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IMMEDIATE RELEASE

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After Budget Speech 2022, what's your plan?

The annual Budget Speech is one of the most anticipated events on the country's calendar.

Thousands of South Africans tuned in to listen to the Minister of Finance's Budget Speech, to get a sense of how the government planned to spend the country's revenue for the upcoming financial year.

One of Minister Enoch Godongwana's main focus areas in his speech was the tax relief to consumers. After listening to the Minister, Charlotte Nsubuga-Mukasa Head of Marketing at Momentum says that it is important to ask how this impacts our financial plans "Many South Africans feel overwhelmed when listening to the Budget Speech; perhaps we feel as though it is too complex, or the impact of it is beyond our control, or even that it does not affect us.

"This is not the case; we are taxpayers and spenders and we all play a vital part in the economy. This is why it is important that each of us take a stand when it comes to our finances and ensure that we are following the correct steps to ensure that we are financially successful and active participants in the economy, says Nsubuga-Mukasa.

"One needs to carefully think about their financial plans, and how they can start implementing the changes that will allow them to live their life and continue on their journey to success."

It is quite evident how the COVID-19 pandemic in the past two years has had a profound impact upon our national economic growth and put a lot of pressure on businesses across every sector and industry. Our unemployment rate has increased by 0.5%, the highest it has been since 2008. Currently, our level of unemployment is 46.6%, with the youth unemployment rate listed at a staggering 66.5%.

The President, during his state of the nation address, raised a point of job creation not being a government issue, but rather the responsibility of the private sector in general and small businesses, in particular, to help alleviate the pressure on our economy and assist in terms of job creation.

"We believe that youth unemployment can be tackled through strategic collaborative efforts," added Nkosinathi Mahlangu, Momentum Metropolitan Youth Employment Portfolio Head. "We have seen that this is possible through our various CSI initiatives, where we place the focus on empowering young people with skills to ensure that we land them into gainful employment. One of our entrepreneurship programmes focuses on building capacity for young women who run Agri businesses. This project is 100% women focused as the unemployment statistics indicate that women are the most vulnerable group. In our WeThinkCode coding programme, 93% of the candidates (of which half are women) have been placed in jobs."

According to the latest Momentum UNISA Financial Wellness Index, female entrepreneurs are underrepresented across SA's business landscape. Only 33% of informal SMMEs are wholly owned by women, and this figure is even lower (14%) in the formal sector. It is apparent that although

women are starting to take their place at their proverbial table, there is still a lot of work that needs to be done for them to be enabled on their journey to success.

In what has officially be dubbed the post-pandemic economic times, having a financial plan is imperative to thrive. Many may argue how one can have a plan when they are not employed or don't have enough money at the end of the month. However, it is vital for one to start getting into the habit of adopting healthy financial habits from early stages.

According to the Momentum Unisa Financial Wellness Index: there are basic tips that will help ensure your financial success:

1. Do not spend more than what you earn – if there is still money left over at the end of the month, invest this to grow your wealth.
2. Ensure that your savings are invested in the appropriate financial products that will deliver a good return. This will provide you access to the eighth wonder of the world, compound interest. Let your money work for you and not you for your money. Start as young as possible to save, even a small amount a month has the potential to become much more over time.
3. You are never too young to start saving for your retirement. There are a variety of products that allows for a small monthly amount or an annual lump sum investment. Use your bonus wisely and invest in your retirement before you spend on the rest of your wants. Also, remember that you are your biggest asset – ensure that you have income protection, disability, and life cover when needed, especially when you have a family that is financially dependent on you.

“Regardless of how the new national budget impacts the country, the biggest question we ask South Africans is: ‘What’s your plan?’. Good financial advice, coupled with a financial plan, will empower South Africans to reach their financial goals and accelerate their momentum,” concludes Charlotte Nsubuga-Mukasa.

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