



OLD MUTUAL



DO GREAT THINGS EVERY DAY

# OMSIM 2022

EXTERNAL PRESENTATION 2022

SAVINGS &  
INVESTMENT MONITOR  
2022



KNOW BETTER  
DO BETTER



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### Detailed 2022 Results:

- Confidence in South African economy
- Resilience and recovery – Key Indicators
- Buffer reserves and savings
- Dependency
- Financial priorities, changes in behaviour and coping mechanisms
- Debt
- Informal savings and stokvels
- Working life
- The Great Resignation Trend
- Retirement reform
- Risk inclination and investment confidence
- Sustainability and ESG Investing
- Education funding
- A Closer Look at Low Income

# RESEARCH OBJECTIVE

**The primary objective of the Savings and Investment monitor is...**

to better understand the savings behaviour and financial attitudes of working South Africans.



# OVERVIEW OF OMSIM 2022 RESULTS

- The 2022 OMSIM results see South African's slowly continuing on their journey to recovery. All of the key indicators show a small improvement: less harsh impact of Covid 19 on income levels, improved financial satisfaction, lower stress levels, a more optimistic future outlook and marginally lower reliance on personal loans.
- We are, however, not out of the woods by any means, and confidence in the South African economy remains muted.
- Dependency remains an issue, but the results show some improvement with adult dependency rates having come off the highs seen in 2020 and 2021.
- The increased awareness of the need to plan and build up buffer savings has not abated, and in fact we see evidence of consumers having converted this heightened awareness into concrete action, with the proportion of consumers who have a savings buffer of 3 months or more having increased from 27% in 2020 to 39% in 2022. Savings rates remain low however and for many their overall position remains precarious.
- There are indications that appetite for perceptually riskier investments (equity based investments, offshore investments and cryptocurrencies) are up as consumers search for better returns. This renewed emphasis on investment performance is borne out in consumer's ranking of their financial priorities, where more emphasis is put on this in 2022 (although job and income security remains the number one priority).
- This is not to say that traditional savings vehicles are out of favour. On the contrary, informal savings and stokvels remain popular and continue to attract significant inflows.



# OVERVIEW OF OMSIM 2022 RESULTS

(CONTINUED)

- Whilst job and income security is very important, South Africans are not prepared to chase that at any cost. Whilst reasons for leaving a job are multiple and complex, these OMSIM 2022 results do indicate that the “Great Resignation” trend seen elsewhere in the world is evident here.  
It is not just about the money, workers are also seeking a chance to develop new skills, make a career change or escape a toxic work culture.
- PolyJobbers are here to stay with some 51% relying on multiple income streams.
- Reaction to proposed pension reform is positive or mixed, with most appreciating the improved access to savings that this could mean. Likelihood of taking advantage of increased access is high, with many of those who are alert to the detrimental effects of early withdrawal on their retirement ‘pot’ conceding that they would probably take advantage of the opportunity.
- Low income earners are a particularly vulnerable group. They have been the hardest hit in terms of the effect of the Covid 19 pandemic on earnings. They are extremely concerned about job and income security and for good reason: they are the most likely to have had to leave a job for reasons beyond their control in the past 2 years. Not only are they the least satisfied and the most stressed, but they lack confidence in financial decision making and struggle to find a source that they trust when it comes to their finances. Despite a professed low appetite for risk, significant numbers are looking to riskier investments like cryptocurrencies and also to online gambling to make ends meet.



# SAMPLE & METHODOLOGY

- Traditionally the Old Mutual Savings and Investment Monitor (OMSIM) fieldwork has been conducted face to face, but in 2020 with the advent of the Covid 19 pandemic, lockdown restrictions and acknowledging the need for social distancing, fieldwork moved online with data collection via an online panel. This online approach was repeated in 2021 and again this year.
- The 2020 sample was screened on consumers with a minimum personal income of R5 000 per month, due primarily to the difficulty in reaching a balanced sample of those earning less than R5 000 per month online. In order to make apples with apples comparisons, the historical OMSIM measures were filtered on R5 000+. In 2021 the threshold income was increased to R8 000 per month, as inflationary effects need to be accounted for. A consumer earning R5 000 in 2016 could buy a very different basket of groceries to someone earning R5 000 in 2021.
- In 2022 we specifically included a sample (n=401) of respondents earning between R1 000 and R7 999 personal income per month. This data was also collected via online panel as reach to the lower end of the market via panel has improved to allow this. For this market, the employment screener was relaxed to allow a small segment of non-working consumers who rely exclusively on non-work sources of income such as grants or remittances. Highlights of these low income results appear in the separate Low Income chapter at the end of this report, rather than being added into the core SIM sample (for reasons of trackability).
- Where possible, this report compares these 2022 results to previous measures.
- The main OMSIM sample for 2022 comprises of a total of 1505 interviews with data collection having taken place from 24 April to 13 May 2022.
- All data is reweighted according to the income and demographic profiles of working South Africans aged 18 – 65 years as per the UNISA Bureau of Market Research.



# OVERVIEW & APPROACH



**Annual  
Survey**



**South Africa**



**Online  
Survey**



**1 505  
Respondents**



**Personal  
Monthly  
Income: R8k+**



**Weighted to  
the Working  
SA Population**

**\*\*Additional Dipcheck also conducted among consumers  
earning less than R8k**



# SAMPLE DEMOGRAPHIC DETAIL 2022

**Sample details are set out below.** Note that age, personal income, gender and population group were all quota controlled, and the data reweighted according to the income and demographic profiles of working South Africans aged 18 – 65 years as per the UNISA Bureau of Market Research

	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BOOMER	MALE	FEMALE
<b>Unweighted Numbers</b>	1 505	511	393	303	202	96	387	817	301	230	762	431	82	927	578
<b>R8 000 - R14 999</b>	36%	100%	0%	0%	0%	0%	51%	35%	31%	54%	39%	30%	24%	37%	35%
<b>R15 000 - R24 999</b>	25%	0%	100%	0%	0%	0%	27%	26%	23%	28%	26%	24%	25%	24%	28%
<b>R25 000 - R39 999</b>	19%	0%	0%	100%	0%	0%	13%	21%	21%	9%	20%	21%	22%	19%	20%
<b>R40 000 - R59 999</b>	13%	0%	0%	0%	100%	0%	7%	13%	17%	7%	11%	17%	21%	14%	11%
<b>R60 000 - R99 999</b>	6%	0%	0%	0%	0%	100%	3%	6%	8%	2%	5%	8%	8%	7%	5%
<b>18 - 29 years</b>	14%	20%	15%	9%	7%	7%	100%	0%	0%	100%	10%	0%	0%	14%	14%
<b>30 - 49 years</b>	64%	61%	65%	68%	64%	65%	0%	100%	0%	0%	90%	50%	0%	64%	65%
<b>50 years+</b>	22%	18%	20%	23%	29%	28%	0%	0%	100%	0%	0%	50%	100%	22%	21%
<b>Gen Z</b>	9%	13%	10%	4%	5%	3%	61%	0%	0%	100%	0%	0%	0%	9%	8%
<b>Gen Y</b>	54%	57%	55%	54%	45%	44%	39%	75%	0%	0%	100%	0%	0%	52%	56%
<b>Gen X</b>	32%	26%	30%	36%	42%	45%	0%	25%	75%	0%	0%	100%	0%	33%	31%
<b>Baby Boomer</b>	5%	3%	5%	6%	9%	7%	0%	0%	25%	0%	0%	0%	100%	6%	4%
<b>Male</b>	60%	61%	56%	58%	65%	66%	60%	60%	61%	62%	58%	61%	71%	100%	0%
<b>Female</b>	40%	39%	44%	42%	35%	34%	40%	40%	39%	38%	42%	39%	29%	0%	100%
<b>Black</b>	62%	75%	64%	57%	36%	45%	62%	64%	54%	66%	68%	51%	47%	63%	60%
<b>WCI</b>	38%	25%	36%	43%	64%	55%	38%	36%	46%	34%	32%	49%	53%	37%	40%
<b>Gauteng</b>	40%	42%	38%	44%	30%	42%	50%	41%	29%	50%	43%	33%	28%	33%	50%
<b>KZN</b>	16%	18%	16%	13%	18%	17%	16%	14%	23%	16%	13%	19%	31%	19%	13%
<b>W Cape</b>	20%	16%	20%	22%	23%	25%	15%	20%	23%	13%	18%	25%	17%	19%	20%
<b>E Cape</b>	7%	6%	7%	7%	12%	2%	4%	6%	10%	5%	7%	6%	15%	7%	6%
<b>Other provinces</b>	17%	18%	19%	14%	18%	13%	16%	18%	15%	16%	18%	16%	10%	22%	10%



+11,00.00

# RESULTS

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



# CONFIDENCE IN THE SOUTH AFRICAN ECONOMY

**KNOW BETTER  
DO BETTER**



# CHALLENGES IMPACTING SOUTH AFRICANS IN 2022

#KZNfloods



#Eskomloadshedding



#Striking



#RisingPrices



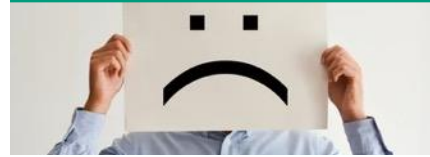
#FuelIncrease



#DomesticViolence



#PoorServiceDelivery



#Looting



#Potholes



#Inflation



#Unemployment



#Corruption



#MentalHealth



#GlobalWar



#Vaccinations

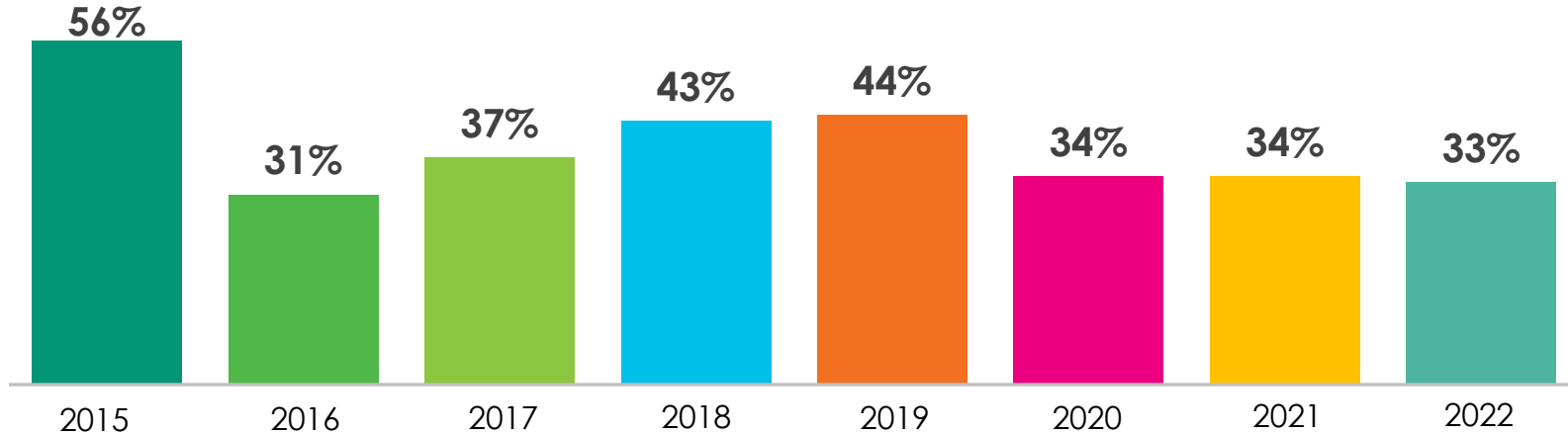


#Covid19





# I FEEL CONFIDENT ABOUT THE SOUTH AFRICAN ECONOMY



**Sentiment about the SA economy remains stable and muted and still lower than it was Pre-Covid**

% AGREE (STRONGLY OR SLIGHTLY)	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
I feel confident about the South African economy	33%	32%	28%	33%	44%	34%	32%	33%	31%	33%	34%	32%	24%	38%	26%



