



Financially **SMART**

**GOOD FINANCIAL HABITS:
BE IN CONTROL OF YOUR FINANCES**



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Words and meanings ●

Budget

A plan that details how you are going to spend your income.

Income

Money that you get. For example, your salary, grant money, pocket money, overtime income, etc.

Expense

An expense is something that you have to pay for.

Goals

A goal is something that you want to achieve in the future.

Action plan

An action plan is a series of steps that will allow you to reach your goal.

Dependants

People that you take care of financially.

Am I in control of my finances? ●

Go through this checklist and tick yes or no for each point.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. I have a clear picture of my financial situation | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. I have financial goals | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. I know my income and expenses | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. I know the benefits I receive from work | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. I am protected against unplanned or unexpected financial situations | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. My dependents are taken care of should something happen to me | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. I have an authorised financial advisor | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. I have a retirement plan | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. I have an education policy for my children | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. I understand the tax implications on my savings | <input type="checkbox"/> | <input type="checkbox"/> |



How to be in control of your finances ●



How to improve the way you spend and save.

Start with the basics.

- Know what money is coming in and going out
- Always keep to a budget
- Reduce and avoid debt
- Start to save
- Have financial goals

Setting my financial goals ●

"It's easy to set goals. Use whatever way works for you. Here is one way of setting goals."

STEP 1

Write down your goals.

STEP 2

Specify your goals using the SMART format.

- Specific:** Make each goal clear and specific
- Measurable:** Specify each goal with a rand value so that you will know when you have achieved it
- Achievable:** You must set goals that you are able to reach
- Realistic:** A goal must be relevant and realistic
- Time-based:** Attach a timeframe to your goals so that you can track your progress and achievements

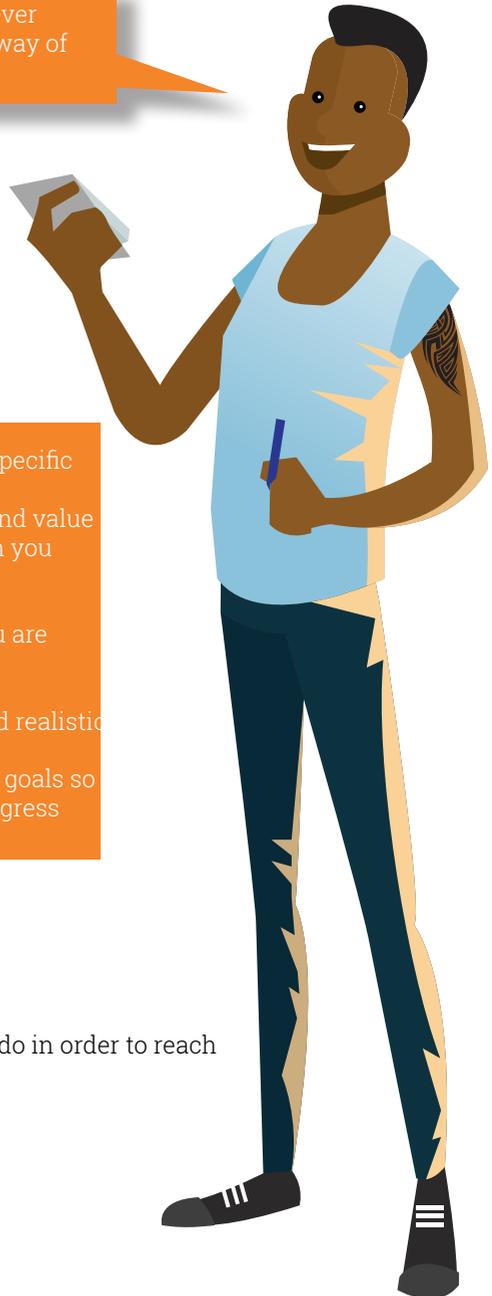
STEP 3

Action plan

Write down a list of actions that you need to do in order to reach your goals.

STEP 4

Regularly review your goals and progress.



Helping you on your way ●

Rate each financial goal based on how important it is to you (1 = not at all important and 5 = very important)

Paying off debt, e.g. home loan	1	2	3	4	5
Control spending	1	2	3	4	5
Saving for education	1	2	3	4	5
Saving for retirement	1	2	3	4	5
Understanding my investments	1	2	3	4	5
Knowing I have the right investments for all my life stages	1	2	3	4	5
Active involvement in managing my investments	1	2	3	4	5
Looking for ways to make the most of tax advantages and benefits offered	1	2	3	4	5
Being able to retire at the age of _____	1	2	3	4	5
Providing a comfortable lifestyle for my family in the event of my death	1	2	3	4	5
Creating an estate for my remaining dependants	1	2	3	4	5

"Everybody's financial goals will be different depending on their life experiences".



My goals ●

Now write down your own financial goals

Goals for 1 month – e.g. Identify all income and expenditure for the month by 10th May

Goals for 6 months – e.g. Pay off clothing account by 27th April

Goals for 1 year – e.g. Save to go home by 23rd Feb

Goals for 5 years – e.g. Start my retirement plan by 25th Aug

Goal	Action steps	Review date	Progress
Example: Save R30,000 to attend the soccer world cup in 2022 by saving R625 per month	Reduce spending by R100	1st July	
	Take lunch to work		
	Make calls after 8pm		
	Socialise at home		

Questions

&

Answers

1. Why must I plan my personal finance?

Personal financial planning helps you to manage your financial life by looking at the best ways to save, spend and invest your money to reach your goals.

2. Why do I need financial goals?

Setting and achieving meaningful financial goals will lead you to financial freedom, free from worry and stress about money.

3. Why is an action plan important?

It will break down your financial goals into smaller and easier steps. This will help you to stay focused on achieving your goal.

4. What do I do once I have set my financial goals?

Create a budget.
Have a look at the "How to budget" booklet for more information.

Notes ●

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Be in control of your finances Booklet



The purpose of this booklet is to help you to get control of your finances by setting goals and making a plan to reach them.



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FSCA Contact Details

Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, Extension 6, 0181, Pretoria, South Africa | 012 428 8000 | Share call number: 0800 20 FSCA (3722) | info@fsc.co.za | www.fsc.co.za