Ways to save money

Even though the cost of living is going up, more and more South Africans are starting to save thanks to some smart money habits.

Make a budget and stick to it

List your fixed expenses, monthly deductions, and income in your budget. If you spend more than you earn, you need to find ways to cut back. Make sure your budget has room for savings, too.

Consider using the 50-30-20 rule. That basically means you use **50% of pay for needs, 30% for wants and 20% for savings and debt repayment**. While we're talking about needs and wants – be crystal clear about what your REAL needs are – don't make the mistake of labelling wants as needs.

Keep accurate records

You won't have to do this forever, but you should do this for a few months at least. Whether you just write it all down in a notebook or use a mobile app to do it, just **record every cent** until you have a very clear understanding of what you are spending (or wasting) your money on.

Get rid of your debt

Start paying back what you owe. Start by **paying off the debts with the highest interest rates**. If you don't know where to start, talk to a qualified debt counsellor.

Cook instead of buying

Cook at home instead of ordering takeout or eating outside of the home. Also, prepare meals to take to work for lunch. You will have to plan ahead to take load shedding into account.

Stock up at lower prices

If you can, use discounts and special offers, or buy in bulk to **pay lower prices** for things you use regularly.

You can’t afford it if you can’t pay cash for it

Keep your credit card for emergencies and only use cash or a debit card to pay for goods and services. This will ensure you don’t go into debt and **live within your means**. This means you should avoid advances on your salary (or borrowing money elsewhere) too.

Every cent counts

Use a container like a plastic bottle to store small loose change (anything under R1) that would otherwise end up lying around the house, at the bottom of your bag in the junk drawer or in jacket pockets. You will be surprised **how quickly it adds up!**

Bank wisely

Look closely at the **fees your bank charges and the interest you earn on your savings**. Check out what other banks have to offer and look at other ways to invest your money. If you need help getting started, you can talk to a qualified financial advisor.

Re-examine everything you currently spend money on

There are things we use daily that we could save money on. For example, if you have an electric geyser, consider a geyser timer or even just manually switching the geyser off while you are not at home. Use a flask to keep the kettle water hot so you don’t keep boiling the kettle. Look for **cheaper alternatives** to everything.

To sum up: Pay less wherever you can, don’t make debt and keep strict records of every cent you spend – you will learn a lot from seeing where your money is going.