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An Analysis of the Determinants of Household Income Expenditure, Case Study of Lusaka Urban in 2025

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Abstract

The study of factors determining the Household Income Consumption over time by different fields of scientific knowledge. In this study, a balanced cross-sectional data set of Zambian Households was used for examining the determinants of Household Income Consumption in Lusaka Province. For this purpose, 60 observations which are 60 Households in 2025 were included. Non-poor households display significantly higher expenditures than poor and extremely poor counterparts. Recognizing the importance of location and employment sectors is crucial for targeted economic development in both urban and rural areas. Household Income Consumption is considered as a dependent variable whereas family size, disposable Income, saving levels, and consumption patterns are considered as independent variables. An analysis of variance (ANOVA) was applied to examine the relationship between household size and Household Income Consumption. Regression analysis with linear, multiple regressions and fitting were used to determine the relationship between consumer spending and the four independent variables. The results analyzed the correlations and test the hypothesis of a significant difference in the types of consumption expenditure about different four independent variables. Results confirm the significant impact of only two independent variables, (disposable income, and family size) were statistically significant of a positive relationship with consumption expenditure in Lusaka. The global rise in wage income and Household Income Consumption has been an important topic in labour economics over the past few decades. Many studies have been undertaken to ascertain the factors affecting Household Income Consumption. However, little research exists for Zambia on this topic, especially in the Private Microfinance sector, despite the importance that is attached to labour matters in successive governments in the country. Thus, the study sought to establish the determinants of Household Income Consumption in Zambia. The study employed the data via primary sources from Lusaka Province to complete this analysis with a sample size of 60 Household respondents. Consumption has been rising, especially due to the interest rates across sectors in the economy with Household Income Consumption high. The study thus established that education exerts the largest influence on Household Income Consumption while gender and the regional location of workers also play a significant (though diminishing) role. The study recommends an increased saving culture through investments in human capital to catch up with the rise in demand for skilled labour if Household Income Consumption is to be reduced in Zambia.

Keywords: Disposable Income, Family size, Cross-sectional data, Determinants, Household Income expenditure

1. Introduction

This chapter discusses the context and background for the study, research objectives, research questions, significance of the study, statement of the problem, theoretical framework, scope of the study, and operational definitions of concepts. According to several studies, strong positive global economic performance during the 1990s has achieved modest and consistent real wage gains for workers in most of the Organisation for Economic Co-operation and Development (OECD) countries (World Bank, 2001; Betcheman, 2002). Furthermore, the same studies show that many countries in both Africa and South Asia experienced real wage declines and increasing Household Income Consumption levels during the 1990s. It is argued that rising global Household Income Consumption relates to a change in the wage structure that is demand-driven, emanating from technical changes that have favoured skilled labour in the production process (Kosters, 1998). An analysis of the United States (US) labour market concludes that the skills composition of the workforce improved over time, but that the increase in the supply of skills did not keep pace with rising demand (Ibid). Some of the trends and patterns found in other countries are also evident in South Africa. McCord and Bhorat (2003), using the October Household Survey (OHS) data in an overview of the South African labour market, show significantly higher levels of Household Income Consumption than in some OECD countries. But, while internationally education and experience are important determinants of earnings differentials, in South Africa factors such as discrimination by race and barriers to mobility (rural/urban, formal/informal) have been associated with larger differentials than the norm (Standing et al, 1996).

According to Castilla & Walker, (2015), Consumption expenditure is a useful indicator since it involves the total money spent on final goods and services by individuals and households for personal use and enjoyment in the economy. Contemporary measures of consumption expenditure include all private purchases of durable goods and non-durable goods. However, consumption expenditure involves spending of the household incomes on all domestic costs (by residents and non-residents) for individuals' needs, among other things including expenditures on goods and services, household consumption expenditure varies substantially among the population due to incomes of households, economic structure, and the degree of urbanization, (Morton, 2019). Consumption expenditure was reduced after the second lockdown in June 2021 and remained at the same level in June 2022 half of the population was moderately food insecure. Households, in particular the poorest ones, felt a negative impact from the increased prices which led to reduced consumption expenditure since household incomes were low as many people were not working (Lastunen, 2021).

In Zambia however, it is yet to be established as to what the picture is like for the labour market dynamics with regards to Household Income Consumption trends. This is largely because labour statistics are scarcely available and previous research in this area is dated. Furthermore, the literature reviewed shows that there has not been any comprehensive research in Zambia to establish the determinants of the perceived Household Income Consumption. This however does not imply that the Zambian economy has been oblivious to the question of Household Income Consumption all these years. Quite to the contrary, there have been various concerted efforts aimed at redressing the plight of workers particularly those in the lower income brackets through such policies as the minimum wage. The effects of these policies, however, remain undocumented and as such, it is difficult to ascertain whether Household Income Consumption has been redressed. It is for this reason that this study sought to establish the pattern and trend of Household Income Consumption in Zambia over the last 20 years (for which statistics are available) and further outline the determinants of Household Income Consumption.

Africa is one of the fastest-growing consumer markets in the world. Household consumption has increased even faster than its gross domestic product (GDP) in recent years (Deloitte, 2015). Despite rational growth, changes in household spending in Africa have remained relatively stagnant failing to keep pace with the increase in average income levels (World Development Indicators 2017).

1.1 Background

The trend toward rising Household Income Consumption has been a global phenomenon; with differences in degree and timing, wage dispersion has increased throughout the developed and developing worlds (Davis, 1992; Blau and Kahn, 1996; Katz, Loveman and Blanch- -Flower, 1995). In general, rising overall wage dispersion has been concomitant with increases in wage differentials based on observable proxies for skill, such as experience, education, and occupation. Literature has established that not only does Household Income Consumption led to higher poverty levels at current income levels; it constitutes a barrier to poverty reduction. There are several studies (Bourguignon, 2003; Ravallion, 1997, 2004; Lopez and Serven 2006a; Perry et al, 2006) that show that the growth elasticity of poverty reduction is lower (in absolute value) in countries with high levels of income Household Income Consumption. In other words, countries with higher Household Income Consumption levels require a faster growth rate to achieve the same poverty reduction than countries with low Household Income Consumption.

Household spending is the essential driving force of economic growth – it represents more than half of GDP in most developed economies. As their wealth grows, households tend to rapidly alter their spending patterns, and a wide variety of new goods enters the consumption basket.

This phenomenon is widely viewed as a welfare-enhancing feature of modern economic development (Romer, 1990; Grossman and Helpman, 1991; Barro and Sala-i-Martin, 1995). Recent years have witnessed the growing popularity of domestically-orientated Growth strategies (e.g. Deer and Song, 2012). This has motivated policymakers to take a renewed look at the evolving character of final demand and its influence on the industrial composition of growing economies. It is, therefore, timely to review precisely what is known about how the composition of household spending evolves as it expands and its growth implications.

According to the CS0 (2013: 3) most Zambians have continued to live in poverty notwithstanding the country recording high growth rates of more than 5% over the past 7 years. Results from the 2006 and 2010 Living Conditions Monitoring Surveys (LCMS) show that poverty levels have remained high despite recording a decline from 62.8% to 60.5%. What has compounded this problem is the fact that most Zambians have not had decent and well-paying jobs over this period. The current government soared to victory in the 2011 elections mainly due to their ability to convince the young population of better employment prospects once elected to power. Indeed, the current government is the first to document a policy direction on job creation. The Zambian government has further sought to redress the plight of many workers who seem to have been receiving low wages. To this effect, the government has implemented specific policies affecting minimum wage provision for domestic and general workers in different industries in the country.

The evolving character of consumption patterns has important implications for industry growth and the wider economy. The most direct impact is the extent to which industries can realize increasing returns to scale. Moreover, income-induced shifts in household spending create opportunities and challenges for both mature industries experiencing declines in demand growth as well as for new industries of the economy producing luxury goods. For mature industries, slowdowns in demand may reduce their capacity to achieve economies of scale and further trigger innovative activity as entrepreneurs and firms seek to delay slowdowns in growth via product innovation. For new industries, demand growth can lead to increasing

returns, thus enabling industries to dedicate more resources to Research & Development (R&D) activities (Foellmi and Zweimüller, 2006). New industries have to simultaneously contend with the issue that the heterogeneity in demand grows at high-income levels in a way that limits the realization of scale economies. In the wider economy, the current literature suggests that income-induced shifts in household consumption also impact trade patterns, labour supply and wage inequality between unskilled and skilled workers.

Nonetheless, the gap between the lowest-paid workers and the highest-paid workers in the country has remained significantly high. According to the 2012 Zambia Labour Force Survey, workers in managerial occupations had the highest average monthly earnings at ZMW 10, 524.134 while the national average monthly income was estimated at ZMW 1, 724.106 and workers in elementary occupations had average monthly earnings at ZMW 977.023. Furthermore, it was reported that only 10.1 percent of the labour force earned incomes more than ZMW 3,100.

According to the Decent Work Country Profile (2012) the share of paid workers with monthly earnings below two-thirds of median monthly earnings (low pay rate) excluding agriculture, generally remained constant between 2005 and 2008, at 35 per cent. In urban areas, the low pay rate was lower (33 per cent) than in rural areas (41 per cent); it went up in urban areas while it declined significantly in rural areas between 2005 and 2008.

The factors behind -the observed Household Income Consumption, however, remain at best speculative in Zambia and thus the study sought to establish these factors and further trace the trend in this phenomenon over the past 20 years.

Household expenditure on durable products (e.g., cars, washing machines, food, etc.) and fees and payments to the government for licenses and permits have gained prominence over the past decade (Bonsu et al., 2017; Eika et al., 2020). The Organization for Economic Co-operation and Development (OECD) highlighted that household consumption expenditure constitutes about 60% of the gross domestic product (GDP) in most countries around the world (OECD, 2009). Recent studies resonate with the findings of the OECD by arguing that household consumption is an inevitable force behind the production of goods and services since the summation of household consumption (aggregate consumption) is a crucial determinant of aggregate output (Ezeji & Ajudua, 2015; Rahayu et al., 2021; Salo et al., 2021).

Flagship from other developments holds that consumption determines aggregate savings, and since aggregate savings flow through the financial system to create the national supply of capital, changes or shocks in consumption directly impact savings, employment and the long-term productive capacity of the entire economy (Crawley & Kuchler, Citation2023). These arguments connect with the Keynesian school of thought that attributed the 1929–1939 great economic depression to demand deficiency leading to production decline, increased unemployment, and a downward spiral in economic activity (Keynes, 1936). Hence, unbundling the dynamics of household consumption expenditure and their determinant is imperative for tailored well-being improvement, economic growth and development policy framework. While there seems to be convergence in the crucial role of household consumption expenditure and its trickle-down effects on global and national economic activities, parallels exist in examining the factors determining household consumption expenditure.

The scholarly divergence dates back to James Duesenberry, who proposed in his relative income hypothesis theory that individuals' consumption is influenced not only by their absolute income level but also by their income relative to others in society (Bisset & Tenaw, 2022; McCormick, 2018). The theory implies that households will always "keep up with the Joneses" in their consumption decisions irrespective of income, poverty status or characteristics. Although Ando and Modigliani, at the beginning of the 1950s, agreed that household consumption expenditure is not solely based on current income, they argued that the consumption expenditure of households rather based on individuals expectations of income over their whole life cycle (Ando & Modigliani, Citation1963; Beblo & Schreiber, Citation2022). Later, Milton Friedman, in his Permanent Income Hypothesis, indicated that individuals base their consumption decisions on their long-term average income rather than their current income (Friedman, Citation1977; Oyarzo & Paredes, Citation2023). The argument suggests that people aim to smooth their consumption over their lifetime by adjusting their saving and spending patterns. These, among many other arguments, have hatched several recent scientific debates on the determinants of household consumption expenditure.

A study conducted in Asia using data from 1991–2015 asserts that the population growth and the growing middle class of the sub-region are significant drivers for consumption expenditure, thus propelling economic growth in the region (Arapova, 2018). Using the Bangladesh Household Income Expenditure Survey, Hossain and Al-Amin (2019) noted that high per capita income, education, family size, gender and lower dependency ratio significantly derive consumption expenditure of households in Bangladesh. A similar study comprising Vietnam, Philippines, Indonesia, Thailand and Cambodia from 2006–2014 also found that changes in household income, education and household size influence household consumption expenditure (Nguyen, 2020). With household consumption doubling as a proxy for welfare and poverty indicators, the study argued that poverty alleviation policies should focus on educational attainment and fertility reduction in these countries.

