



# SAVINGS & INVESTMENT MONITOR



July 2018



# WHAT IS THE SAVINGS & INVESTMENT MONITOR?

Annual Survey



Metro  
Working  
South  
Africans

Saving & Investment  
Behaviours & Attitudes

# METHODOLOGY

## MAIN SURVEY



Tracking study  
to look at  
trends

Weighted  
to the SA  
working metro  
population  
(AMPS)

Face-to-face  
interviews  
(1 000 HH's)

Conducted by  
independent  
research house,

*Peppercorn  
Research*

**Fieldwork dates: 26 April – 26 May 2018**



# DEFINITION OF SAVINGS & INVESTMENTS



Putting  
money  
away

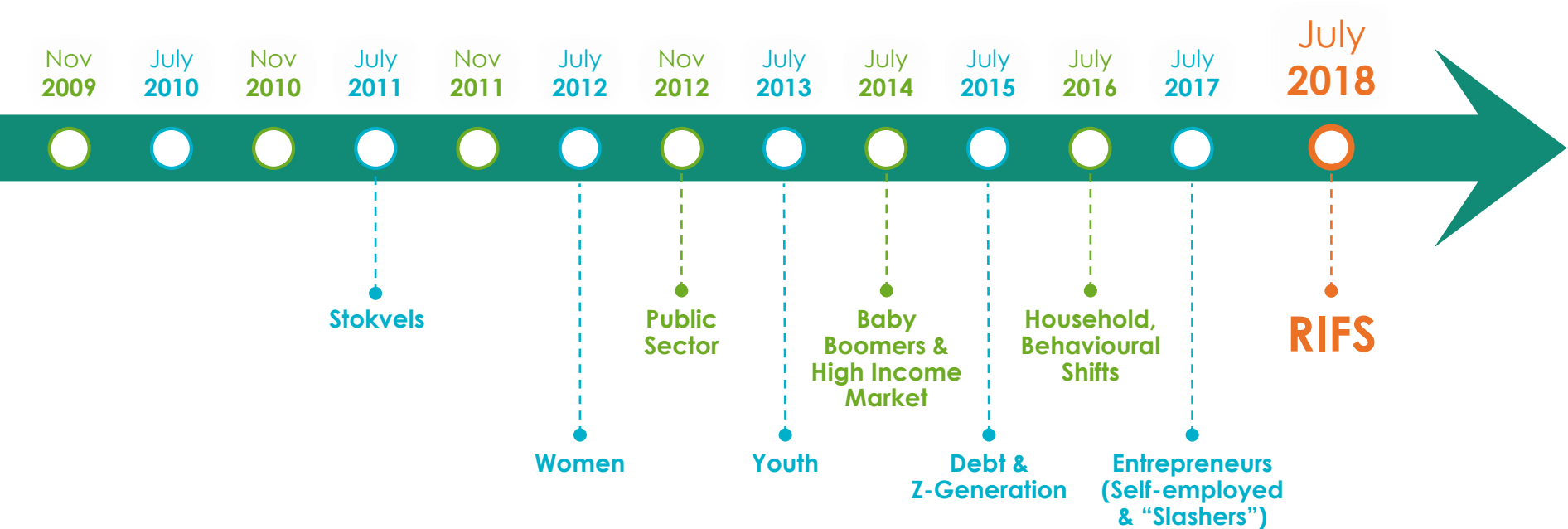
Into savings  
accounts,  
policies &  
investments

Holding  
back on  
spending

And using that  
money to pay  
debt faster, like  
putting extra into  
your home loan



# HISTORY OF THE SAVINGS & INVESTMENT MONITOR

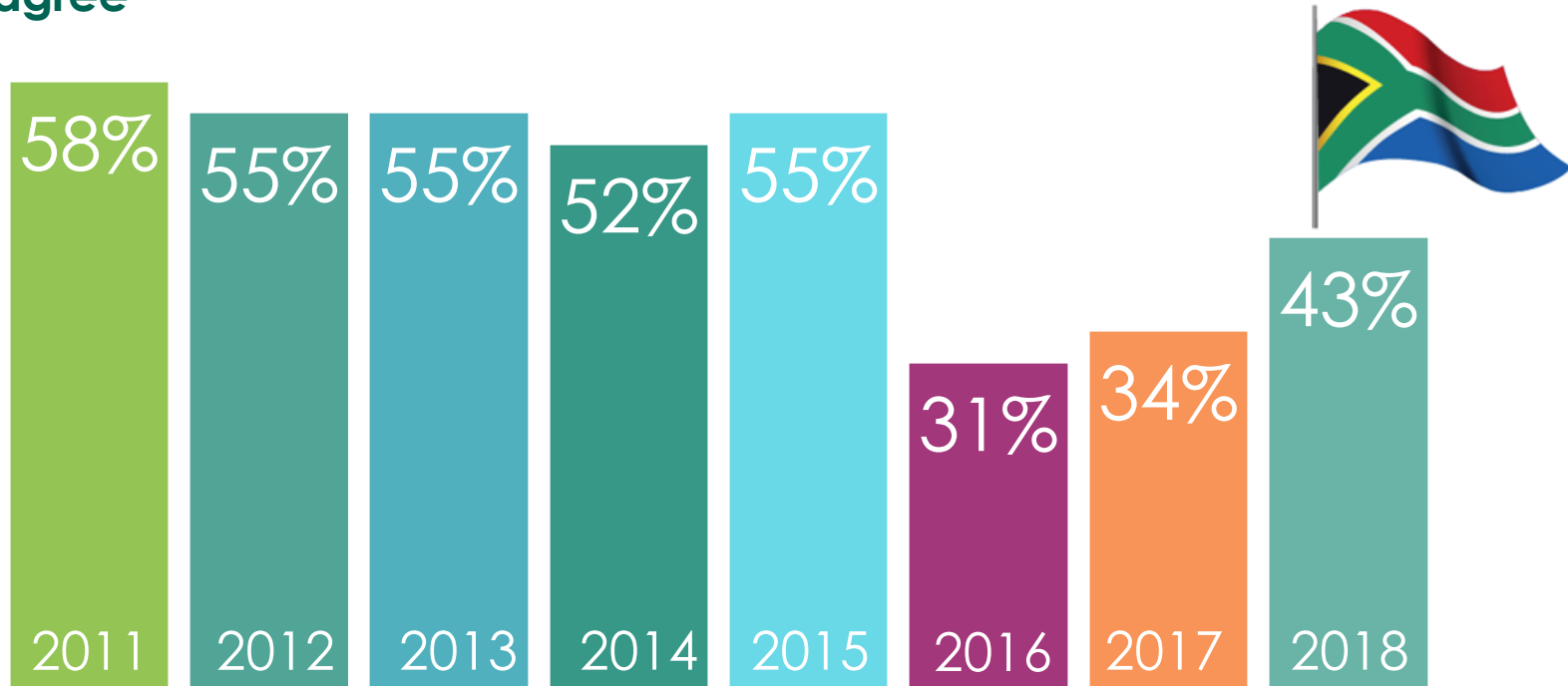






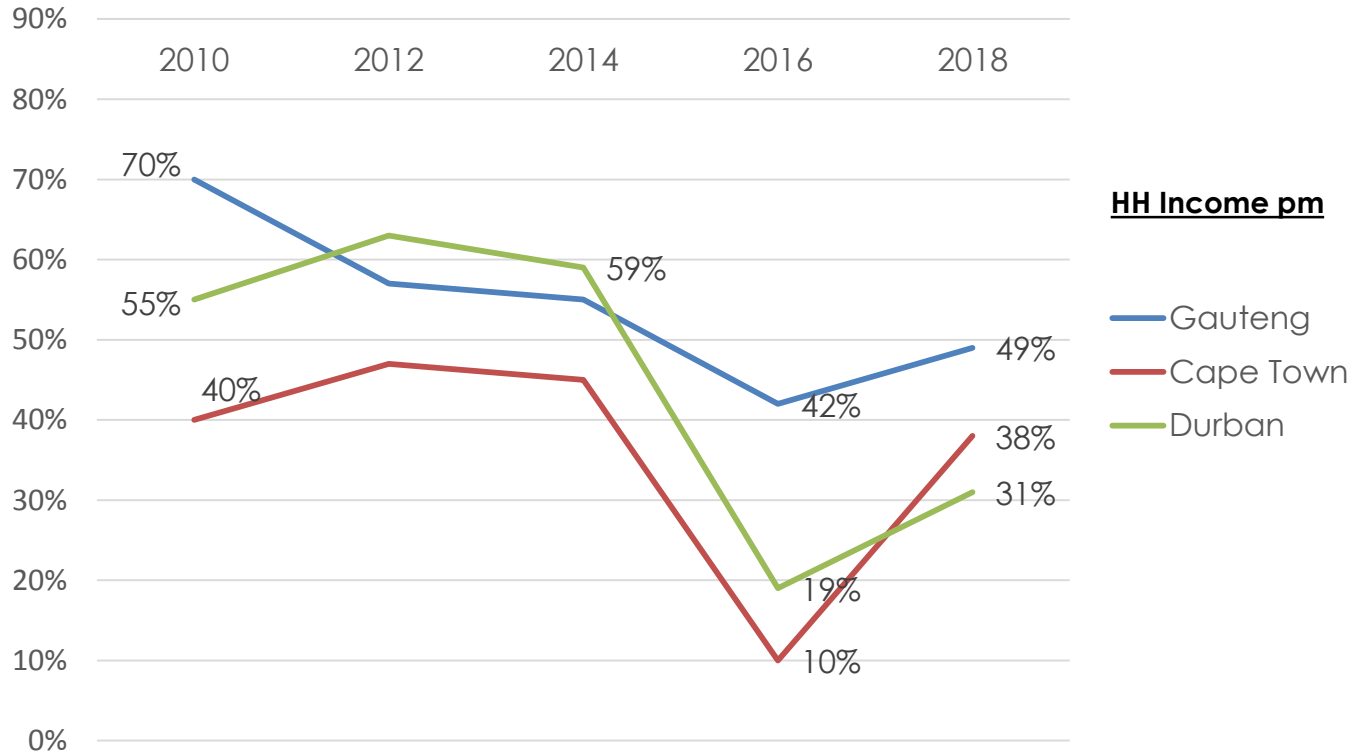
# “I FEEL CONFIDENT IN THE SOUTH AFRICAN ECONOMY”

% agree



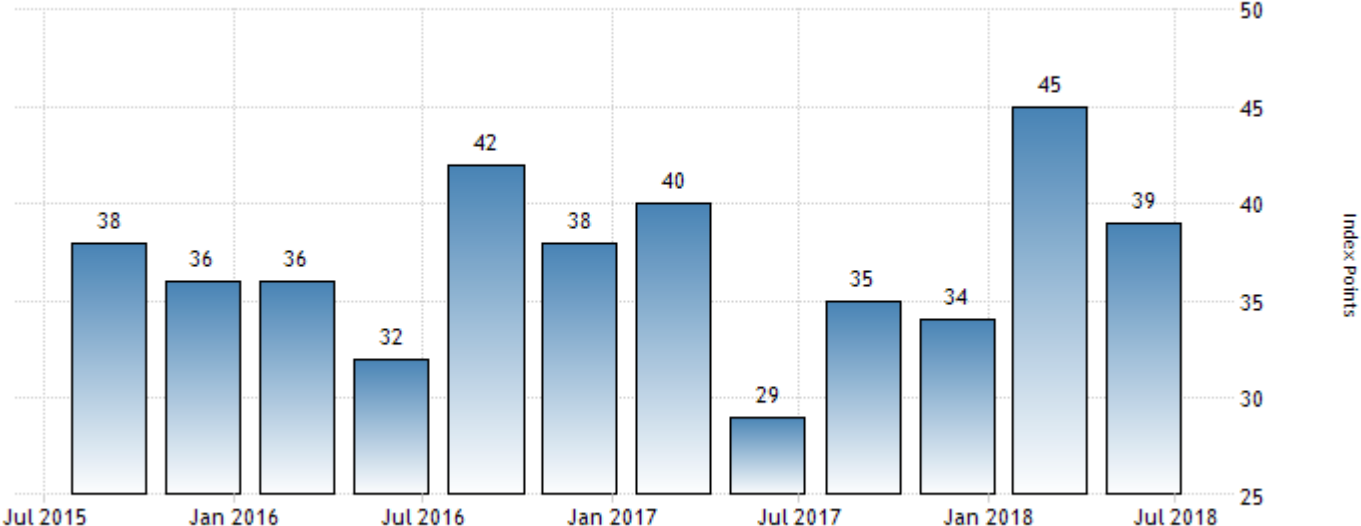


# CONFIDENCE IN THE SOUTH AFRICAN ECONOMY – BY 3 MAIN URBAN CENTRES



# BUSINESS CONFIDENCE INDEX

SOUTH AFRICA BUSINESS CONFIDENCE



SOURCE: TRADINGECONOMICS.COM | BUREAU FOR ECONOMIC RESEARCH (BER)

