

## Advertorial

# Common money, financial plan mistakes to avoid

Money is something no one wants to waste, but there are certain mistakes most people tend to make.

**Sonia du Plessis**, a certified financial planner at Brenthurst Wealth, shares some sage advice on how to avoid these financial pitfalls.

### 1. Not saving from an early age

One of the biggest lessons to teach children is how to start saving from a young age. Society faces a massive problem, with many people not having enough money to support themselves in old age.

One of the best ways to bridge this gap is by saving from an early age. Start by putting away a portion of school pocket money; next is to start saving from receiving that first salary.

Postponing savings until later will require much greater amounts to build a proper nest egg.

### 2. Using pension money when switching jobs

This remains one of the worst financial decisions. Don't use pension fund money to pay debts like a car or home loan. Money should be transferred straight to a preservation fund, retirement annuity or a new employer's pension fund.

### 3. De-risking in tough times

Markets work in cycles and will recover and pick up again. To get inflation beating returns, exposure to riskier assets, like equities, must be part of a financial plan.

### 4. Not being involved in your financial affairs

Don't just focus on your saving and investments, also understand monetary detail and available options. Being an expert or specialist is not required, but it is important to learn about and understand basic financial terms. Enlist the help of a registered financial planner in reaching financial goals.

### 5. Take responsibility for your own money

Don't trust someone else to sort out your financial affairs. If you are married or in partnership talk about your financial situation together.

### 6. Scams

Make sure if you buy into a product

that it is registered with necessary authorities, and that you are not buying into a scheme that may fall apart in a couple of years.

### 7. Risk cover

Not having sufficient life and/or disability cover can be disastrous – especially if you have debt and/or dependants relying on your income.

### 8. No will

Without a will, you will pass away intestate, complicating matters. Having an up-to-date will reduces the administrative burden of finalising your estate.

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