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WHY 'SAFE' DECISIONS LOSE WOMEN MONEY

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Not all women consider themselves ‘investors’. A ‘saver’ – yes. Responsible with money – definitely. But an investor? That word brings to mind people who check the markets obsessively, take risks you’d rather avoid, or have a financial confidence you don’t quite have.

Here’s where I’d push back. You’re already an investor. You almost certainly have a retirement annuity, a pension fund, or a provident fund: money being contributed every month, compounding quietly in the background, being managed by professionals whose sole job is to make it grow. You’ve been investing for years. You just haven’t been calling it that.

So, the question worth asking is this: why is the money outside your retirement fund still lying in a savings account?

If this sounds familiar, you’re not alone. A survey released last month by US investment manager Vanguard found that 51% of women hold their non-retirement savings in traditional savings accounts, cheque accounts or physical cash.

The reason isn’t ignorance or carelessness, it’s that a savings account feels responsible, safe and in control. That sense of safety is real, but it comes with a cost you may not have calculated.

IN THIS ISSUE

Women often prioritise financial safety over growth, which can limit long-term wealth creation.

The article highlights the importance of informed investing, confidence, and taking calculated risks to achieve financial goals.

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SAFE FROM WHAT?

A savings account protects the number on your statement, but not what that number will actually buy you in five years' time. With inflation on the rise again, money in a low-yield account is quietly losing purchasing power every year.

The balance increases, but what it can buy decreases. It's a slow erosion - easy to miss, precisely because the statement always looks positive.

The real risk isn't the stock market; it's that your money isn't keeping pace with your life.

Here are five things I encourage my clients to do:

1 SEPARATE YOUR EMERGENCY FUND FROM YOUR WEALTH FUND

Keep three to six months of living expenses somewhere accessible. That money belongs in cash – it's your safety net and it should stay there.

But everything in excess of that has a different goal, and as such deserves a different home. Once you make that separation, the decisions become a lot clearer.

2 ASK WHAT YOUR NON-RETIREMENT SAVINGS IS ACHIEVING

If you have money beyond your emergency fund, ask yourself honestly: what is this working towards? A savings account isn't a strategy; it's a holding pattern.

Unit trusts, balanced funds and tax-free savings accounts all offer far better long-term growth potential, without requiring you to select individual stocks or follow the markets daily.

3 STOP WAITING UNTIL YOU FEEL READY

I've found that many women wait until they have a comprehensive understanding of finances and investing before they proceed to invest. The intention is good, but the cost is real because time in the market means compounding.

You don't need to understand all the mechanics. A good financial adviser will walk you through your options and draft a plan which you can trust. Start now, and build from there.

4 SEPARATE RISK FROM RECKLESSNESS

Not all risk is the same. Putting money into a diversified, well-managed portfolio is not the same as gambling.

The risk of doing nothing, of watching your purchasing power quietly shrink year after year, is just as real and far less talked about. When you reframe it that way, playing it safe starts to mean something different.

5 THINK ABOUT THE CURRENCY YOUR SAVINGS IS IN

This isn't a vote against South Africa, but if all your savings is rand-denominated, you're carrying South African political, economic and currency risk across everything you own.

A portion of your portfolio in global assets offers real cover against that risk, and gives you access to markets that have consistently delivered strong long-term growth. It's not about complexity; it's about protecting what you've worked to build.

My message to you is this: you already have the instincts you require – the patience, the long-term thinking and the discipline not to make impulsive decisions. These are the exact qualities which separate good investors from poor ones.

All that is left to do is putting those qualities to work so that they can actually contribute to your financial growth.

Your savings account keeps your money safe; a well-structured portfolio makes it grow. You deserve both.

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