



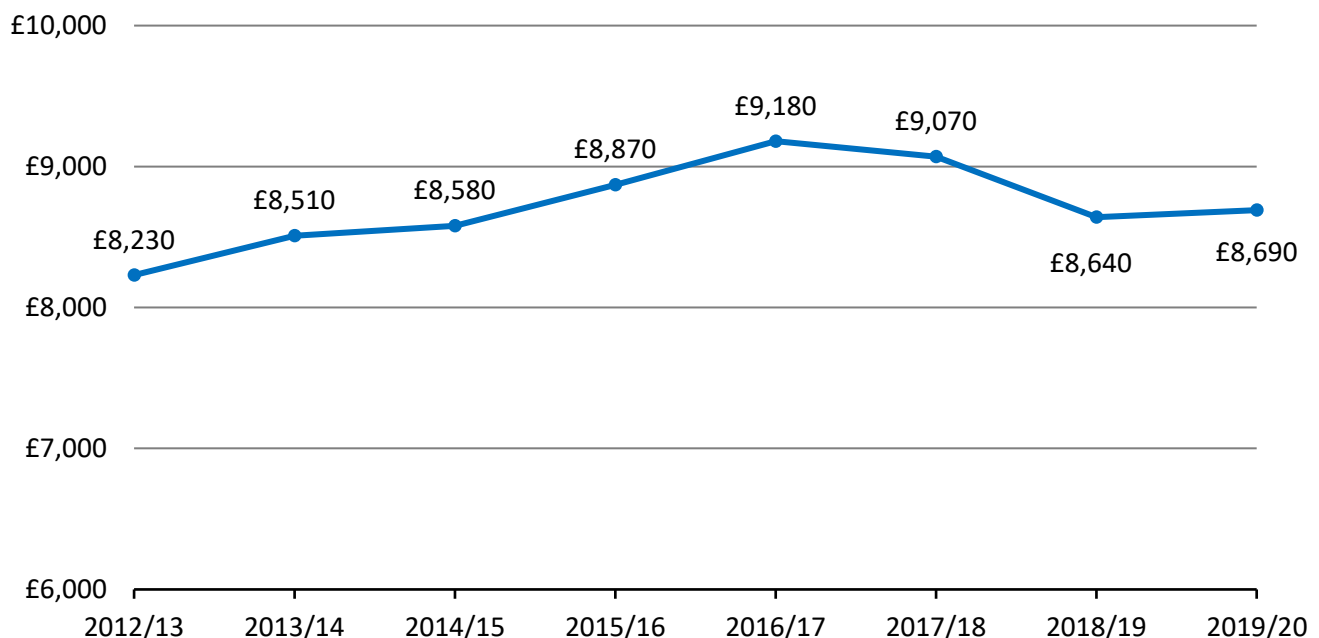
## Wages: gross incomes from employment

The third Statistical Bulletin of 2021 releases new estimates of gross incomes of locally-recruited employees (i.e. wages) for the 2019/20 financial year. As in previous statistical releases on wage levels, these estimates measure gross before-tax incomes of persons in regular employment on St Helena, reported through the Pay-As-You-Earn system. They exclude company and self-employment incomes, incomes of Technical Cooperation Officers, investment income, and other sources of income such as Income Related Benefits or the Basic Island Pension. Part-time and part-year incomes are excluded as far as they can be identified. All annual estimates are rounded to the nearest £10.

## Median wage levels

The median annual wage on St Helena in 2019/20 was an estimated £8,690, 0.6% higher than the median wage in 2018/19 when price inflation is taken into account (which was £8,640 when expressed in 2019/20 prices). This is a small increase in average wage levels overall, and is a change to the trend in the previous two years when median incomes fell. However, inflation-adjusted wage levels are still around 5% lower than they were in 2016/17 (Chart 1).

Chart 1. Median annual gross wages from full-time employment, 2012/13 to 2019/20, constant 2019/20 prices (i.e. adjusted for price inflation)



