

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



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

THE TIME IS NOW

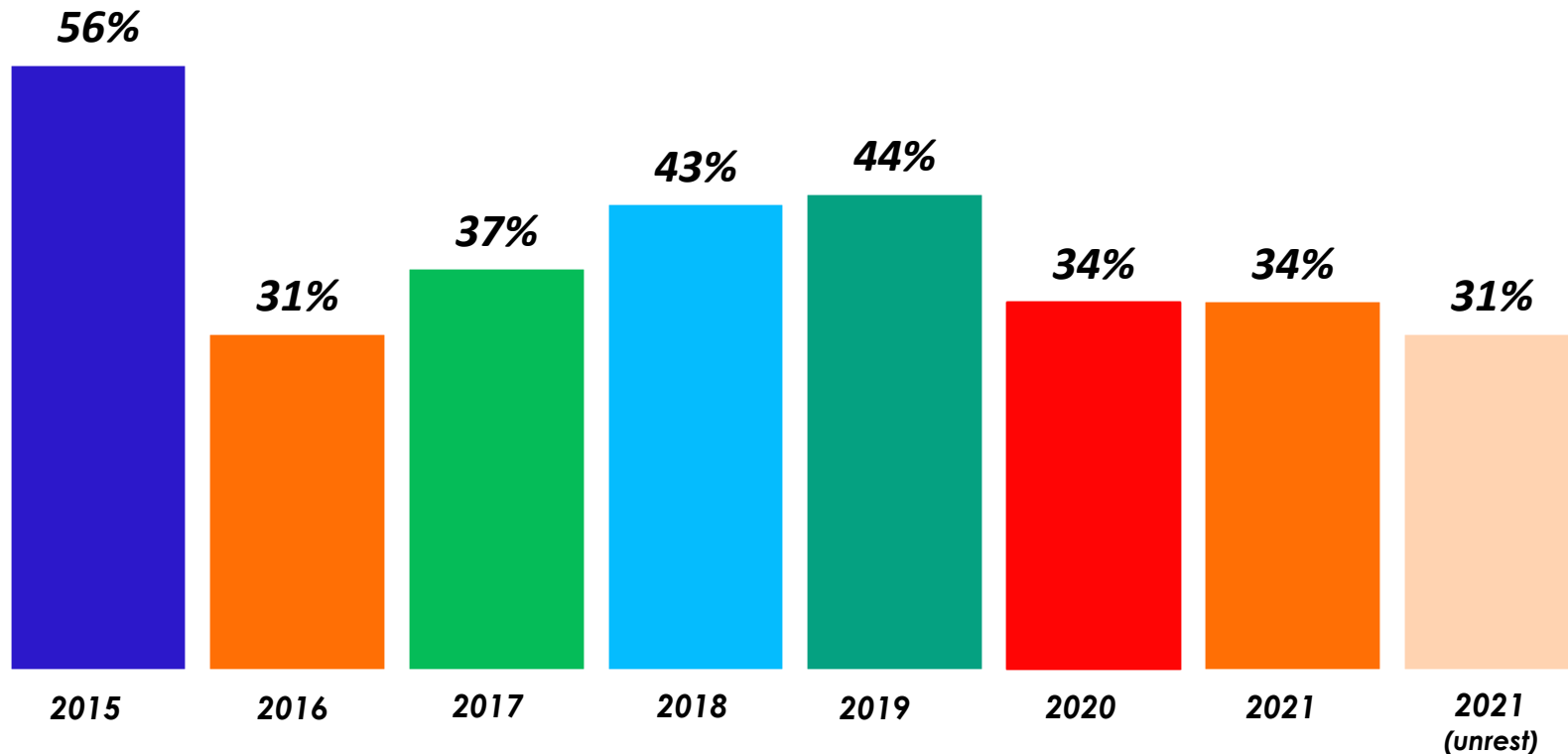
KNOW BETTER

DO BETTER



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

THE TIME IS NOW

KNOW BETTER

DO BETTER



Income status...

