



ECONOMIC COMMENTARY

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YOUR MONTHLY
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*For every one to attain
financial well-being*

WHAT IS YOUR WEALTH ACTUALLY FOR?

If your answer to “How much wealth is enough?” is always “a little more”, you may have an investment target without a financial purpose. Your portfolio may be growing while the life it was meant to support keeps being postponed.

The purpose of wealth deserves as much attention as its performance. Wealth should help us to live well today, provide security for tomorrow, and create opportunities for those who come after us. Financial well-being is achieved when our decisions balance these purposes. This is also the work of stewardship: Taking responsibility for what our money makes possible, and for the consequences of how we use it. Consumption focuses on meeting present needs and desires. Stewardship weighs those choices against future needs and the well-being of others.

This distinction matters because both spending and saving can lose sight of their purpose. A household can earn more each year while committing every increase to a more expensive lifestyle. Its income grows, but its freedom scarcely improves. Another family may accumulate diligently while indefinitely postponing time together, necessary healthcare, or experiences that they will eventually be too old to enjoy.

A rising income or portfolio balance is an incomplete measure of progress until we have decided what progress means. Every financial decision carries an opportunity cost: Choosing one use of money means giving up another. The question is whether we are making that trade off deliberately. A holiday can be a worthwhile investment in family relationships. Funding it by repeatedly sacrificing retirement provision creates a future cost that someone will eventually have to carry.

For South African households supporting children and older relatives, these choices are especially tangible. Family support can preserve dignity and open doors. But, without an affordable plan, today's generosity may undermine the giver's future security. Stewardship involves being clear about what we can sustain, so that helping one generation does not simply transfer financial distress to the next.

It also changes how we think about legacy. Helping a young adult gain a useful qualification can strengthen a family's future even if it reduces the eventual inheritance. A well-funded retirement can give children room to build their own security. The value lies in the lasting opportunity created, which an estate valuation alone cannot measure.

Money serves these purposes better when families understand them. Conversations should explain what wealth is meant to support, what remains uncertain, and what responsibilities come with receiving help. Children can learn through managing budgets, setting savings goals, and discussing decisions. Financial education helps turn access to money into the ability to manage it responsibly.

Shared intentions, in turn, need practical arrangements. An up-to-date Will, accessible records, and a succession plan for a family business help carry those intentions forward. Families also need to consider how dependants will meet everyday expenses during estate administration. A valuable property cannot pay next month's groceries if no cash is available. Where appropriate, a trust can provide continuity when managing assets for beneficiaries. Its costs, tax consequences, and ongoing trustee duties require careful consideration. A written family financial plan can clarify decisions that need to be made, priorities that need support, and ways to resolve disagreements. These arrangements should serve the family's purpose and leave future generations room to adapt.

At your next financial review, ask how your wealth is improving your life now, which future commitments it must meet, and what opportunities it should create beyond your lifetime. These answers give investment decisions a reason and family decisions a direction. The aim is to enjoy what we have built without consuming tomorrow's security, and to protect the future without indefinitely postponing life today.

This is also financial well-being: Wealth managed intentionally to improve life today, protect tomorrow, and create opportunities across generations.

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