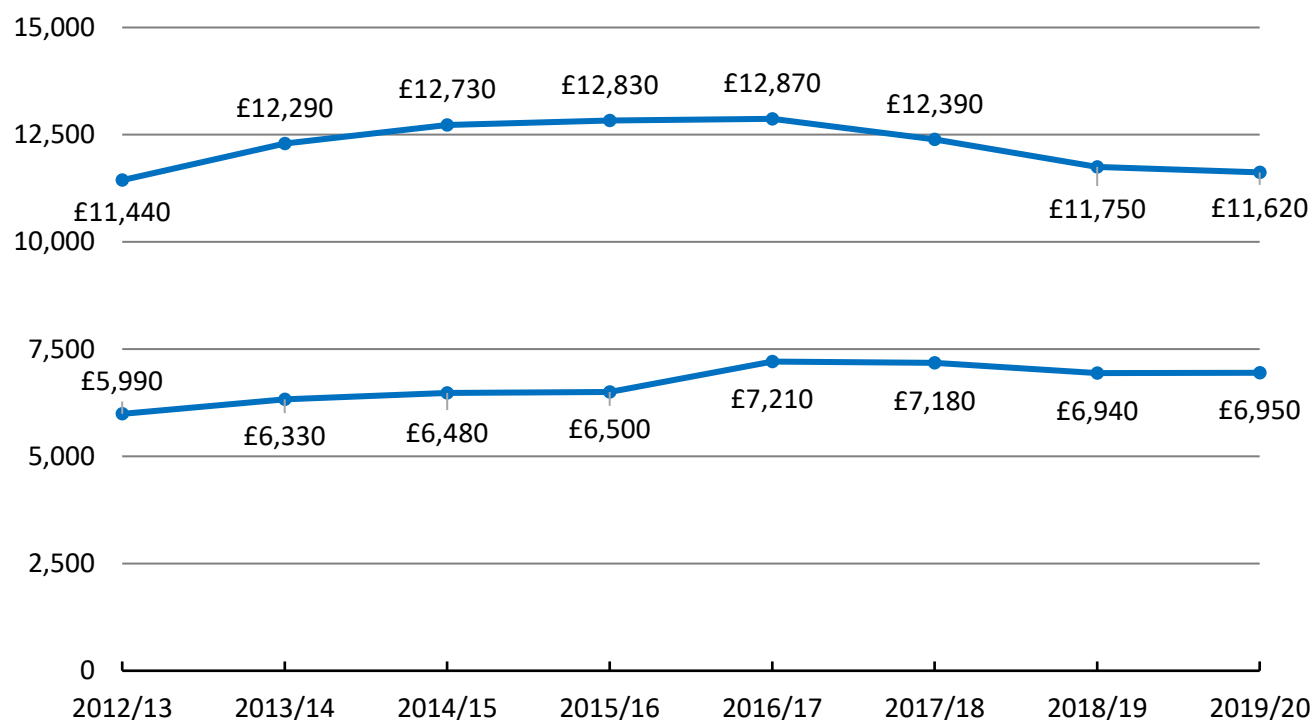
The median is the usual measure of average incomes or wages, because it is less sensitive to small numbers of relatively high wage earners in a population than the mean (the more common method

used in other statistics). A median wage level of £8,960 means that, for 2019/20, half of gross wages from locally-recruited employment were less than £8,960, and half were higher.

**Wage level range**

Chart 2 shows the upper and lower quartiles; the lower quartile is the point at which a quarter of wages are lower, and the upper quartile is the point at which a quarter of wages are higher. Half of all employment wages lie between the lower and upper quartiles, so for 2019/20 half of all employees earned between £6,950 and £11,620. One notable trend is that the gap between the upper and lower quartile is much smaller in 2019/20 than in 2015/16, likely the result of a large number of relatively higher paid workers leaving the workforce when St Helena’s airport was completed.

