9 EASY STEPS TO FINANCIAL FREEDOM

"Financial peace isn't the acquisition of stuff. It's learning to live on less than you make, so you can give money back and have money to invest. You can't win until you do this." Dave Ramsey

Seemingly, Dave Ramsey’s recommendation involves a simple enough adjustment for some, but may prove difficult for the vast majority desiring to maintain a higher standard of living.

The time value money concept also concurs with the above as it is based on “the principle that the purchasing power of money can vary over time; money today might have a different purchasing power than money a decade later.” Keeping this precept in mind there are simple changes that one may consider to improve their financial situation which may include:

- Reduce expenses: differentiate between your needs and wants; you will be surprised how many of your needs are not needs at all.

- Create a monthly budget (excel spreadsheet if you must): knowing exactly how much you need to spend on what will allow you to make better spending decisions.

- Pay yourself first: save and build your nest egg from your salary to explore opportunities. Make it automated by using your banks direct debit or standing order facilities.
• Pay your bills automatically or as they come in: this way you won’t be tempted to spend what you should not. Any extra money you have should go into paying off debt or bills so as to reduce extensive loan charges.

• Increase income by developing a sound business idea or invest in your education to improve your career options.

• Set investment goals: research, monitor and control your investment plan to grow and maintain wealth.

• Take calculated risks: in the low-yielding interest rate environment, seek to diversify an investment portfolio to obtain higher returns.

• Ideally, a loan or credit facility’s main purpose should be to increase your earning capacity. Prioritise any debt you currently have and focus on the debt at the top, putting as much as you can into it. Once that debt is paid off that payment can then be transferred to the next debt in line, suitable savings or an investment type instrument.

• Speak to an Investment Advisor to best plan how to utilize your money for your current and future needs and goals.

Following some or even all of these steps will get you to the financial future you envision for yourself. You just have to take that first step.

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