

SAVINGS &
INVESTMENT MONITOR



KNOW BETTER,
DO BETTER



OLD MUTUAL SAVINGS AND INVESTMENT REPORT

DO GREAT THINGS



OLDMUTUAL

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01. RECAP OF MAIN FINDINGS

FROM MEASURE 12 (JULY 2017)

2017 saw some improvement in a lot of working metro households – or certainly some perceived improvement. Satisfaction with financial situation and confidence in ability to make sound financial decisions both improved. The same applies to households' claimed ability to get by and their perceived levels of financial stress.

Whilst this resilience and determination to get on with it despite very trying conditions was encouraging, the fact remained that most households were under immense pressure.

Households (especially lower income households) continued to look to family and friends for financial assistance to get them out of a tight corner, but the pressure was felt everywhere. Paying back loans to family could happen no longer "as and when".

Whilst there were claimed improvements as regards ability to get by and stress levels, more objective measures (such as the ability to cope with an unforeseen expense of a defined monetary amount) indicated further depletion of reserves. Home loan repayment patterns were also affected with a decrease in the proportion of homeowners who were able to pay extra into their bond.

2017 saw an increase in the penetration of private RA's although 40% of metro working households still have no formal retirement provision at all. Life / disability cover also increased. Cash savings (be they banked or unbanked) were lower, in line with other indications of depleted reserves for emergencies. Stokvels too showed some decline both in terms of penetration and contribution rates.

Whilst the 2017 results to a large extent reflected the remarkable ability of households to re-calibrate, the reality was that the sharp loss of confidence in the South African economy that we saw in 2016, continued into 2017.

02. MAIN FINDINGS

FROM THIS MEASURE 13

It is important to see these 2018 results in context and to note the political changes that have no doubt affected the mood and outlook of the working consumer (even if any effect on their objective financial reality is still to be seen). February 2018 (some 2 months prior to the SIM fieldwork) saw the resignation of President Jacob Zuma and the appointment of Cyril Ramaphosa. For most, this brought waves of relief and real optimism that change was afoot.

This is not to say that all is rosy. Evidence of corporate greed and corruption abounded. Large seemingly reputable companies were under the spotlight and the fallout affected many investors.

The food industry was rocked by the world's largest listeria outbreak which caused many fatalities.

All was not lost though, Harry and Meghan showed the world what an African preacher and choir can do to shake the establishment up a bit.

Looking at these 2018 results, the improving trend on claimed levels of financial stress, having to forgo pleasure spending and ability to get by, continues in this measure.

For those that feel very financially stressed, the link to debt servicing is even stronger in 2018. That said, these results indicate that households are getting a better handle on their debt and have managed to pay down to more manageable levels.

Other encouraging results include a significant improvement in the percentage of households who are managing to make it through to month end without having to borrow from friends or dip into savings (this is no doubt due to better planning and 2018 sees an increase in budget making). That said, 41% of households (and 73% of <R6 000 households) still run out at least once a year.

When funds run short we see a decrease in the percentage of households that simply skip payments or pay bills late as a coping mechanism. This greater focus on the importance of debt management is encouraging.

Belt tightening is everywhere and whilst the results indicate reduced 'cutting out' in some categories, we suggest that this is because people have already cut back as much as they can rather than being an indication of things easing up. The trend of trading down to cheaper brands has strengthened further.

Attitudinally, consumers are increasingly cautious with their finances and this is 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 shows that many are tempted by what looks like an easy and quick option).

Whilst consumers are saving less and financial satisfaction is lower, improved confidence in the South African economy is encouraging.

03. SAMPLING

AND METHODOLOGY

The Old Mutual Savings and Investment Monitor is an annual study having initially been conducted twice a year. The inaugural measure was taken in 2009 and this July 2018 measure is the 13th 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.

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. Consideration has been given to using an alternative weighting method post the demise of AMPS – unfortunately none of the possible alternatives have a Metro marker, so for this 2018 measure we have 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).

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.

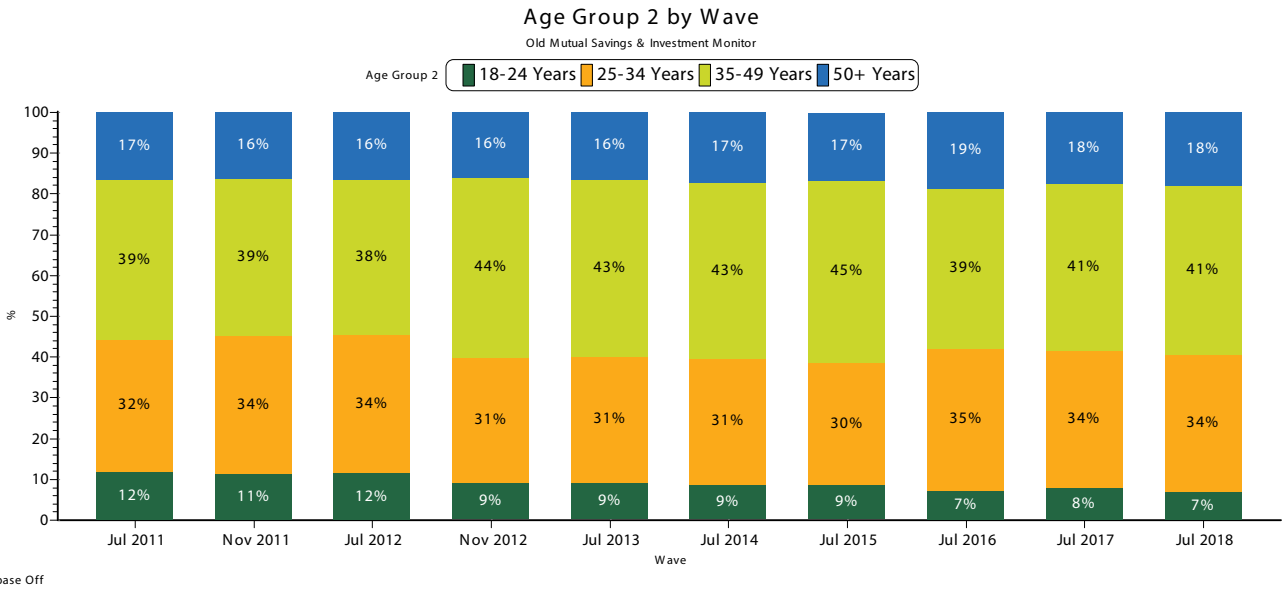
Amongst singles, whilst personal and household income are one and the same thing amongst working singles living alone, for young singles still living with their parents the position is different. To ask these respondents about savings in the household context would be misleading. Given these complexities, 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

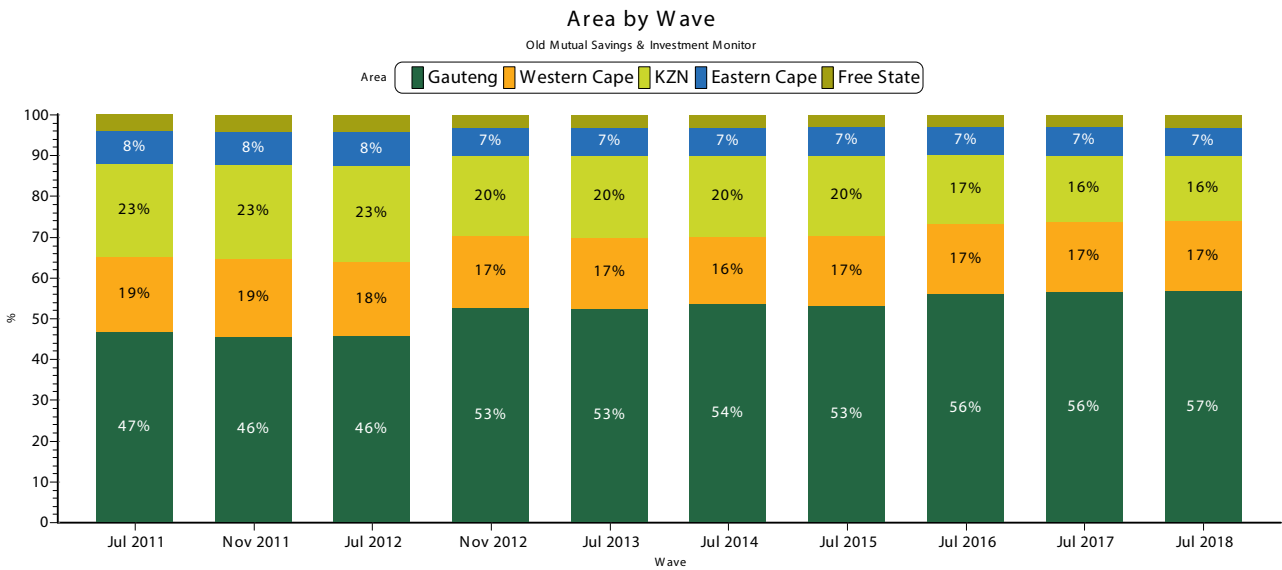
DEMOGRAPHICS

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 according to the following generational groups:

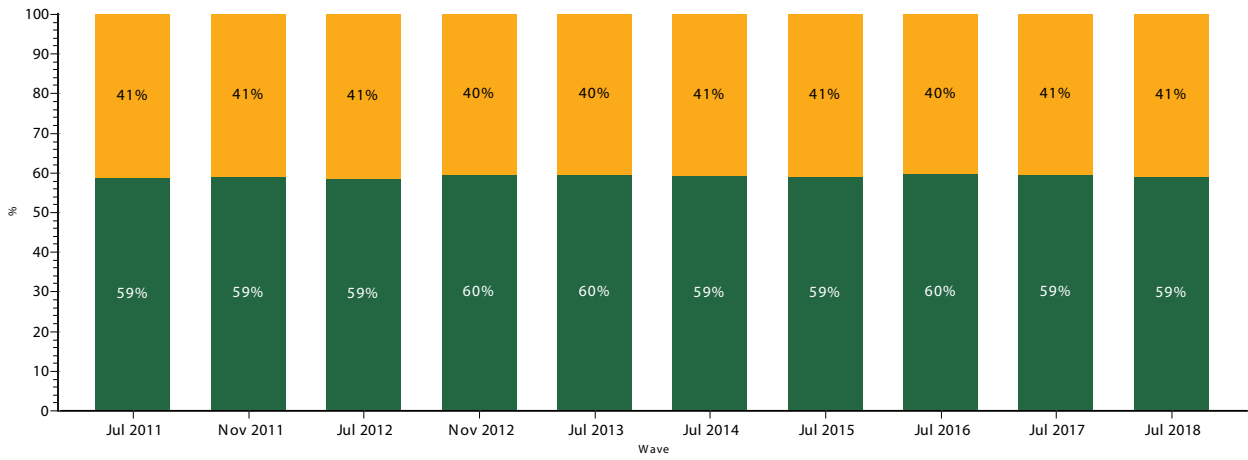
- Gen Z (small sample, qualitative interest n=13 in 2015 and 2016, n=26 in 2017, more robust sample in 2018 (n=52)) (these are consumers born in 1995 and later)
- Gen Y
- Gen X
- Baby Boomers



Gender by Wave

Old Mutual Savings & Investment Monitor

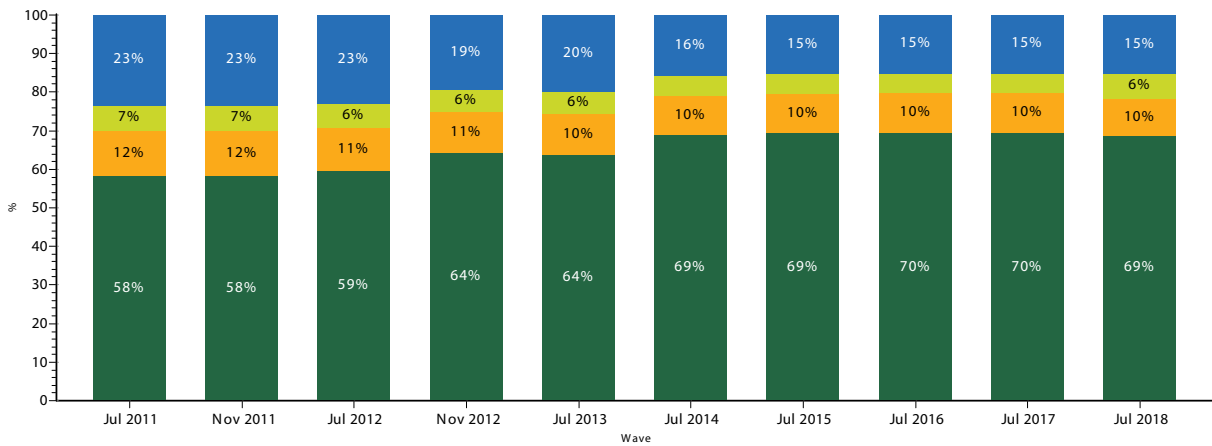
Gender ■ Male ■ Female



Race by Wave

Old Mutual Savings & Investment Monitor

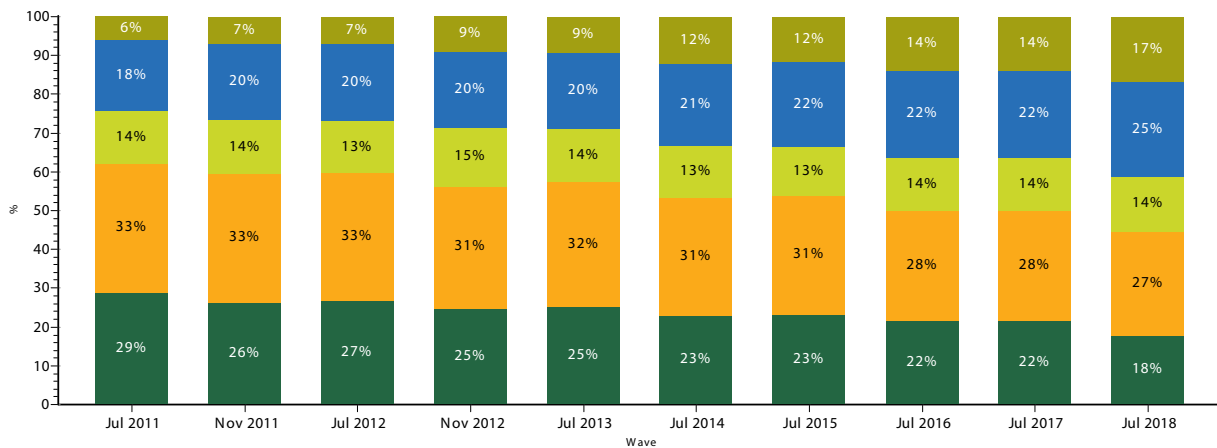
Race ■ Black ■ Coloured ■ Indian/Asian ■ White



Monthly Household Income Group 2 by Wave

Old Mutual Savings & Investment Monitor

Monthly Household Income Group 2 ■ Less Than R6 000 ■ R 6 000 To R 13 999 ■ R 14 000 To R 19 999 ■ R 20 000 To R 39 999 ■ R 40 000 Or More



PERSONAL INCOME IS RECORDED (BUT OF COURSE IS INFLUENCED BY THE QUOTA ON HOUSEHOLD INCOME)

Personal Income	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R1 000	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
R1 000 to R2 999	13%	15%	16%	14%	10%	7%	6%	4%	6%	4%
R3 000 to R5 999	31%	29%	27%	29%	32%	33%	35%	29%	31%	28%
R6 000 to R11 999	26%	26%	27%	27%	28%	23%	25%	27%	22%	22%
R12 000 to R13 999	8%	8%	7%	8%	8%	8%	8%	8%	9%	10%
R14 000 to R15 999	7%	7%	7%	6%	6%	8%	6%	8%	7%	8%
R16 000 to R19 999	4%	5%	5%	5%	4%	7%	6%	6%	7%	7%
R20 000 to R29 999	7%	6%	7%	8%	9%	7%	10%	13%	11%	11%
R30 000 to R39 999	1%	2%	2%	2%	2%	3%	3%	2%	4%	4%
R40 000 or more	1%	2%	1%	2%	2%	4%	2%	2%	4%	6%

* The shift to AMPS 2010 weights was introduced on a staggered basis over two 2011 measures.

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.

EDUCATION LEVEL

Education	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Some primary school	1%	0%	0%	1%	0%	0%	0%	0%	1%	0%
Finished primary school	2%	1%	2%	1%	1%	1%	1%	1%	0%	1%
Some high school	19%	18%	19%	22%	17%	17%	17%	15%	13%	16%
Matric	46%	48%	44%	44%	45%	46%	45%	42%	40%	47%
College	12%	12%	13%	11%	14%	12%	12%	17%	18%	15%
Technical college	12%	13%	15%	13%	13%	13%	16%	13%	17%	12%
University degree	6%	6%	6%	8%	8%	7%	7%	10%	9%	8%
Post graduate degree	3%	1%	1%	1%	1%	3%	1%	2%	2%	1%

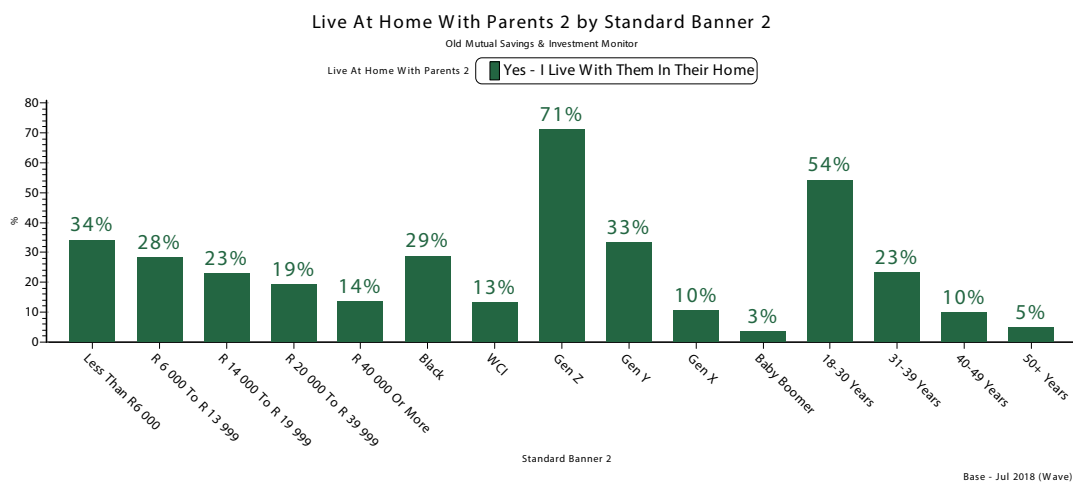
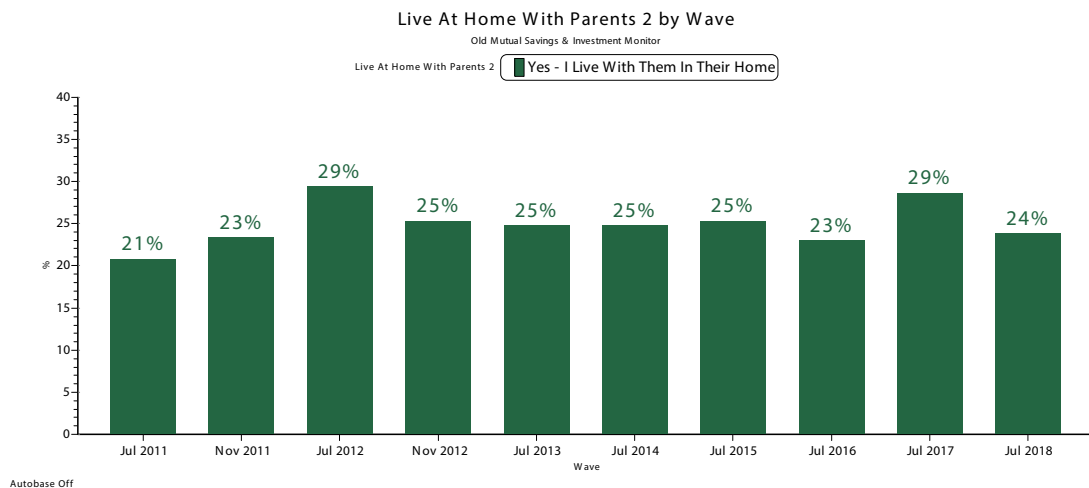
04. HOUSEHOLD

COMPOSITION, DEPENDENTS, SANDWICH GENERATION 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.

24% still live at home with their parents, and not unexpectedly this continues to correlate with both age and income.



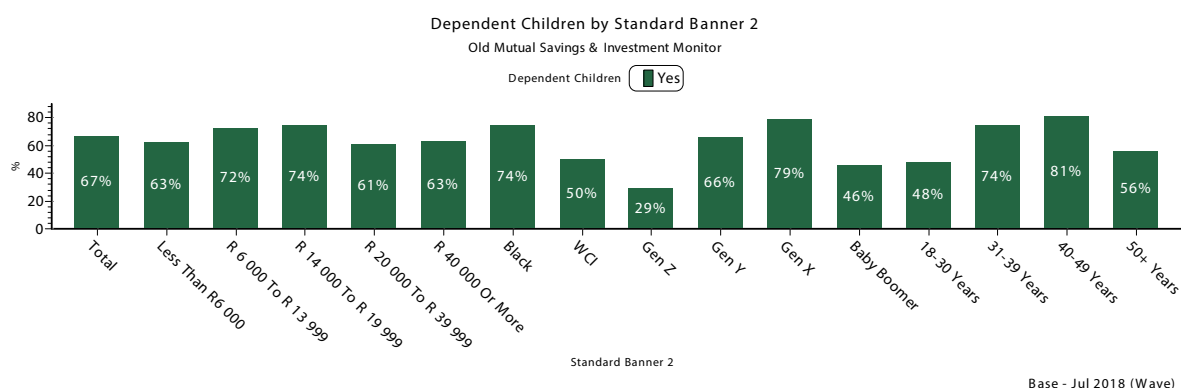
Of those that still live at home, the vast majority (87%) have always lived there but some (15%) have moved out and then moved back, otherwise known as the 'boomerang generation'. At a total sample level they only account for 4% of working metro dwellers.

Ever moved out of parents home	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Always lived at home with your parents	87%	85%	85%	85%	81%	82%	82%	82%	84%	85%
Moved out, but now moved back in your parents	13%	13%	15%	15%	17%	17%	16%	18%	16%	15%

DEPENDENT CHILDREN

Incidence of dependent children is stable at 67% - this is largely a reflection of lifestage and that would in turn have been influenced by the board quota controls imposed on age.

Dependent Children	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Yes	63%	62%	65%	62%	64%	68%	67%	70%	69%	67%
No	37%	38%	35%	38%	36%	32%	33%	30%	31%	33%



Incidence continues to be highest in Black households and those in their 30's and 40's.

AGE GROUP & NUMBER OF DEPENDENT CHILDREN

Data below based on those households that do have dependent children (as against total sample) shows an elevated % of children younger than 12 in this 2018 measure.

Age groups of children	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Younger than 12 years	70%	73%	75%	77%	73%	76%	77%	74%	76%	83%
Older than 12 years	53%	52%	53%	51%	53%	53%	53%	54%	49%	48%

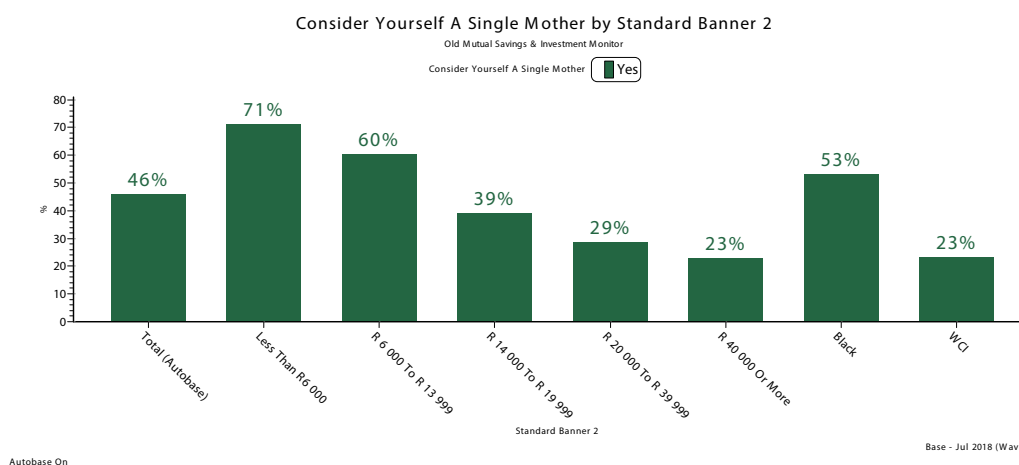
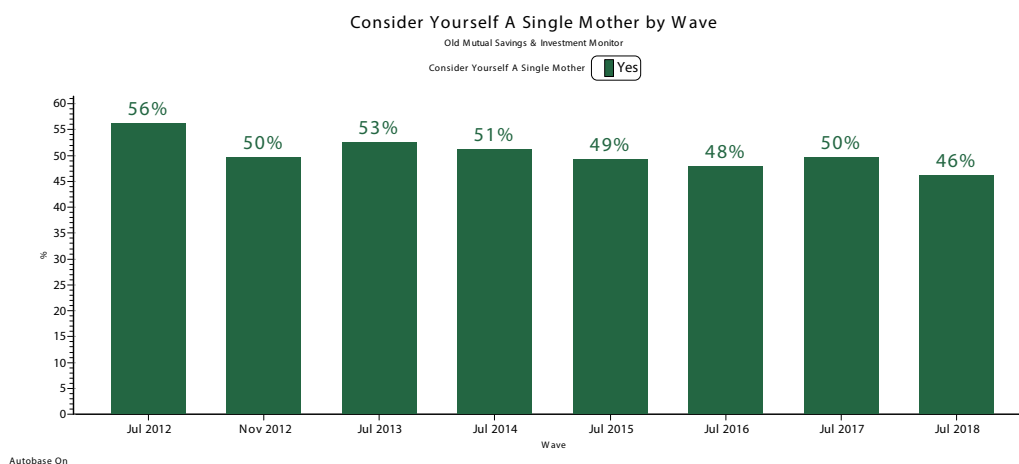
NUMBER OF DEPENDENT CHILDREN

Data below based on those households that do have dependent children (as against total sample).

