

# INCOME LEVEL 1: LESS THAN \$2 A DAY

**On Income Level 1, people earn less than \$2 a day. These are the poorest billion people in the world. Meeting even the most basic of their needs is a struggle, from having a drink of water on a hot day to staying dry when it's raining.**

**People on Level 1 typically have more children than the global average of 2, because they live in countries where children are far more likely to die before they reach the age of 5.**

## FOOD AND WATER

They typically work as low-yield farmers or labourers and have no savings. Often they grow the food that their family eats. That food is the same for every meal, every single day and is cooked on open fires indoors. Because they grow their own food and can't afford to buy food from shops or markets, one bad harvest could mean the entire family starves.

People on this income level also have to travel long distances to fetch water in a bucket, either from a cold water tap or an open mud hole. Because they can't afford any other form of transport, they have to walk barefoot or wearing basic plastic sandals.

## HOUSING

Their homes are made from natural materials like mud and are vulnerable to bad weather because they have temporary roofs. Those homes are also hard to keep safe from other people, because the doors often don't have locks. Families share one common space.

## HEALTH

If a family member gets sick it can be hard to cure treatable illnesses and infections because people at this level of poverty have very limited access to antibiotics, and health clinics are a long way away.

*GapMinder.org*

## DISTRIBUTION

There are currently about 800 million people living on level 1, split fairly evenly between Africa and Asia. The most populous countries with a median income of Level 1 include Ethiopia, the Dem. Rep. of Congo, Uganda, Afghanistan, Yemen, and Nepal. Haiti is the only country with a median income of Level 1 in the Western Hemisphere.

## PROJECTED CHANGE

If current trends continue, by 2040 the number of people living at Level 1 is expected to be reduced nearly in half, to 0.5 billion people. This would continue the trend of reducing the number of people in extreme poverty, which has already been slashed in half in just the last 20 years thanks in large part to income growth in China. At the same time, Africa's population is on the rise, expected to roughly double to 2 billion by 2040, and extreme poverty will persist in many communities there.

