

A DECADE OF PARTNERSHIP

The Momentum/Unisa Household Financial Wellness research project is now in its 10th year. Here are some of the key learnings from the previous years' research:

- The economic environment of the moment matters - a lot.
- Most households do not benefit from economic growth to an equal degree. Only a small minority (skilled and those employed in the formal sector) benefit.
- Most households are unable and incapable of using their resources optimally to generate wealth from their existing income.
- Despite their financial position, some low-income households have positive attitudes towards their finances and tend to feel personally empowered.
- Households' low levels of personal empowerment (social capital) prevent them from benefitting financially from a favourable economic environment.
- When a good education and strong sense of personal empowerment is combined with certain financial activities such as setting goals, undertaking comprehensive financial planning, regular budgeting and making use of financial expertise when needed, households tend to be more resilient to external political and economic changes.
- A better understanding of households' emotional and financial needs is critical for better financial planning and long-term financial wellness and success.
- Many South Africans are financially unwell because of poor decisions and/or financial illiteracy.
- A clear financial plan should provide all the activities that must be undertaken, including the time at which it must be done, to achieve long-term goals. A solid financial plan will also empower households to guide their emotional reactions during volatile times.
- A difference exists between financial wellness and financial success, but they are strongly connected. Financial wellness is a holistic reflection of the financial reality of households, while true financial success is about households achieving their goals.