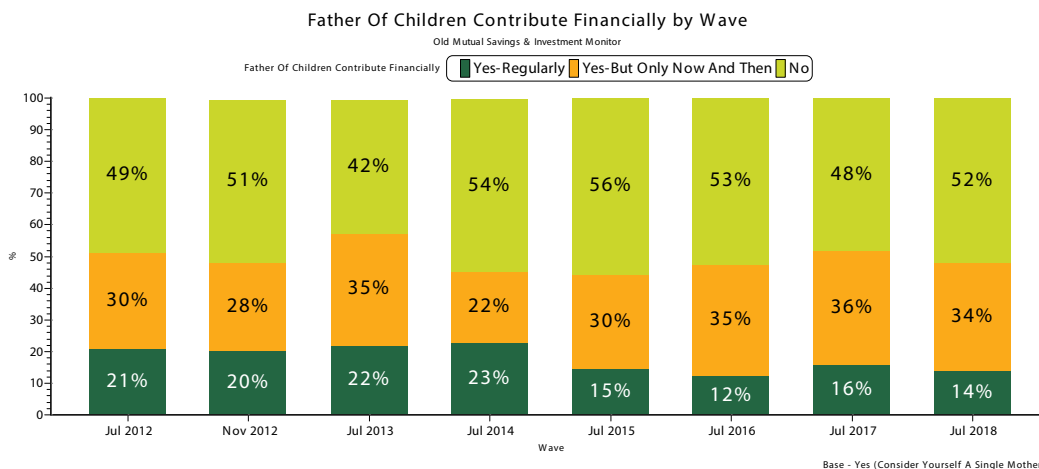
Total number of children	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
1	37%	39%	41%	38%	39%	40%	36%	37%	34%	38%
2	38%	40%	38%	40%	39%	40%	41%	40%	42%	42%
3	18%	14%	15%	15%	17%	14%	17%	15%	17%	15%
4	4%	5%	4%	5%	4%	5%	5%	6%	4%	4%
5	1%	2%	1%	2%	1%	1%	1%	1%	2%	1%
6	1%	1%	0%	0%	0%	0%	1%	0%	1%	0%
More Than 6	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%

SINGLE MOTHERHOOD AND FINANCIAL SUPPORT BY FATHERS

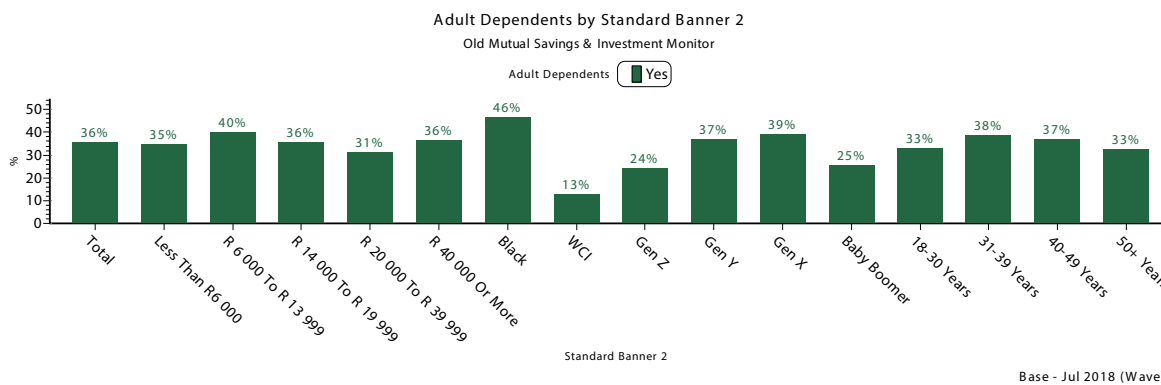
In July 2012 a series of questions were added to establish the incidence of single mothers and financial support by fathers. Although down marginally, these July 2018 results continue to emphasise the high incidence of single mothers, with 46% of mothers considering themselves single mothers. Once again we see the strong inverse correlation with income i.e. the poorer the household, the higher the incidence of 'single motherhood'.



In terms of paternal support, the slight improvement seen in 2017 has by and large been given up and only 14% of those who consider themselves single mothers receive regular support from the father of the child/children.



Other dependents	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Yes	29%	24%	31%	30%	30%	31%	33%	38%	36%	36%
No	71%	76%	69%	70%	70%	69%	67%	62%	64%	64%



In terms of who these other dependents are, this continues to be dominated by parents (albeit at lower levels) with 1 in 5 metro working South Africans supporting one or more parents), 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
Mother/father/parents	20%	20%	23%	26%	26%	21%
Brother/sister/sibling	5%	10%	12%	13%	11%	13%
Niece/nephew	1%	2%	2%	2%	2%	5%
Grandparents or great grandparents	1%	2%	2%	2%	2%	2%
Other related family	2%	1%	1%	2%	2%	2%
Aunt/uncle	0%	0%	1%	1%	1%	1%
Other dependent children (not own)	0%	0%	0%	0%	0%	1%
Cousins	0%	0%	1%	1%	1%	0%
Other (Not Related)	1%	0%	0%	1%	0%	0%

In 2018 we added a question to better understand the “dependency web”. Respondents were asked who else they assist financially, even if that person or persons are not dependent on them as such. Once these “lower level” dependents are added into the mix, some 39% of working metro support others (other than own children or spouse).

July 2018	Financially dependent	Also assist financially	Dependent or assisted
Mother/father/parents	21%	2%	21%
Brother/sister/sibling	13%	2%	15%
Niece/nephew	5%	1%	6%
Grandparents or great grandparents	2%	-	2%
Other related family	2%	1%	3%
Aunt/uncle	1%	-	1%
Other dependent children (not own)	1%	-	1%
Cousins	0%	<1%	1%
Other (not related)	0%	<1%	1%
Total (any)	36%	7%	39%

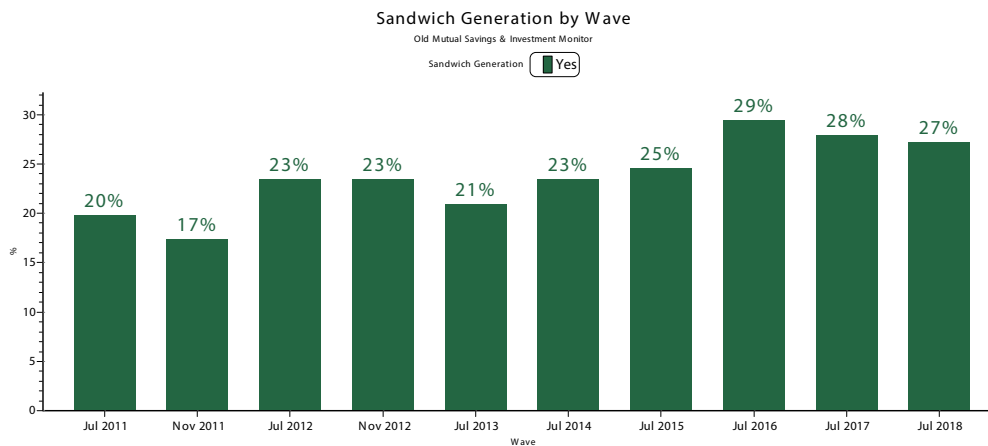
As to the form that this support takes, it tends to be regular in nature rather than ad hoc. As would be expected, the closer the familial relationship the more regular the support. More distant relatives e.g. cousins or non-family dependents are more likely to receive ad hoc support. In terms of what the money is used for, this is dominated by daily needs (food and groceries) and education related expenses (for younger dependents) as well as medical expenses (for older parents and grandparents). Funeral expenses are another prevalent item.

	Regular vs. Ad hoc support (duplication occurs)		Funds used for					
	Regular	Ad hoc	Food & groceries	Rent & utilities	Education related	Medical expenses	Funeral expenses	Paying off debt
Mother/father/parents	82%	16%	94%	20%	-	35%	32%	4%
Brother/sister/sibling	71%	29%	87%	9%	26%	12%	21%	3%
Niece/nephew	81%	19%	85%	6%	61%	23%	33%	2%
Grandparents/great grandparents	75%	25%	93%	-	-	32%	32%	-
Other related family	49%	51%	86%	17%	31%	3%	8%	16%
Aunt/uncle*	68%	32%	88%	15%	-	19%	27%	6%
Other dependent* children (not own)	89%	11%	86%	-	80%	28%	37%	-
Cousins*	35%	65%	65%	10%	10%	-	-	-

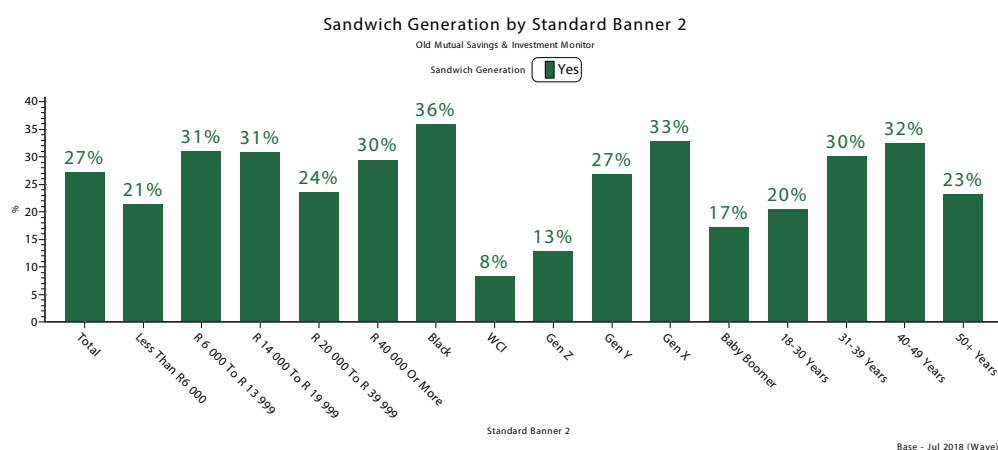
(*) Caution small base

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. It accounts for just under a third of the sample.



The proportionally higher incidence amongst Black households is again worth noting.



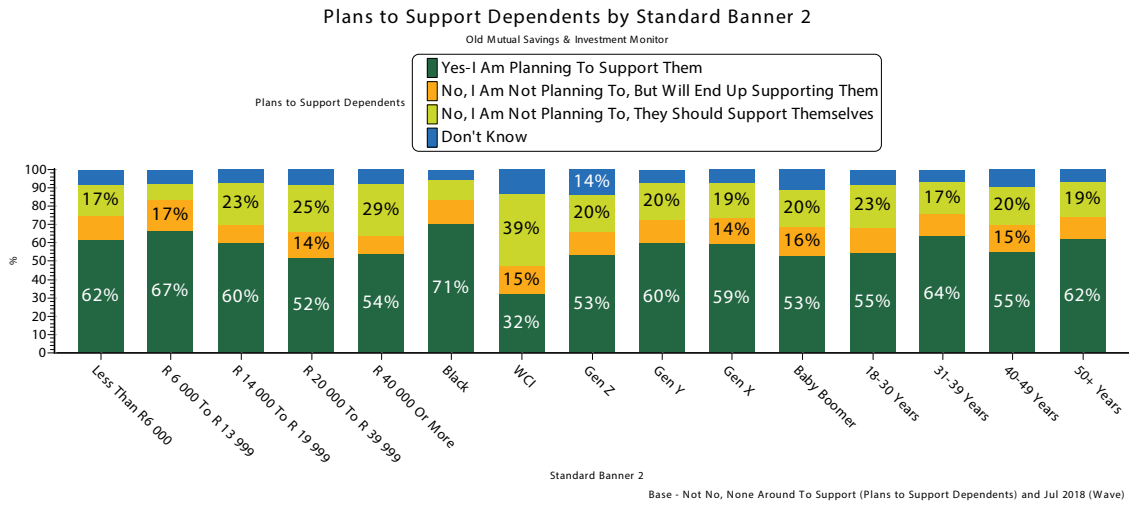
EXPECTATIONS AS REGARDS SUPPORTING (OR BEING SUPPORTED BY) FAMILY MEMBERS

Support parent/family members in future	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Yes, I am planning to support them	39%	36%	40%	37%	37%	35%	42%	47%	46%	45%
No, I am not planning to, but will end up supporting them	11%	14%	12%	13%	15%	11%	10%	11%	10%	10%
No, I am not planning to, they should support themselves	24%	22%	24%	19%	19%	20%	20%	20%	18%	15%
No, none around to support	23%	23%	20%	26%	22%	26%	24%	19%	21%	24%
Don't know	4%	5%	4%	6%	7%	7%	4%	3%	6%	6%

Re-Based to exclude those who have "none around to support", 72% foresee that they will have to support older family members (either on a planned basis (59%) or conceding that they will probably end up having to (13%)).

Support parent/family members in future	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Yes, I am planning to support them	50%	46%	50%	50%	48%	48%	55%	58%	58%	59%
No, I am not planning to, but will end up supporting them	14%	18%	15%	17%	19%	15%	13%	14%	12%	13%
No, I am not planning to, they should support themselves	30%	29%	30%	25%	24%	27%	26%	25%	23%	20%
Don't know	5%	6%	5%	7%	9%	10%	5%	3%	7%	8%

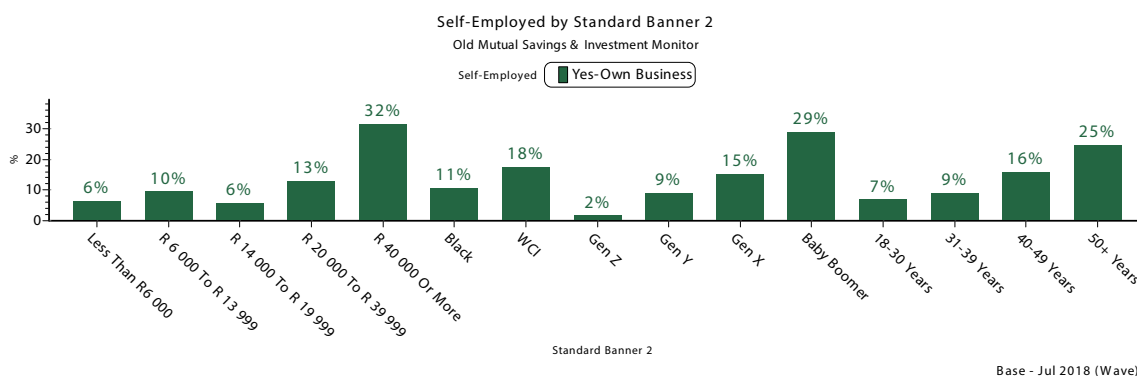
This expectation continues to be highest amongst Black households.



05. SELF EMPLOYMENT

The drop in self-employment levels seen in 2017 has corrected in this measure, and currently stands at 13%.

Self-employed	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Yes - Own business	10%	15%	13%	15%	12%	12%	12%	12%	8%	13%
No - Employed by somebody else	90%	85%	87%	85%	88%	88%	88%	88%	92%	87%

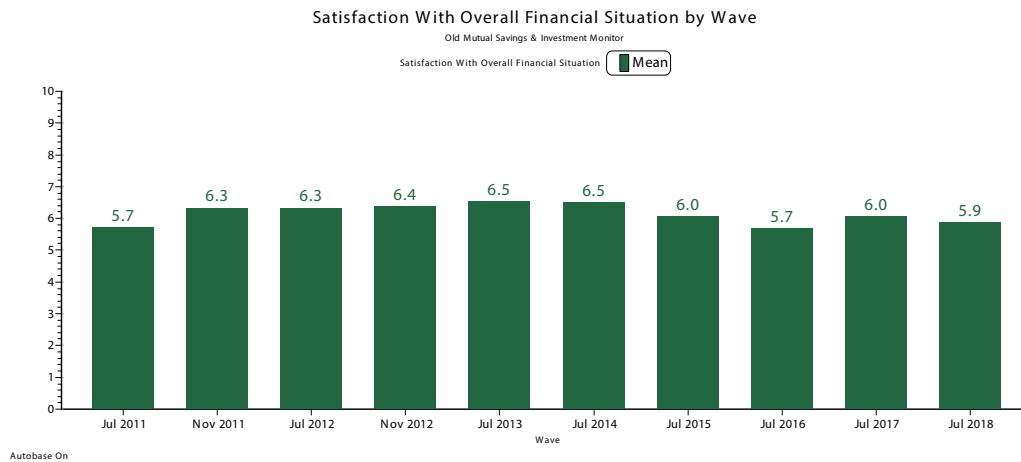


06. PERCEPTIONS

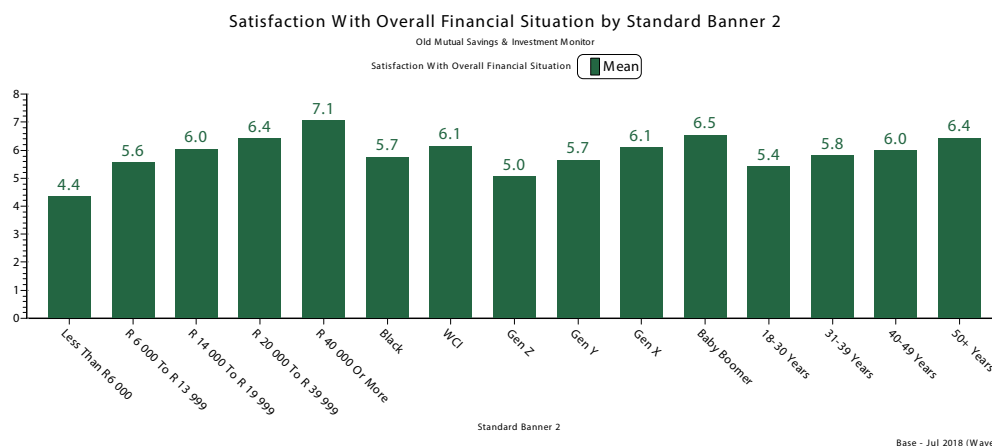
OF CURRENT FINANCIAL POSITION

6.1 SATISFACTION WITH CURRENT FINANCIAL SITUATION

Satisfaction with current financial situation is down marginally but still better than the low recorded in 2016. At 5.9 out of 10 remains a poor rating.



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

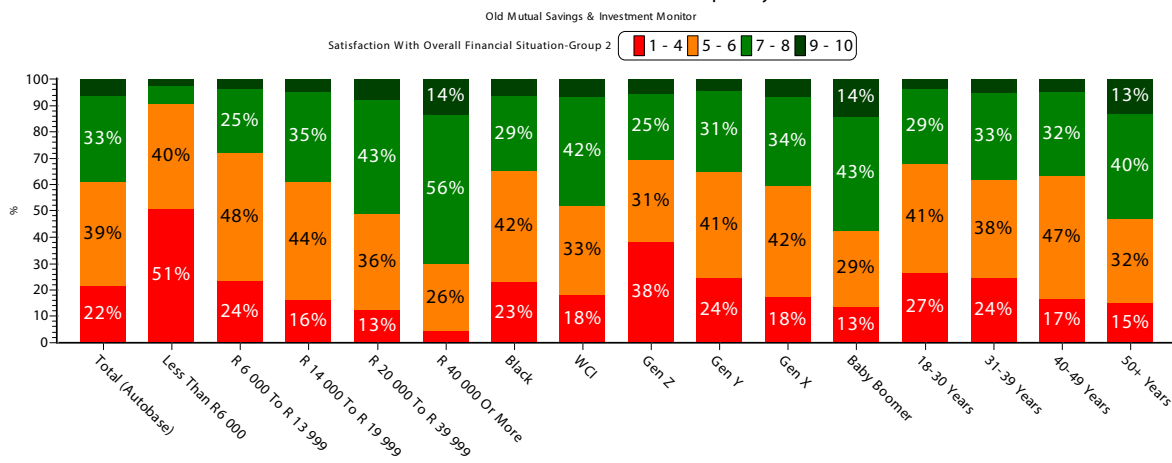


At a mean score level the drop in satisfaction levels is evident across all income groups and ages but is most marked in Gen X.

Satisfaction with overall financial situation	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000	5.9	5.5	4.9	4.6	4.6	4.4
R6 000 to R13 999	6.4	6.3	5.8	5.3	5.8	5.6
R14 000 to R19 999	6.6	6.7	6.3	6	6.3	6
R20 000 to R39 999	7.2	7.1	6.7	6.3	6.7	6.4
R40 000 or more	7.4	7.5	7.3	6.9	7.2	7.1
Black	6.7	6.5	6	5.6	5.8	5.7
WCI	6.2	6.5	6.1	5.8	6.5	6.1
Gen Z	-	-	6.1	5.6	5.2	5
Gen Y	6.5	6.4	5.9	5.6	5.8	5.7
Gen X	6.6	6.5	6.1	5.8	6.4	6.1
Baby Boomer	6.6	6.6	6.3	5.8	6.3	6.5
18-30 Years	6.3	6.4	5.7	5.5	5.6	5.4
31-39 Years	6.5	6.5	6.1	5.6	5.9	5.8
40-49 Years	6.7	6.5	6.1	5.8	6.4	6
50+ Years	6.6	6.6	6.4	5.9	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, where 51% are highly dissatisfied.

Satisfaction With Overall Financial Situation-Group 2 by Standard Banner 2



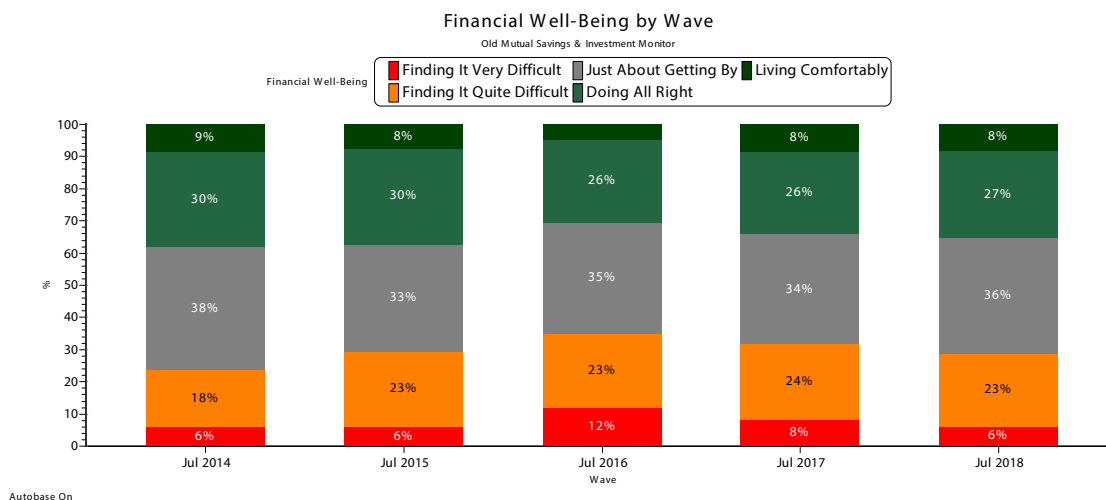
Autobase On

Standard Banner 2

Base - Jul 2018 (Wave)

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 there is a very gradually improving trend.



