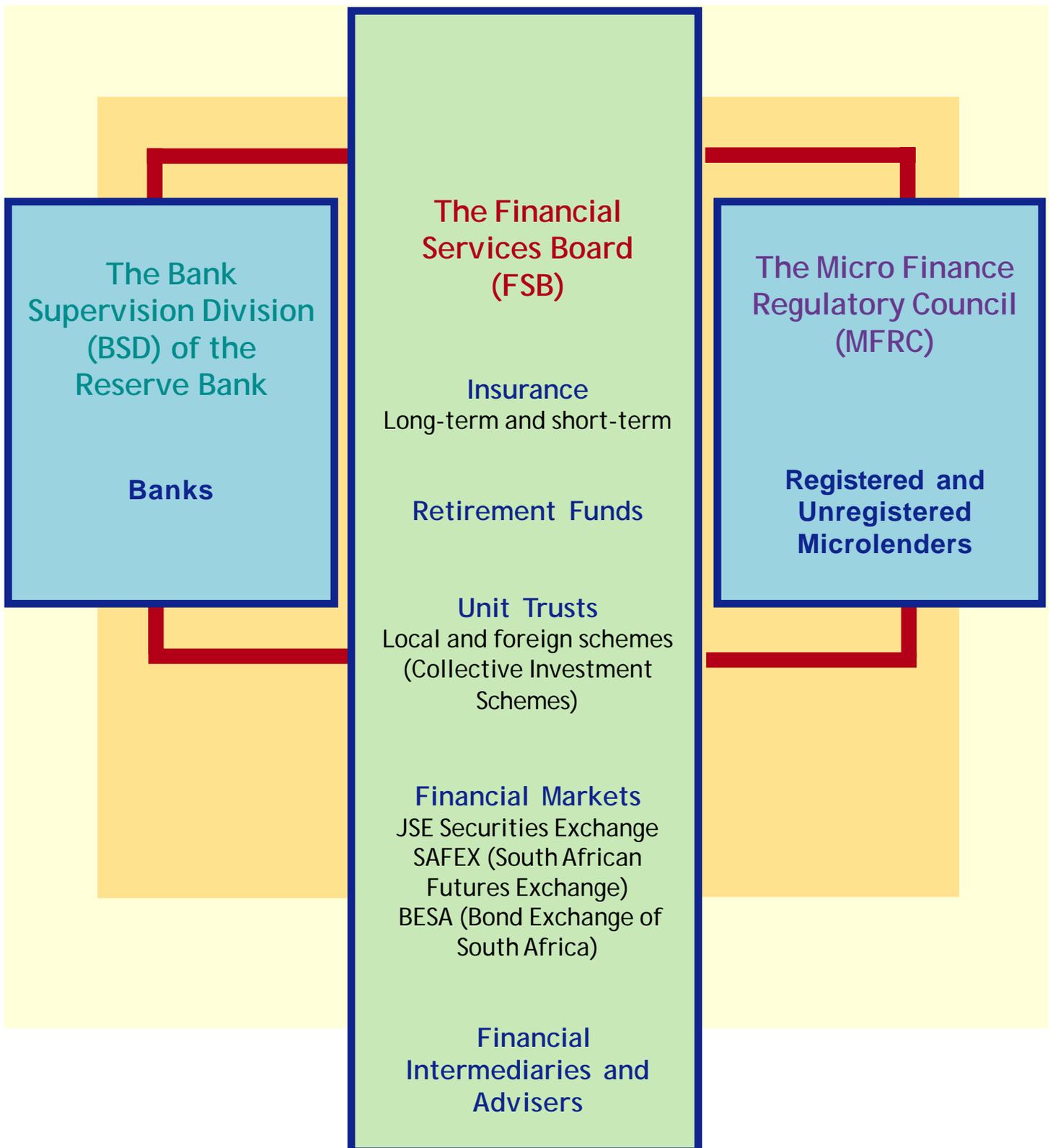


THE FINANCIAL SERVICES REGULATORY STRUCTURE



WHAT IS GOOD MONEY MANAGEMENT?



Good money management is about understanding the difference between needs and wants, and then spending your money wisely and not incurring debt unnecessarily.

