

6 savvy money tips when you start your first job

When you're young and just started working, your financial planning is the furthest thing on your mind, but the biggest lesson you can learn as you start out on your journey is don't get trapped in living from pay cheque to pay cheque, rather work smart with your money.



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"Debt can be healthy and unhealthy. Healthy debt is the sort of debt that adds value to your life and is often asset-based, such as a student loan or a car. Unhealthy debt is mostly credit-based and consists of wants and not necessities such as branded gear, technology and thoughtless spending," says Clyde Parsons, BrightRock's actuarial executive.

But debt is still debt and keeps you from saving for your future or having the money available to you to invest in financial products such as life insurance cover."

Day-to-day tips on how to manage your money

1. If you're going to buy a car, save for it. Even if it is small percentage of the cost of the car, put down a deposit. It will bring your monthly repayments down.

2. Insurance is your friend. If you get into an accident and your car is insured, all you need to pay is a minimum

excess. It's amazing what sort of shift occurs in how you drive and treat your car if you think of car insurance as medical aid for your car.

3. A big nest isn't always the best. Be reasonable with the space you choose for yourself. Make sure it's a fit. If you choose a space that's too big, you will pay for the excess space, both in terms of rent and in terms of how much money you spend on filling the space with things you don't need.
4. Be student loan savvy. If you're studying, a student loan is a great help. If you're paying it back monthly, the interest rate is worked into what you pay back. If you pay it all back when you get a bonus or some money, you're still paying what you would have paid over your loan period. Rather have that money go off monthly and save your bonus in a fixed account where it can gather interest.
5. Find a financial role model. It sounds weird, but if you have a career role model, why can't you have a financial one? Choose someone who will inspire you to make smart choices, or just pick your friends carefully. Dan Ariely writes in *Predictably Irrational* that your circle of influence will determine your behaviour and attitude. Who you spend time with shapes who you become. If all else fails, make a career in the financial sector, it will shock the socks off you.
6. You can't avoid tax. It will happen to you. Save for it, because it's always a surprise. I'd also suggest finding someone to do your tax return for you or with you so that you get it right the first time.

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