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## **How to lock down savings – no time like the present**

Lockdown has been tough for so many South Africans over the last 18 months, but many have also gained financially from being forced to stay home and having limited access to 'normality'.

Sarika Maharaj, Product Manager at African Bank, says with the whole country back into level 4 restrictions, there may be one bright light to hang onto. Certainly we saw last year how working from home saved fuel, having to stay home saved unnecessary trips to the mall and with restaurants and fast-food outlets closed, families also saved on this type of spending.

The ban on gatherings and the implementation of social distancing meant people had to rethink big bashes they had planned (weddings, birthdays and other celebrations). Some plans may have been abandoned altogether and others may have been scaled down dramatically.

"Thanks to lockdown, that money is still in the bank or being used towards essentials and paying off debt in this difficult time," Maharaj says.

"If saving money in lockdown has made you realise how much you spend on unnecessary things every day/month/year, then why not make saving a lifelong habit, instead of seeing the inability to spend money as you please, as a lockdown 'curse'? Some of us may have started well but lost track over the last couple of months. The current 2 -week lockdown period provides an ideal opportunity to get back on track."

The current ongoing uncertainty is even more reason to rethink old spending habits.

### **Maharaj provides 10 tips to help you lock down saving money as a way of life:**

1. Make a grocery list before you go shopping and stick to it.
2. Make home-cooked meals the rule, not the exception. Just because restaurants are only doing takeaways, does not mean that you should splurge out on these.
3. Shop online to safely get essentials into your home, not as a means to get pretty, expensive "must-have" sale items delivered to your doorstep.
4. Pay off debt, especially credit card debt. And, lock your credit card away to avoid temptation.
5. Keep tabs on your spending and scrutinise this at the end of each week. You may not believe it now, but being frugal becomes addictive.
6. Get the whole family involved and talking about saving money. Point out to your children how much you have saved by cooking at home instead of ordering take-out, for example.
7. Set savings goals with the family. There is no greater motivator than a dangling carrot in the form of a family holiday or enough money to allow your children to further their studies.
8. Compare your spending habits over the lockdown period and see if you have managed to continue saving.
9. Cancel credit you don't really need and keep tabs on your bank fees.
10. Open a high-interest savings account and start reaping the rewards of your change in mind-set about saving money.

"It often takes a crisis to make people rethink their lives and their financial choices," Maharaj says. "If the Covid-19 pandemic has taught us anything, it is that we need to plan for the future and for unforeseen emergencies.

"If you have had an epiphany about saving in lockdown, keep the momentum going; make saving money a part of your daily life. The long-term reward is worth it."

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