



FOR PROFESSIONALS

SINCE 1941



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## **PROFESSIONALS' CONFIDENCE ON THE RISE - SURVEY**

*11 June 2015:* South African graduate professionals' overall confidence across a number of socio-economic factors increased in the first quarter of 2015, rising two percentage points to 54% from the last quarter of 2014. This is according to the latest results from the 2015 PPS Professional Confidence Index (PCI) which surveyed over 4 600 graduate professionals.

Macy Seperepere, Manager: Professional Associations at PPS, says that while an overall confidence level of 54% is still a relatively low reading for the index, it is positive to note that general sentiment has improved among the professional market.

There are a number of possible reasons why graduates could be feeling more optimistic, says Seperepere. "If we look at the overall results of the last few years, we see that respondents tend to be more positive at the start of each year, with confidence gradually decreasing throughout the 12-month period. However, the 2015 figures are the lowest the index has produced since it started in 2011."

The survey revealed a confidence level of 78% when the respondents were asked about their confidence in the future of their profession over the next five years, possibly suggesting that respondents are inspired by the number of other professionals returning to the country, says Seperepere.

The Homecoming Revolution recently stated that 359,000 South Africans have returned in the past five years, with 34 000 expatriates considering returning to the country. This is important because for every one skilled person who returns to South Africa, nine new jobs are created in the formal and informal sectors the organisation said.

"People often think the grass is greener on the other side when it comes to deciding whether to emigrate or not. The reality is that wherever one decides to live there will always be both advantages and disadvantages to every country, and sometimes familiarity can bring more comfort," says Seperepere.

Confidence in the future of the economy over the next five years also increased by two percentage points to 51%.

The recent announcement that a consortium led by Bravura Equity Services plans to establish a stock exchange in South Africa for companies that are currently trading their shares on over-the-counter platforms could be very positive for the local economy, notes Seperepere. "This news could have definitely resulted in an uptick in confidence in the economy as a second stock exchange could mean more jobs."

Other results from the survey that increased, albeit marginally, included: confidence in the standard of education at a basic school level and tertiary level over the next five years rose one percentage point to 46% and 60% respectively. Confidence that crime rates and unemployment would improve over the next five years increased one percentage point to 38%.

“Even though the increases in confidence levels may seem minimal, it is positive to note an upward trend. It is important that graduate professionals remain positive regarding the opportunities in the country as they are a vital part of our country’s successful future,” concludes Seperepere.

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## PPS PROFESSIONAL CONFIDENCE INDEX REPORT - Q1 2015

### BACKGROUND

PPS has in excess of 200 000 members, all of whom are graduate professionals who are completing or holding a qualifying 4 year degree. PPS launched the Professional Confidence Index (PCI) in the first quarter of 2011, as a means of engaging with its members on the key issues that most concern them and to gauge their changing confidence levels on these issues on an ongoing basis.

Following research into what data was freely available, there was a clear lack of quantitative information on professionals and the issues that concern them. The PCI has enabled PPS to gather hard research on pertinent issues affecting South Africa's graduate professionals and provide insight and commentary on the findings. This also allows PPS to set appropriate agendas for engagement via PPS Member Forums, which have been held on a range of issues, from the Legal Practice Bill to National Health Insurance.

The views of graduate professionals are measured on a quarterly basis on a range of key socio-economic factors such as whether there is expected to be an improvement in crime, unemployment and healthcare, as well as personal views on as the likelihood of emigration and the sustainability of their profession.

In addition to the general PCI survey that has been issued to all the members of PPS, PPS also surveyed members in six professions, to get their views on profession-specific issues. The specific professions surveyed in the PCI include, but are not limited to:

- Attorneys
- Chartered Accountants
- Dentists
- Doctors
- Engineers
- Pharmacists

### RATIONALE

PPS undertook the survey to gain insight into the graduate professional segment in South Africa to ascertain their views on a number of issues.

South Africa continues to suffer from an acute skills shortage, particularly amongst skilled professions and through PPS's niche target base of graduate professionals, the company is able to tap into and record the thoughts of this group.

PPS believes understanding the mindset of graduate professionals on key topics is crucial, as it is these individuals who in many ways are the driving force behind the development of the economy.

### METHODOLOGY

The confidence levels of graduate professionals are assessed on a scaled basis of 1 - 5 (1 being Not Confident at all and 5 being Very Confident). The result is expressed on a percentage point basis with the change measured on a quarter-on-quarter and year-on-year basis.

The confidence level is determined through the following formula:

- The total number of respondents choosing option 5 are multiplied by 5
- The total number of respondents choosing option 4 are multiplied by 4
- The total number of respondents choosing option 3 are multiplied by 3
- The total number of respondents choosing option 2 are multiplied by 2
- The total number of respondents choosing option 1 are multiplied by 1

These figures are added together and the total is divided by the total number of respondents. This number is then divided by 5 to attain the confidence level and multiplied by 100 to get the overall confidence level on a percentage point basis.

