SUMMARY

# South African Household Wealth Index

## Q4 2015

momentum | UNISA university of south africa

Purposeful collaboration towards Financial Wellness in South Africa

# EXECUTIVE SUMMARY AND HIGHLIGHTS

- South African households' real net wealth decreased in 2015.
- Momentum/Unisa estimates that real household net wealth decreased to R6 287.4 billion or R6.287 trillion in the fourth quarter (Q4) of 2015 -this is R45.1 billion lower than a year before (Q4 2014).
- This decrease means that real household net wealth contracted in three of the four quarters of 2015 (following contractions in Q2 and Q3) – and ended the year at a level just above that registered in Q1 2014.
- These declines contributed to real net wealth per household decreasing to levels below that of 2013. Real net wealth per household is estimated at R379 813 in 2015 – which isR6 302 lower than the R386 115 registered in 2013.
- This was mainly due to a decline in real assets per household (that decreased to an estimated R466 948 in 2015 from R480 558 at the end of 2014) and an increase in the number of households.
- The consequence of this decline in real net wealth per household is that households will have to continue with the process of lowering their lifestyle expectations– which started in 2013. Moreover, they will be forced to review their future lifestyle expectations by adjusting their saving and retirement targets.
- If this situation of declining real net wealth per household is not reversed, a growing portion of the middle aged and middle class will turn towards the government for assistance. However, the government is already overstretched given a lack of fiscal resources and not being able to even fully assist the low income groups.
- The deterioration in the real value of household net wealth can be ascribed to the real value of household assets declining further in 2015, while their real liabilities increased.
- The main reason for the decrease in the real value of household assets can be ascribed to a reduction in the real value of financial assets in 2015. Consequently the ratio of financial assets to disposable income declined from 304.44% at the end of 2014 to 298.16% at the end of 2015. The ratio for property assets remained constant at around 103%.
- However, the real value of South African households' liabilities increased to R1 442.4 billion in Q4 2015 from R1 413.4 billion in Q4 2014. The main reason for this increase can be attributed to a strong acceleration in the pace at which households took up debt during Q4 2015.
- The increase in household debt during Q4 2015 was more likely to have been driven by strong growth in consumption expenditure on durable (cars, furniture, electronic goods, etc.) and semi-durable goods (clothing, household furnishings, vehicle accessories, etc.) than on fixed assets such as property and residential buildings.

## TABLE 1: OVERVIEW OF HOUSEHOLD WEALTH INDICATORS (QUARTERLY)

| Household wealth indicators | Q2 2015 | Q3 2015 | Direc-tion | Q4 2015 | Direc-tion |
|---|---|---|---|---|---|
| Momentum/Unisa Household liabilities (Real R' billion) | 1 423 | 1 421 | ↓ | **1 442** | ↑ |
| Momentum/Unisa Household assets (Real R' billion) | 7 847 | 7 723 | ↓ | **7 730** | ↑ |
| Momentum/Unisa Household net wealth (Real R' billion) | 6 424 | 6 302 | ↓ | **6 287** | ↓ |
| Momentum/Unisa Household liabilities to Disposable Income | 78.2 | 77.9 | ↓ | **78.9** | ↑ |
| Momentum/Unisa Household assets to Disposable Income | 431.2 | 423.5 | ↓ | **422.7** | ↓ |
| Momentum/Unisa Household net wealth to Disposable Income | 352.9 | 345.6 | ↓ | **343.9** | ↓ |
| Momentum/Unisa Household liabilities (Nominal QoQSAA %) | 7.9 | 2.3 | ↘ | **11.3** | ↗ |
| Momentum/Unisa Household assets (Nominal QoQSAA %) | 3.4 | -3.2 | ↘ | **5.3** | ↗ |
| Momentum/Unisa Household net wealth (Nominal QoQSAA %) | 2.4 | -4.4 | ↘ | **3.9** | ↗ |
| Momentum/Unisa Household liabilities (Real QoQSAA %) | -0.1 | -0.5 | ↘ | **6.1** | ↗ |
| Momentum/Unisa Household assets (Real QoQSAA %) | -4.3 | -6.2 | ↘ | **0.4** | ↗ |
| Momentum/Unisa Household net wealth (Real QoQSAA %) | -5.2 | -7.4 | ↘ | **-0.9** | ↘ |
| Household debt service costs (Nominal QoQSAA %) | 9.8 | 13.1 | ↗ | **10.6** | ↘ |

Key**:** ↘ = growing at slower pace (QoQSAA % change);↗ = growing at a faster pace (QoQSAA % change);**Red colour**= not preferred direction in terms of the pace (QoQSAA); **Green colour**= Preferred direction in terms of the pace (QoQSAA);↑ = increase and preferred; ↑increase and not preferred;↓ = decrease and preferred; ↓decrease and not preferred;↔ **=** unchanged**.**

Note: The above analysis on the preferred direction and pace is done against the prevailing economic environment – which was muted in 2015. The colour coding may therefore be different during different economic circumstances. For instance, if households' debt increases and they have a negative net saving situation, it means that they borrow money to save –hence the arrow will be up and red. However, if their debt increases and they have a positive net savings situation, the arrow will be up and green.

## 1. SOUTH AFRICAN HOUSEHOLD BALANCE SHEET

The strength or weakness of households' balance sheets as reflected by their liabilities, assets and net wealth, count among some of the most important economic indicators in South Africa. Analysis of the balance sheet provides valuable information on the sufficiency of households' savings, their retirement prospects, affordability of debt and lifestyle expectations.

Also, a strong balance sheet is needed for households to be financially well, which, in turn is essential for their resilience to deal with shocks and to contribute to economic growth. In contrast, declining or weak household net wealth makes strong economic growth and employment virtually impossible.

