

# SUBJECTIVE POVERTY IN SOUTH AFRICA

FINDINGS FROM THE INCOME &  
EXPENDITURE SURVEY, 2022/2023

Report: 03-10-31



IMPROVING LIVES THROUGH DATA ECOSYSTEMS



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## **SUBJECTIVE POVERTY IN SOUTH AFRICA**

Findings from the Income & Expenditure Survey, 2022/2023

Statistics South Africa, 2026

Mr Risenga Maluleke, Statistician-General

Report No.03-10-31

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/ Statistics South Africa

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## **Preface**

This report presents the subjective poverty levels based on data collected by Stats SA through the Income & Expenditure Survey (IES) 2022/23. The first report on subjective poverty in South Africa by Stats SA was released in 2012 with assistance from the School of Development Studies at the University of KwaZulu-Natal using the data collected through the Living Conditions Survey (LCS) 2008/09. This current report builds on previous reports utilising the rebased national poverty lines published in 2026. The main purpose of this current report is to provide an updated subjective poverty profile of South Africa using the most recent IES 2022/23 data.



Risenga Maluleke  
Statistician-General

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## Introduction and Background



# Chapter 1 - Introduction and Background

## 1.1 Introduction

Poverty is a complex concept, which may include social, economic, and political elements. Poverty is usually defined as the deprivation of means necessary to meet basic needs such as food, shelter and clothing (Jansen et al, 2013). Income has been critical in the measure of poverty. Poverty has been commonly measured in absolute or relative monetary terms. However, there has been a lot of debate about the best approach to measure poverty because the poor themselves consider their experience of poverty much more broadly. Therefore, focusing on one factor alone such as income, is not sufficient to capture the true reality of poverty. Statistics South Africa (Stats SA), over the years, has produced a number of reports based on various definitions and measures of poverty. These include objective, relative, multidimensional as well as subjective poverty measures. Subjective poverty as the main focus of this report is defined as the self-assessed economic status of people relative to others. It can also be perceived consumption adequacy, where people can reflect on the minimum income they need to make ends meet (Posel & Rogan, 2014).

The report, provides an overview of the different measures of poverty Stats SA has used in the past to measure poverty as a preamble to the in-depth discussion of subjective measure of poverty.

## 1.2 Measures of poverty

**Objective poverty** measures are based on an expert derived definition of poverty, where a poverty line (either based on income or expenditure) is derived and individuals are classified as poor if their reported income/expenditure falls below the poverty line or non-poor if it is above the poverty line. This method is best used for monitoring of progress and reporting for policy purposes. The line is standard, so progress (or non-progress for that matter) can easily be determined. Stats SA published the country's first official national poverty lines in 2012 where the cost-of-basic needs approach was used to produce three poverty lines namely, the food poverty line, the Lower-Bound Poverty Line (LBPL) and the Upper-Bound Poverty Line (UBPL). These lines capture different degrees of poverty and allow the country to measure and monitor poverty at different levels.

The Food-Poverty Line (FPL) is the monetary value below which individuals are unable to purchase or consume enough food to supply them with the minimum-per-capita-per-day energy requirement for adequate health. The lower-bound and upper-bound poverty lines are derived using the food poverty lines as a base, but also include a non-food component. Individuals at the lower-bound poverty lines do not have command over enough resources to enable them to purchase or consume both adequate food and non-food items and are therefore forced to sacrifice food to obtain essential non-food items. Meanwhile, individuals at the upper-bound poverty line can afford both adequate levels of food and non-food items to meet minimum daily energy requirement.

**Table 1.1 - Rebased Inflation-adjusted poverty lines, 2015 to 2023 (per person per month in Rand)**

<b>Year</b>	<b>Food-Poverty Line (FPL)</b>	<b>Lower-Bound Poverty Line (LBPL)</b>	<b>Upper-Bound Poverty Line (UBPL)</b>
2015	454	827	1 777
2016	510	900	1 896
2017	544	951	1 989
2018	562	985	2 066
2019	579	1 021	2 148
2020	603	1 053	2 199
2021	641	1 108	2 299
2022	680	1 176	2 441
2023	777	1 300	2 635

Note: Poverty lines between 2015 and 2022 are linked to April prices. The 2023 lines are linked to May prices.

The rows highlighted in grey are the poverty lines linked to the two data points that are analysed in this report. The findings relate to the application of these poverty lines to survey data collected through the Living Conditions Survey (LCS) 2014/15 and IES 2022/23. For the LCS 2014/15 data point, the survey data and respective poverty lines have been benchmarked to March 2015 prices as this was the mid-point of the survey. However, for the IES 2022/23 the survey mid-point was May 2023 and therefore the survey data and poverty lines have been benchmarked to that point in time.

**Relative poverty** refers to poverty defined in relation to other elements in the population. This method requires ranking of the elements (households or individuals) according to a welfare indicator, either income or expenditure, from the highest to the lowest. Individuals or households at the bottom, say 30%, will then be referred to as poor. Stats SA has conducted analysis on relative poverty through classifying households into deciles and quintiles and profiling them mostly using money-metric data collected from the IESs and LCSs published in their relevant statistical releases.

In 2014, Statistics South Africa published the first South African **Multidimensional Poverty Index** (SAMPI). The SAMPI was constructed based on the Alkire-Foster method using data from Censuses 2001 and 2011. The Alkire-Foster method focused on four dimensions, namely, health, education, living conditions and economic activity. These deprivation profiles were analysed to identify who is poor and then used to construct a global multidimensional index of poverty (MPI). The SAMPI is a domesticated form of the global MPI. In 2016, an updated SAMPI was released based on the Community Survey (CS) conducted in 2016. Just as the MPI, the SAMPI focused on non-money-metric measures of poverty for instance; lack of education, access to clean drinkable water or electricity, unemployment etc.

**Subjective poverty**, as mentioned earlier, refers to the perceptions of individuals or households on what constitutes a socially acceptable standard of living in a society, from which they make judgements on whether they view themselves as poor or not. In South Africa, most studies on poverty have focused on the objective measurement, however, similar to other countries in the world it has also been recognised that this narrow focus on money-metric measurement of poverty is not adequate and that poverty is influenced by more than just income. Posel and Rogan (2013) argue that the narrow money-metric measurement of poverty in South Africa does not capture the benefits of the social assistance programmes and the pro-poor expenditures that have been advanced by the government since the fall of apartheid on the provision of services such as access to basic services, health, education and housing (i.e. termed 'social wage') which may influence how households view themselves subjectively. Although there are a number of documented differences between subjective and objective poverty, most research when looking at the two poverty measures, use them to develop a more robust measure of poverty (Posel & Rogan, 2014). The first report on subjective poverty in South Africa by Stats SA was released in 2012 and this current report builds on that report.

The main purpose of this current report is to provide an updated subjective poverty profile of South Africa using the most recent LCS data collected in 2014/15.

### **1.3 Objectives of the report**

There are three main objectives of this report. The first one is to investigate the levels and profile of subjective poverty in South Africa. The second one is to compare subjective poverty levels of 2015 to those of 2023, whilst the third objective is to compare subjective poverty levels to objective poverty levels of the country. To better align with the poverty targets contained in the National Development Plan (NDP), this report prioritizes the analysis of objective poverty using the Lower-Bound Poverty Line (LBPL).

The report seeks to answer three main questions, i.e.:

- What are the current levels of subjective poverty in South Africa?
- What is the direction of subjective poverty levels in South Africa when comparing 2015 and 2023 data points?
- How do subjective poverty levels compare to objective poverty levels?

### **1.3 Methodology and data sources**

This section discusses the methodologies used to collect data on the 2008/9 and 2014/15 surveys, as they are the data sources of this report.

#### **1.4.1 Data sources**

There are two main data sources that are used in this report, namely, the LCS 2014/15 and IES 2022/23. LCS was conceptualised in 2007 by Stats SA in order to fill the poverty data gap in the country. The survey was designed to measure poverty in different forms in South Africa. The LCS collected data on income, spending patterns and living circumstances of households as well as subjective well-being data items. The IES 2022/23 collected similar data items as the LCS 2014/15. The same data collection methodology was employed in both surveys which were the diary and recall methods. This methodology was first used in the IES 2005/06 and was later refined in surveys that followed. The improvements included reducing the number of modules in the household questionnaire from seven modules to four modules and also reducing the time for diary keeping from 4 weeks to 2 weeks. This was done mainly to avoid respondents' fatigue, which resulted in respondents pulling out of the surveys. LCS 2014/15 data files that were used for producing this report had 23 380 households and 88 906 persons, and the IES 2022/23 data files had 19 940 households and 70 339 persons.

### 1.4.2 Methods

This report makes use of three of the most widely used subjective poverty measures in order to estimate levels of subjective poverty in South Africa (see Table 1.2). These measures were constructed as follows:

- In the LCS and IES data, the Self-Perceived Wealth Question (SPWQ) asks respondents to identify the category which they consider best describes the wealth status of their household. Response items are constructed in ordinal scale ranging from 'very poor' to 'wealthy'. Those who responded 'poor' or 'very poor' were identified as 'poor', and all other categories were classified as 'non-poor'.
- A subjective poverty line following the Leyden approach, named for its origin at Leyden University in the Netherlands in the 1970s (Van Praag & Frijters 1999; Ravillion 2012), is constructed through a Minimum Income Question (MIQ) which asks respondents to select the smallest level of income with which their household could make ends meet. If reported per capita household consumption falls below this minimum income level, then the household (and all individuals living in it) are identified as poor. The advantage of this method is that the extent, depth and severity of poverty can be estimated. For example, using the standard Foster-Greer-Thorbecke (FGT) set of poverty measures (Foster et al. 1984), the average distance of each household from its reported minimum income (as a proportion of this level of income) can be estimated (i.e. the depth of poverty).
- A direct way to use the Minimum Income Question available in the LCS and IES is to ask respondents whether or not their households' actual level of income is above or below the minimum level reported in the previous question. In this way, respondents evaluate their own perception of whether they receive more than their reported minimum level (IEQ). In the surveys, the response items are reported in an ordinal scale ranging from 'much lower' to 'much higher'. Individuals are therefore identified as 'poor' if they live in a household in which income is described as 'lower' or 'much lower' than the minimum required income. All other responses are identified as 'non-poor'.

**Table 1.2 - Subjective poverty indicators available in the LCS 2014/15 and IES 2022/23**

<b>Subjective poverty indicator</b>	<b>Response items</b>	<b>Poverty cut-off</b>
<b>Self-perceived wealth question (SPWQ)</b>	1 = Wealthy	5 = Poor
<i>“Would you say your household is at present ...</i>	2 = Very comfortable	6 = Very poor
	3 = Reasonably comfortable	
	4 = Just getting along	
	5 = Poor	
	6 = Very poor	
<b>Minimum Income Question (MIQ)</b>	Continuous	If reported per capita
<i>“Which net household income per month</i>		household consumptions
<i>in Rand would be the absolute minimum</i>		falls below the perceived
<i>for your household? That is to say, that you</i>		income level then the
<i>would not be able to make ends meet if you earned less.”</i>		household and its
		individuals are classified
		as poor.
<b>Income evaluation question (IEQ)</b>	1 = Much higher	4 = Lower
<i>“Is the total monthly income of your household</i>	2 = Higher	5 = Much lower
<i>higher, lower or more or less the same as this</i>	3 = More or less the same	
<i>figure (i.e. the figure given in Q23.13)?”</i>	4 = Lower	
	5 = Much lower	

## **1.5 Limitations of the report**

The subjective poverty questions highlighted in Section 1.4.2 were all asked at the household level. The responses to the questions were provided by the main respondent who was responding on behalf of other household members. This approach assumes that all members of a household will have the same perception about their economic well-being and thus will be classified as per the perception of the main respondent responding on their behalf. This assumption may not hold in all cases, as perceptions may be influenced by factors such as age and sex. It is, however, an advantage that both the LCS 2014/15 and IES 2022/23 used the same questions and both were asked at the household level. For comparability with previous reports, analysis in this report is done at the individual level, unless otherwise stated.

## **1.6 Layout of the report**

This report has seven chapters. The remaining chapters are organised as follows:

Chapter 2 provides the key findings of the report.

Chapter 3 presents subjective poverty profile based on self-perceived wealth indicator.

Chapter 4 presents subjective poverty profile based on minimum income indicator.

Chapter 5 presents subjective poverty profile based on income evaluation indicator.

Chapter 6 presents findings on subjective poverty and living circumstances

Chapter 7 provides concepts and definitions

## Key Findings

2



## Chapter 2 - Key Findings

This chapter presents the key findings of the report.

### 2.1 General decrease in subjective poverty in South Africa between 2015 and 2023

**Table 2.1 - Subjective and objective poverty estimates for individuals and households (headcounts)**

Poverty line	2015	2023	2015	2023
	Individuals		Households	
<b>Subjective poverty</b>				
Self-perceived wealth question (SPWQ)	34,4	25,7	33,8	25,3
Minimum income question (MIQ)	50,6	41,3	53,0	44,5
Income evaluation question (IEQ)	49,7	51,4	48,8	51,0
<b>Objective poverty</b>				
Food-poverty line (FPL)	22,4	17,6	12,8	8,7
Lower-bound poverty line (LBPL)	46,7	37,9	31,8	22,9
Upper-bound poverty line (UBPL)	77,1	66,7	59,1	50,4

Table 2.1 presents poverty headcount rates based on the three subjective poverty measures as well as estimates using the three objective national poverty lines as presented in the Poverty Trends Report (for detailed information see Report No. 03-10-06). The table indicates that the headcount rates based on subjective poverty measures generally declined between 2015 and 2023. Two of the three subjective poverty measures experienced a decrease in their headcount rates during the period. Only the poverty headcount rate based on the income evaluation indicator (IEQ) increased from 49,7% in 2015 to 51,4% in 2023. The decrease in poverty headcount rates was experienced by those based on self-perceived poverty status, the SPWQ indicator and minimum income question (MIQ) indicator. The two poverty measures based on the minimum income question (MIQ and IEQ), highlighted higher poverty rates compared to the SPWQ indicator, even though the two indicators experienced opposite patterns between 2015 and 2023 with one decreasing and the other increasing. In other words, poverty appears to be even higher when it is measured as the perceived inability to earn enough income to 'make ends meet'. The poverty headcount rates based on the MIQ indicator decreased from 50,6% in 2015 to 41,3% in 2023, while those based on the SPWQ indicator decreased from 34,4% in 2015 to 25,7% in 2023. Between the two subjective poverty measures which declined, the MIQ indicator experienced the biggest decline of 9,3 percentage points during the period.

Similar patterns, in terms of the incidence of poverty at the household level according to the subjective poverty measures, were also observed during the period. The incidence of poverty, according to the IEQ indicator was the only indicator that increased from 48,8% in 2015 to 51,0% in 2023. In terms of the other two subjective poverty measures, their incidence of poverty decreased. According to the SPWQ indicator, it decreased from 33,8% in 2015 to 25,3% in 2023, whilst in terms of the MIQ indicator it decreased from 53,0% in 2015 to 44,5% in 2023. The three objective poverty measures all highlights a declining pattern between 2015 and 2023, compared to two out of the three subjective poverty measures. The poverty headcount rates based on subjective poverty measures are generally higher than those based on objective measures except for the UBPL. The lowest subjective poverty rate, SPWQ, is consistent with the headcount estimates based on the LBPL during the period (34,4% and 46,7% in 2015), whilst in 2023 it was (25,7% and 37,9%, respectively). However, the SPWQ headcount rates are still considerably higher than the lowest objective poverty measure represented by the food poverty line (FPL).

While the two subjective poverty measures based on the minimum income question are both higher than estimates based on the lower-bound objective measure, there are also differences between them. The MIQ measure of subjective poverty asks respondents to specify a minimum level of income for the household and then compares that income threshold with the reported level of total per capita household consumption (the same income measure used to estimate objective poverty headcounts). The IEQ also uses the minimum level of income to estimate poverty rates, but the main difference is that it does not assume that the level of household consumption is a perfect proxy for income (as perceived by respondents).

Another important difference between poverty headcount rates based on objective and subjective measures is the comparison between individual and household poverty rates. According to the objective poverty rates, the percentage of households below the poverty line is much lower than the percentage of individuals because poverty is estimated at the household level and the conventional wisdom is that larger households tend to be poorer in South Africa. At the LBPL, for example, 37,9% of individuals are poor, but only 22,9% of households were below the poverty line in 2023. On the other hand, the difference in headcount rates between individuals and households is much smaller when subjective poverty measures are applied. Using the SPWQ measure, for example, 25,7% of individuals and

25,3% of households perceived themselves as poor. A similar pattern was observed for both the MIQ and IEQ indicators in 2023. These findings suggest that the higher poverty rates reported in larger households are possibly overstated by objective poverty lines.

## 2.2 Similarities between subjective and objective poverty in 2023

**Table 2.2 - Distribution of households by poverty status based on subjective and objective poverty measures, 2023**

<b>Subjective Poverty Measures</b>	<b>FPL (R777 per person per month)</b>	<b>LBPL (R1 300 per person per month)</b>	<b>UBPL (R2 635 per person per month)</b>
SPWQ	46,8	42,1	35,1
MIQ	61,0	53,0	47,6
IEQ	61,8	60,0	59,0

Further evidence that subjective poverty measures are identifying different households can be seen in a direct comparison of poverty status between subjective and objective poverty indicators. Table 2.2 identifies the percentage of poor households according to each of the objective poverty lines that are also identified as poor by the subjective poverty lines. The results show that, as the objective poverty threshold increases, the percentage of poor households also decreases according to the subjective measures. Among those households that are below the FPL, for example, 46,8% are also identified as poor by the SPWQ measure, 61,0% by the MIQ and 61,8% by the IEQ indicator. Most households below the LBPL are also classified as poor by the subjective poverty measures, but the overlap is noticeably smaller than with the food poverty line. For example, 42,1% of households below the LBPL are also poor according to the SPWQ indicator, and this increases to 53,0% when the MIQ measure is considered and increases further to 60,0% when the IEQ indicator is used.

