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Purposeful collaboration towards Financial Wellness in South Africa



SUMMARY

South African Household Wealth Index
Q3 2014

■ HIGHLIGHTS

- According to the Momentum/Unisa South African Household Net Wealth Index, the value of South Africans' net wealth declined by 4.4%, or R88.5 billion to R7 844 billion in Q3 2014 compared to Q2 2014 (quarter-over-quarter seasonally adjusted and annualised – QoQSAA).
- Expressed in 2010 prices (real terms), the pace of decline was more substantial at 8.8%.
- The decline of R88.5 billion can be ascribed to two developments:
 - An increase of R30 billion in the value of household liabilities.
 - A decline of R58.5 billion in the value of household assets.
- The decline in the value of household assets was primarily driven by waning listed share prices. With the JSE All Share Index declining from 50 945 points at the end of Q2 2014 to 49 345 points at the end of Q3 2014 it contributed to the decline in the value of households' financial assets – the bulk of household assets is invested in listed shares at the JSE.
 - Listed share prices were negatively affected by international uncertainties such as whether and when interest rates will increase in the United States of America, declining commodity prices, prospects of lower world economic growth for 2014, as well as labour strikes in the South African manufacturing sector.
 - This contributed to a 2.4% decline in the value of household assets (to R9 609 billion in current prices) compared to Q2 2014.
- In contrast, the value of household liabilities (in current prices) increased at an estimated QoQSAA-rate of 7.1% in Q3 2014.
- Household liabilities are estimated to have increased (by R30 billion) to R1 765 billion (current prices) in Q3 2014.
- Although the value of household net wealth declined in Q3 2014 compared to Q2 2014, it was still 10.5% higher compared to Q3 2013.
- Household debt service costs increased further in Q3 2014 to an estimated R205.7 billion. This represents a QoQSAA increase of 11.6% and was brought about by an increase of 25 basis points in the repo rate and a further increase in households' debt load.

TABLE 1: OVERVIEW OF MOMENTUM/UNISA HOUSEHOLD WEALTH INDICATORS

Household wealth indicators	Q1 2014	Q2 2014	Direction	Q3 2014	Direction
Momentum/Unisa Household liabilities (Nominal R' billion)	1 729.7	1 734.8	↑	1 764.8	↑
Momentum/Unisa Household assets (Nominal R' billion)	9 292.2	9 667.7	↑	9 609.2	↓
Momentum/Unisa Household net wealth (Nominal R' billion)	7 562.6	7 932.8	↑	7 884.3	↓
Momentum/Unisa Liabilities to Disposable Income	79.0	78.0	↓	78.1	↑
Momentum/Unisa Assets to Disposable Income	424.3	434.6	↑	425.0	↓
Momentum/Unisa Net Wealth to Disposable Income	345.3	356.6	↑	346.9	↓
Momentum/Unisa Liabilities (Nominal QoQSAA %)	7.8	1.2	↘	7.1	↗
Momentum/Unisa Assets (Nominal QoQSAA %)	10.6	17.2	↗	-2.4	↘
Momentum/Unisa Net Wealth (Nominal QoQSAA %)	11.2	21.1	↗	-4.4	↘
Momentum/Unisa Liabilities (Real QoQSAA %)	1.3	-5.9	↘	2.2	↗
Momentum/Unisa Assets (Real QoQSAA %)	3.4	9.0	↗	-6.9	↘
Momentum/Unisa Net Wealth (Real QoQSAA %)	4.6	12.6	↗	-8.8	↘
Household debt service costs (Nominal QoQSAA %)	2.3	11.3	↗	11.6	↗
Household disposable income (Real QoQSAA %)	1.2	1.6	↗	1.8	↗
Household consumption expenditure (Real YoY %)	1.7	1.1	↘	1.3	↗

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);

Black colour = Preferred direction in terms of the pace (QoQSAA);

↑ = increase;

↓ = decrease;

↔ = unchanged.

* Down on second decimal

1. ADJUSTMENTS TO SOUTH AFRICAN HOUSEHOLD WEALTH

1.1 Background

Households' net wealth or net asset value is derived by subtracting their liabilities from their assets. These three balance sheet indicators (household net wealth, assets and liabilities) are some of the most important economic indicators for policy makers and companies. Policy makers (governments and central banks) will act prudently if their policies succeed in increasing the net wealth of households on a sustainable, equitable and balanced manner. These indicators should also form an integral part of companies' planning as it is influenced by the financial health of consumers.

However, such financial health of consumers was impacted by recent adjustments that the South African Reserve Bank effected to the estimates of the household sector's balance sheet. This stems from the universally accepted prescriptions of the System of National Accounts (SNA) and improved measurement methods. The end result is a better estimate of the household sector balance sheet.

Against this background this report is structured as follows. The adjustments to the household balance sheet and the consequences thereof will be discussed firstly. This is followed by analyses of households' net wealth, assets and liabilities in Q3 2014 in terms of levels, trends and causes. The appendix provides some household income statement and balance sheet indicators.

1.2 Changes to the household balance sheet

1.2.1 Introduction

Although household net wealth, assets and liabilities comprise the household balance sheet, household debt service costs will also be analysed as it has a large bearing on the balance sheet indicators. To set the scene for the ensuing analyses, a summary of the old and new indicators expressed as a percentage of disposable income in 2013 is provided in table 2. All four indicators were adjusted upward by the South African Reserve Bank (published in the December 2014 Quarterly Bulletin) pointing to households allocating a larger share of their income to servicing debt (than previously estimated), while both their debt and assets were adjusted upwards. This, among others, means that households were more indebted (than previously estimated) and allocated a larger proportion of their income towards servicing debt.

