

Spending and Saving

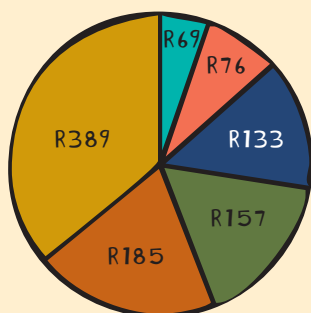


Housing and education are some of the main items that people have to spend their money on.

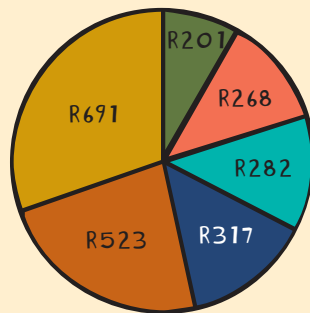
The survey asked people to state how much their households spend on a range of items every month. Items on the list included:

- housing
- education
- rates
- water and electricity
- health care
- drinking and smoking
- food
- transport
- phone
- supporting family inside or outside Buffalo City
- entertainment and gambling

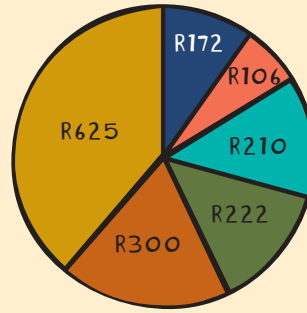
Taking all population groups together, the biggest single item of expenditure is food. About 35% of household expenditure in Buffalo City goes on this. There are big differences between the spending patterns of the different population groups.



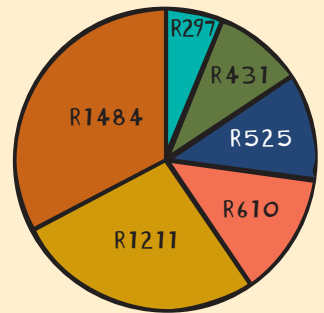
African



Asian



Coloured



White



African people spend the largest percentage of their income on food. However, as these pictures show, they do not spend the largest amount.



White households spend the most on food, but it represents only about 22% of their spending. They therefore have almost 80% of their income left over for other things. This is not so true for other population groups, particularly African people. Less than 70% of their household income is available for other things.

White people spend the highest percentage of their incomes - about 30% - on housing and rates. This compares with 24% for Asian people and 19% for African people.