This household wealth report is constructed around the above-mentioned balance sheet measures, with a specific focus on 2015 and events in the fourth quarter of 2015 (Q4 2015). Additional statistics are provided in the annexure.

## 2. SOUTH AFRICAN HOUSEHOLD NET WEALTH

The real[1] value of South African households' net wealth ended 2015 at a lower level compared to 2014. Real household net wealth in Q4 2015 is estimated at R6 287.4 billion (R6.287 trillion).
This is R45.1 billion or 0.71% lower than the level registered in Q4 2014.

The declining trend in the real value of household net wealth continued in Q4 2015. Following declines in the second and third quarters of 2015, real household net wealth decreased at an annualised pace[2] of 0.91%, or R14.4 billion in Q4 2015 compared to Q3 2015. These declines mean that the real value of household net wealth was just above the level registered in Q1 2014.

A similar picture emerges when household net wealth is expressed as a percentage of disposable income of households. In Q4 2015 this ratio declined to 343.85% from 345.59% at the end of Q3 2015. It was also much lower than the 351.21% registered a year ago (in Q4 2014) and the 352.79% in Q1 2014 (see figure 1).

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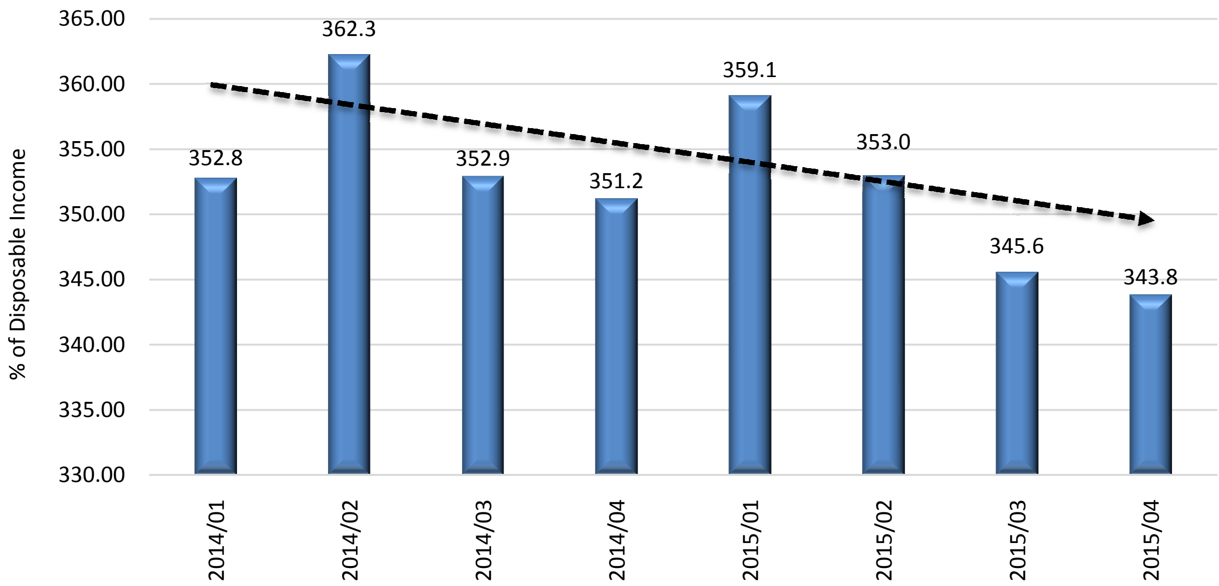
[1] A value expressed in current prices, or nominal terms, reflects the current value of household wealth. However, when expressed in constant prices, or real terms, it reflects the value in 2010 prices, meaning the value excluding price increases since 2010. The difference between current prices (nominal terms) and constant prices (real terms) is therefore the price increases from 2010 onward up to the current period. The value in constant prices (real terms) therefore indicates the "true" purchasing power value of households net wealth.

[2] The percentage change between the seasonally adjusted values of two subsequent quarters expressed in annual terms – also known as quarter over quarter seasonally adjusted and annualised (QoQSAA) percentage change. It shows what the percentage change would be if the quarterly change continued at the same pace over a period of a year.

These negative net wealth realities have serious consequences for South African households. It means that – on average – their retirement savings will not be sufficient to maintain their current living standard post-retirement, while at the same time they will be forced to cut back on their current life style expenses. In addition they need to increase their contributions to retirement funds and savings in general, while at the same time spend less on consumer goods and services.

A comparison of this ratio to that of developed countries provides further evidence of these hard realities households are facing. This comparison is important because it serves as an indication of the type of net wealth that is needed to finance a good living standard. In Q1 2015 the ratio was 686.04% in the Euro area and 629.38% in the United States of America – almost twice the ratio in South Africa. This among others means that the value of South African households investments in retirement funds need to more than double from current levels to come close to these countries' net wealth ratios.

## FIGURE 1: HOUSEHOLD NET WEALTH AS A PERCENTAGE OF DISPOSABLE INCOME




Sources: Momentum/Unisa; South African Reserve Bank Quarterly Bulletin March 2016; International Monetary Fund: World Economic Outlook

