

OLD MUTUAL

SAVINGS & INVESTMENT MONITOR

July 2019



THE TIME IS NOW

KNOW BETTER!

DO BETTER



DO GREAT THINGS EVERY DAY



WHAT IS THE SAVINGS & INVESTMENT MONITOR?

SAVINGS &
INVESTMENT MONITOR



Annual Survey



Metro
Working
South
Africans

Saving & Investment
Behaviours & Attitudes



METHODOLOGY - MAIN SURVEY

SAVINGS &
INVESTMENT MONITOR



Tracking study
to look at
trends

Weighted
to the SA
working metro
population
(AMPS)

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

Conducted by
independent
research house,

**Peppercorn
Research**





DEFINITION OF SAVINGS & INVESTMENTS

SAVINGS &
INVESTMENT MONITOR



Putting
money
away

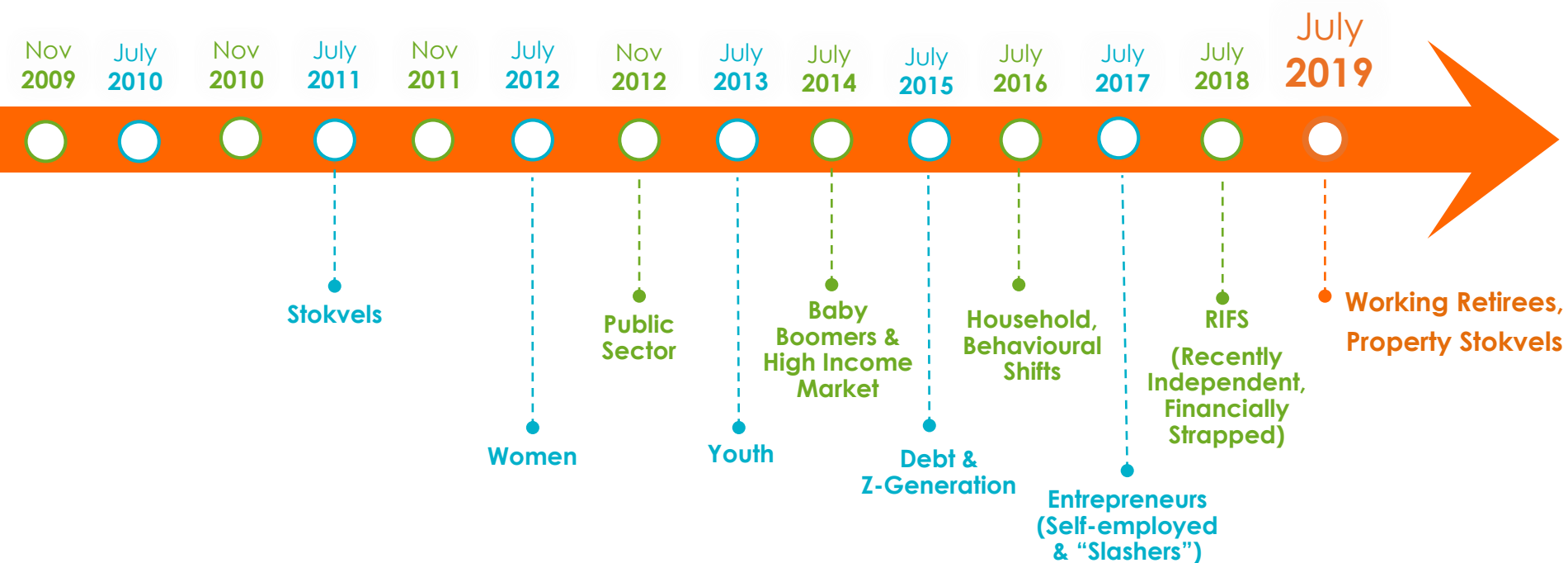
Into savings
accounts,
policies &
investments

Holding
back on
spending

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



HISTORY OF THE OLD MUTUAL SAVINGS & INVESTMENT MONITOR



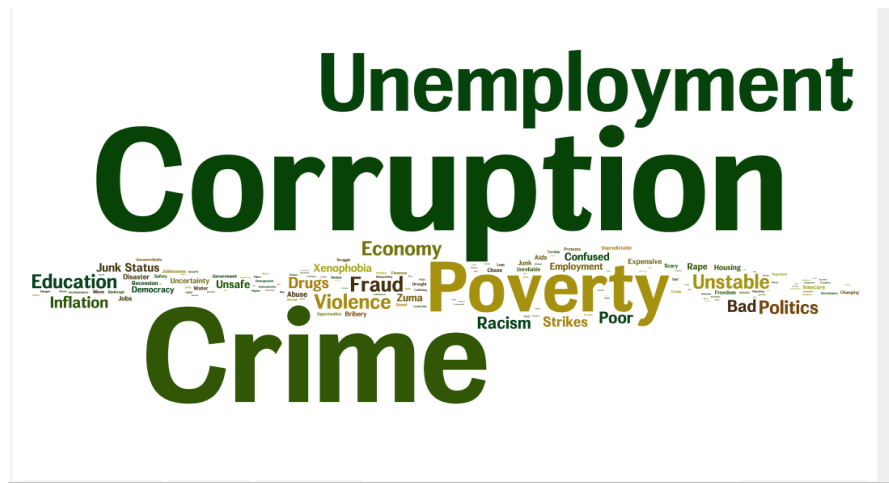


IMPRESSIONS ABOUT OUR COUNTRY

SAVINGS & INVESTMENT MONITOR



“Thinking about our country at the moment, what 3 words come to mind?”



2017





IMPRESSIONS ABOUT OUR COUNTRY

SAVINGS & INVESTMENT MONITOR



“Thinking about our country at the moment, what 3 words come to mind?”

2019





81%

believe that **job security**
is more important than **job satisfaction**





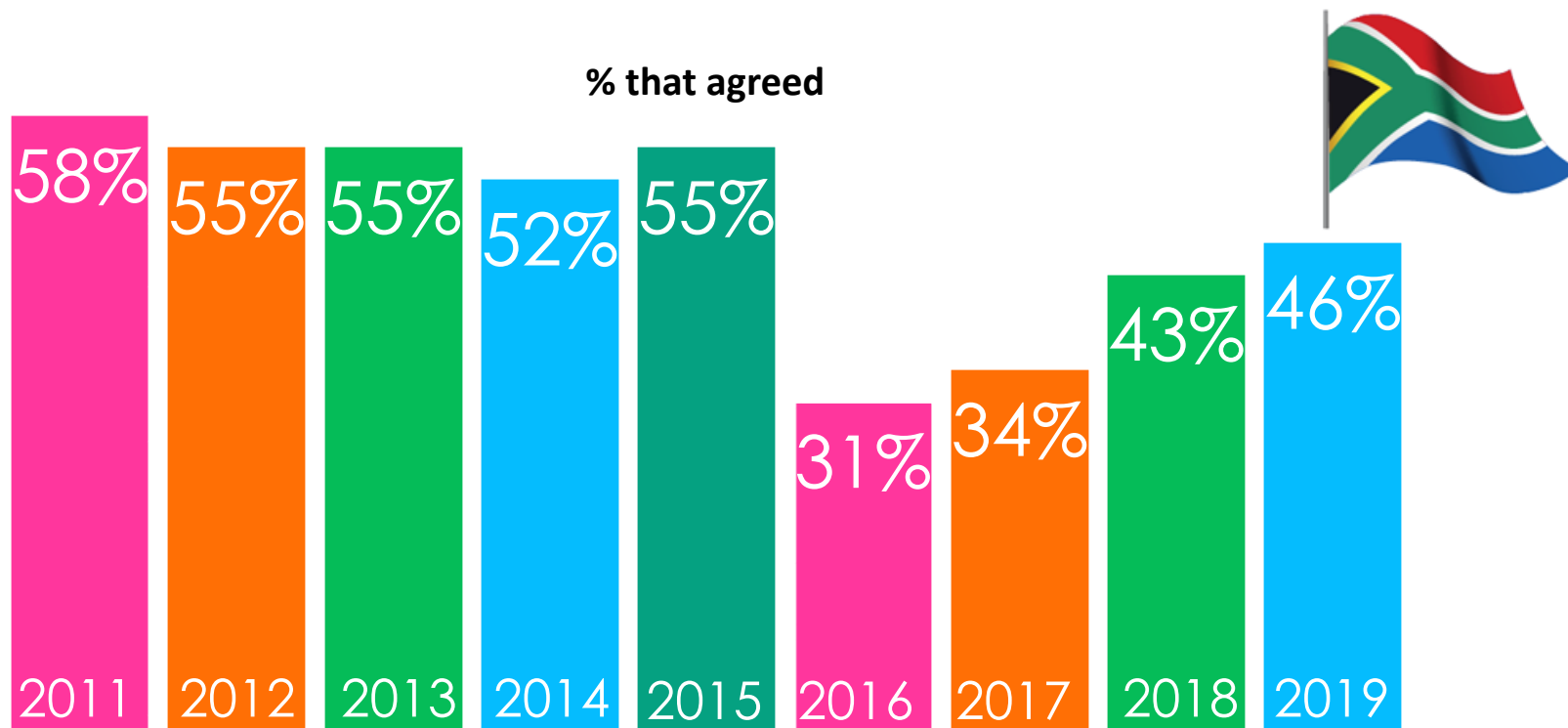
CONFIDENCE IN SA ECONOMY

SAVINGS &
INVESTMENT MONITOR



"I feel confident in the South African economy"

