

OLD MUTUAL

THE TIME IS NOW

**KNOW BETTER** |||||  
**DO BETTER**

# Savings & Investment Monitor

July 2021



DO GREAT THINGS EVERY DAY



# Sampling and Methodology...

***Annual Survey***

***Metro Working  
South Africans***

***Saving & Investment  
Behaviours & Attitudes***

***Online survey  
(7 main metros)***

***1 530 respondents***

***Personal Monthly  
Income :  
R8k +***

***Weighted to the  
working SA  
population***

***Fieldwork dates: 10 May – 3 June 2021***

***13 Edition. 16<sup>th</sup> measure.***



# Generation Definitions...

**Gen Z:** *18 – 25 years*

**Gen Y:** *26 – 40 years*

**Gen X:** *41 – 56 years*

**Baby Boomers:** *57 years and older*



# Key themes...

- ☐ *Sentiment about the country*
- ☐ *Current financial situation*
- ☐ *Dependency*
- ☐ *Financial priorities and behaviour changes*
- ☐ *Debt*
- ☐ *Informal savings & Stokvels*
- ☐ *Sources of income and introducing “Poly-Jobbers”*
- ☐ *Pre-retirees*
- ☐ *New ways of entertainment*



## Sentiment about the country

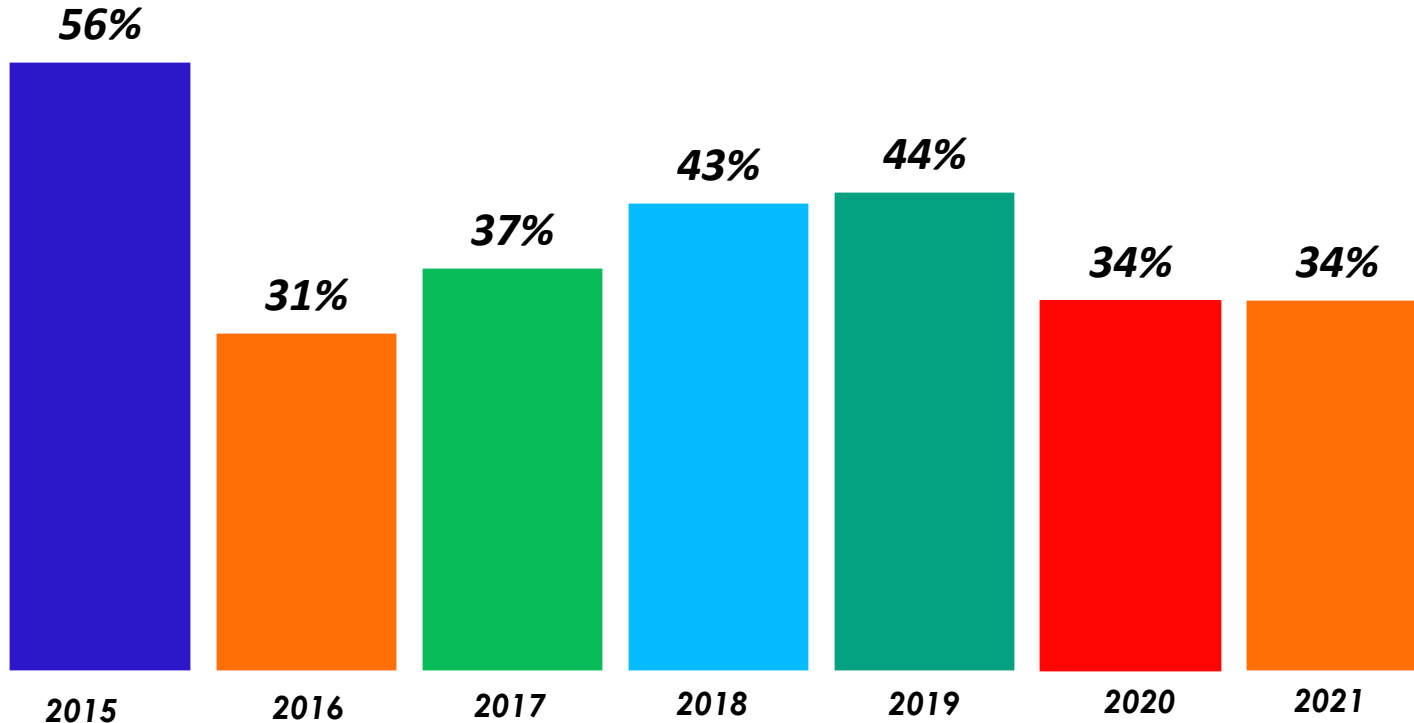
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# Confidence in the SA Economy...

*"I feel confident about the South African economy" (% Strongly agree/Agree)*







**2021**





# Government's response to Covid-19...

*"I am satisfied with the way the Government is handling the Covid-19 situation"*

2020

56%

2021

44%







# Current financial situation

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## Working Status...

	July 2021
<i>I go out to work</i>	<b>44%</b>
<i>I am now working from home (most or all of the time)</i>	<b>25%</b>
<i>My work is split between working from home and going into a workplace</i>	<b>31%</b>

*Those who work from home claim to have a better work/life balance*



# Income status...

***Some recovery in incomes levels, but still over a third earning less than before Covid-19***

<b><i>Impact</i></b>	<b><i>July 2020</i></b>	<b><i>July 2021</i></b>
<b><i>Positive impact – I am earning more than before</i></b>	<b><i>6%</i></b>	<b><i>13%</i></b>
<b><i>No impact as yet – I am earning the same as before</i></b>	<b><i>41%</i></b>	<b><i>49%</i></b>
<b><i>Some negative impact – I am earning a bit less/have taken a small salary reduction/reduced hours</i></b>	<b><i>28%</i></b>	<b><i>26%</i></b>
<b><i>Significant negative impact – I am earning significantly less/big salary or earnings reduction</i></b>	<b><i>25%</i></b>	<b><i>12%</i></b>