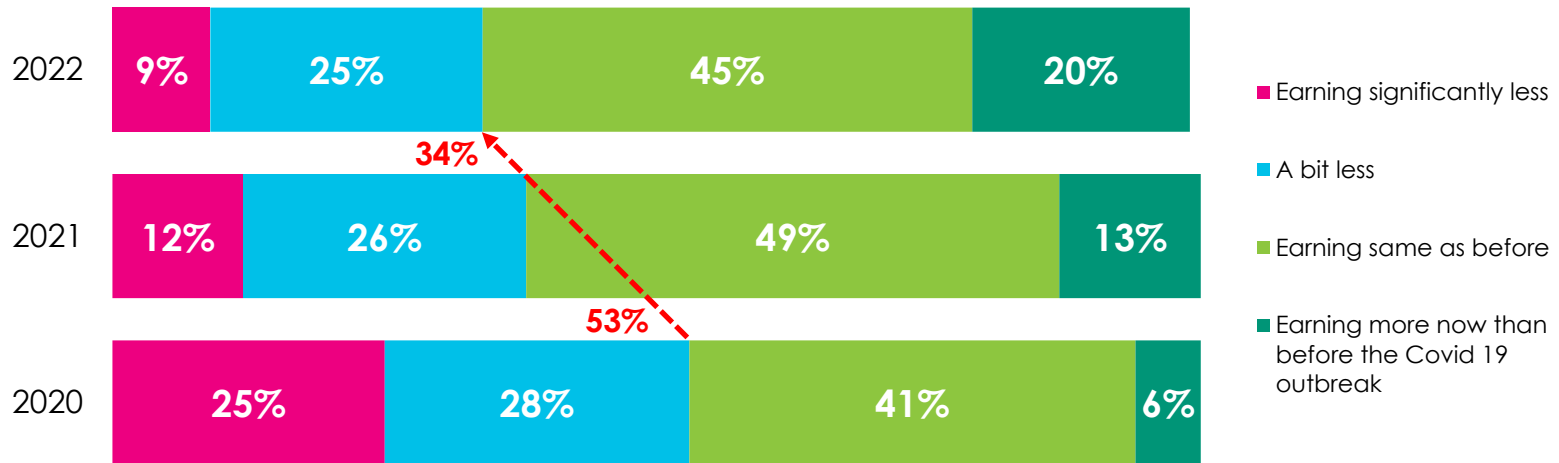
# RESILIENCE & RECOVERY – KEY INDICATORS

**KNOW BETTER  
DO BETTER**



# IMPACT OF COVID 19 PANDEMIC ON PERSONAL EARNINGS

Whilst the incidence of those reporting **reduced earning has dropped**, we still have 1 in 3 earning less than before the Covid 19 outbreak. As before, older consumers are harder hit (43% vs 34%), with more 18 – 29 year olds reporting higher earnings.





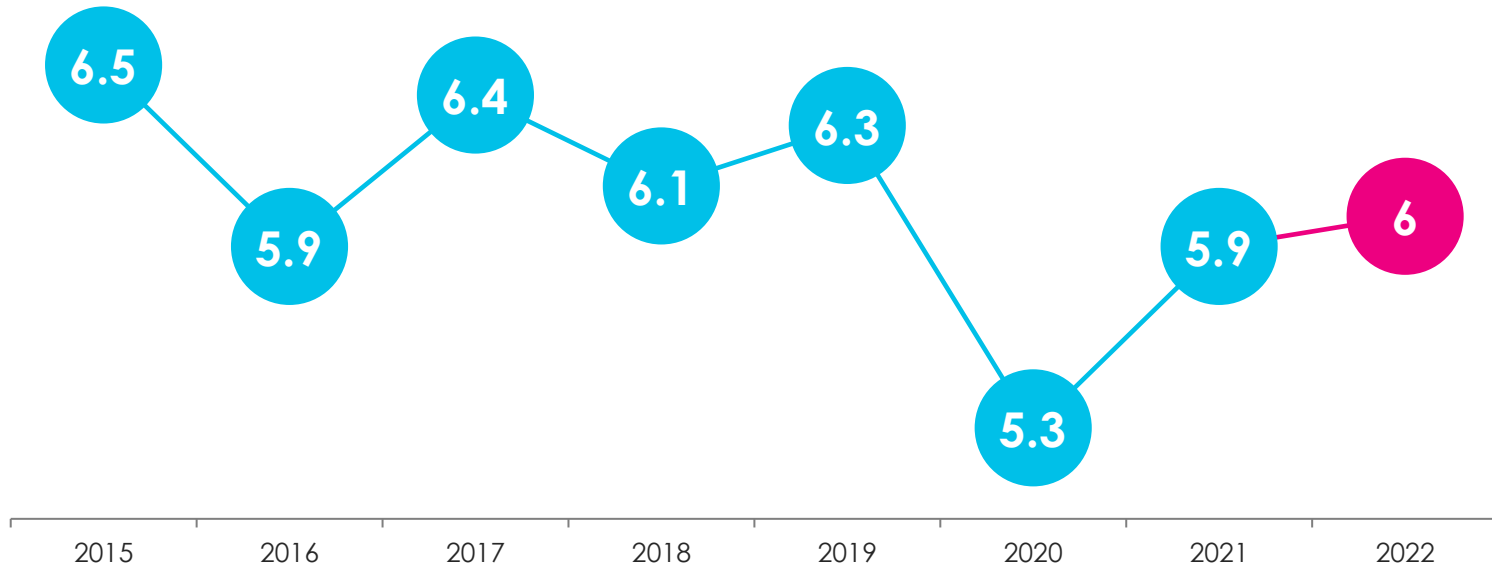
# IMPACT OF COVID 19 PANDEMIC ON PERSONAL EARNINGS

IMPACT ON PERSONAL INCOME	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
<b>Unweighted Numbers</b>	1 505	511	393	303	202	96	387	817	301	230	762	431	82	927	578
<b>I am earning more now than before the Covid 19 outbreak</b>	20%	18%	20%	19%	21%	27%	34%	19%	12%	40%	20%	15%	11%	20%	19%
<b>I am earning about the same as before</b>	45%	43%	47%	50%	46%	40%	38%	47%	45%	34%	47%	47%	36%	46%	44%
<b>I am earning a bit less</b>	25%	29%	22%	21%	28%	26%	24%	25%	27%	24%	25%	25%	34%	26%	24%
<b>I am earning significantly less</b>	9%	11%	10%	10%	5%	7%	4%	9%	16%	2%	8%	13%	20%	8%	12%



# FINANCIAL SATISFACTION

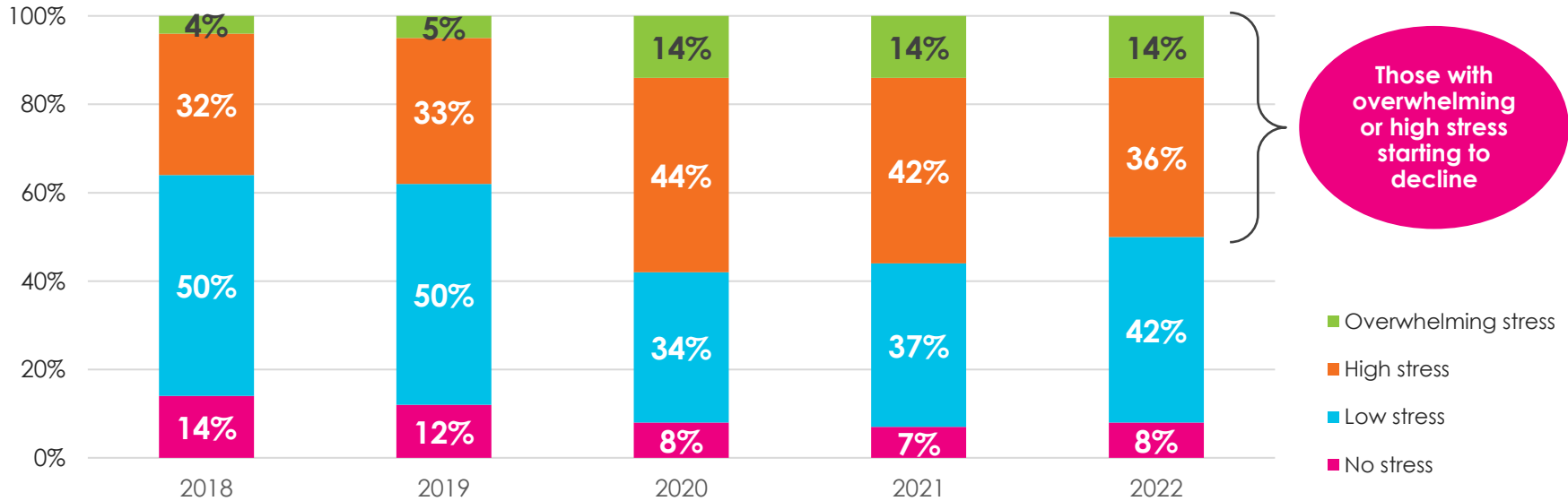
Some recovery in satisfaction level, driven by younger consumers and higher income individuals. Expectedly, financial satisfaction correlates with income with lower income consumers having the lowest financial satisfaction.





# FINANCIAL STRESS LEVELS | TRENDED

As regards financial stress, we starting to see a very gradual recovery in stress levels. As before, lower income and older consumers are more financially stressed.





