

Department of Economic Development and Tourism
MPUMALANGA PROVINCIAL GOVERNMENT

MEDIA STATEMENT

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Attention: Editors, Executive Producers and Journalists

FOR IMMEDIATE RELEASE

KHOLWANE ENCOURAGES THE PEOPLE OF MPUMALANGA TO ADOPT A CULTURE OF SAVING

Mbombela – Mpumalanga MEC for Finance, Economic Development and Tourism, Mr. Sikhumbuzo Eric Kholwane says it is important for South Africans to change their mindset and attitude towards savings, and this can be done by teaching their children to adopt the culture of saving at an early age. The MEC said this as part of the annual *Saving Campaign* which is celebrated during the month of July, to inculcate the culture of saving.

“Children need to be taught to save from an early age because it is easy to condition the young minds than a mature one. Let’s plant the new seed now if we want to reap the rewards in the future. I believe that the future belongs to those who invest in the present. The correct and opportune time is now”, urged MEC Kholwane.

“As we commemorate July as the *Saving Month* under the theme “No matter what you earn, you should get into the habit of saving 10% of your monthly income, and the earlier you start saving the better. Our people need to take responsibility for their own finances and think about saving now, and those who have already started saving they must continue doing so”, added MEC Kholwane.

The following are saving tips to consumers:

- **Live economically:** Don’t buy things you don’t need to keep up with friends and neighbours. Everybody’s needs are different. Live according to you needs!
- **Saving is a mindset:** Save water, electricity and money. Don’t waste anything of value – recycle, pass on old clothes, swop toys with other parents instead of buying new ones and convert things you don’t use any longer into money by selling them .
- **Teach your children to save from early age:** They need to know about the household budget. Set them to work for their pocket money. Help them to take financial decision by weighing up the value of one thing against another.
- **Don’t make excuse about why they don’t save:** Saying “I am too young or I’ll save next month or only rich people can save ” will not get you anywhere.
- **Start early for retirement:** Start saving consistently and seriously for your retirement years from the day you start your first job. Learn the magic of compound interest. Put aside at least 15% of your income each month in a safe investment.



- **Use credit sparingly and carefully:** It is cheaper and more rewarding to wait until you have saved funds for yourself. It's better to spend money you have earned than to spend money you still have to make.
- **If you are in debt, pay it as fast as you can:** Handle your credit cards very carefully. Remember, cuts in interest rate should be used to settle debts, not to make more debts.
- **Shop around before you buy:** Compare prices and benefits. Question the value of each purchase as you make it. Will it build my assets? Is it just to show off? Is it cheaper elsewhere?
- **Learn to resist those tempting media messages.**

Five Saving Plan:

- **Clearly state your dream:** Think about the future and what you want for you and your family;
- **Write down short, medium and longer term goals:** Set yourself a time frame to achieve them;
- **Develop a saving plan:** Decide how much money you need or you will need to put aside every week or month in order to reach your goal, and where you will save and invest to get the best returns of your money. You may need to use different products to help you meet your different goals.
- **Draw up your household budget together with your family:** Know where every cent of your income goes, and where you can cut back on consumption to help you to meet the commitments of your saving plan. Revise your budget regularly and keep an eye on the future gains.
- **Stick to your plan:** Make saving a habit; tell people close to you about your dream. Talking about your dreams makes you commit to it. Do not let challenges deter you from pursuing your dreams. Remember that your saving plan is your path to financial freedom. By focusing on that long term goal you can ward off unnecessary spending and progress towards achieving your dream.

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