## **MEDIA RELEASE**

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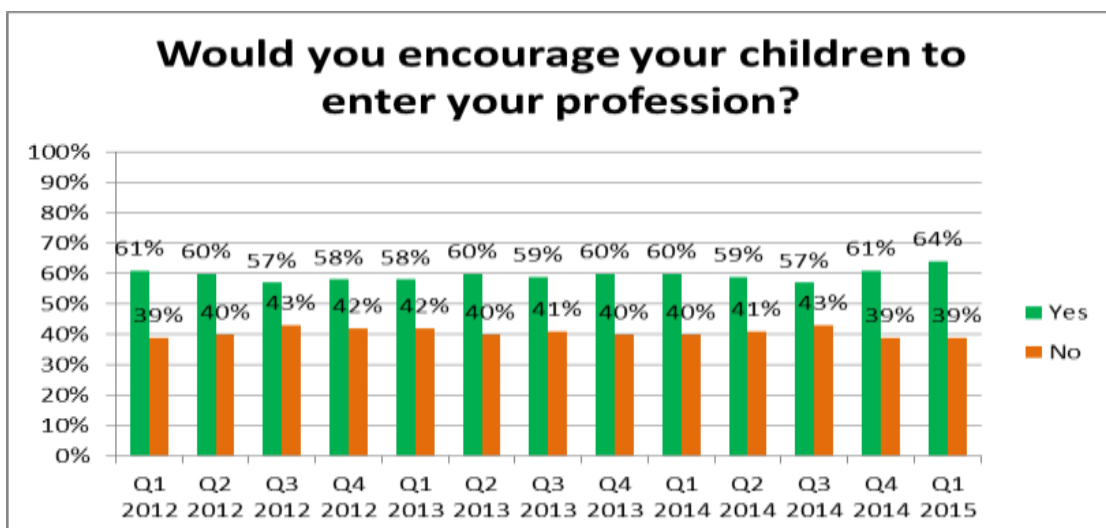
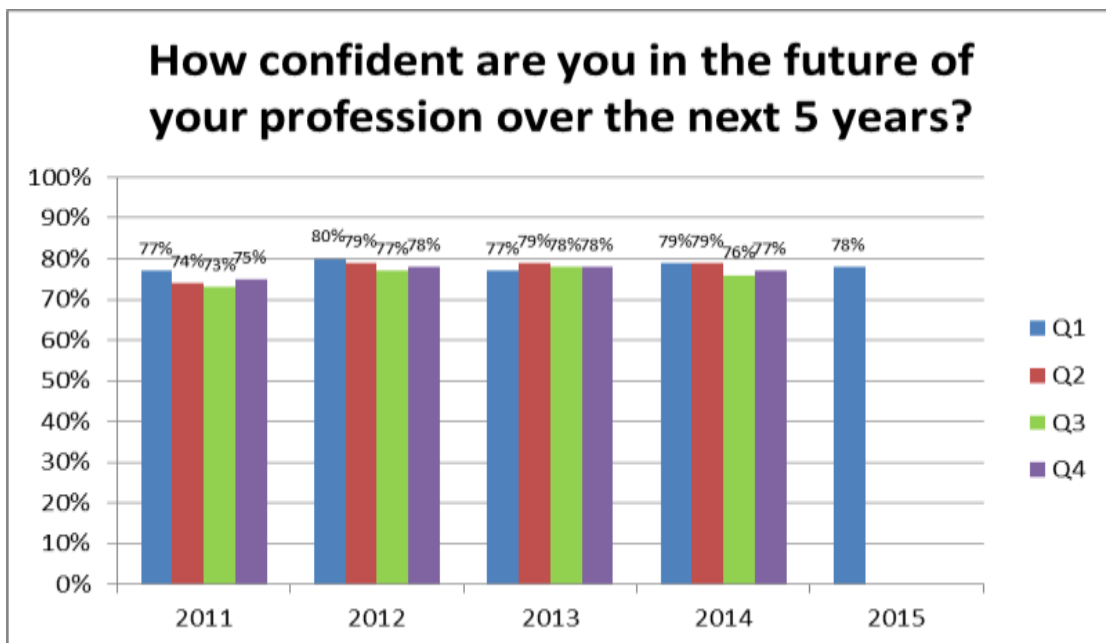
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-Ends-

