

The FSCA launches baseline survey results on financial literacy in SA

On Thursday the 28th of July 2022, the Financial Sector Conduct Authority (FSCA) launched its findings of the 2020 Baseline survey on financial literacy in South Africa. The survey was conducted in partnership with the Human Sciences Research Council (HSRC) and the South African Social Attitude Surveys (SASAS).

The FSCA commissioned the research to examine the financial knowledge, attitudes, and behaviours of adult South Africans as part of ongoing efforts to better understand, monitor, and promote financial literacy in the country. The first survey was reported on in 2012, with subsequent rounds in 2013, 2015, 2017 and 2020.

The series of surveys is intended to assist in the development of financial education strategies and to inform policies to improve the financial literacy levels of current and potential financial customers in South Africa. In addition, the research provided the basis for the launch of the first National Consumer Financial Education Strategy (NCFES) in 2013. It further provided the current data and trends in financial literacy levels that informs the drafting of a National Policy on Financial Education (NCFES, 2013) and the second NCFES. The development of the latter documents is headed by the National Treasury (NT).

The sample size for the latest survey was 2693 (adults 16 years and older) with national representation using the census enumeration areas. The face-to-face data-collection interviews started in February 2020 but had to be halted due to the national lockdown measures and resumed in November 2020. The 40/60% split in data collection due to the pandemic (indicating data collected before and after the lockdown) was factored into the final data analysis.

The 2020 Financial Literacy Baseline Survey examined patterns of financial literacy over the last decade and covers the Financial Control, Financial Planning, Product Choice and Financial Knowledge domains. All these domains registered declines, indicating an overall decrease in economic activity due to increased unemployment, declines in Gross Domestic Product (GDP) per capita and the severe impact of the Covid-19 pandemic. The average

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financial literacy score amongst South Africans was 52 out of 100 in 2020, a trend that raises concerns.

Other key highlights have been published on www.fscamymoney.co.za.

The full report and report briefs can be downloaded from www.fsca.co.za and www.fscamymoney.co.za

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