

SAVINGS &
INVESTMENT MONITOR



SUMMARY

JULY 2014



DO GREAT THINGS



OLDMUTUAL



CONTENTS

1.	RECAP OF FINDINGS FROM MEASURE 8 JULY 2013)	2
2.	MAIN FINDINGS FROM THIS MEASURE 9	3
3.	SAMPLING AND METHODOLOGY	5
4.	HOUSEHOLD COMPOSITION, DEPENDENTS, SINGLE MOTHERHOOD, THE “SANDWICH” GENERATION AND QUESTIONS OF CO-DEPENDENCY	11
5.	PERCEPTIONS OF CURRENT FINANCIAL POSITION	16
6.	RETROSPECTIVE VIEWS AND FUTURE EXPECTATIONS	18
7.	INFLUENCE OF THE RECESSION	20
8.	SAVINGS LEVELS AND PUTTING MONEY ASIDE	21
9.	SAVINGS OBJECTIVES – WHAT ARE SOUTH AFRICAN YOUTH SAVING FOR?	32
10.	SAVINGS AND INVESTMENT VEHICLES USED	42
	10.1 BANKED CASH SAVINGS	42
	10.2 FORMAL SAVINGS PRODUCTS	42
	10.3 INFORMAL SAVINGS	48
	10.4 EQUITY BASED INVESTMENTS	52
11.	CREDIT AND DEBT: THE OTHER SIDE OF THE SAVINGS COIN	53
12.	ATTITUDINAL DYNAMICS	63
13.	CONFIDENCE IN FINANCIAL DECISION MAKING	69
14.	SOURCES OF INFORMATION AND USING A FINANCIAL PLANNER	71
15.	BUDGETING AND KEEPING TRACK	78
16.	INTERNET	81
17.	WHAT TO DO WITH A WINDFALL	84

01. RECAP OF MAIN FINDINGS

FROM MEASURE 8 (JULY 2013)

The July 2013 results started to show some renewed optimism and one sensed that consumers had adjusted to a new reality and re-calibrated their expectations. This was 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”.

The proportion of consumers who felt that their financial situation is better than it was a year ago was at the highest recorded level to date, and whilst the position was by no means positive across the board, the overall picture was one of consolidation, stability and glimmers of improvement. The effects of the recession continued to be felt, but with a gradual declining trend in terms of those who cited a ‘strong’ influence.

The % 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 and that trend continued in July 2013 with working South Africans continuing to save for multiple reasons.

Debt reduction remained an important savings objective and was up sharply in July 2014, further evidence of the focus on debt reduction was seen in the repayment pattern of those with home loans where more consumers were trying to pay extra every month.

Whilst consumers want to save and invest, the July 2013 results clearly illustrated their reluctance to have their funds ‘tied up’ in any way and the value consumers placed on being able to access their funds at any time. We cautioned 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

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

02. MAIN FINDINGS

FROM THIS MEASURE 9

Overall satisfaction levels in this July 2014 measure hold steady at a mediocre 6.5. However, amongst the lower income groups one in three remain highly dissatisfied and half of these households are finding it difficult to get by.

The proportion of consumers who expect their financial situation to improve in the next 6 months has shown an improving trend over the past 4 measures. Unfortunately that trend has faltered in this measure, driven primarily by the less optimistic outlook of lower income earners. Similarly, the improving trend in those who feel that their current financial situation is better than it was a year ago has also faltered, **shaking the picture of consolidation and recovery that was painted by the 2013 results.**

The % 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, but in this measure the % has slipped somewhat to 29%.

Savings expressed as a % of household spend has decreased significantly yet claimed savings in Rand terms are stable (amongst lower income groups) or even increased amongst higher income groups. Given this contradiction and the possible effect on response of the prior question on amounts “put aside” we caution against placing too much emphasis on this drop at this stage, although it does support the suggestion evidenced elsewhere in the results of a weakening in the overall savings environment.

Notwithstanding what appears to be a relapse in savings and optimism levels, there are some results that appear to buck this trend, in particular the trend of declining levels of agreement with two statements “it is important to save, but I don’t have enough money to” and “I usually spend all that I earn, I am not able to save anything”. Perhaps this indicates that whilst there is increasing recognition amongst consumers generally that they (and those around them) can find something to save, the demands on income and rising cost pressures over the past year have (for some) got in the way of them acting on that recognition.

Whilst households continue to save for multiple reasons, the declining trend in saving for children’s education (be that through an education policy or some other means) is of concern. That said, the recovery in the incidence of formal education policies post the decline in July 2013 is of some comfort. The importance of providing for funeral expenses continues to strengthen with increases in funeral expenses as a claimed savings objective and increased penetration of funeral policies. Burial schemes remain a significant savings form amongst Black households although there is some evidence of a trend away from these in favour of more formal funeral policies – probably a reflection of formal institutions’ product innovation in this area with some policies now offering various value added benefits such as grocery allowances and car hire over and above standard funeral costs.

There has been a decline in banked cash savings especially in the lower income groups, further evidence of the affordability pressures at this level.

Amongst higher earners the move into equity based investments such as unit trusts or exchange traded funds is marked. No doubt this has been driven by an appreciation of the gains that can be made – consumers

have seen the stock market rise steadily in recent years and currently trading at an all-time high. As is so often the case consumers come to the market late (after gains have already been made).

July 2013 measure saw an upturn in formal retirement savings in the form of occupational based pension and / or provident funds and this has been maintained in 2014. At 66% the proportion of households with at least some form of formal retirement provision is the highest level recorded to date. However a third still have no formal provision at all.

The focus on debt reduction that we saw in July 2013 has by and large not been maintained in this measure, and the proportion of bondholders trying to pay off their bond faster has slipped back to 2012 levels. That said, there has been a marginal improvement in the proportion of consumers who pay their credit card or store card off in full each month. Also we are seeing a declining trend on "there is no alternative but to get into debt" although overall agreement levels with this statement remain high.

It is clear that in consumers' minds, debt and savings are opposing forces. Perceptions of financial institutions as champions of the savings and investment cause are mixed and in many instances are clouded by negative consumer perceptions around question of credit and in particular what is seen as aggressive marketing of personal loans and other credit facilities.

We know from previous measures that most consumers are reluctant to have their funds 'tied up' in any way and value being able to access their funds at any time. Reactions to the 2 in 1 savings product underpin this, with the fact that the product allows access to funds (albeit limited) whilst saving for the long term being the major draw card.

Consumers' confidence in their ability to make good savings and investment decisions has slipped over the past year, in particular amongst the less than R6 000 household income segment.

As regards sources of financial information and advice, bank consultants and institutional advisors are primary sources but the strength of word of mouth cannot be ignored, notwithstanding the fact that there is a gradually declining trend on "seek financial advice from family and friends". Whilst bank consultants and advisors are accessed, incidence of reliance on a financial planner with whom one has a relationship is much lower, and negligible amongst lower income groups. The very sectors who lack confidence in their financial decision making and who are in most need of guidance are the least likely to have such a relationship. The primary reason for this is the perception that they don't have enough money to warrant the use of a planner. Institutions would do well to keep driving home the message that planning counts, regardless of how modest ones' income.

In conclusion, these 2014 results highlight the fragility of the post-recession recovery that we have seen in the last few measures with cracks starting to appear in the lower income groups in particular.

03. SAMPLING

AND METHODOLOGY

The Old Mutual Savings Monitor is now an annual study having initially been conducted twice a year. The inaugural measure was taken in 2009 and this July 2014 measure is the 9th measure to date.

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.

Originally (Measures 1 & 2), the sample was quota controlled by **life-stage** and thereafter by household income, race and area. This structure allowed for the inclusion of a small proportion of students and retired respondents. In Measure 3 (November 2010), in order to remove a disproportionate race / age skew the primary quota was changed from life-stage to age, and students and retired respondents were excluded.

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

Originally (Waves 1 & 2) 4 broad household income bands were identified and the sample quota controlled accordingly:

- Less than R6 000
- R6 000 – R19 999
- R20 000 – R39 999
- R40 000+

From November 2010, 5 income brackets were used to allow for greater gradation:

- Less than R6 000
- R6 000 – R13 999
- R14 000 – R19 999
- R20 000 – R39 999
- R40 000+

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 weights applied are set out below:

	Nov 2009	July 2010	Nov 2010	July 2011	Nov 2011	July 2012	Nov 2012	July 2013	July 2014
	AMPS 2009	AMPS 2009	AMPS 2009	AMPS 2010*	AMPS 2010*	AMPS 2011A	AMPS 2012RA	AMPS 2012RB	AMPS 2013B
Less than R6 000	36%	36%	33%	29%	26%	27%	25%	25%	23%
R6 000 – R13 999	45%	45%	34%	33%	33%	33%	31%	32%	31%
R14 000 – R19 999			12%	14%	14%	13%	15%	14%	13%
R20 000 – R39 999	14%	104%	16%	18%	20%	20%	20%	20%	21%
R40 000+	5%	5%	5%	6%	7%	7%	9%	9%	12%

* The shift to AMPS 2010 weights was introduced on a staggered basis over two 2011 measures.

Questioning is done in relation to household rather than personal circumstances. This is because household income is a more appropriate measure in many circumstances, primarily because amongst couples the financial and investment decisions and holdings are often joint, especially in relation to the big decisions such as home loan debt and education and retirement provision.

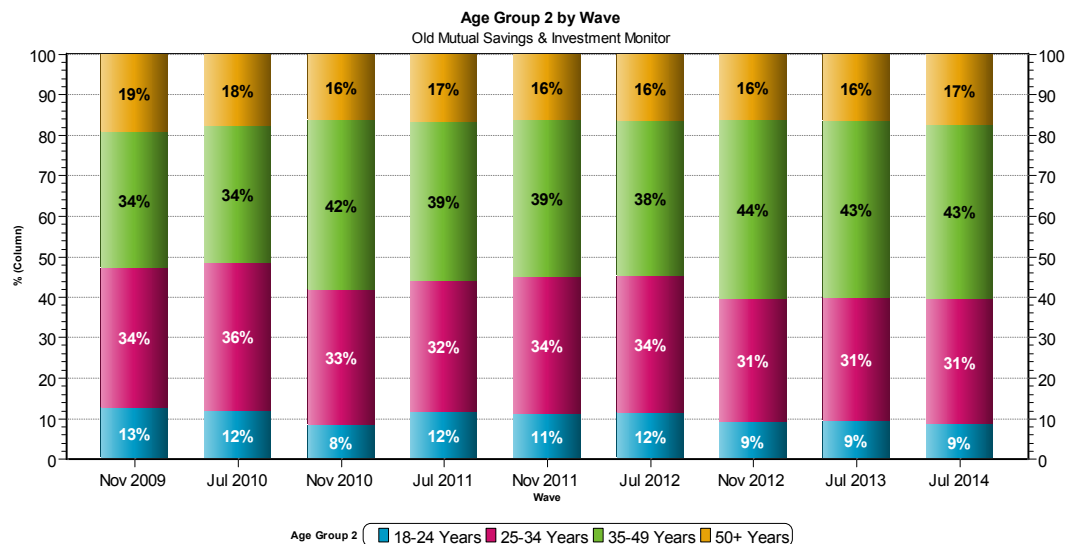
Amongst singles, whilst personal and household income are one and the same thing amongst working singles living alone, for young singles still living with their parents the position is different. To ask these respondents about savings in the household context would be misleading. Given these complexities, questioning around savings was adapted so that it is relevant to the individual respondent's life-stage. In other words, the line of questioning was in relation to either personal or household position, depending on which is most relevant for that life-stage segment.

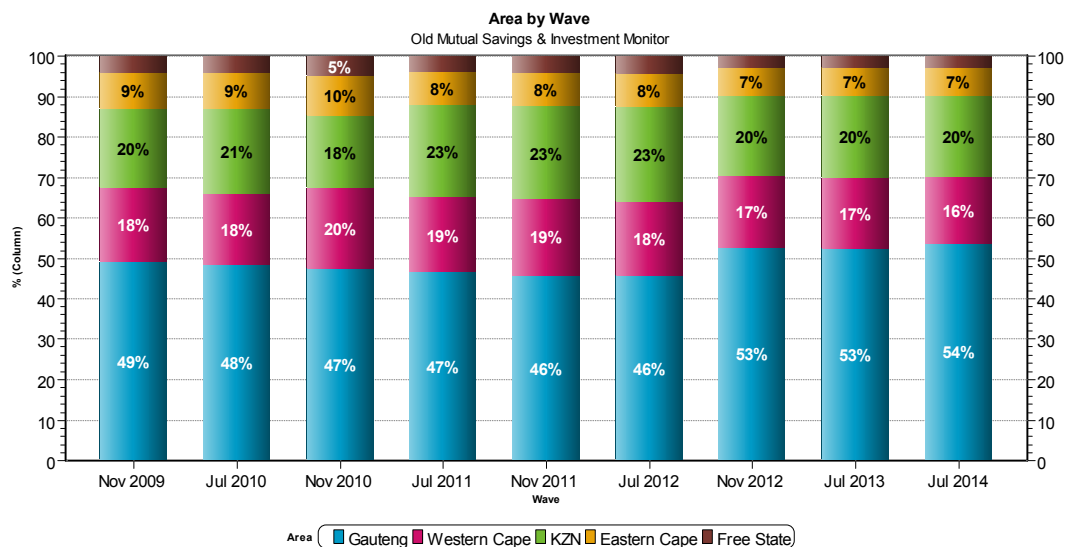
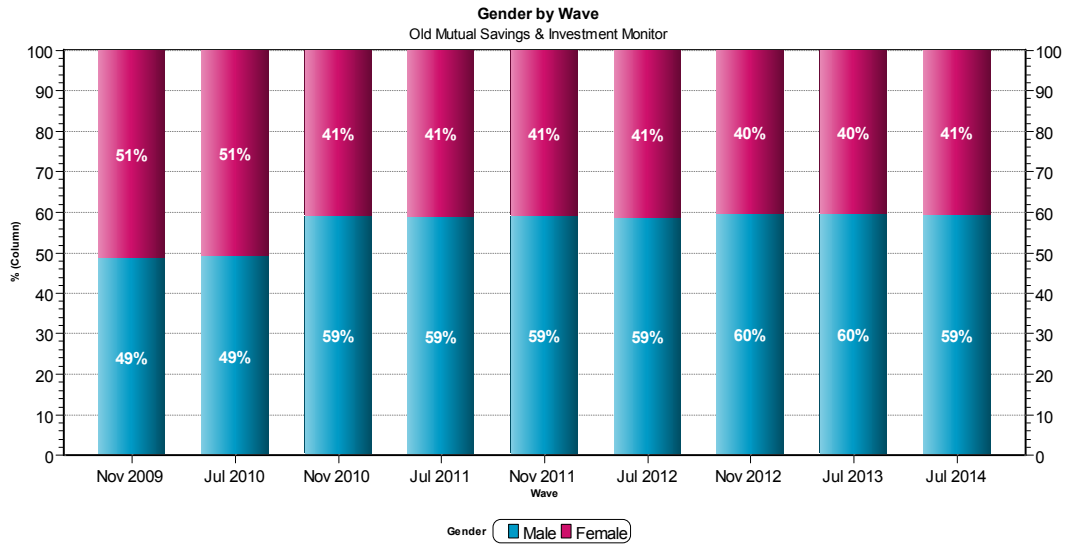
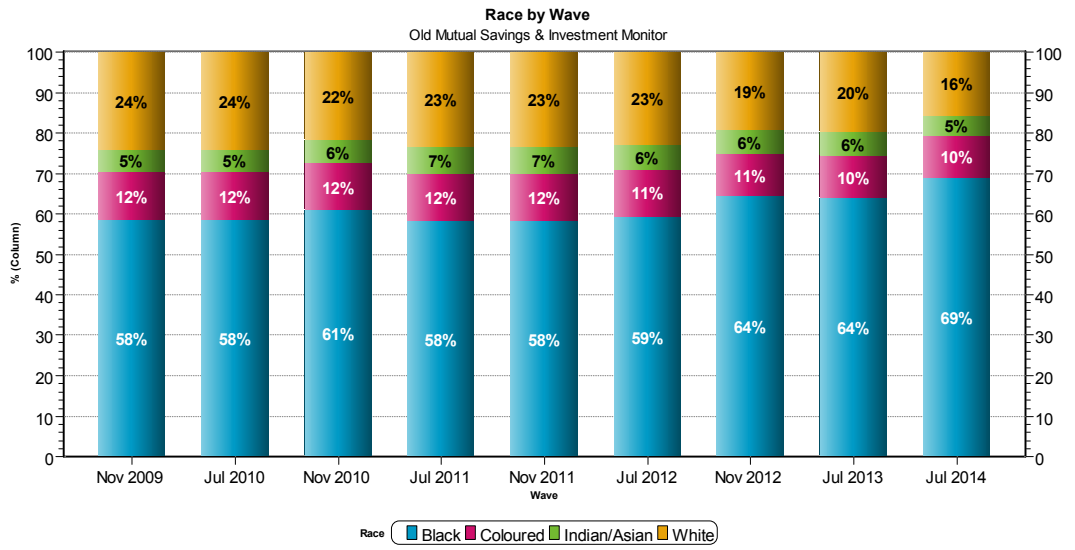
The fieldwork over the various measures was conducted as follows:

- Measure 1 (November 2009): June/ July 2009
- Measure 2 (July 2010): March/April 2010
- Measure 3 (November 2010): September/October 2010
- Measure 4 (July 2011): April/May 2011
- Measure 5 (November 2011): September/October 2011
- Measure 6 (July 2012): April/May 2012
- Measure 7 (November 2012): 16 October to 15 November 2012
- Measure 8 (July 2013): 29 April to 25 May 2013
- Measure 9 (July 2014): 18 April to 20 May 2014

DEMOGRAPHICS

The demographic profiles of the resultant weighted samples are set out below. Note that race, age, geographical area and gender are all quota controlled proportionate to working metro population.



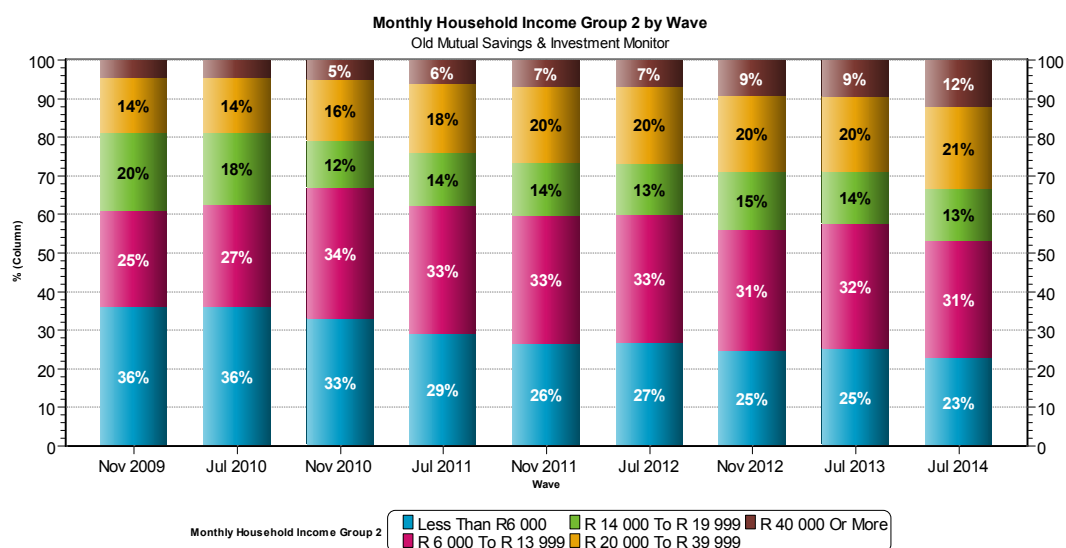


Home Language	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Afrikaans	19%	21%	18%	19%	17%	13%	17%	17%	14%
English	23%	21%	22%	22%	25%	27%	18%	20%	17%
Zulu	24%	28%	25%	27%	25%	26%	26%	25%	26%
Xhosa	12%	11%	15%	13%	13%	14%	13%	13%	14%
Ndebele	1%	0%	1%	1%	0%	0%	1%	1%	1%
Swazi	0%	1%	0%	0%	0%	0%	0%	1%	0%
Sesotho	6%	9%	6%	7%	8%	9%	7%	8%	11%
Sepedi	6%	3%	6%	3%	3%	4%	8%	8%	8%
Tswana	5%	4%	4%	4%	5%	5%	6%	6%	6%
Tsonga	2%	1%	2%	2%	2%	1%	3%	2%	1%
Venda	2%	1%	2%	1%	2%	1%	0%	1%	1%

INCOME LEVELS

As has been the case historically, the design of the un-weighted sub-sample sizes do allow for analysis by income group:

Household Income	Jul -14 un-weighted sample numbers	Jul -14 Weighted sample proportions
Less Than R6 000	251	23%
R 6 000 To R 13 999	247	31%
R 14 000 To R 19 999	197	13%
R 20 000 To R 39 999	150	21%
R 40 000 Or More	157	12%
TOTAL	1002	100%



Personal income is recorded (but of course it is influenced by the overriding quota control on household income)

Personal Income	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less than R1 000	2%	1%	1%	1%	0%	0%	0%	0%	0%
R1 000 to R2 999	20%	20%	17%	13%	15%	16%	14%	10%	14%
R3 000 to R5 999	33%	35%	32%	31%	29%	27%	29%	32%	29%
R6 000 to R11 999	27%	26%	26%	26%	26%	27%	27%	28%	27%
R12 000 to R13 999	4%	4%	8%	8%	8%	7%	8%	8%	8%
R14 000 to R15 999	4%	3%	5%	7%	7%	7%	6%	6%	6%
R16 000 to R19 999	4%	4%	3%	4%	5%	5%	5%	4%	5%
R20 000 to R29 999	4%	5%	5%	7%	6%	7%	8%	9%	8%
R30 000 to R39 999	1%	1%	2%	1%	2%	2%	2%	2%	2%
R40 000 or more	1%	1%	1%	1%	2%	1%	2%	2%	2%

EDUCATION LEVEL

Education	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Some Primary School	1%	0%	1%	1%	0%	0%	1%	0%	0%
Finished Primary School	1%	1%	1%	2%	1%	2%	1%	2%	1%
Some High School	16%	19%	19%	19%	18%	19%	22%	17%	17%
Matric	50%	46%	47%	46%	48%	44%	44%	45%	46%
College	9%	12%	12%	12%	12%	13%	11%	14%	12%
Technical College	13%	13%	13%	12%	13%	15%	13%	13%	13%
University Degree	7%	7%	5%	6%	6%	6%	8%	8%	7%
Post Graduate Degree	3%	1%	1%	3%	1%	1%	1%	1%	3%

WORKING LIFE

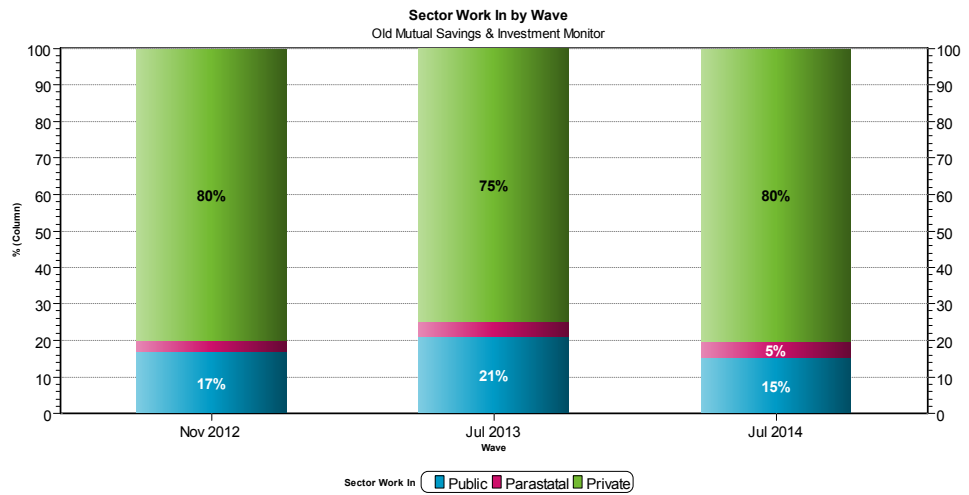
All respondents are screened on being working, but the sector they work in, whether they work full or part time and whether or not they are self-employed is recorded.

Work Status	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Work FullTime	76%	80%	84%	88%	85%	88%	85%	98%	90%
Work Part Time	18%	15%	16%	12%	15%	12%	15%	2%	10%
Retired	4%	4%	Screened out						
Student	2%	1%	Screened out						

Incidence of self-employed respondent's remains stable at 12%. As is the case in earlier measures, the self-employed segment is biased older, upper income and WCI.

Self-Employed	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Yes – Own Business	Not measured		16%	10%	15%	13%	15%	12%	12%
No – Employed by somebody else	Not measured		84%	90%	85%	87%	85%	88%	88%

Sector work in has only been recorded for the past three measures and remain stable.



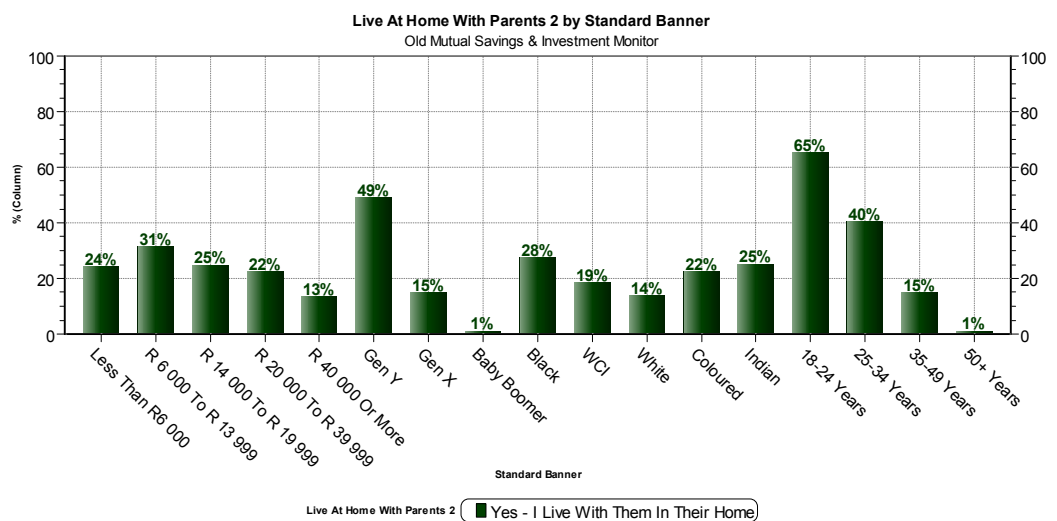
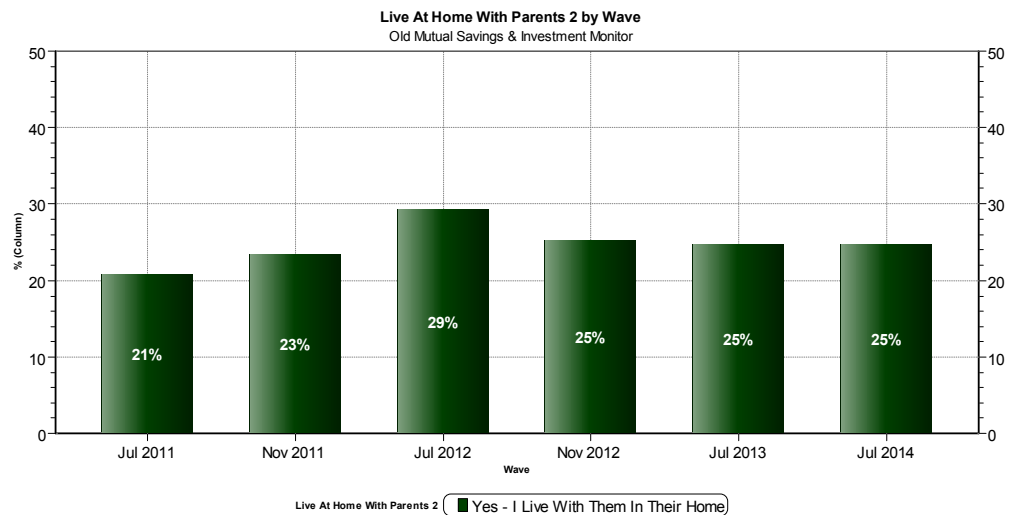
04. HOUSEHOLD

COMPOSITION, DEPENDENTS, SINGLE MOTHERHOOD, THE 'SANDWICH' GENERATION AND QUESTIONS OF CO-DEPENDENCY

HOUSEHOLD SIZE AND COMPOSITION

As has been the case consistently over historical measures, average household size sits at just under 4 people.

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

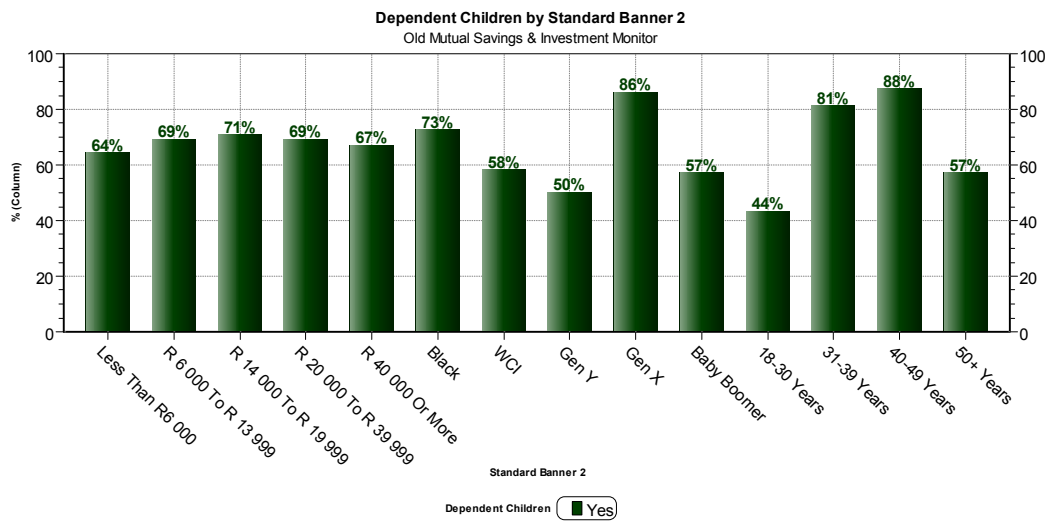


DEPENDENT CHILDREN

Incidence of dependent children is up marginally to 68%. Note: The sharp increase in the incidence of dependent children between July 2010 and November 2010 is a function of the shift in quota control from life-stage to age.

Dependent Children	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13
Yes	48%	47%	67%	63%	62%	65%	62%	64%
No	52%	53%	33%	37%	38%	35%	38%	36%

Incidence continues to be highest in Black households and those in their 40's.



AGE GROUP & NUMBER OF DEPENDENT CHILDREN

Data below **based on those households that do have dependent children** (as against total sample).

