# The 2024 **NedFinHealth** Monitor Report

see money differently

NEDBANK GROUP

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## Acknowledgments


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# Foreword

Around the world, stakeholders in the financial sector ecosystem are increasingly interested in understanding the financial health of consumers. The United Nations Secretary-General's Special Advocate Financial Health Working Group defines financial health as 'the extent to which a person or family can smoothly manage their current financial obligations and have confidence in their financial future', and states that the concept of financial health captures the holistic state of a person or family's financial life that should be within reach for everyone.

At Nedbank, guided by our purpose as money experts who do good for individuals, families, businesses, and society at large, we recognise that the level of your financial health plays an essential role in your overall wellbeing, and we aim to be at the forefront of helping South Africans navigate their financial health journeys with tangible insights. It's for this purpose that we present the NedFinHealth Monitor for 2024. This study, a beacon in understanding the financial health of South Africans, dives deep into the intricacies of what financial health truly means for the nation, and what drives it.

Nedbank first released the NedFinHealth Monitor a year ago. Despite its short life journey, we are pleased with the conversations it has sparked locally and internationally. In January, our former Group CEO, Mike Brown, participated in a high-level panel discussion on financial health at Davos facilitated by HM Queen Máxima of the Netherlands in her capacity as the UN Secretary-General's Special Advocate for Inclusive Finance for Development. In February, Ciko Thomas, our Group Managing Executive for Retail and Business Banking co-chaired a roundtable discussion with HM Queen Máxima of the Netherlands on 'Empowering financial health in South Africa'.

While reflecting on the strides taken since Nedbank first released the NedFinHealth Monitor, we hope you also take inspiration from the progress working South Africans have made along their financial health journey, despite immense financial pressures. Welcome to the 2024 NedFinHealth Monitor – a testament to Nedbank's unwavering commitment to understanding and uplifting the financial health of South Africans.

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# Executive summary

## This report presents the results of the second annual NedFinHealth Monitor, a study examining the evolving financial health of South African workers.[1]

The financial health of working South Africans is examined in this report at the individual and demographic levels using a set of financial-health indicators. The individuals in this study represent varying levels of financial decision-making roles within their households as primary financial decision-makers, as joint decision-makers sharing financial responsibilities with others, or as contributors with some influence on household financial decisions.

Our study assesses financial health using 8 indicators grouped into 4 key categories: **Spend**, **Save**, **Borrow**, and **Plan**. Through factor analysis[2], we identified that our 8 financial health indicators naturally group into 2 distinct categories, namely day-to-day and forward-looking indicators of financial health. By organising these indicators into these categories, our study offers a comprehensive assessment that aligns with a holistic view of financial health, addressing both immediate and future financial needs.

## Forward-looking indicators rise, but day-to-day indicators decline

In this report, we find that key financial health indicators trended in opposite directions, while overall financial health slightly improved. Day-to-day financial health indicators reflecting routine financial behaviours that contribute to an ongoing stable financial position such as spending less than income, timely bill payments, and manageable debt levels somewhat weakened while having short-term savings strengthened. In contrast, all forward-looking indicators reflecting future-focused aspects of financial health, like having long-term savings, a prime credit score, the ability to plan ahead, and appropriate insurance cover strengthened.

[1] *The 2024 NedFinHealth Monitor survey was fielded from 7–23 August 2024. The 2023 baseline survey was fielded from 1–11 September 2023.*

[2] *Factor analysis is a statistical technique used to find patterns in data by grouping related items together into categories or factors, which represent clusters of related items.*

**South African workers had to contend with a cost-of-living crisis that pushed day-to-day and forward-looking financial health indicators in opposite directions.**

### Table ES1. Forward-looking indicators rise, but day-to-day indicators decline somewhat

| Day-to-day indicators | 2023 | 2024 | Change |
|---|---|---|---|
| Spending in relation to income | 53,1 | **52,4** | (0,7) |
| Paying bills on time | 57,2 | **55,4** | (1,8) |
| Manageability of debt | 62,9 | **62,5** | (0,4) |
| Have savings to cover living expenses | 58,5 | **62,1** | 3,6** |
| **Forward-looking indicators** | **2023** | **2024** | **Change** |
| Confidence in meeting long-term goals | 39,3 | **44,9** | 5,6*** |
| Plan financially | 56,2 | **57,6** | 1,4* |
| Self-rating of credit score | 47,4 | **50,3** | 2,9*** |
| Appropriate insurance cover | 49,8 | **53,4** | 3,6*** |
| N | 1 503 | **1 509** | |

*Notes: Scores out of 100; statistical significance: *p < .05; **p < .01; ***p < .001.*

In this report, we find that key financial health indicators trended in opposite directions, while overall financial health showed slight improvement. This divergence can be partly explained by economic forces affecting South African consumers between July 2023 and August 2024, the period between our surveys.

During this period, high inflation rates and increased costs of living, particularly in food and petrol prices, placed pressure on day-to-day financial health indicators. Many workers found it increasingly challenging to maintain spending below income, pay all bills on time, and manage debt levels. Additionally, higher interest rates raised borrowing costs, further straining workers' ability to manage debt effectively.

On the other hand, forward-looking financial health indicators, those related to expected future financial security, showed improvement. Growing consumer confidence, driven by the creation of the Government of National Unity (GNU), was associated with increases in business and consumer confidence. In addition, consumers began to expect some economic relief with inflation staying within the South African Reserve Bank's target range of 3–6%, and gradually declining during 2024. This led to growing expectations of potential interest rate cuts. This optimism may have encouraged consumers to focus more on long-term planning, resulting in stronger indicators for long-term savings, credit scores, planning, and appropriate insurance cover.

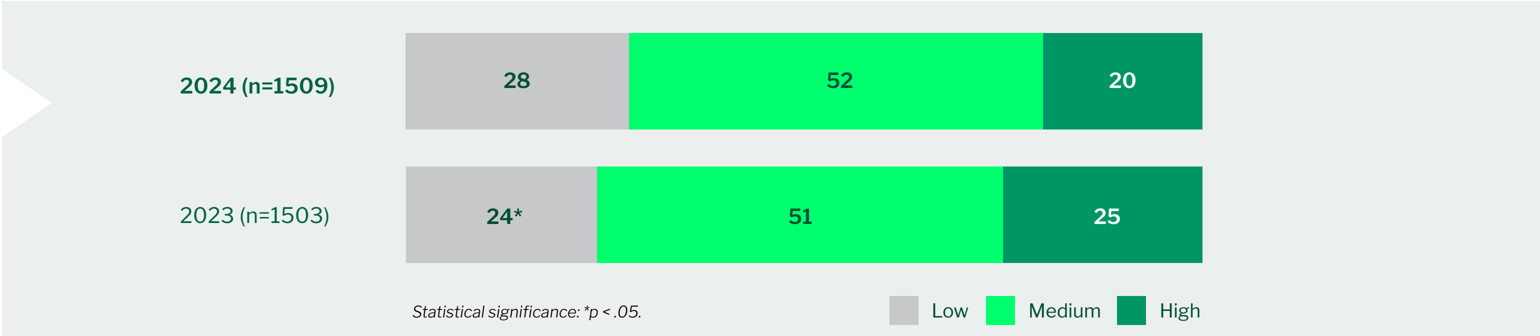
Together, these trends reflect how workers balanced immediate financial pressures while focusing on securing their future financial health despite these pressures. **Figure ES1** shows the percentage of workers in the low-, medium-, and high-financial-health categories by year.[3]

[1] *Given the average financial health score of 53.1 in 2023, we established 3 categories: low (≤ 44), moderate (45–74), and high (≥ 75). These cutoffs allow us to monitor changes consistently over time while accurately reflecting the distribution of financial health among South African workers.*

# **Executive summary** continued

**Figure ES1:**

**Moderate financial health remains steady while low scores fall and high scores rise**




## Rising costs and wages lagging behind inflation squeezed wallets, but optimism grows

The period between the release of the 2023 and 2024 NedFinHealth Monitor report was marked by persistent financial pressure for **working** South Africans. Amidst wages lagging behind inflation and rising living costs, many households have faced growing difficulties in managing their household finances. Yet maybe driven by the formation of the GNU, working South Africans are more **confident about the actions they are taking to meet long-term goals** and are more **able to meet monthly expenses without borrowing or withdrawing from their savings**.

- **22%** of workers are '**not at all confident**' in meeting long-term goals in 2024 – down 6 points from 2023.
- **16%** of workers are '**very confident**' in meeting long-term goals in 2024 – up 5 points from 2023.
- **10%** of workers have less than 1 week of living expenses saved in 2024 – down 3 points from 2023.
- **11%** of workers have 1–3 weeks of living expenses saved in 2024 – down 4 points from 2023.

Workers are more confident that their **insurance cover is sufficient**, and more reported that they **'plan ahead financially'**.

- **11%** of workers are 'not at all confident' that their insurance cover is sufficient in 2024 – down 5 points from 2023.
- **25%** of workers are 'very confident' that their insurance cover is sufficient in 2024 – up 3 points from 2023.
- **5%** of workers 'disagree strongly' that they planned financially in 2024 – down 2 points from 2023.
- **26%** of workers 'agree strongly' that they planned financially in 2024 – up 4 points from 2023.

Despite **struggling more to pay their all bills on time**, and fewer workers reporting **debt as manageable**, workers have reported an **improvement in their self-rated credit scores.**

- **27%** of workers can pay all their bills on time in 2024 – down 4 points from a year earlier.
- **37%** of workers say their debt is manageable in 2024 – down 5 points from a year earlier.
- **21%** reported their self-rated credit score as fair in 2024 – down 3 points from a year earlier.
- **14%** reported their self-rated credit score as excellent in 2024 – up 3 points from a year earlier.

# **Executive summary** continued

## Key findings

1. Financial and mental health improved for South African workers.
2. Extreme financial stress declined while moderate stress rose, in part, due to financial support for others.
3. Financial health sees the strongest gains for women, lower earners, and Gen Y workers (aged 44–58).
4. Day-to-day financial health indicators declined somewhat, while forward-looking indicators improved.
5. Lower financial health linked to earned wage access, buy-now-pay-later use, and outstanding credit card debt.
6. Financial health is weaker among workers who are embarrassed to seek help with their finances.
7. Financial health positively correlates with various factors: **demographic** (homeownership, income, gender), **psychological** (risk tolerance, perceived financial control, self-rated financial knowledge), and **behavioural** (credit report checks, use of professional financial advice; use of personal financial management tools).

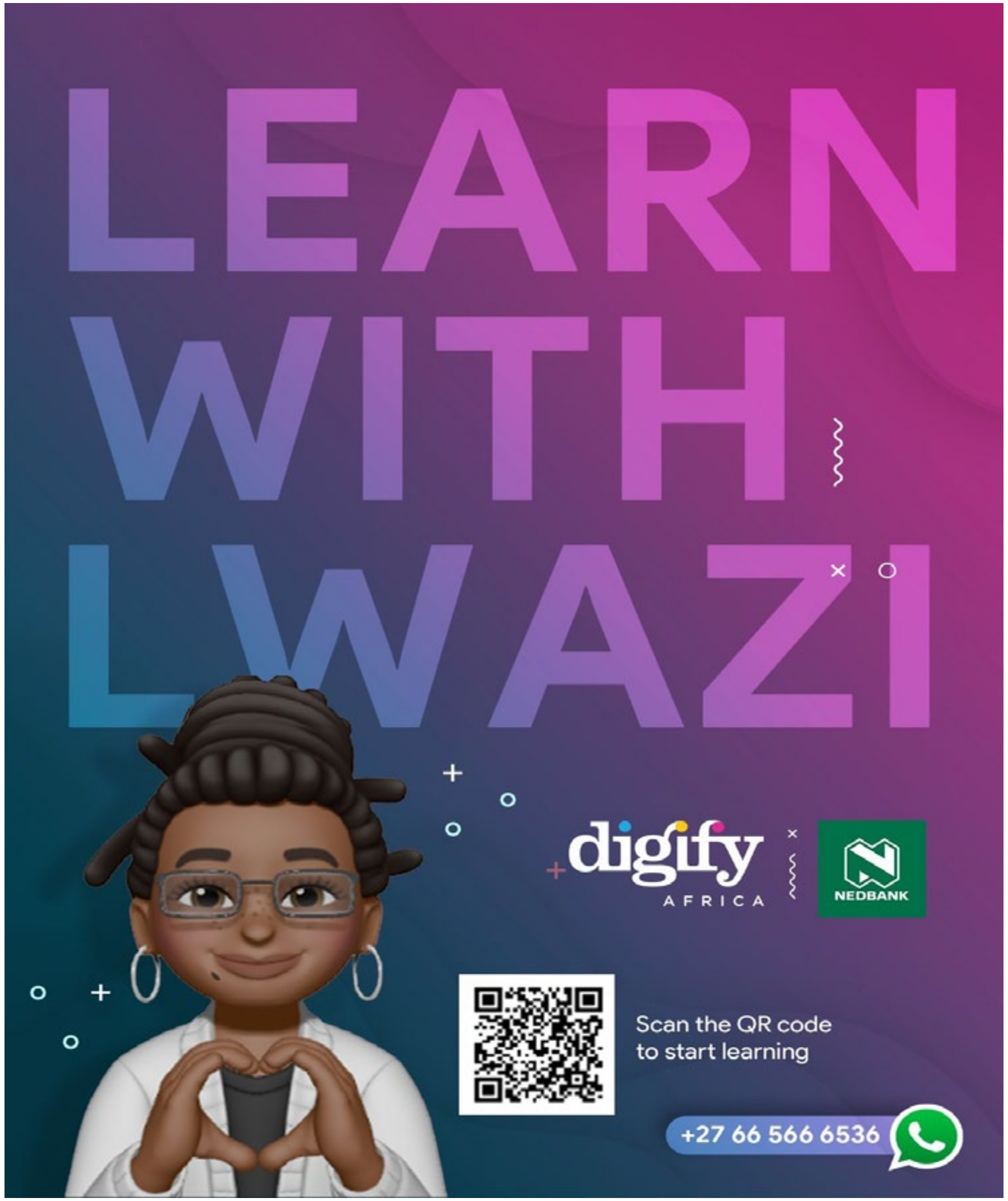
## A call to action

The improvement in financial health for all working South Africans is crucial, and our findings highlight the importance of this for stakeholders within the financial health ecosystem. We recommend that these stakeholders take targeted action to ensure workers have access to the resources they need to manage their finances effectively and thrive, recognising the central role finances play in daily life.

As a bank, we have made financial education accessible across various platforms, ensuring that our clients and consumers can access the information they need in the way that best suits them.

We invite you to **join us** **www.moneyedge.co.za** on this journey as we work together to improve the financial health of working south Africans.

# **Executive summary** continued





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# Introduction

The current situation of workers in South Africa is characterised by a combination of significant difficulties and resilience. Many workers continue to experience financial stress, job insecurity, and the persistent effects of the country's socio-economic challenges, including sluggish economic growth, high unemployment, inequality, poverty, crime, inadequate service delivery, and the lasting impact of the Covid-19 pandemic. Despite these adversities, a strong sense of determination and optimism prevails. Although the obstacles are considerable, there is increasing hope that the GNU will steer the country toward long-anticipated economic recovery and growth. A 2024 Ipsos poll highlighted that 'an increasing number of South Africans express optimism and confidence in the country's new direction'.

However, these headlines paint only part of the picture. To gain a deeper understanding of the financial realities faced by working South Africans, we must look beyond the headlines and explore the complexities of their day-to-day financial lives.

In the **second annual NedFinHealth Monitor**, fielded from **7 to 23 August 2024**, we explore how the financial health of South African workers has changed since we conducted a baseline survey in 2023. In this report, we examine financial health trends at 4 levels:

- **South African workers**
- **Financial health indicators**
- **Key demographic groups**
- **Key factors that shape changes in financial health**

Our insights, based on two years of data, highlight actionable steps that various stakeholders can take to equip workers with the necessary tools to build and enhance their financial health. This report is the first from Nedbank to offer trend data, allowing us to move beyond overall figures and examine how financial health is evolving across workers and within different segments over time.

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# Financial health framework

At Nedbank, we subscribe to the comprehensive definition of financial health or well-being provided by the Consumer Financial Protection Bureau of the United States, which identifies financial health as the 'condition wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and can make choices that allow them to enjoy life'.[4] Thus, financial health is a 2-dimensional concept encompassing both a present dimension, which reflects how a person feels about their current financial situation, and a future dimension, which gauges their confidence in the trajectory and likely future state of their finances.

The NedFinHealth Monitor draws on responses to survey questions that align with Financial Health Network's 8 indicators of financial health[5] (see **Fig 1**). By exploring these responses, we were able to get a better idea of how working South Africans spend, save, borrow and plan based on 8 indicators across 4 categories:

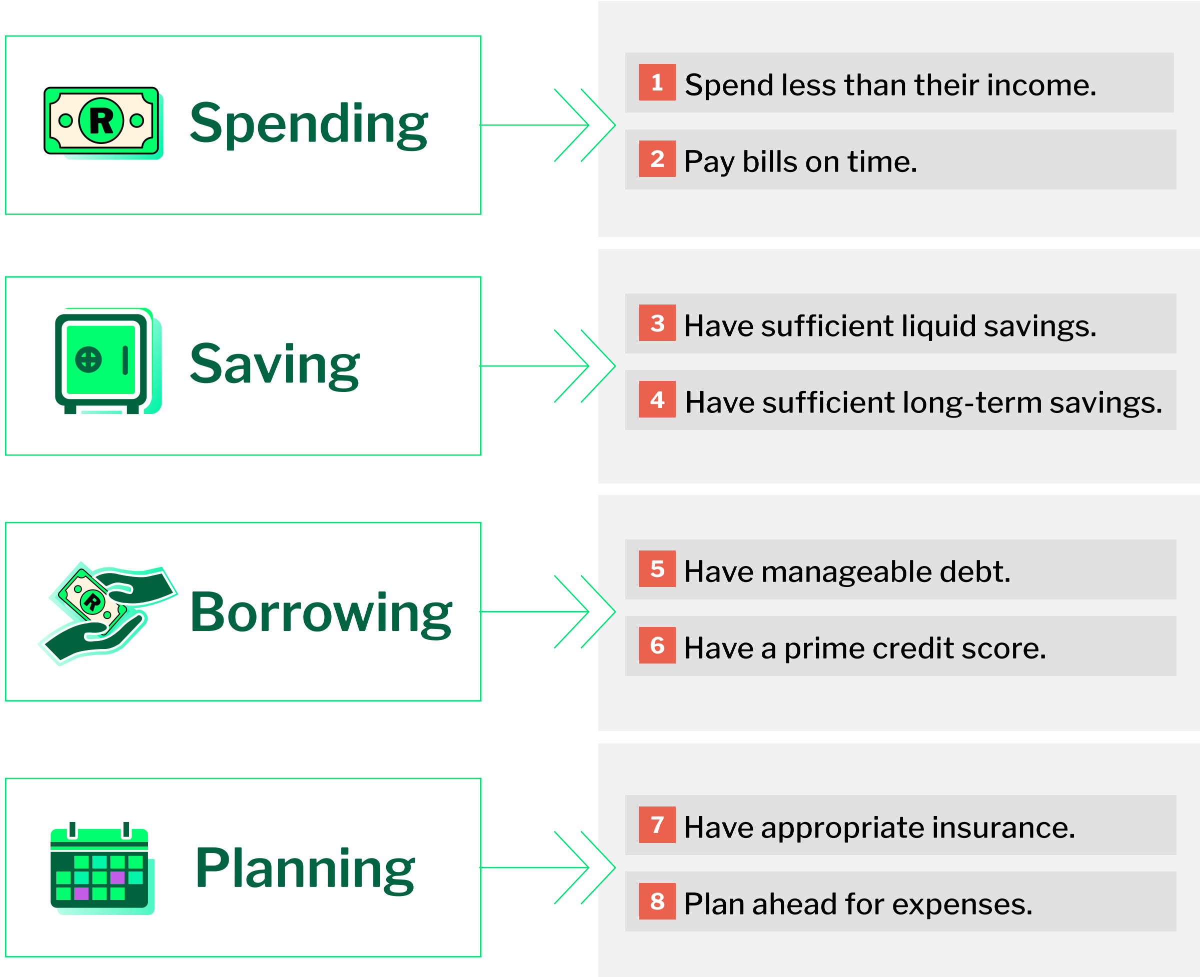
- **Spending**: How well individuals manage their spending relative to their income and live within their means.
- **Saving**: How individuals save to protect themselves from short-term and long-term financial shocks.
- **Borrowing**: How well individuals manage and control their debt.
- **Planning**: If individuals have a habit of planning for current and future financial activities.

