SAVINGS &
INVESTMENT MONITOR

OLDMUTUAL

OLD MUTUAL SAVINGS AND INVESTMENT REPORT

DO GREAT THINGS EVERY DAY

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1. RECAP OF MAIN FINDINGS FROM MEASURE 13 (JULY 2018)

A reminder that the 2018 fieldwork took place some 2 months after the resignation of Jacob Zuma as president and the appointment of President Cyril Ramaphosa. The mood and outlook of the working consumer would no doubt have been affected by this "Ramaphoria".

The improving trends on claimed levels of financial stress, having to forgo pleasure spending and ability to get by continued in 2018, but for those that felt very financially stressed the link to debt servicing was even stronger. That said, the 2018 results indicated that households were getting a better handle on their debt and had managed to pay down to more manageable levels.

Other encouraging results included a significant improvement in the percentage of households who were managing to make it through to month end without having to borrow from friends or dip into savings (this no doubt due to better planning as 2018 saw an increase in budget making). That said, 41% of households (and 73% of <R6 000 households) still were still running out of funds before month end at least once in the year. 2018 saw a decrease in the percentage of households that simply skipped payments or paid bills late as a coping mechanism. This greater focus on the importance of debt management was encouraging.

Belt tightening was everywhere and whilst the results indicated reduced 'cutting out' in some categories, we suggested that this was because people had already cut back as much as they could, rather than being an indication of things easing up. In 2019 we have tweaked how we ask these questions in order to get a read on the extent to which households have in fact already cut down as much as they can in specific categories.

2018 also saw the trend of trading down to cheaper brands strengthening further.

Attitudinally, consumers were increasingly cautious with their finances and this was reflected in their choice of savings vehicles, often opting for bank accounts rather than riskier equity based options. (That said, the mixed reception to the likes of Bitcoin showed that many are tempted by what looks like an easy and quick option).

Whilst consumers were saving less and financial satisfaction levels were lower, the improved confidence in the South African economy was encouraging.

2. MAIN FINDINGS FROM THIS MEASURE 14 (2109)

The 2019 results need to be viewed against a weakening economic backdrop.

South Africa's unemployment rate increased to 27.6 percent in the first quarter of 2019 and news of large scale retrenchments* abound with more to come. In March 2019 Standard Bank announced dozens of branch closures affecting 1 200 jobs. Group Five filed for bankruptcy protection and announced further retrenchments (on the back of losing 1 000 jobs in 2018). In May 2019 Tongaat Hulett issued S189 letters to 5 000 employees. June 2019 saw Sibanye-Stillwater announces 3 000 retrenchments and Multichoice announced that it will retrench 2 000 employees at this call centres and walk in service centres. These are just some of the examples, and whilst our Savings & Investment Monitor sample focusses on working people that does not mean that they are not affected. On the contrary, as breadwinners they are increasingly looked to by non-working family for financial assistance, as is borne out in the increasing % supporting adult dependents with the knock-on increase of those who find themselves part of the Sandwich Generation – now at the highest level since the inception of this study in 2009.

(* Business Insider SA, 25 June 2019)

On the political front, much of the Ramaphoria felt in early 2018 has died down. Whilst President Ramaphosa delivered his inauguration speech to jubilant South African's in May 2019 (with the cheaper ceremony being welcomed) subsequent cabinet appointments made it clear that whilst many of those accused of maladministration and corruption were dropped, internal power plays meant that a completely clean sweep was not possible. Be that as it may, the belt tightening evident in the cabinet restructure (including cutting down the number of ministries from 36 to 28) was appreciated.

Negative public sentiment towards corruption, maladministration and sheer wastage of public funds continues to run high. As the Zondo commission of enquiry into state capture, together with evidence from the PIC inquiry feed back eye-watering accounts of excess and blatant theft, so the negative sentiment grows.

It is of little comfort to say that we are not alone in facing both economic and political challenges. Looking further afield to the global economy, global economic growth remained steady at 3.1 percent in 2018, as a fiscally induced acceleration in the USA offset slower growth in some other large economies. Economic activity at the global level is set to expand at a solid pace of 3%, but there are increasing signs that growth may have peaked. **.

(** UN World Economic Situation & prospects Report 2019)

In the short term the significant rise in trade tensions (in particular as between the Trump administration and China) do not bode well (for emerging economies in particular). Similarly the continued uncertainty around Brexit is not conducive to growth.

The effects of climate change continue to be felt at home at abroad, however the beacon of light that is teenage activist Greta Thunberg and the audiences she is getting to sit up and listen is something to celebrate.

Looking now to these 2019 results, we note the continued belt-tightening and the extent to which some households have already cut down as much as they can. Those categories that are most sticky or resilient to change are those that are practically difficult to change (accommodation costs, cost of getting to work) or emotionally difficult to cut (education, assistance to dependents) or else deemed essentials (car insurance, security, medical aid).

In order to cope, households are increasingly looking to loans from family and friends or financial institutions to make ends meet.

Despite this trend (or in conjunction with it), there are attempts to pay down debt quicker, especially true of R40 000+ households in relation to store account debt and credit cards. However, a closer look at store cars and credit card usage patterns reveals reliance on these to fund day to day purchases like groceries rather than this credit being reserved for purchase of large ticket items or to finance emergencies.

There has been a decrease in saving for emergencies i.e. to ensure a buffer. As affordability bites, so buffer savings become a luxury. This leaves households very exposed with 38% of metro working households only having enough savings to last a month or less if their main source of income was lost.

There are no significant shifts in savings & investment vehicles used other than a drop off in stokvel penetration in R40 000+ households, but this is just back down to 2017 levels and contribution rates to all informal savings vehicles have increased.

Confidence in financial decision making has deteriorated further with significant pockets unsure where to turn for advice.

On a positive note, claimed confidence in the South African economy has improved marginally. Time will tell if that optimism is to be rewarded.

3. SAMPLING AND METHODOLOGY

The Old Mutual Savings & Investment Monitor is an annual study having initially been conducted twice a year. The inaugural measure was taken in 2009 and this July 2019 measure is the 14th measure to date.

Each wave comprises of 1 000 interviews amongst working South Africans living in major metropolitan areas, and examines levels of savings and investment as well as their attitude to finances in general and savings in particular.

Originally (Measures 1 & 2), the sample was quota controlled by life-stage and thereafter by household income, race and area. This structure allowed for the inclusion of a small proportion of students and retired respondents. In Measure 3 (November 2010), in order to remove a disproportionate race/age skew the primary quota was changed from life-stage to age, and students and retired respondents were excluded.

Quotas are imposed on household income to ensure that sub-sample sizes are sufficiently robust to allow for analysis by income bracket.

Originally (Waves 1 & 2) 4 broad household income bands were identified and the sample quota controlled accordingly:

- Less than R6 000
- R6 000 – R19 999
- R20 000 – R39 999
- R40 000+

From November 2010, 5 income brackets were used to allow for greater gradation:

- Less than R6 000
- R6 000 – R13 999
- R14 000 – R19 999
- R20 000 – R39 999
- R40 000+

Historically, in order to allow for analysis at a total market level, the data is re-weighted to reflect the household income profile as per AMPS proportions for employed Metropolitan Dwellers. In July 2018, two years post the demise of AMPS we extrapolated an appropriate household income weighting based on the average rate of change in AMPS household income weightings since the inception of SIM (i.e. over the last 9 years). In this measure we have been guided by the profile of working households in the 5 provinces we sample as per the Bureau of Market Research at UNISA ("BMR").

The weights applied are set out below:

	JULY 2011	NOV 2011	JULY 2012	NOV 2012	JULY 2013	JULY 2014	JULY 2015	JULY 2016	JULY 2017	JULY 2018	JULY 2019
	AMPS 2010*	AMPS 2010*	AMPS 2011A	AMPS 2012RA	AMPS 2012RB	AMPS 2013B	AMPS 2014RA	AMPS 2015A	AMPS 2015A	EXTRA-POLATED	BMR
Less than R6 000	29%	26%	27%	25%	25%	23%	23%	22%	22%	18%	22%
R6 000 – R13 999	33%	33%	33%	31%	32%	31%	31%	28%	28%	27%	29%
R14 000 – R19 999	14%	14%	13%	15%	14%	13%	13%	14%	14%	14%	10%
R20 000 – R39 999	18%	20%	20%	20%	20%	21%	22%	22%	22%	25%	17%
R40 000+	6%	7%	7%	9%	9%	12%	12%	14%	14%	17%	22%

Questioning is done in relation to household rather than personal circumstances. This is because household income is a more appropriate measure in many circumstances, primarily because amongst couples the financial and investment decisions and holdings are often joint, especially in relation to the big decisions such as home loan debt and education and retirement provision.

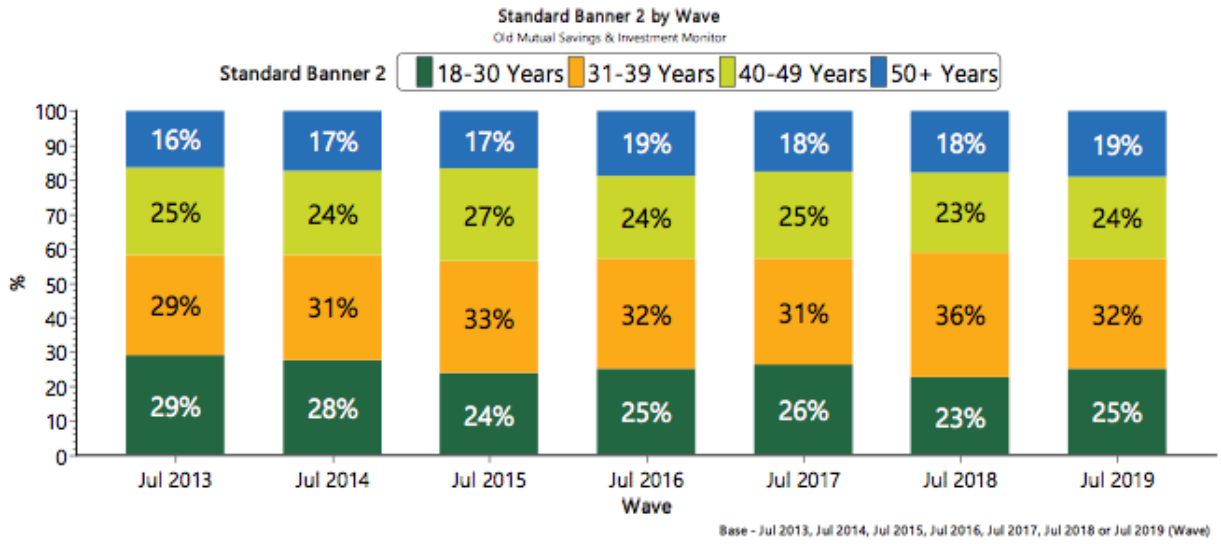
Amongst singles, whilst personal and household income are one and the same thing amongst working singles living alone, for young singles still living with their parents the position is different. To ask these respondents about savings in the household context would be misleading. Given these complexities, questioning around savings was adapted so that it is relevant to the individual respondent's life-stage. In other words, the line of questioning was in relation to either personal or household position, depending on which is most relevant for that life-stage segment.

The fieldwork over the various measures was conducted as follows:

- Measure 1 (November 2009): June/July 2009
- Measure 2 (July 2010): March/April 2010
- Measure 3 (November 2010): September/October 2010
- Measure 4 (July 2011): April/May 2011
- Measure 5 (November 2011): September/October 2011
- Measure 6 (July 2012): April/May 2012
- Measure 7 (November 2012): 16 October to 15 November 2012
- Measure 8 (July 2013): 29 April to 25 May 2013
- Measure 9 (July 2014): 18 April to 20 May 2014
- Measure 10 (July 2015): 29 April to 30 May 2015
- Measure 11 (July 2016): 26 April to 27 May 2016
- Measure 12 (July 2017): 25 April to 24 May 2017
- Measure 13 (July 2018):26 April to 26 May 2018
- Measure 14 (July 2019): 16 May to 14 June 2019

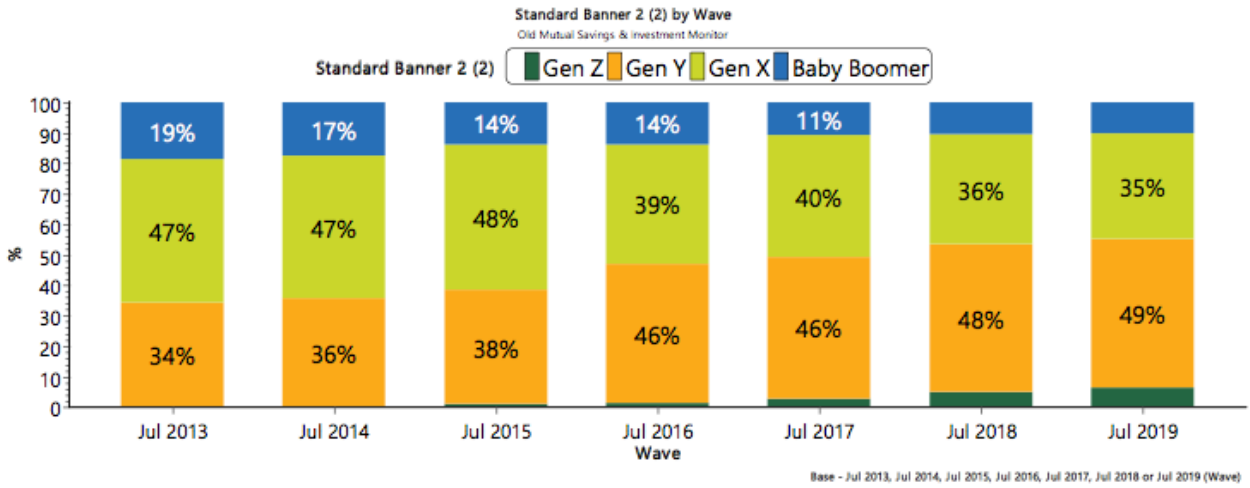
DEMOGRAPHICS

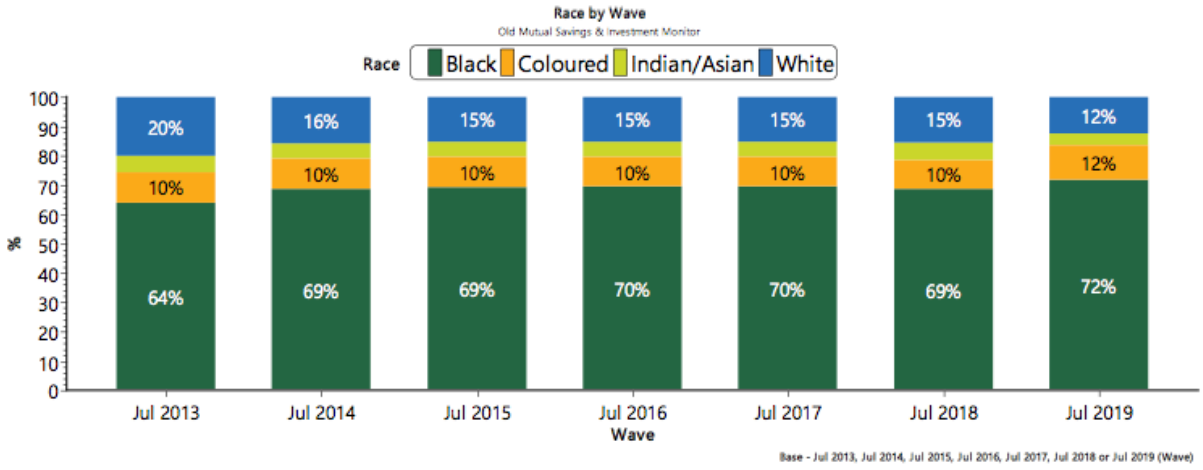
The demographic profiles of the resultant weighted samples are set out below. Note that race, age, geographical area and gender are all quota controlled proportionate to working metro population.

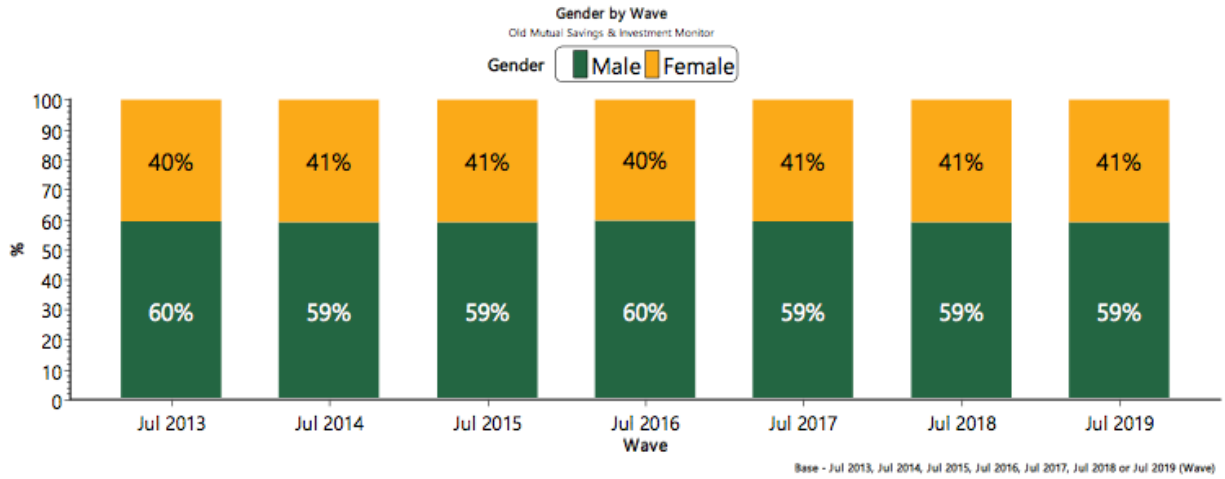


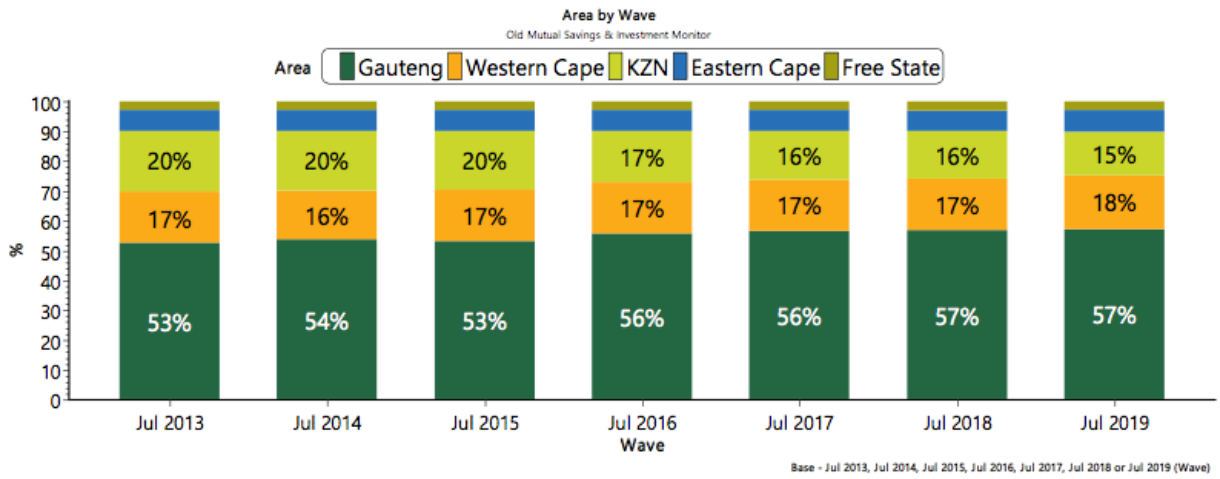
The results have been analysed by the following generational groups:

- Gen Z (small sample, qualitative interest n=13 in 2015 and 2016, n=26 in 2017, more robust sample in 2018 (n=52) and in this 2019 measure (n=70) (these are consumers born in 1995 and later)
- Gen Y
- Gen X
- Baby Boomers





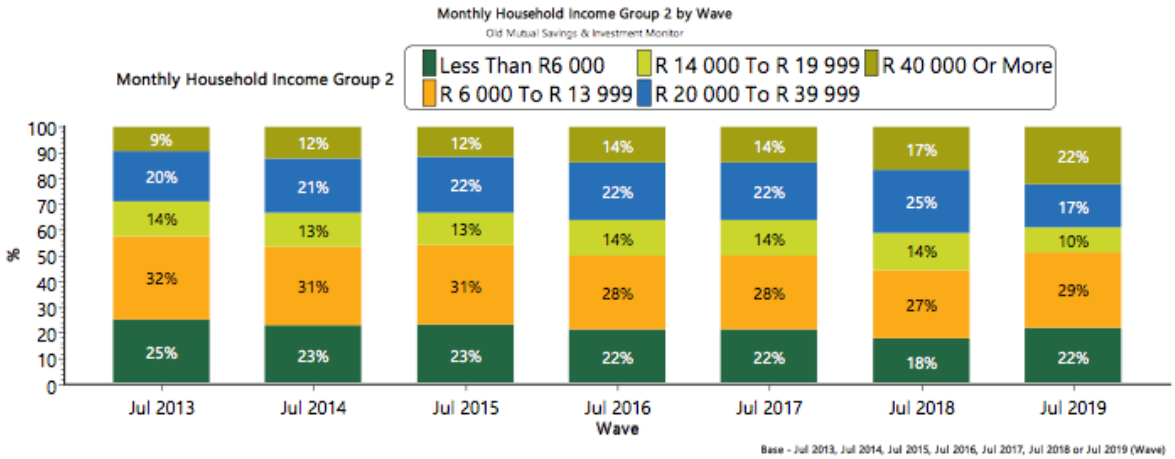




INCOME LEVELS

As has been the case historically, the design of the un-weighted sub-sample sizes do allow for analysis by income group:

HOUSEHOLD INCOME	JUL -19 UN-WEIGHTED SAMPLE NUMBERS	JUL -19 WEIGHTED SAMPLE PROPORTIONS
Less than R6 000	207	22%
R6 000 to R13 999	205	29%
R14 000 to R19 999	195	10%
R20 000 to R39 999	201	17%
R40 000 or more	192	22%
TOTAL	1000	100%



Personal income is recorded (but of course is influenced by the quota on household income)

PERSONAL INCOME	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R1 000	0%	0%	0%	0%	0%	0%	0%
R1 000 to R2 999	10%	7%	6%	4%	6%	4%	4%
R3 000 to R4 999	0%	18%	21%	15%	16%	15%	15%
R5 000 to R5 999	0%	15%	14%	14%	14%	14%	17%
R6 000 to R11 999	28%	23%	25%	27%	22%	22%	21%
R12 000 to R13 999	8%	8%	8%	8%	9%	10%	8%
R14 000 to R15 999	6%	8%	6%	8%	7%	8%	9%
R16 000 to R19 999	4%	7%	6%	6%	7%	7%	6%
R20 000 to R29 999	9%	7%	10%	13%	11%	11%	10%
R30 000 to R39 999	2%	3%	3%	2%	4%	4%	4%
R40 000+	2%	4%	1%	2%	4%	6%	6%

EDUCATION LEVEL

Matric remains the highest education level achieved for most.

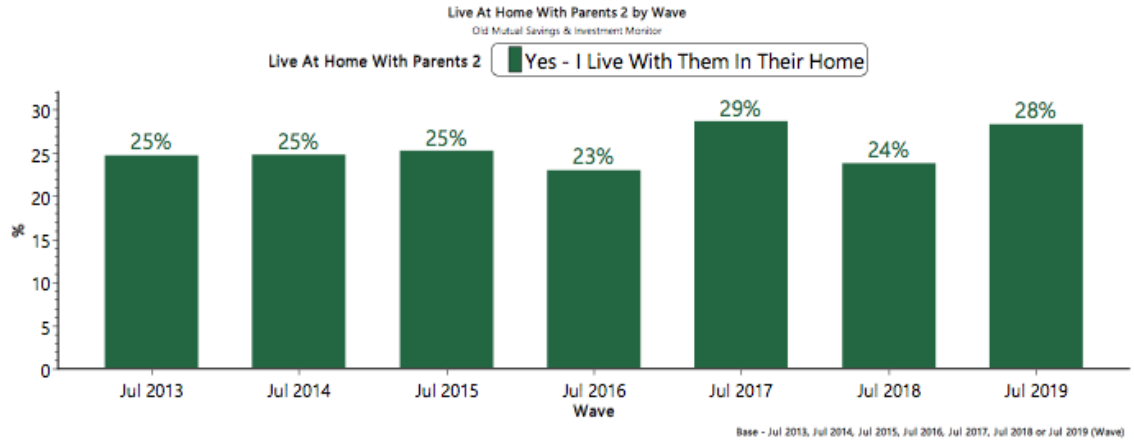
EDUCATION	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
No Formal Schooling	0%	0%	0%	0%	0%	0%	0%
Some Primary School	0%	0%	0%	0%	1%	0%	0%
Finished Primary School	1%	1%	1%	1%	0%	1%	0%
Some High School	17%	17%	17%	15%	13%	16%	18%
Matric	45%	46%	45%	42%	40%	47%	42%
College	14%	12%	12%	17%	18%	15%	16%
Technical College/Technikon	13%	13%	16%	13%	17%	12%	11%
University Degree	8%	7%	7%	10%	9%	8%	9%
Post Graduate Degree	1%	3%	1%	2%	2%	1%	3%

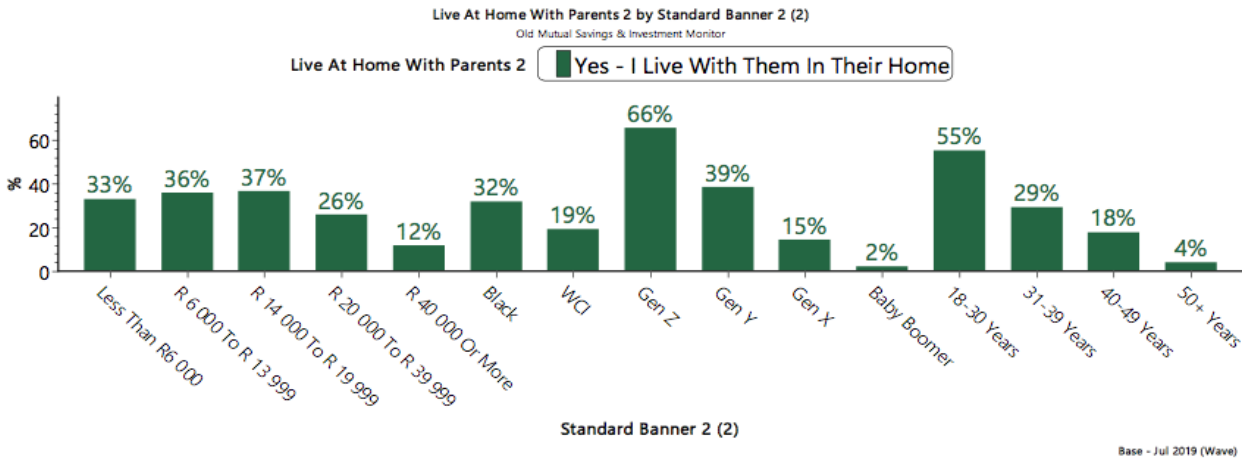
4. HOUSEHOLD COMPOSITION, DEPENDENTS AND QUESTIONS OF CO-DEPENDENCY

HOUSEHOLD SIZE AND COMPOSITION

As has been the case consistently over historical measures, average household size sits at just under 4 people.

28% still live at home with their parents, and not unexpectedly this continues to correlate with both age and income.¬¬¬



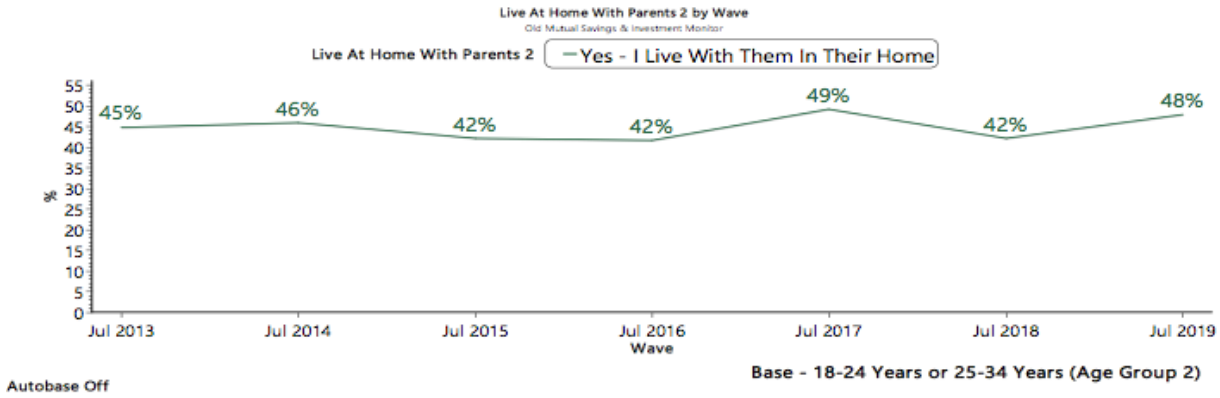


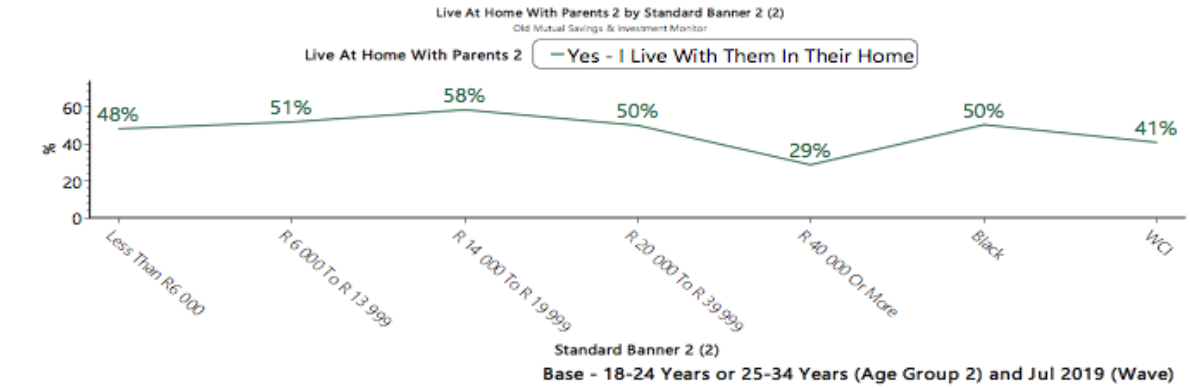
Of those that still live at home, the vast majority (86%) have always lived there but some 13% have moved out and then moved back, otherwise known as the 'boomerang generation'. At a total sample level they only account for 4% of working metro dwellers.