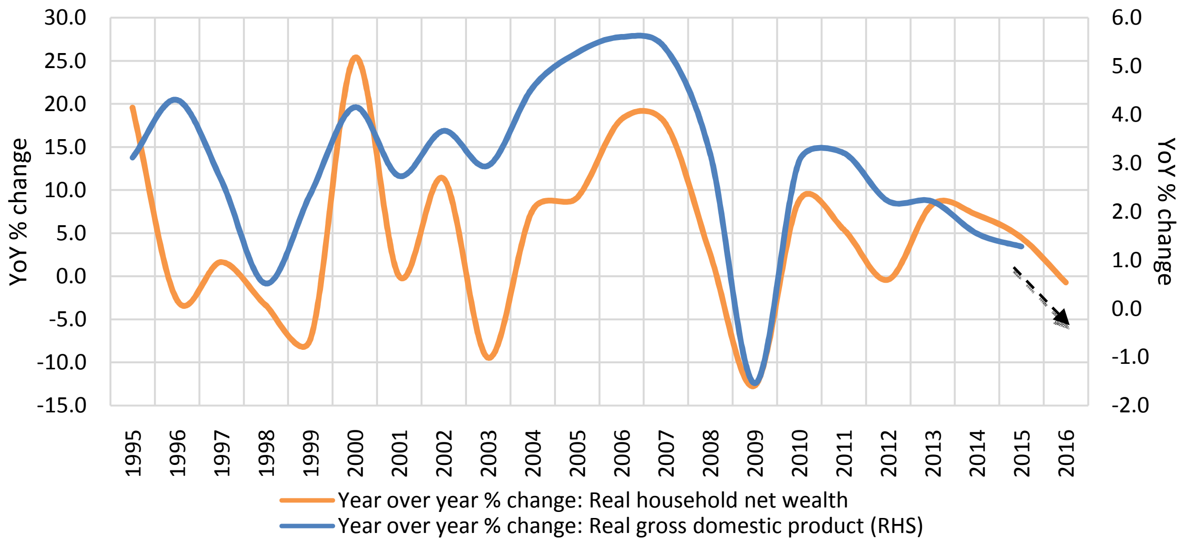
One of the reasons for this comparatively weak situation in South Africa is the unequal distribution of income that makes it difficult for the majority of households to accumulate wealth. As such they find it difficult to afford financial- and property assets with income or loans and also lack the opportunity to acquire these assets.

Weak household net wealth growth or a decline therein, is also bad news for a country's economic growth prospects. Analyses have shown a strong bidirectional co-integrated and causal relationship between the level of real household net wealth and the level of real gross domestic product (GDP).

On average a 1% change in the level of real household net wealth is associated with a 0.6% change in the level of real GDP over the long term.

In addition, the change in real net wealth is leading the change in real GDP by about one year. This means that as real household net wealth declined by 0.71% in Q4 2015 compared to a year before, it is very likely that real GDP growth will be much lower in 2016 compared to the 1.3% registered in 2015 (see figure 2).

### FIGURE 2: REAL HOUSEHOLD NET WEALTH AND GROSS DOMESTIC PRODUCT - YEAR OVER YEAR PERCENTAGE CHANGE (YoY % CHANGE)




Note: In the figure above household net wealth is leading GDP by one year.

Sources: Momentum/Unisa own calculations; South African Reserve Bank Quarterly Bulletin March 2016.

This suggests that for economic growth to increase at a higher rate, an increase in household net wealth is necessary. This would require more prudent use of household debt (to build assets rather than for consumption), an increase in compulsory and discretionary savings, asset accumulation and a larger return on assets - where the latter is also dependent on faster economic growth.

The above requirements did not happen in 2015, hence the decline in the real value of households' net wealth (and economic growth). In this respect the main reason for the decline in the value of real net wealth of households can be ascribed to an increase in the value of real household liabilities, while that of real household assets decreased. The performance of household debt/liabilities and household assets will be analysed in the following two sections.

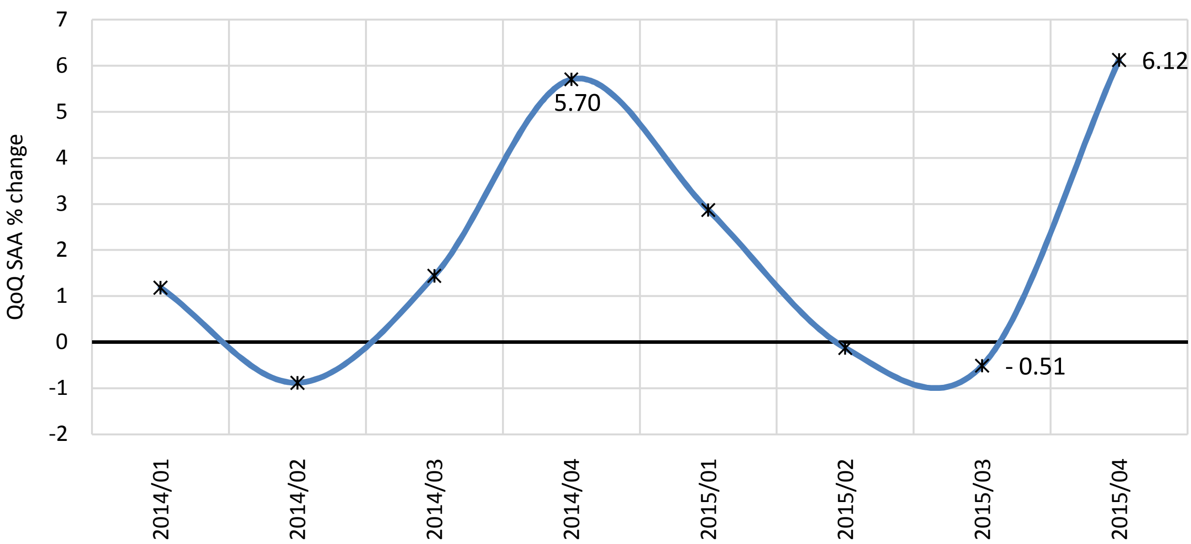
## 3. SOUTH AFRICAN HOUSEHOLD LIABILITIES

During 2015 households were confronted by a gradual deteriorating economic environment that impacted their lending behaviour. This includes slow employment and income growth, higher taxes, an increase of 50 basis points in interest rates (following a 75 basis point increase in 2014) and accelerating price increases towards the end of the year - that all negatively affected the purchasing power of income.

