

10 tips for better money management

Has holiday spending created a huge credit card bill for you to pay in January? What about all those Christmas gifts and festivities? Maybe you're self-employed and don't have annual leave to rely on at this time of the year and you're reluctant to take time off because of concerns about your cashflow.

Whatever your personal circumstances, it's a good idea to be smart about your financial management, so money isn't a cause for stress in your life.

Here are 10 tips to help you better manage your money:

1. **Create a 'contingency' or 'emergency' fund:** Make sure you build up a cash reserve or emergency fund to draw on any time you might need it. For example, if you've suddenly lost your source of income or the unexpected happens and you need access to additional funds. Ideally, aim to put aside enough money to pay several (at least three) month's worth of fixed expenses such as rent, mortgage payments, car payments, food, and so on. Also, be sure to have relevant insurances in place, like income protection and trauma cover. A financial planner can assist you with this.
2. **Respect your money:** Impulse buys can, over time, lead to credit card debt – and a lot of it! Be sure that whenever you're about to purchase an impulse item, you have the means to pay for it, without it adding to your debts or creating buyer's remorse.
3. **Control your debt:** Do you pay-off your credit cards in full each month, or are you only able to make the minimum payment? If you're having problems, stop spending immediately and focus on reducing your debt. If you need help with creating a debt repayment plan, speak to a financial counsellor. Either way, make sure your plan is written down – and stick to it. You can start taking control by tracking your spending for a week, or a month, and seeing where your spending 'leaks' are. Often they'll be things like take-away food, restaurants, entertainment, travel, gifts, clothes and shoes. They're all great things to spend your money on, but not when the money you're using is credit. That's when it comes with a really high price tag! The money that's 'leaking' is money you can start to channel into your savings or contingency funds.
4. **Pay cash:** Go 'old school' and pay cash for everything you can, keeping your credit card for emergency and large purchases only. You'll be amazed at how much more difficult it is to part with cash than it is to use a credit card for purchases.
5. **Create financial goals and start saving to achieve them:** Would you like to go overseas, buy a new car, or be mortgage-free? When you have clear goals and time frames allocated to achieving them, it makes saving for what you'd like easier to accomplish.
6. **Simplify your life and be more conscious about how much you need to spend:** Financial stress can rob you of the often short-lived pleasure that can come from making unnecessary purchases of personal items. Find new ways to make your life pleasureable, like reading or spending time outdoors with your family or friends.
7. **Learn more about investing and invest at least 10% of your monthly income:** Read books, finance articles or magazines, or attend seminars to learn more about the many ways to invest your money. Seek guidance from a financial planner to help you create an investment plan that is in line with your life goals. A good rule of thumb is to begin with putting aside at least 10% of your income each month for investment purposes.



PO Box 81
Highgate SA 5063

T 08 8338 3134
M 0411 471 941

E tania@blueskycoaching.com.au

 blueskycoaching.com.au

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8. **Assess your career path and earning potential:** Ask yourself, 'Am I making the best use of my talents and skills? Am I being paid what I'm worth?' Consider how your income is affecting your finances and the rest of your life. If you're not 100% happy with your present circumstances and career direction, start creating a plan to make changes that will serve you better and enlist a coach or mentor to support you in staying true to your plan.
9. **Pay your bills on time:** Have you incurred late fees for not paying your credit card or another invoice on time? Ouch! Some of these penalties can be really high, especially relative to the offence. Have a system in place to ensure this can't happen accidentally. One way to handle bills is to keep them all in one place – like in a 'Bills to be paid' file – and review the file weekly. If you set aside one or two hours once a week to handle bill payments, including scheduling those you can make online, or pay on or before their due dates, you'll rarely need to allocate more time than this to the task, unless you're in business.
10. **Change your beliefs and mindset about money:** Sometimes our money management issues are directly caused by our beliefs about money and our mindset about handling financial tasks and paperwork. Do you have beliefs like 'I never have enough money to pay my bills', or 'I don't earn enough money and could never be wealthy?' These kinds of self-sabotaging beliefs and behaviours can be eliminated with the help of EFT (emotional freedom techniques) and replaced with more positive and supportive beliefs and behaviours.

If you haven't done so already, then visit my website at www.blueskycoaching.com.au to learn more about how EFT works and how you can use it to alleviate financial stress and eliminate the impact of unhelpful beliefs and behaviours.

For more business and life coaching tips to help you achieve your goals and create and live the life you've always wanted, visit www.blueskycoaching.com.au. To find out more about how you can work with me personally, call me on 0411 471 941 or (08) 8338 3134 or e-mail tania@blueskycoaching.com.au.



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M 0411 471 941

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