



Money-Stress Tracker

2nd Annual Large-Scale Survey

July 2023



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

With over **35 000 responses***, this is one of the **largest surveys** ever done in South Africa about how financial stress impacts other aspects of life.

More than three respondents out of four **admitted to Money-Stress**, a **~12% increase** over last year's Tracker.

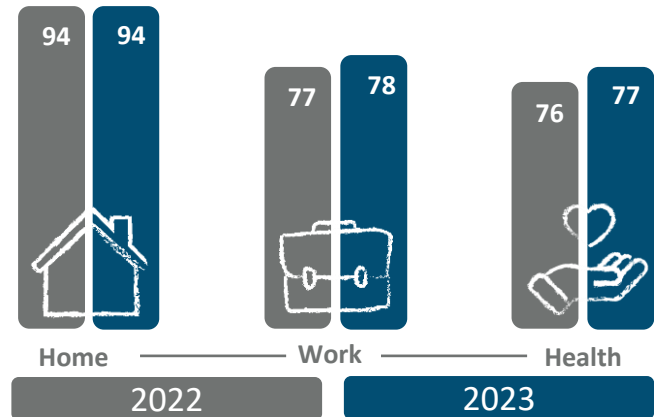
The **women surveyed** once again seemed generally **more stressed** about their **finances, home, and work life**, than their male counterparts.



4 out of 5 female respondents said they suffered financial stress



Of these, **94%** felt this was impacting their home life and **78%** their work life. **77%** believed it was affecting their health.



* Respondents are not in debt counselling

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



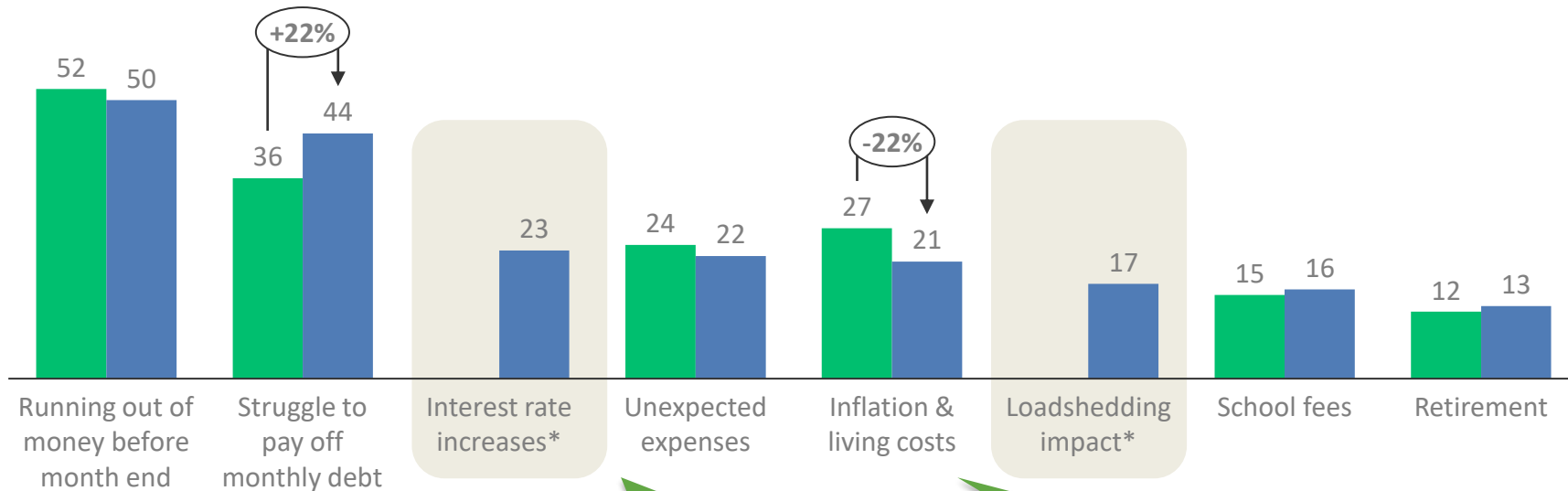
Short term concerns dominate the landscape, however more worry about having enough to pay their monthly **debt repayments compared to 2022**.

