

Press Release



SOUTH AFRICAN
INSTITUTE OF
RACE RELATIONS

South Africa's Leading Research and Policy Organisation

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Living standards on the up

The proportion of adults with the lowest living standards has decreased by 77% over the last ten years according to the latest *South Africa Survey*, published by the South African Institute of Race Relations last week.

Using Living Standards Measures (LSMs), a marketing tool developed by the South African Advertising Research Foundation, the *Survey* shows that in 2001, one in ten (11%) adults were in LSM 1, the lowest living standard category. By 2010 this had fallen to only 2%.

Over the same period, the proportion of adults in the top three LSM categories, LSMs 8 to 10, has increased by 25%. In 2001, 16% of adults were in LSMs 8 to 10, while by 2010 this had increased to 20%, or one in five adults.

LSMs use criteria such as whether people are urbanised or whether they own motor vehicles and major appliances to determine standards of living. Income is not used to determine a person's LSM.

The research manager at the Institute, Ms Lucy Holborn, said that despite high unemployment and shortcomings in service delivery, living standards have actually improved significantly over the past decade.

'There are, however, still notable racial discrepancies. In 2001, Africans made up 99.7% of those in LSM 1, but only 3% of those in LSM 10. In 2010 Africans made up 98% of those in LSM 1, and 19% in LSM 10. Of adults in LSM 10, 65% were white. The data shows that the racial differences have narrowed slightly, with more representation of Africans in the top LSM groups than ten years ago, demonstrating a growing African middle class,' Ms Holborn added.

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