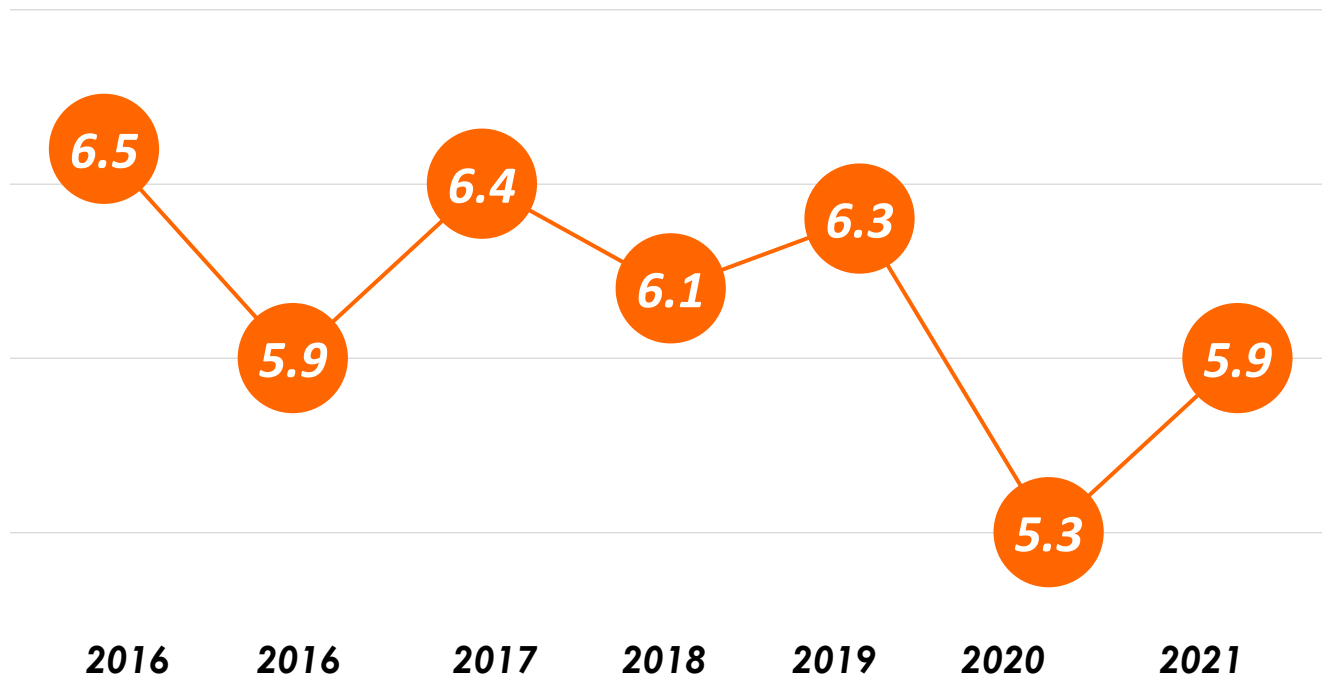
53%

38%



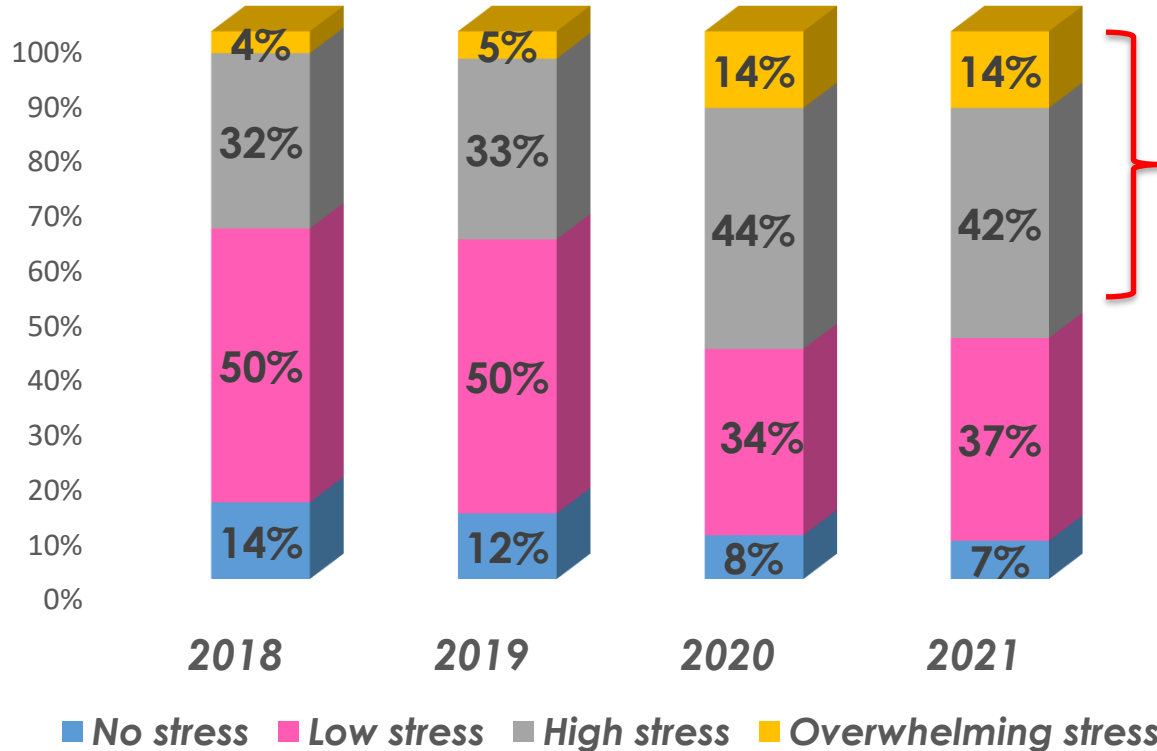
# Satisfaction with financial situation...

