

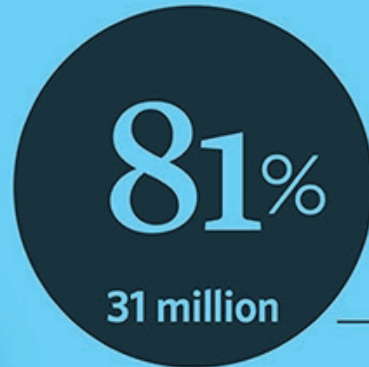
AN ECONOMY UNDER PRESSURE:



The youth remain in a precarious position and irrespective of class, there is increasing dependency



More than 80% of the population live on a day-to-day basis in the now mindset



South Africans are defined as low income



Upper income



Middle income



Lower income

Percentage of adult population by income bracket

South Africa

2016

> **1.2 million**
Earn above R30 000 per month

> **6 million**
Earn up to R30 000 per month

> **31 million**
Earn less than R6 000 per month

Saturation of the Financial Inclusion landscape - a cause for optimism or a cause for concern?

Banked (including SASSA card holders) ———
Formal other (non-bank products) ●●●●●
Informally served only ———
Not served ———



Financial Access Strand in South Africa

INCOME

The middle class source most of its income from paid work



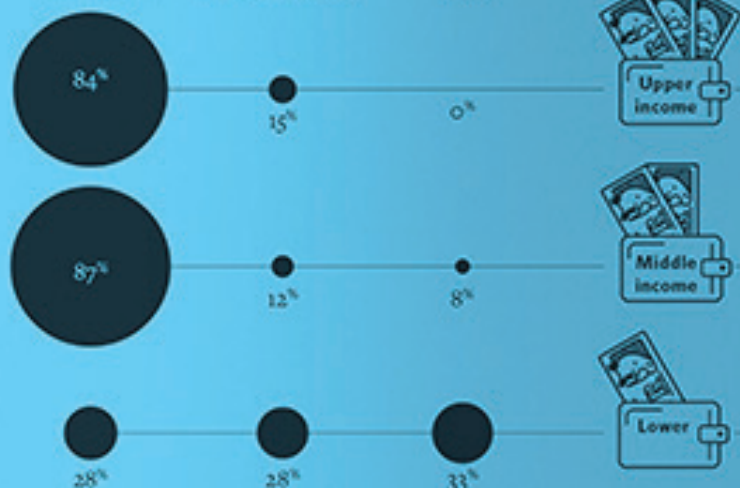
Salary/wages



Money from others



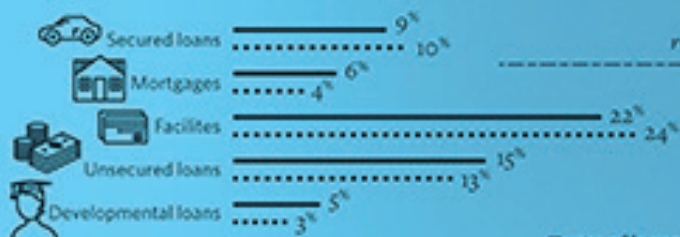
Grants



Source of income by income group

Remittances and unsecured loans are on the increase

2016 (n=5000) 2015 (n=4992)



Types of loans



Sent/received money: 36% (2016), 32% (2015)
 Did not send/receive money: 64% (2016), 68% (2015)

