

Are you on track?

It is halfway through the year and a good time to give your financial plan a health check. Did you make any financial new year's resolutions and have you been sticking to them? If not, what stopped you and what steps do you need to take today?

Your plan so far

If you made a financial plan and stuck to it you will find your stress levels around money have diminished significantly. The time and effort of spending a few hours each month on your finances are starting to pay off as your debt feels more under control, your savings are building up and you have a better sense of where your hard-earned cash goes every month.

If you followed the [month-by-month financial plan](#) in our February newsletter, by now you would have set up a budget, started a savings plan, spent a month on a no-plastic diet, faced up to your debt and assessed your insurance premiums.

This month you will be looking into ways to up-skill. You don't have to sign up to do your PhD – taking courses through work or developing your communication or computer skills will contribute to your career development.

Understanding what went wrong

If you haven't started your financial plan or it got derailed along the way, remember that it is never too late to start. Understand what went wrong and what prevented you from moving forward.

There are usually two reasons why we avoid facing our finances: it feels like a mammoth task and facing our debts usually means having to cut back on our spending.

How do you eat a mammoth? One bite at a time

You don't have to have a financial plan in place overnight. Break it up into manageable portions and commit to spending just three hours a month on your finances. Put an appointment in your diary each month and block off that time to review your finances. Include your partner in those meetings as well.

Paperwork: Your first appointment will be just sorting out admin: print three months' worth of bank statements, put all your bills together and file your insurance policies. Having all your financial papers and information in one place will already make you feel more in control.

Now you are ready for your next appointment – your monthly budget. Over the next month, keep a notepad with you and write down everything you spend money on.

Your budget: In your budget appointment write up a spread sheet of your income, your monthly debit orders and necessary expenses like petrol and utilities.

Then analyse that little notebook – you will be surprised. The figure that usually shocks most people is their coffee habit. That one cappuccino to kick start your day sets you back around R480 a month. Even if you do

not want to give up your caffeine fix you may find other small daily expenses that are adding up and which offer an opportunity to cut back and free up cash to settle debt or start a savings plan.

Financial advice: In your third appointment you may want to include a financial adviser who can help you put together a financial plan to increase your savings and lower your debts. A financial adviser will help you make the right investment choices and help you set your financial goals. Writing down your goals makes them more real and you are able to track your progress each month. A financial adviser will also sort out the paperwork – just one less thing for you to worry about.

Follow the low-GI approach

Spending money makes us feel good – but only for a short time. Current research shows that it is the anticipation of spending rather than the actual spending that gives us the emotional high.

When you take control of your spending you are effectively cutting out the short-term emotional high of impulse buying that leaves you with a dreadful low once you receive your bank statement.

Knowing that you are in control of your finances and watching your investments grow will give you a long-lasting feeling of well-being. This doesn't mean you never spend again, it just means you do it in a way that doesn't leave you with a feeling of despair.

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.