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## **South Africa's working class grows despite economic challenges – UCT Liberty Institute report**

A landmark study, *The Majority Report 2025*, published by the University of Cape Town's (UCT) [Liberty Institute](#), revealed that South Africa's working class – households earning between R8 000 and R22 000 per month – has expanded significantly despite the country's ongoing economic struggles.

Between 2012 and 2022, South Africa's working class grew by an eye-opening six million people, while working-class households increased by 1,3 million over the same period.

The institute's analysis of General Household Survey data also found that the working class's spending power nearly doubled, surging from R280 billion a year to R550 billion in 2022. This group now accounts for nearly a quarter of all consumer spending.

Commenting on the findings, Associate Professor James Lappeman, head of projects at the institute, emphasised the economic significance of this group.

"Growth in the working class is being driven by several factors, including wage inflation and population growth. However, despite their increasing size and spending power, this segment is often ignored by businesses whose focus is concentrated on the middle and upper classes."

He added: "They make up nearly a quarter of the population, and because of their sheer numbers, they are the dominant buying group in a number of categories. Yet, they are still not given the attention they deserve."

Paul Egan, head of the institute, highlighted the long-term significance of the working class, noting that many within this group were on a trajectory towards middle-class status.

“Many of today’s working-class South Africans will be tomorrow’s middle class. While financial pressures are real, this group is highly aspirational, optimistic and resourceful,” he said.

He added: “We see individuals and households investing in education, skill development and entrepreneurial ventures to climb the economic ladder. Even though they are less resourced, there is a clear demand for brands that deliver both value and aspiration, making this a key market for businesses looking to build long-term consumer loyalty.”

***Ends***

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