



Finances through the life stages: How is SA doing? A Sanlam Report

Are South Africans making the
right decisions to live a life of
financial confidence?

January 2023

 **Sanlam**
LIFE
OF CONFIDENCE



About this report

A new survey conducted among more than 5 000 South Africans has shown that many of us are missing valuable opportunities to set ourselves up for a life of financial confidence.

For instance, by not investing early enough, we are missing the value of compound interest. By not having risk products in place, we are leaving ourselves exposed if financial setbacks happen in our lives.

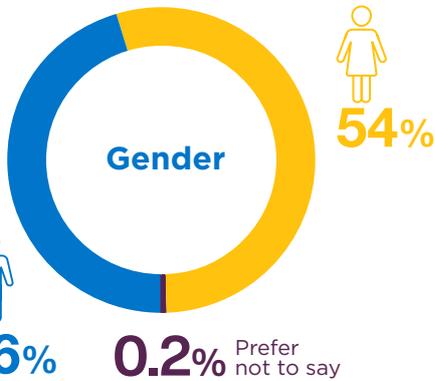
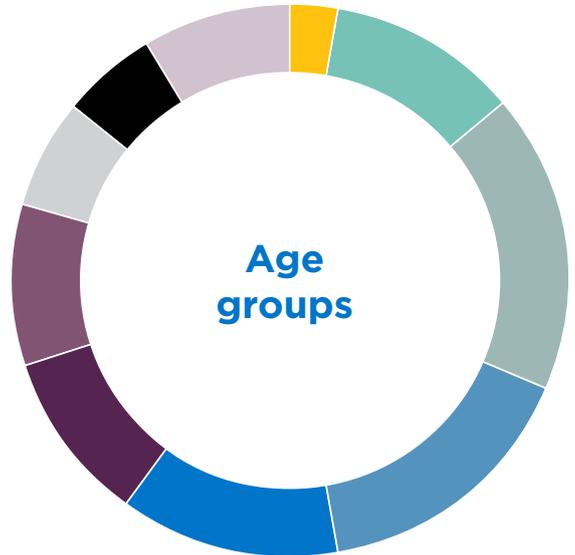
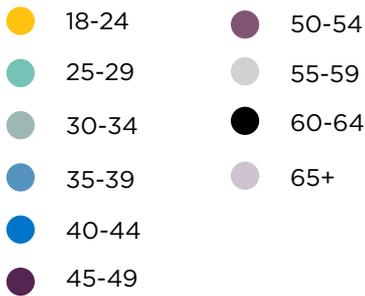
The reasons we miss these moments are complex. From lack of access to financial education particularly at a young age, to the high cost of living, to not seeking financial advice from professional advisers.

| This survey asks:

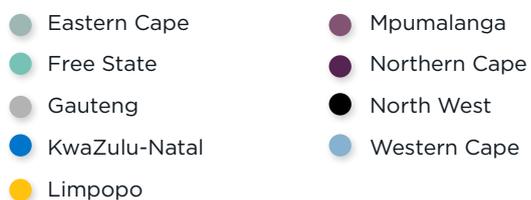
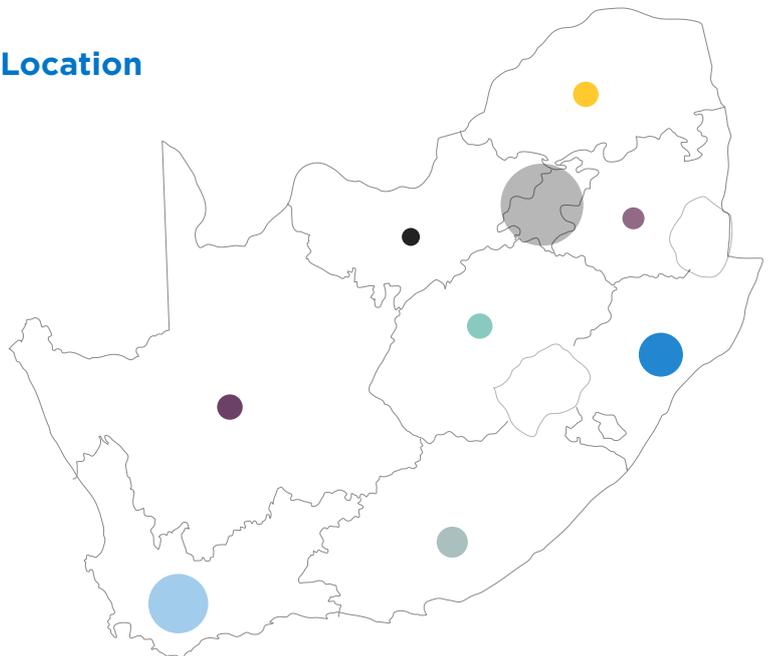
Are South Africans protecting themselves adequately against life's big risks? Are they taking steps to grow wealth? Do they have an emergency fund? A financial adviser? The report also puts the spotlight on the important financial decisions we should be making at each life stage to grow wealth, protect ourselves against risks and ultimately live a life of confidence.

The sample

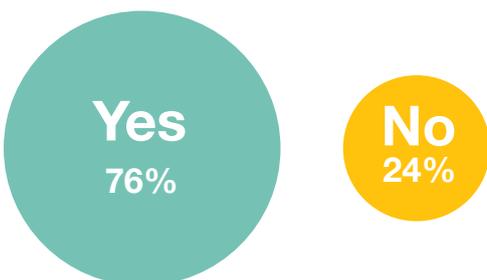
The survey was conducted via News24's online platform among a representative and geographically diverse group of respondents.



Location



Do you have children?



Key findings



Just **10.3%** of **18-24-year-olds** surveyed have a retirement product.



Just **17.6%** of **25-29 age** group surveyed have a retirement product.

This shows the vast majority are not taking advantage of compound interest and tax breaks linked to saving for retirement.

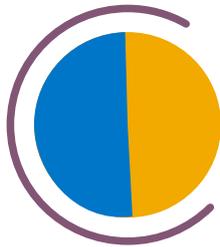
Meanwhile,



only **7.4%** of retired respondents say that they are well prepared to retire.

Unless people act early, even starting with a small amount in their 20s or 30s, the outcomes for the 65+s are unlikely to improve.

Nearly half (**49.4%**) of the 40-44-year-olds have life insurance.



And **47.8%** of 45-49-year-old respondents have life insurance.

Of all the respondents, 41.4% have life insurance, so more than half do not have cover for loved ones if they pass away.



18-39-year-olds

get their financial advice online more than from financial advisers, family or friends.



40-64-year-olds

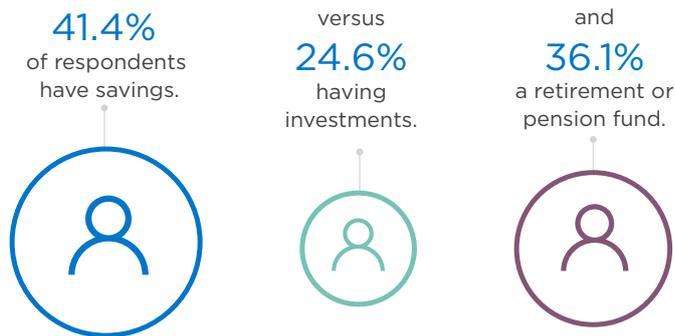
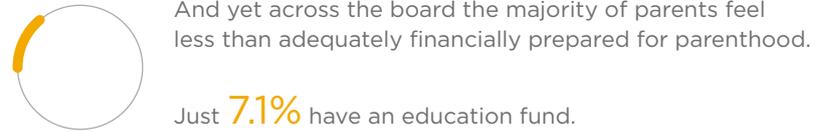
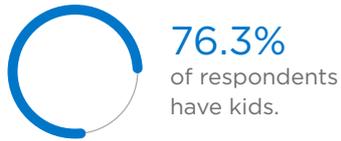
The majority get financial advice from an adviser.



over-65-year-olds

get their advice from an adviser. **10.2%** get it from family.

The younger group not getting financial advice means they may be missing out on the benefits of early planning.



The greater use of savings is not surprising as it means the funds are available more readily, suggesting people take a short-term view of their money.

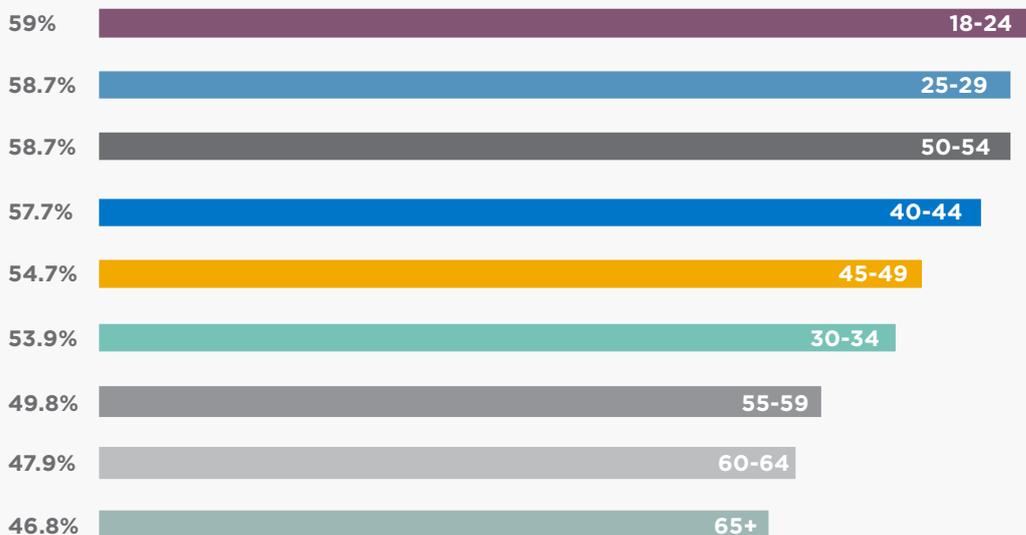
Throughout the report savings refer to money saved in a low-interest bank account; investments refer to money in higher interest longer-term focussed products.