*Mean Score out of 10*





# Financial stress levels...



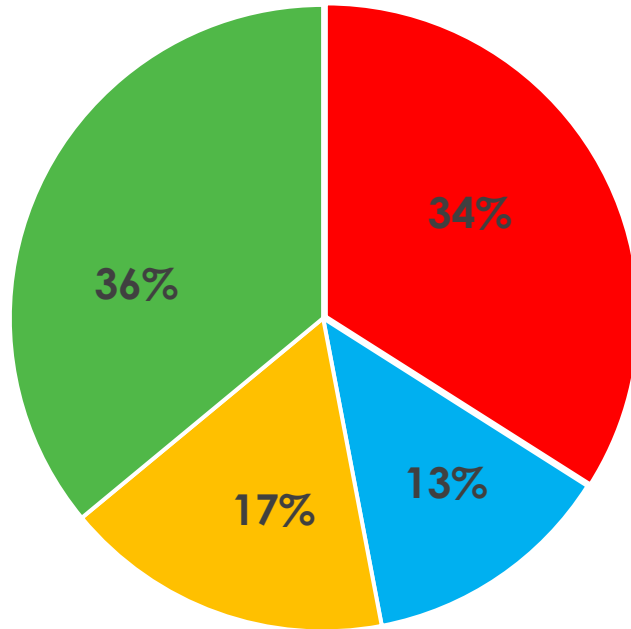
**56%**  
*High/  
overwhelming  
stress*





# If lost job, funds would last for...

2021

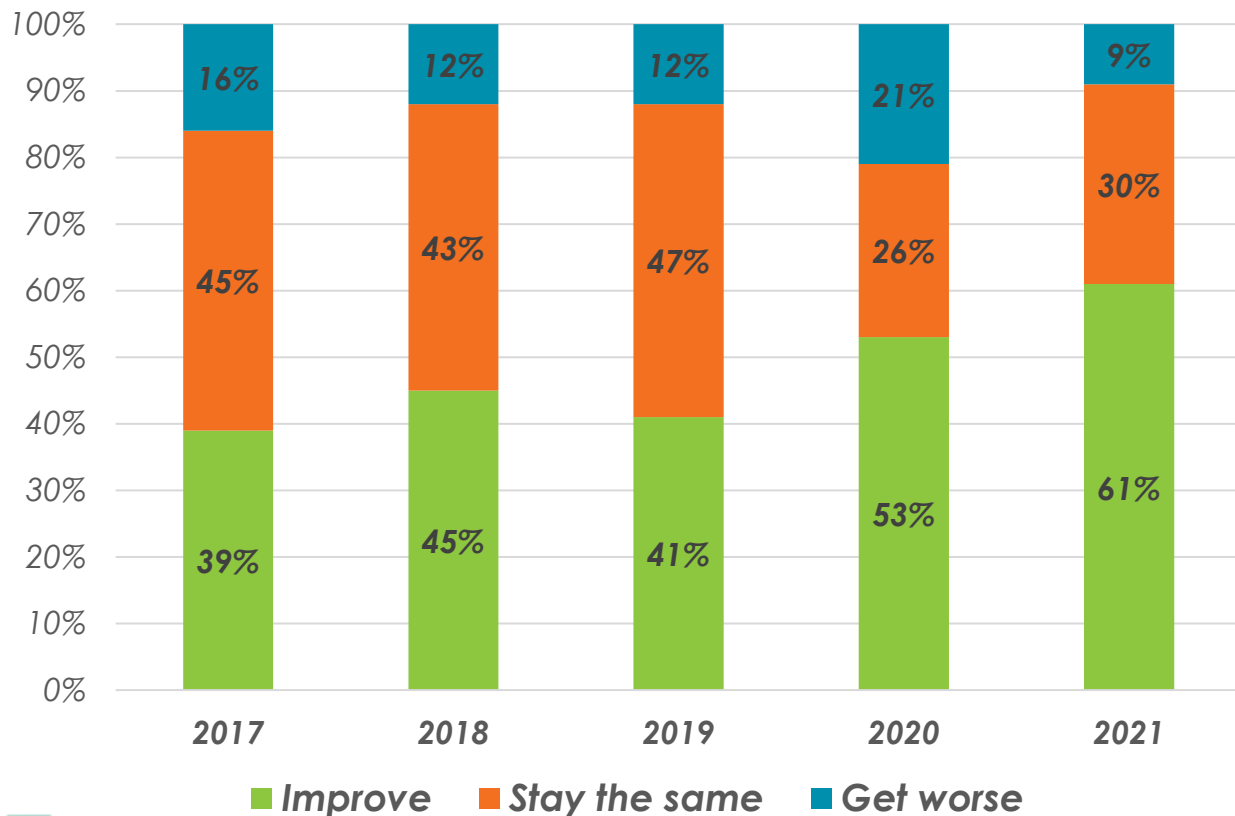


■ 1 month or less ■ 2 months ■ 3 months ■ More than 3 months

	2019	2020	2021
1 month or less	28%	40%	34%
2 months	17%	15%	13%
3 months	17%	17%	17%
More than 3 months	38%	27%	36%



