

African Bank Ltd press release

June 2020

Youth is an advantage when times are tough

June is Youth Month. Unfortunately, South African youth may feel there is little to celebrate in the current national lockdown. Valuable school hours have been lost, universities remain closed and school leavers who started jobs may be back to square one due to short time or even retrenchment.

Some are already staring the financial implications of the lockdown in the face and others' futures will be impacted as they struggle to qualify in their chosen careers and find jobs.

Lindiwe Miyambu, Group Executive for Human Capital at African Bank, says families with emergency savings will be well positioned to help learners or university students in their family at this time. Those without savings may, however, probably regret not having planned for the unexpected.

“The knock-on effect of lockdown includes extra financial pressure on parents who now have to pay for online tutorials or once again meet the needs of a child whose independence was cut short due to retrenchment,” she says.

“If the Covid-19 lock down has taught us anything, it is the value of saving and investing money.”

Miyambu invites the youth to consider the advantages *they* have when it comes to financial planning.

The biggest advantage is time, she says.

She believes everyone who is earning or being given money each month, no matter how much this is, has the ability to save.

“Good financial planning and starting early are the keys to building wealth - start as early as your first pay cheque. No matter how small the amount, it is important to start saving or investing sooner rather than later.”

Miyambu points out that financial planning for a 20-something-year-old may mean waiting for the winter sales before splashing out on new items or only going out with friends every second weekend.

“These are good strategies, but what you should be thinking about is putting a percentage of what you intend spending into a high-interest savings or investment account before anything else.

“Real financial planning involves setting short- and long-term goals and putting a plan in place to meet these.”

5 benefits of financial planning:

1. **Gain financial understanding.** The more closely you work with your finances the more you will be in control of your money, instead of it controlling you.
2. **Meet your goals:** No matter what it is - paying for studies, buying a car or buying a house - planning will help you achieve your dreams. The sooner you start, the sooner you get there.
3. **The future looks brighter:** Just like physical exercise, the sooner you start looking after your finances the sooner you will see the benefit. Start exercising diligently late in life and there is a good chance you will find it an uphill battle. If you start early, however, you just have to maintain your physique throughout your life and reap the health benefits. It is the same with saving money - small steps, big reward.
4. **Rainy days covered:** As the Covid-19 pandemic has shown us, expect the unexpected in life. Navigate life's storms with an emergency savings fund. This does not only have to be for a crisis though - think about further studies, unexpected car repairs or an emergency medical procedure you would not have been able to fund otherwise.
5. **Peace of mind:** Money worries can cause a lot of stress. Avoid this by making good financial planning part of your life from an early age.

Miyambu also emphasises the importance of retirement planning.

“As 20-year-old university student or someone who has just started working, you are unlikely to be thinking about retirement, but the truth is you should be leveraging the years you have ahead of you to build a sizeable nest egg for the future.

“Retirement planning is the safety net which will determine your quality of life once you stop working. It may seem decades away, but time waits for nobody. The best time to start financially preparing for your retirement is today.”

ENDS

Visit the African Bank [website](#) or like them on [Facebook](#)

PREPARED ON BEHALF OF AFRICAN BANK BY CATHY FINDLEY PR. CONTACT JACQUI RORKE ON JACQUI@FINDLEYPR.CO.ZA OR (011) 463-6372 WITH ANY CONSUMER PR QUERIES.