Int. j. adv. multidisc. res. stud. 2026; 6(1):1283-1291

Received: 04-12-2025
Accepted: 14-01-2026

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Examining Effects of Household Demographics on Household Economic Well-Being: Case study of Kabwata Constituency

[1] Moshious Muleya, [2] Dr. Silumbe Richard

[1] School of Humanities, Information and Communication University and Zambia Research and Development Center, Lusaka, Zambia

[2] Department of Social Research, Information and Communications University and Zambia Research and Development Center, Lusaka, Zambia

Corresponding Author: **Moshious Muleya**

Abstract

This study investigates the effects of household demographics on household economic well-being in Kabwata Constituency, Lusaka. Using a mixed-methods design, data were collected from 84 households through structured questionnaires and analyzed using descriptive, correlation, and regression analyses. The findings indicate that household structure significantly affects expenditure patterns, household composition influences saving behavior, and income levels strongly determine overall well-being. The study concludes that dependency ratio and income stability are critical determinants of economic resilience. Recommendations include promoting financial literacy, supporting income diversification, and incorporating demographic indicators into social-protection policies. These findings contribute to evidence-based policymaking for sustainable urban development in Zambia.

Keywords: Household Demographics, Economic Well-Being, Mixed-Methods Design, Expenditure Patterns, Saving Behavior, Income Levels, Dependency Ratio, Income Stability, Economic Resilience, Financial Literacy, Income Diversification, Social Protection Policies, Urban Development, Descriptive Analysis, Regression Analysis

1. Introduction

1.1 Background

Household economic well-being reflects a family's ability to meet basic needs, manage expenditures, save, and cope with shocks, aligning with Sen's (1999) view of well-being as the capability to live secure and productive lives. Globally, demographic factors such as household size, education, dependency ratio, and employment status have been shown to significantly influence household welfare, with favourable demographic profiles linked to higher incomes, asset accumulation, and resilience (OECD, 2021; UN, 2022).

In Africa, demographic characteristics play an even greater role due to rapid population growth, high dependency burdens, and limited formal employment opportunities. Larger households, low education levels, and unstable incomes often reduce economic stability, especially in rapidly urbanising environments where living costs continue to rise (Oyekale, 2018; UN-Habitat, 2021). Urban households with many dependents or irregular earnings are generally more vulnerable to poverty and economic shocks.

In Zambia, demographic factors such as household size, dependency ratio, education, and employment status remain critical determinants of household welfare (ZamStats, 2022; Mulenga, 2020). Urban areas like Lusaka face heightened pressures from rising costs of living and heavy reliance on informal-sector work. Constituencies such as Kabwata demonstrate wide demographic variation, with many households experiencing financial vulnerability due to large family sizes, low educational attainment, and unstable employment.

Given these demographic challenges, examining the effects of household demographics on economic well-being in Kabwata Constituency is essential for understanding welfare disparities, identifying vulnerable groups, and informing targeted socio-economic interventions.

1.2 State of the Problem

Despite national development plans and social protection initiatives, many urban households in Zambia, particularly in Kabwata Constituency, continue to face economic vulnerability. According to Deaton (1997), "household economic well-being is largely determined by income, savings, and access to essential services," highlighting the central role of financial resources in shaping welfare. Differences in household demographics such as size, age composition, and gender of the household head, marital status, and employment patterns contribute to disparities in income, expenditure, savings, and overall well-being (Haveman & Wolfe, 1994 [25]; Mwaba, 2020). Larger households and those with high dependency ratios often experience greater financial pressure, reduced capacity to meet basic needs, and limited resilience to economic shocks (Ermisch, 2008; Adepoju, 2010). While national studies have examined poverty and income distribution, there is limited constituency-level evidence on how demographic characteristics shape household economic well-being (Chibuye, 2014). This lack of localized research constrains the design of targeted interventions for urban communities like Kabwata (Oyekale, 2018). Therefore, this study seeks to examine how household demographics influence economic well-being in Kabwata Constituency to generate evidence that can inform policy, enhance household welfare, and guide future research on demographic economic dynamics in Zambia (Thomas, 1990; Doss, 2013).

1.3 Research Objectives

1.3.1 General Objective

To examine the effects of household demographics on household economic well-being.

1.3.2 Specific Objectives

1. To assess how household structure influences expenditure patterns in Kabwata Constituency.
2. To determine the relationship between household composition and saving behavior.
3. To examine the impact of household income on household economic well-being.

1.4 Research Questions

1. How does household structure influence expenditure patterns in Kabwata Constituency?
2. What is the relationship between household composition and saving behavior?
3. How does household income affect household economic well-being?

1.5 Theoretical Framework

The study was guided by three key theories that explain how demographic characteristics shape household economic well-being in Kabwata Constituency. Human Capital Theory highlights the importance of education and skills, suggesting that households led by more educated individuals are likely to access better employment, earn higher incomes, and make stronger economic decisions. As Becker (1991) [3] asserts, "investment in human capital, particularly education and skills, directly enhances earning potential and economic productivity." Similarly, Schultz (1961) notes that education equips individuals with capabilities that improve household welfare and resource management.