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

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

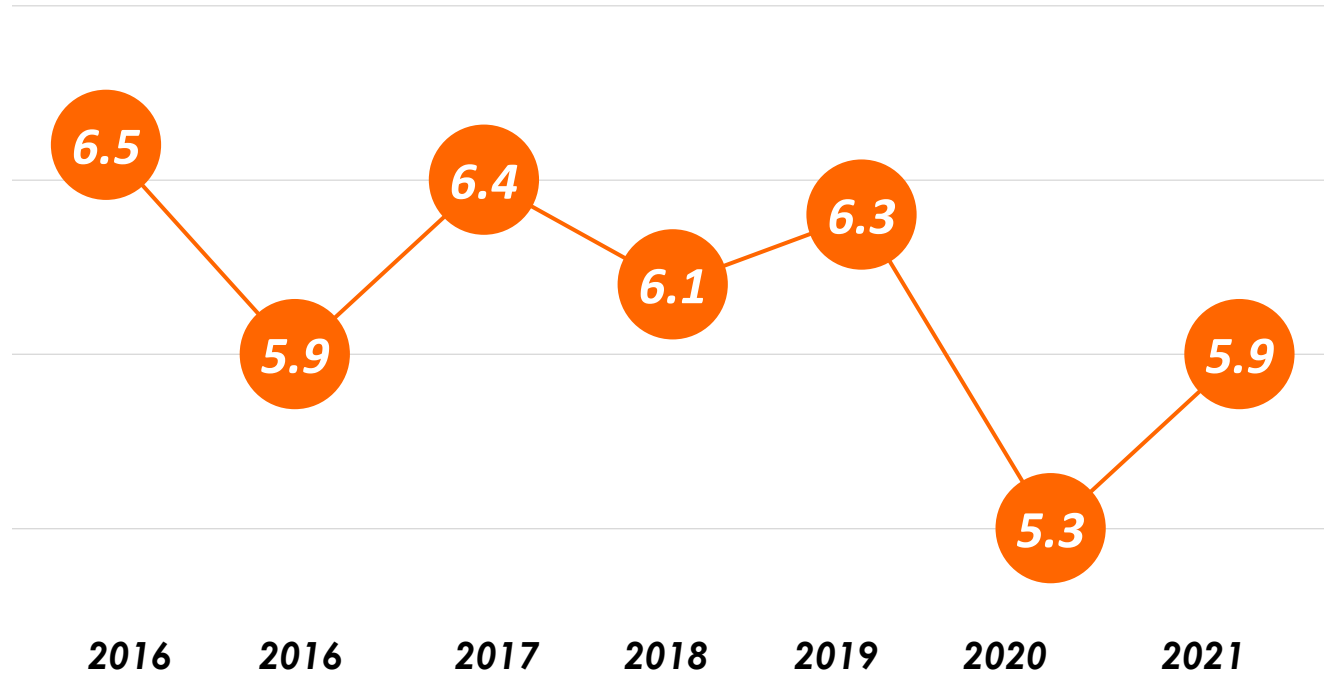
Red brackets and boxes highlight the following data points:

- For "Some negative impact": 28% (July 2020) and 26% (July 2021) are bracketed together, with a red box containing "53%" next to the 2020 value.
- For "Significant negative impact": 25% (July 2020) and 12% (July 2021) are bracketed together, with a red box containing "38%" next to the 2020 value.



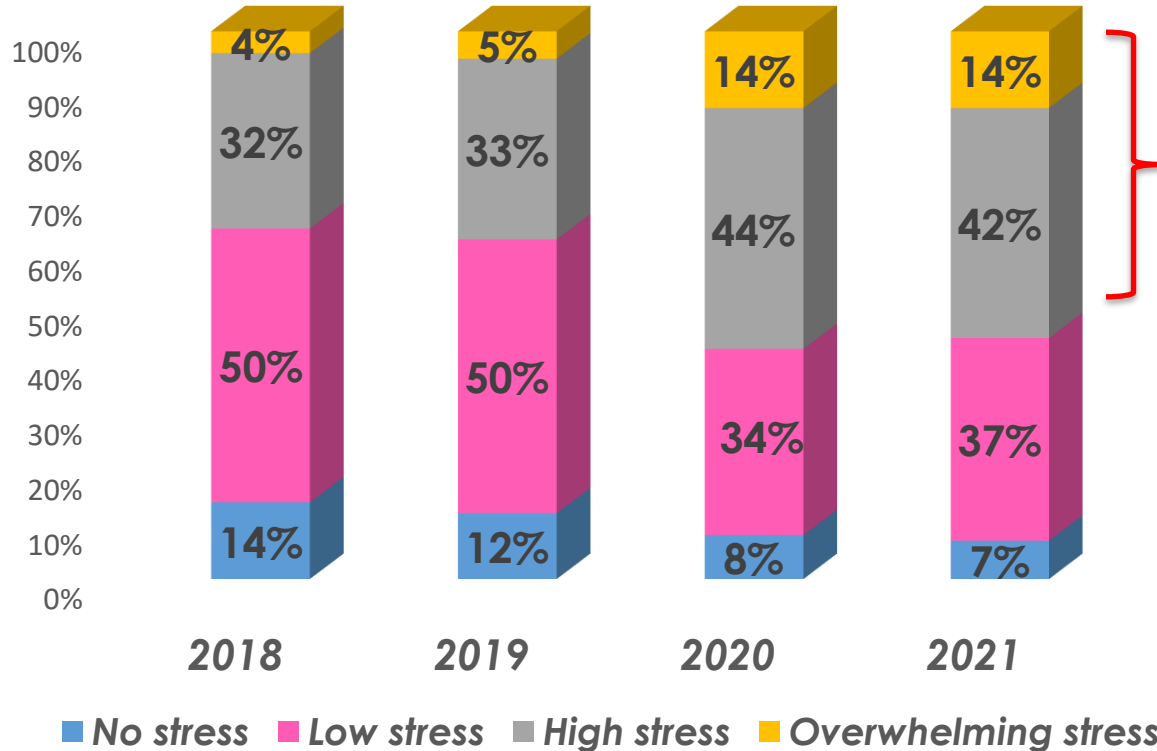
Satisfaction with financial situation...