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

Average

2022
2023

Became prevalent in 2023



Compared to 2022, more are concerned about how to make debt repayments

Interest rate impact has become one of the top three concerns

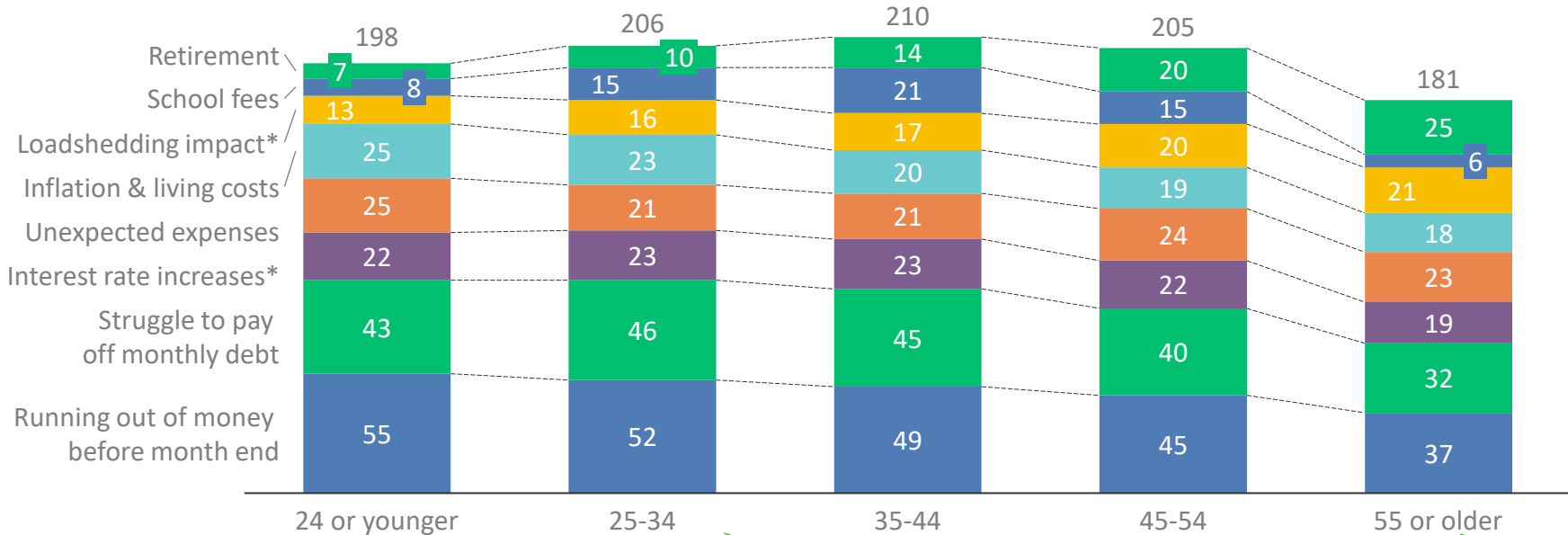
Compared to 2022, fewer are concerned about inflation

* New concerns for 2023

What are the main concerns when it comes to finances?

Age groups tell a different story...

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



Biggest concern is running out of money

Most concerned group about paying off debt at end of month

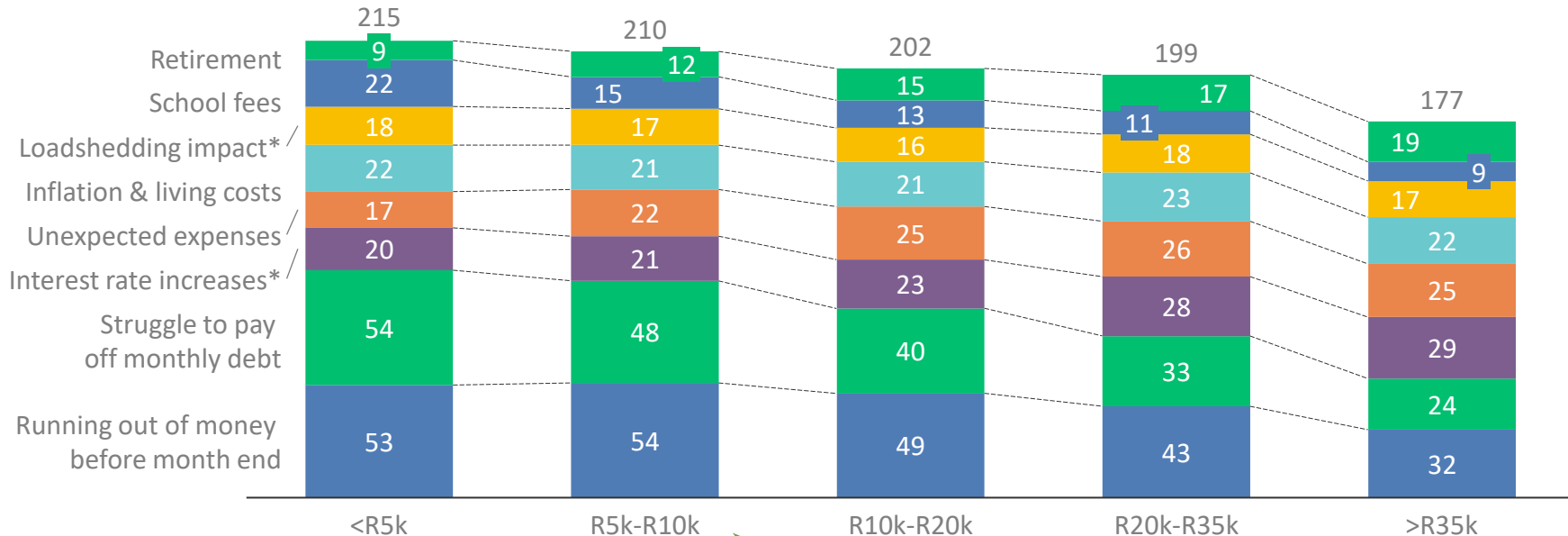
Most concerned group about retirement and loadshedding; however running out of money each month is their biggest concern, like all groups

* New concerns for 2023

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; that is why total could add up to more than 100%)
Split by net income per month group



