

How does PSA Generate **Official Poverty Statistics**

WHO DEVELOPED THE CURRENT METHODOLOGY and COMPILES POVERTY STATISTICS?



Based on Executive Order no. 352 or the System of Designated Statistics, the then Technical Committee on Poverty Statistics (TC PovStat), a Committee coordinated by the PSA consisting of experts on poverty statistics, was tasked with the development/ formulation of the official poverty estimation methodology. Current methodology is based on NSCB Resolution no. 9 series of 2011.

The PSA Technical Staff is in charge with the compilation and estimation of the official poverty statistics based on the approved methodology.

Legal Basis for Estimation

WHO ARE THE POOR?

The poor are individuals and families whose income fall below the poverty threshold as defined by the NEDA and/or cannot afford in a sustained manner to provide their minimum basic needs on food, health, education, housing and other essential amenities of life. - Section 3 of Republic Act 8425 of 1997 (Social Reform & Poverty Alleviation Act)

WHY DOES PSA RELEASE POVERTY STATISTICS?

PSA releases poverty statistics to serve as a tool for decision making of the government and the private sector -(Executive Order 352)





- 3) Income Data

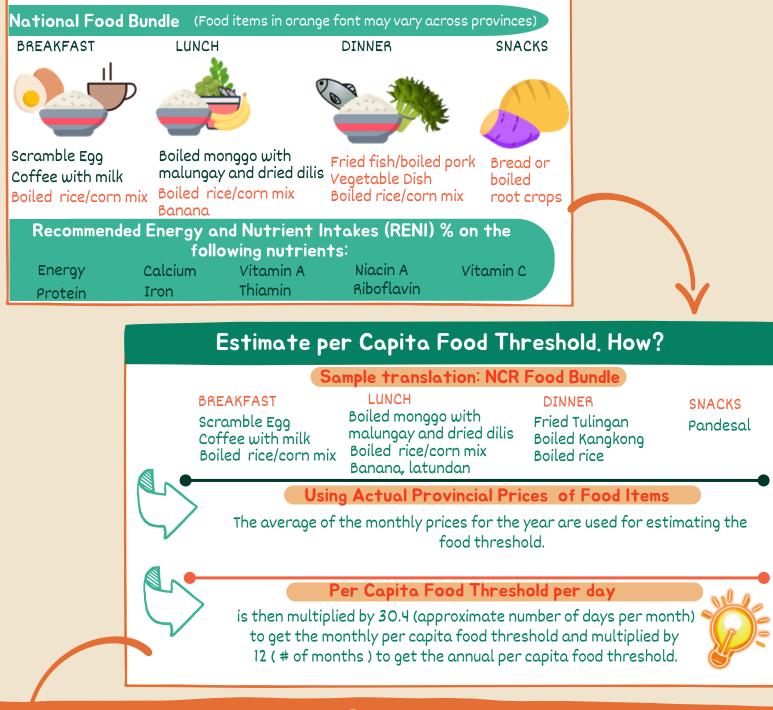
Source: Family Income and Expenditure Survey (FIES), PSA Once the inputs are available, the computation can be done in three major steps:

Estimate per Capita Food Threshold. How?

National food bundle was converted to Provincial food bundles taking into consideration the following criteria:

1. Must satisfy 100%Recommended Energy and Nutrient Intakes (RENI) for energy and protein (2000 kcal on average) and 80% RENI for other nutrients. 2. Food items in the bundle must be locally available and are eaten in the province.

- 3. Food items in the bundle must be low-cost in the province.
- 4. The food bundle must be visualizable, and can be cooked or eaten in the area.



PHILIPPINE STATISTICS AUTHORITY











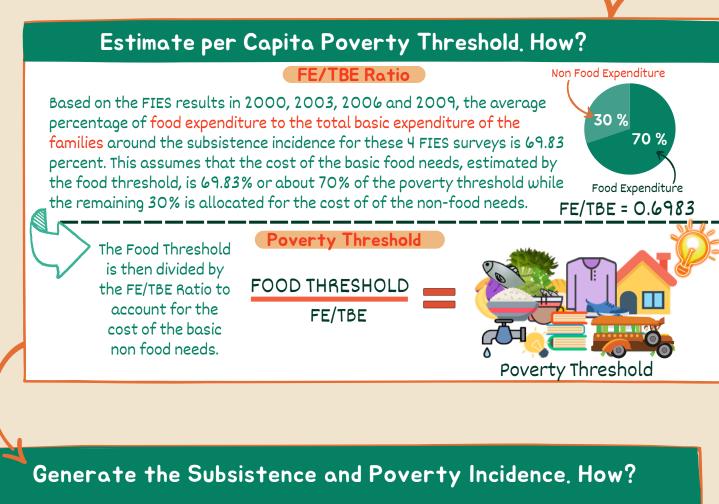
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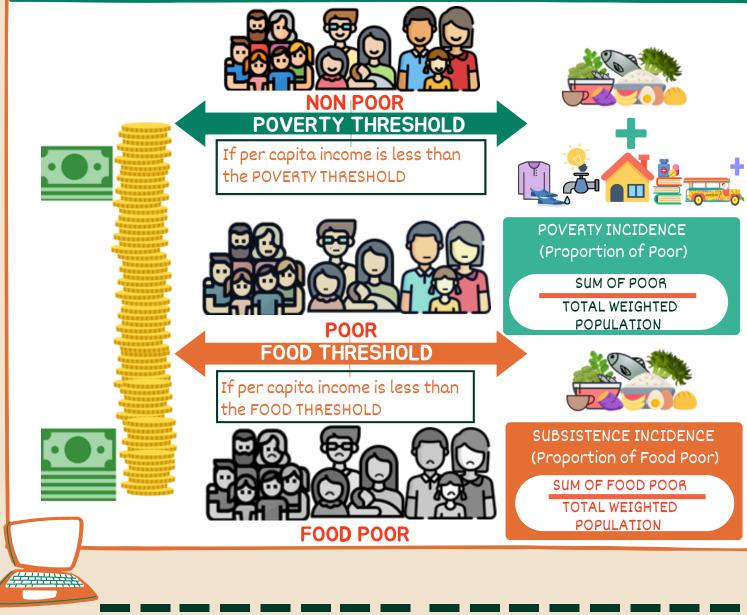
Estimate per Capita Poverty Threshold. How?



The non-food component of the poverty threshold is indirectly estimated using the average share of food expenditure to the total basic expenditure of families around the food threshold, and subsequently taking the ratio of the food threshold to this food share to obtain the poverty threshold.

Basic Non-Food Requirement includes: 1) clothing and footwear; 2) fuel, light and water; 3) housing maintenance and other minor repairs; 4) rental of occupied dwelling units; 5) medical care; 6) education; 7) transportation & communication; 8) non-durable furnishing; 9) household operations; and 10) personal care and effects. Recreation, tobacco and alcohol are excluded.







Notes:

1. The Official poverty statistics is available at the national, regional, provincial and highly urbanized cities. Poverty Statistics are available from the following link: (https://psa.gov.ph/poverty-pressrelease)



2. There is ongoing review for the official poverty estimation methodology following the provision in the resolution that the methodology should be reviewed every 10 years. (https:// psa.gov.ph/povertypress-releases/references)













