Examining the Effects of Minimum Wage Increment for Domestic Workers on House Living Conditions: A Case Study in Lusaka

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Abstract: The increment of minimum wages for domestic workers is a critical policy measure aimed at improving the socioeconomic well-being of a vulnerable labor force. While it promises to enhance the quality of life for workers through better compensation, its effects extend beyond individual earnings to influence household living conditions. The study examined how raising the minimum wage impacts the affordability of domestic services, household budgets, and the overall dynamics within homes employing domestic workers. Data entry and statistical analysis was done using STATA. For inferential statistics, ANOVA, and regression analysis was employed to establish associations between variables. Study Findings revealed that monthly incomes ranged from K600 to K1,500, with an average of K800. Wage increments varied widely, averaging K167.93, and were significantly influenced by years of work, as shown through regression analysis ($p < 0.001$). A majority (69.0%) reported slight improvements in their standard of living, though some experienced no change or worsened conditions. Cross tabulations demonstrated a correlation between improved living standards and reduced financial stress, while Pearson correlation analysis highlighted a strong, positive relationship between increased ability to afford essentials and debt reduction ($r = 1.000$, $p < 0.01$). Despite these gains, over half of respondents expressed dissatisfaction with their overall quality of life improvements, with 46.3% noting no change in their ability to cover monthly expenses. These findings suggest that while the wage increment provides financial relief for some, its overall impact on domestic workers' living conditions is mixed, highlighting the need for complementary measures to address persistent financial challenges. The adequacy of wage increments, comprehensive support programs, and robust enforcement of minimum wage laws are critical to improving the financial stability and well-being of domestic workers in Lusaka, Zambia. Regularly adjusting wages to match inflation and modern living costs ensures that workers can meet their basic needs. Beyond wage adjustments, initiatives promoting financial literacy, access to affordable credit, savings, and safety nets like health insurance are vital for empowering workers to manage their finances and prepare for future challenges. Legal safeguards against wage theft and retaliation, coupled with awareness campaigns and whistleblower protections, can further strengthen compliance and fairness in the labor market.

Keywords: *Inflation, Household Economics, Economic Impact, Cost of Living, Mitengo Ndola, Household Financial Situation, Price Fluctuations, Income Inequality, Consumer Spending., Poverty Levels*

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I. INTRODUCTION

➢ *Background*

Domestic work is among the oldest occupations in the world and there has been a rapid increase in terms of numbers (ILO, 2010). Domestic workers are a vital part of the labor force in many countries, providing essential services such as cleaning, cooking, and caring for children and the elderly. According to the International Labour Organization (ILO), there are an estimated 67 million domestic workers worldwide, with women making up the majority of this workforce (ILO, 2013). However, despite the important role they play in households, domestic workers are often subjected to poor working conditions, low wages, and lack of legal protection (Sabokkhiz, 2021). In recent years, there has been a growing recognition of the need to improve the working conditions and living standards of domestic workers, particularly through the implementation of minimum wage policies (Elsalih, 2021). Minimum wage policies have been widely used as a tool to regulate the labor market and protect workers from exploitation (ILO, 2018). Minimum wage policies set a floor on wages and can help to ensure that workers receive a fair wage for their labor.

Some nations have only lately started include domestic workers (DWs) in employee protection regulations. Due to

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their private nature and the fact that they work in the unregulated informal sector, domestic workers frequently experience exploitation, discrimination, undervaluation of their skills, and harassment. They also frequently lack adequate government regulation and aren't given the right to form or join unions (Koyi, 2012). The implementation of minimum wage policies for domestic workers has been particularly crucial given the low wages and poor working conditions that are often associated with domestic work. Domestic workers are typically employed in the informal sector, where they have little or no legal protection and are vulnerable to exploitation (ILO, 2013). Minimum wage policies can help to provide these workers with legal protection, fair wages, and improved working conditions.

Several countries have already implemented minimum wage policies for domestic workers, including South Africa, Brazil, and the United States. In South Africa, for instance, the implementation of minimum wage policies for domestic workers has led to an increase in wages and improved living conditions for households (Mavuso & Timol, 2015). In Brazil, the implementation of minimum wage policies for domestic workers has also resulted in an increase in wages and better working conditions (Vargas, 2016).

Despite the potential benefits of minimum wage policies for domestic workers, the implementation of such policies has been met with resistance in some countries. Some employers have raised concerns that the implementation of minimum wage policies may lead to an increase in the cost of domestic labor and a decrease in the availability of jobs (Lindgren & Segrave, 2017). As a result, the implementation of minimum wage policies for domestic workers has been slow in some countries and has been met with mixed reactions from employers.

➤ *Statement of the Problem*

The adequacy of minimum wage increments for domestic workers remains a critical issue in Lusaka, Zambia, where a significant portion of the workforce relies on domestic employment as their primary source of income (Simuchimba, 2020). Despite periodic adjustments to the minimum wage, many domestic workers continue to experience financial instability, struggling to afford basic necessities such as adequate housing, utilities, and other essentials (Nzama, 2024). According to Zambia's Ministry of Labour and Social Security, over 60% of domestic workers in urban areas live in overcrowded or substandard housing, highlighting the persistent inadequacy of their earnings to improve living conditions (Mozu, 2023). Empirical evidence from similar studies has shown that wage increments have mixed effects on improving living conditions, as factors such as inflation, lack of enforcement, and financial mismanagement dilute the intended benefits. However, there is limited research that focuses on how minimum wage adjustments directly affect the household living conditions of domestic workers in Lusaka. This gap in knowledge is particularly pressing, given the informal and often exploitative nature of the domestic work sector, where workers frequently lack bargaining power and access to social protection. This study was necessary to evaluate the extent to which minimum wage increments translate into tangible improvements in the living conditions of domestic workers in Lusaka. By investigating this phenomenon, the research aims to provide evidence-based recommendations for policymakers and stakeholders, ensuring that wage policies are not only adequate but also impactful in addressing the socio-economic challenges faced by domestic workers.

➤ *General Objectives*

To examine the effect of increasing the minimum wage on household living conditions in the context of domestic work.

➤ *Specific Objectives*

- To analyze the effect of minimum wage increment on the standard of living of domestic workers in Lusaka, Zambia.
- To assess the effect of minimum wage increment on the financial stability of domestic workers in Lusaka, Zambia.
- To examine effects of minimum wage increment on domestic workers household consumption in Lusaka, Zambia.

➤ *Research Questions*

- How does minimum wage increment impact the standard of living of domestic workers in Lusaka, Zambia?
- What is the effect of minimum wage increment on the financial stability of domestic workers in Lusaka, Zambia?
- How does the minimum wage increment affect domestic workers' household consumption in Lusaka, Zambia?

➤ *Conceptual Framework Framework*

The aim of this research was to investigate the effects of minimum wage increment for domestic workers on household living conditions in Lusaka, Zambia. In this study, we focused on the concept of household welfare as a crucial indicator to assess the impact of minimum wage policies on domestic workers and their families. Household welfare encompasses both material and non-material aspects of well-being and is closely tied to the accessibility of basic needs, such as food, shelter, healthcare, education, and social services (MacDonald, 2015). Understanding the relationship between minimum wage increments and household welfare in the context of domestic work is essential for shaping effective labor policies and improving the living conditions of vulnerable workers.

