

African Bank Limited press release

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Get planning and avoid end-of-year financial blues

2016 has been a hard year for South Africans in a financial sense. Consumers have been affected by the recent drought, which hit farmers hard and caused food prices to rise substantially. “Many South Africans are feeling insecure about managing their finances,” says Alfred Ramosedi, [African Bank](#) Group Executive: Sales and Marketing.

“It’s important to start preparing for the months ahead which are for many people the most stressful when it comes to financial responsibilities.”

He offers the following advice for the final quarter of 2016:

Saving is more important than ever

With the festive season fast approaching, it is important to start putting some money aside each month. As we all know the festive period brings buying gifts and food for special occasions, paying for holiday activities or getaways, increased time out celebrating and other expenses.

Employees often get paid early in December, around the 15th, in preparation for the holidays. This does, however, make the wait until the January payday much longer. As a result, January is a tough month for a lot of people and some consumers resort to using their credit cards with reckless abandon or choose to take out loans. While loans and credit cards can be helpful and credit cards can even offer you some worthwhile benefits and rewards over the festive season, it is vital to stay conscious of what you are spending. We suggest that you prepare a budget with this in mind in order to avoid overspending in December.

Think about your travel plans

A lot of us like to go away over December on a family holiday, but it is a very expensive time to do this. If you have flexibility in terms of travel plans, you may want to wait for March or April before travelling. Flights are expensive over December, as is holiday accommodation. Travel during April, for example, is far more affordable and you can make use of several public holidays to get the most out of your leave.

Consider consulting a financial advisor or planner

Financial advisors can give you more insight into your personal finances than you currently have, especially if you’re somebody who doesn’t have a whole lot of knowledge or interest in how finances and the economy work. It is their job to know what to do with finances, so a consultation could be a wise investment. You should find yourself feeling more confident

in your ability to manage your personal finances, to plan for the future, and to save and invest wisely while still maintaining an acceptable standard of living.

Plan for rising food prices

Many experts are predicting above average rainfall from November to January, but even if the current drought ends, food prices will continue to rise, particularly for red meat. Food price inflation will hit a peak at the end of this year, at around 12%, according to experts. When the drought hit last year, farmers and livestock owners had to offload some of their cattle at lower than usual prices, meaning there was an excess of meat. This is why we haven't seen a huge increase in meat prices as of yet. However, if the drought ends, farmers will need to rebuild their herds - causing them to sell less animals for slaughter, which will reduce the supply and drive prices up.

“The good news is there are still a few weeks left before the end of the year. Now is the time to get smart about your money and plan ahead so you can enjoy your hard-earned cash,” concludes Ramosedi.

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