

Financial Literacy Matters

Building wealth, the smart way



Facilitated by

Dr. Suzy Aku Puplambu, Independent Financial Consultant

July 2025

*“Do not save what is left after spending,
but spend what is left after saving”.*

Warren Buffet



The background image shows a bright, modern office space. On the left, there's a grey sectional sofa and a wooden coffee table. The room is filled with various indoor plants, including large leafy ones and hanging vines. Large windows with wooden frames line the right side, letting in natural light. A teal rectangular overlay is positioned in the center, containing white text. The ceiling has exposed pipes and modern lighting fixtures.

Emergency Fund

How many of us have six-months savings?





To do

Challenge yourself to save 25% of your take home to
build up 6months salary over a 2year period

$(30k/24 = 1,250)$ (out of 5k)



● What we will discuss

1. Financial Literacy
2. Personal Financial Gap Analysis
3. Budgeting – the basics
4. Understanding Debt and Personal Debt Management
5. Wealth creation – smart steps to take





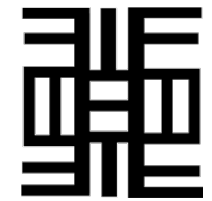
Financial Literacy

1. To know, understand and manage personal finances.
2. Take informed decisions (save, invest, wealth)

Financial Literacy

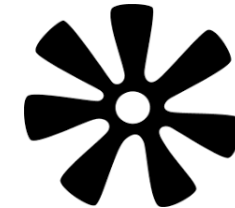


Financial Literacy Test



Intermediate

Apply financial knowledge to daily life (wealth creation)



Advance

Investing, tax planning, and estate planning (wealth management)



Expert

Sophisticated investment strategies and wealth management (wealth transfer)



Savings, Budgeting, Emergency Fund, Investment, Credit/Debt management, Tax awareness, Insurance, Financial planning, Risk management, Retirement planning, Regulation (investor protection), Platforms/Technology, Financial Intermediaries



What you should know and understand

Why financial literacy is important

- You make better financial decision
- You are more organised financially and not afraid to retire
- You have a sense of financial & investment direction
- You achieve your financial objectives through financial planning
- You remain motivated and positive about the future
- You don't become a burden on your children
- You become a better person





Personal Financial Gap Analysis

Personal Financial Gap Analysis

1. What is/how will describe your current financial situation?
2. What are your future financial considerations?



Your current situation

- Your current Age
- No. of Children/Dependents
- Income (# of sources)
- Expenditure (# of outlays)
- Your monthly surplus
- Financial Assets (Short, Medium, Long-Term)
- Physical Assets – Property/Properties
- Liabilities (Types/Tenure)
- Access to investment platforms
- Insurance
- Security & Protection (e.g Will)
- Succession Planning



Future Consideration

- Your retirement Age
- Level of income to retire on
- Retirement lifestyle
- Family protection (Life Cover/Critical Illness)
- Education planning (for Kids)
- Retirement planning
- Wealth preservation plan
- Investment Strategies (Regular/Savings)
- Property (Acquisition/Disposal)
- Pension access





Investor Life Cycle

- **Wealth Accumulation Stage**
 - Early Years (20-30)
 - Family/Career Building (30-45)
- **Wealth Consolidation Stage**
 - Pre-Retirement/Empty Nesst (40-60)
- **Spending Stage**
 - Retirement (60+)
- **Gifting Stage/Charity**





Budgeting

Budget & Budget Decisions

Personal Budget

A plan on how resources should/must be spend based on your inflows

Step – Personal Income & Expenditure Account

Identify all income sources

Identify all expenditure

Determine if you have a surplus or deficit

Surplus

What do you do with the surplus?

Deficit

How do you finance the deficit?

