

SPECIAL RELEASE

2023 Full Year Official Poverty Statistics of Cagayan

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Incidences and Magnitude

Poverty incidence refers to the proportion of individuals or families whose income is insufficient to buy their minimum basic food and non-food needs, as estimated by the poverty threshold. Based on the preliminary results of the Family Income and Expenditure Survey (FIES), conducted in July 2023 (collecting income data from January to June 2023) and January 2024 (collecting income data from July to December 2023), the provincial poverty incidence among families in Cagayan was recorded at 5.7 percent. Among individuals, the proportion of Cagayanos whose per capita income was insufficient to meet their basic food and non-food needs was 8.2 percent, equivalent to approximately 107.53 thousand Cagayanos (Table 1).

Table 1. Full Year Poverty Incidence and Magnitude of Poor, Cagayan: 2018, 2021, and 2023^p

| Statistics | 2018 | 2021 | 2023 |
|--|--------|--------|--------|
| Poverty Incidence of Proportion of Poor (%) | | | |
| Among Families ^{1/, 3/} | 12.5 | 7.3 | 5.7 |
| Among Population ^{1/, 3/} | 16.0 | 10.1 | 8.2 |
| Magnitude of Poor (in thousand) | | | |
| Among Families ^{1/, 3/} | 35.84 | 21.85 | 17.51 |
| Among Population ^{1/, 3/} | 199.17 | 129.91 | 107.53 |

Source: Philippine Statistics Authority's 2018, 2021, and 2023 Family Income and Expenditure Survey (FIES).

Notes: 1/ significant change; The increase or decrease in the severity of poverty between 2018 and 2021 is significant at 5% level of significance ($\alpha = 0.05$).

3/ significant change; The increase or decrease in the poverty incidence among families between 2018 and 2023 is significant at 5% level of significance ($\alpha = 0.05$).

p - This is based on the preliminary results of the 2023 FIES



Meanwhile, subsistence incidence refers to the proportion of individuals or families whose income is insufficient to meet their basic food needs. In Cagayan, the subsistence incidence among families in 2023 was recorded at 1.1 percent, meaning 1 in every 100 families had an income below the required level for basic food needs. Among individuals, approximately 2 in every 100 Cagayanos lived below the minimum income required to meet basic food needs, also known as the food threshold (Table 2).

Table 2. Full Year Subsistence Incidence, Magnitude of Food Poor, and Food and Poverty Thresholds, Cagayan: 2018, 2021, and 2023^p

| Statistics | 2018 | 2021 | 2023 |
|---|--------|--------|--------|
| Subsistence Incidence of Proportion of Food Poor (%) | | | |
| Among Families ^{1/, 3/} | 3.0 | 1.2 | 1.1 |
| Among Population ^{1/, 3/} | 4.1 | 1.9 | 1.7 |
| Magnitude of Food Poor (in thousand) | | | |
| Among Families ^{1/, 3/} | 8.71 | 3.68 | 3.38 |
| Among Population ^{1/, 3/} | 51.31 | 24.31 | 21.94 |
| Monthly Poverty Threshold for Family of Five (PhP) | 10,316 | 11,231 | 12,523 |
| Monthly Food Threshold for Family of Five (PhP) | 7,218 | 8,037 | 8,699 |

Source: Source: Philippine Statistics Authority's 2018, 2021, and 2023 Family Income and Expenditure Survey (FIES).

Notes: 1/ significant change; The increase or decrease in the severity of poverty between 2018 and 2021 is significant at 5% level of significance ($\alpha = 0.05$).

3/ significant change; The increase or decrease in the poverty incidence among families between 2018 and 2023 is significant at 5% level of significance ($\alpha = 0.05$).

p - This is based on the preliminary results of the 2023 FIES Survey (FIES).

Thresholds and Income

The poverty threshold is the minimum income required for an individual or family to meet their basic food and non-food needs. In 2023, a family of five needed at least PhP12,523.00 per month to sustain their minimum food and non-food requirements. This amount, also referred to as the poverty threshold, was 11.51 percent higher

than the PhP11,231.00 monthly poverty threshold for a family of five in 2021.

On the other hand, to meet their minimum basic food needs in 2023, a family of five required at least PhP8,699.00 per month. This was higher than the food threshold in 2021 (PhP8,037.00) and in 2018 (PhP7,218.00) (Table 2).

It is important to note that the income collected in the FIES comes from various sources, including wages and salaries, entrepreneurial activities, and other income sources. These other sources include net share, cash receipts from abroad and domestic sources, rental income, interest, pensions, dividends, net receipts, gifts (both in cash and in kind), and imputed rent.

