



Wages: gross incomes from full-time employment

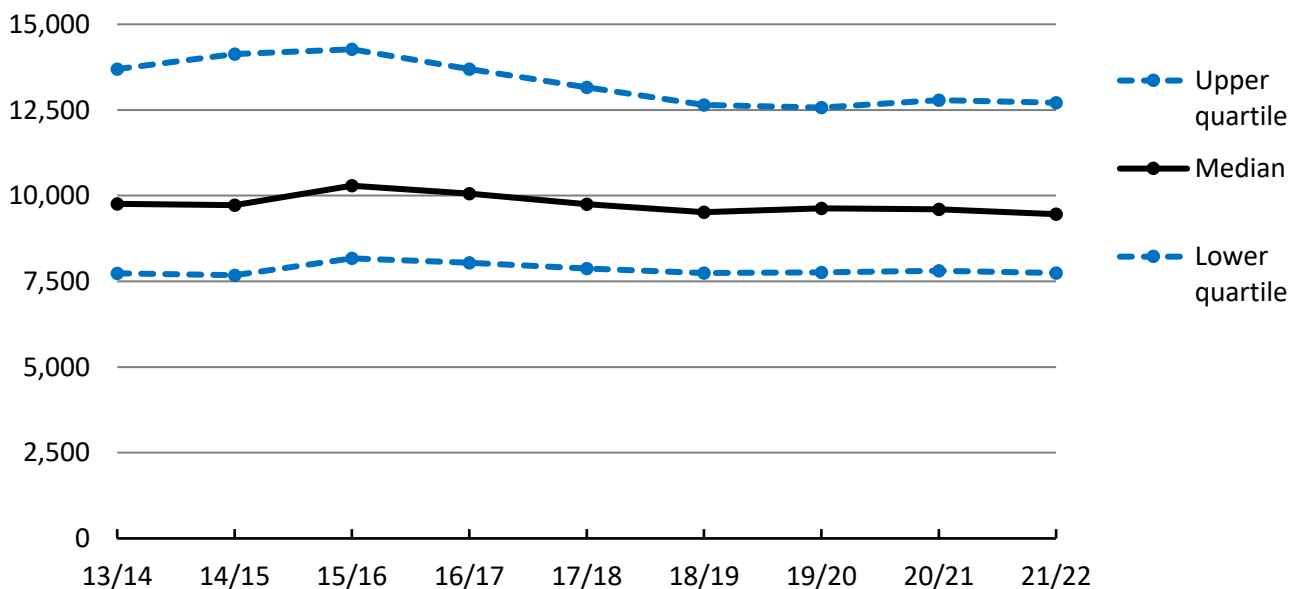
This Statistical Bulletin releases new estimates of gross annual incomes of full-time employees (i.e. wages) for the 2021/22 financial year, with revised estimates for previous years from 2013/14 onwards.

These estimates measure gross (i.e. before-tax) incomes of persons in regular full-time employment on St Helena, reported through the Pay-As-You-Earn tax collection system. They exclude company and self-employment incomes, incomes of Technical Cooperation (TC) Officers of the St Helena Government, investment income, Income Related Benefits, incomes from pensions (including 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; calculations of constant price estimates are made on the unrounded estimates and growth rate calculations are made using the rounded estimates.

Median wage levels, adjusted for inflation

The median annual wage on St Helena in 2021/22 was an estimated £9,460. When price inflation is taken into account, this is 1.5% lower than the median wage in 2020/21 (Chart 1).

Chart 1. Annual gross wages from full-time employment: median and upper and lower quartiles, 2013/14 to 2021/22 (inflation-adjusted 2021/22 prices)



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 £9,460 means that, for 2021/22, half the people earning wages from non-TC employment had gross wages that were less than £9,460 and half had gross wages that were higher. Note that the methodology for estimating median wages from

full-time employment has been improved; please see the notes at the end of this Bulletin for more details.

