



Money-Stress Tracker

3rd Annual Large-Scale Survey

July 2024



Money-Stress Tracker

July 2024

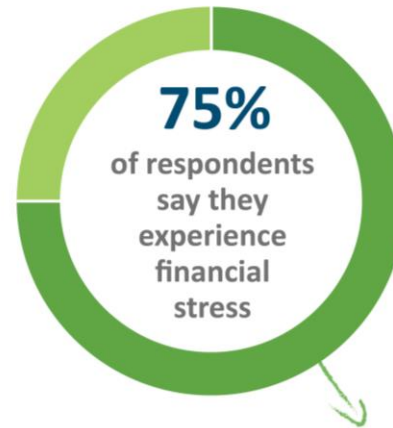
The third annual **Money-Stress Tracker** polled subscribers to the DebtBusters website during May and June 2024, tracking the impact of **financial stress** on their **home** and **work lives** as well as their **health**.

With over **26,000 respondents***, this is one of the **largest surveys** ever conducted in South Africa to measure how financial stress impacts other aspects of life. Results were analysed with the help of Psychologist Andrea Kellerman.

More than three out of four respondents **admitted to Money-Stress**, a slight decrease from last year's Tracker, but still elevated.

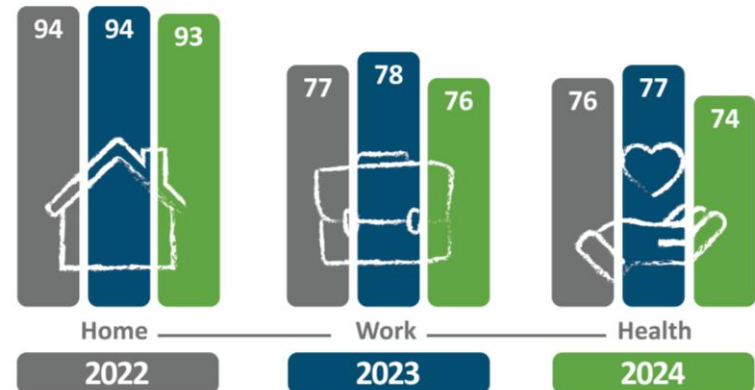
The **women surveyed** once again seemed generally **more stressed** about their **finances, home, and work life**, than their males counterparts.

Almost 4 out of 5 female respondents said they suffered financial stress



Up from 70% in 2022 but down from 78% in 2023

Of these, 93% felt this was impacting their home life and 76% their work life. 74% believed it was affecting their health.



* Respondents are not in debt counselling

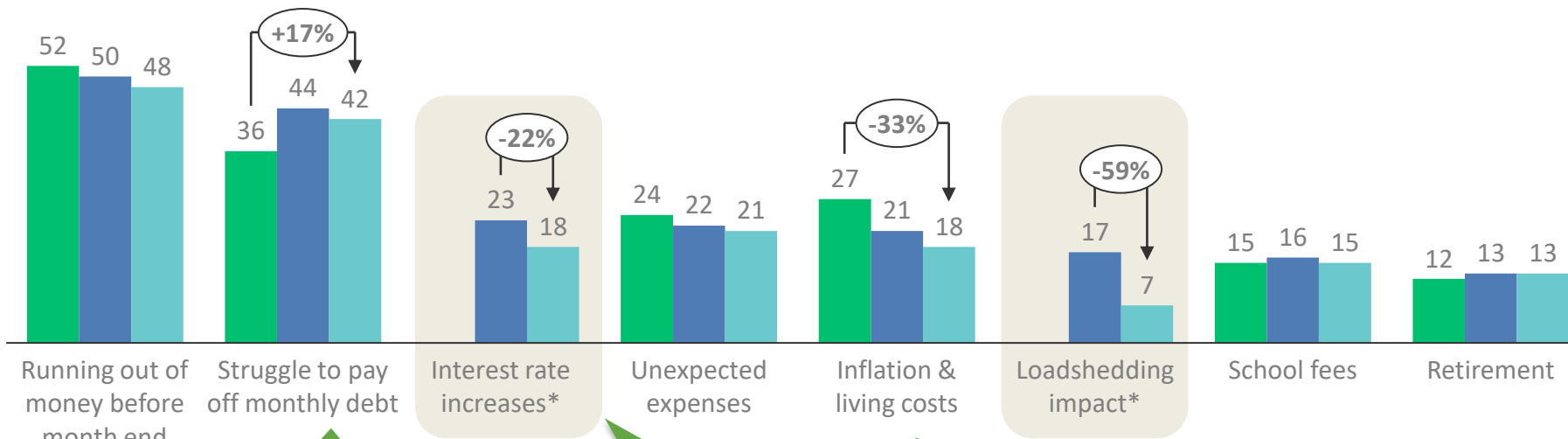
What are the **main concerns** when it comes to **finances**?

Short-term concerns dominate the landscape, however the top two issues remain the fear of running out of money before month end, and having enough to cover monthly **debt repayments**. Compared to 2023, the impact of interest rate increases and loadshedding has subsided.

% who say their main financial concern is...(could choose up to three)

Average

2022
 2023
 2024
 Became prevalent in 2023



Improved compared to 2023, but still a major concern cited by 42% of the respondents