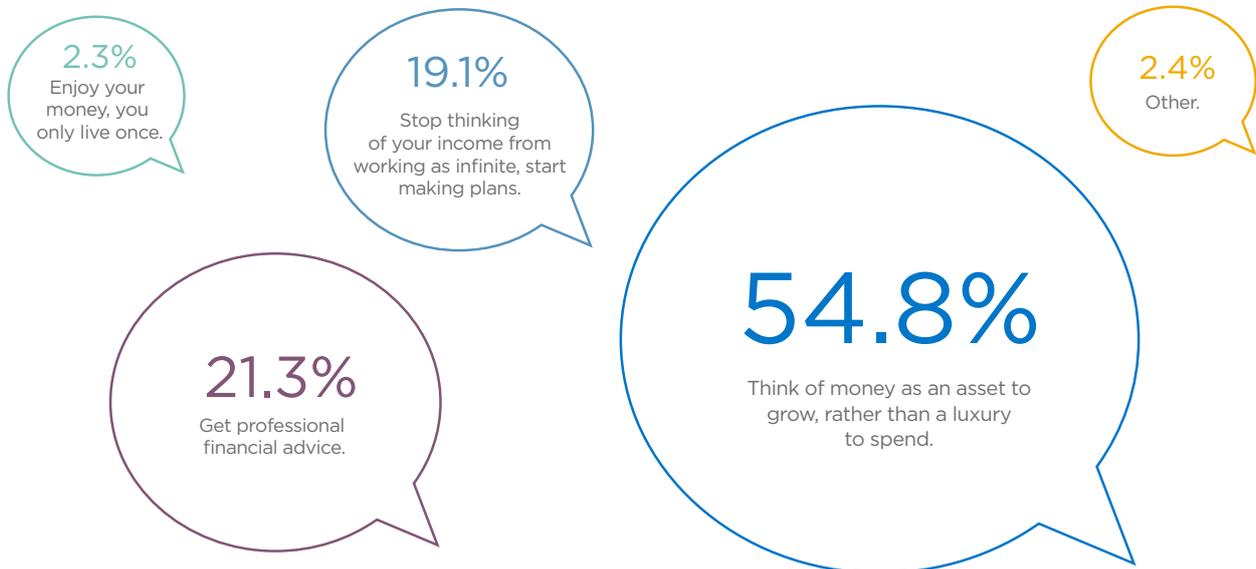
The rest are more concerned with making ends meet, having a comfortable retirement and paying off debt.

What advice would you give your younger self for the decade preceding your current age?

Overall 54% would advise their younger self to think of money as an asset to grow, not a luxury to spend and every life stage places this advice as its top recommendation.



Other advice they would give their younger selves



During your current life stage, what is your biggest financial concern?

Despite respondents believing the best choice for their younger selves is growing money, the top two financial concerns across all life stages are:



The other options, including:

- retiring comfortably,
- giving my children a good education and leaving a legacy, lagged significantly, mostly in single digits across all life stages.

This indicates that people are in survival mode, rather than in a position to grow, thrive and provide. It also indicates a lack of planning and making the pivotal financial decisions when they need to be made.

Gauging how respondents feel about their relationship with money, 79.5% of respondents strongly agree that money is ‘something that should be taken very seriously and managed carefully’.

Life events experienced

Respondents were asked whether they'd experienced a range of big life events and, for those who had, how financially prepared they felt.

In addition to the tables that follow, respondents also cite the death of a loved one, losing income, school fees, medical expenses and taking on responsibility for extended family members as having a major impact on finances.

To which extent do you agree or disagree with the below statements about your relationship with money?

● Count ● Row %

	Strongly disagree	Somewhat disagree	Somewhat agree	Strongly agree	Responses
I feel that money is my ticket to enjoying life	660 12.7%	822 15.8%	2 497 48%	1 226 23.6%	5 205
I feel that money is something that should be taken very seriously and managed carefully	343 6.6%	92 1.8%	633 12.2%	4 137 79.5%	5 205
I watch my money very closely, always looking for savings and lowest prices	251 4.8%	394 7.6%	1 679 32.3%	2 881 55.4%	5 205
I feel like money is my ticket to building wealth	270 5.2%	378 7.3%	1 891 36.3%	2 666 51.2%	5 205
I often feel that money controls me, I don't control my money	1 841 35.4%	1 476 28.4%	1 337 25.7%	551 10.6%	5 205

Total respondents: 5 205

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I did not study further after Matric	Responses
Tertiary education	1 264 20.2%	1 649 26.4%	1 222 19.5%	966 15.5%	1 151 18.4%	5 205

Total respondents: 5 205

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I did not get married	Responses
Getting married	1 010 19.4%	1 295 24.9%	726 13,9%	487 9.4%	1 687 32.4%	5 205

Total respondents: 5 205

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I did not/have not started a family	Responses
Deciding to start a family /pregnancy	1 082 20.8%	1 449 27.8%	762 14,6%	926 17.8%	986 18.9%	5 205

Total respondents: 5 205

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I did not/have not had children	Responses
Raising children	1 121 21.6%	1 754 33.8%	828 15.9%	502 9.7%	987 19%	5 192

Total respondents: 5 192

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I have not bought property	Responses
Buying property	1 005 19.4%	1 253 24.2%	652 12.6%	405 7.8%	1 864 36%	5 179

Total respondents: 5 179

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I have not retired yet	Responses
Retiring	371 7.2%	761 14.7%	690 13.3%	623 12%	2 734 52.8%	5 179

Total respondents: 5 179

Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	I have not been retrenched	Responses
Retrenchment	195 3.8%	433 8.4%	623 12%	1 163 22.5%	2 766 53.4%	5 180

Total respondents: 5 180

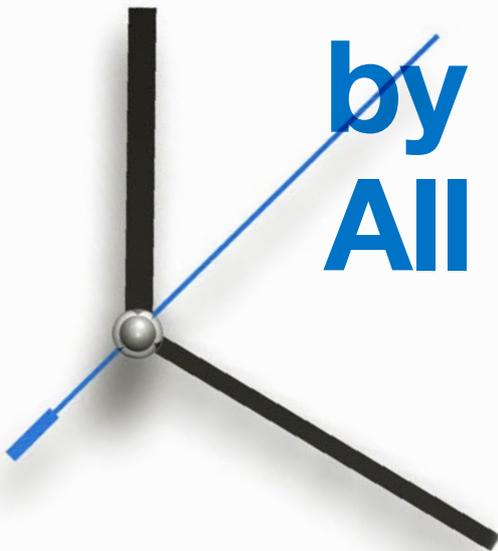
Have you experienced the life event below? If yes, please indicate how financially prepared you were.

	Well prepared	Somewhat prepared	Under-prepared	Unprepared	My parents have not relied on me for financial support	Responses
Your elderly parents have relied on you for financial support	406 7.8%	1 001 19.3%	852 16.4%	752 14.5%	2 184 42%	5 195

Total respondents: 5 195

Section 03

Life stage by life stage All the results



Section 03

Life stage by life stage: All the results

Life stage 18-24 yrs

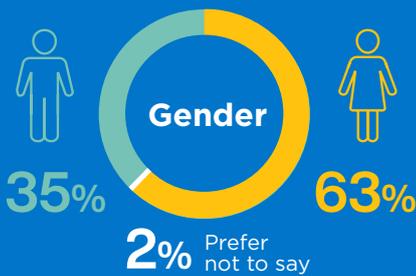
The sooner a person starts to invest, the more time they have to take advantage of compound interest.

The beginning of the working years is the best time to start long-term saving. Starting this young means putting away a small amount regularly will kick-start a lifetime of good habits, commitment to building wealth and making your money work hard. The early 20s are also a time to start building a good credit score.

Unfortunately, not enough of the 18-24 age group surveyed are taking advantage of their gift of time. 10.3% of respondents have a retirement product and 19% are investing. Substantially more have a savings account (63.2%).



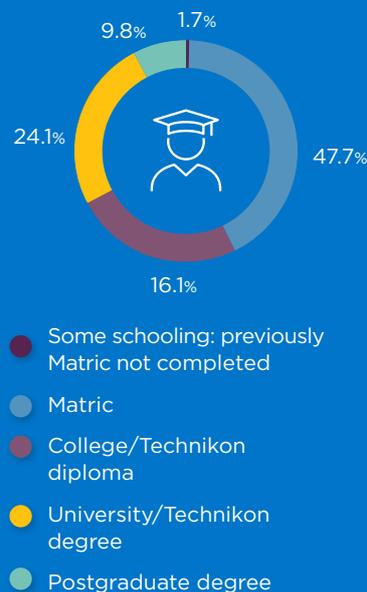
174 Total participants



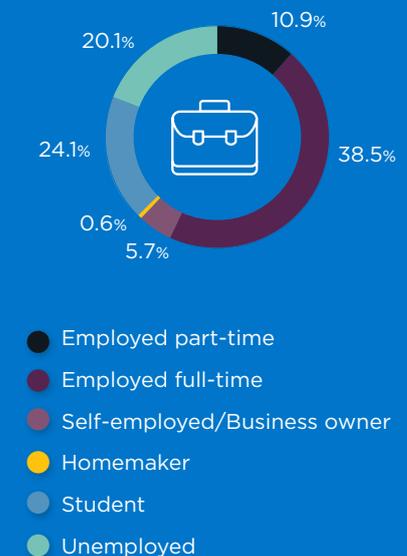
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

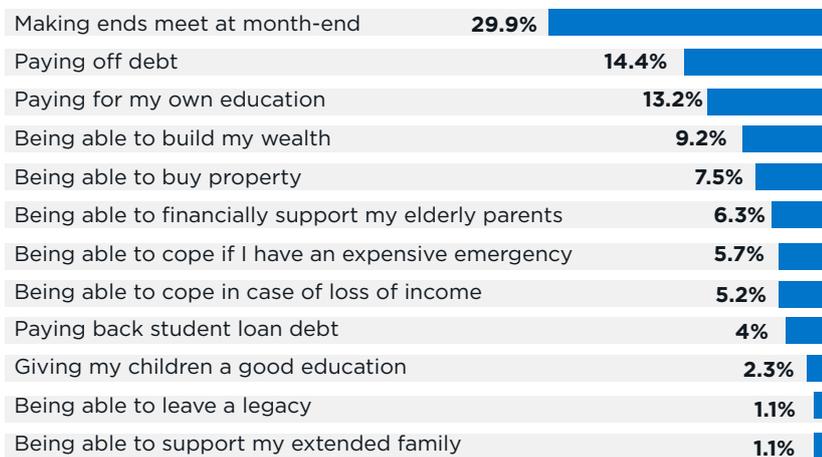
INSIGHTS

18-24 yrs

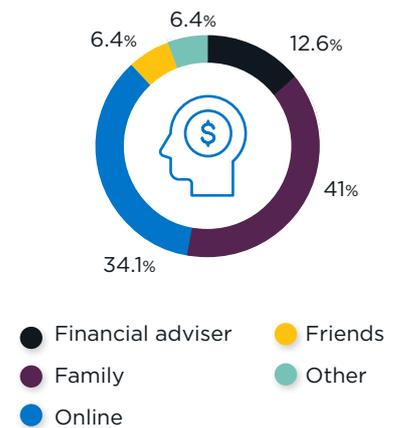
What advice would you give your younger self? (Top 3 responses)



