WOMEN BEAR THE FAMILY'S FINANCIAL BRUNT – BUT ARE BETTER BUDGETERS

Johannesburg, 8th August 2019: South African women are struggling to make ends meet, with 81% of them running out of money before the end of the month (vs. 72% of males). This despite the fact that they are also more likely to draw up and stick to a budget, especially if they are 25 – 45 years old (80%). So reveals the TymeBank "More Month Than Money" Survey.

"The financial reality for most women is that their money doesn't last the month, 59% of them run out by the 15th," says TymeBank's CEO, Tauriq Keraan.

So what's going on? The reality is that women have more mouths to feed than just their own, they often take care of children and of other family members. Compounding this issue is the fact that many mothers are single, with the issue of absent fathers on the rise. They also earn on average 28% less than men, making it very clear that women have a far heavier financial burden to bear.

To make ends meet, according to a 2018 DebtBusters study, more women turn to unsecured credit than men (71% vs. 55% men) and are using personal loans, payday loans and credit cards as a financial buffer.

To help relieve this dependency on debt and regain control of their finances, Keraan suggests that women think about clever ways to cut back on their monthly expenditure, especially when it comes to the 'Big Three' financial priorities: housing, groceries and transport. "The study revealed that the lion's share of our money goes towards these three areas (41% pay for their housing first, followed by 24% for groceries and 10% for transport) so finding ways to reduce costs in these areas can make a significant difference. This said we also mustn't overlook the small things: cutting back on bank fees for instance can save a pretty penny."

Changes in financial behaviour is certainly one way to curb costs. But, according to Sam Beckbessinger, best-selling personal finance author and entrepreneur, women also need to teach girls about money from a young age. "Finances can't be seen as a man's problem. We need to teach girls to be financially literate as they will need these skills later on in life when the inevitable financial responsibility falls onto their shoulders."

She says that one such skill is "enveloping". This is where a savings pocket is opened up in a bank account and into which small amounts of money are deposited as regularly as possible. Over time, small increments can add up to a large amount.

"This is such a handy tool to use especially when it comes to saving up for high-expense times of the year such as the festive season, back-to-school or when you might need to buy extra warm clothes during winter for instance,"

Savings don't need to be big amounts at a time either. Just consider this highly effective example: a simple investment strategy that'll mean you have R14,792.90 after only one year: Start by saving R10 on 1 January. A week later, add just R10 more to the amount, and save R20. In week three, make it R30, and in week four, save R40. Continue in this manner, increasing your savings by just R10 each week and within 12 months you'll have saved R14,310. And this is before interest. If you've invested in this way using the TymeBank GoalSave tool, you'll end the year having earned R434.61 in interest. Better yet, if you give 10 days' notice on 22 December, on 1 January you'll get all your savings (R14,310), plus all the interest you've earned (R434.61), plus a bonus of R48.29, which means you'll have a total of R14,792.90 after just one year. Leave it in for one more year and the amazing effect of compound interest starts to show, on 1 January a year later, (assuming you contribute no additional savings) your pay-out will have grown to R16,333.72.

Given women are the better budgeters than men (40% vs 34%) it stands to reason that with the right tools and education they can make significant changes to their financial realities. "Research points to the fact that many families are headed up by a single mother which highlights the extra lengths women need to go to make their money last longer. But by cutting back where they can, using free financial tools and choosing a bank that backs them, they can begin to turn their and their family's financial anxiety into financial freedom," concludes Keraan.

ENDS