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Pulling up from the depths of poverty: Do the Pantawid Pamilya cash transfers to the poor reduce their consumption expenditure shortfalls?

Joseph J. Capuno*

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With its emphasis on incentivizing beneficiary households to invest in the health and education of their children, the Philippines' Pantawid Pamilyang Pilipino Program (4Ps) is expected to reduce future poverty. Yet, the cash transfers provided under the program have impacts on the household's current income and consumption, and therefore, on contemporaneous poverty status. While the transfers may be inadequate to lift the poor out of poverty, these could pull them up from the depths of poverty. Using a panel dataset, we estimated the elasticity of the region-level income gap and poverty gap, both based on per capita consumption expenditures, with respect to 4Ps indicators, controlling for other factors. In general, the poverty gap is not responsive to 4Ps indicators. In contrast, the income gap is sensitive to changes in the total 4Ps cash transfers, with the effect moderated by the poverty incidence in the region. The policy implication is that, among the 4Ps beneficiaries, the poor could be granted greater cash transfers to pull them up from the depths of destitution.

JEL classification: D12, H53, I38

Key words: conditional cash transfers, household income, household consumption expenditures, poverty gap, income gap, Philippines

1. Introduction

As a conditional cash transfer (CCT) program, the Philippines' Pantawid Pamilyang Pilipino Program (4Ps) is expected to reduce future poverty. By incentivizing beneficiary households to invest in the human capital of their children and those still in the wombs of their mothers, the program envisions these children to become healthy and productive adults with better living and

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economic conditions than their parents. Indeed, many evaluation studies report that Pantawid Pamilya beneficiary households, relative to non-beneficiaries, are more likely to send their children to school, bring them to clinics for health checkups and immunization, or ensure they have better nutritional status (see, for example, Tabuga et al. [2013]; Orbeta et al. [2021]).

However, CCT programs may also affect current household welfare through potential adverse effects on the labor force participation of adult members or consumption behavior. Here, the available evidence concerning the 4Ps is mixed. Orbeta and Paqueo [2016] report that the 4Ps does not disincentivize work or promote vices. According to Tutor [2014], the 4Ps generally has no effect on total consumption or consumption choices. While Quimbo et al. [2021] also report the 4Ps to have no effect on the consumption of both the poor and non-poor beneficiaries, the program is found to be associated with a lower incidence of child labor among the poor beneficiaries and with reductions in wages and salaries of the non-poor beneficiaries. Yet, the Pantawid Pamilya led to reductions in the per capita expenditures of household beneficiaries in urban areas [Capulong and Cuevas 2024]. The evidence from other countries is likewise varied. Indonesia's own CCT Program, the Program Keluarga Harapan has improved individual consumption, although the effect is nil for the poorest among the beneficiaries [Hadna and Askar 2022]. Since Mexico's Progressa Programme is found to have no effect on the labor or leisure outcomes of adults, Skoufias and Di Maro [2008] averred that the cash transfers were a net addition to the incomes of the beneficiary households.

To the extent that CCT impacts current household income or consumption, it also affects present poverty status. While the cash transfers provided to most beneficiary households may not be enough to lift them out of poverty, the amount could move them closer to meeting their basic needs. Put differently, the cash transfers to the poor move their incomes closer to the poverty line. As it were, the CCT pulls them up from the depths of poverty. Indeed, there is some evidence that CCT has reduced the poverty gap, which is a measure of the depth of poverty. In their review of the various CCT programs in Latin America, Fiszbein et al. [2009] report that the programs had positive and significant effects on the per capita consumption of the median households, and have reduced poverty gaps in Colombia, Honduras, Mexico, and Nicaragua. Skoufias and Di Maro [2008] also found the poverty gap in Mexico to have been reduced by the Progressa Programme. In a sample of households in Camarines Sur Province, the poverty gap in a locality covered by the 4Ps is found lower by 0.08 than in the comparison locality [Onsay, Arapoc, and Rabajante 2015].

