

SAVINGS &
INVESTMENT MONITOR



JULY 2013

SUMMARY



DO GREAT THINGS



OLDMUTUAL



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01. MAIN FINDINGS

FROM THIS MEASURE 8

Satisfaction levels in this measure are marginally higher at 6.5 and again climb with income. Pockets of highly dissatisfied consumers remain however, in particular in the lower income groups.

Notwithstanding these mediocre satisfaction levels, the results are starting to show some renewed optimism, almost as if consumers have adjusted to a new reality and have re-calibrated their expectations. This is supported by decreasing levels of agreement with the statement "I am always having to put plans to improve my life on hold" as well as "I feel I never have enough money to do the things I want".

50% expect their financial situation to improve in the next 6 months and at 37%, the proportion of consumers who feel that their financial situation is better than it was a year ago is at the highest recorded level to date. It is by no means positive across the board, indeed 25% feel that their situation has deteriorated over the last year, but the overall picture is one of consolidation, stability and glimmers of improvement.

The effects of the recession continue to be felt across all ages and income groups, but there is a gradual declining trend in terms of those who cite a 'strong' influence. Consumers remain steadfast in their determination to cut out unnecessary spending and focus on controlling their expenses regardless of age or income group.

The percentage of householders who claim to be saving more than they were a year ago has shown a very gradual increasing trend since the inception of SIM. That trend continues with 33% in this measure saving more than they were a year ago. Whilst this trend is encouraging the fact remains that more claim to be saving less (36%), in particular amongst older consumers and lower income groups.

The theme of gradual recovery is also seen as regards the % who feel that the value of their savings has increased over the past year. This has been increasing gradually since the low of 8% seen in the inaugural measure and now stands at 31%.

Working South Africans continue to save for multiple reasons. What people save for is influenced strongly by age and income with younger consumers and lower income earners focussing on asset acquisition and older consumers looking ahead to retirement. Those in middle age are pulled in multiple directions as pressure on resources peaks, especially as regards those with children given the importance placed on education. In this measure there is a marked increase in vehicle related saving especially in the lower income group.

Debt reduction remains an important savings objective and is up sharply in this measure. The increase is evident across all income groups – whether or not this will be sustained remains to be seen. Evidence of the focus on debt reduction can be seen in particular in the repayment pattern of those with home loans where more consumers are paying extra every month. There seems to be little improvement in attempts to clear other short to medium term debt like store cards, personal loans and car finance.

Looking at financial goals, the strong desire to run one's own business (or expand existing) is worth noting. Nearly one in four metro working South Africans aspire to this. The second most popular financial goal is property ownership, be it getting onto the property ladder and owning their own home (for younger consumers in particular) or buying investment property.

Whilst consumers want to save and invest and are looking for inflation beating returns, at heart they remain conservative and risk averse. It is critically important that they are assured that their money is safe and for some the 'cost' of a non-inflation beating but guaranteed return is acceptable.

Most are reluctant to have their funds 'tied up' in any way and value being able to access their funds at any time. We caution the long term effect on the value of consumers' savings and investments of such a risk averse, liquidity focussed approach, especially when coupled with a short term investment horizon.

This July 2013 measure sees an upturn in formal retirement savings in the form of occupational based pension and / or provident funds. To some extent this is driven by the higher incidence of full time workers and public sector workers in the sample, but not all of the increase is explained by this. However and notwithstanding this high increase, the incidence of those with no formal retirement savings remains hugely significant.

Education policies are down markedly – whether or not this marks the start of a swing away from education policies in favour of other savings remains to be seen.

Trust in advisers is generally quite high, although there are pockets of scepticism especially amongst white consumers as regards institutional advisers. Trust levels are significantly higher amongst those who have consulted an adviser before.

Internet penetration continues to grow but the internet as a source of financial advice and information is not popular. The internet as a tool for transactional banking, be it internet or cell-phone banking, has gained traction but the purchase of financial products online has not. Online shopping generally only has modest penetration and is dominated by the purchase of flights, travel, accommodation, sports or concert tickets and music / DVD's. Incidence of buying financial products online is negligible. Reluctance is driven by security concerns and fears around disclosing personal financial information or being 'hacked', underpinned by a desire for face-to-face contact which allows for errors to be corrected, documents signed and questions to be answered then and there.



02. SAMPLING

AND METHODOLOGY

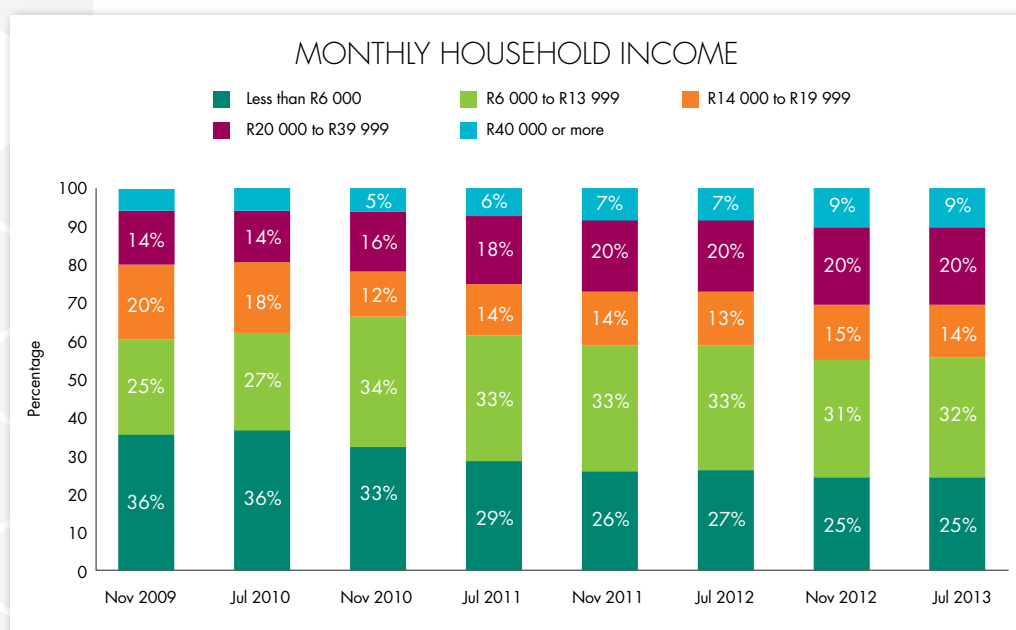
The Old Mutual Savings Monitor is conducted twice a year, with the inaugural measure having taken place in 2009.

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.

Quotas are imposed on household income to ensure that sub-sample sizes are sufficiently robust to allow for analyses by income bracket.

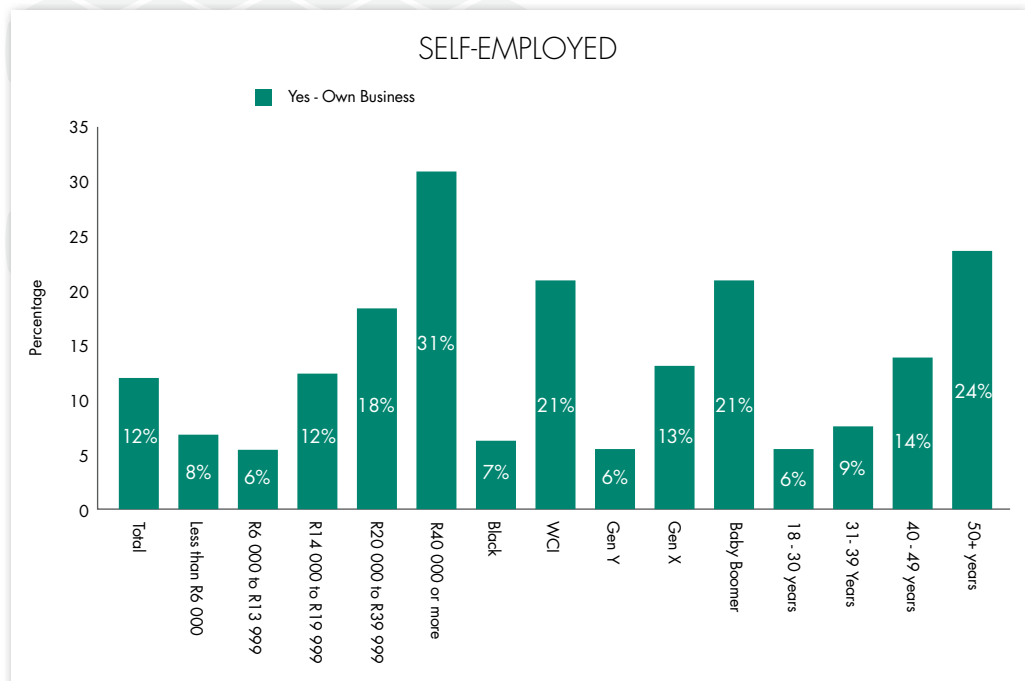
In all instances, in order to allow for analysis at a total market level, the data is re-weighted to reflect the household income profile as per AMPS proportions for employed Metropolitan Dwellers.

The weighted sample proportions by the primary quota of household income are set out below:

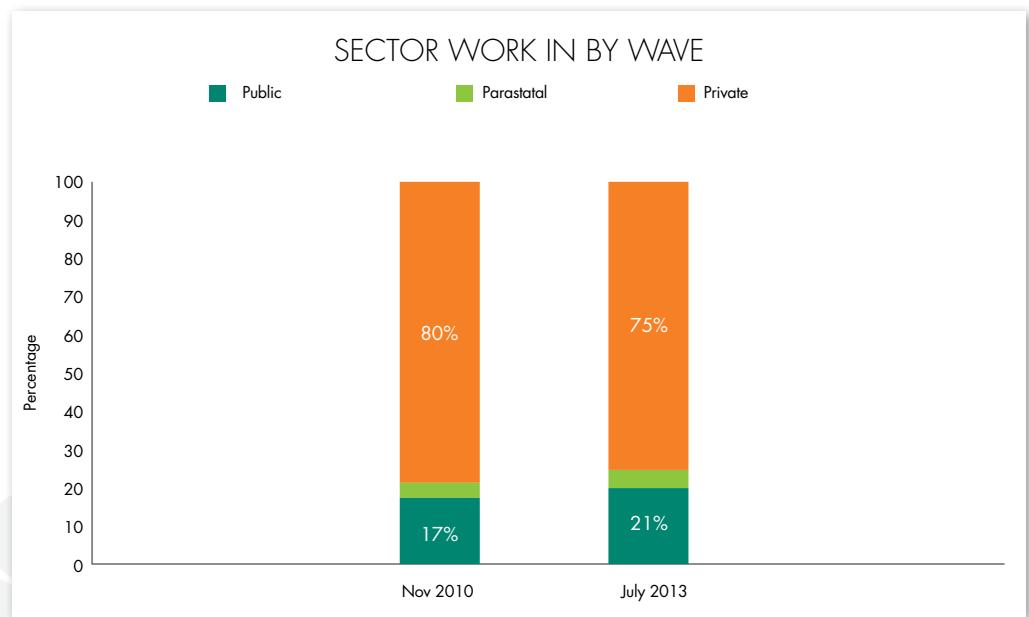


All respondents are screened on being working, but the sector they work in, whether they work full or part time and whether or not they are self-employed is recorded. It should be noted that this July 2013 measure has a lower incidence of part time workers than has been the case historically. Incidence of self-employed respondents remains relatively stable within the 10 – 15% band. When looking at any results within the self-employed segment it is important to bear in mind the older, upper income and WCI (particularly White and Indian) bias.

Self-Employed	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Yes - Own Business	Not measured		16%	10%	15%	13%	15%	12%
No - Employed By Somebody Else	Not measured		84%	90%	85%	87%	85%	88%



Sector work in has only been recorded for 2 measures, and in this measure we have a marginally higher incidence of public sector workers.

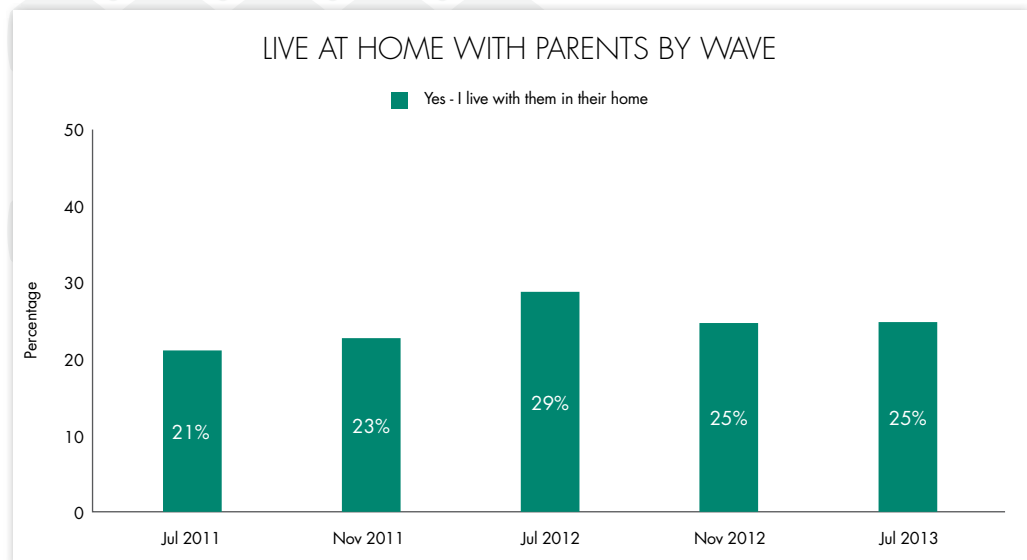


03. HOUSEHOLD

COMPOSITION, DEPENDANTS, SANDWICH GENERATION AND QUESTIONS OF CO-DEPENDENCY

HOUSEHOLD SIZE AND COMPOSITION

25% still live at home with their parents, and not unexpectedly this continues to correlate positively with both age and income.

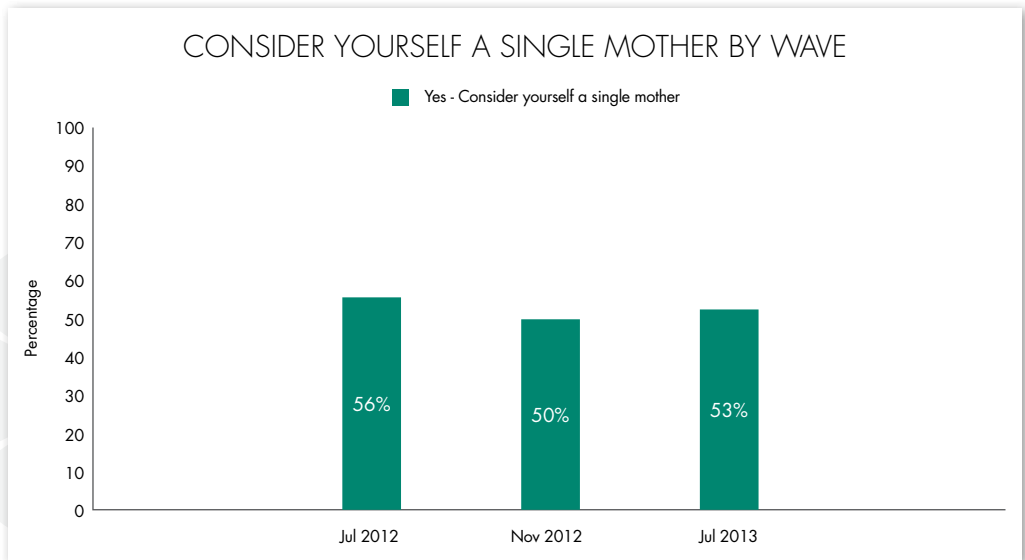


DEPENDENT CHILDREN

Incidence of dependent children remains steady at 64% and continues to be highest in Black households and those in their 40's.