Age groups of Children	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Younger Than 12 Years	75%	70%	73%	75%	77%	73%	76%
Older Than 12 Years	50%	53%	52%	53%	51%	53%	53%

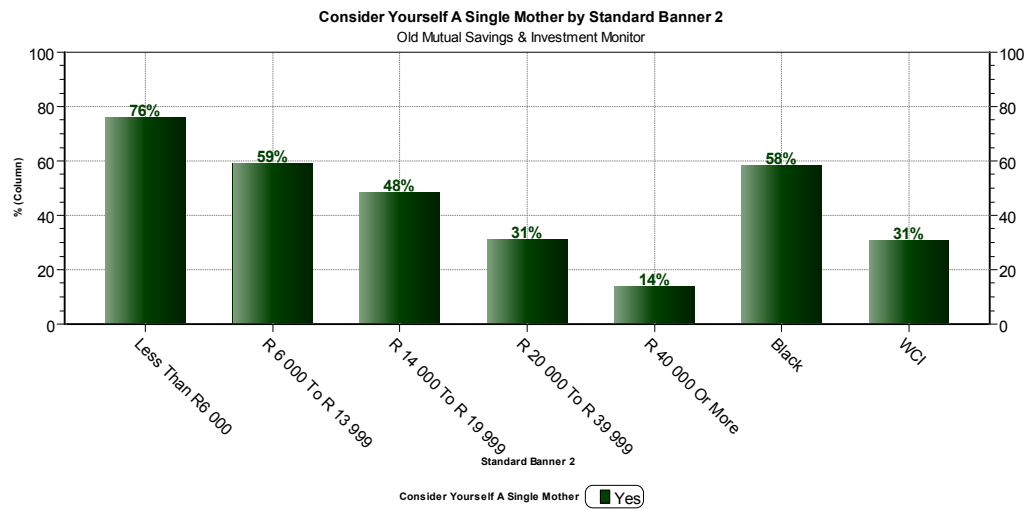
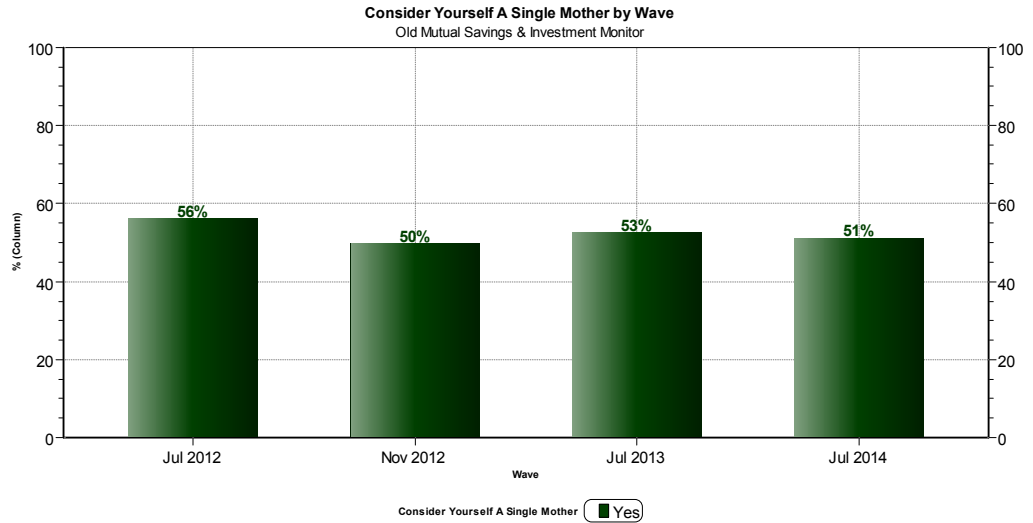
NUMBER OF DEPENDENT CHILDREN

Data below **based on those households that do have dependent children** (as against total sample).

Total number of Children	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
1	43%	36%	36%	37%	39%	41%	38%	39%	40%
2	37%	40%	38%	38%	40%	38%	40%	39%	40%
3	16%	18%	18%	18%	14%	15%	15%	17%	14%
4	3%	4%	6%	4%	5%	4%	5%	4%	5%
5	1%	2%	2%	1%	2%	1%	2%	1%	1%
6	0%	1%	0%	1%	1%	0%	0%	0%	0%
More than 6	0%	0%	0%	1%	0%	0%	0%	0%	0%

SINGLE MOTHERHOOD AND FINANCIAL SUPPORT BY FATHERS

In July 2012 a series of questions were added to establish the incidence of single mothers and financial support by fathers. These July 2014 results continue to emphasise the high incidence of single mothers, with 51% of mothers considering themselves single mothers. Once again we see the strong inverse correlation with income i.e. the poorer the household, the higher the incidence of 'single motherhood'.

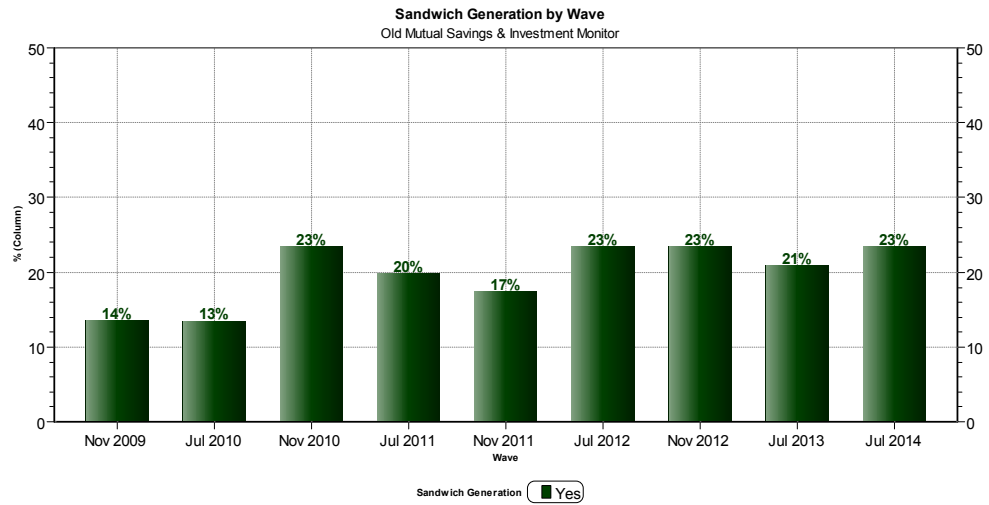


OTHER DEPENDENTS (OTHER THAN CHILDREN)

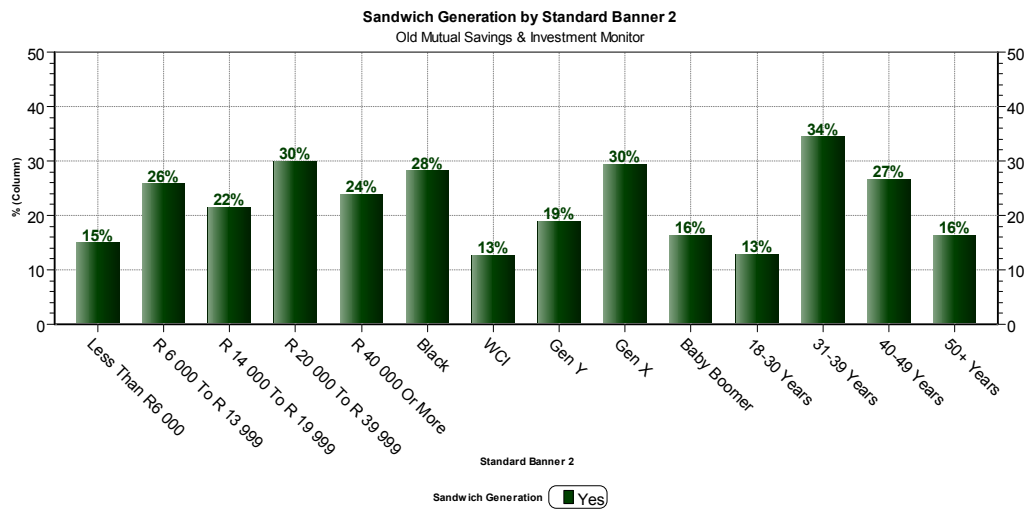
Other Dependents	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Yes	24%	24%	31%	29%	24%	31%	30%	30%	31%
No	76%	76%	69%	71%	76%	69%	70%	70%	69%

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 23% of the sample in this July 2014 measure.



The proportionally higher incidence amongst Black households is again worth noting as is the peak amongst those in their 30's.



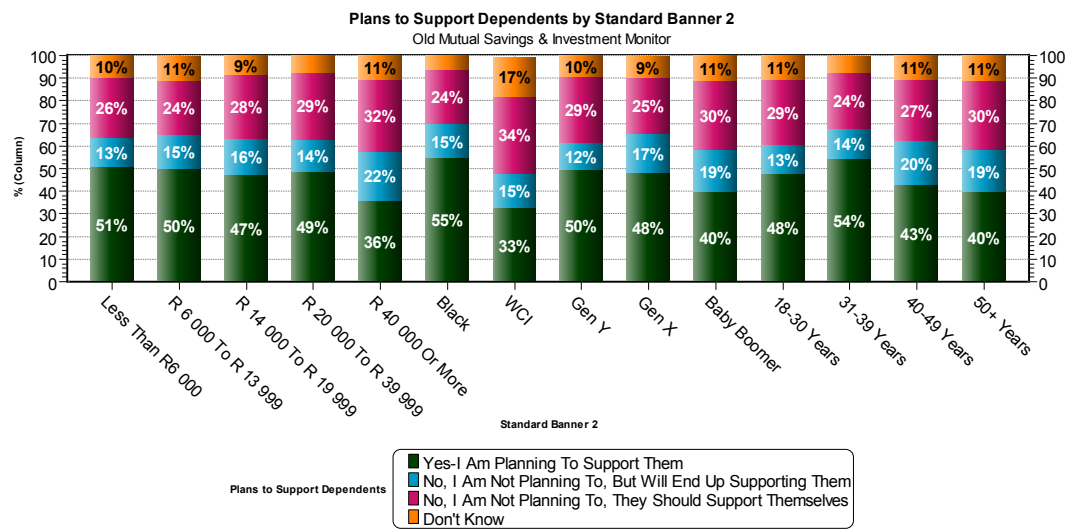
EXPECTATIONS AS REGARDS SUPPORTING (OR BEING SUPPORTED BY) FAMILY MEMBERS

Support Parent/Family Members in future	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Yes – I Am Planning To Support Them	46%	39%	36%	40%	37%	37%	35%
No, I Am Not Planning To, But Will End Up Supporting Them	12%	11%	14%	12%	13%	15%	11%
No, I Am Not Planning To, They Should Support Themselves	17%	24%	22%	24%	19%	19%	20%
No, None Around To Support	19%	23%	23%	20%	26%	23%	26%
Don't Know	6%	4%	5%	4%	6%	7%	7%

Re-Based to exclude those who have “none around to support”, 63% 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).

Support Parent/Family Members in future	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Yes – I Am Planning To Support Them	56%	50%	46%	50%	50%	48%	48%
No, I Am Not Planning To, But Will End Up Supporting Them	15%	14%	18%	15%	17%	19%	15%
No, I Am Not Planning To, They Should Support Themselves	21%	30%	29%	30%	25%	24%	27%
Don't Know	8%	5%	6%	5%	7%	9%	10%

Once again it is amongst Black (and younger) consumers that this expectation is highest.



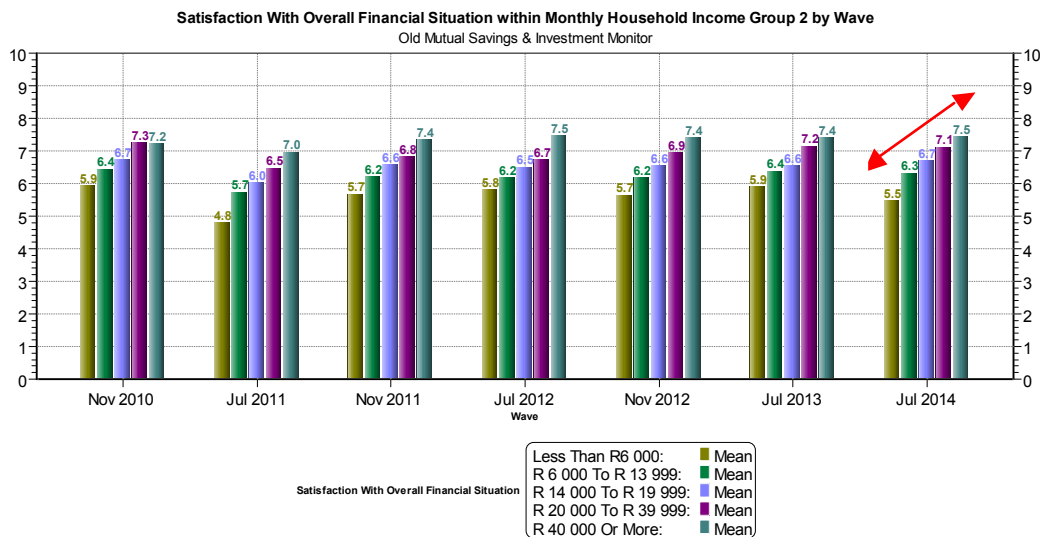
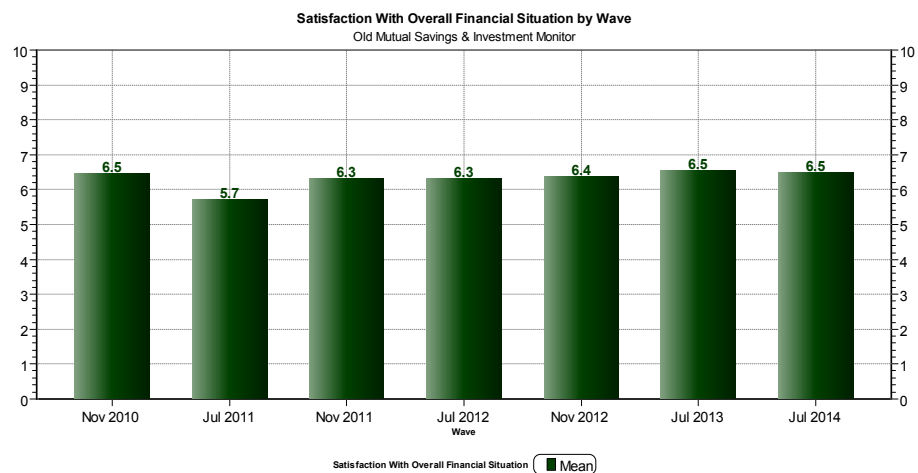
Base - Yes-I Am Planning To Support Them, No, I Am Not Planning To, But Will End Up Supporting Them, No, I Am Not Planning To, They Should Support Themselves, Don't Know or Not Answered

05. PERCEPTIONS

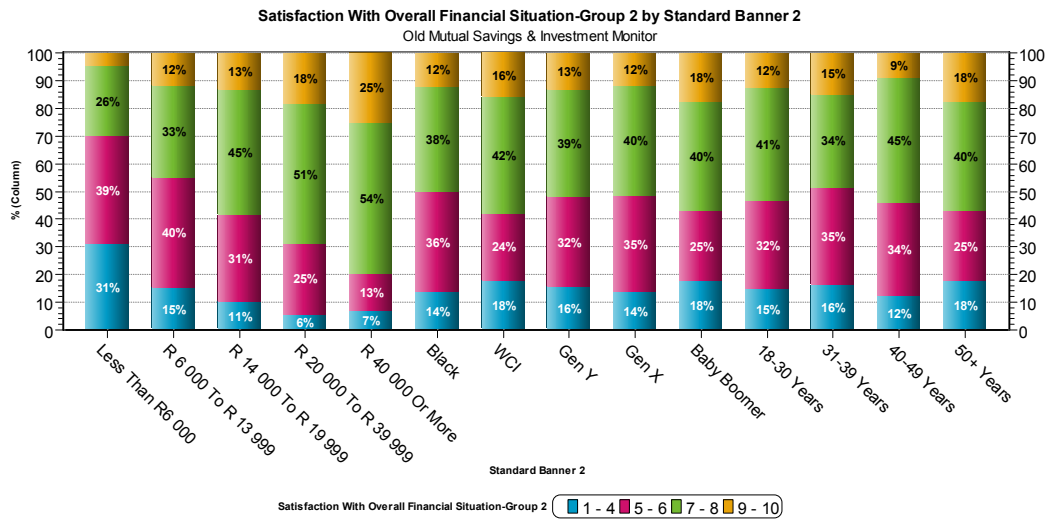
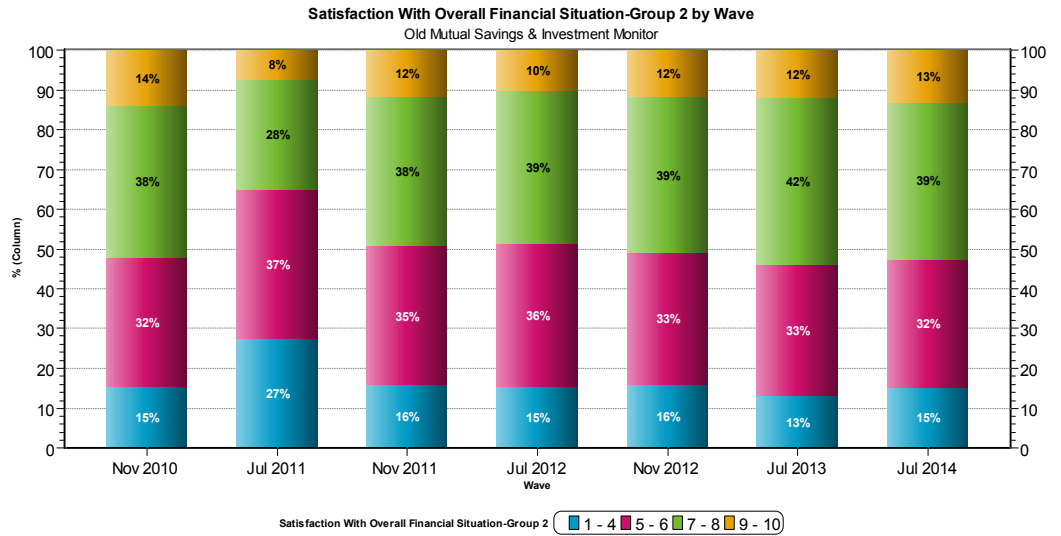
OF CURRENT FINANCIAL POSITION

5.1 SATISFACTION WITH CURRENT FINANCIAL SITUATION

At a total sample level the mean satisfaction score holds steady at a mediocre 6.5, with income continuing to be the main determinant of satisfaction. It is notable that the gap in satisfaction levels between lower and upper income levels appears to be widening, albeit still within the widest range seen in July 2011.

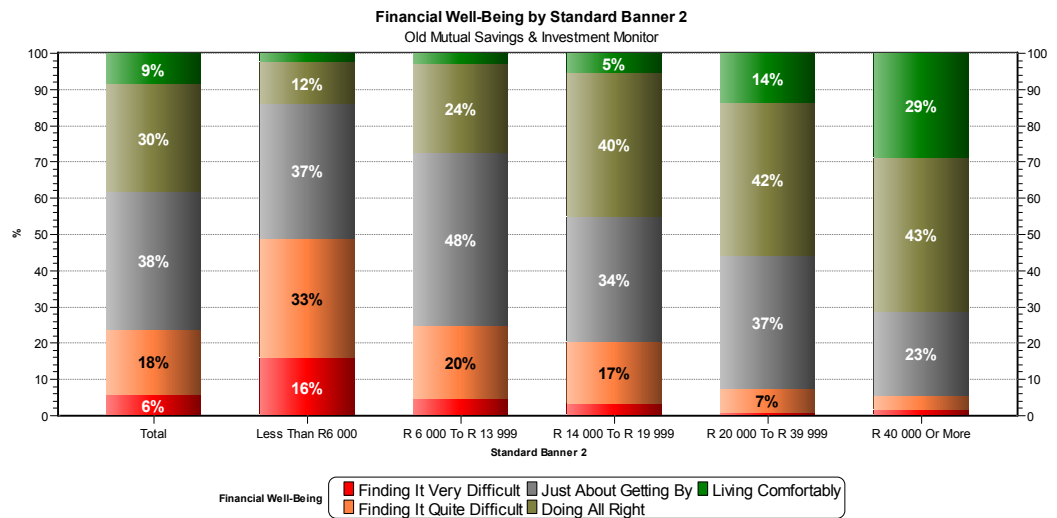


Looking at grouped scores rather than mean scores (which tends to flatten out the data), the significant pockets of highly dissatisfied consumers (scoring 4 or less) become evident in the lower income groups in particular, where one in three are highly dissatisfied.



5.2 ABILITY TO “GET BY”

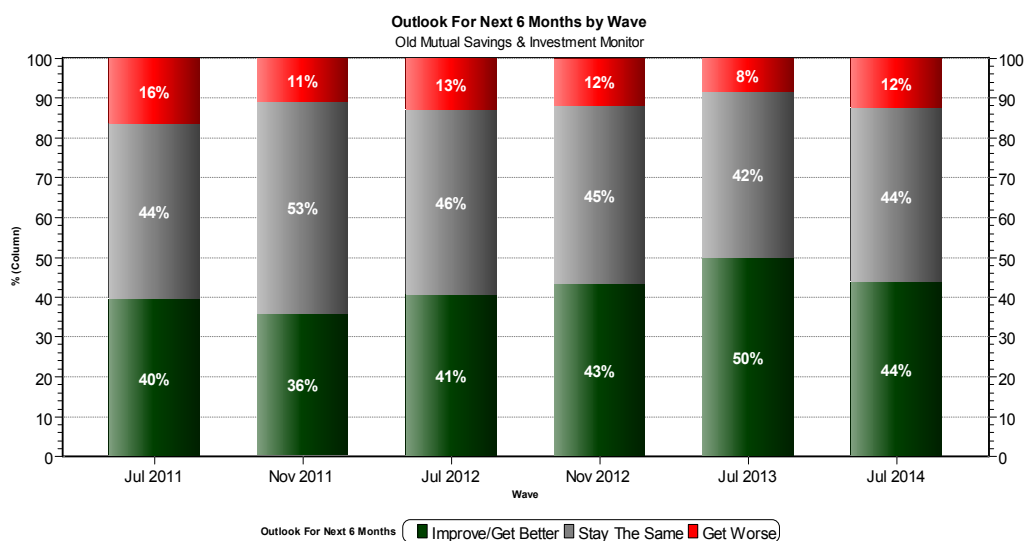
In this measure a question was added to better understand in essence how South Africans feel in terms of how they are managing to get by. The question employs a 5 point scale ranging from “living comfortably” to “finding it very difficult”.



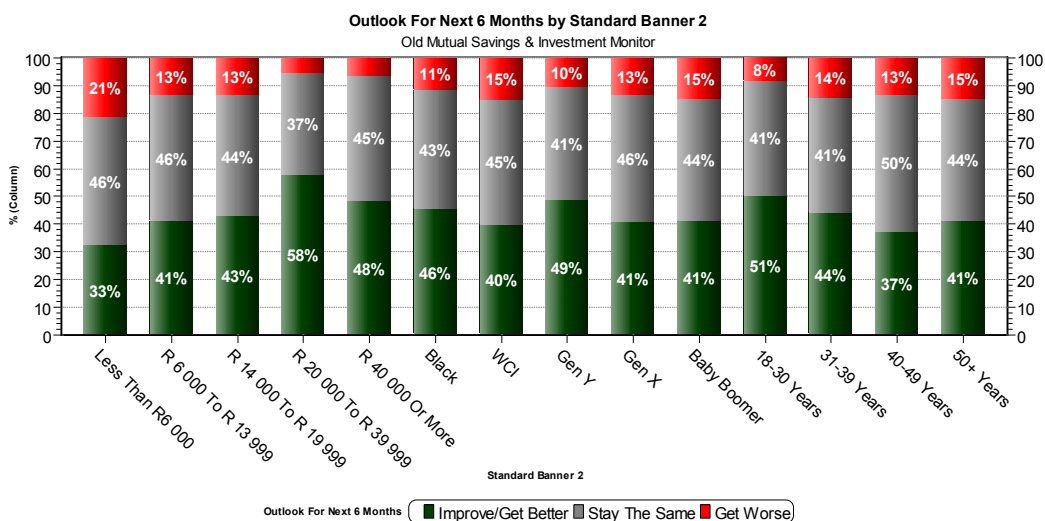
06. RETROSPECTIVE

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 last three measures have shown an increasingly optimistic trend, but that has been halted in this measure with only 44% anticipating an improvement in their financial situation (down from the 50% high recorded in July 2013).



Lower income earners are the least optimistic and one in 5 believe that their financial situation will get worse in the next 6 months and generally speaking it is the lower income earners who are driving the less optimistic outlook.



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 decrease in the proportion who feel that their financial situation is better than it was a year ago, but it is not necessarily worse, rather about the same as it was a year ago.

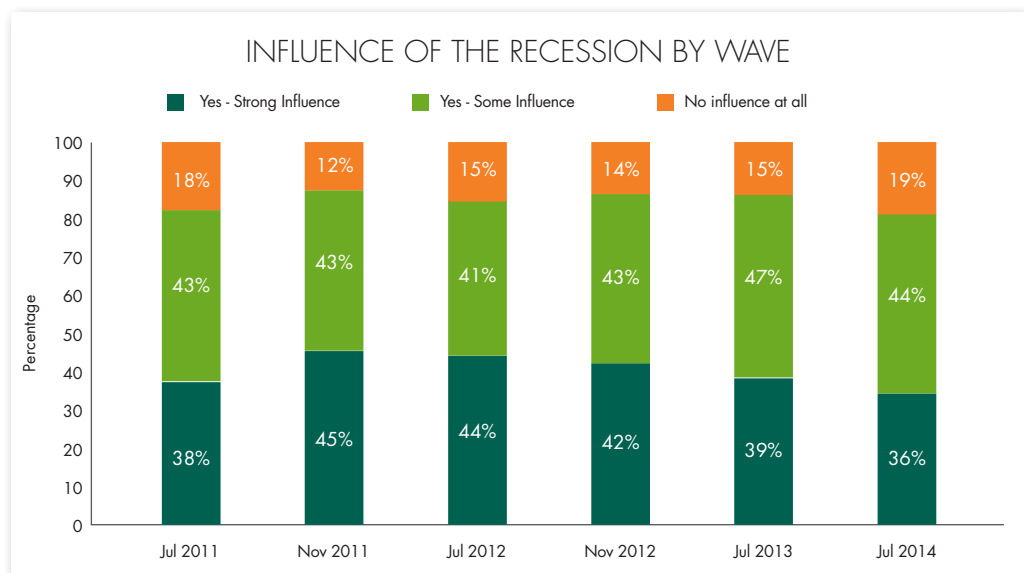
Retrospective look over last year	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Better than it was a year ago	27%	30%	34%	37%	30%
About the same	45%	45%	39%	38%	46%
Worse than it was a year ago	28%	25%	27%	25%	24%

07. 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.



08. SAVINGS

LEVELS AND PUTTING MONEY ASIDE

8.1 SAVINGS AS A % OF HOUSEHOLD INCOME

Respondents were 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.”

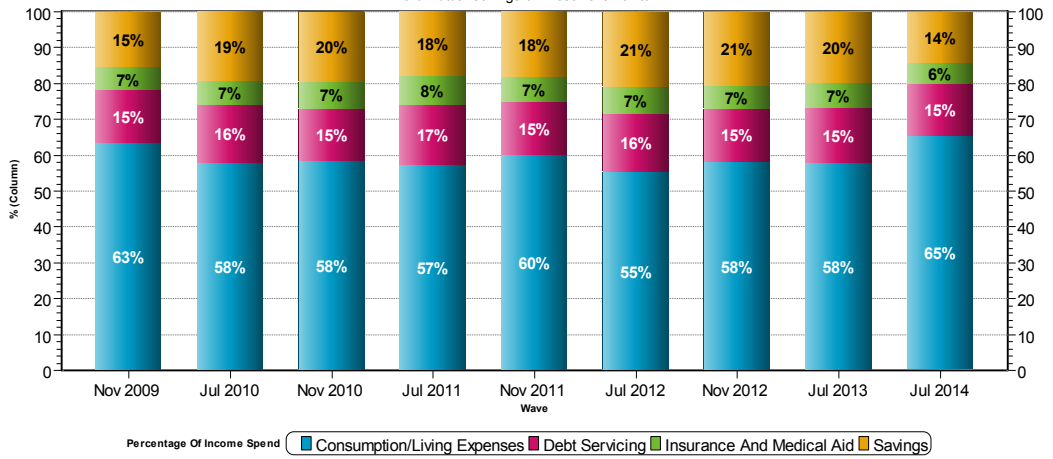
Consumption/Living expenses (e.g. groceries, rates, phone, transport, clothing, education, entertainment, rent, money paid to support other family members, electricity and water etc. This EXCLUDES contributions to policies, savings, insurance etc.)
Debt Servicing (e.g. paying off debt e.g. personal loans,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

Savings amounts expressed as a percentage of household spend has dropped sharply in this measure in favour of increased spending on living expenses (debt reduction and precautionary savings remain relatively stable). Whilst we believe that the percentage has historically been over-estimated (when asked to cite Rand amounts saved the numbers are considerably more modest), the drop is interesting. Whether this is a permanent adjustment remains to be seen. The decrease is evident across all income groups. This may be a reflection of the pressure faced by household as living expenses continue to rise without the concurrent increase in salaries and wages – an ever increasing percentage of household income is being eaten away by the cost of living.

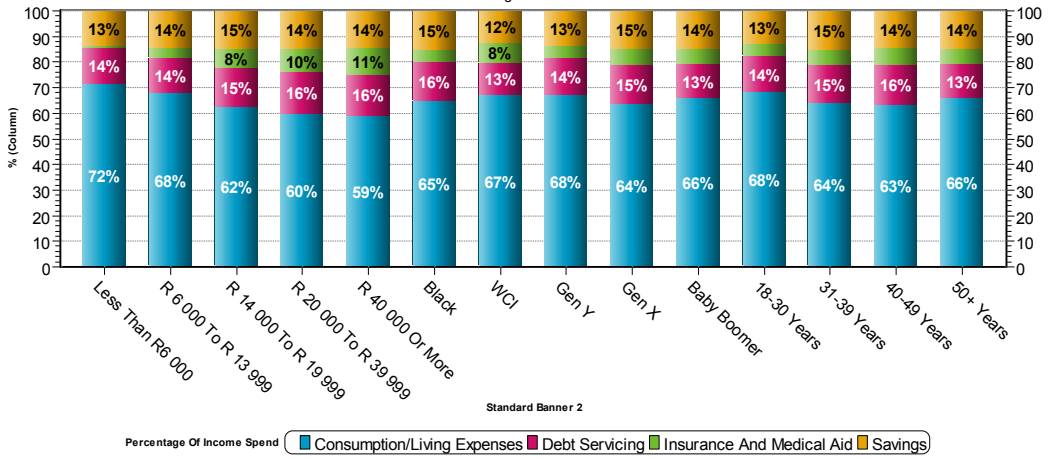
If one looks at Rand amounts that households claim to be saving the average amounts are in fact marginally higher than July 2013, especially amongst higher earners.

The apparent contradiction in these results is noted. One factor that may have been an influence is the placement of the question relating to ‘putting aside’ immediately prior to the question on percentage allocation of household spend. This would have sharpened focus on actual amounts and possibly led to a more realistic estimate of percentage allocation of household spend.

