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Offshoring, reduced drawdowns, and reduced fees: How to maximise the longevity of your living annuity

In the savings and investment space, most attention is given to retirement. Rightly so too. If you're going to maintain your standard of living for two, three, or even four decades after you stop working, you need to have as much money saved up as possible. Unfortunately, less attention is given to ensuring your money keeps growing post-retirement. But that's also really important. At the very least, you want your retirement savings to keep up with inflation. Even more ideally, you want them to be resilient enough to get you through major "black swan" economic events. 10X Investments' solutions strategist Kelin Pottier and 10X investment consultant Brett McKay unpack how investors can get the most out of existing tools, such as living and guaranteed annuities, to secure themselves that financial surety.

Living versus guaranteed annuities

"When you get to retirement, there are two options facing investors," said Pottier, "a guaranteed annuity and a living annuity." "A guaranteed annuity," he explained, " is an insurance-type product where you hand over the retirement savings you've earned over your career. The insurer then guarantees that it will pay you a fixed amount every month until you pass away." "A living annuity, on the other hand, is more of an investment style product where you get to continue investing your hard-earned savings," Pottier added. "You also get to continue growing that money tax-free and you get to draw an income from the returns on your investments."

While there is undoubtedly greater flexibility and room for growth with a living annuity, he pointed out, it does mean investors take on all of the risk themselves. With a guaranteed annuity, on the other hand, the insurer takes on all the risk. There is, however, a clear preference for living annuities in the wider market. "We've seen time and time again from our research that more than 75% of retirees actually choose to go with the living annuity because of the flexibility benefits," Pottier said. "Another big difference is that you get to bequeath whatever capital may be left over to your beneficiaries."

Maximising longevity

With that clear preference for living annuities, how can investors maximise the longevity of this investment tool? One option, as McKay pointed out, is to have more than one living annuity. "You can have more than one living annuity," he said. "It does help with flexibility. For example, you could have two different annuities with different drawdown rates and different asset allocations. You can also stagger them into guaranteed annuities as time goes on." Another strategy is to keep drawdowns from the lump sums in your annuity (or annuities as low as possible). "Obviously, the lower the drawdown, the more sustainable the fund will be over time," McKay said. "As a general rule of thumb, we look at a four to five percent drawdown as a sustainable level. I think, above six percent, you start to put pressure on the funds in terms of long-term sustainability." McKay additionally pointed out that maximising the tax-free portion of a living annuity, particularly within the first couple of years, can further extend its longevity. Investors looking to maximise the longevity of their living annuities, should also carefully look at what fees they're being charged on their living annuities. If you're drawing down four percent and your fees are four percent, you're effectively drawing down eight percent.

"Fees are one of the biggest destroyers in terms of wealth over time," said McKay. "A small fee of one or two percent might not sound like a lot now but if you compound it over 20 to 30 years, it's a massive difference in what you get out at the end of the day." Fortunately, he pointed out, investors don't have to be saddled with those kinds of fees. "Fees are something you can control as an investor," McKay said. "Inflation is out of our control but fees are something we can control. It's very important to understand what your effective annual cost (EAC) is." An EAC summarises all the fees and charges associated with your investment. "It's great to know what your cost is and do a comparison," said McKay.

Going offshore Perhaps the most significant action any investor can take when it comes to maximising their living annuity's longevity, however, is to ensure that it has the right offshore weighting. And here, there are some widespread misconceptions which must be addressed. In particular, Pottier pointed out, people can allocate a much greater percentage of their living annuity to offshore assets than they realise. "A living annuity is not governed by Section 28 of the Pension Fund Act," he said. "So you're not limited to allocating 45% of your assets offshore. You can invest up to 100% offshore with a living annuity, and some investors choose to do so." According to Pottier, the most common reasons for wanting to invest offshore are broader exposure to investment opportunities and mitigating in-country risks, particularly if they have to move at any stage.

"There are also investors who are actually spending more and more time outside the country, where their income and expenses are more in hard currency rather than rands," Pottier said. "As a result, they're looking to match their assets and liabilities." As to how much of their living annuities investors should hold offshore, Pottier pointed out that there is no magic number. "The answer is not zero and the answer is not necessarily a hundred percent," he said. "More often than not, the answer lies somewhere in between." A lot, he said, depends on where the bulk of your expenses are and how much time, if any, you spend living abroad. So, for example, if the majority of your expenses are in rands, the majority of your assets should be too.

