



**PIETERMARITZBURG**  
ECONOMIC JUSTICE & DIGNITY

Economic justice through the lens of human dignity



# HOUSEHOLD AFFORDABILITY INDEX

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**JANUARY 2020**

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In cooperation with the Heinrich Böll Foundation Southern Africa.

 **HEINRICH BÖLL STIFTUNG**  
**SOUTHERN AFRICA**

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### **About the Household Affordability Index**

The Household Affordability Index has been designed in conversation with women living on low incomes in Pietermaritzburg. Its purpose is to provide a lens into the affordability crisis facing households living on low incomes by looking at wage and social grant levels and the costs of goods and services reasonably expected to be covered by this low income. It further provides a measure of inflation as experienced by households living on low incomes.

The research conversations, data collection and analysis are located in Pietermaritzburg however the Household Affordability Index may provide a reasonable sense of the affordability crisis and inflationary pressures for working class households across South Africa.

We release the Household Affordability Index monthly. We welcome its use and distribution and hope that it may be of value in the struggle for economic justice. We are open to feedback on how we might make the Household Affordability Index more accessible and useful. Please contact us should you wish to have a conversation, for media enquiries and for further data, information, and analysis.

### **About the Pietermaritzburg Economic Justice & Dignity Group**

The Pietermaritzburg Economic Justice & Dignity Group is a Civil Society initiative founded in July 2018. This initiative focusses on issues of economic justice, the low-wage regime and on the increasing household affordability and food price crisis, with its attendant nutritional deficiencies, health and developmental consequences, and the lack of imaginative policy and systemic responses to deal with this crisis.

The Pietermaritzburg Economic Justice & Dignity Group envisions and work towards *a society of solidarity, based on a politics of love and universality, and an economy which provides justice, equity, and dignity for all.*

# 1. JANUARY 2020 Summary Data Reference Sheet

## Summary of Pietermaritzburg Economic Justice & Dignity Household Affordability Index Data

National Minimum Wage in January 2020		
<i>General workers at R20/hr</i>		<b>R3 520,00</b>
2 core expenses	% of wage	Rands
Transport to work (2 taxi RTN)	35,0%	R1 232,00
Prepaid electricity (350kWh)	17,0%	598,52
Total: transport + electricity	<b>52,0%</b>	<b>R1 830,52</b>
<i>Money remaining to secure all other expenses</i>		<b>R1 689,48</b>

Cost of Household Food Basket in January 2020		
Cost of Household Food Basket (7 members)		<b>R3 339,98</b>
Month-on-month change	4,4%	R140,11
Year-on-year change change	7,1%	R221,70

Cost of VAT on Household Food Basket in January 2020		
% VAT on the Household Food Basket		7,1%
Total VAT on the Household Food Basket		<b>R236,51</b>
In Jan 2020, VAT equivalent to price of <b>36kg</b> maize meal.		
<i>Households typically consume <b>35kg</b> maize meal/month.</i>		

Cost of core foods in Household Food Basket: <i>these foods are bought first &amp; essential to households</i>		
Core foods	Jan 2020 cost	Dec 2019 vs. Jan 2020 (%)
Maize meal (25kg + 10kg)	<b>R 226,23</b>	1%
Rice (10kg)	R 84,59	1%
Cake Flour (10kg)	R 75,19	4%
White sugar (10kg)	R 148,79	4%
Sugar beans (5kg)	R 88,39	1%
Samp (5kg)	R 35,39	2%
Cooking oil (5L)	R 93,79	6%
Salt (1kg)	R 15,39	0%
Potatoes (10kg)	R 69,98	15%
Onions (10kg)	R 55,30	4%
Frozen chicken pieces (10kg)	R 341,98	1%
Curry powder (200g)	R 28,19	5%
Stock cubes (24 cubes x2)	R 36,38	17%
Soup (400g x2)	R 29,58	17%
Tea (250g)	R 21,19	2%
<b>Subtotal of core foods</b>	<b>R 1 350,36</b>	<b>3,6%</b>

<b>Cost of Household Domestic and Personal Hygiene Products Basket in January 2020</b>	<b>R680,65</b>
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Cost of feeding a family a basic nutritious diet per month	
Household size with 4 members	R2 657,66
Household size with 5 members	R3 355,97
Household size with 7 members	<b>R4 649,40</b>
In January 2020, families with 7 members <b>underspent</b> on basic nutritious food by <b>28% (-R1 309,42)</b> .	

Cost of feeding a child a basic nutritious diet per month	
Small child aged 3-9 years	R607,20
Small child aged 10-13 years	<b>R652,75</b>
Girl child aged 14-18 years	R686,24
Boy child aged 14-18 years	R757,03
In Jan 2020, the Child Support Grant is set <b>23% below the food poverty line</b> and <b>34% below the cost to secure a basic nutritious diet</b> for a small child aged 10-13 years.	

## Summary of Statistics South Africa's Economic and Social Data

All South Africans	
Population size	58,8 million
Unemployment rate	29,1%
Expanded unemployment rate	<b>38,5%</b>
Numbers of people unemployed	10,3 million
Numbers of people employed	16,4 million
Number of people one wage supports	<b>3,6 people</b>
The median wage	R3 300,00
Median wage dispersed through a family	<b>R919,40</b>

Black South Africans	
Population size	47,4 million
Unemployment rate	32,8%
Expanded unemployment rate	<b>43,1%</b>
Numbers of people unemployed	9,3 million
Numbers of people employed	12,3 million
Number of people one wage supports	<b>3,9 people</b>
The median wage	R3 000,00
Median wage dispersed through a family	<b>R775,37</b>

White South Africans	
Population size	4,7 million
Unemployment rate	7,4%
Expanded unemployment rate	<b>9,3%</b>
Numbers of people unemployed	190 000
Numbers of people employed	1,9 million
Number of people one wage supports	<b>2,5 people</b>
The median wage	R12 500,00
Median wage dispersed through a family	<b>R4 995,16</b>

The maximum value of the National Minimum Wage [NMW]: general workers	R20 an hour
Level of NMW at 10% exemption	R18 an hour
The value of the Child Support Grant [CSG]	R430,00
The value of the Old-age Grant [OAG]	R1 780,00
The number of children receiving a CSG	12,3 million
The number of pensioners receiving an OAG	3,5 million
The upper bound poverty line [UBPL]	R1 227,00
The food poverty line [FPL]	R561,00