Mean Score out of 10





Financial stress levels...

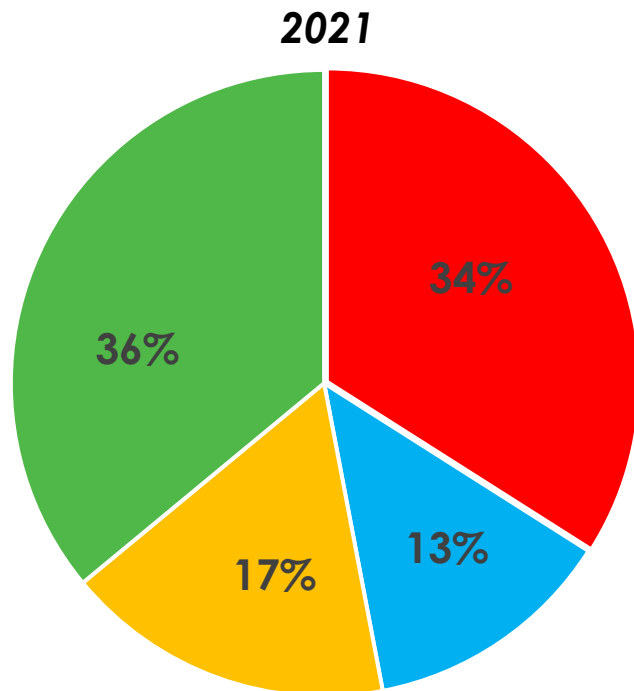


56%
**High/
overwhelming
stress**





If lost job, funds would last for...

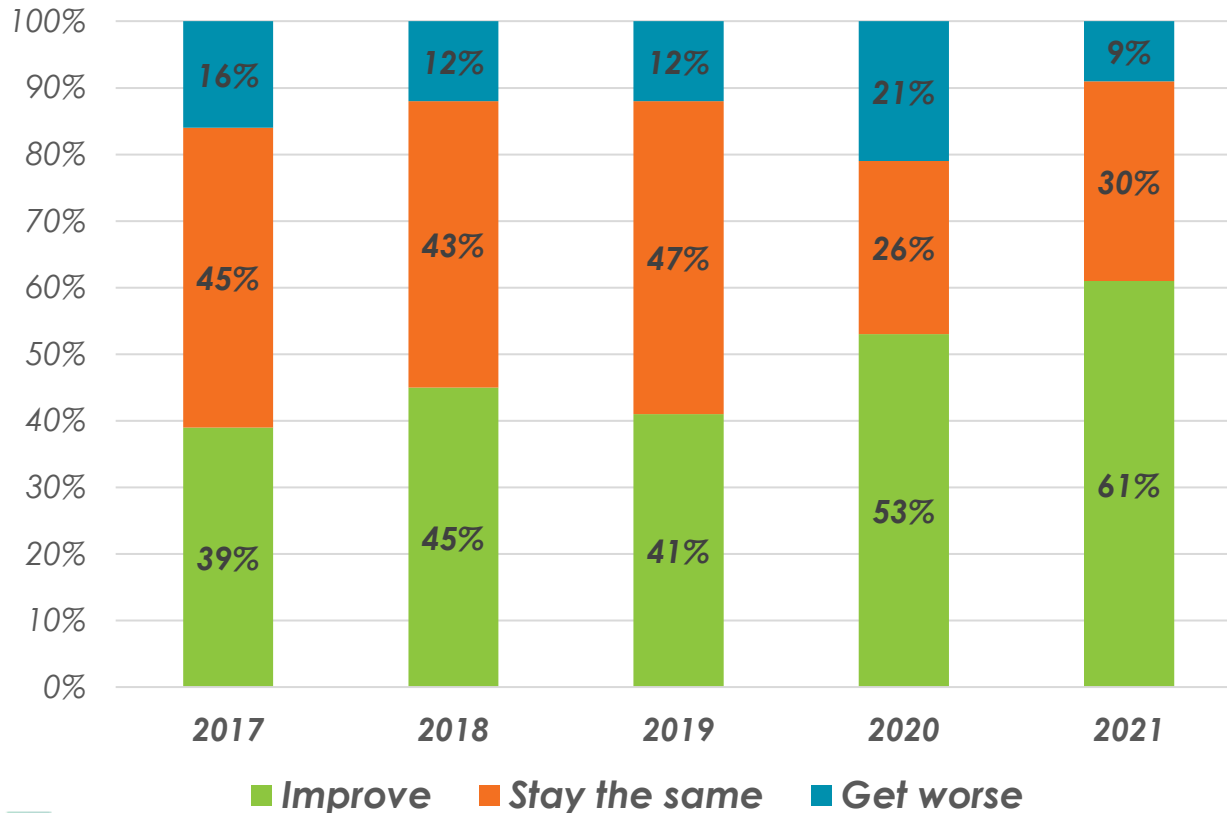


■ 1 month or less ■ 2 months ■ 3 months ■ More than 3 months

	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)