Most concerned group about paying towards debt and school fees

Most concerned about running out of money

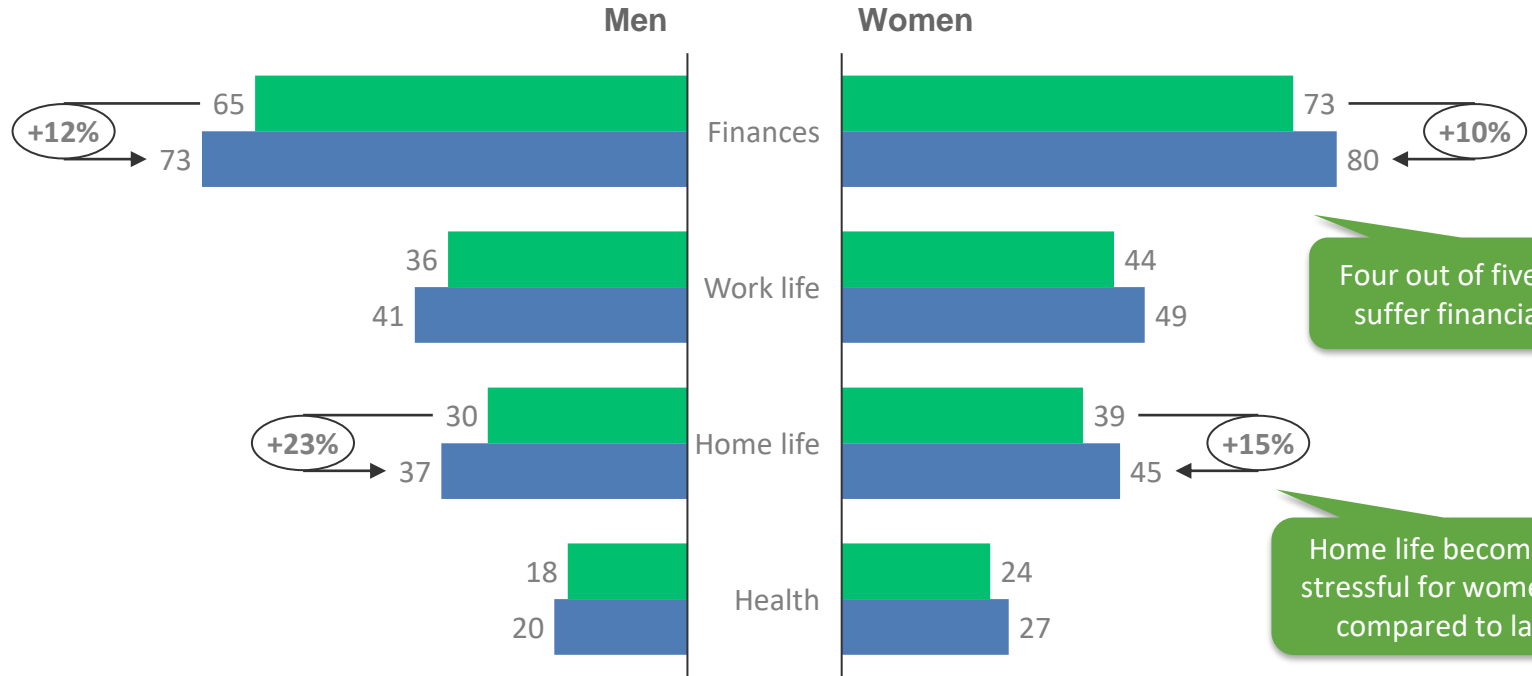
Most concerned groups about interest rate increases, indicating more debt than savings. (Also, may indicate greater awareness of interest rate impact)

* New concerns for 2023

Compared to 2022, both **women and men are 10-15% more stressed** about all facets of life.

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

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



Four out of five women suffer financial stress

Home life becoming more stressful for women & men compared to last year

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

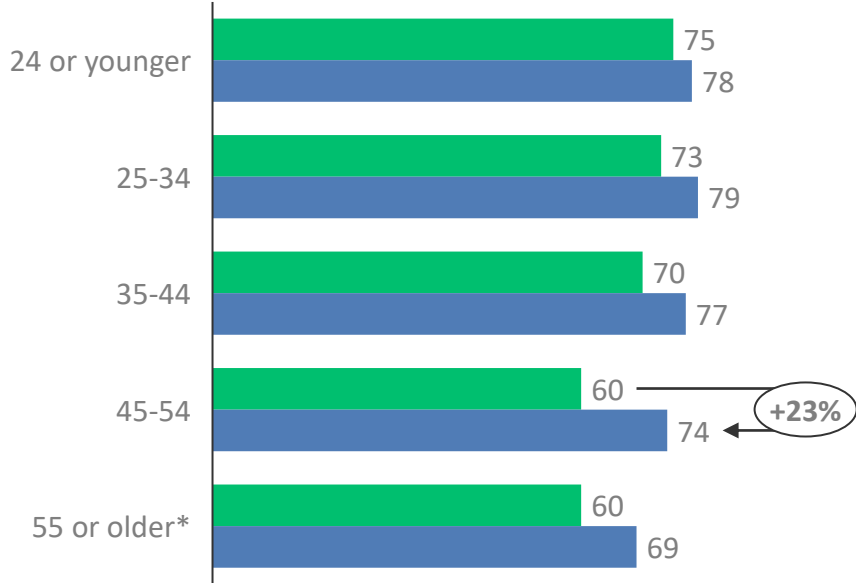
Those younger and those with lower income feel most stressed and anxious; however, the 45-54 group show biggest increase over 2022.

