



METROPOLITAN

25
YEARS
TOGETHER

#Sisonke IN SAVINGS

Words of savings wisdom from Mzansi



Table of **CONTENTS**

Foreword by Chief Marketing Officer	3
Consumer Insights	5
South African Consumer Behaviours	6
Savings Tips from The People of Mzansi	9
Level Up Your Savings Game	22
South African Savings Trends	24
Your Financial Planning Calculators	28



FOREWORD

Saving money towards the achievement of a financial goal, retirement or simply to have access to funds during an emergency is universally accepted as something wise and worthwhile. And yet, most South Africans do not save. In fact, in this current economic climate, many South Africans have little if any funds left once they pay the bills, and other non-negotiables such as rent, food and their children's school fees.

The truth is saving is hard, and the common savings advice that we get from experts may seem unobtainable at times, for example, start saving from as little as R5 a day or how you should save 10% of your salary each month. This is great advice, however, practically applying it in your life is difficult at best, especially if you're doing it alone.

So, inspired by the way South Africans rally together when times are tough, our latest savings message as Metropolitan is to 'Let the people speak for themselves!' We launched a unique Savings campaign that is aimed at encouraging dialogue around issues of saving and investing. By saying "Sisonke in Savings" we are highlighting that the savings plight is a universal one and the answers to the questions of how to start saving lie in the wisdom of those who are already doing it successfully. By listening to consumers and hearing what they have to say about their savings habits and tactics during challenging economic times, we are empowering and inspiring other consumers to do the same.

Through field research with the help of our partners, we uncovered collective savings wisdom and advice from ordinary South Africans, to enable



Thelane
NTULI
Metropolitan Chief
Marketing Officer

our customers to tackle the savings struggle by providing more realistic advice that takes stock of people's realities. We believe this will help inspire and nurture a savings culture within Mzansi, but also makes saving relatable and achievable.

When South Africans do things together, it becomes easier, as they learn from each other, share knowledge and experiences, and take on learnings and advice more readily.

Particularly around Savings Month, but also in general, South Africans are used to hearing that we have a very poor savings culture. To address the issue, different companies try to fan the flames of local savings uptake by providing advice that doesn't always land well with the people on the ground.

Metropolitan is changing the narrative by encouraging dialogues around issues of saving and investment. Our #SisonkeInSavings campaign does not preach advice down from the fiscal pulpit, but instead encourages dialogue around issues of saving and investment. #SisonkeInSavings campaign showed that South Africans are cutting back costs and saving money in their own Mzansi way, even during these challenging economic times.

Whether it is purchasing stylish clothes out of season when they are significantly marked down, hustling on the side gig, or joining a grocery stokvel to employ collective spending and bargaining power, South Africans know how to save in ways that work for them and their lifestyles.

But now that we have gathered savings wisdom from South Africans to South Africans, how do they take the benefits of those savings to the next level? How do they use savings to meet their financial life goals or prepare for a happy retirement in the long term?

At Metropolitan, we have a range of savings products for consumers who want to save for medium to long term goals, for instance, you can explore our Tax-Free Savings Plan (5-20 years) that enables you to save as much as R500 000, while paying no tax on the growth of your money as well. A shorter-term option (1-5 years) is the Money Market Savings Plan that you can add to your Tax-Free Savings Plan, enabling you to access your money for emergencies.

There are additional Savings Plans worth considering at Metropolitan. The FutureBuilder Savings Plan allows you to invest in the Smooth Bonus Fund that offers stable long-term returns, even if there are sudden changes in



“Metropolitan is renowned as an insurance provider for funeral cover. However, our range of offerings and services extend far beyond that, including our savings products.”



the investment market. This means that you can benefit from steady investment growth that will help you to meet your long-term goals. Other options include the FutureBuilder MultiCash Plan and FutureChoice Endowment, with the latter enabling you to invest in one of five different funds to suit your bespoke savings goals and needs,

Whether consumers want to put money away for a rainy day, save for their retirement, or use some extra funds from a car sale, bonus, or inheritance to invest upfront and generate a steady income stream down the line, there will be financial mechanisms and offerings available to help anyone realise those aspirations and goals.