This paper contributes to the debate by examining anew the impact of the 4Ps on the depths of poverty across regions in the Philippines. Using a panel dataset, we estimated the elasticity of the income gap and poverty gap, both based on per capita consumption expenditures, with respect to 4Ps indicators, controlling

for other factors. In general, the poverty gap is not responsive to 4Ps indicators. In contrast, the income gap is sensitive to changes in the total 4Ps cash transfers, with the effect moderated by the poverty incidence in the region. By reducing the required consumption expenditures to meet their basic needs (as reflected in the poverty threshold), the Pantawid Pamilya cash transfers pull the poor up from the depths of destitution.

The rest of the paper is organized as follows: a short overview of the 4Ps is provided in Section 2, then followed by a description of the data and methods used (Section 3). Section 4 presents the results. The last section concludes the paper.

2. Overview of the Pantawid Pamilyang Pilipino Program¹

Patterned after the highly regarded conditional cash transfer programs implemented in Latin America, the Philippines' own became a regular program of the Department of Social Work and Development with the signing in 2019 of the Republic Act No. 11310 (*An Act Institutionalizing the Pantawid Pamilyang Pilipino Program* (4Ps)). First introduced on a pilot basis in 2007, the Pantawid Pamilya program (also called 4Ps) has since then expanded its population coverage and amounts of cash transfers provided (see, for example, Acosta and Velarde [2015]). Under the so-called 4Ps Act, the program is further secured with an annual budget appropriation.

Identified through a proxy means test (called the National Household Targeting System for Poverty Reduction or *Listahanan*), the eligible households are selected if they reside in the poorest municipalities, live in economic conditions (indicated by their predicted incomes) below or equal to the provincial poverty threshold, have children 0-18 years old or a pregnant woman at the time of enumeration, and agree to comply with program conditionalities. The program covers both poor and near-poor households. A beneficiary household can expect to receive a cash transfer consisting of a health grant of ₱750 per month, an education grant of ₱300 per child in elementary school, ₱500 per child in junior high school, and ₱700 per child in senior high school for up to three children per beneficiary household and ten months per academic year.

To avail themselves of the cash transfers, beneficiaries are expected to have their school-age children enrolled, regularly attend classes, and routinely take their children aged zero to five to clinics for immunization, health check-ups, and nutrition services, among others. Additionally, a pregnant household member is

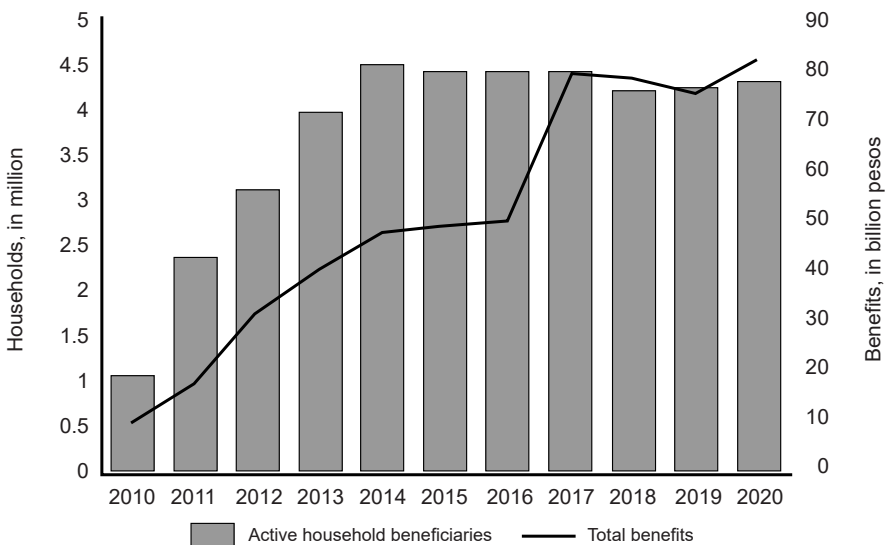
¹ Much of the information here is drawn from the DSWD's 4Ps website (<https://www.dswd.gov.ph/pantawid-pamilyang-pilipino-program-4ps/>) accessed on May 1, 2025. Note that the some of the eligibility requirements and benefit entitlements have evolved through the years. Previously, for example, one of the requirements is for a household to have children aged 0-15 years, instead of the current age range of 0-18 years. Previously, the education grant was ₱500 per child, regardless of whether the child is in elementary or high school. Currently, the education grant varies by education level of the child beneficiary. For more of the early program features, see, for example, Fernandez and Olfindo [2011].

required to seek pre-natal consultations, deliver her baby in a health facility, and avail herself of post-partum care services. One responsible household member is also expected to attend monthly Family Development Sessions.