Interest rate impact has become less important, but still ranks highly

Compared to previous years, fewer are concerned about inflation and loadshedding

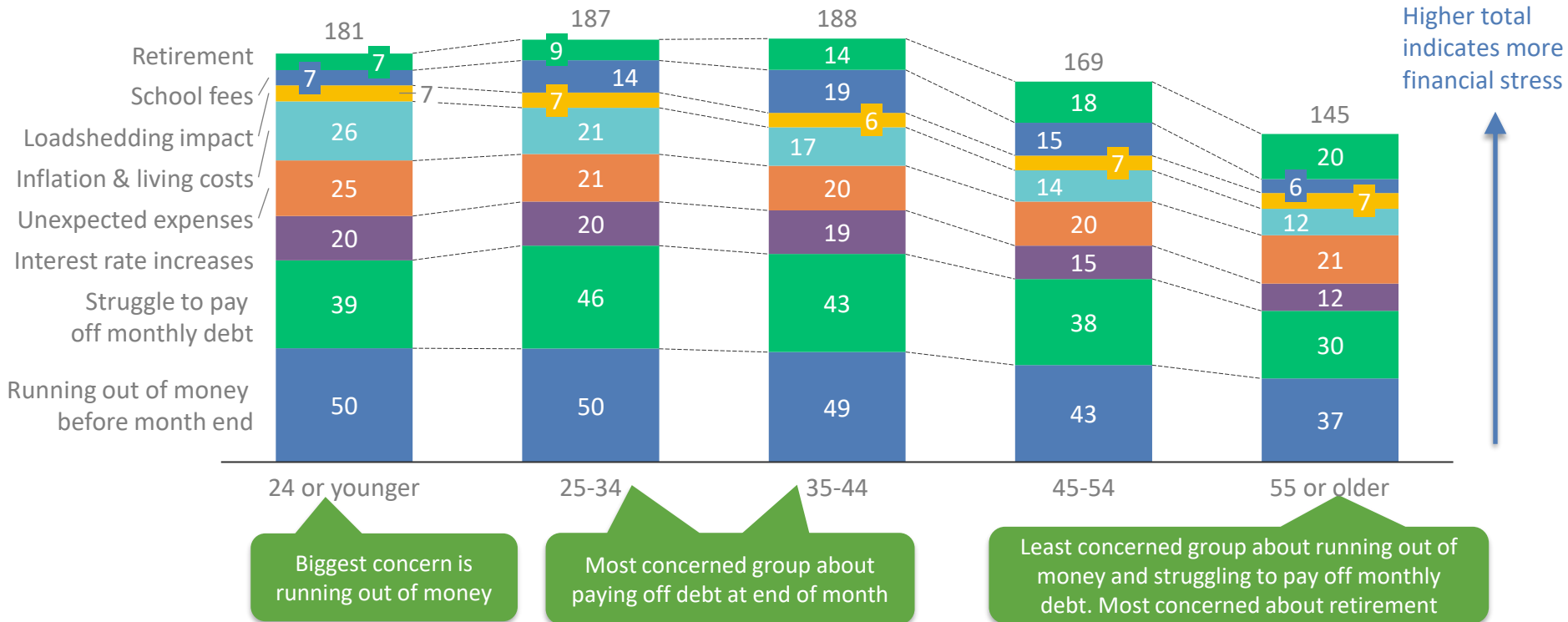
* New concerns noted in 2023

What are the **main concerns** when it comes to **finances**?

Age groups tell a different story; most financially stressed are middle aged but primary concern for all age groups is running out of money at end of the month...

% who say their main financial concern is...(could choose up to three; hence total could add up to more than 100%)

Split by age group

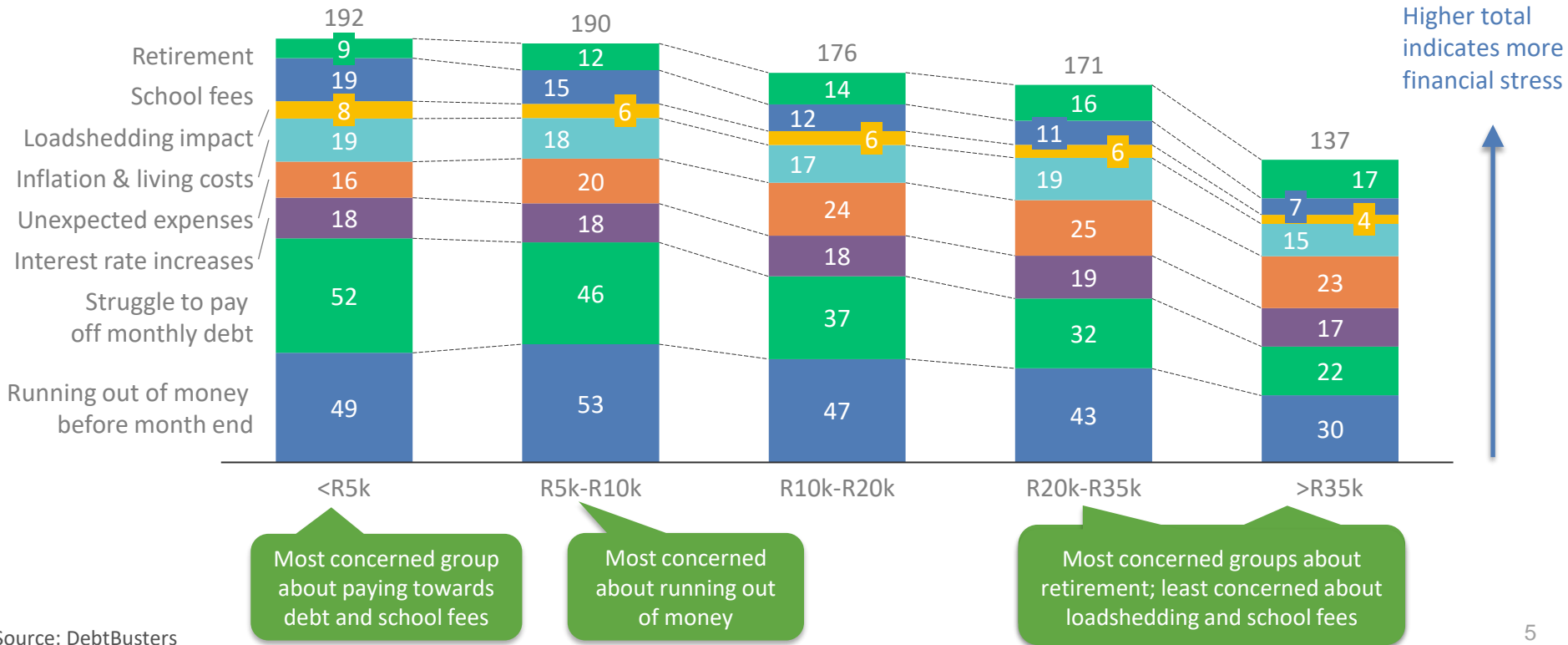


What are the **main concerns** when it comes to **finances**?

Income groups tell yet a different (perhaps predictable) story...

% who say their main financial concern is...(could choose up to three; hence total could add up to more than 100%)

Split by age group

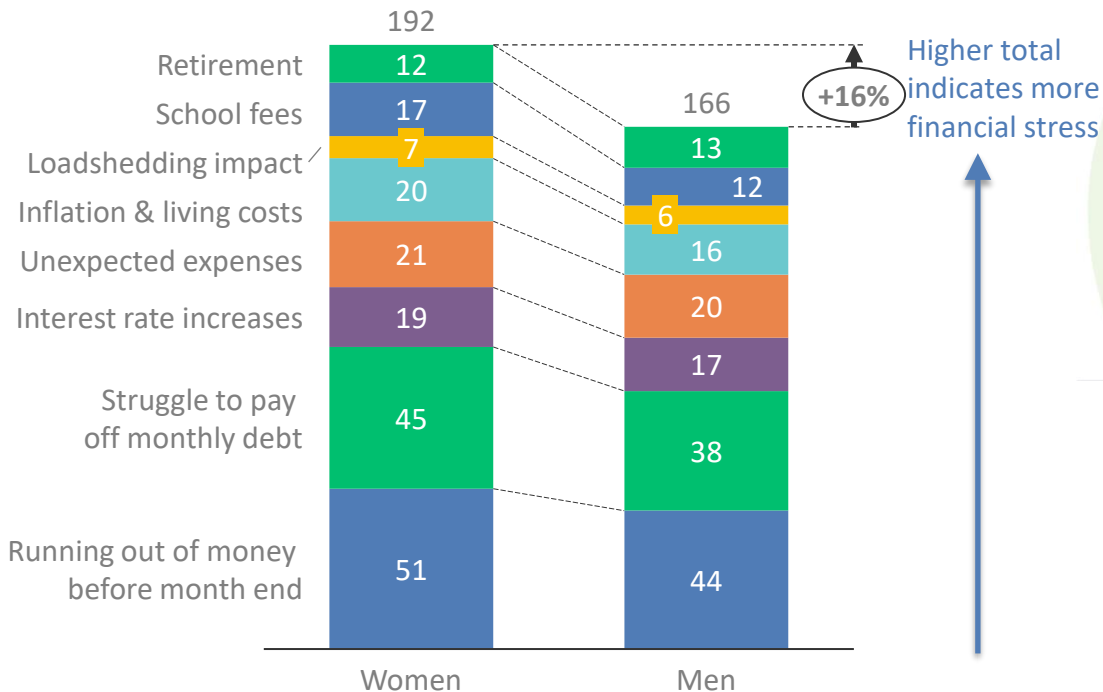


What are the **main concerns** when it comes to **finances**?