Domestic work plays a vital role in the economy of many countries, including Zambia (ILO, 2018). Domestic workers provide essential services within households, including cleaning, cooking, childcare, and elderly care. Despite their critical contributions, domestic workers often face precarious employment conditions, low wages, long working hours, and limited access to social protection. Minimum wage policies aim to address these challenges by setting a floor on wages, ensuring workers receive a fair remuneration for their work.

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Household welfare serves as a comprehensive measure of the overall well-being of household members. The economic security of domestic workers directly impacts their ability to provide for themselves and their families. By examining the effects of minimum wage increments on household welfare, we can gain insights into the broader socio-economic outcomes for domestic workers and their dependents.

The financial resources available to households play a crucial role in determining their material well-being. With a higher minimum wage, domestic workers may experience increased earnings, which can positively affect their household's ability to afford essential goods and services. This may lead to improvements in nutrition, housing conditions, healthcare access, and educational opportunities for household members (Nixon, 2018).

Non-material aspects of household welfare include factors such as social cohesion, psychological well-being, and overall quality of life. Adequate wages for domestic workers can contribute to reducing stress, improving mental health, and fostering healthier family relationships. Moreover, increased wages may lead to reduced income inequality within households, promoting a sense of fairness and equity among family members (Neumark, 2020). By examining various factors such as household income, expenditure patterns, and resource distribution, this framework allows us to better understand the potential impact of minimum wage increments on the economic well-being of domestic workers and their families. In this analysis, we will delve into how the Economics of Household perspective provides a foundation for examining the effects of changes in wages on household budgets, expenditure patterns, and access to basic needs, thereby assisting in the assessment of the economic implications of minimum wage policies and their potential effects on household welfare.

II. LITERATURE REVIEW

- *Minimum wage increment on the standard of living of domestic workers*

An increase in the minimum wage significantly enhances the financial stability of domestic workers, many of whom are among the most economically vulnerable in society (Sumalatha, 2021). Domestic workers often rely on limited and irregular income streams, making it challenging to meet essential needs. A wage increment provides a predictable and more substantial source of income, allowing them to afford basic necessities such as food, housing, and healthcare. For many domestic workers, food insecurity is a persistent issue due to low earnings. A minimum wage increment means they can afford nutritious and sufficient meals, improving their overall health and productivity. With higher incomes, domestic workers can afford rent or even save for better living conditions, reducing the risk of homelessness and the associated physical and psychological stresses (Midões, 2022).

A minimum wage increment boosts the purchasing power of domestic workers, allowing them to participate more actively in the economy (Нікуліна, 2022). Higher disposable income enables workers to buy goods and services beyond mere survival needs, such as better clothing, household items, or occasional leisure activities. This enhances their quality of life and fosters a sense of dignity and self-worth. Increased spending by domestic workers has a ripple effect on the broader economy. When these workers spend more on goods and services, it stimulates demand, benefiting local businesses and poteantially creating jobs. This economic activity fosters community development and supports the growth of small and medium-sized enterprises (Midões, 2022).

Moreover, greater purchasing power allows domestic workers to save or invest in small businesses, generating additional income streams and fostering financial independence (Andriamahery, 2022). This reduces reliance on their primary job and creates a buffer against economic uncertainties, such as illness or job loss. When domestic workers contribute more to the economy, governments also benefit through increased tax revenues, assuming the formalization of these jobs. These funds can then be reinvested in public services like healthcare, education, and infrastructure, further improving societal well-being (Midões, 2022).

Education for their children is another area where increased income can have a profound impact. Many domestic workers struggle to afford school fees, uniforms, and learning materials for their children, which can perpetuate cycles of poverty. With additional income, they can invest in their children's education, providing them with better opportunities for the future. Access to quality education can empower the next generation, enabling upward social mobility and reducing reliance on low-paying, informal jobs (Sunde, 2024)

Access to essential utilities also improves with higher wages. Domestic workers can afford services such as electricity, water, and internet, which are increasingly vital in modern life (Andriamahery, 2022). Additionally, improved financial capacity allows domestic workers to afford basic household items and amenities that make their daily lives easier and more comfortable. Better living conditions also lead to enhanced physical and mental well-being. Stable housing, access to utilities, and reduced financial stress contribute to healthier lifestyles, enabling domestic workers to be more productive and engaged both at work and in their personal lives (Goubin, 2020).

- *Minimum Wage increment on the Financial Stability of Domestic Workers*

A higher minimum wage significantly enhances domestic workers' capacity to afford essential goods and services, addressing fundamental economic and social challenges. The ability to meet basic needs such as food, housing, healthcare, and education is a cornerstone of financial stability and quality of life, and wage increments play a pivotal role in achieving this for domestic workers (Aaronson, 2019).

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One of the most immediate benefits of a higher minimum wage is the reduction of food insecurity. For domestic workers who often operate on tight budgets, an increase in wages enables them to purchase sufficient and nutritious food for themselves and their families (Adepoju, 2020). This improvement directly contributes to better health outcomes, as workers no longer need to rely on cheaper, less nutritious food or skip meals altogether to save money. With higher earnings, domestic workers can also better handle fluctuations in food prices, ensuring that their households have consistent access to essential nutrition (Alfers, 2017).

Domestic workers earning a higher income are more likely to prioritize and afford healthcare (Blundell, 2016). With increased earnings, they can visit medical facilities when needed, purchase prescribed medications, and manage chronic illnesses without delay. Improved access to healthcare reduces absenteeism due to illness, enhancing productivity and stability in their employment. Additionally, preventative care becomes more accessible, helping workers avoid costly medical emergencies and contributing to overall family health (Bryson, 2016).

- *Assessing Effects of Minimum Wage increment on Domestic Workers Household Consumption.*

A higher minimum wage for domestic workers leads to increased spending on essential goods and services. With higher earnings, domestic workers have a greater ability to afford a wider range of essential items, including nutritious food, adequate clothing, and necessary utilities. Research by Hirsch and colleagues (2021) in the United Kingdom demonstrated that higher minimum wages led to increased spending on food and non-alcoholic beverages among low-wage workers. Increased spending on essential goods and services improves the quality of life, enhances well-being, and ensures better living standards for domestic workers and their families.

Inflation expectations significantly influence household consumption and investment decisions, shaping broader economic dynamics (Lieb, 2022). When households anticipate rising future prices, they often adjust their spending behavior by accelerating the purchase of durable goods such as cars, appliances, and furniture. This preemptive buying helps them avoid paying higher future prices but can also drive a surge in demand, potentially fueling further inflation as businesses raise prices in response to increased consumption.

Inflation significantly impacts consumer behavior through substitution effects, where households alter their spending by opting for less expensive alternatives as prices rise (Reinsdorf, 2020). This adjustment helps households maintain their standard of living within budget constraints when inflation increases the cost of certain goods and services (Gregory, 2020). Substitution behaviors often extend beyond basic necessities to areas such as clothing and electronics, where consumers may prefer second-hand items over new purchases. These changes in consumption patterns can ripple through industries, influencing market demand and business operations.

Economic factors play a vital role in shaping how households adjust their consumption during inflationary periods, with income levels being a primary determinant (Hone, 2019). Households in higher income brackets typically have more disposable income, enabling them to absorb price increases with minimal impact on their spending habits. This financial stability allows them to maintain their standard of living despite the rising costs of goods and services. Another critical aspect linked to income is the wealth effect. Households owning significant assets such as real estate, stocks, or other investments are better equipped to manage inflation (Balestra, 2023). As inflation advances, the value of these assets often rises, providing a financial cushion. This growth in asset value can offset higher living costs, allowing these households to rely on their wealth to sustain consumption. For instance, increasing property values or stock market gains can boost a household’s net worth, alleviating some of the financial pressures of inflation.