- 1st step - Identify all your income sources

- ✓ Active income
 - Salary
- ✓ Passive income
 - Rental income
 - Investment income
 - Side gigs

- Recommendation is four sources of income

- 2nd step – Identify and analyze your expenditure

- ✓ Increase value creation expenditure (Increases your net worth)
 - Investments
 - Mortgage
 - Insurance (health, education, funeral policy etc.)
 - Fees & Subscriptions (continuous development)
 - Charity (there is blessing in giving)
- ✓ Decrease value depletion expenditure (reduces your net worth)
 - Subscriptions – entertainment, data, call units
 - Food & provisions
 - Rent & Utilities
 - Personal loan

- Recommendation – focus on need and not want

Final step – Surplus/Deficit

- ✓ Surplus
 - Invest more
- ✓ Deficit
 - Check how you are financing the deficit
 - Increase your source of income
 - Reduce expenses further



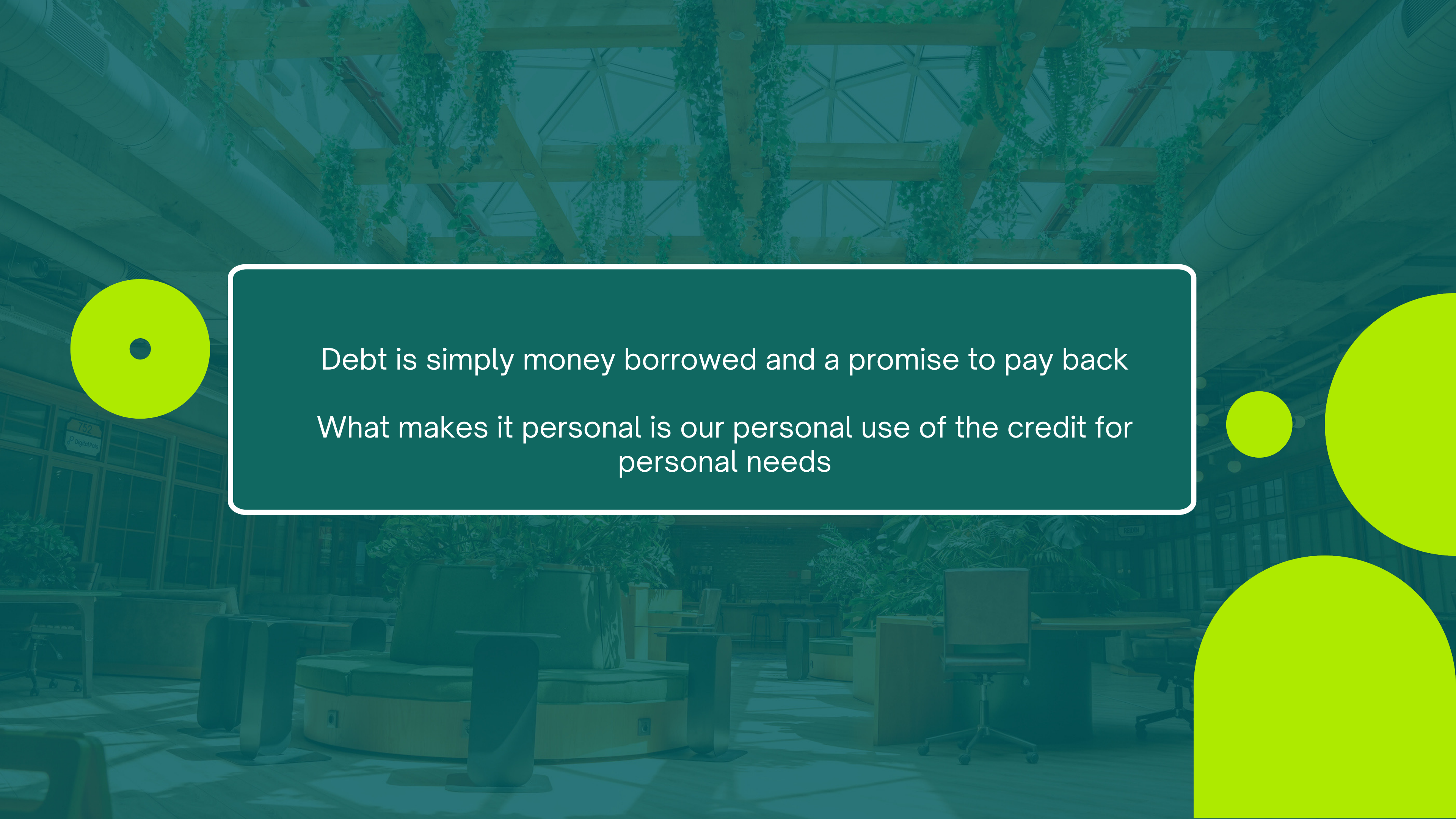
Why Personal Budgeting is Important

1. Helps you in financial decision making ie setting financial goals
2. Helps you to track your inflows and outflows linked to fixed (60%), variable (20%) and discretionary expenses (20%)
3. Helps you to review your financial position by comparing prior year to current year – evaluation exercise
4. Helps you to achieve financial stability



Personal Debt Management

Qn. How will you define personal debt?



Debt is simply money borrowed and a promise to pay back

What makes it personal is our personal use of the credit for personal needs

As teachers, we raise credit

- To finance large purchases (land, home, cars etc.)
- To cover unexpected expenses (medicals, car maintenance, family support)
- Funding education (ourselves/kids) or business support
- To consolidate existing debt





Personal debt management is the process of managing and paying off our debts

Personal debt management strategies

- Track your debt by keeping records
- Budget for repayment
- Pay off high interest debt
- Consolidate your debt
- Keep your creditors updated on your current situation
- Don't take new debt



Aim to reduce your financial stress and ensure peace of mind at all time



Remember that whenever you take on new debt, your net worth reduces and you increase your monthly outlay in interest payment



