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NOTES ON SUB-ECONOMIC HOUSINGIncome-limits for sub-economic housing

(Information from National Housing Office, 2nd Sept., 1954)

	<u>Scheduled areas</u> (Where industrial council agreements or wage determinations exist in the building industry)	<u>Non-Scheduled areas</u>
Europeans	£30 per month	£25 per month
Coloureds & Asiatics	£20 " "	£16.10.0. " "
Africans	£15 " "	£12.10.0. " "

Determination of Family Income

(Government Notice 1516 of 23rd July, 1954)

To determine the family income, the following items are included.

- Full average monthly earnings and allowances of tenant or occupier of house.
- Half the fixed income of each child of and residing with the tenant up to a maximum of £4 per child per month.
- The full amount paid by each lodger residing with the tenant in respect of his board and lodging, up to a maximum of £4 per lodger per month.

Weekly earnings are multiplied by $4\frac{1}{2}$ to obtain monthly figures. The average family income during each 12 months ended 30th June is used as a basis for assessing the rental payable from each 1st October following.

Sliding Scale for Rentals payable by Africans.

(Government Notice 1516 of 23rd July, 1954)

If an African family occupying a sub-economic house has an income in excess of the limit set, the rental is to be increased by 3/- for each completed 10/- by which its monthly income exceeds the limit, until the full economic rental is payable.

A F R I C A N S

MINIMUM ESSENTIAL EXPENDITURE FOR AFRICAN FAMILIES.

NOTES.

1. Average Families.

The "average" African family in Johannesburg, in the three calculations by the S.A. Institute of Race Relations, mentioned below, was taken as a worker, his wife, and three children aged 14, 10 and $1\frac{1}{2}$ years respectively.

Other investigations, after careful analysis of population figures, have adopted averages which approximate closely to these. In a survey in Edendale, Natal, conducted in 1947, the "average" African family was found to be a worker, his wife, and three children aged 7 years, 2 years and 6 months respectively.

Mr. H.J.J. van Beinum, who conducted a survey in Payneville Location, Springs, in 1951, found that the average size of an African family was 5.02 persons (although the variation was very great and only 13.17 per cent. of the total number of families consisted of five persons).

2. Food.

In the survey by the S.A. Institute of Race Relations, a diet prepared by the Household Organizer of Johannesburg Non-European Affairs Department was used, which "goes some way towards meeting essential requirements, with due regard to Native custom and taste". African assistants were given lists of items on the diet sheet and asked to buy them in small quantities in the locations. The items were then carefully weighed and the actual average cost worked out.

In the Edendale survey, a minimum diet recommended by the National Nutrition Council was used.

3. Rentals.

Average rentals in the area concerned for houses of the minimum essential size (2 rooms in the Johannesburg surveys) were used.

4. Fuel, lighting and cleaning.

Calculations are based on the minimum requirements for maintenance of health.

5. Transportation.

Transport costs are included for earners only, between homes and places of work.

6. Clothing.

Costs of the minimum clothing essential for the protection of health and for conformity with decency are included.

7. Poverty Datum Line Expenditure.

Costs of the five items mentioned above, plus tax, form the Poverty Datum Line (P.D.L.) expenditure, which represents the minimum required for the barest subsistence without injury to health, and taking only short-run considerations into account. According to Professor E. Batson, "it is not a 'human' or 'civilized' standard of living, but only a purely 'physical' standard of health and decency."

No allowance is made for repairs; purchase and replacement of furniture and household goods such as blankets and kitchenware, school expenses, church fees, medicines, doctors, recreation, tobacco, holidays, newspapers, stationery, gifts, savings.

MINIMUM ESSENTIAL EXPENDITURE, JOHANNESBURG.

The S. A. Institute of Race Relations has conducted three surveys of the cost-of-living for Africans in Johannesburg, taking Poverty Datum Line expenditure only into account. These are :

- 1944 - Incorporated in Report of Commission appointed to inquire into the Operation of Bus Services for Non-Europeans on the Witwatersrand and in the Districts of Pretoria and Vereeniging.
- 1950 - "The Cost of Living" by Ethel Wix. 1944 figures brought up to date.
- 1953 - Revised figures prepared by Olive Gibson.