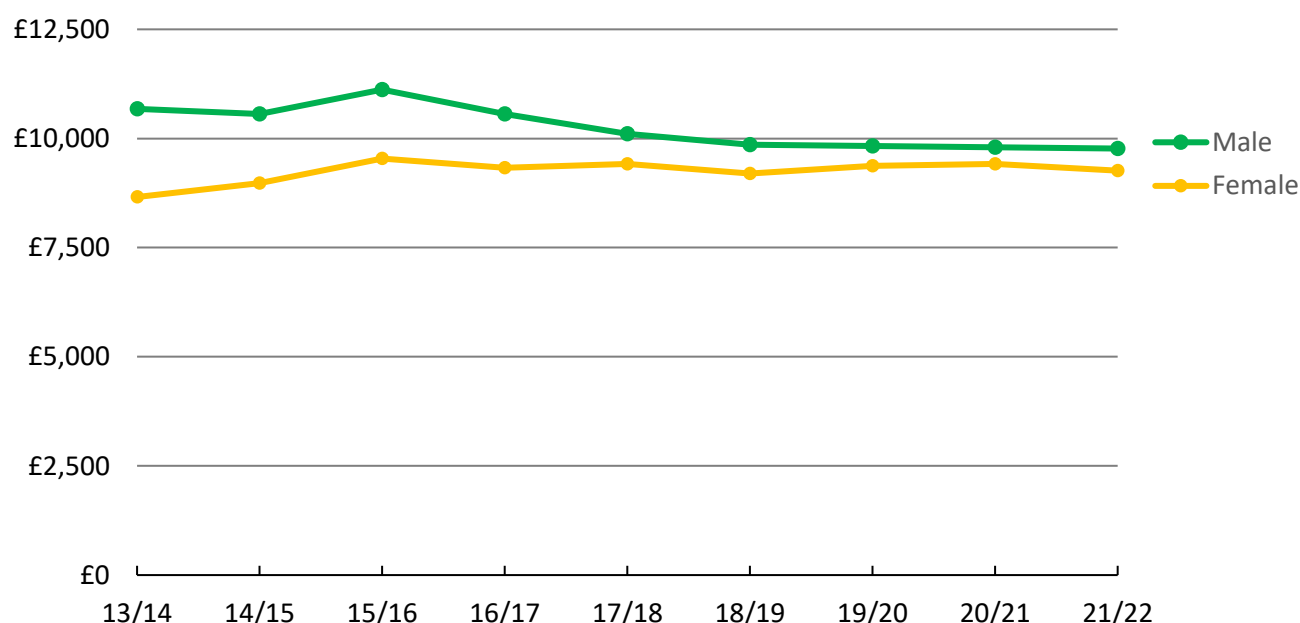
Wage level range

Chart 1 also 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; for 2021/22 half of all full-time employees earned between £7,740 and £12,710. One notable trend is that the gap between the upper and lower quartiles is still smaller in 2021/22 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.

Differences in wage levels between women and men

Chart 2 shows inflation-adjusted median wages from employment broken down by male and female employees, between 2013/14 and 2021/22. For every year, the male median wage was higher than the female median wage, but the gap between the two has narrowed in recent years. This is also likely due in part to the completion of the construction of the Airport, since the construction workers employed were predominantly male, relatively higher paid, and many of them either left St Helena or found alternative employment following completion.

Chart 2. Median real gross annual wages from employment, male and female 2013/14 to 2021/22, in constant 2021/22 prices (i.e. adjusted for inflation)



