

Impacts of COVID-19 on Households in the Philippines

Results from the Philippines COVID-19 Households Survey

Round 1 - August 2020

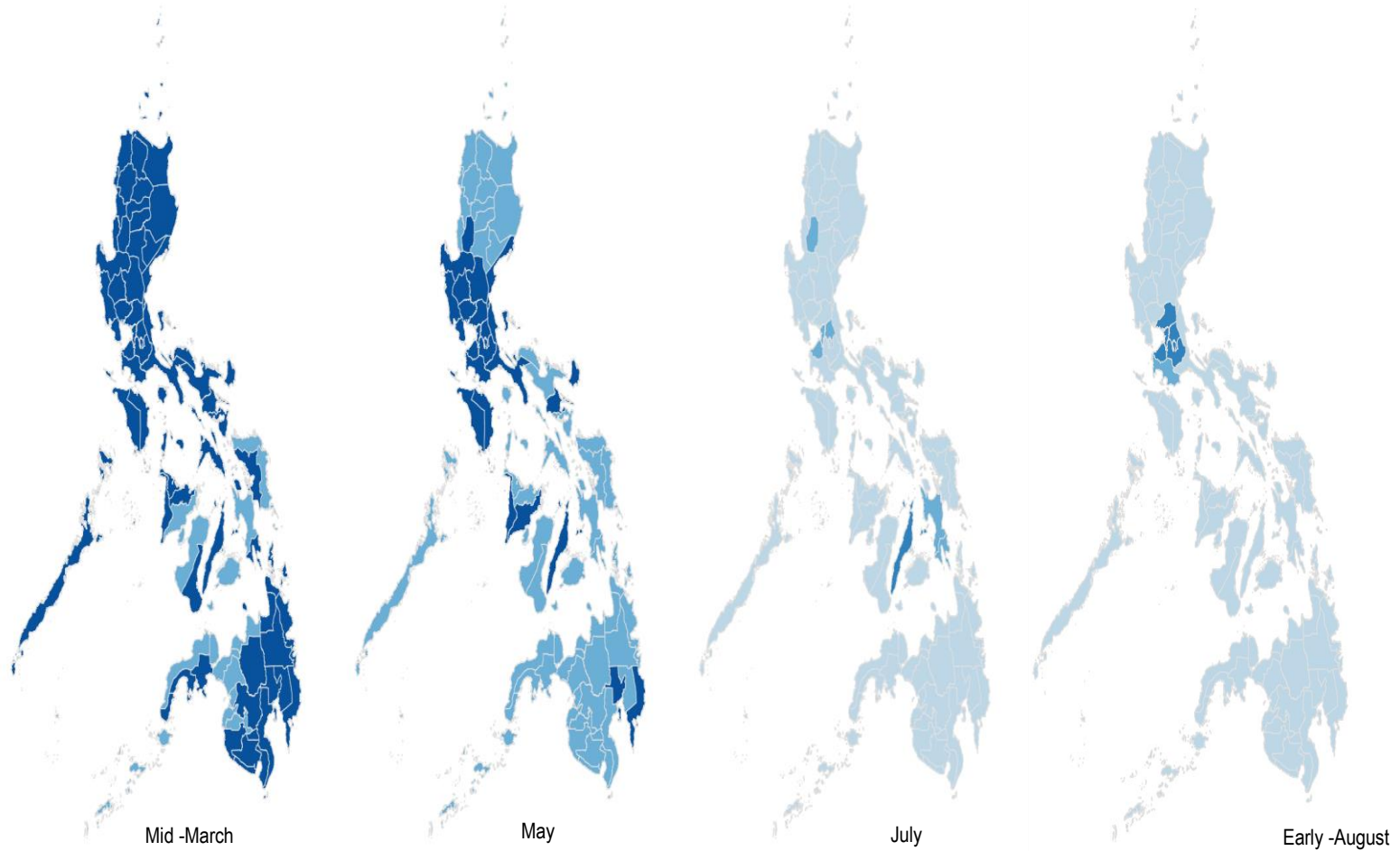


Background

The Philippines reported the first COVID-19 case on January 31, 2020 and by March the virus spread to contaminate over 2,000 people.

The Government imposed strict community quarantine measures by mid-March 2020 to contain the outbreak.

- Enhanced Community Quarantine (ECQ) areas
- Modified Enhance Community Quarantine (MECQ) areas
- General Community Quarantine (GCQ) areas
- Modified General Community Quarantine (MGCQ) areas



Source: Republic of the Philippines Inter-Agency Task Force (IATF) on the Management of Emerging Infectious Diseases

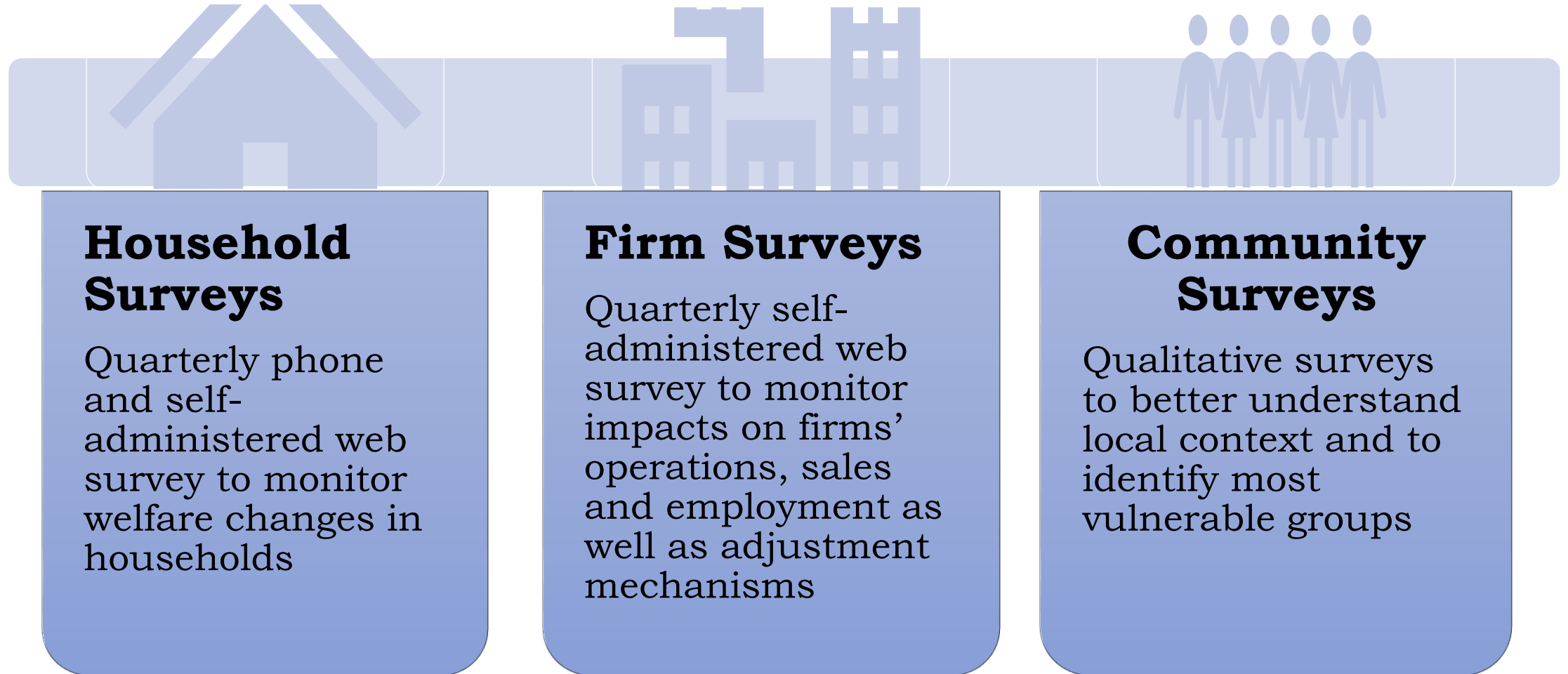
Background

- The economy contracted by 9 percent in the first half of 2020 due to COVID-19 quarantine measures.
- Private consumption is expected to shrink in 2020 by 6.9* percent due to income losses, poor consumer confidence, and slow recovery in economic activities.
- Unemployment attained 17.5 percent in April 2020, triple its level in the previous quarter.
- Despite the government's efforts to mitigate the negative effects of the pandemic on poor and vulnerable households, the outbreak and containment measures are likely to have severely affected households' livelihoods.
- Up-to-date evidence is required to assess these effects and inform policies to protect vulnerable populations.

* Projections as of October 2020



Philippines Real Time Monitoring of COVID-19 Impacts



Implemented by the World Bank in collaboration with the Department of Finance (DOF) and the National Economic and Development Authority (NEDA) and support from the Australian Government.

Highlights (1)



Employment

- One in four household heads (who used to work) no longer works.
- Unemployment hit the construction sector the most (**31%** experiencing employment loss), followed by accommodation and food services (26%) and trades (25%).
- The highest rate of job losses were in Luzon Regions.
- Over half of those who continued working experienced disruptions.

Income & Livelihood

- Share of households experiencing decreases in incomes were similar across all income groups.
 - Overall, among households' heads still working, about **47%** have experienced reduced income.
 - About **65%** of farm and nonfarm businesses experienced a decline in their revenues.
- However, the share of households earning no income at all was higher for poorer households.
 - Share reporting no income was 15% among households in the lowest income quintile vs. 5% among those in the highest quintile.
- About 24% of households reported receiving remittances prior to COVID-19, but **60%** of them have received less or no remittances since the pandemic.

Highlights (2)

COVID-19 &
FOOD SECURITY



Health

Food Security

- About **40%** of households were unable to buy essential food products.
- Households in the poorest quintile were the most severely affected—— **54%** compared with **26%** in the richest group.
- Lack of money and mobility restrictions were among the main reasons constraining households' capacity to buy food.
- About **three in four** households worry about not having enough food and one in three experienced hunger.
- Around **37%** of households in the poorest quintile were hungry and **18%** went without eating a whole day.

Health & Education

- **One in three** households who needed medical support were not able to obtain it.
- Lack of money and fear of contamination were the main obstacles.
- Only **20%** of school aged children continued to be engaged in school learning activities during the pandemic.
- This drops to **11%** among the poorest quintile compared with **34%** for the richest one.
- About **81%** of households will send back their children to school when school re-opens.

Highlights (3)



Access to Financial services

- Very few households faced difficulties in accessing financial services.
- Difficulties were essentially related to mobility restrictions and fear to contract the virus.

Knowledge & Behavior

- Most households are aware of the pandemic and government actions.
- Most households adopt prevention measures.

Safety nets

- **Three in four households received assistance from the government (cash, food, and non-food).** The coverage for the poorest quintile households reached nearly 90%, though about 60% of those in the richest quintile also benefited.

Coping mechanisms

- **Reducing food consumption** was most common (75%) followed by delaying payment obligations (60%).
- **There was a huge difference in coping mechanisms by income group:** poorer households rely on reducing food consumption and borrowing from family/friends vs. richer households drawing down savings and taking formal credits.

Survey

01

The Philippines COVID-19 Household Survey

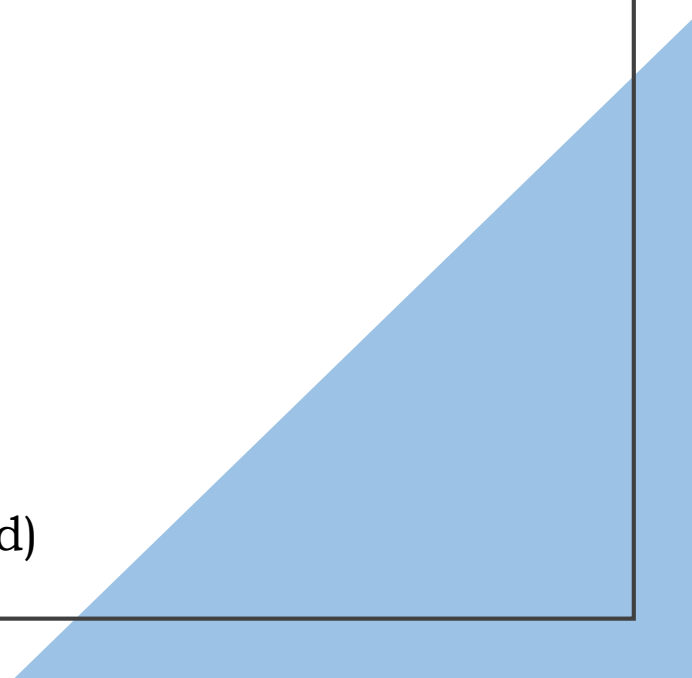
- **Fieldwork**

- August 1 – 14, 2020

- **Implementation**

- Self-administered online survey – respondents received notifications through text blast and social media ads
- Phone survey - specifically targeted to lower income households from an existing list of the partner survey firm

- **Questionnaire**

- Demographics and housing characteristics
 - Knowledge of COVID-19 (awareness and behavior)
 - Government action
 - Access to transportation
 - Access to food
 - Access to health services
 - Access to education
 - Access to finances
 - Employment & income sources (respondent and household head)
 - Coping and safety nets
- 

The Philippines COVID-19 Household Survey

- **Sample and representativeness:**
 - 26,953 respondents (CAWI: 24,391, CATI: 2,562) in urban/rural and across all regions
 - 9,448 final sample used in analysis due to non-response in key indicators to identify location in the income distribution and reweighting calculations
 - Sample weights computed based on Family Income and Expenditure Survey 2018 of the Philippine Statistics Authority

