

GETTING OUT OF THE Financial Woods of the Pandemic

Over the past two years, the retirement fund industry has experienced far higher numbers of members wanting access to their retirement savings early, with some even wanting to stop saving for retirement. Financial struggles can feel like a deep, dark forest that it is all too easy to get lost in.

- In a recent poll, **4 out of 10** South Africans have reported that their finances have been severely affected by the pandemic.
- **60%** of respondents reported that they used money from their savings to cover expenses and were worried that the pandemic would seriously damage their retirement plans.
- South Africa's savings rate is **10%** below the world average.

"The best plan is to stick to your plan."

As always, two things remain true in all situations – no one can successfully predict what the future holds, and investing is a long-term endeavour. You can be assured that your Fund is managed by competent and experienced professionals, who will always act in your best interest.

As many of us continue to try to get through the woods, it's vital that we consider the following:

CLEARING

In order for you to move forward, you will need to clear all the trees that prove detrimental to your forest. This can be as simple as assessing your monthly budget and removing any expenses that are not necessary. Nobody enjoys letting go of life's luxuries, but doing so temporarily can benefit you in the long term.

MOUNTAINS

Plenty SA citizens have experienced intimidating mountains such as job losses, pay reductions, difficulty settling debt, and increased child care costs. It's important to remember that nothing is permanent. With perseverance, careful planning, and some patience, you will be able to get through to the other side of these obstacles.

RINGS IN THE BARK

Just as some trees develop a ring in their bark for each year of their existence, so too do your investments grow exponentially when not disturbed. Compound interest means that the longer you leave your tree unchopped, the stronger and taller it will become. Always remember this when considering tapping into your savings.

OVERGROWTH

When the forest is too large for us to manage, we must seek professional help. If we don't, we may find ourselves overwhelmed by financial 'weeds'. While it may feel daunting, speaking to a registered financial advisor can drastically relieve you of the stresses of managing finances during difficult times.

If you were forced to dip into your savings, **now is the time to evaluate how you can make up the shortfall.** Your pension or provident fund is a great place to start. If you have not done so, get professional advice to assist you in making sure you are still in line with your retirement plan, as well as your intended monthly pension amount after retirement.