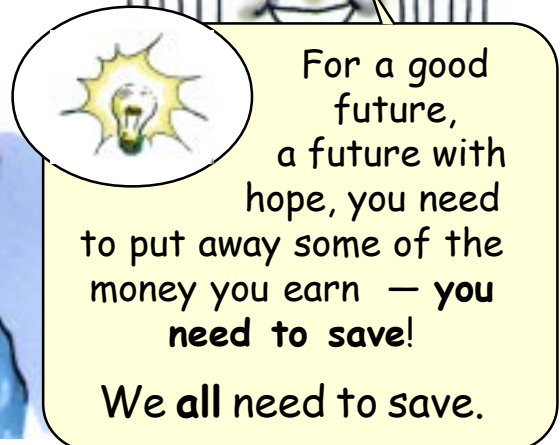
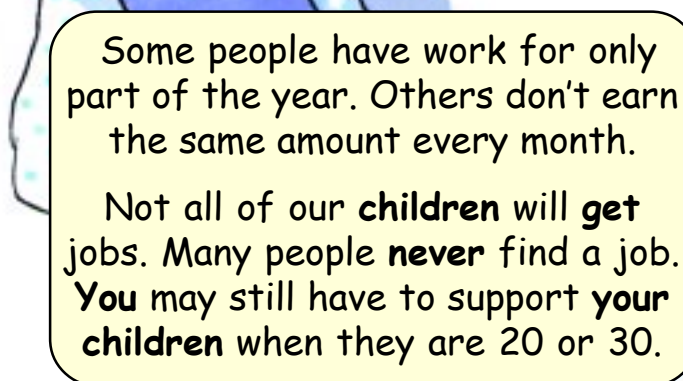