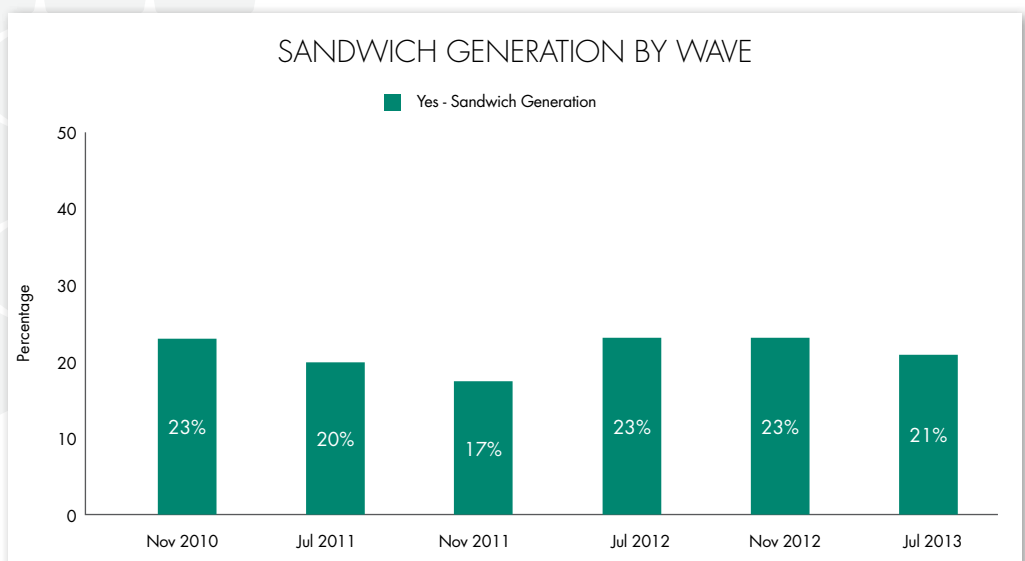
SINGLE MOTHERHOOD

In the July 2012 measure a series of questions were added to establish the incidence of single mothers and financial support by fathers. These July 2013 results continue to emphasise the high incidence of single mothers, and the strong inverse correlation with income i.e. the poorer the household, the higher the incidence of 'single motherhood'.



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 21% of the sample in this measure. The proportionally higher incidence amongst Black households is again worth noting.

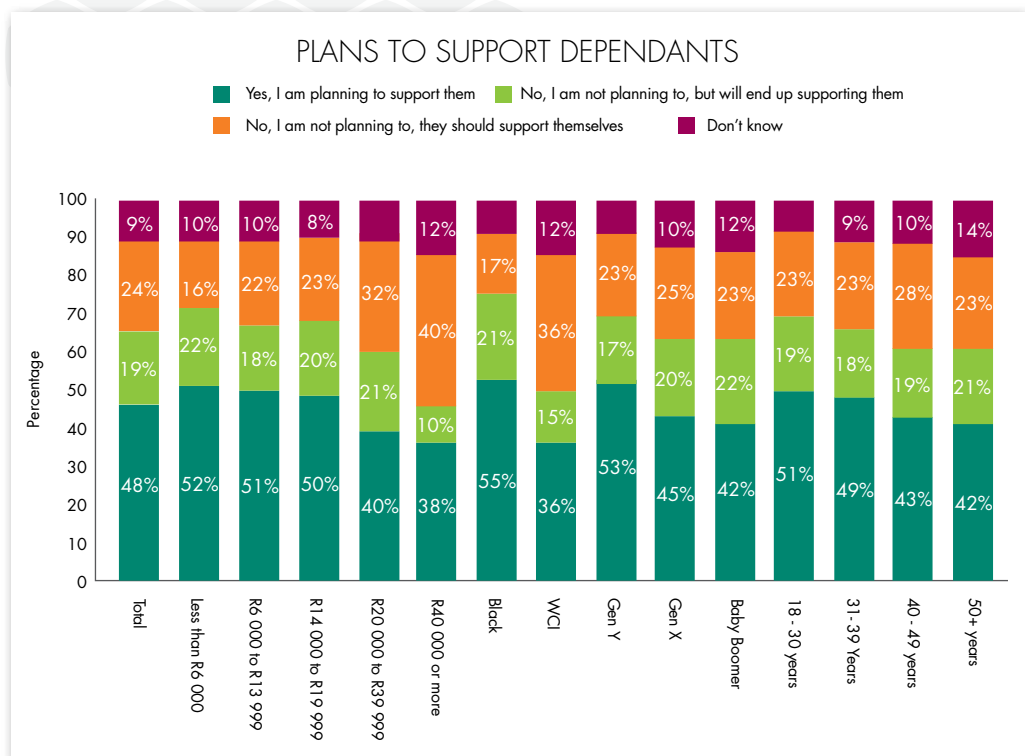


EXPECTATIONS AS REGARDS SUPPORTING (OR BEING SUPPORTED BY) FAMILY MEMBERS

Support Parent/Family Members In Future	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Yes - I am planning to support them	46%	39%	36%	40%	37%	37%
No, I am not planning to, but will end up supporting them	12%	11%	14%	12%	13%	15%
No, I am not planning to, they should support themselves	17%	24%	22%	24%	19%	19%
No, none around to support	19%	23%	23%	20%	26%	23%
Don't know	6%	4%	5%	4%	6%	7%

The lower incidence of expected need to support amongst older consumers is a reflection of a lower incidence of surviving older dependents more than anything else.

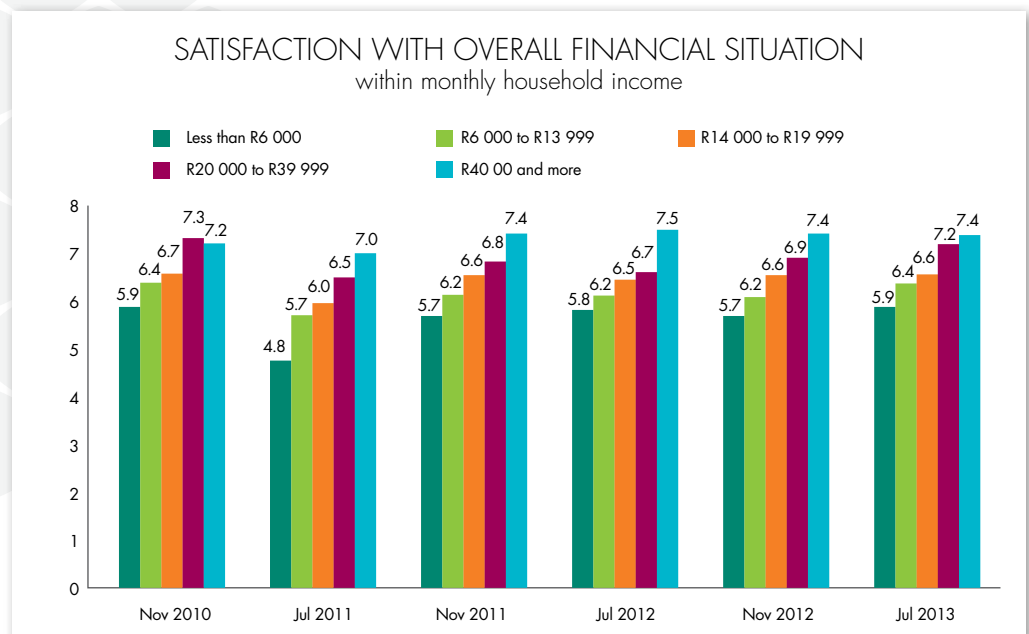
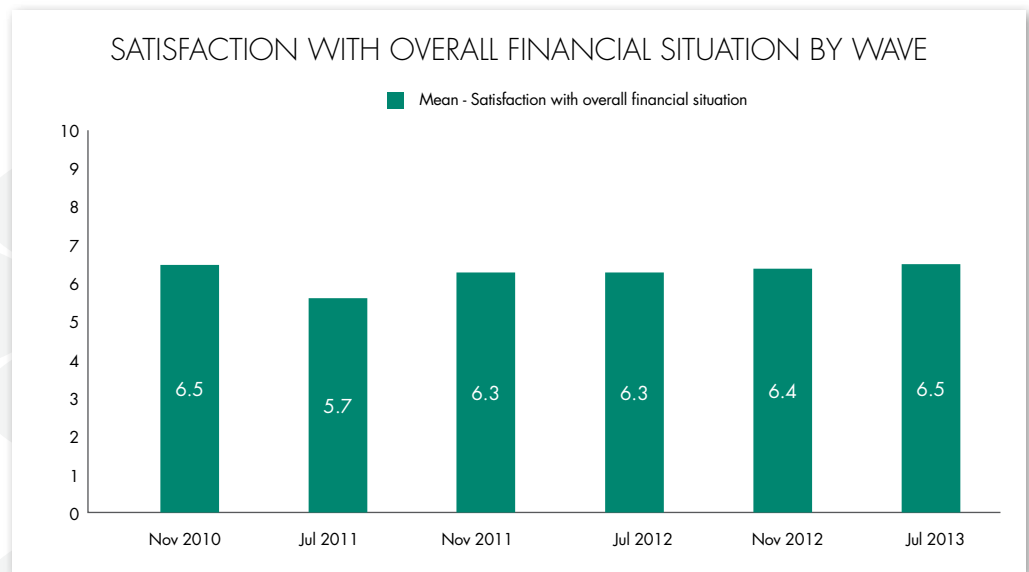
Re-Based to exclude those who have "none around to support", 67% foresee that they will have to support older family members (either on a planned basis or conceding that they will probably end up having to). Once again it is amongst Black (and younger) consumers that this expectation is highest.



04. SATISFACTION

WITH CURRENT FINANCIAL POSITION

At a total sample level; satisfaction with financial situation is very marginally higher at 6.5, so overall satisfaction levels remain mediocre. Income remains the main determinant of satisfaction, and it is only in the top two income brackets that satisfaction approaches acceptable levels.



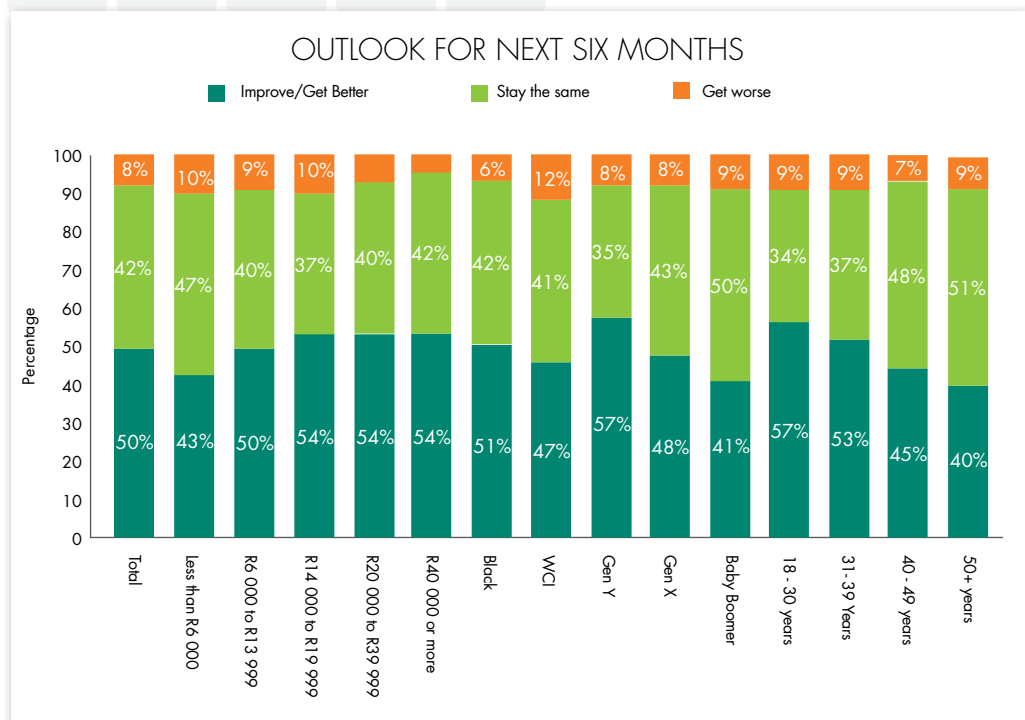
05. RETROSPECTIVE

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. The results of this measure are more optimistic, with 50% expecting an improvement. This is the highest recorded level to date.

Outlook for next six months	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Improve/get better	40%	36%	41%	43%	50%
Stay the same	44%	53%	46%	45%	42%
Get worse	16%	11%	13%	12%	8%

It is younger consumers who are the most optimistic – due probably to youthful exuberance combined with the fact that many have only recently started working for the first time and are looking forward to improving their financial situation as funds come in.



Respondents are also asked to think back to a year ago were asked whether they feel that their current financial situation is better or worse than a year ago. Here we see a marginal improvement with 37% feeling that their financial situation is better than it was a year ago. Again it is younger consumers and those in higher income brackets who feel more of an improvement.

