



Name: _____

Class: _____

4 Income Levels

From “Factfulness” By Dr. Hans Rosling

Directions:

1. **Read** about the four levels of income.
2. **Highlight 3 key details from each reading** that would help you describe each income level to a peer.
3. When you are finished, use the reading and the photographs on the last page to **hypothesize** about how much money per day you think is earned on each income level.

Income level 1

Income Level 1 is where we find the world’s poorest people. Meeting even the most basic of their needs is a struggle. For these people, it’s tough to find a drink of water on a hot day, or to stay dry when it’s raining.

At this income level, it’s common for women to have six or seven children — the global average is just two — because they live in countries where children are much more likely to die before they reach the age of five. This may seem incredible to someone living at Income Level 3 or 4, but it’s a **stark** (sharp) reality for the **poorest billion people** on the planet.

People at Income Level 1 work as low-yield farmers or laborers, and have no savings. Often they grow the food their family relies on for **sustenance** (nutrition), eat the same thing for every meal, every single day, and cook on open, indoor fires. Because they grow their own food — and can’t afford to buy food from shops or markets — one bad harvest could mean the entire family starves.

Water is no **triviality** (minor detail) either. People at this income level have to travel long distances to fetch water using a bucket, either from a cold water tap or an open mud hole. They also can’t afford any form of transport, so they have to walk barefoot.

Their homes are made from natural materials like mud, reeds, and wood, and are vulnerable to bad weather because they have temporary roofs. There usually aren’t any dividing walls inside these homes, so large families typically share a single common space at all times. It’s even hard for people at this income level to protect their homes and possessions from other people, because their doors often don’t have locks.

Worst of all, if a family member gets sick at this income level, the consequences can be terrible. It can be hard to cure even treatable illnesses and infections, because people living in this degree of poverty have very limited access to antibiotics, and health clinics are often a long way away.



Income level 2

Unlike people living at Income Level 1, people living at level 2 don't have to struggle to meet their basic needs, and their lives are easier and better in many ways. For the **three billion people** living at this income level, though, there's still a great deal of uncertainty.

For example, while people living at Income Level 2 can afford basic medication, a single major illness in the family could push them back down to Level 1, and extreme poverty. An extreme weather event — or some other unexpected setback — could easily do the same thing.

People at this income level still work in physically demanding jobs — and are often still farmers — but unlike their Level 1 counterparts, they are able to start saving a little money. That extra money may help them to buy a bike, which at this Income Level can make a huge difference to a person's life — it means they can fetch clean water from a cold water tap in under 30 minutes, and/or travel to a job that pays a bit more than they could earn if they had to work within walking distance.

Having more money also allows people who are at Income Level 2 to eat a more varied diet — they might buy some meat, eggs, vegetables, and even spices from the local shop or market to go along with their **staple** (main) grains. And while meals are still basic, they can at least be cooked on a gas burner instead of an open fire.

When it comes to homes, the houses people live in at this Income Level are stronger than those at Level 1, but are still simple and made from a patchwork of materials. There is more likely to be a lock on the front door, but there are still many people sharing a small space. One major bonus of making the jump from Level 1 to Level 2 is that people no longer have to sleep on the floor, as they can afford mattresses.

And there's another huge bonus to being at Income Level 2: Electricity. Electrical power suppliers are typically unstable but can allow families to have a few lightbulbs in their homes. That means people are less dependent on the sun for visibility, and children can spend more time doing their homework in the evenings.



Income level 3

Lives for the **two billion people** at this Income Level are much more stable than for people at Levels 1 and 2, and they can afford to buy things beyond the basic necessities.

Of course, it's not all fun and games. People at this Income Level work long hours in factories, or as drivers, nurses, and hairdressers. While there's no doubt that threats are much less common at Level 3, life can still be difficult and stressful at times.

By working hard, people at Level 3 are able to save a small amount of money, and sometimes even have access to microfinance. *Microfinance is a type of financial services that includes loans and is specifically targeted (for) people and small businesses who may not be able to get access to traditional banking services or loans.* This extra money is often used to buy a small motorbike or moped, but even families without these luxuries have access to public transport.

More money also means more meat, which people at Level 3 can afford to buy from shops and markets. Their meals have variety and are more nutritious than for people at Levels 1 and 2, and unlike them, people at this Income Level eat something different for breakfast and dinner. There's a further upgrade in kitchen facilities as well — they cook their meals on a simple stove, rather than an open fire or single gas burner.

Another huge positive is that people at this Income Level don't have to spend time fetching water, because there is a clean water tap at home or very close by. Getting medical treatment is also easier, with hospitals and health clinics typically nearby, and local shops selling medicines for minor illnesses.

