



Poverty Facts: Almost 4 in 10 Guyanese Cannot Afford Basic Costs of Living

[This project is the first of a series of research and analysis as part of collaboration between the [Guyana Budget & Policy Institute](#) and the [Centre for New Economic Studies](#) to advance widespread prosperity through research and evidence-based public policy.]

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The level of poverty and associated levels of malnourishment will have dire consequences on the future health of the population and the potential for future economic growth in Guyana unless immediate steps are taken to address these issues.

More than 36 percent of Guyanese or almost 4 in 10 people are living in poverty i.e. surviving on an income of U\$1.75 per day or G\$10,494 per month, [according to the Guyana Poverty Reduction Strategy: 2011 - 2015](#).¹ Further, 19 percent of Guyanese or almost 2 in 10 people are living in extreme poverty i.e. surviving on an income of U\$1.25 per day or G\$7,550 per month.² People living in poverty simply do not have sufficient income to pay for enough food to meet daily caloric and nutrition intake required for proper nourishment and healthy and productive lives.

Almost Half of All Children Under Age 16 Lives in Poverty – The Highest Among All Age Groups.

Poverty in Guyana has a child's face. Almost half (47.5 percent) of all children under the age of 16 live in families that are in poverty. This is both an economic and social tragedy. The economic loss associated with almost half of all children living in poverty is significant and weighs heavily on the short- and long-term economic success of the economy. Research shows, children in poverty have poor health and less likely to perform well in school, acquire a good formal education, find and keep good-paying jobs and contribute to the economy than their counterparts.³

Further, children are the medium through which poverty is passed from one generation to the next, also called 'intergenerational poverty'. Children who grew up in poverty are more likely to experience poverty in their adult life compared to children who grew up in more affluent families.⁴ Thus, present and future poverty are inextricably linked to child poverty.

More Than a Third of Young Adults (16-25 years old) Lives in Poverty.

The prevalence of poverty among young adults between ages 16 and 25 are not far from that of children. More than 3 in 10 young adults (33.7 percent) lives in poverty – the second highest among all age groups. Individuals between the age of 16 and 25 are either in high or tertiary level education or in the labor force. And like child poverty, a high level of poverty among young adults undermines the country's ability to develop a healthy and productive workforce, a fundamental for economic prosperity.

A Quarter of Adults (41 years and older) Lives in Poverty.

Poverty among adults of age 41 and above is also severe, although, less than for children and young adults. In this age group, more than 2 in 10 people or 24 percent are in poverty. A high level of poverty among working age adults represent a significant economic loss to the economy and limits economic growth. Often adults in poverty have more than one job yet make insufficient income to pay for necessities. Thus, the most significant factor likely driving adult poverty is low-paying occupations. Other factors contributing to adult poverty include low-levels of education, unemployment, poor quality and inadequate public services, and little household wealth.

The Level of Poverty and Extreme Poverty in Rural Interior Communities are Disproportionately Higher Than the Rest of the Country – More Than 200 Percent and 300 Percent Higher Than the National Average, Respectively.

Communities are broadly categorized as either urban coastal areas, rural coastal areas or rural interior areas. Most of the population lives in coastal areas. Compared to the national average, the level of poverty and extreme poverty in rural interior communities are at alarming levels and the highest in the country. Almost three-quarters (73.5 percent) of people in these communities live in poverty i.e. more than 200 percent of the national average of 36.1 percent. Even worse, the level of extreme poverty these communities are 54 percent i.e. almost 300 percent of the national average of 18.6 percent. Below are the poverty facts for communities in each category.⁵

Rural Interior Areas

- 12 percent of the country's population lives in communities in the rural interior areas.
- 73.5 percent of the population or, more than 7 in 10 people, live in poverty.
- 54 percent of the population or, more than 5 in 10 people, live in extreme poverty.

Rural Coastal Areas

- 60 percent of the country's population lives in communities in the rural coastal areas.
- 37 percent of the population or, almost 4 in 10 people, live in poverty.
- 17.1 percent of the population or, almost 2 in 10 people, live in extreme poverty.

