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A money saving plan for good financial health

Good habits should not be seasonal, especially when it comes to saving money, says African Bank's Group Executive: Customer Engagement, Kena Setshogoe.

While it is not uncommon for people to become lax about certain good habits in winter, like going to the gym or eating healthily, not looking after the health of your finances all year round can have long-term repercussions.

Good financial health, just like good mental and physical health, can put a spring in your step, so why not use the feel-good mindset of spring to renew a money saving plan?

Setshogoe says there are several reasons people are successful with money and several reasons people fail with money.

The 3 top secrets to money success:

- Spending less than you earn
- Saving for emergencies
- Finding the best savings investment, like a [fixed deposit](#) account

The 3 top reasons people fail with money:

- No financial goals
- Spending rather than saving
- Not starting to save early enough

"I believe not having financial goals is a biggie. Think about setting realistic savings and investment goals and about the satisfaction you will get out of achieving these.

"When it comes to saving money, the secret to success is saving regularly, not only when it is convenient. If you are looking for easy ways to save money, think about simply having a pre-determined amount transferred to a savings account every time you get paid."

"You may find yourself struggling to keep up and promising to fix your finances at the end of the month. If the end of the month has turned into six months and you are still not back on track with your money goals, perhaps it is time to clear your mind of negative thoughts about money and absorb some good money saving tips - a budget being one of the most important."

How a budget should be run:

1. Determine what you earn
2. Determine your fixed expenses
3. Determine your variable expenses
4. Compare your expenses to your income
5. Track your expenses
6. Adjust your budget as needed
7. Evaluate your budget

“It may take time for your budget to really work for you, but that is the beauty of a budget - it can be adjusted as you go along. But as you get better at budgeting, remember to always keep your spending, debts and savings goals in balance.”

The 50/20/30 budgeting rule is a helpful tool in achieving financial success with a budget.

Setshogoe explains this means 50% of your income must go to necessities (rent, car payment, medical aid, groceries), 20% must be go into a savings account and 30% can be spent on wants (eating out, hobbies).

“And with spring lifting our spirits, if your finances have waned recently it may be a great time to apply fresh perspective to a money saving plan and doing a savings account comparison to ensure you get the best interest rates.”

For some inspiration, read the African Bank [blog](#) on how to grow your money.

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