A Note on the Middle Class in Latin America

Nancy Birdsall

Abstract

This paper sets out basic information on the middle class in eight Latin American countries over the last two decades. The middle class is identified as people living in households with income per capita between $10 and $50 per day, adjusted for purchasing power parity. This income-based definition is conceptually and empirically grounded in the analysis of household surveys and is used to provide a region-wide profile of households that are neither vulnerable to falling into back into poverty nor rich by their national standards. In the countries studied, the population share of the middle class increased from 20 to 30 percent and its income share increased from 40 to nearly 50 percent (from about 1990 to 2010). Adults in the typical middle-class household in Latin America have at least some secondary education, and all children in those households go to school—many to private school. Adults are likely to be employees in urban, formal jobs, and less likely than their richer counterparts to hold jobs in the public sector. Though rich in relative terms (mostly in the top quintile of their national income distributions), they are closer in median income to the majority of households that are poorer than to the small minority that are richer. To close on an optimistic note, the profiles tell a story of an increasingly educated, middle-class region, in which a growing proportion of the population is relatively secure in the escape from poverty, while probably more reliant than the rich on the rule of law and stable and effective government. In the long run, that suggests that the middle class is likely to support market-friendly, poverty-reducing social and economic reforms.

Center for Global Development
www.cgdev.org

Working Paper 303
August 2012 (updated 9/20/12)

A Note on the Middle Class in Latin America

Nancy Birdsall
Center for Global Development

Center for Global Development
1800 Massachusetts Ave., NW
Washington, DC 20036

202.416.4000
(f) 202.416.4050

www.cgdev.org

Introduction

In this note I set out basic information on the middle class in Latin America for eight countries over the last two decades. The middle class is identified as people living in households with income per capita between $10 and $50 per day, in purchasing power parity (PPP) dollar. This income-based identification, summarized below, is explained and justified in the forthcoming World Bank report on mobility and the middle class. It is conceptually and empirically grounded in the analysis of household surveys of income and other characteristics in eight countries of the Latin America and Caribbean (LAC) region, and is meant to apply region-wide.

Part 1 provides a brief review of the literature on the middle class and explains the motivation of this paper, i.e. to provide new information on the characteristics at the household and individual level of the growing middle class in Latin America and the Caribbean. The characteristics or profiles presented are an input to the analysis of social mobility in the region. The profiles can also provide a basis for the analysis of whether and how economic policy has affected growth of the middle class independent of economic growth itself, and what – if any – the political consequences of this growth have been in different countries.

At some point, when the middle class is large or powerful enough, the nation in which it lives is likely to take on and sustain characteristics associated with a "middle class" society. Part 2 summarizes information on the size and economic command of the LAC middle class as identified above and suggests several simple measures for representing a middle class society.

Part 3 describes the characteristics of the middle class including in terms of education, household size, and participation in the labor force. It also discusses differences across countries and over time. The resulting profiles suggest that middle class households in LAC are not particularly different from what might be expected given that their household income is greater than that of poorer, and less than that of richer households. Over time and across countries, household income per capita is a reasonably good summary indicator of "status" broadly conceived.[1]

---

[1] The same can be said of values, for which household income per capita is a good summary indicator. See Lopez-Calva, Rigolini, and Torche (2012).

This paper concentrates on description, based primarily on an impressive but limited set of household surveys. I try to be careful about implying causation from correlation, and about inviting conclusions about middle class "exceptionalism" or "particularism" in values or behavior when at most supposition is warranted. However, in a short conclusion, I speculate about two major policy questions that the summary measures of middle class "societies" in Part 2 and the profile information in Part 3 raise: What, if any, economic programs and policies have contributed to LAC's larger and more economically salient middle class in the last two decades? And what, if any, consequences of a larger middle class are emerging in LAC? Improved governance? Less or more redistribution? Is the middle class a political force, and is it aligning itself with the interests of those less rich or more rich? Given the likelihood that the middle class will continue to grow, what are the economic prospects and political directions that the LAC countries in our sample are likely going to take?

Part 1: Why another note on the middle class

Only in the last decade have economists working on development issues begun studying the emergence of a new, income-based "class" of the not-poor but not-rich in developing countries.[2] Interest has grown in large part because with rapid economic growth in China, the number of poor by international standards (income of $2 or less per capita per day, and $1.25 or less per capita per day for extreme poverty) has declined.

Economists have tended to identify the middle class using income. But there is no consensus among economists about whether relative or absolute income matters, or within what ranges of relative or absolute income the middle class lies. One approach simply categorizes anyone who is not poor as middle class. Banerjee and Duflo (2008) describe households in a set of countries with income between $2 and $10, calling them "middle class". Ravallion (2010) assesses the increase in the number of people in the "middle class" over the last several decades, defining the developing country middle class as those people with income per capita between $2 and $13.

Yet earlier studies of household-level data in low-income countries suggest that a large share of households that are "not poor" as defined by some income threshold still face a high risk of falling (back) below such a threshold. Pritchett, Suryahadi, and Sumarto (2000) analyze the variability of household expenditures in two panel datasets from Indonesia and conclude that 30 to 50 percent of households have a chance of 50 percent or more of falling into poverty.[3] By most conventional definitions of the middle class[4], they are too vulnerable and insecure in a material sense to qualify.

---

[2] Sumner (forthcoming) provides a comprehensive review of the literature.

[3] They set a poverty threshold at the income of the bottom 20 percent in an initial year. Variability of income over these years suggests most of those above that threshold have a high probability of falling below it.

Other economists have defined the middle "stratum" or sometimes (misleadingly) the middle "class" in developing countries in strictly relative terms, namely as those in the middle of their own countries' income distributions, e.g. within specific ranges of median income per capita (Birdsall, Graham, and Pettinato, 2000) or in the middle three quintiles (Easterly, 2001). Still others have used average country per capita income proxies as a way to represent a group that is in the middle of the global income distribution (Milanovic, 2010; Cardenas, Kharas, and Hanao, 2011). Cardenas, Kharas, and Hanao define the global middle class as all households with income above the poverty line in Italy and Portugal and below twice the median income of Luxembourg, a range that excludes those who are considered poor in the poorest advanced countries and those who are considered rich in the richest advanced country and (perhaps conveniently) falls between $10 and $100.

A few studies have been concerned with identifying the middle class in developing countries in terms of its potential as an economic, social and political force. This approach reflects the view that the middle class in the currently advanced economies has been key to economic growth as consumers and entrepreneurial producers, and has constituted the bulwark of democracy and stable and accountable government. Birdsall (2010) refers to the "indispensable" middle class, suggesting that a larger and more economically salient middle class is likely to be a force for more sensible economic policy, stronger and more responsive political institutions, and thus more sustained growth.[5] The concept as defined by sociologists emphasizes white-collar occupation and relatively good education, as well as ability to plan – for economists a low-discount rate – and associated high aspirations for a better future, including for children.

Most recent studies by economists have concentrated on descriptions of the size, characteristics and, to some extent, the welfare of developing country households that they pre-define as middle class using one or another income-based definition of a group that is not poor and not rich by international standards.[6] Beyond description, analysis of the determinants or causes of the increase in the size and income command of the middle class

---

[4] See Lopez-Calva and Ortiz-Juarez (2011) for a useful review by economists of the sociological literature.

[5] Birdsall and Sumner (forthcoming) define a "catalytic" class that is less secure and poorer than the middle class. The catalytic class likely depends more than the secure middle on good government that ensures competition and adherence to the rule of law, and that minimizes unfair business practices and insider privileges.

[6] In the last several years, the Asian Development Bank (2010) and African Development Bank (Ncube, Lufumpa, and Kayizzi-Mugerwa; 2011) have published reports that include a discussion of the middle class in their member countries. The emphasis in these reports has been on the emergence of the middle class as an outcome of growth, and as a reflection of increased well-being for larger proportions of their members' populations. The income increases have also been of obvious interest to the private sector, especially to the global consumer goods industry (see e.g. a Goldman Sachs report by Lawson and Gilman, 2009). The Goldman Sachs report defines the middle class as those households earning $6,000 to $30,000 per year in PPP terms (between $16 and $80 per day).

(beyond overall economic growth), or of its consequences for growth, governance or political change, is still relatively rare.[7]

This note also concentrates on description. It should, however, be noted that the income thresholds that identify the LAC middle class are empirically based proxies for an economic conception of the "middle class" – independent of whether the resulting households fall in the middle of the income distribution. This makes it all the more important to provide a detailed background on the characteristics of these households, as well as compare them to poorer and richer households, by country and within the region. The resulting comparative "profiles" provide a rich basis for related analysis of the determinants and consequences of social mobility, including into and out of the middle class. They also constitute a basis for further work on the determinants of middle class growth (in population and economic power) in Latin America; and the longer-term consequences of a larger and more economically and politically salient middle class for growth, governance, social mobility, and democracy in the region. For those purposes, the middle "class" is identified using an absolute income range, so that the characteristics of its members should be reasonably stable across countries and over time – for at least the next decade.

The $10 minimum threshold is grounded in two findings. First, Lopez-Calva and Ortiz-Juarez (2011) show that at a household income per capita of at least $10, households in Peru, Chile, and Mexico are relatively invulnerable to falling into poverty. Based on data from three five-year panel surveys, they show that households around this income only had a 10 percent probability of falling below their national poverty lines, which range between $4 and $5. Second, in the analysis of surveys in which respondents in seven countries of the region were asked to report their class, it was at or around $10 a day that respondents identified themselves as middle class rather than poorer.[8] On the one hand, self-identification as middle class at about $10 could be a coincidence. On the other hand, it suggests that respondents in the region, when asked to put themselves into one or another class, view middle class status – whether explicitly or intuitively – in some part as having to do with

---

[7] Easterly (2001) assesses the effect of the income share of the middle stratum (he calls it the middle class), i.e. the three middle quintiles of the income distribution, on growth; in a three-stage least squares model he uses dependence on commodity exports as an instrument for the middle class share. He finds that a higher share of income for the middle stratum and a lower level of ethnic fractionalization are good for economic growth. Birdsall, Lustig, and McLeod (2011) include a discussion of the effects of various political regimes on the income share of the top quintiles (where the middle class is defined as between $10 and below the 95th percentile of the income distribution). They find that in social democratic regimes compared to populist regimes, a higher share of income at the top of the distribution does not reduce but increases the incidence of social spending on lower-income groups.

[8] The surveys ("Ecosocial") in which respondents self-identified their class did not include data on household income. Income is estimated using data on household assets, matched to another set of survey data that includes both income and the same subset of assets ("SEDLAC"). For further discussion of the methodology that links the surveys' information, see World Bank (2012, forthcoming).

reasonably good income security. It may also mean that reasonably good income security is closely associated with other characteristics that respondents perceived as middle class.

The $50 threshold is less defensible, though not completely arbitrary. In the same set of surveys, a tiny number of respondents in our sample identified themselves as "rich" – only 13 households (less than 1 percent of households sampled) did so in Brazil. Their estimated incomes ranged from the top to the bottom quintile, suggesting some coding problems or reporting issues. Incomes of the self-identified "rich" were similarly distributed in other countries of the sample. In Brazil, another 13 percent of respondents identified themselves as "upper middle class", with their estimated income somewhat better distributed around $20, and a long tail stretching beyond $60 (Appendix Figure A.1, top panel). The groups that identify themselves as "lower middle" and "middle" have estimated incomes peaking just below $10, but in contrast to those that self-identify as "lower", have a long tail stretching to or beyond $50 (Appendix Figure A.1, bottom panel). The actual number of people sampled at $40 -$50 is of course relatively small, but $50 as an upper threshold seems reasonable given these distributions. Unlike the $10 minimum threshold, however, there is no other conceptual basis for the $50 maximum threshold beyond the self-identifications.

Across all eight countries, the percentage of the population living in households that are classified as rich at $50 ranges from below 1 percent (in the Dominican Republic, Peru, Mexico), to 3 percent in Brazil, and to almost 5 percent in Chile. Though higher-income households are more likely to be underreporting their income, household income for a family of four at $50 a day per capita would be about $73,000 (perhaps a middle bank manager's income in Sao Paulo). Since top incomes of a small percent of households in LAC exceed that amount by several multiples it is likely there is considerable underreporting of income by the rich.[9] This underreporting, however, is probably concentrated among households that are well above the $50 a day line. Its effects will hence occur within the group of rich, reducing the average reported income of the group while leaving unaffected, for example, their average education compared to the middle class.

In the discussion below I will sometimes refer to the characteristics of these "richer" households, but I am not assuming that they form a representative sample given their small sampled numbers.

Part 2: What constitutes a middle class society?

At what size, income share, or other characteristic of the "middle class" in a country or region does that country or region become a middle class society in which the virtues or

---

[9] Székely and Hilgert (2000).

vices of the middle class – in terms of values, aspirations, political views, savings, consumption and work habits – dominate in their society?

Table 1 lists the population and income shares of the middle class for various years in eight LAC countries. Norway and the United States are included for comparison. The eight countries are listed in ascending order of per capita income (for information, their mean per capita incomes in each year are also shown).[10]

By 2009, almost one-third of the LAC population was in the middle class – between just under 20 percent in Honduras and over 40 percent in Chile (Figure 1), compared to our rough estimates of about 60 percent and 90 percent for the United States and Norway (using the thresholds of $40 to $100 a day). The middle class in LAC had grown substantially since the early 1990s (and in Peru since 1999); In five of the other six countries for which we have at least two survey years, it had come near to doubling in size. In Mexico it fell slightly in the 1990s (when the country was hit hard by its 1994 financial crisis) but rebounded strongly between 1998 and 2008.

Across countries and over time, middle class population shares are associated (in statistical terms) with higher mean income per capita and with lower inequality measured by the Gini coefficient (Table 2, column 1). Declines in inequality are now well documented in most LAC countries, particularly since about 2000 (Lopez-Calva and Lustig, 2010). Whether those declines are the cause or consequence of growing middle class population shares is not clear from the association alone. The association with increases in average income in most countries suggests that the population share of the middle class has increased from the bottom. Increases in median income (not shown) reflect the fact that overall growth is sufficiently shared with households below $10 per capita to ensure many were lifted above that threshold.

For comparison with countries outside of LAC, Table 3 lists population shares of the $10 to $50 middle class in other parts of the developing world. In 2008/2009, the population shares for the LAC countries were between 17 percent (Honduras) and 42 percent (Chile). The estimated share for urban China in 2008/2009 was only about 13 percent (and probably close to zero for rural China), compared to 18 and 36 percent respectively for Thailand and Turkey.[11] The implication: many countries in Latin America are at least as "middle class" as

---

[10] Figure 1 plots middle class population shares over time. The Appendix includes household income distributions each country in the latest year. See Figures A.4 to A.11.

[11] Many low-income countries in Africa and Asia had at most 5 percent of their populations living on $10 a day or more. These are not included in the table.

East Asian countries such as Thailand and more middle class than most developing countries in Africa and South Asia.[12]

The 2008/09 figures in Table 3 suggest that a large share of the increase in middle class population size in Honduras, Brazil and Chile had occurred since 2005. The very small increase in the middle class population size in Mexico suggests that the country benefited less than most of its South American neighbors from the boom years 2005-09 because of its dependence on exports to the U.S, which declined as US economic growth faltered after 2006. The data also suggest the sensitivity of middle class population share to growth.

Along with population shares of the middle class, Table 1 also shows income shares of the middle class for each country and year (also see Figure 2). The middle class in most LAC countries "resides" in the top three deciles of the income distribution (see income distributions in Appendix Figures A.4 to A.11). It follows that its income shares (between 40 and 54 percent in 2008/09) are much higher than its population shares (between 17 and 42 percent in 2008/09).

Income shares have increased in most countries of the region, though by much less than population shares. They are, like population shares, closely associated with higher country mean and median income, but in contrast to population shares, not with lower inequality (Table 2, columns 3 and 4). At the same time, with income growth over time, income shares relative to population shares have fallen (Table 1, column 5 compared to column 7).

A glance at the change in those shares in Brazil between 1992 and 2009 indicates a healthy decline (from about 3 to 1 to about 1.5 to 1) in the ratio of income to population share – healthy in the sense that the decline occurs because rising incomes push more people into the middle class from below than out of the middle class to above. In Brazil, median income within the middle class rose over the two decades, making the overall picture benign. In this period, Brazil benefited from rapid growth and, since about 2001, from a decline in inequality (Lopez-Calva and Lustig, 2010). The same is true for Costa Rica and more than a dozen other countries in the region.

That economic growth in the developing world has been good for the poor, by reducing their absolute numbers, is a well-accepted dogma in the development literature. Ravallion (2010) shows that the patterns of economic growth in the developing world have pushed a large number of people above the $2 poverty line because of the high concentration of households around that line. In LAC, growth combined with falling inequality – using the simple measures of middle class shares of population and income – have apparently been

---

[12] The size of the middle class is closely assoicated with mean income (based on household surveys) and even more so with mean per capita GDP across all developing countries; Latin America is not different from other regions on this simple dimension. See Appendix Figures A.2 and A.3.

good for building middle class societies. It may well be that, in a virtuous circle, the growing middle class has been good for growth and declining inequality. Whether as cause or consequence, the number of people in the middle class in the region as a whole (extrapolating roughly from the growth in the countries for which we have data) has grown from about 70 million in 1992 (about 15 percent of the LAC population then) to about 170 million in 2009 (almost 30 percent of the larger 2009 population).