**RESULTS**

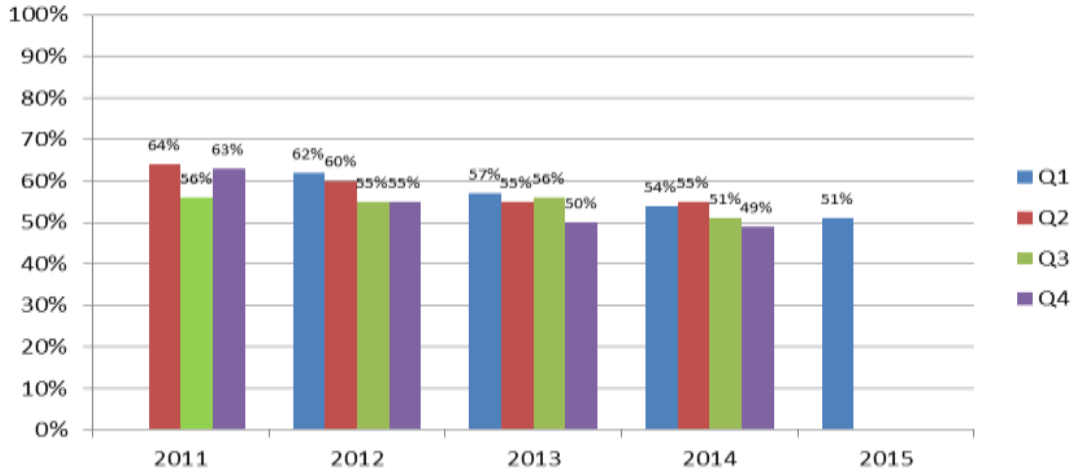
Please note that new questions were added to the questionnaire for this quarter, as a result some of the questions may not have results for previous quarters.

*Profession specific:*

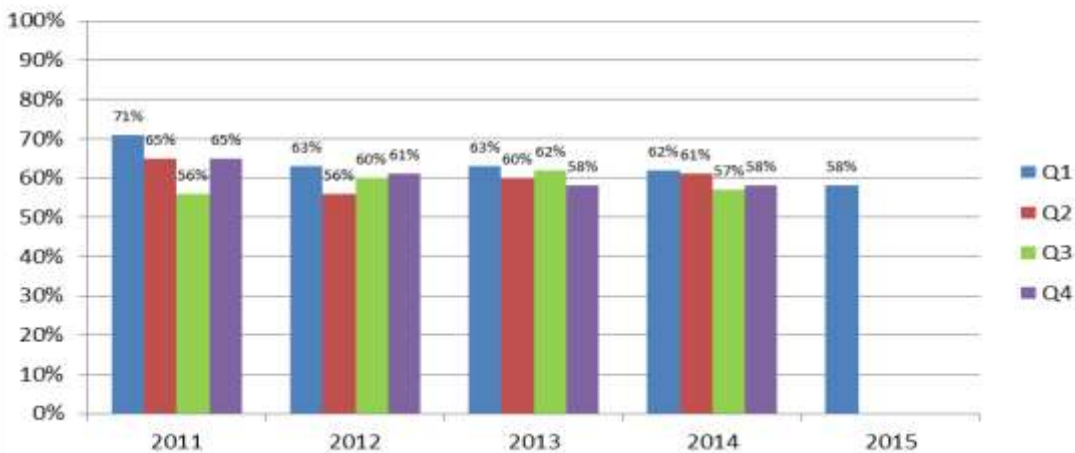


**Economic:**

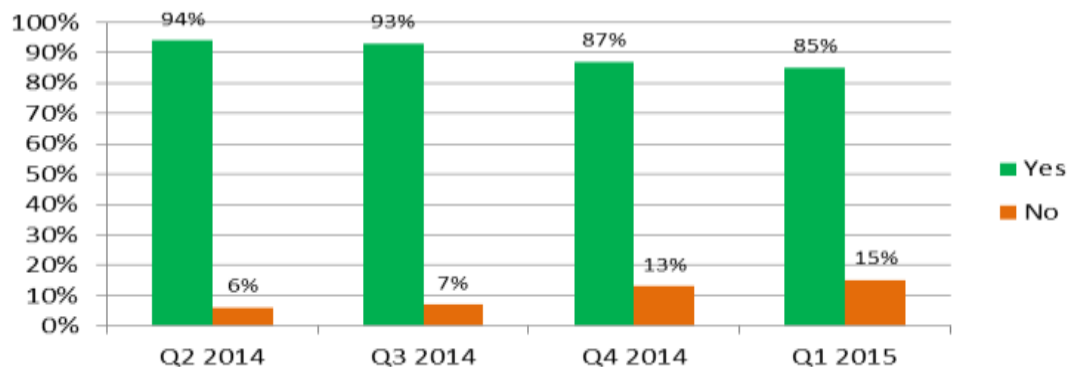
### How confident are you about the economic outlook for South Africa over the next 12 months ?

