



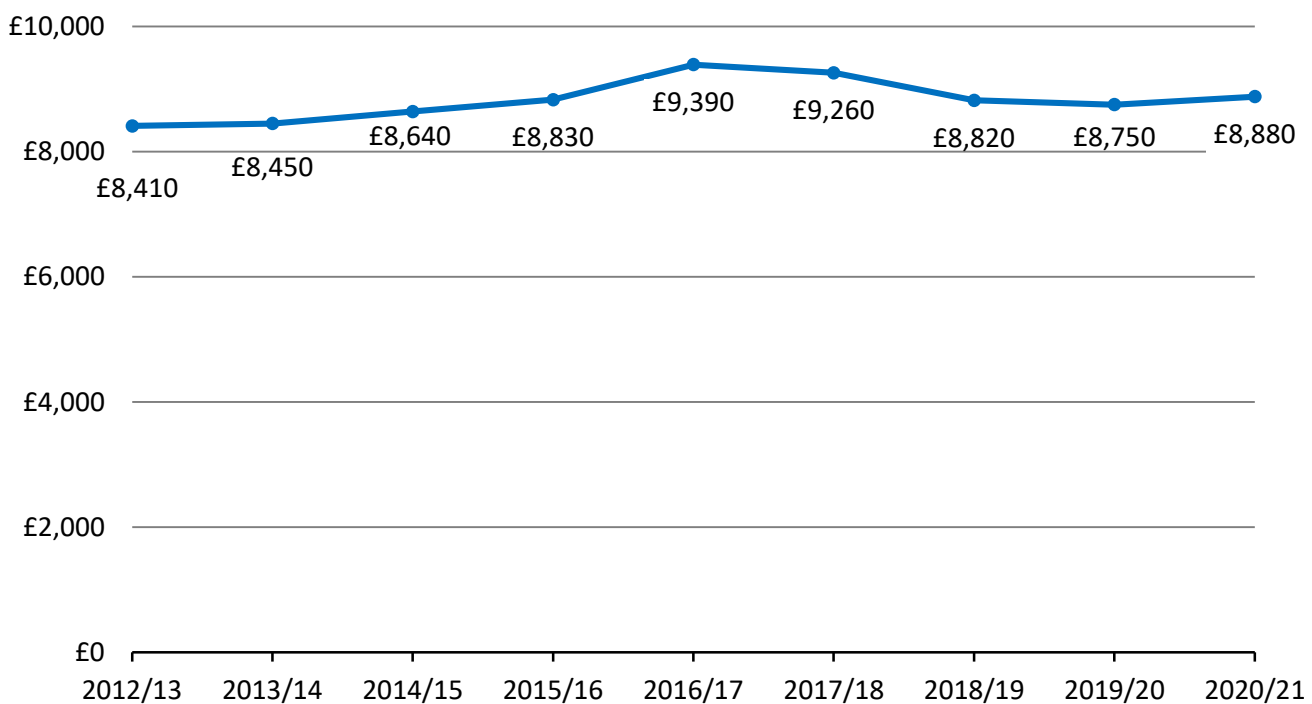
## Wages: Gross incomes from employment

The second Statistical Bulletin of 2022 releases new estimates of gross incomes of locally-recruited employees (i.e. wages) for the 2020/21 financial year. As in previous statistical releases on wage levels, these estimates measure gross before-tax incomes of persons in regular full-time 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, Income Related Benefits, the Basic Island Pension, and part-time and part-year incomes, all as far as they can be identified in the dataset. All annual estimates are rounded to the nearest £10.

## Median wage levels

The median annual wage on St Helena in 2020/21 was an estimated £8,880, 1.5% higher than the median wage in 2019/20, when price inflation is taken into account. This is a small increase year-on-year, but average wage levels are still lower than they were in 2016/17 and 2017/18 (Chart 1).

Chart 1. Median annual gross wages from full-time employment, 2012/13 to 2020/21, constant 2020/21 prices (i.e. adjusted for price inflation)