[4] https://www.consumerfinance.gov/consumer-tools/educator-tools/financial-well-being-resources/

[5] The Financial Health Network is a US-based financial health think tank.

## Figure 1: 8 indicators of financial health

The financial health scores presented in this report are derived from 8 survey questions, each corresponding to the 8 key indicators of financial health (as shown in **Figure 1**). For every individual who completes all 8 questions, an overall financial health score is generated, along with 4 sub-scores that measure the specific areas of spending, saving, borrowing and planning.



# Methodology and sample

The data presented in this report was collected from the second annual NedFinHealth Monitor study, fielded from 7 to 23 August 2024, and is based on African Response's online panel. Interviews took place with respondents who are working either full-time or parttime, or who are self-employed in metropolitan and urban areas. Our sample is weighted to be nationally representative of working South Africans between 18 and 65 using the Marketing All Product Survey (MAPS) as a benchmark. In this report, we use cross-sectional analysis to compare the responses of workers who completed the NedFinHealth Monitor survey in 2024 with those who completed the survey in 2023.

**All questions were asked at the individual level, directed toward respondents who affirmed 1 of the following statements:**

- **I am the primary financial decision-maker in my household.**
- **I make financial decisions in my household with someone else.**
- **I have some influence over the financial decisions made in my household.**

## Table 1: 2024 survey overview

| | |
|---|---|
| **Population** | All working South Africans between 18 and 65 |
| **Sample selection** | All South Africans working either full-time or part-time, or who are self-employed in metropolitan and urban areas. |
| **Language** | English |
| **Field dates** | 7–23 August 2024 |
| **Survey length** | 25 minutes |

## Table 2: Overview of samples

| | | Number of respondents |
|---|---|---|
| **Study sample** | **Survey sample (2024)** | **1 506** |
| | Survey sample (2023) | 1 503 |

**A note on reading tables:**
*In this report, we present the statistical significance of year-on-year changes or differences in financial health indicators at different confidence levels. Statistically significant results are marked with an asterisk.*

*Percentages may not sum to exactly 100% due to rounding.*

## Well-being of working South Africans snapshot:

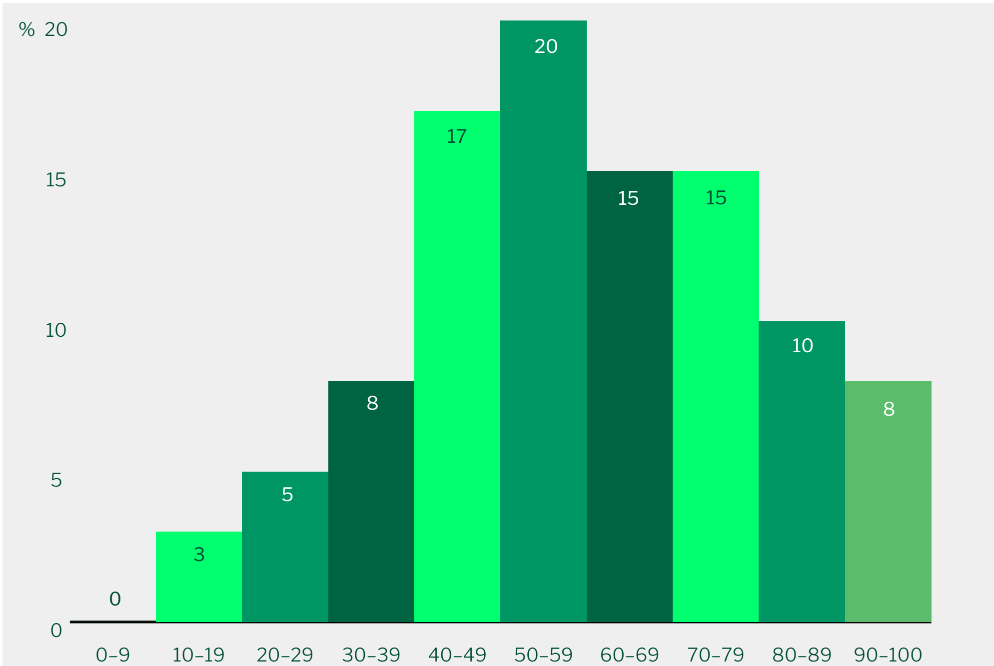
### 2023 to 2024

Working South Africans experienced a marginal but significant change in their financial health since 2023, suggesting some improvement in the way they **spend**, **save**, **borrow** and **plan**.

| Financial health | | Change |
|---|---|---|
| 2023 | 53,1 | 1,7* |
| **2024** | **54,8** | |

** Change is statistically significant at the 95% confidence level.*

## Figure 2: Distribution of financial health scores



# **Methodology and sample** continued

## Well-being of working South Africans snapshot: 2023 to 2024 continued

### Financial satisfaction

| | | Change |
|---|---|---|
| 2023 | 46,0 | 7,5*** |
| **2024** | **53,5** | |

** Change is statistically significant at the 99% confidence level.*

Working South Africans experienced a notable and highly significant improvement in financial satisfaction since 2023, suggesting cautious optimism about their financial situation. Financial satisfaction refers to an individual's overall contentment with their financial situation (Joo & Grable, 2004)[6] and influences financial behaviours such as budgeting and saving (Xiao et al, 2009).[7]

[6] *SH Joo and JE Grable (2004). An exploratory framework of the determinants of financial satisfaction. Journal of Family and Economic Issues, 25(1), 25–50.*

[7] *JJ Xiao, C Tang and S Shim (2009). Acting for happiness: Financial behavior and life satisfaction of college students. Social Indicators Research, 92(1), 53–68.*

### Job satisfaction

| | | Change |
|---|---|---|
| 2023 | 57,8 | 4,4*** |
| **2024** | **62,2** | |

** Change is statistically significant at the 99,9% confidence level.*

Working South Africans reported a notable and highly significant increase in job satisfaction since 2023, likely driven by improvements in financial health and reduced financial stress. Job satisfaction refers to the emotional response to one's job, and is shaped by the perception of job aspects such as autonomy, pay, relationships and work conditions (Locke, 1976).[8]

[8] *EA Locke (1976). The nature and causes of job satisfaction. Handbook of Industrial and Organizational Psychology, 1 297–1 349.*

### Financial knowledge

| | | Change |
|---|---|---|
| 2023 | 64,9 | 4,5*** |
| **2024** | **69,2** | |

** Change is statistically significant at the 99,9% confidence level.*

Working South Africans reported a notable and significant increase in self-rated financial knowledge since 2023, suggesting an improvement in workers' perception of how much they know about finances. Self-rated financial knowledge is defined as an individual's self-assessment of their financial knowledge and confidence (Perry & Morris, 2005)[9] and influences their financial behaviours, such as budgeting and paying bills, often irrespective of objective (actual) financial knowledge (Allgood & Wallstad, 2016).[10]

[9] *VG Perry and MD Morris (2005). Who is in control? The role of self perception, knowledge, and income in explaining consumer financial behavior. Journal of Consumer Affairs, 39(2), 299–313.*

[10] *S Allgood and WB Walstad (2016). The effects of perceived and actual financial literacy on financial behaviours. Economic Inquiry, 54(1), 675–697.*


### Mental health

| | | Change |
|---|---|---|
| 2023 | 61,9 | 2,8*** |
| **2024** | **64,7** | |

** Change is statistically significant at the 99% confidence level.*

Working South Africans experienced a notable and highly significant increase in mental health, defined as a 'state of mental well-being that enables people to cope with the stresses of life, realise their abilities, learn well and work well, and contribute to their community'[11] and is measured by the WHO-5 mental well-being scale. This increase is likely driven by improvements in financial health, financial satisfaction, job satisfaction and reduced financial stress.

[11] *https://www.who.int/news-room/fact-sheets/detail/mental-health-strengthening-our-response*

### Financial stress

| | | Change |
|---|---|---|
| **2023** | 50,5 | (3,5)*** |
| **2024** | **47,0** | |

** Change is statistically significant at the 99% confidence level.*

Working South Africans experienced a notable and significant decline in financial stress since 2023, suggesting a reduced perception that available financial resources are inadequate to meet financial demands. Financial stress is the emotional strain and worry experienced due to financial challenges, and can negatively influence mental health, job performance and overall well-being (Kim & Garman, 2003).[12]

[12] *J Kim and ET Garman (2003). Financial stress and absenteeism: An empirically derived model. Financial Counselling and Planning, 14(1), 31–42.*

# **Methodology and sample** continued

## **Well-being of working South Africans snapshot: 2023 to 2024** continued

### Table 3: Snapshot of changes in financial health indicators between 2023 and 2024

**Table 3** offers a snapshot of changes in financial health indicators between 2023 and 2024. The NedFinHealth Monitor will continue to monitor these indicators to gain insight into how financial health of South African workers evolves.

| Indicator | | Consolidated response | 2023 | 2024 | Change |
|---|---|---|---|---|---|
| SPEND | **Spend less than income** | Spending is less than income | **38,0%** | 37,9% | (0,1) |
| | | Spending is equal to income | **27,3%** | 28,3% | 1,0 |
| | | Spending is more than income | **34,7%** | 33,8% | (0,9) |
| | **Pay all bills on time** | Pay all our bills on time | **30,6%** | 27,5% | (3,1) |
| | | Unable to pay all our bills on time | **69,4%** | 72,5% | 3,10 |
| SAVE | **Have sufficient liquid savings+** | Have enough savings to cover at least 3 months of living expenses | **48,6%** | 51,9% | 3,30 |
| | | Do not have enough savings to cover at least 3 months of living expenses | **51,4%** | 48,1% | (3,3) |
| | **Have sufficient long-term savings** | Are confident that they are on track to meet long-term financial goals | **25,7%** | 31,1% | 5,4** |
| | | Are not confident that they are on track to meet long-term financial goals | **74,3%** | 68,9% | (5,4)** |
| BORROW | **Have a manageable debt load** | Have a manageable amount of debt | **41,9%** | 37,0% | (4,9)** |
| | | Have more debt than is manageable | **41,7%** | 44,1% | 2,4 |
| | | Do not have any debt | **16,4%** | 18,9% | 2,5 |
| | **Have a prime credit score** | Have a prime credit score | **51,2%** | 55,7% | 4,5** |
| | | Do not have a prime credit score | **42,6%** | 37,7% | (4,9)** |
| | | Don't know | **6,2%** | 6,6% | 0,4 |
| PLAN | **Have appropriate insurance** | Are confident their insurance policies will cover them in an emergency | **38,9%** | 42,3% | 3,4 |
| | | Are not confident their insurance policies will cover them in an emergency | **50,9%** | 48,1% | (2,8) |
| | | Do not have insurance | **10,2%** | 9,6% | (0,6) |
| | **Plan financially** | Agree with the statement: 'My household plans financially. | **59,5%** | 58,0% | (1,5) |
| | | Do not agree with the statement: 'My household plans financially.' | **40,5%** | 42,0% | 1,5 |

**** Change is statistically significant at the 99% confidence level. Rows represent groupings of multiple answer choices.**

# Changes in Financial Health Indicators

The changes in the **save**, **spend**, **borrow**, and **plan** financial health indicators show that the financial behaviour of working South Africans is complex with both benefits and risks. These changes are best understood in the context of stress, defined as 'a particular relationship between the person and the environment that is appraised by the person as taxing or exceeding his or her resources and endangering his or her well-being.'[13] **Figure 3** shows that financial matters continue to be the leading cause of stress for workers, but it has significantly decreased from 2023, with relationships and work-related stress on the rise. Interestingly, while financial stress has declined across most income groups, it remains high for those earning R6 000 to R9 999 and those spending more than their income.

[13] *RS Lazarus and S Folkman (1984). Stress, appraisal and coping. Springer*

## Figure 3:

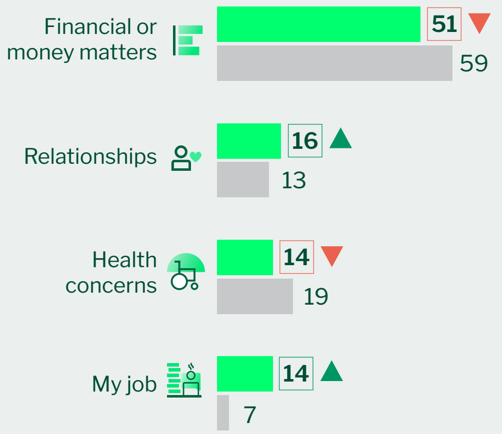
Responses to

**'Which of the following causes you the most stress?'**

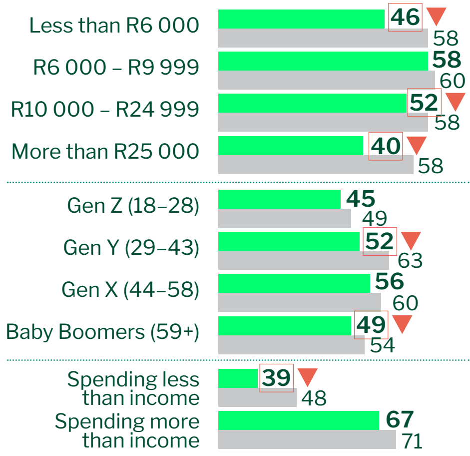
**Figure 3** shows that fewer workers are experiencing high to extreme financial stress, with a shift towards mild to moderate levels. The stress associated with paying bills on time has decreased, while the stress related to financially helping others has increased.

### Areas of life that cause consumers the most stress

% of respondents




### Financial or money matters by key demographics %




**2024 (n=1509)** 2023 (n=1503) ▲ ☐ ▼ ☐ **Change is statistically significant at the 95% confidence level.** Compared to 2023.

# Changes in financial health indicators continued

**Figure 4:**

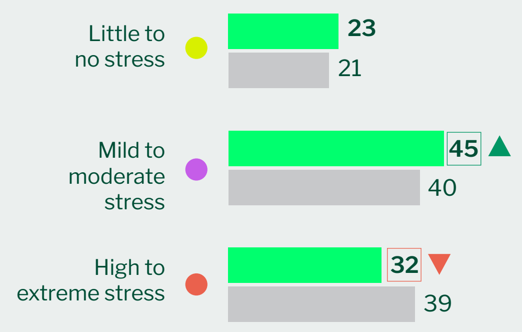
Responses to

**'Over the last 12 months, how much stress, if any, did your finances cause you?'**

and

**'What financial or money matters/ challenges cause you stress?'**

### Level of financial stress felt in the past year




It is notable that the impact of financial stress on well-being has softened across all aspects of workers' lives. However, those who spend more than their income continue to experience poor sleep. Gen X's self-worth is less affected by financial stress, while physical health has improved for those aged 50 to 65. **Figure 4** shows these trends.

2024 (n=1 509)

2023 (n=1 503)

Change is statistically significant at the 95% confidence level. Compared to 2023.

### Matters that cause financial stress

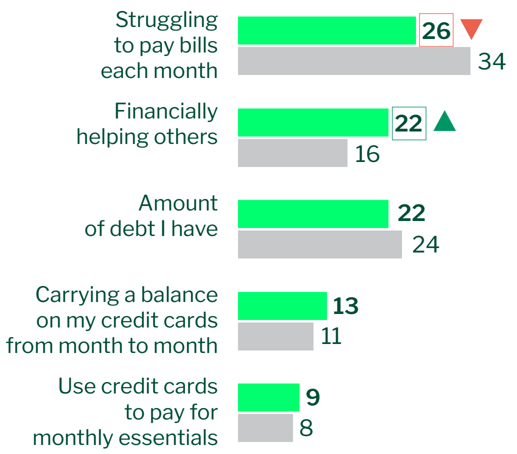


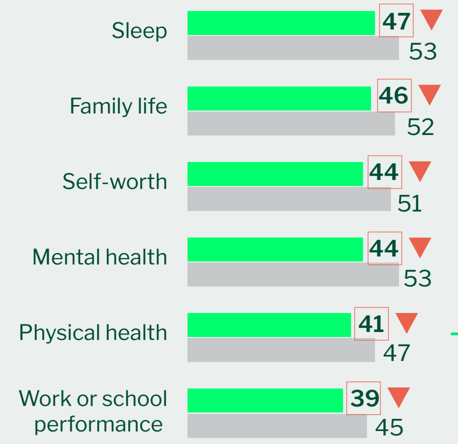

**Figure 5:**

Responses (multiple) to

**'To what extent, if any, has financial stress negatively impacted your…'**

Finally, **Table 4** highlights the diverse strategies working South Africans adopted to cope with financial stress. The most common approaches reflect a mix of adjusting spending habits, using savings and finding additional sources of income. Specifically, **30%** of respondents reported switching to cheaper options in various areas of spending (such as supermarket brands, gym memberships and streaming services), while **28%** reported relying on their savings and another **28%** turned to borrowing from friends or family. Many workers are also taking proactive steps to improve their financial situation, such as looking for a second job **(26%)** or starting a side hustle **(23%).** Meanwhile, strategies like budgeting, cutting down on non-essentials, and leveraging loyalty rewards highlight attempts to maintain control over expenses.