% of people living below the UBPL (30,4m)	55,5%
% of people living below the FPL (13,8m)	25,2%
% of Black South Africans living below the UBPL (±29,9m)	64,2%
Stunting levels in <i>boy children under 5 years</i>	30%
Stunting levels in <i>girl children under 5 years</i>	25%

Estimated overall HIV prevalence rate among population (7,97m)	13,5%
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*Any errors in data entry or calculations are our own. See reference page 13 for Statistics South Africa data references.*

*All efforts are made to source the latest available data.*

## 2. JANUARY 2020 Household Food Index

Foods tracked	Quantity tracked	Index 2019/20			change in Rands		change in %	
		Jan 2019	Dec 2019	Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020
Maize meal	25kg + 10kg	R 225,78	R 223,23	R 226,23	R 3,00	R 0,45	1%	0%
Rice	10kg	R 80,82	R 83,79	R 84,59	R 0,80	R 3,77	1%	5%
Cake Flour	10kg	R 78,16	R 72,39	R 75,19	R 2,80	-R 2,97	4%	-4%
White sugar	10kg	R 145,16	R 142,39	R 148,79	R 6,40	R 3,63	4%	3%
Sugar beans	5kg	R 87,33	R 87,59	R 88,39	R 0,80	R 1,07	1%	1%
Samp	5kg	R 30,16	R 34,59	R 35,39	R 0,80	R 5,23	2%	17%
Cooking oil	5L	R 84,49	R 88,79	R 93,79	R 5,00	R 9,30	6%	11%
Salt	1kg	R 14,19	R 15,39	R 15,39	R 0,00	R 1,20	0%	8%
Potatoes	10kg	R 77,97	R 60,74	R 69,98	R 9,24	-R 7,99	15%	-10%
Onions	10kg	R 51,18	R 53,41	R 55,30	R 1,89	R 4,12	4%	8%
Frozen chicken portions	10kg	R 314,98	R 336,94	R 341,98	R 5,05	R 27,00	1%	9%
Curry powder	200g	R 27,16	R 26,79	R 28,19	R 1,40	R 1,03	5%	4%
Stock cubes	24 cubes x2	R 35,98	R 31,18	R 36,38	R 5,20	R 0,40	17%	1%
Soup	400g x2	R 28,31	R 25,18	R 29,58	R 4,40	R 1,27	17%	4%
Tea	250g	R 29,32	R 20,79	R 21,19	R 0,40	-R 8,13	2%	-28%
Maas	4L	R 39,49	R 38,99	R 40,39	R 1,40	R 0,90	4%	2%
Eggs	60 eggs	R 88,47	R 87,59	R 89,79	R 2,20	R 1,32	3%	1%
Chicken feet	5kg	R 132,22	R 168,48	R 167,34	-R 1,14	R 35,12	-1%	27%
Gizzards	2kg	R 55,48	R 68,39	R 68,98	R 0,59	R 13,50	1%	24%
Beef	2kg	R 146,98	R 150,48	R 161,98	R 11,50	R 15,00	8%	10%
Wors	2kg	R 81,48	R 119,94	R 130,98	R 11,05	R 49,50	9%	61%
Inyama yangaphakathi	2kg	R 52,98	R 69,89	R 69,48	-R 0,41	R 16,50	-1%	31%
Tomatoes	6kg	R 72,49	R 84,99	R 96,49	R 11,50	R 24,00	14%	33%
Carrots	5kg	R 47,49	R 24,74	R 35,59	R 10,85	-R 11,90	44%	-25%
Butternut	10kg	R 47,13	R 52,84	R 51,13	-R 1,71	R 4,00	-3%	8%
Spinach	8 bunches	R 37,29	R 42,61	R 42,61	R 0,00	R 5,32	0%	14%
Cabbage	2 heads	R 25,98	R 24,98	R 31,98	R 7,00	R 6,00	28%	23%
Cremora	800g	R 34,32	R 30,99	R 32,59	R 1,60	-R 1,73	5%	-5%
Tinned pilchards	400g x6	R 93,64	R 96,55	R 98,16	R 1,61	R 4,53	2%	5%
Canned beans	410g x6	R 60,30	R 61,75	R 65,35	R 3,60	R 5,05	6%	8%
Bananas	4kg	R 47,29	R 34,96	R 47,96	R 13,00	R 0,67	37%	1%
Apples	1.5kg	R 24,99	R 19,99	R 23,99	R 4,00	-R 1,00	20%	-4%
Margarine	1kg x2	R 63,98	R 68,38	R 69,98	R 1,60	R 6,00	2%	9%
Peanut butter	400g x2	R 49,31	R 54,38	R 53,58	-R 0,80	R 4,27	-1%	9%
Polony	2.5kg	R 56,99	R 62,29	R 62,49	R 0,20	R 5,50	0%	10%
Apricot jam	900g x2	R 49,65	R 46,38	R 49,18	R 2,80	-R 0,47	6%	-1%
White bread	25 loaves	R 259,04	R 254,80	R 259,80	R 5,00	R 0,76	2%	0%
Brown bread	25 loaves	R 240,29	R 232,30	R 239,80	R 7,50	-R 0,49	3%	0%
<b>Total household food basket</b>		<b>R 3 118,28</b>	<b>R3 199,86</b>	<b>R3 339,98</b>	<b>R 140,11</b>	<b>R 221,70</b>	<b>4,4%</b>	<b>7,1%</b>

**Month-on-month:** The cost of the household food basket *increased* by R140,11 (4,4%) to R3 339,98 in January 2020.

**Year-on-year:** The cost of the household food basket *increased* by R221,70 (7,1%) from R3 118,28 in January 2019 to R3 339,98 in January 2020.

The household food basket has been designed together with women living on low incomes in Pietermaritzburg. It includes the foods and the volumes of these foods which women living in a household with seven members (the average low-income household size in Pietermaritzburg) tell us they typically try and secure each month. Food prices are sourced from supermarkets (5) and butcheries (4) that target the low-income market and which women identified as those they shop at. Food selection at the supermarket shelves mirrors how women themselves make decisions at the supermarket shelves *viz.* that the foods are chosen on relative affordability and reasonable quality. The date for data collection is between the 1st and 4th day of each month. There are 38 foods in the household food basket.

The household food index is designed with women living on low incomes to provide a sense of what the food baskets of low-income households cost in Pietermaritzburg and is specifically designed to measure food price inflation as experienced by households living on low incomes. Although located in Pietermaritzburg, the household food index may provide a picture into food price inflation as experienced by households living on low incomes in South Africa.