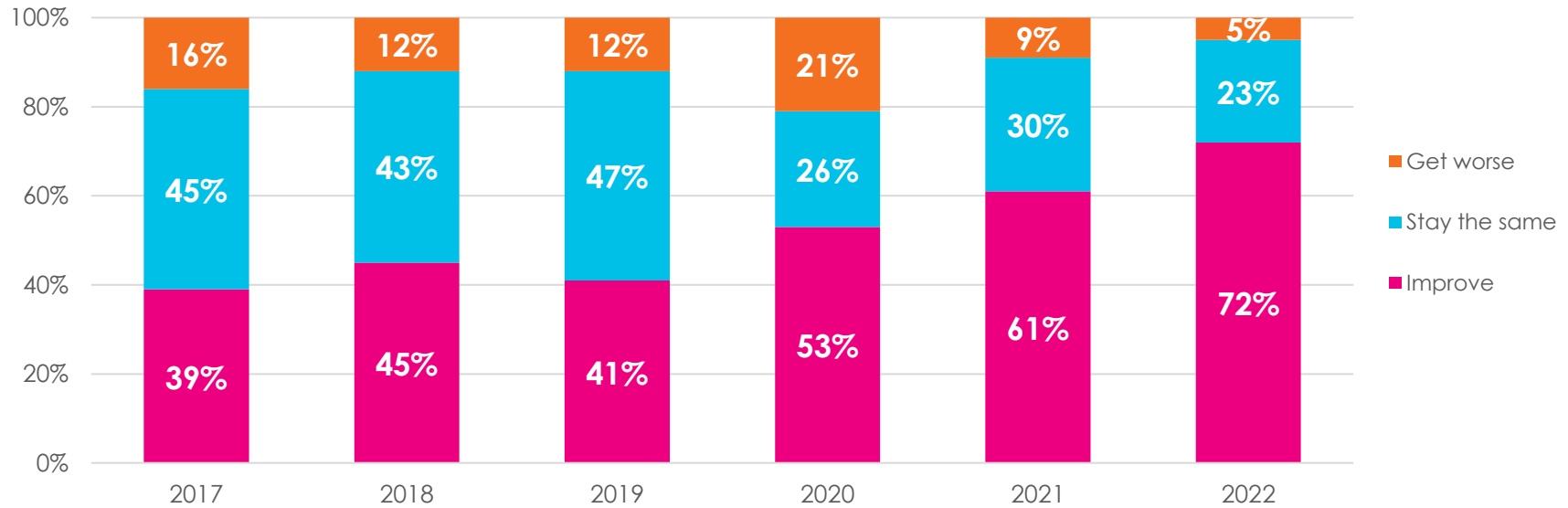
# FINANCIAL STRESS LEVELS 2022 | DEMOGRAPHIC DETAIL

LEVEL OF FINANCIAL STRESS	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
<b>Unweighted Numbers</b>	1,505	904	601	511	393	303	202	96	387	817	301	230	762	431	82
<b>I feel overwhelming stress</b>	14%	16%	11%	17%	15%	15%	8%	5%	18%	15%	9%	15%	16%	11%	14%
<b>High stress</b>	36%	37%	33%	41%	32%	36%	27%	36%	27%	37%	38%	25%	32%	45%	30%
<b>Low stress</b>	42%	40%	45%	37%	45%	41%	52%	46%	47%	42%	42%	49%	45%	37%	38%
<b>No stress at all</b>	8%	6%	11%	5%	8%	9%	13%	13%	7%	7%	11%	10%	7%	7%	19%



# CONSUMER FINANCIAL OUTLOOK NEXT 6 MONTHS | TRENDED

These results speak to the resilience of South Africans with a pervading optimism that things will improve.







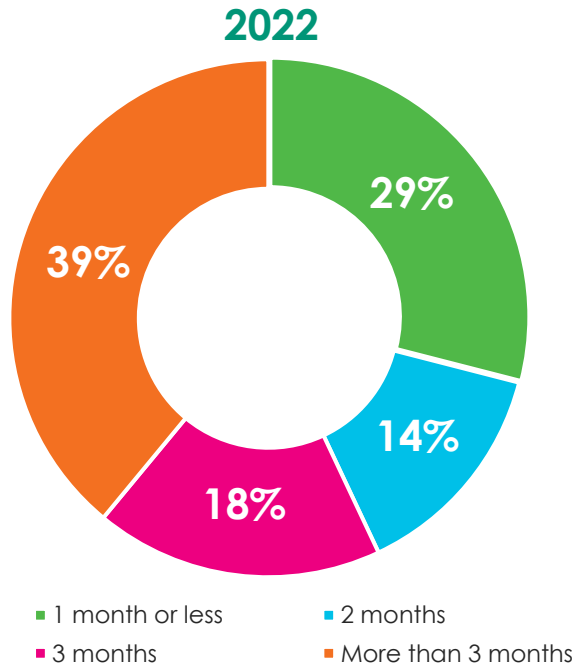
# BUFFER RESERVES & SAVINGS

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



# SAVINGS BUFFER

More indications that people are managing to build up reserves, with those who have funds lasting more than 3 months up from 27% in 2020 to 39% currently.



	2019	2020	2021	2022
<b>1 month or less</b>	28%	40%	34%	29%
<b>2 months</b>	17%	15%	13%	14%
<b>3 months</b>	17%	17%	16%	18%
<b>More than 3 months</b>	38%	27%	36%	39%



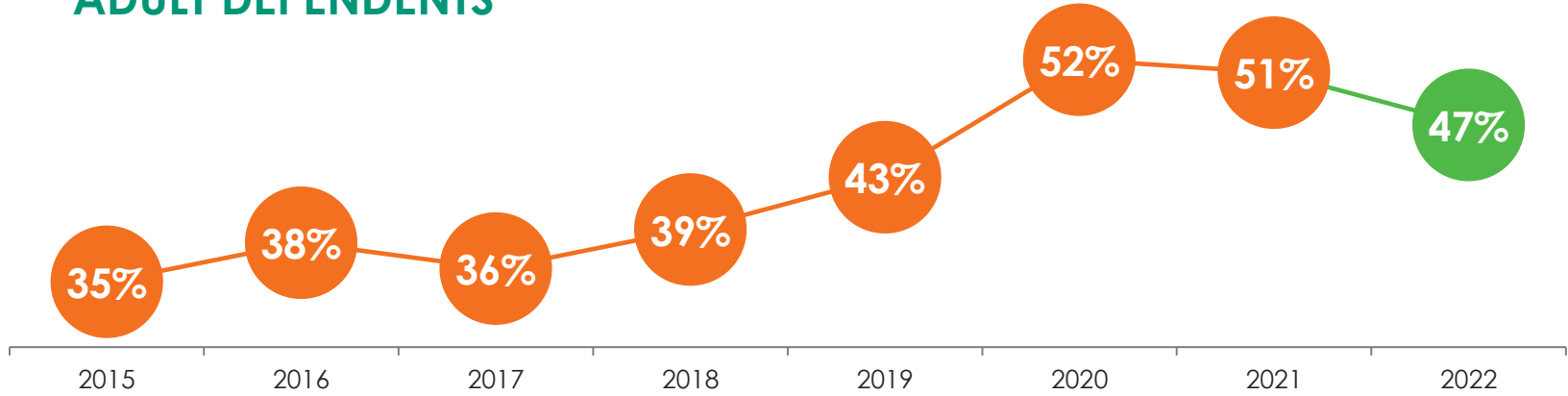
# DEPENDENCY

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



# FINANCIAL DEPENDENTS

## ADULT DEPENDENTS

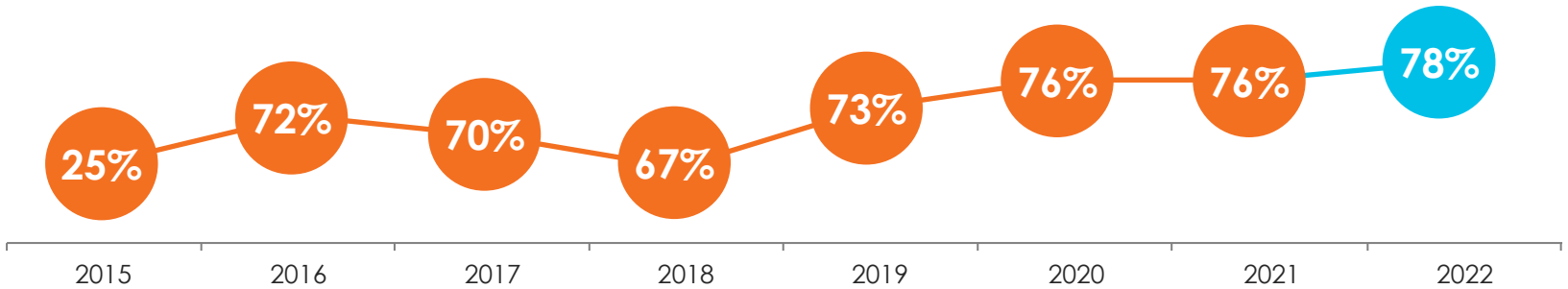


ADULT DEPENDENTS	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
<b>Yes</b>	47%	51%	47%	47%	33%	45%	48%	48%	44%	51%	49%	43%	36%	47%	46%
<b>No</b>	53%	49%	53%	53%	67%	55%	52%	52%	56%	49%	51%	57%	64%	53%	54%



# FINANCIAL DEPENDENTS

## DEPENDENT CHILDREN

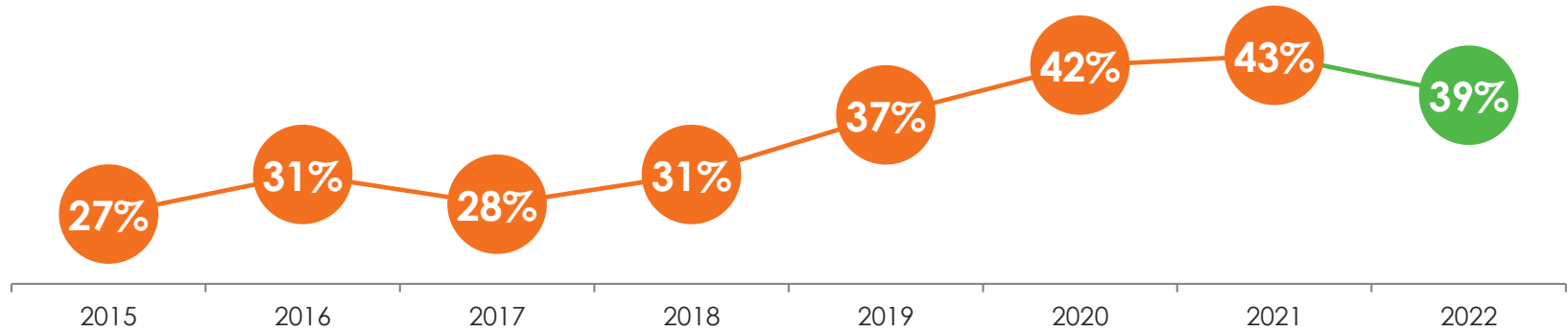


DEPENDENT CHILDREN	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
<b>Unweighted Numbers</b>	1,505	511	393	303	202	96	387	817	301	230	762	431	82	927	578
<b>Yes</b>	78%	77%	80%	78%	76%	74%	59%	84%	71%	55%	82%	81%	48%	76%	80%
<b>No</b>	22%	23%	20%	22%	24%	26%	41%	16%	29%	45%	18%	19%	52%	24%	20%



# 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. 2022 sees a decline in dependents, bringing the levels closer to pre-pandemic levels.