### Financial stress has negatively impacted these aspects (Moderate and high impact)




### Financial stress by key demographics

Significantly higher among those who are spending more than their income: 2024 **57%** VS 2023 65%

Significantly lower among Gen X: 2024 **38%** VS 2023 48%

Significantly lower among those aged 50-65 years: 2024 **28%** VS 2023 39%

# Changes in financial health indicators continued

However, more severe measures such as borrowing from **informal lenders** (12%), **selling valuables** (11%) or **accessing payday loans** (10%), indicate a deeper level of financial stress among some workers.

The lower percentages for seeking **professional financial advice** (7%), **debt counselling** (5%) and **consolidation loans** (3%) suggest these options may be underutilised, possibly due to stigma, lack of awareness, embarrassment or other barriers to seeking help with finances.

Overall, this data shows that workers did their best to cope with tough economic conditions, but some of the methods they used might compromise their long-term financial health.

## Table 4: Strategies for coping with financial stress

| In the past 12 months, workers have done any of the following to manage financial stress. | 2023 | 2024 |
|---|---|---|
| Switch to cheaper supermarket brands, gym options, phone/data options, cheaper TV streaming, etc | 33% | **30%** |
| Use your savings | 38% | **28%** |
| Borrow from relatives or friends | 30% | **28%** |
| Look for a second job | 32% | **26%** |
| Take advantage of points or rewards accumulated on loyalty programmes | 33% | **26%** |
| Restrict yourselves to essentials | 31% | **25%** |
| I made a budget, and I am sticking to it | 25% | **25%** |
| Start a side business or side hustle | 30% | **23%** |
| Limit your own or other household members' food consumption | 18% | **15%** |
| Borrow from informal lenders such as *mashonisa* | 11% | **12%** |
| Sell consumer goods or valuable items | 14% | **11%** |
| Cut down on domestic help | 12% | **11%** |
| Access wages or salary before payday | 7% | **10%** |
| Borrow from payday loan providers | 9% | **10%** |
| Borrow from a bank | 11% | **10%** |
| Borrow from my employer | 7% | **8%** |
| Get help from a financial advisor/planner | 9% | **7%** |
| Borrow from a pawn shop | 8% | **6%** |
| Borrow from a savings club or stokvel | 6% | **6%** |
| Nothing, I don't know what to do | 6% | **6%** |
| Sign up for debt review or counselling process | 4% | **5%** |
| Leave or resign from a stokvel or savings club | 5% | **5%** |
| Get a debt consolidation loan | 3% | **3%** |
| Other | 0% | **1%** |

# **Changes in financial health indicators** continued

## Paying bills

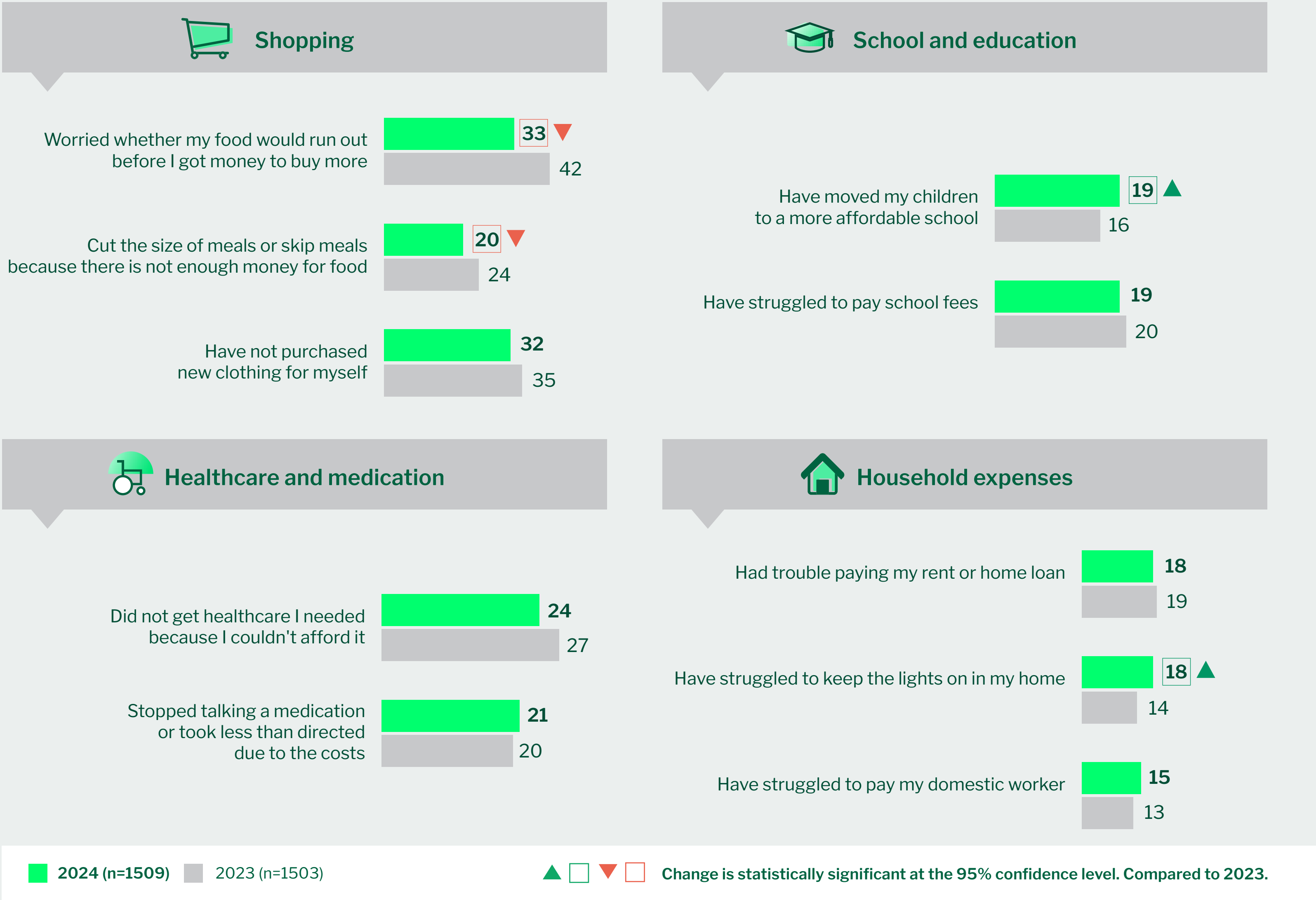
**The worsening ability to pay bills on time** suggests that since the last survey, more working South Africans struggled to manage their cash flow amid stagnant incomes **(Table 5)** and a relentless surge in the cost of living **(Table 6)**, and have resorted to the use of payday loans and earned wage access[14] to bridge the cash flow shortfalls **(Table 7)**. **Figure 6** shows the change in the combined 'always' and 'often' responses to the question

'How often do the following statements apply to you?

**In the past 12 months, I…'**

[14] *Earned Wage Access (EWA) enables employees to access a portion of their earned wages before the scheduled payday.*

### Figure 6: Experiences of financial hardship



# **Changes in financial health indicators** continued

## Table 5: Changes in income over the last 12 months

Thinking back to last year, please indicate if your total income and expenses have changed between July 2023 and now.

**My income has...**

| | | Personal monthly income | | | | | Worry about my financial situation | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | R1–R2 999 | R3 000–R5 999 | R6 000–R9 999 | R10 000–R24 999 | R25 000 or more | Disagree | Neutral | Agree |
| Increased | 35% | 27% | 28% | 39% | 40% | 59% | 56% | 38% | 29% |
| Decreased | 22% | 25% | 25% | 24% | 18% | 9% | 14% | 21% | 25% |
| Unchanged | 43% | 47% | 47% | 37% | 41% | 32% | 30% | 41% | 56% |
| | 1 509 | 130 | 287 | 377 | 465 | 250 | 305 | 273 | 931 |

## Table 6: Changes in expenses over the last 12 months

Thinking back to last year, please indicate if your total income and expenses have changed between July 2023 and now.

**My expenses have...**

| | | Personal monthly income | | | | | Worry about my financial situation | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total | R1–R2 999 | R3 000–R5 999 | R6 000–R9 999 | R10 000–R24 999 | R25 000 or more | Disagree | Neutral | Agree |
| Increased | 72% | 62% | 69% | 70% | 75% | 81% | 59% | 63% | 75% |
| Decreased | 12% | 15% | 14% | 13% | 8% | 8% | 16% | 18% | 10% |
| Unchanged | 18% | 23% | 17% | 16% | 17% | 11% | 25% | 20% | 15% |
| | 1 509 | 130 | 287 | 377 | 465 | 250 | 305 | 273 | 931 |

## Table 7: Use of payday loans and earned wage access over the last 12 months

| | Use of payday loan | | | Use of earned wage access | | |
|---|---|---|---|---|---|---|
| | 2023 | 2024 | Change | 2023 | 2024 | Change |
| Yes | 61,1% | 54,3% | 6,8*** | 30,1% | 40,2% | 10,1*** |
| No | 38,9% | 45,7% | (6,8)*** | 69,9% | 59,8% | (10,1)*** |
| **Total** | 1 503 | | | 1,509 | | |

**** Change is statistically significant at the 99.9% confidence level.*

# Changes in financial health indicators continued

Given the worsening ability to pay all bills on time, we wanted to determine which factors support bill paying behaviour.

**Research studies[15,16,17] indicate the following:**

- People with higher self-rated financial knowledge are generally more likely to manage their finances responsibly, including prompt bill payments and building emergency savings.
- People who regularly check their credit reports tend to display more responsible financial behaviours such as building emergency savings and timely bill payments.
- People who use financial advice tend to manage their finances better, including regular bill payments and money set aside for emergencies.

**Table 6** shows the association between self-rated financial knowledge and bill paying. To understand this association better, an ANOVA **(Table 9)** was conducted to determine if there were statistically significant differences in self-rated financial knowledge scores across the 5 bill paying behaviours. Subsequent t-tests were performed to compare the average self-rated financial knowledge of the workers in each bill-paying category against the overall sample average. Overall, these results **(Table 8)** suggest a significant relationship between self-rated financial knowledge and bill-paying behaviour, with **higher levels of self-rated financial knowledge correlated with paying bills on time.**

## Table 8: Bill-paying behaviour and self-rated financial knowledge

| Bill-paying behaviour | Proportion of workers | Average subjective financial knowledge (out of 100) |
|---|---|---|
| Pay all my bills on time (100%) | 31,8% | 78,7 |
| Pay nearly all my bills on time (between 80–90%) | 27,8% | 71,2 |
| Pay most of my bills on time (between 60–80%) | 21,9% | 70,2 |
| Pay some of my bills on time (between 40–60%) | 13,0% | 66,3 |
| Pay very few of my bills on time (between 0–40%) | 5,6% | 55,8 |
| | 1 509 | |

[15] *CA Robb and AS Woodyard (2011) Financial knowledge and best practice behavior. Journal of Financial Counseling and Planning, 22(1), 60–70.*

[16] *R Henager and BJ Cude (2016) Financial Literacy and Long-and Short-Term Financial Behavior in Different Age Groups. Journal of Financial Counseling and Planning, 27(1), 3–19.*

[17] *B Roberts, J Struwig, S Gordon and T Radebe (2021) Financial Literacy in South Africa: Results from the 2020 Baseline Survey. https://repository.hsrc.ac.za/handle/20.500.11910/19334*

## Table 9: ANOVA and t-tests: Bill-paying behaviour and subjective financial knowledge

| Test | Comparison | p-value | Interpretation |
|---|---|---|---|
| ANOVA | Five bill-paying groups | < 0,001 | Significant differences in groups |
| | Pay all my bills on time (100%) score vs average score (= 71,9) | < 0,001 | Significantly higher self-rated financial knowledge than the average |
| t-Test | Pay nearly all my bills on time (between 80–90%) score vs average score (= 71,9) | 0,5000 | No significant difference |
| t-Test | Pay most of my bills on time (between 60–80%) score vs average score (= 71,9) | 0,1360 | No significant difference |
| t-Test | Pay some of my bills on time (between 40–60%) vs average score (= 71,9) | < 0,001 | Significantly lower self-rated financial knowledge than the average |
| t-Test | Pay very few of my bills on time (between 0–40%) score vs average score (=71,9) | < 0,001 | Significantly lower self-rated financial knowledge than the average |

# **Changes in financial health indicators** continued

**Figure 7:**

Responses to

**'On a scale from 0–10, where 0 means 'very low' and 10 means 'very high', how would you assess your overall financial knowledge?'**

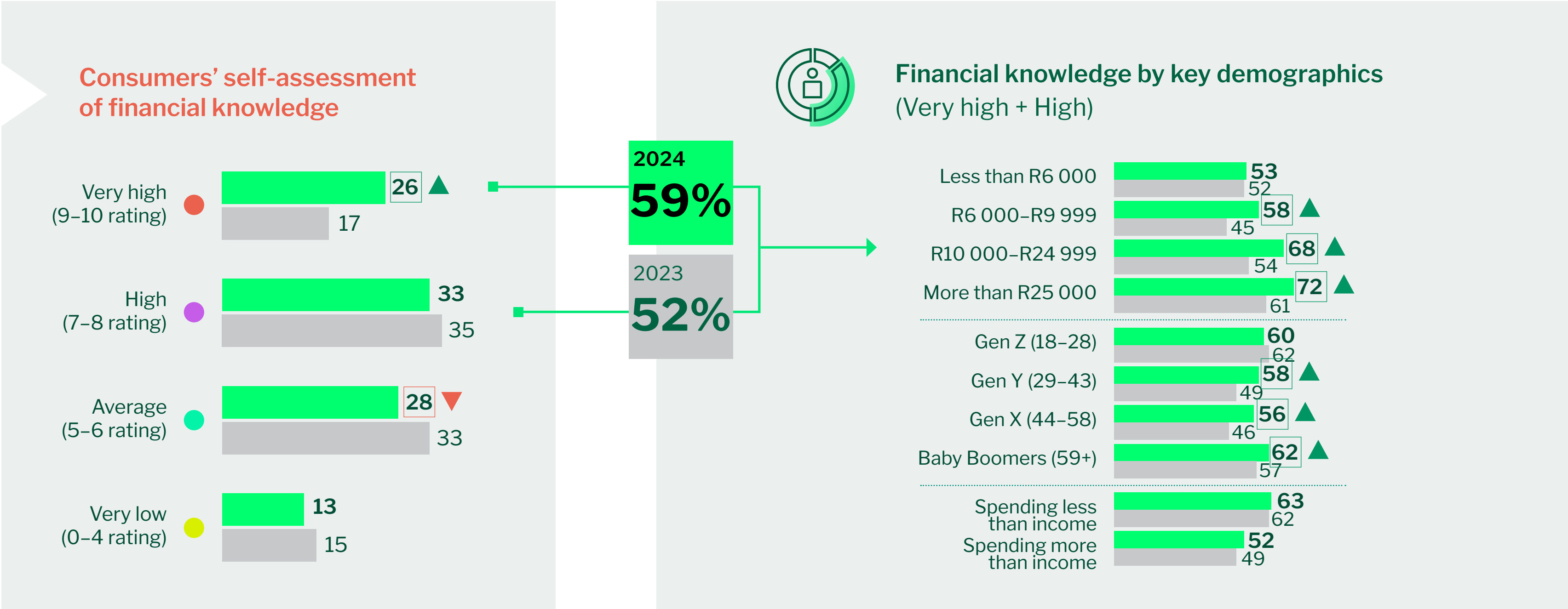



**Figure 7** shows the notable increase in workers' self-rated financial knowledge, up from 52% in 2023 to 59% in 2024 for 'high' and 'very high' ratings. This improvement is most notable among middle to higher-income earners as well as with the more established generations (29 and above).

**2024 (n=1 509)**

2023 (n=1 503)

**Change is statistically significant at the 95% confidence level. Compared to 2023.**

**Table 10** shows the association between credit report checking behaviour and bill paying. To understand this association better, a chi-squared test was conducted to determine if there were statistically significant differences in credit report checking and bill-paying. The chi-square test ($p < .05$) indicates a statistically significant association between checking one's credit report and paying bills on time. **That is, workers who actively check their credit reports are more likely to pay their bills on time than those who do not.**

## Table 10: Proportion of workers who pay bills on time by credit-report-checking behaviour.

In the past 12 months, have you obtained or checked your credit report?

| | Unable to pay all bills on time* | Pay all bills on time | |
|---|---|---|---|
| **Did not check credit report** | 72,3% | **27,7%** | 476 |
| **Checked credit report** | 66,3% | **33,7%** | 1 033 |
| | 1 029 | **480** | 1 509 |

**All partial bill-paying was categorised as unable to pay **all** bills on time.*

# Changes in financial health indicators continued

**Table 11** shows the association between financial adviser usage and bill paying. To understand this association better, a chi-squared test was conducted to determine if there were statistically significant differences in financial adviser usage and bill paying. Although the chi-square test (p = 0,661) indicates that there is no statistically significant association between financial adviser usage and the paying of bills on time, our analysis reveals a **positive association between the frequency of financial advice usage and on-time bill payment.**

## Table 11: Proportion of workers who pay bills on time by frequency of professional financial advice use.

When are you most likely to seek financial help or guidance?

| | Unable to pay all bills on time | Pay all bills on time | |
|---|---|---|---|
| **No advice** | 69,9% | **30,1%** | 259 |
| **Occasional use** | 68,2% | **31,8%** | 1 090 |
| **Regular use** | 65,6% | **34,4%** | 160 |
| | 1 029 | **480** | 1 509 |

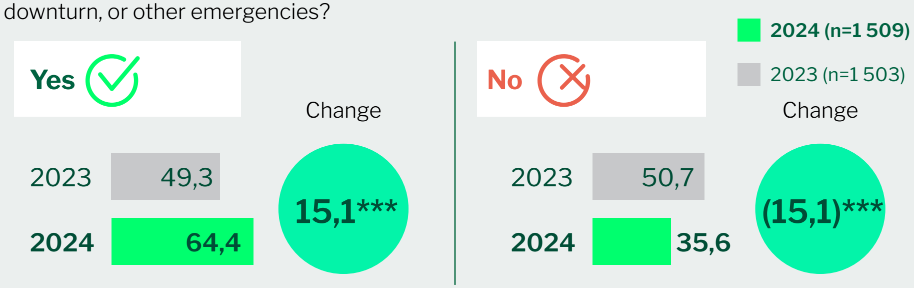
Occasional users of financial advice only did so when making important decisions like buying a house, or when in a financial crisis or during life events like marriage. Regular users reported having an ongoing relationship with a financial adviser. Workers who received no advice reported that they never use financial advisers because they handle their finances on their own.