**Table 2.3 - Distribution of households by poverty status based on the Lower-Bound Poverty Line and subjective poverty measures, 2023**

Lower-Bound Poverty Line	SPWQ		MIQ		IEQ	
	Poor	Non-poor	Poor	Non-poor	Poor	Non-poor
Non-poor	61,9	82,3	72,4	80,3	67,5	77,4
Poor	38,1	17,7	27,7	19,7	32,5	22,6
Total	100,0	100,0	100,0	100,0	100,0	100,0

Table 2.3 compares the poverty status of households between the three subjective poverty measures and the LBPL. For example, the overlap between the self-identified poverty status (SPWQ) and the objectively derived poverty status reveals that 38,1% of the households that perceived themselves as poor were also classified as poor according to the LBPL. Of the households that identified themselves as poor according to the MIQ and IEQ indicators, only 27,7% and 32,5%, respectively, were also classified as poor according to the LBPL. These results suggest two important conclusions. The first is that objective poverty status is a stronger predictor of poverty based on self-perceived wealth indicator than poverty rates based on the minimum income question. Secondly, the subjective poverty measures not only identify a greater percentage of households as poor (compared to the objective poverty lines), but they also identify different households as being poor.



3

## Self-Perceived Wealth Indicator



## Chapter 3 - Self-Perceived Wealth Indicator

### 3.1 Introduction

This chapter profiles subjective poverty in South Africa using the SPWQ indicator between 2015 and 2023. It is subdivided into ten sections. Section 3.2 compares the poverty estimates by population group of individuals in households that perceive themselves as poor with those of objective poverty using the LBPL. Section 3.3 looks at poverty estimates by province between the subjective and objective poverty measure. Sections 3.4 to 3.10 looks at poverty estimates by other socio-economic and demographic characteristics such as Metropolitan area, sex, age group, settlement type, household size, education and happiness status between the subjective and objective poverty measures.

### 3.2 Poverty estimates by population group

**Table 3.1 - Proportion of the poor population by population group and poverty indicator, 2015 and 2023**

Population group	LBPL		SPWQ	
	2015	2023	2015	2023
Black African	54,5	43,8	40,2	29,5
Coloured	34,4	24,6	18,7	14,2
Indian/Asian	2,8	5,8	9,0	6,2
White	0,7	1,4	4,6	4,5
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>34,4</b>	<b>25,7</b>

According to the population groups, there was a decrease in subjective poverty between 2015 and 2023 as shown in Table 3.1. However, black Africans relative to other population groups, reported higher levels of poverty according to objective indicator as well as the subjective poverty measure.

The poverty headcount rates for black Africans and coloureds were considerably lower according to the subjective poverty indicator compared to the objective poverty indicator between 2015 and 2023. In particular, the headcount rates decreased from 40,2% in 2015 to 29,5% in 2023 for black Africans when respondents were asked to identify their own poverty status, representing the biggest decrease of all population groups. For coloureds, poverty headcount rates according to the subjective poverty indicator decreased from 18,7% in 2015 to 14,2% in 2023. For Indian/Asian and white population their subjective poverty headcount

rates between 2015 and 2023 were slightly higher than their corresponding objective poverty headcount rates, suggesting that there is some association between the lower-bound poverty indicator and self-perceived poverty. The subjective poverty headcount rates for Indian/Asians decreased from 9,0% in 2015 to 6,2% in 2023. However, that of the white population remained the same at 4,6% during the same period.

**Table 3.2 - Poverty shares by population group and poverty indicator, 2015 and 2023**

Population group	LBPL		SPWQ	
	2015	2023	2015	2023
Black African	93,2	93,6	93,3	93,2
Coloured	6,6	5,7	4,9	4,9
Indian/Asian	0,2	0,4	0,7	0,6
White	0,1	0,3	1,2	1,3
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 3.2 shows the poverty shares by population groups, which are relatively stable across both objective and subjective poverty measures between 2015 and 2023. During the period, since black Africans have the largest share of the total population (79,8% in 2015 and 81,1% in 2023) and are also far more likely to be poor than other population groups, it is not surprising that over 93% of the poor are black Africans according to both poverty measures. Interestingly, in 2023, the shares of the poor for black Africans and coloureds according to the subjective poverty measure are lower compared to those of the objective poverty measure. For instance, the subjective poverty measure had a share of 93,2% compared to a share of 93,6% for the objective measure, whilst for coloureds the share for the subjective measure was 4,9% compared to a share of 5,7% for the objective measure. However, the poverty shares of both the Indian/Asians and white population were higher when using the subjective poverty measure in 2023 compared to when using the objective poverty measure. For instance, the share of the poor for the white population was 1,3% when using the subjective poverty measure compared to a poverty share of 0,3% when using the objective poverty measure.

### 3.3 Poverty estimates by province

**Table 3.3 - Proportion of the poor population by province and poverty indicator, 2015 and 2023**

Province	LBPL		SPWQ	
	2015	2023	2015	2023
Western Cape	29,2	21,4	23,0	16,0
Eastern Cape	63,1	48,2	50,4	36,8
Northern Cape	50,6	42,3	35,9	23,7
Free State	42,4	34,4	35,4	22,8
KwaZulu-Natal	59,6	49,6	32,9	28,5
North West	52,8	49,1	41,0	27,7
Gauteng	26,3	26,5	26,0	19,4
Mpumalanga	51,1	38,4	35,4	25,6
Limpopo	66,0	47,6	45,3	37,4
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>34,4</b>	<b>25,7</b>

Table 3.3 presents poverty headcount rates for each province according to the Lower-Bound Poverty Line as well as the self-perceived poverty indicator, both showing a declining trend between 2015 and 2023. According to the objective poverty indicator in 2023, KwaZulu-Natal (49,6%) was the poorest province, followed closely by North West (49,1%) and then Eastern Cape (48,2%). Western Cape (21,4%) and Gauteng (26,5%) had the lowest poverty rates respectively compared to other provinces. Poverty headcount rates by province based on the self-perceived poverty indicator show a similar pattern from that of the objective poverty line. North West (27,7%) was the poorest province, KwaZulu-Natal (28,5%) the second poorest, followed by Limpopo (37,4%). Western Cape and Gauteng remained provinces with the lowest headcount rates with the percentage of individuals below the poverty line at 16,0% and 19,4%, respectively.

**Table 3.4 - Poverty shares by province and poverty indicator, 2015 and 2023**

Province	LBPL		SPWQ	
	2015	2023	2015	2023
Western Cape	7,2	6,7	7,7	7,4
Eastern Cape	16,3	13,9	17,7	15,6
Northern Cape	2,4	2,4	2,3	2,0
Free State	4,7	4,3	5,3	4,3
KwaZulu-Natal	24,9	24,8	18,6	21,1
North West	7,7	9,0	8,1	7,5
Gauteng	13,9	18,7	18,8	20,2
Mpumalanga	8,5	7,9	8,0	7,8
Limpopo	14,4	12,2	13,4	14,2
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 3.4 indicates that in 2015 and 2023, the largest share of individuals living below the objective poverty line were located in KwaZulu-Natal with an unchained share of 24,8% during the periods. It was followed by Gauteng, where its share of poor individuals increased from 13,9% in 2015 to 18,7% in 2023. North West also experienced an increase in its share of the poor from 7,7% in 2015 to 9,0 in 2023. Eastern Cape had the third-highest share of poor individuals in 2023 which declined from 16,3% in 2015 to 13,9% in 2023. These provinces were overrepresented in their share of the poor relative to the proportion of individuals that live there. KwaZulu-Natal, for example, contains only 19,0% of the population in 2023, but 24,8% of all poor individuals. The self-perceived poverty indicator also identified KwaZulu-Natal as containing the highest percentage of poor individuals which increased from 18,6% in 2015 to 21,1% in 2023. They were followed by Gauteng which also experienced an increase in the share of the poor from 18,8% in 2015 to 20,2% in 2023. Eastern Cape had the third largest share of the poor when using the subjective poverty indicator which decreased from 17,7% in 2015 to 15,6% in 2023.

In terms of the subjective poverty measure, KwaZulu-Natal had an overrepresentation of the poor in 2023. Even though Gauteng held the second largest share of the poor, this was largely due to the large population of the province. Relative to its population share, Gauteng was actually underrepresented in terms of its share of the poor (i.e. the province contained 26,7% of the total population in 2023 but only 20,2% of the poor). Eastern Cape, with an overall population share of 10,9%, was overrepresented in terms of its share of the poor of 15,6% in 2023.

### 3.4 Poverty estimates by metropolitan municipality

**Table 3.5 - Proportion of the poor population by metropolitan municipality and poverty indicator, 2015 and 2023**

Metropolitan municipality	LBPL		SPWQ	
	2015	2023	2015	2023
Buffalo City	39,0	33,3	39,6	35,4
City of Cape Town	25,8	19,1	23,4	13,7
City of Johannesburg	23,4	24,8	26,3	17,1
City of Tshwane	26,0	30,0	30,0	18,9
Ekurhuleni	30,2	24,7	22,2	22,1
Mangaung	28,5	30,1	29,7	19,5
Nelson Mandela Bay	40,8	30,2	36,2	21,4
eThekweni	41,3	40,7	27,4	21,4
<b>All metros</b>	<b>30,1</b>	<b>27,7</b>	<b>26,9</b>	<b>19,1</b>

Table 3.5 presents poverty headcount rates for each metropolitan municipality according to the lower-bound poverty as well as the subjective poverty measure, showing a declining trend when using both poverty indicators between 2015 and 2023. In terms of the objective indicator, overall municipal poverty declined from 30,1% in 2015 to 27,7% in 2023. Whereas, according to the subjective indicator, overall municipal poverty declined from 26,9% to 19,1% between 2015 and 2023, respectively. In terms of the objective poverty indicator, eThekweni municipality had the highest poverty headcount rates in both 2015 and 2023 which declined from 41,3% to 40,7%, respectively. However, according to the objective poverty indicator, between 2015 and 2023, only the City of Johannesburg and the City of Tshwane experienced an increase in poverty compared to the other municipal areas. Poverty in the City of Johannesburg increased from 23,4% to 24,8% between 2015 and 2023, whereas for the City of Tshwane it increased from 26,0% to 30,0%.

Poverty headcount rates based on the subjective poverty indicator show a different pattern from that of the objective poverty line. Buffalo City in both 2015 (39,6%) and 2023 (35,4%) was the poorest municipality. Nelson Mandela Bay, which is also located in the same province of Eastern Cape as Buffalo City, was the second poorest municipality in 2015 (36,2%) and the joint third poorest municipality in 2023 (21,4%). In 2023, when using both the objective and subjective poverty indicators, City of Cape Town had the lowest poverty headcount rates of 19,1% and 13,7% respectively.

**Table 3.6 - Poverty shares by metropolitan municipality and poverty indicator, 2015 and 2023**

Metropolitan municipality	LBPL		SPWQ	
	2015	2023	2015	2023
Buffalo City	4,9	3,7	5,6	5,6
City of Cape Town	16,1	12,7	16,4	13,3
City of Johannesburg	17,0	21,2	21,3	21,3
City of Tshwane	11,6	16,5	15,0	15,1
Ekurhuleni	16,4	14,4	13,5	18,6
Mangaung	3,2	3,5	3,8	3,3
Nelson Mandela Bay	7,0	5,1	6,9	5,2
eThekweni	23,7	22,9	17,6	17,5
<b>All metros</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 3.6 indicates that the largest share of individuals living below the objective poverty line were located in eThekweni during the period, where their share declined from a high of 23,7% in 2015 to 22,9% in 2023. They were followed by City of Johannesburg, where its share increased from 17,0% in 2015 to 21,2% in 2023. In 2023, eThekweni was overrepresented in terms of its share of the poor, relative to the proportion of individuals who live there. The municipality contained only 15,6% of the total municipal population, but 22,9% of all the poor by municipality. Even though City of Johannesburg held the second largest share of the poor by municipality, its share of the poor was underrepresented because its share of overall municipal population is 23,7% but it only contains 21,2% of the poor. However, poverty shares when using the subjective poverty indicator show a slightly different pattern from that of the objective poverty line. City of Johannesburg had the highest share of the poor in both 2015 and 2023 which remained unchanged at 21,3% during the period. Its share of the poor was underrepresented compared to its share of overall total municipal population. In 2023, Ekurhuleni had the second largest share of the poor of 18,6% which is the only municipality which experienced an increase in the share of the poor from 13,5% in 2015. Its share of the poor was overrepresented given its share of the total municipal population of 16,1%.

### 3.5 Poverty estimates by sex

**Table 3.7 - Proportion of the poor population by sex and poverty indicator, 2015 and 2023**

Sex	LBPL		SPWQ	
	2015	2023	2015	2023
Male	44,8	36,0	34,5	26,2
Female	48,6	39,7	34,2	25,2
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>34,4</b>	<b>25,7</b>

Table 3.7 shows that the risk of poverty was far higher for females than for males according to the Lower-Bound Poverty Line between 2015 and 2023, however, it showed a declining pattern during the period. Poverty for females declined from 48,6% in 2015 to 39,7% in 2023, whereas for males it declined from 44,8% in 2015 to 36,0% in 2023. The poverty differential differs considerably according to the subjective poverty indicator. The likelihood of being poor was actually slightly lower for females than for males between 2015 and 2023, also depicting a declining pattern. Males had the highest poverty headcount rates which declined from 34,5% to 26,2% between 2015 and 2023, respectively. Females had the lower poverty headcount rates which declined from 34,2% in 2015 to 25,2% in 2026. The poverty differential is higher according to the Lower-Bound Poverty Line. The difference in poverty rates between males and females is, therefore, smaller when a subjective measure of poverty is applied.

**Table 3.8 - Poverty shares by sex and poverty indicator, 2015 and 2023**

Sex	LBPL		SPWQ	
	2015	2023	2015	2023
Male	46,7	46,4	48,9	49,8
Female	53,3	53,6	51,1	50,2
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Since the poverty headcount rates are considerably higher for females than for males according to the Lower-Bound Poverty Line, Table 3.8 shows that females carry a disproportionate risk to poverty. Females had the highest share of poverty of over 53% between 2015 and 2023 which stayed relatively unchanged during the period.

Similarly, during the period males had an unchanged share of the poor of over 46% according to the Lower-Bound Poverty Lines. The subjective poverty indicator also shows that females carried a disproportionate risk of poverty, with having over 50% of the share between 2015 and 2023. However, during the period the share of poor females declined.

According to the subjective poverty indicator, even though males had the lowest share of the poor, they experienced an increased share during the period from 48,9% in 2015 to 49,8% in 2023. In addition, males were overrepresented in their share of the poor, relative to their overall proportion in 2023. Males contributed 48,9% of the total population, but 49,8% of the poor. On the other hand, in 2023 females were underrepresented in their share of the poor relative to their total population, where they consisted of 51,1% of the total population, but 50,2% of the poor.

### 3.6 Poverty estimates by age group

**Table 3.9 - Proportion of the poor population by age group and poverty indicator, 2015 and 2023**

Age group	LBPL		SPWQ	
	2015	2023	2015	2023
0 - 17	58,6	49,1	37,2	27,7
18 - 24	50,9	41,9	36,5	26,8
25 - 34	41,0	35,0	33,4	24,9
35 - 44	36,6	31,0	30,9	25,2
45 - 54	34,7	27,2	32,0	23,7
55 - 64	37,3	27,6	31,4	23,3
65+	37,2	25,3	30,7	22,3
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>34,4</b>	<b>25,7</b>

The poverty headcount rates by Lower-Bound Poverty Line and subjective poverty indicator between 2015 and 2023 are shown in Table 3.9, indicating a declining pattern. According to the objective poverty line, poverty mainly affected the young under the age of 25, with individuals in the age group 0-17 years recording the highest poverty rates between 2015 and 2023. Their poverty headcount rates during the period declined from 58,6% in 2015 to 49,1% in 2023. They were followed by individuals in the age group 18-24, where their poverty headcount rates declined from 50,9% in 2015 to 41,9% in 2023.

In 2023, individuals aged 65 and older experienced the lowest poverty headcount rates according to the objective poverty line. Poverty headcount rates according to the subjective poverty indicator showed a similar pattern to that of the objective poverty line.

According to the subjective poverty indicator, the face of poverty in terms of age group between 2015 and 2023 is led by the young with those aged 0-17 experiencing the highest

poverty headcount rates. Similarly, their poverty headcount rates also declined during the period from 37.2% in 2015 to 27.7% in 2023. They were followed by those aged 18-24, where their poverty headcount rates declined from 36.5% in 2015 to 26.8% in 2023. According to the subjective poverty indicator, in 2023, similar with the objective poverty line, individuals aged 65 and older experienced the lowest poverty headcount rates. This once again, demonstrates that the Lower-Bound Poverty Line and the SPWQ indicator are closely linked to each other by following similar poverty patterns.

