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Assessing determinants of Household Wealth Inequality: A Case Study of Lusaka Central Constituency

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Abstract

Household wealth inequality refers to the unequal distribution of wealth among Households within a society. Factors such as education, employment and inflation significantly contribute to this phenomenon. The general objective of this research study was to determine Economic factors affecting Household wealth inequality. This is a case study of Lusaka Central Constituency randomly selected households. Specific objectives of the study were to; to analyse the effects of employment status (income inequality) on household wealth inequality; to analyse the effects of Household demographics (Family size, Employment, Education, profession, age, gender) on Household wealth inequality and to assess effects of inflation on Household wealth inequality. This research employed a case study among other designs of study. Target population is the entire aggregation of respondents whose need meet the designation set of criteria (Kalpesh, J, 2010). Creswell (2008) refer to population as "a group of individuals objects or items from which samples are taken for measurement." The population of the study comprised of participants within the study area. This study targeted a population of ninety (90) from within the catchment area. Respondents from within Lusaka; participated in the survey questions and also sample a few participants as key informants based on their experience in the study. This research used both primary and secondary data collection techniques. The Primary data helped in collecting data direct from the respondents using different tools while secondary data involved collecting of data from what has been coined by other scholars in form of books, online publications, journals, previous researches and many other secondary sources of data. The Statistical Package for Social Sciences (SPSS) was used for analyzing the empirical data for this paper.

This study will contribute to the existing literature on wealth inequality, providing insights into specific context of Lusaka, Lusaka District and the findings will inform policy interventions aimed at reducing household inequality and promoting inclusive economic growth, The study's results will have implications for resource allocation, social welfare programs and economic development initiatives in the area.

Keywords: Household, Wealth, Inequality, Household Wealth

1. Introduction

1.1 Background

Wealth inequality remains a critical challenge in Zambia particularly in urban areas such as Lusaka District, where disparities in income, education and access to resources are pronounced (World Bank, 2020). Previous studies have emphasized the role of structural economic factors, including employment status and inflation, in driving inequality (IMF, 2022). This Research aims to provide a comprehensive analysis of these factors, focusing on Lusaka District as a case study.

Household wealth inequality is a pressing concern in Zambia, with significant implications for economic growth, social cohesion, and political stability. The country has experienced rapid economic growth over the past decade, driven primarily by the mining sector.

Household wealth inequality in Zambia has had significant effects on various aspects of society. It has contributed to disparities in access to education, healthcare, and opportunities for economic advancement. Additionally, wealth inequality can lead to social unrest, as marginalized groups may feel excluded from the benefits of economic growth. Addressing these inequalities is crucial for fostering a more equitable and sustainable society in Zambia.

In recent times, household wealth inequality in Zambia has been a pressing issue, leading to unequal access to essential services like education and healthcare. These disparities can create social tensions and hinder overall economic development.

1.2 Statement of the problem

Despite Lusaka's economic growth, wealth inequality among households remains a pressing issue. The distribution of wealth is highly uneven, with a significant portion of the population living in poverty while a small fraction enjoys considerable affluence. This disparity raises critical questions about the underlying determinants of wealth inequality in the city. Factors such as education, employment, access to financial services, health, and housing conditions, among others, likely play a role in shaping the wealth distribution. Therefore, the aim of this case study was to analyze the determinants of household wealth inequality in Lusaka, Zambia, to understand better the drivers of economic disparities and inform policies aimed at reducing inequality and promoting inclusive growth.

1.3 General Objective of the Study

The general objective of this research study was to analyze determine economic factors affecting household wealth inequality.

1.3.1 Specific objectives

1. To analyse effects of employment status(Income inequality) on Household wealth inequality
2. To analyse effects of Household Demographics (Family size, Employment, Education, profession, age, gender) on Household wealth inequality.
3. To assess effects of inflation on Household wealth inequality.

1.4 Theoretical Framework

The research was guided by Lifecycle Hypothesis which was proposed by Modigliani and Brumberg (2014) as the theoretical framework.

The researcher chose the Lifecycle Hypothesis as a framework because it directly addresses how households accumulate, allocate, and deplete wealth over their lifespan. It explains the relationship between employment status, income levels, and wealth inequality, which ties closely to the researcher's first objective.

Household demographics such as age, family size, educate, and employment status naturally fit within this framework because these factors influence earning potential and wealth-building behaviors during different life stages.

The theory considers external factors like inflation, which affects savings and investments returns, making it a robust guide for your third objective.

The Lifecycle Hypothesis captures the interplay between income, consumption, and saving patterns over time, offering a holistic view of wealth inequality without overcomplicating the analysis.

2. Literature Review

This chapter reviews the literature from various sources to enable the researcher know what others have done about the proposed research topic. By reviewing various literature, the researcher was able to identify the existing knowledge gap. The chapter, therefore, reviews literature from the global perspective, the African perspective and then trickles down to the Zambian perspective. The literature review examines studies related to wealth inequality at various scales such as local, national (Zambia), regional (Sub-Saharan Africa), and global levels.

