

OLDMUTUAL

FINANCIAL EDUCATION KEY TIPS

OLD MUTUAL FINANCIAL EDUCATION
ON THE MONEY

KNOW BETTER
DO BETTER



DO GREAT THINGS EVERY DAY





43%

HAD TO BORROW FROM FAMILY AND FRIENDS IN THE LAST YEAR TO MAKE ENDS MEET, UP FROM 40% IN 2022

Things are tough, but when you have to borrow from friends and family the situation may be dire. It's not enough to have a budget, you have to stick to your budget, so you don't live beyond your means.



50%

OF PEOPLE HAVE MORE THAN ONE SOURCE OF INCOME - POLY-JOBBERS

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

- Do 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 cheaply.
- Do 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. Always abide by your primary employment 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 fee.



OF EMPLOYED BLACK SOUTH AFRICANS WHO HAVE STOKVELS, 61% SAID THEY BELONG TO MORE THAN ONE STOKVEL, THIS IS DOWN FROM 63% IN 2022

Stokvels may have started out as informal savings clubs to assist with groceries, burial costs, but today they help members save for medium to long-term goals; such as Education, Holidays or Home Renovations.

The popularity of Stokvels is positive because it points to a culture of savings. However, it's also important to explore saving or investing through formal channels, because such saving/investment vehicles offer the benefit of compound interest over the long-term.



43%

OF WORKING SOUTH AFRICANS ARE WEDGED IN THE SANDWICH GENERATION. THIS IS UP FROM 39% IN 2022

- Being the only breadwinner in a family is not easy and can also lead not only to financial stress, but mental health as well.
- Be open with your family about what is doable, and if you are stretched, make sure your limits are known.



OF THOSE WHO HAVE UNBANKED CASH, 60% KEEP CASH "UNDER THE MATTRESS" AS THEY BELIEVE IT IS EASILY ACCESSIBLE

Keeping cash at home under a mattress may seem favourable because it's within easy reach. But remember, you can have the money placed in an interest-bearing account. Think of the safety aspect as well, anything can happen to money stashed at home, no matter how safely hidden you think it is.



63%

OF RESPONDENTS SAID IF THEY HAD A WINDFALL, THEY WOULD SPEND IT ON PAYING OFF DEBT

- A cash windfall should provide some financial freedom - investing the money, paying off a home or a car. But for most people it would go towards clearing debt.
- It's important to keep an eye on the exposure you have to debt. Too much debt simply takes away from you and means you are unable to save. Rather cut down on certain expenses instead of funding them with debt.



61%

OF WORKING SOUTH AFRICANS DO NOT HAVE A FINANCIAL ADVISER

Partnering with a financial adviser can help you plan for your future better and improve the quality of your financial decisions to set you on a growth path. When you know Better, You Do Better.



54%

OF WORKING SOUTH AFRICANS FEEL POSITIVE ABOUT THE PROPOSED TWO-POT SYSTEM.

37% HAD MIXED FEELINGS ABOUT THE PROPOSED REFORMS.
9% DID NOT THINK THE REFORMS ARE A GOOD IDEA.

- Understand what your retirement replacement ratio is and work with your financial adviser towards closing the gap.
- Plan for the years you have before you reach retirement age.
- Income sources after retirement for example, your pension and potential additional resources to cope with unexpected expenses.
- Have a healthy and trusting relationship with your financial adviser as you need someone to help you remain objective especially when you make major financial decisions. Remain disciplined and focused.



- 70% USED LOYALTY POINTS/REWARDS**
- 40% CHEAPER TV STREAMING OPTIONS**
- 36% SWITCH TO CHEAPER SUPERMARKET BRANDS**
- 33% CUT DOWN ON DOMESTIC HELP**
- 29% MOVE TO CHEAPEST CELL PHONE OR DATA OPTIONS**
- 29% PUT MAJOR EXPENSES ON HOLD**
- 11% MOVED CHILDREN TO LESS EXPENSIVE SCHOOLS**

As and when the situation requires, always make sure that you are willing to cut down on non-essential expenses that could eat into budget. By making small cuts across the different expenses, the benefits could be significant.