UNDERSTANDING THE URBAN BOTTOM 40: PAKISTAN

Reall — A HOME FOR HUMAN POTENTIAL
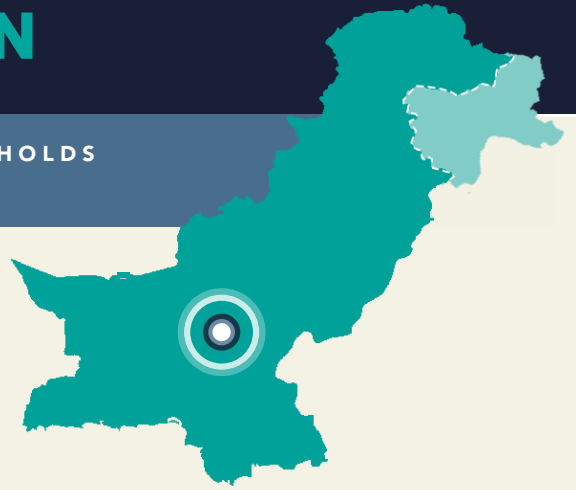
DEMONSTRATING THE LIVING CONDITIONS OF HOUSEHOLDS AT THE BOTTOM OF THE URBAN INCOME PYRAMID.
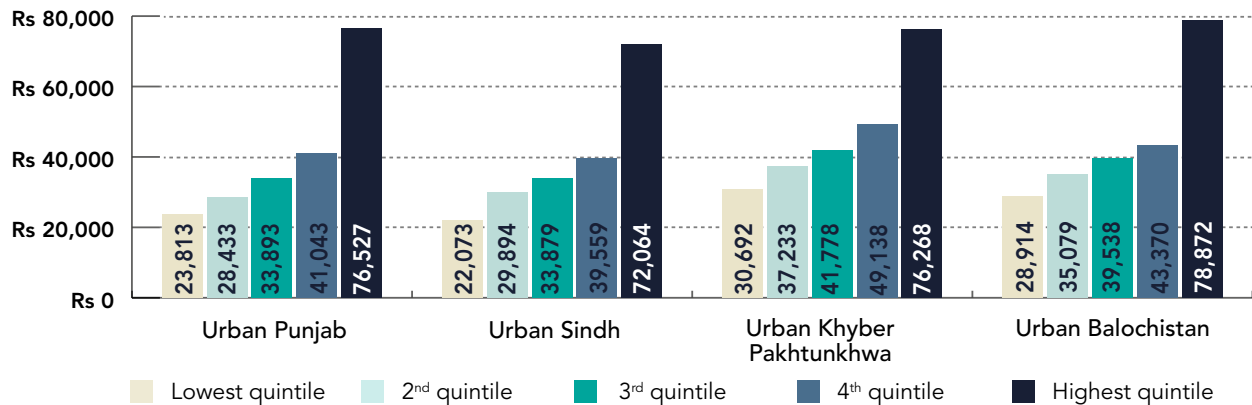
Reall is an innovator and investor in affordable housing in Africa and Asia. Specifically targeting the **urban bottom 40% of the income pyramid (UB40)**, we develop, refine and share innovative housing models that unlock the political will, capital investment and end-user finance needed to create conditions for households on low incomes to secure homes.

Using public sector data from the Household Integrated Economic Survey (2018/19) and the Demographic and Health Survey (2017/18), this sheet provides evidence to understand the living conditions of the UB40, and how they compare to the rest of the population.

Homes, employment and education

Effectively measuring household incomes is notoriously challenging, and the accuracy of data from the Household Integrated Economic Survey is not confirmed, but acts as a useful guide. At a national urban level, data suggests UB40 households earn a maximum of approx. Rs.32,500 (~US$160) per month,[1] but this masks significant variation across provinces. In Punjab, UB40 households earn a maximum of approx. Rs.31,000 (~US$155), rising to Rs.39,500 (~US$195) in Khyber Pakhtunkhwa. However, this data is only available at province level, and incomes are equally likely to vary between urban areas, particularly in the case of the largest cities. UN Habitat[2] estimates that average incomes in Pakistan's major cities are higher than the national urban average, with Faisalabad and Karachi sitting at 22% higher, Lahore 28%, Peshawar 46% and Islamabad 52% higher, among others.