Are countries in LAC becoming more middle class societies in the political realm? Are they more likely to collaborate implicitly or explicitly in demanding rights, rents, a more market-driven, or a more welfare-oriented political regime? When does a country's political system or regime primarily reflect middle class demands – as most observers would agree is the case for Norway and the United States (Table 1) (though the Occupy Wall Street movement in the US suggests fear that this is less the case today than it has been). The answer has to do not only with a sufficient share of households reaching some minimum absolute income such as $10 in a regionally (and globally) interconnected economy while still not being "rich". For political salience, it also has to do with the group's implicit – if not explicit – sense of identity as a group with shared political interests that are different from the interests of the "richer" and the "poorer".

One measure of middle class identity is the Gini coefficient of the LAC middle class itself, i.e. a Gini in which the middle class in each country/year is treated as the entire population. The resulting Ginis are shown in column 1 of Table 4. The low Ginis imply a reasonably good sense of identity, for example as consumers and in terms of likely labor productivity levels within the predefined middle class.

The middle class might be viewed as more politically salient the larger its shares of population and income, and the smaller its Gini. Those shares are shown in columns 2, 3 and 4 of Table 4. In column 4, the differences between countries are driven primarily by differences in their income shares. Still, the ratios provide a short-hand if crude portrait of a region that is becoming more middle class over time. The exceptions are the Dominican Republic between 2000 and 2008, Mexico between 1992 and 1998, Costa Rica between 1999 and 2009, and Brazil between 1992 and 1999. In 2009, Chile and Costa Rica are the "most" middle class: Chile is the richest and Costa Rica has relatively low national income inequality.[13]

Finally, column 5 of Table 4 shows the proportion of population that is both in our LAC middle class and in the "middle" of each country's income distribution, i.e. in the middle three quintiles. We refer to these households as members of the "purple group" in countries

---

[13] In 2009, the national Gini index of Costa Rica was 50.7, just a little higher than the Dominican Republic and Peru at about 49, and lower than Brazil, Chile, Colombia, and Honduras at over 52.

where they exist, i.e. they are members of both the red middle 60 percent and the blue middle class. In 2008/09, the overlap is tiny in Honduras because households with a daily per capita income of $10 are barely at the top of the fourth quintile there; almost no households in the three middle quintiles of the income distribution are in the middle class. In contrast, in richer Chile, about two-thirds of all middle class households are in the fourth quintile of the overall distribution.

By this measure, the most middle class societies in the region are Chile (23 percent of households in both categories), Brazil, and Costa Rica (almost 19 percent of households in both categories). But even in those three countries, the overlap is small compared to Norway and the United States, where it is around 40 percent in 2004. Table 2 (Columns 5 and 6) shows a simple regression of the size of the purple group, i.e. the extent of overlap between our middle class and the three middle quintiles. Across years and countries, higher mean income per capita is associated with a larger overlap of the two groups. (see also Appendix Table 1, column 3). Similarly, higher median income per capita is associated with a larger overlap. Its inclusion also makes the Gini coefficient positive (i.e. greater inequality increases the overlap while controlling for median income).

Part 3: Some characteristics of the LAC middle class

Is a sense of shared identity among members of the LAC middle class warranted in terms of economic and political, as opposed to ethnic, racial or religious interests? Profiles of the middle class across countries and over time help address at least three questions:

First, how different are middle class households from other income groups in terms of education, employment, household assets etc.? Is there anything special about the middle class beyond their place in the income distribution (middle class "particularism")?

Second, to what extent is there commonality across countries in the characteristics of middle class households beyond that associated with income? Does a middle class household in Honduras look the same as a middle class household in Chile? If so, does it suggest that the region is economically integrated, with a single price for, say, labor at a specific skill level?[14]

Third, have the characteristics of the middle class in LAC changed over time, or is the region more middle class simply because more households have entered the group of less vulnerable to poverty, though not rich by any regional standard?

I describe the LAC middle class using the latest available household survey data for our eight countries, and then discuss changes in the profiles of our middle class households over the

---

[14] Whether it also suggests that that the region is well-integrated into the global economy would require profiles of non-LAC countries.

last two decades. In doing so, I compare middle class households ($10 -$50 daily per capita income) to three other groups: the poor (under $4 daily per capita income), the vulnerable ($4 to $10 daily per capita income), and those richer than $50 per capita per day.

The LAC middle class, 2009[15]

Income

Table 5 shows mean and median daily household income per capita of the middle class for each country and year. For comparison, the table also lists mean and median incomes of the other income groups described above.

At the medians, middle class households are about three times richer than the combined group of poor and vulnerable households (Table 5 and Figure 4). Median incomes of the middle class are far above overall median incomes (and even above overall mean incomes). This is consistent with the fact that middle class households are heavily concentrated in the top two or three deciles of the income distribution in most countries, on average at far higher incomes than their poorer counterparts. Recall that in part by definition, our LAC middle class is relatively invulnerable to falling into poverty at about $4 a day. The great majority of households in LAC are in fact still vulnerable to that risk.

At the same time, middle class households in all countries are four to five times poorer at the medians than richer households. The LAC middle class is closer in income to its poorer than to its richer counterparts. This is consistent with the top-heavy concentration of income in most countries of the region. Indeed, median incomes of the rich are very high – particularly assuming the relatively greater underreporting of income in richer households described above.

Size, age and other demographic characteristics

Table 6 shows key demographic characteristics of middle class households pooled across all eight countries, weighted by population. LAC middle class households are small and middle-aged. They have about three people (more in poorer Honduras, less in richer Brazil and Chile) and, except for Honduras, a mean of less than one child per household (Appendix Table A.2). In Brazil, they have an average of just 2.7 people and 0.5 children. The average age of all middle class adults is 39 (younger in Honduras; older in Chile and Brazil), approaching the sweet spot of age 40 where workers typically reach their maximum productivity.[16]

---

[15] The data for the Dominican Republic and Mexico are from 2008, the data for Colombia is from 2006. For simplicity I refer to 2009 throughout most of the text.

[16] Skirbekk (2003).

These demographic characteristics of households are closely and monotonically associated with income per capita (with average size and number of children in part a function of the per capita construct), both across countries and within countries over time. For example, the number of children in poor households is between 1.8 (Chile and Costa Rica) and 2.7 (Honduras), compared to 0.3 (Dominican Republic) and 0.9 (Honduras) in the richest households (Appendix Table A.2). Over time, household size and number of children decreased as overall incomes have risen (Table 6).

Over time household size and fertility have been converging across income groups as overall fertility has fallen across the region. In Brazil, the mean number of children of middle class households was 0.8 in 1992 and had fallen to 0.5 in 2009. By 2009, differences by income group were relatively small compared to the differences in 1992 (Appendix Table A.2). Still, the relatively small differences in average size and number of children accumulate across households in the different income categories: In 2009, 44.6 percent of Brazilian children under 18 years lived in poor households and another 36.8 percent lived in vulnerable households. In total, 81.4 percent of children are growing up in households that are not middle class or richer. Just 17.5 percent of children lived in middle class households and a mere 1.2 percent in the richest households (Appendix Table A.4).

Schooling

I use the term schooling rather than education below. In developing countries, there is a strong relationship between the quantity and the quality of schooling that people receive. Those that benefit from better schooling as children tend to go farther in school (Behrman and Birdsall, 1983). As a result, differences in education across classes are almost certainly understated by differences in schooling, and more so the poorer a country was when an adult was a child.[17] [18]

Table 7 shows the mean and median of years of schooling of adults (ages 25-65) for each country and year, grouped for the total population and for the four income groups: poor, vulnerable, middle class, and rich. Figure 4 plots the median values in 2009. The median schooling of adults in middle class households is between 10 and 12 years in most countries. In virtually every country, the average adult in a middle class household has attended at least some secondary school. That is especially true for those at the younger end of the age range (Table 8). The median of years of schooling is much higher for richer households. With the

---

[17] The quality of public schools may have been better in some countries of LAC until the 1970s, when access and enrollment began increasing and more children from poorer households began schooling. By the 2000s, most adults would have started school in the 1970s or later, so that differences in the quantity of schooling are likely to reflect differences in quality as well (Behrman and Birdsall, 1983).

[18] Filmer, Hasan, and Pritchett (2006) and Pritchett (forthcoming) provide ample evidence of the low quality of schooling in developing countries compared to OECD countries.

exception of Honduras, where the percentage of households in the richer group is very small, the rich are far more likely to have attended or even completed university.[19]

Three points are noteworthy about Table 7: First, mean and median years of schooling of middle class adults vary little across countries and over time; there is constancy in the crude relationship between income ($10-$50) and schooling of adults throughout the region and over time, suggesting relatively deep integration of the real cost of labor across the region and time. The lack of change over time is in part a function of the growth in the size of the middle class from below; the average schooling of the resulting middle class has not changed much, though in absolute terms average schooling of the entire populations has been increasing steadily.

Second, except in Chile, median schooling of the middle class is 50 to 100 percent higher than that of the poorer groups. Recall that "poorer" in those countries includes 70 percent or more of the total population. The difference between average schooling of the LAC middle class and the absolute poor ($2 a day or less per capita income) would be far greater.

Compared to Norway and the United States (where we have arbitrarily defined higher absolute income thresholds for the middle class, in line with those countries' higher national poverty lines and because our $10-$50 are not based on global analyses), mean schooling of the LAC middle class is much lower. For example, about 88 percent of adults (25 years and older) in the United States have at least received high school education,[20] compared to 22 percent of adults in our sample of LAC countries.

Third, there is considerable lack of precision in the calculation of schooling means by income group (Figure 5, bottom panel). Standard deviations are high – except for the richer group. To be rich in Latin America is to be highly schooled, and vice versa.

Table 8 shows median years of schooling for Brazilian adults by age and income group in 2009. Higher medians at younger ages reflect the universal gains in access to schooling. Convergence by income group is also associated with these gains. Not surprisingly, the years of schooling among the rich do not decline with age as much as for other income groups. Most of those that are old and rich were apparently raised in rich households when they were younger.

What about current school attendance? Virtually all children aged 6 to 12 in middle class households are in school, as are at least three-quarters of 13-19 year olds (Table 9). Substantial numbers of middle class children aged 6-12 attend private schools: 63 percent in the Dominican Republic, 57 percent in Peru and 45 percent Brazil (Table 10). The

---

[19] Means are also much higher for the richer, with lower standard deviations.

[20] US Census Bureau (2011).

percentages are lower in the countries with larger and more politically salient middle classes: 27 percent in Mexico, 25 percent in Costa Rica, and 8 percent in Chile.[21]

In all countries, the great majority of children of secondary school age from richer households attend private schools (a high of 85 percent in Brazil). This is true even in Costa Rica (62 percent), which is probably the country with the longest history and the best reputation, warranted or not, for good-quality public schooling. The differences in private school attendance at the secondary level between middle class and richer households are notable, reflecting in part the high cost of private secondary schooling and the very large differences in average income between middle class and poor households (Table 5). At the same time, the difference is also notable between middle class households and their poorer counterparts. Private school attendance at both the primary and secondary levels is a major marker of differences across all classes.

Residence

Table 11 shows the percentages of all households living in urban areas for each country and year. The region is highly urbanized: With the exception of Costa Rica, Honduras, and Peru, all countries have urbanization rates of more than 60 percent in all income groups. The rates are much higher for the middle class. Note that comparisons across countries are not possible as the definition of "urban" varies across countries.

Table 12 shows the percentage of people that identify themselves as migrants, defined as living in a different municipality from where they grew up. Again, comparisons across countries (and possibly over time within countries) are not possible due to different definitions in national surveys. It is clear, however, that the more income a household commands today, the more likely it is that its members have moved at some point. As is true for other indicators, higher income is probably both a consequence of having moved as well as a consequence of higher initial income (which is correlated with current higher income, and can be a cause or a facilitating factor for having moved).

In short, there is nothing surprising or particular about the middle class in terms of current or past residence. Differences across income groups are minimal and, if they exist at all, eclipsed by varying definitions across countries and possibly over time. This almost certainly distinguishes the LAC region from South Asia and China, where the middle class is probably distinctly more urban than poorer income groups and in this regard more like its richer counterparts.

---

[21] The low figure in Chile presumably (and reasonably) excludes publicly subsidized private schools.

13

Employment

Table 13 provides a breakdown of workers by employment sector and income group for the eight countries in 2009. The categories aggregate across 17 sectors: primary activities include agriculture, mining and fishing. "Other" comprises mostly private activities such as real estate, and hotels and restaurants.

Within each income group, there are of course higher-and lower-skilled jobs that command more or less pay. It is hence not surprising that some workers in poor households work in the public sector and some in rich households work in primary activities. At the same time, some broad patterns emerge: Middle class workers are less likely to work in the in the primary sectors and more likely to work in health, education and public services (in both the public and the private sector) than their poorer counterparts. This is even more the case for their richer counterparts. In this regard, middle class workers in LAC look far more like a typical "rich" than a typical "poor" worker. This is consistent with our data on schooling, where differences are greater between the poor and middle groups than between the middle and richer groups (Figure 5). It is also in line with the fact that the middle class in LAC is not in the "middle" of the income distribution, but concentrated in the top two or three deciles. This is particularly the case in the three poorest countries of our sample.

It is not the sector of employment, but the status of employment that differentiates the middle class. Consistent with existing literature that finds most workers in the middle class to earn a regular wage or salary as opposed to being entrepreneurs (Banerjee and Duflo, 2008), our sample shows that between 52 percent (the Dominican Republic) and 76 percent (Honduras) of middle class workers are "employees" (Table 14). In Brazil, Chile, Costa Rica, and Honduras, the percentage of workers that are "employees" is even higher in the middle class than in the group of rich households.

To what extent are middle class workers "employers"? Not surprisingly, middle class workers are more likely to be employers than their poorer counterparts and less likely than their richer counterparts. There is, however, a significant gap between middle class workers and rich workers, which are much more likely to be employers. In Brazil in 2009, rich workers are three times more likely to be employers than middle class workers. In Chile and Honduras in 2009, rich workers are more than five times as likely to be employers than middle class workers.

Table 15 shows the percentage of workers reporting employment in either small private firms (five employees of less), large private firms (more than five employees), or in the public sector. Casual observation might suggest that middle class workers are concentrated in public sector jobs, including in state-owned enterprises. That is only true to some extend: On the one hand, between 16 percent (Chile) and 37 percent (Honduras) of the middle class works in the public sector. On the other hand, the rich are similarly or even more

concentrated in the public sector in most countries. The exceptions are Peru and Mexico, suggesting some sort of middle class exceptionalism (though the differences are small and may not be statistically meaningful). Not surprisingly, the poor and vulnerable mostly work in small firms while the rich are mostly employed in large firms.

Finally, Table 17 shows the percentage of people in the labor force who are enrolled in or affiliated with the social insurance system in their country. There are significant differences in the coverage of middle class households across countries. Slightly more than 80 percent of middle class workers are covered in Costa Rica, Brazil, and Chile. Coverage rates are much lower in the Dominican Republic, Peru, and especially in Mexico. These differences cannot be fully explained by different mean or median incomes of middle class households (which are relatively similar, see Table 5), but likely reflect differences in coverage itself. On average in each country, middle class households are much better covered than poor households, but less well covered than rich households.

Female labor force participation

Reported female labor force participation is relatively high across all countries and has risen in most countries over the last two decades (Table 16). This is consistent with rising levels of education and urbanization, as well as with declining fertility. For the most part, women are more likely to be in the labor force the higher the income per capita of their household. Women's contributions also drive household income per capita and, in some cases, may move their household into one of the higher income categories. In middle-class households, between 60 and 70 percent of women are in the labor force. In most countries, labor force participation is even higher rich households, especially in Costa Rica and Chile (the most middle class "societies", see Part II). In a bit of exceptionalism, female labor force participation is highest in middle-class households in Peru in 2009, as well as in Mexico in all years of our sample (when income overall was not rising). This could reflect greater pressure for female workers to supplement incomes in households that might otherwise fall out of our middle class.

Household assets

The $10 income threshold for entering the middle class was partly derived based on ownership of eight household assets.[22] As a result, the middle class will by construction own more of those assets than the poorer groups, and probably less than the richer group.

Table 18 provides a snapshot of asset ownership in middle class households compared to other households. More than 50 percent of the poorer households own cell phones, as do three-quarters or more of middle-class households. Peru, for which we have two survey-

---

[22] The assets included were: Fixed phone line, Cell phone, Cable TV, Washing Machine, Car, Motorcycle, Internet, Computer, and Education.

years with information on cell phone ownership, is an astonishing example for the rise in mobile teledensity: Within one decade, the proportion of middle-class households owning a cell phone rose from 14 to 80 percent. Home ownership is similarly widespread across all countries in our sample, even among poor households.