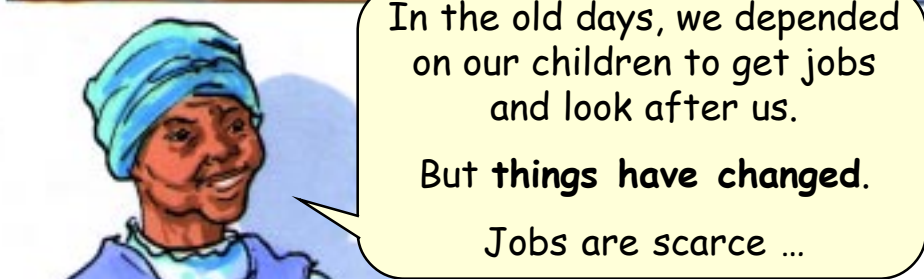
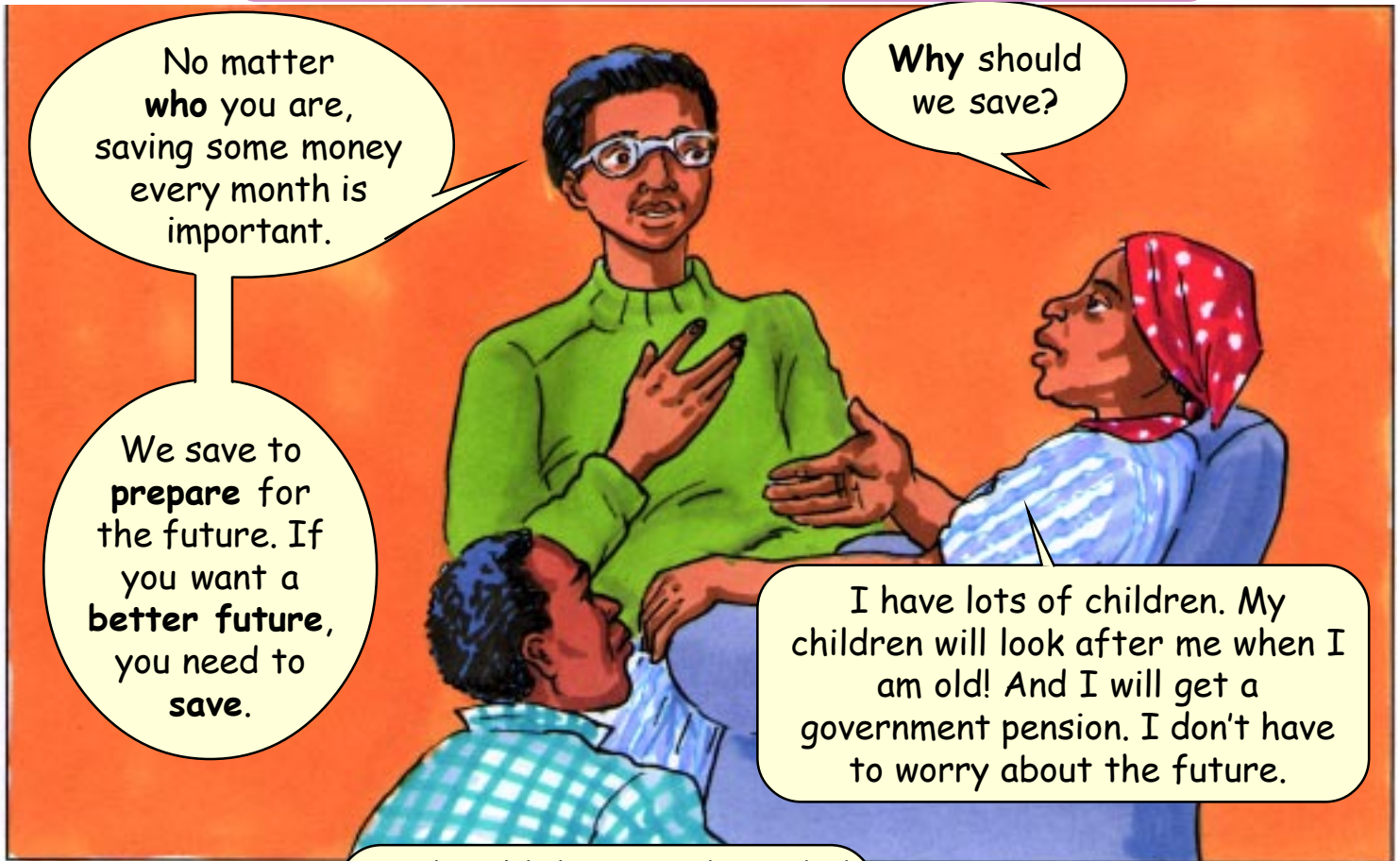


