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# **IMPACT OF COVID- 19** on Low-income Professions

May, 2020

## Low-income Professions Covered:

- Bus/Truck Driver and Helpers
- Carpenters
- Construction Workers/ Masons
- House maids
- Owners of Small Restaurants
- Rickshaw Pullers
- Three Wheeler Drivers
- Wage Earners/Agricultural Labours

# About Innovision Consulting

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**12**

YEARS

**16**

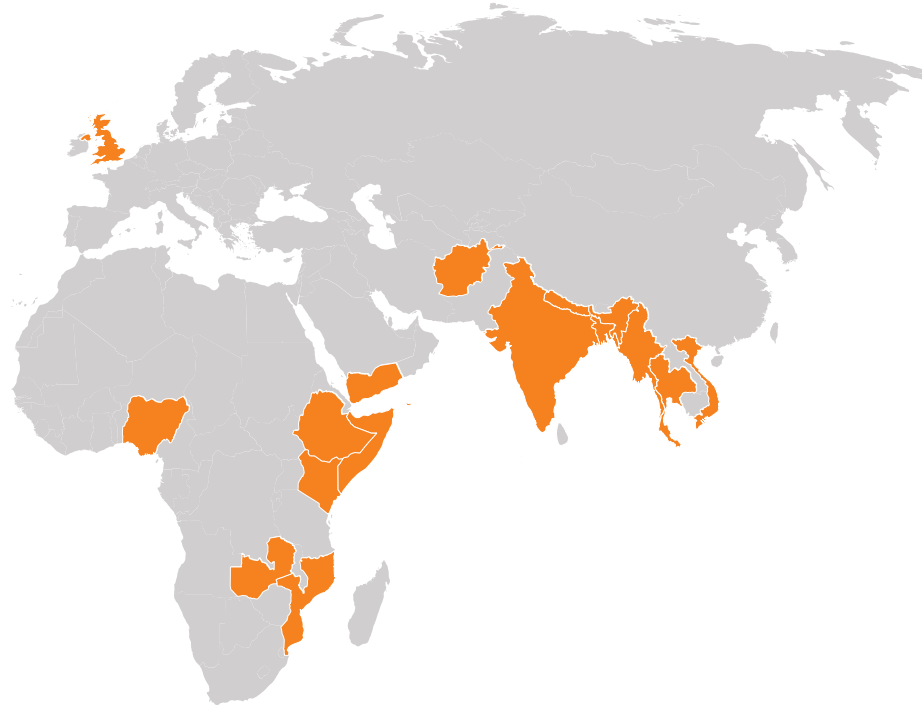
COUNTRIES

**110+**

CLIENTS

**265+**

PROJECTS



Innovision supports multilateral and bilateral aid agencies, NGOs, private sector, government and social business to design, implement and monitor systemic solutions for poverty challenges. Innovision facilitates multi-stakeholder partnerships that are scalable and sustainable.

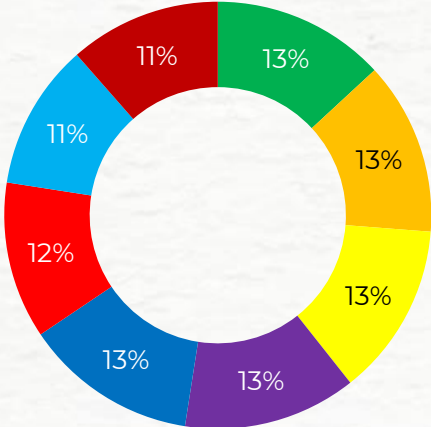
Innovision works for the extreme poor and the low income population in urban and rural areas. Since 2008, Innovision has delivered more than 300 technical missions in Agriculture, health, industries, Water, Sanitation, Hygiene and Nutrition systems and financial market systems in Bangladesh and also in South and South East Asia, Middle East and North Africa (MENA), Southern Africa and West Africa.



# **Demographics** of the respondents

# Profession and Location of Respondents

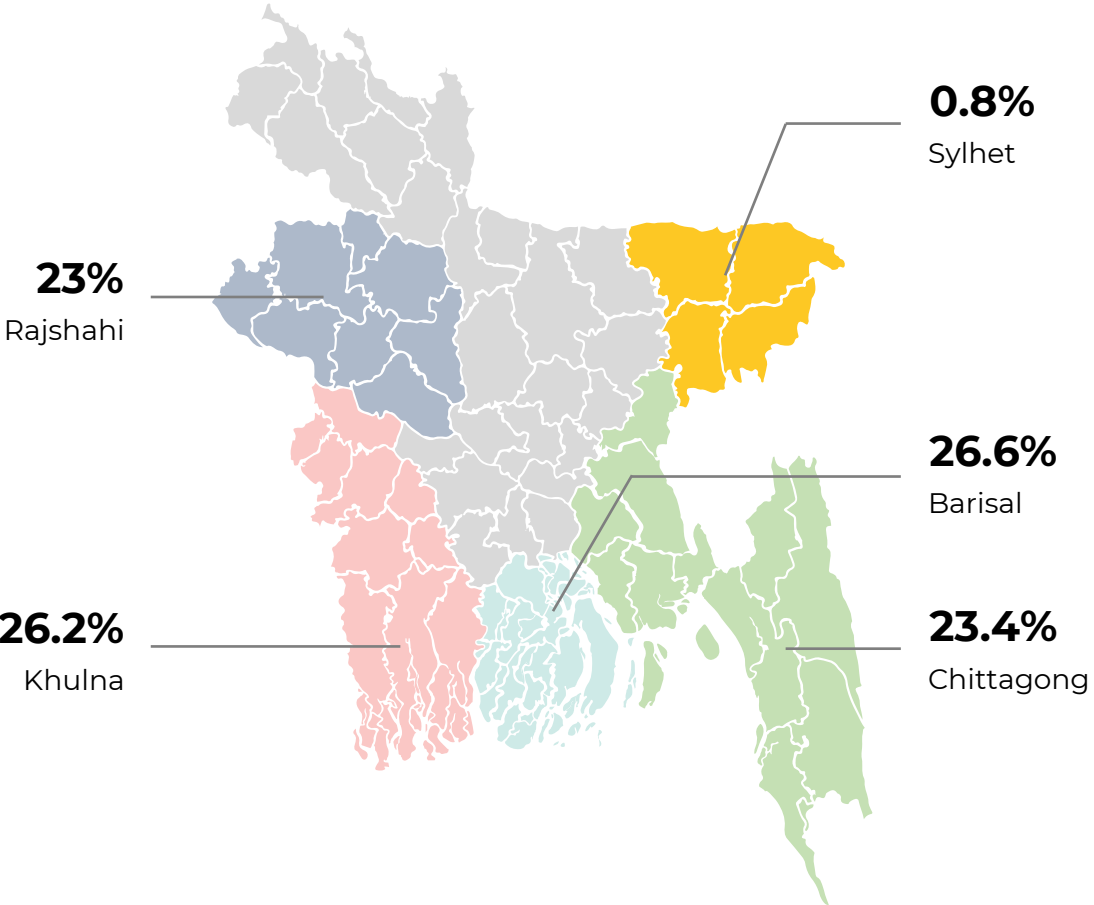
Profession of Respondents



- Wage earner/agricultural labor
- Construction worker/ mason
- House maid
- Owner of small restaurant
- Rickshaw puller
- Carpenter
- Three-wheeler driver
- Bus/truck driver & helper