Table 2 : Comparison of old and new household balance sheet-related indicators expressed as a percentage of disposable income in 2013

2013	Old	New	Difference
Debt service costs	7.7	8.6	0.9
Liabilities	75.2	79.5	4.3
Assets	402.9	408.9	6.0
Net wealth	327.7	329.4	1.7

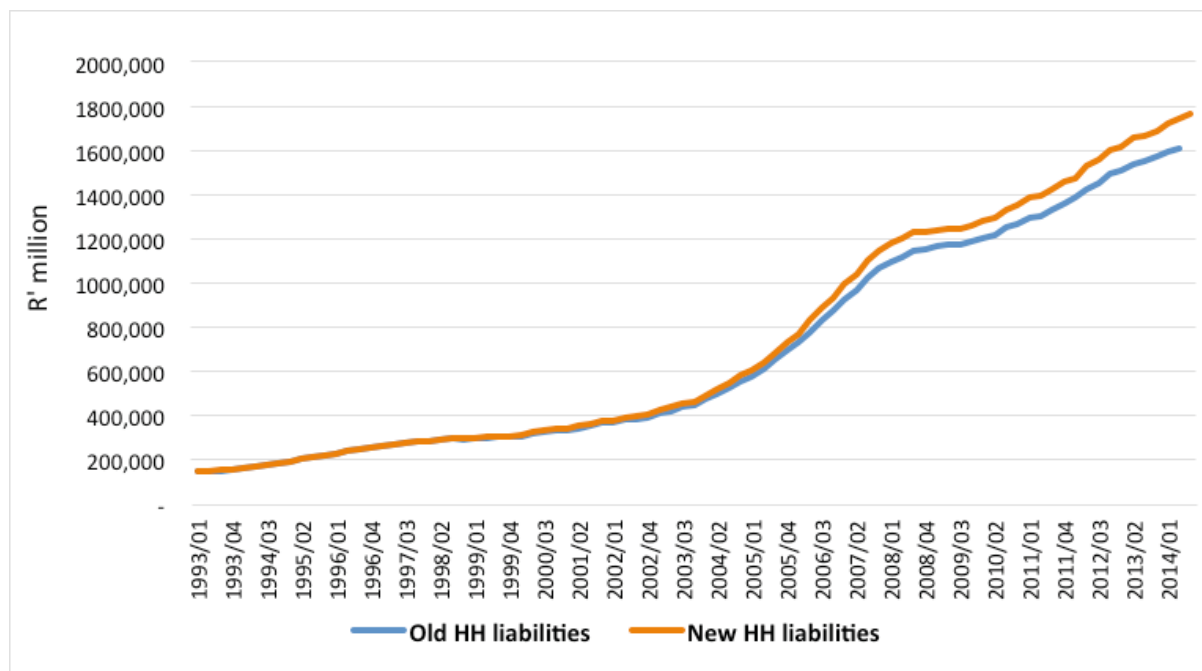
Source: South African Reserve Bank Quarterly Bulletin December 2014.

1.2.2 Adjustment to household debt/liabilities

As shown in table 2, household debt as a percentage of disposable income is higher than previously estimated – while it also peaked at a far higher level. Previously, the high point was registered at 83% of disposable income during Q1 2009. After the adjustments the high point was recorded in Q1 2008 at 89.3% of disposable income.

At the end of Q2 2014, the household debt to disposable income ratio was 78.6% after the adjustments compared to the old estimate of 73.5%. In monetary terms this difference of 5.1 percentage points means that households were R134.9 billion more indebted than previously estimated. Figure 1 shows the difference between the old and new estimates.

Figure 1 : Comparison between the old and new estimates of household debt



Source: South African Reserve Bank Quarterly Bulletin December 2014.

The main reason for the adjustment is the inclusion of the statistics of more non-bank institutions that provide debt to households. Analysing the composition of the type of debt also points to a significant change in the status quo. Categorising household debt into mortgages and other debt previously showed that mortgages comprised the bulk of household debt – at the end of 2013 some 52.8% of household liabilities were mortgages. Following the adjustments, the share of mortgages decreased to 49.1% at the end of 2013, meaning that other debt surpassed mortgages as the main type of household debt. This was brought about by, for instance, an upward adjustment of R121 billion in other debt (in 2013). Since other debt carries higher interest rates compared to mortgages, it also affected households' debt service costs.

1.2.3 Adjustment to household debt service costs

Household debt service costs include the interest paid on debt (that reduces household disposable income) as well as the service fees charged by creditors (of which the bulk is incorporated in household consumption expenditure). Analysing household debt service costs is important for a number of reasons:

- The weighted average interest (and finance charges) rate on debt of households can be derived from the combination of household liabilities and household debt service costs, and the level thereof affects the relationship between household income and -expenditure, consumer price inflation and interest rates.
- If, for instance, the weighted average interest rate is higher (than estimated) it means that debt service costs are higher and will therefore reduce disposable income more than estimated.
- If the repo rate is increased, it would mean that disposable income will actually decrease more than initially assumed. As such, the benefit of lower inflation due to increases in the repo rate may be outweighed by the disadvantages of lower disposable income.
- In turn, this may affect forecasts of, for instance, retail sales, economic growth and employment creation.

SARB adjusted household debt service costs twice over the past few years. The first adjustment occurred in 2013 and affected the period between Q4 2008 to Q4 2012. The second adjustment resulted from the reasons mentioned in section 1.1 above. Figure 2 shows that both adjustments resulted in higher debt service costs. For instance, initially household debt service costs were estimated at R128.9 billion in Q4 2012. This was adjusted to an estimated R150.8 billion during 2013. The latest adjustment saw household debt service costs increasing to R171.4 billion in Q4 2012 (and subsequently increased to R200.2 billion in Q2 2014). These adjustments meant that in Q4 2012 household debt service costs were R42.5 billion higher than the initial estimate.

