



In this Bulletin: the Minimum Income Standard

This bulletin includes estimates of the Minimum Income Standard, and details about the methodology, including the composition of the ‘basket’ used to construct it.

What is the Minimum Income Standard?

The Minimum Income Standard, or MIS, is the cost of a basket of goods and services that are intended to represent a socially acceptable minimum amount required for an adult individual to live on St Helena; it is often thought of as St Helena’s poverty line. Its primary use is to measure the level of poverty referenced in the 2011 Social Security Regulations, which is then used to determine the levels of St Helena’s Basic Island Pension (BIP) and Income Related Benefits (IRB). The MIS system was first introduced in 2013, following a review of the social benefits system by Roy Sainsbury and Jonathan Bradshaw of the University of York, which recommended the innovative MIS method to ensure that benefits are set at adequate levels. The MIS has been calculated every year (in September/October) up to 2017, and every six months (in January/February and July/August) from 2018 onwards.

What is the level of the MIS?

Table 1 shows the weekly cost of the MIS basket and components since it was first calculated in 2013. The latest value of the full MIS is £91.51 per week, which is an increase of £20.18 (or 28%) during the six years since it was introduced. Over the same period, the Retail Price Index – which measures how price increases have affected the average household on St Helena – has increased from 87.5 to 105.3 (Quarter 3 2013 to Quarter 3 2018), a slightly lower increase of 20%.

Table 1. Minimum Income Standard, 2013 to 2019, £ per week per adult

| Category | 2013 (Sep /Oct) | 2014 (Sep/ Oct) | 2015 (Sep/ Oct) | 2016 (Sep/ Oct) | 2017 (Sep /Oct) | 2018 (Jan/ Feb) | 2018 (Jul/ Aug) | 2019 (Jan/ Feb) | 2019 (Jul/ Aug) |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Food & Non Alcoholic Beverages | 24.81 | 25.10 | 26.97 | 27.75 | 30.12 | 30.88 | 31.60 | 32.56 | 33.73 |
| Housing Costs | 29.12 | 32.41 | 32.81 | 35.25 | 35.91 | 36.13 | 36.97 | 36.99 | 37.01 |
| Household Goods & Services | 10.53 | 10.53 | 10.70 | 10.83 | 11.16 | 10.97 | 12.34 | 12.30 | 12.48 |
| Clothing | 2.95 | 2.95 | 3.01 | 3.21 | 3.32 | 3.41 | 3.45 | 3.49 | 3.56 |
| Personal Goods & Services | 1.41 | 1.41 | 1.50 | 1.53 | 1.58 | 1.60 | 1.63 | 1.70 | 1.73 |
| Transport | 2.50 | 2.50 | 2.50 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Total | 71.33 | 74.91 | 77.48 | 81.57 | 85.09 | 86.00 | 88.98 | 90.03 | 91.51 |

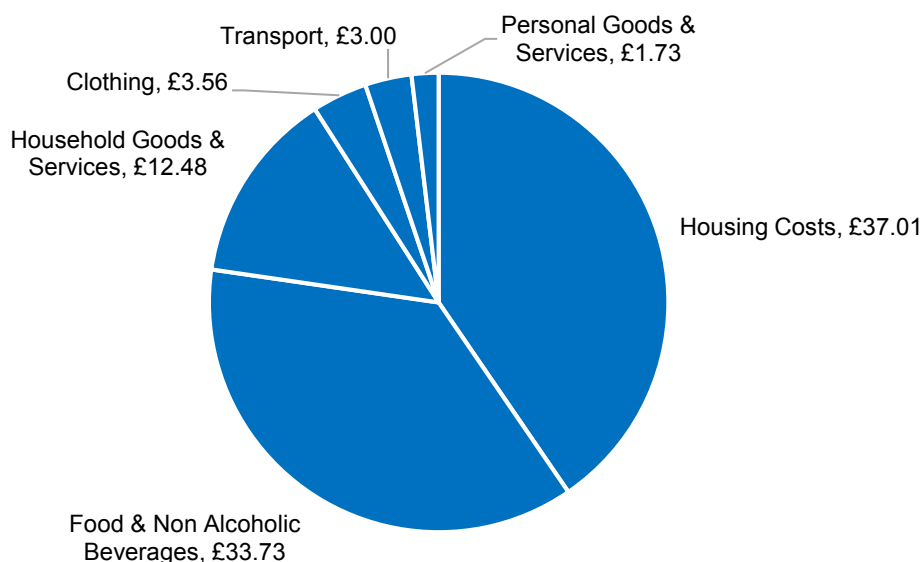
Note that the value of the full MIS differs from the estimates used to calculate IRB and BIP rates in two ways. First, the cost of housing rent included in the MIS – currently £20 per week for three bedroom Government Landlord Housing – is deducted for IRB and BIP purposes, because it is paid in a different way. Second, the MIS is unrounded, whereas the IRB and BIP rates are rounded to the