Average urban provincial household monthly income by quintile

	Urban Punjab	Urban Sindh	Urban Khyber Pakhtunkhwa	Urban Balochistan
Lowest quintile	23,813	22,073	30,692	28,914
2nd quintile	28,433	29,894	37,233	35,079
3rd quintile	33,893	33,879	41,778	39,538
4th quintile	41,043	39,559	49,138	43,370
Highest quintile	76,527	72,064	76,268	78,872

The labour market in Pakistan is dominated by men. 96% of those aged 15–49 are in work, across all income groups, and compared with just 11–15% of women. Female-headed households make up 11% of the total urban population, with this figure remaining relatively static across all wealth quintiles, with the UB40 figure also 11%, reducing to 8% in the wealthiest 20% of the population. Considering the low proportion of women in work, this may be a result of ranking households by wealth rather than income, with widowed women continuing to hold the assets they shared with their husbands.
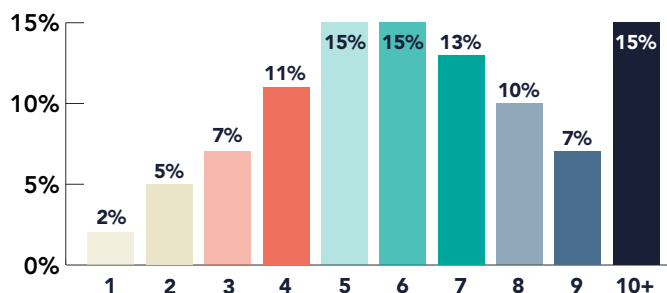
Women/men currently working		Women/men with at least secondary education		Female-headed households	
Bottom 40 **14% / 96%**	21st–40th percentiles **15% / 96%**	**Bottom 40** **29% / 55%**	21st–40th percentiles **43% / 66%**	**Bottom 40** **11%**	21st–40th percentiles **11%**
	41st–60th percentiles **11% / 96%**		41st–60th percentiles **54% / 73%**		41st–60th percentiles **11%**

1 HIES provides average household income per quintile, meaning that income for the 2nd quintile would roughly correspond with the 30th percentile, and income from the 3rd quintile would roughly correspond with the 50th percentile. An average of these two figures is therefore used.

2 The State of Pakistan Cities 2018, UN Habitat, https://unhabitat.org/sites/default/files/documents/2019-05/state_of_pakistani_cities_0.pdf
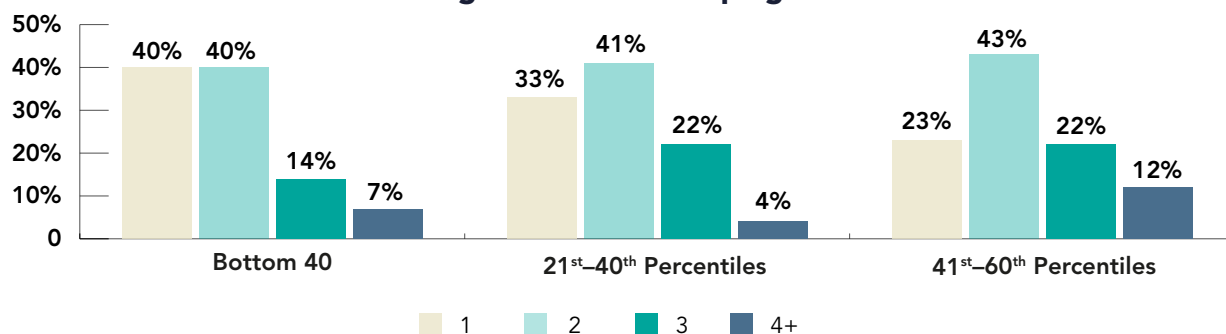
Household size and space

Household sizes in Pakistan are large, with a median of six people per home for both the UB40 and the wider urban population, and 15% of UB40 households consisting of 10 or more members. These large households are not matched with large homes; 40% of households in the UB40 have only one sleeping room,[3] and another 40% have two. This results in significant overcrowding, with 68% of UB40 households living in overcrowded conditions.[4] The number of sleeping rooms increases for wealthier households, but across the urban population, 55% of households live in overcrowded conditions.