The reasons for the adjustments can be ascribed, among others, to the following:

- incorporating statistics of more non-banking institutions granting loans;
- accounting for higher interest rates charged on unsecured loans; and
- accounting for more and higher service fees charged by institutions when granting loans.

Figure 2 : Household debt service costs higher after adjustments (R' million)



Source: South African Reserve Bank Quarterly Bulletin December 2014.

1.2.4 Adjustments to household assets

Household assets consist of financial as well as non-financial assets. The bulk of financial assets comprise households' investments in retirement funds, while the largest portion of non-financial assets is the value of residential property.

The adjustments made to household assets saw the ratio of household assets to disposable income increasing by 6 percentage points to 408% at the end of 2013. The main drivers behind the increase can be ascribed to changes effected in the non-financial assets category. For instance:

- For 2013 the value of residential assets was adjusted upward by R145 billion.
- The value of other non-financial assets in 2013 was increased by R110 billion. Other non-financial assets include items such as non-residential buildings, construction works, transport equipment, orchards and computers.

The reasons for the adjustments can be attributed to the prescriptions of the SNA, new inclusions in the other non-financial assets category and changes in measurement methods. This include:

- The value of residential housing was adjusted upward as a result of the capitalisation of low cost housing (from the early 1990s onward).
- Residential housing asset values were affected by new depreciation prescriptions. Previously the value of residential property was depreciated over a 50-year period, but this changed to 75 years. In addition, low cost housing is to depreciate over 30 years compared to the previous 50 years.
- The inclusion of other non-financial items.

The net result of the adjustments for 2013 (compared to the first estimate) was an increase of R267 billion in the value of household assets.

1.2.5 Conclusion

The net effect of all the adjustments (compared to the first estimate) to household debt and assets is an increase of R120 billion in the value of household net wealth in 2013. The monetary impact for the past 15 years is shown in table 3.

The adjustments described above impacted on households' income statement and balance sheet. It again demonstrated the inextricability of the two sets of financial statements that must be taken into account by policy makers, companies, labour unions and households.

Table 3 : Change in household net wealth resulting from the adjustments to household debt/liabilities and household assets

R' million	Change in household liabilities	Change in household assets	Change in household net wealth
1999	1 000	9 000	8 000
2000	6 000	11 000	3 000
2001	9 000	15 000	4 000
2002	14 000	19 000	5 000
2003	18 000	21 000	5 000
2004	27 000	18 000	-8 000
2005	39 000	24 000	-9 000
2006	69 000	27 000	-34 000
2007	92 000	34 000	-45 000
2008	92 000	62 000	-13 000
2009	84 000	86 000	16 000
2010	88 000	188 000	105 000
2011	98 000	195 000	96 000
2012	105 000	231 000	124 000
2013	121 000	246 000	120 000

Source: South African Reserve Bank Quarterly Bulletin: March 2014 and December 2014.

2. SOUTH AFRICAN HOUSEHOLD WEALTH Q3 2014

2.1 Introduction

The Momentum/Unisa household net wealth index attempts to provide guidance to policy makers, companies and households by identifying the key variables that affect and drive the value of household assets, liabilities and net wealth, as well as estimating the levels of these indicators. For this purpose an econometric model was developed, using SARB's estimates of households' liabilities and assets as benchmark. In this respect it must be noted that Momentum/Unisa estimates show that the South African Reserve Bank balance sheet is a good reflection of the state of households' net wealth as it includes the bulk of households' liabilities, assets and thus net wealth.

The following variables were identified as key drivers of the value of household liabilities:

- real durable goods (impact of volume purchases);
- real debt service costs (impact of interest rate and past debt burden);
- consumer price index (impact of price changes); and
- nominal investment in private residential buildings (impact of new capital outlays).

Similarly, the following variables act as predictors of household assets:

- JSE All share index (impact of sentiment and investment performances);
- household disposable income and contributions to retirement funds; and
- real investment in residential property (impact of additional investment volumes).

Monitoring the performances of these variables will provide a good indication of the estimated value of household debt/liabilities, assets and net wealth. As seen in table 1, Q3 2014 was not a good quarter for household wealth.

This will be analysed in the next three sections.

2.2 Momentum/Unisa Household liabilities

According to the Momentum/Unisa estimates, South African households' liabilities increased to R1 764.8 billion (R1.764 trillion) in Q3 2014 from R1 734.8 billion in Q2 2014 (see table 4). This represents:

- A real (2010 prices) quarter-over-quarter seasonally adjusted and annualised (QoQSAA) increase of 2.2% compared to Q2 2014;
- A nominal (current prices) year-over-year (YoY) increase of 5.3% compared to Q3 2014.