% that agreed



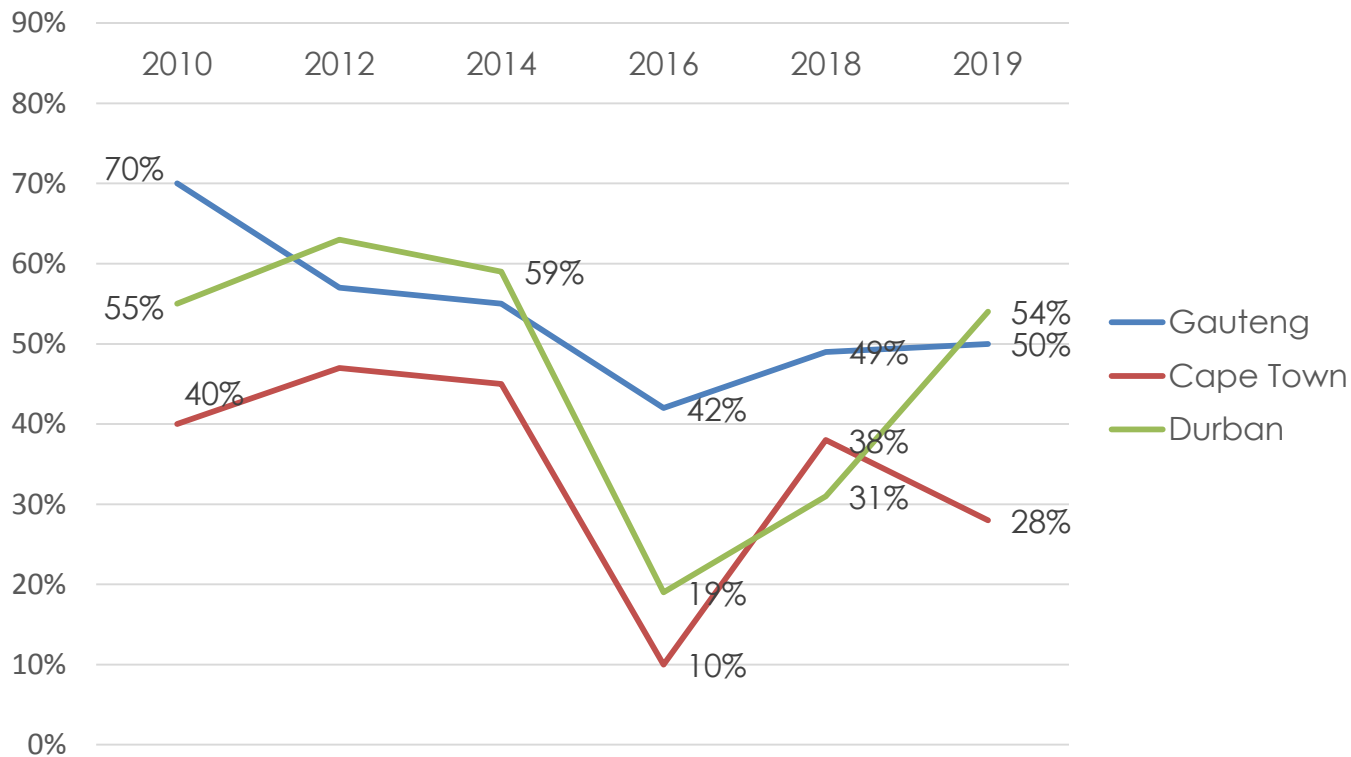


CONFIDENCE IN SA ECONOMY

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



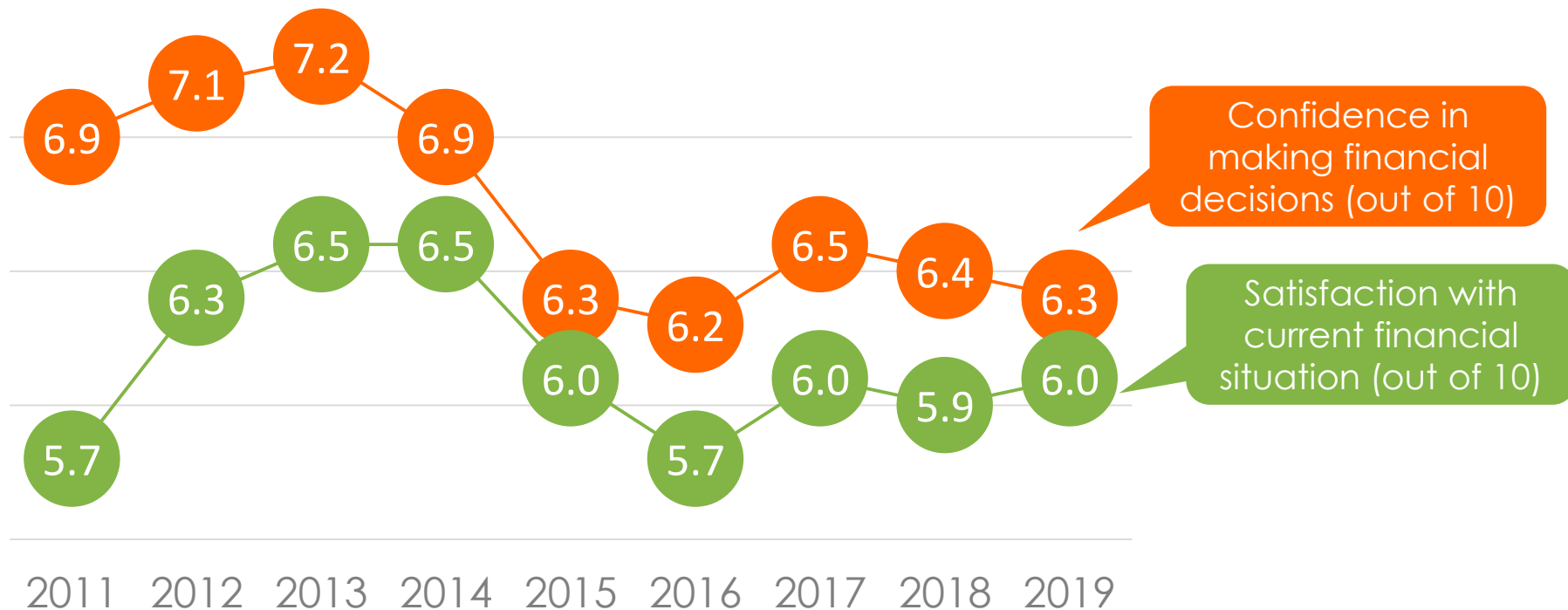


SENTIMENT ABOUT FINANCES

SAVINGS &
INVESTMENT MONITOR



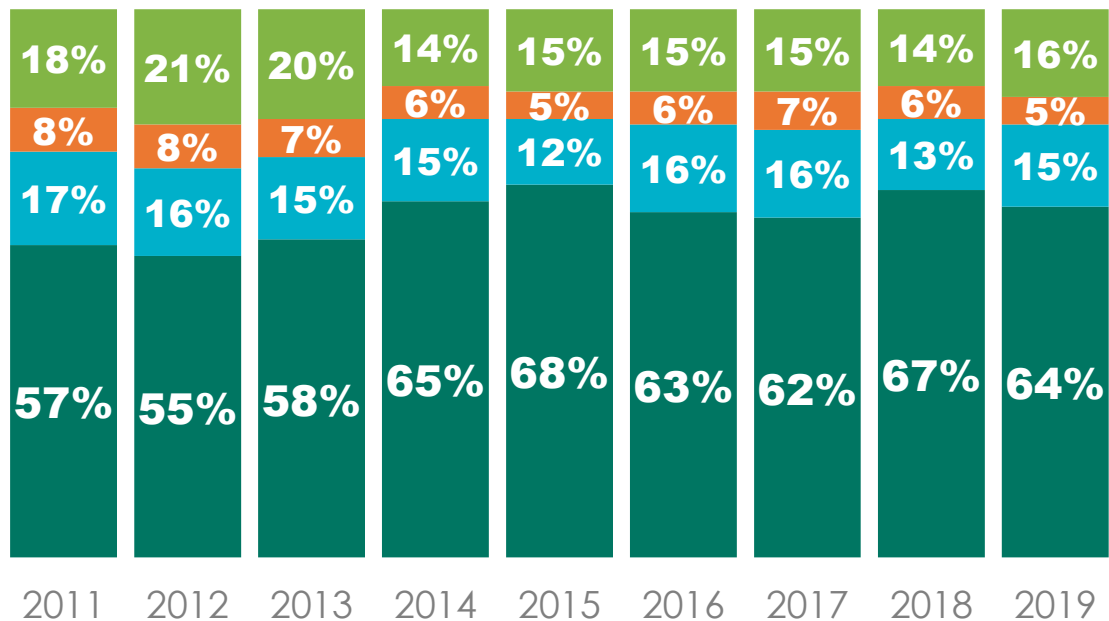
FAIRLY STABLE SENTIMENT ABOUT FINANCES





% OF INCOME SPEND

SAVINGS & INVESTMENT MONITOR



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





“Money issues are a major source of stress in our household”

Significant increase year on year

	2018	2019
Total	40%	50%
< R6k pm	68%	70%
R6k – R13 999 pm	46%	58%