Retrospective Look Over Last Year	Nov-11	Jul-12	Nov-12	Jul-13
Better than it was a year ago	27%	30%	34%	37%
About the same	45%	45%	39%	38%
Worse than it was a year ago	28%	25%	27%	25%

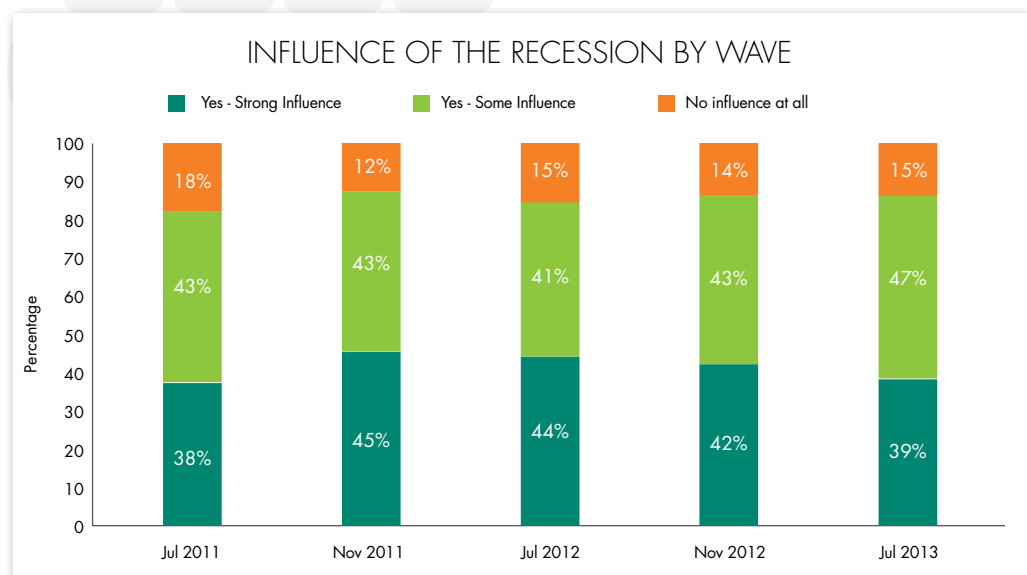


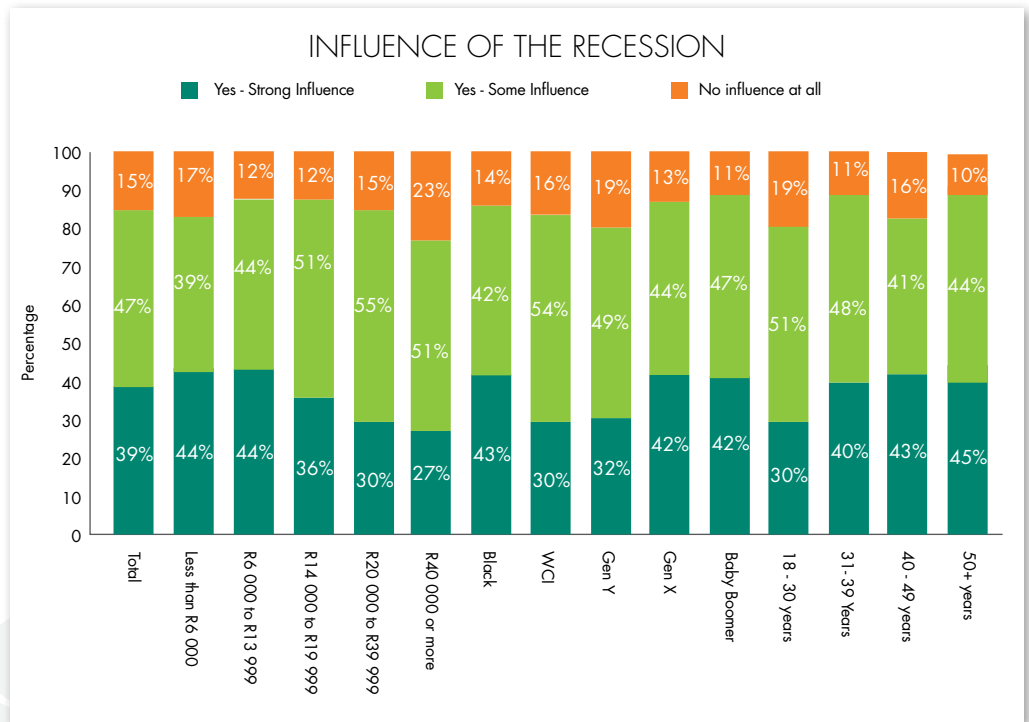
06. INFLUENCE

OF THE RECESSION

“ IN RECENT YEARS SOUTH AFRICA AND THE REST OF THE WORLD HAVE EXPERIENCED A RECESSION/DOWNTURN IN THE ECONOMY. HAS THIS IN ANY WAY INFLUENCED HOW YOU FEEL ABOUT AND APPROACH FINANCIAL MATTERS AND YOUR FINANCES? EVEN IF IT HAS NOT ACTUALLY CHANGED YOUR BEHAVIOUR? ”

The recession continues to be felt across the board. Those who claim a “strong” influence is starting to show a very gradual declining trend, but it is early days and our view is that the influence of the recession will be with us for years to come.

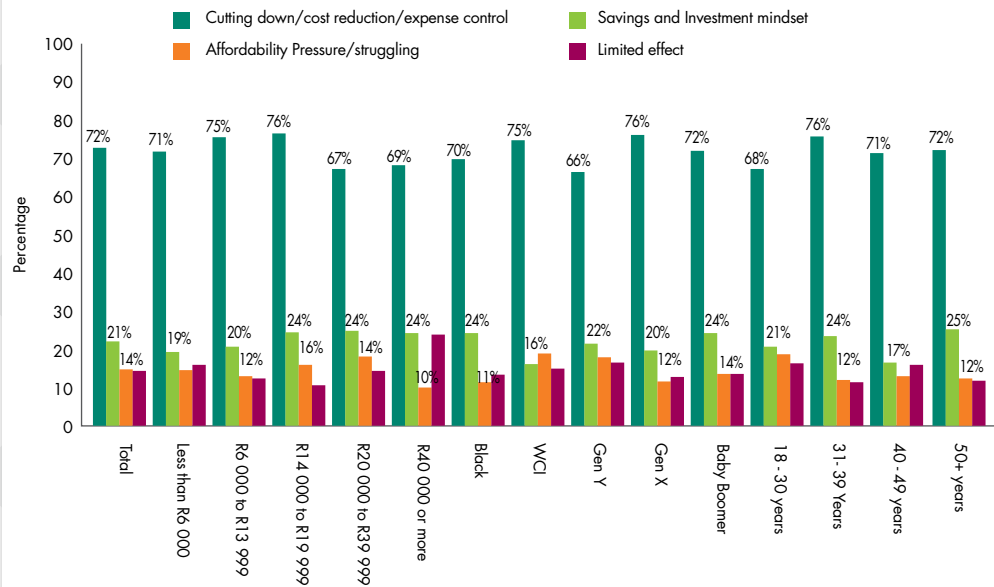




Respondents are asked to describe the way(s) in which the recession has affected them and / or influenced to how they approach their finances. Their spontaneous responses are then categorized. The trend in favour of cutting down and cost control is continued in this measure, and is evident across all income groups and ages.

Reasons for influence of the recession - NETT	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Limited effect	18%	13%	14%	13%	14%
Cutting down/cost reduction/expense control	38%	59%	62%	70%	72%
Affordability pressure/struggling	48%	36%	19%	17%	14%
Savings and investment mindset	22%	28%	25%	22%	21%
Other	2%	1%	2%	1%	2%

EFFECT OF THE RECESSION



07. SHIFT IN SAVINGS

LEVEL AND VALUE

7.1. 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."

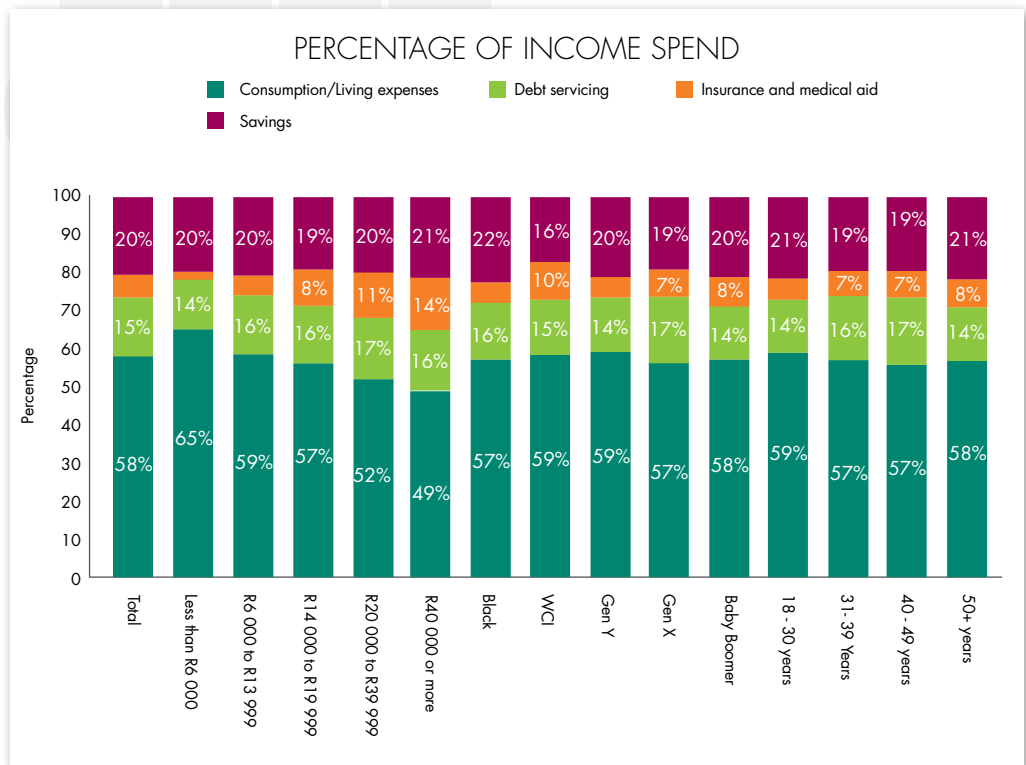
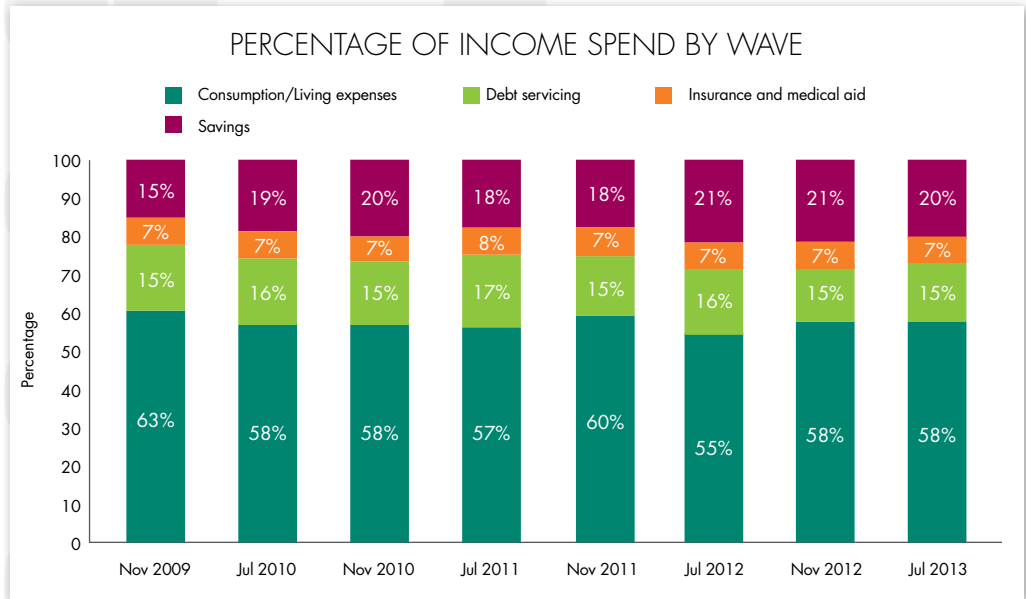
Consumption/Living expenses (e.g. groceries, rates, phone, transport, clothing, education, entertainment, rent, money paid to support other family members, electricity and water etc. This EXCLUDES contributions to policies, savings, insurance etc.)

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)

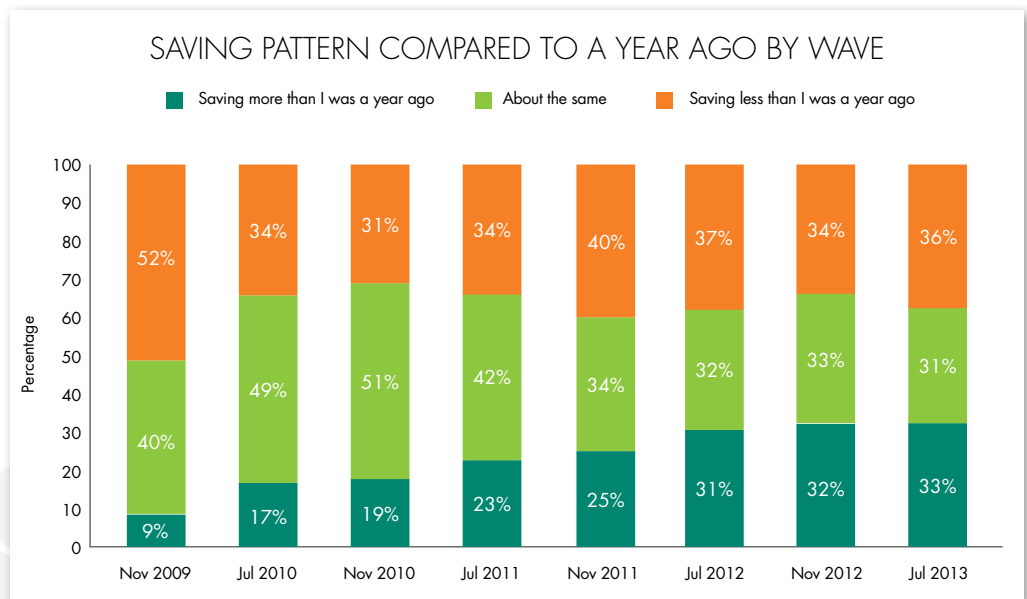
Savings (includes monthly contributions/premiums to savings, stokvels and savings clubs, investment and assurance policies)

The percentage allocation of household income remains stable. Consumption percentage drops as income climbs with proportionally more of the budget being allocated to debt repayments as well as insurance and medical aid.

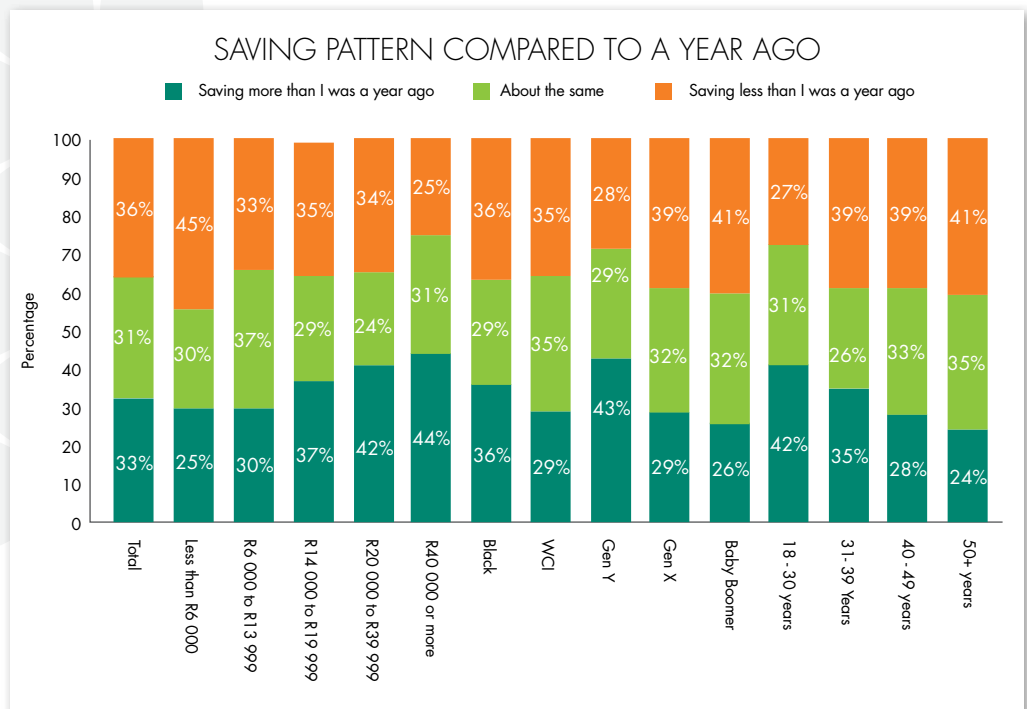


7.2 CONSUMER PERCEPTIONS AS TO WHETHER SAVING MORE / LESS / THE SAME

The steady and increasing trend of those who are saving more is encouraging. At 33% this is the highest percentage to date. That said, more South Africans are saving less (36%) than they were a year ago.