Table 4 : Indicators of South African Household Liabilities

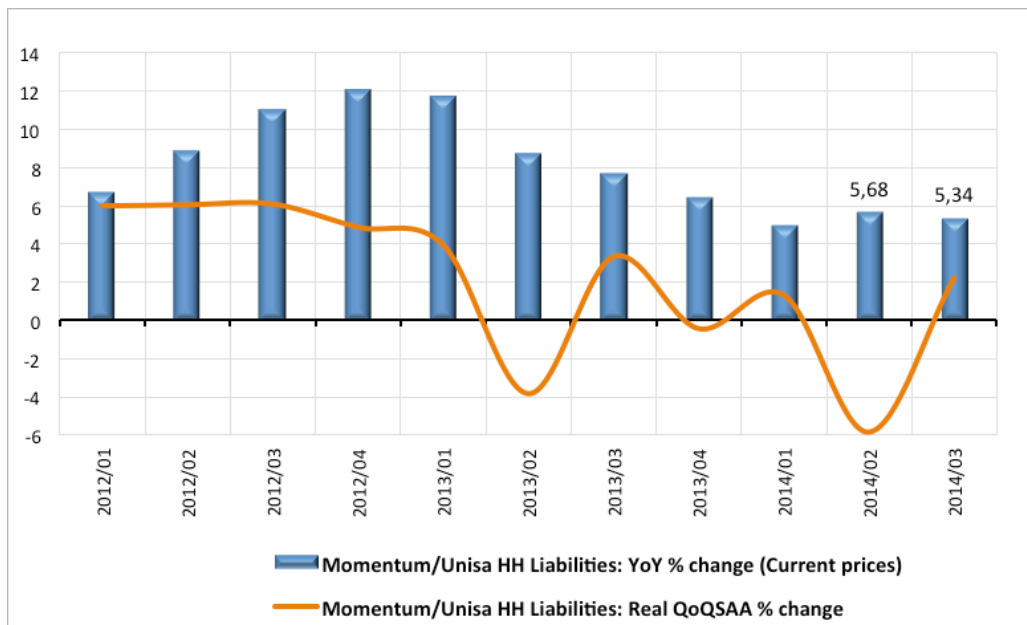
	Q3 2013	Q2 2014	Q3 2014
Value: R' million in current prices	1 675 349	1 734 839	1 764 847
Value: R' million in 2010 prices	1 426 089	1 407 860	1 415 601
QoQSAA % change: Current prices	8.48	1.20	7.10
QoQSAA % change: 2010 prices	3.33	-5.85	2.22
YoY % change: Current prices	7.68	5.68	5.34
% of Disposable income	79.44	77.99	78.06

Source: Own calculations.

Figure 3 shows that since 2012 South African households' debt/liabilities continued to grow at a subdued pace. During Q3 2014 household liabilities were driven by the following:

- With real household consumption expenditure and real retail sales increasing at a slow pace (1.3% and 0% respectively in Q3 2014), it would appear that households made cash rather than debt purchases. However, within the category of consumption expenditure, purchases of durable goods emerged as a strong driver of household liabilities. The volume of durable goods purchased increased at a pace (QoQSAA) of 6.2% in Q3 2014 compared to Q2 2014. This was higher than the 5.1% in Q2 2014. Within the durable goods category it was especially the purchase of transport equipment (vehicles) that increased at a fast rate. New vehicles purchased increased at a rate of 9.9% in Q3 2014 compared to Q2 2014;
- Increasing interest rates and the debt burden of households (jointly known as debt service costs) during Q2 2014. Real debt service costs increased by 6.2% in Q2 2014 and contributed to household debt increasing in Q3 2014. This serves as an indication of the increase in past debt stress that forced households to either enter an arrears position with some debt or taking up more debt.
- The increase in the consumer price index (CPI) in Q2 2014. The CPI increased to 7.7% in Q2 2014 compared to Q1 2014. Therefore, apart from the number of goods purchased, price increases in the previous quarter also contributed to households having to increase their loan sizes and therefore an increase in total debt.
- Investment in residential housing increased by an estimated 3.3% in Q3 2014 compared to Q2 2014, following a sharp decline in Q2 2014. This increase was lower than that of the other predictors of household liabilities mentioned above and suggests that mortgages increased at a slow pace.

Figure 3 : Household debt still growing at a slow pace



Source: Own calculations.

In terms of over-indebtedness, statistics provided by the National Credit Regulator show that 55.3% of credit active consumers (22.5 million) were in good standing (up to date and 1 – 2 months in arrears) in Q3 2014. This is slightly better than the 55.0% registered in Q2 2014. Conversely, this also means that 44.7% of credit active consumers were more than 2 months in arrears with at least one credit account.

Although this paints a picture of a heavily over-indebted society, it must be viewed against the over-indebted amount. Some 93% of household credit was in good standing in Q3 2014, which is slightly better than the 92.7% of Q2 2014 and 92.8% a year ago.

This suggests that a very large portion of the over-indebted credit active consumers are over-indebted with relatively small amounts, and that the situation is improving.

2.3 Momentum/Unisa Household assets

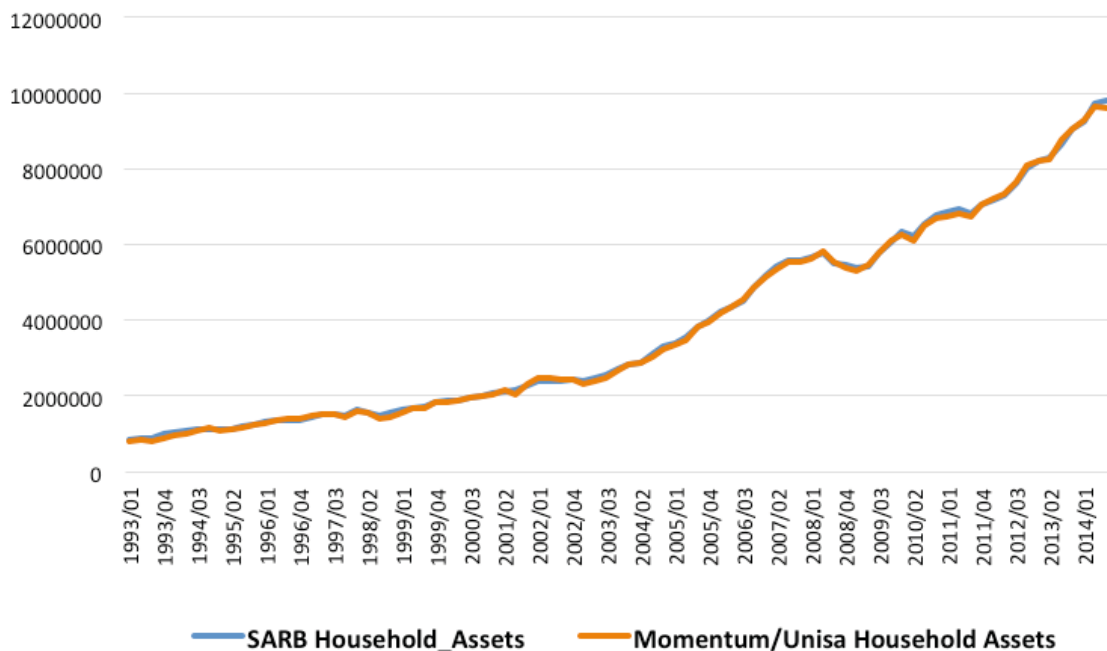
In contrast to household liabilities, the Momentum/Unisa estimates show that the value of household assets declined (in current and 2010 prices) in Q3 2014 compared to Q2 2014. The monetary value of household assets was estimated at R9 609 billion in Q3 2014 – R58.5 billion less than in Q2 2014. These figures reflect the following:

- although the real QoQSAA value of household assets declined by 6.1% in Q3 2014;
- it was still 5.3% higher than in Q3 2013;
- in current prices the QoQSAA decline was 1.6%; and
- in current prices the YoY increase was 11.7%.

Bearing in mind the variables identified as key drivers of household assets (see section 2.1), the following played a role in determining the value of household assets in Q3 2014:

- Household disposable income, including contributions to retirement funds and life policies, increased by an estimated 7.1% in Q3 2014 compared to Q2 2014 and as such contributed to an increasing bias in the value of household assets. Net contributions (contributions minus claims paid) to long-term insurers and official funds increased by R8.3 billion in Q3 2014, following a R14.5 billion increase in Q2 2014.
- The JSE All Share Index declined by 12.2% (on an annualised basis) in Q3 2014 compared to Q2 2014. As the largest portion of households' financial assets are invested in listed shares, this contributed to the decline in the value of household assets.
- Real gross fixed capital formation in residential property declined by 1.9% (QoQSA) in Q3 2014 compared to Q2 2014 – meaning that the volume of additional investment in residential property in Q3 2014 was less than in Q2 2014.

Figure 4 : Momentum/Unisa and SARB estimates of household assets



Source: South African Reserve Bank Quarterly Bulletin: December 2014. Own calculations.

It must be noted that the Momentum/Unisa estimate of household assets in Q3 2014 is some R194 billion less than SARB's estimate. Although it represents a large amount, it is only 1.9% of the total asset value. Furthermore, as figure 4 shows, the Momentum/Unisa estimate as well as that of SARB, converges after one or two quarters of deviations.

2.4 Momentum/Unisa Household net wealth

The net effect of the estimated changes in household assets and liabilities was a decrease of R88.5 billion in the value of household net wealth in Q3 2014. An estimated 33.1% of the decrease can be attributed to the increase in households' liabilities and the remaining 66.9% to the reduction in the value of household assets. In current prices household net wealth for Q3 2014 was estimated at R7 844 billion compared to R7 932 billion in Q2 2014. These figures reflect the following changes:

- household net wealth in current prices was 10.5% higher than a year ago;
- household net wealth expressed in 2010 prices was 4.1% higher than a year ago;
- household net wealth in current prices declined at an annualised rate of 4.4% in Q3 2014 compared to Q2 2014; and
- household net wealth expressed in 2010 prices declined at an annualised rate of 8.8% in Q3 2014 compared to Q2 2014.

Household net wealth amounted to 347% of disposable income in Q3 2014, down from 356.6% in Q2 2014 although higher than the 336.7% the previous year. Additional statistics are provided in Annexure A.

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■ ANNEXURE

TABLE A1: NOMINAL AND REAL (2010 PRICES) HOUSEHOLD CONSUMPTION EXPENDITURE: QUARTERLY, AND QUARTERLY SEASONALLY ADJUSTED AND ANNUALISED (SAA) (R' BILLION)

Period	Real Household Consumption Expenditure	Real Household Consumption Expenditure SAA	Nominal Household Consumption Expenditure	Nominal Household Consumption Expenditure SAA
2008/01	380 347	1 581 127	322 734	1 345 530
2008/02	391 151	1 580 600	344 231	1 389 762
2008/03	390 934	1 580 070	357 741	1 445 297
2008/04	416 700	1 574 731	386 794	1 465 411
2009/01	376 691	1 560 782	351 376	1 459 098
2009/02	382 988	1 550 879	364 150	1 473 473
2009/03	381 845	1 548 379	368 901	1 494 171
2009/04	409 778	1 545 168	399 007	1 506 994
2010/01	377 966	1 572 693	371 212	1 549 841
2010/02	391 457	1 591 986	389 867	1 584 363
2010/03	404 409	1 641 928	406 578	1 648 866
2010/04	448 002	1 680 729	454 177	1 704 266
2011/01	404 907	1 689 342	414 599	1 733 968
2011/02	416 655	1 698 083	436 573	1 778 381
2011/03	419 648	1 703 712	447 091	1 812 975
2011/04	459 809	1 712 939	498 578	1 862 040
2012/01	411 923	1 729 121	451 203	1 895 227
2012/02	427 504	1 746 168	476 021	1 943 490
2012/03	436 693	1 768 498	492 765	1 994 038
2012/04	482 449	1 790 489	554 600	2 065 601
2013/01	428 104	1 798 144	497 165	2 086 903
2013/02	441 997	1 806 226	520 207	2 121 929
2013/03	448 393	1 813 752	535 710	2 161 543
2013/04	491 106	1 820 278	590 241	2 202 917
2014/01	433 708	1 822 594	535 571	2 245 895
2014/02	446 863	1 827 777	558 433	2 278 713
2014/03	453 392	1 833 785	573 345	2 313 270

Source: South African Reserve Bank, December 2014 Quarterly Bulletin.