- **Implementation plan**



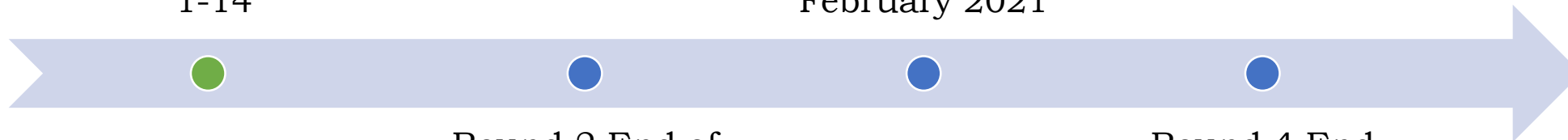
Round 1 August

1-14

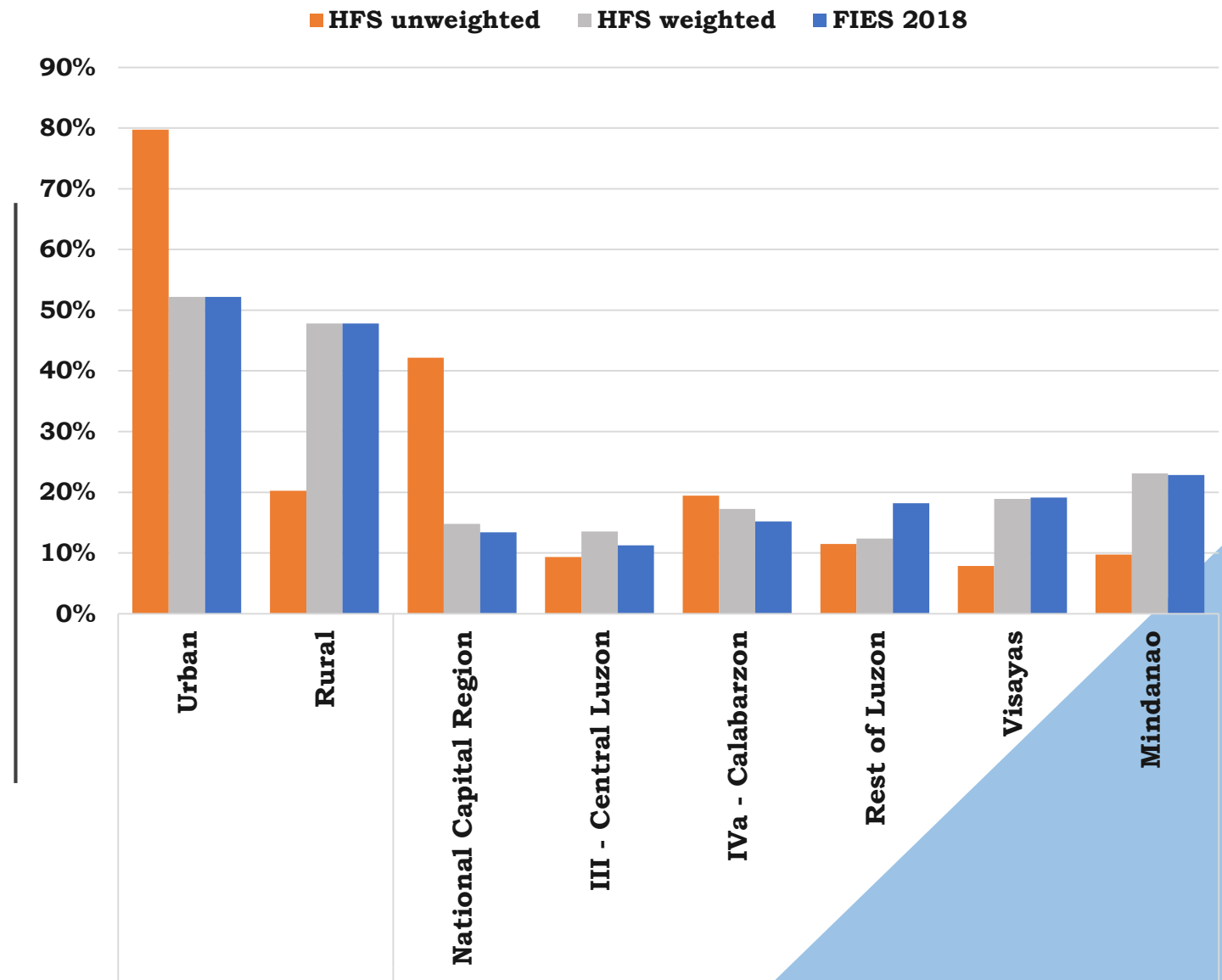
Round 3 Early
February 2021

Round 2 End of
November 2020

Round 4 End
April 2021

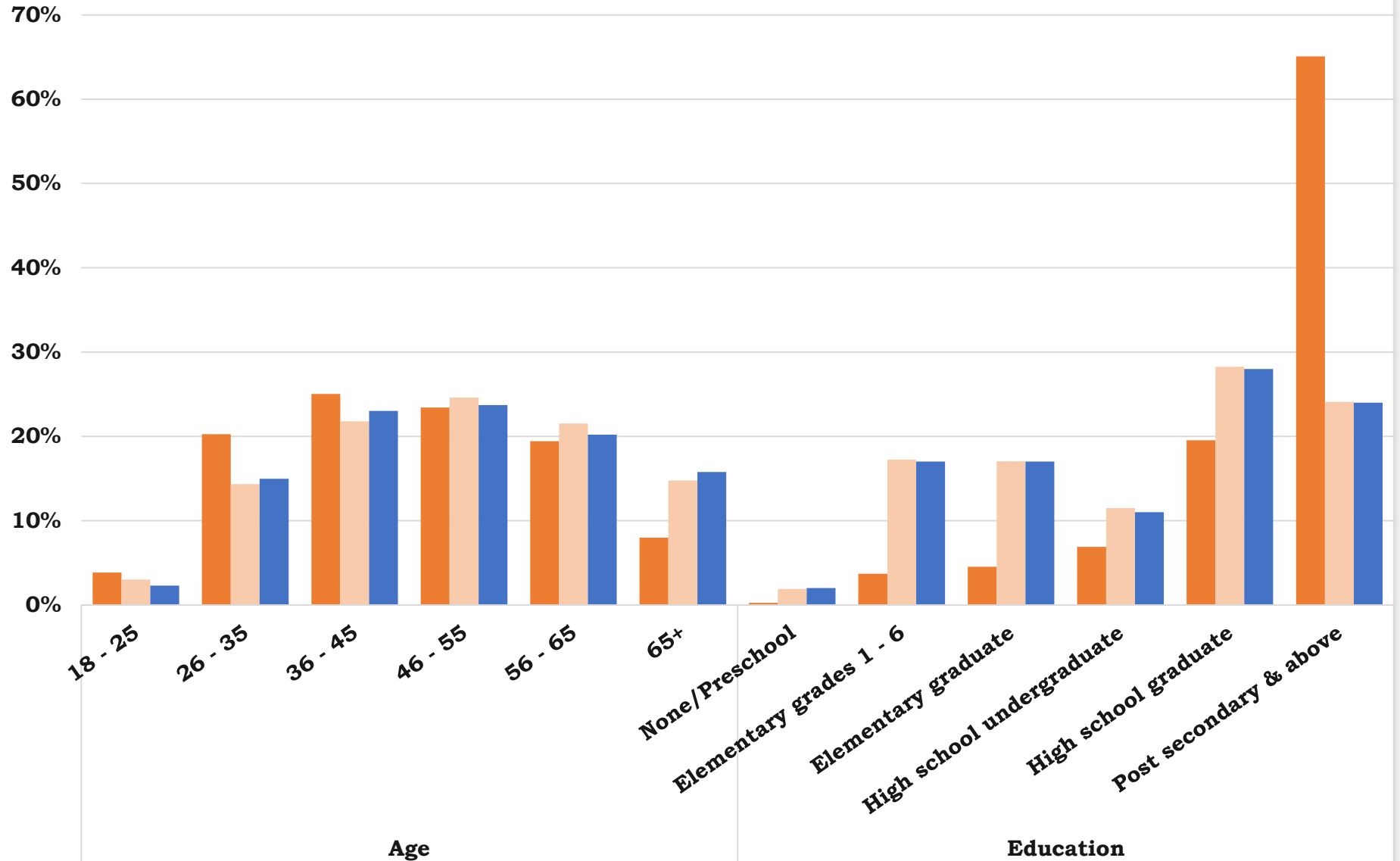


Sample distribution of the FIES 2018 and HFS is similar



Note: FIES is the Family Income and Expenditure Survey, which is used to estimate official poverty statistics.

HFS unweighted HFS weighted FIES 2018

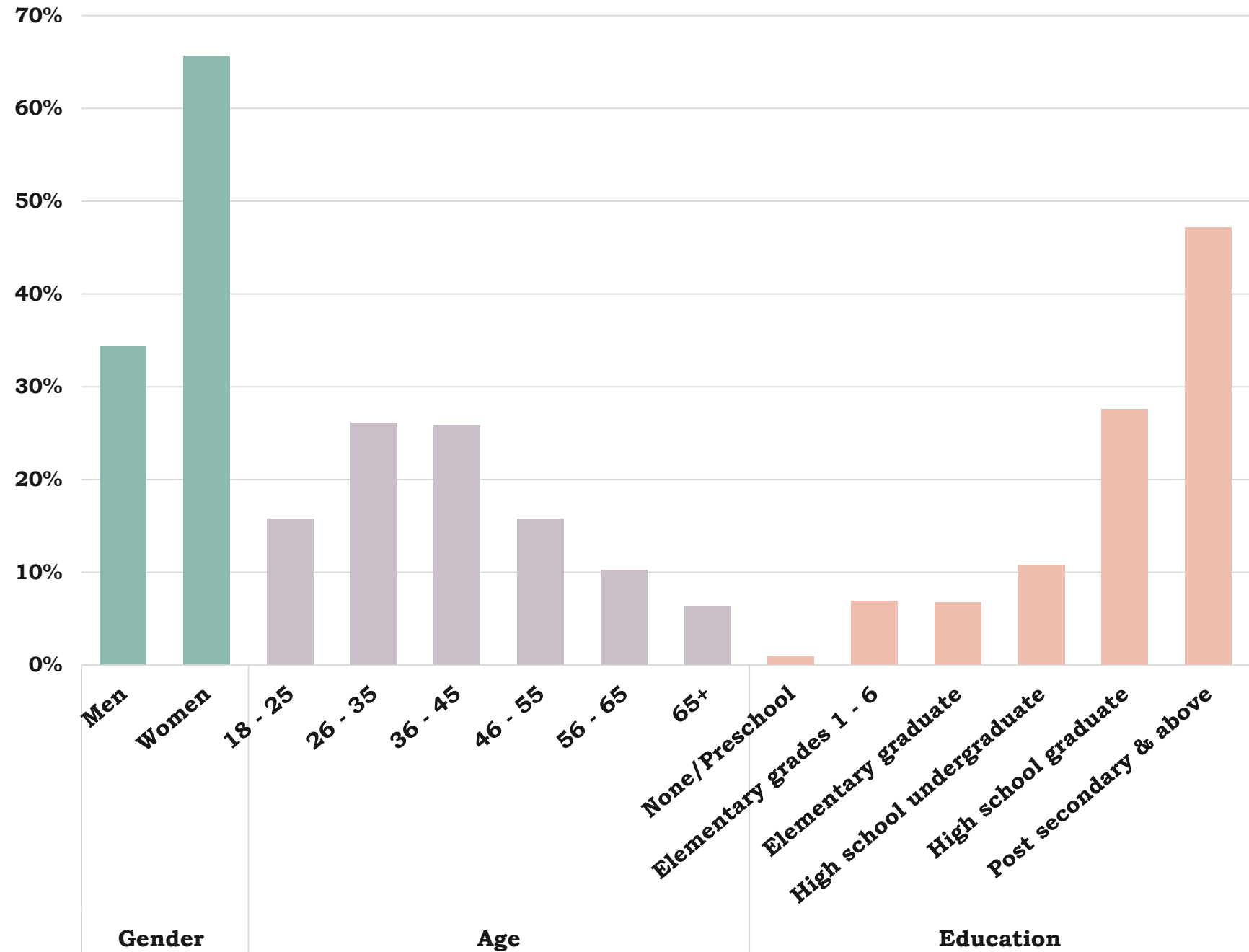


... even in characteristics of household head

Demography

02

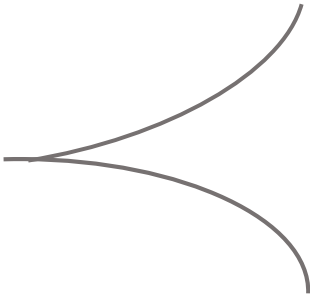
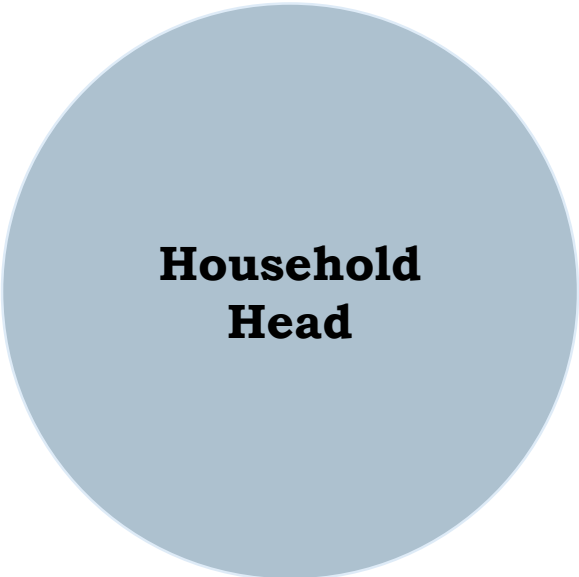
Demographic profile of respondents



