

# COVID PULSE PH: Urban Poverty in the Time of the Pandemic



Summary of results from Phase 2 of a survey commissioned by the Zero Extreme Poverty Philippines 2030 and the United Nations Development Program Philippines.



## INTRODUCTION

The Zero Extreme Poverty Philippines 2030 (ZEP 2030)— a coalition of non-government entities (NGEs) and networks—and the United Nations Development Programme Philippines (UNDP PH) commissioned the ZEP-UNDP COVID PULSE PH SURVEY to take a pulse on how the urban poor in the Philippines has been affected by the Coronavirus Disease 2019 (COVID-19) pandemic.

The first of three survey phases was conducted in May 2020 to test the viability and reach of the chatbot tool. Phase 2 attempts to tell a more detailed story of how the pandemic has affected the lives of low-income households. It aims to:

- Check for change in the condition of poor families in terms of the impact of COVID-19 on their income, livelihood, food security, and access to services;
- Assess the sufficiency of aid response, most notably the government's Social Amelioration Program (SAP); and

- Identify the needs of poor households to achieve sustainable livelihood in the new normal, building on their existing capabilities.

The COVID Pulse PH Phase 2 was conducted from 21 August to 11 October and reached 955 poor and vulnerable households from Metro Manila (86%) and Metro Cebu (14%). Of the respondents, 84% were female household representatives that belong to the 26-40 age cohort. Though the total sample size was reduced from 3,144 in Phase 1, the results of Phase 2 were largely consistent with the previous round.

This policy note presents preliminary findings that, we hope, could inform discussions and action on addressing socioeconomic recovery from the pandemic. This policy note is also being published to solicit feedback and discussion on the findings and methodology. The full technical report will soon be made available. Please view the data dashboard ([bit.ly/covidpulsewave2](https://bit.ly/covidpulsewave2)) for more information.



## INCOME AND LIVELIHOOD

### LIVELIHOOD AND INCOME BEFORE THE ECQ

- **Baseline Income.** About 69% of respondents earned below PHP 10,000 per month last year, which is roughly equivalent to the official income poverty line. Another 28% earned PHP 10,000 to 30,000, which could be considered as the near poor.
- **Informality.** More than 60% of respondents depended on temporary or informal jobs: contractual workers, commission-based, micro-entrepreneurs, street vendors, etc. The proportion is higher at 70% among those earning below PHP 10,000.

### WHAT HAPPENED DURING THE ECQ

- **Decreased Income.** During the height of the Enhanced Community Quarantine (ECQ), about 86% of respondents experienced a decrease in their income. About 25% totally lost their income, while another quarter lost half or more of their income.
- **Deeper Poverty.** Of those earning below PHP 10,000, a slightly larger proportion (27%) lost all their income

during the ECQ. Among the PHP 10,000 to 30,000 income bracket, at least 21% of the families could have fallen below the poverty line.

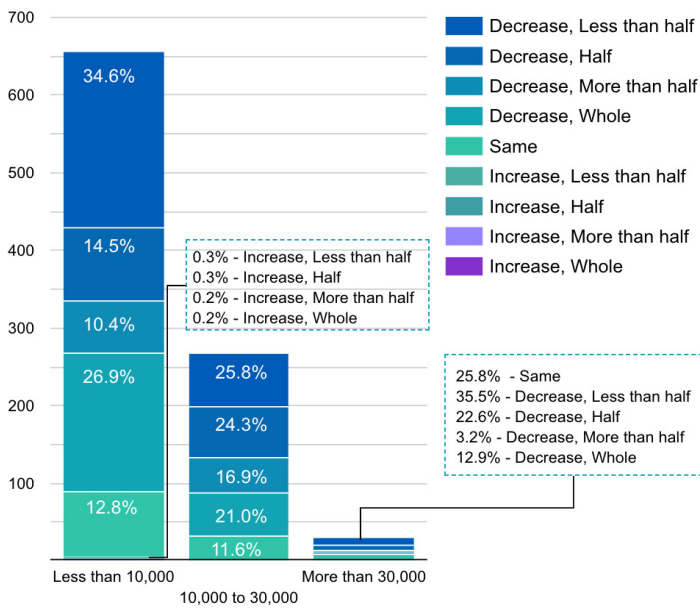
- **Effects on the Precarious.** Those with informal and temporary work were affected by COVID-19 worse than the rest. Of this group, 91% experienced income losses. Meanwhile, 42% of them had to stop working.