Enjoy the fluctuations

As Pottier pointed out, investors must also accept a degree of risk when allocating the offshore segments of their living annuities. That's particularly true in the South African context, where rand volatility can interact with market performance to affect your investments across a broad range of negative and positive scenarios. That does not, however, mean that you should be volatile in your own investment choices. Ultimately, he concluded, "it's time that drives the investment risk. It's easy to get distracted, but part of our job is to guide clients and redirect them to the long-term objective they're trying to achieve."

FA News | 12 June 2024

Prepare for the two-pot system by sourcing and checking your retirement benefit statement

The Retirement Matters Committee of the Actuarial Society of South Africa (ASSA) is encouraging retirement fund members to start preparing for the implementation of the two-pot system on 1 September 2024 by ensuring that they can access their most recent retirement benefit statements. According to Natasha Huggett-Henchie, consulting actuary and member of the ASSA Retirement Matters Committee, retirement fund members receive regular benefit statements from their employers or product providers, but most don't pay these any attention until they need the money, change jobs or retire. The next step, she adds, is for retirement fund members to understand how much they have already saved for retirement. "Understanding how much you have already saved towards your retirement is the first step in understanding how much, if anything, you are permitted to withdraw on 1 September 2024."

As of 1 September 2024, 10% of a person's retirement savings (up to R30 000) will be allocated to the savings pot. The amount in the savings pot can be withdrawn at any time as long as the withdrawal is R2 000 or more. If the balance in the savings pot is less than R2 000, no withdrawal is allowed until that savings pot grows to R2 000. This means that your fund credit must be at least R20 000 on 31 August 2024 to have the minimum amount available immediately. Huggett-Henchie estimates that at least 20% of the country's retirement fund members will not have enough money in their savings pot on 1 September 2024 to make a withdrawal. "Rather than wait for 1 September 2024 and then suffer the disappointment of not having the minimum withdrawal amount of R2 000 in your savings pot, check your retirement benefit statement sooner rather than later," she says.

Managing expectations

The ASSA Retirement Matters Committee surveyed some of the country's biggest retirement fund administrators and found that the average benefit of the 20% of retirement fund members with retirement savings below R20 000 is projected to be around R9 000 on 1 September 2024. Of this R9 000, 10% (or R900) will go into the new savings pot. Since at least R20 000 is required to enable the minimum withdrawal of R2 000, retirement fund members who fall into this 20% category must first build up enough savings before they can access their money. Huggett-Henchie estimates that it will take the average employee in the 20% category around four to six months from 1 September 2024 to build up a savings pot of R2 000. This means they could only access their savings pot for the first time early in 2025.

According to Huggett-Henchie, the average monthly salary of employees who fall within 20% of retirement fund members who cannot access their savings pot is R9 417. The average net retirement contribution is around 10% monthly (R942). Starting from 1 September 2024, one-third of the monthly retirement fund contributions (R314) will go into their savings pot, where R900 is already waiting, and the rest will be committed to the retirement pot that cannot be accessed until retirement. Therefore, it will take around four months for these members to have a savings pot fund value above R2 000 (R900 + R314 x 4 = R2 156).

“Many retirement fund members hoping to be able to dip into their savings before the start of the holiday season at the end of the year will be left disappointed,” says Huggett-Henchie. “To avoid finding out in September this year that there is not enough money in the accessible savings pot, we urge retirement fund members to obtain their most recent benefit statements and to work out where they will be by September.”

Expect deductions

Huggett-Henchie says it is critically important that retirement fund members are reminded that their savings pot withdrawals are taxed by the South African Revenue Service (SARS) either at their current marginal tax rate or at a higher rate if the withdrawal pushes the applicant into a higher tax bracket. In addition, there will most likely be an administrative fee payable. “You will, therefore, never receive the full amount you applied for,” she explains. She says retirement fund members must carefully weigh the pros and cons of accessing their savings pot, bearing in mind that it is intended only to provide relief in extreme financial distress. “Accessing your savings pot and using the money for anything other than a serious financial emergency is reckless and costly and comes with serious financial consequences many years later when you need the money for your retirement.”

