

FINANCE MADE SIMPLE



New year, fresh start

Does Janu-worry fill you with dread? Don't stress. With enough planning, 2017 can be the year that you turn your finances around. By Katherine Graham

Personal finances - it's a minefield that causes many of us stress. Let this year be the one that you change up your money habits by making saving your number-one priority.

DRAW UP A BUDGET AND STICK TO IT!

'A good budget will look at your expenses, showing you areas where you can cut back on spending,' says Kelsy Moodley, an actuarial analyst at

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Alexander Forbes. Be realistic – allow yourself some leeway for entertainment, gifts and beauty treatments. You can go online to find budget templates or download an app such as GoodBudget or Mint on your smartphone to help you track your spending.

VISUALISE YOUR SAVINGS GOALS

Now that you know how much money you have and where it goes each month, you can get on to the fun stuff: saving! Okay, it may not sound like much fun, but have you tried to visualise what you're going to do when you retire one day? Maybe you and your spouse are going to take a romantic trip to Venice or go hot-air ballooning over the Kruger. 'Having a goal or dream when you're investing makes it easier for you to stay motivated,' says financial advisor Sigrid Madonko of Quintus Wealth.

Whether it's for your retirement or your kids' education, if you're serious about saving, it's best to use a monthly debit order. 'Given that markets are so volatile, some people may feel a little less than positive about investing in 2017,' says Tandsizwe Mahluthshana of PPS Investments. 'But, by investing fixed amounts at regular intervals over a long period, you spread risk over time.'

Debit orders work well because you're 'paying yourself first', rather than waiting till the end of the month to see if there's any money left over to save. 'By investing just R200 a month (which you'll hardly notice coming off your account) over a period of 10 years, you could see your investment grow six per cent per year to more than R32 000,' Tandsizwe says.

A NEW VENTURE

This year could mark a new season for you – a new job or perhaps starting your

own business. 'If you haven't done it yet, 2017 is definitely the year to start living in congruence with the person you want to be,' says wealth coach Izak Strauss. 'Start off by getting to know yourself. Find your true "why", and the "how" will fall into place.'

If you're thinking of taking the leap into your own business venture, start by getting your finances in order first. 'Despite the dream, the likelihood is that you won't sign that huge client on day one,' says branding expert Emma Weise of FreshSage. So be prepared.

'Your idea may be big, but there is nothing wrong with small beginnings,' Emma believes. 'Even if you have to start doing what you love on the side, build up contacts and credibility while you still have a steady pay cheque.'

TRY OUR 12-MONTH SAVINGS CHALLENGE

Want to save more than R8 000 this year? Try to save modest amounts each

month – it will soon add up. You could cut down on takeaway lunches at work, for example, or sell your unwanted junk online, or host your kid's party at home instead of at a fancy venue. Be creative and get saving!

If you start saving just R2.50 a day in January, and then slowly increase your daily savings every month over the course of the year, you'll soon have more than R8 000, which you can put towards the things you really need. By the end of the year, you'll be a saving pro, and can set your sights even higher in 2018! ■

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MONTH	AVERAGE SAVE PER DAY	SAVE THIS MONTH
January	R2.50	R70
February	R6.50	R182
March	R10.50	R294
April	R14.50	R406
May	R18.50	R518
June	R22.50	R630
July	R26.50	R742
August	R30.50	R854
September	R34.50	R966
October	R38.50	R1 078
November	R42.50	R1 190
December	R46.50	R1 302
TOTAL ANNUAL SAVINGS		R8 232