nearest 10p for ease of administration. So, for example, the current IRB single adult rate is £71.50 a week: this is derived from the July 2019 MIS of £91.51 by first deducting the rent element of £20, which gives £71.51, and then rounding to the nearest 10p, which gives £71.50.

What’s in the basket?

The MIS basket contains items in six categories: Food and Non-alcoholic Beverages, Clothing, Housing Costs, Household Goods and Services, Personal Goods and Services, and Transport. Chart 1 shows the cost of each category for the latest MIS, measured in July 2019, and Annex A lists the item categories and the weekly amounts allocated. Housing Costs (including rent) is currently the largest category, with 40% of the basket. Food is the second largest category, with 37% of the basket. The smallest category is Personal Goods and Services, with only 2% of the basket.

Chart 1. Composition of the Minimum Income Standard, July 2019, weekly amounts



Only one basket is calculated, to represent the minimum living costs of a single adult. Since additional adults in a household share costs of rent, utilities, and household goods and services these costs are not included for the second and subsequent adult IRB payments within a household. Child IRB rates do include an element of housing and shared household costs, however, either 40% or 30% depending on the number of children in the household (Table 2).

Table 2. Calculation of IRB rates from the MIS

| Benefit category | Calculation method |
|--|---|
| IRB first adult | MIS less rent |
| IRB second and subsequent adult | MIS less all Housing Costs and Household Goods and Services |
| IRB first three children | 40% of MIS less rent |
| IRB subsequent children (four or more) | 30% of MIS less rent |
| BIP | 3.4% more than MIS less rent |

How was the basket determined?

The composition of the MIS basket was established in 2013 following a public consultation process to determine what constitutes the acceptable minimum amount required to live on St Helena (Annex A). There has been one change to the basket, in 2018, when the food component was reviewed following advice from the Island’s Dietician using a healthy ‘St Helenian’ weekly menu (Annex B). This did not change the value of the food component of the basket, but resulted in a broader and healthier range of items within it. This was an important change, since it ensures that that people on low incomes are able to afford a healthy balanced diet.

How is it updated?

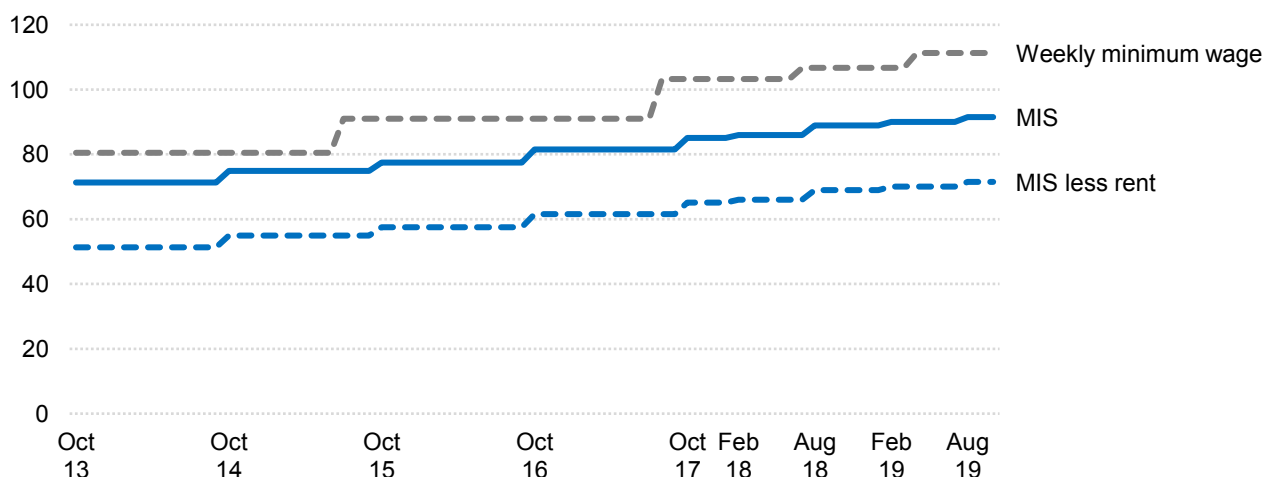
Prices for the Food, Housing and Transport components of the MIS basket are collected by the Statistics Office through a survey of retail outlets around the Island every January/February and July/August. Since the MIS calculates the minimum requirement, the lowest prices of available items are collected from each outlet and an average of available prices taken, rather than collecting items of a particular brand. 21 outlets are used, with 17 outlets in the country and four in Jamestown.

