



ON THE MONEY AND THE IMPORTANCE OF FINANCIAL EDUCATION

Old Mutual's research has shown that poor financial habits are at the root of poor money management. Many people know what they should do but they end up being put off by how difficult it seems to implement.

The On the Money programme addresses this by helping people see how easy it is to start new habits and reconsider old approaches. By focusing on changing actual behaviour, Old Mutual is investing in breaking the cycle of generational poverty. The On the Money series concentrates in particular on helping people of limited financial resources to get into saving habits, and get out of debt traps.



THE SECRET OF THE LION

The lion eats first - before the pack. You should "eat first" too by saving before you spend. The most effortless way to do this is by arranging an automatic deduction from your salary at the very start of the month, before you spend anything.

Most people try to save from what is left over after their daily spending. The secret of the lion encourages a new, pro-active habit, giving new meaning to the idea of 'taking the Lion's share'.

The secret of the Lion module includes explanations about the different saving vehicles, and about how to use debit or stop orders to make your new saving habit automatic, disciplined and regular.

The module also looks at how much you should ideally be saving at different stages of your life. Once you are in the habit of 'eating first' you need to think carefully about the pros and cons of various methods of saving.

These methods include:

- An Old Mutual investment plan
- A savings account at a bank
- Notice deposits
- Fixed deposits
- The savings club or Stokvel method



THE SECRET OF THE LEOPARD

The leopard stays focused. It never lets its prey out of its sight, patiently planning and moving towards its goal, never backing off, and staying focused. 'Of course I have a goal for my future - I want a better life'. Does this sound like you? To succeed, you need more concrete goals than this, and you need to back your goals with good plans. The module also looks at how much you should be saving at different stages of your life. What is your vision of your financial future?

This module shows you how to:

- Make your financial goals vivid, inspiring, but also concrete and achievable.
- Develop a plan to achieve your goals.
- Get the support you need from others to achieve your goals. Research shows that you are much more likely to succeed if you can ask someone to check in with you and encourage you from time to time.

The programme achieves its objectives by providing five modules based on the habits of Africa's big five animals: the **lion, leopard, elephant, rhino and buffalo**.



Each of these steps will leave you well on your way to achieving your goals.



THE SECRET OF THE ELEPHANT

Elephants are renowned for their memories. Their survival depends on being able to remember where they've found water before. Like the elephant it is important to remember what you've done in the past to help you plan for the future. If you don't do a budget at least once a year, you won't know if you have, or could get, any spare cash to increase your savings, or reduce your debt.



THE SECRET OF THE RHINO

The rhino protects itself by charging down danger. When threatened the rhino, decides what its biggest threats are and charges them down, taking swift control of the situation.

This module discusses reducing debt fast, and using debt wisely. Debt can be a useful tool if you know how to use it. Not knowing how to manage it can be a danger that needs to be addressed quickly and aggressively.



THE SECRET OF THE BUFFALO

The mighty buffalo steadily grows its herd, and protects itself by finding strength in numbers.

This module discussed the benefits of investing in careful, well planned, but effective investment products. Discover how to pool your resources with others, and protect your earning power and assets.

This module allows you to understand the three critical elements of any investment:

- the level of risk
- the rate of return
- the amount of time you have to invest.

HOW TO CREATE A BUDGET:

STEP 1

LEARN WHAT YOU EARN

Understand your salary slips and bank statements so you know exactly what is coming in.

STEP 2

KNOW WHAT YOU OWE

Record your expenses carefully, so you know exactly what you're spending.

STEP 3

DRAW YOUR FUTURE BUDGET

Set new spending targets and limits for certain items.

STEP 4

REVIEW YOUR BUDGET

At the end of each month, compare your budgeted expenses to your actual expenses.

HOW TO GET OUT OF DEBT

STEP 1

FACE THE PROBLEM

Know how much you owe.

STEP 2

SHARE YOUR PROBLEM!

Who can support you while you charge down your debt?

STEP 3

ADJUST YOUR BUDGET

Revise your budget, so you reduce your spending on just a few items each month. You then use the money you save to charge down your debt faster. You will always find there are one or two places you can cut down a little.

STEP 4

IDENTIFY YOUR BIGGEST DEBT THREAT

You have to work out which debt poses the biggest threat. This is often not the biggest debt you have, but the one with the highest interest rate. You need to charge that one down the fastest!

STEP 5

NO NEW DEBT!

While you are charging down your debt, learn how to stop yourself from incurring any new debts.

FOR MORE INFORMATION, CONTACT THE ON THE MONEY DIVISION

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