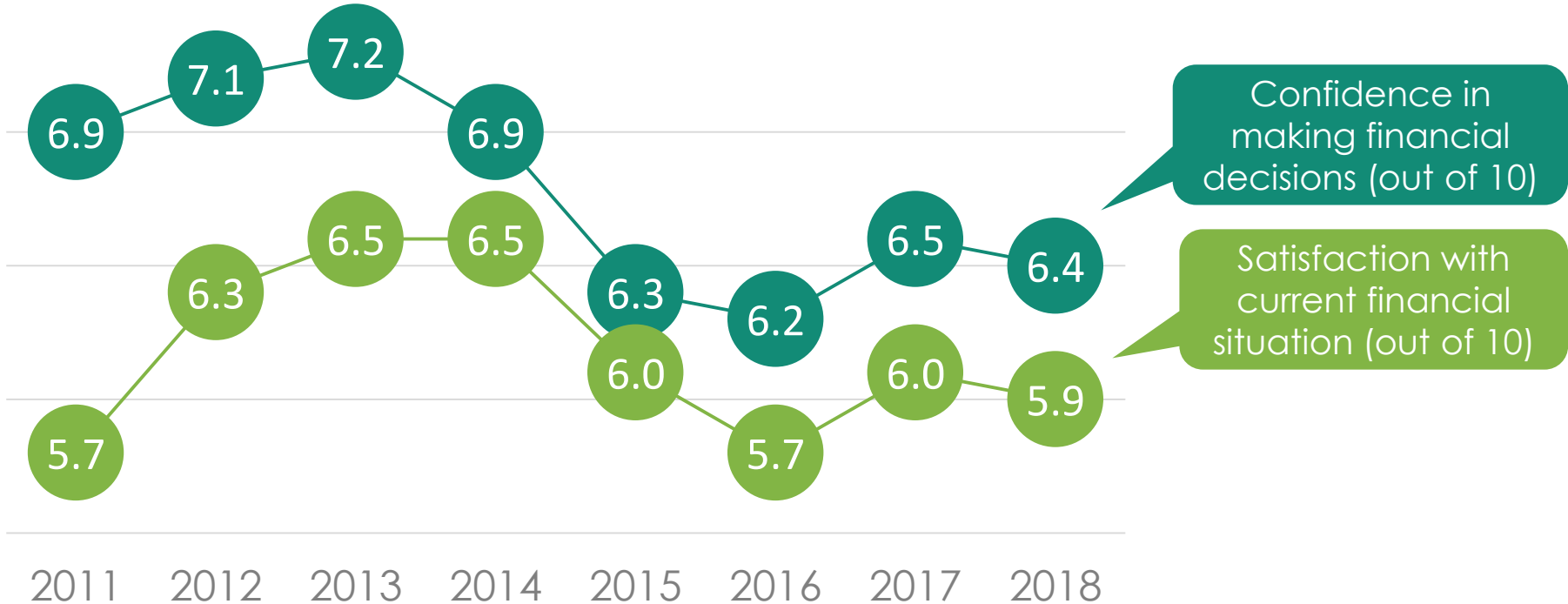
# HOUSEHOLDS DEBT TO INCOME RATIO DECLINES