### 3. JANUARY 2020 Household Food Index: zero-rated vs. VAT

Foods tracked	Quantity tracked	Index 2019/20			change in Rands		change in %	
		Jan_2019	Dec_2019	Jan_2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020
<b>Zero-rated foods</b>								
Maize meal	25kg + 10kg	R225,78	R 223,23	R 226,23	R 3,00	R 0,45	1%	0%
Rice	10kg	R80,82	R 83,79	R 84,59	R 0,80	R 3,77	1%	5%
Samp	5kg	R30,16	R 34,59	R 35,39	R 0,80	R 5,23	2%	17%
Sugar beans	5kg	R87,33	R 87,59	R 88,39	R 0,80	R 1,07	1%	1%
Cooking oil	5L	R84,49	R 88,79	R 93,79	R 5,00	R 9,30	6%	11%
Maas	4L	R39,49	R 38,99	R 40,39	R 1,40	R 0,90	4%	2%
Eggs	60 eggs	R88,47	R 87,59	R 89,79	R 2,20	R 1,32	3%	1%
Potatoes	10kg	R77,97	R 60,74	R 69,98	R 9,24	-R 7,99	15%	-10%
Onions	10kg	R51,18	R 53,41	R 55,30	R 1,89	R 4,12	4%	8%
Tomatoes	6kg	R72,49	R 84,99	R 96,49	R 11,50	R 24,00	14%	33%
Carrots	5kg	R47,49	R 24,74	R 35,59	R 10,85	-R 11,90	44%	-25%
Butternut	10kg	R47,13	R 52,84	R 51,13	-R 1,71	R 4,00	-3%	8%
Spinach	8 bunches	R37,29	R 42,61	R 42,61	R 0,00	R 5,32	0%	14%
Cabbage	2 heads	R25,98	R 24,98	R 31,98	R 7,00	R 6,00	28%	23%
Tinned pilchards	400g x6	R93,64	R 96,55	R 98,16	R 1,61	R 4,53	2%	5%
Bananas	4kg	R47,29	R 34,96	R 47,96	R 13,00	R 0,67	37%	1%
Apples	1.5kg	R24,99	R 19,99	R 23,99	R 4,00	-R 1,00	20%	-4%
Brown bread	25 loaves	R240,29	R 232,30	R 239,80	R 7,50	-R 0,49	3%	0%
Cake Four*	10kg	R78,16	R 72,39	R 75,19	R 2,80	-R 2,97	4%	-4%
<b>Subtotal of zero-rated foods</b>		<b>R1 480,44</b>	<b>R 1 445,07</b>	<b>R 1 526,75</b>	<b>R 81,68</b>	<b>R 46,31</b>	<b>5,7%</b>	<b>3,1%</b>
<b>VATable foods</b>								
White sugar	10kg	R145,16	R 142,39	R 148,79	R 6,40	R 3,63	4%	3%
Frozen chicken portions	10kg	R314,98	R 336,94	R 341,98	R 5,05	R 27,00	1%	9%
Chicken feet	5kg	R132,22	R 168,48	R 167,34	-R 1,14	R 35,12	-1%	27%
Gizzards	2kg	R55,48	R 68,39	R 68,98	R 0,59	R 13,50	1%	24%
Beef	2kg	R146,98	R 150,48	R 161,98	R 11,50	R 15,00	8%	10%
Wors	2kg	R81,48	R 119,94	R 130,98	R 11,05	R 49,50	9%	61%
Inyama yangaphakathi	2kg	R52,98	R 69,89	R 69,48	-R 0,41	R 16,50	-1%	31%
Salt	1kg	R14,19	R 15,39	R 15,39	R 0,00	R 1,20	0%	8%
Stock cubes	24 cubes x2	R35,98	R 31,18	R 36,38	R 5,20	R 0,40	17%	1%
Soup	400g x2	R28,31	R 25,18	R 29,58	R 4,40	R 1,27	17%	4%
Curry powder	200g	R27,16	R 26,79	R 28,19	R 1,40	R 1,03	5%	4%
Tea	250g	R29,32	R 20,79	R 21,19	R 0,40	-R 8,13	2%	-28%
Cremora	800g	R34,32	R 30,99	R 32,59	R 1,60	-R 1,73	5%	-5%
Canned beans	410g x6	R60,30	R 61,75	R 65,35	R 3,60	R 5,05	6%	8%
Margarine	1kg x2	R63,98	R 68,38	R 69,98	R 1,60	R 6,00	2%	9%
Peanut butter	400g x2	R49,31	R 54,38	R 53,58	-R 0,80	R 4,27	-1%	9%
Polony	2.5kg	R56,99	R 62,29	R 62,49	R 0,20	R 5,50	0%	10%
Apricot jam	900g x2	R49,65	R 46,38	R 49,18	R 2,80	-R 0,47	6%	-1%
White bread	25 loaves	R259,04	R 254,80	R 259,80	R 5,00	R 0,76	2%	0%
<b>Subtotal of VATable foods</b>		<b>R1 637,84</b>	<b>R 1 754,80</b>	<b>R 1 813,23</b>	<b>R 58,43</b>	<b>R 175,38</b>	<b>3,3%</b>	<b>10,7%</b>
Vatable foods (excl. VAT)		R1 424,21	R1 525,91	R1 576,72	R 50,81	R152,51	3,3%	10,7%
<b>VAT total</b>		<b>R213,63</b>	<b>R228,89</b>	<b>R236,51</b>	<b>R7,62</b>	<b>R22,88</b>	<b>3,3%</b>	<b>10,7%</b>
<b>Total household food basket</b>		<b>R3 118,28</b>	<b>R3 199,86</b>	<b>R3 339,98</b>	<b>R140,11</b>	<b>R221,70</b>	<b>4,4%</b>	<b>7,1%</b>

**Month-on-month:** The **zero-rated foods** in the household food basket **increased** by R81,68 (5,7%) to R1 526,75 in January 2020.

**Year-on-year:** The **zero-rated foods** in the household food basket **increased** by R46,31 (3,1%) from R1 480,44 in January 2019 to R1 526,75 in January 2020.

**Month-on-month:** The **foods subject to VAT** in the household food basket **increased** by R58,43 (3,3%) to R1 813,23 in January 2020.

**Year-on-year:** The **foods subject to VAT** in the household food basket **increased** by R175,38 (10,7%) from R1 637,84 in January 2019 to R1 813,23 in January 2020.

**19/38** foods in the total household food basket are subject to VAT. Foods subject to VAT make up **54%** of the total cost of the household food basket. VAT on the total household food basket came to **R236,51 in January 2020**. This means **7.1%** of the household food basket is made up of VAT. \* Note that regulation on zero-rating cake flour was effected in April 2019.

