Brief Note on recently released Poverty Trends in South Africa Report

15 December 2025

Summary of findings on Poverty

The Poverty Trends in South Africa Report in South Africa released by Statistics South Africa in December 2025 presents data showing a reduction in the percentages and number of people in South African living below certain poverty lines the Food poverty line of R777 per person per month, the Lower Bound Poverty line of R1 300 per person per month and the Upper Bound Poverty Line of R2 635 per month per person (in 2023 money terms). See Table 2.1.1 from the Report below.

Despite falling poverty rates, 66,7% of people in South Africa fell below the Upper Bound poverty line in South Africa in 2023 and 17,6% fell below the Food Poverty Line in 2023 and were described as living in extreme poverty.

Table 2.1.1: Poverty headcounts and the number of poor persons (2006, 2009, 2011, 2015 and 2023)

Poverty headcounts	2006	2009	2011	2015	2023
Percentage of the population that is UBPL poor	78,7%	76,2%	71,0%	71,1%	66,7%
Number of UBPL poor persons (in millions)	37,3	38,2	36,7	39,1	40,8
Percentage of the population that is LBPL poor	57,5%	55,7%	45,8%	46,7%	37,9%
Number of LBPL poor persons (in millions)	27,3	27,9	23,7	25,7	23,2
Percentage of the population living in extreme poverty (below FPL)	27,4%	31,7%	20,8%	22,4%	17,6%
Number of extremely poor persons (in millions)	13,0	15,9	10,8	12,3	10,8

The impact of rebasing on the historical data trends should be noted. Such effects can be read from the Report's Table 2.2.1. In 2011 the NDP, in setting ambitious targets for poverty reduction that are not on track to being achieved, noted that the percentage of people living below the lower bound poverty line in 2009 was 39%, but the revised baseline estimate currently being used in Statistic South Africa's 2025 report is that the percentage of people living below the lower bound poverty line was 45,8% in 2011. Similar rebasing effects impact on historical measures of income inequality, proportion of income shares and poverty and hunger levels.

As such, while the historical trend data presented in the 2025 report can be used to show declining trends in poverty in South Africa over the period from 2006 to 2023, caution must be used in accessing and quoting historical data on poverty levels from previous reports on the matter.

Table 2.2.1: NDP poverty and inequality-related targets

NDP target	Revised baseline	2030 target	Latest estimate
Reducing the proportion of persons living below the lower-bound poverty line from 39 per cent (in 2009) to zero by 2030	45,8% (2011)	0%	37,9% (2023)
Reduce income inequality from 0,7 in 2010 to 0,6 by 2030	0,678 (2011)	0,60	0,635 (2023)
The share of income going to the bottom 40 per cent of income earners should rise from 6 per cent to 10 per cent	4,5% (2011)	10,0%	6,8% (2023)
Reduce poverty-induced hunger to 0% by 2030	20,8% (2011)	0%	17,6% (2023)

Summary of findings on Inequality

The Report records that the degree of overall inequality in South Africa has decreased. Table 2.2.2.1 shows that the Gini Coefficient for overall income inequality had decreased from 0,702 in 2006 to 0,635 in 2023.

Table 2.2.2.1: Gini coefficients based on income per capita by sex, population group and province (2006, 2009, 2011, 2015 and 2023)

Year	2006	2009	2011	2015	2023
South Africa	**0,720**	**0,694**	**0,678**	**0,656**	**0,635**
Sex					
Male	0,717	0,687	0,672	0,649	0,630
Female	0,722	0,700	0,683	0,663	0,638
Population group					
Black African	0,607	0,640	0,620	0,613	0,567
Coloured	0,589	0,565	0,575	0,554	0,545
Indian/Asian	0,556	0,502	0,503	0,521	0,510
White	0,491	0,454	0,435	0,443	0,468

The fact that the Gini Coefficient for the Black African population group has declined over the period 2009 to 2023 is noteworthy in that it indicates recent reduced levels of income inequality in this population group after a period from 2006 to 2009 during which income inequality had been rising among members of this population group.