CONSUMER INSIGHTS

ON SAVING FOR MZANSI BY MZANSI

Everyone agrees it's good to save, but reports put South African households' saving rate at 0.3% in the first quarter of 2021. How can we all be so bad at something that we agree is important to do? Well, that's because our research showed that saving is hard to do. Our ancient brain struggles with the concept of saving, and we need help if we are going to overcome the cognitive biases that keep us from prioritising now and always planning to save next month.

But South Africans have plenty of help, right? The banks and other financial service providers give us great tips all the time, save 10% of your salary, keep a monthly budget, and eliminate wasteful expenditure. So easy! But the truth is it's not this easy, and these tips don't necessarily help consumers get into the habit of saving, because the single mother of two

may just not be able to put away 10% of her salary. And clothing is not a wasteful expenditure for the 21-year-old aspiring influencer. But every time she sees a tip, clothing is in the wasteful expenditure bucket.

It's time for South Africans who are good with savings to share their real, relatable, and doable tips with South Africans. Because only someone who has walked in your shoes knows what it means to cut a shoes budget. So, we set out to find tips from ordinary South Africans – a South African first.

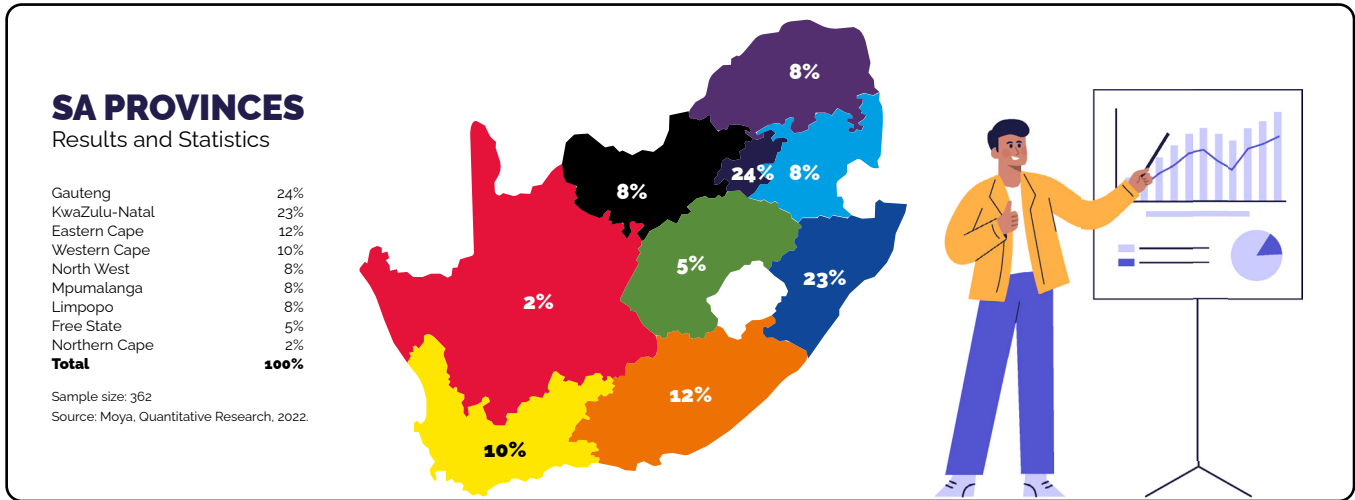
We had 60 face-to-face interviews with South Africans in the major metropolitan cities of Johannesburg, Cape Town, and Durban. We also conducted a mobile research survey with 362 South Africans across all 9 provinces. 87% of the sample had a personal income of under R5000.



**SOUTH
AFRICAN
CONSUMER**
Behaviours

Summary of

RESPONDENTS ON SAVINGS BEHAVIOUR



Mzansi SAVINGS

ARE YOU CURRENTLY SAVING?

Results and Statistics



Sample size: 362

Source: Moya, Quantitative Research, 2022.



ARE YOU A MEMBER OF A STOKVEL?

Results and Statistics



Sample size: 362

Source: Moya, Quantitative Research, 2022.



Savings Tips
**FROM THE PEOPLE
OF MZANSI**

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TIP



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*Beauty And
Cosmetics*

THE DIY BEAUTY SAVER

“Do your nails yourself and learn to perfect the skill through YouTube tutorials.”