Employment & Income

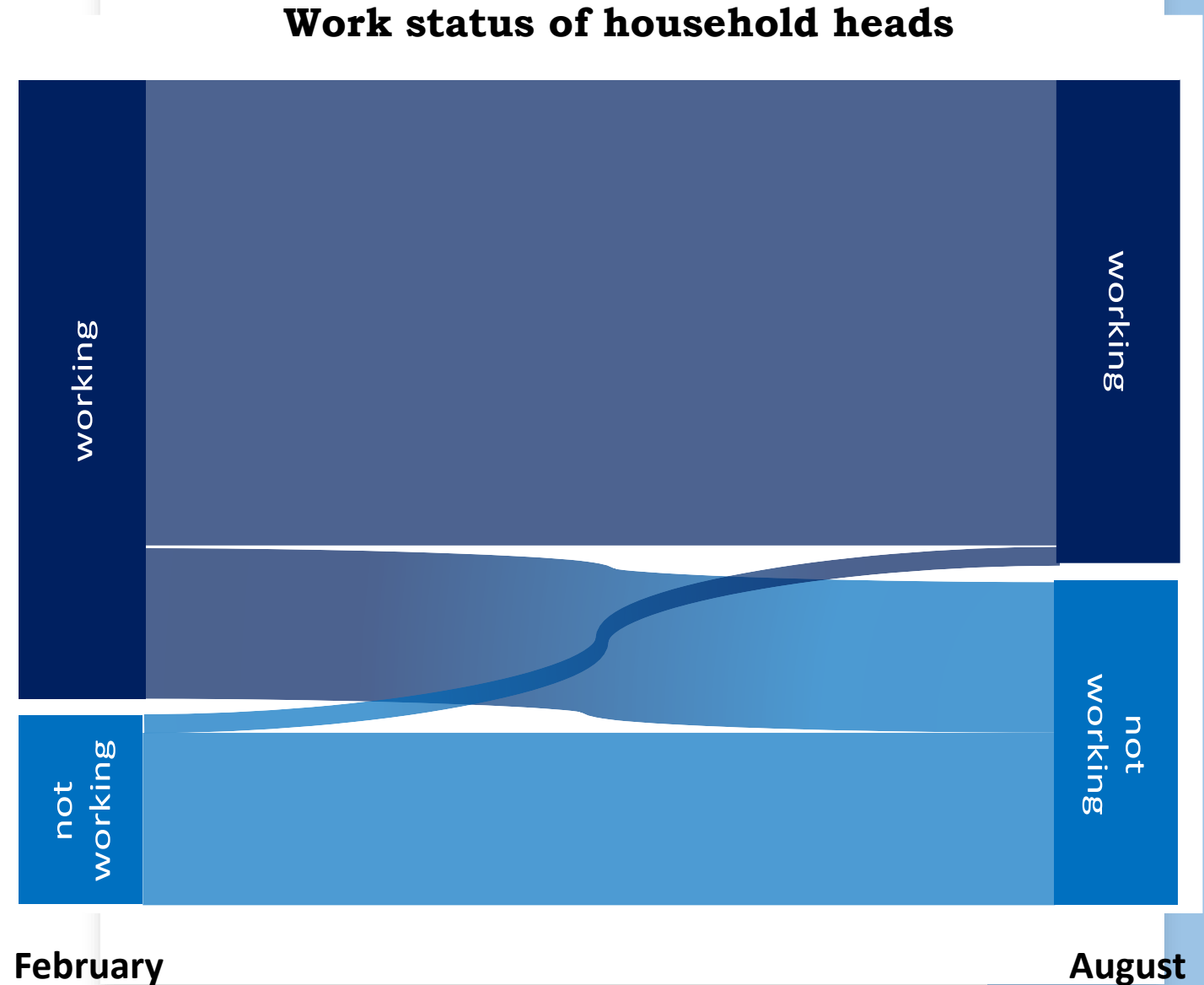
03

One in four household heads who were employed in early 2020 are no longer working



Around 75% of household heads were engaged in any type of work in February 2020

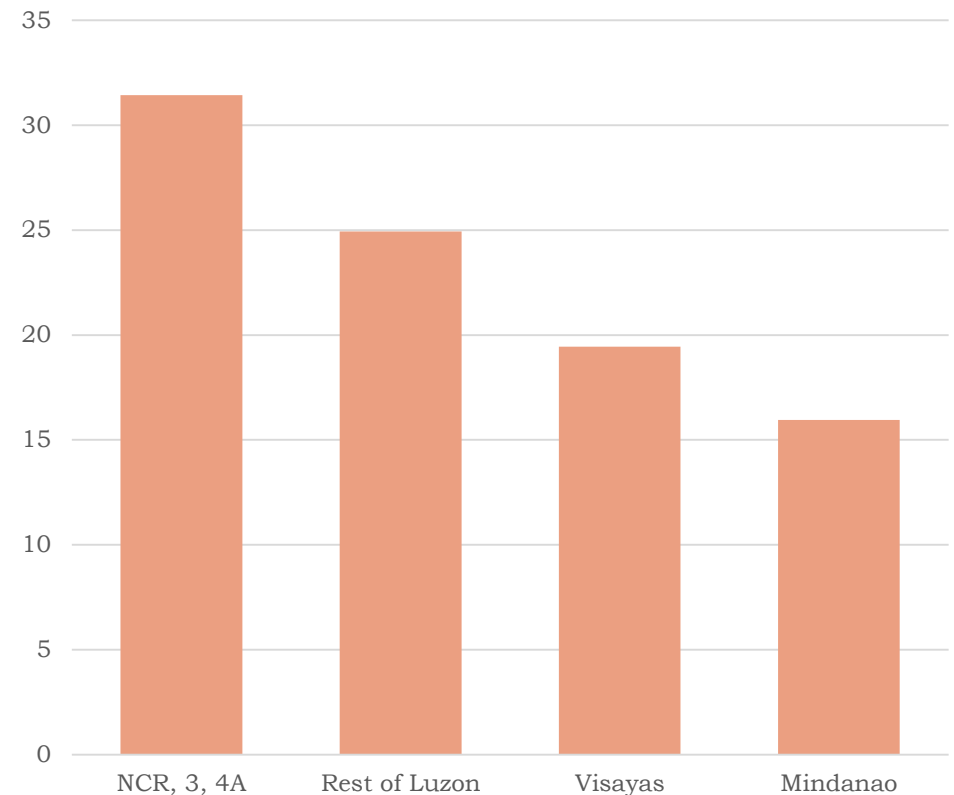
- This declined to 60% in August.
- Forced closure of business (due to quarantine restrictions or other reasons) caused 43% of the job losses.



Regions in Luzon experienced more job losses than in other areas

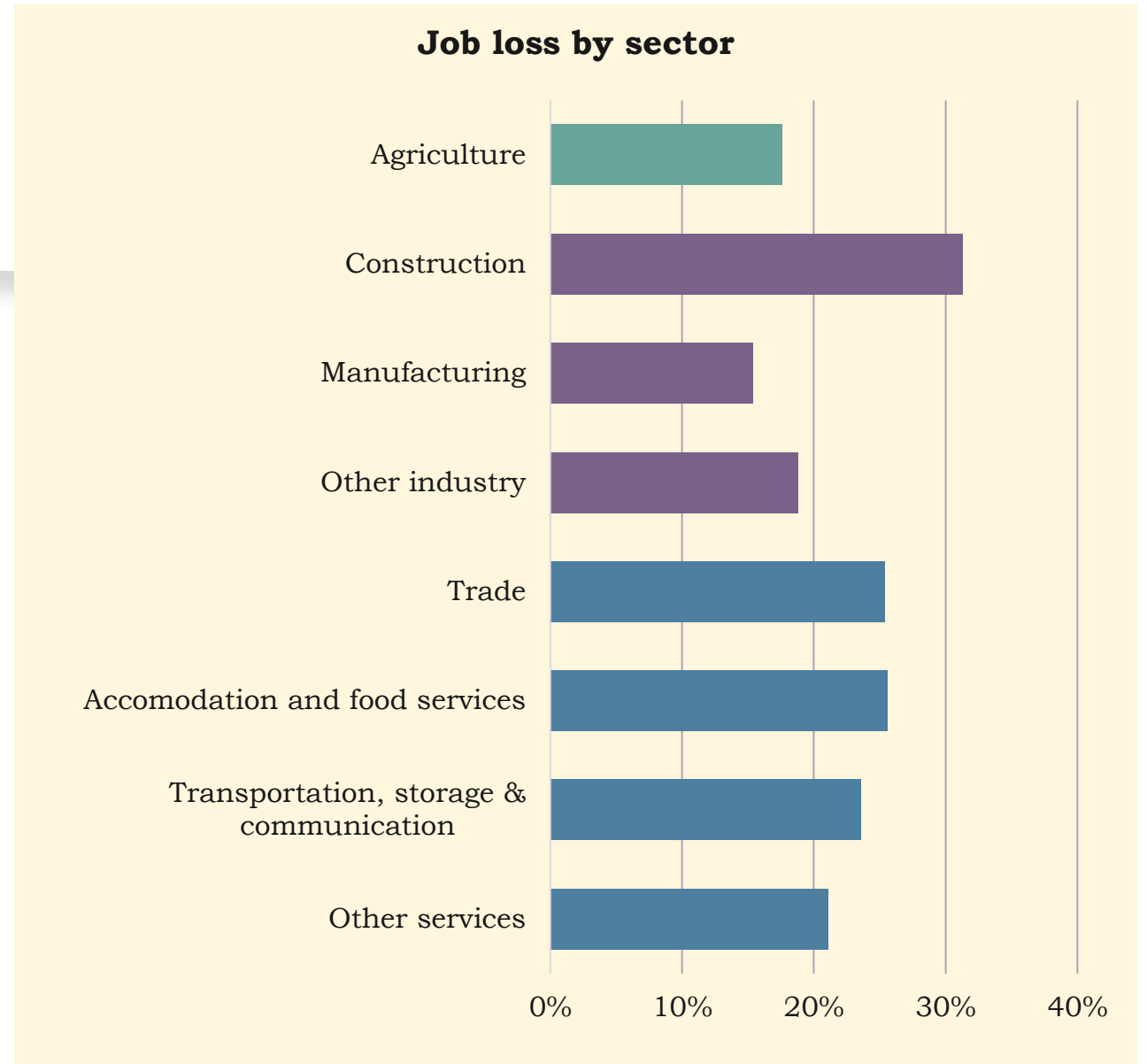
- About 31% of household heads in the National Capital Region and neighboring Regions III and IV-A who were working in February lost their jobs.
- These are the areas with high COVID-19 cases.
- Job losses were similar in urban and rural areas.

Percentage of employed heads who are no longer working in August (%)



Industry and services were the most affected sectors

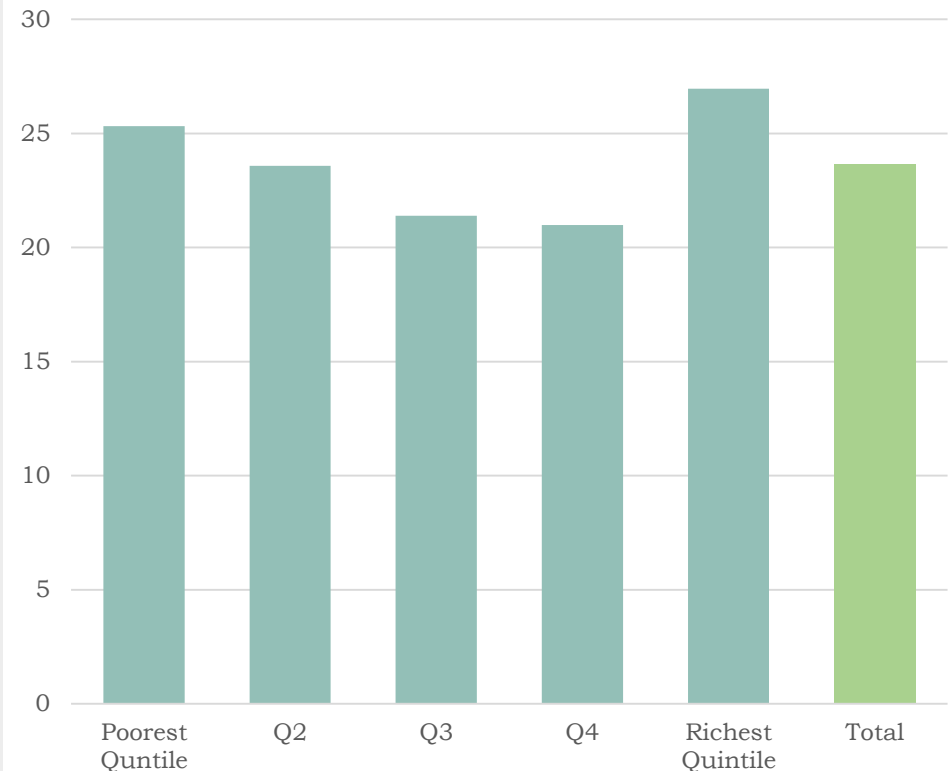
- About 28% of household heads who were working in industry and 23% of those working in services lost their jobs, compared with 18% for agriculture.
- Sectors that shed jobs the most are construction (31%), accommodation & food services (26%) and trade (25%)



Job loss was experienced across all income groups

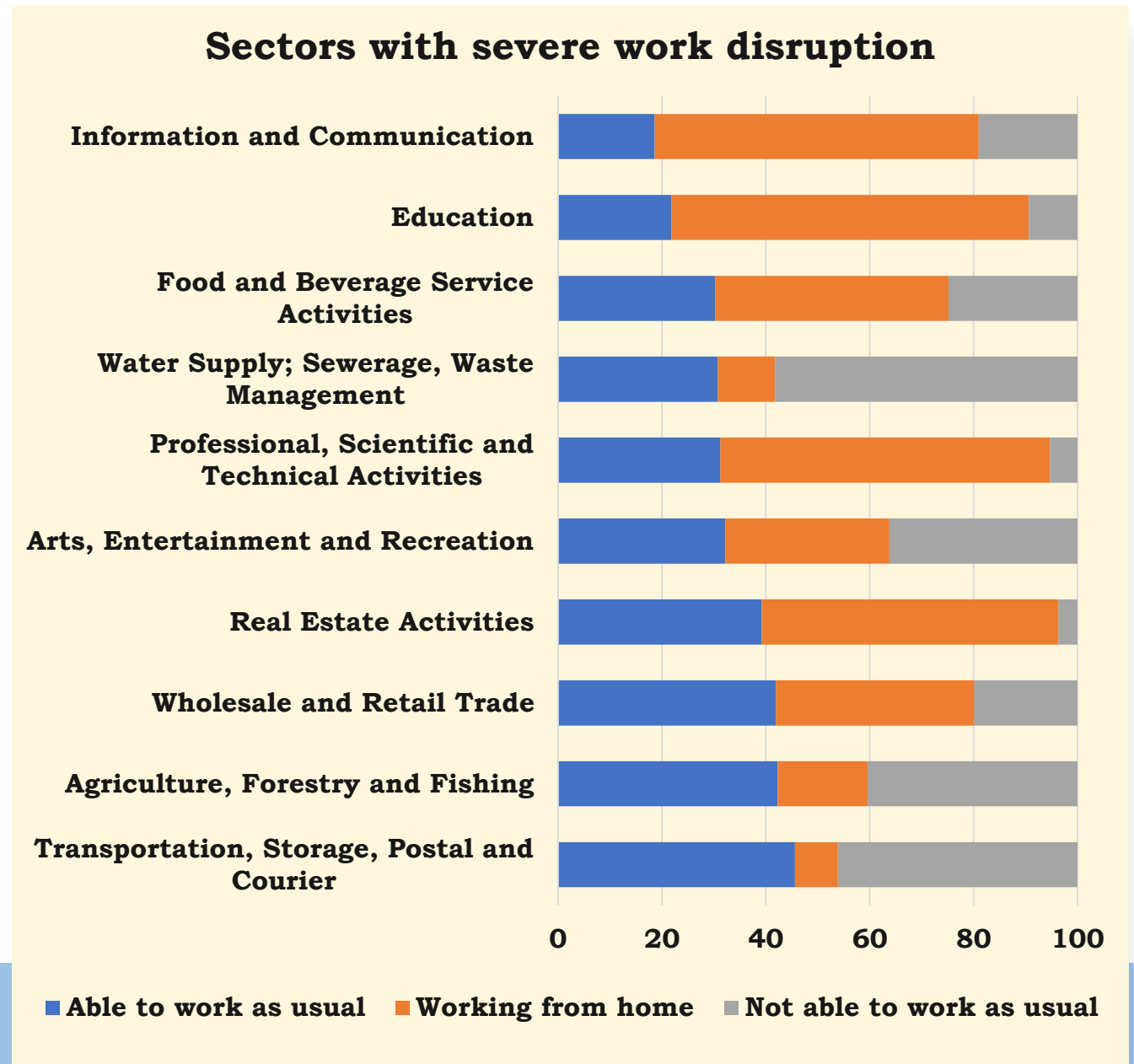
- Job losses were slightly higher among the richest income quintile than the poorer ones.
- This is because poorer households are more prevalently employed in agriculture, which was less affected by the COVID-19 related restrictions.
- Most of those in the 3rd and 4th quintile work in services sector that were able to adjust to home-based work.