2022

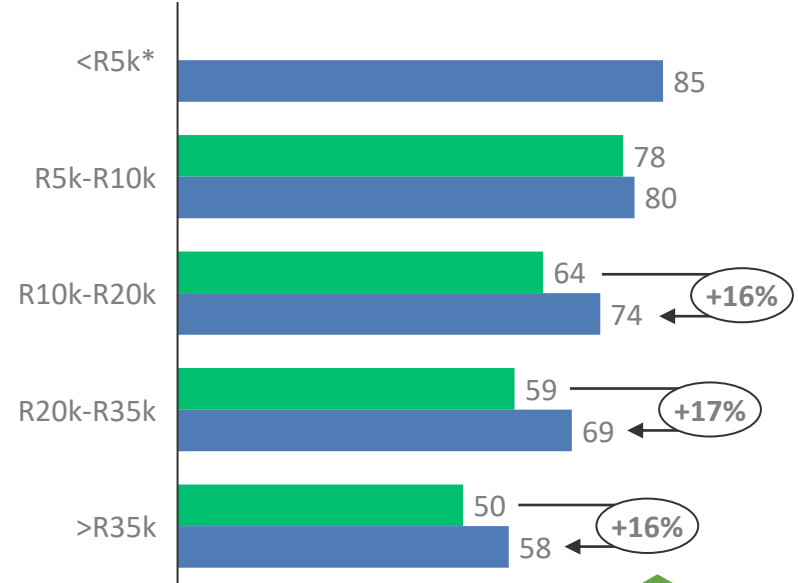
2023

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

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

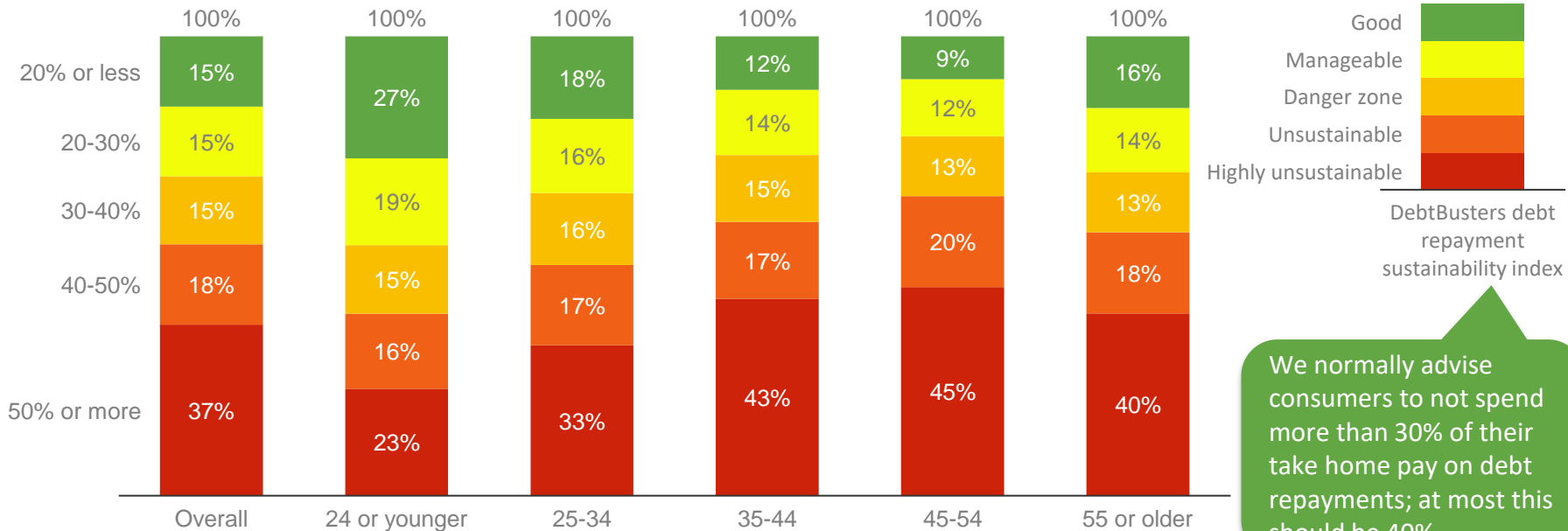
Lower income groups ~1.5x times more worried about finances; largest jumps in R10k+ income bands

* New category for 2023

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

Overall, 70% of consumers spend more than 30% of after-tax income on debt repayments...

