

# How South Africans can access personal funding

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26 Feb 2020

It's no secret that South Africans have a problem when it comes to money. They are poor savers, and many don't save for retirement. This wouldn't be such a big problem if they weren't big spenders, but reports show that South Africans are terribly behind on their payments, with 19% of their paychecks going towards their loans and debt. Only 48% of the country's active credit consumers are [up to date](#) with their credit repayments. This leaves many riddled in debt and unable to survive. Some are even forced out of their homes and made homeless by their own doing.



According to one report, the problem lies in the culture. Big spenders are attractive, and it matters what car you're driving and whether you own the latest Yeezys. While this might be true all over the world, it is unmistakably noticeable in South African culture. Therefore, [personal loans](#) have recently seen a wave of interest, to help fund them out of debt. But sometimes, without careful planning, it might also be the thing that tips them into a lifelong struggle with debt.

Short of [virtual begging](#) on the internet using funding pages, South Africans can apply for a personal loan through the bank or via local lenders. The latter is often seen as a last resort because the interest is high, they require collateral and, often, if you're unable to pay off the loan, you will find yourself in trouble with the local gangsters.

If you have a good idea, you might be able to convert it into a startup and receive a grant from world organisations. There are certain initiatives that were created to help lift South Africans out of poverty and debt by offering debt counselling, quasi-equity and equity finance products.

In order to create a sustainable economy, leaders need to make sure that the community is able to hold itself together in terms of learning how to curb their spending desires and putting that money into something that can help them generate more funds instead of cutting their savings in half or more. Most importantly, they need to teach South Africans how to save.

The situation in Cape Town is unsettling, with moneylenders being as [reckless as drug dealers](#). Without financial literacy and financial discipline, each individual becomes their own worst nightmare in situations that require them to take responsibility for their money. A financial advisor goes on to explain that "over-indebted consumers are just like drug

addicts in the sense that the credit provider or the drug dealer is enabling their detrimental habits.” He also suggests that “regulating the supply can be achieved with a far better success rate”.

Without proper regulation, it doesn't matter how easy it would be to apply for personal loans. It would not do the masses any good. They must first learn how to curb their current problems and turn them into sustainable habits.

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