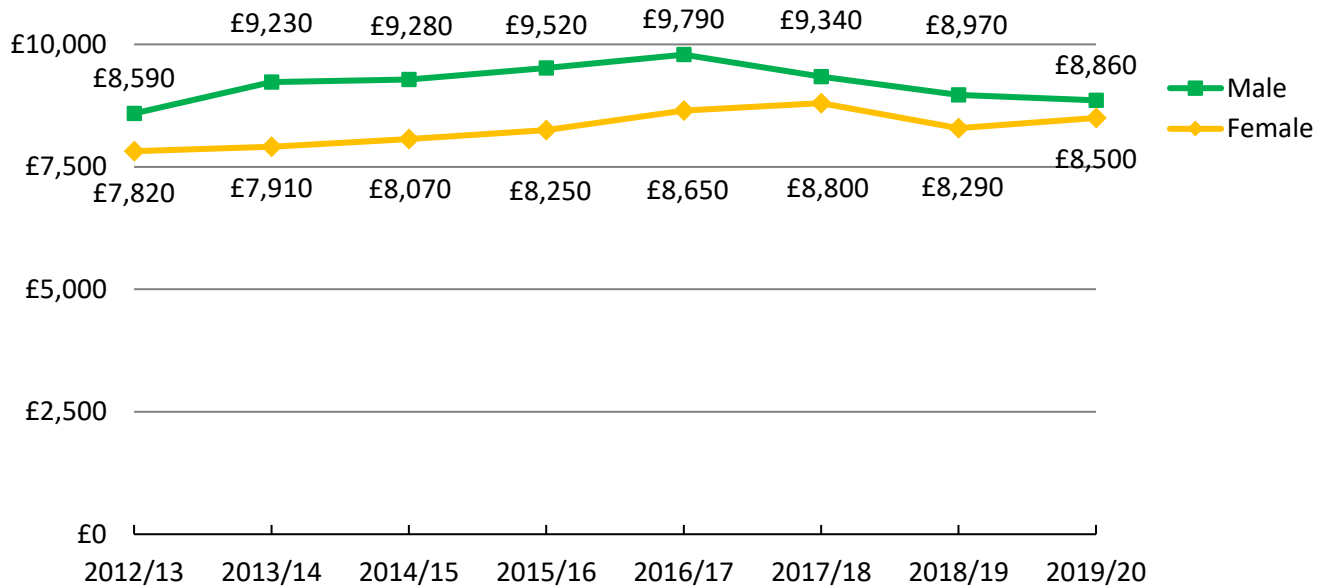
Chart 2. Upper and lower quartiles of real gross annual wages from employment, 2012/13 to 2019/20, constant 2019/20 prices (i.e. adjusted for inflation)



**The gender ‘wage gap’**

Chart 3 shows (inflation-adjusted) wages from employment broken down by male and female employees, between 2012/13 and 2019/20. For every year, the median male wage was higher than the median female wage, but the gap between the two has narrowed in recent years. This is also likely due to the completion of the construction of the Airport, since construction workers were predominantly male, and many of them either left St Helena or found alternative employment during 2016/17 and 2017/18.

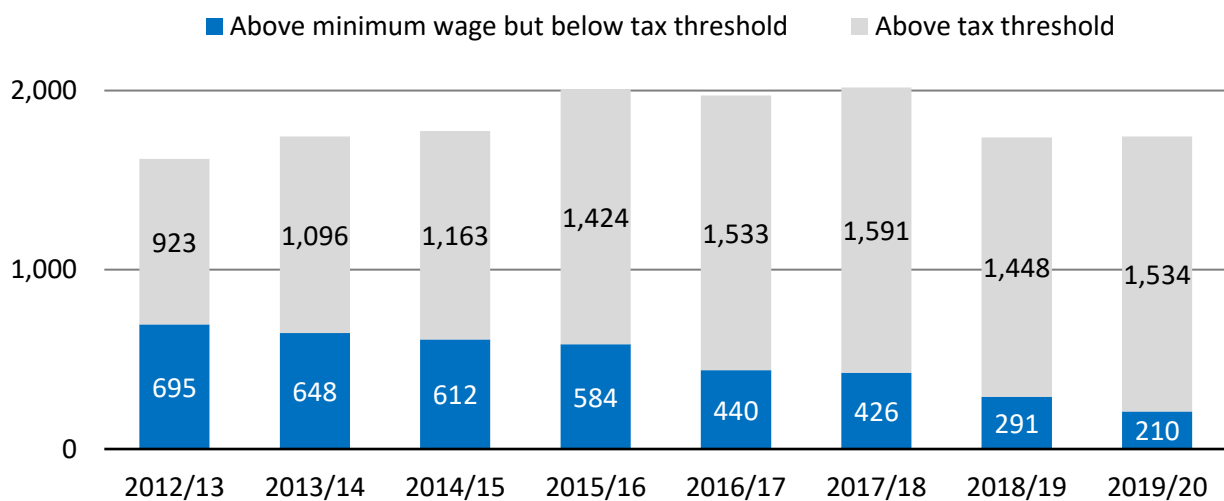
Chart 3. Median real gross annual wages from employment, male and female, 2012/13 to 2019/20 in constant 2019/20 prices (i.e adjusted for inflation)



**The minimum wage and the income tax threshold**

St Helena operates a minimum wage policy, and St Helena’s income tax system operates a minimum threshold before any tax is due; this threshold remained constant at £7,000 per person per year for the financial years 2011/12 to 2019/20, although the minimum wage has changed: from £2.30 to £2.60 an hour in 2015, then from £2.60 to £2.95 an hour in 2017, from £2.95 to £3.05 an hour in 2018 for employees over the age of 18, and to £3.13 an hour from 1 April 2019. Chart 4 shows the number of persons earning income from full-time employment that were above the minimum wage and the income tax threshold.