We found significant differences between men and women, with women indicating 16% higher levels of financial concern across the top eight reasons

% who say their main financial concern is...(could choose up to three; hence total could add up to more than 100%)

Split by gender

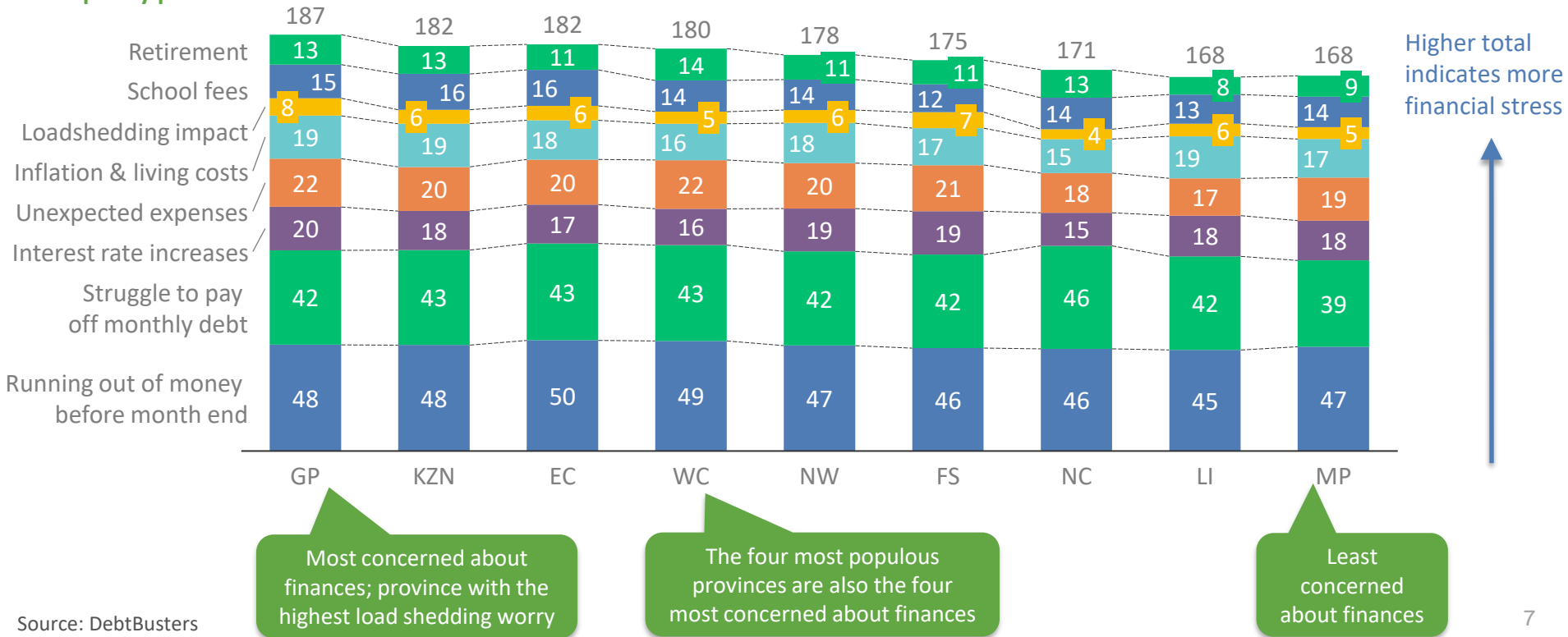


- Women are more concerned about running out of money, paying off monthly debt, inflation, and school fees
- Overall, women are significantly (16%) more worried about the top eight reasons compared to men

What are the main concerns when it comes to finances?

There are some differences between **provinces**. The most concerned province is Gauteng, followed by the other three most populous provinces.

% who say their main financial concern is...(could choose up to three; hence total could add up to more than 100%)
Split by province

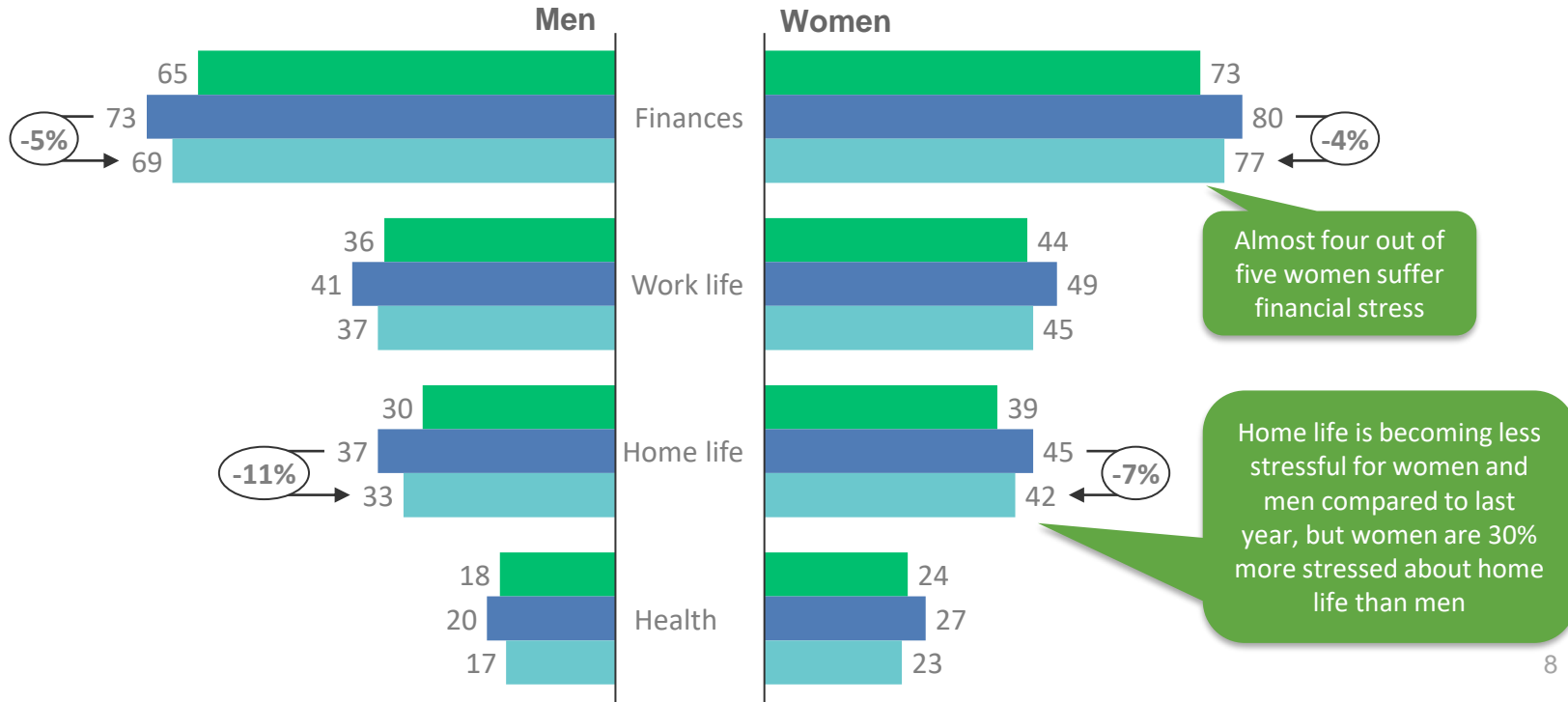


Compared to 2023, both **women and men are 5-10% less stressed** about all facets of life, but financial stress still dominates the landscape for ~70% or more of the population.

