Impacts of COVID-19 on Households in the Philippines

Results from the Philippines COVID-19 Households Survey
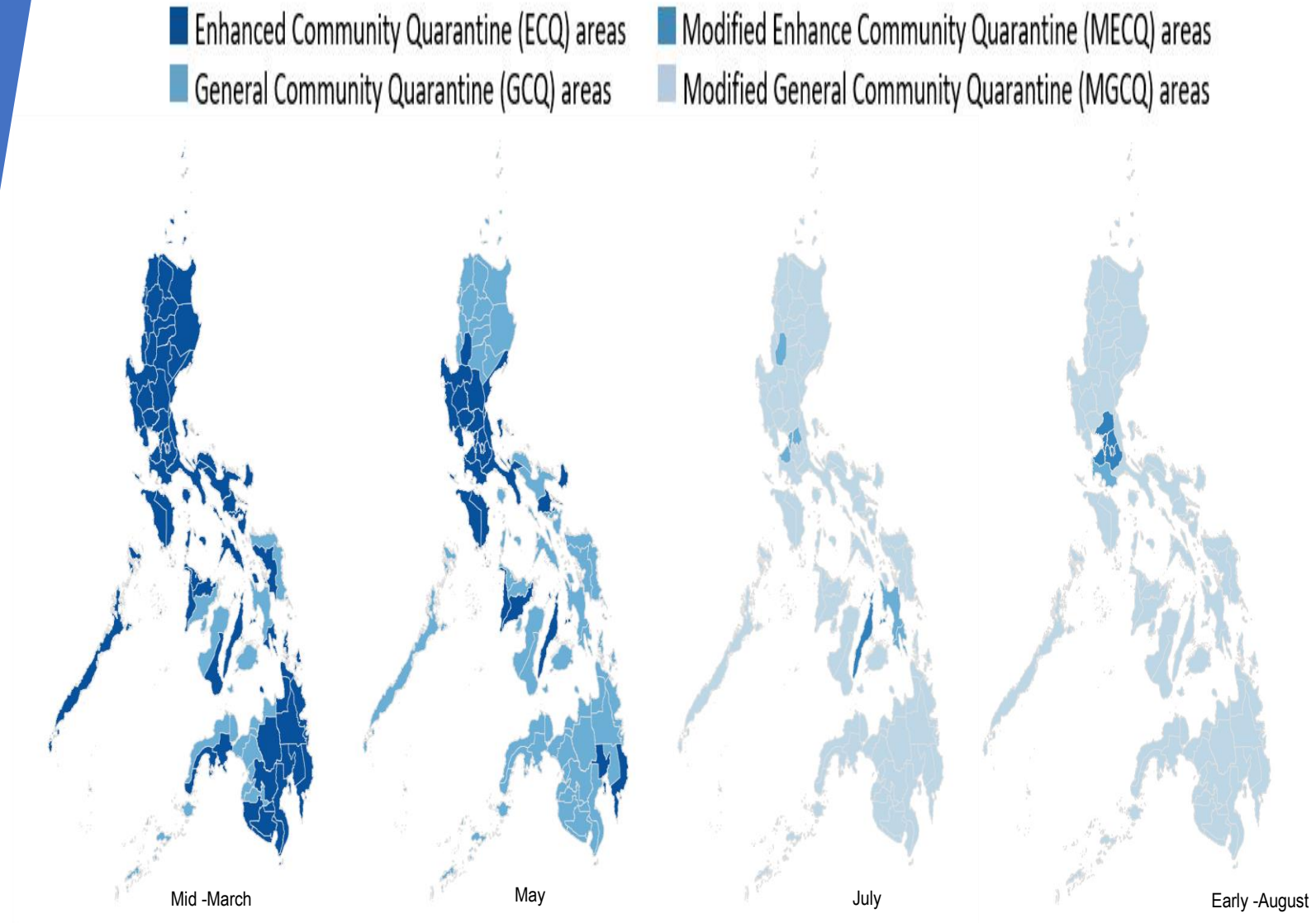
Round 1 - August 2020

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

Mid -March   May   July   Early -August

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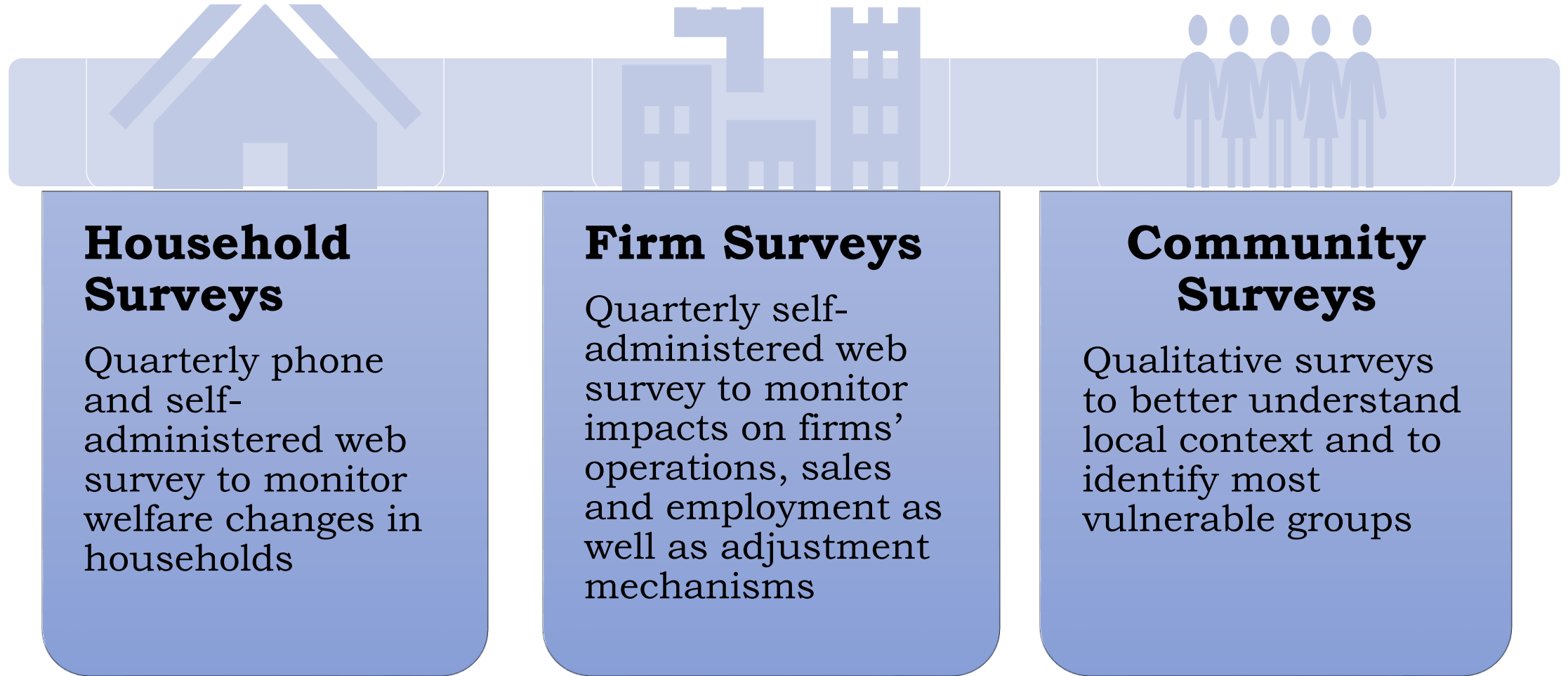
Background

- 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

Household Surveys

Quarterly phone and self-administered web survey to monitor welfare changes in households

Firm Surveys

Quarterly self-administered web survey to monitor impacts on firms' operations, sales and employment as well as adjustment mechanisms

Community Surveys

Qualitative surveys to better understand local context and to identify most vulnerable groups

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
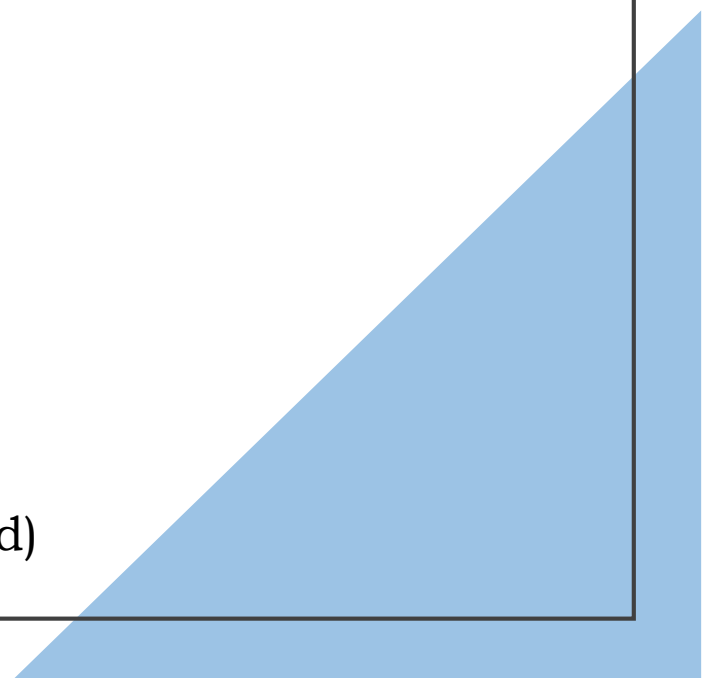
The Philippines COVID-19 Household Survey

- **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
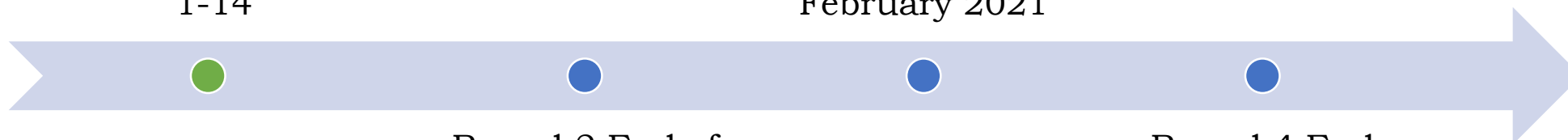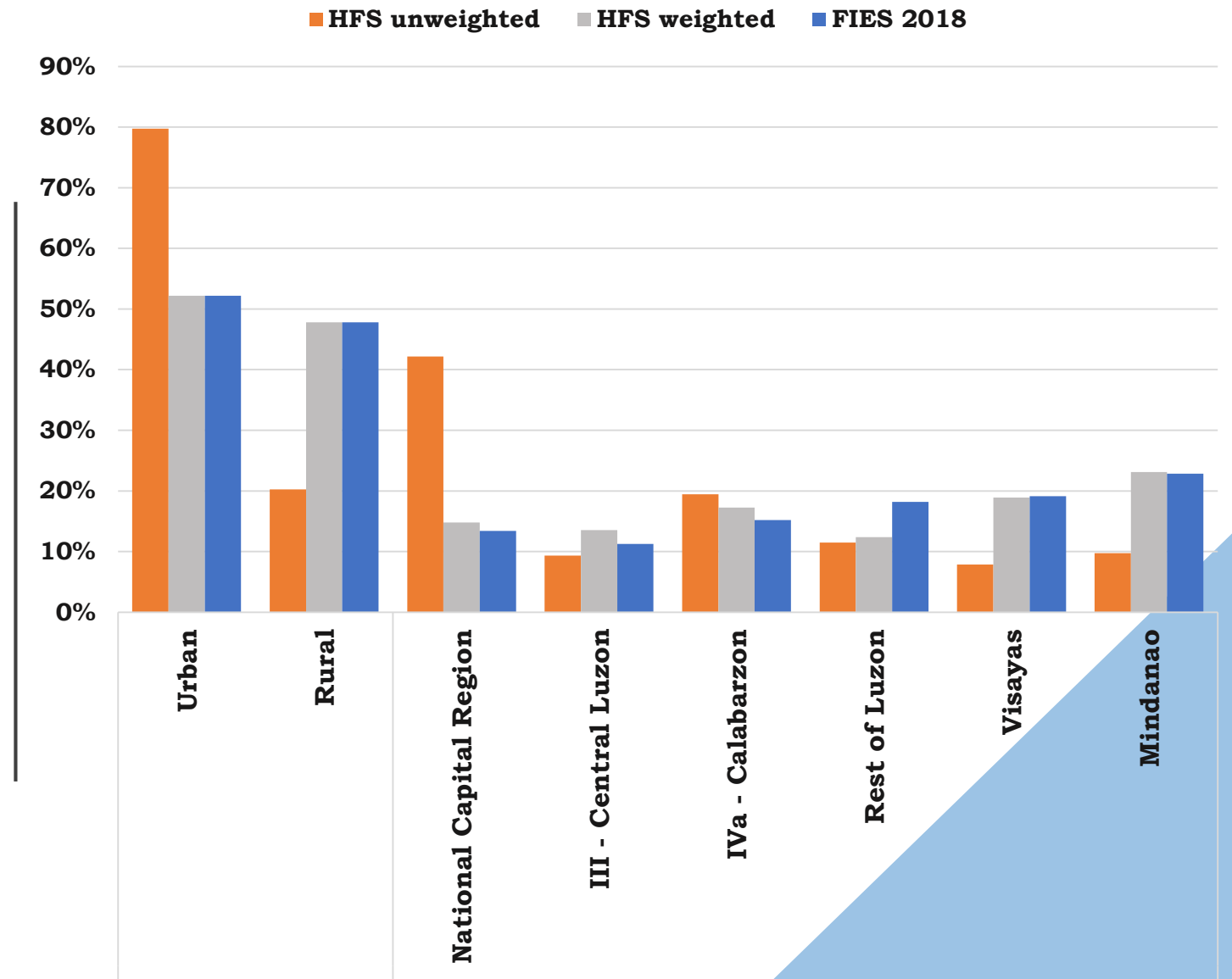
- **Implementation plan**