R14k – R19 999 pm	36%	51%
R20k – R39 999 pm	31%	42%
R40k+ pm	18%	27%



FUNDS IN RESERVE IF YOU LOST YOUR JOB.....

“If you were retrenched or lost your job, would you have enough money to last you.....?”

HH Income	1 month or less	2 – 3 months	3+ months
< R6k pm	64%	24%	12%
R6k – R13 999 pm	48%	30%	21%
R14k – R19 999 pm	33%	37%	30%
R20k – R39 999 pm	23%	35%	42%
R40k+ pm	10%	36%	55%

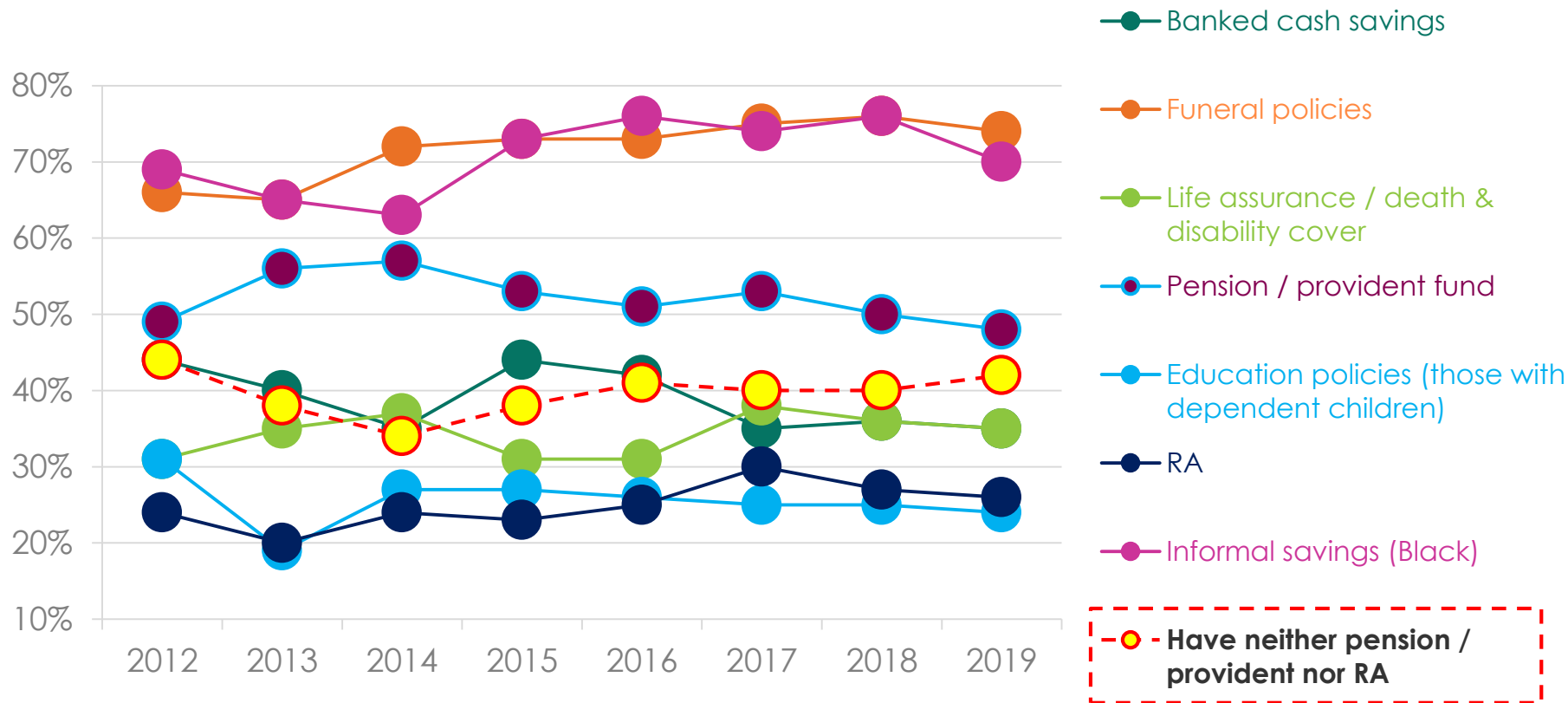
**SAVINGS &
INVESTMENT**
VEHICLES USED





SAVINGS & INVESTMENT VEHICLES USED

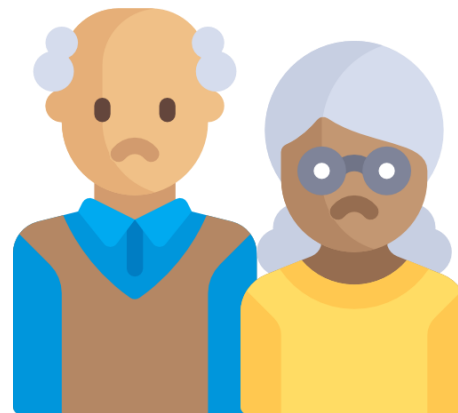
SAVINGS &
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1 in 4