By design, the 4Ps addresses both future and present poverty conditions. By putting a premium on the health and education of children, the program helps ensure that once these young household members become adults, they will not end up poor like their parents. Meanwhile, monetary support can help the beneficiaries meet their current basic needs, even if the amount is not enough to lift them out of their present poverty status.

To get a sense of how the 4Ps could pull its beneficiaries up from the depths of poverty, Figure 1 shows the growth in the number of active beneficiary households and the total amount of benefits extended to them from 2010 to 2020 (July). From slightly over a million in 2010, the number of active beneficiary households reached nearly four million in 2013. In the following year, the highest coverage at nearly 4.5 million households was reached. Still, annual coverage remained upwards of four million households since then. The increase in total benefits is equally striking. From about ₱10 billion in 2010, the total benefits rose to nearly ₱50 billion in 2016, and then to ₱79 billion in 2017. While there was no significant change in household coverage between 2016 and 2017, the big increase in benefits between those years was the rice allowance additionally granted to all beneficiaries. The rice grant continued for the next three years.

FIGURE 1. Active 4Ps beneficiary households and total benefits, 2010-2020*



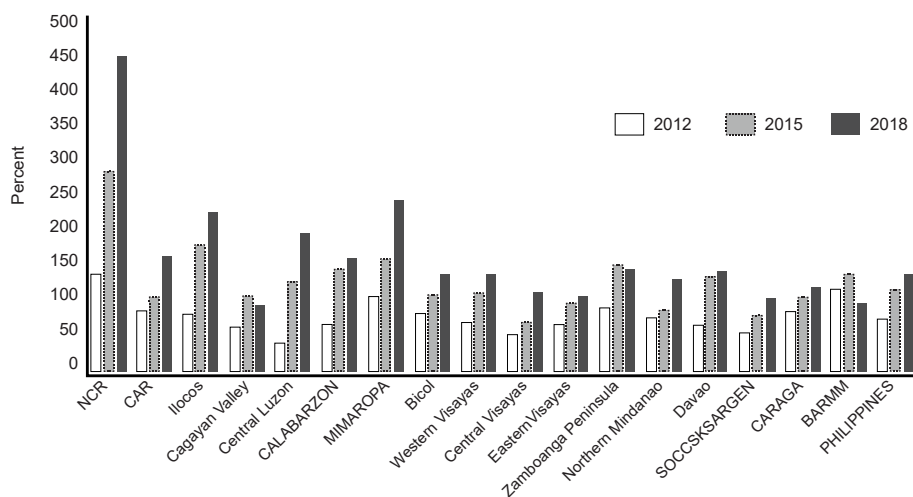
*As of July 2020.

Source: Department of Social Work and Development.

Since the 4Ps also covers near-poor households, it is important to know if its total coverage is more or less than the official number of poor households, which constitute its primary target beneficiaries. As shown in Figure 2, in 2012 the number of active beneficiary households was less than 100 percent of the total number of poor households in 14 regions. The proportion is over 100 percent only in the National Capital Region, MIMAROPA, and the Bangsamoro Autonomous Region of Muslim Mindanao (formerly the Autonomous Region of Muslim Mindanao). By 2015, the proportion remained below 100 percent only in four regions (Central Visayas, Eastern Visayas, Northern Mindanao, SOCCSKSARGEN). By 2018, all regions save two (Cagayan Valley, BARMM) exceeded 100 percent. Three regions attained a total 4Ps coverage that was even double their number of poor households.²

Notwithstanding the possible leakages in the identification of eligible beneficiaries, the growth in the 4Ps's coverage across regions and in its total cash assistance suggests that most, if not all, of the poor must have benefitted under the program. We examine if the benefits moved the poor closer to attaining their basic needs, as reflected in the poverty threshold.

FIGURE 2. Active 4Ps beneficiary households as a percentage of poor households, by region and selected years



Notes: The number of active 4Ps beneficiary households, which includes the poor and near-poor households determined under the National Household Targeting System, are obtained from the Department of Social Work and Development. The number of poor households (based on headcount ratio) is obtained from the Philippine Statistics Authority.