# Financial outlook for next 6 months...



**Gen Z (18 – 25 years)**  
are most optimistic: **78%**  
(Improve)

**Baby Boomers (57 years +)**  
are least optimistic: **39%**  
(Improve)





# Dependency

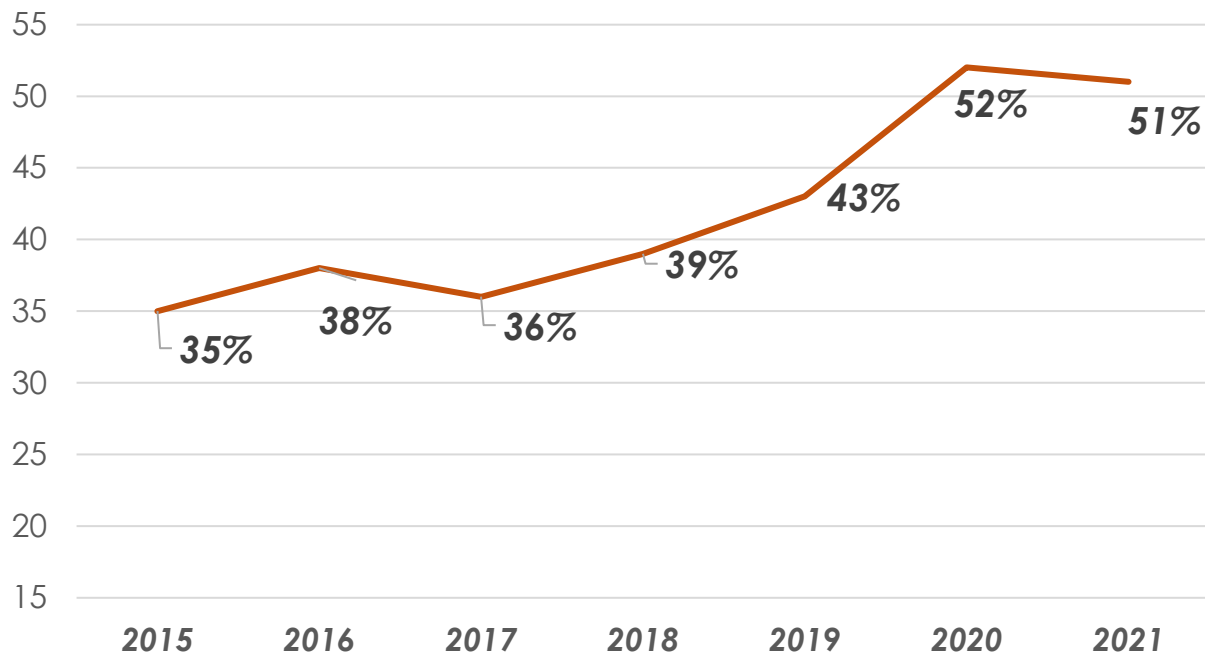
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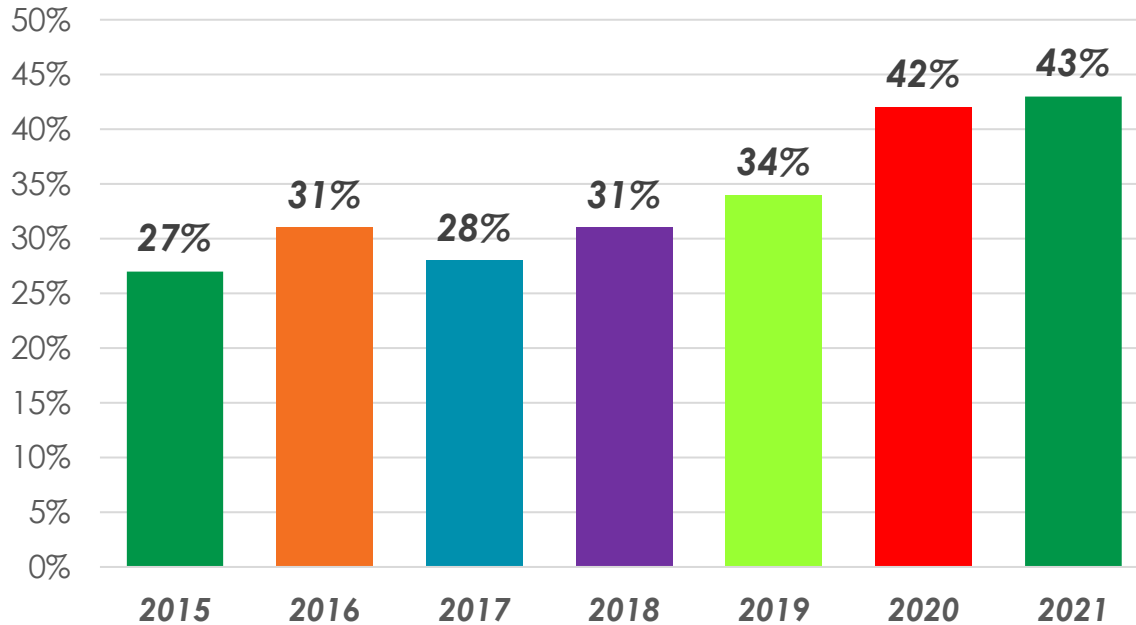
# Adult dependents...

***“1 in 2 have at least one adult dependent”***





# Old Mutual Sandwich Generation Indicator...



**Gen Y (26 – 40 years)**  
highest % in the Sandwich  
Generation:

**47%**



# Financial priorities and changes in behaviour

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## A stark realization...