**Table 3.10 - Poverty shares by age group and poverty indicator, 2015 and 2023**

Age group	LBPL		SPWQ	
	2015	2023	2015	2023
0 - 17	43,1	43,1	37,1	35,9
18 - 24	14,1	11,9	13,7	11,2
25 - 34	16,4	16,1	18,2	16,9
35 - 44	10,1	12,6	11,6	15,1
45 - 54	6,8	7,2	8,6	9,2
55 - 64	5,1	5,0	5,9	6,2
65+	4,4	4,2	5,0	5,4
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Poverty shares by age group and poverty indicator between 2015 and 2023 are shown in Table 3.10. The pattern of the poverty shares mainly followed that of the poverty headcount rates when using both the objective and subjective poverty measures. When using the objective poverty indicator, individuals in the age group 0-17 years had the highest shares of the poor with an unchanged share of 43,1% between 2015 and 2023, respectively. However, not following the pattern of the poverty headcount rates, individuals aged 25-34 had the second-highest poverty rates, they were followed by those aged 18-24, with a declining share of the poor from 14,1% in 2015 to 11,9% in 2023. Following the pattern of the poverty headcount rates of having the lowest poverty rates, individuals aged 65 and older also had the lowest share of the poor between 2015 and 2023, which declined slightly from 4,4% to 4,2% respectively. Poverty shares according to the subjective poverty indicator followed the same pattern with that of the objective poverty indicator. Individuals aged 0-17 had the highest shares of the poor, which declined from 37,1% in 2015 to 35,9% in 2023.

They were followed by those aged 25-34, where their share of the poor declined from 18,2% in 2015 to 16,9% in 2023. Individuals aged 65 and older had the lowest share of the poor, however, they experienced an increase in their share of the poor from 5,0% in 2015 to 5,4%

in 2023. Interestingly, only individuals in the age groups 35-44 and those between 45-54 experienced an increase in their shares of the poor according to both the objective and subjective poverty indicators during the period. In addition to individuals in the 65 and older age group that only experienced an increase in their share of the poor according to the subjective poverty indicator, but experienced a decline in their share of the poor according to the objective poverty indicator, those aged 55-64, also only experienced an increase in their share of the poor when using the subjective poverty measure.

### 3.7 Poverty estimates by settlement type

**Table 3.11 - Proportion of the poor population by settlement type and poverty indicator, 2015 and 2023**

Settlement type	LBPL		SPWQ	
	2015	2023	2015	2023
Urban	32,3	29,1	27,9	20,7
Non-urban	73,9	54,7	46,7	35,1
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>34,4</b>	<b>25,7</b>

Table 3.11 highlights the far greater likelihood of living in poverty for individuals living in non-urban areas according to the objective poverty measure between 2015 and 2023. However, their poverty headcount rates declined massively from a high of nearly 75% in 2015 to below 55% in 2023. According to the objective poverty measure, individuals residing in urban areas also experienced a decrease in poverty headcount rates, although it was not as big as that which was compared to that experienced by individuals in non-urban areas which declined from 32,3% in 2015 to 29,1% in 2023. With regards to the subjective poverty measure, only 2,9% of individuals living in urban areas were poor in 2015, and by 2023 their poverty headcount rates declined to 20,7%. For individuals in non-urban areas, their poverty headcount rates declined from 46,7% in 2015 to 35,1% in 2023. In terms of settlement type, the subjective poverty indicator reveals consistent poverty headcount rates for individuals in urban areas similar to those according to the objective poverty measure during the period. However, in terms of the non-urban based individuals, the profile was different to poverty headcount rates, where the objective poverty measure identify very high poverty head count rates compared to the subjective poverty measure.

**Table 3.12 - Poverty shares by settlement type and poverty indicator, 2015 and 2023**

Settlement type	LBPL		SPWQ	
	2015	2023	2015	2023
Urban	45,2	50,2	53,0	52,8
Non-urban	54,8	49,8	47,0	47,2
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

With respect to poverty shares by settlement type, Table 3.12 shows that, according to the objective poverty line, the share of poor individuals in urban areas increased from 45,2% in 2015 to 50,2% in 2023. Conversely, the share of poor individuals in non-urban areas decreased instead from 54,8% in 2015 to 49,8% in 2023. In 2023, while only 34,5% of total individuals in South Africa lived in non-urban areas, 49,8% of the poor lived in this settlement type according to the objective poverty line. However, the subjective poverty measure highlights an opposite direction in terms of the share of the poor for both urban and non-urban areas. It shows that the share of the poor for individuals in urban areas instead declined from 53,0% in 2015 to 52,8% in 2023. For individuals in non-urban areas, the subjective poverty measure shows that the share of the poor increased slightly from 47,0% in 2015 to 47,2% in 2023. In 2023, the subjective poverty measure also shows that non-urban areas are overrepresented in terms of their share of the poor (47,2% of the poor).

### 3.8 Poverty estimates by household size

**Table 3.13 - Proportion of the poor population by household size and poverty indicator, 2015 and 2023**

Household size	LBPL		SPWQ	
	2015	2023	2015	2023
1 Member	7,2	3,8	38,4	28,9
2 - 3 Members	22,5	15,8	29,1	22,9
4 - 5 Members	38,9	30,4	28,9	21,8
6 - 9 Members	66,9	56,5	39,3	28,0
10 + Members	85,3	83,9	46,9	36,4
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>34,4</b>	<b>25,7</b>

Poverty headcount rates by different household sizes and poverty indicators between 2015 and 2023 are shown in Table 3.13, which depicts a declining trend during the period. According to the objective poverty line, poverty mainly affect bigger household sizes, where between 2015 and 2023 poverty headcount rates increased as household sizes increased. Individuals living in households with 10 or more members had by far the highest poverty headcount rates of over 80% during the period, compared to poverty headcount rates of less than 8% during the same period for one member households. Poverty headcount rates according to the subjective poverty measure also follow the same pattern as those of the objective poverty line, where headcount rates between 2015 and 2023 increased as household size increased. However, the difference in headcount rates between households of different household sizes is not as big as those experienced with objective poverty measures. Therefore, in terms of household size, the objective poverty line highlights very high poverty headcount rates between 2015 and 2023 when compared with the subjective poverty indicator for different household sizes.

**Table 3.14 - Poverty shares by household size and poverty indicator, 2015 and 2023**

Household size	LBPL		SPWQ	
	2015	2023	2015	2023
1 Member	0,7	0,6	5,4	6,8
2 - 3 Members	11,1	9,8	19,7	21,1
4 - 5 Members	26,1	26,0	26,4	27,5
6 - 9 Members	44,3	41,9	35,4	30,7
10 + Members	17,7	21,7	13,1	13,9
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 3.14 shows that according to the objective poverty measure, bigger household sizes with between 6 to 9 members had the highest share of the poor between 2015 and 2023, where their share decreased from 44,3% to 41,9% respectively. In 2023, the share of the poor was overrepresented compared to their total share of the population of 28,1%. Middle-sized households with between 4 to 5 members had the second highest share of the poor, their share virtually remained the same during the period at 26,0% respectively. Household size with 10 or more members were the only ones that experienced an increase in their share of the poor from 17,7% in 2015 to 21,7% in 2023. The share of the poor according to the subjective poverty indicator shows the same pattern as that of objective poverty measure. They also show that bigger sized households with between 6 to 9 members had the highest share of the poor during the period which declined from 35,4% in 2015 to 30,7%. Similarly, when compared with the objective poverty measure, the share of the poor in 2023 was also overrepresented when measured according to the subjective poverty measure. Except only for households with between 6 to 9, the share of the poor for all different household sizes increased between 2015 and 2023 when measured according to the subjective poverty measure.

### 3.9 Poverty estimates by education

**Table 3.15 - Proportion of the poor population by education of individuals aged 18 and older and poverty indicator, 2015 and 2023**

Education level	LBPL		SPWQ	
	2015	2023	2015	2023
No schooling	65,9	52,7	50,8	38,7
Primary	61,8	47,4	50,4	38,4
Secondary	39,0	33,7	31,5	24,8
Tertiary	4,5	5,8	6,1	7,4
<b>South Africa</b>	<b>40,5</b>	<b>32,4</b>	<b>32,9</b>	<b>24,7</b>

Table 3.15 highlights the far greater risk of living in poverty for individuals with lower levels of education aged 18 and older, according to the objective poverty measure between 2015 and 2023. According to the objective poverty measure, the poverty headcount rates for all education levels declined during the period, except for the tertiary education level. Individuals with no schooling recorded the highest poverty headcount rates which declined from 65,9% in 2015 to 52,7% in 2023. The poverty headcount rates for individuals with tertiary education increased from 4,5% in 2015 to 5,8% in 2023. The poverty headcount rates according to the subjective poverty measure show a similar pattern to those of objective poverty measure. They also show that during the period, poverty headcount rates decreased as the level of education increased for all education levels except for those with tertiary education which increased, individuals with no schooling recorded the highest poverty headcount rates. Poverty headcount rates for individuals with tertiary education increased from 6,1% in 2015 to 7,4% in 2023.

**Table 3.16 - Poverty shares by education of individuals aged 18 and older, 2015 and 2023**

Education level	LBPL		SPWQ	
	2015	2023	2015	2023
No schooling	9,4	5,6	8,9	5,4
Primary	23,7	18,1	23,8	19,2
Secondary	65,8	73,9	65,4	71,5
Tertiary	1,2	2,4	1,9	4,0
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

The likelihood of living in poverty is far greater for individuals with secondary education as their highest education level, according to the objective poverty measure as shown in Table 3.16. The poverty shares of the poor for individuals with tertiary education increased from 65,8% in 2015 to 73,9% in 2023. In 2023, individuals with secondary education were overrepresented in their share of the poor, relative to the proportion of individuals with secondary education. Individuals with secondary education made up only 71,0% of the total population, but 73,9% of all the poor. Individuals with primary education had the second-largest share of the poor during the period which declined from 23,7% in 2015 to 18,1% in 2023. Similarly, in 2023 individuals with primary education were overrepresented in their share of the poor, relative to the share of their total population (12,3%). Following their increased poverty headcount rates, the share of the poor for individuals with tertiary education according to the objective poverty measure increased from 1,2% to 2,4%.

The shares of the poor according to the subjective poverty measure follow a similar pattern, resembling those of the objective poverty measure. Individuals with secondary education as their highest education level, had the highest share of the poor which decreased from 65,4% in 2015 to 71,5% in 2023. They were followed by individuals with primary education, where their share declined from 23,8% in 2015 to 19,2% in 2023. The share of the poor for individuals with tertiary education according to the objective poverty measure increased from 1,9% in 2015 to 4,0% in 2023.

### 3.10 Poverty estimates by happiness status

**Table 3.17 - Proportion of the poor population by happiness status of individuals aged 15 and older and poverty indicator, 2015 and 2023**

Happiness Status	LBPL		SPWQ	
	2015	2023	2015	2023
Happier	28,0	22,2	19,3	14,4
The same	43,6	36,3	31,7	19,8
Less happy	50,5	38,5	46,0	38,0
<b>South Africa</b>	<b>41,6</b>	<b>33,5</b>	<b>33,1</b>	<b>24,9</b>

Table 3.17 indicates that being happy was associated with the lowest poverty headcount rates between 2015 and 2023 irrespective of the poverty indicator, whereas being less happy was associated with the highest levels of poverty headcount rates. According to the objective poverty measure, the poverty headcount rates for individuals aged fifteen years and older, who were happier, declined from 28,0% in 2015 to 22,2% in 2023. They were followed by the poverty headcount rates for those with the same happiness status, which declined from 31,7% in 2015 to 19,8% in 2023. For those who were less happy, their poverty headcount rates decreased from 50,5% in 2015 to 38,5% in 2023. Poverty headcount rates in terms of the subjective poverty measure are similar to those of the objective poverty line. However, the poverty rates when using the subjective poverty measure were lower than those of the objective measure in all instances during the period. The poverty headcount rates for individuals with happier status declined from 19,3% in 2015 to 14,4% in 2023. They were followed by those with the same happiness status. The headcount rates for individuals with less happy status declined from 46,0% in 2015 to 38,0% in 2023.

**Table 3.18 - Poverty shares by happiness status of individuals aged 15 and older, 2015 and 2023**

Happiness Status	LBPL		SPWQ	
	2015	2023	2015	2023
Happier	18,5	16,8	16,0	14,7
The same	36,2	42,3	33,1	31,0
Less happy	41,4	40,6	47,4	54,0
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Poverty shares by happiness status of individuals aged 15 and older between 2015 and 2023 are shown in Table 3.18. In terms of the objective poverty line, happier individuals had the lowest share of the poor between 2015 and 2023, where their share declined from 18,5% in 2015 to 16,8% in 2023. According to the objective poverty measure, individuals with the same happiness status were the only group that experienced an increase in their share of the poor between 2015 and 2023. Their share of the poor increased from 36,2% in 2015 to be the largest in 2023, increasing to 42,3%. In 2023, relative to their total population share of 39,0%, their share of the poor was overrepresented. Poverty shares according to the subjective poverty measure show a slightly different pattern from that of the objective poverty measure. Happier individuals had the lowest share of the poor between 2015 and 2023, which declined from 16,0% to 14,7% respectively. Individuals who were less happy had the highest share of the poor during the period which increased from 47,4% in 2015 to 54,0% in 2023. In 2023, their share of the poor was overrepresented relative to their overall population share of 35,4%.

## Minimum Income Indicator

4



## Chapter 4 - Minimum Income Indicator

### 4.1 Introduction

This chapter examines the measurement of subjective poverty using the Minimum Income Question (MIQ) indicator and the study of objective poverty using the Lower-Bound Poverty Line (LBPL). Section 4.2 compares the poverty estimates by population group of individuals in households that perceive themselves as poor with those of objective poverty using the LBPL. Section 4.3 looks at poverty estimates by province between the subjective and objective poverty measure. Sections 4.4 to 4.10 looks at poverty estimates by other socio-economic and demographic characteristics such as Metropolitan area, sex, age group, settlement type, household size, education and happiness status between the subjective and objective poverty measures. Section 4.11 to 4.15 compares the poverty gap and severity of poverty between the MIQ and LBPL indicators using various socio-economic and demographic characteristics.

### 4.2 Poverty estimates by population group

**Table 4.1 - Proportion of the poor population by population group and poverty indicator, 2015 and 2023**

Population group	LBPL		MIQ	
	2015	2023	2015	2023
Black African	54,5	43,8	52,5	41,2
Coloured	34,4	24,6	49,4	39,4
Indian/Asian	2,8	5,8	28,9	34,0
White	0,7	1,4	40,1	46,4
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>50,6</b>	<b>41,3</b>

Table 4.1 illustrates the prevalence of subjective and objective poverty for individuals by population group based on the Minimum Income Question (MIQ) and Lower-Bound Poverty Line (LBPL) between 2015 and 2023. According to the table, black African individuals in 2015 were subjectively the poorest at 52,5%, followed by coloureds (49,4%), with white and Indian/Asian individuals taking positions three and four at 40,1% and 28,9% respectively. During this period, the only population group whose proportion exceeded the national subjective poverty headcount rate of 50,6% was black Africans, whose proportion was 52,5%. As with the case for subjective poverty measures, the objective poverty indicators as measured by the LBPL also reveal that black Africans experienced higher rates of poverty in relation to other population groups.

However, the ranking changed in 2023 with black Africans dropping to second place at 41,2%, followed by coloureds in third place at 39,4%. Indian/Asian individuals had the lowest prevalence of subjective poverty at 34,0% while white individuals had the highest prevalence at 46,4%. In addition, Indian/Asians was one of two population groups during this period whose subjective poverty headcount rates (34,0%) were lower than the national average of 41,3%. On the other hand, the pattern of the proportion of persons living below the LBPL in 2015 was maintained, with black Africans recording the highest poverty rates, followed by coloureds, Indian/Asians and whites. As was the case in 2015, black Africans were the only population group whose objective poverty rates were above the national average.

When comparing 2015 and 2023, there were increases and decreases in the subjective poverty headcounts across all the population groups. For instance, Indian/Asians had the largest increase of 17,6% (5,1 percentage points) from 28,9% to 34,0% while those for whites increased by 15,6% (6,3 percentage points) from 40,1% to 46,4%. Overall, the MIQ indicator declined by 18,3% (9,3 percentage points) from 50,6% to 41,3%. Although the proportion of individuals living below the LBPL has generally decreased, as shown by black Africans and coloureds, the objective poverty rates for Indian/Asian and white individuals have increased, but these increases are insignificant given the size of these population groups.

**Table 4.2 - Poverty shares by population group and poverty indicator, 2015 and 2023**

Population group	LBPL		MIQ	
	2015	2023	2015	2023
Black African	93,2	93,6	82,9	81,5
Coloured	6,6	5,7	8,7	8,4
Indian/Asian	0,2	0,4	1,5	2,0
White	0,1	0,3	6,9	8,1
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 4.2 presents the share of subjective poverty by population group, measured using the Minimum Income Question (MIQ) indicator, as well as the poverty share of objective poverty as measured by the Lower-Bound Poverty Line (LBPL) between 2015 and 2023. In 2015, black African individuals had the highest share of subjective poverty at 82,9%, followed by coloureds (8,7%), white persons (6,9%) and Indian/Asians (1,5%) while the share of population groups living below the LBPL followed a similar pattern, with the exception of the white and Indian/Asians populations who switched positions.

Despite variations in the share of subjectively poor individuals across all population groups in 2023, the pattern of 2015 was maintained, with Indians/Asians having the lowest share of the subjectively poor at 2,0%. They were followed by whites (8,1%), coloureds (8,4%), and black Africans with the highest share at 81,5%. The poverty shares for the different population groups living below the LBPL followed a similar trend, except for minor changes in their respective percentages.