Huggett-Henchie summarises some of the most important considerations below:

• Check your retirement benefit statement to make sure you have R20 000 or more in benefits before you apply for a withdrawal from your savings pot once the two-pot system kicks in after 1 September 2024. If you have at least R20 000, you will be able to withdraw R2 000.

• The withdrawal is taxable, and an administration fee will likely be deducted. Therefore, you will not receive the full withdrawal from your savings pot.

• You will not be able to make a withdrawal from your savings pot unless you have a tax number.

• Every time you access your savings pot, you not only pay tax on the amount but also reduce the cash lump sum of up to R550 000 that you are allowed to access tax-free on retirement.

• The savings pot, which you will be allowed to access once every tax year after 1 September 2024, is meant to provide relief in cases of extreme financial need. Accessing under any other circumstances is a costly exercise that will also impact the size of your retirement nest egg.

FA News | 10 June 2024

Many won't have enough in their 'savings pot' to access come September

Some retirement fund members hoping to be able to dip into their savings before the start of the holiday season at the end of the year will be left disappointed, warns the Actuarial Society of SA.

At least 20% of the country's retirement fund members will not have enough money in their savings pot on 1 September 2024 to make a withdrawal when the two-pot retirement system comes into effect. That's the word from Natasha Huggett-Henchie, consulting actuary and member of the Actuarial Society of South Africa (Assa). The two-pot retirement system will come into effect at the start of September 2024 (effectively as of Monday, 2 September), allowing some retirement fund members to access a portion of their retirement money. Under the two-pot retirement system, a member's contributions to a fund are split into a savings component and a retirement component. There is also a third component – the vested component – containing the fund member's contributions up to 31 August 2024.

From the vested component, 10% or R30 000 – whichever is lower – will be allocated as a once-off seeding amount in the savings component. This seeding amount can be claimed from the beginning of September. Assa's Retirement Matters Committee issued a statement on Monday in which it said it surveyed some of the country's biggest retirement fund administrators. The survey found that the average benefit of the 20% of retirement fund members with retirement savings below R20 000 is projected to be around R9 000 on 1 September 2024. Of this R9 000, 10% (or R900) will go into the new savings pot. According to Huggett-Henchie, the average monthly salary of employees who fall within 20% of retirement fund members who cannot access their savings pot is R9 417. The average net retirement contribution is around 10% monthly (R942).

Starting from 1 September 2024, one-third of the monthly retirement fund contributions (R314) will go into their savings pot, where R900 is already waiting, and the rest will be allocated to the retirement pot that cannot be accessed until retirement. Therefore, it will take around four months for these members to have a savings pot fund value above R2 000 (R900 + R314 x 4 = R2 156). "Many retirement fund members hoping to be able to dip into their savings before the start of the holiday season at the end of the year will be left disappointed," says Huggett-Henchie. "To avoid finding out in September this year that there is not enough money in the accessible savings pot, we urge retirement fund members to obtain their most recent benefit statements and to work out where they will be by September," she adds.

Savings build-up required

Since at least R20 000 is required in a retirement fund to enable the minimum withdrawal of R2 000, retirement fund members who fall into this 20% category must first build up enough savings before they can access their money. Huggett-Henchie estimates that it will take the average employee in the 20% category around four to six months from 1 September 2024 to build up a savings pot of R2 000. This means they could only access their savings pot for the first time early in 2025. Assa said fund members need to pay close attention to the regular benefit statements they receive from their employers or product providers to make sure they understand how much they have already saved for retirement. “The amount in the savings pot can be withdrawn at any time as long as the withdrawal is R2 000 or more. If the balance in the savings pot is less than R2 000, no withdrawal is allowed until that savings pot grows to R2 000,” Huggett-Henchie explains. “This means that your total fund credit must be at least R20 000 on 31 August 2024 to have the minimum amount available immediately. Rather than wait for 1 September and then suffer the disappointment of not having the minimum withdrawal amount of R2 000 in your savings pot, check your retirement benefit statement sooner rather than later,” she reiterates. Retirement fund members are supposed to receive regular benefit statements from their employers or product providers, but most don’t pay these any attention until they need the money, change jobs, or retire.