N = 244

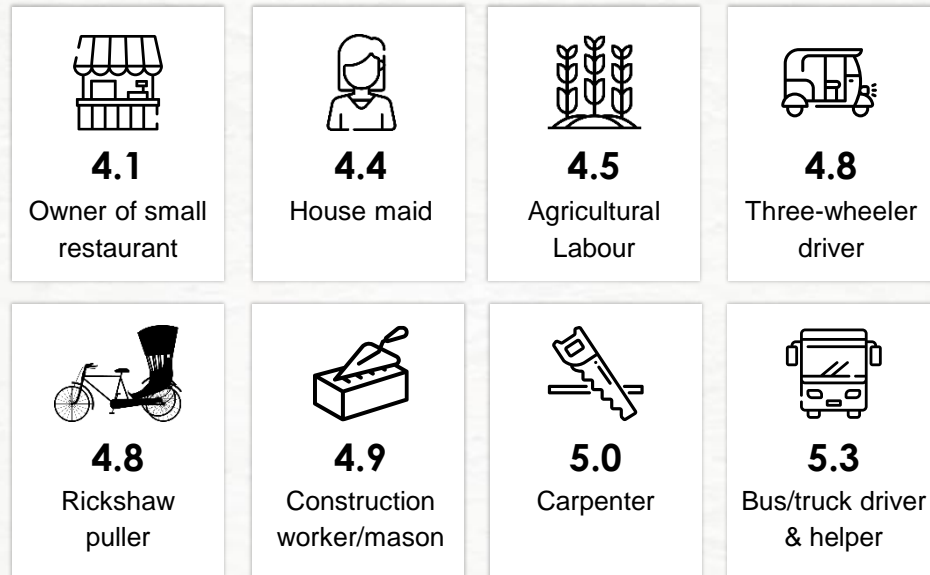
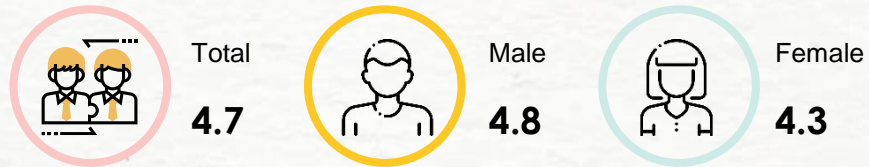
Divisional Distribution



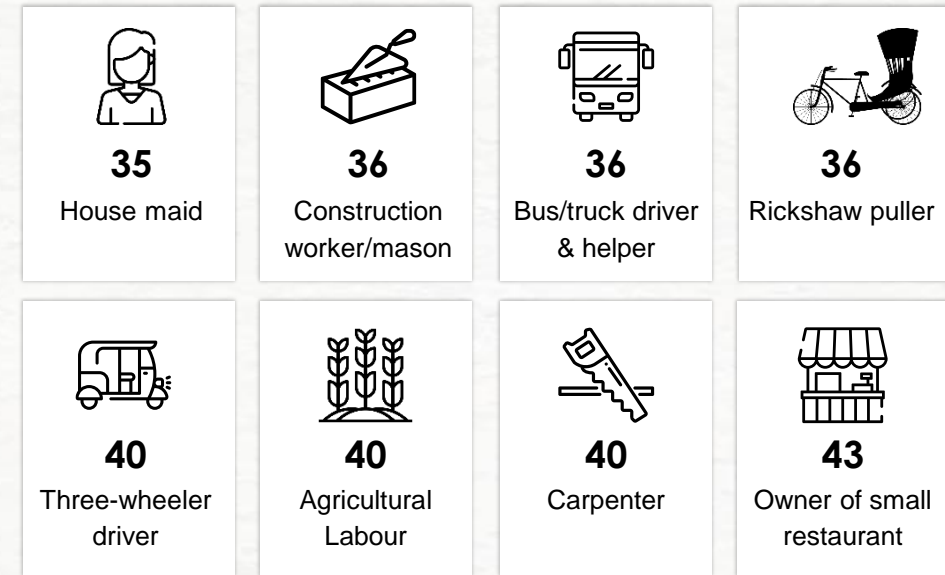
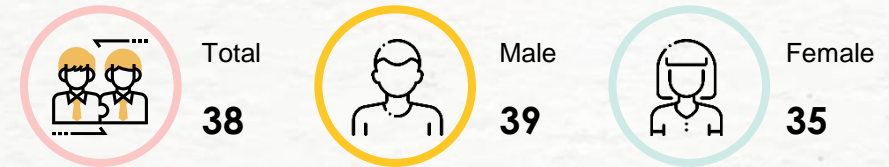


# Family Size and Average Age

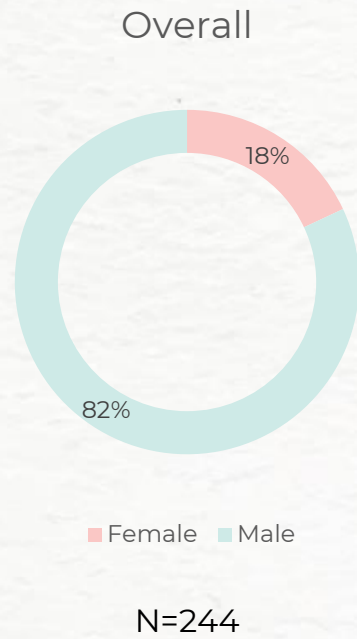
## Family Size



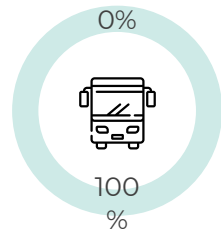
## Average Age



# Gender Distribution

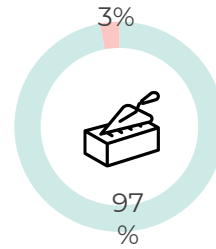


Bus/truck Driver  
& Helper



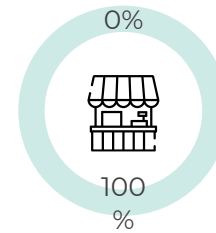
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Construction  
worker/mason



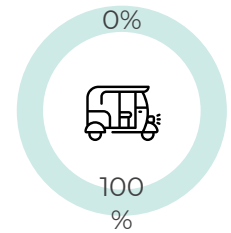
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Owner of small  
restaurant



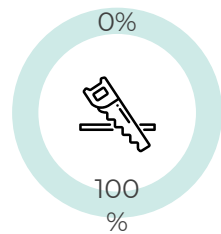
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Three-wheeler  
driver



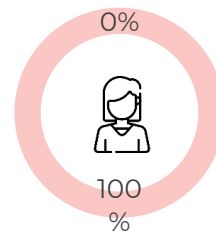
N=27

Carpenter



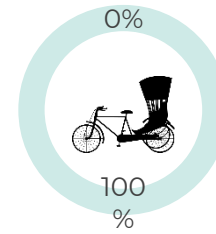
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House maid



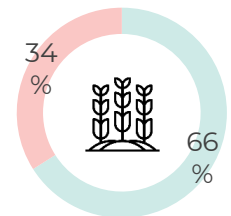
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Rickshaw puller



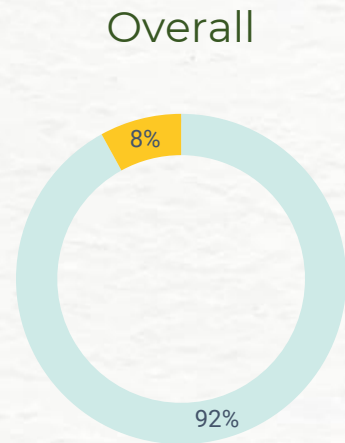
N=32

Wage earner/  
agricultural labour



N=32

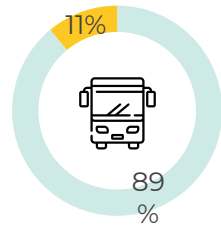
# Urban and Rural Distribution



■ Rural ■ Urban

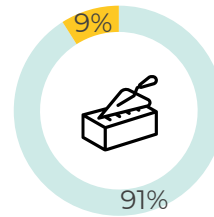
N=244

Bus/truck Driver  
& Helper



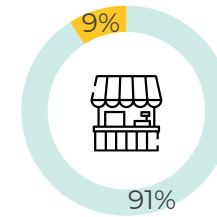
N=28

Construction  
worker/mason



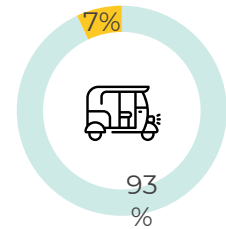
N=32

Owner of small  
restaurant



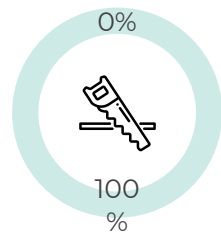
N=32

Three-wheeler  
driver



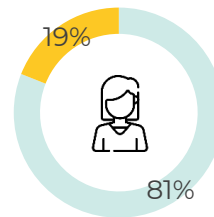
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Carpenter



