

**THE
FINANCIAL
EXPERT**

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**FINANCIAL
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A GUIDE FOR MONEY SAVING TIPS

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A GUIDE FOR MONEY SAVING TIPS

STEPS TO BECOMING FINANCIALLY SAVVY

The cost-of-living crisis has impacted almost every aspect of our lives reaching out into our homes, cars, social lives, supermarket shopping, holidaying, and way beyond.

Not only does inflationary pressure impact and take a toll on our financial well-being, but if left ignored, can cause severe emotional stress. Getting financially savvy through carefully managing your outgoings and monthly budget, can help you take control of your finances, ease financial pressure and set a life template for a peace of mind financial existence.

A woman with blonde hair, wearing a beige cardigan, is sitting at a dark table and smiling while looking at a laptop. A young girl with blonde hair, wearing a teal sweater, is sitting next to her, holding a pink piggy bank. On the table, there are some coins and a notebook. The background is a large window with a view of green trees.

Ease financial pressure and set a life template for a peace of mind financial existence.

50/30/20 RULE

The 50/30/20 rule is an easy budgeting method that can help you to manage your money simply. The concept of how this rule works is to divide your monthly after-tax income into three spending categories: 50% for needs, 30% for wants and 20% for savings or paying off debt.

What are needs?

Needs are expenses which you can't avoid. These needs are payments for all of the essentials in your life that would be difficult to live without.

Examples of needs are:

- Mortgage/ Rent
- Electricity and Gas bill
- Insurances
- Transportation
- Groceries



FACT FILE

By keeping your expenses balanced across these main spending areas, you can put your money to work better. This budget may differ from one person to another. If you find that your needs add up to much more than 50% of your take-home income, you should adjust accordingly.

What are Wants?

Wants are defined as non-essential expenses that you choose to spend your money on, although you could live without them.

Examples of wants are:

- Dining out
- Clothes shopping
- Holidays
- Entertainment & subscriptions

Savings

With 50% of your monthly income going to your needs, 30% allocated to your wants, the remaining 20% can be put towards achieving your savings goals or paying back any outstanding debts. Consistently putting 20% aside from your pay each month can help you build a better savings plan.

Examples of Savings:

- Emergency Fund
- Long Term Personal Financial Plan
- Down Payment on a house

FACT FILE

It is important to know the difference between needs and wants, this will help you identify where you can save money.

FACT FILE

Saving can also be for a goal you have in mind like a wedding, a new home, new car, or the holiday of a lifetime. The idea of saving 20% of your take home income may sound high, it is best to remember to pay yourself first. Saving at the start of the month and not at the end will result in more consistent saving over time.

Look at all of your subscriptions and cancel any you don't use or need. Shop around for gas and electricity providers that offer cheaper rates and look into different TV or mobile network providers.

EMERGENCY FUND

What is an Emergency Fund?

An emergency fund is a financial safety net that protects you from life's unexpected expenditure events and 'bumps'. Instead of having to rely on your bank account's overdraft or having to borrow money to help you out of a crisis, you can dip into this emergency fund without worrying about the knock-on effect of the rest of your finances.

FACT FILE

An emergency fund should include around three to six months' worth of your fixed monthly living expenses (including rent, insurance fees, gas, and electricity bills).

What Scenario Requires an Emergency Fund?

An emergency fund should be used when something truly unexpected happens in you or your family's life which needs your urgent attention, which you have no choice but to pay for. Examples of situations for use of an emergency fund:

- If you were to unexpectedly lose your job and lose your source of income
- If you need to pay for sudden medical expenses
- If the economy goes into a recession and you lose a significant amount of income
- If you suddenly have to relocate to look after an ill relative

Emergency Fund Calculator:

If you feel like you are struggling to work out how much to set aside for your emergency savings, it might be worth considering using an emergency fund calculator.

The CCPC provides a budget planning calculator which can be found through the link below:

<https://www.ccpc.ie/consumers/money-tools/budget-planner/>

BASIC MONEY SAVING TIPS

1. Setting up a savings account:

This is a separate account to your current account, so you are not tempted to spend it. Setting up a direct debit to transfer a percentage of your income into the savings account each month.

2. Making a Budget:

It is difficult to know how much you could save without knowing how much you are spending. Creating a budget may not be the most exciting task in the world but it will be worth it.

3. Avoid Credit Cards:

If you are not able to pay off the balance in full each month the interest rates are usually very high. If you can only afford small repayments, then your debt will continue to grow. It can be difficult to get out of this cycle.

4. Avoid Contactless Payments and Use Cash:

Contactless payment is easy and convenient. Although, it can be difficult to see where your money is going. Think about reverting back to cash for a few weeks to truly get a sense of how you are spending money.

5. Know What you Earn After Tax:

Being aware of how much you earn each month once taxes have been removed, it will help you know exactly where you stand with your net monthly income. Simply by checking your payslip and seeing how much is deposited into your account, it will help empower you on being up to date on your income.

6. Reduce Monthly Bills

It is always recommended to regularly review your monthly expenses as a means of controlling your regular spend. Look at all of regular subscriptions and cancel any you don't use or need. Shop around for gas, electricity and utility providers that offer cheaper rates, and look into different TV or mobile network providers.



WHAT IS A FINANCIAL BROKER?

Clear. Concise. Professional Advice

When it comes to navigating your finances, expert advice is always on hand through your local Financial Broker. Whether it's budgeting, saving plans, pensions, protection for unexpected events or investing, your local Financial Broker will be happy to offer you professional advice and guidance.

Financial Brokers are experts on financial planning matters and work on your behalf giving you a choice of products and providers from across the market. A Financial Broker will work with you to understand your financial goals and helps you create a plan to meet your personal finance objectives. Their services can include: personal financial planning, life cover, serious illness cover, income protection, health insurance, savings, investments, pensions, retirement planning, business financial planning, inheritance tax planning, mortgages.

Why would I need to use a Financial Broker?

Your Financial Broker will be able to explain the choices available to you in simple language allowing you to make an informed decision.

Financial Brokers are experts on financial planning matters and work on your behalf giving you a choice of products and providers from across the market.

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