



## Increased money stress severely impacting SA's home, work life and health

Three out of four South Africans feel money-stress, more than last year, with particularly women admitting to the effects of financial stress at home and work and on their health. Lower-income earners are the most stressed, while those who earn more have high levels of unsustainable debt.

These are some of the findings from DebtBusters' second annual **Money Stress Tracker**, one of the largest surveys about how financial stress affects other aspects of South African's lives. There were over 35 000 respondents to the online 2023 survey, conducted among a representative sample of South African consumers who are currently not in debt counselling.

Of the 78% of respondents who said they feel money-stress (up from 70% in 2022), 94% said it was impacting their home life, 78% their work life and 77% believed it was affecting their health - a clear indication that money stress results in other types of stress.

Short-term concerns continue to be the main reason for this stress. Half the respondents said running out of money before the month-end was their main worry. As one put it: "There's more month than money."

### **62% of middle class have unsustainable debt levels**

Since 2022 there has been a 22% increase in people who are anxious about being able to make their monthly debt repayments. Overall, 70% of respondents spent more than 30% of after-tax income on debt repayment, but the survey found that those taking home more than R20 000 per month and over had the most debt repayment pressure. Sixty-two percent of the respondents taking home more than R20 000 had unsustainable debt levels. This income band is the backbone of South Africa's middle-class population.

"We advise consumers not to use more than 30% of their take-home pay on debt repayments. Sixty-two percent of respondents in the two highest income bands we surveyed are spending between 40% or more of their income to service debt. This is simply too much, especially in a high-interest, high-inflation environment," says Benay Sager, head of DebtBusters.

This year, interest rate increases featured for the first time as one the main contributors to money stress. The other top reasons were unexpected expenses, inflation and living costs, the impact of loadshedding, school fees and retirement.

While all respondents said the biggest money stress factor was running out of money before the end of the month, the next concern for people who were 55 or older was having enough to retire. People between the ages of 25 and 44 were more worried about paying off debt.

In terms of income bands, those earning less than R5 000 a month were most stressed about paying debts and school fees. Those earning R35 000 or more, were the most concerned about interest rate increases.

"This indicates that the highest earners feel the impact of rising interest rates on their financial situation," explains Sager.

#### **Four out of five women suffer financial stress**

Compared to 2022 both women and men are 10% - 15% more stressed about their finances, work life, home life and health. Four out of five female respondents said they suffered financial stress.

"When finance goes out the front door, then love goes out the back door," said one woman.

Psychotherapist and Transactional Analyst, Diane Salters, explains that there may be two reasons for a higher proportion of women than men reporting high stress levels.

"Firstly, women are often carrying more of the burden of family care and responsibility than men. Secondly, women are more likely to admit to feeling stressed than men and reach out for help. Social conditioning often stops men from admitting they need help. Worldwide, women are more likely to use health services and social programmes. This is good because it means that women are more likely to get and use any help available."

The survey also showed that people who are younger and with lower incomes feel the most stressed and anxious about money, although stress levels in respondents aged between 45 – 54 showed a 23% increase compared to 2022.

To deal with money stress all age groups said they were cutting back on spending, a strategy that on average 44% of respondents have adopted. This year 38% said they were looking for a better job or higher pay, up nearly 50% on last year.

#### **Inaction, embarrassment, lack of trust inhibits positive action**

Younger consumers and those in the lower-income bands are more likely to be looking for a better-paying job. Younger consumers are also 1.5 times more likely to set a budget and stick to it.

When asked why they haven't acted to relieve money stress, the majority of under 35s said they feel stuck or embarrassed. Those aged 45 and up say they don't know who to trust or want more time to think. The survey found that less than 15% of people with unsustainable monthly debt repayments take any positive action.

"The tragedy here is the significant number of people who could benefit from debt counselling and other forms of debt management that are readily available and proven to work, but who don't seek help because they're frozen in indecision, embarrassed or don't know who to trust," says Sager.

**Notes to editors**

DebtBusters is South Africa's leading and largest debt counsellor. The survey polled users of the DebtBusters' online platform, who are currently not in debt counselling. This is the second time the **Money-Stress Tracker** has been conducted. In 2022, 14 000 subscribers responded. This year 35 000 subscribers participated in the survey.



**Benay Sager**  
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