



Save R10 000 in 10 months

You'll be surprised by what you can save simply by reducing those monthly outgoings

being aware of the costs. If you SMS a lot get you and your friends on to MXit. Instead of landlines use Skype," advises Preen.

Household bills can fairly easily be reduced too. "With the price of electricity these days, a lot can be saved on that bill with proper planning and maybe installing a geyser blanket."

Spend it!

So now that you've saved R10 000 what can you do with it? If you don't have a plan, R10 000 can buy you a return ticket to Thailand for R9 135* according to Flight Centre leaving on December 1 and returning 14th. It can also buy you a Sony 40-inch LCD flat screen television at retailer Game for R8 999. If you want to be kind to your husband, a new set of golf clubs will only set you back around R2 000 at Sportsman's Warehouse.

If you don't want to spend the money Preen suggests tucking it away. "I would recommend putting it into a long-term investment (at least five years) such as a unit trust after seeking guidance from a financial advisor. Or maybe look at putting it towards a solar heating system, as that can save you even more money in the long run."

The key to saving R10 000 in 10 months is to save money here and there and not cut off treats entirely. Should you slip up one month because of an unexpected expense, Preen advises not to panic. "If you start this 10-month savings plan and in one of the months you fail to reach your R1 000 target – don't throw in the towel. Pick up where you left off the next month and add an extra month to the end." 

THIS IS HOW YOU COULD SAVE R1 000 PER MONTH

- ▶ SAVING ON ELECTRICITY (AFTER INSTALLING A GEYSER BLANKET)R200
- ▶ BY REDUCING YOUR CELLPHONE CALLS.....R150
- ▶ BY REDUCING YOUR LANDLINE CALLS.....R100
- ▶ BY CUTTING BACK ON BUYING LUXURY ITEMSR500
- ▶ USING PUBLIC TRANSPORT...R100

TOTAL: R1 050

Source: www.FindanAdvisor.co.za
*Prices were correct as at 16 July 2010

Saving money is never easy. Something always needs to be replaced or someone always needs money for something. School fees are due, your husband has his eyes on a new set of golf clubs, and you need to replace your favourite stilettos because the dog has chewed them up (again).

So with all these bills, desires and debts how could you possibly save R10 000 in 10 months?

"Whether you can afford R1 000 per month or not depends entirely on your personal income and expenses at present. But many middle to upper income families should be able to cut back R1 000 somewhere. It's important to be realistic though – setting an amount that is too high will just cause the plan to fail," says Chris Preen, director of independent financial advisor directory FindanAdvisor.co.za

Where to start

A good place to start cutting down would be to reduce the amount of money you pay out on luxury goods. According to Standard Bank, South African women spend an average of R700 a month on their credit cards on luxury items such as jewellery, spas and beauty products. Cutting down on luxury goods does not mean just spending less at Nine West; luxuries also include eating out, take-aways and other non-essential purchases, points out Preen. Women can reduce the amount they spend on luxury items by around R500 a month (see table right).

Gaining momentum

Once you've cut down on the luxuries you will find it easier to curb your spending in other areas too. "Cellphone and landline usage is another place to trim expenses by