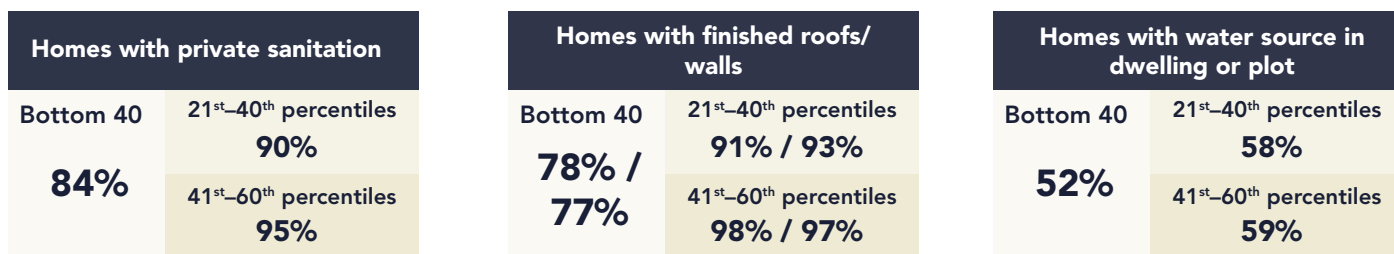**Average number of people per household**

People	Percentage
1	2%
2	5%
3	7%
4	11%
5	15%
6	15%
7	13%
8	10%
9	7%
10+	15%

Average number of sleeping rooms

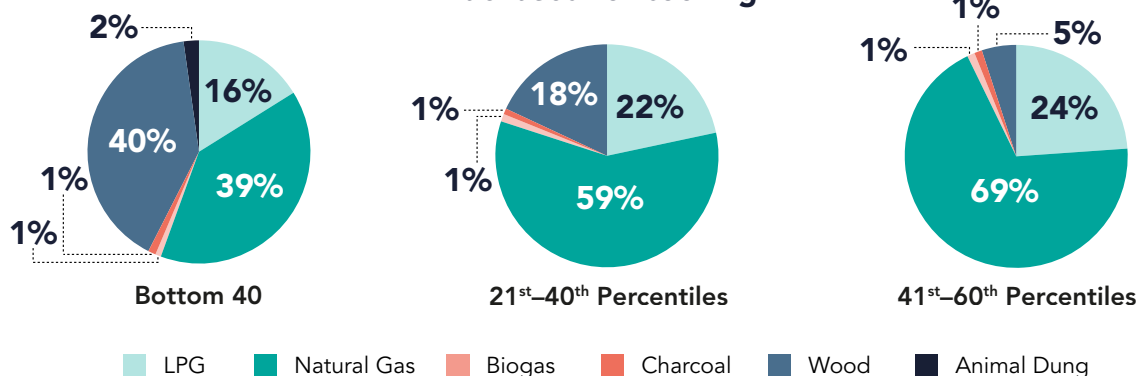|	1	2	3	4+
Bottom 40	40%	40%	14%	7%
21st–40th Percentiles	33%	41%	22%	4%
41st–60th Percentiles	23%	43%	22%	12%

Housing conditions

Homes in Pakistan are more likely to be built with durable materials and classed as "finished"[5], with over 75% of households in the UB40 having these. Similarly, access to private sanitation[6] is also comparatively good, with 84% of UB40 households having a private toilet. Easy access to general water[7] lags behind these other indicators though, with just 52% having water access within their home (48%) or plot (4%).

Homes with private sanitation		Homes with finished roofs/walls		Homes with water source in dwelling or plot	
Bottom 40 **84%**	21st–40th percentiles **90%**	Bottom 40 **78% / 77%**	21st–40th percentiles **91% / 93%**	Bottom 40 **52%**	21st–40th percentiles **58%**
	41st–60th percentiles **95%**		41st–60th percentiles **98% / 97%**		41st–60th percentiles **59%**

Natural gas is the main cooking fuel across the urban population, used by 58% of all households. However, this is significantly lower within the UB40 (39%), with wood being slightly more common in this group. The only other commonly used fuel is Liquified Petroleum Gas (LPG), and over 95% of urban households outside of the B40 use some form of gas for cooking.

Fuel used for cooking

Bottom 40: LPG 16%, Natural Gas 39%, Biogas 1%, Charcoal 1%, Wood 40%, Animal Dung 2%

21st–40th Percentiles: LPG 22%, Natural Gas 59%, Biogas 1%, Charcoal 1%, Wood 18%

41st–60th Percentiles: LPG 24%, Natural Gas 69%, Biogas 1%, Wood 5%, Animal Dung 1%

