



Are you a successful saver? Try our six saving tips!

Research¹ shows about 57% of Australian adults are savers although only 16% of those manage to save quite easily.

When many of us feel burdened by the mere cost of 'living' it is often difficult to establish a savings plan. However, creating a savings habit can play an important role in our ultimate financial future.

So what are some of the key tips for becoming a successful saver?

We often convince ourselves to spend money on things we simply don't need. Becoming a good saver is a game of psychology – it requires awareness of the unconscious triggers that prevent us from keeping our money in the bank.

Creating certain habits can help combat the impulsive and seemingly innocuous behaviours that cause us to overspend.

We encourage you and your family to try our six tips:

1. Aim to be above average! Firstly you need a savings goal!

What are you saving for? Having a specific goal helps you stay more focused on the path to getting there. However...

A goal without a plan is just a wish!

Research² shows the average Australian saves \$427 per month with the national average about 12% of disposable income. If you're not already doing so think about how you could live with \$400-\$500 less per month to become at least the average?

2. You need a budget

Creating a budget and deciding how much needs to be allocated to savings can change the way you view the money you have available to spend.

When you evaluate how much money you have ALLOWED yourself to spend on items you treated nonchalantly you'll possibly reconsider a lot of purchases you previously thought were necessary.

3. Automate!

Find ways to automate as many transactions as possible including direct deposits, automatic transfers from one account to another and automatic bill pay.

By creating automatic transactions you relieve the burden of making sure regular payments happen each month and you're less likely to break the saving habits you created when you formulated your budget.

4. Set incremental savings goals...

Decide some savings goals that are both short and long term. Without goals it becomes easier to lose interest and fall back into bad spending habits.

Like most tasks, the immediate excitement of starting a new project can quickly become mundane without motivation. Keep yourself inspired with smaller milestone goals so you can celebrate with a small reward as you tick off each one.

5. Focus on gains - not losses

Seeing your savings grow can often lead to more happiness. Believe it or not, many people find as much pleasure from saving as spending money! It can dramatically change the way you perceive your finances.

However, when you're saving and money is tight it CAN lead to frustration when you see an item you'd really love. You may find yourself questioning the value of saving when an item that will 'make you happy' is right there!

Avoid viewing your inability to purchase a flashy new item as a loss. Do you REALLY need it or is your money better off in the bank?

6. Avoid impulse buying!

Always prepare a shopping list and STICK TO IT. You might do this for groceries but you should apply the same principle to every shopping outing.

Most shop layouts are created to maximise impulse buying. Creating a list

of the items you need avoids the aimless wandering that may see you purchasing unnecessarily.

Try to use cash and NOT credit cards. It is well documented that we tend to spend less when we have to hand over cash instead of swiping a card.

When we calculate how much we have to spend beforehand we are more likely to stick to our limit.

Developing achievable saving and spending habits will see you more ready to combat almost any impulse spending you may have. Those who have been around a while will tell you... ultimately, immediate gratification is never as satisfying as the longer term realisation of your goals.

1. MoneySmart brand tracking program, Sweeney

Research January 2014

2. suncorp.com.au

If you know people in your life who you would like to encourage to save more, feel free to contact the office for a copy of this article for you to send to them. Good luck with your savings goals this year.