

African Bank Limited press release

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Women making finances a priority

Today's modern woman is expected to be independent in all matters, especially those relating to money and yet 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.

"It is one thing to earn money but another to manage and make it work for your future. It is the latter that makes women truly empowered," says Sarika Maharaj, Product Manager at African Bank.

Maharaj says that even if women are successful and financially independent, when it comes to money related decision making, they still seem to shy away from it.

Just being financially independent is not enough to be truly empowered.

"The interesting phenomenon is that women are generally very comfortable meeting household budgets and are great at making their Rand stretch. Particularly during this pandemic, when household budgets have been stretched to the maximum, we have seen many examples of money-savvy women who have effectively, consciously or sub-consciously managed their money quite well."

"And yet," says Maharaj, "they are still reluctant to engage in investment decisions. To be fair, women are already multitasking between work and home or within home between taking care of children and their parents. The additional task of money management sometimes weighs on them," she says. So, outsourcing financial responsibility to other people, usually a male figure in their family, is an easier option.

That said, it is high time personal finances climbed up on top of women's list of priorities.

Here are some pointers worth noting:

- **Anyone can learn about finances:** it's not rocket science. "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. For example, you should always be clear about what your interest rates are and if you have investment accounts you should be informed about how they are performing."
- **Become part of your family's financial decisions:** Actively participating in family's financial decisions, irrespective of your marital status, is a sure shot way to take control of finances.
- **Take a step forward from saving to investing:** Women are generally better at saving than men but when it comes to investing those savings the percentages turn. "It is important to consider an investment, because savings will lose their value over time if it is not invested in suitable instruments," she says.
- **Be wary of taking on the responsibility of your partner's debt.** Sharing your debt can keep you from making financial headway as a couple. Prenuptial agreements are a way to protect you from debt cycles. A good way to make sure you and your partner are financially safe is by taking the option of credit life cover which will help to insure you both so that you are able to meet your credit obligations should something unforeseen happen.
- **Tackle pay parity by negotiating better:** On average, women in South Africa earn 25% less than men even though South Africa is still one of the most equal paying countries in the world - it is 19th out of 149 countries. The gender pay gap starts to widen from the age of 26, with the largest difference being between the ages of 36 and 44 (33%). "Women need to negotiate as aggressively as their male counterparts would do," says Maharaj, "and believe in their own self-worth and value. Research shows that when a man is applying for a job, if he matches 60 per cent of the criteria, he thinks he's good enough for that job. A woman doesn't feel confident even if she matches 80-85 per cent of the criteria.
- **Make Retirement Planning a Priority:** It is natural for women to compromise on their needs and goals in order to secure that of their children's. But this habit can

prove to be costly in the long run, especially during retirement. “Women in doing so, jeopardise their financial safety and might make themselves dependent on their children later in life,” says Maharaj. Women should provide and protect their own financial goals first.

“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 Maharaj.

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