### PERCEIVED CONDITION AFTER THE ECQ

- **Situation Worsened.** Nearly 59% reported that their income situation worsened after the imposition of ECQ; while the situation did not change for 30%.
- **Worst for the Precarious.** Among those who depend on temporary and informal work, the situation worsened for a larger proportion of 66%. This proportion is similar among those whose incomes had already declined during the ECQ.
- **Recovery for the Few.** Meanwhile, 11% experienced improvement, many of whom returned to work or found another source of income.

### Change in Income During the ECQ by Income Bracket

Note: number labels in the bar denote proportion within the income bracket.



### EFFECT ON GENDER

The survey finds that the households whose respondents were female were generally worse off:

- **Baseline income.** 71% earned below PHP 10,000 per month before the pandemic (vs. 61% for males and 43% for LGBTQIs).
- **Informality.** 66% had informal or temporary work (vs. 49% for males and 43% for LGBTQIs).
- **Income and Livelihood during ECQ.** 42% had to stop work (vs. 31% for males and 14.3% for LGBTQIs). Differences in income effects across gender groups are not very significant though they are slightly worse for females.



### MULTIDIMENSIONAL POVERTY

ZEP2030 and UNDP view poverty not just as lack of income but as deprivations in various aspects of human development. **How has the pandemic affected other dimensions of poverty?**

#### HUNGER

- **Food Insecurity.** More than half of the households surveyed experienced some form of food insecurity due to lack of money, high prices, shortages, and others. Unfortunately, 16% had to skip meals at least once a week to cope
- **Coping Strategies.** The households employed one or a combination of strategies to compensate, including borrowing money (29% of the food insecure), relying on cheaper food (26%), and relying on food aid (22%).

#### EDUCATION

- **Continuing Schooling.** More than half (54%) of the households affirmed that their children would attend

school despite the pandemic. Unfortunately, nearly 30% said that at least one child will not attend school this school year.

- **Access to Technology.** Among the households whose children will stop schooling, nearly 65% cited lack of access to computers or gadgets and internet, while another fourth cited insufficient funds to support schooling.

#### HEALTH

- **Vulnerable Family Members.** Of the households surveyed, 92% had at least one family member who is considered vulnerable to COVID-19: children, pregnant women elderly, persons with physical or mental disability, chronically-ill.
- **Healthcare Needs.** 46% expressed the need to access healthcare services during the quarantine period, mainly medicines and medical consultation.



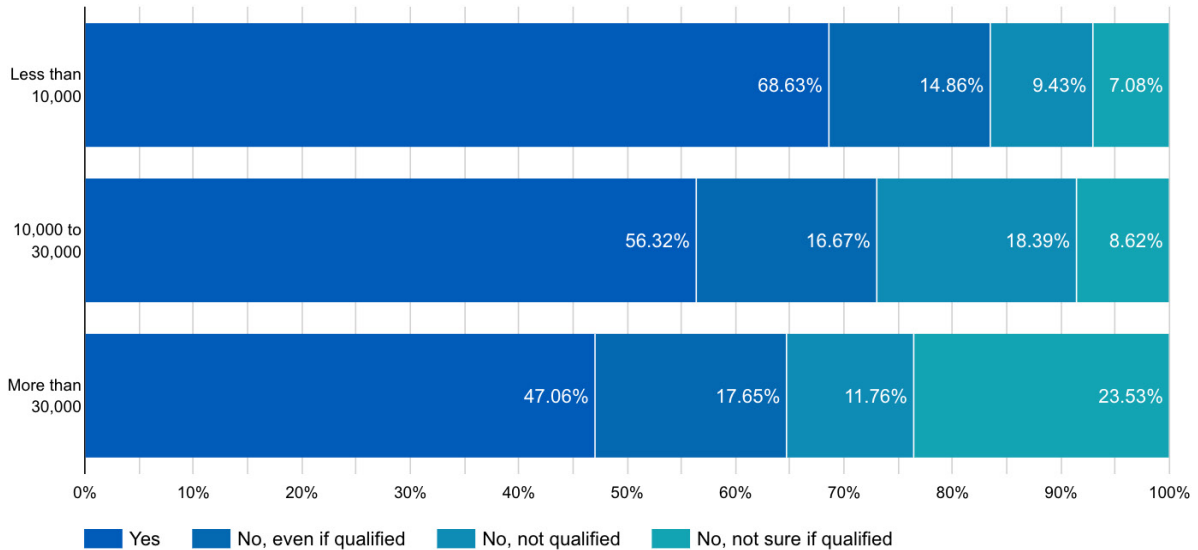
### ACCESS TO HELP

At the time of the survey, 96% of households surveyed received at least one form of support from government or other sectors, whether they are in the form of the SAP grants, other cash assistance, or in-kind relief.

