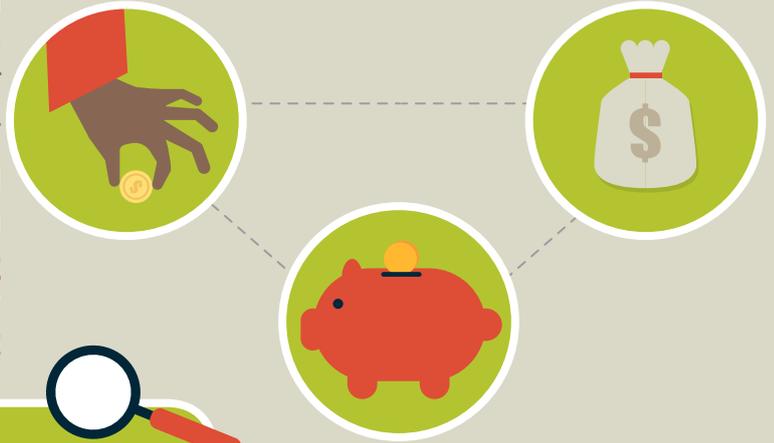


DON'T **DEFLATE** YOUR BANK ACCOUNT

While it's true that the international reduction in oil prices has caused inflation to drop to **5.3%** (from **5.8%** last year), and the future is looking rosier than usual, this is not an excuse to go shopping.

REDUCING THE AMOUNT YOU SPEND ON LUXURIES BY JUST R250 A MONTH WILL MEAN THAT YOU SAVE ALMOST R19 000 MORE OVER FIVE YEARS. SAY NO TO THAT PAIR OF SHOES, BOTTLE OF WINE, OR FILLET STEAK!



INFLATION:

a general increase in prices and fall in the purchasing value of money.

REMEMBER also that the decrease in inflation will not necessarily mean a lower interest rate on debts, and the South African economy is still growing at a relatively slow rate. It's certainly not all bad news, but good news is never a reason to be irresponsible, especially not when it comes to money.

The reduced petrol price is likely to lead to lower food prices, amongst other things. Why not take advantage of the fact and start making meals at home more often, rather than spending money on fast foods and restaurants? You'll be healthier and wealthier for it.

If you find that you do have a little more than the usual extra cash left over, there's never a better time than now to save, save, save. You could consider making a once-off extra deposit into your retirement fund, or even increasing your monthly contributions. It's not for nothing that you hear the phrase 'every little bit helps' so often, when people talk about saving!

Thanks to compound interest, even a little bit can turn into a lot by the time you really need it.



COMPOUND INTEREST:

Compound interest is interest added to the original amount of a deposit, so that the added interest also earns its own interest from then on.

R5 722 THE AVERAGE PRIVATE PENSION RECEIVED IN SA IN DECEMBER 2014

85% OF PRIVATE PENSIONS ARE BELOW R10 000.

One of the main reasons for this is that most people don't put enough money towards their pension funding.

So be kind to your savings account. Don't let it go hungry this year. By doing so, you're being kind to your future self at the same time, so that you not only won't ever go hungry, but you'll live a happy, comfortable life in the years to come.