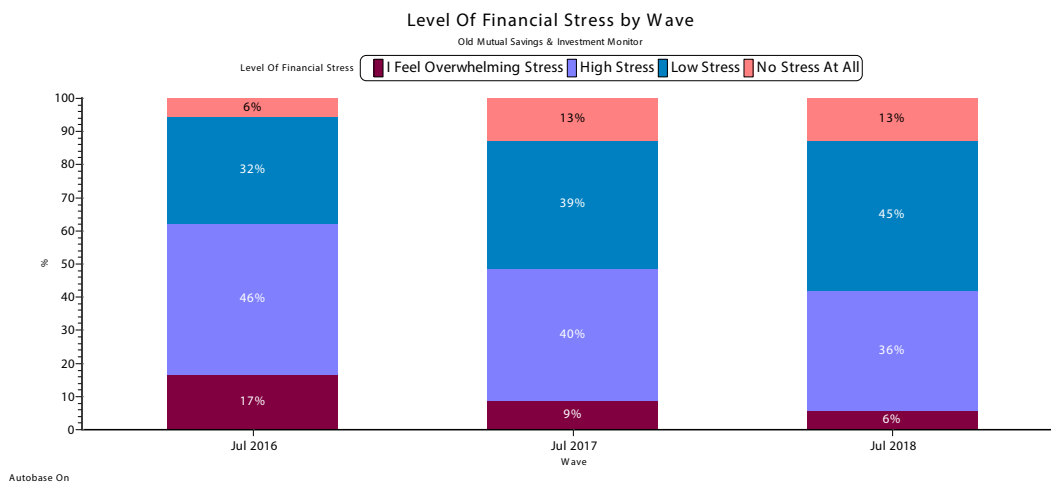
As before it is lower income households who are struggling the most.

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

Financial wellbeing	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
R20 000 to R39 999					
Finding it very difficult	1%	1%	4%	3%	2%
Finding it quite difficult	7%	16%	16%	12%	14%
Just about getting by	37%	28%	36%	36%	36%
Doing all right	42%	47%	38%	37%	38%
Living comfortably	14%	9%	6%	12%	10%
R40 000 or more					
Finding it very difficult	2%	0%	3%	1%	0%
Finding it quite difficult	4%	4%	6%	4%	6%
Just about getting by	23%	15%	29%	28%	27%
Doing all right	43%	52%	46%	42%	41%
Living comfortably	29%	28%	16%	26%	26%

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 has been a marginal improvement over the year.



Whilst stress levels continue to be highest in low income households, the improvement in stress levels over the last year is evident across all income levels, although most marked improvement is at R40 000+.

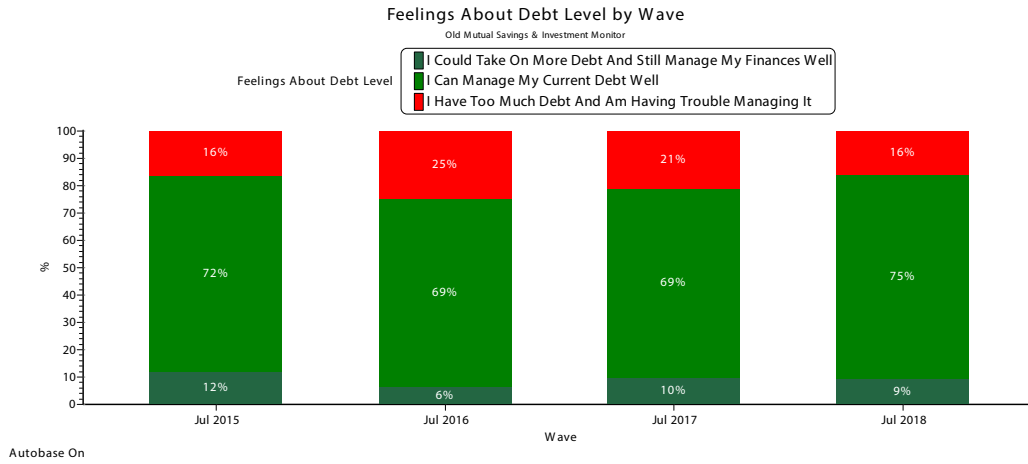
Level of financial stress	Jul-16	Jul-17	Jul-18
Less than R6 000			
I feel overwhelming stress	31%	22%	17%
High stress	49%	54%	54%
Low stress	20%	19%	25%
No stress at all	0%	5%	4%
R6 000 to R13 999			
I feel overwhelming stress	18%	8%	5%
High stress	47%	47%	43%
Low stress	30%	37%	44%
No stress at all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

Debt levels and financial stress continue to be closely linked and the link is even stronger in 2018, with 67% (vs. 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 only 3% of those who describe their stress levels as low).

Feelings about debt level 2018	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	9%	1%	3%	11%	23%
I can manage my current debt well	75%	32%	67%	87%	77%
I have too much debt and am having trouble managing it	16%	67%	30%	2%	1%

6.4 PERCEPTIONS OF CURRENT DEBT LEVEL & APPETITE FOR FURTHER DEBT

Consumers' perceptions of their ability to manage their debt has improved steadily since 2016 and is now back to the levels seen in 2015.



Low income households are having the most trouble managing their debt, but their position has shown a marked improvement over the last year (at least in terms of how they feel about their debt).

Feelings about debt level	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000				
I could take on more debt and still manage my finances well	1%	1%	5%	5%
I can manage my current debt well	76%	67%	53%	70%
I have too much debt and am having trouble managing it	23%	31%	40%	24%
R6 000 to R13 999				
I could take on more debt and still manage my finances well	10%	5%	7%	7%
I can manage my current debt well	71%	68%	72%	76%
I have too much debt and am having trouble managing it	17%	27%	21%	18%
R14 000 to R19 999				
I could take on more debt and still manage my finances well	8%	5%	12%	7%
I can manage my current debt well	74%	66%	71%	78%
I have too much debt and am having trouble managing it	17%	29%	17%	15%
R20 000 to R39 999				
I could take on more debt and still manage my finances well	17%	11%	10%	10%
I can manage my current debt well	68%	68%	76%	75%
I have too much debt and am having trouble managing it	14%	21%	15%	15%

Feelings about debt level	Jul-15	Jul-16	Jul-17	Jul-18
R40 000 or more				
I could take on more debt and still manage my finances well	26%	13%	21%	18%
I can manage my current debt well	68%	76%	72%	76%
I have too much debt and am having trouble managing it	5%	11%	6%	6%

As regards trends, households are bailing earlier, probably due to depleted savings levels

6.5 HAVING TO FOREGO “PLEASURE SPENDING”

The following question was put to respondents:

“HOW OFTEN DOES THIS HAPPEN TO YOU – YOU WANT TO GO OUT TO EAT, OR TO A SOCIAL EVENT, OR TO DO SOMETHING ELSE AND DON’T GO BECAUSE YOU CAN’T AFFORD TO?”

30% of working metro dwellers claim that they have to forego “pleasure spending” either all the time or a lot of the time – this shows a steady improving trend since 2016 where just under half claimed this was the case. Whilst the correlation with income remains strong, the improvement is seen across all income levels.

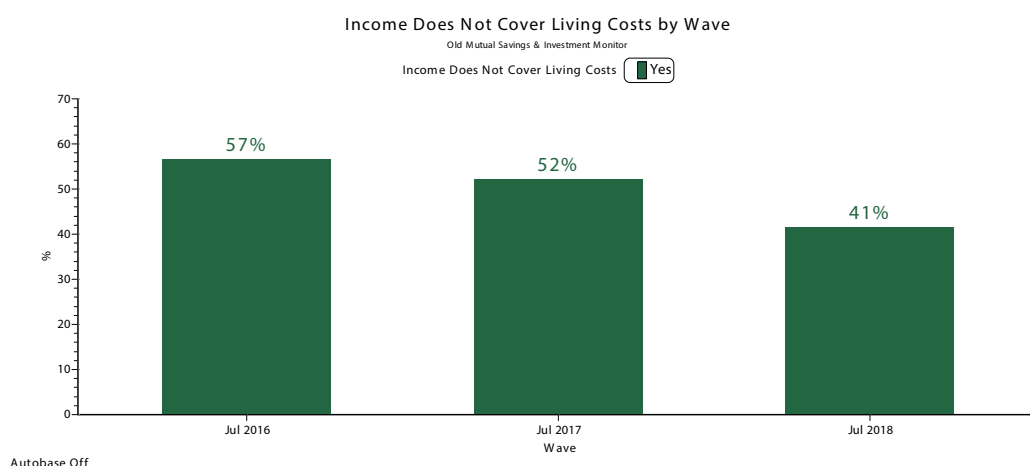
Frequency stay home due to financial restraints	Jul-16	Jul-17	Jul-18
All the time	19%	11%	5%
A lot of the time/very often	30%	25%	25%
Sometimes	36%	42%	37%
Rarely/not very often at all	14%	15%	22%
Never	2%	7%	11%

6.6 MAKING IT TO MONTH END

The following question was put to respondents:

“SOMETIMES PEOPLE FIND THAT THEIR INCOME DOES NOT QUITE COVER THEIR LIVING COSTS. HAS THIS HAPPENED TO YOU IN THE LAST YEAR?”

In the last year, 41% of South African metro working households found (at least once) that their income did not cover their living costs, down significantly from the 52% recorded in 2017.



The significant improvement in these results is evident in all income groups other than <R6 000 where the improvement is only marginal.

Income does not cover living costs	Jul-16	Jul-17	Jul-18
Less than R6 000	75%	78%	73%
R6 000 to R13 999	58%	58%	50%
R14 000 to R19 999	63%	46%	33%
R20 000 to R39 999	47%	40%	31%
R40 000 or more	35%	25%	16%

Households turn to multiple sources when this happens, with loans from family and friends being the most prevalent, followed by dipping into savings or simply missing payments altogether. Stokvels are also an important source especially for current Stokvel members.

Actions taken to make ends meet (BASE = those who have found in last year that income does not cover living costs)	Jul-16	Jul-17	Jul-18
Unweighted numbers	566	500	412
Borrow from a friend/relative (can include borrowing food)	56%	57%	62%
Use savings/draw money out of savings	30%	33%	30%
Pay my bills late/miss payments	26%	25%	21%
Borrow from my stokvel	21%	15%	20%
Take out a personal loan from an institution or micro-lender	21%	19%	17%
Borrow from employer/get an advance	14%	16%	15%
Pay with/use a credit card	14%	14%	11%
Use overdraft/other existing line of credit	6%	4%	7%
Sell an asset/pawn an asset	4%	5%	3%
Surrender a policy with the insurance company/loan against my pension	3%	2%	2%
Borrow against home equity/use home loan	1%	1%	1%
Extra work (side job)	1%	0%	0%
Savings club	0%	1%	0%

In order to put Stokvels as a back-up source of funding in context, we have re-based the data on firstly on Black consumers generally, and then on Black Stokvel members (specifically), see table below. Borrowing from friends and family remains the primary resource, but for Stokvel members, their Stokvel is the 2nd ranked source, ahead of private savings (it may well be that for many members these are their only savings).

The significant decline in the tendency to skip payments or pay bills late is worth noting.

Actions taken to make ends meet (2)	Base = Black			Base = Black Stokvel members		
	Jul-16	Jul-17	Jul-18	Jul-16	Jul-17	Jul-18
Unweighted numbers	411	362	318	248	193	184
Borrow from a friend/relative (can include borrowing food)	55%	59%	67%	55%	58%	62%
Use savings/draw money out of savings	29%	31%	27%	28%	27%	27%
Borrow from my stokvel	28%	21%	26%	45%	38%	44%
Pay my bills late/miss payments	26%	29%	19%	25%	30%	19%
Take out a personal loan from an institution or micro-lender	24%	20%	17%	21%	22%	15%
Borrow from employer/get an advance	15%	18%	14%	15%	17%	7%
Pay with/use a credit card	9%	9%	5%	9%	10%	6%
Use overdraft/other existing line of credit	6%	3%	5%	2%	1%	5%
Sell an asset/pawn an asset	3%	5%	4%	3%	6%	3%
Surrender a policy with the insurance company/loan against my pension	3%	3%	2%	3%	2%	0%
Borrow against home equity/use home loan	1%	0%	0%	2%	0%	0%
Savings club	0%	1%	0%	0%	2%	0%

Younger people are more likely to borrow from friends/family whilst WCI households are less likely to (bear in mind that they also tend to have higher incomes so have other options to tap in to). The higher the income the more likely the household is to tap into existing lines of credit such as credit cards or overdraft.

Actions taken to make ends meet	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Borrow from a friend/relative (can include borrowing food)	62%	79%	67%	58%	38%	30%	67%	47%	65%	55%	57%	76%	59%	58%	51%
Use savings/draw money out of savings	30%	21%	33%	38%	28%	48%	27%	38%	27%	29%	43%	28%	27%	29%	38%
Pay my bills late/miss payments	21%	17%	24%	23%	26%	15%	19%	29%	24%	22%	5%	27%	19%	24%	16%
Borrow from my stokvel	20%	23%	22%	19%	12%	21%	26%	2%	16%	25%	26%	19%	16%	20%	30%
Take out a personal loan from an institution or micro-lender	17%	12%	17%	14%	26%	21%	17%	17%	16%	21%	19%	11%	16%	23%	21%
Borrow from employer/get an advance	15%	14%	23%	14%	8%	9%	14%	18%	17%	12%	24%	14%	16%	14%	17%
Pay with/use a credit card	11%	1%	3%	14%	29%	36%	5%	27%	10%	14%	11%	5%	13%	11%	14%
Use overdraft/other existing line of credit	7%	0%	4%	11%	14%	30%	5%	14%	6%	9%	11%	2%	8%	8%	13%
Sell an asset/pawn an asset	3%	4%	5%	2%	2%	0%	4%	1%	4%	3%	0%	3%	4%	5%	0%
Surrender a policy with the insurance company/loan against my pension	2%	1%	3%	3%	3%	3%	2%	4%	2%	3%	0%	1%	3%	4%	2%
Borrow against home equity/use home loan	1%	1%	0%	2%	2%	3%	0%	3%	0%	1%	7%	0%	0%	1%	4%

In terms of sources relied on the most, skipping payments moves down the ranking as it has historically. In 2018 the proportion of households that claim to rely mostly on dipping into savings has decreased back down to 2016 levels with reliance on friends and family as the “go to” option more than ever before.

Actions taken to make ends meet that's most reliable for household (rely on most – one answer only)	Jul-16	Jul-17	Jul-18
Borrow from a friend/relative (can include borrowing food)	29%	32%	37%
Use savings/draw money out of savings	14%	22%	14%
Borrow from my stokvel	11%	9%	12%
Take out a personal loan from an institution or micro-lender	13%	10%	9%
Pay with/use a credit card	9%	8%	8%
Pay my bills late/miss payments	9%	7%	7%
Borrow from employer/get an advance	6%	6%	6%
Use overdraft/other existing line of credit	4%	3%	4%
Surrender a policy with the insurance company/loan against my pension	1%	0%	1%
Sell an asset/pawn an asset	1%	2%	1%
Extra work (side job)	1%	0%	0%
Savings club	0%	1%	0%

6.7 CHANGES IN HOUSEHOLD SPENDING PATTERNS & MAKINGS ENDS MEET

It remains common cause to say that South African households are feeling the pressure of inflation and struggling to stretch the household budget. We posed some questions to understand which areas consumers are cutting back on. The first table expresses this as a % of total working population, regardless of whether the expense is/was ever incurred at all. The second table expresses this as a % of those who do/did incur expense.

TABLE 1: TOTAL WORKING METRO POPULATION

Entertainment continues to be hardest hit, be it in or out of home. However, there has been a 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 suggest that this is because people have **already cut back as much as they can**, rather than being an indication of things easing up?

Change in spending patterns - cutting back/cheaper options/cutting out (2)	Jul-16	Jul-17	Jul-18
Eating out/entertainment expenses	80%	80%	81%
Having friends round/entertaining at home	77%	74%	76%
Shoes & clothing	74%	73%	64%
Food & groceries	60%	59%	60%
Cell phone/airtime/data costs	Not measured	52%	52%
Holiday and travel	57%	56%	51%
Hair/beauty	54%	52%	50%
Alcoholic beverages	48%	50%	44%
Electricity/water	33%	35%	36%
DSTV/MNET subscription	30%	28%	31%
Cigarettes	27%	25%	20%
Getting to work	26%	20%	16%
Assistance/payments to children/dependents	24%	20%	14%
Accommodation	15%	14%	11%
Domestic worker/gardener	19%	14%	11%
Children's schooling/education	17%	12%	8%
Armed response/alarms	8%	7%	7%
Car and/or household insurance	7%	8%	4%
Medical aid	4%	5%	3%

TABLE 2: BASE = THOSE WHO INCUR THE EXPENSE

Looking at the results by those who incur a particular category of expense, we see declines in a number of categories: alcohol, cigarettes, shoes and clothing as well as domestic help and payments to dependents to name but a few. Again, our read is that this is an indication that much of the belt tightening has already happened.

Change in spending patterns - cutting back/cheaper options/cutting out (2)	Jul-16	Jul-17	Jul-18
Holiday and travel	88%	86%	85%
Eating out/entertainment expenses	86%	83%	85%
Having friends round/entertaining at home	85%	84%	83%
Alcoholic beverages	78%	79%	74%
Shoes & clothing	76%	74%	66%
Food & groceries	60%	59%	60%
Hair/beauty	65%	63%	59%
Cigarettes	65%	69%	58%
Cell phone/airtime/data costs	Not measured	52%	53%
Domestic worker/gardener	61%	58%	43%
DSTV/MNET subscription	38%	36%	39%
Electricity/water	34%	36%	37%
Armed response/alarms	33%	33%	26%
Assistance/payments to children/dependents	36%	36%	25%
Getting to work	27%	21%	17%
Children's schooling/education	25%	18%	13%
Accommodation	17%	19%	12%
Car and/or household insurance	19%	19%	11%
Medical aid	8%	12%	6%

As would be expected, R40 000+ households are the most resilient and significantly less likely to cut down on many categories – DSTV subscriptions, data costs, domestic help and security/armed response in particular.

2018 (Based on those who incur the expense)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Z	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Holiday and travel	85%	95%	95%	89%	86%	68%	92%	75%	87%	90%	84%	67%	91%	87%	83%	75%
Eating out/entertainment expenses	85%	94%	88%	87%	83%	70%	87%	79%	85%	87%	82%	83%	87%	85%	81%	84%
Having friends round/entertaining at home	83%	94%	91%	89%	77%	65%	91%	67%	80%	85%	84%	71%	86%	84%	84%	77%
Alcoholic beverages	74%	87%	77%	81%	69%	60%	78%	66%	60%	79%	71%	63%	76%	79%	69%	65%
Shoes & clothing	66%	80%	71%	66%	59%	51%	70%	56%	67%	67%	66%	57%	67%	66%	67%	61%
Food & groceries	60%	74%	63%	62%	56%	44%	61%	58%	54%	62%	59%	55%	62%	58%	63%	55%
Hair/beauty	59%	72%	66%	67%	54%	40%	65%	48%	48%	61%	60%	57%	60%	60%	59%	57%
Cigarettes	58%	69%	69%	61%	54%	39%	59%	58%	39%	65%	55%	47%	61%	65%	49%	51%
Cell phone/airtime/data costs	53%	70%	58%	54%	49%	30%	56%	46%	58%	55%	51%	45%	54%	56%	50%	48%
Domestic worker/gardener	43%	20%	55%	70%	46%	31%	60%	36%	0%	38%	53%	31%	21%	44%	54%	39%
DSTV/MNET subscription	39%	66%	45%	46%	33%	22%	43%	30%	39%	41%	39%	34%	45%	39%	39%	36%
Electricity/water	37%	39%	37%	39%	41%	27%	34%	42%	41%	34%	40%	35%	40%	34%	38%	36%
Armed response/alarms	26%	25%	79%	39%	22%	18%	41%	22%	0%	31%	26%	20%	33%	27%	24%	25%
Assistance/payments to children/dependents	25%	35%	31%	27%	18%	14%	25%	25%	27%	23%	25%	37%	25%	22%	27%	30%
Getting to work	17%	24%	19%	15%	13%	12%	19%	11%	23%	18%	16%	12%	22%	16%	14%	15%
Children's schooling/education	13%	24%	16%	6%	5%	12%	14%	8%	29%	11%	11%	22%	19%	9%	9%	20%
Accommodation	12%	17%	14%	14%	10%	7%	10%	16%	10%	15%	11%	4%	13%	17%	9%	7%
Car and/or household insurance	11%	33%	18%	13%	9%	8%	16%	6%	0%	13%	11%	2%	3%	17%	6%	10%
Medical aid	6%	57%	14%	7%	3%	4%	9%	3%	0%	7%	6%	3%	7%	7%	6%	4%

When it comes to grocery shopping, all households continue to keep a look out for discounts and specials. 2018 sees some fall back in bulk buying and an increase in trading down behaviour, be that moving to a cheaper supermarket chain or changing to cheaper brands. The increased shift to move to cheaper brands is more noticeable amongst middle and upper income households.

Change in grocery shopping	Jul-16	Jul-17	Jul-18
Using a cheaper supermarket for all/some of the grocery shop	60%	61%	64%
Looking out for discounts and specials	92%	91%	88%
Buying in bulk	54%	67%	61%
Changing to cheaper brands	54%	52%	57%

Other coping mechanisms include avoiding situations where one may be tempted to overspend (seen across the board including upper income households), DIY instead of getting paid contractors in and simple initiatives such as taking packed lunches to work more often.

Other changes in spending	Jul-16	Jul-17	Jul-18
Avoiding situations where may be tempted to overspend	77%	80%	75%
Doing things myself rather than getting paid contractor in	76%	80%	74%
Taking more packed lunches to work	71%	70%	70%
Putting off/delaying large household expenses	55%	53%	59%
Looking at ways to supplement income	60%	30%	40%
Putting off/delaying home maintenance	41%	40%	33%
Putting off/delaying buying or replacing car	33%	26%	30%
Selling used/unwanted goods	27%	19%	20%
Putting off/delaying car maintenance/servicing	15%	12%	8%
None	3%	6%	8%

6.8 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, households are **bailing a bit earlier**, probably due to depleted savings levels.

TABLE READS:

- In 2018, at total market level, all but 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 (82%) would not be able to handle this.

Handle unforeseen expenditure of...	R1 000				R5 000				R10 000				R50 000				R100 000			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Pay with a credit card	15%	9%	7%	6%	14%	11%	15%	11%	7%	8%	11%	10%	1%	1%	2%	2%	-	-	-	-
Use overdraft/ existing credit	1%	1%	2%	1%	1%	3%	4%	3%	1%	3%	4%	2%	2%	1%	1%	2%	-	-	-	1%
Personal loan from institution	3%	4%	4%	3%	22%	19%	19%	16%	36%	30%	26%	23%	25%	17%	19%	19%	13%	7%	10%	12%
Borrow from friend/ relative	24%	25%	28%	20%	13%	13%	12%	9%	5%	4%	3%	3%	1%	1%	-	1%	-	-	-	-
Borrow from my stokvel	7%	6%	7%	9%	8%	11%	10%	9%	3%	4%	4%	3%	-	-	-	-	-	-	-	-
Borrow against home equity	-	-	-	-	-	-	-	-	0%	1%	1%	-	4%	3%	2%	3%	4%	4%	2%	3%
Borrow from employer*	-	-	3%	4%	-	5%	5%	4%	-	5%	4%	3%	-	0%	-	-	-	-	-	-
Surrender a policy*	-	-	-	-	-	-	1%	1%	-	1%	2%	2%	-	4%	2%	2%	-	3%	-	1%
Pay bills late	-	4%	5%	3%	-	2%	2%	1%	-	1%	-	-	-	0%	-	-	-	-	-	-
Use savings	47%	50%	54%	58%	33%	25%	25%	31%	16%	7%	9%	12%	3%	3%	2%	2%	1%	0%	1%	1%
Sell/pawn an asset	0%	1%	1%	-	1%	1%	1%	1%	1%	1%	1%	-	1%	1%	-	-	1%	0%	-	-
Would not be able to handle it	0%	2%	1%	2%	6%	11%	16%	18%	28%	35%	40%	44%	62%	69%	72%	70%	79%	84%	85%	82%

*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
- The tipping point comes earlier in 2018 with 48% unable to cope with an expense of R5 000.