**Social Amelioration Program (SAP).** 65% of households received their SAP grants from the government, while the rest did not – including about 15% who thought they were qualified.

- **Receipt among the Disadvantaged.** The proportion of those who received their SAP was slightly higher among those who earned below PHP 10,000 (68%); and those who had informal or temporary livelihood (67%).
- **Improvement.** A larger proportion of those who said their income situation improved after the ECQ received SAP (75%) versus those who said their situation worsened (64%).

**Receipt of SAP Grants by Income Bracket**



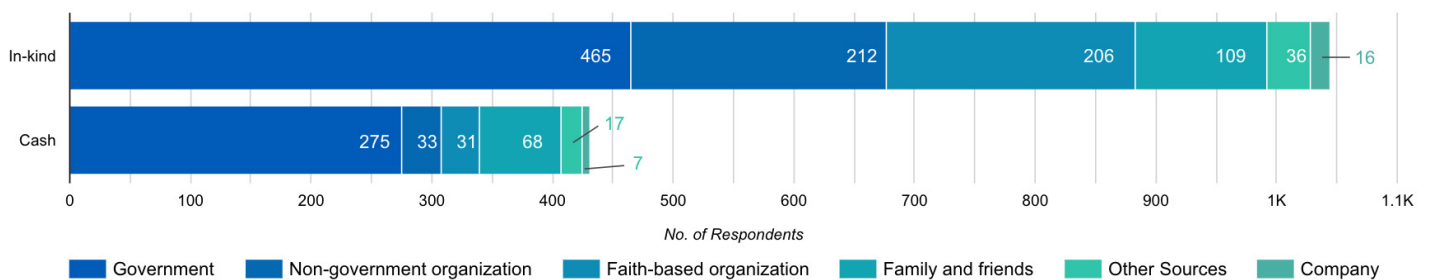
- **Use.** An overwhelming (87%) proportion of respondents said they used all or part of their SAP grants to buy food, medicines, and basic needs. Smaller proportions said they paid of debt, helped family members, fixed their house, among others.
- **Timeliness.** Nearly 79% of SAP beneficiaries received their grants after a month or more of filing their applications.
- **Delivery.** When asked about what can be improved about SAP, 40% identified the disbursement process, while 25% cited none as they were satisfied with it.

These were mostly from government although civil society and personal connections also provided help.

- **Other Cash Assistance.** 37% of respondents received other forms of cash assistance, most of which came from the government (275 respondents). Other notable sources were family and friends (68 respondents) and civil society (64 respondents).
- **In-Kind Assistance.** 73% received in-kind assistance, also mainly from the government (465 respondents). Civil society — including non-government and faith-based organizations — assisted a comparable number of families (418 respondents).
- **Sufficiency and Frequency of Aid.** Overall, 71% of households thought that the help they received was not enough. About 60% received help at most thrice.

**Access to Other Assistance.** Nearly 83% of the households surveyed received cash support other than SAP grants, in-kind support such as relief goods, or both.

**Other Assistance Received and Sources**



*Note: The total number of in-kind aid amounts to 110% of the total sample size due to respondents receiving assistance from multiple sources*



**SUSTAINABLE LIVELIHOOD**

What support do the poor need and what skills do they currently have to improve their wellbeing under the new normal?

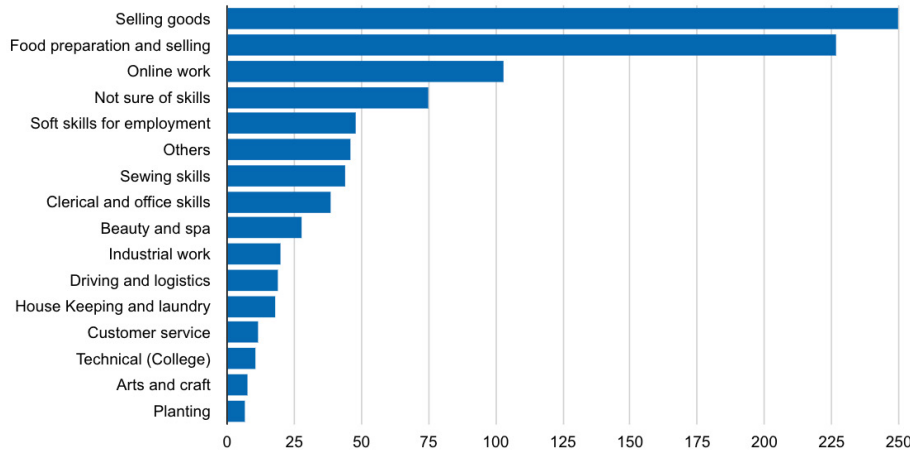
- **Capital Needed Most.** Of households surveyed, 74% said they need capital to start a new business or “side-line.”