Among middle-class households, more than 50 percent own a computer in Costa Rica, Brazil and Chile. More than 50 percent own a car in Costa Rica and Mexico,[23] and more than 70 percent own a washing machine in Mexico, the Dominican Republic and Chile. Cross-country differences probably reflect different consumer needs (e.g. land lines and a more deregulated telecommunications sector make cell phones less necessary in Chile than in Costa Rica) and ease of access to consumer credit, rather than differences in the intrinsic characteristics of middle class households.

Summary profile: The LAC middle class in 2009

In 2009, the typical middle class household in the LAC region was in the top quintile of the household income distribution in most countries and had a median per capita income between $15 and $17 per day (between $5,500 and $6,200 per year, or $22,000 and $24,800 for a family of four). Middle class households were thus "rich" relative to the great majority of the population. The median per capita income of the total population was between $4 and $10 per day.

Adults in middle class households had at least some secondary education and worked in urban, organized sectors of the economy. Virtually all children of middle class households aged 6-12 and about three-quarters of children aged 13-18 were in school. Large percentages attended private school: More than 50 percent of both groups in the Dominican Republic and Peru, and 45 and 35 percent of the younger and older groups in Brazil.

The great majority of middle class workers were employees with a regular salary. Relatively few are employers of other workers – far less than workers from rich households. In most countries, middle class workers were far less likely than rich workers to be themselves employers of other workers. Female labor force participation is high in all income groups, but particularly so in middle class (and rich) households, in which 66 percent and more of women work (Table 16).

In most countries, 20 percent of working middle class adults were employed in education, health or other public services – more than their poorer but less than their richer

---

[23] Dadush and Ali (2012) suggest that ownership of a car is a good proxy for middle class status in developing countries. In our data using our income thresholds, 18 percent of poor households and 24 percent of vulnerable households owned a car Costa Rica (2009), while 9 percent of poor households and 22 percent of vulnerable households owned a car in Mexico (2008). Cars may work as an indicator *grosso modo* across countries but probably not across households within countries.

counterparts. About 15 percent worked in the public sector itself, a relatively high percentage compared to workers in poorer households. In Honduras, Peru and the Dominican Republic, middle class workers were more likely to be employed in the public sector than their richer counterparts. Still, the middle class generally does not rely particularly heavily on the public sector, at least not in terms of employment. Across the region, a much higher percentage of rich workers was employed in the public sector.

In all countries for which we have data, very large shares of the middle class population owned a house and a cell phone. The same is true for sizeable shares of poorer households. Middle-class households were much more likely than poorer households to own a washing machine, a car, and a computer.

Middle class households in LAC: a few exceptions to exceptionalism

To answer the questions posed at the beginning of this section: With only a few exceptions, the characteristics of middle class households compare to their poorer and richer counterparts along the lines you would expect. The two most notable exceptions are in the area of employment.

First, the richer a household, the more likely it is on average that its workers enjoy the benefits of being "employees" with a regular salary or wage. In Brazil, Chile, Costa Rica, and Honduras, however, a worker in a middle class household is more likely to be an employee than a worker in a rich household. Brazil, Chile, and Costa Rica rank high among the eight countries on measures of middle class "society" (Part II).

Second, women in middle class households are more likely to participate in the labor force. This appears to reflect greater demand for higher income (the income effect) rather than a greater wage that women in higher-income households command (the price effect) because the exceptional pattern prevails in lower-income countries and prevailed in Mexico during the 1990s, following the financial crisis there.

The LAC middle class: more like the poorer or more like the richer?

Middle class households are, in general, more different from the small group of rich households (income per capita greater than $50) than from the households in the vulnerable group (income per capita between $4 and $10). Their income is much closer to the poorer groups than to the richer group. They are much less likely to be employers (as opposed to employees or self-employed) than the rich. They have some secondary education, which distinguishes them from adults in poorer households in most countries. Except for Chile and Peru, adults in poorer households have too few years of schooling to have entered secondary school. The gap between their incomplete secondary schooling and the schooling of adults in rich households, who in most countries would have completed some post-secondary schooling or even received university-level training, is far greater. This difference matters:

Until the last decade, the wage return to university training has far exceeded the wage return to secondary school in Latin America. Most adults in the middle class did not attend university, but most adults among the rich did.

The middle class is more likely – indeed far more likely – to take advantage of the possibility of private schooling for their children than poorer households. Even so, the gap between private school enrollment of children in middle class households and children in rich households is significant.

Is there commonality across LAC countries in the middle class profile?

Yes. Middle class households share their profiles across countries. Median income per capita of the middle class varies by just about $2 across countries (Table 5). Median years of schooling is 11 or 12 years in all countries. Secondary school enrollment rates of children in middle class households are universally high, ranging from 78 percent in Honduras to 90 percent in Chile and (perhaps surprisingly) the Dominican Republic.

Differences across countries in private school enrollment of middle class children do range widely; they appear to be a function of country differences in the quality of public schools. Enrollment in private schools at the primary level is lowest in Chile and Costa Rica.

Is the middle class different today than two decades ago?

With one exception, the answer to that question is no. Using the income-based identification and given that we are looking at real incomes, it should not be surprising that for the most part, a middle-class household in low-income Honduras in 1992 looks strikingly similar to a middle-class household in higher-income Chile in 2009 (Table 5). The latter household is just about 11 percent richer at the median (about 10 percent at the means). Over this period, median income per capita increased by 2.2 percent in Honduras and by 4.3 percent in Chile. With a median of 12 years, Chilean middle class adults in 2009 have received no more schooling than Honduran middle class adults in 1992. In Honduras, the median years of schooling actually fell from 12 to 11 between 1992 and 2009, presumably as the middle class grew because people entered from below (Table 7).

The exception is that middle class households are smaller and have fewer children in 2009 than in the 1990s. The size of middle-class households has fallen from 3.3 to 2.9 people while the mean number of children has fallen from 0.94 to 0.59 (Table 6). It should be noted, however, that household size and number of children have fallen for all income groups in the LAC region over the last two decades. The middle class is not exceptional in this regard.

In most countries, the median income of the middle class rose slightly, suggesting a slight shift to the right in the within-group distribution. Among the rich, mean income rose in most countries while median income fell. That implies a much stronger shift to the right and

the likely appearance of more "super-rich" households in the right tail of the income distribution. In some countries of our sample, however, the number of households with per capita income above $50 is too small to draw strong conclusions.

When middle class households are pooled across all countries of our sample (Table 6), it is easier to see changes over time. Years of schooling rose by almost 1 year or almost 10 percent. Private school enrollment rose by 25 percent and the average age of adults by almost 10 percent. Mean household size fell by 0.4 members (the median remained constant at three), and the mean number of children fell by more than 30 percent.

These trends mostly reflect major demographic shifts that were shared across all income groups, rather than anything peculiar or particular about the middle class.

The important change at the country and regional level was not in the characteristics of the middle class, but the significant increase in the population size and the economic command of the middle class in every country. Most notably, the smaller increase in the middle class income share compared to its population share reflects the growth of the group from the bottom.

Part 4: Concluding reflections

This note is modest in intentions. The objective is to exploit household data on income and other social and economic characteristics to describe the middle class in LAC as well as changes in its size and characteristics over the past two decades. Understanding the causes of the increase in the size and economic command of the middle class, including the link to social mobility and its causes across countries and over time, and assessing the likely consequences of that increase, is a more ambitious exercise.

If the story is one of a virtuous circle (and that in itself is a hypothesis) in which a growing middle class supports economic policies and practices that ensure a growing middle class,[24] it is hard to discern causes and consequences.

Still, what this note demonstrates is a cause for optimism about the economic and democratic prospects in Latin America and the Caribbean. First, it is encouraging that whatever is captured in self-responses about being "middle class" seems to accord reasonably well with the objective criterion of relative invulnerability to falling into poverty. It would surely make Alexis de Tocqueville happy that the proportion of people that feel more economically secure has grown from 20 to at least 30 percent in many countries of the region.

---

[24] As well as the strengthening of inclusive political and economic institutions, rules and norms (Acemoglu and Robinson, 2012).

Second, it is encouraging that across time and countries people in households with per capita income between $10 and $50 share such key characteristics as education and work status. This suggests that it is reasonable to have a construct called the Latin American middle class – with potential spillovers across countries in policy norms. A secure middle class is likely to both object to corruption in government as well as be more effective in fighting it. Perhaps the exposure of high-level corruption in Brazil will reinforce intolerance for such corruption in Peru and Bolivia. The same might be said about respect for human rights: While the middle class would certainly not view the issue differently, it would be better able to advance its views the larger it is.

Third, that the middle class is not exceptional in its characteristics after controlling for their income is another cause for optimism.[25] It suggests, as Charles Kenny (2011) recently argued, that the poor are no different from you and me. Most of the world's poor are not poor because they are deficient in ambition or enterprise, but because they lack the assets – schooling, land, access to finance– that provide a middle class income. A larger middle class suggests some positive trends at the societal level; more people have one or several of those assets that are sufficient to insure reasonable economic security.

Moreover, the fact that the middle class is not exceptional after controlling for current income vindicates this measure as a reasonably sensible proxy for education, permanent income, occupation, or whatever other characteristics analysts might prefer to identify the middle class – at least in the case of Latin America. An income level that is sufficient to be part of the middle class does not guarantee happiness, but it does go along with characteristics and capabilities that are associated with well-being and, in the wider sense, agency and human freedom (Sen, 1999).

Fourth, the finding that the middle class is not exceptional in behavior or values does not imply that societies are not somehow different when the middle class represents a larger share of population and income. The measures of middle class "society" above indicate that Chile, Brazil and Costa Rica are the most middle class countries in our sample of eight LAC countries. This can largely but not entirely be explained by their higher average income.

The countries' income distributions also matter, at least in a statistical sense (Table 2). Costa Rica has a lower average income than Brazil, but a larger middle class population share with a larger command of total income. In Costa Rica and Chile (but not in Brazil) the middle class captured an estimated 53 percent of total income in 2009 (Table 4).

It does not follow ineluctably that lower income inequality implies a larger middle class, since the middle class in the LAC region is not in the middle of the overall distribution, but is

---

[25] Or, as other studies show, in the values they hold or in their views about such economic policies as taxes and the role of the market (Lopez-Calva, Rigolini, and Torche, 2012).

heavily concentrated in the top three deciles (Figure 3). Only in Chile are there some middle class households in the sixth decile of the income distribution. Relatively speaking, the middle class as identified by the $10-$50 group is in fact "rich" in these countries. Will the LAC "rich" middle class align themselves politically with their richer counterparts or the much larger poor and vulnerable populations? There is indirect evidence that this well-off middle class is open to redistribution. Birdsall, Lustig and McLeod (2011) find that in countries with center-left as opposed to populist governments, changes in social policies have benefited the bottom four quintiles more than the top quintiles in which the middle class is heavily concentrated (see ibid, Figures 8 and 9, as well as Lustig, coordinator, 2011). Brazil and Chile had such center-left governments throughout most of the 2000s.

This is another possible reason for optimism. Perhaps a growing middle class, with its growing political influence, supports political regimes that promise a combination of sound macroeconomic policy with a heavy emphasis on social programs that reach the majority of the population. A growing middle class perhaps even supports such policies if their own group does not directly benefit through public expenditures. This would suggest that the middle class in Latin America sees its future aligned with governments that deliver a combination of property rights protection, stability, and greater overall access to public goods. The middle class would then be a consequence of good economic policy and, in a virtuous circle, a supporter of such policy.

It is often surmised that a politically powerful middle class will discourage policies that help the poor. There is no obvious evidence that this has been the case in Latin America over the past decade. Though the LAC middle class is rich relative terms, the profiles above show that in absolute income and other characteristics it is closer to the large group of poor and vulnerable households than to the rich. This is true with respect to income itself[26] and with respect to education once the high returns to university education – the norm only among the rich – are taken into account.

Latin America and the Caribbean is becoming a middle class region. The middle class has grown: From about 20 to about 30 percent of the population, and from about 40 to about 50 percent of the income share. Is that only or mostly because of growth in a period of global economic expansion? Will the middle class continue to grow as overall growth rates slow? Will it grow more in countries with one set of economic policies than another? And what have been and will be the consequences? The analysis in this paper does not address these questions of cause and consequence. But it does provide a basis for optimism. Optimism that at least in some countries of the region, the middle class is large enough to make those countries middle class "societies", and that more middle class societies are at

---

[26] At the medians, the middle class is two to three times richer than those below at the medians but four to five times poorer than those above.

least consistent with and might reinforce the inclusive politics that sustain broadly shared growth.

References

Acemoglu, D. and Robinson, J. (2012). *Why Nations Fail: The Origins of Power, Prosperity, and Poverty.* Crown Business, New York.

Asian Development Bank (2010). *Key Indicators for Asia and the Pacific 2010.* Part I: A special chapter on The Rise of Asia's Middle Class. ADB Publishing, Manila.

Banerjee, A. and Duflo, E. (2008). What is Middle Class about the Middle Class. *The Journal of Economic Perspectives*, 22(2):3–28.

Behrman, J. R. and Birdsall, N. (1983). The Quality of Schooling: Quantity Alone is Misleading. *American Economic Review*, 73(5):928–946.

Birdsall, N. (2010). The (Indispensable) Middle Class: Or, Why it's the Rich and the Rest, not the Poor and the Rest. Working Paper 207, Center for Global Development, Washington DC.

Birdsall, N. and Graham, C., editors (1999). *New Markets, New Opportunities: Economic and Social Mobility in a Changing World.* The Brookings Institution Press, Washington DC.

Birdsall, N., Graham, C., and Pettinato, S. (2000). Stuck in the Tunnel: Is Globalization Muddling the Middle? Working Paper 14, Brookings Institution, Washington DC.

Birdsall, N., Lustig, N., and McLeod, D. (2011). Declining Inequality in Latin America: Some Economics, Some Politics. Working Paper 251, Center for Global Development, Washington DC.

Birdsall, N. and Sumner, A. The Bolshie Billion: Is there a (new) catalytic class? forthcoming, Center for Global Development.

Cardenas, M., Kharas, H., and Henao, C. (2011). Latin America's Global Middle Class. Research paper, Brookings Institution, Washington DC.

Dadush, U. and Ali, S. (2012). In Search of the Global Middle Class: A New Index. The Carnegie Papers, International Economics, July 2012, Carnegie Endowment for International Peace, Washington DC.

Easterly, W. (2001). The Middle Class Consensus and Economic Development. *Journal of Economic Growth*, 6(4):317–335.

Filmer, D., Hasan, A., and Pritchett, L. (2006). A Millennium Learning Goal: Measuring Real Progress in Education. Working Paper 97, Center for Global Development, Washington DC.

Kenny, C. (2011). The Myth of the Middle Class. Foreign Policy, Online Column, Available online at www.foreignpolicy.com/articles/2011/09/19/the_myth_of_the_middle_class, last accessed June 20, 2012.

Kharas, H. (2010). The Emerging Middle Class In Developing Countries. Working Paper 285, OECD Development Center, Paris.

Lawson, S. and Gilman, D. B. (2009). The Power of the Purse: Gender Equality and Middle-Class Spending. Goldman Sachs Global Markets Institute Report. August 5, 2009, Goldman Sachs Global Investment Research.

Lopez-Calva, L. F. and Lustig, N., editors (2010). Declining Inequality in Latin America: A Decade of Progress? The Brookings Institution Press, Washington DC.

Lopez-Calva, L. F. and Ortiz-Juarez, E. (2011). A Vulnerability Approach to the Definition of the Middle Class. Policy Research Working Paper 5902, The World Bank, Washington DC.

Lopez-Calva, L. F., Rigolini, J., and Torche, F. (2012). Is There Such a Thing As Middle Class Values? Working Paper 286, Center for Global Development, Washington DC.

Lustig, N. (coordinator) (2011). Fiscal Policy, 'Fiscal Mobility', the Poor, the Vulnerable and the Middle Class in Latin America. Draft: Commitment to Equity Initiative, Tulane University and Inter-American Dialogue.

Milanovic, B. (2010). *The Haves and the Have-Notes: A Brief and Idiosyncratic History of Global Inequality*. Basic Books, New York.

Ncube, M., Lufumpa, C. L., and Kayizzi-Mugerwa, S. (2011). The Middle of the Pyramid: Dynamics of the Middle Class in Africa. Market Brief April 20, 2011, Chief Economist Complex, African Development Bank, Abidjan.

Pritchett, L. The Rebirth of Education: From Universal Schooling to Universal Learning. forthcoming, preliminary draft available online at http://www.hks.harvard.edu/fs/lpritch, last accessed July 2, 2012.

Pritchett, L., Suryahadi, A., and Sumarto, S. (2000). Quantifying Vulnerability to Poverty -A Proposed Measure, Applied to Indonesia. Policy Research Working Paper 2437, The World Bank, Washington DC.