Savings

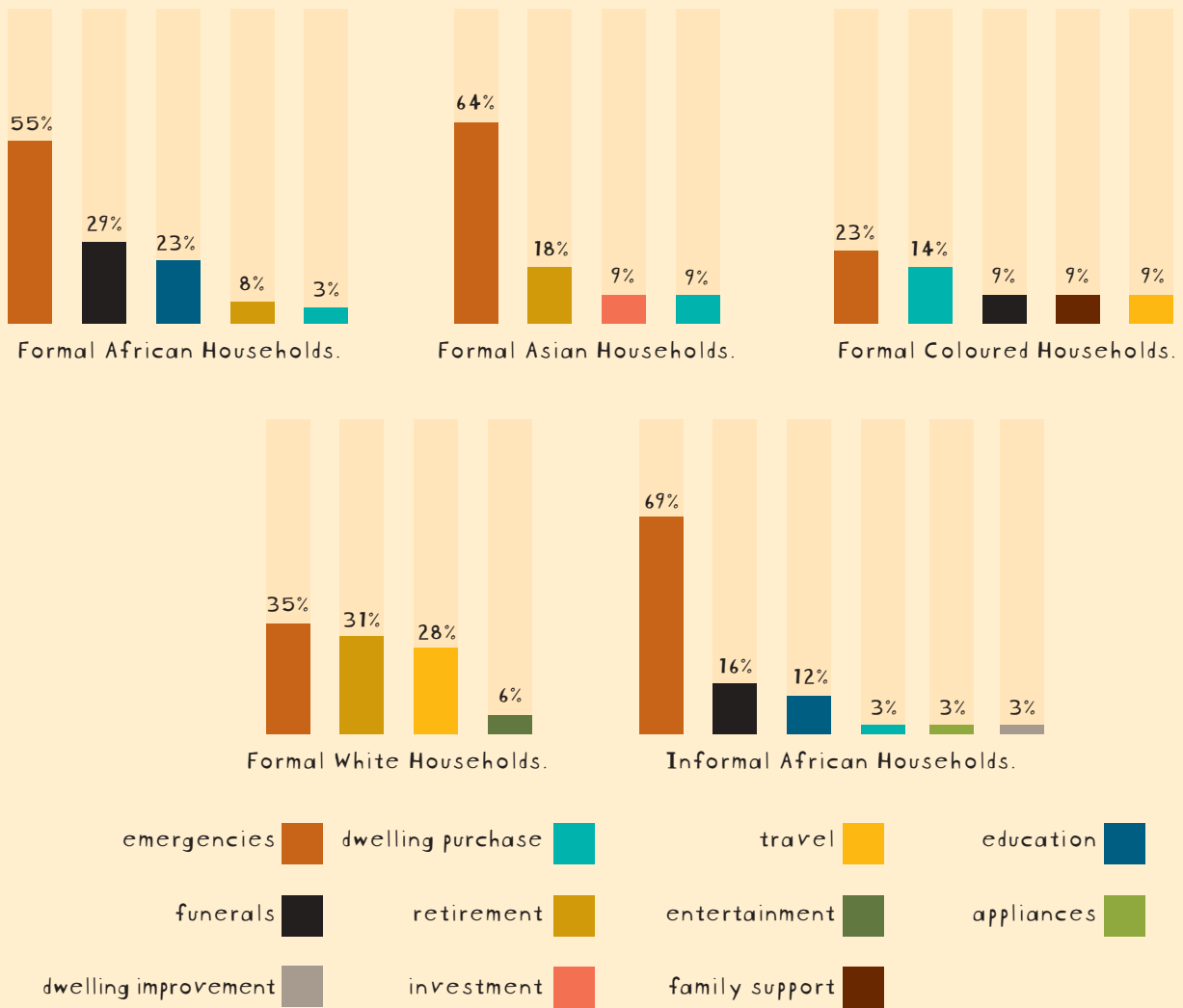
People save for many things, including:

-  home appliances, home improvement and furniture
-  education
-  emergencies
-  entertainment
-  funerals
-  family support
-  investments
-  buying a car
-  retirement
-  small business development
-  travel
-  accounts
-  donations
-  clothes

Only 18% of people in Buffalo City are able to save anything after they have paid for basic expenses. Those who are able to, save an average of about R270 a month. People living in different housing areas tend to save for different things.



Here are some of the main things that people in different housing types save for.

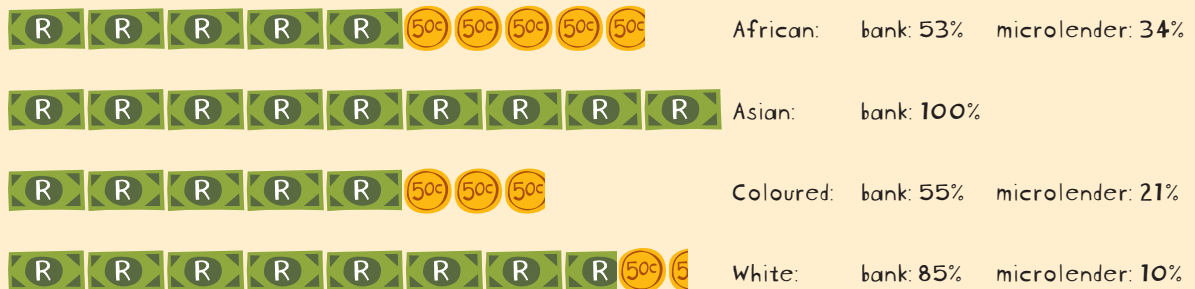


These charts show that for people in all household types saving for emergencies is the most important reason to save.

Personal loans

Only about one in ten of the people in Buffalo City have personal loans. This percentage is about the same for all population groups.

Of those who do have loans, about half have their loans from banks and about one-third from micro-lenders. There are differences between the population groups, though.



Other sources of loans include employers, unions and private people.