III. RESEARCH METHODOLOGY

Study design refers to a collection of instruments and techniques intended for specific application, detailing the rationale and methods behind their usage (Creswell (2014). The study made use of a cross-section survey approach which aided in using quantitative means of data collection and analysis. This design made it possible to collect exposure and outcome variables at the same time.

By definition, a population is defined as a collection of objects, events, or individuals sharing common characteristics that the researcher is interested in studying (Moulton, 1998). The study population for this study consisted of domestic workers in Chalal Lusaka. A sample is a subset of a population that is used to represent the entire group (White, 2003). The study consisted of 100 participants.

The study employed a convenience sampling technique due to its practical benefits and ease of reaching participants. This approach was selected to efficiently gather data from individuals who were readily accessible, taking into account the study's limitations in resources and time.

The main research tool used in the study was a semi-structured questionnaire consisting of open-ended and closed-ended questions. These methods involved the use of standardized questionnaires and face-to-face interview but mostly electronic questionnaire to gather data on the research variables.

IV. RESULT PRESENTATION

- *Presentation of results on background characteristics of the respondents.*

The participants in the study were divided into two categories based on gender. Male participants accounted for 49.9% of the participants. 50.1% were female.

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Table 1 Gender

		Frequency	Percent	Cumulative Percent
Valid	Male	58	61.7	61.7
	Female	36	38.3	100.0
	Total	94	100.0	

The participants in the study were categorized into different age groups to gain insights into the age distribution among domestic workers in Lusaka, Zambia. The findings revealed that 26.9% of the participants were between the ages of 18 and 25. The age group of 26 to 35 years accounted for 16.5%, while the largest proportion, 41.6%, fell within the age range of 36 to 45 years. Additionally, 15% of the participants were 46 years and above.

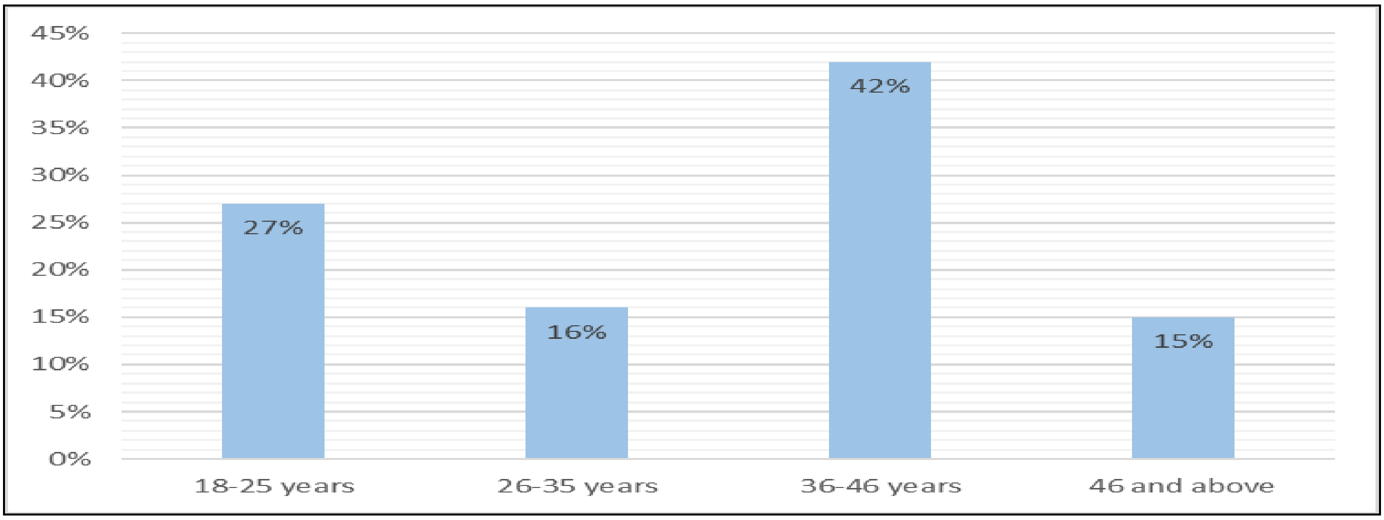

Fig 1 Participant’s Age

The educational background of the participants in the study was also examined to understand the level of education among domestic workers in Lusaka, Zambia. The findings indicated that a significant majority, 64.9% of the participants, had no formal education. Furthermore, 30.6% of the participants had completed primary school. Only a small proportion, 2.8%, had received some secondary education, while 1.7% had pursued further education beyond secondary school.

- *Standard of Living*

The study findings on participants' monthly income indicated that the monthly income ranged from a minimum of K600 to a maximum of K1,500, with an average income of K800 and a standard deviation of K200.345. This suggests that the participants' incomes varied considerably, with most individuals earning around the average, but with a wide range of income levels observed within the sample. The substantial standard deviation indicates variability in income across the participants

Table 2 Household Monthly Income

Descriptive Statistics					
	N	Mini	Maxi	Mean	Std. Deviation
	100	K600	K1500	K2000.345	1311.062
Valid N (listwise)	100				

The descriptive statistics for the amount of wage increment for the participants provide valuable insights into the wage adjustments they received. The dataset includes 100 participants, and the wage increments vary from a minimum of K100.00 to a maximum of K600.00. On average, participants received an increment of approximately K167.93, with a standard deviation of K8.31. This standard deviation indicates the extent to which the wage increments deviate from the mean, illustrating the variability in the amount of wage adjustments. Additionally, the variance, which measures the spread of the data, is approximately K14,034.74.

Table 3 Wage Increment Descriptive Statistics

Descriptive Statistics							
	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Amount increased (K)	203	100.00	600.00	167.9318	8.31485	118.46833	14034.744
Valid N (listwise)	203						

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The results of the analysis, using an ANOVA (Analysis of Variance), show a significant relationship between the independent variable, "participants' years of work," and the dependent variable, "amount of money increased."

The regression model used in the analysis indicates that the participants' years of work have a statistically significant impact on the amount of money they increased. Specifically, the regression model accounts for a substantial portion of the variance in the dependent variable, with a sum of squares of 187,375.160. This result is significant, as indicated by the F-statistic of 14.225 with a p-value (Sig.) of .000, suggesting that the relationship is not likely to have occurred by random chance. In other words, the analysis suggests that as participants' years of work increase, the amount of money they increased also tends to increase. This finding can be considered important, as it demonstrates a relationship between these two variables, which may have practical implications or insights for further research or decision-making.

Table 4 ANOVA analysis between Amount Increased and years of Work

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	187375.160	1	187375.160	14.225	.000[b]
	Residual	2647643.173	201	13172.354		
	Total	2835018.332	202			

The results of the coefficients in the regression model provide valuable insights into the relationship between the independent variable, "years of work," and the dependent variable, "amount of money increased." The intercept (constant) of 243.842 represents the expected value of the dependent variable when the independent variable is zero, although this value has little practical significance as you can't have zero years of work in real scenarios. The coefficient for "years of work" is -15.805, and its negative sign indicates that, on average, for every additional year of work, there is a decrease of K15.805 in the amount of money increased. In other words, as participants' years of work increase, the amount of money they increase tends to decrease. The standardized coefficient (Beta) of -0.257 shows that this negative relationship is of moderate strength, with a relatively small effect size. The t-statistic for "years of work" is -3.772, with a p-value of .000, confirming the statistical significance of this coefficient. The 95% confidence interval for the coefficient ranges from -24.068 to -7.542, providing a range within which we can be reasonably confident that the true effect lies.