Percentage Of Income Spend by Wave
Old Mutual Savings & Investment Monitor



Percentage Of Income Spend by Standard Banner 2
Old Mutual Savings & Investment Monitor



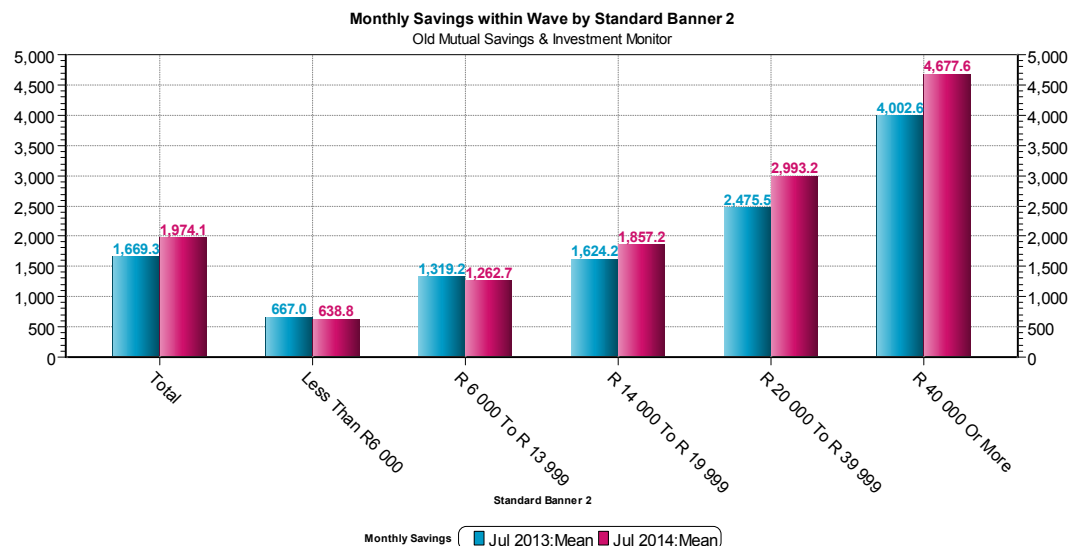
Base - Jul 2014 (Wave) and Percentage Of Income Spend (Measures)

Percentage Of Income Spend	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less Than R6 000									
Consumption/Living Expenses	70%	61%	65%	66%	69%	61%	67%	65%	72%
Debt Servicing	13%	15%	13%	15%	12%	14%	12%	14%	14%
Insurance And Medical Aid	3%	3%	3%	3%	2%	2%	1%	1%	1%
Savings	15%	21%	19%	17%	17%	23%	19%	20%	13%
R6 000 to R13 999									
Consumption/Living Expenses	64%	60%	58%	57%	61%	57%	60%	59%	68%
Debt Servicing	14%	15%	15%	16%	15%	16%	14%	16%	14%
Insurance And Medical Aid	6%	6%	8%	8%	6%	6%	5%	6%	4%
Savings	15%	19%	19%	19%	18%	20%	21%	20%	14%
R14 000 to R19 999									
Consumption/Living Expenses	57%	52%	56%	53%	57%	52%	54%	57%	62%
Debt Servicing	17%	19%	15%	18%	15%	18%	16%	16%	15%
Insurance And Medical Aid	11%	10%	10%	10%	10%	11%	9%	8%	8%
Savings	15%	19%	19%	19%	19%	19%	21%	19%	15%
R20 000 to R 39 999									
Consumption/Living Expenses	56%	56%	50%	51%	53%	50%	52%	52%	60%
Debt Servicing	17%	17%	16%	19%	16%	17%	16%	17%	16%
Insurance And Medical Aid	12%	11%	12%	13%	12%	13%	11%	11%	10%
Savings	15%	17%	21%	17%	20%	20%	21%	20%	14%
R40 000 or more									
Consumption/Living Expenses	55%	50%	50%	49%	51%	49%	48%	49%	59%
Debt Servicing	16%	19%	16%	18%	17%	17%	17%	16%	16%
Insurance And Medical Aid	13%	13%	13%	14%	13%	14%	14%	14%	11%
Savings	16%	18%	21%	19%	19%	19%	21%	21%	14%
Black									
Consumption/Living Expenses	65%	57%	59%	57%	59%	53%	58%	57%	65%
Debt Servicing	14%	17%	15%	17%	15%	17%	15%	16%	16%
Insurance And Medical Aid	4%	4%	5%	6%	5%	6%	4%	5%	5%
Savings	17%	21%	21%	20%	21%	24%	23%	22%	15%
WCI									
Consumption/Living Expenses	61%	59%	57%	58%	63%	59%	59%	59%	67%
Debt Servicing	15%	14%	15%	16%	14%	15%	14%	15%	13%
Insurance And Medical Aid	11%	10%	10%	10%	10%	10%	11%	10%	8%
Savings	13%	17%	18%	15%	14%	16%	17%	16%	12%

Percentage Of Income Spend	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
18-30 Years									
Consumption/Living Expenses	66%	60%	62%	60%	64%	59%	61%	59%	68%
Debt Servicing	14%	15%	13%	16%	13%	15%	15%	14%	14%
Insurance And Medical Aid	6%	6%	6%	7%	6%	6%	5%	6%	5%
Savings	14%	19%	19%	18%	18%	21%	20%	21%	13%
31-39 Years									
Consumption/Living Expenses	62%	57%	56%	55%	59%	53%	58%	57%	64%
Debt Servicing	16%	17%	17%	18%	16%	18%	15%	16%	15%
Insurance And Medical Aid	6%	6%	8%	8%	7%	8%	6%	7%	6%
Savings	17%	20%	20%	18%	18%	21%	20%	19%	15%
40-49 Years									
Consumption/Living Expenses	60%	55%	58%	58%	56%	54%	56%	57%	63%
Debt Servicing	17%	19%	14%	17%	17%	16%	15%	17%	16%
Insurance And Medical Aid	8%	7%	8%	8%	9%	9%	8%	7%	7%
Savings	15%	19%	20%	17%	19%	20%	21%	19%	14%
50+ Years									
Consumption/Living Expenses	63%	60%	58%	57%	61%	55%	57%	58%	66%
Debt Servicing	12%	12%	14%	16%	12%	17%	13%	14%	13%
Insurance And Medical Aid	9%	9%	8%	9%	7%	8%	8%	8%	6%
Savings	15%	19%	20%	18%	19%	21%	22%	21%	14%

In the last measure (July 2013), respondents were asked to estimate their monthly savings in absolute rand terms. Again they were asked in respect of the household position or personal circumstances if single / not living together. The amounts cited were closer to 10% of household income and it was hypothesised that this may be a more realistic measure as respondents are forced to think in rand terms, rather than a more hypothetical percentage.

The same question was repeated in this July 2014 measure, and again when expressed in absolute rand terms the amounts cited are more conservative.

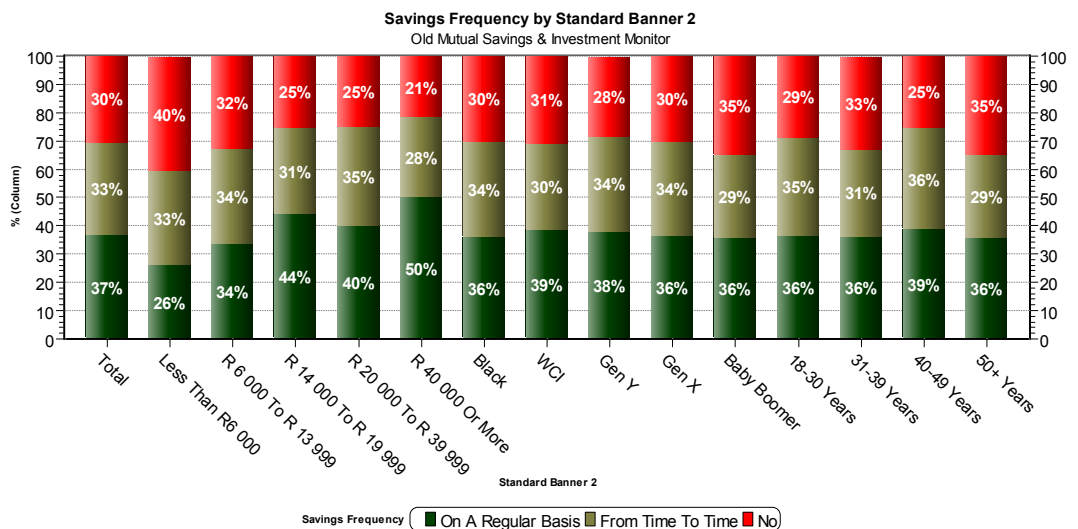


8.2 PUTTING MONEY ASIDE

When talking to consumers about the amount that they save, respondents are asked to use a definition that includes accelerated long term debt reduction and automatic policy and investment debits that come off their account. In this July 2014 measure we wanted to better understand the proportion who consciously put amounts aside and the following question was put to respondents: "Other than fixed deductions from your salary or policy premiums that come off your account, do you save any amount of your income e.g. by putting some money aside?"

"OTHER THAN FIXED DEDUCTIONS FROM YOUR SALARY OR POLICY PREMIUMS THAT COME OFF YOUR ACCOUNT, DO YOU SAVE ANY AMOUNT OF YOUR INCOME E.G. BY PUTTING SOME MONEY ASIDE?"

One in three do not consciously put amounts aside, neither on a regular basis nor from time to time to time. Incidence is lowest amongst the very low income households (< R6 000 per month) due no doubt to affordability barriers. It then climbs steeply as income rises but levels off around the R20 000 mark.



We have analysed the incidence of "putting aside" by the incidence of formal policies (which are probably paid by automatic debit) and other precautionary savings like funeral policies and life insurance as well as by incidence of Informal savings. In an ideal world those without formal savings policies/multiple automatic debits should be the ones who are more likely to be putting money aside. From the table below this is clearly not the case with the incidence of existing policies correlating positively with "putting aside". What we see here is the influence of income/affordability more than anything else.

Savings frequency	Total	Yes - pure savings ¹	No savings pol ²	Yes formal savings or funeral or life ³	No formal savings, funeral or life ⁴	Yes formal or informal savings or funeral or life ⁵	No formal or informal, no life, no funeral ⁶
Unweighted numbers	1,002	701	301	857	145	919	83
On a regular basis	37%	40%	30%	38%	29%	38%	24%
From time to time	33%	34%	31%	34%	27%	33%	31%
No	30%	27%	38%	28%	44%	29%	46%

KEY:

¹ have at least one of the following: endowment, education policy, RA, pension or provident fund

² have NONE of the following: endowment, education policy, RA, pension or provident fund

³ have at least one of the following: endowment, education policy, RA, pension or provident fund, funeral policy or life assurance

⁴ have NONE of the following: endowment, education policy, RA, pension or provident fund, funeral policy or life assurance

⁵ have at least one of the following: endowment, education policy, RA, pension or provident fund, funeral policy, life assurance or informal savings membership (stokvel, savings club, burial society or grocery scheme)

⁶ have NONE of the following: endowment, education policy, RA, pension or provident fund, funeral policy, life assurance or informal savings membership (stokvel, savings club, burial society or grocery scheme)

In order to account for the affordability bias we have broken down these results by the various income groups (see table below). The results do **not** indicate that those without existing policies / debits are more likely to put money aside. On the contrary, if anything they are less likely to. **This highlights that regardless of income group you are either a saver or not, regardless of how you chose to save.**

Savings frequency	Total	Yes - pure savings	No savings pol	Yes formal savings or funeral or life	No formal savings, funeral or life	Yes formal or informal savings or funeral or life	No formal or informal, no life, no funeral
Less than R6 000							
Unweighted numbers	251	113	138	184	67	219	32
On a regular basis	26%	24%	29%	28%	22%	29%	9%
From time to time	33%	33%	33%	34%	32%	32%	44%
No	40%	43%	37%	38%	45%	39%	47%
R6 000 to R13 999							
Unweighted numbers	247	162	85	207	40	224	23
On a regular basis	34%	37%	28%	35%	28%	34%	26%**
From time to time	34%	37%	27%	36%	23%	35%	26%
No	32%	26%	45%	29%	49%	31%	47%
R14 000 to R19 999							
Unweighted numbers	197	156	41	176	21	183	14
On a regular basis	44%	45%	40%	43%	52%	44%	49%
From time to time	31%	31%	31%	33%	14%	32%	14%
No	25%	24%	29%	24%	34%	24%	37%
R20 000 to R39 999							
Unweighted numbers	150	133	17	143	7	145	5
On a regular basis	40%	41%	34%	41%	33%	41%	25%
From time to time	35%	35%	36%	35%	42%	35%	38%
No	25%	24%	30%	25%	25%	24%	38%
R40 000 or more							
Unweighted numbers	157	137	20	147	10	148	9
On a regular basis	50%	52%	36%	51%	41%	51%	32%
From time to time	28%	29%	27%	30%	9%	29%	11%
No	21%	19%	37%	20%	50%	20%	58%

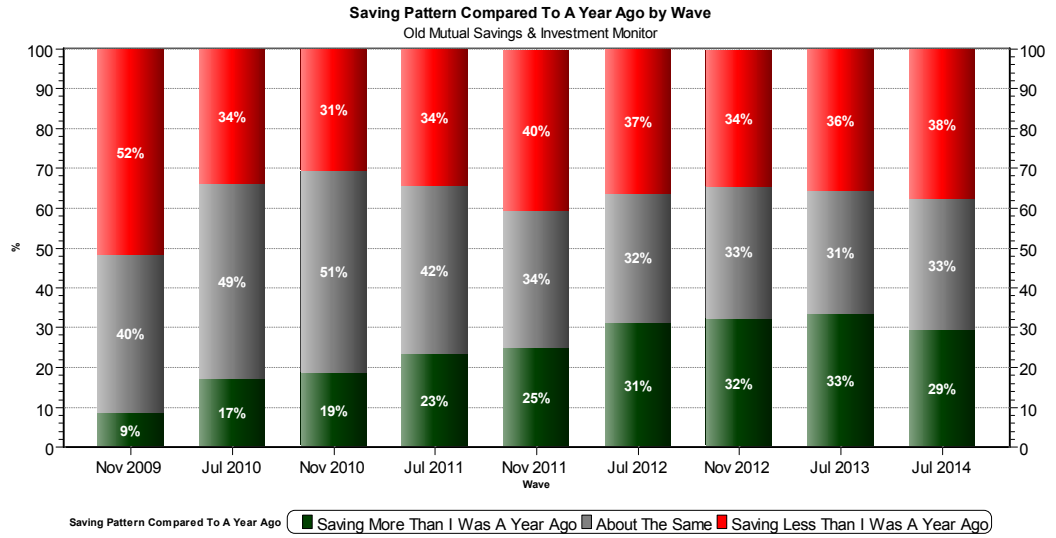
**Results in grayscale indicate insufficient sub-sample sizes.

Looking at amounts “put aside” these account for about a third of total savings amongst those who do put aside or a quarter of all savings when looking at total sample.

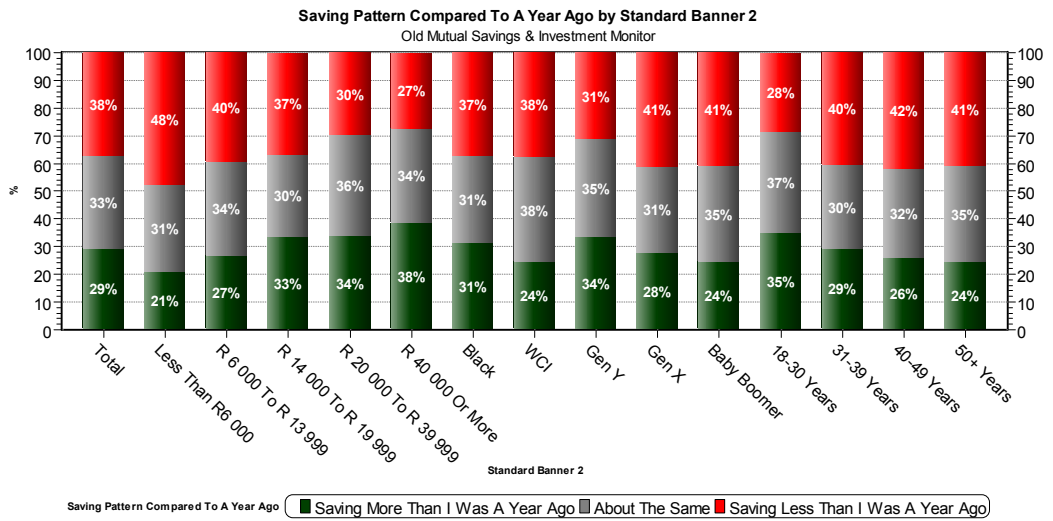
	Total	Less than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000+
Average amongst those who put aside on a regular basis	R899	R329	R559	R625	R1 169	R1 957
Average amongst those who put aside (regular or from time to time)	R711	R264	R427	R540	R948	R1 770
Average put aside based on total sample (i.e. including those who do not put anything aside)	R500	R163	R290	R409	R713	R1 401
Amount “put aside” as a % of total savings (amongst those who do put aside)	31%	38%	29%	27%	29%	35%
Amount “put aside” as a % of total savings (amongst total sample)	25%	26%	23%	22%	24%	30%

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

The steady and increasing trend of those who are saving more has faltered in this measure.



The demographic analysis reveals a similar pattern to that seen historically. 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).



As to which segment is behind the overall pull-back in “saving more”, it is most evident in the R20 000 – R39 999 income bracket and amongst younger consumers.

Saving pattern compared to a year ago	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less Than R6 000									
Saving more than I was a year ago	7%	18%	13%	13%	15%	25%	23%	25%	21%
About the same	37%	52%	55%	49%	38%	32%	33%	30%	31%
Saving less than I was a year ago	56%	30%	32%	37%	46%	43%	45%	45%	48%
R6 000 to R13 999									
Saving more than I was a year ago	6%	17%	20%	28%	23%	30%	32%	30%	27%
About the same	42%	49%	48%	39%	35%	33%	36%	37%	34%
Saving less than I was a year ago	52%	34%	32%	33%	42%	37%	32%	33%	40%
R14 000 to R19 999									
Saving more than I was a year ago	11%	20%	19%	26%	27%	35%	35%	37%	33%
About the same	43%	44%	52%	40%	32%	33%	29%	29%	30%
Saving less than I was a year ago	46%	36%	30%	35%	41%	32%	36%	35%	37%
R20 000 to R 39 999									
Saving more than I was a year ago	11%	13%	27%	25%	37%	36%	35%	42%	34%
About the same	37%	50%	47%	41%	31%	32%	33%	24%	36%
Saving less than I was a year ago	52%	37%	26%	33%	32%	32%	31%	34%	30%
R40 000 or more									
Saving more than I was a year ago	18%	14%	25%	33%	36%	44%	50%	44%	38%
About the same	44%	45%	49%	37%	33%	28%	30%	31%	34%
Saving less than I was a year ago	37%	41%	26%	30%	32%	28%	21%	25%	27%
Black									
Saving more than I was a year ago	8%	20%	18%	25%	26%	33%	33%	36%	31%
About the same	45%	53%	57%	47%	38%	34%	33%	29%	31%
Saving less than I was a year ago	48%	27%	25%	28%	35%	33%	34%	36%	37%
WCI									
Saving more than I was a year ago	10%	13%	20%	21%	23%	29%	31%	29%	24%
About the same	33%	43%	41%	36%	29%	30%	33%	35%	38%
Saving less than I was a year ago	0%	0%	0%	0%	1%	0%	0%	0%	0%
Gen Y									
Saving more than I was a year ago	12%	21%	29%	26%	31%	28%	36%	43%	34%
About the same	40%	55%	47%	45%	32%	33%	33%	29%	35%
Saving less than I was a year ago	48%	24%	24%	30%	37%	39%	31%	28%	31%

Saving pattern compared to a year ago	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Gen X									
Saving more than I was a year ago	8%	17%	16%	21%	23%	36%	30%	29%	28%
About the same	40%	47%	52%	44%	33%	33%	33%	32%	31%
Saving less than I was a year ago	52%	35%	33%	35%	43%	32%	37%	39%	41%
Baby Boomer									
Saving more than I was a year ago	7%	12%	15%	25%	20%	27%	32%	26%	24%
About the same	39%	46%	53%	37%	41%	30%	34%	32%	35%
Saving less than I was a year ago	54%	42%	33%	38%	39%	42%	34%	41%	41%
18-30 Years									
Saving more than I was a year ago	10%	21%	28%	26%	31%	28%	37%	42%	35%
About the same	40%	53%	48%	45%	32%	33%	32%	31%	37%
Saving less than I was a year ago	50%	25%	24%	30%	37%	39%	31%	27%	28%
31-39 Years									
Saving more than I was a year ago	8%	18%	16%	23%	21%	35%	32%	35%	29%
About the same	40%	49%	51%	44%	34%	34%	32%	26%	30%
Saving less than I was a year ago	51%	32%	33%	33%	44%	31%	35%	39%	40%
40-49 Years									
Saving more than I was a year ago	7%	13%	17%	18%	24%	32%	27%	28%	26%
About the same	40%	45%	48%	43%	33%	32%	34%	33%	32%
Saving less than I was a year ago	53%	42%	35%	40%	43%	36%	39%	39%	42%
50+ Years									
Saving more than I was a year ago	8%	12%	12%	27%	22%	30%	34%	24%	24%
About the same	38%	46%	57%	35%	41%	29%	35%	35%	35%
Saving less than I was a year ago	54%	42%	31%	38%	38%	42%	32%	41%	41%

Respondents are asked why they are saving more/less or the same compared to a year ago.

Reasons saving more/less/same - July 2014	Total	Saving more than I was a year ago	About the same	Saving less than I was a year ago
Little change in circumstances/needs	23%	0%	61%	6%
Increased demands on income	37%	1%	28%	74%
Effect of debt/debt management	15%	30%	6%	12%
Improved income	15%	47%	2%	0%
Item/cause specific savings	3%	11%	0%	0%
Deteriorating income	9%	2%	5%	19%
Decreased demands	4%	13%	0%	0%
Shift in headspace	12%	30%	9%	0%
Other	0%	0%	0%	1%

Reasons saving MORE	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Little change in circumstances/needs	0%	1%	0%	0%	1%	0%
Increased demands on income	1%	2%	1%	1%	3%	1%
Effect of debt/debt management	22%	23%	34%	37%	24%	30%
Improved income	41%	55%	45%	45%	51%	47%
Item/cause specific savings	21%	13%	10%	11%	9%	11%
Deteriorating income	0%	0%	0%	1%	0%	2%
Decreased demands	6%	6%	7%	12%	18%	13%
Shift in headspace	29%	27%	32%	18%	18%	30%
Other	2%	1%	0%	0%	2%	0%

Reasons saving LESS	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Little change in circumstances/needs	17%	18%	3%	6%	11%	6%
Increased demands on income	67%	75%	77%	68%	70%	74%
Effect of debt/debt management	16%	9%	9%	14%	14%	12%
Improved income	1%	0%	1%	1%	0%	0%
Item/cause specific savings	0%	1%	2%	0%	3%	0%
Deteriorating income	22%	28%	17%	28%	16%	19%
Shift in headspace	1%	0%	2%	0%	1%	0%
Other	0%	0%	0%	0%	1%	1%

09. SAVINGS OBJECTIVES

WHAT ARE SOUTH AFRICANS SAVING FOR?

The main savings objectives remain emergency expenses (rainy day fund), retirement, funeral and children's education for those with dependent children.

In this July 2014 measure two objectives show a sharp uptake:

- Funeral expenses
- Savings for end of year/Christmas expenses

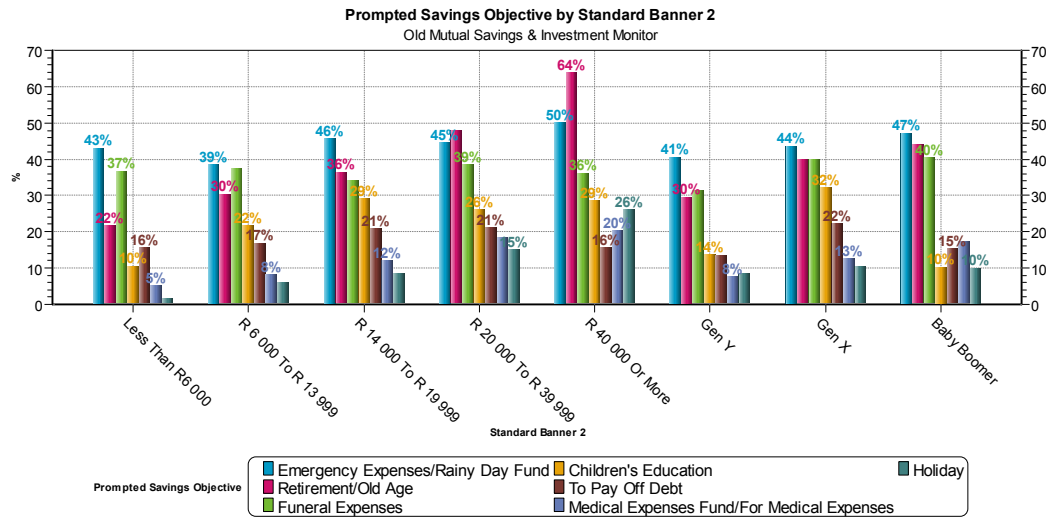
However, mentions on a number of other objectives have decreased, the most notable of which are:

- Car / vehicle – albeit off the sharp peak seen in 2013
- Debt reduction (now back to pre-2013 levels)
- Property related (both home improvement and deposits for property purchase)
- Education

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Emergency expenses/Rainy day fund	45%	43%	43%	42%	41%	39%	36%	39%	43%
Retirement/Old age	27%	31%	35%	41%	33%	35%	40%	37%	37%
Funeral expenses	21%	23%	21%	29%	25%	26%	31%	30%	37%
Car/Vehicle	22%	29%	21%	20%	18%	20%	17%	27%	13%
To pay off debt	15%	13%	17%	19%	14%	17%	13%	26%	18%
Children's education	31%	30%	40%	34%	25%	33%	21%	26%	22%
Children's education (rebased on those with dependent children)	54%	55%	55%	51%	40%	50%	33%	40%	32%
Home improvement	18%	18%	18%	21%	19%	17%	14%	22%	16%
Deposit on a home/Immovable property	19%	23%	20%	18%	17%	22%	17%	20%	9%
To buy a specific item	4%	3%	4%	13%	14%	14%	7%	13%	10%
Medical expenses	9%	7%	10%	13%	10%	13%	12%	13%	12%
Holiday	18%	17%	17%	13%	11%	11%	11%	12%	10%
Money to start my own business	7%	5%	7%	7%	6%	6%	6%	9%	3%
For my studies/Own education	Not measured				5%	7%	4%	8%	3%
Furniture/Home appliances	7%	6%	7%	8%	7%	6%	5%	8%	5%
To get married/Lobola	Not measured				5%	6%	6%	7%	4%
Christmas/End of year expenses	Not measured							6%	15%
No specific reason	7%	5%	5%	6%	6%	2%	5%	3%	7%
Other special celebrations	Not measured							2%	7%

Age and income continue to be the primary determinants of what people are saving for. See main (not all) savings objectives charted by age and income below and note in particular:

- Greater emphasis by older (and wealthier) consumers on retirement savings
- Only wealthier households have the luxury of any holiday savings at a significant level
- The relative importance placed by older respondents on medical expenses
- The peak in Gen X on saving for education – a direct reflection of lifestage and the incidence of dependent children
- The universal importance on saving for a rainy day / to build up an emergency fund.



For completeness sake, prompted savings objectives by age and income over time are set out below:

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less Than R6 000									
Emergency expenses/ Rainy day fund	42%	47%	41%	40%	42%	45%	40%	37%	43%
Funeral expenses	23%	32%	27%	36%	32%	33%	33%	33%	37%
Retirement/Old age	20%	22%	23%	25%	18%	20%	19%	21%	22%
Christmas/End of year expenses	Not measured							5%	16%
To pay off debt	12%	15%	14%	19%	17%	17%	11%	26%	16%
Home improvement	14%	18%	20%	19%	17%	16%	15%	23%	13%
To buy a specific item	4%	4%	6%	18%	21%	16%	11%	16%	11%
Children's education	28%	27%	33%	30%	17%	30%	15%	22%	10%
Furniture/Home appliances	10%	8%	9%	9%	8%	5%	5%	7%	8%
No specific reason	7%	6%	6%	4%	5%	2%	5%	2%	7%
Car/vehicle	20%	28%	22%	15%	14%	16%	14%	25%	7%
Medical expenses	6%	5%	7%	8%	8%	10%	5%	4%	5%
Deposit on a home/ immovable property	20%	19%	19%	14%	16%	21%	13%	19%	4%
Other special celebrations	Not measured							2%	3%
Money to start my own business	6%	6%	7%	7%	8%	7%	4%	11%	3%
Don't/can't save, just getting by	4%	2%	1%	9%	4%	1%	3%	0%	3%
For my studies/own education	Not measured			4%	8%	10%	7%	12%	3%
To get married/lobola	4%	3%	4%	0%	6%	9%	6%	9%	2%
Holiday	9%	12%	8%	6%	4%	5%	7%	3%	1%
R 6 000 to R13 999									
Emergency expenses/ Rainy day fund	46%	47%	44%	41%	41%	36%	31%	41%	39%
Funeral expenses	19%	19%	23%	31%	25%	27%	31%	31%	38%
Retirement/Old age	17%	26%	33%	41%	30%	32%	34%	33%	30%
Children's education	38%	34%	46%	35%	29%	34%	19%	25%	22%
To pay off debt	19%	12%	22%	19%	14%	17%	17%	24%	17%
Car/vehicle	28%	37%	23%	25%	20%	25%	24%	33%	15%
Christmas/End of year expenses	Not measured							6%	14%
Home improvement	19%	23%	18%	20%	21%	16%	12%	22%	11%
Deposit on a home/ immovable property	18%	30%	23%	22%	20%	22%	19%	23%	10%
Other special celebrations	Not measured							2%	9%
Medical expenses	10%	8%	13%	15%	9%	12%	10%	14%	8%
No specific reason	5%	2%	5%	6%	5%	2%	7%	4%	7%
To buy a specific item	7%	2%	3%	12%	13%	16%	7%	15%	7%
Holiday	15%	18%	18%	11%	8%	8%	7%	7%	6%
Furniture/home appliances	8%	10%	6%	10%	7%	7%	5%	10%	5%
For my studies/own education	Not measured			3%	5%	6%	4%	10%	4%
To get married/lobola	0%	3%	2%	2%	4%	4%	7%	9%	4%

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Money to start my own business	5%	5%	7%	5%	6%	5%	6%	10%	3%
Don't/can't save, just getting by	3%	3%	0%	2%	5%	3%	2%	2%	2%
R14 000 to R19 999									
Emergency expenses/rainy day fund	52%	34%	47%	42%	38%	37%	36%	37%	46%
Retirement/old age	40%	45%	40%	41%	40%	44%	48%	42%	36%
Funeral expenses	24%	20%	18%	28%	23%	30%	32%	27%	34%
Children's education	28%	32%	45%	32%	32%	37%	25%	33%	29%
To pay off debt	19%	11%	16%	22%	12%	18%	15%	25%	21%
Christmas/End of year expenses	Not measured							5%	15%
Car/vehicle	20%	23%	22%	29%	21%	26%	15%	29%	14%
Home improvement	20%	14%	20%	22%	18%	18%	15%	22%	14%
Deposit on a home/immovable property	21%	24%	21%	23%	18%	20%	21%	19%	13%
Medical expenses fund	9%	8%	9%	15%	15%	14%	14%	17%	12%
To buy a specific item	2%	4%	2%	11%	11%	11%	5%	12%	11%
Holiday	27%	17%	20%	17%	13%	9%	12%	17%	8%
No specific reason	5%	6%	7%	7%	4%	2%	5%	2%	7%
Furniture/home appliances	3%	3%	6%	5%	9%	8%	5%	7%	7%
To get married/lobola	3%	1%	4%	3%	5%	6%	6%	8%	5%
For my studies/own education	Not measured			1%	2%	5%	3%	6%	5%
Money to start my own business	8%	2%	6%	8%	5%	6%	5%	9%	4%
Other special celebrations	Not measured							2%	4%
Don't/can't save, just getting by	2%	1%	1%	3%	3%	1%	3%	0%	2%
R20 000 to R39 999									
Retirement/old age	40%	42%	53%	60%	47%	50%	58%	52%	48%
Emergency expenses/rainy day fund	40%	38%	43%	45%	41%	34%	40%	38%	45%
Funeral expenses	19%	18%	12%	18%	22%	17%	32%	29%	39%
Children's education	31%	27%	41%	41%	27%	34%	27%	28%	26%
Home improvement	24%	15%	14%	24%	19%	20%	17%	20%	22%
To pay off debt	11%	13%	12%	18%	13%	17%	10%	29%	21%
Medical expenses	15%	11%	13%	13%	12%	16%	17%	16%	19%
Christmas expenses	Not Measured							8%	18%
Car/vehicle	24%	23%	14%	15%	19%	19%	15%	26%	16%
Holiday	28%	23%	28%	19%	18%	22%	13%	20%	15%
To buy a specific item	3%	1%	5%	12%	11%	13%	6%	10%	14%
Deposit on a home/immovable property	17%	17%	19%	14%	12%	23%	18%	19%	12%
Other special celebrations	Not measured							3%	11%
No specific reason	9%	5%	3%	5%	8%	3%	2%	4%	8%