Handle unforeseen expenditure of...	R1 000				R5 000				R10 000				R50 000				R100 000			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Pay with a credit card	1%	2%	-	-	1%	1%	-	-	-	-	1%	-	-	-	-	-	-	-	-	-
Use overdraft/ other existing line of credit	-	1%	-	-	-	-	1%	-	-	-	1%	-	-	-	-	-	-	-	-	-
Take out personal loan from an institution or micro lender	8%	8%	7%	7%	39%	24%	23%	21%	28%	23%	19%	15%	6%	3%	3%	1%	2%	1%	2%	-
Borrow from a friend/ relative	39%	35%	45%	41%	16%	18%	14%	10%	4%	3%	2%	1%	-	-	-	-	-	-	-	-
Borrow from my stokvel	12%	8%	12%	15%	7%	18%	9%	12%	1%	7%	2%	2%	-	-	-	-	-	-	-	-
Borrow against home equity/use home loan	-	-	1%	-	-	1%	-	-	-	1%	1%	-	-	1%	-	-	-	1%	-	-
Borrow from employer*	1%	5%	6%	10%	-	7%	6%	7%	-	4%	3%	2%	-	1%	-	-	-	-	-	-
Surrender a policy*	-	-	-	-	-	-	1%	-	-	-	1%	-	-	3%	-	-	-	2%	-	-
Pay bills late/skip payments*	-	3%	9%	6%	-	1%	1%	-	-	-	-	-	-	-	-	-	-	-	-	-
Use savings	38%	36%	33%	22%	16%	3%	6%	2%	3%	-	1%	-	3%	3%	-	-	-	-	-	-
Sell/pawn an asset	1%	2%	2%	1%	3%	1%	1%	-	3%	-	1%	-	-	1%	-	-	-	-	-	-
Would not be able to handle it	0%	4%	2%	7%	17%	27%	42%	48%	61%	64%	72%	81%	94%	93%	97%	99%	98%	96%	98%	100%

*added as pre-code option 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 R10 000 and over
- Over half cannot cope with an unforeseen expense of R10 000, and the “tipping point” comes earlier in 2018
- 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			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Pay with a credit card	7%	5%	3%	3%	6%	5%	10%	5%	3%	2%	5%	1%	1%	-	-	1%	-	-	-	-
Use overdraft/ other existing line of credit	-	1%	1%	-	-	1%	2%	2%	1%	-	-	-	-	-	-	1%	-	-	-	1%
Take out personal loan from an institution or micro lender	3%	2%	5%	4%	26%	22%	28%	24%	51%	35%	28%	28%	23%	15%	10%	12%	8%	4%	3%	4%
Borrow from a friend/relative	31%	30%	31%	25%	17%	18%	13%	14%	2%	3%	2%	3%	1%	-	-	1%	-	-	-	-
Borrow from my stokvel	8%	8%	8%	10%	9%	13%	13%	9%	4%	5%	4%	2%	1%	-	-	-	-	-	-	-
Borrow against home equity/use home loan	-	-	-	1%	-	1%	-	1%	-	1%	-	-	-	1%	-	-	1%	-	-	-
Borrow from employer*	1%	1%	4%	6%	-	4%	6%	7%	-	7%	6%	5%	-	1%	-	-	-	-	-	-
Surrender a policy*	-	-	-	1%	-	-	-	1%	-	1%	3%	3%	-	3%	1%	2%	-	2%	-	-
Pay bills late/skip payments*	-	4%	6%	5%	-	2%	2%	1%	-	-	-	-	-	-	-	-	-	-	-	-
Use savings	50%	50%	52%	54%	34%	22%	16%	21%	8%	2%	1%	7%	-	-	-	-	-	-	-	-
Sell/pawn an asset	-	1%	2%	1%	-	2%	-	2%	1%	-	-	1%	1%	-	-	-	2%	-	-	-
Would not be able to handle it	0%	2%	0%	0%	5%	14%	16%	20%	30%	43%	52%	55%	73%	80%	88%	85%	90%	94%	96%	96%

*added as pre-code option in 2016

HOUSEHOLD INCOME R14 000 – R19 999:

- Savings are the primary source for expenses of R1 000 whereafter borrowing steps in.
- As the amount of the expense climbs, so borrowing from friends and family drops off in favour of institutional borrowing. That said, opting for personal loans from a financial institution shows a declining trend.

Handle unforeseen expenditure of...	R1 000				R5 000				R10 000				R50 000				R100 000			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Pay with a credit card	20%	7%	5%	7%	14%	13%	16%	12%	5%	6%	10%	7%	-	-	-	1%	-	-	-	-
Use overdraft/ other existing line of credit	-	3%	3%	2%	2%	5%	3%	2%	1%	3%	5%	2%	2%	1%	-	1%	1%	-	1%	-
Take out personal loan from an institution or micro lender	3%	5%	5%	3%	21%	23%	21%	16%	39%	38%	32%	26%	36%	16%	24%	22%	14%	8%	13%	10%
Borrow from a friend/ relative	17%	23%	28%	14%	12%	9%	16%	10%	9%	6%	5%	5%	1%	1%	-	1%	-	-	-	-
Borrow from my stokvel	7%	6%	6%	12%	9%	10%	8%	14%	2%	4%	4%	5%	1%	-	-	1%	-	-	-	-
Borrow against home equity/use home loan	-	-	-	1%	-	1%	1%	-	1%	-	-	-	2%	3%	2%	2%	3%	2%	2%	-
Borrow from employer*	1%	1%	2%	2%	-	4%	7%	3%	1%	4%	3%	3%	-	-	-	-	-	-	-	-
Surrender a policy*	-	-	1%	-	-	-	1%	1%	-	1%	3%	3%	-	4%	1%	2%	-	1%	-	1%
Pay bills late/skip payments*	-	8%	3%	1%	-	3%	2%	1%	-	-	-	-	-	-	-	-	-	-	-	-
Use savings	52%	50%	60%	65%	37%	26%	25%	34%	22%	5%	9%	14%	2%	-	-	1%	-	-	-	1%
Sell/pawn an asset	-	1%	1%	-	-	2%	-	-	1%	1%	-	1%	1%	-	1%	-	1%	-	-	-
Would not be able to handle it	-	1%	1%	1%	2%	6%	11%	13%	17%	30%	32%	38%	56%	75%	71%	71%	81%	89%	86%	89%

*added as pre-code option 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
- Only half could handle an expense of R50 000 and 3 out of 4 bail at R100 000.

Handle unforeseen expenditure of...	R1 000				R5 000				R10 000				R50 000				R100 000			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Pay with a credit card	25%	15%	13%	10%	27%	20%	23%	18%	13%	15%	20%	18%	3%	2%	3%	1%	-	-	1%	-
Use overdraft/ other existing line of credit	3%	1%	3%	1%	2%	5%	7%	3%	2%	6%	6%	3%	1%	2%	2%	2%	-	1%	-	2%
Take out personal loan from an institution or micro lender	1%	3%	1%	2%	11%	15%	14%	12%	34%	30%	28%	25%	41%	24%	30%	30%	27%	10%	15%	20%
Borrow from a friend/ relative	12%	21%	15%	12%	12%	9%	9%	7%	9%	4%	4%	6%	2%	1%	1%	2%	-	-	1%	-
Borrow from my stokvel	5%	2%	5%	7%	8%	5%	9%	6%	5%	4%	5%	3%	-	1%	1%	-	-	-	-	-
Borrow against home equity/use home loan	-	-	-	-	-	1%	1%	-	-	1%	-	-	8%	6%	2%	6%	9%	9%	3%	3%
Borrow from employer*	-	2%	2%	2%	-	7%	4%	2%	-	6%	5%	3%	-	-	-	-	-	-	-	-
Surrender a policy*	-	1%	1%	-	-	-	1%	-	-	4%	3%	2%	1%	8%	6%	2%	-	2%	1%	1%
Pay bills late/skip payments*	-	3%	2%	1%	-	1%	2%	1%	-	2%	1%	-	-	1%	-	-	-	4%	-	-
Use savings	51%	57%	68%	70%	39%	36%	41%	43%	25%	10%	15%	14%	4%	2%	5%	1%	1%	-	1%	-
Sell/pawn an asset	-	2%	1%	-	-	1%	1%	-	1%	2%	1%	-	2%	2%	1%	-	1%	-	1%	-
Would not be able to handle it	-	-	1%	-	2%	4%	3%	8%	11%	18%	17%	28%	39%	51%	54%	56%	62%	75%	77%	73%

*added as pre-code option 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 fairly steady, although half would bail at R100 000.

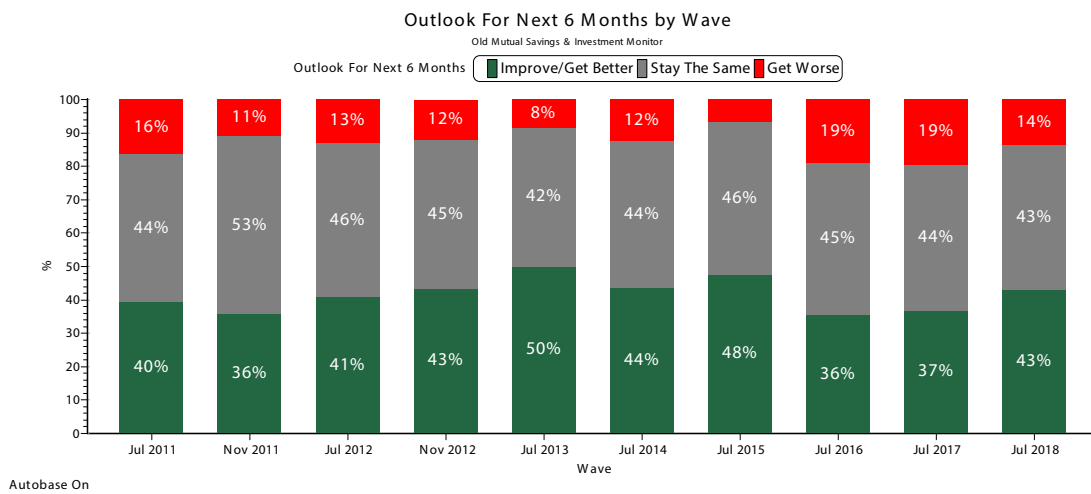
Handle unforeseen expenditure of...	R1 000				R5 000				R10 000				R50 000				R100 000			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Pay with a credit card	43%	20%	17%	10%	36%	26%	33%	20%	20%	25%	29%	24%	3%	3%	7%	6%	-	-	1%	-
Use overdraft/ other existing line of credit	1%	2%	4%	2%	3%	9%	12%	6%	4%	9%	12%	8%	9%	6%	6%	8%	2%	6%	2%	4%
Take out personal loan from an institution or micro lender	1%	1%	1%	1%	1%	6%	4%	7%	17%	22%	21%	17%	31%	34%	38%	29%	25%	18%	29%	28%
Borrow from a friend/ relative	5%	11%	18%	8%	4%	7%	8%	4%	7%	5%	3%	1%	4%	3%	2%	-	-	1%	1%	-
Borrow from my stokvel	1%	4%	3%	2%	6%	4%	7%	6%	4%	1%	2%	5%	-	1%	-	-	-	-	-	-
Borrow against home equity/use home loan	1%	-	1%	-	1%	-	1%	-	3%	1%	2%	1%	12%	8%	9%	8%	17%	11%	10%	12%
Borrow from employer*	-	-	2%	2%	-	3%	2%	-	-	3%	3%	2%	-	1%	1%	-	-	-	-	-
Surrender a policy*	-	-	-	-	-	-	-	1%	-	1%	2%	1%	1%	5%	3%	2%	-	9%	2%	1%
Pay bills late/skip payments*	-	2%	2%	-	-	2%	1%	-	-	2%	-	-	-	1%	-	-	-	1%	-	-
Use savings	48%	62%	64%	78%	48%	45%	48%	58%	40%	21%	26%	28%	20%	4%	6%	10%	7%	1%	3%	4%
Sell/pawn an asset	-	2%	-	-	-	1%	1%	-	1%	1%	1%	-	2%	2%	-	-	4%	1%	-	-
Would not be able to handle it	-	-	-	-	1%	-	1%	1%	5%	8%	8%	14%	21%	34%	30%	37%	44%	57%	54%	50%

*added as pre-code option in 2016

07. 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. 2018 sees a more optimistic outlook, with 43% expecting an improvement.



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.

Retrospective look over last year	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Better than it was a year ago	27%	30%	34%	37%	30%	38%	27%	30%	32%
About the same	45%	45%	39%	38%	46%	32%	36%	38%	33%
Worse than it was a year ago	28%	25%	27%	25%	24%	30%	38%	32%	35%

08. SAVINGS

LEVELS AND PUTTING MONEY ASIDE

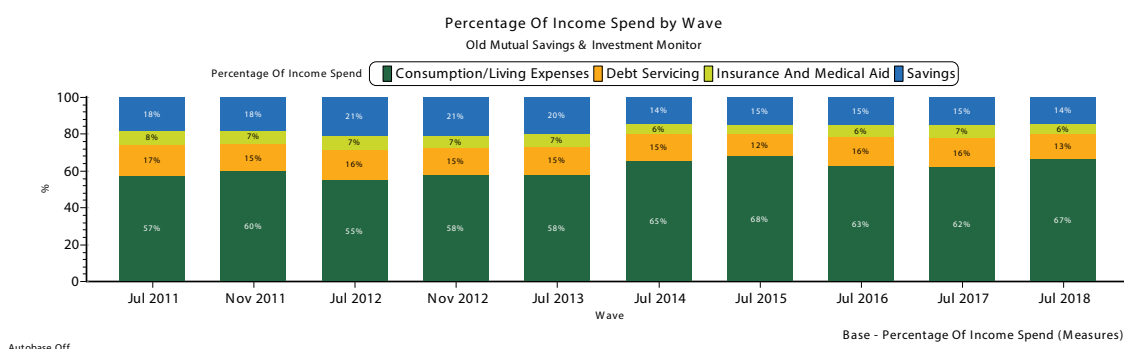
8.1 SAVINGS AS A % OF HOUSEHOLD INCOME

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)

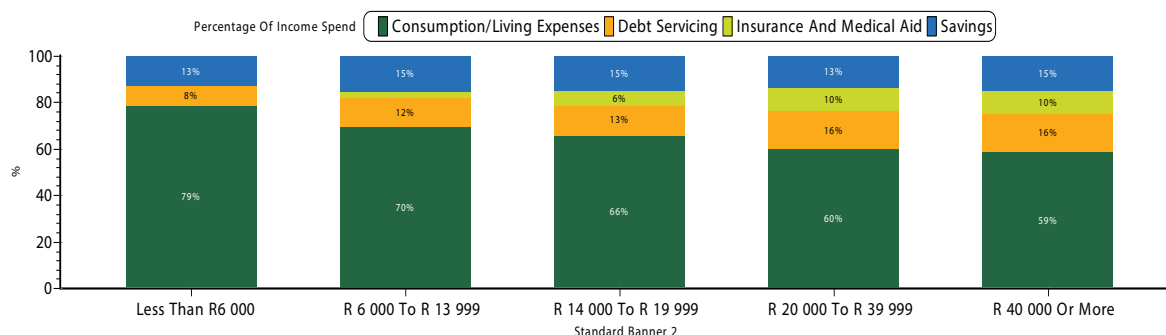
At an overall level, there has been an increase in the proportion of household income that is taken up by consumption/living expenses. This is at the expense of both savings and debt servicing.



Low income households continue to spend the highest proportion on consumption/living expenses with debt servicing and precautionary savings (such as insurance and medical aid) rising with income. Savings as a % of household income are fairly steady across income levels (although Rand/absolute amounts will vary considerably).

Percentage Of Income Spend by Standard Banner 2

Old Mutual Savings & Investment Monitor



Base - Jul 2018 (Wave) and Percentage Of Income Spend (Measures)

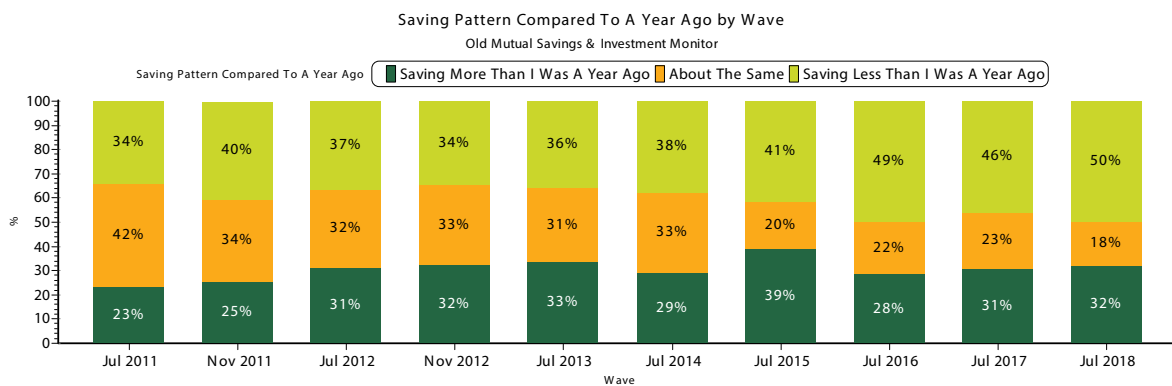
Looking at the results within income bands and race/generation/age, it is notable that this increase in the proportionate spend on consumption is evident across all incomes and ages but particularly strong in lower income and Black households.

Percentage of income spend	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000										
Consumption/living expenses	66%	69%	61%	67%	65%	72%	76%	71%	71%	79%
Debt servicing	15%	12%	14%	12%	14%	14%	10%	13%	13%	8%
Insurance and medical aid	3%	2%	2%	1%	1%	1%	0%	1%	1%	0%
Savings	17%	17%	23%	19%	20%	13%	14%	15%	15%	13%
R6 000 to R13 999										
Consumption/living expenses	57%	61%	57%	60%	59%	68%	69%	65%	63%	70%
Debt servicing	16%	15%	16%	14%	16%	14%	11%	15%	16%	12%
Insurance and medical aid	8%	6%	6%	5%	6%	4%	4%	5%	4%	3%
Savings	19%	18%	20%	21%	20%	14%	16%	16%	16%	15%
R14 000 to R19 999										
Consumption/living expenses	53%	57%	52%	54%	57%	62%	65%	59%	61%	66%
Debt servicing	18%	15%	18%	16%	16%	15%	12%	18%	15%	13%
Insurance and medical aid	10%	10%	11%	9%	8%	8%	7%	8%	8%	6%
Savings	19%	19%	19%	21%	19%	15%	16%	15%	15%	15%
R20 000 to R39 999										
Consumption/living expenses	51%	53%	50%	52%	52%	60%	64%	58%	57%	60%
Debt servicing	19%	16%	17%	16%	17%	16%	14%	17%	17%	16%
Insurance and medical aid	13%	12%	13%	11%	11%	10%	8%	10%	11%	10%
Savings	17%	20%	20%	21%	20%	14%	14%	15%	15%	13%

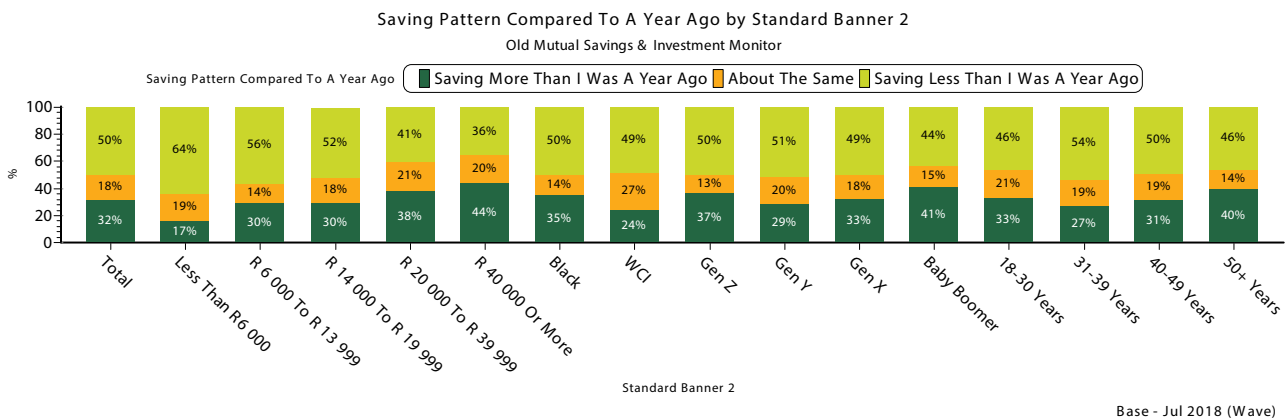
Percentage of income spend	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
R40 000 or more										
Consumption/living expenses	49%	51%	49%	48%	49%	59%	62%	57%	57%	59%
Debt servicing	18%	17%	17%	17%	16%	16%	15%	18%	17%	16%
Insurance and medical aid	14%	13%	14%	14%	14%	11%	9%	10%	12%	10%
Savings	19%	19%	19%	21%	21%	14%	15%	14%	14%	15%

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

50% of Metro working households say that they are saving less than they were a year ago, giving up the “improvement” seen in 2017.



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.



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.

	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	15%	0%	42%	15%
Increased demands on income	49%	1%	50%	79%
Effect of debt/debt management	19%	32%	9%	15%
Improved income	22%	59%	16%	2%
Item/cause specific savings	4%	13%	1%	0%
Deteriorating income	15%	2%	4%	26%
Decreased demands	6%	15%	6%	0%
Shift in headspace	15%	33%	19%	2%
Other	1%	2%	1%	0%

In 2018 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**) continues to be a strong driver (as it was in 2016 and in 2017) as does the effect of good debt management (i.e. paying off debt which frees up funds to be saved).

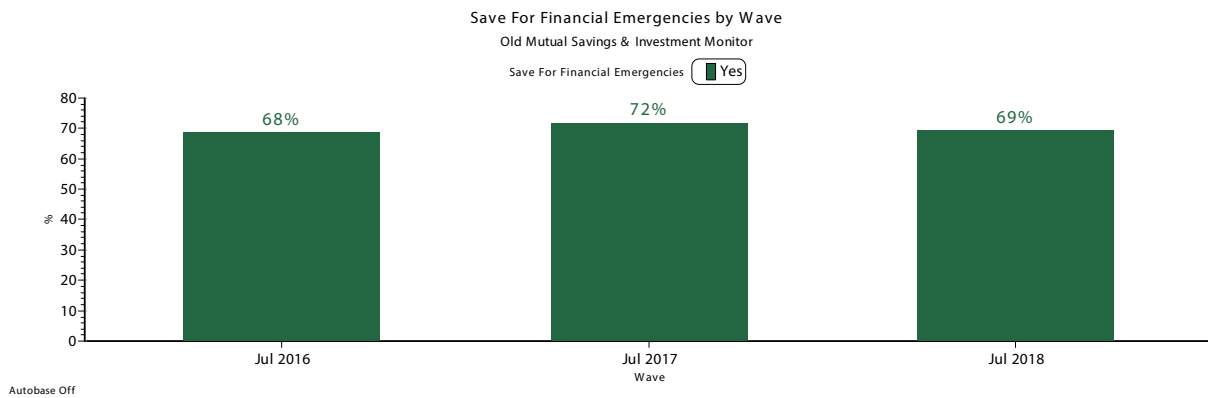
Reasons Saving MORE	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Improved income	41%	55%	45%	45%	51%	47%	59%	51%	59%	59%
Shift in headspace	29%	27%	32%	18%	18%	30%	18%	35%	39%	33%
Effect of debt/debt management	22%	23%	34%	37%	24%	30%	22%	35%	22%	32%
Decreased demands	6%	6%	7%	12%	18%	13%	13%	11%	2%	15%
Item/cause specific savings	21%	13%	10%	11%	9%	11%	5%	21%	11%	13%
Other	2%	1%	0%	0%	2%	0%	0%	3%	2%	2%

As to **reasons for saving less**, increased demands on income in the form of escalating expenses remains the primary barrier to saving, with the recent VAT increase from 14% to 15% gaining special mention. 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 crept up again to 15%.

Reasons saving more/less/same - group	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Increased demands on income	67%	75%	77%	68%	70%	74%	74%	71%	86%	79%
Deteriorating income	22%	28%	17%	28%	16%	19%	24%	24%	16%	26%
Little change in circumstances/needs	17%	18%	3%	6%	11%	6%	27%	22%	27%	15%
Effect of debt/debt management	16%	9%	9%	14%	14%	12%	9%	18%	10%	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 slightly to 69%.



The incidence of saving for both income and age rises with both age and income. Looking at trended data by income group it is important to note the drop off in saving for emergencies in 2018 amongst lower income earners, especially those with a household income of < R6 000 where the drop is significant.

Save for financial emergencies	Jul-16	Jul-17	Jul-18
Less than R6 000	52%	58%	47%
R6 000 to R13 999	68%	73%	65%
R14 000 to R19 999	66%	73%	75%
R20 000 to R39 999	77%	76%	76%
R40 000 or more	83%	82%	85%

Multiple savings methods are used, and for the first time we see a designated savings account emerge as the most common method (as against just allowing a balance to build up in the bank account that your salary goes into). Separate savings accounts are the next most common method, followed by stokvels.

Method of saving (BASE = THOSE WHO DO SAVE FOR EMERGENCIES)	Jul-16	Jul-17	Jul-18
In a separate savings account/designated bank account	36%	38%	42%
In my transactional bank account	41%	45%	40%
Save in a stokvel/savings club (base = black)	39%	27%	30%
Save in a stokvel/savings club (base = black stokvel members)	62%	49%	47%
In cash at home/in wallet/under mattress	18%	14%	11%
Buy/put into savings products/policies that allow me access to funds	15%	7%	7%
Build up credit balance in credit card	8%	5%	4%
Buy financial equity based investment products (e.g. Unit trusts)	3%	2%	3%
Pay extra into access bond/home loan that I can access	2%	1%	2%

Higher earners also use credit cards, building up a credit balance there as well as formal policies.