SOUTH AFRICA HOUSEHOLDS DEBT TO INCOME

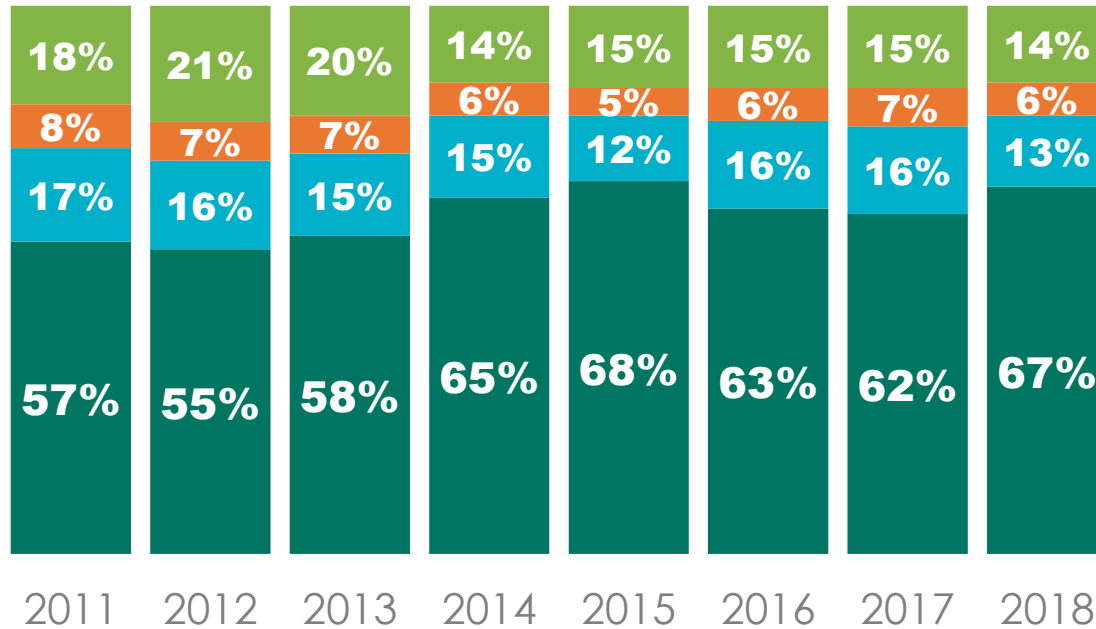


SOURCE: TRADINGECONOMICS.COM | SOUTH AFRICAN RESERVE BANK

# FAIRLY STABLE SENTIMENT ABOUT FINANCES



# % OF INCOME SPEND



- Savings
- Insurance & Medical Aid
- Debt
- Consumption / Living Expenses





# SAVINGS & INVESTMENT VEHICLES USED

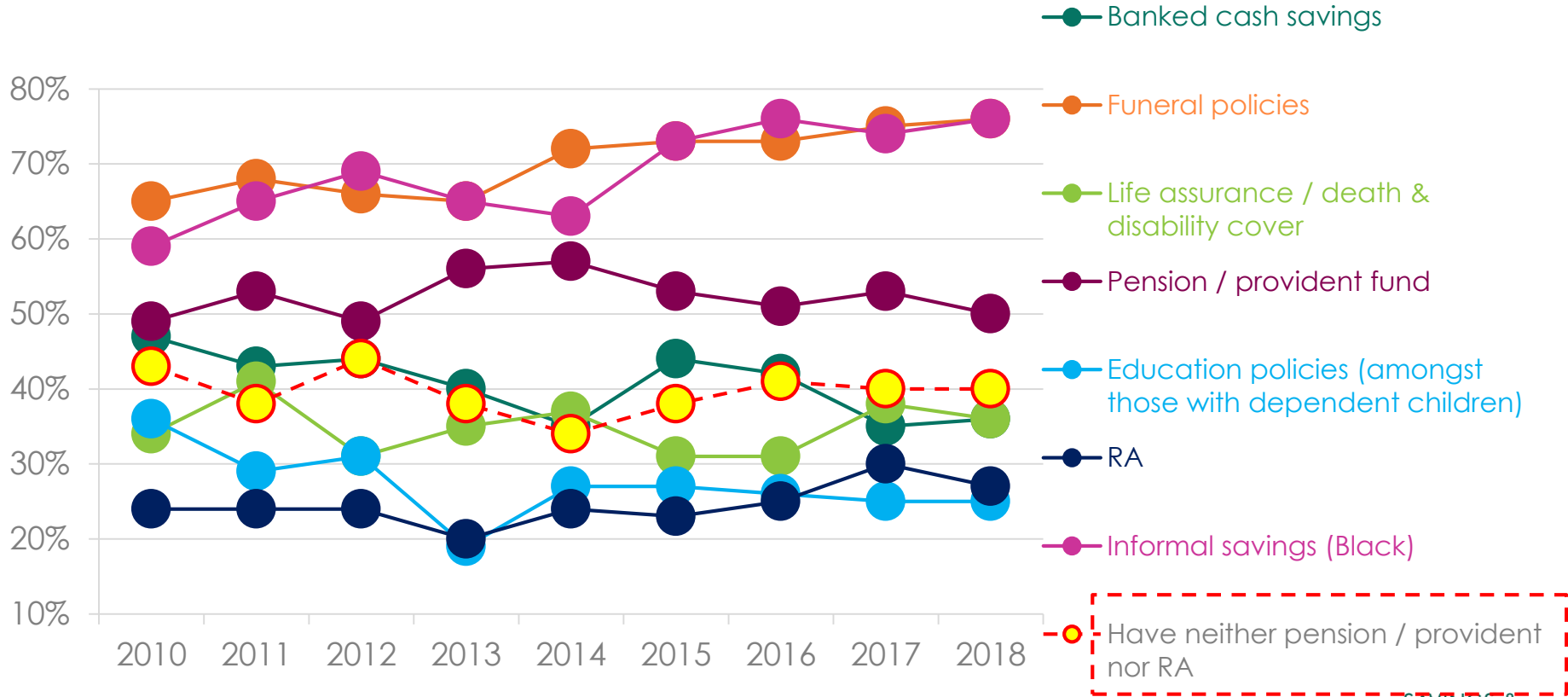


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INVESTMENT MONITOR



**OLDMUTUAL**

# SAVINGS & INVESTMENT VEHICLES USED





**1 in 3**

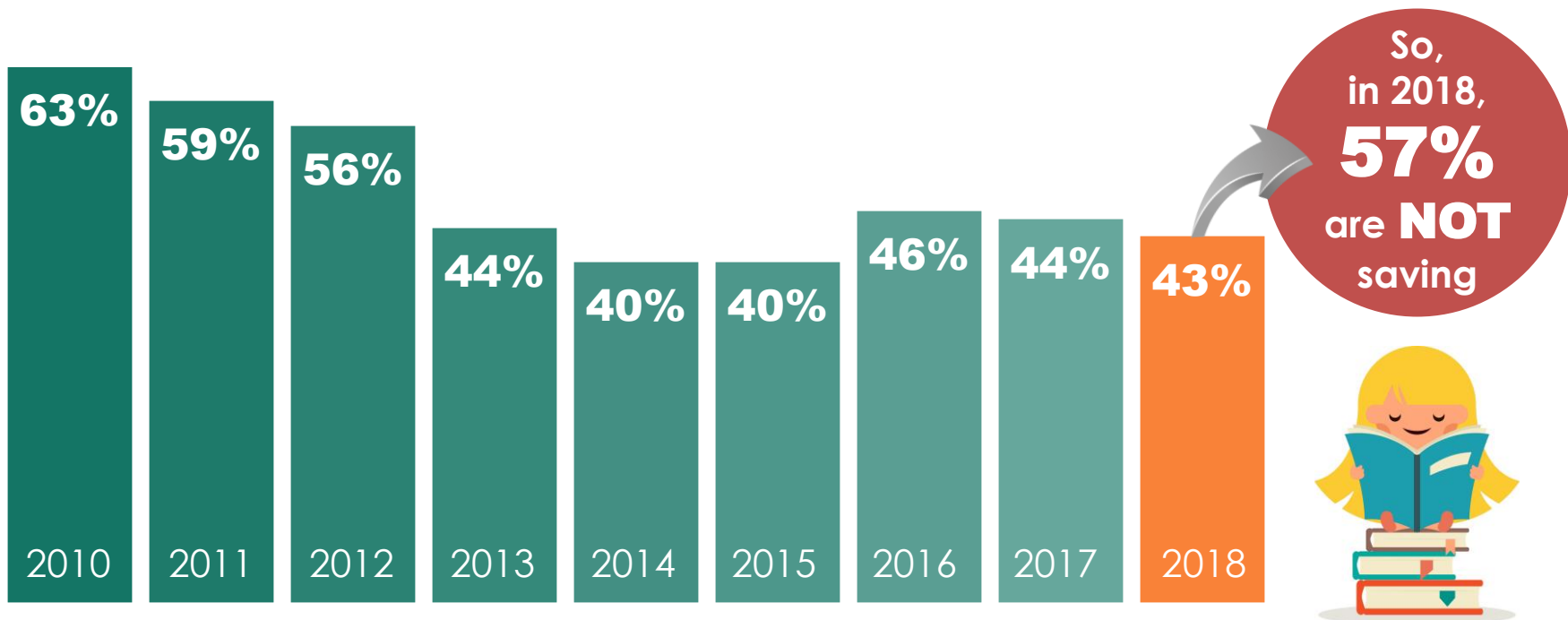
*Baby Boomers*



have **NO** formal **retirement fund** provision



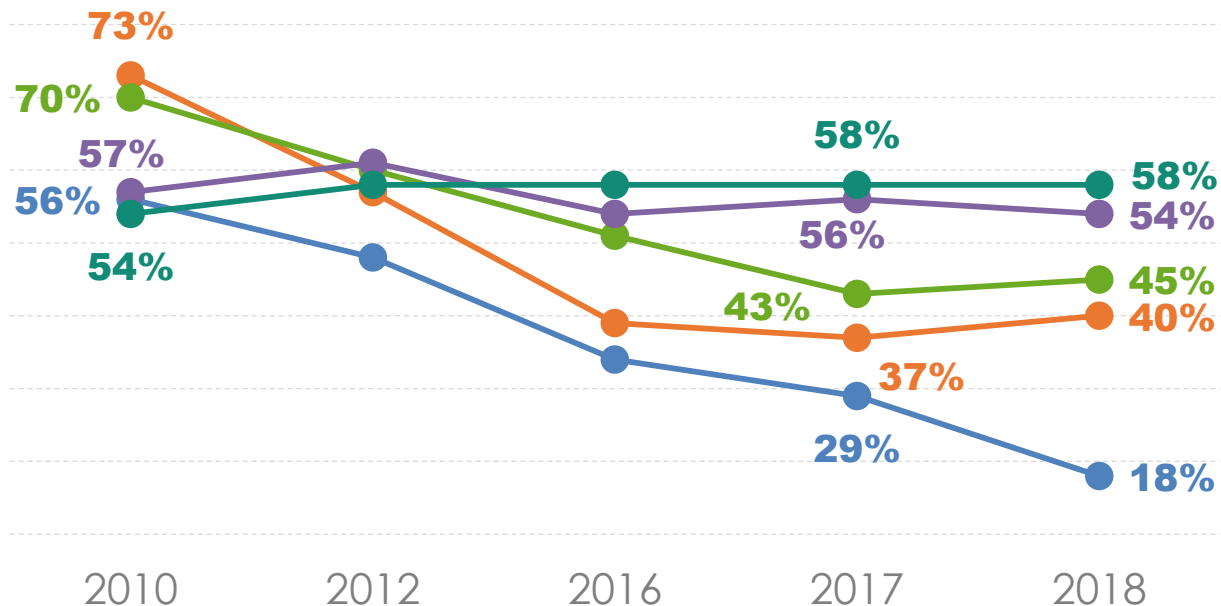
# SAVING FOR CHILDREN'S EDUCATION STILL A CONCERN



Have Education Policy and/or say they are saving for education

# SAVING FOR CHILDREN'S EDUCATION

– LOWER INCOME HOUSEHOLDS IMPACTED THE MOST

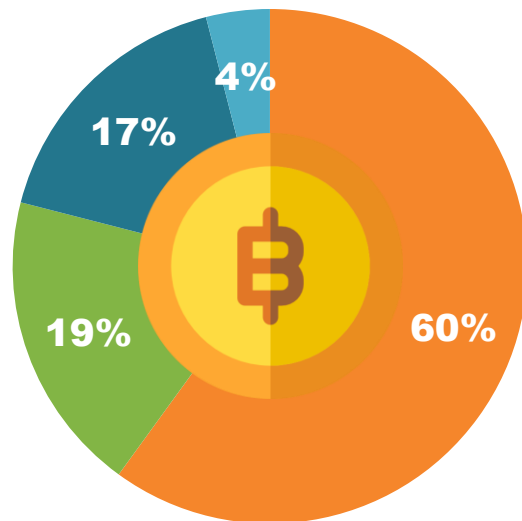
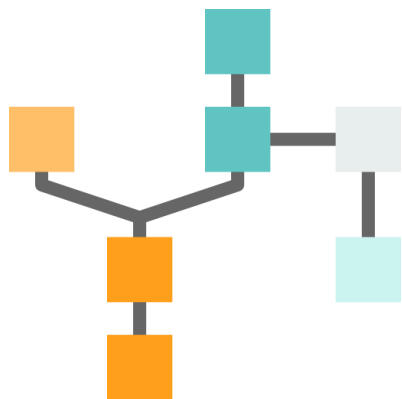


HH Income pm

- < R6k
- R6k - R13 999
- R14k - R19 999
- R20k - R39 999
- R40k+

# CRYPTOCURRENCIES

Awareness of an alternative form of investment called cryptocurrencies (eg: Bitcoin)



- Not aware
- Yes, but only really just heard about it
- Yes, I know a bit about it
- Yes, I know a lot about it

# CRYPTOCURRENCIES

% who agree



You can make a lot of money with them

**71%**

I do not understand how they work

**53%**

They are bad news, like a pyramid scheme

**43%**

I wish I had invested in these before

**38%**

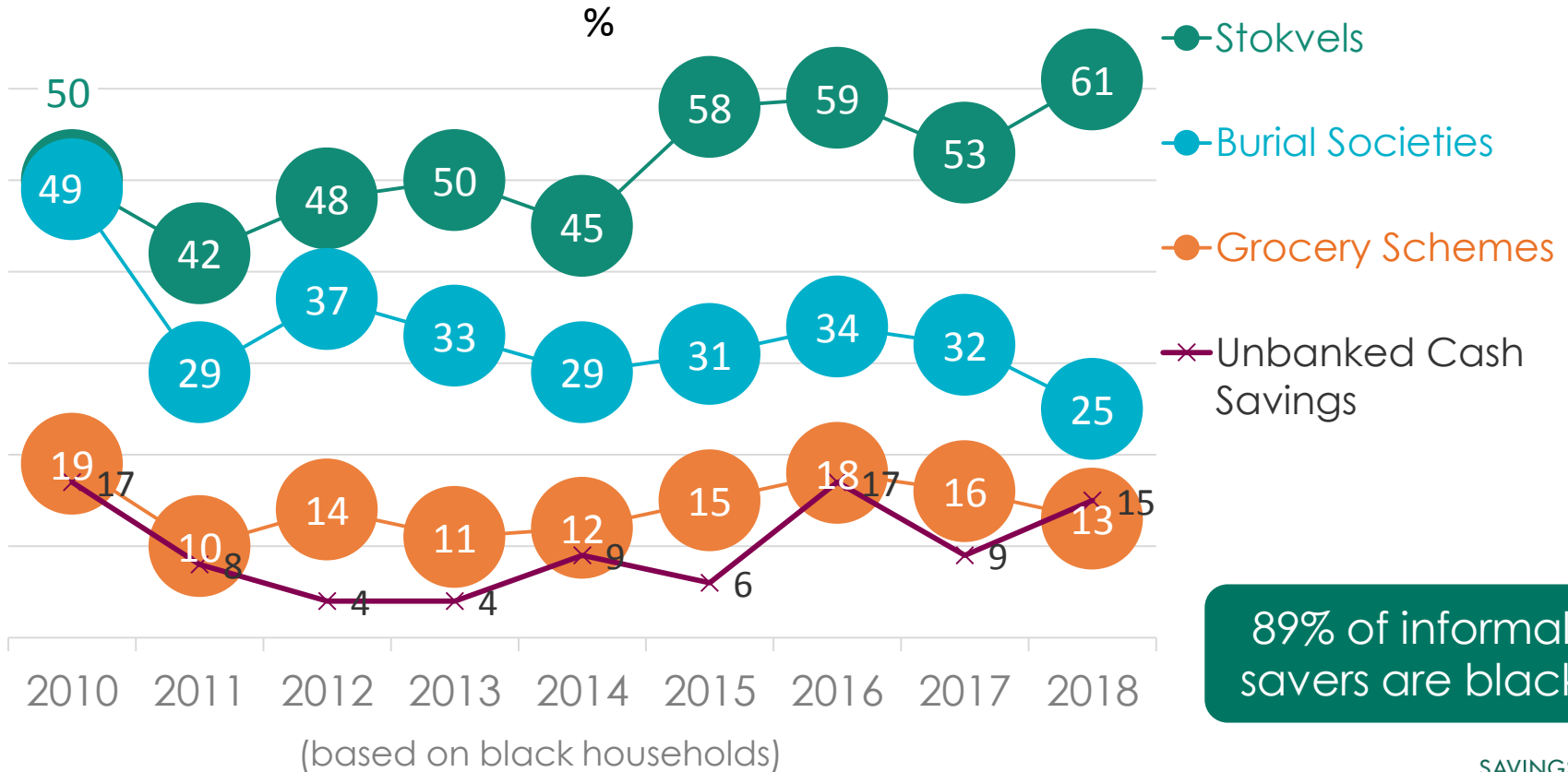
Based on those “aware”



# INFORMAL SAVINGS

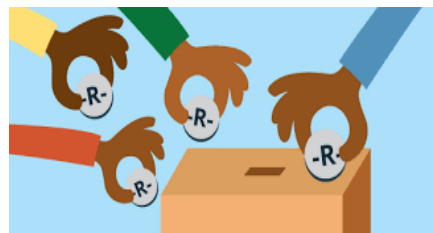


# INFORMAL SAVINGS



89% of informal savers are black

# STOKVEL CONTRIBUTIONS



HH Income	2017 Contribution	2018 Contribution	% increase/ decline y-on-y
Less than R6k	R339	R372	Increase of <b>12%</b>
R6k – R13 999	R622	R630	Increase of <b>1%</b>
R14k – R19 999	R978	R796	Decrease of <b>19%</b>
R20k – R39 999	R1 085	R873	Decrease of <b>20%</b>
R40k+	R1 636	R1 128	Decrease of <b>31%</b>

# TYPE OF STOKVEL & “HOLDING / INVESTMENT” OF FUNDS

Short-term rotating stokvel / savings club

74%

Investment club

29%



Where held / invested	Short-term rotating stokvel	Investment club
Held in <b>cash</b>	<b>41%</b>	<b>18%</b>
In a <b>bank account</b> in a <b>member's</b> name	<b>16%</b>	<b>21%</b>
In a <b>bank account</b> in the name of the <b>stokvel</b>	<b>47%</b>	<b>70%</b>