These and other factors contributed to the real value of South African households' liabilities[3]increasing to R1 442.4 billion in Q4 2015 from R1 413.4 billion in Q4 2014. This represents an increase of 2.1%.

The main reason for this increase can be attributed to a strong acceleration in the pace at which households took up debt during Q4 2015. Between Q3 2015 and Q4 2015 the real annualised increase was 6.12% - following two consecutive quarters of decreases (see figure 3). Although strong increases in debt during the fourth quarter is a seasonal phenomenon, the pace of increase in Q4 2015 was stronger than the 5.70% registered in Q4 2014– as figure 3 shows – suggesting a stronger demand for debt.

### FIGURE 3: REAL HOUSEHOLD LIABILITIES ACCELERATED STRONGLY IN Q4 2015




Source: Momentum/UNISA calculations. South African Reserve Bank Quarterly Bulletin March 2016.

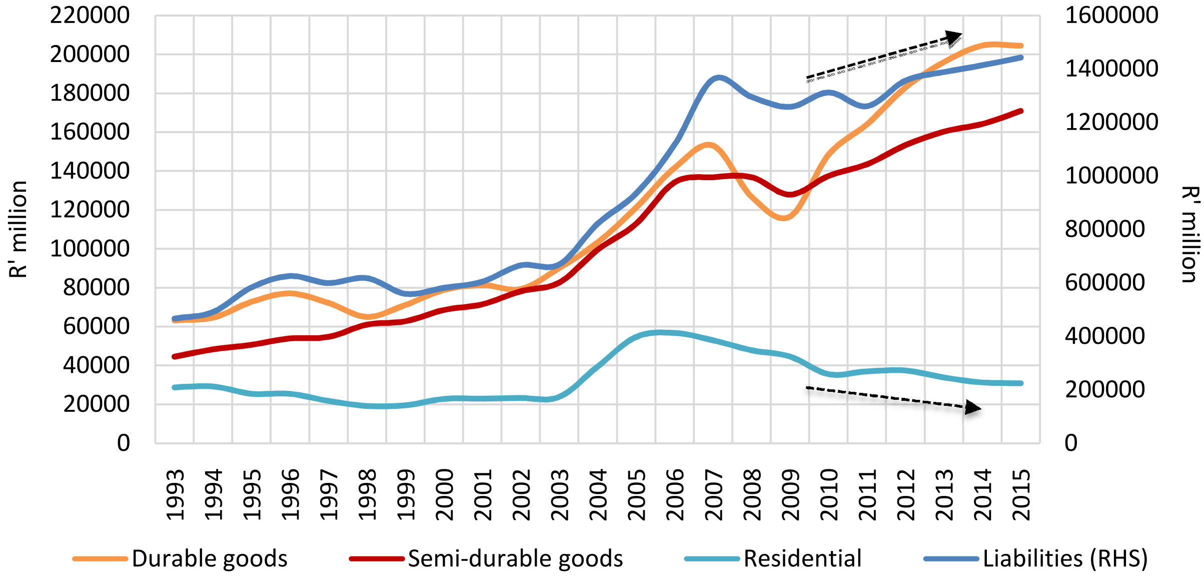
The strong growth in the real value of household liabilities contributed to the ratio of household debt to disposable income increasing further to 78.88% in Q4 2015 from 78.39% in Q4 2014. However, when analysing the pace of growth, it was clear that households were deleveraging at a steady pace.

[3]Consisting of outstanding debts, e.g. loans/credit and unpaid accounts.

Household debt was contracting while disposable income was increasing thus contributing to the debt to disposable income ratio decreasing from 78.39% in Q4 2014 to 77.94% in Q3 2015. A stronger increase in the pace at which households incurred debt during Q4 2015 (6.12%) was the main reason for the debt to disposable income ratio increasing from 77.94% in Q3 2015 to 78.88% in Q4 2015.

The increase in household debt during Q4 2015 was unfortunately more likely to have been driven by strong growth in consumption expenditure on durable (cars, furniture, electronic goods, etc.) and semi-durable goods (clothing, household furnishings, vehicle accessories, etc.) than on fixed assets such as property and residential buildings. Purchases of durable goods accelerated at an annualised pace of 3.45% in Q4 2015 (following a contraction of 4.91% in Q3 2015), while semi-durable goods were acquired at an annualised pace of 5.14% in Q4 2015 (following an increase of 4.27% in Q3 2015). In contrast, the outlays on residential buildings *contracted* at a pace of 4.0% in Q4 2015 (see figure 4).

## FIGURE 4: HOUSEHOLD LIABILITIES NOT DRIVEN BY RESIDENTIAL ASSET ACCUMULATION




Source: Momentum/UNISA calculations.South African Reserve Bank Quarterly Bulletin March 2016.

The above clearly shows that South African households are borrowing money to acquire consumption goods rather than to accumulate assets (invest in property and buildings) - and as such provides one explanation for their net wealth being in such poor state.

## 4. SOUTH AFRICAN HOUSEHOLD ASSETS

A wide variety of factors impacted the real value of South African households' assets during 2015. This includes weaker international economic growth; even weaker South African economic growth; the (mentioned) increase in interest rates; a depreciating exchange rate and volatile financial markets. This contributed to the real value of household assets[4] *decreasing* by R16.1 billion to R7 729.8 billion at the end of 2015. This is 0.21% lower compared to the end of 2014.

The main reason for the decrease in the real value of household assets can be ascribed to a reduction in the real value of financial assets that declined by an estimated 0.68% in 2015 compared to 2014. As the real value of property assets increased by 1.82%, it contributed to financial assets' share of total assets shrinking in 2015 compared to 2014 (see table 2).