## Emergency savings

The **improvement in the perceptions of sufficient emergency savings** among workers despite the difficulties in paying bills, may reflect a shift toward more cautious and forward-looking financial behaviour that prioritises building emergency savings to protect themselves against unexpected financial shocks. An alternative explanation could be that workers are prioritising emergency savings over bill payments. However, the data does not support this explanation since workers who can pay their bills on time are much more likely to have emergency savings. For example, 81% of those who pay **all** their bills on time or **nearly all** (80–90%) of their bills on time (68%) have emergency savings. Surprisingly, even among those who struggle the most with paying their bills, 47% of workers who pay some of their bills on time (40–60%) still have emergency savings and 18% of workers who pay very few of their bills on time (0–40%) also have emergency savings. This indicates that the **ability to pay bills on time and having emergency savings go hand in hand.**[18] We can conclude that the increase in workers reporting that they have emergency savings is not at the expense of paying bills on time **(Table 12)**.

## Table 12: Presence of emergency savings

Have you set aside money to deal with unexpected expenses that would cover your expenses for 3 months, in case of sickness, car repair, home repair, job loss, medical bill, economic downturn, or other emergencies?




**** Change is statistically significant at the 99.9% confidence level.*

Despite the increase in the number of workers reporting sufficient emergency savings, **Table 13** shows that **many workers are still concentrated in the lower savings categories** (eg less than R2 000, R2 000–R5 000 and R5 000–R10 000) that did not show statistically significant changes in their proportions. This suggests that while more workers are starting to save for emergencies, the amounts they are saving might still be modest and **possibly inadequate for covering major financial shocks** and for improving overall financial health. Interestingly, the only significant change was observed in the proportion of workers with more than R50 000 in emergency savings (from 5,7% to 7,9%), most likely higher income earners who are already in a more stable financial situation increasing their savings significantly.

[18] *L Gjertson (2016) Emergency saving and household hardship. Journal of Family and Economic Issues, 37, 1–17.*

# Changes in financial health indicators continued

Given the increase in the number of workers reporting sufficient before emergency savings, we sought to understand the association of having sufficient emergency savings with subjective financial knowledge, checking credit reports and financial adviser usage.

While there were no statistically significant differences in the means of self-reported financial knowledge between workers who reported having emergency savings and those who did not, we found statistically significant ($p < 0,001$) differences for both the frequency of checking credit reports **(Table 14)** and the use of financial advisers **(Table 15)**.

This suggests that proactive financial behaviours, such as using the services of financial advisers and regularly reviewing credit reports, are more strongly associated with having emergency savings.

**Saving**

## Table 13: Amount of emergency savings

| | 2023 | 2024 | Change |
|---|---|---|---|
| Less than R2 000 | 15,0% | **14,3%** | (0,7) |
| Between R2 000 and R5 000 | 24,2% | **23,8%** | (0,4) |
| Between R5 000 and R10 000 | 19,8% | **19,3%** | (0,5) |
| Between R10 000 and R20 000 | 15,9% | **15,4%** | (0,5) |
| Between R20 000 and R30 000 | 10,3% | **10,7%** | (0,4) |
| Between R30 000 and R40 000 | 4,7% | **4,8%** | 0,1 |
| Between R40 000 and R50 000 | 4,5% | **3,7%** | (0,8) |
| More than R50 000 | 5,7% | **7,9%** | 2,2* |
| | 741 | **972** | |

* *Change is statistically significant at the 95% confidence level. Only respondents who indicated that they had emergency savings were asked how much savings they had.*

## Table 14: Proportion of workers who have emergency savings by credit report checking behaviour.

In the past 12 months, have you obtained or checked your credit report?

| | Lacks emergency savings | Has emergency savings | |
|---|---|---|---|
| **Did not check credit report** | 43,9% | **56,1%** | 476 |
| **Checked credit report** | 31,6% | **68,3%** | 1 033 |
| | 537 | **972** | 1 509 |

## Table 15: Proportion of workers who have emergency savings by frequency of professional financial advice use.

*When are you most likely to seek financial help or guidance?*

| | Lacks emergency savings | Has emergency savings | |
|---|---|---|---|
| **No advice** | 45,9% | **54,1%** | 259 |
| **Occasional use** | 36,5% | **63,5%** | 1 090 |
| **Regular use** | 12,5% | **87,5%** | 160 |
| | 537 | **972** | 1 509 |

# **Changes in financial health indicators** continued

## Managing debt

Workers reported that **debt levels are becoming harder to manage**. Since a sense of debt becoming harder to manage can stem from the types of loans a worker holds, the balances on those loans, and the total number of loans they have, we analysed changes in various types of loans workers hold and found notable and significant increases in the use of **small business loans and loans from informal credit providers such as loan sharks and family or friends (Table 16).** Interestingly, we found a significant increase in the average number of loans workers hold **(Table 17)**, primarily driven by workers holding all types of loans **(Table 18)**. Behind these numbers are workers experiencing the psychological burden of debt, defined as the persistent stress, anxiety and mental strain associated with managing financial obligations, which research has shown to have negative mental health outcomes, including shame, social stigma, anxiety, worry and chronic stress (Richardson et al, 2013; Sweet et al, 2013).[19,20]

Further, different types of debt have distinct impacts on **mental health** with, for example, **informal loans from loan sharks** and **family** or **friends** carrying unique psychological burdens compared to traditional formal loans due to the relational and social pressures they introduce (Turunen & Hiilamo, 2014).[21]

See **Tables 18, 19** and **20**.

[19] *E Sweet, A Nandi, EK Adam and TW McDade (2013) The high price of debt: Household financial debt and its impact on mental and physical health. Social Science & Medicine, 91, 94–100.*

[20] *T Richardson, P Elliott and R Roberts (2013) The relationship between personal unsecured debt and mental and physical health: a systematic review and meta-analysis. Clinical Psychology Review, 33(8), 1 148–1 162*

[21] *E Turunen and H Hiilamo (2014) Health effects of indebtedness: A systematic review. BMC Public Health, 14(1), 489*

## **Table 16:** Type of debt accumulated

### Please answer the following questions with '**Yes**' or '**No**' ...

| | 2023 | 2024 | Change |
|---|---|---|---|
| Do you currently have a car loan? | 19,9% | **19,9%** | 0,0 |
| Do you currently have a personal loan? | 35,7% | **35,9%** | 0,2 |
| Do you currently have a student loan? | 13,7% | **15,8%** | 2,1 |
| Do you currently have a small-business loan? | 9,2% | **15,0%** | 5,8** |
| Do you currently have outstanding credit card balances carried over from previous months? For example, missed credit card payment(s) in previous months. | 37,3% | **32,2%** | (2,1) |
| Do you currently have any unpaid bills from a health care or medical service provider (eg a hospital, a doctor's office, or a testing lab) that are overdue? | 21,3% | **22,9%** | 1,6 |
| Do you currently have other debts or loans not listed such as payday loans? | 32,4% | **29,1%** | (3,3) |
| Do you currently have other debts or loans not listed such as other past-due bills? | 35,1% | **36,9%** | 1,8 |
| Do you currently have other debts or loans not listed such as money borrowed from loan sharks? | 24,0% | **31,1%** | 7,1** |
| Do you currently have other debts or loans not listed such as money borrowed from family or friends? | 36,9% | **43,8%** | 6,9** |

Only percentage '**Yes**' responses are shown in the table.

** *Significant at 99% confidence level.*

## **Table 17:** Average number of loans per worker

| | 2023 | 2024 | Change |
|---|---|---|---|
| Average loan per worker | 2,68 (2,41) | **2,94 (2,76)** | 0,26** |
| Total | 1 503 | **1 509** | |

Standard deviation in paratheses.

** *Significant at 99% confidence level.*

# Changes in financial health indicators continued

## Table 18: Distribution of loans among workers

| Number of loans held | 2023 | 2024 | Change |
|---|---|---|---|
| 0 | 18,8% | **20,7%** | 1,9 |
| 1 | 20,1% | **17,8%** | (2,3) |
| 2 | 17,9% | **14,4%** | (3,5)* |
| 3 | 12,9% | **13,5%** | 0,5 |
| 4 | 9,6% | **8,9%** | (0,7) |
| 5 | 7,5% | **7,2%** | (0,3) |
| 6 | 4,7% | **5,8%** | 1,0 |
| 7 | 3,8% | **3,0%** | (0,8) |
| 8 | 1,8% | **2,1%** | 0,3 |
| 9 | 0,7% | **1,9%** | 1,2 |
| 10 | 2,2% | **4,8%** | 2,6* |
| | 1 503 | **1 509** | |

** *Significant at 95% confidence level.*

## Table 19: Worry about debt per loan type

How often do you worry about your debt?

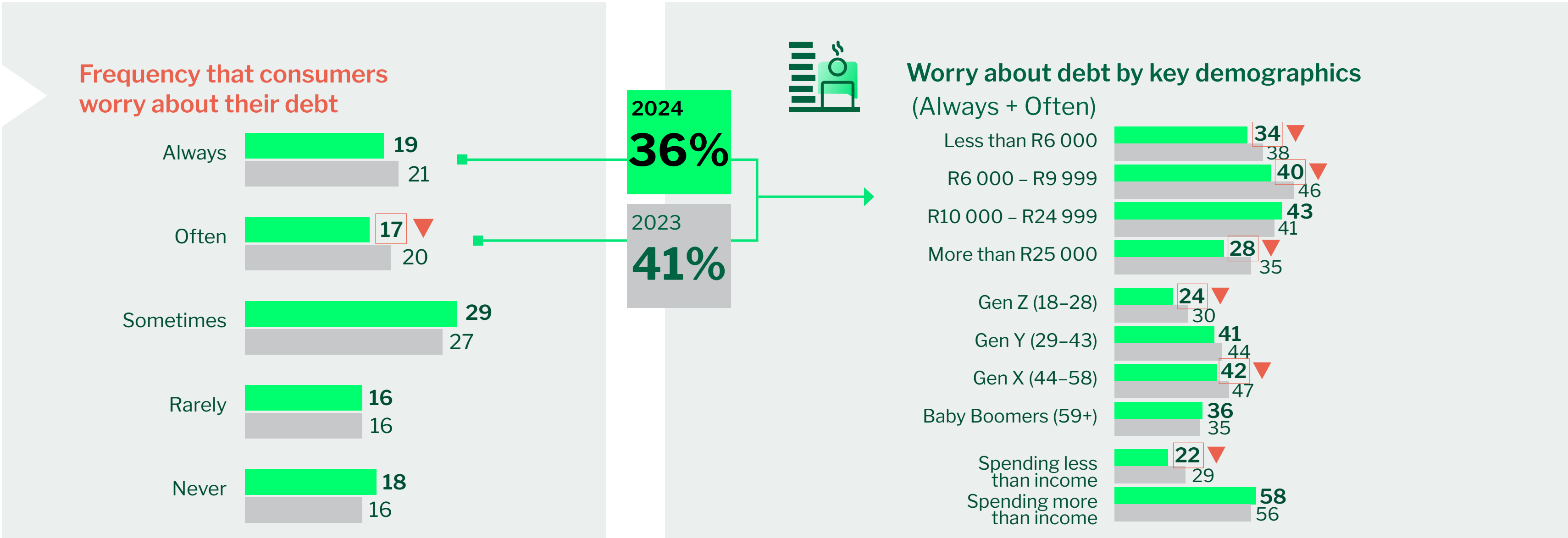
| | Always worried | | Never worried | |
|---|---|---|---|---|
| **Loan type** | **(has loan)** | **(no loan)** | **(has loan)** | **(no loan)** |
| Car loan | **19,2%** | 16,4% | **8,8%** | 21,8% |
| Personal loan | **27,5%** | 10,8% | **5,8%** | 26,2% |
| Credit card balance | **27,8%** | 11,0% | **5,5%** | 25,9% |
| Overdue medical bills | **25,6%** | 14,3% | **4,9%** | 22,9% |
| Payday loans | **29,0%** | 11,9% | **5,7%** | 24,0% |
| Loan shark | **26,4%** | 13,3% | **5,7%** | 23,7% |
| Family or friend(s) loan | **26,1%** | 10,6% | **5,0%** | 28,3% |

Overall, worry about debt decreased in 2024, dropping from 41% to 36%. As **Figure 8** shows, the decline is most evident among those earning less than R10 000 a month, Gen Z and those spending less than their income.

**Figure 8:**

Responses to

**'How often do you worry about debt?'**




**2024 (n=1 509)**

2023 (n=1 503)

**Change is statistically significant at the 95% confidence level.** Compared to 2023.

# **Changes in financial health indicators** continued

### Table 20: Embarrassment to ask for help or guidance with finances per loan type

Do you find it embarrassing to ask for help or guidance with your finances?

| | Feeling financial shame | |
|---|---|---|
| **Loan type** | (has loan) | (no loan) |
| Car loan | **54,2%** | 39,0% |
| Personal loan | **57,3%** | 34,1% |
| Credit card balance | **59,9%** | 33,2% |
| Overdue medical bills | **68,3%** | 34,7% |
| Payday loans | **62,2%** | 34,6% |
| Loan shark | **65,2%** | 33,7% |
| Family or friend(s) loan | **56,0%** | 33,3% |

Finally, to deepen our understanding of the association between loan holding and mental health, an ANOVA was conducted to determine if there were statistically significant differences in mental health scores across 4 loan-holding groups (0 loans, 1 loan, 2 loans and 3 or more loans). Subsequent t-tests were performed to compare each group's average mental health score against the overall sample to understand the effect of loan holding on mental health. Overall, these results **(Table 21)** suggest a significant relationship between loan holding and mental health, with higher levels of loan holding (ie higher debt levels) correlated with lower mental health scores.

### Table 21: Loan holding and mental health scores

| Test | Comparison | p-value | Interpretation |
|---|---|---|---|
| **ANOVA** | 4 loan groups | **< 0,001** | Significant differences in groups |
| | No loans (average = 72,0) vs have loans average score (=64,6) | **< 0,001** | Significantly higher mental health than average |
| **t-test** | No loans (average = 72,0) vs average score (=66,1) | **< 0,001** | Significantly higher mental health than average |
| **t-test** | 1 loan (average = 67,5) vs average score (=66,1) | **0,3018** | No significant difference |
| **t-test** | 2 loans (average = 65,5) vs average score (=66,1) | **0,6742** | No significant difference |
| **t-test** | 3 loans or more (average = 63,1) vs average score (=66,1) | **< 0,001** | Significantly lower mental health than average |

## Financial goal confidence

Workers reported an **increase in confidence to meet their long-term financial goals.** This confidence reflects their beliefs about managing their current financial situation and achieving future objectives. Consistent with research findings[22, 23], we observed significant associations (p < .001) between confidence to meet their long-term financial goals and factors such as mental health **(Table 22)**, proactive financial behaviours like checking credit reports **(Table 23)**, maintaining emergency savings **(Table 24)**, and the use of financial advisers **(Table 25)**.

[22] *L Farrell, TR Fry and L Risse (2016) The significance of financial self-efficacy in explaining women's personal finance behaviour. Journal of Economic Psychology, 54, 85–99.*

[23] *SD Asebedo, MC Seay, K Archuleta and G Brase (2019) The psychological predictors of older preretirees' financial self-efficacy. Journal of Behavioral Finance, 20(2), 127–138.*

### Table 22: The proportion of workers confident to meet long-term financial goals by self-rated mental health.

Thinking about your household's longer-term financial goals such as saving for a holiday, starting a business, buying or paying off a home, saving up for education, saving for retirement... How confident are you that your household is currently doing what is needed to meet your longer-term goals?

| | Confident | Not confident | |
|---|---|---|---|
| **Poor** | **12,9%** | 87,1% | 31 |
| **Fair** | **19,5%** | 80,5% | 159 |
| **Good** | **25,4%** | 74,6% | 468 |
| **Very good** | **38,9%** | 61,1% | 429 |
| **Excellent** | **53,3%** | 46,7% | 422 |
| | **546** | 963 | 1 509 |

# Changes in financial health indicators continued

## Table 23: The proportion of workers confident to meet long-term financial goals by credit report checking behaviour

| | Confident | Not confident | |
|---|---|---|---|
| Did not check credit report | 26,6% | 73,7% | 476 |
| Checked credit report | 40,8% | 59,2% | 1 033 |
| | 546 | 963 | |

## Table 24: The proportion of workers confident to meet long-term financial goals by the presence of emergency savings

| | Confident | Not confident | |
|---|---|---|---|
| Lacks emergency savings | 18,3% | 81,7% | 537 |
| Has emergency savings | 46,1% | 53,9% | 972 |
| | 546 | 963 | |

## Table 25: The proportion of workers confident to meet long-term financial goals by professional financial adviser use

| | Confident | Not confident | |
|---|---|---|---|
| No advice | 33,6% | 66,4% | 259 |
| Occasional | 34,4% | 65,6% | 1 090 |
| Regular | 52,5% | 47,5% | 160 |
| | 546 | 963 | |

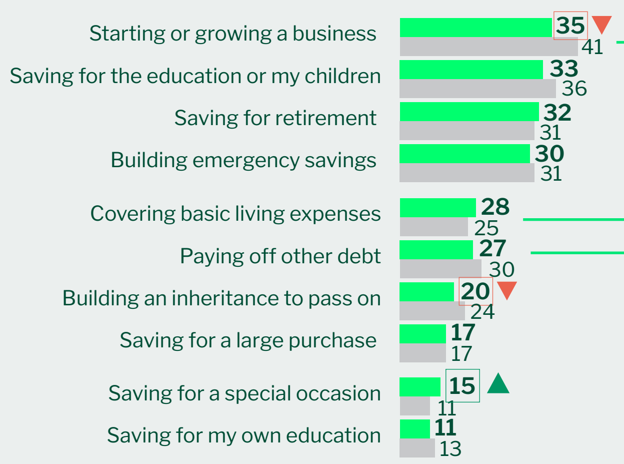
# Changes in financial health indicators continued

## Figure 9: Top 10 financial goals

Based on selecting up to **3** goals in response to the question 'Which of the following are your most important financial goals right now?'