Job losses by income quintiles (%)

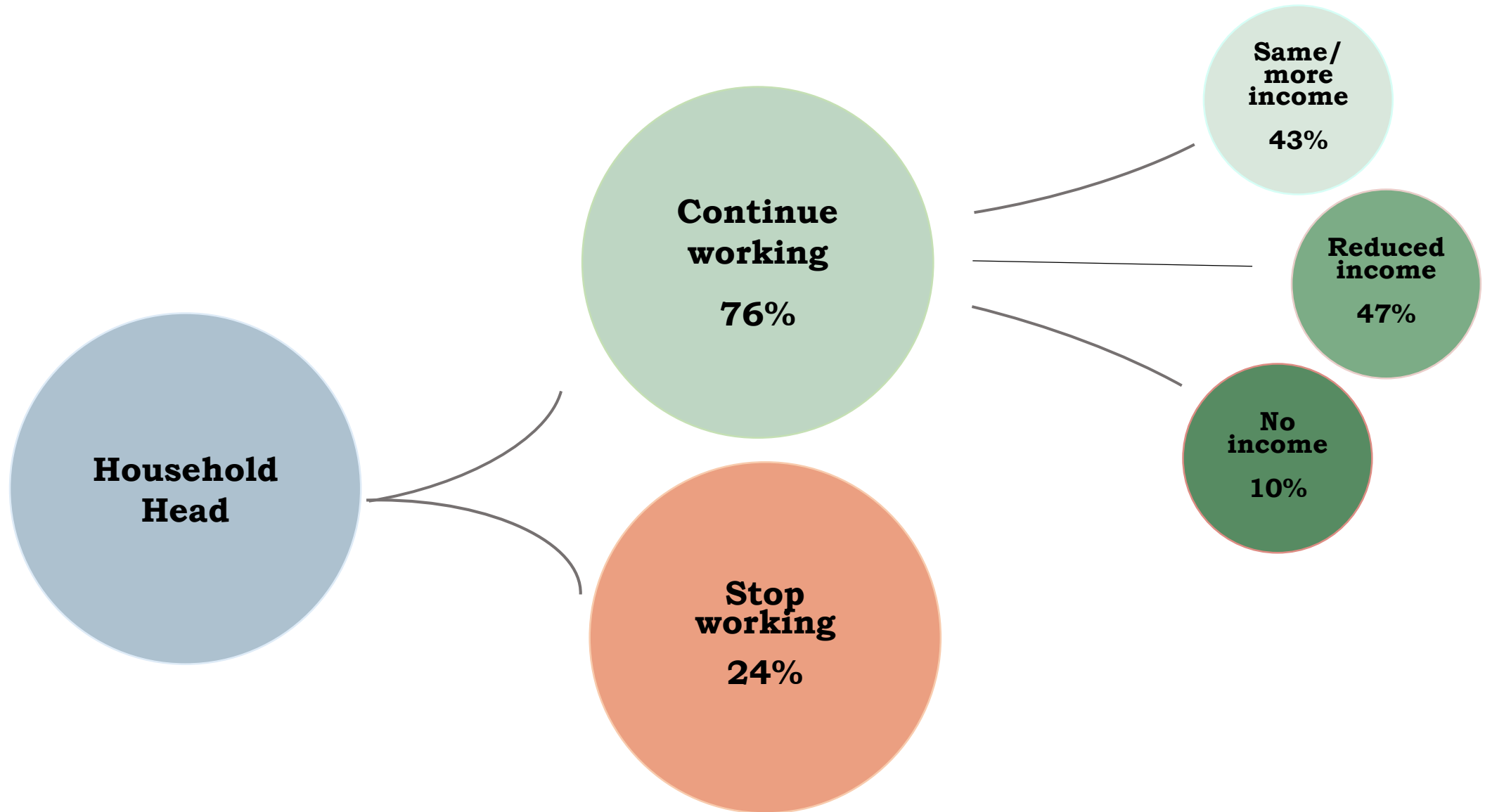


The Pandemic caused severe work disruptions

- About 52% of those working in August were not able to work as usual.
- Some sectors in services — ICT, education and technical activities— enabled more home-based work.
- Other sectors in industry, transport and farming faced severe disruptions.
- About 12% of those who continued to work changed jobs.

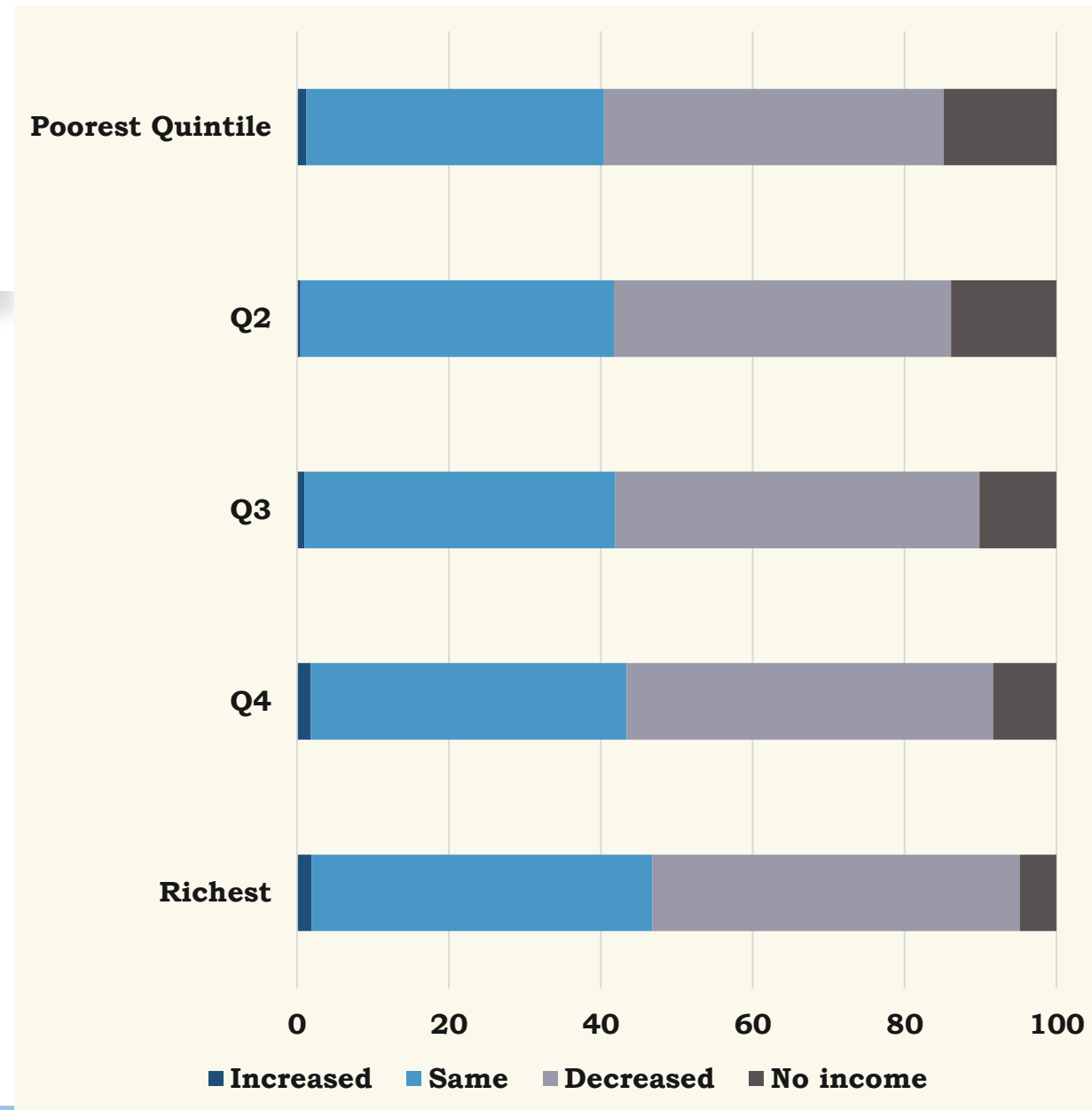


Working household heads experienced income losses



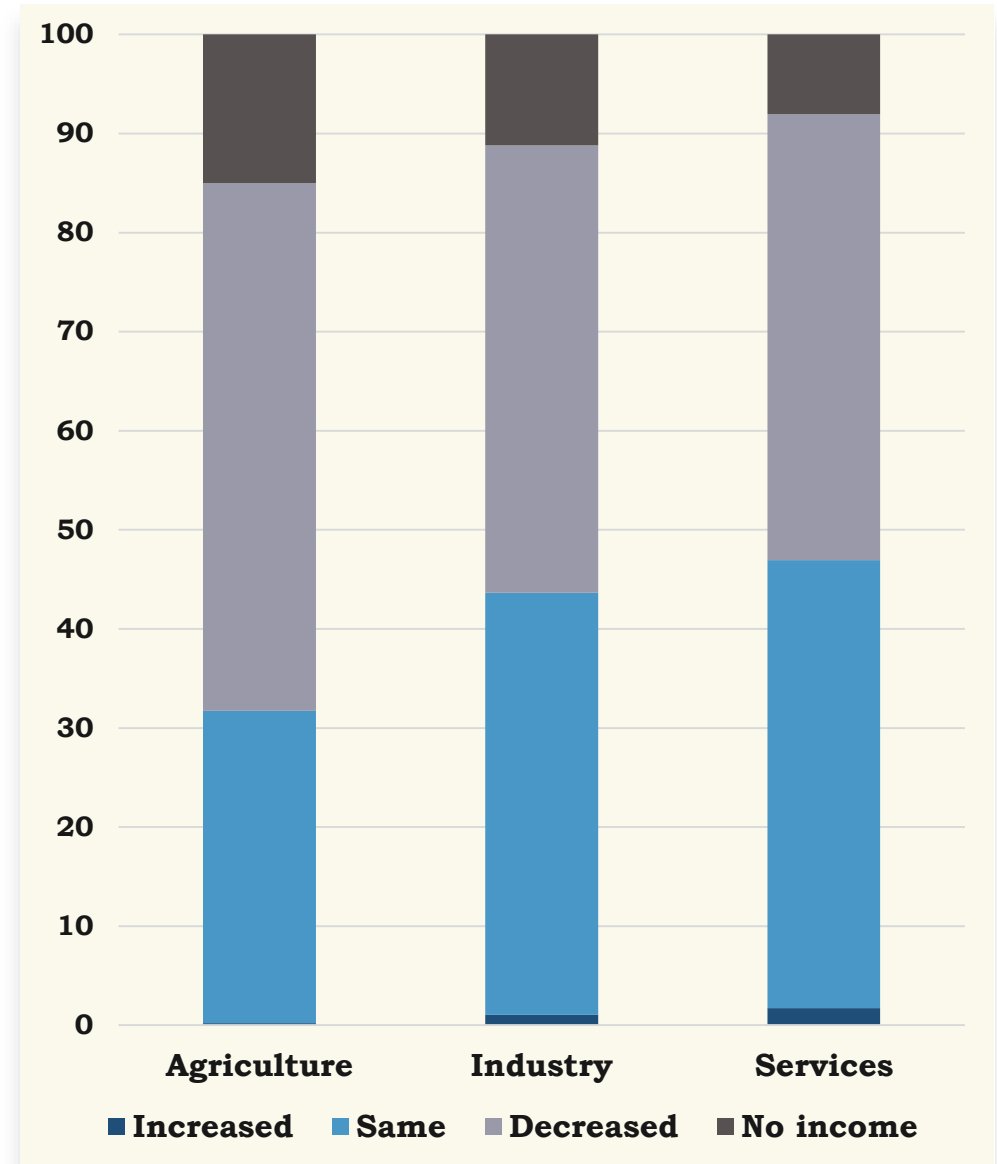
Poorer households experienced more reduction in incomes

- Nearly half of household heads in the richest quintile saw their earnings increase or remain the same compared with 40% of those in the poorest group.
- Around 15% of working household heads in the poorest group did not have any income, but it remains unclear whether this is because they are in unpaid occupations or if their employer could not pay them.



