

Income

10.1 Introduction

There are two sets of international guidelines relating to the statistical measure of income: One concerns the measurement of earnings of employees and the other the measurement of household income for the purposes of household income and expenditure surveys. Data on household income provide statistics on the distribution of households by income sources (wages and salaries, income from self-employment, property income, transfers, etc.) and income groups.

Income from employment may be broadly defined as the receipts that accrue to individuals as a result of their involvement in paid or self-employment jobs. Income from employment can take different forms and accrue in cash, kind, services, benefits, or even entitlements to deferred benefits.

The conventional form of income from employment consists of the actual compensation in cash, which accrues to employed persons as a result of their involvement in a paid or self-employed job. Examples of these types of incomes are the wages and salaries in cash received by employees from their employers and the profits drawn by self-employed persons from their enterprises.

A second type of income from employment consists of income in kind. This includes the value of goods and services which are received by employees as remuneration in kind or fringe benefits, as well as the value of goods and services produced by the self-employed for their own use or consumption and for barter (such as own produced grain consumed by agricultural workers or own made furniture used by carpenters).

10.2 Average Monthly Earnings by Sex, Residence and Occupation

The 2005 Labour Force Survey shows that the average monthly income for an individual in employment was K 293,621. Males earned almost twice as much as their female counterparts. While the average monthly income for a male employee was K354, 988, the average monthly income for a female employee was K196, 453. This is illustrated in Table 10.1.

Income disparities are also pronounced between urban and rural folk in employment. Generally, the employed persons in urban areas earn over four times as much as those in the rural areas. The income disparities were highest between females: females in rural areas earned six times less than their urban counterparts.

Table 10.1: Average Monthly Earnings by Occupation, 2005

Occupation	Average Monthly Earnings									Number of paid
	All Zambia			Rural			Urban			
	Both	Male	Female	Both	Male	Female	Both	Male	Female	
All Zambia	293,621	354,988	196,453	127,652	168,147	66,910	540,961	619,267	406,387	3,175,241
Occupation										
Administrative, managerial	1,563,907	1,635,474	1,460,708	1,398,200	1,700,084	520,269	1,592,491	1,620,770	1,555,909	115,993
Professional, technical and related	992,400	1,090,599	737,790	579,384	580,971	570,125	1,039,565	1,160,913	747,337	104,003
Clerical and related	276,325	367,824	184,206	137,818	189,166	88,177	301,197	399,144	201,865	345,265
Sales	255,562	283,886	212,401	158,281	187,125	109,223	279,934	309,444	236,167	208,800
Agriculture, forestry, fisheries	105,426	133,279	65,203	90,708	112,564	58,797	253,334	352,236	125,264	2,000,796
Production and related	562,086	617,040	364,071	576,716	737,448	129,777	559,423	596,671	418,136	393,452
Service	400,811	471,942	268,768	269,918	269,918	.	457,034	645,662	268,768	5,953
Not stated	910,084	350,084	560,000	250,000	250,000	-	1,260,000	700,000	560,000	979

The highest earning occupations were those employed in administrative and managerial jobs. They earned an average of K1, 563,097 per month. This was followed by those in professional and technical occupations who had a monthly average income of K992, 400. The .

lowest paid occupations were those in the Sales and related services and the agriculture and allied industries, whose mean monthly incomes were K255, 562 and K 105, 426, respectively

Within the managerial and administrative occupations, the income distribution between males and females was more evenly distributed in the urban areas than it was in rural areas. Rural male managers and administrators earned three times as much as their female counterparts, while the ratio between male and female managers in the urban areas was about 1:1.

10.3 Average Monthly Earnings by Industry

The income distribution by industry was also quite varied. The highest mean monthly income was

recorded in the Electricity, gas and water industry at K 2, 137,190. This was followed by those employed in the Finance, Insurance, Real Estate and Business Services sector whose average monthly income was K 1, 282,191. Those employed in the Mining and Quarrying sector were the third highest earners with an average monthly income of K 988, 954.

The lowest monthly income was in the Agriculture, Forestry and Fisheries sector. Compared to the Electricity, gas and water sector, those employed in this sector earned over 20 times less.