**Workers' top 10 financial goals** are shown in the figure on the next page.

### Top 10 financial goals right now




### Financial goals by key demographics

Significantly lower among those earning R10 000 – R24 999: 2024 **27%** VS 2023 **31%**

Significantly higher among Baby Boomers: 2024 **58%** VS 2023 **29%**

Significantly lower among those who are spending less than Income: 2024 **20%** VS 2023 **27%**

2024 (n=1 509)

2023 (n=1 503)

**Change is statistically significant at the 95% confidence level. Compared to 2023.**

## Confidence in insurance cover adequacy

**Workers reported greater confidence in the adequacy of their insurance cover.** The adequacy of insurance cover reflects an individual's confidence that their insurance will protect them sufficiently if an unforeseen event occurs. This concept encompasses both the comprehensiveness of coverage (whether it covers all likely risks) and financial adequacy (whether it would provide enough financial support in the event of a claim). Consistent with research findings[24, 25], we observed significant associations ($p < .001$) between confidence in the adequacy of their insurance coverage and factors such as financial control (**Table 26**), proactive financial behaviours like checking credit reports (**Table 27**) and the use of financial advisers (**Table 28**).

### Table 26: The proportion of workers confident about appropriate insurance cover by financial control

| | No insurance cover | Confident | Not confident | |
|---|---|---|---|---|
| **Low control (0–4)** | 8,5% | **25,7%** | 65,8% | 354 |
| **Moderate control (5–7)** | 6,5% | **44,5%** | 49,0% | 559 |
| **High control (8–10)** | 5,5% | **67,8%** | 26,7% | 556 |
| | 99 | **744** | 666 | |

### Table 27: The proportion of workers confident about appropriate insurance cover by checking credit report behaviour

| | No insurance cover | Confident | Not confident | |
|---|---|---|---|---|
| **Did not check credit report** | 10,1% | **39,9%** | 50,0% | 476 |
| **Checked credit report** | 5,0% | **53,6%** | 41,4% | 1 033 |
| | 99 | **744** | 666 | |

[24] L Farrell, TR Fry, and L Risse (2016) The significance of financial self-efficacy in explaining women's personal finance behaviour. Journal of Economic Psychology, 54, 85–99.

[25] SD Asebedo, MC Seay, K Archuleta and G Brase (2019) The psychological predictors of older preretirees' financial self-efficacy. Journal of Behavioral Finance, 20(2), 127–138.

# Changes in financial health indicators continued

## Table 28: The proportion of workers confident about sufficient insurance cover by use of professional financial advisers

| | No insurance cover | Confident | Not confident | |
|---|---|---|---|---|
| No advice | 15,0% | 39,8% | 45,2% | 259 |
| Occasional | 5,2% | 49,4% | 45,4% | 1 090 |
| Regular | 1,9% | 64,3% | 33,8% | 160 |
| | 99 | 744 | 666 | |

## Self-rated credit scores

The **rising trend in self-rated credit scores** among workers contributed to the significant increase in the borrow subscale.[26] Self-rated credit scores are an individual's evaluation of their creditworthiness. Although not an individual's actual credit score, these scores are important because research has found that they are often more powerful predictors of financial behaviour than actual credit scores.[27, 28, 29]

**Our analysis identified 6 significant (p < .001) predictors of self-rated credit scores, indicating a broad range of psychological, behavioural and financial influences:**

- **Checking credit report:** Regular credit report checks are associated with higher self-rated credit scores, suggesting a link between proactive financial behaviours and confidence in credit standing. **(Table 29)**
- **Financial stress:** Higher levels of financial stress correlate with lower self-rated credit scores, reflecting the negative influence of financial stress on self-rated credit standing.
- **Debt manageability:** Workers who report debt as manageable tend to have higher self-rated credit scores. **(Table 30)**
- **Financial situation expectations**[30]**:** Positive expectation attitudes are positively associated with self-rated credit scores, indicating that a positive outlook may contribute to confidence in credit standing.
- **Self-rated mental health:** Better mental health scores are associated with higher self-rated credit scores, emphasising the role of mental well-being in credit perceptions. **(Table 31)**
- **Control over financial situation:** A strong sense of financial control aligns with higher self-rated credit scores, underscoring the importance of control in managing one's finances. **(Table 32)**

[26] *Respondents were asked 'How would you rate your credit score? Your credit score is a number that tells lenders how risky or safe you are as a borrower.'*

[27] *VG Perry (2008) Is ignorance bliss? Consumer accuracy in judgments about credit ratings. Journal of Consumer Affairs, 42(2), 189–205.*

[28] *B Levinger, M Benton and S Meier (2011). The cost of not knowing the score: Self-estimated credit scores and financial outcomes. Journal of Family and Economic Issues, 32, 566–585.*

[29] *J Lee, N Park and W Heo (2019). Importance of subjective financial knowledge and perceived credit score in payday loan use. International Journal of Financial Studies, 7(3), 53.*

[30] *Respondents were asked 'In the next 12 months, do you expect your personal financial situation to ...'. The response list ranged from 'Improve a lot' to 'Get a lot worse'.*

# **Changes in financial health indicators** continued

## Table 29: The proportion of workers who have prime credit scores by credit report checking behaviour.

In the past 12 months, have you obtained or checked your credit report?

| | Don't know | Lacks prime credit score | Has prime credit score* | |
|---|---|---|---|---|
| Did not check credit report | 10,7% | 34,9% | 54,4% | 476 |
| Checked credit report | 2,1% | 29,1% | 68,9% | 1 033 |
| | 73 | 467 | 969 | 1 509 |

* *Combination of good, very good, and excellent self-ratings*

## Table 30: The proportion of workers who have prime credit scores by control over financial situation.

How would you rate the amount of control you have over your financial situation these days?

| | Don't know | Lacks prime credit score | Has prime credit score | |
|---|---|---|---|---|
| Low control (0–4) | 4,8% | 52,3% | 42,9% | 354 |
| Moderate control (5–7) | 3,9% | 32,9% | 63,2% | 559 |
| High control (8–10) | 5,7% | 16,4% | 77,9% | 596 |
| | 73 | 467 | 969 | 1 509 |

## Table 31: The proportion of workers who have prime credit scores by self-rated mental health.

Would you say your mental health in general is …

| | Don't know | Lacks prime credit score | Has prime credit score | |
|---|---|---|---|---|
| Poor | 6,5% | 58,1% | 35,9% | 31 |
| Fair | 5,0% | 47,2% | 47,8% | 159 |
| Good | 5,1% | 31,6% | 63,3% | 468 |
| Very good | 4,0% | 29,8% | 66,2% | 429 |
| Excellent | 5,2% | 23,2% | 71,6% | 422 |
| | 73 | 467 | 969 | 1 509 |

## Table 32: The proportion of workers who have prime credit scores by debt manageability

Now thinking about all your current debts, including home loans, personal loans, car loans, student loans, money owed to people, medical debt, past-due bills, and credit card balances that are carried over from prior months, which of the following statements describes how manageable your household debt is?

| | Don't know | Lacks prime credit score | Has prime credit score | |
|---|---|---|---|---|
| Do not have any debt | 12,1% | 17,7% | 70,2% | 265 |
| Have a manageable amount of debt | 4,3% | 22,9% | 72,9% | 608 |
| Have more debt than is manageable | 2,4% | 44,2% | 53,5% | 636 |
| | 73 | 467 | 969 | 1 509 |

# Financial health indicators by financial behaviour

Considering the broadest definition of financial behaviour as 'any human behaviour that is relevant to money management' (Xiao, 2008), the range of actions consumers can take to manage their finances becomes virtually limitless.[31] To this end, and in this report, we will explore how the following 6 specific financial behaviours relate to financial health:

- **The use of earned wage access.**
- **The use of buy-now-pay-later services.**
- **Carrying outstanding credit balances.**
- **Feeling embarrassed to seek financial help or guidance.**
- **Engagement with personal financial management tools.**
- **Risk tolerance.**

**Earned wage access** and **buy-now-pay-later services** are relatively new in South Africa and are growing rapidly. Earned wage access allows employees to access a portion of their earned wages before the traditional payday, providing more immediate cash flow to manage expenses. Buy-now-pay-later services let consumers buy items and pay for them over a relatively short period, with interest-free instalments. Both services reflect evolving financial behaviours, spurred by the growth in fintech, and provide new ways for consumers to manage cash flow, though they come with unique impacts on financial health. Each of these behaviours offers insights into the opportunities and challenges individuals face in achieving financial health.

[31] *JJ Xiao (2008) Applying behavior theories to financial behavior. In Handbook of consumer finance research (69–81). New York, NY: Springer New York.*

## Earned wage access

Workers who reported using earned wage access (EWA) services have significantly lower scores in day-to-day and forward-looking financial health indicators, indicating notable differences in the financial behaviours of users compared to non-users of this service. As EWA is relatively new in South Africa and its unique challenges, such as its potential impact on debt management and other financial behaviours, underscore the need for further study to understand its full implications on financial health.

### Table 33: Workers who did not use earned wage access services had stronger financial health

| Day-to-day indicators | Workers who used earned wage access services | Workers who did not use earned wage access services | Difference |
|---|---|---|---|
| Spending in relation to income | **51,0** | 55,3 | 4,3** |
| Paying bills on time | **51,8** | 65,2 | 13,4*** |
| Manageability of debt | **53,2** | 70,5 | 17,3*** |
| Have savings to cover living expenses | **60,3** | 66,3 | 6,0*** |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | **47,2** | 50,7 | 3,5* |
| Plan financially | **56,5** | 63,3 | 6,8*** |
| Self-assessment of credit score | **60,8** | 58,6 | (2,2) |
| Appropriate insurance cover | **57,1** | 60,4 | 3,3*** |
| N | **606** | 903 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of non-users from those of users for each indicator. Statistically significant: *p < .05; **p < .01; ***p < .001.*

# Financial health indicators by financial behaviour continued

## Buy-now-pay-later

Buy-now-pay-later (BNPL) users face tension between the convenience of immediate access to goods and the challenge of long-term debt control, underscoring both the appeal and potential financial pitfalls of BNPL services. With 49% of users admitting that BNPL encourages them to buy more than they would if paying upfront, and 51% expressing regret over a BNPL purchase, the influence of BNPL on spending habits requires further investigation to understand its broader impact on financial health.

This finding suggests a complex relationship between financial confidence and actual financial management behaviours, where BNPL users may feel optimistic about their future financial goals and creditworthiness but struggle with consistent bill payments and managing existing debt. This dichotomy highlights both the confidence-boosting appeal of BNPL services and the potential financial stress they can create in managing day-to-day expenses effectively.

### Table 34: BNPL users reported higher confidence but struggle with debt management and bill payments

| Day-to-day indicators | Workers who used BNPL services | Workers who did not use BNPL services | Difference |
|---|---|---|---|
| Spending in relation to income | 54,1 | 53,1 | (1,0) |
| Paying bills on time | 57,7 | 61,5 | 3,8* |
| Manageability of debt | 57,9 | 68,1 | 10,2*** |
| Have savings to cover living expenses | 64,4 | 63,4 | (1,0) |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | 51,4 | 47,6 | (3,8)* |
| Plan financially | 60,1 | 60,9 | 0,8 |
| Self-assessment of credit score | 65,0 | 55,1 | (9,9)*** |
| Appropriate insurance cover | 63,5 | 55,5 | (8,0)*** |
| **N** | 669 | 840 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of non-users from those of users for each indicator. Statistically significant: *p < .05; ***p < .001.*

## Credit card debt

Workers with outstanding credit card debt tend to have significantly lower scores in day-to-day and forward-looking financial health indicators, highlighting distinct differences in financial behaviours compared to those without such debt. Research consistently shows that credit card debt is associated with higher financial stress, reduced savings and difficulty in managing cash flow and future-focused financial behaviours. According to research findings, individuals carrying high-interest debts like credit cards are often less able to meet short-term financial obligations and experience challenges in setting and achieving long-term financial goals.[32] This pattern underscores the broader impact of high-interest debt on day-to-day financial management and the challenges it poses to overall financial health.

### Table 35: Workers without outstanding credit card debt had stronger financial health

| Day-to-day indicators | Workers with outstanding credit card debt | Workers without outstanding credit card debt | Difference |
|---|---|---|---|
| Spending in relation to income | 50,2 | 55,5 | 5,3** |
| Paying bills on time | 49,7 | 65,5 | 15,8*** |
| Manageability of debt | 48,0 | 72,4 | 24,4*** |
| Have savings to cover living expenses | 58,5 | 66,9 | 8,4*** |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | 42,4 | 53,2 | 10,8*** |
| Plan financially | 52,8 | 64,9 | 12,1*** |
| Self-assessment of credit score | 56,2 | 61,4 | 5,2*** |
| Appropriate insurance cover | 55,2 | 61,2 | 6,0*** |
| **N** | 546 | 963 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of non-users from those of users for each indicator. Statistically significant: *p < .05; **p < .01; ***p < .001.*

[31] *A Lusardi and P Tufano (2015). Debt literacy, financial experiences, and overindebtedness. Journal of Pension Economics & Finance, 14(4), 332–368.*

# Financial health indicators by financial behaviour continued

## Embarrassment in seeking help with finances

Workers who feel embarrassed to ask for help with their finances show significantly lower scores in day-to-day and forward-looking financial health indicators, indicating a distinct difference in financial behaviours compared to those who do not share this reluctance. Research suggests that embarrassment or stigma around seeking financial help can lead to poorer financial outcomes, as individuals may avoid accessing resources, guidance or tools that could improve their financial situation.[33] This reluctance can result in higher financial stress, difficulty managing cash flow, limited progress toward long-term financial goals and overall lower financial health.[34]

### Table 36: Workers who are not embarrassed in seeking help with finances have stronger financial health

| Day-to-day indicators | Workers who feel embarrassed to seek help with their finances | Workers who do not feel embarrassed to seek help with their finances | Difference |
|---|---|---|---|
| Spending in relation to income | **48,6** | 57,3 | 8,7*** |
| Paying bills on time | **52,5** | 65,3 | 12,8*** |
| Manageability of debt | **52,5** | 71,9 | 19,4*** |
| Have savings to cover living expenses | **57,8** | 68,7 | 10,9*** |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | **41,3** | 55,3 | 14,0*** |
| Plan financially | **51,8** | 67,1 | 15,3*** |
| Self-assessment of credit score | **56,1** | 62,0 | 5,9*** |
| Appropriate insurance cover | **53,0** | 63,6 | 10,6*** |
| **N** | **647** | 862 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of non-users from those of users for each indicator. Statistically significant: ***p < .001.*

[33] *Y Zhang, J Qi and S Chatterjee (2024). Exploring the role of help-seeking behavior, family financial socialization, and capability on financial well-being. Family Relations. https://doi.org/10.1111/fare.13089*

[34] *A Schepen and MJ Burger (2022). Professional financial advice and subjective well-being. Applied Research in Quality of Life, 17(5), 2 967–3 004.*

## Personal financial management tools use

Workers who reported using personal financial management (PFM) tools have significantly higher scores in day-to-day and forward-looking financial health indicators, suggesting notable differences in financial behaviours compared to non-users. Research supports the link between PFM tool usage and improved financial health. Studies show that individuals who use these tools tend to exhibit better budgeting habits, improved cash flow management and greater awareness of their finances as these tools encourage proactive management of finances and support users in setting and achieving financial goals.[35]

### Table 37: Workers who use personal financial management tools have stronger financial health

| Day-to-day indicators | Workers who do not use personal financial management tools | Workers who use personal financial management tools | Difference |
|---|---|---|---|
| Spending in relation to income | **46,9** | 55,4 | 8,5*** |
| Paying bills on time | **54,6** | 61,3 | 6,7** |
| Manageability of debt | **58,5** | 64,9 | 6,4** |
| Have savings to cover living expenses | **56,7** | 65,8 | 9,1*** |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | **37,2** | 52,6 | 15,4*** |
| Plan financially | **50,0** | 63,4 | 13,4*** |
| Self-assessment of credit score | **51,9** | 61,6 | 9,7*** |
| Appropriate insurance cover | **47,7** | 62,2 | 14,5*** |
| **N** | **326** | 1 183 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of users from those of non-users for each indicator. Statistically significant: **p < .01; ***p < .001.*

[35] *CY Zhang, AB Sussman, N Wang-Ly and JK Lyu (2022). How consumers budget. Journal of Economic Behavior & Organization, 204, 69–88.*

# Financial health indicators by financial behaviour continued

## Risk tolerance

Risk tolerance is defined as an individual's willingness to engage in financial behaviours with uncertain outcomes, particularly when there is a potential for loss and gain.[36] Risk tolerance reflects one's comfort level with financial risk and their disposition to make financial decisions under conditions of uncertainty. Risk tolerance is a foundational aspect of financial health as it shapes how individuals approach savings, investment and debt management decisions. A person with higher risk tolerance may pursue growth-oriented investments, potentially leading to greater wealth accumulation over time, while a person with lower risk tolerance might prefer safer, more stable options, which can protect them from financial volatility but may limit growth.

[36] *JE Grable (2000). Financial risk tolerance and additional factors that affect risk-taking in everyday money matters. Journal of Business and Psychology, 14(4), 625–630.*

### Figure 10:
### Risk tolerance (high (6,7) and very high (8, 9, 10) categories) by demographics

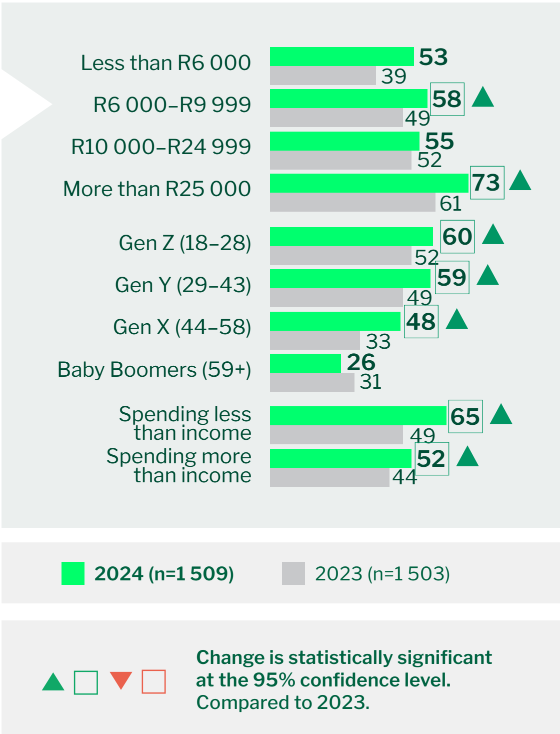



**Figure 10** shows that across age and income, there was a significant increase in workers' risk tolerance compared to a year ago, with the only exception being Baby Boomers while **Table 38** shows the influence of risk tolerance on the indicators of financial health. To measure risk tolerance, respondents were asked 'When thinking about investing, how willing are you to take risks? Please use a 10-point scale, where 1 means 'not at all willing' and 10 means 'very willing'.

