

African Bank Limited press release

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### **Be a financially savvy mom**

We are celebrating mothers this month, many of whom are the breadwinners and financial managers of their households. “For this very reason we want to encourage all mothers to become financially savvy,” says Mellony Ramalho - Group Executive Sales Branch Network African Bank.

The first step to becoming a financial guru, says Ramalho, is to understand what money is coming in and where it is being spent. “To do this properly, you need to sit down with all income earners in the family and make a list of income and expenses. Everyone needs to be transparent in their financial commitments and spending habits so you can get a clear picture of where you currently sit. If you find your expenses are more than the income then now is the time to reign things in.”

She suggests thinking of creative ways to reduce expenses every month such as rather doing your grocery shopping online. “You would be amazed at how much you could save on groceries each month by making a list and shopping online. The problem with going into a store is that you have to be disciplined to only buy what’s on the list. If you know you have a shopping weakness and can’t resist throwing a few extra items into the trolley then perhaps online shopping is for you,” she says.

Cut back on luxuries and really consider your purchases. “Eating out or ordering takeaways, for example, is expensive and should be considered a luxury. A quick and easy way to reduce your expenses is to commit to eating at home and preparing food yourself. Also have a look at your grocery list critically and ask yourself where you can cut back or go for a cheaper alternative on some items. Compare prices and look for specials,” suggests Ramalho.

Teach your children about money and the importance of saving. “As mothers, we have an important role in shaping our children into the kind of adults they will be. Instilling good money habits should be on the priority list. Saving, not wasting, understanding debt and interest are all concepts that you should be talking about and modelling daily. Get your kids involved in budgeting. Teach them the value of money from an early age by letting them help you do the shopping. Also explain to them how expensive for example data is, so they need to use their cell phones wisely. Open a savings account for them or get a good old fashioned piggy bank going. Help them save towards something they really want. It’s a great lesson in working hard to achieve a financial goal.”

Ramalho believes that as a mother it’s important to get everyone involved in the financial

plan for the family. “The best way to achieve financial success as a family is to work together as a family. It may sound obvious but isn’t always happening in families. If everyone is on board and working towards the same goals it will be much easier to manage your finances successful without anyone sabotaging your efforts. Speak to your spouse or partner. Include the children and any other earners in the family,” she says.

Lastly, she says, it’s so important not to neglect your own financial future. Ramalho says traditionally women have been excluded from long-term financial planning and, as a result, are often left floundering with little to no financial confidence upon the death of a spouse or in the event of a divorce. Often too, because mothers are so busy earning a living and taking care of their families, they tend to put their own financial futures on the back burner.

“In our experience, while women are very comfortable around day-to-day spending and budgeting, they tend to leave longer-term financial issues, such as retirement and investments, to their partners. What we want to encourage is that women move beyond household budgeting and start thinking more broadly about their financial futures.”

Look into investing, she recommends. “Speak to financial advisors. Understand what you need to get started. Even a small amount invested today can mean a big difference for your future. Don’t be overwhelmed and don’t be afraid to ask questions. If you’re entrusting your wealth management to a financial advisor, make sure this person understands what is important to you. Have a very special Mother’s Day month,” Ramalho concludes.

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PREPARED ON BEHALF OF AFRICAN BANK BY CATHY FINDLEY PR. CONTACT JACQUI RORKE ON [JACQUI@FINDLEYPR.CO.ZA](mailto:JACQUI@FINDLEYPR.CO.ZA) OR (011) 463-6372 WITH ANY CONSUMER PR QUERIES.