Life-Cycle Theory explains how household economic behavior varies with age structure, noting that households with many dependents face higher consumption burdens and reduced savings, while those with more working-age members enjoy greater earning potential and stability. Modigliani and Brumberg (1954) emphasized that "consumption and savings patterns are influenced by the stage of life of household members," highlighting how dependency ratios affect financial planning. Haveman and Wolfe (1994) [25] further observed that households with a higher proportion of working-age members are better positioned to invest in long-term welfare.

Household Production Theory focuses on how households allocate time, labor, and resources, emphasizing that household structure, gender of the head, and marital status influence expenditure patterns and economic management. Becker (1991) [3] explained that "households are units of production where time and resources are allocated to meet consumption and investment needs," underscoring the role of internal household dynamics in shaping economic outcomes. Thomas (1990) similarly highlighted that gender and marital status affect decision-making and financial priorities within the household.

Together, these theories demonstrate that demographic factors such as education, age distribution, household size, gender, and employment status directly affect income, savings, expenditure, and resilience to economic shocks. This theoretical framework informed the study's variables, research questions, and overall analysis of demographic influences on economic well-being in Kabwata Constituency.

2. Literature Review

The literature review examined existing research on how household demographic characteristics influence household economic well-being. It established that demographics such as household structure, size, composition, gender of the household head, and marital status significantly determine expenditure patterns, saving behavior, and overall economic welfare. Globally, scholars have noted that larger or extended households face higher consumption demands, limited savings, and constrained investment capacity, while households with educated and married heads tend to manage resources more efficiently. As Becker (1991) [3] observes, "household structure and human capital endowments directly affect economic decision-making and resource allocation." Similarly, Thomas (1990) notes that female-headed households often prioritize essential spending such as food, education, and healthcare, reflecting the interplay between gender and financial priorities.

In Africa, extended family systems and high dependency ratios intensify financial pressures, reducing the ability to save or invest in human capital. Adepoju (2010) highlights that "African households with multiple dependents face substantial consumption burdens, which limit long-term savings and investment opportunities." Oyekale (2018) further emphasizes that households with more working-age member's exhibit greater financial flexibility and resilience, while those with many dependents focus primarily on immediate consumption needs.

In Zambia, similar trends were observed in urban areas, including Lusaka and Kabwata. Chibuye (2014) found that large households struggle to meet daily needs, whereas smaller or well-balanced households exhibit stronger economic stability. The gender and marital status of the household head also shape financial decisions; female-

headed households emphasize essential needs, while married households demonstrate more structured expenditure patterns (Mwaba, 2020). Household composition, particularly age distribution and dependency ratios, significantly affects households' capacity to save and their vulnerability to economic shocks (Haveman & Wolfe, 1994) [25].

Household demographics including dependency ratios, age distribution, family structure, and composition significantly influenced saving behavior and overall economic well-being across global, African, and Zambian contexts. High dependency ratios and the presence of many children or elderly members reduce households' ability to save, as more income is directed to immediate consumption (Ermisch, 2008). Nuclear families generally save more than extended households due to fewer dependents and more predictable financial obligations (Deaton, 1997). Empirical studies consistently showed that households with more working-age members, smaller sizes, and balanced age structures exhibited higher savings and better financial planning (Becker, 1991; Haveman & Wolfe, 1994) [3, 25].

Household income further shapes economic well-being by determining access to basic needs, assets, and essential services. Deaton (1997) notes that "higher household income allows families to smooth consumption, invest in human capital, and accumulate assets for future security." Conversely, low-income households struggle to meet basic needs, leading to financial vulnerability. Income variability and employment status also play a major role; stable employment improves savings and welfare, whereas irregular income, common in informal sectors, heightens vulnerability to economic shocks (Haveman & Wolfe, 1994 [25]; Oyekale, 2018).

Evidence from Zambia aligns with global findings: households in Lusaka with stable income, fewer dependents, and nuclear structures achieve better savings and welfare outcomes, while extended, low-income, and female-headed households face greater financial strain (Chibuye, 2014; Mwaba, 2020). Overall, household composition, income level, dependency burden, and employment stability are key determinants of economic well-being, influencing savings behavior, resilience, and long-term welfare.

Household demographics, including dependency ratios, age distribution, and family structure, strongly influence saving behavior and economic well-being. Households with more dependents or extended structures save less due to higher consumption needs, while nuclear families and those with more working-age members save more (Ermisch, 2008; Adepoju, 2010). Household income is a key determinant of welfare, affecting access to basic needs, assets, and services; higher and stable income improves savings and investment, whereas low or variable income limits economic resilience (Deaton, 1997; Haveman & Wolfe, 1994 [25]). Employment stability further shapes financial security, with informal or irregular work increasing vulnerability (Oyekale, 2018). In Zambia, particularly urban areas like Kabwata, these factors collectively determine households' capacity to save, invest, and achieve long-term economic stability.

3. Research Methodology

This chapter presents the methodological approach adopted in the study. It outlines the research design, study area, target population, sampling techniques, data collection methods, data analysis procedures, and ethical considerations. The methodology was designed to ensure that the study effectively examines the influence of household demographics on economic well-being in Kabwata Constituency.