Housing

Adequate housing is regarded as a basic human right, but - like many South Africans - many of the people in Buffalo City don't have access to it.

As is true of many aspects of life in Buffalo City, there are differences between the population groups. About one-fifth of the city's people live in informal housing areas, while about 35% of households are either buying their home through a bond, or have fully paid it off. Over 20% of housing is under tribal tenure.

The survey categorised the housing types in Buffalo City under a number of headings. Some of these are described on page 6.

The survey also asked people if they lived in:

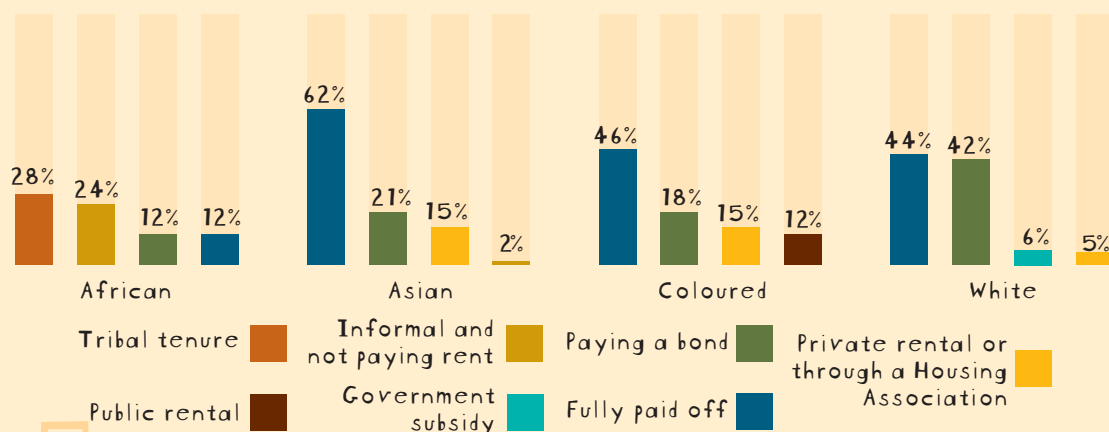
- ☐ a house on a separate stand
- ☐ a traditional dwelling
- ☐ a flat in a block
- ☐ a townhouse or cluster house
- ☐ a retirement unit
- ☐ a house, flat or room in a backyard
- ☐ an informal dwelling not in a backyard
- ☐ an informal dwelling in a backyard
- ☐ a room or flat in a main dwelling

People were also asked which of the following forms of tenure their homes come under:

- ☐ fully paid off
- ☐ paying a bond
- ☐ using a government subsidy
- ☐ private rental or through a Housing Association
- ☐ public rental
- ☐ sub-tenant
- ☐ rent free
- ☐ informal and paying rent
- ☐ informal and not paying rent
- ☐ tribal tenure
- ☐ occupying an empty dwelling
- ☐ using a government subsidy and own contribution



Here are the top four forms of housing tenure for the different population groups.





Are people satisfied with their homes?

Almost half of the people in Buffalo City are satisfied or very satisfied with their homes.

The main reason why people say they are satisfied with their homes is that they meet their needs and standards. This is quite a general description; different people are likely to have different ideas about what they want their home to be like. But the important thing is that people should feel that their homes suit them.



Other reasons for people liking where they live is because:

- ☐ it provides a home and shelter
- ☐ it's in a good, safe neighbourhood
- ☐ they own the house they live in
- ☐ it's close to transport routes and other amenities
- ☐ it's large, spacious, private and quiet
- ☐ it's affordable and they can't afford a different home
- ☐ they grew up in the area and are familiar with it
- ☐ they like the design and quality of the house
- ☐ they've improved and maintained the house



What type of homes are people satisfied with?

Not surprisingly, people who live in houses on their own stands are generally satisfied or very satisfied with their homes. This is true of about 61% of people in these homes. Some people - about 12% - living in traditional homes are also very satisfied with their homes. Almost 60% of people in townhouses and cluster homes are satisfied or very satisfied; so are about 55% of people in houses, flats and rooms in backyards. Only about 9% of people in informal dwellings not in backyards are satisfied or very satisfied.