# DEPENDENCY

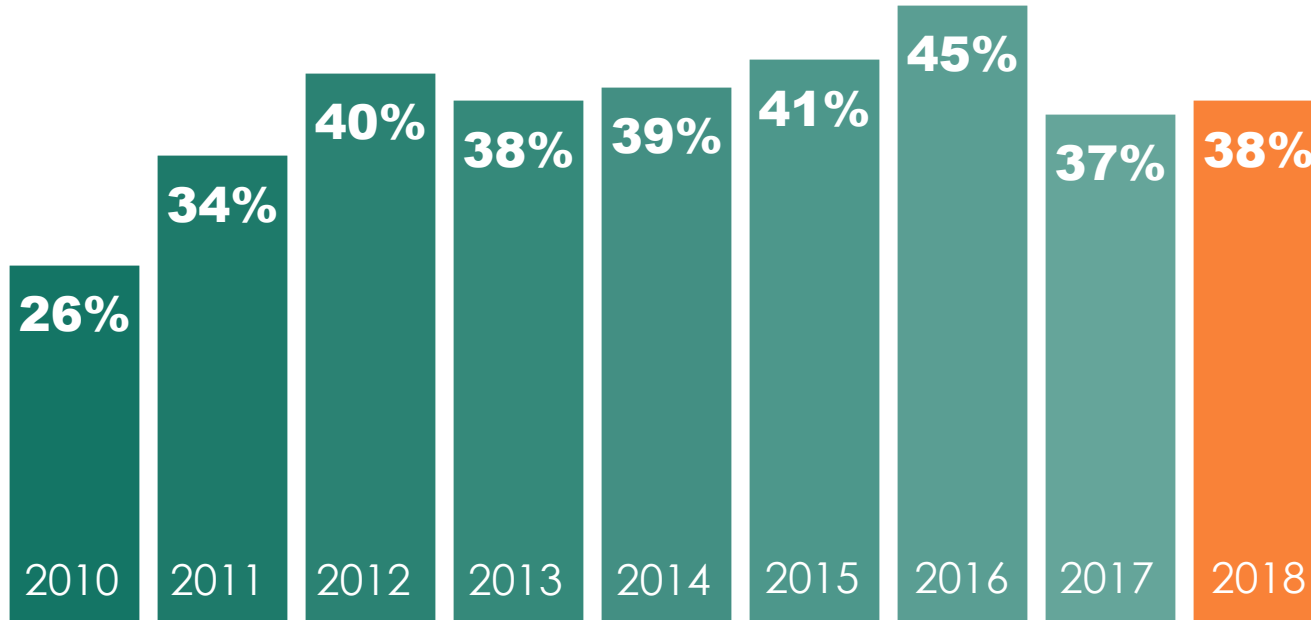
SAVINGS &  
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# DEPENDENCY ON CHILDREN

*"My children should look after me when I am old"*

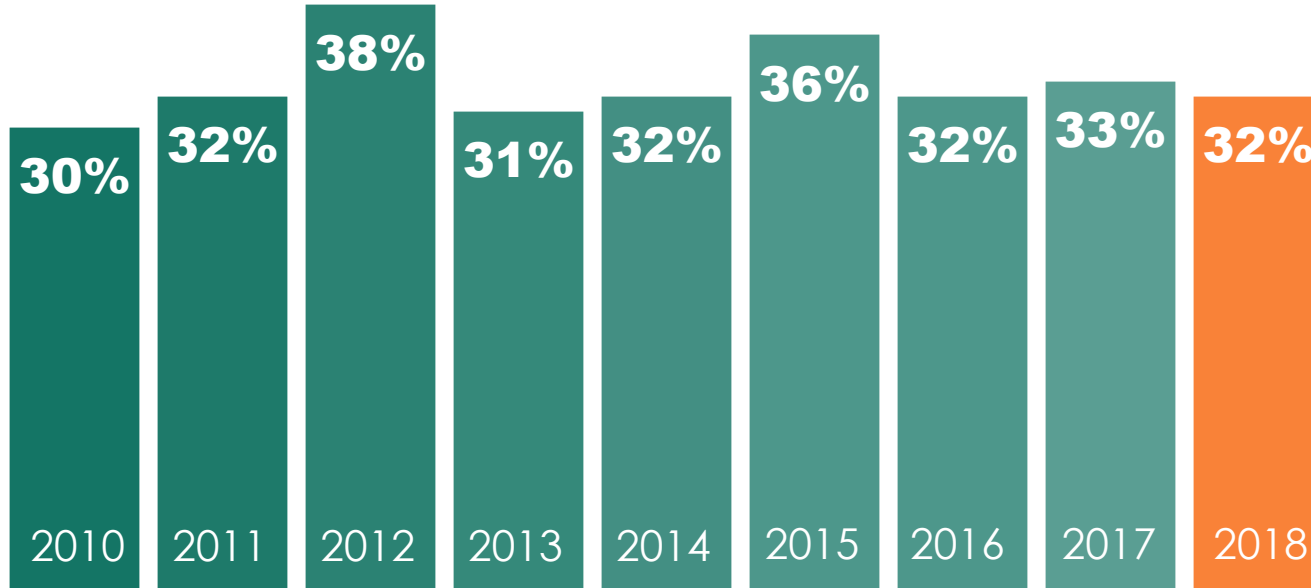


## HH INCOME PM

< R6k	41%
> R40k	24%

# DEPENDENCY ON GOVERNMENT

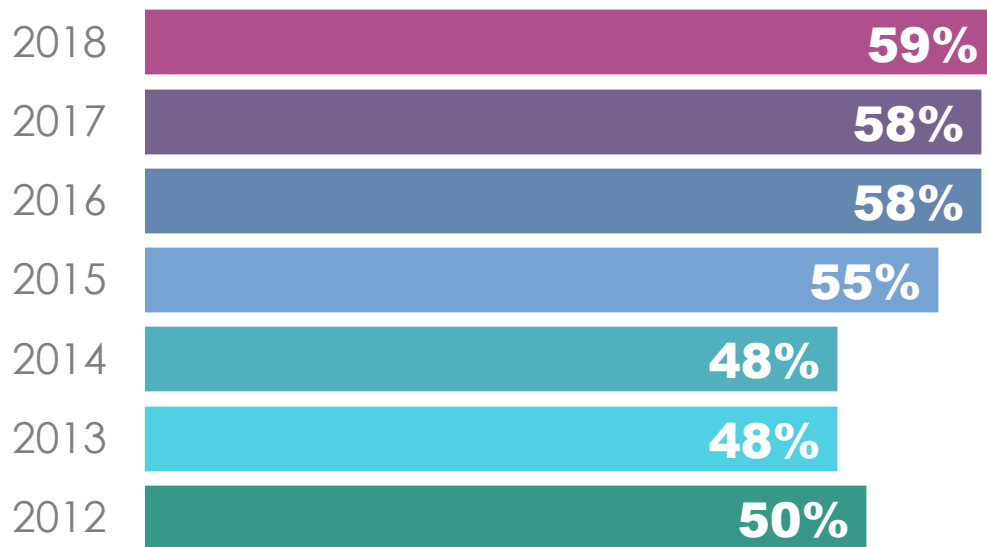
*"The government will take care of me if I am unable to take care of myself"*



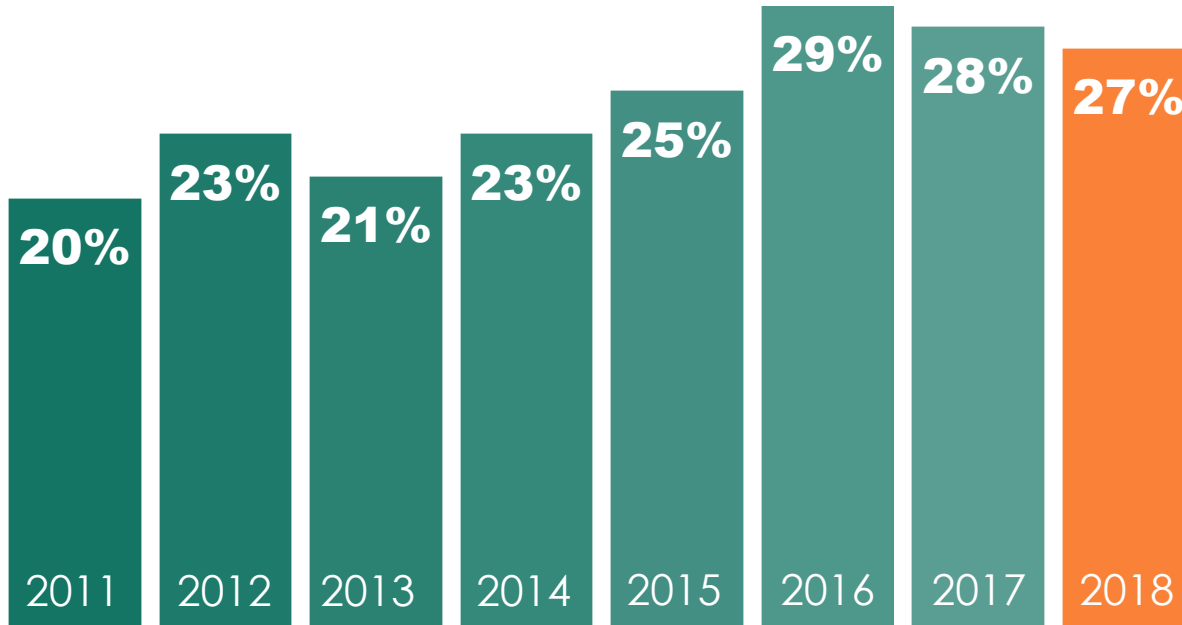
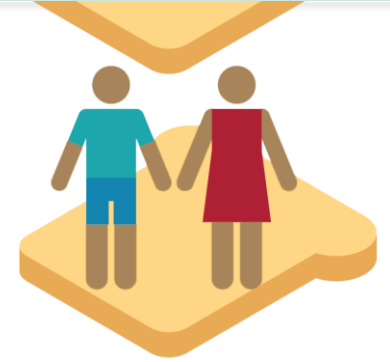
## HH INCOME PM

< R6k	50%
> R40k	16%

# STILL HIGH EXPECTATION OF HAVING TO SUPPORT FAMILY/ PARENTS IN FUTURE

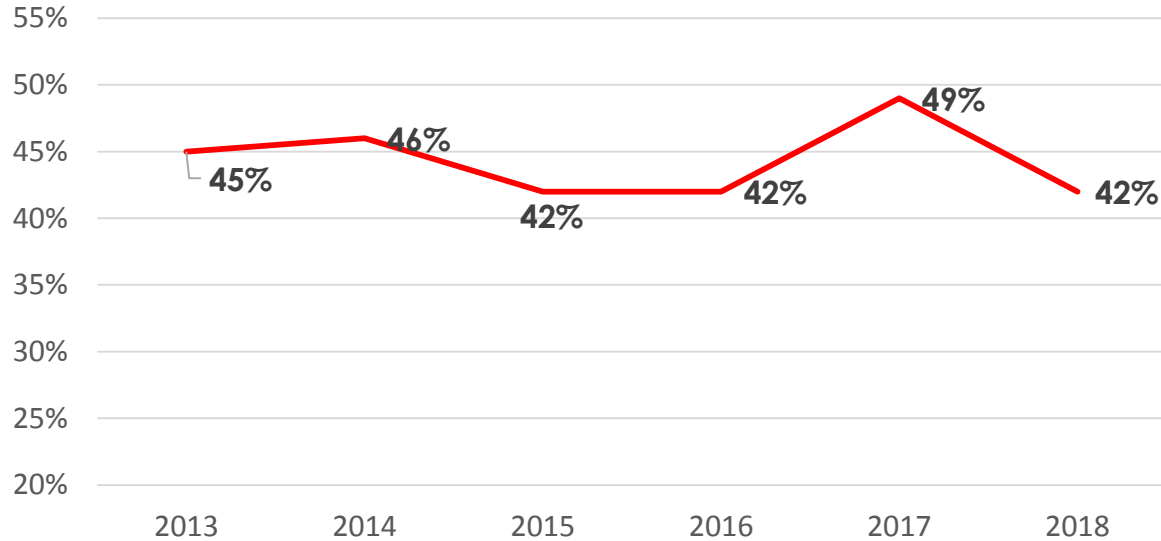


# THE OLD MUTUAL SANDWICH GENERATION INDICATOR



Black Households	36%
R6k – R13 999 HH	31%
R14k – R19 999 HH	31%
31 – 39 years	30%
40 – 49 years	32%