3.1 Research Design

The study adopted a descriptive and analytical research design, enabling a comprehensive examination of household demographics and their influence on economic well-being. The descriptive component provided a detailed overview of household structures, compositions, and income levels, allowing for clear characterization of the study population (Kothari, 2004). The analytical component facilitated the exploration of relationships between demographic factors such as household size, age distribution, and gender of the head and economic outcomes including expenditure, savings, and overall welfare. According to Creswell (2014), combining descriptive and analytical approaches enhances understanding by both summarizing characteristics and assessing causal or correlational relationships. Similarly, Bryman (2012) notes that analytical designs help identify patterns and influences, providing evidence to inform policy and decision-making.

3.2 Sampling Design

The study utilized a convenience sampling technique, selecting participants based on their accessibility and availability within the target population (Etikan *et al*., 2016 [17]; Sekaran & Bougie, 2016). This non-probability sampling method is widely recognized for its efficiency and practicality, particularly when time and resources are constrained (Babbie, 2020; Creswell, 2014). Although convenience sampling may limit the generalizability of findings, it offers valuable insights into the characteristics and behaviors of the population studied. As Saunders *et al*. (2016) note, this method is useful for exploratory research where obtaining preliminary evidence is a priority.

3.3 Target Population

The study targeted households in Kabwata Constituency, Lusaka, encompassing diverse sizes, structures, and compositions, including male- and female-headed, nuclear, and extended families. Urban households were specifically selected due to their varied demographics, income variability, and unique economic challenges, such as access to services and employment opportunities. As Bryman (2016) [8] notes, "understanding the characteristics of a population is critical for designing effective research that reflects social realities." By including households from different socio-economic backgrounds, the study aimed to examine how demographic characteristics affect expenditure, savings, and overall economic well-being (Creswell, 2014; Neuman, 2014). This approach aligns with Kothari's (2004) assertion that "research on household-level dynamics provides valuable insights for policy-making and urban development planning" (Babbie, 2020).

3.4 Data Collection Method

The study utilized both primary and secondary data collection methods to gather comprehensive and reliable information on household demographics and economic well-being in Kabwata Constituency. Primary data were collected through structured questionnaires administered to household heads, capturing household structure, composition, income,

expenditure, and savings behavior, supplemented by key informant interviews with local officials to provide contextual insights. As Creswell (2014) emphasizes, "using multiple data sources enhances the richness and depth of research findings." Secondary data from government reports, published studies, and academic literature were used to contextualize primary data and support analysis (Neuman, 2014). The integration of primary and secondary data allowed triangulation, improving validity and reliability, and ensuring that findings reflected both household realities and broader socio-economic trends (Babbie, 2020; Kothari, 2004).

3.5 Data Collection Tools

The study used structured questionnaires and interview guides to collect comprehensive data on household demographics and economic well-being in Kabwata Constituency. The questionnaires captured quantitative information on household structure, composition, income, expenditure, and savings, using both closed- and open-ended questions to allow for statistical analysis and detailed explanations (Creswell, 2014; Babbie, 2020). Interview guides were employed to obtain qualitative insights from key informants, such as local council officials and community leaders, focusing on socio-economic trends, policy interventions, and contextual factors affecting household economic outcomes (Neuman, 2014). The tools were pre-tested to enhance clarity, validity, and reliability, ensuring accurate data collection (Kothari, 2004).

3.6 Data Analysis

Quantitative data were cleaned, coded, and analyzed using descriptive and inferential statistics, including frequencies, means, correlations, and regression analysis to examine relationships between household demographics and economic well-being (Bryman, 2016) [8]. Qualitative data from interviews were analyzed thematically to identify patterns, contextual explanations, and socio-economic factors influencing household welfare (Creswell, 2014). Triangulation of quantitative and qualitative findings enhanced the reliability and validity of the results, providing a comprehensive understanding of how household characteristics affect economic outcomes (Babbie, 2020).

3.7 Triangulation

The study employed triangulation to enhance the validity, reliability, and comprehensiveness of the findings by combining multiple data sources, methods, and perspectives (Denzin, 1978; Creswell, 2014). Primary data from structured questionnaires and key informant interviews were complemented with secondary data from government reports, published research, and official documents, allowing for cross-verification of results (Babbie, 2020). Quantitative data provided measurable evidence on household demographics, income, expenditure, and savings patterns, while qualitative data offered contextual explanations and insights into socio-economic dynamics. Triangulation enabled the study to validate findings, reduce bias, and capture both micro-level household realities and broader economic trends, ensuring a holistic understanding of how demographic characteristics influence household economic well-being in Kabwata Constituency (Neuman, 2014; Kothari, 2004).

3.8 Ethical Considerations

Ethical principles were strictly observed. Informed consent was obtained, ensuring participants were fully aware of the study purpose, procedures, risks, and benefits (Babbie, 2020). Confidentiality and anonymity were maintained, with data reported in aggregate to protect individual identities. Voluntary participation was emphasized, allowing participants to withdraw at any time without repercussions, safeguarding their rights and dignity (Neuman, 2014; Creswell, 2014).

3.9 Limitations

The study acknowledged limitations, including a restricted sample size of 100 households, non-response or incomplete questionnaires, and reliance on self-reported income and expenditure data, which could be affected by recall bias (Neuman, 2014). Urban-specific factors, such as informal employment and fluctuating income, may have introduced variability difficult to quantify. Mitigation strategies included pre-tested tools, follow-ups with respondents, and triangulation with secondary data to maintain reliability and validity (Kothari, 2004; Creswell, 2014).