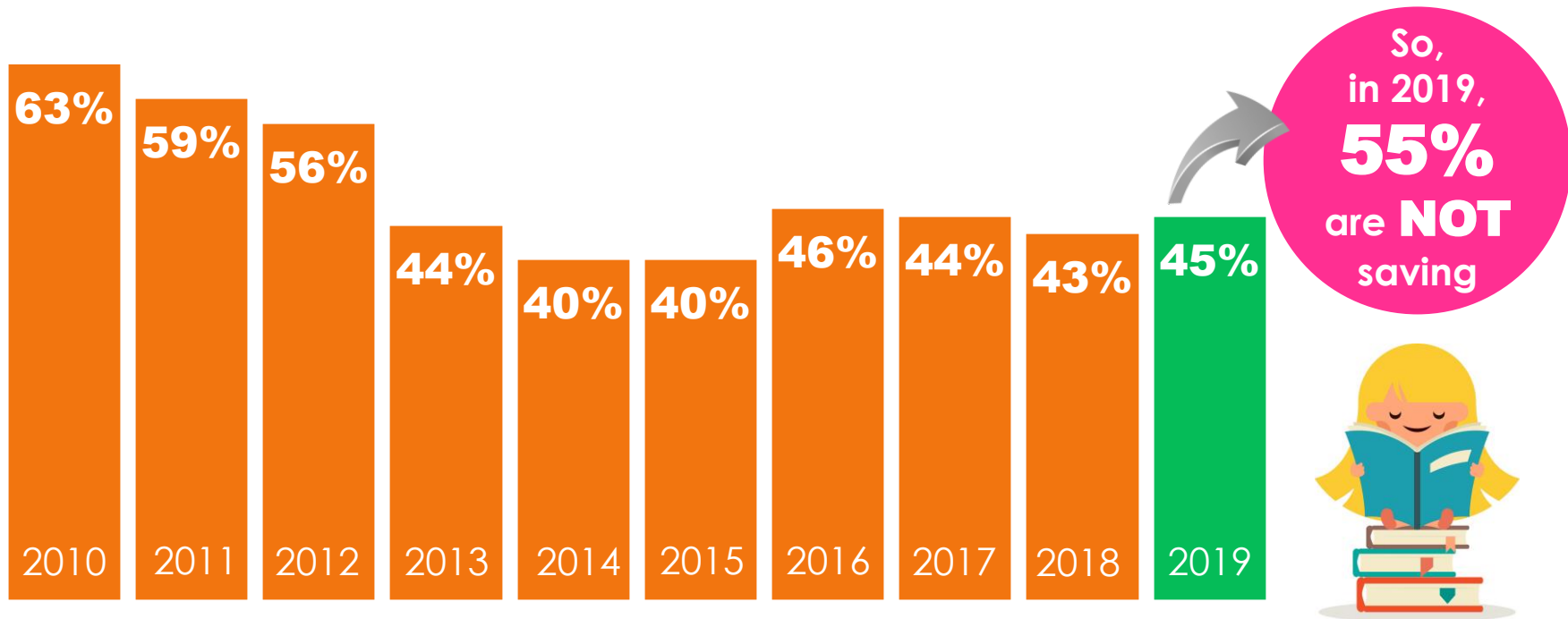
Baby Boomers



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



SAVING FOR CHILDREN'S EDUCATION STILL A CONCERN



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

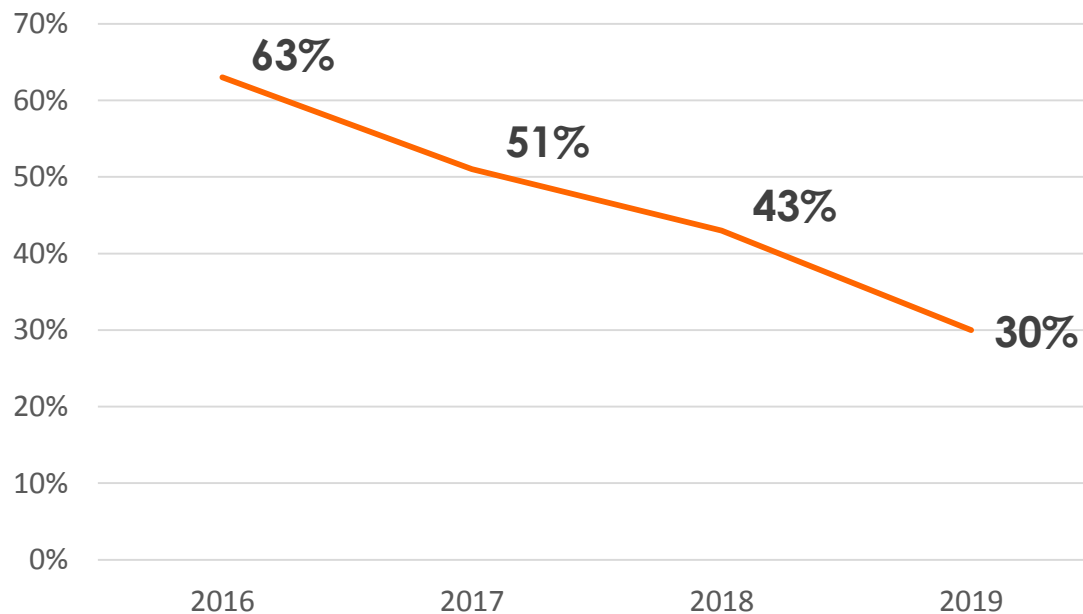


EMERGENCY SAVINGS

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SAVING FOR EMERGENCIES HAS DECLINED SIGNIFICANTLY OVER THE PAST 4 YEARS



INFORMAL SAVINGS





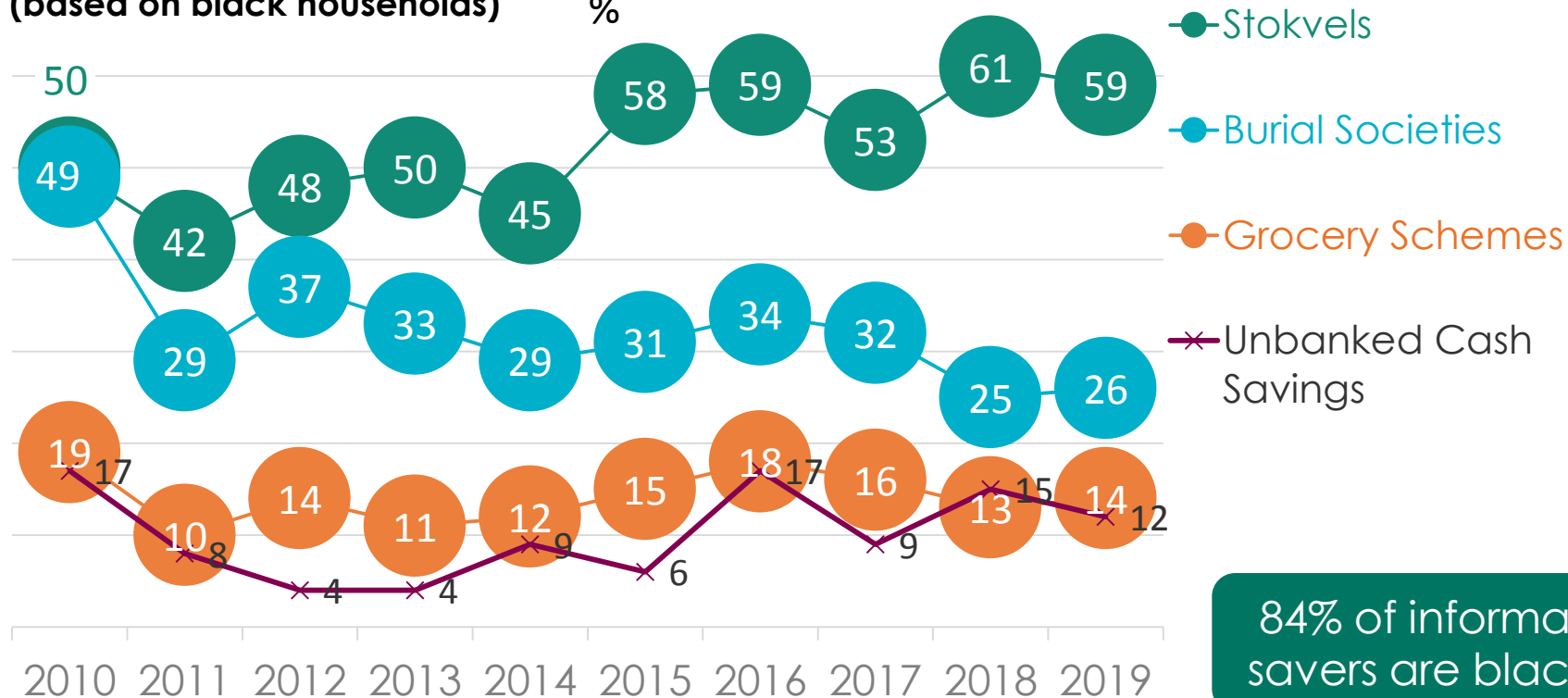
INFORMAL SAVINGS

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(based on black households)

%



84% of informal
savers are black



STOKVEL CONTRIBUTIONS

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HH Income	2017 Contribution	2018 Contribution	2019 Contribution
Less than R6k	R339	R372	R543
R6k – R13 999	R622	R630	R805
R14k – R19 999	R978	R796	R765
R20k – R39 999	R1 085	R873	R992
R40k+	R1 636	R1 128	R1 743



MORE STOKVEL FUNDS HELD IN CASH

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Where held /
invested

Short-term
rotating stokvel

2018

2019

Held in cash

41%

59%

A glowing purple lightbulb is shown against a black background. Inside the bulb, there are numerous tangled, white, scribbled lines, suggesting a complex or chaotic system. The bulb itself is illuminated with a vibrant purple light, and there are some wispy, smoke-like or flame-like purple and white patterns around the base of the bulb. The word "DEPENDENCY" is written in a bold, white, sans-serif font across the middle of the bulb.