SANDWICH GENERATION	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
<b>Unweighted Numbers</b>	1,505	511	393	303	202	96	387	817	301	230	762	431	82	927	578
<b>Yes</b>	39%	43%	42%	38%	26%	38%	32%	42%	35%	31%	43%	38%	22%	38%	41%
<b>No</b>	61%	57%	58%	62%	74%	62%	68%	58%	65%	69%	57%	62%	78%	62%	59%



# FINANCIAL PRIORITIES, CHANGES IN BEHAVIOUR & COPING MECHANISMS

**KNOW BETTER  
DO BETTER**



## A STARK REALIZATION...

86%

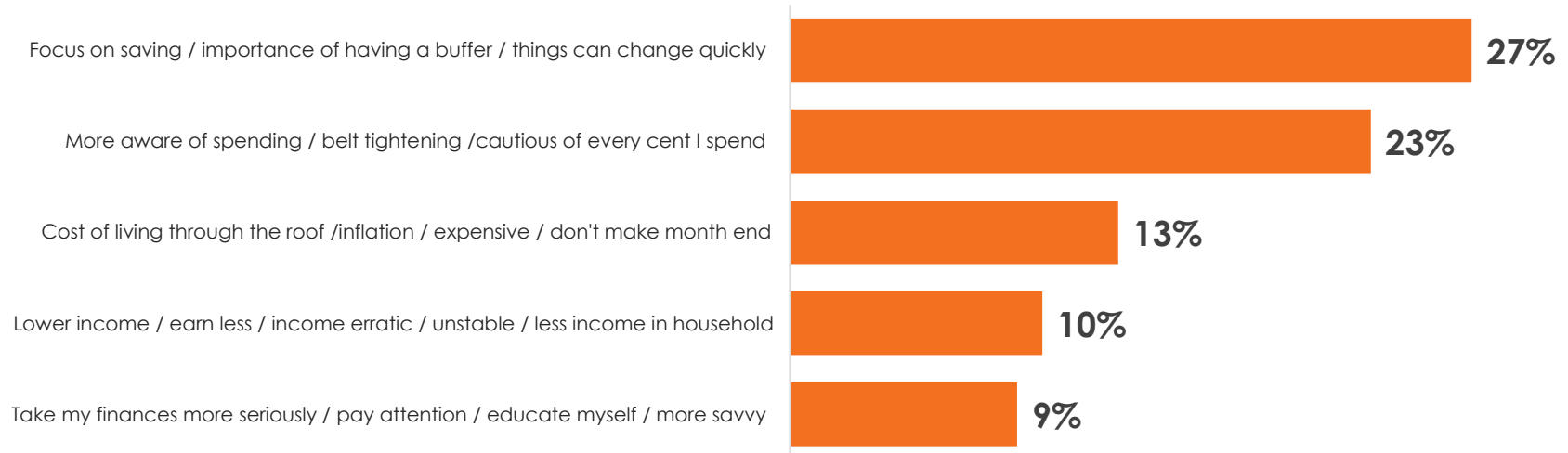
"COVID-19 has made me  
change the way I think about  
and manage my finances"

Importance of a savings buffer. More cautious spending.  
Increased cost of living.



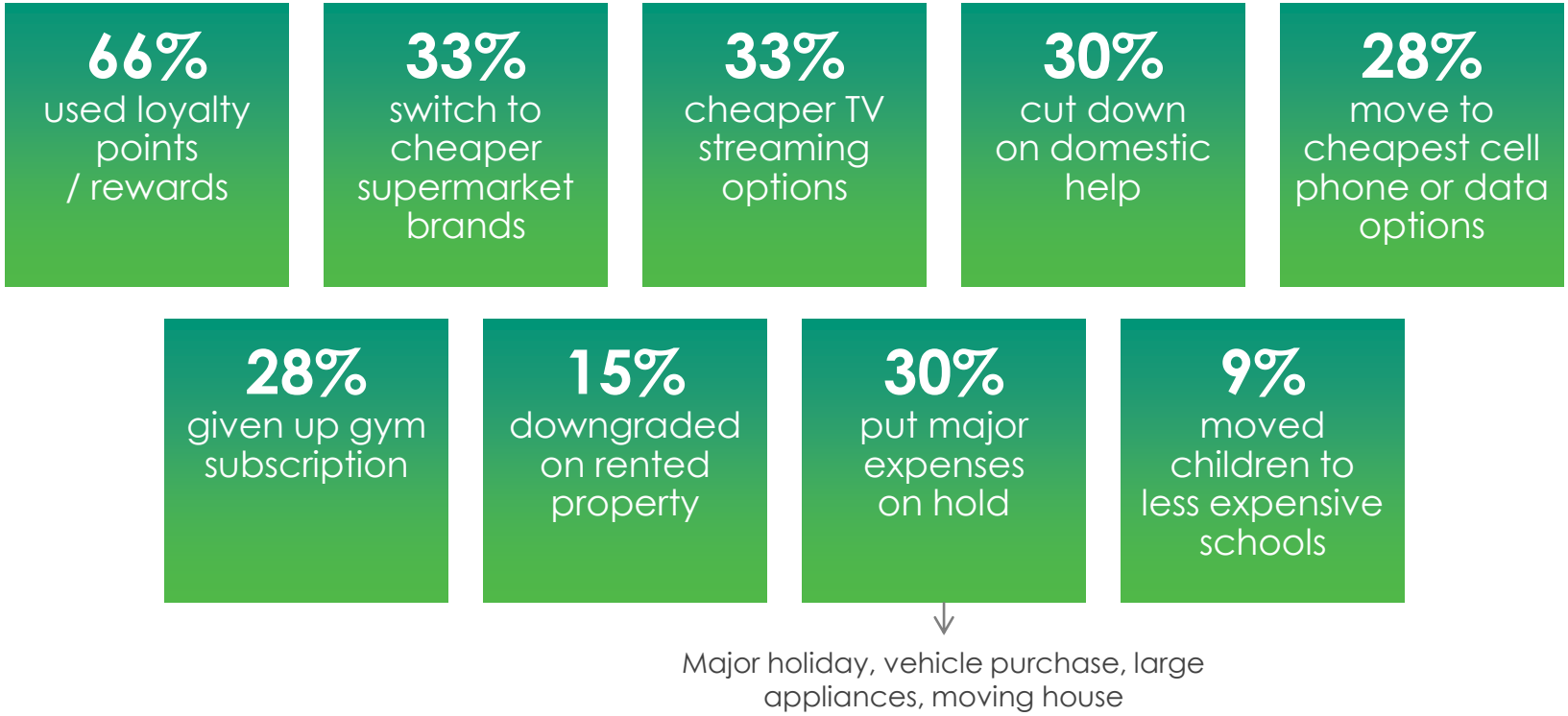
# COVID 19 PANDEMIC: HOW IT CHANGED ATTITUDE TO MONEY AND FINANCES

As before, the Covid 19 pandemic hammers home the need to save and the **need to keep expenses under control**.





# INCOME & EXPENSE MANAGEMENT... (SACRIFICE)





# COPING MECHANISMS | TRENDED

Once again it is evident that borrowing levels are down slightly and consumers are trying (and to some extent succeeding) to get a handle on their debt.

HOUSEHOLD FINANCES PAST YEAR	2019	2020	2021	2022
Unweighted Numbers	824	1,487	1,530	1,505
Taken advantage of points/rewards accumulated on loyalty programs	Not measured	54%	69%	66%
Dipped Into Savings To Make Ends Meet	23%	52%	54%	52%
Had To Borrow From Friends Or Family	38%	39%	44%	40%
Fallen Behind On Any Household Bills	24%	37%	34%	35%
Have cashed in a savings or investment policy	Not measured	23%	31%	32%
Taken Out A Personal Loan	15%	16%	28%	27%
Fallen Behind Of Credit Card Payments	5%	28%	27%	26%
Fallen Behind On Store Card Payments	20%	30%	28%	25%
Fallen Behind On Rent Or Home Loan Payments	7%	26%	19%	18%
Had To Borrow From Your Savings Club Or Stokvel	14%	16%	19%	15%
Fallen behind on stokvel or savings club contributions	Not measured	18%	17%	13%
Taken Out A High Cost Loan	5%	11%	12%	11%
Taken a loan from my employer	Not measured	12%	11%	10%
Left or resigned from a stokvel or savings club	Not measured	13%	13%	10%





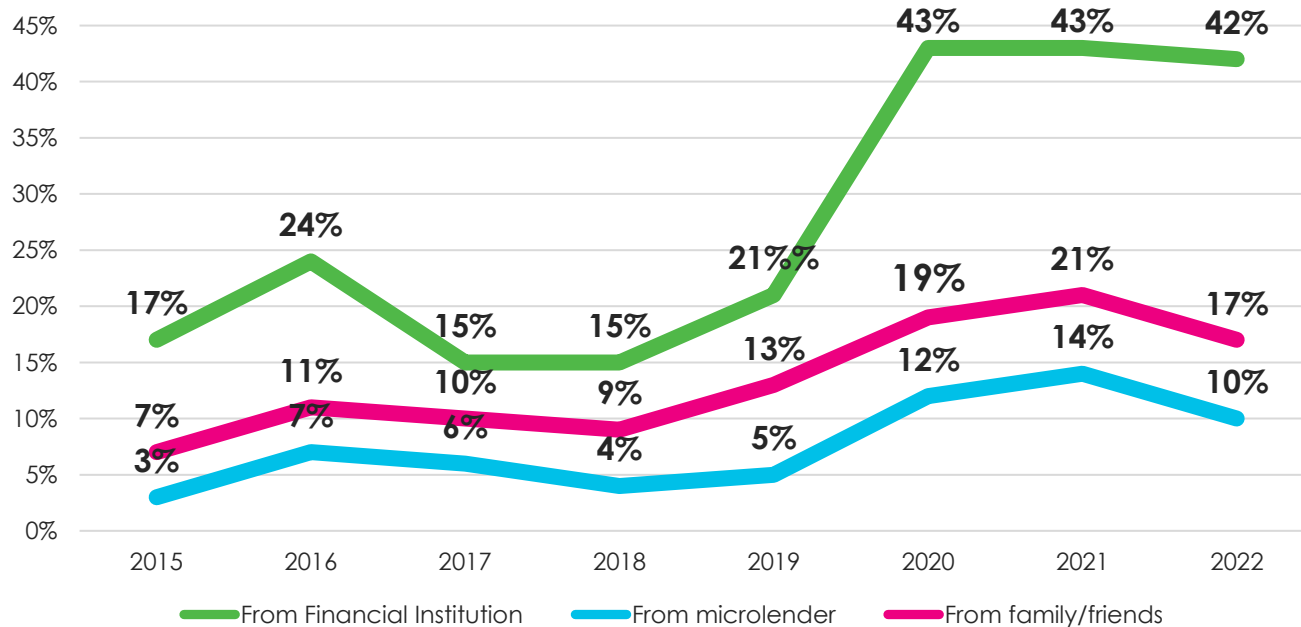
# DEBT

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



# PERSONAL LOANS

2022 sees a decline in personal loans (albeit not back to pre-pandemic levels).



