

# MAKING MONEY

*Nicolette Mashile of Financial Fitness Bunny speaks to us about training your money behaviours for a fitter financial you in 2020*

# MOVES

**T**he epitome of beauty and brains, Nicolette is a South African entrepreneur and media personality on a mission to inspire and educate those around her, especially in the financial sphere. Here she shares her tips for a financially sound 2020.

## **WHAT ARE SOME OF THE MOST VALUABLE LESSONS YOU HAVE LEARNED IN MANAGING YOUR OWN PERSONAL FINANCES?**

I've learnt you can have acquired knowledge, but if you don't put it into action it means absolutely nothing. I always align this with losing weight: A lot of us know what to do to lose weight. But we'll still try to go for the quick results, try to cheat the system. So financial matters are not just about acquired knowledge, but also applied knowledge. And you can't do a lot of things in isolation – we want to do the budgeting but we don't want to do the saving, or we're trying to do the saving but we haven't budgeted. You've got to apply all the knowledge and you've got to apply it holistically. Also, the need to associate respect and status with money, to wear your wealth or drive your wealth, makes it very difficult for you to be able to reach your financial pinnacle.

## **WHAT ARE YOUR TOP TIPS FOR THE FOLLOWING GROUPS TO BETTER PREPARE**



## **FOR FINANCIAL SUCCESS IN 2020**

### **Students**

My top tip for students is to really try to get in tune with your financial behavioural self, to understand what money means to you and what type of access to various spheres of life you think money is going to give you. If you start building that financial emotional intelligence from a young age, it will be very useful to you in the future.

Remember whichever financial decisions you make today are going to have a huge impact on your future self, so it's important that you don't start off with a deficit when it comes to your finances. Also fostering a culture of saving – saving is going to enable investing. If you don't know how to save it's going to be very difficult for you to invest. Because you need to be okay with taking away that opportunity of spending money now, and putting it away for the future.

### **Young working professionals**

Start changing your mindset about money. It's not about how much you make, it's about how much of it you're actually keeping. Start thinking about the financial future and foresee the next life stage – I always speak about purposeful financial decision-making. Starting as early as possible and putting your money away will have a major positive kickback in the future, because there's a little thing called compound interest and once it starts working, and you temper it with time, magical things will happen – and at some point you'll stop even contributing to that account and let it grow on its own. Also, make sure that you start clearing away your debt. You don't want a life where 75% of your total income is going to debt, because that means you're actually broke. A lot of people think just because they're able to pay for their living expenses and their debts, it means that they're on a great financial trajectory. The reality is that you're not, because if one thing goes wrong,



you're in trouble. Lastly, make sure that you've got some sort of emergency fund tucked away, so that when something happens it's water off a duck's back.

#### **People in their mid-30s to early 40s**

When you get to your mid-30s, early 40s, the most important thing is to start winding down on debt, and taking up insurances that are going to effectively protect your wealth and hard-earned money – getting income protection, getting your life insurances in place, starting to plan for your retirement and checking up on your policies. It's difficult to make sound financial and responsible decisions in your 20s, but the beautiful thing about being 30 is that you stop caring about what other people think, you stop trying to keep up with the Khumalos or the Du Toits. You're now focussing on you and your finances and things start to fall into place. The most important thing is you don't want to take debt into your retirement. 6% of South Africans can retire comfortably. That's worrisome. Alexander Forbes has done a study and we can only replace 32% of our income – and the benchmark is 75%. Retirement doesn't look great for a lot of us. That's when you get more sickly, when you really need your life insurance to be taken care of. I think in your early 40s you should stop

taking up any type of debt, especially too long-term.

#### **Middle-aged people**

It's too late to start thinking about retirement in middle-age. By then, you should just be checking up on how things are looking, if you have enough money saved for retirement, and perhaps starting to look at more conservative ways to preserve your wealth. Money-making opportunities start to dwindle. It's now about starting to be smarter and preserving your income, and perhaps starting to look at which assets you can take into the next generation for your kids. A lot of us started at zero, because our parents didn't have any generational assets to pass on to us.

#### **WHAT LED TO YOU BECOMING SO PASSIONATE ABOUT HELPING PEOPLE MAKE BETTER FINANCIAL DECISIONS?**

Back in 2016, I was working in a corporate job and I was in a high-earning position, but I didn't feel like I was doing a purposeful job. So I started sharing my story on Facebook: I tried to buy a house in early 2016 and I found myself in a bit of trouble and had to get lawyers to get out of that deal. That was

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one of the biggest financial mistakes I made, because I didn't have a reference for these kinds of financial moves, since my parents had never bought a house. I feel that a lot of us have this disadvantage of just not knowing, and we end up in sticky financial situations because of it. The thing about money is that whatever decisions you make today are going to impact the future. That's the scary part. So it wasn't even about educating people on finances, it was about breaking down the stigma of speaking about money, because a lot of us are afraid to speak about it. ■



Text: Lauren Endrody, Photography: Courtesy Images