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Research

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A.B.N. 91 007 092 944

Quality System Certified to AS/NZS ISO 9001

Finding No. JP 219

December 2010 Figures

Available on Website: www.roymorgan.com

On March 8 2011

Second income earners more a necessity than a choice

Most days at the office, I feel like a professional killjoy. Whether I'm talking to brand managers or advertising specialists, young blood or seasoned veterans, I find myself advocating reality checks. Too often, boardroom conversations over cappuccinos lead me to remind people that very few Indonesians have a car, a credit card, a shower in the bathroom. Or use an airline, buy life insurance, get a university degree or send video messages by phone.

So when people talk about "the growing trend of nuclear families", DINKs and other such acronyms, I point them to some very basic statistics. Like the very few people in Indonesia with university degrees or tertiary education. Those numbers still amount to small fractions of society. The common view in the ivory tower seems to be influenced by the growing numbers of trendy women in metro office blocks. That they amount to very small numbers as a percentage of all Indonesian women is a distinction that is lost on many marketing professionals. It is the kind of jumping-to-the-wrong-conclusion that has seen many shopping malls, apartment blocks, airlines and banks get into strife. In this glossy but rarified atmosphere at the top, supply is greater than demand. Competition is more fierce than it needs to be. I can't prove it but I think many of these investors would have made more money for much longer if they had taken an interest in logistics, infrastructure or healthcare where the opposite is true: More demand, not enough supply and hardly any competition worth talking about.

On the other hand, there seems to be very little interest and not enough appreciation of realities on the ground. It is true that one in three women over the age of 25 are housewives. That means the rest are not. Many will find it equally surprising to know that 11 per cent of them are in fact the "Main Income Earners" in their households. Half of them are the only breadwinner, half are from homes with two incomes or more. But to assume that these women are all professionals working downtown would also be a grave error. Because nothing could be further than the truth.

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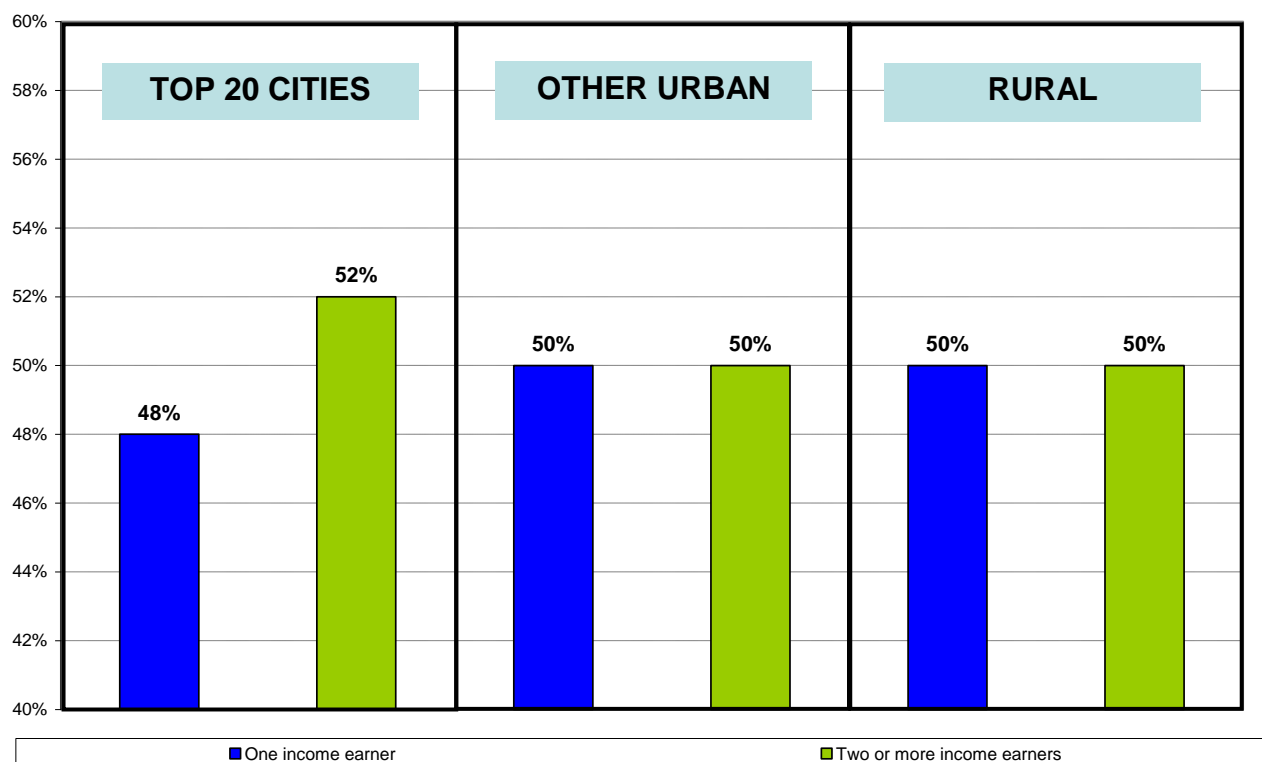
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HOUSEHOLDS WITH SINGLE AND MULTIPLE INCOME EARNERS