Source: Author's calculation.

² Since the number of 4Ps beneficiary households remained relatively constant from 2015 onwards compared to the trends before (Figure 1) and that the program has increasingly covered more than 100 percent of the poor households since 2012 (Figure 2), this can be explained by the fact that the economy experienced a growth spell and poverty declined continuously during the 2012 to 2018 period (Clarete, Esguerra, and Hill [2018]; Capuno [2022b]).

3. Data and empirical methods

3.1. Data sources

We assembled a panel dataset comprising various indicators for each of the country's 17 regions for the years 2012, 2015, and 2018. We selected these years to match the official poverty and inequality indicators derived from the last three rounds of the Family Income and Expenditures Survey (FIES) conducted before the COVID-19 pandemic. The FIES is designed to collect detailed household-level information on income and expenditures, as well as their members' socioeconomic and demographic profiles. The household samples per round are representative both at the national and regional levels. There were 40,171 household samples in 2012, 41,544 in 2015, and 147,717 in 2018. We obtained the public use files of the FIES from the Philippine Statistics Authority (PSA) to calculate the depths of poverty based on household consumption expenditures per capita.

From the PSA's website and its Philippine Statistical Yearbook, we also obtained data on population, Consumer Price Index (CPI), Gross Regional Domestic Product (GRDP), poverty thresholds, official estimates of headcount ratio, number of poor households and Gini ratios, and unemployment rates. We applied the regional poverty thresholds in computing the consumption-based estimates of the income gap and poverty gap (formally defined below). These estimates are derived using ADePT 6, a free software platform obtained from the World Bank. Meanwhile, we acquired information on the number of active 4Ps beneficiary households and the total cash transfers per region from the DSWD.

3.2. Measures of depths of poverty

To characterize the depths of poverty in the population, we use the poverty gap and income gap measures. Unlike the official estimates based on per capita income, we computed these measures here using per capita consumption expenditures (PCE), which is a better measure of welfare (Balisacan [2000;2003]; Ravallion [2016]). Following the exposition in Forster et al. [2013], let the PCE distribution in society with N population be denoted by the vector $y = (y_1, y_2, y_3, \dots, y_N)$, where y_i is the PCE of person i . Assume further that the individuals are arranged from lowest to highest PCE such that $y_1 \leq y_2 \leq y_3 \leq \dots \leq y_N$. Let z denote the poverty threshold, such that any individual whose PCE falls below the threshold is considered poor. If, instead, his or her PCE is at least equal to z , then he or she is not poor. Let q denote the number of poor individuals in the society, and their proportion in the population is called the headcount ratio, $H = q/N$.

For person i , his or her consumption expenditure shortfall as a proportion of the poverty threshold is $(z - y_i)/z$. Since some individuals are not poor, they do not have positive consumption expenditure shortfalls, as defined. For a nonpoor individual, let his or her consumption expenditure shortfall be normalized to zero

(i.e., his or her consumption expenditure is set equal to z). The income gap (IG) is defined as the average consumption expenditure shortfall among the poor, as given by:

$$IG = \frac{1}{q} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right).$$

Meanwhile, the poverty gap (PG) is defined as the average normalized consumption expenditure shortfall for the population, that is:

$$PG = \frac{1}{N} \sum_{i=1}^N \left(\frac{z - y_i^*}{z} \right),$$

where $y_i^* = y_i$ if person i is poor, and $y_i^* = z$ if person i is nonpoor. The PG can also be expressed as:

$$PG = \left[\frac{N-q}{N} \times 0 \right] + \left[\frac{q}{N} \times \frac{1}{q} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right) \right],$$

where the first bracketed term on the right side is the average normalized shortfall among the nonpoor, while the second bracketed term is simply the product of H and IG . This means that anything that will increase (decrease) H or IG will tend to increase (decrease) PG as well. It is also evident from the definitions of the IG and PG that both will tend to decrease with a rise in the consumption expenditures of the poor, *ceteris paribus*. To the extent that cash transfers will lead to higher consumption spending, the 4Ps is thus expected to pull up its beneficiary households from the depths of poverty.