Table 3. Annual Per Capita Poverty Threshold and Mean Per Capita income, Cagayan: 2018, 2021, and 2023^p

| Indicators | 2018 | 2021 | 2023 | Percent Change | |
|---|---------|---------|---------|----------------|--------------|
| | | | | 2018 to 2021 | 2021 to 2023 |
| Poverty Incidence among families (%) | 12.5 | 7.3 | 5.7 | (41.6) | (21.9) |
| Annual per Capita Poverty Threshold (PhP) | 24,759 | 26,954 | 30,055 | 8.9 | 11.5 |
| All Income Decile | 65,153 | 70,016 | 82,116 | 7.5 | 17.3 |
| First Decile | 18,928 | 23,194 | 27,548 | 22.5 | 18.8 |
| Second Decile | 26,533 | 31,816 | 39,578 | 19.9 | 24.4 |
| Third Decile | 33,499 | 37,776 | 47,420 | 12.8 | 25.5 |
| Fourth Decile | 39,940 | 43,957 | 55,084 | 10.1 | 25.3 |
| Fifth Decile | 47,363 | 50,927 | 62,941 | 7.5 | 23.6 |
| Sixth Decile | 56,331 | 59,561 | 72,448 | 5.7 | 21.6 |
| Seventh Decile | 67,786 | 70,468 | 83,974 | 4.0 | 19.2 |
| Eight Decile | 83,987 | 86,678 | 102,836 | 3.2 | 18.6 |
| Ninth Decile | 111,662 | 116,672 | 135,364 | 4.5 | 16.0 |
| Tenth Decile | 232,382 | 254,244 | 296,876 | 9.4 | 16.8 |

Source: Preliminary results of the 2023 Family Income and Expenditure Survey of income data

The observed decline in poverty incidence among families from 2021 can be attributed to changes in both the poverty threshold and income levels from 2021 to 2023. The poverty threshold, which is primarily

influenced by changes in food prices, increased by 11.5 percent in 2023. Meanwhile, the average per capita income grew by 17.3 percent from 2021 to 2023, a significantly faster rate compared to the 7.5 percent increase from 2018 to 2021.

Notably, the mean per capita income of families in the third decile—those closest to the poverty threshold—rose by 25.5 percent from 2021 to 2023, surpassing the increase in the poverty threshold. As a result, poverty incidence among families decreased by 1.6 percentage points, while poverty incidence among the population declined by 1.9 percentage points in 2023 (Table 3).

Other Poverty Measures

The Philippine Statistics Authority (PSA) also generates other poverty measures, including the income gap, poverty gap, and severity of poverty (squared poverty gap).

The income gap measures the average amount of income required by poor families to escape poverty, expressed as a percentage of the poverty threshold. In 2023, the income gap in the province was recorded at 18.3 percent, meaning that, on average, a poor family of five needed an additional monthly income of approximately PhP2,292.00 to rise above the poverty threshold (Table 4).

Table 4. Income Gap, Poverty Gap, and Severity Gap, Cagayan: 2018, 2021, and 2023^p (in percent)

| Statistics | 2018 | 2021 | 2023 | Percent Change | |
|---|------|------|------|----------------|--------------|
| | | | | 2018 to 2021 | 2021 to 2023 |
| Income Gap | 19.0 | 18.1 | 18.3 | -4.7 | 1.1 |
| Poverty Gap ^{1/, 3/} | 2.4 | 1.3 | 1.1 | -45.8 | -15.4 |
| Severity of Poverty (Squared Poverty Gap) ^{1/, 3/} | 0.7 | 0.4 | 0.3 | -42.9 | -25.0 |

Source: Source: Philippine Statistics Authority's 2018, 2021, and 2023 Family Income and Expenditure Survey (FIES).

Notes: 1/ significant change; The increase or decrease in the severity of poverty between 2018 and 2021 is significant at 5% level of significance ($\alpha = 0.05$).

3/ significant change; The increase or decrease in the poverty incidence among families between 2018 and 2023 is significant at 5% level of significance ($\alpha = 0.05$).

p - This is based on the preliminary results of the 2023 FIES

Technical Notes:

The Poverty statistics is based on Republic Act 8425 of 1997 or the Social Reform and Poverty Alleviation Act, under this Act the National Economic and Development Authority (NEDA) defined poor as individuals and families whose income fall below the poverty threshold and/or cannot afford in a sustained manner to provide their minimum basic needs of food, health, education, housing and other essential amenities of life. Accordingly, from this definition, our current poverty statistics is based on income.

Family Income and Expenditure Survey (FIES) is a nationwide survey of households undertaken by the Philippine Statistics Authority (PSA) every two years. It is the main source of data on family income and expenditure, which include among others, levels of consumption by item of expenditure as well as sources of income in cash and in kind. The results of FIES are used for policy and planning purposes, thus examination of the quality of survey data is highly important.



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