

## MEDIA RELEASE

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### 2010 NATIONAL FESTIVE SEASON SAVINGS CAMPAIGN

#### SOUTH AFRICAN URGED TO SPEND WISELY DURING THE FESTIVE SEASON



*"my savings, my future."*

**9 November 2010, Johannesburg** – The South African Savings Institute (SASI) is urging consumers to spend wisely during this festive season. The Institute today launched its Annual Festive Season Savings Campaign at the Industrial Development Corporation in Sandton. “under the theme *‘Spend Wisely, New Year Ahead’*, we are reminding consumers of their responsibilities come 2011”, says Prem Govender, Chairperson of SASI.

SASI’s Festive Savings Campaign comes on the back of World Savings Day held on 30 October 2010. Such global initiatives underpin the importance of savings for poverty alleviation and stimulating economic growth.

The recent financial crisis has left many countries, including South Africa, with declining savings and increasing unemployment levels. These economies are now struggling to regain their pre-crisis growth rates. In South Africa, growth in real gross domestic product has increased from -2.8% (2009:Q2) to 3.2% (2010:Q3) and gross domestic savings have marginally increased from 15.3% this time last year to 16.9% in the 2<sup>nd</sup> quarter of 2010.

“While there seems to be an increase in household savings from -0.4% (2009:Q2) to 0.2% (2010:Q2), this shift is a result of a decline in consumption due to reduced incomes of the consumers”, Govender explains. “Debt also remains a deterrent to savings, with an average household spending 78.2% of their disposable income on debt repayment,” she adds.

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The South African Savings Institute is an incorporated association not for gain.

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Table 1: SA's savings determinant indicators (%)							
Period	Gross saving/ GDP	H/H savings/ Disp Y	Share of GDP to employees	Consumption/ GDP	Debt/Disposable Income	GDP growth	Unemployment
1991	18.6	2.7	57.1	61.6	55.0	-0.1	---
1994	16.9	2.8	55.9	62.3	55.5	3.2	31.5
2001	15.6	0.8	52.2	63.1	53.7	2.7	31.7
2007	14.1	-0.6	49.9	62.7	79.1	5.1	33.2
2008	14.9	-0.3	49.4	62.1	80.6	3.1	27.4
2009	15.3	-0.4	50.6	60.8	79.8	-1.8	29.7
2010:Q2	16.9	0.2	49.4	59.6	78.2	3.2	25.3

Source: SARB Quarterly Bulletin: March 2010/Stats SA Labour Force Survey Series

“The threat of unemployment is an ongoing concern,” Govender continues, “to-date 4,3million South Africans are unemployed compared to about 1,2 million this time last year. It is against these realities that SASI continues to appeal to individuals to start saving as soon as they get their first earnings. These savings will cushion them in times of reduced or no income, subsequently reducing their vulnerability. In these difficult times, we hope that households will appreciate what they have rather than continually strive for more.”

“As we move forward from a post-recession stance, there is an ever-increasing need for the financial industry, government and other relevant stakeholders to encourage consumers to save by equipping them with the knowledge and mechanisms to do so,” says Prem Govender, Chairperson of SASI. “This festive season we’re asking consumers to not get carried away with spending – our theme ‘Spend wisely, New Year ahead’ should remind consumers of their responsibilities for 2011”, she concludes.

SASI’s best advice for saving this festive season:

- If you did not save, don’t borrow to spend;
- If you did not budget for a festive season trip, stay at home;
- Make the season’s gifts instead of buying them, it puts more heart to the gift;
- Give your precious time to the needy as opposed to money during the season;
- Invest in money boxes for children;
- Avoid buying on impulse , resist those sale signs;
- When you see sale, think SAVE;
- Remember to budget for next year’s school requirements such as fees, stationary and uniforms before you spend on the festive season.

SASI has partnered with key financial sector players like the National Credit Regulator, the Financial Planning Institute and the National Consumer Education Forum to equip consumers with the necessary information to guide them on wise spending and to make informed decisions when seeking financial advice for planning.

SASI also used the opportunity to launch their quarterly publication, Saver's Review. The bulletin will give a snapshot of savings at local, regional and international levels. It will also provide consumers with savings-related facts, figures and instruments from a local perspective to further aid their financial planning exercise. Each issue will address issues about short, medium and long-term savings as well as financial planning.

Ends.

#### **About SASI**

Established in 2001, SASI is a Section 21 company dedicated to the development and delivery of programmes that encourage growth in the level and rate of saving in South Africa,

SASI's vision is to secure sustainable growth in South Africa with a vibrant savings culture, driven by a financially literate population.

The organisation's core activities include research, advocacy, financial education and savings promotion.

For more information visit: [www.savingsinstitute.co.za](http://www.savingsinstitute.co.za)

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