Method of saving (BASE = THOSE WHO DO SAVE FOR EMERGENCIES)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z*	Gen Y	Gen X	Baby Boomer
In cash at home/under mattress	11%	10%	16%	11%	9%	11%	11%	12%	12%	9%
In my transactional bank account	40%	46%	36%	34%	46%	39%	39%	44%	37%	36%
In a separate savings account/designated bank account	42%	21%	36%	47%	43%	56%	35%	39%	45%	47%
Give money to friends to save on my behalf	1%	2%	1%	1%	1%	2%	3%	2%	1%	1%
Pay extra into access bond	2%	0%	0%	1%	2%	6%	0%	1%	2%	4%
Save in a stokvel/savings club (base = black)	30%	31%	26%	31%	30%	31%	26%	28%	30%	34%
Save in a stokvel/savings club (base = black stokvel members)	47%	51%	47%	45%	46%	47%	57%	46%	47%	48%
Buy financial equity based investment products (e.g. Unit trusts)	3%	2%	1%	1%	3%	8%	0%	3%	3%	5%
Buy/put into savings products/policies that allow me access to funds	7%	0%	6%	5%	8%	13%	3%	5%	9%	12%
Build up credit balance in credit card	4%	0%	1%	3%	4%	9%	0%	3%	4%	8%

Saving in formal retirement vehicles is not a popular choice, although private RA's seem more popular than occupational retirement funds.

Where would you save the salary increase (based on those who would save at least some)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Z	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Savings account/fixed deposit/money market account	80%	81%	82%	81%	83%	73%	79%	82%	91%	81%	81%	72%	85%	79%	82%	75%
Stokvel/informal savings club	13%	17%	16%	18%	8%	7%	18%	1%	10%	10%	17%	14%	11%	12%	14%	17%
Stokvel/informal savings club (re-based on existing members)	27%	28%	31%	32%	22%	21%	28%	**	**	23%	31%	33%	27%	25%	26%	33%
In a savings policy/plan (not retirement specific)	10%	10%	12%	11%	6%	9%	12%	3%	2%	9%	13%	4%	8%	9%	13%	9%
Invest it in unit trusts/ETF'S	7%	6%	5%	4%	7%	10%	6%	7%	2%	7%	6%	11%	6%	7%	6%	9%
Take out an RA and save it there	6%	3%	8%	7%	6%	7%	6%	7%	6%	6%	6%	10%	7%	5%	6%	8%
Increase contribution to existing RA	5%	1%	2%	4%	8%	13%	4%	9%	0%	5%	6%	9%	2%	6%	6%	9%
Increase contribution existing RA (re-based on those with an existing RA)	15%	**	**	12%	15%	20%	15%	15%	**	18%	12%	16%	**	17%	10%	18%
Increase contribution To employers pension/provident fund	3%	0%	3%	3%	6%	4%	4%	2%	0%	2%	6%	3%	2%	3%	5%	5%
Increase contribution Pension/provident fund (re-based on current fund members)	6%	**	6%	5%	8%	7%	9%	2%	**	4%	9%	6%	5%	4%	8%	9%
Save it in my home loan	2%	0%	0%	0%	3%	9%	1%	6%	0%	3%	3%	2%	0%	4%	3%	2%

09. 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 and is now back to pre-2016 levels. (The spike in 2016 now appears to be the anomaly). Funeral expenses as a claimed objective also show a declining trend (although incidence of funeral policies remain steady – bearing in mind that many (most) see funeral policy premiums as an expense rather than a form of saving).

Prompted savings objective	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Emergency expenses/rainy day fund	42%	41%	39%	36%	39%	43%	44%	63%	51%	43%
Funeral expenses	29%	25%	26%	31%	30%	37%	53%	41%	40%	36%
Retirement/old age	41%	33%	35%	40%	37%	37%	42%	34%	31%	28%
Children's education (rebased on those with dependent children)	51%	40%	50%	33%	40%	32%	32%	38%	35%	34%
Christmas expenses/end of year expenses	Not measured				6%	15%	16%	19%	19%	17%
Medical expenses fund/for medical expenses	13%	10%	13%	12%	13%	12%	17%	19%	16%	11%
Home improvement	21%	19%	17%	14%	22%	16%	14%	15%	14%	15%
To pay off debt	19%	14%	17%	13%	26%	18%	11%	14%	13%	13%
To buy a specific item/other specific purpose	13%	14%	14%	7%	13%	10%	9%	15%	12%	11%
Car/vehicle	20%	18%	20%	17%	27%	13%	13%	12%	11%	12%
Holiday	13%	11%	11%	11%	12%	10%	7%	11%	10%	8%
Deposit on a home/immovable property	18%	17%	22%	17%	20%	9%	9%	9%	10%	7%
Furniture/home appliances	8%	7%	6%	5%	8%	5%	9%	8%	8%	10%
Other special celebrations	Not measured				2%	7%	6%	7%	5%	6%
No specific reason	6%	6%	2%	5%	3%	7%	4%	4%	5%	8%
To get married/lobola	2%	5%	6%	6%	7%	4%	4%	5%	4%	3%
For my studies/own education/further my studies	2%	5%	7%	4%	8%	3%	3%	4%	4%	3%
Money to start my own business	7%	6%	6%	6%	9%	3%	3%	4%	3%	4%

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
- Greater emphasis that youth place on savings for acquisitive reasons (buying a specific item).
- 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.

The spike in saving for home improvement amongst baby boomers in this measure is worth noting.

Prompted savings objective	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Z	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Emergency expenses/rainy day	43%	27%	34%	52%	51%	54%	44%	40%	29%	42%	46%	42%	38%	44%	45%	46%
Funeral expenses	36%	40%	44%	36%	27%	30%	44%	18%	33%	34%	38%	39%	31%	35%	39%	39%
Retirement	28%	9%	18%	24%	41%	50%	21%	45%	10%	23%	32%	49%	17%	25%	32%	43%
Children's education	23%	10%	24%	26%	26%	29%	26%	18%	3%	21%	31%	18%	11%	28%	29%	23%
Christmas expenses/end of year	17%	18%	15%	17%	17%	16%	19%	11%	22%	16%	16%	17%	18%	16%	17%	15%
Home improvement	15%	7%	15%	17%	15%	22%	15%	16%	0%	11%	19%	31%	6%	13%	16%	31%
To pay off debt	13%	11%	13%	11%	17%	10%	14%	11%	6%	12%	14%	14%	11%	12%	14%	14%
Car/vehicle	12%	4%	15%	13%	13%	12%	12%	11%	14%	14%	11%	2%	16%	13%	10%	6%
Medical expenses	11%	2%	9%	11%	16%	16%	12%	8%	0%	9%	13%	18%	5%	9%	14%	18%
To buy a specific item/other specific purpose	11%	10%	10%	10%	11%	15%	11%	10%	23%	10%	11%	10%	14%	8%	11%	11%
Furniture/home appliances	10%	6%	9%	11%	10%	13%	9%	11%	11%	9%	11%	9%	10%	9%	11%	10%
Holiday	8%	0%	1%	7%	13%	22%	3%	19%	10%	7%	8%	13%	8%	6%	9%	10%
No specific reason	8%	12%	10%	5%	6%	6%	7%	10%	15%	8%	7%	6%	10%	7%	7%	7%
Deposit on a home	7%	2%	6%	10%	10%	7%	5%	10%	0%	11%	5%	0%	8%	10%	6%	0%
Other special celebrations	6%	3%	6%	3%	12%	6%	7%	6%	6%	7%	6%	2%	5%	8%	7%	3%
Money to start my own business	4%	7%	3%	3%	3%	3%	5%	1%	8%	3%	5%	2%	4%	3%	4%	5%
To get married/lobola	3%	2%	5%	5%	3%	2%	4%	1%	2%	5%	3%	0%	4%	5%	4%	1%
For my studies/own education/further my studies	3%	5%	4%	2%	2%	2%	4%	0%	17%	3%	2%	0%	8%	2%	1%	0%

Looking at saving for education **rebased on those with dependent children** the results show a continuation the declining trend (other than amongst higher income households).

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000	55%	52%	45%	50%	28%	45%	25%	33%	16%	16%	31%	25%	16%
R6 000 to R13 999	55%	66%	62%	53%	45%	52%	30%	38%	31%	30%	33%	29%	32%
R14 000 to R19 999	53%	56%	57%	44%	49%	52%	39%	47%	41%	36%	40%	33%	35%
R20 000 to R39 999	54%	49%	60%	56%	43%	52%	43%	44%	36%	41%	44%	47%	42%
R40 000 or more	46%	41%	50%	51%	37%	45%	38%	43%	42%	50%	47%	46%	44%
Black	62%	63%	56%	56%	45%	57%	33%	40%	29%	32%	39%	36%	33%
WCI	39%	40%	54%	42%	31%	34%	33%	39%	38%	33%	36%	31%	36%
Gen Z	-	-	-	-	-	-	-	-	-	Bases too small			
Gen Y	53%	47%	49%	55%	38%	51%	23%	36%	26%	28%	38%	32%	31%
Gen X	58%	58%	62%	55%	42%	51%	39%	44%	38%	36%	39%	41%	39%
Baby Boomer	43%	54%	43%	39%	37%	44%	28%	30%	18%	25%	34%	21%	36%
18-30 Years	56%	47%	48%	55%	38%	51%	24%	33%	24%	23%	34%	23%	21%
31-39 Years	58%	56%	63%	57%	45%	49%	37%	50%	38%	36%	44%	37%	37%
40-49 Years	51%	61%	53%	49%	39%	52%	37%	38%	34%	35%	34%	45%	35%
50+ Years	43%	42%	43%	41%	31%	45%	28%	28%	18%	29%	36%	27%	38%

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 this too shows a decrease to 43% in 2017.

Broad education measure (base = those with dependent children)	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
YES Objective or policy	60%	63%	62%	59%	48%	56%	40%	44%	40%	40%	46%	43%	43%
Neither	40%	37%	38%	41%	52%	44%	60%	56%	60%	60%	54%	57%	57%

Broad education measure (July 2018) (Base = those with dependent children)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
YES Objective or policy	43%	18%	40%	45%	54%	58%	42%	47%	39%	50%	39%	25%	48%	49%	39%
Neither	57%	82%	60%	55%	46%	42%	58%	53%	61%	50%	61%	75%	52%	51%	61%

10. SAVINGS

AND INVESTMENT VEHICLES USED

10.1 CLASSIFICATION OF SAVINGS AND INVESTMENT VEHICLES USED

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Banked cash savings	29%	47%	48%	43%	41%	44%	42%	40%	35%	44%	42%	35%	36%
Informal saving (ex. Funeral parlour in 2017 & 2018)	33%	40%	54%	44%	36%	51%	49%	49%	49%	57%	60%	59%	59%
Formal savings products & policies	77%	84%	82%	85%	80%	83%	81%	83%	86%	87%	87%	88%	90%
Investments	6%	6%	11%	7%	5%	6%	5%	5%	8%	7%	8%	3%	6%
Alternative investments	0%	2%	1%	1%	1%	1%	0%	1%	1%	1%	1%	1%	1%
Insurance and precautionary savings	32%	30%	52%	54%	49%	50%	46%	48%	50%	48%	52%	50%	49%
Bonds	Not Measured		5%	4%	3%	2%	1%	1%	3%	2%	5%	2%	1%

10.2 BANKED CASH SAVINGS

Banked cash savings have not recovered from the slump seen in 2017 and remain around 2015 levels.

Banked cash savings	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
TOTAL	29%	47%	48%	43%	41%	44%	42%	40%	35%	44%	42%	35%	36%
Less than R6 000	20%	46%	44%	34%	29%	40%	31%	32%	21%	33%	27%	20%	21%
R6 000 to R13 999	31%	46%	48%	39%	38%	40%	35%	37%	29%	41%	41%	33%	31%
R14 000 to R19 999	35%	47%	50%	48%	37%	47%	45%	38%	36%	44%	45%	35%	37%
R20 000 to R39 999	33%	45%	52%	54%	59%	47%	53%	45%	44%	51%	47%	40%	38%
R40 000 or more	47%	62%	52%	65%	62%	57%	62%	60%	60%	61%	58%	53%	56%

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

2018 sees an increase in savings policies and education policies are holding steady (albeit at lower levels than seen historically). 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 & investment vehicles	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Savings & investment policies	15%	12%	18%	13%	12%	11%	11%	14%	11%	8%	20%	26%	32%
Savings policy	Not measured separately											19%	24%
Investment policy	Not measured separately											12%	11%
Retirement annuities	26%	24%	33%	24%	27%	24%	21%	20%	24%	23%	25%	30%	27%
Pension or provident fund	41%	49%	47%	53%	46%	49%	44%	56%	57%	53%	51%	53%	50%
Education policies (rebased on those who have dependent children)	27%	36%	32%	29%	30%	31%	27%	19%	27%	27%	26%	25%	25%
Funeral policies	61%	65%	64%	68%	62%	66%	61%	65%	72%	73%	73%	75%	76%
Life assurance/death and disability policies	33%	34%	40%	41%	33%	31%	35%	35%	37%	31%	31%	38%	36%

LIFE INSURANCE

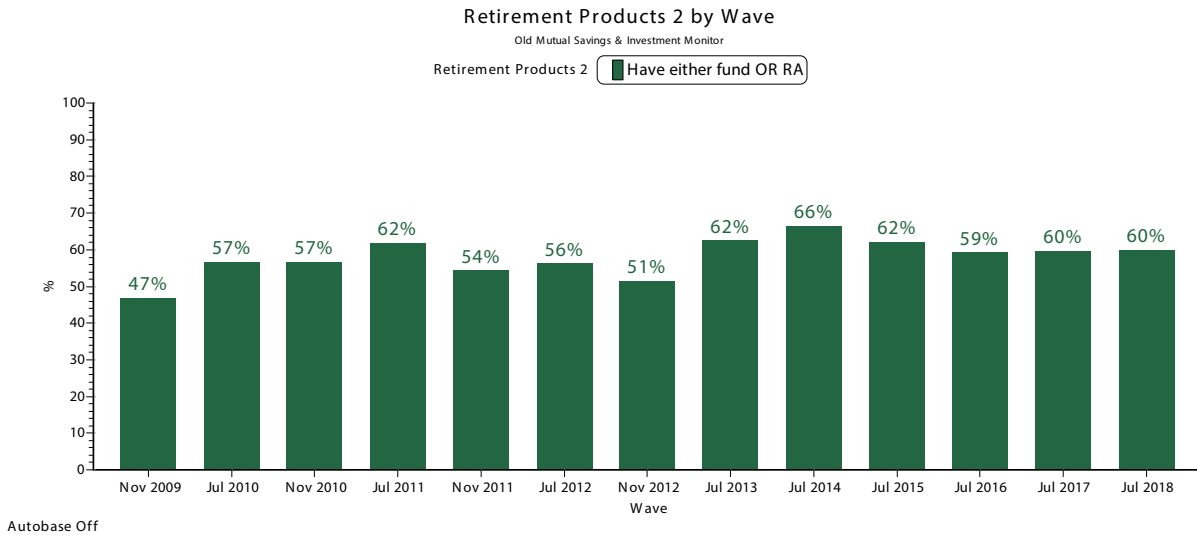
In 2018 life insurance was recorded in separate components: Life, disability, dread disease and income protection. All forms of long term insurance are strongly correlated with income.

Savings & investment vehicles	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Life Assurance/Death and Disability Policies	33%	34%	40%	41%	33%	31%	35%	35%	37%	31%	31%	38%	36%
Life insurance	Not measured separately											35%	
Disability cover	Not measured separately											15%	
Dread disease/severe illness cover	Not measured separately											9%	
Income protection policy	Not measured separately											3%	

Savings & investment vehicles Axes	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer
Life insurance policies	35%	3%	18%	34%	55%	68%	3%	30%	41%	49%
Disability cover	15%	1%	7%	14%	22%	32%	2%	11%	18%	27%
Dreaded disease/severe illness cover	9%	0%	6%	7%	14%	20%	2%	8%	10%	19%
Income protection policies	3%	0%	1%	1%	3%	10%	0%	2%	3%	7%

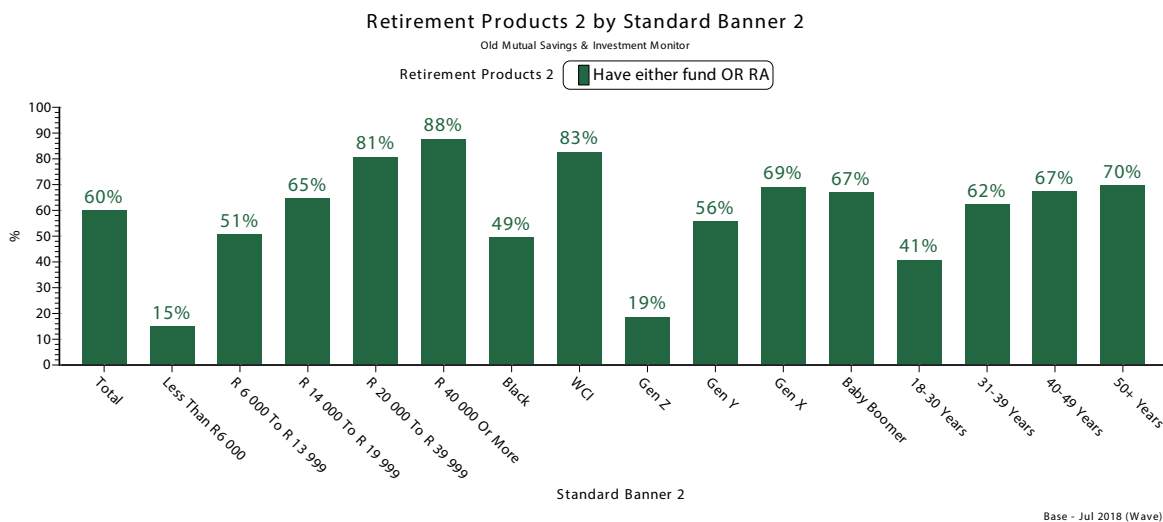
RETIREMENT PRODUCTS

When looking at the incidence of occupational retirement funds it is important to keep in mind that membership is largely 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 but the unduplicated total of formal retirement funds is unchanged with 60% of working metro households have some form of formal retirement provision.



Retirement products	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Have pension or provident fund	41%	49%	47%	53%	46%	49%	44%	56%	57%	53%	51%	53%	50%
Have RA	26%	24%	33%	24%	27%	24%	21%	20%	24%	23%	25%	30%	27%
Have fund and RA	19%	17%	23%	15%	18%	17%	14%	14%	15%	13%	17%	23%	18%
Have neither	53%	43%	43%	38%	45%	44%	48%	38%	34%	38%	41%	40%	40%
Have either fund OR RA	47%	57%	57%	62%	54%	56%	51%	62%	66%	62%	59%	60%	60%

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).

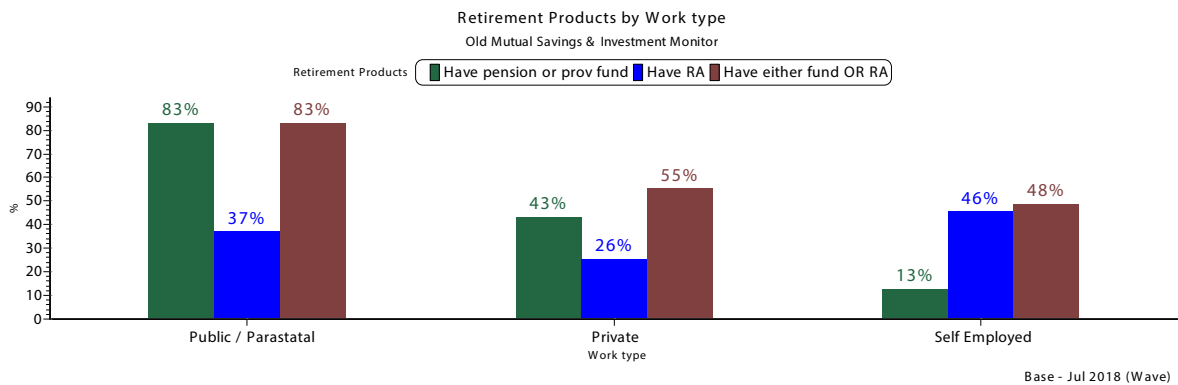


Retirement products	Nov-09	Jul-09	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000													
Have pension or provident fund	21%	36%	29%	33%	31%	27%	19%	41%	39%	26%	26%	19%	14%
Have RA	10%	11%	10%	4%	7%	7%	3%	4%	4%	0%	2%	5%	2%
Have fund and RA	6%	6%	7%	2%	4%	5%	1%	3%	2%	0%	1%	2%	0%
Have neither	75%	59%	68%	64%	66%	71%	79%	58%	58%	73%	73%	78%	85%
Have either fund or RA	25%	41%	32%	36%	34%	29%	21%	42%	42%	27%	27%	22%	15%
R6 000 to R13 999													
Have pension or provident fund	37%	54%	50%	57%	47%	51%	45%	59%	57%	57%	47%	50%	48%
Have RA	19%	25%	36%	21%	20%	20%	12%	13%	13%	13%	10%	19%	13%
Have fund and RA	15%	19%	24%	12%	15%	15%	9%	9%	10%	8%	7%	14%	10%
Have neither	59%	40%	38%	34%	48%	44%	51%	37%	39%	37%	50%	46%	49%
Have either fund or RA	41%	60%	62%	66%	52%	56%	49%	63%	61%	63%	50%	54%	51%
R14 000 to R19 999													
Have pension or provident fund	60%	63%	57%	66%	57%	63%	56%	64%	70%	62%	61%	64%	57%
Have RA	37%	34%	46%	28%	34%	27%	26%	21%	23%	24%	28%	24%	25%
Have fund and RA	31%	25%	33%	20%	25%	21%	19%	16%	18%	14%	20%	21%	17%
Have neither	34%	29%	29%	26%	34%	31%	37%	31%	25%	29%	31%	33%	35%
Have either fund or RA	66%	71%	71%	74%	66%	69%	63%	69%	75%	71%	69%	67%	65%
R20 000 to R39 999													
Have pension or provident fund	60%	52%	65%	67%	52%	64%	59%	64%	69%	66%	66%	73%	65%
Have RA	52%	39%	55%	45%	45%	39%	39%	36%	42%	36%	42%	52%	44%
Have fund and RA	37%	26%	42%	33%	29%	26%	24%	25%	28%	22%	28%	42%	29%
Have neither	25%	36%	22%	21%	31%	23%	26%	25%	16%	20%	20%	17%	19%
Have either fund or RA	75%	64%	78%	79%	68%	77%	74%	75%	84%	80%	80%	83%	81%
R40 000 or more													
Have pension or provident fund	66%	64%	65%	54%	57%	54%	58%	59%	54%	59%	65%	69%	64%
Have RA	53%	50%	63%	68%	69%	54%	54%	54%	63%	65%	58%	59%	56%
Have fund and RA	44%	34%	45%	38%	44%	31%	34%	32%	29%	35%	39%	44%	32%
Have neither	26%	20%	17%	16%	18%	22%	22%	19%	12%	12%	16%	16%	12%
Have either fund or RA	74%	80%	83%	84%	82%	78%	78%	81%	88%	88%	84%	84%	88%
Black													
Have pension or provident fund	35%	53%	41%	55%	42%	48%	38%	61%	58%	53%	51%	52%	46%
Have RA	19%	22%	27%	20%	23%	20%	17%	15%	19%	17%	18%	24%	18%
Have fund and RA	17%	18%	19%	13%	16%	16%	12%	12%	14%	12%	14%	19%	14%
Have neither	62%	42%	52%	38%	50%	48%	56%	36%	37%	42%	45%	44%	51%
Have either fund or RA	38%	58%	48%	62%	49%	52%	43%	64%	63%	58%	55%	56%	49%

Retirement products	Nov-09	Jul-09	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
WCI													
Have pension or provident fund	49%	44%	57%	49%	51%	50%	54%	47%	56%	52%	51%	55%	59%
Have RA	34%	28%	42%	31%	31%	30%	29%	29%	36%	35%	40%	43%	49%
Have fund and RA	23%	16%	30%	19%	21%	17%	17%	17%	18%	16%	22%	30%	26%
Have neither	41%	44%	30%	39%	39%	37%	34%	41%	26%	28%	31%	32%	17%
Have either fund or RA	59%	55%	70%	61%	61%	63%	66%	59%	74%	72%	69%	68%	83%
Gen Z													
Have pension or provident fund	-	-	-	-	-	-	-	-	-	34%	5%	21%	16%
Have RA	-	-	-	-	-	-	-	-	-	0%	0%	5%	4%
Have fund and RA	-	-	-	-	-	-	-	-	-	0%	0%	0%	2%
Have neither	-	-	-	-	-	-	-	-	-	66%	95%	74%	81%
Have either fund or RA	-	-	-	-	-	-	-	-	-	34%	5%	26%	19%
Gen Y													
Have pension or provident fund	30%	44%	41%	42%	38%	38%	37%	51%	53%	44%	48%	50%	48%
Have RA	14%	17%	24%	17%	13%	10%	9%	13%	14%	17%	17%	23%	21%
Have fund and RA	12%	14%	18%	10%	8%	8%	6%	8%	10%	9%	11%	18%	13%
Have neither	68%	53%	53%	51%	57%	60%	60%	45%	43%	48%	46%	45%	44%
Have either fund or RA	32%	46%	47%	49%	42%	40%	40%	55%	57%	52%	54%	55%	56%
Gen X													
Have pension or provident fund	42%	54%	51%	59%	51%	56%	47%	59%	60%	59%	54%	57%	58%
Have RA	28%	27%	37%	25%	29%	28%	23%	23%	28%	24%	29%	37%	37%
Have fund and RA	21%	20%	27%	17%	20%	19%	14%	16%	16%	14%	20%	28%	25%
Have neither	51%	38%	39%	33%	40%	36%	44%	34%	28%	31%	37%	34%	31%
Have either fund or RA	49%	62%	61%	67%	59%	64%	55%	66%	72%	69%	63%	66%	69%
Baby Boomer													
Have pension or provident fund	49%	47%	46%	54%	47%	51%	48%	60%	59%	55%	59%	57%	48%
Have RA	32%	28%	34%	32%	41%	34%	33%	26%	37%	36%	39%	36%	39%
Have fund and RA	24%	15%	22%	19%	27%	23%	23%	19%	24%	22%	27%	28%	20%
Have neither	42%	40%	43%	33%	39%	38%	41%	33%	29%	31%	29%	36%	33%
Have either fund or RA	58%	60%	57%	67%	61%	62%	58%	67%	71%	69%	71%	64%	67%
18-30 Years													
Have pension or provident fund	33%	44%	41%	42%	38%	38%	35%	50%	50%	36%	38%	43%	35%
Have RA	15%	17%	24%	17%	13%	10%	9%	13%	13%	12%	10%	14%	10%
Have fund and RA	13%	14%	17%	10%	8%	8%	6%	8%	8%	5%	5%	11%	4%
Have neither	64%	53%	53%	51%	57%	60%	62%	45%	45%	57%	58%	54%	59%
Have either fund or RA	36%	47%	47%	49%	42%	40%	38%	55%	55%	43%	42%	46%	41%