As long as we live from hand to mouth, we will never gain control over our money. A cycle of **earning** and **spending** that goes on and on doesn't allow anyone to plan for the future. Add to that the temptation of getting into debt (spending money you haven't earned yet) and good money management becomes almost impossible.

Needs and Wants

Because credit is easily available, we are tempted into borrowing when we shouldn't. Incurring liabilities should be done responsibly for long-term assets which you will still possess after the debt has been paid off. The money we earn from employment should first be spent on the family's **essential needs** before we satisfy the less essential **wants**, which are just nice to have.

We should aim to have something left so that we can save. We should avoid spending more than we earn so that we have to borrow just to maintain our everyday living expenses.

All of us are capable of managing our affairs well by using a budget.

Draw up your budget, work out your sums until you have a bit of money left every month. **Save** this, **invest** it, or **work with** it and you will gradually achieve security for yourself and your family.



You think it is impossible? No, it is a skill that **anyone** can learn — no matter how much (or little) money you have.

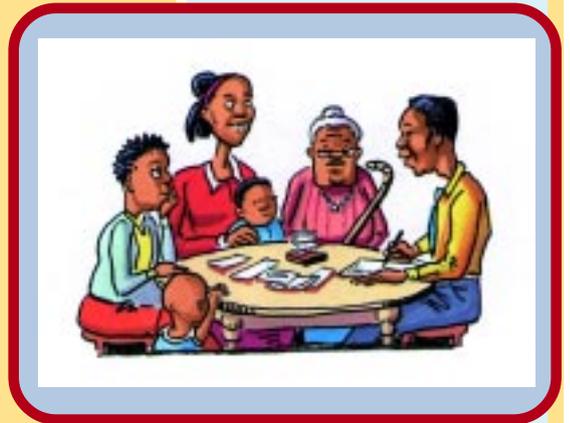
Read this booklet and find out what you can do to make your dreams come true — and how the formal financial services sector (banks, insurance companies etc.) can help you do it.



THE MONEY PROBLEM: *What can we do about it?*

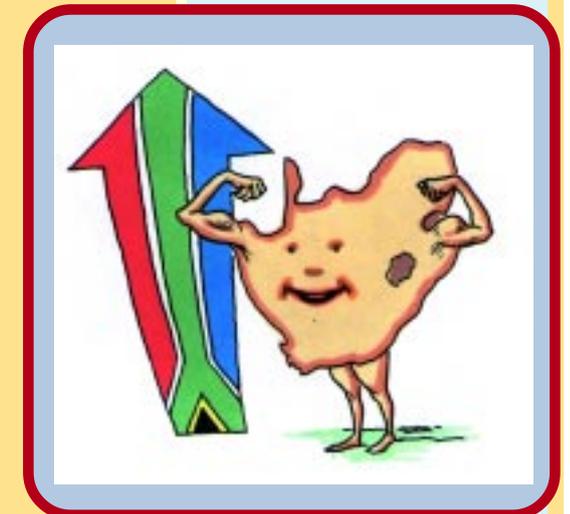
As Individuals and Families

- We can budget.
- We can decide together what the family really needs. What is more important: new bikes for the kids, or a savings account for their education?
- We can **plan** carefully how to reduce our debt (if we owe more than we can afford to repay). With some advice from the bank, and possibly an intermediary, we can work out carefully how to **get out of debt**.
- We can stop borrowing to buy things that we do not need, especially if they have a short life.
- If we get a windfall (a bonus, overtime, an inheritance) we can invest it or repay our debts with it. Money saved today can make life easier and better when you retire!
- Above all, we can avoid get-rich-quick schemes. The only people who “get rich quick” are the people who run the scheme.



As South Africans

- We can all help to make our country strong ... through hard work, honesty, and the desire to improve our lot.
- We can say: “My family and I can make a difference.”
- We can **improve our family life** ... and then our town ... and our province ... and eventually South Africa will benefit from the commitment of all its citizens.
- Our savings can help the economy.



**MOST PEOPLE CAN IMPROVE THEIR LOT IN LIFE —
BUT IT DOES TAKE EFFORT!**