

# South African women more at risk of becoming indebted than men

Women are borrowing money for daily living expenses, not to acquire assets.



Source: [Fxabay](#)

This finding was released by National Debt Advisors right on time for International Women's Day to highlight the financial challenges faced by women in the country.

"At 36% of our entire client base, women are significantly less indebted than males, however the type of debt that they have is mostly unsecured debt," says chief executive officer of National Debt Advisors Charnel Collins.

Collins explains that more than 99% of their female clients have unsecured debt, 80% have personal loans and almost 50% have credit-card debt.

"This is interesting to note as it speaks to how women primarily borrow for day to day living expenses as opposed to acquiring assets like their male counterparts," says Collins.

## An imperfect storm

According to the Stats SA's *Inequality Trends in SA* report of 2022 women in South Africa earn on average 30% less than men for doing the same job.

The same report states that about 50% of South African households are headed by women, and they are more likely to be poor than male-headed households. And even more concerning, the unemployment rate is significantly higher for women (36.5%) than men (30.3%).

Women are also more likely to work in low-paying jobs with little job security. They are also more likely to work part-time or in temporary positions, which can lead to financial insecurity.



## 58% of loans in arrears are held by women and here is why

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Collins says the socio-economic inequalities prevalent in South Africa see women prone to getting into debt traps.

“Women are often the primary caretakers of households, and with the increasing cost of living coupled with a pay gap, it is not difficult to see how this can lead to financial insecurity.

“Moreover, they are often paid less than men for doing the same job, which means that they have to work longer hours to make ends meet. This increases their stress levels, and they are more likely to use credit to bridge the gap in their finances,” says Collins.

## Financial abuse rife

According to Collins, in a country ravaged by gender-based violence, the home life that many women are experiencing may also lead to financial challenges for them.

“While it is often underrated and far less reported, financial abuse is a form of domestic violence. It takes many forms including all types of theft, fraud, exploitation, pressure related to wills, property, inheritances, financial transactions, and the misuse or misappropriation of property, possessions, or benefits,” she says.

A 2020 report by the National Income Dynamics Study – *Coronavirus Rapid Mobile Survey* (Nids-Cram) revealed that during the Covid-19 pandemic, women were more likely to lose their jobs or have their hours reduced.

Women were also more likely to have to leave their jobs to take care of children during lockdowns, which further exacerbated their financial insecurity. Women have also not benefited from the same rate of job recovery since early 2020 as men.

Collins said it is crucial to address the root causes of the problem, including gender-based pay discrimination, domestic violence, and lack of support for single-parent households.

Financial education and support can also play a vital role in helping women become more financially independent and overcome debt.