Round 1 August 1-14

Round 3 Early February 2021

Round 2 End of November 2020

Round 4 End April 2021

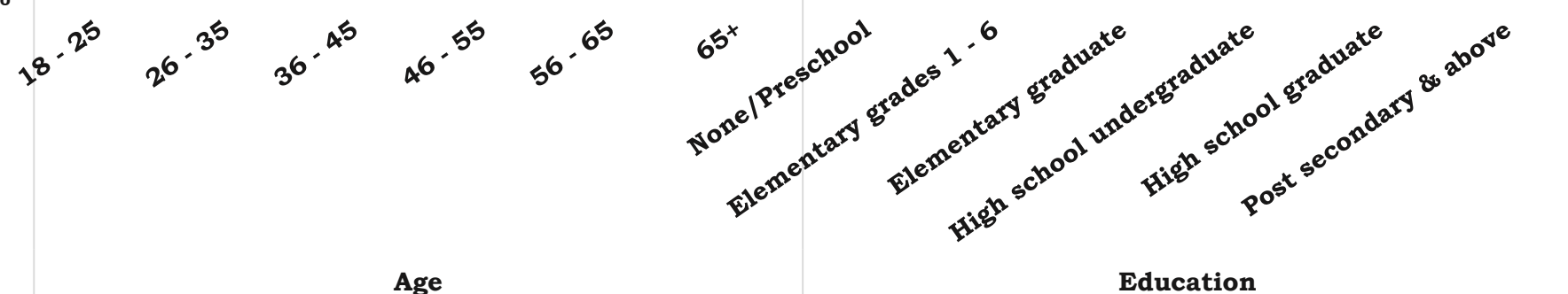Sample distribution of the FIES 2018 and HFS is similar

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

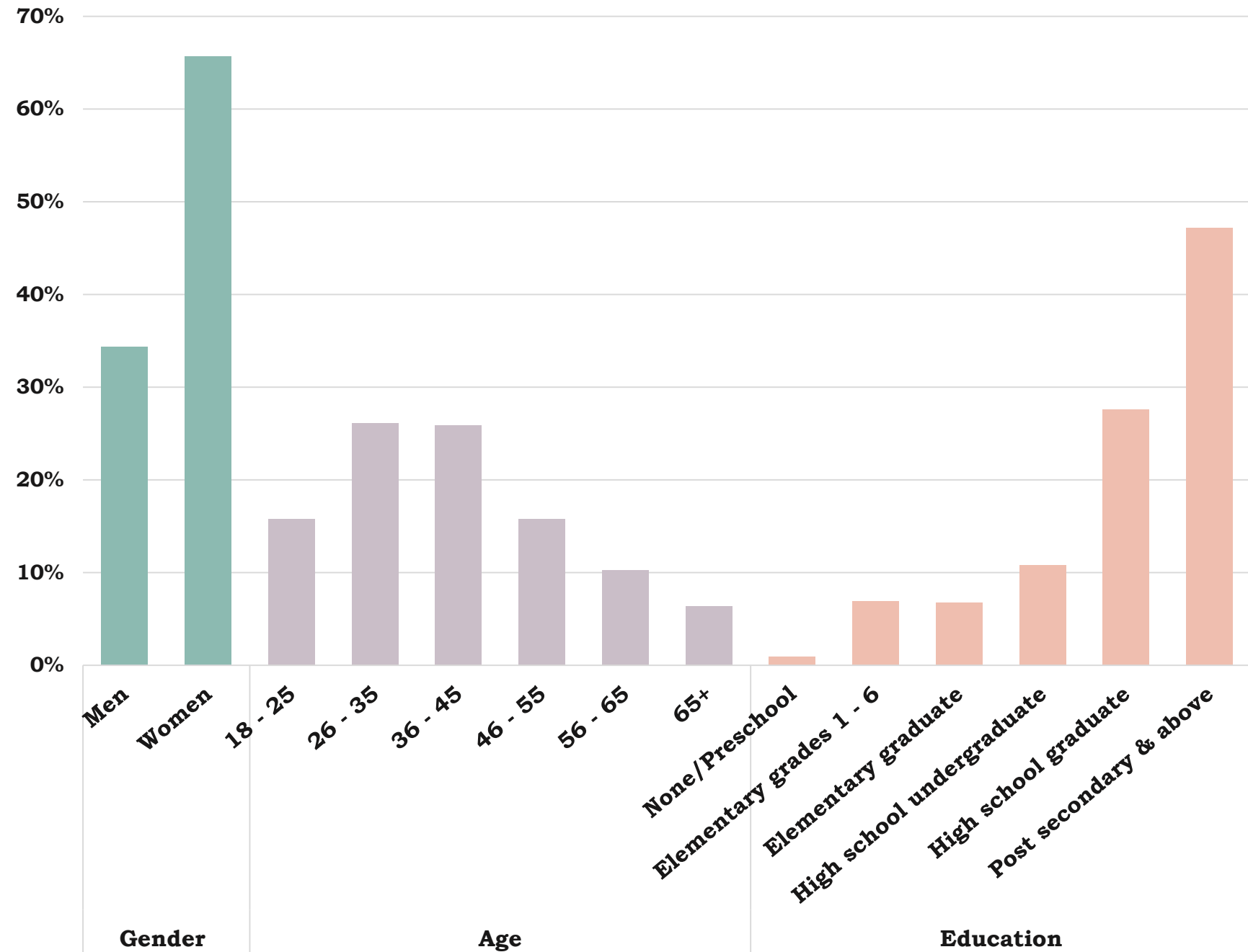… even in characteristics of household head
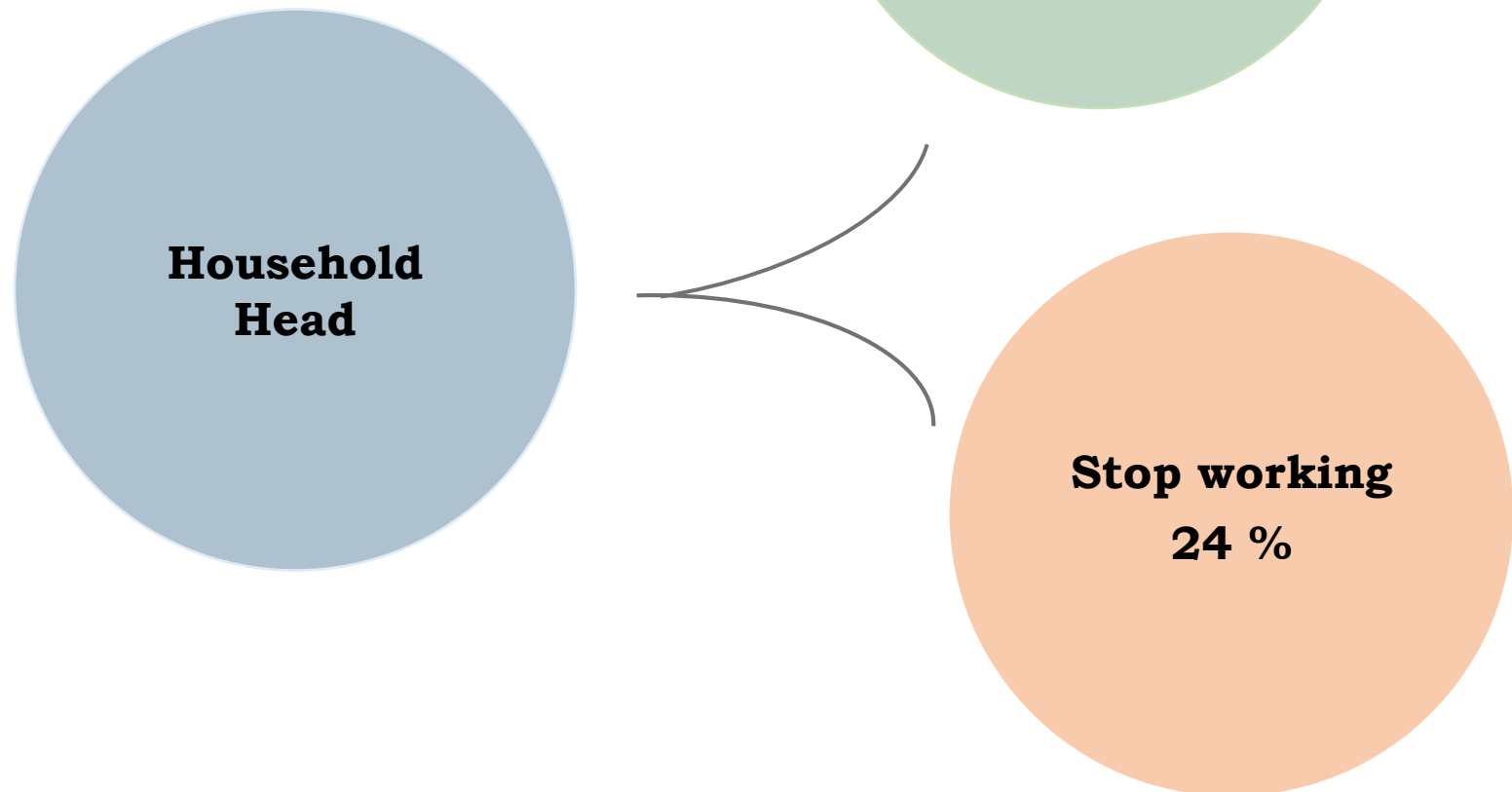
Demography

02

Demographic profile of respondents

Employment & Income

03

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

Household Head

Continue working

76 %
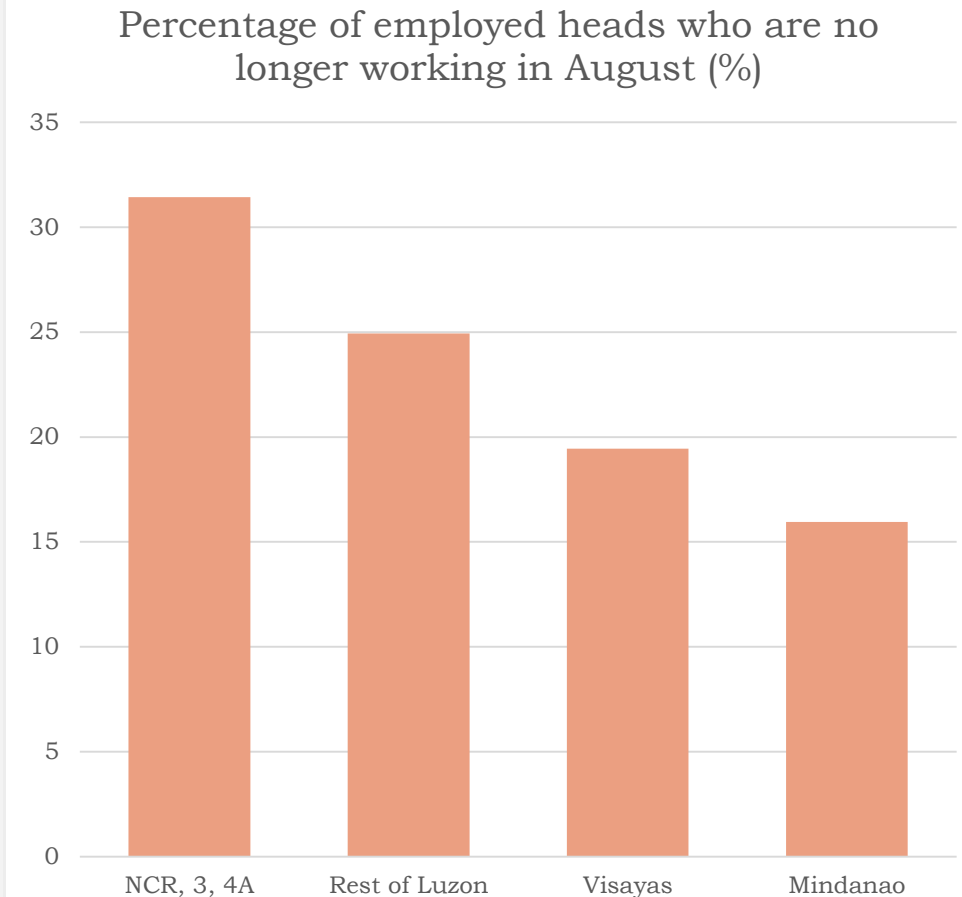
Stop working

24 %

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.