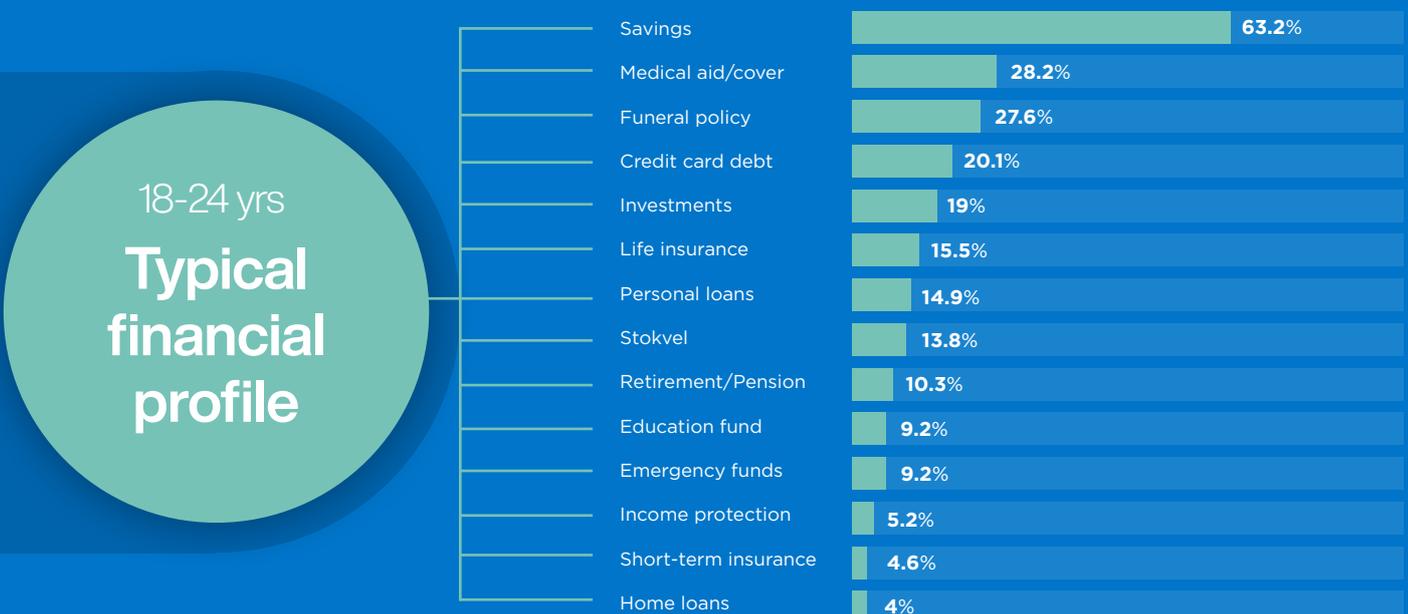
What is your biggest financial concern?



Where do you currently go for financial advice?



Participants with:



Section 03

Life stage by life stage: All the results

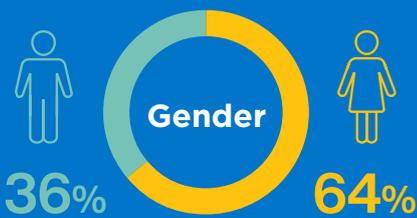
Life stage 25-29 yrs

This stage of life is often when people take on a lot of debt.

This is a time when many take on credit beyond what they can actually afford. This can unfortunately lead to a lifetime spent in the 'debt trap'. Protecting income is an important step in this life stage as is working with a financial planner on a short-, medium- and long-term savings and investment strategy to take advantage of all the years of working that hopefully lie ahead.

Just less than half of respondents in this age group have a funeral policy (44.5%), 35.3% have a personal loan, and 30.1% have a credit card. Just 7.9% have emergency funds and 6% have income protection.

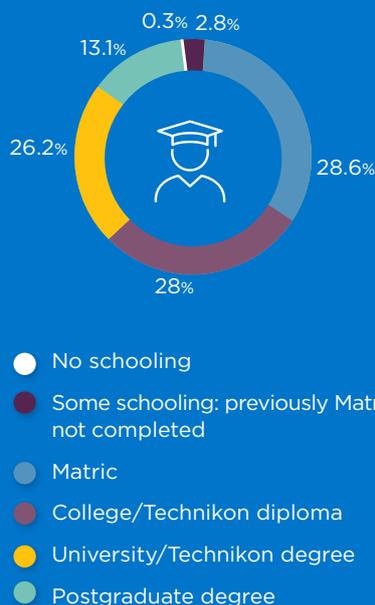
618 Total participants



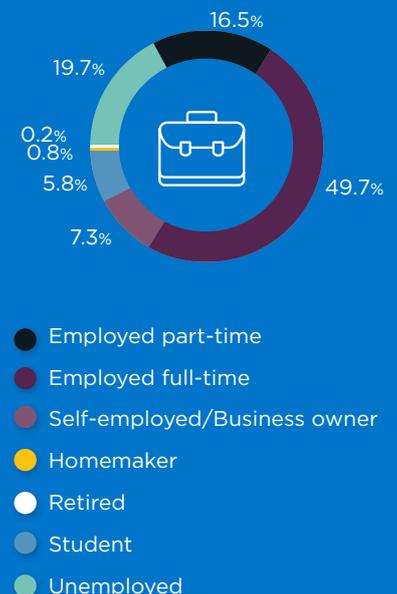
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

25-29 yrs

What advice would you give your younger self? (Top 3 responses)

58.7% Think of money as an asset to grow, rather than a luxury to spend

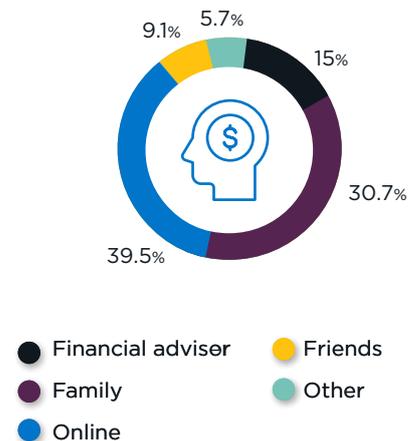
18.6% Stop thinking of your income as infinite, start making plans

19.6% Get professional financial advice

What is your biggest financial concern?

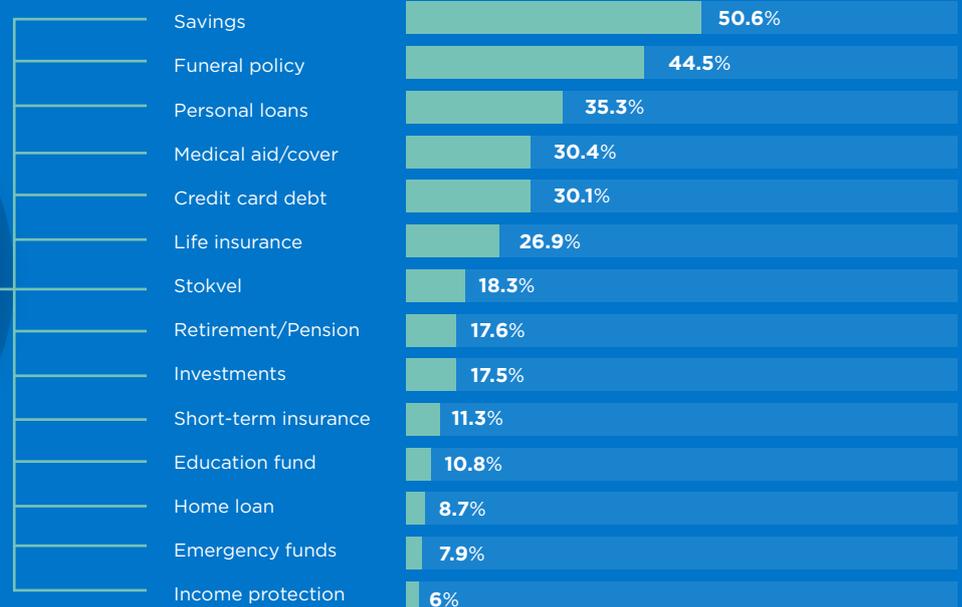
Making ends meet at month-end	30.6%
Paying off my debt	22.7%
Being able to buy property	7.8%
Giving my children a good education	6.5%
Being able to build my wealth	6.5%
Being able to cope in case of loss of income	5%
Paying for my own education	6.8%
Being able to cope if I have an expensive emergency	4.2%
Being able to financially support my elderly parents	2.4%
Being able to retire comfortably	1.1%
Being able to leave a legacy	1.6%
Paying back student loan debt	3.4%
Being able to support my extended family	1.5%

Where do you currently go for financial advice?



25-29 yrs
Typical financial profile

Participants with:



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Life stage by life stage: All the results

Life stage 30-34 yrs

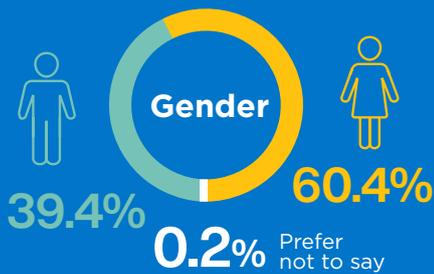
If they haven't already, this age group should be finding a credible financial adviser. Ask friends and family for recommendations, check qualifications and ensure it's someone you connect with and who understands you.

Forget romance, this relationship is one of the most important of anyone's life. There is information available online on how to find the right financial planner. Unfortunately more people in this age group use family rather than qualified financial planners for financial advice.