SAVINGS & INVESTMENT MONITOR



2021



Dependency

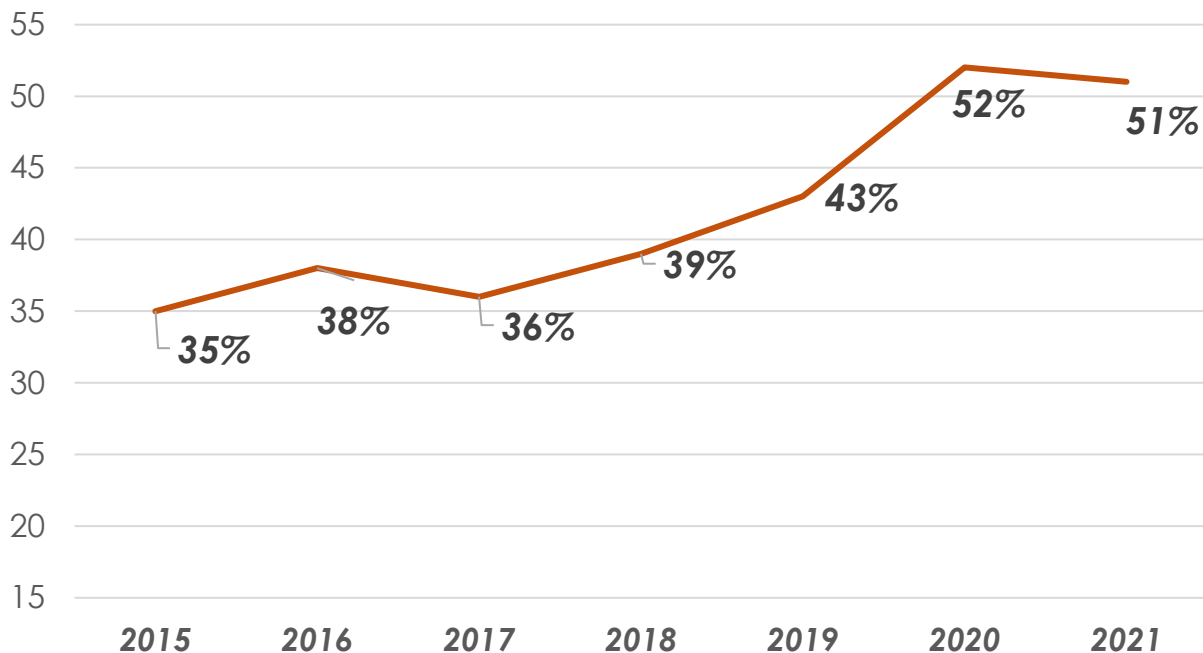
THE TIME IS NOW

KNOW BETTER |||||
DO BETTER



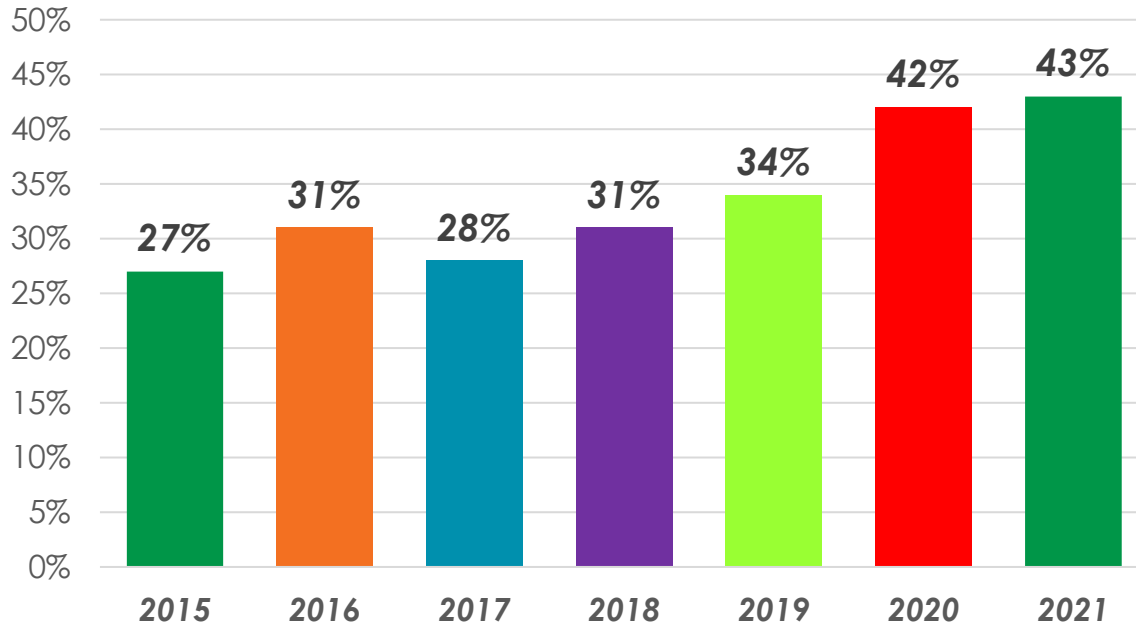
Adult dependents...

