

How can employers help employees to make ends meet?

By [Bryan Habana](#)

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Although the economy seems to be coming out of the doldrums, life is still tough out there and many people have lost their livelihoods, if not their lives, as a result of Covid-19.



South Africa's economy gained 6.3% in the fourth quarter of 2020, according to Statistics South Africa. However, this was on an analysed basis. Stripping out the statistics agency's fancy footwork with accounting or statistical terms, real economic growth came in at -7%.

And South Africans certainly felt it, with job losses across the width of the country and no new jobs to be found.

Almost a third of South Africans are officially unemployed, according to Statistics South Africa's data for the three months to December. That figure doesn't include those who have given up looking for jobs. When we include that number, 42.6% of working-age people were out of work.

In fact, as news reports pointed out at the time, this meant that 7.2 million citizens were officially out of jobs, never mind those who had given up, and the unemployment figure was at a record high.

Unemployment is worse when it comes to younger people between 15 and 24 years of age, at 63.2%. For those between 25 and 34 years' old, the rate drops slightly to 41.2%.

Black Africans, according to the data, are worse off than other groups, while Black African women are the most vulnerable group.

Stretching rand

Consider that each employed South African was supporting another 3.5 people back in 2019 and that this number has surely grown since Covid arrived, and it's easy to see how bad the situation is.

Based on a tool developed by the Southern Africa Labour and Development Research Unit, in 2019, the median wage in South Africa is R3,300 a month.

This amount needs to stretch quite far, and even further in the current economic situation.

Just to feed a small child costs more than R500 a month, while an active man will need to spend at least R700 on nutritional food. And that doesn't cover other aspects such as transport, electricity, education and clothing.

Other costs also need to be considered, such as burial insurance and hygiene products.

It's no wonder that the breadwinner simply cannot make it to the end of the month without having to, generally, take on debt to make certain that the family is fed, clothed, educated, and kept warm. Many South Africans turn to debt as a way to make ends meet.

But this invariably places more pressure on household finances because the amount borrowed needs to be paid off, and often costs a lot to pay back each month. It's a never-ending cycle.

Employers can help

Debt becomes a never-ending cycle when you can't pay back what you owe, and end up borrowing more to pay back and still make ends meet.

For employers, this makes no sense because their people will, understandably, be incredibly stressed out about money, which means they will concentrate less and be less productive at work. Another issue bosses need to consider is that some employees may resort to stealing - from the company or other sources - to make ends meet.

As soon as the boss sees that someone is battling (they could be taking more breaks than usual, making more mistakes, or spending more time on the phone), they should have a quiet chat with that employee, without making it obvious.

A caring boss will be able to find out what it is that is bothering the person, and offer help.

Help can come in many ways, such as offering more overtime shifts, or a slight increase if justified.

Another option is to provide those staff who are battling with the option to access their wages early, in a responsible manner. This allows them to use cash they have already earned to get themselves over a financial hump.

This prevents staff from having to resort to increasingly expensive lenders, some of which may not be above board, while at the same time building trust in your company. If you know there is a solution and that the boss cares, you'll work harder for them.

It's a win-win answer that will help many people get over life's bumps and bruises.

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