Urban Coastal Areas

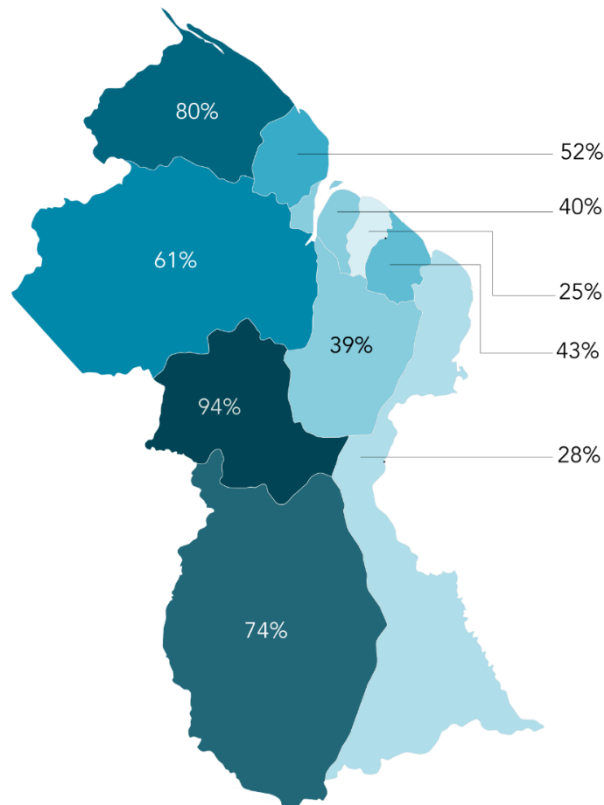
- 28 percent of the country population lives in communities in the urban coastal areas.
- 18.7 percent of the population or, almost 2 in 10 people, live in poverty.
- 7.3 percent of the population or, roughly 1 in 10 people, live in extreme poverty.

Regions Number 8 and 1 Have the Highest Rates of Poverty in the Country With 94 Percent and 80 percent of the Population Living in Poverty, Respectively.

The level of poverty varies widely across Regions. Ninety-four percent of residents in the Region number 8 (Potaro Siparuni) lives in poverty. This is the highest level of poverty among all Regions. The region has a total population of more than 11,000 people representing less than 2 percent of the country’s population.⁶ Likewise, 80 percent of residents in the Region number 1 (Barima Waini) lives in poverty – the second highest in the country. Region number 1 has a total population of almost 28,000 people representing less than 4 percent of the country’s population.

Regions Number 8 & 1 Have the Highest Rates of Poverty
(Percentage of the Population in Poverty)

National Average = 36.1 Percent



Source: Government of Guyana, Poverty Reduction Strategy Paper: 2011 - 2015.

Region number 2 (Pomeroon Supenaam) and Region number 5 (Mahaica Berbice) have 52 percent and 43 percent of residents living in poverty, respectively. The rate of poverty in these regions represents the median poverty rate in the country. The total population in Region number 2 is almost 47,000 and the population for Region number 5 is almost 50,000, each represents more than 6 percent of the country's population.⁷

Twenty-five percent of residents in Region number 4 (Demerara Mahaica) lives in poverty – the lowest among all regions. Region number 4 is the most populated region in the country with more than 311,000 people representing almost 42 percent of the country's population.

Policy Insight

The data shows a very tragic state of poverty in Guyana, particularly among children and young adults. The economic and social costs of poverty are significant and weigh heavily on the future of the country. Therefore, Lawmakers truly concerned about ending poverty and putting families on a path to economic independence should insist on policies that target families living in poverty while investing in core services necessary for building a strong economic foundation for long-term prosperity.

Notes

¹ Government of Guyana. [Guyana Poverty Reduction Strategy Paper: 2011 – 2015](#). Poverty statistics are for 2006 – the latest year for which data is available.

² The extreme poverty line is based on the normative food basket (2400 calories per male adult) provided by the Caribbean Food and Nutrition Institute. The average cost of the food basket across the ten regions for 2006 was approximate US\$1.25 per day. Moderate poverty lines were constructed to include an allowance for non-food items. This allowance was estimated by observing the share of total consumption devoted to food and non-food items of the 40% poorest households. The average moderate poverty line across regions for 2006 was US\$1.75 per day.

³ Executive Office of the President of the United States. [The Economics of Early Childhood Investments](#). January 2015.

⁴ Supra note 3

⁵ Supra note 1.

⁶ Government of Guyana, [2012 Population and Housing Census, Final Results, May 10, 2016](#). Bureau of Statistics.

⁷ Supra note 6.