Related studies in Africa using the multiple linear regression model also pointed to disposable income and family size as direct determinants of consumption, with savings negatively related to consumption in Ethiopia (Hone & Marisennayya, 8, Ekong & Effiong (2020) found that while gross national income and inflation rate exerted a positive and significant effect on household consumption expenditure, interest rate and savings exerted a negative and significant effect on household consumption expenditure in Nigeria and Ghana. Similarly, a cross-sectional data study of 1400 randomly selected households in Nigeria and Ghana found that household demographics such as age, gender, family structure and education significantly determine household expenditure (Mignouna et al., 2015).

This indicates that determining the factors contributing to household consumption expenditure represents an unsettling and ongoing debate niche. However, a joint scientific gap exists in this field as literature over the years has focused on

examining the determinants of consumption expenditure for the entire population without considering the poverty subgroups of the population. That is, while the consumption expenditure of households within the same poverty subgroup (e.g. extremely poor) may be identical due to similar income, lifetime expectation, economic activity or influences from social relations, it may completely differ when compared with households in other poverty subgroups (non-poor or extremely poor). It, therefore, means that different factors or characteristics may account for differences in household consumption expenditure across different poverty subgroups of the same population. Hence, substantiating this glaring scientific lacuna and further decomposing the expenditure gap into aspects explained by the characteristic effects and factors that are structurally explained is imperative for boosting economic activities leading to economic growth, development and welfare improvement. Against this backdrop, our study investigates (a) the determinants of household consumption expenditure across the different poverty subgroups and (b) decomposes the consumption expenditure gap between the poverty subgroups and examines the factors that account for the gap using the Ghana Standard Living Survey data 7. Unbundling this is also crucial in contributing to the literature on poverty, welfare improvement, economic growth, and development.

1.2 Statement of the Problem

Household Income Consumption has important implications for social cohesion, that is, whether society feels more like one nation with common interests). Social cohesion is important because a more united nation would be able to have internal peace, and its citizens would lead happier lives. According to Galbraith (1998), when citizens have diverging access to services (due to income and Household Income Consumption), the result can be social and political fracturing. Household Income Consumption may endanger society's ability to think of itself as a single entity or nation and hence promote individualism, which may work to increase vice and strife in the economy. Thus, establishing an equitable environment in which different workers with similar characteristics doing equal work earn an equal income is essential to the promotion of stability. Furthermore, reducing the gap between the high-income earners and the low-income earners should remain a prudential motive of any well-meaning political and social structure that ensures sustained and equitable economic growth. A rational policy response to the observed changes in the real level and structure of earnings must, of course, be based on a diagnosis of the causes of the changes, and "the causes of rising Household Income Consumption" question has spurred a great deal of research by economist's world over. However, such a diagnosis is yet to be made for Zambia, and indeed, whether Household Income Consumption has been falling or rising in the country is a conclusion that is yet to be reached. It is for this purpose that this study has been undertaken to provide insight into the existence of this phenomenon in the Microfinance sector in Lusaka.

1.3 Objectives

Overall Objective

To establish the factors that lead to significant Household Income Expenditure in the Lusaka District of Zambia.

Specific Objectives were.

- To assess the consumption level pattern of the household in Lusaka District, Zambia.
- To determine how family size affects the household consumption expenditure in Lusaka District, Zambia.
- To analyze the effect of saving levels on the Household consumption in the Lusaka District, Zambia
- To assess the Impact of Household disposable Income on Household Consumption in Lusaka District, Zambia.

1.4 Research Questions

- How does the consumption level pattern affect the Consumption of the household in Lusaka District, Zambia?
- To what degree does family size impact the household consumption expenditure in Lusaka District, Zambia?
- What is the relationship between savings levels and Household consumption in the Lusaka District, Zambia?
- How strong is the correlation between Household disposable Income and household Consumption in Lusaka District, Zambia?

1.5 Theoretical / Conceptual Framework

This is a process of identifying a core set of connectors within a topic and showing how they fit together or are related in some way to the subject.

A conceptual framework is a model constructed usually by a researcher that explains the relationship between the main variables in the study. These variables are the independent and the dependent variables. According to Hussein and Agyem (2018) and Manilla (2010), the conceptual framework serves as a basis for the researcher and the reader to understand either the causal or the correlational relationships between the independent and the dependent variables in the study.

According to Crama and Howitt (2014), independent variables are those variables in research that are stable and unaffected by other variables you are trying to measure. On the other hand, dependent variables are factors that are measured and usually are affected by the independent variable. Hussein and Agyem (2018) postulate that dependent variables are expected to change because of an experimental manipulation of the independent variables. In this study, for instance, the factors affecting Household Income Consumption are illustrated in the diagram below.

Dependent Variable: Household Income Consumption

Independent Variables:

- Household disposable Income
- Family size
- Saving Levels of Household
- consumption level pattern

Dependent Vs Independent Variables

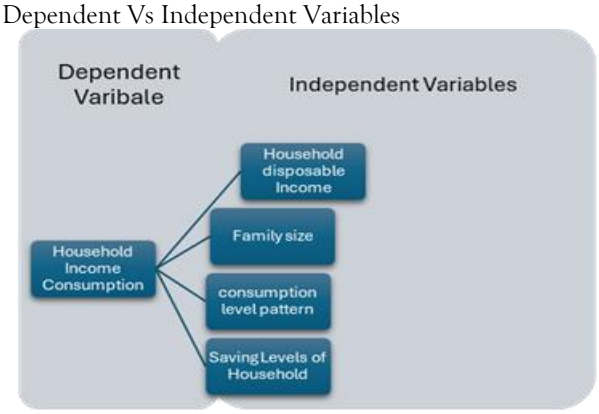

Figure 1 Conceptual framework (Own Source, 2025)

1.6 Significance of the Study

According to ILO (2012: 15) in general, the level of wages in Zambia is insufficient to provide the basic living wage as is shown by the working poverty rate which refers to the proportion of employed persons who live in households below the poverty line. The working poverty rate indicates that many Zambian workers in regular employment remain in relative poverty due to low levels of pay. The working poverty rate, which declined from 73.15 per cent in 1998, was still high in 2006 at 66.39 per cent. Employment together with critical conditions of employment such as the real wage and social protection for the vulnerable therefore remains the most sustainable route out of poverty, as the ILO strongly contends, and Zambia's policy to alleviate poverty must focus on this. It is therefore incumbent that an understanding of the determinants of Household Income Consumption in Zambia is established. This would help understand the key drivers of Household Income Consumption with the corresponding policy formulation process aimed at mitigating the adverse effects of Household Income Consumption and ultimately poverty reduction. Implementing policies without an understanding of the factors underlying the existing problems is synonymous with redressing symptoms and not the disease. Thus, this paper provides an opportunity for the Zambian labour market to understand the determinants of Household Income Consumption from the country's perspective. Furthermore, the findings of this paper are useful to government planners and policymakers, in that they provide and thus create awareness on whether minimum wage laws should be seen as a panacea for the country's Household Income Consumption problems. Additionally, this paper provides broader knowledge to the research field in Labour economics with regards to the study of Household Income Consumption thereby giving relevance to both firm and Macro decisions in the Country. Thus, the findings of this research will provide a stimulus for further research in the field while further contributing to the body of knowledge in the literature. The study provides information and framework to the residents of Lusaka District about consumption expenditure patterns.

1.7 Scope of the Study

This study focused on the following areas in the quest to further understand the factors that border on Household Income Consumption analysis in the Lusaka Province of Zambia under study. The scope of this study is to find out the determinants of household consumption expenditure in the Lusaka District of Zambia. For reasons associated with time and resources, the scope of the study will be limited to 60 Household respondents.

- Documented policies on Household Income Consumption determinants and remedial measures to address them.
- How does family size affect Household Income Consumption.
- The significant impact of Household saving levels on Household Income Consumption.
- The Impact of Household disposable Income on Household Income Consumption analysis

Which focused on the critical analysis of determinants of Household Income Consumption - A case study of Lusaka Province.

1.8 Operational Definitions of the Concepts

- Household disposable Income: This is defined as the amount of money a household has left after taxes and other deductions to spend or save. It is determined by subtracting income taxes, pension contributions, and other deductions from a household's total income.
- Family size: Family size in economics refers to the number of people in a family.
- Cross-sectional data: Defines the information gathered from different subjects or variables at a single point in time
- Household Income expenditure: refers to the amount of final consumption expenditure made by resident

households to meet their everyday needs such as food, clothing, housing or rent, energy, transport, necessity or luxury goods, health costs, leisure, and miscellaneous services in a given period.

- Household Saving Levels define a measure of how much of their income households save versus how much they spend. "A higher saving rate indicates that households are saving more of their income, while a lower rate indicates that they are spending more".
- Consumption level pattern: Refers to the predictable ways that consumers purchase goods and services over time. These patterns are influenced by many factors, including, Income, expectations, consumer Assets and wealth, Credit, Interest rates, Household size, social groups, taste, and geographical area.

To have a better thoughtful view of the topic and to appreciate the work done by previous scholars, a review of the literature is imperative. This is useful particularly for model specification and the development of the study methodology. The section thus presents a theoretical review and later an empirical review of the phenomenon of Household Income Consumption. A theoretical framework is then adopted from the theories discussed to provide a premise for the subsequent analysis. As this then informs inferential narrations and possible relevant recommendations.
This chapter looked at the literature review of the topic including the thematic areas as per objectives discussed in

2. Literature Review

To have a better thoughtful view of the topic and to appreciate the work done by previous scholars, a review of the literature is imperative. This is useful, particularly for model specification and the development of the study methodology. The section thus presents a theoretical review and later an empirical review of the phenomenon of Household Income Consumption. A theoretical framework is then adopted from the theories discussed to provide a premise for the subsequent analysis. This then informs inferential narrations and possible relevant recommendations.
This chapter looked at the literature review of the topic, including the thematic areas as per objectives discussed in chapter one.

2.1 Theoretical Review

The dynamics of consumption expenditure, a pivotal dimension within macroeconomics, have long been the focal point of most economists and have witnessed a symphony of intellectual exploration. This dates back to the groundbreaking insights of Keynes in 1936 to the nuanced propositions of Duesenberry (1949), the consummate theories of Friedman (Citation 1957), and the comprehensive framework of Ando and Modigliani (Citation 1963). For instance, Keynes (Citation 1936) unveiled a connection between household income, consumption, unemployment and a deep economic recession. The theoretical underpinnings of this relationship marked a paradigm shift in the intellectual discourse of macroeconomics. For Keynes, the bedrock principle was that current real income is the primary consumption driver. Intriguingly, the interest rate was outside the circle of influence, for income and the substitution effect of interest rates seamlessly neutralize each other. This insight gave rise to three core tenets: consumption predominantly hinges on absolute current income, it positively correlates with absolute income, and more substantial income begets greater consumption expenditure. While Keynes' insight provided the foundation for subsequent theories on consumption expenditure, it also hatched several parallel theories and findings.

For instance, Duesenberry 1949 proposed a different facet to the consumption narrative, positing that current consumption is not tethered solely to the prevailing absolute and relative income levels but to previous consumption levels. Duesenberry introduced the notion of consumer behavior, with a distinct emphasis on relative income rather than the absolute. In 1957, Friedman charted an independent course with the formulation of the permanent income hypothesis, where the crux lay in the notion that an individual's consumption hinges not on current income but on the concept of permanent income. Friedman's hypothesis thus reframed the discussion, emphasizing a more enduring perspective on income. Ando and Modigliani (Citation1963), commencing their journey in the early 1950s, set forth the life-cycle hypothesis.

The hypothesis posits that individuals design a consumption profile that maintains an even keel across their lifetime, not based on current income but rather the expectations of income over the entirety of one's life. While these theories have actively focused on the relationship between consumption expenditure and macroeconomic variables such as income, wealth, and interest rate, theorizing the relationship between household characteristics and consumption expenditure remains a gap. For instance, the Drift Hypothesis by Arthur Smithies argues that basic relation is non-proportional, but in the long run, it becomes proportional due to an upward shift in the basic non-proportional caused by factors other than income. The hypothesis argued that several factors, such as rural-urban migration, income redistribution, product improvement, credit expansion, and social insurance, could contribute to the upward shift in the consumption function. This means that continuous empirical investigations are essential for timely policies and interventions.

