

## Consumer Pulse Study

# Consumer behaviours and attitudes about current and future household budgets, spending and debt

Namibia Q2 2024

TransUnion's quarterly survey explores how consumers' personal finances have changed and what changes they expect in the future. The study measures shifting consumer attitudes and behaviours based on the dynamics of income, debt and identity theft. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunities for consumers.

### KEY TAKEAWAYS



**In Q2 2024, Namibian households faced financial challenges.** Nearly three quarters of Namibian households experienced stagnant or decreased incomes with only 28% reporting an increase. Job loss and salary reductions were primary causes of declines in household income. Responding to financial challenges, many consumers were forced to revise their budgets by reducing discretionary spending and cancelling non-essential services. While many (30%) respondents aimed to pay off debt faster, a concerning 14% reduced their retirement savings. Despite the challenges, 70% of consumers, especially younger generations, indicated optimism about future income, but 49% anticipated problems paying off bills and loans. They considered making partial payments, taking on temporary work and borrowing, and planned to adjust spending – focusing on essentials like medical services.



**Financial inclusion reaches plateau with a surge in credit demand.** While almost all consumers considered access to credit crucial, only 32% felt they had sufficient access, marginally down from last year's 34%. Credit demand surged in Q2 2024 with 41% of respondents planning to seek new credit in the coming year (up 6% from Q3 2023). Thirty-five percent of consumers were considering student loans and 31% were looking at personal loans. Despite a high follow-through rate on credit applications, fear of rejection based on income or job status and the high cost of credit were notable deterrents.



**Persistent security concerns dampened adoption of digital platforms.** Namibia faces persistently low internet penetration with 75% of consumers conducting less than half their transactions online. Efforts to combat digital fraud appeared to yield results; the percentage of respondents targeted in Q2 2024 declined from Q3 2023 – but 11% still fell victim, indicating persistent threats. Meanwhile, just over a third of respondents remained unaware of fraud attempts, suggesting a need for enhanced vigilance and education. Money and gift card scams were the most prevalent followed by vishing and phishing. Consumer fears regarding sharing personal information rose; identity theft and invasion of privacy were primary concerns, emphasising the importance of robust data protection measures and transparency.

## Household income (HHI), spending and bill payment impact

Namibian consumers continued to experience financial strain in Q2 2024, although there were indications of progress. Many respondents registered stagnant (38%) or decreased incomes (34%), but 28% reported an increase, a marked improvement of 8% from Q3 2023.

The primary factors contributing to a decline in household income were job loss (25%) and salary/wage reductions (17%). In contrast, increases were mainly attributed to higher salaries/wages (16%) and starting a new business (14%).

Namibian consumers have been grappling with high inflation, which has exerted pressure on disposable income and spending. Inflation averaged 5.9% in 2023 – driven by a surge in food prices which averaged 11.4% in 2023. Despite an overall decrease in consumer inflation to 4.9% in the first five months of 2024, it remained a significant concern for respondents – exacerbated by the sharp escalation of transport inflation driven by rising fuel prices.<sup>1</sup>

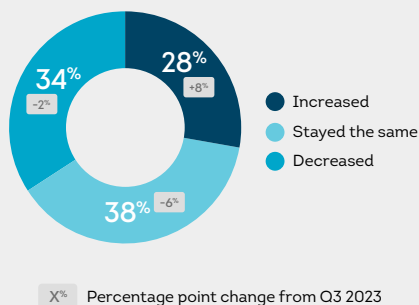
In response to these challenges, many consumers revised their household budgets in Q2 2024. Over the past three months, 52% opted to reduce discretionary spending (dining out, travel and entertainment), especially Millennials (56%) and Gen X (57%). Furthermore, 27% cancelled or reduced their usage of digital services, and another 27% cancelled subscriptions and memberships. These adjustments in household budgets reflected a proactive response to financial challenges as consumers prioritised essential expenses over discretionary ones.

Thirty percent of respondents aimed to pay off debt faster in Q2 2024, but 14% reduced their retirement savings. However, on a positive note, 25% of households increased their contributions to emergency funds (with Gen Z showing the highest increase at 33%), suggesting a growing awareness of the importance of financial preparedness.

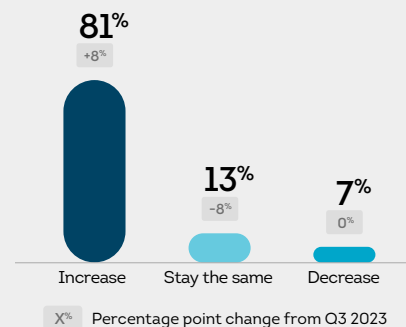
Looking forward, a significant 81% of Namibian consumers said they feel optimistic about their future income prospects (up 8% from Q3 2023). Particularly noteworthy was the optimism among younger generations: Gen Z (85%) and Millennials (82%) expressed particular confidence in income growth.