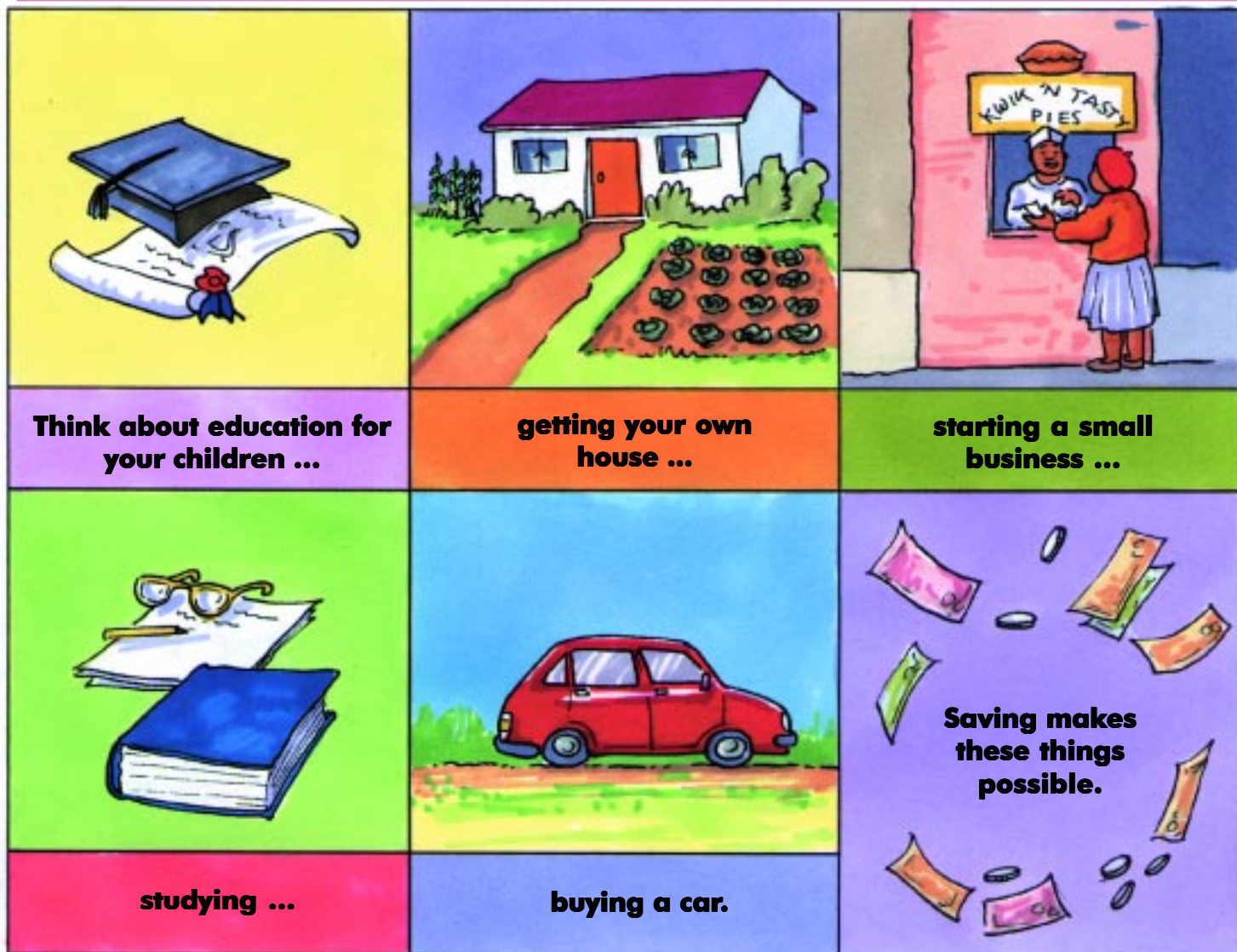
Saving

or

How to *stay* out of trouble



Many things are possible if we save ...



For some of us, saving simply makes it possible to provide our families with shelter, food and other basic needs in times when we have no income at all! But it is especially important to save for your old age!

... but saving takes time

To be successful at saving, you have to believe it is important, stick to it and ... have patience.

Saving does not make you rich overnight. It takes time. Do you have the patience and determination to make your future a better one? Save some of your money, even if it is only a little at a time. Be patient. You will see results.