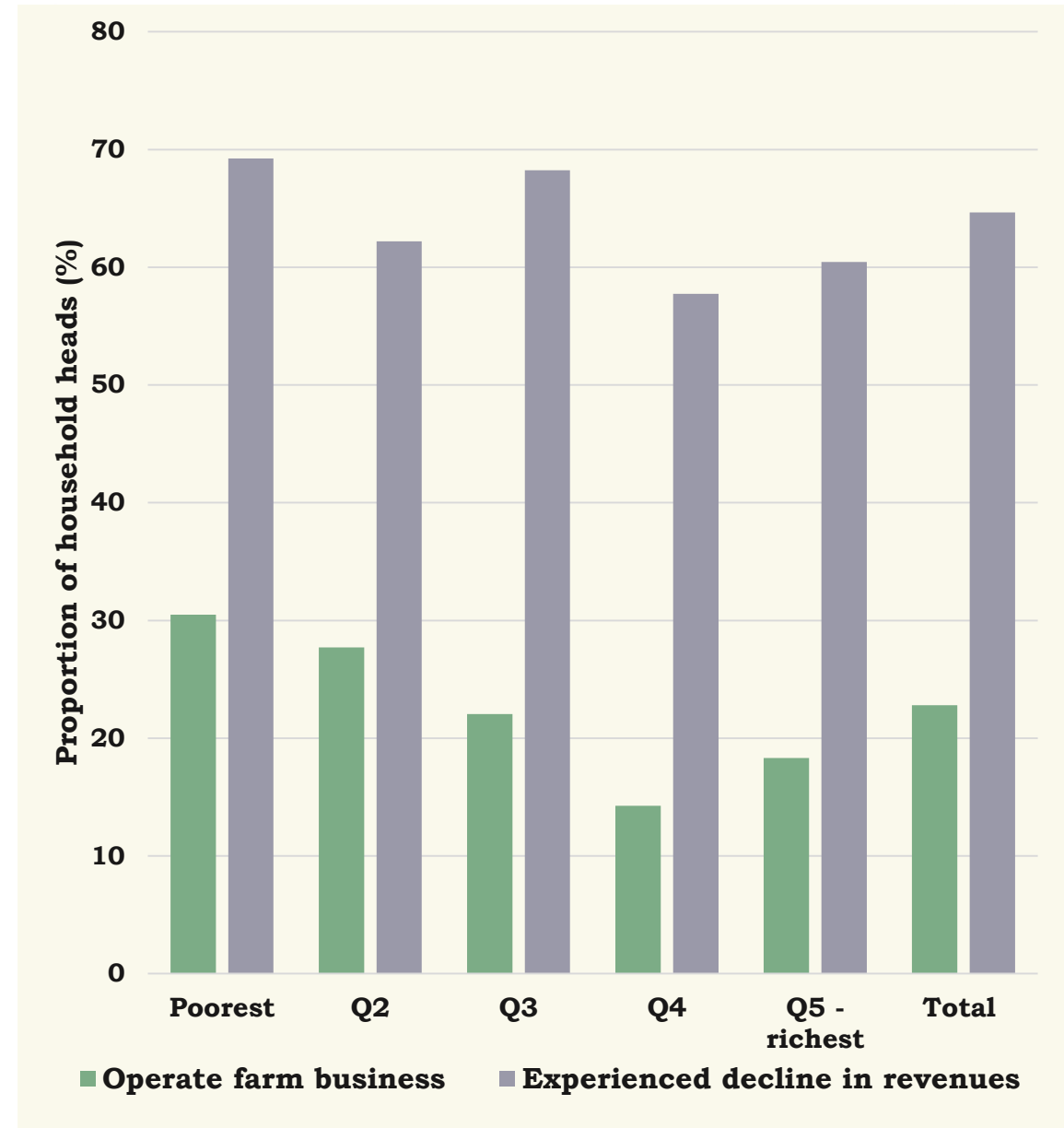
Income loss was more prevalent amongst household heads working in agriculture

- Nearly 70% of those working in agriculture experienced a decline in their income or did not receive any income.
- Incomes remained on average more stable in services than in industry, where mining and construction experienced severe income declines.
- However, households whose head works in some services subsectors such as transport, food and accommodation have faced large income reductions.



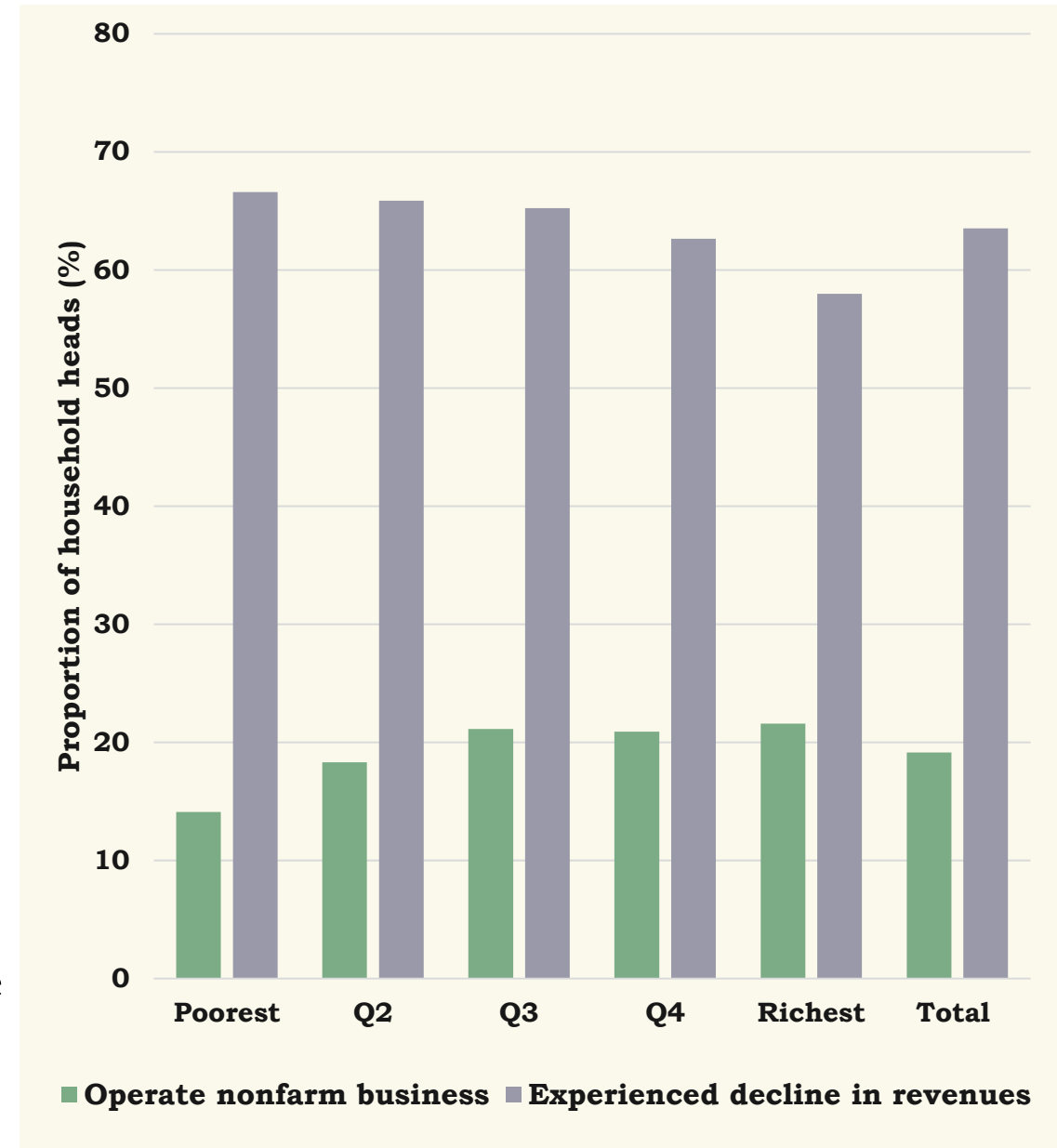
Households operating farm businesses were severely affected by revenue losses

- About 30% of households in the poorest quintile, and 23 % in general population operate farming businesses.
- About 65% of these households reported a decline in their incomes and another 15% did not have any revenue.
- While the losses were felt across all income groups, they were more prevalent among the poorer ones.



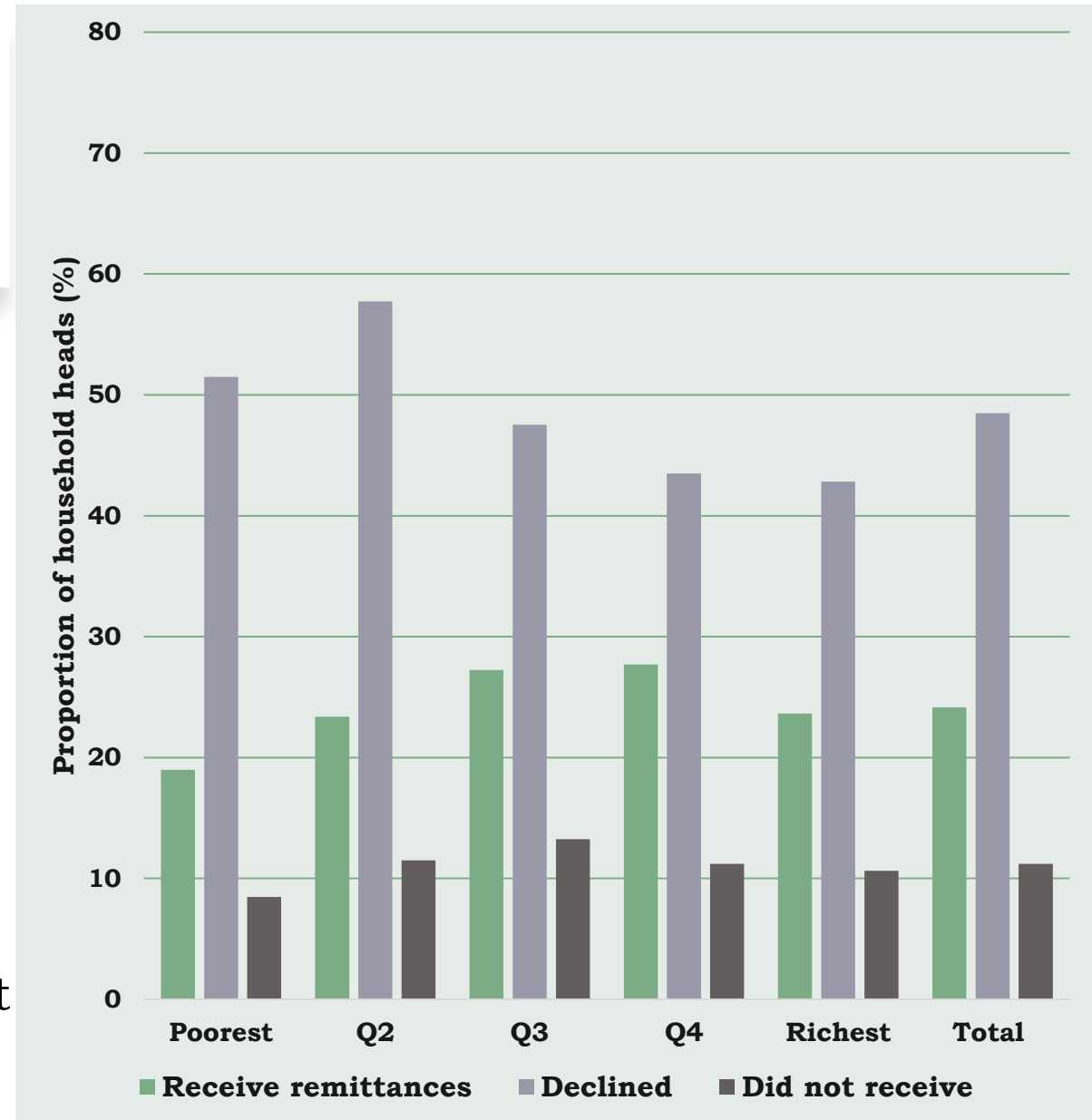
Households operating non-farm businesses also experienced income loss

- One in five households operate a non-farm business.
- Better off households tend to operate these businesses more than poorer ones.
- Over 60% of these households reported a decline in their revenues and another 13% did not have any income.
- The declines were higher among the poorer groups, where 67% of households experienced a fall in their revenues, compared with 58% in the richest group.



Many households suffered reductions in remittances receipts

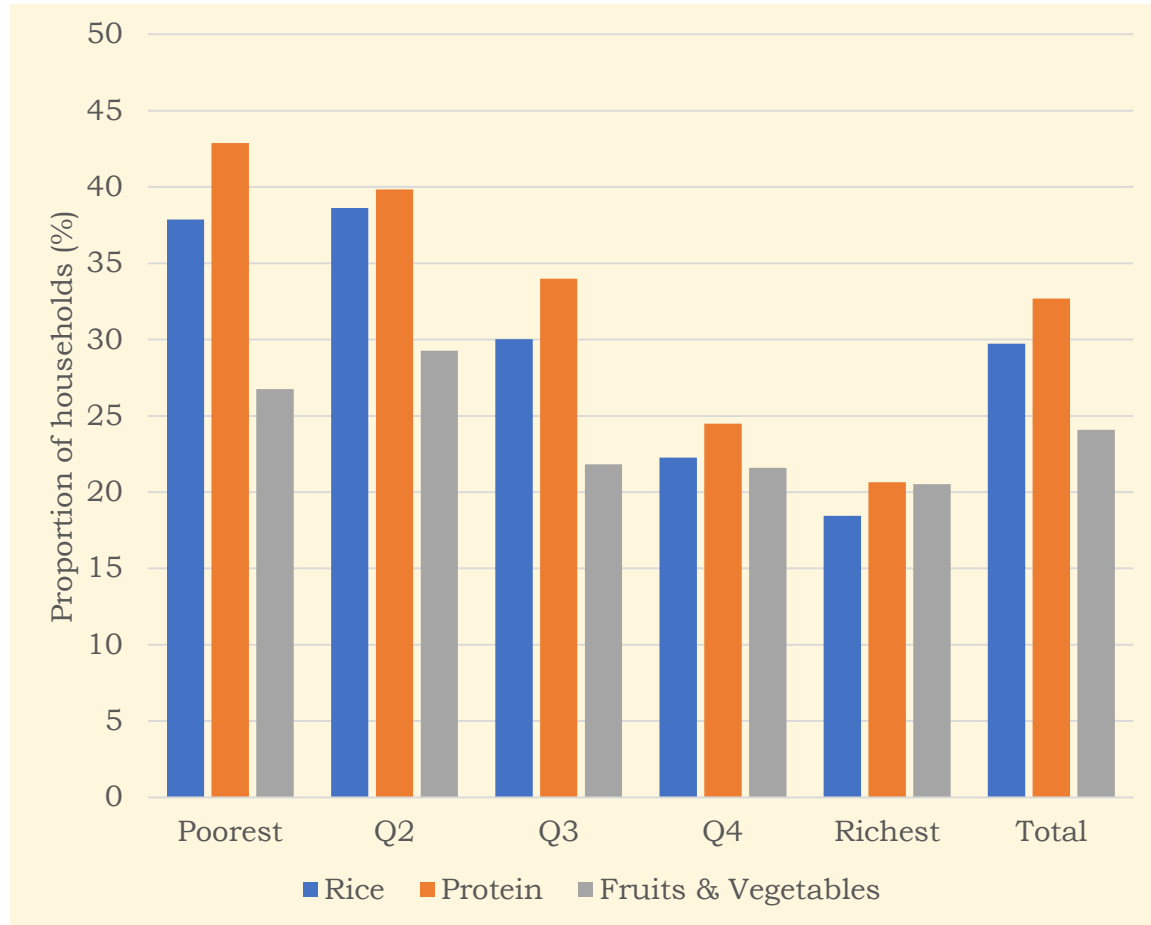
- About 24% of households declared usually receiving remittances, with half of them domestically and the other half from abroad.
- Domestic remittances are more common among poorer households and foreign remittances more common among better off groups.
- About half of households who usually receive remittances saw a decline in their receipts in August and 11% did not receive any remittances.
- While reduction in remittance incomes are felt across all groups, higher proportion in lower income groups.