A comparison between the data points from 2015 and 2023 shows the share of subjectively poor for both black Africans and coloureds decreased by 1,4 percentage points and 0,3 percentage points respectively. On the other hand, the shares of the poor for Indian/Asians and whites increased by 0,5 percentage points and 1,2 percentage points respectively. The share of the poor as measured by the LBPL was constant with the subjective measures of poverty for both 2015 and 2023. Given that black Africans make up the largest proportion of the total population and are more likely to be poor compared to other population groups, it is not surprising that more than nine out of ten black Africans live below the LBPL.

### 4.3 Poverty estimates by province

**Table 4.3 - Proportion of poor population by province and poverty indicator, 2015 and 2023**

Province	LBPL		MIQ	
	2015	2023	2015	2023
Western Cape	29,2	21,4	53,1	43,0
Eastern Cape	63,1	48,2	69,0	43,5
Northern Cape	50,6	42,3	70,4	56,9
Free State	42,4	34,4	67,7	41,4
KwaZulu-Natal	59,6	49,6	27,1	34,1
North West	52,8	49,1	53,2	33,9
Gauteng	26,3	26,5	46,6	43,5
Mpumalanga	51,1	38,4	54,2	44,8
Limpopo	66,0	47,6	63,1	43,8
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>50,6</b>	<b>41,3</b>

The proportion of subjectively and objectively poor individuals by province between 2015 and 2023 is depicted in Table 4.3. Based on the table, in 2015, Northern Cape (70,4%), Eastern Cape (69,0%), Free State (67,7%) and Limpopo (63,1%) were the four poorest provinces when using the MIQ indicator, while the greatest proportion of individuals living below the LBPL were located in Limpopo, Eastern Cape, KwaZulu-Natal and North West. When using the MIQ measurement of poverty in 2015, the only two provinces whose proportion were below the national subjective poverty rate of 50,6% were KwaZulu-Natal and Gauteng at 27,1% and 46,6%, respectively. Individuals living below the LBPL and whose poverty headcount rates were below the national average were located in Gauteng, Western Cape and Free State.

However, in 2023, Northern Cape (56,9%) still had the largest proportion of subjectively poor individuals, followed by Mpumalanga (44,8%), Limpopo (43,8%) and the Eastern Cape and Gauteng both at 43,5%. When measuring poverty using the LBPL, the individuals who were found to be living below the line were located in KwaZulu-Natal, North West, Eastern Cape and Limpopo. In terms of the MIQ poverty measure, North West and KwaZulu-Natal were the only two provinces with proportions below the national subjective poverty headcount rate of 41,3% during this time, at 33,9% and 34,1% respectively. However, when using the LBPL as the poverty measurement, only the Western Cape, Gauteng and Free State were below the national objective poverty rate of 37,9%.

**Table 4.4 - Poverty shares by province and poverty indicator, 2015 and 2023**

Province	LBPL		MIQ	
	2015	2023	2015	2023
Western Cape	7,2	6,7	12,1	12,5
Eastern Cape	16,3	13,9	16,5	11,7
Northern Cape	2,4	2,4	3,1	2,9
Free State	4,7	4,3	6,9	4,8
KwaZulu-Natal	24,9	24,8	10,5	15,7
North West	7,7	9,0	7,2	5,8
Gauteng	13,9	18,7	22,8	27,6
Mpumalanga	8,5	7,9	8,4	8,5
Limpopo	14,4	12,2	12,7	10,5
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

The share of subjective poverty for each province, as measured by the MIQ indicator, as well as the share of poverty as measured by the LBPL from 2015 to 2023 is shown in Table 4.4. Gauteng had the highest subjective poverty share in 2015 (22,8%), followed by the Eastern Cape (16,5%) and Limpopo (12,7%) but when examining the poverty shares of those living below the LBPL, KwaZulu-Natal had the highest share followed by the Eastern Cape and Limpopo.

The Northern Cape had the lowest rate of the subjectively poor at 3,1%, followed by the Free State and the North West at 6,9% and 7,2% respectively. The Western Cape had the third lowest poverty rate in terms of LBPL, while the Northern Cape and Free State maintained their positions.

In 2023, as in 2015, individuals residing in Gauteng (27,6%) also had the highest share of subjectively poor, followed by KwaZulu-Natal (15,7%) and the Western Cape (12,5%), while individuals living below the LBPL with the highest poverty headcounts were located in KwaZulu-Natal (24,8%) followed by the Gauteng and the Eastern Cape at 18,7% and 13,95 respectively.

Comparing the data points of 2015 and 2023, three provinces that showed an increase in their share of the subjectively poor were KwaZulu-Natal rising by 50,2% (5,2 percentage points) from 10,5% to 15,7%, followed by Gauteng increasing by 20,8% (4,8 percentage points) from 22,8% to 25,2% and the Western Cape rising by 3,6% (0,4 percentage points) from 12,1% to 12,5%. When examining the poverty shares of individuals in these three provinces using the LBPL, Western Cape and KwaZulu-Natal showed a downward trend, while Gauteng showed an upward trajectory.

Meanwhile, the three provinces that showed the largest reduction in their subjective poverty shares were the Free State, which fell by 30,4% (2,1 percentage points) from 6,9% to 4,8%, followed by the Eastern Cape and North West which fell from 16,5% to 11,7% and from 7,2% to 5,8%, respectively. When we use the LBPL to look at the poverty shares of people in these three provinces, we find that everyone's poverty shares decreased, except for North West.

#### 4.4 Poverty estimates by metropolitan municipality

**Table 4.5 - Proportion of the poor population by metropolitan municipality and poverty indicator, 2015 and 2023**

Municipality	LBPL		MIQ	
	2015	2023	2015	2023
Buffalo City	39,0	33,3	52,9	59,3
City of Cape Town	25,8	19,1	53,7	50,2
City of Johannesburg	23,4	24,8	52,8	43,1
City of Tshwane	26,0	30,0	45,1	35,4
Ekurhuleni	30,2	24,7	33,6	47,9
Mangaung	28,5	30,1	68,5	46,9
Nelson Mandela Bay	40,8	30,2	65,8	35,4
eThekwini	41,3	40,7	36,2	30,0
<b>All metros</b>	<b>30,1</b>	<b>27,7</b>	<b>47,2</b>	<b>42,3</b>

Table 4.5 illustrates the proportion of individuals who were identified as poor (subjectively and objectively) in metropolitan municipalities (metros) between 2015 and 2023. In 2015, the table shows that the poorest subjectively poor individuals were located in Mangaung (68,5%), followed by Nelson Mandela Bay (65,8%) and the City of Cape Town (53,7%). However, when looking at the poverty headcount rates based on the LBPL, eThekwini had the largest proportion of poor people, followed by Nelson Mandela Bay and Buffalo City. During this period, the City of Tshwane (45,1%), eThekwini (36,2%) and Ekurhuleni (33,6%) were the only metros with subjective poverty headcount rates that did not exceed the overall average for metros of 47,2%, while the proportion of poor people based on the LBPL for all these three metros were above the national average, except for the City of Tshwane.

In 2023, the largest proportion of subjectively poor individuals was located in Buffalo City (59,3%), followed by the City of Cape Town and Ekurhuleni at 50,2% and 47,9% respectively. When it comes to measuring poverty using LBPL, individuals with the highest poverty headcounts were located in eThekwini (40,7%) followed by Nelson Mandela Bay (30,2%) and Buffalo City (33,3%).

**Table 4.6 - Poverty shares by metropolitan municipality and poverty indicator, 2015 and 2023**

Municipality	LBPL		MIQ	
	2015	2023	2015	2023
Buffalo City	4,9	3,7	4,2	4,4
City of Cape Town	16,1	12,7	21,5	22,2
City of Johannesburg	17,0	21,2	24,4	24,3
City of Tshwane	11,6	16,5	12,9	12,1
Ekurhuleni	16,4	14,4	11,6	18,4
Mangaung	3,2	3,5	5,0	3,7
Nelson Mandela Bay	7,0	5,1	7,2	3,9
eThekwini	23,7	22,9	13,3	11,0
<b>All metros</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 4.6 depicts the share of poverty headcounts for individuals who have been classified as subjectively poor as well as the poverty shares for those living below the LBPL between 2015 and 2023. In 2015, the City of Johannesburg (24,4%) had the highest share of the subjectively poor, followed by the City of Cape Town (21,5%) and eThekwini (13,3%) while the share of individuals living below the LBPL were highest in eThekwini followed by the City of Johannesburg and Ekurhuleni. Individuals in Buffalo City categorised as subjectively poor had the lowest poverty share at 4,2%, followed by Mangaung and Nelson Mandela Bay at 5,0% and 7,2%, respectively. These three provinces also had the lowest poverty shares in terms of the LBPL, but with different rankings.

In 2023, individuals residing in the City of Johannesburg again had the highest share of subjectively poor at 24,3% followed by the City of Cape Town (22,2%) and Ekurhuleni (18,4%). When it comes to measuring poverty using LBPL, the poverty shares for these individuals followed a similar pattern as the subjectively poor with eThekwini having the largest objective poverty shares followed by City of Johannesburg and the City of Tshwane.

#### 4.5 Poverty estimates by sex

**Table 4.7 - Proportion of poor population by sex and poverty indicator, 2015 and 2023**

Sex	LBPL		MIQ	
	2015	2023	2015	2023
Male	44,8	36,0	51,3	41,9
Female	48,6	39,7	49,8	40,6
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>50,6</b>	<b>41,3</b>

The prevalence of subjective and objective poverty by sex, between 2015 and 2023, is shown in Table 4.7. In 2015, males had the highest proportion of subjective poverty at 51,3% compared to 49,8% for females, while the proportion of males and females living below the LBPL was 44,8% and 48,6% respectively. The LBPL approach to measuring poverty reveals that the proportion of impoverished men is less than that of their female counterparts, which is also lower than the national average. In contrast, the proportion of women who are subjectively poor according to the MIQ measure is lower than that of men, which is also lower than the national average.

However, in 2023, the largest proportion of poverty was held by women in terms of the LBPL and males had the largest proportion of poverty for individuals that has been classified as subjectively poor. The proportion of women who were subjectively poor were below the national average while the proportion of women living below the LBPL were above the national average.

**Table 4.8 - Poverty shares by sex and poverty indicator, 2015 and 2023**

Sex	LBPL		MIQ	
	2015	2023	2015	2023
Male	46,7	46,4	49,4	49,6
Female	53,3	53,6	50,6	50,4
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 4.8 presents the share of subjective and objective poverty by sex, measured using the Minimum Income Question (MIQ) as well as the Lower-Bound Poverty Line (LBPL) for the period 2015 and 2023. According to the table, regardless of whether an objective or subjective poverty metric is employed, females consistently have a greater proportion of poverty than males throughout both data points. Since women make up a greater percentage of the population, a higher share of subjective poverty among them is to be anticipated.

While the subjective poverty shares for females slightly decreased by 0,2 percentage points from 50,6% to 50,4% between 2015 and 2023, males registered a 0,2 percentage point increase from 49,4% to 49,6% during the same period. Males living below the LBPL saw a minor decline in their poverty shares during the period under review, while the poverty shares of objectively poor females increased slightly.

#### 4.6 Poverty estimates by age group

**Table 4.9 - Proportion of the poor population by age group and poverty indicator, 2015 and 2023**

Age group	LBPL		MIQ	
	2015	2023	2015	2023
0 - 17	58,6	49,1	51,4	40,6
18 - 24	50,9	41,9	49,6	39,6
25 - 34	41,0	35,0	51,5	42,5
35 - 44	36,6	31,0	52,1	45,2
45 - 54	34,7	27,2	51,2	41,9
55 - 64	37,3	27,6	46,1	40,0
65+	37,2	25,3	45,0	35,7
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>50,6</b>	<b>41,3</b>

The proportion of subjectively poor individuals by age group based on the MIQ indicator as well as the proportion of objectively poor individuals using the Lower-Bound Poverty Line (LBPL) between 2015 and 2023, are shown in Table 4.9. According to the table in 2015, individuals in the 35 to 44 age group registered the highest subjective poverty rates at 52,1%, followed by individuals in the 25 to 34 age group at 51,5% and 51,4% for the child population (0 to 17 years old). According to the LBPL, individuals in the child population (0 to 17 years old) had the highest objective poverty rates at 58,6%, followed by individuals in the 18 to 24 age group at 50,9% and 41,0% for those in the 25 to 34 age group. The proportion of subjectively poor individuals were lowest among the elderly population (65 years and older) at 45,0%, followed by the 55 to 64 age group at 46,1%. In contrast, the proportion of individuals living below the LBPL was at its lowest in the 45 to 54 age range, at 34,7%, followed by 36,6% for those in the 35 to 44 age group.

In 2023, the 35 to 44 age group had the highest subjective poverty headcount rates at 45,2%, followed by the 25 to 34 and 45 to 54 age groups at 42,5% and 41,9% respectively. In terms of individuals classified as objectively poor, the child population once again had the highest objective poverty rates at 49,1%, followed by individuals in the 18 to 24 age group at 41,9% and 35,0% for persons in the 25 to 34 age groups.

The elderly population had the lowest subjective poverty headcount rates at 35,7% followed by 39,6% for those in the 18 to 24 age group, while the proportion of individuals living below

the LBPL was lowest for the elderly population at 25,3% followed by 27,2% for the 45 to 54 age group.

**Table 4.10 - Poverty shares by age group and poverty indicator, 2015 and 2023**

Age group	LBPL		MIQ	
	2015	2023	2015	2023
0 - 17	43,1	43,1	34,9	32,9
18 - 24	14,1	11,9	12,7	10,3
25 - 34	16,4	16,1	19,1	17,8
35 - 44	10,1	12,6	13,3	16,9
45 - 54	6,8	7,2	9,3	10,1
55 - 64	5,1	5,0	5,8	6,6
65+	4,4	4,2	4,9	5,4
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 4.10 shows the poverty share of objective poverty by age group as measured by the Lower-Bound Poverty Line (LBPL) as well as the poverty share of subjective poverty measured using the Minimum Income Question (MIQ) indicator, from 2015 to 2023. According to the table, the child population (0 to 17 years old) in 2015 had the highest subjective poverty share at 34,9%, followed by persons in the 25 to 34 age group at 19,1% and 13,3% for individuals in the 35 to 44 age group. The objective poverty share for the child population was identical to the subjective poverty shares at 43,1%, for the child population followed by 16,4% for the 25 to 34 age group and 14,1% for the 18 to 24 age group. It is interesting to note that the share of subjective poverty in 2023 maintained the same trend as in 2015, with just a slight variation in the poverty shares across the different age groups.

#### 4.7 Poverty estimates by settlement type

**Table 4.11 - Proportion of the poor population by settlement type and poverty indicator, 2015 and 2023**

Settlement type	LBPL		MIQ	
	2015	2023	2015	2023
Urban	32,3	29,1	48,7	42,3
Non-urban	73,9	54,7	54,0	39,4
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>50,6</b>	<b>41,3</b>

Table 4.11 depicts the prevalence of subjective poverty headcount rates by settlement type between 2015 and 2023, as well as the proportion of individuals living below the LBPL. According to the table, the proportion of individuals classified as subjectively poor decreased in both settlements, with non-urban areas having a higher subjective poverty headcount rate than urban areas in 2015 while urban areas had a higher subjective poverty headcount rate than non-urban areas in 2023. However, both settlements saw a decrease in the percentage of people living below the LBPL, with urban areas having a lower objective poverty headcount rate than non-urban areas.

During the period, in urban areas, the poverty headcount rates for subjectively poor individuals decreased by 13,2% (6,4 percentage points) from 48,7% to 42,3% while the proportion of objectively poor individuals declined by 10,1% (3,3 percentage points) from 32,3% to 29,1%. Subjectively poor individuals' poverty headcount rates in non-urban areas declined by 27,1% (14,6 percentage points) from 54,0% to 39,4%, while the proportion of objectively poor individuals fell by 26,0% (19,2 percentage points) from 73,9% to 54,7%.

**Table 4.12 - Poverty shares by settlement type and poverty indicator, 2015 and 2023**

Settlement type	LBPL		MIQ	
	2015	2023	2015	2023
Urban	45,2	50,2	63,0	66,6
Non-urban	54,8	49,8	37,0	33,4
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

The distribution of subjective and objective poverty shares by settlement type from 2015 to 2023 is depicted in Table 4.12. According to the table, the majority of individuals categorized as subjectively poor were mainly concentrated in urban areas for both data points. For instance, 63,0% of subjectively poor individuals in 2015 and 66,6% in 2023 were living in urban areas. At the same time, 37,0% in 2015 and 33,4% in 2023 were residing in non-urban areas. The share of subjectively poor individuals in urban areas increased by 5,8% (3,6 percentage points) from 63,0% to 66,6%, while the poverty shares for non-urban dwellers decreased by 9,8% (3,6 percentage points) from 37,0% to 33,4%.

#### 4.8 Poverty estimates by household size

**Table 4.13 - Proportion of the poor population by household size and poverty indicator, 2015 and 2023**

Household size	LBPL		MIQ	
	2015	2023	2015	2023
1 Member	7,2	3,8	58,9	50,3
2 - 3 Members	22,5	15,8	52,6	44,5
4 - 5 Members	38,9	30,4	51,1	42,8
6 - 9 Members	66,9	56,5	48,1	37,2
10 + Members	85,3	83,9	47,6	35,1
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>50,6</b>	<b>41,3</b>

The prevalence of poverty headcounts for persons classified as subjectively poor as well as those categorised as living below the LBPL in 2015 and 2023 is shown in Table 4.13. According to the table, individuals who were classified as subjectively poor in 2015 and living in smaller households tended to have higher poverty headcount rates than those living in larger households. In contrast, individuals living below the LBPL and living in bigger households tended to have higher objective poverty headcount rates than those living in smaller households.