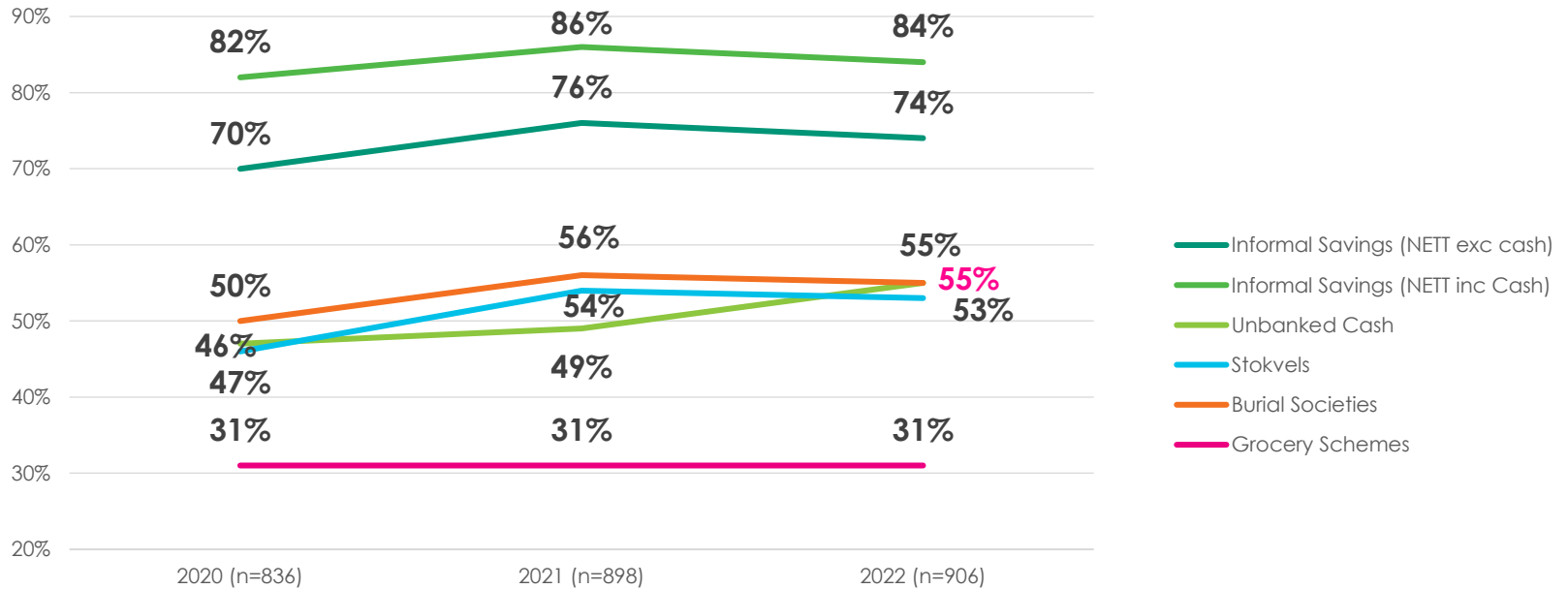


# INFORMAL SAVINGS & STOKVELS

**KNOW BETTER  
DO BETTER**

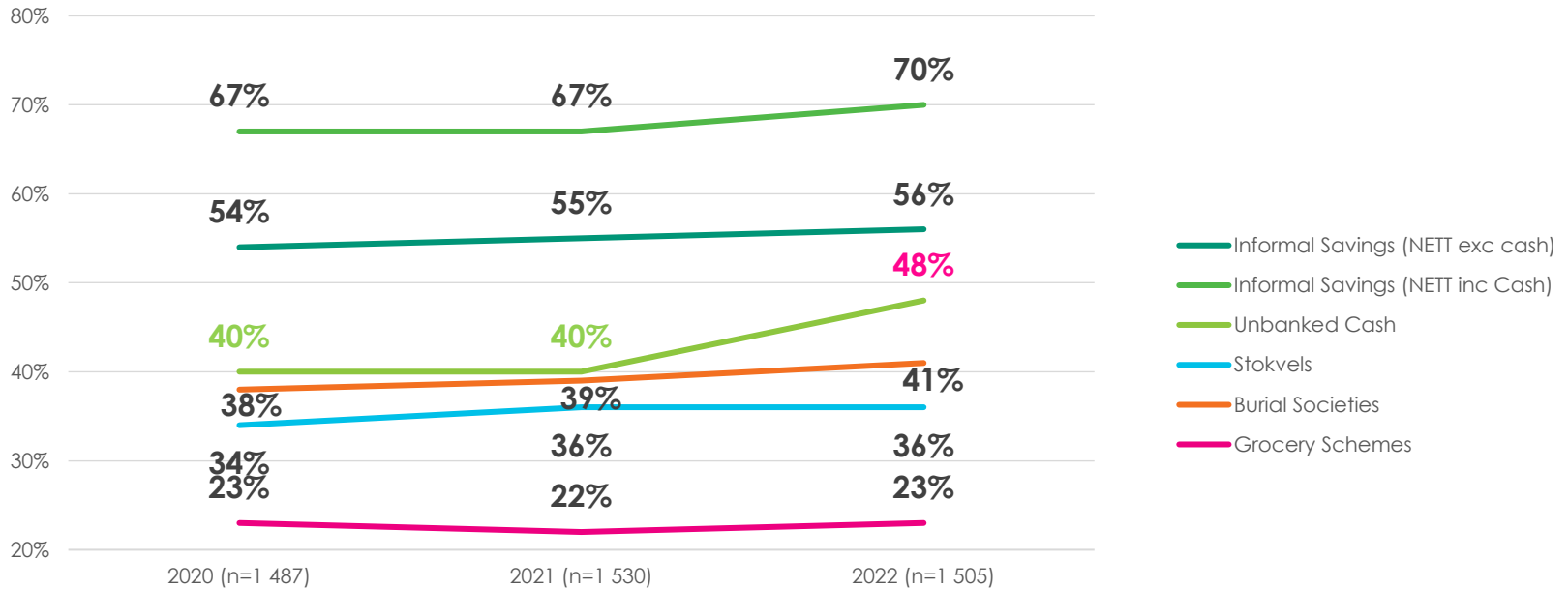


# INFORMAL SAVINGS (BLACK)





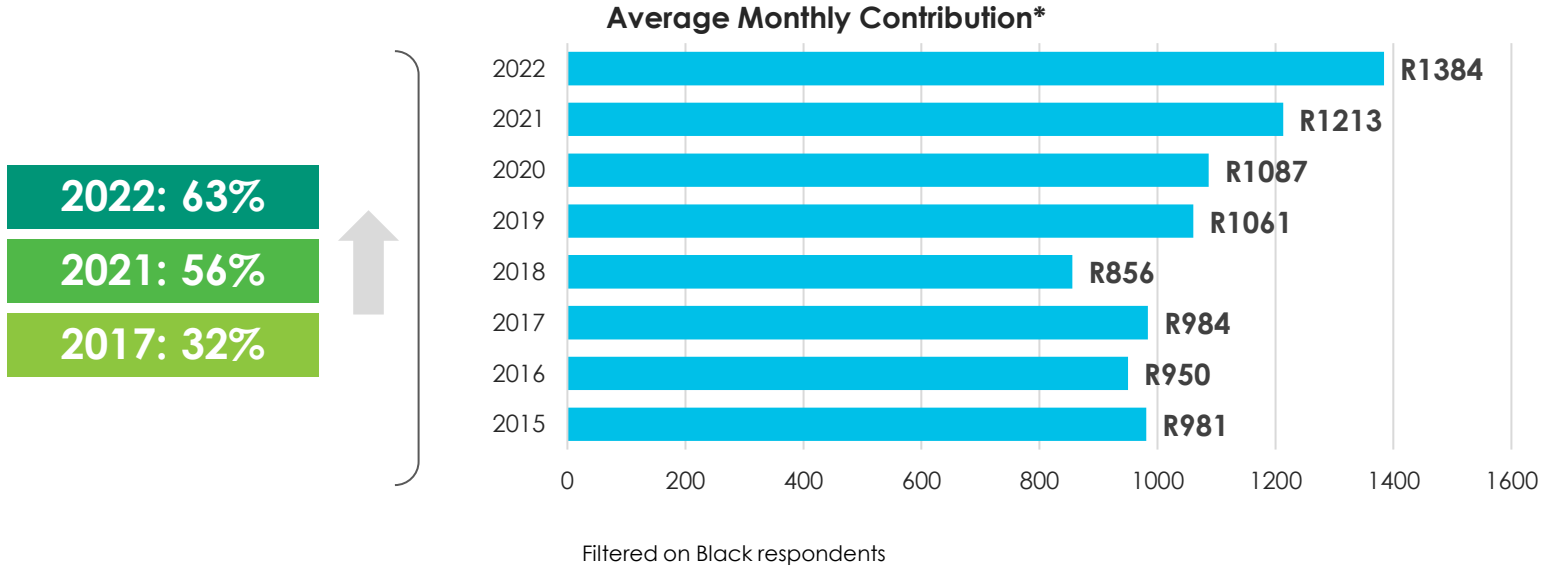
# INFORMAL SAVINGS (ALL RACES)





# NUMBER OF STOKVELS & MONTHLY CONTRIBUTION

## NUMBER OF STOKVELS AND MONTHLY CONTRIBUTION



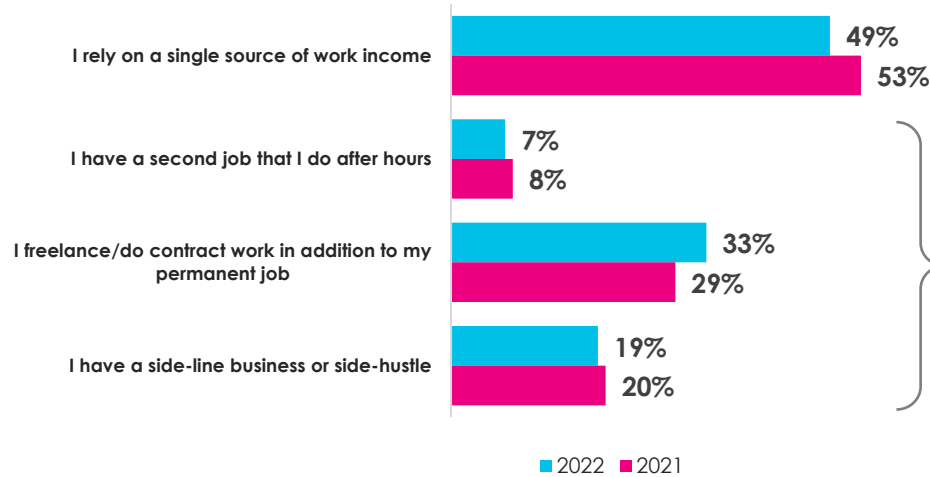


# WORKING LIFE

**KNOW BETTER  
DO BETTER**



# POLYJOBBERS ARE HERE TO STAY



Incidence of those with multiple income streams up **from 47% in 2021 to 51% in 2022**, with the highest incidence being seen among 18 – 29 year olds

SOURCE OF INCOME	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
Unweighted Numbers	1 505	511	393	303	202	96	387	817	301	230	762	431	82	927	578
I rely on a single source of work income	49%	51%	45%	53%	47%	49%	40%	48%	60%	43%	44%	57%	72%	51%	47%
I have a second job that I do after hours	7%	7%	10%	5%	5%	8%	9%	8%	3%	9%	9%	4%	0%	7%	7%
I freelance/do contract work in addition to my permanent job	33%	32%	35%	33%	38%	26%	45%	34%	23%	43%	38%	25%	17%	33%	34%
I have a side-line business or side-hustle	19%	18%	21%	16%	19%	26%	19%	20%	16%	18%	21%	18%	12%	17%	21%



# THE GREAT RESIGNATION TREND

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



# GREAT RESIGNATION TREND

OMSIM 2022 results show that despite the high unemployment levels in SA, the “Great **Resignation**” trend seen elsewhere in the world is starting to evidence here.