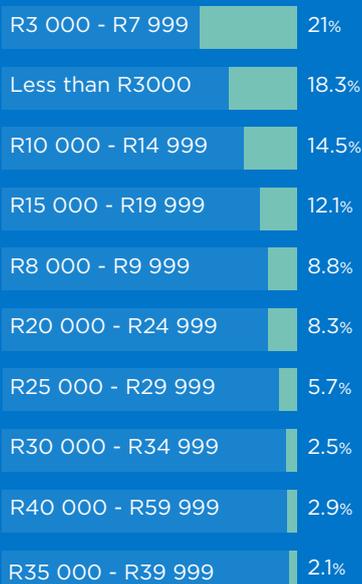
Investing and life insurance remain two of the main priorities in this group. How are the respondents faring? 34.7% have life insurance and 55.6% have a funeral policy, 39.7% have credit card debt, 42.3% have savings, 19% have investments and only 28% have retirement savings.



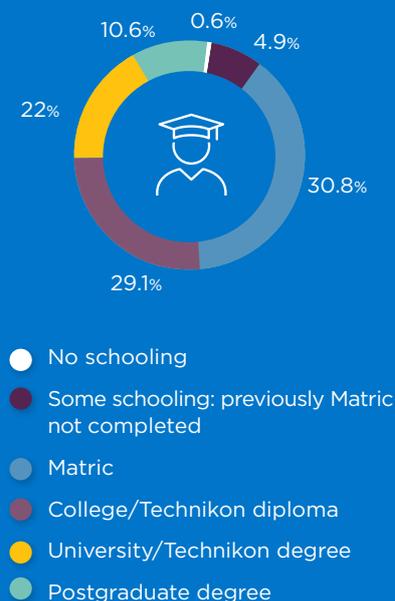
943 Total participants



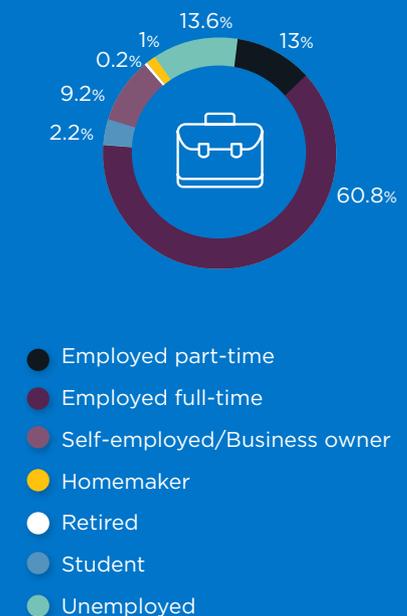
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

30-34 yrs

What advice would you give your younger self? (Top 3 responses)

53.9%

Think of money as an asset to grow, rather than a luxury to spend

21.3%

Stop thinking of your income as infinite, start making plans

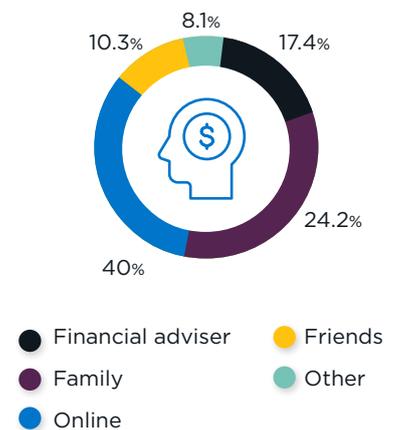
21.3%

Get professional financial advice

What is your biggest financial concern?

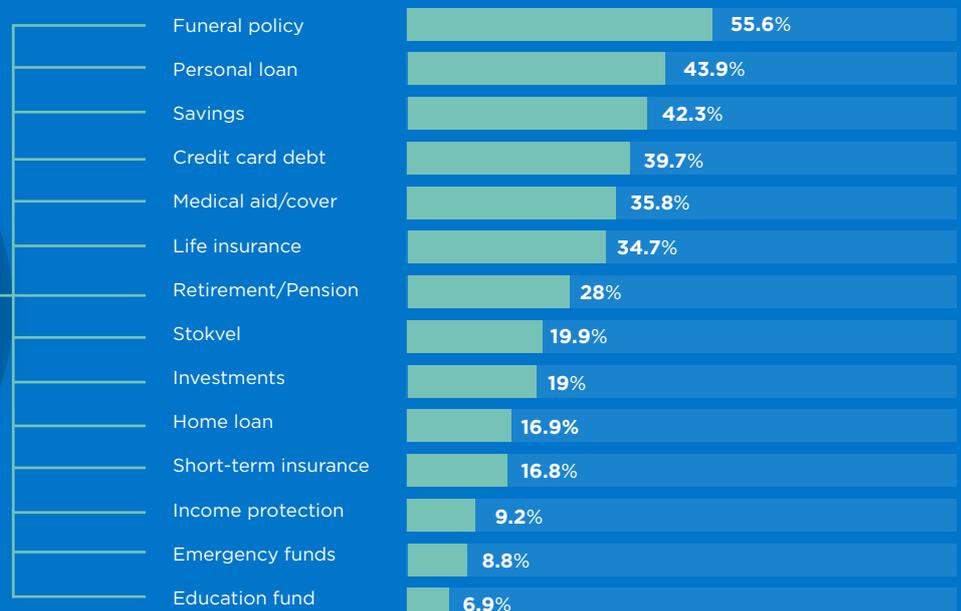
Making ends meet at month-end	29.2%
Paying off debt	26.5%
Being able to buy property	9.5%
Giving my children a good education	8.8%
Being able to build my wealth	5.5%
Paying for my own education	3.8%
Being able to cope in case of loss of income	3.8%
Being able to cope if I have an expensive emergency	3.4%
Being able to financially support my elderly parents	3.3%
Being able to leave a legacy	1.8%
Being able to retire comfortably	1.8%
Being able to pay back student debt	1.5%
Being able to support my extended family	1.1%

Where do you currently go for financial advice?



30-34 yrs
Typical
financial
profile

Participants with:



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Life stage by life stage: All the results

Life stage 35-39 yrs

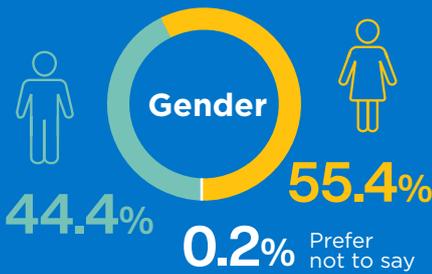
By this stage, most people will have a pretty good idea of what adulting entails.

This is a good time to commit or recommit to the future. This means taking stock of life goals for the short, medium and long term and making all the right moves to invest and save for those goals. This is also the stage to make sure insurance is providing the right protection against all risks and that education saving starts or is on track for any dependants.

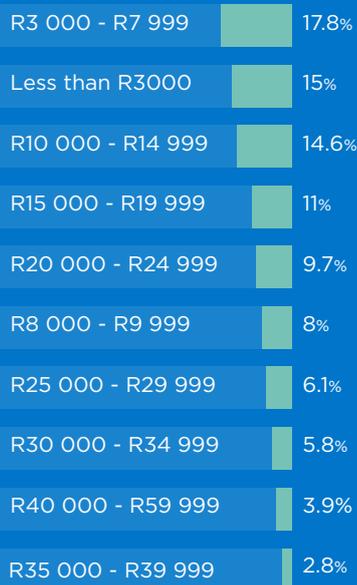
Looking at the results from the 35 to 39 age group there is still a higher incidence of personal loans and debt than there is of emergency funds, investments and retirement savings. Now is the time to try to reduce debt and work towards growing capital.



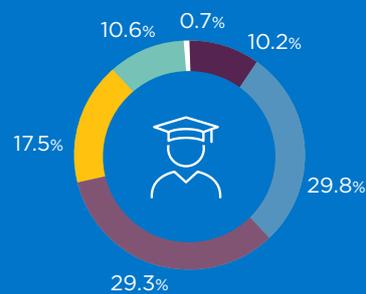
847 Total participants



Personal income brackets

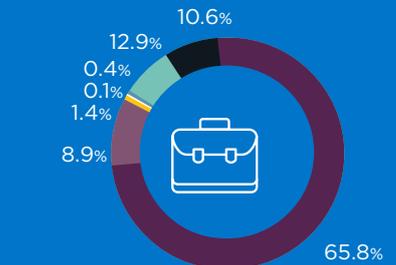


Highest level of education completed



- No schooling
- Some schooling: previously Matric not completed
- Matric
- College/Technikon diploma
- University/Technikon degree
- Postgraduate degree

Current employment status



- Employed part-time
- Employed full-time
- Self-employed/Business owner
- Homemaker
- Retired
- Student
- Unemployed

Section 03

Life stage by life stage: All the results

INSIGHTS

35-39 yrs

What advice would you give your younger self? (Top 3 responses)

55.4%

Think of money as an asset to grow, rather than a luxury to spend

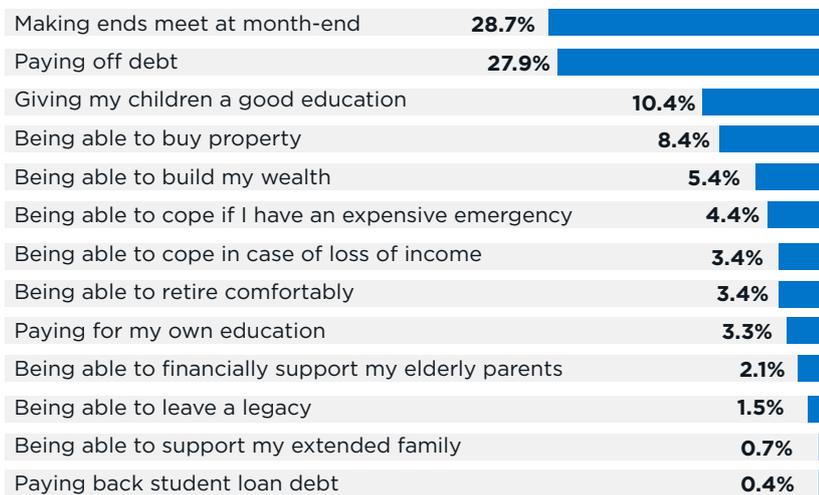
19.4%

Stop thinking of your income as infinite, start making plans

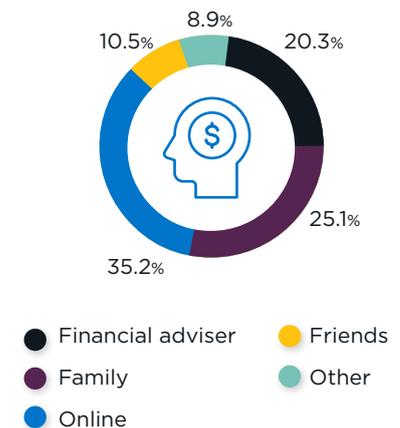
20.3%

Get professional financial advice

What is your biggest financial concern?