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
To get married/lobola	1%	1%	2%	3%	6%	7%	5%	3%	6%
Furniture/home appliances	6%	3%	6%	6%	5%	8%	4%	6%	4%
For my studies/own education	Not measured			1%	3%	4%	1%	4%	3%
Money to start my own business	8%	6%	8%	8%	5%	8%	7%	8%	2%
Don't/can't save, just getting by	2%	3%	0%	2%	1%	1%	1%	0%	0%
R40 000 or more									
Retirement/old age	43%	37%	54%	63%	48%	51%	63%	61%	64%
Emergency expenses/Rainy day fund	42%	37%	46%	47%	39%	42%	36%	47%	50%
Funeral expenses	9%	7%	13%	21%	16%	15%	23%	28%	36%
Children's education	25%	23%	35%	37%	23%	30%	23%	26%	29%
Holiday	29%	24%	35%	26%	23%	31%	26%	30%	26%
Home improvement	16%	10%	11%	21%	15%	16%	9%	21%	22%
Medical expenses	5%	3%	7%	9%	11%	12%	19%	20%	20%
To pay off debt	15%	7%	15%	16%	10%	18%	11%	32%	16%
Christmas/End of year expenses	Not measured							4%	14%
Car/vehicle	13%	20%	13%	11%	12%	12%	13%	15%	12%
Deposit on a home/immovable property	13%	14%	17%	13%	12%	21%	8%	15%	10%
To buy a specific item	3%	3%	2%	8%	6%	8%	3%	12%	9%
Other special celebrations	Not measured							4%	8%
Furniture/home appliances	4%	3%	8%	4%	2%	3%	1%	6%	4%
Money to start my own business	6%	5%	5%	8%	7%	3%	5%	6%	4%
No specific reason	12%	9%	5%	9%	11%	4%	8%	5%	4%
To get married/lobola	4%	5%	3%	0%	4%	3%	5%	4%	3%
For my studies/own education	Not measured			0%	1%	5%	5%	1%	2%
Don't/can't save, just getting by	1%	1%	1%	1%	2%	0%	1%	0%	1%
Gen Y									
Emergency expenses/Rainy day fund	38%	38%	36%	40%	37%	38%	33%	31%	41%
Funeral expenses	11%	20%	12%	23%	19%	22%	24%	25%	32%
Retirement/old age	12%	18%	14%	19%	18%	17%	25%	26%	30%
Car/vehicle	35%	38%	35%	32%	23%	32%	26%	34%	15%
Children's education	24%	21%	27%	23%	15%	21%	10%	17%	14%
Christmas/End of year expenses	Not measured							3%	13%
To pay off debt	16%	14%	13%	19%	14%	16%	16%	25%	13%
Deposit on a home/immovable property	29%	35%	30%	29%	22%	25%	24%	28%	13%
Home improvement	6%	9%	12%	14%	12%	11%	10%	13%	11%
To buy a specific item	8%	4%	7%	16%	19%	15%	7%	14%	11%

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
No specific reason	6%	3%	7%	6%	9%	3%	5%	4%	9%
Holiday	15%	17%	14%	12%	8%	9%	9%	11%	8%
Medical expenses	6%	6%	8%	10%	6%	9%	7%	11%	8%
For my studies/own education	Not measured			7%	9%	15%	10%	18%	7%
To get married/lobola	5%	4%	6%	4%	10%	10%	9%	11%	6%
Other special celebrations	Not Measured							2%	6%
Furniture/home appliances	8%	8%	9%	9%	8%	9%	5%	9%	6%
Money to start my own business	10%	6%	8%	8%	3%	6%	6%	13%	5%
Don't/can't save, just getting by	4%	4%	1%	4%	6%	2%	3%	1%	2%
Gen X									
Emergency expenses/Rainy day fund	44%	44%	43%	44%	43%	38%	37%	45%	44%
Retirement/old age	23%	29%	36%	46%	34%	37%	40%	40%	40%
Funeral expenses	25%	25%	23%	34%	28%	28%	34%	32%	40%
Children's education	41%	41%	52%	46%	35%	43%	31%	35%	32%
To pay off debt	15%	13%	19%	21%	16%	18%	13%	27%	22%
Home improvement	24%	23%	20%	25%	22%	19%	14%	25%	18%
Christmas/End of year expenses	Not measured							6%	17%
Medical expenses	8%	7%	10%	15%	13%	14%	12%	14%	13%
Car/vehicle	22%	29%	18%	18%	16%	17%	16%	27%	11%
Holiday	16%	14%	19%	14%	12%	11%	10%	12%	11%
To buy a specific item	2%	3%	2%	13%	12%	15%	7%	14%	9%
Deposit on a home/immovable property	20%	23%	24%	18%	18%	27%	16%	20%	9%
Other special celebrations	Not measured							2%	7%
No specific reason	5%	4%	6%	5%	4%	2%	6%	3%	5%
Furniture/home appliances	8%	8%	7%	9%	8%	5%	4%	7%	5%
To get married/lobola	2%	3%	2%	1%	4%	7%	7%	6%	3%
Money to start my own business	7%	5%	7%	6%	6%	7%	5%	8%	3%
For my studies/own education	Not measured			0%	3%	3%	2%	3%	2%
Don't/can't save, just getting by	3%	1%	0%	2%	2%	2%	1%	0%	1%
Baby boomer									
Emergency Expenses/Rainy Day Fund	53%	45%	50%	40%	40%	41%	40%	41%	47%
Retirement/Old Age	50%	50%	52%	59%	52%	56%	62%	53%	44%
Funeral Expenses	23%	23%	27%	26%	27%	29%	36%	36%	40%
Home Improvement	19%	20%	20%	22%	21%	21%	18%	31%	17%
Medical Expenses	12%	9%	12%	10%	11%	16%	17%	14%	17%
To Pay Off Debt	14%	11%	15%	17%	11%	16%	9%	28%	15%

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Christmas/End of year expenses	Not measured							7%	13%
Car/vehicle	11%	16%	11%	10%	14%	12%	8%	17%	13%
To buy a specific item	3%	1%	4%	11%	13%	13%	7%	12%	11%
Children's education	19%	18%	30%	25%	21%	29%	14%	21%	10%
Holiday	23%	21%	18%	11%	12%	15%	14%	14%	10%
No specific reason	9%	9%	2%	6%	6%	3%	5%	5%	8%
Other special celebrations	Not measured							3%	8%
Furniture/home appliances	5%	2%	6%	5%	4%	5%	5%	6%	5%
Deposit on a home/immovable property	6%	7%	4%	4%	6%	7%	8%	6%	3%
Don't/can't save, just getting by	3%	2%	0%	7%	2%	1%	2%	1%	1%
Money to start my own business	2%	3%	5%	7%	10%	6%	6%	7%	1%
To get married/lobola	0%	1%	1%	1%	1%	1%	0%	2%	0%
For my studies/own education	Not measured			0%	1%	0%	0%	1%	0%
18-30 Years									
Emergency expenses/Rainy day fund	39%	39%	37%	40%	37%	38%	32%	31%	38%
Funeral expenses	14%	21%	13%	23%	19%	22%	25%	25%	29%
Retirement/old age	13%	17%	15%	19%	18%	17%	23%	26%	28%
Car/vehicle	33%	36%	33%	32%	23%	32%	26%	34%	16%
To pay off debt	17%	13%	14%	19%	14%	16%	16%	26%	15%
Christmas/End of year expenses	Not measured							4%	14%
Deposit on a home/immovable property	29%	34%	31%	29%	22%	25%	24%	28%	14%
To buy a specific item	7%	4%	6%	16%	19%	15%	8%	13%	12%
Children's education	27%	21%	28%	23%	15%	21%	10%	14%	12%
Home improvement	9%	9%	11%	14%	12%	11%	11%	13%	10%
No specific reason	5%	2%	7%	6%	9%	3%	4%	5%	9%
For my studies/own education	Not measured			7%	9%	15%	11%	20%	8%
Holiday	15%	16%	14%	12%	8%	9%	10%	10%	8%
Medical expenses fund	7%	7%	8%	10%	6%	9%	7%	10%	6%
Other special celebrations	Not measured							2%	6%
Furniture/home appliances	8%	9%	9%	9%	8%	9%	5%	8%	6%
Money to start my own business	11%	6%	8%	8%	3%	6%	6%	12%	5%
To get married/lobola	4%	4%	6%	4%	10%	10%	9%	12%	5%
Don't/can't save, just getting by	4%	4%	1%	4%	6%	2%	3%	0%	3%

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
31-39 Years									
Emergency expenses/ Rainy day fund	46%	44%	44%	44%	42%	38%	36%	39%	46%
Funeral expenses	27%	26%	25%	36%	30%	29%	34%	33%	38%
Retirement/old age	23%	26%	35%	45%	31%	36%	37%	30%	37%
Children's education	42%	40%	52%	44%	37%	41%	29%	39%	31%
To pay off debt	14%	14%	20%	19%	17%	20%	14%	28%	21%
Home improvement	26%	21%	21%	25%	20%	20%	13%	21%	16%
Christmas/End of year expenses	Not measured							7%	16%
Medical expenses	8%	6%	10%	16%	14%	13%	12%	13%	12%
Deposit on a home/ immovable property	22%	27%	27%	24%	22%	31%	22%	22%	12%
Car/vehicle	23%	31%	19%	19%	19%	21%	18%	31%	12%
To buy a specific item	3%	3%	3%	13%	9%	15%	7%	15%	11%
Holiday	16%	14%	17%	12%	11%	11%	10%	12%	9%
Other special celebrations	Not measured							1%	7%
Furniture/home appliances	9%	8%	8%	9%	8%	5%	4%	9%	6%
To get married/lobola	3%	3%	2%	1%	5%	9%	9%	10%	5%
No specific reason	6%	5%	6%	4%	5%	1%	5%	2%	5%
Money to start my own business	6%	5%	7%	7%	6%	8%	5%	8%	4%
For my studies/own education	Not measured			0%	2%	4%	1%	5%	2%
Don't/can't save, just getting by	2%	1%	1%	2%	3%	2%	2%	1%	1%
40-49 Years									
Emergency expenses/ Rainy day fund	41%	45%	43%	42%	41%	37%	40%	46%	43%
Retirement/old age	35%	42%	45%	51%	40%	45%	48%	48%	42%
Funeral expenses	21%	23%	22%	28%	23%	26%	32%	28%	41%
Children's education	41%	47%	45%	42%	32%	43%	28%	30%	30%
To pay off debt	14%	12%	18%	24%	14%	16%	13%	25%	19%
Home improvement	19%	31%	22%	22%	23%	17%	14%	27%	19%
Christmas/End of year expenses	Not measured							6%	17%
Medical expenses	8%	7%	12%	13%	11%	17%	14%	15%	14%
Holiday	15%	18%	25%	16%	15%	15%	11%	14%	12%
Car/vehicle	17%	26%	16%	14%	10%	11%	11%	24%	10%
Other special celebrations	Not measured							3%	8%
No specific reason	6%	2%	4%	6%	4%	4%	9%	3%	6%
To buy a specific item	3%	3%	4%	13%	15%	14%	7%	13%	6%
Deposit on a home/ immovable property	13%	13%	8%	5%	9%	16%	8%	18%	6%
Furniture/home appliances	3%	5%	6%	8%	6%	7%	3%	7%	5%
To get married/Lobola	0%	1%	0%	1%	2%	3%	2%	3%	4%

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Money to start my own business	6%	5%	5%	4%	9%	5%	5%	10%	2%
For my studies/own education	Not measured			0%	4%	2%	3%	2%	2%
Don't/can't save, just getting by	4%	1%	1%	4%	3%	1%	1%	0%	2%
50+ Years									
Emergency expenses/rainy day fund	58%	46%	50%	40%	43%	42%	37%	43%	47%
Retirement/old age	54%	52%	51%	60%	55%	56%	62%	54%	44%
Funeral expenses	24%	23%	26%	28%	29%	29%	35%	38%	40%
Home improvement	22%	15%	17%	23%	21%	24%	20%	32%	17%
Medical expenses	13%	11%	11%	10%	11%	14%	18%	14%	17%
To pay off debt	15%	10%	13%	15%	11%	16%	8%	28%	15%
Christmas/End of year expenses	Not measured							7%	13%
Car/vehicle	7%	13%	9%	10%	16%	10%	9%	15%	13%
To buy a specific item	3%	1%	2%	10%	13%	11%	7%	11%	11%
Children's education	12%	9%	28%	25%	16%	28%	14%	20%	10%
Holiday	27%	21%	13%	11%	10%	12%	14%	14%	10%
No specific reason	10%	12%	3%	7%	5%	2%	3%	4%	8%
Other special celebrations	Not measured							2%	8%
Furniture/home appliances	7%	1%	3%	5%	4%	4%	6%	7%	5%
Deposit on a home/immovable property	3%	5%	3%	5%	6%	6%	7%	4%	3%
Don't/can't save, just getting by	2%	2%	0%	6%	0%	1%	2%	2%	1%
Money to start my own business	1%	4%	5%	8%	8%	7%	8%	7%	1%
To get married/lobola	0%	1%	1%	0%	0%	1%	0%	1%	0%
For my studies/own education	Not measured			0%	1%	0%	1%	0%	0%

Saving for education **rebased on those with dependent children:**

Prompted savings objective	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less than R6 000	55%	52%	45%	50%	28%	45%	25%	33%	16%
R 6 000 to R13 999	55%	66%	62%	53%	45%	52%	30%	38%	31%
R 14 000 to R19 999	53%	56%	57%	44%	49%	52%	39%	47%	41%
R 20 000 to R39 999	54%	49%	60%	56%	43%	52%	43%	44%	36%
R 40 000 or more	46%	41%	50%	51%	37%	45%	38%	43%	42%
Gen Y	53%	47%	49%	55%	38%	51%	23%	36%	26%
Gen X	58%	58%	62%	55%	42%	51%	39%	44%	38%
Baby boomer	43%	54%	43%	39%	37%	44%	28%	30%	18%
18-30 Years	56%	47%	48%	55%	38%	51%	24%	33%	24%
31-39 Years	58%	56%	63%	57%	45%	49%	37%	50%	38%
40-49 Years	51%	61%	53%	49%	39%	52%	37%	38%	34%
50+ Years	43%	42%	43%	41%	31%	45%	28%	28%	18%

In a significant number of instances we have respondents who have education policies but who do not claim education as a savings objective, even at a prompted level (although the majority do). We have questioned them further on this issue and many claim that they view their education policy premiums as an expense rather than a saving – in essence an expense in the same way that school fees are an expense. We have constructed a combined measure that includes those who claim education as a savings objective and / or have an education policy, and whilst this “improves” the incidence of education savings, the declining trend is still evident.

Broad education measure (Base = those with dependent children)	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Yes, objective or policy	60%	63%	62%	59%	48%	56%	40%	44%	40%
Neither	40%	37%	38%	41%	52%	44%	60%	56%	60%

Broad education measure (July 2014)	Total	Less Than R6 000	R6 000 To R 13 999	R14 000 To R 19 999	R 20 000 To R 39 999	R 40 000 Or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	667	159	169	139	99	101	176	395	96	117	236	218	96
Yes, objective or policy %	40%	20%	36%	53%	52%	52%	34%	46%	28%	34%	46%	42%	28%
Neither %	60%	80%	64%	47%	47%	48%	66%	54%	71%	66%	54%	58%	71%

10. SAVINGS

AND INVESTMENT VEHICLES USED

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Banked Cash Savings	29%	47%	48%	43%	41%	44%	42%	40%	35%
Informal Saving	33%	40%	54%	44%	36%	51%	49%	49%	49%
Formal Savings Products & Policies	77%	84%	82%	85%	80%	83%	81%	82%	86%
Investments	6%	6%	11%	7%	5%	6%	5%	5%	8%
Alternative Investments	0%	2%	1%	1%	1%	1%	0%	1%	1%
Insurance And Precautionary Savings	47%	45%	52%	54%	49%	50%	46%	48%	50%
Bonds	Not measured		5%	4%	3%	2%	1%	1%	3%

10.1 BANKED CASH SAVINGS

The drop in banked cash savings is most evident in the lower income groups.

Banked Cash Savings	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less than R6 000	20%	46%	44%	34%	29%	40%	31%	32%	21%
R6 000 to R13 999	31%	46%	48%	39%	38%	40%	35%	37%	29%
R14 000 to R19 999	35%	47%	50%	48%	37%	47%	45%	38%	36%
R20 000 to R39 999	33%	45%	52%	54%	59%	47%	53%	45%	44%
R40 000 or more	47%	62%	52%	65%	62%	57%	62%	60%	60%

10.2 FORMAL SAVINGS PRODUCTS

The sharp increase in employer based pension and provident funds seen in July 2013 has been maintained in this measure and education policies have recovered to November 2012 levels.

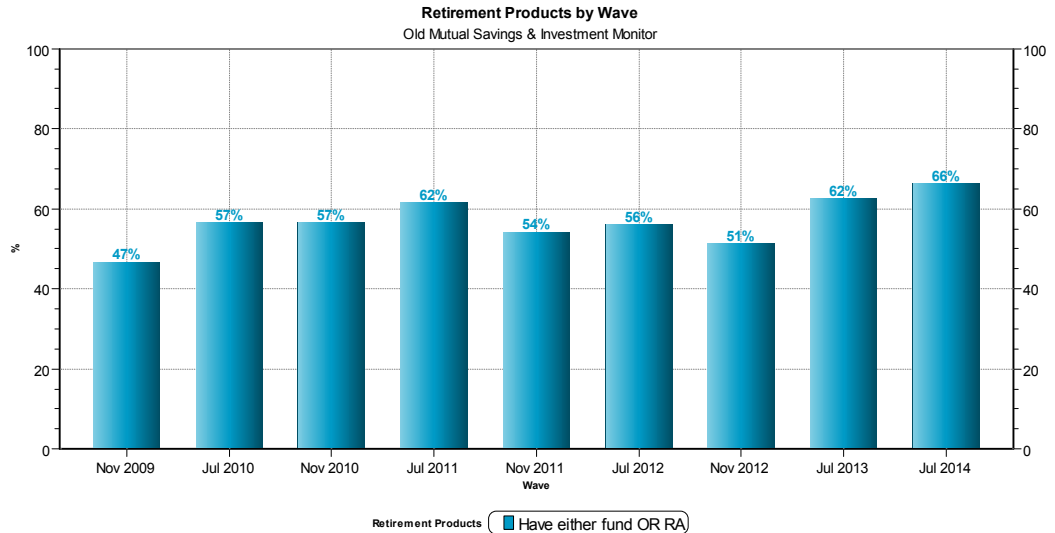
Funeral policies continue to be the most prevalent of the formal policies and at a total sample penetration of 72% are at the highest recorded level to date.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Endowment Policies	15%	12%	18%	13%	12%	11%	11%	14%	11%
Retirement Annuities	26%	24%	33%	24%	27%	24%	21%	20%	24%
Pension or Provident Fund	41%	49%	47%	53%	46%	49%	44%	56%	57%
Education Policies	14%	20%	23%	19%	19%	21%	18%	13%	19%
Education policies (rebased on those who have dependent children)	27%	36%	32%	29%	30%	31%	27%	19%	27%
Funeral Policies	61%	65%	64%	68%	62%	66%	61%	65%	72%
Life Assurance/Death And Disability Policies	33%	34%	40%	41%	33%	31%	35%	35%	37%

RETIREMENT PRODUCTS

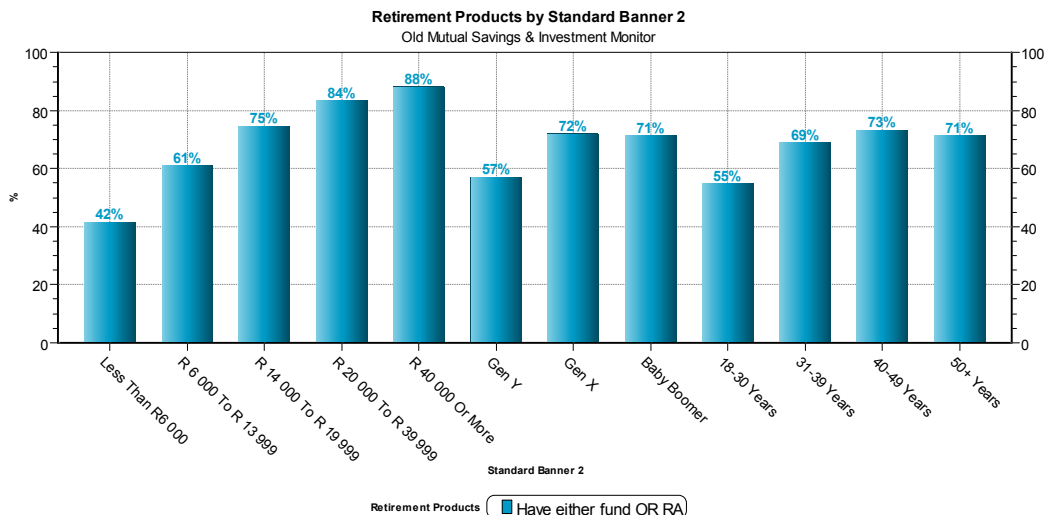
When looking at the incidence of occupational retirement funds it is important to keep in mind that membership is largely function of where one works and whether or not this is offered as an employee benefit by the employer. Often where these are in place, fund membership is compulsory for full time employees and as such pension and provident funds are not really discretionary in nature.

Incidence of occupational retirement funds and private retirement annuities have both increased marginally over the past year. The end result is an improvement in the proportion of metro working households who have at least some form of formal retirement provision in place, this now stands at 66%, although a third continue to have no formal provision.



Retirement Products	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Have pension or prov fund	41%	49%	47%	53%	46%	49%	44%	56%	57%
Have RA	26%	24%	33%	24%	27%	24%	21%	20%	24%
Have fund and RA	19%	17%	23%	15%	18%	17%	14%	14%	15%
Have neither	53%	43%	43%	38%	45%	44%	48%	38%	34%
Have either fund OR RA	47%	57%	57%	62%	54%	56%	51%	62%	66%

The incidence of formal retirement provision climbs with both age and income (bearing in mind that age and income in themselves are positively correlated with higher income groups having an older bias). Evidence that the improvement amongst lower income earners has been maintained and consolidated in this measure is encouraging.

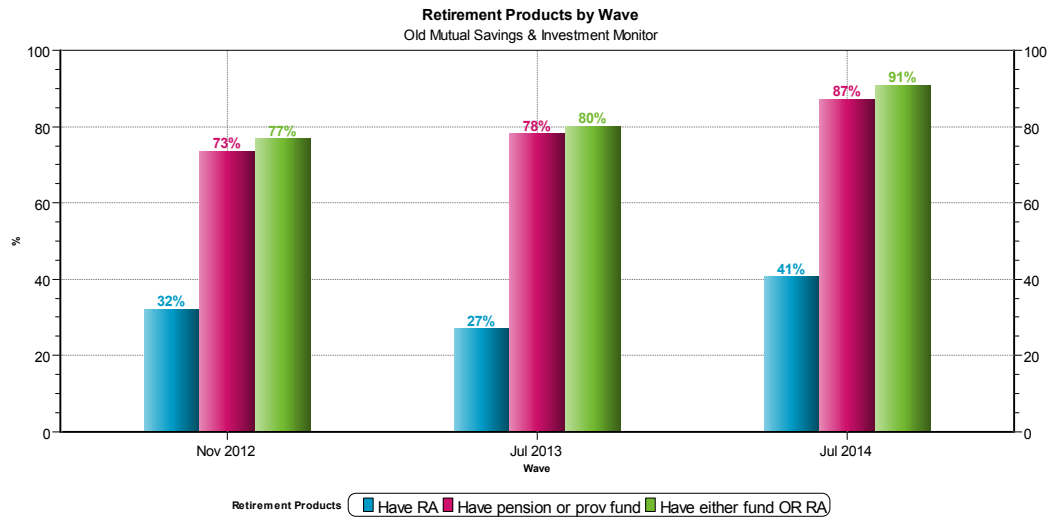


Retirement Products	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less than R6 000									
Have pension or prov fund	21%	36%	29%	33%	31%	27%	19%	41%	39%
Have RA	10%	11%	10%	4%	7%	7%	3%	4%	4%
Have fund and RA	6%	6%	7%	2%	4%	5%	1%	3%	2%
Have neither	75%	59%	68%	64%	66%	71%	79%	58%	58%
Have either fund or RA	25%	41%	32%	36%	34%	29%	21%	42%	42%
R6 000 to R13 999									
Have pension or prov fund	37%	54%	50%	57%	47%	51%	45%	59%	57%
Have RA	19%	25%	36%	21%	20%	20%	12%	13%	13%
Have fund and RA	15%	19%	24%	12%	15%	15%	9%	9%	10%
Have neither	59%	40%	38%	34%	48%	44%	51%	37%	39%
Have either fund or RA	41%	60%	62%	66%	52%	56%	49%	63%	61%
R14 000 to R19 999									
Have pension or prov fund	60%	63%	57%	66%	57%	63%	56%	64%	70%
Have RA	37%	34%	46%	28%	34%	27%	26%	21%	23%
Have fund and RA	31%	25%	33%	20%	25%	21%	19%	16%	18%
Have neither	34%	29%	29%	26%	34%	31%	37%	31%	25%
Have either fund or RA	66%	71%	71%	74%	66%	69%	63%	69%	75%
R20 000 to R39 999									
Have pension or prov fund	60%	52%	65%	67%	52%	64%	59%	64%	69%
Have RA	52%	39%	55%	45%	45%	39%	39%	36%	42%
Have fund and RA	37%	26%	42%	33%	29%	26%	24%	25%	28%
Have neither	25%	36%	22%	21%	31%	23%	26%	25%	16%
Have either fund or RA	75%	64%	78%	79%	68%	77%	74%	75%	84%
R40 000 or More									
Have pension or prov fund	66%	64%	65%	54%	57%	54%	58%	59%	54%
Have RA	53%	50%	63%	68%	69%	54%	54%	54%	63%
Have fund and RA	44%	34%	45%	38%	44%	31%	34%	32%	29%
Have neither	26%	20%	17%	16%	18%	22%	22%	19%	12%
Have either fund or RA	74%	80%	83%	84%	82%	78%	78%	81%	88%
Gen Y									
Have pension or prov fund	30%	44%	41%	42%	38%	38%	37%	51%	53%
Have RA	14%	17%	24%	17%	13%	10%	9%	13%	14%
Have fund and RA	12%	14%	18%	10%	8%	8%	6%	8%	10%
Have neither	68%	53%	53%	51%	57%	60%	60%	45%	43%
Have either fund or RA	32%	46%	47%	49%	42%	40%	40%	55%	57%
Gen X									
Have pension or prov fund	42%	54%	51%	59%	51%	56%	47%	59%	60%
Have RA	28%	27%	37%	25%	29%	28%	23%	23%	28%
Have fund and RA	21%	20%	27%	17%	20%	19%	14%	16%	16%
Have neither	51%	38%	39%	33%	40%	36%	44%	34%	28%
Have either fund or RA	49%	62%	61%	67%	59%	64%	55%	66%	72%

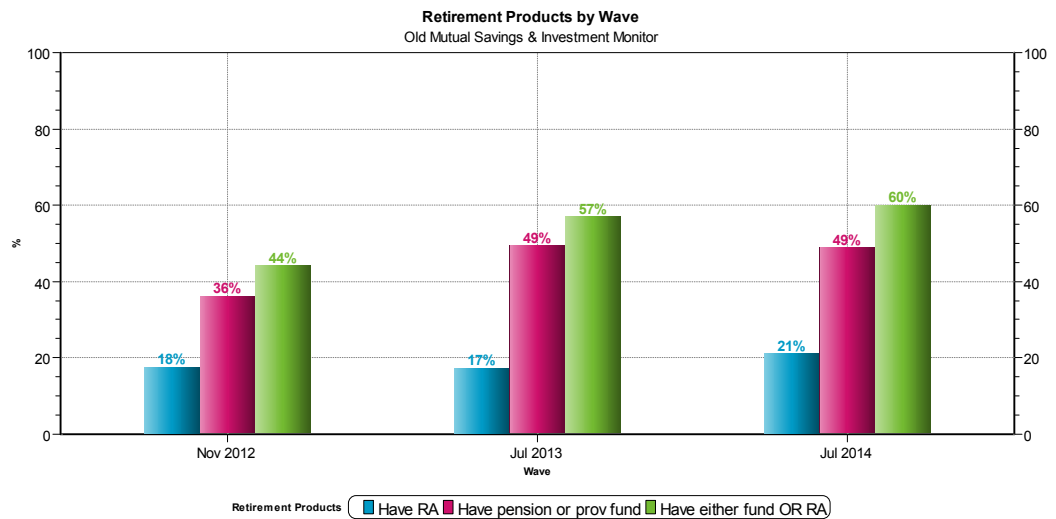
Retirement Products	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Baby Boomer									
Have pension or prov fund	49%	47%	46%	54%	47%	51%	48%	60%	59%
Have RA	32%	28%	34%	32%	41%	34%	33%	26%	37%
Have fund and RA	24%	15%	22%	19%	27%	23%	23%	19%	24%
Have neither	42%	40%	43%	33%	39%	38%	41%	33%	29%
Have either fund or RA	58%	60%	57%	67%	61%	62%	58%	67%	71%
18-30 Years									
Have pension or prov fund	33%	44%	41%	42%	38%	38%	35%	50%	50%
Have RA	15%	17%	24%	17%	13%	10%	9%	13%	13%
Have fund and RA	13%	14%	17%	10%	8%	8%	6%	8%	8%
Have neither	64%	53%	53%	51%	57%	60%	62%	45%	45%
Have either fund or RA	36%	47%	47%	49%	42%	40%	38%	55%	55%
31-39 Years									
Have pension or prov fund	38%	54%	52%	56%	47%	56%	49%	56%	62%
Have RA	27%	25%	34%	24%	26%	25%	18%	16%	21%
Have fund and RA	20%	17%	25%	16%	18%	18%	13%	11%	14%
Have neither	54%	38%	38%	36%	46%	37%	45%	38%	31%
Have either fund or RA	46%	62%	62%	64%	54%	63%	55%	62%	69%
40-49 Years									
Have pension or prov fund	55%	57%	47%	64%	57%	54%	46%	62%	57%
Have RA	37%	32%	42%	30%	39%	33%	29%	29%	34%
Have fund and RA	30%	23%	30%	22%	28%	21%	17%	21%	18%
Have neither	38%	34%	41%	28%	31%	34%	42%	31%	27%
Have either fund or RA	62%	66%	59%	72%	69%	66%	58%	69%	73%
50+ Years									
Have pension or prov fund	43%	42%	46%	52%	44%	50%	46%	58%	59%
Have RA	31%	29%	33%	30%	39%	35%	35%	25%	37%
Have fund and RA	21%	15%	21%	16%	24%	23%	24%	17%	24%
Have neither	46%	45%	42%	34%	41%	38%	41%	34%	29%
Have either fund or RA	54%	55%	58%	66%	59%	62%	58%	66%	71%

Incidence of formal retirement funding is higher amongst public sector workers and those at parastatals (driven by GEPF membership) whilst RA incidence is higher in the private sector (which includes a significant proportion of self-employed people. (Note: public sector workers are generally higher earners too).

Amongst public sector workers there has been an increase in claimed occupational fund membership – this may well be a reflection of better fund communication with members. Incidence of RA's are also up, recovering from the slump in July 2013.

