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SA's income inequality remains high, but middle and upper class growth offers hope – UCT report

Two-thirds of the population still live in households earning less than R8 000 per month

South Africa's middle and upper classes are growing and becoming more economically inclusive, but challenges remain. The latest [report](#) from the University of Cape Town's (UCT) [Liberty Institute of Strategic Marketing](#), titled "Social Mobility in South Africa," revealed that while the middle and upper classes are expanding, they are also becoming more racially and economically diverse. However, millions of South Africans continue to face poverty, with over 17 million citizens living in households earning less than R3 500 per month.

Using Stats SA's General Household Survey (GHS) data, the UCT Liberty Institute analysed household income bands to segment the South African population into six groups. These groups are primarily defined by government-set income thresholds, such as those used for social grant eligibility. The report offered a clear perspective on the progress – or stagnation – of different socioeconomic segments by focusing on household income.

The report highlighted significant changes within the middle and upper-income brackets. For instance, the number of Black South Africans living in households earning above R22 000 per month has tripled from 1.7 million in 2012 to 5.6 million in 2022. Similarly, in the same period, the number of Coloured South Africans in the upper-income brackets doubled to 1.1 million by 2022.

"While South Africa's middle and upper classes are growing, the broader picture remains concerning, especially as the country continues on a skills-biased trajectory," said Dr James Lappeman, co-author and researcher at the UCT Liberty Institute of Strategic Marketing.

Despite these gains, two-thirds of the population still live in households earning less than R8 000 per month, which together account for only 20% of total consumer income. This income disparity remains one of the country's most significant challenges.

Paul Egan, the co-author of the report, stated: "Of course, one cannot dismiss the impact of inflation when it comes to our analysis, but two things are clear: despite all the challenges, the middle and upper classes in South Africa are growing, and the economy is simply not

creating enough jobs. The current situation is unlikely to change without substantial progress in creating opportunities.”

ENDS

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