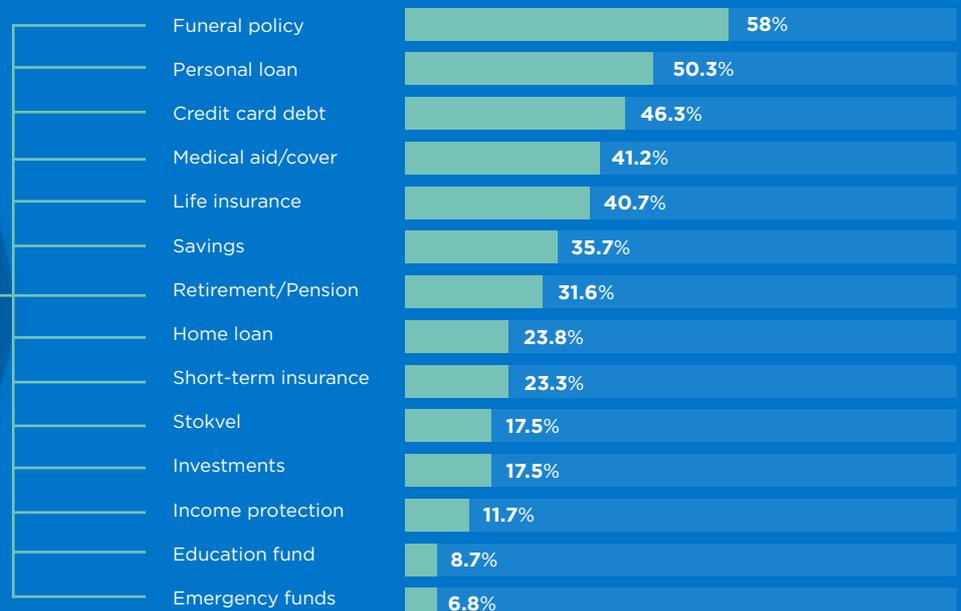


Where do you currently go for financial advice?



35-39 yrs
Typical financial profile

Participants with:



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Life stage by life stage: All the results

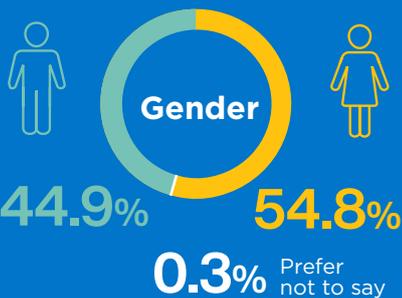
Life stage 40-44 yrs

Education inflation is higher than CPI in South Africa so, while starting to save should have started before now, this is the stage to make sure that education savings are adequate to comfortably cover your child's tertiary education.

Investing in our children's future success is one of the most valuable moves we can ever make. For them, but also for ourselves. The more successful the offspring, the less they'll depend on their parents or guardians financially later on in life!

However, with only 9.3% of respondents having an education fund, many may have to find other ways to fund tertiary education such as loans, which come with interest repayments. This can make it challenging to juggle other long-term priorities such as saving for retirement.

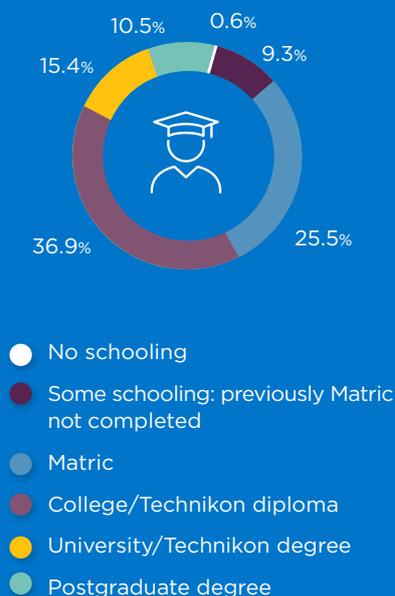
664 Total participants



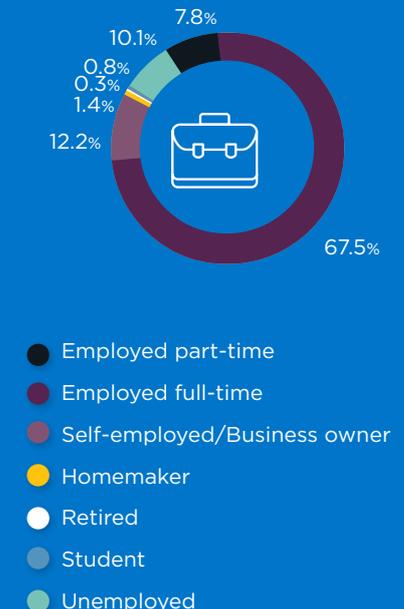
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

40-44 yrs

What advice would you give your younger self? (Top 3 responses)

57.7%

Think of money as an asset to grow, rather than a luxury to spend

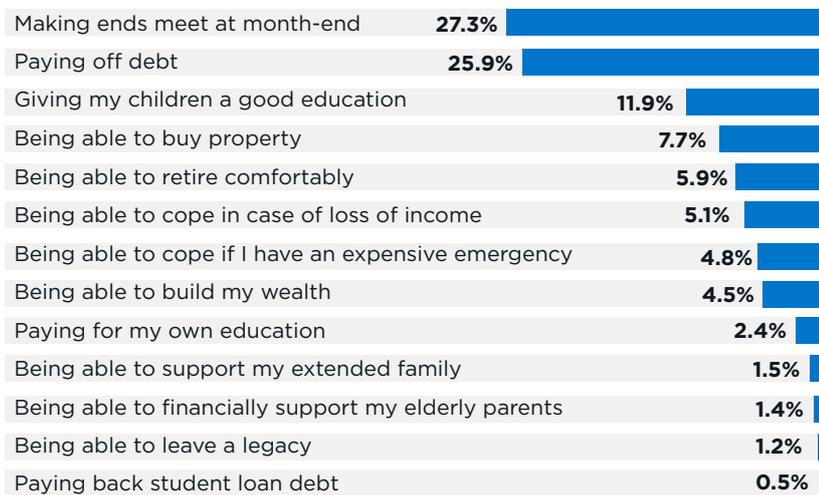
20%

Stop thinking of your income as infinite, start making plans

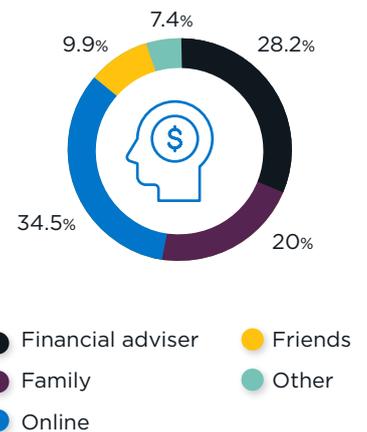
18.7%

Get professional financial advice

What is your biggest financial concern?

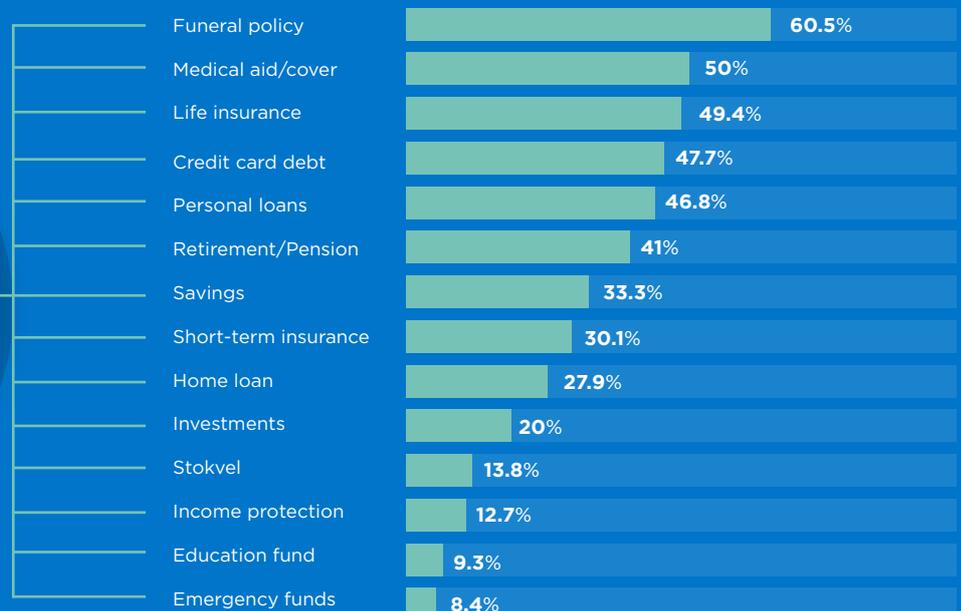


Where do you currently go for financial advice?



40-44 yrs
Typical financial profile

Participants with:



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Life stage by life stage: All the results

Life stage 45-49 yrs

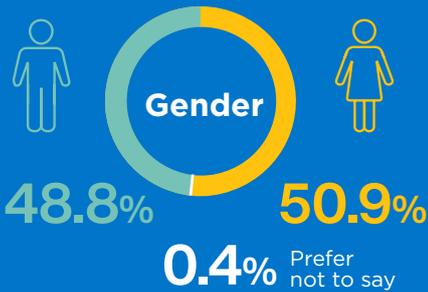
This is a common life stage for the 'sandwich' generation.

For many South Africans, supporting extended family members is necessary throughout their working years. It is vital at this stage to not compromise our own retirement saving for dependants. We need to continue to save enough while still helping our loved ones where we can. This can help break the cycle of dependence.

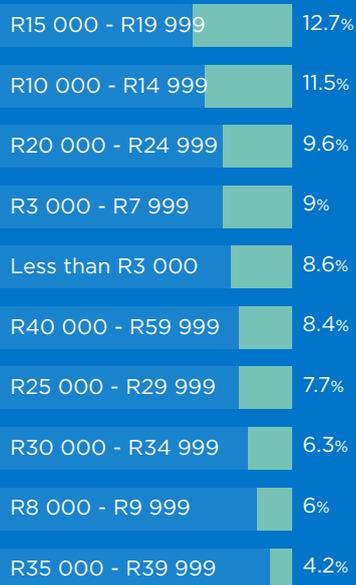
The survey showed that nearly 34.4% of this group are still primarily concerned with making ends meet at the end of the month, and the second biggest concern is paying off debt. Instances of retirement and life insurance protection are showing signs of increasing, up from the previous stage. However this is still lower than ideal for this age group, with just under half of respondents having both products.