2.1 Analyzing effects of employment status(Income inequality) on Household wealth inequality

Employment status plays a pivotal role in determining income levels, which directly affects household wealth accumulation. This objective aimed at exploring how different employment scenarios such as formal employment, informal employment, and unemployment contribute to wealth disparities among households in Lusaka District.

Research indicates a strong relationship between employment status and income levels. Individuals with stable employment tend to accumulate more wealth compared to those who are unemployed or in informal employment.

Wealth inequality is a pervasive issue across the globe, characterized by a significant disparity in the distribution of assets among households. Research indicates that economic factors such as income, education, employment, and access to financial services play crucial roles in shaping wealth inequality.

Income and Employment: Studies by Piketty (2014) [19] and Atkinson (2015) highlight that income disparity is a primary driver of wealth inequality. High-income individuals tend to save and invest more, leading to increased wealth accumulation over time. Employment stability and job type, also significantly influence wealth distribution, with formal employment providing better opportunities for wealth accumulation compared to informal employment.

Income Inequality: The African Development Bank (2019) [2] notes that income inequality `in Sub-Saharan Africa is driven by factors such as low wages, high unemployment rates, and reliance on the informal sector. These factors limit the ability of households to accumulate wealth.

2.2 Analyzing the influence of household Demographics on Household wealth inequality

Household demographics play a crucial role in determining wealth inequality. Factors such as family size, education, profession, age, and gender interact in complex ways to influence financial outcomes. The objective's aim was to explore how these demographic factors affect household wealth inequality in Lusaka, emphasizing their interplay and implications for economic status.

This objective delves into how each of these demographic factors contributes to household wealth inequality, with specific focus on the context of Lusaka District, Zambia.

Household characteristics, such as family size and educational attainment, directly affect wealth accumulation. For instance, larger households in Zambia typically face higher dependency ratios, limiting savings potential (Ngoma and Mulenga, 2020). Furthermore, education remains a key determinant of economic mobility; Households headed by individuals with tertiary education earn significantly more than those led by individuals with primary education or less (Mwansa and Chanda, 2021).

2.3 Effects of inflation on Household wealth inequality-

Inflation exacerbates wealth inequality by eroding the

purchasing power of low-income households and driving up the prices of assets, which are typically owned by wealthier individuals. The ability of high-income households to protect their wealth through diversified investments in inflation-protected assets (such as real estate and financial securities) allows them to shield themselves from the negative effects of inflation. In contrast, low-income households, which primarily hold cash savings and spend a larger share of their income on necessities, are disproportionately affected by rising prices, widening the wealth gap over time.

3. Research Methodology

3.1 Research Design

The study employed a mixed-methods approach, combining quantitative and qualitative data collection and analysis. Statistical methods were be used to analyze the data and measure household wealth inequality.

The target population of the research were 90 Households which randomly selected from various neighborhoods in Lusaka Central Constituency.

Using the Randomly Sampling, The researcher had selected 90 Households that were randomly selected.

The Respondents for the study were drawn from neighboring households and part of the people operating within Lusaka Town Centre, However, the sample size was limited to 90 respondents**.**

Data collection was conducted over a three-month period using a mixed-methods approach. The primary data collection instrument was a structured questionnaire, which was distributed to the randomly selected households. The questionnaire was designed to capture detailed information on employment status, household demographics, asset ownership, and impact of inflation on household wealth.

Statistical software was used for regression analysis to identify the relationships between employment status, demographic, inflation, and wealth inequality.

Qualitative data from interviews was analyzed thematically to identify common patterns and insights.

This study involved the use of the survey method, use of a structured questionnaire or interview guide in an interview, the use of a sample and the use of probability sampling technique to arrive at the sample. Data were coded and thematically analyzed. The collection of data by the researcher identified the complexities related to the context of the study. The surveys were supplemented by the interviews and focus groups. Each research method exposed one aspect of reality. This multi method, multidisciplinary collaborative research was insightful.

The researcher encountered problems like, respondents having difficulties in understanding the questionnaire. Financial support to enable the researcher to go round to collect data and also some important information were not disclosed due to the respondent's personal reservations.

Informed consent: Households were informed about the study's purpose, and their consent was obtained before participation.

Confidentiality: Respondents were assured of the confidentiality of their information and were free to withdraw from the study at any time.

4. Presantation of Research Findinngs

4.1 Presentation of Results on Background Characteristic of the Repondents

Table 4.1.1: Gender of head of house

Gender of head of household	Frequency	Percent
Male	42	46.67%
Female	48	53.33%
Total	90	100%

The data shows that female-headed households make up the majority, accounting for 53.33% of the sample, while male-headed households comprise 46.67%. This finding is significant, as numerous studies have shown that female-headed households tend to have lower incomes and wealth levels compared to their male-headed counterparts. This disparity can be attributed to various factors, such as gender discrimination in the labor market, lower educational attainment among women, and the disproportionate burden of unpaid care work on women.