#### 4. JANUARY 2020 Household Domestic & Personal Hygiene Index

Products tracked	Quantity tracked	Index 2019/20			change in Rands		change in %	
		Jan_2019	Dec_2019	Jan_2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020
Green bar soap	8 bars	R 50,65	R 47,58	R 49,18	R 1,60	-R 1,47	3%	-3%
Washing powder	3kg	R 60,99	R 54,19	R 58,19	R 4,00	-R 2,80	7%	-5%
Dishwashing liquid	750ml	R 24,99	R 24,99	R 27,39	R 2,40	R 2,40	10%	10%
Handy Andy	750ml	R 21,99	R 21,79	R 22,59	R 0,80	R 0,60	4%	3%
Jik	750ml	R 21,49	R 22,19	R 23,39	R 1,20	R 1,90	5%	9%
Jeyes Fluid	500ml	R 34,82	R 36,19	R 36,19	R 0,00	R 1,37	0%	4%
Toilet paper	24 rolls	R 87,16	R 93,79	R 91,79	-R 2,00	R 4,63	-2%	5%
Bath soap	500g x 2	R 25,98	R 23,98	R 27,18	R 3,20	R 1,20	13%	5%
Toothpaste	100ml x3	R 39,97	R 41,37	R 41,77	R 0,40	R 1,80	1%	5%
Vaseline	500g	R 27,82	R 27,24	R 31,49	R 4,25	R 3,67	16%	13%
Cream	big bottle x2	R 35,31	R 34,38	R 34,38	R 0,00	-R 0,93	0%	-3%
Roll-on deodorant	x4	R 62,64	R 61,97	R 67,57	R 5,60	R 4,93	9%	8%
Spray-on deodorant	big spray x 3	R 67,47	R 69,58	R 74,97	R 5,39	R 7,50	8%	11%
Sanitary pads*	2 big packs	R 81,31	R 70,38	R 70,38	R 0,00	-R 10,93	0%	-13%
Shoe Polish	100ml	R 24,89	R 24,39	R 24,19	-R 0,20	-R 0,70	-1%	-3%
<b>Total household domestic and hygiene products</b>		<b>R 667,49</b>	<b>R 654,00</b>	<b>R 680,65</b>	<b>R 26,65</b>	<b>R 13,16</b>	<b>4,1%</b>	<b>2,0%</b>

**Month-on-month:** The cost of the household domestic and personal hygiene products basket *increased* by R26,65 (4,1%) to R680,65 in January 2020.

**Year-on-year:** The cost of the household domestic and personal hygiene products basket *increased* by R13,16 (2%) from R667,49 in January 2019 to R680,65 in January 2020.

Domestic and personal hygiene products are critical expenses for safe food preparation and overall household health, well being and for dignity. It means that, like food, these must be secured every month. Women living on low incomes tell us that the money needed to secure domestic and personal hygiene products are sourced from within the food budget. It means that these products compete with the food budget. Because of this, a more realistic cost of the monthly household food basket should add domestic and personal hygiene products to the food costs.

\* Note that regulation on zero-rating sanitary pads was effected in April 2019.

## 5. JANUARY 2020 Basic Nutritional Food Index: families

By number of family members	Index 2019/20			change in Rands		change in %	
	Jan_2019	Dec_2019	Jan_2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020
Four (4)	R2 560,45	R2 460,48	R2 657,66	R 197,18	R 97,21	8,0%	3,8%
Five (5)	R3 234,25	R3 107,67	R3 355,97	R 248,30	R 121,72	8,0%	3,8%
Seven (7)	R4 480,20	R4 303,61	R4 649,40	R 345,79	R 169,20	8,0%	3,8%

**Month-on-month:** The cost of a **basic nutritional food basket for a family of 7 members increased** by R345,79 (8%) to R4 649,40 in January 2020.

**Year-on-year:** The cost of a **basic nutritional food basket for a family of 7 members increased** by R169,20 (3,8%) from R4 480,20 in January 2019 to R4 649,40 in January 2020.

In **January 2020** the difference in cost between the foods which families living on low incomes try and buy each month (the household food basket) and the foods which families would like to buy and should buy to meet basic nutrition (a basic nutritional food basket) was **R3 339,98 vs. R4 649,40** (-R1 309,42).

It means that in **January 2020**, families with seven members underspent on basic nutritional food by **28%** (R1 309,42).

## 6. JANUARY 2020 Basic Nutritional Food Index: children

By age of child	Index 2019/20			change in Rands		change in %	
	Jan_2019	Dec_2019	Jan_2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020
Small child aged 3-9 years	R584,37	R559,68	R607,20	R 47,52	R 22,83	8,5%	3,9%
Small child aged 10-13 years	R629,08	R603,44	R652,75	R 49,31	R 23,67	8,2%	3,8%
Girl child aged 14-18 years	R661,58	R636,26	R686,24	R 49,98	R 24,66	7,9%	3,7%
Boy child aged 14-18 years	R730,13	R704,85	R757,03	R 52,18	R 26,90	7,4%	3,7%

**Month-on-month:** The cost of feeding a **small child aged 10-13 years a basic nutritious diet increased** by R49,31 (8,2%) to R652,75 in January 2020.

**Year-on-year:** The cost of feeding a **small child aged 10-13 years a basic nutritious diet increased** by R23,67 (3,8%) from R629,08 in January 2019 to R652,75 in January 2020.

As children grow older, their nutritional requirements increase. It means that the cost of feeding a child increases in price as a child grows older and is also different for teenage girls and boys.

The annual Government Child Support Grant increase was **R10** effected on the 1st of April 2019 and **R10** effected on the 1st of October 2019. The total value of the Child Support Grant as from October 2019 is **R430** per month. *This is a fixed value and does not increase as a child grows older.*

The food poverty line calculated by Statistics South Africa is **R561** per capita per month (latest April 2019).

In **January 2020** it cost **R652,75** to feed a small child aged 10-13 years a basic nutritious diet per month.

The Child Support Grant of R430 per month is set **below** the food poverty line and **further below** the cost to secure a basic nutritious diet for a small child.

In **January 2020**, the Child Support Grant is **23%** below the food poverty line and **34%** below the cost to secure a basic nutritious diet for a small child. This percentage deficit is higher for older children.