Table 5 Residual Statistics between years of Work and Amount Increased

Residuals Statistics[a]					
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	6.7688	228.0371	167.9318	30.45652	203
Residual	-186.73219	435.18243	.00000	114.48644	203
Std. Predicted Value	-5.292	1.973	.000	1.000	203
Std. Residual	-1.627	3.792	.000	.998	203
a. Dependent Variable: Amount increased					

The cross tabulation results showed the relationship between respondents' ratings of their standard of living since the minimum wage increment and their perception of reduced financial stress as domestic workers. In the "1 (Significantly worse)" category, there were no respondents who felt less financially stressed, while seven respondents indicated they did not feel less financially stressed. In the "2 (Slightly worse)" category, again, there were no respondents who felt less financially stressed, with 14 indicating they did not feel less financially stressed. For those who reported "No change" in their standard of living, none felt less financially stressed, while 34 reported not feeling less financially stressed.m However, in the "4 (Slightly better)" category, 120 respondents reported feeling less financially stressed, whereas 20 respondents did not feel less financially stressed. Finally, in the "5 (Significantly better)" category, there were no respondents who felt less financially stressed, with eight respondents indicating they did not feel less financially stressed. In summary, the crosstabulation reveals a clear trend: as respondents rated their standard of living since the minimum wage increment higher (i.e., towards "4 (Slightly better)" and "5 (Significantly better)"), they were more likely to report feeling less financially stressed as domestic workers. Conversely, those who rated their standard of living lower (i.e., towards "1 (Significantly worse)" and "2 (Slightly worse)") were less likely to feel less financially stressed after the minimum wage increment.

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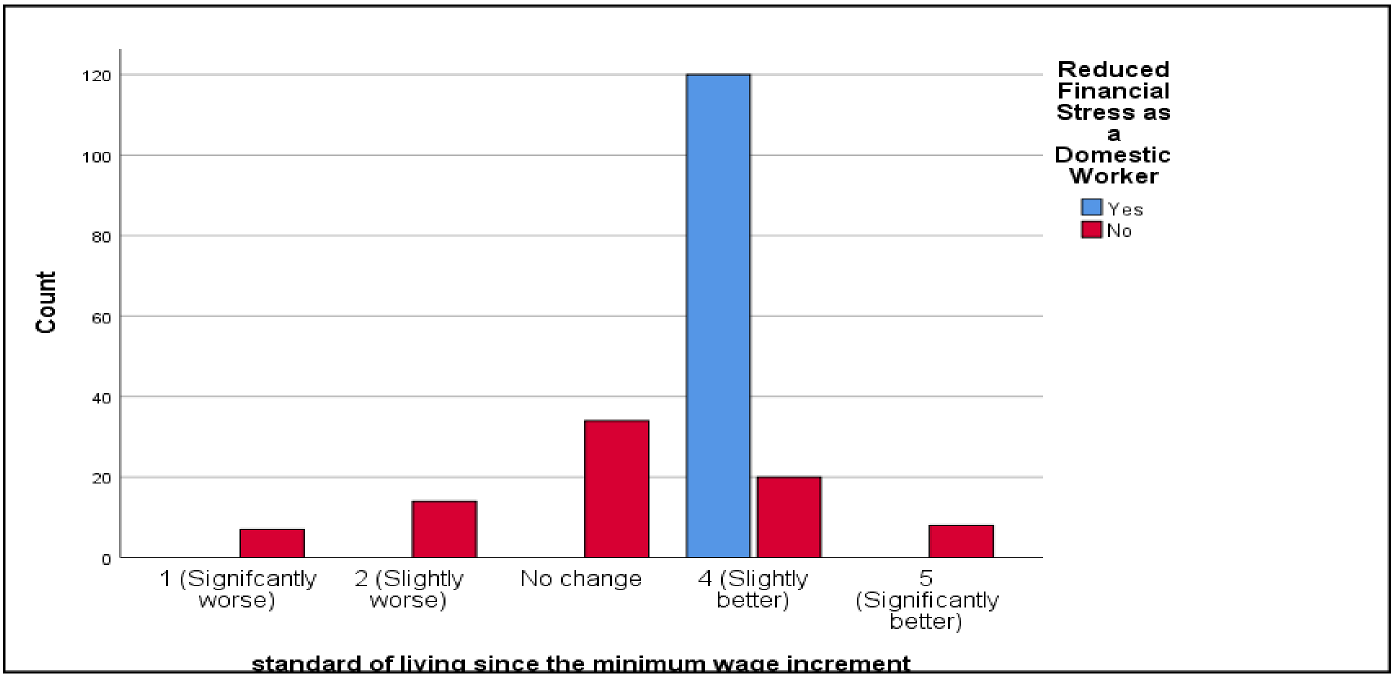

Fig 3 Relationship Between Standard of Living and Perception of Reduced Financial Stress Among Domestic Workers After Minimum Wage Increment

The correlation results reveal a strong and statistically significant relationship between participants' ability to afford essential goods and services (e.g., food, healthcare, education) more comfortably after the wage increment and ability to reduce debt or financial obligations since the minimum wage increment?" The Pearson correlation coefficient between these two variables is 1.000, which indicates a perfect positive linear relationship. In simpler terms, as respondents report being more able to afford essential goods and services after the wage increment, they are also more likely to report having been able to reduce their debt or financial obligations since the minimum wage increment.

The p-value associated with this correlation coefficient is very low, indicating that the relationship observed is statistically significant. In summary, the correlation results suggest a strong and statistically significant positive relationship between participants' ability to afford essential goods and services more comfortably after the wage increment and their ability to reduce their debt or financial obligations since the minimum wage increment. This implies that as the ability to afford essential items improves, there is a corresponding increase in the likelihood of reducing financial obligations, reflecting a positive financial impact of the wage increment.

Table 6 Correlation Between Affording Essentials and Reducing Debt After Minimum Wage Increment

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.000[a]	9	.000
Likelihood Ratio	61.779	9	.000
Linear-by-Linear Association	27.106	1	.000
N of Valid Cases	30		
a. 15 cells (93.8%) have expected count less than 5. The minimum expected count is .30.			

The participants' responses to the question assessing their satisfaction with the impact of the minimum wage increment on their overall standard of living provide valuable insights into their perspectives on this significant economic change. The results reveal a diverse range of sentiments among the respondents. Notably, a segment comprising 19.7% of the total expressed a high level of contentment, reporting that they were "Very satisfied" with the improvements in their standard of living resulting from the wage increment. Additionally, 29.6% of participants indicated they were "Somewhat satisfied," signifying a moderate level of approval regarding the wage increase's effects on their quality of life. Furthermore, a group of respondents, constituting 19.7% of the sample, adopted a "Neutral" stance, suggesting a sense of neither satisfaction nor dissatisfaction. In contrast, 31.0% of participants reported being "Somewhat dissatisfied" with the impact, indicating that they may not have experienced the desired improvements or may have encountered challenges despite the wage increase.