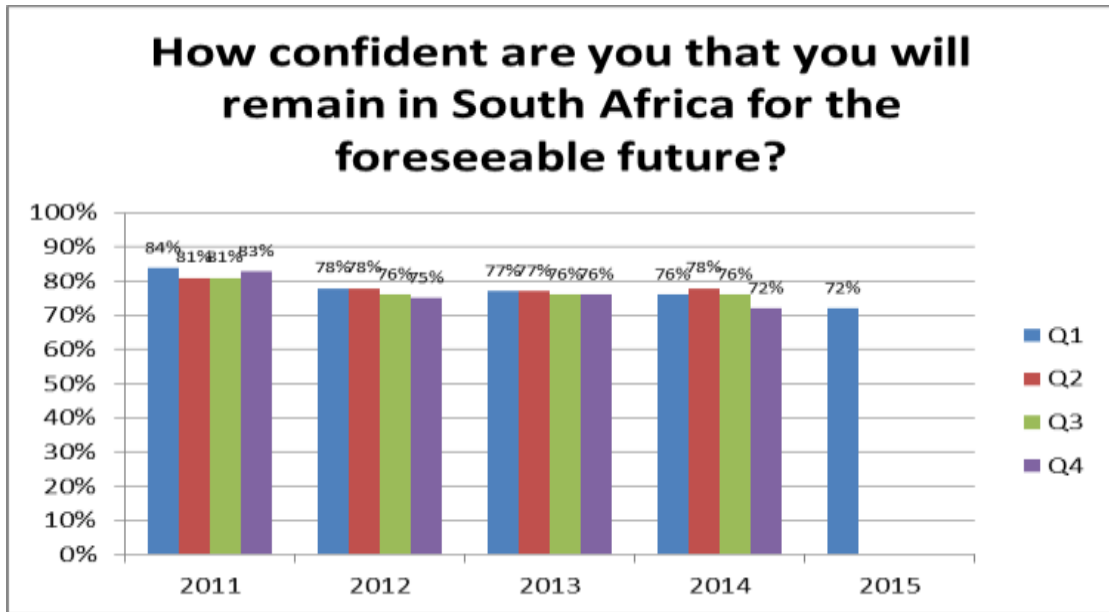


### How confident are you in the outlook for the local equity/share markets over the next 12 months ?

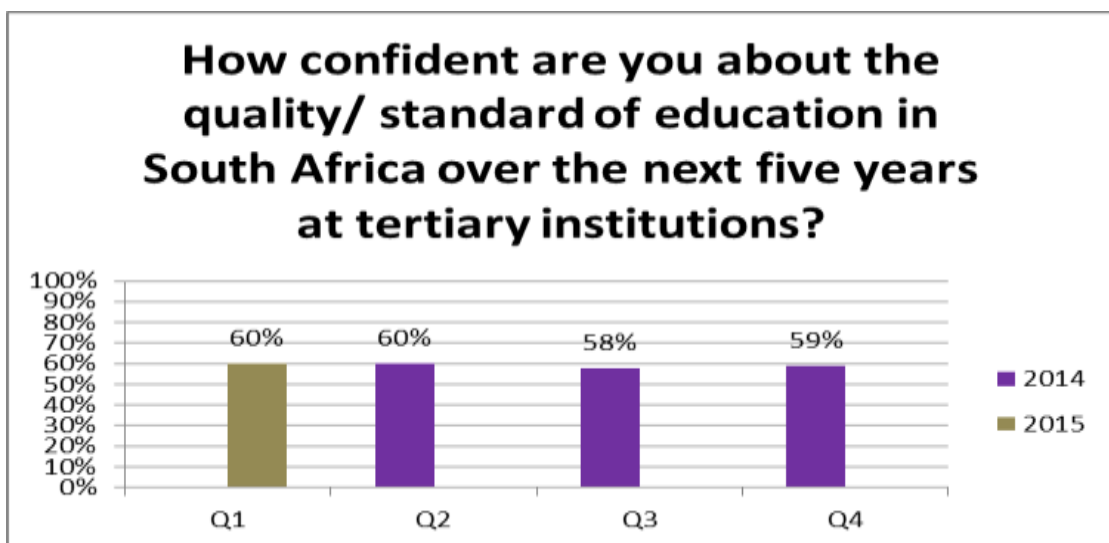
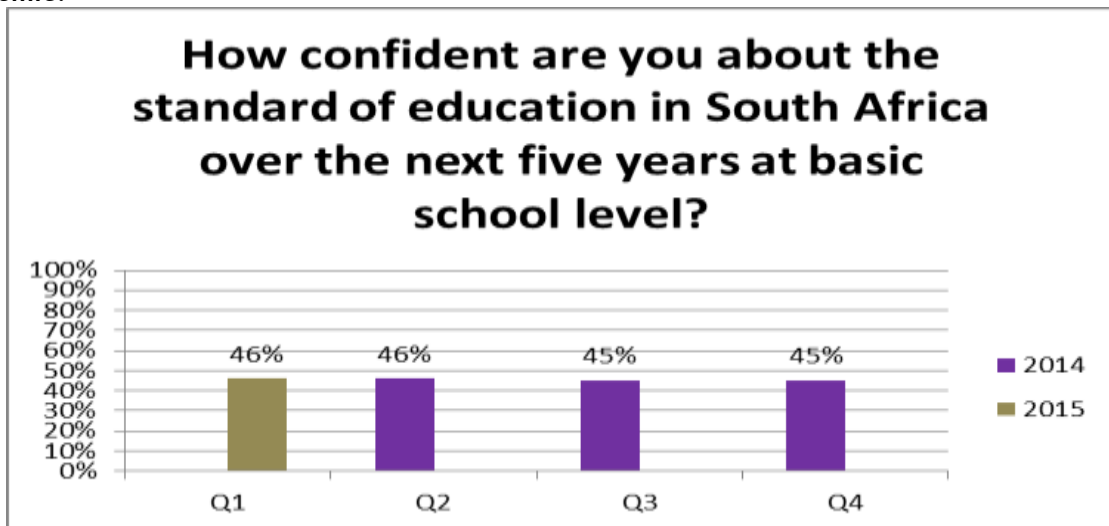


