

# NTA in the Philippines

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## Research Home:

Philippine Institute for Development Studies (PIDS) in collaboration with Nihon University Population Institute and TDRI

## Financing

Global NTA, IDRC and UNFPA

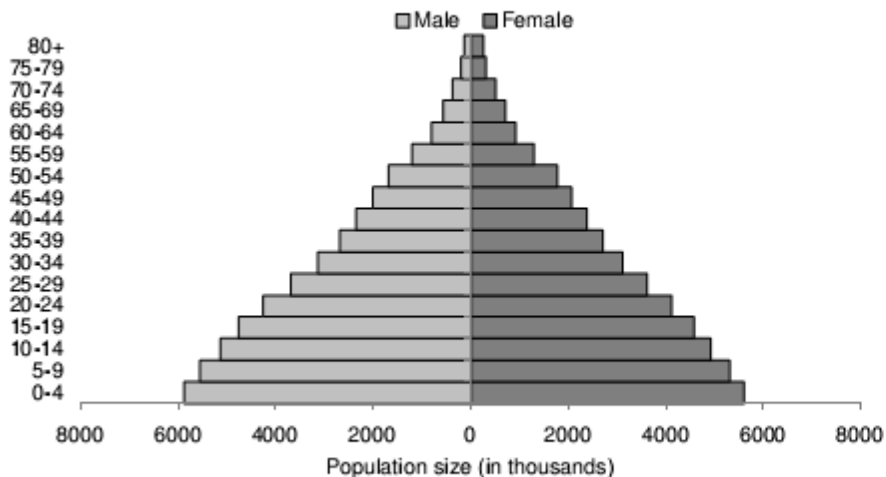
# Work done

- NTA done for 1999 (complete FA), 2002, 2004, 2007 (complete FA)
- Only flow accounts (FA); no wealth account (WA) yet
- Disaggregation by income groups
- Alternatives for senior workers
- Papers available at: [www.pids.gov.ph](http://www.pids.gov.ph)

# Population structure

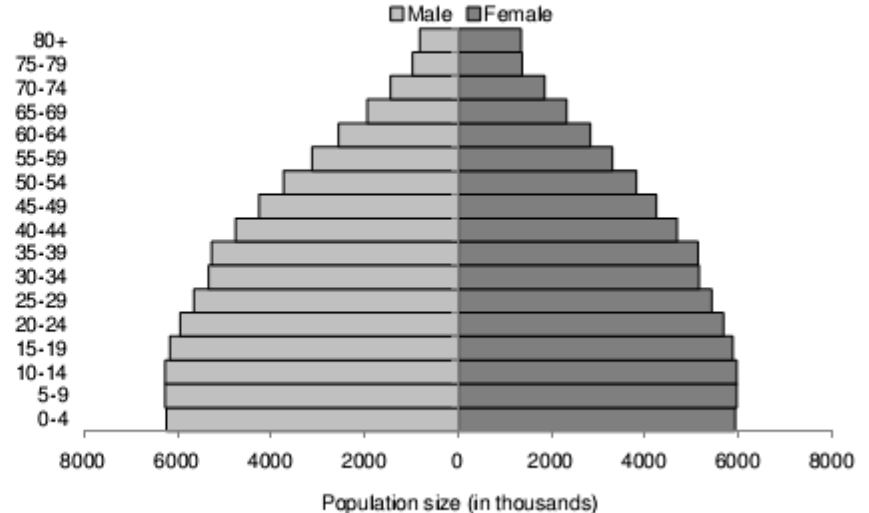
From 89M Filipinos in 2007, PH population to projected to increase to 142M in 2040

Figure 2. Population by sex and age, Philippines, 2007



Percentage share		
Age group	2007	2040
0-14	35	26
15-24	22	18
58 and above	7	14
Total	64	58

