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### All the single ladies - get money smart

In an interview on 702 earlier this year Bonang Mohale, CEO of Business Leadership SA, said a lot of women in SA are "trapped because of sugar daddies". He said the gender gap in the country should be closed so that women can get equal pay compared to that of men. This, as well as employing more women, would place them in a more financially sound position and prevent them from being influenced by sugar daddies.

Breaking that later cycle needs to start early when single ladies are still footloose and fancy free and have probably just graduated from university and are ready to move onto the next stage of their life. Hopefully they've got a job but without a bond and family to look after, saving and high interest investments may not be their top priority.

Lindiwe Miyambu, African Bank's Group Executive: Human Capital, says many young women would love to live a carefree lifestyle filled with delicious lunches, Jimmy Choo handbags and lattes. "Of course, we all know that this is not practical. Today's modern woman is expected to be independent in all matters, especially those relating to money and the earlier she starts planning the better."

"Ideally you need to find a way that you can still live well today, while finding a way to save and invest for tomorrow," says Miyambu. Unfortunately many women still battle with getting to grips with financial matters and there is still a fairly large Confidence Gap - the measure of a woman's confidence in her ability to attain her financial goals.

In a global study by Prudential, it showed that only 14% of women were very confident they will meet that goal. And just 20% said they felt prepared to make smart money moves. Miyambu says in South Africa that percentage may be even lower.

Gaining confidence in financial decision making all starts with the basics. She offers four

useful tips for the modern woman to keep ahead and stay financially sharp.

- **Don't rely on others for your financial security.** Handing control of your finances to someone else is a sure way to lose track of them. Make sure you educate yourself about basic financial management and investment. **Invest in self-help books and follow people like** goodfinancialcents blogger, Jeff Rose, for some useful hints and tips.
- **Consider investing as part of a broader financial plan.** While investing early and often can help anyone in their 20's begin building wealth, that doesn't mean investing is the answer to every problem. Some graduates may still have student loans to pay off and may be just spread too financially thin to even think about investing. In this case the best thing to do is carefully monitor your spending habits and make savings and budgeting part of your daily routine until you are more financially stable. Really look out for the best ways to grow your saving. No amount is too little to put away to start teaching yourself how to save.
- **Unleash the power of compound interest by investing early.** There is no doubt that compound interest is the most powerful force in the universe. When you're in your 20's, it's easy to think you have a lot of time to get your financial life together. Unfortunately, waiting can make a world of difference. If you for example invested just R5 000 per annum starting at age 20 and continued until you were 60 at an annual interest rate of 10.75% you would have **R2 716 043** in your bank account. If you only started when you were 30 this amount would only be **R948 604**. It shows that by missing out on those 10 years you have actually cost yourself more than R1 767 439 in returns, even though you only skipped ten years of deposits. That's the beauty of compound growth.
- **Realise that money is a tool.** If you're in your 20's and ready to build wealth, it all starts with recognising the money you earn is nothing more than a tool to make smart choices regarding spending, savings and investing. Learning to become a diligent saver and investor early on is the key to being able to live the life you desire. You need to remember that while you're trading your time for money today, in the future you will be able to use your money to give you the time to do

more of the things that really matter in life.

Miyambu advises young women to set both short- and longer-term investment goals and then plan accordingly. “Know the difference between high interest investments and other savings vehicles which can all benefit you in the long run. The earlier you start the better.”

“Remember that your financial identity is part and parcel of your existence and that keeping ahead of your finances is a great way to maintain or establish your independence. These tips should help you understand and establish the building blocks of financial knowhow,” concludes Miyambu.

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