

Managing your money



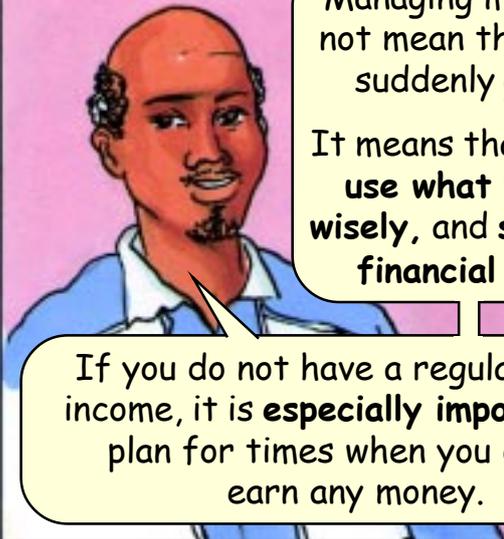
This book explains how to manage *your* money

**Do you have a pension or a grant?
You can manage your money better.**

**Do you have a low-paying job?
You can manage your money better.**

**Do you get only piece work?
Then you are earning money.
You, too, can manage your money better.**

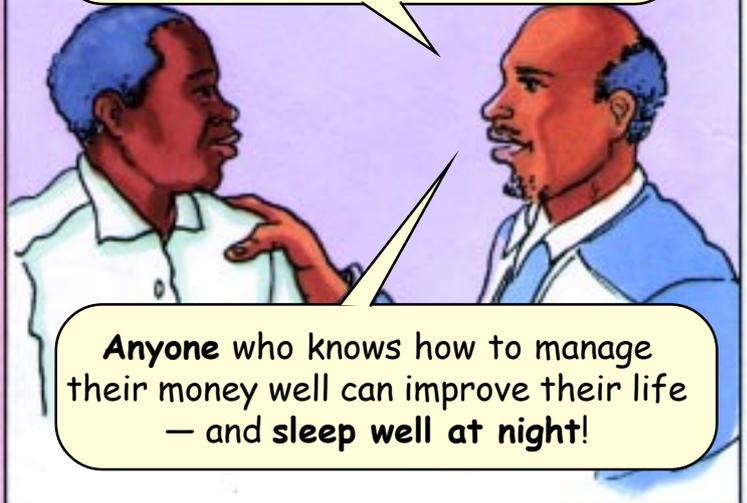
Managing money is a skill that you can learn.



Managing money does not mean that you will suddenly get rich. It means that you **plan, use what you have wisely, and stay out of financial trouble!**

If you do not have a regular, fixed income, it is **especially important** to plan for times when you do not earn any money.

Rich people who do not manage their money have financial problems just like anyone else.



Anyone who knows how to manage their money well can improve their life — and **sleep well at night!**

We can all have a better life if we:

- think about what we are doing
- identify the things we are doing wrong, and
- take steps to change our behaviour.



Even me?

Yes. Even you.

Whether you are 16 years old, or 35 or 60, there are small, easy things you can learn to help you manage your life and your money better.

Vicky's Story

Read how one young woman found out about managing her money.

Vicky earns R1 100 a month. She is a single parent with a three-year-old child. She rents a room in a house. She shares electricity costs and buys her own groceries.





Nice suit, Vicky!
You look good!

I feel so good. This
account is
wonderful!



Next month ...

I owe R600! But I only
have to pay R60 this
month. That's nothing.



This is a bargain.
I'll buy it.

Now I'm hungry.
Take-aways for me.



That weekend ...

Hey, Vicky!
Come and see
our new
bedroom suite.



All my friends have
bedroom suites. I
need one, too. Lulu
only has to pay R110
a month.



I'll take that one!

Accounts, I love you!
R110 a month is nothing.



Vicky, there's a party at my
cousin's place in Queenstown. Let's
go for the weekend.

Sure!

