

# More about reducing expenses and managing debt



## Reducing expenses

People who have a budget and stick to it have a better chance of reaching their goals.



Get started on your budget. Register on AF Online to access this tool.



Assess your own unique circumstances with these important questions.

## Useful tips to help you pay of your debt faster

If you have a lot of debt, reducing your debt as fast as you can is a very important part of reducing your expenses. Here are some tips to help you get started:



### 1 Have a monthly budget or spending plan

Keep working at your budget – update it when you buy groceries, or when your debit orders go off. Keep track of your money to be in control of your finances. Compare your actual expenses to the list of expenses in your budget. If you're like most people, you'll find that the amount you think you spend on things is less than you actually spend or that there are quite a few expenses you forgot about.

### 2 Spend what is in your budget or less

Pay the things you need to pay when you need to pay them. In this way you know how much money you have left over and don't have to pay extra for late payment. Stick to your budget when you go shopping. Work out how much you have available to spend daily, weekly or monthly and don't spend more than this. If something unexpected happens, take a look at what expenses you can stop, reduce or delay.

### 3 Consider using cash

Sometimes paying for food and other essential items with cash is a good way to make spending feel more real if you often use a card to pay for things. Whether you pay your expenses with cash or a card, you should record all your expenses so you know where your money is going. You'll be surprised how easy it is to spend money and then forget what you spent it on!



## Useful tips to help you pay of your debt faster

### 4 Reduce unnecessary spending

If you don't need it, don't buy it. For example, take sandwiches to work or make a cup of coffee instead of buying one.

### 5 Pay off your shopping accounts

Avoid using loans to buy day-to-day items like clothes.

### 6 Avoid debt

Sometimes it makes sense to borrow money, but usually it's better to use money you have to buy things. Find out more about good debt and bad debt here. [Read more about good debt and bad debt here.](#)

### 7 If you're struggling to pay your debt, be proactive

Avoid ignoring the situation. Creditors (people or companies you owe money to) will be more understanding if they see you have a plan to get out of debt, rather than ignoring the problem.

### 8 Pay off expensive debt first, especially credit cards.

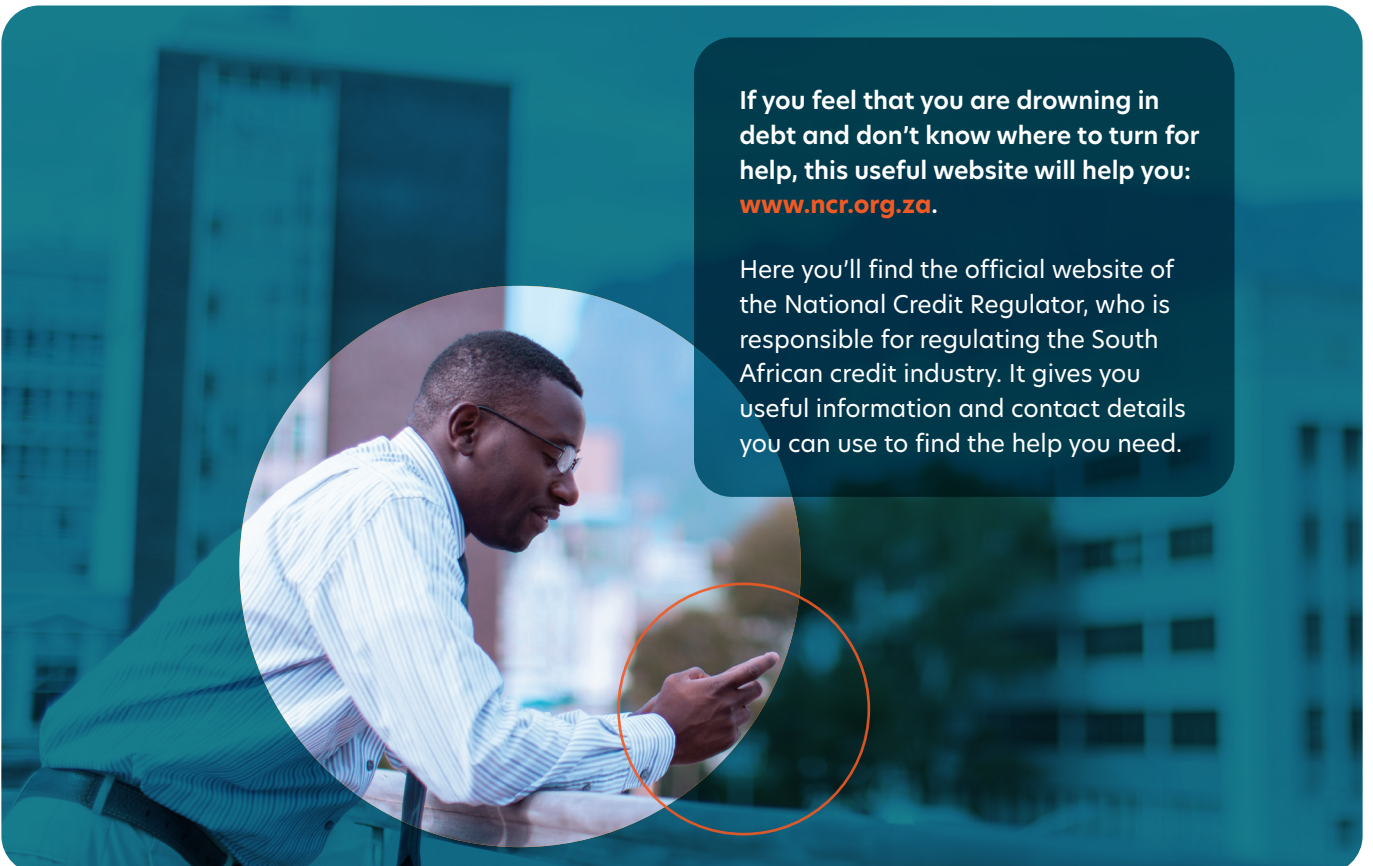
Your most expensive debt is the debt with the highest interest rate. Repay this debt as quickly as you can. Pay a bit more than the minimum repayment amount and you'll soon see the amount you owe getting smaller.