The minimum essential monthly expenditure for African families in Johannesburg was found to be :

	1944	1950	1953
Food	£7.10.11.	£11. 4. 3	£14.18. 4.
Rent	1.13. 9.	1.13. 1½	1.19.10½
Transport	12. 4.	12. 0½	13. 4.
Fuel, light and cleaning	1. 4. 2.	1. 7. 4.	1.11.11½
Clothes	1.15. 8.	2.15.11.	4. 5. 2.
Tax	1. 8.	1. 8.	1. 8.
<u>Total</u>	£ 12.18. 6.	£17.14. 4.	£23.10.4.

It is interesting to compare these calculations with those made in other areas. Professor H.R. Burrows calculated the Poverty Datum Line expenditure for Africans in Durban in 1951. Extracting from his figures to compile a budget for an "average" family, one finds that for food, fuel, light, cleaning and clothing £12.5.7. per month was required. If figures used by the S.A.Institute of Race Relations in 1950 for rent, transport and tax are added, the total would be £14.12.5: a figure well below that estimated for Johannesburg in 1950.

Calculations made in Edendale, Natal, of the average essential expenditure of African families in 1947, bear out more closely those of the Institute. The average monthly costs there were : (Article by Dr. M.H. Blair in "Race Relations" Vol.XIV. No. 4.).

Food	£7. 17. 9.
Travelling	1. 1.11.
Rent	1. 0. 0.
Tax	1. 8.
Fuel	18. 7.
Clothing	2. 10.10.
	<hr/>
	£13. 10. 9.
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Entokozweni Survey.

It is mentioned above that in the essential minimum expenditure figures given, no allowance is made for such items as repairs, purchase and replacement of household goods, school and church fees, doctors, chemists, newspapers, stationery, recreation, tobacco, holidays, gifts, etc.

Towards the end of 1952, the Entokozweni Family Welfare Centre carried out a cost of living study of four African families in Alexandra Township. The sample was too small for results to be accepted as reliable averages; but it is interesting to note that about £3.6.0. a month was spent on the items mentioned above.

Rise in minimum essential expenditure since 1953.

1. Transport costs on the railways. The third-class monthly ticket from Orlando to Johannesburg, for example, is to go up by 2/3d from 12/8 to 14/10; that from Pienville to Johannesburg by 4/10d from 12/8 to 17/6.
2. Proposed rise in rentals for those with family incomes of over £15 a month.
3. Rise in prices of other items is likely as result of new rail rates.

AVERAGE INCOMES OF AFRICAN FAMILIES.

Calculations by the S.A. Institute of Race Relations of the average incomes of African families in Johannesburg are as follows :

	1944	1950	1953
Man's average wage	£7. 12. 7.	£8. 15. 6	
Wife's nett contribution	1. 10. 6.	3. 1. 0.	
Children's contributions	15. 0.	1. 0. 0.	
<u>Total</u>	£9. 18. 1.	£12. 16. 6.	£15. 18. 11.

In 1950, the Johannesburg Municipal Non-European Affairs Department conducted a survey of 66,588 Africans in the Western Areas. Included in this total were 20,298 families and a number of single men.

The distribution of incomes was found to be as follows :

<u>Monthly Income range.</u>	<u>Percentage of total in this income range.</u>	<u>Cumulative percentage</u>
Under £5.	4	4
£5 and under £10	21	25
£10 " " £15	40	65
£15 " " £20	15	80
£20 " " £25	9	89
£25 " " £30	4	93
£30 " " £40	5	98
£40 and over	2	100

GAP BETWEEN INCOMES AND ESSENTIAL EXPENDITURE OF AFRICAN FAMILIES.

According to the surveys by the S.A. Institute of Race Relations, the average gap between the essential minimum expenditure for health and the incomes of African families in Johannesburg was as follows :

	1944	1950	1953
Amount by which minimum essential expenditure exceeds income monthly	£3. 0. 5	£4. 17. 10.	£7. 11. 5

The income deficiency shown in the Edendale survey in 1947 was startlingly larger: the average family income varied from £3.16.0. to £5.0.0. per month, while Poverty Datum Line expenditure was £13.10.9.

