

Plan for January NOW

Most people get paid around the 16th of December and in addition they receive a 13th cheque. Given the craziness of the festive season, the money is soon spent, leaving very little to meet normal monthly expenses by January, let alone the extra financial burden of the New Year.

If you are a consultant, self-employed or working on commission you will most likely see a significant drop in your income in January. This is because virtually no work happens from 16th December so you need to plan for your December salary to last for two months.

Put a strategy in place now so that you do not have to take on debt at the start of the year.

January budget

Write up a proper budget for January and put away the money you will need. This is the time of year when we are hit with annual expenses like school fees (as well as books and uniforms), annual subscriptions and membership fees so the budget needs to stretch even further. Do this before we start the festive season – not at the end of it where the amount needed cannot be met by the amount available.

Revise your annual budget

You will also be notified by your service providers about their annual increases so factor those into your annual budget. Also remember other expenses for the year like an extra pair of school shoes or new clothing for your child that is growing like a beanstalk.

Buy practical gifts for January

In the new year, retailers will be all set with their *back to school* campaigns, so rather than letting them have a go at your pocket twice, give practical gifts in December that also lessen the financial burden on your family in January. How about school shoes or a really funky school bag?

Bulk buy

If you receive your 13th cheque, double up on purchases for two months and get discounts on bulk purchases.

Opt for a 13th cheque

Even if they don't pay an annual bonus, many companies allow you to structure your salary to include a 13th cheque. Speak to your employer as this is a great option to force you to save for the end of the year. If you do use this option, make sure you use it wisely.

Liberty Group is an Authorised Financial Services Provider in terms of the FAIS Act (Licence no. 2409). The information contained in this communication, including attachments, is not to be construed as advice in terms of the Financial Advisory and Intermediary Services Act of 2002 ("FAIS") as the writer is neither an appointed representative of Liberty, nor a licensed financial services provider as contemplated in FAIS.

Please consult your financial adviser should you require advice of a financial nature and/or intermediary services.