

Financial Literacy and Satisfaction of Beneficiaries to Pantawid Pamilyang Pilipino Program (4Ps): Evidence from the Poorest Countryside Areas of the Philippines

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Abstract

This study was ventured to verify if the poorest communities in Samar, Philippines met the objectives and criteria of Pantawid Pamilyang Pilipino Program (4Ps). This was done through profiling the financial literacy of parent-beneficiaries and by determining the level of satisfaction in the said program of both the parent and child beneficiaries. Using the survey questionnaire as main instrument and employing quantitative approach in a form of descriptive design with comparative analysis, it was found that 4Ps has served its purpose in the identified research locale. All the criteria of the program had been met by the beneficiaries. The aimed of the program to give monetary support to extremely poor families to respond for immediate needs is very efficient. In fact, both the parents and children beneficiaries are satisfied when it comes to the program objectives to alleviate poverty, selection process, clarity of implementation procedure, frequency and thoroughness in monitoring, transparency to prevent corruption, understanding of the conditionalities, compliance to implementation conditionalities, reactive monitoring, opportunities provided, and increasing the beneficiaries' enrolment, survival, attendance and participation in school. However, parent beneficiaries are struggling when it comes to financial literacy especially in allocating budget for food, education, hospitalization or medicine, and savings. This underpinned that the government should provide other alternatives such as livelihood and cooperatives to the beneficiaries to minimize dependence and learn to properly handle money.

Keywords: *financial literacy, government program, Philippines, poor community, 4Ps*

I. INTRODUCTION

In the Philippines, just like other countries, the right to education has been hindered by poverty. Poverty has been one of the major problems and societal concerns in the country. As defined by Crossman (2017), poverty is a social condition that is characterized by the lack of resources necessary for basic survival or necessary to meet a certain minimum level of living standards expected for the place where one lives. The income level that determines poverty is different from place to place, so social scientists believe that it is best defined by conditions of existence, like lack of access to food, clothing, and shelter (Valle, 2017).

As reported by the Philippine Statistics Authority (PSA) in 2015 reported that among the nine basic sectors, farmers, fishermen and children belonging to families with income below the official poverty threshold or poor families posted the highest poverty incidences in 2015 at 34.3%, 34.0% and 31.4%, respectively. These

sectors consistently registered as the three sectors with the highest poverty incidence in 2006, 2009 and 2012. Also, 5 of the 9 basic sectors consisting of farmers, fishermen, children, self-employed and unpaid family workers, and women, belonging to poor families, had higher poverty incidence than the general population estimated at 21.6% in 2015.

Sad to note, most of the problems and difficulties of Filipinos are rooted in poverty. Many families are left deprived of their basic needs and are therefore forced their children to stop going to school and help them instead in their livelihood (dela Torre, 2016). With the aim of Millennium Development Goals in alleviating poverty all over the world, the Philippine Government response is thru the provision of cash assistance among Filipino households living below poverty threshold. This financial support is an avenue to immediately respond to the needs of the people especially on health and education, this was called Pantawid Pamilyang Pilipino Program popularly known in the country as 4Ps.

Fernandez and Olfindo (2011) described the 4Ps as a conditional cash transfer program

that transfers cash to beneficiary families if they follow its conditionality. Just like other conditional cash transfer programs, the Pantawid Familyang Pilipino Program reduced and alleviate poverty by supplementing the income of the poor to following certain protocol and standards given by the government. In return, the beneficiaries assure that they comply set conditions of the government to sustain opportunities without breaking the program and it exist in the long run. The program is more than effective if all complied with the standards and that, there is a strict monitoring in the implementation.

It was emphasized that beneficiaries of this program are expected to use the assistance solely for educational and health purposes, Pantawid has become a highly popular program (Braganza, Goozee, & Peres, 2018). According to a 2015 Social Weather Station (SWS) survey, four out of five Filipinos (beneficiaries and non-beneficiaries alike) now support the Pantawid program. The survey even reports that those who support the program would “probably vote for” a Presidential candidate who will continue it. In addition, Pantawid has evolved into a well-regarded program with international development partners like the World Bank and the Asian Development Bank considering Pantawid as one of the best conditional cash transfer (CCT). But popularity does not necessarily mean that the program has a lasting impact on the welfare of the poor (Antonio, 2016).

In the article of Singh (2019), he affirmed that Filipinos financial literacy is on the ground, he described it as a double-edge sword. In order to learn saving, they must understand the ideas of spending. Filipinos according to him are not financially illiterate, however, they are counted as one because they spend too much beyond their income or any subsidy given by the government. The Pantawid Program was found to be ineffective, not because Filipinos are financially incompetent but due to the way they behave (Hamilton et al., 2018). This is seemingly different to any other Cash Transfer Programs of other countries like Brazil, Colombia, and Mexico because the program helps alleviate poverty in these countries since the government guarantees that the scope of the Cash Transfer Programs is clearly delivered and is used for its concrete purpose such as education (Howlett, Ramesh, & Saguin, 2018).