### TABLE 2: PROPERTY- AND FINANCIAL ASSETS: PERCENTAGE OF TOTAL ASSETS (2010 prices)

| | Property assets | Financial assets |
|---|---|---|
| 2011 | 26.83 | 67.21 |
| 2012 | 25.45 | 69.00 |
| 2013 | 24.45 | 70.17 |
| 2014 | 23.92 | 70.87 |
| 2015 | 24.41 | 70.53 |

Source: Momentum/UNISA calculations. South African Reserve Bank Quarterly Bulletin March 2016.

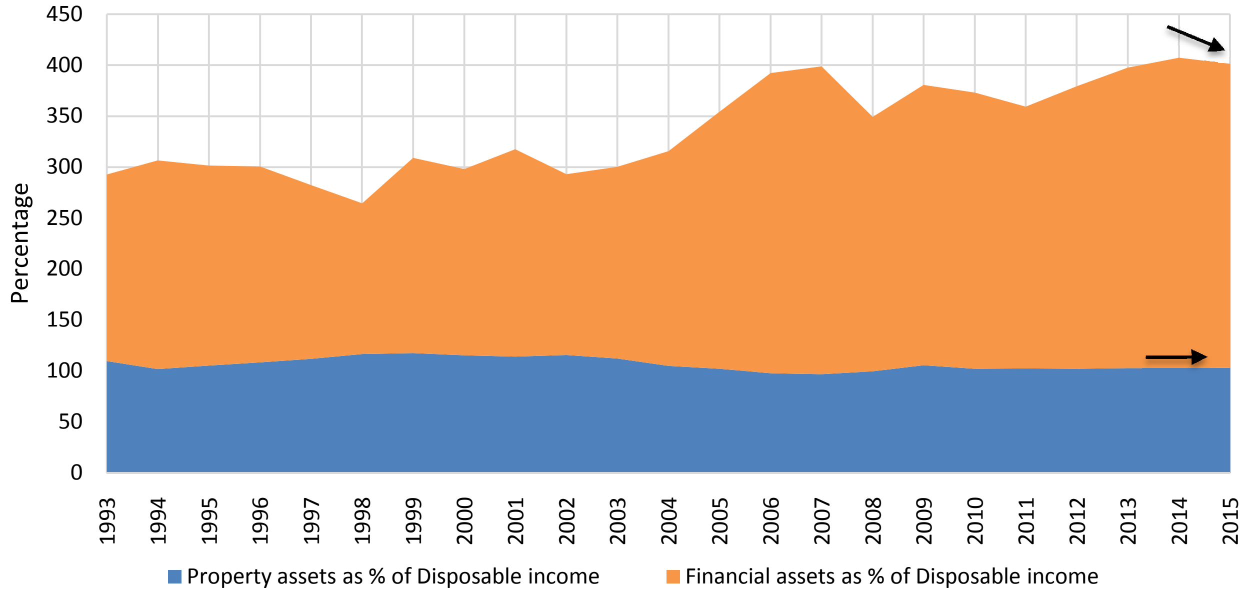
The value of financial assets also declined as a percentage of households' disposable income – partly because the real value of disposable income increased by more than the real value of financial assets, but also because financial assets yielded a negative real return in 2015. Figure 5 shows that the ratio of financial assets to disposable income declined from 304.44% at the end of 2014 to 298.16% a year later, while that of property assets remained constant at around 103%. As financial assets comprised 70.53% of total assets, its negative performance contributed to the ratio of total assets to disposable income declining to 422.73% at the end of 2015 from 429.59% a year before.

However, the performance of household assets could have been worse had it not been for a marginal improvement in Q4 2015. The real value of household assets increased at an annualised rate of 0.36% in Q4 2015, thereby breaking the trend of two consecutive quarters of contraction (-4.34% in Q2 2015 and -6.17% in Q3 2015).

[4]Household assets are dominated by financial assets. Financial assets mainly consist of investments, which in turn is dominated by contributions to retirement funds. In the non-financial assets category, residential property is the largest asset category and also the second largest category after households' interests in retirement funds.

Two reasons for the slight improvement in the real value of household assets during Q4 2015 are the moderate increase in the prices of listed shares (a large portion of financial assets, especially retirement fund contributions, is invested in listed shares) and the increase in interest rates on deposits. Following two quarters of losses the JSE All Share Index (ALSI) increased at an annualised pace of 4.02% (in real terms) between Q3 2015 and Q4 2015 - and ended the year at 50 693.76 points. The interest rate on up to 32 days' notice deposits increased from 5.47% at the end of Q3 2015 to 5.75% and that of 12 month fixed deposits from 6.35% to 6.47%.

## FIGURE 5: FINANCIAL- AND PROPERTY ASSETS AS PERCENTAGE OF DISPOSABLE INCOME




Source: Momentum/UNISA calculations. South African Reserve Bank Quarterly Bulletin March 2016

Another factor preventing financial assets from an even worse decline is the real increase in contributions to retirement funds and products. Contributions to public and private retirement funds, and to annuities increased by 1.43% to R159.6 billion compared to 2014.

As for non-financial assets, new investments in residential property declined in real terms during 2015. However, the real value of residential property assets received support from valuations and an increase in house prices – in real terms the ABSA House Price Index was up by 0.64% compared to 2014.

In sum, all types of household assets experienced huge pressure during 2015 and did not deliver the performance needed by households to improve their living standard and financial wellness.

## 5. SOUTH AFRICAN HOUSEHOLD NET WEALTH PER HOUSEHOLD

As described in the preceding sections, the decline in the real value of household assets, coupled with the increase in real household liabilities, contributed to the decrease in the real value of household net wealth during 2015 (see table 3).

