

African Bank Ltd press release
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Leave a legacy of good money management

Spring is here and so is Heritage Month – a time for South Africans to showcase the things they are most proud of and what makes them unique.

Lindiwe Miyambu, African Bank’s Group Executive: Human Capital, says Heritage Month is the ideal opportunity to introduce a new family tradition; something that will be handed down to generations to come.

“Good money management is a wonderful example of a tradition you can create in your family. Parents often budget and do their financial planning behind the scenes. Children take it for granted that mom and dad know how to work with money because they seem to have everything covered each month.

“If you are good with money and use financial tools like budgeting and investing to create financial peace of mind, why not start involving the whole family in good money management?”

Being successful is also a heritage that future generations can benefit from. It is important for parents to think about whether they want their children to have a heritage of struggling and poverty or a heritage of success and financial freedom.

“Obviously, parents want their children to have bright futures and be able to provide for their own families. This is why teaching children good money habits from an early age is so important. With the right guidance and tools, they can steer their own path to financial freedom. It is a priceless gift to give your children.

“Even financial opportunities such as lobola, paid to the bride’s family, can afford the married couple’s future children a good start in life. Exercising restraint and spending wisely when it comes to the wedding will ensure you can put some money aside too for your children’s futures,” Miyambu points out.

She adds that the road to financial freedom is not always smooth-sailing and does require sacrifices, but that children of all ages can be taught good money habits.

Ways to start age-appropriate money lessons:

Age 3 to 10:

- Use a see-through piggy bank to save so that the kids can see the money growing. Create excitement around the fact they are doing so well with saving money. Remember too, it is never too early to open a savings account for your child. Always ensure you open an account that offers the best possible savings interest rate.
- Set a good example by using a shopping list and a budget and talk to your children about the importance of this when shopping. If your child wants to buy something, tell them to take money from their piggy bank and let them physically hand it over to the cashier.

Age 11 to 16

- Don't just dish out pocket money; encourage your children to rather see this as "commission" for tasks done. This way money is earned, not simply handed over.
- Even if they have money to splurge, help your children avoid impulse buys. Instead, open a high-interest bearing savings account for your child so that a portion of their "commission" is saved each month, and that this becomes a habit.

Age 17 to 20

- At this age, children may have started a job and are now thinking about buying a car or moving out of home. They should have their own high-interest savings account and set financial goals.
- This is a good age to also think about investing money in accounts like a money market or fixed deposit account, to plan for the future.

Miyambu concludes that it is important to teach children the value of money. If they embrace the teachings, they are bound to pass these onto their own children one day.

"This would be a powerful legacy to leave behind. Wouldn't it be special to always be remembered as that family member who gave great money advice and who always knew the best ways to build wealth?"

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About African Bank

African Bank Limited is a retail bank offering a range of financial products and services, serving both private and business customers. The bank is rated the overall leader in customer satisfaction in the banking industry, and has a countrywide branch distribution network and a full digital channel offering, as well as sales, collections and customer service contact centres. African Bank is a scalable, diversified, and sustainable business focused on its heritage journey of being a bank for the people, by the people, serving the people - with a clear vision and strategy, strong leadership, and an audacious drive to deliver on the promise of its founders.

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