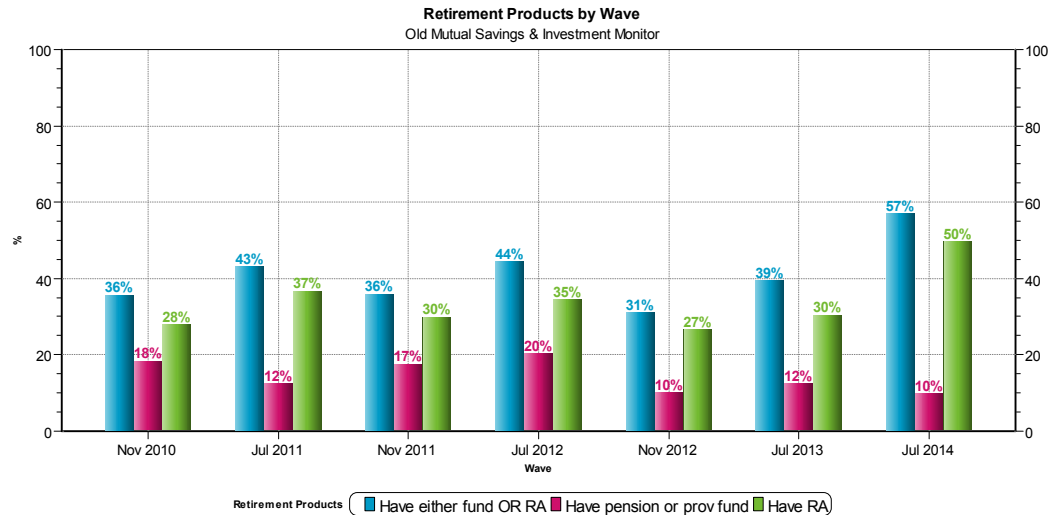


Amongst private sector workers the position is more stable, with some increase in the incidence of RA's.



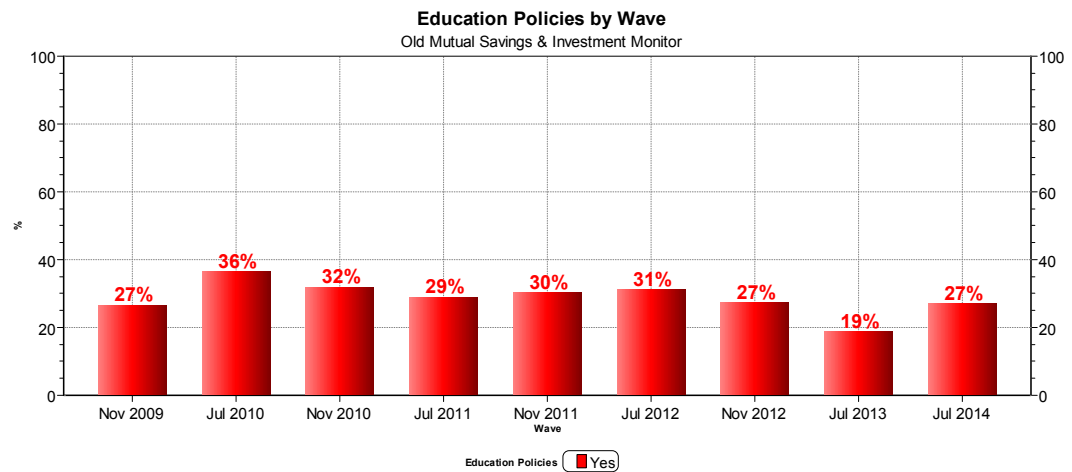
The uptake in RA's is most evident amongst self-employed respondents – although this may be explained to some extent by the higher income bias amongst self employed respondents in this measure.

Income Profile of Self Employed	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Unweighted Numbers	175	128	165	137	160	134	133
Less than R6 000	26%	24%	21%	14%	22%	17%	13%
R6 000 to R13 999	35%	17%	29%	27%	19%	15%	14%
R14 000 to R19 999	9%	11%	11%	11%	14%	13%	12%
R20 000 to R39 999	20%	25%	25%	32%	26%	30%	22%
R40 000 or More	10%	23%	14%	16%	19%	24%	39%



EDUCATION POLICIES

In the last measure (July 2013) we cautioned against interpreting the drop in the incidence of education policies as a trend away from these policies to other savings forms to provide for children's education and indeed in this measure the incidence of education policies has recovered.



As is the case with most other formal policies, incidence of education policies climbs with income and for completeness sake incidence of education policies (based on those with dependent children) by income over time is set out below.

Education Policies	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less Than R6 000	17%	30%	19%	20%	19%	14%	10%	8%	8%
R6 000 to R13 999	22%	44%	38%	30%	29%	34%	24%	17%	23%
R14 000 to R19 999	38%	43%	38%	34%	39%	41%	35%	22%	35%
R20 000 to R39 999	37%	32%	38%	33%	40%	38%	41%	26%	41%
R40 000 or More	38%	32%	35%	35%	34%	45%	40%	34%	38%

10.3 INFORMAL SAVINGS

Informal savings are at similar levels to the previous measure.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Savings Club OR Stokvel	26%	32%	31%	31%	22%	32%	31%	34%	32%
Burial Society	Not measured		33%	20%	17%	26%	25%	24%	21%
Grocery Scheme	Not measured		13%	7%	6%	10%	8%	8%	8%
Cash Savings - Not Banked	10%	14%	14%	6%	4%	7%	7%	5%	9%

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	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Savings Club OR Stokvel	43%	53%	47%	48%	36%	51%	45%	50%	45%
Burial Society	Not measured		49%	31%	26%	38%	35%	33%	29%
Grocery Scheme	Not measured		19%	11%	9%	15%	13%	11%	12%
Cash Savings - Not Banked	11%	17%	15%	8%	5%	4%	8%	4%	9%

Incidence of informal savings vehicles broken down by income and age over time are tabulated below from which it continues to be evident that these types of savings are prevalent across all income groups. Incidence of burial society membership climbs with age.

BASE: BLACK (RACE)									
	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less than R6 000									
Savings Club/Stokvel	37%	53%	50%	48%	31%	50%	38%	50%	39%
Burial Society	Not measured		49%	32%	26%	38%	35%	36%	30%
Grocery Scheme			20%	12%	8%	17%	13%	9%	11%
Cash Savings - Not Banked	12%	18%	13%	4%	6%	3%	9%	5%	7%
R6 000 to R13 999									
Savings Club/Stokvel	47%	56%	46%	49%	38%	54%	48%	51%	48%
Burial Society	Not measured		50%	31%	27%	41%	33%	36%	35%
Grocery Scheme			19%	13%	10%	14%	12%	13%	12%
Cash Savings - Not Banked	13%	16%	16%	9%	4%	3%	5%	3%	8%
R14 000 to R19 999									
Savings Club/Stokvel	56%	52%	48%	62%	47%	52%	45%	47%	53%
Burial Society	Not measured		47%	33%	22%	36%	42%	26%	32%
Grocery Scheme			27%	10%	7%	16%	15%	7%	9%
Cash Savings - Not Banked	6%	12%	17%	10%	7%	5%	9%	1%	10%
R20 000 to R39 999									
Savings Club/Stokvel	44%	49%	31%	37%	36%	43%	55%	49%	50%
Burial Society	Not measured		44%	30%	28%	33%	30%	25%	20%
Grocery Scheme			9%	7%	13%	13%	15%	15%	16%
Cash Savings - Not Banked	6%	16%	20%	12%	3%	8%	8%	3%	11%

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
R40 000 or More									
Savings Club/Stokvel	46%	55%	43%	29%	39%	50%	42%	47%	35%
Burial Society	Not measured		43%	24%	16%	24%	35%	30%	14%
Grocery Scheme			14%	2%	4%	17%	4%	16%	5%
Cash Savings - Not Banked	7%	24%	14%	16%	4%	20%	15%	7%	12%
Gen Y									
Savings Club/Stokvel	37%	36%	35%	36%	35%	44%	45%	48%	38%
Burial Society	Not measured		26%	20%	18%	28%	24%	24%	21%
Grocery Scheme			10%	4%	5%	8%	11%	9%	6%
Cash Savings - Not Banked	11%	20%	12%	4%	3%	4%	9%	5%	8%
Gen X									
Savings Club/Stokvel	46%	63%	52%	53%	36%	55%	45%	51%	53%
Burial Society	Not measured		50%	35%	26%	40%	37%	34%	30%
Grocery Scheme			20%	12%	9%	18%	13%	14%	17%
Cash Savings - Not Banked	9%	14%	16%	8%	6%	3%	7%	3%	11%
Baby Boomer									
Savings Club/Stokvel	45%	55%	47%	56%	40%	53%	45%	50%	39%
Burial Society	Not measured		66%	36%	37%	47%	44%	48%	43%
Grocery Scheme			26%	18%	14%	20%	14%	11%	9%
Cash Savings - Not Banked	17%	20%	15%	12%	3%	7%	6%	4%	4%
18-30 Years									
Savings Club/Stokvel	38%	37%	36%	36%	35%	44%	46%	49%	39%
Burial Society	Not measured		27%	20%	18%	28%	25%	24%	17%
Grocery Scheme			11%	4%	5%	8%	12%	9%	6%
Cash Savings - Not Banked	10%	20%	14%	4%	3%	4%	10%	6%	7%
31-39 Years									
Savings Club/Stokvel	50%	60%	51%	50%	37%	53%	49%	50%	46%
Burial Society	Not measured		51%	33%	25%	35%	34%	32%	27%
Grocery Scheme			17%	12%	12%	15%	11%	13%	13%
Cash Savings - Not Banked	6%	15%	15%	9%	7%	3%	6%	3%	10%
40-49 Years									
Savings Club/Stokvel	39%	68%	49%	57%	35%	56%	39%	48%	56%
Burial Society	Not measured		58%	38%	32%	48%	40%	36%	35%
Grocery Scheme			30%	17%	8%	24%	14%	12%	18%
Cash Savings - Not Banked	18%	12%	18%	8%	5%	7%	8%	2%	12%
50+ Years									
Savings Club/Stokvel	49%	56%	51%	55%	40%	53%	43%	52%	39%
Burial Society	Not measured		68%	37%	34%	49%	46%	48%	43%
Grocery Scheme			24%	14%	12%	20%	15%	11%	9%
Cash Savings - Not Banked	17%	22%	14%	10%	4%	5%	7%	4%	4%

NUMBER OF INFORMAL SCHEMES HOUSEHOLDS BELONG TO

In this July 2014 measure we added a question to better understand the number of stokvels/informal savings schemes that households belong to. Most only belong to ONE scheme of a particular type.

No. of Stokvels or Savings Schemes	Total (Autobase)	Less Than R6 000	R6 000 To R13 999	R14 000 To R19 999	R 20 000 To R39 999	R 40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	289	85	87	64	32	21	90	155	44	70	92	83	44
One	73%	77%	76%	72%	62%	71%	81%	66%	79%	83%	69%	65%	79%
Two	22%	21%	21%	20%	28%	24%	17%	28%	13%	16%	25%	29%	13%
Three	3%	2%	1%	4%	6%	5%	2%	2%	7%	1%	4%	2%	7%
Four	1%	0%	1%	3%	3%	0%	0%	3%	0%	0%	1%	4%	0%
Five	0%	0%	1%	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%
MEAN	1.35	1.26	1.31	1.39	1.5	1.34	1.22	1.44	1.28	1.18	1.39	1.46	1.28

Amongst members of burial societies the incidence of multiple membership is even lower.

No. of Schemes – Burial Society	Total (Autobase)	Less Than R6 000	R6 000 To R13 999	R14 000 To R19 999	R 20 000 To R39 999	R 40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	194	65	61	41	16	11	48	93	53	29	57	55	53
One	88%	95%	87%	85%	80%	74%	92%	87%	84%	97%	85%	88%	84%
Two	11%	5%	13%	7%	20%	26%	7%	13%	13%	3%	14%	12%	13%
Three	1%	0%	0%	7%	0%	0%	1%	0%	3%	0%	1%	0%	3%
MEAN	1.13	1.05	1.13	1.22	1.2	1.26	1.09	1.13	1.18	1.03	1.16	1.12	1.18

Amongst grocery scheme members the incidence on multiple membership is negligible.

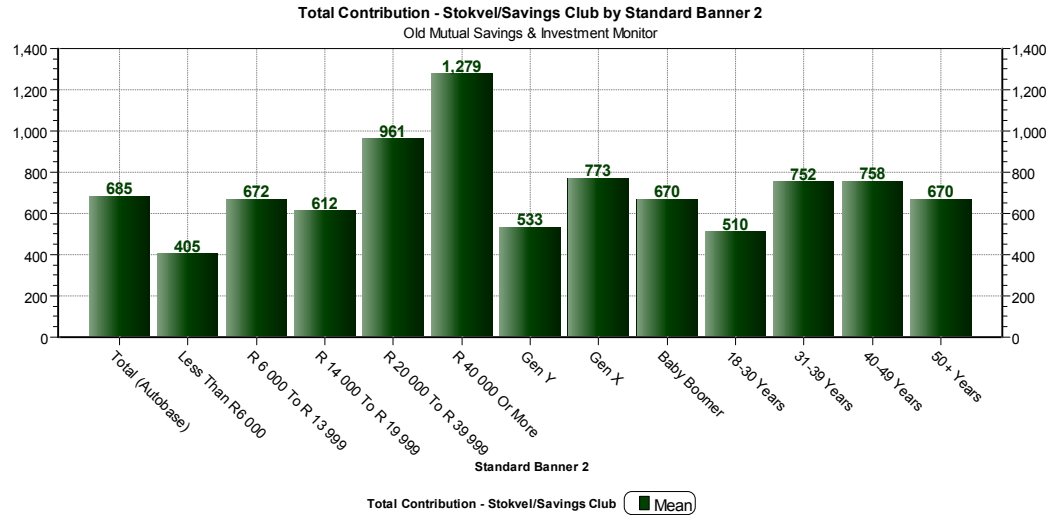
No. of Schemes – Grocery Scheme	Total (Autobase)
Unweighted Numbers	70
One	98%
Three	2%
MEAN	1.03

Looking across ALL informal savings types (stokvels, burial societies and grocery schemes combined), average membership is approaching two (1.7) different schemes. (Base = members of at least one of these savings types).

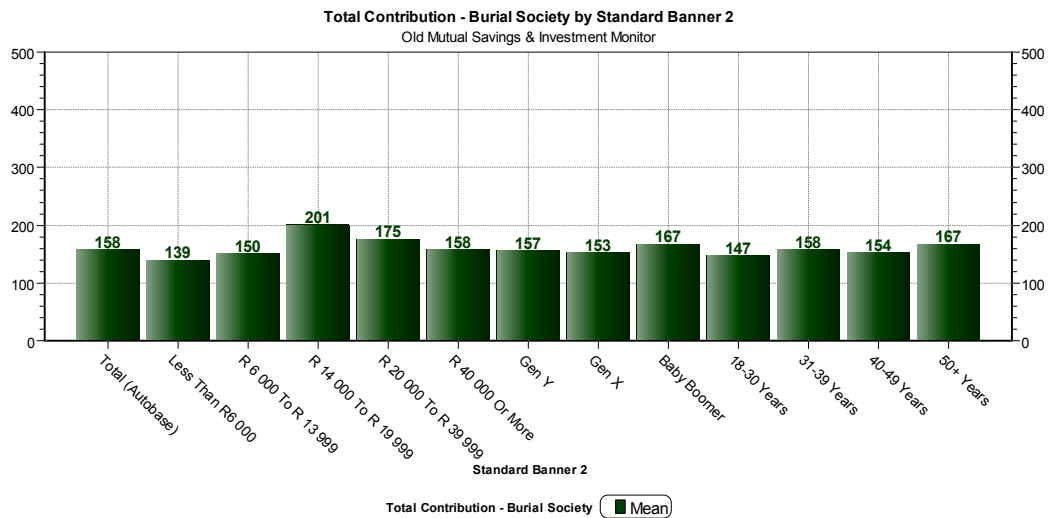
Total no. of all informal Schemes	Total (Autobase)	Less Than R6 000	R6 000 To R13 999	R14 000 To R19 999	R 20 000 To R39 999	R 40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	404	134	119	81	41	29	119	213	72	88	125	119	72
One	53%	62%	51%	52%	39%	55%	65%	48%	47%	67%	48%	51%	47%
Two	31%	31%	30%	26%	38%	35%	25%	34%	35%	25%	36%	29%	35%
Three	11%	4%	14%	12%	15%	11%	8%	11%	13%	8%	10%	12%	13%
Four	3%	3%	3%	6%	3%	0%	1%	4%	4%	0%	2%	6%	4%
Five	2%	0%	1%	4%	5%	0%	1%	2%	1%	0%	3%	2%	1%
Six	0%	0%	1%	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%
MEAN	1.71	1.48	1.75	1.84	1.96	1.56	1.49	1.81	1.78	1.41	1.79	1.8	1.78

CONTRIBUTION RATES

Respondents were asked how much they contribute to the informal schemes that they belong to. The average monthly (or equivalent) amount contributed to a stokvel or savings club is R685, and this climbs steeply with income.



Looking at burial societies, the amounts involved are much lower and there is little correlation with income – indicating standardised and nondiscretionary costing structures.



In the case of grocery schemes the average monthly contribution is R233 per month.

10.4 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. The only significant movement is the sharp uptake in unit trusts in the upper income R40 000+ bracket. The stellar performance of the JSE over the past year or so has no doubt encouraged investment in equity based products. As is so often the case, many come to the market too late and after the gains have been made.

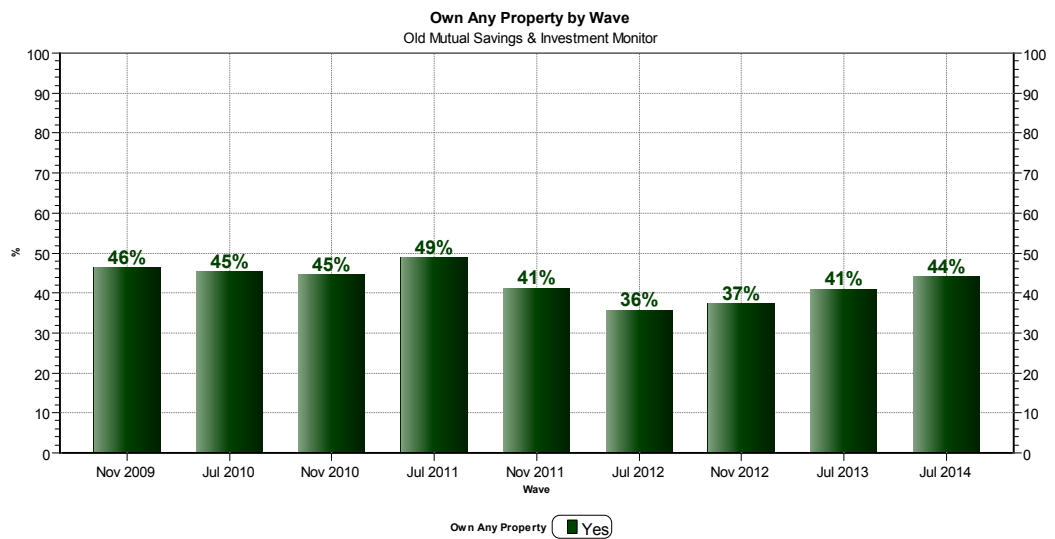
	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Total									
Unit Trusts/Mutual Funds/ETF's	3%	5%	5%	3%	2%	3%	3%	2%	6%
Listed Shares	3%	2%	7%	5%	3%	3%	3%	3%	3%
Less Than R6 000									
Unit Trusts/Mutual Funds/ETF's	1%	1%	1%	0%	0%	0%	0%	2%	0%
Listed Shares	1%	1%	2%	1%	1%	1%	0%	0%	1%
R6 000 To R13 999									
Unit Trusts/Mutual Funds/ETF's	0%	6%	5%	2%	2%	2%	1%	1%	2%
Listed Shares	2%	2%	8%	3%	2%	1%	1%	1%	1%
R14 000 To R19 999									
Unit Trusts/Mutual Funds/ETF's	8%	7%	7%	3%	3%	3%	0%	1%	3%
Listed Shares	4%	3%	10%	4%	4%	2%	3%	1%	4%
R20 000 To R39 999									
Unit Trusts/Mutual Funds/ETF's	5%	5%	8%	8%	3%	5%	6%	3%	10%
Listed Shares	4%	2%	11%	11%	2%	5%	3%	4%	3%
R40 000 or More									
Unit Trusts/Mutual Funds/ETF's	10%	14%	17%	14%	7%	14%	11%	9%	18%
Listed Shares	10%	7%	17%	16%	12%	14%	13%	14%	15%

11. CREDIT AND DEBT:

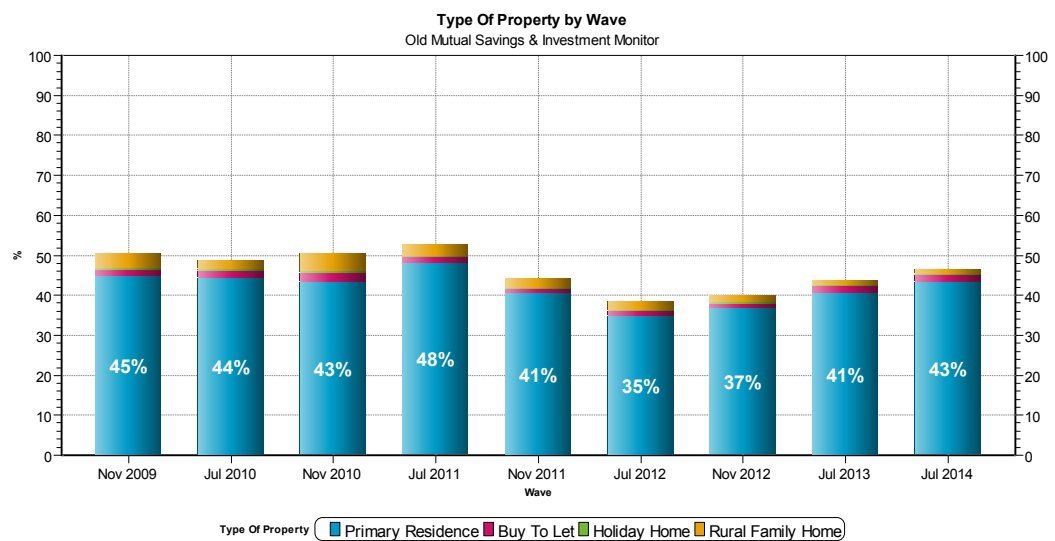
THE OTHER SIDE OF THE SAVINGS COIN

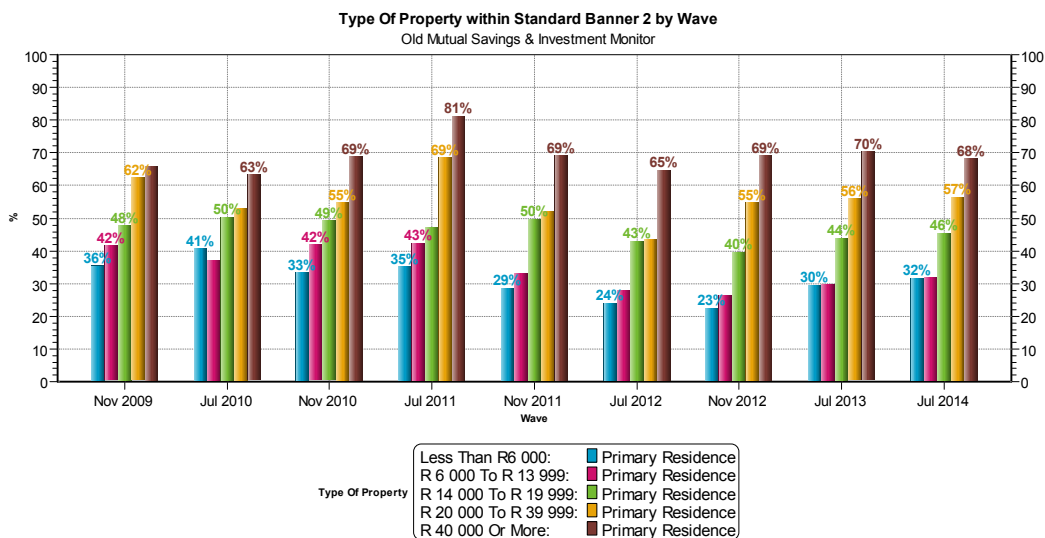
11.1 PROPERTY OWNERSHIP AND HOME LOAN REPAYMENT PATTERNS

Incidence of property ownership is showing a very gradual increasing trend post the low point recorded in July 2012. That said it remains below the 49% high recorded in July 2011.

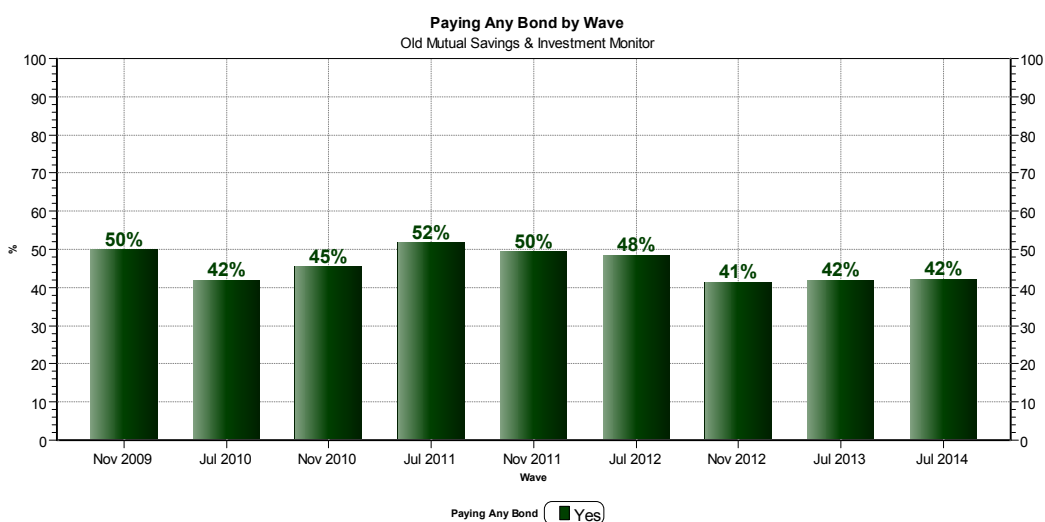


Property ownership remains dominated by ownership of primary residence and owning your own home correlates strongly with income.





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.



The majority only pay the minimum bond instalment required and unfortunately the increased effort to pay off debt faster (by paying extra every month and / or making extra lump sum payments) that we saw in July 2013 has not carried through into 2014. 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	Jul-14
Unweighted Numbers	279	243	241	287	233	196	169	188	189
Financial Stress									
Struggle To Meet	18%	10%	4%	3%	3%	3%	3%	4%	2%
Can No Longer Afford To Pay Extra	8%	9%	7%	5%	6%	3%	2%	2%	2%
Recent Advance	1%	0%	1%	1%	2%	1%	0%	0%	1%
Re-Negotiated Due To Financial Pressure	3%	2%	3%	1%	3%	1%	1%	2%	0%
Minimum Only									
Pay Minimum Only	53%	59%	49%	59%	55%	62%	62%	54%	63%
Trying to pay off faster									
Pay Extra Every Month	20%	16%	30%	24%	24%	24%	25%	31%	28%
Extra Lump Sums	10%	3%	7%	11%	11%	9%	7%	8%	5%

11.2 PRIMARY RESIDENCE AS PART OF RETIREMENT FUNDING

26% of home owners expect to rely on the value in their primary residence as part of their retirement funding (to a greater or lesser extent). Once again WCI consumers are significantly more likely to view their home as some type of retirement nest egg, probably since many Black households the family home is more likely to be viewed as a family home which may be passed on rather than as an asset available for personal exploitation.

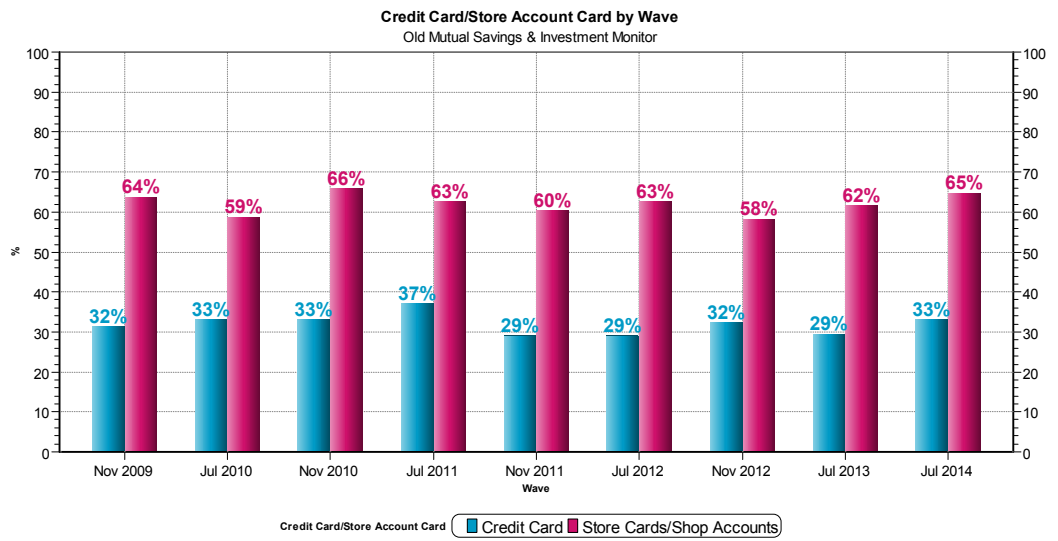
It is worth noting that 1 in 5 hasn't really thought about it – probably a reflection of their lack of engagement with the question of retirement planning more than anything else.

Primary Residence As Nest Egg	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Will rely on it heavily expect it to provide the majority of my retirement funding	5%	14%	8%	9%	8%
Will rely on it to some extent to provide some of my retirement funding	22%	31%	17%	21%	18%
Won't rely on it at all (or hardly at all)	51%	42%	50%	54%	53%
Don't know-haven't really thought about it	22%	13%	25%	16%	21%

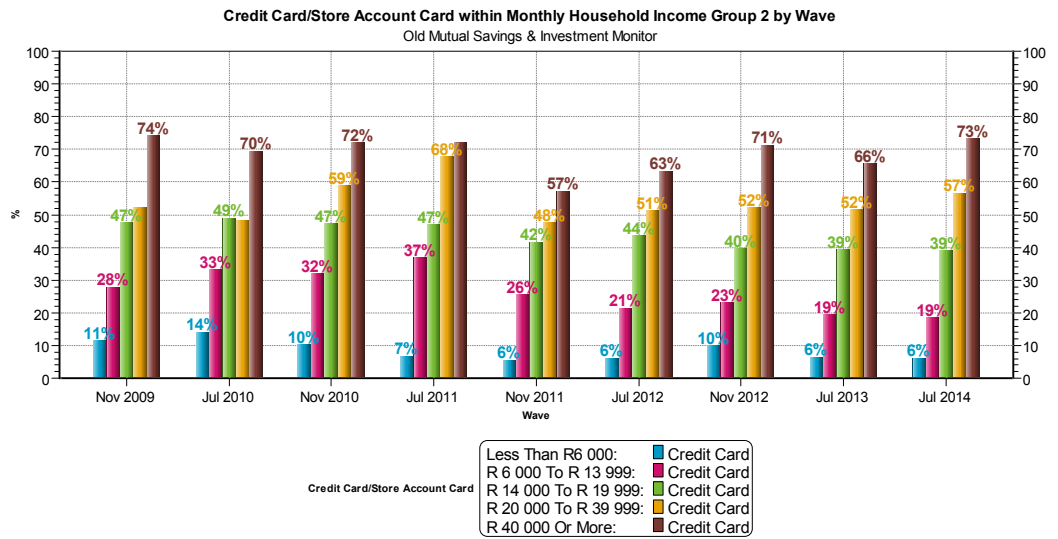
Primary Residence As Nest Egg	Total	Less Than R6 000	R 6 000 To R13 999	R 14 000 To R19 999	R 20 000 To R39 999	R40 000 or More	Black	WCI
Unweighted numbers	438	77	78	90	87	106	254	184
Will rely on it heavily expect it to provide the majority of my retirement funding	8%	7%	1%	11%	11%	9%	5%	11%
Will rely on it to some extent to provide some of my retirement funding	18%	9%	8%	19%	25%	27%	10%	33%
Won't rely on it at all (or hardly at all)	53%	57%	64%	56%	46%	44%	59%	42%
Don't know-haven't really thought about it	21%	28%	25%	13%	18%	20%	25%	13%

11.3 CREDIT CARDS AND STORE CARDS

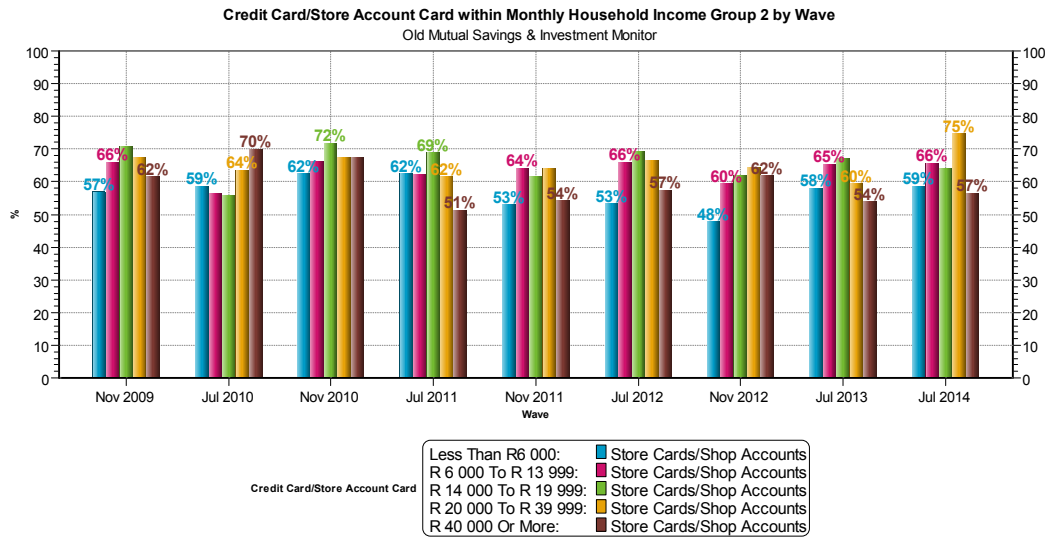
At a total sample level the incidence of both credit cards and store cards is relatively stable.