EVER MOVED OUT OF PARENTS HOME (BASE = LIVE AT HOME WITH PARENTS)	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Always lived at home with your parents	81%	82%	82%	82%	84%	85%	86%
Moved out, but now moved back in your parents	17%	17%	16%	18%	16%	15%	13%

EVER MOVED OUT OF PARENTS HOME (BASE = TOTAL SAMPLE)	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Always lived at home with your parents	20%	20%	21%	19%	24%	20%	24%
Moved out, but now moved back in your parents	4%	4%	4%	4%	5%	4%	4%

Looking at those aged 18 – 34 years, just under half still live at home with their parents. This pattern is fairly consistent across income groups and only starts to drop off significantly amongst households earning R40 000+.

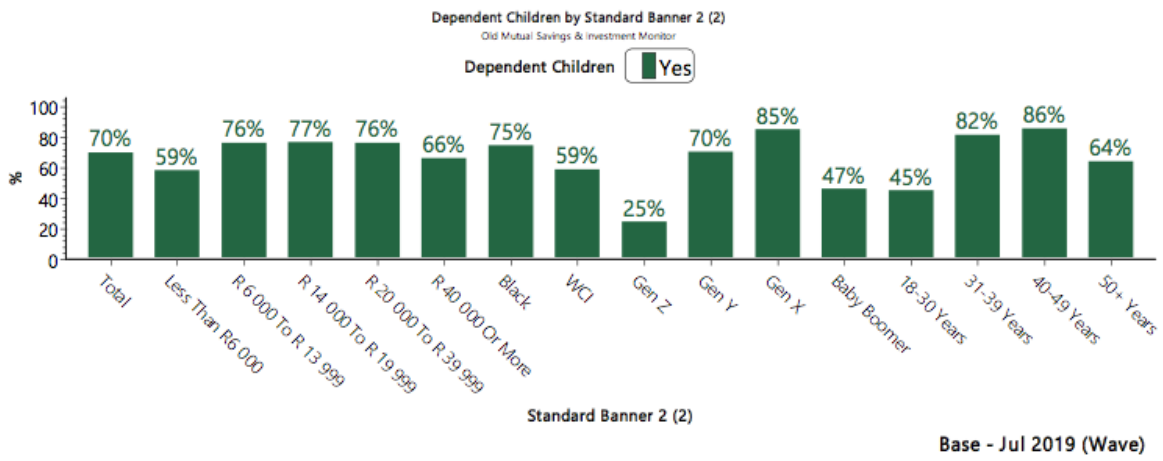




DEPENDENT CHILDREN

Incidence of dependent children is fairly stable at 70% - this is largely a reflection of lifestage and that would in turn have been influenced by the board quota controls imposed on age. Incidence continues to be highest in Black households and those in their 30's and 40's.

DEPENDENT CHILDREN	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Yes	64%	68%	67%	70%	69%	67%	70%
No	36%	32%	33%	30%	31%	33%	30%



AGES OF DEPENDENT CHILDREN

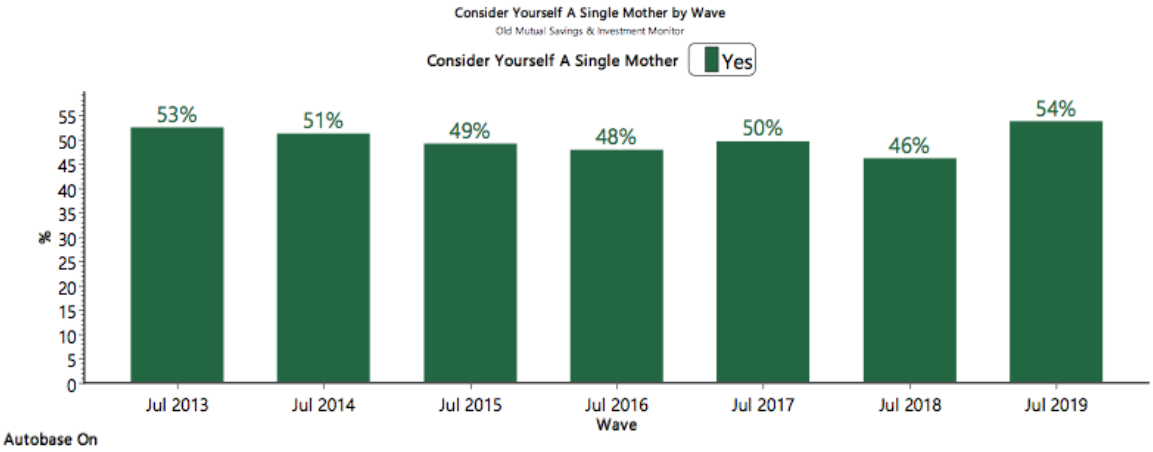
Data below **based on those households that do have dependent children** (as against total sample) shows a reversion closer to historical levels following the elevated % of children younger than 12 seen in 2018.

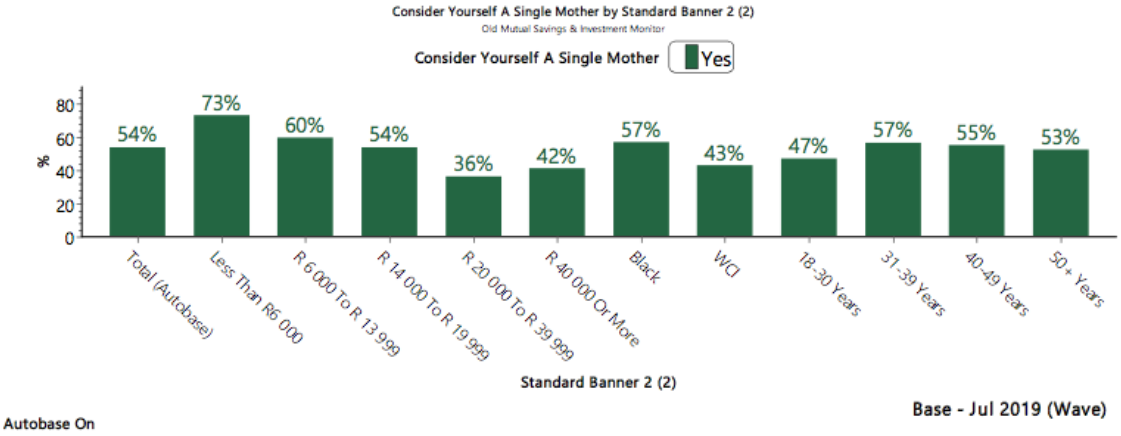
AGE GROUPS OF CHILDREN	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Younger than 12 years	73%	76%	77%	74%	76%	83%	79%
Older than 12 years	53%	53%	53%	54%	49%	48%	56%

SINGLE MOTHERHOOD AND FINANCIAL SUPPORT BY FATHERS

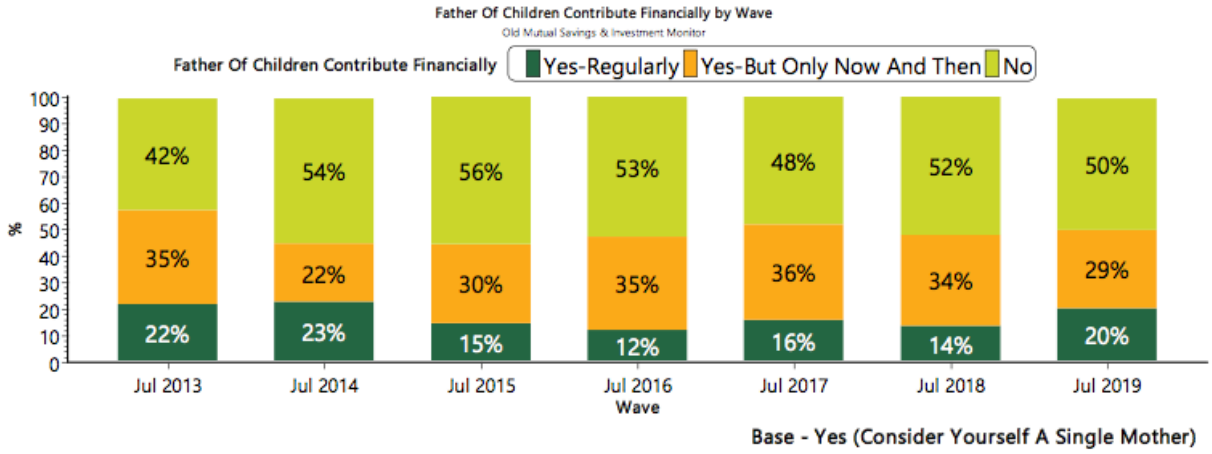
Following a small decline in 2018, the proportion of mothers who consider themselves single mothers has risen to 54% and once again we see the strong inverse correlation with income i.e. the poorer the household, the higher the incidence of 'single motherhood'.

However the increase in single motherhood is driven primarily by increases amongst higher earning and WCI households (increase is evident across all three race groups: White, Coloured and Indian). Only time will tell if this is the start of a trend.





In terms of paternal support, the 2019 results show an improvement, with 20% of those who consider themselves single mothers receiving regular support from the father of the child/children.

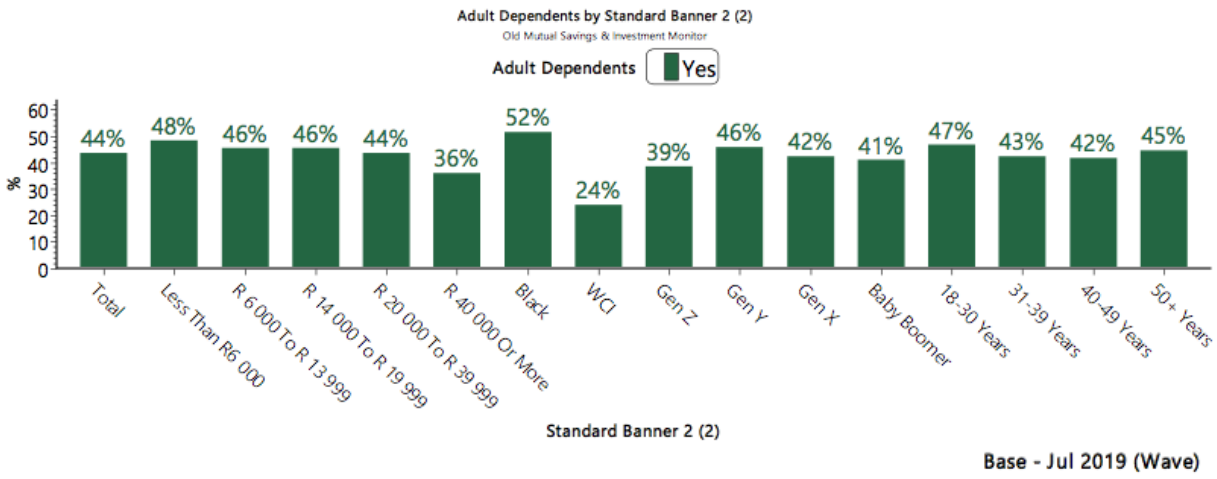


Looking at this "improvement" more closely we see that it is driven not only by the change in single mother profile seen in 2019 (more WCI, higher income households), but also by improved support payments within these groups.

OTHER DEPENDENTS (OTHER THAN CHILDREN)

2019 sees a significant increase in adult dependents. This increase is evident across income, race and age but is most marked WCI, less than R6 000 and R20 000 – R39 999.

OTHER DEPENDENTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Yes	30%	31%	33%	38%	36%	36%	44%
No	70%	69%	67%	62%	64%	64%	56%



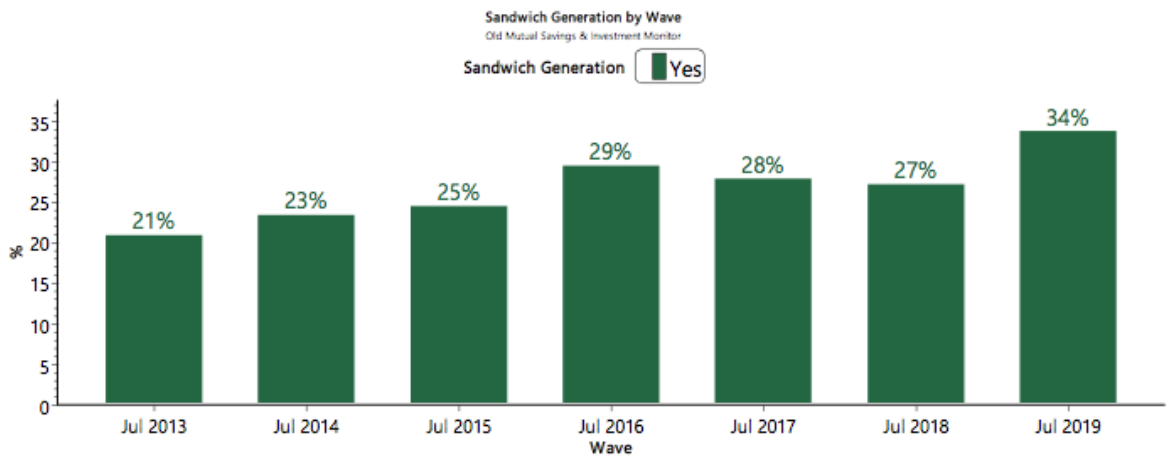
The increase in adult dependents is driven by an increase in **dependent parents** with over 1 in 4 The next most prevalent group of dependents is siblings.

RELATIONSHIP OF ADULT DEPENDENTS TO YOU	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Mother/Father/Parents	20%	20%	23%	26%	26%	21%	27%
Brother/Sister/Sibling	5%	10%	12%	13%	11%	13%	15%
Niece/Nephew	1%	2%	2%	2%	2%	5%	4%
Grandparents	1%	2%	2%	2%	2%	2%	3%
Other Related Family	2%	1%	1%	2%	2%	2%	3%
Cousins	0%	0%	1%	1%	1%	0%	2%
Aunt/Uncle	0%	0%	1%	1%	1%	1%	1%
Other (Not Related)	1%	0%	0%	1%	0%	0%	0%

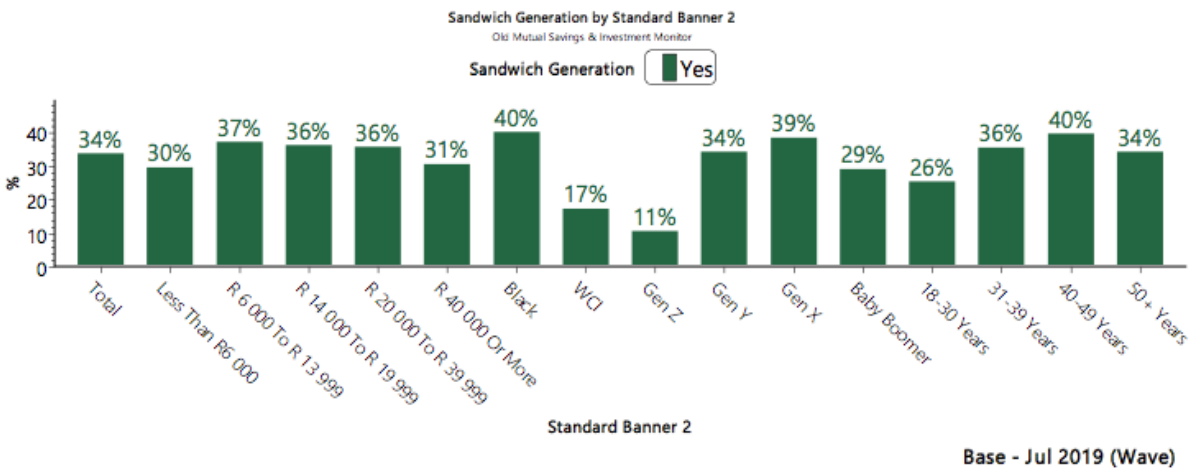
5. SANDWICH GENERATION AND EXPECTATIONS OF SUPPORTING FAMILY

5.1 SANDWICH GENERATION

The term 'Sandwich Generation' has been coined to describe those who are supporting not only children but also parents and/or other older dependents. This has increased significantly and has increased to 34% in 2019. This is the **highest level recorded since the inception of The Old Mutual Savings & Investment Monitor** and accounts for a third of the sample.



The proportionally higher incidence amongst Black households is again worth noting, as is the increase in WCI sandwich generation (up from 8% in 2018 to 17% in 2019).



5.2 EXPECTATIONS AS REGARDS SUPPORTING (OR BEING SUPPORTED BY) FAMILY MEMBERS

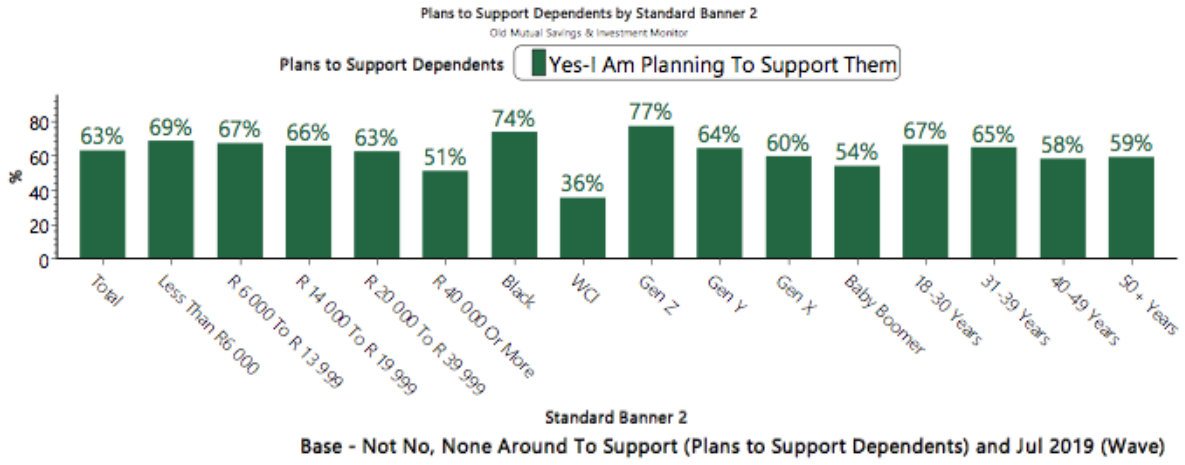
In line with the increase in adult dependents so too the increase in planned future support of dependents

PLANS TO SUPPORT DEPENDENTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Yes - I am planning to support them	37%	35%	42%	47%	46%	45%	50%
No, I am not planning to, but will end up supporting them	15%	11%	10%	11%	10%	10%	9%
No, I am not planning to, they should support themselves	19%	20%	20%	20%	18%	15%	15%
No, none around to support	22%	26%	24%	19%	21%	24%	21%
Don't know	7%	7%	4%	3%	6%	6%	5%

Re-Based to exclude those who have "none around to support", 75% foresee that they will have to support older family members (either on a planned basis (63%) or conceding that they will probably end up having to (12%)).

PLANS TO SUPPORT DEPENDENTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Yes - I am planning to support them	48%	48%	55%	58%	58%	59%	63%
No, I am not planning to, but will end up supporting them	19%	15%	13%	14%	12%	13%	12%
No, I am not planning to, they should support themselves	24%	27%	26%	25%	23%	20%	19%
Don't know	9%	10%	5%	3%	7%	8%	6%

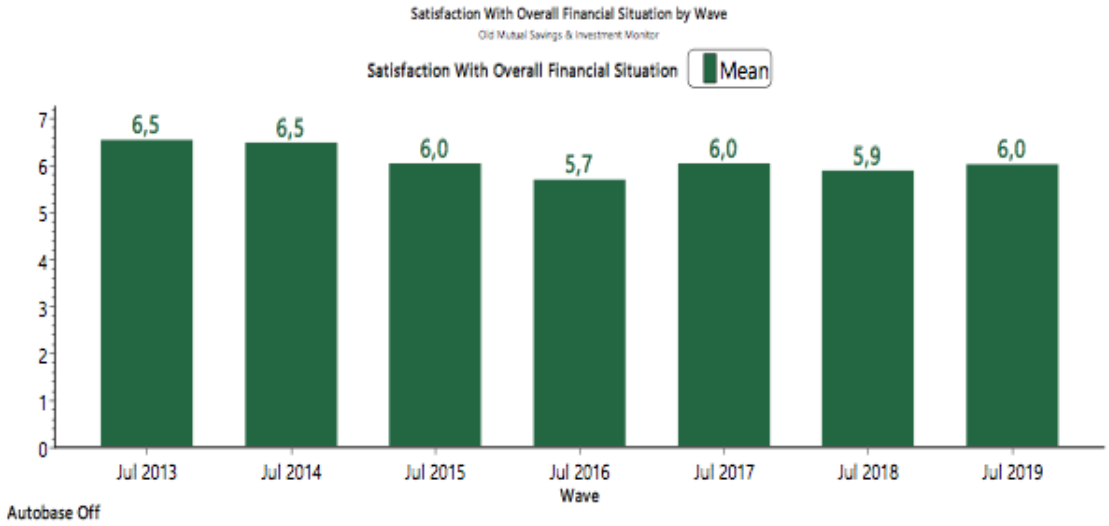
This expectation continues to be is highest amongst Black households and in 2019 Gen Z show strongly (up from 53% in 2018 to 77% in 2019). Caution off a small base but still remarkable – difficult to call where this surge in optimistic altruism comes from.



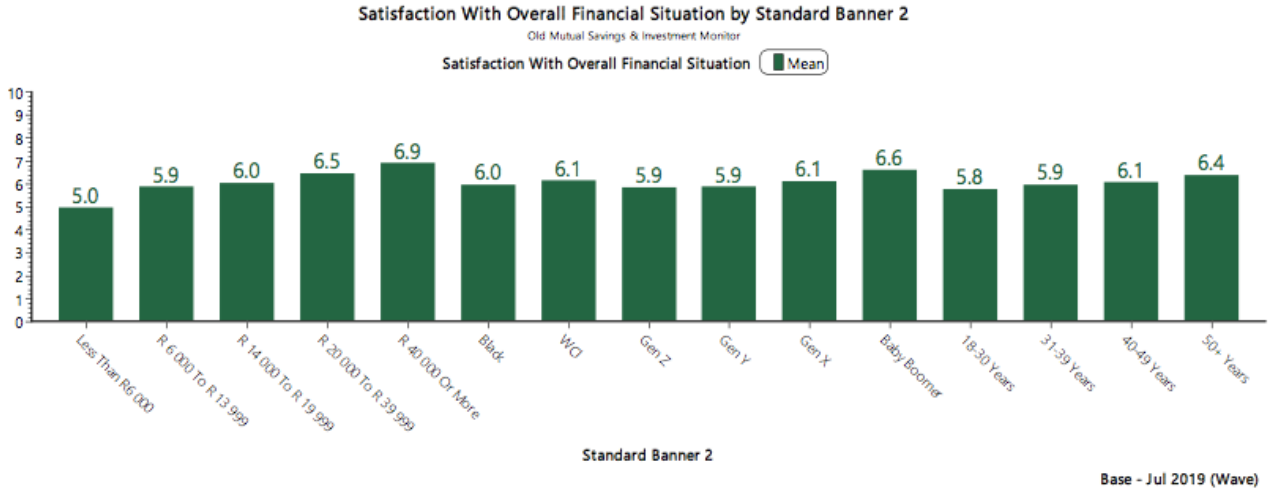
6. PERCEPTIONS OF CURRENT FINANCIAL POSITION

6.1 SATISFACTION WITH CURRENT FINANCIAL SITUATION

Satisfaction with current financial situation down marginally but still better than the low recorded in 2016. At 6 out of 10 it remains a mediocre rating.



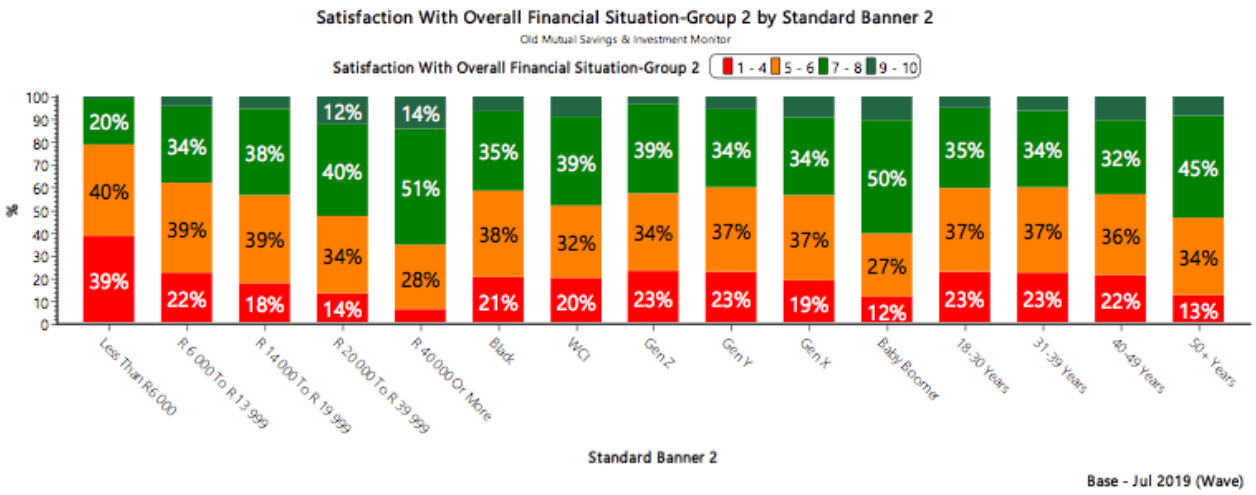
Satisfaction levels remain strongly correlated to income (the correlation with age is a reflection of the age/income correlation more than anything else)



Looking demographically we see that the uptick in satisfaction level seen at a total level is driven by improved sentiment in less than R6 000 households and Generation Z.

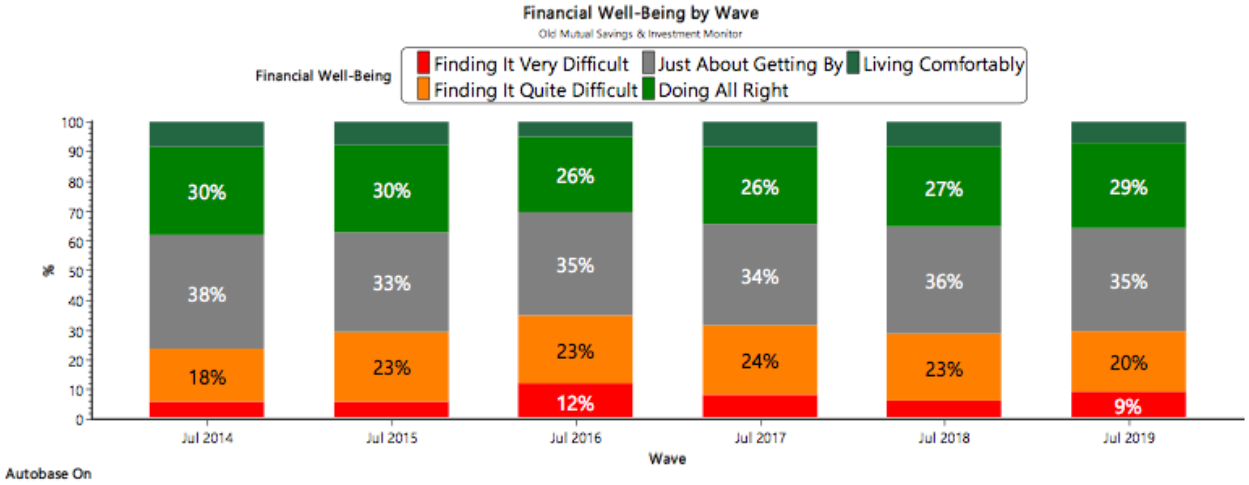
SATISFACTION WITH OVERALL FINANCIAL SITUATION	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000	5.9	5.5	4.9	4.6	4.6	4.4	5
R6 000 to R13 999	6.4	6.3	5.8	5.3	5.8	5.6	5.9
R14 000 to R19 999	6.6	6.7	6.3	6	6.3	6	6
R20 000 to R39 999	7.2	7.1	6.7	6.3	6.7	6.4	6.5
R 40 000 or more	7.4	7.5	7.3	6.9	7.2	7.1	6.9
Black	6.7	6.5	6	5.6	5.8	5.7	6
WCI	6.2	6.5	6.1	5.8	6.5	6.1	6.1
Gen Z	-	-	6.1	5.6	5.2	5	5.9
Gen Y	6.5	6.4	5.9	5.6	5.8	5.7	5.9
Gen X	6.6	6.5	6.1	5.8	6.4	6.1	6.1
Baby Boomer	6.6	6.6	6.3	5.8	6.3	6.5	6.6
18-30 Years	6.3	6.4	5.7	5.5	5.6	5.4	5.8
31-39 Years	6.5	6.5	6.1	5.6	5.9	5.8	5.9
40-49 Years	6.7	6.5	6.1	5.8	6.4	6	6.1
50+ Years	6.6	6.6	6.4	5.9	6.4	6.4	6.4

Looking at grouped scores rather than mean scores (which tends to flatten out the data), the significant pockets of highly dissatisfied consumers (scoring 4 or less) become evident in the lower income groups in particular. Albeit improved in < R6 000k household where "only" 39% are highly dissatisfied, compared to 51% in 2018.