Ravallion, M. (2010). The Developing World's Bulging (but Vulnerable) Middle Class. *World Development,* 38(4):445–454.

Sen, A. (1999). *Development as Freedom*. Random House, New York.

Skirbekk, V. (2003). Age and Individual Productivity: A Literature Survey. MPIDR Working Paper 2003-028, Max-Planck Institute for Demographic Research, Rostock.

Sumner, A. The (New) Bottom Billion and Burgeoning Bourgeoisie: What Do the Emerging Middle Classes Mean for Global Poverty Reduction? forthcoming, Center for Global Development.

Székely, M. and Hilgert, M. (2000). What Drives Differences in Inequality Across Countries? RES Working Papers 4243, Inter-American Development Bank, Research Department, Washington DC.

US Census Bureau (2011). Current Population Survey. Table 1, 2011 Annual Social and Economic Supplement, US Census Bureau.

World Bank (2012, forthcoming). Economic Mobility and the Rise of the Latin American Middle Class. Regional Flagship 2012, Office of the Chief Economist for the Latin America and the Caribbean Region. The World Bank, Washington DC.

Tables[27]

Table 1: Income and Population Shares of the Middle Class

Country	Year	Total population		Middle Class					
		Mean household income		Mean household income		Income share		Population share	
		$ per capita	% change	$ per capita	% change	% of total	PP change	% of total	PP change
Honduras	1992	4.38		18.05		32.78		5.94	
	1999	5.61	+28.2	17.91	-0.8	38.41	+5.6	9.55	+3.6
	2009	7.03	+25.3	18.01	+0.6	49.28	+10.9	16.57	+7.0
Dominican Rep.	2000	11.79		18.90		51.81		26.83	
	2008	9.49	-19.4	18.34	-3.0	40.40	-11.4	20.40	-6.4
Peru	1999	7.71		19.28		34.85		13.25	
	2009	9.87	+28.0	18.29	-5.1	45.91	+11.1	28.13	+14.9
Mexico	1992	11.63		19.39		43.86		22.42	
	1998	9.54	-17.9	18.55	-4.3	41.88	-2.0	17.90	-4.5
	2008	12.62	+32.3	19.08	+2.8	49.95	+8.1	28.25	+10.3
Colombia	2006	13.66		19.87	+0.0	47.03		25.76	
Costa Rica	1992	7.79		17.12		40.58		18.15	
	1999	10.87	+39.6	18.99	+10.9	52.26	+11.7	27.93	+9.8
	2009	15.67	+44.1	20.57	+8.3	53.57	+1.3	37.20	+9.3
Brazil	1992	6.95		18.43		44.24		14.73	
	1999	11.19	+60.9	19.93	+8.2	44.91	+0.7	21.95	+7.2
	2009	14.07	+25.7	19.38	-2.8	48.65	+3.7	31.55	+9.6
Chile	1992	12.04		19.28		40.26		23.67	
	1998	15.90	+32.0	20.24	+5.0	44.47	+4.2	31.93	+8.3
	2009	19.07	+20.0	19.90	-1.7	53.64	+9.2	42.32	+10.4
Norway	1991					41.60		23.50	
	2000					83.90	+42.3	67.60	+44.1
	2004					92.40	+8.5	81.80	+14.2
United States	1991					60.50		34.10	
	2000					86.20	+25.7	68.30	+34.2
	2004					91.70	+5.5	76.60	+8.3

Note: All dollar figures are purchasing power parity (PPP) dollars, based on the 2005 International Comparison Program. The "middle class" is defined as all households with a daily household income of $10-$50 per capita in 2005 USD PPP, below which is considered "poor", and above which is considered "rich". For Norway and the United States, we define the middle class as all households with a daily income of $40 to $100 per capita in 2005 USD PPP.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

---

[27]Unless noted otherwise, the data source for all tables and figures is the Socio-Economic Database for Latin America and the Caribbean (SEDLAC) database, which contains households survey data from eight countries of the Latin America and Caribbean region, in three different periods over twenty years. This data has been made comparable with respect to such variables as income and education as well as household assets and employment variables. Research staff at the World Bank has done additional cleaning and corrections.

Table 2: Middle Class Society Regressions

Independent Variable	Population share of the middle class		Income share of the middle class		Overlap of middle class and three middle quintiles	
	(1)	(2)	(3)	(4)	(5)	(6)
Gini coefficient	-1.121	0.201	-0.127	0.176	0.843	3.498
	(2.22)*	(0.63)	(0.47)	(0.73)	(0.44)	(2.44)*
Mean Income	1.243		0.283		2.377	
	(14.61)**		(6.25)**		(3.97)**	
Median Income		1.294		0.298		2.469
		(23.59)**		(7.19)**		(5.52)**
Constant	4.595	-0.028	3.647	2.578	-6.993	-16.305
	(2.30)*	(0.02)	(3.43)**	(2.66)*	(0.96)	(2.81)*
R^2	0.95	0.98	0.77	0.81	0.70	0.82
N	15	15	15	15	11	11

Note: Linear regression model. $^*p < 0.05$; $^{**}p < 0.01$. t-statistics in parentheses. All variables are in logs.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 3: Population Shares of the Middle Class, Selected Countries and Years

Country	Survey Type	Population share (%) 2005/06	Population share (%) 2008/09	Mean Income 2008/09
India - Urban	(C)	0.99	1.54	2.40
Indonesia - Urban	(C)	2.29	1.81	2.68
China - Urban	(C)	7.8	13.43	6.50
Honduras	(I)	10.78	17.37	6.67
Thailand	(C)	16.66	17.74	7.06
South Africa	(C)	15.87	17.96	8.45
Turkey	(C)	25.16	35.36	10.05
Mexico	(I)	26.92	27.98	10.15
Brazil	(I)	24.2	31.55	11.95
Russia	(C)	34.31	51.97	14.71
Chile	(C)	38.59	42.35	16.24

Note: Countries sorted in ascending order of mean income. Mean income refers to average daily per capita income or consumption expenditure from the corresponding survey, in 2005 PPP dollar. Survey type refers to the welfare measure used: (I) income, or (C) consumption. No adjustment is made to account for different welfare measures. Differences to Table 1 are due to differences in underlying data and estimation methodology. For better comparability, this table uses consistent data from Povcal for all countries.

Source: World Bank PovcalNet, available online at http://iresearch.worldbank.org/PovcalNet/, last accessed March 2012.

Table 4: Measures of Middle Class Society

| Country | Year | Middle Class Summary Indicators | | | Ratios | |
		Gini coefficient	Population share % of total	Income share % of total	MC income share / MC gini coefficient	Middle class / three middle quintiles overlap % of total population
Honduras	1992	0.21	5.94	32.78	1.56	0
	1999	0.21	9.55	38.41	1.83	0
	2009	0.24	16.57	49.28	2.05	1.80
Dominican Rep.	2000	0.24	26.83	51.81	2.16	14.20
	2008	0.22	20.40	40.40	1.84	0.70
Peru	1999	0.23	13.25	34.85	1.52	0
	2009	0.23	28.13	45.91	2.00	6.40
Mexico	1992	0.23	22.42	43.86	1.91	7.10
	1998	0.23	17.90	41.88	1.82	2.90
	2008	0.25	28.25	49.95	2.00	16.1
Colombia	2006	0.25	25.76	47.03	1.88	15.60
Costa Rica	1992	0.23	18.15	40.58	1.76	0
	1999	0.24	27.93	52.26	2.18	8.70
	2009	0.25	37.20	53.57	2.14	18.70
Brazil	1992	0.23	14.73	44.24	1.92	0
	1999	0.24	21.95	44.91	1.87	7.70
	2009	0.25	31.55	48.65	1.95	18.70
Chile	1992	0.24	23.67	40.26	1.68	6.70
	1998	0.24	31.93	44.47	1.85	12.80
	2009	0.25	42.32	53.64	2.15	23.20
Norway	1991		23.50	41.60		15.90
	2000		67.60	83.90		35.10
	2004		81.80	92.40		43.20
United States	1991		34.10	60.50		17.00
	2000		68.30	86.20		36.80
	2004		76.60	91.70		41.50

Note: In the United States and Norway we define the middle class as all households with daily per capita income of more than $30 PPP, up to the 95th percentile of the income distribution.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 5: Daily Household Income per Capita, by Income Category

Country	Year	Total Population		Poor < $4		Vulnerable $4 - $10		Middle $10 - $50		Rich > $50	
		Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Honduras	1992	4.38	2.36	1.64	1.57	6.21	5.91	18.05	14.95	78.41	68.69
	1999	5.61	3.14	1.83	1.76	6.26	5.89	17.91	14.55	73.72	69.56
	2009	7.03	3.95	1.68	1.58	6.46	6.19	18.01	15.28	86.29	64.54
Dominican Rep.	2000	11.79	6.79	2.44	2.55	6.53	6.34	18.90	15.81	98.88	71.49
	2008	9.49	5.87	2.44	2.57	6.46	6.22	18.34	15.50	95.76	67.79
Peru	1999	7.71	4.10	2.08	2.06	6.32	6.06	19.28	16.15	82.51	74.75
	2009	9.87	6.44	2.37	2.40	6.58	6.41	18.29	15.33	84.83	66.18
Mexico	1992	11.63	6.28	2.35	2.45	6.42	6.10	19.39	16.27	101.52	75.92
	1998	9.54	5.37	2.22	2.27	6.41	6.16	18.55	15.78	100.41	71.47
	2008	12.62	7.40	2.38	2.53	6.67	6.50	19.08	16.03	104.57	71.59
Colombia	2006	13.66	6.67	1.96	2.06	6.57	6.31	19.87	16.77	106.26	75.25
Costa Rica	1992	7.79	5.38	2.21	2.38	6.42	6.13	17.12	14.28	80.53	72.22
	1999	10.87	6.97	2.29	2.45	6.56	6.40	18.99	15.82	74.96	66.84
	2009	15.67	9.07	2.45	2.75	6.80	6.65	20.57	17.34	89.33	68.51
Brazil	1992	6.95	4.15	1.96	1.95	6.27	5.91	18.43	15.46	74.5	63.7
	1999	11.19	5.40	2.05	2.14	6.35	5.98	19.93	16.60	93.66	73.78
	2009	14.07	8.48	2.12	2.31	6.82	6.74	19.38	16.23	95.05	72.92
Chile	1992	12.04	6.47	2.59	2.68	6.50	6.28	19.28	15.91	100.62	76.31
	1998	15.90	8.28	2.60	2.74	6.65	6.48	20.24	16.83	101.6	74.65
	2009	19.07	10.46	2.62	2.89	6.93	6.90	19.90	16.59	111.32	78.57

Note: All figures are PPP dollars, based on the 2005 International Comparison Program.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 6: Demographic Characteristics of the Middle Class, Pooled Sample

		Year		
		1992	2000	2009
Middle Class Population Share % of total population		15.7	21.3	28.2
Daily Household Income per capita, US-Dollar (PPP)	Mean Standard Deviation Median	18.9 8.8 15.7	19.5 9.3 16.4	19.3 9.1 16.2
Education, Adults 18-65 Years	Mean Standard Deviation Median	9.6 4.5 11	10.1 4.4 11	10.4 4.3 11
Household Size	Mean Standard Deviation Median	3.3 1.6 3	3.2 1.5 3	2.9 1.4 3
Children per household	Mean Standard Deviation Median	0.9 1.1 1	0.8 1 0	0.6 0.9 0
Age	Mean Standard Deviation Median	30.8 19.6 28	32.7 19.8 31	36.3 20.5 35
Age of children 0-17	Mean Standard Deviation Median	8.7 5.2 9	9.1 5.2 9	9.4 5.2 10
Age of children 18-65	Mean Standard Deviation Median	36.6 12.9 34	37.6 12.9 37	39 13.4 39

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 7: Years of Schooling for Adults Aged 25-65, by Income Category

Country	Year	Total Population			Poor (< $4)			Vulnerable ($4 - $10)			Middle Class ($10 - $50)			Rich (> $50)		
		Mean	SD	Median	Mean	SD	Median	Mean	SD	Median	Mean	SD	Median	Mean	SD	Median
Honduras	1992	4.9	4.5	4	3.5	3.3	3	6.6	4.5	6	10.9	5.3	12	13.5	4.5	14
	1999	5.1	4.5	5	3.5	3.2	3	6.2	4.3	6	9.9	5.2	12	12.9	4.3	12
	2009	5.9	4.5	6	3.8	3.2	3	6.2	4.0	6	9.6	4.9	11	13.7	4.8	16
Dominican Rep.	2000	7.4	5.1	7	5.0	4.1	4	6.8	4.5	7	9.7	5.2	10	13.9	4.5	16
	2008	8.2	5.2	8	6.1	4.4	6	7.9	4.9	8	11.0	5.1	12	14.4	4.6	16
Peru	1999	7.9	5.2	9	5.3	4.5	5	9.3	4.7	11	11.9	4.3	12	14.8	2.2	16
	2009	9.0	5.0	11	5.9	4.3	5	9.0	4.6	11	11.9	4.3	12	14.6	3.0	16
Mexico	1992	6.4	4.9	6	3.5	3.2	3	5.8	4.1	6	9.7	5.0	9	13.2	5.1	15
	1998	7.2	4.9	6	4.6	3.7	4	7.2	4.2	6	10.9	4.8	12	14.6	3.8	17
	2008	8.4	4.8	9	5.7	3.8	6	7.6	4.1	8	10.8	4.7	11	14.6	4.0	16
Colombia	2006	7.9	4.9	7	5.4	3.9	5	7.1	4.1	6	10.3	4.6	11	14.7	3.9	16
Costa Rica	1992	7.0	4.2	6	5.3	3.2	6	6.7	3.7	6	9.8	4.6	11	13.5	4.1	15
	1999	7.4	4.3	6	5.2	3.2	6	6.6	3.5	6	9.7	4.4	10	13.6	4.2	15
	2009	8.7	4.4	8	5.8	3.1	6	7.0	3.4	6	10.4	4.3	11	14.7	3.1	16
Brazil	1992	5.2	4.4	4	3.3	3.3	3	5.5	4.0	4	9.1	4.6	11	12.6	3.9	14
	1999	6.1	4.6	5	3.7	3.3	3	5.6	3.8	5	9.0	4.4	10	13.4	3.6	15
	2009	7.7	4.8	8	5.2	4.1	4	6.7	4.4	7	9.6	4.4	11	13.5	2.8	15
Chile	1992	8.5	4.2	8	7.3	3.8	8	8.3	4.1	8	10.1	4.2	11	11.9	3.5	12
	1998	9.8	4.3	10	7.4	3.6	8	8.9	3.9	9	11.6	4.0	12	15.2	3.0	16
	2009	11.0	3.8	12	8.9	3.4	9	9.7	3.3	10	11.8	3.7	12	15.5	3.0	17

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 8: Median Years of Schooling, by Age and Income Category (Brazil, 2009)

Age Group	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
15-19	7	8	10	10
20-24	8	11	11	13
25-29	7	11	11	15
30-34	5	8	11	15
35-39	4	8	11	15
40-44	4	8	11	15
45-49	4	5	11	15
50-54	3	4	8	15
55-59	2	4	8	15
60-65	2	3	4	15

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 9: Percentage of Students Enrolled in Any Form of Schooling (2008/2009)

Country	Between 6-12 years old				Between 13-18 years old			
	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	92.4	96.7	95.2	94.9	48.4	64.4	77.8	84.5
Dominican Rep.	93.7	97.7	98.4	100	86.6	85.3	91.3	96.1
Peru	98.2	98.9	99.4	100	76.1	78.1	81	97.5
Mexico	96.7	98.7	99.3	94.3	63.6	67.9	80.5	91.8
Colombia	90.5	94.6	96.3	93.8	70.5	72	81.6	87.8
Costa Rica	97.8	99.3	99.7	100	74.4	79.9	86.1	90.7
Brazil	97.2	98.4	99.2	99.7	83	82.8	86.8	95.3
Chile	98.1	99.1	99.6	99.9	85.9	86.5	90	91.3

Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 10: Percentage of Students Enrolled in Private School, by Age Group (2008/2009)

| Country | Between 6-12 years old | | | | Between 13-18 years old | | | |
	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	2.2	10.3	34.8	62.9	7.5	19.3	42.5	70
Dominican Rep.	14	29.8	63.4	89.9	15.3	27	62.9	83.2
Peru	2.6	20	56.5	91.8	3.4	14.9	50.4	91.7
Mexico	0.7	4.1	26.9	79.3	4.5	6.9	24.7	70.9
Colombia	6.7	13.8	41.9	83.3	8.4	14.6	40.5	84.7
Costa Rica	1.2	2.1	25.2	67.2	2.9	4	26.8	62.1
Brazil	4.8	13.3	45.1	90.6	2.7	8	35.3	85.3
Chile	0.6	0.9	8.1	68.8	1.6	1.7	10.8	64.1

Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 11: Percentage of Households Living in Urban Areas, by Income Category

