Media Release
Actuarial Society of South Africa
24 August 2017

Four female actuaries share their tips for financial success

What do successful women consider important when it comes to managing their personal finances? A group of accomplished female actuaries, all of them in leadership positions, were asked to share one tip that they feel strongly about to inspire other women to take charge of their financial situation this Women's Month.

Surprisingly none of them put forward spreadsheets with fancy calculations. Instead, all of them felt strongly about getting the basics right and laying solid foundations from which to achieve true financial independence.

Professor Roseanne Murphy Harris, President of the Actuarial Society of South Africa, says while South African women display immense courage and leadership in so many difficult situations on a daily basis, many women still prefer to leave financial decisions to their male partners.

"We are commemorating Women's Month in August every year as a tribute to the thousands of women who marched to the Union Buildings in Pretoria on 9 August 1956 to protest against Pass Laws. If we can fight for political liberation, surely we can also achieve financial liberation?"

"The tips we share below are all achievable with a bit of willpower and self-discipline. If we as women can implement these four basic tips, we have taken a giant step in the right direction. From there we can then start building wealth."

Fairytale endings are not guaranteed

Murphy Harris says life has taught her that the fairytale "happily ever after" is not guaranteed in real life.

Statistics released by Statistics South Africa in July this year show that around 45% of divorces were for marriages that did not reach their 10th anniversary. She adds that death is another reason why many women suddenly find themselves alone and having to rely on their own financial savvy.

Her advice to women is therefore to insist on having their own bank account as well as assets in their name.

"Often couples end up having joint bank accounts and assets, because they feel uncomfortable about having the difficult conversation about money. While sharing ownership of everything is often seen as a token of love and trust at the beginning of a partnership, getting out of it all becomes very messy in the event of death or divorce."

Murphy Harris says a true test of the strength of a relationship is being able to have honest conversations about money and ownership of assets.

“Rather have these conversations in a calm and open way and set down in writing what you agree to do. It’s much better to make the time to do this than being forced to deal with tricky issues in times of crisis.”

Murphy Harris points out that a joint bank account entitles both co-owners to spend and transfer funds as they please without protection should something go wrong. “If your relationship sours and your partner decides to withdraw huge sums of money, there is little you can do about it. You also run the risk of a bank account being frozen on the death of your partner and being left stuck without access to cash at a really difficult time.”

She adds that getting out of joint ownership of assets in a fair and equitable manner is a complicated process, especially in a divorce.

Involve your children in your financial journey

Kenosi Magosha is the Head of Client Solutions for Recurring Savings at Sanlam Personal Finance and also a Council member of the Actuarial Society. She feels strongly about mothers involving their children in the household budgeting process and setting and achieving financial goals for the family.

Magosha says by teaching your children the importance of budgeting, saving and responsible spending you will have a whole team on your side helping you achieve your financial goals.

“Take the opportunity to learn new habits with your children and reinforce financial savvy behavior. The habits they learn today can help you as a mom to keep to your budget and achieve goals such as saving for education and retirement. At the same time, you are helping them to learn to be responsible with their money in the future.”

She says impulsive spending is the downfall of many household budgets. In order to teach your children responsible spending habits, you will need to lead by example, making this a win-win situation.

“As working moms we easily fall into the tricky place of giving children everything they ask for when out shopping with them. Shopping is such a great opportunity to introduce our children to the world of commerce and the concept of delaying gratification. You can do this by involving your children in your thought process when shopping where you explain the difference between needs and wants and how to balance cost and quality.”

Learn to be penny wise

Philippa Wild, Head of Discovery’s Vitalitydrive, says you will be amazed by how much money you can save simply by doing your homework on expenses that cannot be avoided.

These could include bank account fees, mobile phone and data charges and transports costs.

“My mom always told me ‘look after the pennies and the pounds will look after themselves’. This is sound advice. By saving R10 here and R50 there, you’d be surprised by how much and how quickly you can grow your wealth.”

She recommends that before you shop around for service providers and options, you have an open and honest conversation with yourself about what you really need. “Once you cover the basics of what you need and what your budget allows, you can enhance your consideration to include what you want,” says Wild.

“Let’s take banking charges for example. If you don’t need an overdraft facility, then don’t pay for one. Also, consider what you use and whether a bundle or a pay-as-you-go offering works better for you when it comes to your mobile phone.”

Wild says the question of want and need is particularly relevant when it comes to cars.

“Instead of going into debt for an expensive car, rather go for something cheaper. Consider the repayment terms. The quicker you get rid of your debt and the interest charges, the quicker you reduce your expense and grow your wealth. Even consider whether you need your own car. Maybe in your case public transport or a taxi service offers a better, more affordable option.”

Make sure you leave a legacy

Karabo Morule, MD of Old Mutual Personal Finance, says your last will and testament is probably one of the most important documents you will sign in your lifetime. That is, if you make the time to put one in place.

She says professional women such as actuaries spend most of their lives building their careers and juggling family commitments. She adds that they often operate at such a frenetic pace that the same efficient professionals forget about drafting and signing a will.

“I think it is so important for women to take responsibility and ownership of their own financial plans and realities and this includes having a will in place.”

She says there is no point in providing financial stability to your family while you are alive, and then letting it all collapse in a heap of chaos should you die. The reality is that should you die without a will, the State decides who gets what.

“Your last will must be drawn up by a qualified professional and needs to create financial certainty for your family and dependents. Personal circumstances, the applicable marital regime and corresponding legal and financial implications need to be considered. I recommend to my friends who are married that where a joint will is drawn up, all parties know exactly what the situation is and what it would be in the event of the death of a partner.”

Ends

To set up interviews please contact:
Lucienne Fild
Independent Communications Consultant
082 567 1533
lucienne@fild.co

Issued on behalf of:
The Actuarial Society of South Africa

The Actuarial Society of South Africa is the professional organisation for actuaries and actuarial students in South Africa. The vision of the Actuarial Society is an actuarial profession of substance and stature, serving, and valued by, our communities as a primary source of authoritative advice and thought leadership in the understanding, modeling and management of financial and other measurable risks.