# APPROXIMATELY 1 in 2.....18 – 34 YEAR OLDS LIVE AT HOME WITH PARENTS

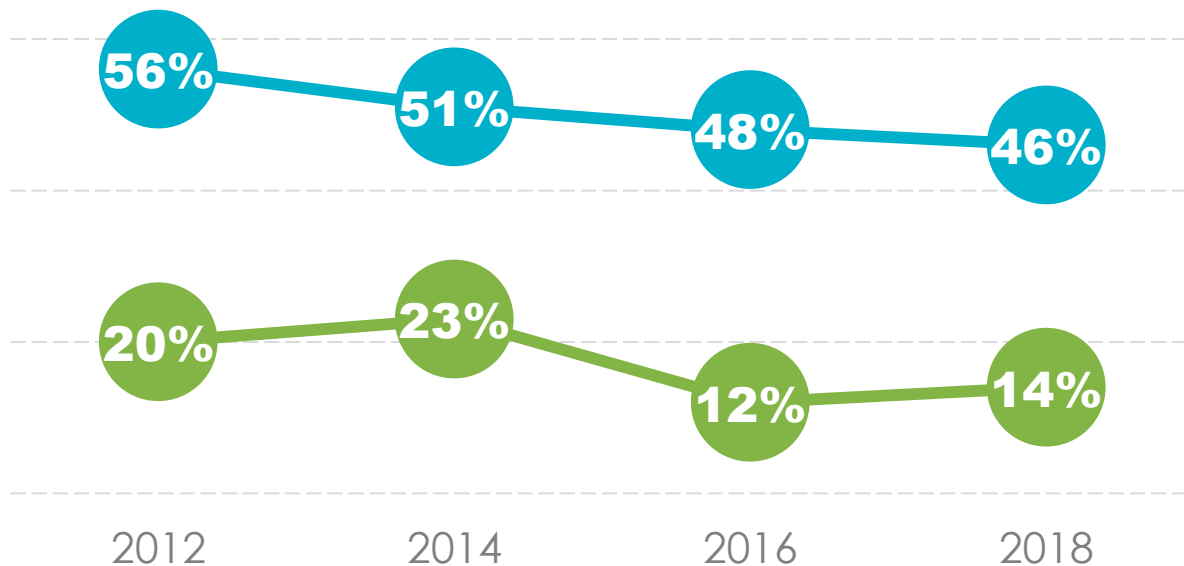


# SINGLE MOTHERHOOD AND PATERNAL SUPPORT



Single  
motherhood

Paternal support  
(regularly)



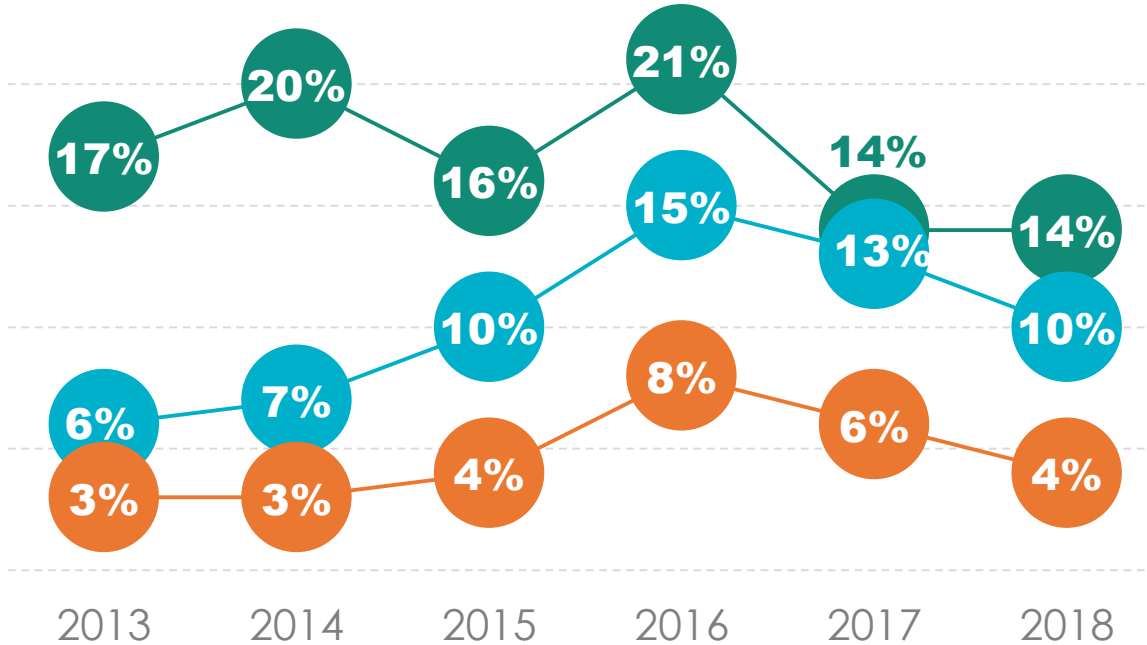


# DEBT



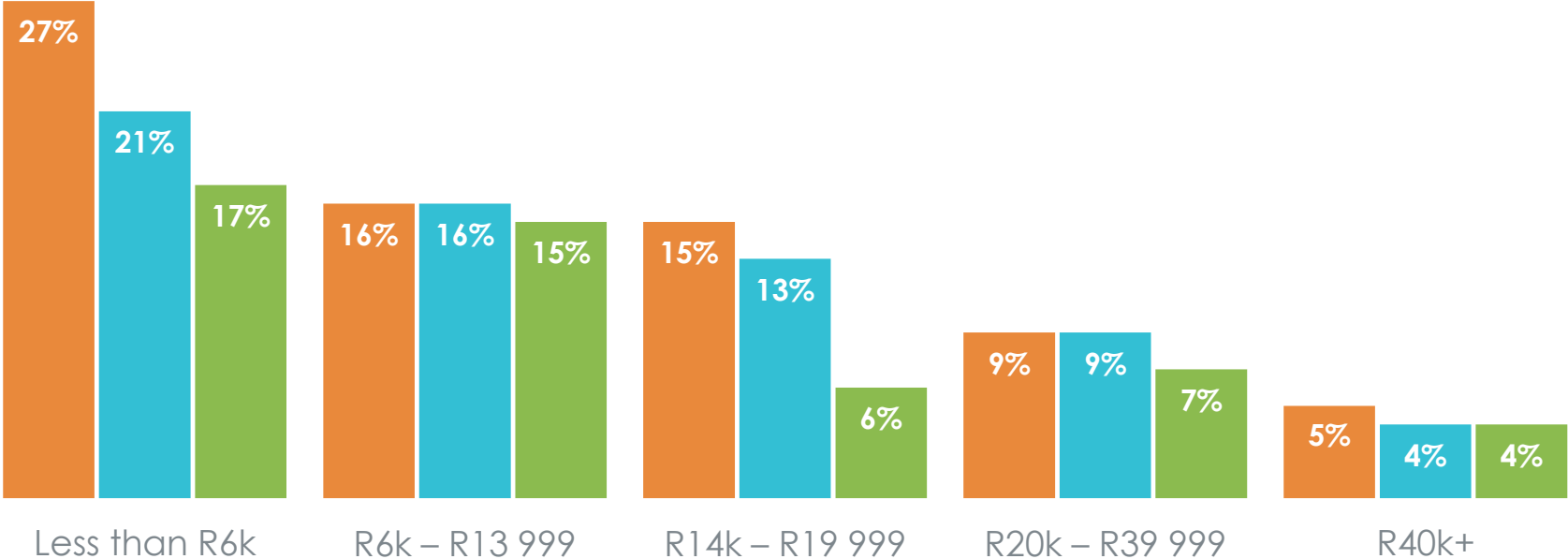


# PERSONAL LOANS



- A financial institution
- A friend / relative
- A micro lender

# LESS BORROWING FROM FAMILY/ FRIENDS

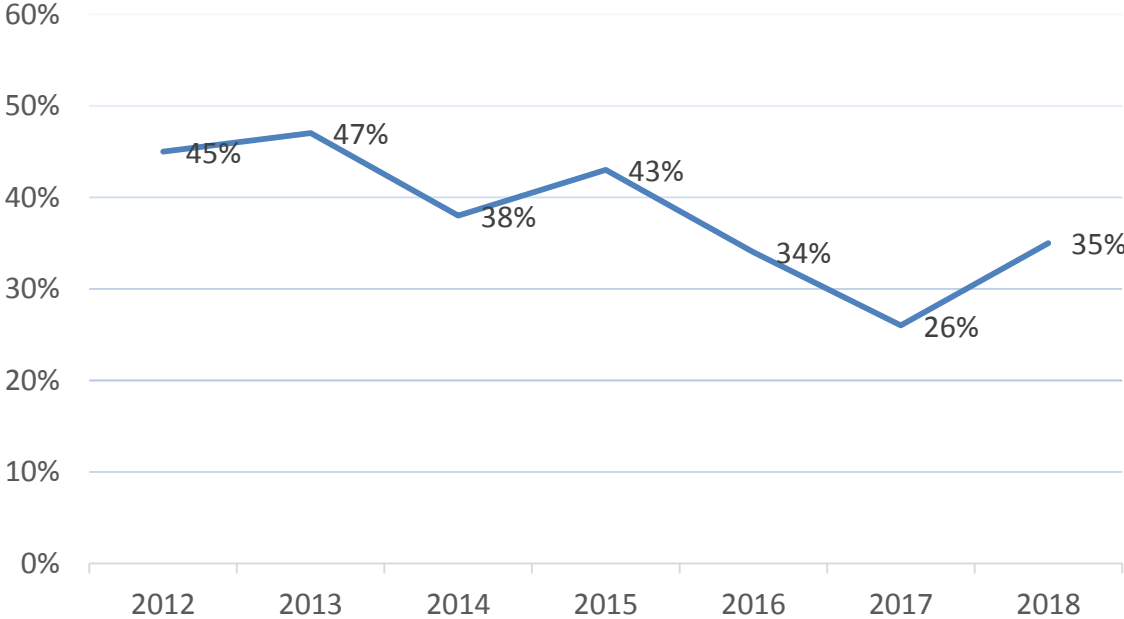


2016 2017 2018

Household Monthly Income

# LOANS FROM FRIENDS/FAMILY – INCREASE IN PAYING IRREGULARLY

“I pay irregularly/only when I can.”