### Table 38: Risk tolerance has a positive correlation with financial health

| Day-to-day indicators | Workers who have low-risk tolerance | Workers who have high-risk tolerance | Difference |
|---|---|---|---|
| Spending in relation to income | 50,2 | 57,1 | 6,9*** |
| Paying bills on time | 56,4 | 63,5 | 7,1*** |
| Manageability of debt | 59,8 | 67,5 | 7,7*** |
| Have savings to cover living expenses | 58,8 | 69,2 | 10,4*** |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | 38,6 | 60,7 | 22,5*** |
| Plan financially | 52,9 | 68,7 | 15,8*** |
| Self-assessment of credit score | 54,2 | 65,2 | 11,0*** |
| Appropriate insurance cover | 51,0 | 67,6 | 16,6*** |
| N | 779 | 730 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of users from those of non-users for each indicator. Median risk tolerance was 7.0, so we used median splits (low = 0 to 7 and high = 8 to 10) to create our 2 groups. Statistically significant: ***p < .001.*

# Financial health indicators by select demographics

## Homeownership

Workers who are homeowners reported much stronger financial health than those in other living conditions. Homeownership is widely associated with wealth-building potential, as it often contributes to asset accumulation and can support long-term financial planning.[37]

### Table 39: Workers who are homeowners had stronger financial health

| Day-to-day indicators | Workers who are not homeowners | Workers who are homeowners | Difference |
|---|---|---|---|
| Spending in relation to income | 50,6 | 54,6 | 4,0* |
| Paying bills on time | 53,3 | 62,2 | 8,9*** |
| Manageability of debt | 61,8 | 64,2 | 2,4 |
| Have savings to cover living expenses | 57,3 | 66,2 | 8,9*** |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | 38,8 | 53,1 | 14,3*** |
| Plan financially | 53,3 | 63,2 | 9,9*** |
| Self-assessment of credit score | 49,2 | 63,2 | 14,0*** |
| Appropriate insurance cover | 44,9 | 64,1 | 19,2*** |
| N | 400 | 1 109 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of homeowners from those of non-homeowners for each indicator. Statistically significant: *p < .05; ***p < .001.*

[37] *R Welters, R Gerards and K Mellor (2024). Homeownership, the unemployed and financial hardship. Journal of Housing Economics, 64, 101996.*

## Personal income

Workers earning more than R10 000 a month reported significantly stronger financial health than those earning less. Although financial health tends to improve with higher income, income alone does not fully determine financial health. Individual financial behaviours, such as budgeting, saving and managing debt, also play a crucial role in shaping overall financial health.[38]

### Table 40: Higher income workers had stronger financial health

| Day-to-day indicators | Workers who earn less than R10 000 per month | Workers who earn more than R10 000 per month | Difference |
|---|---|---|---|
| Spending in relation to income | 53,2 | 54,0 | 0,8 |
| Paying bills on time | 55,0 | 65,2 | 10,2*** |
| Manageability of debt | 63,3 | 63,8 | 0,5 |
| Have savings to cover living expenses | 61,9 | 66,0 | 4,1* |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | 45,0 | 54,1 | 9,1*** |
| Plan financially | 56,9 | 64,6 | 7,7*** |
| Self-assessment of credit score | 52,7 | 67,0 | 14,3*** |
| Appropriate insurance cover | 51,8 | 67,1 | 15,3*** |
| N | 794 | 715 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of homeowners from those of non-homeowners for each indicator. Statistically significant: *p < .05; ***p < .001.*

[38] *RG Netemeyer, D Warmath, D Fernandes and J Lynch Jr (2018), How am I doing? Perceived financial well-being, its potential antecedents, and its relation to overall well-being, Journal of Consumer Research, 45(1), 68–89.*

# Financial health indicators by select demographics continued

## Gender

Female workers reported significantly stronger financial health than male workers. While there is a correlation between gender and financial health, this relationship is complex and may be influenced by various factors, including financial behaviours, spending habits and differing approaches to debt management and savings. Additionally, psychological factors such as financial stress and confidence in finances, can also shape financial health outcomes.[39]

### Table 41: Females had stronger financial health

| Day-to-day indicators | Male workers | Female workers | Difference |
|---|---|---|---|
| Spending in relation to income | **51,4** | 54,8 | 3,4* |
| Paying bills on time | **54,1** | 58,5 | 4,4** |
| Manageability of debt | **61,4** | 65,2 | 3,8* |
| Have savings to cover living expenses | **62,2** | 61,7 | (0,5) |
| **Forward-looking indicators** | | | |
| Confidence in meeting long-term goals | **44,3** | 46,2 | 1,9 |
| Plan financially | **57,6** | 57,7 | 0,1 |
| Self-assessment of credit score | **47,8** | 56,3 | 8,5*** |
| Appropriate insurance cover | **50,9** | 59,3 | 8,4*** |
| N | **776** | 731 | |

*Notes: Scores out of 100 and score differences were calculated by subtracting the average scores of male workers from those of female workers for each indicator. Statistically significant: **p < .05; **p < .01; ***p < .001.*

[39] *L Farrell, TR Fry and L Risse (2016). The significance of financial self-efficacy in explaining women's personal finance behaviour. Journal of Economic Psychology, 54, 85–99.*

# Demographic trends in financial health

Despite a modest but statistically significant increase of 1.7 points in the average financial health score for working South Africans, scores varied significantly across key demographics such as race, age, gender and income.

## Figure 11: Financial health scores by key demographics


Workers with **personal incomes under R10 000** have experienced an improvement in their financial health, with average financial health scores in the save indicator rising from 48 to 53, and in the plan indicator from 50 to 53, compared to the previous year. However, their financial health remains below the national average for both 2023 and 2024. In contrast, those earning **over R10 000** reported financial health levels above the national average.

- The average financial health score for workers earning between R1 and R2 999, R3 000 and R5 999, and R6 000 and R9 999 improved by 4.1, 1.6, and 1.1 points, respectively. Meanwhile, there was no change for those earning between R10 000 and R24 999, and a modest increase of 1.2 points for those earning R25 000 or more.

While financial health is on the rise overall, the picture across generations tells a more **complex story**. **Gen Y (44–58 years)** is making the biggest strides, **Baby Boomers (59+ years)** are facing a steep decline, and the initial strong position of **Gen Zs (18–28 years)** is beginning to slip, all while **Gen X (29–43 years)** continues to trail, despite modest improvements. These trends reflect broader economic and social factors affecting each generation differently, such as the job market, inflation, cost of living and retirement concerns.

### Gen Z

- Financial health score decreased slightly from **58,4** in **2023** to **57,5** in **2024**, a **0,9**-point decline.
- However, Gen Z still has a score above the overall average, being **2,7 points higher than the average** in 2024 (though down from **5,3 points** in 2023).

### Gen Y

- Gen Y experienced a notable improvement, with their score increasing from **51,7** in **2023** to **55,2 in 2024**, a **3,5-point increase** driven by steep increases in the average scores for the borrow (from **54** to **56,6**), save (from **64,8** to **55,7**), and plan (from **53** to **56,3**) indicators.
- Their score is now **0,4 points above the average** in 2024, compared to being **1,4 points below the average** in 2023.

### Gen X

- Their financial health score improved slightly, from **49,6 in 2023** to **50,6 in 2024**, a **1-point increase.**
- Despite the improvement, Gen Y continues to score below the average, being **4,2 points below** in 2024, slightly worse than their position in 2023, when they were **3,5 points below the average.**

### Baby Boomers

- This group saw the most significant decline, dropping from **54,3 in 2023** to **47,8 in 2024**, a **6,5-point drop** driven by steep declines in the average scores for the save (from **54** to **40,6**), spend (from **64** to **54,8**), and plan (from **46** to **40,3**) indicators.
- In 2024, Baby Boomers are **-7 points below the average**, compared to being **1,2 points above** in 2023, showing a sharp reversal in financial health.

# Demographic trends in financial health continued

### Year-on-year changes

- The largest improvement in year-on-year change is with **Gen Y**, whose score increased by **3,5 points**.
- **Baby Boomers** had the steepest decline, with a **6,5-point drop** in financial health score.
- **Gen Z** and **Gen X** showed relatively modest changes compared to the extremes seen with Gen X and Baby Boomers.

### Performance relative to average

- **Gen Z** continues to outperform the average, but the margin decreased from **5,3 points above average in 2023** to **2.7 points above average in 2024.**
- **Gen Y** improved their position relative to the average, now scoring **above the average** by **0,4 points** in 2024, after being below average in 2023.
- **Gen X** remains consistently below average, with a slight worsening trend.
- **Baby Boomers** went from **above average** in 2023 to significantly **below average** in 2024.

While financial health is improving across the board, a striking gender divide has emerged. **Women have higher financial health scores**, widening the gap over **men**, who continue to lag. As females make remarkable gains, the difference between the genders is more pronounced than during the previous year. These insights highlight important gender dynamics in financial health, suggesting that women are experiencing stronger financial health gains than men over the past year.

### Gender differences in financial health

- **Females (57,5)** have a higher financial health score compared to **males (53,7)** in 2024.
- The difference between males and females is **3,8 points** in 2024, up from **0,9 points** in 2023, indicating a widening gender gap in favour of women.
- The difference between males and females was driven by the save, borrow and plan indicators for females that were up **7.0** (from **47** to **54**), **4.7** (from **56** to **60,7**), and **5,5** (from **53** to **58,5**) **points** in 2024, respectively.

### Year-on-year improvement

- Both genders saw an improvement in their financial health scores between 2023 and 2024:
  - **Females**: A substantial increase of **3,8 points** (from **53,7** to **57,5**).
  - **Males**: A modest increase of **0,9 points** (from **52,8** to **53,7**).
- The year-on-year change highlights that females experienced a much larger improvement compared to males.

### Performance relative to the average

- Females outperform the overall average financial health score:
  - **2,7 points above the average** in 2024 (compared to **0.6 points above average** in 2023).
- **Males**, on the other hand, score **below the average**:
  - **1,1 points below average** in 2024, slightly worse than **0,3 below average** in 2023.

### Widening gender gap

- The gap between males and females in financial health scores has widened considerably:
  - In 2023, the difference was only **0,9 points**, but in 2024, it increased to **3,8 points**.
- This suggests that while both genders saw improvements in their financial health, women have made significantly larger gains, further extending their lead.

Financial health is **improving across all racial groups**, but significant disparities remain. **African** workers continue to lead with the highest scores, while the **Coloured** group, despite showing the most significant gains, still lags furthest behind. **Indian** and **White** workers are making steady progress but remain slightly below the average.

### Year-on-year improvements across all races

- All racial groups have seen an improvement in their financial health scores from 2023 to 2024, primarily driven by increases in the save, borrow and plan indicators.
  - **Coloured** workers experienced the largest increase, with a **3-point** change (from 47 to 50).
  - **Indian** workers also saw a significant rise of **2,2 points** (from 50 to 52,2).
  - **White** workers improved by **1,6 points** (from 51 to 52,6).
  - **African** workers had the smallest improvement but still rose by **1,3 points** (from 55 to 56,3).

# Demographic trends in financial health continued

### Performance relative to the average

- **African** workers are the only group scoring **above the overall average**:
  - They are **1,5 points above average** in 2024 (though this is a slight decrease from being **1,9 points above average in 2023**).
- All other racial groups scored below the overall average in 2024:
  - **Coloured** workers have the lowest score relative to the average, being **-4,8 points below** average in 2024 (improving from **-6,1 below average** in 2023).
  - **Indian** workers scored **-2,6 points below average** in 2024 (up from **-3,1 points below average** in 2023).
  - **White** workers are **-2,2 points below average** in 2024, almost unchanged from **-2,1 points below average** in 2023.

### Coloured workers show the biggest improvement

- The **Coloured** group saw the most dramatic year-on-year improvement, gaining 3 points. Although they are still the group furthest below the average, their substantial progress is noteworthy.

### African workers continue to lead

- **African** workers maintain the highest financial health score in 2023 and 2024, continuing to perform **above the average**. However, the gap between their score and the average has slightly narrowed in 2024.

### White and Indian workers see moderate gains

- Both **White** and **Indian** workers experienced moderate increases in their scores. However, they remain below the overall average, with the White group staying relatively stable in terms of their gap from the average.

Financial health is improving across all work statuses, but a clear divide remains. **Students working part-time** and **full-time employees** continue to thrive, with scores well above the average. Meanwhile, **part-time workers** are making significant gains, though still trailing behind, and the **self-employed** are seeing modest improvements but remain the furthest below the average.

### Overall improvement in financial health across all work statuses

- Each work status group has seen an increase in their financial health score from 2023 to 2024:
  - **Self-employed**: Increased by **1,01 points** (from 52 to 53,01).
  - **Working full-time for an employer**: Increased by **1,7 points** (from 55 to 56,7).
  - **Working part-time for an employer**: The largest increase of **3,8** points (from 48 to 51,8).
  - **Students working part-time**: A smaller increase of **0,8 points** (from 58 to 58,8), though they still maintain the highest score overall.

### Performance relative to the average

- **Students and part-time** workers continue to outperform the average by a significant margin:
  - They are **4 points above the average** in 2024 (down slightly from **4,9 points above average** in 2023).
- **Workers working full-time for an employer** also performed well, with their score being **1,9 points above the average** in both 2023 and 2024.
- **Self-employed** workers scored **below the average**.
  - **1,79 points below average** in 2024 (worsening from **1,1 below average** in 2023).
- **Workers working part-time for an employer** have made substantial progress, reducing their gap from the average:
  - In 2023, they were **5,1 points below average**, but in 2024, they are only **3 points below average**, showing notable improvement.

### Work status with the largest improvement

- Those **working part-time for an employer** saw the most significant improvement in their financial health score, with a **3,8-point** increase year-on-year. Despite still being below the average, this group is closing the gap substantially.

### Consistently strong performers

- **Students working part-time** continue to lead with the highest financial health score, maintaining their strong position from 2023 to 2024. They are the group furthest above the average.
- **Full-time employees** have remained stable and perform well above the overall average.

### Challenges for self-employed workers

- Despite a modest improvement of **1,01 points**, the **self-employed** continue to lag, falling further below the average in 2024 compared to the previous year. This indicates that self-employed workers may face unique financial challenges compared to those in other work statuses.

### Conclusion

Despite a modest but statistically significant increase of 1,7 points in the average financial health score for working South Africans, deeper insights reveal diverging trends among financial health indicators in response to the past year's cost-of-living pressures and political uncertainty. 3 of the 4 day-to-day financial health indicators, spending relative to income, timely bill payment, and debt manageability, declined. In contrast, all 4 forward-looking indicators, confidence in achieving long-term goals, self-assessed credit scores, adequate insurance cover, and planning ahead, showed positive gains.

The path to a financially healthier South Africa is not a sprint but a marathon, a journey we must undertake collectively. The NedFinHealth Monitor serves as a compass, highlighting the challenges and opportunities ahead. As we reflect on these findings, let's remember that each data point represents a voice, each statistic echoes a story, and each recommendation marks a step toward a brighter financial future for South Africans.

Thank you for joining us on this journey. Together, let's keep striving, learning and evolving to ensure that every South African has the tools and support they need to achieve financial health.

# **Appendix 1:** Methodology and sample

Interviews took place with respondents who are working either **full-time**, **part-time** or **self-employed** in metropolitan and urban areas.

All questions were asked at the individual level, directed toward respondents who affirmed one of the following statements:

1. **"I am the primary financial decision-maker in my household,"**
2. **"I jointly make financial decisions in my household with someone else,"**

or

3. **"I have some influence over the financial decisions made in my household."**

**The 2024 data is weighted to align with the 2023 sample**

We interviewed **n=1 509 respondents** → Between 7 to 22 August 2024

Via online, self-complete interviews → Length of interview was **25 minutes**

**Demographic profile of the online survey**

Our sample is weighted to be representative of working South Africans using the **Marketing All Product Survey (MAPS)** as a benchmark.

