

Survey reveals festive season spending habits

The stretch to January's payday is a long one for many. A large number of South Africans have been feeling the pinch after spending their hard-earned money over the 2015 festive season, according to a survey conducted by M4JAM (Money for Jam).



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From a sample of 735 respondents, half spent between R1,000 and R5,000 more than they would in a normal month. More significantly, just under a third (32%) of these used their savings to cover their extra costs, which has ramifications at a time when we're all being warned to save as much as possible. The survey ran on M4JAM for three days in January 2016, with respondents representing an equal gender split and 80% falling between the ages of 18 and 34.

Culture of saving lacking

Commenting on the survey, co-founder and chief jammer of M4JAM, Andre Hugo, says: "What I found most interesting is that the results show we have not developed a culture of saving as a nation. This is one of the contributing factors resulting in our low GDP growth. As a result M4JAM is looking at mechanisms whereby jobbers can transfer their earnings from M4JAM into formal savings structures, helping to create a culture of saving."

On the upside, more than a third (34%) of respondents said that they spent most of their money on food, groceries and gifts, as opposed to luxuries. Almost half (46%) did not travel over the festive season. In addition, only 5% used credit cards for their extra costs, meaning they are unlikely to have accrued significant debt over the period.

Still, the wait for payday has been a long one, with over half (52%) of respondents claiming their December salary wouldn't last until 25 January. To curb costs, respondents have cut back on eating out, with others easing off on alcoholic drinks, entertainment and buying clothing, footwear and airtime.

Hugo ends, "The reality is that we don't have a savings culture in South Africa, which is understandable given the high unemployment rates and slow economic growth. That said, every little bit of income helps, as does each small amount that you put away into savings."

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