Impact of the COVID-19 pandemic on employment and income in South Africa

20 May 2020

Risenga Maluleke
### Background

<table>
<thead>
<tr>
<th>Survey status</th>
<th>To provide information on the impact the COVID-19 pandemic has had on employment, income and hunger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection criteria</td>
<td>Non-probability convenience sample</td>
</tr>
<tr>
<td>Number of respondents</td>
<td><strong>2 688</strong>. Only residents of SA and persons 18 years and older</td>
</tr>
<tr>
<td>Collection period</td>
<td>29 April to 6 May 2020</td>
</tr>
</tbody>
</table>
Females made up the bulk of the respondents

Respondent characteristics - Sex

2 688 Respondents

1118* Male

41.6%

1547* Female

57.6%

*23 people indicated other
The largest proportion of participants were black African (57.6%), followed by white (35.2%), coloured (8.6%), and Indian/Asian (4.4%).
Results on Employment
The majority of respondents (almost 70%) indicated that they were in paid employment before the national lockdown, followed by those in self-employment at 15.3%.
60.2\% of respondents were employed on a permanent basis during the national lockdown, 5.2\% said their business closed down, while less than 2\% lost their job due to COVID-19.

**Employment situation during the national lockdown**

- Employed on a permanent basis: 60.2\%
- Self-employed: 9.5\%
- Employed on a contract basis: 7.9\%
- Looking for a job or trying to start a business: 7.5\%
- My business closed down because of COVID-19: 5.2\%
- Not working and not seeking work: 4.0\%
- Unspecified: 3.3\%
- Lost job because of COVID-19: 1.9\%
- Helped unpaid in a household business: 0.3\%
Of the 2% of respondents that lost their jobs almost 70% of those reported it was due to their place of work or business shutting down or due to lack of customers.

---

**Main reason for job loss or business closure during national lockdown**

- Place of work shut down/ business closed: 38.3%
- Lack of clients or customers: 30.6%
- Other: 10.9%
- Lack of financial support: 9.3%
- Laid-off/redundancy: 6.7%
- Lack of capital or materials: 3.1%
- Dismissed: 1.0%
Before the national lockdown, the majority of respondents indicated that they had worked from non-residential buildings, while only 1.4% of those in employment worked from home.

Place of work before national lockdown

<table>
<thead>
<tr>
<th>Place of Work</th>
<th>Before Lockdown</th>
<th>During Lockdown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-residential building</td>
<td>95.6%</td>
<td>15.1%</td>
</tr>
<tr>
<td>My own home</td>
<td>1.4%</td>
<td>77.9%</td>
</tr>
<tr>
<td>Other</td>
<td>1.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>No fixed location/mobile</td>
<td>1.3%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

During the national lockdown, most of those who worked did so from their own homes (77.9%) and only 15.1% worked from non-residential buildings.
47.0% of those who had paid jobs or businesses during the national lockdown do not think they will lose their jobs or close their businesses in the four weeks succeeding the survey interview due to COVID-19.

**Loss of job or business closure in the four weeks succeeding the survey interview due to COVID-19**

- Yes: 4.0%
- No: 47.0%
- Not sure: 15.6%
- Unspecified: 33.3%
Results on income and hunger
Respondents who reported income from salaries and wages decreased by 9,9% points.

Proportion of respondents by income source before and during lockdown

The percentage of respondents who reported no income increased from 5,2% before the lockdown to 15,4% by the sixth week of national lockdown.
25.8% of respondents reported a decrease in their income. 

Percentage distribution of respondents by whether or not their income was impacted during the national lockdown.

- Income Reduced: 25.8%
- Income Stayed the same: 56.2%
- Too soon to tell: 11.2%
- Income Increased: 0.9%
38.6% reported that they were spending less per week during the lockdown compared to before the national lockdown.

Percentage distribution of respondents by the type of change in their weekly spending behaviour during the national lockdown as compared to before the lockdown:

- Spending less: 38.6%
- Spending about the same: 19.5%
- Spending more: 35.8%
The main coping mechanisms used to fill income gaps for respondents who reported a reduction in their income was the reduction of spending.

Proportion of respondents whose income reduced by the coping strategies used to fill the income gap

- Reduced my spending: 74.9%
- Accessed savings (including stokvels): 51.7%
- Relied on extended family members, friends and community: 36.8%
- Claimed from Unemployment Insurance Fund (UIF): 14.6%
- Claimed for the loss of income for businesses from the initiatives announced by government: 7.2%
- Do not know: 4.8%
- Relied on social relief from the government or NGOs: 3.0%
- Claimed from non-UIF retrenchment policies: 1.0%
- Other: 14.4%
- None: 7.6%

Multiple responses allowed
67.7% of respondents stated that they are more concerned about the potential long-term impact of the COVID-19 pandemic on their financial situation.

Percentage distribution of respondents by their concern regarding the impact COVID-19 will have on their financial situation:

- More concerned about short-term impact: 12.3%
- More concerned about long-term impact: 67.7%
- Not concerned at all: 3.5%
- Too soon to tell: 10.5%
Since the start of the national lockdown, the proportion of respondents who reported experiencing hunger increased from 4.3% to 7.0%.

Proportion of respondents who reported experiencing hunger before and during the national lockdown

Before lockdown

Experiencing hunger: NO

89.2%

Experiencing hunger: YES

4.3%

During lockdown

Of respondents whose income reduced, 1 out of 10 (11.4%) reported going hungry during the lockdown

86.6%

7.0%
Ndzi hela kwala!