# UNDERSTANDING THE URBAN BOTTOM 40: UGANDA

## 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.
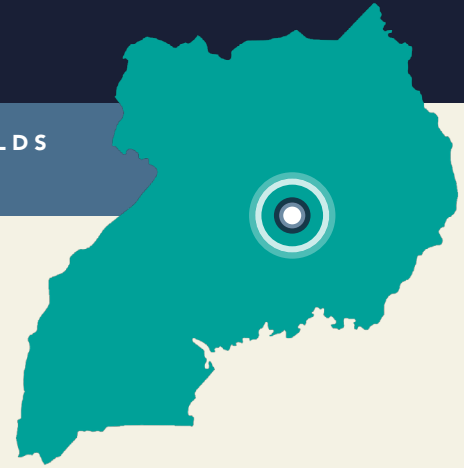
Using public sector data from the Uganda National Household Survey (2019/20) and the Demographic and Health Survey (2016), this sheet provides evidence to understand the living conditions of the UB40, and how they compare to the rest of the population.

## Homes, employment and education

Effectively measuring household incomes is notoriously challenging, and the accuracy of data from the Uganda National Household Survey is not confirmed, but acts as a useful guide. The survey groups households by sub-region but does not distinguish between urban and rural households, meaning that Kampala is the only useful sub-region for measuring urban incomes. Data is also only presented for the median, i.e. the 50th percentile rather than the 40th. Data for Kampala puts the median household income at UGX 667,000 (approx. $190), with the wider urban population figure of UGX 436,000 ($125).
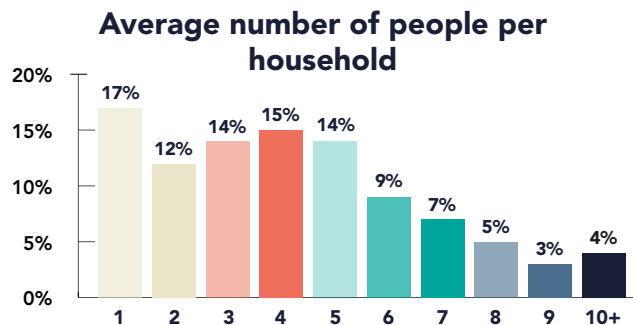
### Median household monthly income
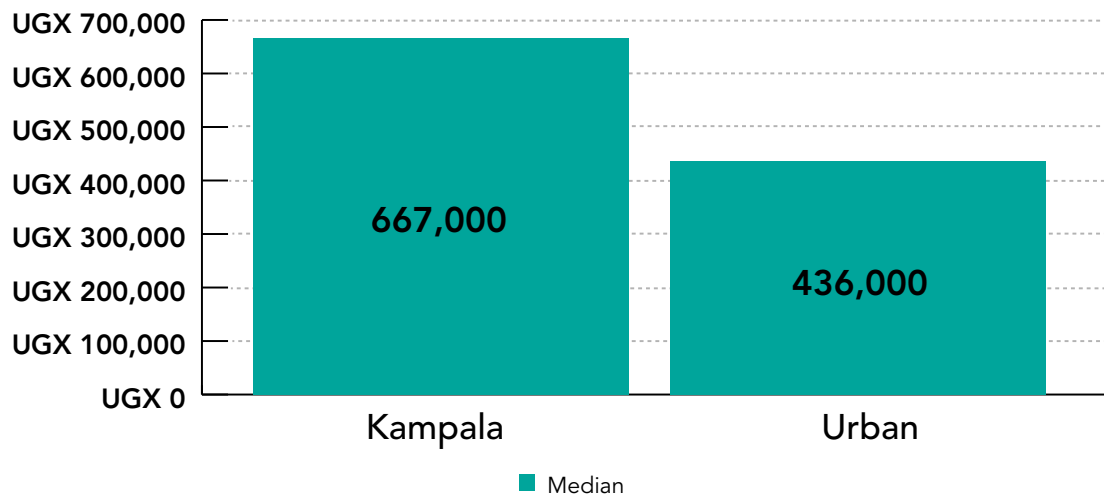