2.2 Empirical Review

The work of Engel in the 19th century set the stage for quantitative analysis of household consumption expenditure patterns (Kaus, Citation 2013). To this end, Hone and Marisennayya (Citation 2019) investigated the determinants of household consumption expenditure in the Debre Markos Town, Amhara Region of Ethiopia, with 100 randomly

sampled households using the multiple linear regression analysis as its empirical strategy. The study found that family size and disposable income are direct determinants of household consumption expenditure, while household savings exhibit a negative relationship. In Nigeria, Ezeji and Ajudua (Citation 2015) found a positive relationship between consumption expenditure and income, substantiating the 1936 Keynesian consumption model. The study further elaborated that interest rate, price level and exchange rate were significant explanatory variables of household consumption expenditure. While this study comprehensively used economic variables in examining the determinants of consumption expenditure, household characteristics that could provide a tangible perspective on household consumption expenditure were relegated.

Similarly, the study by Bonsu et al. (Citation 2017) employed the vector autoregressive model and Johansen cointegration econometric approach to analyze time series data spanning 1961 to 2013 in examining macroeconomic determinants of consumption expenditure in Ghana. The study argued that consumption expenditure is affected by price levels, real exchange rate and real economic growth in the long run. While this provides valuable insights into the consumption expenditure of the Ghanaian population, a fundamental oversight in the study is its silence in exploring how such impacts unfold across the different subgroups of the population and their economic implication. Analyzing data spanning 2006 to 2014 across five Southeast Asian countries, Nguyen (Citation 2020) revealed that the per capita consumption of households is primarily explained by household income, household size and educational attainment.

Based on these findings, the study advanced the promotion of educational attainment and reducing fertility as a path toward poverty alleviation and well-being improvement. Nevertheless, these policies may have different returns and implications across the population's poverty dynamics, which the study did not account for. Arapova (Citation 2018) also investigated the determinant of household final private consumption across 3 East Asian countries using data dating from 1991–2015. The study found that stimulating households' income will positively affect economic growth since income directly determines household consumption across these countries. Similarly, Hossain and Al-Amin (Citation 2019) examine the impact of non-farm income on household consumption expenditures using the multilevel mixed-effects linear regression model.

The study showed that non-farm income recipients spend about 29% more than their counterparts. This Indicates that non-farm income is a significant determinant of consumption expenditure in the country. The forthgoing empirical studies across Asia, Africa and many parts of the world (Ballesteros et al., Citation 2022; de Abreu et al., Citation 2021; Travassos et al., Citation 2021; Vargas-Lopez et al., Citation 2022) have extensively established economic variables such as income, price levels, exchange rate and inflation, among others, as the significant determinants of household consumption. On the contrary, examining the determinants of household consumption as a function of household sociodemographic characteristics is unevenly represented in the literature. Additionally, studying the dynamics of the determinants of household consumption expenditure across the different poverty profiles or subgroups, the expenditure gap between these subgroups and decomposing the expenditure gap is unevenly studied. These empirical gaps highlight the scientific nuance and rigour of the present study.

Thematic Area developed from Objective One: To assess the consumption level pattern of the household in Lusaka District, Zambia.

Perhaps the most obvious and clear-cut type of wages exceeding marginal revenue product not only of labour but of other factors as well. short of the value of the marginal physical product; statute monopoly profit. Under these circumstances, achieve for an aggressive union on a permanent profit, whether obtained by a monopolistic in the employer's industry. All-or-none bargaining denial of the adequacy of labour organization exploitation. Allied to monopolistic exploitation are widespread windfall profits in competitive industries, such as following the introduction of innovation and characterize the prosperity phase of an inflationary boom or cyclical process. Forced payment of wages above marginal revenue product, which equals the value of the marginal physical product under pure competition, operates in this case to forestall the potential expansion of output and employment that would otherwise have been anticipated, but it does not decrease output or employment unless carried too far. This case is significant, particularly in that it illustrates the possibility of permanent gains by labour through all-or-none bargaining in a purely competitive industry.

Further, the employer may be a monopolistic buyer of some non-labour factor of production such as a large meat packer on a livestock market or a large cigarette company in buying tobacco. He may make substantial monopsony profits by exploiting this position. These monopsony profits can be tapped by organized labour through all-or-none bargaining, with a wage set above marginal revenue product without fear of contraction. In this case, it should be noted, that the gains of organized labour are obtained indirectly at the expense of the factor monopsonistically exploited. The amount of exploitation need not be affected by all-or-none bargaining. There is no evidence that livestock raisers or tobacco growers are either better or worse off under monopsonistic exploitation for the indirect benefit of organized labour than under the same sort of exploitation for the direct benefit of the employer. 4. Allied to the monopsony cases are others involving public or private rationing or allocation of non-labour factors, such as bank credit, steel, or the like. If the employer earns 10 per cent at the margin on capital borrowed at 6 per cent but is refused additional credit at any interest rate, an increment of 4 per cent at the margin is available for tapping by organized labour on an all-or-none contract, precisely as though it had resulted from monopsonistic exploitation of capital. The employer (or his industry) may pay an economic rent to some non-labour factor specialized to the firm or industry, and available to it only in fixed supply (zero elasticity). An increase in wages, combined with an all-or-none contract,

Wages over Marginal Revenue Product can force the employer to substitute labour for the specialized factor, even the dictates of maximum profit. It might be more remunerative for them to substitute in the opposite direction as a consequence of the wage increase, the all-or-none bargain effectively prevents such substitution. Being required to hire "excess" labour, the employer puts it to the best use he can, substituting other resources whenever possible and permitted. When labour is substituted for the specialized resource, the demand for the latter would decline.

Under the hypothesis of inelastic supply, the rent of the specialized resource would sharply, until the incidence of the wage increase would fall completely. An allied case involves the exploitation of the employing industry as purchasers of some non-labour factor of production specialized to this industry and under monopolistic conditions. The effect of a wage increase combined or-none provisions may then be similar qualitatively to the effect discussed preceding paragraph. The wage increase, like a tax, could be shifted backwards to the monopolized factor. Labour would be substituted for the monopolized factor rather than being paid in idleness. The demand for the monopolized factor would fall. Both its output and price would follow, and the cost of the or-none bargain would be paid in part from the monopoly gains of the producing industry. The shift would not in general be complete (as distinguished from the preceding case) unless marginal costs in the resource-producing industry were highly inelastic, as under conditions of production at physical capacity. III Forthright all-or-none contracts, which fix simultaneously wage rate numbers, are relatively rare in current American labour relations practice. America and elsewhere, however, provisions of equivalent import are finding their way into collective agreements between employers and employees. Other provisions may be imposed by law, by custom, or by illegal means. Certain equivalents or approximations are considered in this section: annual contracts, dismissal wage provisions, and restrictive working rules. Once the list does not profess exhaustiveness. The "annual wage" is interpreted by many writers, including notably fessor Wassily Leontief and his followers,' as differing in name only requiring the maintenance of employment, the union would doubtless force an increase in output, hence in the demand for non-labour factors as well. In the industry, however, increasing labour cost is hardly an approved method for increased production. Individual firms may be cajoled or coerced into expansion, decline of the industry as a whole can be prevented only by the intervention of growth or by offsetting reduction of other cost factors. How can this decline in demand for the specialized factor be reconciled with changing physical productivity? The reconciliation appears to take the following Use of the specialized resource (beyond a certain point) would involve the employer payments to workers who would produce nothing. The net marginal value product specialized resource would then fall, after deduction of these wage payments as costs. The change in occupation and industry composition has been assumed to have influenced the wage structure quite separate from those other scholars. Some authors (Bluestone and Harrison 1988) and the popular press have emphasized the shift in industrial composition toward services and away from manufacturing as a shift toward low-wage jobs and a shift toward industries in which high- skilled or highly educated workers do well but less educated and less skilled workers do poorly. This alternative theory suggests that in fact Household Income Consumption has risen because of a shift in employment toward low-wage jobs or a shift in employment toward both high- and low- wage jobs. The demand index numbers clearly reject the hypothesis that employment has shifted toward low-wage jobs but support the view of a shift toward high-wage jobs (Chinhui, Murphy & Pierce, 1993).

As Professor Reder has pointed out most recently," marginal productivity analysis depends quite strictly upon profit maximization. It requires profit maximization both in the sale of products and in the hire of factors. Maximization of factor markets alone leads to the proportionality between marginal revenue product and marginal factor cost for all productive services. Maximization on the product market also supplies a unit factor of proportionality and transforms the relationship from a proportional to an absolute form.

Mali's wage bill has been rising for decades, with its share of GDP reaching historical and regional highs. The wage bill rose from 4.4 percent of GDP in 2010 to 5.1 percent of GDP in 2019, before surging to 7.9 percent of GDP in 2022, a level not seen since the early 1990s. While the country's wage bill as a share of GDP has been historically lower than that of its regional peers, the recent jump, since 2019, has placed it above the averages in countries in the West African Economic and Monetary Union (WAEMU) and sub-Saharan Africa (SSA)—5.8 percent and 7.2 percent, respectively. The share of the wage bill among local governments has not played a major role in the wage bill increase. By contrast, the central government component of the wage bill increased by 22.6 percent between 2021–22. The dynamics of public wages have little to do with employee skills and performance, as civil servants benefit from automatic progression mechanisms.

The sharp rise in wage bill ratios is weighing heavily on the fiscal outlook and potentially adds to inflation pressures. The wage bill accounts for 44.7 per cent of current expenditure and 55.2 per cent of tax revenue as of 2022.1 Mali's wage bill to tax revenue ratio is higher than the WAEMU and SSA averages (44.7 per cent and 51.3 percent, respectively). The country has not met the WAEMU 35 percent ceiling on the wage bill to tax revenue ratio since 2019. High wage expenditure relative to current expenditure restricts fiscal space for priority capital and social spending and challenges fiscal plans. Also, cross-country evidence suggests that if sustained, an exploding wage bill could put upward pressure on consumer price inflation, especially when wage growth exceeds productivity growth (e.g., Alvarez et al. 2023, Mihaljek and Saxena, 2010). While the wage bill ratio to GDP is projected to decline steadily from 2023 on account of faster economic growth, it is expected to remain well above WAEMU and SSA averages until 2025.

Average compensation has played a major role in the wage bill surge, as public sector employment has been declining as a ratio of the working-age population. Public employment as a ratio to the working-age population has declined by around 1.2 percentage point since 2010. Recruitment in priority areas—especially security and education—has recently increased

in absolute terms, by 18.9 percent between 2019–22.2 But the ratio of government employment to the working–age population, at 1.9 percent, remains one of the lowest among LICs (4.65 percent on average). Furthermore, public employment has recently slowed down compared to private employment, with the ratio of public to total employment slipping from 43.2 percent in 2013 to 32 percent in 2020. Higher public sector wage bill reflects both material increases in base pay and employee allowances. All segments of the public sector recorded an increase in salary grid ceiling between 2019 and 2022, with the average wage index increasing by 222 points. Civil servants in the Prison Administration (284 points), Registrar (282 points), and General (282 points) sectors had the largest increases between 2019–22. But the education sector accounts for the lion share of the public wage bill, with higher education professors earning the highest salaries. The public sector wage premium has historically been substantial. For instance, employment survey data for 1991 show that, on average, wages were 31.9 percent higher in the public sector than in the private sector (Lachaud, 1994).3 The results of a 2015 census also suggest that a considerable number of 'ghost' workers have contributed to inflating the wage bill.

Demands for higher wages from civil servants have led to ad-hoc wage negotiations and salary increases across several sectors. Ad-hoc wage hikes are at times provided outside the usual budget process, increasing uncertainty to the forecasts of wage expenditure. An increase in the retirement age from 62 to 65 in 2019 contributed to pressures from trade unions and youth associations to increase salaries and recruitments.5 The government responded by first signing a deal with the National Trade Union in August 2019, granting a 20 percent salary increase to general civil servants. This triggered a series of protests and strikes from teachers' unions, asking for the same salary increase. As a result, teacher salaries were increased by over 33 percent in 2020, placing them among the highest paid civil servants. Other sectors have subsequently expressed demands for the harmonization of the salary grid to bring all public wages to the same level as in the education sector. As a result, all categories of civil servants were granted a 25 percent salary increase in June 2021. The government then committed to recruiting 8,600 staff per year over 2021–2026 and agreed to take steps to harmonize bonuses and allowances. This harmonization induced a rise of CFAF 157 billion (9.1 percent of tax revenue) in the wage bill in 2022. A social conference was held from October 17–22, 2022, the first in the country's history, to discuss the public wage setting mechanism to achieve a social pact on public wage setting in the next five years.