Close to 1 in 4 have left their jobs since Covid started – of which almost half left voluntarily... It is not just about the money - workers are also seeking a chance to develop new skills, make a career change and follow their dreams.



**1 in 4**  
left their job  
since Covid  
started

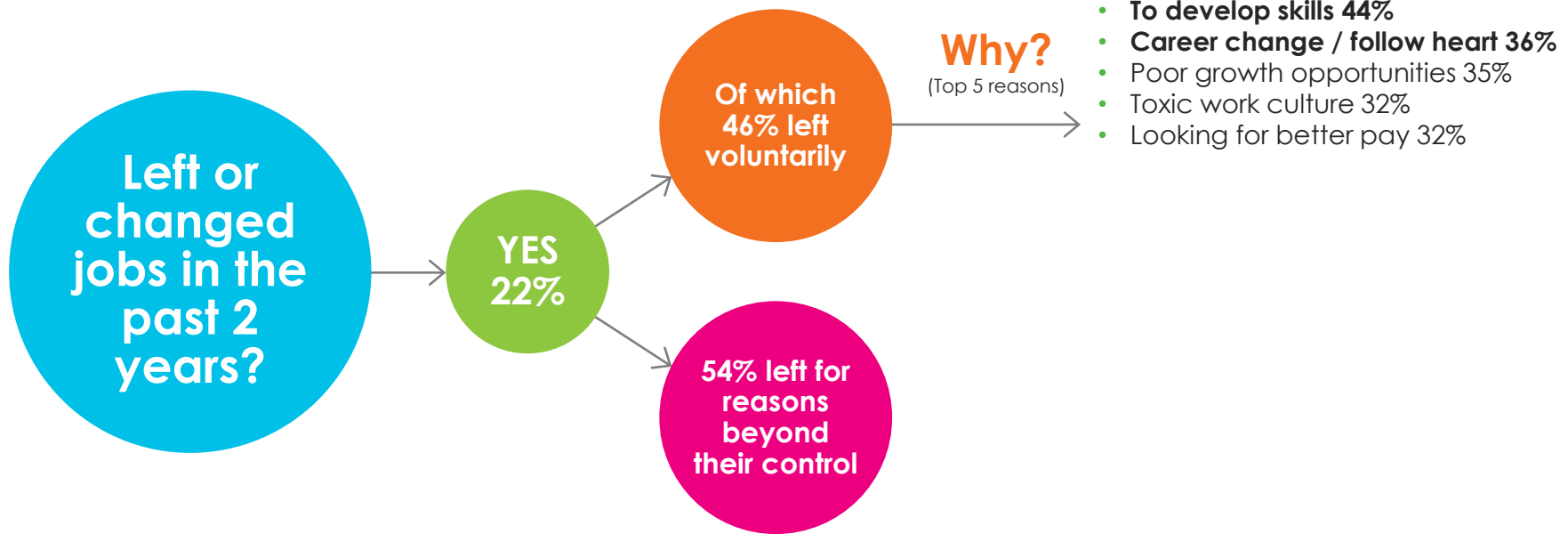


**1 in 10**  
left their job  
voluntarily since  
Covid started



# MOVING JOBS: PAST BEHAVIOUR & FUTURE INTENTION

Echoes of the 'Great Resignation'... it's not just about the money





# RETIREMENT REFORM

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



# REACTION TO PROPOSED REFORM IS MAINLY POSITIVE OR MIXED

Reaction to proposed **pension reform** is positive or mixed, with only 12% who feel negatively about it. Interestingly, Retirement Facing consumers (aged 50+ years) are the least positive, many feeling that the funds are best left where they are and expressing concern as to what withdrawals will do to the ultimate savings 'pot'.

THOUGHTS ON PROPOSED REFORM	TOTAL	18 - 29 YEARS	30 - 49 YEARS	50 YEARS+	PENSION OR PROVIDENT FUND MEMBERS	NON MEMBERS	HAVE AN RA	DO NOT HAVE AN RA
<b>Positive, I think it is a good thing</b>	50%	55%	53%	39%	52%	47%	52%	49%
<b>Negative, I think it is a bad idea</b>	12%	9%	11%	16%	13%	11%	12%	12%
<b>Mixed feelings, there are positive and negative aspects</b>	38%	36%	35%	45%	35%	41%	36%	39%



# ABOUT RETIREMENT REFORM & THE 2 POT SYSTEM

Those who feel positive or mixed about the proposed pension reform, appreciate the improved access to savings. Likelihood of taking advantage of increased access is high.



- **It will help** with unforeseen circumstances e.g. Covid / when in dire need e.g. if not able to work (23%)
- **It will help in paying debt**/home loan/car finance / keep policies up to date 17%
- Ability to claim or **access anytime** is good / no need to apply for a loan 15%
- People die before reaching retirement age/most people don't get to **enjoy their money** 7%
- Can invest the money yourself in **better performing assets**/get better returns on crypto 3%
- **Can start a business**/can create multiple streams of income 3%



- It will be a **set back in the long term**/will affect retirement funds/ amount of savings 26%
- Funds may be pay-out misused/one can be robbed/will be **invested in scams** 10%
- Better left for retirement 9%

Two pot system -proposed changes to the law which will allow pension and provident fund members as well as retirement annuity policy holders to access a portion of their retirement funds (one third is proposed) BEFORE they retire WITHOUT having to resign or leave their job...



# RISK INCLINATION & INVESTMENT CONFIDENCE

**KNOW BETTER  
DO BETTER**



# RISK INCLINATION

1

In 2022 OMSIM takes a closer look at appetite for risk by exploring:

2

Consumers' self defined willingness to take on investment risk

3

Shifts in product holding that may indicate changes to risk appetite

4

Willingness (or otherwise) to invest in perceptually riskier asset classes such as Cryptocurrencies and off shore investments

5

Online gambling behaviour



# INVESTMENT RISK INCLINATION

1

Risk appetite (as self defined) is highest among younger generations, with 73% of Gen Zs (compared to only 33% of 50+ year old's) being willing to take on substantial or above average financial risk in order to get substantial/above average returns. This reflects a combination of youthful confidence coupled with a realization among older consumers that investment horizons are more limited, or perhaps a more cautious approach having experienced losses in the past.

2

Also worth noting is that men have a greater risk appetite than women – it is the stereotype played out in numbers.

3

The correlation with risk appetite and income is less clear, although there are indications that this picks up among higher earners even though these earners tend to be slightly older. Higher earners also bias male which would feed into the skew.

RISK APPETITE	TOTAL	R8 000 - R14 999	R15 000 - R24 999	R25 000 - R39 999	R40 000 - R59 999	R60 000 - R99 999	GEN Z	GEN Y	GEN X	BABY BOOMER	MALE	FEMALE
<b>Unweighted Numbers</b>	1 505	511	393	303	202	96	230	762	431	82	927	578
<b>Substantial financial risk expecting to earn substantial returns</b>	23%	24%	26%	19%	23%	13%	37%	25%	17%	10%	25%	19%
<b>Above average financial risks expecting to earn above average returns</b>	28%	23%	27%	32%	24%	48%	36%	29%	23%	24%	31%	22%
<b>Average financial risks expecting to earn average returns</b>	31%	31%	29%	29%	37%	27%	16%	28%	37%	36%	28%	34%
<b>Not willing to take any financial risks</b>	19%	21%	18%	21%	16%	12%	10%	17%	23%	30%	15%	25%



# RISK INCLINATION AND APPETITE FOR FUTURE CRYPTO AND OFF SHORE INVESTMENT

Correlation with risk appetite and interest in investing in crypto and offshore is strong for both asset classes, but much stronger for Crypto. This is most probably because (a) Crypto is seen as more risky and (b) Crypto is a relatively new, tech based modern class of investment which would naturally appeal more to younger people (who in term claim to have a higher risk appetite).

## RISK APPETITE

LIKELY TO INVEST IN CRYPTO CURRENCIES IN THE NEXT YEAR	TOTAL	SUBSTANTIAL FINANCIAL RISK EXPECTING TO EARN SUBSTANTIAL RETURNS	ABOVE AVERAGE FINANCIAL RISKS EXPECTING TO EARN ABOVE AVERAGE RETURNS	AVERAGE FINANCIAL RISKS EXPECTING TO EARN AVERAGE RETURNS	NOT WILLING TO TAKE ANY FINANCIAL RISKS
	1 505	355	429	435	286
<b>1-Not at all likely/unlikely</b>	23%	14%	13%	24%	44%
<b>3-Neither/nor</b>	9%	8%	12%	8%	6%
<b>4-Extremely/somewhat likely</b>	60%	72%	68%	60%	31%
<b>Don't know</b>	9%	6%	6%	8%	19%

## RISK APPETITE

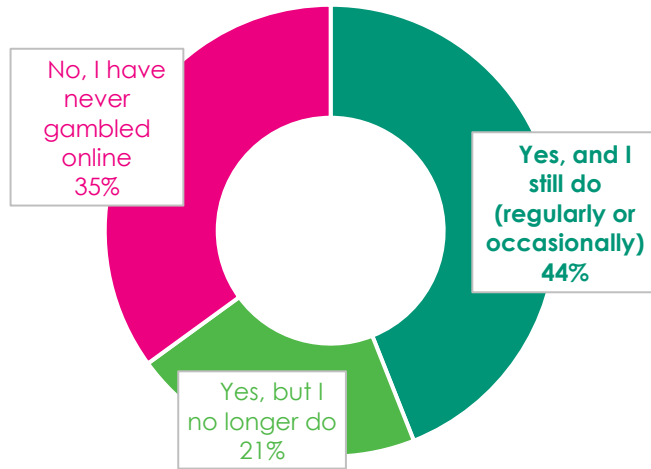
LIKELY TO INVEST OFFSHORE IN THE NEXT YEAR	TOTAL	SUBSTANTIAL FINANCIAL RISK EXPECTING TO EARN SUBSTANTIAL RETURNS	ABOVE AVERAGE FINANCIAL RISKS EXPECTING TO EARN ABOVE AVERAGE RETURNS	AVERAGE FINANCIAL RISKS EXPECTING TO EARN AVERAGE RETURNS	NOT WILLING TO TAKE ANY FINANCIAL RISKS
	1 505	355	429	435	286
<b>1-Not at all likely/unlikely</b>	21%	16%	12%	24%	35%
<b>3-Neither/nor</b>	14%	11%	16%	17%	8%
<b>4-Extremely/somewhat likely</b>	51%	65%	62%	46%	25%
<b>Don't know</b>	14%	8%	10%	13%	31%



# ONLINE GAMBLING\*: INCIDENCE AND FREQUENCY

(REFERS TO ONLINE GAMBLING IN THE BROADER SENSE INCLUDING ANY FORM OF ONLINE GAMBLING OR GAMING FOR MONETARY REWARD INCLUDING LOTTO (E.G. LOTTOSTAR), ONLINE CASINOS, ONLINE SPORTS BETTING ETC.)