There continues to be a positive correlation with income, with a higher % of wealthy households claiming to be saving more. As regards age, the relationship is an inverse one, with younger people more likely to be saving more than a year ago (bearing in mind that many would be recent entrants into the workplace). What is of concern though is the high percentage of older consumers who are saving less, those aged 50 years and older in particular.



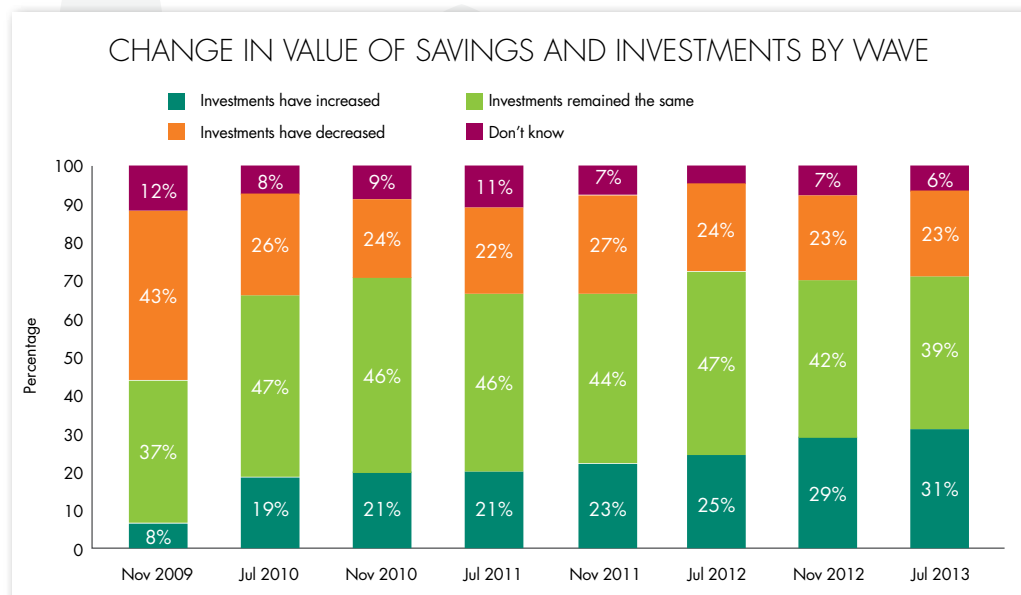
Reasons Saving MORE	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Unweighted numbers	252	263	324	335	342
Improved income	41%	55%	45%	45%	51%
Effect of debt/debt management	22%	23%	34%	37%	24%
Decreased demands	6%	6%	7%	12%	18%
Shift in headspace	29%	27%	32%	18%	18%
Item/cause specific savings	21%	13%	10%	11%	9%

Reasons Saving LESS	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Unweighted numbers	335	396	356	338	352
Increased demands on income	67%	75%	77%	68%	70%
Deteriorating income	22%	28%	17%	28%	16%
Effect of debt/debt management	16%	9%	9%	14%	14%
Little change in circumstances/needs	17%	18%	3%	6%	11%

7.3 CHANGES IN VALUE OF SAVINGS AND INVESTMENTS

In addition to asking consumers whether they are saving more or less, we ask them whether the value of their savings and investments has increased or decreased relative to a year ago.

In the first measure (November 2009), only 8% of the sample felt the value of their savings and investments had increased, with a concerning 43% reporting a drop in value. There is no doubt that at that stage consumers were still reeling from the financial crisis of 2008. July 2010 saw a sharp improvement in perceived saving stocks value which has consolidated and gradually increased over time, with the 31% in this measure who say that the value of their savings and investments has increased being at the highest level recorded to date.



08. SAVINGS

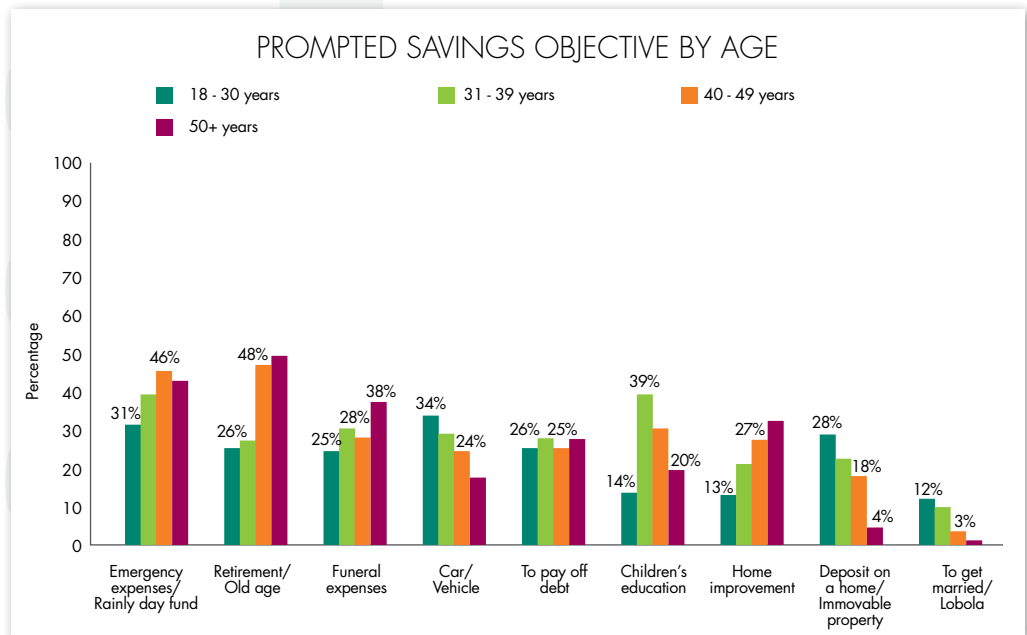
OBJECTIVES - WHAT ARE SOUTH AFRICANS SAVING FOR?

Reasons for saving continue to be dominated by retirement and rainy day/emergency savings. That said, this measure sees a noticeable increase in savings for:

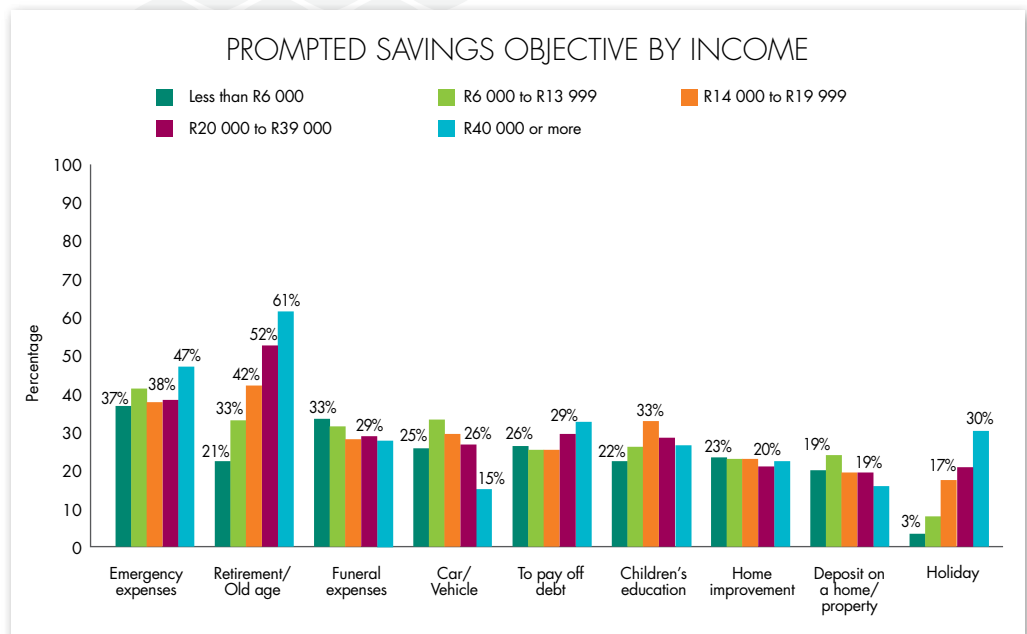
- Car/vehicle (driven by sharp increase in less than R6 000 segment)
- Debt reduction (evident across all income groups)

Prompted Savings Objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Emergency expenses/rainy day fund	45%	43%	43%	42%	41%	39%	36%	39%
Retirement/old age	27%	31%	35%	41%	33%	35%	40%	37%
Funeral expenses	21%	23%	21%	29%	25%	26%	31%	30%
Car/vehicle	22%	29%	21%	20%	18%	20%	17%	27%
To pay off debt	15%	13%	17%	19%	14%	17%	13%	26%
Children's education	31%	30%	40%	34%	25%	33%	21%	26%
Children's education (rebased on those with dependent children)	54%	55%	55%	51%	40%	50%	33%	40%
Home improvement	18%	18%	18%	21%	19%	17%	14%	22%
Deposit on a home/immovable property	19%	23%	20%	18%	17%	22%	17%	20%
To buy a specific item/other specific purpose	4%	3%	4%	13%	14%	14%	7%	13%
Medical expenses fund/for medical expenses	9%	7%	10%	13%	10%	13%	12%	13%
Holiday	18%	17%	17%	13%	11%	11%	11%	12%
Money to start my own business	7%	5%	7%	7%	6%	6%	6%	9%
For my studies/own education/further my studies	Not measured				5%	7%	4%	8%
Furniture/home appliances	7%	6%	7%	8%	7%	6%	5%	8%
To get married/lobola	Not measured				5%	6%	6%	7%
Christmas expenses/end of year expenses	Not measured							6%
No specific reason	7%	5%	5%	6%	6%	2%	5%	3%
Other special celebrations	Not measured							2%

Age or lifestyle continues to be one of the primary determinants of what people are saving for, in particular as regards retirement savings. See main (not all) savings objectives charted by age below.



Income is the other main determinant of what people are saving for, with upper income households saving for more things generally. See main (not all) savings objectives charted by income below.



09. FINANCIAL

GOALS

In this July 2013 measure respondents were asked about their financial goals for the next 5 years. What are their priorities? What do they want to achieve in the next 5 years? Investment in one's own business (be it opening your own business or growing an existing business) and investing in property (whether this is getting a foot on the property ladder or buying investment property) are the most common goals.

The responses are varied and multiple, mentions at levels of 5% or more are tabled below:

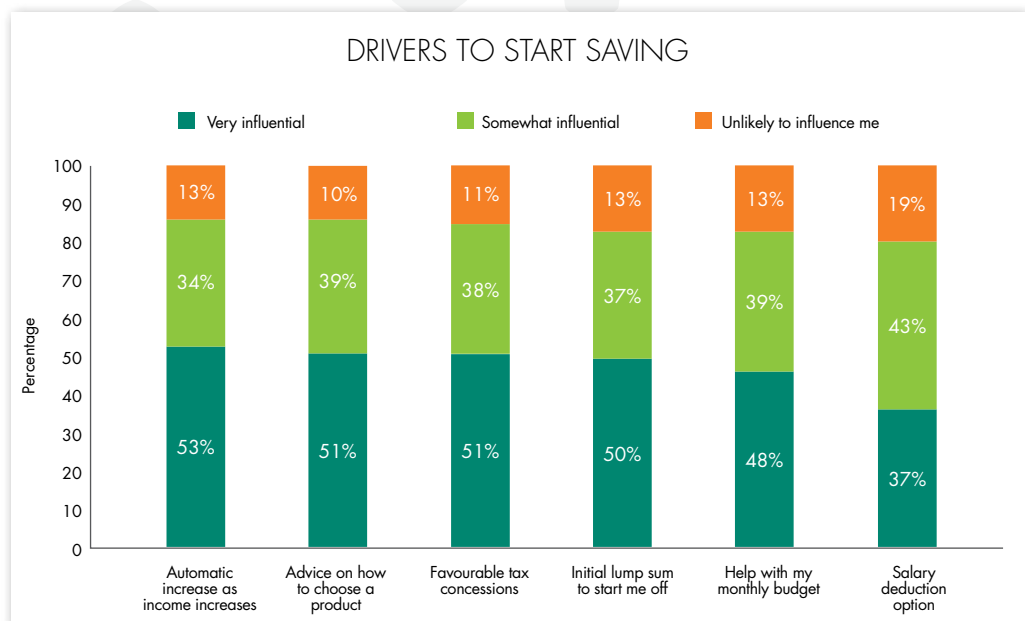
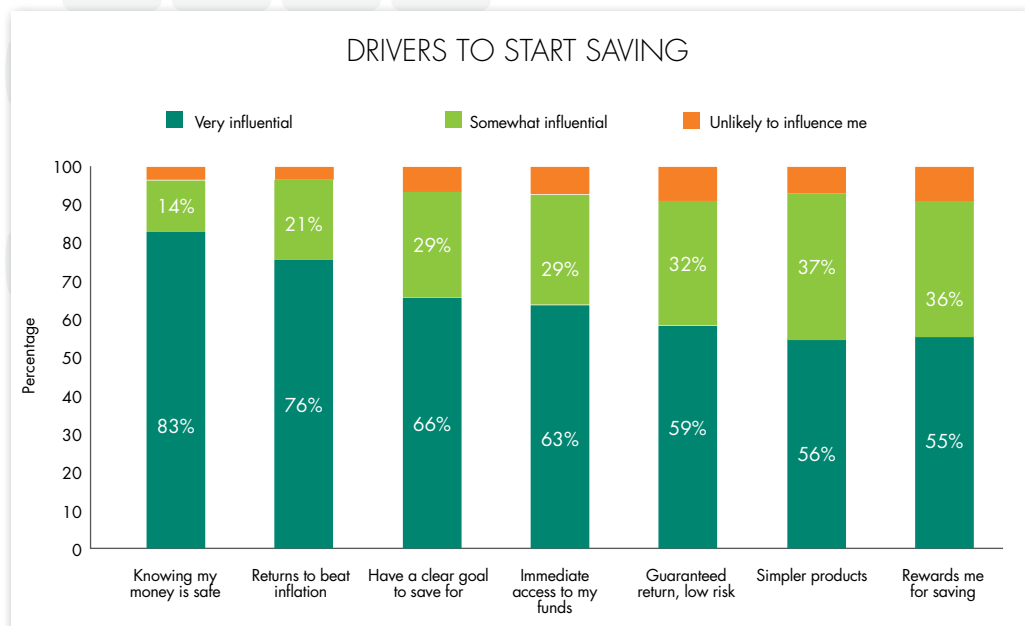
Financial goals	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R 39 999	R 40 000 or More	Black	WCI	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	1 002	238	251	203	159	151	616	386	282	289	260	171
Invest in own business/start own business	23%	27%	26%	20%	19%	18%	29%	13%	28%	24%	23%	15%
Deposit on a new house/buy property/investment property	23%	17%	23%	27%	32%	17%	21%	27%	25%	24%	23%	18%
Child's education	16%	15%	18%	15%	16%	14%	18%	12%	11%	18%	20%	16%
New car/to buy a car/buy my wife a new car	15%	15%	13%	19%	17%	11%	14%	17%	20%	16%	10%	10%
Save for a holiday/go on holiday	14%	10%	13%	19%	14%	18%	12%	16%	9%	14%	17%	17%
Pay off credit card quicker/store card/debt/pay debt	10%	11%	10%	13%	9%	9%	9%	13%	10%	12%	9%	11%
Medical expenses	9%	9%	11%	8%	7%	7%	11%	4%	7%	8%	11%	11%
Renovate my home/build extension/home improvements	9%	11%	12%	5%	4%	5%	11%	5%	10%	8%	7%	10%
Nothing specific/just to have money/habit	8%	11%	8%	8%	4%	6%	9%	6%	18%	4%	4%	2%
Saving for old age/retirement	8%	4%	5%	11%	13%	16%	5%	14%	3%	4%	11%	17%
Emergencies/rainy days/unforeseen expenses	8%	8%	8%	7%	8%	5%	8%	7%	5%	8%	9%	10%
Buy furniture/appliances	7%	5%	7%	5%	9%	7%	6%	8%	4%	5%	7%	15%
Improve lifestyle/financial independence	6%	7%	7%	8%	3%	2%	4%	10%	9%	6%	3%	4%
Pay off home loan as fast as possible/pay off house	6%	3%	5%	5%	8%	14%	4%	9%	4%	5%	10%	4%