Work status of household heads

working

working

not working

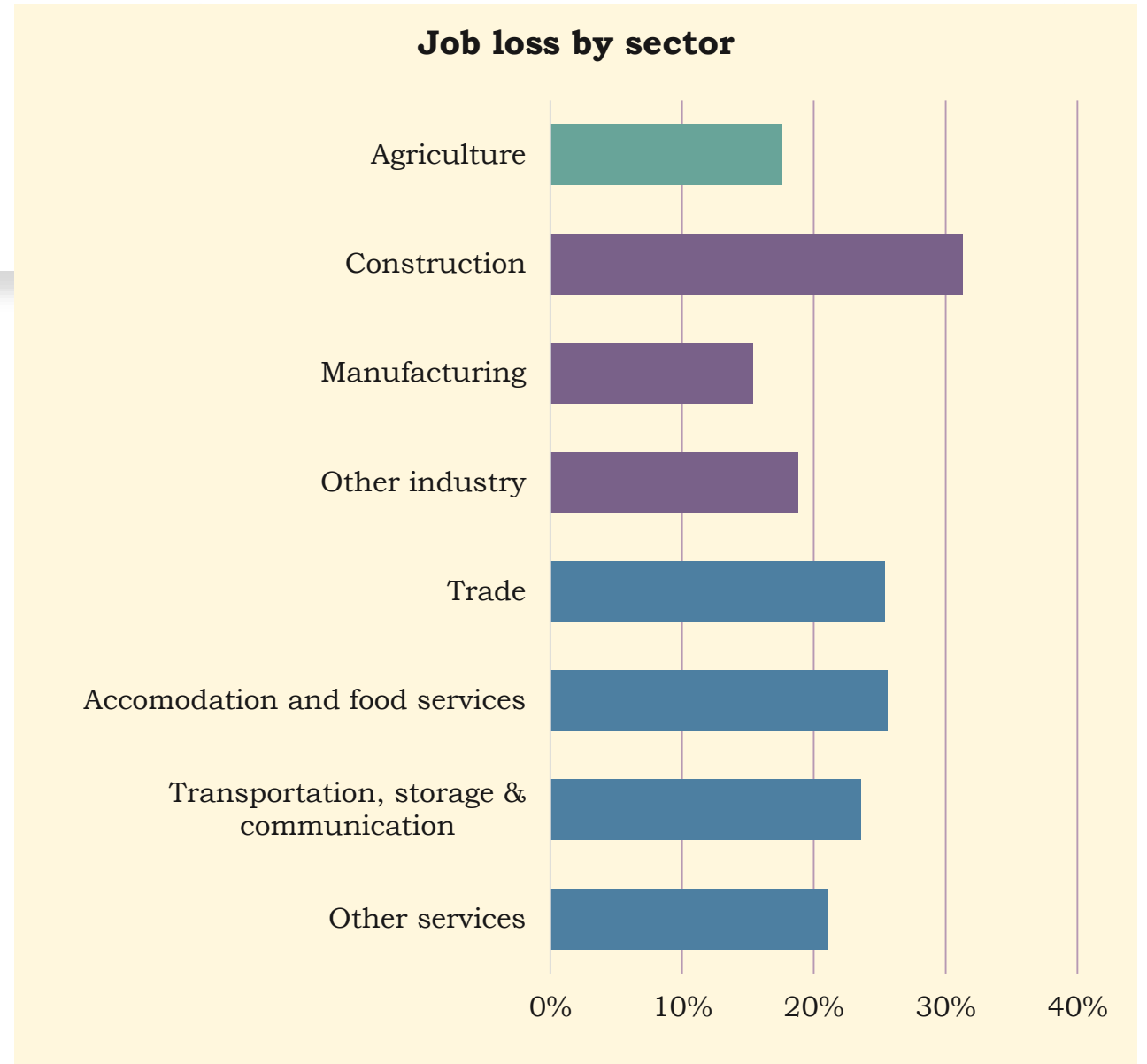not working

February

August
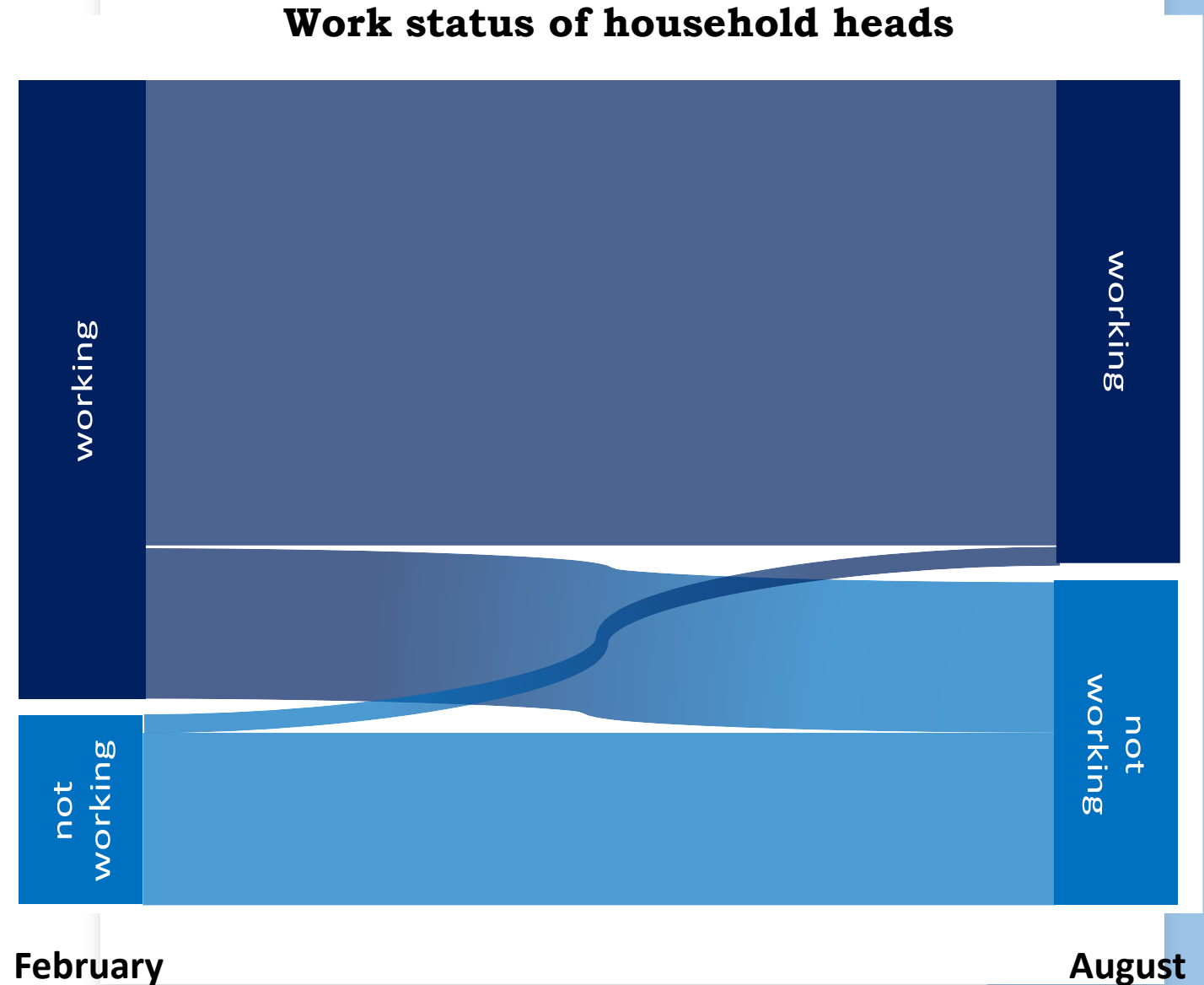
Regions in Luzon experienced more job losses than in other areas

- 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 (%)

| Region	Percentage
NCR, 3, 4A	~31
Rest of Luzon	~25
Visayas	~19
Mindanao	~16

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 by sector

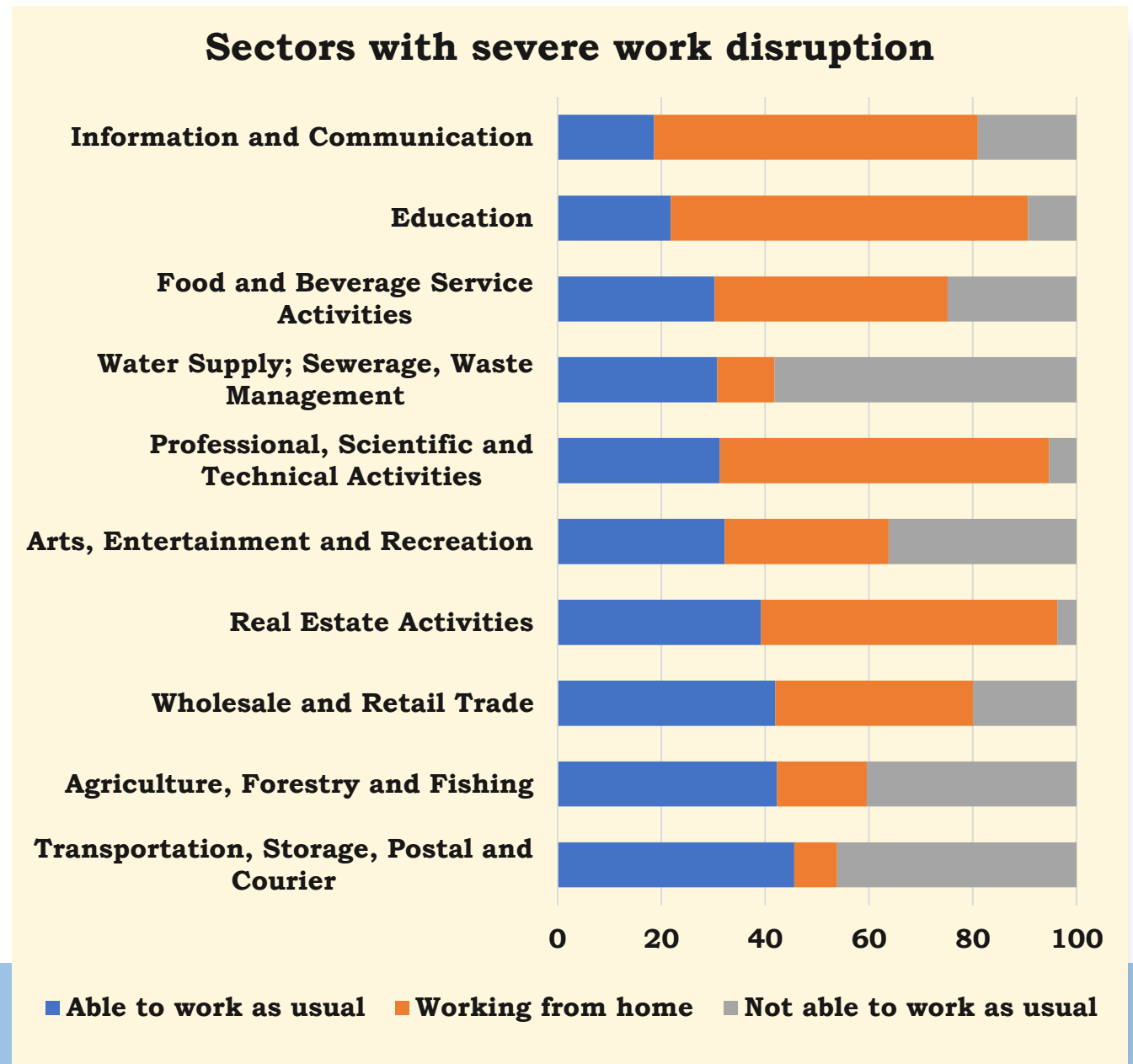| Sector	Job loss
Agriculture	~18%
Construction	~31%
Manufacturing	~15%
Other industry	~19%
Trade	~25%
Accomodation and food services	~26%
Transportation, storage & communication	~24%
Other services	~21%