## 7. JANUARY 2020 Basic Nutritional Food Index: adults

By sex, activity level & lifestage	Index 2019/20			change in Rands		change in %	
	Jan_2019	Dec_2019	Jan_2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020	Dec 2019 vs. Jan 2020	Jan 2019 vs. Jan 2020
Adult women and Elderly women >65 yrs	R629,08	R603,44	R652,75	R 49,31	R 23,67	8,2%	3,8%
Very active women, Adult men and Elderly men >65 yrs	R661,58	R636,26	R686,24	R 49,98	R 24,66	7,9%	3,7%
Very active men and Pregnant & lactating women	R730,13	R704,85	R757,03	R 52,18	R 26,90	7,4%	3,7%

## 8. JANUARY 2020 Household Affordability Scenarios

Number of working days in January 2020 = 22 days\*

Affordability, in its simplest form, is relative to income levels and the cost of goods and services (expenses). Workers work to support their families. Workers, reasonably expect to cover the costs of goods and services needed for dignity and household functionality off their wages. In most Black South African households, only one family member works. This one wage must support, a reductive average of **3,9 persons in January 2020**. The baseline wages remunerated to most Black South African workers are very low. Divided by 4 persons, the wage becomes a poverty wage. The National Minimum Wage, coming into effect on 1st January 2019, set at R20 an hour for general workers, R18 for farmworkers and R15 for domestic workers is not going to be enough to change the low-wage trajectory.

*The introduction of a 10% reduction in the NMW via an exemption process, will make it even less likely for the NMW to change the lives of South African workers and their families. The affordability crisis faced by Black South African households will continue to deepen. **Where exemptions are granted, the R20 an hour for general workers will be reduced to R18 an hour; the R18 for farmworkers will be reduced to R16,20 an hour; and the R15 for domestic workers will be reduced to R13,50 an hour.***

The tables below provide various income scenarios for households with persons receiving a social grant and/or for workers remunerated at various wage and National Minimum Wage levels for different categories of workers, as well as for different number of days and hours worked. Because of our largely unchanged apartheid geography, the costs of transport to get to work and back home eats away at the value of the low wage, leaving very little money to secure food and other critical expenses. Prepaid electricity costs also are a major household expense. Both services have increased markedly, with Pietermaritzburg electricity costs increasing by 13,07% in July 2019 and water by 9,6% in July 2019. Taxi fares increased by ±7,7% in August 2019. By subtracting transport to work and electricity costs, we are then able to see the money remaining to secure other essential goods and services costs [highlighted in tables as *money remaining to secure all other expenses*].

Households do not prioritise paying for food first out of the remaining goods and services which households need to secure. However we include food costs in the calculations because all other critical expenses, some of which households deem non-negotiable like debt servicing, scholar transport and education and burial insurances, and other important expenses like those of household domestic and personal hygiene products all compete viciously for the money remaining in the household purse. The last row in the tables highlights the *minimum surplus/shortfall on food costs*: **it is this figure which shows the extent of the shortfall in wages because in most of the scenarios shown in the tables below, workers and their families do not earn enough money to secure enough nutritious food to eat, let alone all the other critical expenses which we have excluded from our calculations.** The percentages shown as *minimum food shortfall* mean that households will be spending far less on food because other expenses must also be paid out of this remaining money. If households are not able to secure even food out of the money remaining than it is a stark indication of the deficiencies in low baseline wages and grants.

*The data in the tables are derived from the latest available Pietermaritzburg-based costs for expenses, relevant as at January 2020.*

*\*Note that 22 working days is probably a best case scenario - many workers will not work the full month or will work fewer days than normal with the partial or full closure of agriculture, businesses and industries, and reduction of work days of domestic work over the festive season, which can extend mid-way into January 2020.*



## 9. JANUARY 2020 National Minimum Wage Scenarios

### General Workers (all, excluding NMW defined workers)

Both scenario tables below calculate transport to work on 2 taxi fare, return (R14x4). The electricity charge is based on Msunduzi Municipality's prepaid tariffs (R1,71005 per kWh). The first table provides scenarios for the NMW at R20 an hour and the second table provides scenarios for the NMW at the 10% exemption rate at R18 an hour.

#### General Workers: at NMW

R20 an hour

Income	Wage scenario 1	Wage scenario 2	Wage scenario 3
Number of days worked	22	15	15
Number of hours worked	8	8	5
Remuneration rate	R20,00	R20,00	R20,00
Wage income	<b>R3 520,00</b>	<b>R2 400,00</b>	<b>R1 500,00</b>

	Wage scenario 1		Wage scenario 2		Wage scenario 3	
Wage income	<b>R3 520,00</b>		<b>R2 400,00</b>		<b>R1 500,00</b>	
Household expenses		% of wage		% of wage		% of wage
Transport to work (2 taxi, return)	R1 232,00	35,0%	R840,00	35,0%	R840,00	56,0%
Prepaid electricity (350kWh)	R598,52	17,0%	R598,52	24,9%	R598,52	39,9%
Total for transport + electricity	<b>R1 830,52</b>	<b>52,0%</b>	<b>R1 438,52</b>	<b>59,9%</b>	<b>R1 438,52</b>	<b>95,9%</b>
Money remaining to secure all other expenses	<b>R1 689,48</b>		<b>R961,48</b>		<b>R61,48</b>	
Subtract: food (4 persons)	R2 657,66		R2 657,66		R2 657,66	
<b>Minimum surplus/shortfall on food costs</b>	<b>-R968,18</b>	<b>-36,4%</b>	<b>-R1 696,18</b>	<b>-63,8%</b>	<b>-R2 596,18</b>	<b>-97,7%</b>

#### General Workers: at NMW exemption rate of 10%

R18 an hour

Income	Wage scenario 1	Wage scenario 2	Wage scenario 3
Number of days worked	22	15	15
Number of hours worked	8	8	5
Remuneration rate	R18,00	R18,00	R18,00
Wage income	<b>R3 168,00</b>	<b>R2 160,00</b>	<b>R1 350,00</b>

	Wage scenario 1		Wage scenario 2		Wage scenario 3	
Wage income	<b>R3 168,00</b>		<b>R2 160,00</b>		<b>R1 350,00</b>	
Household expenses		% of wage		% of wage		% of wage
Transport to work (2 taxis, return)	R1 232,00	38,9%	R840,00	38,9%	R840,00	62,2%
Prepaid electricity (350kWh)	R598,52	18,9%	R598,52	27,7%	R598,52	44,3%
Total for transport + electricity	<b>R1 830,52</b>	<b>57,8%</b>	<b>R1 438,52</b>	<b>66,6%</b>	<b>R1 438,52</b>	<b>106,6%</b>
Money remaining to secure all other expenses	<b>R1 337,48</b>		<b>R721,48</b>		<b>-R88,52</b>	
Subtract: food (4 persons)	R2 657,66		R2 657,66		R2 657,66	
<b>Minimum surplus/shortfall on food costs</b>	<b>-R1 320,18</b>	<b>-49,7%</b>	<b>-R1 936,18</b>	<b>-72,9%</b>	<b>-R2 746,18</b>	<b>-103,3%</b>

### Year-on-year comparison of NMW deficit for General Workers rate of R20 an hour.

Workers work to support their families. Workers reasonably expect that their wages will cover the real costs of several core basic goods and services. To be productive in the workplace, workers need to secure basic goods and services for their families. These goods and services need to be paid for out of the wages earned by the worker.

