



Although the Covid pandemic is firmly in our rearview mirrors, many people are still faced with the challenges of salary cuts, job losses and losing their houses and financial stability. The last couple of years have been a time of reevaluating and restructuring, and possibly even restarting.

It might be time for tightening belts, readjusting budgets, and reviewing financial plans. Here are some tips on saving some money.

#### **Budgeting:**

It is crucial to know how much money you need to fund your lifestyle, so that you can determine where you can save money. Write down every expense you can think of, be they monthly, yearly or once off. Looking back through your bank statements can help. Also write down any and all income. Now is the time to differentiate between a need and a want. Ask yourself, can I do without this? If your expenses happen to be higher than your income, you will need to cut down somewhere. There are budgeting tools, such as apps and spreadsheets, available for free on the internet.

#### **Entertainment:**

Many households came to rely on their televisions to keep them informed, and also sane during the pandemic period. Consider your options with your television subscription services - there are ways to keep the price down. There is the option for paying upfront for 11 months and getting the 12<sup>th</sup> month free. If you really need to make savings, consider downgrading your package from a premium offering to a more affordable package.

Alternative streaming subscription services have a great selection of entertainment, at very reasonable monthly prices.

**Electricity:**

Substantial cost cutting can be made on the household electricity bill. Switching off the geyser during the times that it won't be needed. Reducing the time that the pool pump is on. Ensuring that lights are turned off when a room is unoccupied. Making sure that windows are closed in the late afternoon to keep the day's heat inside the house reduces heating bills.

**Water:**

If you have a sprinkler system installed, consider reducing the watering time of each zone. Save grey water (the water from the clothes washing machine, and bathing and showering) and use that water for flushing the toilet or watering the garden. When you are waiting for the shower water to heat up, catch the cold water in a bucket and use it elsewhere.

**Shopping:**

Food shopping: consider cooking at home rather than eating out or ordering take aways. Not only is this cheaper, but it is also more nutritious. Consider buying food in bulk – this is a much cheaper option, so long as you make sure that you don't let the food go to waste. Buying and preparing food in bulk and freezing it for later consumption is a good option. Consider buying from local farmer's markets and direct from the farmer/supplier, quite often the food is much cheaper and fresh produce is much fresher. Stick to a shopping list to avoid impulse shopping, and never go food shopping when you are hungry! Avoid ordering take-out as it is an expensive way of dining. If you must, treat yourself to take-out once a week or once a month.

Buying goods online is also often a cheaper alternative. There still may be some end-of-season sales where bargains may be found. Shop around online for bargains, rather than using your car unnecessarily. Check out loyalty cards issued by stores – many retailers have loyalty cards that offer instant discount vouchers. But be careful that loyalty schemes don't cost you money, ideally a loyalty scheme shouldn't come at a cost.

**Banking:**

Investigate your bank fees. Ensure that you are not paying for services that you don't use. Consider moving banks to get better deals on bank fees. Does your bank charge you ATM fees when you use an ATM outside of their network? Make sure that your credit card is paid on time to avoid unnecessary interest charges. Ensure that you are paying off the minimum on in-store cards, and try, if possible, to pay them off as soon as possible as this will ensure you save on the additional interest they may charge. If you can't pay the minimum, contact the store and negotiate with them, as many retailers offer some relief to cardholders. Where possible, pay cash for purchases rather than using store cards which have high interest rates. If you can, put a little bit extra into your bond payments every month to reduce the length of the bond.

**Renegotiating Debt:**

Most financial institutions as well as debtors are aware that many are feeling the pinch financially. If you have a bond, go to the bank and find out what your payment options are. Is it possible to formally delay payment without significant penalties while you reassess your financial situation? Is it possible to reduce bond repayments and extend the bond? If you have other debt try to renegotiate or delay payment terms formally depending on the options available to you. This is a short-term solution, until you can get back on your feet.

**Buying/selling/donating unused goods:**

Go through your house and see if there are unused goods that you could advertise online or take to Cash Converters to get a little bit of extra cash in. Look for bargains on the online platforms instead of buying new from the store. Consider signing up to swop platforms, such as Freecycle – you can keep your eyes open for good used articles being given away.

**Insurance policies:**

Review all your insurance policies, from home to life, and understand what you are paying for. Consider contacting your broker to see if you can arrange a “payment holiday” on your policies, or a reduction in premiums. If you are contributing to a voluntary retirement policy, consider suspending payments for now, and put that money into an account for emergencies. This is not ideal, but commit to starting to contribute again as soon as you are on your feet.

Some short-term insurance companies may allow customers to amend their cover temporarily if, for example, a second car isn't being used at the moment. Make sure that you are not insuring goods that you have sold, and ensure that the values are correct. But just as it is important to make sure that you are not over-insured, make sure that you are also not under-insured.

**Subscriptions:**

Cancel any subscriptions you can absolutely do without, for example magazines, wine-of-the-month, YouTube Premium and Audible. If you are due to renew your cell phone contract, consider going pay-as-you-go for the foreseeable future. Do you really need that expensive gym membership? Consider walking or running in your neighbourhood for your daily exercise. There are also many free exercise apps and live streams for your daily fitness fix.

Try not to panic and make rash financial decisions that might impact your financial security in the future.

**References:**

1. Personal Finance: <https://www.iol.co.za/personal-finance/guides/tips-to-protect-your-cashflow-during-covid-19-48620065>
2. CNBC.com: <https://www.cnbc.com/2020/04/11/simple-ways-to-save-money-during-the-coronavirus-pandemic.html>
3. CNBC.com: <https://www.cnbc.com/2020/03/24/how-to-budget-the-money-you-have-if-you-lose-your-job-due-to-coronavirus.html>
4. Times Union.com: <https://www.timesunion.com/coronavirus/article/ways-to-save-money-during-coronavirus-pandemic-15166265.php>

**FOLLOW US ON FACEBOOK [WWW.FACEBOOK.COM/MAYDAYSOUTHAFRICA](http://WWW.FACEBOOK.COM/MAYDAYSOUTHAFRICA)**