“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

THE TIME IS NOW

KNOW BETTER

DO BETTER



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

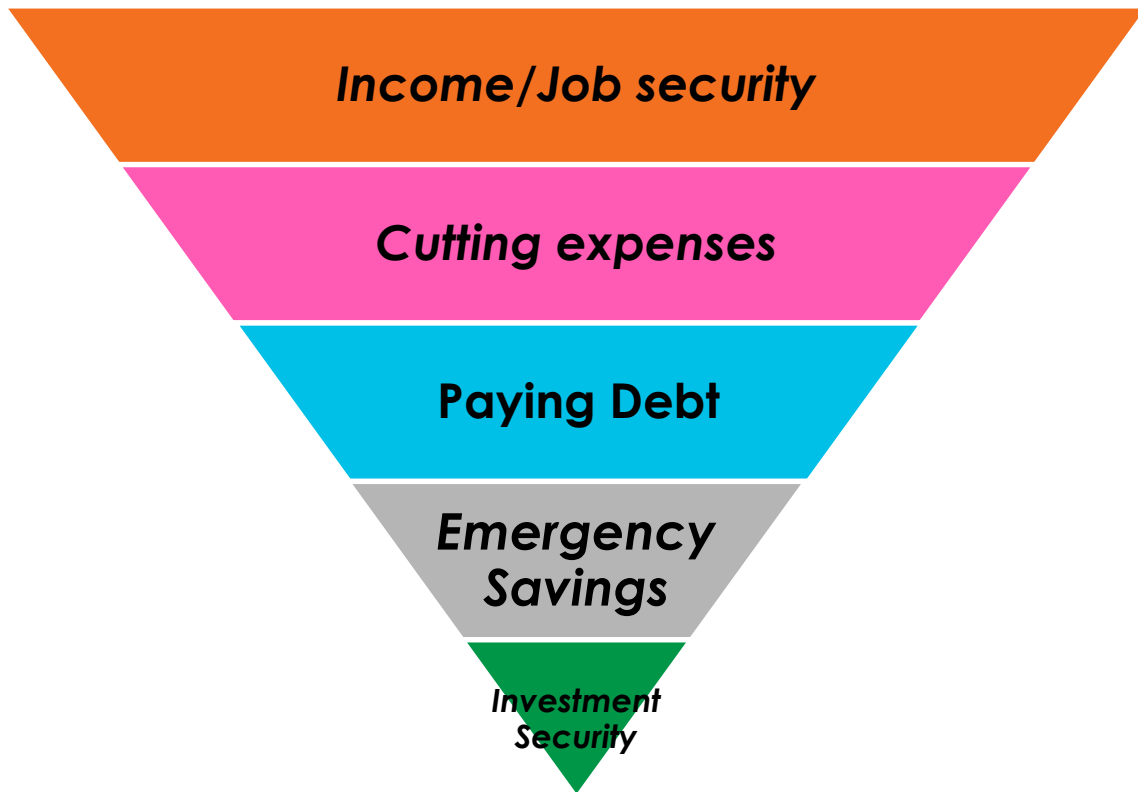
65%

62%

50%

37%