# CREDIT CARDS – JUST PAYING THE MINIMUM INSTALMENT



2017

50%

47%

37%

R14k – R19 999

R20k – R39 999

R40k +

2018

65%

55%

51%



# LIVING EXPENSES

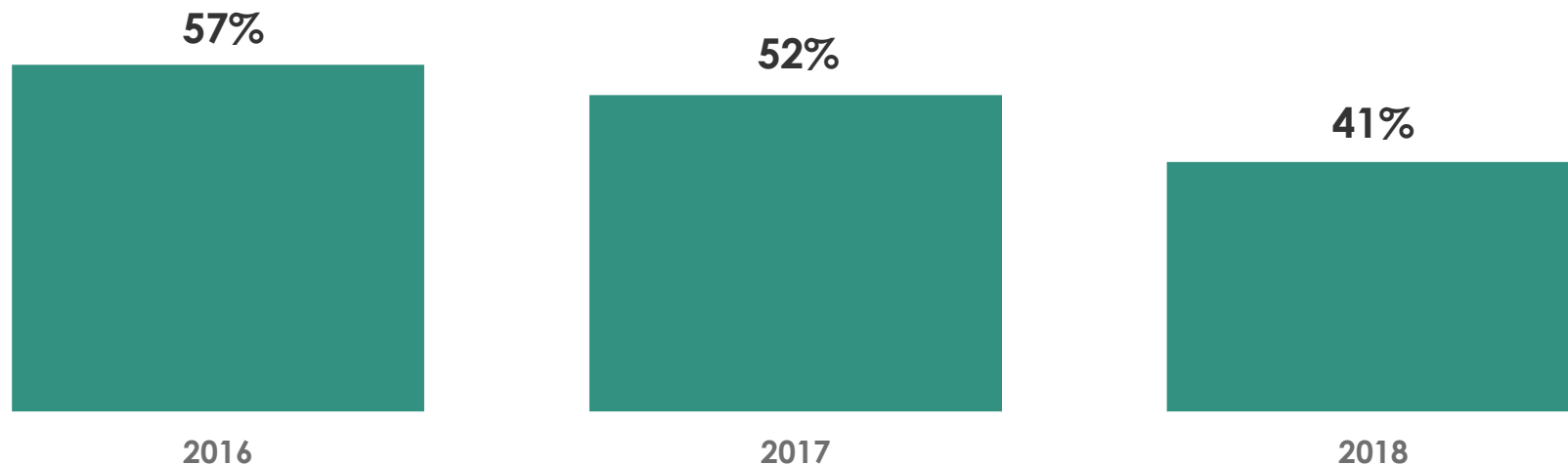
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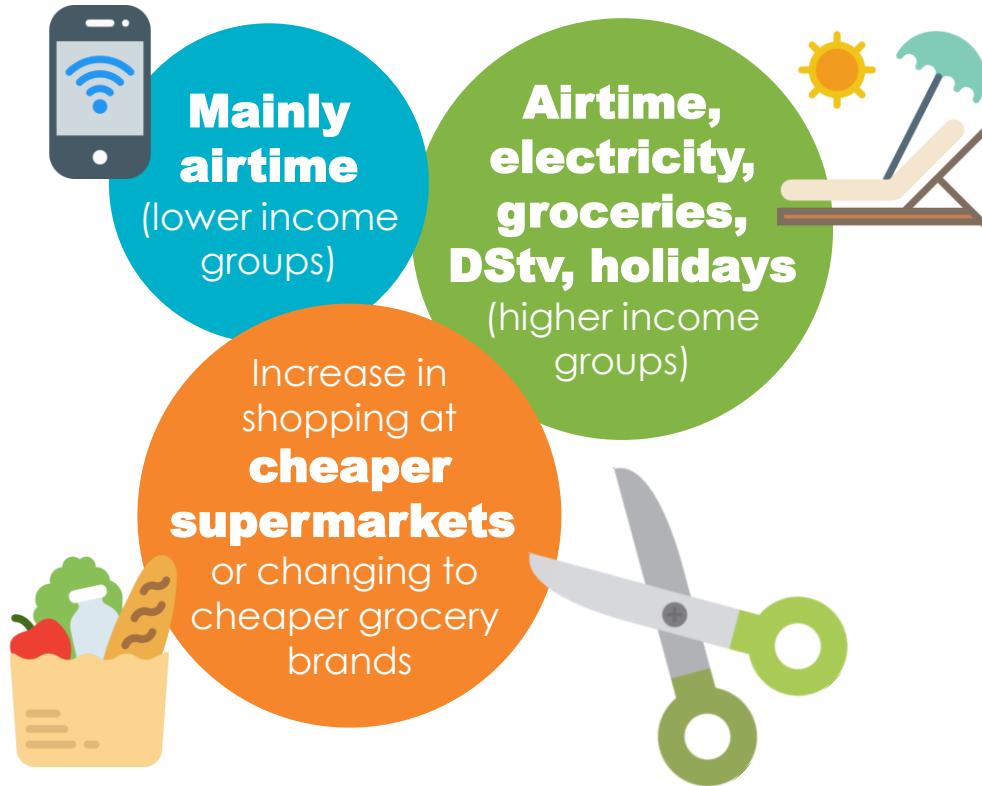
OLDMUTUAL

# WHEN INCOME AND EXPENSES DO NOT MEET...WHAT DID YOU DO?

This has happened at least once in the past year.