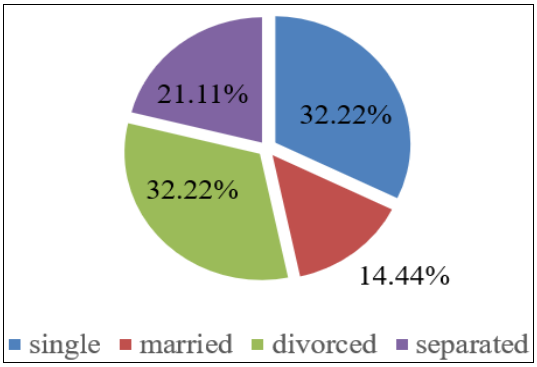

Fig 4.1.1: Marital Status of head of household

The data on the marital status of household heads revels the largest proportion of households (32.22%) are headed by single individuals. Another 32.22% of households are headed by divorced individuals. Households headed by married or separated individuals account for 21.11% and 14.44% of the sample, respectively.

Table 4.1.2: Education of head of household

Education of head of household	Frequency	Percent
No formal education	11	12.22%
Primary	12	13.33%
Secondary	11	12.22%
Certificate	24	26.67%
Diploma	11	12.22%
Degree	12	13.33%
Masters	9	10%
Total	**90**	**100%**

The data provided on the educational attainment of household heads. The largest proportion of households (26.67%) are headed by individuals with a certificate-level education. Households with primary, secondary, and diploma-level education each account for around 12-13% of the sample. Households headed by individuals with a degree or master's degree make up 13.33% and 10% of the sample,

respectively. Only 12.22% of households are headed by individuals with no formal education.

Households headed by individuals with certificate-level or higher education (53.33% of the sample) may be better positioned to accumulate and maintain wealth compared to those with lower levels of education. Households headed by individuals with no formal education or only primary/secondary education (37.78% of the sample) may face greater challenges in building and preserving wealth. The relatively low proportion of households headed by individuals with a degree or master's degree (23.33%) suggests that higher education may not be as widely accessible or attainable for the population in the Lusaka district.

Table 4.1.3: Main Profession of head of household

Main Profession of head of household	Frequency	Percent
civil servant	31	34.44%
Business	19	21.11%
Agriculture	15	16.67%
private sector	25	27.78%
Total	90	100%

The data shows the largest proportion of households (34.44%) are headed by civil servants. Households headed by individuals in the private sector make up 27.78% of the sample. Households with heads engaged in business activities account for 21.11% of the sample. Households with heads working in agriculture make up 16.67% of the sample.

The relatively high proportion of civil servant-headed households (34.44%) suggests that this profession may be a more common and stable source of income in the Lusaka district. However, the significant proportion of households with heads in the private sector and business (48.89% combined) indicates that these professions also play a crucial role in the wealth dynamics of the district.

4.2 Presentation of Results Based on the Effects of Employment Status on Household Wealth Inequality

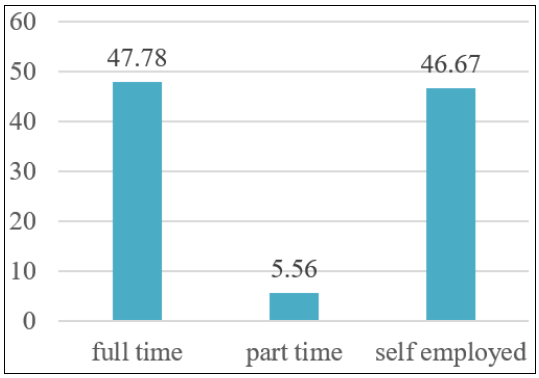

Fig 4.2.1: Employment status

The data presented in the graph provides insights into the employment status of individuals, the largest proportion of individuals (47.78%) are employed full-time, which can indicate a stable and higher-earning employment status. A significant portion (46.67%) are self-employed, suggesting entrepreneurial activities and potential for wealth creation. A smaller percentage (5.56%) are employed part-time, which may be associated with lower and less stable incomes.

Table 4.2.1: Extent to which employment status affected your household's wealth in terms of increased savings

Increased savings	Frequency	Percent
Increased (100%)	20	22.22%
Increased (75%)	11	12.22%
Increased (50%)	12	13.33%
Increased (25%)	20	22.22%
Increased (0%)	27	30%
Total	**90**	**100%**

The results regarding increased savings shed light on how employment status influences household wealth in Lusaka central Constituency. Among the 90 respondents, 22.22% reported a complete (100%) increase in savings, while another 22.22% noted a 25% increase. A smaller group, 12.22%, experienced a 75% increase, and 13.33% reported a 50% increase. However, a significant 30% of respondents indicated that they saw no increase in savings at all. This distribution shows that while some households have successfully increased their savings, a substantial portion continues to struggle with saving money.