Deductions

It is critically important that retirement fund members are reminded that their savings pot withdrawals are taxed by the South African Revenue Service either at their current marginal tax rate or at a higher rate if the withdrawal pushes the applicant into a higher tax bracket. In addition, there will most likely be an administrative fee payable. “You will, therefore, never receive the full amount you applied for,” Huggett-Henchie points out. Retirement fund members must carefully weigh the pros and cons of accessing their savings pot, bearing in mind that it is intended only to provide relief in extreme financial distress. “Accessing your savings pot and using the money for anything other than a serious financial emergency is reckless and costly and comes with serious financial consequences many years later when you need the money for your retirement,” she adds.

In summary

To recap, retirement fund members should note the following:

- Check your retirement benefit statement to make sure you have R20 000 or more in benefits before you apply for a withdrawal from your savings pot once the two-pot system kicks in after 1 September 2024. If you have at least R20 000, you will be able to withdraw R2 000.
- The withdrawal is taxable, and an administration fee will likely be deducted. Therefore, you will not receive the full withdrawal from your savings pot.
- You will not be able to make a withdrawal from your savings pot unless you have a tax number.
- Every time you access your savings pot, you not only pay tax on the amount but also reduce the cash lump sum of up to R550 000 that you are allowed to access tax-free on retirement.
- The savings pot, which you will be allowed to access once every tax year after 1 September 2024, is meant to provide relief in cases of extreme financial need. Accessing under any other circumstances is a costly exercise that will also impact the size of your retirement nest egg.

Moneyweb | 10 June 2024

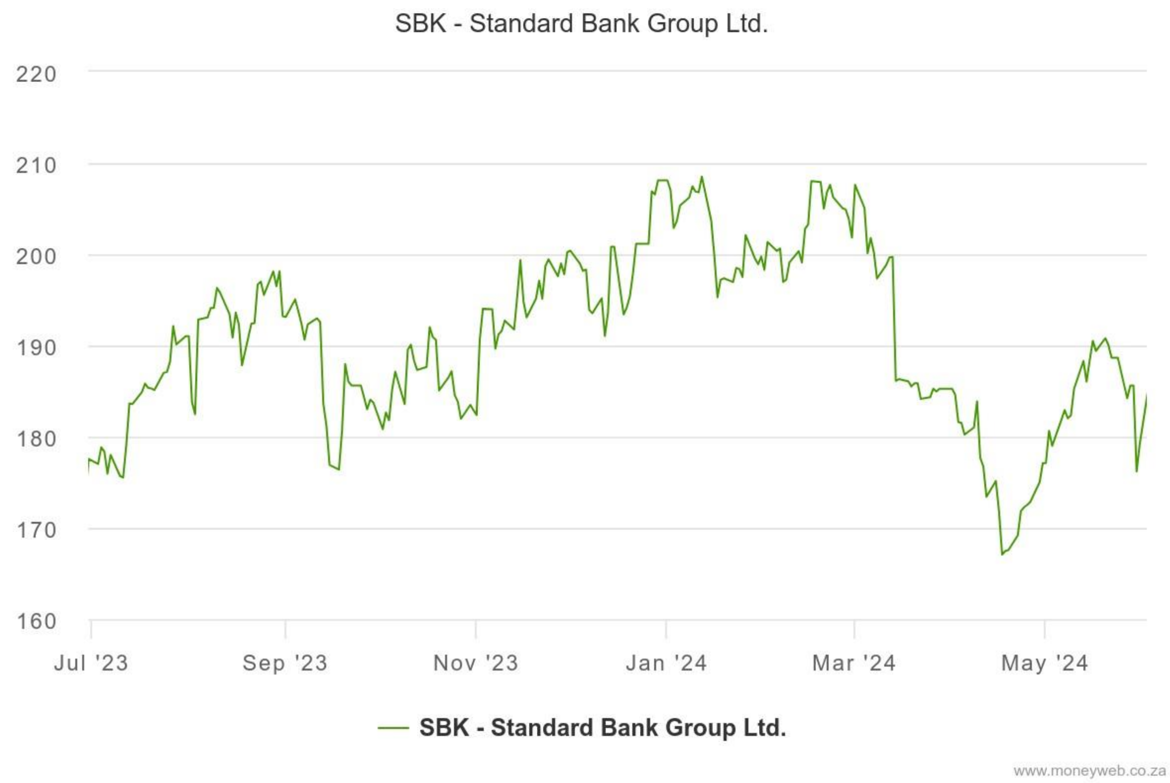
Standard Bank records 3-digit jump in offshore accounts opened

One reason could be the increased offshore allowance through Regulation 28.