During this period, for instance, individuals living in single-person households registered the highest subjective poverty rates at 58,9%, followed by households with 2 to 3 members at 52,6% and 51,1% for households with 4 to 5 members. Households with 6 to 9 members had poverty headcount rates of 48,1% while the rates for households with 10 or more members was 47,6%. When examining the prevalence of objective poverty headcount rates, the opposite happens where households with 10 or members had proportions of 85,3%, followed by households with 6 to 9 members at 66,9% and 38,9% for households with 4 to 5 members.

In 2023, subjectively impoverished individuals living in larger households had lower poverty headcount rates than those living in smaller households portraying a similar trend as in 2015. Over this period, individuals living in households with 10 or more members had subjective poverty headcount rates of 35,1% (83,9% for objectively poor individuals) which was the highest in 2023 followed by individuals in households with 6 to 9 members at 37,2% (56,5% for those living below the LBPL) and 42,8% for individuals in households consisting of 4 to 5 members (30,4% for objectively poor individuals).

**Table 4.14 - Poverty shares by household size and poverty indicator, 2015 and 2023**

Household size	LBPL		MIQ	
	2015	2023	2015	2023
1 Member	0,7	0,6	5,6	7,3
2 - 3 Members	11,1	9,8	24,1	25,3
4 - 5 Members	26,1	26,0	31,7	33,3
6 - 9 Members	44,3	41,9	29,5	25,6
10 + Members	17,7	21,7	9,1	8,5
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 4.14 depicts the poverty share of individuals classified as subjectively poor as well as objectively poor by household size between 2015 and 2023. In 2015, the subjective poverty shares for individuals residing in households with 4 to 5 members was 31,7% followed by households with 6 to 9 members at 29,5% and 24,1% for households with 2 to 3 members. The poverty shares for those living in larger households and below the LBPL had higher shares with the poverty share for households with 6 to 9 members at 44,3% followed by households with 4 to 5 members at 26,1% and 17,7% for households with 10 members or more.

Individuals classified as subjectively poor residing in households at either end of the household size range had the lowest rates of subjective poverty with individuals residing in households of 10 or members recording 9,1% and single-person households recording 5,6%. The share of subjectively poor in 2023 followed the same trend as in 2015, with only minor changes in the poverty shares across all the household size categories. Individuals living below the LBPL showed generally expected trends. That is, individuals living in larger households have a greater poverty share than individuals living in smaller households.

#### 4.9 Poverty estimates by education

**Table 4.15 - Proportion of the poor population by highest level of education for individuals aged 18 years and above, and poverty indicator, 2015 and 2023**

Education level	LBPL		MIQ	
	2015	2023	2015	2023
No schooling	65,9	52,7	53,7	38,5
Primary	61,8	47,4	56,5	40,9
Secondary	39,0	33,7	49,7	41,3
Tertiary	4,5	5,8	41,6	45,0
<b>South Africa</b>	<b>40,5</b>	<b>32,4</b>	<b>50,1</b>	<b>41,6</b>

The prevalence of subjective and objective poverty by educational attainment among individuals aged 18 years and older between 2015 and 2023 is shown in Table 4.15. Based on the table, the subjective poverty headcounts in 2015 were 56,5% for individuals who with primary education, 53,7% for those with no schooling, and 49,7% for those who with secondary education. In addition, those individuals with tertiary education had a subjective poverty headcount rate of 41,6%, which was also lower than the national headcount rate of 50,1%. On the other hand, the proportion of those deemed to be living below the LBPL was 65,9% for persons with no schooling, followed by those with primary and secondary schooling at 61,8% and 39,0% respectively. As was the case with subjective poverty headcount rates, those individuals who had a tertiary education had the lowest poverty headcount at 4,5%.

The trajectory in the subjective poverty headcounts in 2023 deviated from the conventional expectations, which states that those with lower levels of education should have greater subjective poverty headcounts and that these headcounts should decline as education levels rise. For instance, the poverty headcounts were 38,5% for individuals with no schooling, 40,9% for those with primary education, followed by those with secondary and tertiary education at 41,3% and 45,0% respectively. Although the proportions varied, the poverty headcount rates for individuals below the LBPL showed a similar trend as in 2015. On the other hand, the trajectory in the poverty rates for the objectively poor conformed to what was expected where poverty headcount rates declined as the education levels increased.

**Table 4.16 - Poverty shares by education and poverty indicator, 2015 and 2023**

Education level	LBPL		MIQ	
	2015	2023	2015	2023
No schooling	9,4	5,6	6,2	3,2
Primary	23,7	18,1	17,5	12,3
Secondary	65,8	73,9	67,6	70,5
Tertiary	1,2	2,4	8,7	13,9
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

The share of poverty among subjectively and objectively poor individuals by educational attainment from 2015 to 2023 is shown in Table 4.16. According to the MIQ indicator, individuals with secondary education had the largest poverty share in 2015 (67,6%), followed by those who completed primary and tertiary education at 17,5% and 8,7% respectively. The share of the poor for individuals with no schooling was 6,2% which was also the lowest across all the educational attainment categories. Individuals living below the LBPL, and with secondary schooling also had the largest poverty share at 65,8% followed by those with primary education (23,7%) and those with no schooling at 9,4%.

The largest share of poverty in 2023 according to the MIQ indicator, can be attributed to individuals with secondary education (70,5%), followed by those with tertiary education (13,9%) and primary education at 12,3%. Surprisingly, individuals with no schooling had the smallest poverty share at 3,2%. The largest poverty shares for individuals classified as objectively poor belonged to those with secondary education (73,9%), followed by those with primary education and no schooling at 18,1% and 5,6%, respectively.

#### 4.10 Poverty estimates by happiness status

**Table 4.17 - Proportion of the poor population by happiness status and poverty indicator for individuals 15 years and older, 2015 and 2023**

Happiness Status	LBPL		MIQ	
	2015	2023	2015	2023
Happier	28,0	22,2	48,2	40,8
The same	43,6	36,3	49,7	40,5
Less happy	50,5	38,5	52,7	43,1
<b>South Africa</b>	<b>41,6</b>	<b>33,5</b>	<b>50,2</b>	<b>41,5</b>

Table 4.17 depicts the prevalence of subjective and objective poverty by happiness status between 2015 and 2023. According to the table, individuals who were less happy than they were ten years ago were found to have a greater prevalence of subjective and objective poverty than individuals with other happiness statuses. This suggests that happiness status had an impact on the subjective poverty status of individuals. Conversely, individuals that were happier than they were ten years ago were found to have lower subjective and objective poverty headcount rates compared to individuals with other happiness statuses. There seems to be an inverse relationship between the subjective and objective poverty status of individuals and their happiness status. In other words, the prevalence of subjective and objective poverty decreases as happiness status increases.

When comparing 2015 and 2023, there has been a general decrease in the prevalence of subjective poverty across all the happiness statuses. The proportion of subjective poverty headcounts for individuals that were happier decreased by 15,3% (7,4 percentage points) from 48,2% to 40,8% followed by a decrease of 18,5% (9,2 percentage points) for persons who had “the same” happiness status from 49,7% to 40,5%. On the other hand, there had been a general decline in the poverty headcount rates when examining the happiness statuses of individuals living below the LBPL.

**Table 4.18 - Poverty shares by happiness status and poverty indicator for individuals 15 years and older, 2015 and 2023**

Happiness Status	LBPL		MIQ	
	2015	2023	2015	2023
Happier	18,5	16,8	26,3	24,7
The same	36,2	42,3	34,1	38,2
Less happy	41,4	40,6	35,7	36,9
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 4.18 depicts the poverty share of subjectively and objectively poor individuals by happiness status between 2015 and 2023. During 2015, the largest share of subjectively poor households by happiness status was contributed by less happy individuals (35,7%), followed by individuals with “the same” status (34,1%), with happier individuals (26,3%) contributing the smallest share of subjectively poor individuals. The poverty shares for individuals living below the LBPL followed a similar pattern with happier individuals (18,5%) having the smallest share, followed by persons with “the same” status (36,2%) and the largest share attributed to persons with a “less happy” status at 41,4%.

Individuals with “the same” happiness status contributed the greatest share of subjectively poor persons in 2023 which was 38,2%, followed by less happy individuals (36,9%) and happier individuals having 24,7% which was also the smallest poverty share contribution. The objective poverty shares followed the same pattern as the subjective poverty shares but with differing shares between the two measures of poverty.

#### 4.11 Poverty indicators by province

**Table 4.19 - Poverty gap and severity by province and poverty indicator, 2023**

Province	LBPL		Subjective Poverty (MIQ)	
	Poverty gap	Severity of poverty	Poverty gap	Severity of poverty
Western Cape	7,2	3,4	15,6	7,9
Eastern Cape	18,4	9,4	18,1	10,0
Northern Cape	16,4	8,3	21,3	11,2
Free State	11,6	5,4	14,5	7,0
KwaZulu-Natal	21,2	11,4	13,0	6,8
North West	21,3	11,8	13,9	7,6
Gauteng	9,2	4,3	17,6	9,3
Mpumalanga	13,2	6,0	18,6	10,2
Limpopo	16,8	8,0	17,9	10,0
<b>South Africa</b>	<b>14,4</b>	<b>7,3</b>	<b>16,3</b>	<b>8,7</b>

Regardless of whether the objective or subjective measure of poverty is applied, Table 4.19 indicates that the poverty gap and severity of poverty tend to be higher in provinces with higher poverty headcount rates. To put it another way, the average distance from the poverty line is higher in provinces where a higher proportion of individuals live below the poverty line.

The fact that individuals are poor based on one measure of poverty does not mean that they are poor based on the other measure. For instance, individuals in the North West had an objective poverty gap of 21,3% while at the same time having a subjective poverty gap of 13,9%. The provinces with the smallest objective poverty gaps were Gauteng and the Western Cape at 9,2% and 7,2% respectively.

The average distance based on the subjective poverty measure was greatest in the Northern Cape (21,3%) followed by Mpumalanga and the Eastern Cape at 18,6% and 18,1% respectively. KwaZulu-Natal (13,0%) and North West (13,9%) were the two provinces with the smallest poverty gaps based on the MIQ measure accompanied with some of the smallest severities of poverty across all the provinces.

#### 4.12 Poverty indicators by settlement type

**Table 4.20 - Poverty gap and severity by settlement type and poverty indicator, 2023**

Settlement	LBPL		Subjective Poverty (MIQ)	
	Poverty gap	Severity of poverty	Poverty gap	Severity of poverty
Urban	10,3	5,0	16,5	8,7
Non-urban	22,1	11,5	15,9	8,7
<b>South Africa</b>	<b>14,4</b>	<b>7,3</b>	<b>16,3</b>	<b>8,7</b>

The poverty gap and severity of poverty are estimated in Table 4.20 using both the objective LBPL and the subjective poverty line represented by the MIQ indicator. According to the LBPL, the table implies that poor individuals in non-urban areas have the biggest gap (22,1%) from the objective poverty line compared to urban areas. On the other hand, the subjective poverty gap for poor individuals in urban areas (16,5%) is bigger than the gap for individuals in non-urban areas at 15,9% which is also smaller than the national average of 16,3%.

Based on the table, poor individuals living in non-urban areas are furthest below the objective poverty line while the MIQ indicator suggests that urban dwellers are the ones that are furthest away. The severity of poverty under the LBPL shows a positive relationship with the poverty gap estimate since the severity of poverty increases as the poverty gap increases while under the MIQ measure, the severity of poverty is identical for both settlement types as well as the country as a whole at 8,7%.

#### 4.13 Poverty indicators by sex

**Table 4.21 - Poverty gap and severity by sex and poverty indicator, 2023**

Sex	LBPL		Subjective Poverty (MIQ)	
	Poverty gap	Severity of poverty	Poverty gap	Severity of poverty
Male	13,6	6,8	16,8	9,0
Female	15,2	7,7	15,9	8,4
<b>South Africa</b>	<b>14,4</b>	<b>7,3</b>	<b>16,3</b>	<b>8,7</b>

Table 4.21 depicts the differences regarding the depth and severity of poverty between males and females using both the objective and subjective measures of poverty. The LBPL indicates that the average distance from the poverty line for females (15.2%) is greater than for males (13.6%), where one estimate is higher and the other is lower than the national average of 14.4%. Based on the table, the poverty gap estimates using the MIQ measure suggest that those males (16,8%) are the furthest below the subjective poverty line compared to females (15,9%). A smaller proportion of females are living below the subjective poverty line with the severity of poverty indicator being 8,4% and 9,0% for females and males respectively.

#### 4.14 Poverty indicators by population group

**Table 4.22 - Poverty gap and severity by population group and poverty indicator, 2023**

Province	LBPL		Subjective Poverty (MIQ)	
	Poverty gap	Severity of poverty	Poverty gap	Severity of poverty
Black African	16,8	8,6	16,6	9,0
Coloured	7,8	3,4	14,2	7,1
Indian/Asian	1,3	0,5	13,5	6,8
White	0,4	0,1	16,2	7,7
<b>South Africa</b>	<b>14,4</b>	<b>7,3</b>	<b>16,3</b>	<b>8,7</b>

As shown in Table 4.21, the objective poverty gap among poor black Africans is the widest (16,8%), meaning that they are furthest away from the objective poverty line as measured by the LBPL with the highest severity of poverty (8,6%) across the population groups which is also higher than the national average. This same population group are on average 16,6% below the subjective poverty line and are also accompanied by the highest severity of poverty (9,0%) which is higher than the national average.

The poverty gap for poor individuals who are part of the coloured population group and considered to be subjectively poor was 14,2% which means that they were closer to the subjective poverty line than their black African and white counterparts. The objective poverty gap for poor coloureds was 7,8% which is third furthest from the objective poverty line where the severity of poverty was recorded as 3,4%.

According to the objective poverty indicator, poor white South Africans are only 0,4% below the LBPL with a severity of poverty (0,1%) which was also the lowest across the population groups as well as being lower than the national average. This occurred while the poverty gap for this population group was 16,2% below the MIQ indicator.

The MIQ indicator shows that poor Indian/Asians (13,5%) are the closest to their subjective poverty line, while the LBPL shows that they are only 1.3% below the objective poverty line. They also have the lowest severity of poverty (6,8%), which is lower than the national average.

5

## Income Evaluation Indicator



## Chapter 5 - Income Evaluation Indicator

### 5.1 Introduction

This chapter examines subjective poverty in South Africa through the lens of the income evaluation question (IEQ) and objective poverty using the Lower-Bound Poverty Line (LBPL) measures between 2015 and 2023. It is subdivided into ten sections. Section 5.2 compares the poverty estimates by population group of individuals in households that perceive themselves as poor with those of objective poverty using the LBPL. Section 5.3 looks at poverty estimates by province between the subjective and objective poverty measure. Sections 5.4 to 5.10 looks at poverty estimates by other socio-economic and demographic characteristics such as Metropolitan area, sex, age group, settlement type, household size, education and happiness status between the subjective and objective poverty measures.

### 5.2 Poverty estimates by population group

Table 5.1 shows that 49,7% of the South African population was poor in 2015 according to the IEQ subjective poverty measure, and that the percentage increased to 51,4% in 2023. Black Africans had the highest proportion of the poor at 53,3% in 2015, which increased in 2023 to 54,6%. Whites had the lowest poverty headcount rates among all the population groups, yet they experienced the largest percentage increase, rising by 4,2 percentage points from 26,4% in 2015 to 30,6% in 2023. Meanwhile, poverty headcount rates among coloured and Indian/Asian population groups slightly increased over the same period.

**Table 5.1 - Proportion of the poor population by population group and poverty indicator, 2015 and 2023**

Population group	LBPL		IEQ	
	2015	2023	2015	2023
Black African	54,5	43,8	53,3	54,6
Coloured	34,4	24,6	44,7	45,8
Indian/Asian	2,8	5,8	29,0	29,2
White	0,7	1,4	26,4	30,6
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>49,7</b>	<b>51,4</b>

When examining the objective poverty measure using the LBPL indicator, a pattern similar to that observed with the IEQ measure emerged. Although black Africans recorded the highest

poverty rates, their proportions were almost identical in 2015 (54,5% compared to 53,3%) and considerably lower in 2023 (43,8% versus 54,6%). In contrast, the remaining population groups showed much lower poverty levels under the LBPL measure compared to the IEQ measure.

**Table 5.2 - Poverty shares by population group and poverty indicator, 2015 and 2023**

Population group	LBPL		IEQ	
	2015	2023	2015	2023
Black African	93,2	93,6	86,1	86,4
Coloured	6,6	5,7	8,1	7,9
Indian/Asian	0,2	0,4	1,4	1,4
White	0,1	0,3	4,4	4,3
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 5.2 shows that, based on the IEQ measure, the black African population group had the highest share of the poor, rising slightly from 86,1% in 2015 to 86,4% in 2023. Coloureds were the second largest contributor, with a share ranging from 8,1% in 2015 to 7,9% in 2023. While the Indian/Asian population group had the smallest share of the poor, and their share remained unchanged at 1,4% in both 2015 and 2023.

Between 2015 and 2023, a comparison shows that black Africans recorded higher shares of the poor under the LBPL measure (93,2% to 93,6%) than under the IEQ measure (86,1% to 86,4%). Meanwhile, coloured, Indian/Asian, and white population groups recorded lower shares according to the LBPL measure than the IEQ measure during the same period.