Table 4.2.2: Cross tabulation of Employment status of head of household and Increased savings

Employment status of head of household	Increased savings (%)					
	Increased 100%	Increased (75%)	Increased (50%)	Increased (25%)	Increased (0%)	Total
Employed	11 (12.61) 18.97%	6 (7.01) 10.34%	8 (7.73) 13.79%	14 (12.89) 24.14%	19 (17.4) 32.76%	58 58.0 100%
Unemployed	3 (2.22) 30%	2 (1.22) 20%	1 (1.33) 10%	0 (2.22) 0	4 (3) 40%	10 10.0 100%
self employed	6 (4.89) 27.27%	3 (2.69) 13.64%	3 (2.93) 13.64%	6 (4.9) 27.27%	4 (6.6) 18.18%	22 22.0 100%
Total	**20**	**11**	**12**	**20**	**27**	**90**

Pearson chi2 (8) = 5.6691 Pr = 0.684

The study performed a chi-square to test the association between Employment statuses of head of household increased savings (%) The Null hypothesis (Ho) was that there was no significant association between the Employment status of head of household and increased savings (%). Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the Employment status of head of household and increased savings (%). The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 8. The level of significance was set at 5% (0.05).

The research study found that the were more employed head of household with a frequency of 58 and among these a large of 19 had no influence on the house hold serving, 14 had 25% influence, 11 had 100% influence, 8 had 50% influence while 6 had 75 % influence. The household who were self-employed were 22 and among these a 6 had 100% influence on increase in household saving, 4 had a 0% influence, 3 had 75% influence, while another 3 had 25% influence. The household head who were unemployed were 10 and among these 4 had a 0% influence on the increase in

household savings, 3 had 100% influence, 2 had 75% influence and only 1 had 50% influence on increased household savings.

Table 4.2.3: Extent to which employment status affected household's wealth in terms of reduced debt

Reduce debt	Frequency	Percent
Reduced (100%)	9	10%
Reduced (75%)	19	21.11%
Reduced (50%)	24	26.67%
Reduced (25%)	19	21.11%
Reduced 0%	19	21.11%
Total	**90**	**100%**

The results concerning reduced debt provide valuable insights into how employment status affects household wealth in Lusaka District. Among the 90 respondents, 10% reported a complete (100%) reduction in debt, while 21.11% experienced a 75% reduction. Additionally, 26.67% reported a 50% reduction, and another 21.11% saw a 25% reduction. However, it is noteworthy that 21.11% of respondents indicated no reduction in debt at all. This distribution suggests that while some households have made significant progress in reducing their debt, a considerable number still face substantial financial obligations.

Table 4.2.4: Extent to which employment status affected household's wealth in terms of Increased Investment

Increased investment	Frequency	Percent
Increased investment (100%)	2	2.22%
Increased investment (75%)	24	26.67%
Increased investment (50%)	12	13.33%
Increased investment (25%)	22	24.44%
Increased investment (0%)	30	33.33%
Total	**90**	**100%**

The results regarding increased investment reveal significant insights into how employment status influences household wealth in Lusaka District. Among the 90 respondents, only 2.22% reported a complete (100%) increase in investment, indicating that very few households have fully leveraged investment opportunities. A larger segment, 26.67%, experienced a 75% increase in investment, while 24.44% reported a 25% increase. However, a notable 33.33% of respondents indicated that they saw no increase in investment at all, which highlights a substantial number of households facing financial limitations that prevent them from investing.

Employment status of head of household	Increased investment					Total
	Increased 100%	Increased 75%`	Increased 50%	Increased 25%	Increased 0%	
Employed	2 1.3 3.45%	14 15.5 24.14%	7 7.7 12.07%	16 14.2 27.59%	19 19.3 32.76%	58 58.0 100%
Unemployed	0 0.2 0%	1 2.7 10%	5 1.3 50%	1 2.4 10%	3 3.3 30%	10 10.0 100%
Self –employed	0 0.5 0%	9 5.9 40.91%	0 2.9 0%	5 5.4 22.735	8 7.3 36.36%	22 22.0 100%
Total	2 2 2.22%	24 24 26.67%	12 12 13.33%	22 22 24.44%	30 30 33.33%	90 90 100%

Pearson chi2(8) = 18.2579 Pr = 0.019

The study performed a chi-square to test the association between Employment statuses of head of household increased investment. The Null hypothesis (Ho) was that there was no significant association between Employment status of head of household increased investment. Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the Employment status of head of household and Increased savings (%). The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 8. The level of significance was set at 5% (0.05).

Table 4.2.5: Extent to which employment status affected your household's wealth in terms of Reduced Financial stress

Reduced financial stress	Frequency	Percent
Reduced financial stress (100%)	1	1.11%
Reduced financial stress (75%)	3	3.33%
Reduced financial stress (50%)	10	11.11%
Reduced financial stress (25%)	49	54.44%
Reduced financial stress (0%)	27	30%
Total	**90**	**100%**

The results presented highlight the relationship between employment status and reduced financial stress, shedding light on its impact on household wealth in Lusaka District. A significant portion of respondents, 54.44%, reported a 25% reduction in financial stress, indicating that while many households experience some relief, they still face considerable financial pressure. Only 11.11% reported a 50% reduction, and an even smaller group, 3.33%, experienced a 75% reduction, suggesting that achieving significant financial stress relief is quite rare. Notably, 30% of respondents reported no reduction in financial stress at all, pointing to ongoing financial challenges that contribute to household wealth inequality.