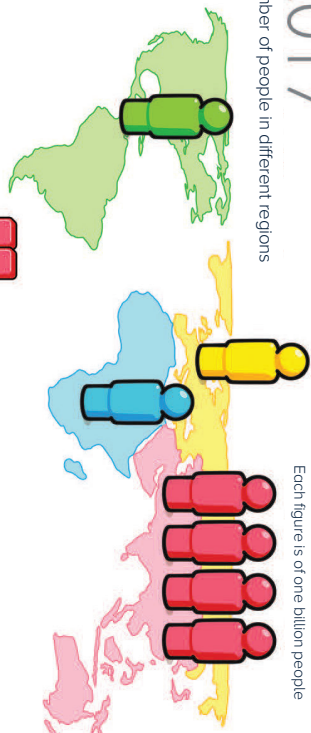


**AngloAmerican**

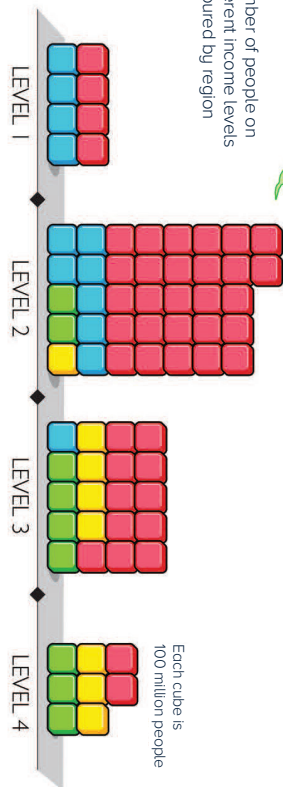
# PEOPLE BY REGION AND INCOME

2017

Number of people in different regions



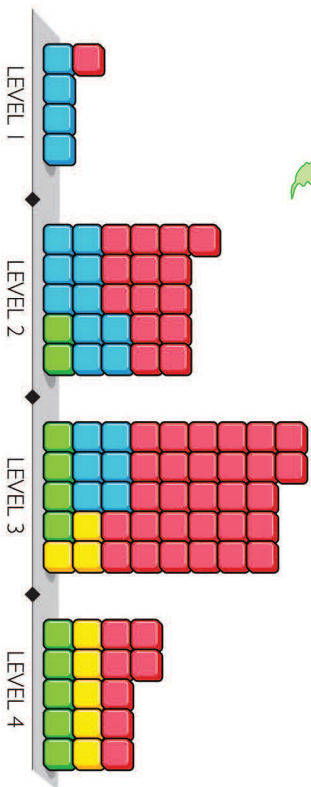
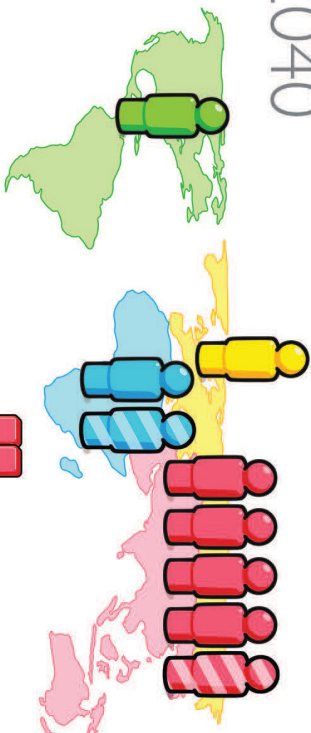
Number of people on different income levels coloured by region