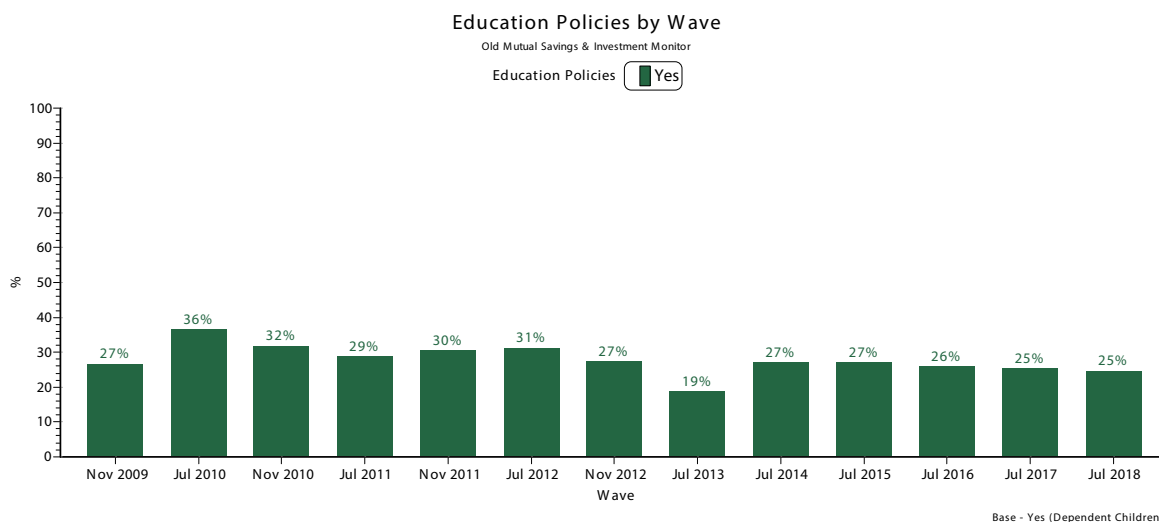
Retirement products	Nov-09	Jul-09	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
31-39 Years													
Have pension or prov fund	38%	54%	52%	56%	47%	56%	49%	56%	62%	59%	56%	53%	53%
Have RA	27%	25%	34%	24%	26%	25%	18%	16%	21%	21%	24%	30%	27%
Have fund and RA	20%	17%	25%	16%	18%	18%	13%	11%	14%	14%	17%	22%	18%
Have neither	54%	38%	38%	36%	46%	37%	45%	38%	31%	33%	37%	39%	38%
Have either fund or RA	46%	62%	62%	64%	54%	63%	55%	62%	69%	67%	63%	61%	62%
40-49 Years													
Have pension or provident fund	55%	57%	47%	64%	57%	54%	46%	62%	57%	57%	54%	59%	56%
Have RA	37%	32%	42%	30%	39%	33%	29%	29%	34%	28%	31%	37%	37%
Have fund and RA	30%	23%	30%	22%	28%	21%	17%	21%	18%	15%	20%	28%	26%
Have neither	38%	34%	41%	28%	31%	34%	42%	31%	27%	30%	36%	32%	33%
Have either fund or RA	62%	66%	59%	72%	69%	66%	58%	69%	73%	70%	64%	68%	67%
50+ Years													
Have pension or provident fund	43%	42%	46%	52%	44%	50%	46%	58%	59%	56%	57%	58%	54%
Have RA	31%	29%	33%	30%	39%	35%	35%	25%	37%	33%	38%	40%	38%
Have fund and RA	21%	15%	21%	16%	24%	23%	24%	17%	24%	22%	26%	33%	23%
Have neither	46%	45%	42%	34%	41%	38%	41%	34%	29%	32%	31%	34%	30%
Have either fund or RA	54%	55%	58%	66%	59%	62%	58%	66%	71%	68%	69%	66%	70%

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 stable.

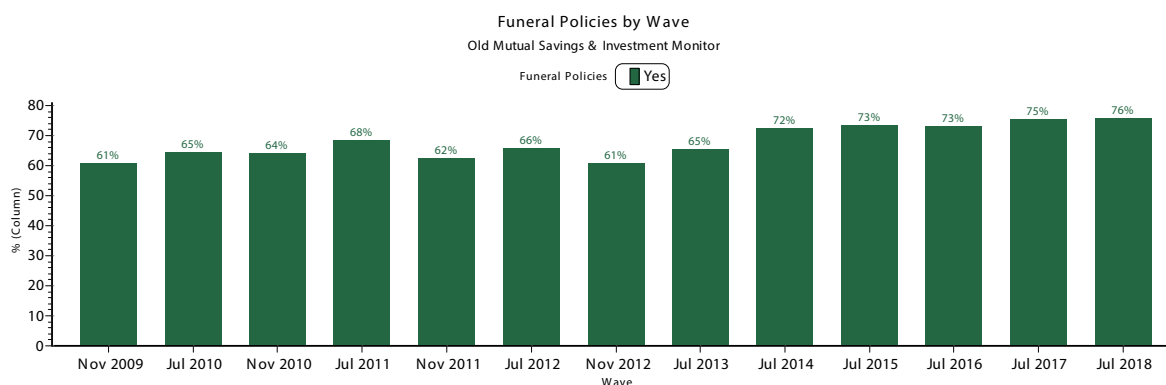


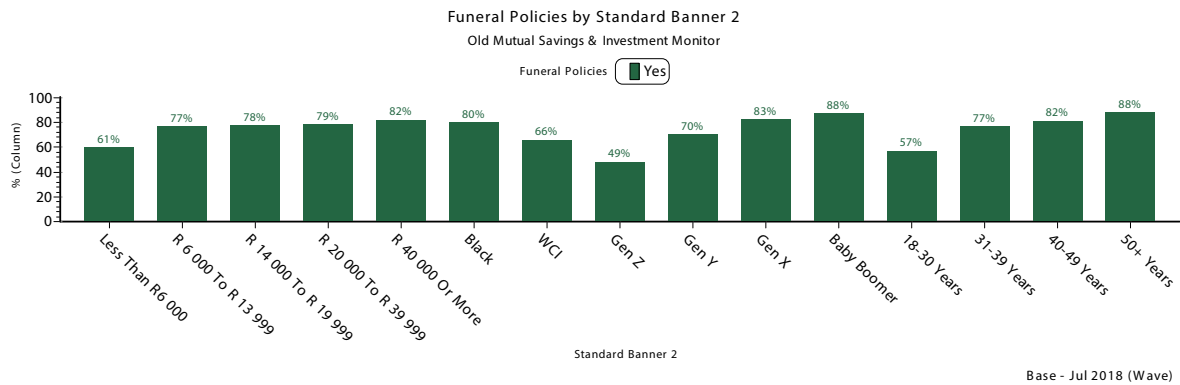
As is the case with most other formal policies, incidence of education policies climbs with income and for completeness sake incidence of education policies (**based on those with dependent children**) by income over time is set out below.

Savings and investment vehicles axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000	17%	30%	19%	20%	19%	14%	10%	8%	8%	6%	13%	8%	4%
R6 000 to R13 999	22%	44%	38%	30%	29%	34%	24%	17%	23%	27%	20%	20%	19%
R14 000 to R19 999	38%	43%	38%	34%	39%	41%	35%	22%	35%	34%	31%	28%	29%
R20 000 to R39 999	37%	32%	38%	33%	40%	38%	41%	26%	41%	37%	31%	37%	32%
R40 000 or more	38%	32%	35%	35%	34%	45%	40%	34%	38%	44%	45%	42%	40%

FUNERAL POLICIES

Incidence of funeral policies is steady.





In order to better understand the funeral policy phenomenon, in 2018 we also asked how many separate funeral policies respondents have as well as who (i.e. what lives) are covered by their funeral policies. Most only have one policy, but this covers several lives:

No. of separate funeral policies (base= policy holders)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
1	79%	97%	81%	74%	76%	70%	76%	88%	84%	72%	79%	89%	81%	75%	72%
2	19%	2%	19%	23%	20%	25%	22%	9%	14%	25%	20%	10%	17%	22%	24%
3	3%	1%	0%	3%	4%	5%	3%	3%	2%	3%	2%	1%	2%	3%	4%

Multiple lives are insured.

Relationship to people covered on policies	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Myself/my own life	99%	99%	100%	100%	99%	99%	99%	100%	99%	100%	100%	99%	99%	100%	100%
My children	66%	54%	69%	76%	64%	67%	72%	51%	63%	80%	50%	42%	72%	79%	62%
My spouse/partner	58%	31%	49%	59%	66%	80%	50%	78%	50%	68%	67%	25%	63%	65%	68%
Mother/father/parents	28%	28%	31%	34%	24%	24%	35%	8%	36%	23%	8%	44%	31%	25%	12%
Brother/sister/sibling	14%	15%	15%	18%	12%	12%	19%	1%	16%	14%	5%	27%	10%	15%	10%
Niece/nephew	6%	5%	8%	3%	6%	7%	8%	0%	5%	8%	5%	8%	3%	9%	7%
Other related family	2%	2%	2%	1%	2%	3%	3%	0%	0%	3%	8%	1%	0%	3%	7%
Grandparents	2%	2%	4%	2%	0%	2%	3%	0%	2%	3%	0%	4%	1%	3%	1%
Aunt/uncle	1%	2%	1%	1%	2%	2%	2%	1%	1%	2%	0%	0%	2%	4%	0%

10.4 INFORMAL SAVINGS

Unbanked cash savings are up marginally.

Informal savings	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Savings club or stokvel	26%	32%	31%	31%	22%	32%	31%	34%	32%	43%	42%	40%	44%
Burial society	Not measured		33%	20%	17%	26%	25%	24%	21%	26%	26%	25%	20%
Funeral parlour cover	Not measured											23%	29%
Grocery scheme	Not measured		13%	7%	6%	10%	8%	8%	8%	11%	13%	11%	10%
Cash savings - not banked	10%	14%	14%	6%	4%	7%	7%	5%	9%	6%	17%	10%	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. Stokvel/savings club membership has recovered the drop seen in the last measure, whilst burial society membership is down (in favour, perhaps, of funeral parlour cover). Grocery scheme membership is also down slightly.

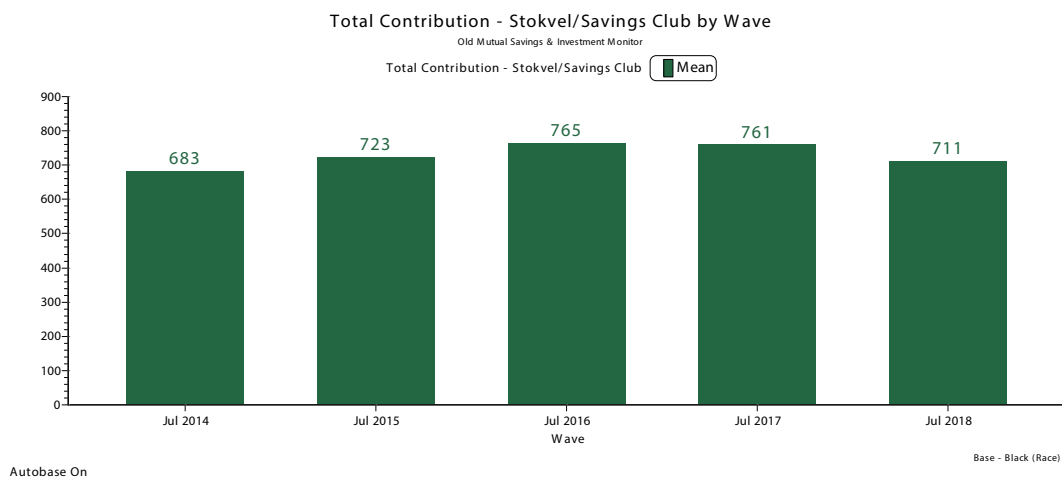
Base: Black (Race)

Informal savings	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Savings club or stokvel	43%	53%	47%	48%	36%	51%	45%	50%	45%	58%	59%	53%	61%
Burial society	Not measured		49%	31%	26%	38%	35%	33%	29%	31%	34%	32%	25%
Funeral parlour cover	Not measured											31%	39%
Grocery scheme	Not measured		19%	11%	9%	15%	13%	11%	12%	15%	18%	16%	13%
Cash savings - not banked	11%	17%	15%	8%	5%	4%	8%	4%	9%	6%	17%	9%	15%

The increase in Stokvel membership is evident across all income bands, higher income in particular (bearing in mind that this was where the decrease was most evident last year.)

CONTRIBUTION RATES

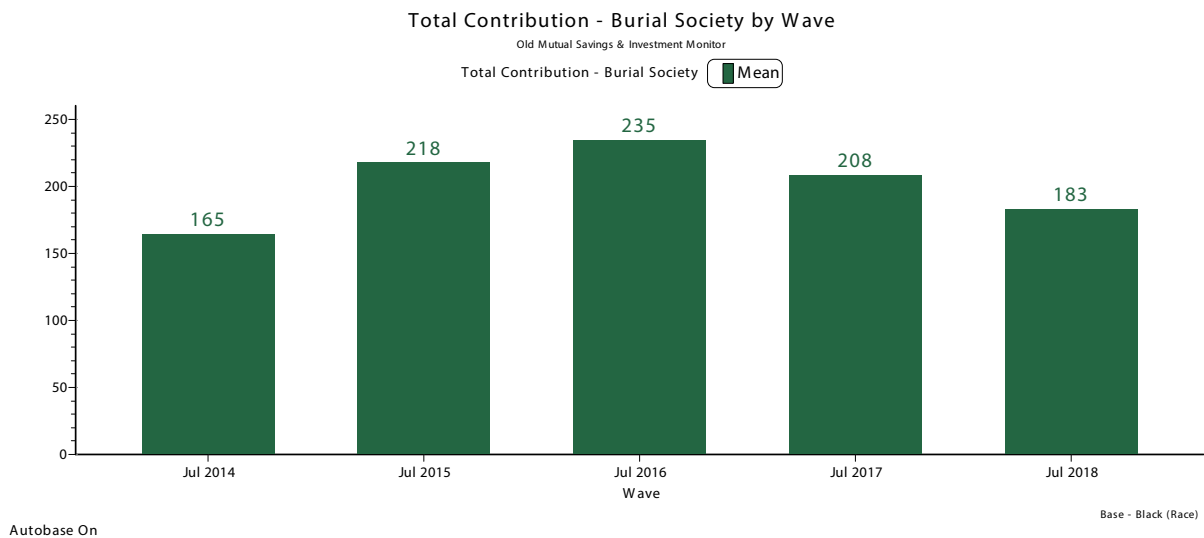
Respondents were asked how much they contribute to the informal schemes that they belong to. The average monthly (or equivalent) amount contributed to a stokvel or savings club by black households is R711 (NB this is the average – there are big variations within this).



Contribution rates climb sharply with income. Worth noting that the decrease in contributions is most evident at top end (R40 000+) (in line with the drop in multiple membership amongst upper income earners).

Total contribution - stokvel/savings club (Base black)	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000	405	366	425	339	372
R6 000 to R13 999	663	633	609	622	630
R14 000 to R19 999	602	922	824	978	796
R20 000 to R39 999	961	967	1 106	1 085	873
R40 000 or more	1 315	1 631	1 914	1 636	1 128

Looking at burial societies, the amounts involved are much lower and here too there has been a decrease in average contribution rates.

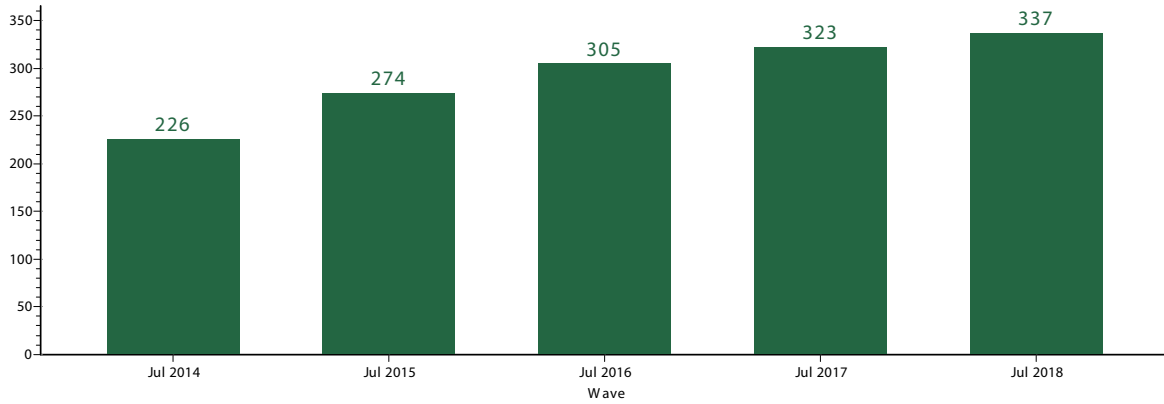


Bucking the trend seen in relation to stokvels/savings clubs and burial societies, Black households’ average contribution to grocery schemes continues to increased – a reflection of high food price inflation perhaps?

Total Contribution - Grocery Scheme by Wave

Old Mutual Savings & Investment Monitor

Total Contribution - Grocery Scheme Mean



Autobase On

Base - Black (Race)

STOKVEL FORM & 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):

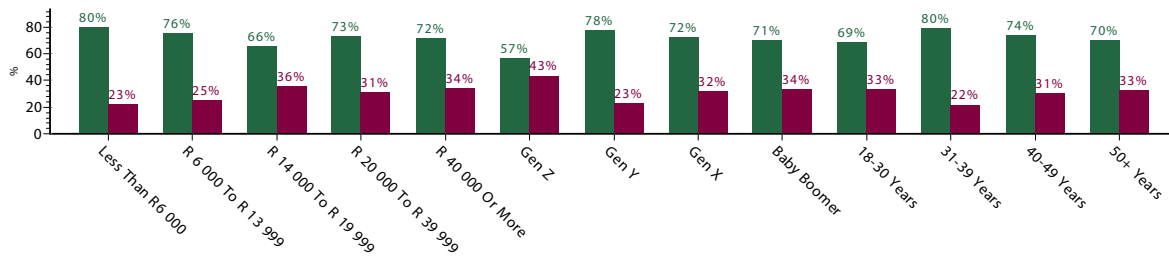
- A short term rotating savings club/Stokvel - each member gets a turn to receive a lump sum of the contributions at least once in the lifetime of the stokvel. The lifetime is typically six months or a year, depending on the number of members.
- An investment club, where members contribute to the investment 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 (74%) of Black Stokvel members describe their Stokvel as a traditional rotating Stokvel, whilst 1 in 3 belong to an investment club. Whilst incidence of investment clubs climbs with income, the correlation is perhaps not as strong as would have been expected. Note that the **Gen Z sample is very small** but the qualitative indication of investment clubs amongst younger people is worth noting.

Description Of Stokvel - TOTAL by Standard Banner 2

Old Mutual Savings & Investment Monitor

Description Of Stokvel - TOTAL A Short Term Rotating Savings Club/Stokvel An Investment Club



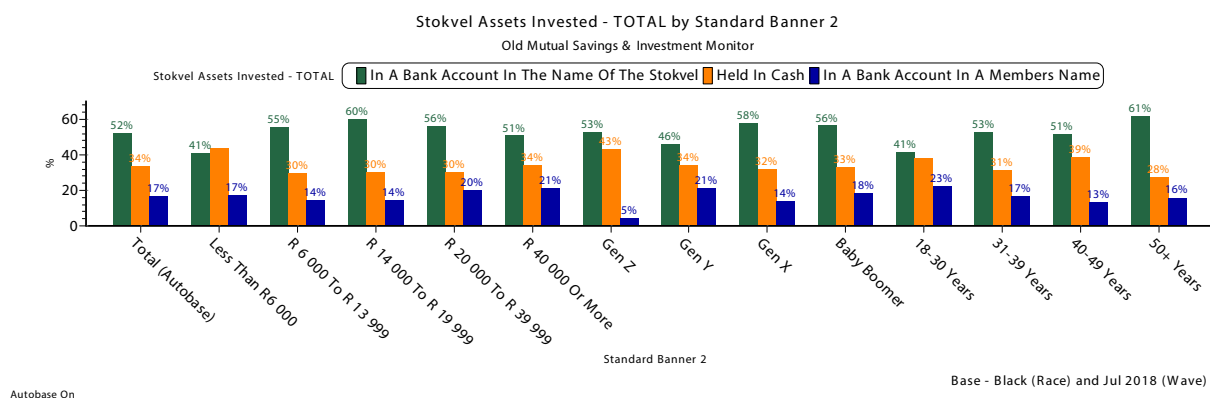
Autobase On

Base - Black (Race) and Jul 2018 (Wave)

INVESTMENT OF STOKVEL ASSETS

In 2018, Stokvel members were asked where the money is held or invested. In approximately a third on cases the money is held in cash rather than banked. When it is banked it is generally banked in the name of the Stokvel (52%) rather than in a member's name (17%).

Incidence of any other type of investment such as a formal policy or equities is negligible.



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)	Total	A short term rotating savings club/stokvel	An investment club
Held in cash	34%	41%	18%
In a bank account in a members' name	17%	16%	21%
In a bank account in the name of the stokvel	52%	47%	70%

10.5 PRECAUTIONARY SAVINGS

Incidence of short term insurance and medical aid is stable.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Short term insurance	32%	30%	33%	31%	28%	33%	28%	30%	30%	31%	33%	38%	38%
Medical insurance/ medical aid	40%	38%	44%	48%	42%	42%	41%	42%	44%	41%	45%	42%	44%

10.6 EQUITY BASED INVESTMENTS

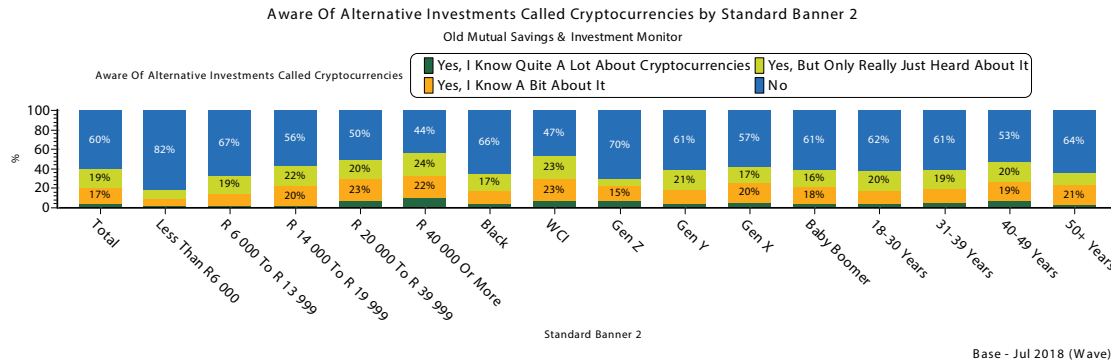
In 2017, equity based investments (such as shares, unit trust and exchange traded funds) fell significantly and especially sharply amongst R40 000+ households. There has been some recovery in 2018, for unit trusts and ETFs in particular.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Unit Trusts/Mutual Funds/ETF's	3%	5%	5%	3%	2%	3%	3%	2%	6%	5%	5%	3%	5%
Listed shares	3%	2%	7%	5%	3%	3%	3%	3%	3%	3%	3%	1%	2%

Retirement products	Nov-09	Jul-09	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000													
Unit Trusts/Mutual Funds/ETFs	1%	1%	1%	0%	0%	0%	0%	2%	0%	0%	0%	1%	0%
Listed Shares	1%	1%	2%	1%	1%	1%	0%	0%	1%	0%	0%	0%	0%
R6 000 to R13 999													
Unit Trusts/Mutual Funds/ETFs	0%	6%	5%	2%	2%	2%	1%	1%	2%	0%	2%	1%	1%
Listed Shares	2%	2%	8%	3%	2%	1%	1%	1%	1%	1%	0%	0%	1%
R14 000 to R19 999													
Unit Trusts/Mutual Funds/ETFs	8%	7%	7%	3%	3%	3%	0%	1%	3%	3%	5%	1%	4%
Listed Shares	4%	3%	10%	4%	4%	2%	3%	1%	4%	1%	2%	0%	0%
R20 000 to R39 999													
Unit Trusts/Mutual Funds/ETFs	5%	5%	8%	8%	3%	5%	6%	3%	10%	7%	9%	5%	7%
Listed Shares	4%	2%	11%	11%	2%	5%	3%	4%	3%	3%	5%	1%	1%
R40 000 or more													
Unit Trusts/Mutual Funds/ETFs	10%	14%	17%	14%	7%	14%	11%	9%	18%	22%	14%	5%	14%
Listed Shares	10%	7%	17%	16%	11%	14%	13%	14%	15%	15%	13%	5%	7%

10.7 CRYPTOCURRENCIES

In 2018 a series of questions were asked to better understand awareness of and reactions to cryptocurrencies. Incidence of cryptocurrency investments was restricted to a handful of respondents (<1%) but 40% of the total sample are aware of cryptocurrencies like Bitcoin. Awareness climbs with income, reaching 56% 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. It is worth noting that immediately prior to fieldwork the first of the big swings/drops in Bitcoin value occurred.