**Transport:
R25**

**Food for the
weekend: R50**

**Gift for cousins:
R20**



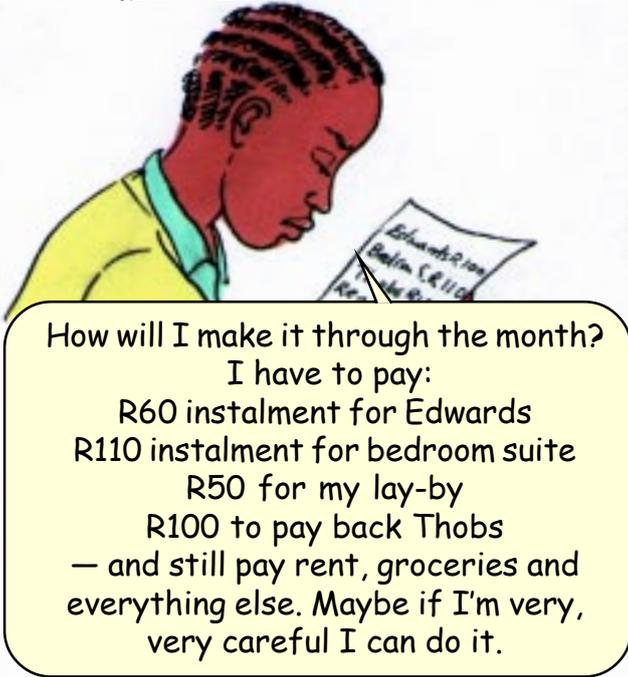
I can just
make it.

An unexpected expense can get you into trouble. Do you really need it? Can you afford it? How much money will you have left?

Back at home ...



Next month ...



Then ...



Now Vicky is in real trouble!

Does Vicky sound like anyone that you know?
Many of us are a lot like Vicky.

We want to do the best for our children.
We want to look attractive and fashionable.

We have to make financial decisions all on our own. We have no one to advise us.

We try to do a lot with our money — sometimes too much!



Why is Vicky in trouble?



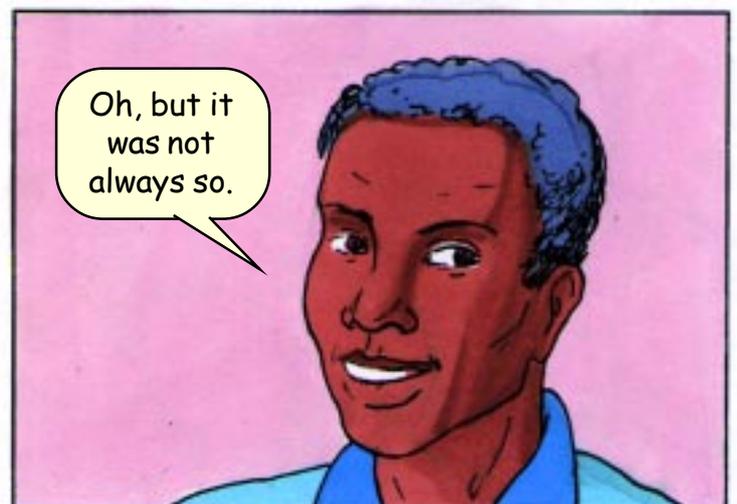
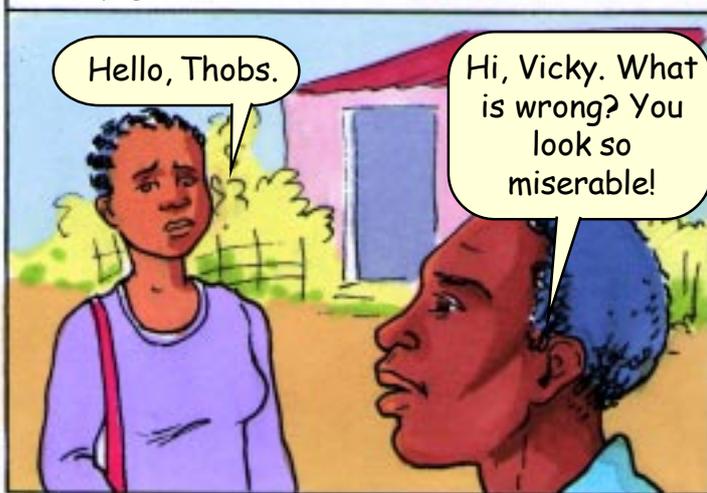
- She spent money without thinking.
- She opened too many accounts.
- She left expenses unpaid.
- She did not think about the future.
- She did not have any savings.
- She did not plan.