87%

*“Covid-19 has made me change  
the way I think about and  
manage my finances”*

*68% claim to have started saving on a regular basis*



# Financial Priorities...

2020

70%

*Income/Job security*

67%

*Cutting expenses*

40%

*Paying Debt*

33%

*Emergency  
Savings*

32%

*Investment  
Security*

2021

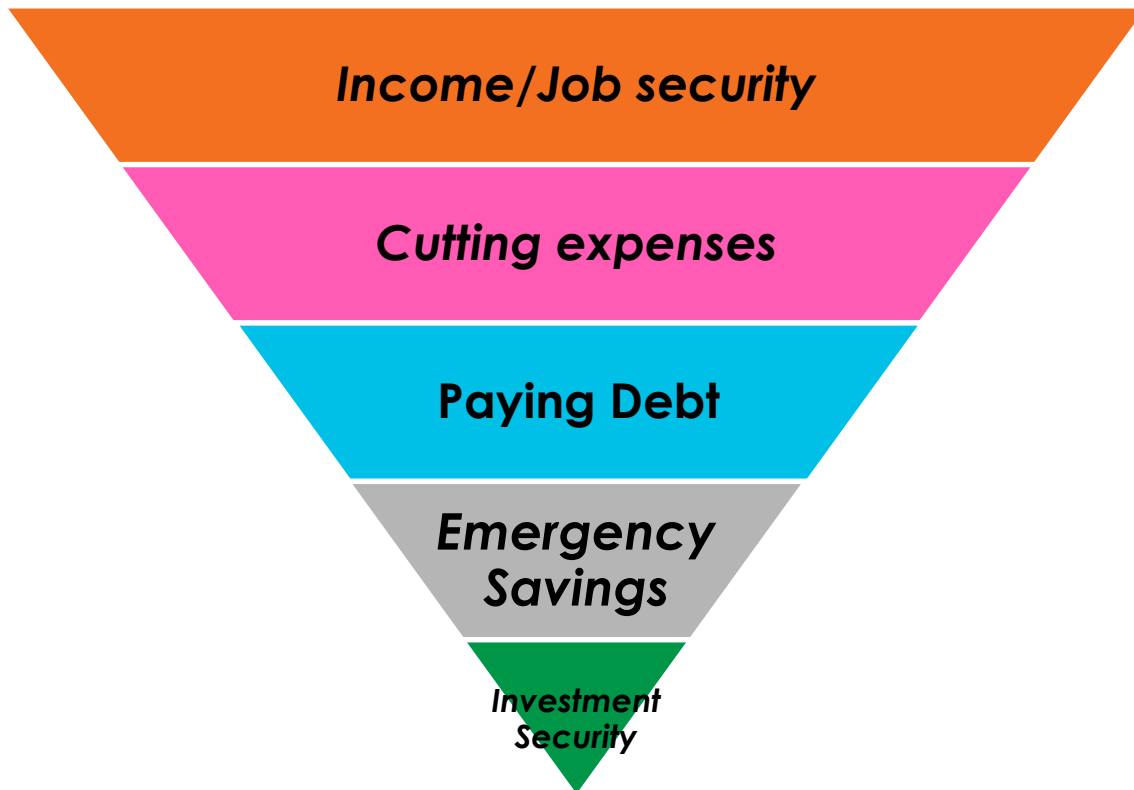
65%

62%

50%

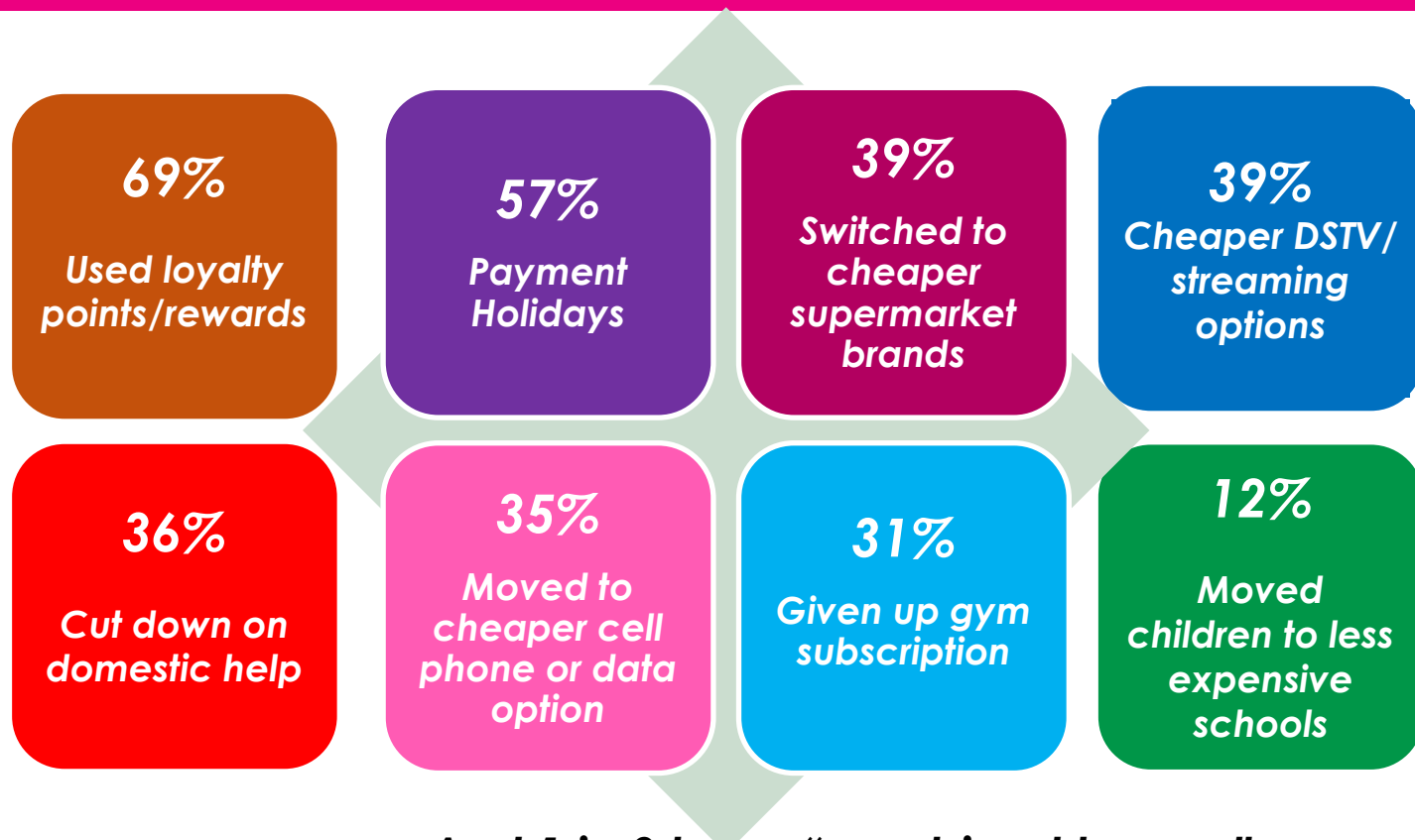
37%

26%





# Income & expense management...



**And 1 in 3 have “combined homes”**





# In the KNOW about financial status...

*“When did you last check values of your personal savings/investments?”*

**Never – 12%**

**10%**

*More than a year*

**9%**

*Past 6 – 12 months*

**22%**

*Past 2 – 6 months*