Prices for the other three categories of the MIS basket (Clothing, Household Goods and Services, and Personal Goods and Services) are adjusted using the latest appropriate inflation rates from the Retail Price Index (RPI). This is done for practical reasons: these items comprise only about 20% of the total basket, availability of items in these categories can be extremely variable, and the relevant RPI component tracks the price changes in these items quite closely. There is one exception, the price of telecommunications (within household goods and services) is based on prevalent rates for telephone rental and call charges published by Sure.

How does the MIS compare to the Minimum Wage?

Chart 2 shows the weekly minimum wage level since 2013 (assuming a 35 hour working week) compared to the MIS and the MIS less rent (which roughly represents the IRB payment amount). Because the minimum wage has been adjusted in line with inflation, it has remained above the MIS level – currently the MIS is around 82% of the minimum wage, and the MIS less rent is around 64% of the minimum wage.

Chart 2. Minimum wage and the Minimum Income Standard, £ per person per week



What is the difference between the MIS and the Retail Price Index?

The Retail Price Index (RPI) is the usual measure of price inflation used on St Helena. It estimates the price changes of a basket of goods of the average household, calculated from the Household Expenditure Survey. The MIS measures the price of a socially acceptable minimum basket of goods for a single adult, and as a result it has a much greater proportion of items that are consumed by people that have lower incomes or very limited means, such as food and housing. The RPI has a much wider variety of goods compared to the MIS, and is calculated every quarter, whereas the MIS is calculated twice a year.

Have questions or comments?

Please get in touch: we are Neil Fantom, Statistical Commissioner, Justine Joshua, Senior Statistical Assistant, and Bertina Benjamin, Statistical Assistant. You can find us in person at the Statistics Office on the **first floor of the Castle**, Jamestown, at the back of the main courtyard. You can also contact us by telephone: our direct line is **22138** or via the Castle switchboard on 22470. If calling from overseas, the international dialling code for St Helena is +290. Our general office e-mail address is **statistics@sainthelena.gov.sh**, or you can email team members directly (the format is firstname.lastname@sainthelena.gov.sh).

For more statistical bulletins, reports and data please visit the St Helena Statistics website at: www.sainthelena.gov.sh/statistics.

Annex A. Composition of Minimum Income Standard basket, weekly per adult, 2019

| Food | Quantity per week and unit |
|-----------------------------|-----------------------------------|
| Apple or pear | 5 pieces |
| Baking powder | 4 g |
| Banana | 4 pieces |
| Black pepper | 1 g |
| Bread, wholemeal | 600 g |
| Cabbage | 350 g |
| Carrots | 400 g |
| Cheese | 150 g |
| Chicken breast | 250 g |
| Coffee, instant | 25 g |
| Cornflour | 15 g |
| Cream crackers | 50 g |
| Cucumber | 125 g |
| Curry powder | 4 g |
| Dried mixed fruit | 150 g |
| Eggs | 7 eggs |
| Frozen mixed veg | 250 g |
| Garlic | 20 g |
| Gravy granules | 20 g |
| Tinned ham | 40 g |
| Ice cream | 50 g |
| Jam | 40 g |
| Jelly | 20 g |
| Lettuce | 75 g |
| Low fat margarine or spread | 200 g |
| Mayonnaise | 15 g |
| Milk, low fat | 1,200 ml |
| Nuts, unsalted mixed | 75 g |
| Onion | 350 g |
| Orange | 2 pieces |
| Pasta | 100 g |
| Peanut butter | 50 g |
| Peas, frozen | 250 g |
| Pork chops | 250 g |
| Porridge oats | 250 g |
| Potatoes | 400 g |
| Pumpkin | 100 g |
| Rice | 500 g |