TABLE A2: NOMINAL AND REAL HOUSEHOLD (HH) DISPOSABLE INCOME: QUARTERLY, AND QUARTERLY SEASONALLY ADJUSTED AND ANNUALISED (SAA) (R' BILLION)

R' billion	Nominal HH Disposable Income	Nominal HH Disposable Income SAA	Real HH Disposable Income	Real HH disposable Income SAA
2008/01	362 657	1 558 458	307 724	1 326 239
2008/02	394 280	1 561 976	346 985	1 373 387
2008/03	390 400	1 563 303	357 252	1 429 960
2008/04	413 896	1 563 567	384 191	1 455 022
2009/01	340 628	1 549 115	317 737	1 448 191
2009/02	395 315	1 539 264	375 871	1 462 438
2009/03	394 757	1 544 754	381 375	1 490 673
2009/04	413 315	1 546 644	402 451	1 508 434
2010/01	368 714	1 567 441	362 125	1 544 665
2010/02	397 819	1 584 048	396 203	1 576 463
2010/03	408 131	1 622 843	410 320	1 629 700
2010/04	433 794	1 659 615	439 773	1 682 856
2011/01	358 053	1 670 318	366 623	1 714 441
2011/02	436 604	1 682 189	457 476	1 761 735
2011/03	442 070	1 688 108	470 979	1 796 370
2011/04	445 455	1 692 500	483 014	1 839 822
2012/01	374 870	1 699 519	410 617	1 862 781
2012/02	443 108	1 711 999	493 396	1 905 460
2012/03	440 866	1 731 479	497 474	1 952 298
2012/04	463 429	1 747 800	532 736	2 016 353
2013/01	376 054	1 756 968	436 718	2 039 115
2013/02	466 739	1 764 385	549 327	2 072 775
2013/03	445 693	1 769 551	532 484	2 108 866
2013/04	476 515	1 771 743	572 705	2 144 180
2014/01	403 577	1 777 269	498 363	2 190 043
2014/02	470 896	1 784 204	588 467	2 224 390
2014/03	462 327	1 792 250	584 644	2 260 875

Source: South African Reserve Bank, December 2014 Quarterly Bulletin; Own calculations.

TABLE A3: REAL HOUSEHOLD CONSUMPTION EXPENDITURE AND DISPOSABLE INCOME: QUARTER-OVER-QUARTER SEASONALLY ADJUSTED AND ANNUALISED PERCENTAGE CHANGE (QoQSAA % CHANGE): (Deflator - Household consumption expenditure deflator)

	Real HH Consumption Expenditure SAA	Real HH Disposable Income SAA
2007/03	3.62	3.42
2007/04	4.07	3.14
2008/01	-1.35	1.70
2008/02	-0.13	0.91
2008/03	-0.13	0.34
2008/04	-1.34	0.07
2009/01	-3.50	-3.65
2009/02	-2.51	-2.52
2009/03	-0.64	1.43
2009/04	-0.83	0.49
2010/01	7.32	5.49
2010/02	5.00	4.31
2010/03	13.15	10.16
2010/04	9.79	9.38
2011/01	2.07	2.60
2011/02	2.09	2.87
2011/03	1.33	1.41
2011/04	2.18	1.04
2012/01	3.83	1.67
2012/02	4.00	2.97
2012/03	5.21	4.63
2012/04	5.07	3.82
2013/01	1.72	2.11
2013/02	1.81	1.70
2013/03	1.68	1.18
2013/04	1.45	0.50
2014/01	0.51	1.25
2014/02	1.14	1.57
2014/03	1.32	1.82

Source: South African Reserve Bank, December 2014 Quarterly Bulletin; Own calculations.

**TABLE A4: NOMINAL AND REAL HOUSEHOLD CONSUMPTION EXPENDITURE:
YEAR OVER YEAR PERCENTAGE CHANGE (YoY % CHANGE)**

	Real HH Consumption Expenditure SAA	Real HH Consumption Expenditure
2008/01	9.49	2.66
2008/02	10.18	1.79
2008/03	11.12	0.13
2008/04	9.05	-0.56
2009/01	8.87	-0.96
2009/02	5.79	-2.09
2009/03	3.12	-2.32
2009/04	3.16	-1.66
2010/01	5.65	0.34
2010/02	7.06	2.21
2010/03	10.21	5.91
2010/04	13.83	9.33
2011/01	11.69	7.13
2011/02	11.98	6.44
2011/03	9.96	3.77
2011/04	9.78	2.64
2012/01	8.83	1.73
2012/02	9.04	2.60
2012/03	10.22	4.06
2012/04	11.24	4.92
2013/01	10.19	3.93
2013/02	9.28	3.39
2013/03	8.72	2.68
2013/04	6.43	1.79
2014/01	7.73	1.31
2014/02	7.35	1.10
2014/03	7.03	1.11

Source: South African Reserve Bank, December 2014 Quarterly Bulletin; Own calculations.

**TABLE A5: NOMINAL AND REAL HOUSEHOLD DISPOSABLE INCOME:
YEAR OVER YEAR PERCENTAGE CHANGE (YoY % CHANGE)**

	Nominal HH Disposable Income	Real HH Disposable Income
2008/01	8.48	1.71
2008/02	8.41	0.16
2008/03	12.57	1.44
2008/04	14.15	4.09
2009/01	3.25	-6.07
2009/02	8.32	0.26
2009/03	6.75	1.12
2009/04	4.75	-0.14
2010/01	13.97	8.25
2010/02	5.41	0.63
2010/03	7.59	3.39
2010/04	9.27	4.95
2011/01	1.24	-2.89
2011/02	15.47	9.75
2011/03	14.78	8.32
2011/04	9.83	2.69
2012/01	12.00	4.70
2012/02	7.85	1.49
2012/03	5.63	-0.27
2012/04	10.29	4.04
2013/01	6.36	0.32
2013/02	11.34	5.33
2013/03	7.04	1.09
2013/04	7.50	2.82
2014/01	14.12	7.32
2014/02	7.13	0.89
2014/03	9.80	3.73

Source: South African Reserve Bank, December 2014 Quarterly Bulletin; Own calculations.