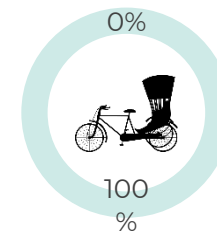
N=29

House maid



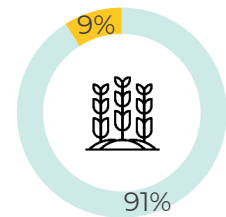
N=32

Rickshaw puller



N=32

Wage earner/  
agricultural labour



N=32



# Respondents' income and family dependency on their income

Average monthly earning in normal period (BDT)



Male

Average monthly earning

**BDT 13,432**

% of family income

**85.9%**



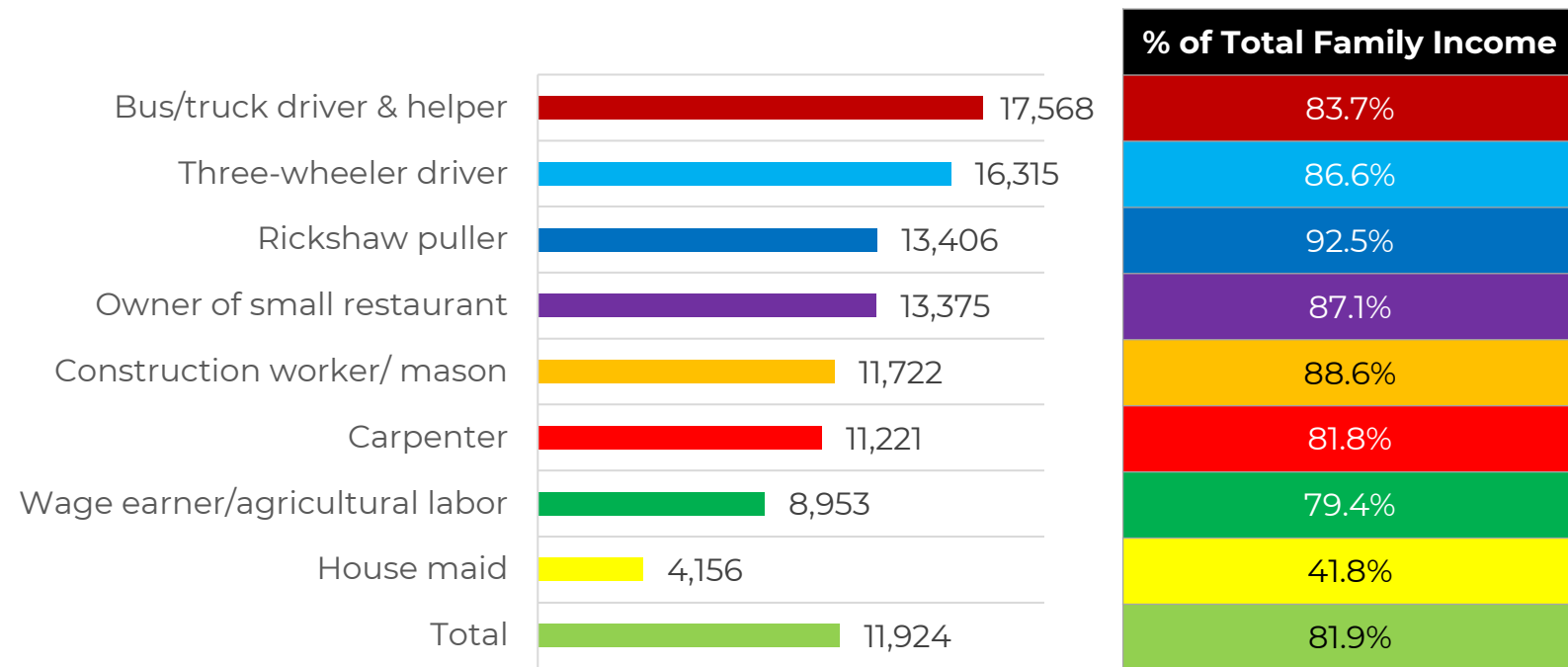
Female

Average monthly earning

**BDT 5,068**

% of family income

**52.2%**



Average Earning Member in Family = 1.6

# Savings and Loan



The average savings for the low-income groups is BDT 8,101. They save BDT 528 per month (4.4% of their income). The savings per months ranges between 2.8% (Bus/truck driver and wage earner/agricultural labour) to 6.3% (housemaid)



Females have 21% less savings than men in absolute value, although females save higher percentage of their income (5.5% compared to male's 4.2%)



They have an outstanding loan amount of BDT 36,187 (around 3 month's income). 6.4% of their regular income goes for loan repayment. The percentage ranges between 2.8% (bus/truck drivers and helpers) to 26.6% (wage earner and agricultural labours).

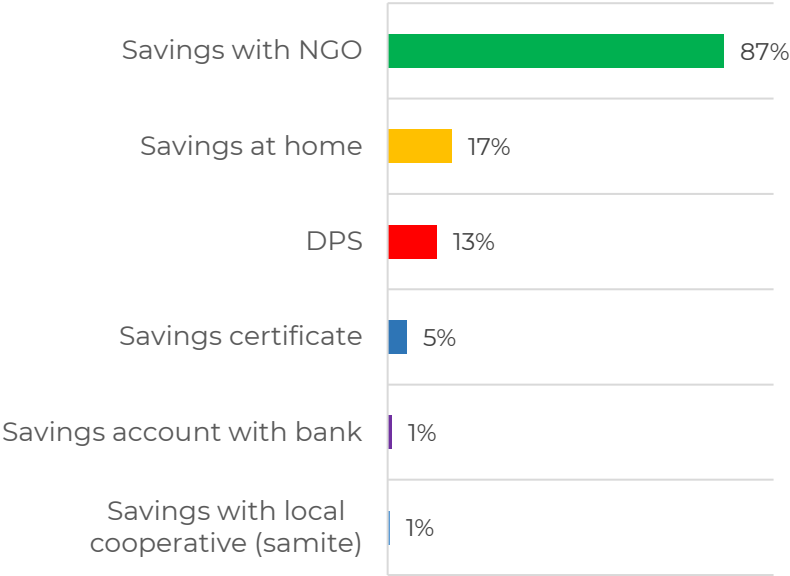


Females pay BDT 520 in instalments (10.3% of their income) while men pay BDT 806 in instalments (6% of their regular income).



70% of the respondents have loan in micro-finance organizations

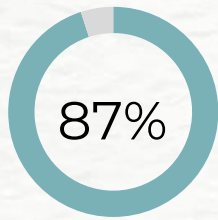
Savings in different schemes (%)



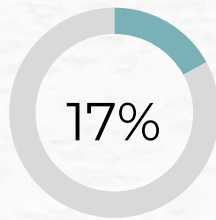
## Savings and Loan (Contd.)

74% of the respondents have some form of savings  
(for male – 80%, for female – 45%)