DEPENDENCY

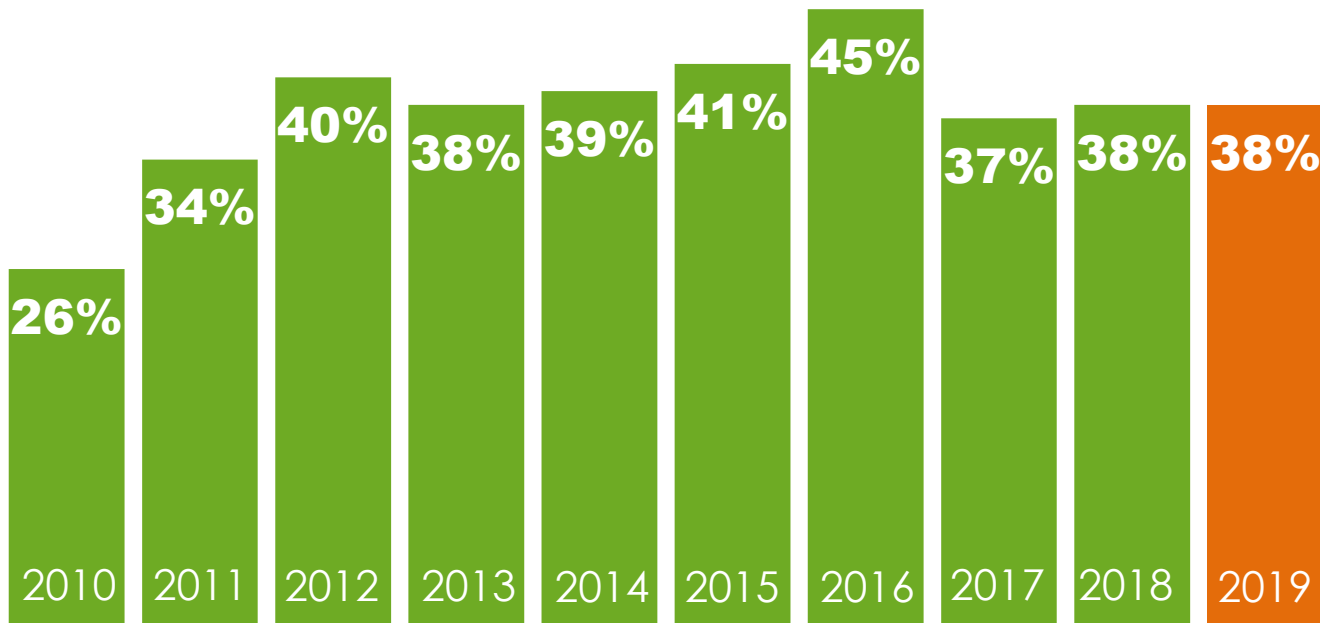


DEPENDENCY ON CHILDREN

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



HH INCOME PM

< R6k	49% (41%)
> R40k	24% (24%)

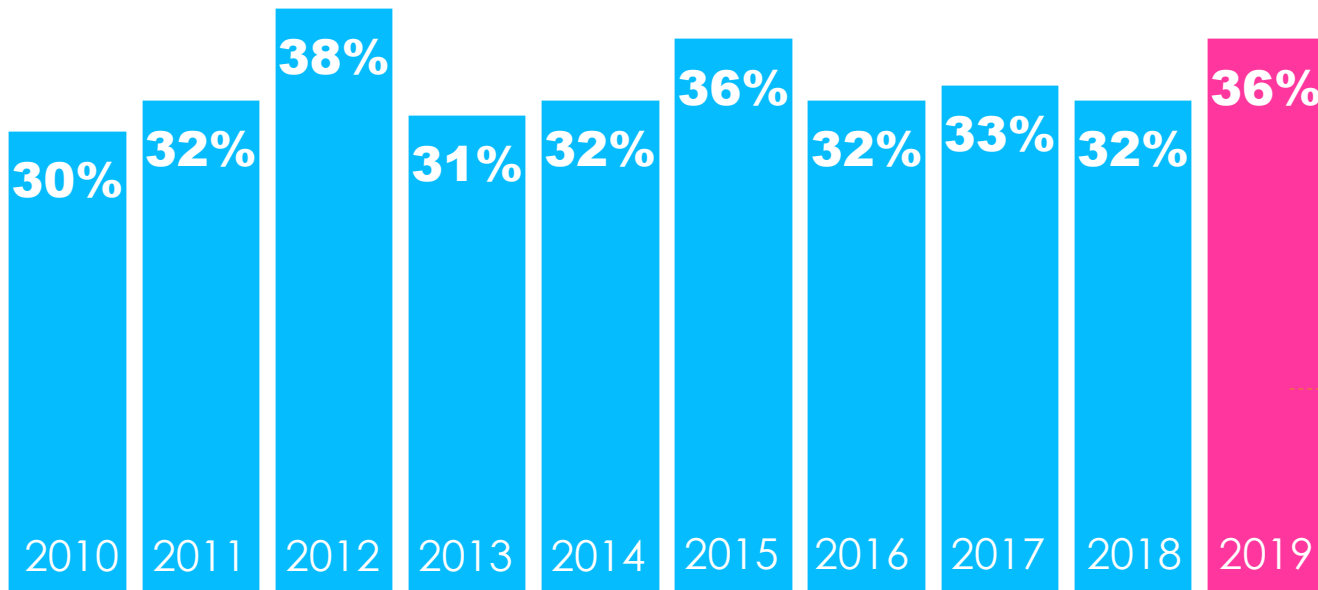


DEPENDENCY ON GOVERNMENT

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“The government will take care of me if I am unable to take care of myself”

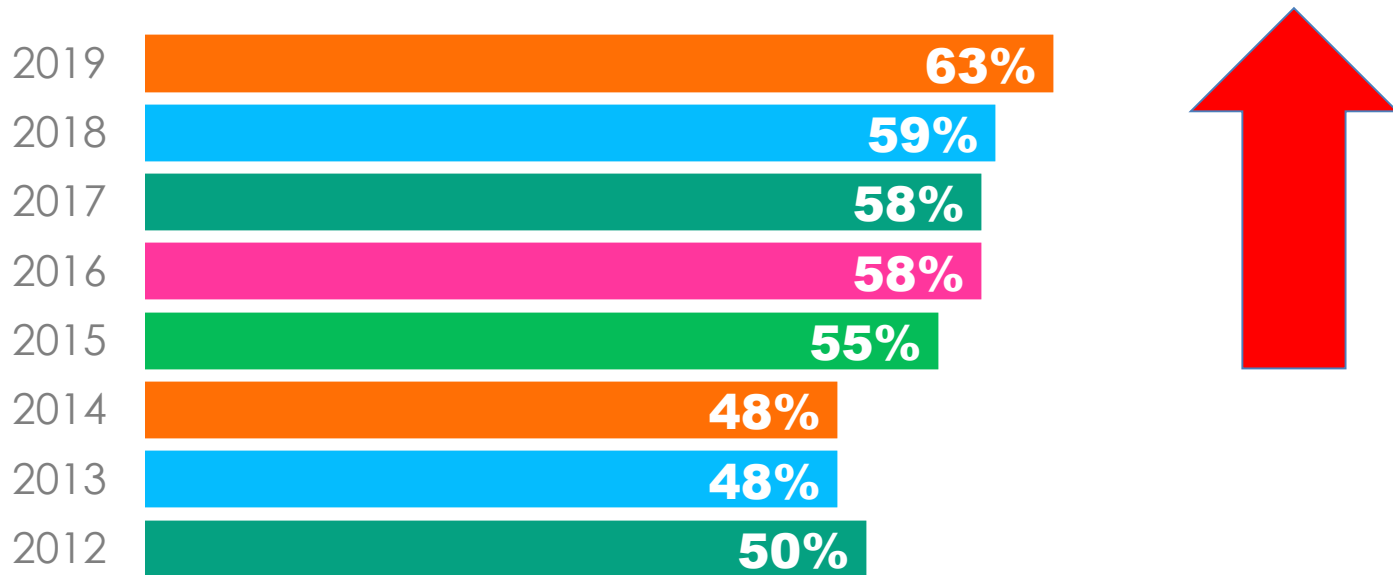


HH INCOME PM

< R6k	54% (50%)
> R40k	19% (16%)