### 5.3 Poverty estimates by province

**Table 5.3 - Proportion of poor population by province and poverty indicator, 2015 and 2023**

Province	LBPL		IEQ	
	2015	2023	2015	2023
Western Cape	29,2	21,4	45,7	44,7
Eastern Cape	63,1	48,2	70,1	62,4
Northern Cape	50,6	42,3	66,1	61,6
Free State	42,4	34,4	60,7	57,3
KwaZulu-Natal	59,6	49,6	33,0	49,9
North West	52,8	49,1	56,8	45,0
Gauteng	26,3	26,5	39,0	49,9
Mpumalanga	51,1	38,4	61,5	49,9
Limpopo	66,0	47,6	63,9	55,0
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>49,7</b>	<b>51,4</b>

Table 5.3, based on the IEQ indicator, shows that in 2023 the Eastern Cape had the highest self-identified poverty headcount rate (62,4%), with the Northern Cape (61,6%) and the Free State (57,3%) following closely. In 2023, KwaZulu-Natal, Gauteng, and Mpumalanga provinces reported a similar proportion of individuals identifying themselves as poor, at 49,9%. Meanwhile, the North West and Western Cape recorded the lowest proportions of individuals identifying themselves as poor, at 45,0% and 44,7% respectively during the same period.

From 2015 to 2023, the proportion of individuals who identified themselves as poor increased most sharply in KwaZulu-Natal from 33,0% to 49,9%, representing an increase of 16,9 percentage points, while Gauteng experienced a notable rise of 10,9 percentage points, from 39,0% to 49,9%. The proportions of individuals identifying themselves as poor decreased across the remaining seven provinces between 2015 and 2023.

Poverty estimates based on the LBPL indicator show that poverty rates in South Africa declined between 2015 and 2023, in contrast to the pattern observed with the IEQ indicator. In 2023, KwaZulu-Natal reported nearly identical proportions of individuals who identified themselves as poor, with 49,6% under the LBPL measure and 49,9% under the IEQ measure.

Between 2015 and 2023, most provinces recorded a general decline in the proportion of individuals who identified themselves as poor, with the exception of Gauteng, where the proportion increased slightly from 26,3% to 26,5%.

The Western Cape, Gauteng, and Free State were the only provinces in 2015 and 2023 to record poverty rates below the national averages of 46,7% and 37,9%, respectively.

**Table 5.4 - Poverty shares by province, 2015 and 2023**

Province	LBPL		IEQ	
	2015	2023	2015	2023
Western Cape	7,2	6,7	10,7	10,5
Eastern Cape	16,3	13,9	17,1	13,4
Northern Cape	2,4	2,4	2,9	2,5
Free State	4,7	4,3	6,3	5,4
KwaZulu-Natal	24,9	24,8	13,0	18,5
North West	7,7	9,0	7,8	6,1
Gauteng	13,9	18,7	19,1	25,4
Mpumalanga	8,5	7,9	9,6	7,6
Limpopo	14,4	12,2	13,3	10,6
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

The IEQ indicator for 2023 shows that Gauteng had the largest share of individuals who identified themselves as poor at 25,4%, followed by KwaZulu-Natal with 18,5%, while Eastern Cape accounted for 13,4%. Northern Cape recorded the smallest share of subjectively poor individuals, at 2,5% during the same year. Between 2015 and 2023, Gauteng's poverty share rose by 6,3 percentage points, increasing from 19,1% to 25,4%, while KwaZulu-Natal's share rose by 5,4 percentage points, from 13,0% to 18,5% over the same period.

When looking at the objective measure in 2023, it indicates that KwaZulu-Natal had the largest share of individuals living below the poverty line (24,8%), followed by Gauteng (18,7%) and the Eastern Cape (13,9%). In both 2015 and 2023, the Northern Cape accounted for the lowest poverty share (2,4%), a pattern attributable to its comparatively small population size relative to other provinces.

## 5.4 Poverty estimates by metropolitan municipality

**Table 5.5 - Proportion of poor population by metropolitan municipality and poverty indicator, 2015 and 2023**

Municipality	LBPL		IEQ	
	2015	2023	2015	2023
Buffalo City	39,0	33,3	39,8	70,8
City of Cape Town	25,8	19,1	47,7	50,1
City of Johannesburg	23,4	24,8	37,3	53,4
City of Tshwane	26,0	30,0	48,5	42,8
Ekurhuleni	30,2	24,7	36,9	47,6
Mangaung	28,5	30,1	64,7	58,8
Nelson Mandela Bay	40,8	30,2	35,8	33,2
eThekwini	41,3	40,7	41,0	46,4
<b>All metros</b>	<b>30,1</b>	<b>27,7</b>	<b>42,3</b>	<b>49,0</b>

Table 5.5 shows that, based on the IEQ measure, the poverty headcount rates across metropolitan municipalities rose from 42,3% in 2015 to 49,0% in 2023. In 2023, Buffalo City reported the highest proportion of individuals identifying themselves as poor (70,8%), followed by Mangaung (58,8%) and the City of Cape Town (50,1%). By contrast, Nelson Mandela Bay recorded the lowest proportions, with 33,2% of individuals identifying themselves as poor. From 2015 to 2023, only Mangaung, the City of Tshwane, and Nelson Mandela Bay recorded declines, with their figures dropping from 64,7% to 58,8%, 48,5% to 42,8%, and 35,8% to 33,2%, respectively. Buffalo City reported a 31,0 percentage point increase, while the City of Johannesburg registered a 16,2 percentage point rise (the largest gains among the metropolitan municipalities) during the same period.

Compared with the IEQ, the LBPL indicator shows that poverty headcount rates across metropolitan municipalities declined from 30,1% in 2015 to 27,7% in 2023. In 2023, the highest poverty rate was recorded in eThekwini municipality at 40,7%. Over this period, more than one-third of individuals living below the poverty line were concentrated in the City of Tshwane, Mangaung, Nelson Mandela Bay, and Buffalo City, although the pattern appears different when assessed using the IEQ indicator.

**Table 5.6 - Poverty shares by metropolitan municipality, 2015 and 2023**

<b>Municipality</b>	<b>LBPL</b>		<b>IEQ</b>	
	<b>2015</b>	<b>2023</b>	<b>2015</b>	<b>2023</b>
Buffalo City	4,9	3,7	3,6	4,6
City of Cape Town	16,1	12,7	21,7	19,3
City of Johannesburg	17,0	21,2	18,9	26,1
City of Tshwane	11,6	16,5	14,9	12,6
Ekurhuleni	16,4	14,4	14,6	15,8
Mangaung	3,2	3,5	5,3	4,0
Nelson Mandela Bay	7,0	5,1	4,4	3,2
eThekwini	23,7	22,9	16,7	14,6
<b>All metros</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

According to the IEQ indicator in Table 5.6, the share of individuals identifying themselves as poor in the City of Cape Town, City of Tshwane, and eThekwini declined between 2015 and 2023, falling from 21,7% to 19,3%, 14,9% to 12,6%, and 16,7% to 14,6%, respectively. In contrast, the City of Johannesburg recorded the largest share increase over the same period, rising from 18,9% to 26,1%. Meanwhile, Mangaung and Nelson Mandela Bay experienced slight decreases, with poverty shares dropping from 5,3% to 4,0% and from 4,4% to 3,2%, respectively.

Based on the LBPL measure, the poverty shares for the City of Cape Town, Ekurhuleni and Nelson Mandela Bay decreased between 2015 and 2023. However, City of Tshwane experienced the largest increase from 11,6% to 16,5% over the same period, while eThekwini had a slight decrease from 23,7% and 22,9%.

In 2023, the LBPL measure indicated that eThekwini had the highest poverty share amongst all the metros at 22,9%, while the IEQ measure showed that the City of Johannesburg recorded the highest share during the same period. Looking back to 2015, eThekwini also led under the LBPL measure with 23,7%, whereas the City of Cape Town recorded the highest share under the IEQ measure at 21,7%. The LBPL measure showed that Mangaung had the lowest poverty share among the metros at 3,5% in 2023, while the IEQ measure identified Nelson Mandela Bay as having the lowest share during the same period. By contrast, in 2015, Mangaung recorded the lowest poverty share under the LBPL measure at 3,2%, whereas Buffalo City had the lowest share under the IEQ measure at 3,6%.

## 5.5 Poverty estimates by sex

**Table 5.7 - Proportion of poor population by sex and poverty indicator, 2015 and 2023**

Sex	LBPL		IEQ	
	2015	2023	2015	2023
Male	44,8	36,0	49,5	51,2
Female	48,6	39,7	49,8	51,6
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>49,7</b>	<b>51,4</b>

Table 5.7 shows that, according to the IEQ poverty measure, the proportion of those who are poor increased for both sexes in 2023. However, females reported slightly higher poverty headcount rates than their male counterparts, at 51,6% compared to 51,2%. By contrast, the objective poverty measure indicates that the proportion of poor individuals living below the poverty line declined for both sexes in 2023. Once again, females continued to experience higher poverty levels than males, at 39,7% compared to 36,0%. In 2015, both the LBPL and IEQ measures showed that the proportion of poor individuals among males and females was below 50%. By 2023, however, the IEQ measure indicated that more than 50% of both sexes were classified as poor.

**Table 5.8 - Poverty share by sex and poverty indicator, 2015 and 2023**

Sex	LBPL		IEQ	
	2015	2023	2015	2023
Male	46,7	46,4	48,5	48,6
Female	53,3	53,6	51,5	51,4
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

As shown in Table 5.8, using the IEQ poverty measure, the share of females who perceived themselves as poor decreased marginally from 51,5% to 51,4%, whereas the share of males rose slightly from 48,5% to 48,6% between 2015 and 2023. In contrast, female poverty shares showed a marginal increase, whereas male poverty shares recorded a slight decrease according to the LBPL poverty measure.

Between 2015 and 2023, females consistently recorded higher poverty shares than males across both subjective and objective measures. This outcome is largely attributable to their greater representation within the overall population, making a higher poverty share among females expected.

## 5.6 Poverty estimates by age group

**Table 5.9 - Proportion of poor population by age group and poverty indicator, 2015 and 2023**

Age group	LBPL		IEQ	
	2015	2023	2015	2023
0 - 17	58,6	49,1	52,8	53,8
18 - 24	50,9	41,9	50,5	53,5
25 - 34	41,0	35,0	48,3	50,8
35 - 44	36,6	31,0	46,6	50,6
45 - 54	34,7	27,2	47,9	48,2
55 - 64	37,3	27,6	46,7	47,6
65+	37,2	25,3	46,5	48,1
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>49,7</b>	<b>51,4</b>

Table 5.9 shows that, based on the IEQ measure, the proportion of the population who identified themselves as poor increased across all age groups between 2015 and 2023, whereas according to the LBPL measure, the proportion of individuals identified as poor declined across all age groups during the same period. According to the IEQ measure in 2023, more than half of individuals identified as poor fell within the 0 to 17, 18 to 24, 25 to 34, and 35 to 44 age groups, whereas the remaining age categories accounted for less than half of those identified as poor. Between 2015 and 2023, individuals aged 35 to 44 recorded the largest increase in the number of the poor, rising by 4,0 percentage points from 46,6% to 50,6%.

According to the LBPL measure, poverty was also most prevalent among children aged 0 to 17, declined during adulthood (18 to 24), and rose again as individuals approached retirement and beyond (55 to 64). However, this pattern shifted slightly meaning that the poverty headcount rates increased among those aged 55 to 64 but declined among individuals aged 65 and above. Between 2015 and 2023, older persons (65 years and above) experienced the largest decline, with poverty headcount rates dropping by 11,9 percentage points from 37,2% to 25,3%.

**Table 5.10 - Poverty shares by age group and poverty indicator, 2015 and 2023**

Age group	LBPL		IEQ	
	2015	2023	2015	2023
0 - 17	43,1	43,1	36,6	35,0
18 - 24	14,1	11,9	13,2	11,2
25 - 34	16,4	16,1	18,2	17,2
35 - 44	10,1	12,6	12,0	15,1
45 - 54	6,8	7,2	8,8	9,3
55 - 64	5,1	5,0	6,0	6,3
65+	4,4	4,2	5,2	5,9
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 5.10 shows that, based on the IEQ measure, children aged 0 to 17 accounted for the largest share of individuals living in poverty, declining slightly from 36,6% in 2015 to 35,0% in 2023. The second largest share was among those aged 25 to 34, whose contribution fell from 18,2% in 2015 to 17,2% in 2023. Older persons (65 years and above) accounted for only a small portion of the overall share, at just under 6% over the same period.

When applying the objective measure, a similar pattern emerges where children aged 0 to 17 consistently had the largest share of the poor, followed by those aged 25 to 34, between 2015 and 2023. Older persons (65 years and above) accounted for the smallest share. Notably, the poverty shares among children aged 0 to 17 remained constant at 43,1% throughout this period.

## 5.7 Poverty estimates by settlement type

**Table 5.11 - Proportion of subjectively poor population by settlement type, 2015 and 2023**

Settlement type	LBPL		IEQ	
	2015	2023	2015	2023
Urban	32,3	29,1	44,5	49,2
Non-urban	73,9	54,7	59,1	55,6
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>49,7</b>	<b>51,4</b>

Table 5.11 shows that, based on the IEQ measure, the poverty headcount rates in South Africa rose from 49,7% in 2015 to 51,4% in 2023. The results also indicate that the non-urban areas consistently recorded a much higher proportion of individuals identifying themselves as poor compared to urban areas between 2015 and 2023. The proportion of the poor in non-urban areas declined from 59,1% to 55,6%, while the proportion in urban areas rose from 44,5% to 49,2% based on the IEQ indicator.

Using the LBPL indicator, non-urban areas mirrored the pattern observed in the IEQ indicator, with poverty levels consistently higher than those in urban areas between 2015 and 2023. Furthermore, by 2023, the LBPL indicator showed a decline in the proportion of poor individuals across both settlement types.

**Table 5.12 - Poverty shares by poverty indicator and settlement type, 2015 and 2023**

Settlement type	LBPL		IEQ	
	2015	2023	2015	2023
Urban	45,2	50,2	58,1	62,2
Non-urban	54,8	49,8	41,9	37,8
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

According to Table 5.12, poverty shares in urban areas increased between 2015 and 2023, rising from 58,1% to 62,2% under the IEQ indicator and from 45,2% to 50,2% under the LBPL indicator. In contrast, non-urban areas experienced a decline over the same period, with shares dropping from 54,8% to 49,8% under the LBPL indicator and from 41,9% to 37,8% under the IEQ indicator.

## 5.8 Poverty estimates by household size

**Table 5.13 - Proportion of poor population by household size and poverty indicator, 2015 and 2023**

Household size	LBPL		IEQ	
	2015	2023	2015	2023
1 Member	7,2	3,8	50,1	52,9
2 - 3 Members	22,5	15,8	45,9	48,0
4 - 5 Members	38,9	30,4	47,5	49,5
6 - 9 Members	66,9	56,5	53,0	53,7
10 + Members	85,3	83,9	54,6	58,1
<b>South Africa</b>	<b>46,7</b>	<b>37,9</b>	<b>49,7</b>	<b>51,4</b>

According to the IEQ measure in Table 5.13 individuals living in larger household sizes experienced higher rates of poverty headcount as compared to those with smaller household sizes. In 2023, individuals living in households with 10 or more members recorded the highest poverty headcount rate at 58,1%, followed by those with 6 to 9 members (53,7%) and single-member households (52,9%). Meanwhile, those with 2 to 3 members (48,0%) and 4 to 5 members (49,5%) recorded the lowest proportions during the same period. Between 2015 and 2023, the individuals residing in households of 10 or more members recorded the largest increase, with poverty rates rising by 3,5 percentage points from 54,6% to 58,1%.

The objective poverty indicator (LBPL) reflects a similar trend to the IEQ indicator, showing that larger household sizes are linked to higher poverty rates. In 2015, individuals living in households with 10 or more members recorded the highest poverty headcount at 85,3%, which declined slightly to 83,9% in 2023. Consistent with the IEQ results, households with 6 to 9 members and those with 10 or more members reported poverty rates above the national averages. By contrast, the LBPL indicator shows that single-member households had the lowest poverty proportions, falling from 7,2% in 2015 to 3,8% in 2023. Under the IEQ measure, however, single-member households recorded significantly higher poverty shares, ranging between 50,1% and 52,9% over the same period.

**Table 5.14 - Poverty shares by household size and poverty indicator, 2015 and 2023**

Household size	LBPL		IEQ	
	2015	2023	2015	2023
1 Member	0,7	0,6	4,9	6,2
2 - 3 Members	11,1	9,8	21,2	21,9
4 - 5 Members	26,1	26,0	29,9	31,0
6 - 9 Members	44,3	41,9	33,4	29,6
10 + Members	17,7	21,7	10,7	11,3
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Based on the IEQ measure in Table 5.14, individuals living in households with 4 to 5 members recorded the highest share of poor individuals, accounting for 31,0% in 2023. This was followed by households with 6 to 9 members, which made up 29,6% of those identified as subjectively poor. Households with 2 to 3 members contributed 21,9% to the share of poor individuals, while single-member households had the smallest share, at just 6,2%. Individuals residing in households with 6 to 9 members were the only group to record a decline, falling from 33,4% in 2015 to 29,6% in 2023 representing a decrease of 3,8 percentage points.

Analysis of the LBPL measure revealed a pattern consistent with the IEQ measure, showing that poverty shares increased with household size, as larger households were more likely to be poor between 2015 and 2023. Specifically, the LBPL measure indicated that poverty among individuals in households with 10 or more members increased from 17,7% in 2015 to 21,7% in 2023. In contrast, all other household groups recorded declines in poverty shares over the same period.