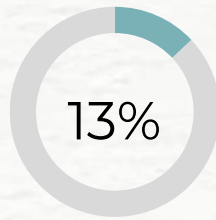
### Savings in different Institutions



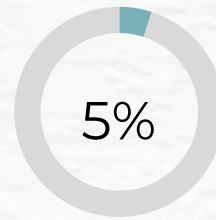
Savings with  
NGO



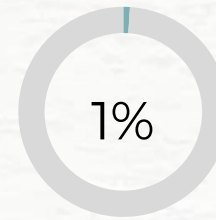
Savings at  
home



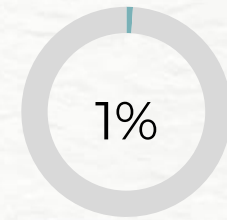
DPS



Savings  
Certificate



Savings with  
Bank

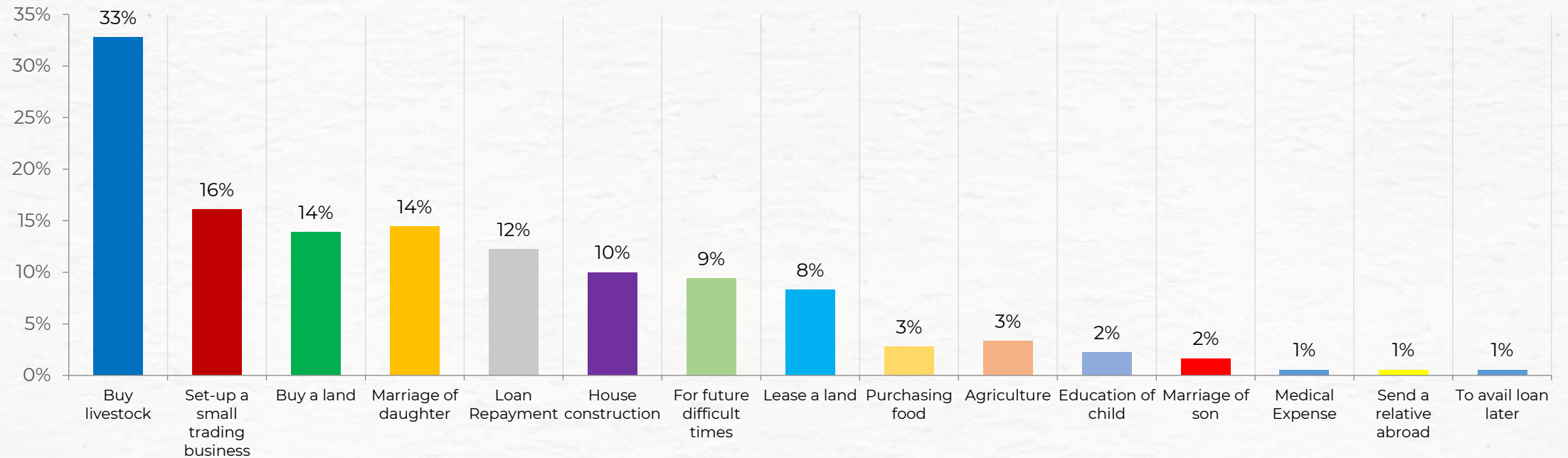


Savings with  
local  
committee/  
samity

# Utilization of Savings

Purchasing livestock is the number one reason for having savings, followed by setting up small trading business, purchasing land and marriage of daughter

## Purpose of Savings



## Utilization of Loan by Groups

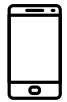
Group	Highest Usage	Second Highest Usage	Third Highest Usage
Female	House Construction	Livestock Purchase	Medical Treatment
Male	House Construction	Livestock Purchase	Rickshaw/ Van / Auto Rickshaw Purchase
Bus/Truck Driver and Helper	House Construction	Livestock Purchase Medical Treatment	Purchasing Food
Carpenter	House Construction	Livestock Purchase	Agriculture Loan Repayment
Construction Workers/Mason	House Construction	Livestock Purchase	Agriculture Loan Repayment
Housemaid	House Construction	Livestock Purchase	Medical Treatment
Owner of small restaurants	Other business	Grocery Business	Livestock Purchase Marry-off a household member
Rickshaw Pullers	Rickshaw/ Van / Auto Rickshaw Purchase	Livestock Purchase	Land Purchase
Three Wheeler Driver	Rickshaw/ Van / Auto Rickshaw Purchase	House Construction	Agriculture Other Business
Wage Earners / Agricultural Labours	House Construction	Agriculture	Livestock Purchase



# Mobile Phone Usage



98% of the low-income respondents use a mobile phone. Other than carpenter (93%) and housemaids (91%), all respondents of other professional groups own a mobile phone.

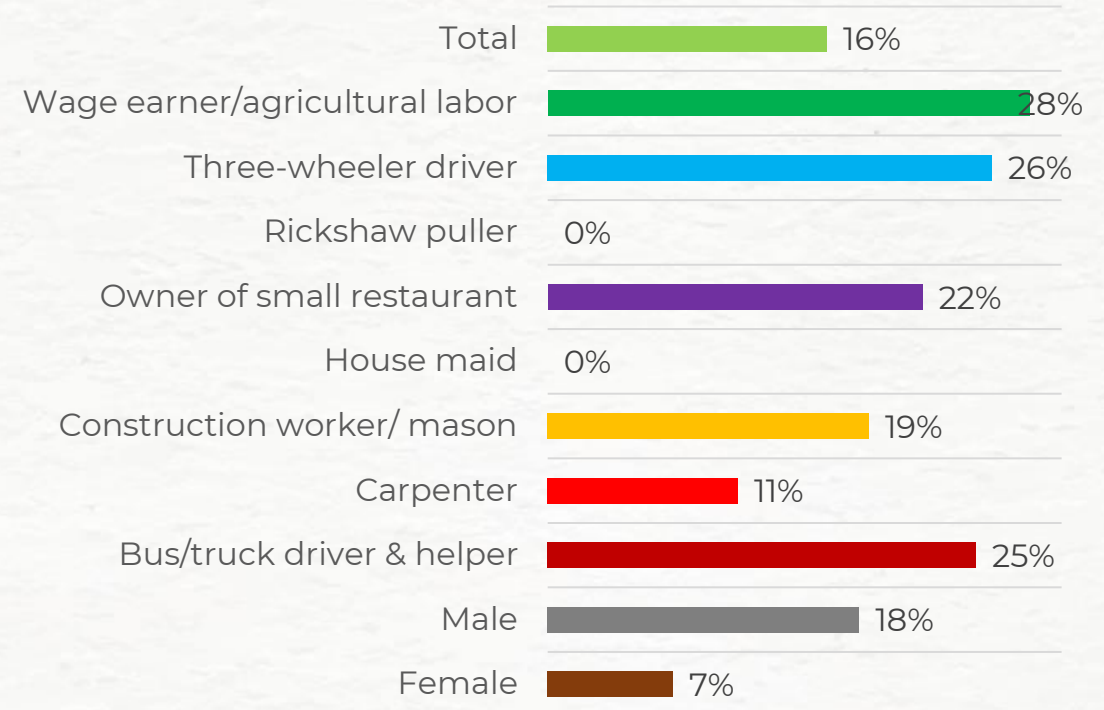


Only 11% of the respondents use a smart phone and 27% of respondents have other family members that uses a smart phone.



The low-income people spend BDT 147 per month on mobile phone (talk time, internet etc.). Women spend 45% less (BDT 83) than men (BDT 152). The highest amount is spent by owners of small restaurants (BDT 210) while the lowest amount is spent by construction workers (BDT 113).

## Internet Usage in mobile phone



# Financial Service Usage



Half of the low-income people have a MFS account. MFS ownership is highest among the bus/truck owners and helpers (71%) while the carpenters has the lowest ownership (31%)



Bkash is the overwhelming choice among all respondent groups (ranges from 75% to 100%). Nagad is also popular among rickshaw pullers (38%), but overall Nagad and Rocket are used by 7% of the respondents each.



Just 15% of the respondents have a bank account. 25% of the owners of small restaurants have bank accounts, while no rickshaw puller respondents have the bank account.