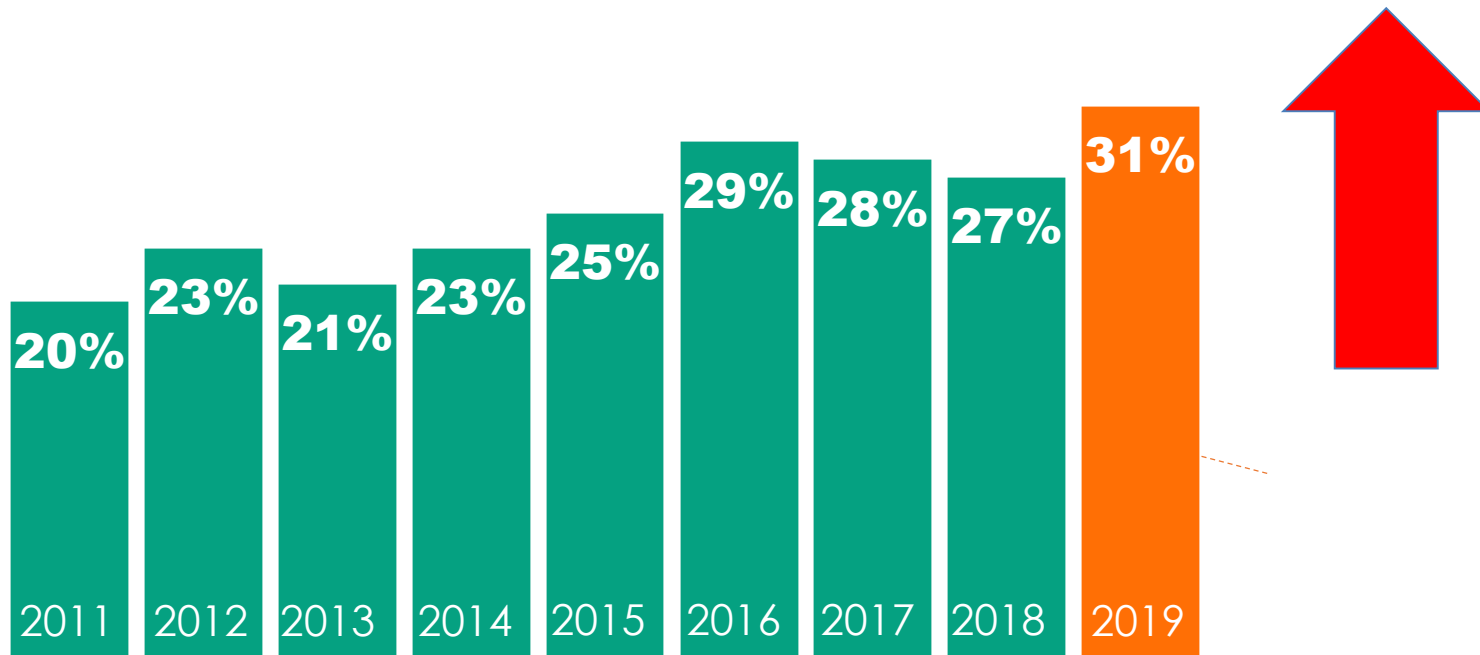


STILL HIGH EXPECTATION OF HAVING TO SUPPORT FAMILY/ PARENTS IN FUTURE





THE OLD MUTUAL SANDWICH GENERATION INDICATOR



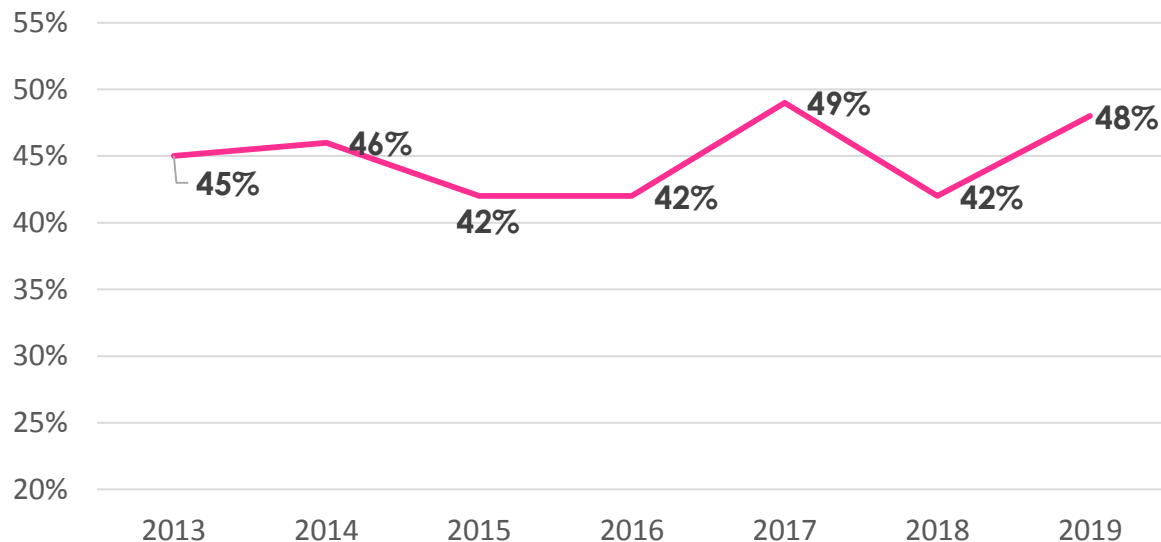


NOT LEAVING THE NEST

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





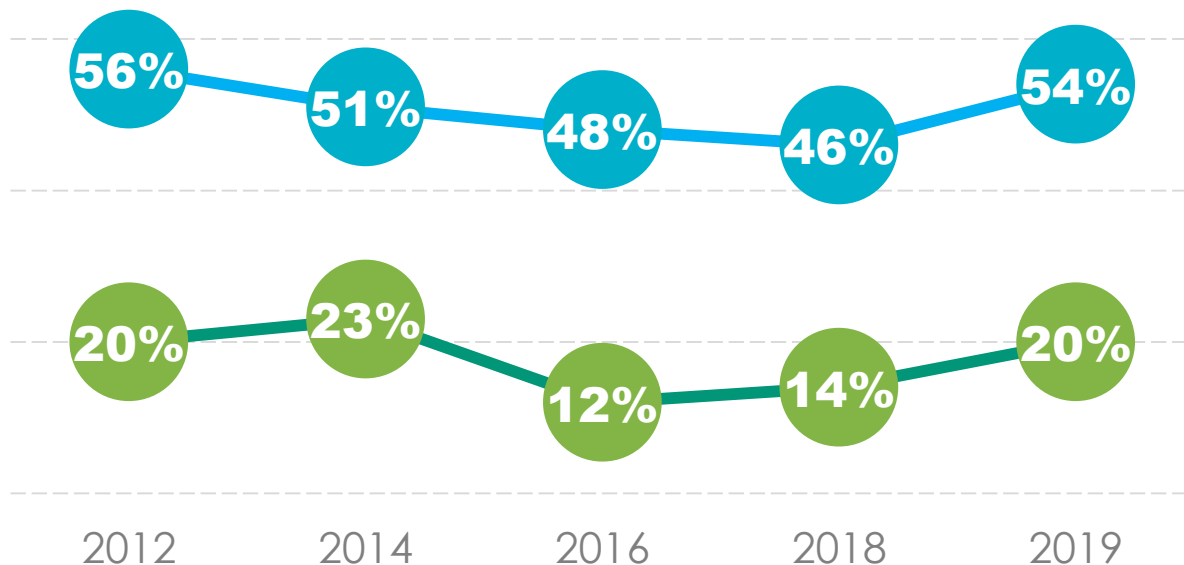
SINGLE MOTHERHOOD AND PATERNAL SUPPORT

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Single
motherhood

Paternal support
(regularly)