## EVER GAMBLED ONLINE?



Of those that do currently gamble online, 65% do so once a week or more often

Base : n = 664 who currently gamble online

Every day (or nearly everyday)	9%
2 or 3 times a week	33%
About once a week	23%
Once or twice a month	21%
Once every two or three months	8%
Less often	6%

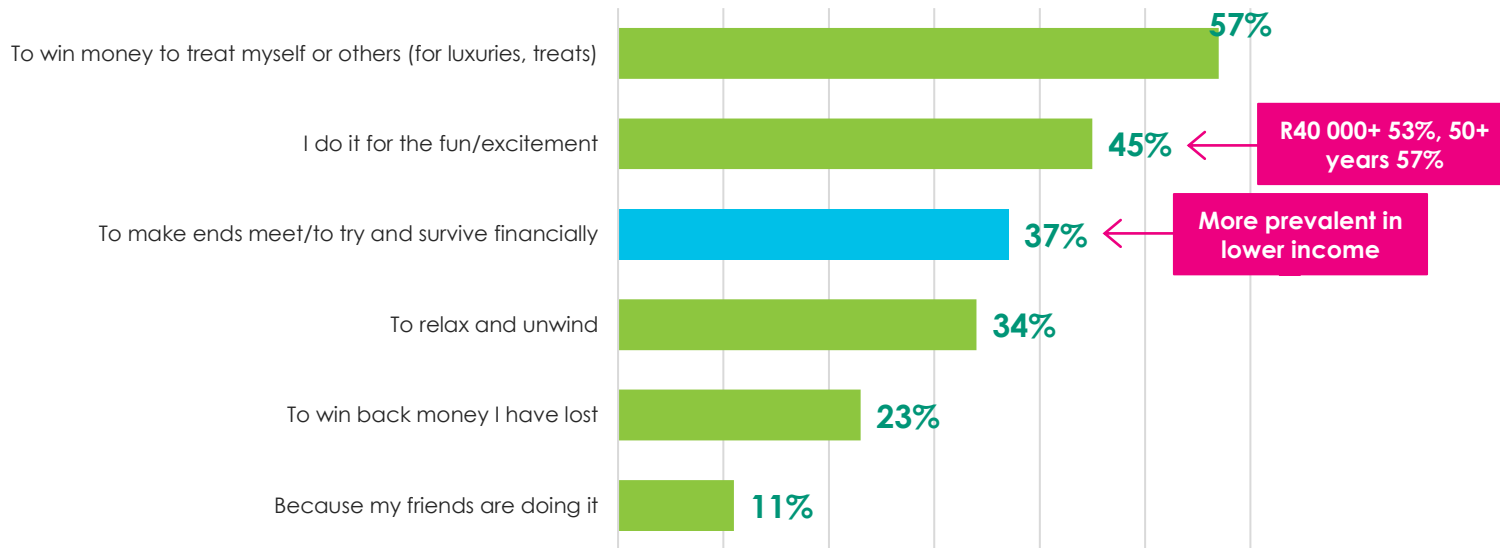
The propensity to at least TRY online gambling is much stronger among younger consumers: 76% of 18 – 29 years olds have gambled online at some point, compared to only 33% of those aged 50 years or older.

EVER GAMBLED ONLINE	TOTAL	R8 000 – R14 999	R15 000 – R24 999	R25 000 – R39 999	R40 000 – R59 999	R60 000 – R99 999	18 – 29 YEARS	30 – 49 YEARS	50 YEARS+
<b>Unweighted Numbers</b>	1 505	511	393	303	202	96	387	817	301
<b>Yes, and I still do (regularly or occasionally)</b>	44%	47%	45%	43%	38%	48%	49%	48%	33%
<b>Yes, but I no longer do</b>	21%	23%	21%	20%	17%	20%	27%	22%	15%



# ONLINE GAMBLING: MOTIVATION

Motivations are mixed, and obviously no one gambles to lose, but the significant numbers that look to the activity to help make ends meet is of concern. Also of concern is the link between peer pressure to take part, attempts to recoup losses and getting into financial difficulty as a result.

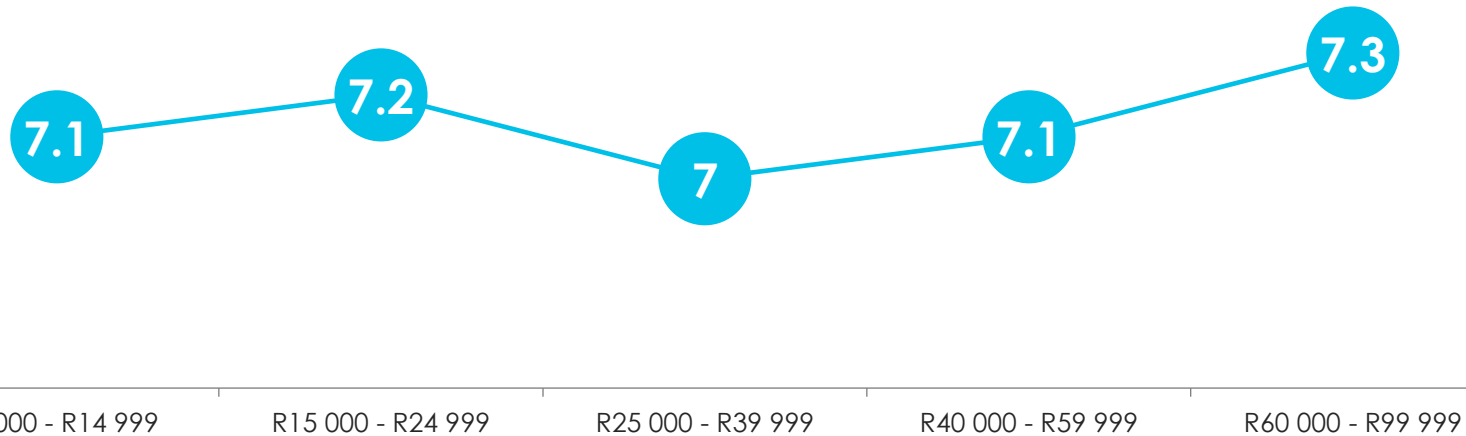




# CONFIDENCE IN INVESTMENT AND SAVINGS DECISION MAKING 2022

**10 point scale where 1= Not at all Confident and 10 = Extremely Confident.**

Whilst there is a correlation between confidence in financial decision making and income, it is not as strong as the correlation between financial satisfaction and income.

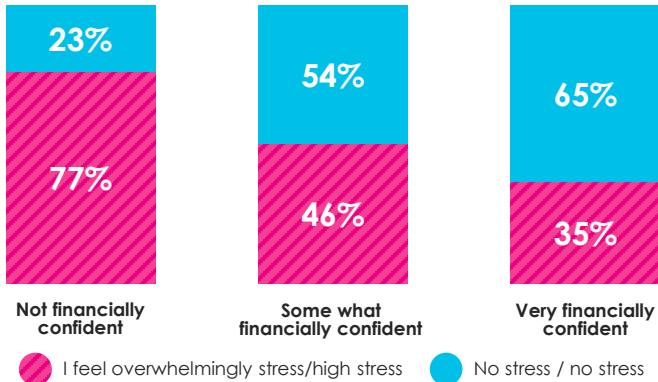




# CONFIDENCE IN INVESTMENT AND SAVINGS DECISION MAKING 2022

Just over 1 in 4 working South Africans indicate that they are very confident in their financial decision making. We see a strong correlation between financial confidence, financial stress and financial satisfaction, with those less confident being more financially stressed, less satisfied and saving less...

## FINANCIAL CONFIDENCE BY FINANCIAL STRESS



PERCENTAGE OF INCOME SPEND	HOW CONFIDENT ARE YOU IN YOUR ABILITY TO MAKE GOOD SAVINGS AND INVESTMENT DECISIONS		
	NOT FINANCIALLY CONFIDENT	SOMEWHAT FINANCIALLY CONFIDENT	VERY FINANCIALLY CONFIDENT
Consumption/Living Expenses	49%	46%	41%
Debt Servicing	21%	19%	18%
Insurance And Medical Aid	16%	16%	16%
Savings	14%	20%	25%

Very financially confident = score of 9 to 10)



# CONFIDENCE IN FINANCIAL DECISION MAKING AND INTERPLAY WITH OTHER FINANCIAL ATTITUDES

1

Those with lower confidence feel less financially secure and are the most likely to readily admit that they do not know who to turn to when it comes to their finances.

2

Those who feel more confident also show more confidence in the SA Economy.

3

What is important though is that ALL (The confident and the less confident) agree that the pandemic has changed how they feel about their finances – even the most risk hungry consumers are not immune.

4

The same applies as regards increased awareness of the need for protection cover – this is seen across all confidence levels

ATTITUDES TO WORK AND LIFE	TOTAL	1 TO 5 (Not financially confident)	6 TO 8	9 TO 10 (Very financially confident)
<b>Unweighted Numbers</b>	1 505	319	776	410
<b>I feel financially secure, because I have enough money to pay for unplanned events</b>	50%	19%	52%	74%
<b>I Feel Confident About The South African Economy</b>	33%	13%	33%	48%
<b>The Covid 19 pandemic has made me more aware of the need for protection cover</b>	87%	85%	87%	89%
<b>I am not always sure who to turn to when it comes to my finances</b>	54%	67%	52%	45%
<b>The Covid 19 pandemic has changed how I feel about my money and finances</b>	86%	89%	83%	88%

A close-up photograph of a pair of hands holding a small green seedling in soil. The hands are positioned on the left side of the frame, and the seedling is the central focus. The background is blurred. A diagonal white line separates this image from the orange background on the right.