Food Security

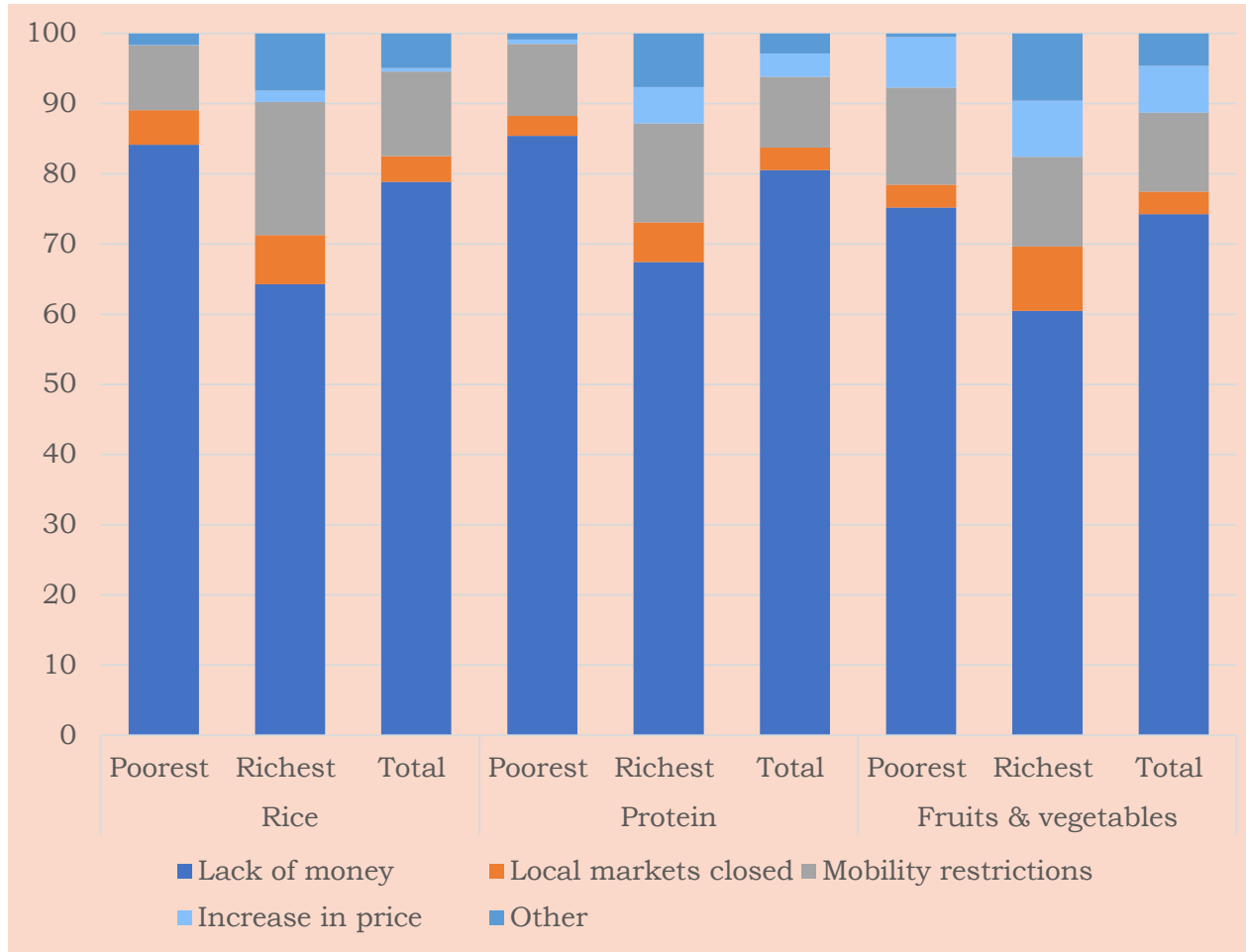
04

Poor households faced severe constraints in buying staple food



- About two in five households were not able to buy rice, meat, fish, eggs or vegetables.
- The constraints were significantly more pronounced among poorest households than better off ones.

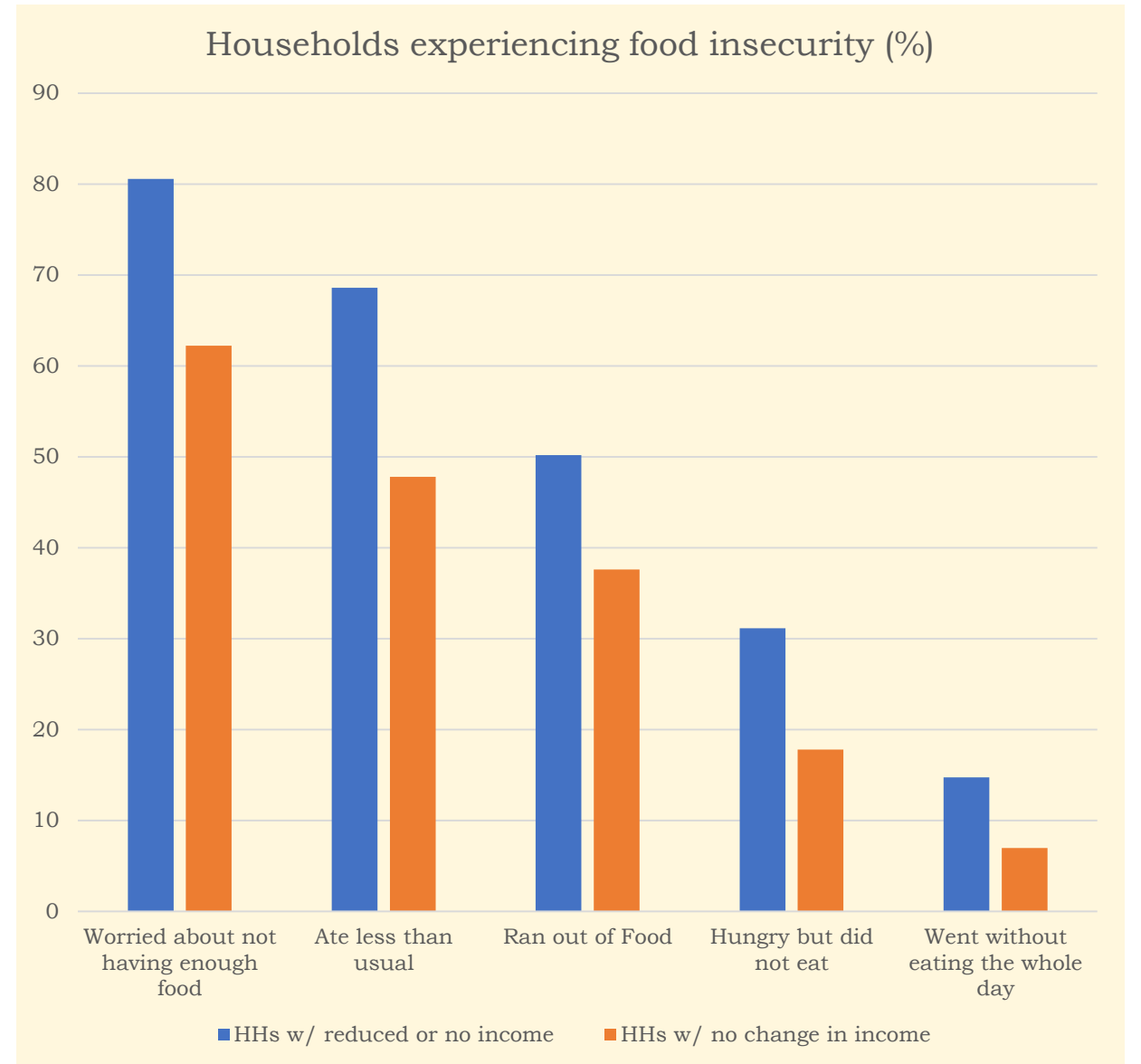
Financial constraints were the main limiting factors to buy staple food



- Over 70% of households reported lack of money as the main reason they were not able to buy rice, protein or vegetables.
- Other limiting factors were mobility constraints due to limited transport, restrictions to go out or fear to contract the virus.
- Price increases limited access to fruits & vegetables for poor households.

Households with reduced income experience food insecurity

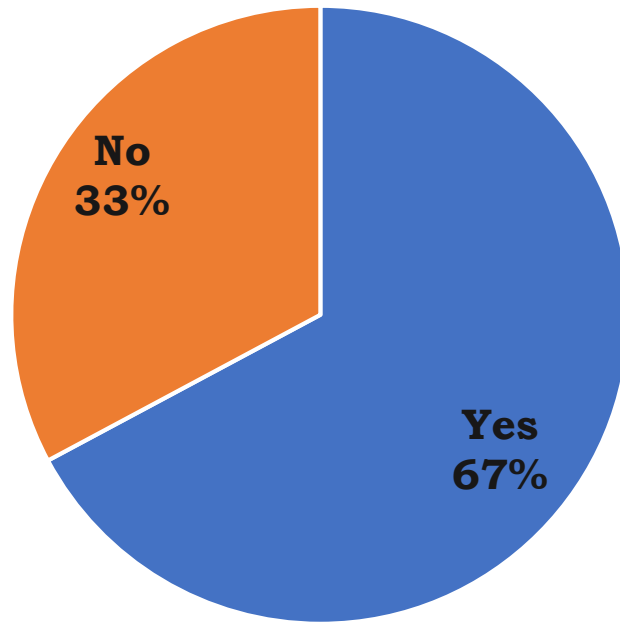
- About 70% of households reporting lower or no income ate less than usual.
- About 30% of these households experienced hunger.
- About 15% have experienced not eating the whole day.



Human Capital

05

Obtained needed medical treatment



Reason for not obtaining medical treatment



One in three households who needed medical attention was not able to obtain it

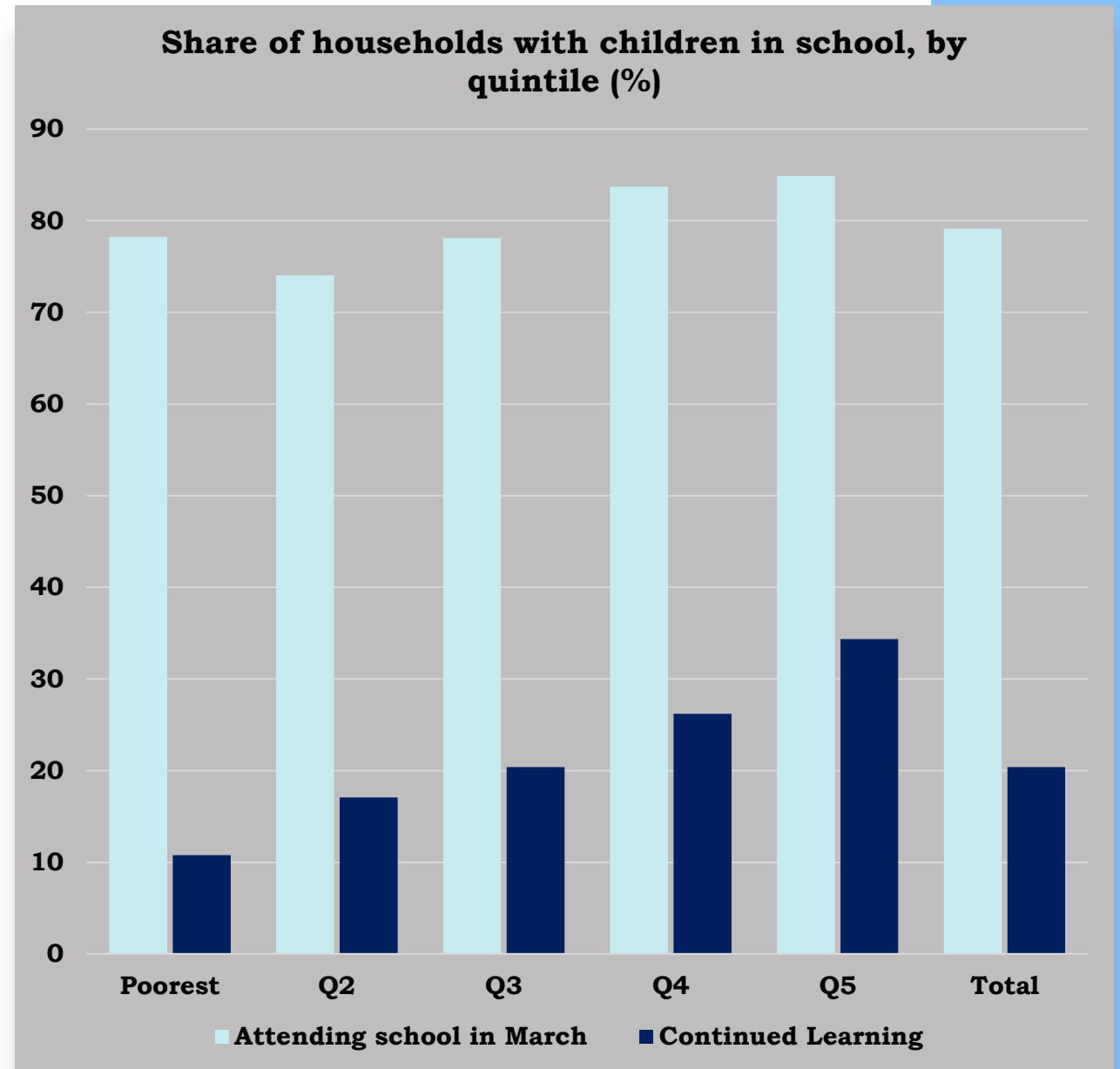
Lack of money was the primary reason for not getting medical treatment

