

# Things to think about

## ...when you buy on credit

Before you buy anything on credit, think:

- Do I really need this?
- Have I *planned* for it?
- Can I *afford* the monthly instalments?
- Can I pay the instalment every month for 12, 24 or 36 months?
- Can I rather save the same amount as the monthly instalment, and *pay cash* after one year?
- Can I buy this item *cheaper* somewhere else?



## ...when advertisements tempt you



One of the reasons we want things we don't really need is advertisements. Advertisements are *meant* to make us want things. Let's look at this advertisement carefully.

The words 'deserve' and 'comfortable' make us feel that we need and should have this mattress. And 'depend', 'latest design', 'best quality' and 'special offer' help convince us that it is a good buy!

### SO WHAT ARE THE FACTS?

The product is a mattress.  
It costs R399,00!

Remember, *the rest* is just there to convince us that we need the mattress and that we should have it — so that we will buy it!

Before rushing off to buy something you see advertised, look for *the facts* first.

## "EEZI-SLEEP"

*The mattress you can depend on!*



**Special offer**  
(while stocks last)  
**ONLY**  
**R399,00!**

You deserve a comfortable night's sleep!

## ...when you borrow from a microlender

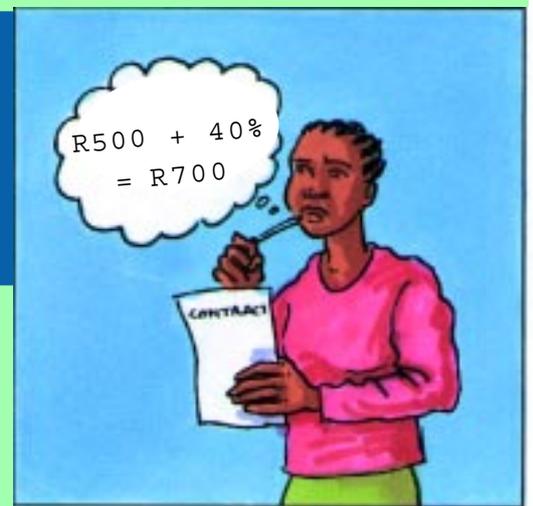
If you are charged a higher interest rate than the maximum for normal loans, make sure the microlender is *registered* with the *Micro Finance Regulatory Council (MFRC)*. The MFRC has rules which all registered microlenders have to obey. Look for the *certificate* on the wall or in the window. If there isn't one, the business may be *unregistered*. Check. *It is very risky to do business with an unregistered microlender.*



**Never sign a contract which still has blank spaces in it. This is dangerous. Someone may fill in amounts once you leave. Later they may insist that you pay because your signature is on the document. Ask for a copy of the contract.**

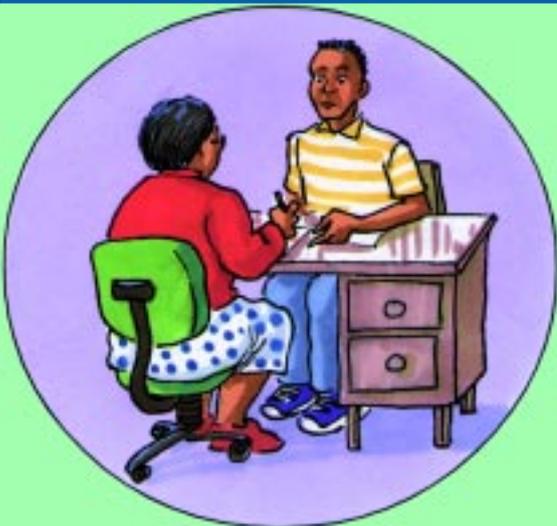
**Read the contract carefully and make sure it is explained to you in a language you understand. Never sign anything you do not understand.**

**Always think carefully before going to a microlender. The interest is very high — sometimes as much as 40% a month. If you borrow R500, you must pay back R700 at the end of the month! If you do not pay it all back on time, you will be charged more interest on the amount that you still owe.**



**Pay back the amount you agreed to pay, in the time that you agreed to pay it. Never borrow from a microlender to pay back another microlender.**

**Don't give the microlender your PIN number or allow him or her to keep your ID book or bank card. THIS IS ILLEGAL.**



## MONEY MANAGEMENT

### Rule number 5

**If you must borrow from a microlender, keep the amount small. Pay it back as quickly as possible.**