**TABLE 3: DECLINE IN THE VALUE OF HOUSEHOLD ASSETS CONTRIBUTES TO LOWER HOUSEHOLD NET WEALTH (R' MILLION – 2010 prices)**

| | Liabilities | Assets | Net wealth |
|---|---|---|---|
| 2011 | 1 260 172 | 6 481 301 | 5 221 129 |
| 2012 | 1 355 914 | 7 013 025 | 5 657 111 |
| 2013 | 1 387 938 | 7 448 487 | 6 060 549 |
| 2014 | 1 413 388 | 7 745 901 | 6 332 513 |
| **2015** | **1 442 434** | **7 729 850** | **6 287 416** |

Source: Momentum/UNISA calculations. South African Reserve Bank Quarterly Bulletin March 2016.

As the number of households increased, it also means that household real net wealth per household declined. In fact real household net wealth per household declined lower than 2013 levels. Real net wealth per household decreased sharply to an estimated R379 813 at the end of 2015 and was lower than the R386 115 at the end of 2013. This decrease occurred despite real liabilities per household declining - as real assets per household decreased sharply to an estimated R466 948 during 2015 from R480 558 at the end of 2014.

This is worrisome as real net wealth per household is supposed to be increasing opposed to declining. If this trend is not reversed, more people will turn towards the government for assistance, which is not affordable. Therefore it has become imperative for policies to create an enabling environment where more households can save towards asset accumulation and for the economy to grow.

## 6. CONCLUSION

The financial wellness prospects of households were dealt a huge blow in 2015 as a result of a decrease in the value of their real net wealth.

Real liabilities continued to increase while the real value of their assets decreased. This means that they will be forced to lower their lifestyle expectations and review their financial goals. Should economic and political conditions not improve, the current middle aged population and middle class will on average have insufficient funding to retire with. Such outcome will increase their dependence on friends and family members to assist, but the chances of this happening are slim as even they are experiencing similar financial pressures.

The consequence is that if something is not done urgently to support wealth building, the middle aged and middle class will turn to the government for assistance – who is not able to even fully assist the lower income groups as a result of limited fiscal resources.

ENDS

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### END NOTES

Household net wealth consists of household assets minus household liabilities. By analysing the changes and levels of South African households' net wealth, liabilities and assets, Momentum/Unisa attempts to develop outcome-based measures that can be useful to policy makers, companies, financial advisors and households in the quest to improve the financial wellness of South African individuals and households.

Such outcome-based measures include, among others, the following:

- identification of the variables that affect and drive the value of household liabilities, assets and net wealth;
- estimating the levels of and changes in household liabilities, assets and net wealth; and
- constantly developing new indicators that can assist in gauging whether households' financial situation is improving or deteriorating.

To estimate the level, change in and drivers of households' liabilities, assets and net wealth, an econometric model was developed using the South African Reserve Bank's (SARB) estimates of these variables as benchmark.  The financial ratios were estimated from the Momentum/Unisa estimates of the household balance sheet, as well as statistics from the National Credit Regulator and Statistics South Africa (Stats SA).

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## ANNEXURE

**TABLE A1: MOMENTUM/UNISA HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH INDICES: QUARTERLY NOMINAL SEASONALLY ADJUSTED AND ANNUALISED (SAA): 2010 = 100**

| Quarter | HH Liabilities SAA | HH Assets SAA | HH Net Wealth SAA |
|---|---|---|---|
| 2010 Q1 | 97.47 | 98.16 | 98.66 |
| 2010 Q2 | 100.41 | 95.82 | 94.96 |
| 2010 Q3 | 104.81 | 101.70 | 101.24 |
| 2010 Q4 | 102.46 | 104.32 | 105.14 |
| 2011 Q1 | 104.62 | 105.73 | 106.37 |
| 2011 Q2 | 108.17 | 107.16 | 107.25 |
| 2011 Q3 | 110.58 | 105.61 | 104.69 |
| 2011 Q4 | 105.50 | 110.59 | 112.27 |
| 2012 Q1 | 107.11 | 113.41 | 115.40 |
| 2012 Q2 | 110.43 | 115.17 | 116.76 |
| 2012 Q3 | 114.50 | 119.75 | 121.49 |
| 2012 Q4 | 120.50 | 127.03 | 129.12 |
| 2013 Q1 | 120.97 | 128.93 | 131.41 |
| 2013 Q2 | 123.17 | 129.03 | 130.96 |
| 2013 Q3 | 125.66 | 137.03 | 140.40 |
| 2013 Q4 | 129.38 | 141.51 | 145.09 |
| 2014 Q1 | 132.09 | 148.31 | 152.97 |
| 2014 Q2 | 133.44 | 153.94 | 159.71 |
| 2014 Q3 | 135.48 | 153.08 | 158.10 |
| 2014 Q4 | 138.68 | 154.90 | 159.57 |
| 2015 Q1 | 139.84 | 158.87 | 164.28 |
| 2015 Q2 | 142.55 | 160.21 | 165.28 |
| 2015 Q3 | 143.49 | 158.92 | 163.41 |
| 2015 Q4 | 147.40 | 160.99 | 165.01 |

Source: Momentum/Bureau of Market Research at Unisa: Own calculations.

