

**African Bank Ltd press release
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Saving money takes on added importance with a recession looming

As economists warn of a looming global recession, South African consumers are already feeling the pinch. Fuel prices are at record levels, essential grocery items are far more expensive, and it's going to cost you more to keep your lights on, when your load-shedding schedule allows.

With salaries so stretched, sound money management has never been more important, says Sbusiso Kumalo, Chief Marketing Officer at African Bank. Though your immediate priorities may be paying bills and putting food on the table, now is also the optimal time to save and invest to safeguard your future.

"It's all about balancing short-term planning and long-term thinking. It is never too late to learn good money habits to protect yourself ahead of time from the backlash of a recession."

The limiting narrative that saving and investing is a luxury cash-strapped consumers cannot afford, can end up proving just as costly in the end. Savings act as a buffer against life's unexpected events, reducing your reliance on credit to see you through unforeseen expenses. Steadily growing your wealth through investments means you don't have to put your life goals on hold. Even if you start small, developing a healthy investment habit can help to build a safety net that will see you through lean times. It also means that your future plans will stay within reach, whether it be an education for your children, a home renovation, or a dream vacation calling out to you from your bucket list.

"In a tough economy, planning for the future requires financial discipline and the bold conviction that your goals are worth it," says Kumalo.

"Cultivating the audacity to believe that you can realise your goals, despite the economic challenges, will help you to prioritise your savings and investments. They are the tools with which you can build the future you desire."

July is Savings Month, an opportune time for South Africans to develop good daily money habits and focus on their financial goals. Here are some important tips to consider when it comes to saving and investing:

- **Choose SA's best investment rate:** Compare the rates offered by financial institutions and choose the account that will give you the best return on your hard-earned money.
- **Explore your investment options:** Your personal circumstances are unique to you, and so too are your financial goals. There are many investment options available. Investigate them thoroughly before deciding on an account that meets your needs.
- **Create an emergency fund:** This is money saved that you could access readily in a crisis. Where you keep it is important too. Opt for a savings account with the best

interest rate, or an investment account that allows you to withdraw your money at short notice. Doing so means you can limit the need for a loan in an emergency.

- **Reduce your bank charges:** High banking fees and charges will eat into your available balance, leaving you with less money to save. Compare banking fees and choose an account that offers the best value.
- **Automate your savings:** Think of your savings and investments as a debit order, one in which you pay yourself first. Automating payments into savings and investment accounts, via your banking App or online banking, is a great way to entrench your savings habit. Your future self will thank you.
- **Get serious about budgeting:** Without a plan of action, it's harder to steer your finances in the direction you would like them to go. Use your budget to pay off debt that hampers your savings potential. It may require cutting back on certain things, but the rewards will make the sacrifices well worth it.

“True financial peace of mind comes from taking control of your finances and developing effective habits, like budgeting, saving, and investing,” says Kumalo. “This will help you to ride out the tough times, and thrive when conditions are more favourable.”

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