Let's start with the basics. Nationwide, one in three people 14 years of age and older are the principal breadwinners in the household. Outside of the "Top 20 Cities", in the towns and villages of Indonesia, half the households have one breadwinner, the other half have two or more. In the big cities, 48 percent of households have one main income earner bringing the *beras* home, 52 percent have more than one wage earner. That's the extent of difference between cities, towns and villages. For anybody who don't know the difference between the three, a look at statistics and classifications used by the national bureau BPS, would be a good place to begin. At Roy Morgan Research, we've taken the *kota* or urban classifications and divided them in two groups, "Top 20 Cities" and all "Other Urban". That's because we know that across the developing world, life in the big city is visibly different from life in a small town, both classified as urban.

These numbers haven't changed much in the last five years, the trendlines are evenly steady as population growth inches forward. I don't need to be reminded that a small percentage the country the size of Indonesia can be much bigger than the entire population of Singapore, just across the ditch. But that doesn't mean that the working woman in both countries have the same kind of jobs, or similar incomes, even at the top end of downtown. The sobering reality in Indonesia looks like like this:

Of all the women living in households with more than one income, just one out of 100 working women are "professionals" or "managers". 9 percent are "white collar workers". 5 percent own their own businesses or are partners in a small business. 1 percent are "farm owners". 28 percent are housewives and 10 are students. Another 4 percent have no occupation, because they are either retired, disabled or aged. But the single largest classification should come as no surprise in this emerging economy: 34 percent of women in households with two or more incomes are "unskilled or semi-skilled workers". Not all of these jobs are full-time, many are part-time, some are part-time

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looking for full-time employment. There have been no significant shifts in trends during the last five years. These are the facts, not opinions, interpretations or assumptions.

On the flipside, Indonesia-watchers who assume that this large country with the world's largest Moslem population is the home of docile women who stay at home in some form of medieval subjugation, are also in dire need of a real education. As the facts illustrate, only 26 percent of the fairer sex are housewives. The rest are out and about, working the fields and factories, running their businesses, studying or looking for jobs. That doesn't mean that housewives are doing anything less important. In a country where about half the population is below the age of 25, where community is more important than the individual, where family is at the very core of life, the *ibu* is doing a job that's as important as anybody else's. At home, it is she who controls the purse-strings and not much happens without her concurrence.

All this talk about nuclear families and trend-setting homes can be a waste of time if the objective is to simply identify the potential market for a particular product or service. By simply choosing the appropriate demographics or relevant attitudes, a target universe for a brand can be identified and quantified. You can then understand them in human terms, from that brand's perspective and connect them directly to sports and leisure activities, media vehicles and retail outlets. Such an effort is a lot more meaningful than stumbling through a wide exploration that leads to vague, and often misleading conclusions.

These observations are based on Roy Morgan Research. In Indonesia, it is the country's largest syndicated survey with over 25,000 respondents annually, projected to reflect 90% of the population over the age of 14. The insights are updated every 90 days.

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