

INSIGHT 4

We need to understand why retirement isn't the primary issue

To begin with, retirement saving is less of an issue in Africa:

- 1 Families tend to take care of their own as they age. Historically, the carer becomes the cared for in most African homes. That means that families will often be looking at their funding requirements holistically across multiple generations. An individual may not have accumulated a 75% replacement ratio with their retirement savings, but that doesn't mean they will be destitute.
- 2 More importantly, when more than 80% of the population has not been permitted access to assets for multiple generations, solving for the necessities of housing and land with reasonable proximity to adequate services is a far greater priority – for the whole family. And funding for the education of the next generation ensures that better employment opportunities will allow for better retirement support of the first generation.

This does not mean that there are not serious red flags on the horizon when it comes to dealing with ageing in Africa. To begin with, urban migration is placing serious pressure on the multigenerational family household. More importantly, though, South Africa simply does not have the infrastructure to service a surge in demand for frailcare servicing. The tragic Life Esidemi incident, where 145 lives were lost because of inadequate frailcare support, brought to light the fact that South Africa has only slightly more than 44 000 frailcare beds that the government is currently subsidising. When infrastructure is absent, the answer demands more than simply contributing more to retirement savings.

HOW WELL DO WE UNDERSTAND SOUTH AFRICAN FAMILY DYNAMICS?

We have misrepresented the concept that only

6%

of South Africans can retire comfortably.

