

# How South Africans are coping with the increase in the cost of living

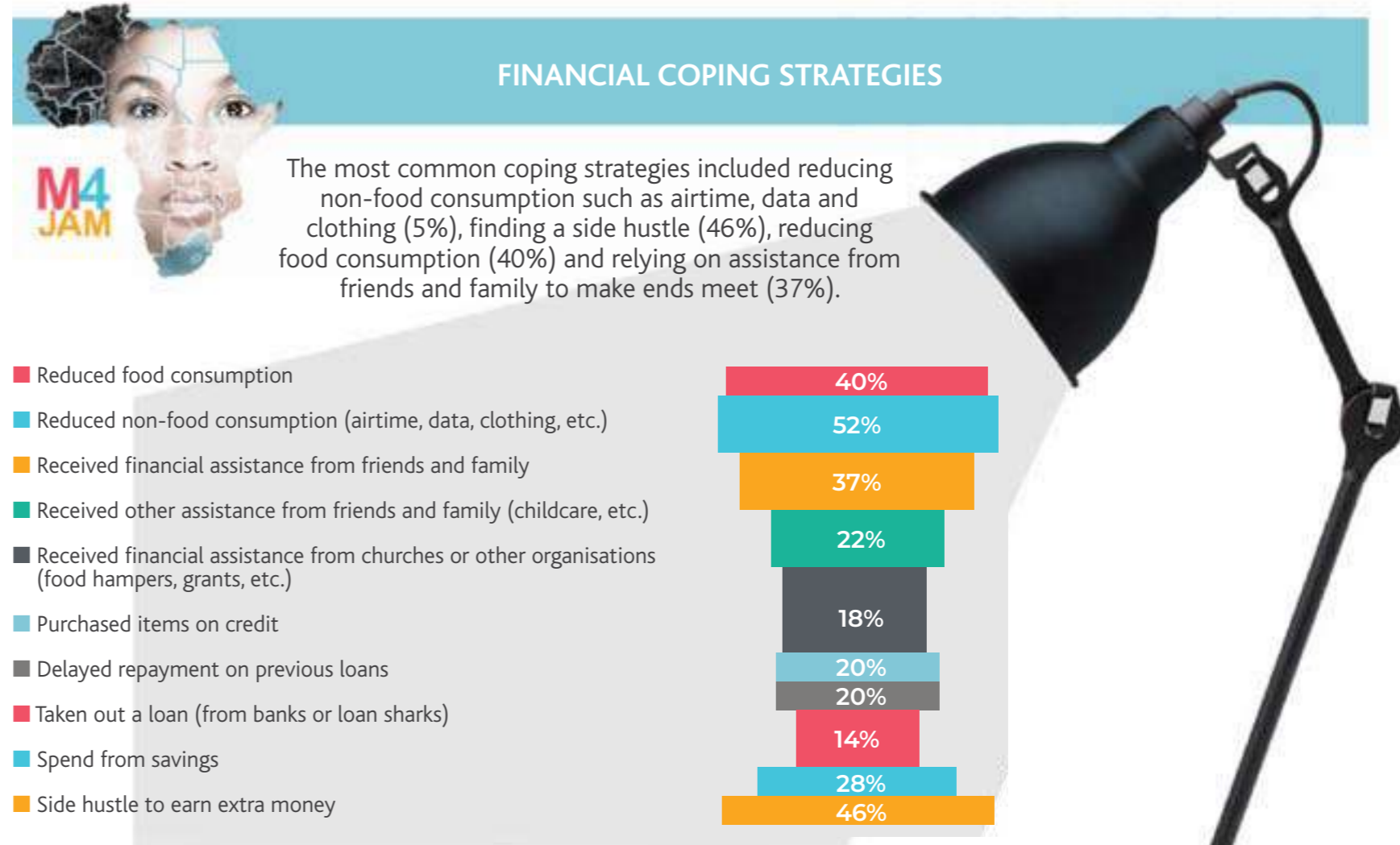
After a full year of battling the Covid-19 pandemic, the cost of living for South Africans has become an issue that is as pressing as the country's need for vaccination rollout. For many, who have either lost regular work as a result of lockdown restrictions and social distancing or cannot find work thanks to economic devastation, rising costs are threatening their survival.

A survey run by gig technology company, M4Jam has found that those with little to no regular household income are finding it harder to get by in 2021. 86% of survey respondents – from among M4Jam's registered jobbers, who contract for temporary and short-term work via the platform – were aged 18-34, with 20% earning no regular household income from the formal economy.

72% of those who took the survey were from households with monthly income up to R25 600, while 36% had no personal income and 77% earned up to R12 800 personally.

The survey responses paint a worrying picture of affordability for the millions of South Africans being pushed toward the poverty line by a pandemic that has forced the closure of businesses by the hundreds.

"Most of the qualitative feedback from our jobbers pointed to personal financial crises which



*Disclaimer: The findings presented here summarise the results of an informal and non-scientific survey conducted by M4Jam, which was completed by 1 000 jobbers. This information is NOT intended as a substitute for formal research conducted by the South African Government or any council thereof.*

reflect an economy which was technically in recession even before Covid-19 made its presence felt," says M4Jam CEO Georgie Midgley.