Acknowledgement of potential financial hurdles exists, however, with a substantial 49% of consumers anticipating challenges in fully meeting their existing bills and loan obligations (up from 4% in Q3 2023). Among those expecting financial difficulties, 36% planned to make partial payments, 35% said they would seek temporary work options, and 25% intended to borrow from friends or family. Additionally, 37% of respondents proposed to reduce discretionary spending in the coming year, while 46% planned to increase their payments toward bills and loans. Nevertheless, reflecting their optimism about future income, 44% intended to increase spending on retirement funds/investing, 39% would do so on medical services, and 36% planned to spend more on digital services.

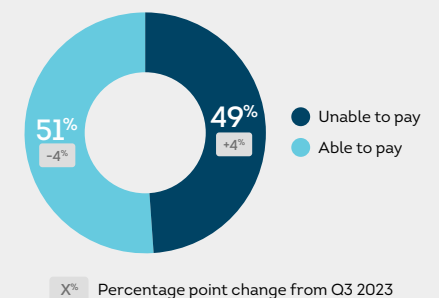
**Figure 1. Household income change last three months**



**Figure 2. Expected household income change next 12 months**

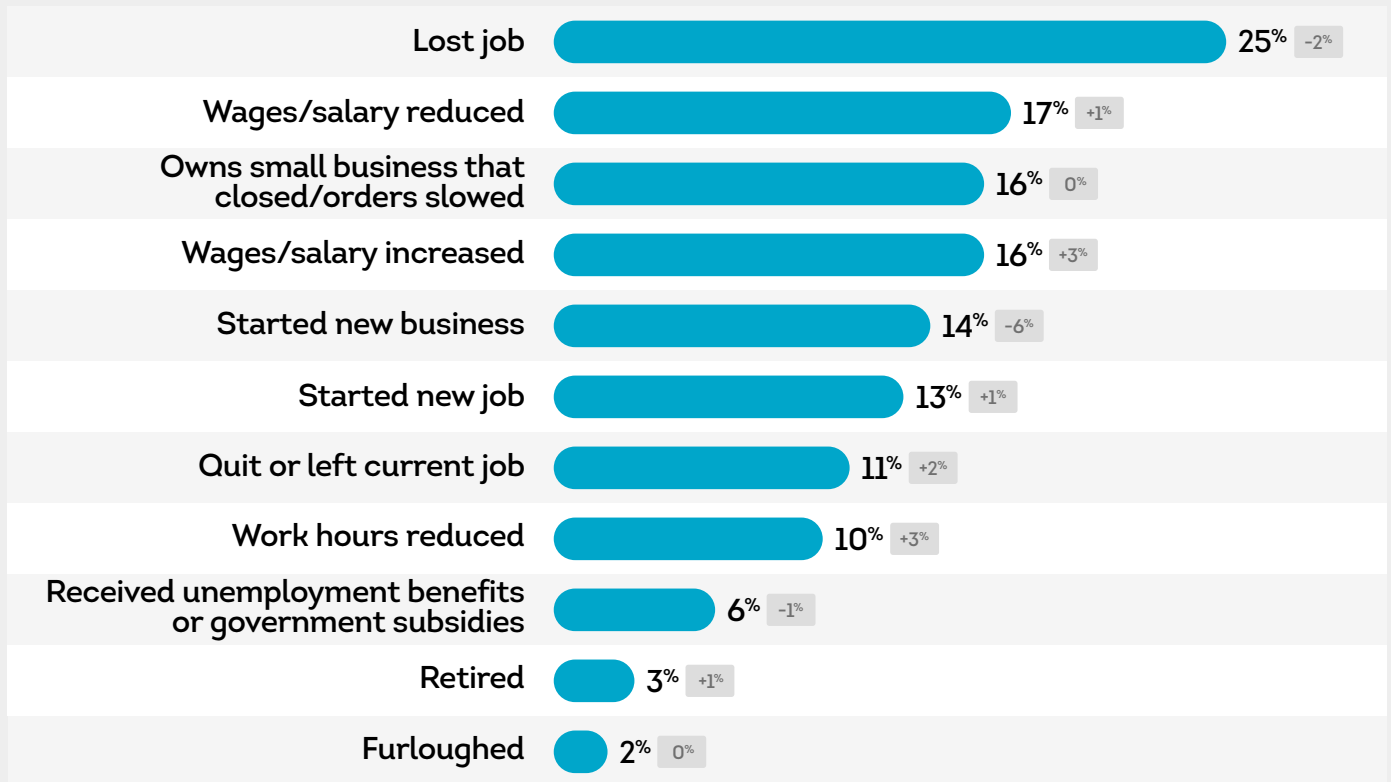


**Figure 3. Expect to be unable to pay at least one of their current bills and loans in full**



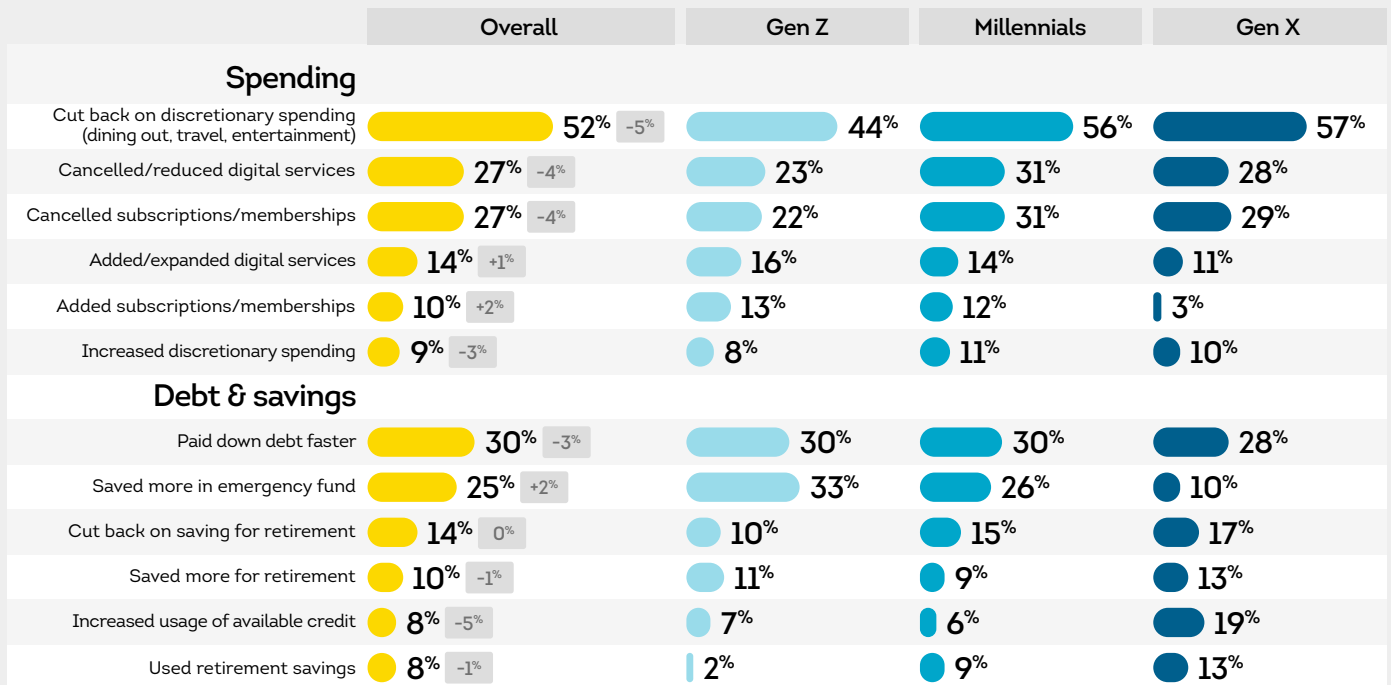
<sup>1</sup> Namibia Statistics Agency, [Namibia-CPI-Bulletin\\_May-2024.pdf \(nsa.org.na\)](#)

Figure 4. Reasons for change in current household income in past month



X\* Percentage point change from Q3 2023

Figure 5. Changes to household budget in the last three months



X\* Percentage point change from Q3 2023

Figure 6. Plans to pay current bills or loans (among those unable to pay bills/loans)

