



The Beginners Guide to Money Saving

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Saving money: everyone tells you you should. It is a simple enough concept – put aside some money for a rainy day. But saving money is much more than just keeping aside a portion of your income. We at SaveMoney believe that there are many ways to save money. Admittedly, it takes a bit more effort but if it means you could save more to spend on the things that matter to you; and to keep you comfortable in lean times – mayhap it's worth the effort.

If you're a beginner saver; here are some basic ways to save!

The Basic Start

These are the quintessential steps – the foundation for the other money saving steps that follow!

Make a Budget

This is as important as can be. In order to save money, you need to know how much income and expenditures you're working with. Budgeting for each person can be very different – as apart from a few fixed items across the board; there will be many variables. Your budget has to work for you – and thus why template budgets shouldn't be used as the gospel truth but merely a guide to tweak.

Save a portion of your salary

Many money guides tell you to save 10% of your salary as if the number is written in stone. It isn't. If you save 10% of your salary but have too many commitments; you may end up using your credit card to





remedy the shortfall or even worse; get tired of budgeting altogether and quit. The key is to design your savings plan according to you and this is best done AFTER you've done your budget with your receivables and payables. The only absolute rule: you have to save something! The number or percentage, is based on your situation.

Organise your savings

You should essentially have savings for emergencies, retirement and other little luxuries like a vacation or big ticket item. Compartmentalising your savings helps you to know how much you have available for each. If an emergency requires more; you can always dip in the other pots but try not to do it the other way around.

Treat yourself once in a while

The fastest way to neglecting your savings or feeling dejected about even starting is by being too hard on yourself. The feeling of deprivation is likely to push most over the edge and they end up binge spending.

Money Saving Motivation

For those who are natural 'savers'; it won't be much of a problem keeping with the saving regime but for those with a

tendency to 'stray' from budget; saving can be pretty painful. Here are some ways to motivate you to save.

Get a loved one involved

For some, the competition of aligned goals with others could spur them to do better. Perhaps you could get a sibling or a friend to start a money saving 'pact'. You may be more motivated to save.

Set bite-sized goals

Set realistic, bite-sized goals that when achieved; give you the motivation you need to go on. Big, hard to reach goals may tire you out and cause you to fall off the wagon.

Reward yourself when you meet a longer term goal

Have you saved your first RM1,000? Why not treat yourself to something nice. No, of course don't use the RM1,000 you just saved! Everyone likes being rewarded – when you do this; you feel your saving isn't so much a burden.

Tools to aid saving

Besides having an accounts book for your budget and a handy calculator; what else could help you on your saving journey?

A high-yield savings account (with NO ATM card!)

A savings account with a good interest rate could see your savings grow without you lifting a finger! The lack of an ATM just makes it that much harder for you to renege on your savings promises.

A good insurance policy

A good insurance policy means you are less likely to have to dip into your savings for those unexpected calamities. However,

do proceed with caution. Many people buy more insurance than they really need out of fear. Don't let fear be your driving force but sensible necessity.

A financial planner

Only if you can afford one and once you've racked up a healthy savings balance; a financial planner can help you make the most of your savings through investments and help you plug leaks.

* Balkish Rosly is a Senior Writer at SaveMoney.my, an online consumer advice portal which aims to help Malaysians save money through smart (and most of the time painless) savings in their daily banking, technology, and lifestyle spending habits.