Mr. H.J.J. van Beinum conducted a study of the Socio-Economic status of African families in the Payneville Location, Springs, in 1951. It was carried out for the National Building Research Institute (N.B.R.I. Bulletin No. 8, June, 1952) with the object of obtaining basic data regarding people who would live in the new township of Kwe-Thema, so that dwellings could be designed to suit their requirements.

The survey method used was that of a random sample survey of 319 families. It was found that:

- 46.7 per cent. of the families were sub-sub-economic - i.e. they could afford no rent at all if they were to cover other essentials.
- 12.9 per cent. were sub-economic - i.e. required subsidisation of rent.
- 40.4 per cent. were economic - i.e. could pay economic rentals if houses were extremely cheaply built.

How earnings and expenditure are made to balance.

The gap between necessary and actual expenditure is undoubtedly met by cutting the outlay on food, clothing and fuel well below the

minimum/.....

minimum required for the maintenance of health and efficiency.

There is, of course, every inducement for Africans to supplement their incomes by illegal means, gambling, etc., or, where this is permitted, to take in lodgers or to build shacks in their yards, thus increasing the overcrowding.

RELEVANCE TO PROPOSED RENT INCREASES.

According to the Municipal survey of the Western Areas of Johannesburg, about 35 per cent. of the African families there earned £15 a month or over in 1950. This proportion would be higher in 1954 as wages have risen: it might approximate to 50 per cent.

But far fewer than 50 per cent. can in reality afford increases in rent. If the Institute's minimum expenditure figures for 1953 are taken as a guide, and allowance is made for increases in transport costs since, it is possible that only about 15 per cent are living above the Poverty Datum Line and can afford rent increases. (Rough estimate by Technical Officer of S.A. Institute of Race Relations).

COLOURED FAMILIES.

INCOMES.

In the table below, a comparison is made between :

- a) Incomes of all Coloured families in Cape Town in 1938/39, as calculated from a random sample of 834 households, (by Professor E. Batson, Social Survey of Cape Town).
- b) Incomes of Coloured households in Windermere, 1949. (Professor E. Batson, Social Survey of Windermere, Cape Flats.)
- c) Incomes of 1,443 Coloured families in the Western Areas of Johannesburg, 1950. (Johannesburg Municipality).

Monthly income	Percentage of families in income group.		
	(a)	(b)	(c)
Under £5	17	9	7
£5 and over but under £10	37	12	7
£10 " " " " £15	22	23	14
£15 " " " " £20	10	19	12
£20 " " " " £25	6	10	16
£25 " " " " £30	4	9	7
£30 " " " " £40	}	}	16
£40 " " " " £50			10
£50 " " " " £60	}	18	4
£60 " " " " £70			3
£70 and over			4
<u>Average</u>	£12	£18	Approx £23

ADEQUACY OF INCOMES

In his 1938/39 Survey, Professor Batson drew a Poverty Datum Line for each household at that level of income which would permit the payment of rent of the dwelling actually occupied by the household and would leave an amount just sufficient for the purchase of the food, clothing, and cleaning, heating and lighting materials which are essential for health and decency.

53 per cent. of the household (a total of 13,200 households) were found to have incomes below the P.D.L. income. A more detailed classification, giving likely limits, is as follows :

Class/....

Class	Description	Percentage of families in each class	Number of families in each class
Destitution	Available income (i.e. income remaining after payment of rent and wage-earners' transport) far below Poverty Datum Line income (P.D.L.)	1 - 5	400 - 1,000
Acute poverty	Available income less than 50% of P.D.L. income	15 - 19	3,600 - 5,000
Need	Available income between 50% and 100% of P.D.L. income.	30 - 36	7,200 - 9,200
Inadequacy	Available income less than twice P.D.L. income.	29 - 35	7,100 - 9,100
Adequacy	Available income at least twice P.D.L. income.	13 - 17	3,000 - 4,500

Rentals paid in 1938/39 averaged £2.7.0. per month, or about 18 per cent. of the family income. Only about one-quarter of the families had adequate accommodation according to minimum standards. Professor Batson concluded that some 33 per cent. of the Coloured households of Cape Town would, if other minimum needs were met, be unable to afford any rent at all.