Over the 2006 to 2023 period the Gini Coefficient based on spending (not income) has also decreased indicating reduced spending inequality. Generally, the degree of spending inequality is less than the degree of income inequality as high income earners do not spend their full income due to savings, and the spending of low-income earners benefits from social grants and other transfers.

Comments on poverty and inequality data

Given South Africa's low annual economic growth rates for most of the 2006 to 2023 period, and generally rising unemployment rate, it is on the face of it surprising that levels of poverty and inequality are reported to have fallen over the period.

While a close analysis of the relevant data may provide clear reasons and statistically significant causal relationships as to why poverty and inequality levels, which continue to be high compared to other middle-income countries, have fallen during the period, some initial comments can be made on factors which have likely contributed to the reported reductio in poverty and inequality levels.

As an overall economic strategy, based on the need to correct for the racialized patterns of inequality due to South Africa's history of colonial and apartheid rule, post-1994 South African governments have sought to drive a strategy inclusive growth as well as extending a social safety net to those living in poverty.

Various policy instruments were used to shape economic growth in a more racially inclusive, egalitarian and transformative manner, such as, Black Economic Empowerment policies, employment equity in the workplace, minimum wage policies, and free access to education for poor and working-class families.

It is probable that the impact of these policies, which after a long period of dispossession and exclusion, aimed at facilitating economic inclusion have played a role in lowering South African overall reduction in poverty and inequality levels from 2006 to 2023. This interpretation is supported (as per Table 3.3.1's report on lower bound poverty line rates) by the fact that the level of poverty in the black African population has fallen from 67,3 % of the black

African population in 2006 to 43,9% in 2023 (for the Coloured population group the decrease in poverty has been from 42,8% in 2006 to 24,6% in 2023).

Overall poverty remains highly concentrated in the black African population group (with black African constituting about 93% of those below the lower bound poverty line), but the reduction of poverty within this group, which is by some margin the largest population group in the country, is the most significant driver of overall reduced poverty levels in South Africa over the period.

Table 3.3.1: Poverty measures by population group (LBPL) (2006, 2009, 2011, 2015 and 2023)

	Poverty Headcount (P0)				
	2006	2009	2011	2015	2023
South Africa	**57,5**	**55,7**	**45,8**	**46,7**	**37,9**
Black African	67,3	65,7	54,3	54,5	43,8
Coloured	42,8	39,9	29,8	34,4	24,6
Indian/Asian	10,5	6,5	3,6	2,8	5,8
White	0,6	1,5	0,7	0,7	1,4

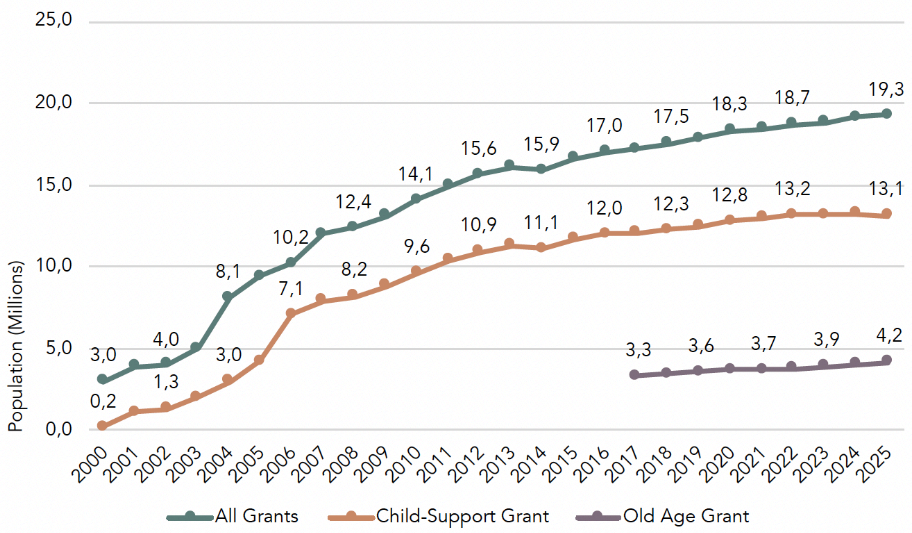
Increased access to education, including higher education, for those from the black African population Group, is also a likely driver of reduced poverty and inequality. As Table 4.5.1 shows, there is a strong correlation between increased levels of education and reduced levels of poverty. In 2023 those with only some primary education had a household lower bound poverty incidence of 41,1%, whereas for those with higher education the incidence was 3,1%. The small increase in the incidence of poverty for those with higher education from 2006 to 2023 is offset in absolute number terms by the increasing numbers of people who have gained access to higher education over the period.