What can Vicky do?

A good place to start is to **share her problem** with someone she **trusts** — someone who is **managing** his or her life **well**, someone who can give her **advice**!



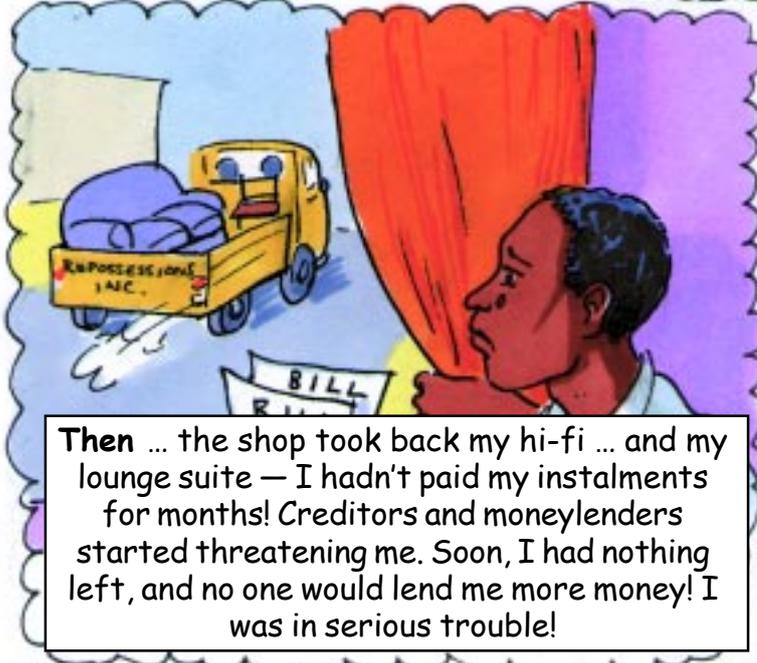
Vicky goes to see her friend Thobs ...





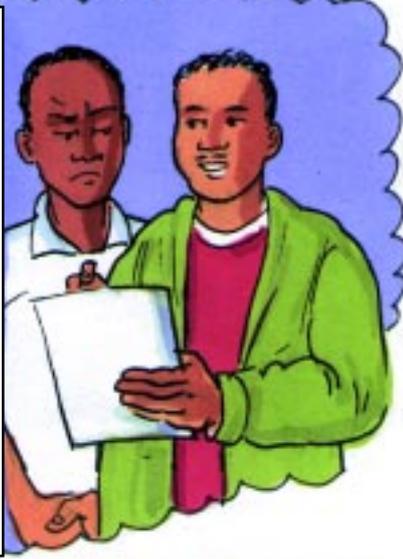
A few years ago, everyone admired and envied me.

I bought whatever I wanted. When I ran out of money, I borrowed and gambled. I felt great and I believed I had it made!



Then ... the shop took back my hi-fi ... and my lounge suite — I hadn't paid my instalments for months! Creditors and moneylenders started threatening me. Soon, I had nothing left, and no one would lend me more money! I was in serious trouble!

That's when my friend Malose stepped in. Together, we made a plan to pay off my debts and start again. He showed me how to manage my money — how to budget and plan. And that's how I got where I am today.



Budget — what does that mean?