The immediate reform challenge is to avoid further ad-hoc wage increases and rationalize bonuses and allowances, but this could be politically sensitive. A nominal pay freeze has the potential to moderate both average compensation and the public wage premium. It could be combined with targeted competitive compensation and performance-based bonuses and allowances to ensure adequate staffing in priority sectors.7 While across-the-board pay freezes could generate between 1–2 percentage points of GDP reductions in the wage bill immediately, as seen in Côte d'Ivoire and Senegal, some country case studies have suggested that they are not necessarily effective in containing the wage bill in the medium term (IMF, 2016). This is because these freezes can hamper public sector labour markets by setting back the provision of adequate staffing in priority sectors and potentially distort the wage structure by generating demands for higher allowances and bonuses, as was the case in Côte d'Ivoire and Senegal. In the case of Mali, an across-the-board wage freeze may be inconsistent with the agreement reached during the social conference, ultimately leading to social unrest in an already fragile environment. Other possible reforms towards ensuring stabilizing wage ratios include restricting public sector wages to rise by less than inflation, nominal GDP, tax revenue or private sector wages. The previous ECF program also considered ways to ensure that any wage bill increase is accompanied by an equivalent increase in revenues through specific tax policy measures. For instance, tax reform that increases the tax to GDP ratio by 1ppt would generate a drop of the wage bill to revenue ratio of nearly 0.7ppt, all else equal. While this would help to stabilize the wage bill to tax revenue ratio, budget execution issues may complicate implementation.

Over the longer term, structural reforms to stabilize nominal wage growth and strengthen wage bill management are critical for fiscal sustainability. Structural wage reforms could include institutional and social arrangements to ensure the control, oversight, and transparency of the wage setting mechanism.8 Furthermore, enhancing payment-related digitization and PFM and integrating wage decision-making in the budgetary framework may help improve fiscal sustainability. Cross-country evidence shows that such arrangements tend to improve the efficiency of wage formation and hiring processes (IMF, 2014). There is also evidence that reforms which place tighter controls on bonuses and allowances can lead to large falls in public sector wage spending. Egypt, for instance, was able to reduce its wage bill by nearly 3.5 percentage points of GDP between 2014–19, by setting up tighter controls on bonuses and allowances. In the case of Mali, such structural measures should be based on the outcomes of the social conference. The agreement reached during the conference could (i) pave the way for effective wage bill management, notably through the adoption of a social stability pact, (ii) harmonize and rationalize allowances and bonuses, and (iii) develop a national wage bill policy/strategy for civil servants. 9 The completion of the planned wage bill study is a critical milestone to understand more comprehensively the drivers of wage bill growth and the available policy options.

Thematic Area developed from Objective Two: To determine how family size affects household consumption expenditure in Lusaka District, Zambia.

The presence of uncertainty and risk aversion compounds the effects of labour market imperfections and thereby widens the marginal revenue product of labour (MRPL) and the wage gap.

The empirical literature highlights many features of heterogeneity in the firm or sector, including involuntary wage labour, queuing for formal employment, and voluntary self-employment. These are similar in many ways to the characteristics of

the entrepreneurial small firm sector in developed countries (Grimm, Lay, Roubaud and Vaillant 2011). Fields (2004) differentiates between rationed upper-tier activities, which are based on methods of production and types of jobs that are similar to those of formal firms, and a lower tier, which is concentrated on easy entry activities and corresponding to the residual subsistence sector in the dualistic view (Bosch and Maloney 2010). However, Cunningham and Maloney (2001), using data on Mexico, argue that there is strong heterogeneity among small firms that is of the same nature as the heterogeneity in developing countries, whereby small firms that have reached their optimal long-run size coexist with profitable starting firms and start-up firms that will fail.

We estimate the model on U.S. Census data and derive three main results. First, the framework is quantitatively consistent with documented empirical regularities suggestive of oligopsony: incomplete wage pass-through, strategic competitor wage responses, and size-dependent post-merger wage dynamics. A monopsony version of our model cannot qualitatively match these empirical regularities. Second, the model implies substantial welfare losses from labour market power, both across steady states and along the transition path to an efficient allocation. Welfare losses are large, ranging from 4 to 9 percent of lifetime consumption depending on wealth effects. A representative agent counterpart to our economy delivers equilibrium aggregate prices and quantities and decomposes welfare loss into two components: (1) a dead-weight loss due to average markdowns, (2) a misallocation effect due to wider markdowns at more productive firms. While the former exists under monopsony, the latter does not. We show that both channels account equally for welfare losses. Third, despite these large losses, we find that labour market power has not contributed to the declining labour share. Despite the backdrop of stable national concentration, we find that the model-consistent measure of local concentration, which we measure for the first time, has declined over the last 35 years, indicating that most local labour markets are more competitive than they were in the 1970s. 3 In terms of the general equilibrium theory of the model, we prove two properties that are central to our main applications. First, we show that our model is blocking recursive, meaning that local labour market equilibrium is independent of aggregates. This allows us to estimate the model quickly and decompose welfare for arbitrary aggregate preferences. Second, we provide a closed-form relationship between labour's share of income and local payroll concentration. Our model-relevant measure of payroll concentration is new to the literature. We use our formula to measure the contribution of changes in local payroll concentration on labour's share of income. In terms of estimation of the model, strategic interaction complicates the identification of the key parameters by violating exclusion restrictions that are otherwise applicable in monopsonistically competitive models. We address this issue by integrating into our structural estimation the first reduced form estimates of the size dependence of employment and wage responses to state corporate taxes.

Gender differences in qualifications have primarily been analyzed within the human capital model (Mincer and Polachek, 1974). Given the traditional division of labour by gender in the family, women tend to accumulate less labour market experience than men. Further, because women anticipate shorter and more dis-continuous work lives, they have lower incentives to invest in market-oriented formal education and on-the-job training, and their resulting smaller human capital investments will lower their earnings relative to those of men. The longer hours that women spend on housework may also decrease the effort they put into their market jobs compared to men, controlling for hours worked, and hence also reducing their productivity and wages (Becker, 1985).

To the extent that women choose occupations for which on-the-job training is less important, gender differences in occupations would also be expected. Women may especially avoid jobs requiring large investments in specific skills which are unique to a particular enterprise because the returns to such investments are reaped only as long as one remains with that employer. At the same time, employers may be reluctant to hire women for such jobs because the firm bears some of the costs of such firm-specific training and fears not getting a full return on that investment (Ibid).

Labour market discrimination may also affect women's wages and occupations. Discrimination can arise in a variety of ways. In Becker's (1957) model, discrimination is due to the discriminatory tastes of employers, co-workers, or customers. Alternatively, in models of "statistical discrimination," differences in the treatment of men and women arise from average differences between the two groups in the expected value of productivity (or in the reliability with which productivity may be predicted), which leads employers to discriminate based on that average (for example, Aigner and Cain, 1977). Finally, discriminatory exclusion of women from "male" jobs can result in an excess supply of labour in "female" occupations, depressing wages there for otherwise equally productive workers, as in Bergmann's (1974) "overcrowding" model.

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bill growth and the available policy options.

Wage structure is a factor not directly related to gender which may nonetheless influence the size of the gender gap in pay. Although it has only been recognized recently, the human capital model and models of discrimination potentially imply an important role in wage structure. If, as the human capital model suggests, women have less experience than men, on average, the higher the return to experience received by workers, regardless of gender. Not only in wage theory and labour economics but also esses involving bilateral monopoly, much of our existing applicable. Non-labour illustrations include "collective pers and railroads regarding commodity freight rates, "planned economies" in international trade. Neoclassical process of maximizing incremental advantages at names "incremental.

Thematic Area developed from Objective three: To analyse the effect of saving levels on Household consumption in the Lusaka District, Zambia

The profit motive of the business enterprise is a fundamental factor for their existence. Many business decisions are normally made based on their impact on profitability (Medvedev & Ana, 2013.) Profitability further determines the success and survival of the firm (Katayama et al., 2009). An existing business is making a profit or feeling there is a profit or is with a hope of making it. Where most of the MSEs are not keeping a book of records, it is not as easy to say they exist because they are making a profit. Though that is the case, the sentiment of 'there is profit in the business' and a promising environment for profit and growth is essential for existing firms and new entrants. Whether the profit is real, perceived or potential, the critical question here is what determines the profit of firms among MSEs which ultimately determines their survival and existence in the market (or industry). The information is pivotal to assessing what constitutes an enterprise's profitability and its existence in the market. Most empirical researchers evaluate the determinants of business profit from two angles. Those factors which are internal (controllable) to the firm and those which are external (uncontrollable) market environment factors in which they are operating. The internal one also called the Firm-effect model looks at the unique firm-specific characteristics such as heterogeneity in resources and competencies and also the differences in corporate and competitive strategies on profitability. Whereas, the second approach argues profitability of the business by large depends on the structure of the industry under which the business operates. Insight of the arguments above, understanding the economic, market environment, and firm-level characteristics in which the MSEs are operating is critical to understanding the challenges and opportunities these firms are facing.

The considerable number of studies that approach the performance issue at the microeconomic level prove the special importance of financial management aspects, the improvement of which depends on the obtained results and the companies' completeness. In the case of economic agents, various methods may be used to study performance. One way to study company performance is regression analysis, which allows the modelling of the functional form of dependence between different economic and financial indicators. Modelling economic performance aims to increase efficiency by improving interventions in an adaptive learning cycle (Campbell et al., 2001).

The indicators involved in the regression analysis of economic performance are numerous.

Models developed to study the impact caused by the allocation and use of capital within the firm tie performance to the contribution of various resources to the increase of efficiency, expressed in terms of profitability (Dumbravă, 2010).

Recent literature analyzes the profitability of companies from various countries and economy sectors through indicators like net operating profitability (NOP) (Rahman et al., 2010), (Dong and Su., 2010), return on total assets (ROTA) (Deloof, 2003), (Padachi, 2006), return on invested capital (ROIC), return on assets (ROA) (Narware, 2010). In these cases, the elements considered by profitability analysis as independent variables are financial indicators that express the working capital.

Profitability at the microeconomic level has been studied depending also on indicators such as the current ratio, liquid ratio, receivables turnover ratio and working capital to the total asset (Singh and Pandey, 2008). Other studies consider performance assessment expressed by earnings before interests and taxes (EBIT) and the associated risk resulting from the influence of using a certain financing structure (Akintoye, 2008) or expressing it through economic value added (EVA), return on equity (ROE), operating profit margin (OPM), earnings per share etc (Ryan, 2008).

For Romania, a few econometric performance analysis models have been used for companies listed on the Bucharest Stock Exchange. These emphasize the correlation between intangible assets and company performance expressed by annual average market price, price/earnings ratio and earnings per share (Purcărea and Stancu, 2011). Other models analyze companies' performance based on the correlation between net profit and cash flow (Matis et al.,2010) form. Maximization of profit is a very crucial objective for a firm to remain in business and to withstand competition from firms operating in similar industries. It is a major pre-requisite long-term survival and success of a firm while it is a key pre-condition for the achievement of other financial goals of a business entity (Gitman and Zutter, 2012). Profitability is a core measure of the performance of a firm and it constitutes an essential aspect of its financial reporting. It reveals the firm's ability and capacity to generate earnings at a rate of sales, level of assets and stock of capital in a specific period (Margaretha and Supartika, 2016).

Consequently, firms' profitability and modalities for improving it have generated serious debates in the literature and have remained topical in the fields of economics, finance, accounting and management. Profitable firms create value, hire people, tend to be more innovative, and more socially responsible and are beneficial to the entire economy through the payment of taxes. The high rate of performance of firms indeed contributes effectively to income generation and overall development of an economy (Olutunla and Obamuyi, 2008; Lazar, 2016).

Therefore, researchers have made concerted efforts to unravel factors driving profitability at both firm and industry levels using novel and sophisticated theoretical models(Al-Jafari and Al-Samman, 2015; Pratheepan, 2014).