Compared to men, women are 10% more stressed about finances, ~20% more stressed about work life and health, and ~30% more stressed about home life.



% who answered yes to “Do you feel anxious or stressed about...?”



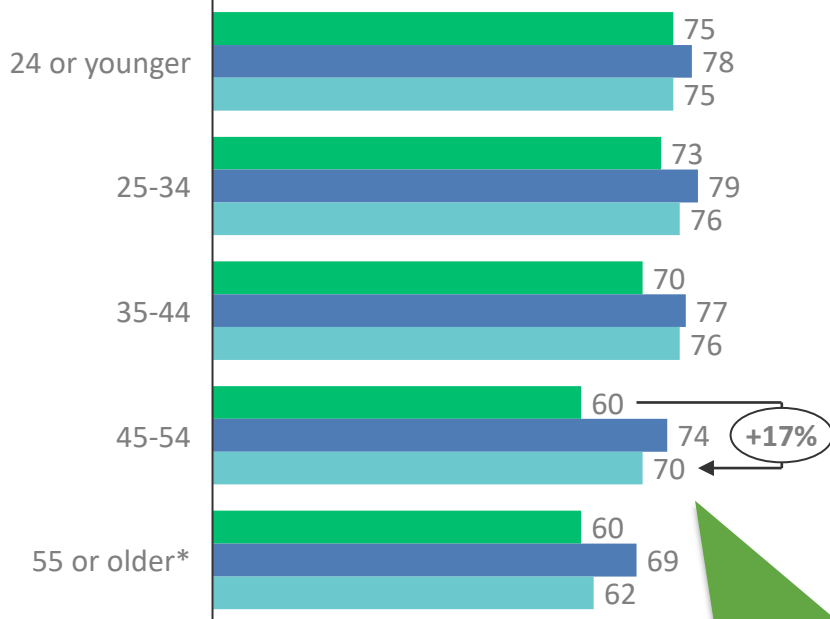
Levels of stress and anxiety about finances are influenced by age and income level.

Those who are younger and those with lower income feel most stressed and anxious. While stress levels are lower than 2023, they are still very elevated: 70%+ of those under 55 say they feel anxious or stressed about finances.

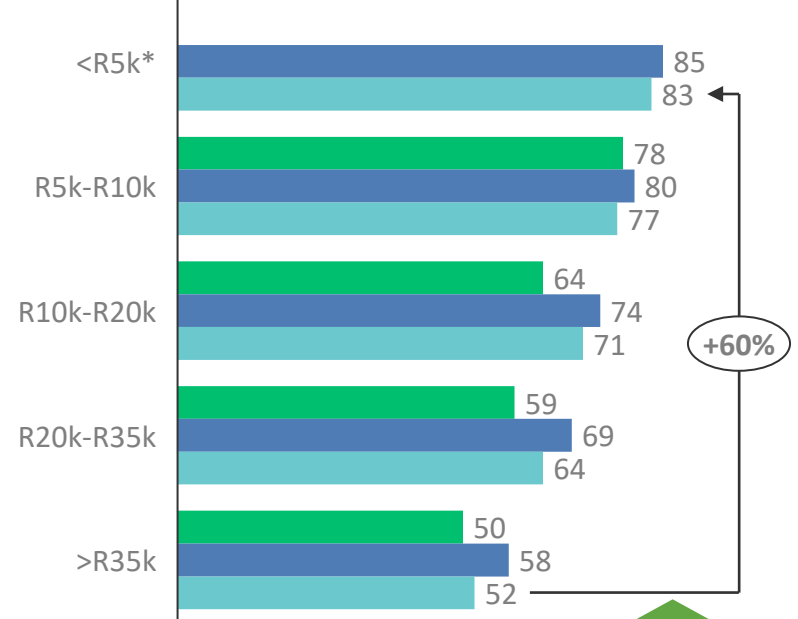
% who answered yes to "Do you feel anxious or stressed about finances?"

2022
2023
2024

By age group



By net income per month group



All age groups more concerned about finances compared to 2022; Largest jump in 45-54 age group

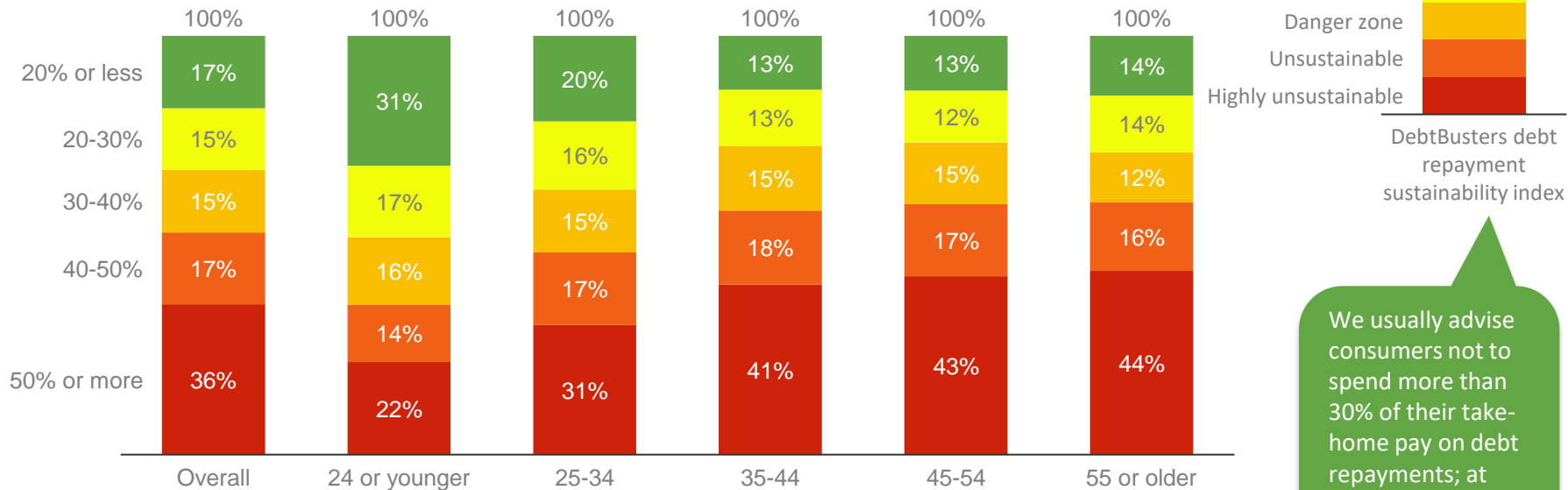
Lower income groups ~1.6x times more worried about finances; largest jump in R10k-R20k income band compared to 2022

* New group for 2023. In 2022, less than R5k p.m. income group was not included hence no data for 2022. In 2022, 55 or older group was included in 45 or older category so same data is used for both 45-54 and 55 or older categories for 2022.

Most age groups are **spending dangerously high levels** of their income on **debt repayments**.

Overall, 68% of consumers spend more than 30% of after-tax income on debt repayments...