10. DRIVERS

TO START SAVING AND APPETITE FOR RISK

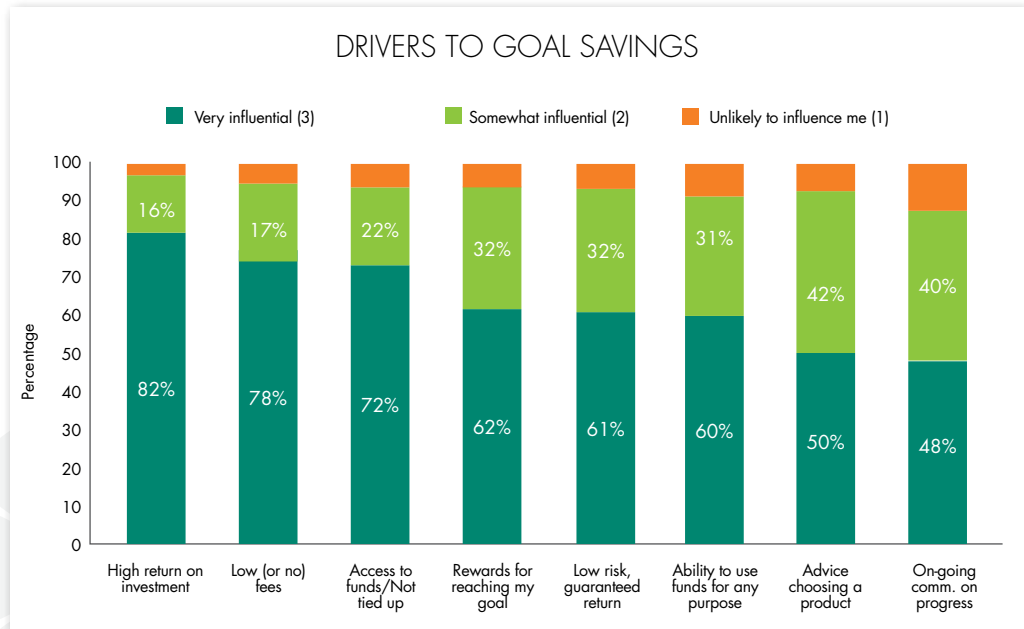
ENCOURAGEMENT TO START SAVING OR TO SAVE MORE

In this July 2013 measure respondents a series of questions were asked so as to take a closer look at what would encourage consumers either to start saving, or to save more. The comfort of knowing my money is safe and getting a good return on investment are most important, and having a clear goal helps.



GOAL SPECIFIC SAVINGS

Respondents were asked to assume that they were saving for a specific goal i.e. not just for a rainy day or unforeseen emergencies and to rate a series of factors in terms of relative importance in deciding where to save or what savings product to choose.

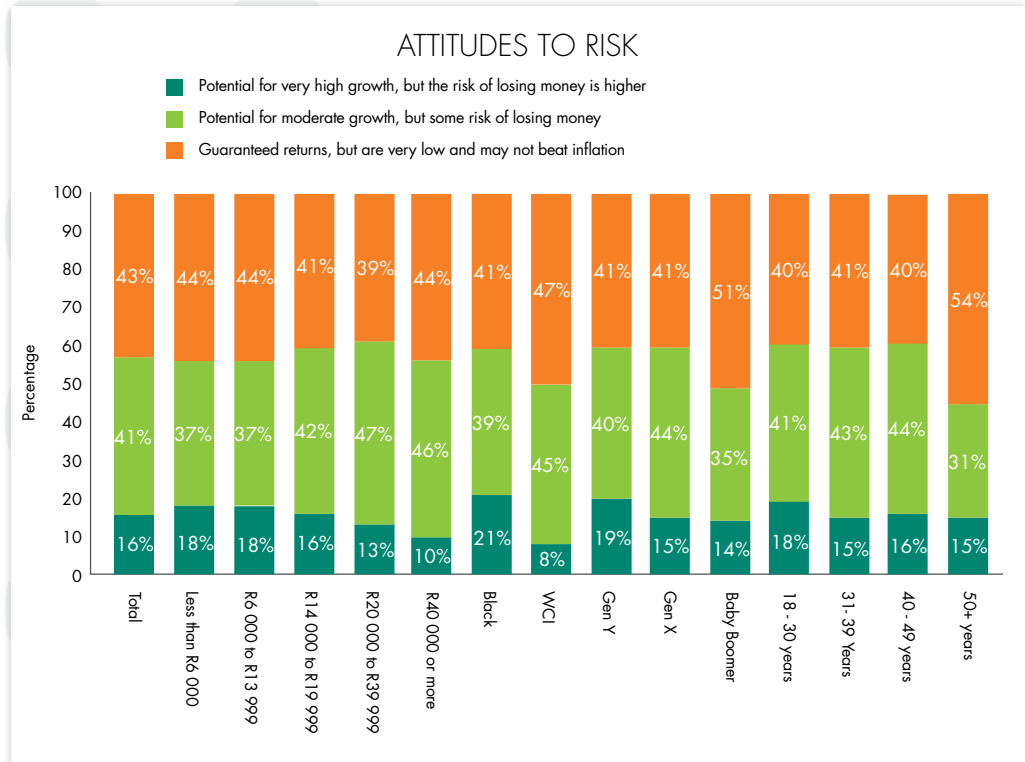


The relatively greater importance placed on return by upper income groups is again evident.

Drivers Goal Saving – RANKED IN TOP THREE MOST IMPORTANT	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R 39 999	R 40 000 or More	Black	WCI	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	1 002	238	251	203	159	151	616	386	282	289	260	171
Interest earned/high return on investment	51%	47%	48%	49%	60%	58%	48%	57%	53%	47%	55%	49%
Access to my funds at any time/not tied up	48%	46%	49%	49%	49%	49%	46%	53%	49%	48%	50%	46%
Low (or no) fees	45%	38%	46%	45%	47%	53%	38%	57%	45%	45%	44%	45%
A product that rewards me for reaching my goal	37%	41%	39%	32%	38%	33%	39%	35%	33%	42%	36%	40%
Guaranteed return, low risk	36%	40%	32%	40%	37%	36%	35%	38%	34%	36%	39%	37%
On-going communication on my progress	29%	33%	31%	25%	27%	27%	35%	19%	32%	28%	26%	33%
Advice on how to choose a product that suits my needs	27%	27%	30%	28%	22%	22%	32%	17%	27%	26%	26%	28%
Ability to use these funds for any purpose	26%	29%	26%	31%	21%	22%	27%	24%	27%	28%	25%	22%

APPETITE FOR RISK

In this July 2013 measure we take a closer look at consumer's appetite for risk. The results reveal a generally risk averse stance, amongst older consumers and WCI consumers in particular.



11. SAVINGS

AND INVESTMENT VEHICLES USED

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Banked cash savings	29%	47%	48%	43%	41%	44%	42%	40%
Informal saving	33%	40%	54%	44%	36%	51%	49%	49%
Formal savings products & policies	77%	84%	82%	85%	80%	83%	81%	82%
Investments	6%	6%	11%	7%	5%	6%	5%	5%
Alternative investments	0%	2%	1%	1%	1%	1%	0%	1%
Insurance and precautionary savings	47%	45%	52%	54%	49%	50%	46%	48%
Bonds	Not measured		5%	4%	3%	2%	1%	1%

11.1. FORMAL SAVINGS PRODUCTS

At a total sample level incidence of formal savings products is stable, with the exception of employer based pension and provident funds which are up sharply from the previous measure, and education policies which have declined significantly.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Endowment policies	15%	12%	18%	13%	12%	11%	11%	14%
Retirement annuities	26%	24%	33%	24%	27%	24%	21%	20%
Pension or provident fund	41%	49%	47%	53%	46%	49%	44%	56%
Education policies	14%	20%	23%	19%	19%	21%	18%	13%
Education policies (rebased on those who have dependant children)	27%	36%	32%	29%	30%	31%	27%	19%
Funeral policies	61%	65%	64%	68%	62%	66%	61%	65%
Life assurance/death and disability policies	33%	34%	40%	41%	33%	31%	35%	35%

Retirement Products

Membership of occupational retirement funds is a 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.

One factor behind this higher level of fund membership is the higher proportion of full time employees in this sample and those working in the public sector, but even within the private sector, there has been an increase in fund membership.

Retirement Products	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Unweighted numbers	1 000	1 004	1 004	1 015	1 011	1 001	1 002	1 002
Have pension or provident fund	41%	49%	47%	53%	46%	49%	44%	56%
Have RA	26%	24%	33%	24%	27%	24%	21%	20%
Have fund and RA	19%	17%	23%	15%	18%	17%	14%	14%
Have neither	53%	43%	43%	38%	45%	44%	48%	38%
Have either fund or RA	47%	57%	57%	62%	54%	56%	51%	62%

The incidence of formal retirement provision climbs with both age and income:

Retirement Products JULY 2013 TOTAL SAMPLE	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	238	251	203	159	151	616	386
Have pension or provident fund	41%	59%	64%	64%	59%	61%	47%
Have RA	4%	13%	21%	36%	54%	15%	29%
Have fund and RA	3%	9%	16%	25%	32%	12%	17%
Have neither	58%	37%	31%	25%	19%	36%	41%
Have either fund or RA	42%	63%	69%	75%	81%	64%	59%
Retirement Products JULY 2013 TOTAL SAMPLE	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	337	473	192	282	289	260	171
Have pension or provident fund	51%	59%	60%	50%	56%	62%	58%
Have RA	13%	23%	26%	13%	16%	29%	25%
Have fund and RA	8%	16%	19%	8%	11%	21%	17%
Have neither	45%	34%	33%	45%	38%	31%	34%
Have either fund or RA	55%	66%	67%	55%	62%	69%	66%

11.2. INFORMAL SAVINGS

Informal savings are at similar levels to the previous measure.

Informal Savings 2	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Savings Club or Stokvel	26%	32%	31%	31%	22%	32%	31%	34%
Burial Society	Not measured		33%	20%	17%	26%	25%	24%
Grocery Scheme	Not measured		13%	7%	6%	10%	8%	8%
Cash Savings - Not Banked	10%	14%	14%	6%	4%	7%	7%	5%

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.

Base: Black (Race)

Informal Savings 2	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Savings Club or Stokvel	43%	53%	47%	48%	36%	51%	45%	50%
Burial Society	Not measured		49%	31%	26%	38%	35%	33%
Grocery Scheme	Not measured		19%	11%	9%	15%	13%	11%
Cash Savings - Not Banked	11%	17%	15%	8%	5%	4%	8%	4%

Base: Black (Race), July 2013

	Total	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More
Savings Club/Stokvel	50%	50%	51%	47%	49%	47%
Burial Society	33%	36%	36%	26%	25%	30%
Grocery Scheme	11%	9%	13%	7%	15%	16%
Cash Savings - Not Banked	4%	5%	3%	1%	3%	7%

11.3. PRECAUTIONARY SAVINGS

Incidence of medical aid remains relatively stable despite cost pressures. Short term insurance is more volatile and the drop off in short term insurance seen in the upper income segments in November 2012 has been recovered in this July 2013 measure.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Total								
Short term insurance	32%	30%	33%	31%	28%	33%	28%	30%
Medical insurance/medical aid	40%	38%	44%	48%	42%	42%	41%	42%
Less than R6 000								
Short term insurance	6%	8%	6%	4%	2%	6%	2%	3%
Medical insurance/medical aid	12%	15%	15%	17%	13%	12%	7%	13%
R6 000 to R13 999								
Short term insurance	24%	20%	31%	23%	18%	22%	14%	17%
Medical insurance/medical aid	36%	32%	44%	48%	38%	35%	35%	35%
R14 000 to R19 999								
Short term insurance	55%	52%	45%	42%	41%	47%	37%	34%
Medical insurance/medical aid	65%	60%	62%	59%	58%	58%	55%	51%
R20 000 to R39 999								
Short term insurance	60%	56%	68%	67%	56%	62%	54%	61%
Medical insurance/medical aid	66%	63%	76%	76%	66%	72%	66%	68%
R40 000 or more								
Short term insurance	83%	82%	81%	79%	72%	81%	69%	79%
Medical insurance/medical aid	81%	81%	83%	83%	80%	78%	79%	79%

11.4. EQUITY BASED INVESTMENTS

Equity based investments (such as shares, unit trust and exchange traded funds) remain relatively stable and remain the realm of upper income groups.