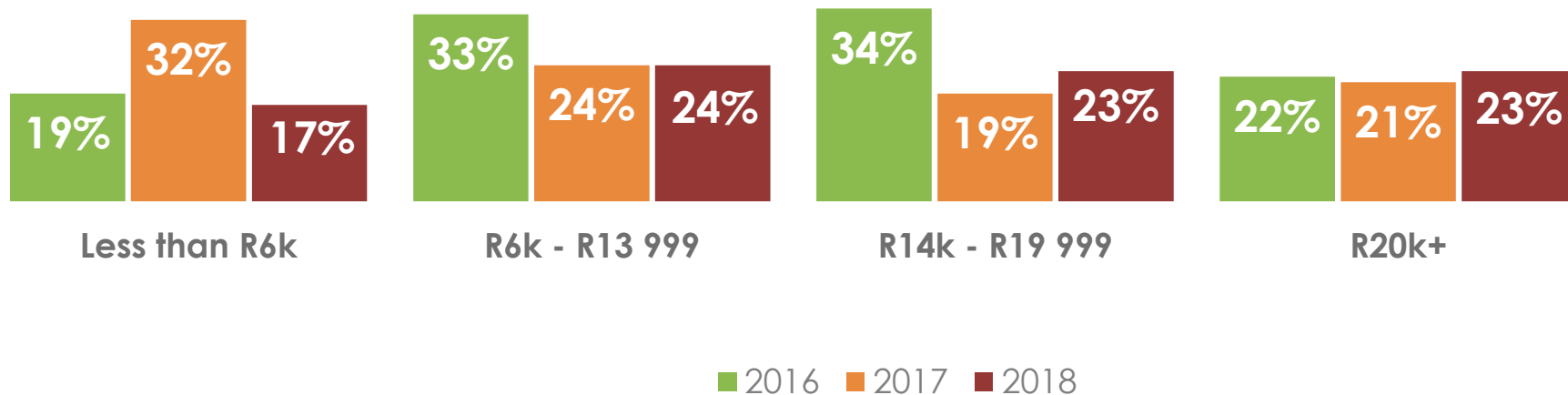


# CUTTING BACK ON EXPENSES (MORE SO THAN LAST YEAR)



# WHEN INCOME AND EXPENSES DO NOT MEET...

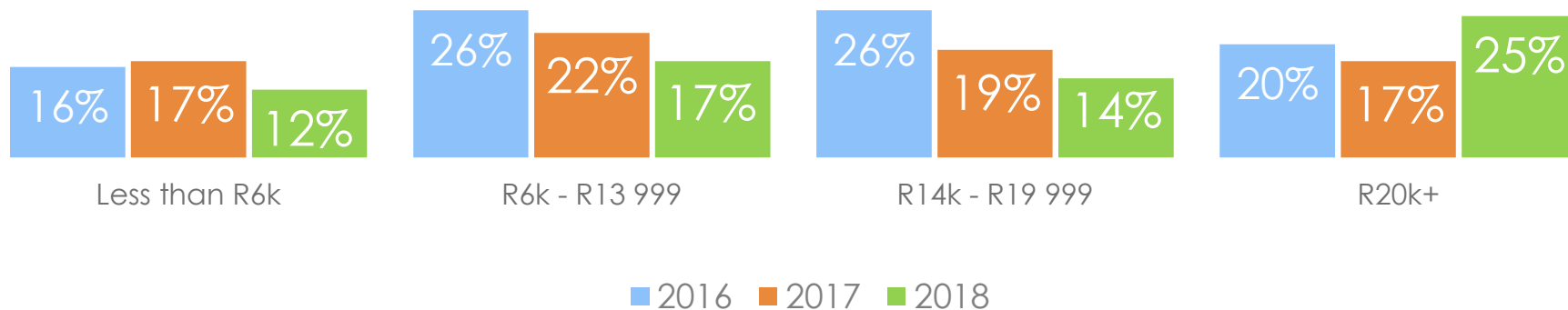
## Pay bills late/miss payments



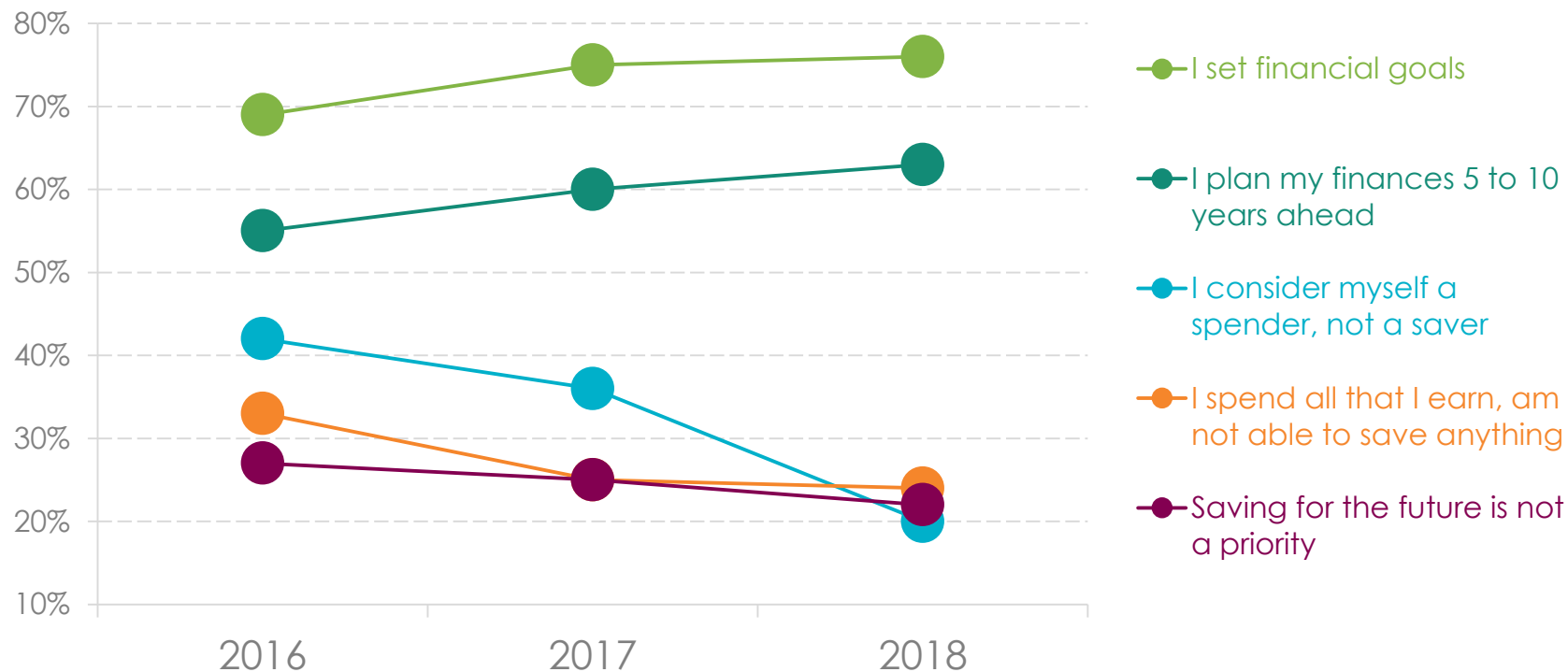


# WHEN INCOME AND EXPENSES DO NOT MEET...

## Take out a Personal Loan



# SIGNS OF BETTER FINANCIAL BEHAVIOUR EMERGING





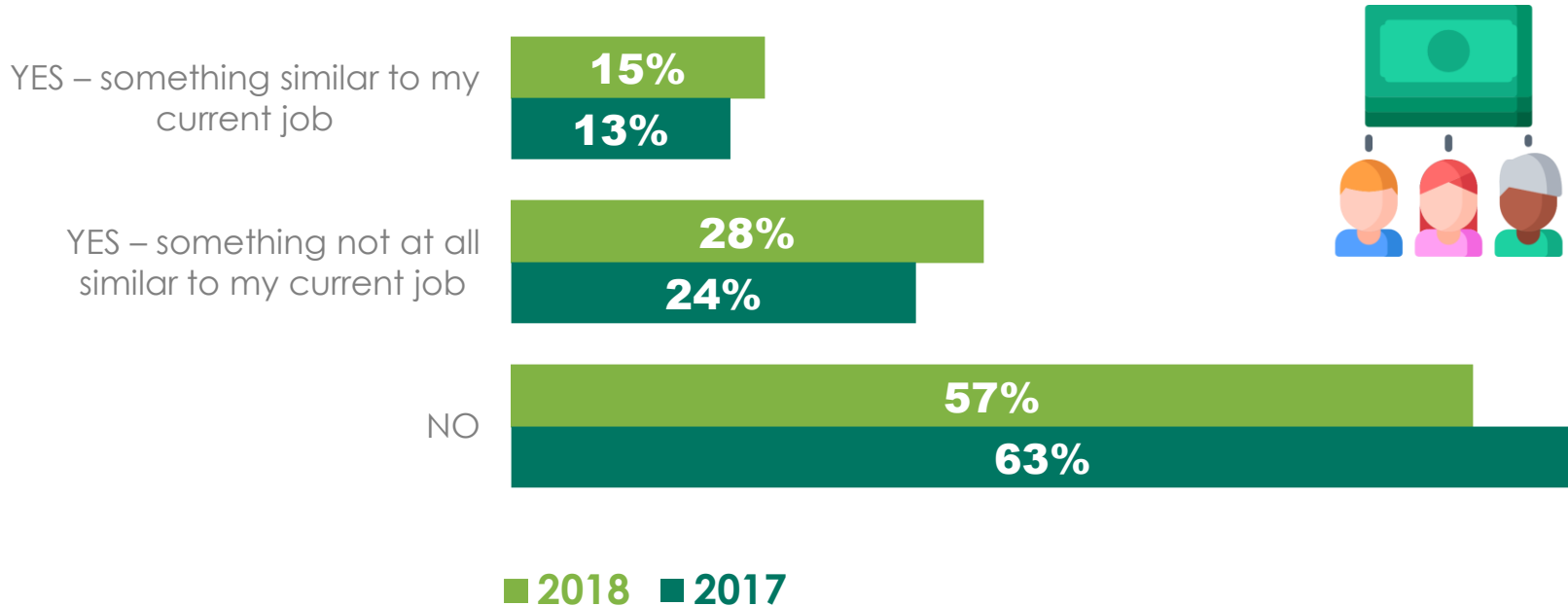
# “SLASHERS”

(EMPLOYED BUT WITH SIDELINE  
JOB/BUSINESS DISSIMILAR TO PRIMARY JOB)



# SLASHERS ARE ON THE INCREASE!

Currently earn additional income, over and above your normal job?





# RIFS





**R**

Recently

**I**

Independent

**F**

Financially

**S**

Strapped

# WHO ARE THE RIFS?

Average age: 29 years

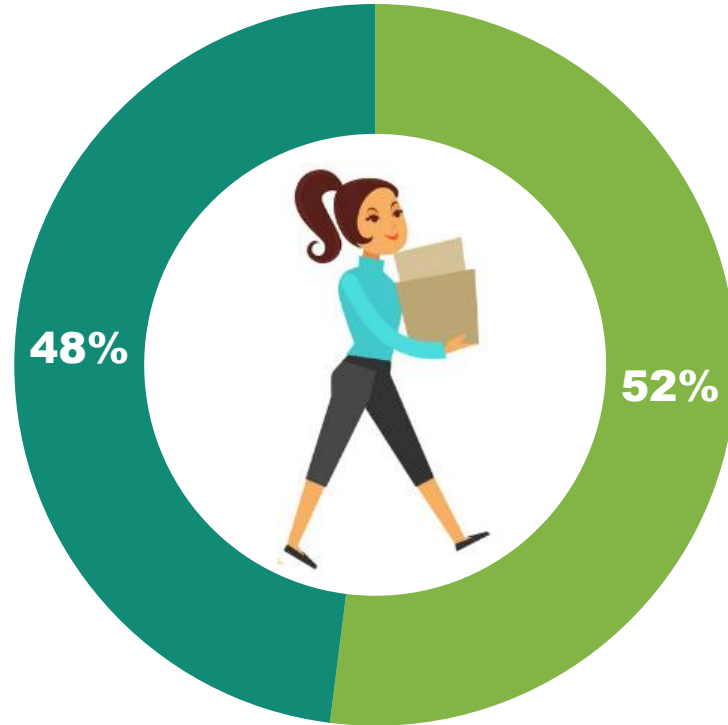
1 in 3 are Slashers

Average income per month: R19k

72% have some post matric qualification

1 in 5 live alone

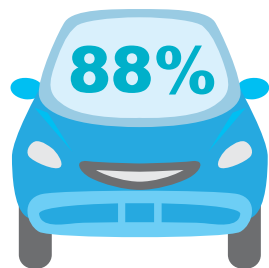
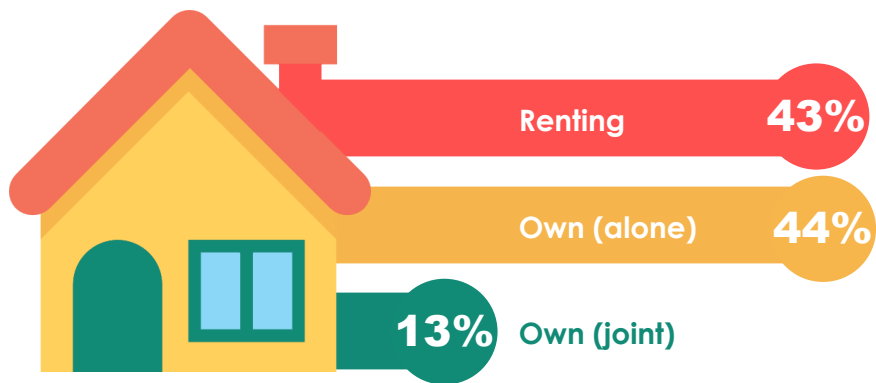
# APPROXIMATELY 1 IN 2 HAVE MOVED OUT OF HOME MORE THAN ONCE



- Have moved out of home once
- Have moved out more than once

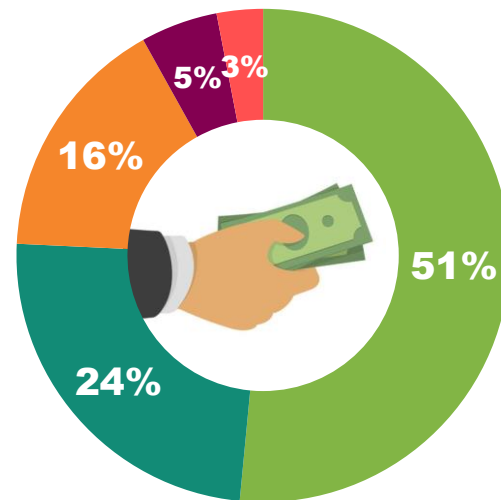


# THEIR PROPERTY AND VEHICLES



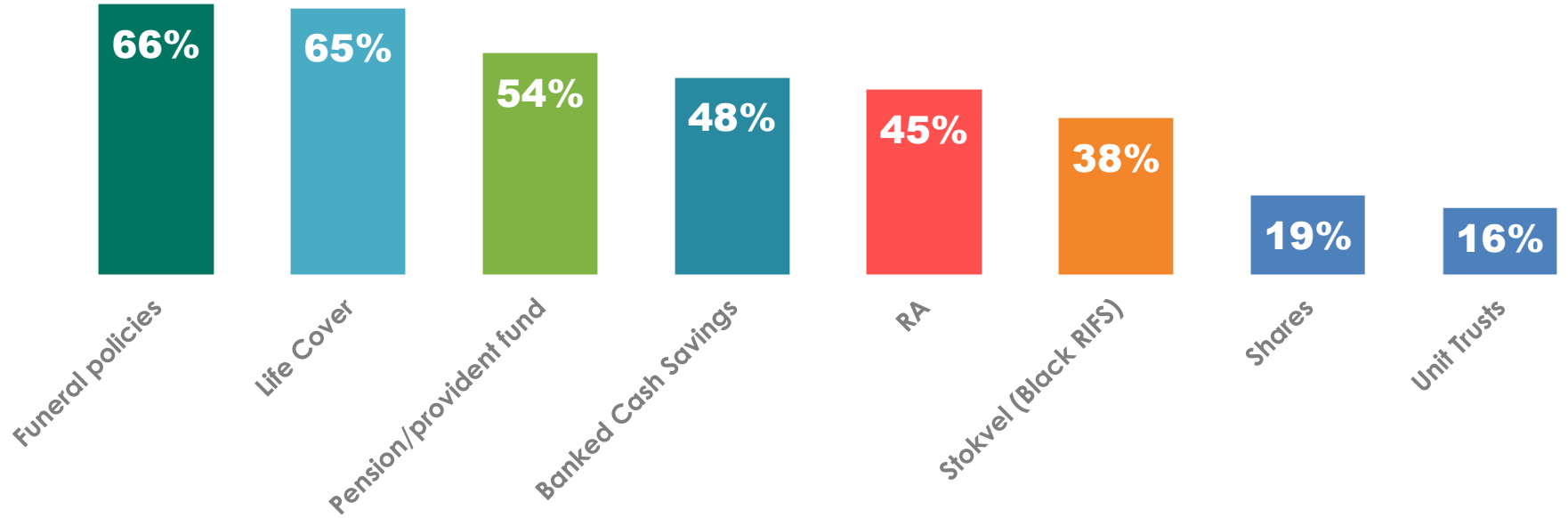
## Have a car

**69%** in own name  
**19%** in another name

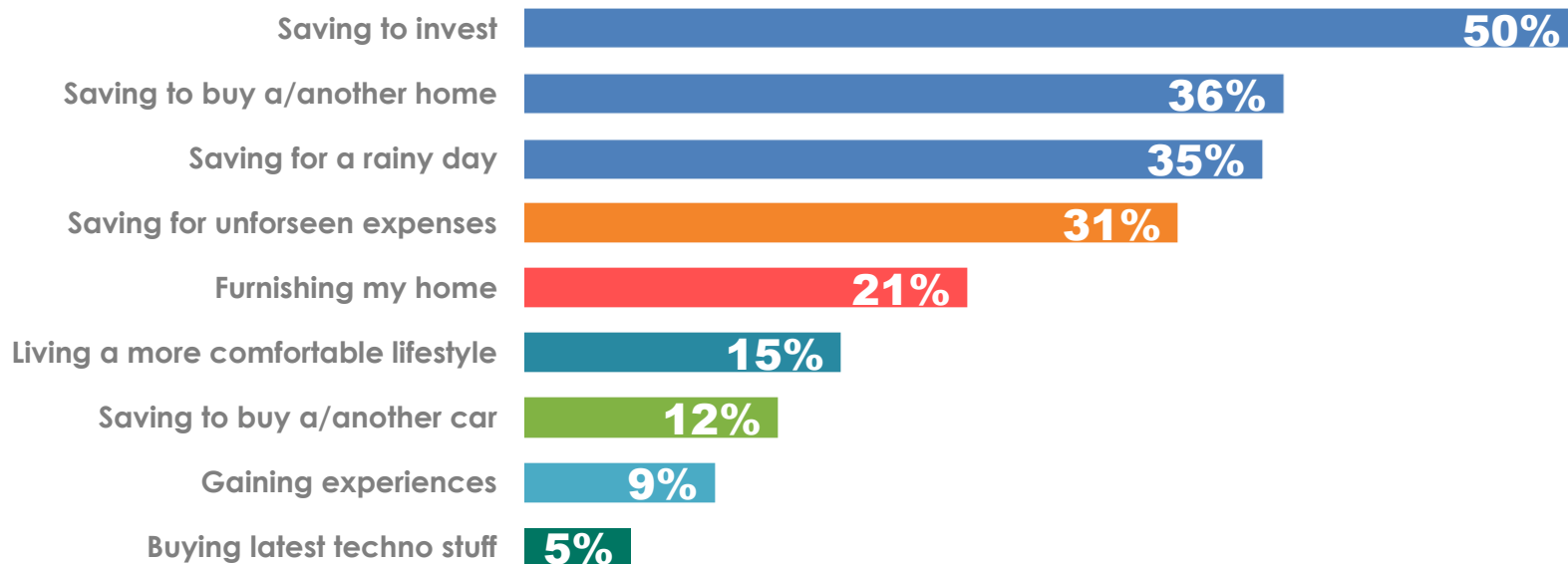


- Home Loan (with deposit from own savings)
- Home Loan (no deposit)
- Bought it cash
- Home Loan (with deposit from parents/others)
- Inherited property