The graph below shows the deficit in the value of the NMW year-on-year in relation to the cost of three core goods and services (transport to work and back, electricity and food) out of a myriad of expenses which workers need to secure each month.

	January 2019	January 2020	Year-on-year	
			change in ZAR	change in %
<b>Wage income</b>	<b>R3 520,00</b>	<b>R3 520,00</b>		
<b>Household expenses</b>				
Transport to work (2 taxi, return)	R1 144,00	R1 232,00	R88,00	7,7%
Prepaid electricity (350kWh)	R529,34	R598,52	R69,18	13,1%
Basic nutritional food basket (4 persons)	R2 560,45	R2 657,66	R97,21	3,8%
<b>Total</b>	<b>R4 233,79</b>	<b>R4 488,18</b>	<b>R254,39</b>	<b>6,0%</b>
<b>Deficit/shortfall of NMW (Rands)</b>	<b>-R713,79</b>	<b>-R968,18</b>	<b>-R254,39</b>	<b>35,6%</b>
<b>Deficit/shortfall of NMW (%)</b>	<b>-16,86%</b>	<b>-21,6%</b>		<b>-4,7%</b>

**Year-on-year:** The cost of the **3 core expenses critical for worker productivity** (transport, electricity and food) **increased** by 6% (R254,39) from R4 233,79 in January 2019 to R4 488,18 in January 2020.

The **deficit in the NMW** required to cover *just* the 3 core expenses critical for worker productivity **widened** to 21,6% in January 2020. In January 2020, workers were short R968,18 to pay for transport, electricity and food).

**Year-on-year:** Transport increased by 7,7%, and in January 2020 took up 35% (R1 232,00) of the NMW.

**Year-on-year:** Prepaid electricity increased by 13,1% and in January 2020 took up 17% (R598,52) of the NMW.

*Combined transport and electricity took up 52% (R1 830,52) of the NMW in January 2020.*

A widening of the minimum deficit in the NMW by **4,7%** year-on-year, where workers in January 2020 now face a **21,6%** shortfall in their pockets to secure just the 3 core expenses, **provides evidence of a wage level that sees workers worse off this year than they were the year before.**

*Workers have to cutback further on food and go into deeper levels of debt to cover expense shortfalls.*

### The required annual rate of increase on the NMW in January 2020 had the wage rate reflected worker expenses in January 2019.

The graph below shows what the required annual rate of increase on the NMW rate would have been to meet inflationary increases on transport, electricity & food costs year-on-year if the baseline rate had reflected worker expenses in January 2019.

	January 2019	January 2020	Year-on-year	
			change in ZAR	change in %
Hourly rate of NMW (on an 8 hour, 22 day month)	Rate/hr	Rate/hr		
	<b>R24,06</b>	<b>R25,50</b>	<b>R1,45</b>	<b>6,0%</b>

*Note that an increase of 6% is not transformative (it does not move workers forward), it simply ensures that workers are in a position to buy this year what they bought last year. For a National Minimum Wage to be transformative the annual amount would have to increase above the inflation levels faced by workers.*

### The required rate of increase on the NMW to address the deficit in the NMW for January 2020.

Because the level at which the NMW was set and introduced in January 2019 was far below any actual cost of worker expenses: one year on, the annual increase - just to keep pace with inflation - and just to meet transport, electricity and food costs as experienced by workers is now much higher than what it should have been, had the level been more reflective of what workers require to at least cover their core expenses.

	January 2019	January 2020	Year-on-year	
			change in ZAR	change in %
Hourly rate of NMW (on an 8 hour, 22 day month)	Rate/hr	Rate/hr		
	<b>R20,00</b>	<b>R25,50</b>	<b>R5,50</b>	<b>27,5%</b>

In **January 2020** the **NMW rate per hour** would have had to **increase by 27,5% (R5,50)** just to allow a worker to cover her/his expenses of transport to get to work and back, prepaid electricity and food.

*The level at which the NMW is set is important. A poverty level NMW cannot be an instrument that will help South Africa's economy and social situation recover or move us into a new social and economic trajectory.*

## Domestic workers

Both scenario tables below calculate transport to work on 2 taxi fares, return (R14x4). The electricity charge is based on Msunduzi Municipality's prepaid tariffs (R1,71005 per kWh). The first table provides scenarios for the NMW at R15 an hour and the second table provides scenarios for the NMW at the 10% exemption rate at R13,50 an hour.

### Domestic workers: at NMW

R15 an hour

Income	Wage scenario 1	Wage scenario 2	Wage scenario 3
Number of days worked	22	15	15
Number of hours worked	8	8	5
Remuneration rate	R15,00	R15,00	R15,00
Wage income	<b>R2 640,00</b>	<b>R1 800,00</b>	<b>R1 125,00</b>

	Wage scenario 1	Wage scenario 2	Wage scenario 3
<b>Wage income</b>	<b>R2 640,00</b>	<b>R1 800,00</b>	<b>R1 125,00</b>
<b>Household expenses</b>			
		% of wage	% of wage
Transport to work (2 taxi, return)	R1 232,00	46,7%	R840,00
Prepaid electricity (350kWh)	R598,52	22,7%	R598,52
Total for transport + electricity	R1 830,52	69,3%	R1 438,52
<i>Money remaining to secure all other expenses</i>	<b>R809,48</b>		<b>R361,48</b>
Subtract: food (4 persons)	R2 657,66		R2 657,66
<b>Minimum surplus/shortfall on food costs</b>	<b>-R1 848,18</b>	<b>-69,5%</b>	<b>-R2 296,18</b>
			<b>-86,4%</b>
			<b>-R2 971,18</b>
			<b>-111,8%</b>

### Domestic workers: at NMW exemption rate of 10%

R13,50 an hour

Income	Wage scenario 1	Wage scenario 2	Wage scenario 3
Number of days worked	22	15	15
Number of hours worked	8	8	5
Remuneration rate	R13,50	R13,50	R13,50
Wage income	<b>R2 376,00</b>	<b>R1 620,00</b>	<b>R1 012,50</b>