Figure 3. Population by sex and age, Philippines, 2040

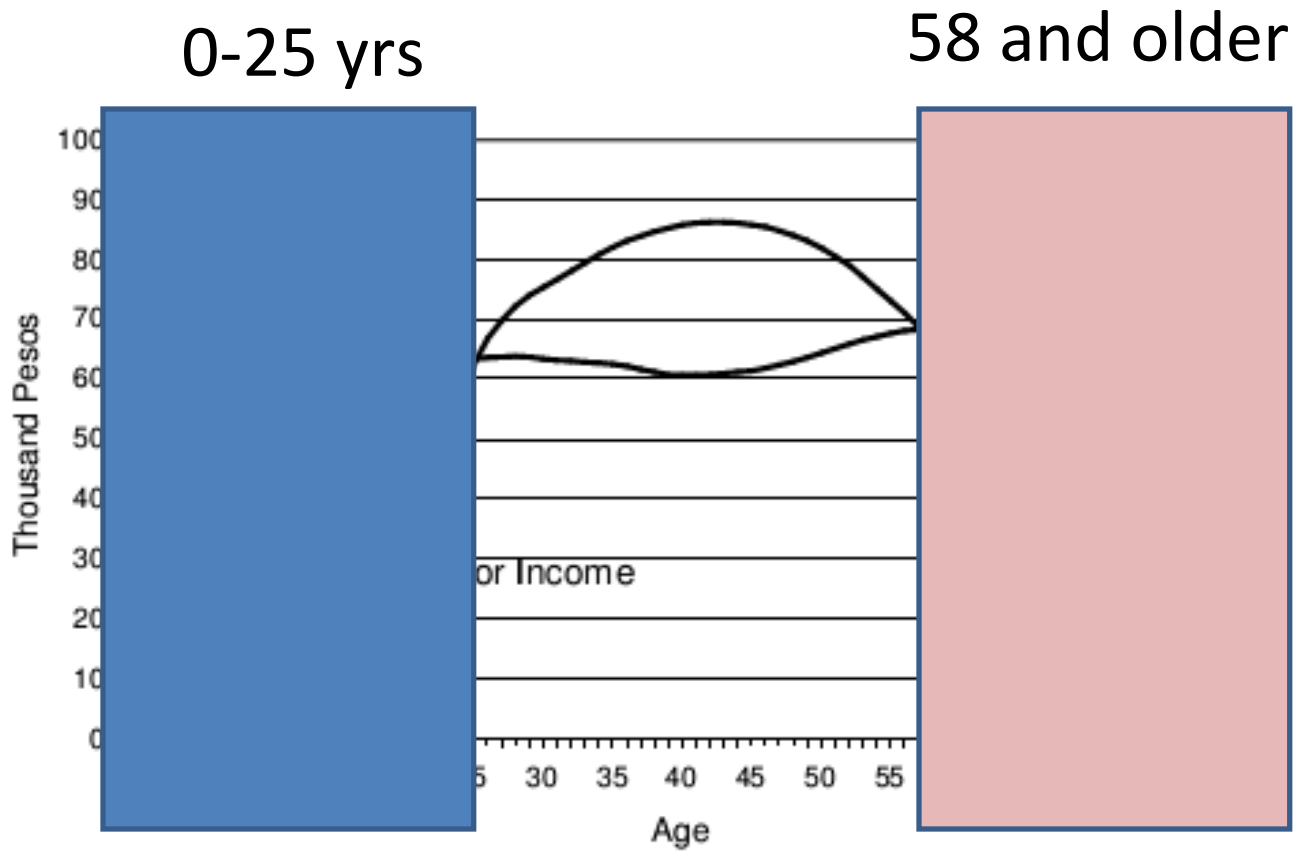


Young dependent declines but share of older dependents increase

Who constitutes the dependent population empirically?

How does this change across income groups?