## 5.9 Poverty estimates by education

**Table 5.15 - Proportion of the poor population by highest level of education for individuals aged 18 years and above, 2015 and 2023**

Education level	LBPL		IEQ	
	2015	2023	2015	2023
No schooling	65,9	52,7	56,2	54,6
Primary	61,8	47,4	56,1	56,1
Secondary	39,0	33,7	47,9	52,2
Tertiary	4,5	5,8	31,6	32,6
<b>South Africa</b>	<b>40,5</b>	<b>32,4</b>	<b>48,0</b>	<b>50,2</b>

Table 5.15 presents the proportion of subjective poverty among individuals aged 18 years and above by their highest level of education between 2015 and 2023. In 2023, the IEQ indicator shows that poverty levels were highest among those with primary education (56,1%), followed by individuals with no schooling (54,6%) and those with secondary education (52,2%). Individuals aged 18 years and above with tertiary education had the lowest proportion of those who viewed themselves as poor at 32,6% during the same year. Notably, individuals with no schooling were the only group to experience a decline in poverty levels, decreasing from 56,2% in 2015 to 54,6% in 2023. Meanwhile, those with primary education maintained a poverty headcount rate of 56,1% between 2015 and 2023.

The LBPL indicator, much like the IEQ indicator, revealed that the proportion of individuals aged 18 years and above who viewed themselves as poor declined as education levels increased in both 2015 and 2023. Across both indicators, more than half of adults in this age group had no formal education during the period 2015 to 2023. At the national level, poverty rates measured by the LBPL indicator decreased from 40,5% in 2015 to 32,4% in 2023, whereas poverty rates measured by the IEQ indicator increased from 48,0% to 50,2% over the same period.

**Table 5.16 - Poverty share by highest level of education for individuals aged 18 and above, 2015 and 2023**

Education level	LBPL		IEQ	
	2015	2023	2015	2023
No schooling	9,4	5,6	6,8	3,8
Primary	23,7	18,1	18,3	14,0
Secondary	65,8	73,9	68,2	73,9
Tertiary	1,2	2,4	6,7	8,4
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Table 5.16 indicates that, according to the IEQ subjective poverty measure, individuals aged 18 years and older with secondary education consistently represented the largest share of the poor, rising from 68,2% in 2015 to 73,9% in 2023. The second largest share was among those with primary education, which declined from 18,3% to 14,0% over the same period. The smallest share was recorded among individuals with no schooling, decreasing from 6,8% in 2015 to 3,8% in 2023. Meanwhile, the share of the poor with tertiary education increased from 6,7% to 8,4% between 2015 and 2023.

The same pattern observed in the IEQ measure is also reflected in the objective poverty measure, where poverty shares for individuals with secondary and primary education have the largest share of the poor. Between 2015 and 2023, individuals aged 18 years and older with secondary education consistently accounted for the largest share of the poor, followed by those with primary education. In contrast, individuals with tertiary education recorded the smallest share, increasing slightly from 1,2% in 2015 to 2,4% in 2023.

## 5.10 Poverty estimates by happiness status

**Table 5.17 - Proportion of poor population by happiness status of individuals 15 years and older, 2015 and 2023**

Happiness Status	LBPL		IEQ	
	2015	2023	2015	2023
Happier	28,0	22,2	44,8	43,3
The same	43,6	36,3	45,6	48,0
Less happy	50,5	38,5	54,3	58,4
<b>South Africa</b>	<b>41,6</b>	<b>33,5</b>	<b>48,4</b>	<b>50,5</b>

Using the IEQ measure, the proportion of individuals aged 15 years and older with a “less happy” status from households who identified themselves as poor had the highest poverty headcount rate which rose from 54,3% in 2015 to 58,4% in 2023. Similarly, those with “the same” happiness status recorded an increase in their poverty headcount rate from 45,6% to 48,0% between 2015 and 2023. In contrast, the proportion of individuals with a “happier” status and who considered themselves poor declined from 44,8% to 43,3%, reflecting a 1,6 percentage point decrease.

Between 2015 and 2023, both the LBPL and IEQ measures indicated an overall decline in the proportion of poor individuals aged 15 years and older across all three happiness statuses. Nationally, poverty rates measured by the LBPL fell from 41,6% in 2015 to 33,5% in 2023, whereas those measured by the IEQ rose from 48,4% to 50,5% over the same period.

**Table 5.18 - Poverty shares by happiness status of individuals 15 years and older and poverty indicator, 2015 and 2023**

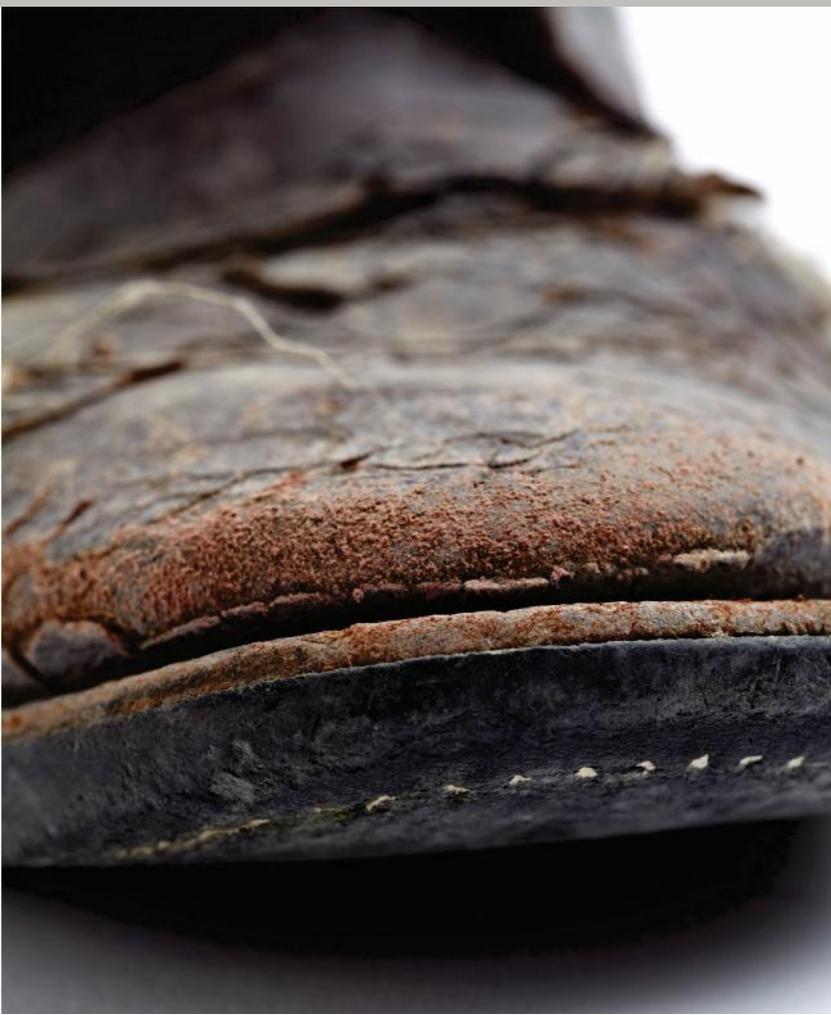
Happiness Status	LBPL		IEQ	
		2023	2015	2023
Happier	18,5	16,8	25,4	21,4
The same	36,2	42,3	32,6	37,2
Less happy	41,4	40,6	38,2	41,1
<b>South Africa</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

Based on the IEQ measure in Table 5.18, individuals aged 15 years and older with a “less happy” status accounted for the largest share of the poor at 41,1% in 2023. They were followed by those with “the same” happiness status, who represented 37,2% of the subjectively poor. Individuals with a “happier” status contributed the least with 21,4% to the overall share of poor individuals and were the only group to record a decline, dropping from 25,4% in 2015 to 21,4% in 2023.

Between 2015 and 2023, both the LBPL and IEQ measures showed that the largest share of poverty among individuals aged 15 years and older was concentrated among those with a “less happy” status. Conversely, the smallest share of poverty during the same period was observed in individuals with a “happier” status across both measures.

## Living Circumstances of Households

6



## Chapter 6 - Living Circumstances of Households

### 6.1 Introduction

This chapter presents a comparison of the living circumstances of households that have been measured as poor using the LBPL and the three subjective poverty indicators. The purpose of the chapter is to determine if there are any differences in living standards between the households that have been measured as poor by LBPL and those that have been identified as poor subjectively since subjective poverty is likely to be driven by more than just a lack of income. It is likely that given the massive pro-poor government expenditure since 1994 that the government has undertaken, components of the social wage such as access to basic services might have an influence on subjective poverty assessment by households. Section 6.1 presents the comparisons of average annual household consumption expenditure. Section 6.2 compares the living standards of households that were classified as poor objectively against those that have been classified as subjectively poor according to the three subjective poverty measures.

### 6.2 Household expenditure

**Table 6.1 - Average annual household consumption expenditure among the poor by poverty indicator, 2023**

<b>RSA</b>	<b>LBPL</b>	<b>SPWQ</b>	<b>MIQ</b>	<b>IEQ</b>	<b>TOTAL</b>
	<b>52 179</b>	<b>66 728</b>	<b>125 325</b>	<b>99 817</b>	<b>138 852</b>
<b>Province</b>					
Western Cape	51 308	78 828	183 522	111 129	218 002
Eastern Cape	54 396	63 458	100 930	88 293	107 239
Northern Cape	49 800	57 849	119 299	90 915	124 665
Free State	46 275	55 248	99 719	94 725	111 647
KwaZulu-Natal	56 955	65 487	100 661	88 192	119 184
North West	44 934	48 342	73 773	67 109	95 018
Gauteng	47 494	76 777	151 146	119 380	164 751
Mpumalanga	54 935	61 607	104 316	105 744	117 400
Limpopo	57 059	65 998	94 492	86 595	96 008
<b>Sex of household head</b>					
Male	48 065	67 277	136 880	106 683	153 878
Female	55 350	66 028	108 091	91 400	119 285
<b>Population group</b>					
Black African	51 716	64 414	95 018	88 426	105 250
Coloured	60 382	77 393	164 831	118 643	174 063
Indian/Asian	70 028	111 899	239 825	182 182	278 939
White	54 060	152 999	384 975	270 340	391 291

Table 6.1 provides a comparison of the average annual household consumption expenditure of households that have been classified as poor according to both objective as well as those identified as subjectively poor in 2023 using the LBPL and the three subjective poverty indicators. The table shows that, household consumption expenditure in households below the LBPL is considerably lower than expenditure in households that are poor according to the subjective indicators. According to the objective indicator, poor households' average household consumption expenditure was R52 179 per annum, however, expenditure based on the SPWQ indicator was considerably higher at an average of R66 728 per annum. The SPWQ indicator yields the lowest poverty headcount rate of all the subjective indicators, yet its average consumption expenditure is the lowest among the subjective indicators.

In line with the findings presented in previous sections, poverty indicators based on the minimum income question (i.e. MIQ and IEQ) appear to classify households that are relatively well-off (in objective terms) as subjectively poor. The average expenditure in households that reported income below the minimum level with which they could make ends meet was R125 325 per annum which was almost three times higher than the average expenditure reported by households below the LBPL (R52 179 per annum). Similarly, reported consumption expenditure levels in households classified as subjectively poor according to the IEQ indicator (R99 817) were almost double the expenditure levels for households below the LBPL threshold.

In terms of the well-being profile based on annual average household consumption expenditure and province, the findings are relatively consistent when using both the objective and subjective poverty indicators. Average consumption expenditure in poor households is lowest in North West, irrespective of which poverty indicator is applied. At the same time, expenditure levels are far higher in poor households in Gauteng and Western Cape, according to all the subjective poverty measures. However, the objective poverty measure identifies poor households in Limpopo and KwaZulu-Natal as having the highest consumption expenditure levels.

One of the differences identified in the expenditure profile, is that the objective poverty measure identified female-headed households as having the highest household consumption expenditure, whereas all the subjective poverty indicators identified male-headed households as having the highest expenditure levels. Male-headed households accounted for an

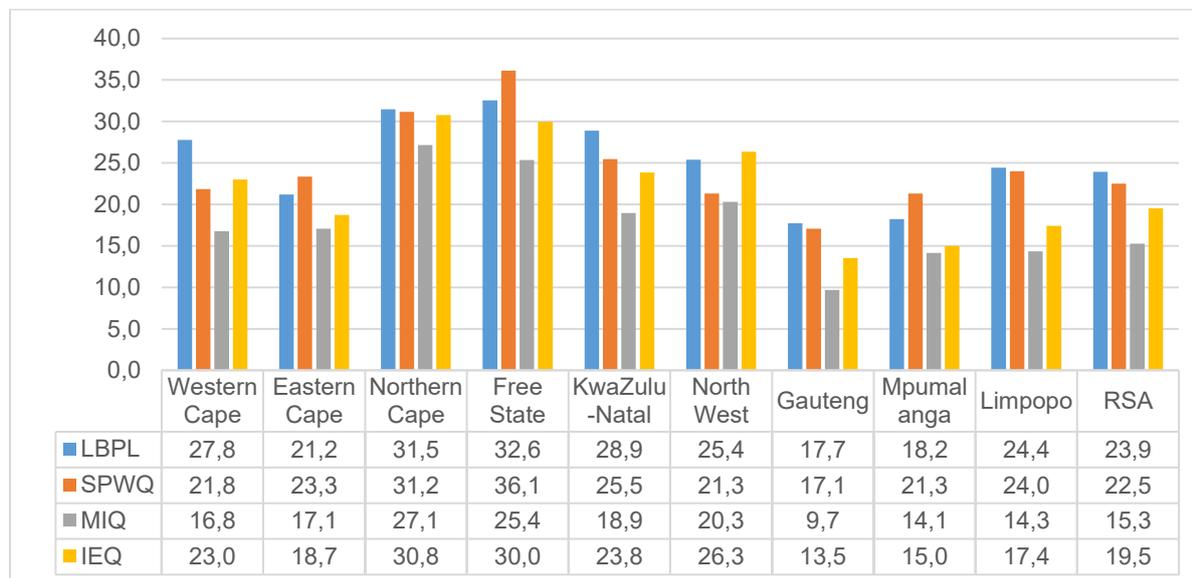
expenditure of R48 065 per annum and female-headed households contributed R55 350 per annum when using the objective poverty measure.

In terms of the three subjective poverty measures, the consumption expenditure of male-headed households was by far higher than that of their female counterparts. According to the SPWQ poverty measure, male-headed households (R67 277 per annum) consumed slightly more than their female counterparts (R66 028 per annum) during the same period. Similarly, when using the IEQ and MIQ subjective poverty measures, the average household expenditure for male-headed households was higher than the average averages of female-headed households.

The expenditure profile of population groups demonstrates the large difference between subjective poverty indicators and the objective poverty indicator. Among whites living in households below the LBPL, annual expenditure (R54 060) was slightly higher than the corresponding expenditure level for black Africans (R51 716). However, among households that are poor according to the three subjective indicators, the expenditure levels for whites were far higher than for all other population groups. Using the most conservative subjective poverty measure (SPWQ), for example, annual household consumption expenditure for black Africans is only R64 414, but for whites who reside in self-perceived poor households, the expenditure level is almost three times higher (R152 999).