Table 10.2: Average Monthly Earnings By Industry, 2005

Industry	Average Monthly Earnings									Number of paid persons
	Both	All Zambia		Rural			Urban			
		Male	Female	Both	Male	Female	Both	Male	Female	
All Zambia	293,621	354,988	196,453	127,652	168,147	66,910	540,961	619,267	406,387	3,175,241
Agriculture, forestry and fisheries	93,629	116,139	62,553	89,944	112,159	58,471	131,668	162,875	98,530	1,963,136
Mining and quarrying	985,854	1,012,280	477,449	190,967	190,967	-	1,034,035	1,049,372	649,789	56,275
Manufacturing	387,553	461,117	209,053	145,107	188,493	83,708	459,549	524,838	269,360	169,462
Electricity, gas and water	1,007,505	1,096,055	514,476	1,037,246	1,179,933	177,500	994,512	1,060,427	627,738	17,286
Construction	462,607	443,058	731,537	221,004	238,685	30,456	520,448	490,876	955,402	58,553
Trade, wholesale and retail distribution	292,341	364,336	202,970	112,830	124,564	93,385	336,419	432,753	224,826	442,856
Hotels and restaurants	273,910	278,584	268,666	138,843	218,353	63,177	290,613	285,389	296,594	33,857
Transport and communication	559,962	567,701	471,772	274,066	294,428	10,870	587,377	594,183	510,701	92,936
Finance, insurance and real estate	1,218,723	1,232,851	1,157,770	302,385	302,664	300,000	1,326,748	1,350,633	1,222,489	41,914
Community, social and personal services	820,354	896,802	733,324	687,392	851,870	278,867	847,207	909,849	785,586	297,265
Not stated	242,217	264,011	40,000	410,606	410,606	.	146,628	165,819	40,000	1,701

Though those employed in the energy sector were the highest earners, there were large differences between the males and females within this industry. Males earned nearly five times as much as their female counterparts. The highest female earners were in the financial institutions, insurance, real estate and business services where the incomes between males

10.4 Average Monthly Earnings by Sector

Persons employed in the parastatal sector were the highest paid, followed by those in Central Government and International organisations. The lowest average monthly incomes were in the household sector, while the second lowest was in the private sector.

Table 10.3: Average Monthly Earnings by Sector, 2005

Sector	Average Monthly Earnings									Number of paid persons
	All Zambia			Rural			Urban			
	Both	Male	Female	Both	Male	Female	Both	Male	Female	
All Zambia	293,621	354,988	196,453	127,652	168,147	66,910	540,961	619,267	406,387	3,175,241
Central Government	946,012	1,058,618	754,921	941,461	1,045,337	799,818	960,101	1,088,597	473,352	131,424
Local Government	387,253	469,428	252,172	206,178	309,731	90,878	493,545	542,328	391,073	74,050
Parastatal	1,968,646	1,375,628	5,127,197	1,723,537	5,317,621	927,498	3,293,791	3,526,093	320,000	46,648
Private	376,444	450,164	220,159	119,291	145,122	72,038	553,569	643,663	341,266	1,058,366
NGO/Church	632,612	596,820	696,615	160,563	171,837	131,438	773,334	744,705	819,572	22,737
International Organisation	906,629	919,185	856,472	283,600	278,611	350,000	1,067,330	1,119,762	895,516	9,910
Household	101,009	123,969	73,035	84,438	104,787	57,131	169,284	224,155	124,100	1,828,909
Not Stated	510,701	545,869	488,651	323,259	500,000	50,000	564,990	570,992	562,151	3,197