TABLE A6: MOMENTUM/UNISA NOMINAL HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: SEASONALLY ADJUSTED AND ANNUALISED: 2010 = 100

R' billion	HH Liabilities SAA	HH Assets SAA	HH Net Wealth SAA
2007/02	70.85	83.42	86.67
2007/03	89.43	87.00	86.37
2007/04	90.94	87.12	86.13
2008/01	90.28	88.18	87.64
2008/02	92.23	91.00	90.68
2008/03	92.93	87.01	85.47
2008/04	93.63	84.65	82.32
2009/01	99.25	82.81	78.56
2009/02	96.29	85.56	82.79
2009/03	94.15	90.71	89.82
2009/04	92.03	95.52	96.42
2010/01	94.50	98.01	98.92
2010/02	100.53	95.50	94.20
2010/03	99.10	101.93	102.66
2010/04	105.87	104.55	104.21
2011/01	105.09	105.78	105.96
2011/02	105.35	106.96	107.37
2011/03	106.49	105.21	104.88
2011/04	108.16	110.15	110.67
2012/01	112.10	113.11	113.38
2012/02	114.70	114.88	114.92
2012/03	118.21	119.54	119.89
2012/04	121.19	126.90	128.38
2013/01	125.20	128.79	129.71
2013/02	124.73	128.83	129.89
2013/03	127.29	136.94	139.43
2013/04	128.99	141.41	144.62
2014/01	131.42	145.01	148.52
2014/02	131.81	150.87	155.80
2014/03	134.09	149.96	154.06

Source: Own calculations.

TABLE A7: MOMENTUM/UNISA NOMINAL HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH AS A PERCENTAGE OF DISPOSABLE INCOME: MOMENTUM/UNISA ESTIMATES

	Liabilities (SAA) to Disposable Income	Assets (SAA) to Disposable Income	Net Wealth (SAA) to Disposable Income
2007/02	75.3	431.38	356.12
2007/03	92.5	437.95	345.49
2007/04	91.0	424.55	333.52
2008/01	89.6	426.07	336.47
2008/02	88.4	424.59	336.20
2008/03	85.5	389.89	304.35
2008/04	84.7	372.78	288.09
2009/01	90.2	366.40	276.20
2009/02	86.7	374.92	288.26
2009/03	83.1	389.93	306.81
2009/04	80.3	405.78	325.49
2010/01	80.5	406.60	326.08
2010/02	83.9	388.20	304.27
2010/03	80.0	400.79	320.76
2010/04	82.8	398.12	315.32
2011/01	80.7	395.38	314.71
2011/02	78.7	389.04	310.34
2011/03	78.0	375.31	297.28
2011/04	77.4	383.65	306.28
2012/01	79.2	389.11	309.91
2012/02	79.2	386.32	307.09
2012/03	79.7	392.37	312.68
2012/04	79.1	403.29	324.19
2013/01	80.8	404.72	323.91
2013/02	79.2	398.29	319.09
2013/03	79.4	416.09	336.65
2013/04	79.2	422.61	343.43
2014/01	79.0	424.30	345.32
2014/02	78.0	434.62	356.63
2014/03	78.1	425.02	346.96

Source: Bureau of Market Research at UNISA.

TABLE A8: MOMENTUM/UNISA NOMINAL HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: QUARTER-OVER-QUARTER SEASONALLY ADJUSTED AND ANNUALISED PERCENTAGE CHANGE (QoQSAA % CHANGE)

	Liabilities (SAA)	Assets (SAA)	Net Wealth (SAA)
2008/01	-2.87	4.96	7.18
2008/02	8.91	13.41	14.63
2008/03	3.07	-16.44	-21.07
2008/04	3.02	-10.41	-13.94
2009/01	26.26	-8.41	-17.09
2009/02	-11.38	14.01	23.37
2009/03	-8.62	26.30	38.53
2009/04	-8.71	22.97	32.82
2010/01	11.19	10.84	10.76
2010/02	28.09	-9.85	-17.75
2010/03	-5.58	29.77	41.06
2010/04	30.28	10.70	6.18
2011/01	-2.93	4.79	6.89
2011/02	1.00	4.51	5.43
2011/03	4.41	-6.37	-8.97
2011/04	6.40	20.14	23.96
2012/01	15.40	11.20	10.16
2012/02	9.61	6.38	5.56
2012/03	12.80	17.27	18.44
2012/04	10.46	26.99	31.48
2013/01	13.92	6.08	4.23
2013/02	-1.51	0.14	0.56
2013/03	8.48	27.63	32.76
2013/04	5.45	13.72	15.75
2014/01	7.75	10.58	11.24
2014/02	1.20	17.17	21.07
2014/03	7.10	-2.40	-4.39

Source: Bureau of Market Research, UNISA.

TABLE A9: MOMENTUM/UNISA NOMINAL HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: YEAR-OVER-YEAR PERCENTAGE CHANGE (YoY % CHANGE)

	Momentum/UNISA HH LIABILITIES SAA	Assets (SAA) HH Assets SAA	Net Wealth (SAA) Net Wealth SAA
2008/01	28.03	9.33	5.24
2008/02	30.18	9.09	4.63
2008/03	3.92	0.01	-1.04
2008/04	2.95	-2.84	-4.42
2009/01	9.93	-6.10	-10.36
2009/02	4.40	-5.97	-8.70
2009/03	1.31	4.26	5.09
2009/04	-1.71	12.85	17.13
2010/01	-4.78	18.36	25.92
2010/02	4.40	11.61	13.78
2010/03	5.26	12.37	14.30
2010/04	15.05	9.46	8.08
2011/01	11.21	7.93	7.12
2011/02	4.79	11.99	13.98
2011/03	7.46	3.22	2.16
2011/04	2.16	5.35	6.19
2012/01	6.67	6.93	6.99
2012/02	8.88	7.40	7.03
2012/03	11.00	13.62	14.31
2012/04	12.05	15.21	16.00
2013/01	11.69	13.86	14.41
2013/02	8.74	12.15	13.03
2013/03	7.68	14.55	16.30
2013/04	6.44	11.43	12.65
2014/01	4.97	12.60	14.50
2014/02	5.68	17.10	19.94
2014/03	5.34	9.51	10.49

Source: Bureau of Market Research, UNISA.