0%   10%   20%   30%   40%

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.
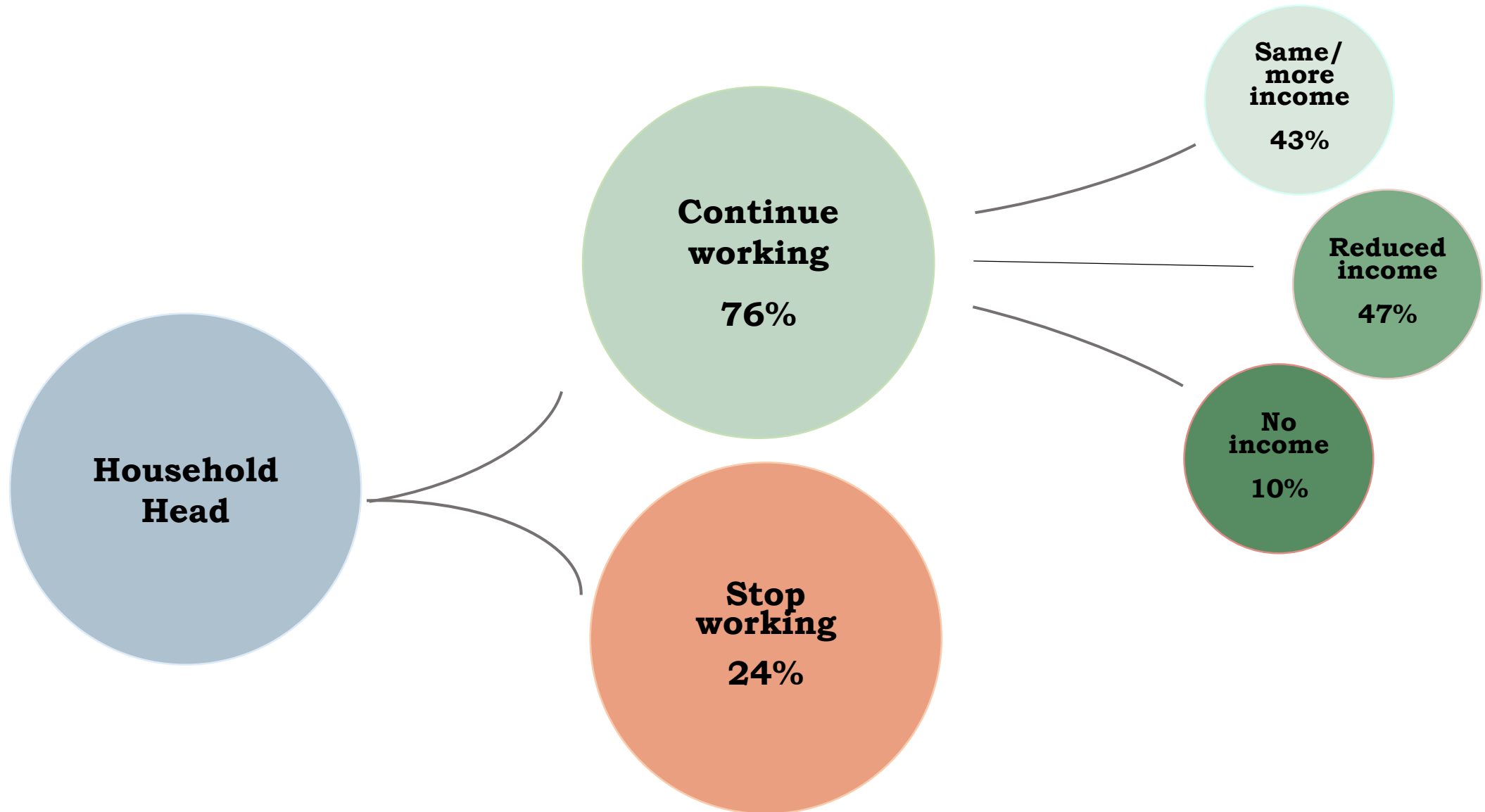
Job losses by income quintiles (%)
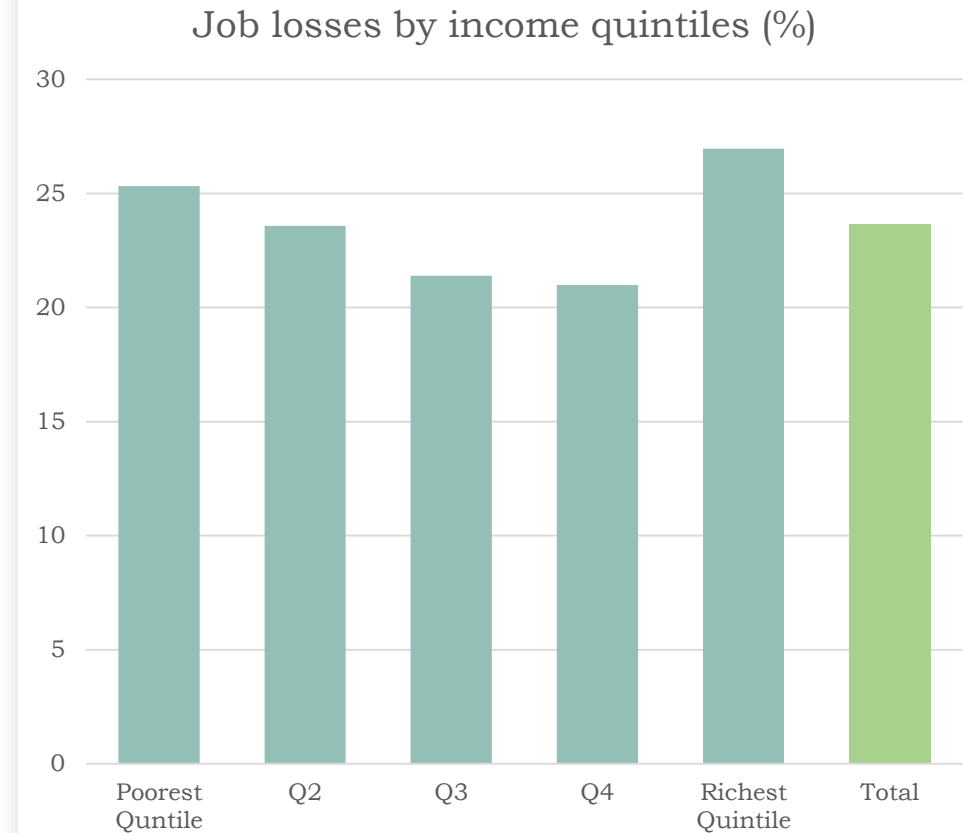
The Pandemic caused severe work disruptions

- 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.

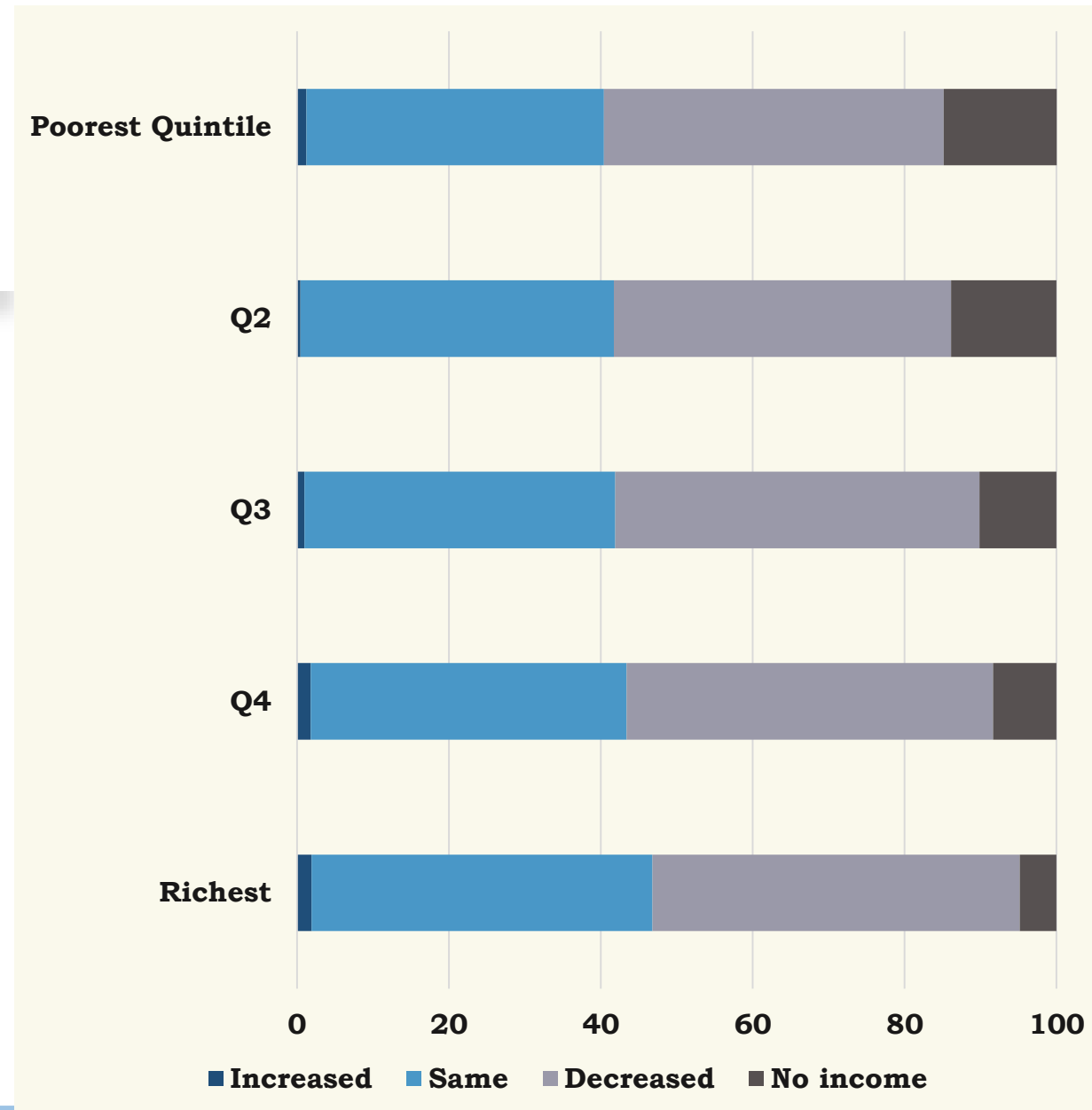- About 12% of those who continued to work changed jobs.

Sectors with severe work disruption

- Information and Communication
- Education
- Food and Beverage Service Activities
- Water Supply; Sewerage, Waste Management
- Professional, Scientific and Technical Activities
- Arts, Entertainment and Recreation
- Real Estate Activities
- Wholesale and Retail Trade
- Agriculture, Forestry and Fishing
- Transportation, Storage, Postal and Courier

0   20   40   60   80   100

■ Able to work as usual   ■ Working from home   ■ Not able to work as usual

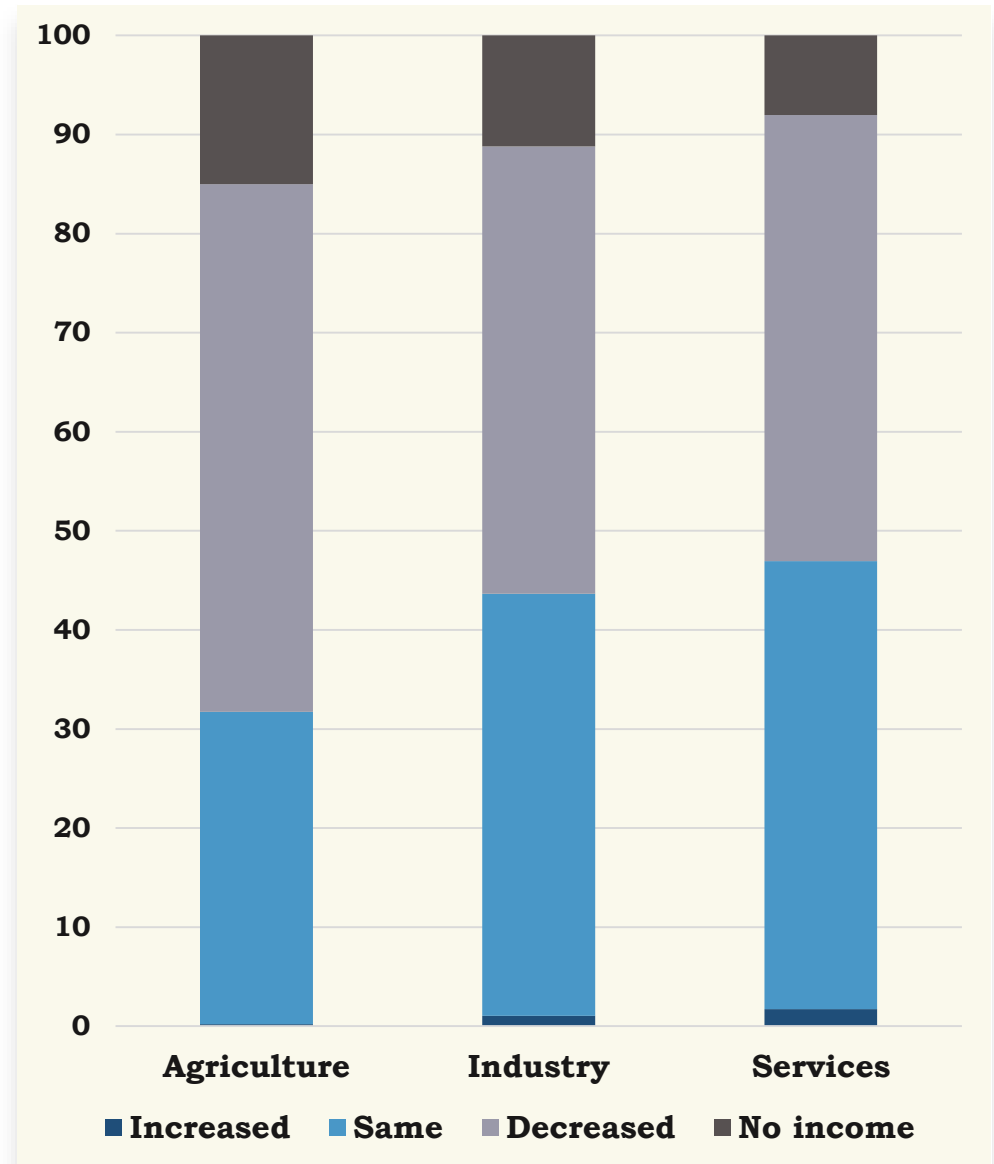# Working household heads experienced income losses

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.


Poorest Quintile					
Q2					
Q3					
Q4					
Richest					

0   20   40   60   80   100

■ Increased ■ Same ■ Decreased ■ No income

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 transport, food and accommodation have faced large income reductions.