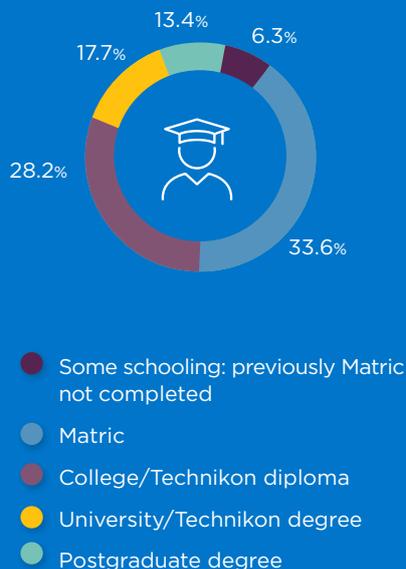
521 Total participants



Personal income Brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

45-49 yrs

What advice would you give your younger self? (Top 3 responses)

54.7%

Think of money as an asset to grow, rather than a luxury to spend

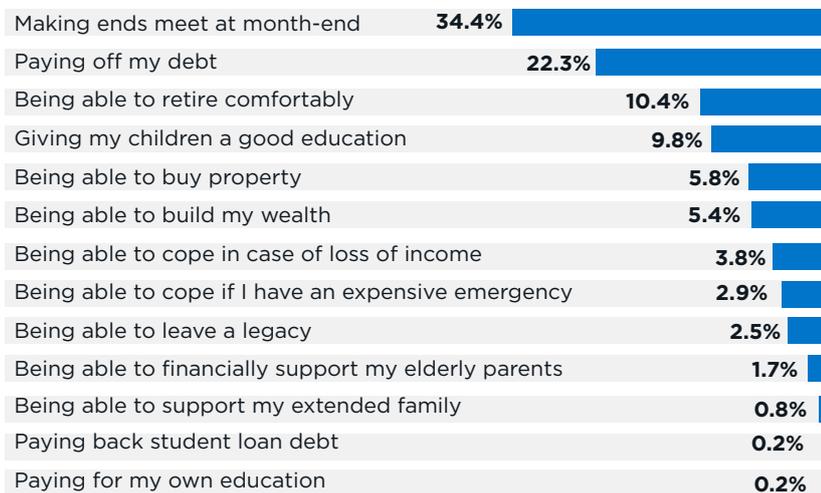
18.6%

Get professional financial advice

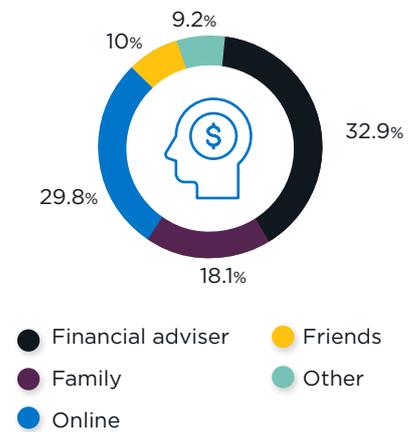
20.9%

Stop thinking of your income from working as infinite, start making plans

What is your biggest financial concern?

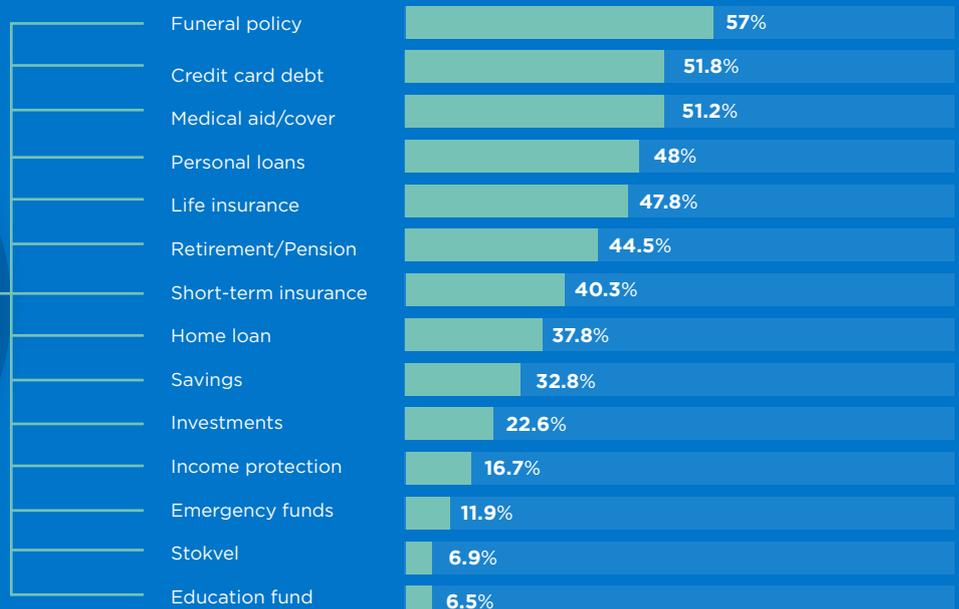


Where do you currently go for financial advice?



45-49 yrs
Typical financial profile

Participants with:



Section 03

Life stage by life stage: All the results

Life stage 50-54 yrs

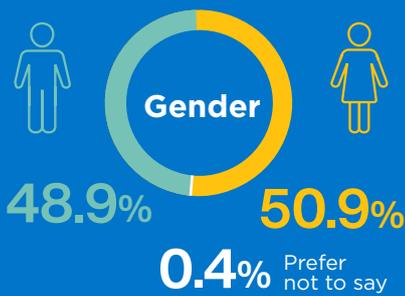
Retirement is suddenly just 10 years away for many. And with people living longer, now is the time to consult a financial adviser and urgently increase savings amounts if they are not sufficient for a comfortable retirement.

A good rule of thumb is that one's income in retirement should be equal to about 75% of income when working.

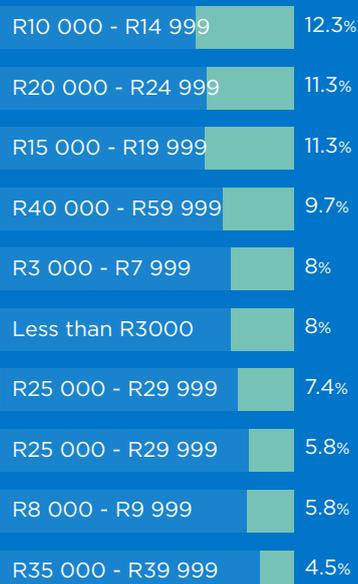
Of this group, just over half have retirement savings and, for 19.5%, their biggest financial concern is retiring comfortably.



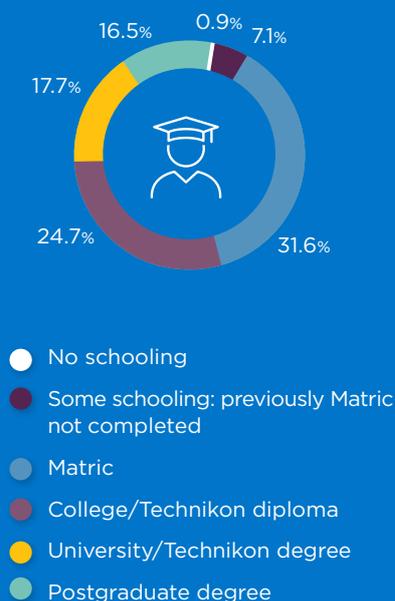
462 Total participants



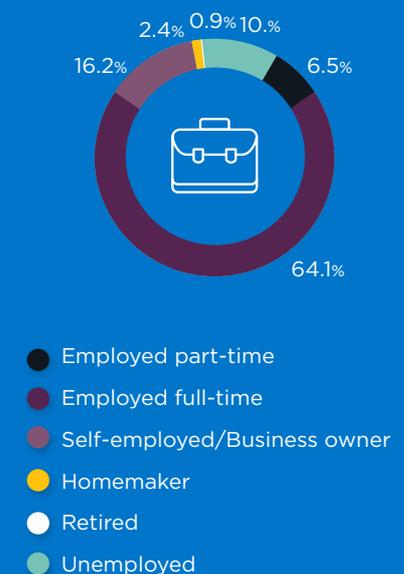
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

50-54 yrs

What advice would you give your younger self? (Top 3 responses)

58.7%

Think of money as an asset to grow, rather than a luxury to spend

17.1%

Stop thinking of your income as infinite, start making plans

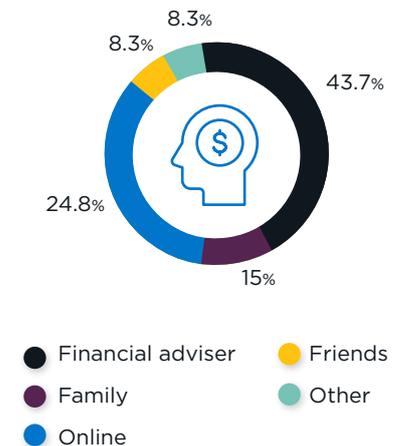
18.8%

Get professional financial advice

What is your biggest financial concern?

