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### **Impressive shift in living standards trends**

The proportion of South African adults with the lowest living standards fell from 11% in 2001 to 1% in 2011. In the same period, the proportion of people with the highest living standards increased from 5% to 6%, according to the South African Institute of Race Relations.

These trends are captured using Living Standards Measures (LSMs), a marketing tool designed by the South African Advertising Research Foundation (SAARF).

LSMs cut across race, sex, age and other variables to categorise people according to their living standards. People are grouped according to objective criteria, such as whether they are urbanised, own motor vehicles or major appliances, or have running water or a flush toilet in or outside the house. Income is not used to determine a person's LSM. LSM 1 is the lowest or poorest category and LSM 10 the highest.

In 2001 the greatest proportion of adults (14.3%) were classified as being in LSM 3. In 2011 the proportion of people in LSM 3 had dropped to 6.1% and the greatest proportion of adults (22.4%) were grouped in LSM 6.

Over the last decade there has been a general migration from the bottom three (1-3) to the middle four (4-7) LSMs, showing a general increase in living standards.

A researcher at the Institute, Georgina Alexander, said, 'The improvement can be attributed in part to the increase in the number of people receiving social payments, such as old-age pensions and the child support grant. In particular, the number of recipients of the child grant increased by 1200% between 2001 and 2010/11. In 2001 some 8% of South Africans were beneficiaries of grants. This proportion increased to 29% in 2010/11 and accounted for 10% of government expenditure.'

<b>LSMs, change over time, 2001 and 2011</b>										
	<i>Proportion in LSM</i>									
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
<b>2001</b>	10.5%	14.0%	14.3%	13.8%	12.5%	12.6%	6.0%	5.8%	5.4%	5.1%
<b>2011</b>	1.0%	5.1%	6.1%	12.2%	17.4%	22.4%	11.5%	8.4%	8.9%	6.2%

Source: SAARF, *AMPS 2010*, March 2011; *Eighty20*, *XtracT* based on *AMPS 2011B*, Jan 2011-Dec 2011 data

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