



# SPECIAL RELEASE

## 2021 FIRST SEMESTER POVERTY STATISTICS OF DAVAO ORIENTAL

Date of Release: 29 March 2022  
Reference No.: SR-1125-2022-001

### PhP11,490 needed to stay out of poverty

In the first semester of 2021, a family of five in Davao Oriental needed no less than PhP7,991, on average, to meet the family's basic food needs for a month or PhP266 per day. This amount is the food threshold which is 8.68 percent or PhP638 higher than the PhP7,353 food threshold recorded in 2018. On the other hand, no less than PhP11,490, on average, was needed to meet both basic food and non-food needs of a family of five in a month or PhP383 per day. This amount is the poverty threshold. This poverty threshold is 9.12 percent or PhP960 higher than the poverty thresholds from the first semester of 2018 which was PhP10,530. (Table 1)

**Table 1. FOOD AND POVERTY THRESHOLD**

Davao Oriental, First Semester 2018<sup>u</sup> and 2021 (in PhP)

Statistics	First Semester		2018 and 2021 Difference (%)
	2018 <sup>u</sup>	2021	
<b>Food Threshold</b>			
<i>Per Capita</i>			8.68
Semester	8,823	9,589	
Monthly	1,471	1,598	
Daily	49	53	
<i>Family of Five</i>			
Semester	44,115	47,945	
Monthly	7,353	7,991	
Daily	245	266	
<b>Poverty Threshold</b>			
<i>Per Capita</i>			9.12
Semester	12,636	13,788	
Monthly	2,106	2,298	
Daily	70	77	
<i>Family of Five</i>			
Semester	63,180	68,940	
Monthly	10,530	11,490	
Daily	351	383	

<sup>u</sup> = updated. Back estimation of the 2018 first semester poverty statistics was made due to the adoption of the 2015 Census of Population (POPCEN) results for the weights used in the Family Income and Expenditure Survey (FIES) and the urban-rural classification of barangays

Food threshold is the minimum income required to meet the basic food needs, satisfying 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 subsistence of poverty.

Poverty threshold, on the other hand, 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.

### Poor families in Davao Oriental were estimated at 36,274

Poverty incidence among families is defined as the proportion of families whose income is below the poverty line to the total number of families.

Poverty incidence among families in Davao Oriental during the first semester of 2021 was estimated at 24.5 percent. This means that 36,274 of the total number of families in the province have a monthly income below the poverty threshold of PhP11,490. This was estimated at 32.6 percent in the same period in 2018. The number of poor families in the province was at 46,788 in 2018. (Table 2)

**Table 2. POVERTY INCIDENCE AMONG FAMILIES**

Davao Oriental, First Semester 2018<sup>U</sup> and 2021

First Semester	Poverty Incidence (in percent)	Coefficient of Variation	Number of Families (in thousands)	Coefficient of Variation
2021	24.5	8.8	36.27	9.4
2018 <sup>U</sup>	32.6	6.6	46.79	7.0

On the other hand, poverty incidence among individuals is referred to as the proportion of the population living below the poverty line to the total population.

The poverty incidence among individuals in Davao Oriental in the first semester of 2021 was estimated at 32.7 percent. This means that 199,017 of the total population of the province have a income below the per capita poverty threshold of PhP13,788. During the same period in 2018, poverty incidence among population in Davao Oriental was recorded at 42.0 percent. (Table 3)

**Table 3. POVERTY INCIDENCE AMONG INDIVIDUALS**

Davao Oriental, First Semester 2018<sup>U</sup> and 2021

First Semester	Poverty Incidence (in percent)	Coefficient of Variation	Number of Individuals (in thousands)	Coefficient of Variation
2021	32.7	7.8	199.02	9.6
2018 <sup>U</sup>	42.0	6.2	138.79	7.5

### Food poor families decreased at 8.7 percent

Subsistence incidence among families is the proportion of Filipino families whose incomes fall below the food threshold.

The subsistence incidence among families in the province was estimated at 8.7 percent in the first semester of 2021. This means that 12,860 families in the province have a monthly income below the food threshold of PhP7,991. In the same period in 2018, the proportion of families who were food poor was higher at 11.5 percent or 16,529 families. (Table 4)

**Table 4. SUBSISTENCE INCIDENCE AMONG FAMILIES**

Davao Oriental, First Semester 2018<sup>U</sup> and 2021

First Semester	Subsistence Incidence (in percent)	Coefficient of Variation	Number of Families (in thousands)	Coefficient of Variation
2021	8.7	14.5	12.86	14.6
2018 <sup>U</sup>	11.5	11.1	16.53	11.1

Subsistence incidence among individuals, on the other hand, refers to the proportion of Filipinos whose incomes fall below the food threshold.