Share of after-tax income spent on debt repayment



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

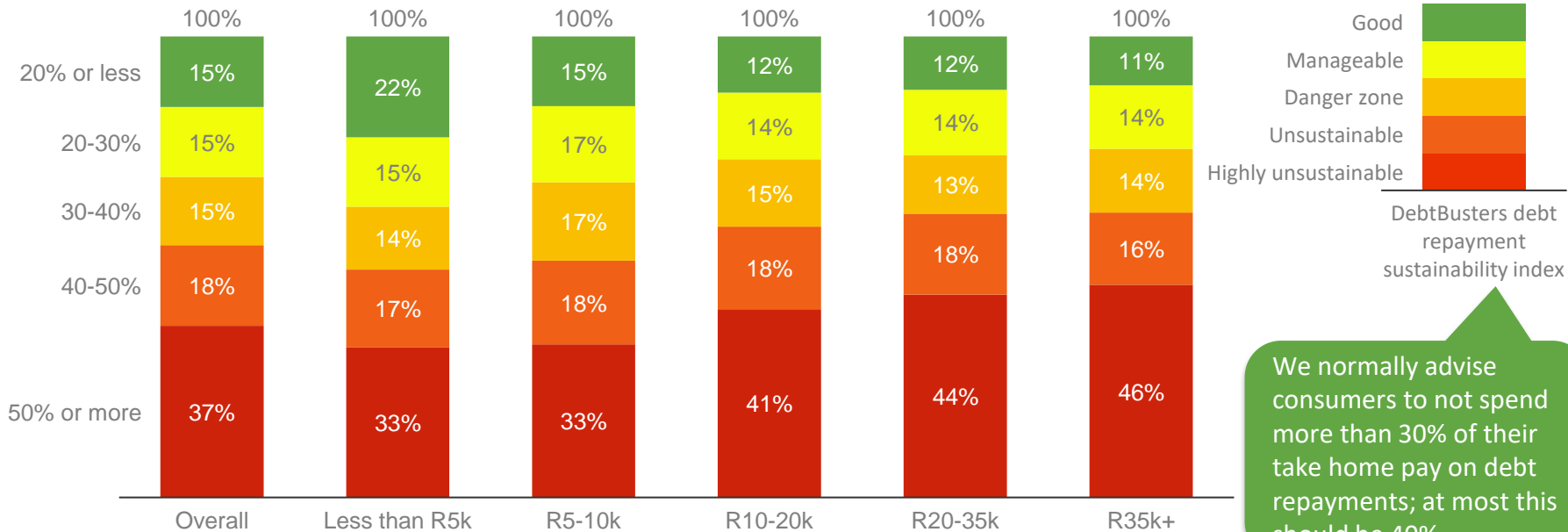
55% spend more than 40% of their take home pay to repay debt; 70% spend 30% or more of their take home pay for debt repayments

45-54 age group are under most severe debt repayment pressure; 65% have unsustainable levels of debt

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

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

Share of after-tax income spent on debt repayment



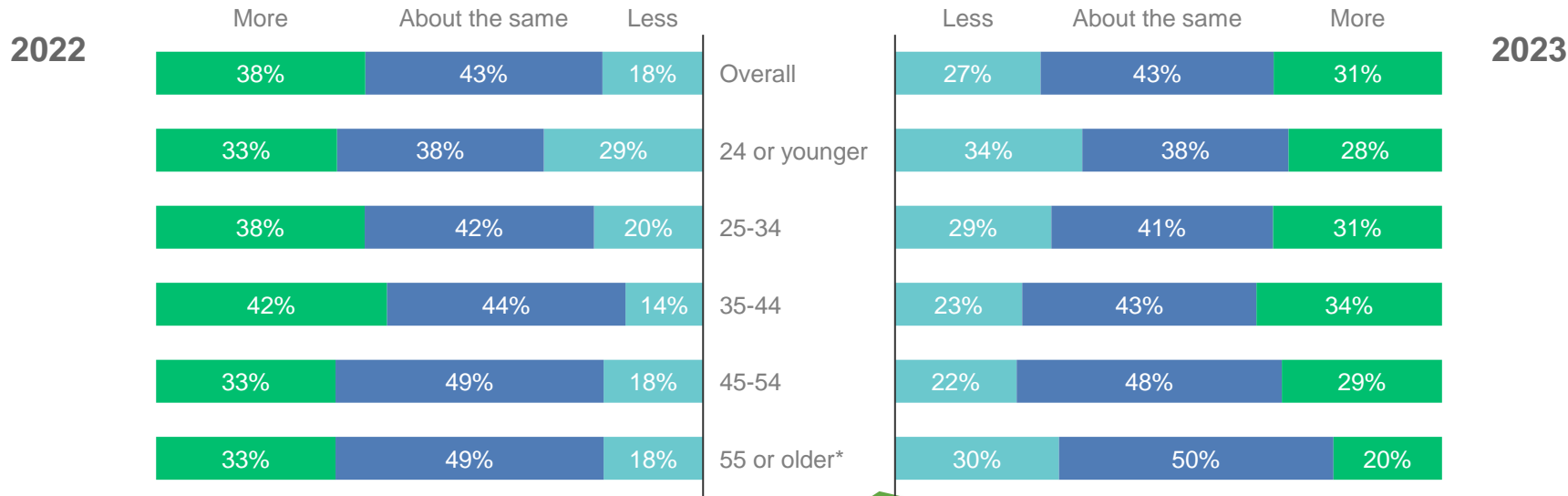
We normally advise consumers to not spend more than 30% of their take home pay on debt repayments; at most this should be 40%

These two income groups are under the most pressure: 62% have unsustainable levels of debt

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

It seems like perception about debt levels is very much age-related...

