

10 Ways to Ease Money Worries

How's your savings or credit card balance looking? Or are you afraid to look?

At this time of the year, it's easy to spend BIG - on holidays, catching up with family and friends, buying Christmas presents, attending parties and then there are the post-Christmas sales!

If you're worried about the state of your finances, now's a good time to take action and to get them on track. Here are 10 ideas to help you:

1. Plan and start tracking your spending:

Don't know where your money goes? Start keeping track of it, so you do. Knowing where your money is going each month is an important step to changing your spending habits. Write a personal spending plan so you know what living expenses you have coming up each month, such as loan repayments or rent, car expenses, groceries, clothes, telephone, electricity, entertainment, gifts, etc. Plan to set aside at least 10% of your income as savings when you create this plan too! Then, try using a device like [Spendtracker](#) to help you keep track of your spending. Don't blow what you don't spend! Save it.

2. Keep up a regular savings plan:

Have you heard the saying 'Pay yourself first'? Saving a consistent amount each week or month is difficult when you're in debt, however, as soon as you've identified where you can reduce your spending, putting aside at least a small amount each week or month is an important habit to get into to start building up some financial reserves. You can start small with a money box if you need to and then move to a savings account. Arrange for your regular savings amount to go directly into that account automatically each week or month.

By combining the power of compound interest and regular savings of even a small percentage of your earnings, you can, in time, build up reserves of \$10,000 or even \$1,000,000! The earlier you start saving, the better. This is a really simple, but hugely powerful lesson to pass on to your children.

3. Consolidate your debts:

Put your overspending in one place. Stop paying several lots of interest charges on each of your credit, charge or store cards each month! Transfer all of your 'maxed out' card balances to one low, or even no interest, credit card. Then, cut up the card and watch your debt decrease as you pay off as much as you can each month. Cancel each of the other cards ASAP too!

4. Keep your financial records in order:

Create a filing system for your bank statements, credit cards and any unpaid bills, and set aside a regular time each week to check on their status. Schedule direct debit payments for your bills in advance so you never miss a bill payment again. Paying your bills on time means no late payment penalties or added interest charges. Be sure to always keep sufficient funds in your bank account if you're paying your bills by direct debit to avoid any overdrawn account charges!

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5. Pay off your credit card balance each month in full:

Aim to pay off the total balance outstanding on your credit card in full each month to limit your card purchases to what you can comfortably afford and avoid paying any interest on your purchases.

6. Cut up your credit card and get a debit card instead:

You know you're spending beyond your means when you're only managing to pay off your minimum credit card payment each month. Say 'no' to your overspending and start using a debit card as soon as possible for your purchases instead. This way you'll only be spending money that you have.

7. Pay cash and save:

Always carry enough cash with you so you can pay cash for most things. Many traders will sell you the same item at a cheaper price when you offer to pay in cash. Also, get into the habit of saving up for large items rather than putting them on your credit card and then worrying about how you're going to pay for them.

8. Don't dream about winning a lottery to solve your money worries:

By all means, buy lottery tickets! But, also create short and long term financial plans to support your present and future goals. A financial planner can help you do this.

9. Learn about money and investing:

Read books like *Rich Dad, Poor Dad* by Robert Kiyosaki and discover the difference between working hard to make money and having money work hard for you.

10. Ask for some guidance from your accountant, bank manager, a financial advisor or counsellor:

If you're in a complete financial mess and can't see a way out, make an appointment to see your accountant, bank manager, financial advisor or a financial counsellor. They'll be able to give you advice, set up systems and/or re-structure your finances to save you money, make your finances simpler to manage and help you get back on track.

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