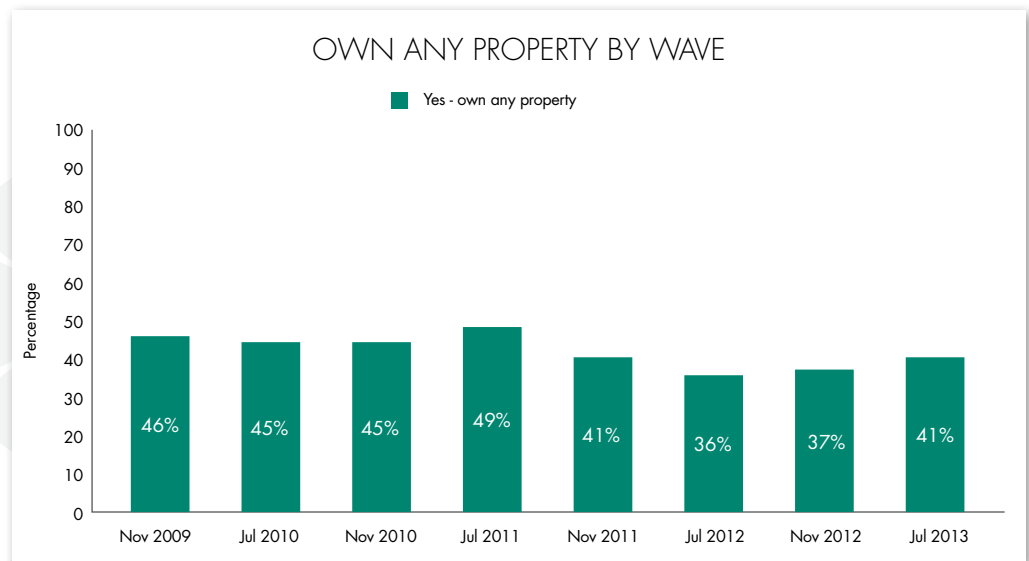
	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Less Than R6 000								
Unit Trusts/Mutual Funds/ETF's	1%	1%	1%	0%	0%	0%	0%	2%
Listed Shares (Self Managed or Broker Managed)	1%	1%	2%	1%	1%	1%	0%	0%
R6 000 to R13 999								
Unit Trusts/Mutual Funds/ETF's	0%	6%	5%	2%	2%	2%	1%	1%
Listed Shares (Self Managed or Broker Managed)	2%	2%	8%	3%	2%	1%	1%	1%
R14 000 to R19 999								
Unit Trusts/Mutual Funds/ETF's	8%	7%	7%	3%	3%	3%	0%	1%
Listed Shares (Self Managed or Broker Managed)	4%	3%	10%	4%	4%	2%	3%	1%
R20 000 to R39 999								
Unit Trusts/Mutual Funds/ETF's	5%	5%	8%	8%	3%	5%	6%	3%
Listed Shares (Self Managed or Broker Managed)	4%	2%	11%	11%	2%	5%	3%	4%
R40 000 Or More								
Unit Trusts/Mutual Funds/ETF's	10%	14%	17%	14%	7%	14%	11%	9%
Listed Shares (Self Managed or Broker Managed)	10%	7%	17%	16%	12%	14%	13%	14%

12. CREDIT

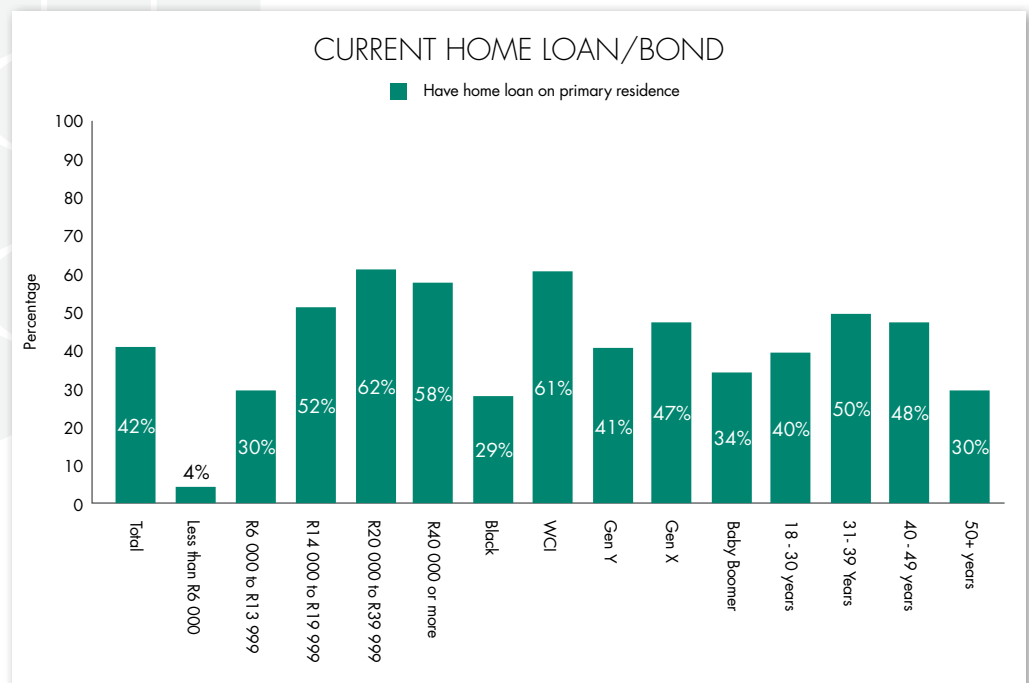
AND DEBT: THE OTHER SIDE OF THE SAVINGS COIN

12.1. PROPERTY OWNERSHIP AND HOME LOAN REPAYMENT PATTERNS

The gradual decline in the incidence of property ownership has stabilized, with a marginal increase in this measure.



Incidence of home loans amongst those who own their primary residence is stable at 42% and climbs with both age and income, and is significantly higher in WCI households.

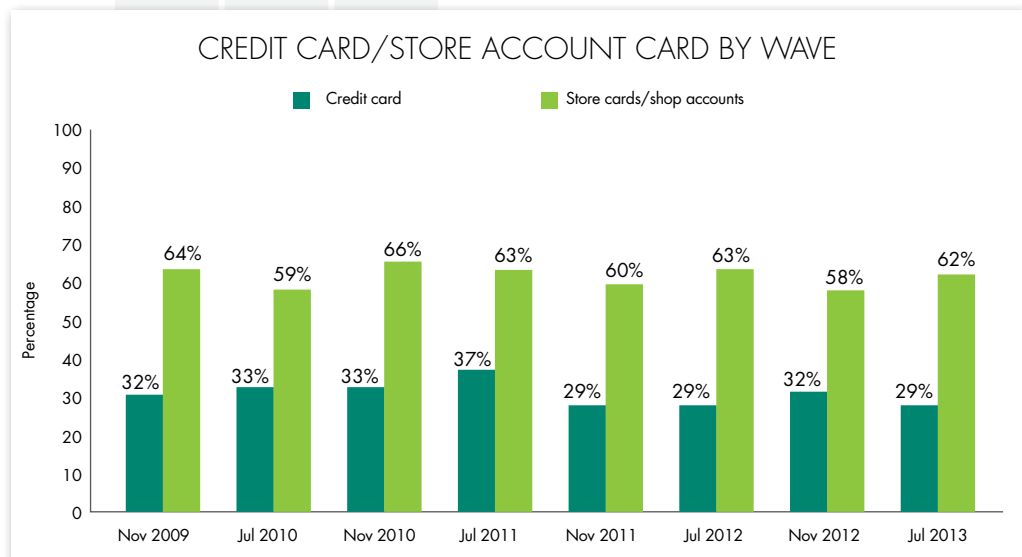


Whilst the majority only pay the minimum bond instalment required, these July 2013 repayment patterns indicate that consumers are making increased effort to pay off debt faster with 31% paying extra every month and 8% making extra lump sum payments when they can. As has been the case historically incidence of extra repayments climbs with income.

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

12.2 CREDIT CARDS AND STORE CARDS

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

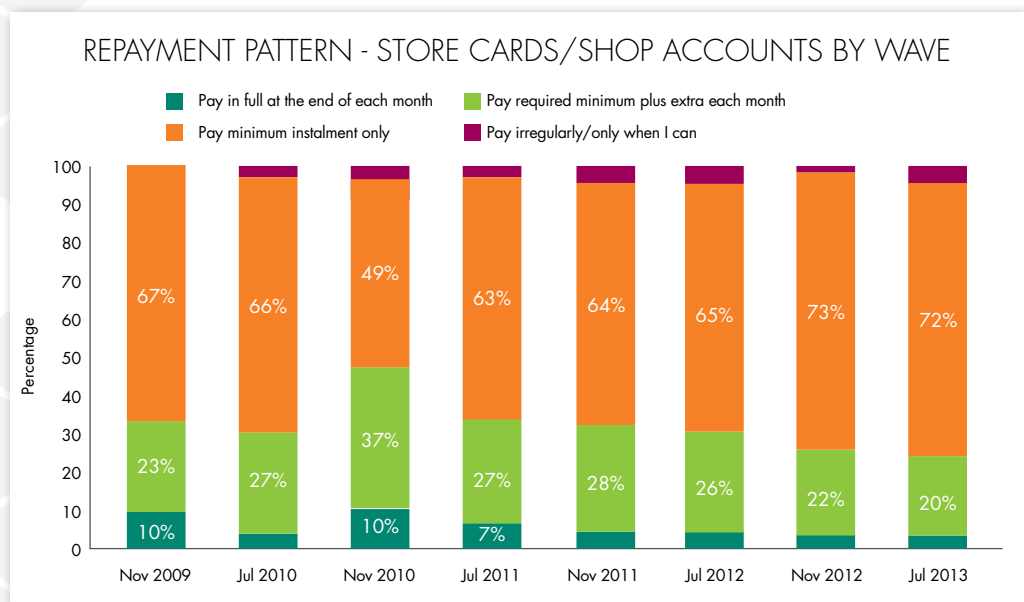


Incidence of credit cards remains strongly positively correlated with income, whilst the store cards have broader appeal, peaking in middle income segments before dropping off at R40 000+.

Looking at repayment patterns, only 13% pay their credit card off in full at the end of the month, this rises with income but still only 22% of those at the R40 000+ level clear their credit card in full each month.

Repayment Pattern - Credit Card	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Pay in full at the end of each month	22%	14%	20%	19%	13%	16%	10%	13%
Pay required minimum plus extra each month	28%	29%	38%	31%	38%	32%	26%	30%
Pay minimum instalment only	50%	54%	39%	49%	47%	51%	62%	55%
Pay irregularly/only when I can	0%	3%	2%	1%	0%	1%	2%	1%

Looking at store card repayment patterns, the incidence of clearing these accounts in full is even poorer than for credit cards.



12.3 OTHER SHORT-TO-MEDIUM TERM DEBT

Incidence of short to medium term debt remains relatively stable at a total sample level, with an uptake in car finance after the dip seen in November 2012. As regards repayment patterns the vast majority continue to pay the minimum installment only.

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



13. 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 2013 measure. (Shading indicates attribute not measured).

At a total sample level the results are stable with no big shifts since November 2012, with the exception of a sharp increase in the level of agreement with the statement "Plan my finances 5 to 10 years ahead". This, coupled with a very gradual declining trend in the levels of agreement with the statement "My finances are never properly organised" may indicate an improvement in consumers' willingness to take more responsibility for their financial lives, only time will tell.

STATEMENTS - GROUPED Axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Is important to save money for a rainy day	95%	97%	94%	95%	95%	95%	95%	92%
Financial security means having enough money	90%	91%	90%	89%	88%	90%	91%	88%
I want to learn more about how to save		82%	82%	82%	81%	85%	83%	80%
Set financial goals	79%	79%	78%	76%	77%	81%	79%	80%
Extremely cautious with finances	81%	83%	79%	78%	83%	79%	74%	75%
Always trying to become more knowledgeable about financial matters	77%	77%	82%	74%	77%	81%	74%	74%
Avoid debt wherever I can	80%	81%	80%	77%	84%	81%	80%	74%
Always plan finances carefully	75%	80%	76%	80%	81%	79%	71%	72%
Always worried about not having enough money	82%	79%	77%	80%	80%	75%	77%	71%
I wonder if I have done enough to secure my retirement	74%	76%	77%	75%	75%	74%	68%	69%
I need more education on how to handle my finances		73%	66%	70%	68%	69%	70%	64%
Don't buy until I have enough money	70%	66%	72%	67%	75%	67%	67%	62%

STATEMENTS - GROUPED Axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
No alternative but to get into debt	66%	68%	61%	66%	63%	68%	66%	61%
Only way to improve financial position is to take risks	71%	61%	66%	61%	62%	70%	60%	60%
Plan my finances five to ten years ahead	46%	48%	50%	47%	47%	51%	47%	60%
Satisfied that my family is well provided for						66%	62%	60%
You need to spend money to enjoy life						63%	60%	59%
Financial institution genuinely interested in my needs						56%	50%	59%
Important to save, but do not have enough money	79%	75%	73%	69%		63%	59%	57%
Seek financial advice from family and friends						60%	59%	55%
I know a lot about financial products						52%	49%	48%
Savings for education is more important than retirement					54%	51%	45%	47%
Finances are never properly organised	52%	46%	51%	53%	49%	48%	48%	45%
Death, funeral and disability cover are more important				45%	54%	50%	56%	44%
Most months I struggle to make ends meet						46%	47%	43%
I really hate dealing with my finances	43%	39%	34%	42%	41%	40%	43%	41%
Always looking out for latest financial services products						46%	41%	40%
Feel financially secure, have enough pay for unplanned events							44%	40%
Credit is part of my life, can't make ends meet without it	48%	45%	43%	47%	41%	43%	42%	40%
Would like financial advice but hard to find somebody I trust						44%	41%	40%
Seem to leave my money decisions to the last minute	45%	35%	35%	33%	39%	37%	37%	37%
World of financial services leaves me confused	46%	39%	46%	44%	44%	41%	40%	37%
Not always sure who to turn to regarding finances						37%	36%	36%
I consider myself a spender, not a saver	39%	34%	36%	35%	35%	34%	35%	35%
Spend all that I earn, not able to save anything	39%	37%	30%	37%	38%	33%	34%	34%
Worry that if partner leaves, I won't be able to cope (**scores re-based on partnered respondents)						*39%	*46%	**42%
Anything to do with financial matters extremely boring	34%	31%	32%	32%	33%	29%	29%	32%
See no benefit being loyal to financial services company						32%	32%	28%
Go to loan shark rather than borrow from a neighbour	24%	26%	21%	24%	28%	26%	23%	26%
As long as I can afford necessities, I don't worry						25%	26%	26%
We don't talk about money in our family	24%	23%	24%	25%	27%	25%	25%	25%
Saving for future is not a priority right now	33%	26%	24%	26%	35%	26%	26%	22%
Happy to buy financial products in internet						22%	19%	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 planners and more prepared to get their “hands dirty” when dealing with their finances
- Having a longer savings and planning horizon
- Having more confidence when it comes to financial matters (but still keen to learn more) and generally feeling better informed
- More likely to be savers

Lower income earners on the other hand tend to be:

- Weaker planners, short term horizon, more focussed 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)

STATEMENTS - GROUPED 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
Is important to save money for a rainy day	92%	89%	92%	91%	95%	98%
Financial security means having enough money	88%	84%	88%	91%	90%	90%
I want to learn more about how to save	80%	83%	82%	82%	79%	68%
Set financial goals	80%	76%	79%	84%	81%	90%
Extremely cautious with finances	75%	72%	73%	76%	78%	81%
Always trying to become more knowledgeable about financial matters	74%	68%	77%	74%	77%	72%
Avoid debt wherever I can	74%	66%	74%	77%	74%	84%
Always plan finances carefully	72%	63%	71%	78%	77%	86%
Always worried about not having enough money	71%	76%	73%	67%	66%	63%
I wonder if I have done enough to secure my retirement	69%	68%	72%	64%	72%	65%
I need more education on how to handle my finances	64%	75%	72%	66%	48%	44%
Don't buy until I have enough money	62%	60%	62%	67%	61%	62%
No alternative but to get into debt	61%	60%	65%	60%	56%	56%
Only way to improve financial position is to take risks	60%	70%	58%	60%	53%	59%
Plan my finances five to ten years ahead	60%	54%	57%	58%	70%	71%
Satisfied that my family is well provided for	60%	48%	54%	63%	72%	82%
You need to spend money to enjoy life	59%	63%	57%	56%	55%	69%
Financial institution genuinely interested in my needs	59%	59%	58%	55%	62%	60%

