

# Saving is a mindset, get into the habit

The Western Cape Office of the Consumer Protector (OCP) in conjunction with the South African Savings Institute (SASI), will take the message of saving and basic financial planning skills to consumers during July which has been designated National Savings Month.

At the same time, the Banking Association of South Africa and its volunteer partners will be rolling out its second annual project to teach 100 000 school children the importance of saving.

"While we are in the midst of challenging economic conditions, consumers need to save.

"Savings are crucial to the future financial stability of consumers and the need exists to inform consumers of the benefits which savings offer," said Martie Carstens of the OCP.

"The credit crunch is a reality for consumers but, it is temporary while saving is long-term. Thus, we may have to adjust our spending patterns and remain focused on the long-term goal to increase our saving rate," she said.

According to the Savings Institute (SASI) the average South African household is not saving adequately.

Consumers therefore need to adopt the habit of saving money on a regular basis.

Making savings part of your monthly expenses will help you to commit to an ongoing savings programme. Create a savings goal – for education, a deposit for a new car, retirement or to make provision for



the unexpected.

Consumers should try to stay away from high-risk investments. Choose a safe option for saving your money. Remember, if an offer sounds too good to be true, it probably is. Don't take risks with your savings.

Here are some tips from the OCP.

Live economically. Don't buy things you don't need and don't try to keep up with friends and neighbours. Everybody's needs are different. Live according to yours.

Saving is a mindset. Save water, electricity and money. Don't waste anything of value – recycle, pass on old clothes, swap children's toys with other parents instead of buying new ones, convert things you don't use any longer into money by selling them.

Teach your children to save from an early age. They need to know about the household budget. Make them appreciate the value of money.

Help them learn that making a financial decision is about weighing up the value of one thing against another and choosing which to forego in favour of the other.

Look after the things you have.

Take pride in what you have worked hard for. Respect your own efforts and feel good about what you have achieved. Use credit cards sparingly and carefully. It's cheaper and more rewarding to wait until you have saved the funds yourself.

It's better to spend money you have earned than to spend money you still have to make.

If you are in debt, pay this off as fast as you can. Cut up your credit and store cards if you need to. Remember that cuts in interest rates should be used to settle debts first, not to take on more debt.

Shop around before you buy. Compare prices and benefits.

Question the value of each purchase as you make it: Will it build my assets? Is it just to show off? and is it cheaper elsewhere?

Don't ever be afraid to ask questions when you want to know more.

Learn to resist those tempting media messages.

Meanwhile in an effort to soften the blow of the economic recession, The Banking Association South Africa is partnering with their member banks, several financial institutions and the South African Savings Institute (SASI) to inspire 100 000 children to become lifelong savers.

Volunteers from these organisations will be visiting 300 schools around the country between Monday July 20 and Friday July 24

"The Teach Children to Save South Africa (TCTS SA) initiative is unique," said Cas Coovadia, Managing Director of The Banking Association South Africa, "Our vol-

unteers are professionals from the banking and financial sector.

"They exchange their corporate desks and balance sheets to teach a one hour savings lesson to Grade 4 to 7 pupils.

"The programme will be rolled out nationally under the slogan 'Ligotshwa lise manzi' a Zulu phrase meaning that if you want to shape a stick, you best do it while it is still moist."

Last year, TCTS SA reached over 227 schools and 50 857 children across the country.

The programme, based on the American model, has been adapted to be Proudly South African.

Each volunteer will have a lesson plan and tool kit to teach their selected class for the dedicated hour.

The lesson has been developed in conjunction with the Department of Basic Education and integrated into the Economic Management Science learning area of the school curriculum, Mr Coovadia said.

● Interested schools, banks and financial sector institutions are invited to join this savings programme by registering online at [www.tcts-sa.org.za](http://www.tcts-sa.org.za) or email the TCTS SA programme co-ordinator at [tcts@banking.org.za](mailto:tcts@banking.org.za) or fax 011 645 6821/ 40.

Visit [www.savingsinstitute.co.za](http://www.savingsinstitute.co.za)

● You can contact the Office of the Consumer Protector in Cape Town on 0800 007 081 (toll free) or email: [consumer@pgwc.gov.za](mailto:consumer@pgwc.gov.za) or their offices at Waldorf Arcade, 80 St George's Mall.