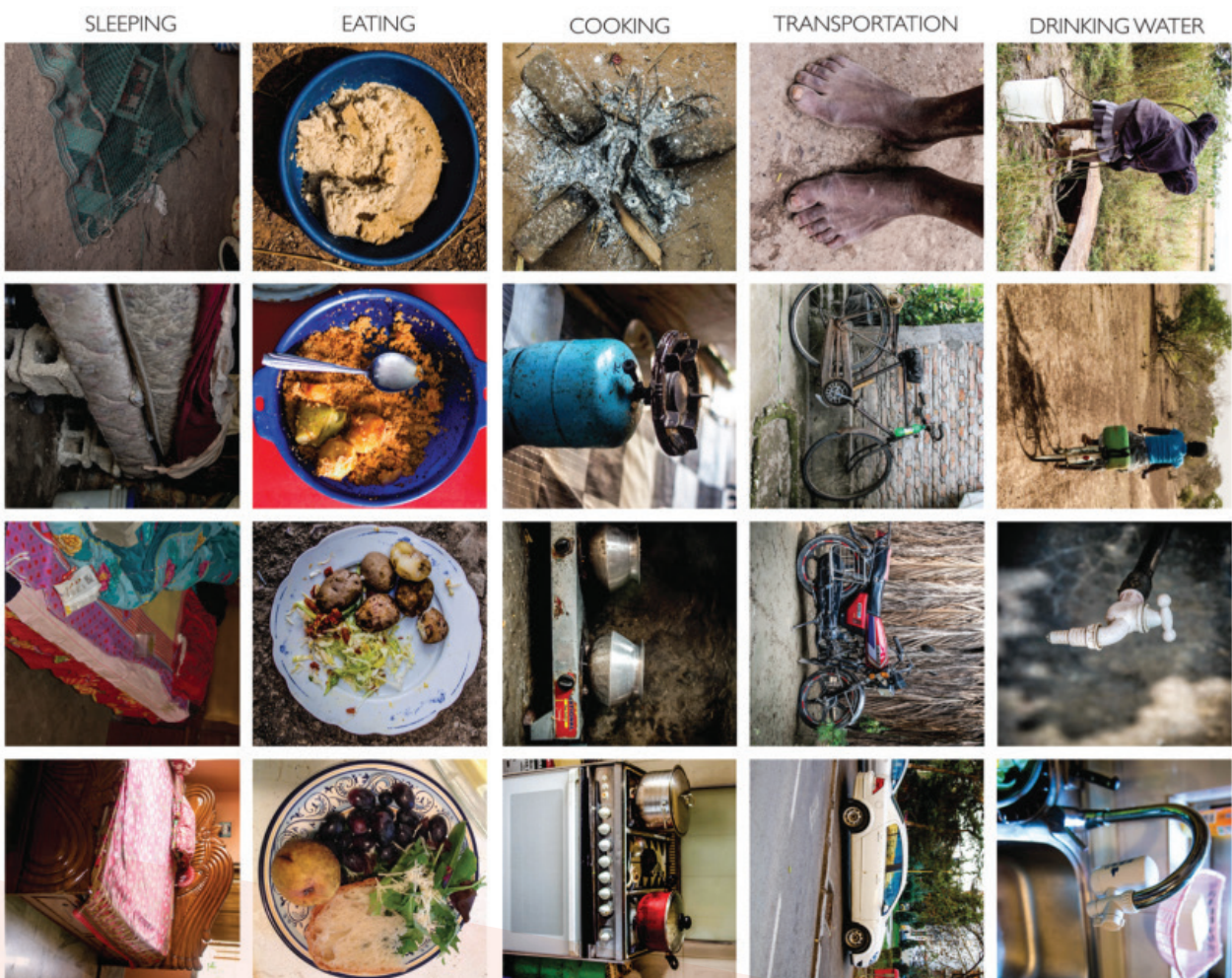
02

2040

Assuming that the current trends continue, this is what the world might look like in 2040.



Sources: Gapminder [1,3,8] based on PovcalNet, UN-Pop [1], IMF [1] & van Zanden [1]



## INCOME LEVEL 2: BETWEEN \$2 AND \$8 A DAY

**Families on Income Level 2 don't have to struggle like people on Level 1 to meet their most basic needs, and in many ways life is better. For the three billion people on this income level, though, there's still a lot of uncertainty.**

### TRANSPORT

People still work in physically demanding jobs and are often farmers, but can start to save money. That extra money can enable them to buy a bike, which at this income level can make a huge difference to a person's life. It means they can fetch water from a cold water tap in less than 30 minutes and travel to a job that pays a bit more.

### DIET

More money allows them to be able to buy some meat, eggs or vegetables from the local shops or market in addition to the staple grains. They can also afford spices. While meals are still basic, they can now be cooked on a gas burner rather than an open fire.

### HOUSING

The houses people live in are stronger than on Level 1 but are still simple and made from a patchwork of materials. There is more likely to be a lock on the door but there are still many people sharing a small space. They no longer have to sleep on the floor, though, as they can afford mattresses.

Electricity is unstable but can allow families to have a few lightbulbs in their home. That means children can spend more time doing their homework after the sun has gone down.

### HEALTH

Being on Level 2 means a person can afford basic medication, but one major illness in the family or damage from an extreme weather event could mean moving back to Level 1 and extreme poverty.

*GapMinder.org*

### DISTRIBUTION

There are currently about 3.7 billion people living on level 2, with the majority located in Asia. The most populous countries with a median income of Level 2 include India, Pakistan, Nigeria, Bangladesh, the Philippines, and Vietnam.

In the Western Hemisphere, the countries with a median income of Level 2 are Nicaragua, Honduras, Guatemala, Bolivia, Guyana and Belize.

### PROJECTED CHANGE

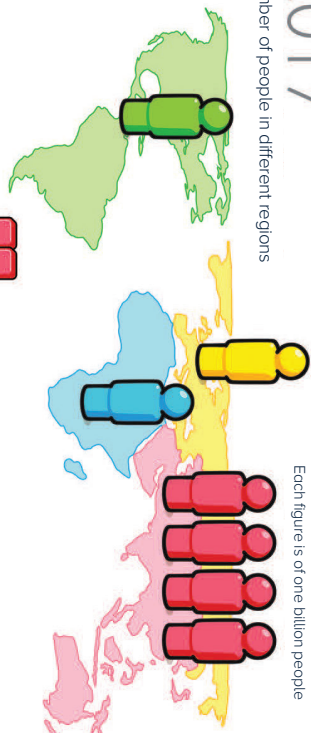
If current trends continue, by 2040 the number of people living at Level 2 is expected to shrink by about 30% to 2.5 billion. This is due in part to steady economic growth in China and India. Africa will have a much larger share of people living at Level 2, with roughly 1 billion Africans at this level, even as much of the continent continues on a steady growth trajectory.