Dissatisfaction with housing

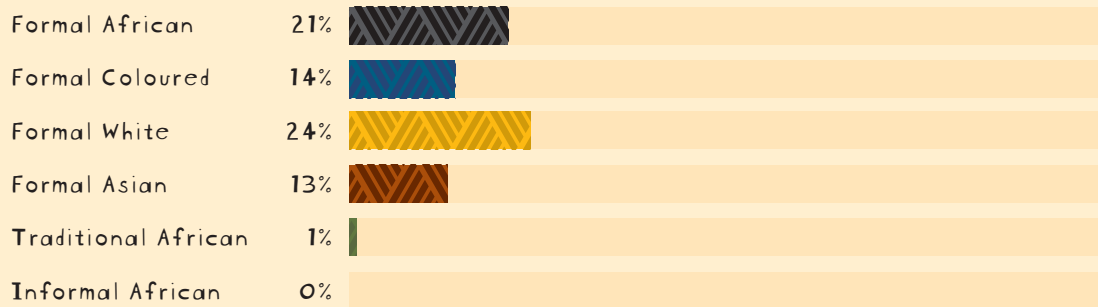
The main reason why people are not satisfied with their homes is that they are too small; about 27% of people say this. Here are some other reasons.

leaks, cracks, damp, cold, smells	21%
lack of services: electricity, waste removal	15%
bad condition, old	15%
bad design or badly built	13%
needs maintenance	9%
unsafe neighbourhood	5%



Housing subsidies

Subsidies, from the Government or an employer, can be a very important way of helping people to own their homes. Only 14% of households have a Government housing subsidy. This chart shows the percentages of home owners who receive such a subsidy.



Percentages of the population groups receiving a Government housing subsidy.

As the chart shows, no people in informal African areas had housing subsidies.

Overall, about 14% of householders in Buffalo City receive housing subsidies from their employers. This includes 20% of people in formal African households, 11% in formal Coloured households, 9% in formal Asian households and 32% in formal White households. Fewer than 1% of traditional African or informal African households receive such subsidies. This may be because of the high unemployment levels in these communities.

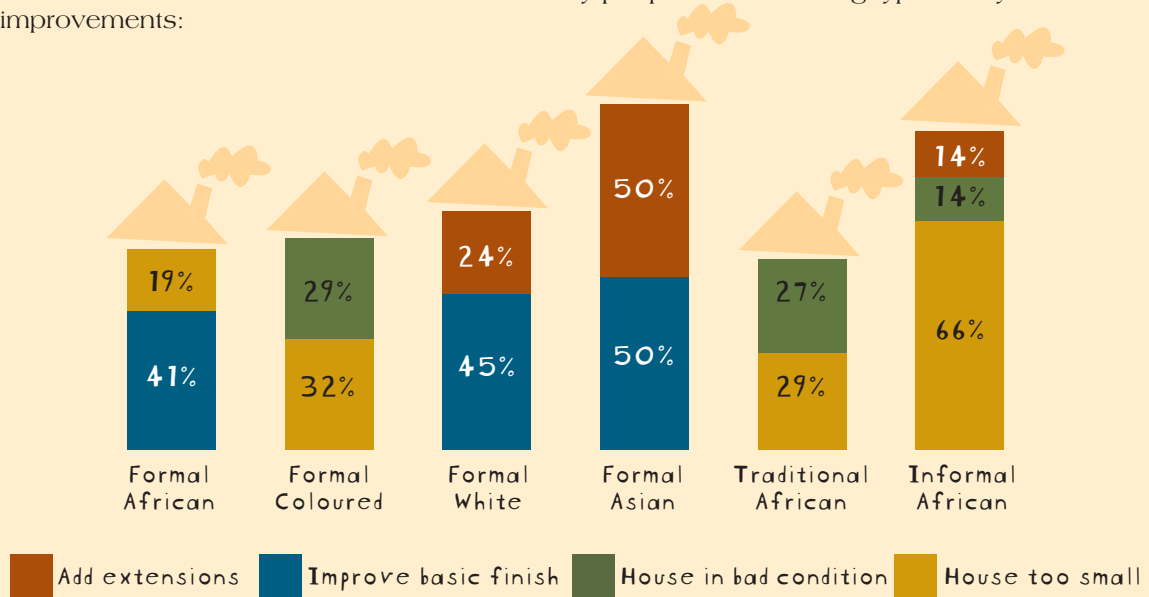


Home improvements

Overall, about one third of households have carried out improvements on their homes. The percentages of households carrying out these improvements range from 44% (formal White) and 43% (traditional African) to 15% (formal Asian) and 18% (informal African).