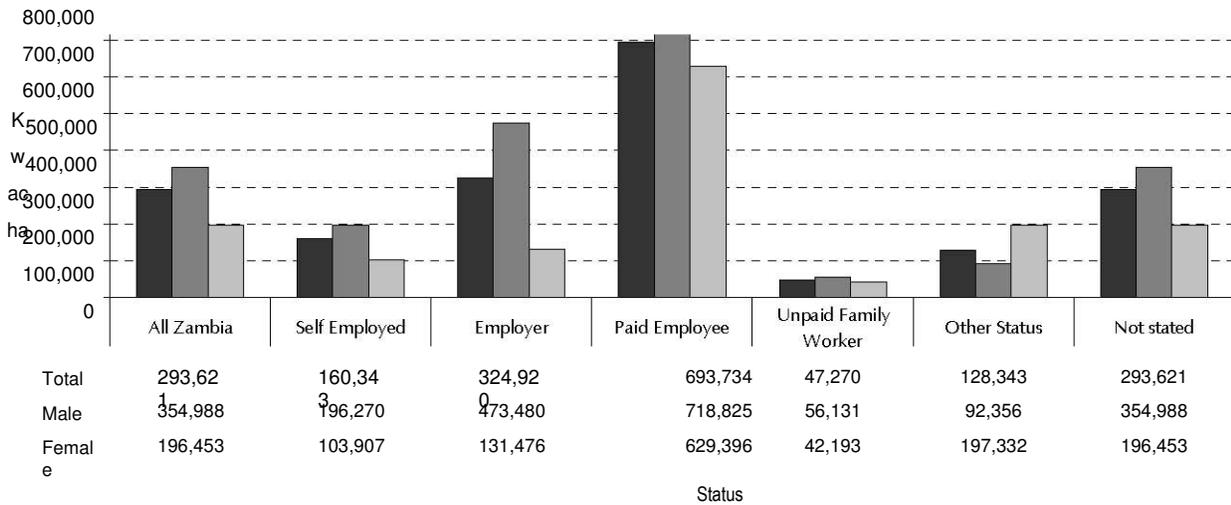
10.5 Average Monthly Earnings by Employment Status

Figure 10.1 shows that paid employees had the highest mean monthly income, followed by employers and the self employed. Comparison of average

monthly incomes by employment status between males and females show that females generally had lower incomes than men.

Income

Figure 10.1: Average Monthly Earnings by Employment Status, 2005



The self employed in the urban areas earned about the urban areas had average monthly earnings of K three and half times more than the self employed in 700, 488, which is about seven times more than their the rural areas. The greatest disparities were between rural counterparts who earned K 98, 846. employers in the urban and rural areas. Employers in

Table 10.4: Average Monthly Earnings by Employment Status, 2005

Employment Status	Average Monthly Earnings									Number of paid persons
	All Zambia			Rural			Urban			
	Both	Male	Female	Both	Male	Female	Both	Male	Female	
All Zambia	293,621	354,988	196,453	127,652	168,147	66,910	540,961	619,267	406,387	3,175,241
Self Employed	160,343	196,270	103,907	99,637	120,373	64,666	348,013	459,643	206,365	2,069,031
Employer	324,920	473,480	131,476	98,846	100,500	97,434	700,488	858,717	249,058	25,536
Paid Employee	693,734	718,825	629,396	538,186	619,188	252,240	729,086	743,825	693,719	765,074
Unpaid Family Worker	47,270	56,131	42,193	34,845	40,363	31,890	85,341	97,099	77,122	305,472
Other Status	128,343	92,356	197,332	172,240	48,537	316,031	101,788	111,887	74,544	8,524
Not stated	237,385	254,384	192,973	421,958	500,000	300,000	88,938	106,472	12,000	1,604

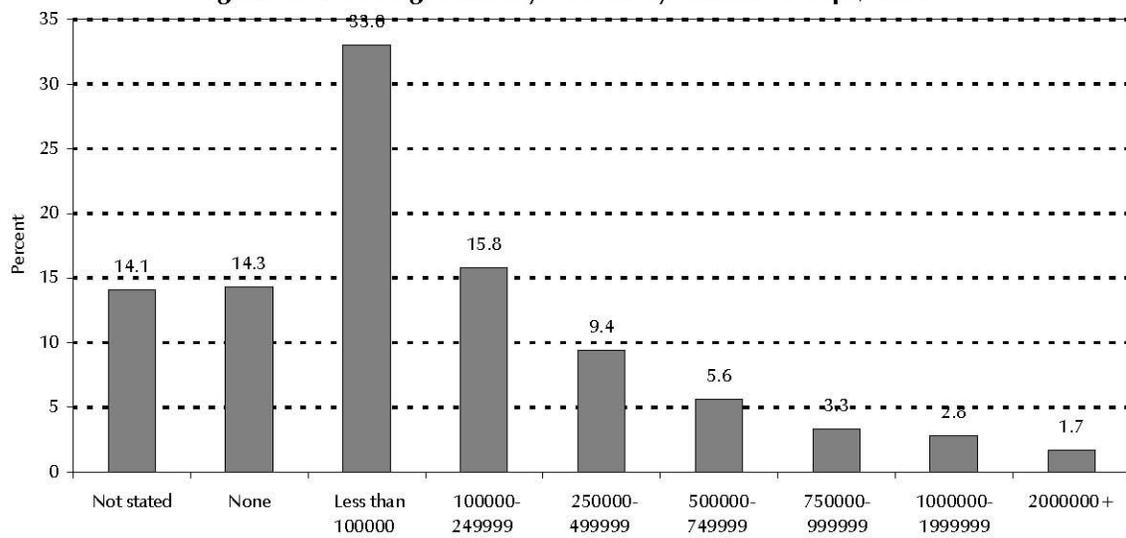
11. 6 Average Monthly Earnings by Income Groups