....followed fear of contracting the virus

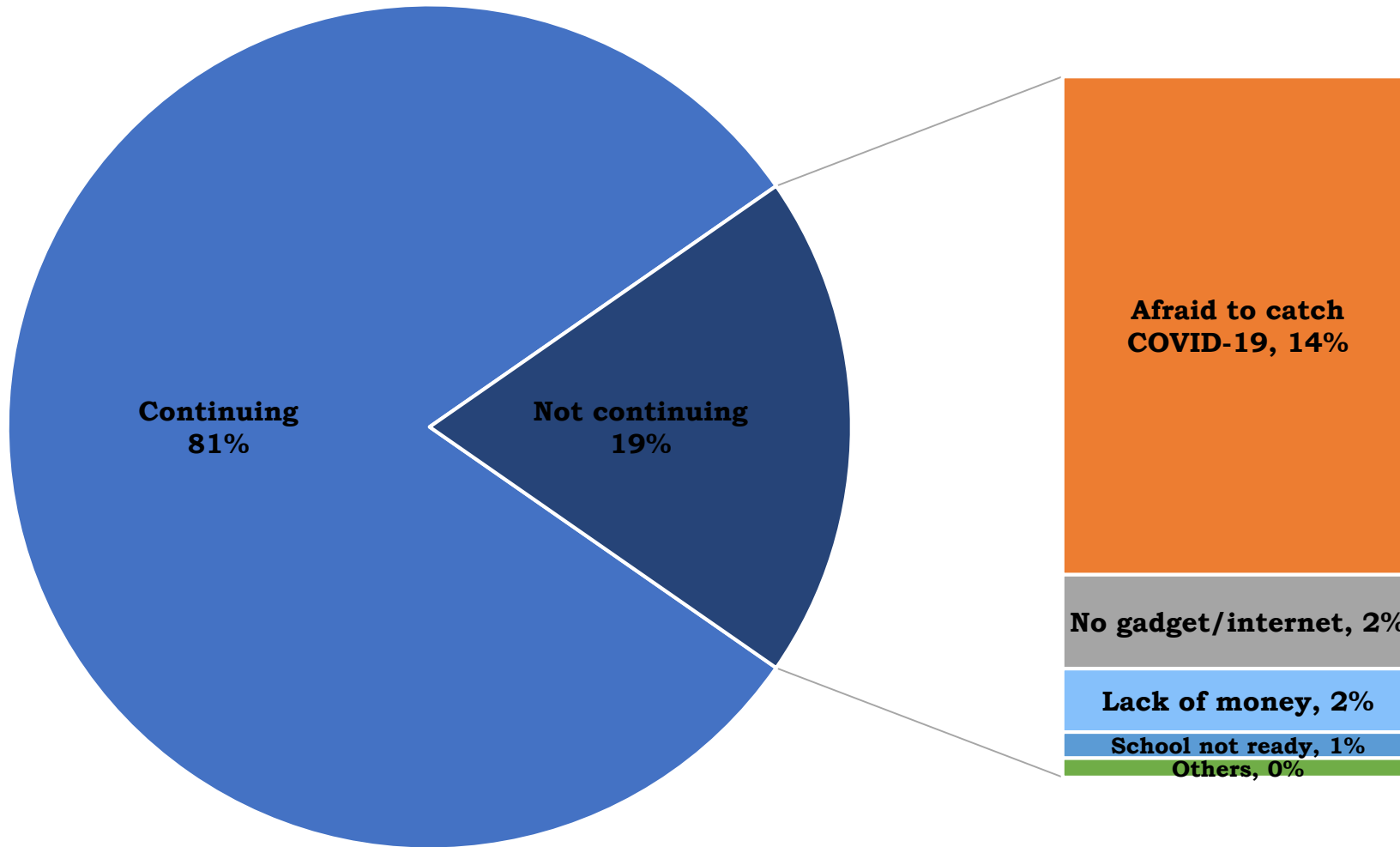
.... and constraints in health care facilities.

Very few children were engaged in learning activities during quarantine

- About 80% of households with school aged children(6-18) attended school before the pandemic struck.
- Of these, only 20% continued to be engaged in learning activities during community quarantine.
- This was even lower among households in the bottom quintile (only 11%).
- Of those who continued learning, distance learning was the most cited mode of instruction.



Among households w/ children attending school before the pandemic...



81 percent of households with school age children will continue schooling when schools re-open

About 80% of households in the bottom will continue schooling for their children

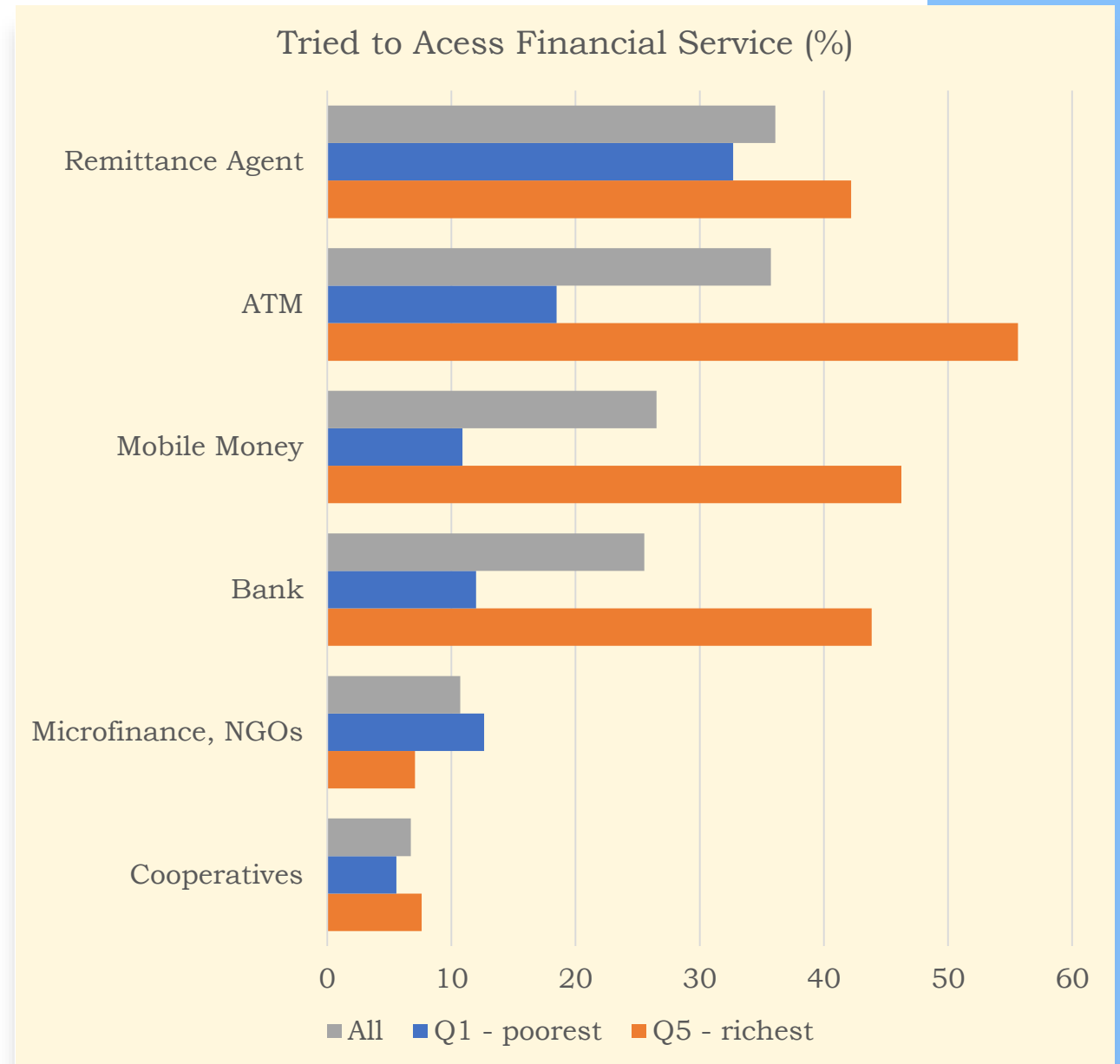
Fear of contracting COVID-19 is the top reason for not continuing

Access to Financial Services

06

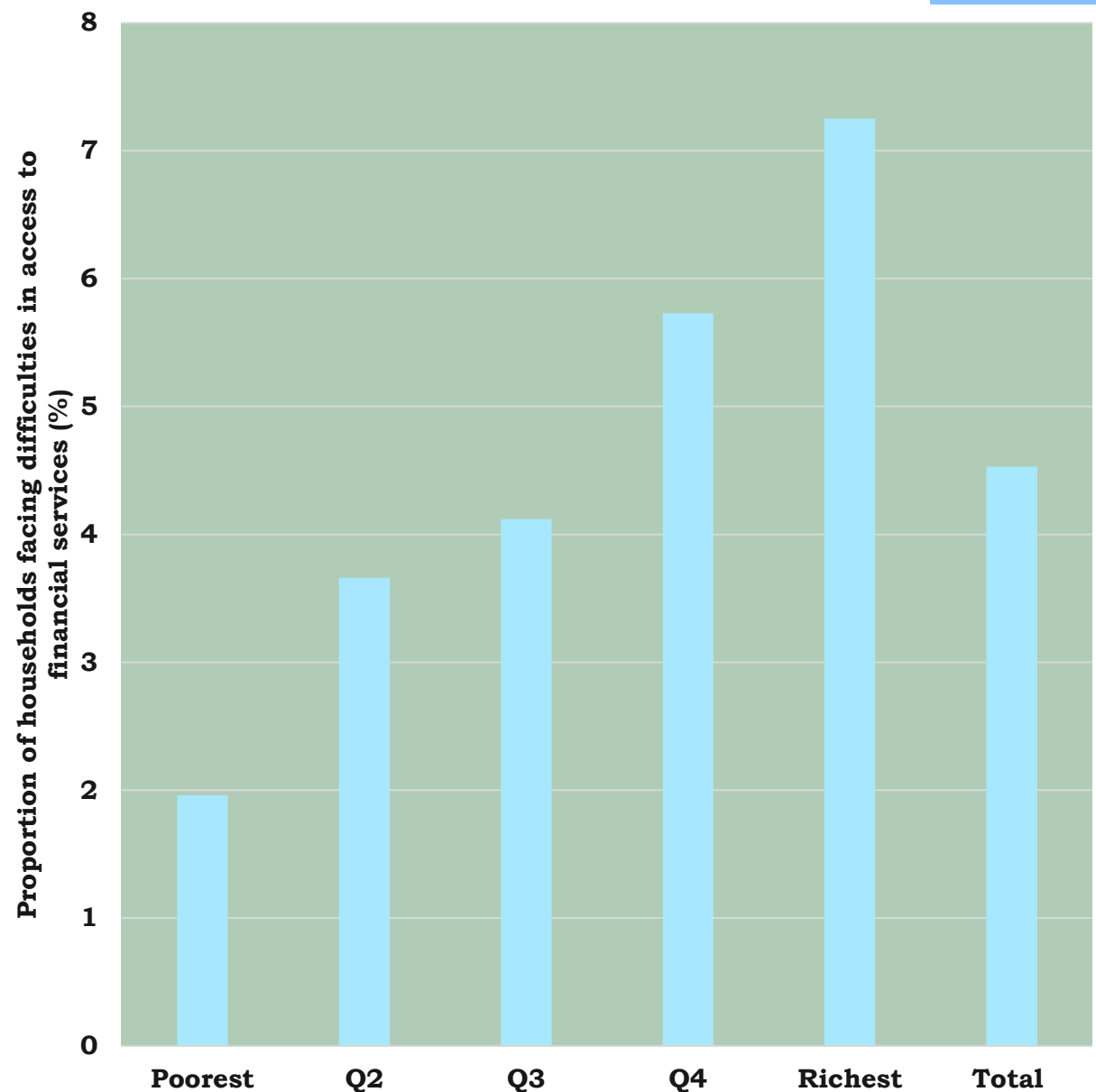
One in three households tried accessing financial services

- Remittance agents and ATMs are the most used channels (36%).
- The gap in access to financial services between income groups varies by the channels for financial services.
- The gap is smallest among microfinance/NGOs and cooperatives as well as remittance agents.
- In contrast, poor households lag far behind in accessing ATM, mobile money, and banks.



Of the households accessing financial services, very few faced restrictions

- About 5% of households declared having faced problems in accessing bank, mobile money, microfinance, ATM or any other financial services.
- Better-off groups seem to have felt more restrictions than poorer ones, probably because they use more these services.
- Restrictions on going out and fear of contracting the virus were the main reasons households could not access financial services.

