

Table No. : 'Approximate' Value of Average Monthly, Weekly and Daily Household Incomes Available for Purchase of Charcoal Stoves for the 10% Deciles of the Urban & Peri-Urban Lusaka Market

Deciles	Urban Pop/ Greater Lusaka	Average Households (HH)(4.95 members)	% share urban household income	Combined Monthly Income of Households in Decile	Average Monthly Income per Household	Average Daily Income per HH	Average Weekly Income per Household	20% of Average Weekly Income per HH	25% of Average Weekly Income per HH	K4000 As % of Average Weekly Income/HH
Decile 1	136 500	+/- 28 000	0.2	K410 976 000 \$102 277	14 678 \$3.67	489 \$.12	3 425 \$.86	685 \$.17	856 \$.21	+/- 117 %
Decile 2	136 500	+/- 28 000	0.9	K1 849 390 000 \$462 348	66 050 \$16.51	2 202 \$.55	15 414 \$3.85	3 083 \$.77	3 854 \$.96	+/- 26 %
Decile 3	136 500	+/- 28 000	1.6	K3 287 805 000 \$821 951	117 422 \$29.36	3 914 \$.99	27 398 \$6.85	5 480 \$1.37	6 851 \$1.71	+/- 15 %
Decile 4	136 500	+/- 28 000	3.4	K6 986 585 000 \$1 746 646	237 548 \$62.38	7 918 \$1.98	55 427 \$13.86	11 085 \$2.77	13 857 \$3.46	+/- 9.4 %
Decile 5	136 500	+/- 28 000	4.2	K8 630 489 000 \$2 157 622	308 232 \$77.06	10 274 \$2.57	71 920 \$17.98	14 384 \$3.60	17 983 \$4.50	+/- 5.6 %
Decile 6	136 500	+/- 28 000	7.3	K15 000 609 000 \$3 750 152	535 736 \$133.93	17 858 \$4.46	125 006 \$31.25	25 001 \$6.25	31 251 \$7.81	+/- 3.2 %
Decile 7	136 500	+/- 28 000	9.4	K19 315 853 000 \$4 828 963	689 952 \$172.46	22 995 \$5.75	160 965 \$40.24	32 193 \$8.05	40 241 \$10.06	+/- 2.5 %
Decile 8	136 500	+/- 28 000	15.9	K32 672 560 000 \$8 168 140	1 166 877 \$291.72	38 896 \$9.72	272 271 \$68.07	54 454 \$13.61	68 088 \$17.02	+/- 1.5 %
Decile 9	136 500	+/- 28 000	21.3	K43 768 900 000 \$10 942 225	1 563 175 \$390.79	52 100 \$13.03	364 740 \$91.19	72 948 \$18.24	91 185 \$22.80	+/- 1.0 %
Decile 10	136 500	+/- 28 000	35.7	K73 359 145 000 \$18 339 786	2 619 969 \$654.99	87 332 \$21.83	611 326 \$152.83	122 265 \$30.57	152 831 \$38.21	+/- 0.7%
Totals	1 365 000	280 000	100%	K205 487 800 000 \$51 371 950						

The figures presented here projects the 2004 data reported in the Living Condition Monitoring Survey Report (2004) to estimate the distribution of income between the deciles (10% layers) of the urban population of Lusaka in 2006. Decile 1 gives the total percentage of the income earned by the urban households of Lusaka Province for the lowest income layer of the economy and decile 10 gives the percentage of total urban income in Lusaka Province earned by the top earning 10% layer or strata. The accompanying backup notes in Appendix No. ???, explain how TSA arrived at the urban population, average household size, average household income, and total income earned by the urban households of the province

If an improved stove retails at K36 000 then +/- 70% of the residents in the Greater Lusaka will have a difficult time saving that amount of money for their daily and weekly flow of income.

TSA proposes using 20% of a households weekly income as a reasonably accurate measure of how much disposable income a household will be willing and able to save in the course of a week for the purpose of making a major ‘planned purchase’. The lower the weekly income and the higher the price of a particular durable consumer good, the more difficult it is for that household to save enough money to buy it. Given the short time frames in terms of which low income households plan and make decisions about what to buy and when to buy it, as well as the many competing demands – including family crises and accidents - for a household’s inadequate income, TSA decided that 20% of a household’s weekly income in fact constitutes the upper limit on a household’s normal capacity to reduce its expenses in order to save the money needed to purchase a desire and/or needed durable consumer good, like an improved stove.

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