Legend: LPG | Natural Gas | Biogas | Charcoal | Wood | Animal Dung
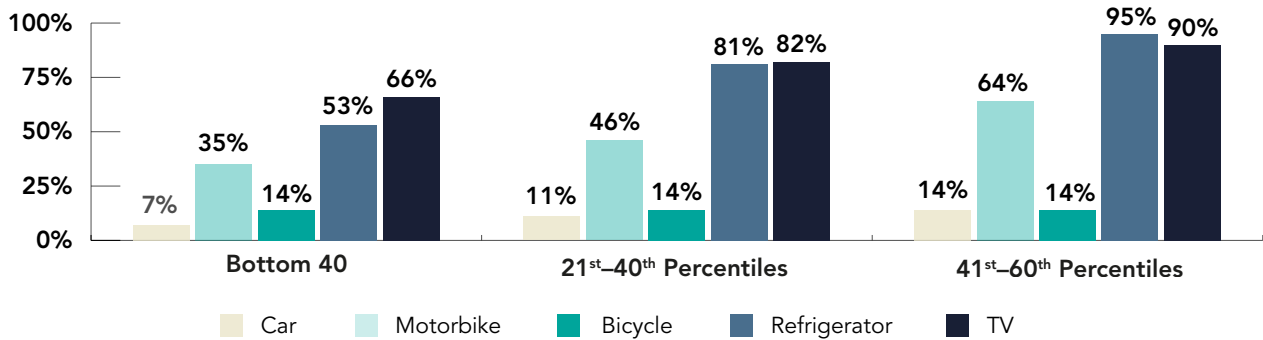
3   Sleeping rooms are defined as rooms excluding kitchens, bathrooms and garages.
4   Defined as three or more people per sleeping room.
5   Finished roofs are those made of metal/zinc, cement or tiles. Finished walls are those made of cement/concrete, wood planks or bricks.
6   Defined as having a toilet facility that is not shared with other households.
7   Water used for cooking and cleaning.

Assets and inclusion

22% of households in Pakistan own a car, lowering to 7% within the UB40. Motorbikes are the most common form of private transportation, but even these are only owned by 35% of the UB40. Across all quintiles, "ownership" of a home is common for men, with 66% of urban males owning a home alone or jointly, though not necessarily living in it.[8] Female ownership, even jointly with a husband, remains rare.

Proportion of households with common assets

Legend: Car, Motorbike, Bicycle, Refrigerator, TV

Bottom 40: Car 7%, Motorbike 35%, Bicycle 14%, Refrigerator 53%, TV 66%
21st–40th Percentiles: Car 11%, Motorbike 46%, Bicycle 14%, Refrigerator 81%, TV 82%
41st–60th Percentiles: Car 14%, Motorbike 64%, Bicycle 14%, Refrigerator 95%, TV 90%

Access to a bank account is still relatively uncommon, with 29% of the UB40 holding one, rising to 55% for those in the 41st–60th percentiles. This remains a key barrier to financial inclusion, particularly considering the relatively limited use of mobile phones for financial transactions; across all quintiles and in direct contrast with key African markets, use of mobile money remains lower than access to a bank account. Mobile money usage is also predominantly by men, with just 3% of UB40 women and 4% of all urban women utilising it.

Women/men who own their home (alone or jointly)	
Bottom 40	21st–40th percentiles
2% / 66%	**2% / 67%**
	41st–60th percentiles
	4% / 63%

Households with a bank account	
Bottom 40	21st–40th percentiles
29%	**39%**
	41st–60th percentiles
	55%

Women/men that use a mobile phone for financial transactions	
Bottom 40	21st–40th percentiles
3% / 20%	**4% / 30%**
	41st–60th percentiles
	4% / 37%

8   In many cases, these homes are likely to be in an ancestral village and lived in either by other family members or sitting empty.

METHODOLOGY

This study utilises data from two key sources: the Household Integrated Economic Survey (2018/19) from the Pakistan Bureau of Statistics for income data, and the Demographic and Health Survey (2017/18) from the National Institute of Population Studies, Pakistan, for all remaining data.

Demographic and Health Surveys (DHS) are standardised and nationally-representative household surveys that provide data for a wide range of monitoring and impact evaluation indicators in the areas of population, health, and nutrition. Anonymised raw data is freely available for download and analysis, and using the DHS Wealth Index, users can isolate urban households by wealth quintile, providing rich data on the Bottom 40% of the income pyramid. In Pakistan, samples of 14,540 households, 15,068 females (aged 15-49) and 3,691 males (aged 15-49) were used.

This data builds on the **Market Shaping Indicators** programme, collating housing market data for individual countries and making it available to all. This data can be further explored at **www.reall.net/msi.**

Bottom 40 data can be further explored for Africa using a Dashboard created by the Centre for Affordable Housing Finance in Africa (CAHF), available at **https:// housingfinanceafrica.org/documents/ b40-dashboard/.**

For more information please contact the Global Policy and Influence team at Reall, at **info@reall.net**