Chart legend: ■ Increased ■ Same ■ Decreased ■ No income

Categories: Agriculture, Industry, Services

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.
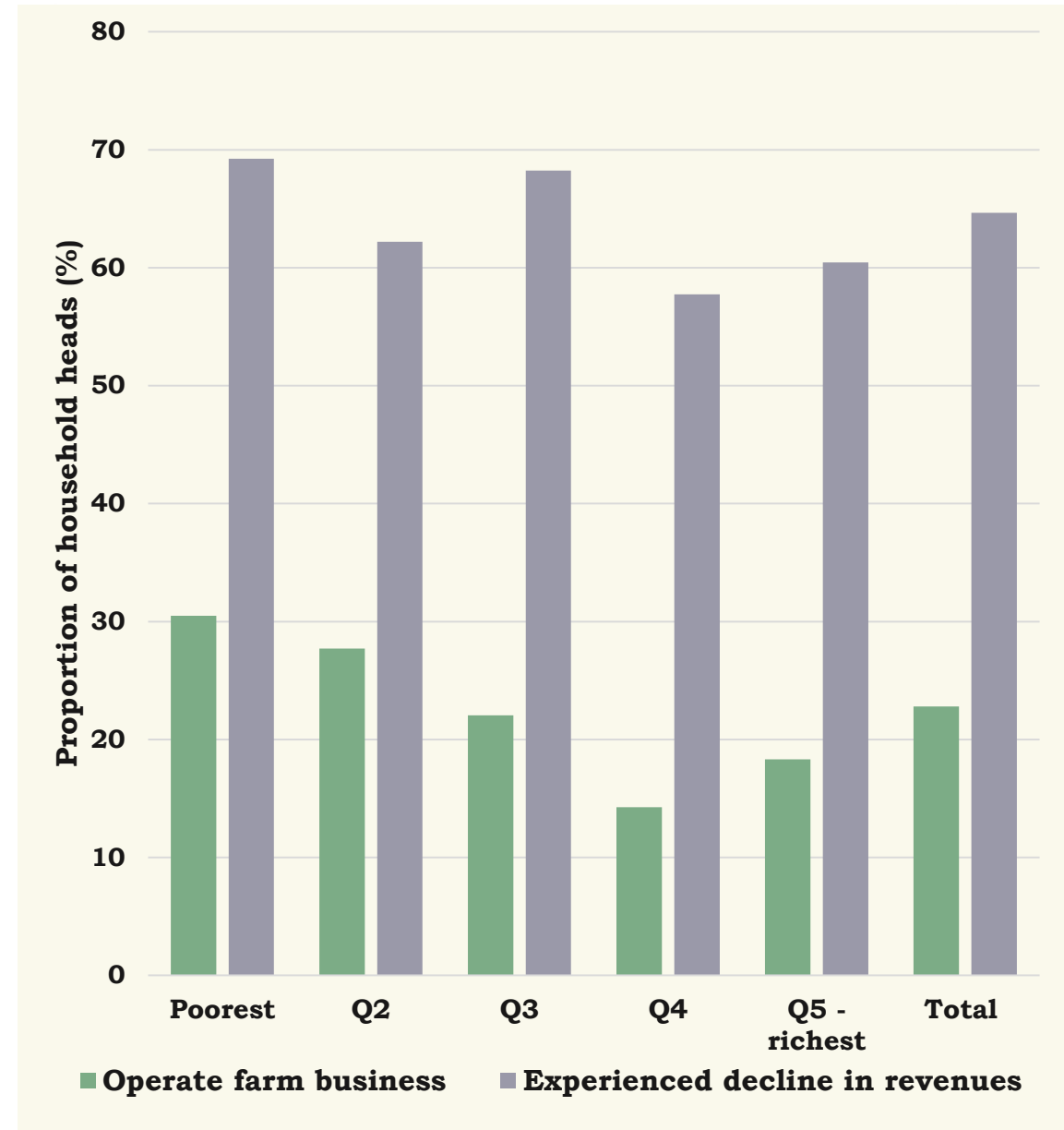
Households operating non-farm businesses also experienced income loss

• 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.
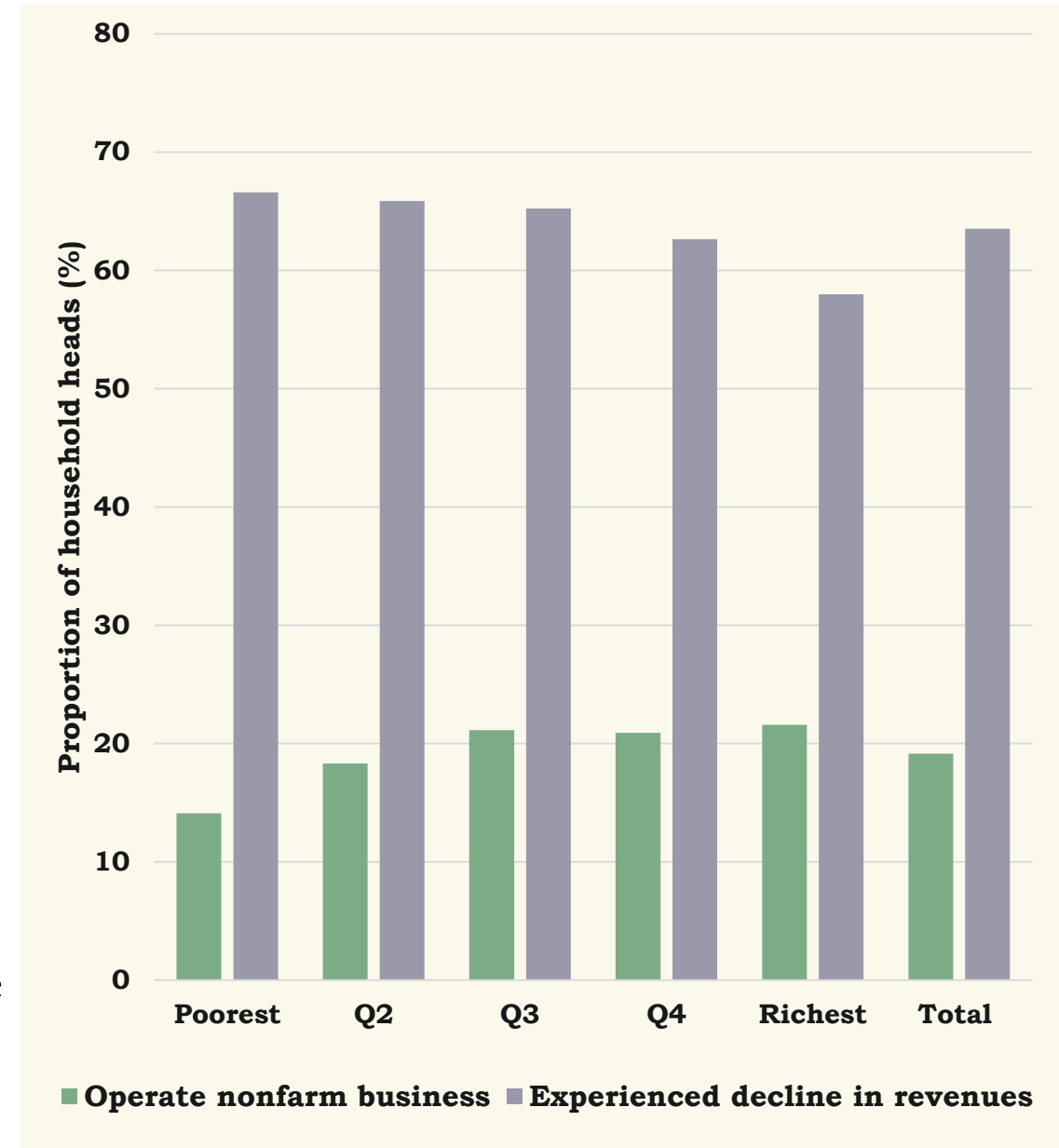
Many households suffered reductions in remittances receipts