The investigation of the determinants of the profitability of firms in Nigeria is apt and reasonable for several reasons. The Nigerian economy has undergone a series of reforms since the last decade under successive democratic governments. However, research efforts towards ascertaining the core determinants of profitability of a wide range of firms under these policy reforms have remained sparse. Nigeria, along with countries like South Africa, and Egypt, has a huge stock market but the performance of firms has remained abysmally poor. Many Nigerian firms have performed far below expectations in terms of innovation, overall output, revenue generation and profitability. This dismal performance is attributable to the high costs of production and the prevailing macroeconomic conditions. Many of these
firms lack unfettered access to loanable funds while the costs of borrowing are quite
unimaginable. The business environment has remained very unfriendly, with many businesses, regardless of their years of existence, witnessing a downward trend in their profit earnings. In recent years, a sizeable number of the firms have relocated to neighbouring African countries, including Ghana. The situation has remained unabated despite the implementation of a policy mix by successive governments.

While the literature is replete with studies on determinants of firm profitability (or performance) in Nigeria, findings from these studies have remained mixed and inconclusive.

Many of the studies on Nigeria are focused on selected sector(s) of the economy (Olutunla and Obamuyi, 2008, Dare and Funso, 2010; Onimisi, 2011; Akintoye, 2008; Oke and Afolabi, 2011; Enekwe, Okwo and Ordu, 2013; Angahar and Ivarave, 2016). A number of these studies only examined the effect of capital structure on firms' performance while others investigated the impact of a single factor or variable on firm profitability (see Onaolapo and Kajola, 2010; Oke and Afolabi, 2011). Another common and peculiar feature of a vast number of these studies is their focus on relatively few numbers of firms. To this extent, this study employed a larger sample size, covering 114 quoted firms across all the non-financial sectors of the economy in determining core drivers of profitability in Nigerian firms. In the same vein, the study investigates dynamic interaction among various determinants of profitability.

A sizeable number of studies exist on firm performance or firm profitability in Nigeria. A large chunk of these studies focused on the effect of capital structure on firm performance while others examined the effect of a single factor like size, leverage, firm growth, etc, on profitability. Similarly, studies that examined a mix of these determinants are scanty with a larger percentage of them concentrating on a single or very limited sector or industry in the economy. In the same vein, the sample size in many of these studies is rather small while they failed to investigate the dynamic interaction between profitability and its determinants.

Akintoye (2008) examined the effects of capital structure, financial flexibility, business risk and taxation on the performance of firms operating in Nigeria's food and beverage industry. Olutula and Obamuyi (2008) applied a fixed effects model to 115 randomly selected small and medium enterprises (SMEs) in Ondo State, Nigeria. Size, interest rate and loans have a significant positive association with profit but sales exerted an insignificant positive effect.

On the other hand, the age of the firm exerted negatively on profit. In addition, Aburime (n.d.) examined the determinants of profits in the Nigerian banking industry using a sample of 138 banks from 1980- 2007. The levels of competition as well as the degree of foreign ownership have a negative relationship with profitability. But using the First Bank of Nigeria Plc as a case study, Aremu, Ekpo and Mustapha (2013) revealed that credit risk, capital adequacy and cost efficiency were inversely related to firm performance while money supply and labour efficiency were directly associated with firm performance. They employed cointegration and error correction techniques.

A litany of empirical studies exists on the factors determining the profitability of firms. Many of these studies focused on either selected sectors or industries. A wide range of studies is country-specific (for example Feeny, 2000; Naceur, 2003; Aburime, 2008; Seelanatha, 2011; Al-Jafari and Al-Samman, 2015; Pratheepan, 2014). The determinants of profitability were examined in a cross-section of countries by studies like Bourke, 1989; Goddard, Tavakoli and Wilson, 2005; Demirguc-Kunt and Hunizinga, 1999; Abreu and Mendes, 2002; Crespo and Clark, 2012.

Earliest studies on firm performance have provided copious evidence in terms of core determinants of profitability in developed economies. For example, Short (1979) found a direct relationship between bank concentration and return on equity (ROE) – a measure of firm performance for banks in Japan, Canada and Western Europe. Using data on selected firms in the US, Bartel (1995) deduced that investment in training staff improved productivity and eventually influenced firm profitability positively. In the same vein, Lichtenberg and Siegel (1991) inferred that market share and the industry's profitability have a significant direct influence on firm profitability. In an examination of the determinants of profitability for a sample of 45 UK electrical companies, Grinyer and Mckiernan (1991) revealed that growth of sales, working capital, market share, decentralization and capital intensity are the most significant factors determining firms' profitability. The study employed multiple regression analysis. Feeny (2000) found a very significant positive relationship between size, capital intensity and profitability for 180,738 tax entities from Australia. In a study covering the manufacturing industry in New Zealand from 1986-1987, Bennenbrook and Harnis (1995) found that the profit earning of firms is mainly influenced by market efficiency and market power. However, in a study involving a sample of selected manufacturing firms in Scotland, Keith (1998) revealed that firm-level characteristics like size, industry group, location and even age are not significant in determining profitability. McDonald (1999) found that industry concentration and lagged profitability are the most important determinants of profit earnings for Australian manufacturing firms. Berger and Wharton (2002) found that higher leverage positively influenced the profitability of firms in the US banking industry. Goddard et al.

(2005) examined the effects of size, market share, and liquidity and lagged profitability on firm performance for France, Spain, UK, Belgium and Italy. They found that lagged profitability exerted positively on a firm's profit while firm size contrarily exerts negatively on the performance of firms. In addition, Nunes, Serrasqueiro and Sequeira (2009) found company size to exert a positive on profitability for firms in Portugal. Yazdanfar (2013) however deduced that the age of the firm and industry affiliation influenced profitability negatively in Sweden while a positive relationship exists between the growth of the firm, lagged profitability, productivity and profit earning of non-financial micro firms. Meanwhile in another study on Swedish SME firms, Salman and Yazdanfar (2012) deduced that industry affiliation influenced profitability negatively but productivity and lagged productivity indicated a positive influence. With the aid of a panel of 3,094 Greek manufacturing firms, Agiomirgianakis, Voulgaris and Papadogonas (2006) revealed that age, size, fixed assets growth, efficiency in management of assets, exports, reliance on debt as well as sales growth impacted significantly on firm performance.

The determinants of profitability of various firms are well-established in the literature. This section will show that several studies have researched the determinants of profitability. According to the research, the size of the firm, sales growth, market power, investment and efficiency have the strongest impact on profitability. Asimakopoulos, Samitas & Papadogonas, 2009) have attempted to identify the determinants of profitability using a sample of Greek non-financial firms in the Athens Stock Exchange. They found that Firm profitability was positively affected by the different determinants such as size of the firms, sales growth and investment, in the meantime it was negatively affected by leverage and current assets.

In studying the determinants of profitability, the size of the firm and sales income are conceptualized as major determinants (Asimakopoulos et al., 2009; Sakakibara & Yamawaki, 2000; Steinerowska-Streb, 2012; Ito & Fukao, 2010); macroeconomic conditions (Sakakibara & Yamawaki, 2000), as well as a market behavioural comprising variables such as local supplier networks (Sakakibara & Yamawaki, 2000), market power and efficiency (Bennenbroek & Harris, 1995), have been taken as the determinants in past.

Determinants of profitability have also been conceptualized by using the Financial Statement Analysis. Variables for the analyses such as Inventory turnover ratio, Debtor's turnover ratio, Creditor's velocity, Total assets turnover ratio, and Gross profit margin. Profitability as a dependent variable is represented by the Gross profit margin while other ratios are independent variables (Innocent, Mary & Matthew, 2013).

Further, the finding of some studies identifies the importance of the firm effect and business group effect on the firm profitability; business group effects are the second largest influence on firm profitability after the firm effect and differences across countries appear to have little relevance in explaining heterogeneity in firm profitability (Kattuman et al., 2011).

In addition to the size of the firms, and investment, some of the other determinants have also affected profitability, such as Lagged profitability is a significant determinant of current profit margins, and that industry concentration is positively related to firm profit margins. Further, profit margins are found to be procyclical in concentrated industries but counter-cyclical in less concentrated industries (McDonald, 1999).

In summary, studies researching the determinants of profitability have identified several factors in many countries. However, they do not indicate which factors are the most significant in the firm profitability, although different factors have been identified as determinants of profitability in different countries by using different methods of study. This is an area this research intends to explore.

According to Yordanos Gebremeskel, the Firm's profitability is affected by the underpinned factors below.

Competition: The number and strength of competitors in the market affect the level of the firm's profit. Profitable markets attract new entrants, which erodes profitability. The intensity of competition determines profitability.

Cost: All costs that can be factored in as the firm's expenses. These include labour, rent, equipment, taxes, and overhead costs.

Market coverage (share): Market coverage determines profitability. As the firm reaches too many customers profit will increase. Sales: An increase in sales is essential in increasing the firm's profitability.

Business age: It is measured in years from the starting year (birth) of the firm to the time of the survey. The number of years in the business is expected to have an impact on the variation of profit levels. The relationship could be positive or negative.

Based on the literature review and related studies conducted previously, we can make some common inferences that little was mentioned on the Quantitative approach to the underlying topics. Furthermore, the cross-sectional data analysis has not largely been utilized to explore the findings of topics such as this. Data sample frames and sizes have been another concern that statistically, the sizes have been less than the rule of thumb of 30% of the population when looking at a large population.

The literature sounds so unclear on how some economic and non-economic factors can be measured using the AVOVA, a Quantitative analysis tool to minimise the standard errors for possible forecasting.

Thematic Area developed from Objective Four: To assess the Impact of Household disposable Income on Household Consumption in Lusaka District, Zambia.

Household consumption expenditure reflects the behaviour of households and their purchasing power and represents one of the important measures of economic activity. They express the amount of money spent by households on goods and services, whether long-term or short-term consumption, on housing, and public services. Measuring household

consumption expenditure is important for the analysis of economic growth, inflation, and overall economic performance. Household consumption expenditure is a significant part of the family budget. Understanding the relationship between the number of children in the household and their consumption needs can help with budgeting and financial planning. The relationship between household consumption expenditure and the number of children can provide insight into the economic well-being of society. Governments use this information to formulate policies relating to taxation, social security, and education spending in general economic policy. Knowing the consumption behaviour of households with different numbers of children is also interesting from the point of view of marketing and consumer strategies of companies. In short, this knowledge is important for financial planning, economic policymaking, and consumer and marketing strategies. From an economic perspective, when households spend more money on goods and services, it stimulates demand, leading to increased output and employment. Understanding household consumption, its structure, and the dependence on household size provides insight into consumer behaviour and preferences, which is important from the point of view of the marketing behaviour of companies. Businesses can use this information to develop effective marketing strategies, improve product design, and better target consumers. For example, if households spend more money on luxury goods and services, businesses can focus on developing superior products and services to meet this demand.

From the government's perspective, household consumption expenditure is important for a variety of reasons. It can be used to assess the overall health of the economy, track inflation, and inform monetary and fiscal policy decisions. For example, if household consumption expenditures are growing rapidly and inflation is occurring, the government will focus on adjusting interest rates, which in turn leads to a slowdown in economic growth. Alternatively, if household consumption spending is weak, the government can implement fiscal stimulus policies to increase demand and encourage economic growth. These facts can be analyzed and modelled. We will use an analysis of variance to investigate the relationship between household size and consumer spending. Modelling is based on regression analysis. The results analyze the correlations and test the hypothesis of significance between household size and consumption expenditures.

Establishment of Research Gaps

From the empirical literature review of various literature stretching from global, regional and local perspectives, it is evident that there is a significant gap between the primary and secondary data available which results in most research discussing somewhat biased topics skewed to common variables such as skill, education, gender and others. There is a need to focus on mixed methods for both primary and secondary data analysis for strong research deductions especially in the Zambia context.

3 Research Methodology

This chapter outlines the methodology to be used in the study. The chapter is organized under the following sections: research design, population sample and sampling procedure, instruments for data collection, the procedure for data collection, data analysis and ethical considerations to be taken in the process of collecting data.

3.1 Research Design

Research design is defined as a plan used to study a problem or questions (Hines and Viliant, 2000). Orodho (2003) further defines a research design as the scheme, outline or plan used to generate answers to the research problems.

The research design refers to a plan that describes how, when and where data are to be collected and analyzed to get an overall for answering the research question or testing the hypothesis (Polit et al 2001). The research design which was used in this research was descriptive. Cooper and Schindler (2003) defined a descriptive study as one that is concerned with determining the frequency with which something occurs or the relationship between variables. In this study, both quantitative and qualitative approaches to analyze the data were employed to study the investigation of the death of a parent concerning the well-being of the family. Questionnaires were used as the main tool of data collection because of their advantages which include cheapness even on large populations, free from interviewer biases and more time for the respondents to give well-thought-out answers (Kothari, 2019).