Figure 10.2 summarises the distribution of employed persons by income group. The trend line in the chart shows that the income distribution is skewed to the left, suggesting that there were many people with low

income than those with middle and high incomes. This suggests the lack of a strong middle income class which would have been depicted by a normal income distribution.

Income

Figure 10.2: Average Monthly Income By Income Groups, 2005



The chart shows that the modal income group **10.6.1 Average Monthly Income by Major Occupation Groups** pertained to those who earned less than K 100, 000; **Occupation Groups** this accounted for 33.0 percent of the total employed persons. This was followed by those in the K100, 000-The agriculture and allied industries and the clerical K249, 999 income group who accounted for 15.8 and related occupations had the highest proportions of percent of the total persons employed. A significant those who earned less than K100, 000 on a monthly proportion, 14.3 percent, reported no income at all. The K100, 000-K249, 999 was dominated by

those employed in Sales and related occupations. This is illustrated in Table 10.5.

Table 10.5: Average Monthly Earnings by Occupation, 2005

Occupation	Average Monthly Earnings									Number of paid persons N
	Not Stated	None	Less than 100000	100000-249999	250000-499999	500000-749999	750000-999999	1000000-1999999	2000000+	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
All Zambia	14.1	14.3	33.0	15.8	9.4	5.6	3.3	2.8	1.7	3,175,241
Administrative, managerial	4.7	0.8	2.8	5.8	11.1	34.0	17.9	13.7	9.1	115,993
Professional, technical and related	2.5	1.2	4.9	9.0	22.6	17.7	10.9	20.5	10.6	104,003
Clerical and related	5.0	3.9	40.1	23.8	12.9	6.4	3.2	2.7	2.1	345,265
Sales	3.9	2.2	18.6	39.0	26.0	5.5	2.3	2.0	0.5	208,800
Agriculture, forestry, fisheries	20.0	21.2	39.6	12.8	3.1	1.5	0.7	0.6	0.4	2,000,796
Production and related	2.9	2.1	17.9	16.5	25.4	13.9	10.7	7.0	3.6	393,452
Service	25.2	13.5	3.9	21.0	18.3	1.8	8.2	8.0	-	5,953
Not stated	47.5	52.5	.	.	.	979

The highest modal income was recorded for those in administrative and managerial jobs. The modal income for administrative and managerial occupations ranged between K500, 000 and K 749, 999. This was followed by those in Production and related services whose modal income was between K250, 000 and professionals and

those in technical and related jobs also ranged between K250, 000-K499, 999; the modal income for agriculture and allied occupations, and clerical and related occupations was less than K100, 000; those in sales and service occupations had modal income ranging from K 100, 000 to K 249, 999.

10.6.2 Average Monthly Income by Major Industry Grouping

Table 11.6 shows that one-fifth (21.3 percent) of those Of the 2 percent in the highest earning income group in the agriculture, forestry and fisheries did not report (persons with average monthly income exceeding K2 any income at all. This industry grouping also had the million), the electricity, gas and water sector had the highest proportion of those who earned less than highest proportion of persons in this income group. K100, 000 – the lowest earning income group – and This was followed by those employed in the Finance, representing two in every five persons, or 39.8 Insurance, Real Estate and Business Services. percent. This was closely followed by those in the Trading sector at 38.4 percent.