Chart 4. Employees above the minimum wage and the tax threshold, 2012/13 to 2019/20



The number of employees above the fixed income tax threshold of £7,000 increased slightly in 2019/20 compared to 2018/19, by around 86 people. The total number of employees above the minimum wage also fell, to 1,739 in 2018/19 compared to 2,017 in 2017/18. The number of people earning above the minimum wage but not earning enough to pay income tax fell to 210, since the minimum wage was increased but the income tax threshold remained constant.

### Get the data

The complete set of statistics on average gross incomes from employment from 2012/13 to 2019/20 is available at [www.sainthelena.gov.sh/statistics/data](http://www.sainthelena.gov.sh/statistics/data) in Excel format in the file 'Incomes.xls'.

### Methodology

The methodology used to compute estimates for 2019/20 year is consistent with that used for 2018/19, and the key concepts and methods are described here:

Data source. Statistics on wages and incomes on St Helena are derived from a computerised database maintained by the Income Tax Office, which captures information about all wage earners whose details are submitted through the Pay-As-You-Earn (PAYE) system. There are some limitations when using this database as a source for estimating incomes; for example, informal income earned may not be declared; it is difficult to distinguish full-time and part-time workers, and full-year and part-year incomes; and some reported incomes may include second jobs.

Gross income (wages) from employment. The primary analysis in this Bulletin uses average gross incomes from employment, also referred to as wages. Income from investments and from self-employment, benefits, or the Basic Island Pension is excluded. Incomes are gross, i.e. before any tax is deducted, and all estimates are rounded to the nearest 10.

Median. The median is a measure of the average value of a set of numbers. It is the 'middle number' in a ranked list, the value at which exactly half the population has a smaller value and half has a higher value. It is preferred to the mean when estimating average incomes or wages, since it is less easily 'skewed' by a few individuals with relatively large incomes.

Mean. The mean is a measure of the average value of a set of numbers; it is derived by adding all the numbers together, and dividing by the number of values in the dataset. While it is the most common measure of the average for many applications, it can produce misleading results for estimating average incomes because it can be biased by small numbers of relatively high incomes.

Adjusting for inflation. Most of the average income estimates are adjusted for the impact of price inflation, using St Helena's Retail Price Index to estimate relevant statistics in 2019/20 prices. Inflation-adjusted estimates are called "constant" or "real"; unadjusted estimates are called "nominal" or "current". Inflation-adjustment makes comparisons over time more meaningful, since any change up or down shows whether a person has more or less purchasing power. For example, the median nominal gross income for 2012/13 was £6,750 per year. But prices were not the same in 2019/20 compared to 2012/13 – they increased, on average. Using the Retail Price Index to make the calculation, an employee would need to have earned £8,230 a year to buy the same amount of goods and services in 2019/20 that they could buy in 2012/13 with £6,750. So £8,230 is the average gross income in 2012/13, stated in 2019/20 prices.

Eliminating part-year and part-time incomes. A lower bound threshold is set to ensure that part-time or under-reported incomes are excluded from the analysis as far as possible. The threshold is set using the Income Related Benefit level for a single adult. Incomes that were assessed for income tax using an allowance of less than half a year were also excluded.

Exclusion of Technical Cooperation Officers from the analysis. Technical Cooperation Officers are persons employed by St Helena Government following international recruitment as a result of limited labour availability in particular occupations on the Island. They are employed for a fixed period of time on internationally competitive pay scales and terms and conditions which differ from those recruited locally on St Helena. As such, their incomes are not typical and so are excluded from the main statistics on incomes.

### Contact us and find out more

The team at the Statistics Office currently comprises **Neil Fantom**, Statistical Commissioner; **Justine Joshua**, Senior Statistical Assistant; **Kelly Clingham**, Senior Statistical Assistant, and **Bertina Benjamin**, Statistics Assistant. Please visit us in person; the Statistics Office is on the **first floor of the Castle, Jamestown**, at the back of the main courtyard. Call by, we would love to see you! 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 email address is: [statistics@sainthelena.gov.sh](mailto:statistics@sainthelena.gov.sh), or you can email team members directly (the format is [firstname.lastname@sainthelena.gov.sh](mailto:firstname.lastname@sainthelena.gov.sh)). For more statistical data and reports, covering many aspects of St Helena's social and economic development, please visit us on the web: [www.sainthelena.gov.sh/statistics](http://www.sainthelena.gov.sh/statistics).