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



One in four consumers seem to believe they have less debt than their peers. In 2022, one in six believed the same. It is important to show consumers the real picture as we try to do for our subscribers on our website

* New category for 2023

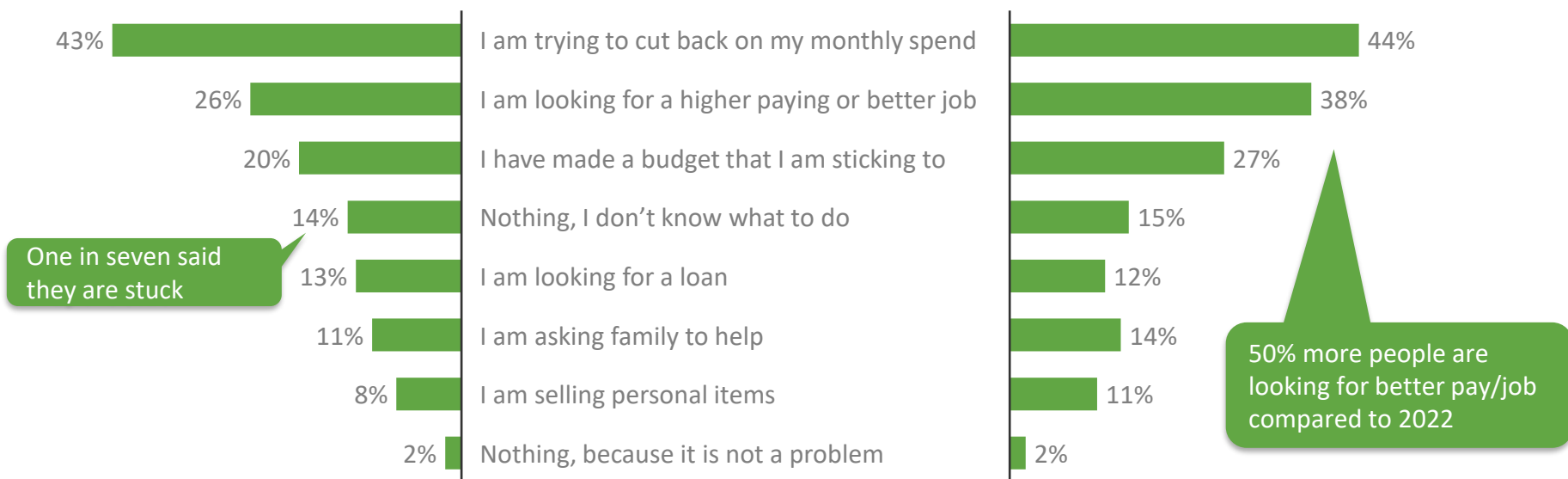
Consumers are doing several things **to deal with money stress**, including cutting back on spend and **looking for better job/pay**.

38% of respondents are looking for better job/pay, up from 26% in 2022. Compared to last year, more are sticking to budgets and asking their families for help

% who say what they are doing about money stress is...(could choose up to three)

2022

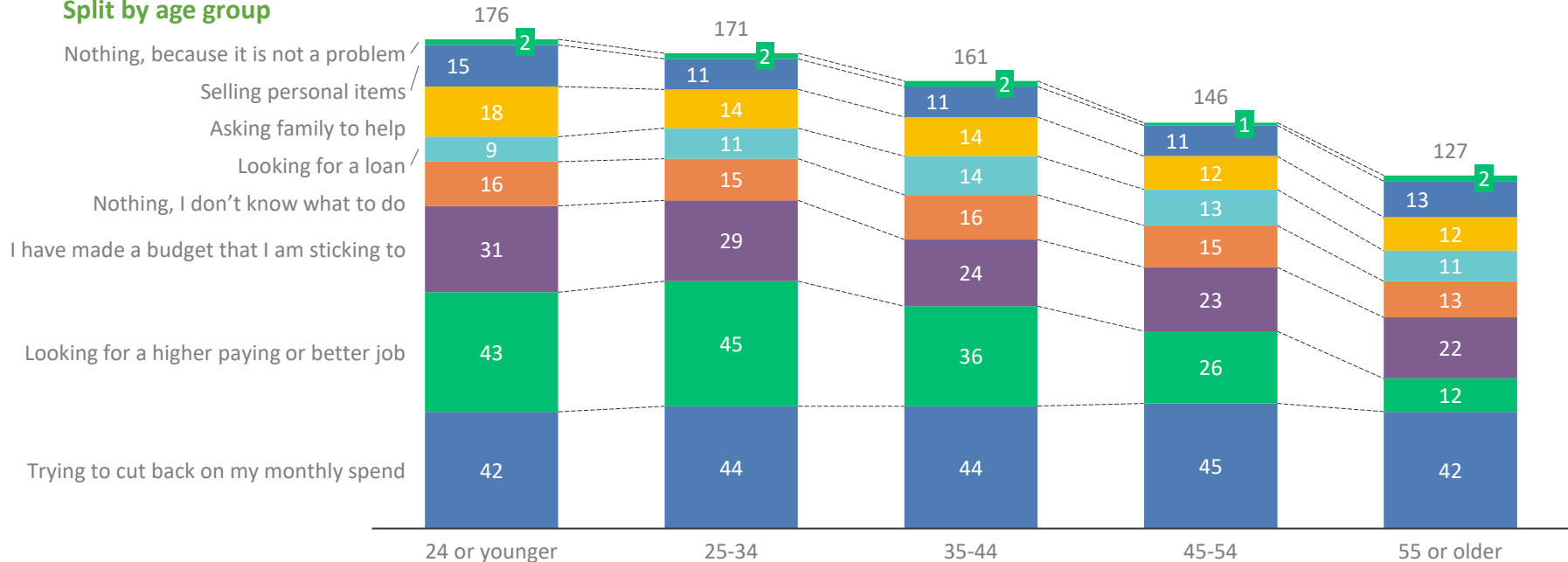
2023



There is big variance in **what different age groups** are doing about their **money stress**.