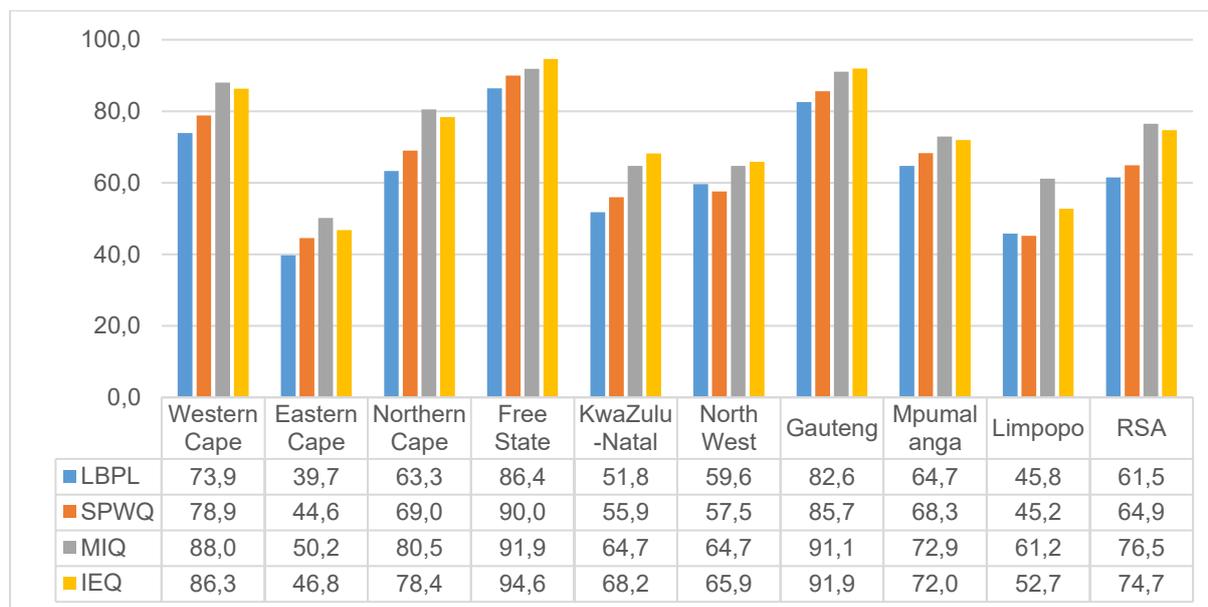
### 6.3 Living circumstances of households

**Figure 6.1 - Proportion of households that received a government housing subsidy or RDP house by province and poverty indicator, 2023**



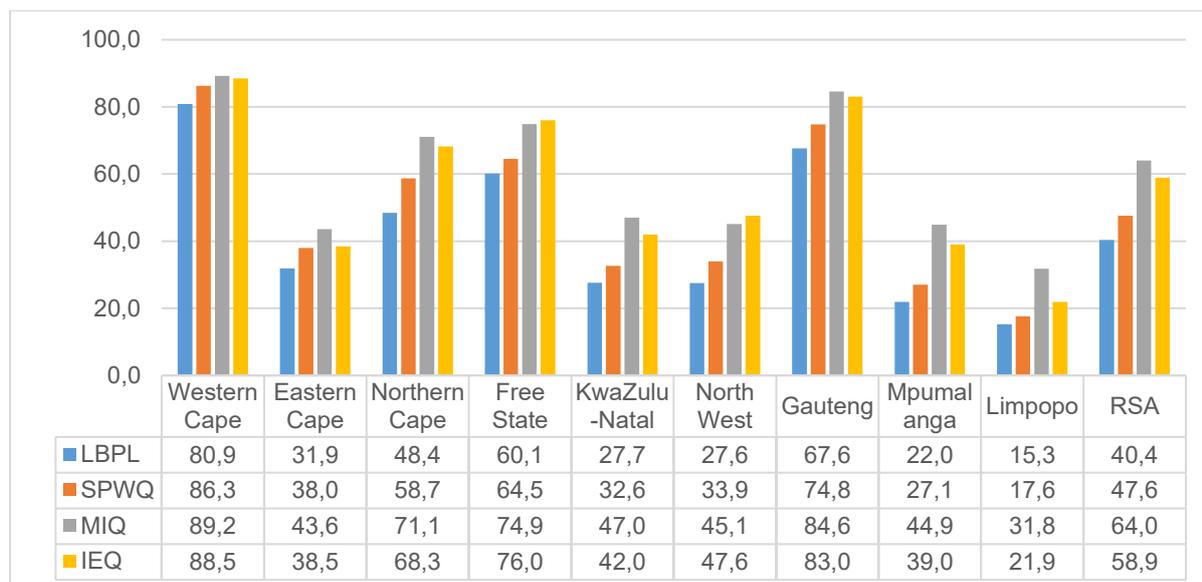
Improving access to quality housing is one of the key objectives of the South African government. Moreover, since subjective poverty is likely to be driven by more than a lack of income, it might be expected that a lack of adequate housing is one of the domains which might explain why some respondents are not living in a household below the objective poverty measure, but still perceive that their household is poor. The estimates presented in Figure 6.1 provide some evidence to support this explanation. Of all households that reported consumption below the LBPL, 23,9% received some type of government housing subsidy. The households that were identified as poor according to all the three subjective poverty indicators, however, were less likely to have received housing support. Only 22,5%, 15,3% and 19,5% of households identified as poor by the SPWQ, MIQ and IEQ indicators, respectively, reported receiving government housing support. There is some variation in access to housing subsidies by province, but Gauteng with some of the lowest poverty headcount rates by both objective and subjective poverty rates, reported the lowest levels of government support for housing among the poor.

**Figure 6.2 - Proportion of households which had access to piped water inside their dwellings or on-site by province and poverty indicator, 2023**



Conversely, Figure 6.2 shows that in 2023 households that are subjectively poor are actually more likely to have access to piped drinking water than households below the LBPL. Among households classified as poor when using the LBPL, 61,5% have access to piped water. Higher proportions were observed among households identified as poor using subjective poverty indicators, with 64,9% under SPWQ, 76,5% under MIQ, and 74,7% under IEQ. This indicates that households identified as poor using subjective measures tend to have better access to piped water than would be expected based on the LBPL alone. The highest access levels were observed among households in the Free State, Gauteng and Western Cape with 86,4%, 82,6% and 73,9% respectively, whereas the lowest access levels were evident for Eastern Cape and Limpopo with 39,7% and 45,8% respectively. There are some exceptions amongst the provinces since households that perceived themselves as poor (i.e. according to the SPWQ indicator) in North West and Limpopo were less likely to have piped drinking water than objectively poor households. In the rest of the provinces, however, households that are below the LBPL have less access to piped water.

**Figure 6.3 - Proportion of households which had access to flush toilets inside their dwellings by province and poverty indicator, 2023**



Households that are subjectively poor are far more likely to have access to flush toilets than households below the LBPL in 2023, as shown in Figure 6.3. More than half of households identified as poor by the MIQ and IEQ indicators (64,0% and 58,9%, respectively) have access to flush toilets at their dwelling. Only 40,4% of objectively poor households have access to flush toilets. This association between subjective poverty and better access (relative to objectively poor households) to flush toilets holds across all provinces. Among LBPL households, access was lowest in Limpopo with 15,3% and Mpumalanga with 22,0% and highest in Western Cape with 80,9%. For SPWQ households, proportions were increased across all provinces, ranging from the lowest being Limpopo with 17,6% and the highest being Western Cape with 86,3%. Overall proportions increased from 40,4% in LBPL to 47,6% in SPWQ and followed by 64,0% in MIQ before declining slightly to 58,9% in IEQ. In general, the objective poverty indicator is more closely associated with both a lack of piped drinking water and access to a flush toilet.

**Figure 6.4 - Proportion of households in which a member 'never goes hungry' by population group of household head and poverty indicator, 2023**

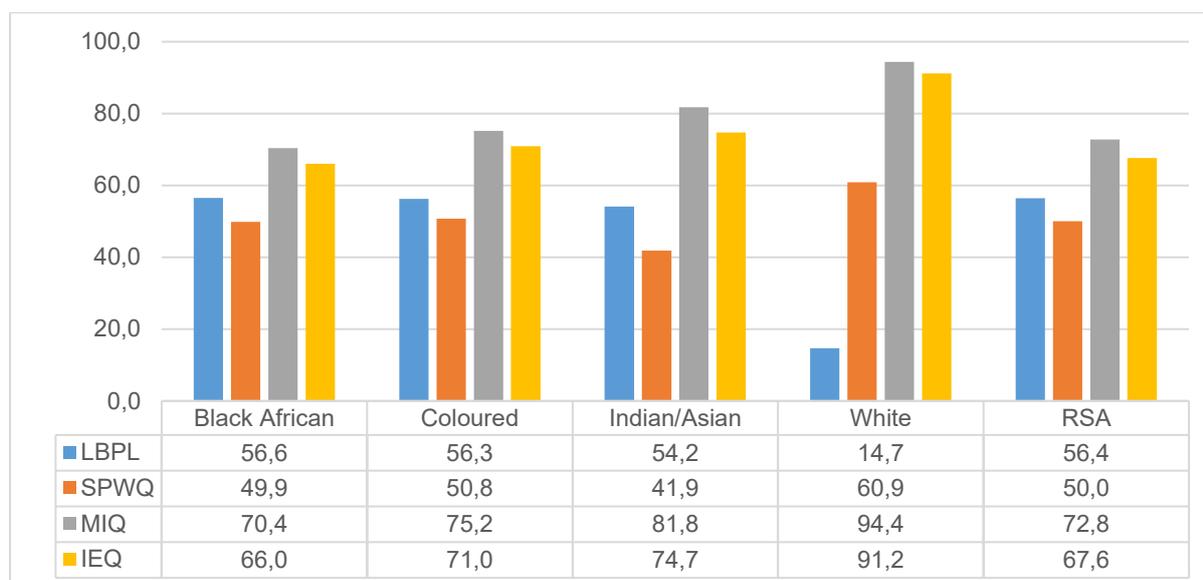


Figure 6.4 depicts that there is some relationship between subjective poverty and food security. Households that are below their perceived minimum income level are more likely than households below the LBPL to report that household members (both adults and children) never go hungry. About 72,8% and 67,6% of poor households according to the MIQ and IEQ indicators, respectively, reported that household members never go hungry. A considerably smaller percentage (56,4%) of households below the LBPL, however, reported the same level of food security. Nevertheless, there is a notable difference between the self-perceived (SPWQ) poverty indicator and the minimum income measures (MIQ and IEQ). Only 50,0% of households that are poor according to the self-perceived definition reported that household members never go hungry. Among Indian/Asian households, the self-perceived poverty indicator is also associated with less food security. Among households that are poor according to the LBPL households, the proportion of which a member never goes hungry is above 50% for black African, coloured, and Indian/Asian households, but very low for white-headed households at 14,7%. Households that are poor according to the SPWQ indicator show proportions of around 50% for black African and coloured, 41,9% for Indian/Asian, and 60,9% for White-headed households that never go hungry. Households headed by whites according to MIQ indicator recorded the highest proportion at 94,4%, followed by Indian/Asian at 81,8%, then coloured at 75,2% and black African reported the lowest proportion at 70,4%.

**Figure 6.5 - Proportion of households living within a 2 km radius of selected facilities at the time of the survey by type of facility and poverty indicator, 2023**

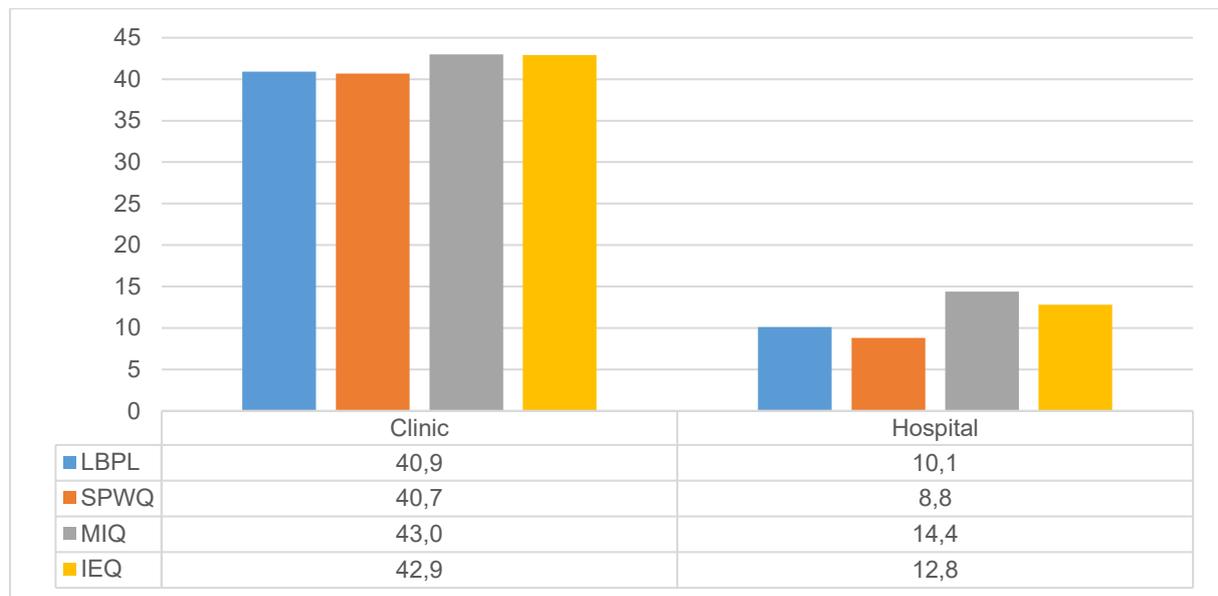


Figure 6.5 shows that in 2023, not only are households below the LBPL less likely to have access to basic services such as piped water and flush toilets, but they are also less likely to be located within a short distance to other key amenities. Objectively poor households, for example, are less likely to be living within two kilometres of a clinic or hospital when compared to households classified as poor according to the minimum level of income indicators (i.e. MIQ and IEQ). However, when compared against households classified as poor according to the SPWQ indicator, there is no difference between the distance to a clinic for households (40,9% versus 40,7%). In other words, households that are below the LBPL are no more or less likely to report living in close proximity to clinics relative to households that are subjectively poor according to the SPWQ indicator. Comparison in terms of distance to hospital between the objectively poor and subjectively poor households according to the SPWQ indicator shows little difference, with 10,1% objectively poor households living closer to hospitals compared to 8,8% of households classified as poor according to the SPWQ indicator.

## Chapter 7 – Concepts and definitions

**Acquisition approach** – An approach taking into account the total value of goods and services actually acquired during a given period, whether fully paid for or not during that period.

**Classification of Individual Consumption According to Purpose (COICOP)** – International system of classification of goods and services based on consumption purpose.

**Consumer price index (CPI)** – An index that measures the price of a fixed basket of consumer goods and services.

**Consumption approach** – An approach that takes into account the total value of all goods and services consumed (or used) during a given period.

**Consumption expenditure** – Expenditure on goods and services acquired, and privately used by household members, including imputed values for items produced and consumed by the household itself.

**Diary** – A record with discrete entries arranged by date reporting on what has happened over the course of a defined period of time. With regard to the IES and LCS, diaries recorded all acquisitions made by the household during the diary-keeping period. This included the description of the item, value, source, purpose, area of purchase and the type of retailer.

**Double generation households** – Consist of family members from at least two generations, i.e. parents and children.

**Durable goods** – Household items that last for a long time, such as kitchen appliances, computers, radios, televisions, cars and furniture, usually acquired once in several years.

**Dwelling unit (DU)** – Structure or part of a structure or group of structures occupied or meant to be occupied by one or more than one household.

**Enumeration area (EA)** – The smallest geographical unit (piece of land) into which the country is divided for census or survey purposes.

**Extended households** – Family that extends beyond the nuclear family and which consists of parents, their children, and other family members such as aunts, uncles, grandparents and cousins, all living in the same household.

**Farm** – An area of land, together with its buildings, concerned with the growing of crops or the raising of animals.

**Food poverty line (FPL)** – A monetary threshold below which individuals cannot afford to consume enough food to meet the minimum daily energy requirement. Those living below this line are considered to be living in “extreme” poverty.

**Gift** – An item received by the household from people who are not members of the household or items given away by members of the household to non-members, without compensation.

**Household** – A group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.

**Household head** – A person recognised as such by the household, usually the main decision-maker, or the person who owns or rents the dwelling, or the person who is the main breadwinner.

**Household income** – All receipts by all members of a household, in cash and in kind, in exchange for employment, or in return for capital investment, or receipts obtained from other sources such as social grants, pension, etc.

**Income (individual)** – All money received from salary, wages or own business; plus money benefits from employer, such as contributions to medical aid and pension funds; plus all money from other sources, such as additional work activities, remittances from family members living elsewhere, state pensions or grants, other pensions or grants, income from investments, etc.

**Income-in-kind/expenditure-in-kind** – This refers to items acquired by the household without paying for them, e.g. bursaries, subsidies from employer, free medical services, private use of a company car or similar vehicle, value of discounted fares for educational purposes, grants from schools and other educational institutions, excluding gifts and maintenance from other household members.

**Lower-bound poverty line (LBPL)** – An austere monetary threshold below which individuals are choosing between sufficient food to reach the minimum daily energy requirement and

essential non-food items (such as clothing, housing, transportation, etc.) due to limited resources. Calculation: Includes the cost of basic food (i.e. the FPL) plus the average non-food spending of households whose total expenditure is near the food poverty line.

**Multiple household** – When two or more households live in the same dwelling unit. Note: If there are two or more households in the selected dwelling unit and they do not share resources, all households are to be interviewed. The whole dwelling unit has been given one chance of selection and all households located there were interviewed using separate questionnaires.

**Non-durable goods** – Household items that do not last long, for example food and personal care items. Households usually acquire these items on a daily, weekly or monthly basis.

**Non-poor** – Population or households living above a designated poverty line.

**Own production** – Own production is the activity of producing goods that the household can consume or sell in order to supplement the household income. Many households – especially low-income households – need to grow food items such as vegetables, mealies, etc., or to keep chickens or livestock to consume and/or sell so that they can provide more adequately for themselves.

**Payment approach** – An approach taking into account the total payment made for all goods and services in a given period, whether the household has started consuming them or not.

**Poor** – Population or households living below a designated poverty line.

**Poverty Gap** – This provides the mean distance of the population from the poverty line.

**Poverty headcount** – This is the share of the population whose income or consumption is below the poverty line, that is the share of the population that cannot meet its basic needs. For household poverty analysis, the headcount is referred to as “incidence”.

**Poverty line** – Line drawn at a particular level of income or consumption, households/individuals whose incomes fall below a given level of the poverty line or whose consumption level is valued at less than the value of the poverty line are classified as poor.

**Poverty severity** – This takes into account not only the distance separating the population from the poverty line (the poverty gap), but also the inequality among the poor. That is, a higher weight is placed on those households/individuals who are further away from the poverty line.

**Primary sampling unit (PSU)** – Geographical area comprising one or more enumeration areas of the same type (and therefore not necessarily contiguous) that together have at least one hundred dwelling units.

**Sample** – Part of the population on which information can be obtained to infer about the whole population of units of interest.

**Settlement type** – Classification according to settlement characteristics.

**Semi-durable goods** – Items that last longer than non-durable goods but still need replacing more often than durable goods, for example clothing, shoes and material for clothing.

**Subjective poverty** – Considers that people's perception of what constitutes the minimum necessary household budget is the best standard of comparison for actual incomes and expenditures.

**Traditional area** – Communally owned land under the jurisdiction of a traditional leader.

**Urban** – Formal cities and towns characterised by higher population densities, high levels of economic activities and high levels of infrastructure.

**Vacant dwelling** – Dwelling that is uninhabited, i.e. no one lives there.

**Visitor (household)** – Person visiting or staying with a household who is not a usual member of the household.

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