Research philosophy refers to how the researcher views the world and how they ultimately construct meaning from it (Polit & Beck, 2018; Saunders, Thornhill & Lewis, 2009; Creswell, 2009). A good research philosophy should be linked to the aims, objectives and the research question together (Creswell, 2009). This therefore challenges the research to have a clearly defined research philosophy and carefully chosen suitable research methods to answer the stated research question (Westbrook, 1994).

There are different types of research methods used. Some studies may employ the use of a combination of different features from several research designs. This study used a descriptive survey design. The design was descriptive by nature because it was concerned with describing, analyzing and interpreting variables that exist. Both qualitative and quantitative approaches can be used to survey, interpret and collect information on the Household Income Consumption in Zambia. The reason for the utilization of both approaches is that they complement each other, and qualitative approaches give a deeper understanding of the problem.

The main research approaches to be used are explanatory and descriptive research aimed at explaining and describing the Household Income Consumption in Zambia across several variables via cross-sectional data.

3.2 Target Population

According to Cooper and Schindler (2014), the target population includes those people who contain the desired information and can answer the measurement questions. The target population includes persons meant to be administered instruments. The target population for this study constituted selected firms in Lusaka Province.

The Population of this study constituted Microfinance firms of Lusaka Province representatives. According to Mugenda (2003), a representative sample is at least 10%-20% of the population.

Figure 2 Lusaka Province Map

3.3 Sampling Design

Sampling is the procedure a researcher uses to gather people, places or things to study (Kombo and Tromp, 2006). A sample is a subset of the population containing the same characteristics as a larger population. Samples are used in statistical testing when the population size is too big for the test to include all members for observation. To ensure that the sample stands for the whole population and does not reflect prejudice toward a precise feature, the sampling techniques employed in this research are Purposive and probability techniques. Purposive sampling was used to select the firms from various sectors to have the study conducted

The sample of the population of this study could be regarded as purposive via respondents being picked randomly in Lusaka Province in Lusaka Province which equals 60 firm respondents as the sample size was deemed to be large enough for better inferences of the project.

The sampling technique is a research plan that explains how the participants for the study are selected from the population (Kasonde, 2013). It is also a process that helps the researcher select participants, places, or things to study.

A purposive random sampling technique was used in selecting 60 firm respondents in the Province. The key component behind all probability sampling approaches is randomization (Kombe and Tromp, 2016). In probability sampling; subjects are randomly selected with each unit in the population having a chance of being selected. This sampling technique enabled the researcher to generalize the findings and make inferences from a sample, thus enabling one to conclude a population. The sampling frame comprised 60 firm respondents from Lusaka Province. The use of purposive random sampling means that the sample is more likely to be representative and one can hope that each of the strata is represented proportionately within the sample (Saunders et al., 2010). Thereby, giving us convenience in carrying out the academic study.

This technique was used to group the population into homogeneous subsets that share similar characteristics and ensure equitable representation of the population. It also accounted for the difference in subgroup characteristics. A research design is a plan and structure that is used to analyse the subject matter being researched to answer the research questions (Cooper and Schindler, 2014). A research design can also be described as a systematic planning of research, usually including; the formulation of a strategy to resolve a particular question; the collection and recording of the evidence collected; processing and analysis of these data and their interpretation; and finally the publication of results (Cooper and Schindler, 2014). It is the blueprint that guides the whole study to attain the research objectives as well as answer the questions. The choice of research design is influenced by, among other things, the availability of a large pool of methods, techniques and sampling plans. A mixed-method sequential explanatory research design was used in this study. In line with this approach, quantitative data was collected first and analysed and was then followed by qualitative data (Sloman, 2010). F Furthermore, Saunders, Lewis, and Thornhill (2007) have shown that surveys are one of the most utilized methods in business research because they allow the collection of large amounts of data from a sizeable population in a highly economical and effective way at the same time describing the status quo. The survey method was therefore justified for this study as it had many characteristics that were advantageous given the large sample size and short period for administration. Some of the characteristics include; control of the data collection environment, flexibility of data collection, range of questions, sample management, number of data, response rate, rate and expenditure.

The criteria which were used in collecting the data was purposive sampling in selecting the firms. Purposive sampling was used to select the participants. The purposive sampling procedure is a method where the researcher purposively targets a group of people believed to be for the study (Kasonde-Ng'andu, 2013) Kombo and Tromp (2006:82) state that "the power of purposive sampling lies in selecting participants who will provide the richest information for in-depth analysis related

to the central issue being studied". In this case, that is why grade sixty (60) members of staff from universities will be purposely selected since they are involved in most strategic planning and alliances of universities. In line with Kombo and Tromp (2006), the researcher found this method very suitable for the study because these people are expected to know adequately about the subject. However, simple random sampling will be employed to select the lecturers to participate in the study. "A simple random sample (SRS) of size "n" consists of "n" individuals from the population chosen in such a way that every set of "n" individuals has an equal chance to be the sample selected" (Moore and George(2006). This method will be used in that it will 42 provide each participant an equal chance to be selected. Random samples are used to avoid bias and other unwanted effects, thus this method will be used above all other methods because it avoids bias and other effects.

Purposive sampling is a procedure where the researcher picks on the people who have the characteristics of what he/she wants to find out. Purposive sampling assumes that the researcher wishes to discover, understand, and gain insight, and therefore must select a sample from which the most can be learnt (Merriam, 2002). Purposive sampling will be used in the selection of respondents from Lusaka Province because they will be the correct people to give precise information on entrepreneurial activities. On the other hand, random sampling is a non-probability sampling procedure where the researcher picks the participants randomly. Purposive sampling shall be used in the quest to attempt the respond to the research questions.

3.4 Sample Size Determination

According to Mugendo and Mugendo (1999), a sample is a smaller group obtained from the target population. This sub-group is carefully selected to be representative of the whole population. The sample of the study consisted of 60 respondents. This number was arrived at as it was hoped that this sample population would provide rich information regarding the topic of this study. This number is deemed adequate for the study as the sample of respondents was drawn from various sectors. For the convenience of the research, 60 respondents were purposely sampled by the researcher to analyze the case. Sample size refers to the number of participants or observations included in a study.

This number is usually represented by n. The size of a sample influences two statistical properties: 1) the precision of our estimates and 2) the power of the study to conclude (Gujarati, 2010).

Primary data will be collected using questionnaires employing 60 respondents that give responses depending on the availability for the task completion. A specific time shall be given for the return of the completed self-administered questionnaires.

According to M Zohrabi, (2013), "the main data collection instrument to be used in this research comprises closed-ended questionnaires, interviews and observations". These instruments complement each other to enhance the validity and reliability of the data.

3.5 Data Collection Methods

The researcher used primary sources to collect data for this study due to their nearness to truth and ease of control over errors and hence have statistically sound Inferences. A self-administered structured questionnaire will be used to collect the data. Care will be taken concerning the wording interpretation in the questionnaire so that the respondents can understand it.

A structured questionnaire was used to collect the data from the respondents; the questionnaires were administered by the researcher. This enabled the researcher to explore all aspects relating to the investigation of the death of a parent about the well-being of the family. Price, (2002) maintains that closed questionnaires control respondents from giving irrelevant information. In-depth interviews were also used. According to Kombo, et al., 2006, research instruments are pieces of information that may be written, oral, pictorial or symbolic. These instruments are also referred to as tools for data collection. A researcher carefully prepares them to solicit the required information. This study will use three main research tools: questionnaires, face-to-face interview schedules and a focus group discussion guide. The reason for using both methods is to triangulate. Triangulation, in this case, refers to the ascertaining of the collected information by ensuring that the information collected qualitatively tallies with the information collected quantitatively, therefore having richer information from the collected data set.

Questionnaires are a set of questions carefully and thoughtfully prepared by the researcher to solicit information from the participants (Kombo, et al., 2006). They provide an opportunity for participants to think through the questionnaires and answer the questions without coercion. Depending on the audience or the subjects, questionnaires may have both open-ended and closed-ended questions. (Cohen, et al., 2000) Stated that open-ended questions are those questions which seek the opinion of the participant by allowing him or her to freely express oneself. On the other hand, closed-ended questions seek the opinion of the participants by guiding them on what to choose. In this study, questionnaires will be administered to the participants. Questionnaires will be used to collect quantitative data. The inclusion of open-ended questions is meant to elicit detailed responses.

Quantitative studies demand the participation of a sufficiently large number of individuals who are not required to extensively describe experiences and phenomena in the study (Creswell, 2003 & Williams, 2007). The researcher used descriptive statistics to organize the data in such a way that it gives meaning and facilitates insight (Burns & Grove 2001: 499). Numerical descriptive measures provide precise, objectively determined values that can easily be interpreted and compared (Keller & Warrick 2000: 90). In this study, some data that was collected from questionnaires was analysed using

the statistical package for social sciences. The description of the data was done through determining representative characteristics such as frequencies, percentages and means. The data was organized and presented utilizing frequency distribution tables and graphs. The collection is usually dependent on interpretation. This study used the thematic analysis approach. Thematic analysis was used to analyse classify and present themes (patterns) that related to the data. It illustrates the data in great detail and deals with diverse subjects via interpretations (Boyatzis, 1998). In the case of thematic analysis, processed data can be displayed and classified according to its similarities and differences (Miles and Huberman, 1994). The researcher also ensured that data transcription commenced as soon as data collection began to be familiar with the data that would be collected and to allow for possible follow-ups if the collected data lacked clarity. Familiarization and organization is done so that data can easily be retrieved. The researcher read and re-read the data to have a thorough understanding of the data. After understanding the data, the researcher categorized it into themes. The process of coding, categorizing and developing themes was repeated for each transcript or set of data. All the collected data was grouped under prominent themes that came out. In the next step, the researcher examined all entries with the same codes and merged these categories into patterns by finding links and connections among categories and finally data was interpreted. Primary data collected were coded and analyzed with the help of the Statistical Package (STATA). The results were presented using tables for ease of understanding. Secondly, the data was coded and keyed in Microsoft Excel, to analyze the relationship between the independent and dependent variables as fore stated. The collected data was analyzed using descriptive statistics such as frequencies and percentages. Descriptive statistics allowed for the generalization of the data to give an account of the characteristics of the population as represented by the sample. Analyzed data were presented in tables. The use of tables allowed for the orderly arrangement of data. Regression analysis was also done to drive the significance and relationships of parameters and variables, respectively.

Data analysis comprises interpretation and critical analysis of research findings. Depending on the type of data that you have collected, methods of data analysis can be divided into two categories - qualitative data analysis and quantitative data analysis.

In quantitative studies, the type of knowledge is objective and random sampling methods are used. Methods of data analysis for quantitative studies are statistical such as regression and correlation analysis. Data analysis involves critical analysis and interpretation of figures and numbers, and attempts to find rationale behind the emergence of main findings. There are many tools on offer for Quantitative data analysis, including MS- Excel Package, STATA, E-views and the Statistical Package for Social Sciences (SPSS).

In qualitative studies, on the other hand, the type of knowledge is subjective. Qualitative data are collected using interviews, focus groups, experiments, and others. Qualitative data will be in the forms of narratives, quotations and descriptions. Thematic method of data analysis is used to analyze qualitative data. Specifically, data analysis is going to involve identifying common patterns within the responses and critically analyzing them to achieve research aims and objectives. The common tools used for qualitative data analysis are QRS-Nvivo, Atlas, and AQUAD.

The data were collected using the questionnaires and later checked for uniformity, consistency, and accuracy. Then, Data will be analysed using descriptive and inferential statistics.

Descriptive statistics shall primarily be used to describe demographic data and address research questions on prevalence while inferential analyses are used to explore relationships. Additionally, the main descriptive statistical procedures that will be used shall be frequencies and percentages, and the main inferential statistics to be a t-statistic.

A thorough editing process will be followed in all the questionnaires to achieve data completeness.

Data was captured on an Excel spreadsheet and descriptive statistics shall be used to analyse the results using the statistical functions in Excel and STATA Software.

Thereafter, results were presented in tables indicating the frequencies of responses, means and standard deviation and other relevant descriptive statistics to make well-informed deductions and consequent recommendations.

