



# FINANCIAL EDUCATION TIPS

John Manyike: Head of Financial Education

THE TIME IS NOW

**KNOW BETTER**

**DO BETTER**



# YOU KNOW **WHAT** YOU **SHOULD** DO! BUT **HOW**?



Old Mutuals research has shown that **poor financial habits are at the root of poor money management**

Many people **know what to do** - they have basic knowledge .....but they wind up not doing it – **because they don't know how** & lack the requisite motivation.

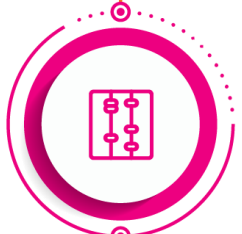
Almost everyone knows that you **should save money every month**, but few people actually do it consistently. This is where most people fall off the savings wagon.



# WHAT WE KNOW IS THAT: APPLIED KNOWLEDGE IS POWER



**People who set clear goals and have a plan to achieve them, are more likely to succeed.**



**The action of saving is behaviour-based and once you get into the swing of it and repeat the behaviour continuously, it will become a habit.**



**The more you do it, the better you become at it.**

## **KNOW BETTER! DO BETTER!**



# OMSIM FINDINGS: FINANCIAL EDUCATION TIP

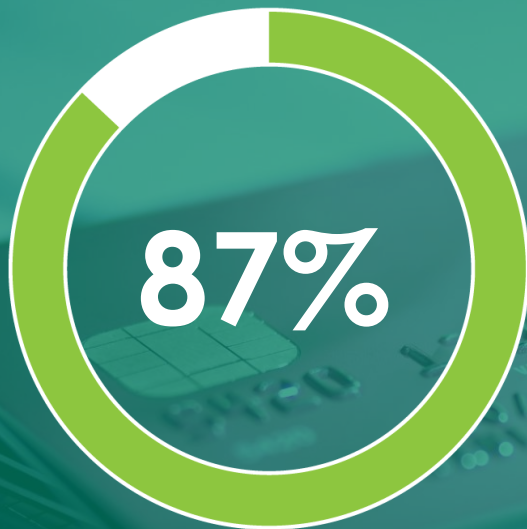
## The ULTIMATE Financial Education Tip



There is no greater time than **NOW** to become the “Boss of your money”!!

**Are you a Servant of your Money or Are you the Boss ?**

- Without a doubt there has **never been a better time to get help.**
- *If someone can offer you ways, tips and tools to protect your future, prevent your financial downfall, prosper and guide you to a healthy happier life? Why wouldn't you take it.*
- Get **expert advice** to help you draw up a financial plan to includes a long-term investment plan and a short-term emergency savings to protect one from unexpected financial emergency or future shocks



claim that Covid has made them  
**change the way they think about  
and manage** their finances



**Earning less** than they  
were before Covid

**Have you changed the way you think about and  
managing your finances?**



# OMSIM FINDINGS: FINANCIAL EDUCATION TIP

ALTHOUGH POTENTIALLY FORCED SHIFTS IN BEHAVIOUR,  
MANY PEOPLE HAVE **CHOSEN TO SHIFT THEIR FINANCIAL PRIORITIES!!**

**THESE ARE GOOD SIGNS THAT PEOPLE ARE:**



**Adjusting their lifestyles & spending habits. Looking at their budgets**  
(62% Cutting expenses where I can)



**Planning ahead**  
(37% Building up a financial buffer/make sure I have emergency funds)



**Being aware of the dangers of bad debt**  
(50% Pay down/off debt)





# GOOD BEHAVIOURAL SHIFTS: GOOD CHOICES

## ACTION TAKEN TO TRY AND SURVIVE

Taken on more than one source of income (Poly-Jobbers)

- ✓ Using rewards and loyalty offerings
- ✓ Cutting down on expenses: opting for downgrading  
subscriptions or memberships/Phones/gyms/supermarkets
- ✓ Moving in together
- ✓ Diversifying informal savings/spreading expenses
- ✓ Moving children to cheaper schools

## BENEFIT

Extra income

Reducing expenses/costs



# DANGER SIGNS: QUESTIONABLE CHOICES

Are you making informed good choices?

ACTION TAKEN TO TRY AND SURVIVE	RISK
Cashing in on savings or policies	Long term financial consequences
Cutting down on medical aid/Life insurance/short term insurance	Long term protection and precautionary savings risk
Dipping into savings	Protection and precautionary savings risk
Increase in borrowing and personal loans	Cycle of indebtedness
Falling behind on payments (rent/store cards/credit cards)	Cycle of indebtedness





