

African Bank Limited press release

14 June 2016

### **Money saving tips for teens**

On Thursday 16 June, Youth Day, South African youth will remember the significance of the Soweto Riots. It is a day that will serve to remind South Africa of the importance of its youth and bring across the message that something like “the Soweto riots” should never happen again.

African Bank recognise that the youth of South Africa represent the future lifeblood of our economy. “Building and empowering money savvy teens is an important start in creating responsible young adults,” says Alfred Ramosedi, African Bank Group Executive: Sales and Marketing.

So, to help you take good care of your money (which translates into taking good care of yourself), here are some savings tips especially designed for young people.

#### **Pay attention**

The first thing to “get” is that to always HAVE money, you have to pay ATTENTION to it. If you don’t, it’s gone quicker than the checkout person can say, “Is that cash or credit?”

Try and keep track of your spending for a week or two. You will soon work out what type of money personality describes you.

- 1) You don’t spend money regularly but when you do, you spend it on large ticket items.
- 2) You mindlessly spend little amounts of money every day, often not realizing how much you’re spending until it’s too late.
- 3) You spend a little here and a little there, often agonizing over every purchase.

“If you’re one of the first two, you are definitely a spender and you might find that you are out of money more often than you’d like. If you’re the third type, you’re probably a natural ‘saver’ and savers almost always have money for the things they need or want. This is a good thing.

If you are a spender, here are some specific saving tips from African Bank to ensure you always have money for the things you need and want, too. Savers might want to do these too!

#### **TIP #1: TRACK YOUR SPENDING**

Most teens use debit cards to purchase their goods and lose track of just how much they are spending. Keeping a record you can refer to often acts as a good handbrake and puts a

check on unhealthy spending patterns before they become a problem. Find the tracking mechanism that works best for you.

### **Tip #2: DEVELOP FINANCIAL DISCIPLINE**

All over the web, there are tons of tips telling you not to carry very much cash. It's assumed that if you don't have it, you won't spend it. But the truth is you'll actually spend more when you're using your debit card or a credit card.

Here's what to do:

- a) Decide how much cash is safe to carry in your wallet.
- b) When you want to buy something, ask yourself this question, "Can I do without it today?" If you can, don't buy it. Most of the time you'll quickly forget about the item and you'll have saved the money you would have otherwise wasted.
- c) If you're saving up for a larger purchase, make sure you deposit money into your savings account on a regular basis so it can accumulate safely. Only when you have more than the amount you need should you buy the thing you've been saving up to buy.

### **Tip #3: PAY ATTENTION TO YOUR MINUTES AND TEXTS**

In other words, know your phone plan! If you are the one who's responsible for your cell phone bill, and especially if you're not, watch your minutes and texts. You do not want to experience the shock of a higher than expected phone bill. Keeping tabs on your minutes and texts help keep your phone bill in line each month and helps keep you in line with your parents too!

### **Tip #4: TAKE YOUR OWN LUNCH**

Taking your own lunch from home is a lot healthier and a whole lot less expensive than spending it all at the tuckshop. Adults in financial trouble quickly admit that eating out is often their biggest mistake financially. Once they stop eating out all of the time, it's amazing at how easy it is to pay their other expenses and have a little money to save and invest each month. If you start this money-saving habit now, you'll be a lot less stressed later.

### **Tip #5: TEACH YOURSELF**

You've probably learnt a little about money, saving and investing, creating businesses, etc., in school or at home. But if you really want to be financially successful in life, it's up to you to teach yourself about these important topics and practice them in the real world.

### **Tip #6: MAKE YOUR OWN MONEY**

Making money is different to earning money. When you earn it, you are trading your time and energy for money. You work an hour and get paid for an hour.

When you make it, you're working lots of hours building businesses and then getting paid over and over and over again for that same hour. There's nothing sweeter than learning how to write your own pay check when you're young. By doing this, you'll always be the CEO of your own life and you'll never be dependent on a job.

### **OTHER THINGS TO DO**

There are hundreds of great websites with simple ways to cut your expenses and save money.

Spend some of your Facebook time learning about money and how to save it. Learn how to get and keep more money in your pockets rather than putting it into others' pockets. Be the one others come to for money, not the other way around and life will be a whole lot more enjoyable this way.

“We wish all of our future young customers a very happy youth day and encourage them to be creative and innovative in their money saving strategies,” concludes Ramosedi.

Source: African Bank and Creative Wealth International

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