Employment status of head of household	Reduced Financial stress (%)					Total
	reduced (100%)	reduced (75%)	reduced (50%)	reduced (25%)	Reduced (0%)	
Employed	1 0.6 1.72%	2 1.9 3.45%	8 6.4 13.79%	31 31.6 53.45%	16 17.4 27.59%	58 58.0 100%
unemployed	0 0.1 0%	0 0.3 0%	2 1.1 20%	4 5.4 40%	4 3 40%	10 10 100%
Self employed	0 0.2 0%	1 0.7 4.55%	0 2.4 0%	14 12 63.64%	7 6.6 31.82%	22 22 100%
Total	1 1 1.11%	3 3 3.33%	10 10 11.11%	49 49 54.44%	27 27 30%	90 90 100%

Pearson chi2 (8) = 5.7208 Pr = 0.678

The study performed a chi-square to test the association between Employment status of head of household and Reduced Financial stress (%). The Null hypothesis (Ho) was that there was no significant association between Employment status of head of household and Reduced Financial stress. Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the Employment status of head of household and Reduced Financial stress. The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 8. The level of significance was set at 5% (0.05). The decision rule was to Accept the Null if the P-value greater than the 0.05 level of significance and Reject the Alternative. Accept the Alternative hypotheses if the P-value is less than the 0.05. The study found that Pearson chi2 was 5.72 and the P-value was 0.678. the P-value was fond greater than 0.05 level of significance and therefore the study accepted the Null hypothesis and rejected the alternative hypothesis.

Table 4.2.6: Food security

Food security	Frequency	Percent
100% affected	12	13.33%
75% affected	14	15.56%
25% affected	34	37.78%
not affected	30	33.33%
Total	**90**	**100%**

The results regarding food security provide important insights into how income status affects households in Lusaka District. Among the 90 respondents, 13.33% reported that their food security was 100% affected, meaning they faced significant challenges in accessing enough food. Additionally, 15.56% indicated that their food security was 75% affected, while 37.78% reported a 25% impact on their food security. However, a notable 33.33% stated that they were not affected at all, suggesting that a significant portion of households manage to maintain their food security despite financial challenges.

Table 4.2.7: How income status affected the investment

Investment	Frequency	Percent
100% affected	20	22.22%
75% affected	27	30%
25% affected	29	32.22%
not affected	14	15.56%
Total	**90**	**100%**

The results regarding investment reveal significant insights into how income status affects households in Lusaka District. Among the 90 respondents, 22.22% reported that their investment was 100% affected, indicating serious challenges in making investments. 30% of respondents felt that their investment was 75% affected, while 32.22% reported a 25% impact. In contrast, only 15.56% stated that their investment was not affected at all. This distribution suggests that a substantial number of households are facing barriers to investing due to their income status.

Table 4.2.8: Impact of Income status on the Wealth

Wealth	Frequency	Percent
100% affected	28	31.11%
75% affected	62	68.89%
Total	**90**	**100 %**

The results concerning wealth indicate a significant impact of income status on households in Lusaka District. Among the 90 respondents, a striking 31.11% reported that their wealth was 100% affected, while an overwhelming 68.89% stated that their wealth was 75% affected. This suggests that nearly all respondents feel the effects of their income status on their overall wealth, highlighting a critical issue in the community.

Table 4.2.9: Impact of income status on the Consumption Behavior

Consumption Behavour	Frequency	Percent
100% affected	9	10
75% affected	9	10
50% affected	20	22.22
25% affected	31	34.44
not affected	21	23.33
Total	**90**	**100**

The results regarding consumption behavior illustrate how income status significantly influences household spending patterns in Lusaka District. Among the 90 respondents, only 10% reported that their consumption was 100% affected, while another 10% indicated a 75% impact. A larger group, 22.22%, reported a 50% effect on their consumption, and 34.44% noted a 25% impact. Interestingly, 23.33% of respondents stated that their consumption behavior was not affected at all.

Table 4.2.10: Impact of income status on the Savings

Savings	Frequency	Percent
100% affected	18	20%
75% affected	50	55.56%
50% affected	22	24.44%
Total	**90**	**100%**

The results concerning savings clearly demonstrate the impact of income status on households in Lusaka District. Among the 90 respondents, 20% reported that their savings were 100% affected, indicating severe limitations in their ability to save. A substantial 55.56% stated that their savings were 75% affected, while 24.44% reported a 50% impact. This data suggests that a significant majority of households struggle to save money due to their income levels.