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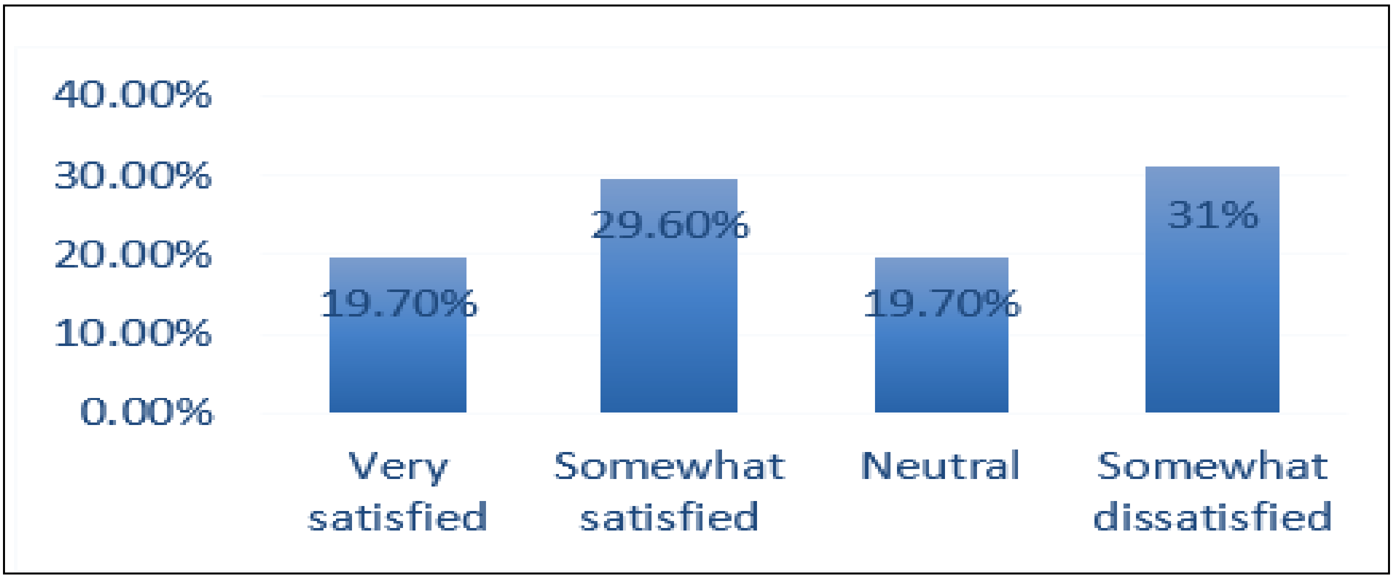

Fig 4 Satisfaction with the Impact of the Minimum Wage Increment on their overall Standard of Living

The participants' responses to the question assessing their belief in the improvement of their overall quality of life as domestic workers due to the minimum wage increment offer a nuanced perspective. Among the respondents, a small minority, representing 9.9% of the total, expressed a strong belief, "Strongly agree," that the wage increment has significantly enhanced their quality of life. A larger group, comprising 24.6% of participants, indicated that they "Agree" with the statement, suggesting a generally positive perception of the wage increase's impact on their quality of life.

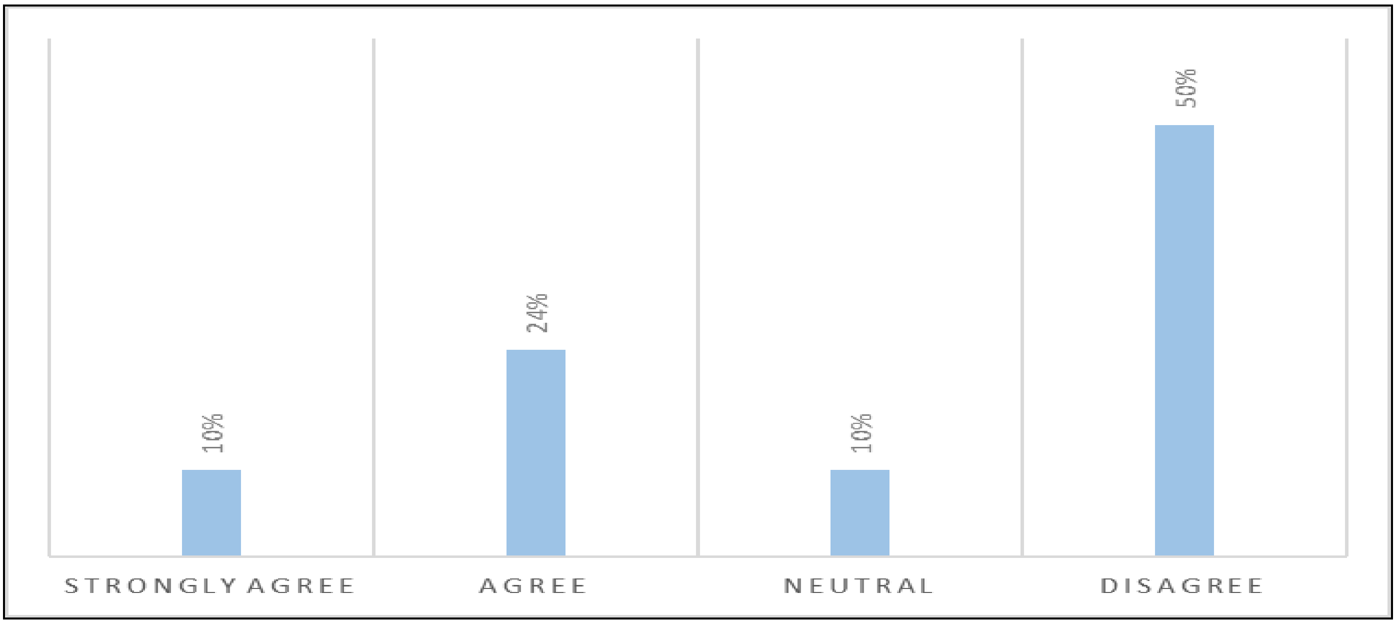

Fig 5 The Participants' belief in the Improvement of their overall quality of life after Minimum wage increment offer a Nuanced Perspective

- *Minimum wage increment on the Financial Stability of Domestic workers in Lusaka, Zambia.*

However, participants' responses to the question about their ability to cover monthly expenses since the wage increment provide valuable insights into the financial impact of this policy change. The data reveals a wide spectrum of experiences among respondents. A small proportion, representing 3.4% of the total, reported that covering monthly expenses has become "Much easier," indicating a significant improvement in their financial situation. Additionally, a larger group, comprising 29.6% of participants, expressed that covering monthly expenses has become "Somewhat easier," reflecting a moderate enhancement in their financial management. However, for the majority, accounting for 46.3% of respondents, there was "No change" in their ability to cover monthly expenses, suggesting a relatively stable financial situation despite the wage increment. In contrast, 17.2% of participants reported that covering monthly expenses has become "Somewhat harder," signifying increased financial challenges. Furthermore, a small fraction, 3.4% of the total, indicated that covering monthly expenses has become "Much harder," highlighting a substantial deterioration in their financial circumstances.