STATEMENTS - GROUPED 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
Important to save, but do not have enough money	57%	72%	63%	53%	41%	31%
Seek financial advice from family and friends	55%	57%	55%	56%	53%	55%
I know a lot about financial products	48%	42%	37%	54%	58%	70%
Savings for education is more important than retirement	47%	58%	51%	46%	35%	32%
Finances are never properly organised	45%	56%	50%	44%	32%	28%
Death, funeral and disability cover are more important	44%	60%	45%	45%	31%	27%
Most months I struggle to make ends meet	43%	57%	49%	39%	26%	24%
I really hate dealing with my finances	41%	51%	45%	38%	29%	33%
Always looking out for latest financial services products	40%	40%	38%	36%	43%	48%
Feel financially secure, have enough pay for unplanned events	40%	28%	31%	47%	55%	65%
Credit is part of my life, can't make ends meet without it	40%	43%	44%	40%	31%	38%
Would like financial advice but hard to find somebody I trust	40%	48%	41%	44%	30%	26%
Seem to leave my money decisions to the last minute	37%	48%	38%	34%	31%	22%
World of financial services leaves me confused	37%	48%	36%	38%	30%	21%
Not always sure who to turn to regarding finances	36%	47%	38%	35%	29%	16%
I consider myself a spender, not a saver	35%	41%	35%	38%	31%	27%
Spend all that I earn, not able to save anything	34%	48%	35%	31%	23%	21%
Worry that if partner leaves, I won't be able to cope	33%	33%	37%	36%	29%	25%
Anything to do with financial matters extremely boring	32%	41%	31%	29%	26%	28%
See no benefit being loyal to financial services company	28%	30%	30%	23%	24%	24%
Go to loan shark rather than borrow from a neighbour	26%	31%	29%	24%	20%	20%
As long as I can afford necessities, I don't worry	26%	36%	24%	27%	23%	12%
We don't talk about money in our family	25%	30%	27%	22%	20%	18%
Saving for future is not a priority right now	22%	34%	21%	19%	16%	15%
Happy to buy financial products on internet	14%	11%	12%	17%	18%	20%

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	Total	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	1,002	282	289	260	171
Is important to save money for a rainy day	92%	92%	91%	93%	93%
Financial security means having enough money	88%	86%	86%	92%	87%
I want to learn more about how to save	80%	83%	81%	79%	76%
Set financial goals	80%	77%	83%	82%	79%
Extremely cautious with finances	75%	76%	69%	78%	79%
Always trying to become more knowledgeable about financial matters	74%	71%	74%	77%	75%
Avoid debt wherever I can	74%	75%	68%	76%	78%
Always plan finances carefully	72%	65%	72%	79%	77%
Always worried about not having enough money	71%	71%	70%	71%	70%
I wonder if I have done enough to secure my retirement	69%	61%	69%	74%	78%
I need more education on how to handle my finances	64%	69%	67%	59%	61%
Don't buy until I have enough money	62%	60%	59%	64%	66%
No alternative but to get into debt	61%	59%	63%	59%	61%
Only way to improve financial position is to take risks	60%	65%	61%	57%	56%
Plan my finances five to ten years ahead	60%	59%	58%	64%	61%
Satisfied that my family is well provided for	60%	56%	58%	62%	67%
You need to spend money to enjoy life	59%	64%	59%	56%	57%
Financial institution genuinely interested in my needs	59%	60%	57%	57%	62%
Important to save, but do not have enough money	57%	60%	57%	54%	55%
Seek financial advice from family and friends	55%	60%	56%	52%	49%
I know a lot about financial products	48%	41%	48%	52%	52%
Savings for education is more important than retirement	47%	52%	50%	42%	41%
Finances are never properly organised	45%	45%	49%	41%	44%
Death, funeral and disability cover are more important	44%	49%	47%	40%	37%
Most months I struggle to make ends meet	43%	46%	43%	38%	44%
I really hate dealing with my finances	41%	47%	42%	38%	36%
Always looking out for latest financial services products	40%	42%	39%	41%	39%
Feel financially secure, have enough pay for unplanned events	40%	38%	37%	45%	42%
Credit is part of my life, can't make ends meet without it	40%	41%	44%	35%	39%
Would like financial advice but hard to find somebody I trust	40%	46%	38%	35%	39%

STATEMENTS - GROUPED Axes	Total	18-30 Years	31-39 Years	40-49 Years	50+ Years
Seem to leave my money decisions to the last minute	37%	40%	42%	31%	34%
World of financial services leaves me confused	37%	42%	36%	32%	38%
Not always sure who to turn to regarding finances	36%	41%	34%	33%	37%
I consider myself a spender, not a saver	35%	39%	36%	31%	34%
Spend all that I earn, not able to save anything	34%	37%	33%	30%	34%
Worry that if partner leaves, I won't be able to cope	33%	31%	33%	35%	34%
Anything to do with financial matters extremely boring	32%	37%	34%	27%	25%
See no benefit being loyal to financial services company	28%	26%	27%	29%	30%
Go to loan shark rather than borrow from a neighbour	26%	28%	28%	24%	24%
As long as I can afford necessities, I don't worry	26%	29%	26%	26%	23%
We don't talk about money in our family	25%	26%	26%	23%	23%
Saving for future is not a priority right now	22%	30%	21%	16%	21%
Happy to buy financial products on internet	14%	17%	16%	11%	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.

It is worth noting the continued high levels of agreement with two "dependency" statements, although there are slightly lower levels of agreement with these statements than there were in November 2012:

- "My children should look after me when I am old"
- "The government will look after me if I am unable to look after myself"

Other trends that emerge are:

- Decreasing level of agreement with:
 - "I Feel I never have enough money to do the things I want" and whilst agreement levels are still high, they are far from the 78% seen in 2009. Similarly we see a declining trend on "I am always having to put plans to improve my life on hold". An indication perhaps that people are settling into a post-recession reality and are making do with less?
 - "I like to take risks in my life" – perhaps more cautious and anxious to preserve what one has?

ATTITUDES TO WORK AND LIFE - GROUPED Axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
I try to give my children the best opportunities in life	55%	53%	83%	77%	78%	76%	76%	78%
I am very optimistic about what the future holds for me	86%	86%	86%	81%	87%	84%	83%	83%
Community support is very important to me	76%	77%	77%	74%	74%	73%	77%	73%
I tend to make decision quickly based on gut feel	59%	53%	57%	48%	54%	51%	50%	52%
My children should look after me when I am old	30%	26%	38%	34%	35%	40%	41%	38%
I feel I never have enough money to do the things I want	78%	76%	73%	73%	70%	66%	65%	60%
The government will look after me if I am not able to look after myself	29%	30%	30%	32%	29%	38%	36%	31%
I like to take risks in my life	63%	53%	62%	56%	50%	52%	46%	47%
I worry a lot about what other people think of me	43%	40%	39%	42%	42%	38%	34%	34%
I am really proud of my home and am always spending time and money making it better	78%	81%	80%	76%	82%	81%	74%	75%
Being rich is a priority for me	60%	58%	58%	56%	59%	58%	57%	55%
I like to own products that are the most technologically advanced	65%	63%	62%	60%	74%	72%	68%	65%
I feel confident about the South African economy	56%	58%	61%	58%	59%	57%	52%	55%
My life never seems to be properly organised	43%	35%	39%	44%	46%	39%	37%	36%
I am happy and content with my life	79%	84%	79%	75%	80%	76%	69%	71%
Maintaining a healthy lifestyle is a top priorities	85%	88%	87%	81%	90%	85%	80%	76%
Struggle to find a good balance between work & life						48%	44%	41%
In spare time I prefer to stay home rather than go out						61%	56%	60%
Always put plans to improve my life on hold	71%	72%	71%	71%		65%	62%	61%
Constantly planning & thinking about the future						86%	82%	84%

Important that I receive recognition for my success						79%	80%	79%
ATTITUDES TO WORK AND LIFE - GROUPED Axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
When socialising I only go to the fashionable places						36%	33%	34%



To get ahead in life I am willing to sacrifice family & social time							52%	48%	49%
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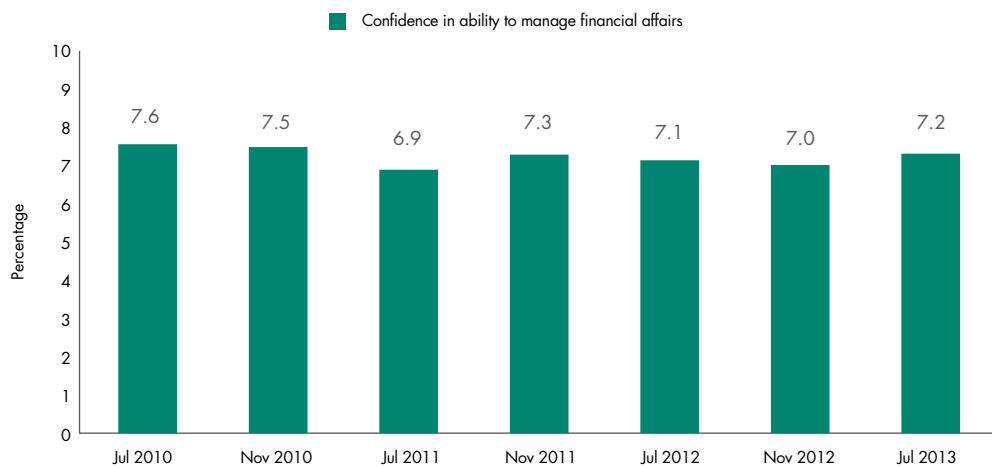
ATTITUDES TO WORK AND LIFE - GROUPED Axes	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R 39 999	R 40 000 or More	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	1,002	238	251	203	159	151	282	289	260	171
Constantly planning & thinking about the future	84%	74%	86%	86%	89%	87%	84%	81%	84%	87%
I am very optimistic about what the future holds for me	83%	79%	79%	87%	91%	88%	81%	86%	82%	83%
Important that I receive recognition for my success	79%	81%	78%	78%	79%	76%	81%	78%	78%	76%
I try to give my children the best opportunities in life	78%	82%	77%	76%	79%	75%	62%	82%	88%	85%
Maintaining a healthy lifestyle is a top priorities	76%	69%	73%	80%	86%	82%	73%	73%	79%	82%
I am really proud of my home and am always spending time and money making it better	75%	66%	75%	80%	77%	88%	69%	74%	78%	82%
Community support is very important to me	73%	75%	68%	76%	74%	73%	71%	69%	75%	78%
I am happy and content with my life	71%	54%	69%	76%	84%	90%	68%	71%	74%	73%
I like to own products that are the most technologically advanced	65%	62%	65%	66%	66%	70%	72%	71%	59%	52%
Always put plans to improve my life on hold	61%	65%	64%	62%	52%	55%	64%	63%	53%	62%
In spare time I prefer to stay home rather than go out	60%	57%	61%	64%	58%	60%	53%	62%	63%	64%
I feel I never have enough money to do the things I want	60%	70%	64%	56%	50%	41%	67%	59%	50%	61%
I feel confident about the south african economy	55%	60%	56%	55%	53%	50%	53%	60%	54%	53%
Being rich is a priority for me	55%	56%	52%	51%	59%	63%	62%	52%	54%	52%
I tend to make decision quickly based on gut feel	52%	58%	54%	50%	48%	36%	55%	54%	46%	51%
To get ahead in life I am willing to sacrifice family & social time	49%	55%	54%	45%	44%	38%	57%	49%	41%	50%
I like to take risks in my life	47%	52%	49%	47%	42%	38%	46%	49%	47%	44%
Struggle to find a good balance between work & life	41%	46%	45%	38%	33%	34%	44%	40%	38%	43%
My children should look after me when I am old	38%	51%	40%	34%	26%	25%	35%	35%	41%	44%
My life never seems to be properly organised	36%	49%	39%	27%	26%	22%	37%	36%	32%	39%
When socialising I only go to the fashionable places	34%	42%	32%	32%	30%	34%	45%	30%	33%	26%
I worry a lot about what other people think of me	34%	40%	34%	28%	33%	30%	35%	33%	34%	34%
The government will look after me if I am not able to look after myself	31%	50%	33%	25%	18%	13%	35%	31%	27%	31%

14. CONFIDENCE

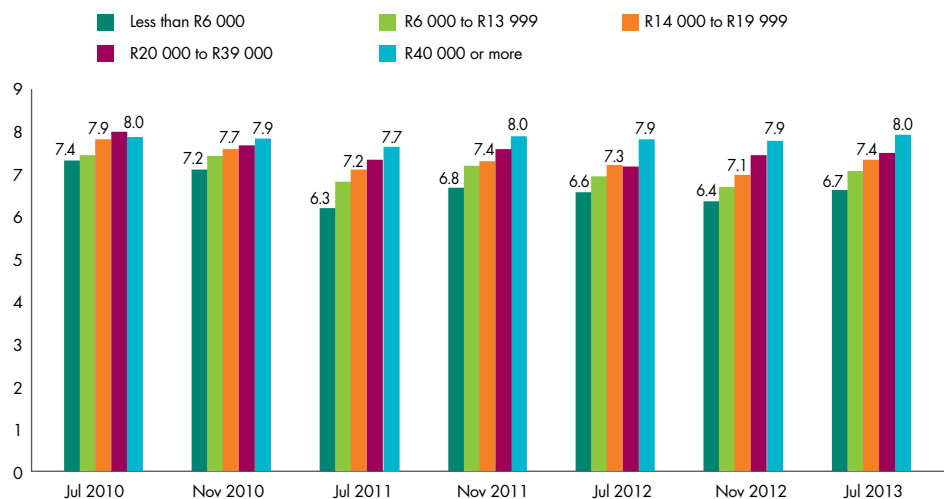
IN FINANCIAL DECISION-MAKING

Confidence levels remain relatively stable and continue to correlate positively with income.

CONFIDENCE IN ABILITY TO MANAGE FINANCIAL AFFAIRS BY WAVE



CONFIDENCE IN ABILITY TO MANAGE FINANCIAL AFFAIRS



15. SOURCES

OF FINANCIAL INFORMATION

South Africans continue look to multiple sources for financial information and advice. The most pervasive sources of information are word of mouth (speaking to friends and colleagues) and financial advisers – including bank consultants.