Younger consumers are 1.5x times more likely to follow through with a budget and 3.5x times more likely to be looking for a higher paying job.

% who say what they are doing about money stress is...(could choose up to three; that is why total could add up to more than 100%)
Split by age group



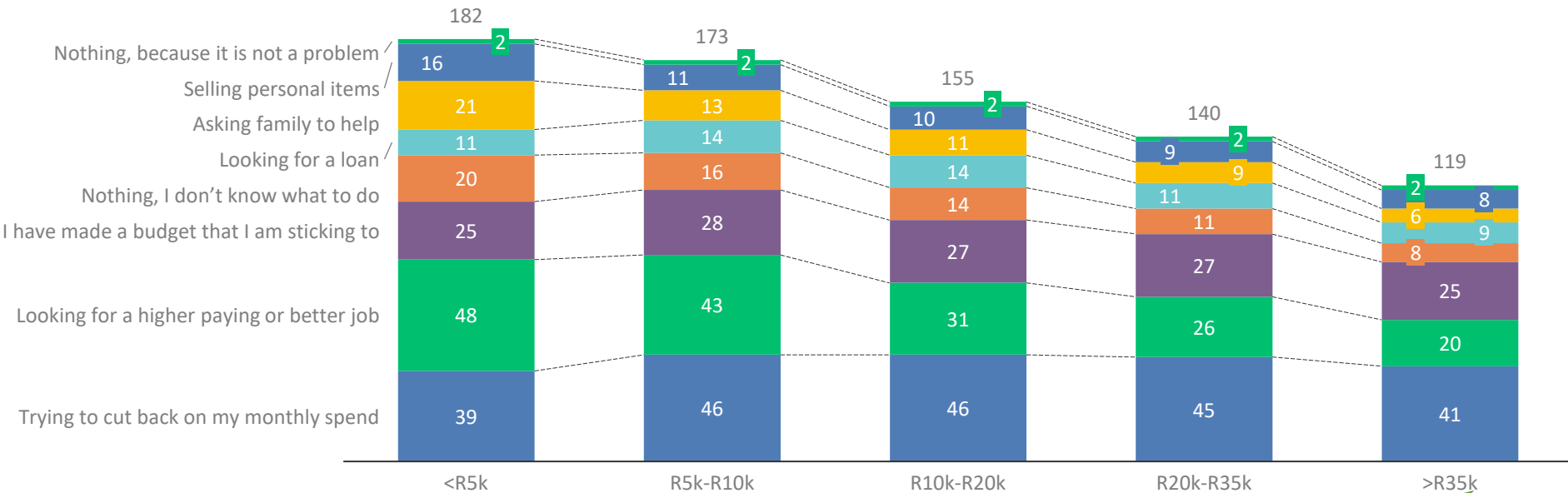
Younger respondents 1.5x times more likely to stick to budgets and 3.5x times more likely to look for a higher paying job

All age groups 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 what they are doing about money stress is...(could choose up to three; that is why total could add up to more than 100%)
Split by net income per month group



Almost half looking for a better paying job; one in five asking family for help

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

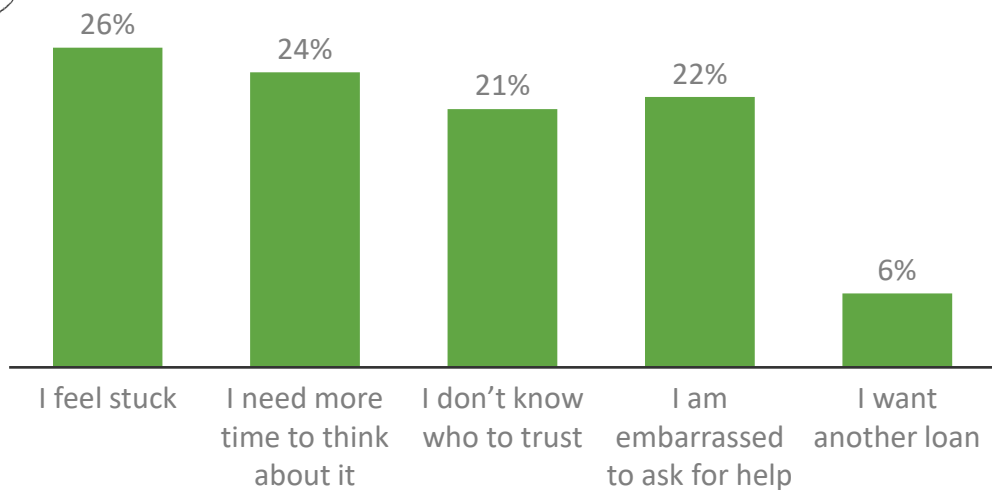
All income groups trying to cut back monthly spend