- 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.
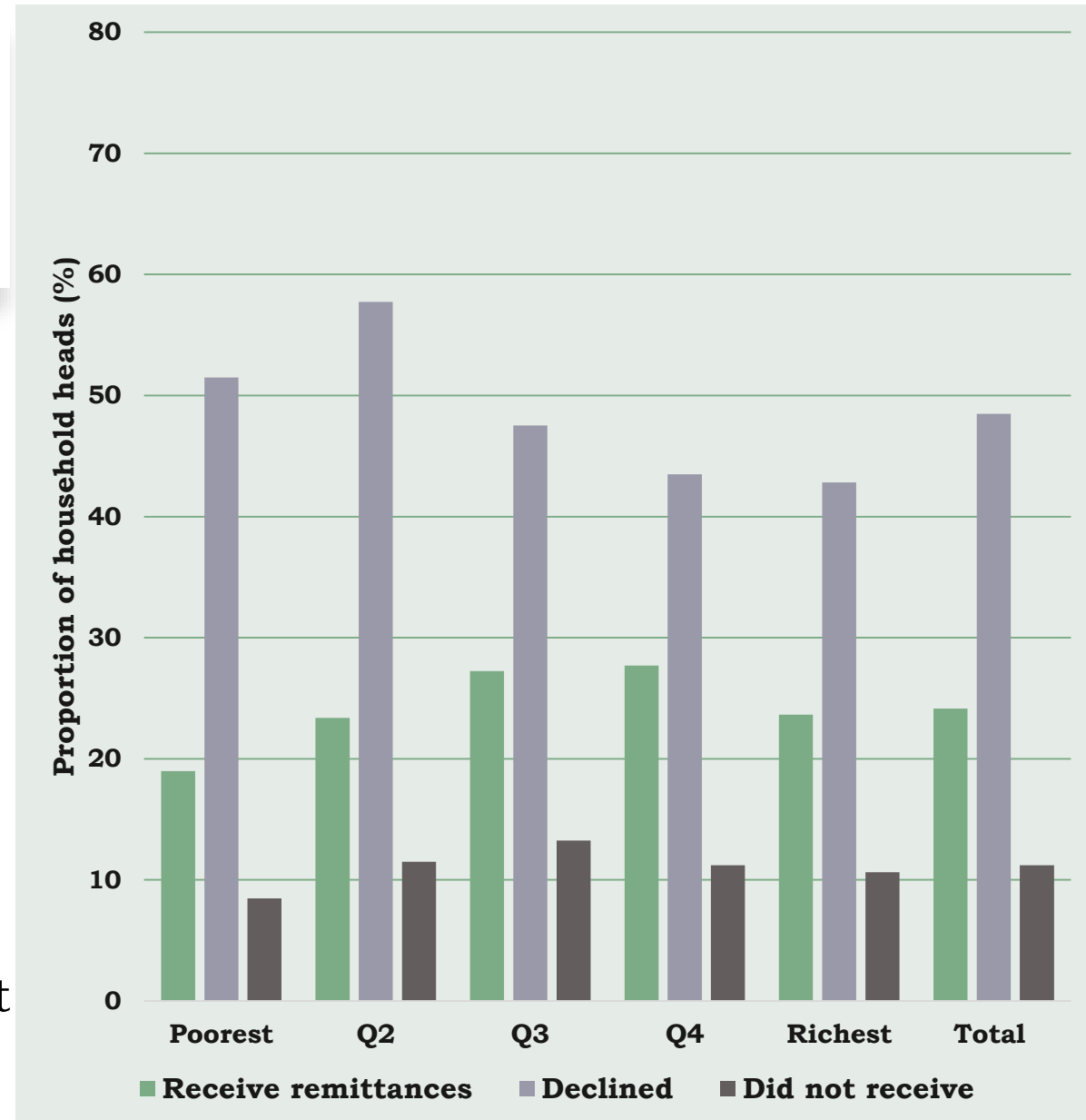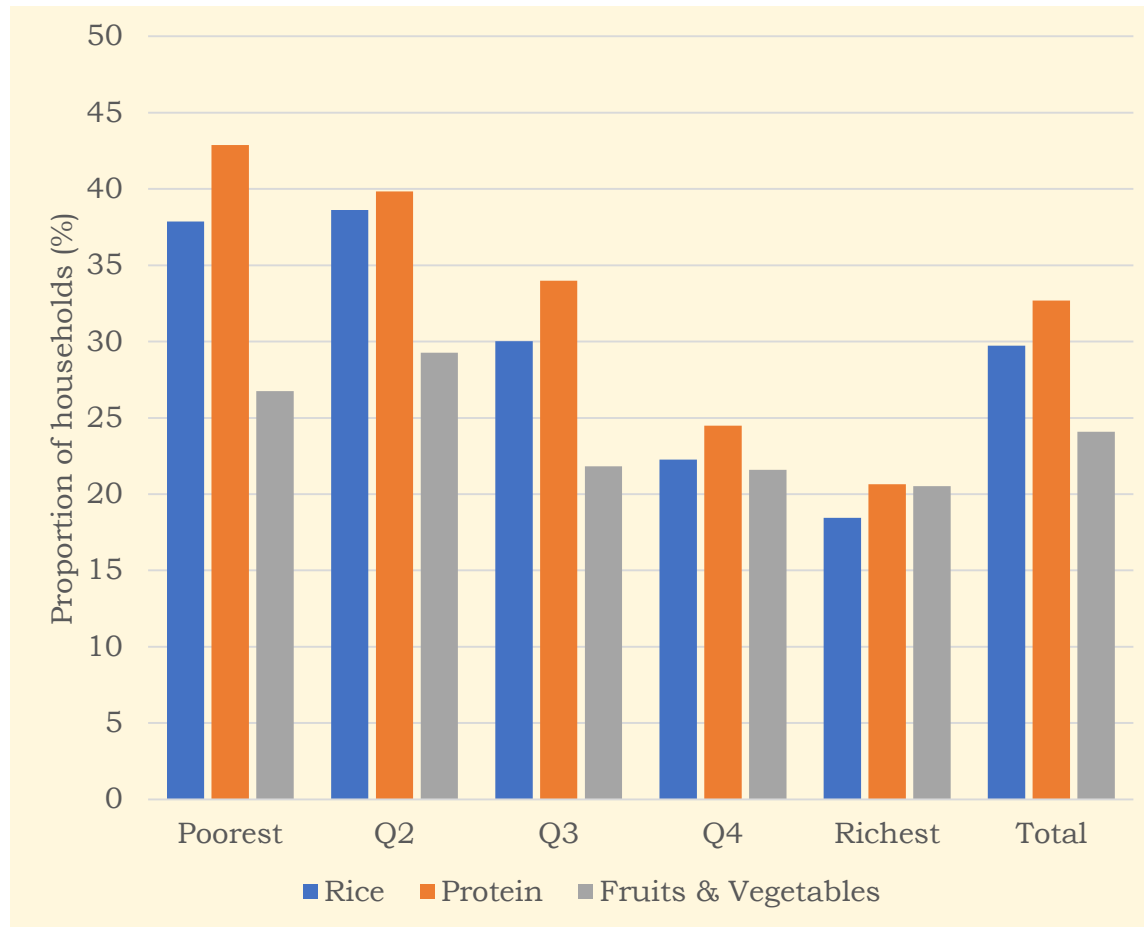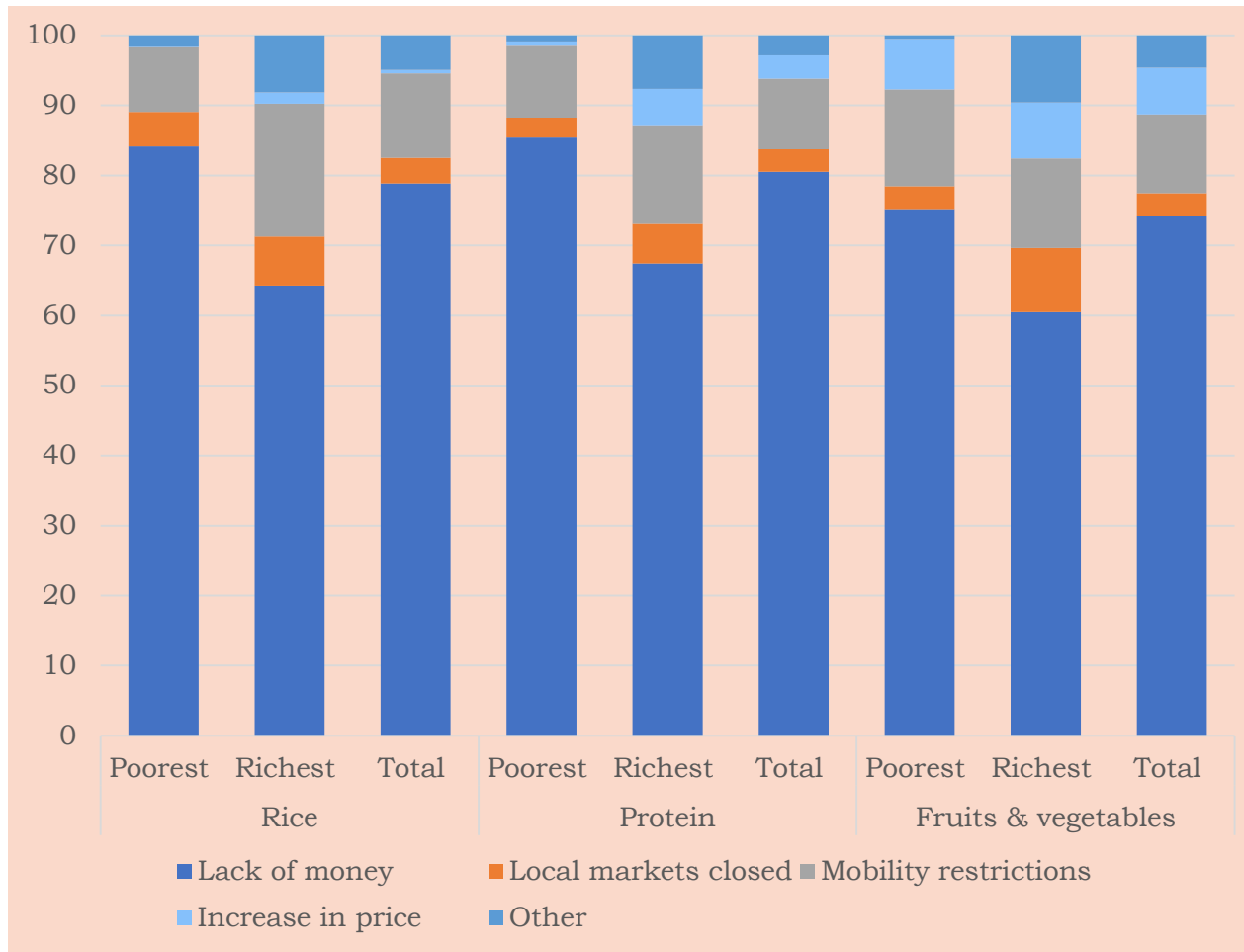
Food Security

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.

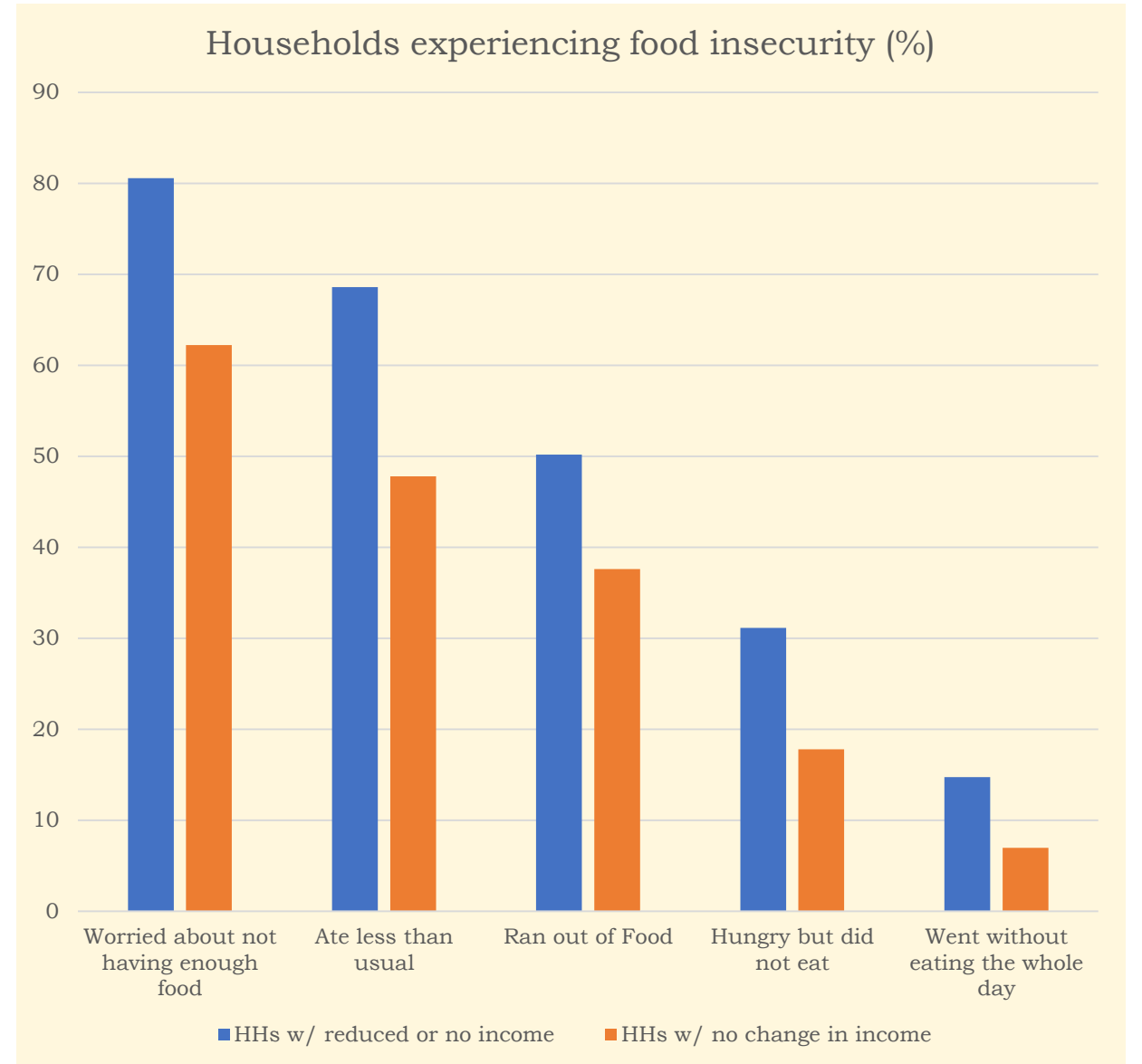# Financial constraints were the main liming factors to buy staple food

- 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.

Households experiencing food insecurity (%)

Legend: ■ HHs w/ reduced or no income   ■ HHs w/ no change in income

Categories: Worried about not having enough food; Ate less than usual; Ran out of Food; Hungry but did not eat; Went without eating the whole day

Human Capital

05

Obtained needed medical treatment

No 33%

Yes 67%
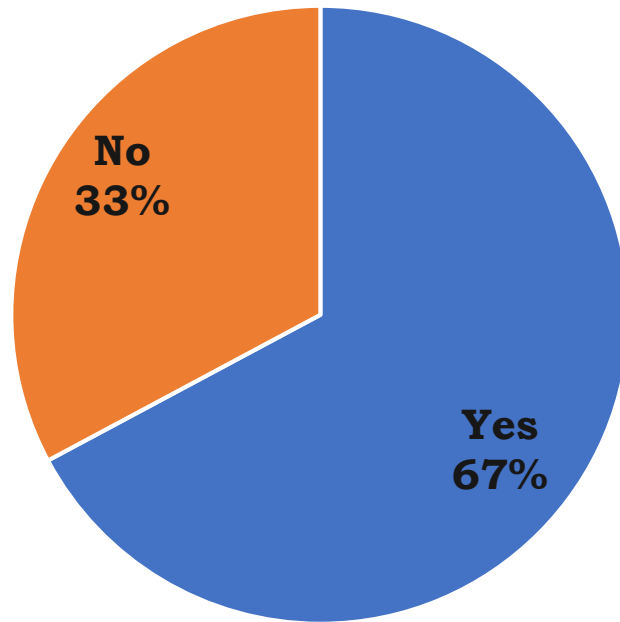
Reason for not obtaining medical treatment