Wealth Creation

Smart ways to take

Building wealth is a combination of financial literacy, discipline and patience

The approach is to.....

- Start early
- Diversify
- Find low cost of entry and exit
- Identify tax efficient investments





Save

The journey

Wealth



Invest



The Idea.....

- **Make your money work for you**



Investing

It starts with Savings

- Through awareness
- Through observation
- Through self-discipline of saving for the raining day

The discipline starts with little drops

Through a culture of consistent savings

- Built based on our age
- Built on investment objectives
- Built on our risk profile and or appetite Attitude on life

Continues & stays through investing

- Influenced by our capital/cashflows
- Supported by investment tenures



Risk/Return Trade off

Higher expected returns/Higher anticipated risks
Lower risks assets/Lower expected returns

The window for correction is Diversification

To minimize risk and maximize returns

*Also time horizon – start early, have room for correction & take
advantage of compounding effect*



Build a portfolio – Create a basket

Asset Class:	Under 40	40 to 49	50 to 59	60 to 69	Over 70
Cash	5%	10%	10%	35%	50%
Bonds	25%	35%	50%	45%	50%
Domestic shares	40%	30%	25%	15%	0%
International shares	20%	15%	5%	5%	0%
Private Equity/Alternatives	5%	5%	5%	0%	0%
Property	5%	5%	5%	0%	0%

● What you must do

- Understand the type of loan you have taken and the type of interest that applies (frequency)
- Compute your personal debt to income ratio
- Have an emergency fund
- Automate your investments
- Avoid lifestyle inflation



What you must do

- Invest in yourself to increase your earnings potential
- Have passive income – nothing that competes with your active income
- Have insurance – to minimize unexpected expense
- Plan for your retirement
- Talk to financial consultants on debt management



● Let's avoid

- Quick returns
- Greed
- Panic Selling
- Chasing performance



● What we discussed

1. Financial Literacy
2. Personal Financial Gap Analysis
3. Budgeting – the basics
4. Understanding Debt and Personal Debt Management
5. Wealth creation – smart steps to take