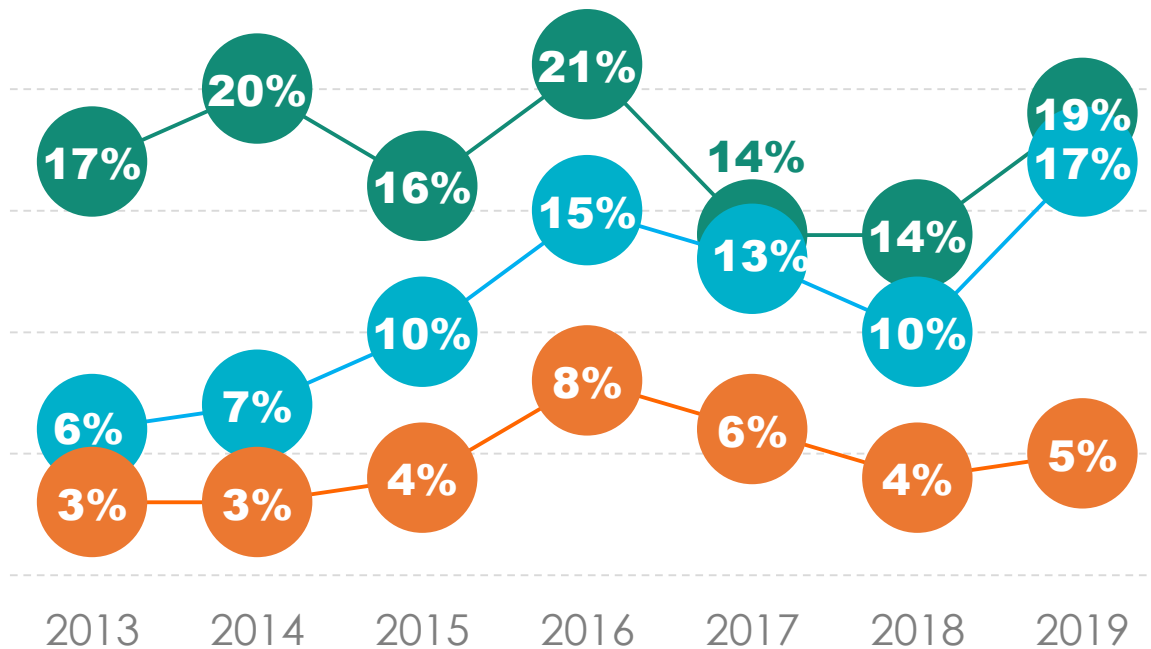
DEBT





PERSONAL LOANS

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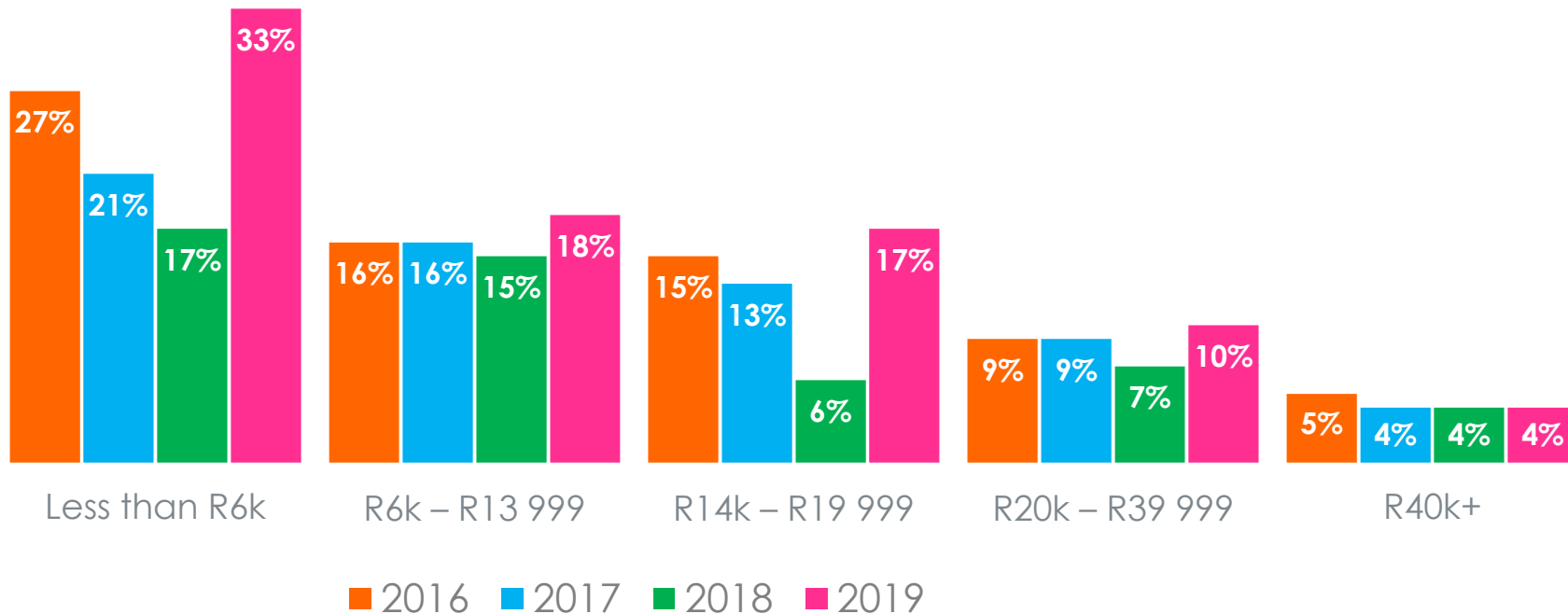


