



# Live for the moment

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# Save for the future

Want to boost your financial wellbeing without giving up completely on being spontaneous? Get on top of your finances and enjoy life more at the same time with our five-step guide to living in the moment while saving for the future.

### *Don't be a slave to your savings*

Mastering money starts with a budget and there's no doubt that feeling in control of your money is linked to your overall wellbeing. But you might be reluctant to set a budget when it makes you feel like all your money is spoken for. Life can seem very limited if you've already decided on the exact destination for each and every dollar.

So instead of becoming a slave to saving for the future, here's a five-step approach that keeps your options open for doing some spontaneous spending once in a while, without losing out on your future financial stability as a result.

#### **1. Get cash flow savvy**

Figuring out just where your money is going right now might seem like a hassle. But it's absolutely necessary if you're going to achieve your goal of saving and also spending a little just for the sake of it. Understanding your spending habits and patterns can shed some light on where you're spending more than you need to, so you can start to make better choices with your dollars in step 2.

Doing this weekly makes it much easier to take control of cash flow. A week of overspending can be balanced out quickly in the following week simply by making a few small sacrifices.

#### **2. Budget based on what matters**

Now it's crunch time for making good on those cash flow lessons you've been learning. By looking at where your money has been going, you've got the knowledge you need to stop spending on things that are less important. This frees up more dollars for your savings and what you really value.

Let's take dining out for example. If you have your heart set on an overseas holiday once a year, ask yourself if weekly restaurant meals are as important? By cooking at home for three out of every four Saturdays and saving that money towards travel instead, you're directing your budget towards what matters to you.

#### **3. Limit fixed commitments**

Having more to spend in the present also depends on limiting how much of your income is already spoken for. Mortgage and loan repayments, utility bills, insurance premiums, memberships and subscriptions are all regular payments that can add up to a big chunk of your outgoings. While some of these are essential, avoiding buying things on credit or using a loan can reduce your ongoing costs and free up money to save towards your goals or spend spontaneously.

#### 4. Automate your savings

Whether it's saving for a new car – so you won't have that long-term commitment to paying off a loan plus interest – a holiday, or just a rainy day, setting up separate accounts for these goals helps you see that you're making progress. And making automatic deposits from your income into these accounts is the ideal way to ensure you're making regular contributions towards your goals.

#### 5. Plan to spend spontaneously

As these savings balances start to grow, it can bring a sense of freedom in your current and future spending choices. Knowing your goals are getting closer allows you to spend money freely and still be financially responsible for your future. And if you want to look forward to a guilt-free splurge, think about dedicating one of your savings accounts to spontaneity. With a pot of cash on hand to spend at will, you can enjoy 'live in the moment' experiences now and again without your future goals or cash flow taking a hit.

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