

# OM issues SOS on saving

JOHANNESBURG — South Africans have to make choices as a nation because they cannot live in debt and not save for tomorrow, Old Mutual said yesterday to mark the launch this month of National Savings Month by the South African Savings Institute.

“We need to use the momentum around the launch of National Savings Month to inspire South Africans to save and build up their own wealth through consistent and disciplined financial behaviour,” said Crispin Sonn, director of corporate affairs at Old Mutual.

“Over-indebtedness, insufficient retirement savings and poor financial education should jolt South Africans into action if the country is to fund its investment and growth.”

About 2 000 houses and 6 000 cars are being repossessed monthly, Sonn observed. The average percentage of debt to income peaked at 79.2% and there were about 80 000

judgments for debt per month.

“Hence, the emphasis should be on changing behavioural patterns by assisting consumers to start new habits and breaking old ones — especially in an environment where more people are considerably better off today than they were five years ago,” Sonn said.

He added that skills and capacity building were important with financial literacy a priority.

“In order to do business successfully in South Africa, we require a healthy and conducive economy — which in turn is reliant on a financially astute society.

“Saving is important for economic growth but growth is also important for saving,” Sonn said.

Sonn said there should be a collaborative effort by business, government, labour and other interested stakeholders to mobilise and grow the nation’s savings.

— Sapa.