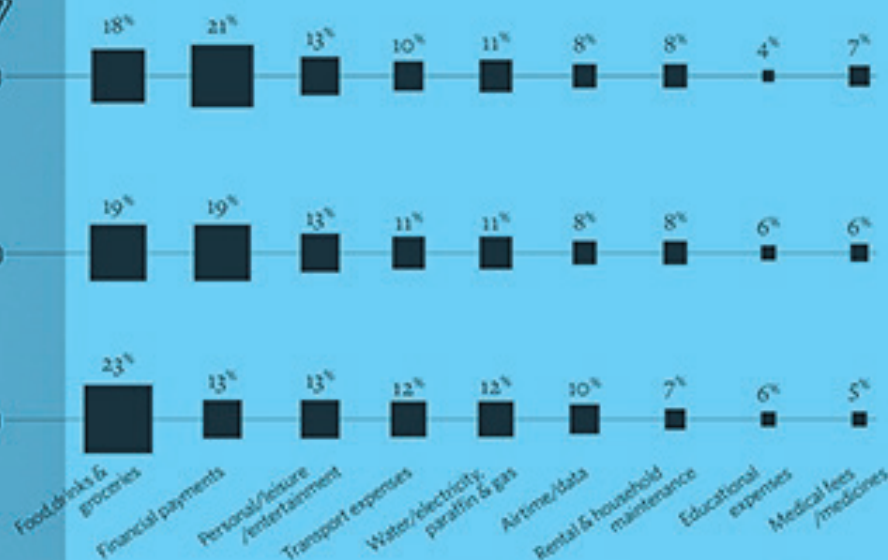
Adults who have remitted in 2015 & 2016

EXPENDITURE

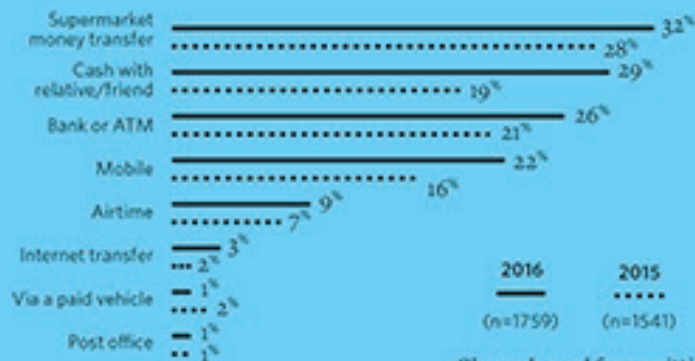
Lower income groups spend the majority of their money on food



As income increases a greater percentage is spent on financial services and medical expenses



How the three income groups spend their salary



Channels used for remitting

South Africa

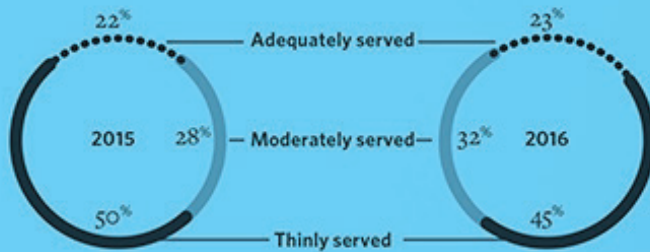
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QUALITY OF FINANCIAL INCLUSION MEASURE

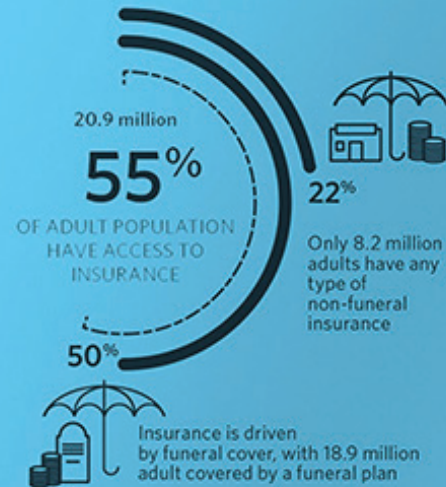


While South Africa seems to be doing well, the Quality of Financial Inclusion Measurement Indicator (Q-FIM) developed by FinMark Trust tells a different story.

The bulk of financially included adults are less than adequately served.

INSURANCE

Insurance uptake is high but mainly driven by funeral cover



Making financial markets work for the poor



FinMark Trust is a partner with the United Nations Capital Development Fund on Making Access Possible (MAP) programme. The FinScope survey is a very important tool that provides comprehensive and credible demand side data to the MAP process. In South Africa, the FinScope survey is funded by the syndicate members. They use the annual FinScope SA results to develop new products or processes and to enrich the overall objective of increasing financial inclusion in South Africa through a process of cross-learning and sharing of information.

FinScope South Africa 2016 contains a wealth of data based on a nationally representative sample of the adult population. The dataset, insights and deep dives into focal areas are available from FinMark Trust at a cost.

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