### 9 Do not gamble in the hope of winning to put money into your debts.

This will not work and will lead to financial distress and many other problems.

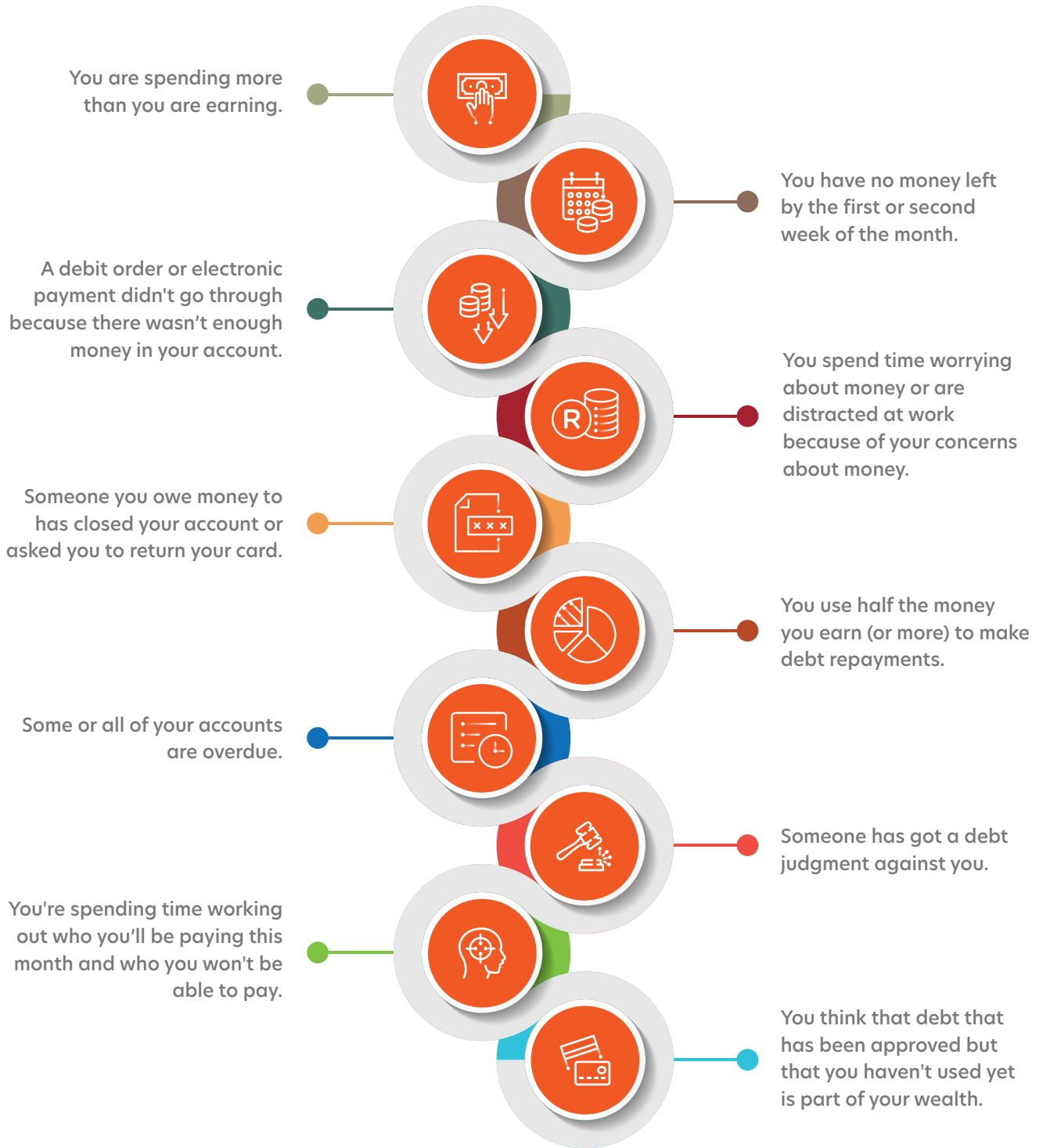
If you feel that you are drowning in debt and don't know where to turn for help, this useful website will help you: [www.ncr.org.za](http://www.ncr.org.za).

Here you'll find the official website of the National Credit Regulator, who is responsible for regulating the South African credit industry. It gives you useful information and contact details you can use to find the help you need.



# How do you know if you're struggling financially?

The more yes's you have, the more you're likely to be struggling.



Get help understanding your retirement saving options or making a financial decision based on your personal circumstances (advice)

**My Money Matters Centre**

Telephone: 0860 000 381 • Email: [mymoneymatters@alexforbes.com](mailto:mymoneymatters@alexforbes.com)