Lack of money / Cannot afford, 46%

Afraid of contracting COVID-19, 28%

Mobility restrictions, 13%

Facility full/lack staff, 10%

Others, 2.8

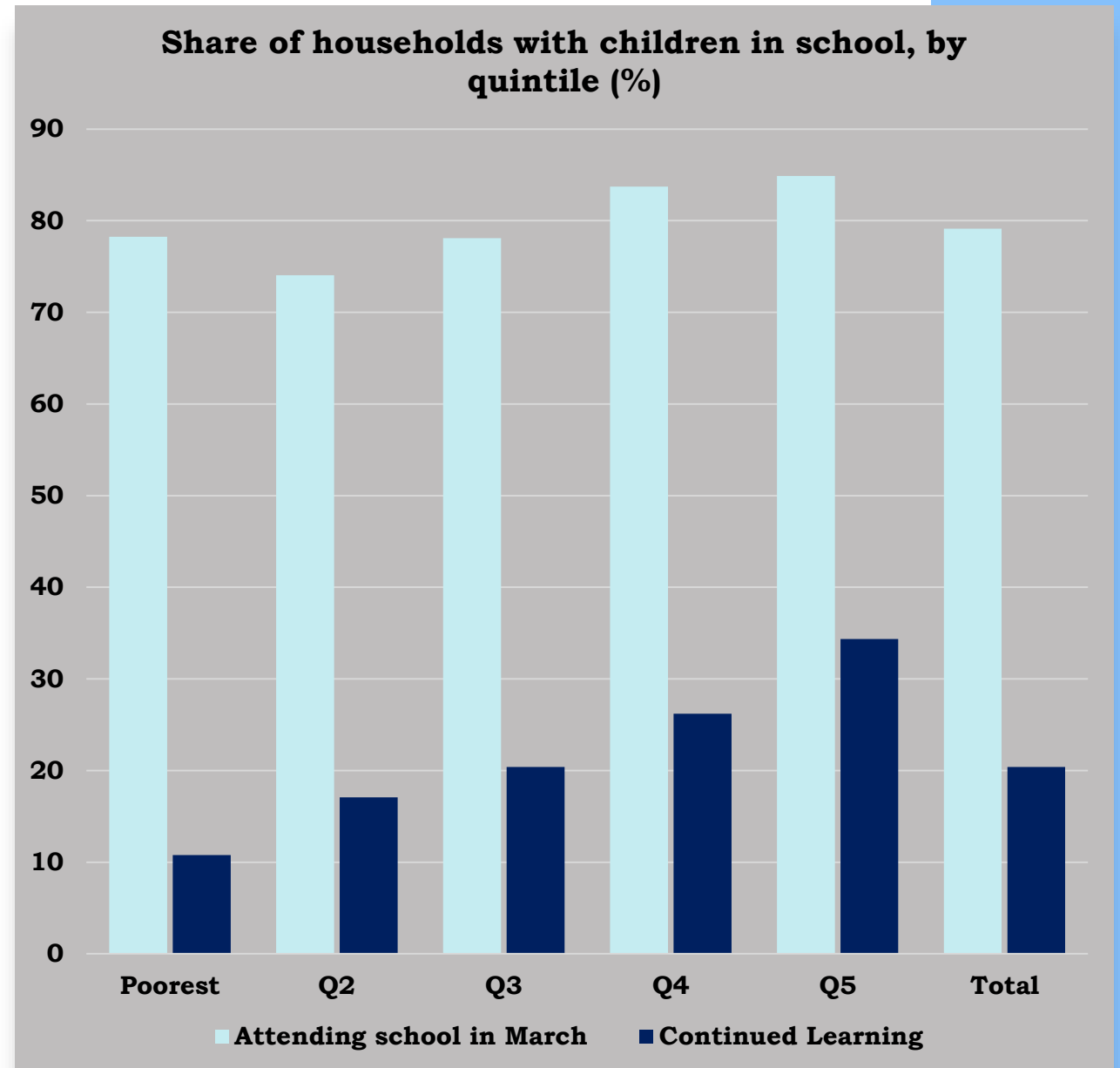**One in three households who needed medical attention was not able to obtain it**

Lack of money was the primary reason for not getting medical treatment
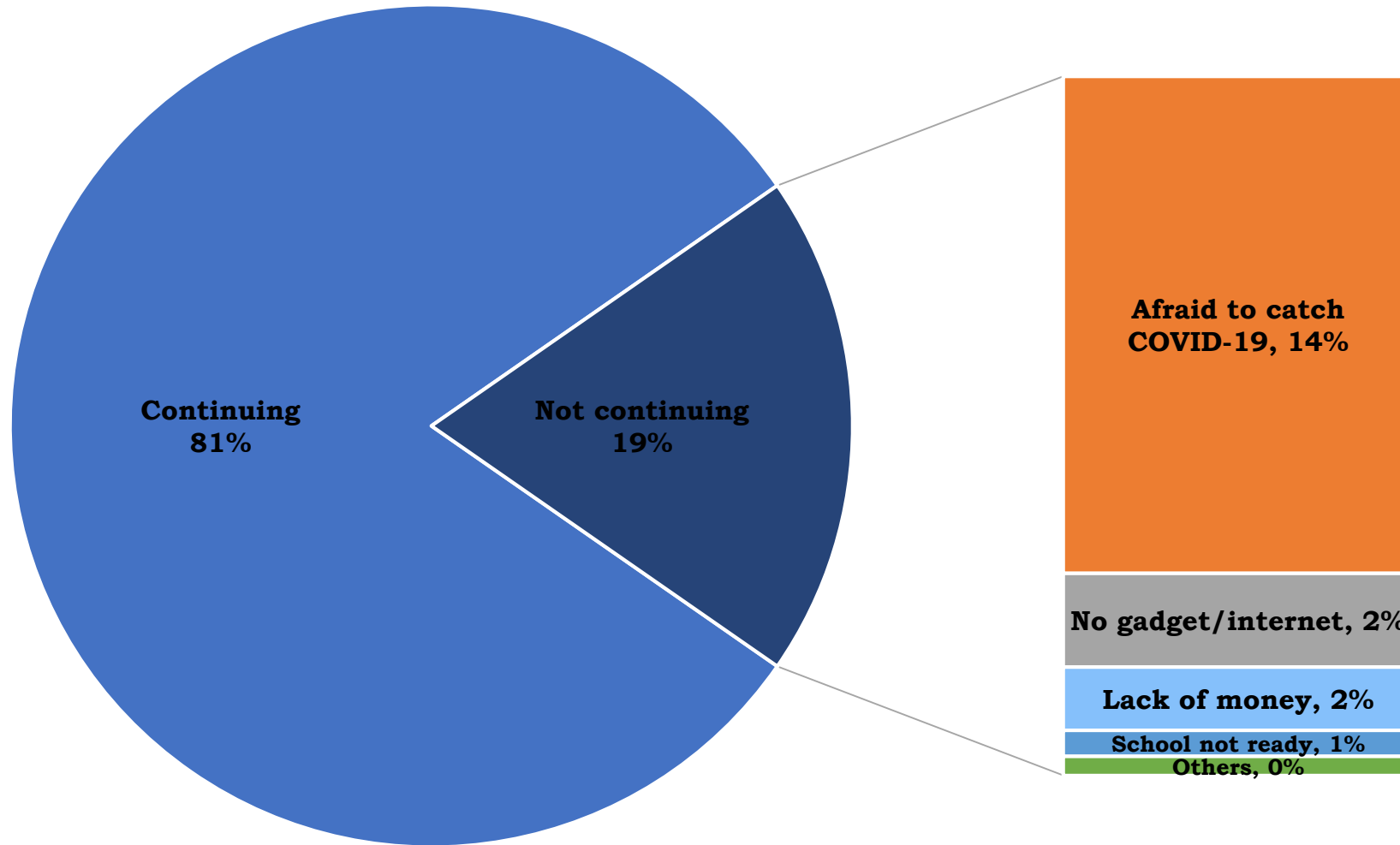
....followed fear of contracting the virus

.... 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.

Share of households with children in school, by quintile (%)

Legend: ▢ Attending school in March   ■ Continued Learning

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

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

Continuing 81%

Not continuing 19%

Afraid to catch COVID-19, 14%

No gadget/internet, 2%

Lack of money, 2%

School not ready, 1%

Others, 0%

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.

Tried to Acess Financial Service (%)
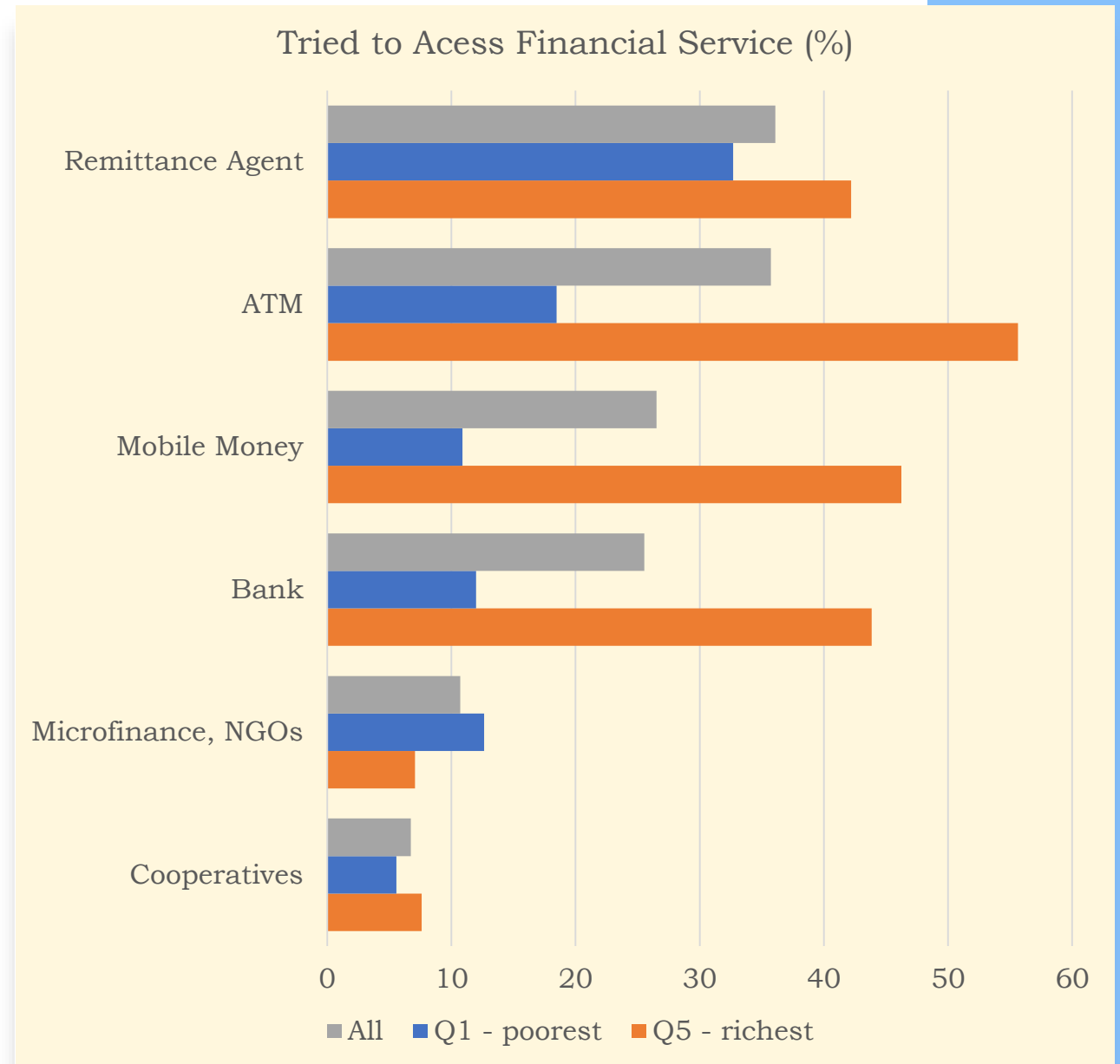
Of the households accessing financial services, very few faced restrictions