# In 2007

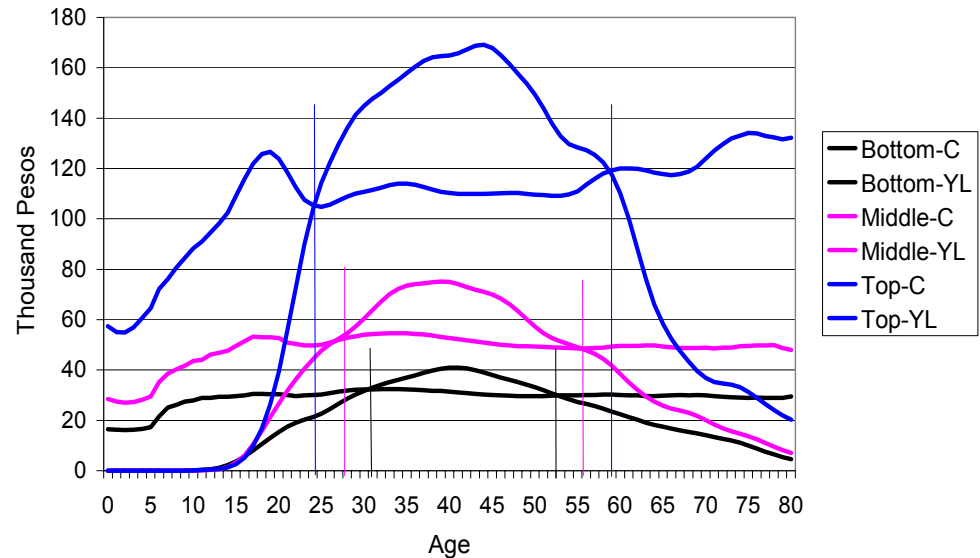


# Surplus years by income groups

Longer surplus years for richer households

- Top: 34 years
- Middle: 29 years
- Bottom: 22 years

Figure 1. Age profile of per capita consumption (C) and labor income (YL) by income tercile group, Philippines, 2007, current prices (in PhP thousands)



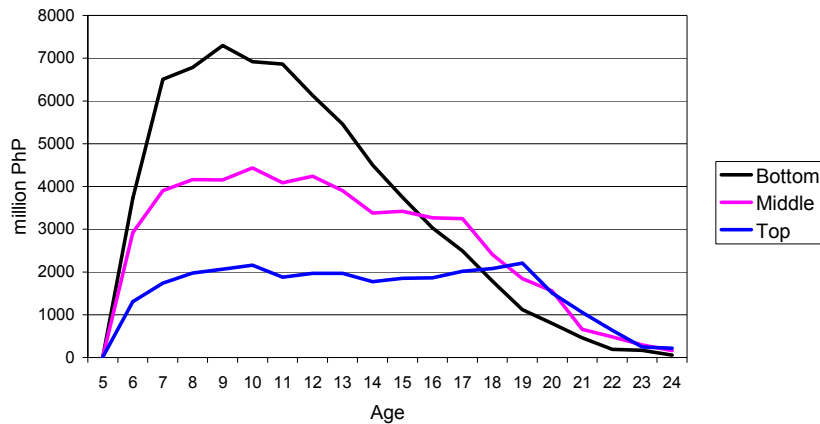
# Education Expenditure



# Pattern of Education Expenditure

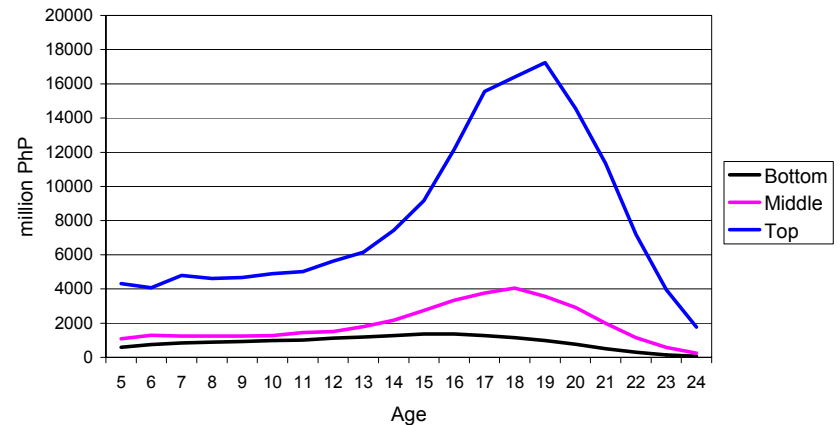
## Public

Figure 7. Age profile of aggregate public education consumption by income tercile group, Philippines, 2007, current prices (in million PhP)



## Private

Figure 8. Age profile of aggregate private education consumption by income tercile group, Philippines, 2007, current prices (in million PhP)

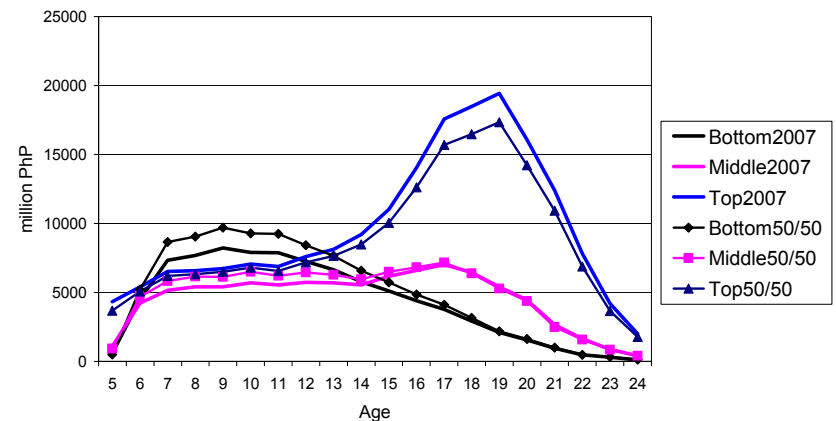


Public expenditures favor the lower income group particularly in the in basic education (using 1999 allocation)