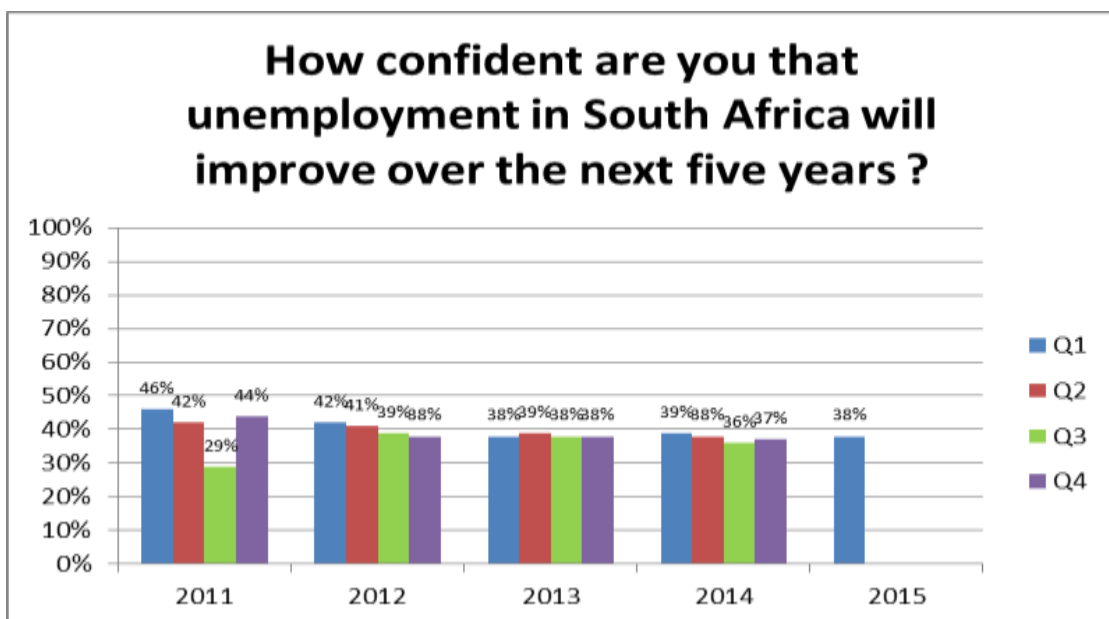
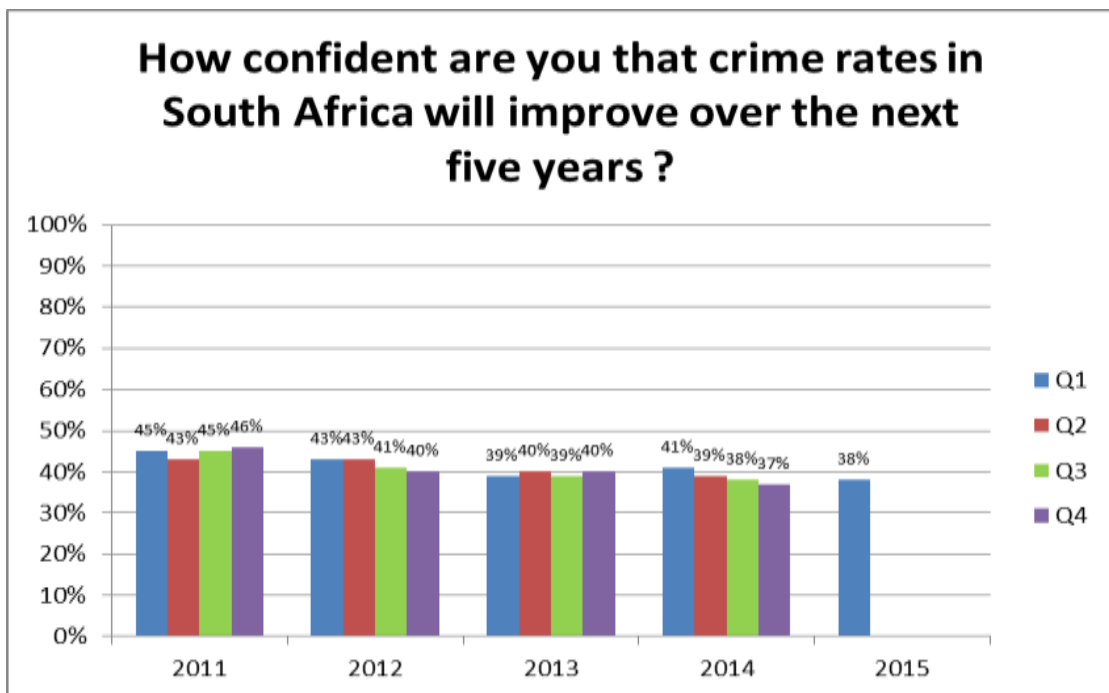
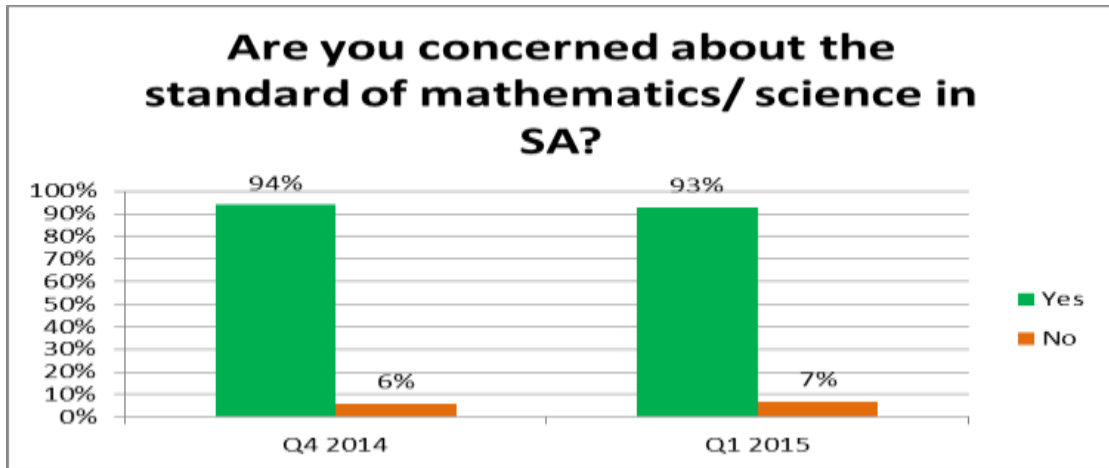
### Have you started saving for retirement?



