



THE single girl's GUIDE TO SAVING

Budgeting is daunting, especially for those of us living off one income. Sheree Mutton reveals how to stop splurging and start saving.

Let's face it – many of us single women enjoy living the Champagne lifestyle. We're too busy thinking about "the now" and not about the future. Being single means that you can spend your income on whatever you please – clothes, travel and nights out with your girlfriends – yet often these luxuries come at a cost and a big cost at that.

So how can we still manage to have a great life while saving? According to financial adviser Helen Baker, founder of On Your Own Two Feet and author of *On Your Own Two Feet: Steady Steps To Women's Financial Independence*, you need to find some balance. "If you go too hard, like a diet, you will have a blow out, so you need to be realistic. Put it on paper so you can see it," she says.

"Have what I call a spending and investment plan. You are going to spend money on rent and mortgage, food, clothes, going out and holidays, but you have to pay bills and, ideally, you want to put something away for the future. You should be having fun and enjoying yourself, but live within your means."

Pay off your debt

Catey Hill, author of *Shoo, Jimmy Choo!: The Modern Girl's Guide to Spending Less & Saving More*, says the first step to building a successful savings account is to get out of debt. "Pay as much as you can each month off the highest interest debt(s) and the minimum payments on the other debts until all are paid off," she says.

Generally, this means credit cards, which usually have a 12 to 20 per cent interest rate. "Remember, those gorgeous earrings, the smoking-hot pumps, the incredible meals and that fabulous vacation? Ah, the good times. But, hello Dr Jekyll and Mr Hyde – that little sliver of plastic can turn on you in an instant," she says.

It all adds up

If you're anything like the average woman, you probably spend close to \$15 on coffee and lunch on a working day. Although it might seem like a few dollars here and there, it all adds up, says Helen Baker.

"Taking your lunch to work, your snacks, could save you around \$70 per week," she says. "Making smarter choices

during the week enables you to enjoy the treats on the weekend or on a holiday."

Clothes, haircuts and eating out can also become increasingly bad for your budget, so try to tweak your spending habits. "Buying clothes is great retail therapy, but perhaps some good items bought less often, with some fashion statements occasionally, is good," says Helen. "Fashion will come and go, so you don't want to invest a lot of money in something that dates and will be thrown out next year."

Ask for a better deal

Every year, we spend thousands of dollars on insurance, phone and electricity providers, but are you getting the best deal? Helen says it's always good to discuss with your friends what they are paying so you can compare, as many of us pay for more than we need. "Health insurance will depend on what your health needs are now, but check you are not paying for maternity cover if you have no plans for children," she says. "For car insurance, you can talk to a broker.

"At the end of the day, you get what you pay for, so cheapest is not necessarily right for you – you can end up with more costs down the track."

Often companies will offer discounts for long-term customers and upfront payments, so enquire with your insurance supplier. "There are online websites you can check to compare products and services," advises Helen.

Get help paying your rent or mortgage

There's no doubt paying off a mortgage can be challenging on one income, so be sure to weigh up all your options before locking yourself into a home loan plan. "Try to save enough so you don't have to pay mortgage insurance. Mortgage insurance covers the bank, not you, but you pay for it," says Helen.

"Be very aware of body corporate costs as they continue to increase, are something you cannot get away from and usually are a big commitment on an ongoing basis.

"A way that can help you get ahead is having a friend, boarder or international student live with you to help pay the rent and split utility costs." She also recommends having an emergency fund (to last at least six months) in case you lose your job, so you can still meet financial commitments. ■



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