Among individuals in the province, subsistence was estimated at 12.6 percent in the first semester of 2021. This means that 76,412 of the total population of the province have an income below the per capita food threshold of PhP9,589 for the first semester of 2021. In the same period of 2018, 16.6 percent or 54,754 of the total population were food poor. (Table 5)

**Table 5. SUBSISTENCE INCIDENCE AMONG INDIVIDUALS**

Davao Oriental, First Semester 2018<sup>U</sup> and 2021

First Semester	Subsistence Incidence (in percent)	Coefficient of Variation	Number of Individuals (in thousands)	Coefficient of Variation
2021	12.6	15.0	76.41	15.8
2018 <sup>U</sup>	16.6	11.1	54.75	11.6

### 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 2021, on average, incomes of poor families were short by 24.5 percent of the poverty threshold. This implies that a poor family with five members needs an additional monthly income of about PhP2,815 to move out of poverty in 2021. This can serve as useful reference especially in determining the necessary budget to eradicate poverty in the province.

During the same period in 2018, this was estimated at 25.3 percent or an additional income of PhP2,664.

On the other hand, the poverty gap in the province was estimated at 6.0 percent in the first semester of 2021. During the same period in 2018, the poverty gap was 8.2 percent. This means that each family has income shortfall of 6.0 percent of the poverty threshold to eliminate poverty. This can also be translated to a total cash transfer of PhP689 for a family of five in a month, on average, to move everyone out of poverty.

The income gap, poverty gap and severity of poverty improved from the first semester of 2018 to the same period in 2021. The income gap, poverty gap and severity of poverty decreased by -0.7, -2.2, and 0.8 percentage points, respectively.

**Table 6. INCOME GAP, POVERTY GAP AND SEVERITY OF POVERTY (%)**

Davao Oriental, First Semester 2018<sup>U</sup> and 2021

Statistics	First Semester		Change
	2018 <sup>U</sup>	2021	
Income Gap	25.3	24.5	-0.7
Poverty Gap	8.2	6.0	-2.2
Severity of Poverty	2.9	2.1	-0.8

Approved for Release:

  
**ROGELIO T. LEBRIA**  
 Chief Statistical Specialist

## TECHNICAL NOTES

### Estimation of Poverty Threshold

- a) As common practice in most countries, the non-food component is measured indirectly due to the difficulty of determining the required bundle for the non-food items.
- b) To ensure comparability across space and over time, the ratio of food expenditures (FE) to total basic expenditures (TBE) of a reference family (families whose per capita income is around the food threshold) is held constant for a certain period. The average of the nationally determined FE/TBE ratio from the FIES in 2000, 2003, 2006 and 2009, which is equivalent to 0.6983, has been used since 2009 and will still be used until 2021.
- c) Sources of data:
  - Family Income and Expenditure Survey, visit 1 conducted in July 2021. The total completed samples was 174,007 families spread across 117 sampling domains around the country. This large sample size can provide reliable estimates at the national level and disaggregation by regional, provincial and highly urbanized cities.

### Estimation of Poverty Incidence

- Given the provincial urban-rural poverty threshold, the poverty incidence is computed as:

$$P = \frac{Q}{n} * 100$$

where:

Q = weighted total number of families (individuals) with semestral per capita income less than the semestral per capita poverty threshold/line  
 n = weighted total number of families (individuals)

### Estimation of Food Threshold

- a) The use of a national reference food bundle as starting point – to enhance comparability across space.
- b) The national reference food bundle was converted to province-specific food bundles, which were used to estimate the provincial food thresholds. These provincial food bundles were formulated by nutritionists from the Food and Nutrition Research Institute and were subjected to the Test of Revealed Preferences such that the food bundle of a province will have the cheapest cost in comparison with the bundles of other provinces. The provincial food bundles have the following characteristics:
  - Nutritionally adequate, i.e., it satisfies the 100% Recommended Energy and Nutrient Intakes (RENI) for energy and protein and 80% RENI for other vitamins and minerals;

- Food items in the food bundle are locally available and eaten in the area (in the province);
- Least cost in the province; and
- Visualizable (i.e., can be cooked together and fit for human consumption).

c) Sources of data:

- Provincial food bundles developed by FNRI
- Retail price surveys for the actual prices of agricultural and non-agricultural commodities, by province from PSA
- Proportion of food bought and own-produced components from the Food Consumption Survey, FNRI

### Estimation of Subsistence Incidence

- Given the provincial urban-rural food threshold, the subsistence incidence is computed as:

$$S = \left(\frac{F}{n}\right) * 100$$

where:

F = weighted total number of families (individuals) with semestral per capita income less than the provincial urban-rural semestral per capita food threshold/line

n = weighted total number of families (individuals) in the province