Education is one of the two main components (health being the other component) of 4Ps, which was patterned after the conditional cash transfer scheme that was popularized in the Latin Americas (UNICEF, 2015). With the aforementioned grounds, even education is one of the main goal of the 4Ps, the money given to the beneficiaries does not really guarantee that it

alleviates poverty. There is still a high incidence rate of poverty which implies that there is something wrong in the system, the implementers, or in the financial literacy of the beneficiaries (Ballesteros, et al., 2016).

Thus, this study is ventured to profile the personal variables of the parent-beneficiaries who received the financial assistance of the government and if these are in accordance to the criteria given by the Philippine Government. Likewise, their financial literacy is determined as to how much amount they allocate for food, education, hospitalization or medicine, and savings. Finally, this study compares the level of satisfaction of parent and children-beneficiaries with regards to the implementation of 4Ps.

II. METHODOLOGY

Research Design

This study employed quantitative approach in a form of descriptive design with comparative analysis. First, the researchers profiled the financial literacy of the parent-beneficiaries as to budget allocation on food, education, hospitalization/ medicine, and savings. After which, the level of satisfaction for both parents and children beneficiaries were answered and compared.

Respondents

The respondents of the study are parents and their children who are 4Ps beneficiaries. The research at hand used complete enumeration wherein all the beneficiaries in the official list of the program coordinator of each municipality were considered as respondents. However, during the time of the fielding of the instrument, only those who attended the assembly were included: 46 from the Municipality of Daram, 25 from the municipality of Zumarraga, and 21 from Matuguinao, a total of 98 respondents. This was delimited due to time constraints and distance travelled by both the respondents and the researchers.

Instrumentation and Data Gathering

The instrument used is a survey questionnaire. The survey questionnaires are in two forms. The first one is designed for the parent-beneficiaries and the second one is for the child-beneficiaries.

The survey questionnaire for the parent-beneficiaries and child-beneficiaries were composed of three parts. The first part is simply

a compilation of their profile such as age, sex and number of years as 4Ps members.

However, in the second part of the questionnaires, the content differs. For the parent-beneficiaries, they answered the financial literacy aspect on the assistance they received from the government. On the other hand, the child-beneficiaries rated their level of satisfaction on the said program, which later also answered by the parent-beneficiaries.

The questionnaire was validated through test-retest which was manipulated using the Cronbach alpha. The try-out was done in the 4Ps beneficiaries of Paranas, Samar being the nearest place to the station of the researchers.

Data Processing and Analysis

The data were analyzed with the aid of the appropriate descriptive and inferential statistics. The data on the financial literacy were treated using descriptive statistics such as frequency counts, percentages, and measures of central tendency. The level of satisfaction was subjected to t-test for independent samples for the compare and contrast significant results.

Ethical Considerations

All documents which need approval were sought first before the actual conduct of the study. Permission from the authorities served as signal to start the research at hand. Aside from the endorsement letter of each Municipal Mayor to their 4Ps coordinator, assemblies were scheduled to orient the respondents with regards to the scope and delimitation of the study. Consent letters were also disseminated in the conducted assemblies. The parent-respondents signed an agreement that they are willing to participate in the research and they also allow their children to get involved. The researchers ensure that ethical standards are observed for both adults and children respondents.

III. RESULTS AND DISCUSSIONS

Profile of the Beneficiaries

Table 1 presents the profile of the parent-respondents in terms of their age, sex, number of family members, occupation, educational background, and number of years as member of 4Ps.

Table 1. Profile of the Beneficiaries

Parents' Profile	Descriptive Statistics	
Age (in years)	f	%
Not indicated age	4	4.08
Below 30	5	3.06
30 – 34	7	7.14
35 – 39	19	19.39
40 – 44	21	21.43
45 – 49	21	21.43
50 – 54	14	14.29
55 – 59	6	6.12
Above 59	3	3.06
Total	98	100.00
Mean Age : 44.10 years old		
Standard Deviation: 8.65		
Sex	f	%
Not indicated	1	1.02
Male	14	14.29
Female	83	84.69
Total	98	100.00
Number of Family Members	f	%
Not indicated	6	6.12
Below 5 members	19	19.39
5 – 7 members	44	44.90
8 – 10 members	23	23.47
Above 10 members	6	6.12
Total	98	100.00
Modal Number of Family Members: 5 – 7 members		
Educational Background	f	%
Not indicated	7	7.14
No Schooling	2	2.04
Elementary Level	49	50.00
Elementary Graduate	3	3.06
High School Level	10	10.20
High School Graduate	15	15.31
College Level	12	12.24
Total	98	100.00
Occupation	f	%
Not indicated	17	17.35
Jobless	45	45.92
Baby sitter	2	2.04
Baker	1	1.02
Driver	1	1.02
Farmer	15	15.31
Housekeeper	8	8.16
Maintenance	1	1.02
Fisherman	6	6.12
Job Order	1	1.02
Lauderer	1	1.02
Total	98	100.00
Years as 4Ps Member	f	%
Not indicated	14	14.29
Below 3 years	6	6.12
3 – 5 years	15	15.31
6 – 8 years	24	24.49
9 – 11 years	37	37.76
Above 11 years	2	2.04
Total	98	100.00
Average years as 4Ps member: 7.04 years		
Standard Deviation=1.99 years		
Childrens' Profile	Descriptive Statistics	
Age (in years)	f	%
Not Indicated	3	3.06
11 to 13 years old	18	18.37
14 to 16 years old	44	44.90
17 to 19 years old	31	31.63
Above 20 years old	2	2.04
Total	98	100.00
Sex	f	%
Male	27	27.55
Female	71	72.45
Total	98	100.00