	Wage scenario 1	Wage scenario 2	Wage scenario 3
<b>Wage income</b>	<b>R2 376,00</b>	<b>R1 620,00</b>	<b>R1 012,50</b>
<b>Household expenses</b>			
		% of wage	% of wage
Transport to work (2 taxis, return)	R1 232,00	51,9%	R840,00
Prepaid electricity (350kWh)	R598,52	25,2%	R598,52
Total for transport + electricity	R1 830,52	77,0%	R1 438,52
<i>Money remaining to secure all other expenses</i>	<b>R545,48</b>		<b>R181,48</b>
Subtract: food (4 persons)	R2 657,66		R2 657,66
<b>Minimum surplus/shortfall on food costs</b>	<b>-R2 112,18</b>	<b>-79,5%</b>	<b>-R2 476,18</b>
			<b>-93,2%</b>
			<b>-R3 083,68</b>
			<b>-116,0%</b>

### Year-on-year comparison of NMW deficit for Domestic Workers rate of R15 an hour.

Domestic Workers have to pay the same expenses as General Workers. The National Minimum Wage rate for Domestic Workers is 75% of the rate for General Workers, a Rand-value of R15 per hour.

The graph below shows the deficit in the value of the NMW year-on-year in relation to the cost of three core goods and services (transport to work and back, electricity and food) out of a myriad of expenses which Domestic Workers need to secure each month.

	January 2019	January 2020	Year-on-year	
			change in ZAR	change in %
<b>Wage income</b>	<b>R2 640,00</b>	<b>R2 640,00</b>		
<b>Household expenses</b>				
Transport to work (2 taxi, return)	R1 144,00	R1 232,00	R88,00	7,7%
Prepaid electricity (350kWh)	R529,34	R598,52	R69,18	13,1%
Basic nutritional food basket (4 persons)	R2 560,45	R2 657,66	R97,21	3,8%
<b>Total</b>	<b>R4 233,79</b>	<b>R4 488,18</b>	<b>R254,39</b>	<b>6,0%</b>
<b>Deficit/shortfall of NMW (Rands)</b>	<b>-R1 593,79</b>	<b>-R1 848,18</b>	<b>-R254,39</b>	<b>16,0%</b>
<b>Deficit/shortfall of NMW (%)</b>	<b>-37,64%</b>	<b>-41,18%</b>		<b>-3,5%</b>

**Year-on-year:** The cost of the **3 core expenses critical for worker productivity** (transport, electricity and food) **increased** by 6% (R254,39) from R4 233,79 in January 2019 to R4 488,18 in January 2020.

The **deficit in the NMW** required to cover *just* the 3 core expenses critical for worker productivity **widened** to 41,18% in January 2020. In January 2020, workers were short R1 848,18 to pay for transport, electricity and food).

**Year-on-year:** Transport increased by 7,7%, and in January 2020 took up 46,7% (R1 232,00) of the NMW.

**Year-on-year:** Prepaid electricity increased by 13,1% and in January 2020 took up 22,7% (R598,52) of the NMW.

*Combined transport and electricity took up **69,3%** (R1 830,52) of the Domestic Worker NMW in January 2020.*

A widening of the minimum deficit in the NMW by **3,5%** year-on-year, where workers in January 2020 now face a **41,18%** shortfall in their pockets to secure just the 3 core expenses, **provides evidence of (1) a wage level that sees workers worse off this year than they were the year before; and (2) a horrifyingly ill-conceived wage level.**

*Workers have to cutback further on food and go into deeper levels of debt to cover expense shortfalls.*

### The required annual rate of increase on the NMW in January 2020 had the wage rate reflected worker expenses in January 2019.

The graph below shows what the required annual rate of increase on the NMW rate would have been to meet inflationary increases on transport, electricity & food costs year-on-year if the baseline rate had reflected worker expenses in January 2019.

	January 2019	January 2020	Year-on-year	
			change in ZAR	change in %
Hourly rate of NMW (on an 8 hour, 22 day month)	Rate/hr	Rate/hr		
	<b>R24,06</b>	<b>R25,50</b>	<b>R1,45</b>	<b>6,0%</b>

*Note that an increase of 6% is not transformative (it does not move workers forward), it simply ensures that workers are in a position to buy this year what they bought last year. For a National Minimum Wage to be transformative the annual amount would have to increase above the inflation levels faced by workers.*

### The required rate of increase on the NMW to address the deficit in the NMW for January 2020.

Because the level at which the NMW was set and introduced in January 2019 was far below any actual cost of worker expenses: one year on, the annual increase - just to keep pace with inflation - and just to meet transport, electricity and food costs as experienced by Domestic Workers is now much higher than what it should have been, had the level been more reflective of what Domestic Workers require to at least cover their core expenses.

	January 2019	January 2020	Year-on-year	
			change in ZAR	change in %
Hourly rate of NMW (on an 8 hour, 22 day month)	Rate/hr	Rate/hr		
	<b>R15,00</b>	<b>R25,50</b>	<b>R10,50</b>	<b>70,0%</b>

In **January 2020** the **NMW rate per hour** would have had to **increase by 70% (R10,50)** just to allow a worker to cover her/his expenses of transport to get to work and back, prepaid electricity and food.

*Equalising the Domestic Worker NMW rate with that of General Workers is urgent.*

## 10. JANUARY 2020 Social Grant Scenarios

### Pensioners and mothers caring for children

The first scenario includes a household receiving an old-age grant (R1 780) and two child support grants (R430x2); and the second scenario includes a household receiving only an old-age grant. Under expenses we have included burial insurance and transport costs to town to collect grant monies, shop and access public health care services.