3.3. Estimating equations

We assess the efficacy of the 4Ps in pulling up the beneficiary households from the depths of poverty by estimating a regression equation of the following form:

$$P_{it} = \alpha_i + \gamma X_{it} + \mathbf{Z}'_{it} \boldsymbol{\theta} + \boldsymbol{\delta}_t + \varepsilon_{it},$$

where P_{it} is the indicator of the depths of poverty in the i th region in year t , X is a 4Ps indicator, $\mathbf{Z}$ is a vector of control variables, $\boldsymbol{\delta}_t$ is a vector year dummy variables, α_i is region-specific intercept (also meant to capture region-specific fixed effects), γ and $\boldsymbol{\theta}$ are regression coefficients to be estimated, and ε_{it} is the error term. The equation is estimated using the fixed-effects panel data regression method [Cameron and Trivedi 2005; Wooldridge 2010].

We try several model specifications. In models where the IG is the dependent variable, the headcount ratio is included among the regressors and sometimes interacted as well with the 4Ps indicators. In models where the PG is the dependent variable, the headcount ratio is excluded, since the PG formula already incorporates

the headcount ratio. We introduced alternately two sets of 4Ps indicators, namely: the average annual 4Ps cash transfers per beneficiary household, and the annual cash transfers and the number of beneficiary households.

3.4. Regression variables

Table 1 lists the regression variables, their definitions, and summary statistics. All variables in the list are measured for each of the country's 17 regions and the years 2012, 2015, and 2018, yielding a balanced panel dataset with a total of 51 observations. Used as the main dependent variables, PG1 and IG1 are the PCE-based estimates of the poverty gap and income gap, respectively. The 4Ps indicators are average 4Ps cash transfers, 4Ps cash transfers, and 4Ps households. Note that the first 4Ps indicator, by definition, is equal to the ratio of the second to the third 4Ps indicator. Hence, either only the first 4Ps indicator or only the next two are used as regressors at a time.

The rest of the variables serve as controls. Both the Headcount ratio and the Gini ratio are official estimates (income-based). Since the Headcount ratio is already a part of PG, it is never used as a control when the dependent variable is PG1. When IG1 is the dependent variable, the Headcount ratio is introduced with or without interaction with the 4Ps indicators. The interaction serves to capture the idea that the efficacy of the 4Ps benefits may vary with poverty incidence in the region. Also serving as controls are the Gini ratio, which accounts for the extent of income inequality, and gross regional domestic product per capita, which is used to capture the overall level of economic activity. Finally, the employment rate serves to capture the extent to which the people, including the poor, partake of the job opportunities in the region.

To capture time-specific factors that affect all regions simultaneously, dummy variables for the years 2015 and 2018 are constructed. The default year is 2012. Region-specific factors are implicitly accounted for in the regression estimation. Except for Year 2015 and Year 2018, all regression variables are transformed into natural logarithms. Hence, their estimated coefficients are interpreted as elasticities. Our elasticity estimates are derived using STATA 18.

TABLE 1. Variable definitions and summary statistics

Variable	Definition*	Mean	Standard deviation	Min.	Max.
PG1	Poverty gap (own, based on consumption expenditures)	1.977	0.883	-0.711	3.287
IG1	Income gap (own, based on consumption expenditures)	3.194	0.215	2.653	3.511
Average 4Ps cash transfers	Annual cash transfers per 4Ps beneficiary household	9.559	0.215	2.653	3.511

TABLE 1. Variable definitions and summary statistics (continued)

Variable	Definition*	Mean	Standard deviation	Min.	Max.
4Ps cash transfers	Annual 4Ps cash transfers	21.796	0.562	20.312	22.715
4Ps households	Number of active 4Ps beneficiary households	12.238	0.493	10.924	12.992
Headcount ratio	Headcount ratio	3.091	0.710	0.788	4.124
Gini ratio	Gini ratio	3.732	0.119	3.332	3.880
Gross regional domestic product per capita	Gross regional domestic product per capita	11.622	0.450	10.686	12.977
Employment rate	Employment rate	4.549	0.019	4.493	4.577
Year 2015	=1 if year is 2015, 0 otherwise	0.333	0.476	0	1
Year 2018	=1 if year is 2018, 0 otherwise	0.333	0.476	0	1

*Except for Year 2015 and Year 2018, all variables are in natural logarithm. The average 4Ps cash transfers, 4Ps cash transfers, and the gross regional domestic product per capita are expressed in 2012 prices.