To Conclude

Let's stop saying

I don't earn enough, so I cannot invest

My salary does not take me home, so I cannot invest

I want to build enough balance before I invest

Investment is for rich people

As for those your investment things, I don't even want to hear about it



The Regulators



Commercial Banks



Investment Banks

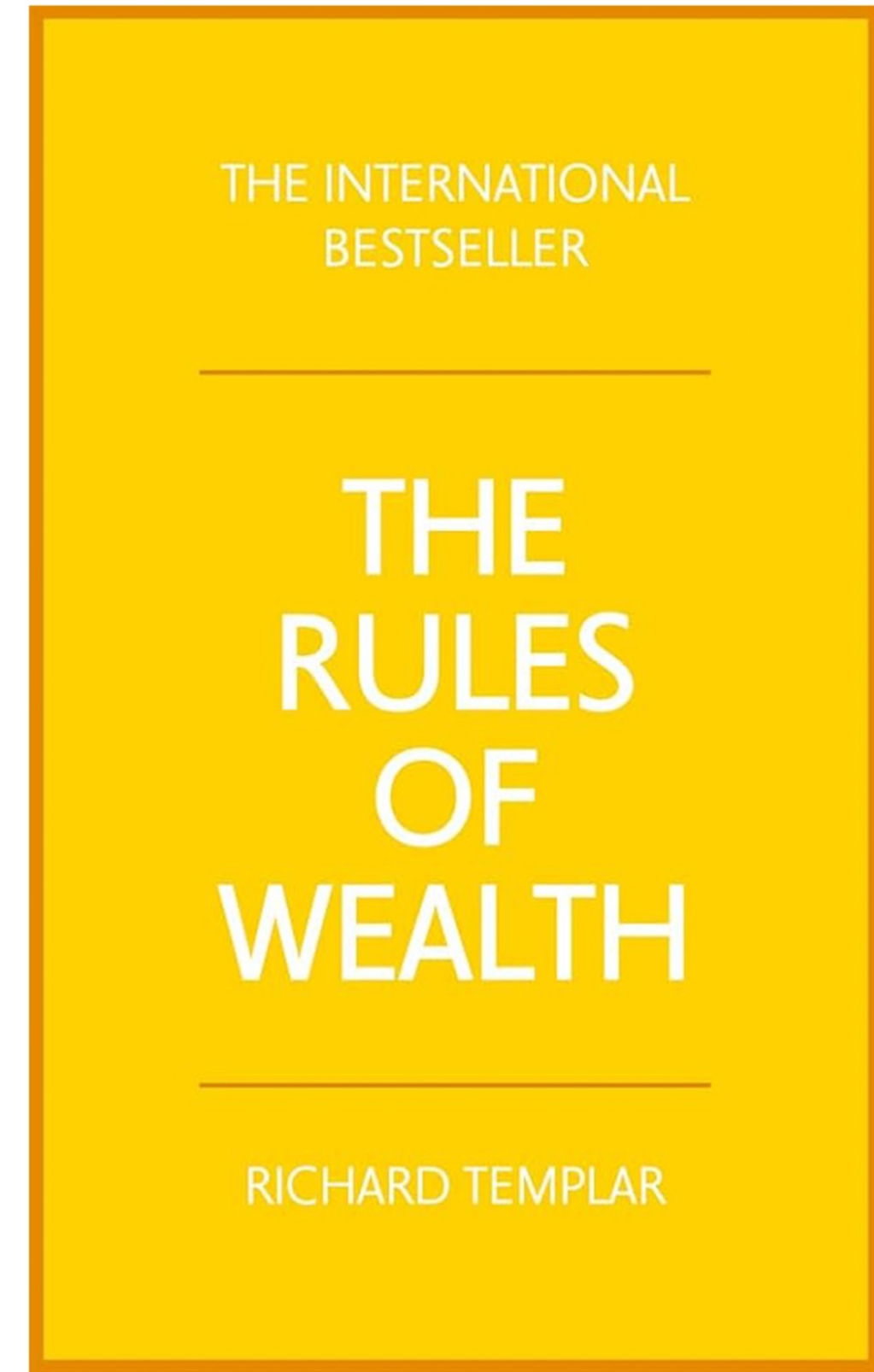
