

Living paycheck to paycheck

MONEY

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Living 'paycheque to paycheque' has become shorthand for its fragile existence: earning just enough to survive but never enough to build a cushion for emergencies, create savings and investments.

Before the next payday even peeks over the horizon, the last salary has already vanished—spent in quiet, necessary pieces. Transport money is carefully set aside, yet rent waits impatiently. School fees stand firm.

Food prices inch upward without apology. Then comes the call no one plans for—a relative in need, a hospital bill that cannot wait.

By month's end, the numbers no longer stretch. The wallet grows thin. The plans to save dissolve into survival. And once again, there is nothing left to keep—sometimes, nothing left at all.

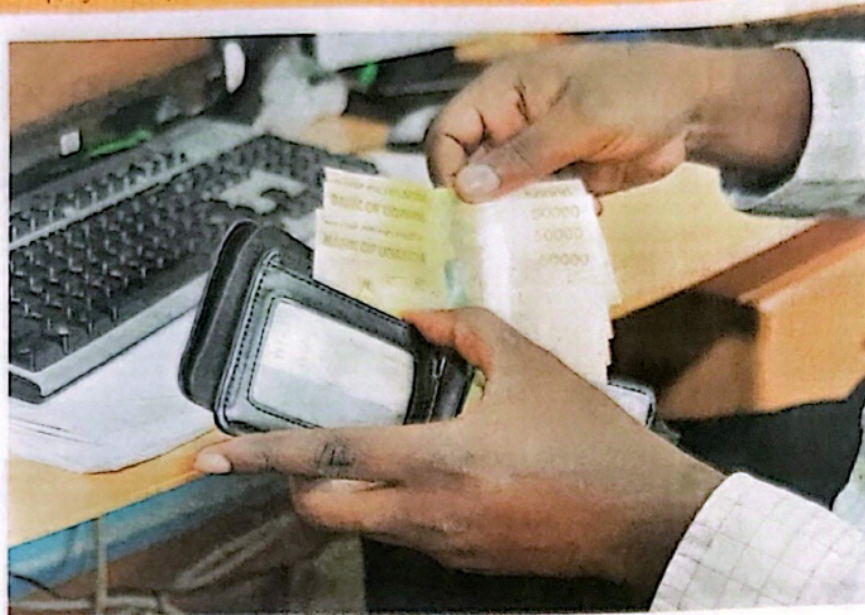
Living 'paycheque to paycheque' has become shorthand for its fragile existence: earning just enough to survive but never enough to build a cushion for emergencies, create savings and investments.

As Charles Ocici, the director general at Enterprise Uganda puts it, "It is when your expenses far exceed your regular salary/income, and by the time the next salary is coming in, the previous salary has been wiped out of your account. No two salary remittances ever meet."

Flavia Nabukwasi, a certified master trainer at Bank of Uganda paints a starker picture. "It's like having a bucket full of holes. You pour water in and it flows straight through. Giving credence to the saying, the paycheque comes every week and it goes everywhere. Money comes in but you cannot tell where it went or what it was spent on."

Globally, living paycheque to paycheque is the reality for the majority of workers around the world. According to the ADP Research's People at Work 2025 report, 57 percent of workers worldwide live paycheque to paycheque. The survey further found that even holding more than one job does not guarantee relief as 54 percent of people with one job, 59 percent with two jobs and 61 percent with three or more jobs still reported living paycheck to paycheck.

Across Africa, the rising costs of living coupled with the prevalence of informal work mean financial vulnerability is widespread. In Uganda, where incomes are lower and social safety nets thin, the margin for error and



A man counts money in a wallet. Even for salaried workers, costs rise faster than wages. MOTOTILE

Cost of survival

Why your salary disappears so fast

The question then arises, for a country whose economy has continued to grow at 5-6 percent annually in recent years, why hasn't that growth translated into stable household finances? Why does a country posting steady macroeconomic gains still have so many citizens permanently on the brink?

Illusion of growth

At a national level, Uganda often looks financially healthy. Inflation has largely remained in single digits. Mobile money penetration is among the highest in Africa, with financial inclusion gaining steady traction over the past decade. Uganda's financial inclusion rate stands at 81 percent, with formal financial inclusion at 68 percent as of 2023, and in East Africa, Nabukwasi notes that Uganda compares favorably.

"Kenya has a financial inclusion rate of around 82 percent, Tanzania and Rwanda stand at approximately 65 percent and 89 percent respectively. So regionally, Uganda's progress is notable," she says.

According to the Bank of Uganda and Finscope data, more than 80 percent of adults now use some form of financial service. Whether a bank, SACCO, savings group or mobile wallet yet this access has not translated into sta-

that does not mean households are participating in that growth," says Ronald Mukasa, a financial expert and chief operating officer, Enterprise Uganda. The economy may be expanding, but many families are not connected to the parts that are expanding.

Incomes, especially in rural areas or the informal sector, are often low, irregular and seasonal, forcing many families to live on a small income. "A small shock such as an illness, school fees, a bad harvest can wipe out any savings," says Nabukwasi.

Even for salaried workers, costs rise faster than wages. "Inflation might look stable," Nabukwasi says, "but the food, rent and education keep squeezing budgets." When fuel prices increase, transport fares also increase, landlords revise rent almost annually and school introduce 'new' requirements or fees each term. None of these changes look dramatic alone but together, they chip away at one's disposable income.

Without insurance and savings, one

event can undo years of effort. Uganda's insurance penetration remains the lowest (below 1 percent) in the region. That means households absorb risks directly, often borrowing or selling assets like a house, land, a goat, a car. Each sale makes the next emergency harder to survive. The result, a cycle where people are always recovering but never advancing.

Psychology of spending

But the problem is not only structural. Habits matter too, as expenditure patterns, beliefs and discipline greatly contribute to one's financial journey.

Ocici notes that most Ugandans fall into what he calls 'consuming and living beyond your means' and credit abuse. For instance, he illustrates, there is a nursery school paying Sh500,000 a year, other paying Sh1 million and another at Sh2 million. This is where one has to evaluate their financial status and choose a school within their means. Similarly this applies to rent.

By contrast, "you are firefighting your finances and that is a very distressing situation," he explains.

Another debilitating habit that stifles savings and promotes living on the mouth is the difficulty and/or reluctance to delay self-gratification or to enjoy services and goods that humanity craves. Ocici emphasizes that when people are unable to adjust their needs to their demands to their regular income means that you will never cope financially.

Outlandish or reckless spending coupled with the social pressure to compete has kept many Ugandans in a vicious cycle of recovery and repetition. According to the 2023 Finscope report, 70 percent of Ugandans live on a personal budget deficit.

"You see what someone else has, you push yourself into a bracket out of your league," Ocici says.

In cities especially status and competition have a price: better schools, newer phones, nicer apartments, fashionable clothes. With credit easily available through mobile money and lenders, those upgrades are instant.

Nabukwasi notes that with the adoption of mobile money, digital payments and cash in hand, it is easy to spend small amounts daily without noticing. Over time, those "small amounts" add up.

"Loans are everywhere, but it's your responsibility to ask, do I need this? If you can have a budget for food, rent, school fees, the brain learns discipline," Ocici advises.

Impulse purchases, he argues, require planning, and budgeting becomes an afterthought. Without budgeting, financial discipline is almost impossible. Curring with him, Nabukwasi highlights this tendency.

Costs

'Money comes in but you cannot tell where it went or where it's spent on.'