4. Results

Table 2 presents the regression estimates. As shown in columns [1] and [2], the elasticity of PG1 with respect to average 4Ps cash transfer and 4Ps cash transfers are 0.244 and 0.252, respectively. While both estimated elasticities do not have the expected negative sign, neither is statistically significant. On the other hand, 4Ps households is negative, though also insignificant.

With IG1 as the dependent variable, we also note in columns [3] – [6] that none of the 4Ps indicators is significant. In column [7], where the average 4Ps cash transfer is interacted with the headcount ratio, its elasticity estimate now has the expected negative sign. However, it is statistically insignificant. Finally, in column [8], 4Ps cash transfers is negative (-0.319) and highly significant ($p < 0.01$). Unlike in all other cases, 4Ps households is now positive, though still insignificant.

As for the control variables, gross regional domestic product per capita is consistently negative across models, and even significant at the ten-percent level but only when the dependent variable is IG1 and the Headcount ratio is not included or included without interaction (in columns [3] – [6]). The Headcount ratio is a positive and significant correlate of IG1 (in columns [4] – [7]). Employment rate is insignificant in all models. In column [8], both Year 2015 and Year 2018 are positive (at 0.157 and 0.349, respectively) and highly significant ($p < 0.01$).

TABLE 2. Estimates of the elasticity of the poverty gap and income gap with respect to Pantawid Pamilyang Pilipino Program (4Ps) benefits

Explanatory Variable	Dependent variable: PG1		Dependent variable: IG1					
					Without interaction with headcount ratio		With interaction with headcount ratio	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Average 4Ps cash transfers	0.244 (0.491)		0.101 (0.178)		0.065 (0.143)		-0.119 (0.097)	
4Ps cash transfers		0.252 (0.478)		0.089 (0.193)		0.052 (0.161)		-0.319*** (0.116)
4Ps households		-0.220 (0.587)		-0.135 (0.203)		-0.103 (0.162)		0.132 (0.097)
Headcount ratio					0.231** (0.097)	0.233** (0.097)	0.310*** (0.109)	0.281* (0.109)
Gini ratio	0.138 (0.551)	0.134 (0.558)	0.184 (0.339)	0.189 (0.346)	-0.011 (0.331)	-0.007 (0.338)	0.031 (0.358)	0.236 (0.374)
Gross regional domestic product per capita	-1.441 (1.249)	-1.425 (1.280)	-0.829* (0.499)	-0.852* (0.492)	-0.628* (0.343)	-0.653* (0.333)	-0.472 (0.351)	-0.548 (0.357)
Employment rate	-3.248 (3.202)	-3.633 (3.191)	0.193 (1.202)	0.739 (1.664)	1.114 (0.815)	1.725 (1.470)	-0.269 (1.203)	0.222 (1.401)
Year 2015	0.235 (0.212)	0.223 (0.232)	0.115 (0.083)	0.133 (0.085)	0.091 (0.056)	0.111** (0.055)	0.081 (0.053)	0.157*** (0.056)
Year 2018	0.061 (0.467)	0.047 (0.478)	0.088 (0.171)	0.107 (0.171)	0.123 (0.130)	0.145 (0.130)	0.197* (0.114)	0.349*** (0.124)

TABLE 2. Estimates of the elasticity of the poverty gap and income gap with respect to Pantawid Pamilyang Pilipino Program (4Ps) benefits (continued)

Explanatory Variable	Dependent variable: PG1		Dependent variable: IG1					
					Without interaction with headcount ratio		With interaction with headcount ratio	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Region fixed effects	Y	Y	Y	Y	Y	Y	Y	Y
Number of observations	51	51	51	51	51	51	51	51
Number of groups	17	17	17	17	17	17	17	17
<i>R</i> -squared (overall)	0.6174	0.6101	0.4491	0.4475	0.5974	0.5914	0.6615	0.6253
<i>F</i> -statistics	15.81	18.14	7.86	9.54	13.16	10.93	16.71	30.30
Prob > <i>F</i>	0.0000	0.0000	0.0005	0.0001	0.000	0.000	0.000	0.000
Mundlak specification tests (H_0 : Covariates are uncorrelated with unobserved panel-level effects)								
χ^2 statistic	16.17	23.49	9.89	29.00	18.20	14.62	6.78	21.56
Prob> χ^2	0.0028	0.0003	0.0423	0.0000	0.0027	0.0234	0.3414	0.0058