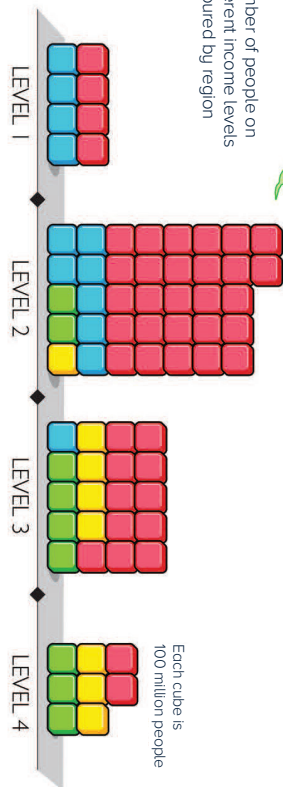
# PEOPLE BY REGION AND INCOME

2017

Number of people in different regions



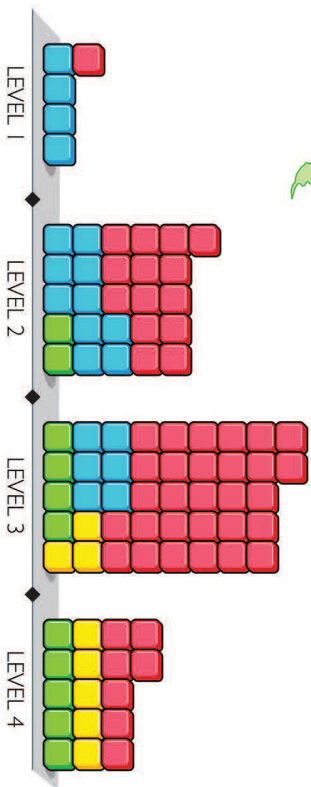
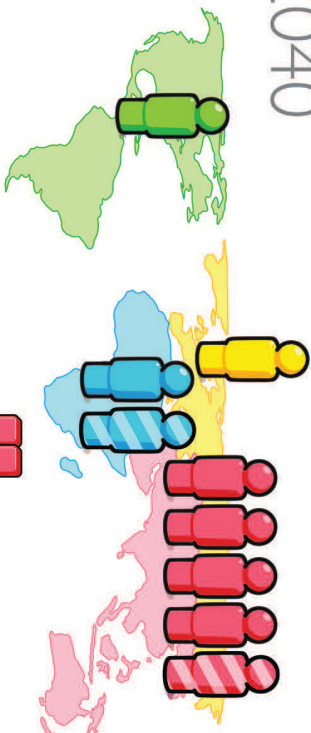
Number of people on different income levels coloured by region



