

Save... and pave the way forward

DESPITE the depressed economic climate, promoting savings remains a relevant and critical agenda, the SA Savings Institute (Sasi) said yesterday.

"It is understandable, and perhaps even logical, that many commentators are questioning whether it makes sense to encourage savings under such dire circumstances.

"Indeed, this question was also asked last year, a time when economic agents were already under significant pressure.

"The answer last year was 'yes'... and the answer this year remains 'yes'," said Sasi chairman Elias Masilela.

He was speaking at the launch of the organisation's National Savings Month, the theme of which was "Tighten Your Savings Belt".

In the face of severe economic pressure, a downturn in world markets, job losses and a recession, South Africans needed to minimise spending in order to come out of the credit crunch that could wipe out income in the absence of a savings plan, he said.

Masilela added that consumers could save only what they had not consumed, "a trade-off few, if any, of us would dispute".

He said this inverse relationship between consumption on one hand and saving on the other had played itself out "very convincingly" in recent years.

Rising debt levels had been accompanied by dis-saving at the household level.

"Our motto is asking South Africans to make a sober assessment of their expenditure with a view to increasing their savings," he said.

As in previous years, Sasi had partnered with key stakeholders in the financial services and education community such as the National Treasury, the Department of Education, financial regulators, lending institutions, non-government institutions and others who tried to bring about a lasting savings culture, he said.

Promoting savings, even in the current climate, remained critical and relevant to the recovery of the economy.

"Throughout Savings Month and beyond, we will continue to highlight that building a prosperous South Africa in the long term will require that savings are pursued, even during seasons of economic downturn," said Masilela.

"Positive signs of improved savings are already coming through."

During Savings Month, he said Sasi and its partners had embarked on an aggressive campaign, with various activities planned throughout the country. - Sapa