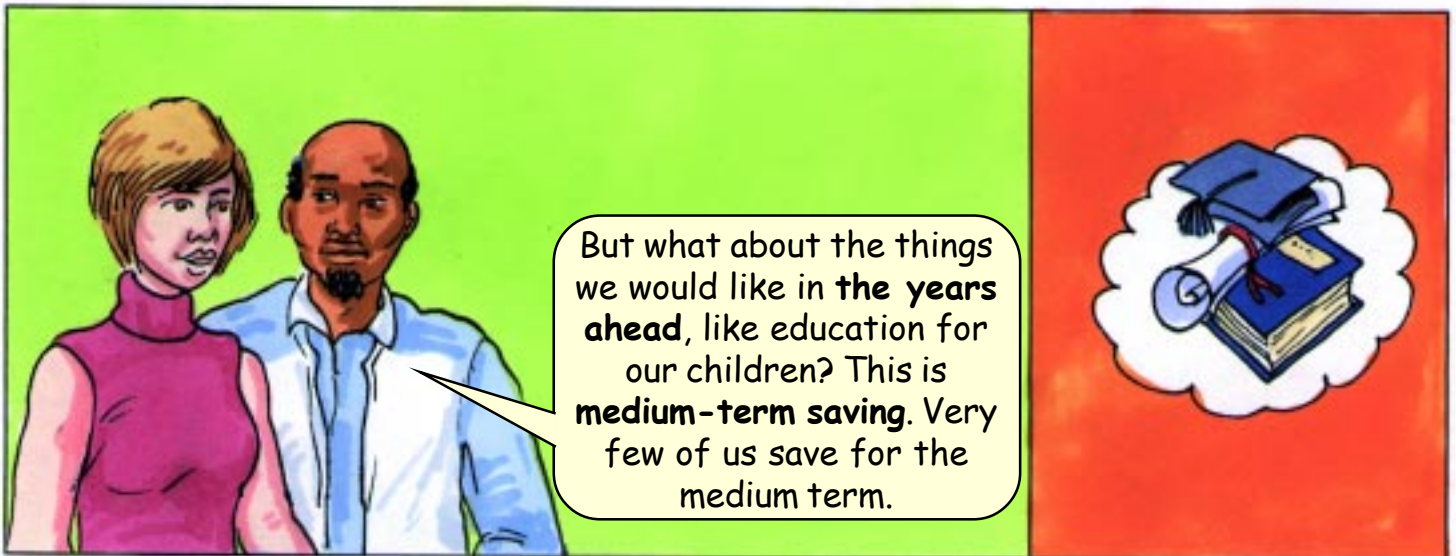
Believe in your future — save money today.

What are you saving for — next month? next year? the distant future?



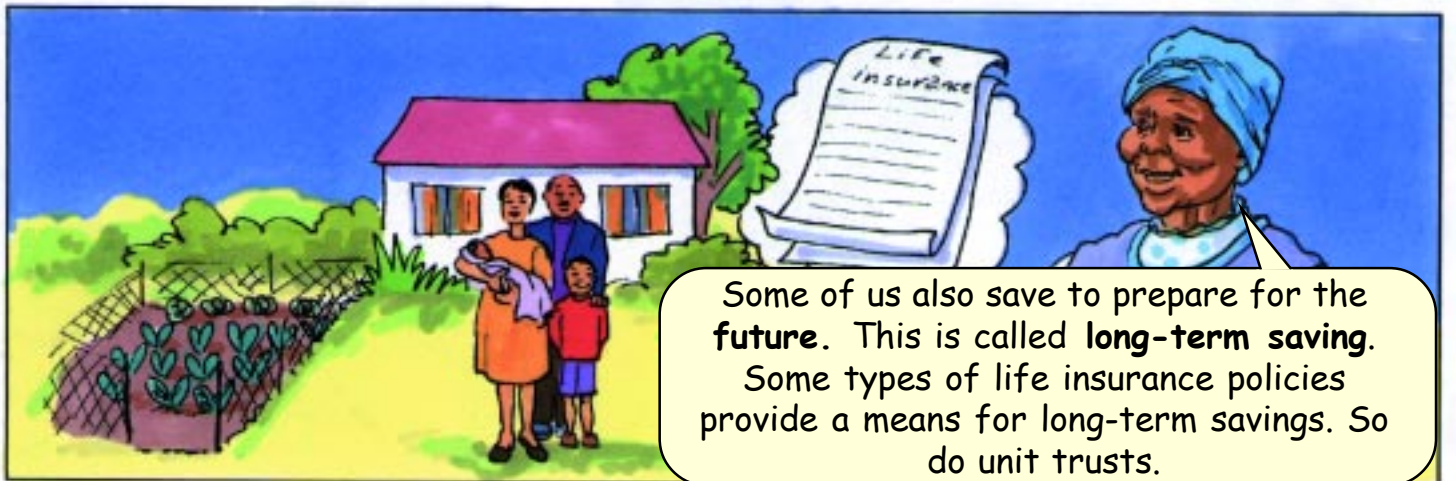
Most of us save for the things we want soon. This is called **short-term saving**. When you join a savings club, you are saving for the short-term.