Share of after-tax income spent on debt repayment



53% spend more than 40% of their take-home pay to repay debt; 68% spend 30% or more of their take-home pay on debt repayments

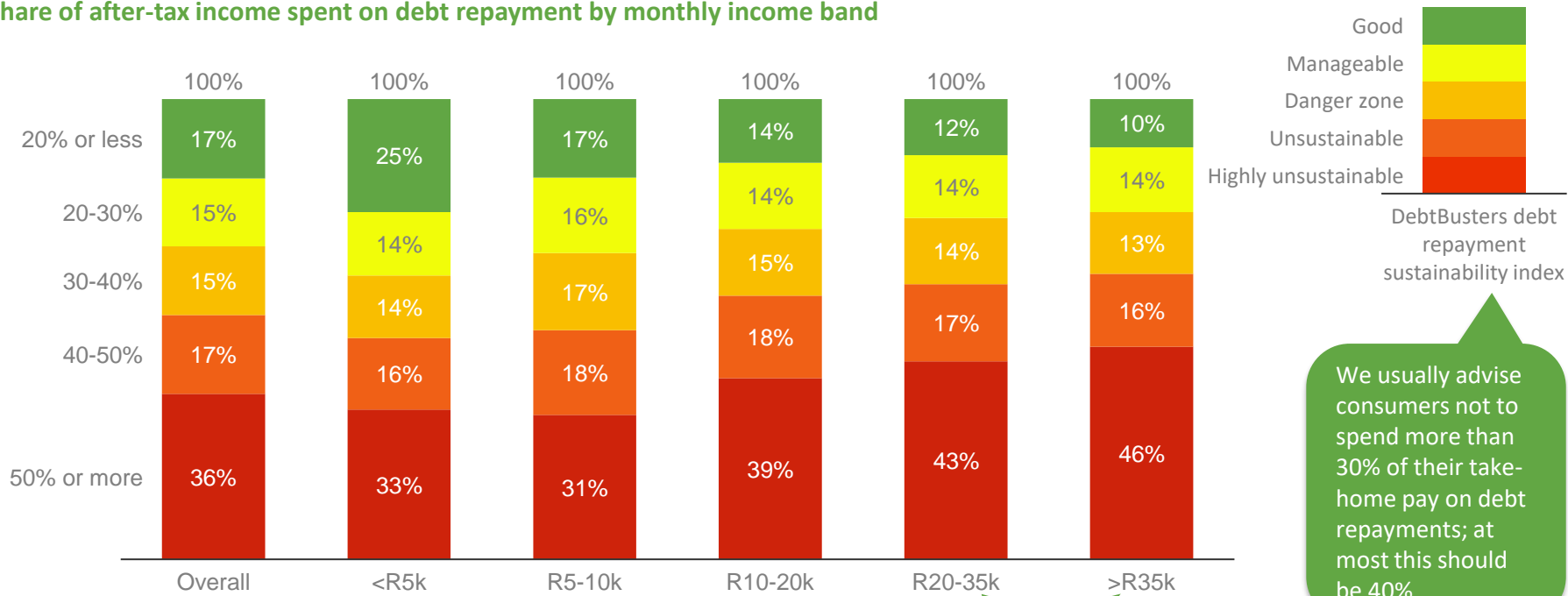
45 and older age groups are under the most severe debt repayment pressure; 60% have unsustainable levels of debt

We usually advise consumers not to spend more than 30% of their take-home pay on debt repayments; at most this should be 40%

Those taking home **more than R20k per month** seem to have the **most debt repayment pressure.**

This is the backbone of the middle-class population in SA.

Share of after-tax income spent on debt repayment by monthly income band



We usually advise consumers not to spend more than 30% of their take-home pay on debt repayments; at most this should be 40%

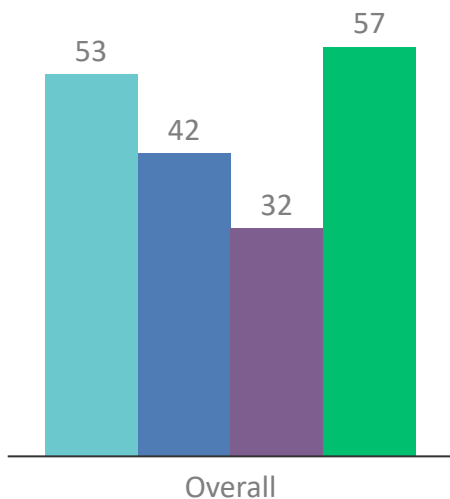
These two income groups are under the most pressure: 60%+ have unsustainable levels of debt

Will the real “impact of debt” stand up? The difference between how much consumers spend on debt repayments, and what they feel about potential remedies, is very stark.

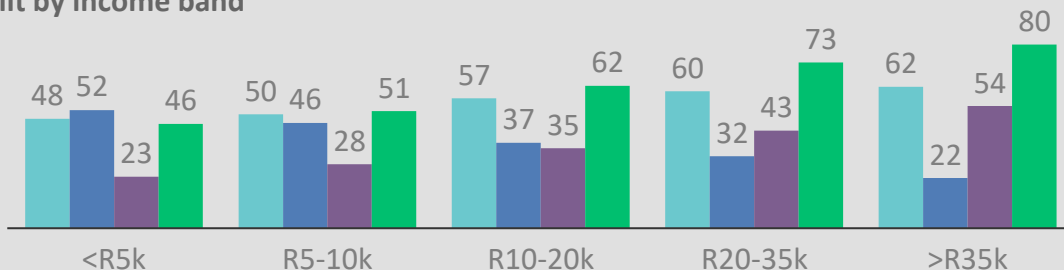
53% of consumers spend 40% or more of their take-home pay on debt repayments, 42% say they struggle to pay off the debt they owe each month, and 32% believe they do not need help.

- I spend 40% or more of my take-home pay to repay debt
- I struggle to pay off all the debt I owe every month
- I do not need help because I am not over-indebted
- I do not need debt counselling

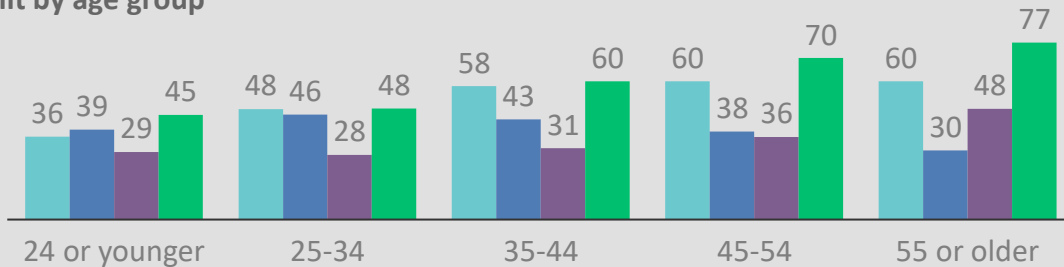
% who indicated...



Split by income band



Split by age group



How consumers feel they are doing in relation to their peer group is critical in trying to keep up.

