IN THEIR efforts to motivate couples to adopt family planning, policymakers often focus on the ways in which smaller family size improves family welfare. Mounting evidence that lower fertility translates into increased family wealth and educational attainment is guiding population and development efforts in many parts of Asia. In the Philippines, slowing population growth is part of a national development strategy to fight poverty and improve the quality of human resources through education and training. The goal is to increase the capacity of the economy to sustain economic growth.

Findings from a recent case study of family size and family welfare in the Philippines add to a growing body of research documenting the financial and educational costs of large families. The study provides a basis for the development of integrated policies in family planning, education, and poverty alleviation over the coming decades.

The research was performed by John Bauer and Andrew Mason of the East-West Center, Dante Canlas of the University of the Philippines, and Maria Theresa Fernandez of the National Economic Development Authority of the Philippines, under a project grant from the Asian Development Bank (ADB). The results were presented at an ADB-funded conference on Priority Health and Population Issues, held 25-28 February 1992 at the East-West Center.
Effects of Household Demographics on Family Welfare

According to estimates from the 1985 Family Income and Expenditure Survey (FIES) conducted by the National Statistics and Census Office, the extent of poverty in the Philippines is far-reaching, with the incomes of six of ten households falling below the poverty line. Philippine households are large, more than a third have seven or more members. Roughly 20 percent of urban and 27 percent of rural households have four or more children.

Does large family size increase the risk of poverty in the Philippines? And what are the other costs—to both parents and children? To answer these questions, the researchers constructed poverty thresholds based on household expenditure patterns, income data, and indexes that account for variations in household composition. They used these thresholds and data from the 1985 FIES to assess the impact of large family size on family welfare.

Risk of poverty

The study shows that having many children does substantially increase the risk of poverty. Depending on the method used to adjust poverty thresholds for differences in household composition, the risk of poverty was found to increase from about 44-50 percent in households with one child to 60-78 percent in those with five. The adverse effect is even more pronounced in rural households.

Earnings of women

Not surprisingly, children were found to limit the ability of women to work for pay and contribute to household income. The earnings women forego because of childrearing responsibilities, which can be substantial, are higher for urban than for rural women and much higher for more educated than less educated women.

Financial costs

The financial cost of childrearing is high. The researchers estimated that the cost of raising a child from birth to age 16 ranges from 25,000 to 75,000 pesos (U.S. $1,250 to $3,750), depending on the location and the number of children. Households with a single child devote about 10 percent of their total household expenditures to childrearing. The share of the household budget consigned to children increases to about 18 percent with the birth of a second child and jumps to 26 percent for four children.

Direct effects on children

The cost to children is also high. Large family size restricts children in many ways, most importantly by limiting their educational opportunities. According to the researchers, the presence of additional young children in the household reduces the probability that older siblings will be enrolled in school. The adverse effect operates differently for boys than for girls. Whereas younger siblings push their older brothers out of school and into the labor market, they force older sisters from school back into the home.

Other disadvantages relate to the money available for each child, both now and in the future. Households with four children spend about 25 percent less per child than do two-child households. Moreover, children in a four-child household can expect a bequest that is roughly half that received by children in a household with two children.

Household savings

Large family size limits household savings as well. At the peak of their childrearing years, parents with two children were found to save nearly 30 percent more than parents with four children. In addition, because parents who bear many children have fewer financial resources, their families enjoy less protection from unexpected loss of income due to illness or unemployment. In seeming contradiction to these results, however, the study also suggests that large family size does not necessarily limit the long-term accumulation of wealth. Because older children frequently work and contribute to household income, parents who were relatively disadvantaged during their early childrearing years are often doing relatively well financially as they approach retirement. Thus, the economic value of children may actually be supporting higher fertility in the Philippines.

Any financial advantages of large family size will likely erode, however, as the Philippines becomes increasingly urbanized and as children remain in school longer and delay their entry into the workforce. Separate analyses of urban and rural households show that most of the gains from additional children accrue in rural rather than urban areas. And in families with educated household heads, wealth is depressed at all ages by additional children.

Nondemographic factors

Large family size is not the sole cause of household poverty. The case study also documents the disproportionate burden of poverty borne by families whose household head lacks a formal education. Those who have not completed primary school are at the greatest risk—with poverty rates of about 75 percent in both urban and rural areas.

Occupation also plays a role. Poverty rates are highest among households headed by laborers and agricultural workers, approximately 60 percent and 73 percent, respec-
tively. Problems in the agricultural sector clearly continue to plague the nation.