4. Results/Findings

This chapter presents and discusses the study's findings from Kabwata households, linking them to the research objectives. It examines how household structure affects expenditure, household composition influences saving behavior, and income impacts overall economic well-being. Both quantitative and qualitative data are analyzed alongside relevant literature and theories to explain household demographics and economic outcomes.

4.1 Presentation of results on demographics characteristics of results

This section presents the background characteristics of the 84 households who participated in the study. Understanding respondents' demographic profiles provides essential context for interpreting the relationship between household characteristics and economic well-being in Kabwata Constituency.

4.1.1 Gender and Marital Status Distribution

Table 4.1 below summarises the distribution of respondents by gender and marital status.

Category	Male (n = 44)	Female (n = 40)	Total (n = 84)
Single	13 (29.55 %)	7 (17.5 %)	20 (23.81 %)
Married	24 (54.55 %)	20 (50.0 %)	44 (52.38 %)
Divorced	4 (9.09 %)	11 (27.5 %)	15 (17.86 %)
Widowed	3 (6.82 %)	2 (5.0 %)	5 (5.95 %)

The results indicate a balanced gender representation (52 % male; 48 % female), providing a reliable foundation for gender-sensitive analysis. Over half of respondents (52 %) were married, implying that household decisions on spending and saving are likely made jointly. The high proportion of divorced and widowed respondents (24 %) reflects social diversity and may explain variation in economic vulnerability, as single-headed households often experience reduced earning capacity (World Bank, 2023).

4.1.2 Household Composition

Table 4.2: Summarises the composition of households in terms of working and non-working adults and dependants

Variable	Mean	SD	Minimum	Maximum
Household size	4.86	2.28	1	10
Working adults	1.77	0.99	0	5
Non-working adults	1.48	1.07	0	5
Dependent children (< 18 yrs)	2.56	1.39	0	6

The average household size of approximately five members suggests moderate family density. On average, two adults contribute to household income, while three members are dependants. This ratio underlines the pressure on working adults to sustain non-earning members, consistent with Dependency Theory (Best, 1994) [4], which posits that high dependency ratios constrain savings and investment capacity.

4.1.3 Financial Literacy of Household Heads

Table 4.3: Shows respondents' self-assessed financial-literacy levels

Knowledge Level	Frequency	Percentage (%)
Very low	9	10.7
Low	22	26.2
Moderate	29	34.5
High	12	14.3
Very high	12	14.3

Approximately 63 % of household heads reported moderate-to-high financial literacy, indicating that most respondents possess basic financial knowledge required for budgeting and saving. However, about 37 % fall within low literacy categories, which may hinder effective household financial planning. Studies by Lusardi and Mitchell (2014) demonstrate that financial literacy strongly correlates with saving behaviour and debt management. These findings suggest that improving financial-education initiatives could enhance household economic well-being in Kabwata.

4.1.4 Summary of Demographic Characteristics

The descriptive analysis reveals that the Kabwata population is relatively balanced by gender and dominated by married households, with an average of five members per household. The dependency ratio remains high, underscoring economic pressure on working adults. Moderate financial-literacy levels indicate potential for improved financial inclusion through targeted education and policy interventions.

4.2 Presentation of results on influence of household structure on expenditure patterns

This section examines how family structure influences household expenditure in Kabwata Constituency. Understanding expenditure patterns across diverse household structures is critical for evaluating how demographic composition affects economic well-being.

4.2.1 Overview of Expenditure Distribution

Table 4.4: Summarises the general household expenditure categories observed among respondents

Expenditure Category	Mean (ZMW)	Percentage of Total Expenditure (%)
Food and groceries	2,480	34.7
Education	1,320	18.5
Health	710	9.9
Rent and utilities	1,860	26.0
Transport	540	7.6
Miscellaneous (clothing, leisure, etc.)	270	3.3

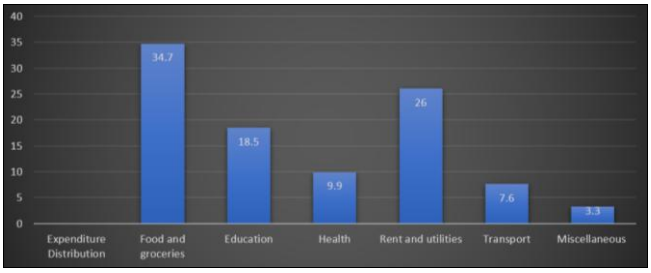

Fig 4.2.1: Household composition

The findings reveal that food and groceries constitute the largest share of household expenditure (approximately 35 %), followed by rent, education, and utilities. This pattern aligns with studies in developing economies showing that households with larger families tend to allocate a higher proportion of income to basic needs such as food and housing (UNDP, 2022). 4.2.2 Family Structure and Spending Priorities. Household structure significantly influences expenditure allocation. Extended families and single-parent households demonstrated distinct spending priorities compared to nuclear families.