Standard Bank has seen a 121% spike in the number of offshore accounts opened since June 2023, it said in a statement. “With domestic events like local elections, the energy crisis, and general economic uncertainty, we have noted an increase in enquiries over the past three years,” says Bridgette Kruger, head of private banking clients at Standard Bank. “However, we generally find that clients wish to diversify across borders to protect themselves from unforeseen events and uncertainty by placing some of their wealth offshore.” Diversification is an important factor for clients to have funds offshore. Kruger adds that clients also want exposure to international markets and a hedge against fluctuations in local currency.

The increase in offshore limits under Regulation 28 of the Pension Funds Act in 2022 has also given South Africans more room to diversify offshore – retirement funds may now invest 45% of their members’ money outside of South Africa (up from 30% previously). “It is possible that this increased offshore exposure makes people see a need to open offshore bank accounts,” says Kruger. Other considerations for opening offshore accounts include travelling – where clients want to save in hard currency to avoid fluctuations in the exchange rate – as well as aspirations to retire overseas, children studying abroad, and geopolitical risk, which necessitates offshore exposure to protect investments.

South Africa has exchange control regulations that govern the amounts that may be externalised each year, and there are also tax considerations that need to be kept in mind. “It is best to get tax advice on any international holdings before executing them. South Africa operates on a residency-based tax system. This means, if you are a tax resident in South Africa, you need to declare your worldwide income to the South African Revenue Service (Sars),” Kruger adds. There are jurisdictions like the Isle of Man, which is tax neutral, where investors do not pay any additional income or capital gains tax, but any income or investment growth earned abroad needs to be declared to Sars.



Moneyweb | **11 June 2024**

State pension in the UK compared with European rivals - see where you get most cash

Some EU countries pay their pensioners over £2,000 a month.

The UK state pension lags behind many European countries in how generous payments are relative to living costs. Figures from Almond Financial compared state pensions across the continent, looking at how much pensioners get compared to their living costs, to calculate which nations are the most generous. UK state pensioners on the full new state pension get £958.53 a month, which is almost £150 above average living costs, at £810.40. But the UK ranked 16th, falling well behind Spain and France. Spain pays its pensioners £2,709.37 a month with living costs at £599.40, meaning the state pension is four times the cost of living.

The news comes after an analyst recently suggested the triple lock metric could be changed by switching to a model similar to Denmark. French pensioners get £1,564.18 a month almost £600 more than Britons, with their living costs at £812.50 a month. The most generous country is Luxembourg, where pensioners are paid £5,201.88 a month, more than six times monthly living costs, at £816.20. The least generous European country is Armenia, where pensioners get just £74.20, while the cost of living is £505.80. Sam Robinson, principal financial adviser at Almond Financial, said: "For those approaching state pension age in Spain, retirement is a particularly enticing prospect with a healthy pension, low cost of living and not to mention the fantastic weather.

"Closer to home, the UK has a system that is just above the breakeven point which means at present, there isn't much room to manoeuvre for those battling the cost of living crisis. "And while it is positive that the UK finds itself among the top half of countries, for how much longer is the question. "Although the increase in the state pension was well intended, it works out at just £33 more per month compared to last year's pension. It's clear that those over 66 need to look at other options rather than just relying on the state pension. "Planning for life after work is crucial and it's important to seek advice from a pension advisor if you aren't sure where to start." State pension payments increased 8.5 percent in April in line with the triple lock, with the full new state pension now paying £221.20 a week.