Country	Year	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	1992	35.9	60.0	76.5	78.2
	1999	34.3	65.5	75.1	84.1
	2009	29.3	62.4	81.3	84.3
Dominican Rep.	2000	47.5	66.2	79.2	90.9
	2008	60.2	67.1	78.9	87.8
Peru	1999	46.2	86.1	95.5	97.9
	2009	32.3	72.4	90.5	97.6
Mexico	1992	53.0	81.4	91.0	95.0
	1998	56.9	85.1	92.1	97.0
	2008	61.4	80.1	91.7	96.1
Colombia	2006	62.8	75.8	89.6	97.0
Costa Rica	1992	36.2	45.3	61.1	79.6
	1999	31.2	44.3	58.6	66.8
	2009	47.5	51.4	68.4	79.7
Brazil	1992	72.8	86.1	94.3	96.1
	1999	71.6	83.7	92.6	95.8
	2009	75.0	86.1	88.9	96.8
Chile	1992	78.1	83.8	90.4	91.0
	1998	77.3	84.6	93.1	96.2
	2009	82.0	84.0	89.2	93.9

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 12: Percentage of People Living in a Municipality Different from Where They Grew Up, by Income Category

Country	Year	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	1992	18.4	29.0	31.9	50.2
	1999	24.6	32.8	40.7	49.4
	2009	38.8	42.6	39.9	47.2
Dominican Rep.	2000	17.1	26.2	32.6	40.2
	2008	27.7	33.3	42.8	47.0
Peru	1999	-	-	-	-
	2009	33.9	58.6	74.9	89.0
Mexico	1992	-	-	-	-
	1998	-	-	-	-
	2008	-	-	-	-
Colombia	2006	-	-	-	-
Costa Rica	1992	-	-	-	-
	1999	-	-	-	-
	2009	36.8	40.3	45.3	66.5
Brazil	1992	36.5	46.5	47.6	56.7
	1999	31.9	43.5	46.1	50.0
	2009	29.2	40.7	46.0	49.2
Chile	1992	-	-	-	-
	1998	-	-	-	-
	2009	29.3	35.5	46.6	64.9

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 13: Employment Sectors of Workers Aged 25-65, by Income Category and ISIC Classification (2008/2009)

Poor (< $4)

	Primary Activities	Health, Education, Public Services	Manufacturing	Construction	Other
Honduras	57.3	5.3	11.2	4.8	21.4
Dominican Rep.	23.8	15.1	11.0	5.8	44.3
Peru	73.8	7.0	2.5	13.0	3.7
Mexico	34.6	4.4	14.4	8.8	37.7
Colombia	33.1	8.5	9.4	5.9	43.2
Costa Rica	23.0	7.6	9.6	8.0	52.0
Brazil	35.6	7.2	9.4	9.5	38.3
Chile	22.6	9.1	10.8	13.2	44.4

Vulnerable ($4 - $10)

	Primary Activities	Health, Education, Public Services	Manufacturing	Construction	Other
Honduras	17.1	10.6	18.0	8.8	45.5
Dominican Rep.	11.9	14.9	14.5	8.2	50.4
Peru	30.7	22.3	6.0	28.9	12.1
Mexico	9.5	9.7	18.5	10.6	51.7
Colombia	18.6	11.2	14.1	6.5	49.6
Costa Rica	15.5	10.1	13.6	8.1	52.8
Brazil	16.1	12.0	14.6	9.5	47.9
Chile	17.8	11.7	11.8	11.8	46.9

Middle Class ($10 - $50)

	Primary Activities	Health, Education, Public Services	Manufacturing	Construction	Other
Honduras	7.2	19.8	13.4	6.6	53.1
Dominican Rep.	5.9	21.6	12.6	6.5	53.4
Peru	15.3	33.9	6.7	27.1	17.0
Mexico	4.2	22.9	14.6	6.5	51.8
Colombia	7.5	21.0	15.6	3.9	52.1
Costa Rica	5.8	20.7	11.8	5.7	56.0
Brazil	8.1	20.0	15.4	6.2	50.3
Chile	11.1	19.8	10.3	7.3	51.5

Rich (> $50)

	Primary Activities	Health, Education, Public Services	Manufacturing	Construction	Other
Honduras	10.4	24.8	8.3	2.9	53.6
Dominican Rep.	1.5	17.3	25.6	4.8	50.7
Peru	13.6	27.0	10.7	16.1	32.7
Mexico	6.7	26.9	11.2	4.7	50.6
Colombia	5.6	29.4	11.8	3.2	50.0
Costa Rica	2.7	29.5	7.1	2.8	58.0
Brazil	4.0	29.2	10.0	2.5	54.4
Chile	7.2	28.2	6.2	7.1	51.3

Table 14: Employment Status of Workers Aged 25-65, by Income Category (2008/2009)

Poor (< $4)

	Employer	Employee	Self-Employed	Working without salary	Unemployed
Honduras	11.4	33.9	34.8	17.2	2.8
Dominican Rep.	2.1	41.4	47.8	2.0	6.7
Peru	3.3	20.8	44.3	28.5	3.2
Mexico	4.2	50.0	25.8	11.8	8.0
Colombia	3.0	21.0	49.9	8.3	17.7
Costa Rica	5.2	47.0	24.0	2.2	21.7
Brazil	0.9	44.6	20.7	16.6	17.2
Chile	1.4	50.0	13.9	0.7	34.1

Vulnerable ($4 - $10)

	Employer	Employee	Self-Employed	Working without salary	Unemployed
Honduras	10.5	49.6	27.6	8.5	3.9
Dominican Rep.	3.4	50.4	41.7	1.4	3.1
Peru	4.7	44.3	35.3	10.9	4.9
Mexico	3.2	71.6	15.7	4.7	4.5
Colombia	3.2	38.9	41.1	4.8	11.9
Costa Rica	4.5	66.2	18.8	1.8	8.7
Brazil	1.7	64.2	18.3	7.4	8.4
Chile	0.7	72.2	13.7	0.4	13.0

Middle Class ($10 - $50)

	Employer	Employee	Self-Employed	Working without salary	Unemployed
Honduras	5.8	76.4	11.8	3.2	2.5
Dominican Rep.	7.8	52.1	35.5	1.8	2.9
Peru	7.9	56.0	26.5	6.1	3.6
Mexico	13.0	57.2	20.4	6.3	3.0
Colombia	5.7	54.4	30.0	2.6	7.2
Costa Rica	7.6	73.5	14.4	1.1	3.4
Brazil	6.3	66.6	18.5	4.7	3.9
Chile	2.8	69.8	21.4	0.4	5.5

Rich (> $50)

	Employer	Employee	Self-Employed	Working without salary	Unemployed
Honduras	29.5	51.9	14.9	2.6	1.2
Dominican Rep.	19.6	64.5	12.4	3.6	-
Peru	21.4	61.4	12.1	2.4	2.7
Mexico	20.6	64.7	8.8	4.0	2.0
Colombia	12.0	62.6	20.6	0.8	4.1
Costa Rica	18.4	70.9	9.0	0.6	1.1
Brazil	20.5	59.1	16.6	2.0	1.9
Chile	15.3	57.7	22.5	0.2	4.3

Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 15: Percentage of Workers Aged 25-65 in Private and Public Sector, by Income Category (2008/2009)

	Poor (< $4)			Vulnerable ($4 - $10)		
	Private Firms		Public Firms	Private Firms		Public Firms
	Small	Large		Small	Large	
Honduras	68.8	26.4	4.9	29.4	54.7	15.9
Dominican Rep.	68.6	19.6	11.8	59.5	28.2	12.3
Peru	81.9	15.5	2.7	66.6	23.0	10.4
Mexico	75.7	20.9	3.5	54.6	36.1	9.4
Colombia	84.2	14.4	1.4	68.0	28.8	3.2
Costa Rica	66.0	27.9	6.1	50.6	40.0	9.4
Brazil	75.4	19.2	5.4	56.5	33.6	9.9
Chile	51.9	38.8	9.3	39.0	50.7	10.3

	Middle Class ($10 - $50)			Rich (> $50)		
	Private Firms		Public Firms	Private Firms		Public Firms
	Small	Large		Small	Large	
Honduras	11.6	54.3	34.2	2.2	50.1	47.7
Dominican Rep.	46.8	36.8	16.4	36.4	51.5	12.1
Peru	49.7	31.9	18.4	29.2	54.8	16.0
Mexico	37.3	38.7	24.0	27.5	51.4	21.1
Colombia	45.5	41.3	13.2	28.4	49.5	22.1
Costa Rica	35.4	39.7	24.9	20.6	43.3	36.1
Brazil	43.7	37.7	18.6	34.8	35.4	29.8
Chile	36.6	47.7	15.7	29.9	49.5	20.6

Note: Data for Colombia is 2006. SEDLAC classifies workers into three groups according to whether they work in small firms, large firms or the public sector. Small firms are defined as those with fewer than five workers, large firms are those with five or more workers. The public sector includes jobs in stated-owned firms, public schools, hospitals and other services, and public administration.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 16: Female Labor Force Participation Rate of Workers Aged 25-65, by Income Category

Country	Year	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	1992	32.0	55.9	68.2	62.3
	1999	44.1	60.7	70.5	80.1
	2009	38.4	57.8	71.0	77.5
Dominican Rep.	2000	27.9	47.0	60.8	66.8
	2008	35.2	56.8	64.4	80.9
Peru	1999	65.3	69.4	66.3	48.7
	2009	76.2	73.2	77.1	72.5
Mexico	1992	26.9	32.8	47.5	42.8
	1998	39.1	44.9	58.6	50.9
	2008	36.4	51.7	64.3	62.6
Colombia	2006	44.3	56.8	67.4	71.1
Costa Rica	1992	19.6	33.3	53.2	54.0
	1999	25.2	39.3	57.9	70.2
	2009	30.7	45.9	66.1	76.7
Brazil	1992	53.6	56.3	62.7	64.0
	1999	56.2	60.2	65.3	71.9
	2009	56.2	64.5	72.0	75.8
Chile	1992	22.4	38.8	53.0	60.5
	1998	27.1	42.3	58.8	73.1
	2009	33.6	44.2	63.8	75.2

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 17: Percentage of Workers Enrolled In the Social Security System, by Income Category

Country	Year	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	1992	-	-	-	-
	1999	-	-	-	-
	2009	-	-	-	-
Dominican Rep.	2000	-	-	-	-
	2008	49.2	50.9	66.7	76.9
Peru	1999	11.5	22.1	42.6	50.3
	2009	16.2	39.8	64.9	83.4
Mexico	1992	-	-	-	-
	1998	18.0	47.6	62.0	66.0
	2008	13.9	33.6	54.6	68.7
Colombia	2006	11.2	39.5	71.0	90.0
Costa Rica	1992	49.1	70.5	83.5	96.5
	1999	39.1	62.4	78.6	89.6
	2009	40.4	64.4	80.6	89.6
Brazil	1992	44.3	71.5	85.4	89.1
	1999	41.5	65.4	80.9	88.2
	2009	41.2	67.7	83.1	89.8
Chile	1992	56.1	62.8	67.2	67.7
	1998	59.3	75.7	85.1	90.1
	2009	55.2	72.9	83.3	88.0

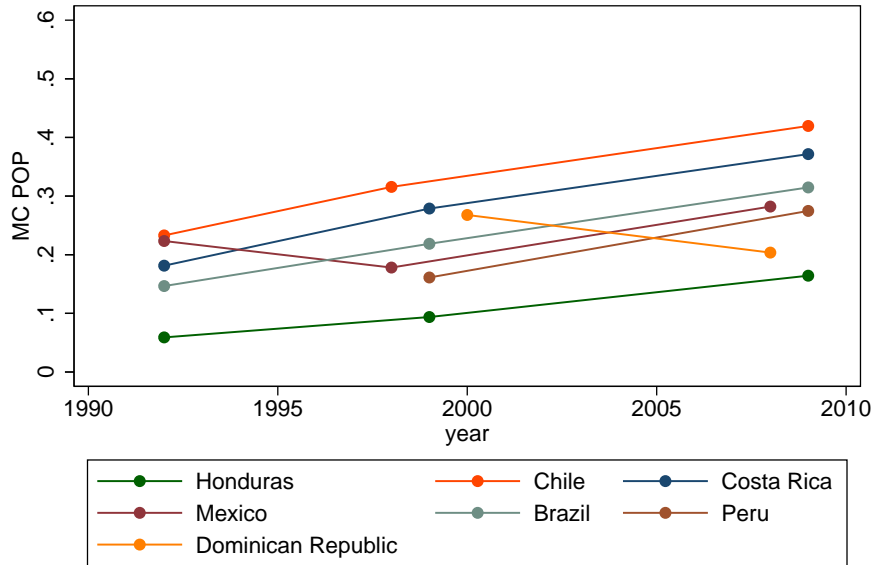*Source:* Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table 18: Percent of Households Reporting Ownership of Selected Assets, by Income Category

Country	Year	Poor (< $4)						Vulnerable ($4 - $10)					
		House	Washing Machine	Computer	Car	Cell Phone	Bicycle	House	Washing Machine	Computer	Car	Cell Phone	Bicycle
Honduras	1992	76.7						72.8					
	1999	77.5						70.1					
	2009	84.9						84.6					
Dominican Rep.	2000	71.6	38.8		4.2			66.3	63.9		13.2		
	2008	64.9	58.5	4.0	7.3	53.6		64.5	69.6	10.1	15.0	63.4	
Peru	1999	73.8	1.2	0.3	2.1	1.0	19.8	69.1	7.5	2.6	7.1	3.5	32.4
	2009	73.3	1.6	2.3	1.5	40.8	24.7	64.6	10.3	14.4	6.4	68.0	31.9
Mexico	1992	76.7	14.1	0.0	3.3		25.1	75.6	38.9	0.4	13.1		31.5
	1998	74.2	23.7	0.3	5.3		23.2	73.2	55.1	2.4	20.8		20.8
	2008	64.2	27.7	5.0	9.1	32.9	20.7	69.5	49.4	14.8	21.9	55.5	19.2
Colombia	2006	52.2	12.1	4.9	3.3	48.4	27.0	45.5	24.1	8.6	4.6	67.1	36.3
Costa Rica	1992												
	1999												
	2009	68.5	85.2	15.3	18.1	47.3		72.0	90.3	25.2	24.1	62.3	
Brazil	1992	58.9	9.7					65.5	26.2				
	1999	65.2	12.6					69.6	28.7				
	2009	64.5	20.2	12.9		68.8		67.4	35.4	25.2		76.9	
Chile	1992	44.3	24.3					58.2	38.9				
	1998	53.4	57.5					65.5	68.3				
	2009	50.2		22.4	6.3	49.5		63.2		32.0	15.9	58.2	

Country	Year	Middle Class ($10 - $50)						Rich (> $50)					
		House	Washing Machine	Computer	Car	Cell Phone	Bicycle	House	Washing Machine	Computer	Car	Cell Phone	Bicycle
Honduras	1992	75.4						78.8					
	1999	68.2						81.3					
	2009	89.1						94.4					
Dominican Rep.	2000	66.5	74.4		35.0			74.7	84.7		74.6		
	2008	66.8	78.8	31.8	42.5	76.6		78.6	91.2	49.9	82.7	94.9	
Peru	1999	75.3	32.2	21.4	30.4	13.9	36.9	65.5	59.7	37.5	62.1	18.3	31.5
	2009	68.0	37.7	41.8	19.8	81.3	33.7	71.8	70.1	71.3	53.8	92.3	25.9
Mexico	1992	77.3	62.7	4.5	42.2		28.6	87.9	80.7	19.3	76.8		20.8
	1998	77.0	73.7	17.1	51.0		12.9	72.2	84.4	41.0	83.3		6.9
	2008	74.6	69.9	41.6	47.3	73.9	10.2	76.4	81.0	74.0	73.5	86.2	3.8
Colombia	2006	53.1	52.7	30.1	18.5	80.0	39.4	63.0	77.3	66.0	59.7	93.0	41.1
Costa Rica	1992												
	1999												
	2009	75.2	94.8	55.3	51.9	84.1		74.7	95.5	85.1	84.6	93.1	
Brazil	1992	72.0	56.7					77.9	68.9				
	1999	74.5	61.3					78.0	81.3				
	2009	75.5	63.1	52.3		85.6		76.8	86.6	83.5		95.9	
Chile	1992	62.2	62.0					62.0	83.6				
	1998	70.7	82.0					70.4	93.1				
	2009	69.1		53.0	40.3	72.7		68.6		84.0	69.3	88.3	