- **Potential Entrepreneurs.** Selling goods (26%) was the most cited capability by respondents, followed by food preparation and selling (24%). Many other respondents cited specific work skills — from online work to driving and housekeeping.

### Support Needed for Recovery In the New Normal



### Current Skills of Respondents



## CONCLUSION

The results of COVID Pulse PH Phase 2 are largely consistent with the Phase 1 results in reporting that poverty has worsened during the ECQ. For the already-poor, their suffering has worsened due to the loss of income and livelihoods during the ECQ, most of whom have not yet been recovered. Poverty may have also likely increased as those who were just hovering above the poverty line have succumbed to income and job losses.

COVID-19 has a multidimensional effect on poverty. The food insecurity that the pandemic wrought on poor households, coupled by the inability of a good number of families to keep their children in school, may have long-run implications on the nutrition and cognitive development of children, and future ability of households to improve their welfare.

We also make the following observations and recommendations:

- 1. Social Protection Under the New Normal.** SAP, the largest transfer so far provided by the Philippine government for low-income families, has provided a crucial lifeline for majority of the poor to weather the impact of COVID-19. As economic recovery is expected to be protracted, continued government support — with civil society and private sector action — to the most vulnerable is critical.

While SAP was necessary and helpful in bridging households' basic needs, the reach, targeting, and timeliness

of aid will have to be improved. The current package of social protection programs must be made more suited for the new normal, benefiting not only the chronically poor but also the new poor created by the pandemic.

- 2. Integrated Support for Small Businesses.** Apart from effective social protection, promoting socioeconomic recovery will require holistic support to microentrepreneurs: from capacity and market development to financing. On the latter, financial inclusion efforts need to be intensified. Beyond digitalizing transactions such as in the distribution of aid, this entails making the financial services themselves more accessible and affordable, and designed to enable the poor to attain sustainable livelihood.

- 3. Localized Action and Convergence.** Among the prominent themes in the country's COVID-19 response narrative, is the increased responsibility hoisted upon local governments units (LGUs): from contact tracing and community quarantine enforcement, to aid delivery and livelihood recovery. Clearly, LGUs would not succeed on their own: civil society, business, and other sectors need to engage LGUs more closely and ensure convergence among their actions.

In the next few months, apart from expanding survey coverage (to rural areas) and ramping up efforts to increase engagement (in order to improve representativeness), ZEP2030 and UNDP will jointly be exploring and testing new ways of fostering multi-stakeholder convergence at the local level and innovative approaches of curbing pov-

The COVID PULSE PH survey was commissioned by ZEP2030 and UNDP. This policy note is being published to solicit feedback and discussion. The views expressed herein do not necessarily reflect the views of ZEP2030, its individual members, and the UNDP.

ZEP2030 is a movement that has a radical aim: to reduce a million Filipino families living in extreme poverty by the year 2030. The movement is dedicated to bringing about transformational change towards the realization of a Philippines where Filipino families enjoy the fullness of life in sustainable communities. It is composed of 140 non-government entities that are present in 430 cities and municipalities nationwide.

UNDP partners with people at all levels of society to help build nations that can withstand crises, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.

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#### **United Nations Development Programme**

Philippines Country Office  
15th Floor North Tower, Rockwell Business Center Sheridan  
Sheridan Street corner United Street  
Highway Hills, 1554 Mandaluyong City  
Philippines  
Email: [registry.ph@undp.org](mailto:registry.ph@undp.org)  
Website: <https://www.ph.undp.org/>

#### **Zero Extreme Poverty (ZEP) PH 2030**

ZEP2030 Head Secretariat  
Philippine Business for Social Progress  
7/F CITYNET Central, Sultan Street, Brgy Highway Hills  
1550 Mandaluyong City, Philippines  
E-mail: [zeroextremepoverty2030@gmail.com](mailto:zeroextremepoverty2030@gmail.com)  
Website: <http://zeropovertyph.net/>



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