**TABLE A2: MOMENTUM/UNISA HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH AS PERCENTAGE OF DISPOSABLE INCOME: QUARTERLY SEASONALLY ADJUSTED AND ANNUALISED (SAA)**

| Quarter | Liabilities (SAA) to Disposable Income | Assets (SAA) to Disposable Income | Net Wealth (SAA) to Disposable Income |
|---|---|---|---|
| 2010 Q1 | 81.57 | 403.01 | 321.45 |
| 2010 Q2 | 82.22 | 384.99 | 302.77 |
| 2010 Q3 | 83.73 | 398.63 | 314.90 |
| 2010 Q4 | 79.56 | 397.44 | 317.89 |
| 2011 Q1 | 79.52 | 394.31 | 314.79 |
| 2011 Q2 | 79.74 | 387.58 | 307.84 |
| 2011 Q3 | 79.81 | 373.98 | 294.17 |
| 2011 Q4 | 74.26 | 381.92 | 307.66 |
| 2012 Q1 | 74.59 | 387.48 | 312.89 |
| 2012 Q2 | 75.21 | 384.84 | 309.63 |
| 2012 Q3 | 76.17 | 390.87 | 314.70 |
| 2012 Q4 | 77.64 | 401.54 | 323.91 |
| 2013 Q1 | 77.04 | 402.90 | 325.86 |
| 2013 Q2 | 77.16 | 396.61 | 319.44 |
| 2013 Q3 | 77.36 | 413.90 | 336.54 |
| 2013 Q4 | 78.29 | 420.13 | 341.85 |
| 2014 Q1 | 78.24 | 431.03 | 352.79 |
| 2014 Q2 | 77.73 | 439.99 | 362.26 |
| 2014 Q3 | 77.67 | 430.61 | 352.93 |
| 2014 Q4 | 78.39 | 429.59 | 351.21 |
| 2015 Q1 | 78.51 | 437.62 | 359.11 |
| 2015 Q2 | 78.19 | 431.16 | 352.97 |
| 2015 Q3 | 77.94 | 423.52 | 345.59 |
| 2015 Q4 | 78.88 | 422.73 | 343.85 |

Source: Momentum/Bureau of Market Research at Unisa: Own calculations.

**TABLE A3: MOMENTUM/UNISA HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: REAL (2010 prices) QUARTER OVER QUARTER SEASONALLY ADJUSTED AND ANNUALISED PERCENTAGE CHANGE (QoQSAA % CHANGE)**

| Quarter | Liabilities | Assets | Net Wealth |
|---|---|---|---|
| 2010 Q1 | 8.61 | 7.64 | 7.40 |
| 2010 Q2 | 8.23 | -12.70 | -17.49 |
| 2010 Q3 | 14.48 | 22.37 | 24.58 |
| 2010 Q4 | -12.08 | 6.57 | 11.99 |
| 2011 Q1 | 3.50 | 0.49 | -0.25 |
| 2011 Q2 | 5.48 | -2.66 | -4.64 |
| 2011 Q3 | 2.48 | -11.46 | -14.82 |
| 2011 Q4 | -23.88 | 10.46 | 21.51 |
| 2012 Q1 | 2.73 | 6.93 | 7.97 |
| 2012 Q2 | 6.27 | 0.01 | -1.44 |
| 2012 Q3 | 9.70 | 10.96 | 11.26 |
| 2012 Q4 | 11.91 | 15.52 | 16.40 |
| 2013 Q1 | -0.84 | 3.64 | 4.73 |
| 2013 Q2 | 2.39 | -4.45 | -6.02 |
| 2013 Q3 | 2.31 | 20.13 | 24.76 |
| 2013 Q4 | 5.69 | 6.97 | 7.26 |
| 2014 Q1 | 1.18 | 12.37 | 15.06 |
| 2014 Q2 | -0.88 | 10.47 | 13.11 |
| 2014 Q3 | 1.44 | -6.66 | -8.34 |
| 2014 Q4 | 5.70 | 0.95 | -0.08 |
| 2015 Q1 | 2.87 | 10.09 | 11.76 |
| 2015 Q2 | -0.12 | -4.34 | -5.24 |
| 2015 Q3 | -0.51 | -6.17 | -7.39 |
| 2015 Q4 | 6.12 | 0.36 | -0.91 |

Source: Momentum/Bureau of Market Research at Unisa: Own calculations.

**TABLE A4: MOMENTUM/UNISA HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: REAL YEAR OVER YEAR PERCENTAGE CHANGE (YoY % CHANGE)**

| Quarter | Liabilities | Assets | Net Wealth |
|---|---|---|---|
| 2010 Q1 | -3.37 | 11.54 | 16.09 |
| 2010 Q2 | 2.69 | 6.47 | 7.54 |
| 2010 Q3 | 7.68 | 7.65 | 7.64 |
| 2010 Q4 | 4.29 | 5.22 | 5.45 |
| 2011 Q1 | 3.05 | 3.42 | 3.52 |
| 2011 Q2 | 2.39 | 6.28 | 7.33 |
| 2011 Q3 | -0.41 | -1.98 | -2.40 |
| 2011 Q4 | -3.94 | -1.10 | -0.39 |
| 2012 Q1 | -4.12 | 0.45 | 1.60 |
| 2012 Q2 | -3.94 | 1.13 | 2.44 |
| 2012 Q3 | -2.29 | 7.00 | 9.52 |
| 2012 Q4 | 7.60 | 8.20 | 8.35 |
| 2013 Q1 | 6.65 | 7.36 | 7.53 |
| 2013 Q2 | 5.66 | 6.14 | 6.26 |
| 2013 Q3 | 3.84 | 8.27 | 9.34 |
| 2013 Q4 | 2.36 | 6.21 | 7.13 |
| 2014 Q1 | 2.88 | 8.38 | 9.68 |
| 2014 Q2 | 2.05 | 12.38 | 14.88 |
| 2014 Q3 | 1.83 | 5.51 | 6.36 |
| 2014 Q4 | 1.83 | 3.99 | 4.49 |
| 2015 Q1 | 2.25 | 3.46 | 3.73 |
| 2015 Q2 | 2.45 | -0.19 | -0.76 |
| 2015 Q3 | 1.95 | -0.06 | -0.50 |
| 2015 Q4 | 2.06 | -0.21 | -0.71 |

Source: Momentum/Bureau of Market Research at Unisa: Own calculations.

