

African Bank Limited press release

January 2017

Financial independence - staying on the straight and narrow

Financial independence is all about being in control of your money and not allowing money to manage you. It also means taking responsibility for your own finances and not relying on others to help you out every month. Money management begins with knowing where your money goes and managing it responsibly. It is important to live within your means, save for rainy days, manage your credit and repay monthly instalments. Having too much debt negatively impacts your financial freedom and creates unnecessary emotional stress.

Here are some simple steps to follow to help ensure you remain financially independent:

- Make a list of your debts with their monthly instalments. You need to keep these instalments up to date.
- Draw up a budget of what you need and what you spend your money on.
- Look at the items that you are spending money on that are not necessities and cut back on spending on the 'nice to have items'.
- Credit is expensive, so draw up a list of your debts. Pay off small debts as soon as possible while maintaining monthly payments on the rest of your debts.
- Use your credit card responsibly. Using a credit card can also incur interest so think twice before buying a "nice to have item" on your card. Try to use your credit card for emergencies only and pay it off as soon as you can so as not to incur further interest charges.
- The quicker you pay off debt the faster you can improve your cash flow and the less you will need financial assistance from others.

Is there a specific account you should open to gain financial independence? A savings account is the easiest entry level account to start with, particularly if you are living debt free. Short-term savings accounts are the easiest and most affordable as they pay interest on even the smallest balance. You may only need as little as R500.00 to open the account. Remember, you often pay more on debt interest than the interest that you will receive

through a savings account.

Many of us find ourselves in a financial rut from time to time. It's easy to get stuck, especially after complacency sets in. Following the tips laid out earlier will certainly help. In addition why not try the following?

Go on a cash detox - For at least three months, put away the plastic and say no to credit cards. Rather use cash for everything. List your expenses at the beginning of the month and create separate budgeting envelopes for groceries, entertainment etc.

Try and cut out one expense for a month

This could be as small as cutting out your weekly cappuccino treat or canteen or takeaway meal. So if you want to jolt your finances and boost your savings, commit to cut out one recurring expense for a month. From the money you save, you can put that extra money to debt or savings.

Focus on making more money

It is easy to feel despondent when under financial pressure but looking for ways to increase one's income can certainly help. It could be as simple as offering your services as a babysitter or pet sitter.

Alter your spending patterns

Try and work out what is eating up your savings and try and do things differently to instil positive money habits.

Stay positive and focused

It is easy to feel isolated and despondent. Dream of what you want. Then start by creating a map of small actions that can help take you closer to your dreams. It is important to stay focused and positive.

Ends

Visit the African Bank [website](#) or like them on [Facebook](#)

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