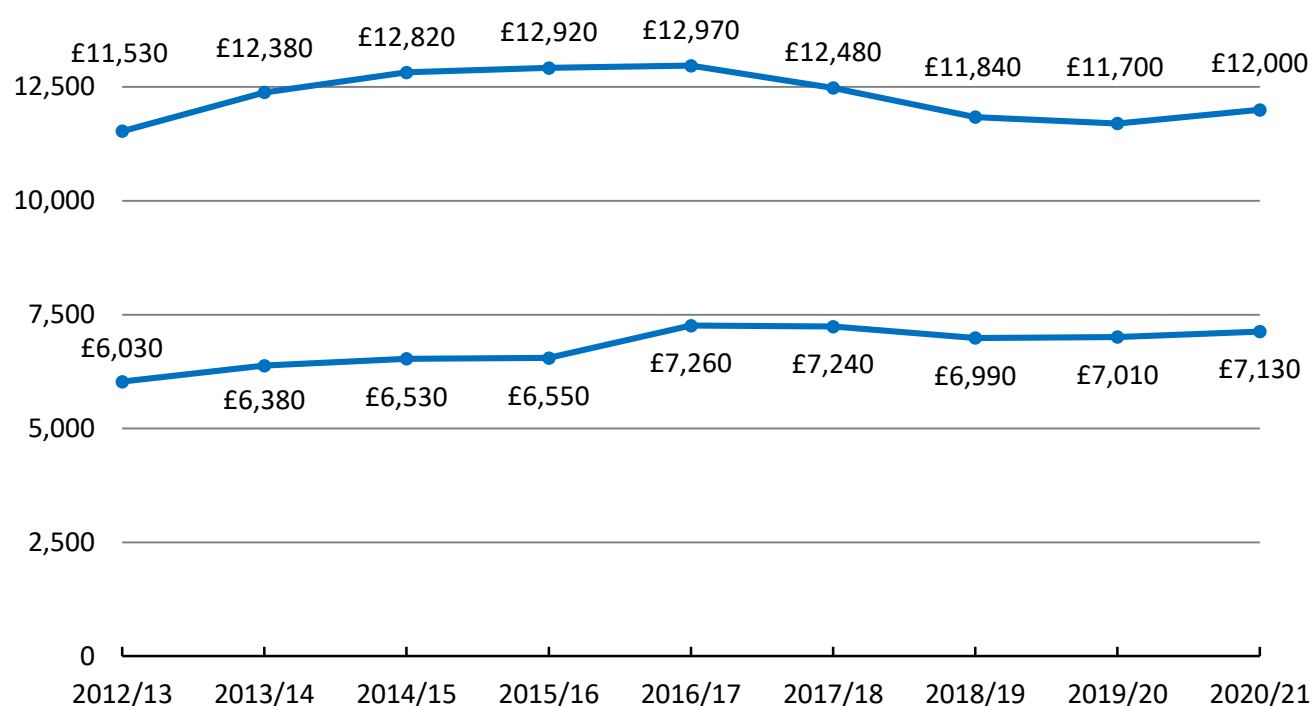


The median is the usual measure of average incomes or wages, because it is less sensitive to small numbers of relatively high wage earners in a population than the mean, which is the more common method used in other statistics. A median wage level of £8,880 means that, for 2020/21, half of gross wages from locally-recruited employment were less than £8,880, 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 2020/21 half of all employees earned between £7,130 and £12,000. One notable trend is that the gap between the upper and lower quartile is still smaller in 2020/21 than in 2014/15 and 2015/16, likely the result of a number of relatively higher paid workers leaving the workforce when St Helena’s airport was completed.

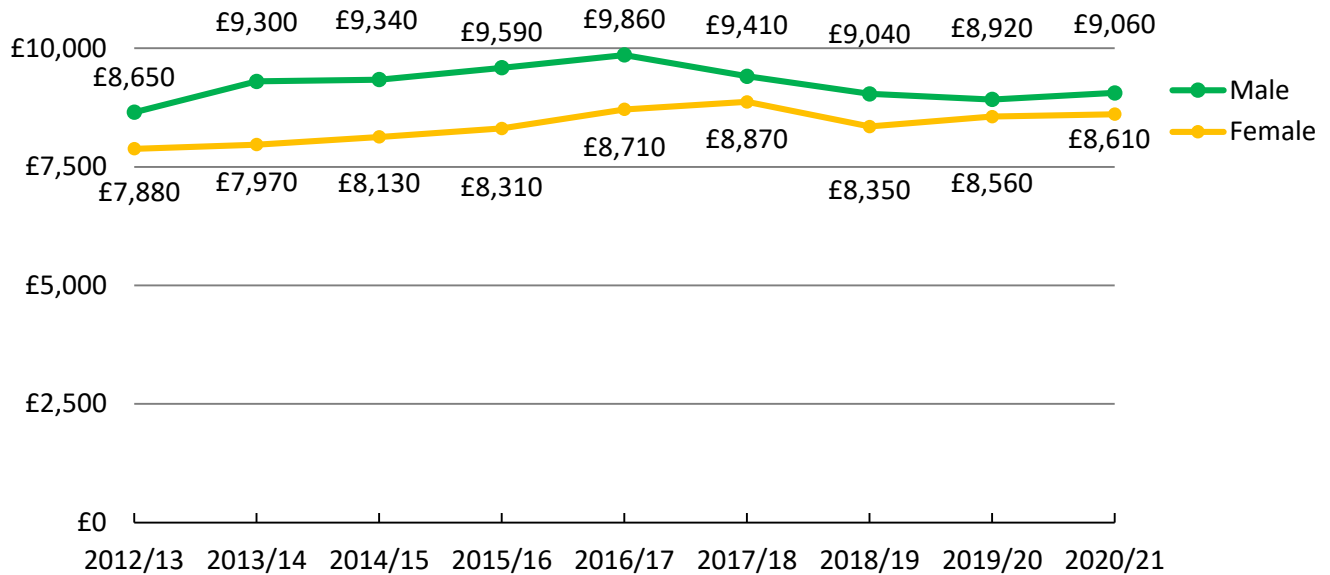
Chart 2. Upper and lower quartiles of real gross annual wages from employment, 2012/13 to 2020/21, constant 2020/21 prices (i.e. adjusted for inflation)



### Wage level differences by gender

Chart 3 shows (inflation-adjusted) median wages from employment broken down by male and female employees, between 2012/13 and 2020/21. 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.