Express | 10 June 2024

UK's state pension is one of the lowest in Europe. It's the main reason for misery among retirees

As politicians gear up for the general election, Lord Prem Sikka writes about why state pension needs to be raised to a decent level to lift retirees out of poverty

Welfare of current and future retirees needs to be a major election issue. Despite the triple-lock, 2.2 million UK retirees live in poverty, 2.5 million skip meals and 1.3 million are at risk of undernourishment. Around 68,000 retirees die in poverty each year. Despite winter fuel payments, last year there were nearly 5,000 excess pensioner deaths from cold. A study covering the period 2012-2019 noted 335,000 excess deaths (48,000 a year) in England, Scotland and Wales due to poverty and austerity. Over two-third were senior citizens. The main reason for avoidable misery is the low state pension. For pre-April 2016 retirees, the state pension is £169.50 per week or around £9,000 a year. Only 75% receive the full amount. For post-April 2016 retirees, the state pension is £221.20 a week or £11,500 a year.

- Taking an earlier, smaller state pension could see pensioners 'suffer for rest of their lives'
- 'I just cry': Millions of elderly Brits in poverty as state pension falls short of basic living costs

Only 51% receive the full amount. The average state pension is £9,000 to £9,500 a year and is the main or the only source of income for majority of retirees. Pensioners may be entitled to mean-tested benefits such as pension credit and housing benefit, if they can negotiate the bureaucratic maze. Nearly 1.4m pensioners receive pension credit, worth £3,900 a year, and last year £2.2bn went unclaimed. The average wage is £35,200 a year. The headline minimum wage for 37.5 hours a week is around £22,300. Pensioners are expected to live on the state pension which is less than 50% of the minimum wage and barely 26% of the average wage. Some pensioners may receive work pension, but future is bleak. Defined benefit pension schemes have vanished. Due to real wage cuts people are unable to save for a decent private pension.

Some 28% of over-55s have no other pension saved apart from the state pension. Nearly 32% of Britons are unable to save for pension. This will get worse as zero-hours contracts, fire and rehire and never-ending austerity take their toll. Despite being one of the richest countries, the UK state pension is one of the lowest among industrialised nations. The UK spends around 5.7% of its GDP on the state pension and related benefits, compared to 16% for Italy, 13.9% for France, 13.5% for Finland and 10.4% for Germany. The average for OECD countries is 8.2% and at the very least the UK must aspire to that even if that means higher taxes and national insurance contributions. Our retirees deserve a dignified life. Any call for a decent pension is mischievously spun by some as old versus young issue. They forget that today's young people are tomorrow's retirees. In time, today's low state pension, unless increased, will inflict misery upon them too. The real issue is nothing to do with age. It is a class issue, connected with low wages and inequitable distribution of income and wealth.

To avert a major humanitarian and economic crisis, governments need to align the state pension with the living wage. A decent state pension keeps retirees nourished, heated and active. It improves physical and mental health, reduces pressure on the NHS, GPs, care services and reduces demand for social security benefits and related administration. It also stimulates the local economies as pensioners tend to spend locally. Pensioners pay income tax if their total income exceeds tax-free personal allowance. They also pay council tax, VAT and other indirect taxes. So, a large part of any pension rise will return to the state. Any call for higher state pension leads to a retort of “how will it be paid for”? Well, a country that can bailout banks and energy companies – fund wars in Ukraine, Afghanistan and Iraq, and hand out billion in subsidies to rail, steel, oil, gas, auto and internet companies – can also pay a decent pension by eliminating tax perks of the rich.

For example, by taxing capital gains at the same marginal rates as wages, around £12bn a year in additional revenues can be raised. The same remedy for dividends can raise another £4bn-£5bn. Levying national insurance on recipients on capital gains and dividends, currently exempt, can raise another £8bn-£10bn. Restricting tax relief on private pension contribution to 20% for all will generate £14.5bn surplus a year. Government needs to attack tax avoidance. Since 2010, HMRC has failed to collect over £500bn in taxes due to evasion and abuse. Some £570bn of UK citizens' assets are held in offshore tax havens and HMRC has no idea of the level of tax evasion. So, investment in HMRC can generate billions of pounds. Additional revenues can be raised by wealth taxes and a financial transactions tax.

Big Issue | 10 June 2024

5 investment hacks for young investors

Only 20 percent of South African Youth invest their money - what's happened to the other 80 percent?' South Africa's pioneering alternative investment company, SV Capital, begs the question as to why the majority of young South Africans are failing dismally at building their net-worth, and how to remedy their shortcomings.