A descriptive analysis was employed while a Quantitative method of data analysis will be utilized.

Data was coded and thereafter analysed using the STATA program and presented using tables and charts to give a clear picture of the research findings at a glance. Then, the results were presented in tables and charts. Correlation and regression analysis shall be used to establish the association and effect of independent variables and the dependent variable.

A Multiple linear regression model was used in determining the level of influence the independent variables have on the dependent variable as shown below:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$

Where;

Y = Household Income Consumption, where

i. X1= Household disposable Income
ii. X2= Family size
iii. X3= Saving Levels of Household
iv. X4=Consumption level pattern

ε = Error Term/disturbance term

The study used a Multiple linear regression model, Multivariate, Logistic regression models, and ANOVA to test between the independent and dependent variables. The significance of each independent variable was tested with t and f tests at a confidence level of 95%.

3.6 Triangulation

Triangulation refers to the use of multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena (Patton, 2019). Triangulation also has been viewed as a qualitative research strategy to test validity through the convergence of information from different sources. Denzin (1978) and Patton (1999) identified four types of triangulation: (a) method triangulation, (b) investigator triangulation, (c) theory triangulation, and (d) data source triangulation. This research presents the four types of triangulation followed by a discussion of the use of focus groups (FGs) and in-depth individual (IDI) interviews as an example of data source triangulation in qualitative inquiry.

Content validity was also ensured. Content validity was ensured as the questionnaire contained questions based on the literature review. The outcome of this study could be applied to any other areas of research for the body of knowledge advancements in other Provinces in Zambia.

3.7 Ethical Considerations

According to Bthattacherjee (2012), ethics are defined as conformance to the standards of conduct of a given profession or group. Ethics are important to eliminate the aspect of manipulation in unethical ways by people and organizations to advance their private agenda and engage in activities that are contrary to the norms of conduct. Therefore, this study was used purely for academic purposes only. Consequently, all data which were collected from firm respondents were treated with utmost confidentiality during and after the research. Therefore, privacy was guaranteed and no information was disclosed without permission from the parties concerned herein. Ethical issues of research were applied to all phases of the research process. The explanation will be made in relation with the purpose of the study to the participants so that they understand expectation needs. The respondents shall be assured of confidentiality and there was no sort of coercion whatsoever as a form of making the respondents participate in the research.

Pera and Van Tonder (1996, p. 4) defined ethics as "a code of behaviour considered correct". All researchers must be aware of research ethics. Ethics relate to two groups of people; those conducting research, who should be aware of their obligations and responsibilities, and the "researched upon", who have basic rights that should be protected. Ethical issues observed in a study may include "informed consent, right to anonymity and confidentiality, right to privacy, justice, beneficence and respect for persons" (Brink & Wood 1998, p. 200-209). 49 In terms of the validity of the research design and time the mixed methods research combines quantitative and qualitative research, and ethical considerations need to attend to typical ethical issues that surface in both forms of inquiry. To have a valid research design, the researcher read widely on mixed method research. Quantitative issues relate to obtaining permissions, protecting the anonymity of respondents, not disrupting sites and communicating the purposes of the study, avoiding deceptive practices, respecting vulnerable populations, being aware of potential power issues in data collection, respecting indigenous cultures, not disclosing sensitive information, and masking the identities of participants (Creswell, 2002). Therefore, individuals with diminished autonomy (in this research, each person who completes a questionnaire) were protected by not having their names or any form of identification disclosed in any way. The right to self-determination was guaranteed by ensuring the right of the participant to voluntarily participate in the research or to refuse to disclose information of any kind at any stage of the research. Informed consent was obtained and the purpose of the research was explained to all the participants who will take part in this study. Informed consent is "a legal requirement before one can participate in a study" (Brink &Wood 1998, p.200).

In this research, ethical considerations such as time spent with the participants, risks to the participants, invasion of privacy, confidentiality and reciprocity were addressed to ensure the quality of the data that was collected. People who declined to participate or who withdrew from the research were not treated with prejudice. All agreements between the researcher and the participants were honoured. Participants were at all times treated with respect and courtesy. In an explanatory design, researchers may use a large quantitative database for the initial phase of the research. To follow up on these individuals with qualitative interviews, there needs to be an identifier linked to the quantitative database. Some individuals may not want their quantitative data released. Using names without permission constitutes an ethical mixed methods issue.

As a result, in this study, the researcher made sure the names of the people who participated in this study were kept confidential so that no harm or embarrassment would be done to them. Lankshear and Knobel, (2004) have argued that harm can range from people experiencing affronts to their dignity and being hurt by conclusions that are drawn about them all the way through to having their reputations or credibility undermined publicly. Therefore, participants were referred to by codes or pseudonyms and not names for confidentiality to be upheld, which is firm.

Furthermore, there shall be pre-approval from the department at the university before carrying out the study.

Also, Voluntary participation by each participant will be informed that participation is voluntary with no incentives, and your refusal will not affect any relationship that is there. Evaluating the risks to participants; to the best knowledge of the researcher, this study will not evoke any emotional or psychological harm.

Conflicts of interest; to the best knowledge of my knowledge there are no conflicts of interest involved in this study thereby enhancing privacy and confidentiality at all stages of the research.

After data collection, the questionnaires will be sealed in an envelope for safety and non-exposure to anybody.

The researcher further will use questions that do not cause psychological harm to the participant's emotions. Reporting scientific quality results published from this research will not cause any emotional, social, or psychological distress to

respondents as the results will not be normative but rather objective referred to the whole population.

4 Findings and Interpretations

In this chapter, the presentation of the results has been done. These results are based on the data that was collected through questionnaires which were administered to firms. The chapter begins with a description of the sample from which the data was collected by giving, demographic details relating to respondents before presenting the findings of each research question. Many themes emerged from the data that was collected and were aligned as answers to the research questions and detail was added from the quantitative data that was obtained through the questionnaires. However, the analysis was strictly guided by the information which was answering the following research questions.

- How does the consumption level pattern affect the Consumption of the household in Lusaka District, Zambia?
- To what degree does family size impact the household consumption expenditure in Lusaka District, Zambia?
- What is the relationship between savings levels and Household consumption in the Lusaka District, Zambia?
- How strong is the correlation between Household disposable Income and household Consumption in Lusaka District, Zambia?

In this section, we discussed the characteristics of each categorized respondent framework.

This chapter presents and discusses the analysis of the data collected from various respondents. The data was interpreted according to the research questions. The data was analyzed and presented in the form of pie charts, frequency and percentage tables. Presentation of results on background characteristics of the respondents: This section covered the general information on the characteristics of the firm respondents in terms of their age, incorporation status, sector categories, firm size and others. In this section, we discussed the characteristics of each categorized respondent framework. This chapter presents and discusses the analysis of the data collected from various respondents. The data was interpreted according to the research questions. The data was analyzed and presented in the form of pie charts, and frequency and percentage tables, including correlations and ANOVA results. This section covered the general information on the characteristics of the firm respondents in terms of their age, status, and others. Responses from 60 respondents were analysed on the basis of their background information. This section focused on gender, age, marital status, level of education and respondents' roles within the organization.

4.1 Analysis of the Administered Questionnaire

The questionnaire was administered to 60 household respondents from Lusaka city. The response was as indicated in the Table.

Table 1 Total questionnaires returned

Questionnaire	(Responses) Frequency	Percentage	Cumulative Percentage
Number of those Filled	60	100%	100%
Total	60	100%	100%

Source: Field Survey by Researcher, 2025

The results above revealed that out of the 60 questionnaires that were administered, 60 representing 100% were filled. This is an indication that the items on the questionnaire were based on 60 respondents, and the number of questionnaires duly and adequately filled and returned.

4.2 Demographic Profile

Analysis of Gender Representation of Respondents

The results of the study show the gender representation of respondents in Lusaka as indicated in Table below;

Table 2 Gender specification

Gender	Frequency	Percentage	Cumulative Percentage
Male	30	50%	50%
Women	39	50%	100%
Total	60	100%	

Source: Field Survey by Researcher, 2025

The results in the Table above showed the representation of gender among the study participants. The study showed that the sample by gender was equally distributed with 30 males taking part in the study representing 50% while 30 females representing 50%. By implication, the respondents by gender were equal thus suggesting a gender balance.

Age Representation of Respondents

The results of the study show the age representation of respondents in Lusaka as indicated in Table below;

Table 3 Age specification

Age Range	Frequency	Percentage
18 – 24	13	21.67%
25 – 30	5	8.33%
31 – 38	26	43.33%
39 – 45	9	15%
46 & above	7	11.67%
Total	60	100%

Source: Source: Field Survey by Researcher, 2025

The results in the Table show that 13 respondents represented 21.67% while within the age range of 18-24 years, 5 respondents representing 8.33% while within 25-30 years, 26 respondents representing 43.33% while within the age range of 31-38 years, 9 respondents representing 15% while within the age range of 39-45 years, while 7 respondents representing 11.67% were within 46 and above age range. This implies that the majority of respondents were within the age range of 31-38 years, the youthful factor which brings fresh ideas and innovation thus enhancing the overall quality of the research findings. This age composition of the workforce signifies a diverse and dynamic that can offer valuable insights and perspectives.

Analysis of Marital Status Statistics of Respondents

The results of the study show the marital status of respondents in Lusaka as indicated in Table below;

Table 4 Marital status specification

Marital Status	(Responses) Frequency	Percentage
Married	44	73.33%
Single	11	18.33%
Divorced	0	0%
Widowed	5	8.33%
Total	60	100%

Source: Field Survey by Researcher, 2025

The results obtained as reflected in the table above, show that 44 respondents representing 73.33% were married, 11 respondents representing 18.33% were single, 0 respondents representing 0% were divorced, and the remaining 5 representing 8.33% were widowed. This implies that the majority of the respondents were married hence suggesting the importance of implementing work-life balance initiatives to support employees with family responsibilities regarding household spending.

Analysis of Head of the Household Education Level of Attainment Statistics in the Study

The results of the study show the highest level of education attained by respondents at NAPSA Head office in Lusaka as indicated in Table below;

Table 5 Education level specification

Highest Level of Education	Frequency	Percentage	Cumulative Percentage
Non-School Certificate	0	0%	0%
School Certificate	0	0%	0%
Tertiary Certificate	60	100%	100%
Total	600	100%	

Source: Field Survey by Researcher, 2025

The education statistics of respondents as shown in the Table above, show that none of the respondents attained primary and secondary education as their highest level of education. 0 of the respondents representing 0% had school certificates, 60 of the respondents representing 100% had tertiary certificates, and 0 of the respondents representing 0% under non-school certificates. By implication, tertiary holders were the most respondents. Therefore, a high frequency of more educated and knowledgeable respondents indicates a higher skill and expertise within the workforce. By implication, this suggests that the respondents understood the topic under study very well thus contributing to the depth of the study.

Table 6 Respondent Sector Category

Sector Category	(Responses) Frequency	Percentage	Cumulative Percentage
Microfinance	60	100%	100%
Total	60	100%	100%

Source: Field Survey by Researcher, 2025

The results above revealed that the 60 questionnaires were from the Microfinance sector in Lusaka representing 100%. This is an indication that the respondents were able to understand the factors that affect household income spending from the sector perspective.

Table 7 Microfinance age

Firm age	Frequency	Percentage	Cumulative Percentage
Less than 5 years	5	8.33%	8.33%
Between 6-10 years	45	75%	83.33%
Above 10 years	10	16.67%	100%
Beter	60	100%	

Source: Field Survey by Researcher, 2025

The results above revealed that 60 questionnaires were from the Microfinance sector, in Lusaka 5 of the respondents representing 8.33%, had firms with less than 5 years of existence and operation, 45 of the respondents representing 75%, had firms with between 6-10 years of existence and operation, 10 of the respondents representing 16.67% had firms with above 10 years of existence. By implication, tertiary holders were many respondents. Therefore, a high frequency of respondents were households within the workforce employed in firms with a reasonable operational number of years. By implication, this suggests that the respondents understood the topic under study very well, thus contributing to the depth of the study.

Table 8 Head of the Household Employment Status

Occupation Category	Frequency	Percentage	Cumulative Percentage
Formal Employment	60	100%	100%
Total	60	100%	100%

Source: Field Survey by Researcher, 2025

The results above revealed that the 60 questionnaires were from the Microfinance sector in Lusaka representing 100% who had form jobs as their occupation. This is an indication that the respondents were able to understand the factors that affect household income spending from the sector perspective.