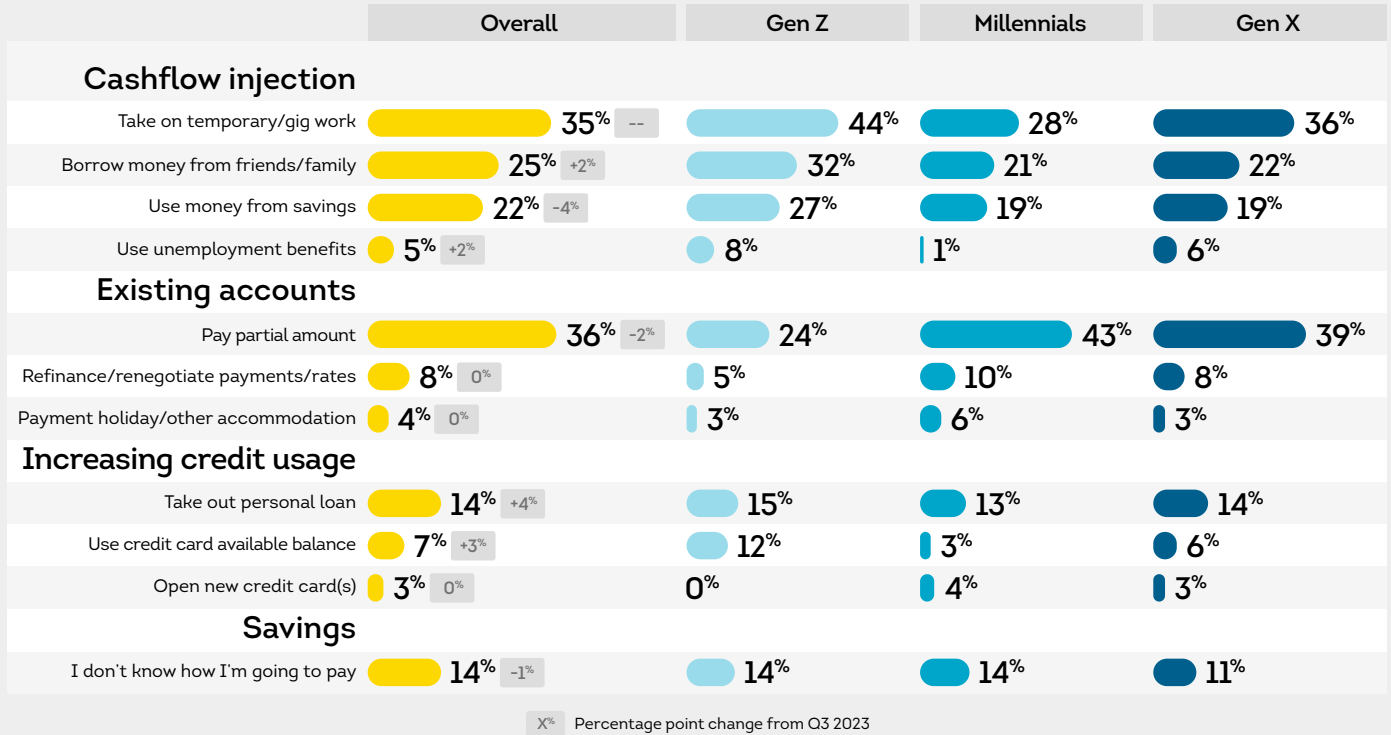
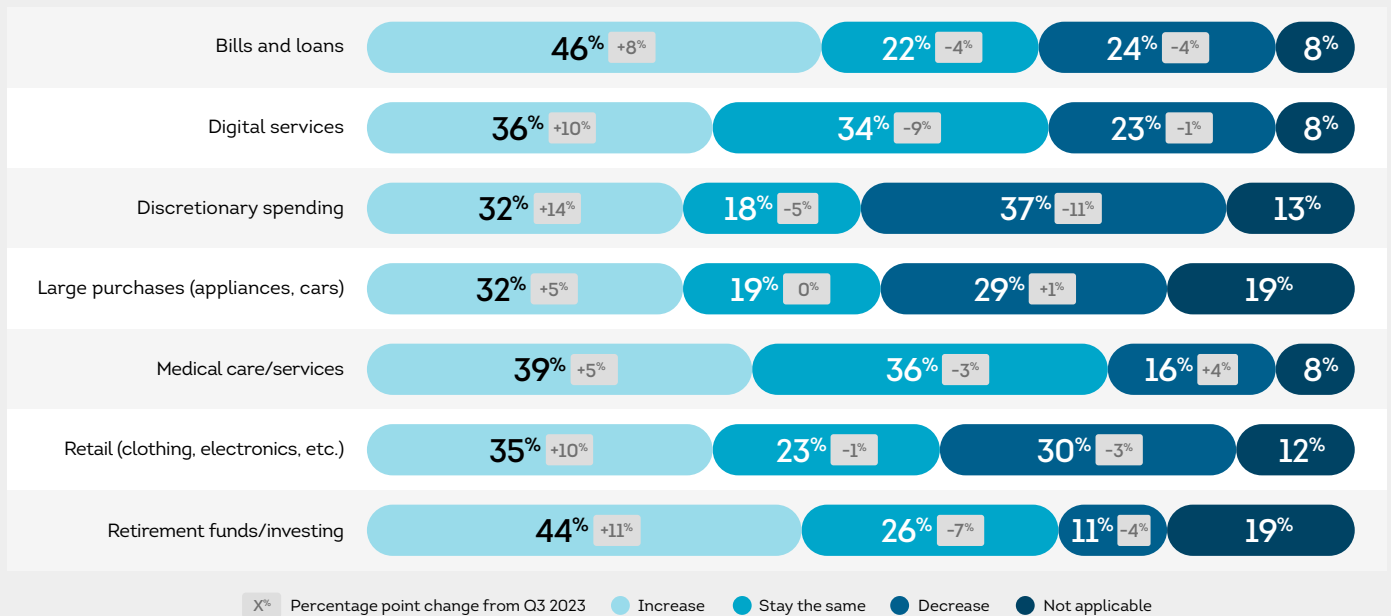


Figure 7. Expected change to household spending over next three months



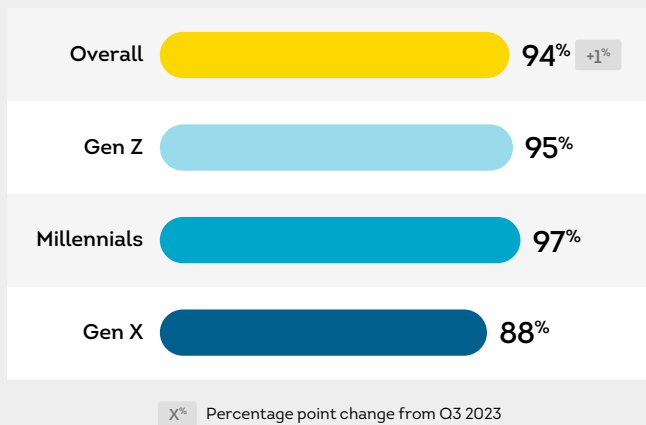
## Attitudes and plans for economic participation

Nearly all (94%) consumers considered credit access crucial, but only 32% felt they have sufficient access, a slight decline from Q3 2023 (34%). Sufficient access to credit remained particularly low for Gen Z and Millennials.

