

PLAN YOUR MONEY



Four steps to a financial plan

Having a financial plan will help you manage your money as you work towards the financial future you want for yourself and your family. Follow these four steps to build a financial plan that suits you.

STEP 1: Understand your current situation

Use the table below to list all your **assets** and your **liabilities**. Do you have a car that you're still paying off or a house that you're paying a bond on? Then list this under liabilities. Put any savings you have or valuable items you own under assets.

ASSETS	LIABILITIES
What you have	What you owe

Now use the space below to start a basic budget:

Income	
Expenses	
Rent	
Car	
School fees	
Groceries	
Transport (including petrol)	
Leisure	
Other	
Total	

A BUDGET HELPS YOU TO

- 1 Live within your means so that you never spend more than you earn.
- 2 Make your money go further.
- 3 Plan for unforeseen emergencies.
- 4 Monitor your expenses and manage your debt.

STEP 2: Pay off debt

Decide what debt you're going to settle first and then look at your budget. Do you have enough income to settle your debt? If not, see where you can cut back on your spending. Let's list your debt to see what you can settle first:

GOOD DEBT	BAD DEBT (PAY THIS OFF FIRST)
Long-term debt such as a student loan, a car loan or a bond	Short-term debt such as credit cards and clothing accounts, also loans

STEP 3: Set your future financial goals

Once you have an idea of what debt you need to pay off and how much money you can save at the end of each month you can set financial goals for yourself and your family.

Goal	Cost	Number of months to save	Monthly savings	Short-term goal Medium-term goal Long-term goal

STEP 4: Keep an eye on your plan

- Constantly review your budget to make sure you're on target and living within your means.
- Check your financial goals to see if you're on track.
- Get advice on investments and savings to plan for your retirement.

Budget basics

Put these last few tips in your pocket to start reaching your financial goals:

- 1 Be disciplined and stick to your plan.
- 2 Don't spend money unless you have it.
- 3 Avoid creating so much debt that you need to borrow more money to get through the month.
- 4 Never use your house or car as security for short term debt.

You use this information at your own risk

Alexander Forbes Financial Services (PTY) Limited is a licensed financial service provider with FAIS License 1177.

Any statements or information provided in this document is for general information and educational purposes only and is not advice as contemplated in the *FAIS Act, 37 of 2002*. Alexander Forbes does its best to give you information that is current, fair and accurate, but we cannot guarantee that it is. The Alexander Forbes Group is not responsible for any loss you or anyone else may suffer if we have made a mistake or left out important information in this document. Anyone who uses this information does so at their own risk. Clients should only rely on financial and investment advice relevant to their individual circumstances from a licensed financial adviser.