# A SNAPSHOT AT THE IMPACT OF COVID-19

*Financial  
Education is  
part of our DNA  
at Old Mutual*

## THE IMPACT OF COVID-19 & THE SHIFTS REQUIRED TO BE EMPOWERED



Courtesy of AMPD STUDIOS  
powered by Old Mutual



# FINANCIAL EDUCATION IS CORE TO OUR PURPOSE

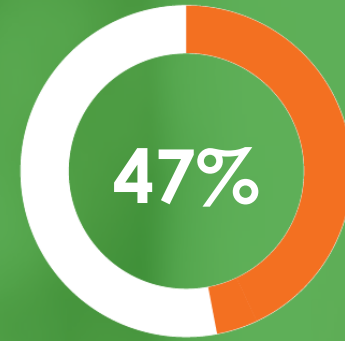
*Financial Education is engrained across all our brand and sponsorship platforms*

*Because we Champion mutually positive futures*

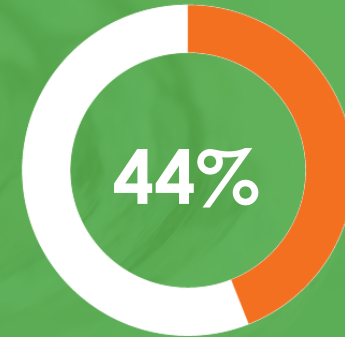
## FINANCIAL EDUCATION EMPOWERMENT CONTINUES



Financial Education workshops with Idols SA contestants 2020



Are earning **more than one source of income** (this may be contract work or hustling). **Poly-Jobber**



**Learning something new/upskilling**



# A KEY CONSIDERATION: BECOME A POLY-JOBBER

Is becoming a Poly-Jobber worth considering?

## WHY?



**Make extra money,**



**Reduces debt**



**Reach your financial goals faster**



**Brings your revolving credit under control**



**Improves your financial stability**



**Helps you have a plan and invest for your future**



**Relieves financial stress**



**Helps you develop yourself, learn more and increase your earning potential**



# FIND WAYS TO WORK SMART TO SUPPLEMENT YOUR INCOME

## HOW CAN YOU BECOME A POLY-JOBBER ?

### Financial Education Tip

#### BARRIERS

- ☐ Not have enough time
- ☐ Don't know what you can do
- ☐ Too physically draining/ stressful
- ☐ Jeopardize your main Job

#### **Caution:**

- ☐ Don't neglect your primary job - Always abide by your primary employment rules around operating another business.

#### IDEAS

- ☐ Be creative.
- ☐ Work with what you have
- ☐ Find the gap / need and make it work for you.
- ☐ Make use of all the platforms available to you
- ☐ Upskill and empower yourself/ learn.
- ☐ Work smarter not harder
- ☐ Find quick fixes
- ☐ Plan /be organised.
- ☐ Keep the end goal in sight

**THE ONLY WAY TO PREDICT YOUR FUTURE IS TO CREATE IT!!**



# THE GIG ECONOMY IN MOTION (POLY-JOBBERS)

**A Poly-Jobber example**  
**Introducing Inga Sabata – “Stitched by Inga”**







**FIRSTLY, THINK CAREFULLY...  
WHAT WOULD YOU SAY TO YOUR  
YOUNGER SELF ABOUT MONEY?**

**“If I only knew then, what I know now.”**



# HOW TO BECOME A FUTURE THINKER

THE TIME IS NOW

**KNOW BETTER**

**DO BETTER**





# OMSIM FINDINGS



# FINANCIAL EDUCATION TIP

Have you saved enough if your income decreases or no longer comes in?

## Financial Education Tips

- ☐ Save something each month
- ☐ Keep your emergency savings in a separate account
- ☐ Save up to three to six months of your income.
- ☐ Get expert financial advice
- ☐ When you get a tax refund, a cash birthday gift or a bonus, deposit this extra money into your emergency fund.

**“Prepare emergency savings”**





# OMSIM FINDINGS



# FINANCIAL EDUCATION TIP

When did you last sit down with your family and discuss your finances and family budget?

## Financial Education Tip

- ☐ Most South Africans are already in the sandwich generation.
- ☐ Talk about money together/ play open cards
- ☐ Have a regular family IMBIZO's
- ☐ Plan together
- ☐ Make your family aware .

**OMSIM: 51% Incidence of having 'Other' adult dependents, 31% (One in three) say that they are giving support to more people since the start of Covid. 43% are stuck in the sandwich generation**

## Make Money Matters A “Family Affair”



# OMSIM FINDINGS



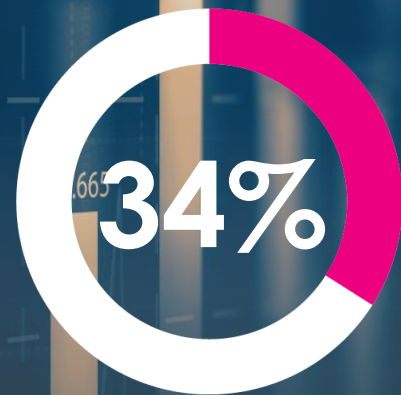
# FINANCIAL EDUCATION TIP

How much do you think about the future?