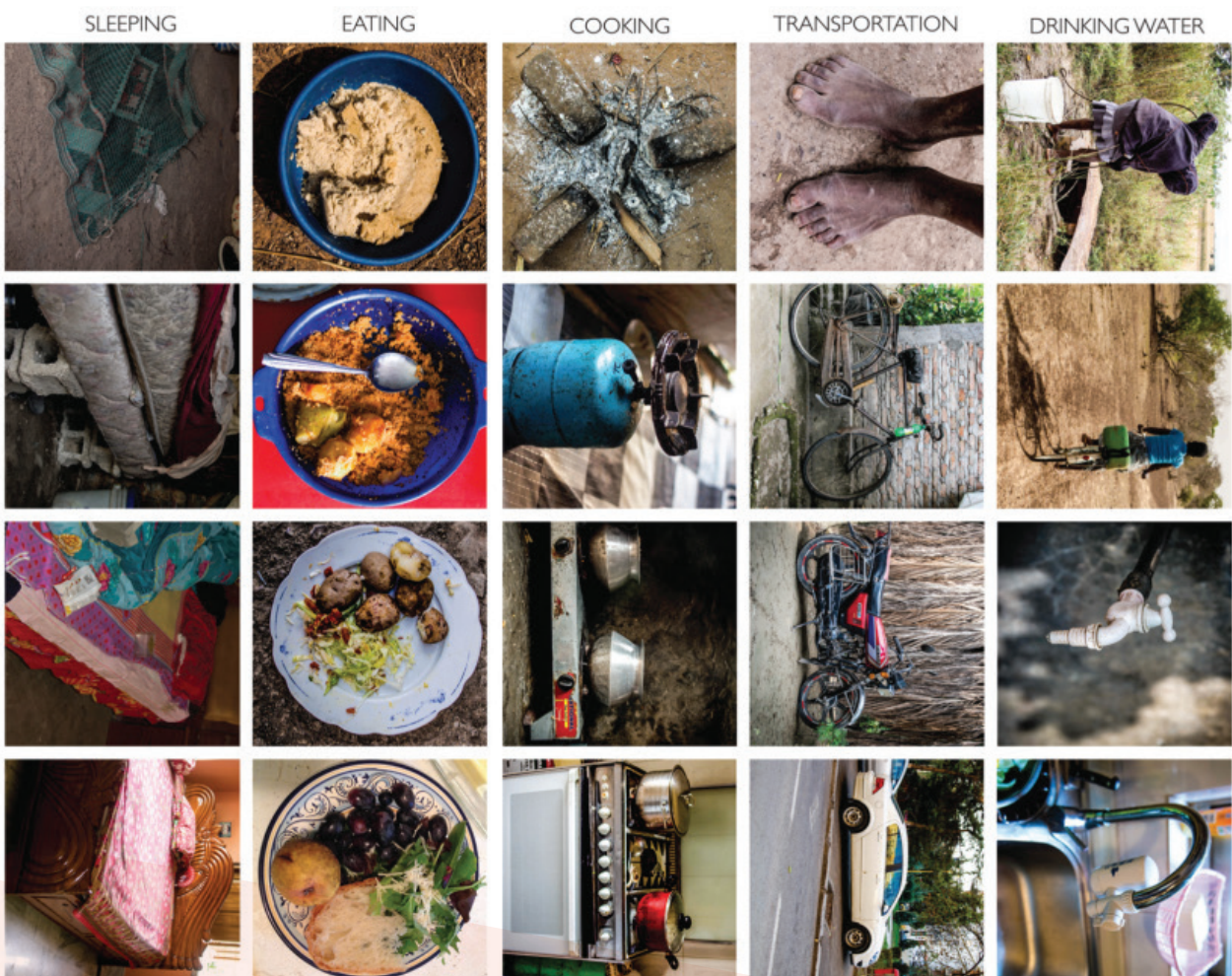
02

2040

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Sources: Gapminder [1,3,8] based on PovcalNet, UN-Pop [1], IMF [1] & van Zanden [1]



## INCOME LEVEL 3: BETWEEN \$8 AND \$32 A DAY

Lives for the two billion people on this income level are far more stable than for people on the lower income levels, and they can afford to buy things beyond the basic necessities.

They work long hours in factories, or as drivers, nurses and hairdressers. They are able to save a small amount of money, and in some cases have access to microfinance. They don't have to spend time fetching water either, because there is a cold water tap in the home or very close by.

### DIET

More money normally means more meat, which they can afford to buy from shops and markets. Meals also have variety and are more nutritious than for people on Income Levels 1 and 2. Unlike them, people on this income level eat something different for breakfast and dinner. They cook their meals on a simple stove, rather than an open fire or single gas burner.

### TRANSPORT

Getting around is no longer a problem, as they can afford a small motorbike or moped. They can also take (crowded) public transport if they need to.

### HOUSING

On Level 3 people live in homes with more than one bedroom and that are styled according to their taste. The roofs don't leak and they are secure thanks to strong door locks and sealed windows. Electricity is stable, so they can buy a small television or laptop to watch their favorite shows.

### HEALTH

Getting medical treatment is easier, with hospitals and health clinics close and medicine for minor illnesses sold in the shops.

Despite the long working hours and possibly even multiple jobs, people on this income level may be able to take their family for a very short vacation somewhere close by.

*GapMinder.org*

### DISTRIBUTION

There are currently about 2 billion people living on level 3. The most populous countries with a median income of Level 3 include China, Indonesia, Brazil, Russia, and Mexico. Most households in Eastern Europe and the Middle East/ North Africa also live at this level. Of the 65 million displaced persons globally, families at Group 3 make up the majority of international migrants because they have the capital to travel, though the journey often takes a heavy toll on their financial resources.

### PROJECTED CHANGE

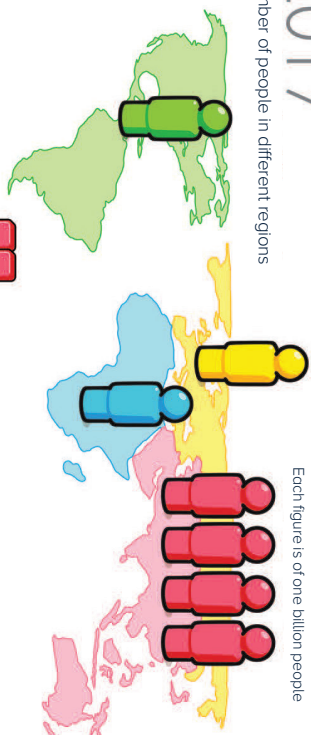
If current trends continue, by 2040 the number of people living at Level 3 is expected to roughly double to 4 billion, becoming the largest income segment. This will reflect continuing income growth in South and Southeast Asia, as well an expanding African middle class that will quintuple in size.