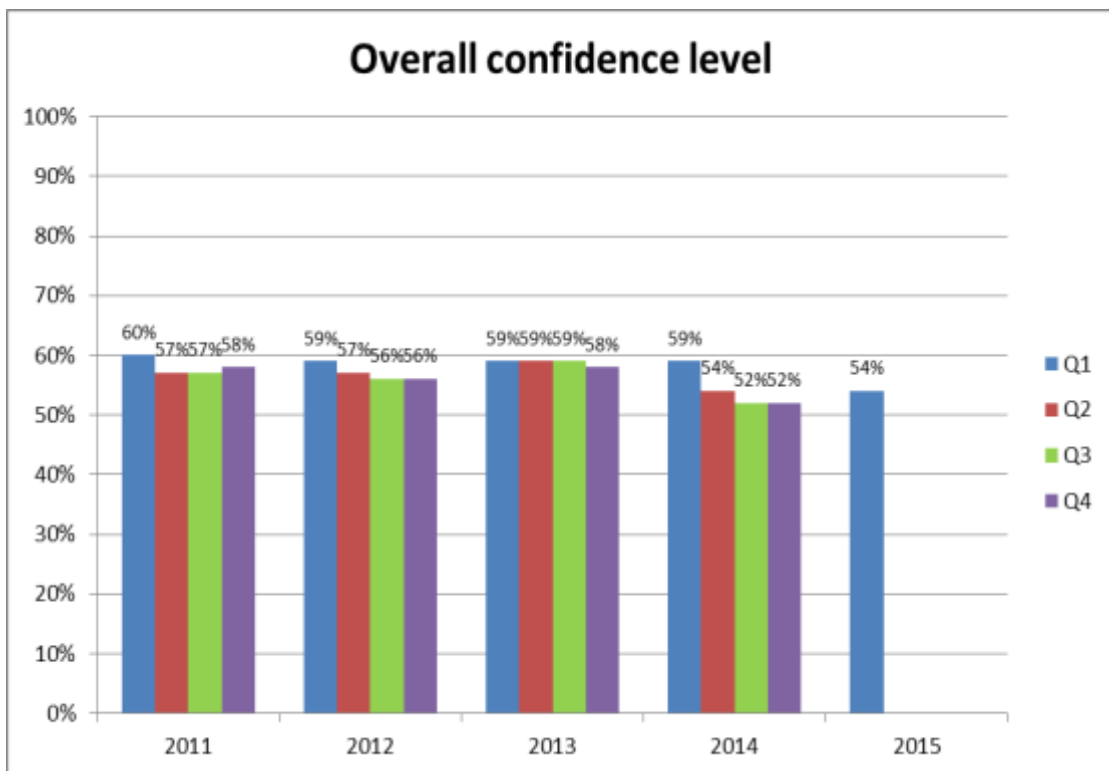
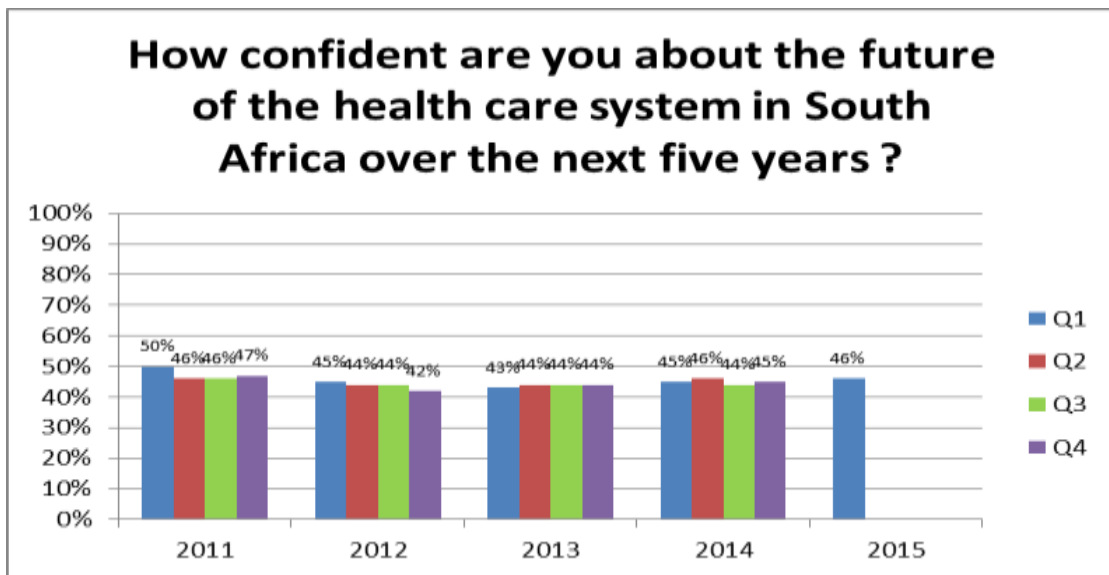