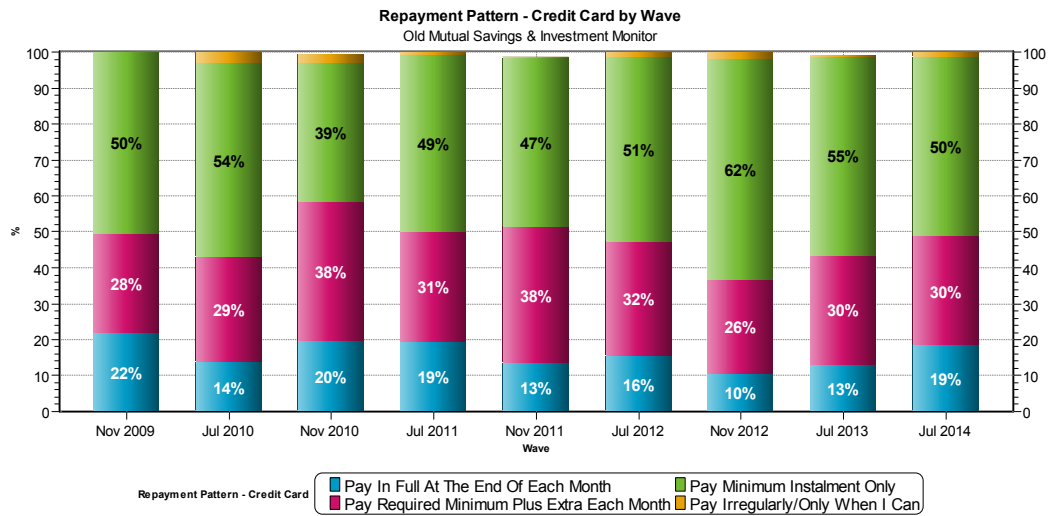
Incidence of credit cards remains strongly positively correlated with income.



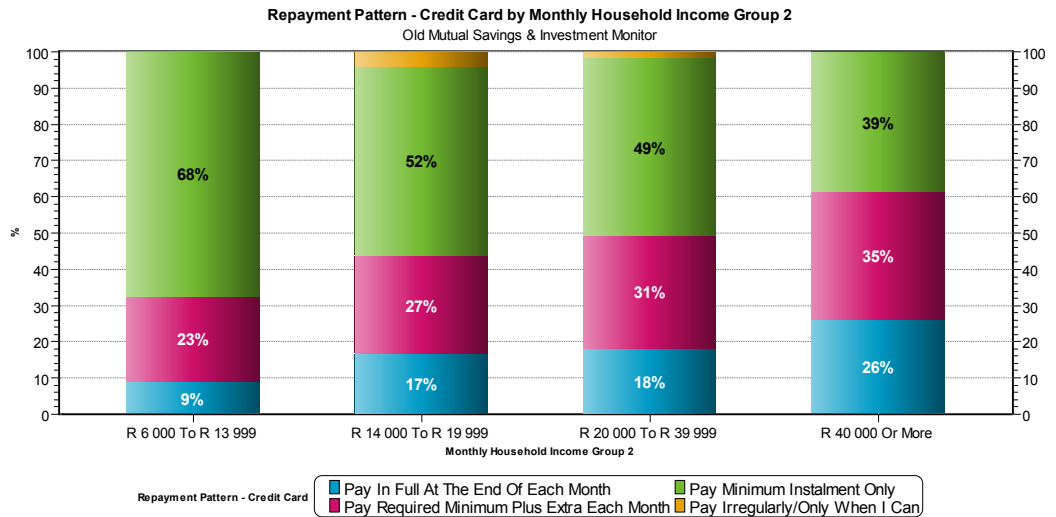
Whilst the store cards have broader appeal, peaking in middle income segments before dropping off at R40 000+. The sharp uptake in this July 2014 measure in store cards amongst the R20 000 – R39 999 income group is worth noting.



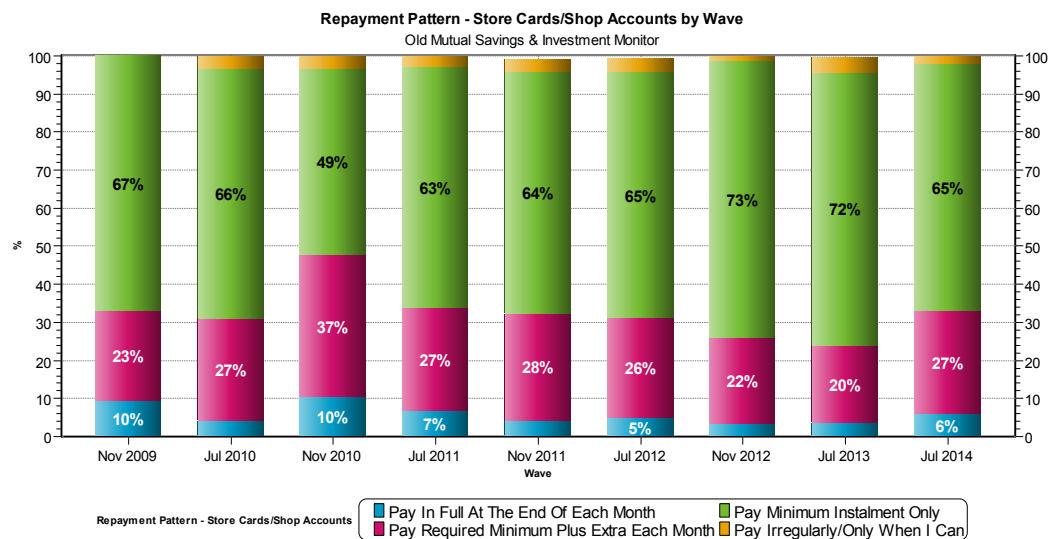
Looking at repayment patterns, only 19% pay their credit card off in full at the end of the month but this is a marginal improvement on the 13% recorded in 2013.



Not unexpectedly the proportion clearing their cards in full on a monthly basis rises with income, but still only 26% of those at the R40 000+ level clear their credit card in full in each month> (NOTE: Less than R6 000 sub-sample too small to chart below).



Looking at store card repayment patterns, as has been the case historically the incidence of clearing these accounts in full is even poorer than for credit cards, although there has been an improvement since 2013.



Whilst incidence of full monthly clearing of store card balances does improve slightly with income, the improvement is only marginal with 10% of R40 000+ clearing their store cards in full.

Repayment Pattern - Store Cards/Shop Accounts	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less Than R6 000									
Pay In Full End Of Each Month	6%	2%	8%	8%	4%	3%	2%	4%	4%
Pay Required Minimum Plus Extra	19%	20%	34%	16%	15%	12%	12%	16%	22%
Pay Minimum Instalment Only	75%	74%	53%	69%	77%	76%	84%	72%	68%
Pay Irregularly/Only When I Can	0%	5%	5%	7%	3%	9%	3%	8%	6%
R6 000 to R13 999									
Pay In Full End Of Each Month	9%	2%	10%	5%	5%	7%	3%	3%	4%
Pay Required Minimum Plus Extra	18%	35%	33%	24%	27%	23%	19%	19%	26%
Pay Minimum Instalment Only	73%	60%	52%	69%	62%	66%	77%	74%	69%
Pay Irregularly/Only When I Can	0%	3%	5%	1%	5%	3%	1%	4%	1%
R14 000 to R19 999									
Pay In Full End Of Each Month	10%	4%	11%	7%	6%	4%	2%	6%	7%
Pay Required Minimum Plus Extra	28%	28%	37%	29%	32%	27%	26%	21%	28%
Pay Minimum Instalment Only	62%	67%	50%	63%	61%	69%	71%	72%	63%
Pay Irregularly/Only When I Can	0%	1%	2%	2%	1%	1%	1%	2%	2%
R20 000 to R39 999									
Pay In Full End Of Each Month	17%	10%	13%	7%	2%	5%	5%	3%	8%
Pay Required Minimum Plus Extra	33%	22%	49%	42%	37%	42%	30%	22%	31%
Pay Minimum Instalment Only	50%	65%	39%	50%	58%	53%	63%	71%	60%
Pay Irregularly/Only When I Can	0%	3%	0%	1%	3%	1%	2%	3%	1%
R40 000 or More									
Pay In Full End Of Each Month	13%	13%	15%	12%	4%	8%	7%	1%	10%
Pay Required Minimum Plus Extra	32%	48%	45%	45%	47%	38%	33%	35%	29%
Pay Minimum Instalment Only	55%	39%	40%	43%	48%	53%	59%	63%	61%

11.4 OTHER SHORT-TO-MEDIUM TERM DEBT

Incidence of short to medium term debt remains relatively stable at a total sample level, but with marginal increase in personal loans. Car finance has fallen back to November 2012 levels.

Current Short/ Medium Term Loans	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Any Personal Loan	18%	27%	30%	28%	19%	25%	23%	24%	28%
Personal Loan From A Financial Institution	Not measured	16%	17%	19%	11%	16%	15%	17%	20%
Personal Loan From A Micro Lender		3%	3%	3%	1%	2%	2%	3%	3%
Personal Loan From A Friend/Family Member		14%	15%	10%	8%	8%	7%	6%	7%
Car Finance	18%	14%	17%	17%	13%	20%	13%	17%	13%
Hire Purchase/ Instalment Sale	Not measured	15%	16%	12%	8%	16%	11%	12%	14%
Revolving Credit Facility	11%	8%	6%	9%	5%	6%	6%	4%	4%
Overdraft	Not measured	7%	8%	9%	7%	8%	6%	6%	7%

Current Short/ Medium Term Loans	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Less Than R6 000									
Any Personal Loan	17%	31%	33%	31%	23%	26%	27%	28%	28%
Personal Loan From A Financial Institution		16%	13%	14%	10%	11%	13%	14%	14%
Personal Loan From A Micro Lender		4%	3%	3%	3%	1%	4%	4%	4%
Personal Loan From A Friend/Family Member		17%	23%	19%	12%	15%	13%	12%	13%
Car Finance	3%	3%	4%	1%	0%	3%	1%	3%	1%
Hire Purchase/ Instalment Sale	0%	11%	14%	11%	6%	16%	9%	13%	17%
Revolving Credit Facility	7%	8%	1%	2%	1%	4%	3%	1%	2%
Overdraft		2%	1%	2%	1%	1%	1%	1%	0%
R6 000 to R13 999									
Any Personal Loan	20%	28%	33%	31%	20%	28%	23%	26%	31%
Personal Loan From A Financial Institution		15%	21%	22%	11%	20%	17%	20%	23%
Personal Loan From A Micro Lender		3%	4%	3%	2%	3%	2%	3%	2%
Personal Loan From A Friend/Family Member		18%	13%	8%	8%	7%	7%	5%	9%
Car Finance	7%	8%	14%	11%	10%	11%	6%	9%	4%
Hire Purchase/ Instalment Sale	0%	17%	17%	13%	7%	17%	11%	14%	11%
Revolving Credit Facility	8%	7%	5%	9%	5%	3%	4%	4%	2%
Overdraft		2%	8%	6%	4%	3%	2%	2%	2%

Current Short/ Medium Term Loans	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
R14 000 to R19 999									
Any Personal Loan	21%	26%	29%	27%	12%	31%	22%	24%	26%
Personal Loan From A Financial Institution		19%	19%	19%	8%	22%	16%	17%	24%
Personal Loan From A Micro Lender		2%	3%	2%	0%	2%	1%	2%	2%
Personal Loan From A Friend/Family Member		9%	12%	8%	4%	7%	8%	5%	4%
Car Finance	34%	25%	22%	26%	12%	26%	18%	19%	11%
Hire Purchase/ Instalment Sale	0%	19%	18%	15%	8%	14%	16%	11%	18%
Revolving Credit Facility	17%	10%	12%	11%	7%	10%	8%	4%	2%
Overdraft		11%	11%	9%	10%	8%	5%	8%	4%
R20 000 to R39 999									
Any Personal Loan	17%	18%	21%	21%	20%	20%	20%	18%	29%
Personal Loan From A Financial Institution		12%	14%	20%	15%	17%	15%	15%	22%
Personal Loan From A Micro Lender		4%	2%	1%	0%	0%	1%	1%	3%
Personal Loan From A Friend/Family Member		8%	7%	3%	5%	4%	4%	3%	5%
Car Finance	41%	27%	39%	36%	29%	42%	25%	32%	26%
Hire Purchase/ Instalment Sale	0%	20%	15%	11%	12%	19%	13%	11%	16%
Revolving Credit Facility	12%	8%	13%	15%	8%	8%	9%	8%	7%
Overdraft		15%	18%	19%	12%	19%	15%	12%	13%
R40 000 or More									
Any Personal Loan	14%	15%	19%	20%	13%	13%	15%	19%	20%
Personal Loan From A Financial Institution		13%	14%	16%	11%	13%	14%	17%	19%
Personal Loan From A Micro Lender		0%	1%	1%	1%	0%	1%	1%	1%
Personal Loan From A Friend/Family Member		4%	5%	4%	2%	1%	1%	1%	0%
Car Finance	46%	45%	41%	53%	35%	56%	36%	42%	40%
Hire Purchase/ Instalment Sale	0%	11%	11%	11%	11%	10%	7%	8%	9%
Revolving Credit Facility	25%	15%	16%	13%	9%	17%	11%	10%	14%
Overdraft		27%	24%	30%	19%	32%	17%	15%	23%

The repayment patterns of the most prevalent short-to-medium term debt are set out below. The vast majority continue to pay the minimum installment only.

Repayment Pattern - Personal Loan From Institution	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Pay Required Minimum Plus Extra Each Month	6%	26%	18%	15%	15%	11%	14%	8%
Pay Minimum Instalment Only	90%	67%	74%	71%	82%	84%	82%	86%
Pay Irregularly/Only When I Can	4%	7%	6%	12%	3%	4%	4%	8%

Repayment Pattern - Car Finance	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Pay Required Minimum Plus Extra Each Month	33%	18%	21%	24%	21%	16%	17%	15%	14%
Pay Minimum Instalment Only	67%	80%	74%	72%	71%	81%	79%	82%	87%
Pay Irregularly/Only When I Can		3%	5%	4%	7%	3%	2%	3%	2%

Repayment Pattern - Hire Purchase/Instalment Sale	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Pay Required Minimum Plus Extra Each Month	14%	18%	23%	13%	12%	14%	13%	10%
Pay Minimum Instalment Only	85%	79%	73%	82%	87%	82%	80%	87%
Pay Irregularly/Only When I Can	1%	3%	4%	5%	1%	4%	6%	3%

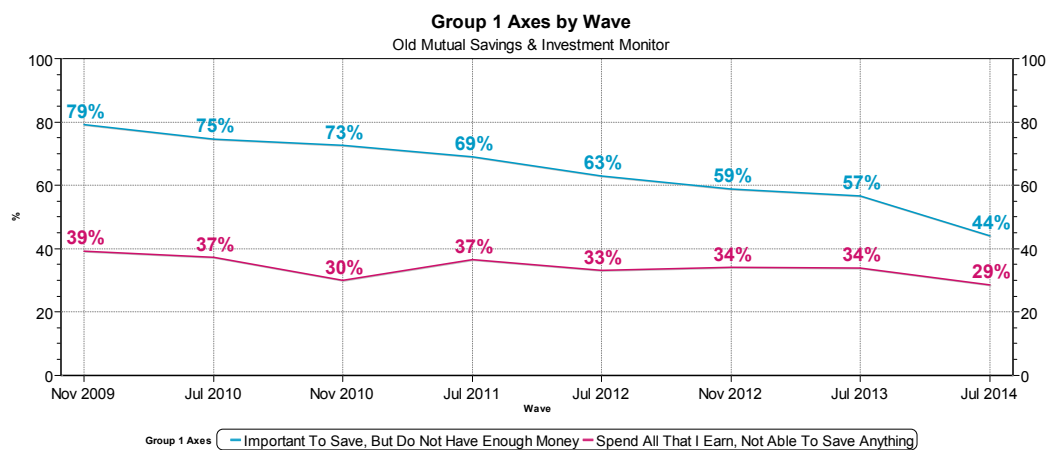
12. ATTITUDINAL DYNAMICS

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 2014 measure. (Shading indicates attribute not measured).

At a total sample level the following is worth noting:

- Declining trend on 'there is no alternative but to get into debt'
- The sharp uptake in 'plan my finances 5 to 10 years ahead' that was evident in July 2013 has largely subsided in this measure.
- Declining trend on 'seek financial advice from family and friends' although this remains an important source of financial information.
- Lower levels of agreement with two statements that shed light on consumers ability to save, indicating perhaps, a recognition that it is possible to save even in difficult circumstances:
 - Important to save but I don't have enough money to
 - Spend all that I earn, not able to save anything



NOTE: Not asked in November 2011

STATEMENTS - GROUPED Axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Is important to save money for a rainy day	95%	97%	94%	95%	95%	95%	95%	92%	93%
I want to learn more about how to save		82%	82%	82%	81%	85%	83%	80%	80%
Set financial goals	79%	79%	78%	76%	77%	81%	79%	80%	76%
Extremely cautious with finances	81%	83%	79%	78%	83%	79%	74%	75%	75%
Avoid debt wherever i can	80%	81%	80%	77%	84%	81%	80%	74%	74%
Always trying to become more knowledgeable about financial matters	77%	77%	82%	74%	77%	81%	74%	74%	73%
Always plan finances carefully	75%	80%	76%	80%	81%	79%	71%	72%	72%
I need more education on how to handle my finances		73%	66%	70%	68%	69%	70%	64%	70%
Satisfied that my family is well provided for						66%	62%	60%	65%
Always worried about not having enough money	82%	79%	77%	80%	80%	75%	77%	71%	65%
I wonder if i have done enough to secure my retirement	74%	76%	77%	75%	75%	74%	68%	69%	64%
My immediate needs get in the way of my saving for the future									59%
You need to spend money to enjoy life						63%	60%	59%	58%
No alternative but to get into debt	66%	68%	61%	66%	63%	68%	66%	61%	56%
Plan my finances five to ten years ahead	46%	48%	50%	47%	47%	51%	47%	60%	53%
Financial institution genuinely interested in my needs						56%	50%	59%	52%
Seek financial advice from family and friends						60%	59%	55%	51%
Death, funeral and disability cover are more important				45%	54%	50%	56%	44%	50%
Savings for education is more important than retirement					54%	51%	45%	47%	49%
Finances are never properly organised	52%	46%	51%	53%	49%	48%	48%	45%	45%
I know a lot about financial products						52%	49%	48%	44%
Important to save, but do not have enough money	79%	75%	73%	69%		63%	59%	57%	44%
Feel financially secure, have enough pay for unplanned events							44%	40%	43%
Credit is part of my life, can't make ends meet without it	48%	45%	43%	47%	41%	43%	42%	40%	40%
Most months i struggle to make ends meet						46%	47%	43%	39%
World of financial services leaves me confused	46%	39%	46%	44%	44%	41%	40%	37%	38%
Would like financial advice but hard to find somebody i trust						44%	41%	40%	37%
I consider myself a spender, not a saver	39%	34%	36%	35%	35%	34%	35%	35%	37%
Always looking out for latest financial services products						46%	41%	40%	36%
Not always sure who to turn to regarding finances						37%	36%	36%	34%
See no benefit being loyal to financial services company						32%	32%	28%	32%
Spend all that i earn, not able to save anything	39%	37%	30%	37%	38%	33%	34%	34%	29%
Anything to do with financial matters extremely boring	34%	31%	32%	32%	33%	29%	29%	32%	28%
Saving for future is not a priority right now	33%	26%	24%	26%	35%	26%	26%	22%	24%
As long as i can afford necessities, i don't worry						25%	26%	26%	24%
Happy to buy financial products in internet						22%	19%	14%	18%

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
- Having lower reliance on debt
- Having more confidence and knowledge when it comes to financial
- Generally feeling more secure

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)
- More stressed by financial worries and the struggle to make ends meet

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	< R6 000	R 6 000 To R 13 999	R 14 000 To R 19 999	R 20 000 To R 39 999	> R 40 000	18-30 Years	31-39 Years	40-49 Years	50+ Years
Is important to save money for a rainy day	93%	93%	93%	94%	94%	95%	94%	95%	90%	95%
I want to learn more about how to save	80%	81%	83%	79%	79%	74%	81%	83%	80%	75%
Set financial goals	76%	65%	73%	80%	80%	89%	72%	76%	80%	76%
Extremely cautious with finances	75%	67%	73%	80%	80%	84%	72%	75%	79%	76%
Avoid debt wherever i can	74%	69%	75%	74%	73%	79%	73%	74%	70%	79%
Always trying to become more knowledgeable about financial matters	73%	68%	75%	76%	70%	79%	75%	77%	70%	68%
Always plan finances carefully	72%	61%	68%	74%	81%	85%	71%	71%	71%	74%
I need more education on how to handle my finances	70%	80%	81%	67%	60%	45%	77%	76%	62%	60%
Satisfied that my family is well provided for	65%	52%	56%	70%	79%	84%	60%	67%	69%	67%
Always worried about not having enough money	65%	74%	70%	61%	60%	49%	68%	63%	66%	62%
I wonder if i have done enough to secure my retirement	64%	67%	61%	65%	66%	60%	56%	65%	68%	67%
My immediate needs get in the way of my saving for the future	59%	64%	62%	53%	61%	44%	61%	58%	58%	57%
You need to spend money to enjoy life	58%	57%	57%	61%	56%	63%	54%	58%	60%	61%
No alternative but to get into debt	56%	61%	61%	54%	50%	46%	57%	56%	56%	55%
Plan my finances five to ten years ahead	53%	43%	52%	53%	58%	70%	50%	56%	53%	55%
Financial institution genuinely interested in my needs	52%	43%	52%	56%	57%	56%	48%	54%	52%	54%
Seek financial advice from family and friends	51%	51%	51%	48%	52%	48%	56%	55%	41%	47%
Death, funeral and disability cover are more important	50%	62%	52%	49%	41%	36%	50%	49%	47%	54%
Savings for education is more important than retirement	49%	53%	55%	46%	48%	37%	54%	53%	49%	37%
Finances are never properly organised	45%	57%	48%	47%	39%	26%	47%	40%	50%	45%

STATEMENTS - GROUPED Axes	Total	< R6 000	R 6 000 To R 13 999	R 14 000 To R 19 999	R 20 000 To R 39 999	> R 40 000	18-30 Years	31-39 Years	40-49 Years	50+ Years
I know a lot about financial products	44%	31%	40%	48%	53%	62%	39%	44%	48%	48%
Important to save, but do not have enough money	44%	56%	50%	33%	39%	30%	47%	48%	40%	39%
Feel financially secure, have enough pay for unplanned events	43%	33%	31%	50%	53%	68%	37%	41%	48%	49%
Credit is part of my life, can't make ends meet without it	40%	50%	39%	38%	35%	33%	44%	39%	38%	35%
Most months i struggle to make ends meet	39%	63%	42%	39%	23%	14%	41%	40%	38%	35%
World of financial services leaves me confused	38%	51%	42%	37%	28%	22%	47%	33%	35%	37%
Would like financial advice but hard to find somebody i trust	37%	40%	41%	34%	34%	32%	39%	36%	35%	39%
I consider myself a spender, not a saver	37%	44%	36%	32%	35%	36%	37%	39%	34%	38%
Always looking out for latest financial services products	36%	33%	29%	38%	42%	43%	37%	38%	35%	31%
Not always sure who to turn to regarding finances	34%	46%	39%	31%	24%	17%	37%	32%	31%	37%
See no benefit being loyal to financial services company	32%	40%	29%	31%	30%	32%	35%	31%	31%	32%
Spend all that i earn, not able to save anything	29%	42%	35%	25%	16%	15%	30%	28%	28%	28%
Anything to do with financial matters extremely boring	28%	29%	31%	27%	28%	21%	32%	28%	27%	25%
Saving for future is not a priority right now	24%	33%	28%	20%	16%	15%	26%	23%	25%	21%
As long as i can afford necessities, i don't worry	24%	30%	27%	23%	16%	17%	27%	19%	25%	25%
Happy to buy financial products in internet	18%	16%	17%	20%	15%	26%	22%	17%	18%	16%

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 two statements that cue dissatisfaction:
 - o "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 the declining trend on "I am always having to put plans to improve my life on hold" continue in this measure

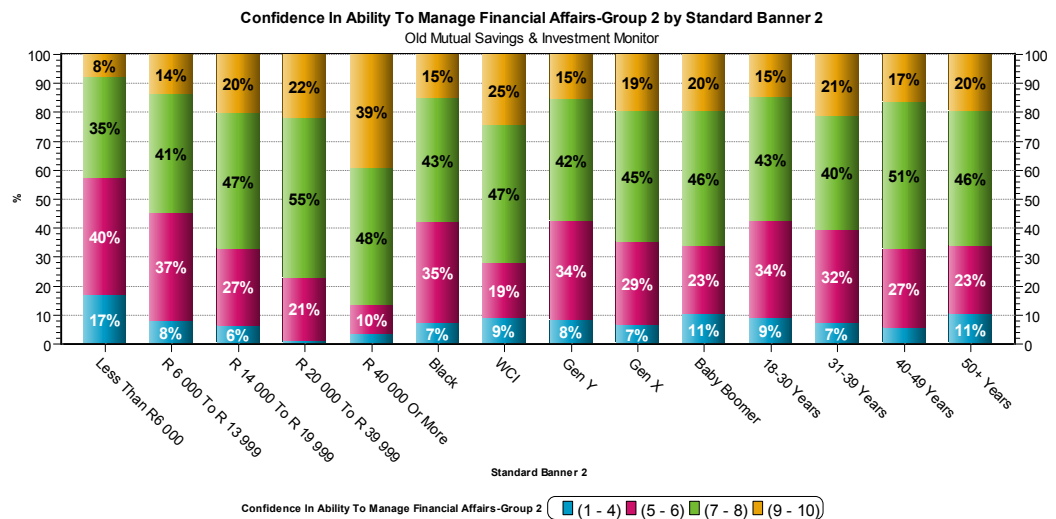
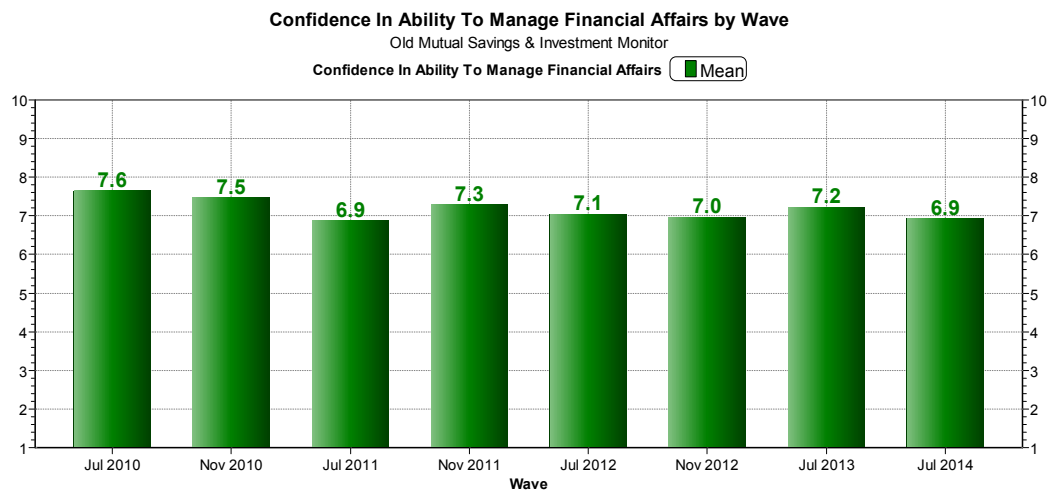
ATTITUDES TO WORK AND LIFE - GROUPED Axes	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Constantly planning & thinking about the future						86%	82%	84%	81%
I am very optimistic about what the future holds for me	86%	86%	86%	81%	87%	84%	83%	83%	78%
Maintaining a healthy lifestyle is a top priorities	85%	88%	87%	81%	90%	85%	80%	76%	77%
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%	76%
I try to give my children the best opportunities in life	55%	53%	83%	77%	78%	76%	76%	78%	76%
Important that i receive recognition for my success						79%	80%	79%	74%
I am happy and content with my life	79%	84%	79%	75%	80%	76%	69%	71%	73%
Community support is very important to me	76%	77%	77%	74%	74%	73%	77%	73%	70%
I like to own products that are the most technologically advanced	65%	63%	62%	60%	74%	72%	68%	65%	59%
In spare time i prefer to stay home rather than go out						61%	56%	60%	58%
Always put plans to improve my life on hold	71%	72%	71%	71%		65%	62%	61%	58%
I feel i never have enough money to do the things i want	78%	76%	73%	73%	70%	66%	65%	60%	58%
Being rich is a priority for me	60%	58%	58%	56%	59%	58%	57%	55%	53%
I feel confident about the south african economy	56%	58%	61%	58%	59%	57%	52%	55%	52%
I tend to make decision quickly based on gut feel	59%	53%	57%	48%	54%	51%	50%	52%	50%
To get ahead in life i am willing to sacrifice family & social time						52%	48%	49%	49%
I like to take risks in my life	63%	53%	62%	56%	50%	52%	46%	47%	48%
My life never seems to be properly organised	43%	35%	39%	44%	46%	39%	37%	36%	40%
Struggle to find a good balance between work & life						48%	44%	41%	40%
My children should look after me when i am old	30%	26%	38%	34%	35%	40%	41%	38%	39%
When socialising i only go to the fashionable places						36%	33%	34%	36%
I worry a lot about what other people think of me	43%	40%	39%	42%	42%	38%	34%	34%	35%
The Government will look after me if i am not able to look after myself	29%	30%	30%	32%	29%	38%	36%	31%	32%

ATTITUDES TO WORK AND LIFE - GROUPED Axes	Total	< R6 000	R 6 000 To R 13 999	R 14 000 To R 19 999	R 20 000 To R 39 999	> R 40 000	18-30 Years	31-39 Years	40-49 Years	50+ Years
Constantly planning & thinking about the future	81%	73%	80%	87%	87%	84%	80%	82%	85%	75%
I am very optimistic about what the future holds for me	78%	68%	77%	83%	84%	86%	83%	78%	78%	72%
Maintaining a healthy lifestyle is a top priorities	77%	69%	72%	80%	82%	87%	73%	75%	81%	78%
I am really proud of my home and am always spending time and money making it better	76%	65%	76%	69%	85%	87%	69%	78%	77%	82%
I try to give my children the best opportunities in life	76%	68%	75%	76%	83%	79%	53%	81%	90%	82%
Important that i receive recognition for my success	74%	65%	72%	73%	83%	83%	73%	77%	73%	72%
I am happy and content with my life	73%	56%	72%	72%	84%	91%	70%	74%	76%	72%
Community support is very important to me	70%	72%	67%	67%	72%	73%	69%	71%	69%	69%
I like to own products that are the most technologically advanced	59%	51%	56%	67%	64%	66%	68%	67%	54%	39%
In spare time i prefer to stay home rather than go out	58%	53%	61%	59%	56%	64%	50%	56%	65%	65%
Always put plans to improve my life on hold	58%	62%	62%	56%	59%	39%	58%	61%	56%	55%
I feel i never have enough money to do the things i want	58%	67%	65%	55%	51%	34%	60%	58%	56%	56%
Being rich is a priority for me	53%	52%	52%	54%	53%	60%	58%	55%	47%	52%
I feel confident about the south african economy	52%	51%	50%	56%	53%	53%	53%	53%	53%	47%
I tend to make decision quickly based on gut feel	50%	54%	54%	46%	50%	40%	48%	52%	50%	50%
To get ahead in life i am willing to sacrifice family & social time	49%	48%	48%	53%	49%	44%	53%	46%	42%	56%
I like to take risks in my life	48%	45%	51%	46%	46%	49%	47%	53%	44%	44%
My life never seems to be properly organised	40%	51%	49%	37%	25%	27%	42%	46%	31%	38%
Struggle to find a good balance between work & life	40%	42%	36%	41%	41%	38%	37%	40%	39%	43%
My children should look after me when i am old	39%	47%	48%	33%	28%	29%	28%	44%	41%	46%
When socialising i only go to the fashionable places	36%	35%	34%	38%	37%	37%	45%	36%	31%	29%
I worry a lot about what other people think of me	35%	34%	33%	38%	38%	34%	41%	30%	33%	37%
The Government will look after me if i am not able to look after myself	32%	47%	39%	26%	19%	17%	32%	33%	31%	34%

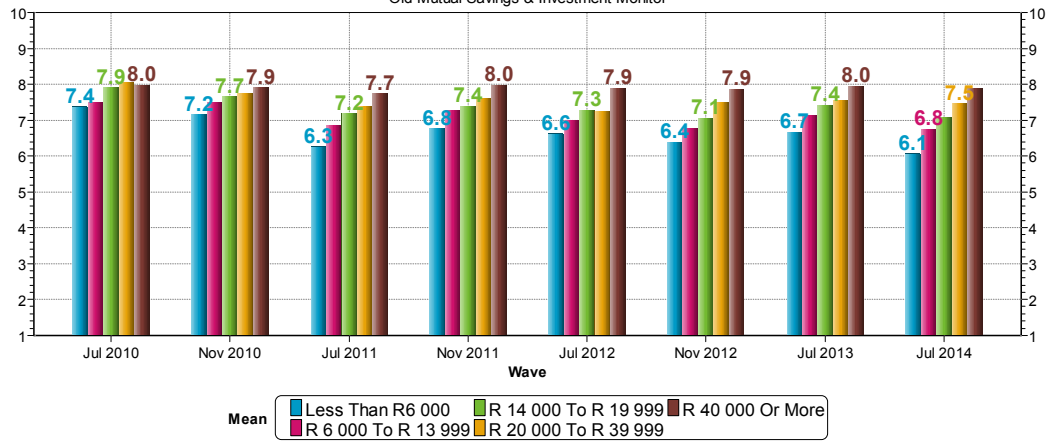
13. CONFIDENCE

IN FINANCIAL DECISION MAKING

Confidence levels have slipped somewhat since 2013, but continue to correlate positively with income; it is interesting that there is little correlation (positive or negative) with age. It is in the lower (less than R6 000) income segment that the drop in confidence levels is most marked.



