

COMPOSITE INDICATOR OF SOCIO-ECONOMIC STATUS

The overall aim of development is to improve people's quality of life. A concept that has been regarded as an important measure of quality of life is socio-economic status (SES). Socio-economic status has in general been defined as referring to the following aspects:

- income
- education
- occupational status.

To measure socio-economic status in the City of Cape Town municipal area, the following indicators were used:

- *% of households earning less than R19,200 per annum*
The figure of R19,200 per annum approximates the Household Subsistence Level for urban areas for 2001 (R12,000 for 1996) as calculated by the Institute for Planning Research, University of Port Elizabeth. Accordingly this indicator represents the proportion of households earning below the minimum level for household subsistence.
- *% of adults (20+) with highest educational level less than matric*
This indicator represents the number of adults (20+) with less than a matric education, as a percentage of all adults. A matric level of education is increasingly regarded as the minimum level required for post-school training. Adults (18+) was used in 1996.
- *% of the economically active population that was unemployed*
This indicator represents the number of adults who are unemployed and actively seeking work as a percentage of all adults available for work. This excludes those not seeking work, such as homemakers, students and retired people.
- *% of the labour force employed in elementary/unskilled occupations*
The indicator of occupational status used was the number of people employed in elementary/unskilled occupations as a percentage of all employed.

These indicators were combined into a composite indicator by calculating the arithmetical average of the four indicators. Although relatively crude, this composite indicator provides a useful basis for comparison across the metropolitan area.