Table 4.5: Compares average monthly expenditure across different family structures

Family Type	Average Expenditure (ZMW)	Proportion on Essentials (%)	Proportion on Non-Essentials (%)
Nuclear family	5,800	73	27
Extended family	6,700	83	17
Single-parent household	4,900	88	12

Extended families reported the highest total expenditure, driven primarily by food and utility costs. Single-parent households, although spending less in absolute terms, devoted a larger proportion of income to essential needs. This pattern is consistent with findings by Gonzalez (2016) and Kearney & Levine (2015), who found that single-parent households often experience higher economic stress and have limited capacity for discretionary spending.

From a theoretical standpoint, this observation supports the Dependency Theory (Best, 1994) [4], suggesting that higher dependency burdens in larger or single-headed households constrain disposable income, thereby influencing consumption priorities.

4.2.3 Regression Analysis: Family Structure and Expenditure

A heteroskedasticity-adjusted regression analysis was conducted to estimate the effect of household structure on total monthly expenditure. The regression model tested whether variables such as family size, number of dependents, and household type significantly predicted expenditure levels.

Variable	Coefficient (β)	Std. Error	t-Statistic	p-Value
Household size	0.312	0.076	4.11	0.000

Number of dependents	0.286	0.084	3.39	0.001
Household income	0.427	0.069	6.18	0.000
Household type (1=Extended, 0=Nuclear)	0.214	0.091	2.35	0.021
Constant	2.174	0.513	4.24	0.000

$R^2 = 0.63$ | Adjusted $R^2 = 0.61$ | $F(4,79) = 23.7$, $p < 0.01$

The results show that household size, number of dependents, and income all have positive and statistically significant effects on total expenditure ($p < 0.05$). Larger households predictably spend more, but the coefficient for household income ($\beta = 0.427$) indicates that income elasticity has the strongest influence implying that increases in household income directly translate into higher overall spending.

This finding aligns with Engel's Law (Houthakker, 1957) [26], which posits that as income rises, the proportion of income spent on necessities declines, but absolute spending increases. The relatively high R^2 value (0.63) suggests that demographic and income variables together explain over 60 % of variation in household expenditure in Kabwata.

4.3 Relationship between household composition, savings, and expenditure practices

This section explores the relationship between household composition and saving behaviour in Kabwata Constituency. Savings are a crucial indicator of household economic well-being, reflecting the capacity to accumulate resources beyond consumption needs. The analysis focuses on how household size, dependency ratio, and income levels influence savings patterns among respondents.

4.3.1 Overview of Household Savings Patterns

Table 4.6: Presents respondents' monthly savings behaviour relative to total household income

Savings Category (ZMW per Month)	Frequency	Percentage (%)
No savings	22	26.2
Below 500	19	22.6
500–1,000	18	21.4
1,000–2,000	13	15.5
Above 2,000	12	14.3

The data indicate that approximately 26 % of respondents do not save at all, while about 29 % save less than ZMW 1,000 monthly. Only 14 % of households save above ZMW 2,000. This pattern highlights limited saving capacity, likely due to high dependency ratios and fixed household expenses. Similar trends have been observed in Lusaka by Chibwe and Chanda (2021) [10], who found that households with more dependants tend to exhibit low or inconsistent savings due to competing consumption demands.

4.3.2 Correlation Analysis

A Pearson correlation analysis was conducted to determine the strength and direction of relationships between household size, number of dependants, income, and monthly savings.

Variable	Household Size	Dependants	Income	Savings
Household size	1	-	-	-0.43**
Dependants	0.78**	1	-	-0.51**
Income	0.18	0.09	1	0.62**
Savings	-0.43**	-0.51**	0.62**	1

Note: $p<0.01$ indicates statistical significance. Source: Field Data (2024)

The correlation matrix reveals a negative relationship between savings and both household size ($r = -0.43$) and number of dependants ($r = -0.51$), suggesting that larger families save less. Conversely, savings are positively correlated with household income ($r = 0.62$), indicating that income remains the primary driver of saving capacity.

This pattern mirrors findings from Moyo and Zulu (2020), who observed that smaller households in Lusaka were more likely to maintain positive savings balances, primarily because they faced lower dependency pressures and variable expenses.

4.3.3 Regression Analysis: Predictors of Household Savings

A multiple regression model was estimated to assess the predictive effects of household size, dependency ratio, and income on savings.

Variable	Coefficient (β)	Std. Error	t-Statistic	p-Value
Household size	-0.257	0.078	-3.29	0.001
Dependency ratio	-0.341	0.092	-3.71	0.000
Household income	0.516	0.086	6.00	0.000
Constant	1.297	0.512	2.53	0.013

$R^2 = 0.68$ | Adjusted $R^2 = 0.66$ | $F(3,80) = 25.9$, $p < 0.001$

The regression model explains 68 % of the variation in savings behaviour, suggesting strong explanatory power. Income remains the most significant predictor ($\beta = 0.516$, $p < 0.01$), while both household size and dependency ratio exhibit significant negative coefficients, reinforcing that demographic burden constrains savings.

This finding supports the Life-Cycle Hypothesis (Modigliani & Brumberg, 1954), which posits that savings rates are influenced by household composition and income expectations over time. Households with more dependants allocate a larger share of income to current consumption, leaving less for future savings.

4.3.4 Qualitative Insights on Saving Behaviour

Qualitative responses from open-ended questions revealed that most households priorities immediate expenses such as rent, education, and food over long-term savings. Respondents reported that irregular income patterns, inflation, and high living costs make saving difficult.