## Number of transactions per month

1 transaction  
per month



House maids



Carpenters



Rickshaw  
pullers



Agricultural  
Labours

2 transactions  
per month



Construction  
workers/mason

3 transactions  
per month



Bus/truck driver  
& helpers



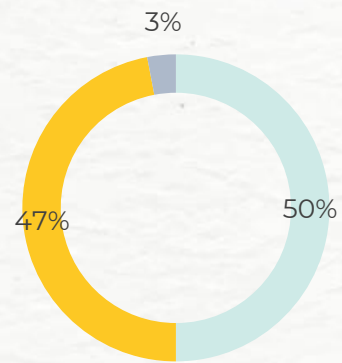
Three-wheeler  
drivers



Owners of small  
restaurant

# Lockdown Impact on Income

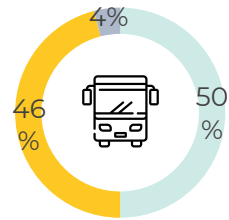
Overall



Decrease  
Decrease to zero  
Same

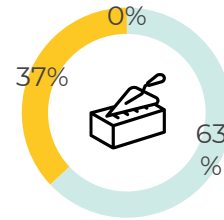
N=244

Bus/truck Driver  
& Helper



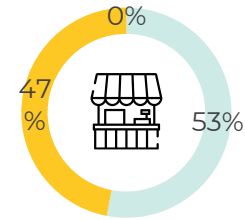
N=28

Construction  
worker/mason



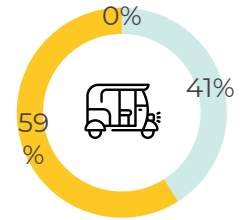
N=32

Owner of small  
restaurant



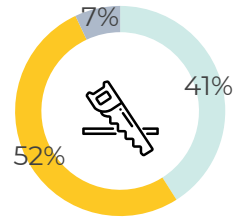
N=32

Three-wheeler  
driver



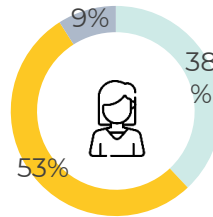
N=27

Carpenter



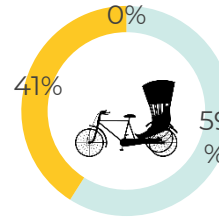
N=29

House maid



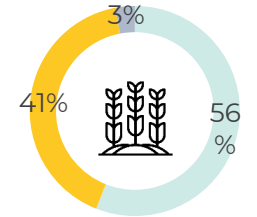
N=32

Rickshaw puller



N=32

Wage earner/  
agricultural labour



N=32



**How** are they coping?

# Survival amidst lockdown



Because of lockdown, respondents' **income decreased by 83%**, and their overall household income decreased by 78%.



Only **6% managed to get to some other work** during lockdown.

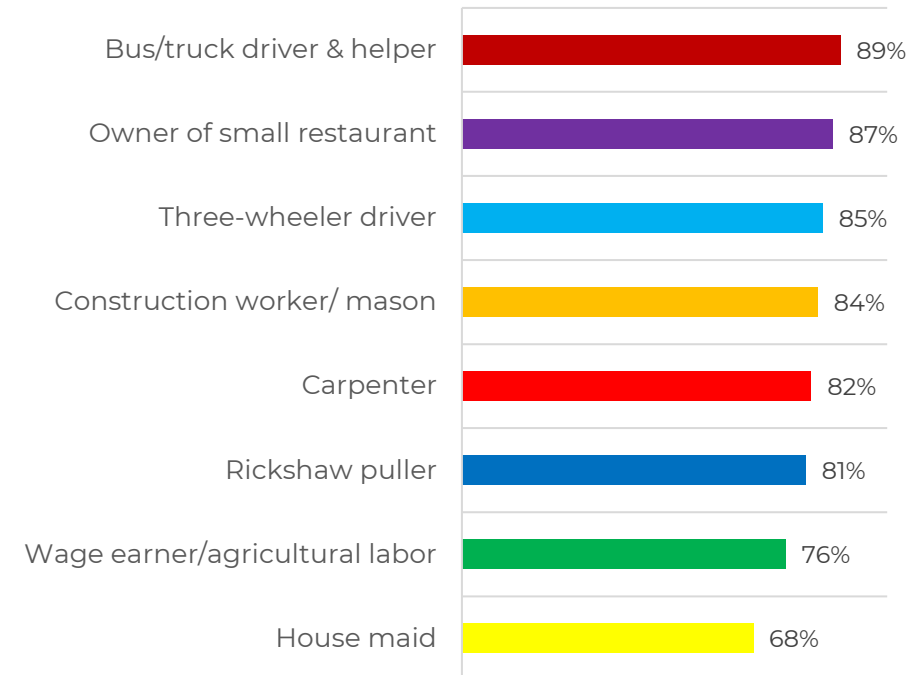


The respondents have cash or bank balance that can support their family expenses for an **average of 8 days only**. The worst situation is among the housemaids (3 days) and the “best” situation is among the bus/truck drivers and helpers (15 days)



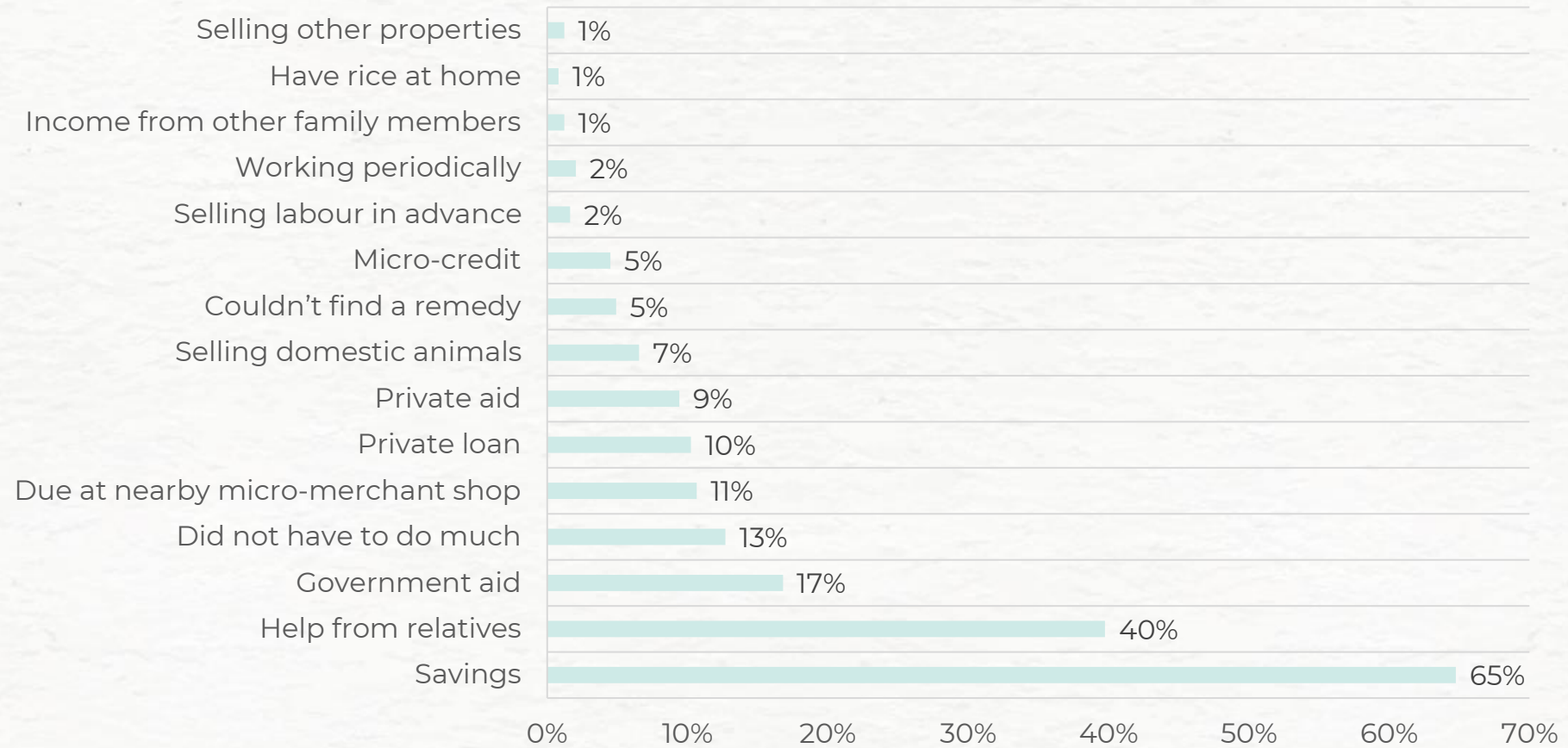
In terms of availability of basic food grain in the house, **low-income people have 11 days of basic food grain on average**. The worst situation is among the construction workers, housemaids and rickshaw pullers (8 days) while the “best” situation is among the bus/truck drivers and helpers (21 days)

## Decrease in income due to shutdown (%)





## Coping Income Reduction



# Impact on Food Consumption



In normal times, low-income people spend **BDT 3,259 (27% of monthly income) on purchase of protein content food items**. Rickshaw Pullers spend the highest amount in absolute value (BDT 5,037) while housemaids spend the lowest (BDT 1,737)