The labour market in Uganda experiences high engagement from both men and women aged 15–49, though men remain more likely to be in work across all wealth quintiles. Similarly, men remain more likely to have at least a secondary education, though this gap significantly closes for wealthier households. Female-headed households make up 34–35% of all wealth quintiles.

| Women/men currently working | | Women/men with at least secondary education | | Female-headed households | |
|---|---|---|---|---|---|
| **Bottom 40**<br>**74% /**<br>**91%** | 21st–40th percentiles<br>69% / 89% | **Bottom 40**<br>**29% /**<br>**43%** | 21st–40th percentiles<br>39% / 50% | **Bottom 40**<br>**35%** | 21st–40th percentiles<br>35% |
| | 41st–60th percentiles<br>67% / 89% | | 41st–60th percentiles<br>58% / 65% | | 41st–60th percentiles<br>35% |

## Household size and space

Household sizes in Uganda vary significantly, with 17% of UB40 households consisting of just one person, rising to 29% for the 41st–60th percentiles. The median household size for the UB40 and the wider urban population is 4, dropping to 3 for those between the 21st and 60th percentiles. Homes are small; 50% of UB40 households have just one sleeping room,[1] and less than a quarter have more than two. As a result, 39% of UB40 households are overcrowded, along with 35% of all urban households.[2]
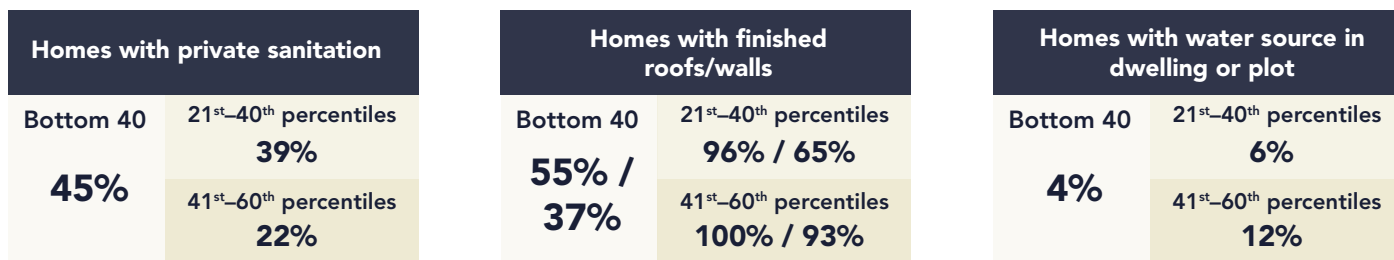
**Average number of people per household**

| People | % |
|--------|-----|
| 1 | 17% |
| 2 | 12% |
| 3 | 14% |
| 4 | 15% |
| 5 | 14% |
| 6 | 9% |
| 7 | 7% |
| 8 | 5% |
| 9 | 3% |
| 10+ | 4% |