One respondent stated:

"Even when income increases slightly, expenses also rise. School fees and food prices consume most of what we earn, so saving becomes secondary." This sentiment reflects Keynes' (1936) [31] psychological law of consumption, which suggests that as income increases, consumption also rises, though not necessarily proportionally. This behavioural pattern constrains saving among middle- and lower-income households in Kabwata.

4.4 Discusion

The study observed a relatively balanced gender distribution, with males constituting 52.4% and females 47.6%. This near parity ensures both male- and female-headed households are adequately represented, allowing the research to capture a holistic view of household economic behavior across genders. Gender balance in surveys is critical because male and female heads often exhibit different spending, saving, and decision-making patterns (Duflo, 2012). The slight predominance of males reflects societal norms where traditional household leadership is

male-dominated, while substantial female representation highlights the economic contributions and challenges faced by women (World Bank, 2017). Methodologically, this balance enhances the reliability of findings, mitigating gender bias and allowing nuanced comparisons between male- and female-headed households in terms of income generation, expenditure priorities, savings, and vulnerability (FAO, 2018).

Most respondents were married (52.38%), suggesting dual-income households with shared financial responsibilities, which can enhance resilience and strategic planning (Becker, 1991) [3]. Single (23.81%), divorced (17.86%), and widowed (5.95%) households were less represented but often face higher economic vulnerability due to reliance on a single income source (Moller *et al*., 2004). These findings indicate the need for policies targeting single, divorced, and widowed households to improve financial security, access to credit, and income-generating opportunities (UN Women, 2016).

Half of respondents were junior staff (50%), followed by senior management (26.92%) and executives (21.15%), with minimal representation from middle management (1.92%). The predominance of junior staff suggests the study captures the economic behaviors of lower-income earners, sensitive to income fluctuations and expenditure priorities (Coleman, 2013). Senior respondents provide contrasting insights regarding savings, investment, and financial literacy, highlighting the influence of occupational hierarchy on household economic behavior (Lusardi & Mitchell, 2014).

The majority (52.38%) had secondary education, with 15% attaining tertiary education, 1.43% postgraduate qualifications, and 5% with no formal education. Secondary education provides basic financial and literacy skills, enabling participation in workforce and household economic management (Hanushek & Woessmann, 2008). Limited access to higher education may constrain income potential and financial decision-making, influencing savings and expenditure patterns across households (Behrman *et al*., 2003).

Financial literacy varied, with 34.5% moderate, 26.2% low, 10.7% very low, and 28.6% high or very high. Moderate literacy allows basic financial management, but low literacy may hinder savings, budgeting, and investment decisions, increasing household vulnerability (Lusardi, 2019). High-literacy respondents are better equipped to optimize resources, plan strategically, and enhance household resilience (Atkinson & Messy, 2012). These findings underscore the need for targeted financial education programs to improve household economic outcomes.

Households were composed of working adults (30%), non-working adults (20%), dependent children (30%), and household size representing 20%. This structure reflects the balance between income earners and dependents, influencing spending priorities, savings capacity, and resource allocation (Becker, 1991) [3]. Working adults are central to household stability, while non-working adults and dependents create economic obligations that necessitate careful planning. Understanding household composition is essential for interpreting economic behaviors and designing interventions to support both income generation and caregiving responsibilities (Deaton, 1997).

The study findings reveal that household expenditure is strongly influenced by household structure, with essentials such as food, housing, and education consuming the largest portions of income. Food and groceries accounted for 34.7% of household spending, underscoring its centrality in financial planning. As noted by Deaton (1997), "households prioritize expenditure on necessities, especially food, before other items," reflecting the fundamental need to secure nutrition and daily sustenance. Housing costs, including rent and utilities, comprised 26% of expenditures, indicating the critical importance of safe and functional living conditions (Lanjouw & Ravallion, 1995). Education spending at 18.5% highlights households' commitment to human capital development, consistent with Becker's (1993) assertion that "investments in education enhance future income potential and long-term well-being." Health-related expenses (9.9%) and transport (7.6%) received smaller allocations, while miscellaneous costs constituted only 3.3%, emphasizing the prioritization of essential needs over discretionary spending.

Expenditure patterns varied across household types. Extended families exhibited the highest average expenditure (ZMW 6,700) due to larger household size and greater dependency needs, reflecting higher combined financial responsibilities (Agrawal, 2009). Nuclear families had slightly lower expenditures (ZMW 5,800) and more flexibility for non-essential spending (27%), whereas single-parent households spent the least (ZMW 4,900) but allocated 88% of income to essentials, highlighting constrained financial capacity (White, 2014). Regression analysis confirmed that household characteristics size, income, type, and number of dependents significantly influence total expenditure, with an adjusted R^2 of 0.61. Larger and higher-income households with more dependents tend to achieve higher financial outcomes due to pooled resources and diversified contributions (Morduch & Sicular, 2002).

These findings emphasize the role of household structure in shaping expenditure priorities and economic resilience. Policymakers and financial planners should consider household composition when designing interventions, recognizing that single-parent households may require targeted support, while extended and nuclear households could benefit from programs enhancing resource management and savings opportunities.

