

MAKING THE MOST OF LIVING ON A LOWER SALARY



According to the latest data in the BankservAfrica Take-home Pay Index (BTPI), the average salary in South Africa was R15 063 in September 2022. Furthermore, the data indicates that most salaries are not keeping up with inflation. In other words, many of us are actually poorer than we were, simply because our salaries have lost some of their purchasing power.

With that said, many South Africans are living on salaries even lower than the average, and often annual increases have not kept up with inflation, if they have occurred at all.

Moreover, millions had their pay docked or were forced to take unpaid periods away from work during the lockdowns of 2020. The salary that served you in 2019 may very well be a salary that you are struggling to survive on now. If you've found yourself penny-pinching to try and maintain your standard of living, remember these important tips to keep your financial position as stable as possible.

1 YOUR BUDGET IS YOUR BEST FRIEND

Having a clear budget is essential to managing your monthly finances. Developing the discipline to spend only according to your budget will prevent you from unnecessary extra expenditure during the month.

2 KEEP YOUR DEBTS AT A MINIMUM

During difficult times, it can be tempting to take out loans to stay afloat. But in these times, it is most important that you focus on paying off current debts without incurring any new ones.

3 AVOID CUTTING CORNERS

Don't compromise on important things like health insurance, car insurance, rent/bond payments and debt repayments. Life is unpredictable and it may hurt you more to neglect these essentials than to remain committed to them.

4 BECOME A THRIFT SHOPPER

Many South African stores now have loyalty programmes that provide extraordinary savings on groceries and other monthly essentials. Get into the habit of looking for specials whenever you shop so you can save as much as possible.

5 KNOW WHEN TO ASK FOR HELP

Seeking professional advice for your financial well-being is the wisest decision you can make. Speaking to a registered financial advisor can save you money in ways you hadn't considered before.

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