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figures

Figure 1: Middle Class Share of the Population

Figure 2: Middle Class Share of Income
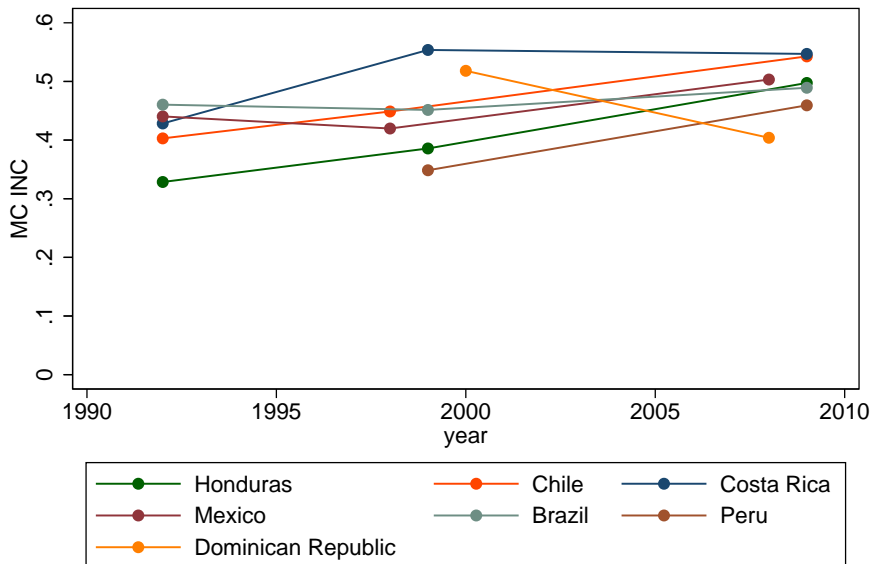
Figure 3: Income Deciles by Country (2008/2009)
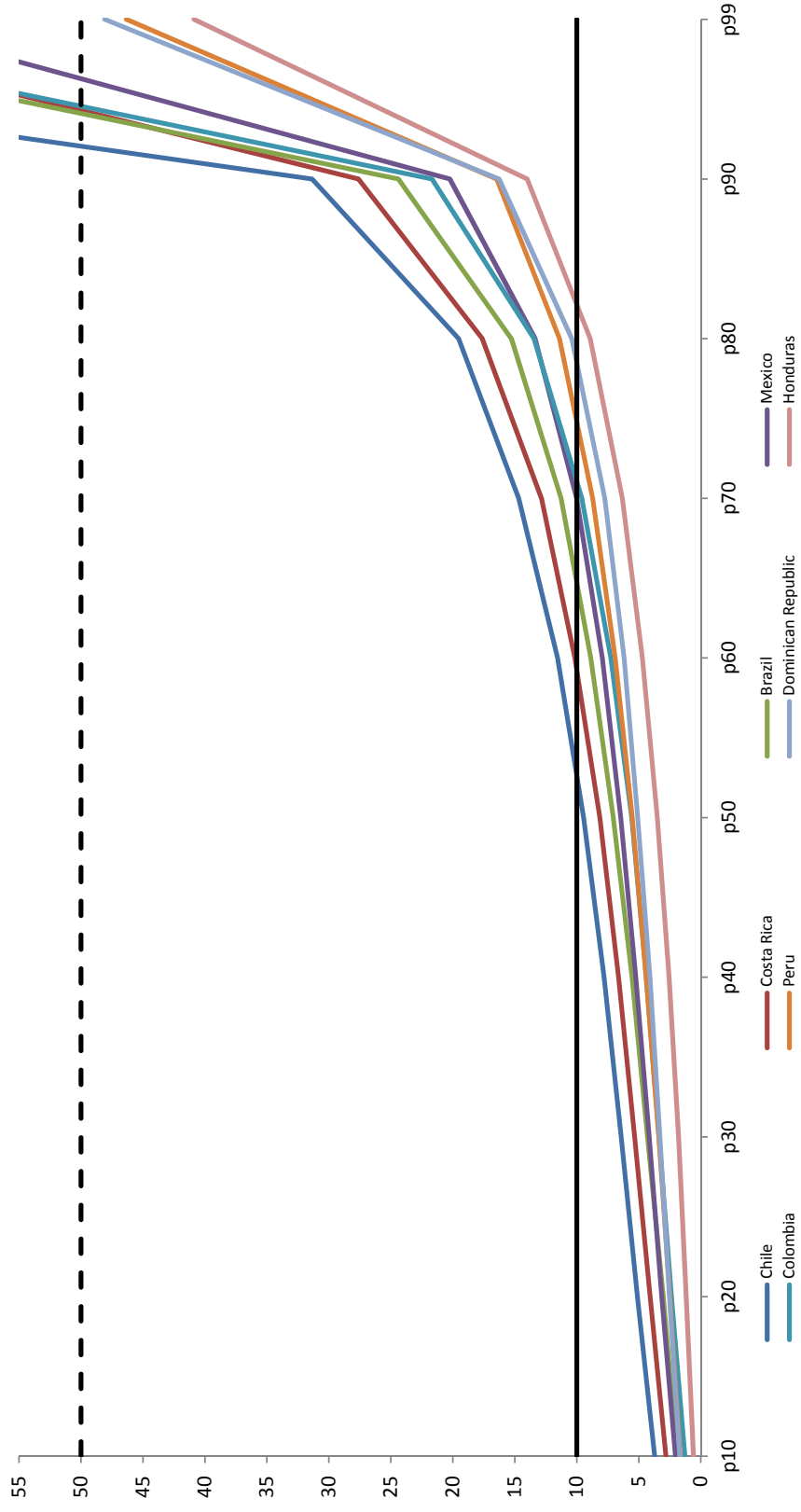
Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure 4: Median Daily Household Income per Capita, by Income Category (2008/2009)
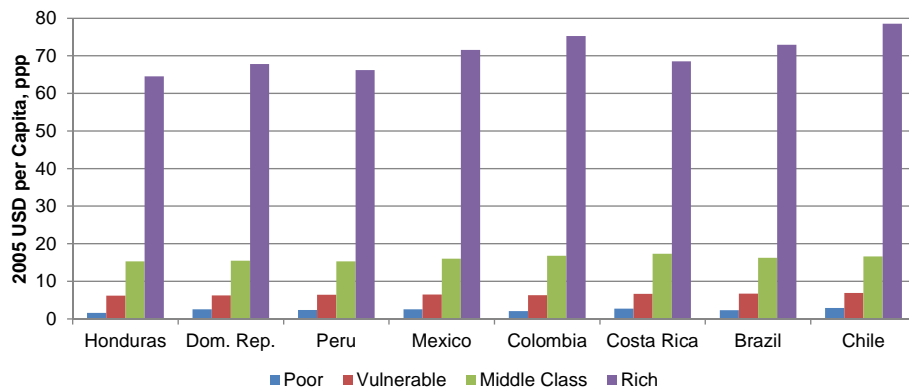
Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure 5: Years of Schooling for Adults Aged 25-65, by Income Category
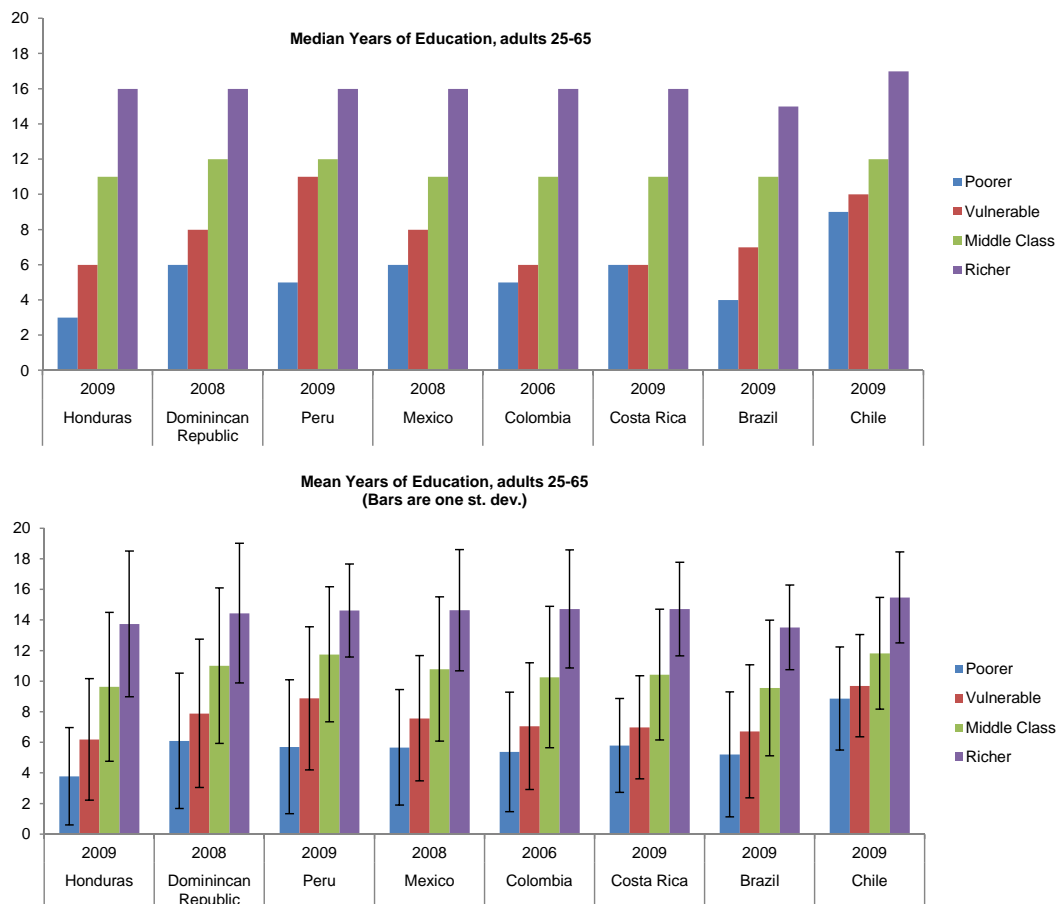
Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure 6: Employment in Primary Activities and Public Services, Selected Countries
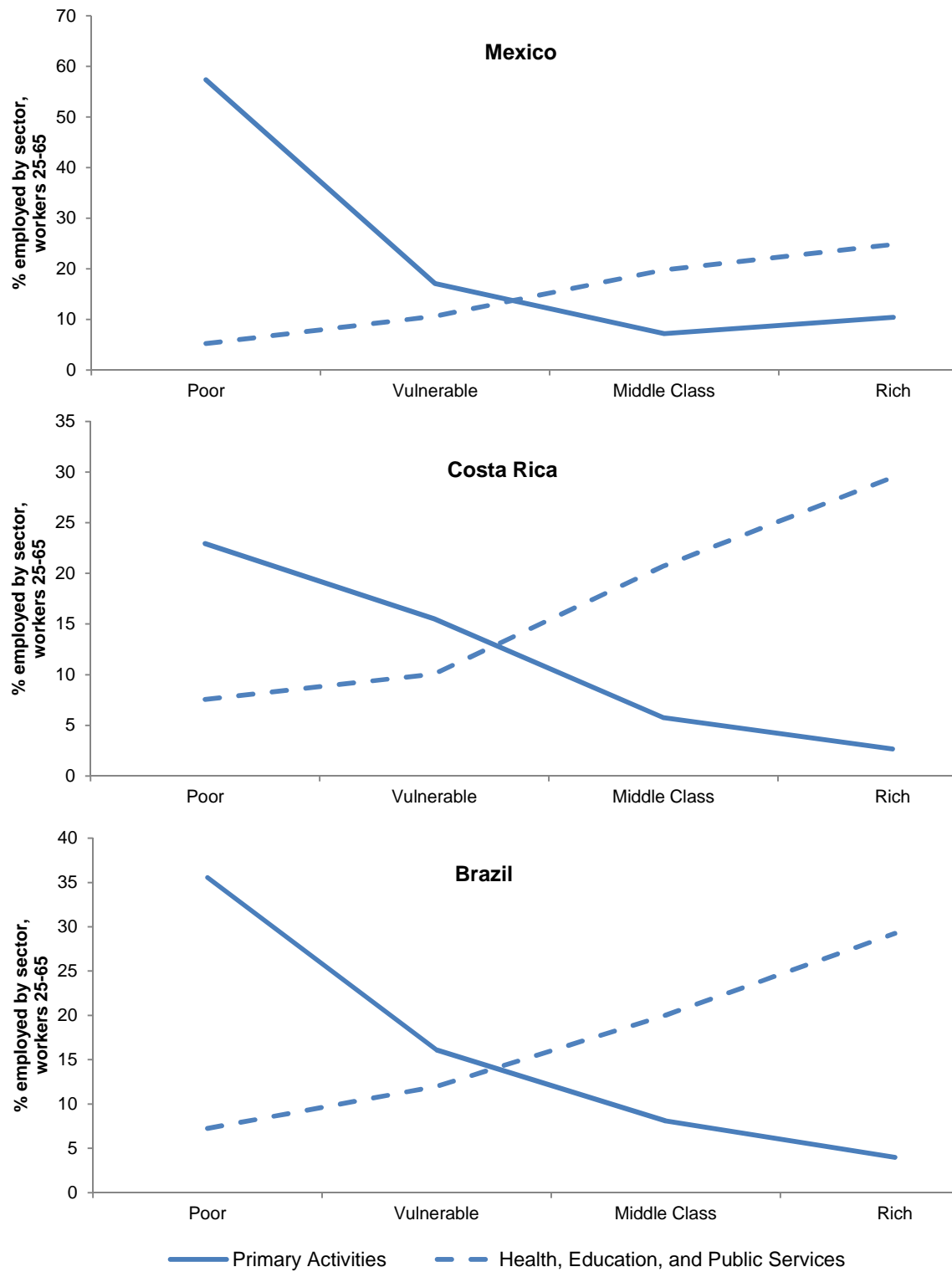
Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Appendix

Table A.1: Population Shares of Income Categories

Country	Year	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	1992	73.66	20.14	5.94	0.26
	1999	65.57	24.55	9.55	0.34
	2009	54.62	28.20	16.57	0.62
Dominican Rep.	2000	32.74	38.62	26.83	1.81
	2008	38.84	39.82	20.40	0.94
Peru	1999	55.91	29.92	13.25	0.91
	2009	29.78	41.03	28.13	1.06
Mexico	1992	36.86	39.08	22.42	1.64
	1998	45.02	35.94	17.90	1.13
	2008	28.77	41.18	28.25	1.79
Colombia	2006	36.49	34.95	25.76	2.80
Costa Rica	1992	40.25	41.19	18.15	0.41
	1999	29.02	41.91	27.93	1.14
	2009	19.62	39.74	37.20	3.44
Brazil	1992	55.18	29.67	14.73	0.42
	1999	43.54	32.07	21.95	2.44
	2009	27.60	37.77	31.55	3.08
Chile	1992	34.16	39.74	23.67	2.43
	1998	24.37	39.82	31.93	3.88
	2009	11.82	41.08	42.32	4.78

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.2: Demographic Characteristics of Households: Average Number of Household Members, by Income Category

Poor (< $4)

Country	Year	Total	Children Aged <18	Aged 0-12	Aged 13-18	per Woman	Adults Aged >70
Honduras	1992	5.6	3.2	2.3	0.9	0.4	0.2
	1999	5.7	3.3	2.4	0.9	0.4	0.2
	2009	5.0	2.7	1.8	0.8	0.5	0.2
Dominican Rep.	2000	4.6	2.4	1.8	0.6	0.5	0.2
	2008	4.3	2.1	1.5	0.6	0.5	0.2
Peru	1999	5.9	3.3	2.5	0.8	0.4	0.2
	2009	5.0	2.6	1.9	0.7	0.5	0.2
Mexico	1992	5.8	3.3	2.4	0.8	0.5	0.2
	1998	5.1	2.6	1.9	0.7	0.5	0.2
	2008	4.6	2.3	1.6	0.6	0.6	0.2
Colombia	2006	4.2	2.0	1.4	0.6	0.6	0.2
Costa Rica	1992	4.8	2.3	1.7	0.6	0.5	0.2
	1999	4.5	2.2	1.6	0.6	0.6	0.2
	2009	4.0	1.8	1.2	0.6	0.7	0.2
Brazil	1992	4.3	2.2	1.6	0.6	0.5	0.1
	1999	4.0	2.0	1.4	0.6	0.5	0.1
	2009	3.8	1.9	1.3	0.5	0.6	0.0
Chile	1992	4.6	2.2	1.6	0.6	0.6	0.1
	1998	4.7	2.2	1.6	0.6	0.7	0.1
	2009	4.2	1.8	1.2	0.6	0.7	0.1

Vulnerable ($4 - $10)

Country	Year	Total	Children Aged <18	Aged 0-12	Aged 13-18	per Woman	Adults Aged >70
Honduras	1992	4.7	2.1	1.4	0.7	0.6	0.1
	1999	4.7	2.2	1.4	0.7	0.6	0.1
	2009	4.5	1.9	1.2	0.7	0.7	0.2
Dominican Rep.	2000	4.0	1.6	1.1	0.5	0.7	0.2
	2008	3.6	1.3	0.8	0.5	0.7	0.2
Peru	1999	4.8	2.0	1.4	0.6	0.7	0.2
	2009	4.3	1.6	1.0	0.6	0.8	0.2
Mexico	1992	4.8	2.2	1.5	0.8	0.6	0.1
	1998	4.2	1.7	1.1	0.6	0.7	0.1
	2008	4.2	1.7	1.1	0.6	0.8	0.2
Colombia	2006	4.0	1.6	1.1	0.5	0.7	0.1
Costa Rica	1992	4.4	1.8	1.2	0.6	0.7	0.1
	1999	4.3	1.8	1.2	0.6	0.7	0.1
	2009	3.8	1.4	0.9	0.5	0.8	0.2
Brazil	1992	3.4	1.1	0.7	0.4	0.7	0.2
	1999	3.2	1.0	0.6	0.4	0.7	0.2
	2009	3.1	1.0	0.6	0.4	0.8	0.2
Chile	1992	3.9	1.3	0.9	0.4	0.8	0.2
	1998	4.0	1.4	1.0	0.4	0.8	0.2
	2009	3.8	1.3	0.8	0.4	0.8	0.3