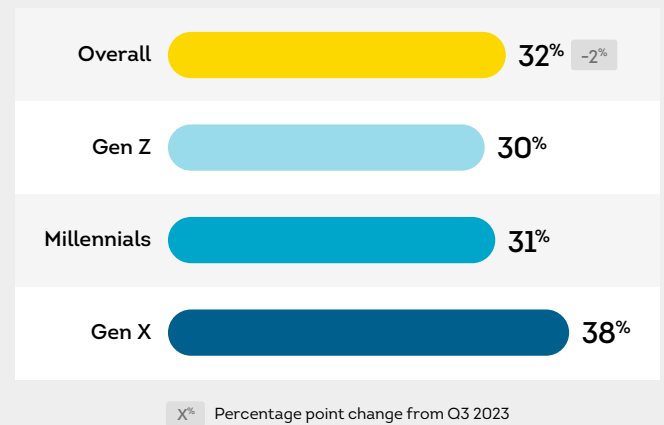
In Q2 2024, credit demand surged with 41% of respondents planning to seek new credit within the next year (up 6% from last year); Millennials (42%) and Gen X (43%) showed the most interest. Among those planning to seek credit, 35% considered student loans, particularly Gen Z (58%). New personal loans were considered by 31% of respondents (8% more than in Q3 2023), especially among Gen X (45%).

The credit application follow-through rate was high (60%). The primary deterrent for abandoning applications was fear of income/job status rejection (34%) and the high cost of credit (28%). The bank lending rate was at a high of 11.5%,<sup>2</sup> which led to increased debt repayment burdens.

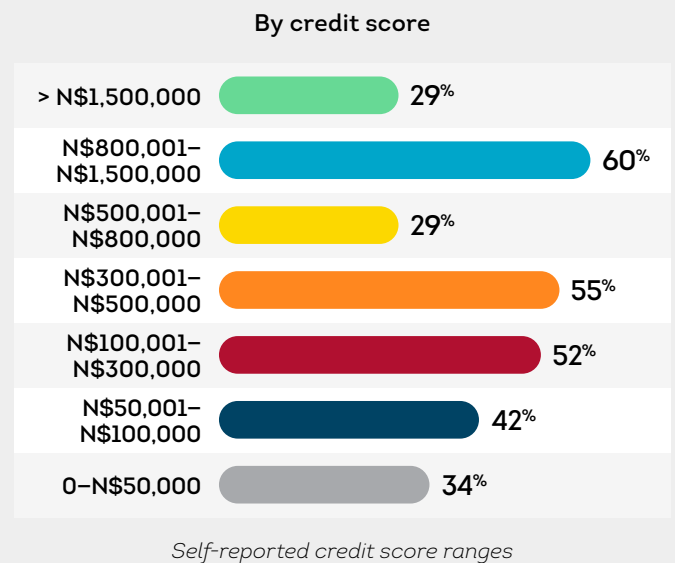
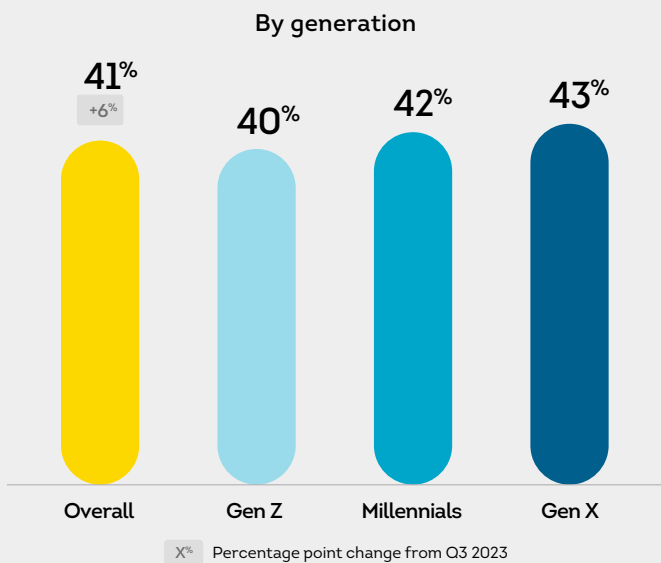
**Figure 8. Believe important to have access to credit and lending products to achieve financial goals**