# Implications of the change in public / private sector mix of financing from 50/50 in 1990s to 42/58 in 2007

- Lower expenditure for the bottom tercile
- Higher expenditure for top tercile

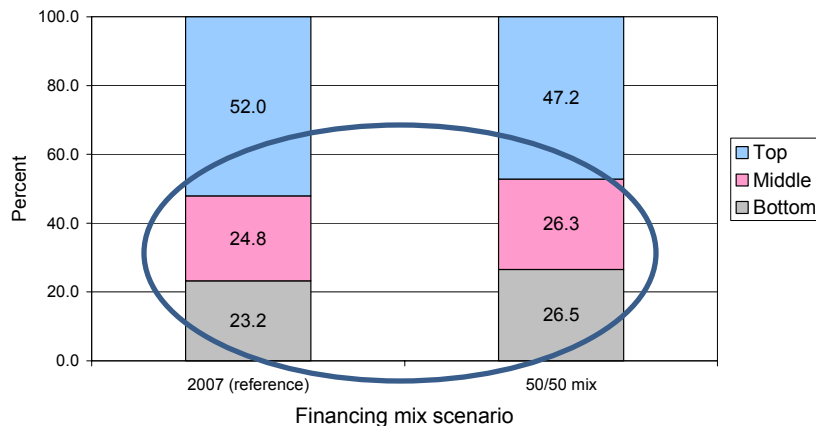
Figure 12. Age profile of aggregate education consumption by income tercile group, Philippines, 2007 (reference) and 50/50 financing mix scenario, current prices (in million PhP)



# Implications of the change in public / private sector mix of financing from 50/50 in 1990s to 42/58 in 2007

## Shares in total

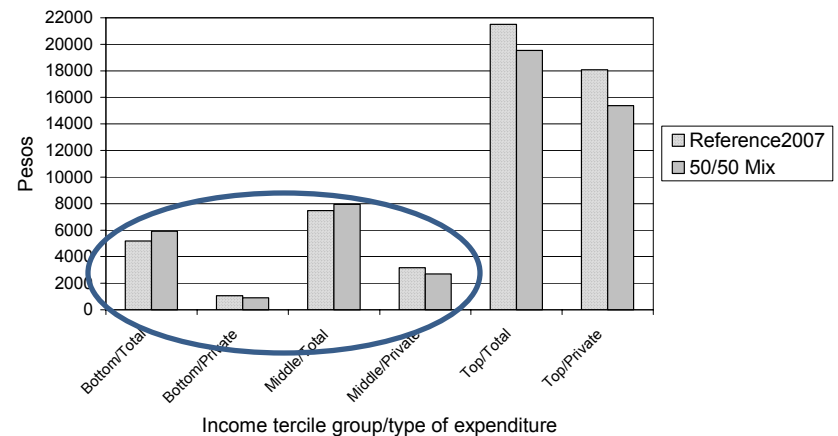
Figure 13. Distribution of education expenditures by income tercile group, 2007 (reference) and 50/50 financing mix scenario, Philippines (percent)



Lower shares for bottom and middle tercile

## Per capita expenditure

Figure 14. Per capita total and private education expenditures by income tercile group, 2007 (reference) and 50/50 financing mix scenario, Philippines