In a country where the youth constitute a significant portion of the population, the financial future of South Africa hinges on the economic behaviour of its younger generation. However, an alarming statistic by the National Treasury of South Africa reveals that only 20% of South African youth are actively investing their money. Non-essential youth-spending behaviour is the number one barrier to financial security. A report by the South African Savings Institute (SASI) claims over 70% of South African youth are spending their disposable income on non-essential items, including entertainment, fashion, and dining out. Only a small fraction is allocated towards savings and investments, which paints a concerning picture. This trend not only hinders personal financial growth but also impacts the broader economic landscape by reducing the potential for future financial stability and wealth generation.

"It appears the national savings rate in South Africa is one of the lowest globally, with a substantial portion of the population living month-to-month," says Co-founder of SV Capital, Ayanda Majola. "By default, we're thereby cultivating a paycheque-to-paycheque generation - and this is how we get it wrong," says Majola. With this intel in hand, there is a critical call-out for youth to wisen up to the importance of early investment, and for governing bodies and mentors alike to educate South African youth earlier on in the savings lifecycle. "The need for financial literacy around early investment is more crucial than ever before," says Kagiso Tloubatla, Co-founder of SV Capital. "Private sector companies and educational institutions would do well to collaborate on the guidance of financial habits via school curriculums and public awareness campaigns, empowering our youth to control their personal finances, for a winning future," says Tloubatla.

Financial education programs, investment workshops, and mentorship initiatives play a pivotal role in equipping young people with the knowledge and skills they need to make informed investment decisions. Initiatives as these seek to demystify the process of investing for youth, making it accessible and appealing to younger citizens. Where institutions have failed, SV Capital steps in as South Africa's leading alternative investment company, offering relevant, accessible investment portfolios and education along the investment journey. "Time is not on the side of our youth, and the importance of investing early cannot be overstated. With the right guidance and opportunities, the youth have the power to secure their financial futures and build wealth over time," says Majola. In celebration of Youth Month, SV Capital celebrates the potential, resilience, and aspirations of South African youth, with 5 Investments Hacks for Young Investors, supporting the youth in their role as drivers of change and progress in our society.

5 Investment Hacks for Young Investors:

Don't wait for tomorrow:

Just don't. Timing is everything, and a powerful ally when it comes to investing. The earlier you start investing, the more time your money has, to grow through the power of compound interest. Planting investment seeds today will grow into trees tomorrow; investing early allows you to plant the seeds of financial success. For South African youth, starting to invest now can lead to significant wealth accumulation over the long term, while delaying investment can result in missed opportunities and financial insecurity in later years.

Do not invest in anything you do not understand:

Empower yourself with the know-how, and don't be afraid to ask questions. Your investments need to make rands … and sense. Consistent self-education is a great way to keep ahead. Seek out financial education resources, online courses, and workshops online, or in person. Sign up for finance mentorship or financial forums, chat groups, and talks – all of which will keep your pocket on the pulse and in the know.

Start small:

Begin with whatever amount you can afford; even small investments can grow over time.

Leverage technology:

Leveraging digital platforms and mobile technology can significantly enhance the accessibility of investment opportunities. With the majority of South African youth owning smartphones, mobile-based investment applications can provide a user-friendly and convenient way to start investing.

Look for the alternative:

Swap out traditional investments for a more exciting, relatable portfolio. For example, delivery bike investments by SV Capital provide an accessible entry point for youth to own a fleet of bikes and participate in the growing delivery economy. By prioritising early investment and investment education, South African youth can build a prosperous future. "Investing young is not just about financial gain, it's about empowering the next generation to take control of their futures and build a strong financial foundation that will serve them for a lifetime," says Majola. While South Africa's youth have the potential to transform their financial futures, the onus remains on financial institutions to mentor and encourage young minds with the right guidance. SV Capital, in particular, offers a range of investment opportunities and advice, tailored to the unique needs of South African youth. "Together, we can make a difference and ensure that South Africa's youth are savings-strong, and not left behind," says Tloubatla.

Personal Finance | 12 June 2024

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