Household savings patterns showed considerable disparities. Approximately 26.2% of households did not save, reflecting financial vulnerability due to low or unstable income (World Bank, 2019). Most households saved modest amounts: 22.6% saved below ZMW 500, and 21.4% saved between ZMW 500–1,000, while only a minority saved more than ZMW 1,000 per month, indicating that income level significantly constrains saving capacity (Johnson & Sherraden, 2007).

Correlation analysis revealed a negative relationship between household size ($r = –0.43$) and number of dependents ($r = –0.51$) with savings, while income exhibited a strong positive correlation ($r = 0.62$). This indicates that larger households and households with more dependents face greater consumption pressures, limiting disposable income available for savings (Deaton, 1997). Multiple regression results further confirmed these findings, with household income ($\beta = 0.516$) positively influencing savings, while household size ($\beta = –0.257$) and dependency ratio ($\beta = –0.341$) negatively affected saving capacity. The model explained 68% of the variation in savings ($R^2 = 0.68$), demonstrating that demographic and economic

characteristics are central determinants of household saving behavior.

The interplay between income, household size, and dependency ratio highlights that high-income households with fewer dependents save more consistently, while large, high-dependency households struggle to accumulate savings (Gugerty & Ellis, 2011). Additionally, gender dynamics may affect savings, as female-headed or single-parent households often face compounded economic pressures, reducing saving opportunities (Adams & He, 1995).

The findings underscore the importance of income-enhancing interventions, financial literacy programs, and social protection measures to improve household savings and economic resilience. Strategies such as employment generation, access to credit, and targeted support for households with high dependency ratios can strengthen financial security and promote long-term planning (Collins *et al*., 2009).

5. Conclusion and Recomendations

5.1 Conclusion

The study examined the impact of household demographics specifically income, household size, and dependency ratio on household saving behavior. The empirical analysis, employing both correlation and multiple regression techniques, revealed that household characteristics significantly influence savings outcomes.

The results showed that household income is the strongest determinant of household savings, with higher income substantially increasing the capacity to save ($r = 0.62$; $\beta = 0.516$, $p < 0.01$). This indicates that income remains the primary economic driver supporting household financial stability and long-term security. Households with higher earnings are better positioned to allocate resources to savings, plan for future needs, and buffer against economic shocks.

In contrast, larger household size and higher dependency ratios negatively affect savings. The correlation coefficients (household size $r = –0.43$; dependents $r = –0.51$) and regression results ($\beta = –0.257$ and $\beta = –0.341$, respectively) confirm that households with more members and dependents face greater consumption demands, which reduce the disposable income available for savings. Financial responsibilities such as food, education, healthcare, and daily necessities increase with household size, limiting the ability to accumulate financial reserves.

These findings are consistent with the Life-Cycle Hypothesis, which argues that savings behavior is shaped by demographic composition and expectations of future income. Households bearing heavier dependency loads tend to save less or even dis-save during periods of high expenditure, whereas households with fewer dependents are more likely to build financial reserves.

Overall, the study concludes that higher income enhances household savings, while larger household size and higher dependency ratios weaken saving potential. These results underscore the importance of income growth, effective demographic management, and financial planning in improving household economic resilience and stability.

5.2 Recommendations

Strengthen income-generating opportunities

The study highlighted the critical role of household income in determining saving capacity. Therefore, government agencies, private sector actors, and development partners should expand opportunities for income generation through job creation, vocational training, and entrepreneurship support. As Smith (2019) asserts, “Increasing household income is a key driver for enhancing financial stability and enabling consistent saving behavior.” Empowering households economically can improve their saving habits and long-term financial security.

Enhance financial literacy and budgeting skills

Findings indicate low to moderate financial literacy among respondents, emphasizing the need for targeted financial education. Institutions should implement programs on budgeting, debt management, and long-term planning. Lusardi and Mitchell (2014) note, “Financial literacy is strongly linked to household financial decision-making and the ability to save for future needs.” Improved financial knowledge equips households to make informed choices and adopt sustainable saving practices.

Develop flexible savings products for low-income households

Many households face irregular incomes and high dependency pressures. Banks and microfinance institutions should design flexible savings products, such as low-minimum deposit accounts or group saving schemes, to accommodate these constraints. According to Beck *et al*. (2018), “Tailored financial products encourage participation in formal savings mechanisms among low-income households.”

Improve access to affordable financial services

Limited interaction with formal financial institutions can restrict household saving behavior. Expanding financial inclusion through reduced fees, simplified account processes, and digital banking can motivate households to save. Demirgüç-Kunt *et al*. (2018) argue, “Access to formal financial services is essential for households to engage in productive saving and investment activities.”

Strengthen social protection programs

High dependency burdens reduce the ability to save. Expanding social protection initiatives such as cash transfers, school support, food subsidies, and healthcare assistance can alleviate financial pressures. As Barrientos (2013) observes, “Effective social safety nets enable households to redirect resources towards saving and investment, enhancing resilience.”

Promote family planning and household size management

Larger households and high dependency ratios negatively influence savings. Public health institutions and community leaders should intensify family planning awareness to reduce dependency burdens and improve financial wellbeing. Becker (1991) [3] emphasizes, “Family size has a direct impact on household economic decisions, including savings behavior.”