TABLE A10: MOMENTUM/UNISA REAL HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: SEASONALLY ADJUSTED AND ANNUALISED: DERIVED MOMENTUM/UNISA FIGURES (R' BILLION)

R' billion	Momentum/UNISA Real HH Liabilities SAA	Momentum/UNISA Real HH Assets SAA	Momentum/UNISA HH Net Wealth SAA
2008/01	1 402 371	6 668 808	5 266 437
2008/02	1 426 452	6 852 304	5 425 852
2008/03	1 391 075	6 340 846	4 949 772
2008/04	1 347 157	5 929 859	4 582 702
2009/01	1 403 657	5 702 022	4 298 364
2009/02	1 355 666	5 865 079	4 509 413
2009/03	1 304 204	6 117 934	4 813 731
2009/04	1 255 128	6 343 029	5 087 901
2010/01	1 275 229	6 439 650	5 164 422
2010/02	1 342 646	6 210 023	4 867 377
2010/03	1 310 543	6 563 171	5 252 628
2010/04	1 387 566	6 671 613	5 284 047
2011/01	1 364 000	6 685 004	5 321 004
2011/02	1 350 872	6 677 455	5 326 582
2011/03	1 338 319	6 437 512	5 099 192
2011/04	1 337 728	6 633 046	5 295 318
2012/01	1 357 272	6 667 939	5 310 667
2012/02	1 377 353	6 716 032	5 338 679
2012/03	1 397 846	6 882 538	5 484 693
2012/04	1 414 596	7 212 001	5 797 405
2013/01	1 428 369	7 153 508	5 725 139
2013/02	1 414 458	7 113 281	5 698 823
2013/03	1 426 089	7 469 307	6 043 219
2013/04	1 424 545	7 603 536	6 178 991
2014/01	1 429 242	7 678 214	6 248 972
2014/02	1 407 860	7 845 530	6 437 669
2014/03	1 415 601	7 707 597	6 291 996

Source: Bureau of Market Research at UNISA.

TABLE A11: MOMENTUM/UNISA REAL HOUSEHOLD LIABILITIES, ASSETS AND NET WEALTH: QUARTER ON QUARTER SEASONALLY ADJUSTED AND ANNUALISED PERCENTAGE CHANGE (QoQSAA % CHANGE)

	Momentum/UNISA Real HH Liabilities SAA	Momentum/UNISA Real HH Assets SAA	Momentum/UNISA HH Net Wealth SAA
2008/01	-12.02	-4.93	-2.92
2008/02	7.05	11.47	12.67
2008/03	-9.56	-26.68	-30.74
2008/04	-12.04	-23.51	-26.52
2009/01	17.86	-14.51	-22.60
2009/02	-12.99	11.94	21.13
2009/03	-14.34	18.39	29.85
2009/04	-14.22	15.55	24.80
2010/01	6.56	6.23	6.15
2010/02	22.88	-13.52	-21.10
2010/03	-9.23	24.76	35.62
2010/04	25.66	6.77	2.41
2011/01	-6.62	0.81	2.83
2011/02	-3.79	-0.45	0.42
2011/03	-3.67	-13.62	-16.01
2011/04	-0.18	12.71	16.30
2012/01	5.97	2.12	1.16
2012/02	6.05	2.92	2.13
2012/03	6.09	10.29	11.40
2012/04	4.88	20.57	24.83
2013/01	3.95	-3.20	-4.89
2013/02	-3.84	-2.23	-1.83
2013/03	3.33	21.57	26.45
2013/04	-0.43	7.38	9.29
2014/01	1.33	3.99	4.61
2014/02	-5.85	9.01	12.64
2014/03	2.22	-6.85	-8.75

Source: Bureau of Market Research at UNISA.

TABLE A12: DEBT SERVICE COSTS IN CURRENT PRICES SAA : VARIOUS INDICATORS

	Debt Service Costs R' BILLION (SAA)	Debt Service Costs: QoQSAA % change	Average weighted interest rate
2008/01	187 000	34.70	15.74
2008/02	196 394	21.66	16.18
2008/03	207 344	24.24	16.95
2008/04	203 703	-6.84	16.53
2009/01	195 506	-15.15	14.97
2009/02	171 105	-41.33	13.50
2009/03	156 521	-29.98	12.63
2009/04	153 860	-6.63	12.70
2010/01	156 011	5.71	12.54
2010/02	151 340	-11.45	11.44
2010/03	156 451	14.21	12.00
2010/04	153 140	-8.20	10.99
2011/01	157 729	12.54	11.40
2011/02	158 556	2.12	11.44
2011/03	163 470	12.98	11.66
2011/04	169 264	14.95	11.89
2012/01	163 925	-12.03	11.11
2012/02	167 680	9.48	11.11
2012/03	165 945	-4.08	10.67
2012/04	171 390	13.78	10.75
2013/01	175 364	9.60	10.64
2013/02	178 259	6.77	10.86
2013/03	179 254	2.25	10.70
2013/04	184 399	11.99	10.86
2014/01	194 914	24.83	11.27
2014/02	200 195	11.29	11.54
2014/03	205 740	11.55	11.66

Source: South African Reserve Bank, December 2014 Quarterly Bulletin; Own calculations