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FOUR EASY MONEY SAVING TIPS

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If you want to save money forget about the Joneses, the Khumalos and the Van der Merwes.

South Africa has an incredibly low savings rate and a big part of the problem is people living beyond their means. Having the latest cellphone, iPad, designer bag or sneakers, tops many priority lists. Subsequently, instead of budgeting - and living according to that predefined budget - too many people are spending without any thought, leaving them with emotional spending hangovers.

My grandfather used to say: "If you don't want to spend money, stay out of the shops". That is probably the most failsafe way of keeping your budget intact, but here are some other practical money saving tips:

1. Pay cash only

Most international brands are now available in South Africa and shopping for clothes either in the mall or online seem to have become our nation's new pastime. Online shopping renders my grandfather's advice useless as many now shop from the comfort of their couch. Retailers are not as strict in issuing credit as the Banks and even teenagers and students are running up debt as they spend thousands on clothes every month. But the feathers don't make the man. Here is the golden rule: If you can't pay cash, don't buy it. And this goes for any luxury item. Credit should only be used for big purchases like a house and a car. It should never be used to support your lifestyle.

2. Cap the tech

Technology is advancing at the speed of light and is eating up a bigger and bigger piece of the family budget. Cellphones, internet, DSTV, computer games...if uncapped the cost of technology could easily become a four digit monthly expense. While connectivity in today's world is essential, unlimited tech is not. First, look at what you can afford; then match it with your tech needs, not wants. A little research can go a long way. Subscribe to services with predefined limits and teach your children what their technology budget for the month is.

3. Eat in, not out

Food makes up a significant part of every household's budget and most people underestimate how much money they spend on it. Takeaways and restaurant food is very

convenient but they could increase your monthly food bill 10 fold. Plan your weekly meals, buy your groceries accordingly, and leave takeaways and restaurant meals for special occasions. Tightening the proverbial belt on entertainment needn't spoil your fun: Learn to make your own curry and instead of going out to a restaurant, invite your friends over for a braai.

4. Mind healthcare costs

The fear of not being able to afford healthcare for yourself and your loved ones is often the driver behind people choosing full medical aid plans over hospital plans. The cost of a full medical aid is more than double that of a hospital plan. A good hospital plan will cover you if you're in a car accident and when you need an important medical procedure. Plus, a hospital plan has the added benefit of encouraging a healthier lifestyle. If going to the doctor is coming out of your back pocket and not out of your medical savings plan, you might just be motivated to choose the salad over the pizza.

In today's age of technology and instant gratification the old saying of cut your coat according to your cloth has seemingly been thrown out the window. However, this is still a very basic but solid principle to live by if you want to manage your finances more responsibly.