6.2 ABILITY TO "GET BY"

In the 2014 measure a question was added to better understand in essence how South Africans feel in terms of how they are managing to get by. The question employs a 5 point scale ranging from "living comfortably" to "finding it very difficult". At a total level the situation is largely unchanged from 2018.



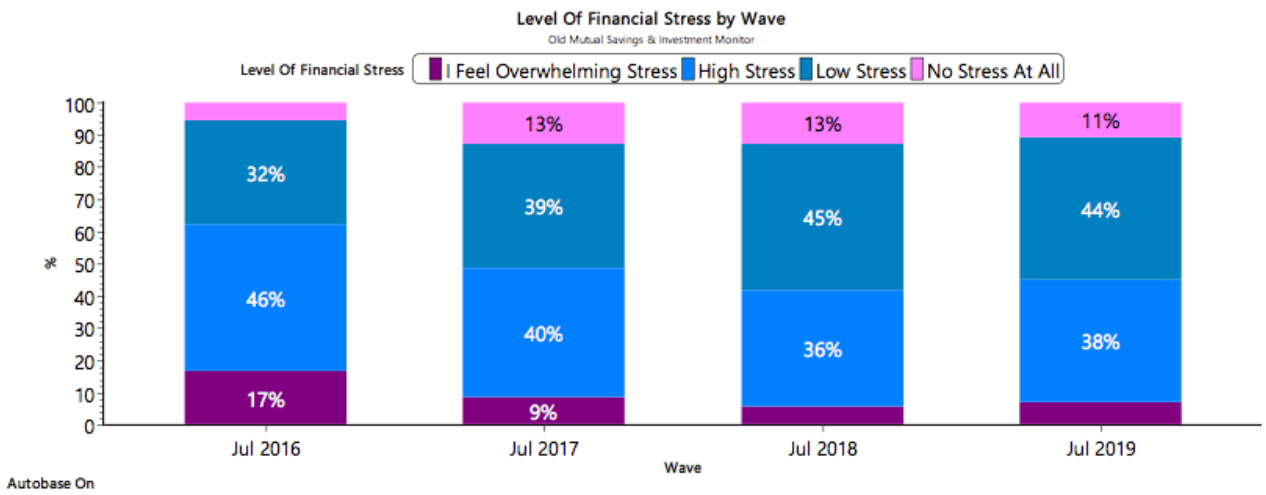
As before it is lower income households who are struggling the most.

FINANCIAL WELL-BEING	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000						
Finding it very difficult	16%	18%	28%	22%	19%	23%
Finding it quite difficult	33%	43%	36%	44%	45%	35%
Just about getting by	37%	26%	28%	25%	27%	29%
Doing all right	12%	9%	8%	9%	7%	13%
Living comfortably	2%	4%	1%	1%	1%	0%
R6 000 to R13 999						
Finding it very difficult	5%	4%	14%	7%	7%	11%
Finding it quite difficult	20%	22%	25%	28%	26%	25%
Just about getting by	48%	46%	39%	41%	46%	39%
Doing all right	24%	25%	21%	21%	19%	24%
Living comfortably	3%	2%	1%	4%	3%	1%
R14 000 to R19 999						
Finding it very difficult	3%	3%	5%	5%	3%	5%
Finding it quite difficult	17%	21%	27%	22%	22%	22%
Just about getting by	34%	41%	41%	37%	39%	43%
Doing all right	40%	27%	21%	29%	33%	27%
Living comfortably	5%	8%	6%	7%	4%	4%

FINANCIAL WELL-BEING	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
R20 000 to R39 999						
Finding it very difficult	1%	1%	4%	3%	2%	4%
Finding it quite difficult	7%	16%	16%	12%	14%	12%
Just about getting by	37%	28%	36%	36%	36%	39%
Doing all right	42%	47%	38%	37%	38%	35%
Living comfortably	14%	9%	6%	12%	10%	11%
R 40 000 or more						
Finding it very difficult	2%	0%	3%	1%	0%	0%
Finding it quite difficult	4%	4%	6%	4%	6%	5%
Just about getting by	23%	15%	29%	28%	27%	28%
Doing all right	43%	52%	46%	42%	41%	47%
Living comfortably	29%	28%	16%	26%	26%	20%

6.3 LEVEL OF FINANCIAL STRESS

Respondents are asked to describe the level of financial stress that they feel today on a 4-point scale from "overwhelming stress" to "no stress at all". As with "ability to get by" there have been no notable changes over the year.



Stress levels continue to be highest in low income households.

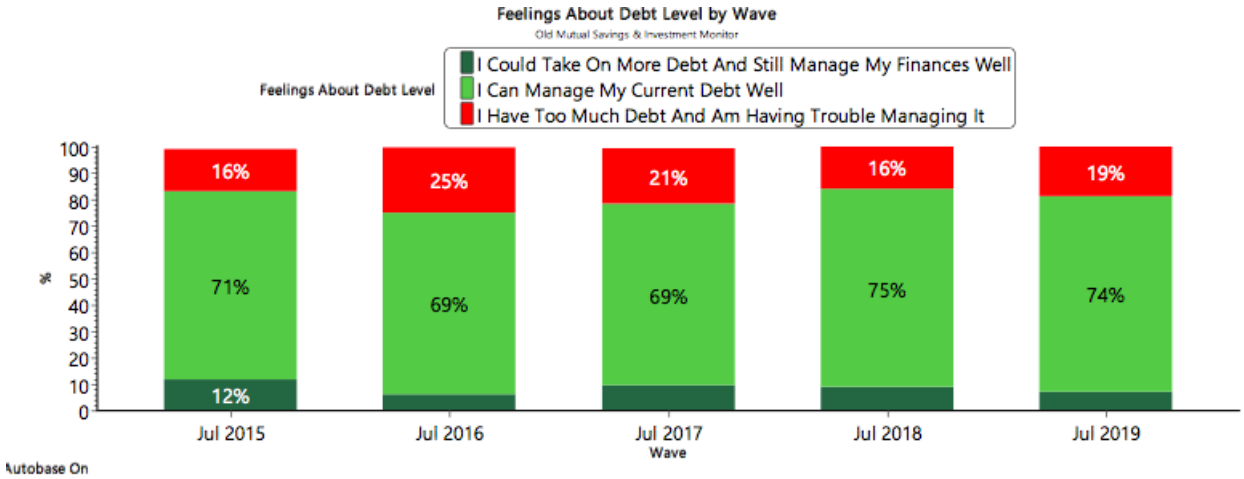
LEVEL OF FINANCIAL STRESS	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000				
I feel overwhelming stress	31%	22%	17%	18%
High stress	49%	54%	54%	45%
Low stress	20%	19%	25%	32%
No stress at all	0%	5%	4%	5%
R6 000 to R13 999				
I feel overwhelming stress	18%	8%	5%	7%
High stress	47%	47%	43%	44%
Low stress	30%	37%	44%	38%
No stress at all	5%	8%	8%	11%
R14 000 to R19 999				
I feel overwhelming stress	11%	5%	3%	5%
High stress	50%	37%	37%	38%
Low stress	35%	46%	47%	45%
No stress at all	4%	12%	13%	11%
R20 000 to R39 999				
I feel overwhelming stress	12%	4%	3%	3%
High stress	45%	28%	28%	33%
Low stress	37%	51%	53%	54%
No stress at all	6%	18%	16%	10%
R40 000 or more				
I feel overwhelming stress	5%	0%	2%	0%
High stress	33%	28%	18%	27%
Low stress	47%	45%	56%	57%
No stress at all	16%	27%	24%	16%

Debt levels and financial stress continue to be closely linked and the link is even stronger in 2019, with 70% (vs. 67% in 2018, 64% in 2017 and 52% in 2016) of those who describe their stress levels as "overwhelming" admitting to having too much debt and having trouble managing it (compared to none of those who describe their stress levels as low).

FEELINGS ABOUT DEBT LEVEL 2019	TOTAL	I FEEL OVERWHELMING STRESS	HIGH STRESS	LOW STRESS	NO STRESS AT ALL
I could take on more debt and still manage my finances well	7%	0%	3%	8%	26%
I can manage my current debt well	74%	30%	64%	89%	74%
I have too much debt and am having trouble managing it	19%	70%	33%	3%	0%

6.4 PERCEPTIONS OF CURRENT DEBT LEVEL AND APPETITE FOR FURTHER DEBT

Consumers' perceptions of their ability to manage their debt remain positive, albeit with a marginal increase in those who admit to having trouble managing their debt. This self assessment is somewhat at odds with other indicators in the results e.g. around the % that fall behind on payments when they struggle to make ends meet at month end. It would seem that for many juggling payments is part and parcel of good debt management.



Low income households struggle the most, but the marked improvement seen in 2019 has been maintained in 2019 (at least in terms of how they feel about their debt).

FEELINGS ABOUT DEBT LEVEL	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000					
I could take on more debt and still manage my finances well	1%	1%	5%	5%	0%
I can manage my current debt well	76%	67%	53%	70%	69%
I have too much debt and am having trouble managing it	23%	31%	40%	24%	31%
R6 000 to R13 999					
I could take on more debt and still manage my finances well	10%	5%	7%	7%	6%
I can manage my current debt well	71%	68%	72%	76%	72%
I have too much debt and am having trouble managing it	17%	27%	21%	18%	22%
R14 000 to R19 999					
I could take on more debt and still manage my finances well	8%	5%	12%	7%	7%
I can manage my current debt well	74%	66%	71%	78%	75%
I have too much debt and am having trouble managing it	17%	29%	17%	15%	18%

FEELINGS ABOUT DEBT LEVEL	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
R20 000 to R39 999					
I could take on more debt and still manage my finances well	17%	11%	10%	10%	7%
I can manage my current debt well	68%	68%	76%	75%	78%
I have too much debt and am having trouble managing it	14%	21%	15%	15%	16%
R40 000 or more					
I could take on more debt and still manage my finances well	26%	13%	21%	18%	17%
I can manage my current debt well	68%	76%	72%	76%	78%
I have too much debt and am having trouble managing it	5%	11%	6%	6%	5%

6.5 HAVING TO FOREGO "PLEASURE SPENDING"

The following question was put to respondents:

"How often does thus happen to you – you want to go out to eat, or to a social event or do something else and don't go because you can't afford to?"

35% of working metro dwellers claim that they have to forego "pleasure spending" either all the time or a lot of the time – down on 2018 and back to 2017 levels.

The correlation with income remains strong.

FREQUENCY STAY HOME DUE TO FINANCIAL RESTRAINTS	JUL-16	JUL-17	JUL-18	JUL-19
Total				
All the time	19%	11%	5%	10%
A lot of the time/very often	30%	25%	25%	25%
Sometimes	36%	42%	37%	35%
Rarely/not very often at all	14%	15%	22%	22%
Never	2%	7%	11%	8%
Less than R6 000				
All the time	36%	25%	15%	24%
A lot of the time/very often	39%	41%	44%	35%
Sometimes	22%	26%	34%	28%
Rarely/not very often at all	2%	7%	5%	12%
Never	0%	2%	1%	1%

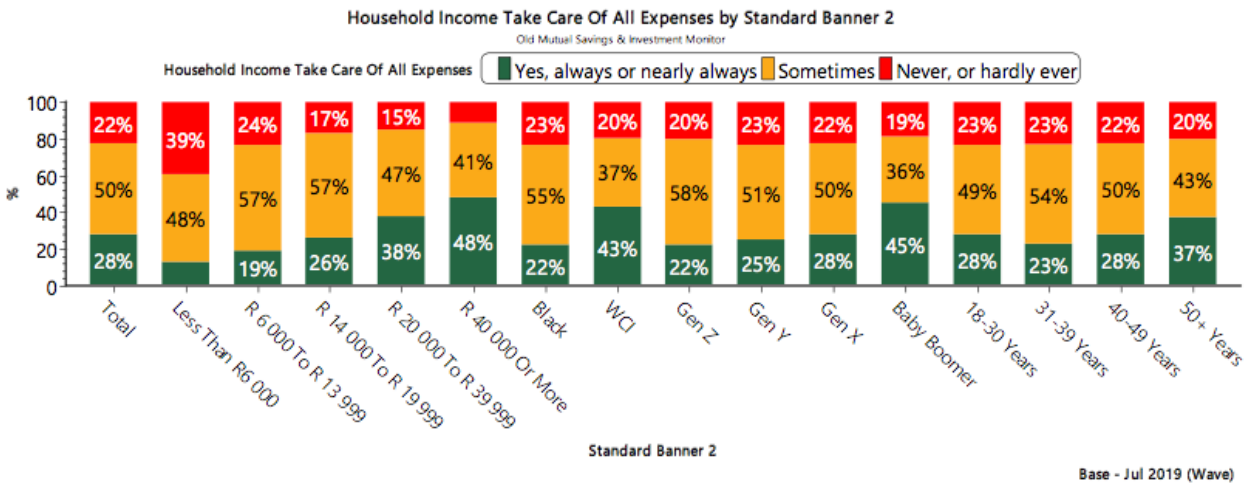
FREQUENCY STAY HOME DUE TO FINANCIAL RESTRAINTS	JUL-16	JUL-17	JUL-18	JUL-19
R6 000 to R13 999				
All the time	21%	9%	4%	11%
A lot of the time/very often	31%	27%	28%	32%
Sometimes	39%	51%	41%	34%
Rarely/not very often at all	8%	8%	21%	20%
Never	1%	5%	7%	3%
R14 000 to R19 999				
All the time	13%	9%	5%	4%
A lot of the time/very often	33%	20%	24%	25%
Sometimes	40%	53%	36%	41%
Rarely/not very often at all	12%	14%	25%	25%
Never	3%	4%	10%	5%
R20 000 to R39 999				
All the time	13%	4%	2%	4%
A lot of the time/very often	25%	17%	17%	19%
Sometimes	40%	47%	39%	37%
Rarely/not very often at all	21%	22%	31%	28%
Never	2%	11%	11%	11%
R40 000 or more				
All the time	5%	4%	0%	1%
A lot of the time/very often	16%	14%	10%	11%
Sometimes	38%	31%	31%	38%
Rarely/not very often at all	34%	35%	28%	31%
Never	8%	16%	30%	18%

6.6.MAKING IT TO MONTH END

The following question was put to respondents:

'Does your household income take care of all your expenses with a bit of money to spare at the end of the month'?

28% of households say they always or nearly always come out, rising to 48% in R40 000+ households



6.7 BORROWING OR FALLING BEHIND ON BILLS AND REPAYMENTS TO MAKE ENDS MEET

When things get tight, borrowing from friends and family is the main go-to option, followed by letting store account payments slip and borrowing from one's stokvel.

WHICH OF THE FOLLOWING HAS HAPPENED IN THE LAST YEAR	TOTAL	HHI LESS THAN R6 000	HHI R6 000 – R13 999	HHI R14 000 – R19 999	HHI R20 000 – R40 000	HHI R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Had to borrow from friends or family	46%	69%	57%	45%	44%	11%	54%	26%	52%	50%	43%	31%	48%	52%	41%	37%
Fallen behind on store card payments **(based on store card holders)**	39%	54%	48%	32%	36%	17%	45%	19%	39%	39%	39%	33%	34%	43%	38%	38%
Had to borrow from your savings club or stokvel **(based on stokvel members)**	38%	42%	40%	37%	37%	22%	38%	0%	25%	37%	41%	35%	28%	40%	41%	40%
Fallen behind on any household bills	27%	37%	33%	25%	24%	12%	31%	15%	14%	26%	31%	23%	20%	29%	28%	30%
Dipped into savings to make ends meet	25%	27%	26%	23%	28%	21%	29%	17%	15%	25%	28%	21%	22%	26%	29%	24%
Had to borrow from your savings club or stokvel	18%	24%	22%	17%	16%	8%	24%	3%	9%	17%	21%	14%	12%	20%	22%	18%
Fallen behind of credit card payments **(based on credit card holders)**	15%	0%	38%	23%	19%	7%	23%	7%	7%	15%	17%	12%	13%	13%	15%	18%
Taken out a personal loan	13%	9%	14%	18%	17%	10%	13%	12%	4%	12%	17%	8%	8%	14%	14%	16%
Fallen behind on rent or home loan payments	8%	16%	5%	8%	6%	3%	9%	5%	5%	6%	11%	5%	5%	8%	11%	6%
Taken out a high cost loan	8%	20%	10%	5%	3%	0%	11%	2%	5%	11%	7%	1%	10%	10%	8%	4%

6.8 CHANGES IN HOUSEHOLD SPENDING PATTERNS AND MAKINGS ENDS MEET

2018 saw decrease in the extent to which people are cutting back in certain categories, notably shoes and clothing, alcohol and cigarettes as well as travel and holidays. We suggested then that this may be because people have **already cut back as much as they can**, rather than being an indication of things easing up.

So, in 2019 we changed the way the question was asked and gave households 4 (as against 3) options to categorise their spending in a particular category:

1 = Never spent on this or no longer spend on this

2 = Already cut back as much as can, so unchanged over the last year

3 = Actively cutting back or using cheaper options or cutting back further

4 = Unchanged, same as always

The detailed responses are tabulated below.

	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARSW	40 – 49 YEARS	50+ YEARS
Food & Groceries																
Unchanged	29%	18%	25%	34%	36%	39%	28%	32%	23%	27%	32%	35%	25%	27%	31%	34%
Cutting back/cheaper options/cutting out	46%	55%	45%	38%	42%	42%	47%	41%	46%	50%	41%	38%	50%	49%	42%	38%
Don't/never incur	0%	0%	0%	2%	2%	0%	0%	1%	2%	0%	0%	1%	1%	0%	0%	1%
Already cut back as much as can	25%	27%	30%	26%	21%	19%	24%	26%	29%	23%	27%	26%	23%	23%	27%	27%
Alcoholic Beverages																
Unchanged	11%	5%	7%	8%	10%	26%	7%	23%	11%	10%	10%	21%	9%	11%	11%	15%
Cutting back/cheaper options/cutting out	20%	18%	24%	19%	20%	15%	22%	15%	22%	23%	15%	21%	21%	24%	13%	19%
Don't/never incur	35%	43%	35%	37%	30%	29%	38%	27%	33%	26%	46%	40%	23%	30%	47%	42%
Already cut back as much as can	34%	34%	34%	36%	40%	30%	34%	36%	35%	42%	29%	18%	46%	35%	29%	24%
Cigarettes																
Unchanged	8%	9%	5%	8%	11%	11%	6%	14%	7%	8%	8%	12%	8%	8%	7%	11%
Cutting back/cheaper options/cutting out	9%	7%	12%	10%	10%	7%	9%	11%	5%	11%	9%	5%	9%	11%	7%	9%
Don't/never incur	65%	66%	66%	59%	59%	69%	71%	50%	61%	63%	67%	69%	61%	63%	68%	68%
Already cut back as much as can	18%	19%	17%	22%	20%	14%	15%	25%	27%	18%	16%	14%	21%	19%	17%	12%

	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARSW	40 – 49 YEARS	50+ YEARS
DSTV/MNET Subsciption																
Unchanged	39%	15%	29%	45%	51%	64%	35%	48%	27%	35%	42%	55%	31%	38%	37%	53%
Cutting back/cheaper options/cutting out	18%	20%	19%	20%	21%	11%	21%	11%	21%	19%	17%	13%	19%	18%	17%	16%
Don't/never incur	21%	46%	22%	12%	8%	8%	20%	24%	32%	24%	18%	13%	31%	19%	19%	12%
Already cut back as much as can	22%	19%	30%	23%	20%	17%	25%	17%	20%	23%	24%	19%	19%	24%	27%	18%
Getting To Work																
Unchanged	72%	69%	69%	63%	74%	82%	70%	78%	71%	72%	73%	74%	70%	74%	70%	76%
Cutting back/cheaper options/cutting out	14%	12%	17%	23%	12%	10%	16%	8%	12%	14%	15%	11%	13%	14%	17%	12%
Don't/never incur	2%	4%	1%	4%	0%	1%	2%	2%	2%	1%	2%	3%	2%	1%	2%	2%
Already cut back as much as can	12%	15%	13%	10%	14%	7%	12%	12%	14%	13%	10%	13%	15%	11%	11%	10%
Electricity/Water																
Unchanged	53%	50%	52%	54%	54%	56%	51%	57%	49%	51%	57%	55%	47%	54%	56%	56%
Cutting back/cheaper options/cutting out	20%	20%	19%	19%	20%	23%	21%	17%	14%	20%	21%	23%	20%	18%	23%	20%
Don't/never incur	5%	9%	5%	6%	6%	0%	6%	3%	15%	7%	1%	2%	11%	5%	2%	1%
Already cut back as much as can	22%	21%	25%	21%	19%	20%	21%	22%	21%	23%	21%	20%	22%	23%	19%	23%
Eating Out/Entertainment Expenses																
Unchanged	8%	2%	4%	9%	8%	20%	6%	15%	10%	6%	9%	15%	7%	7%	8%	13%
Cutting back/cheaper options/cutting out	30%	21%	28%	31%	40%	35%	31%	28%	31%	29%	33%	28%	30%	28%	35%	28%
Don't/never incur	8%	18%	9%	4%	1%	2%	7%	9%	9%	8%	6%	8%	8%	9%	7%	6%
Already cut back as much as can	54%	59%	59%	56%	50%	43%	56%	47%	50%	57%	51%	49%	55%	56%	50%	53%
Having Friends Round/Entertaining At Home																
Unchanged	10%	1%	3%	7%	12%	26%	4%	24%	5%	8%	9%	21%	10%	7%	8%	16%
Cutting back/cheaper options/cutting out	26%	22%	24%	26%	30%	28%	25%	29%	34%	26%	22%	33%	31%	24%	21%	29%
Don't/never incur	11%	19%	15%	11%	2%	3%	11%	9%	20%	10%	11%	7%	12%	11%	11%	10%
Already cut back as much as can	54%	57%	58%	56%	55%	43%	60%	39%	41%	56%	58%	39%	48%	58%	60%	46%

	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARSW	40 – 49 YEARS	50+ YEARS
Children's Schooling/Education																
Unchanged	53%	42%	59%	60%	56%	52%	58%	41%	16%	54%	65%	33%	32%	66%	67%	44%
Cutting back/cheaper options/cutting out	8%	10%	8%	8%	7%	8%	9%	6%	2%	10%	9%	2%	6%	11%	10%	5%
Don't/never incur	32%	42%	25%	26%	30%	35%	27%	46%	76%	30%	18%	60%	57%	17%	16%	44%
Already cut back as much as can	6%	6%	8%	6%	7%	5%	6%	8%	6%	6%	8%	5%	5%	7%	7%	7%
Shoes & Clothing																
Unchanged	18%	12%	17%	19%	22%	24%	17%	22%	16%	18%	19%	20%	14%	20%	17%	23%
Cutting back/cheaper options/cutting out	42%	35%	40%	42%	46%	48%	43%	38%	38%	39%	45%	45%	36%	41%	49%	41%
Don't/never incur	2%	3%	1%	3%	1%	1%	2%	1%	2%	3%	0%	1%	3%	2%	0%	1%
Already cut back as much as can	38%	50%	43%	35%	32%	27%	38%	39%	43%	41%	35%	35%	47%	37%	34%	35%
Armed Response/Alarms																
Unchanged	14%	1%	4%	5%	13%	45%	6%	36%	6%	11%	15%	32%	10%	11%	16%	23%
Cutting back/cheaper options/cutting out	1%	0%	1%	3%	2%	2%	1%	3%	0%	1%	2%	0%	1%	1%	3%	1%
Don't/never incur	81%	98%	95%	90%	80%	44%	91%	55%	93%	85%	79%	62%	87%	84%	78%	72%
Already cut back as much as can	3%	0%	0%	2%	5%	9%	2%	6%	1%	3%	3%	7%	2%	3%	4%	5%
Accommodation																
Unchanged	56%	45%	53%	54%	55%	73%	52%	68%	48%	53%	62%	56%	54%	52%	63%	57%
Cutting back/cheaper options/cutting out	5%	9%	4%	10%	4%	1%	6%	2%	5%	5%	6%	2%	5%	5%	8%	3%
Don't/never incur	29%	35%	35%	25%	30%	18%	32%	22%	36%	31%	24%	36%	31%	32%	21%	34%
Already cut back as much as can	9%	11%	8%	12%	11%	7%	10%	8%	11%	11%	8%	6%	10%	11%	9%	6%
Hair/Beauty																
Unchanged	22%	12%	18%	21%	26%	36%	18%	32%	22%	19%	24%	33%	22%	18%	21%	31%
Cutting back/cheaper options/cutting out	23%	20%	20%	22%	28%	29%	23%	24%	22%	22%	25%	24%	21%	23%	27%	24%
Don't/never incur	20%	24%	24%	24%	19%	10%	23%	14%	22%	23%	17%	19%	23%	23%	15%	18%
Already cut back as much as can	34%	45%	38%	33%	27%	24%	36%	30%	34%	36%	34%	24%	34%	36%	37%	27%

	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARSW	40 – 49 YEARS	50+ YEARS
Domestic Worker/Gardener																
Unchanged	10%	0%	3%	2%	9%	33%	4%	25%	4%	8%	9%	24%	9%	7%	10%	15%
Cutting back/cheaper options/cutting out	3%	0%	2%	4%	4%	7%	3%	5%	0%	2%	3%	8%	2%	2%	5%	5%
Don't/never incur	79%	98%	93%	88%	73%	44%	89%	55%	93%	83%	79%	55%	84%	85%	76%	68%
Already cut back as much as can	8%	1%	3%	6%	14%	16%	5%	15%	3%	6%	9%	13%	6%	6%	9%	11%
Assistance/Payments To Children/Dependent																
Unchanged	31%	31%	28%	33%	35%	32%	34%	23%	23%	32%	33%	25%	32%	30%	33%	30%
Cutting back/cheaper options/cutting out	9%	10%	11%	8%	9%	7%	10%	6%	8%	9%	8%	14%	7%	10%	9%	11%
Don't/never incur	50%	49%	48%	50%	48%	56%	44%	67%	65%	49%	49%	53%	54%	50%	48%	50%
Already cut back as much as can	9%	11%	13%	9%	8%	5%	11%	4%	5%	10%	10%	7%	7%	10%	11%	9%
Medical Aid																
Unchanged	34%	1%	14%	32%	58%	74%	25%	57%	11%	28%	40%	51%	24%	29%	39%	47%
Cutting back/cheaper options/cutting out	4%	0%	6%	5%	4%	6%	5%	3%	0%	3%	7%	5%	1%	3%	6%	7%
Don't/never incur	60%	99%	78%	60%	34%	16%	69%	36%	89%	67%	51%	38%	73%	66%	52%	43%
Already cut back as much as can	2%	0%	2%	2%	3%	4%	2%	4%	0%	2%	2%	6%	2%	1%	3%	3%
Car And/Or Household Insurance																
Unchanged	27%	0%	7%	19%	48%	69%	17%	52%	4%	23%	33%	47%	16%	25%	33%	40%
Cutting back/cheaper options/cutting out	4%	0%	3%	7%	8%	5%	3%	6%	1%	4%	6%	3%	1%	5%	7%	3%
Don't/never incur	63%	98%	86%	68%	37%	15%	74%	32%	91%	69%	55%	44%	77%	65%	54%	50%
Already cut back as much as can	6%	1%	4%	6%	7%	12%	5%	9%	5%	5%	7%	6%	6%	5%	7%	7%
Holiday And Travel																
Unchanged	7%	1%	2%	4%	6%	22%	3%	18%	3%	5%	6%	24%	5%	4%	7%	16%
Cutting back/cheaper options/cutting out	16%	10%	12%	11%	20%	28%	15%	20%	19%	14%	20%	14%	15%	14%	22%	16%
Don't/never incur	41%	68%	54%	41%	26%	10%	49%	21%	59%	46%	35%	30%	45%	49%	32%	34%
Already cut back as much as can	35%	21%	31%	44%	47%	41%	33%	41%	19%	35%	38%	32%	34%	33%	39%	34%

	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARSW	40 – 49 YEARS	50+ YEARS
Cellphone/Airtime/Data Costs																
Unchanged	27%	15%	18%	26%	33%	47%	23%	38%	30%	25%	26%	40%	27%	24%	25%	34%
Cutting back/cheaper options/cutting out	34%	34%	41%	36%	31%	28%	38%	25%	32%	35%	36%	27%	34%	33%	39%	30%
Don't/never incur	0%	0%	0%	1%	1%	0%	1%	0%	0%	0%	0%	1%	0%	0%	0%	1%
Already cut back as much as can	38%	50%	41%	37%	36%	25%	39%	37%	38%	40%	38%	32%	38%	42%	35%	35%

Rebased to exclude those who never or no longer spend in that category, we see that the categories where active cutting back is most prevalent are: food & groceries, shoes and clothing. For Gen Z, cutting back on in-home entertaining is particularly strong.