When it comes to living arrangements, at Level 3 people live in homes with more than one bedroom, and that are styled according to their taste. Their roofs don't leak, and people are able to protect their families and possessions thanks to strong door locks and sealed windows. Electricity is much more stable at this income level, so people can buy a small television or laptop to watch their favorite shows.

Despite working long working hours — and often even multiple jobs — people at Level 3 may be lucky enough to be able to take their family for a very short vacation somewhere close by. That might not sound like much, but it represents a huge leap forward from Income Levels 1 and 2.

Income level 4

At this Income Level, we find the **richest billion people** on the planet, who work in jobs that typically require at least 12 years of education — something those on the lower Income Levels cannot currently **aspire to** (pursue).

People at this Income Level are able to buy consumer goods, fly abroad with their families on holiday, and eat out at restaurants. None of these luxuries are available to people living at Levels 1 – 3, but are considered normal by most at Level 4.

The food they eat is often highly nutritious and diverse, as well as being rich in protein and vitamins. People at Level 4 can even buy pre-prepared food to save them time on cooking.

At this Income Level, not only electricity but also Internet connections are extremely reliable. Nearly every home has at least one TV and computer, and kitchens are equipped with stoves, ovens, toasters, and microwaves. Homes also have baths and showers installed with both hot and cold water — another luxury that is extremely rare at any other Income Level.

Instead of bikes and mopeds, people living at Level 4 usually own a car — sometimes even two per family. Public transport is also organized and readily available to everybody.

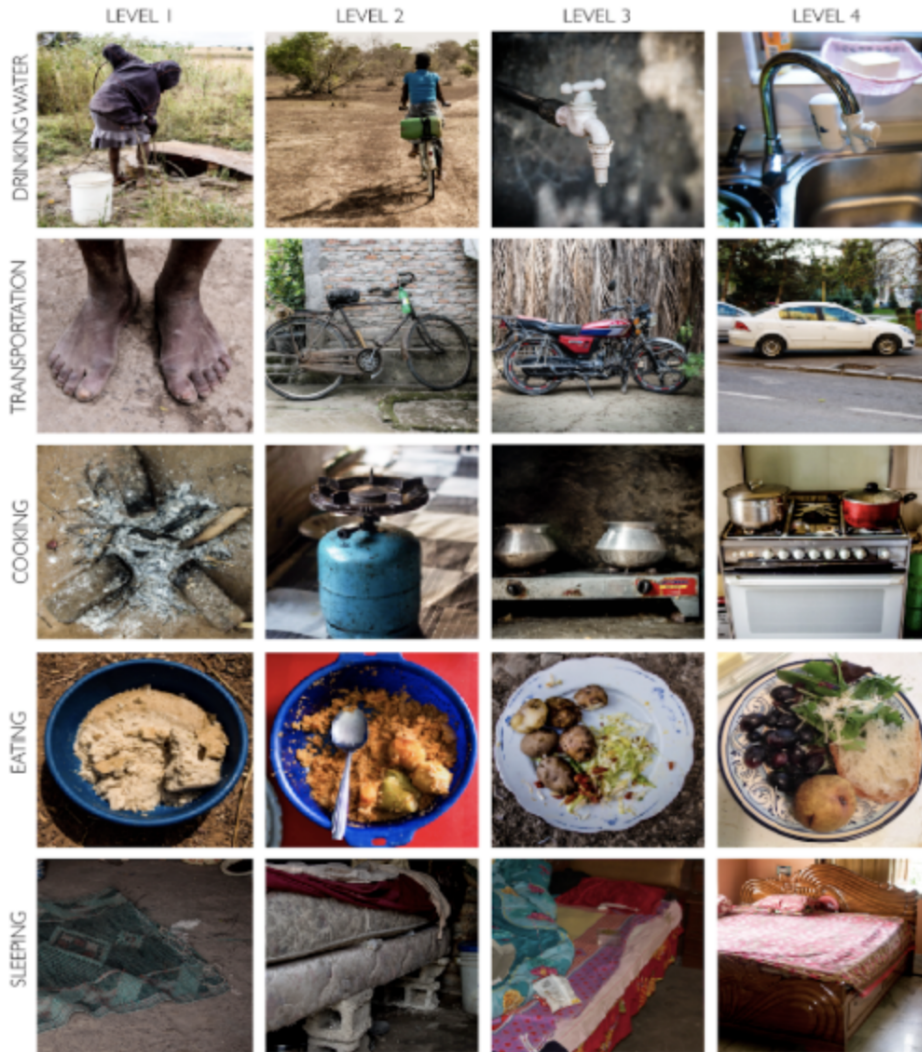
Perhaps most importantly, life at Level 4 is more secure than it is for people at levels 1 – 3. Not only are doors and windows locked securely, valuable property is usually **insured** against damage or theft. People also have bank accounts, access to credit, and pension funds for when they retire. Healthcare is also readily available to people living at Level 4, with basic medication available at affordable rates from local shops, and advanced and emergency medical treatment available locally to almost everybody.