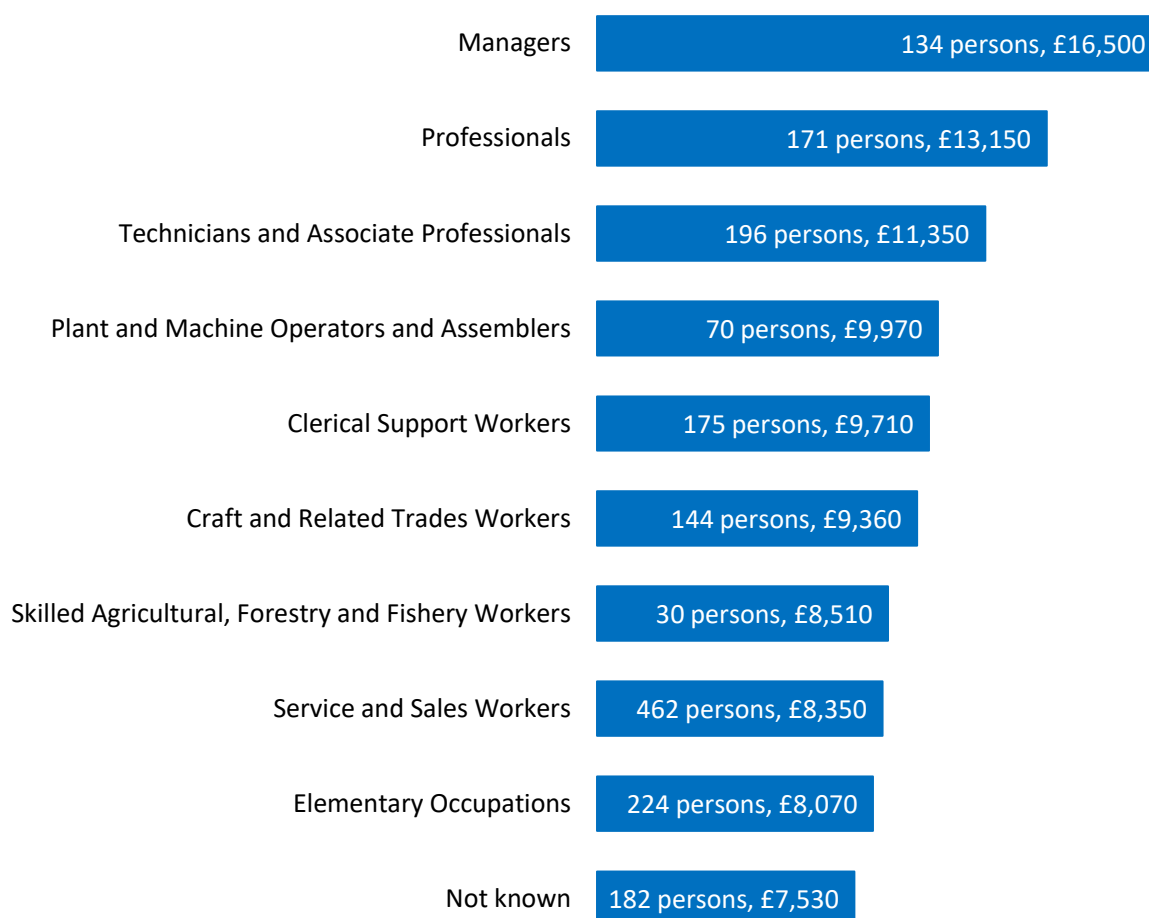
Average wage levels by occupation

Employees have been classified into their main occupational grouping using the International Standard Classification of Occupations published by the United Nations (International Labour

Organisation).¹ Chart 3 shows estimates of median wages in each of these major groupings, for 2021/22, excluding TC Officers.

The groups of occupations with the highest wages, on average, were managers, professionals, and technicians and associate professionals. These groups accounted for 501 employees, or 28% of non-TC employees. The occupations with the lowest wages, on average, were skilled agricultural, forestry and fisheries workers, services and sales workers, and elementary occupations (this group includes unskilled labourers). These groups accounted for 716 employees, or 40% of non-TC Officers.

Chart 3. Median real gross annual wages from employment by occupational grouping, 2021/22



¹ <https://www.ilo.org/public/english/bureau/stat/isco/isco08/>

Average wage levels by industry

Employees have been classified into their main industry grouping using the International Standard Industrial Classification published by the United Nations.² Chart 4 shows estimates of median wages in each major grouping, for non-TC employees.

In 2021/22 the groups of industries with the highest wages, on average, were Finance, Information, Communication and Real Estate, and Public Administration. The industries with the lowest wages, on average, were Construction, Agriculture, Forestry and Fishing, and Accommodation and Food Service Activities.

Chart 4. Median real gross annual wages from employment by industry, 2021/22

Finance, insurance, information, communication, real estate	74 persons, £14,330
Public administration	249 persons, £12,690
Arts, entertainment, recreation and other service activities	23 persons, £10,340
Quarrying, manufacturing, electricity, water and sanitation	106 persons, £10,220
Transportation and storage	113 persons, £9,450
Education	136 persons, £9,140
Human health and social work activities	254 persons, £9,120
Professional, scientific, technical, administrative and support service activities	46 persons, £8,920
Wholesale and retail trade, repair of motor vehicles & motorcycles	385 persons, £8,900
Construction	120 persons, £8,620
Agriculture, forestry, fishing	70 persons, £8,070
Accommodation and food service activities	34 persons, £7,720
Not known	178 persons, £8,370