RE-BASED	TOTAL (AUTOBASE)	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Change In Spending Patterns - **Cutting Back** (Re-based)																
Food & groceries	46%	55%	45%	39%	43%	42%	47%	42%	47%	50%	42%	39%	51%	49%	42%	38%
Alcoholic beverages	30%	31%	37%	30%	29%	21%	35%	20%	33%	30%	28%	35%	28%	34%	24%	33%
Cigarettes	26%	19%	36%	25%	25%	21%	29%	22%	14%	29%	27%	17%	23%	29%	22%	29%
Dstv/mnet subscription	23%	37%	25%	23%	23%	12%	26%	14%	31%	25%	20%	15%	28%	23%	22%	18%
Getting to work	14%	13%	17%	24%	12%	10%	17%	8%	13%	14%	16%	11%	13%	14%	17%	12%
Electricity/water	21%	22%	20%	20%	22%	23%	23%	18%	17%	21%	21%	24%	23%	19%	23%	20%
Eating out/entertainment expenses	33%	26%	31%	32%	41%	35%	33%	31%	34%	31%	35%	30%	33%	31%	37%	30%
Having friends round/ entertaining at home	29%	28%	28%	29%	31%	29%	28%	32%	43%	29%	25%	35%	35%	26%	24%	32%
Children's schooling/ education	12%	17%	10%	10%	10%	12%	12%	11%	10%	14%	11%	4%	14%	13%	12%	9%
Shoes & clothing	42%	36%	40%	44%	46%	49%	44%	39%	39%	40%	46%	45%	37%	42%	49%	41%

RE-BASED	TOTAL (AUTOBASE)	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Armed response/alarms	8%	0%	18%	26%	11%	4%	11%	6%	0%	8%	11%	0%	6%	9%	12%	2%
Accommodation	7%	14%	5%	13%	6%	1%	9%	3%	8%	7%	8%	4%	7%	7%	9%	4%
Hair/beauty	29%	26%	26%	29%	34%	33%	30%	28%	28%	29%	30%	29%	27%	29%	32%	29%
Domestic worker/gardener	15%	25%	22%	34%	14%	13%	23%	11%	0%	14%	16%	19%	11%	14%	19%	16%
Assistance/payments to children/dependents	18%	19%	21%	16%	17%	16%	18%	18%	22%	17%	16%	31%	16%	19%	17%	22%
Medical aid	11%	33%	26%	13%	6%	7%	15%	5%	0%	9%	14%	9%	5%	10%	13%	13%
Car and/or household insurance	11%	20%	22%	21%	13%	6%	13%	9%	7%	12%	13%	5%	6%	14%	14%	7%
Holiday and travel	28%	31%	27%	18%	27%	31%	30%	25%	46%	25%	31%	20%	28%	27%	33%	24%
Cellphone/airtime/data costs	34%	34%	41%	36%	31%	28%	38%	25%	32%	35%	36%	28%	34%	33%	39%	30%

Rebased to exclude those who never or no longer spend in that category, the categories that are most sticky or resilient to change are those that are practically difficult to change (e.g. accommodation, getting to work) or emotionally difficult (assistance to family, children's education) or deemed essentials (armed response/security, medical aid, car insurance).

RE-BASED	TOTAL (AUTOBASE)	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Change In Spending Patterns - **Unchanged** (Re-based)																
Food & groceries	29%	18%	25%	34%	36%	39%	28%	32%	24%	27%	32%	35%	25%	27%	31%	35%
Alcoholic beverages	17%	9%	10%	13%	14%	36%	11%	31%	16%	13%	19%	36%	12%	16%	21%	25%
Cigarettes	24%	26%	14%	20%	26%	35%	21%	28%	19%	22%	24%	38%	22%	21%	23%	33%
Dstv/mnet subsciption	49%	28%	37%	51%	56%	70%	44%	64%	40%	46%	51%	63%	45%	47%	45%	61%
Getting to work	74%	72%	70%	66%	74%	83%	71%	80%	73%	73%	74%	76%	71%	75%	71%	78%
Electricity/water	56%	55%	54%	58%	58%	57%	55%	59%	58%	54%	58%	56%	52%	57%	57%	57%
Eating out/entertainment expenses	9%	3%	4%	9%	9%	20%	6%	17%	11%	7%	10%	16%	7%	8%	9%	14%
Having friends round/ entertaining at home	11%	2%	4%	8%	12%	27%	5%	26%	6%	9%	11%	23%	11%	8%	9%	18%
Children's schooling/ education	78%	73%	79%	82%	80%	80%	79%	75%	67%	77%	80%	84%	75%	79%	79%	78%
Shoes & clothing	19%	12%	17%	20%	22%	24%	17%	22%	17%	18%	19%	20%	15%	20%	17%	23%
Armed response/alarms	75%	75%	80%	54%	63%	80%	65%	81%	79%	74%	73%	82%	80%	72%	70%	81%
Accommodation	80%	70%	82%	71%	79%	90%	76%	87%	75%	78%	81%	87%	79%	77%	79%	86%
Hair/beauty	28%	15%	24%	28%	32%	40%	24%	37%	29%	25%	28%	41%	29%	24%	25%	38%
Domestic worker/gardener	48%	25%	38%	18%	33%	59%	34%	57%	55%	49%	44%	53%	54%	48%	43%	48%
Assistance/payments to children/dependents	63%	60%	55%	66%	68%	73%	61%	70%	65%	64%	64%	54%	69%	60%	63%	60%
Medical aid	84%	67%	66%	81%	89%	88%	80%	89%	97%	85%	82%	82%	88%	86%	81%	82%
Car and/or household insurance	73%	20%	49%	60%	76%	81%	69%	78%	41%	72%	72%	84%	69%	72%	71%	80%
Holiday and travel	12%	3%	5%	7%	9%	24%	6%	23%	8%	9%	10%	34%	10%	8%	10%	24%
Cellphone/airtime/data costs	27%	15%	18%	27%	33%	47%	23%	38%	30%	25%	26%	41%	27%	24%	25%	34%

When it comes to grocery shopping, all households continue to keep a look out for discounts and specials. 2019 sees an increase in bulk buying back to 2017 levels. As regards trading down behaviour, there is an increasing trend amongst R40 000+ households to shift to cheaper brands.

CHANGE IN GROCERIES SHOPPING	JUL-16	JUL-17	JUL-18	JUL-19
Using a cheaper supermarket for all/some of the grocery shop	60%	61%	64%	66%
Looking out for discounts and specials	92%	91%	88%	92%
Buying in bulk	54%	67%	61%	69%
Changing to cheaper brands	54%	52%	57%	54%

CHANGE IN GROCERIES SHOPPING	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000				
Using a cheaper supermarket for all/some of the grocery shop	86%	84%	85%	83%
Looking out for discounts and specials	96%	94%	94%	96%
Buying in bulk	42%	59%	57%	64%
Changing to cheaper brands	77%	76%	79%	75%
R6 000 to R13 999				
Using a cheaper supermarket for all/some of the grocery shop	66%	72%	73%	73%
Looking out for discounts and specials	91%	92%	90%	93%
Buying in bulk	50%	66%	63%	69%
Changing to cheaper brands	57%	60%	67%	57%
R14 000 to R19 999				
Using a cheaper supermarket for all/some of the grocery shop	54%	60%	66%	62%
Looking out for discounts and specials	95%	92%	93%	94%
Buying in bulk	58%	69%	63%	73%
Changing to cheaper brands	50%	50%	57%	48%
R20 000 to R39 999				
Using a cheaper supermarket for all/some of the grocery shop	47%	45%	54%	58%
Looking out for discounts and specials	90%	90%	86%	90%
Buying in bulk	61%	69%	63%	70%
Changing to cheaper brands	40%	37%	47%	41%
R40 000 or more				
Using a cheaper supermarket for all/some of the grocery shop	31%	35%	41%	49%
Looking out for discounts and specials	86%	84%	76%	87%
Buying in bulk	70%	73%	60%	70%
Changing to cheaper brands	38%	23%	35%	40%

6.9 FINANCIAL "ROBUSTNESS" AND ABILITY TO COPE WITH A FINANCIAL EMERGENCY

In order to get a fix on the financial "robustness" of South Africa working metro households and to better understand behaviour in the face of a financial emergency, respondents were asked how they would handle an unforeseen expense of R1 000, then R5 000, rising up to R100 000.

Once again respondents were given the option to "bail" if they reached a monetary ceiling where they would be unable to either use existing savings, sell an asset or tap into a credit line to meet the amount.

As regards trends, < R6 000 households are resorting to loans more readily whilst those in mid category (R14 000 – R19 999) and (R20 000 – R39 999) are more strained. Households in R40 000+ appear a bit better equipped to cope as compared to last year.

TABLE READS:

- In 2018, at total market level, all bar 2% working households can handle an unforeseen expense of R1 000. 58% would access available savings, 6% would use a credit card and the remainder would borrow the money, most likely from a friend (20%) or stokvel (9%).
- At R100 000 the vast majority (85%) would not be able to handle this.

HANDLE UNFORESEEN EXPENDITURE OF	R1 000				R5 000				R10 000				R50 000				R100 000			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Pay with a credit card	9%	7%	6%	9%	11%	15%	11%	13%	8%	11%	10%	10%	1%	2%	2%	2%	-	-	-	-
Use overdraft/ existing credit	1%	2%	1%	2%	3%	4%	3%	4%	3%	4%	2%	3%	1%	1%	2%	2%	-	-	1%	1%
Personal loan from institution	4%	4%	3%	7%	19%	19%	16%	21%	30%	26%	23%	27%	17%	19%	19%	18%	7%	10%	12%	9%
Borrow from friend/relative	25%	28%	20%	27%	13%	12%	9%	8%	4%	3%	3%	2%	1%	-	1%	1%	-	-	-	-
Borrow from my stokvel	6%	7%	9%	9%	11%	10%	9%	10%	4%	4%	3%	4%	-	-	-	-	-	-	-	-
Borrow against home equity	-	-	-	-	-	-	-	-	1%	1%	-	1%	3%	2%	3%	3%	4%	2%	3%	5%
Borrow from employer *	-	3%	4%	4%	5%	5%	4%	6%	5%	4%	3%	3%	0%	-	-	-	-	-	-	-
Surrender a policy*	-	-	-	-	-	1%	1%	-	1%	2%	2%	1%	4%	2%	2%	1%	3%	-	1%	-
Pay bills late	4%	5%	3%	4%	2%	2%	1%	2%	1%	-	-	-	0%	-	-	-	-	-	-	-
Use savings	**50%**	**54%**	**58%**	**45%**	**25%**	**25%**	**31%**	**23%**	**7%**	**9%**	**12%**	**8%**	**3%**	**2%**	**2%**	**2%**	**0%**	**1%**	**1%**	**1%**
Sell/pawn an asset	1%	1%	-	-	1%	1%	1%	1%	1%	1%	-	1%	1%	-	-	1%	0%	-	-	-
Would not be able to handle it	**2%**	**1%**	**2%**	**2%**	**11%**	**16%**	**18%**	**17%**	**35%**	**40%**	**44%**	**41%**	**69%**	**72%**	**70%**	**71%**	**84%**	**85%**	**82%**	**85%**

*added as pre-code option in 2016

HOUSEHOLD INCOME LESS THAN R6 000

- Friends, savings and to a lesser extent stokvels are the go-to sources for an unexpected expense of R1 000 in very low income households
- At an expense of R5 000, the tipping point comes later in 2019, with 38% (as against 48% in 2018) unable to cope. Lower income now showing greater appetite to take out a personal loan/greater reliance on loans.

HANDLE UNFORESEEN EXPENDITURE OF	R1 000				R5 000				R10 000				R50 000				R100 000			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Pay with a credit card	2%	-	-	-	1%	-	-		-	1%	-	-	-	-	-	-	-	-	-	-
Use overdraft/ other existing line of credit	1%	-	-	1%	-	1%	-	1%	-	1%	-	-	-	-	-	-	-	-	-	-
Take out personal loan from an institution or micro lender	8%	7%	7%	11%	24%	23%	21%	29%	23%	19%	15%	18%	3%	3%	1%	1%	1%	2%	-	-
Borrow from a friend/relative	35%	45%	41%	40%	18%	14%	10%	9%	3%	2%	1%	-	-	-	-	-	-	-	-	-
Borrow from my stokvel	8%	12%	15%	20%	18%	9%	12%	10%	7%	2%	2%	1%	-	-	-	-	-	-	-	-
Borrow against home equity/ use home loan	-	1%	-		1%	-	-	-	1%	1%	-	-	1%	-	-	-	1%	-	-	-
Borrow from employer *	5%	6%	10%	5%	7%	6%	7%	7%	4%	3%	2%	2%	1%	-	-	-	-	-	-	-
Surrender a policy*	-	-	-		-	1%	-	-	-	1%	-	1%	3%	-	-	-	2%	-	-	-
Pay bills late/ skip payments*	3%	9%	6%	6%	1%	1%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Use savings	**36%**	**33%**	**22%**	**23%**	**3%**	**6%**	**2%**	**6%**	**-**	**1%**	**-**	**-**	**3%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sell/pawn an asset	2%	2%	1%		1%	1%	-	3%	-	1%	-	1%	1%	-	-	-	-	-	-	-
Would not be able to handle it	**4%**	**2%**	**7%**	**3%**	**27%**	**42%**	**48%**	**38%**	**64%**	**72%**	**81%**	**73%**	**93%**	**97%**	**99%**	**99%**	**96%**	**98%**	**100%**	**100%**

*added as a pre-code in 2016

HOUSEHOLD INCOME R6 000 TO R13 999

- Friends & savings are the primary sources for a R1 000 unforeseen expense
- Formal loans gain traction at R5 000, although access/reliance on personal loans continues to show a declining trend for amounts of R50 000 and over
- Over half cannot cope with an unforeseen expense of R10 000
- At R50 000 the vast majority of households in this bracket can't cope

HANDLE UNFORESEEN EXPENDITURE OF	R1 000				R5 000				R10 000				R50 000				R100 000			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Pay with a credit card	5%	3%	3%	4%	5%	10%	5%	4%	2%	5%	1%	1%	-	-	1%	-	-	-	-	-
Use overdraft/ other existing line of credit	1%	1%	-	-	1%	2%	2%	1%	-	-	-	1%	-	-	1%	1%	-	-	1%	-
Take out a personal loan from an institution or micro lender	2%	5%	4%	9%	22%	28%	24%	30%	35%	28%	28%	33%	15%	10%	12%	11%	4%	3%	4%	2%
Borrow from a friend/relative	30%	31%	25%	35%	18%	13%	14%	8%	3%	2%	3%	1%	-	-	1%	1%	-	-	-	-
Borrow from my stokvel	8%	8%	10%	9%	13%	13%	9%	15%	5%	4%	2%	3%	-	-	-	-	-	-	-	-
Borrow against home equity/ use home loan	-	-	1%	-	1%	-	1%	-	1%	-	-	1%	1%	-	-	-	-	-	-	-
Borrow from employer *	1%	4%	6%	5%	4%	6%	7%	9%	7%	6%	5%	5%	1%	-	-	-	-	-	-	-
Surrender a policy*	-	-	1%	-	-	-	1%	-	1%	3%	3%	1%	3%	1%	2%	-	2%	-	-	-
Pay bills late/ skip payments*	4%	6%	5%	3%	2%	2%	1%	4%	-	-	-	-	-	-	-	-	-	-	-	-
Use savings	**50%**	**52%**	**54%**	**41%**	**22%**	**16%**	**21%**	**13%**	**2%**	**1%**	**7%**	**2%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sell/pawn an asset	1%	2%	1%	-	2%	-	2%	1%	-	-	1%	1%	-	-	-	1%	-	-	-	-
Would not be able to handle it	**2%**	**0%**	**0%**	**2%**	**14%**	**16%**	**20%**	**19%**	**43%**	**52%**	**55%**	**52%**	**80%**	**88%**	**85%**	**86%**	**94%**	**96%**	**96%**	**98%**

*added as a pre-code in 2016

HOUSEHOLD INCOME R14 000 – R19 999

- Savings are the primary source for expenses of R1 000, after which borrowing steps in. However reliance on savings is down significantly in 2019 for all expense amounts – evidence of depleted savings pools.
- As the amount of the expense climbs, so borrowing from friends and family drops off in favour of institutional borrowing.
- Generally speaking for this income bracket the tipping point comes earlier in 2019.

HANDLE UNFORESEEN EXPENDITURE OF	R1 000				R5 000				R10 000				R50 000				R100 000			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Pay with a credit card	7%	5%	7%	7%	13%	16%	12%	10%	6%	10%	7%	7%	-	-	1%	1%	-	-	-	-
Use overdraft/ other existing line of credit	3%	3%	2%	1%	5%	3%	2%	2%	3%	5%	2%	2%	1%	-	1%	2%	-	1%	-	1%
Take out a personal loan from an institution or micro lender	5%	5%	3%	10%	23%	21%	16%	23%	38%	32%	26%	36%	16%	24%	22%	15%	8%	13%	10%	4%
Borrow from a friend/relative	23%	28%	14%	31%	9%	16%	10%	12%	6%	5%	5%	3%	1%	-	1%	1%	-	-	-	-
Borrow from my stokvel	6%	6%	12%	9%	10%	8%	14%	10%	4%	4%	5%	2%	-	-	1%	-	-	-	-	-
Borrow against home equity/ use home loan	-	-	1%	-	1%	1%	-	-	-	-	-	-	3%	2%	2%	-	2%	2%	-	1%
Borrow from employer *	1%	2%	2%	4%	4%	7%	3%	6%	4%	3%	3%	3%	-	-	-	-	-	-	-	-
Surrender a policy*	-	1%	-	-	-	1%	1%	-	1%	3%	3%	1%	4%	1%	2%	-	1%	-	1%	-
Pay bills late/ skip payments*	8%	3%	1%	5%	3%	2%	1%	4%	-	-	-	-	-	-	-	-	-	-	-	-
Use savings	**50%**	**60%**	**65%**	**45%**	**26%**	**25%**	**34%**	**21%**	**5%**	**9%**	**14%**	**4%**	**-**	**-**	**1%**	**1%**	**-**	**-**	**1%**	**-**
Sell/pawn an asset	1%	1%	-	-	2%	-	-	2%	1%	-	1%	2%	-	1%	-	1%	-	-	-	-
Would not be able to handle it	**1%**	**1%**	**1%**	**1%**	**6%**	**11%**	**13%**	**17%**	**30%**	**32%**	**38%**	**43%**	**75%**	**71%**	**71%**	**81%**	**89%**	**86%**	**89%**	**94%**

*added as a pre-code in 2016

HOUSEHOLD INCOME R20 000 – R39 999

- Credit card continues to be used extensively up to R10 000
- Formal loans popular especially for amounts in R10 000 – R50 000 range
- Reliance on savings down across the board -evidence of a depleted savings pool
- The bail point comes earlier for larger amounts in 2019, with nearly two thirds unable to handle an expense of R50 000 and 84% bailing at R100 000

HANDLE UNFORESEEN EXPENDITURE OF	R1 000				R5 000				R10 000				R50 000				R100 000			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Pay with a credit card	15%	13%	10%	11%	20%	23%	18%	18%	15%	20%	18%	16%	2%	3%	1%	1%	-	1%	-	-
Use overdraft/ other existing line of credit	1%	3%	1%	2%	5%	7%	3%	4%	6%	6%	3%	5%	2%	2%	2%	1%	1%	-	2%	-
Take out a personal loan from an institution or micro lender	3%	1%	2%	6%	15%	14%	12%	14%	30%	28%	25%	30%	24%	30%	30%	30%	10%	15%	20%	13%
Borrow from a friend/relative	21%	15%	12%	22%	9%	9%	7%	10%	4%	4%	6%	4%	1%	1%	2%	1%	-	1%	-	-
Borrow from my stokvel	2%	5%	%7	7%	5%	9%	6%	8%	4%	5%	3%	6%	1%	1%	-	1%	-	-	-	-
Borrow against home equity/ use home loan	-	-	-	-	1%	1%	-	1%	1%	-	-	2%	6%	2%	6%	2%	9%	3%	3%	4%
Borrow from employer *	2%	2%	2%	2%	7%	4%	2%	4%	6%	5%	3%	5%	-	-	-	1%	-	-	-	-
Surrender a policy*	1%	1%	-	-	-	1%	-	1%	4%	3%	2%	1%	8%	6%	2%	1%	2%	1%	1%	-
Pay bills late/ skip payments*	3%	2%	1%	4%	1%	2%	1%	3%	2%	1%	-	-	1%	-	-	-	4%	-	-	-
Use savings	**57%**	**68%**	**70%**	**55%**	**36%**	**41%**	**43%**	**34%**	**10%**	**15%**	**14%**	**10%**	**2%**	**5%**	**1%**	**2%**	**-**	**1%**	**-**	**-**
Sell/pawn an asset	2%	1%	-	-	1%	1%	-	1%	2%	1%	-	1%	2%	1%	-	1%	-	1%	-	-
Would not be able to handle it	**-**	**1%**	**-**	**1%**	**4%**	**3%**	**8%**	**7%**	**18%**	**17%**	**28%**	**24%**	**51%**	**54%**	**56%**	**62%**	**75%**	**77%**	**73%**	**84%**

*added as a pre-code in 2016

HOUSEHOLD INCOME R40 000+

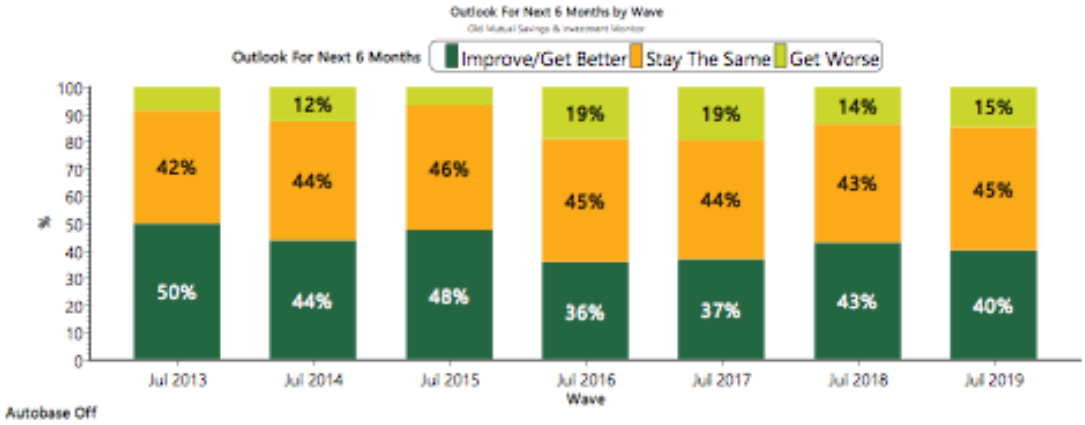
- Credit card very popular for amounts up to R10 000
- Low incidence of loans from family/friends, with preference for formal loans for larger amounts.
- Home loans also remain popular for amounts north of R50 000
- Resilience levels have generally improved for R40 000+ households, with those unable to cope with an expense of R50 000 dropping to 26% (down from 37% in 2018)

HANDLE UNFORESEEN EXPENDITURE OF	R1 000				R5 000				R10 000				R50 000				R100 000			
	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019	2016	2017	2018	2019
Pay with a credit card	20%	17%	10%	22%	26%	33%	20%	33%	25%	29%	24%	29%	3%	7%	6%	8%	-	1%	-	1%
Use overdraft/ other existing line of credit	2%	4%	2%	5%	9%	12%	6%	11%	9%	12%	8%	8%	6%	6%	8%	6%	6%	2%	4%	35
Take out a personal loan from an institution or micro lender	1%	1%	1%	3%	6%	4%	7%	7%	22%	21%	17%	23%	34%	38%	29%	35%	18%	29%	28%	25%
Borrow from a friend/relative	11%	18%	8%	8%	7%	8%	4%	3%	5%	3%	1%	3%	3%	2%	-	4%	1%	1%	-	2%
Borrow from my stokvel	4%	3%	2%	2%	4%	7%	6%	3%	1%	2%	5%	7%	1%	-	-	1%	-	-	-	-
Borrow against home equity/ use home loan	-	1%	-	-	-	1%	-	-	1%	2%	1%	2%	8%	9%	8%	12%	11%	10%	12%	18%
Borrow from employer *	-	2%	2%	-	3%	2%	-	2%	3%	3%	2%	1%	1%	1%	-	-	-	-	-	-
Surrender a policy*	-	-	-	-	-	-	1%	1%	1%	2%	1%	-	5%	3%	2%	2%	9%	2%	1%	2%
Pay bills late/ skip payments*	2%	2%	-	1%	2%	1%	-	1%	2%	-	-	2%	1%	-	-	1%	1%	-	-	-
Use savings	**62%**	**64%**	**78%**	**64%**	**45%**	**48%**	**58%**	**43%**	**21%**	**26%**	**28%**	**23%**	**4%**	**6%**	**10%**	**8%**	**1%**	**3%**	**4%**	**3%**
Sell/pawn an asset	2%	-	-	-	1%	1%	-	-	1%	1%	-	1%	2%	-	-	1%	1%	-	-	-
Would not be able to handle it	**-**	**-**	**-**	**-**	**-**	**1%**	**1%**	**1%**	**8%**	**8%**	**14%**	**6%**	**34%**	**30%**	**37%**	**26%**	**57%**	**54%**	**50%**	**49%**

*added as a pre-code in 2016

7. RETROSPECTIVE VIEWS AND FUTURE EXPECTATIONS

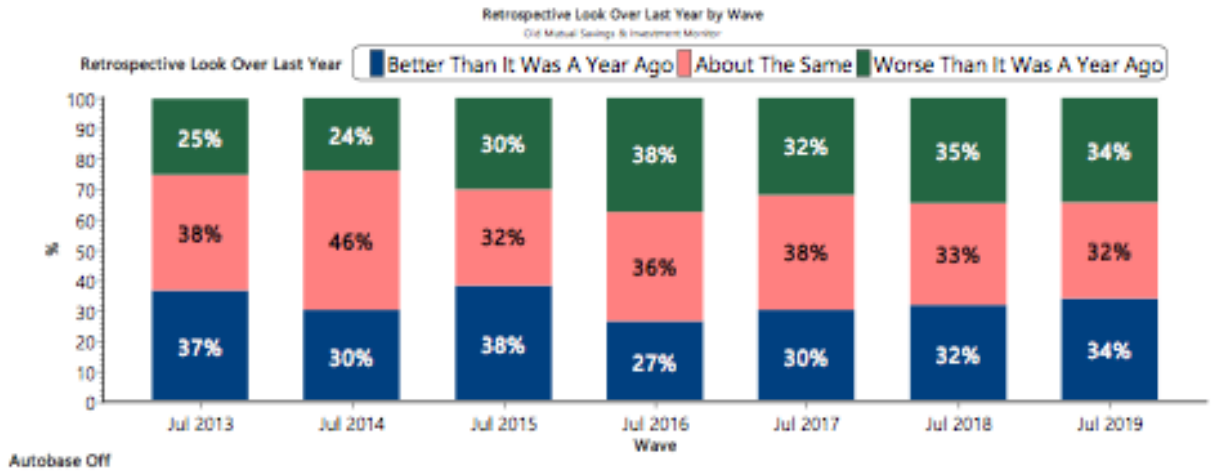
Respondents are asked whether they expect their financial situation to improve, deteriorate or stay the same in the next six months. 2019 sees a marginally less optimistic outlook, although some 40% expect an improvement.



The decline in optimism levels is more evident in higher earning households.

OUTLOOK FOR NEXT 6 MONTHS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Improve/get better	43%	33%	34%	26%	26%	36%	37%
Stay the same	47%	46%	57%	46%	42%	41%	38%
Get worse	10%	21%	9%	27%	32%	23%	25%
R6 000 to R13 999							
Improve/get better	50%	41%	48%	31%	34%	40%	43%
Stay the same	40%	46%	46%	48%	48%	44%	41%
Get worse	9%	13%	6%	22%	18%	16%	16%
R14 000 to R19 999							
Improve/get better	54%	43%	45%	41%	35%	43%	40%
Stay the same	37%	44%	47%	43%	46%	41%	49%
Get worse	10%	13%	8%	16%	18%	16%	11%
R20 000 to R39 999							
Improve/get better	54%	58%	55%	42%	46%	49%	42%
Stay the same	40%	37%	38%	44%	39%	43%	48%
Get worse	6%	5%	7%	14%	15%	8%	10%
R40 000 or more							
Improve/get better	54%	48%	62%	44%	45%	47%	39%
Stay the same	42%	45%	37%	44%	43%	48%	54%
Get worse	4%	6%	1%	12%	12%	6%	7%

Respondents are also asked to think back to a year ago and asked whether they feel that their current financial situation is better or worse than a year ago. The results remain stable with the sample roughly evenly split between those who feel they are better off vs worse off vs. unchanged. Low income households continue to report the worst retrospective view.



