

Five financial survival tips for 2018

Although the shift in political outlook, and Team South Africa's campaigning at the World Economic Forum in Davos have set the rand on a dramatic positive turnaround, the country is not out of the woods just yet. Experts are expecting increased taxes across the board from the National Budget Speech on 21 February. Together with a hike in fuel levies and free education in the institutions of high learning, the consumer will still feel the heat in 2018.



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Francois Viviers, executive of marketing and communications at Capitec Bank offers these five tips on how South Africans can realistically tighten their belts, and reach their 2018 financial goals.

1. Pay yourself first

This is one of the most important principles to accumulating wealth. By saving at least 10% of everything that you earn before you spend anything, you will be paving the way for your own success. Chat with your bank about an appropriate savings account to help get you started. **TIP:** Set up recurring payments to take the thinking out of saving. The money will automatically be transferred to your savings account each month making saving easier.

2. Take stock of where your money is going

Browse through your bank statements and take note of your debit orders and recurring monthly expenses. Is there anything you don't need right now? Cancel those debits orders, policies or services you no longer use. This money can be placed in a savings account, used to pay off debt or spent on things you actually enjoy. **TIP:** Use a banking app to allow you to easily check transactions on your account, giving you line of site of debit orders and other key monthly expenditure.

3. Generate additional income

If you could benefit with an extra pay check at the end of the month, there are ways to make it happen by using what you've got. Look at your assets and consider which ones you can use to get an income from. Have a spare room? Advertise it on Airbnb. If you have extra stuff lying around the house that you don't want anymore, you could sell it online and let someone else enjoy it. **TIP:** If you need credit, make sure you are using it wisely. Consider your reason for applying for credit and ask, "Is this a want, or will it benefit my life, helping me to live better in future?" Credit when used correctly can help you achieve your life goals.

4. Bank with a budget

'Budgeting' sounds scary, but it simply means planning how you spend your income making sure you spend money on the right things, save for the future, and don't spend more than you earn. By compiling a plan, you equip yourself to make a responsible decision when the temptation to spend money presents itself. Having weekly and monthly plans helps you to easily track your spending and stick to your financial goals. **TIP:** Investigate whether your bank's app has a built-in budgeting tool so that you can plan on the go.

5. Take small steps towards your big goals

Always wanted to buy a house? A car? Or take a trip to Bali? These goals are all achievable in time. But remember, if you don't start you will never achieve them. Write your goals down as well as all the steps you can take to help you get there. **TIP:** Don't underestimate the power of cutting a few things out of your life to reach your goals. Cutting out one R15 cappuccino a day could save you over R5,000 every year.

Source: Capitec Bank

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