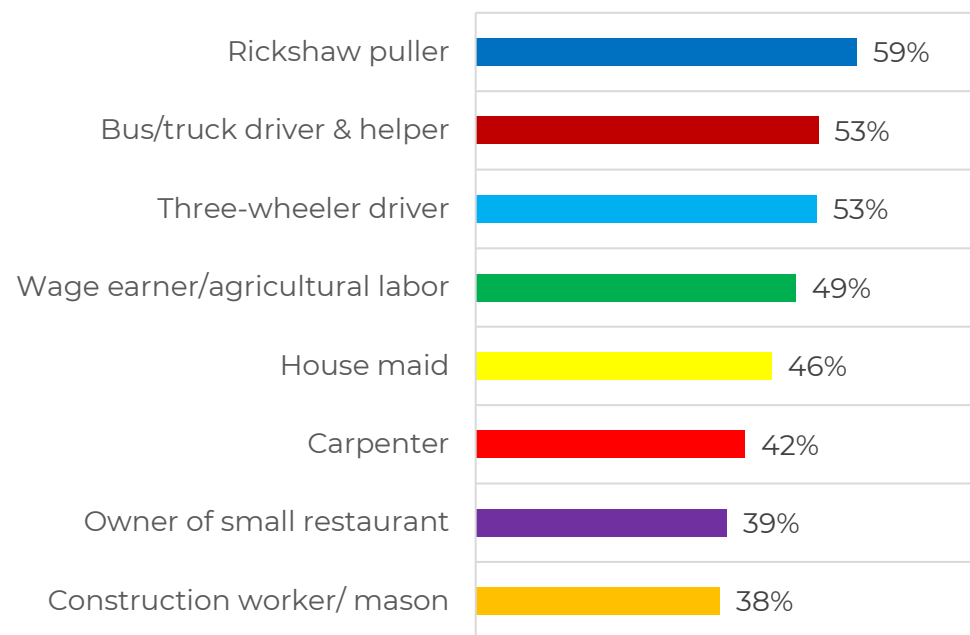


94% of the respondents reported reducing spending on protein content food items and they almost halved their protein food expense.



Majority of the respondents (89%) also decreased their non-protein food expenses

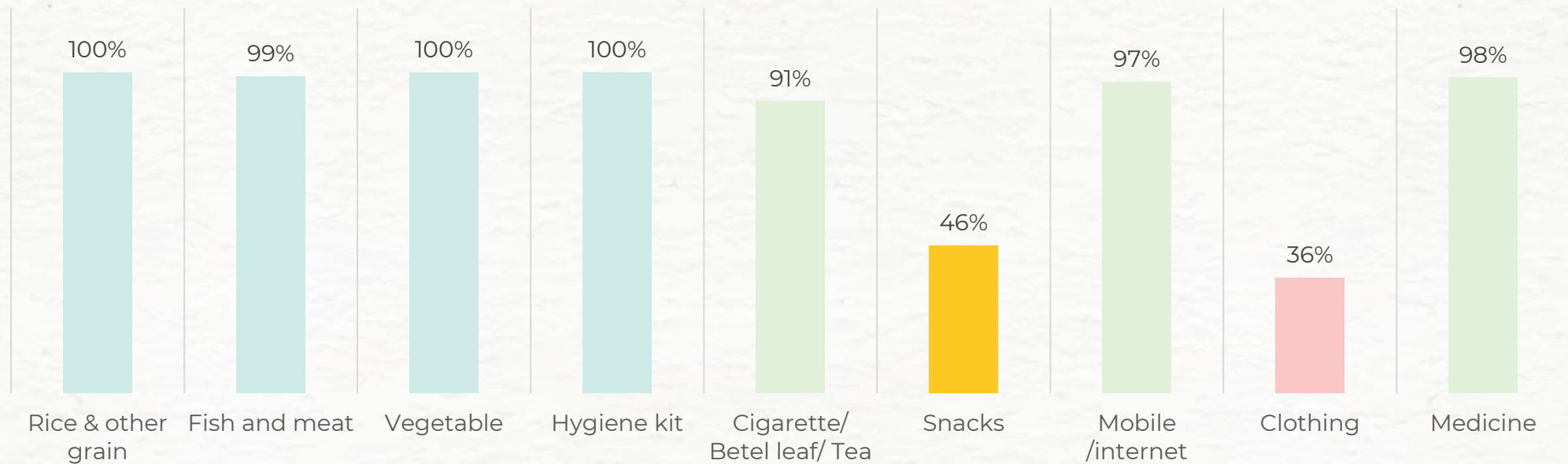
## Reduction in expense in protein in different groups (%)



## Availability of Essentials in Nearby Market

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Even in lockdown **most items are available in the nearby markets**, which signifies that the supply chain is still working well except for snacks and clothing items

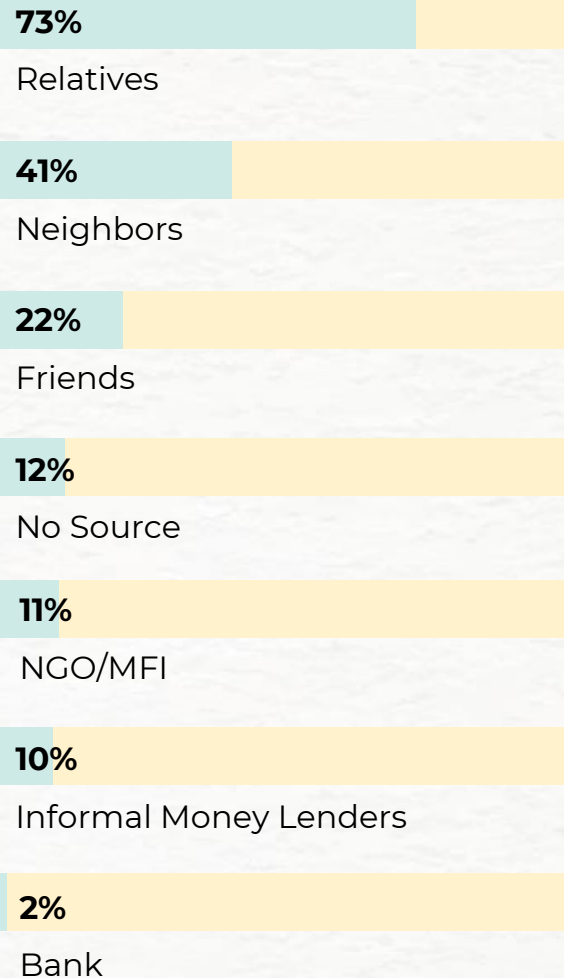


## Assistance during lockdown

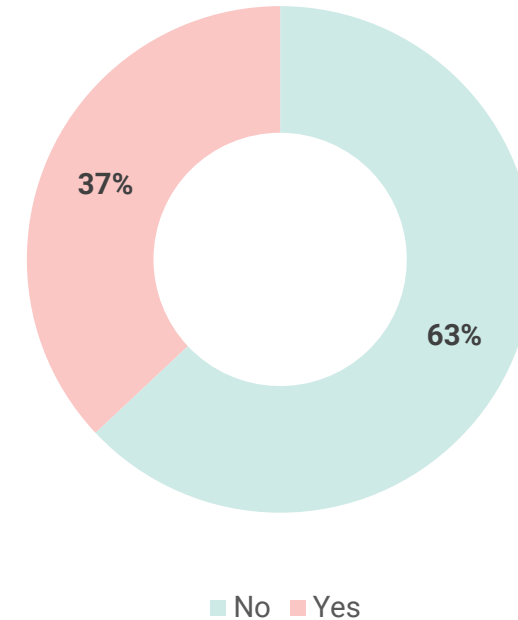
Most of the people think they cannot get assistance from the government or any NGO. They are relying on relatives, neighbours and friends to get some money so that they can get through this difficult time