- A financial institution
- A friend / relative
- A micro lender



MORE BORROWING FROM FAMILY/ FRIENDS

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Household Monthly Income



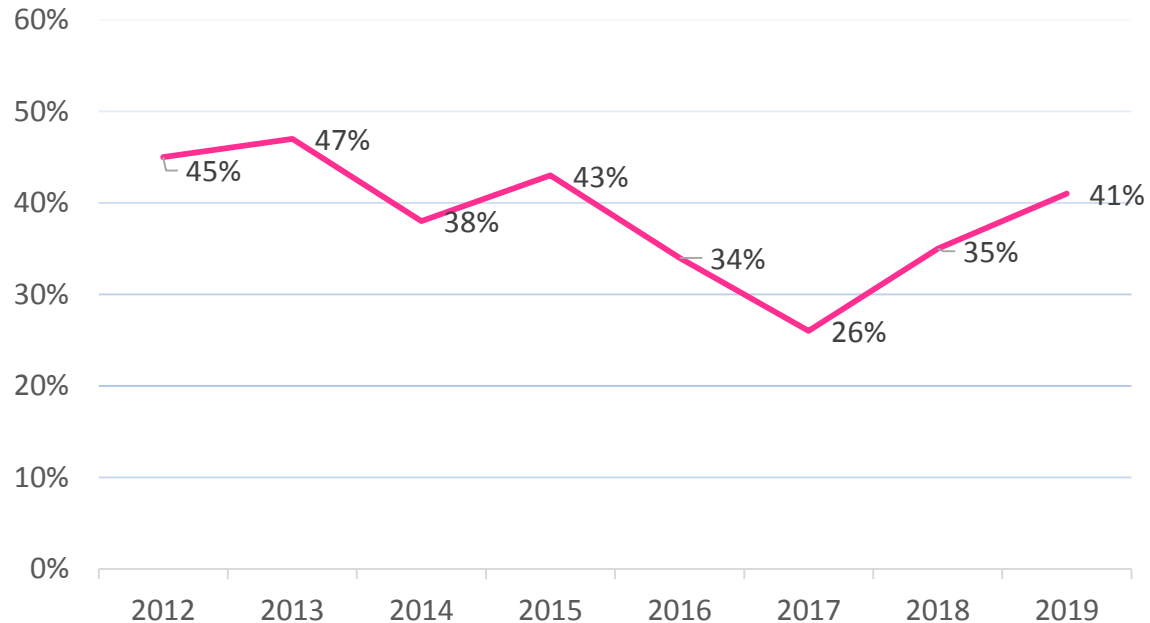
LOAN REPAYMENTS

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LOANS FROM FRIENDS/FAMILY – INCREASE IN PAYING IRREGULARLY

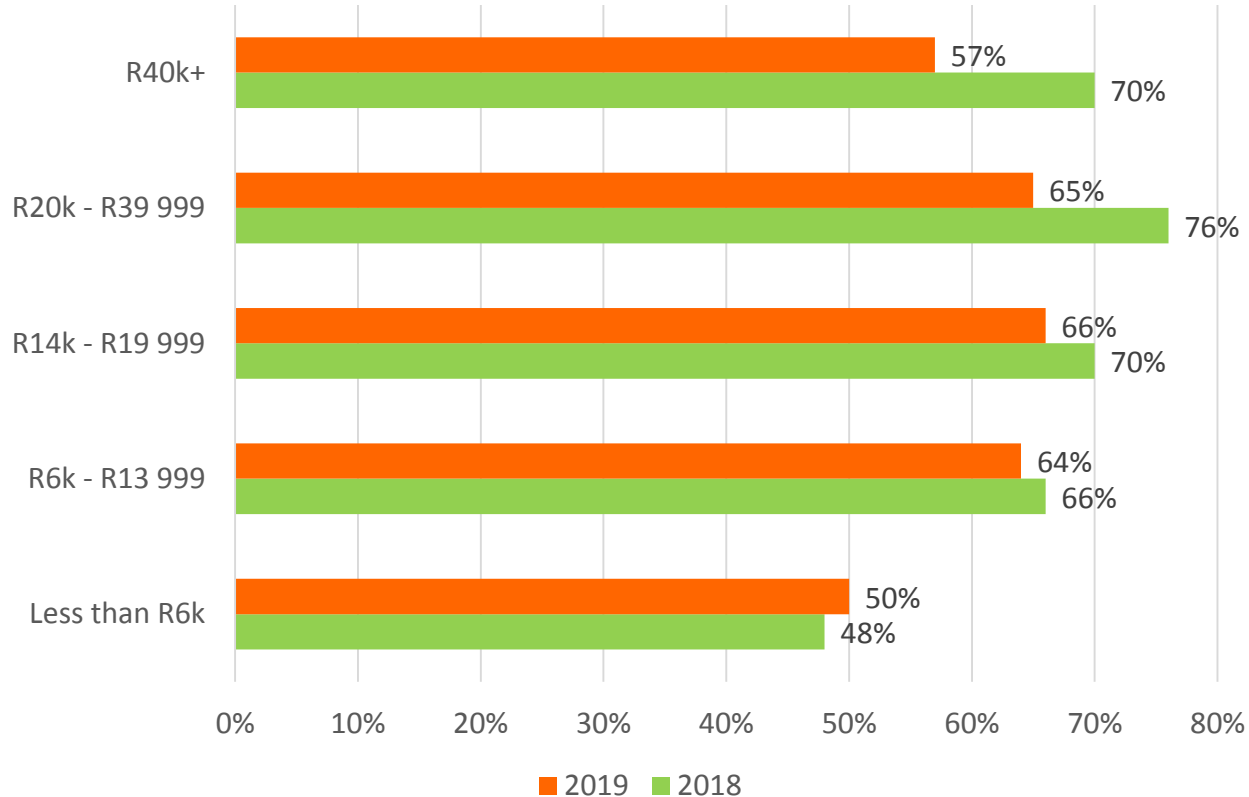
“I pay irregularly/only when I can.”





STORE CARDS - INCIDENCE

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CREDIT CARDS - INCIDENCE

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2018

28%

R14k – R19 999

53%

R20k – R39 999

71%

R40k +

2019

22%

41%

66%



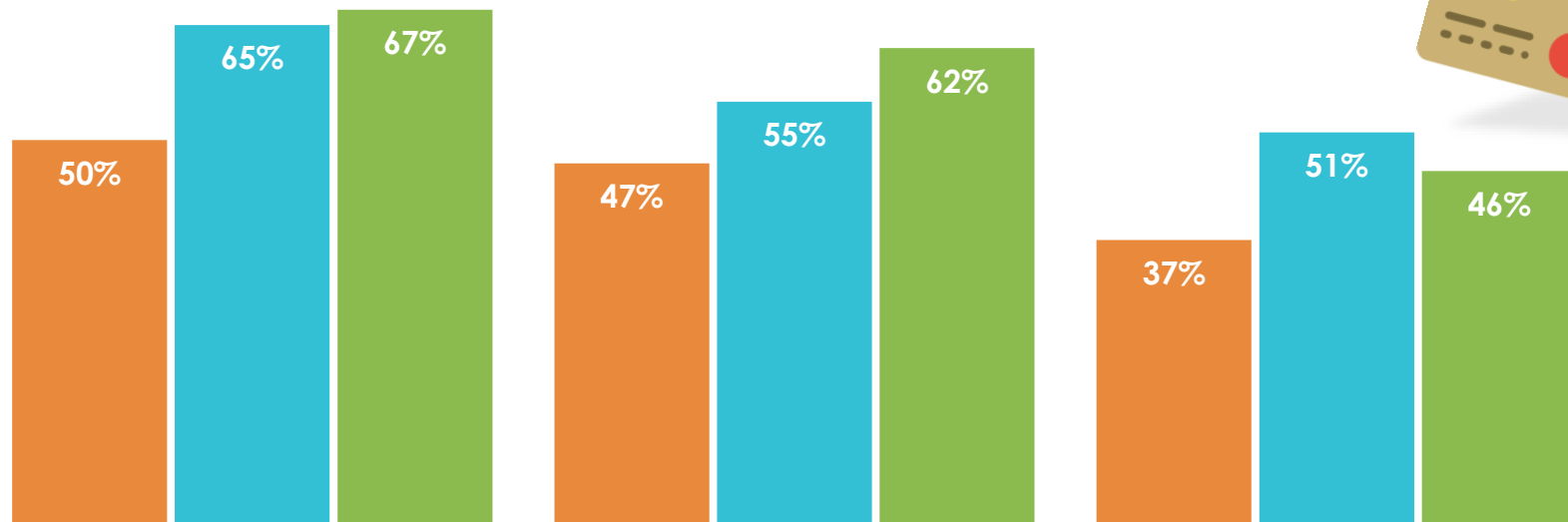


CREDIT CARD – INSTALMENT

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CREDIT CARDS – JUST PAYING THE MINIMUM INSTALMENT



2017 2018 2019

Household Monthly Income

LIVING EXPENSES





CHANGE IN SPENDING PATTERNS

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Currently cutting down on:

- ☐ Food and groceries
- ☐ Clothing
- ☐ Cellphone/airtime
- ☐ Eating out/entertainment
- ☐ Alcohol

Already cut down on:

- ☐ Having friends
around/entertaining at home
- ☐ Holiday and Travel
- ☐ Cigarettes





GROCERY SHOPPING CHANGES

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92%

look out for discounts
and specials
(up from 88% in 2018)

69%

are buying in bulk
(up from 61% in 2018)



20%

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

**LOOKING BACK
10 YEARS**





OVER THE LAST 10 YEARS

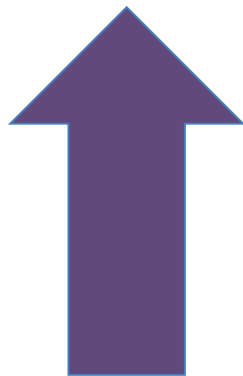
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Adult dependents

31%

2010



44%

2019



OVER THE LAST 10 YEARS

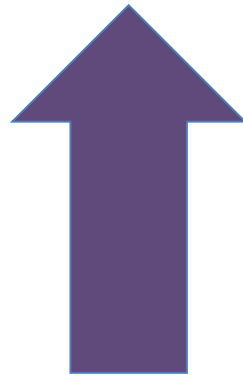
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Contribute to a stokvel

50%

2010



59%

2019



Amongst Black Households



OVER THE LAST 10 YEARS

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Confidence in making financial decisions

7.5

2010



6.3

2019

Mean score out of 10





OVER THE LAST 10 YEARS

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Confidence in the SA Economy

61%

2010



46%

2019



OVER THE LAST 10 YEARS

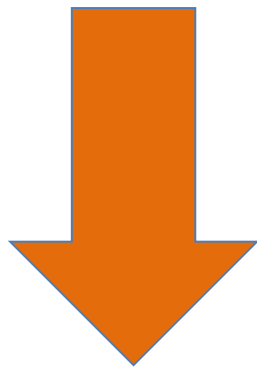
SAVINGS &
INVESTMENT MONITOR



Saving for children's education

62%

2010



45%

2019

OLD MUTUAL

THANK YOU



DO GREAT THINGS EVERY DAY