- 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.
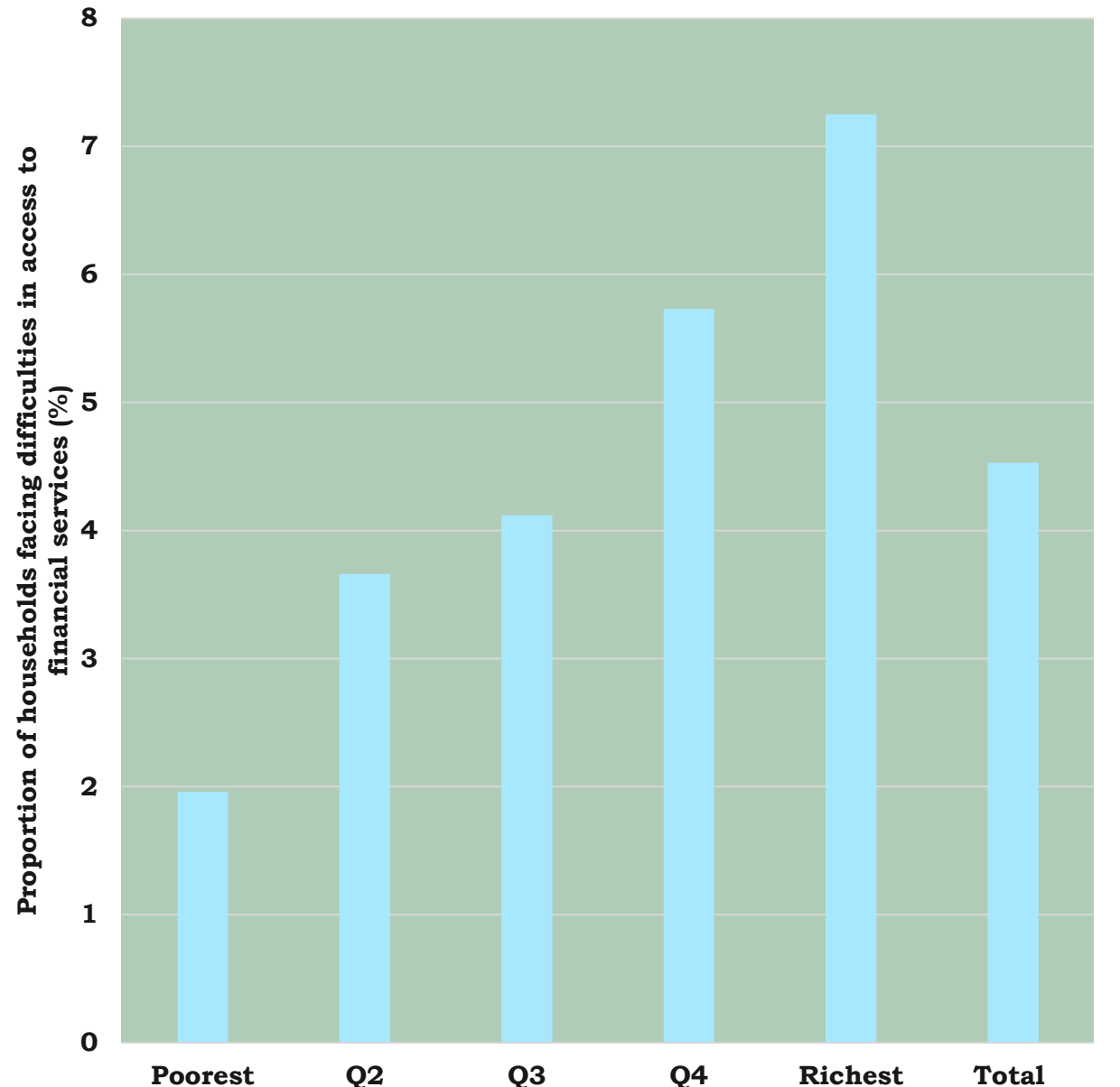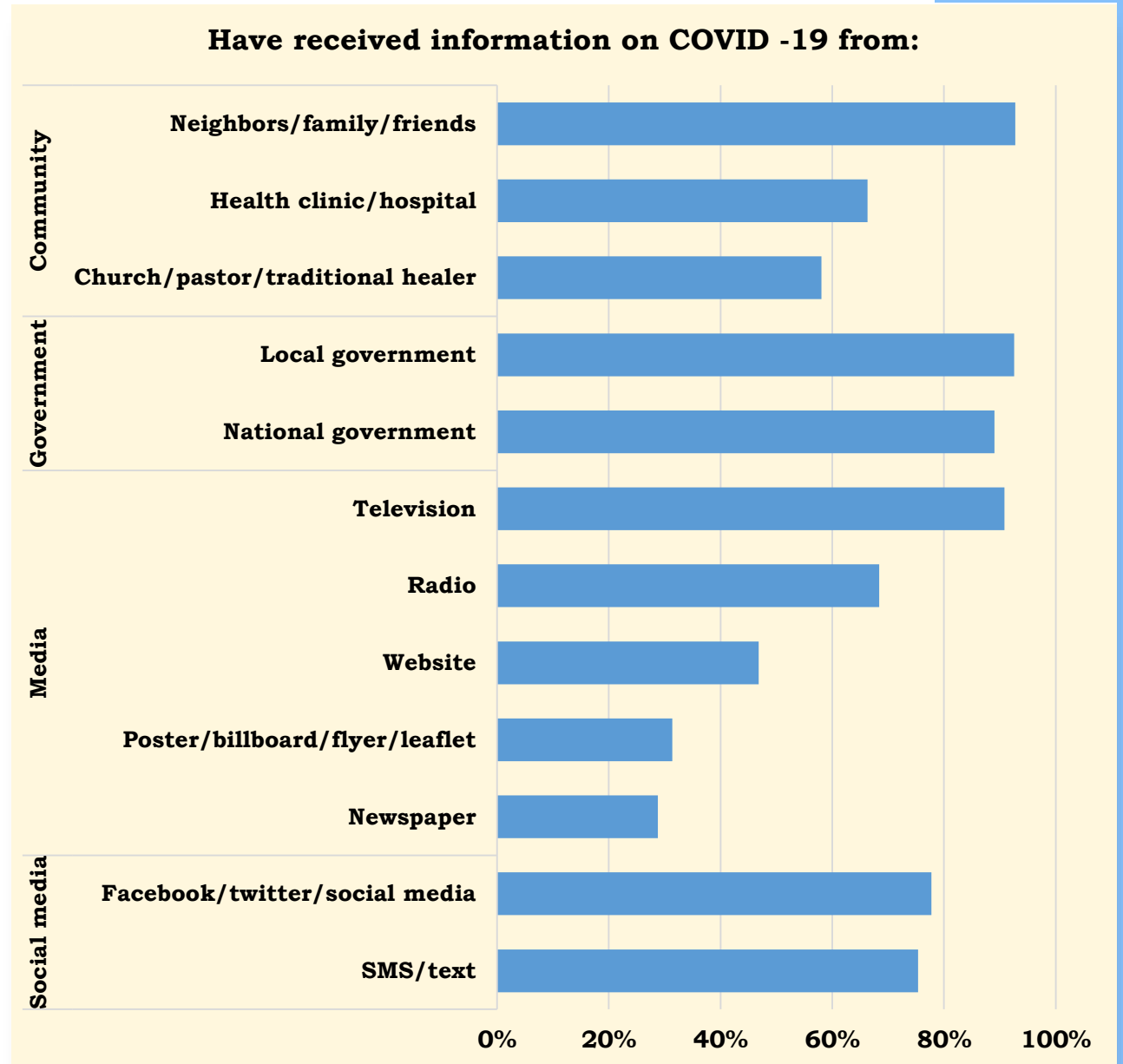
Knowledge and behavior

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

Have received information on COVID -19 from:

Category	Source
Community	Neighbors/family/friends
	Health clinic/hospital
	Church/pastor/traditional healer
Government	Local government
	National government
Media	Television
	Radio
	Website
	Poster/billboard/flyer/leaflet
	Newspaper
Social media	Facebook/twitter/social media
	SMS/text

# 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.

Awareness of government action (%)

	National Government	Local Government
Advised citizens to stay at home		
Closure of schools and universities		
Imposition of lockdown, closed roads or added police		
Imposition of curfew		
Restricted public gatherings		
Restricted travel whether local or international		
Disseminate knowledge about the virus		

0   20   40   60   80   100

■ National Government   ■ Local Government

Filipinos adopted prevention measures

- Almost everyone has adopted basic prevention measures (wearing face mask, washing hands, social distancing).
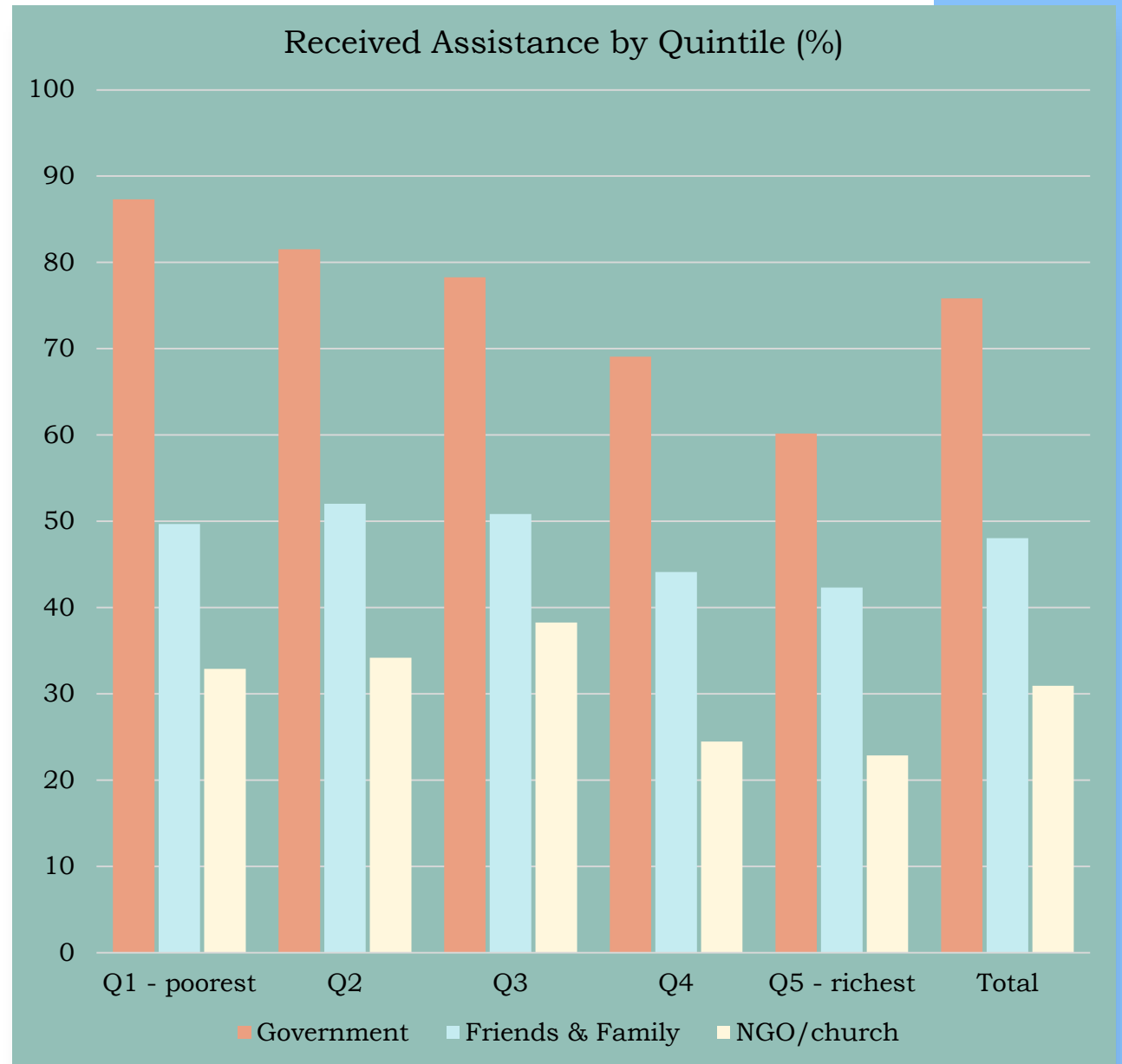
- About 8 in 10 households have stockpiled on supplies.
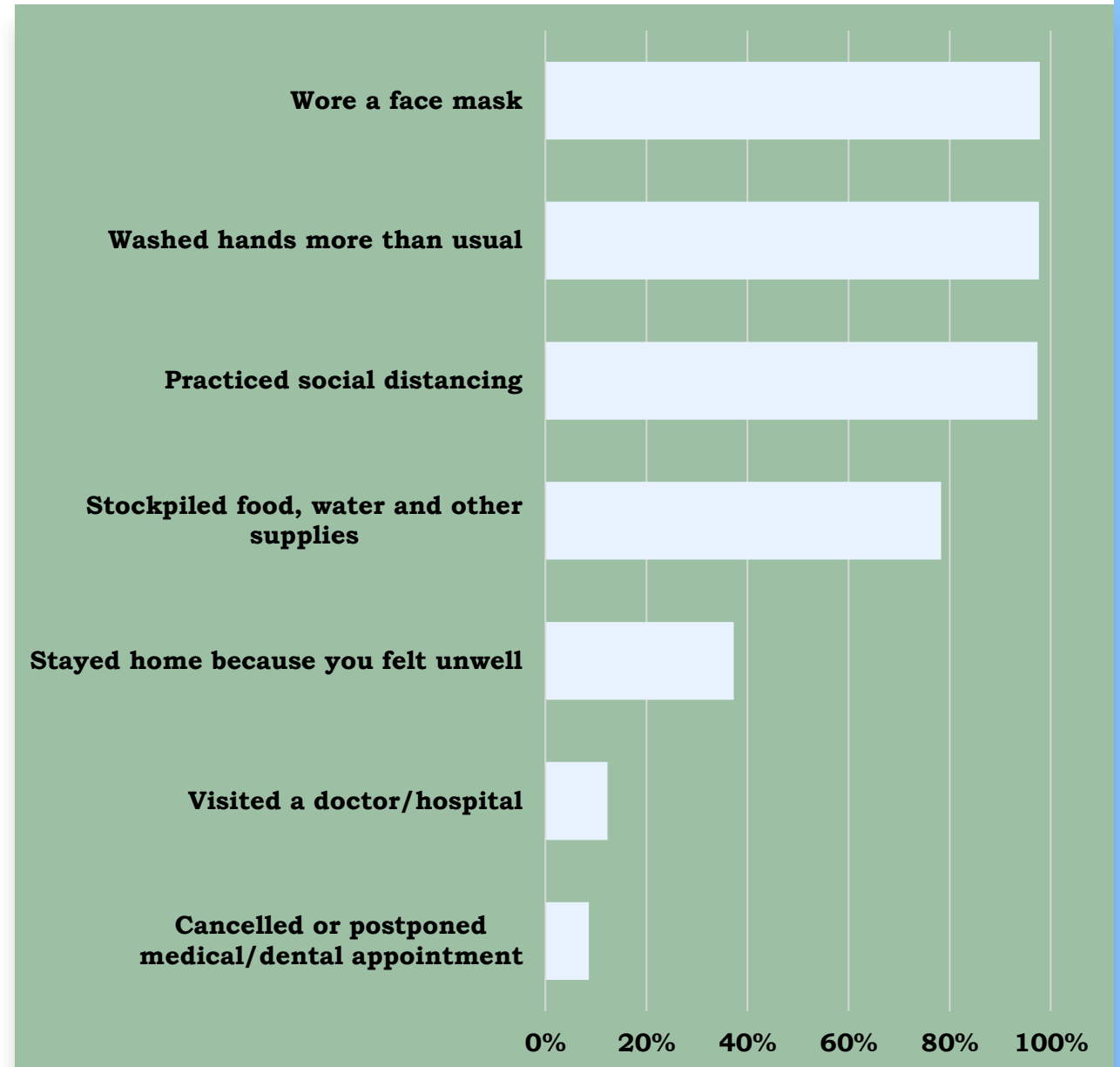
Safety Nets & Coping Mechanisms   08

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.

Received Assistance by Quintile (%)

Legend: Government, Friends & Family, NGO/church
Categories: Q1 - poorest, Q2, Q3, Q4, Q5 - richest, Total

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.

Household's Coping Mechanism (%)