Potential  
source for  
Loan

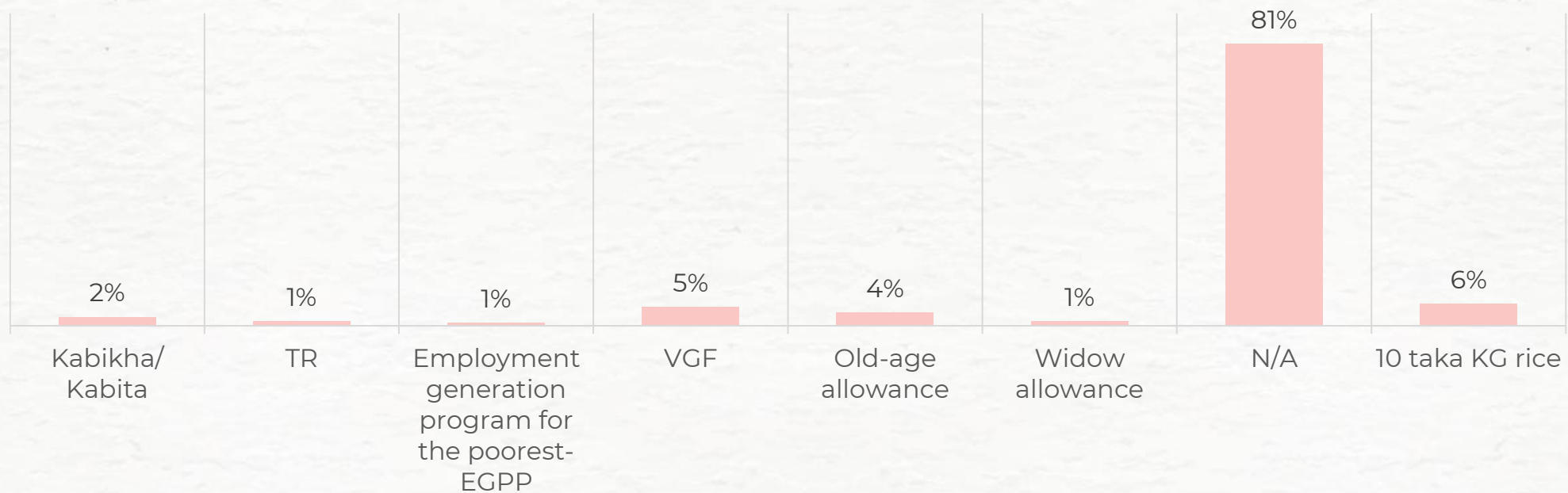


Possibility of Support from Government/NGOs



# Assistance during lockdown (Contd.)

Vast majority is not enlisted in any kind of government safety net programmes



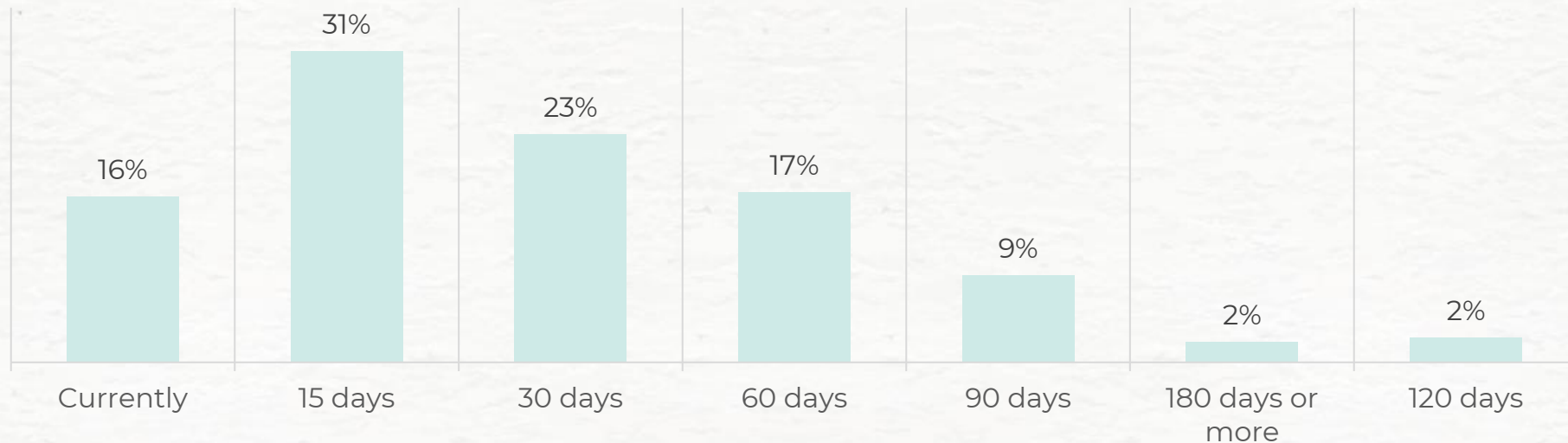
Enlistment in Safety Net Programs



## Assistance during lockdown (Contd.)

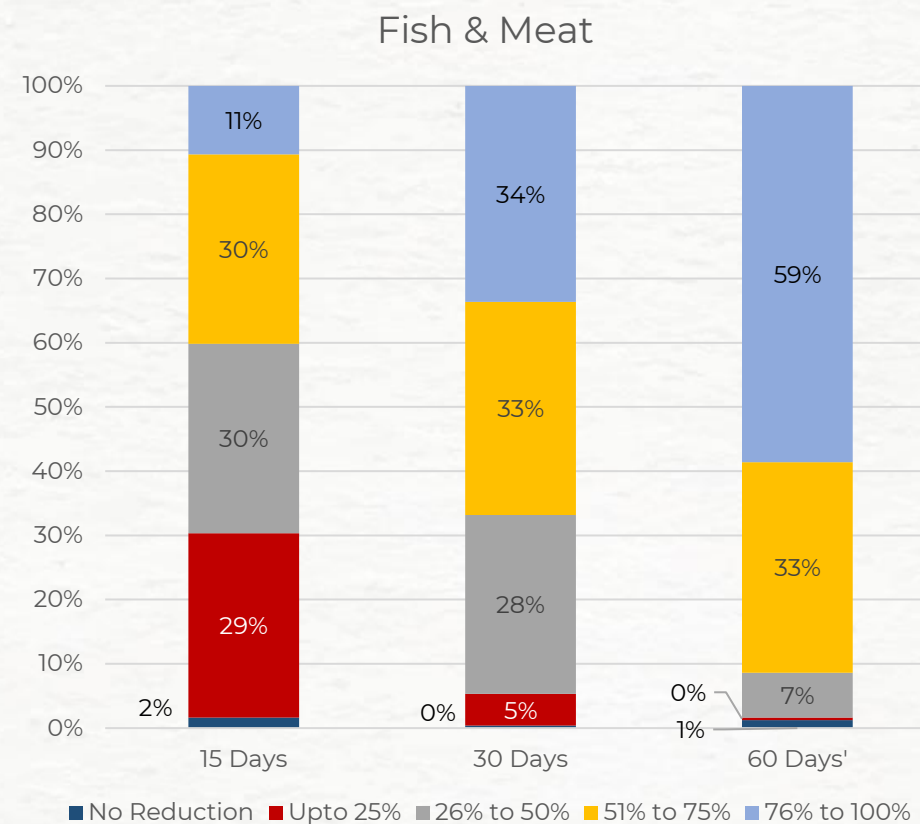
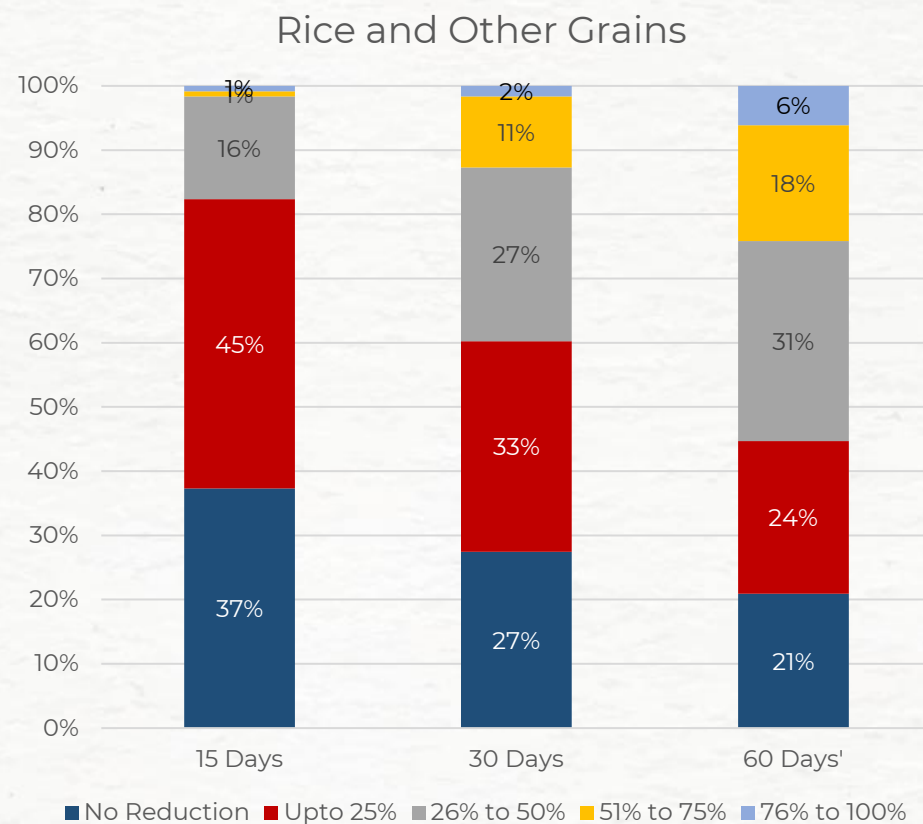
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If the situation continues, and the low-income group do not get assistance from other sources, they will have to cut down one whole meal from their daily diet.