**Figure 9. Believe have sufficient access to credit and lending products**



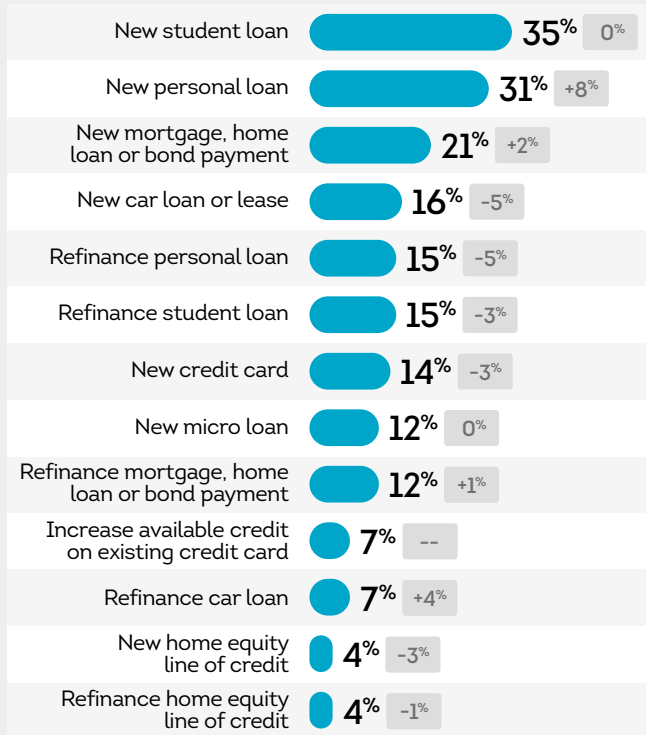
**Figure 10. Plan to apply for new credit or refinance existing credit within the next year**



<sup>2</sup> Bank of Namibia, 9bc340ab-5df5-4158-9f2d-6b01241e7b8a.pdf (bon.com.na)

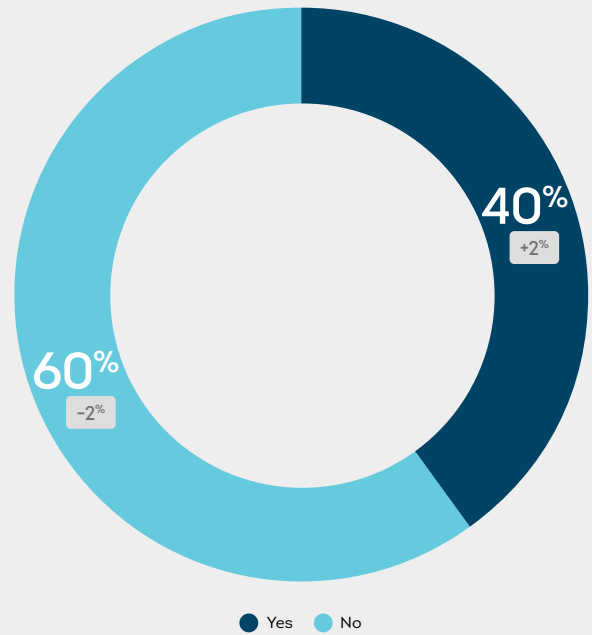
**Figure 11. Type of new credit and loan activity planned in next 12 months**

(among those who plan to apply for new or refinance existing credit)