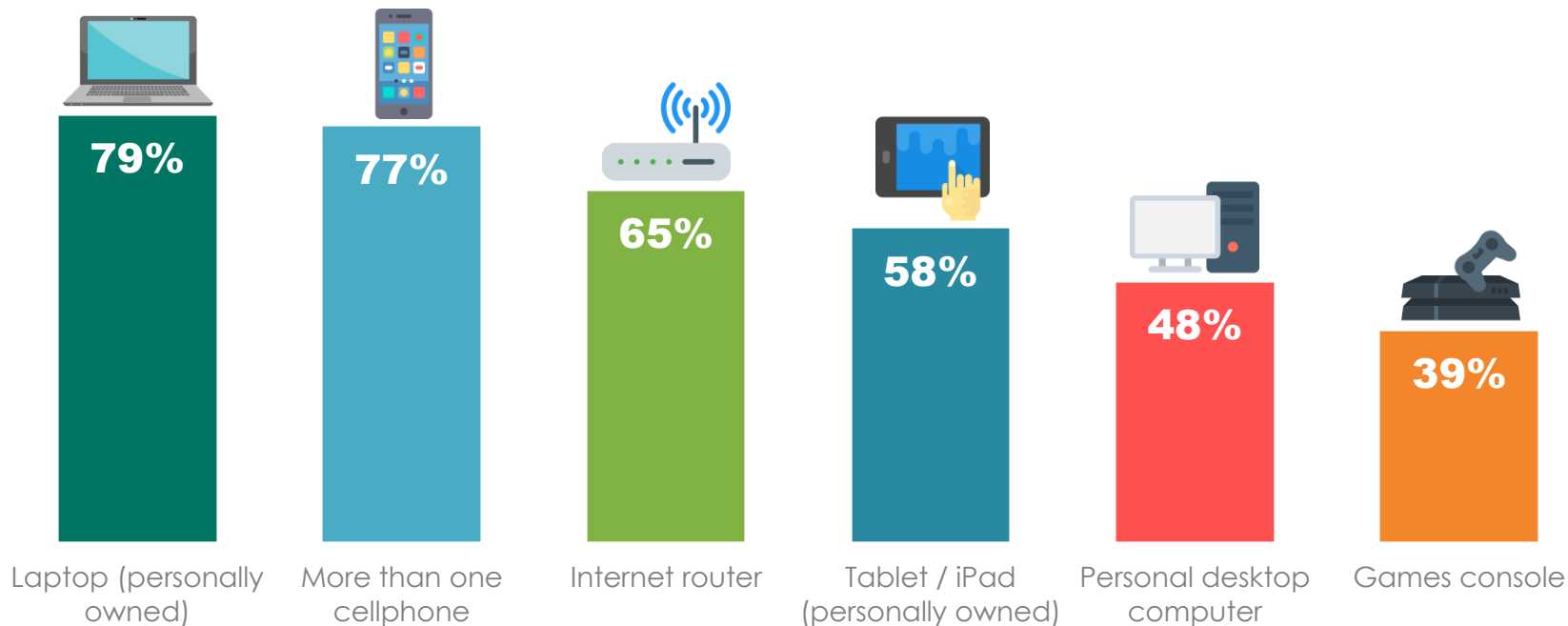
# SAVINGS AND INVESTMENT VEHICLES USED



# SAVING IS A PRIORITY

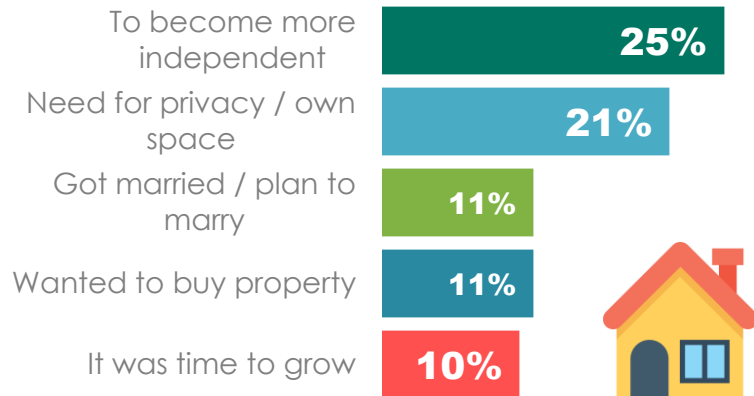


# THEIR TECHNO STUFF

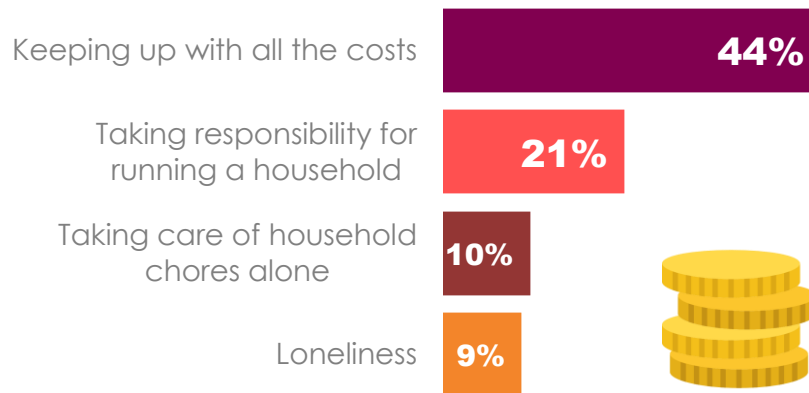


# IT'S ALL ABOUT INDEPENDENCE, BUT ....

## REASONS FOR MOVING OUT OF HOME



## BIGGEST CHALLENGES



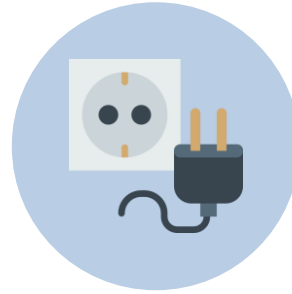
# TOP EXPENSES (excluding rent/home loan instalment)



Petrol /  
Transport  
**63%**



Groceries  
**62%**



Electricity  
**44%**

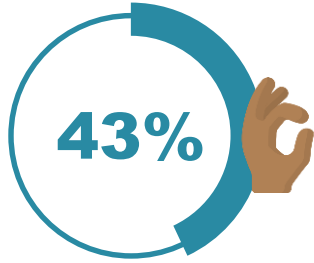


Medical  
**37%**

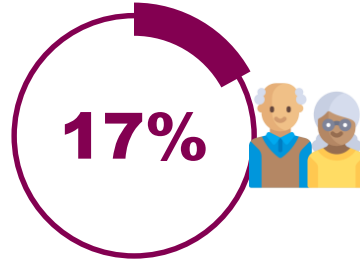


Car Insurance  
**27%**

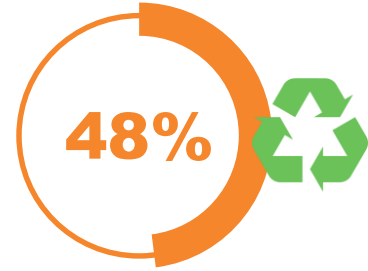
# RIFS



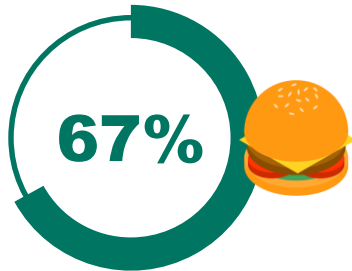
I feel financially stable



I depend on my parents financially



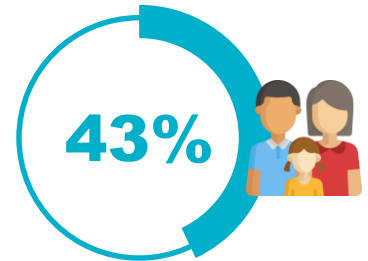
Moving out of home has made me recycle more



Moving out of home has made me more conscious of my eating habits

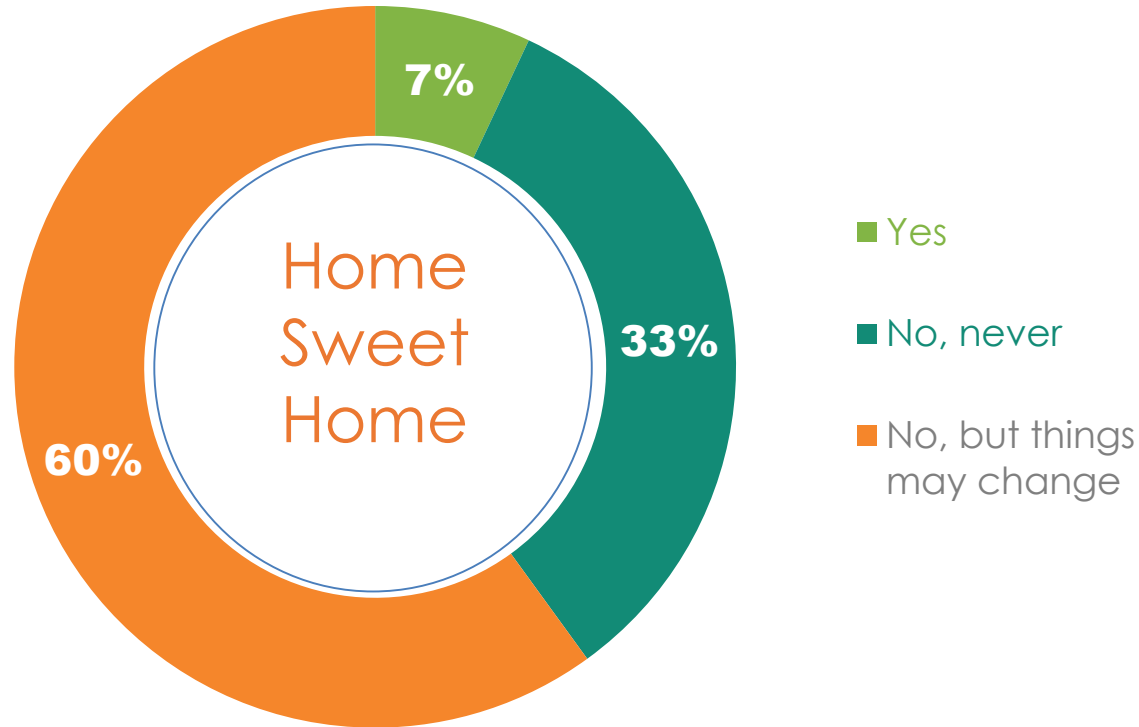


I actively save and invest my money



I had a financially secure upbringing

# “ARE YOU CONSIDERING MOVING BACK HOME?”





# THANK YOU

SAVINGS &  
INVESTMENT  
MONITOR



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