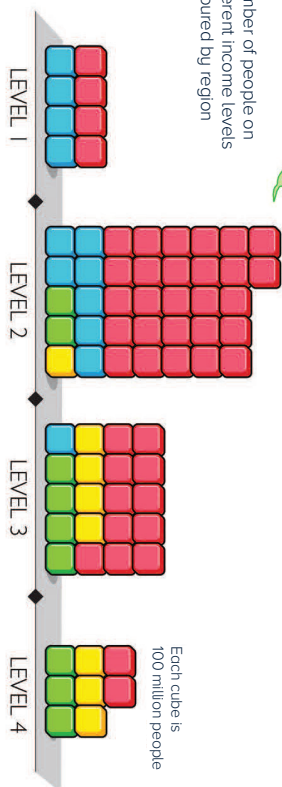
## PEOPLE BY REGION AND INCOME

# 2017

Number of people in different regions



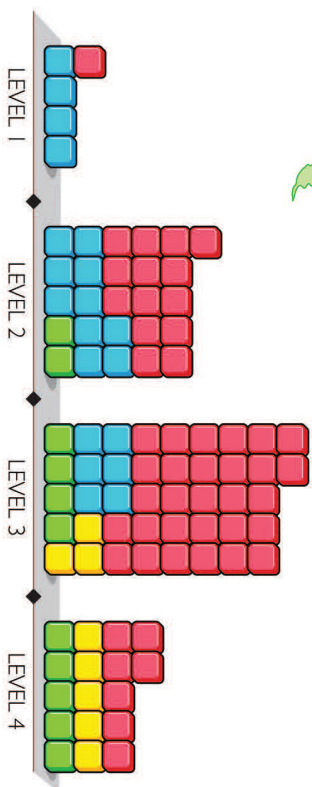
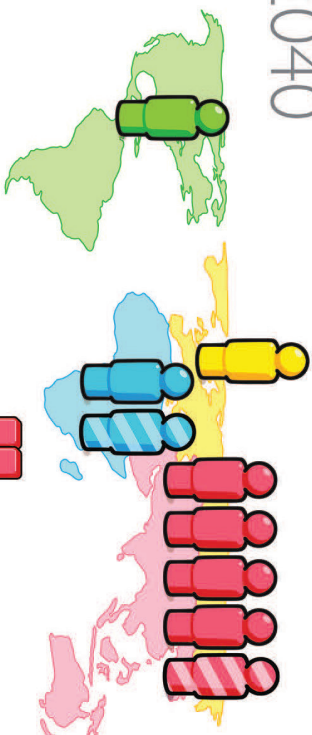
Number of people on different income levels coloured by region