Middle Class ($10 - $50)

Country	Year	Total	Children Aged <18	Aged 0-12	Aged 13-18	per Woman	Adults Aged >70
Honduras	1992	3.8	1.4	0.9	0.5	0.8	0.1
	1999	3.7	1.4	0.9	0.5	0.8	0.1
	2009	4.0	1.3	0.8	0.5	0.9	0.1
Dominican Rep.	2000	3.4	1.1	0.7	0.4	0.7	0.1
	2008	3.0	0.8	0.5	0.3	0.8	0.1
Peru	1999	3.9	1.2	0.9	0.4	0.8	0.3
	2009	3.4	0.8	0.5	0.3	0.9	0.3
Mexico	1992	3.7	1.3	0.9	0.4	0.8	0.1
	1998	3.4	1.0	0.7	0.3	0.9	0.1
	2008	3.4	0.9	0.5	0.4	0.9	0.2
Colombia	2006	3.1	0.8	0.5	0.3	0.9	0.2
Costa Rica	1992	3.5	1.1	0.7	0.3	0.8	0.1
	1999	3.5	1.1	0.7	0.4	0.8	0.1
	2009	3.3	0.8	0.5	0.3	0.9	0.1
Brazil	1992	3.0	0.8	0.5	0.3	0.8	0.1
	1999	3.0	0.8	0.4	0.3	0.8	0.1
	2009	2.7	0.5	0.3	0.2	0.9	0.2
Chile	1992	3.3	0.9	0.6	0.3	0.8	0.2
	1998	3.4	0.9	0.6	0.3	0.9	0.2
	2009	3.2	0.7	0.5	0.3	0.9	0.3

Rich (> $50)

Country	Year	Total	Children Aged <18	Aged 0-12	Aged 13-18	per Woman	Adults Aged >70
Honduras	1992	2.9	0.5	0.2	0.2	0.9	0.0
	1999	2.7	0.8	0.5	0.3	0.7	0.3
	2009	3.1	0.9	0.5	0.4	0.9	0.2
Dominican Rep.	2000	2.6	0.7	0.4	0.3	0.8	0.1
	2008	2.2	0.3	0.2	0.1	0.7	0.2
Peru	1999	2.9	0.6	0.4	0.1	0.7	0.2
	2009	2.4	0.4	0.2	0.2	1.0	0.2
Mexico	1992	2.8	0.6	0.4	0.2	0.9	0.1
	1998	2.4	0.5	0.3	0.2	0.8	0.1
	2008	2.4	0.4	0.2	0.2	0.8	0.2
Colombia	2006	2.4	0.4	0.3	0.2	0.8	0.1
Costa Rica	1992	2.5	0.7	0.4	0.3	0.8	0.1
	1999	2.2	0.4	0.3	0.1	0.8	0.1
	2009	2.5	0.4	0.2	0.1	0.8	0.1
Brazil	1992	1.9	0.1	0.1	0.1	0.9	0.2
	1999	2.4	0.4	0.2	0.2	0.8	0.2
	2009	2.2	0.3	0.2	0.1	0.9	0.2
Chile	1992	2.9	0.7	0.4	0.3	0.7	0.2
	1998	2.8	0.7	0.4	0.2	0.7	0.2
	2009	2.6	0.5	0.3	0.1	0.8	0.1

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.3: Distribution of Age, by Income Category (2008/2009)

	Poor (< $4)			Vulnerable ($4 - $10)			Middle Class ($10 - $50)			Rich (> $50)		
	< 18 years	18 - 50 years	> 50 years	< 18 years	18 - 50 years	> 50 years	< 18 years	18 - 50 years	> 50 years	< 18 years	18 - 50 years	> 50 years
Honduras	53.0	33.2	13.8	43.2	43.7	13.1	34.0	50.9	15.1	36.1	47.1	16.8
Dominican Rep.	50.4	36.8	12.8	36.1	47.6	16.4	25.9	53.3	20.8	37.2	47.1	15.8
Peru	51.6	34.2	14.2	37.2	44.9	17.9	24.2	49.1	26.7	37.2	44.3	18.6
Mexico	49.1	37.6	13.3	39.4	45.2	15.4	26.5	51.8	21.7	44.1	42.1	13.9
Colombia	48.4	37.6	14.1	39.0	45.6	15.4	25.2	52.1	22.6	36.6	46.9	16.5
Costa Rica	44.2	40.0	15.6	35.7	46.6	17.6	23.7	55.4	20.9	31.0	50.5	18.5
Brazil	49.3	42.8	8.0	30.7	48.8	20.5	17.9	52.6	29.5	29.7	50.1	20.3
Chile	42.8	41.8	15.3	33.1	44.0	22.9	22.9	48.4	28.8	27.2	48.1	24.8

Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.4: Population Shares in Different Income Categories, by Age Group (2008/2009)

	Young (< 18 years)				Adults (18 - 50 years)				Old (> 50 years)			
	Poor	Vulnerable	Middle	Rich	Poor	Vulnerable	Middle	Rich	Poor	Vulnerable	Middle	Rich
Honduras	62.4	25.6	11.7	0.3	46.5	31.5	21.2	0.8	54.3	26.6	18.0	1.0
Dominican Rep.	49.2	37.0	13.5	0.3	32.4	42.4	24.1	1.1	33.7	38.7	25.7	1.9
Peru	39.8	42.4	17.3	0.4	29.0	42.2	27.7	1.0	27.0	37.6	33.9	1.4
Mexico	37.7	42.5	19.0	0.8	24.1	41.6	32.4	1.9	22.7	37.3	36.5	3.5
Colombia	45.7	35.8	17.3	1.3	30.9	36.0	29.9	3.2	31.9	30.2	32.9	5.0
Costa Rica	28.3	43.9	26.3	1.6	15.8	38.2	42.3	3.8	15.7	37.1	41.7	5.6
Brazil	44.6	36.8	17.5	1.2	24.4	38.3	34.2	3.2	10.6	38.0	45.7	5.7
Chile	17.7	46.6	32.9	2.9	10.9	39.7	44.3	5.2	7.3	37.7	48.9	6.2

Note: Data for Colombia is 2006.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.5: Age of Adults over 18, by Income Category

Country	Year	Poor (< $4)		Vulnerable ($4 - $10)		Middle Class ($10 - $50)		Rich (> $50)	
		Mean	Median	Mean	Median	Mean	Median	Mean	Median
Honduras	1992	35	33	34	32	36	34	38	35
	1999	35	33	34	32	36	34	37	37
	2009	36	33	35	32	36	34	38	38
Dominican Rep.	2000	36	34	36	34	36	35	39	38
	2008	36	34	36	35	38	37	40	40
Peru	1999	36	35	36	34	37	36	42	41
	2009	37	36	37	36	39	38	41	41
Mexico	1992	35	32	34	32	35	32	38	36
	1998	35	33	35	33	37	35	40	40
	2008	36	34	36	35	38	38	42	42
Colombia	2006	37	36	36	35	38	38	41	41
Costa Rica	1992	36	34	35	33	36	34	41	43
	1999	36	35	35	34	36	35	40	37
	2009	37	36	37	35	38	37	41	41
Brazil	1992	35	33	36	34	37	36	42	40
	1999	35	33	37	35	38	37	41	40
	2009	35	33	38	36	40	39	42	43
Chile	1992	35	32	37	34	39	38	41	41
	1998	35	34	37	35	38	37	40	39
	2009	37	37	38	38	40	40	41	40

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.6: Distribution of Household Income per Capita, by Percentile (2008/2009)

	1st	5th	10th	25th	50th	75th	90th	95th	99th
	Percentile of Household Income Distribution								
Honduras	0.00	0.00	0.47	1.56	3.95	8.52	15.73	22.66	48.17
Dominican Rep.	0.43	1.31	1.93	3.29	5.87	10.40	19.29	27.91	61.06
Peru	0.70	1.32	1.87	3.40	6.44	11.63	19.84	29.06	59.19
Mexico	0.00	1.35	2.21	4.02	7.40	13.62	24.62	36.84	85.76
Colombia	0.00	0.30	1.24	3.20	6.67	14.00	27.86	46.05	115.82
Costa Rica	0.00	1.89	2.99	5.13	9.07	17.34	33.66	49.85	104.74
Brazil	0.00	1.01	2.17	4.41	8.48	14.96	28.65	44.78	105.04
Chile	0.89	2.90	4.02	6.34	10.46	18.93	37.19	58.94	155.04

Note: Data for Colombia is 2006. All figures are PPP dollars, based on the 2005 International Comparison Program.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.7: Firm Size of Employed Workers Aged 25-65, by Income Category (2008/2009)

	Poor (< $4)			Vulnerable ($4 - $10)			Middle ($10 - $50)			Rich (> $50)		
	Private Firm		Public	Private Firm		Public	Private Firm		Public	Private Firm		Public
	Small	Large	Firm	Small	Large	Firm	Small	Large	Firm	Small	Large	Firm
Honduras	72.4	23.5	4.1	54.3	32.2	13.5	36.1	38.8	25.1	27.4	55.7	16.9
Dominican Rep.	68.6	19.6	11.8	59.5	28.2	12.3	46.8	36.8	16.4	36.4	51.5	12.1
Peru	81.9	15.5	2.7	66.6	23.0	10.4	49.7	31.9	18.4	29.2	54.8	16.0
Mexico	72.2	21.5	6.3	45.9	29.9	24.2	33.3	38.2	28.5	28.4	60.3	11.3
Colombia	84.2	14.4	1.4	68.0	28.8	3.2	45.5	41.3	13.2	28.4	49.5	22.1
Costa Rica	57.3	29.6	13.1	44.2	37.2	18.6	29.9	34.6	35.5	23.8	27.6	48.6
Brazil	71.5	19.3	9.2	51.3	33.2	15.5	38.8	35.0	26.1	34.9	34.7	30.5
Chile	33.7	45.1	21.2	37.4	49.3	13.4	36.5	55.8	7.7	27.9	64.7	7.4

Note: SEDLAC classifies workers into three groups according to whether they work in small firms, large firms or the public sector. Small firms are defined as those with fewer than five workers, large firms are those with five or more workers. The public sector includes jobs in stated-owned firms, public schools, hospitals and other services, and public administration.

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Table A.8: Percentage of Students Aged 13-18 Enrolled in Private School, by Income Category

Country	Year	Poor < $4	Vulnerable $4 - $10	Middle $10 - $50	Rich > $50
Honduras	1992	-	-	-	-
	1999	-	-	-	-
	2009	7.5	19.3	42.5	70.0
Dominican Rep.	2000	-	-	-	-
	2008	15.3	27.0	62.9	83.2
Peru	1999	1.7	12.2	44.2	96.2
	2009	3.4	14.9	50.4	91.7
Mexico	1992	6.7	12.4	35.6	76.8
	1998	4.4	9.4	30.6	85.9
	2008	4.5	6.9	24.7	70.9
Colombia	2006	8.4	14.6	40.5	84.7
Costa Rica	1992	-	-	-	-
	1999	-	-	-	-
	2009	2.9	4.0	26.8	62.1
Brazil	1992	-	-	-	-
	1999	-	-	-	-
	2009	2.7	8.0	35.3	85.3
Chile	1992	1.7	5.8	29.9	75.0
	1998	24.1	34.6	40.9	16.3
	2009	1.6	1.7	10.8	64.1

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure A.1: ECOSOCIAL Predicted Income Distribution, by Self-Reported Social Class
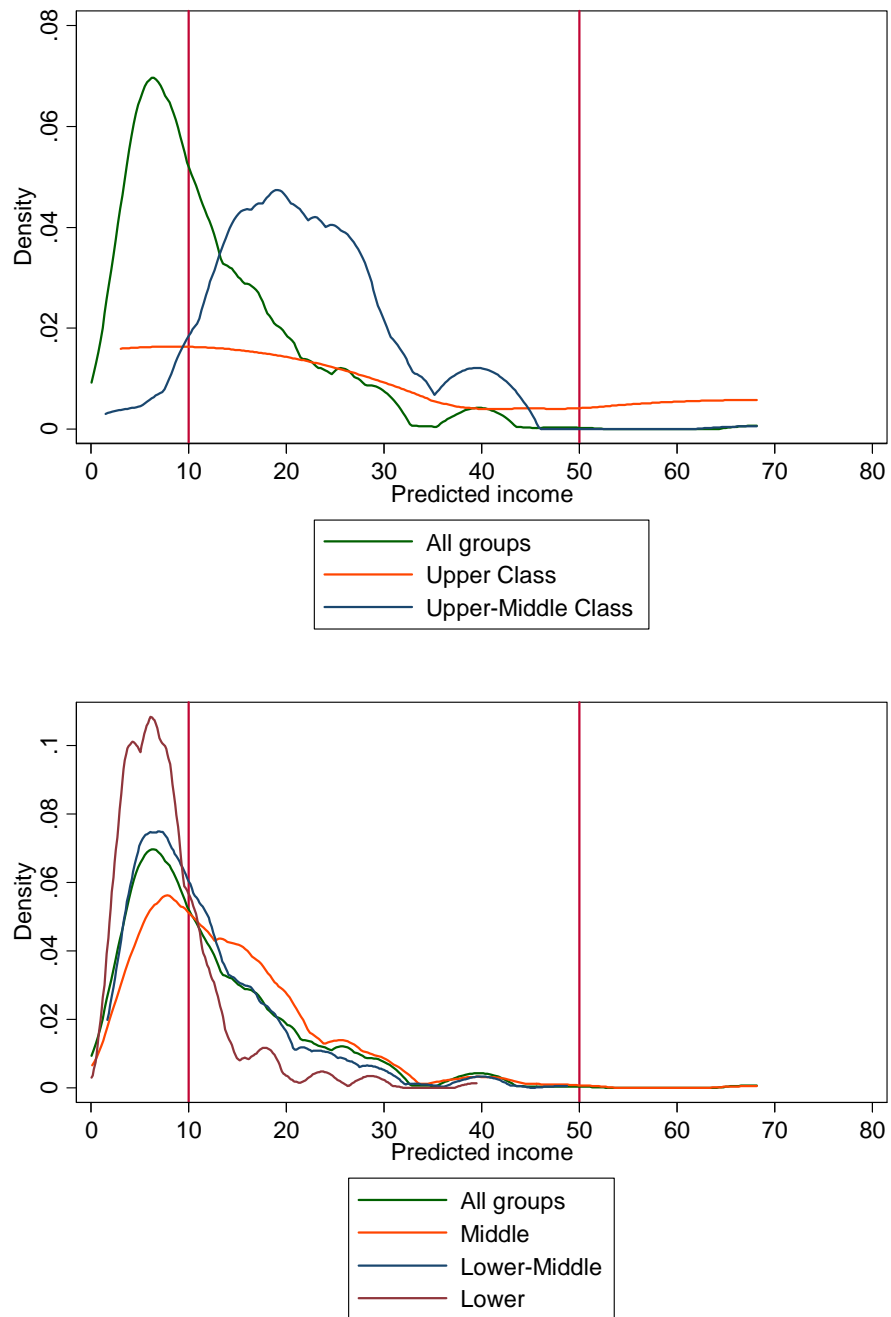
Figure A.2: Size of the Middle Class and Mean Survey Income, by Region and Over Time
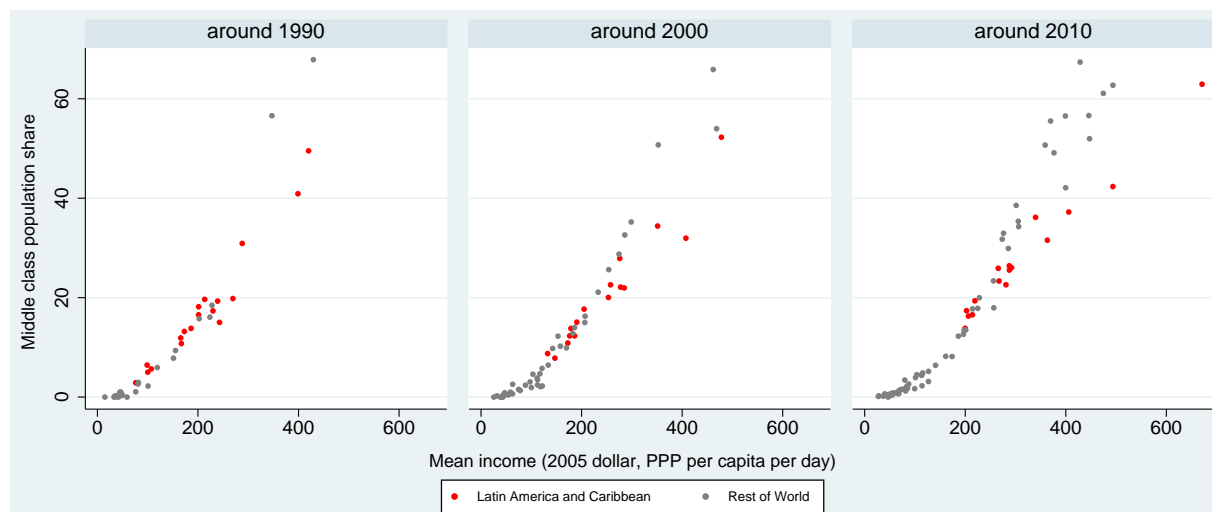

Note: Data covers a total of 186 surveys in Povcal at three points in time. Middle Class is defined as per capita income/ expenditure between $10 and $50 PPP. No adjustment is made to account for different welfare measures. Mean income refers to average daily per capita income or consumption expenditure from the corresponding survey, in 2005 PPP dollar.