² <https://unstats.un.org/unsd/classifications/Econ/isc>

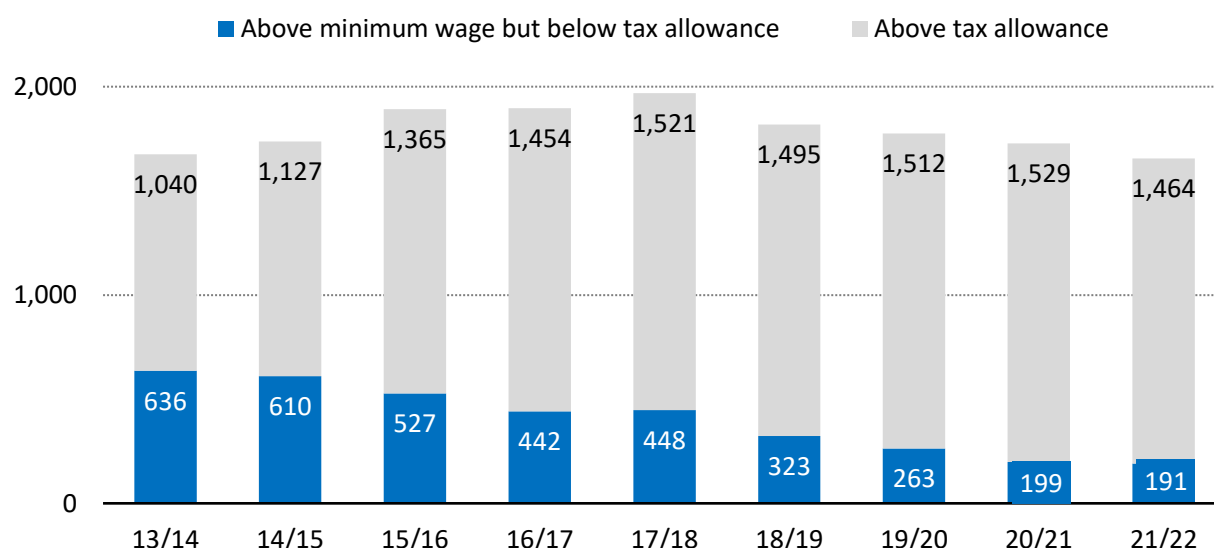
Numbers of persons in full-time employment

Chart 5 shows the number of persons earning income from full-time employment (excluding TC Officers) that were above the minimum wage, broken down into two groups: those with wages from full-time employment above and below the income tax allowance.³

The total estimated number of persons with wages from full-time employment rose to 1,969 in 2017/18, the year when the new airport was opened and most construction activities were completed. Since then, the number has fallen slightly each year; in 2021/22, there were an estimated 1,655 persons with wages from full-time employment.

The number of full-time employees above the income tax allowance of £7,000 decreased in 2021/22 to 1,464, 65 people (or 4.3%) lower than in 2020/21. The number of people earning above the minimum wage but not earning enough to pay income tax fell to 191 in 2021/22.

Chart 5. Number of employees above the minimum wage, 2013/14 to 2021/22



Get the data

The complete set of statistics on average gross incomes from employment from 2013/14 to 2021/22 is available at www.sainthelena.gov.sh/statistics in the 'Economy' section.

Methodology

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

³ Personal income below the income tax allowance is not subject to income tax.

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. Only incomes that are high enough to represent full-time employment from a 35 hour working week are included.

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 2021/22 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 2013/14 was £7,890 per year. But prices were not the same in 2021/22 as they were in 2013/14; an employee would need to have earned £9,760 a year to buy the same amount of goods and services in 2020/21 that they could buy in 2013/14 with £7,890. So £9,760 is the average gross income in 2013/14 stated in 2021/22 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 Minimum Wage (this a change from the Income Related Benefit level for a single adult that was used in previous statistics on wage levels). Incomes that were assessed for income tax using an allowance of half a year or less 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.

Methodology improvements

Several improvements to the dataset and to the methodology have been made in this release, compared to previous years, to improve both the accuracy and usefulness of the estimates.

- Employees have been classified by their main occupation and industry, enabling improved disaggregation of the estimates.
- Incomes that include payments from private pension schemes have been excluded from the analysis, where they have been identified.
- Only annual incomes that are higher than the minimum wage have been included, to further reduce the number of part-time and part-year incomes in the dataset. This replaces the previous methodology, which used a cut-off threshold set at the level of Income Related Benefit for a single adult, roughly around 60-70% of the minimum wage.

The combined impact of these methodology changes is that the estimates of annual full-time wages have been revised upwards (see Table 1), for all previous years.

Table 1. Nominal median annual gross wages from full-time employment, 2012/13 to 2021/22, comparison of previous estimates with estimates using revised methodology

	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Previous method	6,750	7,060	7,310	7,660	8,260	8,490	8,410	8,690	8,880	8,760
New method	..	7,890	8,070	8,650	8,810	8,890	9,030	9,390	9,430	9,460
Change	..	11.8%	10.4%	12.9%	6.7%	4.7%	7.4%	8.1%	6.2%	8.0%

Contact us and find out more

The team at the Statistics Office currently comprises **Neil Fantom**, Statistical Commissioner, and **Kelly Clingham** and **Justine Joshua**, Senior Statistical Assistants. 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). 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.