Table 4.5.1: Household poverty measures by educational level of the household head (LBPL) (2006, 2009, 2011, 2015 and 2023)

	Incidence of Poverty (P0)				
	2006	2009	2011	2015	2023
South Africa	**42,2**	**40,9**	**31,9**	**31,8**	**22,9**
None	75,9	73,8	64,9	62,1	50,1
Some primary	64,3	66,3	54,3	55,8	41,1
Primary	56,3	55,6	46,3	51,2	35,9
Some secondary	38,6	40,5	30,9	34,4	29,3
Matric	15,9	16,8	13,5	14,4	15,6
Higher	2,3	5,2	2,3	2,6	3,1

The expansion of social grants is another factor that is likely to have reduced poverty and inequality levels in South Africa. As per Figure 2.3.7.1, the number of social grants disbursed each month have increased from around 3 million in the year 2000 to 19,3 million in 2025. The child-support grant and the old aged grant make up the bulk of social grants disbursed.

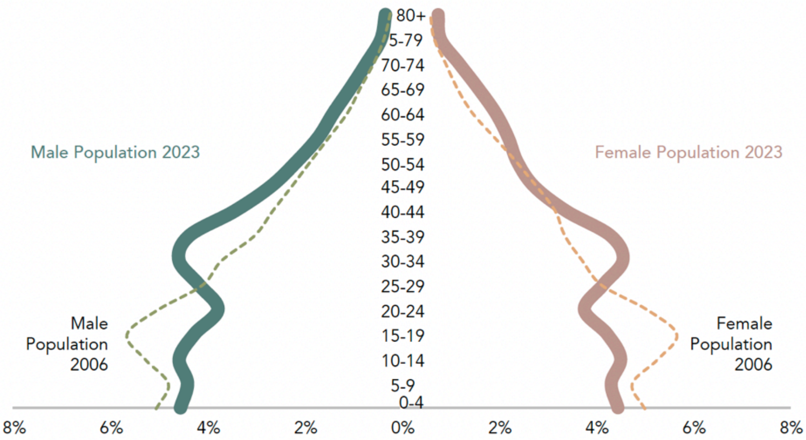
Figure 2.3.7.1: Number of social grants disbursed between 2000 and 2025



Source: South African Social Security Agency (SASSA), SOCPEN Database (2000-2025)

Demographic factors may also have played a role in reducing poverty and inequality levels. South Africa over the period from 2006 to 2023 has experienced a demographic dividend where a higher proportion of the population is of working age (and those younger and older than working age make up a smaller percentage of the overall population – see Figure 2.3.1.3). The positive effects of this demographic dividend would have been reduce by the persistent high rate of unemployment).

Figure 2.3.1.3: South Africa's age structure by 5-year age groups (2006 vs 2023)



Source: Mid-year Population Estimates 2025 (P0302), Stats SA

Looking to the next phase of growth and poverty and inequality reduction

The fact that levels of poverty and inequality have fallen during an overall low growth period (firstly with high rates of economic growth from 2006 to 2008 and then low growth rates from 2009 to 2023) is remarkable.

Policies that have shaped South Africa's growth in an inclusive manner from 2006 to 2023 have assisted in reducing poverty and inequality, and while these policies should be continuously reassessed to ensure that they are advancing both South Africa's growth and inclusion priorities, the recent poverty and inequality data indicates that they have had a positive impact in recent years, and this is something that should be built upon.

In the current period, as key poverty reduction instruments, such as an expanding system of social grant transfers are reaching their fiscal limits (and further increases in public debt will have to be contained), ongoing poverty and inequality reductions will require a new emphasis on economic growth and increased levels of investment and job creation.

As such, economic policies aimed at structural reforms to accelerate the rate of economic growth and lift investment and job creation are key to further reducing poverty and inequality in South Africa.