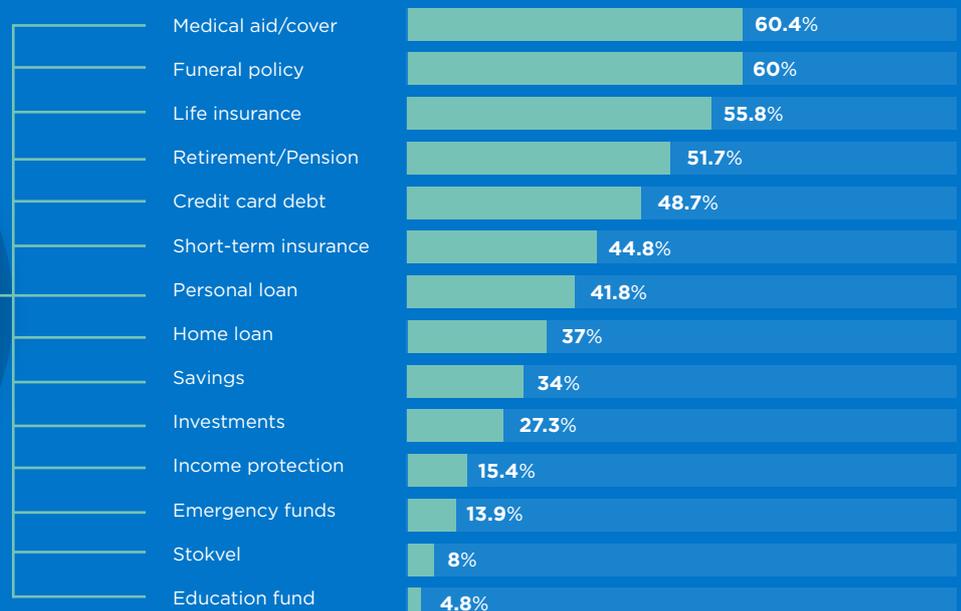
Making ends meet at month-end	26.2%
Being able to retire comfortably	19.5%
Paying off my debt	19.3%
Being able to give my children a good education	9.3%
Being able to cope in case of loss of income	6.9%
Being able to build my wealth	4.3%
Being able to cope if I have an expensive emergency	4.1%
Being able to buy property	4.1%
Being able to leave a legacy	2.2%
Paying back student loan debt	1.3%
Paying for my own education	1.1%
Being able to support my extended family	0.9%
Being able to financially support my elderly parents	0.9%

Where do you currently go for financial advice?



50-54 yrs
Typical financial profile

Participants with:



Section 03

Life stage by life stage: All the results

Life stage 55-59 yrs

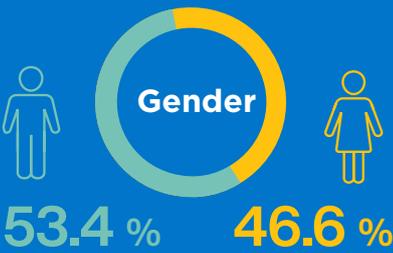
54.3% of respondents have a financial adviser, up from 44% in the previous group.

For many, these are the last working years and a very important time to give retirement savings a top-up or boost if possible. This will help ensure that the years after working are as enjoyable as possible.

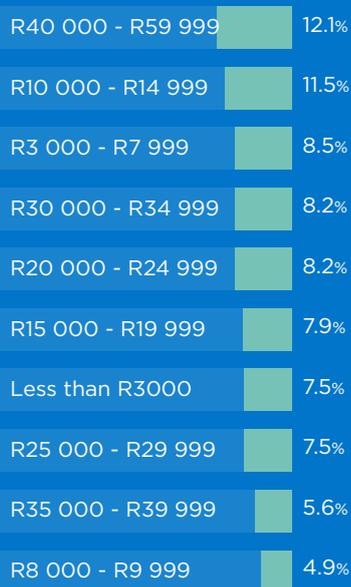
While it is also concerning that only 52.1% of this group have retirement savings, it is never too late to start saving. Working with a financial adviser, the best possible retirement saving strategy for this time of life can be put in place.



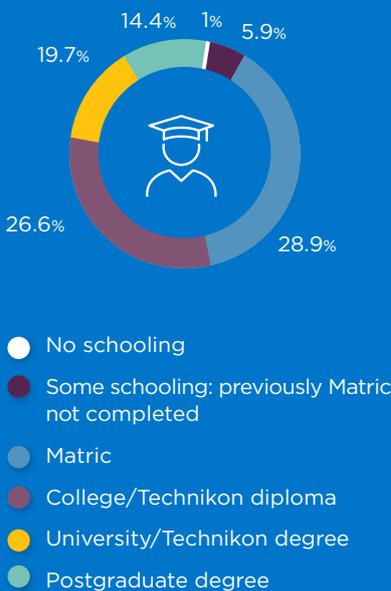
305 Total participants



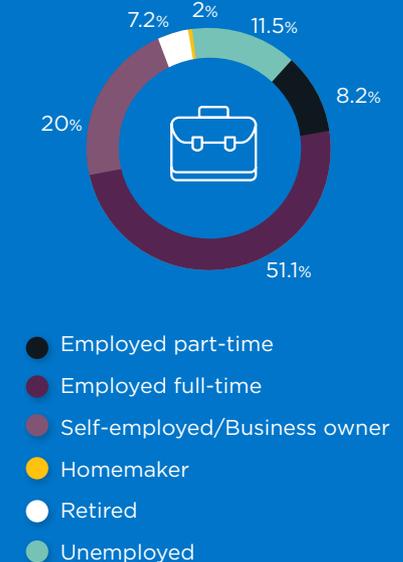
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

55-59 yrs

What advice would you give your younger self? (Top 3 responses)

49.8%

Think of money as an asset to grow, rather than a luxury to spend

25.2%

Get professional financial advice

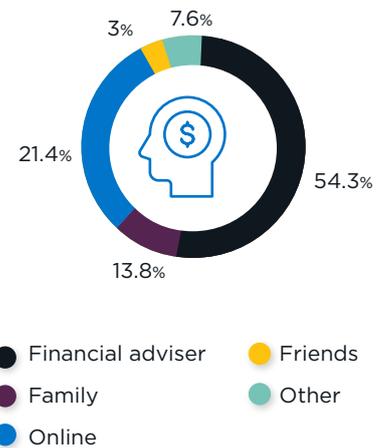
19.7%

Stop thinking of your income from working as infinite, start making plans

What is your biggest financial concern?

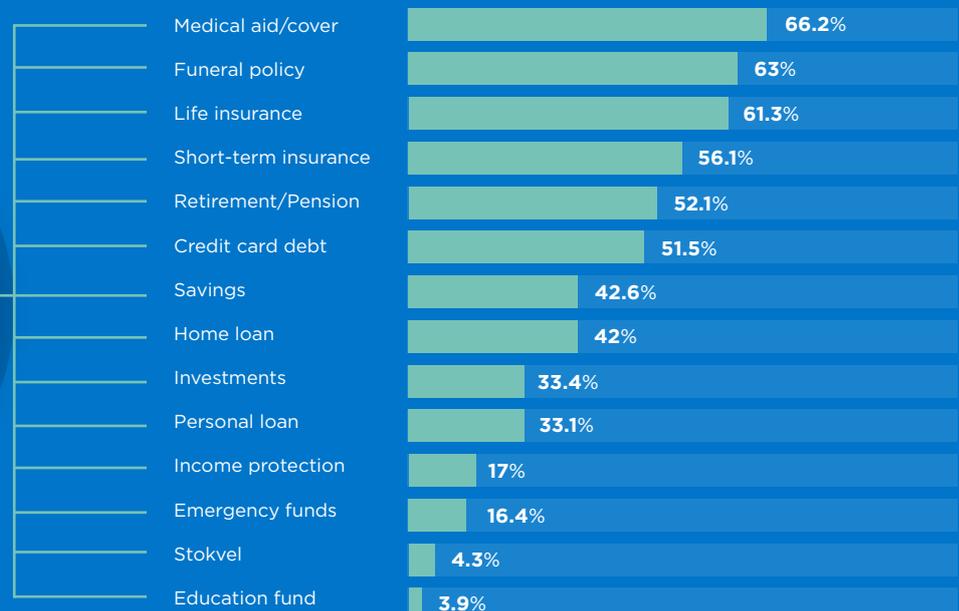
Being able to retire comfortably	29.2%
Making ends meet at month-end	20.7%
Paying off my debt	19.3%
Being able to cope in case of loss of income	5.9%
Being able to give my children a good education	4.9%
Being able to cope if I have an expensive emergency	4.9%
Being able to build my wealth	4.6%
Being able to buy property	4.3%
Being able to leave a legacy	2.6%
Being able to support my extended family	1.6%
Being able to financially support my elderly parents	1%
Paying back student loan debt	0.7%
Paying for my own education	0.3%

Where do you currently go for financial advice?



55-69 yrs
Typical financial profile

Participants with:



Section 03

Life stage by life stage: All the results

Life stage 60-64 yrs

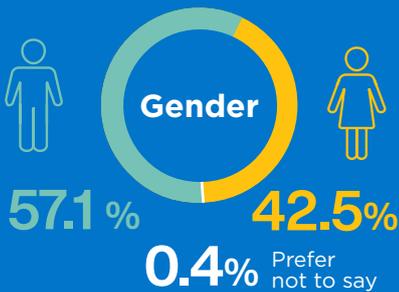
The working years are running out for many and these last few years should be used to carefully plan your retirement so that your income is able to cover expenses.

Very often this will mean downsizing your car and home, cutting back on luxuries and even finding new ways to earn an income.

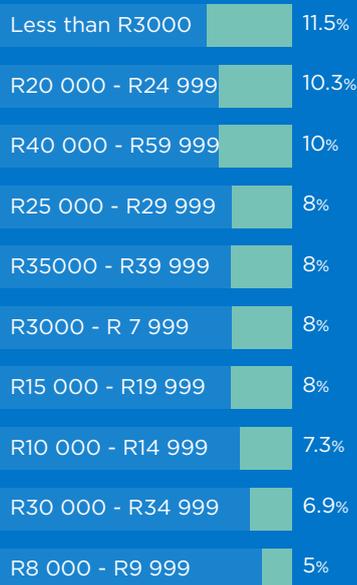
A financial adviser is critical at this stage to guide us on this journey and help to avoid decisions which could have negative consequences, such as cutting vital products.