OUTLOOK OVER LAST YEAR	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Better than it was a year ago	31%	24%	28%	13%	20%	19%	25%
About the same	38%	40%	30%	37%	34%	31%	26%
Worse than it was a year ago	31%	36%	42%	51%	47%	50%	49%
R6 000 to R13 999							
Better than it was a year ago	31%	28%	37%	25%	27%	31%	39%
About the same	44%	47%	34%	34%	44%	34%	24%
Worse than it was a year ago	25%	25%	29%	41%	29%	36%	37%
R14 000 to R19 999							
Better than it was a year ago	40%	33%	40%	31%	24%	32%	25%
About the same	34%	44%	31%	34%	44%	32%	40%
Worse than it was a year ago	26%	23%	29%	35%	32%	35%	35%
R20 000 to R39 999							
Better than it was a year ago	46%	35%	44%	34%	43%	36%	33%
About the same	33%	49%	30%	33%	31%	36%	35%
Worse than it was a year ago	21%	15%	26%	33%	26%	28%	31%
R40 000 or more							
Better than it was a year ago	48%	35%	53%	35%	39%	42%	41%
About the same	35%	49%	31%	44%	36%	32%	41%
Worse than it was a year ago	17%	15%	16%	20%	24%	25%	19%

8. SAVINGS LEVELS AND PUTTING MONEY ASIDE

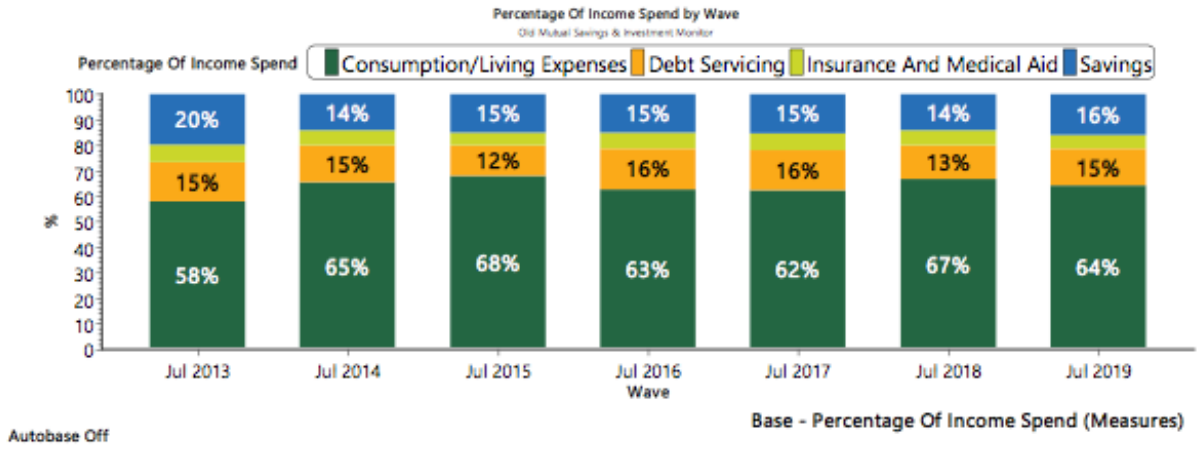
8.1 SAVINGS AS A % OF HOUSEHOLD INCOME

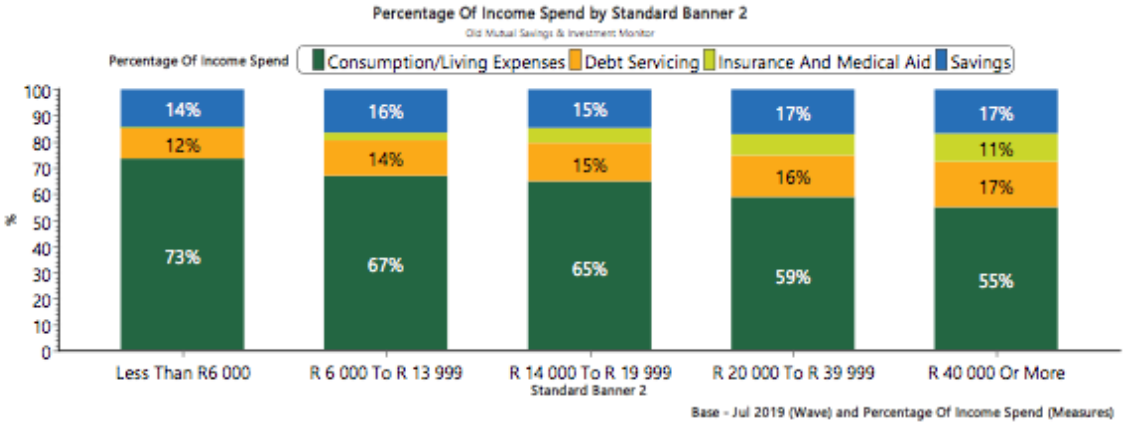
Respondents are asked to allocate household expenditure as follows and using this definition of savings:

"Savings includes putting money away into savings accounts policies and investments. It also includes holding back on spending and using that money to pay off debt faster in particular putting extra into your home loan if you have one."

Consumption/Living expenses (e.g. groceries rates phone transport clothing education entertainment rent money paid to support other family members electricity and water etc. This EXCLUDES contributions to policies savings insurance etc.)
Debt Servicing (e.g. paying off debt e.g. personal loans store accounts and credit cards home loan/other bonds and debt etc.
Insurance and medical aid (i.e. short term insurance (car/household) as well as medical aid contributions. NOT other policies)
Savings (includes monthly contributions/premiums to savings stokvels and savings clubs investment and assurance policies)

At an overall level there has been a small decrease in the proportion of household income that is taken up by consumption/living expenses with the both debt servicing and savings up marginally.





Looking at the results within income bands and race/generation/age it is notable that the increase in the proportionate spend on debt servicing is most notable in R14 000 – R19 999 households whilst the increase in savings tends to be R40 000+.

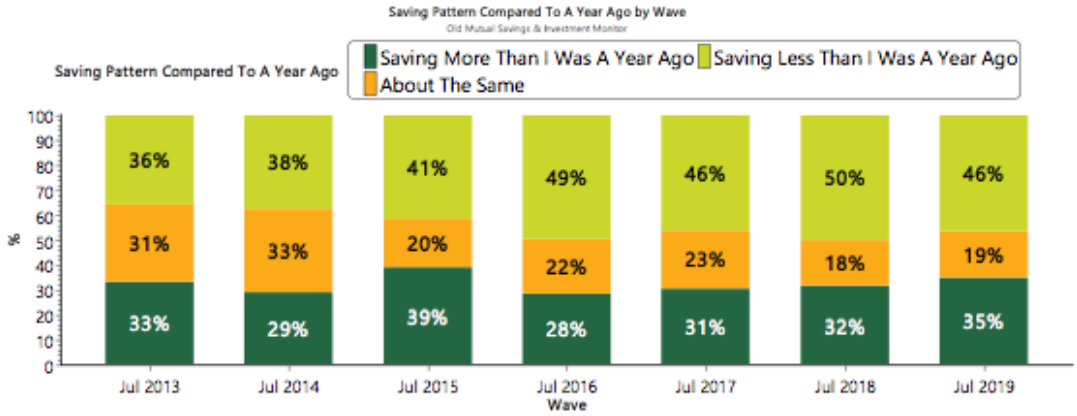
PERCENTAGE OF INCOME SPEND	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Consumption/living expenses	65%	72%	76%	71%	71%	79%	73%
Debt servicing	14%	14%	10%	13%	13%	8%	12%
Insurance and medical aid	1%	1%	0%	1%	1%	0%	0%
Savings	20%	13%	14%	15%	15%	13%	14%
R6 000 to R13 999							
Consumption/living expenses	59%	68%	69%	65%	63%	70%	67%
Debt servicing	16%	14%	11%	15%	16%	12%	14%
Insurance and medical aid	6%	4%	4%	5%	4%	3%	3%
Savings	20%	14%	16%	16%	16%	15%	16%
R14 000 to R19 999							
Consumption/living expenses	57%	62%	65%	59%	61%	66%	65%
Debt servicing	16%	15%	12%	18%	15%	13%	15%
Insurance and medical aid	8%	8%	7%	8%	8%	6%	5%
Savings	19%	15%	16%	15%	15%	15%	15%
R20 000 to R39 999							
Consumption/living expenses	52%	60%	64%	58%	57%	60%	59%
Debt servicing	17%	16%	14%	17%	17%	16%	16%
Insurance and medical aid	11%	10%	8%	10%	11%	10%	8%
Savings	20%	14%	14%	15%	15%	13%	17%
R40 000 or more							
Consumption/living expenses	49%	59%	62%	57%	57%	59%	55%
Debt servicing	16%	16%	15%	18%	17%	16%	17%
Insurance and medical aid	14%	11%	9%	10%	12%	10%	11%
Savings	21%	14%	15%	14%	14%	15%	17%

Since 2013 we have asked respondents to estimate their monthly savings in absolute rand terms. Again they were asked in respect of the household position or personal circumstances if single/not living together. The average rand amounts are down marginally across all income groups.

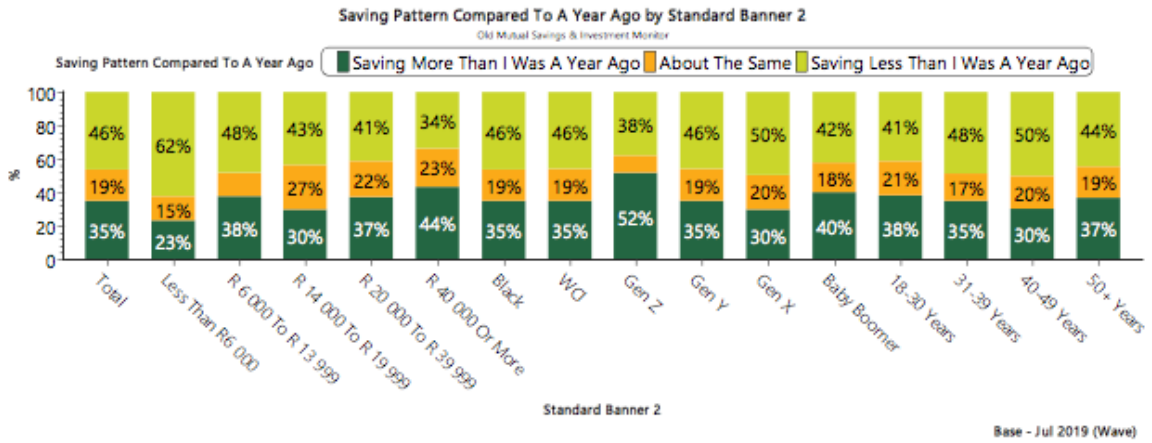
MONTHLY SAVINGS	AVERAGE (RANDS)	LESS THAN R6 000	R6 000 TO R13 999	R14 000 TO R 19 999	R20 000 TO R39 999	R40 000 OR MORE
Jul-13	1 669	667	1 319	1 624	2 476	4 003
Jul-14	1 974	639	1 263	1 857	2 993	4 678
Jul-15	2 207	585	1 573	2 177	3 044	5 555
Jul-16	2 453	746	1 566	2 329	3 478	5 392
Jul-17	2 458	688	1 507	2 303	3 592	5 480
Jul-18	2 655	638	1 587	2 270	3 249	5 959
Jul-19	2 260	660	1 471	2 112	3 177	5 319

8.2 CONSUMER PERCEPTIONS AS TO WHETHER SAVING MORE/LESS/THE SAME

2019 sees a small increase on those who say they are saving more but the majority continue to save less or the same as they did a year ago.



The demographic analysis reveals a similar pattern to that seen historically. There continues to be a positive correlation with income with a higher % of wealthier households claiming to be saving more when compared to lower income. The spike in Gen Z saving more is a lifestage issue and what we are seeing is the effects of first-time employment. Many of Gen Z have only recently started earning and are only now in a position to save.



Respondents are asked why they are saving more/less or the same compared to a year ago. Increased demands on income remains the most prevalent determinant of behaviour.

2019	TOTAL	SAVING MORE THAN I WAS A YEAR AGO	ABOUT THE SAME	SAVING LESS THAN I WAS A YEAR AGO
Little change in circumstances/needs	16%	1%	47%	15%
Increased demands on income	45%	0%	50%	77%
Effect of debt/debt management	18%	26%	10%	15%
Improved income	21%	54%	10%	1%
Item/cause specific savings	5%	13%	1%	0%
Deteriorating income	13%	1%	4%	26%
Decreased demands	4%	11%	0%	0%
Shift in headspace	13%	27%	18%	1%
Other	1%	1%	1%	1%

As has been the case historically whilst improved income is still cited most often as a **reason for saving more** a shift in headspace (i.e. **realising the importance of savings**) is also a strong driver as is the effect of good debt management (i.e. paying off debt which frees up funds to be saved).

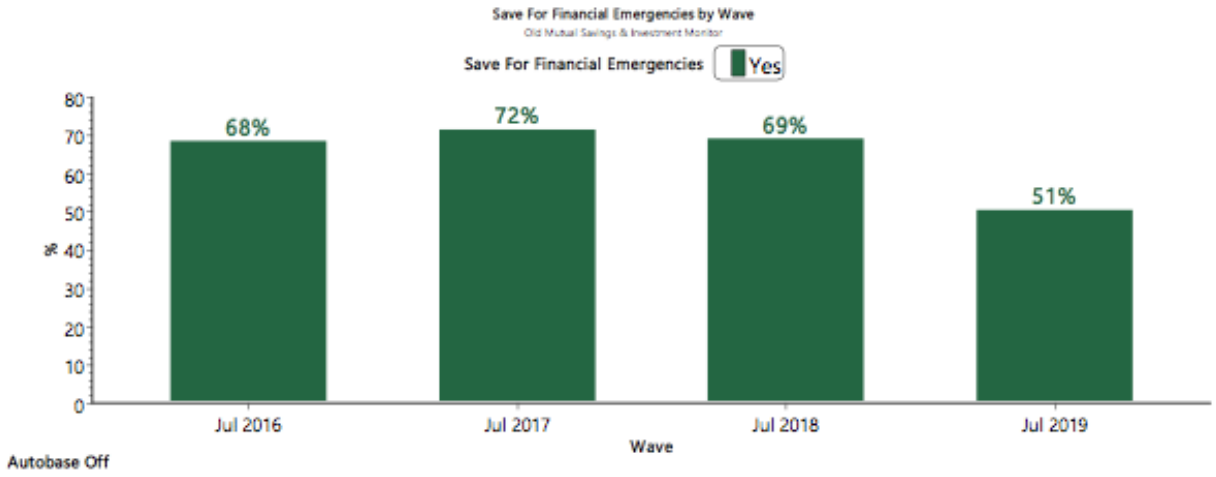
REASONS SAVING MORE	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Improved income	51%	47%	59%	51%	59%	59%	54%
Shift in headspace	18%	30%	18%	35%	39%	33%	27%
Effect of debt/debt management	24%	30%	22%	35%	22%	32%	26%
Item/cause specific savings	9%	11%	5%	21%	11%	13%	13%
Decreased demands	18%	13%	13%	12%	2%	15%	11%
Little change in circumstances/needs	1%	0%	1%	0%	0%	0%	1%
Other	2%	0%	0%	3%	2%	2%	1%

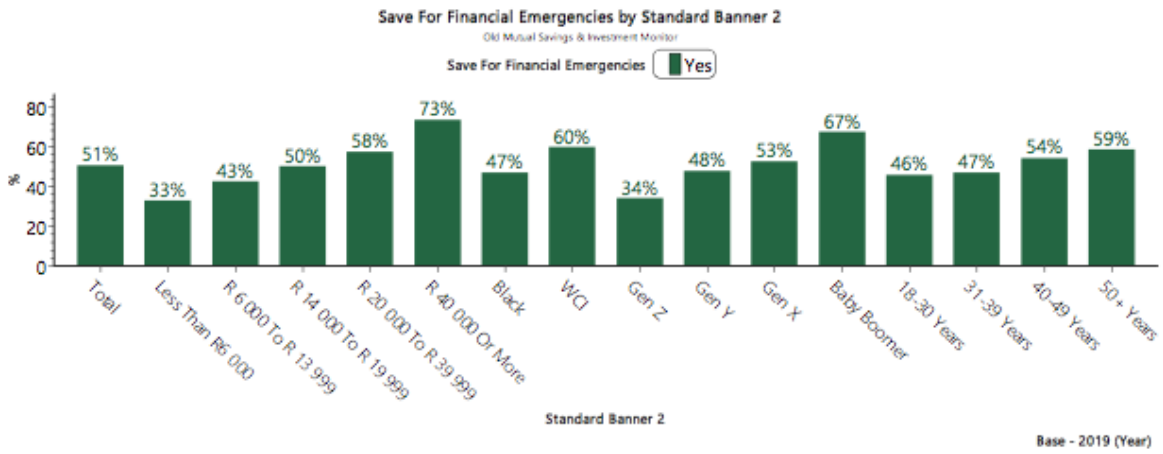
As to **reasons for saving less** increased demands on income in the form of escalating expenses remains the primary barrier to saving. Deteriorating income (lower commissions family members losing jobs or being put on short hours) is the next most prevalent driver being cited by 1 in 4 of those who find that they are saving less than a year ago. Those citing debt management (having more debt to service) as a reason for saving less remains at 15%.

REASONS SAVING LESS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Increased demands on income	70%	74%	74%	74%	86%	79%	77%
Deteriorating income	16%	19%	24%	25%	16%	26%	26%
Little change in circumstances/needs	11%	6%	27%	22%	27%	15%	15%
Effect of debt/debt management	14%	12%	9%	19%	10%	15%	15%

8.3 SAVING FOR FINANCIAL EMERGENCIES

Since 2016 respondents have been asked directly whether they save for financial emergencies and if they do where these funds are saved. At a total level claimed saving for emergencies is down sharply to 51%. Some of this may be attributable to the wording change but there are indications elsewhere in the results (for example the drop in rainy day saving as a saving objective as well as decreased ability to cope with various levels of unforeseen expense) which show that savings levels are being depleted and emergency savings are now a luxury for some.





Bank savings accounts continue to be the vehicle of choice for emergency savings.

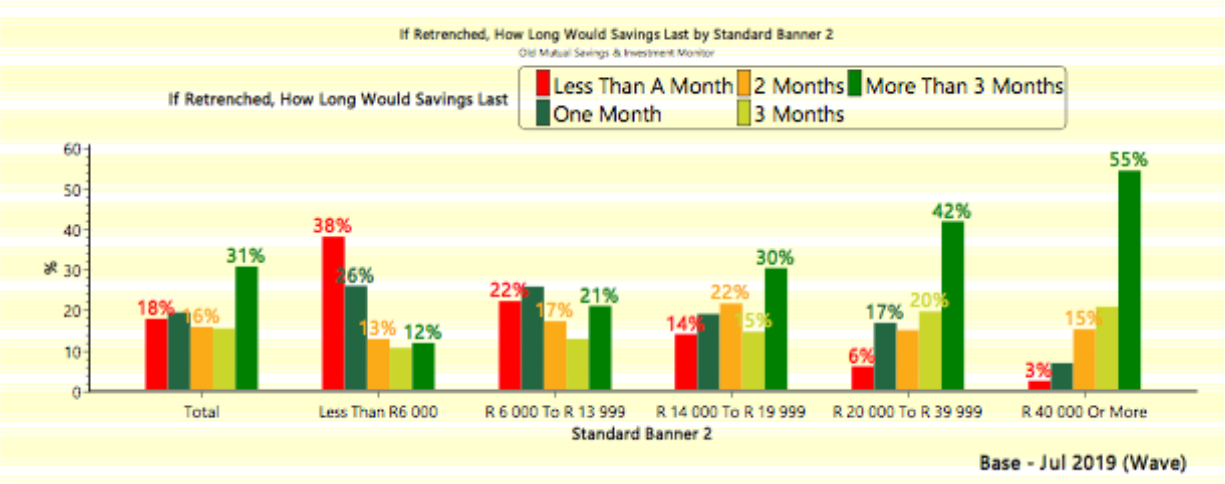
METHOD OF SAVING FOR EMERGENCIES 2019	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Unweighted numbers	504	68	86	95	114	141	332	172	25	230	188	61	122	145	131	106
Bank savings account/in the bank	78%	66%	77%	82%	80%	81%	77%	80%	79%	77%	79%	79%	80%	75%	79%	78%
In cash - unbanked	15%	16%	10%	12%	16%	18%	10%	25%	12%	13%	16%	18%	12%	14%	13%	19%
Save in a stokvel/savings club	13%	29%	17%	12%	8%	6%	18%	3%	13%	15%	13%	7%	12%	17%	15%	6%
Save in a stokvel/savings club **(based on black stokvel members)**	28%	50%	28%	25%	19%	13%	28%		34%	31%	25%	20%	31%	31%	30%	15%
Unit trusts	4%	0%	1%	2%	7%	7%	4%	5%	0%	4%	4%	7%	4%	3%	5%	5%
In access bond facility/home loan	4%	0%	0%	0%	4%	8%	2%	7%	0%	3%	2%	10%	2%	4%	1%	7%
Invested in shares	2%	1%	0%	0%	3%	3%	2%	1%	0%	1%	1%	8%	0%	1%	1%	5%
Build Up Credit Balance In Credit Card	2%	0%	1%	1%	1%	3%	2%	0%	4%	1%	2%	1%	2%	1%	1%	3%

8.4 SAVINGS STOCKS IN THE FACE OF RETRENCHMENT

In 2019 we added a question to assess households' ability to cope in the face of retrenchment:

"If you were retrenched or lost your job/main source of income would you have enough money saved to last you ...less than a month one month 2 months etc."

At a total sample level 38% of metro working households have enough for a month or less. As would be expected savings stocks are inversely correlated with income and rise with age.



IF RETRENCHED HOW LONG WOULD SAVINGS LAST	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Less than a month	18%	38%	22%	14%	6%	3%	19%	14%	29%	22%	13%	8%	25%	20%	16%	9%
One month	20%	26%	26%	19%	17%	7%	21%	15%	26%	21%	18%	14%	24%	20%	19%	15%
2 Months	16%	13%	17%	22%	15%	15%	15%	20%	15%	15%	18%	12%	16%	15%	20%	13%
3 Months	15%	11%	13%	15%	20%	21%	14%	19%	16%	15%	16%	16%	15%	16%	15%	16%
More than 3 months	31%	12%	21%	30%	42%	55%	30%	32%	14%	27%	34%	51%	21%	30%	31%	46%

9. SAVINGS PURPOSE

9.1 SAVINGS OBJECTIVES – WHAT ARE SOUTH AFRICANS SAVING FOR?

The main savings objectives remain emergency expenses (rainy day fund), funeral, retirement and children's education (for those with dependent children).

The drop off in emergency expenses as claimed objective continues in this measure, with marginally recoveries as regards funeral, retirement and education as a savings objective.

PROMPTED SAVINGS OBJECTIVE	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Funeral expenses	30%	37%	53%	41%	40%	36%	38%
Retirement/old age	37%	37%	42%	34%	31%	28%	33%
Emergency expenses/rainy day fund	39%	43%	44%	63%	51%	43%	30%
Children's education **(rebased on those with dependent children)**	40%	32%	32%	38%	35%	34%	37%
Christmas expenses/end of year expenses	Not measured	15%	16%	19%	19%	17%	16%
Home improvement	22%	16%	14%	15%	14%	15%	12%
Car/vehicle	27%	13%	13%	12%	11%	12%	12%
To buy a specific item/other specific purpose	13%	10%	9%	15%	12%	11%	10%
To pay off debt	26%	18%	11%	14%	13%	13%	10%
Medical expenses fund/for medical expenses	13%	12%	17%	19%	16%	11%	9%
Holiday	12%	10%	7%	11%	10%	8%	9%
Deposit on a home/immovable property	20%	9%	9%	9%	10%	7%	7%
Furniture/home appliances	8%	5%	9%	8%	8%	10%	7%
Other special celebrations	Not measured	7%	6%	7%	5%	6%	7%
No specific reason	3%	7%	4%	4%	5%	8%	6%
Money to start my own business	9%	3%	3%	4%	3%	4%	5%
To get married/lobola	7%	4%	4%	5%	4%	3%	4%
For my studies/own education/further my studies	8%	3%	3%	4%	4%	3%	3%

Age and income continue to be the primary determinants of what people are saving for.

- Greater emphasis by older (and wealthier) consumers on retirement savings, emergency savings as well as saving for home improvement (albeit at lower levels that the primary focus i.e. retirement)
- Greater emphasis that youth place on savings for acquisitive reasons (such has Gen Z saving for a car)
- The peak in Gen X on saving for education – a direct reflection of lifestage and the incidence of dependent children
- Holiday specific savings only really the ambit of WCI and higher earners

PROMPTED SAVINGS OBJECTIVE	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Funeral expenses	38%	44%	43%	40%	40%	23%	45%	19%	15%	40%	39%	38%	27%	45%	36%	43%
Retirement/old age	33%	11%	27%	33%	40%	56%	26%	50%	8%	26%	38%	59%	19%	28%	35%	55%
Emergency expenses/rainy day fund	30%	25%	21%	29%	30%	46%	28%	35%	24%	28%	31%	38%	26%	29%	34%	33%
Children's education	27%	15%	32%	30%	27%	29%	29%	21%	10%	29%	33%	5%	16%	36%	35%	15%
Christmas expenses/ end of year expenses	16%	18%	20%	15%	18%	8%	19%	8%	8%	16%	19%	13%	16%	15%	20%	15%
Home improvement	12%	7%	9%	14%	15%	20%	13%	11%	2%	10%	19%	11%	6%	12%	15%	19%
Car/vehicle	12%	5%	13%	17%	14%	12%	12%	12%	24%	13%	8%	11%	17%	13%	7%	9%
To buy a specific item/other specific purpose	10%	10%	10%	8%	10%	8%	11%	6%	15%	10%	11%	2%	12%	9%	10%	7%
To pay off debt	10%	9%	8%	7%	11%	12%	10%	9%	7%	9%	12%	7%	8%	9%	11%	12%
Medical expenses fund/ for medical expenses	9%	2%	7%	9%	12%	17%	10%	8%	2%	9%	11%	12%	6%	10%	11%	12%
Holiday	9%	1%	2%	3%	13%	24%	3%	23%	6%	7%	8%	18%	10%	5%	11%	11%
Deposit on a home/ immovable property	7%	2%	7%	11%	12%	9%	7%	7%	5%	10%	5%	6%	9%	9%	5%	5%
Furniture/home appliances	7%	6%	7%	8%	5%	7%	7%	5%	3%	8%	4%	8%	9%	7%	4%	6%
Other special celebrations	7%	3%	8%	5%	5%	10%	5%	10%	7%	7%	7%	5%	5%	8%	7%	5%
No specific reason	6%	10%	6%	6%	5%	3%	7%	4%	12%	4%	7%	10%	7%	4%	8%	7%
Money to start my own business	5%	5%	6%	3%	7%	4%	6%	3%	9%	6%	4%	2%	7%	5%	5%	2%
To get married/lobola	4%	5%	6%	5%	3%	1%	5%	1%	3%	7%	1%	0%	6%	6%	1%	0%
For my studies/own education/further my studies	3%	4%	3%	5%	5%	1%	4%	1%	19%	4%	1%	0%	8%	3%	1%	0%

A CLOSER LOOK AT SAVING FOR CHILDREN'S EDUCATION

In some instances, we have respondents with education policies but who do not claim education as a savings objective, even at a prompted level (although the majority do). We have questioned them further on this issue and many claim that they view their education policy premiums as an expense rather than a saving – in essence an expense in the same way that school fees are an expense. We have constructed a combined measure that includes those who claim education as a savings objective and/or have an education policy, and in 2019 45% of parents are saving for children's education (and by implication 55% are not).

BROAD EDUCATION MEASURE (BASE = THOSE WITH DEPENDENT CHILDREN)	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
YES Objective or Policy	44%	40%	40%	46%	43%	43%	45%
Neither	56%	60%	60%	54%	57%	57%	55%

BROAD EDUCATION MEASURE (JULY 2019) **(BASE = THOSE WITH DEPENDENT CHILDREN)**	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
YES Objective or Policy	45%	26%	49%	49%	46%	52%	47%	39%	48%	45%	18%	44%	51%	47%	30%
Neither	55%	74%	51%	51%	54%	48%	53%	61%	52%	55%	82%	56%	49%	53%	70%

9.2 SAVINGS GOALS & PRIORITIES

The main savings goals and priorities differ by lifestage. For younger generations own education/ambitions are prioritised. As you age into mid-life your own home becomes a priority and thereafter it's all about a comfortable retirement.

WCI focus more on retirement than property, not because property is less important but rather because most already have the luxury of owning their own home.

% EXTREMELY IMPORTANT	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Saving for a comfortable retirement	60%	44%	54%	55%	68%	79%	56%	69%	26%	56%	66%	76%	44%	60%	65%	73%
Saving for a home of your own	57%	57%	61%	60%	52%	53%	60%	47%	48%	65%	51%	39%	57%	68%	52%	43%
Saving for own education/ get ahead/realise ambitions	36%	40%	37%	37%	38%	29%	43%	19%	63%	45%	25%	17%	55%	40%	23%	23%
Big savings goals	29%	29%	34%	29%	28%	25%	34%	18%	29%	33%	28%	17%	29%	34%	31%	20%
Saving for travel and adventure	10%	4%	10%	8%	13%	15%	11%	8%	9%	11%	7%	15%	10%	12%	8%	10%

10. SAVINGS AND INVESTMENT VEHICLES

10.1 CLASSIFICATION OF SAVINGS AND INVESTMENT VEHICLES USED

SAVINGS AND INVESTMENT VEHICLES	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Banked cash savings	40%	35%	44%	42%	35%	36%	35%
Informal saving	49%	49%	57%	60%	59%	59%	60%
Informal savings **(base = black)**	65%	63%	73%	76%	74%	76%	70%
Formal savings products & policies	83%	86%	87%	87%	88%	90%	88%
Investments	5%	8%	7%	8%	3%	6%	9%
Alternative investments	1%	1%	1%	1%	1%	1%	1%
Insurance and precautionary savings	48%	50%	48%	52%	50%	49%	47%
Bonds	1%	3%	2%	5%	2%	1%	1%

10.2 BANKED CASH SAVINGS

Banked cash savings have not recovered from the slump seen in 2017.