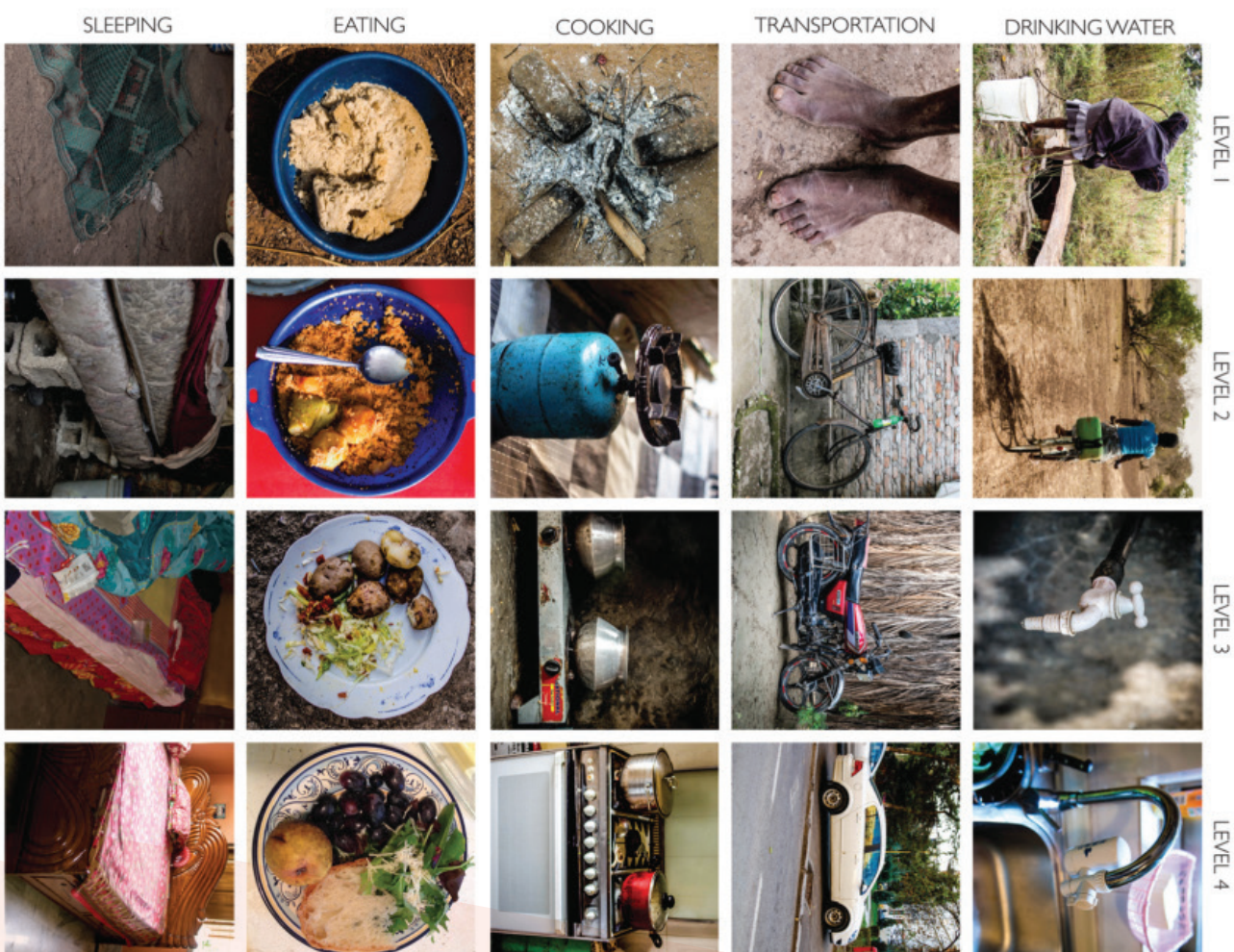
02

# 2040

Assuming that the current trends continue, this is what the world might look like in 2040.



Sources: Gopminder [1,3,8] based on PovcalNet, UN-Pop [1], IMF [1] & van Zanden [1]



# INCOME LEVEL 4: MORE THAN \$32 A DAY

**On Income Level 4, people are able to buy a wide range of consumer goods, fly abroad on holiday and eat out at restaurants. They are the richest billion people in the world and work in jobs that normally require 12 years of education.**

## DIET

The food they eat is often highly nutritious and diverse, rich in protein and vitamins. They can also buy pre-prepared food to save them the time on cooking.

## TRANSPORT

Their homes have a reliable internet connection and TVs, and kitchens are equipped with stoves, ovens, toasters and microwaves. They have baths and showers installed in their homes with hot and cold water.

## HOUSING

Instead of bikes and mopeds, they own a car – sometimes even two per family. Public transport is organised and available to everyone.

Their lives are more secure than for people on other levels, with their valuable property insured. People also have bank accounts, access to credit and pension funds for when they retire. Despite this, this group is exposed to significant financial risk in the form of credit card debt, and in the United States in particular, high student loans and expensive healthcare costs put many at risk of bankruptcy.

## HEALTH

Basic medication is affordable and can be bought in shops, while advanced and emergency medical treatment is available for nearly everyone.

*GapMinder.org*

## DISTRIBUTION

There are currently about 800 million people living on Level 4, split fairly evenly between Europe, America and Asia. Countries with a median income of Level 4 include the United States, Japan, South Korea, Saudi Arabia, and the majority of Western and Central Europe.

There is immense income disparity even within this group; the world's wealthiest 1% earn more than \$32000/year, or \$90 a day.