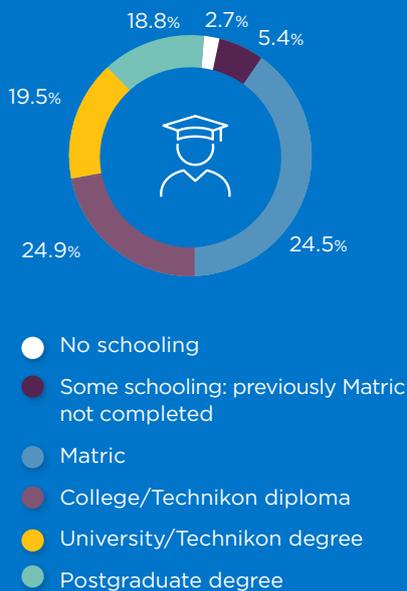
261 Total participants



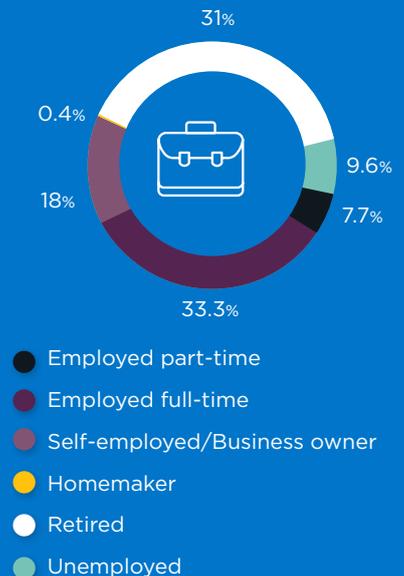
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

60-64 yrs

What advice would you give your younger self? (Top 3 responses)

47.9%

Think of money as an asset to grow, rather than a luxury to spend

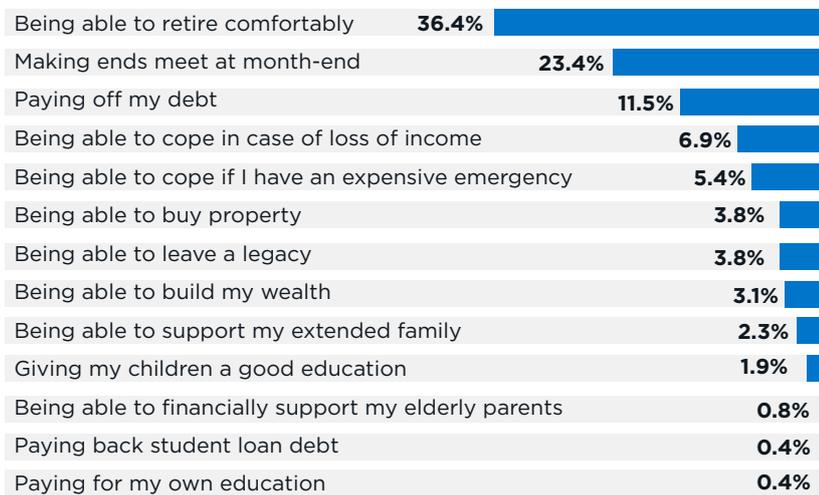
27.2%

Stop thinking of your income as infinite, start making plans

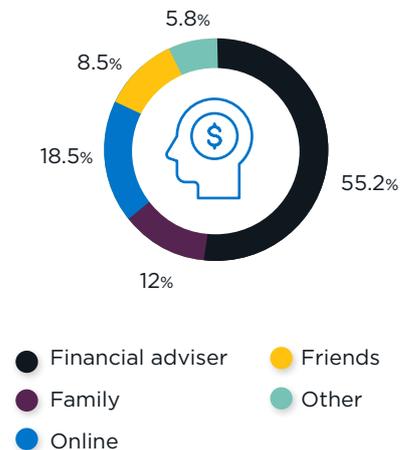
17.6%

Stop thinking of your income from working as infinite, start making plans

What is your biggest financial concern?

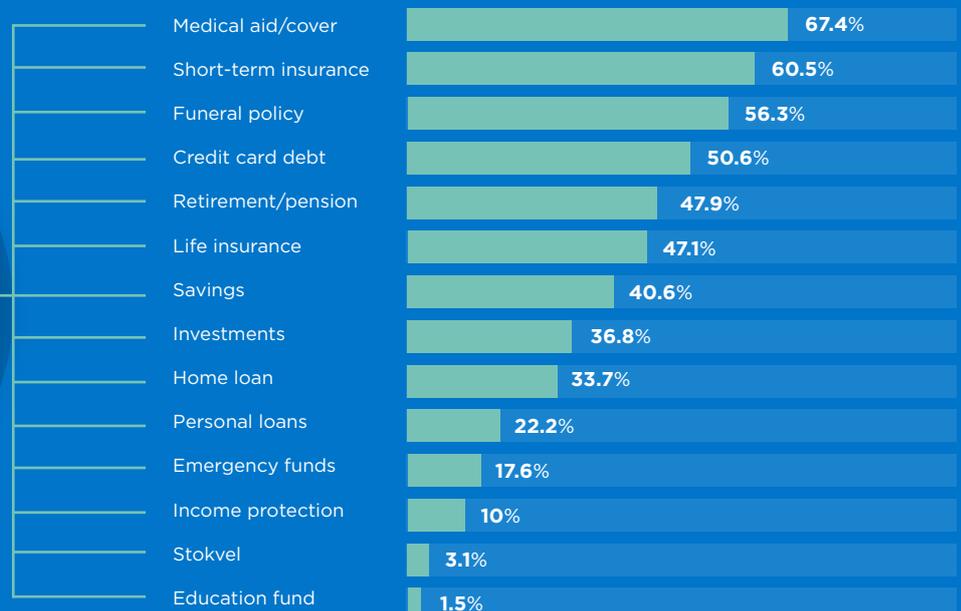


Where do you currently go for financial advice?



60-64 yrs
Typical
financial
profile

Participants with:



Section 03

Life stage by life stage: All the results

Life stage 65+ yrs

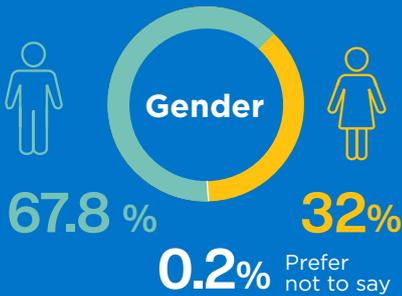
This group of respondents was asked which decade of their lives was the most financially empowering.

30.7% said age 41-50 was the most empowering and 37.3% said ages 51-64. Perhaps not surprising since income does tend to increase later in life.

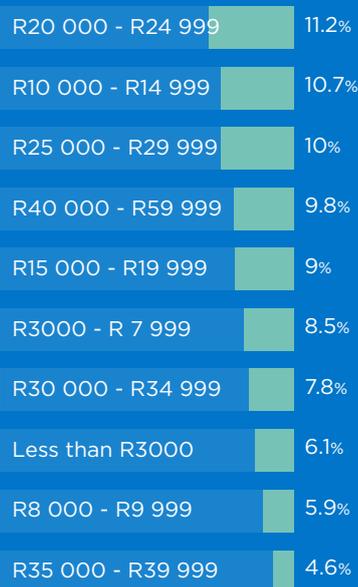
Just 3.2% found their 20s to be the most empowering years, indicating a lack of financial learning, education and action during the years of life when we benefit most from financial knowledge and planning.



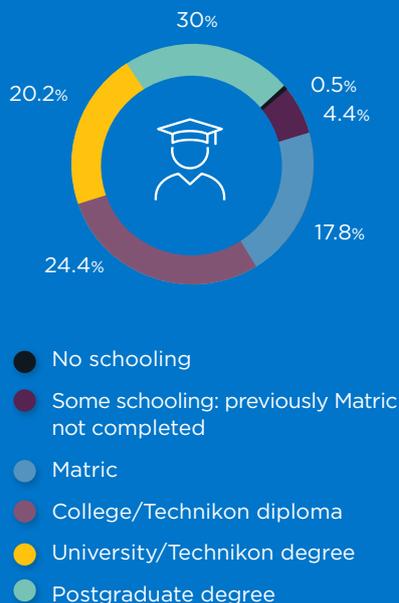
410 Total participants



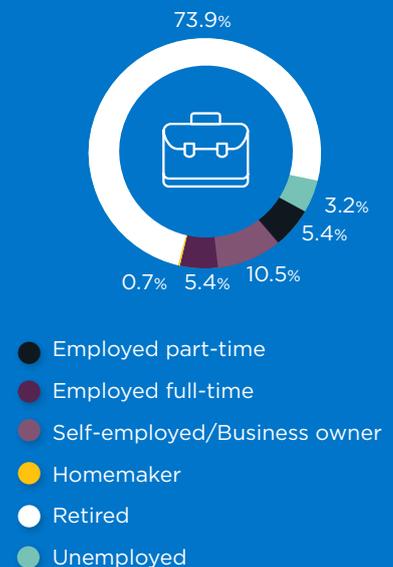
Personal income brackets



Highest level of education completed



Current employment status



Section 03

Life stage by life stage: All the results

INSIGHTS

65+ yrs

What advice would you give your younger self? (Top 3 responses)

46.8%

Think of money as an asset to grow, rather than a luxury to spend

32.2%

Get professional financial advice

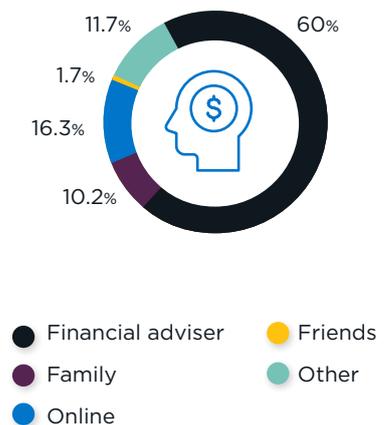
13.4%

Stop thinking of your income from working as infinite, start making plans

What is your biggest financial concern?

Making ends meet at month-end	28%
Being able to retire comfortably	27.8%
Being able to cope if I have an expensive emergency	10.7%
Being able to cope in case of loss of income	10%
Being able to build my wealth	6.1%
Being able to leave a legacy	6.1%
Paying off my debt	5.1%
Being able to support my extended family	2.7%
Giving my children a good education	2.2%
Being able to financially support my elderly parents	0.5%
Being able to buy property	0.5%
Paying for my own education	0.2%
Paying back student loan debt	0%

Where do you currently go for financial advice?



65+ yrs
Typical financial profile

Participants with:

Medical cover/aid	81.2%
Short-term insurance	65.6%
Savings	60.2%
Investments	57.6%
Funeral policy	49.8%
Retirement/pension	47.6%
Credit card debt	42.4%
Life insurance	35.1%
Emergency funds	23.9%
Home loan	15.6%
Personal loan	7.3%
Income protection	3.4%
Stokvel	0.5%
Education fund	0.2%

Helping South Africans live with financial confidence

Alongside this survey, Sanlam has launched LI:FE of Confidence, a financial education initiative that aims to help South Africans better understand life stage decision-making priorities. The campaign introduces South Africans to Zesande, a digital avatar who lives her entire life in just 24 hours. It draws on the insight that humans are physiologically unlikely to feel connected to their future selves—and therefore miss key moments to plan and create wealth. The campaign comes with digital tools to practically help people navigate financial decision-making and planning.

For more on the campaign, visit www.lifeofconfidence.co.za.