Table 10.6: Average Monthly Earnings by Industry, 2005

Industry	Average Monthly Earnings									Number of paid persons
	Not Stated	None	Less than 100000	100000 -249999	250000 -499999	500000- 749999	750000- 999999	1000000- 1999999	2000000+	
	N	N	N	N	N	N	N	N	N	
All Zambia	14.1	14.3	33.0	15.8	9.4	5.6	3.3	2.8	1.7	3,175,241
Agriculture, forestry and fisheries	19.9	21.3	39.8	12.8	3.3	1.5	0.7	0.4	0.3	1,963,136
Mining and quarrying	1.4	2.1	2.2	4.1	5.5	19.5	28.3	31.9	4.9	56,275
Manufacturing	4.6	3.7	23.7	18.4	27.1	11.4	4.6	3.9	2.6	169,462
Electricity, gas and water	7.5	2.2	6.7	5.0	26.0	12.9	7.8	8.2	23.7	17,286
Construction	4.1	1.6	21.6	16.9	27.2	12.3	7.0	5.6	3.6	58,553
Trade, wholesale and retail distribution	6.3	3.3	38.4	24.9	12.3	6.3	3.7	3.0	1.9	442,856
Hotels and restaurants	4.5	3.6	11.6	32.5	33.0	11.3	2.2	1.1		33,857
Transport and communication	2.4	1.7	9.9	15.0	32.3	16.7	8.9	7.7	5.4	92,936
Finance, insurance and real Estate	3.2	3.7	3.7	19.5	16.1	10.2	8.6	18.2	16.7	41,914
Community, social and personal services	3.4	2.5	9.0	21.9	21.1	19.0	10.8	8.1	4.2	297,265
Not stated	19.6	-	60.2	-	-	7.8	12.3	-	-	1,701

The modal monthly average income for those employed in the agriculture, forestry and fisheries sector was less than K100, 000. The modal monthly average earnings for the mining and quarrying sector ranged between K750, 000 and K999, 999.

The modal monthly income in the manufacturing industry ranged between K250, 000 and K499, 999. Those in the electricity, gas and water sector also had a modal income ranging between K250, 000 and K499, 999, while the modal monthly earnings for the Construction industry was less than K100, 000.

The highest modal income for the services sector was recorded in the Finance, Insurance, Real Estate and Business Services sector and ranged between K750, 000 and K999, 999. The modal income for the rest of

the services sector was between K250, 000 and ~~K999~~,

10.6.3 Average Monthly Income by Sector

The household sector reported the highest proportion of those who did not have a monthly income and those who earned less than K100, 000 per month. The highest proportion of employees in the income band “K100, 000-K249, 999” were in the private sector and accounted for 24.2 percent. These two groups had the highest proportions of persons in the lowest income groups.

International organisations had the highest proportions (18.9 percent) of those who had an average monthly income of more than K2, 000,000. This was followed by those in the parastatals.

