

Income and Expenditure Survey (IES) 2010/2011

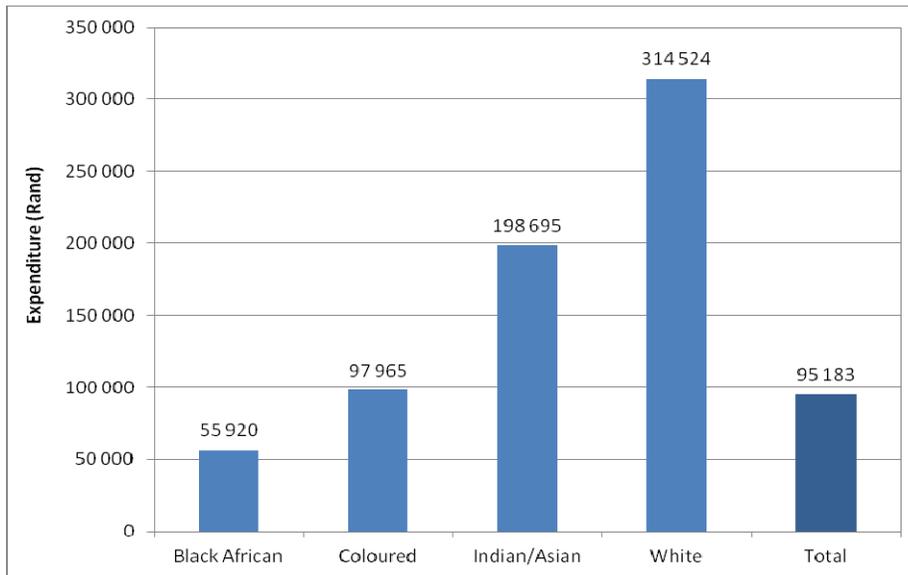
Press Statement

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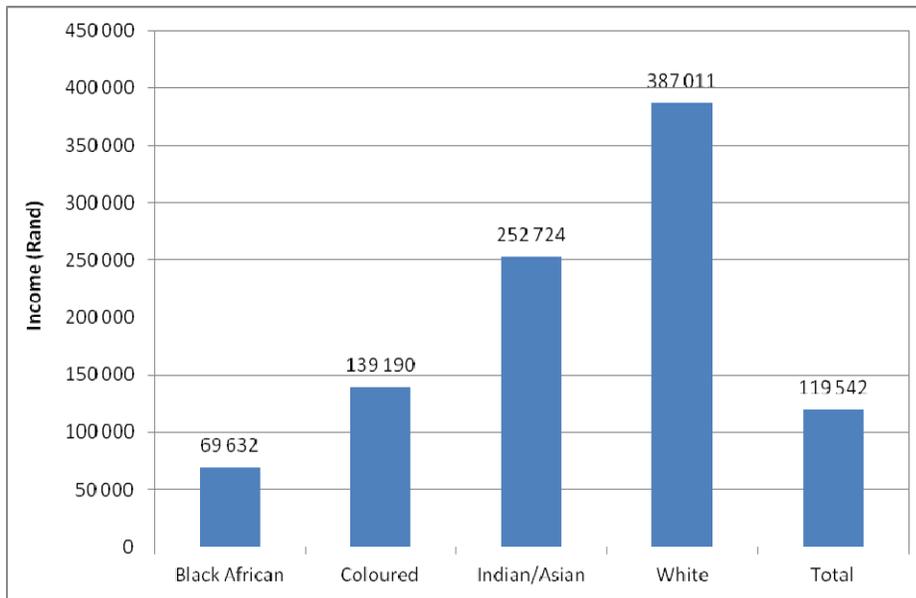
Household expenditure and income in South Africa is on the increase according to the results of the Income and Expenditure Survey (IES) 2010/2011 which was conducted by Statistics South Africa (Stats SA) between September 2010 and August 2011.

According to the findings, average household consumption expenditure in South Africa increased from R56 152 in 2005/2006 to approximately R95 183 in 2010/2011 (a nominal increase of 69,5%). In constant 2011 prices, we see a real increase in spending of 24,6% or roughly R18 779 per annum. The main components of consumption expenditure for South African households remain housing (including water, electricity and other utilities), transport, food and miscellaneous goods and services (such as personal care items and insurance). Average levels of expenditure remain significantly different across the population groups as illustrated in Figure 1. The average for households headed by black Africans was R55 920, while the average for coloured-headed households was R97 965. Indian/Asian-headed households had an average of R198 695 per annum and white-headed households had an average of R314 524.

Figure 1: Average annual household consumption expenditure by population group of household head



Looking at the income side, the average annual household income according to the IES 2010/2011 was R119 542. This reflects a real increase of 16,7% from IES 2005/2006. As shown in Figure 2, average levels of income also remain significantly different across the population groups. The average for households headed by black Africans was R69 632, while the average for coloured-headed households was R139 190. Indian/Asian-headed households had an average of R252 724 per annum and white-headed households had an average of R387 011, more than 5.5 times the income of the average black African-headed household.

Figure 2: Average annual household income by population group of household head

Despite the tremendous gap between the population groups in average household income, there has been significant growth in income in non-white households. When converted to constant 2011 prices, Indian/Asian-headed households showed a 36,8% increase, closely followed by black African-headed households at 34,5%. Households headed by coloureds saw a 27,7% increase in income, while white-headed households saw only a 0,4% real increase per annum.

At face value, the average household income from the IES 2010/2011 is significantly larger than that reported by Census 2011. However, one needs to bear in mind that the household income figure generated by the IES 2010/2011 includes an imputed rent amount for owner occupied dwellings. If one strips out those amounts from the IES 2010/2011, the average household income in IES 2010/2011 and Census 2011 is very similar, R99 992 versus R103 204 respectively.

Even though South Africans are seeing increases to their income, overall there are still very high levels of inequality across and within population groups. It is important to note that while almost everyone reported making financial gains between the two surveys, the majority of the population are doing so from a relatively low base (i.e. big percentage gains do not necessarily translate into big Rand gains).

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