



THE SOUTH AFRICAN SAVINGS INSTITUTE

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Media Release

SASI highlights help available to consumers ahead of the festive season spend Johannesburg, 26th November 2013

As the festive season draws near, the South African Savings Institute (SASI) urges South Africans to take a moment and plan their finances ahead of their festivities. The Institute has partnered with the Financial Planning Institute and Personal Finance to provide free professional financial advice to consumers during the Financial Planning Week 25th November – 29th November 2013. The Institute says that this year, the emphasis has been placed on providing financial knowledge to consumers to aid their financial decision-making process.

Elizabeth Lwanga Nanziri, SASI Chief Executive Officer says, “Consumers quite often do not comprehend the implications on their long-term financial wellbeing, of the numerous credit offers that abound during the festive season. These offers quickly become a huge liability on the household balance sheets on the one hand, while hard-earned earnings are run down through reckless spending on the other hand. This scenario can be changed if consumers receive financial guidance.”

“We acknowledge that the cost of seeking financial guidance can be prohibitive. So under the theme ‘Invest in your Future’, the Financial Planning Week is meant to provide an opportunity for free financial advice from financial professionals,” adds Lwanga-Nanziri.

The initiative is aimed at making a real difference in the lives of South Africans. It takes the form of an industry challenge that calls upon financial planners to volunteer their time over one week to engage with members of their communities and to provide free financial planning consultations.

The Institute launched its annual Festive Season Savings Campaign on the 06th November 2013, urging consumers to ‘Spend Wisely’ during the silly season and avoid incurring unnecessary and unaffordable debt in the spirit of merry-making.

According to the FinScope South Africa 2013 survey, there are 14.2 million credit-active South Africans, with 5 million of these showing signs of over-indebtedness. The report states that those

who are over-indebted are more likely to have borrowed from multiple sources, which is symptomatic of a debt trap. Yet consumers do acknowledge that things are dire, a sentiment reflected in the recently released FNB/BER Consumer Confidence Index (2013Q4).

“While it is perhaps a positive sign that consumers recognise the financial strain brought about partly by the increasing cost of living, and the pitfalls of unnecessary spending behaviour, they might not avoid getting into debt. We therefore urge them to at least borrow from registered lenders, to seek credit counselling as soon as possible and to be well informed about the maximum fees associated with the various credit undertakings”, says Lwanga-Nanziri.

The Institute highlights some important tips for consumers over the festive season which include: planning, saving, budgeting for expenses in January and avoiding incurring unaffordable debt. Additionally, consumers should have solid plans in place to continue servicing existing debt.

SASI provides financial education to consumers, both young and old, about the benefits of financial planning and thus drive a culture of saving during the festive season. For managing household finances, SASI’s downloadable household budget outlines all the different types of expenditure that consumers face on a monthly basis. The interactive spread sheet enables consumers to plan both weekly and monthly, and to become aware of the real spend and real deficits in their budgets.

With support by institutes such as SASI, and the availability of helpful resources, there is no excuse for South Africans to financially over-indulge this festive season. Important is to heed SASI’s advice: plan, save, budget and don’t incur further debt, because life goes on beyond December.

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