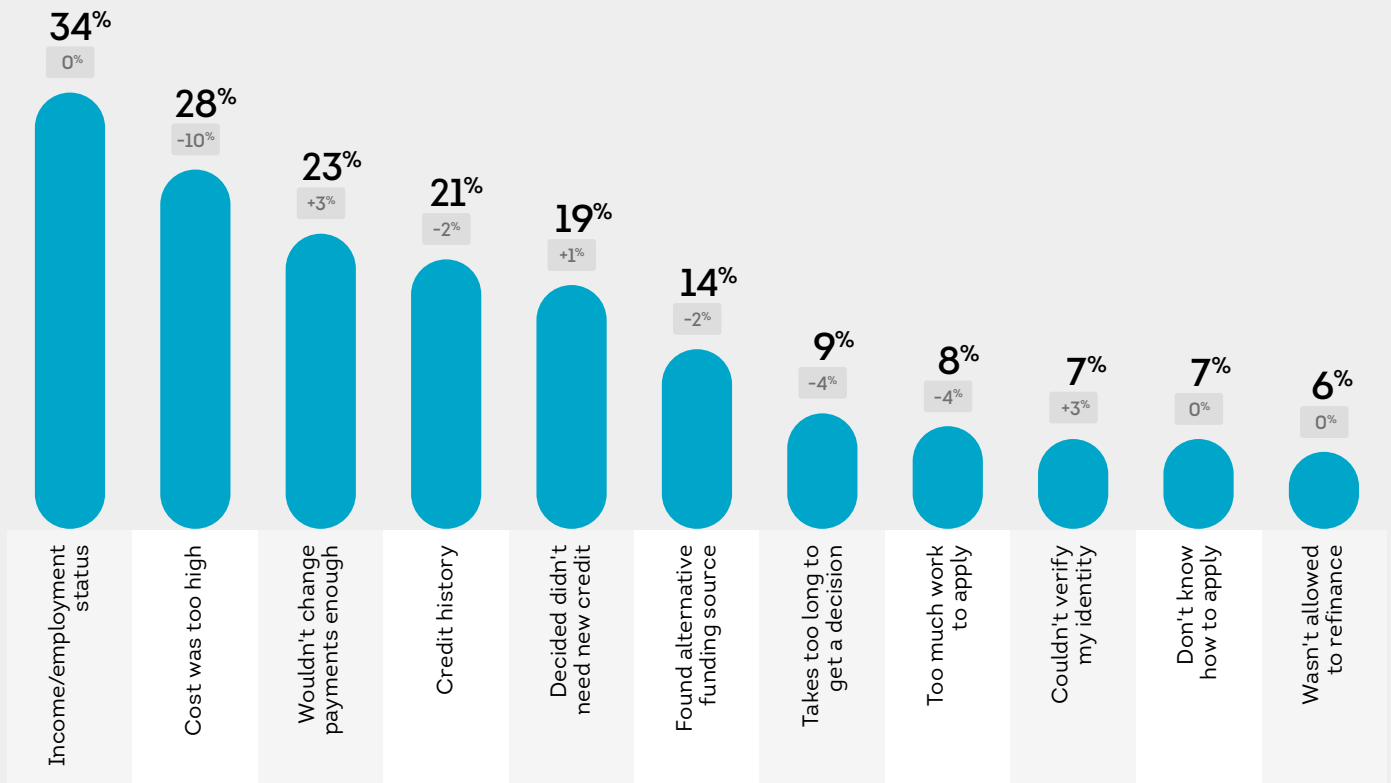
X% Percentage point change from Q3 2023 -- Data not available from Q3 2023

**Figure 12. Abandoned plan to apply for new credit or refinance**



X% Percentage point change from Q3 2023

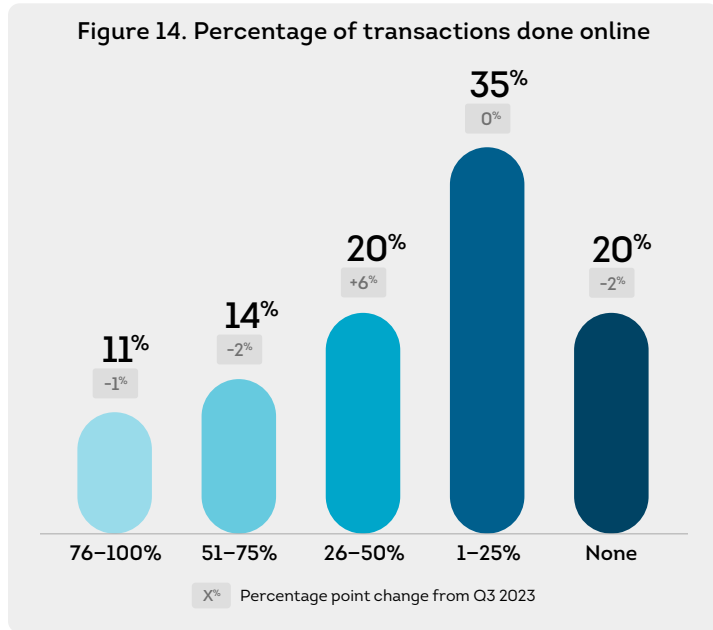
**Figure 13. Reasons for abandoning application for new credit or refinance**



X% Percentage point change from Q3 2023

## Attitudes and behaviour to manage financial choices

Namibia continued to have low internet penetration in Q2 2024 with 75% of consumers conducting less than half their transactions online (up from 71% in Q3 2023), highlighting limited digital connectivity nationwide, particularly in rural areas. Conversely, only 25% of respondents conducted more than half their transactions online (with Gen X unexpectedly leading the trend at 32%). These findings emphasised the urgency of initiatives to enhance internet infrastructure and promote digital literacy to boost ecommerce and internet expansion in Namibia.