Short-term saving means saving for a few months to a year.



But what about the things we would like in the years ahead, like education for our children? This is **medium-term saving**. Very few of us save for the medium term.

Medium-term saving means saving for the time in between — 3 to 5 years.



Some of us also save to prepare for the future. This is called **long-term saving**. Some types of life insurance policies provide a means for long-term savings. So do unit trusts.

Long-term saving means saving for a long time — 5 to 20 years.



Saving allows you to plan for things in your life — for yourself, your home and your children.

There are many ways to save ...



You can put your money under your mattress ...



You can join a savings club in your community ...



Or you can use a bank or other formal financial institution.

The mattress method

Whether you put your money under a mattress, hide it in a pot, in a shoe, or at the back of a cupboard, you will be tempted to use it — and it will not be safe! But most importantly, it cannot grow. This is not wise saving.



The savings club (stokvel) method

Savings clubs (or stokvels) have many different names: burial societies, lekgotlas, mashonisas etc. They are one of the the best ways to save money if you live far from the nearest town and bank.

The advantages of savings clubs:

- They are familiar and easy to understand.
- You usually know and trust each other, or belong to the same church group etc.
- You take turns to get the savings, as a lump sum.
- You know when it will be your turn to get the money, so you can plan what to spend it on.
- The other people in the club usually live close by, or meet regularly, so transport is not a problem.



The disadvantages of savings clubs:

- Most savings clubs do not have written rules or contracts. They are based on trusting each other.
- Without this trust, you have no protection if your money is stolen.





In the old days, savings clubs were simple and easy. Members knew and trusted each other.

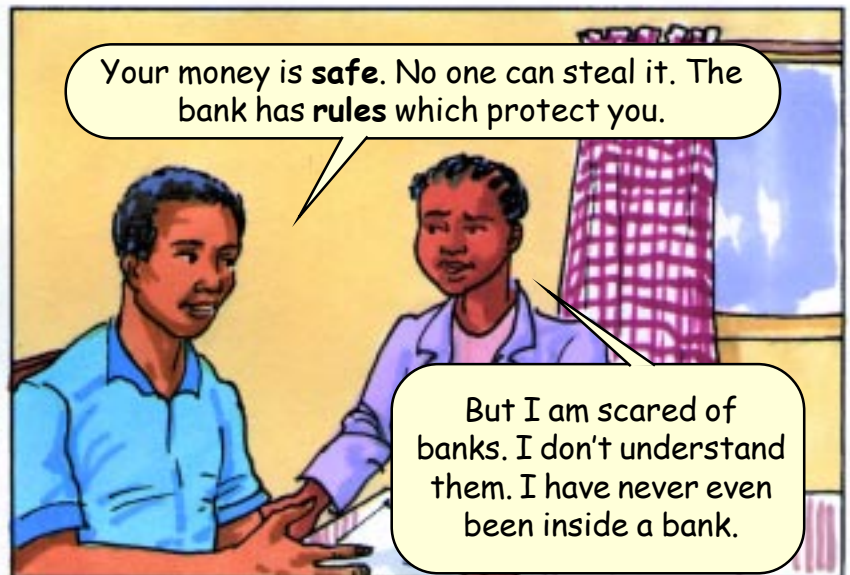
These days, a **dishonest** person can start a club and take your money. Our lives are busier and **strangers** come to live in our communities more often. **We have to be more careful. Never** give your money to a stranger who promises to start a new savings scheme.

Despite these dangers, saving clubs are good for **short-term saving**, if you know and trust the people who run it and **if** the leaders of the club write everything down.

**Choose your savings club carefully!
Save only with people you know and trust!**



The bank method



Banks are there to help us! You have a right to go into any bank and ask the financial adviser to explain what services it can offer you, including those offered by other financial institutions.



Now is a good time to find out what banks do, and how they can help you! This book will also help you to find out about other financial institutions.

**Rule number 6
Save a little money every month.**