| Food | Quantity per week and unit |
|--------------------|-----------------------------------|
| Sausages | 2 sausages |
| Self-raising flour | 250 g |
| Stewing steak | 150 g |
| Stock cube | 0.5 cube |
| Sugar | 80 g |
| Sweetcorn, tinned | 200 g |
| Tea, weekly | 14 bags |
| Tomato sauce | 20 ml |
| Tomato, tinned | 400 g |
| Tuna | 600 g |
| Vegetable oil | 15 ml |
| Weetabix | 40 g |
| Worcester sauce | 10 ml |

| Clothing | Number of items and expected life (in weeks) |
|----------------------|---|
| Raincoat | 1 (208) |
| Winter coat | 1 (156) |
| Casual jackets | 1 (156) |
| Jeans | 3 (156) |
| Jumpers | 2 (104) |
| T-shirts | 7 (260) |
| Swimming costume | 1 (104) |
| Tracksuit bottoms | 2 (104) |
| Trousers | 2 (208) |
| Long sleeved shirts | 2 (52) |
| Short sleeved shirts | 3 (52) |
| Shorts | 3 (156) |
| Pants | 10 (52) |
| Socks | 7 pairs (52) |
| Belt | 2 (104) |
| Ties | 4 (52) |
| Flipflops | 1 pair (104) |
| Shoes | 1 pair (52) |
| Trainers | 1 pair (26) |

| Housing | Quantity |
|--|--|
| Rent (three bedroom Government Landlord House) | Weekly rent |
| Water | 22 units every 13 weeks |
| Electricity | 418 units every 13 weeks |
| Basic household maintenance | £2.59 per week in July 2019 |
| Sewerage | Weekly rate (calculated from quarterly rate) |

| Household goods and services | Number of items and expected life (in weeks) |
|-------------------------------------|---|
| Armchair | 1 (780) |
| Kitchen Chair | 1 (780) |
| Table | 2 (780) |
| Lamp | 1 (780) |
| Bed and mattress | 1 (1,560) |
| Bedside table/cabinet | 1 (780) |
| Dressing table / Drawers | 1 (780) |
| Wardrobe | 1 (1,040) |
| Duvet | 1 (260) |
| Duvet cover | 3 (260) |
| Mattress protector / cover | 1 (260) |
| Pillows | 2 (260) |
| Sheets (fitted) | 3 (260) |
| Curtains | 4 (780) |
| Tea towels | 3 (52) |
| Bath mat (for floor) | 1 (104) |
| Towels | 2 (260) |
| Fridge freezer | 1 (520) |
| Washing machine | 1 (520) |
| Cooker | 1 (520) |
| Vacuum cleaner | 1 (260) |
| Kettle | 1 (260) |
| Toaster | 1 (260) |
| Iron | 1 (260) |
| Tumblers | 3 (520) |
| Crockery set | 2 (520) |
| Knives (set) | 1 (1,040) |
| Cutlery set | 1 (1,040) |
| Cheese grater | 1 (260) |
| Colander | 1 (260) |

