

NAMIBIA

Debtfree



I WANT IT
NOW!

November 2023

www.debtfreedigi.co.za

A portrait of John W. Gardner, a Black man with short hair and a goatee, wearing a dark suit jacket, a light blue and white striped shirt, and a blue tie. He is smiling slightly and looking directly at the camera. The background is a soft, out-of-focus blue.

EXCELLENCE IS DOING
ORDINARY THINGS
**EXTRAORDINARILY
WELL**

— John W. Gardner

H Y P H E N

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DEBTFREE School

DID YOU KNOW?

If you have a bond don't forget that you have insurance on the account. This could be home owners' insurance and probably credit life insurance (in case you die, are incapacitated or lose your job).

Remember: This insurance amount might go up each year.

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**THE DANGERS OF
INSTANT GRATIFICATION**

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THE INSTANT GRATIFICATION GENERATION

People these days tend to seek instant gratification in all aspects of life.

Whether it's the impulse to buy now, rather than save up for it, to indulge in a fleeting pleasure through the use of drugs, or avoid long-term planning, the desire for instant rewards often drives our decisions.

Our attention spans are shorter, and working hard for things is less desirable than ever before.

Instant gratification can also affect moral decisions. People make impulsive choices in pursuit of short-lived pleasures, such as cheating on a partner or substance abuse. Criminals seldom think of the long term consequences of their actions and rather focus on the "now".

Even the planet suffers when society prioritizes immediate gains over long-term sustainability. The depletion of natural resources and rampant pollution, driven by the desire for short-term profits, has had severe ecological consequences.

Say "good bye" to the Antarctic ice shelves and "hello" to global mass refugee migration, due to rising sea levels and extreme weather.







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WHAT IS INSTANT GRATIFICATION?

Instant gratification is the pursuit of immediate satisfaction or pleasure without thinking about or worrying about the long-term consequences, e.g. when people prioritize short-term rewards over potential future benefits.

It is the opposite of delayed gratification, which often involves doing work now for future benefits. Think about studying for a big test. If you put in the effort and studying in advance, you might not feel great instantly, but you'll do better on the test. That's delayed gratification, where the reward comes later.

Children in particular, hate to wait, and are known for their desire for things NOW. While our impulse control may improve as we get older, many of us still have a strong desire for instant gratification. Waiting is just so boring!!!

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INSTANT GRATIFICATION & MONEY

One of the dangers of instant gratification is the taking on more and more debt in the form of credit. With the ease of access to credit these days, few consumers really have to wait to get things.

Impulse spending, driven by the desire for instant satisfaction or gratification, can unfortunately lead to serious financial troubles, especially when people use their credit without thinking about the long-term consequences of having to pay back the debt at high interest rates.

Consumers often go for instant gratification while credit providers are looking for delayed gratification or profit making.







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TO SAVE OR SPEND?

Very few people are saving money any more. A small portion of formally employed people have some sort of retirement fund but even then, they are seldom setting aside other money towards upcoming annual expenses (eg. your car license or a car service).

Increased dependence on credit and a desire for instant gratification has led to prioritizing immediate desires over setting money aside for possible emergencies, education, or retirement. This can leave people financially vulnerable when unexpected expenses come along.

Have you been saving for December holidays?

Have you been saving towards back to school costs in January?

It's not too late to start now.

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DEBT & DELAYED

GRATIFICATION

Delayed gratification is like making a smart and patient choice, where you decide to wait for a reward that's even more satisfying in the long run than short term.

For example, paying off debt to become debt free.

Owing a lot of credit providers on your credit cards or loans can be super stressful. It's like having a massive weight on your shoulders, and the collections process can be unrelenting.

While instant gratification would be to spend your money on something fun right now, like going out to eat, buying cool gadgets, or going on vacation, that would leave you in debt and dealing with that resulting stress.

Instead of going for that instant reward, rather make a plan to pay off your debt, bit by bit.





It means choosing to use your money to fix your financial situation before treating yourself to more luxuries. This will mean cutting back on non-essential expenses, sticking to a realistic budget, and consistently making monthly payments towards your debt.

It's not as immediately exciting as a shopping spree, but as you stick to your restructuring plan and work towards becoming debt free, the satisfaction you'll feel when you finally achieve that goal is incredible! Each time you settle one of your smaller accounts, you have a satisfying feeling.

Soon, you will be able to use all your money for things you truly value, without having to pay off any debt.

One of the benefits of slowly paying off your debts one by one, is the peace of mind that you get from knowing you are finally getting free of your debt burden.





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WORKING TOWARDS A DEBT FREE FUTURE

Life's not always about quick fixes and instant gratification. Sometimes, you need to work hard and be patient to get the best results.

Delayed gratification, for those in debt, means sacrificing some quick joys for a much bigger and more lasting reward in the future.

Sure, instant gratification is like a tasty snack, it is nice and yummy but it only lasts for a little while. And yes, we all need a little fun every now and then, but don't forget about the big, fulfilling meal you're working towards in the long run like getting out of debt.

If you are in debt, keep reminding yourself of the progress you are making. Track your progress. Stick to your monthly repayment plan and stick to your budget. Getting out of debt will be one of the most liberating feelings you will ever have in life.



BREAKING

NEWS

COMMENTING ON THE CONSUMER CREDIT BILL

People have been invited to comment on the Consumer Credit Bill.

Members of the National Consumer Finance Association of Namibia have proposed that section 3.9 of the Namibian Consumer Policy of 2019 (which was made public in May 2020) about Debt Restructuring be added back into to the current draft of the Consumer Credit Bill.

Members say that this will help prevent vulnerable consumers from being exploited by wealthy credit providers and will actually ensure both consumer and credit provider's rights.

Debt restructuring is designed to help ensure reasonable and manageable repayment of debt obligations by consumers facing hard times.

MID TERM BUDGET HIGHLIGHTS

In the Mid Term Budget address, Finance Minister Lipumbu Shiimi said that the economy has or will grow by 3.5% this year but may slow to 2.9% next year. This is slightly higher than previously expected.

He also said that “the immediate focus of fiscal policy in the near term is to shield the economy and the well being of our people, particularly the most vulnerable segments of society, from the impact of the ongoing drought,”.

National debt has however continued to grow. The total debt stock now stands at N\$142.7 billion, which is the equivalent of 67.9% of GDP. Debt has grown by 13.5% while GDP growth is sitting at roughly 11%. So, the national debt burden has once again increased.

BUYING MULTIPLE PROPERTIES

As of the end of October this year the Bank of Namibia has implemented the amended regulations on loan-to-value ratios.

The new, amended regulations replace the old 2019 regulations on Restrictions on Loan-to-Value Ratios. What does this mean?

It means that now a mortgage loan for a second residential property no longer needs any deposit to be put down.

But for those buying even more property like a third or fourth residential property that will require a 10% deposit.

DEBTFREE School

DID YOU KNOW?

It is good to save a little bit of money for unplanned expenses. If you save money in the bank, you will also get some interest on your saving. Your savings will grow.

But did you know that if you have the exact same amount of debt as you have saved up, the interest on your debt will be higher (more) than the interest you get on your savings. Your debt will grow faster than your savings.

This is why many people chose to save only a little something for emergencies and rather use extra money to pay off their debts first.



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NCFA

*National Consumer Finance
Association of Namibia*

In an important step towards balancing the needs and rights of Namibians with the needs and somewhat overwhelming resources of credit providers, a new consumer education and rights' association has been born.

The association is called NCFA.