

Spending patterns

Hello fellow students My name is Keitumetse Molete a Masters psychology student, and on this episode, we are going to talk about student's spending patterns and some useful tips on how to spend your MOOLA, or what you also known as ZAKA, MACHANKURA, NYOKO, wisely.

Here's a fun question. Are you aware of your spending patterns....??? (Cricket sound)

A recent survey that was conducted stated that most students worry about money (Adlin & Gomathi, 2021). The majority of students are struggling to make ends meet or live on a tight month-to-month budget. It is even more unsettling to realise how financial stress impacts their day to day lives. As a direct consequence of this, some students have reported having mental health problems (House, 2020).

AND

On today's episode I am going to share with you 7 useful tips and tricks on how you can break bad spending habits, so that you can use your money wisely!

I came across a quote by the late James W. Frick. who was known for giving great financial advice, and it says, "Don't tell me where your priorities are, show me where you spend your money and I'll tell you what they are."

Tip number 1

Pay in cash

Paying in cash is one of the ways to curb your spending, giving out your hard cash is a lot harder than swiping your card, cards make it too easy to spend money.

Tip number 2

Know why you are overspending

One of the reasons why we overspend is because we don't think ahead, we only think about the here and now, not having a clue to what tomorrow might look like, sometimes you are an impulse buyer, or you haven't created a realistic budget. Once you know why you're overspending then you can break the habit. Do you know how much cash leaves your wallet everyday/ every week? Let's do a little activity, calculate how much you spend on average everyday and lets times that by the 30 days. Are you happy with your calculation? (Mhmmmm). I'll leave you to do some reflection on that.

Tip number 3

Set goals for yourself

If you see something that is not a need or an essential like those beautiful new range of Jordan sneakers or the coolest backpack. challenge yourself by applying a bit of a delayed gratification and wait until the following month. Doing this will encourage you not to spend money frivolously.

Tip number 4

Set up a savings habit

Set up a savings account or use other creative ideas of saving money to avoid bank charges, these can be a homemade piggy bank using 2-liter cool drink or money box. What is interesting about these ideas is that you can save any amount ranging from your coins or your MADIBAS (bank notes). The principle here is to ensure that you don't touch the money unless it's for emergencies. it is not about how much you save, attaining good spending habits doesn't have to be hard, all you need is a lot of confidence in yourself, that you can truly reduce how much you can spend.

Tip number 5

Make a budget,

It's easy to shop till you drop when you are not aware of how much you have and how much you are spending. Drafting a budget can force you to be realistic about what you can afford. You might just be surprised at how much you spend on takeaways. If you do not know where your money is going, you will not be able to exercise any control over it.

Tip number 6

Create a shopping list

Also make use of a shopping list when you are out shopping, this will help you to stay within your budget and keep you from spending on any unplanned purchases.

Tip number 7

Draft a meal plan

Adopt the habit of developing 3–5-day meal plan, a good deal of money is spent on meals, from eating out to groceries, one smart money move would be to track your food expenses. Meal planning helps keep groceries at a minimum, not only will you save your KATCHING (money) buuuuuutttt you will also save a great deal of time which you can then use for

studying (click click). In addition to this, pack a SKAFTIN (lunchbox) to campus so you can minimize spending money on ridiculously expensive take aways.

I know old habits die hard but I really hope that these tips and tricks will help you to adopt healthy spending habits, HAPPY SAVING

How to compile a budget:

Now that Keitu has taken us through our spending patterns, we have learned when, how and why we spend our money the way we do; I would like to offer information to help us set up a budget that works for us!

We all know that feeling on month end, right? (Whole lot of money sound bite by BIA) Balling out of control? Bank account is heavier as if borderline poverty wasn't knocking at your door a few hours earlier? As if you weren't having sleep and regret for dinner the night before: sounds familiar. Well, that doesn't have to be your default setting month by month. A good budget plan may not fix all your money issues, but it can start alleviating some of the anxiety that come with month end resources depleting faster than it comes in.

I will be sharing five steps in how to put together a budget and the 50/30/20 rule that comes with it!

1) Calculate your net income:

It's time to bust out those dusty calculators you haven't used since matric. We will look at how much money you receive on a monthly basis. Could come from your bursary, your part-time job, or perhaps parent allowance.

Add this up, focusing on the sources that are sure and fixed, not those such as money promised. by your uncle monthly, but only sent once.

2) List your monthly expenses

It is important that you know exactly where your money goes. Write it all out. Should that be hard to keep track of, get your monthly bank statement from your bank's phone app or ATM. This may cost you an additional R50 depending on the bank you use.

3) Organize expenses into fixed and variable categories

Next you will need to categorize each of the items on your expenses list into either fixed or variable items.

- Fixed expenses speak to things that are non-negotiables (**needs**), essentials you cannot go without for example your rent, electricity, and groceries.
- Variable expenses speak to things not essential for student survival (**wants**), for example streaming platforms, gym membership, hobbies such as photography, painting, playing basketball or soccer, mini-golf, shopping and eating out.

4) Determine your average monthly cost for each expense

This speaks to working out an average amount on both your fixed category items and variable category. Once these amounts are clear, add these two averages rounding off the number. Add room for unexpected expenses.

5) Make adjustments

- This is not set in stone, review what works and what doesn't after two or three months.
- If your income does not match your outcome, adjust as you go: perhaps acquire a new source of income, cut down on variable category expenses, use coupon and promotion codes and rewards cards when shopping.

Remember the 50/30/20 rule we mentioned before?

In all your budgeting endeavors consider this, allocate 50% of your income to the fixed categories (needs), 30% to the variable categories (wants) and 20% on savings and the unexpected expenses.

I hope these tips help you get your budgeting in formation!

Remember, this isn't a one size fits all, adjust and tweak as it fits you.