

# SAVING FOR RETIREMENT STEP 3 CREATE A MONTHLY BUDGET



**CREATE A REALISTIC MONTHLY BUDGET AND START SAVING FOR RETIREMENT.** Keep this booklet somewhere so that you can refer to it.

In Step 3 you will create a monthly budget. A budget will help you reach the financial goals that you set for yourself in Step 1.

- In Step 2 you found out exactly where you are spending your money. You will need these figures to create your realistic monthly budget.
- A budget will help you to **change your spending habits** so that you can save money and shrink your debt.
- A budget is an empowering tool that allows you to **take charge of your money** and save for retirement and create wealth for your family and your future.

The most important thing you can do for yourself and your family is to take this journey – one step at a time.

## THINK BIG. START SMALL. ACT NOW!

# **MY DAY-TO-DAY SPENDING**

## FROM MY STEP 2 SPENDING DIARY

In Step 2, you should have kept a day-to-day Spending Diary. Add up what you spent every week and fill in the monthly amounts below.

Reduce as many of these expenses as possible, to save money. Remember, every rand helps.

	MONTHLY TOTAL	REDUCE TO	HOW MUCH DO I SAVE?	NOTES
Food / Groceries				
Entertainment				
Dining out				
Petrol				
Vehicle maintenance				
Parking				
Travel / Transport				
Home repairs				
Medical				
Beauty / Hair				
Pets / Vets				
Children's pocket money				
Clothing / Shoes				
Gifts				
Charity				
MONTHLY SAVING				

# **MY FIXED MONTHLY EXPENSES**

Identify what your fixed monthly expenses are – these are usually the things that you must pay first and must pay in full.

See where you can reduce any monthly costs to save money.

	MONTHLY TOTAL	REDUCE TO	HOW MUCH DO I SAVE?	NOTES
Bond / Rent				
Levy / Body Corporate				
Electricity				
Rates				
Water				
School fees / Tuition / Day care				
Home insurance				
Vehicle insurance				
Medical insurance				
Life insurance				
Income protection insurance				
Policies				
Loans				
Monthly banking fees				
Vehicle repayment				
Credit cards				
Store cards				
Telephone				
Cellphone				
Internet				
Memberships				
Domestic help / Garden service				
Netflix				
Security				
Donations				
Prescriptions / Medical				
Accounts				
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# **SOME COST-CUTTING IDEAS**

### Useful tips to help you reduce your spending. Remember, every little bit helps.

#### HOME

- Pay off your bond
- Reduce your electricity bill insulate your geyser, lower the temperature, insulate your roof, don't leave lights on
- Use the stove as little as possible
- Don't waste water shower, fix leaking taps
- Maintain and clean your home yourself

#### **FURNISHINGS**

- Buy second-hand if possible
- Sell what you no longer need
- Look after your possessions replace only if necessary
- Repair what you can yourself if you can't, learn
- Negotiate prices if you have to use a service

#### GARDEN

- Do the gardening yourself you will enjoy it
- Reduce pool pump usage or get rid of the pool
- Choose indigenous plants and make your own compost
- Get cuttings from friends avoid the nursery
- Grow your own veggies and herbs

#### TRANSPORT

- Drive slower and allow time for your trips
- Use a bicycle for your local errands
- Make one trip, not multiple trips plan ahead

#### PERSONAL

- Haircuts, colouring, perms what can you really afford?
- Repair your own clothes
- Are there cheaper versions of your creams and lotions?
- Club memberships reassess their value

#### HEALTH

- Stay healthy walk regularly, it's free
- Eat properly cut down on unhealthy food
- Quit smoking and set a budget for alcohol
- Ask your doctor and chemist for discounts
- Plan your doctor's visits don't rush to the doctor for every pain but also don't leave a problem until it is a crisis
  Have free preventative tests

#### **SHOPPING**

- Plan a weekly grocery budget and stick to it
- Cut down on cleaning products vinegar and water cleans windows just as well
- Plan meals
- Cut down on impulse purchases stick to your list

#### **ENTERTAINMENT**

- Gym membership do you really use it optimally?
- Cook at home more rather than eating out
- Reassess any subscriptions and services

# NEXT... STEP 4 SHRINK YOUR DEBT

In Step 4 we will help you shrink your debt. You will then be another step closer to reaching your financial goals and saving for retirement.



### ABOUT YOUR RETIREMENT FUND AND THE BENEFITS

View our online brochure with information about the Woolworths Group Retirement Fund and the benefits.

### HOW MUCH HAVE YOU SAVED IN THE FUND?

To find out what your fund credit is, log in to <u>online.alexforbes.com</u>. You will require a PIN and password. Alternatively, please visit PeopleSoft.

### THE VALUE OF GOOD ADVICE

WWW.WGRF.CO.ZA

We recommend getting financial advice from a qualified financial adviser to help you consider your options. Contact the Alexforbes Individual Advice Centre (IAC): Call **0860 100 444** or email **iac@aforbes.com** 

Fund queries: For information about the Fund, please call **021 401 9300** or email **wgrfmbrqueries@aforbes.co.za Or write to us at:** Woolworths Group Retirement Fund, PO Box 680, Cape Town 8000