Table 10.7: Average Monthly Earnings by Sector, 2005

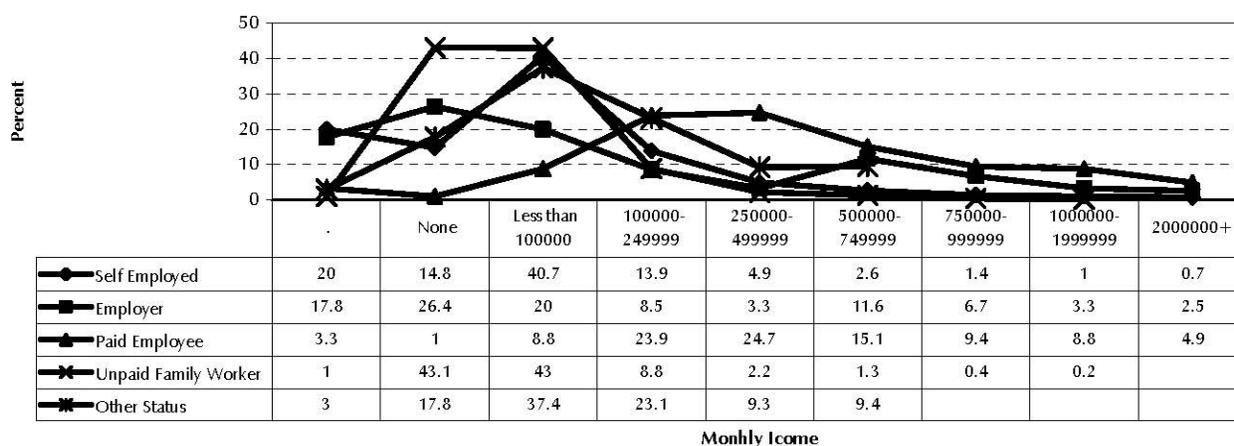
Sector	Average Monthly Earnings									Number of paid persons
	-	None	Less than 100000	100000-249999	250000-499999	500000-749999	750000-999999	1000000-1999999	2000000+	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
All Zambia	14.1	14.3	33.0	15.8	9.4	5.6	3.3	2.8	1.7	3,175,241
Central Government	3.3	1.4	3.2	4.8	19.9	28.0	19.7	13.5	6.1	131,424
Local Government	13.4	5.2	18.4	14.4	21.9	15.1	5.8	3.0	2.8	74,050
Parastatal	3.1	3.0	3.4	9.6	23.2	13.9	13.6	16.3	13.9	46,648
Private	3.3	6.1	29.4	24.2	16.6	8.0	5.2	4.9	2.4	1,058,366
NGO/Church	12.2	1.4	11.2	17.2	21.4	12.2	4.9	12.7	6.8	22,737
International Organisation		3.4	8.3	11.5	24.7	23.4	5.6	4.3	18.9	9,910
Household	21.5	20.9	39.1	12.1	3.4	1.7	0.6	0.4	0.4	1,828,909
Not Stated			13.0		12.4	66.3		8.4		3,197

The Central Government sector recorded the highest modal income group; the modal income group in this sector was K500, 000 – K749, 999 per month. Parastatals, NGOs/churches and international organizations had modal income of K250, 000-K499, 999, while the local government employees, private sector employees and household employees had the lowest modal income group of less than K100, 000 per month.

10.6.4 Average Monthly Income by Employment Status

Except for paid employees whose average monthly earnings exhibited a normal distribution, all the other employment status showed that generally all the earnings of the employed persons fell in the low income groups. The unpaid family workers had the lowest mean monthly incomes; they reported the highest proportions of those with incomes that were less than K100, 000. Paid employees reported the highest proportions in all the income groups higher than K100, 000.

Figure 10.3: Average Monthly Income by Employment Status, 2005



Analysis by employment status shows that only paid self-employed, the employers and the unpaid family employees had a modal income ranging between K 250, 000 and K 499, 999, while the majority of the workers reported lower income or no income at all.

10. **7 Average Monthly Earnings by Hours of Work** Overall, the highest earners were those who worked

Income

Table 10.8: Average Monthly Earnings by Employment Status, 2005

Employment Status	Average Monthly Earnings									Number of paid persons
	.	None	Less than 100000	100000-249999	250000-499999	500000-749999	750000-999999	1000000-1999999	2000000+	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
All Zambia	14.1	14.3	33.0	15.8	9.4	5.6	3.3	2.8	1.7	3,175,241
Self Employed	20.0	14.8	40.7	13.9	4.9	2.6	1.4	1.0	0.7	2,069,031
Employer	17.8	26.4	20.0	8.5	3.3	11.6	6.7	3.3	2.5	25,536
Paid Employee	3.3	1.0	8.8	23.9	24.7	15.1	9.4	8.8	4.9	765,074
Unpaid Family Worker	1.0	43.1	43.0	8.8	2.2	1.3	0.4	0.2		305,472
Other Status	3.0	17.8	37.4	23.1	9.3	9.4				8,524
Not Stated			33.1	22.3	17.4	27.2				1,604

The number of hours worked also had a bearing on income of K467, 802. However, the average earnings of the employed persons. Generally, the results show that the earnings increased with the number of hours put in per week. Those who worked a minimum of 70 hours per week earned twice as much as those who worked less than 10 hours per week. The trend was similar between males and females in much as those who worked urban and rural areas.