## Financial Education Tip

- ☐ Draw up your financial goals
- ☐ Don't get tempted to disinvest because of panic
- ☐ Avoid the temptation to cash out your retirement savings.
- ☐ Preserve your finances

**“Don't steal from your Future”**



**OMSIM: 34% have cashed in on savings/ investment policies (up from 23% 2020)**





# OMSIM FINDINGS



# FINANCIAL EDUCATION TIP

Are you on top of your debt?

## Financial Education Tips

- ☐ Debt: Know the difference between good & bad debt
- ☐ Borrowing: Preserve Your Relationships
- ☐ Loans: Consider the pros and cons
- ☐ Use Credit Responsibly

**There is an increased incidence of people having to borrow from family or friends or those that have taken a personal loan from a family member or friend or financial institution or microlender**



# KNOW BETTER!!

## NEXT STEPS

THE TIME IS NOW

**KNOW BETTER** |||||  
**DO BETTER**



# Young or old the principles remain the same to help you manage your money like a boss!

1

Get on top of  
your income  
and expenses!

2

Start saving  
when you are  
young

3

Control your  
debt

4

Make your  
money work for  
you – invest



# Create A Financial Habit

**Act now! Schedule a time in your calendar on your smartphone, tablet or laptop.**



**Create a weekly  
savings habit**



**Evaluate your budget  
every month**



**Do an annual "finances  
health check"**



# Know the difference between saving and investing



## SAVING:

- ✓ Setting aside money for emergencies or planned “big” buys (e.g. deposit for your house).
- ✓ Savings are often low risk financial instruments.
- ✓ Allows you to access money fairly quickly (unless it is in a fixed deposit account).



## INVESTING:

- ✓ Investments is about growing your money by buying equities, bonds or property funds.
- ✓ Offers typically higher returns than savings accounts.
- ✓ But, it carries a risk because it is linked to stock markets.
- ✓ Long term horizon.





# Three types of savings you should have

## Now Money

### Emergency fund

Enough saving to cover at least 3-6 months of living expenses

## Dream Money

### Goal-driven saving

E.g., for a wedding, deposit for your house/car, or that holiday

## Future Money

### Retirement saving

To cover your living expenses when you retire



# DO BETTER!!

## NEXT STEPS

THE TIME IS NOW

**KNOW BETTER** |||||  
**DO BETTER**



# START NOW! START YOUNG!

## TALK TO YOUR CHILDREN ABOUT MONEY TODAY!

### WHY?

Research shows that teaching financial education at an early age helps people develop stronger money management habits as adults.

However, when it comes to talking with their children about money, globally it is found that **parents simply aren't having the conversation.**

Most parents will agree that teaching children about money is important, ...

Most children's attitudes to money are shaped by their parents, whether you pro-actively pass on information or they just copy what you do.

Source: Whitebread and Bingham (2013)

Because it's the small steps you take today...





# ....That can lead to Great Things tomorrow

## HOW WILL TALKING TO OUR CHILDREN ABOUT MONEY HELP?

It empowers our youth to have **more control** and lead more stable lives

It empower them to become **self sufficient** and **not dependent on others**

It helps them to understand debt and how to **avoid bad debt**

It helps them **understand the real value of money**

It teaches them how to **invest** and the **power of compound interest**

It helps them **invest in themselves and their futures**

It helps them make **informed financial decisions** and **avoid scams or unnecessary risk**

It helps them **PLAN ahead** for the future



# IN SUMMARY! YOUR NEXT STEPS.

**There Is No Greater Time Than Now To Become The “Boss Of Your Money”!!**

1. Always seek expert financial advice and build a strong relationship with your registered financial adviser
2. Follow the basic principles of effective money management
3. Adjust your lifestyles & spending habits - budget
4. Look and plan ahead. Be A future thinker
5. Use credit responsibly
6. Prepare emergency savings
7. Make money matters A “family affair”
8. Don't borrow from your future
9. Supplement your income and become a Poly-Jobber

**THE TIME IS NOW! TO KNOW BETTER! DO BETTER!**



# HOW CAN WE HELP YOU? CONNECT WITH US:



**THE BIG 5 SECRETS OF MONEY MANAGEMENT**

A FINANCIAL BEHAVIOUR CHANGE EXPERIENCE



@OM\_OnTheMoney



On The Money Financial Education Programme



Om\_onthemoney



On The Money Financial Education Programme



Financialeducation@oldmutual.co.za

**FOR MEDIA OPPORTUNITIES: Contact:**

**JULIE HUTCHINS**

Communications Manager  
Group Marketing, Communications &  
Corporate Affairs  
Old Mutual Limited

**Mobile : +27 (0) 72 553 7366**

**Email: [jhutchins@oldmutual.com](mailto:jhutchins@oldmutual.com)**



THE TIME IS NOW

**KNOW BETTER** |||||  
**DO BETTER**

**THANK YOU**