

OLD MUTUAL

# SAVINGS & INVESTMENT MONITOR

July 2019



THE TIME IS NOW

**KNOW BETTER!**

**DO BETTER**



DO GREAT THINGS EVERY DAY



**WORKING RETIREES**



# PROFILE OF RESPONDENTS

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150 retirees

Retired but still  
working

Retired in last 5 years:  
**65%**

More than 5 years ago:  
**35%**

Primary  
breadwinner:  
**56%**

Joint contributors:  
**44%**

60 – 64 yrs: **48%**

65 – 69 yrs: **23%**

70+ yrs: **29%**

**All had income of R15k+ pm**





## CURRENT WORKING SITUATION

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Employed by someone else

51%

Post retirement business (started)

36%

Self employed (as before) or consulting

13%





# REASONS FOR WORKING

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Reasons	%
For a source of income	92%
Something to do/to prevent boredom	55%
Gives a sense of purpose/that I mean something	49%
Enjoy the social interaction/contact with people	27%
To try something new/different	15%
To start my own business	11%



# SOURCES OF INCOME

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Sources	Incidence %	Contribution %
Salary/earnings from work	100%	56%
Pension/Annuity	79%	27%
Income from other savings/investments	50%	7%
Rental Income	25%	6%
Remittances from family (excl. spouse)	17%	3%
State Pension/Grant	13%	1%



## How did you take the retirement savings from work pension/ provident fund?

- |  |     |
|--|-----|
| <input type="checkbox"/> Took some as a lump sum, rest as monthly pension/annuity/income   | 75% |
| <input type="checkbox"/> Took all as a lump sum, no monthly payment                        | 21% |
| <input type="checkbox"/> Took no lump sum, took it all as a monthly pension/annuity/income | 4%  |



## LUMP SUM WAS USED FOR....

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<b>Renovations/ Home improvements</b>	<b>55%</b>
<b>Repayment of home loan</b>	<b>45%</b>
Bought a car/vehicle	37%
Started a business/ put it into my business	34%
Repayment on credit card/ store card	28%
Repayment of personal loan	27%
Food/groceries/ clothing/ everyday items	26%

Invested/saved the money	25%
<b>Bought/invested in property</b>	<b>19%</b>
Repayment of car finance	19%
Holiday	10%
Education expenses	10%
Medical expenses	9%
Gifts for family/friends	8%





89%

**believe that “it is important to be able to stay in my own home and not have to sell or move for financial reasons”**



Medical cover	80%
Funeral Policy	75%
Banked Cash Savings	75%
Life Insurance/disability/ severe illness	53%
Savings policy	37%
Cash unbanked	33%
Investment policy	23%
Unit Trusts	17%
Education policy (those with dependents)	14%

## Black retirees:

<b>Stokvels</b>	<b>65%</b>
<b>Burial societies</b>	<b>47%</b>

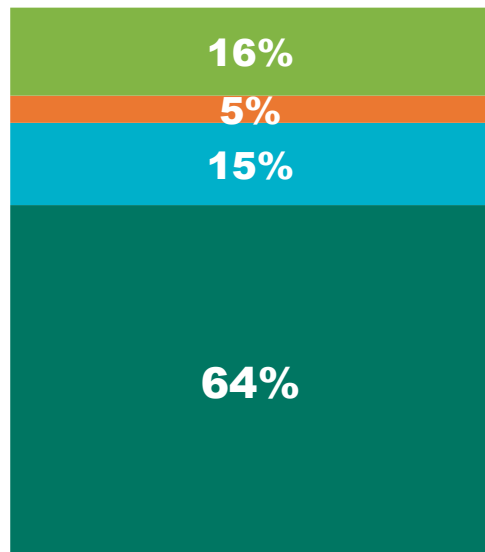
## Average contribution per month:

<b>Stokvels</b>	<b>R1 439</b>
<b>Burial societies</b>	<b>R298</b>

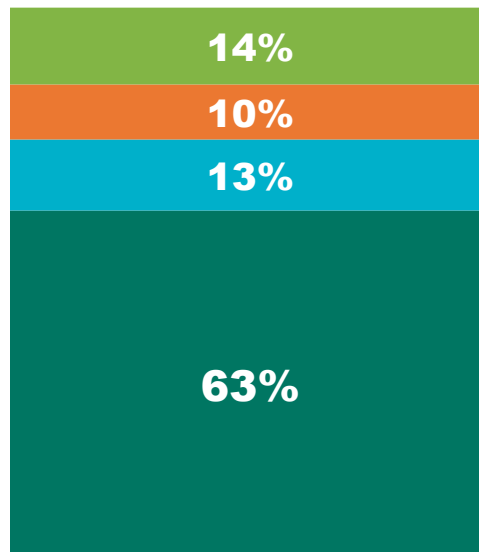


## % OF INCOME SPEND

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2019 Main Sample



2019 Retirees

■ Savings

■ Insurance & Medical Aid

■ Debt

■ Consumption / Living Expenses



# DEBT

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**23%**

have vehicle  
finance



**16%**

have personal loan  
from financial institution



**49%**

have a credit card



**6%**

have personal loan  
from family/friends



**6%**

are still paying  
off a bond



**51%**

have a store card



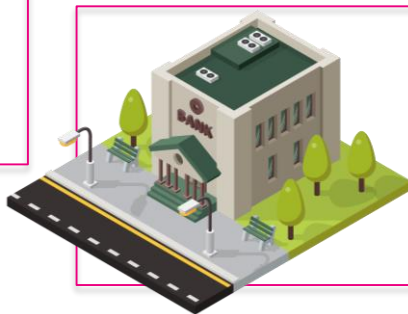


## 83% have an emergency fund

which is kept in.....



**35%**  
in cash/  
unbanked



**79%**  
in bank  
savings  
account



**29%**  
in a stokvel  
(amongst Black  
respondents)





# DEPENDENCY

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**53%**

still have dependent children



**41% with  
children/  
grandchildren  
under 12 years**

**9%**

are supporting parents/ grandparents

**30%**

Are supporting other adults  
(excl. spouses)

**26%**

Sandwich Generation



14%

have a **stash of cash** that  
their spouse/partner is not aware of!



# ACTIVELY CUTTING DOWN ON....

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**Clothing and shoes**

**45%**



**Holiday and travel**

**41%**



**Eating out/entertainment**

**39%**



**Electricity/Water**

**38%**



**Having people around/entertaining at home**

**37%**



**Cell phone/air time**

**36%**



# FINANCIAL SITUATION COMPARED WITH A YEAR AGO

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**Better**

**The Same**

**Worse**

60 – 64 yrs	65 – 69 yrs	70+ yrs
36%	29%	18%
38%	35%	45%
26%	35%	36%