**47%**

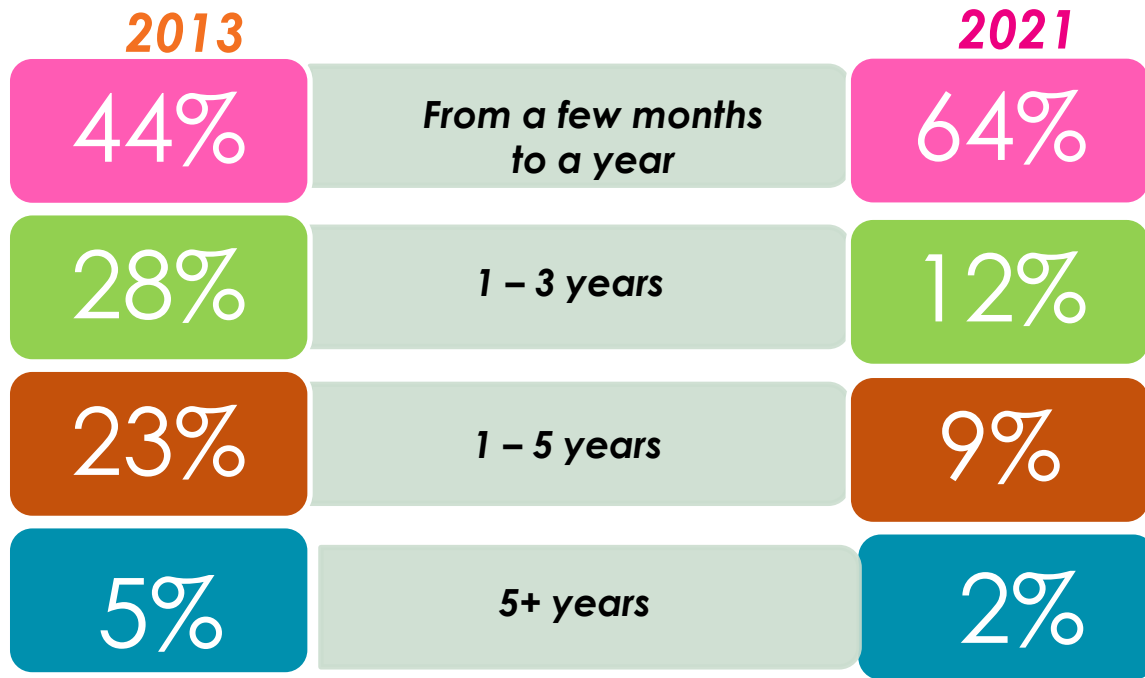
*Past month*



**Gen Z**  
**(18 – 25 years)**



# Savings/Investment horizons... "Short-Term"



**"Short-term/immediately accessible"**  
13%



## The not so good behaviours...

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• <i>Fallen behind on household bills</i>	24%	37%	34%
• <i>Had to borrow from family/friends</i>	38%	39%	44%
• <i>Cashed in savings/investment policies</i>	N/A	23%	31%
• <i>Cut down/cancelled car/household insurance or moved to cheaper options</i>	N/A	N/A	25%
• <i>Cut down/cancelled medical aid cover or moved to cheaper options</i>	N/A	N/A	20%



# Debt

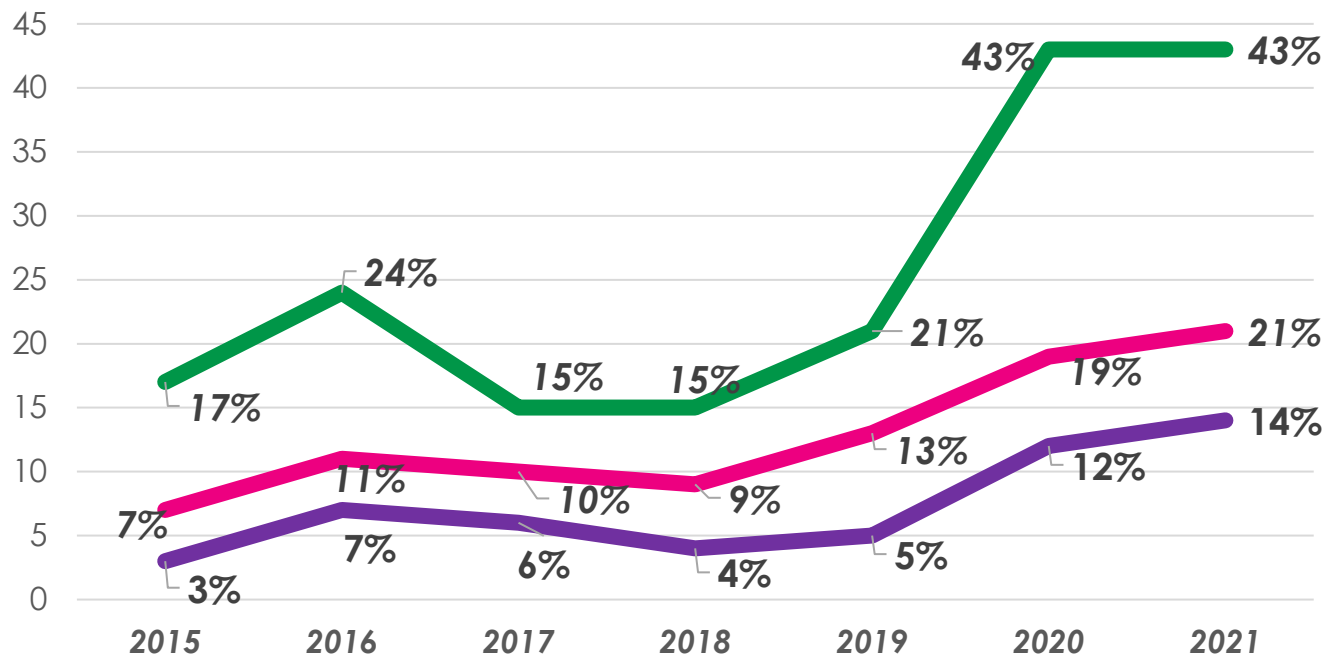
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# Personal loans...