Name: _____

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Income Levels



Hypothesize!

→ How much money per day (in US dollars) do you think is earned on each income level?

Level 1	Level 2	Level 3	Level 4

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Income level 1

You have 5 children and you spend hours walking barefoot to fetch water from a dirty well or mud hole. You had to stop going to school in primary school to work. You farm and try to sell surplus crops. You eat the food you grow. You cannot afford medicine. You have no savings.

Income level 2

You have landed a job in a local garment industry. You have a bike, so gathering water takes less time and your children can go to school because you have a gas stove too, so they don't need to gather wood or water. Additionally, you have occasional electricity so your children can sometimes do their homework after the sun has gone down.

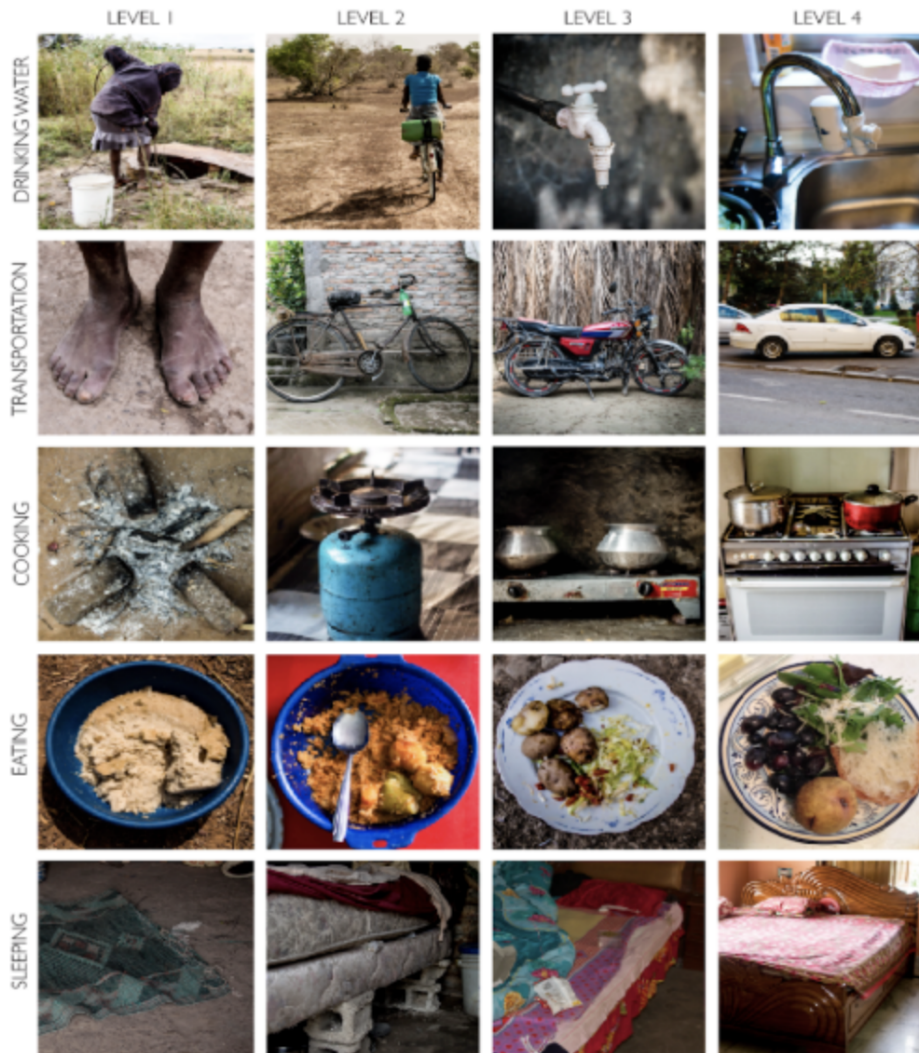
Income level 3

You work multiple jobs and quadruple your income by doing so. You can install a cold water tap and you have steady electricity. You can travel to better paying jobs in town with your motorcycle and so your children can complete their high school education. If they finish, they will be able to get better paying jobs that you have ever had.

Income level 4

You have more than 12 years of education, and you have been on an airplane or a vacation. You have hot and cold water indoors. You most likely own a car and electronic devices, such as laptops and televisions. You have access to medical care and savings for retirement. *People on this level must struggle hard not to misunderstand the reality of the other 6 billion people in the world.*

Income Levels



Hypothesize!

→ How much money per day (in US dollars) do you think is earned on each income level?

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