| Household goods and services | Number of items and expected life (in weeks) |
|-------------------------------------|---|
| Chopping board | 1 (260) |
| Drainer for washing up | 1 (260) |
| Measuring jug | 1 (520) |
| Saucepan set | 1 (520) |
| Scales | 1 (520) |
| Baking tray | 3 (520) |
| Tin opener | 1 (520) |
| Tupperware set | 1 (260) |
| Utensils (set) | 1 (260) |
| Bin | 1 (520) |
| Ironing board | 1 (780) |
| Shower curtain | 1 (520) |
| Toilet brush | 1 (260) |
| Light bulbs (energy saving) | 8 (52) |
| Washing up liquid | 1 (12) |
| Washing powder | 1 (12) |
| Bleach | 1 (260) |
| Toilet cleaner | 1 (12) |
| Bin liner | 1 (12) |
| Foil | 1 (24) |
| Brush/broom | 1 (520) |
| Bucket | 1 (520) |
| Dustpan and brush | 1 (520) |
| Mop | 1 (312) |
| Dish cloths | 2 (6) |
| Scourers | 1 (6) |
| Brillo pads | 1 (6) |
| Toilet roll | 1 (1) |
| Landline telephone handset | 1 (260) |
| Telephone rental and call charges | 500 local landline minutes every 4.3 weeks |

| Personal goods and services | Number of items and expected life (in weeks) |
|---|---|
| Hairdressers | 1 (12) |
| Toiletries and personal care | 1 (4.3) |
| Plasters | 1 (52) |
| Clock (including alarm clock) - bedroom | 1 (260) |
| Watch | 1 (260) |
| Sunglasses | 1 (52) |

| Transport | Quantity |
|------------------|---------------------------------------|
| Bus ticket | 2 medium tickets 3-6 miles every week |

Annex B. Healthy weekly menu for an adult individual, introduced in 2018 by the SHG Dietician

| | Breakfast | Mid-morning | Lunch | Mid-afternoon | Dinner | Evening snack |
|------------------|--|--|---|----------------------------------|---|---|
| Monday | Porridge with low fat milk, fresh fruit, two slices brown toast and low fat margarine, tea with low fat milk | Cup of coffee with low fat milk, mixed unsalted nuts | Two slices brown toast with peanut butter, tea or coffee | Coffee with low fat milk | Chicken curry, rice, peas with water and a banana | Bowl of cereal with low fat milk, tea with low fat milk |
| Tuesday | Two slices brown toast with low fat margarine and jam, fresh fruit, tea with low fat milk | Cup of coffee with low fat milk, home-made rock cake | Pasta with tuna mayonnaise, cup of tea with low-fat milk | Coffee with low fat milk | Beef stew, cabbage, sweetcorn and rice, glass of water, orange (or other fruit) | Rock cake, tea with low fat milk |
| Wednesday | Porridge with low fat milk, tea with low fat milk | Cup of tea, cheese and crackers, carrot sticks | Boiled egg and salad sandwiches with lettuce, cucumber, tomato (brown bread, low fat margarine). One orange or other fruit, water | Coffee with low fat milk, banana | Tuna pasta bake, water | Bowl of cereal with low fat milk, tea with low fat milk |
| Thursday | Porridge with low fat milk, fresh fruit, tea with low fat milk | Cup of coffee with low fat milk, mixed unsalted nuts | Home-made vegetable soup, two slices brown bread, water | Tea with low fat milk | Pork chops, peas, sweetcorn, potatoes, glass of water, banana | Rock cake, tea with low fat milk |
| Friday | Porridge with low fat milk, fresh fruit, tea with low fat milk | Cup of tea, cheese and crackers, carrot sticks | Boiled egg and salad sandwiches with lettuce, cucumber, tomato (brown bread, low fat margarine). Water | Coffee with low fat milk, banana | Fresh tuna, mixed vegetables, brown rice, water | Tea with low fat milk |

| | Breakfast | Mid-morning | Lunch | Mid-afternoon | Dinner | Evening snack |
|-----------------|--|--------------------------------------|---|-----------------------|---|----------------------------------|
| Saturday | Two grilled sausages, tomatoes, two poached eggs, two slices brown toast with low fat margarine, one apple, coffee with low fat milk | | | Tea with low fat milk | Plo, glass of water | Tea with low fat milk, rock cake |
| Sunday | Two boiled eggs and two slices of brown toast, tea with low fat milk | Coffee with low fat milk, one banana | Sunday roast chicken with gravy, boiled potatoes, carrots, peas, cabbage. Jelly and ice cream, water. | None | Ham and tomato toastie with brown bread, rock cake, tea with low fat milk | Tea with low fat milk |