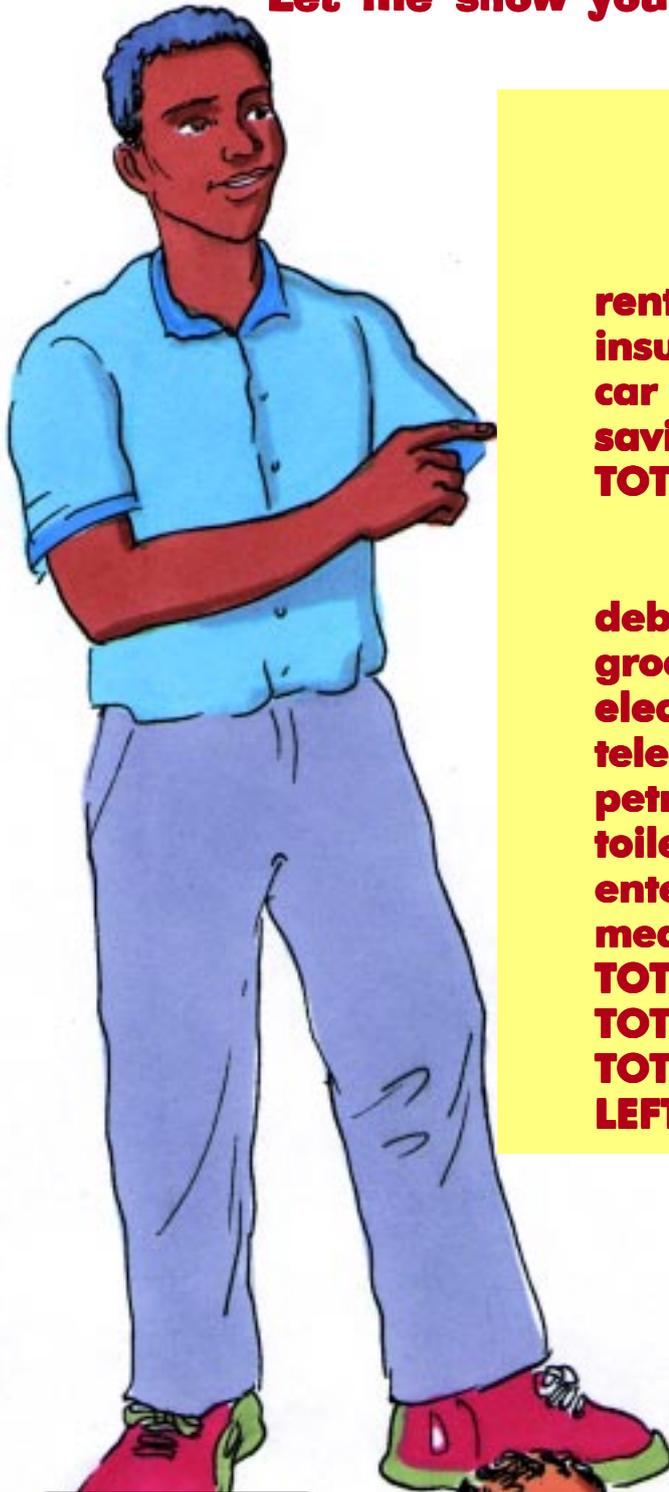
Budget means plan. A budget is a plan for how to use your money.

Many of us get into financial trouble because we do not budget. When you budget, you write down a plan for your money for each month. If you don't have a regular or fixed income, you need to plan for when you do not earn anything. When you have a plan, and stick to it, you are in control.



When you budget, you spend your money more wisely. You cover all your basic needs and you seldom have to borrow. You may even have enough money left over to save!

Let me show you my budget for last month ...



Thobelo's Budget

FIXED COSTS

rent	R350
insurance policy	R 50
car repayment	R100
savings	<u>R 50</u>
TOTAL FIXED COSTS	R550

CHANGING COSTS

debt: furniture shop	R100
groceries	R260
electricity	R 60
telephone	R 60
petrol/repairs	R100
toiletries	R 60
entertainment	R 60
medicine	<u>R 40</u>
TOTAL CHANGING COSTS	R740
TOTAL COSTS	R1 290
TOTAL INCOME	<u>R1 450</u>
LEFT TO SPEND OR SAVE	R160

I can't do that!
I wouldn't even know where to start!

Making a budget may look difficult, but it is just a skill. Let me explain and show you how it works.

Find out about Fixed Costs and Changing (Variable) Costs on pages 12 and 13.