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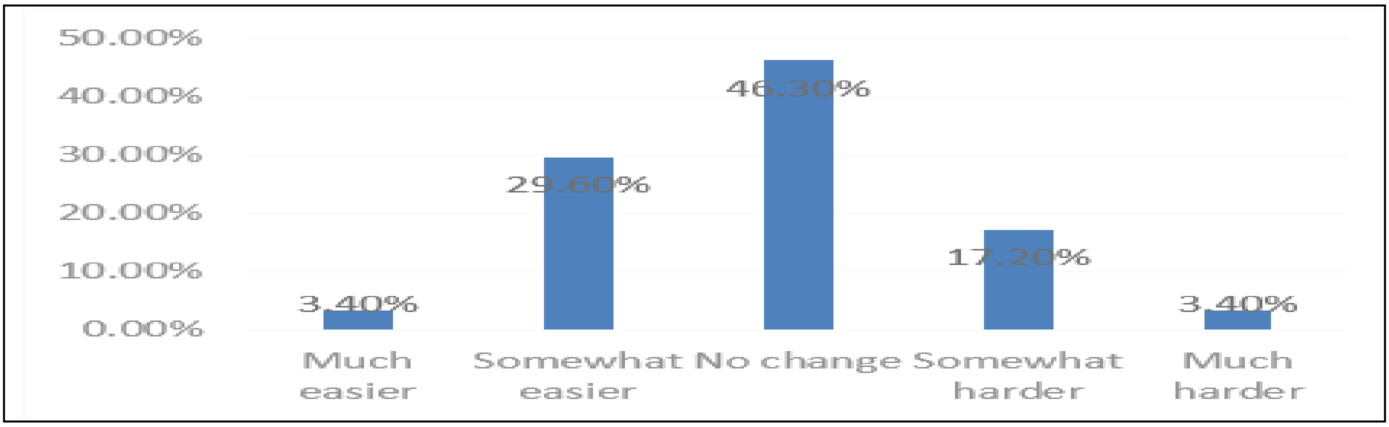

Fig 6 The Financial Impact of Minimum Wage Increment on Monthly Expenses for Domestic Workers

The participants' responses to the question regarding their ability to reduce debt or financial obligations since the minimum wage increment offer crucial insights into their financial security and stability. These responses represent a diverse range of experiences. A small but notable percentage, constituting 5.4% of the total, indicated that they feel "Much more secure" in terms of managing their financial obligations since the wage increment. This suggests a substantial improvement in their financial situation, leading to a heightened sense of financial security. Additionally, a larger segment, comprising 35.0% of participants, expressed feeling "Somewhat more secure," signifying that a significant portion of respondents has experienced an improved financial standing, although to a lesser extent than the first group. However, the majority, accounting for 59.6% of respondents, reported "No change" in their ability to reduce debt or financial obligations, indicating that, for most, the wage increment has not had a substantial impact on their financial responsibilities.

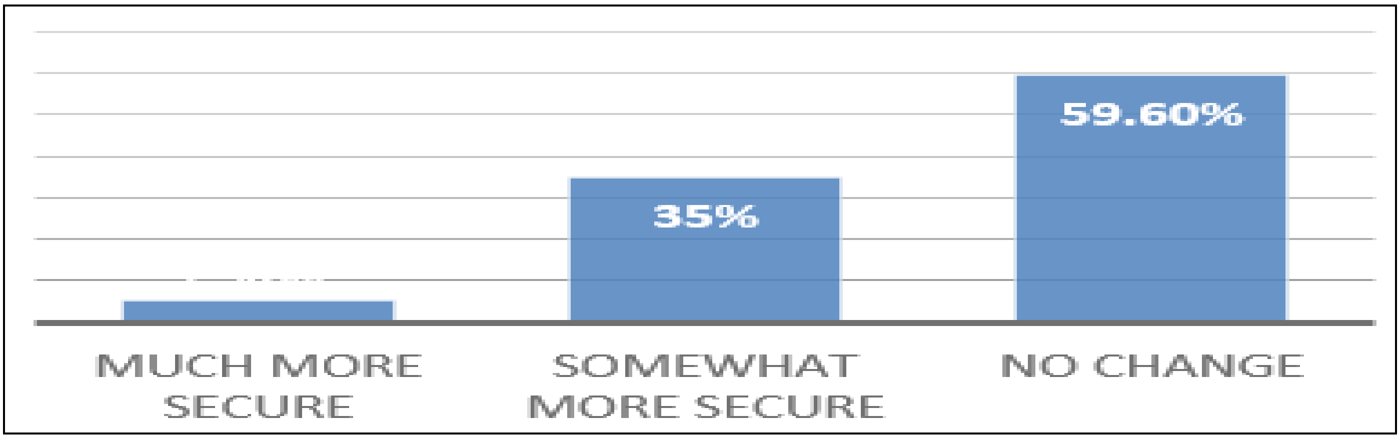

Fig 7 The Influence of Minimum Wage Increment on Domestic Workers' Ability to Reduce Debt and Financial Obligations

The Chi-Square analysis examined the relationship between The Influence of Minimum Wage Increment on Domestic Workers' Ability to Reduce Debt and Financial Obligations and The Financial Impact of Minimum Wage Increment on Monthly Expenses for Domestic Workers. These findings suggest that minimum wage increments significantly influence domestic workers' ability to reduce debt and financial obligations while also impacting their monthly expenses. The results highlight the interconnectedness of financial behaviors and outcomes among domestic workers following wage adjustments, but the data limitations warrant cautious interpretation.

Table 7 Chi-Square Analysis of the Impact of Minimum Wage Increment on Domestic Workers' Debt Reduction and Monthly Expenses

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.000[a]	9	.001
Likelihood Ratio	61.779	9	.012
Linear-by-Linear Association	27.106	1	.002
N of Valid Cases	30		
a. 15 cells (93.8%) have expected count less than 5. The minimum expected count is .30.			

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Participants' responses to the question probing the impact of the wage increment on their overall financial stability reveal a spectrum of viewpoints. Approximately 32% of respondents (13.3% strongly agree and 18.7% agree) hold the belief that the wage increment has positively influenced their financial stability. However, 47.8%, they report "No change" in their overall financial stability. In contrast, around 20.2% of participants (11.8% disagree and 8.4% strongly disagree) express skepticism, believing that the wage increment has had either a negative or no beneficial effect on their financial stability.