**Mbali Dlali, 43,
Durban**



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TIP 2

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*Beauty And
Cosmetics*

THE DIY BEAUTY SAVER

“Make your own face mask at home with natural ingredients like aloe, which can be found in your garden and oats, right in your kitchen.”

Mbali Dlali, 43, Durban



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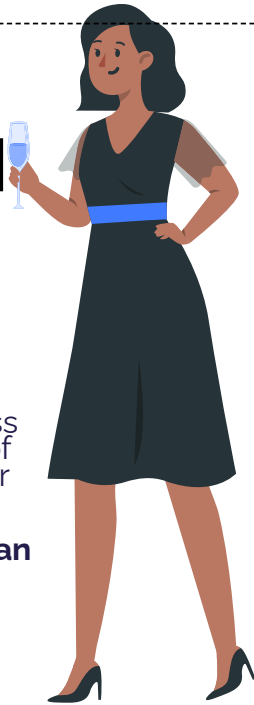
TIP 3

Leisure

THE FUN TIMES SAVER

“Limit alcohol, fancy takeaways and cigarettes. Smoke less because at the end of the day, it affects your pocket.”

Mbali Dlali, 43, Durban



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TIP 4

Hair

THE DIY BEAUTY SAVER

“I no longer go to the hair salon; instead I buy the hair products and let my sister style my hair.”

Thobeka Jiyane, 26, Durban

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TIP 5

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Travel

THE BARGAINING SAVER

“Instead of buying daily bus tickets, I buy a monthly ticket at a much cheaper cost, which helps me to save money.”

**Zinzi Tomose, 23,
Johannesburg**



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TIP 6

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*Fast Food, Junk
And Snacks*

THE SKAFTIN SAVER

“I don't like to waste money unnecessarily so I resist the urge to buy junk food by carrying a lunch box to work daily with a little snack inside as well.”

Thobeka Jiyane, 26, Durban



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TIP 7

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Stokvels

THE COLLECTIVE SAVER

“I’m part of a stokvel at work that makes monthly contributions. I save half of that money when the rotational stokvel comes my way with a lump sum.”

Ncamisile Ngcobo, 56, Durban



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TIP 8

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Debt

DISCIPLINE

“You must always stay disciplined when it comes to paying off your monthly debt, while also looking at having a little extra money to take care of your family needs.”

Siyanda Zondo, 39, Durban



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TIP 9

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Jolling

THE FUN TIMES SAVER

“Cut on costs by limiting going out with friends on the weekend. Go out when it's necessary, for example, going to someone's party because you were invited or when you're celebrating a birthday.”

**Siyanda Zondo, 39,
Durban**



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TIP 10

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Jollibee

THE FUN TIMES SAVER



“I’ll only go out for a jol once a month or maybe once every two months so I don’t spend so much on nights out.”

**Natasha Naidoo, 29,
Durban**

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TIP 11

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Jollibee

THE FUN TIMES SAVER

“I like to go out for a good time on days when I know there are specials I can save on. It’s hard being a student. Thursdays are usually the best days to save a buck.”

**Natasha Naidoo, 29,
Durban**



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TIP 12

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Leisure

THE FUN TIMES SAVER



“Cut out the frequent bottle store visits on the weekends. Stick to a disciplined budget by cutting down on the amount you drink because alcohol is expensive, and this is an easy way to save money.”

Vuyelwa Dali, 58, Durban

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TIP 13

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Travel

THE COST SHARING SAVER

“Lift clubs are what help me to save some money. Travel is so expensive so my friend and I rotate cars and split the petrol fare”.

Zetu Damane, 39, Johannesburg



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TIP 14

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Weekly Savings

THE COLLECTIVE SAVER

“I’m part of a weekly stokvel and we make a contribution of R400 each, which gets deposited into the bank and we get to share the dividends at the end of the year.”

**Zazzie Sibeko, 23,
Durban**



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TIP 15

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Discipline

THE CAUTIOUS SAVER

“Every month I save R350. It’s difficult to save, it’s not easy. To access my savings, I need to go into a bank branch but sometimes I’m lazy because of the queues. I do my own hair and I have two boys, and my husband cuts their hair. I create my own fun at home by buying alcohol beverages on special, so that I can enjoy them on the weekend at home with snacks.”