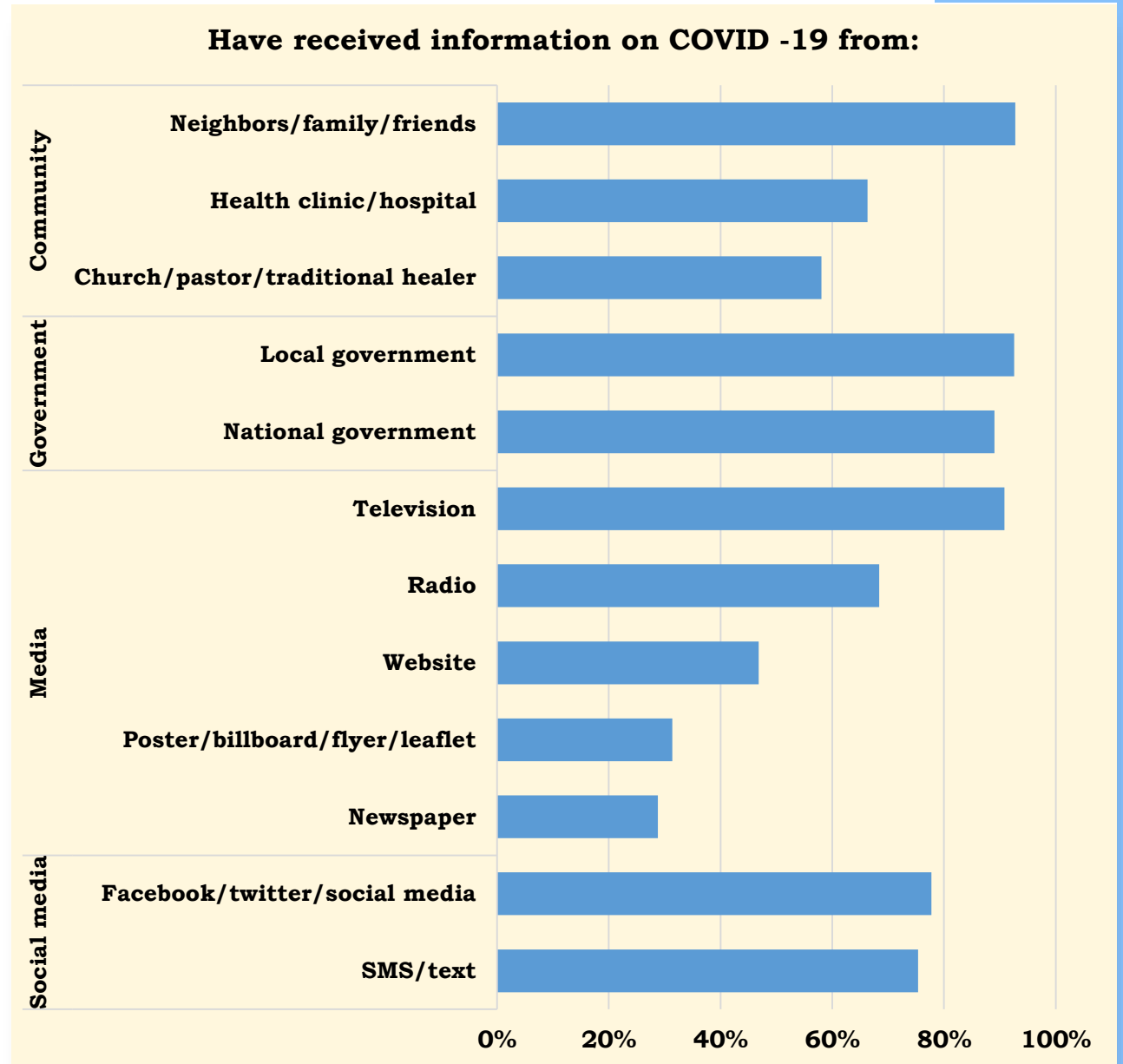


Knowledge and behavior

07

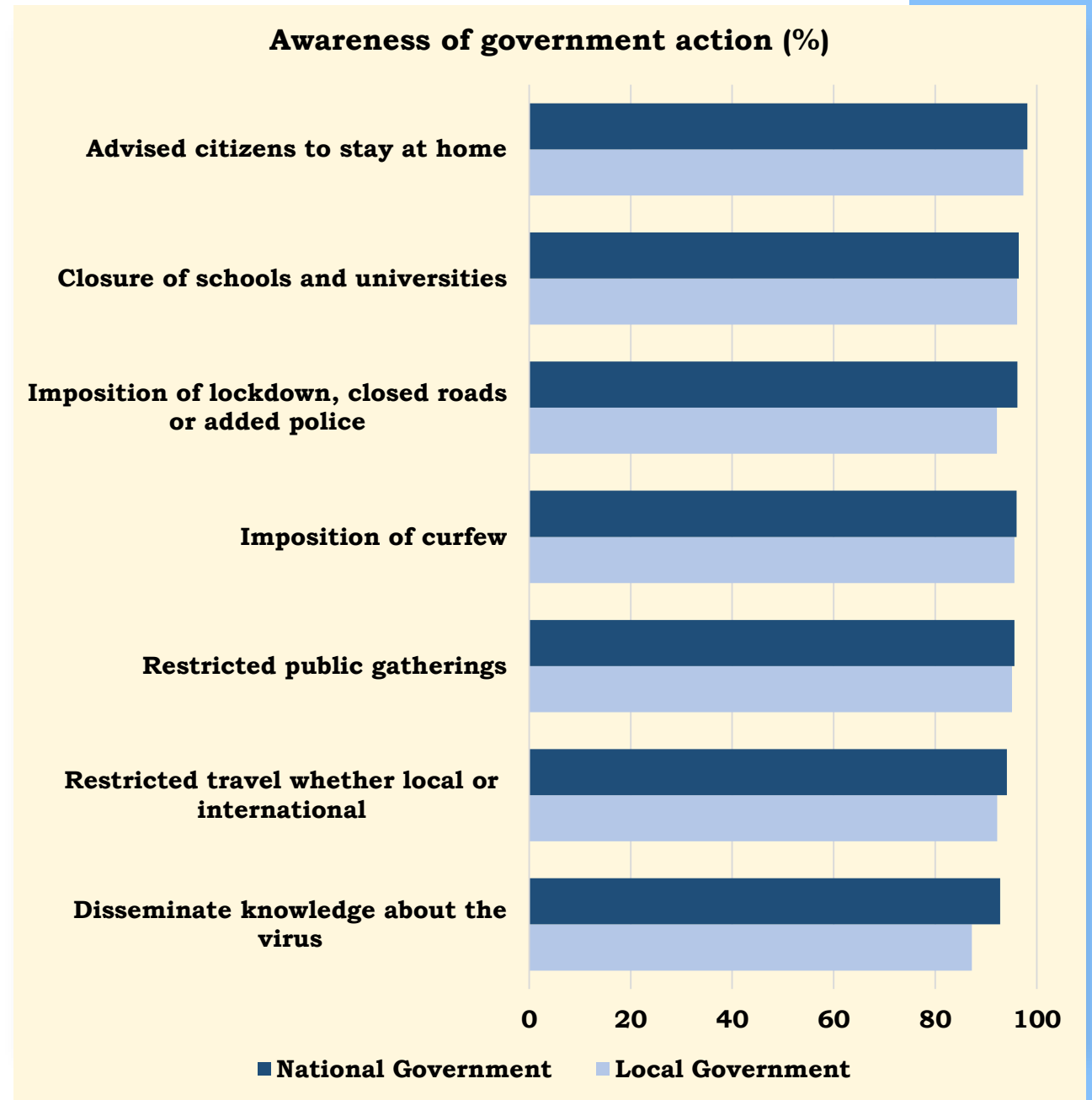
Almost everybody is aware of COVID-19

- About 99% have heard about the pandemic
- About 9 in 10 received information on COVID 19 from immediate circle (neighbors, family and friends), government and television
- 1 in 2 cited television as their main source of information



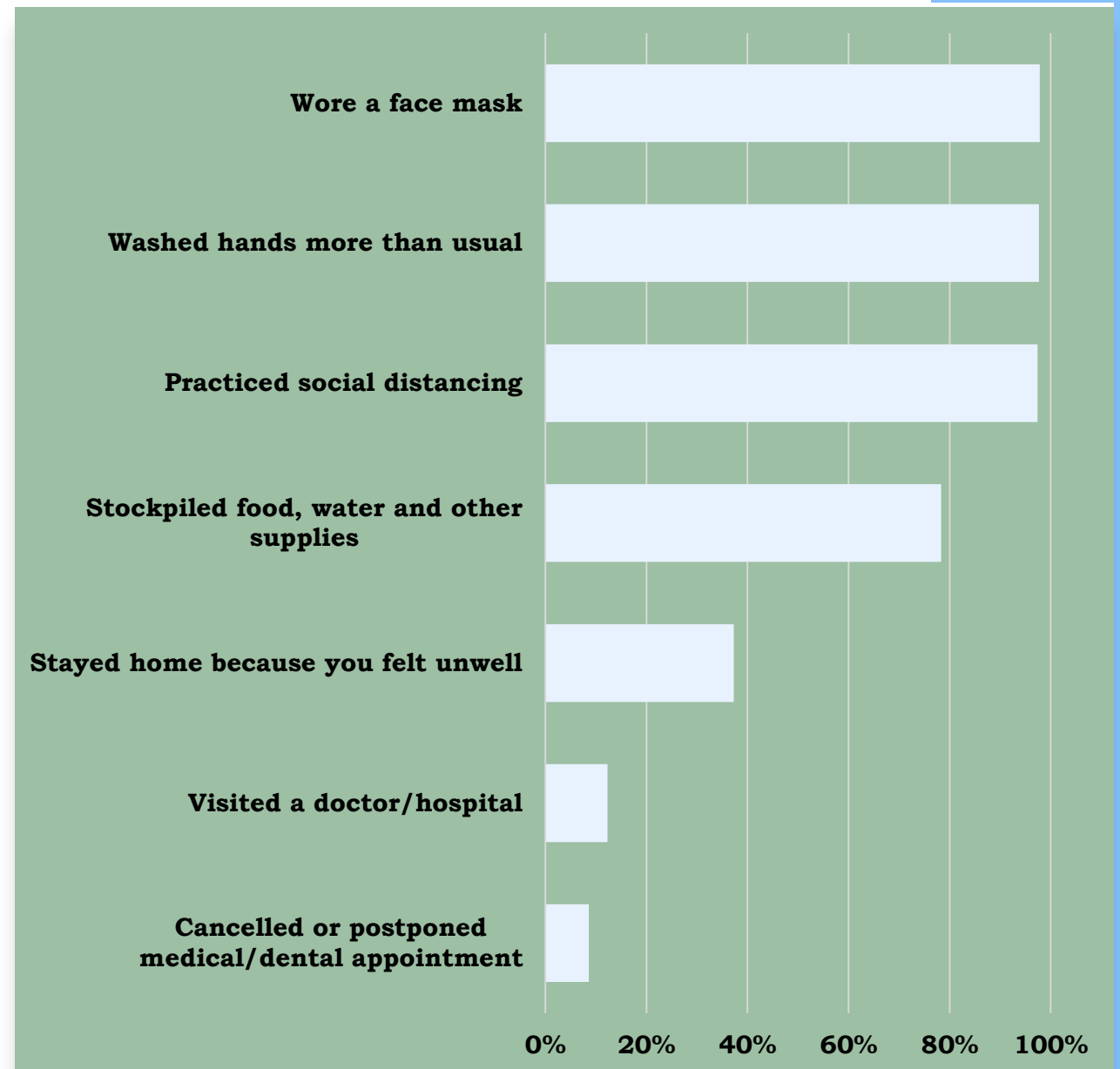
Awareness on government action is high

- About 9 in 10 are aware of the measures taken by government to curb the spread of the virus.
- Action is mainly attributed to the National Government.
- 7 in 10 are satisfied with government (both national and local) response.



Filipinos adopted prevention measures

- Almost everyone has adopted basic prevention measures (wearing face mask, washing hands, social distancing).
- About 8 in 10 households have stockpiled on supplies.



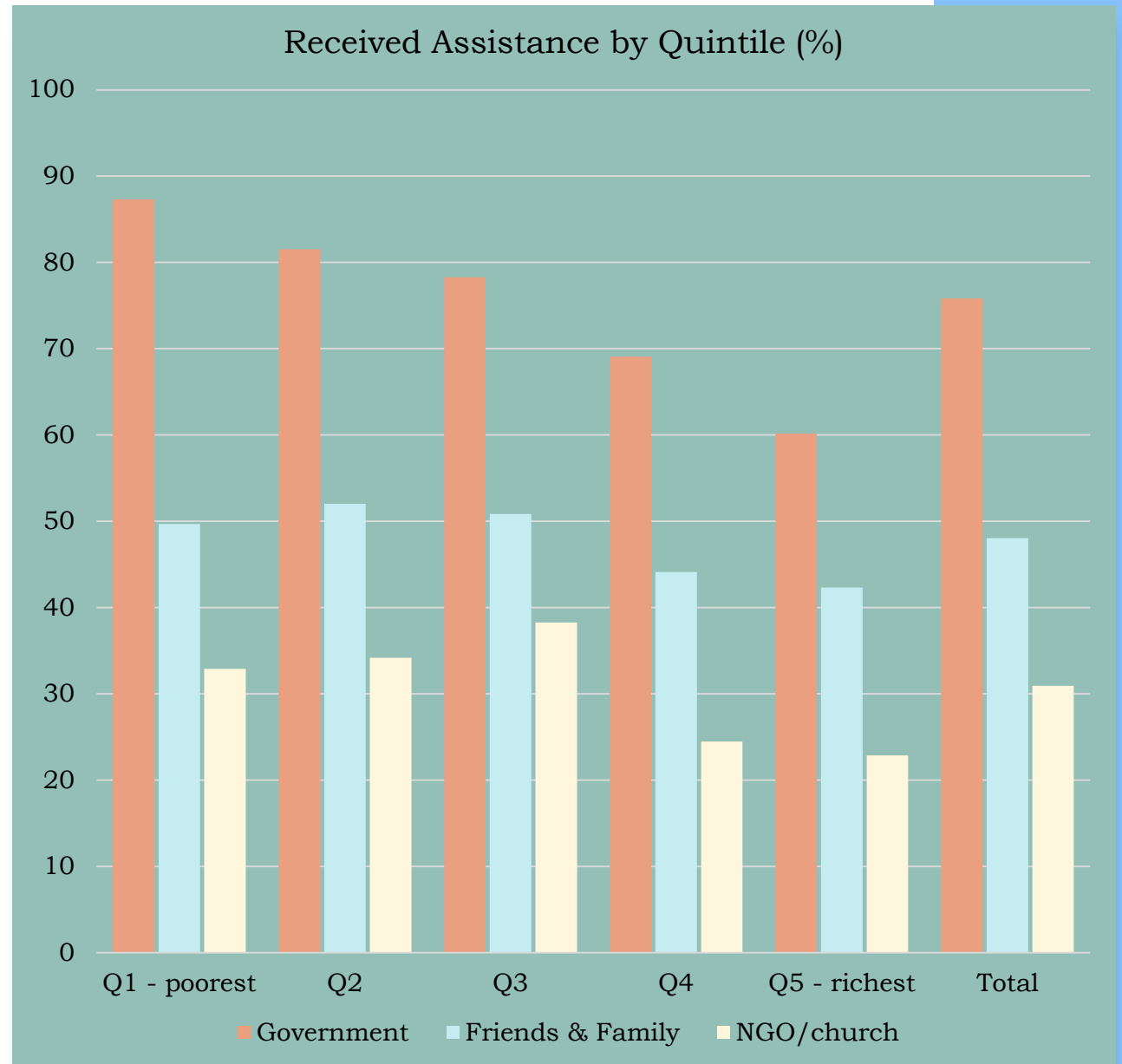


Safety Nets & Coping Mechanisms

08

Safety nets helped many vulnerable households

- Three in four households received assistance from the government (in the form of cash grants, food and non-food items).
- Coverage was very high among the poorest groups with about 87% in the bottom quintile receiving government assistance.
- Support from family and friends was also high.



Consumption reduction was among most used coping mechanism by poor households

The most common coping mechanisms used by households include:

- Reduce consumption or shift to cheaper alternatives.
- ✓ About 4 in 5 of households in the bottom quintile reduced their food consumption.
- Three in five households delayed payment obligations.
- More than half of the households used their savings.
- About half of the households have borrowed from family and friends.

