Take control of your financial future this Women’s Month

25 August 2021 – While the spotlight on Women’s Month signifies the massive contribution that women make in society, one of the key topics that should not be ignored is money management among women. Particularly in areas of financial planning where women need to consider ways to set up their financial future.

According to Matlhodi Leteane, Head of Operations at FNB Fiduciary, women continue to make significant strides in managing their financial future. However, there are still many who delegate this responsibility to their spouses, with little or no involvement. She says this trend is still evident amongst many female clients, many of whom are self-sufficient in every aspect of their lives, but who still have not taken full control of their own financial futures.

“In our experience, there are a number of possible reasons for this, but rather concerning, phenomenon,” Leteane says, “and these range from legacy beliefs that have carried over from times when income inequality was the norm, to situations in which women are now the main breadwinners and are simply too busy juggling home and work responsibilities to also have time to manage their finances.”

Irrespective of the reasons why women are leaving this very important component of their lives to their partners or spouses, Leteane says, “it is imperative that they make a conscious effort to change the paradigm and take control of their own financial destiny”.

“Choosing to make your own financial planning decisions does not imply that you mistrust your partner, or that you don’t believe they are capable of managing money matters,” she emphasises, “it merely shows that you are ready to take responsibility for this all-important aspect of your life, and make decisions and plans that are in the best interests of those you care about, including dependents like your children, other family members, and yourself.”

Leteane acknowledges, however, that South Africa’s huge diversity of cultures, coupled with the different types of situations in which women find themselves at various times of their lives makes it impossible to suggest a one-size-fits-all approach.
“Each woman’s economic reality differs according to personal circumstances, relationship status, and even cultural and religious beliefs,” she points out, “but irrespective of individual differences, there are a few basic financial control principles that any woman can, and should, be incorporating into her life.”

She cites the three most important of these as being the following:

1. **Consider your current or potential future relationship ‘regime’**
   Leteane explains that the legal format of your marriage or long-term relationship can have a significant impact on how you plan for the future, manage your financial and estate planning. She says, “in our experience at FNB Fiduciary, many women are surprised when their partner passes away and they discover that the regulatory regime under which they were partnered affords them minimal rights in terms of the deceased estate.”

   “Others, especially those in traditional marriages, aren’t even aware that they can have significant claims against the deceased estate of their partners while others haven’t thought about the impact a current or future marital regime on their own assets, and their wishes for the distribution of those assets, if they pass away.”

   Understanding the implications of every type of relationship regime is a very important first step in taking control of your financial future.

2. **Carefully assess and quantify your assets (current and future)**
   Knowing your personal worth is essential in order to plan appropriately for what happens to it if you pass away. For this reason, it’s vital that women invest some time into gaining a clear picture of all their assets, including those that they are likely to build up in the future, and to clearly define what will happen to those assets in the event of their death.

   “If you don’t know what you have, it’s very difficult to make plans to look after the people you love after you’re gone,” she says, “and without a defined estate plan and an iron-clad Will, you can’t be sure that your assets will be distributed in line with your wishes when you’re not there to monitor the process.”
3. **Partner with a professional to do your estate plan and draft your Will**

Calling on the advice and guidance of a qualified estate planner or fiduciary expert is an excellent way of ensuring you’re in control of your finances.

“Estate plans and Wills are very effective financial planning tools, provided you know how to use them to maximum effect,” says Leteane. However, given the complexities involved in estate laws, it’s always a good idea to partner with a knowledgeable professional, be very specific with them about your wishes and desires, and ask them to fully explain all the ins and outs of a Will so that you can draw yours up precisely how you want it.”

“Many women still find the idea of taking control of their own financial futures daunting. Contrary to what many of us have been led to believe, financial and estate planning are not rocket science. With courage and trusted guidance, any of us can become masters of our own financial destiny – and women owe it to themselves and the people they care about, to do exactly that,” concludes Leteane.

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