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

“I feel stuck”
26%



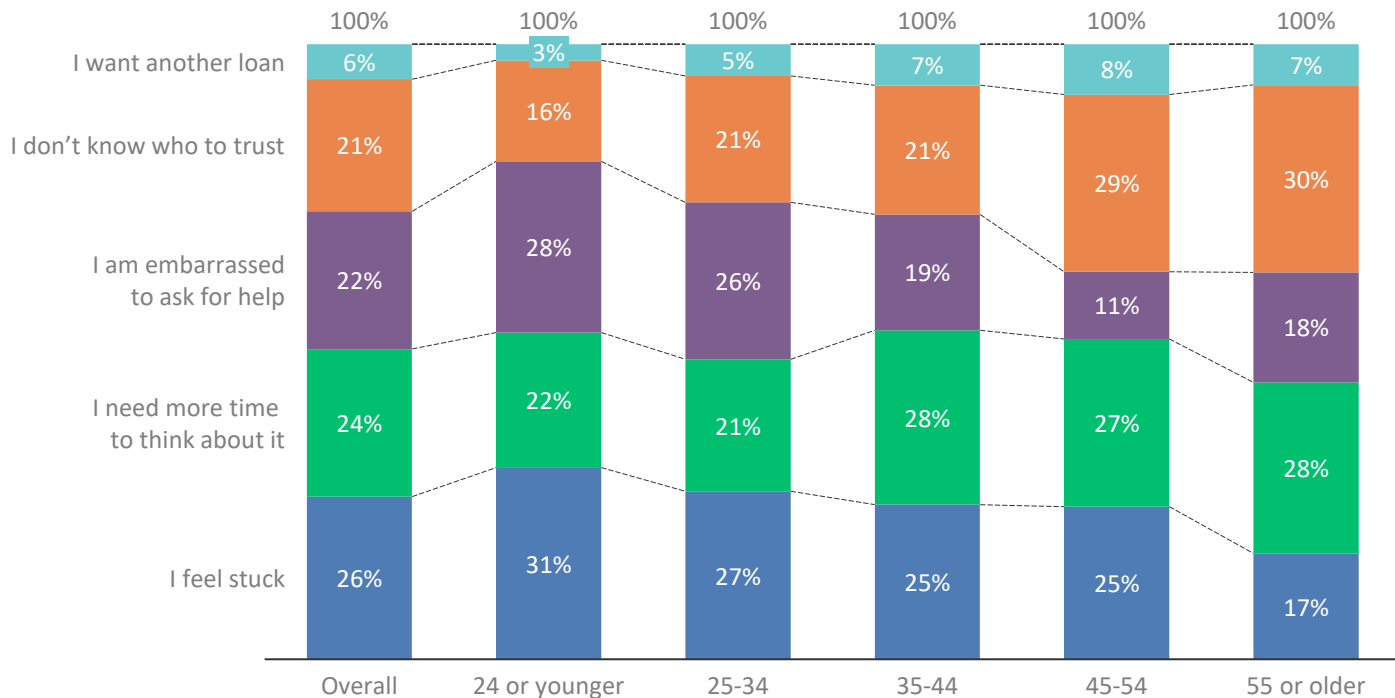
“I need more time to think”
24%



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

Age is definitely an important factor when it comes to understanding the reasons for lack of action...

% who answered, “Why have you not yet done something to alleviate your money stress?”



“Feeling stuck”, the top reason for inaction with the under 25s, decreases significantly with age. (31% down to 17%)

“Don't know who to trust” the top reason for inaction with 55+, only ranks 4th out of 5 for the under 25s. (30% down to 16%)

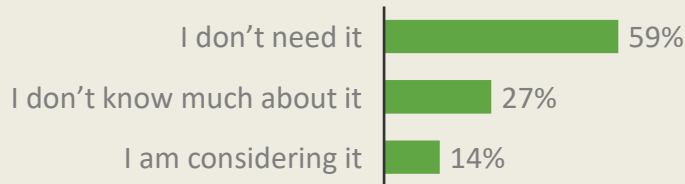
This implies the younger need knowledge of options, whilst age (& experience) brings an increasing lack of trust in options

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

DebtBusters estimates that **90% of people in South Africa** who have **unsustainable levels of debt** do not avail themselves of **Debt Counselling**.

Reluctance to admit the need is prevalent and grows stronger with age.

Have you considered debt counselling?



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



Psychotherapist and Transactional Analyst, Diane Salters says people facing a severe debt threat are likely to be feeling shame and fear. They may not think clearly and go into automatic fight, flight or freeze response.

“Those in freeze mode will probably feel stuck. Many responded this way in the survey. Those who are in flight mode will say they don't need debt counselling when the overall numbers indicate that they do. If they freeze, they will do nothing. Others may flee from or fight with the debt collector, their partner/spouse or even those trying to help them. None of these responses are likely to work well.

*There is a **fourth response which women seem better at**, flocking together. In this mode women reach out, offering each other care and support. They are more likely to ask for help. This may be why more women than men responded to the survey, opt for debt counselling and complete debt counselling effectively.”*

**For further information, contact our Marketing Manager Amelia de Milander at:
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