



FAILSAFE RULES FOR MANAGING YOUR FINANCES

Following from our previous edition on some savings blunders to avoid making, here are some ways to buffer those mistakes and start your road to financial recovery.

1 KEEP SAVING, COME RAIN OR SHINE

Whether the economy is good or bad, it is important to maintain your savings levels. Why? Regardless of your income level, putting a little bit away each month provides a buffer for emergencies. Also, you can start saving well in advance towards the larger expenses, such as your child's education or even your own home, instead of falling into debt. There is no such thing as "saving too much".

2 TAKE ONE GOAL AT A TIME

It's a known fact that multi-tasking is inefficient, and similarly, if we have too many goals set up at once, we're bound to let some fall through, or worse, end up with no single goal being achieved. Start with ONE CLEAR financial goal, see it through and only then, start another one. You will be surprised the motivation you will feel to persevere when you start seeing real results, and goals being achieved.

3 HAVE A SEPARATE SAVINGS ACCOUNT

Transfer your savings into a 30-day savings account or your retirement fund, to reduce the temptation of spending them. By having one account for bills and one for savings, you can ensure you never overspend. The less cash you have on hand or in your account, the easier it will be to ensure you live within your means.

4 PAY YOURSELF FIRST

Use monthly debit orders to ensure you deal with your savings and debt repayments before you do anything else. Unfortunately, our willpower is not as strong as we think, and often by the end of the month, the 'willpower muscle' is already too fatigued to budget and save.

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