Standard Banner 2 within Confidence In Ability To Manage Financial Affairs by Wave
Old Mutual Savings & Investment Monitor



14. SOURCES

OF FINANCIAL INFORMATION AND USING A FINANCIAL PLANNER

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 advisors – including bank consultants. “Bank Consultants” were added as a pre-coded option for the first time in July 2013 measure (together with two other options: “call centre at a financial institution” and “brochures from banks / financial institutions”).

This July 2014 measure shows an increase in accessing bank consultants as a source of information.

Sources accessed on a **regular or occasional** basis:

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Word of Mouth	66%	70%	65%	55%	52%	49%	54%	50%	52%
Bank Consultant	Not measured							49%	62%
Financial Advisor/ Broker (any)	40%	42%	42%	57%	44%	45%	36%	41%	27%
Television	50%	47%	48%	42%	38%	35%	33%	29%	31%
Brochures from banks/institutions	Not measured							27%	32%
Newspapers	44%	40%	38%	34%	28%	24%	22%	16%	21%
Radio	38%	32%	35%	31%	26%	21%	20%	16%	18%
Call centre at a financial institution	Not measured							11%	10%
Internet	18%	14%	12%	14%	14%	13%	12%	10%	14%
Business Magazines	16%	14%	15%	12%	7%	6%	5%	4%	2%
General Magazines	25%	22%	22%	17%	16%	12%	8%	4%	9%

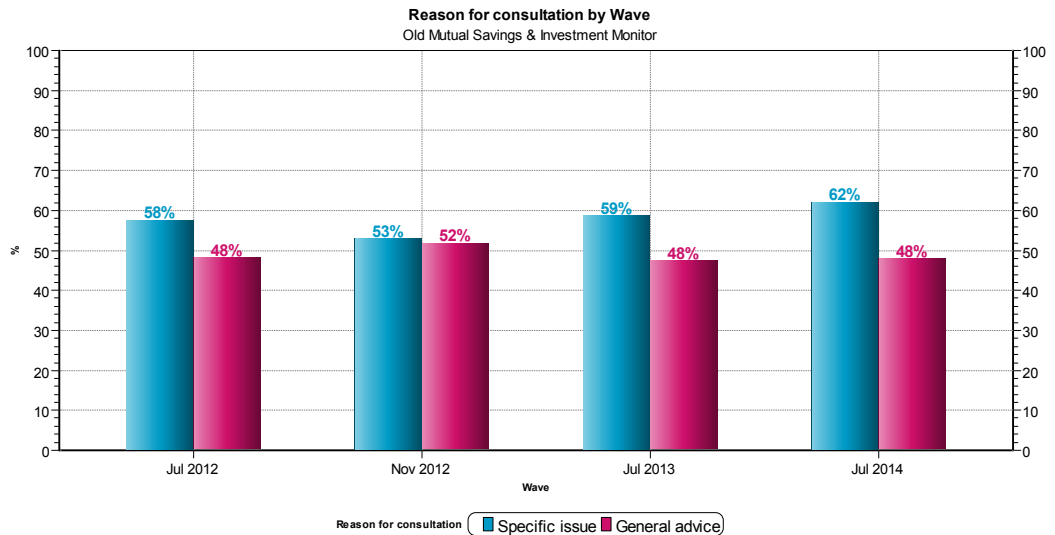
Primary source of personal financial information and advice remains dominated by bank consultants followed by word of mouth and financial advisors.

	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Bank Consultant	Not measured							31%	34%
Financial Advisor/ Broker (any)	15%	28%	29%	41%	36%	41%	36%	26%	18%
Word of Mouth	30%	33%	30%	18%	35%	23%	31%	19%	20%
Television	16%	14%	15%	10%	10%	10%	13%	6%	7%
Brochures from banks/institutions	Not measured							6%	7%
Call centre at a financial institution	Not measured							2%	2%
Newspapers	11%	11%	9%	8%	7%	6%	4%	2%	4%
Radio	8%	6%	5%	7%	4%	4%	4%	1%	2%
General Magazines	3%	1%	2%	7%	1%	1%	0.3%	0.4%	0.3%
Internet	7%	5%	5%	6%	5%	8%	5%	4%	3%
Business Magazines	1%	1%	2%	1%	0%	1%	1%	0.3%	-

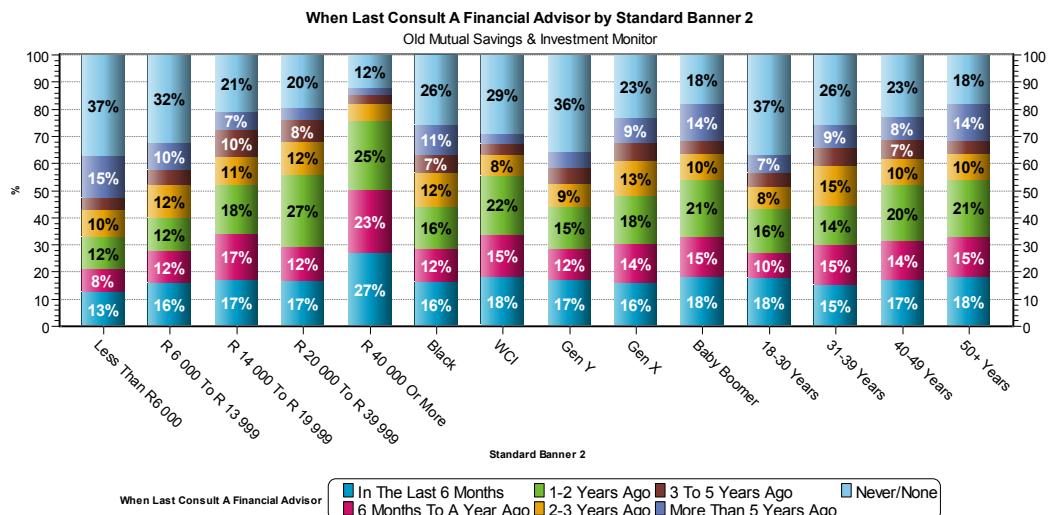
In July 2012 a series of questions were added to explore recency of contact with a financial advisor or bank consultant. 27% in this measure have never consulted a financial advisor or bank consultant for advice which is lower than the 40% recorded in 2013, which the proportion who have sought advice in the past year also being higher (30% vs. 24% in 2013).

When last consult a financial advisor	July 2012	Nov 2012	July 2013	July 2014
In the last 6 months	12%	10%	12%	17%
6 Months to a year ago	13%	10%	12%	13%
1-2 Years ago	16%	15%	17%	17%
2-3 Years ago	10%	8%	8%	11%
3 To 5 years ago	6%	6%	6%	6%
More than 5 years ago	5%	5%	5%	9%
Never/none	37%	46%	40%	27%

Reasons for consulting a financial advisor cover general advice as well as advice on a specific issue, with the weight in favour of consultations on specific issues.

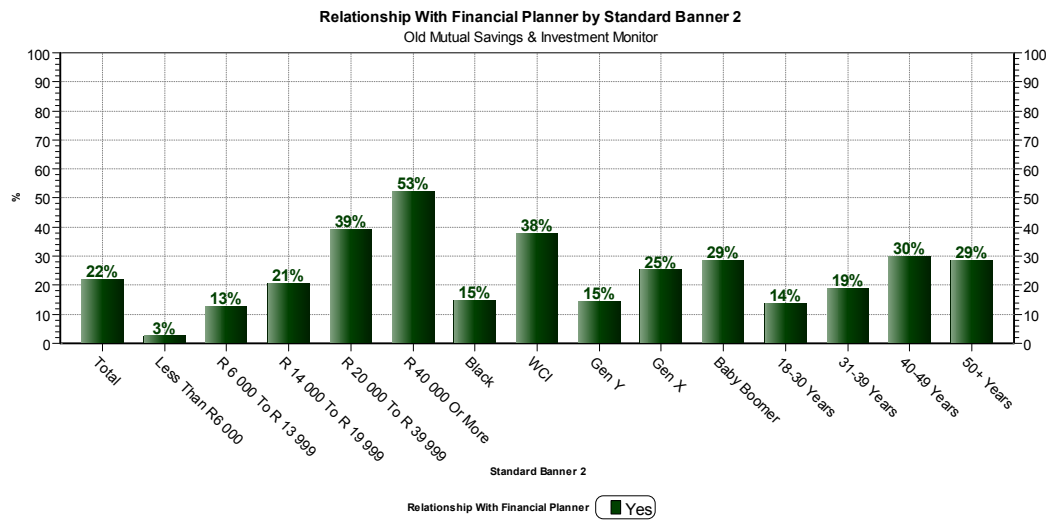


Incidence of consulting a financial advisor or bank consultant rises with age and income, as it did in the last measure.

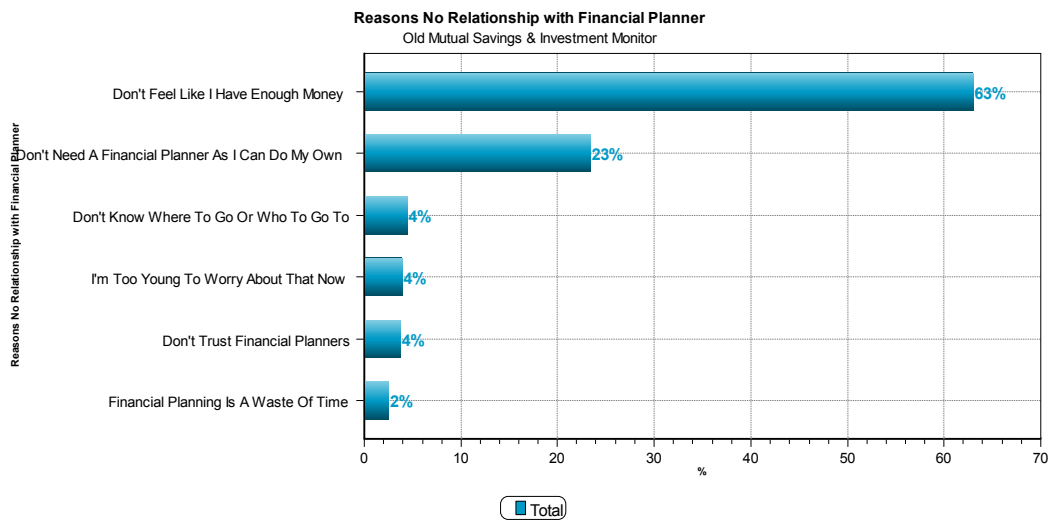


From the results of previous measures it was evident that much of the claimed access to advisors and consultants was of an ad hoc nature, and often limited to connecting with bank consultants on specific issues/products. In this July 2014 measure we wanted to get a fix on use of financial planners – by this we mean individuals (be they professionals or just lay people with experience who are connected to and trusted by the respondent) with whom the respondent has a relationship and who advises them on a fairly regular basis on their financial matters.

One out of 5 metro working South Africans have a relationship with a planner but this is very strongly correlated with income and incidence of such relationships is negligible amongst lower income households. Incidence is also more evident amongst WCI households (even after adjusting for differences in income profile between WCI and Black households).



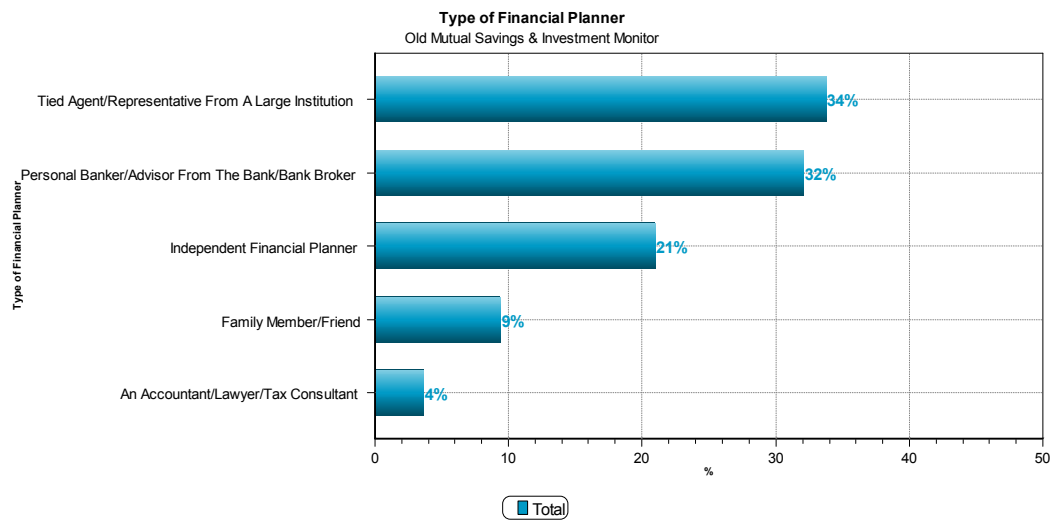
Those who do not have a relationship with a financial planner were asked why not. There are two main reasons cited. By far the most common reason given is that the perception that they don't have enough money to warrant seeing a financial planner. Predictably this perception is strongest in lower income households but it is still a significant factor amongst higher earners. The secondary reason is a perception (by older, higher earners in particular) that they are capable of doing the necessary planning on their own.



Reasons no relationship with financial planner	Total (Autobase)	< 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	774	244	214	156	87	73	531	243
Don't feel like I have enough money	63%	81%	68%	51%	44%	32%	66%	52%
Don't need a financial planner as I can do my own	23%	8%	18%	34%	42%	46%	21%	31%
Don't know where to go or who to go to	4%	4%	6%	5%	2%	2%	5%	2%
I'm too young to worry about that now	4%	4%	5%	3%	1%	5%	4%	4%
Don't trust financial planners	4%	2%	1%	5%	7%	12%	3%	7%
Financial planning is a waste of time	2%	0%	3%	3%	5%	3%	2%	3%

Reasons no relationship with financial planner	Total (Autobase)	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	774	306	344	124	238	236	176	124
Don't feel like I have enough money	63%	64%	63%	59%	66%	61%	65%	59%
Don't need a financial planner as I can do my own	23%	19%	25%	30%	16%	26%	25%	30%
Don't know where to go or who to go to	4%	6%	3%	5%	6%	4%	2%	5%
I'm too young to worry about that now	4%	8%	2%	0%	9%	3%	1%	0%
Don't trust financial planners	4%	2%	5%	6%	2%	5%	3%	6%
Financial planning is a waste of time	2%	2%	3%	1%	1%	3%	4%	1%

As to who this financial planner is, incidence of institutional advisors dominate, be they from large financial institutions such as Old Mutual or personal bankers / advisors attached to banks.

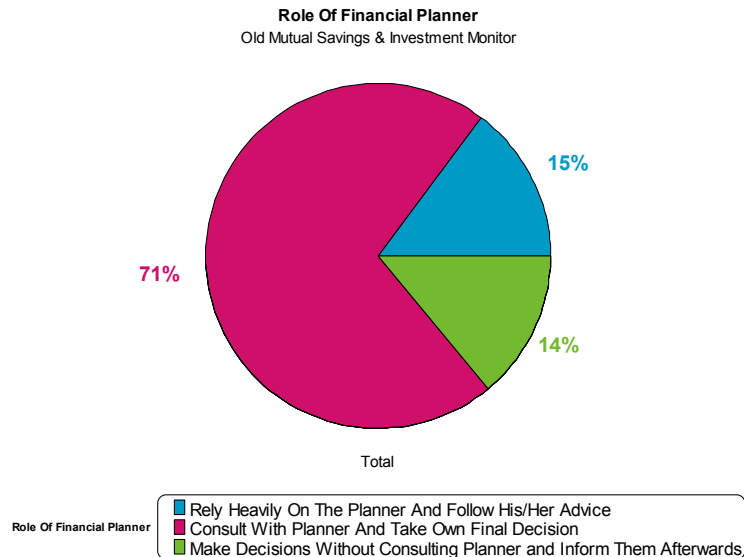


Independent financial planners (i.e. not attached to a specific financial institution) are more prevalent in WCI households and in higher income brackets whilst black households turn to bank based consultants. Younger respondents are significantly more likely to look to family members / friends (presumably older, more experienced members of their family).

	Total (Autobase)	Less Than R6 000 (base too small to reflect)	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Black	WCI
Unweighted numbers	228	7	33	41	63	84	87	141
Tied agent/representative from a large institution	34%		26%	44%	33%	33%	35%	32%
Independent financial planner	21%		16%	10%	20%	31%	4%	36%
An accountant/lawyer/tax consultant	4%		3%	0%	5%	4%	4%	3%
Personal banker/advisor from the bank/bank broker	32%		34%	41%	30%	28%	45%	21%
Family member/friend	9%		18%	5%	12%	3%	12%	7%

Role of Financial Planner	Total (Autobase)	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	228	51	127	50	38	60	80	50
Tied agent/representative from a large institution	34%	19%	38%	39%	17%	37%	36%	39%
Independent financial planner	21%	20%	19%	27%	20%	15%	22%	27%
An accountant/lawyer/tax consultant	4%	4%	2%	7%	0%	3%	4%	7%
Personal banker/advisor from the bank/bank broker	32%	35%	35%	22%	37%	40%	30%	22%
Family member/friend	9%	23%	6%	3%	27%	4%	8%	3%

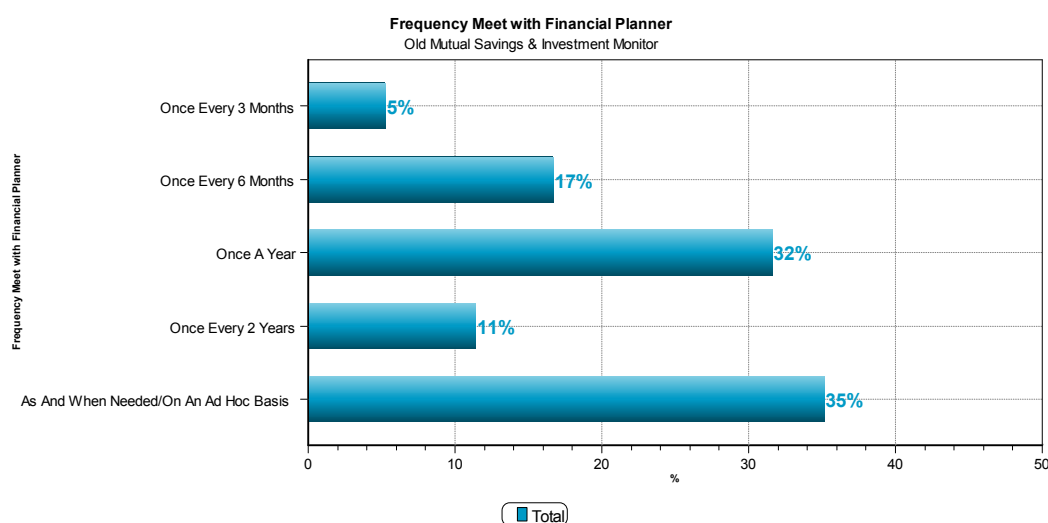
As regards the extent to which these financial planners are relied on, the vast majority of those using financial planners say that although they consult with their financial planner, they make the final decisions themselves, based on the financial planner’s input as well as other sources that they may have referenced. This pattern is fairly consistent across ages and income groups, although middle income (R14 000 – R19 999) are more likely to make their own decisions and only advise the planner afterwards.



Role of Financial Planner	Total (Autobase)	Less Than R6 000 (base too small to reflect)	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Black	WCI
Unweighted numbers	228	7	33	41	63	84	87	141
Rely heavily on the planner and follow his/her advice	15%	17%	23%	9%	9%	20%	10%	19%
Consult with planner and take own final decision	71%	83%	68%	58%	78%	69%	69%	73%
Make decisions without consulting planner and inform them afterwards	14%	0%	9%	34%	13%	11%	21%	8%

Role of Financial Planner	Total (Autobase)	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	228	51	127	50	38	60	80	50
Rely heavily on the planner and follow his/her advice	15%	16%	15%	12%	20%	12%	16%	12%
Consult with planner and take own final decision	71%	69%	68%	80%	66%	71%	68%	80%
Make decisions without consulting planner and inform them afterwards	14%	15%	16%	8%	14%	17%	16%	8%

As regards how often these consumers meet with their financial planner, generally speaking this is either done annually or ad hoc / as and when needed. This pattern is evident across all ages and income groups with the exception of upper income R40 000+ where there is also strong incidence of 6-monthly contact.



Frequency Meet with Financial Planner	Total (Autobase)	Less Than R6 000 (base too small)	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Black	WCI
Unweighted numbers	228	7	33	41	63	84	87	141
Once every 3 months	5%		3%	8%	4%	8%	7%	4%
Once every 6 months	17%		13%	5%	13%	27%	15%	18%
Once a year	32%		31%	39%	30%	29%	34%	30%
Once every 2 years	11%		13%	15%	16%	4%	14%	9%
As and when needed/on an ad hoc basis	35%		41%	34%	37%	32%	30%	39%

Frequency Meet with Financial Planner	Total (Autobase)	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	228	51	127	50	38	60	80	50
Once every 3 months	5%	4%	3%	11%	6%	5%	1%	11%
Once every 6 months	17%	12%	20%	13%	10%	20%	20%	13%
Once a year	32%	21%	34%	38%	27%	27%	34%	38%
Once every 2 years	11%	17%	11%	7%	12%	17%	9%	7%
As and when needed/on an ad hoc basis	35%	46%	32%	30%	45%	31%	36%	30%

15. BUDGETING

AND KEEPING TRACK

In order to better understand how consumers keep track of their day to day finances, we asked what they do keep track of the money in their main transactional account. Upper income consumers scrutinize their accounts more carefully, but very few compare spending from one month to another.

Main bank account tracking	Total	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted numbers	1,002	251	247	197	150	157	357	471	174	276	296	256	174
Check the balance	71%	70%	73%	70%	71%	66%	70%	74%	65%	70%	74%	72%	65%
Compare slips/receipts/spending against the statement	20%	13%	18%	21%	20%	33%	16%	23%	18%	16%	20%	24%	18%
Regularly check incoming and outgoing transactions	46%	36%	42%	48%	51%	64%	43%	47%	50%	44%	43%	49%	50%
Look out for suspicious or unusual transactions	22%	19%	19%	24%	25%	33%	20%	24%	23%	18%	24%	25%	23%
Compare spending between one month and another	16%	13%	15%	14%	22%	21%	13%	20%	15%	11%	21%	18%	15%
None, don't keep track of my account/rarely look at statements	10%	15%	10%	10%	6%	3%	13%	7%	10%	13%	8%	8%	10%

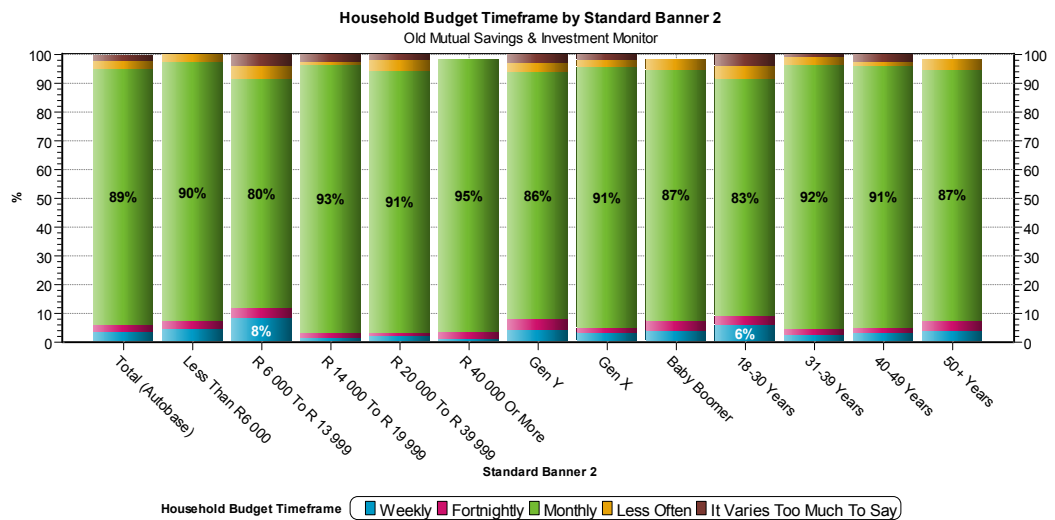
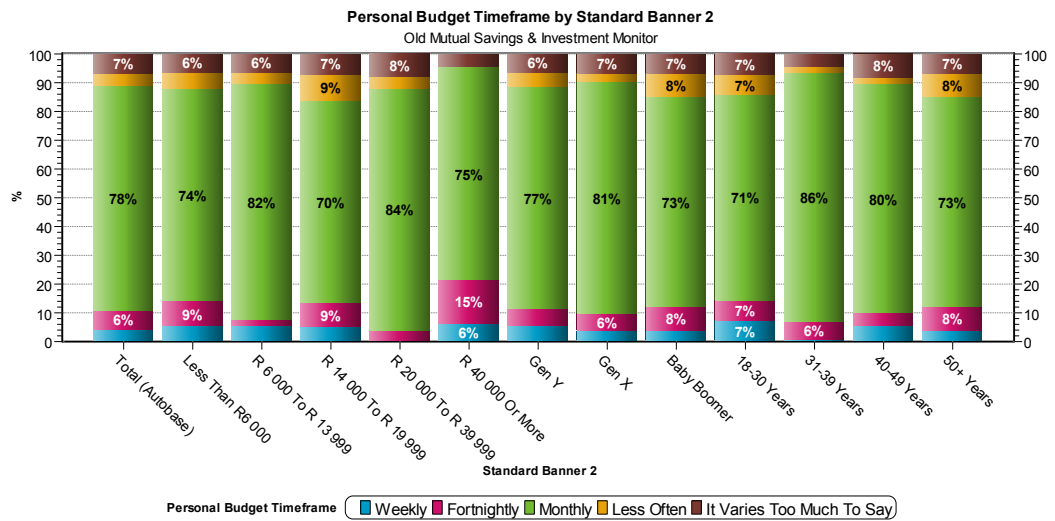
Just under a third of all metro dwellers make no budget at all, and whilst incidence of budgeting rises with income, one in 5 upper income consumers still make no budget all.

Main bank account tracking	Total	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Yes-in relation to my personal income	42%	46%	44%	39%	39%	36%	43%	40%	44%	43%	40%	42%	44%
Yes-jointly as a household/with my spouse/partner	33%	16%	27%	39%	46%	49%	25%	40%	30%	24%	38%	39%	30%
No, make no budget(s) at all	27%	38%	31%	24%	18%	19%	35%	22%	27%	35%	25%	23%	27%

Only half of those who are married/living together make a joint budget.