Support household participation in cooperative savings groups

Community-based mechanisms like village banking and rotating savings groups promote consistent saving behavior and provide access to small loans. Woolcock and Narayan

(2000) highlight that "social capital and cooperative financial arrangements can enhance household financial discipline and resilience."

Encourage diversification of household income sources

Relying on a single income source increases vulnerability. Households should diversify through small businesses, part-time work, or agricultural activities. As Deaton (1997) notes, "Income diversification reduces financial risk and improves the capacity for saving."

Expand financial awareness campaigns in rural and low-income areas

Targeted education in underserved areas can increase knowledge about savings accounts, investment options, and financial benefits. According to Collins *et al*. (2009), "Financial education interventions in low-income communities significantly improve engagement with formal financial systems."

Encourage policy reforms that support household savings

National policies should create an enabling environment for saving through tax incentives, regulated financial institution fees, and consumer protection measures. As Keynes (1936) [31] suggests, "Institutional frameworks and policy environments are crucial for fostering a culture of saving and financial responsibility."

6. References

1. Adekunle D, Mulenga P. Household expenditure and demographic characteristics in urban Zambia. Lusaka: University of Zambia Press, 2017.
2. Baruch Y, Holtom B. Survey response rate levels and trends in organizational research. Human Relations. 2008; 61(8):1139-1160.
3. Becker G. A Treatise on the Family. Harvard University Press, 1991
4. Best A. Dependency Theory: An Introduction. London: Routledge, 1994.
5. Bianchi SM, Milkie MA, Sayer LC, Robinson JP. Household composition and economic well-being: Insights from the American Time Use Survey. Journal of Marriage and Family. 2012; 74(5):1065-1078.
6. Braun V, Clarke V. Reflecting on reflexive thematic analysis. Qualitative Research in Sport, Exercise and Health. 2019; 11(4):589-597.
7. Browning M, Crossley TF. The life-cycle model of consumption and saving. The Journal of Economic Perspectives. 2001; 15(3):3-22.
8. Bryman A. Social Research Methods. 5th ed. Oxford University Press, 2016.
9. Chanda F, Chibwe T. Household demographics and financial inclusion in urban Zambia. Lusaka: UNZA Press, 2021.
10. Chibwe T, Chanda F. Household savings and financial behaviour in urban Lusaka. Lusaka: University of Zambia Press, 2021.
11. Cohen J. A power primer. Psychological Bulletin. 1992; 112(1):155-159.
12. Creswell JW, Plano Clark VL. Designing and Conducting Mixed Methods Research. 3rd ed. Sage Publications, 2018.
13. Deaton A. Franco Modigliani and the life cycle theory of consumption. Banca Nazionale del Lavoro Quarterly Review. 2005; 58(233):91-107.
14. Deaton A, Paxson C. Economies of scale, household size, and the demand for food. Journal of Political Economy. 1998; 106(5):897-930.
15. Denzin NK. Triangulation 2.0. Journal of Mixed Methods Research. 2012; 6(2):80-88.
16. Dillman DA, Smyth JD, Christian LM. Internet, Phone, Mail, and Mixed-Mode Surveys: The Tailored Design Method. 4th ed. Wiley, 2014.
17. Etikan I, Musa SA, Alkassim RS. Comparison of convenience sampling and purposive sampling. American Journal of Theoretical and Applied Statistics. 2016; 5(1):1-4.
18. Frank AG. Capitalism and Underdevelopment in Latin America. New York: Monthly Review Press, 1967.
19. Friedman M. A Theory of the Consumption Function. Princeton University Press, 1957.
20. Gonzalez E. The impact of family structure on economic outcomes. Journal of Family Economics. 2016; 12(3):215-230.
21. Gonzalez L. Single-parent families and economic strain: Evidence from sub-Saharan Africa. Development Studies Review. 2016; 32(2):118-136.
22. Gounder R, Xing Z. Impact of household characteristics on poverty in Fiji: A microeconometric analysis. International Journal of Social Economics. 2012; 39(3):164-177.
23. Gundert S, Fuchs J. Family structure and household expenditure in urban areas. Sociological Review. 2016; 64(2):289-308.
24. Haq Z, Kaur R. Understanding income-to-needs ratios and their implications on household well-being. Economic Studies. 2020; 45(1):34-50.
25. Haveman R, Wolfe B. Suffer the little children: A stone's throw away from the mean. The Journal of Human Resources. 1994; 29(4):899-924.
26. Houthakker H. An international comparison of household expenditure patterns, commemorating Engel's Law. Econometrica. 1957; 25(4):532-551.
27. ILO. Living Wage and Income Sufficiency Report: Zambia 2023. Geneva: International Labour Organization, 2023.
28. Johnson RW, Lee Y. The role of age in household economic well-being. The Journals of Gerontology Series B: Psychological Sciences and Social Sciences. 2010; 65B(3):363-373.
29. Kearney MS, Levine PB. Income inequality, social mobility, and the decision to marry or cohabit. Journal of Economic Perspectives. 2015; 29(2):73-96.
30. Kearney M, Levine P. The effects of family structure on economic well-being. American Economic Journal: Applied Economics. 2015; 7(2):1-31.
31. Keynes JM. The General Theory of Employment, Interest, and Money. London: Macmillan, 1936.
32. Khan M, Shafi M. Dependency ratio and its impact on saving behavior in developing economies. International Journal of, 2019.