**Socio-economic:**









**Additional information:**

PPS boasts in excess of 200,000 members who enjoy access to a comprehensive suite of financial and healthcare products that are specifically tailored to meet the needs of graduate professionals.

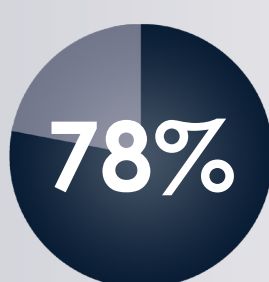
PPS is the largest South African company of its kind that still embraces an ethos of mutuality, which means that it exists solely for the benefit of its members. Thus, PPS members with qualifying products share in the profits of PPS Insurance via annual allocations to the unique PPS Profit-Share Account and those who also have PPS Investments products as well as qualifying PPS Provider products can also share in the profits of PPS Investments.

PPS membership provides access to the following tried, tested and trusted products and services: PPS Insurance, PPS Short-Term Insurance, PPS Beneficiaries Trust, PPS Investments and Profmed Medical Scheme. Visit [www.pps.co.za](http://www.pps.co.za) for more information.

PPS is an authorised financial services provider.

# PROFESSIONAL CONFIDENCE INDEX

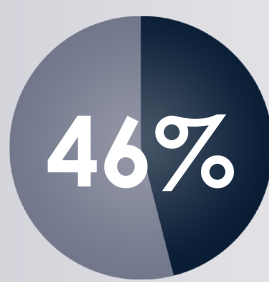
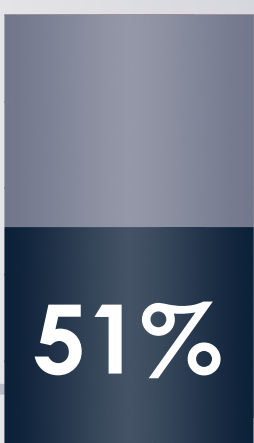
The PPS Professional Confidence Index (PCI), which was conducted among over 4 500 South African graduate professionals in the first quarter of 2015, revealed that these professionals' overall confidence in the country is on the rise.



