

PRESS RELEASE

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**RE: “TEACHING CHILDREN TO SAVE, VITAL TO ECONOMIC GROWTH”,
MEC MODISELLE**

“The consequences of a poor saving culture has dire implications for the economic future of our province and above all, our nation: low (and negative) savings impede the process of asset and wealth accumulation; it makes households and individuals vulnerable to financial crises especially, during the present times when everyone is talking about hike in fuel and food prices – that would even result in loss of income, illness, or some other catastrophic life event; it contributes to poverty and lowers living standards in the long run; and it prevents other investments in education, training and home ownerships etc.” said MEC Maureen Modiselle when she was addressing staff of her department, other departments, business, civil society, learners from around Mafikeng and business education students from the University of the North West at the official launch of the “Develop a Culture of Savings” campaign at Mmabatho Convention Centre last week Friday.

“Government is concerned about the low levels of saving by most South Africans. Government is concerned because we believe that ‘an investment in knowledge always pays the best interest. In order to encourage savings by individuals, last year, the Minister of Finance Mr Trevor Manuel had to provide tax relief especially to individuals, just to raise household income, which he believed, could influence savings”, added MEC Modiselle

“We are launching this campaign today and hopefully, in all our regions, to inculcate a culture of saving especially in our children, the future of this country. Nothing is more critical to the long-run the well-being of the South African than the training we can give to our children as far as financial literacy is concerned. The role of educating children is vital – despite the myriad of challenges it faces – especially crucial to cultivating the behavioural characteristics, like thrift, productivity, discipline and entrepreneurship, which are closely linked to lifetime welfare (and wealth) enhancing savings and investment activities”.

“Financial literacy and financial education is a national priority. Societies which invest in children’s financial education and literacy programmes stand to reap meaningful long-term economic and social welfare gains.

We should not wait until our children grow before we start telling them about the dangers of not saving for the future; it might be too late, so let us embark on this important aspect of education right now.

The consequences of poor savings culture has dire implications for the future”, concluded MEC Modiselle.

For more information, pleas contact Eben Cobblah on 018 387 3584