**Average number of sleeping rooms**

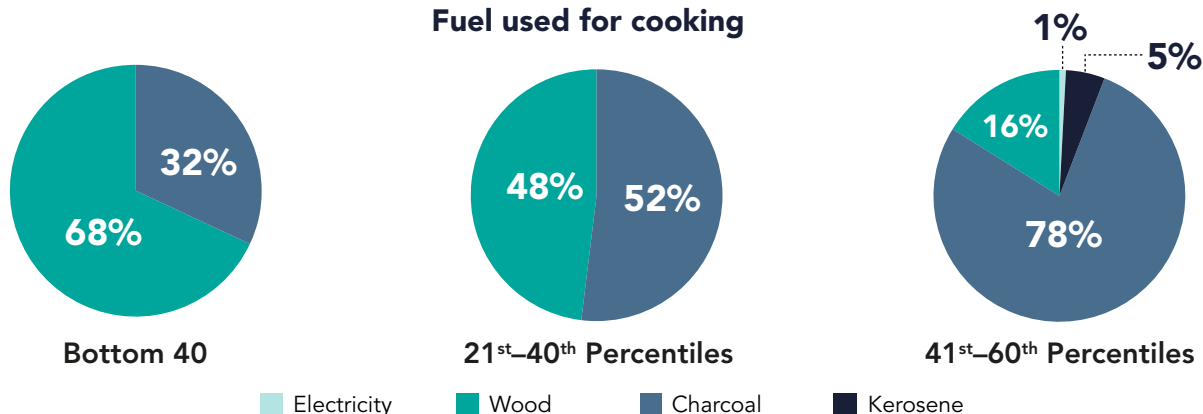| | 1 | 2 | 3 | 4+ |
|---|---|---|---|---|
| Bottom 40 | 50% | 25% | 18% | 6% |
| 21st–40th Percentiles | 55% | 21% | 19% | 6% |
| 41st–60th Percentiles | 39% | 20% | 17% | 23% |
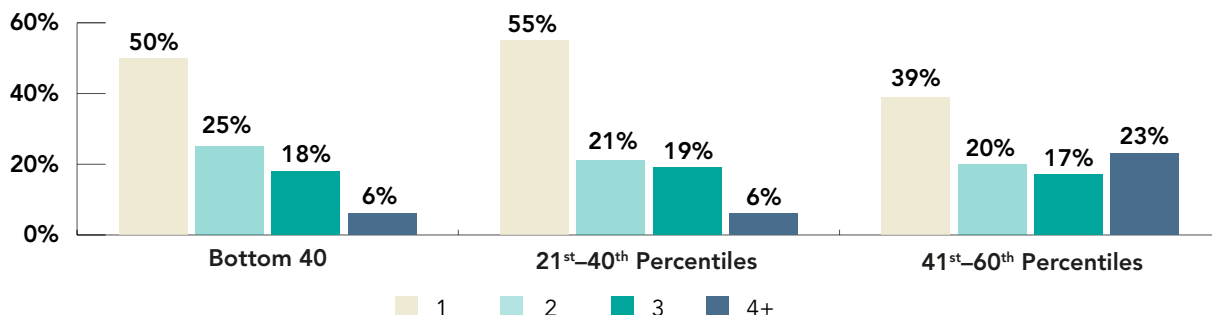
## Housing conditions

Almost two-thirds of UB40 homes in Uganda have non-durable walls made from materials such as dirt, thatch, rough wood or low-quality unburnt bricks. Similarly, almost half of UB40 roofs are "unfinished".[3] This is a very different story from richer households, with almost all homes having finished walls and roofs even in the 41st–60th percentiles. 45% of UB40 households have access to private sanitation,[4] though interestingly this drops to just 22% for the 41st-60th percentiles before rising again for the wealthiest groups. Easy access to general water[5] continues to lag behind other indicators, with just 4% of the UB40 water accessing on their plot, and almost none within their home.

| Homes with private sanitation | | |
|---|---|---|
| Bottom 40 | 21st–40th percentiles | |
| | **39%** | |
| **45%** | 41st–60th percentiles | |
| | **22%** | |

| Homes with finished roofs/walls | | |
|---|---|---|
| Bottom 40 | 21st–40th percentiles | |
| | **96% / 65%** | |
| **55% / 37%** | 41st–60th percentiles | |
| | **100% / 93%** | |

| Homes with water source in dwelling or plot | | |
|---|---|---|
| Bottom 40 | 21st–40th percentiles | |
| | **6%** | |
| **4%** | 41st–60th percentiles | |
| | **12%** | |

Wood is the main cooking fuel for the UB40, with charcoal being the only significant alternative. This remains the case for all wealth segments, though wealthier households significantly favour the use of charcoal over wood.