Source: World Bank PovcalNet, available online at http://iresearch.worldbank.org/PovcalNet/, last accessed March 2012.

Figure A.3: Size of the Middle Class and GDP per Capita, by Region and Over Time
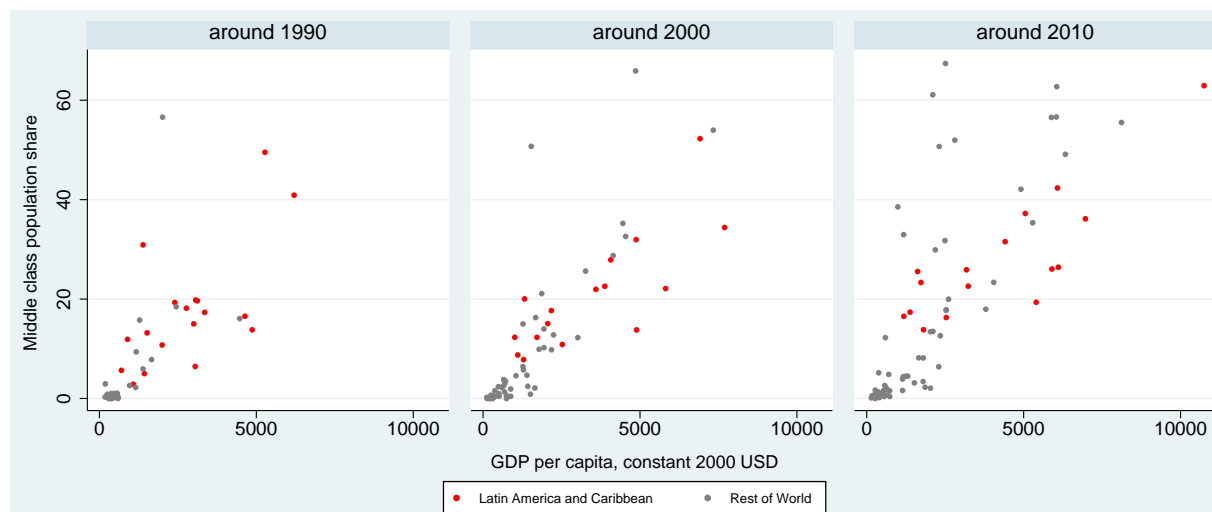
Note: Data covers a total of 186 surveys in Povcal at three points in time. Middle Class is defined as per capita income/ expenditure between $10 and $50 PPP. No adjustment is made to account for different welfare measures. GDP per capita is in constant 2000 USD.

Source: World Bank PovcalNet, available online at http://iresearch.worldbank.org/PovcalNet/, last accessed March 2012.

Figure A.4: SEDLAC Income Distribution for Honduras (2009)
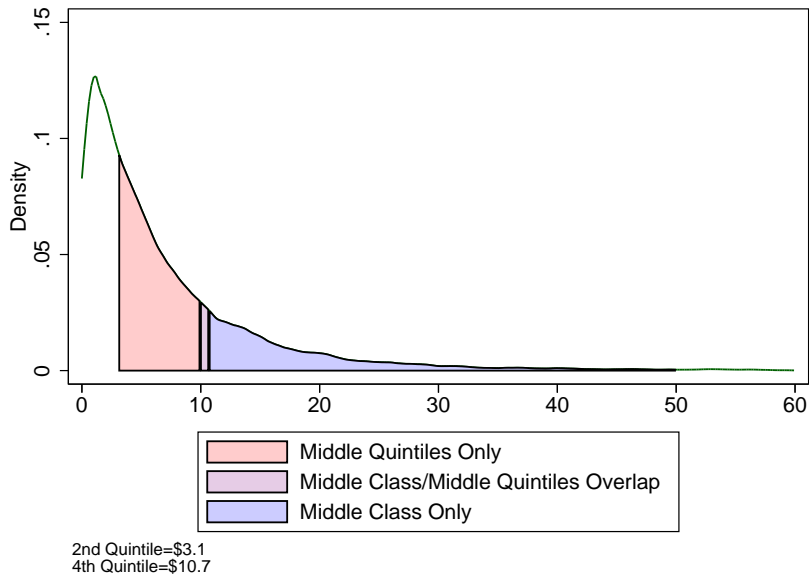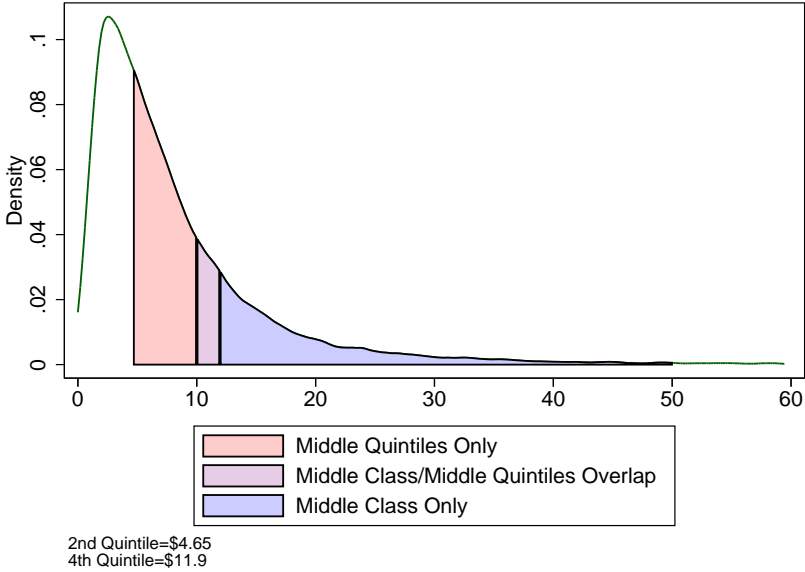

2nd Quintile=$3.1
4th Quintile=$10.7

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

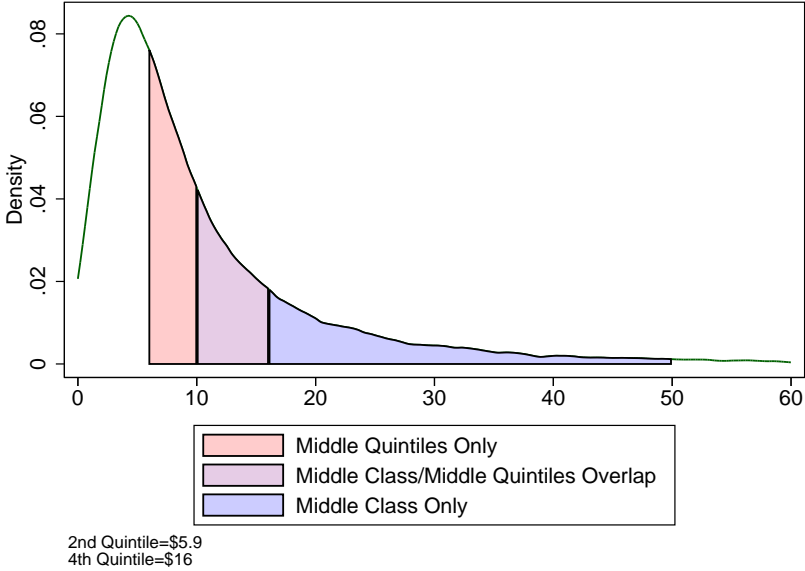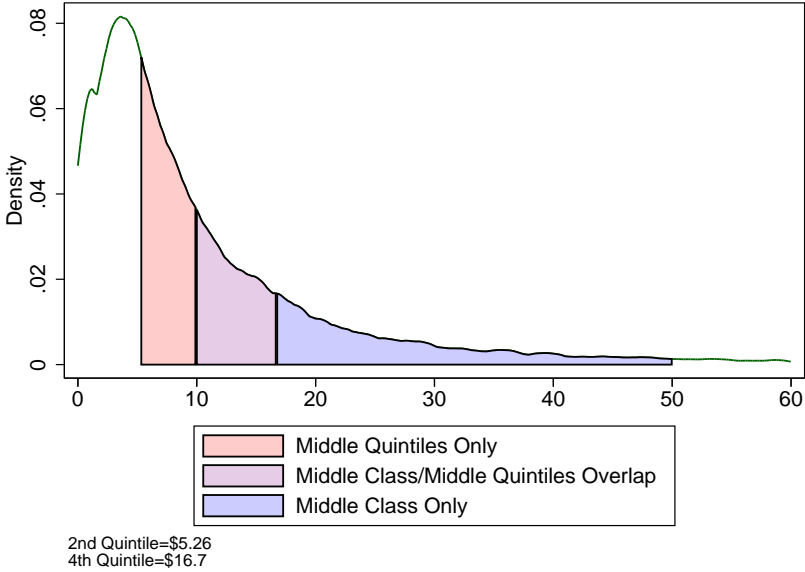**Figure A.5:** SEDLAC Income Distribution for the Dominican Republic (2008)
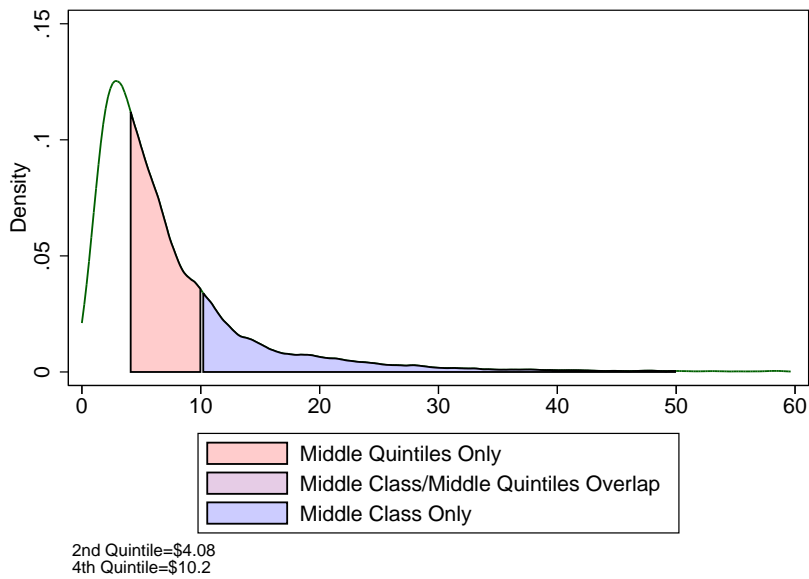
2nd Quintile=$4.08
4th Quintile=$10.2

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure A.6: SEDLAC Income Distribution for Peru (2009)

2nd Quintile=$4.65
4th Quintile=$11.9

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

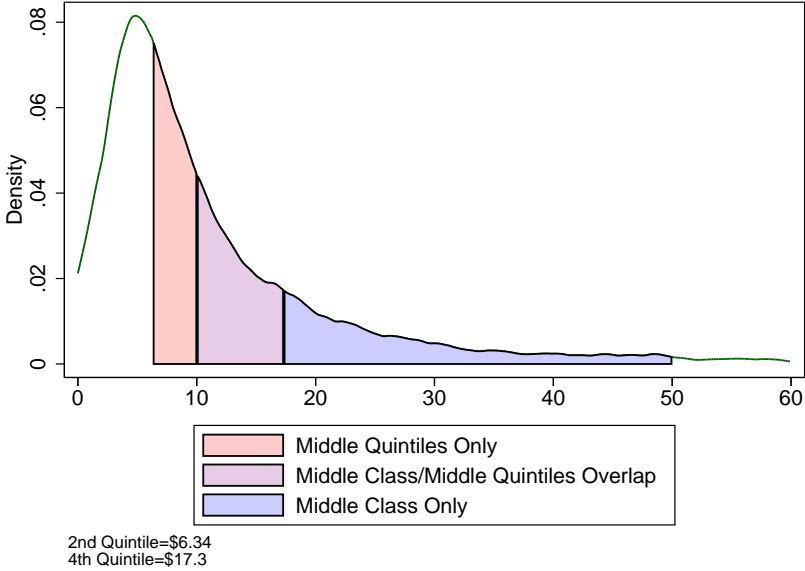**Figure A.7:** SEDLAC Income Distribution for Mexico (2008)

2nd Quintile=$5.9
4th Quintile=$16

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

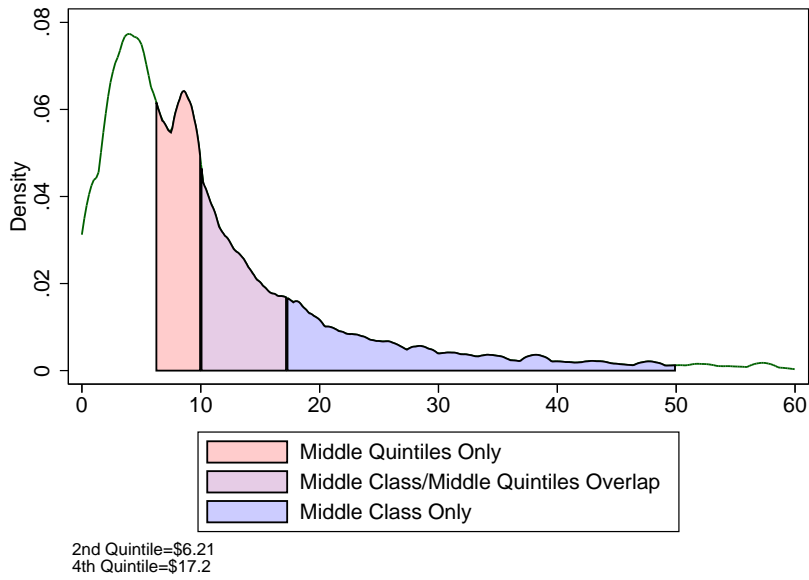**Figure A.8:** SEDLAC Income Distribution for Colombia (2006)

Middle Quintiles Only
Middle Class/Middle Quintiles Overlap
Middle Class Only

2nd Quintile=$5.26
4th Quintile=$16.7

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

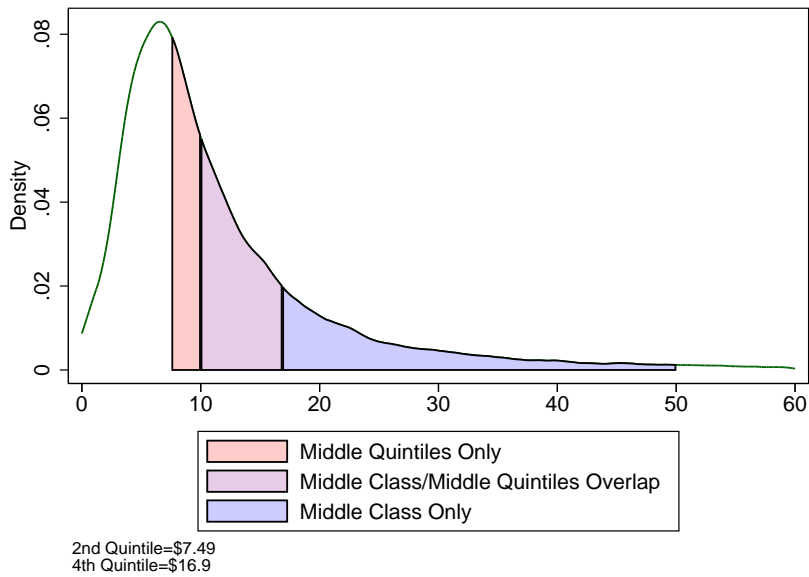**Figure A.9:** SEDLAC Income Distribution for Costa Rica (2009)

Middle Quintiles Only
Middle Class/Middle Quintiles Overlap
Middle Class Only

2nd Quintile=$6.34
4th Quintile=$17.3

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure A.10: SEDLAC Income Distribution for Brazil (2009)

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).

Figure A.11: SEDLAC Income Distribution for Chile (2009)

Source: Socio-Economic Database for Latin America and the Caribbean (CEDLAS and The World Bank).