

Does money make the world go round?

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Above all else, South Africans define financial success as being able to provide the basics of food and shelter for their families. This is according to a global study carried out by market research company Synovate.

Synovate set out to discover how consumers around the world define financial success, their attitudes to cash and what actions they take to get more of it.

Money talks but what language does it speak?

To begin with, respondents were asked to rank a series of statements according to which best defined their view of financial success.

Of the **emerging markets** surveyed, South Africans (31%) were the second most focused on providing the very basics of food and shelter for their families, succeeded only by India (43%) and followed by Bulgaria (24%) and Malaysia (23%).

There were only two markets where a fully-funded self retirement rated a top three mention as a measure of financial success and they included Russia where it was number one and the UK where it was number three.

Debbie Amm, Synovate South Africa's Client Services Director for Financial Services, commented on these findings saying that "It is not unexpected to see the focus on basic essentials in emerging markets but somewhat unexpected that no aspirational goals are apparent." Adding to this, Amm said that "this is indicative of a population where the daily struggle for food and shelter, and limited access to credit, overshadows any long-term view. For Financial Institutions and Government this poses a real challenge: how to prove the relevance and benefit of long-term savings."

How do South Africans Define Financial Success?

Questions asked	Ranked #1	Ranked #2	Ranked #3
I know I will have enough money to pay for my food and housing this month	31%	16%	8%
I provide for my family and have a little to save for a rainy day	18%	20%	11%
I own my own home	13%	15%	15%
I can afford to give my children a university education	7%	14%	14%
I can buy whatever I wish without worrying about the cost	4%	7%	7%
I run my own business	3%	4%	5%
I can afford the luxuries of life like holidays whenever I want and a good quality car	2%	6%	10%
I own investments in property, shares, bonds, funds etc	3%	3%	6%
I have no debt	8%	7%	10%
I have a fully self-funded retirement	4%	4%	7%
Don't know/refused (Do not prompt)	6%	3%	7%

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N = 500

How do South Africans Define Financial Success?

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The number one definition of financial success in **developed markets** was 'I have no debt'. This was especially the case in the US and the UK, but also very evident in Australia, Netherlands, and Canada.

A fascinating discovery in two of the developed markets surveyed was their focus on the basics as with their emerging market counterparts; Germany and Italy. These findings could be attributed to the values held by these markets, where they are focused on providing for the family, but also the fact that fulfilling basic needs is still a universal priority.

The value of money

Synovate explored how people feel about money and its relative importance in their lives by asking them to either agree or disagree with a series of statements.

The majority of respondents globally agree that success is about having what you need and not what you want. In South

Africa, 82% agreed with this, going back to satisfying core needs as well as the emphasis on families in the South African culture rather than looking at success as aspirational.

Across the board, most respondents attributed financial success to good management rather than luck. India was the only country deviating from this. In a country where luck and fortune play a great role in people's lives in general, 72% attribute financial success to luck.

Generally, respondents are divided when it comes to money being 'on their minds'. Eighty three percent (83%) of Indonesians agree with the statement 'I think about money - and how to get more of it - regularly', followed by 76% in both India and Malaysia. Two thirds of South African's obsess about money while nationals of Italy (26%), the Netherlands (30%) and Russia (30%) are least likely to be thinking about money.

While some may obsess over whether they have enough cash for a luxury cruise trip, to others money is a means of surviving. Despite ever-growing affluence, many people are still engaged in a daily struggle to get it and most respondents in the emerging markets expressed that they would be happier if they had more money (74% of South Africans agree with this).

How do South Africans interpret the importance of Financial Success in their own lives?

Questions asked	Agree	Disagree	Don't know / Refuse
Success is about having what you need, not necessarily having everything you want	62%	17%	1%
I think about money - and how to get more of it regularly	67%	31%	2%
Financial success is more due to good luck than good management	37%	60%	3%
I would be happier if I had more money	74%	20%	1%
The time it takes to become financially successful is not worth the time it takes away from other, more important things	58%	37%	5%
The more money one has, the more problems one has	67%	30%	3%

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n = 888 (78%)

How do South Africans Interpret the Importance of Financial Success in their own lives?

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How financially fit are we actually?

As per the average for all emerging markets, more South Africans (35%) believe they have just enough money for housing, food and clothing for their family -excluding any of the 'extras'.

Canadians on the other end of the spectrum, as a developed country, are able to afford all the things that they want for their lifestyle (20%). This was the highest percentage of respondents for this statement across all markets, emphasising the financial dichotomy that exists.

It is clear that South Africans wish to be financially successful, even at its most basic level, so what are they actually planning to do to close the gap between what they have and what they believe they can achieve?

Who is taking charge of financial success?

Views on how to improve the chance of financial success appear similar across developed and emerging markets, these being 'having a plan', 'working hard' and 'setting goals'. There is just a dash of wild optimism in developed markets where 28% of respondents play the lottery / raffles / competitions.

Interestingly, very few people are interested in learning more about finance.

Just over half of South Africans (52%) said that they make their own financial plan or budget to ensure their financial security and 36% said that they set goals for themselves.

"This is encouraging, although the percentage is still very low for a country where people are having to deal with rising inflation, which impacts our ability to achieve our basic measures of success," Amm said. "What would be interesting to

see is how many of these goals, plans and budgets are actually documented as opposed to just being in people's heads, especially since a quarter of the sample use an accountant or financial planner.”

Hard work may pay off in South Africa since 35% see working hard as a means to a well paid job which is important to achieving financial success. This is more of a traditional means-to-an-end approach.

Whether you have a lot of it or a little; whether you think it buys happiness or is simply a necessary evil; whether you are a marketer, or consumer (or both!)... money is universal. Understanding attitudes towards money is a good starting point and becomes even more important in times where money and markets are a little uncertain.

About the 'Defining financial success' survey

Synovate spoke with 12,775 adult consumers in 16 markets around the world - Argentina, Australia, Brazil, Bulgaria, Canada, Germany, India, Indonesia, Italy, Malaysia, Netherlands, Russia, South Africa, Saudi Arabia, United Kingdom and the United States of America. The study was conducted in January and February 2008 using online, telephone and face-to-face methodologies. In South Africa, 500 nationals were interviewed telephonically in the major metropolitan areas.

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