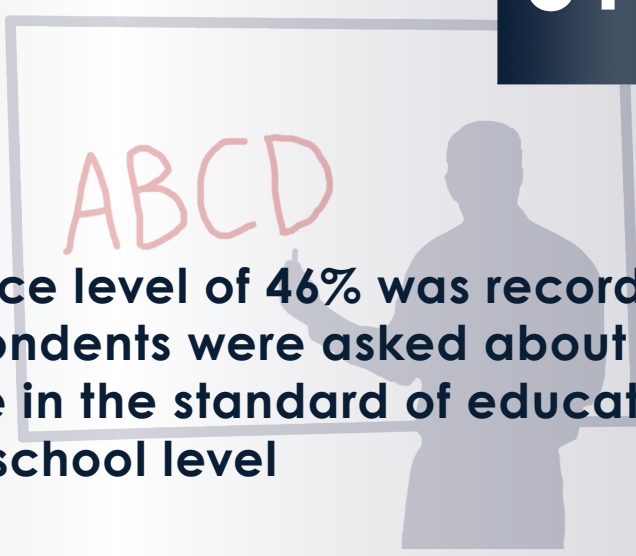
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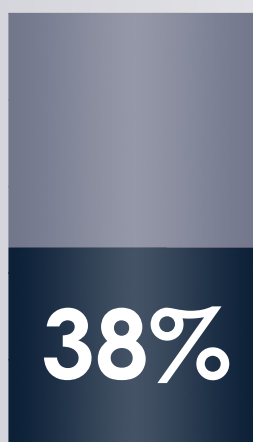
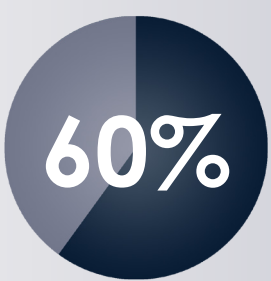
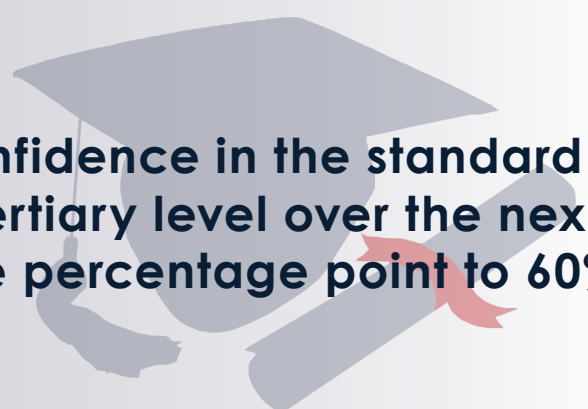
Confidence in the future of the economy over the next five years increased by two percentage points to 51%



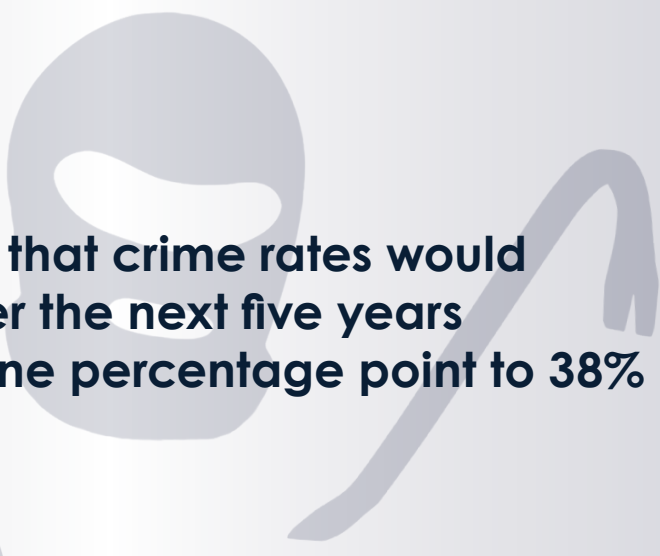
A confidence level of 46% was recorded when respondents were asked about their confidence in the standard of education at a basic school level



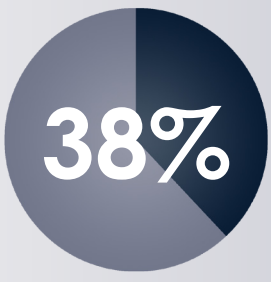
Confidence in the standard of education at a tertiary level over the next five years rose one percentage point to 60%



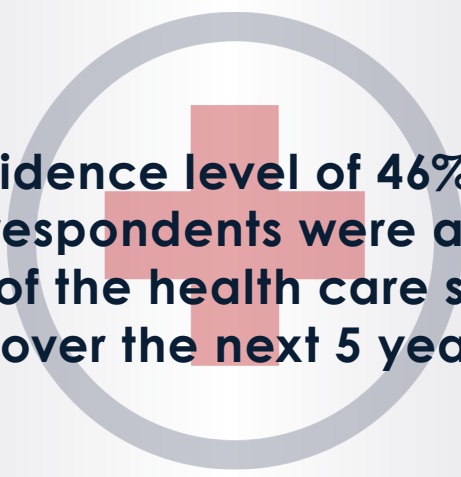
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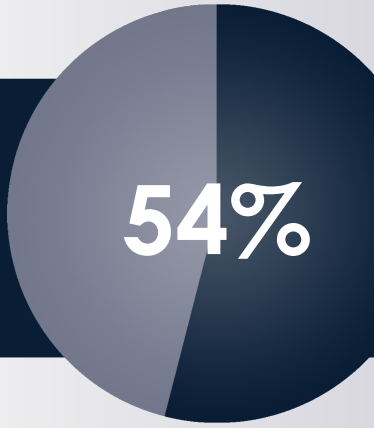
A confidence level of 38% was recorded when respondents were asked how confident they are that unemployment would improve over the next five years



A confidence level of 46% was recorded when respondents were asked about the future of the health care system in South Africa over the next 5 years



Overall confidence across a number of socio-economic factors increased in Q1 2015, rising two percentage points to 54% from the last quarter of 2014



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THE KEY TO SUCCESS LIES IN SHARING IT

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