The main reason - given by about 30% of the people who have carried out home improvements - for these improvements is because they want a better basic finish to their home. Other reasons are because the house was too small (26%), it was in bad condition (18%), or an extension was added (13%).

This chart shows some of the main reasons why people in the housing types carry out home improvements:

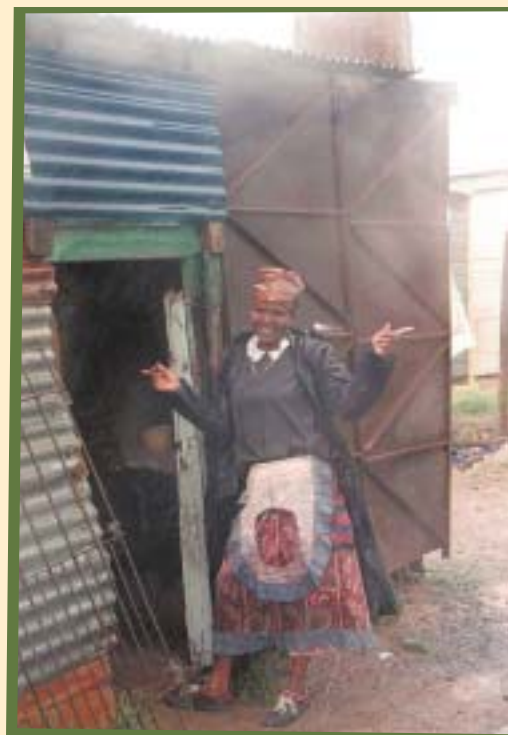


Reasons why people carry out home improvements.

The two main reasons given for why people do not carry out home improvements are:

- ☞ money is not available (76%)
- ☞ the house is all right as it is (16%)

A small number gave other reasons, such as the fact that they are investing in a rural homestead, the site is not suitable, or they are waiting to buy another house.



Household Services

Household services are those services which are provided to people by a local authority, or by a service provider such as an electricity company.

The Buffalo City survey asked people about:

- what sort of toilet facilities they have access to
- their rubbish-disposal system and how well it works for them
- where they get their water from
- what energy sources they use for cooking and lighting
- if they have electricity, how they access it
- what household services they would most urgently like to see upgraded, and what new services they want
- what they would be willing and able to pay for these services



Toilet facilities

As will be seen in the section later in this book called "Satisfaction with life and a sense of belonging", there seems to be a strong relationship between the kind of toilet facilities people have, and how satisfied they feel with life in general. This is likely to be because housing areas with good toilet facilities usually have good amenities in general - recreation areas, shops, clinics and so on. These may also be areas where unemployment is not as high as it is in some other places.

People were asked what sort of toilet facilities they have:

- full waterborne flush toilet
- septic tank
- ventilated improved pit latrine
- basic pit latrine
- communal toilets
- bush, forest, veld

The two main types of toilet facilities are full waterborne flush toilets (just over 60% of households) and basic pit latrines (22%). There are big differences between the different housing types, though. In high-income areas with well-serviced houses, 100% of households have full waterborne flush toilets. 99% of houses in medium-income areas with well-serviced houses have this type of toilet. So do 91% of informal homes in medium-service areas. However, less than 1% of informal homes in low-income areas have these toilets. In these areas, over 40% of people use basic pit latrines, and 3% use the bush, forest or veld. In traditional low-service areas, almost 80% of people use basic pit latrines.

Households in formal Coloured, White and Asian communities almost all have access to full waterborne flush toilets. So do about 80% of people in formal African areas, but only about 25% of people in informal African areas. Over 30% of people in these areas use basic pit latrines.

