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South African graduates face toughest path to adulthood yet, UCT report reveals

A new report, *The First 100 Paychecks*, by the University of Cape Town (UCT) [Liberty Institute of Strategic Marketing](#), has revealed that South African graduates find the transition to adulthood more challenging than ever. Over 80% of surveyed graduates view their degrees as worthwhile investments, but many struggle with independence and long-term financial stability.

The report found that today's graduates face a complex mix of pressures, including a fiercely competitive job market, underemployment, rising living costs, student debt, family responsibilities such as the "black tax," and extended study periods. The report highlights a growing number of graduates trapped in what psychologist Jeffrey Arnett calls "emerging adulthood," a life stage where young people feel "in-between." They are no longer teenagers, yet they do not feel fully grown-up without financial security and stability.

The report's co-author Paul Egan explained: "A degree is still one of the best investments you can make in South Africa. While graduates face challenges like rising living costs and intense competition, the long-term benefits of higher education from financial security to career fulfilment remain undeniable."

The study confirmed that a degree still provides a substantial advantage, particularly in an economy that demands higher or more specialised skills. More than 75% of surveyed graduates in their 30s live in middle- or upper-class households. However, younger graduates are increasingly vulnerable to economic headwinds. Although graduate unemployment remains well below the national average at 12%, the number of unemployed graduates has more than doubled since 2015. Competition is intense. For example, a recent South African Police Service recruitment drive drew over 300 000 qualified graduate applicants for just 5 500 trainee positions.

Graduates also find it harder to access traditional milestones such as housing. With the age of first-time homebuyers rising, many are now part of "Generation Rent," delaying homeownership and long-term stability.

The report shows that graduates are adapting by cutting costs, building side income, and improving their qualifications through further study. Beyond financial returns, over 80% of

graduates say their work is intellectually stimulating, and many report high levels of satisfaction, independence and responsibility in their roles.

“We shouldn’t underestimate the value of the university experience itself. Graduates emerge with lifelong connections, professional credibility and skills that allow them to thrive in diverse environments. These are assets that last far beyond the first job,” co-author Associate Professor James Lappeman concluded.

The study's results were first launched on 2 October 2025.

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