

OLDMUTUAL



FINANCIAL EDUCATION KEY TIPS



DO GREAT THINGS EVERY DAY



37% OF WORKING SOUTH AFRICANS REMAIN HIGHLY FINANCIALLY STRESSED

- Times are tough, and this may result in some form of stress. However, there are steps that can be taken to reduce financial stress. Make sure you never spend more than you earn. Have a budget in a place to track your monthly expenses and make adjustments in areas where you may be overspending.
- Never borrow to fund elements of your lifestyle such as entertainment, fancy clothes or eating out.



57% OF RESPONDENTS HAVE A SECONDARY SOURCE OF INCOME SUCH AS A SIDE HUSTLE OR FREELANCE WORK TO SUPPLEMENT THEIR INCOME

There are three Basic Money principles: **Know how to make keep and grow money.** Having alternative streams of income lends itself very well to these basic principles.

- Make use of all the platforms available to you. This includes various freelance platforms where you can advertise your gig and social media platforms where you can advertise for free or at a low cost.
- Invest, save or spend the money from your other job wisely. The second income stream can only help you grow if you use the money prudently.
- Don't neglect your primary job. Remember to always abide by your primary employer's rules around operating another business.
- Don't do something you are not qualified for or not good at – not only will this turn your side hustle into a side hassle, but it may have some negative consequences. Do something you know you're good at.
- Don't be tempted when making extra money. to regard it as money "you never had" and go on a spending spree.



30% HAVE APPROACHED A LENDER TO NEGOTIATE PAYMENT ARRANGEMENTS IN THE PAST YEAR

- Creditors are always open to negotiating repayment terms – the last thing they want to do is to take legal action to recoup monies owed – this is not only laborious but quite expensive as well.
- The advantage of having an arrangement with a lender is that it gives you an opportunity to reassess your finances.
- When you have reached an arrangement with a lender make sure you stick to it until the debt has been settled.



48% OF PERSONAL LOAN HOLDERS HAVE TAKEN A PERSONAL LOAN TO COVER UNEXPECTED EXPENSES SUCH AS VEHICLE MAINTENANCE, HEALTHCARE BILLS, EDUCATION RELATED COSTS, AND FUNERAL EXPENSES

- Part of prudent financial management is planning for the unforeseen.
- Expenses such a car breaking down, educational costs or funeral expenses can be planned for through appropriate financial products. For example, having a funeral policy can cover your costs in the event of a death of a loved one.
- Risk cover products are specifically designed to buffer you from having to borrow or dig deep into your pockets to fund these expenses.



36% GAMBLING OFTEN TO COVER EXPENSES AND SERVICE DEBT

- Gambling to cover expenses and debt is not only risky but will most likely keep you in the same debt trap.
- When gambling there are no guarantees and you may lose the little you have.
- If you are struggling financially, the first step is to cut down on expenses, especially the things you can do without (such as expensive cell phones or data packages, streaming subscriptions etc.)
- The best way to manage debt is to avoid taking on more debt so that should be your first step. If you are buckling under pressure, consult your lender to make payment arrangements.



58% REPORTED HAVING CHECKED THEIR CREDIT SCORE IN THE LAST SIX MONTHS.

- Checking your credit score is a good part of financial management because it gives you a clear sense of your exposure to debt and how creditors rate you.
- However, having a good credit score should not be used as an excuse to get more credit, it's important to keep debt to a minimum so that you have room to save, invest and put some money away into an emergency fund.



66% used loyalty points/rewards.

32% used cheaper TV streaming options.

30% switched to cheaper supermarket brands.

29% cut down on domestic help.

27% moved to cheapest cell phone or data options.

22% put major expenses on hold.

12% sold or traded down to a cheaper vehicle.

As and when the situation requires, always cut down on non-essential expenses that could easily eat away at your budget. The benefits of making small cuts across the different expenses could be significant.