

Show me the Money!

By Suzi - Chartered Accountant



Need to buy phone credit? Saving to buy a car? Here are some savings ideas that really work!

Savings tips

Saving does not mean being tight. Saving is being smart with your money for rewards down the track. We can all come up with ideas to help us save those extra few dollars and get us closer to achieving our financial goals.

Putting money aside can be very difficult, confusing and tempting when it is all tied up in one account. It is useful to open up separate bank accounts for different funds and to deposit money into them each week. Set up direct debits as this ensures you are depositing money into these accounts regularly.

The funds are -

- 1. Emergency fund.** The sole purpose of this fund is to set money aside for a rainy day. This fund will help to pay for emergencies and large cost items such as car repairs, dental bills, broken fridge, and no, the latest sneakers or a plasma TV are not an emergency!
- 2. Goal fund.** This fund should be used to set money aside to help you achieve your medium and long-term financial goals. For example putting aside \$100 a week to save for a deposit to purchase a car.
- 3. Splurge fund.** Don't deny yourself, if you do you will surely fail at budgeting. This fund should be used to spoil yourself on occasion. Don't go crazy and buy something each week, it should be used for special occasions or to reward yourself for sticking to your budget.

Activity

Save me the money!

Break into smaller groups. In your group think of ways that you can save money on a day to day basis. Compile a list of your savings ideas and then share them with the class.