The African members of Group 4 are not readily reflected in the macro picture given their relatively small number, but if we take very rough anecdotal data and estimate 500 thousand to 1 million wealthy Africans in each African country, that comes to about 50 million people. This may be a rounding error (0.005%) when compared to Africa's estimated population of 1.2 billion, but this sliver of the population is powering economies and cities, through investments and purchases in construction, retail, hospitality, commodity trading, and more. There is an opportunity to research this group and measure their impact on Africa's current and future growth.

## PROJECTED CHANGE

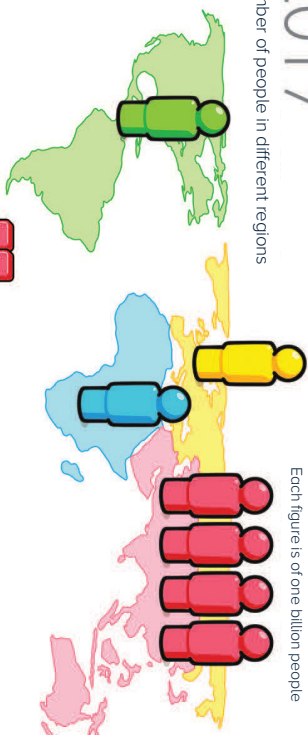
If current trends continue, by 2040 the number of people living at Level 4 is expected to roughly double to 1.7 billion total. Soon, most rich consumers will be non-Westerners; in 2040, only about 40% of households living at Group 4 will be in "the West."



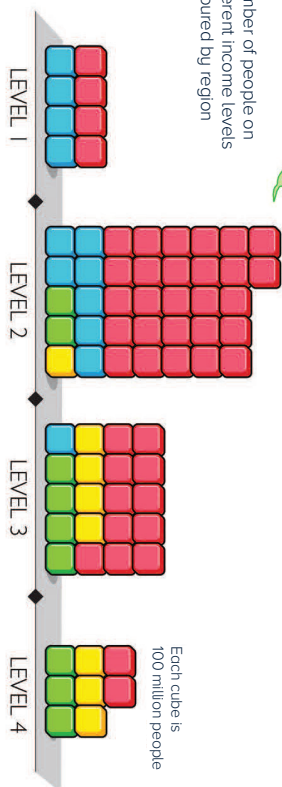
## PEOPLE BY REGION AND INCOME

# 2017

Number of people in different regions



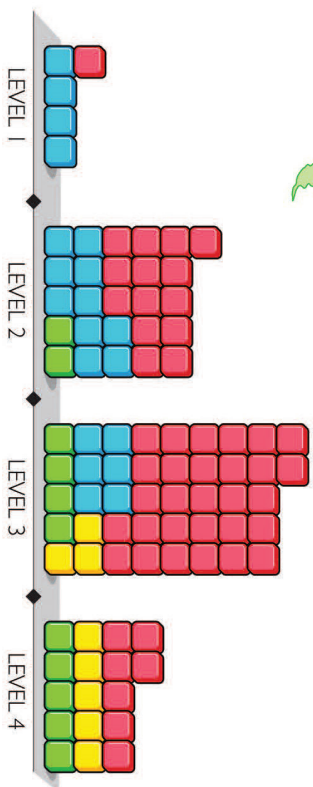
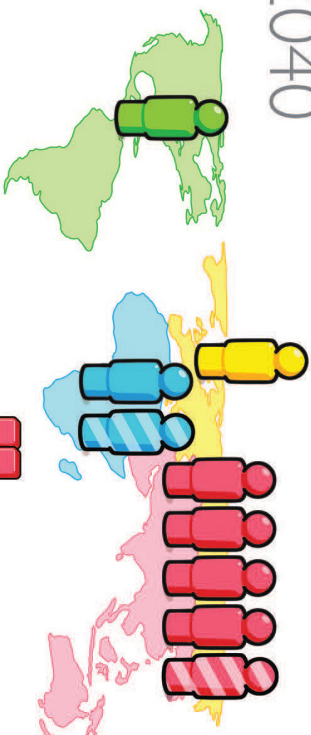
Number of people on different income levels coloured by region



02

# 2040

Assuming that the current trends continue, this is what the world might look like in 2040.



Sources: Gapminder [1,3,8] based on PovcalNet, UN-Pop [1], IMF [1] & van Zanden [1]