Personal/Household Budget	Total	Married/ Living Together	Not Married/ Not Living Together	Divorced	Widowed
Unweighted Numbers	1,002	533	378	62	29
Yes-in relation to my personal income	42%	28%	53%	77%	70%
Yes-jointly as a household/with my spouse/partner	33%	52%	13%	8%	11%
No, make no budget(s) at all	27%	23%	36%	18%	22%

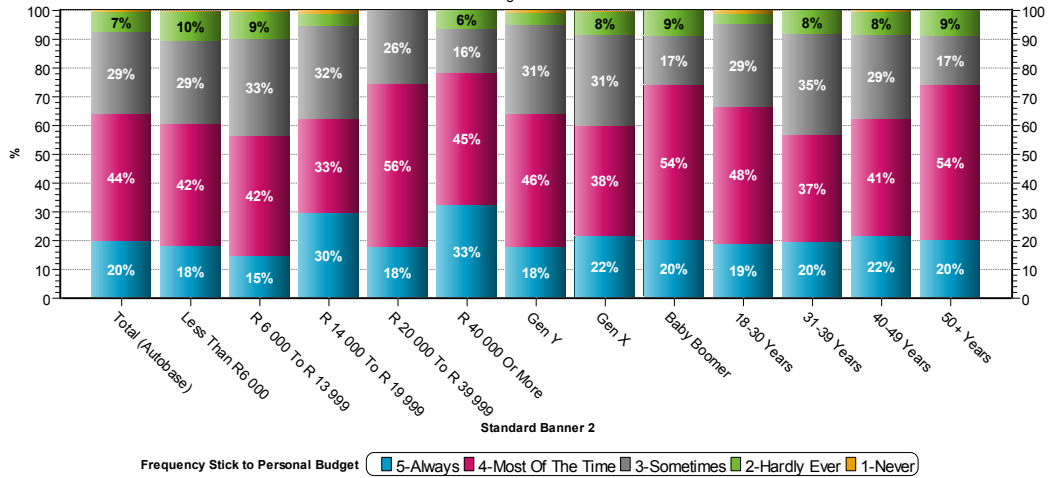
Generally speaking, both personal and household budgets are made with a monthly timeframe in mind.



Asked whether they stick to their budget, the majority say yes they do, either always or at least most of the time. Incidence of sticking to a budget climbs steadily with income – this is particularly true of household budgets.

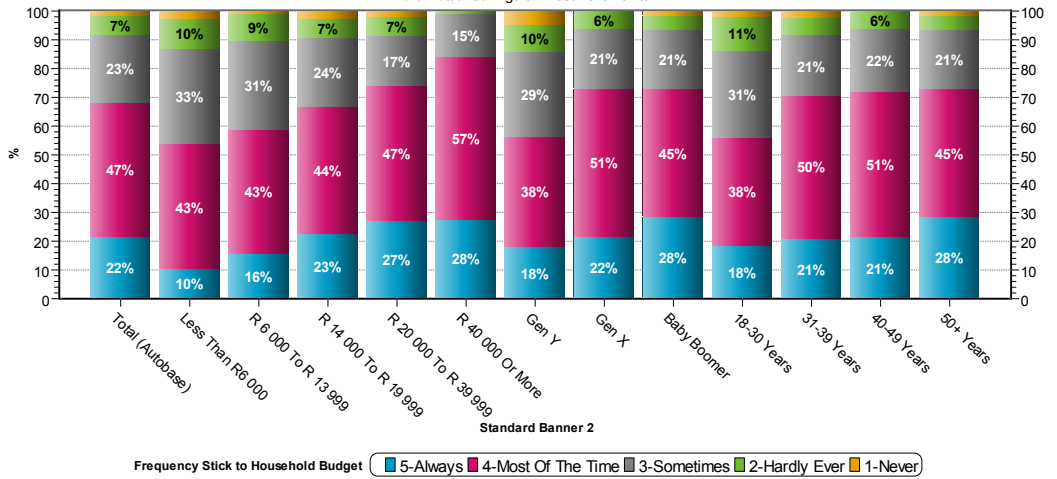
Frequency Stick to Personal Budget by Standard Banner 2

Old Mutual Savings & Investment Monitor



Frequency Stick to Household Budget by Standard Banner 2

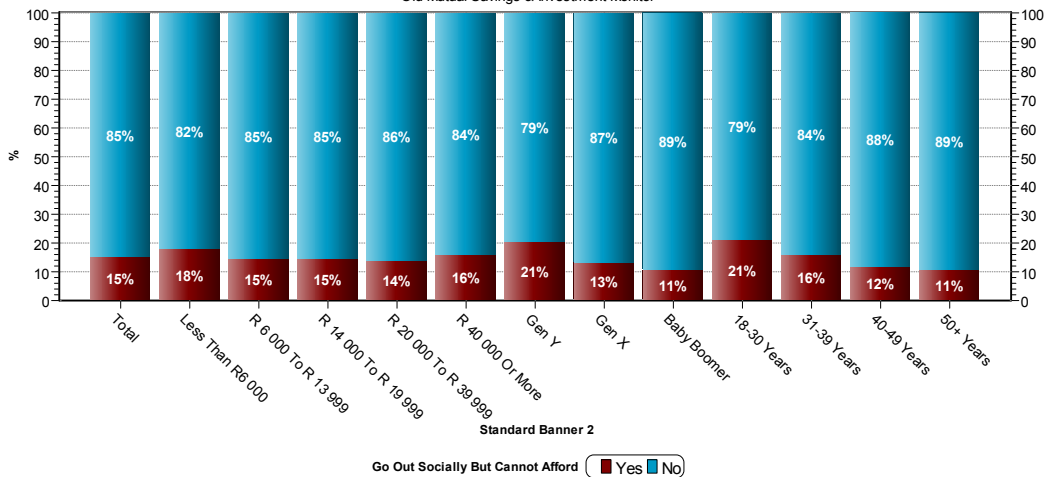
Old Mutual Savings & Investment Monitor



In order to get a sense of consumers' willingness to forego expenditure/live within their means, we posed the following question: Assuming you were asked out for a social occasion that you want to go to, put which you cannot afford, would you still go? The majority claim that that they would not go, although 1 in 5 younger respondents would go out regardless.

Go Out Socially But Cannot Afford by Standard Banner 2

Old Mutual Savings & Investment Monitor



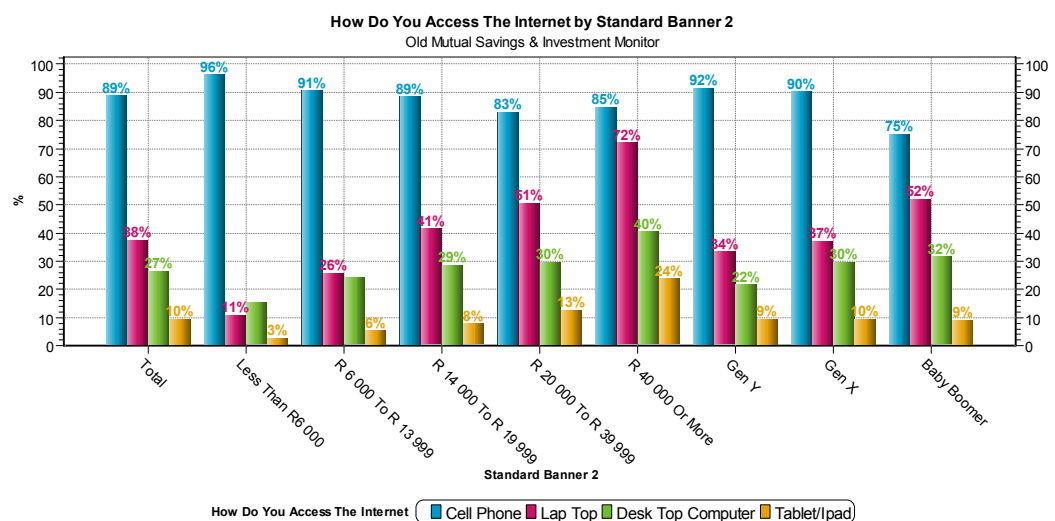
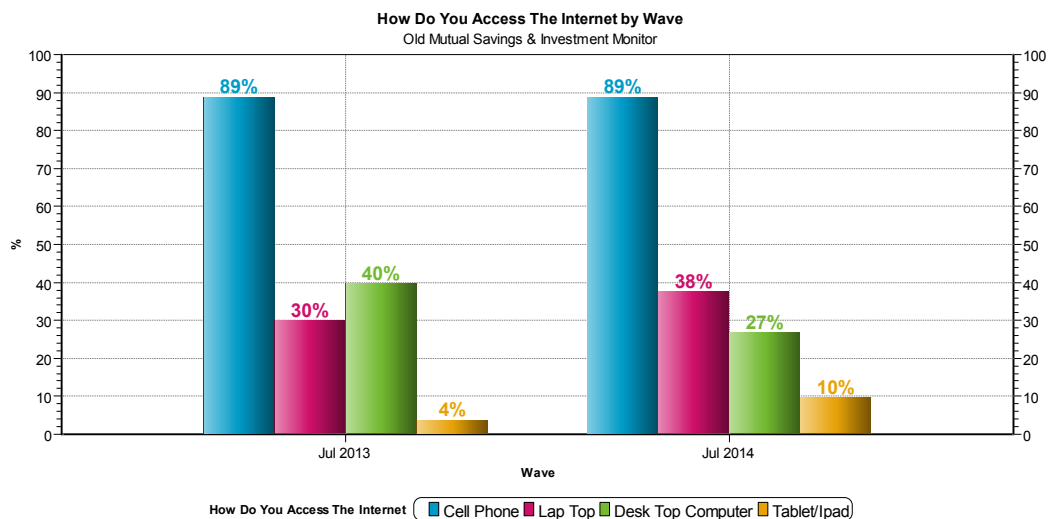
16. INTERNET

& BUYING ONLINE

Internet access has shown increasing penetration over successive measures.

Internet Access	Nov-09	Jul-10	Nov-10	Jul-11	Nov-11	Jul-12	Nov-12	Jul-13	Jul-14
Access the Internet	48%	50%	59%	64%	71%	70%	69%	77%	81%
Do not access the internet	52%	50%	41%	36%	29%	30%	31%	24%	19%

Based on those who do access the internet, cellphone is the most common channel followed by laptop. In this July 2014 measure laptops have surpassed desk top computers as a means of accessing the internet and use of tablets has grown significantly.



Notwithstanding the high levels of internet access and use, buying online is still in its infancy in many segments and the incidence of buying financial products online is negligible.

Ever Bought Online (BASE = those with internet access)	Jul-13	Jul-14
Music/DVD's/Music And Movie Downloads	12%	12%
Flights, Travel And Accommodation	12%	12%
Concert, Sports Or Movie Tickets	9%	11%
Books	6%	6%
Technology Applications And Tech Appliances	5%	5%
Financial Products	1%	3%
Clothes, Shoes	1%	2%
Groceries	1%	0%
None Of These	77%	74%

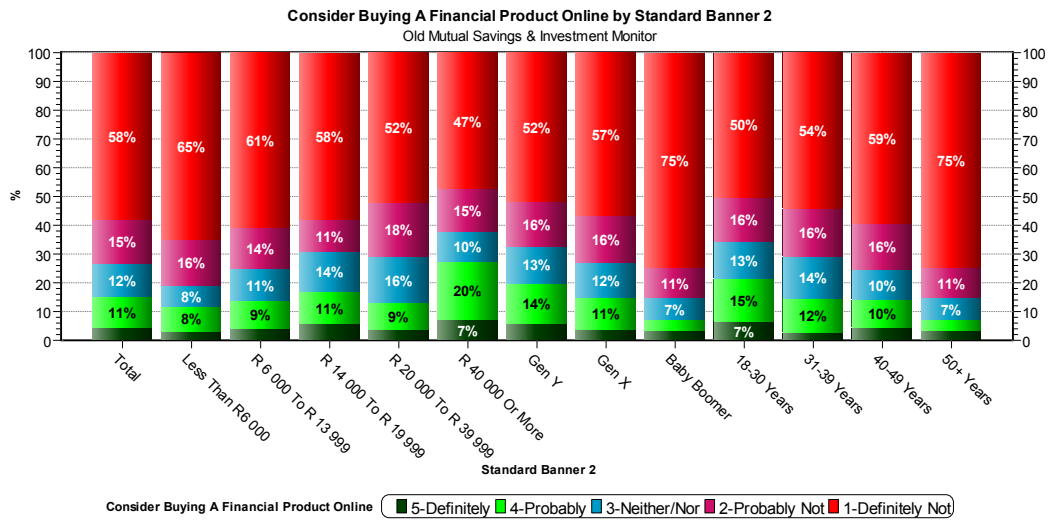
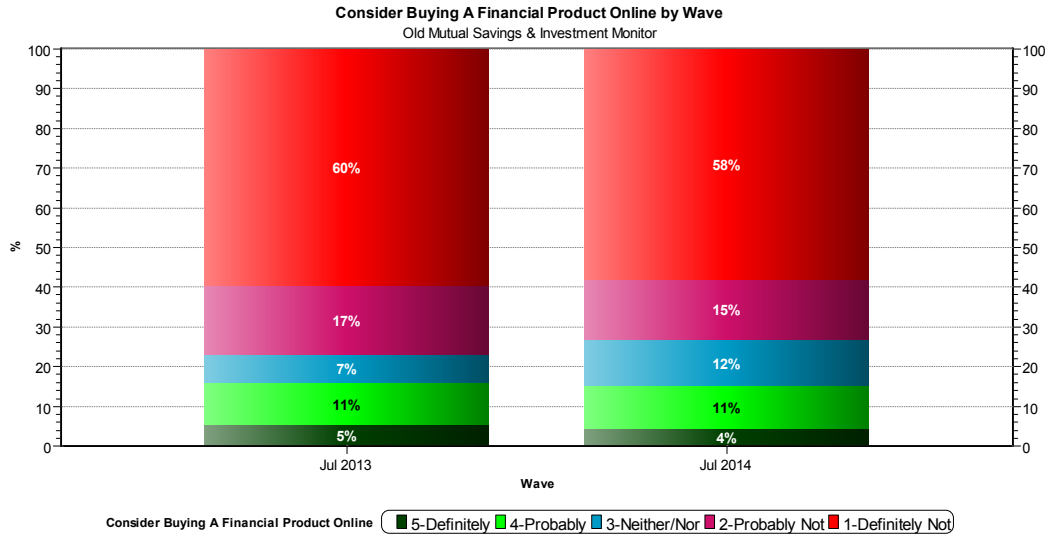
It is interesting to note that income is a stronger influencer of buying on line than age is.

Ever Bought Online	Total (Autobase)	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Gen Y	Gen X	Baby Boomer
Unweighted Numbers	810	164	194	169	135	148	324	383	103
Music/DVD's/Music And Movie Downloads	12%	8%	10%	14%	14%	19%	16%	11%	6%
Flights, Travel And Accommodation	12%	1%	5%	9%	17%	36%	8%	14%	17%
Concert, Sports Or Movie Tickets	11%	6%	6%	10%	13%	28%	10%	11%	15%
Books	6%	2%	2%	7%	8%	14%	6%	5%	7%
Technology Applications And Tech	5%	2%	3%	5%	7%	10%	7%	3%	4%
Financial Products	3%	1%	3%	2%	3%	5%	2%	2%	4%
Clothes, Shoes	2%	0%	2%	1%	4%	4%	3%	1%	1%
Groceries	0%	0%	1%	1%	1%	0%	1%	0%	1%
None Of These	74%	86%	82%	75%	69%	53%	73%	75%	77%

In terms of reactions to buying financial products over the internet, we have two measures. The first is an attitudinal statement included in a long list of various attributes that we measure on a 4 point agree scale. The statement is "I am happy to buy financial products on the internet".

Happy To Buy Financial Products In Internet (BASE = those with internet access)	Jul-12	Nov-12	Jul-13	Jul-14
Unweighted Numbers	729	708	784	809
Agree %	23%	25%	17%	20%
Disagree %	77%	75%	83%	80%

The second measure is a "softer" measure as to whether they would **consider** buying a financial product (such as a policy or investment) online. This was asked for the first time in July 2013, and was asked of total sample. At a total sample level there has been little change and resistance is still high, amongst Baby Boomers in particular.



17. WHAT TO DO

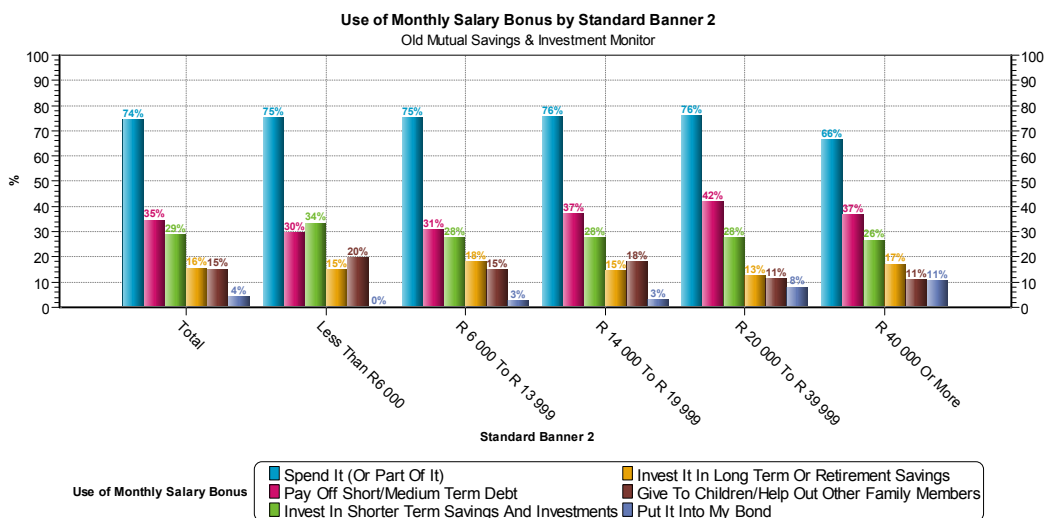
WITH A WINDFALL?

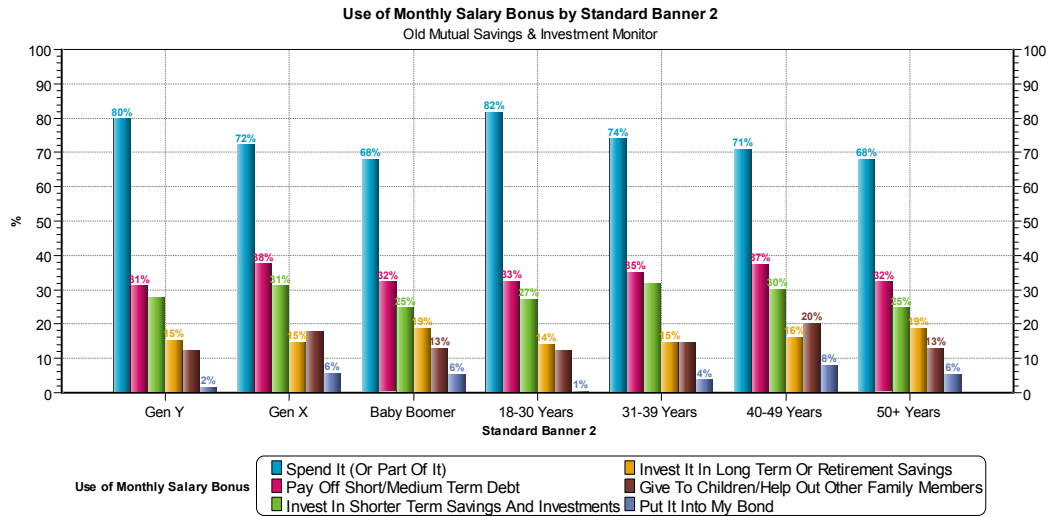
Respondents were asked what they would most likely do with a windfall equivalent to their monthly salary, with the emphasis on what they are honestly most likely do rather than what they think would be the “right” thing to do. They are then taken through the exercise again, but this time on the assumption that the windfall is the equivalent of a year’s salary.

WINDFALL EQUIVALENT TO MONTHLY SALARY

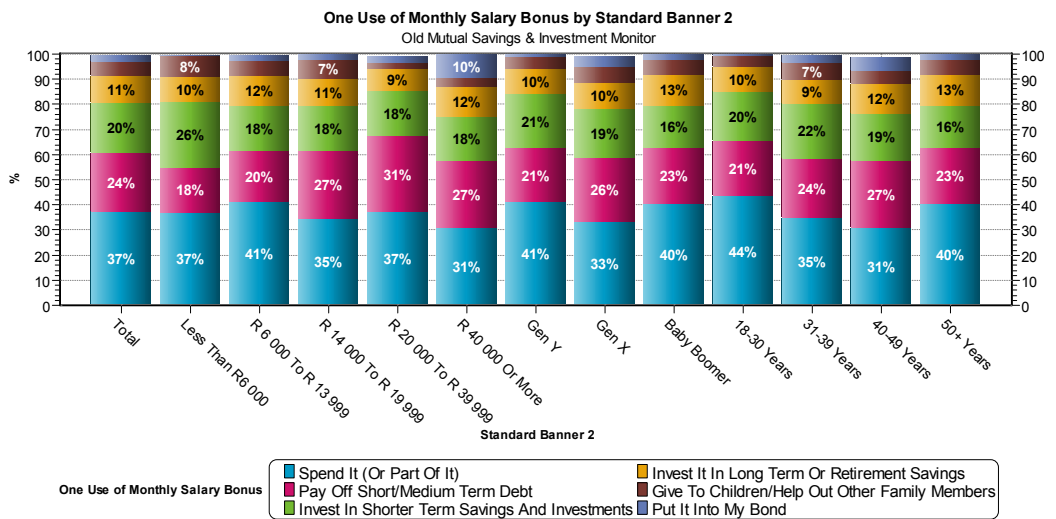
Three quarters of metro working South Africans would spend at least part of such a windfall. This occurs across all income groups although the proportion of “spenders” drops to 66% in the R40 000+ bracket. Younger respondents are the most likely to spend at least some of their windfall.

After spending, the next most popular application is the repayment of short to medium term debt, followed by shorter term savings and investment (i.e. savings that remain fairly readily accessible). Only 16% would put any proportion of such a windfall towards longer term or retirement savings (i.e. savings which cannot be accessed in the short term), and whilst this does climb with age, the increase is only marginal with 19% of 50+ years considering longer term savings.





When asked to give a singular use i.e. the ONE use that would most likely put the money towards, spending remains the primary application, again followed by debt reduction.

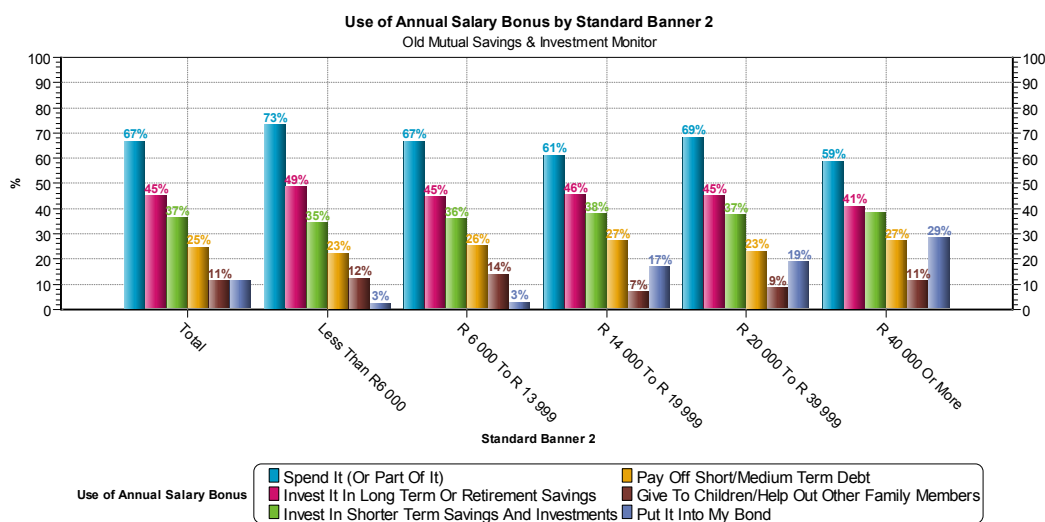


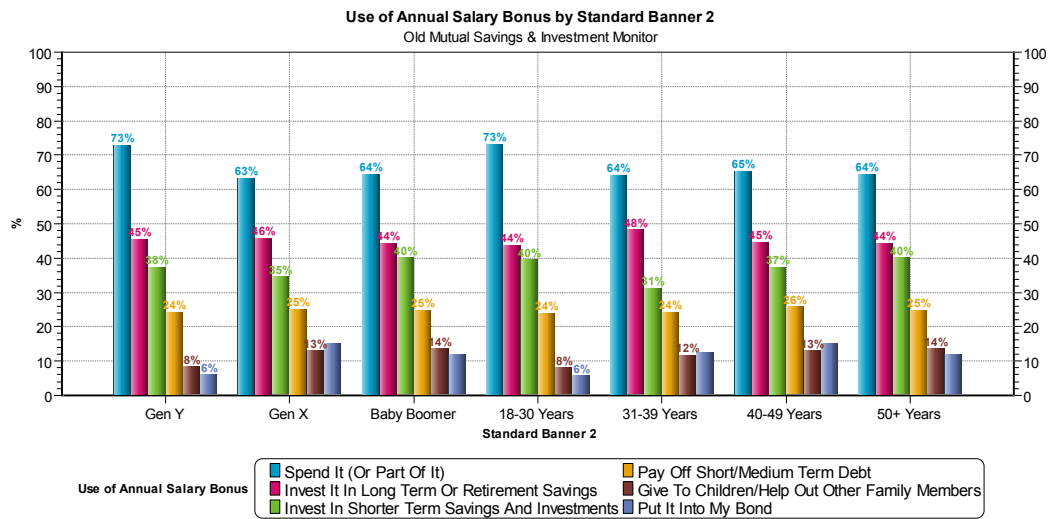
As to what this windfall is likely to be spent on, clothes and food & groceries are the most likely applications. Lower income households bias on food and groceries whilst clothes are (somewhat predictably) the spend of choice for younger generations. Vehicle and holiday related expenditure peaks in higher income groups whilst school related expenditure (fees and uniforms) biases in middle income. The detailed results are tabulated below (base = those who would spend at least some of their monthly windfall). Note that mentions at levels of less than 1% of total sample are not reflected.

Spend Monthly Salary Bonus On	Total	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	745	192	188	148	114	103	288	339	118	227	216	184	118
Clothes	36%	37%	43%	36%	29%	27%	47%	33%	20%	49%	35%	31%	20%
Food And Groceries	35%	52%	39%	33%	26%	13%	34%	36%	37%	35%	33%	38%	37%
Household Durables (Appliances And Furniture)	26%	29%	22%	27%	31%	23%	22%	28%	34%	22%	26%	28%	34%
Personal Luxuries	21%	16%	20%	26%	23%	26%	26%	20%	14%	28%	17%	23%	14%
Home And Property (Including Improvement & Repairs)	20%	20%	22%	18%	14%	26%	18%	20%	23%	16%	22%	21%	23%
School Fees/ Uniforms	19%	17%	21%	26%	17%	13%	14%	28%	6%	13%	27%	25%	6%
Car/Vehicles (Including Car Repair)	15%	9%	12%	20%	18%	27%	12%	19%	14%	15%	14%	19%	14%
Holidays	12%	4%	7%	9%	21%	27%	10%	12%	16%	11%	6%	17%	16%
Medical Expenses	4%	5%	5%	5%	1%	5%	3%	4%	9%	3%	2%	5%	9%
Buy Stock For Business/Put It Into My Business	1%	0%	1%	0%	1%	2%	0%	1%	0%	0%	1%	2%	0%

WINDFALL EQUIVALENT TO ANNUAL SALARY

When the amount in question is substantially larger it is interesting to note the increased importance afforded to long term savings. To our minds this indicates that consumers are more likely to “squander” smaller amounts and more likely to be “sensible” with a large amount. Financial institutions would do well to drive home the message that every little bit counts.



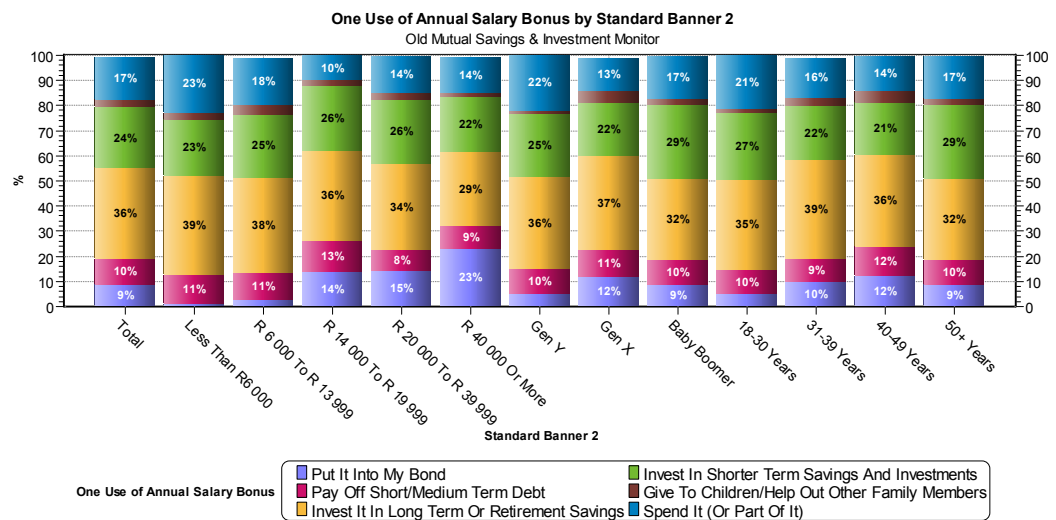


Clearing long term debt or **“putting it into the bond”** becomes more prominent, and is a **primary application amongst bondholders.**

Use of Annual Salary Bonus (BASE = those paying off a bond)	Total	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More
Unweighted Numbers	194	5**	19**	48	56	66
Put It Into My Bond	56%	60%	32%	62%	53%	67%
Pay Off Short/Medium Term Debt	33%	40%	64%	26%	28%	30%
Invest It In Long Term Or Retirement Savings	30%	0%	15%	28%	33%	35%
Invest In Shorter Term Savings And Investments	29%	60%	42%	20%	30%	26%
Give To Children/Help Out Other Family Members	8%	0%	21%	2%	9%	7%
Spend It (Or Part Of It)	57%	80%	47%	56%	66%	44%

** Caution small base sizes.

Asked to choose the ONE most likely application, long term savings come to the fore.



For those who would spend at least part of this larger windfall, the pattern of proposed spend is quite different to how a smaller windfall would be spent:

- Higher property related expenditure across all income groups
- Lower spend on food and groceries but these are still mentioned at significant levels especially by lower income households, but generally the shift is in favour of bigger ticket items such as household durables
- Youth spending moves from clothes to their big ticket item: vehicles
- Higher incidence of holiday spending especially in R40 000+

Spend Annual Salary Bonus On	Total (Autobase)	Less Than R6 000	R6 000 to R13 999	R14 000 to R19 999	R20 000 to R39 999	R40 000 or More	Gen Y	Gen X	Baby Boomer	18-30 Years	31-39 Years	40-49 Years	50+ Years
Unweighted Numbers	669	187	167	121	103	91	257	298	114	200	190	165	114
Home And Property (Including Improvement & Repairs)	36%	36%	33%	32%	44%	30%	31%	38%	40%	27%	41%	37%	40%
Household Durables (Appliances And Furniture)	34%	43%	33%	32%	30%	24%	32%	35%	34%	31%	33%	37%	34%
Car/Vehicles (Including Car Repair)	27%	21%	25%	33%	28%	34%	30%	26%	21%	34%	25%	22%	21%
Clothes	24%	32%	21%	24%	23%	17%	28%	23%	19%	29%	22%	24%	19%
Food And Groceries	19%	27%	21%	15%	14%	7%	18%	20%	18%	18%	18%	21%	18%
Personal Luxuries	19%	13%	15%	23%	27%	18%	19%	20%	15%	18%	21%	19%	15%
Holidays	19%	8%	13%	21%	27%	39%	17%	20%	18%	19%	10%	29%	18%
School Fees/Uniforms	13%	8%	18%	13%	12%	8%	8%	18%	9%	8%	16%	17%	9%
Medical Expenses	5%	6%	3%	1%	8%	3%	4%	5%	7%	4%	3%	6%	7%
Buy Stock For Business/Put It Into My Business	1%	0%	1%	0%	1%	3%	1%	1%	1%	0%	1%	2%	1%



SAVINGS & INVESTMENT MONITOR