26%





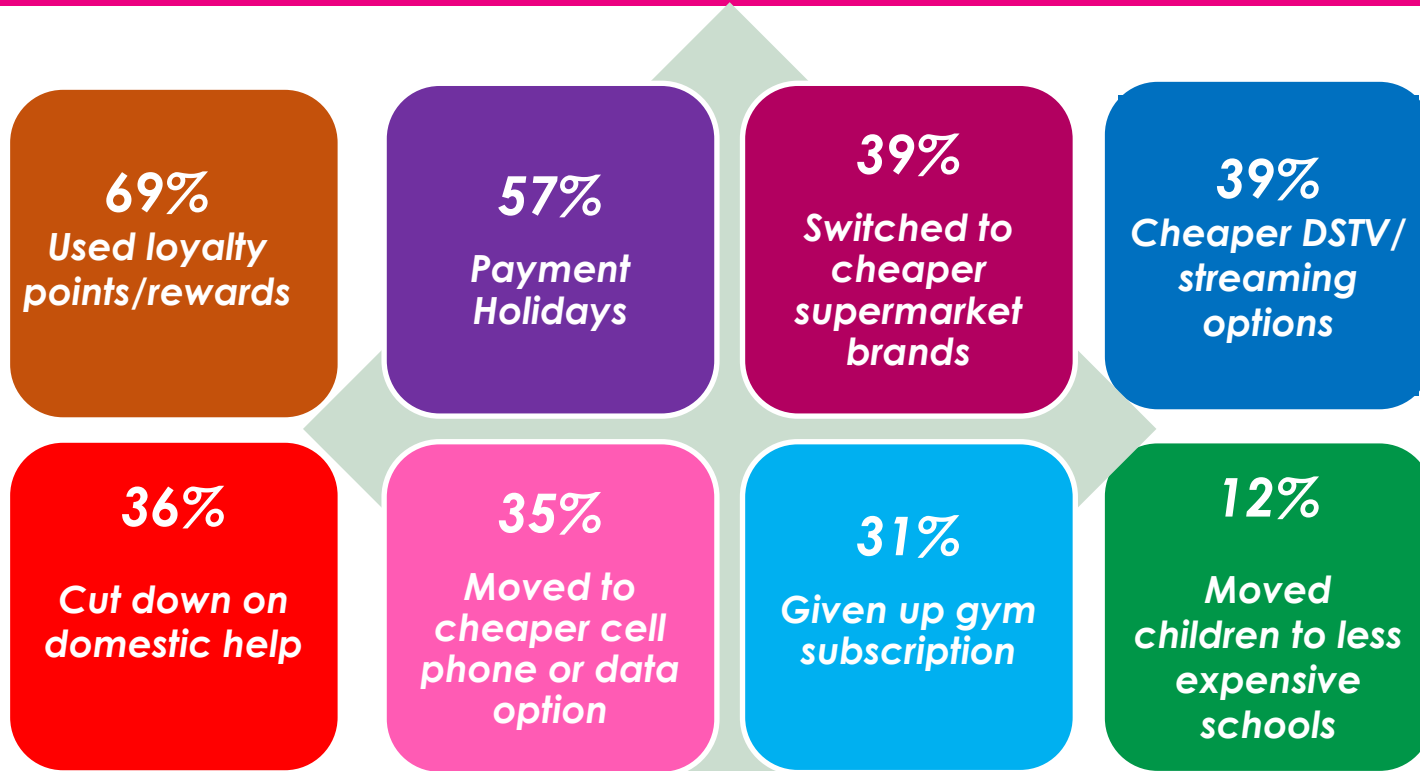
Additional priority...post unrest

Protection

1 in 4
assessing their insurance cover



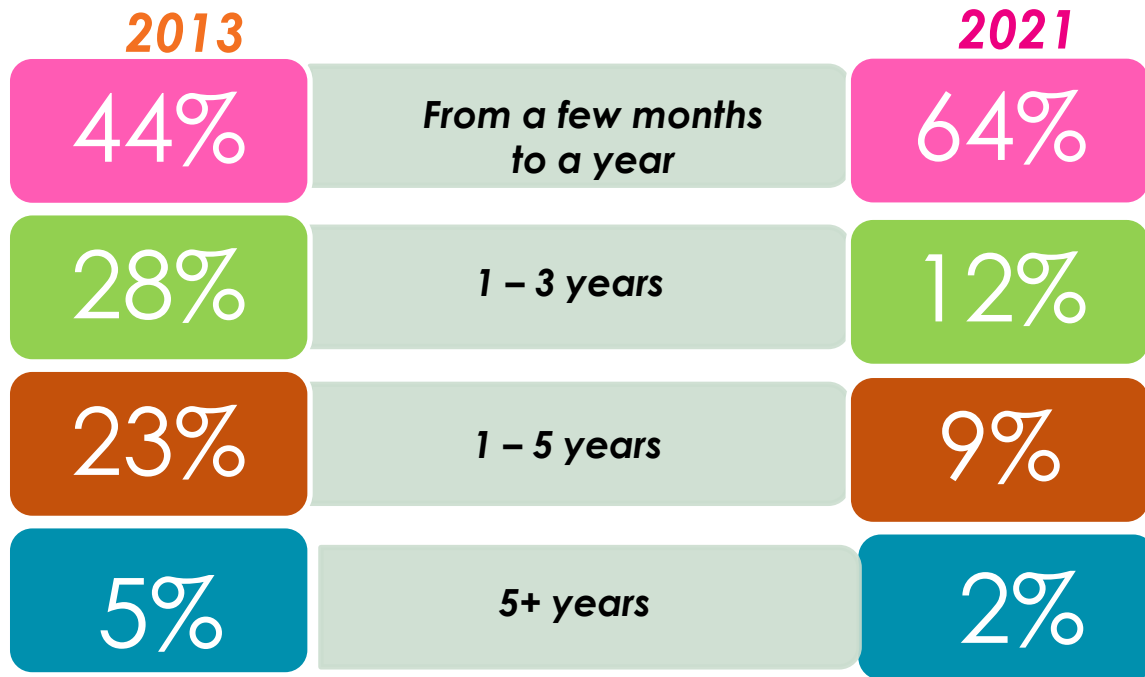
Income & expense management...



