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Label what you are saving for

Good habits should not be seasonal, especially when it comes to saving money, says African Bank's Chief Marketing Officer, Sbusiso Kumalo.

We all start with great intentions at the beginning of a year but these often seem to wane as the year draws on. We all can relate to becoming lax about certain good habits like in winter not going as regularly to the gym or eating healthily. "Not looking after the health of your finances all year round can however have long-term repercussions and be a little more serious than just trying to shed those stubborn 3kg you packed on during winter," says Kumalo.

Good financial health, just like good mental and physical health, can put a spring in your step, so as we approach the last quarter of the year why not use the feel-good mindset to renew a money saving plan and really start labelling what you are saving for?

Popular MIXFM presenter, Lundi Khoisan agrees. For Khoisan, the three most important things she prioritises her savings around are, "Firstly I always save for a rainy day. Life tends to be unpredictable; secondly I've just been accepted for my Master's Degree, so I'm saving to invest in myself and lastly, I am building some reserves to put a deposit on a property - once I find the perfect one."

But of course, life happens and Khoisan says what generally trips her up and prevents her from saving as much as she would like is the nature of her work. "I'm a freelancer and as such, my income differs on a monthly basis. I therefore often have to make use of my reserves on months where work has been less than normal."

Kumalo says Khoisan's challenge is very common and there is no doubt that saving consistently is not easy, hence being very clear and labelling what you want becomes so important. He says generally the research shows that people who are

successful with money tend to try and spend less than they earn; save for emergencies and lastly, do their homework and find the best savings investment, like a [fixed deposit account](#).

Then on the flip side of the coin, the 3 top reasons people fail with money are no financial goals; spending rather than saving and not starting to save early enough.

“I believe not having financial goals is a biggie. Think about setting realistic savings and investment goals and about the satisfaction you will get out of achieving these. When it comes to saving money, the secret to success is saving regularly, not only when it is convenient. If you are looking for easy ways to save money, think about simply having a pre-determined amount transferred to a savings account every time you get paid,” he says.

Khoisan says she strongly believes in managing her own money and has her own savings account and investments. She also has an [African Bank MyWORLD account](#) with her family, which they use as a Christmas fund. “It’s always smart to motivate each other to save so you don’t always have to make savings an individual journey – just make sure you are always in control.”

Her best saving advice is, “Invest in yourself, in order for you to have a flourishing career, that allows you to grow your funds. Plan for the unpredictable and don’t spend too much money on worldly things that depreciate in value, but do have some reserves to buy experiences, as it will enrich your life.”

Kumalo says ultimately good savings all start with a plan and a budget. “It may take time for your budget to really work for you, but that is the beauty of a budget – it can be adjusted as you go along. But as you get better at budgeting, remember to always keep your spending, debts and savings goals in balance and never lose sight of what is really important to you,” he concludes.

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