Getting rid of rubbish

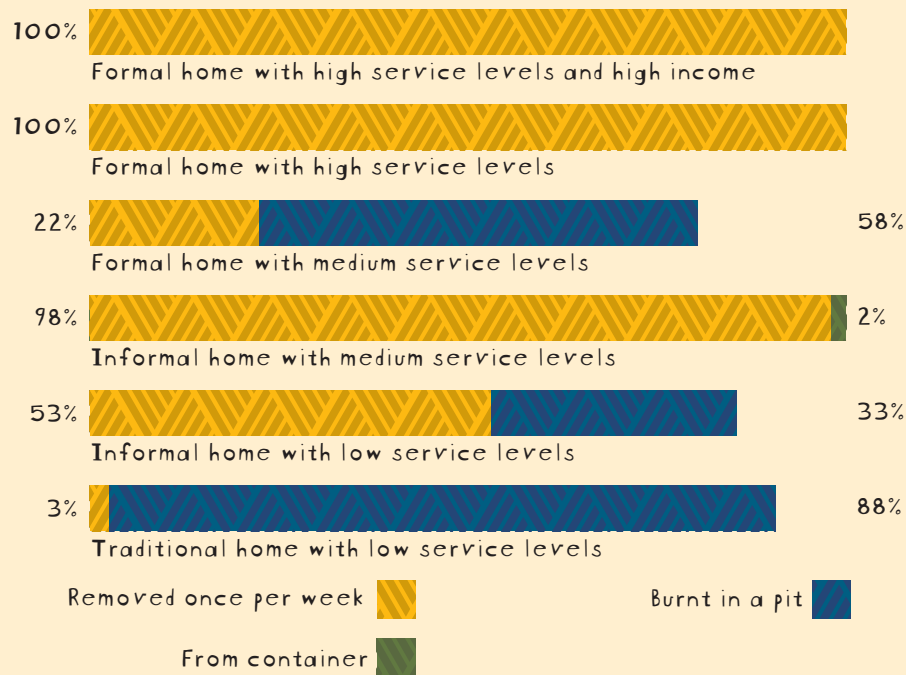
Collecting refuse, and disposing of it safely and hygienically, is one of the important roles that local authorities play in people's lives. There are many ways for the authority to do this:

- removing refuse at least once a week
- removing it less than once a week
- removing it from a container which the local authority provides
- removing it from a communal dump

If a refuse-collection service is not provided by the local authority, people have to find their own ways of dealing with the problem:

- ☐ putting refuse on a communal dump
- ☐ putting it in the household's own dump
- ☐ burning it in a pit
- ☐ putting it in the street

The survey wanted to find out how refuse-collection is dealt with in Buffalo City. Here are some of the main findings:



Main types of refuse removal from different types of home.

Just over 70% of people have their rubbish removed once a week by the local authority. The next most common way of getting rid of rubbish is by burning it in a pit; this is what nearly a quarter of households do.

Water - Essential for life

People in Buffalo City get household water in a number of ways including piped directly into the house from the mains or from a roof tank; from public standpipes; from boreholes, rainwater tanks or wells; or from dams, rivers and springs.

There are big differences between the water sources for different types of housing. Between 78% and 100% of formal African, White, Coloured and Asian households, have it piped directly into the houses. For more than three-quarters of traditional African and informal African homes, water comes from standpipes, and more than 16% of traditional African households have to collect their water from dams, rivers or streams.



Energy at home

Just over three-quarters of homes in Buffalo City have access to electricity. Most of this - over 78% - comes from prepaid cards.

There are big differences, however, between the different housing types when it comes to access to electricity. Almost 90% of homes in the informal areas have none, while about the same percentage in the formal areas do have it. In traditional areas, nearly 80% of households have access to electricity; almost all of this is prepaid.

Energy sources for cooking

Electricity and paraffin are the most common sources of energy for cooking. 53% of households in Buffalo City use electricity, and just over 36% use paraffin. Informal African households depend very heavily on paraffin; more than 90% of these homes use it for cooking. About two-thirds of formal African households use electricity, and about a quarter use paraffin. Coloured, White and Asian households almost all use electricity.

Traditional African homes are the only ones which use wood very much for cooking. More than 36% of them use wood, and just under 50% use paraffin. Not many households in any category use gas or coal.