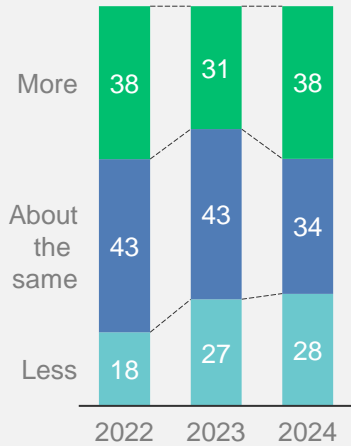


More
About the same
Less

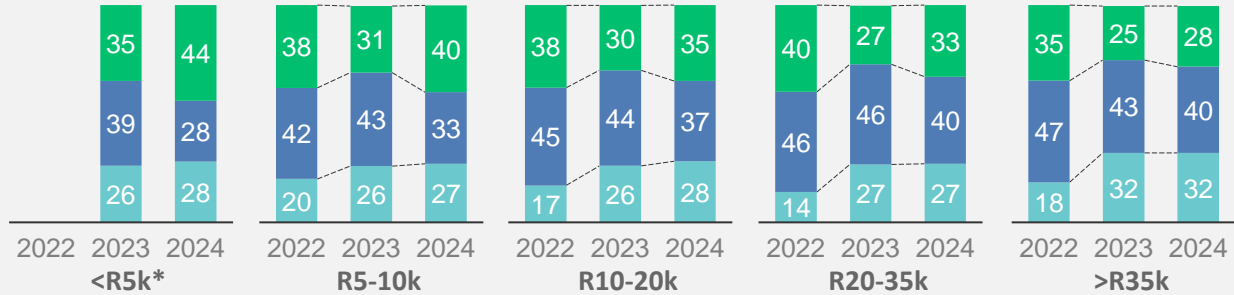
Perception about debt levels is very much age and income group related. Every income band apart from the highest and every age group apart from 55 and older believe they are worse off than their peers...

% who answered, "Do you believe you have more or less debt than your peers?"

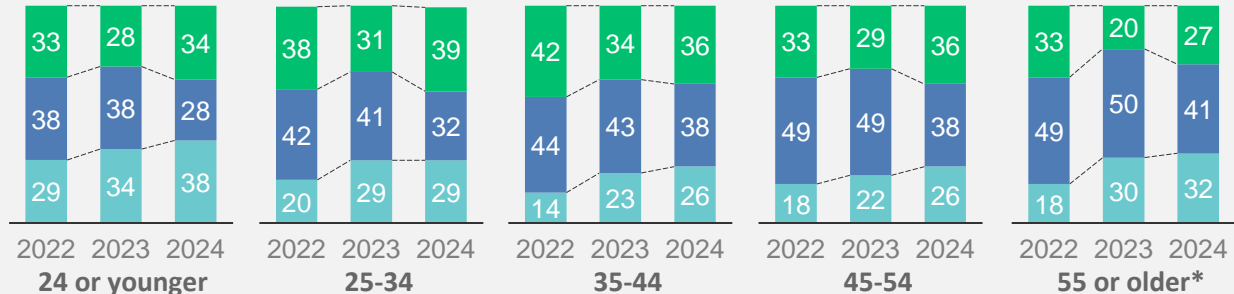
28% believe they have less debt than their peers



Split by income band



Split by age group

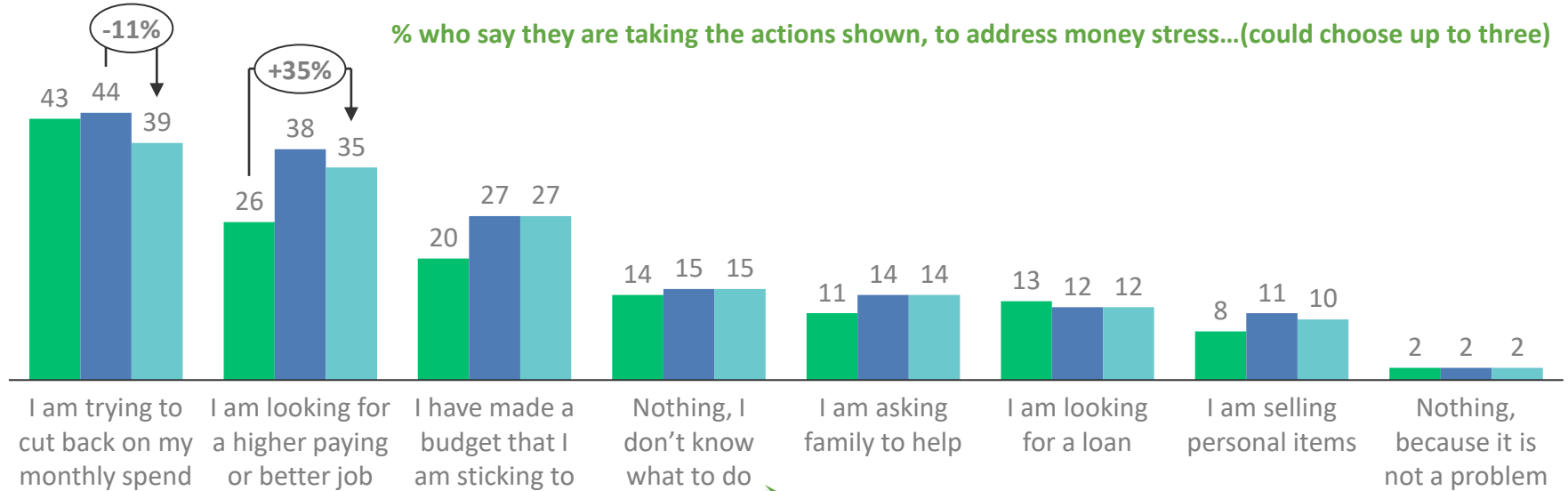


* New group for 2023. In 2022, less than R5k p.m. income group was not included hence no data for 2022. In 2022, 55 or older group was included in 45 or older category so same data is used for both 45-54 and 55 or older categories for 2022.
Source: DebtBusters

Fewer are taking **active steps** to deal with their money stress.

Consumers' response to money stress is long on intent but **short on action.**

35% of respondents are looking for a better job/pay, up from 26% in 2022. 39% are trying to cut back on monthly spend, down from 44% in 2023.



Fewer trying to cut back; signs of "savings fatigue"

35% more are looking for better pay/job compared to 2022

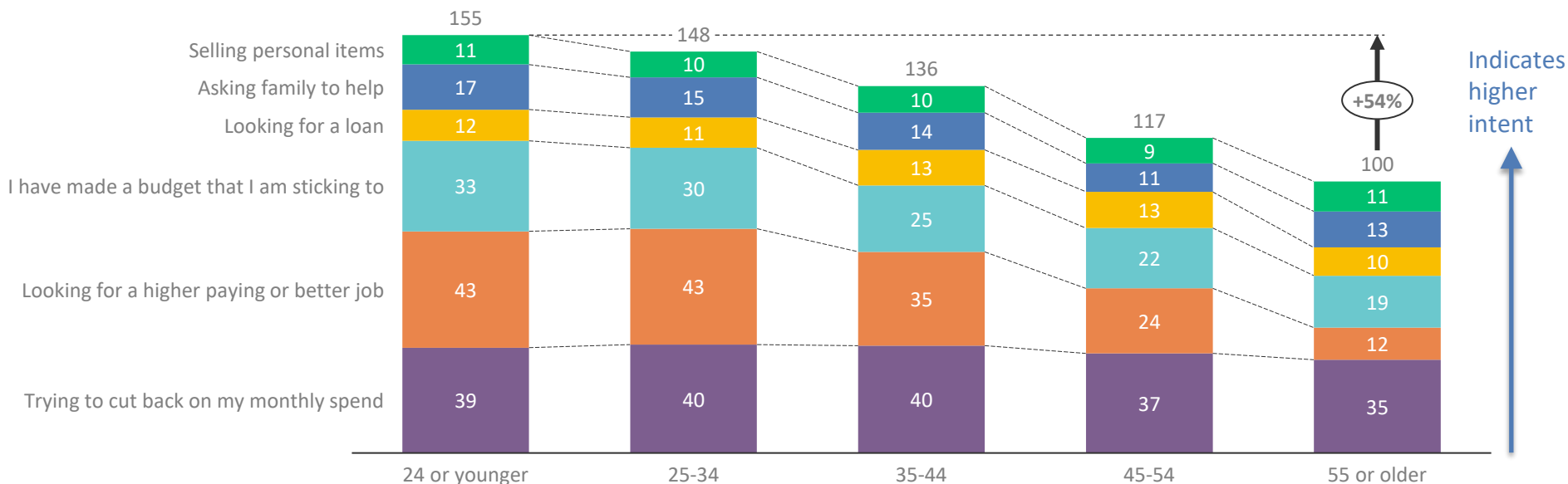
One in seven said they are stuck

Many statements of intent but only a few action oriented steps

There is significant variation **between age groups** in dealing with **money stress**.