Demographic Trends

In addition to documenting factors that contribute to poverty and undermine family well-being in the Philippines, the authors provide 40-year projections of demographic trends in household size and composition. The trends show significant changes for the coming decades, an understanding of which will offer new opportunities in the fight against poverty in the Philippines.

As of 1990, the Philippines had a population of 60.5 million persons living in 11.4 million households. This represents an increase of nearly 13 million persons since 1980. Assuming moderate declines in fertility and mortality rates over the next decade, the population is expected to reach 75.2 million by the year 2000. The number of households will continue to increase as well. At a projected growth rate of more than 3 percent per year over the coming two decades, the number of households will exceed 20 million by the year 2010 (see table).

Over the same period, however, average family size is projected to decline substantially and the number of children per household to drop quite dramatically—a by-product of the fertility decline that can be expected with the implementation of a successful family planning program. Between 1990 and 2010, the number of members per household is projected to drop from 5.5 to 4.2, and, by 2030, to 3.5 (shown in table). The average number of children under age 15 is projected to decrease from 302 per household in 1990 to 1.3 in 2030.

Policy Implications

Seen against these demographic trends, the findings from the case study have important implications for policy development and program planning in the areas of population and family planning, as well as in education and social reform.

Population and family planning

To address the problem of rapid population growth, the government of the Philippines embarked on a fertility reduction program nearly 20 years ago. Although far from ideal, the program has managed to effect a continuing decline in the population growth rate—from a level of 3 percent over the 20-year period 1950-70 to 2.35 percent in 1980-90.

Over the two decades of its operation, the emphasis of the program has been modified to meet changing needs. The current objectives are closely linked to national development goals, which go beyond fertility reduction to encompass total family welfare. Redesigned to include a family planning and responsible parenthood component implemented by the Department of Health, and a population and development component implemented by the Population Commission, the new program is integrating services to enhance maternal and child health, child survival, and the status of women with those designed to incorporate population concerns into local development plans.

The case study findings have particular relevance to these goals. First, they can be used to market family planning services and to target groups for more intensive family planning efforts. The authors found many adverse effects of large family size on family welfare in the Philippines. These findings can be used to help convince couples to adopt family planning. The research also suggests that some groups, i.e., those who lack a formal education and those living in rural areas, may need to be targeted for special attention by family planning workers.

Education

Primary school enrollment in the Philippines is now nearly universal. School enrollment rates at the secondary and tertiary levels are also higher than in the past. Current activities in the education sector are focused on trying to improve the quality, equity, and relevance of educational opportunities by concentrating resources on training, curriculum enhancement, financial assistance, and innovative approaches to broadening access.

The study findings in this area underscore the importance of education in the alleviation of poverty. The research shows that family characteristics, particularly parents’ education and occupation, are important determinants of a child’s
educational attainment. In particular, children of poor, less educated parents are much less likely to attend either secondary or tertiary school than are children whose parents are graduates of secondary school or college.

These findings raise serious questions about the equity of educational opportunities and intergenerational mobility in the Philippines. The authors argue that the results support the need for selective educational subsidies for children of low-income households. Policymakers should also ensure that family planning efforts complement those in the education sector—for example, by targeting larger families for special efforts in promoting school enrollment.

**Poverty alleviation**

Apart from ensuring the development of its human resource base, the government of the Philippines is proceeding with a strategy to boost the welfare of its growing population and to ensure the best use of each person’s assets. Efforts center on local and overseas employment generation, provision of housing assistance, livelihood assistance and skills enhancement to socially disadvantaged populations, and agricultural reform programs.

Targeting these activities at those most in need will go a long way toward ensuring success. Demographically, households with many children are at greatest risk of being poor. The projected decline in the average number of children therefore bodes well for progress in the fight against poverty. Rural households, especially those engaged in agriculture, are also more likely to be in poverty than urban ones and should be targeted for special attention. Information on the education and occupation of the household head can also be used to target poverty relief.

**Conclusion**

Despite the continuing challenges of rapid population growth, many Asian countries are pursuing strategies to support their growing populations at higher standards of living. The findings from this case study suggest that efforts in family planning, education, and agricultural reform could have substantial payoffs in the struggle against poverty in the Philippines. Policies that integrate fertility reduction pursuits with complementary efforts to promote school enrollment and effect social and economic reform will clearly speed progress toward national development goals.