BANKED CASH SAVINGS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Total	40%	35%	44%	42%	35%	36%	35%
Less than R6 000	32%	21%	33%	27%	20%	21%	18%
R6 000 to R13 999	37%	29%	41%	41%	33%	31%	27%
R14 000 to R19 999	38%	36%	44%	45%	35%	37%	33%
R20 000 to R39 999	45%	44%	51%	47%	40%	38%	42%
R40 000 or more	60%	60%	61%	58%	53%	56%	60%

10.3 FORMAL SAVINGS PRODUCTS

The sharp increase in savings and investment policies seen in 2016 was almost certainly due to a wording change from "endowment policies" to "Savings or Endowment policies (i.e. policies where you save for a specific term or goal").

In 2017 distinction was made between savings and investment policies and the following are now measured separately:

- Savings Policy – where you pay regular premiums over a fixed period
- Investment Policy – where you make ad hoc payments for any period

2019 sees no significant changes in formal policy holding at a total sample level and funeral policies continue to be the most prevalent of the formal policies with 3 out of 4 working metro households having at least one such policy.

SAVINGS AND INVESTMENT VEHICLES	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Savings & investment policies	14%	11%	8%	20%	26%	32%	31%
Savings policy	Not measured separately				19%	24%	22%
Investment policy	Not measured separately				12%	11%	14%
Retirement annuities	20%	24%	23%	25%	30%	27%	26%
Pension or provident fund	56%	57%	53%	51%	53%	50%	48%
Education policies **(rebased on those who have dependent children)**	19%	27%	27%	26%	25%	25%	24%
Funeral policies	65%	72%	73%	73%	75%	76%	74%
Life assurance/death and disability policies	35%	37%	31%	31%	38%	36%	35%

LIFE INSURANCE

Since 2018 life insurance has been recorded in more detail i.e. in separate components: Life, disability, dread disease and income protection. All forms of long term insurance are strongly correlated with income, and there have been no material shifts in the last year.

SAVINGS AND INVESTMENT VEHICLES	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Life assurance/death and disability policies	35%	37%	31%	31%	38%	36%	35%
Life insurance policies	Not measured separately					35%	31%
Disability cover	Not measured separately					15%	12%
Dreaded disease/severe illness cover	Not measured separately					9%	9%
Income protection policies	Not measured separately					3%	4%

SAVINGS AND INVESTMENT VEHICLES 2019	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	GEN Z	GEN Y	GEN X	BABY BOOMER
Life insurance policies	31%	5%	14%	25%	53%	67%	8%	25%	39%	48%
Disability cover	12%	0%	3%	8%	16%	36%	3%	10%	13%	28%
Dreaded disease/severe illness cover	9%	0%	3%	6%	9%	27%	0%	7%	11%	19%
Income protection policies	4%	0%	0%	1%	4%	16%	0%	2%	6%	11%

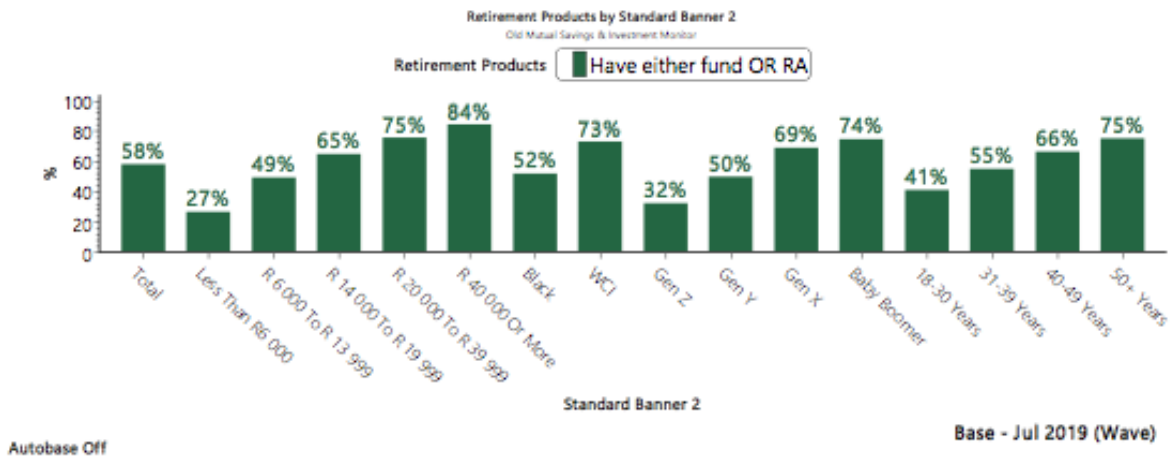
RETIREMENT PRODUCTS

When looking at the incidence of occupational retirement funds it is important to keep in mind that membership is largely a function of where one works and whether or not this is offered as an employee benefit by the employer. Often where these are in place, fund membership is compulsory for full time employees and as such pension and provident funds are not really discretionary in nature.

Incidence of both private RA's and occupational retirement funds is down marginally on 2018, with 58% of working metro households have some form of formal retirement provision.

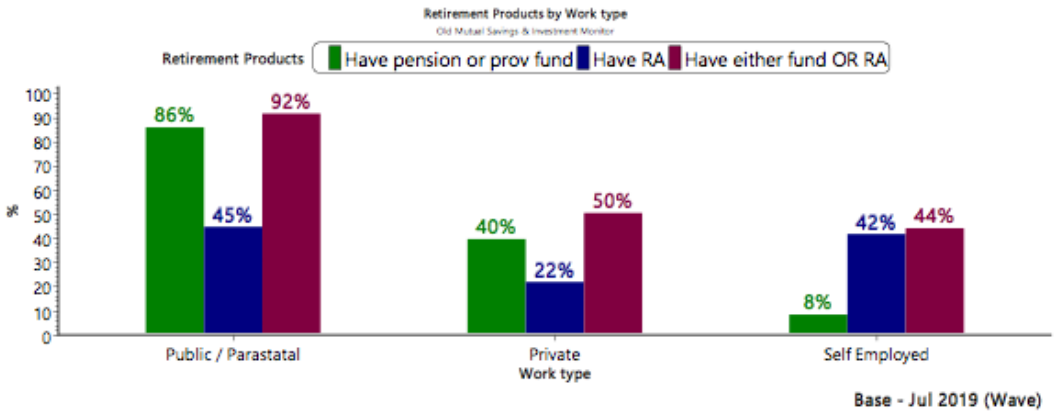
RETIREMENT PRODUCTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Have pension or prov fund	56%	57%	53%	51%	53%	50%	48%
Have RA	20%	24%	23%	25%	30%	27%	26%
Have fund and RA	14%	15%	13%	17%	23%	18%	16%
Have neither	38%	34%	38%	41%	40%	40%	42%
Have either fund OR RA	62%	66%	62%	59%	60%	60%	58%

The incidence of formal retirement provision climbs with both age and income (bearing in mind that age and income in themselves are positively correlated with higher income groups having an older bias).



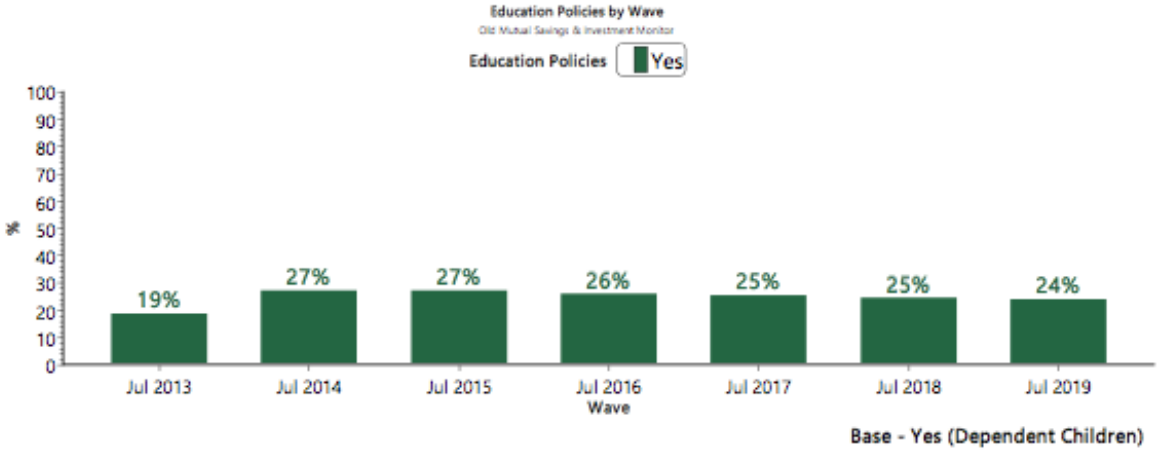
RETIREMENT PRODUCTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Consumption/living expenses	65%	72%	76%	71%	71%	79%	73%
Debt servicing	14%	14%	10%	13%	13%	8%	12%
Insurance and medical aid	1%	1%	0%	1%	1%	0%	0%
Savings	20%	13%	14%	15%	15%	13%	14%
Less than R6 000							
Have pension or prov fund	41%	39%	26%	26%	19%	14%	25%
Have RA	4%	4%	0%	2%	5%	2%	3%
Have fund and RA	3%	2%	0%	1%	2%	0%	2%
Have neither	58%	58%	73%	73%	78%	85%	73%
Have either fund OR RA	42%	42%	27%	27%	22%	15%	27%
R6 000 to R13 999							
Have pension or prov fund	59%	57%	57%	47%	50%	48%	46%
Have RA	13%	13%	13%	10%	19%	13%	12%
Have fund and RA	9%	10%	8%	7%	14%	10%	9%
Have neither	37%	39%	37%	50%	46%	49%	51%
Have either fund OR RA	63%	61%	63%	50%	54%	51%	49%
R14 000 to R19 999							
Have pension or prov fund	64%	70%	62%	61%	64%	57%	60%
Have RA	21%	23%	24%	28%	24%	25%	19%
Have fund and RA	16%	18%	14%	20%	21%	17%	15%
Have neither	31%	25%	29%	31%	33%	35%	35%
Have either fund OR RA	69%	75%	71%	69%	67%	65%	65%
R20 000 to R39 999							
Have pension or prov fund	64%	69%	66%	66%	73%	65%	65%
Have RA	36%	42%	36%	42%	52%	44%	36%
Have fund and RA	25%	28%	22%	28%	42%	29%	25%
Have neither	25%	16%	20%	20%	17%	19%	25%
Have either fund OR RA	75%	84%	80%	80%	83%	81%	75%
R40 000 or more							
Have pension or prov fund	59%	54%	59%	65%	69%	64%	57%
Have RA	54%	63%	65%	58%	59%	56%	62%
Have fund and RA	32%	29%	35%	39%	44%	32%	35%
Have neither	19%	12%	12%	16%	16%	12%	16%
Have either fund OR RA	81%	88%	88%	84%	84%	88%	84%

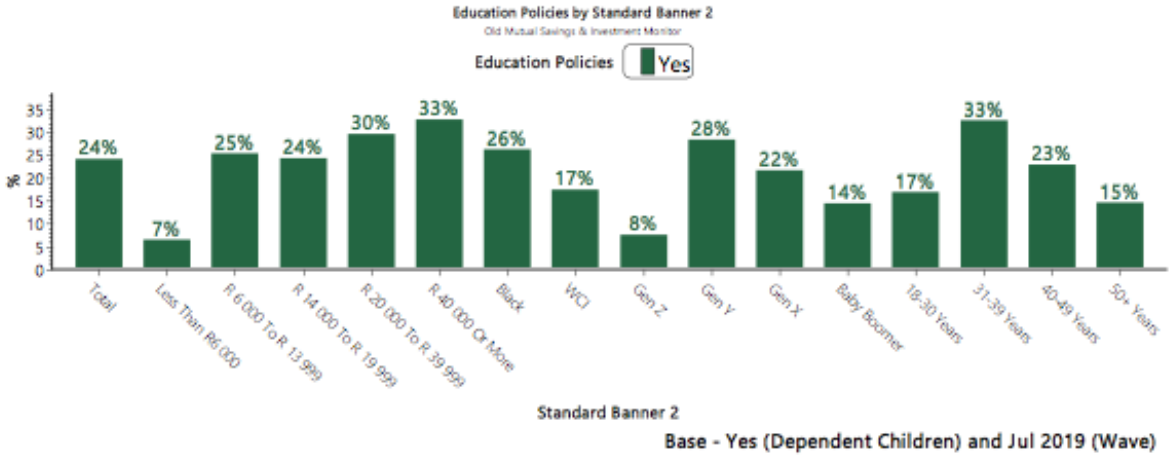
Incidence of formal retirement funding is higher amongst public sector workers and those at parastatals (driven by GEPF membership). (Note: public sector workers are generally higher earners too). Amongst self-employed workers, incidence of private RA's continue to be (predictably) higher.



EDUCATION POLICIES

Incidence of education policies amongst those with dependent children is down slightly.



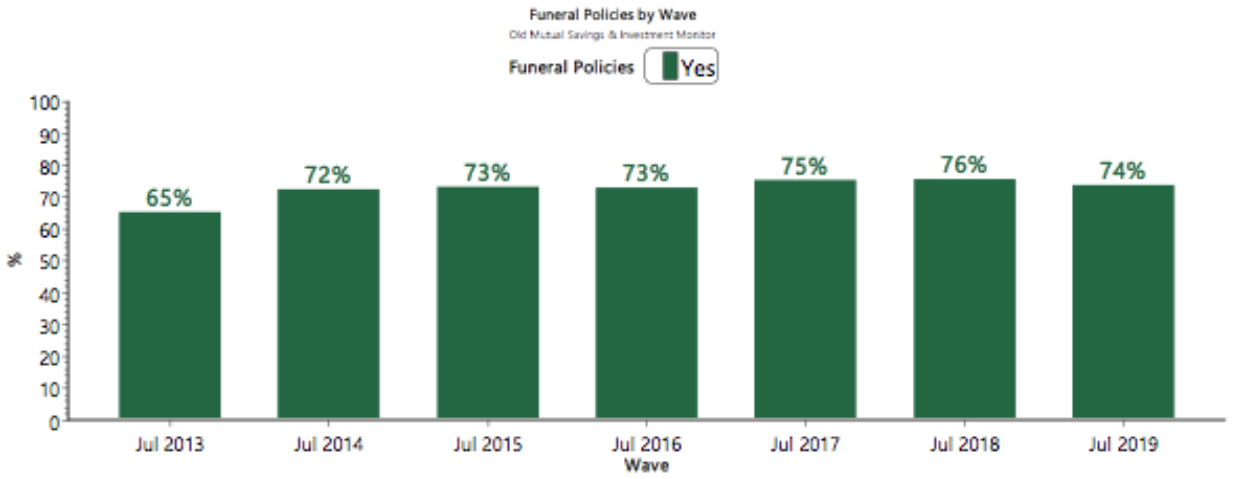


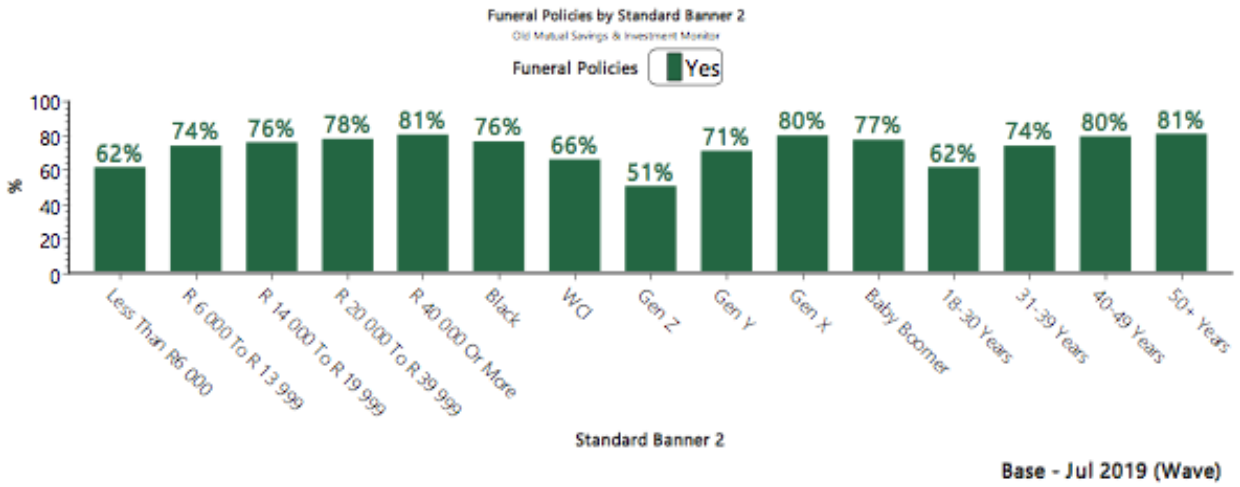
As is the case with most other formal policies, incidence of education policies climbs with income and for completeness sake incidence of education policies **(based on those with dependent children)** by income over time is set out below.

EDUCATION POLICIES	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000	8%	8%	6%	13%	8%	4%	7%
R6 000 to R13 999	17%	23%	27%	20%	20%	19%	25%
R14 000 to R19 999	22%	35%	34%	31%	28%	29%	24%
R20 000 to R39 999	26%	41%	37%	31%	37%	32%	30%
R40 000 or more	34%	38%	44%	45%	42%	40%	33%

FUNERAL POLICIES

Incidence of funeral policies is steady.



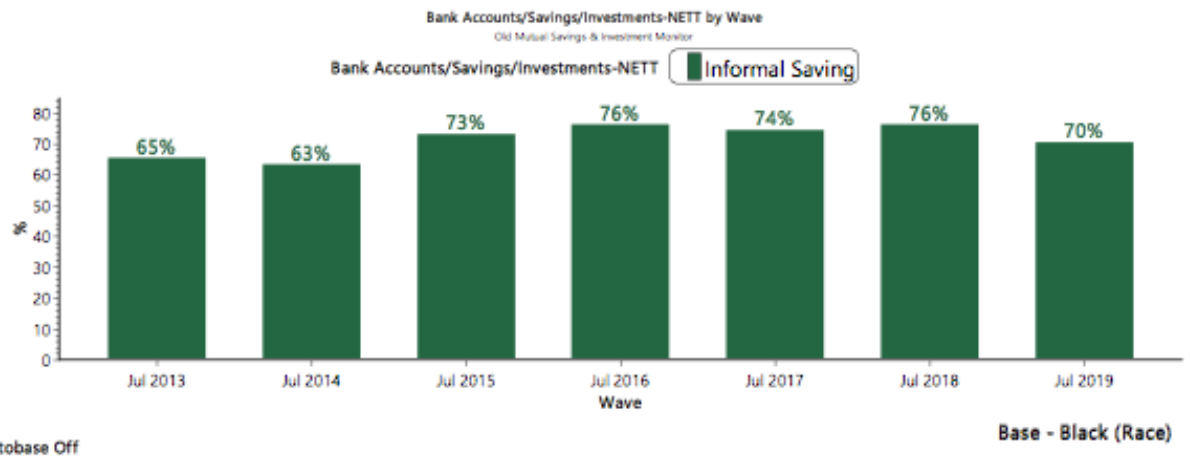


10.4 INFORMAL SAVINGS

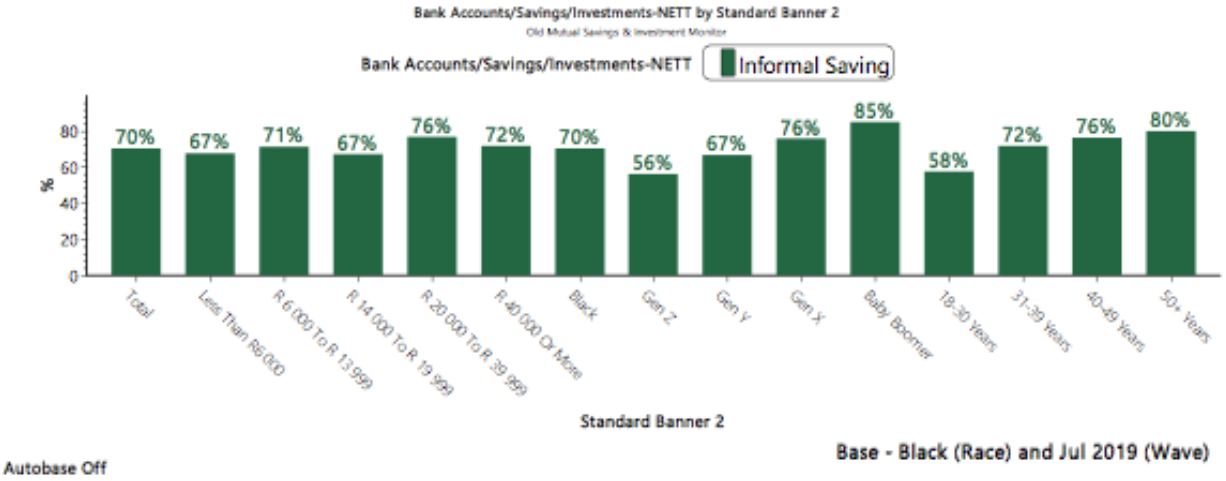
Unbanked cash savings are up marginally.

INFORMAL SAVINGS: TOTAL SAMPLE	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Savings club or stokvel	34%	32%	43%	42%	40%	44%	45%
Burial society	24%	21%	26%	26%	25%	20%	23%
Funeral parlour cover	Not measured				23%	29%	31%
Grocery scheme	8%	8%	11%	13%	11%	10%	10%
Cash savings - not banked	5%	9%	6%	17%	10%	13%	13%

Given that these informal savings vehicles are generally the ambit of Black households (although not exclusively so), we have filtered the results so as to look at the results within Black households. In 2019, 70% of black working metro households have at least one type of informal savings product i.e. stokvel, burial society, grocery scheme or unbanked cash. (Funeral parlour cover is not included in the definition as this hybrid straddles formal and informal markets).



Informal savings are seen across all income groups but are more prevalent with age.



Stokvel/savings club membership is down slightly and burial society membership has not recovered from the drop seen in 2017.

Base: Black (Race)

INFORMAL SAVINGS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Savings club or stokvel	50%	45%	58%	59%	53%	61%	59%
Burial society	33%	29%	31%	34%	32%	25%	26%
Funeral parlour cover	Not measured				31%	39%	36%
Grocery scheme	11%	12%	15%	18%	16%	13%	14%
Cash savings - not banked	4%	9%	6%	17%	9%	15%	12%

Incidence of informal savings vehicles broken down by income and age over time are tabulated below from which it continues to be evident that these types of savings are prevalent across all income groups. The decrease in Stokvel membership is more evident in the middle to higher income groups.

	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Savings club or stokvel	50%	39%	52%	61%	53%	56%	58%
Burial society	36%	30%	34%	39%	38%	27%	23%
Funeral parlour cover	Not measured				30%	33%	37%
Grocery scheme	9%	11%	14%	17%	15%	8%	11%
Cash savings - not banked	5%	7%	4%	10%	6%	8%	7%
Less than R6 000							
Savings club or stokvel	51%	48%	58%	58%	55%	57%	58%
Burial society	36%	35%	30%	32%	24%	25%	29%
Funeral parlour cover	Not measured				32%	40%	36%
Grocery scheme	13%	12%	12%	17%	18%	17%	18%
Cash savings - not banked	3%	8%	4%	18%	9%	13%	9%
R6 000 to R13 999							
Savings club or stokvel	51%	48%	58%	58%	55%	57%	58%
Burial society	36%	35%	30%	32%	24%	25%	29%
Funeral parlour cover	Not measured				32%	40%	36%
Grocery scheme	13%	12%	12%	17%	18%	17%	18%
Cash savings - not banked	3%	8%	4%	18%	9%	13%	9%
R14 000 to R19 999							
Savings club or stokvel	47%	53%	70%	62%	52%	67%	55%
Burial society	26%	32%	28%	39%	32%	27%	25%
Funeral parlour cover	Not measured				34%	41%	41%
Grocery scheme	7%	9%	21%	20%	16%	16%	8%
Cash savings - not banked	1%	10%	7%	21%	9%	15%	14%
R20 000 to R39 999							
Savings club or stokvel	49%	50%	61%	56%	51%	67%	66%
Burial society	25%	20%	33%	31%	34%	23%	25%
Funeral parlour cover	Not measured				27%	41%	34%
Grocery scheme	15%	16%	22%	22%	12%	12%	22%
Cash savings - not banked	3%	11%	9%	26%	13%	19%	18%
R40 000 or more							
Savings club or stokvel	47%	35%	58%	56%	57%	68%	58%
Burial society	30%	14%	26%	29%	34%	26%	25%
Funeral parlour cover	Not measured				29%	44%	34%
Grocery scheme	16%	5%	5%	13%	18%	14%	11%
Cash savings - not banked	7%	12%	18%	20%	13%	27%	21%

NUMBER OF INFORMAL SCHEMES HOUSEHOLDS BELONG TO

In July 2014 measure we added a question to better understand the number of stokvels/informal savings schemes that households belong to. Most (86%) only belong to ONE scheme of a particular type.

NO. OF SCHEMES - STOKVEL/ SAVINGS CLUB (DETAIL) BASE = BLACK	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Unweighted Numbers	277	358	400	364	428	401
1	73%	68%	74%	73%	89%	86%
2	22%	28%	23%	24%	10%	12%
3	3%	4%	2%	3%	0%	1%
4	1%	0%	0%	1%	0%	0%

Amongst members of burial societies, 2019 sees a small increase in multiple membership (although the vast majority only belong to one burial society).

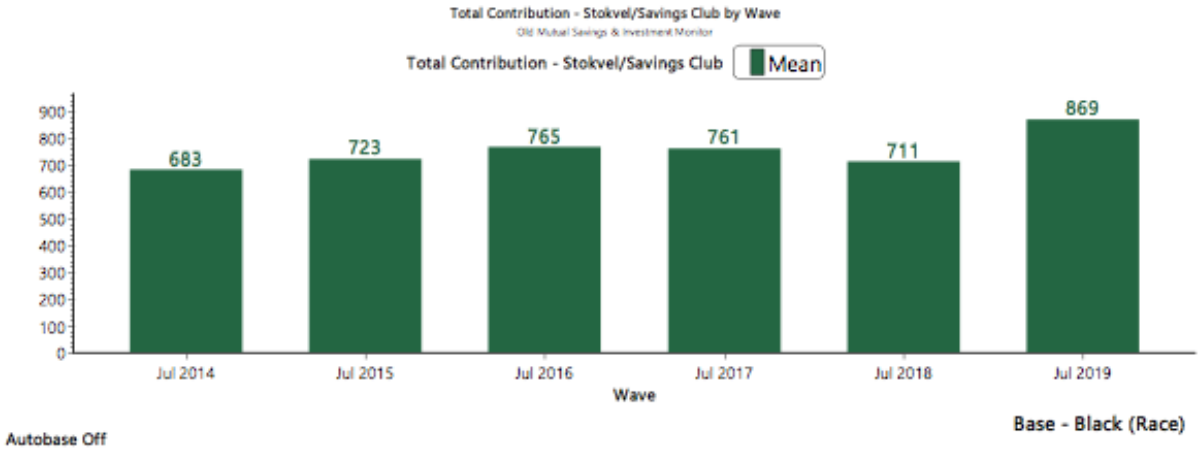
NO. OF SCHEMES - BURIAL SOCIETY BASE = BLACK	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Unweighted Numbers	180	191	237	219	177	173
1	88%	84%	90%	96%	98%	83%
2	11%	13%	9%	4%	1%	17%
3	1%	3%	0%	0%	1%	0%

Amongst grocery scheme members the incidence on multiple membership remains negligible.

NO. OF SCHEMES - GROCERY SCHEME BASE = BLACK	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Unweighted Numbers	67	89	121	107	91	92
1	98%	99%	98%	99%	96%	95%
2	0%	1%	2%	1%	3%	4%
3	2%	0%	0%	0%	0%	2%
4	0%	0%	0%	0%	0%	0%
5	0%	0%	0%	0%	1%	0%

CONTRIBUTION RATES

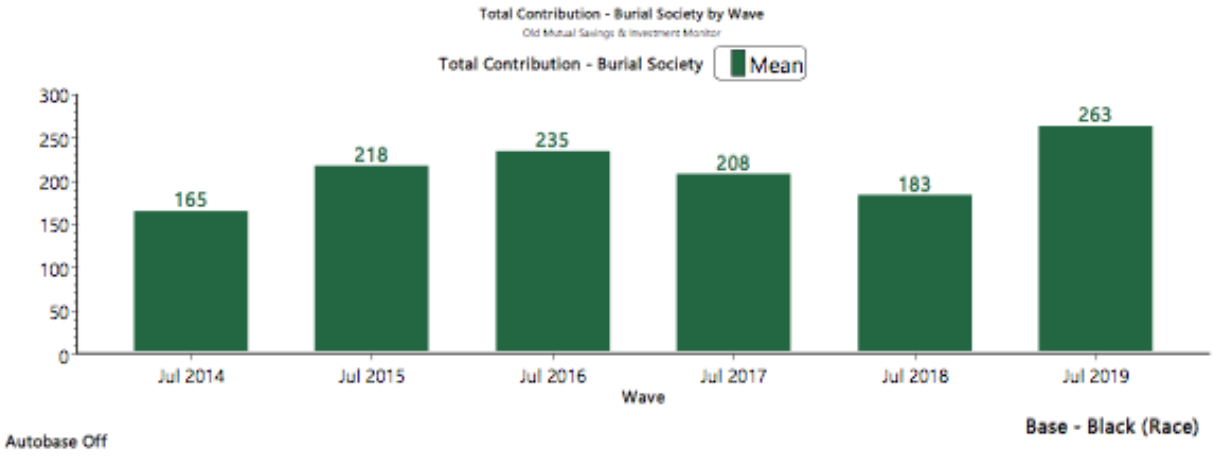
Respondents were asked how much they contribute to the informal schemes that they belong to. The average monthly (or equivalent) amount contributed to a stokvel or savings club by black households has increased to R859 (NB this is the average – there are big variations within this).



