



8 TOP TIPS TO IMPROVE YOUR FINANCES

Do you ever find yourself dissatisfied with your current financial situation?

Have you ever stopped to contemplate how you can improve your financial well-being?

If thoughts like this cross your mind...

- “Am I overspending on bills?”
- “Why am I struggling to save enough?”
- “How can I repay more debt?”
- “Could I negotiate a better rate on my mortgage?”

then it's time to take action.

Whether you have minor concerns or are facing significant financial challenges, addressing them sooner rather than later is always the best approach. And what better time to start than now?

Regardless of your current situation, most of us can make a fresh start and enhance our money management skills. It may seem daunting at first but breaking it down into manageable steps makes it more achievable and effective. Each task you tick off your financial to-do list is an accomplishment worth celebrating!

If you want to create better financial outcomes, consider taking these 8 actions:

1. Dedicate regular time to money matters

Take control of your finances by setting aside dedicated time each month to focus on your money matters. By establishing this habit, you can gradually tackle one task at a time and make progress.

2. Calculate your net worth

Knowing your starting point is essential for gauging progress. Calculate your net worth by listing your assets and liabilities, then subtracting the latter from the former. Tracking your net worth annually will help you monitor your progress and identify areas for improvement.

3. Set goals and create a budget

The key to financial advancement lies in defining your goals and devising a plan to achieve them. Make the most of your financial situation by prioritising your spending and creating a budget that aligns with your objectives. If you need guidance on building a personal budget, there are many online budgeting tools available.



4. Manage lifestyle creep

As income increases, so does the tendency to spend more. This phenomenon, known as lifestyle creep, occurs when rising earnings lead to increased discretionary spending. It's crucial to be aware of this and ensure your lifestyle doesn't overshadow your financial security. Implementing step 3, creating a budget, can help you control your lifestyle spending.

5. Practise mindful spending

Distinguish between needs and wants to make better spending choices. Prioritise your needs (such as food, housing and healthcare) over your wants. After addressing your needs, allocate funds towards your financial goals before indulging in discretionary expenses. Ideally, any money remaining should be saved. This is where step 3, creating a budget, proves handy.

6. Separate your funds

Establish a designated savings account or consider utilising a mortgage offset account. Automate your savings so that your bills and debts are paid first. The more you can save the better as it allows for compound interest to work its magic. If you have an offset account, the more money you save, the less interest you pay on your home loan.

7. Build an emergency fund

Prepare for unexpected events by creating an emergency fund. This fund will come to your aid when urgent or unforeseen expenses arise, allowing you to address them without resorting to credit.

8. Review your home loan

Your mortgage payments likely constitute a significant portion of your budget. Ensuring that you have the most suitable home loan for your circumstances can greatly contribute to the achievement of your financial goals.

Remember, it's important to develop good habits that promote better financial decision making. These habits will not only improve your financial situation but also provide peace of mind and reduce stress.