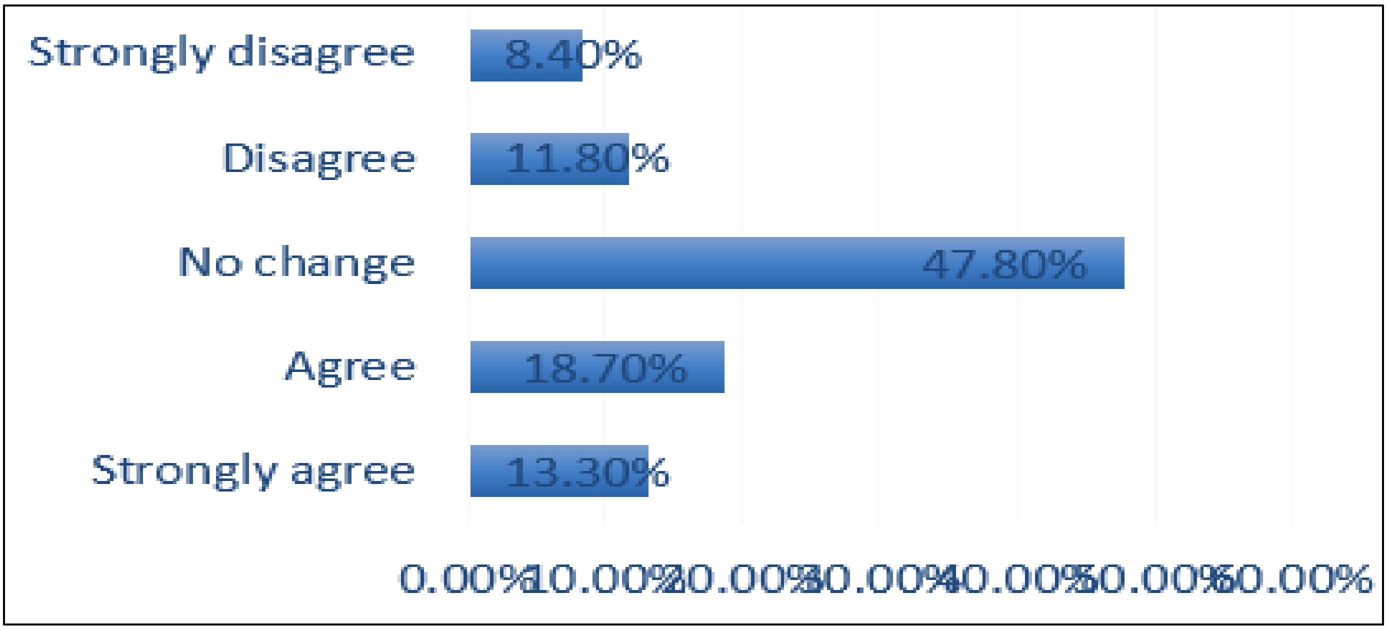

Fig 8 Diverse Perspectives on the Impact of Wage Increment on Overall Financial Stability

The impact of a minimum wage increase on participants' ability to handle unexpected expenses or emergencies varies widely. About 4.9% of respondents feel "Much better" prepared, while 44.3% feel "Somewhat better." However, the majority (47.3%) reported "No change" in their financial readiness. A smaller portion (3.4%) reported feeling "Somewhat worse," indicating some have faced challenges in managing unexpected financial situations.

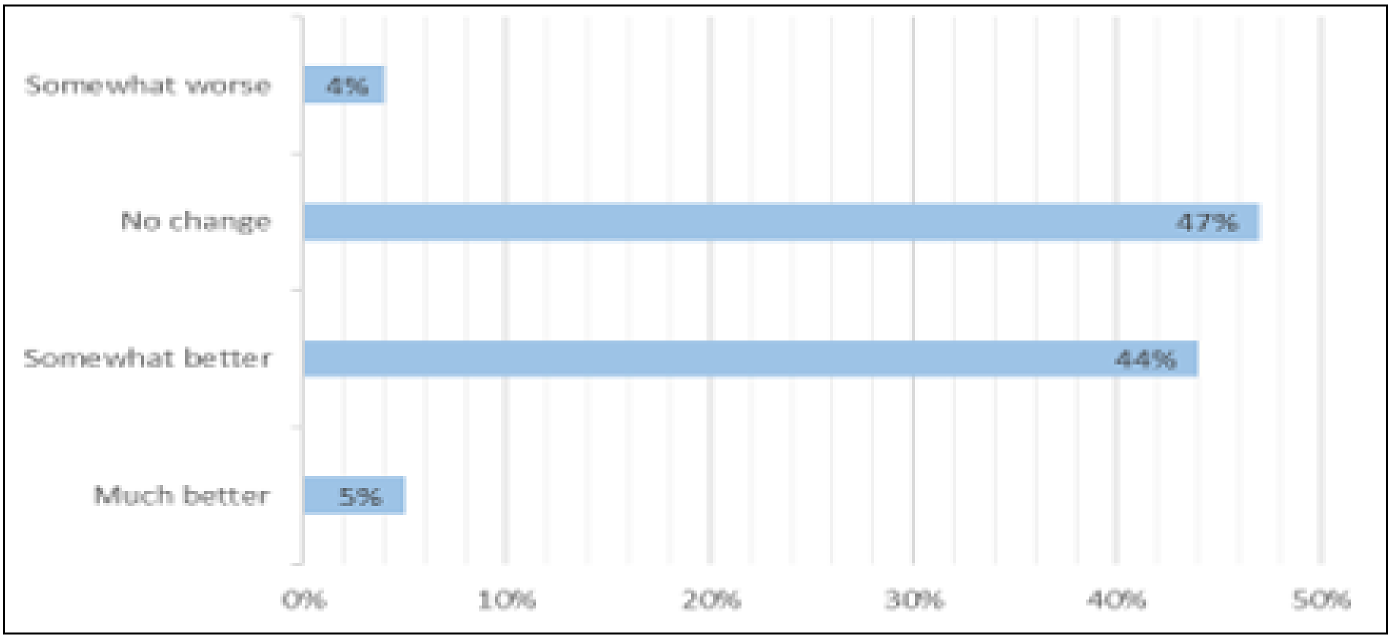

Fig 9 Variability in Preparedness for Unexpected Expenses or Emergencies following Minimum Wage Increase

Participants' satisfaction with financial improvements due to the minimum wage increase varies significantly. A small proportion (3.4%) are "Very satisfied," indicating significant positive changes. Another minority (6.9%) is "Somewhat satisfied," showing moderate contentment. A substantial segment (22.2%) is "Neutral". The majority (64.0%) is "Somewhat dissatisfied," possibly due to unmet expectations or financial needs. A small group (3.4%) is "Very dissatisfied".

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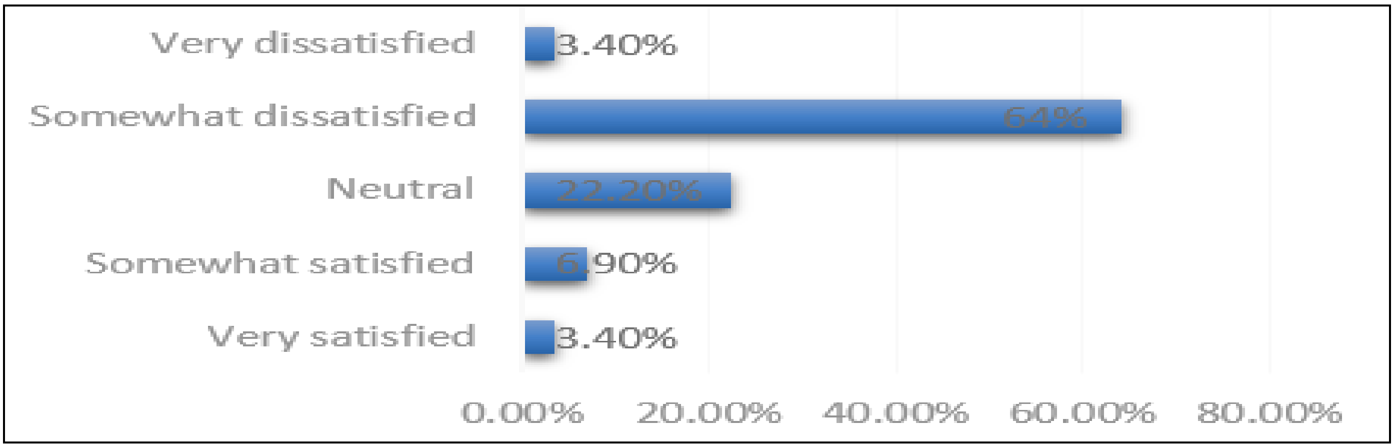

Fig 10 Diverse Levels of Participant Satisfaction with Financial Gains from Minimum Wage Increase

The Chi-Square analysis examined the relationship between Variability in Preparedness for Unexpected Expenses or Emergencies following Minimum Wage Increase and Diverse Levels of Participant Satisfaction with Financial Gains from Minimum Wage Increase. The Pearson Chi-Square value of 76.000 with 9 degrees of freedom and a p-value of .001 indicates a statistically significant association between these two variables. Similarly, the Likelihood Ratio value of 61.779 with 9 degrees of freedom and a p-value of .012 also suggests a significant relationship. The findings suggest that there is a significant relationship between domestic workers' preparedness for unexpected expenses or emergencies and their satisfaction with financial gains following a minimum wage increase. However, the data limitations should be considered when interpreting these results, as the expected count issue may influence the robustness of the conclusions.