Highest for Gen Y & X:

**46%**

Highest for Gen X:

**29%**

— From Financial Institution — From microlender — From family/friends



## Debt repayment...

	<u>2019</u>	<u>2020</u>	<u>2021</u>
• <i>Fallen behind on credit card payments</i>	5%	28%	27%
• <i>Fallen behind on store card/account payments</i>	20%	30%	28%
• <i>Fallen behind on rent or home loan payments</i>	7%	26%	19%



# Informal savings & Stokvels

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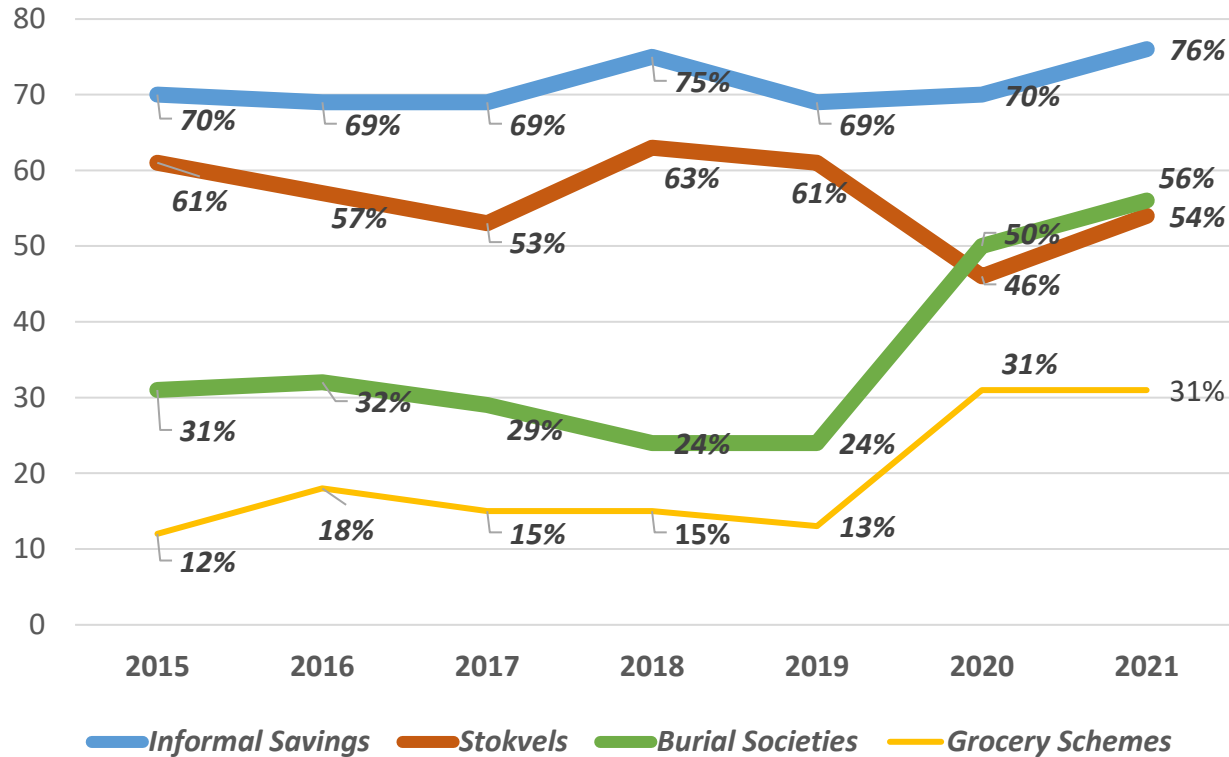
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# Informal savings...