Energy sources for lighting

Just over three-quarters of all households use electricity for lighting. This is quite a lot higher than the numbers using electricity for cooking, and must mean that electric light is more affordable for a larger number of people than electricity for cooking is.



Use of electricity for lighting by housing type.

This chart shows that, in informal African housing areas, not much more than one household in ten uses electricity for lighting. Almost all of the other people in these areas use paraffin.



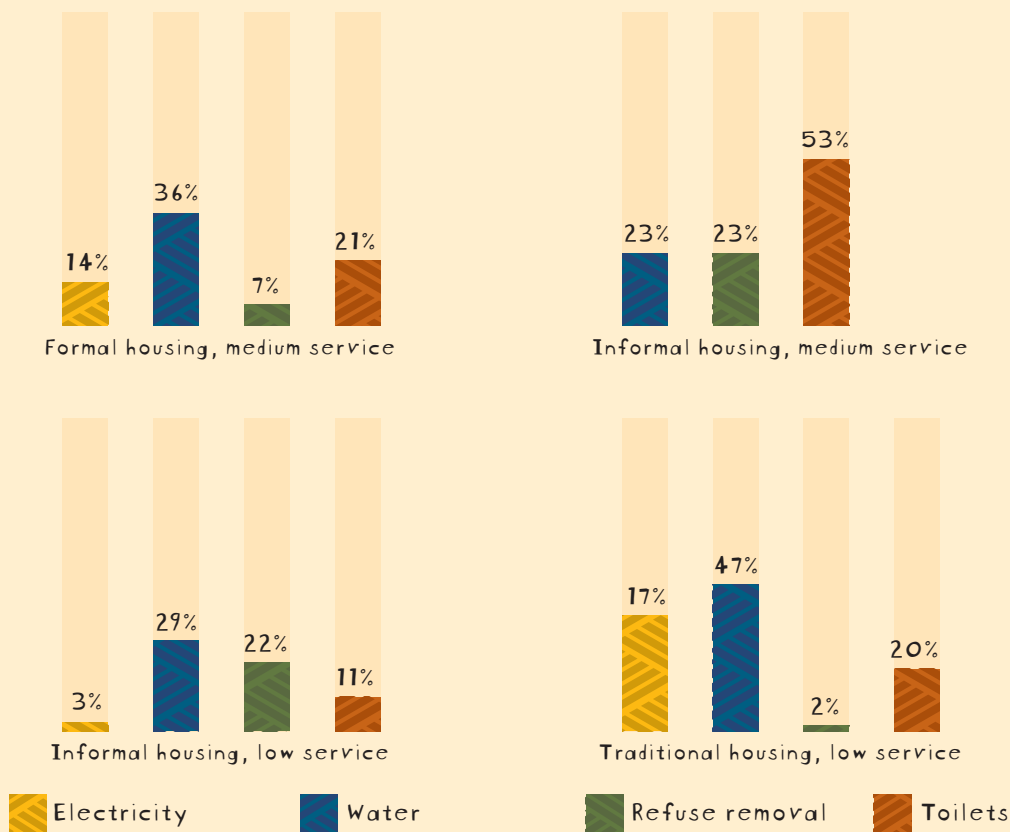
Dreaming of a better home

The survey asked people:

- which of their present household services - toilets, water, refuse removal and electricity - they would like to see improved

Answers to these questions show that water is the service that the largest percentage of people would like to see upgraded. This is especially true for people living in the poorest areas of Buffalo City; it was the first choice for nearly 30% of people in informal low-service areas, and for almost half of the people in traditional low-service areas.

However, it is also clear that there are differences between the views of people in different housing types. These charts show this.



Services which people in some of the different housing types would like to see being upgraded.

People were also asked:

- in the case of any of the services that they do not have, which ones they would most like to have

Almost 40% of people said that better toilets would be their top priority new service. For about a quarter, their priority was water, and just over 20% said that electricity was the new service that they would most like to have.

\$ Paying for the dream

People were asked how much they would be willing to pay for the new or improved service of most importance to them. The average of all the answers given was just under R21 per month.

This chart shows the amounts which people in the different communities said they would be willing to pay.



Amounts that people in different housing types are willing to pay for new or improved services.