**Fuel used for cooking**

Bottom 40: Wood 68%, Charcoal 32%

21st–40th Percentiles: Wood 48%, Charcoal 52%

41st–60th Percentiles: Wood 16%, Charcoal 78%, Kerosene 1%, Electricity 5%

Legend: Electricity, Wood, Charcoal, Kerosene

1    Sleeping rooms are defined as rooms excluding kitchens, bathrooms and garages.
2    Defined as three or more people per sleeping room.
3    Finished roofs are those made of metal/zinc, cement or tiles. Finished walls are those made of cement/concrete, wood planks or bricks.
4    Defined as having a toilet facility that is not shared with other households. Note that this data does not speak to the quality of that provision.
5    Water used for cooking and cleaning.

## Assets and inclusion

Ownership of a car is almost entirely limited to wealthier households; 9% of the total urban population own a car, but only 1% of the UB40. Motorbikes are also relatively uncommon, and the main form of private transport for the UB40 is the bicycle. Ownership of refrigerators and televisions is almost unheard of in the UB40, and though televisions become significantly more popular for wealthier groups, there is limited change in the case of refrigerators.

**Proportion of households with common assets**
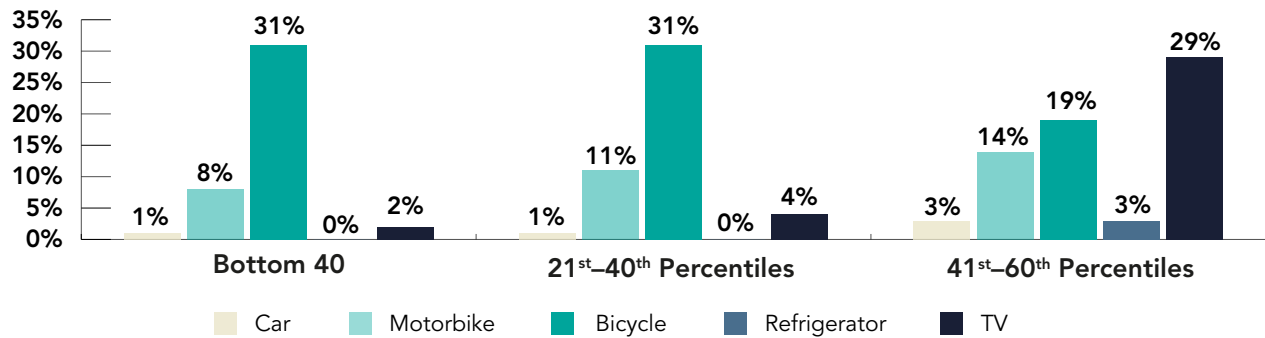


Interestingly, significantly more women than men within the UB40 report to owning a home alone or jointly,[6] though this difference is purely within the poorest quintile (12% of men, 45% of women). It is unclear what is causing this anomaly. Access to a bank account is still not widespread, with 45% of the UB40 holding one, compared to 70% of the wider urban population. However, use of mobile money is common for both men and women, and across all wealth groups.

| Women/men who own their home (alone or jointly) | |
| --- | --- |
| Bottom 40 **35% / 18%** | 21st–40th percentiles **24% / 28%** |
| | 41st–60th percentiles **16% / 38%** |

| Households with a bank account | |
| --- | --- |
| Bottom 40 **45%** | 21st–40th percentiles **60%** |
| | 41st–60th percentiles **75%** |

| Women/men that use a mobile phone for financial transactions | |
| --- | --- |
| Bottom 40 **64% / 70%** | 21st–40th percentiles **68% / 79%** |
| | 41st–60th percentiles **85% / 83%** |

6    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 Uganda National Household Survey (2019/20) for income data and the Demographic and Health Survey (2016) for all remaining data, both from the Uganda Bureau of Statistics.

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 Uganda, samples of 19,588 households, 18,506 females (aged 15-49) and 5,336 males (aged 15-54) 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**