# SUSTAINABILITY & ESG INVESTING

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



# AWARENESS AND INTEREST IN ESG INVESTING 2022

While many consumers have at least heard of ESG investing, few understand the concept well. Nonetheless among those who are aware, interest levels are gratifyingly high especially among 18 – 29 year olds / Gen Z

HAVE YOU HEARD OF THE CONCEPT OF SUSTAINABLE AND RESPONSIBLE INVESTING?	TOTAL	GEN Z	GEN Y	GEN X	BABY BOOMER
<b>Unweighted Numbers</b>	1,505	230	762	431	82
<b>Yes, I understand this concept well</b>	17%	29%	19%	12%	22%
<b>Yes, I know a bit about it</b>	24%	25%	28%	16%	24%
<b>Yes, but I have only heard the term, don't know much about</b>	22%	18%	21%	26%	14%
<b>Not sure</b>	19%	16%	16%	24%	19%
<b>No</b>	18%	13%	16%	22%	21%

HOW INTERESTED ARE YOU IN FINDING OUT MORE ABOUT HOW TO INVEST IN THESE KINDS OF SOCIALLY & ENVIRONMENTALLY RESPONSIBLE FUNDS	TOTAL	GEN Z	GEN Y	GEN X	BABY BOOMER
<b>Unweighted Numbers</b>	976	170	522	233	51
<b>Very interested</b>	50%	63%	53%	43%	39%
<b>Somewhat interested</b>	40%	34%	41%	42%	36%
<b>Not really/not particularly interested</b>	10%	3%	7%	16%	25%



# ISSUES OF SUSTAINABLE AND RESPONSIBLE INVESTING 2022

1

Not surprisingly, unemployment and poverty issues are of most concern among lower earners.

2

Climate change concerns peak at both ends of the age spectrum with heightened concern among Gen Z and Baby Boomers

3

Baby Boomers also stand out in their concerns around accountable leadership and conservation / the environment

4

Education concern are highest among younger consumers (lots of dependent children in this group)

5

Women are the most concerned about healthcare issues

ISSUES OF SUSTAINABILITY AND RESPONSIBLE INVESTING - TOP 3 CONCERNS	TOTAL	GEN Z	GEN Y	GEN X	BABY BOOMER
Unweighted Numbers	1,505	230	762	431	82
<b>Unemployment</b>	<b>62%</b>	61%	63%	61%	53%
<b>Poverty</b>	<b>48%</b>	52%	50%	44%	36%
<b>Education</b>	<b>36%</b>	40%	42%	27%	12%
<b>Climate change</b>	<b>34%</b>	41%	30%	36%	50%
<b>Social issues such as housing, water, power provision for the poor</b>	<b>33%</b>	33%	33%	33%	32%
<b>Medical/healthcare provision for those who depend on government</b>	<b>26%</b>	24%	25%	26%	27%
<b>Accountable leadership</b>	<b>24%</b>	18%	20%	28%	42%
<b>Conservation/the environment</b>	<b>20%</b>	12%	17%	25%	30%
<b>Diversity/transformation</b>	<b>10%</b>	9%	11%	9%	9%
<b>Gender issues</b>	<b>9%</b>	10%	9%	10%	8%



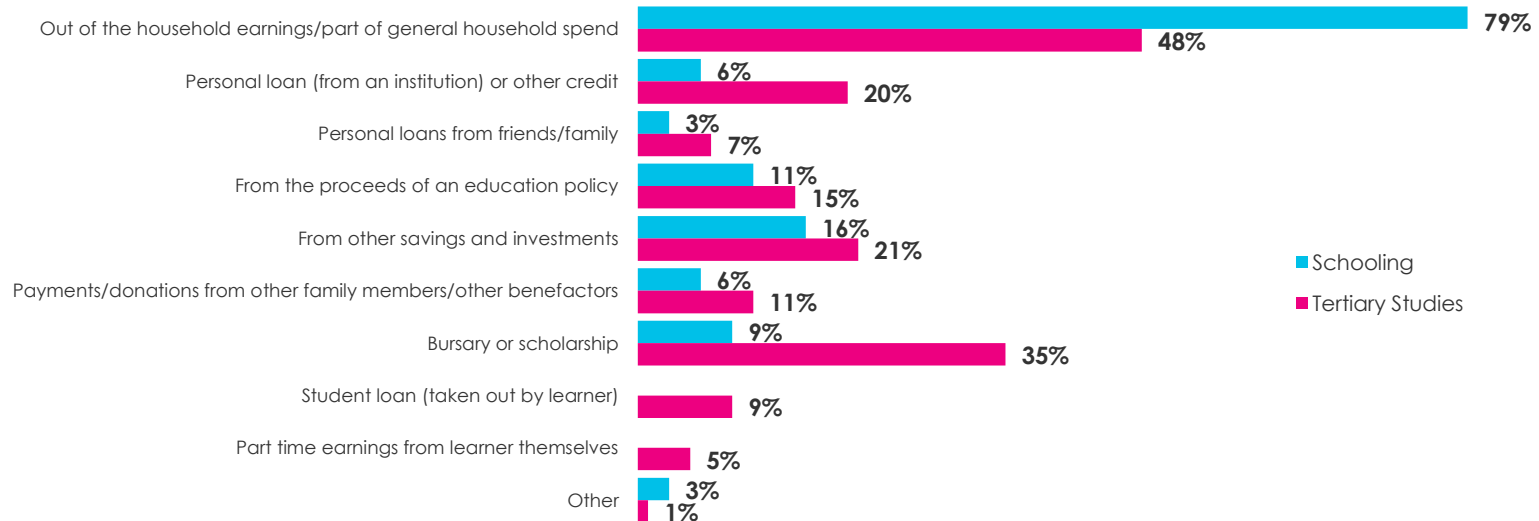
# EDUCATION

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



# FUNDING EDUCATION: SCHOOLING VS. TERTIARY STUDIES

Generally speaking schooling costs **simply form part of the household budget** rather than being something that is saved for specifically. When it comes to tertiary studies, parents look to multiple sources, presumably out of necessity because for most the cost of tertiary education is much higher than schooling. So whilst the general household budget is still a major contributor, consumers also look to bursary funding, general savings and personal loans. Proceeds of education policies form only a minor part.



Bases: n = 740 parents with children at school (primary or high school) and n=183 with children undergoing tertiary studies



# A CLOSER LOOK AT LOW INCOME

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



# OMSIM 2022: LOW INCOME EXTRACT (1)

- This chapter looks at Low Income i.e. those earning between R1 000 and R7 999
- The vast majority are working, even if only part time / piece work but we did allow a small sample on non-working who rely of grants and remittances from friend and family. This is in line with the BMR proportions on non working (but still with income at R1 000+)
- Low Income have been the **hardest hit** when it comes to the **impact of the pandemic on earnings**, with 57% earning less than before the outbreak of the Covid 19 pandemic.
- Dependency patterns are similar to the rest of the market, but the **incidence of single mothers is higher** with 47% of mothers defining themselves as such
- **Concerns around income and job security are paramount:**
  - 74% agree that they constantly worry about losing their job
  - 70% cite unemployment a their top ESG concern
- Looking past employment patterns these concerns are not without merit:
  - highest incidence of having left a job in the past 2 years (29%) and the **most likely to have left for reasons beyond their control** such as retrenchment, a temporary job coming to a close or employer closing down
  - Furthermore on regaining employment 52% of Low Income found themselves **earning less than before**
- Whilst income security is a big worry, this does not stop Low Income from **wanting to move on** –(27%) are seriously considering changing jobs in the next 3 to 6 months, citing not just pay (57%) as a major reason but more importantly the desire to grow and develop specific skills (59%).
- Worth noting that this market is the most likely to go out to work rather than work from home or a home / workplace hybrid. As such they will be **hardest hit by the recent transport / fuel price hikes, with more pain to come.**



# OMSIM 2022: LOW INCOME EXTRACT (2)

- Not unexpectedly Low Income hold significantly fewer savings and investment products (formal or informal)
- Only 1 in 3 have any form of formal retirement savings (i.e. Pension / provident fund or RA) and if the proposed relaxation of retirement fund withdrawal rules go ahead, some 71% of Low Income retirement fund members say that they are likely to withdraw at least some of those funds before retirement.
- In short Low Income are **at risk of being trapped in a cycle of dependency**:
  - 48% agree my children should look after me when I am old
  - 38% agree that the government will look after me if I am unable to look after myself
  - Of some concern is the relatively high (24%) level of Cryptocurrency investment relative to other forms of saving
- Not only are savings limited (1 in 4 say that if retrenched their savings would last less than a month), but incidence of protection policies and insurance is limited (other than funeral cover which is more widespread). This is not to say that Low Income are not aware of the need for cover, some 87% agree that the Pandemic has made them more aware of the need for cover. It is just that **affordability pressures** are immense.
- Not only is their financial security precarious, but this market **lacks confidence in financial decision making and feel at sea**:
  - 65% agree that they are not sure who to turn to when it comes to their finances (highest of all the markets)
  - Only 16% use an adviser
  - Score confidence in financial decision making at mediocre level: 6.8 out of 10 (vs 7.1 in middle market and 7,4 among those earning R100 000+ per month)
- Of all the markets, Low Income score **the lowest level of financial satisfaction** (5.1) and exhibit the **greatest level of stress** (65% feeling overwhelming or high stress levels)



# OMSIM 2022: LOW INCOME EXTRACT (3)

- Despite a **lower self defined appetite for risk**, incidence of online gambling is significant but in line with the rest of the market (although the frequency of online gambling is a bit lower in Low Income).
- However what is of concern is the motivation, with 65% of **Low Income gamblers largely in it to try and make ends meet / to survive financially**. Perhaps surprisingly though there is nothing to suggest that Low Income are significantly more likely (compared other markets) to have to borrow or use credit to fund their gambling nor that they are more likely to get into financial trouble.
- Whilst access to formal credit lines is more limited in Low Income, **borrowing from friends and family** as a coping mechanism is very high (62% have done so in the last year).
- Whilst savings levels are low (in absolute terms) Low Income market **do save where they can** and as a proportion of income at similar levels to the rest of the market.
- Savings goals are similar to the rest of the market (lifestage rather than income tends to be a stronger driver of what consumers want to save for), with 2 notable exceptions
  - Much less focus on saving for a comfortable retirement
  - Much greater **emphasis on saving to start own business** (49%), no doubt as many see this as the route to job and income security



# KEY SUMMARY INSIGHTS

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



# KEY INSIGHTS IN SUMMARY:

1

**The Resilience** shown by consumers is paying dividends as they **slowly persevere** toward **financial recovery** whilst continuing to maintain an **optimistic outlook** for the future

2

**Building Reserves** and savings top of mind with consumers adopting more mindful spending habits

3

Consumers show openness to **taking financial risks** as there is a greater **need for quicker higher returns**

4

**Survival = having a life Raft** with many consumers trying to ensure that they have a cash emergency fund

5

Despite high unemployment, the **Great Resignation** trend is emerging in South Africa

6

Mostly positive response to **pension Reform**. Appeal is driven by potential financial flexibility through accessing funds

7

Strong **Relationship between confidence** in financial decision making, **saving behaviour** and **lower financial stress**



**THANK YOU**

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