"While we are pleased to be in a position to help some South Africans find work via our tech

platform, the reality is that the availability of work in our economy is insufficient to make a meaningful dent in the unemployment rate. We can only hope for an acceleration in the rollout of vaccines both locally and abroad, and a swift end to

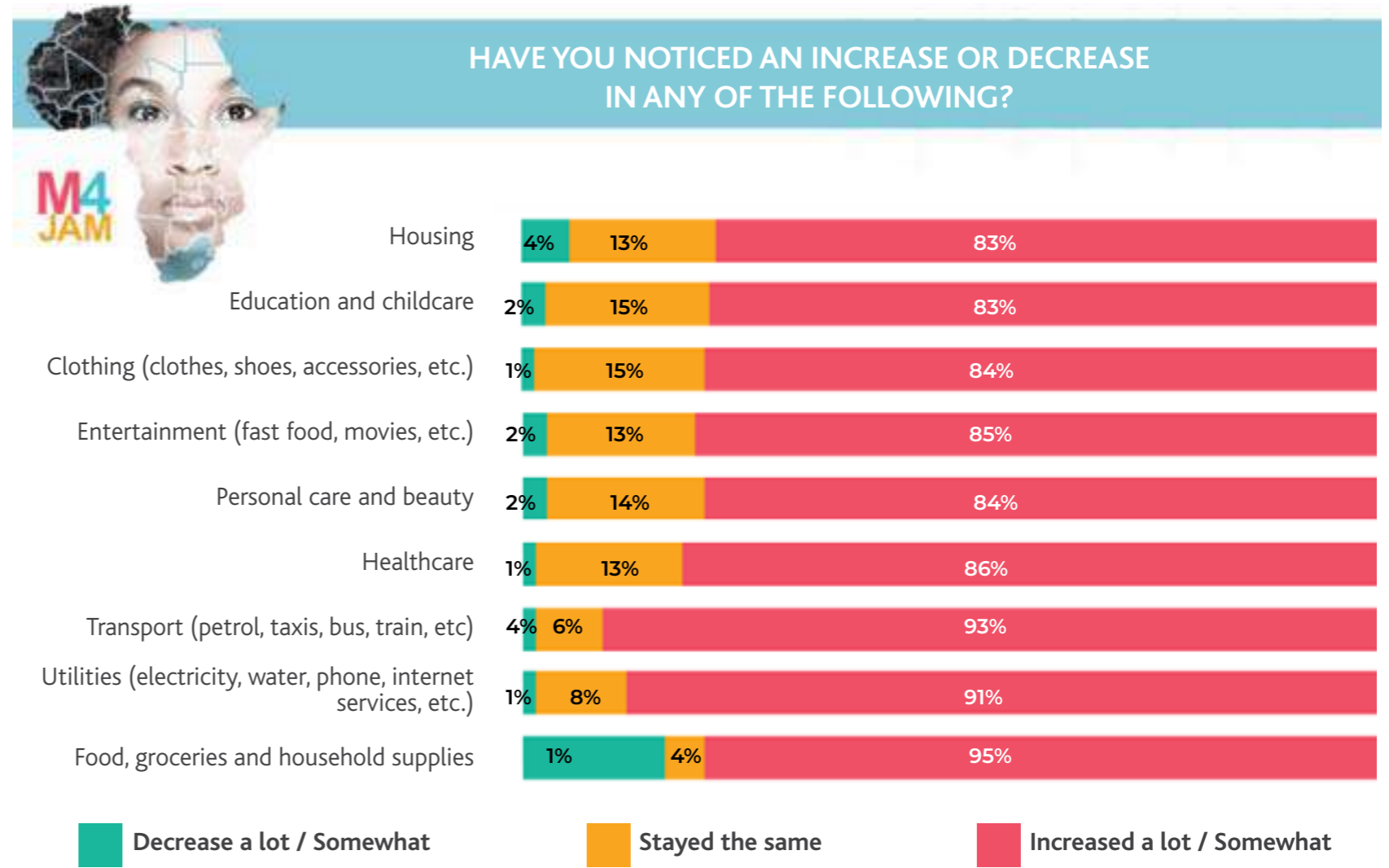
economically devastating restrictions on business.”

The graphic on the right shows the respondents replies when asked about any noticeable increases or decreases in the cost of living.

Weighing up salary or earnings increases against rising costs, 26% said their earnings had remained static, while 33% saw their monthly earnings reduce and 42% received an increase. 30% of respondents were breadwinners, while 70% either relied on a partner in their household to contribute toward costs or had no income. 81% of respondents said that before Covid-19 they were able to save some money monthly. What is interesting to note is that of those who managed to save, 86% were aged 18-34.

Calculating how much the cost of household essentials like food, utilities and transport had grown since the onset of Covid-19, 32% of respondents said their monthly costs had risen by up to R800, while 17% had watched their monthly costs rise between R800 and R2 000. 10% said their spending on essentials had inflated by more than R2 000 per month.

84% said they had cut down spending on essential items like groceries, healthcare services and beauty products in order to get by, while 93% had cut back on non-essential items like fast food and alcohol. The most common coping strategies included reducing non-food consumption such as airtime, data and clothing (52%), finding a side hustle (46%), reducing food consumption (40%) and relying on assistance from friends and family to make ends meet (37%).



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Purchasing items on credit, extending payment terms, taking loans and accepting help from charitable organisations like churches were other ways South Africans were staying solvent. 47% said they had turned to platforms like M4Jam in attempts to find alternative income streams, while 25% had managed to keep their jobs, 12% lost their jobs and have been unable to find new ones, 7% lost their jobs and found others and 9% do not intend finding jobs in the formal sector – instead, relying on various side hustles to keep going.

“One positive aspect of the Covid-19 pandemic

is that we have seen a will to help from all quarters of the economy and the country. Opportunities are being created wherever possible and charitable organisations have done incredible work in helping to stave off poverty,” says Midgley. **SR**

**About M4Jam**

M4Jam is a Gig technology company that connects organisations to communities through its mobile platform which enables businesses to quickly and cost-effectively evaluate, activate and optimise new or existing markets, even in the hardest to reach informal communities. M4jam has been an award winner in the World Summit Awards in 2020 and 2021.

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