**TABLE A5: MOMENTUM/UNISA HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: REAL SEASONALLY ADJUSTED AND ANNUALISED ESTIMATES (R' billion)**

| Quarter | Liabilities | Assets | Net Wealth |
|---|---|---|---|
| 2010 Q1 | 1 284 033 | 6 344 250 | 5 060 216 |
| 2010 Q2 | 1 309 675 | 6 132 450 | 4 822 775 |
| 2010 Q3 | 1 354 722 | 6 449 916 | 5 095 194 |
| 2010 Q4 | 1 311 816 | 6 553 331 | 5 241 515 |
| 2011 Q1 | 1 323 163 | 6 561 377 | 5 238 214 |
| 2011 Q2 | 1 340 920 | 6 517 350 | 5 176 430 |
| 2011 Q3 | 1 349 151 | 6 322 078 | 4 972 928 |
| 2011 Q4 | 1 260 172 | 6 481 301 | 5 221 129 |
| 2012 Q1 | 1 268 683 | 6 590 825 | 5 322 142 |
| 2012 Q2 | 1 288 131 | 6 591 064 | 5 302 932 |
| 2012 Q3 | 1 318 299 | 6 764 614 | 5 446 315 |
| 2012 Q4 | 1 355 914 | 7 013 025 | 5 657 111 |
| 2013 Q1 | 1 353 054 | 7 075 941 | 5 722 887 |
| 2013 Q2 | 1 361 079 | 6 995 888 | 5 634 808 |
| 2013 Q3 | 1 368 859 | 7 324 079 | 5 955 220 |
| 2013 Q4 | 1 387 938 | 7 448 487 | 6 060 549 |
| 2014 Q1 | 1 392 028 | 7 668 869 | 6 276 841 |
| 2014 Q2 | 1 388 955 | 7 862 081 | 6 473 126 |
| 2014 Q3 | 1 393 929 | 7 727 680 | 6 333 751 |
| 2014 Q4 | 1 413 388 | 7 745 901 | 6 332 513 |
| 2015 Q1 | 1 423 414 | 7 934 385 | 6 510 971 |
| 2015 Q2 | 1 422 972 | 7 846 855 | 6 423 883 |
| 2015 Q3 | 1 421 163 | 7 722 979 | 6 301 817 |
| 2015 Q4 | 1 442 434 | 7 729 850 | 6 287 416 |

Source: Momentum/Bureau of Market Research at Unisa: Own calculations.

**TABLE A6: MOMENTUM/UNISA HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: ANNUAL VALUES AT YEAR END EXPRESSED IN CURRENT PRICES**

| | Liabilities | Assets | Net Wealth |
|---|---|---|---|
| 1993 | 151 322 | 911 914 | 757 816 |
| 1994 | 175 527 | 1 177 014 | 998 980 |
| 1995 | 221 532 | 1 254 512 | 1 032 396 |
| 1996 | 261 710 | 1 421 560 | 1 155 655 |
| 1997 | 268 438 | 1 455 543 | 1 195 195 |
| 1998 | 295 050 | 1 475 845 | 1 181 117 |
| 1999 | 285 771 | 1 867 089 | 1 584 561 |
| 2000 | 320 152 | 2 026 482 | 1 707 197 |
| 2001 | 349 501 | 2 342 876 | 1 996 069 |
| 2002 | 432 449 | 2 462 632 | 2 030 682 |
| 2003 | 446 866 | 2 693 712 | 2 247 854 |
| 2004 | 590 570 | 3 234 891 | 2 639 604 |
| 2005 | 704 104 | 3 981 111 | 3 270 559 |
| 2006 | 873 836 | 4 869 579 | 3 994 934 |
| 2007 | 1 150 709 | 5 572 189 | 4 425 663 |
| 2008 | 1 196 096 | 5 417 649 | 4 220 841 |
| 2009 | 1 232 308 | 6 095 132 | 4 869 948 |
| 2010 | 1 330 139 | 6 632 086 | 5 314 727 |
| 2011 | 1 369 666 | 7 033 930 | 5 674 783 |
| 2012 | 1 564 367 | 8 074 158 | 6 526 813 |
| 2013 | 1 679 583 | 8 988 257 | 7 334 046 |
| 2014 | 1 800 305 | 9 834 931 | 8 066 045 |
| 2015 | 1 913 500 | 10 254 242 | 8 340 742 |

Source: Momentum/Bureau of Market Research at Unisa: Own calculations.

## TABLE A7: VARIOUS INDICATORS: YEAR END

| | Real Net Wealth per person | Solvency ratio[1] | Debt repayment (instalment)[2] as % of income[3] | Contributions to retirement funds[4] as % of income[3] | Bank deposits as % of income[3] |
|---|---|---|---|---|---|
| 2009 | 98 539 | 4.95 | 22.09 | 6.76 | 2.62 |
| 2010 | 102 397 | 4.99 | 20.06 | 7.07 | 2.54 |
| 2011 | 100 486 | 5.14 | 20.02 | 6.83 | 2.56 |
| 2012 | 107 231 | 5.16 | 20.82 | 6.91 | 2.60 |
| 2013 | 113 108 | 5.35 | 22.57 | 7.21 | 2.64 |
| 2014 | 116 328 | 5.46 | 22.87 | 7.30 | 2.85 |
| 2015 | 113 653 | 5.36 | 23.60 | 7.20 | 3.01 |

Source: Momentum/Bureau of Market Research at Unisa: South African Reserve Bank Quarterly Bulletins; National Credit Regulator.

1) The number of times assets exceed liabilities.
2) Capital, interest and costs. Developmental loans included from 2013.
3) Total income after tax available for spending and saving.
4) Employer and employee contributions to official and private retirement funds and to annuities.