Table 10.9: Average Monthly Earnings by Hours of Work, 2005

Weekly Hours of Work	Average Monthly Earnings									Number of paid persons
	All Zambia			Rural			Urban			
	Both	Male	Female	Both	Male	Female	Both	Male	Female	
All Zambia	293,621	354,988	196,453	127,652	168,147	66,910	540,961	619,267	406,387	3,175,241
< 10 Hours	214,717	310,389	119,149	75,188	75,360	75,015	542,374	866,187	222,067	125,704
10-19 hours	114,381	132,440	90,136	82,825	104,161	54,132	247,111	251,840	240,807	343,101
20-29 hours	113,250	137,174	82,491	88,557	116,044	51,468	243,525	265,232	221,818	524,432
30-39 Hours	201,001	172,470	239,746	96,271	119,696	63,219	675,351	434,592	950,878	635,338
40-49 Hours	467,802	574,815	271,333	256,383	339,414	96,722	647,228	780,663	411,570	611,696
50-59 Hours	436,228	506,112	285,574	214,114	276,882	82,880	555,988	627,862	398,441	269,020
60-69 Hours	443,867	545,562	253,117	139,989	164,714	85,373	558,700	700,694	307,779	193,090
70+ Hours	419,025	480,441	265,260	178,418	201,246	122,118	472,131	541,739	297,272	242,815
.Not Stated	644,274	823,967	369,971	360,803	407,861	288,397	689,152	890,085	382,814	230,045

The hours of work for those in the lowest income groups worked on average 30-39 hours per week, groups, those who earned less than K100, 000 or those in the higher income groups worked 40-49 nothing at all, was lower than those in the higher hours per week. income groups. While those in the lower income

Table 10.10: Hourly Compensation by Earnings Grouping, 2005

Income Grouping	All	Weekly Hours of work								
		.	< 10 Hours	10-19 Hours	20-29 Hours	30-39 Hours	40-49 Hours	50-59 Hours	60-69 Hours	70+ Hours
		N	N	N	N	N	N	N	N	N
All Zambia	3,175,241	230,045	125,704	343,101	524,432	635,338	611,696	269,020	193,090	242,815
None	453,612	824	39,692	91,504	114,650	114,794	52,714	21,078	12,058	6,298
Less than 100000	1,049,366	2,323	49,681	136,909	238,883	280,997	165,587	69,950	51,101	53,935
100000-249999	502,854	2,051	17,217	43,217	72,882	89,488	109,449	54,742	47,262	66,546
250000-499999	298,646	2,718	3,188	14,538	25,108	28,341	91,998	44,358	35,896	52,501
500000-749999	177,214	1,594	2,845	5,877	13,625	20,529	64,238	25,753	17,537	25,216
500000-999999	103,561	2,283	2,959	4,618	5,146	8,336	35,089	20,225	9,831	15,074
750000-999999	90,349	342	2,501	3,282	4,046	5,647	36,344	12,816	11,622	13,749
2000000+	52,426	1,071	1,224	1,819	1,769	4,117	19,486	12,525	2,778	7,637
Not Stated.	447,213	216,839	6,397	41,337	48,323	83,089	36,791	7,573	5,005	1,859

Income

The majority of those who worked 40-49 hours per while most of those who worked 30-39 hours were week were paid on a monthly and daily basis; most of paid on a weekly and hourly basis. those who worked 20-29 hours were paid fortnightly,

Table 10.11: Frequency of Earnings by Hours of Work, 2005

Frequency of Earnings	All	Weekly Hours of work								
		.	< 10 Hours	10-19 Hours	20-29 Hours	30-39 Hours	40-49 Hours	50-59 Hours	60-69 Hours	70+ Hours
		N	N	N	N	N	N	N	N	N
All Zambia	3,175,241	230,045	125,704	343,101	524,432	635,338	611,696	269,020	193,090	242,815
Monthly	1,735,121	11,538	56,947	142,178	290,006	360,480	426,558	167,850	119,496	160,068
Fortnightly	93,365	196	4,038	17,290	18,432	17,488	16,480	8,344	4,411	6,686
Weekly	184,154	302	11,142	28,318	30,746	36,408	31,972	23,127	9,522	12,617
Daily	314,404	1,170	11,601	25,560	28,653	46,274	56,853	44,891	41,750	57,652
Hourly	211,120	.	6,435	33,226	41,361	80,951	35,069	7,886	5,071	1,121
Not Stated	637,077	216,839	35,541	96,529	115,234	95,738	44,764	16,922	12,840	4,671