And 1 in 3 have “combined homes”



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

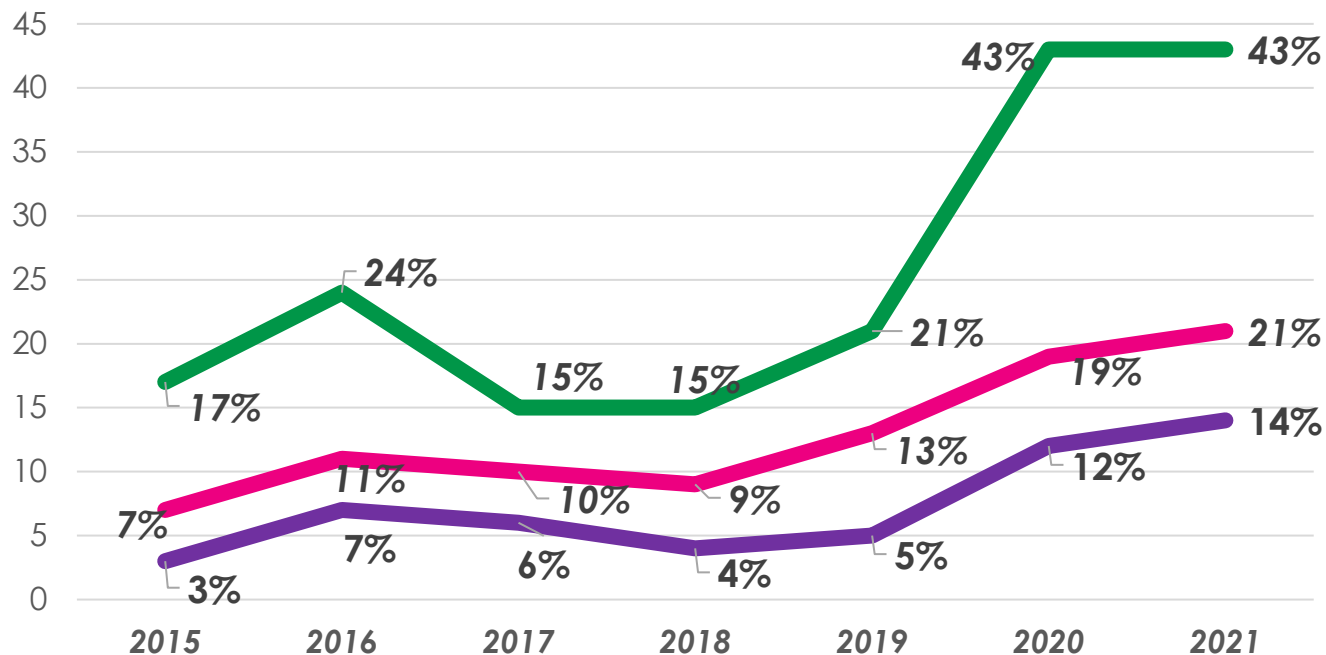
THE TIME IS NOW

KNOW BETTER

DO BETTER



Personal loans...



Highest for **Gen Y**
(26 – 40 years) & **Gen X:**
(41 – 56 years)
46%

Highest for **Gen Z**
(18 – 25 years)
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