4.3 Presentation of Results Based on Effects of Demographic on Household Wealth Inequality

Fig 4.3.1: Main Profession of head of household

Main Profession of head of household	Frequency	Percent
civil servant	31	34.44%
Business	19	21.11%
Agriculture	15	16.67%
private sector	25	27.78%
Total	90	100%

The data shows the largest proportion of households (34.44%) are headed by civil servants. Households headed by individuals in the private sector make up 27.78% of the sample. Households with heads engaged in business activities account for 21.11% of the sample. Households with heads working in agriculture make up 16.67% of the sample.

The profession of the household head can significantly influence the household's earning potential and access to financial resources, which in turn can impact wealth accumulation and inequality.

The relatively high proportion of civil servant-headed households (34.44%) suggests that this profession may be a more common and stable source of income in the Lusaka district. This could contribute to a more even distribution of wealth among these households, potentially mitigating some of the wealth inequality. However, the significant proportion of households with heads in the private sector and business (48.89% combined) indicates that these professions also play a crucial role in the wealth dynamics of the district. Households with heads in these sectors may have greater opportunities for wealth accumulation, which could contribute to wealth inequality.

Main Profession of head of household	Wealth (%)		Total
	100% affected	75% affected	
civil servant	9 9.6 29.03%	22 21.4 70.97%	31 31.0 100%
Business	5 5.9 26.32%	14 13.1 73.68%	19 19.0 100%
Agriculture	8 4.7 53.33%	7 10.3 46.67%	15 15.0 100%
private sector	6 7.8 24%	19 17.2 76%	25 25.0 100%
Total	28 28 31.11%	62 62 68.89%	90 90.0 100%

Pearson chi2(3) = 4.3124 Pr = 0.230

The study performed a chi-square to test the association between Main Profession of head of household Wealth (%). The Null hypothesis (Ho) was that there was no significant association between Main Profession of head of household Wealth (%). Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the Main Profession of head of household Wealth (%). The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 3. The level of significance was set at 5% (0.05). The decision rule was to Accept the Null if the P-value greater than the 0.05 level of significance and Reject the Alternative. Accept the Alternative hypotheses if the P-value is less than the 0.05. The study found that Pearson chi2 was 4.31 and the P-value was 0.230. The P-value was found greater than 0.05 level of significance and therefore the study accepted the Null hypothesis and rejected the alternative hypothesis. The result suggested that there was no significant relationship or association found between the Main Profession of head of household Wealth (%).

Table 4.3.2: Gender of head of house

Gender of head of household	Frequency	Percent
Male	42	46.67%
Female	48	53.33%
Total	**90**	**100%**

The data shows that female-headed households make up the majority, accounting for 53.33% of the sample, while male-headed households comprise 46.67%. This finding is significant, as numerous studies have shown that female-headed households tend to have lower incomes and wealth levels compared to their male-headed counterparts.

Gender of head of household	Wealth (%)		Total
	100% affected	75% affected	
Male	20 13.1 47.62%	22 28.9 52.38%	42 42.0 100%
Female	8 14.9 16.67%	40 33.1 83.33%	48 48.0 100%
Total	28 28.0 31.11%	62 62.0 68.89%	90 90.0 100%

Pearson chi2 (1) = 10.0132 Pr = 0.002

The study performed a chi-square to test the association between Gender of head of household and Wealth (%). The Null hypothesis (Ho) was that there was no significant association between Gender of head of household and Wealth (%). Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the Gender of head of household and Wealth (%). The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 1. The level of significance was set at 5% (0.05). The decision rule was to Accept the Null if the P-value greater than the 0.05 level of significance and Reject the Alternative. Accept the Alternative hypotheses if the P-value is less than the 0.05. The study found that Pearson chi2 was 10.01 and the P-value was 0.002. The P-value was found less than 0.05 level of significance and therefore the study rejected the Null

hypothesis and accepted the alternative hypothesis. The result suggested that there was a significant relationship or association found between the Gender of head of household and Wealth (%).

Table 4.3.3: Cross-relation of Gender of household and main profession of head of house

Gender of head of household	Main Profession of head of household				Total
	civil servants	Business	Agriculture	Private sector	
Male	14 (14.5) 33.33%	14 (8.9) 33.33%	7 (7) 16.67%	7 (11.7) 16.67%	42 42.0 100%
Female	17 (16.5) 35.42%	5 (10.1) 10.42%	8 (8) 16.67%	18 (13.3) 37.5%	48 48.0 100%
Total	31	19	15	25	90

Pearson chi2 (3) = 9.1006 Pr = 0.028

The study in the cross-tabulation analysis of gender of head of household and Main profession of head of household showed that males were 42 of the total sample and among these 14 were in civil service another 14 were in business, 7 were in agriculture and 7 were in the private sector. The female respondents were 48 and among these 18 were in the private sector, 17 were in the civil service, 8 were in agriculture and 5 were in business.