From the data in Table 1, out of the 98 parent-beneficiaries, there were about 21 or 21.43 percent who were 40 – 44 years old with same frequency count of those who have ages from 45 – 49. These resulted to their mean age of 44.10 years old with a standard deviation of 8.65 years. Most of them are female accounted to 83 or 84.69 percent while the sex counterpart has a frequency count of 14 or 14.29 percent. These age groups specifically, 34-54 years old, according to Orbeta and Paqueo (2013) have willingness to work for their family regardless of their sexual orientation, and even they received financial support from the government. This idea on runs counter the claim of critics, that the said program develops mendicancy.

The parent beneficiaries claimed that most of them have 5 to 7 family members as supported by a frequency count of 44 as the modal class. This data implied that the family of the beneficiaries are above the average household size in the Philippines of 4.4 people per household as stipulated by Esri (2013). The findings showed that the family of the beneficiaries is in need of assistance of the government with the number of household they have.

There are about 49 or 50.00 percent parent-beneficiaries who has reached elementary level and very few (12 or 12.24 percent) have reached college level. Most of them are jobless with a frequency count of 45 or 45.92 percent and are 4Ps members for an average year of 7.04 with a standard deviation of 1.99 years. The data implied that the implementers follow the primary goal of the 4Ps which is subsidizing merely the poor or the unemployed parents of children who are the intended beneficiaries of the program. This is to avoid mediocracy within the family, that those children whose parents were not able to attend school will go through the same scenario (Frufonga, 2015).

When it comes to the children-beneficiaries, majority of those who responded in the survey are of ages 14 to 16 years old with a frequency count of 44 or 44.90 percent and most are female at 71 or 72.45 percent. The data depicts that the implementers of the program follow the standard as to the selection of the recipients. It was clearly stated in the program that the conditional cash grants should be given

Beneficiaries' Level of Satisfaction to 4Ps

Figures 1 and 2 give information about the level of satisfaction to Pantawid Familyang Pilipino Program as to the ten indicators identified by the Philippine Government 4Ps implementers.

The parents and children beneficiaries' level of satisfaction fall at the blue colored bar which implicitly shows that they are 'satisfied' with the implementation of 4Ps. This is all throughout the parameters with good number of beneficiaries who are very satisfied as being displayed by the green colored bar. Similar results were derived from the children-beneficiaries.

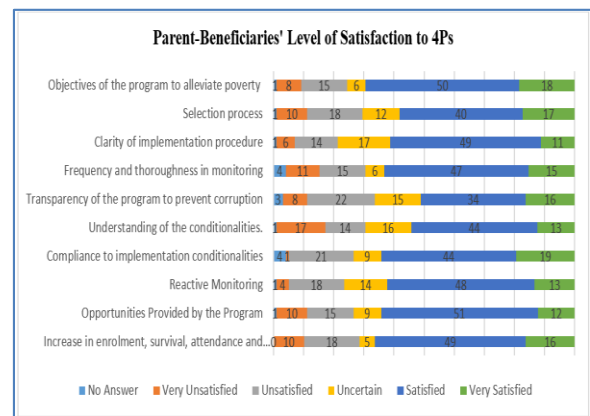


Figure 1. Parent-Beneficiaries' Level of Satisfaction to 4Ps

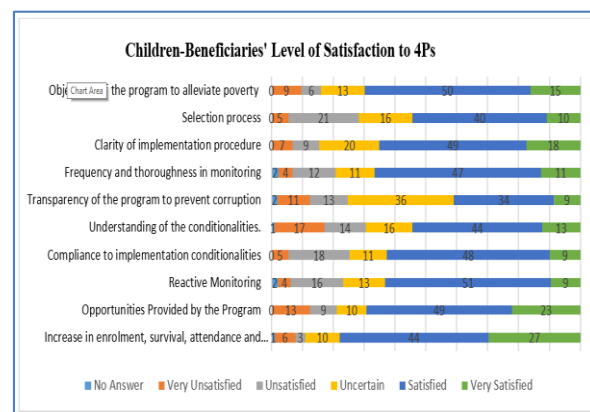


Figure 2. Children-Beneficiaries' Level of Satisfaction to 4Ps

Further statistical treatment was done to evaluate significant difference in terms of their satisfaction using repeated-measures t-test, as shown below:

Mean: 0.19

$\mu = 0$

$S^2 = SS/df = 121.35/(98-1) = 1.25$

$S^2_M = S^2/N = 1.25/98 = 0.01$

$$S_M = \sqrt{S^2_M} = \sqrt{0.01} = 0.11$$

T-value Calculation

$$t = (M - \mu) / S_M = (0.19 - 0) / 0.11 = 1.68$$

The value of *t* is 1.68. The value of *p* is .19242. The result is *not* significant at *p* < .05.

The result of repeated-measures t-test showed the implementation of 4Ps under two conditions, in the parent and student-beneficiaries are comparable because both are satisfied on the implementation of the said program of the government. This could mean that Pantawid Pamilyang Pilipino Program has achieved their implementation as to (a) Objectives of the Program to Alleviate Poverty, (b) Selection Process, (c) Clarity of Implementation Procedure, (d) Frequency and Thoroughness in Monitoring, (e) Transparency of the Program to Prevent Corruption, (f) Understanding of the Conditionalties, (g) Compliance to Implementation Conditionalties, (h) Reactive Monitoring, (i) Opportunities Provided by the Program and, (j) Increase in Enrolment, Survival, Attendance and Participation in School.

Financial Literacy of Parent-Beneficiaries

Figure 3 shows the financial literacy of parent-beneficiaries. Of the 98 parent-beneficiaries, majority of them (20 out of 98), as shown by the blue colored bar, allocated a daily budget of above 400 pesos for food; for education, as represented by the orange colored bar, a daily budget allocation of below 100 pesos; for monthly hospitalization, as depicted by the grey colored bar, a monthly consumption of above 400 pesos; while most of them (48 out of 98) have no allocated budget for monthly savings.

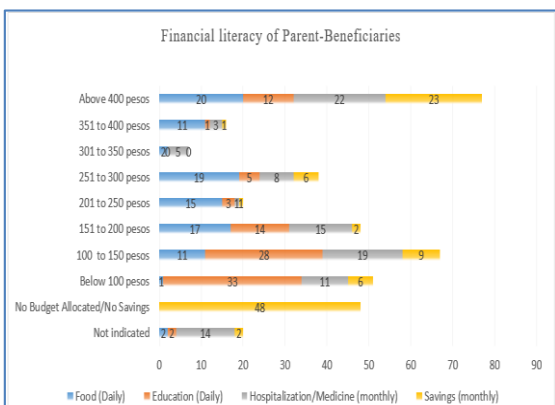


Figure 3. Financial Literacy of Parent-Beneficiaries

The data provides implications that Pantawid Pamilyang Pilipino Program beneficiaries allocated their budget most for food and hospitalization, and only few of the cash given assistance went to children’s education. Going back to the 4Ps objectives along social development, the priority of the budget that will be allocated should be for the health and education of poor children. This meant that the beneficiaries are noncompliant to health since the amount of more than 400 pesos are still not enough for hospitalization and there are no savings that they can use whenever there is an inadequate budget. The parent-beneficiaries are likewise defiant to the educational needs of children since the daily expenses for education pegged below 100 pesos which is not enough if you have two to three children who are attending school where transportation, snacks, school requirements needs to be covered (Fernandez & Olfindo, 2011, & UNICEF, 2015).

IV. CONCLUSION

Pantawid Pamilyang Pilipino Program served its purpose in the poorest communities in Samar, Philippines. All the criteria of the program were met by the beneficiaries. This social assistance which aimed at giving monetary support to extremely poor families to provide for their immediate needs is very efficient. In fact, both the parents and children beneficiaries of the said program are satisfied when it comes to the objectives to alleviate poverty, selection process, clarity of implementation procedure, frequency and thoroughness in monitoring, transparency to prevent corruption, understanding of the conditionalties, compliance to implementation conditionalties, reactive monitoring, opportunities provided by the program, and increasing the beneficiaries’ enrolment, survival, attendance and participation in school. However, the daily budget of above 400 pesos for food, below a hundred pesos allocated for education, more or less a 400-peso monthly budget for hospitalization or medicine, and no allocated budget for monthly savings are conclusive that the parent beneficiaries are struggling when it comes to financial literacy. This underpinned that the government should provide other alternatives such as livelihood and cooperatives to the beneficiaries to minimize dependence and learn to properly handle money.

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