Seipati Sesoko, 37, Johannesburg

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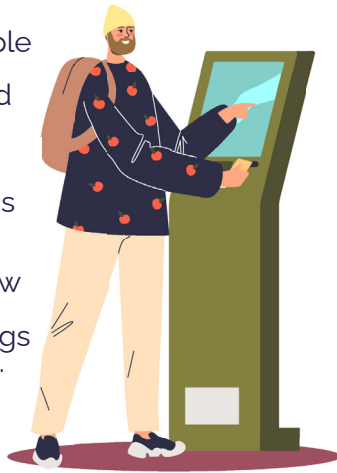
TIP 16

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Discipline

THE CAUTIOUS SAVER

"I would advise people not to spend money unnecessarily. Spend your weekend at home with family. Go to Supermarket stores and buy things on sale. Pre-Covid I used to save R1000 every month, but now things are difficult. I only use those savings for a specific project. Recently, I bought a fuel efficient vehicle because previously I had a car with a big engine and I couldn't survive during Covid."



**Sello Moabelo, 36,
Johannesburg**

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TIP 17

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Stokvels

THE COLLECTIVE SAVER

"I joined a stokvel for me to learn how to start saving. We're a group of ladies that contribute a fixed amount of money monthly, which we will divide amongst each other in December when the lump sum matures. I save R1,500 on a monthly basis, because I would like to go to Durban. You don't need to save much, but save what you can. I grab a lunchbox with whatever I have at home and I don't need to spend a lot."

Zanele Tomose, 36, Johannesburg



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TIP 18

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*Fashion
Expense*

THE COLLECTIVE SAVER

"I buy dresses because they don't cost a lot. And some of them can even be worn as a t-shirt."

**Thobile Gumede, 27,
Durban**



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TIP 19

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*Fashion
Expense*

THE SEASONAL SAVER

"I buy summer clothes in winter and buy winter clothes in summer when they're cheaper."

**Thobile Gumede, 27,
Durban**



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TIP 20

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Investing

THE CAUTIOUS SAVER

“I save money by buying stock on Easy Equities. I save about R1200 a month in stocks.”

**Kamogelo Motshidi, 27,
Johannesburg**



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TIP 21

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Side Hustle

THE GO-GETTER SAVER

“I have a car wash and I sell cologne brands, outside of my 9 to 5 job. What I make there is what I put into my savings.”

**Lorenzo Forbes, 28,
Johannesburg**





LEVEL UP YOUR
Savings **GAME**

MANAGING *debt* TODAY TO IMPROVE YOUR FINANCIAL WELLBEING

Most people in South Africa and the world have some sort of debt. According to analysts, the household debt-to-income ratio in South Africa is expected to reach 75% by the end of 2022. This means that for every R100 a South African has, R75 goes towards paying off debt. With the ever-increasing cost of living, paying off debt can put consumers under immense pressure and in need of proper debt management strategies to enable a culture of saving. Think about it, if 75% of income goes to servicing debt, how can consumers realistically set goals towards savings and attaining their financial freedom?

Proper debt management leads to financial security in the future – something all of us hope to achieve. In fact, much of our financial success depends on our ability to manage debt. The more we know about debt, the better we can effectively manage our finances and work towards our financial goals.

"Managing your debt better today is crucial to free up money for saving which is an important step on your journey to financial wellness. Metropolitan prides itself in walking the journey with clients in good and tough times. During these challenging times that sees the increasing price of everything from food to fuel, Metropolitan wants to assist South Africans to manage their debt more efficiently. This will free up some money for saving instead of it being used to pay off debt," says Alex Ollewagen, Client Solutions Actuary at Metropolitan.

When it comes to managing debt, some tried and tested strategies can help you gain control of your finances. Probably the most important one is to draw up a budget with all your income and expenses.



"Metropolitan has a Budget Calculator which is a handy tool that consumers can use - not only to create a monthly budget but to also get a bird's eye view of the state of their finances every month. This will enable more informed decision-making around money management," says Ollewagen.

In addition to having a budget, it is also important to have a view of your debt. This can be done by listing all outstanding payments on credit cards, personal loans, and other bills you owe. The Cost of Debt Calculator is the perfect tool to assist with managing debt and calculating the real cost of credit purchases.