%

**70** (2023: 69)

**30** (2023: 31)

**Work status**
(%)

| | | |
|---|---|---|
| Self-employed | 29 | 31 |
| Working full-time | 50 | 44 |
| Working part-time | 16 | 16 |
| Student working part-time | 5 | 8 |

**Race group**
(%)

| | | |
|---|---|---|
| African | 69 | 68 |
| White | 16 | 16 |
| Coloured | 11 | 11 |
| Indian/Asian | 4 | 4 |

**Province**
(%)

| | | |
|---|---|---|
| Gauteng | 42 | 40 |
| KwaZulu-Natal | 17 | 17 |
| Western Cape | 15 | 15 |
| Free State | 7 | 8 |
| Mpumalanga | 5 | 5 |
| Eastern Cape | 4 | 4 |
| LIM, NW, NC | 10 | 10 |

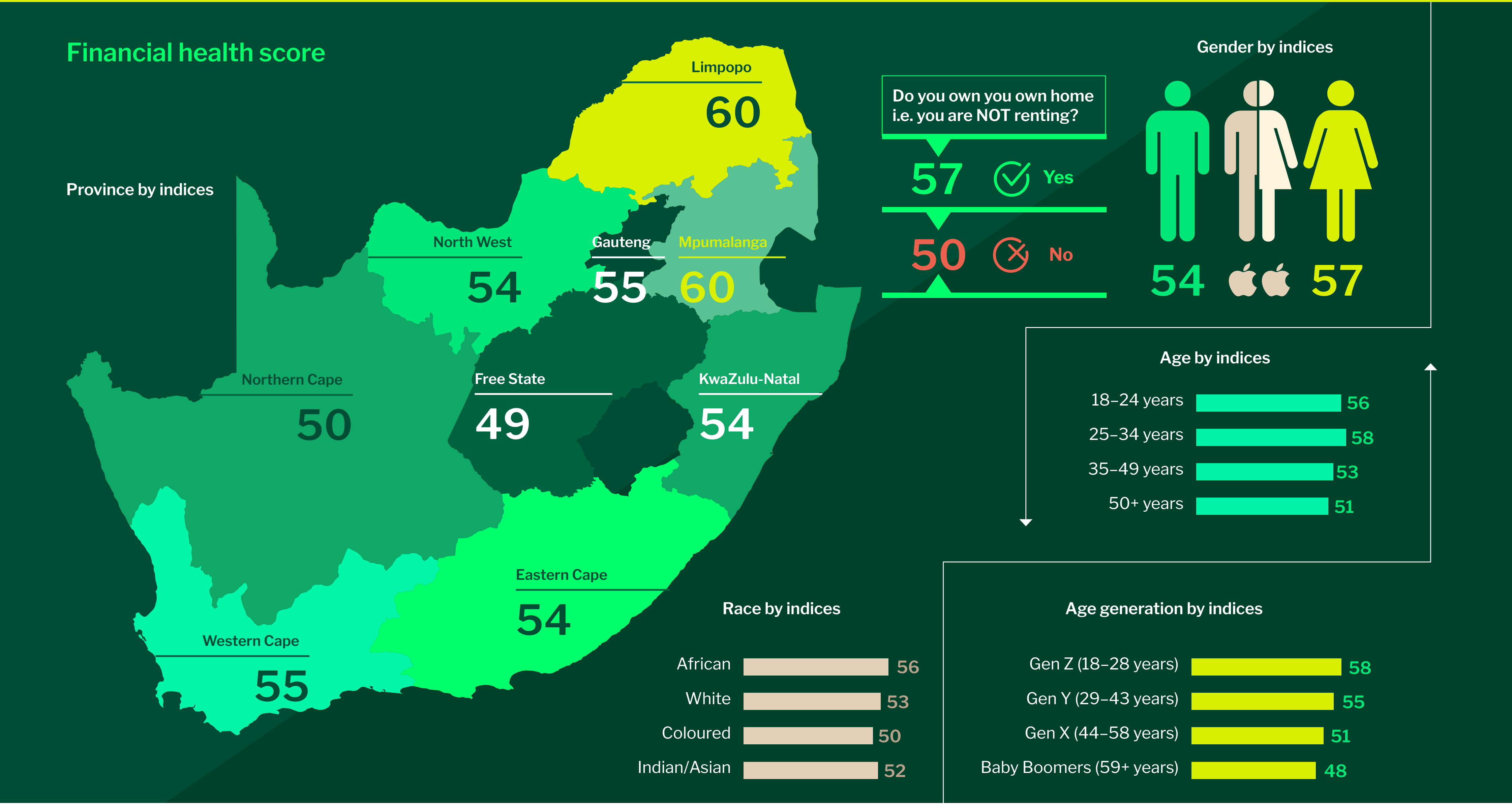
**Generations**
(%)

| | | |
|---|---|---|
| Gen Z (18–28 years) | 33 | 26 |
| Gen Y (29–43 years) | 51 | 53 |
| Gen X (44–58 years) | 14 | 18 |
| Baby Boomers (59+ years) | 2 | 3 |

**Monthly personal income**
(%)

| | | |
|---|---|---|
| R1 – R2 999 | 16 | 15 |
| R3 000 – R5 999 | 36 | 39 |
| R6 000 – R9 999 | 21 | 20 |
| R10 000 – R24 999 | 19 | 18 |
| R25 000 or more | 8 | 7 |

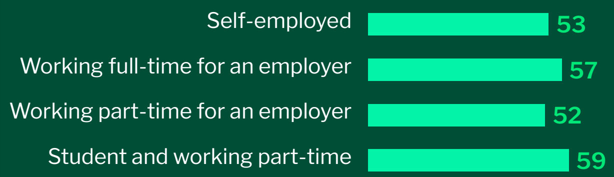
# **Appendix 2:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status



# **Appendix 2:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status continued

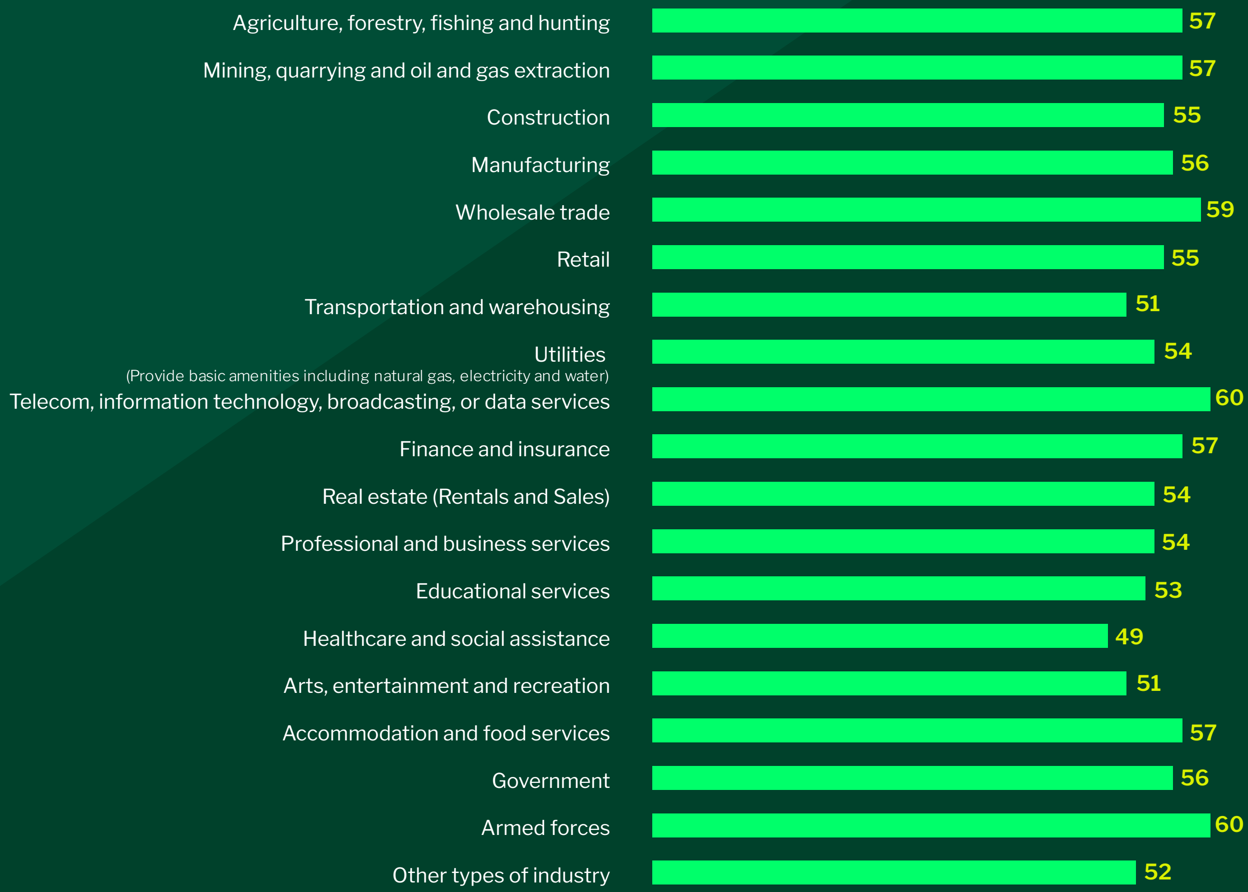
## **Financial health score** continued

### Employment status by indices




### Personal monthly income by indices


### Industry by indices




**BY INDICES**

**57** *I am the main financial decision maker in my home*

**52** *I jointly make financial decisions in my home with someone else*

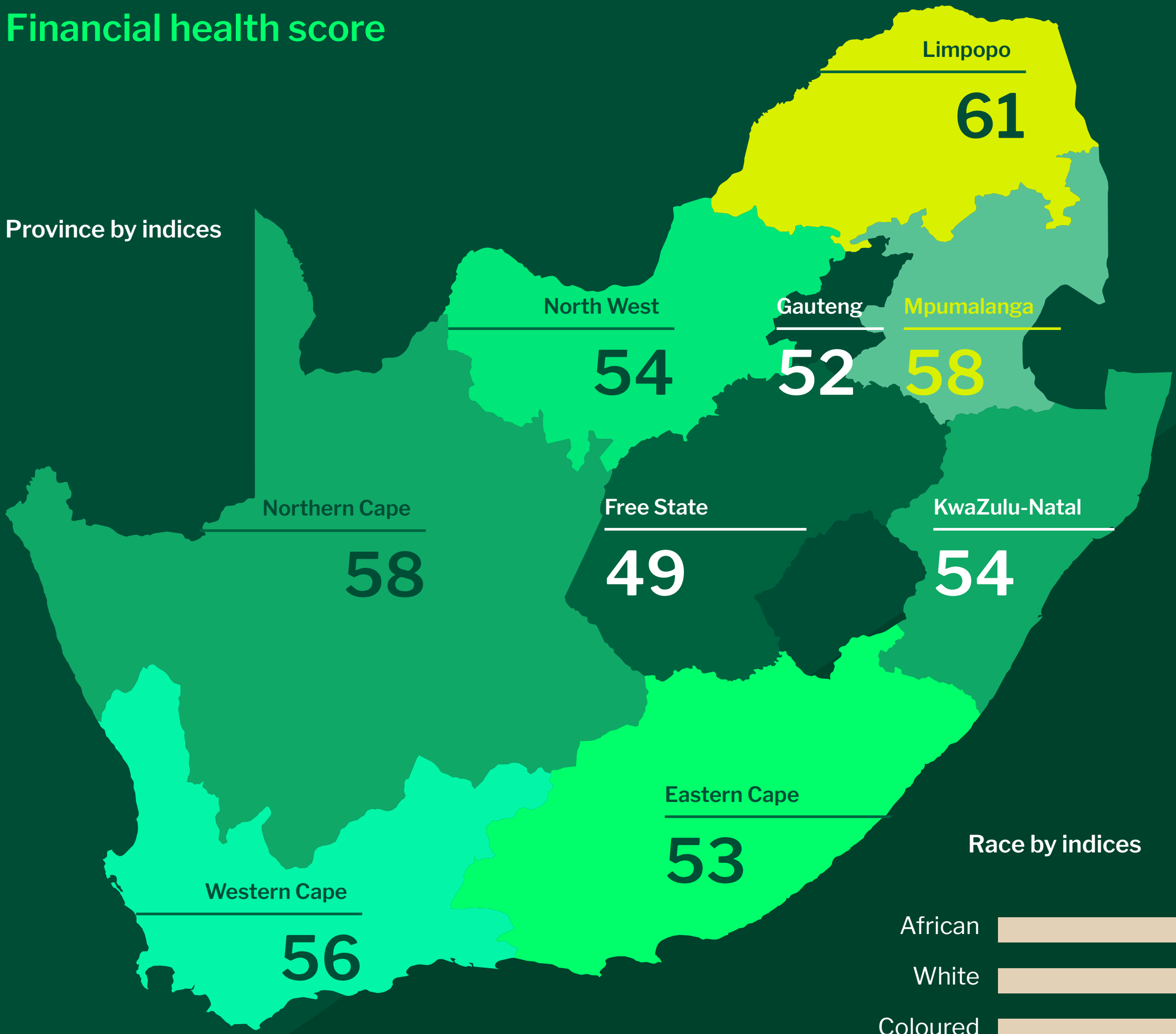
**53** *I have some say in the financial decisions made in my home*

# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status

Spend

## Financial health score

### Province by indices




### Do you own you own home i.e. you are NOT renting?

| | |
|---|---|
| Yes | 56 |
| No | 50 |

### Gender by indices

| | |
|---|---|
| Male | 53 |
| Female | 57 |

### Age by indices

| | |
|---|---|
| 18–24 years | 56 |
| 25–34 years | 56 |
| 35–49 years | 52 |
| 50+ years | 55 |

### Race by indices

| | |
|---|---|
| African | 53 |
| White | 59 |
| Coloured | 52 |
| Indian/Asian | 59 |

### Age generation by indices

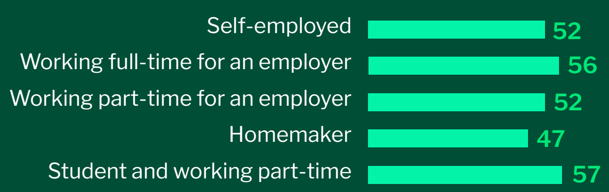
| | |
|---|---|
| Gen Z (18–28 years) | 58 |
| Gen Y (29–43 years) | 52 |
| Gen X (44–58 years) | 53 |
| Baby Boomers (59+ years) | 55 |

# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status continued

Spend

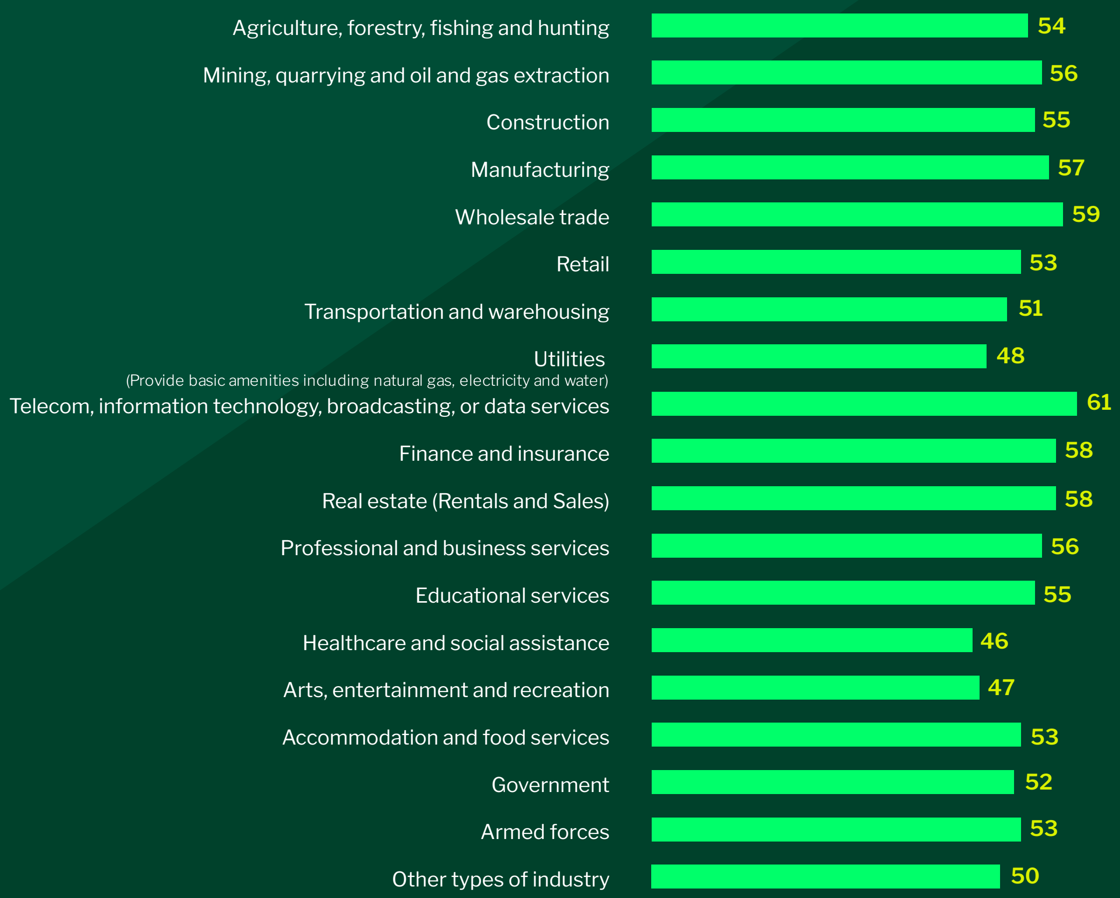
## **Financial health score** continued

### Employment status by indices




### Personal monthly income by indices


### Industry by indices




**BY INDICES**

**56** *I am the main financial decision maker in my home*

**53** *I jointly make financial decisions in my home with someone else*

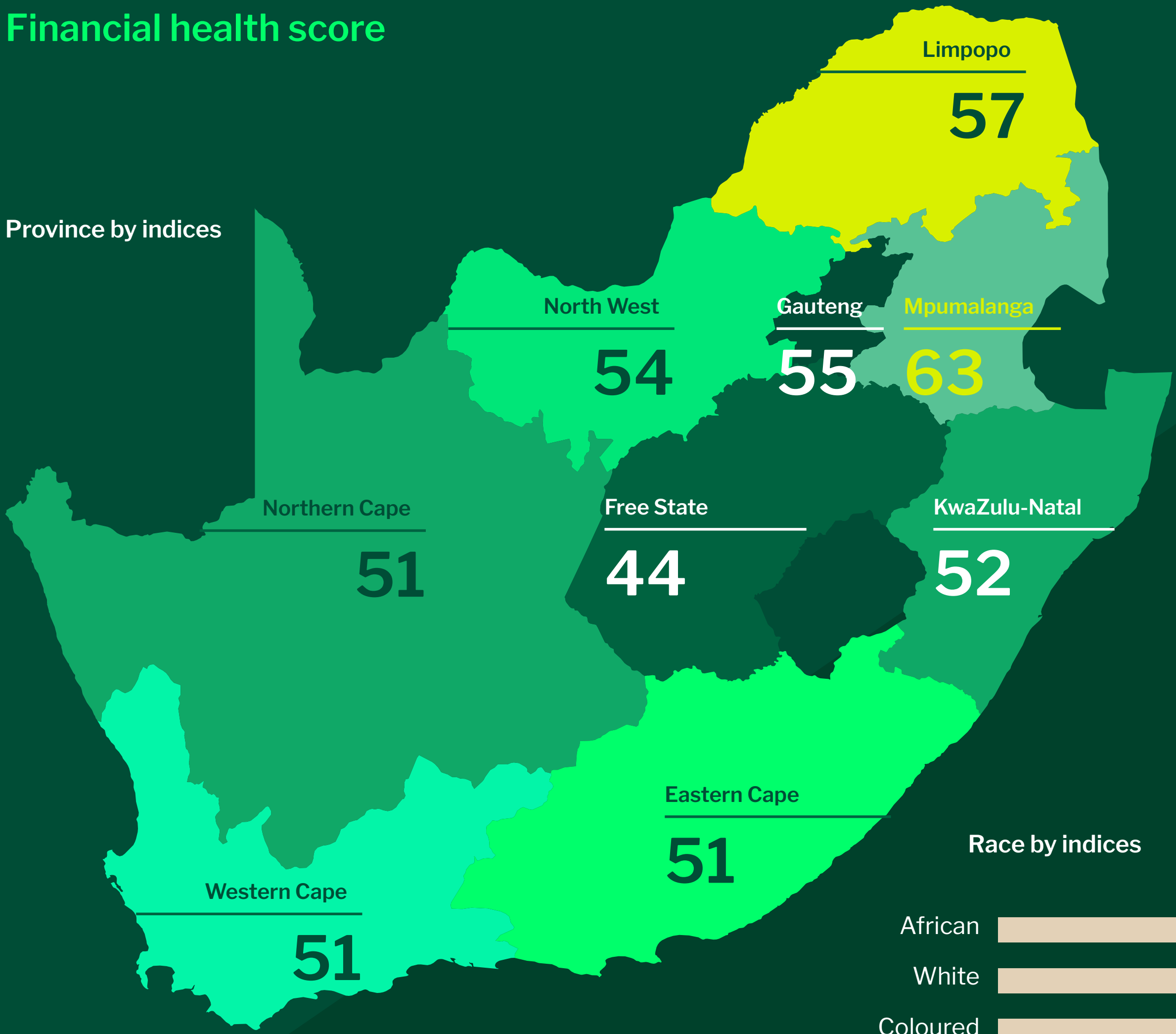
**47** *I have some say in the financial decisions made in my home*

# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status

Save

## Financial health score

### Province by indices

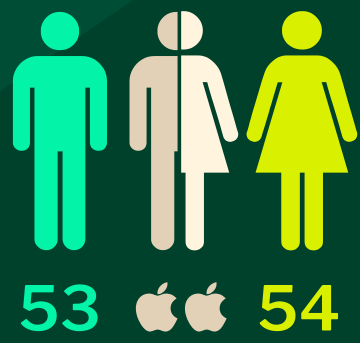



**Do you own you own home i.e. you are NOT renting?**

56 Yes

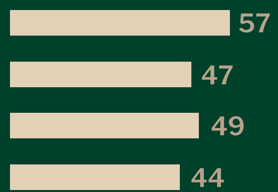
48 No

### Gender by indices

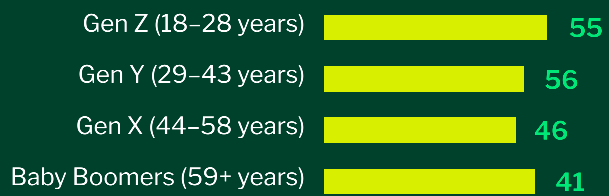



### Age by indices


### Race by indices




### Age generation by indices

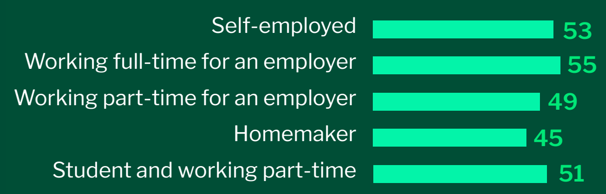


# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status continued

**Save**

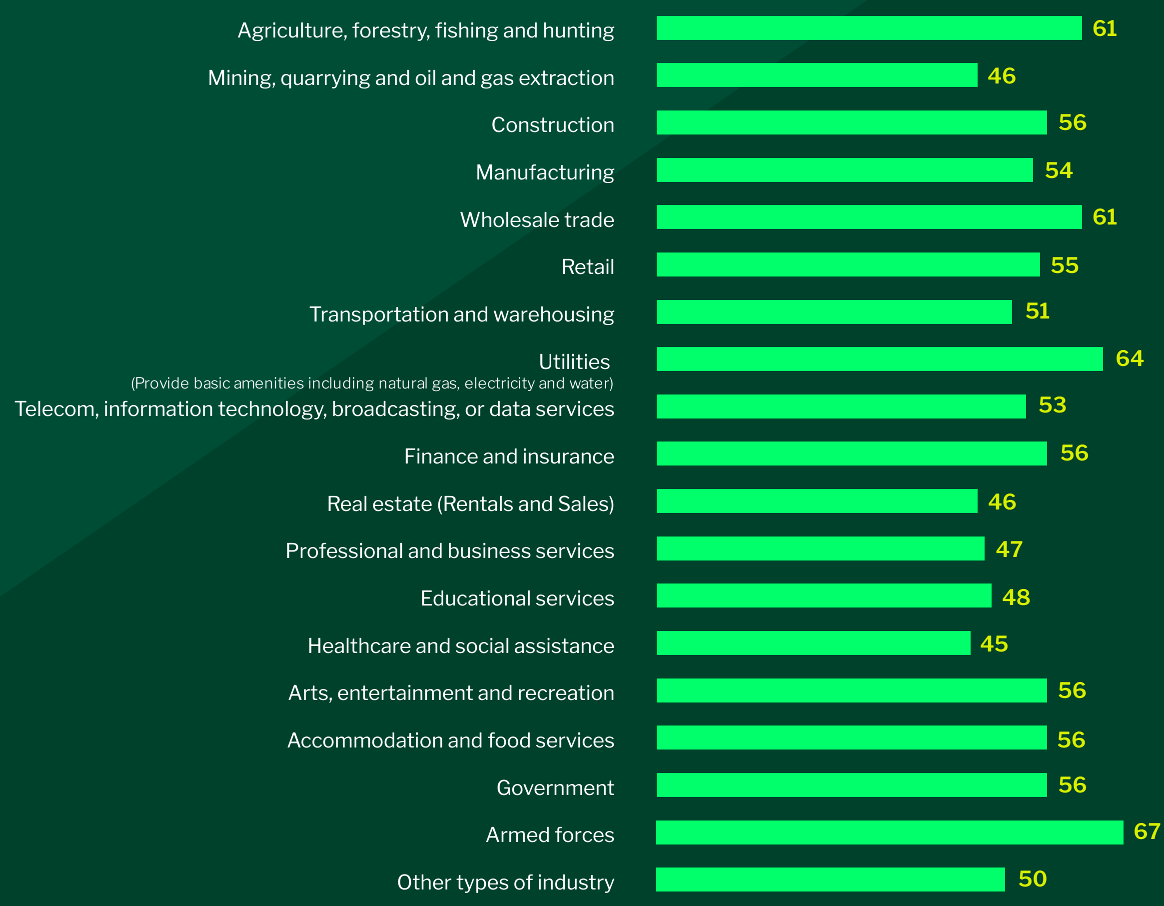
## **Financial health score** continued

### Employment status by indices




### Personal monthly income by indices


### Industry by indices




**BY INDICES**

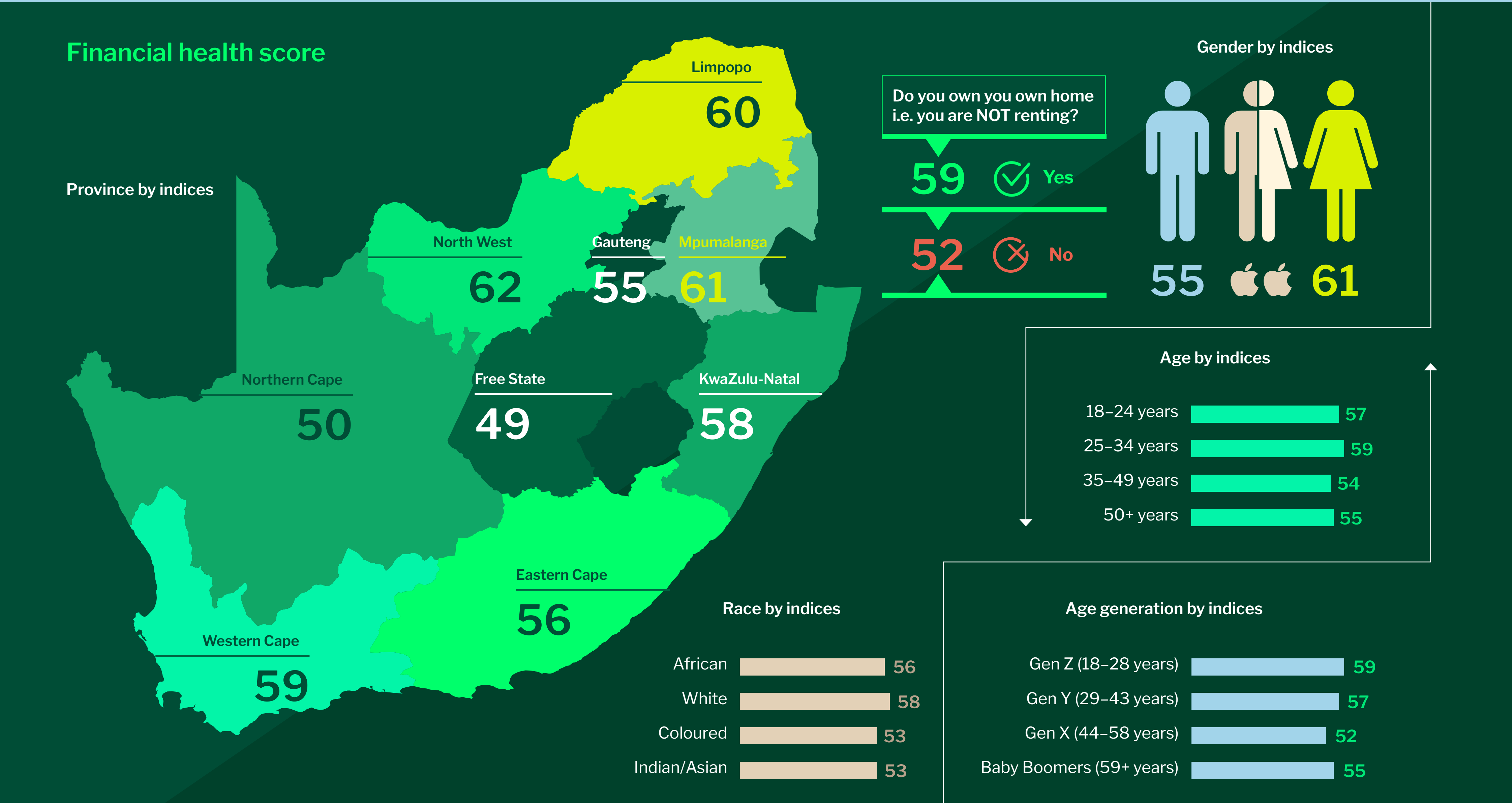
**56** ***I am the main financial decision maker in my home***

**50** ***I jointly make financial decisions in my home with someone else***

**53** ***I have some say in the financial decisions made in my home***

# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status

Borrow

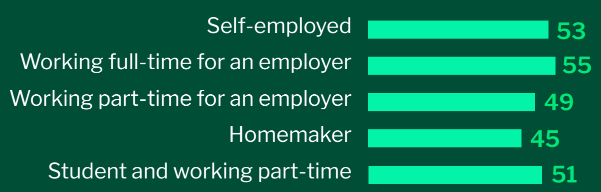


# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status continued

**Borrow**

## **Financial health score** continued

### Employment status by indices




### Personal monthly income by indices

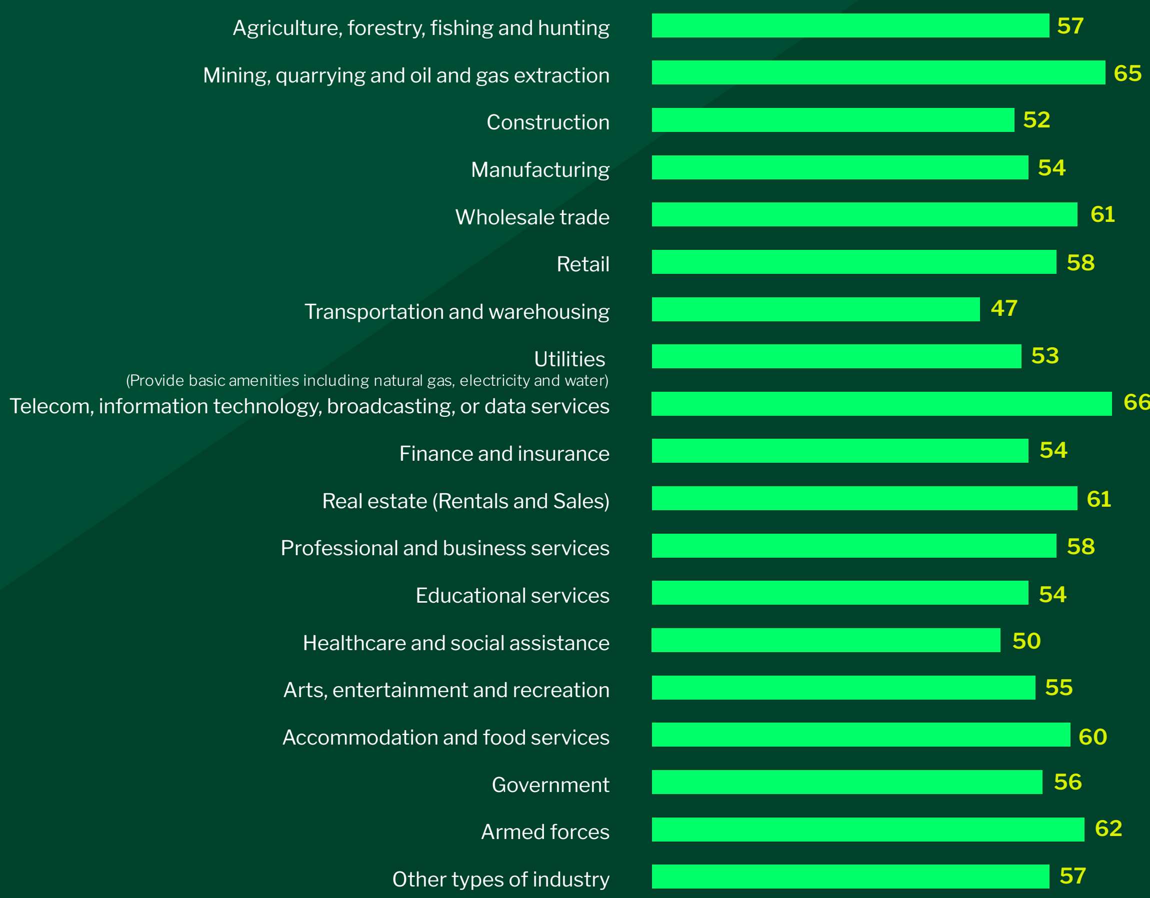

**BY INDICES**

**58** *I am the main financial decision maker in my home*

**53** *I jointly make financial decisions in my home with someone else*

**58** *I have some say in the financial decisions made in my home*

### Industry by indices

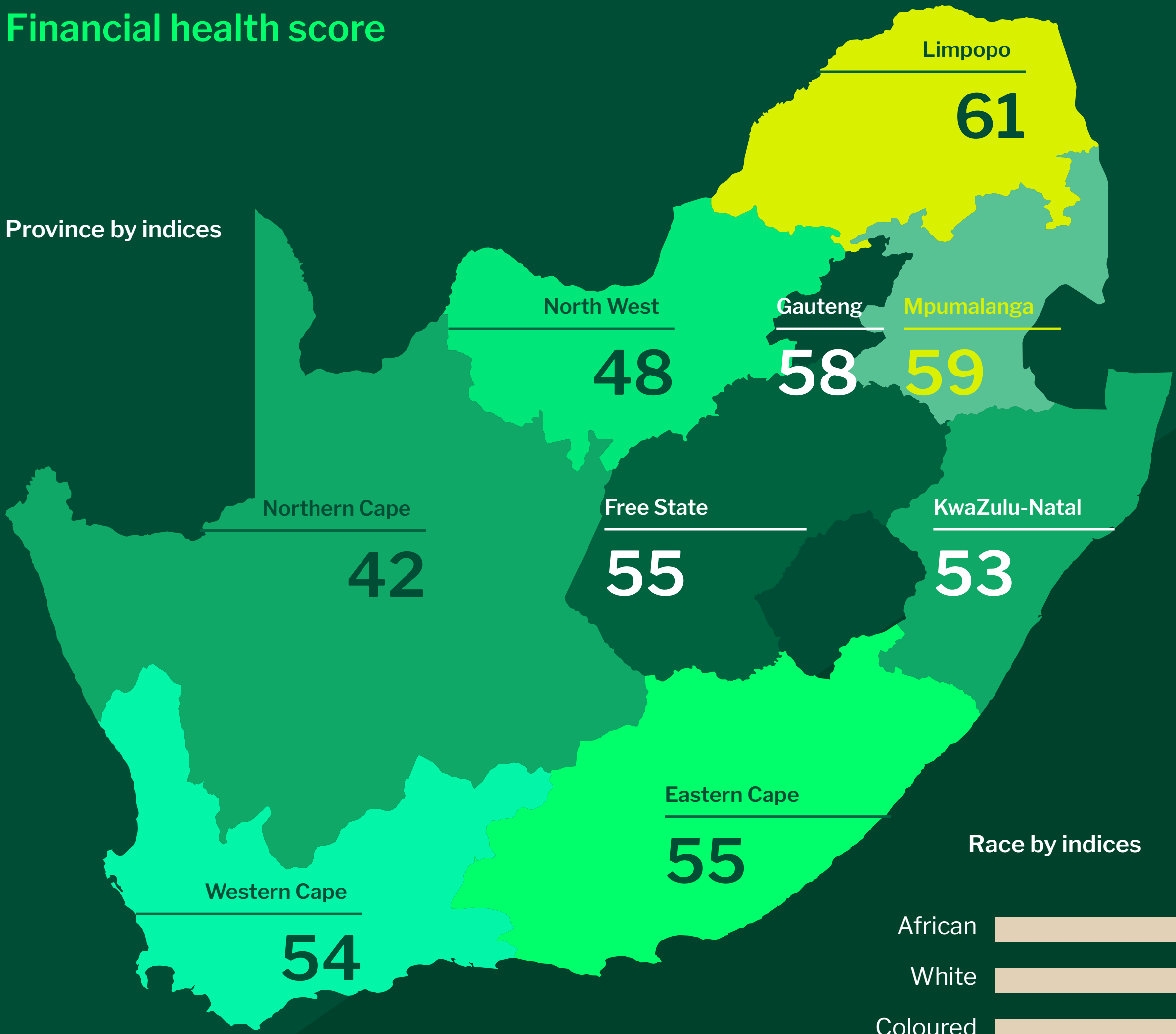


# **Appendix 3:** Financial health scores by: province, gender, age, age generations, income, race, work status, industry, and decision-maker status

Plan

## Financial health score

### Province by indices




**Do you own you own home i.e. you are NOT renting?**

| | |
|---|---|
| 59 | Yes |
| 48 | No |

### Gender by indices

| | | |
|---|---|---|
| 54 | 62 | 57 |

### Age by indices

| | |
|---|---|
| 18–24 years | 57 |
| 25–34 years | 59 |
| 35–49 years | 54 |
| 50+ years | 49 |

### Race by indices

| | |
|---|---|
| African | 59 |
| White | 49 |
| Coloured | 48 |
| Indian/Asian | 48 |

### Age generation by indices

| | |
|---|---|
| Gen Z (18–28 years) | 58 |
| Gen Y (29–43 years) | 56 |
| Gen X (44–58 years) | 52 |
| Baby Boomers (59+ years) | 40 |