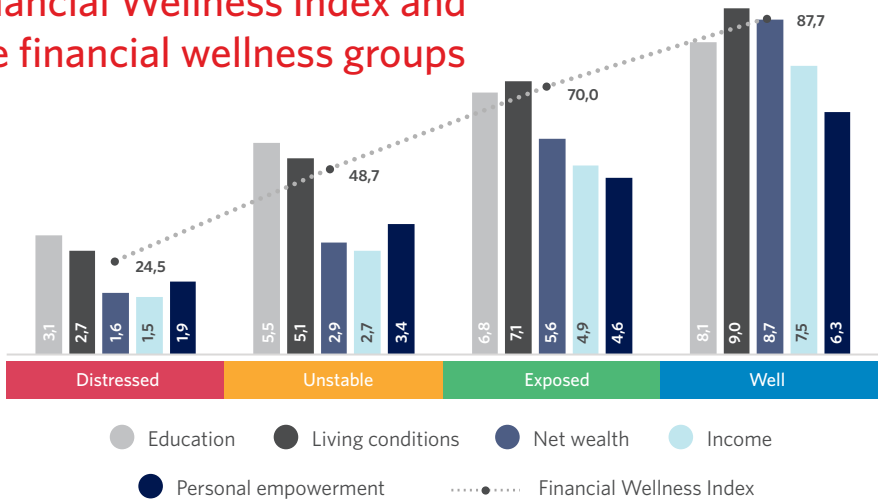


# MOMENTUM | UNISA HOUSEHOLD FINANCIAL WELLNESS INDEX

## Financial Wellness Index and the financial wellness groups



Source: Momentum/Unisa Household Finance Survey

**Financially Distressed:** Although education and living conditions appear to be able to provide some hope, these households have very low levels of personal empowerment, indicating low levels of control over their financial futures and limited hope.

**Financially Unstable:** Overall better educational qualifications and living conditions but is still limited by lower income and net wealth positions. Low levels of personal empowerment constrain their ability to make sound financial decisions.

**Financially Exposed:** Much better living conditions and educational qualifications that impact positively on their income and net wealth generating ability, but low personal empowerment levels.

**Financially Well:** Much better living conditions than the other groups and these households possess higher net wealth and a higher education status.

## FINANCIALLY DISTRESSED

- The majority of the Financially Distressed consists of households in the lowest income group category, earning between R0 to R24 500 per year.
- More than half of these households have primary school as highest level of education in the household.
- More than 70% of the FKPs of these households are either unemployed or economically inactive.
- Mainly dependent on government grants and part-time work in especially the informal sector.
- More than 60% of these households stated that they tend to rarely take responsibility for their own futures.
- 47.3% of these households have some sort of a financial plan with one or more financial goal.
- Typical financial goals focus on addressing financial problems such as debt payments and being able to afford expenses.
- Mainly depends on self to determine and set financial goals.

## FINANCIALLY UNSTABLE

- More than 90% are in the low- and very low-income categories earning below R108 500 per year.
- More than half of the households have a member that at most completed secondary education.
- 44.5% of the FKPs of these households are employed.
- Despite some households being dependent on more than one grant as main source of income, just over half of the Financially Unstable households depend on salaries and wages as their main source of income (albeit very low).
- 40% of these households stated that they almost always take responsibility for their own futures.
- 49.9% of these households have some sort of a financial plan with one or more financial goal.
- Typical financial goals focus on investing and saving in order to generate wealth and being able to afford expenses.
- Resorts mainly to self but also to advice from friends and family to determine and set financial goals.

## FINANCIALLY EXPOSED

- These households mainly earn between R24 501 and R108 500 annually, but some higher income households also fall within this category.
- More than two-thirds of the households in the Financially Exposed village have at least one member that completed secondary education.
- 59.3% of the FKPs of these households are employed.
- Income generated from salaries and wages and own businesses are mostly the main sources of income.
- 53.4% of these households have some sort of a financial plan with one or more financial goal.
- Typical financial goals focus on investing and saving in order to generate wealth and to have emergency savings.
- Resorts mainly to self but also to advice from friends and family to determine and set financial goals. Some do consult professionals.

## FINANCIALLY WELL

- Nearly half of the households in the Financially Well category earn more than R236 900 annually and nearly half of them have at least one household member which completed tertiary education.
- 77.8% of the FKPs of these households are employed
- Income generated from salaries and wages and own businesses are mostly the main sources of income.
- The pandemic and lockdowns also had an adverse effect as even their financial wellness scores, especially that of personal empowerment, declined.
- Even some Financially Well households feel they are not always able to deal with challenges and solve problems, are pushed around in life and not responsible for their futures.
- Almost 70% of these households stated that they almost always take responsibility for their own futures.
- 66.7% of these households have some sort of a financial plan with one or more financial goal (households' financial plans tend to be more comprehensive as it includes several financial goals).
- Typical financial goals focus on investing and saving in order to generate wealth and to provide for retirement.
- Tends to obtain professional financial advice to a much larger extent than the other financial wellness groups when setting their financial goals and constructing their financial plans, but also relies on their own knowledge and research for this.