Table 9 Family Size Break-down

Family size break-down	Frequency	Percentage	Cumulative Percentage
Less than 5 members	48	80%	80%
Between 6-10 members	9	15%	95%
Above 10 members	3	5%	100%
Total	60	100%	

Source: Field Survey by Researcher, 2025

The results above revealed that 60 questionnaires were from the Microfinance sector, in Lusaka 48 of the respondents representing 80% had a family size with less than 5 members, 9 of the respondents representing 15% had a family size with between 6-10 members, 3 of the respondents representing 5% had a family size exceeding 10 members. By implication family sizes with less than 5 members were the majority of respondents. By implication, this suggests that the respondents could save more for the future when spending less on the small family.

4.3 Presentation of Inferential Analysis per Objective

Presentation of findings for objective one: Household Disposable Income

Table 10 Correlation 1

	Household Income Consumption	Household disposable Income
Household Income Consumption	1	
Household disposable Income	0.579	1

Table 11 Regression Output 1

SUMMARY OUTPUT				
Regression Statistics				
Multiple R	0.579084			
R Square	0.335338			
Adjusted R Square	0.323879			
Standard Error	1.101799			
Observations				
ANOVA				
	df	*SS*	*MS*	*F*
Regression		35.5235	35.52	29.26
Residual		70.40978	1.213	
Total		105.9333		
	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	0.49235	0.55005	0.895	0.374
Disposable Income	0.737003	0.136242	5.409	1.25E

From the Tables above, From the sample size of 60, the regression results showed that disposable income had a significant impact on household income consumption thereby recording a significant R2 =33.53% and significant t-statistic =5.409, r=0.579 as given from the output. The results are accepted at a 95% level of confidence.
It is evident that disposable income in Lusaka affected household income consumption as the correlation value is positive and its coefficient.

Presentation of findings for objective two: Family size

Table 12 Correlation 2

	Household Income Consumption	Family size
Household Income Consumption	1	
Family size	0.608964	1

Table 13 Regression Output 2

SUMMARY OUTPUT					
Regression Statistics					
Multiple R	0.608				
R Square	0.370				
Adjusted R Square	0.35				
Standard Error	1.071				
Observations					
ANOVA					
	df	*SS*	*MS*	*F*	
Regression		39.28	39.28	34.	
Residual		66.64	1.149		
Total		105.9			
	Coefficients	*Standard Error*	*t Stat*	*P-value*	
Intercept	1.312	0.377	3.475	0.000	
Family size	0.692	0.118	5.84	2.43E	

From the Tables above, From the sample size of 60, the regression results showed that the family size had a significant impact on household income consumption thereby recording a significant R2 =37.08% and significant t-statistic =5.84688, r=0.608964 as given from the output. The results are accepted at a 95% level of confidence.
It is evident that Family size in Lusaka affected household income consumption as the correlation value is positive and its coefficient. The smaller the family size the less the expenditure and vice versa.

Presentation of findings for objective three: Saving Levels of Household

Table 14 Correlation 3

	Household Income Consumption	*Saving Levels*
Household Income Consumption		
Saving Levels	0.224	

Table 15 Regression Output 3

SUMMARY OUTPUT				
Regression Statistics				
Multiple R	0.224105			
R Square	0.050223			
Adjusted R Square	0.033848			
Standard Error	1.317083			
Observations				
ANOVA				
	df	*SS*	*MS*	*F*
Regression		5.320294	5.320294	3.066969
Residual		100.613	1.734708	
Total		105.9333		
	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	2.474	0.537241	4.605331	2.3E-05
Saving Levels	0.259	0.148434	1.751276	0.085185

From the Tables above, From the sample size of 60, the regression results showed that the household saving levels had no significant impact on household income consumption thereby recording an insignificant R2 =5% and insignificant t-statistic =1.751276, r=0.224105 which was a weak correlation as given from the output. The results are not accepted at a 95% level of confidence.
It is evident that Household saving levels in Lusaka did not affect household income consumption as the correlation value was so weak though positive and its small coefficient.

Presentation of findings for objective four: Consumption level pattern

Table 16 Correlation 4

	Household Income Consumption	Consumption pattern
Household Income Consumption	1	
Consumption pattern	0.180573	1

Table 17 Regression Output 4

SUMMARY OUTPUT					
Regression Statistics					
Multiple R	0.180573				
R Square	0.032607				
Adjusted R Square	0.015927				
Standard Error	1.329242				
Observations	60				
ANOVA					
	df	SS	1S		
Regression	1	3.454118.454118		1.954922	
Residual	58	102.4792.766883			
Total	59	105.9333			
	Coefficients	*Standard Error*	*Stat*	*-value*	
Intercept	2.81667	0.429166.563121		1.58E-08	
Consumption pattern	0.21019	0.15033.398185		0.167381	

From the Tables above, From the sample size of 60, the regression results showed that the household saving levels had no significant impact on household income consumption thereby recording an insignificant R2 =3% and insignificant t-statistic =1.398185, r=0.180573 which was a weak correlation as given from the output. The results are not accepted at a 95% level of confidence.
Household consumption patterns in Lusaka did not affect household income consumption as the correlation value was so weak though positive and its small coefficient.

4.4 Discussion of Results

Table 18 Twp Independent Variable regression

SUMMARY OUTPUT				
Regression Statistics				
Multiple R	0.77093327			
R Square	0.594338106			
Adjusted R Square	0.580104356			
Standard Error	0.8682824			
Observations				
ANOVA				
	df	SS	MS	*F*
Regression		62.96021	31.48010	41.75555
Residual		42.97311	0.753914	
Total		105.9333		
	Coefficients	*Standard Error*	*t Stat*	*P-value*
Intercept	-0.770820	0.481401	-1.601202	0.114860
Disposable Income	0.612667	0.109327	5.603958	6.34284E
Family size	0.589241	0.097676	6.032602	1.27188E

In the previous chapter, the findings of this study have been presented. In this chapter, the study findings will be discussed. The purpose of the discussion is to interpret and describe the significance of the findings considering what was already known about the research problem being investigated and to explain any new understanding or insight about the problem after considering the findings. The discussion is based on the findings presented in chapter four as well as the theoretical framework guiding this study and other related literature in chapter two. Hence, in this study, the findings are discussed concerning themes. Efforts have been made to reflect, validate and broaden current knowledge and philosophy on study under consideration. This helped the researcher to interpret and outline what the findings meant to the study.

From the findings above, we can deduce that only two independent variables (Family size, and disposable income) are key in the determination of Household Income Consumption thereby providing significance to the model.

From the regression model, we can deduce that the said two indicators are strong in determining the Household Income Consumption in the Province in line with the study that a significant effect on the Household Income Consumption in Lusaka is caused by the underpinned variables.

Overall, Disposable income, and family size are key determinants thereby having an impact on narrowing the Household Income Consumption gap in Lusaka Province.

The findings indicate that while family size, disposable income, and consumption patterns positively influence household income consumption saving levels and consumption patterns had no significant influence on it. The empirical results suggest that disposable income is the most significant determinant of household income consumption. These results are robust across the various industry sectors covered in the study and are largely consistent with the hypotheses developed from the resource-based approach.

Objective One

The mean disposable monthly income of household heads is higher than that of Female household heads. This may be because males work in paid whereas females participate more in non-paid activities at their home. This shows gender disparity in terms of job and wages in differentiation of both sexes. Comparatively speaking, Male household heads are spending more than Female household heads economically independent still now. This was supported by the response to the open-ended questions of the Interview Schedule concerning their contribution to generating income. Considering the education level of the household heads, the consumption level does not much difference. In this study, Disposable income and family size are positively related to consumption. As disposable income increases, correspondingly consumption also increases. This supports the theory of consumption. This study identifies disposable income as a key determinant factor for household consumption expenditure like Family size then saving levels and the least one is consumption pattern. This is so because when people save more, they must reduce consumption.

Objective two

In this study, Family size was found to have a significant contribution to predicting the total consumption of a household per month. Family size is positively related to consumption. As the Family size increases, correspondingly the consumption also increases. This supports the theory of consumption. The study also suggests about 37% of the variation in consumption is due to family size. This study identifies family size as the second most determinant factor for household consumption expenditure. This is so because when people have large members of a household, they tend to increase consumption and vice versa.

Objective three

In this study saving levels were found to have no significant contribution to predicting the total consumption of a household per month. Saving levels are weakly positively related to consumption. The study also suggests about 5% of the variation in consumption is due to saving levels. This study concludes that savings levels as not a key determinant factor for household consumption expenditure.

Objective four

In this study consumption patterns were found to have no significant contribution to predict the total consumption of a household per month. the consumption pattern is weakly positively related to consumption. The study also suggests about 3% of the variation in consumption is due to consumption patterns. This study concludes that consumption pattern is not a key determinant factor for household consumption expenditure.

From both the regression output and the descriptive statistics, there is enough evidence that Household Income Consumption is significantly impacted by the disposable income and family size independent variables across the Microfinance Sector in Lusaka over 58% of the firm respondents hold a similar view that disposable income and family size have a strong positive correlation with Household Income Consumption.

5 Conclusions and Recommendations

This section describes the factors that determine Household Income Consumption in Zambia.

Based on the primary data analysis, the below have been deduced to Economic fundamental factors that determine Household Income Consumption

- The Size of the Household with reasonable disposable Income in active employment or business
- Some key Sectors of the economy as Manufacturing, Agriculture, and Hospitality are the drivers of the GDP thereby influencing the overall Income distribution thus affecting household saving levels.
- Family size
- Lack of employment and low salaries
- Level of Income and inflation
- Income and number of dependents

5.1 Conclusions

This study was initiated based on the above four research questions. In Zambia, manufacturing, agriculture, and Hospitality sectors hold a larger portion compared with other sectors. The profitability of the firm sector is very important not only in the view of the objective of shareholders but also in the perspective of the financial system stability of the economy. The sector is systematically important and due to the unsystematic risk nature of the sector, stability of every manufacturing company in the industry is essential and profitability is one way to strengthen the stability.

From the results obtained in descriptive and econometrics analysis, we conclude the following ideas.

- Most of the households consume around ZMW5000 monthly in the study with food and transport ranked first.
- Disposable income and family size are directly related to consumption as we expected and saving amount is negatively related to consumption
- Disposable income is found to be the most determinant factor in confirming household consumption.
- Even though education level is not significant, it may affect daily life decisions.

In sum, significant changes in expenditure patterns that occur as household income rises may transform the industrial composition of the economy. As households become wealthier and diversify their spending beyond necessities, the growth rates of manufacturing and services industries begin to rise. By affecting the growth rate of demand at the sectoral level, innovative activity within industries and the broader industrial composition of the economy is intrinsically linked to how the composition of household spending evolves as income grows. This opens the possibility of a positive feedback loop between the growth of the demand side and that of the supply side of the economy. As industries grow by serving the needs of consumers, these needs become satiated, and households dedicate further increases in expenditure to other consumption priorities that stimulate growth in other industries. Structural change generates rising household income which creates the conditions for further structural change.

5.2 Research Recommendations

The following based on the findings are the key recommendations for the underpinned study.

- Households should be aware of saving habits rather than spending more on irrelevant activities.
- Family planning practice is important to limit family size. As such it is possible to minimize consumption, and it increases saving amount.
- The Government should design and implement policies that raise the disposable income of households so that households work to earn more money and make their living standard better.
- Further research studies could be conducted in other Towns of Zambia and a comparison may be done in the future.
- Tax exemption for SMEs for the first 5 years with Zero-based interest loans to increase saving levels
- Reduction of taxes on start-up businesses to assure their productivity.
- Punitive measures on non-compliance of firms that violate the laid down procedures on employee's decent wages which in turn affect the Household Consumption levels.

Recommendation for further studies

This research focused on critical analysis of Household Income Consumption in selected firms of Lusaka Province. Due to limited time and resources, it could not establish whether specific firms are driving the Household Consumption levels in Zambia. The researcher highly recommends that upcoming researchers launch an inquiry in the stated area of area of study. Future, the prospective researcher could also focus on the effect of Economic Macro indicators on the profitability of firms resulting in Household Income Consumption.

Declaration of Competing Interests

The authors declare that they are not aware of any competing financial interests or personal relationships that may have influenced the work described in this document.

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Ethical considerations

The article followed all ethical standards appropriate for this kind of research.

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