Note: Panel data estimates of average marginal effects, with robust standard errors adjusted for regional clustering (in parenthesis). The dependent variable and all explanatory variables are in natural logarithms, except the dummy variables Year 2015 and Year 2018. The default year is 2012. In models [7] and [8], Average 4Ps cash transfers, 4Ps cash transfers, and 4Ps households are each interacted with the Headcount ratio. The poverty gap (PG1) and income gap (IG1) are based on per capita consumption expenditures, while the headcount ratio and Gini ratio are official estimates. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$

The bottom row of Table 2 displays the results of the Mundlak specification tests. The test involves running the relevant model as a random-effects model and testing the null hypothesis that the covariates are not correlated with the unobserved region- or year-fixed effects. The results of the chi-squared tests indicate the null hypotheses can be rejected in nearly all cases save in column [7]. Overall, the results here validate our model specification to minimize the bias due to unobserved region-specific or year-specific factors.

5. Discussion and conclusion

While the anticipated impact of 4Ps in breaking the intergenerational transmission of poverty has yet to be established given that most of the children of its earliest beneficiary households are just starting to find their first jobs after finishing school, we contribute some findings here concerning its contemporaneous effect on household welfare. In particular, we examined the efficacy of the cash assistance in pulling up the destitutes from the depths of poverty.

Using a region-level panel dataset, we find that income gap is responsive to increases in the total amount of cash transfers, controlling for other actors. The estimated elasticity is -0.319 and highly significant. In contrast, poverty gap does not appear sensitive to the 4Ps cash transfers. As measures of depths of poverty, both the income gap and poverty gap incorporate in their formulas the difference between the poverty threshold and per capita consumption expenditures. That only the income gap appears sensitive to increases in 4Ps cash transfers could be explained by another finding: the poverty incidence moderates the effects of cash transfers on the income gap. That is, the same amount of cash transfers would reduce the income gap unequally between two regions with different poverty incidences.³ Since the poverty gap already incorporates the poverty incidence, regressing the poverty gap against cash transfers interacted with the headcount ratio is tantamount to regressing a variable against itself. Another possible explanation is operational. Since the 4Ps covered both the poor and near-poor households (i.e., those just above the poverty threshold), the 4Ps cash transfers would show greater impact in reducing the consumption expenditure shortfall when the analysis is limited to the poor (as in the case of the income gap) than when it is extended to all of the population as in the case of the poverty gap, especially since the consumption expenditure of the near-poor 4Ps beneficiaries would be normalized to be equal to the threshold. In other words, the PG is insensitive to the transfers granted to those just above the threshold, no matter how many they are.

Since we used regionally aggregated data, there could be important or interesting individual household responses to the 4Ps cash assistance that are not

³ Note that 2012 to 2018 was a period of continuous annual high annual growth and significant poverty reductions [Capuno 2022b].

reflected in the results, which could be driven by the majority of the sample or certain outliers. Thus, future studies should attempt to analyze household level data. While the current FIES module captures the amounts of transfers, the amounts are not apportioned according to source. The FIES income module could be revised to collect the amounts of 4Ps cash support received, if any, by the sample household.

Notwithstanding the loss in information for using aggregated data, our results are still credible given the 4Ps' expansive coverage within and across regions, and that the FIES samples are regionally representative. Extending the analysis to 2021 and 2024 rounds of the FIES could update our results, but must address the possible confounding effects of the prolonged lockdowns and other government assistance (*ayudas*) provided during the COVID-19 pandemic years.

All in all, our results provide some evidence that, while the 4Ps has yet to lift its beneficiaries out of poverty, it does pull them up from the depths of destitution. To make the program more effective, more cash transfers to the poor and less to the near poor could be provided, while making sure the added support does not disincentivize working and other income-earning activities.

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