"By using these tools, you can also avoid the pitfall of easy credit and signing up for unnecessary credit like retail accounts. Furthermore, you will realise the importance of paying off credit cards or personal loans sooner by paying more than the minimum payment each month and saving on interest charges in the long run," concludes Ollewagen.

The final component of financial wellness and enhanced debt management is having the right financial adviser to partner with you on your journey to financial freedom. It is important to speak to an accredited financial adviser to become your coach on money matters.



**SOUTH AFRICAN
SAVINGS** *trends*

SOUTH AFRICAN CONSUMER *behaviour* REVEALS **LATEST** *Savings* TRENDS



Saving money is all about sticking to very strict budgets, sweating while crunching numbers, and skipping out on fun to get serious about your finances, right? Well, according to South Africans it doesn't necessarily have to be. Savings goals don't have to equate to life becoming all work and no play.

As the high cost of living continues to rise, it is becoming ever more difficult to save and put money away. It is, however, interesting to note peculiar trends that have come from South Africans during these tough times. Now more than ever, people have been forced to take a long hard look at their finances and make a conscious effort to manage their money to still make room for life's little pleasures.

"We are noticing that people are demonstrating interesting trends when it comes to saving. The average consumer is tired of advice that forces them to completely sacrifice and live an almost miserable life to save every penny. Rather what they are telling us is that they want strategies which are relevant and are in line with the lives they want to live," says Tlalane Ntuli, Chief Marketing Officer at Metropolitan.

Ntuli notes that savings trends which have emerged recently include:

INCREASED FINANCIAL EDUCATION TO MANAGE MONEY

Recent Google trends data reveal that South Africans are increasingly concerned with how matters such as inflation are impacting their lives and personal finances. Consumers are now also cognisant of economic impacts of things like the volatile petrol price. "People are interested in when the petrol price is going up so they can fill up their cars before that happens. They are also now becoming increasingly aware of how the fuel price impacts other financial areas of their lives and in turn implement strategies to be able to cope," says Ntuli.

LEISURE TIME STILL A PRIORITY AMIDST TOUGH TIMES

"Respondents to an on-the-street survey conducted by Think Africa, agency partner of Metropolitan, revealed interesting insights regarding the importance of leisure time for South Africans," says Ntuli. A few respondents insisted that "jolling" is still manageable during the current economic pinch. It's all about looking for strategies which enable you to maximise the good time at minimal cost. Instead of going out on weekends for example, people have now realized that it is more cost-effective to take advantage of weekday drinks specials at local hangout spots.

GROUP SAVINGS ARE MORE RELEVANT THAN EVER

Two heads are better than one and when it comes to saving towards a common goal like grocery shopping, that power of the collective is put into action through Stokvels, which remain a popular savings vehicle South Africans implement. The survey research highlighted some ineffective usage cases for Stokvels that consumers should aim to avoid.

"These include over investing in Stokvels and therefore, not having any money left over for a rainy day or other forms of savings and investments. A popular form of Stokvel in South Africa is the grocery stokvel through which consumers save enough to collectively spend on household items that every member in the Stokvel needs on a monthly or annual basis. Another handy savings tip involving Stokvels is that savvy South Africans are investing their Stokvel savings (payout) to

boost the benefits of the Stokvel even further," explains Ntuli. Beyond not giving up what they love and simply cutting costs around these practices, South African consumers also have their own unique practices around how they choose to save. Whether that is saving earnings from their side-hustle, or saving weekly (particularly popular with consumers earning inconsistently), South Africans like to find a Mzansi-way of saving that works for them and their circumstances.

"However you choose to put money away, remember: saving money is like losing weight – in that, if you don't get it right the first month don't give up. Just continue on your own savings journey undiscouraged knowing that this journey ultimately leads to a more prosperous future and life for yourself," Ntuli concludes.



Financial



**PLANNING
CALCULATORS**

Start a budget and use our budget calculator to work out your monthly savings.

Use the cost of debt calculator and know how much purchasing a single item on credit will cost you.

Want to know how much using credit across multiple items will cost you? Try this combined debt calculator.

Together we can 

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#TogetherWeCan



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