

# Wealth and growth – a different perspective is needed

By Khanyi Nzukuma, Chief Executive

Markets often perform better than expected, despite a backdrop of geopolitical tensions and economic woes. We saw evidence of this in 2019 as markets surprised on the upside. In fact, the year turned out to be the third best year in the last decade for the MSCI World and S&P 500.

The ongoing US-China trade wars, together with continued uncertainties around Brexit, and low consumer and business confidence in the Eurozone, didn't stop global equity markets returning a healthy 24.11% for the year.

## Control what you can

These gains did, however, come with plenty of uncertainty and volatility – both locally and globally. There are ways around this, though. A qualified financial adviser can help you to ensure that you are properly diversified. Those with shorter investment time-frames or who simply want a smoother investment journey, could consider solutions with guarantees. The point is to seek suitable solutions, and not give up in the face of uncertainty.

## Savings benefit both individual and country

The more people save, the better they are able to deal with the challenges – and opportunities – life throws at them. Higher savings levels also benefit the country as a whole. It is these collective savings of the country's individuals, rather than retail spending, that contributes towards infrastructure spending. This in turn generates growth and leads to job creation. Without savings, we won't have growth.

With all the challenges that people are facing, collectively we're saving less than 20% of our GDP. By comparison, more prosperous countries are saving almost double that percentage of their GDP. Changing course, and our savings trajectory, requires the will to save more and the will to think differently about our reasons for, and approach to, saving.

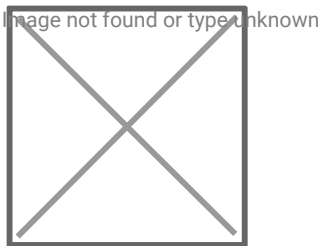
## Getting the basics right

Getting the basics right at an individual and at a household level is the way we'll impact our national savings level. Some of the things that are relatively easy to control and get right, include:

- *Not cashing out retirement savings when changing employers*
- *Having an emergency fund in place, to prevent having to resort to personal loans and credit when "life happens"*
- *Sticking to a budget, and being very clear on wants versus needs*
- *Being truthful with yourself. Are you as productive as you're able to be, and contributing at your highest level? Are you encouraging your children to set goals and feel the sense of satisfaction that comes with achieving those goals?*

Getting the basics right won't solve everything. But if each of us get these basics right, collectively we can take a giant step forward. As we commence the beginning of a new year and decade, there's never been a better time to take charge of your life and your contribution to a better world.

For more information on our solution set, speak to your financial adviser, or visit [www.glacier.co.za](http://www.glacier.co.za)



### Khanyi Nzukuma

Khanyi Nzukuma obtained a BA in Psychology from Rhodes University in 1991. He then obtained a Masters in Business Administration from Potchefstroom University in 1998 and a Doctor of Psychology degree from the University of Johannesburg in 2011. Khanyi joined Sanlam in 1994, where he spent 11 years, starting as a Financial Adviser, and thereafter occupied a number of junior and senior management roles. He joined MMI Holdings in 2008, where he spent eight years, starting as a CEO of Metropolitan. In 2017 he was appointed CEO of Momentum. In January 2018 he left MMI and re-joined Sanlam as CEO of Glacier by Sanlam.

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