Later Poverty Datum Line Figures.

Professor Batson, in his Survey of greater Cape Town in 1952, calculated that the Poverty Datum Line expenditure in 1952 for a Coloured couple with two small children was £14.15.0. per month, while that of a couple with three children of varying ages under 16 years was £19.3.4. In these calculations, no allowance for increases since 1938 in rent and transport costs was made.

According to the Johannesburg Municipal Survey in 1950 of the Western Areas, the average number of persons per family was 4.1. If this was so in Cape Town, the average Poverty Datum Line was probably about £18.0.0. (Rough calculation by Institute).

Professor H.R. Barrows has drawn up Poverty Datum Line tables for Coloured families in Durban in 1951. The P.D.L. expenditure (excluding rent and transport) varied between £14.2.7. for a couple with two small children to £22.17.8. for a couple with three older children. The average (rough calculation by Institute) was probably about £17.0.0. If costs of rent and transport are added, the total Durban average might approximate to £19.7.0.

In the calculations below it is assumed that the P.D.L. expenditure for average-sized Coloured families in Johannesburg was £18.10.0. in 1950 (when it was £17.14.4. for Africans, according to the Institute survey). It had probably risen to £24.10.0 by 1954 (when it was about £23.15.0. for Africans).

RELEVANCE TO PAYMENT OF ECONOMIC RENTALS.

The income-limit set for occupancy of sub-economic housing for Coloured families in the scheduled urban areas is £20 a month. According

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to the Municipal survey of the Western Areas of Johannesburg, about 60 per cent. of the Coloured families there earned £20 a month or over in 1950. This proportion might approximate to 68 per cent. in 1954.

But fewer than 68 per cent. can in reality afford to pay increased rentals. Using the P.D.L. of £24.10.0. as estimated above, probably some 60 - 64 per cent. of those in the Western Areas could afford some increase.

If it is proposed to make an abrupt transition from sub-economic to economic rentals once the family income exceeds £20 a month, the proportion of those who could afford this would be far lower: probably about 45 to 50 per cent.

(These calculations are very rough ones, made by the Technical Officer of the Institute on the basis of available information).

INDIAN FAMILIES

INCOMES

According to the Municipal Survey of the Western Areas of Johannesburg in 1950, 481 Indian and 203 Chinese families were living there. The average family size was 5.2 in the case of the Indians and 3.7 in the case of the Chinese. Their family incomes were as follows:

<u>Monthly Income</u>	<u>Percentage of total Indian families in this income range</u>	<u>Cumulative percentage-Indians</u>	<u>Percentage of total Chinese families in this income range</u>	<u>Cumulative percentage-Chinese</u>
Under £5	7	7	3	3
£5 - £9.19.11	2	9	7	10
£10 - £14.19.11	12	21	14	24
£15 - £19.19.11	12	33	17	41
£20 - £24.19.11	15	48	11	52
£25 - £29.19.11	15	63	18	70
£30 - £39.19.11	14	77	11	81
£40 - £49.19.11	6	83	7	88
£50 - £59.19.11	7	90	4	92
£60 - £69.19.11	4	94	8	100
£70 and over	6	100		

P. D. L. EXPENDITURE

According to figures extracted from P. D. L. tables for Indians in Durban in 1951, compiled by Prof. H. R. Burrows, the minimum essential expenditure for an average family of 5 was £16.7.6 per month, excluding transport and rent. If estimates for these items are added, and the figures brought up to date, the average P. D. L. in 1954 might approximate to £25.

RELEVANCE TO PAYMENT OF ECONOMIC RENTALS

The income-limit set for occupancy of sub-economic housing for Asiatic families in the urban areas is £20 a month. According to the Western Areas survey, about 67 per cent. of the Indian families there earned £20 a month or over in 1950. This proportion might now approximate to 78 per cent.

But fewer than 78 per cent. can in reality afford rentals higher than sub-economic ones. Using the P. D. L. of £25, as estimated above, probably some 65 per cent. of Indian families in the Western areas could be afford to pay anything in excess of sub-economic rentals.

If no gradations between sub-economic and full economic rentals are taken into account, then only about 57 per cent. of the Indian families may be considered as being able to afford to pay economic rentals.

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