	Wage scenario 1		Wage scenario 2	
	1 OAG + 2 CSGs		1 OAG	
<b>Wage income</b>	<b>R2 640,00</b>		<b>R1 780,00</b>	
<b>Household expenses</b>		<b>% of wage</b>		<b>% of wage</b>
Burial insurance	R275,00	10,4%	R275,00	15,4%
Transport other	R154,00	5,8%	R154,00	8,7%
Prepaid electricity (350kWh)	R598,52	22,7%	R598,52	33,6%
Total for insurance + transport + electricity	<b>R1 027,52</b>	<b>38,9%</b>	<b>R1 027,52</b>	<b>57,7%</b>
Money remaining to secure all other expenses	<b>R1 612,48</b>		<b>R752,48</b>	
Subtract: food costs (4 persons)	R2 657,66		R2 657,66	
<b>Minimum surplus/shortfall on food costs</b>	<b>-R1 045,18</b>	<b>-39,3%</b>	<b>-R1 905,18</b>	<b>-71,7%</b>

## 11. Other Low-wage Scenarios

For households with a worker who is paid at the median wage for Black South Africans, or a higher rate than the NMW, or for households with more than one worker, or for households with multiple income streams

	Wage scenario 1		Wage scenario 2		Wage scenario 3	
<b>Wage income</b>	<b>R3 000,00</b>		<b>R3 500,00</b>		<b>R4 500,00</b>	
<b>Household expenses</b>		<b>% of wage</b>		<b>% of wage</b>		<b>% of wage</b>
Transport to work (2 taxi, return)	R1 232,00	41,1%	R1 232,00	35,2%	R1 232,00	27,4%
Prepaid electricity (350kWh)	R598,52	20,0%	R598,52	17,1%	R598,52	13,3%
Total for transport + electricity	<b>R1 830,52</b>	<b>61,0%</b>	<b>R1 830,52</b>	<b>52,3%</b>	<b>R1 830,52</b>	<b>40,7%</b>
Money remaining to secure all other expenses	<b>R1 169,48</b>		<b>R1 669,48</b>		<b>R2 669,48</b>	
Subtract: food (4 persons)	R2 657,66		R2 657,66		R2 657,66	
<b>Minimum surplus/shortfall on food costs</b>	<b>-R1 488,18</b>	<b>-56,0%</b>	<b>-R988,18</b>	<b>-37,2%</b>	<b>R11,82</b>	<b>0,4%</b>

	Wage scenario 4		Wage scenario 5		Wage scenario 6	
<b>Wage income</b>	<b>R6 000,00</b>		<b>R8 000,00</b>		<b>R12 500,00</b>	
<b>Household expenses</b>		<b>% of wage</b>		<b>% of wage</b>		<b>% of wage</b>
Transport to work (2 taxi, return)	R1 232,00	20,5%	R1 232,00	15,4%	R1 232,00	9,9%
Prepaid electricity (350kWh)	R598,52	10,0%	R598,52	7,5%	R598,52	4,8%
Total for transport + electricity	<b>R1 830,52</b>	<b>30,5%</b>	<b>R1 830,52</b>	<b>22,9%</b>	<b>R1 830,52</b>	<b>14,6%</b>
Money remaining to secure all other expenses	<b>R4 169,48</b>		<b>R6 169,48</b>		<b>R10 669,48</b>	
Subtract: food (4 persons)	R2 657,66		R2 657,66		R2 657,66	
<b>Minimum surplus/shortfall on food costs</b>	<b>R1 511,82</b>	<b>56,9%</b>	<b>R3 511,82</b>	<b>132,1%</b>	<b>R8 011,82</b>	<b>301,5%</b>

## 12. JANUARY 2020 Expenses for Households Living on Low incomes

The scenarios in the previous pages used a few limited expenses (transport, electricity and food) to show the deficiencies in low baseline wages and social grants. In the NMW and Social Grant scenarios most households could not secure food whilst also securing the typically non-negotiable expenses of transport and electricity. However, the affordability crisis facing households is worse than reflected in the NMW and Social Grant scenarios because households require a myriad of other goods and services to live at a dignified level. It means that if there is a shortfall on food costs, then for sure the money available to be spent on food will be much lower than reflected in the scenario tables as all other expenses have to compete with the remaining money after transport to work and prepaid electricity tokens have been paid, and only some of this money will be allocated to secure food.

Women living on low incomes have told us that expenses are relative to the needs and dreams of individual families, viz. families have different priorities on how they spend their money. However, women agreed that there are a number of expenses which are typically common to most families living on low incomes. Here women identified and prioritised what they said were typical non-negotiable expenses, these include: transport (to work, for scholar transport to school, to go to town to shop, and to access public health care services), electricity (to cook food, keep the lights on, keep warm and for security), education for children (so children can have a brighter future than their parents experienced), burial insurance (so that at least in death there can be a semblance of dignity) and the repayment of debt because households cannot get through the month on the level of income coming into the home and so servicing debt is critical to secure credit going forward. After these expenses, there are a myriad of other essential expenses which households must cover, not least of all food and domestic and personal hygiene products.

Below we provide several Pietermaritzburg-based costs of a range of goods and services expenses which households on low incomes may typically be expected to cover. The cost data is not complete and excludes many potential expenses. Its purpose is however to provide a sense of what some important household expenses cost in Pietermaritzburg for households living on low incomes and further provides insight into what level of income households living on low incomes may require to live at a basic level of dignity.

The table below provides a picture of what a more extensive expense list may look like and cost for a family of four (4) members living on a low income in Pietermaritzburg for **January 2020**.

Several typical household expenses	For	Cost
Burial insurance	Family	R275,00
Transport to work (2 taxi, return)	1 Adult	R1 232,00
Transport to shops and to access public health services	Family	R154,00
Transport to school (omalume)	1 Child	R600,00
Prepaid electricity (350kWh)**	Family	R598,52
Debt servicing on food (minimum)	Family	R300,00
School fees (reasonable quality primary school)*	1 Child	R1 000,00
Water (flat rate, unmetered households)	Family	R131,58
Food	Family	R2 657,66
Domestic and personal hygiene products	Family	R680,65
Airtime	Family	R300,00
'Savings' into stokvels/mholiswano, stamps etc.	Family	R200,00
<b>Total for typical expenses</b>		<b>R8 129,41</b>

The tally of the cost of some typical monthly household expenses which households living on low incomes reasonably expect to cover is **R8 129,41 in January 2020**. It is clear that on low wages and low grants, these expense costs are well beyond the affordability capacity of most households living on low incomes. Households cut back on food (one of the few expenses we have some level of control over) and take on debt to cover expense shortfalls.

*\*January incurs atypical education costs of buying school uniforms, shoes, stationery and other learning resources. These costs are not included in the above table but incur a substantial expense to households, who have to find an additional ±R1000-R2000 to cover these mostly non-negotiable costs. Most households no longer have a savings buffer. They have to go into deeper levels of debt to finance education-related expenses in January. Women tell us this means they start the New Year in a very bad position. The extra January debts are large, they add on to the current debt, and they cause monthly debt repayments to be larger. These debt repayments eat away at the money available to secure basic monthly expenditures. Women are finding it harder to repay these debts.*

*\*\*Electricity blackouts or loadshedding incur additional costs for households.*

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