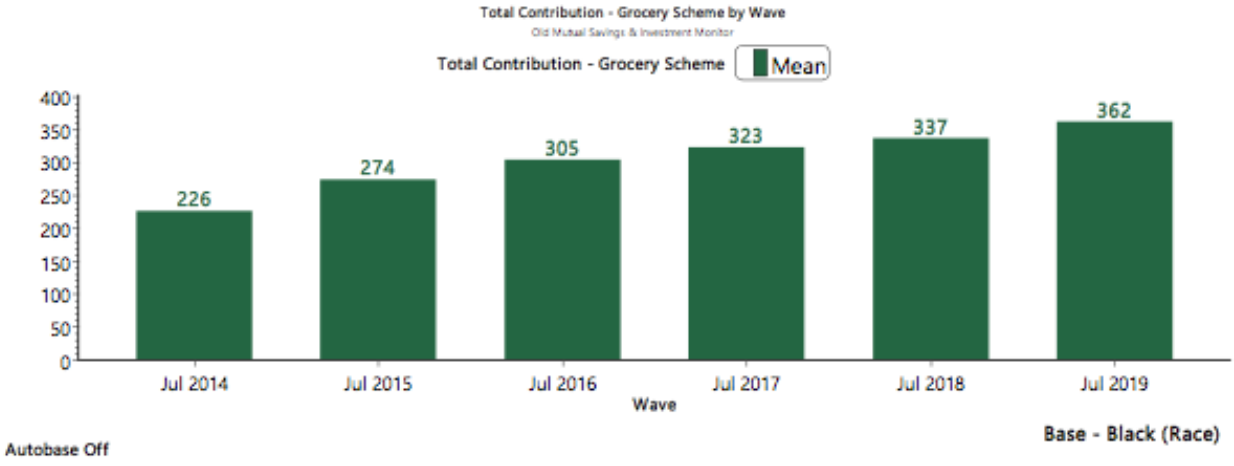
Contribution rates climb sharply with income. Worth noting that the increase in contributions is most evident at top end (R40 000+) but looking back further this may just be a recovery.

TOTAL CONTRIBUTION - STOKVEL/SAVINGS CLUB (BASE BLACK)	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Total	683	723	765	761	711	869
Less than R6 000	405	366	425	339	372	543
R6 000 To R 13 999	663	633	609	622	630	805
R14 000 to R19 999	602	922	824	978	796	765
R20 000 to R39 999	961	967	1 106	1 085	873	992
R40 000 or more	1 315	1 631	1 914	1 636	1 128	1 734

Looking at burial societies, the amounts involved are much lower but there has been an increase in average contribution rates (in line with the increase in multiple membership seen in 2019).



As regards grocery schemes, Black households' average contribution to grocery schemes continues to increase, probably in an attempt to keep up with food price inflation.



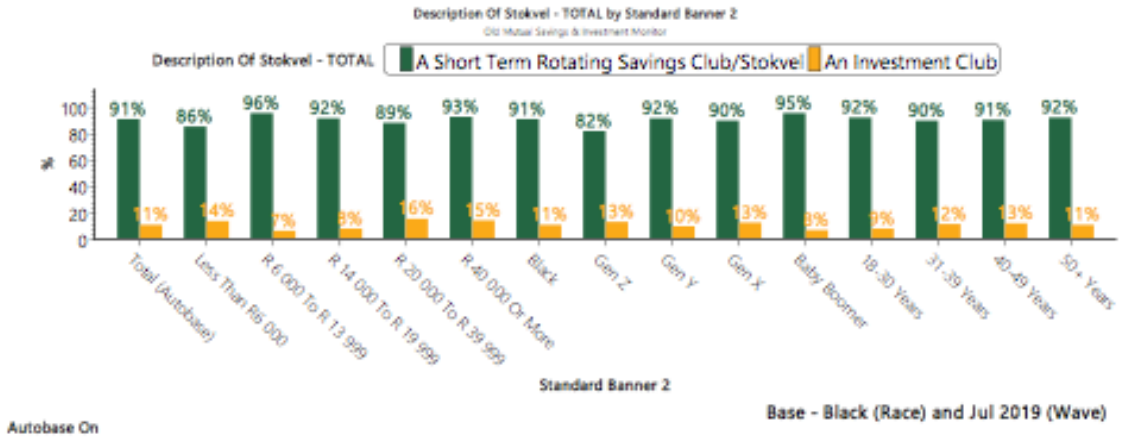
STOKVEL FORM AND STRUCTURE

In 2018, Stokvel members were asked to describe the form or structure of their Stokvel or club, by choosing which form best describes their Stokvel (or by describing the structure if neither of the options below fit):

- **A short term rotating savings club/Stokvel - each member gets a turn to receive a lump sum of the contributions at least once in the lifetime of the stokvel. The lifetime is typically six months or a year, depending on the number of members.**
- **An investment club, where members contribute to the investment club on a monthly basis (usually), raising the capital to fund an investment in longer term assets**

In line with the mass nature of the SIM sample, the vast majority (91%) of Black Stokvel members describe their Stokvel as a traditional rotating Stokvel (even more so than in 2018).

DESCRIPTION OF STOKVEL - TOTAL	JUL-18	JUL-19
A short term rotating savings club/stokvel	74%	91%
An investment club	29%	11%



INVESTMENT OF STOKVEL ASSETS

In 2019, in over half of cases, the money is held in cash rather than banked (in line with the more traditional profile of stokvels measured in 2019). When it is banked it is generally banked in the name of the Stokvel (47%) rather than in a member's name (8%). Incidence of any other type of investment such as a formal policy or equities is negligible.

STOKVEL ASSETS INVESTED - TOTAL	JUL-18	JUL-19
Held in cash	34%	54%
In a bank account in the name of the stokvel	52%	47%
In a bank account in a members name	17%	8%

As would be expected, cash holdings are more common for traditional stokvels and bank accounts in the name of the club more prevalent for investment clubs.

STOKVEL ASSETS INVESTED (BLACK)	A SHORT TERM ROTATING SAVINGS CLUB/STOKVEL		AN INVESTMENT CLUB	
	2018	2019	2018	2019
Held in cash	41%	59%	18%	19%
In a bank account in a members name	16%	7%	21%	17%
In a bank account in the name of the stokvel	47%	44%	70%	80%

PURPOSE SPECIFIC STOKVELS

In 2019 we explored the purpose of the stokvels recorded – was there a common purpose that members were saving for and if so, what was that purpose? In most cases these were the usual rotating savings clubs where each member saves for their own reasons. The most prevalent goal specific stokvels are those aimed at saving for education related items such as school uniforms, stationery, books and the like; as well as those saving for special occasions (like weddings).

Property stokvels are an emerging trend and a booster sample of property stokvel members was secured for SIM 2019. Those property stokvel results are reported on separately.

PURPOSE OF CLUB/STOKVEL - TOTAL	TOTAL 2019
Not saving for specific purpose, each member has own reasons	76%
School expenses	12%
For special occasions/events	10%
Funeral expenses	9%
Travel	3%
Property/building/land	3%
December and january expenses	2%

For the few travel stokvels that emerged we explored intended travel destinations. These tended to be local (mainly KZN).

10.5 PRECAUTIONARY SAVINGS

Incidence of both short term insurance and medical aid are down somewhat in 2019, with declines evident in all income groups other than R40 000+.

	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Short Term Insurance	30%	30%	31%	33%	38%	38%	35%
Medical Insurance/Medical Aid	42%	44%	41%	45%	42%	44%	41%

	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Short Term Insurance	3%	2%	1%	1%	1%	1%	1%
Medical Insurance/Medical Aid	13%	10%	2%	8%	5%	1%	2%
R6 000 to R13 999							
Short Term Insurance	17%	14%	16%	14%	19%	14%	12%
Medical Insurance/Medical Aid	35%	31%	33%	29%	26%	23%	22%
R14 000 to R19 999							
Short Term Insurance	34%	33%	30%	36%	43%	36%	28%
Medical Insurance/Medical Aid	51%	59%	52%	56%	44%	44%	42%
R20 000 to R39 999							
Short Term Insurance	61%	52%	58%	59%	66%	64%	60%
Medical Insurance/Medical Aid	68%	73%	66%	71%	71%	70%	66%
R40 000 or more							
Short Term Insurance	79%	80%	80%	76%	86%	80%	82%
Medical Insurance/Medical Aid	79%	76%	81%	84%	85%	83%	85%

10.6 EQUITY BASED INVESTMENTS

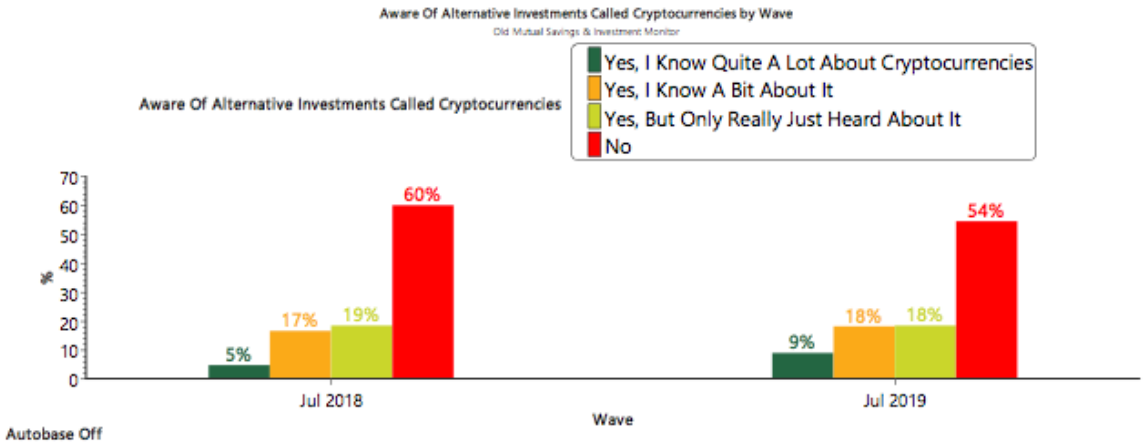
Equity based investments (such as shares, unit trust and exchange traded funds) remain the ambit of higher earning households and have increased year on year.

	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Unit Trusts/Mutual Funds/ETF's	2%	6%	5%	5%	3%	5%	7%
Listed Shares	3%	3%	3%	3%	1%	2%	3%

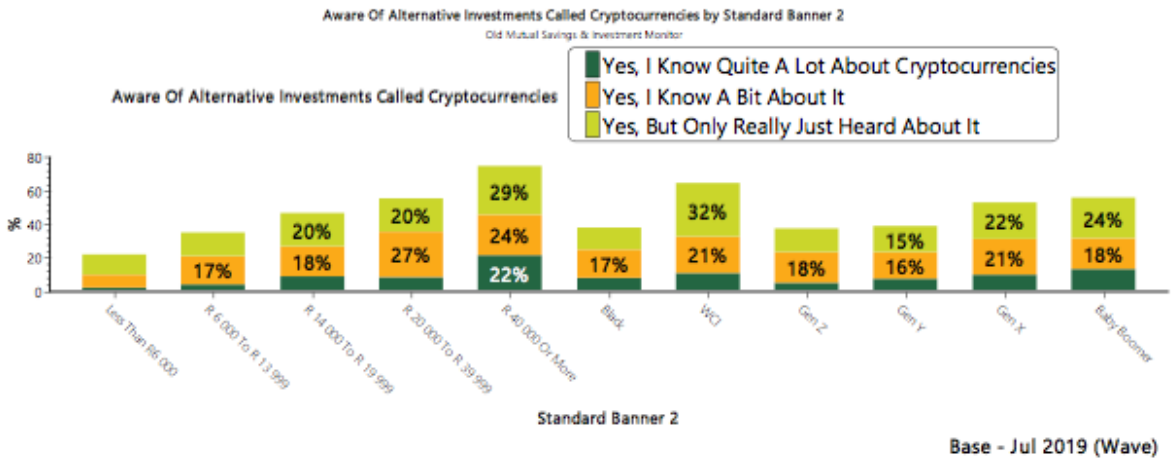
	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Unit Trusts/Mutual Funds/ETF's	2%	0%	0%	0%	1%	0%	1%
Listed Shares	0%	1%	0%	0%	0%	0%	0%
R6 000 to R13 999							
Unit Trusts/Mutual Funds/ETF's	1%	2%	0%	2%	1%	1%	3%
Listed Shares	1%	1%	1%	0%	0%	1%	1%
R14 000 to R19 999							
Unit Trusts/Mutual Funds/ETF's	1%	3%	3%	5%	1%	4%	3%
Listed Shares	1%	4%	1%	2%	0%	0%	0%
R20 000 to R39 999							
Unit Trusts/Mutual Funds/ETF's	3%	10%	7%	9%	5%	7%	10%
Listed Shares	4%	3%	3%	5%	1%	1%	4%
R40 000 or more							
Unit Trusts/Mutual Funds/ETF's	9%	18%	22%	14%	5%	14%	16%
Listed Shares	14%	15%	15%	13%	5%	7%	9%

10.7 CRYPTOCURRENCIES

In 2018 a series of questions were asked to better understand awareness of and reactions to cryptocurrencies. Incidence of cryptocurrency investments remains restricted to a handful of respondents (<1%) and awareness has only increased marginally over the last year.



Awareness climbs with income, reaching 75% amongst R40 000+ households.



Perceptions of cryptocurrencies are mixed, and do not necessarily bias as expected by income or levels of financial sophistication. Many are undecided, where-after the responses split into two camps: the wish I has got in earlier vs. pyramid scheme, don't touch camps.

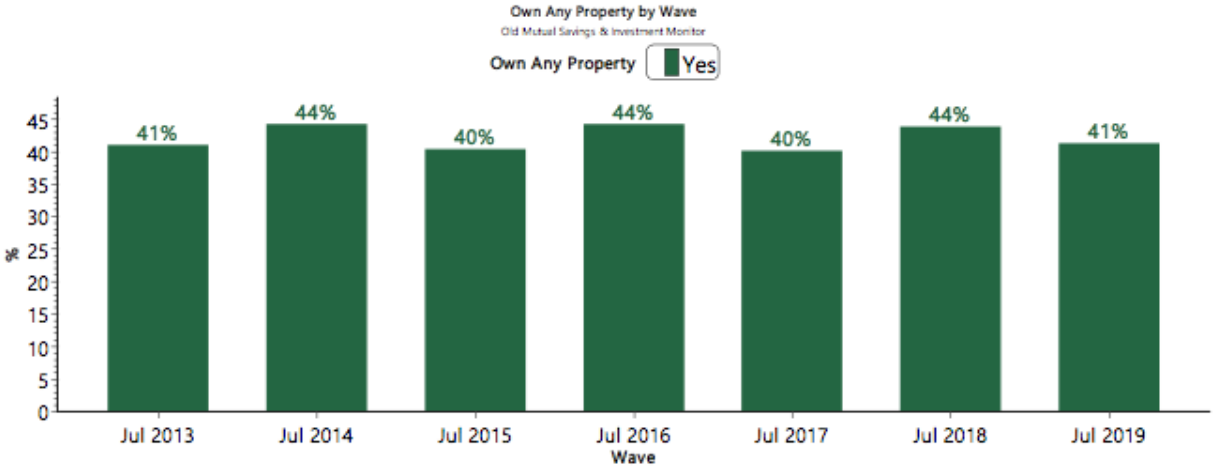
% AGREE	JUL-18	JUL-19
Cryptocurrencies - can make a lot of money	71%	65%
Cryptocurrencies - don't understand how they work	53%	58%
Cryptocurrencies - bad news - like a pyramid scheme	43%	44%
Cryptocurrencies - wish I had invested before	38%	42%

% AGREE SLIGHTLY + STRONGLY AGREE 2019 **CAUTION SMALL BASE SIZE	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Wish I had invested in these before	38%	53%	35%	31%	42%	37%	40%	36%	41%	39%	40%	24%	39%	42%	37%	32%
Bad news, like a pyramid scheme	43%	42%	45%	46%	38%	46%	44%	41%	36%	43%	43%	46%	39%	46%	44%	41%
Do not understand how they work	53%	61%	61%	52%	47%	53%	52%	55%	62%	59%	43%	58%	64%	56%	45%	46%
You can make a lot of money	71%	74%	70%	69%	72%	71%	68%	75%	66%	74%	72%	52%	70%	76%	70%	63%

11. CREDIT AND DEBT: THE OTHER SIDE OF THE SAVINGS COIN

11.1 PROPERTY OWNERSHIP AND HOME LOAN REPAYMENT PATTERNS

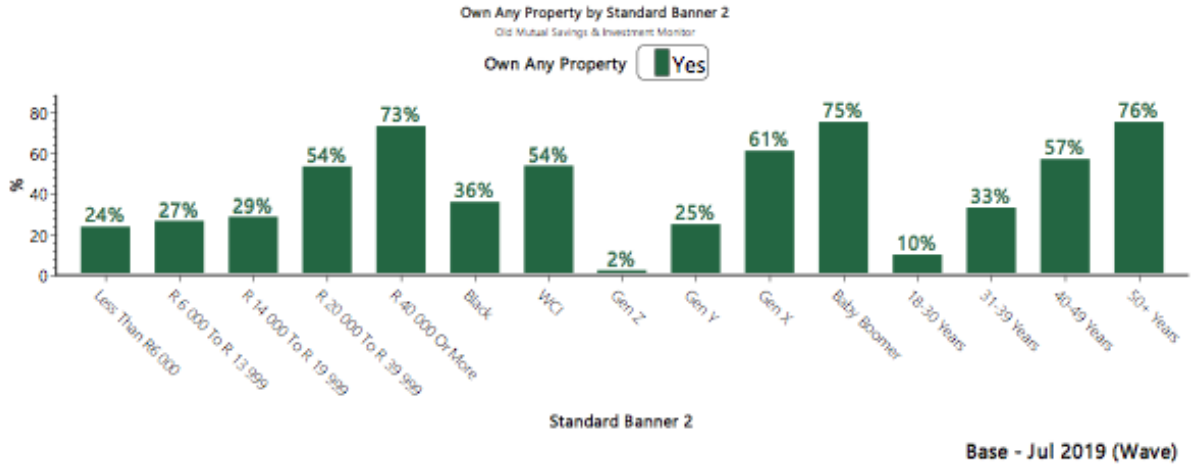
Incidence of property ownership is relatively stable at a total level.



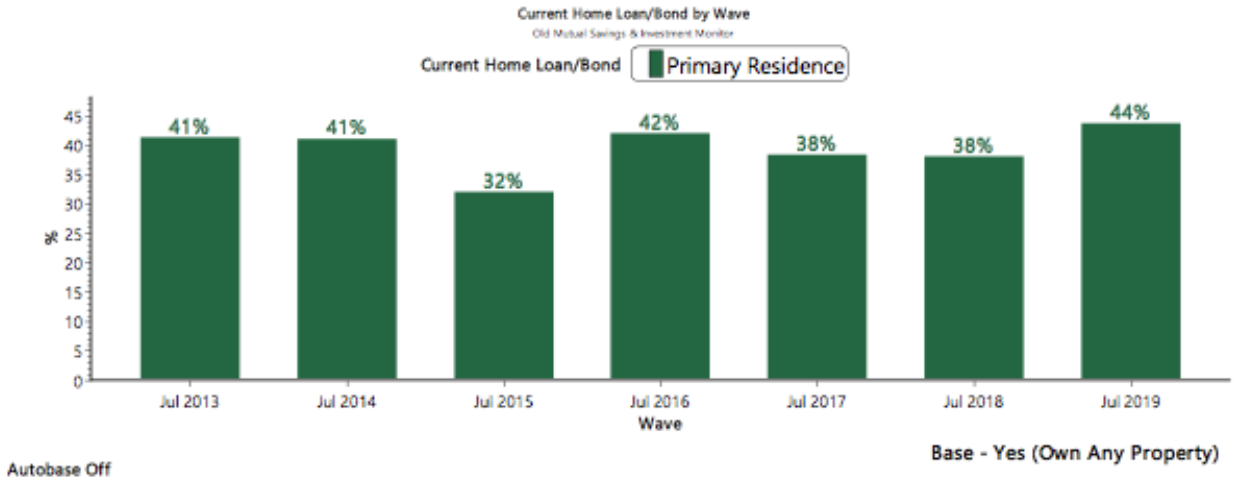
Property ownership remains dominated by ownership of primary residence.

TYPE OF PROPERTY	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Primary residence	41%	43%	40%	43%	40%	43%	41%
Buy to let	2%	2%	1%	1%	0%	1%	2%

Home ownership remains strongly correlated to income level and age.



Incidence of home loans amongst those who own their primary residence has increased marginally with 44% of home owners paying a bond.



The majority of bond holders continue to only pay the minimum bond instalment required, but most of the increase (seen in 2018) in those paying in extra every month has been maintained.

PRIMARY RESIDENCE	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Unweighted Numbers	188	189	137	192	169	173	181
FINANCIAL STRESS							
Struggle to meet	4%	2%	3%	5%	4%	0%	1%
Can no longer afford to pay extra	2%	2%	3%	3%	2%	1%	4%
Recent advance	0%	1%	2%	2%	1%	0%	1%
Re-negotiated due to financial pressure	2%	0%	1%	2%	0%	1%	1%
MINIMUM ONLY							
Pay minimum only	54%	63%	65%	67%	77%	71%	66%
TRYING TO PAY OFF FASTER							
Pay extra every month	31%	28%	18%	14%	12%	23%	20%
Extra lump sums	8%	5%	9%	7%	4%	3%	5%

As has been the case historically incidence of extra repayments climbs with income (Caution small base sizes in lower income groups).

2019	TOTAL (AUTOBASE)	R6 000 - R13 999	R14 000 - R19 999	R20 000 - R40 000	R40 000+
Unweighted Numbers	n=181	n=11	n=23	n=57	n=90
FINANCIAL STRESS					
Struggle to meet	1%	3%	0%	1%	1%
Can no longer afford to pay extra	4%	0%	0%	3%	5%
Recent advance	1%	0%	5%	0%	1%
Re-negotiated due to financial pressure	1%	0%	0%	0%	1%
MINIMUM ONLY					
Pay minimum only	66%	65%	85%	75%	61%
TRYING TO PAY OFF FASTER					
Pay extra every month	20%	11%	10%	15%	25%
Extra lump sums	5%	0%	0%	4%	7%

11.2 PRIMARY RESIDENCE AS PART OF RETIREMENT FUNDING

Once again WCI consumers are significantly more likely to view their home as some type of retirement nest egg.

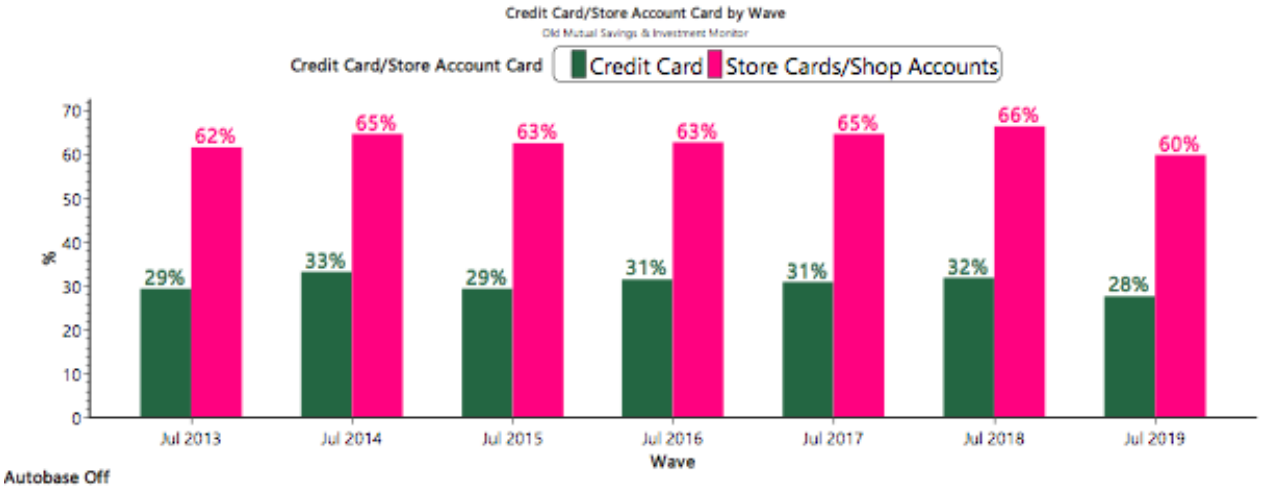
Note than approximately 1 in 5 haven't really thought about it.

PRIMARY RESIDENCE AS NEST EGG	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Will rely on it heavily expect it to provide the majority of my retirement funding	9%	8%	9%	12%	6%	5%	7%
Will rely on it to some extent to provide some of my retirement funding	21%	18%	26%	29%	21%	33%	23%
Won't rely on it at all (or hardly at all)	54%	53%	47%	41%	53%	44%	49%
Don't know - haven't really thought about it	16%	21%	16%	17%	19%	18%	19%

2019	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI
Unweighted numbers	398	49	53	54	103	139	256	142
Will rely on it heavily expect it to provide the majority of my retirement funding	7%	12%	5%	16%	8%	5%	8%	7%
Will rely on it to some extent to provide some of my retirement funding	23%	14%	16%	25%	25%	28%	16%	35%
Won't rely on it at all (or hardly at all)	49%	46%	60%	51%	45%	47%	53%	44%
Don't know - haven't really thought about it	19%	27%	14%	8%	22%	19%	22%	15%

11.3 CREDIT CARDS AND STORE CARDS

At a total sample level the incidence of both credit cards and store cards is down on 2018.



CREDIT CARDS

Incidence of credit cards remains strongly positively correlated with income, but to the extent that decreases in incidence have occurred, this has been R20 000 – R39 999 especially.

CREDIT CARD	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000	6%	6%	2%	6%	2%	1%	1%
R6 000 to R13 999	19%	19%	20%	19%	20%	11%	13%
R14 000 to R19 999	39%	39%	30%	32%	27%	28%	22%
R20 000 to R39 999	52%	57%	50%	52%	50%	53%	41%
R40 000 or more	66%	73%	69%	64%	70%	71%	66%

Looking at repayment patterns, only 16% pay their credit card off in full at the end of the month which is an improvement , however these have come from the camp that pay in extra and we still have 56% that pay the minimum only.

REPAYMENT PATTERN - CREDIT CARD	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Pay in full at the end of each month	13%	19%	12%	13%	11%	10%	16%
Pay required minimum plus extra each month	30%	30%	40%	26%	40%	36%	27%
Pay minimum instalment only	55%	50%	43%	58%	48%	54%	56%
Pay irregularly/only when I can	1%	1%	3%	3%	1%	1%	1%

REPAYMENT PATTERN - CREDIT CARD	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
R14 000 to R19 999							
Pay in full at the end of each month	8%	17%	8%	7%	8%	6%	12%
Pay required minimum plus extra each month	26%	27%	39%	19%	36%	30%	16%
Pay minimum instalment only	66%	52%	46%	67%	50%	65%	67%
Pay irregularly/only when I can	0%	4%	7%	8%	5%	0%	3%
R20 000 to R39 999							
Pay in full at the end of each month	15%	18%	13%	10%	12%	8%	12%
Pay required minimum plus extra each month	32%	31%	41%	26%	41%	37%	25%
Pay minimum instalment only	51%	49%	43%	60%	47%	55%	62%
Pay irregularly/only when I can	0%	2%	2%	3%	0%	0%	1%
R40 000 or more							
Pay in full at the end of each month	22%	26%	14%	21%	13%	12%	21%
Pay required minimum plus extra each month	41%	35%	52%	32%	50%	37%	32%
Pay minimum instalment only	36%	39%	34%	45%	37%	51%	46%
Pay irregularly/only when I can	1%	0%	0%	1%	0%	0%	1%

CREDIT CARD USAGE: PURPOSE

A new question was added in 2019 exploring what consumers use their credit cards for.

GENERALLY USE CREDIT CARD FOR	TOTAL	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
For emergency expenses	72%	62%	80%	68%	76%	68%	76%	71%	76%	65%	67%	72%	77%	68%
Everyday expenses such as food and groceries	59%	66%	58%	60%	55%	61%	56%	56%	64%	50%	48%	60%	63%	57%
For large purchases where I want to stagger payments	58%	57%	53%	71%	53%	64%	51%	67%	55%	46%	54%	69%	56%	49%
Clothing, shoes	53%	53%	54%	51%	53%	55%	50%	53%	59%	35%	49%	55%	59%	46%
Travel and accommodation	35%	6%	19%	27%	49%	25%	46%	36%	28%	55%	38%	32%	29%	44%
For making online purchases	27%	18%	21%	20%	35%	15%	40%	35%	19%	32%	44%	30%	18%	26%

Primary use is split everyday use vs. emergency expenses.