Younger consumers are 1.5 times more likely to follow through with a budget and 3.5 times more likely to be looking for a higher-paying job; they also show 54% more intent in dealing with money stress.

% who say they are taking the actions shown to address money stress...(could choose up to three; hence total could add up to more than 100%). Split by age group



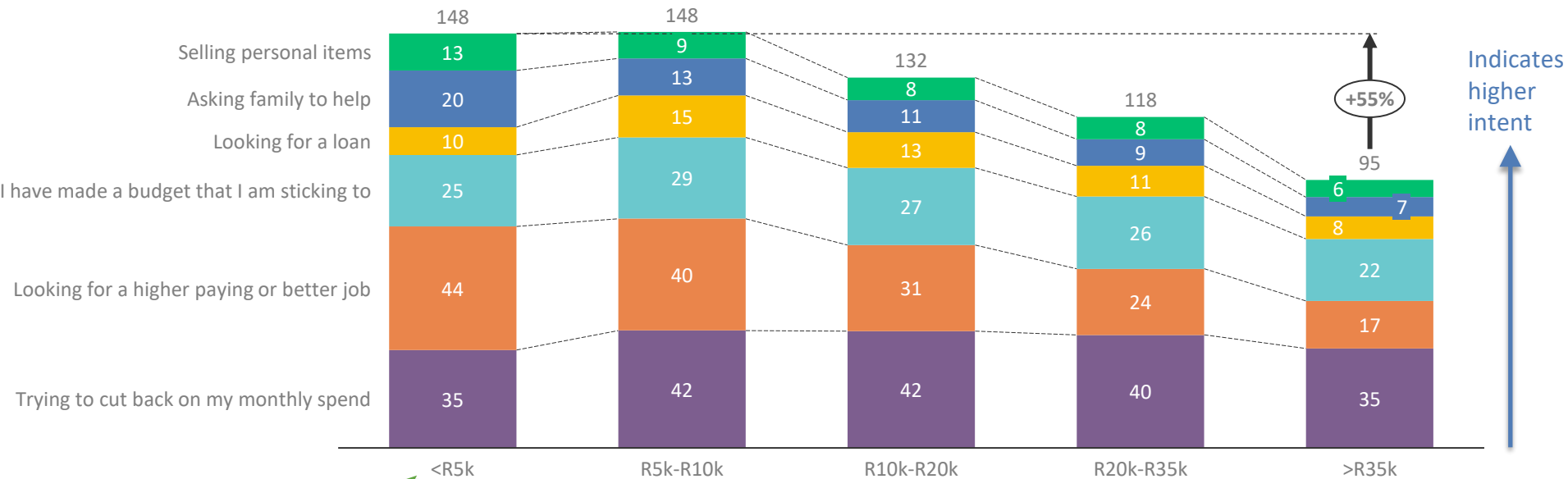
Younger respondents are 1.5 times more likely to stick to a budget and 3.5 times more likely to look for a higher-paying job

All age groups are working on cutting back their monthly spend

Perhaps predictably, the variance also comes through more clearly when we look at **income groups**.

Lower income groups are more actively looking for opportunities to manage their money stress...

% who say they are taking the actions shown to address money stress...(could choose up to three; hence total could add up to more than 100%). Split by net income per month



Almost half are looking for a higher-paying job; one in five are asking family for help

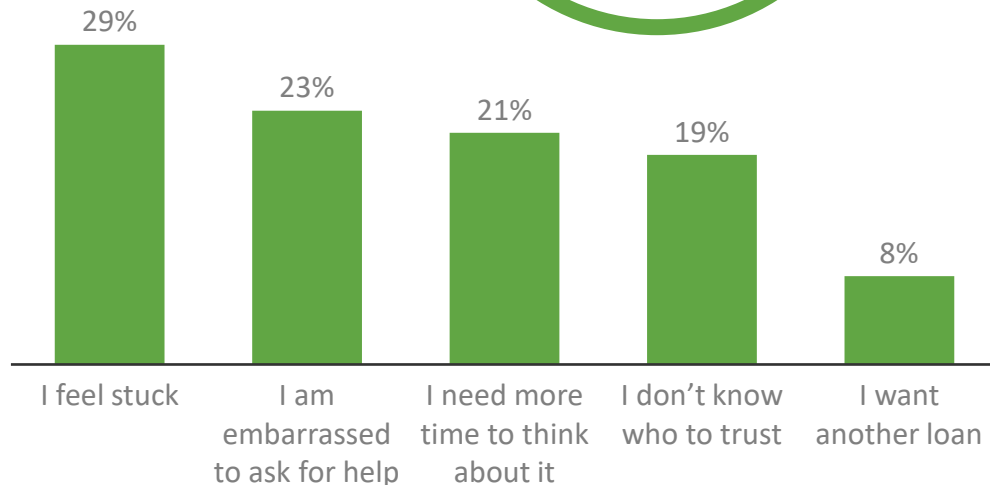
Lower income groups are more active in looking for opportunities to alleviate money stress

All income groups are trying to cut back on monthly spend

“Why have you not yet done something to alleviate your money-stress?”