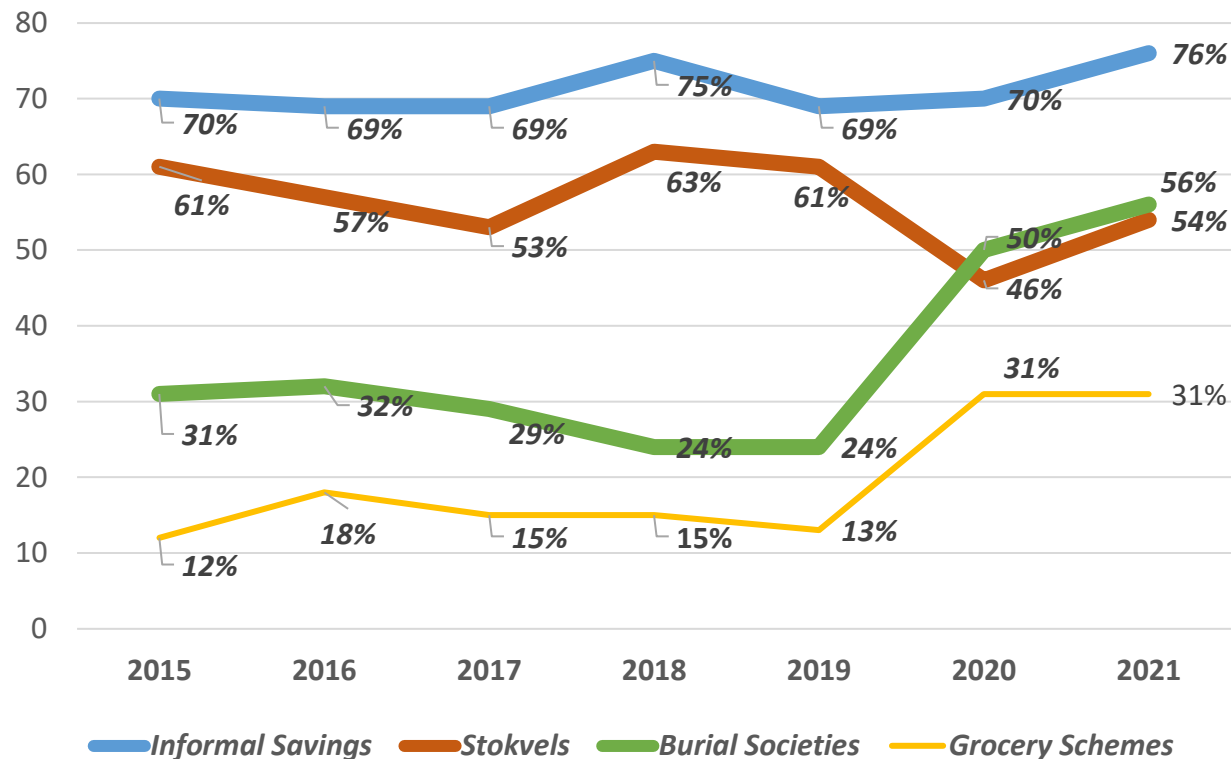
THE TIME IS NOW

KNOW BETTER

DO BETTER



Informal savings...



Filtered on Black respondents



Number of stokvels & monthly contribution...

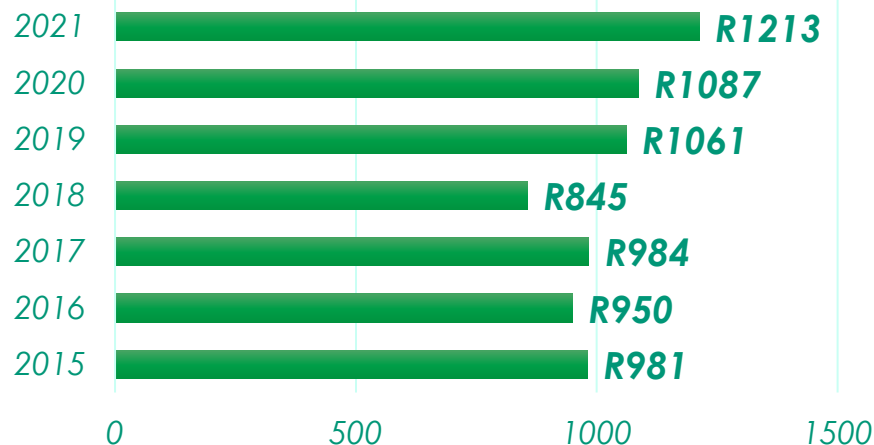
Belong to more than 1 stokvel:

2021: 53%

2017: 32%




Average Monthly Contribution





Stokvels...

Purpose	
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
(26 – 40 years)
32%



SAVINGS & INVESTMENT MONITOR



2021



Sources of income & Poly-Jobbers

THE TIME IS NOW
KNOW BETTER 
DO BETTER



Introducing the...Poly-Jobbers

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

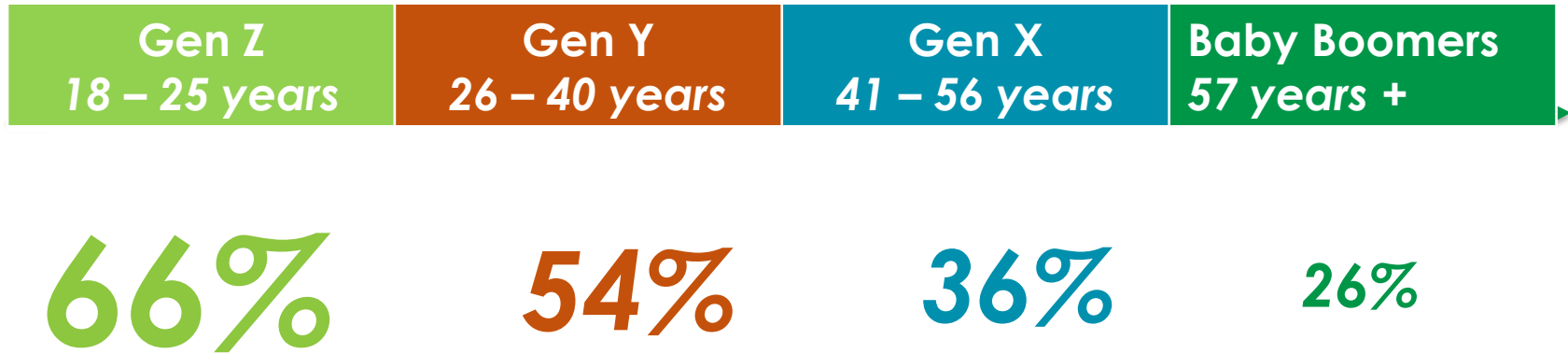
More than 1 source: formal	13%	37%
More than 1 source: informal (Slashers)	24%	20%

Poly-Jobbers





Poly-Jobbers by Generation...







SAVINGS & INVESTMENT MONITOR



2021



Pre-Retirees

THE TIME IS NOW

KNOW BETTER |||||
DO BETTER



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

THE TIME IS NOW

KNOW BETTER |||||
DO BETTER



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

THE TIME IS NOW

KNOW BETTER

DO BETTER