Table 4.3.4: Impact of Number of house hold members on the household Wealth

Number of house hold members	Wealth (%)		Total
	100% affected	75% affected	
3	3 1.9 50%	3 4.1 50%	6 6.0 100%
4	9 8.7 32.14%	19 19.3 67.86%	28 28.0 100%
5	9 7.5 37.5%	15 16.5 62.5%	24 24 100%
6	2 5 12.5%	14 11 87.5%	16 16 100%
7	5 3.1 50%	5 6.9 50%	10 10 100%
9	0 1.9 0%	6 4.1 100%	6 6 100%
Total	28 28 31.11%	62 62 68.89%	90 90 100%

Pearson chi2(5) = 8.4301 Pr = 0.134

The study performed a chi-square to test the association between Number of house hold members and Wealth (%). The Null hypothesis (Ho) was that there was no significant association between Number of house hold members and Wealth (%). Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the Number of house hold members and Wealth (%). The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 5. The level of significance was set at 5% (0.05).

4.4 Presentation of Results Based on the Effects of Inflation on Household Wealth Inequality

Table 4.4.1: Impact of inflation on the house debt

House hold debt	Frequency	Percent
100% affected	30	33.33%
75% affected	57	63.33%
50% affected	3	3.33%
Total	**90**	**100**

The results regarding household debt reveal a significant impact of inflation on families in Lusaka District. Among the 90 respondents, 33.33% reported that their household debt was 100% affected, while a substantial 63.33% indicated that their debt was 75% affected. Only 3.33% stated that their debt was 50% affected, and none reported being unaffected. These findings suggest that inflation is a major concern for most households, leading to increased financial burdens.

Table 4.4.2: Inflation affect the Savings

Savings	Frequency	Percent
100% affected	40	44.44%
75% affected	49	54.44%
not affected	1	1.11%
Total	**90**	**100%**

The results regarding savings illustrate a profound impact of inflation on households in Lusaka District. Among the 90 respondents, a significant 44.44% reported that their savings were 100% affected by inflation, while an even larger 54.44% indicated that their savings were 75% affected. Only 1.11% stated that their savings were not affected at all. This data clearly shows that inflation is a major concern for most families, severely limiting their ability to save money.

Table 4.4.3: Cross-relation of house hold debt and savings

House hold debt	Savings			Total
	100% affected	75% affected	not affected	
100% affected	23	7	0	30
75% affected	17	39	1	57
50% affected	0	3	0	3
Total	40	49	1	90

The study in the cross tabulation of house hold debt and savings showed that 30 respondents who were 100% affected by debt, 25 has their saving were 100% affected, 7 were 75% affected. A total of 57 respondents who were 75% their debt affected by inflation, 39 had their saving 75% affected by inflation, 17 were 100% affected and 1 had their savings not affected. A total of 3 respondents had their debt 50% affected by inflation and among these all there had their saving 75% affected.

Table 4.4.4: Chi-square of house hold debt and savings

House hold debt	Savings			Total
	100% affected	75% affected	not affected	
100% affected	23 (13.3) 76.67%	7 (16.3) 23.33%	0 (0.3) 0.00%	30 30.0 100%
75% affected	17 (25.3) 29.82%	39 (31.0) 68.42%	1 (0.6) 1.75%	57 57.0 100%
50% affected	0 (1.33) 0.00	3 (1.63) 100.00	0 (0.033) 0.00	3 3.0 100%
Total	40 40.0 44.44%	49 49.0 54.44%	1 1.0 1.11%	90 90.0 100%

Pearson chi2(4) = 20.1839 Pr = 0.000

The study performed a chi-square to test the association between House hold debt and Savings. The Null hypothesis (Ho) was that there was no significant association between House hold debt and Savings. Any observed differences in the distribution were due to random chance. The Alternative hypothesis (H1) was that there was significant relationship between the House hold debt and Savings. The observed differences in the distribution were not due to random chance. The chi-square degree of freedom was 4. The level of significance was set at 5% (0.05). The decision rule was to Accept the Null if the P-value greater than the 0.05 level of significance and Reject the Alternative.

Table 4.4.5: Impact of inflation on Debt Repayment

Debt Repayment	Frequency	Percent
100% affected	28	31.11%
75% affected	62	68.89%
Total	**90**	**100%**

The results regarding debt repayment highlight a significant impact of inflation on households in Lusaka District. Among the 90 respondents, 31.11% reported that their ability to repay debt was 100% affected by inflation, while a substantial 68.89% indicated that their repayment capacity was 75% affected. This suggests that nearly all respondents are feeling the strain of rising costs on their financial obligations.

Table 4.5.6: Extent to which inflation affects Asset prices

Asset pricing	Frequency	Percent
100% affected	22	24.44%
75% affected	55	61.11%
50% affected	13	14.44%
Total	**90**	**100%**

The results regarding asset prices indicate a significant impact of inflation on households in Lusaka District. Among the 90 respondents, 24.44% reported that their asset prices were 100% affected by inflation, while a substantial 61.11% indicated that their asset prices were 75% affected. Additionally, 14.44% stated that their asset prices were 50% affected. This data reveals that a large majority of households are experiencing the consequences of rising inflation on the value of their assets.

4.5 Discussion of Research Findings

Effects of employment status (Income inequality) on Household wealth inequality

The findings suggest that employment status plays a pivotal role in household wealth inequality.

