

# Student Village releases student spend report

Youth agency Student Village has released the results of its 2019 Student Spend report. Results in past years have uncovered spending sprees and a huge desire to build 'brand me', the belief in shaping oneself through the formation of external influences. However the latest report paints an entirely different picture, as a new generation, Gen Z, enters the fray.

Gen Z is characterised by a tremendous entrepreneurial spirit, founded on hope and a sense of self-created liberation. Many of whom have started businesses at a young age; they no longer save to spend, they save to re-invest.



Despite 2018 being one of the most challenging years in South Africa, both economically and socially, Gen Z showed incredible resilience as their spending remained consistent, staying just under inflation, and saving increased, indicating higher revenue.

## Money is life and life is money

Gen Z are unapologetic in their love for money. While they place great value on authenticity in a cluttered world, many live by the view that money is life and life is money, with both yielding great power. At the same time, they showed a desire to spend more collaboratively and more consciously. This generation place tremendous thought into every item they purchase, as each item must hold value and deliver a return on investment. They also hold self investment and self care as high priorities.

Changes in how this generation spends and invests are not the only shifts evident. They have gravitated to the online environment where sites such as Takealot and Uber Eats are widely used. Debt is approached with great caution and credit has declining appeal.

At a recent presentation held by Student Village, COO, Ronen Aires revealed a few insights into the habits of this generation. “Our research shows that their maturity and forward thinking sets Gen Z apart from past generations. They see a world in need of change. Disintegrating social structures, false news and over-cluttered social media have altered the way they think. They are switched on, more aware and in search of bespoke solutions that suit their lifestyles. Never have we seen a generation that places higher importance in believing in oneself. Gen Z are without a doubt at the forefront of change.”

While their primary income source remains their parents, this generation has a strong desire to overcome the financial challenges of the past and are taking accountability for all of their choices in life, working towards being self sustainable in the future.

The biggest discoveries:

- Students spend on average R2,944 per month, totalling R35,328 per annum, which is higher than the average South African
- Students now make 64% of their purchases online
- They are savvy spenders, spending less, and only buying what suits their lifestyle
- 39% of students save between 20-40% of their monthly income, while one in five students save 40-60% of their income every month
- The biggest category of their spend is toiletries and cosmetics, followed by food and groceries, then take aways, then mobile telephony, with hair and beauty fifth!
- Retailers such as Rage, Sportscene and Markhams have grown in this market, while other traditional retailers have lost market share with them
- Capitec bank has shown enormous growth in this market, at the expense of other banks
- Students are also taking greater responsibility for managing their debt
- Spending on cars and motorbikes has decreased to only 2% of this market, as these are seen as unnecessary in the pursuit of independence

“Gen Z are hard at work, gearing towards self-directed liberation, showing greater accountability and resourcefulness than previous generations. Jobs are viewed as a thing of the past as the mindset has shifted towards entrepreneurialism, with great ambition to improve not only ones own life, but the lives of family, friends, the country and the planet,” he concluded.