



SASI to launch July Savings Month and celebrate its 10 year Anniversary

No less a personage than Trevor Manuel emphasised the need for a strong savings culture by all sectors and to improve the savings rate to boost South Africa's economic growth when he launched the South African Savings Institute (SASI) 10 years ago.

The Institute mandated to encourage a savings culture among South Africans and carved out four focus areas that have guided its activities for the past 10 years:

- research and advocacy;
- debate around key aspects of saving through round table fora;
- education and information provision; and
- promotion and awareness creation through campaigns such as:
 - the July National Savings Month campaign;
 - the National Festive Season Savings campaign;
 - Teach Children to Save; and
 - Tertiary Financial Literacy (to name a few).

July Savings Month is SASI's national savings awareness campaign and the flagship event for the cause. This year's campaign will be launched on **Wednesday 13th July 2011 at the Industrial Development Centre (IDC) Auditorium, 19 Fredman Drive in Sandton.** The

event will also mark SASI's 10 years of commitment to improving savings in South Africa. The objectives of the campaign are to:

- promote debate around key aspects of saving;
- raise awareness of the benefits of short, medium and long term planning;
- build relationships with key partners to leverage future opportunities;
- foster a culture of saving within a local and international context; and
- complement the messaging being generated through the social security and retirement reform process to make it meaningful and relevant to the youth to encourage them to start saving early in life, rather than leaving too late.

Elizabeth Lwanga-Nanziri, CEO of SASI, points out that this year's campaign comes in the wake of a gradual recovery from the recent global economic melt-down.

“However, while some countries are witnessing recovery in some sectors, South Africa continues to lag behind, especially in terms of domestic savings. In relation to the unemployment rate and those still heavily indebted, improving household savings remains a challenge and is a disturbing representation for the next few years to come.”

“Indeed, a low savings rate, especially at household level, has negative spill-over effects leading to an increased burden on the fiscus in social welfare improvement. In quantitative terms, households in South Africa have faced financial distortions that have pulled down the country's saving rate over the years.”

“Despite these challenges, we have to acknowledge some achievements in improving savings over the past decade”.

Lwanga-Nanziri advises that since 2004, more than 36 000 South Africans have entrusted government with almost R11 billion of their savings in the RSA Retail Bonds, an initiative that aimed to create awareness about the importance of saving.

Lwanga-Nanziri highlights government's commitment to providing an enabling environment for savings via:

- the ongoing Social Security and Retirement Reform debate;
- the National Financial Education Framework;

- the protection of consumer rights under the Consumer Protection Act;
- the formation of the National Credit Regulator;
- lower income tax rates over the period; and
- lower inflation rates as well as moderate interest rates to help consumers service their debts and to start saving.

More recently following the financial crisis, government has devised skills-development programmes to help citizens receive a regular income from which they can save for the future.

Lwanga-Nanziri points out that financial institutions have also expanded their product base and their approach to providing services to potential clients.

“Following success stories globally, financial practitioners have gone the extra mile to understand the requirements of the South African consumer, resulting in their having tailored products to suit the various consumer categories.

“An example is the mobile banking model that takes banking services to the people who would have otherwise missed the opportunity due to high transportation costs. Instructively, the Finscope Survey 2010 revealed that there had been an increase in the financial inclusion of South Africans in the past few years.”

In terms of awareness, she says, Savings Month has been traditionally observed and calendar-marked by a number of institutions, including media houses.

“Most media publications and commentaries carry columns on personal finance, in which context SASI regularly receives media space throughout the year to educate and emphasise the importance of saving.

“The Institute believes that the savings message is widely understood and more real today than it was 10 years ago. To a great extent, consumers now appreciate the benefit of saving, especially after the experience of the financial crisis. Problem is, the economic and social circumstances have also changed in a way that makes it difficult for them to set aside a rand today,” Lwanga-Nanziri concludes.

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