Table 8 Chi-Square Analysis of the Relationship Between Preparedness for Unexpected Expenses and Satisfaction with Financial Gains Following Minimum Wage Increase

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.000[a]	9	.001
Likelihood Ratio	61.779	9	.012
Linear-by-Linear Association	27.106	1	.002
N of Valid Cases	30		
a. 15 cells (93.8%) have expected count less than 5. The minimum expected count is .30.			

- *Effects Of Minimum Wage Increment On Domestic Workers' Household Consumption*

Food expenditure ranged from a minimum of K400 to a maximum of K1000, with an average of K700 and a standard deviation of K201.653, indicating that households spent a considerable amount on food, with significant variation in the amounts spent. Electricity costs ranged from K50 to K120, with an average of K100 and a standard deviation of 32.429, suggesting relatively stable electricity expenditures across households, with some variation.

Transportation costs varied between K0 and K150, with a mean of K100 and a standard deviation of K20.439, indicating that transportation costs were a significant part of household expenditures, with substantial variation depending on the households' transportation needs.

Healthcare services expenditures ranged from K50 to K150, with an average of K50 and a standard deviation of K20.765, reflecting a similar trend to internet spending, where most households spent a moderate amount on healthcare.

Table 9 Consumption Variables

Variable	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**
Food	100	700.00	201.653	400	1000
Electricity	100	100.00	32.429	50	120
Transportation	100	100.00	20.439	0	150
Healthcare services	100	50.00	20.439	50	150

The coefficient for food consumption is 0.318, indicating that an increase in minimum wage has a positive and statistically significant effect on household expenditure for food. The t-value of 3.45 and a p-value of 0.001 confirm that this relationship is highly significant at the 1% level (***). The confidence interval ranges from 0.112 to 0.323, suggesting that the effect is consistently positive across the sample.

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Table 10 Relationships between Increase in Minimum Wage and Household Consumption in key areas.

Consumption	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Food	.318	.078	3.45	.001	.112	.323	***
Electricity	1.808	.235	8.34	0	2.134	1.318	***
Housing	2.407	557.464	11.37	0	523.923	744.891	***
Loan	203.734	96.931	3.46	.001	141.557	529.911	
Transport	.123	.086	1.93	.050	-.006	.34	
Mean dependent var	235.480	SD dependent var	433.782				
R-squared	0.463	Number of obs	99				
F-test	38.146	Prob > F	0.000				
Akaike crit. (AIC)	114.483	Bayesian crit. (BIC)	98.864				

The results from the linear regression analysis examining the impact of purchasing power on household consumption reveal several significant relationships. The coefficient for transportation (0.123) is positive and statistically significant at the 10% level (p-value = 0.050), indicating a mild positive association between purchasing power and transportation spending. Loan repayments show a strong positive relationship with purchasing power, with a coefficient of 203.734 and a highly significant p-value of 0.001, indicating that domestic workers with a higher wages tend to spend more on loans. The model explains 93.8% of the variation in household consumption (R-squared = 0.938), and the overall model is highly significant. These findings suggested that while some categories like transportation and loans are positively influenced by purchasing power, others like entertainment are negatively affected, and healthcare spending is not significantly influenced.

Table 11 Purchasing Power on Household Consumption

Purchasing Power on Household Consumption	Coef.	St.Err.	t-value	p-value	[95% Conf	Interval]	Sig
Transportation	.167	.086	1.93	.058	-.006	.34	*
Healthcare services	140.61	208.671	0.67	.503	-277.408	558.628	
Entertainment	-213.443	80.134	-2.66	.01	-373.97	-52.915	**
Loan	335.734	96.931	3.46	.001	141.557	529.911	***
Mean dependent var	980.645	SD dependent var	456.144				
R-squared	0.938	Number of obs	62				
F-test	169.585	Prob > F	0.000				
Akaike crit. (AIC)	590.182	Bayesian crit. (BIC)	502.945				

- *Discussion*

The findings reveal a significant relationship between the years of work of domestic workers and the amount of wage increment they received. As the years of work increase, the amount of money increased also tends to increase. This suggests that experience and longevity in the domestic work sector play a crucial role in determining the wage increments. These results align with previous research, such as that by Maloney and Peinado (2017), emphasizing the importance of wage policies to address income disparities and improve the livelihoods of low-wage workers.

The study's results are in line with previous research conducted outside of Africa, as seen in studies from the United States and Canada. These studies found that minimum wage increases positively impacted the income and working conditions of domestic workers, subsequently reducing poverty rates among this vulnerable group (Villarreal and Reyes, 2017; Thompson et al., 2018).

However, our findings also concur with the research conducted in Ghana by Atsu (2017), demonstrating that the improvement in standard of living may not be significant due to the high cost of living. This highlights the importance of considering regional and local variations when implementing minimum wage policies, as observed by Zhang and Li (2019) in China.

While our study provides valuable insights into the impact of minimum wage increments on domestic workers, it is essential to acknowledge its limitations. The research primarily focuses on Zambia and may not be generalizable to other regions with differing economic and cultural contexts. Additionally, the study did not delve into the broader social and cultural dimensions of domestic work, which are integral to the well-being of domestic workers, as noted by Hernandez and Martin (2018). Future research should consider these aspects.

The results of this study hold implications for policymakers and stakeholders concerned with labor rights and social welfare. It is evident that minimum wage increments can contribute to the improved well-being of domestic workers, positively influencing their ability to afford essential goods and services, reduce debt, and save money. Policymakers should consider the broader economic implications of these adjustments, as observed in the study by Schmidt and Sandoval (2018) in the United States, which found that wage increases stimulated local economies and job creation.

Furthermore, future research should investigate the social and cultural aspects of domestic work to provide a holistic understanding of the impact of minimum wage increments. Moreover, addressing the regional and local variations in cost of living and access to social protections should be a priority to ensure equitable improvements in the standard of living for domestic workers across all regions, in line with the findings of studies by Mwansa and Banda (2019) in Zambia and Zhang and Li (2019) in China.

V. CONCLUSION

The survey data and literature review provide valuable insights into the effects of a minimum wage increment on domestic workers' household consumption and financial stability in Lusaka, Zambia. The findings reveal a mixed impact, with both positive and negative outcomes observed. The minimum wage increment resulted in increased income for domestic workers, enabling them to improve the standard of living for their dependents in areas such as education, healthcare, housing, food quality, and leisure opportunities. However, challenges related to the adequacy of the wage increment, rising costs of essential goods and services, and existing financial obligations limited the overall positive impact on household consumption and financial stability.

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