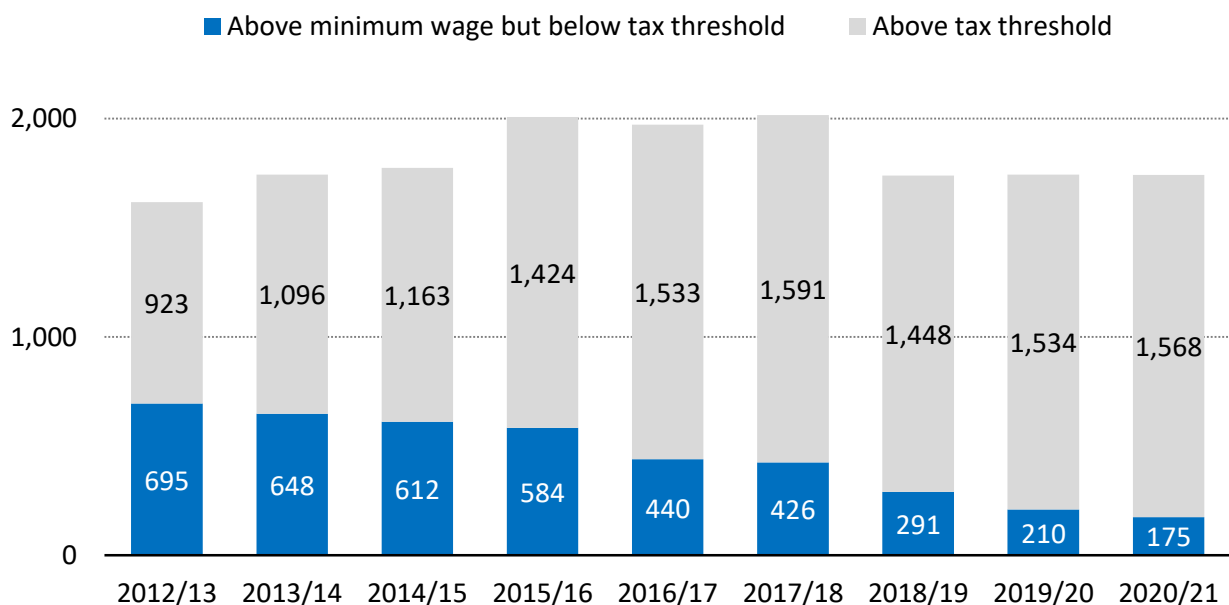
Chart 3. Median real gross annual wages from employment, male and female, 2012/13 to 2020/21 in constant 2020/21 prices (i.e. adjusted for inflation)



**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 2020/21. The minimum wage has typically changed each year, and for 2020/21 was £3.18 an hour. 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 2020/21



The number of full-time employees above the fixed income tax threshold of £7,000 in 2020/21 increased to 1,568, 34 people more than in 2019/20. The total number of employees above the minimum wage was almost identical in 2020/21 compared to 2019/20. The number of people earning above the minimum wage but not earning enough to pay income tax fell to 175, partly because 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 2020/21 is available at [www.sainthelena.gov.sh/statistics](http://www.sainthelena.gov.sh/statistics) in the 'Economy' section.

### Methodology

The methodology used to compute estimates for 2020/21 is consistent with that used in previous years, 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 (including private pension schemes) and from self-employment, benefits, or the Basic Island Pension is excluded, as far as they can be identified. Incomes are gross, that is, 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 2020/21 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 2020/21 compared to 2012/13 – they increased, on average. Using the Retail Price Index to make the calculation, an employee would need to have earned £8,410 a year to buy the same amount of goods

and services in 2020/21 that they could buy in 2012/13 with £6,750. So £8,410 is the average gross income in 2012/13, stated in 2020/21 prices.

Eliminating part-year and part-time incomes. A lower bound threshold is set to try 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, **Kelly Clingham and Justine Joshua**, Senior Statistical Assistants, and **Bertina Benjamin**, Statistics Assistant. Please visit us in person; the Statistics Office is on the **second floor of the Post Office, Jamestown**. Call by, we would love to see you! You can also contact us by telephone: our direct line is **22138**. If calling from overseas, the international dialling code for St Helena is +290. Our general office email address is: **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/st-helena/statistics](http://www.sainthelena.gov.sh/st-helena/statistics).