38.9	115.2	230.6	6.0	0.6	1.8	3.6
TOTAL	6347	525	1388	4434	100.0	8.3	21.9	69.9

Source: Calculated from Family Income and Expenditure: 1971, The BCS Survey of Households Bulletin, Bureau of the Census and Statistics, Manila, Table 8.

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Table 12. Incidence and Composition of Poverty by Region, Philippines, Farm and Non-Farm Families, 1971

	Philippines	I Manila & Suburbs	II Ilocos Mt. Prov.	III Cagayan, Batanes	IV Central Luzon	V South Tagalog	VI Bicol	VII West Visayas	VIII East Visayas	IX North Mindanao	X South Mindanao
Total No. of Families (1000)	6347	525	346	260	855	869	496	670	980	522	825
% of total	100.0	8.3	5.5	4.1	13.5	13.7	7.8	10.6	15.4	8.2	13.0
% Urban	30.1	100.0	16.8	14.2	28.3	39.2	17.5	24.3	21.0	18.8	18.9
% Rural	69.9	--	83.2	85.8	71.7	60.8	82.5	75.7	79.0	81.2	81.1
No. of Farm Families (1000)	2834	8	221	176	336	291	279	265	491	309	458
No. of Non-Farm Families (1000)	3512	517	125	84	519	578	217	404	489	213	367
% Farm	44.7	1.5	63.9	67.7	39.3	33.5	56.3	39.6	50.1	59.2	55.5
% Non-Farm	55.3	98.5	36.1	32.3	60.7	66.5	43.8	60.3	49.9	40.8	44.5
Food Poverty Threshold (₱)		4284	3063	3209	3243	3012	2823	2986	3222	2669	3097
Incidence of Poverty:											
% of Families Below Food Threshold	60.9	40.7	67.5	80.4	51.9	50.8	68.0	65.1	76.2	59.7	59.6
% of Farm Families	73.6	--	75.6	88.0	60.4	71.2	79.8	67.7	84.2	68.7	70.2
% of Non-Farm Families	50.7	40.8	53.1	65.2	46.4	40.4	53.1	63.5	68.3	46.8	46.3
No. of Families Below Food Threshold (1000)	3866	214	234	209	443	441	337	436	747	312	492
No of Farm Families (1000)	2085	3	167	155	203	207	223	180	413	212	322
No of Non-Farm Families (1000)	1781	211	66	55	241	234	115	257	334	100	170
Composition of Poverty, % of Total Poor Families:											
Total Poor Families	100.0	5.5	6.0	5.4	11.5	11.4	8.7	11.3	19.3	8.1	12.7
Poor Farm Families	53.8	0.1	4.3	4.0	5.2	5.4	5.8	4.6	10.7	5.5	8.3
Poor Non-Farm Families	46.1	5.5	1.7	1.4	6.2	6.0	3.0	6.6	8.6	2.6	4.4

Sources: Calculated from Family Income and Expenditures: 1971, The BCS Survey of Households Bulletin, Bureau of the Census and Statistics, Manila, Tables 4, 7, and 17. Food poverty threshold adapted from Ma. Alcestis S. Abrera, "Philippine Poverty Thresholds", in Mahar Mangahas, ed., Measuring Philippine Development, Development Academy of the Philippines, 1976, pp. 236-41. Regional food thresholds were calculated by averaging cost of living deflators developed by Abrera (p. 240) for urban and rural areas of each region, weighted by proportion of families in urban and rural areas of each region, and applying them to the Manila threshold value. This is consistent with Abrera's methodology in calculating national "other urban" and "rural" threshold values.

Table 13. Incidence and Composition of Poverty by Region, 1975

<u>Region</u>	<u>Total No. of Families (1000)</u>	<u>% Dis- tribu- tion of Total</u>	<u>Food Poverty Threshold (Pesos)</u>	<u>% of Families Below Threshold</u>	<u>No. of Families Below Threshold (1000)</u>	<u>% of Total Poor Families</u>
<u>Philippines</u>	<u>6859</u>	<u>100.0</u>		<u>64.3</u>	<u>4413</u>	<u>100.0</u>
Metro Manila	770	11.2	7123	57.6	444	10.1
I Ilocos	558	8.1	5093	64.5	360	8.2
II Cagayan Valley	329	4.8	5335	66.6	219	5.0
III Central Luzon	662	9.7	5392	61.0	404	9.1
IV S. Tagalog	888	12.9	5007	64.2	570	12.9
V Bicol	518	7.6	4694	71.1	368	8.3
VI W. Visayas <sup>1/</sup>	679	9.9	4965	65.0	441	10.0
VII C. Visayas <sup>1/</sup>	595	8.7	5356	56.5	336	7.6
VIII E. Visayas	441	6.4	5356	73.0	322	7.3
IX W. Mindanao <sup>2/</sup>	314	4.6	5150	73.9	232	5.3
X N. Mindanao	370	5.4	4437	72.5	268	6.1
XI S. Mindanao <sup>3/</sup>	433	6.3	5150	61.8	268	6.1
XII C. Mindanao <sup>3/</sup>	301	4.4	4794	60.2	181	4.1

<sup>1/</sup> Used to be part of Eastern Visayas

<sup>2/</sup> Used to be part of Southern Mindanao

<sup>3/</sup> Some provinces used to be part of Northern Mindanao and some from Southern Mindanao.

Sources: Calculated from "Family Income and Expenditures: 1975", Special Release No. 190, NCSO, March 1977. Food poverty threshold adapted from Ma. Alcestis S. Abrera, "Philippine Poverty Thresholds", in Mahar Mangahas, ed., *Measuring Philippine Development*, Development Academy of the Philippines, 1976. Regional food thresholds were calculated by averaging the cost of living deflators developed by Abrera for urban and rural areas of each region, weighted by the proportion of families in urban and rural areas in each region, and applying them to the 1975 Metro Manila threshold value.