

THE RICH, THE POOR AND THE NEW MIDDLE CLASS.

Do we really understand what life is like for Indonesians at large, who has how much money and what has become of the Middle Class since the economic crisis of 1997?

This report dwells on how much Indonesians are earning and how that defines the boundaries of each socio-economic strata. The information is based on Roy Morgan Single Source, a survey in the Top 20 Cities, 20 Towns and Rural surrounds with 25,000 respondents annually, covering more than 90% of Indonesia's population over the age of 14.

Most of Indonesia isn't earning very much, not surprisingly. Without including students, housewives, the aged or the disabled, the overwhelming majority of workers earn less than Rp 500, 000 per month. Imagine what that buys at the pasar today, for a home that has just one breadwinner in a culture where most women are mothers and homemakers. It's nothing to be ashamed of, that's the painful reality. What is shameful though, is the extent to which we exploit that reality without doing our individual bit for the collective good. There's nothing wrong with owning a Mercedes Benz, if the chauffeur too can send his children to school for proper education. Across the nation's cities, towns and villages, only 1.0% of the population aged over 14 years has an individual income of more than Rp 2.5 million per month. While 45% live in homes comprising just parents and their children, 15% live as members of extended families where multiple incomes can alleviate the pain of meagre individual incomes.

Individual Income Strata of All Workers

IIS	Monthly Income	Total (Nat)	Urban (Nat)	Rural (Nat)
A1	Rp 3.000.000 +	0.50%	0.90%	0.30%
A2	Rp 2.500.000 - Rp 2.999.999	0.50%	0.80%	0.20%
B1	Rp 2.000.000 - Rp 2.499.999	1.50%	2.40%	0.70%
B2	Rp 1.500.000 - Rp 1.999.999	4.20%	6.30%	2.30%
C1	Rp 1.250.000 - Rp 1.499.999	4.40%	5.90%	2.90%
C2	Rp 1.000.000 - Rp 1.249.999	7.10%	9.20%	5.20%
D1	Rp 800.000 - Rp 999.999	13.30%	14.40%	12.30%
D2	Rp 600.000 - Rp 799.999	18.80%	20.70%	17.10%
E1	Rp 500.000 - Rp 599.999	13.40%	11.50%	15.10%
E2	Less than Rp 499.999	36.20%	27.80%	43.80%

Base: Indonesian 14+ who are employed (National)

Sample Size: n = 11,258

Time Period: July 2005 - June 2006

The chart defines Indonesia's Individual Income Strata (IIS), for the first time. It reflects individual income in summarised groups, A to E, even though detailed bands of personal

income are now available for the first time in Indonesia. It embraces the entire population of earners only, in other words it excludes housewives, students, the unemployed and retirees. This group of non-earners at 50% of the population earn nothing or less than Rp 600,000 per month. Of all people who earn, one out of three brings home between Rp 600,000 and Rp 1 million per month making D the single-largest group. Group C, earning between Rp 1 and Rp 1.5 million rupiah each month comprises 11.5% of all earners. Then there's B at 5.7% earning between Rp 1.5 million and Rp 2.5 million a month, within which B1 at Rp 2 to 2.5 million per month is just 1.5% of all earners. At the top end of town is A at 1.0%, with income ranging from Rp 2.5 to Rp 5 million per month, including A2 earning between Rp 2.5 to Rp 3 million per month. Over 387,000 people in the elite A1 group make over Rp 3 million each month. Hard to believe? Just remember that these facts come from the most statistically robust, geographically balanced consumer database in the country, updated every 90 days. It is more right, less wrong than any other source.

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