On the employment status of individuals, the largest proportion of individuals (47.78%) are employed full-time, which indicates a stable and higher-earning employment status. A significant portion (46.67%) are self-employed, suggesting entrepreneurial activities and potential for wealth creation. A smaller percentage (5.56%) are employed part-time, which may be associated with lower and less stable incomes.

Effects of Household Demographics (Family size, Employment, Education, profession, age, gender) on Household wealth inequality

The demographic factors such as education, family size, age, gender, and profession demonstrate a strong influence on household wealth inequality. Higher education levels, smaller family sizes, and formal employment are linked to greater wealth accumulation. Gender disparities, particularly in asset ownership and income levels, exacerbate inequality, with women often facing additional barriers to wealth accumulation. Additionally, younger and less experienced households are more vulnerable to economic shocks, while older, more established households tend to have more wealth.

The educational attainment of the household head can have a significant impact on the household's wealth and financial well-being. Higher levels of education are often associated with higher-paying jobs, greater earning potential, and better access to financial resources and opportunities. Households headed by individuals with certificate-level or higher education (53.33% of the sample) may be better positioned to accumulate and maintain wealth compared to those with lower levels of education. These households likely have access to more stable and lucrative employment, as well as the knowledge and skills to manage their finances effectively. Households headed by individuals with no formal education or only primary/secondary education (37.78% of the sample) may face greater challenges in building and preserving wealth. These households may have limited access to well-paying jobs and financial services, making it more difficult to accumulate assets and buffer against economic shocks. The relatively low proportion of households headed by individuals with a degree or master's degree (23.33%) suggests that higher education may not be as widely accessible or attainable for the population in the Lusaka district. This could contribute to the overall wealth inequality, as those with advanced degrees often have greater earning potential and opportunities for wealth creation.

The findings shows the largest proportion of households (34.44%) are headed by civil servants. Households headed by individuals in the private sector make up 27.78% of the sample. Households with heads engaged in business activities account for 21.11% of the sample. Households with heads working in agriculture make up 16.67% of the sample. The relatively high proportion of civil servant-

headed households (34.44%) suggests that this profession may be a more common and stable source of income in the Lusaka district.

Effects of inflation on Household wealth inequality

The findings regarding household debt in relation to inflation reveal a significant impact of inflation on families in Lusaka District. Among the 90 respondents, 33.33% reported that their household debt was 100% affected, while a substantial 63.33% indicated that their debt was 75% affected. Only 3.33% stated that their debt was 50% affected, and none reported being unaffected. These findings suggest that inflation is a major concern for most households, leading to increased financial burdens.

The findings regarding savings illustrate a profound impact of inflation on households in Lusaka District. Among the 90 respondents, a significant 44.44% reported that their savings were 100% affected by inflation, while an even larger 54.44% indicated that their savings were 75% affected. Only 1.11% stated that their savings were not affected at all. This data clearly shows that inflation is a major concern for most families, severely limiting their ability to save money.

Asset prices in the findings indicate a significant impact of inflation on households in Lusaka District. Among the 90 respondents, 24.44% reported that their asset prices were 100% affected by inflation, while a substantial 61.11% indicated that their asset prices were 75% affected. Additionally, 14.44% stated that their asset prices were 50% affected. This data reveals that a large majority of households are experiencing the consequences of rising inflation on the value of their assets.

5. Conclusion and Recommendations

5.1 Conclusion

The research highlights the interconnectedness of employment status, household demographics, and inflation in shaping household wealth inequality in Lusaka. The structural inequalities embedded in these factors point to the need for targeted policy interventions. Improving access to stable employment, enhancing educational opportunities, addressing gender disparities, and implementing measures to protect low-income households from the adverse effects of inflation are crucial steps in reducing wealth inequality. Ultimately, a multi-faceted approach that addresses both the macroeconomic environment and individual household characteristics will be essential for achieving more equitable wealth distribution in Lusaka District.

5.2 Recommendations

1. Improve Employment Opportunities and Income Equality

Job Creation and Formalization of the Informal Sector: The government and policymakers should focus on creating more formal employment opportunities by promoting industries with high job-creation potential, such as manufacturing, agriculture, and information technology.

Providing financial incentives, training, and access to credit for small business owners and entrepreneurs can help generate income and wealth among households that might otherwise struggle to find stable formal employment.

2. Address Demographic Inequalities:

Increase Access to Quality Education: Expanding access to affordable and quality education at all levels is essential. Vocational training programs and skills development initiatives should be emphasized to equip individuals with practical skills that can improve their employability and earning potential. Special attention should be given to improving educational opportunities for women and disadvantaged communities.

3. Promote Gender Equality in Asset Ownership and Employment: Policymakers should implement gender-sensitive policies to address barriers women face in the labor market and wealth accumulation. Initiatives such as ensuring equal pay for equal work, improving women's access to credit and land ownership, and offering targeted financial literacy programs for women can help reduce wealth inequality.

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