



'Treat' Yourself To A New Year's Budget

It's been a rough 2020 and you're looking forward to better times. In fact, the more you think about it, the more you want to treat yourself. You deserve it, right?

It is a good idea to treat yourself! We're not going to say it isn't. Here's no need for doom and gloom, but we will say that the biggest treat you can give yourself is a financially secure future. Some people even make saving more money one of their New Year resolutions and thankfully there are plenty of ways to help you achieve your goals.

Even if you've tried to set financial goals in the past, there's no need to give up. With the right advice you can get off to a good start.

Open A Savings Account

Saving money where and when you can is a key factor to achieve your financial goals. A good rule of thumb to try and save 10% of your total income per month. You'll be surprised how fast the money will add up.

Savings tip: Open up a special savings account. This way you'll easily track how much money is paid and you can easily see the total savings you've made.

If you find it hard to manually transfer money into a savings account, ask your boss to set aside part of your salary or wage straight into your savings account, or set an automatic payment through your bank app to transfer the money over. That way, you won't even need to remember yourself.

If you're tempted to swipe the money back over, consider taking out a special savings account with a different bank without a debit card attached to it. That way, if you're tempted to swipe the money back over, the extra steps might force you to reconsider.

What Are Your Expenses?

You'll need to take a look at your expenditure in order to know what you can save. Examine where you're spending your money and be brutally honest. Looking at your expense often highlights where you can cut back. Do you need to eat take away three nights a week? Is that designer T-shirt comparable to a non-labelled brand? You might find your everyday expenses are chipping away at your savings too much.

There will be certain outgoings that you'll need to be prepared for, such as rent, utility fees, loan repayments, fuel and fees. Once you know what you need to cover, you'll understand where you can make savings and how much you can afford to save.

Your bank app, or a budgeting app, will help you gain insights with your spending. Some apps will also allow you to create savings goals with links to your bank account to help you record your purchases in real time.

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Pro Tax Tip: Apps are a great way to keep a track of your receipts and spending for your tax. People that keep a track of their receipts and expenses as they go are more likely to get a bigger tax return. It's well worth the effort.

Review

Make a reoccurring date in your diary to check your progress. The best way to success is making sure you're on track and not overspending on expenses you never knew you had!

Your budget is a living, changing plan and keeping on top of things will help keep you on track. Reviewing your budget helps you to better manage your spending habits, increase your savings and keep you on track for your longer financial goals. Looking at your day to day savings will help you achieve your big goals. Baby steps are certainly the strongest steps.

Reviewing your bank account before you go off to the stores will help guide your spending. If you understand how much you can spend and monitor your spending as you go, you're less inclined to over spend. If you're close to your limit, you can revise your list and purchase your essentials. If you have a little breathing space, you can treat yourself. Proactively managing your money is essential to making the most out of setting and achieving a successful budget.

A Little Help from Your Friends

Success isn't always about going it alone. If you know it's hard for you to be strict with yourself, often help from a friend or family member will help keep you on the right track.

Sometimes it is difficult to budget, especially if your friends haven't prioritised the same. Letting them know about your money goals and suggesting some lower cost social alternatives to your usual outings that everyone will enjoy might also help your friend's bank accounts as well!

Stick To Your Budget

Define your 'why'. It's all well and good to examine your expenses and create a budget. After all, you might have done this to varying degrees of success in the past. It's important to keep yourself motivated and keep your excitement real. Picture yourself in your goal, whether that be a holiday, car, home or reduced financial stress. Keep in mind what motivated you to start a budget in the first place. What do you want to make happen? Dig deep and be honest with yourself.

Making your goals visual might also help. It might be enough for you to see your figure increasing in your financial app or a visual board, plane ticket, holiday brochure might be the motivation you need. Remind yourself why you're cooking at home rather than going to a restaurant. Make sure you remind yourself every day. Your budget is there for a reason.

"You are the master of your destiny. You can influence, direct and control your own environment. You can make your life what you want it to be." - Napoleon Hill

A good budget isn't about complicating your life. It's about knowing and understanding where you derive your income and where cash goes out. A new year brings a host of possibilities for everyone. What do you want to achieve in 2021? Consider your financial goals and take the right steps to achieve them.

Need a little help? ITP financial advisors have helped Australian individual and businesses reach their financial goals for fifty years. Phone 1300 136 729 and chat with a friendly financial advisor today.

ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.



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