MAINLY USE CREDIT CARD FOR	TOTAL	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Everyday expenses such as food and groceries	29%	48%	34%	24%	25%	28%	30%	26%	33%	22%	36%	23%	33%	26%
For emergency expenses	28%	15%	44%	25%	31%	30%	26%	27%	32%	16%	32%	28%	32%	21%
For large purchases where I want to stagger payments	16%	24%	9%	23%	12%	21%	10%	22%	14%	9%	16%	23%	11%	13%
Travel and accommodation	10%	0%	3%	8%	15%	6%	15%	9%	7%	25%	5%	9%	8%	18%
For making online purchases	8%	4%	0%	6%	11%	5%	11%	6%	7%	15%	7%	5%	7%	13%
Clothing, shoes	8%	9%	10%	12%	5%	9%	6%	10%	8%	6%	4%	10%	9%	6%

CREDIT CARD USAGE: PURPOSE

Looking at credit card usage by repayment pattern it is evident that credit is being used to finance everyday purchases, not just emergencies and large ticket items. Looking at the table below we see that only 18% of those who use their credit card mainly for everyday purchases like groceries pay their card off in full at the end of the month.

REPAYMENT PATTERN - CREDIT CARD	TOTAL	EVERYDAY EXPENSES SUCH AS FOOD AND GROCERIES	CLOTHING, SHOES	TRAVEL AND ACCOMMODATION	FOR MAKING ONLINE PURCHASES	FOR LARGE PURCHASES WHERE I WANT TO STAGGER PAYMENTS	FOR EMERGENCY EXPENSES
Pay in full at the end of each month	16%	18%	16%	17%	23%	8%	14%
Pay required minimum plus extra each month	27%	32%	6%	20%	58%	24%	21%
Pay minimum instalment only	56%	48%	78%	63%	19%	65%	63%
Pay irregularly/only when I can	1%	2%	0%	0%	0%	4%	1%

CREDIT CARD USAGE: FREQUENCY

Frequency of use are purpose are (obviously) inter-linked.

FREQUENCY USE CREDIT CARD	TOTAL	EVERYDAY EXPENSES SUCH AS FOOD AND GROCERIES	CLOTHING, SHOES	TRAVEL AND ACCOMMODATION	FOR MAKING ONLINE PURCHASES	FOR LARGE PURCHASES WHERE I WANT TO STAGGER PAYMENTS	FOR EMERGENCY EXPENSES
Weekly/almost weekly	24%	56%	10%	9%	28%	12%	5%
Once or twice a month	33%	37%	35%	31%	24%	33%	31%
Every 2 or 3 months	27%	7%	44%	36%	33%	37%	33%
Once or twice a year	12%	0%	11%	21%	16%	17%	18%
Less often	5%	0%	0%	3%	0%	1%	14%

Credit card Usage: Balance due on card from month to month

AVERAGE BALANCE DUE ON CREDIT CARD MONTH TO MONTH	TOTAL	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+
Less than R2 000	39%	71%	63%	39%	27%
R2 000 - R4 999	32%	25%	25%	36%	33%
R5 000 - R6 999	14%	4%	7%	14%	17%
R7 000 - R9 999	9%	0%	3%	7%	13%
R10 000 - R14 999	4%	0%	3%	1%	6%
R15 000 - R19 999	2%	0%	0%	1%	4%
R20 000 - R24 999	0%	0%	0%	0%	1%
R30 000+	0%	0%	0%	1%	0%

STORE CARDS

Store cards continue to have broader appeal, but with evidence of cutting back in higher income households.

STORE ACCOUNT CARD	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000	58%	59%	51%	51%	58%	48%	50%
R6 000 To R13 999	65%	66%	66%	65%	69%	66%	64%
R14 000 To R19 999	67%	64%	75%	68%	69%	70%	66%
R20 000 To R39 999	60%	75%	63%	61%	63%	76%	65%
R40 000 or more	54%	57%	62%	75%	65%	70%	57%

Looking at store card repayment patterns, as has been the case historically the incidence of clearing these accounts in full is even poorer than for credit cards.

REPAYMENT PATTERN - SHOP ACCOUNTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Pay in full at the end of each month	4%	6%	6%	6%	5%	3%	5%
Pay required minimum plus extra each month	20%	27%	24%	21%	26%	21%	24%
Pay minimum instalment only	72%	65%	64%	66%	65%	72%	66%
Pay irregularly/only when I can	4%	2%	6%	6%	4%	4%	5%

Higher earners repayment patterns remain erratic. 2019 sees renewed attempts to pay off faster.

REPAYMENT PATTERN - STORE CARDS/SHOP ACCOUNTS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Pay in full at the end of each month	4%	4%	6%	7%	4%	4%	1%
Pay required minimum plus extra each month	16%	22%	12%	20%	10%	13%	20%
Pay minimum instalment only	72%	68%	70%	63%	75%	73%	67%
Pay irregularly/only when I can	8%	6%	12%	10%	11%	10%	11%
R6 000 to R13 999							
Pay in full at the end of each month	3%	4%	6%	4%	3%	1%	8%
Pay required minimum plus extra each month	19%	26%	21%	21%	23%	14%	14%
Pay minimum instalment only	74%	69%	65%	67%	69%	80%	71%
Pay irregularly/only when I can	4%	1%	8%	8%	5%	5%	7%
R14 000 to R19 999							
Pay in full at the end of each month	6%	7%	6%	7%	5%	1%	3%
Pay required minimum plus extra each month	21%	28%	21%	16%	29%	27%	21%
Pay minimum instalment only	72%	63%	66%	68%	61%	70%	73%
Pay irregularly/only when I can	2%	2%	4%	8%	4%	1%	3%
R20 000 to R39 999							
Pay in full at the end of each month	3%	8%	4%	8%	7%	3%	6%
Pay required minimum plus extra each month	22%	31%	30%	19%	31%	25%	25%
Pay minimum instalment only	71%	60%	62%	69%	62%	69%	68%
Pay irregularly/only when I can	3%	1%	4%	4%	0%	3%	1%
R40 000 or more							
Pay in full at the end of each month	1%	10%	5%	8%	9%	6%	5%
Pay required minimum plus extra each month	35%	29%	44%	28%	40%	26%	42%
Pay minimum instalment only	63%	61%	48%	63%	50%	66%	52%
Pay irregularly/only when I can	1%	0%	3%	0%	1%	1%	1%

MAIN BENEFITS OR REASONS FOR USING A STORE CARD

The primary motivation is that these cards allow one to buy things now that one can't afford to pay cash for.

REASON/MAIN BENEFITS OF STORE CARD	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
You get cashback rewards/ points/discounts/special offers	35%	32%	33%	37%	31%	44%	36%	34%	24%	31%	40%	47%	23%	36%	41%	42%
Was attracted by initial offer when opening account	34%	28%	38%	35%	35%	34%	38%	23%	38%	34%	37%	25%	30%	38%	39%	27%
Was attracted by initial interest free period	11%	10%	7%	12%	13%	14%	10%	13%	15%	8%	13%	14%	7%	10%	14%	14%
The card offers payment holidays/can skip a payment	2%	0%	0%	2%	1%	7%	1%	4%	0%	1%	3%	5%	0%	1%	3%	4%
Was easy to get credit/not as strict as other lenders/ banks	33%	31%	34%	32%	35%	31%	31%	37%	24%	31%	38%	27%	34%	29%	37%	32%
Allows me to buy things now that I can't pay cash for and pay off over time	67%	67%	65%	68%	70%	66%	66%	70%	56%	66%	70%	69%	66%	65%	65%	73%
Like to keep different types of spending separate/can compartmentalise	10%	5%	6%	11%	15%	13%	10%	9%	15%	9%	9%	11%	9%	10%	8%	11%
Pushed into getting one by the sales person	8%	6%	9%	7%	7%	8%	8%	8%	12%	8%	6%	5%	8%	9%	7%	6%
Store is reasonably priced	1%	0%	2%	0%	0%	0%	1%	0%	0%	1%	0%	0%	0%	2%	0%	0%

FREQUENCY OF USE

FREQUENCY USE STORE CARD	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Weekly/almost weekly	5%	5%	4%	5%	2%	10%	4%	8%	5%	6%	5%	3%	5%	7%	4%	4%
Once or twice a month	36%	27%	34%	40%	41%	40%	35%	38%	26%	34%	40%	36%	27%	38%	40%	39%
Every 2 or 3 months	61%	59%	59%	67%	64%	63%	62%	61%	68%	60%	63%	58%	66%	58%	65%	58%
Once or twice a year	25%	23%	27%	23%	23%	28%	26%	22%	12%	25%	26%	30%	22%	25%	27%	29%
Less often	7%	8%	6%	6%	7%	9%	8%	5%	4%	8%	8%	3%	7%	9%	6%	5%

SPENDING CATEGORIES

Dominated by Shoes and clothing, but significant usage for food & groceries.

STORE CARD SPENDING CATEGORIES	TOTAL (AUTOBASE)	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Food and groceries	31%	19%	21%	36%	35%	52%	29%	38%	17%	24%	40%	47%	12%	31%	39%	46%
Shoes and clothing	98%	98%	97%	98%	97%	98%	98%	97%	97%	97%	98%	100%	98%	97%	98%	98%
Appliances and household durables	20%	13%	18%	21%	26%	27%	19%	26%	8%	20%	24%	19%	15%	21%	24%	23%
Make up & cosmetics	29%	16%	28%	22%	28%	44%	26%	35%	20%	25%	33%	38%	19%	29%	31%	37%
Electronics	14%	13%	9%	19%	15%	19%	14%	13%	17%	13%	14%	17%	15%	11%	15%	17%
Jewellery	1%	0%	0%	0%	0%	3%	0%	2%	0%	0%	2%	0%	0%	0%	2%	0%

CATEGORY SPEND MOST ON

STORE CARD SPENDING CATEGORIES	TOTAL (AUTOBASE)	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	BLACK	WCI	GEN Z	GEN Y	GEN X	BABY BOOMER	18 – 30 YEARS	31 – 39 YEARS	40 – 49 YEARS	50+ YEARS
Food and groceries	10%	6%	10%	8%	11%	13%	9%	12%	6%	8%	13%	10%	5%	10%	15%	10%
Shoes and clothing	88%	92%	89%	88%	85%	84%	89%	84%	91%	90%	83%	90%	92%	89%	81%	89%
Appliances and household durables	1%	1%	0%	2%	2%	3%	1%	3%	0%	1%	3%	0%	0%	1%	4%	1%
Make up & cosmetics	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
Electronics	1%	1%	1%	1%	1%	0%	1%	0%	3%	1%	0%	0%	3%	0%	0%	0%

11.4 OTHER SHORT-TO-MEDIUM TERM DEBT

2019 sees an overall increase in personal loans – from financial institutions (especially R14 000 – R39 999 households) and family (especially lower income)

CURRENT SHORT/MEDIUM TERM LOANS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Any personal loan	24%	28%	27%	36%	29%	24%	35%
Personal loan from a financial institution	17%	20%	16%	21%	14%	14%	19%
Personal loan from a micro lender	3%	3%	4%	8%	6%	4%	5%
Personal loan from a friend/family member	6%	7%	10%	15%	13%	10%	17%
Car finance	17%	13%	15%	18%	19%	21%	21%
Hire purchase/instalment sale	12%	14%	14%	13%	12%	10%	7%
Revolving credit facility	4%	4%	2%	6%	10%	5%	5%
Overdraft	6%	7%	4%	11%	9%	10%	9%
Student loan	Not measured		1%	3%	2%	1%	1%

CURRENT SHORT/MEDIUM TERM LOANS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000							
Any personal loan	28%	28%	32%	45%	33%	25%	45%
Personal loan from a financial institution	14%	14%	10%	12%	8%	5%	12%
Personal loan from a micro lender	4%	4%	7%	14%	9%	8%	11%
Personal loan from a friend/family member	12%	13%	18%	27%	21%	17%	33%
Car finance	3%	1%	0%	0%	0%	0%	0%
Hire purchase/instalment sale	13%	17%	11%	8%	7%	3%	5%
Revolving credit facility	1%	2%	0%	0%	1%	0%	0%
Overdraft	1%	0%	0%	0%	0%	0%	0%
Student loan			0%	1%	3%	0%	1%
R6 000 to R13 999							
Any personal loan	26%	31%	32%	36%	31%	30%	38%
Personal loan from a financial institution	20%	23%	20%	19%	15%	14%	19%
Personal loan from a micro lender	3%	2%	4%	8%	8%	6%	7%
Personal loan from a friend/family member	5%	9%	12%	16%	16%	15%	18%
Car finance	9%	4%	5%	6%	10%	8%	7%
Hire purchase/instalment sale	14%	11%	15%	13%	16%	10%	9%
Revolving credit facility	4%	2%	1%	2%	8%	1%	2%
Overdraft	2%	2%	2%	2%	5%	3%	2%
Student loan			0%	4%	3%	1%	1%

CURRENT SHORT/MEDIUM TERM LOANS	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
R14 000 to R19 999							
Any personal loan	24%	26%	23%	41%	31%	18%	34%
Personal loan from a financial institution	17%	24%	16%	30%	17%	14%	21%
Personal loan from a micro lender	2%	2%	3%	6%	5%	1%	6%
Personal loan from a friend/family member	5%	4%	8%	15%	13%	6%	17%
Car finance	19%	11%	12%	18%	22%	23%	15%
Hire purchase/instalment sale	11%	18%	15%	15%	12%	13%	10%
Revolving credit facility	4%	2%	2%	5%	10%	2%	4%
Overdraft	8%	4%	5%	10%	11%	8%	4%
Student loan			1%	3%	1%	0%	2%
R20 000 to R39 999							
Any personal loan	18%	29%	23%	30%	25%	25%	37%
Personal loan from a financial institution	15%	22%	18%	25%	16%	19%	29%
Personal loan from a micro lender	1%	3%	4%	5%	3%	3%	2%
Personal loan from a friend/family member	3%	5%	4%	9%	9%	7%	10%
Car finance	32%	26%	33%	34%	31%	37%	35%
Hire purchase/instalment sale	11%	16%	16%	15%	11%	13%	8%
Revolving credit facility	8%	7%	2%	12%	15%	8%	8%
Overdraft	12%	13%	6%	21%	11%	15%	12%
Student loan			3%	1%	2%	1%	1%
R40 000 Or More							
Any personal loan	19%	20%	19%	29%	21%	18%	20%
Personal loan from a financial institution	17%	19%	15%	24%	16%	14%	18%
Personal loan from a micro lender	1%	1%	1%	4%	3%	1%	0%
Personal loan from a friend/family member	1%	0%	4%	5%	4%	4%	4%
Car finance	42%	40%	41%	47%	42%	41%	51%
Hire purchase/instalment sale	8%	9%	16%	14%	12%	10%	5%
Revolving credit facility	10%	14%	4%	14%	21%	14%	13%
Overdraft	15%	23%	15%	30%	24%	28%	25%
Student loan			1%	4%	2%	0%	2%

The repayment patterns of the most prevalent short-to-medium term debt are set out below. The vast majority continue to pay the minimum installment only, with the exception of personal loans from family and friends where repayment patterns are more casual, with an upturn in those who only pay irregularly.

REPAYMENT PATTERN - PERSONAL LOAN FROM A FINANCIAL INSTITUTION	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Pay required minimum plus extra each month	14%	8%	12%	12%	11%	8%	11%
Pay minimum instalment only	82%	86%	78%	80%	80%	86%	84%
Pay irregularly/only when I can	4%	6%	5%	7%	8%	6%	6%

REPAYMENT PATTERN - PERSONAL LOAN FROM A FRIEND/FAMILY MEMBER	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Pay required minimum plus extra each month	13%	28%	10%	8%	15%	16%	18%
Pay minimum instalment only	39%	34%	43%	56%	57%	48%	41%
Pay irregularly/only when I can	47%	38%	43%	34%	26%	35%	41%

REPAYMENT PATTERN - CAR FINANCE	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Pay required minimum plus extra each month	15%	14%	14%	8%	15%	10%	11%
Pay minimum instalment only	82%	83%	81%	89%	80%	87%	87%
Pay irregularly/only when I can	3%	2%	2%	2%	3%	1%	1%

REPAYMENT PATTERN - HIRE PURCHASE/ INSTALMENT SALE	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Pay required minimum plus extra each month	13%	10%	18%	10%	10%	13%	6%
Pay minimum instalment only	80%	87%	74%	75%	82%	78%	81%
Pay irregularly/only when I can	6%	3%	4%	15%	5%	8%	13%

12. ATTITUDINAL DYNAMICS

Respondents are asked to rate their level of agreement with a series of statements about their attitude to finances and life generally. A four-point agree scale is used. For analysis purposes we have combined the top 2 rated scores to give us a percentage Agree = Strongly Agree and Agree Slightly. These have been ranked according to the highest level of agreement in this July 2019 measure. (Shading indicates attribute not measured). In terms of coloration green indicates significantly higher than 2018, red lower and black parity.

At a total sample level note the recovery in appetite for knowledge seeking, but at the same time at increase in the % who struggle to find somebody who they can trust for advice.

ATTITUDE TO FINANCES AXES	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
I want to learn more about how to save	80%	80%	84%	83%	84%	80%	82%
Extremely cautious with finances	75%	75%	80%	75%	77%	84%	82%
Set financial goals	80%	76%	78%	69%	75%	76%	78%
Always trying to become more knowledgeable about financial matters	74%	73%	75%	76%	80%	69%	76%
Always worried about not having enough money	71%	65%	68%	77%	69%	67%	73%
I wonder if I have done enough to secure my retirement	69%	64%	73%	73%	71%	69%	71%
Plan my finances five to ten years ahead	60%	53%	62%	55%	60%	63%	64%
Seek financial advice from family and friends	55%	51%	64%	62%	58%	56%	60%
Death, funeral and disability cover are more important	44%	50%	46%	44%	53%	53%	57%
Savings for education is more important than retirement	47%	49%	52%	49%	51%	50%	55%
I know a lot about financial products	48%	44%	50%	49%	46%	49%	51%
Would like financial advice but hard to find somebody I trust	40%	37%	38%	36%	39%	31%	45%
Feel financially secure, have enough pay for unplanned events	40%	43%	38%	30%	40%	35%	42%
Most months I struggle to make ends meet	43%	39%	47%	54%	44%	38%	42%
Always looking out for latest financial services products	40%	36%	35%	45%	47%	33%	41%
Not always sure who to turn to regarding finances	36%	34%	33%	37%	36%	35%	36%
Saving for future is not a priority right now	22%	24%	26%	27%	25%	22%	33%
Spend all that I earn, not able to save anything	34%	29%	29%	33%	25%	24%	32%
I consider myself a spender, not a saver	35%	37%	29%	42%	36%	20%	27%
Worry that if my partner dies or leaves me that I will not be able to cope financially							27%
Happy to buy financial products off internet	14%	18%	15%	15%	18%	14%	19%

One of the most significant definers of differences in attitude and behaviour remains income. Whilst there are also differences along racial lines, by and large these stem from differences in economic status and level of education more than anything else.

Similar patterns emerge as have done historically, with wealthier respondents:

- Being better goal setters and planners
- Having more confidence and knowledge when it comes to financial
- Generally feeling more secure

Lower income earners on the other hand tend to be:

- Weaker planners, short term horizon, more focussed on the now
- Less confident and more likely to be confused or intimidated by all things financial – but at the same time very hungry for knowledge and financial education
- Weaker savers (because of their financial reality rather than lack of will)
- More stressed by financial worries and the struggle to make ends meet

Age is also an important definer of attitude, with the importance afforded to planning and control growing with age, whilst younger consumers are more likely to live in the now.

ATTITUDE TO FINANCES AXES	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	GEN Z	GEN Y	GEN X	BABY BOOMER
I want to learn more about how to save	82%	88%	84%	85%	79%	77%	84%	85%	82%	74%
Extremely cautious with finances	82%	73%	81%	78%	85%	93%	70%	79%	88%	89%
Set financial goals	78%	65%	79%	77%	84%	87%	73%	76%	80%	86%
Always trying to become more knowledgeable about financial matters	76%	67%	77%	75%	77%	81%	75%	77%	75%	70%
Always worried about not having enough money	73%	84%	83%	75%	69%	53%	77%	75%	72%	67%
I wonder if I have done enough to secure my retirement	71%	70%	74%	64%	71%	69%	59%	69%	74%	73%
Plan my finances five to ten years ahead	64%	40%	67%	66%	74%	75%	62%	61%	66%	72%
Seek financial advice from family and friends	60%	62%	64%	63%	58%	51%	70%	61%	57%	54%
Death, funeral and disability cover are more important	57%	72%	68%	59%	46%	36%	59%	63%	52%	44%
Savings for education is more important than retirement	55%	62%	62%	61%	56%	38%	78%	60%	52%	31%
I know a lot about financial products	51%	29%	46%	55%	62%	71%	43%	47%	54%	69%
Would like financial advice but hard to find somebody I trust	45%	69%	49%	45%	33%	25%	63%	49%	41%	29%
Feel financially secure, have enough pay for unplanned events	42%	25%	34%	43%	50%	62%	44%	35%	46%	63%

ATTITUDE TO FINANCES AXES	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	GEN Z	GEN Y	GEN X	BABY BOOMER
Most months I struggle to make ends meet	42%	64%	45%	43%	35%	19%	40%	44%	42%	33%
Always looking out for latest financial services products	41%	30%	39%	36%	44%	53%	37%	42%	40%	37%
Not always sure who to turn to regarding finances	36%	54%	39%	37%	27%	20%	32%	40%	33%	27%
Saving for future is not a priority right now	33%	44%	33%	34%	35%	19%	42%	35%	30%	28%
Spend all that I earn, not able to save anything	32%	50%	33%	30%	25%	20%	46%	35%	29%	23%
I consider myself a spender, not a saver	27%	37%	27%	27%	21%	20%	32%	32%	21%	19%
Worry that if my partner dies or leaves me that I will not be able to cope financially	27%	20%	23%	25%	32%	35%	17%	23%	33%	32%
Happy to buy financial products off internet	19%	10%	20%	19%	25%	23%	30%	20%	18%	13%

In addition to finance specific statements, respondents are asked the extent to which they do (or don't) agree with some more general attitudes.

Continued high levels of agreement with two "dependency" statements:

- "My children should look after me when I am old"
- "The government will look after me if I am unable to look after myself"

Claimed confidence in the South African economy has increased further post the boost seen in 2018 with the optimism around the appointment of President Cyril Ramaphosa.

Job security remains extremely important but there is an increasing trend of those who would rather be their own boss. It may well be that in the face of all the retrenchments that people see around them, that there is a growing realisation that working for somebody else is not necessarily any more secure than working for oneself.

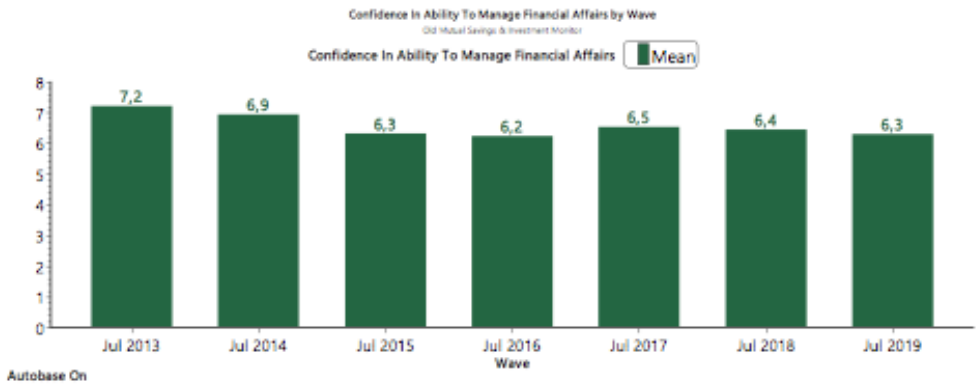
Note too the increased recognition of money issues being a major stress point in the household.

ATTITUDE TO FINANCES AXES	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Job security is more important than job satisfaction					81%	80%	81%
I am very optimistic about what the future holds for me	83%	78%	84%	69%	80%	80%	80%
I like to own products that are the most technologically advanced	65%	59%	66%	66%	69%	64%	67%
I feel I never have enough money to do the things I want	60%	58%	59%	68%	60%	60%	62%
I like to take risks in my life	47%	48%	47%	53%	53%	45%	53%
To get ahead in life I am willing to sacrifice family & social time	49%	49%	44%	46%	51%	43%	53%
I'd rather be my own boss and earn less, than earn more and work for somebody else					39%	43%	53%
Money issues are a major source of stress in our household						40%	50%
I feel confident about the South African economy	55%	52%	55%	31%	34%	43%	46%
My children should look after me when I am old	38%	39%	41%	45%	37%	38%	38%
The government will look after me if I am not able to look after myself	31%	32%	36%	32%	33%	32%	36%
I am less worried about children's education now that government may provide						31%	30%
My partner & I often argue about money matters **(base = partnered respondents)**						33%	39%

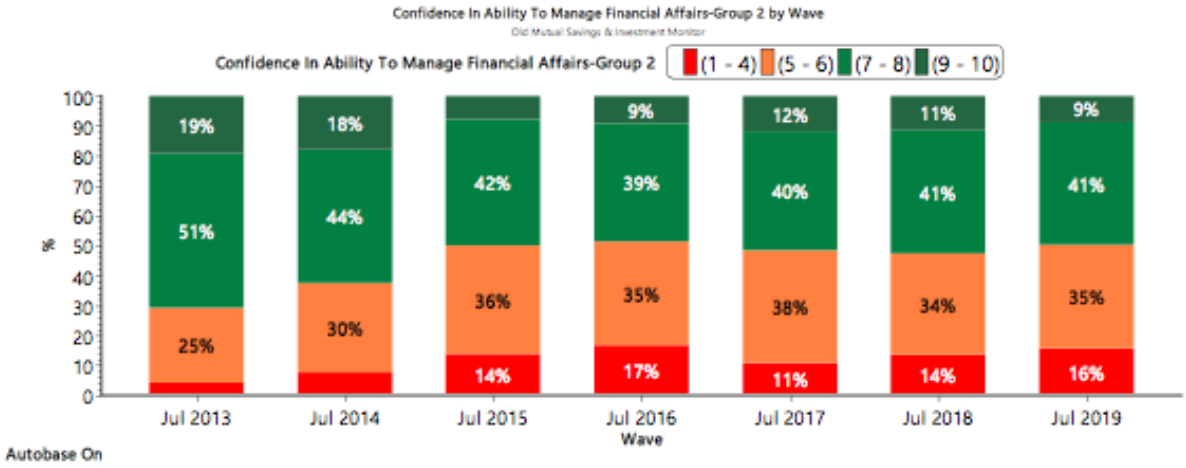
ATTITUDES TO WORK AND LIFE - GROUPED AXES 2019	TOTAL	LESS THAN R6 000	R6 000 – R13 999	R14 000 – R19 999	R20 000 – R40 000	R40 000+	GEN Z	GEN Y	GEN X	BABY BOOMER
Job security is more important than job satisfaction	81%	84%	84%	75%	76%	82%	84%	81%	82%	81%
I am very optimistic about what the future holds for me	80%	78%	82%	82%	80%	80%	83%	83%	78%	75%
I like to own products that are the most technologically advanced	67%	60%	66%	69%	74%	69%	75%	76%	60%	44%
I feel I never have enough money to do the things I want	62%	79%	65%	65%	62%	42%	55%	65%	65%	45%
I like to take risks in my life	53%	47%	56%	58%	57%	51%	59%	55%	53%	42%
To get ahead in life I am willing to sacrifice family & social time	53%	61%	54%	55%	51%	45%	68%	51%	52%	55%
I'd rather be my own boss and earn less, than earn more and work for somebody else	53%	52%	52%	53%	50%	57%	59%	52%	54%	48%
Money issues are a major source of stress in our household	50%	70%	58%	51%	42%	27%	53%	53%	50%	38%
I feel confident about the south african economy	46%	48%	49%	50%	45%	39%	49%	47%	44%	46%
My children should look after me when I am old	38%	49%	44%	39%	30%	24%	30%	37%	44%	30%
The government will look after me if I am not able to look after myself	36%	54%	41%	38%	28%	19%	29%	38%	37%	29%
I am less worried about children's education now that government may provide	30%	37%	36%	35%	28%	15%	33%	31%	28%	30%
My partner & I often argue about money matters **(base = partnered respondents)**	39%	49%	49%	56%	40%	22%	62%	36%	42%	35%

13. CONFIDENCE IN FINANCIAL DECISION MAKING

2019 sees some further decline in consumer confidence when it comes to their perceived ability to make good savings and investment decisions. This decline is seen across all income groups other than <R6 000, although confidence levels continue to be positively correlated with income.



CONFIDENCE IN ABILITY TO MAKE GOOD SAVINGS & INVESTMENT DECISION	JUL-13	JUL-14	JUL-15	JUL-16	JUL-17	JUL-18	JUL-19
Less than R6 000	6.7	6.1	5.2	5.2	5.4	5.1	5.3
R6 000 to R13 999	7.1	6.8	6.2	6	6.3	6.1	5.9
R14 000 to R19 999	7.4	7.1	6.7	6.5	6.6	6.6	6.3
R20 000 to R39 999	7.6	7.5	6.9	6.8	7.2	6.9	7
R40 000 or more	8	7.9	7.5	7.2	7.7	7.5	7.3
Gen Z	-	-	5.5	5.7	5.6	5.8	5.9
Gen Y	7.1	6.7	6.3	6.1	6.3	6.2	6.1
Gen X	7.3	7	6.4	6.3	6.9	6.7	6.4
Baby Boomer	7.3	7	6.2	6.5	6.6	6.8	7
18-30 Years	7.1	6.7	5.9	6.1	6.1	6	6.1
31-39 Years	7.3	7	6.5	6.2	6.4	6.5	6.1
40-49 Years	7.3	7	6.4	6.3	6.9	6.6	6.5
50+ Years	7.2	7	6.3	6.5	6.8	6.8	6.7


Confidence In Ability To Manage Financial Affairs-Group 2 by Wave
Old Mutual Savings & Investment Monitor
Confidence In Ability To Manage Financial Affairs-Group 2
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