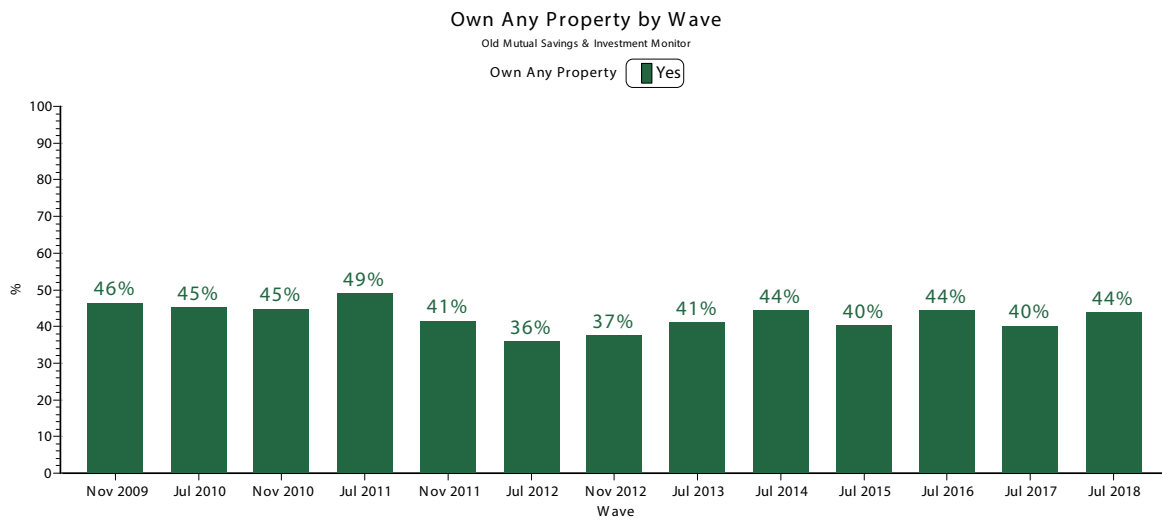
% Agree Slightly + Strongly agree	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Z**	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Wish I had invested in these before	38%	53%	35%	31%	42%	37%	40%	36%	41%	39%	40%	24%	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.

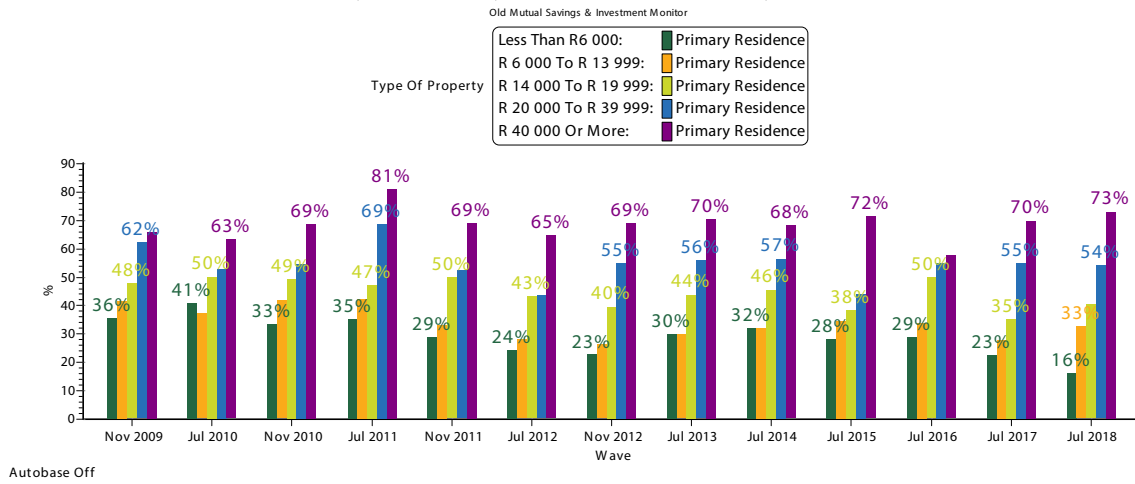


Property ownership remains dominated by ownership of primary residence.

Type of property	Total	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Primary residence	42%	45%	44%	43%	48%	41%	35%	37%	41%	43%	40%	43%	40%	43%
Rural family home	2%	4%	2%	4%	3%	2%	2%	2%	1%	1%	2%	3%	2%	1%
Buy to let	1%	2%	2%	2%	2%	1%	1%	1%	2%	2%	1%	1%	0%	1%
Holiday home	0%	1%	0%	1%	0%	1%	0%	0%	0%	0%	1%	0%	0%	0%

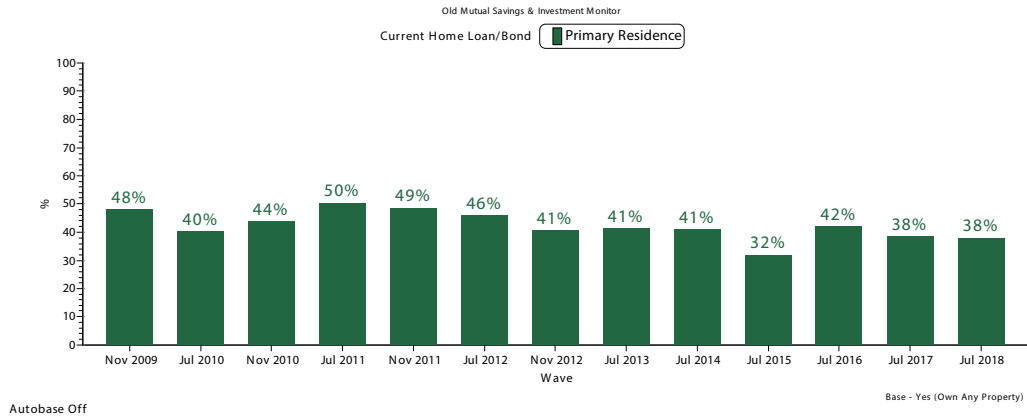
Home ownership remains strongly correlated to income level.

Type Of Property within Standard Banner 2 by Wave



Incidence of home loans amongst those who own their primary residence is steady.

Current Home Loan/Bond by Wave



The majority of bond holders continue to only pay the minimum bond instalment required, but 2018 sees a marked increase in those paying in extra every month.

The majority of bond holders continue to only pay the minimum bond instalment required, but 2018 sees a marked increase in those paying in extra every month.

Primary Residence	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Unweighted Numbers	279	243	241	287	233	196	169	188	189	137	192	169	173
FINANCIAL STRESS													
Struggle to meet	18%	10%	4%	3%	3%	3%	3%	4%	2%	3%	5%	4%	0%
Can no longer afford to pay extra	8%	9%	7%	5%	6%	3%	2%	2%	2%	3%	3%	2%	1%
Recent advance	1%	0%	1%	1%	2%	1%	0%	0%	1%	2%	2%	1%	0%
Re-negotiated due to financial pressure	3%	2%	3%	1%	3%	1%	1%	2%	0%	1%	2%	0%	1%
MINIMUM ONLY													
Pay minimum only	53%	59%	49%	59%	55%	62%	62%	54%	63%	65%	67%	77%	71%
TRYING TO PAY OFF FASTER													
Pay extra every month	20%	16%	30%	24%	24%	24%	25%	31%	28%	18%	14%	12%	23%
Extra lump sums	10%	3%	7%	11%	11%	9%	7%	8%	5%	9%	7%	4%	3%

As has been the case historically incidence of extra repayments climbs with income (Caution small base sizes in lower income groups). In 2018, 1 in 3 R20 000+ households are managing to pay off their home loan faster.

2018	Total	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more
Unweighted numbers	n=173	n=11	n=26	n=55	n=81
FINANCIAL STRESS					
Struggle to meet	0%	0%	0%	0%	0%
Can no longer afford to pay extra	1%	0%	0%	2%	1%
Recent advance	0%	0%	0%	0%	0%
Re-negotiated due to financial pressure	1%	0%	8%	0%	0%
MINIMUM ONLY					
Pay minimum only	71%	91%	85%	69%	65%
TRYING TO PAY OFF FASTER					
Pay extra every month	23%	9%	8%	27%	27%
Extra lump sums	3%	0%	0%	2%	6%

11.2 PRIMARY RESIDENCE AS PART OF RETIREMENT FUNDING

The decline in home-owners who expect to rely on their home as part of their retirement that we saw in 2017 has been reversed in this measure. Once again WCI consumers are significantly more likely to view their home as some type of retirement nest egg.

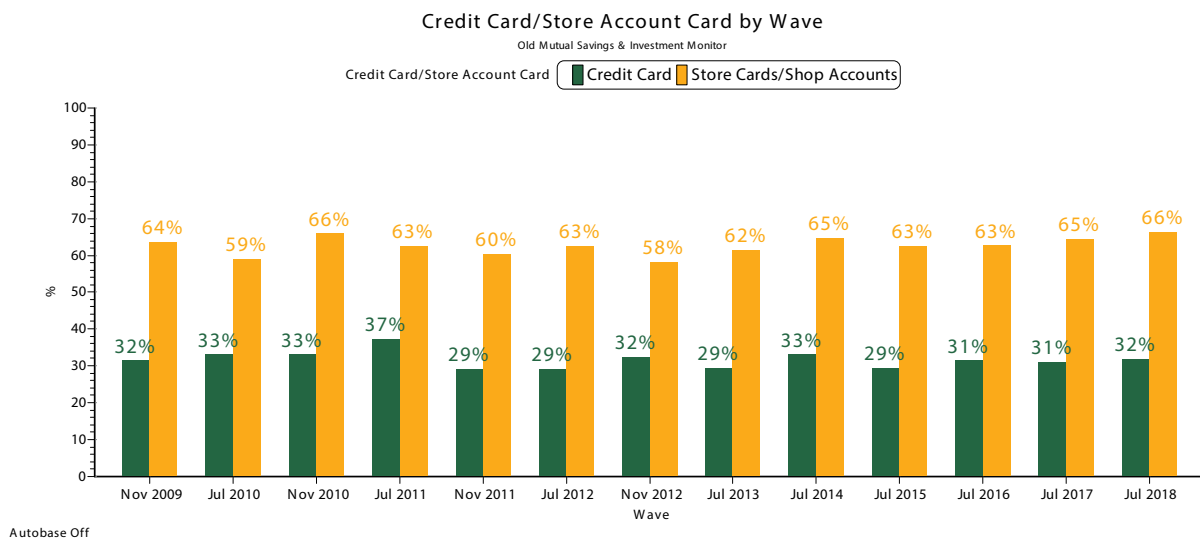
Once again it is worth noting that a significant number (19%) haven't really thought about it.

Primary residence as nest egg	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Will rely on it heavily expect it to provide the majority of my retirement funding	5%	14%	8%	9%	8%	9%	12%	6%	5%
Will rely on it to some extent to provide some of my retirement funding	22%	31%	17%	21%	18%	26%	29%	21%	33%
Won't rely on it at all (or hardly at all)	50%	42%	49%	54%	53%	47%	41%	53%	44%
Don't know - haven't really thought about it	22%	13%	24%	16%	21%	16%	17%	19%	18%

2018	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI
Unweighted numbers	435	33	65	79	112	146	269	166
Will rely on it heavily expect it to provide the majority of my retirement funding	5%	0%	3%	3%	9%	6%	5%	7%
Will rely on it to some extent to provide some of my retirement funding	33%	27%	35%	41%	29%	35%	28%	42%
Won't rely on it at all (or hardly at all)	44%	55%	46%	43%	44%	39%	50%	32%
Don't know - haven't really thought about it	18%	18%	15%	14%	19%	20%	17%	18%

11.3 CREDIT CARDS AND STORE CARDS

At a total sample level the incidence of both credit cards and store cards is stable.

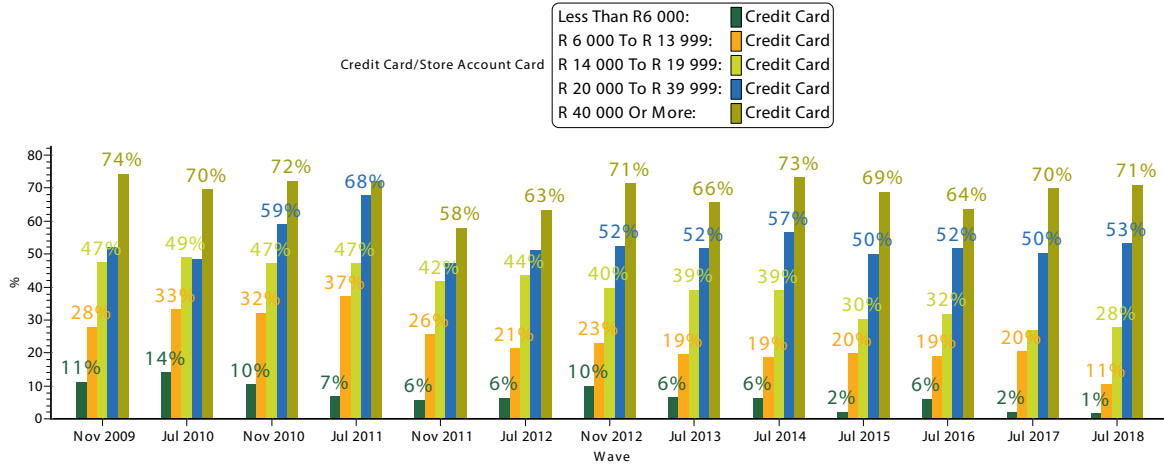


CREDIT CARDS

Incidence of credit cards remains strongly positively correlated with income.

Credit Card/Store Account Card within Standard Banner 2 by Wave

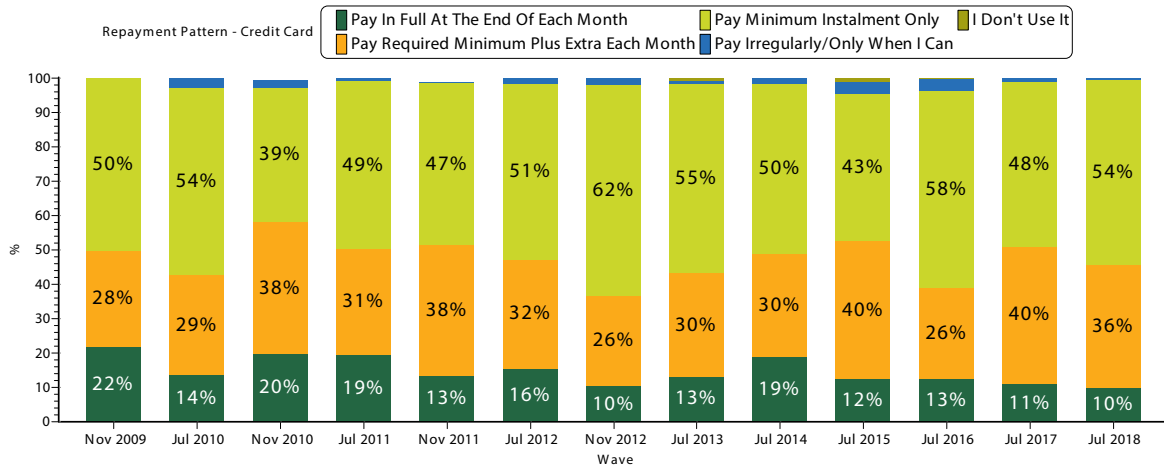
Old Mutual Savings & Investment Monitor



Autobase Off

Repayment Pattern - Credit Card by Wave

Old Mutual Savings & Investment Monitor



Autobase On

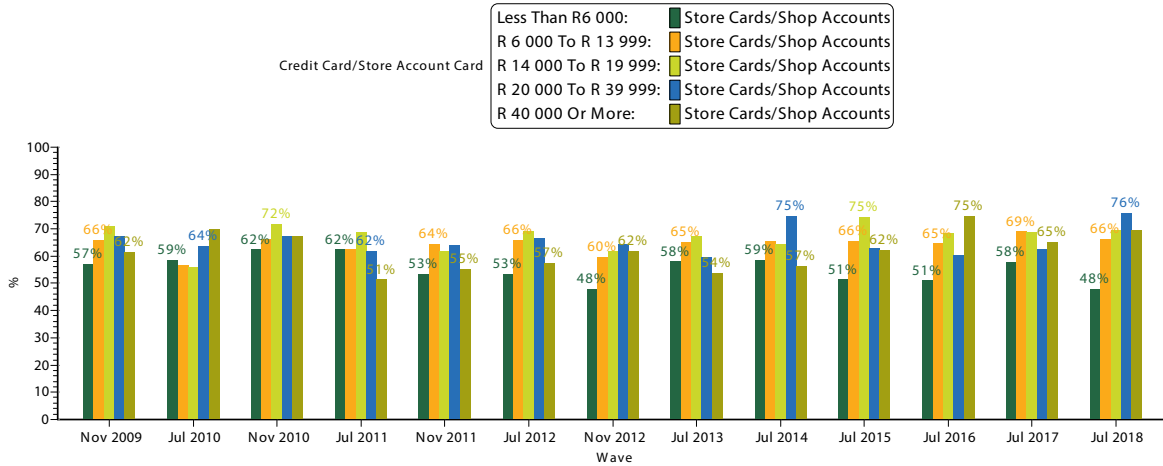
Looking at repayment patterns, only 10% pay their credit card off in full at the end of the month.

STORE CARDS

Store cards continue to have broader appeal, with a sharp increase in R20 000 – R39 999 households, and a significant decline amongst <R6 000 households

Credit Card/Store Account Card within Standard Banner 2 by Wave

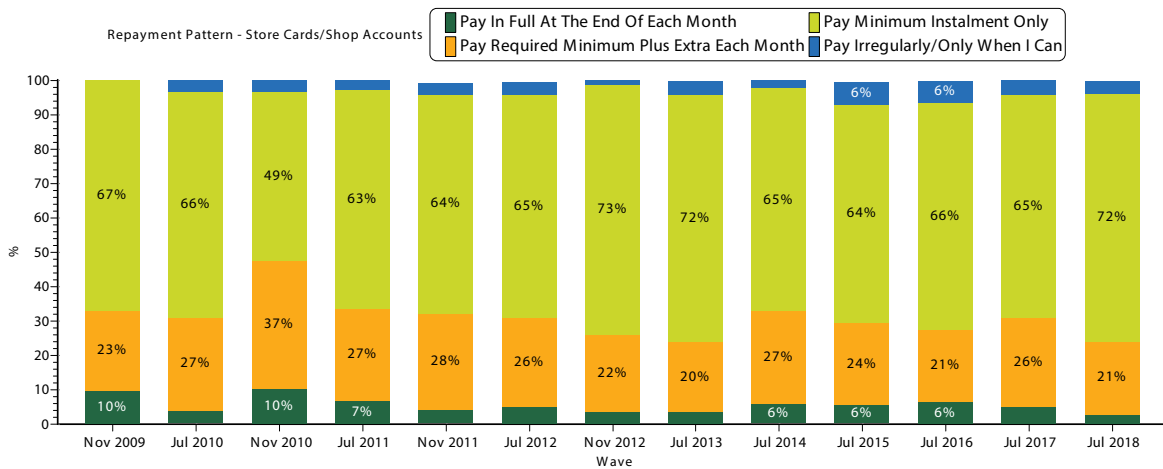
Old Mutual Savings & Investment Monitor



Autobase Off

Repayment Pattern - Store Cards/Shop Accounts by Wave

Old Mutual Savings & Investment Monitor



Autobase On

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.

Higher earners repayment patterns are quite unstable with 2018 seeing another sharp pull back on making extra payments of their store cards.

11.4 PERSONAL LOANS AND OTHER SHORT-TO-MEDIUM TERM DEBT

2018 sees a small decrease in loans from friends and family (across all income groups).

Current Short/Medium Term Loans	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Any personal loan	18%	27%	30%	28%	19%	25%	23%	24%	28%	27%	36%	29%	24%
Personal loan from a financial institution	Not measured	16%	17%	19%	11%	16%	15%	17%	20%	16%	21%	14%	14%
Personal loan from a micro lender		3%	3%	3%	1%	2%	2%	3%	3%	4%	8%	6%	4%
Personal loan from a friend/family member		14%	15%	10%	8%	8%	7%	6%	7%	10%	15%	13%	10%
Car finance	18%	14%	17%	17%	13%	20%	13%	17%	13%	15%	18%	19%	21%
Hire purchase/instalment sale	Not measured	15%	16%	12%	8%	16%	11%	12%	14%	14%	13%	12%	10%
Revolving credit facility	11%	8%	6%	9%	5%	6%	6%	4%	4%	2%	6%	10%	5%
Overdraft	Not measured	7%	8%	9%	7%	8%	6%	6%	7%	4%	11%	9%	10%
Student loan	Not measured									1%	3%	2%	1%

The repayment patterns of the most prevalent short-to-medium term debt are set out below. The vast majority continue to pay the minimum instalment 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-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Pay required minimum plus extra each month	6%	26%	18%	16%	15%	11%	14%	8%	12%	12%	11%	8%
Pay minimum instalment only	93%	67%	75%	72%	82%	85%	82%	86%	83%	81%	81%	86%
Pay irregularly/only when I can	2%	7%	7%	12%	3%	4%	4%	6%	5%	7%	8%	6%

Repayment pattern - personal loan from a friend/family member	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Pay required minimum plus extra each month	12%	28%	31%	16%	18%	16%	13%	28%	10%	8%	15%	16%
Pay minimum instalment only	40%	34%	25%	32%	39%	40%	39%	34%	45%	57%	58%	48%
Pay irregularly/only when I can	48%	38%	44%	52%	43%	45%	48%	38%	45%	34%	27%	35%

Repayment pattern - car finance	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Pay required minimum plus extra each month	33%	18%	21%	24%	21%	16%	18%	15%	14%	15%	8%	15%	10%
Pay minimum instalment only	67%	80%	74%	72%	72%	81%	80%	82%	84%	83%	90%	82%	88%
Pay irregularly/only when I can	0%	3%	5%	4%	7%	3%	2%	3%	2%	2%	2%	3%	1%

Repayment pattern - hire purchase/ instalment sale	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Pay required minimum plus extra each month	14%	18%	23%	13%	12%	14%	13%	10%	19%	10%	10%	13%
Pay minimum instalment only	85%	79%	73%	82%	87%	82%	80%	87%	77%	75%	85%	78%
Pay irregularly/only when I can	1%	3%	4%	5%	1%	4%	6%	3%	4%	15%	5%	9%

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 2017 measure. (Shading indicates attribute not measured).

