

# 10 Ways to Conquer Your Finances in 2023

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**Each year always brings an opportunity for us to reflect, review and set goals for the coming years. One of the goals we should be reviewing each year is our finances. Finances are an integral part of our lives as finances play a significant part in ensuring we reach our life goals.**

**Here are 10 ways that can help you kickstart your journey to conquering your finances in 2023 and beyond.**

### **1. Establish a healthy relationship with your money**

Apart from the relationship we have with ourselves, money is the longest relationship we will have in our lives, so it is important to establish a healthy relationship with your money. Have

you ever realized how excited you get when a bank notification pops onto your phone informing you that you have received money? Or upon hearing that you are receiving a raise at work, or you're out with a friend for lunch and your friend says “lunch is on me”. Equally so, have you realized how agitated you become when debit orders hit your bank account the day after your income has just come in? Or when you suddenly have to make an unexpected payment to someone urgently? Emotions play an enormous role when managing money and this is why understanding your individual relationship with money is so important - given the important role that money plays in our lives.

The concept of money is cemented at a young age from the unique encounters and exposure we all have to money. This leads us to create certain thoughts and attitudes about money and if such thoughts and attitudes are never questioned, become beliefs.

When you were young, do you remember hearing any of these

phrases?

- The rich get richer;
- Money is evil;
- Rich people are evil;
- You have to work hard for money;
- Money does not grow on trees;
- Easy come, easy go;

Such statements remain with us throughout adulthood and at times, remain unchecked and manifest in the way we treat money. They become our invisible script and shape how we manage our money as adults. It is important to link back to your first impactful money memories and assess how such memories are impacting your life today.

### **2. Visualise and define the role money has in your life**

You must be able to define what money means to you, money means different things to every

individual, for example, R20 for

one person may buy airtime, and for another may buy bread and for another R20 may be a tip. Evaluate if money helps you to achieve your life's vision, or does it prevent you from living your dream life. Money, in its rightful place, should enable you to live the life you really want to have. Money must be enjoyed and allow us to experience life.

### **3. Write down your financial goals**

A goal is a desired outcome that would not otherwise happen without you doing anything. It is important to obtain clarity by evaluating and reflecting on your financial status before setting your financial goals because the only way you can reasonably decide what you want in the future and how you will get there is to first know where you are right now, and what your level of satisfaction is with where you are in your life. Get clear on what you want your financial life to look like and why you want your financial life to look that particular way. Create a financial vision board to assist you to be able to visualize the financial life you desire.

### **4. Normalize the money conversation**

Go on a coffee or tea date with your money and talk to yourself about money and your financial goals. Give yourself credit and motivate your inner self to believe that the power to have a healthy money mindset is within you. Start having money conversations with your family and friends and share your financial values and goals.

### **5. Have a spending plan or a budget**

A budget provides with you a snapshot of how much income you are receiving and how that income is being spent. Begin by noting your salary is after tax, then review your most recent bank statement and create a detailed list of all your expenses. A budget gives you the freedom to spend because you are telling your money where to go instead of wondering where it went. When creating a budget, it is important to ensure you eliminate all expenses that do not add any value to your life,

for example, you may have subscribed to a membership you no longer need or use, so it is always best to cancel those and direct your money to items that add value to your life. Make sure you budget for splurging on yourself, you work so hard for your money, you must be able to enjoy it! Make sure your budget covers all important insurance or life covers, which will ensure you do not go into distress when an emergency occurs. Include and invest in expenses that will help you earn passive income in the future. If you have talent, skill, or competency that needs to be invested for you to be able to grow your income base, invest in that so you can start earning multiple streams of income.

### **6. Start to Save**

Saving means setting aside a portion of your money for a future goal be it saving for a deposit for your car or home, school fees, or saving for a holiday. The money may be set aside in separate savings or call accounts. The best form of saving to always have is an emergency fund, an emergency fund is your own insurance against disaster. Covid-19 has shown us life often has its agenda and it is always good to have a fund set out of at least three to six months of income saved in a different account. An emergency fund saves you from having to access credit or selling of investments. Always make sure it is readily available because emergencies wait for no one.

### **7. Live below your means**

Living expenses must never be more than your income. Think of it this way, if you are given 5 loaves of bread and you decide to consume 7 loaves instead of 5 loaves, it means you're consuming bread that does not belong to you. If you're aware of the additional bread you are consuming through borrowing from your neighbor then that is fine. The problem comes in if you are not aware because you may find yourself consuming 10 loaves of bread within a short period. Parkinson's law says that no matter how much money people earn, they tend to spend the entire amount or sometimes even exceed income, it is impor-

tant to develop a habit of not exceeding your income and a budget is a great starting place to help you.

### **8. Start Investing**

Investing is setting aside money, and investing in a product or asset that will work for you in the future. Simply put, investing is planting a fruit garden today, allowing it to grow, and enjoying the fruits of the investment at a later stage. Investing is a great tool because it beats inflation, creates an additional income stream, and utilizes compound interest to help grow your money and make “money babies”. Before investing you must ensure you have considered the following;

- Define your investment objective, this is always linked to the why and what you want to achieve linked to the time horizon
- Establish how much money you want to put into your investments each month
- Decide what assets to buy and understand the product you buy into.
- Consider the tax implications.

Not all debt is created equally, debt that has high interest, in the long-term can drain your resources. Generally, credit cards, store cards, or any debt used for consumption debts carries high interest and if you have such debt, it is always best to start paying more than the current monthly instalments to quickly pay it off.

### **10. Get an accountability partner and seek professional help**

Dealing with your financial affairs on your own can be stressful and lonely, so tapping into the knowledge of a coach to give you an outsider’s view on your situation and how it can be improved can be helpful. Get an accountability partner, this can be a friend or family member who can keep you accountable on your financial journey. This is a great hack to help you achieve your goals,

**Remember to always partner with someone you trust.**

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