Sources accessed on a regular basis:

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Bank consultant	Not measured							21%
Word of mouth	33%	28%	28%	17%	17%	14%	21%	18%
Financial adviser / broker (any)	16%	19%	21%	26%	19%	15%	13%	14%
Television	25%	22%	20%	16%	16%	12%	14%	9%
Brochures from banks / institutions	Not measured							7%
Newspapers	16%	17%	11%	10%	10%	7%	6%	4%
Radio	18%	14%	12%	9%	9%	7%	8%	4%
Internet	8%	6%	4%	5%	4%	6%	5%	3%
Call centre at a financial institution	Not measured							3%
General magazines	6%	4%	5%	3%	3%	2%	1%	1%
Business magazines	4%	3%	3%	2%	2%	1%	1%	1%

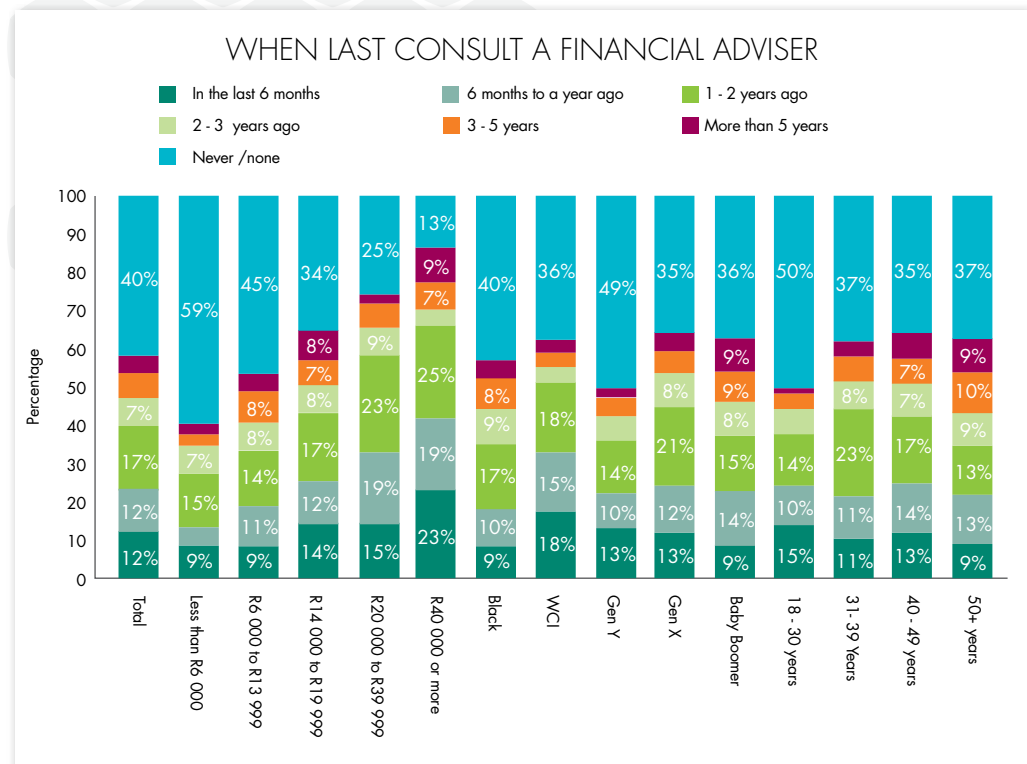
Sources accessed on a regular or occasional basis:

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Word of mouth	66%	70%	65%	55%	52%	49%	54%	50%
Bank consultant	Not measured							49%
Financial adviser / broker (any)	40%	42%	42%	57%	44%	45%	36%	41%
Television	50%	47%	48%	42%	38%	35%	33%	29%
Brochures from banks / institutions	Not measured							27%
Newspapers	44%	40%	38%	34%	28%	24%	22%	16%
Radio	38%	32%	35%	31%	26%	21%	20%	16%
Call centre at a financial institution	Not measured							11%
Internet	18%	14%	12%	14%	14%	13%	12%	10%
Business magazines	16%	14%	15%	12%	7%	6%	5%	4%
General magazines	25%	22%	22%	17%	16%	12%	8%	4%

In July 2012 a series of questions were added to explore recency of contact with a financial adviser and reasons for contact. 40% in this measure have never consulted a financial adviser.

When Last Consult A Financial Adviser	Jul-12	Nov-12	Jul-13
In the last 6 months	12%	10%	12%
6 Months to a year ago	13%	10%	12%
1-2 years ago	16%	15%	17%
2-3 years ago	10%	8%	8%
3 to 5 years ago	6%	6%	6%
More than 5 years ago	5%	5%	5%
Never/none	37%	46%	40%

Incidence of consulting a financial adviser rises with age and income.



16. TRUST

IN ADVISERS

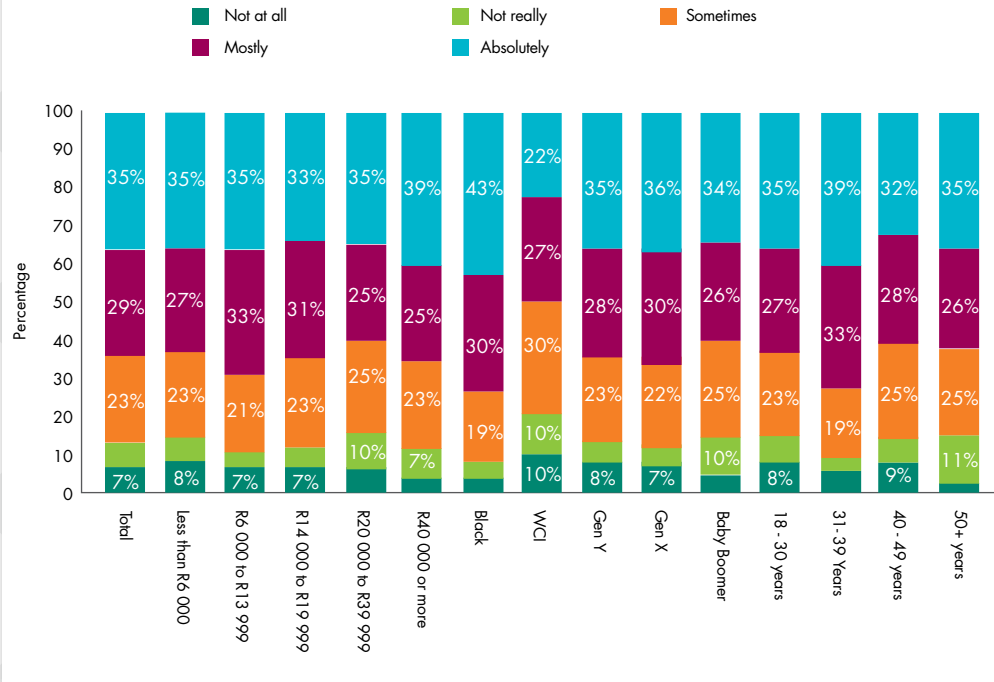
In this July 2013 measure, we measure how much consumers trust advisers to give them good financial advice on a 5-point scale from “Yes, absolutely” to “No, not at all”. The question was asked in relation to an adviser from a financial institution and in relation to an adviser chosen by the respondent (which adviser may or may not be from a financial institution).

Generally speaking levels of trust are high, although WCI consumers (White in particular) are significantly more circumspect than their Black counterparts when it comes to advisers that are not of their choosing.

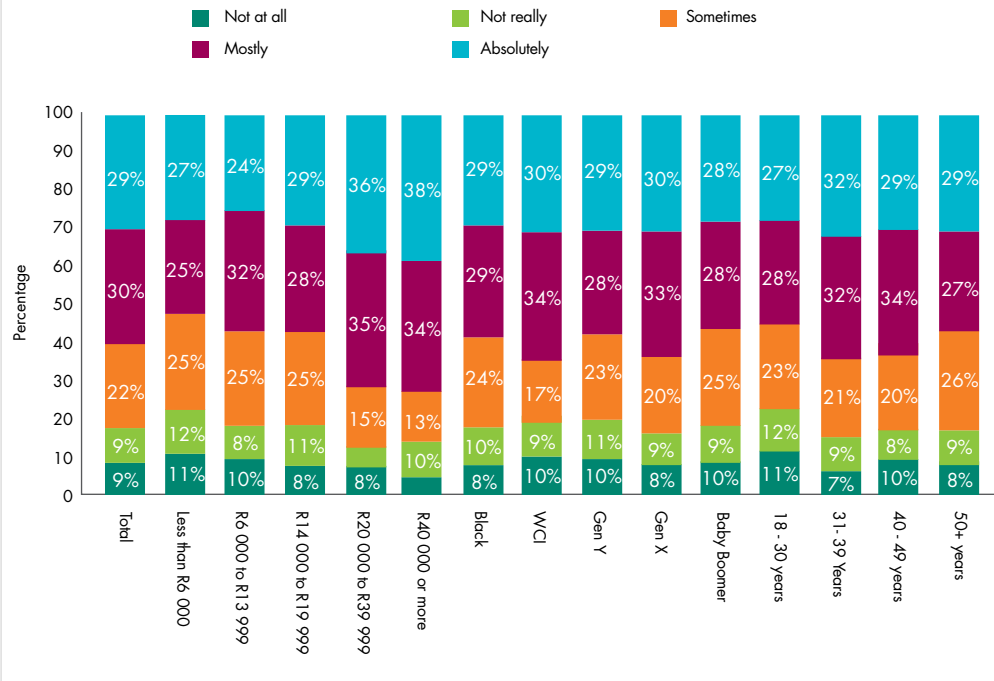
At a total sample level the results are counter-intuitive with marginally higher levels of trust placed on advisers at institutions rather than of one’s own choosing. Looking closer at the results we see that this is driven by differences in response by race and income, with lower income and black consumers seemingly more comfortable with institutional advisers. These results must be seen in context though – bear in mind that 40% of metro working South Africans have never consulted an adviser (climbing to 59% of lower income earners), so the concept of your “own” adviser is somewhat hypothetical.

Trust to give you good financial advice?	Adviser from a financial institution	Adviser of own choosing (may or may not be from a financial institution)
Yes, absolutely	35%	29%
Yes, mostly	29%	30%
Sometimes	23%	22%
No, not really	7%	9%
No, not at all	6%	9%

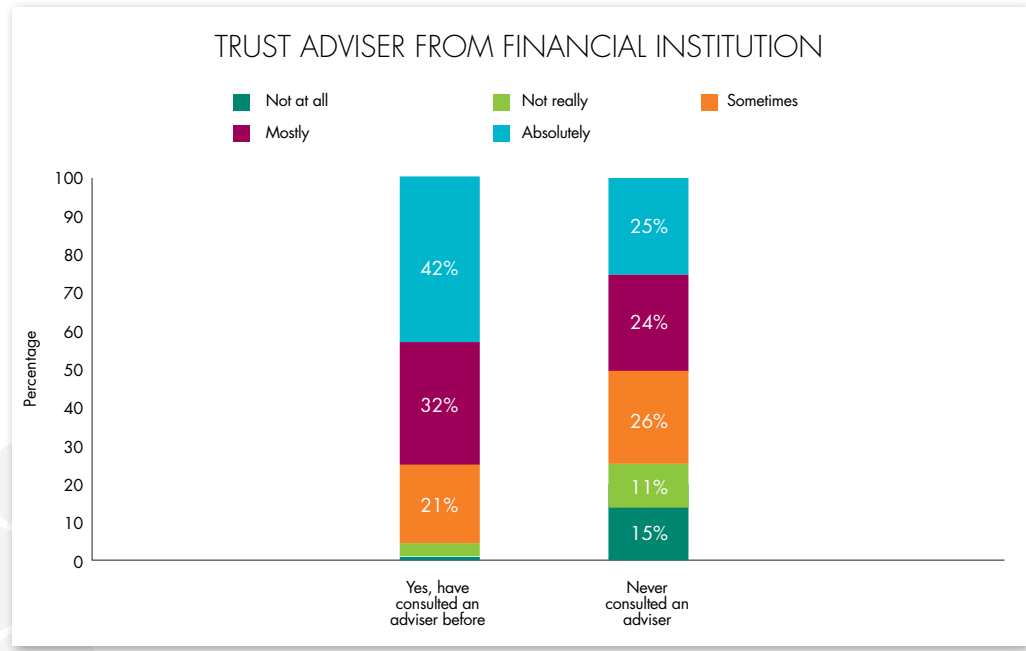
TRUST ADVISER FROM FINANCIAL INSTITUTION



TRUST OWN ADVISER



Regardless of the type of adviser, trust levels are generally higher amongst those who have consulted an adviser in the past. In other words wariness appears to be driven by lack of familiarity and possibly word of mouth rather than negative past experience.



17. INTERNET,

BUYING ONLINE AND SOCIAL MEDIA

Internet access is recorded and shows increasing penetration over successive measures especially as regards internet access via cellphone. In this measure 77% of working metro South Africans have access to the internet. Based on those who do access the internet, cellphone is the most common channel followed by desktop computer.

Regular activity on the internet (based on those who access the internet) is dominated by instant messaging, email, searches and social networking. Online shopping and financial advice seeking are at low levels. Extended to include occasional activity, shopping and seeking financial advice remain at modest levels.

Online shopping is dominated by music/DVD's as well as buying travel and concert / match tickets. Incidence of buying financial products online is negligible.

Internet Usage - Regular + Occasional	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R 39 999	R 40 000 or More	Black	WCI	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	776	137	185	174	140	140	442	334	248	238	185	105
Instant messaging	86%	84%	91%	87%	83%	82%	84%	89%	92%	90%	82%	69%
Social networking/ social sites	82%	85%	83%	84%	79%	79%	82%	83%	90%	88%	74%	63%
Search engines	78%	65%	74%	78%	89%	88%	71%	89%	80%	77%	77%	77%
E mail	75%	54%	70%	76%	90%	92%	66%	88%	73%	74%	76%	81%
Research	64%	46%	58%	64%	76%	82%	52%	80%	67%	60%	62%	67%
Cellphone banking	32%	29%	32%	31%	29%	46%	36%	27%	30%	38%	30%	29%
Internet banking	29%	12%	18%	22%	45%	60%	17%	46%	24%	27%	31%	40%
Fun	24%	13%	24%	25%	28%	35%	14%	39%	31%	24%	21%	14%
Online shopping	20%	8%	14%	21%	25%	48%	15%	29%	21%	20%	19%	21%
Financial advice/ information	18%	7%	14%	14%	26%	37%	10%	30%	16%	18%	20%	20%
Voice/face to screen communication	13%	3%	10%	9%	21%	26%	6%	23%	13%	9%	15%	16%

The very idea of buying a financial product online is problematic for many.

Consider buying a financial product online?	Base = those who access the internet
Yes, definitely	6%
Yes, probably	12%
Neither/nor	8%
No, probably not	19%
No, definitely not	54%

Looking first at those who would probably or definitely consider buying online (again filtered by those who do access the internet), the primary appeal of buying online is:

- Convenient, quick, saves time, easy, no queues (75%)
- Ease of accessing product reviews on the internet (16%)
- Cheaper online / cuts out broker and adviser fees (7%)

For those who would probably or definitely NOT consider buying online (again filtered by those who do access the internet), the main reasons behind this reluctance are:

- Perceptions that the internet is dangerous and handling financial matters online makes you more open (or exposed) to hacking (48%)
- Preference for face to face dealings as can sign documents / can correct errors then and there (33%)
- Fear of the internet / fear of doing business on the internet generally (10%)



NOTES



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