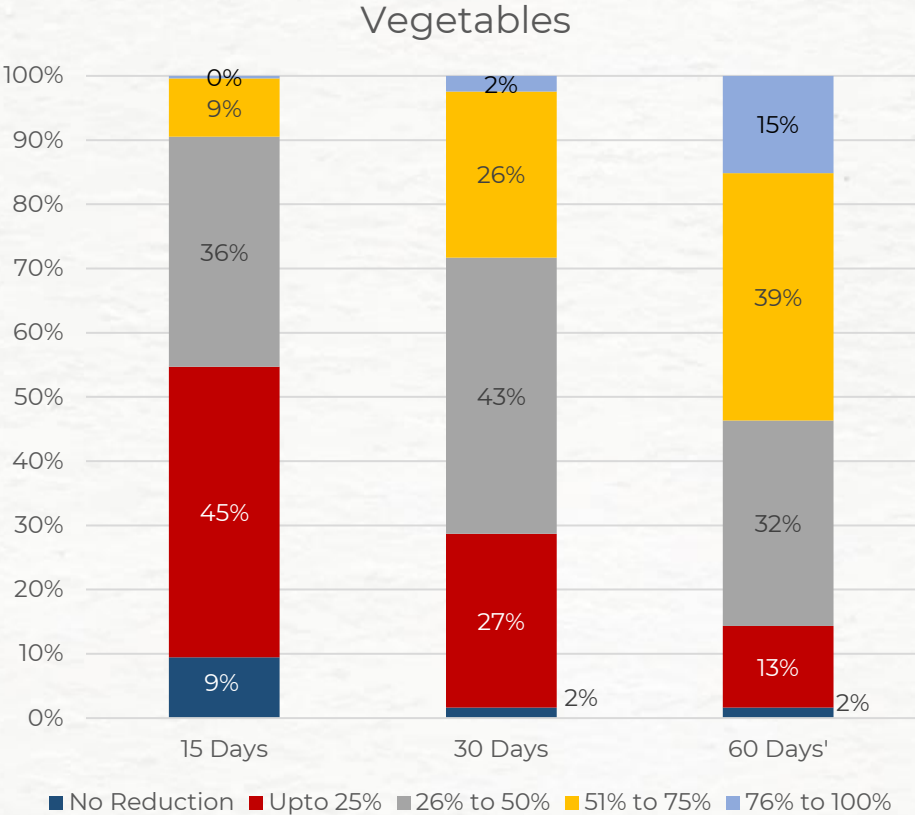
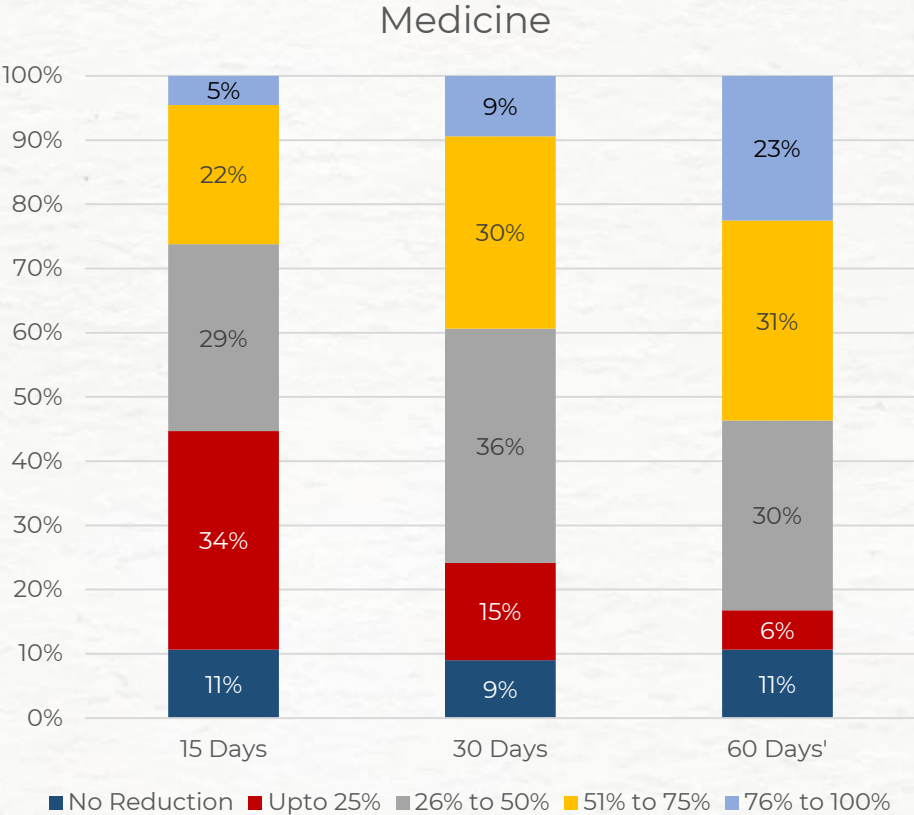


Getting to two meals a day amid lockdown

# Coping without Income by Cutting Down Food Items



# Coping without Income by Cutting Down Expenses (Contd.)





# **Re**commendations

## Recommendation

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The savings of low-income people are really small and they are in a vulnerable situation for that. There should be initiative to provide incentive to the low-income group to save systematically once the pandemic situation is over.



Nearly half of the people do not own a mobile phone, providing assistance using mobile account hence is difficult. There should be ways where the low-income groups can use other family member's phone for getting assistance.



Lending coverage from formal financial institutions is really low. People are mostly relying on support from friends and relatives during lockdown. It is unlikely that these people will be benefitted from government's bank-based incentive package. There has to be increased efforts to get low-income people under banking coverage.



## Recommendation (Contd.)

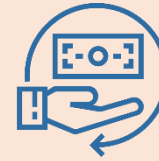
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Very small percentage of low-income people are getting government or NGO support during the pandemic situation. They need to be identified by local administration and leaders and provided support till the situation eases.



People are cutting down on protein items first, but also cutting down on vegetables and rice. Many are thinking of cutting down one meal completely. If the situation prolongs, this will have long-term nutrition impact on the people.



If the situation continues, there can be many social issues and social unrest. Government needs to restart economy safely so that low-income people can get back to work and support their families.

# Team

Lead Researcher  
**Sadruddin Imran**

Lead Associate  
**Azmul Huda**

Analyst  
**Parvez Mahmud**

Data Collection Manager  
**Mohosin Reza**

Visualization  
**Muhammad Imran**

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Data Collection Period: Last week of April 2020