

# Kick start your financial planning



The festive season has come to a close and the proverbial *season of giving* has made some serious dents in savings. However, it is not all doom and gloom if you take active steps to kick start your 2013 financial planning.

With your New Year's resolutions still fresh in your mind and a sense that your batteries have been recharged, you are ready to tackle the year ahead with the vigour and perseverance required to make it a true success. Your goals for the New Year might include personal fitness, weight loss, lower stress levels, career success, spending more quality time with family, and other important things.

In the midst of the excitement of a New Year, it is important to remind yourself that being in control of your financial situation is critical to the success of all your New Year's goals. Not knowing whether you have catered sufficiently for the financial commitments of the year ahead, let alone your retirement, could and will place a serious damper on any plans of reducing stress levels and improving your personal health. Your financial wellbeing is a major building block in the foundation of a better you.

It is therefore important to perform a 'health check' on your financial situation. You can start this by taking these simple steps:

## 1. Draw up a budget.

Yes, it might seem rather simplistic, and it is. Note how much you earn, how much you spend, and how much you save, and invest. Take time each month to complete this exercise.

## 2. Establish who owns a part of your money.

What is your total debt burden? Where do you have accounts open and what are the

outstanding balances owed on each?

## 3. Monitor your budget and set goals.

Compare your actual expenditure every month. Set goals for the next month to spend less so you have the ability to utilise more of your funds to settle the debt that you have accumulated.

## 4. Take action.

Reduce the debt burden. Pay off your credit cards. Set a goal for yourself and monitor your progress. When you are tempted to apply for a new store card or purchase an item on credit again, take a few seconds, collect your thoughts, and ask yourself if you fully comprehend the impact that this will have on your personal budget. Only you will have to deal with the consequences of your decisions.

## 5. Start saving.

Once you have taken control of your personal financial position and your debt, you have the opportunity to start investing your money. Contact a financial expert to help you make the right investment decisions.

## 6. Repeat.

Persevere with these five steps.

By following these guidelines, you will be able to measure your financial success on a monthly basis. The benefits will filter into your physical and mental wellbeing as well and, best of all, the only cost you will incur is spending some valuable time on yourself.