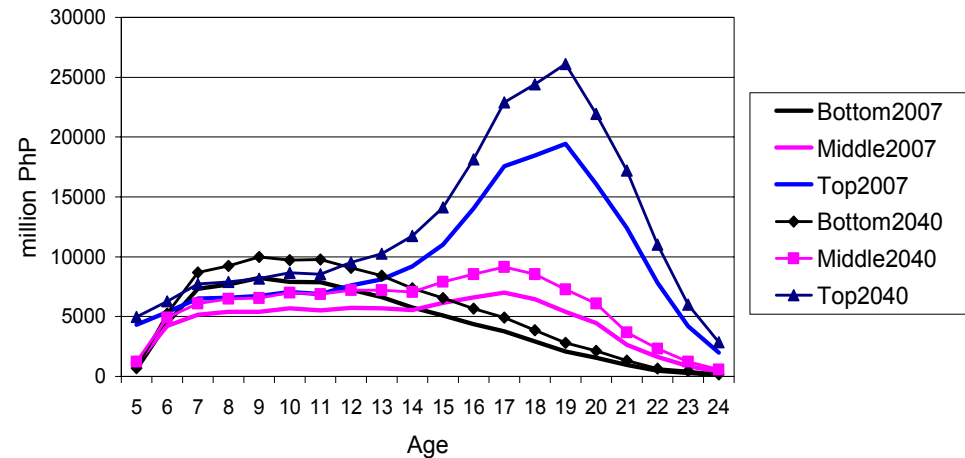


Lower expenditure per capita for bottom and middle tercile

# Implication of change in age structure from 2007 to 2040

- Increase in expenditures for all terciles from 2007 and 2040

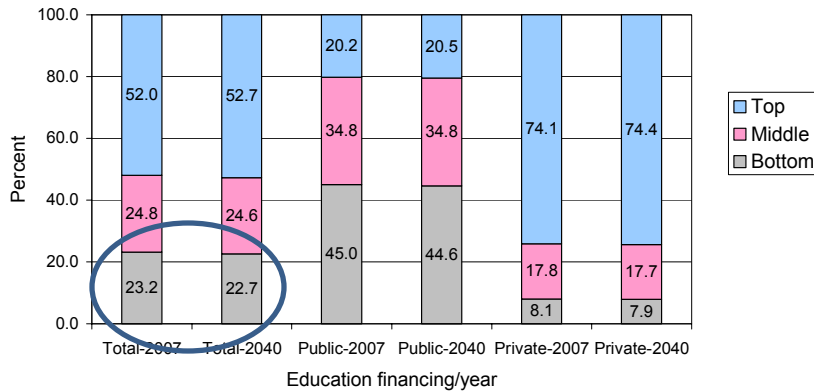
Figure 17. Age profile of aggregate public and private education consumption by income tercile group, 2007 (reference) and 2040 population scenario, Philippines, current prices (in million PhP)



# Implication of change in age structure from 2007 to 2040

## Shares in total

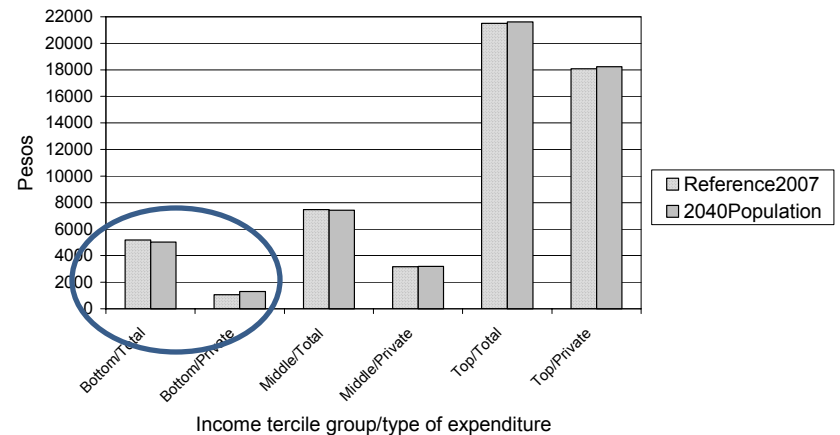
Figure 19. Distribution of total, public and private aggregate education expenditures by income tercile group, 2007 (reference) and 2040 population scenario, Philippines (in percent)



Share of bottom tercile declined

## Per capita expenditures

Figure 21. Per capita total and private education expenditures by income tercile group, 2007 (reference) and 2040 population scenario, Philippines (in pesos)



Per capita expenditure of bottom tercile is lower; share of private expenditure increased

# Summary

- The expected decline in public / private financing mix will lower the share of the poorer households
- The expected change in age structure also lowers the share of the poor
- If trend continues this public / private financing mix will shift from 48/52 in 2007 to 34/66 in 2040) requiring an increase in private expenditures for all households

# Selected References

Abrigo, M. R.; Racelis, R. & Salas, J. I. (2012), 'Philippines 2007 National Transfer Accounts: Consumption, Income, and Intergenerational Reallocation of Resources - Revised Estimates', Technical report, PIDS DP 2012-35.

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