“I feel stuck”
29%

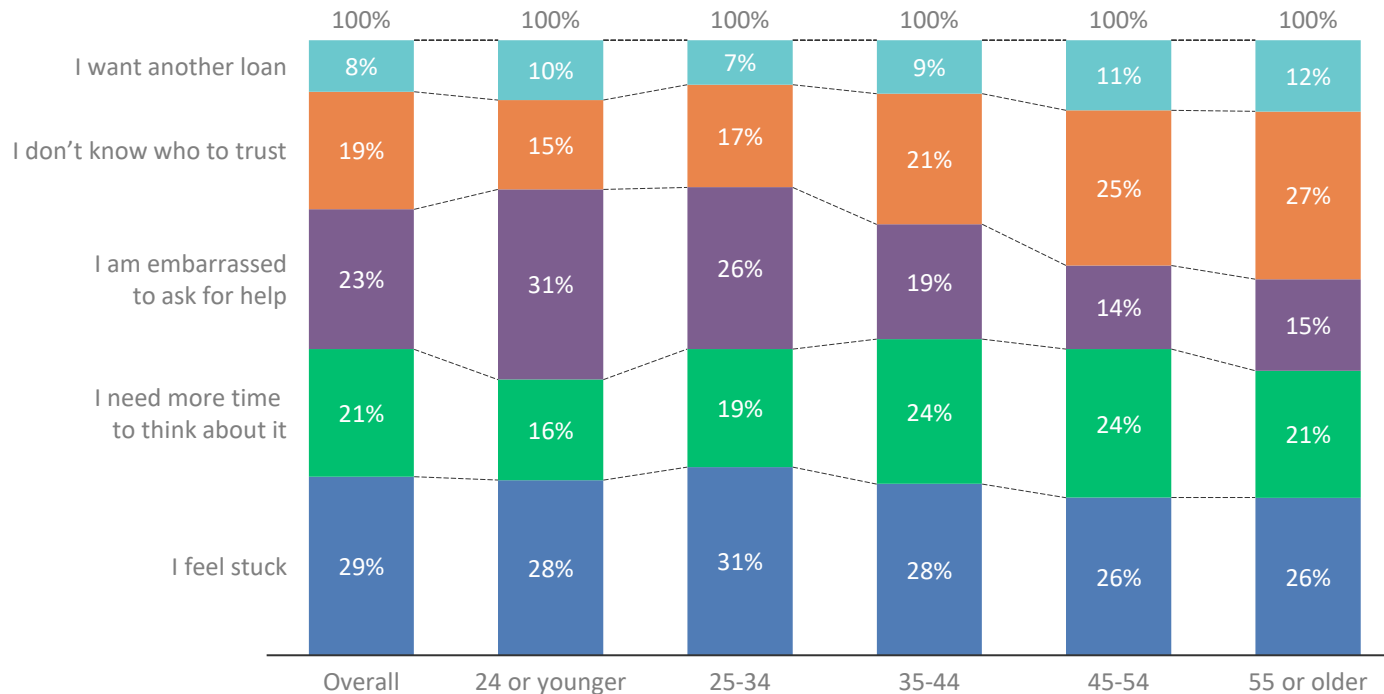


Why have you **not yet done something** to alleviate your **money stress**?



Age is definitely an important factor when it comes to reasons for lack of action: the desire to find a trustworthy helper seems more correlated with increased age.

% who chose the reasons shown, in response to “Why have you not yet done something to alleviate your money stress?”



“Feeling stuck” is the top reason for inaction with all age groups, except the youngest and oldest.

“Don’t know who to trust” is the top reason cited for inaction among those aged 55+, and its prevalence increases with age.

Under 35s are more likely to feel embarrassed, while those aged 35+ need more time to think about it.

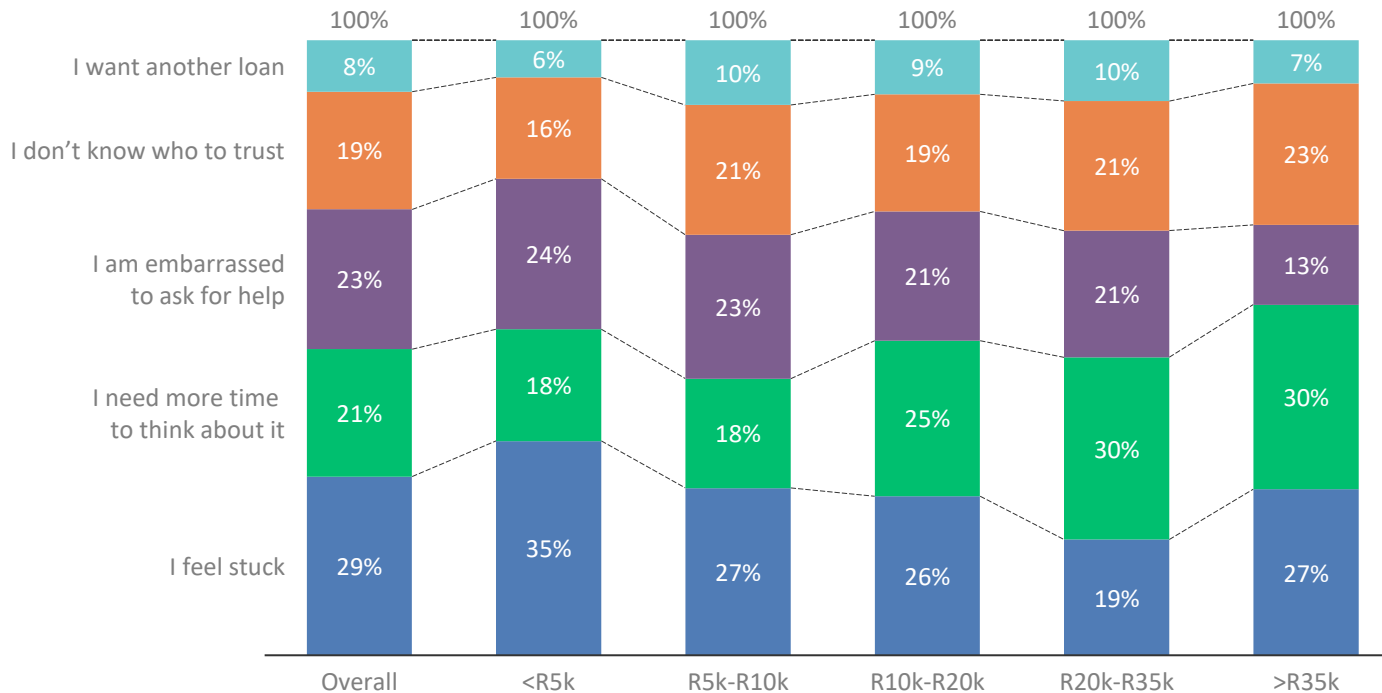
This implies the younger groups need knowledge of options, whilst age (& experience) brings an increasing lack of trust in options.

Why have you **not yet done something** to alleviate your **money stress**?



Income level also plays a huge part in lack of action: both the wish to take more time to act and not knowing who to trust appear to increase with income levels.

% who chose the reasons shown, in response to “Why have you not yet done something to alleviate your money stress?”



“Need more time to think about it” and “I don't know who to trust” both increase in line with increasing income levels. Combined, these two reasons make up 34% of lowest income band responses, whereas they make up 53% of highest income band responses.

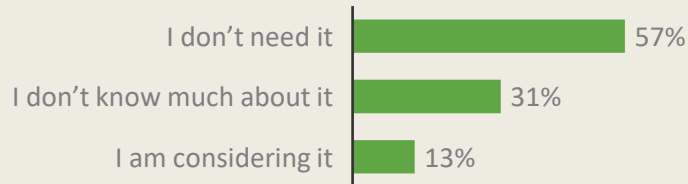
This means those earning more take longer and are less trusting when it comes to dealing with money stress issues.

Lowest income bands cite feeling stuck as the primary reason, perhaps indicating the lack of options available to them.

DebtBusters estimates that **90% of people in South Africa** who have **unsustainable levels of debt do not make use of debt counselling.**

Reluctance to admit the need is prevalent and increases with age.

Have you considered debt counselling?



Younger and lower-income respondents were more likely to say they don't know much about debt counselling; older and higher-income respondents were more likely to say they don't need it



Psychologist Andrea Kellerman says over 55s are often more concerned about retirement than paying off monthly debt. Having lived with debt for a long time, they are accustomed to the stress of managing monthly payments. The anxiety of future financial security outweighs the stress of their current situation.

“Heightened stress can lead to a ‘freeze mode’ response. In addition, hormone production decreases in 45s - 55s, and this may further diminish energy and resilience. As a result, some may find it easier to ignore their stressors and avoid confronting them, resulting in further issues in the future.”



By contrast, younger people may feel stuck. They may be more motivated and adaptable, and have better trust levels and financial knowledge than their parents, but they face other stresses. These include limited job opportunities, higher relative startup costs and a sense of demotivation regarding their prospects.”

**For further information, contact our Marketing Manager, Amelia de Milander, at:
amelia.demilander@idmgroup.co.za.**