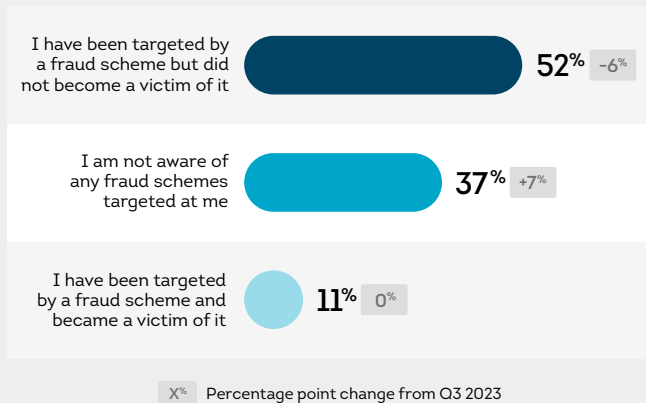
## Identity risks and usage

The percentage of respondents who were targeted by digital fraudsters but did not become victims in Q2 2024 was down (52% compared to 59% last year), suggesting efforts to combat digital fraud are making headway. But the fact that 11% of all respondents were victimised indicates digital fraud remains a significant threat. The notable vulnerability of older consumers and Gen X (13%) to digital fraud highlighted the importance of targeted awareness and educational campaigns tailored to these demographics. Moreover, the high percentage (37%) of respondents who remained unaware of any attempts suggested a need for enhanced vigilance and education on recognising and reporting fraudulent activities. Strengthening cybersecurity measures and promoting digital literacy among all age groups are crucial to effectively mitigate digital fraud risks.

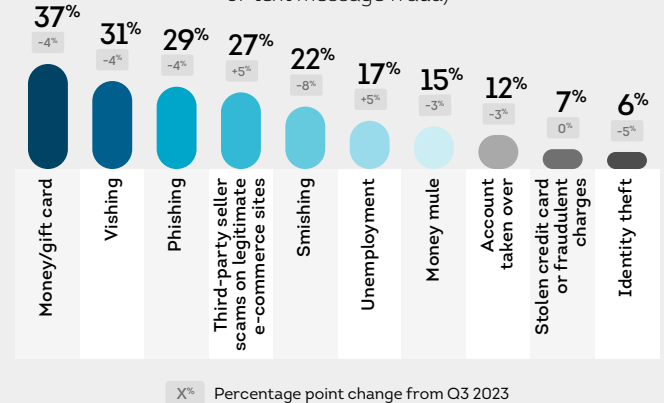
In Q2 2024, money and gift card scams emerged as the prevalent fraudulent scheme – affecting 37% of respondents (down 4% from last year). Vishing (fraudulent phone calls meant to trick you into revealing data) impacted 31% of respondents. Phishing (fraudulent emails, websites, social posts or QR codes meant to steal data) affected 29%, down from 34% last year.

In Q2 2024, consumer fear about sharing personal information increased to 91%, reflecting widespread concern across all generations. Identity theft was the primary worry for 76% of respondents – notably high among Millennials and Gen X. Additionally, 75% of respondents cited invasion of privacy as a significant concern. This heightened concern underscored the importance of robust data protection measures and transparency in businesses and institutions handling personal data.

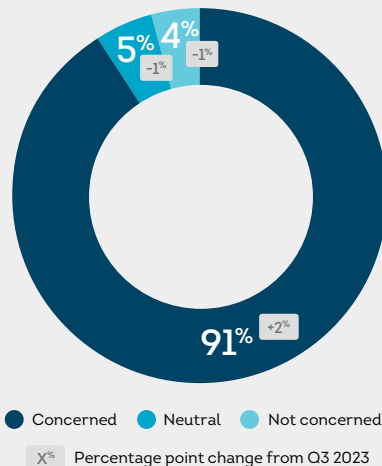
**Figure 15. Personal experience with online, email, phone call or text message fraud attempts in last three months**



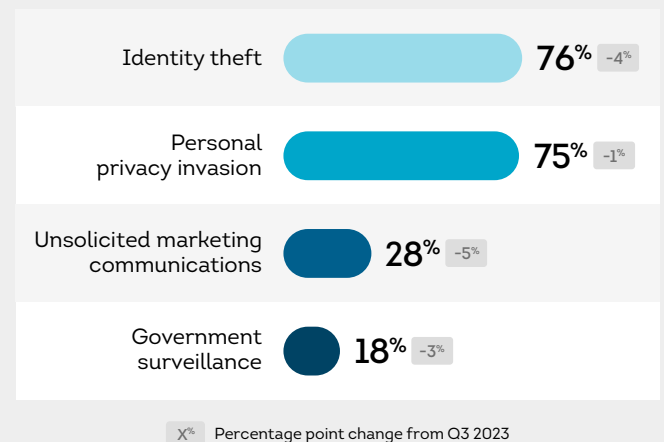
**Figure 16. Most frequent fraud schemes targeting consumers**  
(among those targeted with online, email, phone call or text message fraud)



**Figure 17. Concern with sharing personal information**



**Figure 18. Reasons concerned about sharing personal information**





## Research Methodology

TransUnion's Consumer Pulse Survey of 382 adults was conducted 1–20 May, 2024 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years and older residing in Namibia were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English. To increase representativeness across resident demographics, the survey included quotas to balance responses to the census statistics dimensions of age, gender, household income and region. Generations are defined in this research as follows: Gen Z, 18–26 years old; Millennials, 27–42 years old; Gen X, 43–58 years old; and Baby Boomers, age 59 and above. Those not included in this report didn't have adequate base size. These research results are unweighted and statistically significant at a 95% confidence level within  $\pm 5.01$  percentage points based on a calculated error margin. Please note that some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

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