Filtered on Black respondents



# Number of stokvels & monthly contribution...

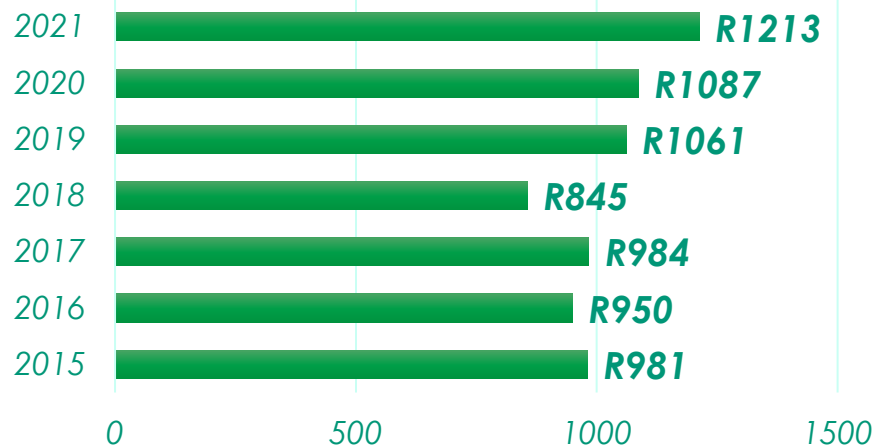
*Belong to more than 1 stokvel:*

**2021: 53%**

**2017: 32%**



*Average Monthly Contribution*





# Stokvels...

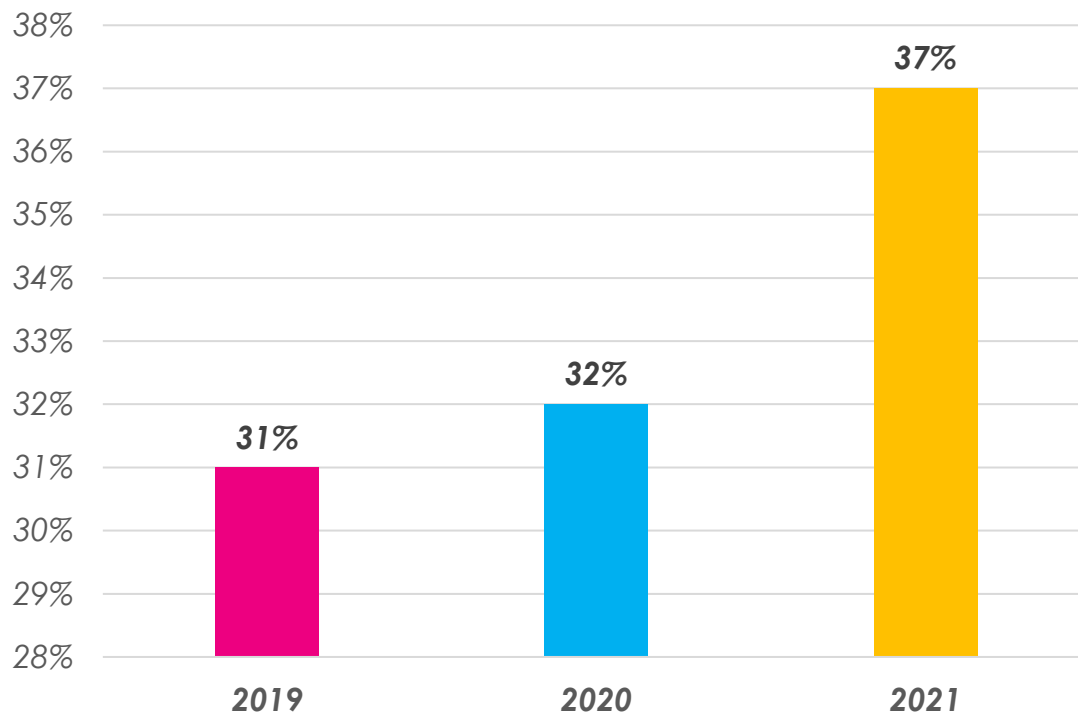
<b>Purpose</b>	
Groceries	62%
End of year expenses	60%
School fees/education	30%
To buy to property	26%
Travel/Holiday	25%
Weddings/other big events	17%
Invest in the stock exchange	14%
To buy livestock	13%
To buy cleaning/sanitizing products	12%



**Gen Y**  
**32%**



## Borrowed from stokvel in last year...





# Sources of income & Poly-Jobbers

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# Introducing the...Poly-Jobbers

	<u>2017:</u>	<u>2021:</u>
Have a single source of income	63%	53%

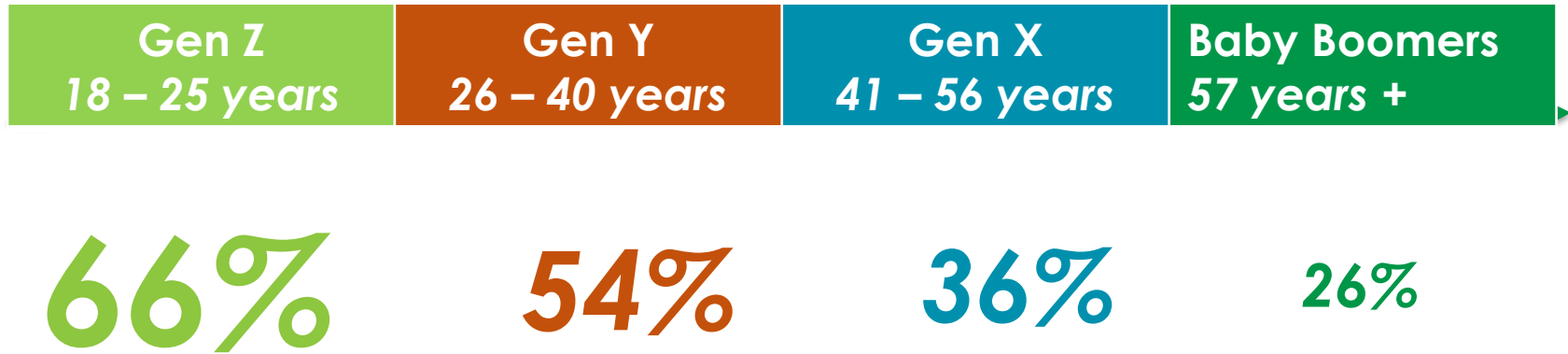
More than 1 source: formal	13%	37%
More than 1 source: informal (Slashers)	24%	20%

*Poly-Jobbers*





# Poly-Jobbers by Generation...









# Pre-Retirees

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# Pre-retirees..."The best laid plans..."

Those ages 50+ years

47%

Retirement plans/finances have  
been affected by Covid-19

"Have had to dip into retirement  
savings/used up all/a lot of retirement  
savings"

16%

"Have been unable to make  
contributions due to reduced  
income/losing job"

16%



# Entertainment

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# Ways of entertaining at home...

Watching movies, series, videos	76%
Reading	65%
Cooking and Baking	61%
Online chatting with friends/family	51%
Exercise/fitness/yoga/pilates	51%
<hr/>	
Learning something new/upskilling	44%
Gardening	43%
Gaming	41%
Board games	33%
Arts and Crafts	23%
Attending live concerts/events	19%
Watch parties (live chatting while watching movies/shows together)	17%
Virtual tours	16%





## New learning/skills...

- *New academic course* 53%
- *How to cook/bake* 47%
- *How to do home repairs* 44%
- *How to take care of garden* 37%
- *How to do basic car repairs* 29%
- *A new language* 23%
- *A new sport/exercise* 23%
- *How to play a musical instrument* 20%



Income  
earning  
potential



Cost  
saving  
potential





# THANK YOU

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