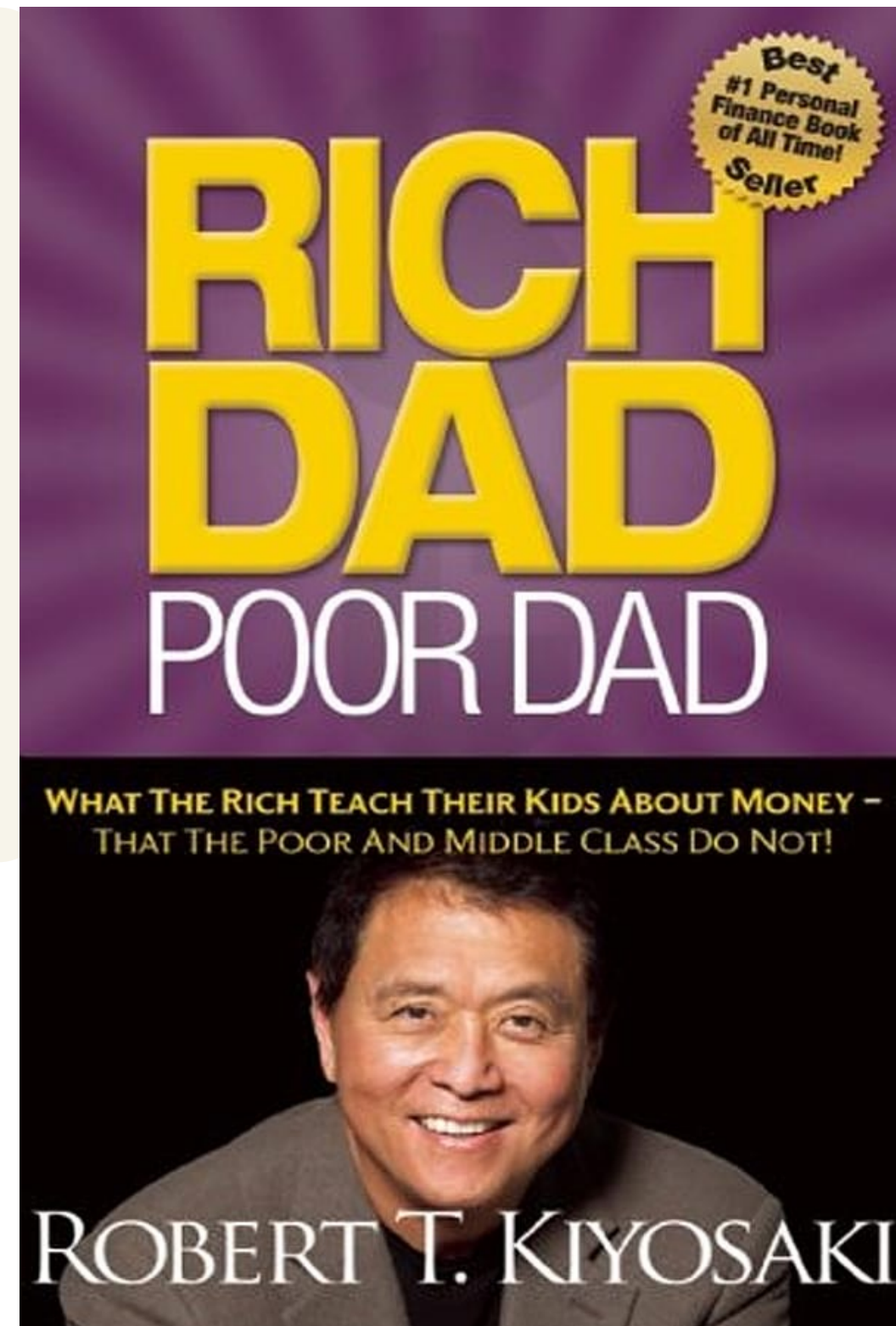
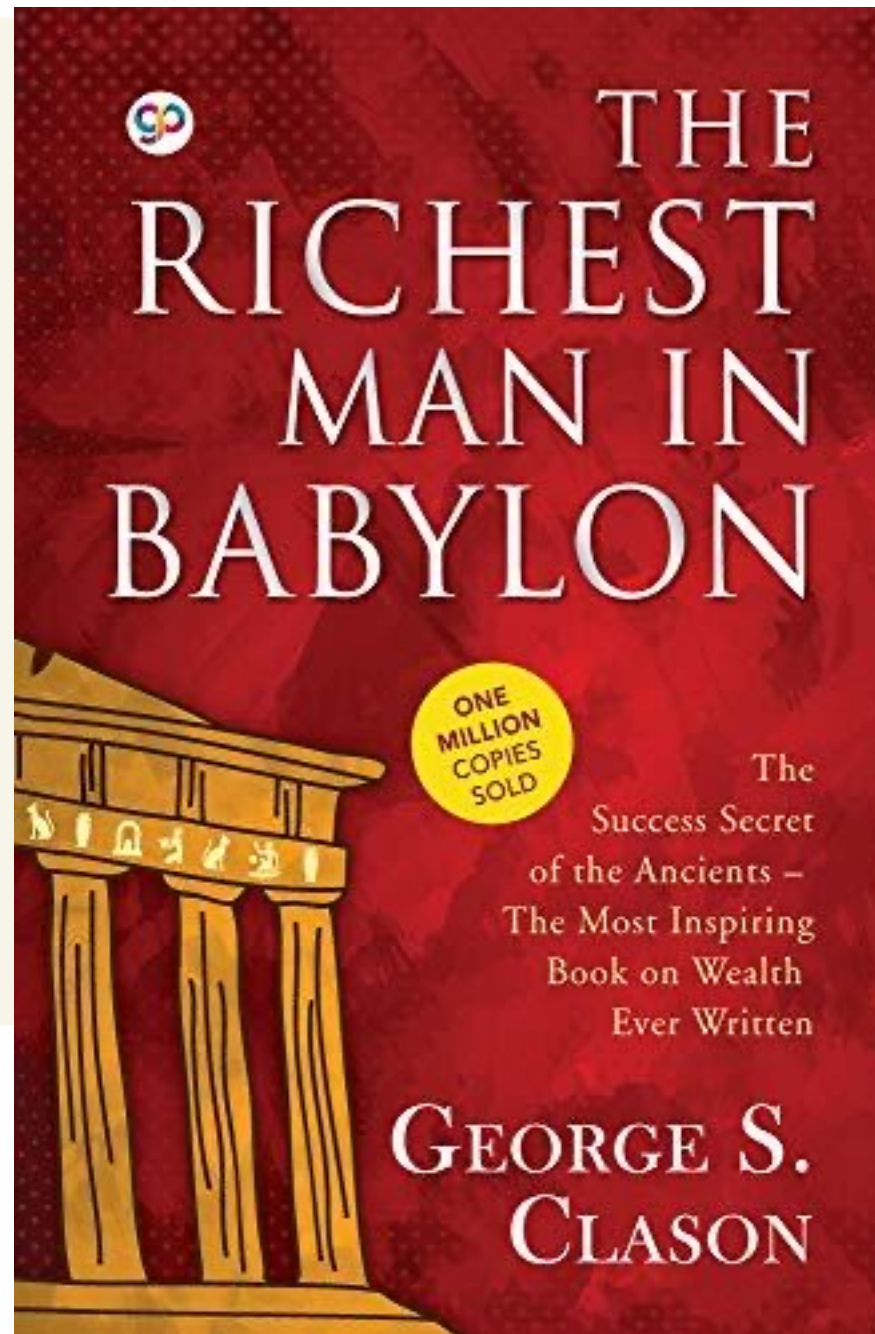


Insurance companies



Pension Business

Recommended Books



**Thank you for the opportunity to engage with
you all**