Turning Janu-Worry into Janu-Wise: Borrow with Purpose

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December is a time of celebration, a season filled with twinkling lights, delicious meals, and family gatherings. For many of us, it's the best time of the year. But as the new year rolls around, the result of the holiday spending catches up with us with a bang. For many Namibians, January isn't just the start of a new year; it's the start of "Janu-worry." It's that stressful feeling when the bills come in, and you're left wondering how to make ends meet after overspending during the festive season.

It's easy to get caught up in the excitement of the holidays and stretch the budget a little too far. The good news is that you're not alone. We all want to enjoy the holidays, but it's important to be mindful of the financial consequences that can follow. The truth is, overspending is a common problem, and it's something many people face as they look to start the new year. But there are ways to avoid the post-holiday financial blues, and borrowing can be part of the solution, if you use it wisely.

At first glance, borrowing money might seem like the obvious answer to getting through a tough month. But it's important to remember that borrowing isn't inherently bad. In fact, borrowing with a purpose can be a smart tool to help you achieve your long-term goals. The key lies in the reason behind the borrowing.

When you take out a loan for the right reasons, including long-term home improvements, debt consolidation, or education, you are investing in your future. You can improve your financial foundation with the help of these loans, which will ultimately make your life easier. But borrowing money for non-essential things, like buying items you don't really need or covering holiday bills, can quickly lead to a stressful and debt-filled cycle. Consumptive lending is the term used to describe this kind of borrowing for goods that have no long-term worth.

At Old Mutual, we are committed to promoting responsible borrowing. We provide personal loan options designed to help you and your employees manage life's challenges in a sustainable way, without compromising your financial well-being.

So how do we avoid falling into the trap of Janu-worry and borrowing the wrong way? Here are three practical steps to help you borrow wisely and start the year with confidence:

- **Create a Budget and Stick to It:** Although the holidays can be tempting, it's important to set up a reasonable budget before the festivities start. Avoid utilising your January pay cheque to pay for December's expenses.
- **Take out a loan for long-term benefits rather than fleeting pleasures:** Consider how you can use the money you need to borrow to better your future. Loans for things like remodelling your house or continuing your education might be wise investments.
- **Consolidate Debt When Necessary:** You can get more control over your money by combining all of your debts into a single, manageable loan. This method can help you pay off your debt more quickly and lessen the burden of managing multiple payments.

Ultimately, the secret to preventing Janu-worry is balance. Enjoy the holidays but make an effort to avoid accruing debt. Make sure you have a clear objective in mind if borrowing is necessary. You may turn Janu-worry into Janu-wise and start the new year with a sense of financial stability by making wise financial decisions one at a time.

For now, enjoy the month of December and this festive season. Travel safely, make memories, and enjoy this month's read.