At a total sample level the following is worth noting:

- Significant increase in those who describe their attitude to finance as cautious (granted, off a high base)
- Decline in knowledge seeking, as well as a decline in interest in latest financial products
- Sharp drop in those who would describe themselves as spenders rather than savers
- Declining trend on struggling to make ends meet

Statements - grouped axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Extremely cautious with finances	81%	83%	79%	78%	83%	79%	74%	75%	75%	80%	75%	77%	84%
I want to learn more about how to save		82%	82%	82%	81%	85%	83%	80%	80%	84%	83%	84%	80%
Set financial goals	79%	79%	78%	76%	77%	81%	79%	80%	76%	78%	69%	75%	76%
Always trying to become more knowledgeable about financial matters	77%	77%	82%	74%	77%	81%	74%	74%	73%	75%	76%	80%	69%
I wonder if I have done enough to secure my retirement	74%	76%	77%	75%	75%	74%	68%	69%	64%	73%	73%	71%	69%
Always worried about not having enough money	82%	79%	77%	80%	80%	75%	77%	71%	65%	68%	77%	69%	67%
Plan my finances five to ten years ahead	46%	48%	50%	47%	47%	51%	47%	60%	53%	62%	55%	60%	63%
Seek financial advice from family and friends						60%	59%	55%	51%	64%	62%	58%	56%
Death, funeral and disability cover are more important				45%	54%	50%	56%	44%	50%	46%	44%	53%	53%
Saving for education is more important than retirement					54%	51%	45%	47%	49%	52%	49%	51%	50%
I know a lot about financial products						52%	49%	48%	44%	50%	49%	46%	49%
Most months I struggle to make ends meet						46%	47%	43%	39%	47%	54%	44%	38%
Not always sure who to turn to regarding finances						37%	36%	36%	34%	33%	37%	36%	35%
Feel financially secure, have enough pay for unplanned events						0%	44%	40%	43%	38%	30%	40%	35%
Always looking out for latest financial services products						46%	41%	40%	36%	35%	45%	47%	33%
Would like financial advice but hard to find somebody I trust						44%	41%	40%	37%	38%	36%	39%	31%

Statements - grouped axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Spend all that I earn, not able to save anything	39%	37%	30%	37%	38%	33%	34%	34%	29%	29%	33%	25%	24%
Saving for future is not a priority right now	33%	26%	24%	26%	35%	26%	26%	22%	24%	26%	27%	25%	22%
I consider myself a spender, not a saver	39%	34%	36%	35%	35%	34%	35%	35%	37%	29%	42%	36%	20%
Happy to buy financial products off internet						22%	19%	14%	18%	15%	15%	18%	14%

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 matters
- Generally feeling more secure

Lower income earners on the other hand tend to be:

- Weaker planners, short term horizon, more focused 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.

STATEMENTS - GROUPED Axes	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer
Extremely cautious with finances	75%	82%	85%	87%	90%	74%	81%	87%	89%
I want to learn more about how to save	85%	87%	78%	76%	72%	89%	81%	81%	71%
Set financial goals	60%	72%	76%	84%	88%	64%	73%	82%	77%
Always trying to become more knowledgeable about financial matters	62%	71%	70%	66%	76%	65%	67%	73%	65%
I wonder if I have done enough to secure my retirement	60%	72%	71%	71%	66%	56%	66%	72%	73%
Always worried about not having enough money	86%	78%	62%	58%	46%	84%	70%	63%	59%
Plan my finances five to ten years ahead	43%	61%	64%	65%	84%	38%	58%	70%	76%
Seek financial advice from family and friends	63%	58%	53%	58%	46%	57%	59%	57%	41%
Death, funeral and disability cover are more important	66%	62%	54%	45%	37%	45%	55%	57%	39%
Savings for education is more important than retirement	60%	58%	52%	40%	42%	51%	51%	54%	36%
I know a lot about financial products	36%	42%	51%	53%	64%	42%	46%	53%	52%
Most months I struggle to make ends meet	63%	45%	36%	27%	18%	48%	42%	34%	30%
Not always sure who to turn to regarding finances	55%	40%	34%	26%	18%	55%	37%	31%	27%
Feel financially secure, have enough pay for unplanned events	12%	26%	35%	43%	60%	11%	31%	39%	48%
Always looking out for latest financial services products	30%	28%	37%	34%	42%	33%	29%	39%	33%

STATEMENTS - GROUPED Axes	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer
Would like financial advice but hard to find somebody I trust	44%	36%	33%	22%	22%	46%	31%	29%	31%
Spend all that I earn, not able to save anything	43%	25%	19%	20%	10%	37%	25%	21%	19%
Saving for future is not a priority right now	30%	22%	22%	19%	20%	30%	24%	19%	22%
I consider myself a spender, not a saver	33%	21%	17%	16%	12%	31%	23%	16%	12%
Happy to buy financial products off internet	7%	13%	13%	17%	21%	15%	16%	12%	11%

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" (although levels of agreement are significantly lower than in 2016, reversing what was starting to be an increasing trend).
- "The government will look after me if I am unable to look after myself" (Remains steady at a third of working metro).

Claimed confidence in the South African economy has increased significantly. (We believe that the timing of fieldwork (a few months after the resignation of President Jacob Zuma and the appointment of Cyril Ramaphosa as the new president) has much to do with this increased optimism.

Attitudes to work and life - grouped axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Job security is more important than job satisfaction												82%	81%
I am very optimistic about what the future holds for me	86%	86%	86%	81%	87%	84%	83%	83%	78%	84%	69%	80%	80%
I like to own products that are the most technologically advanced	65%	63%	62%	60%	74%	72%	68%	65%	59%	66%	66%	69%	64%
I feel I never have enough money to do the things I want	78%	76%	73%	73%	70%	66%	65%	60%	58%	59%	69%	61%	61%
I like to take risks in my life	63%	53%	62%	56%	50%	52%	46%	47%	48%	47%	54%	53%	45%
To get ahead in life I am willing to sacrifice family & social time						52%	48%	49%	49%	44%	46%	51%	44%
I feel confident about the south african economy	56%	58%	61%	58%	59%	57%	52%	55%	52%	55%	31%	34%	43%
I'd rather be my own boss and earn less, than earn more and work for somebody else												39%	43%
Money issues are a major source of stress in our household													41%
My children should look after me when I am old	30%	26%	38%	34%	35%	40%	41%	38%	39%	41%	45%	38%	38%
The government will look after me if I am not able to look after myself	29%	30%	30%	32%	29%	38%	36%	31%	32%	36%	33%	33%	32%
I am less worried about children's education now that government may provide													31%
My partner & I often argue about money matters													25%

Taking a closer look at some of the new statements measured in 2018:

Talk around free or heavily subsidised tertiary education has provided some comfort to some (not all) parents:

I am less worried about children's education now that government may provide (Base= have dependent children)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Z	Gen Y	Gen X	Baby Boomer
Agree	35%	43%	43%	32%	31%	19%	39%	22%	15%	35%	38%	26%

Arguments about money are commonplace, especially in lower income households

My partner & I often argue about money matters (Base =partnered respondents)	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Black	WCI	Gen Z	Gen Y	Gen X	Baby Boomer
Agree	33%	58%	42%	37%	28%	15%	38%	25%	75%	35%	31%	24%

ATTITUDES TO WORK AND LIFE - GROUPED Axes	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer
Job security is more important than job satisfaction	85%	85%	82%	77%	72%	83%	81%	80%	80%
I am very optimistic about what the future holds for me	77%	82%	81%	77%	82%	83%	81%	79%	76%
I like to own products that are the most technologically advanced	61%	63%	66%	63%	70%	86%	68%	63%	43%
I feel I never have enough money to do the things I want	83%	71%	62%	44%	42%	71%	66%	55%	51%
I like to take risks in my life	46%	48%	43%	43%	45%	58%	48%	43%	35%
To get ahead in life I am willing to sacrifice family & social time	45%	48%	43%	44%	35%	42%	46%	42%	38%
I feel confident about the South African economy	47%	43%	46%	42%	38%	51%	44%	43%	36%
I'd rather be my own boss and earn less, than earn more and work for somebody else	42%	49%	42%	33%	49%	31%	42%	44%	48%
Money issues are a major source of stress in our household	68%	46%	37%	31%	19%	53%	43%	38%	31%
My children should look after me when I am old	41%	46%	45%	33%	24%	17%	36%	44%	40%
The government will look after me if I am not able to look after myself	50%	40%	29%	22%	16%	29%	32%	32%	31%
I am less worried about children's education now that government may provide	40%	38%	31%	24%	19%	26%	31%	33%	25%
My partner & I often argue about money matters	31%	29%	31%	21%	15%	22%	26%	25%	23%

12. CONFIDENCE

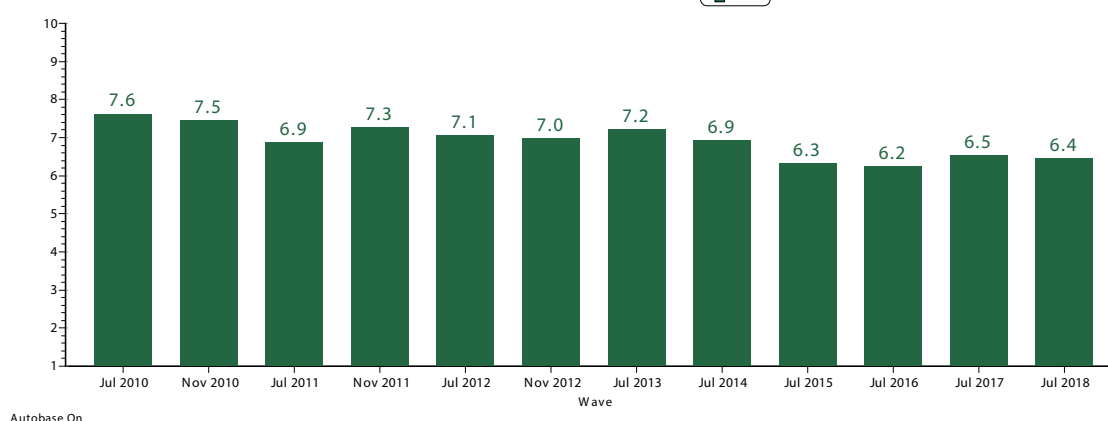
IN FINANCIAL DECISION MAKING

2018 sees some decline in consumer confidence when it comes to financial decision making. This decline is seen across all income groups although confidence levels continue to be positively correlated with income.

Confidence In Ability To Manage Financial Affairs by Wave

Old Mutual Savings & Investment Monitor

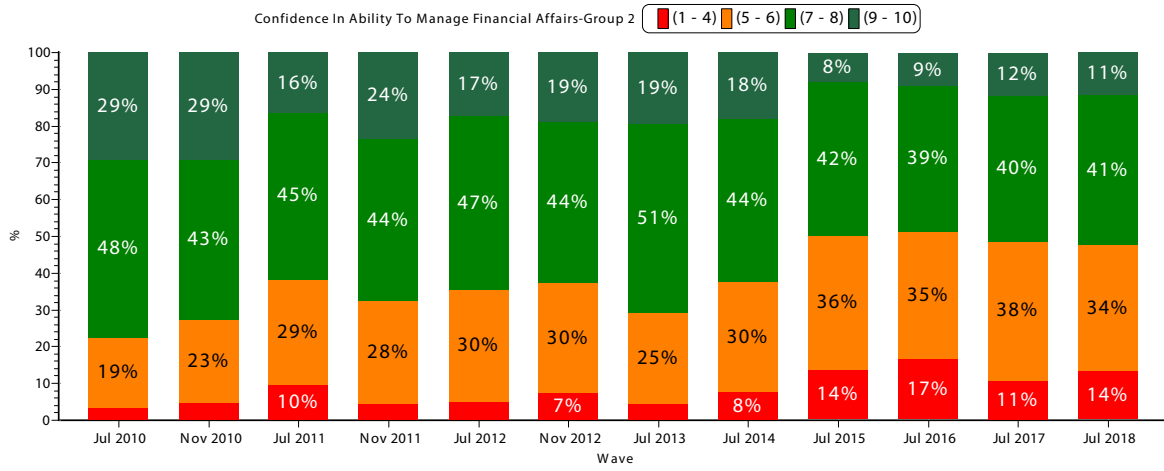
Confidence In Ability To Manage Financial Affairs Mean



Confidence in ability to manage financial affairs (Mean (average) scores out of 10)	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Less than R6 000	7.4	7.2	6.3	6.8	6.6	6.4	6.7	6.1	5.2	5.2	5.4	5.1
R6 000 to R13 999	7.5	7.5	6.9	7.3	7	6.8	7.1	6.8	6.2	6	6.3	6.1
R14 000 to R19 999	7.9	7.7	7.2	7.4	7.3	7.1	7.4	7.1	6.7	6.5	6.6	6.6
R20 000 to R39 999	8.1	7.8	7.4	7.6	7.3	7.5	7.6	7.5	6.9	6.8	7.2	6.9
R40 000 or more	8	7.9	7.7	8	7.9	7.9	8	7.9	7.5	7.2	7.7	7.5
Gen Z	-	-	-	-	-	-	-	-	5.5	5.7	5.6	5.8
Gen Y	7.7	7.6	6.7	7.2	6.9	6.8	7.1	6.7	6.3	6.1	6.3	6.2
Gen X	7.6	7.4	6.9	7.3	7.1	7	7.3	7	6.4	6.3	6.9	6.7
Baby Boomer	7.8	7.4	7	7.4	7.1	7.1	7.3	7	6.2	6.5	6.6	6.8
18-30 Years	7.6	7.6	6.7	7.2	6.9	6.8	7.1	6.7	5.9	6.1	6.1	6
31-39 Years	7.6	7.5	6.9	7.2	7	7	7.3	7	6.5	6.2	6.4	6.5
40-49 Years	7.5	7.3	7	7.4	7.3	7	7.3	7	6.4	6.3	6.9	6.6
50+ Years	7.9	7.5	6.9	7.4	7.1	7.2	7.2	7	6.3	6.5	6.8	6.8

Confidence In Ability To Manage Financial Affairs-Group 2 by Wave

Old Mutual Savings & Investment Monitor



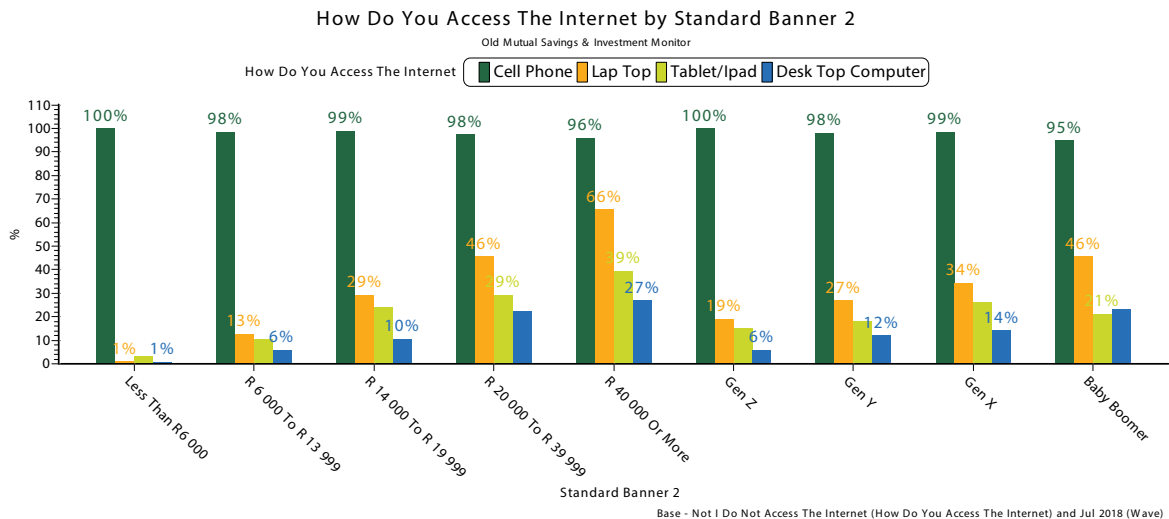
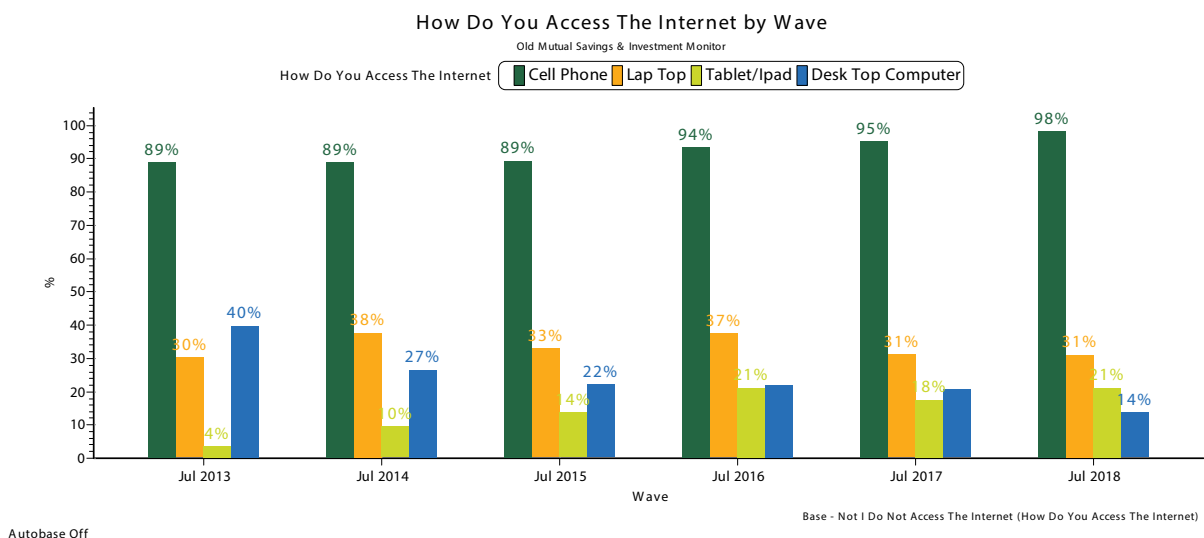
13. INTERNET

& BUYING ONLINE

Internet access has shown increasing penetration over successive measures and is approaching saturation.

Internet access	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Access the Internet	48%	50%	59%	64%	71%	70%	69%	77%	81%	85%	92%	92%	94%
Do not access the internet	52%	50%	41%	36%	29%	30%	31%	24%	19%	15%	8%	8%	6%

Based on those who do access the internet, cell phone is the most common channel followed by laptop.



Notwithstanding the high levels of internet access and use, buying online is still in its infancy in many segments and the incidence of buying financial products online is negligible.

Ever bought online	Jul-13	Jul-14	Jul-15	Jul-16	Jul-17	Jul-18
Music/DVDs/music and movie downloads	12%	12%	14%	18%	20%	21%
Books	6%	6%	5%	7%	8%	6%
Flights, travel and accommodation	12%	12%	12%	16%	17%	18%
Technology applications and tech appliances	5%	5%	6%	6%	7%	8%
Clothes, shoes	1%	2%	2%	4%	7%	7%
Financial products	1%	3%	1%	4%	1%	3%
Concert, sports or movie tickets	9%	11%	13%	18%	17%	17%
Groceries	1%	0%	1%	1%	1%	1%
None of these	77%	74%	72%	66%	65%	64%

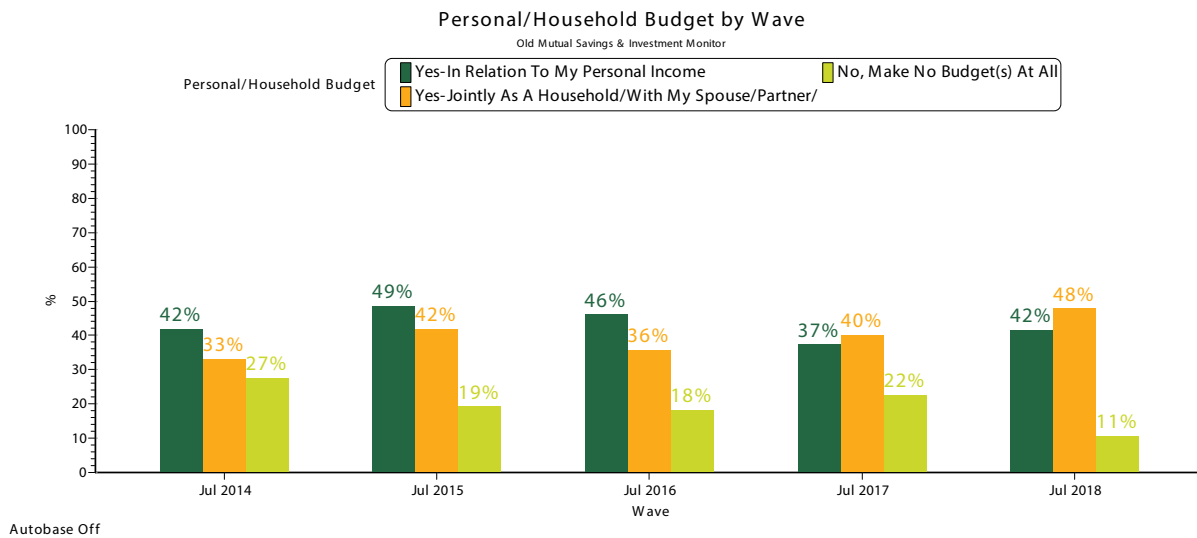
As with previous measures income is a stronger influencer of buying online than age is.

Ever bought online	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer
Unweighted numbers	949	174	187	191	202	195	51	472	336	90
Music/DVDs/music and movie downloads	21%	14%	16%	21%	29%	24%	25%	26%	19%	5%
Books	6%	1%	3%	4%	8%	12%	6%	6%	5%	3%
Flights, travel and accommodation	18%	1%	6%	19%	25%	41%	2%	15%	23%	25%
Technology applications and tech appliances	8%	2%	7%	6%	11%	13%	9%	11%	4%	10%
Clothes, shoes	7%	1%	6%	5%	11%	13%	4%	8%	7%	6%
Financial products	3%	1%	2%	3%	1%	9%	2%	3%	3%	3%
Concert, sports or movie tickets	17%	2%	5%	19%	25%	35%	7%	16%	18%	21%
Groceries	1%	1%	1%	1%	1%	3%	2%	1%	1%	1%
None of these	64%	84%	75%	65%	53%	45%	72%	64%	64%	64%

15. BUDGETING

AND KEEPING TRACK

Drop off in the proportion of metro dwellers who make no budget in relation to their personal income at all which is encouraging.

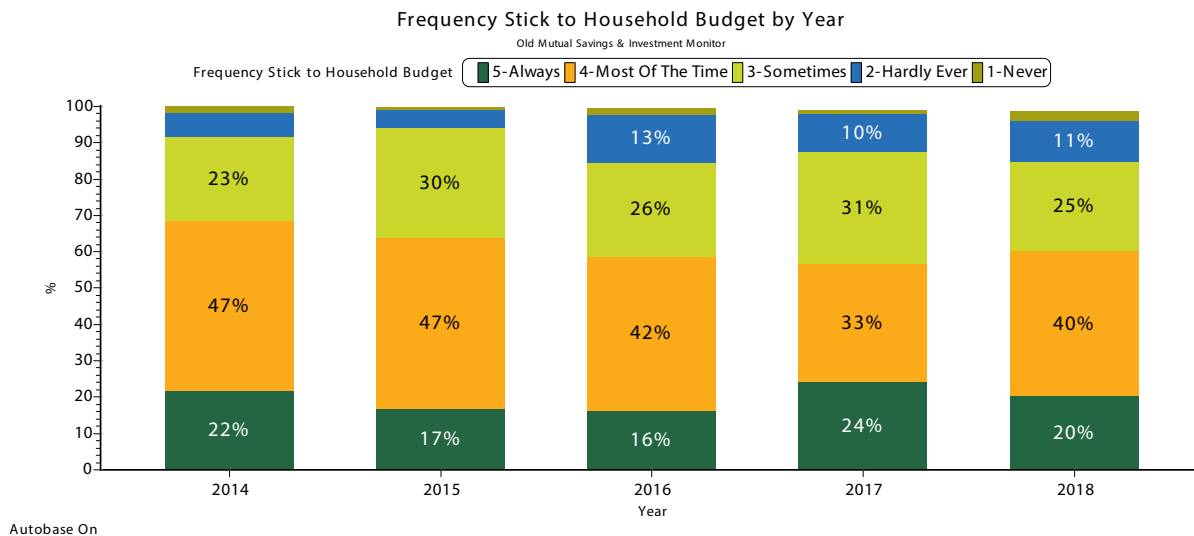


Personal/household budget	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Yes, in relation to my personal income	42%	51%	47%	39%	37%	32%	40%	43%	41%	39%	44%	41%	41%	41%
Yes, jointly as a household/with my spouse/partner	48%	23%	42%	54%	59%	62%	25%	44%	53%	57%	36%	49%	50%	56%
No, make no budget(s) at all	11%	26%	12%	7%	5%	6%	35%	13%	6%	5%	20%	10%	9%	5%

Just half of those who are married/living together make a joint budget.

Personal/household budget	Total	Married/Living Together
Unweighted numbers	1 007	552
Yes, in relation to my personal income	42%	26%
Yes, jointly as a household/with my spouse/partner	48%	68%
No, make no budget(s) at all	11%	6%

Incidence of sticking to a budget climbs steadily with income and age.



Frequency of sticking to household budget	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or more	Gen Z	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Always	20%	13%	20%	14%	14%	36%	44%	15%	24%	24%	17%	18%	21%	26%
Most of the time	40%	23%	39%	47%	39%	44%	12%	38%	39%	57%	36%	37%	39%	50%
Sometimes	25%	40%	27%	19%	30%	13%	24%	30%	21%	15%	31%	27%	22%	18%
Hardly ever	11%	19%	8%	15%	13%	6%	14%	13%	12%	3%	13%	13%	12%	6%
Never	2%	4%	5%	2%	2%	1%	7%	2%	3%	0%	2%	4%	3%	0%

SAVINGS & INVESTMENT MONITOR

