

What to Do with A Dollar

BY [Shane Bennett](#) Posted [May 11, 2021](#)

It's a lesson, often not taught in schools but easily one of the most important lessons in life – personal finance. So, what do you do with a dollar?

In our first episode of **Life Happens** Financial Advisors Shamar Clarke and Nneka Alveranga spoke candidly to host Sakina Deer about personal finance, how to get started and actionable steps to take. Unfortunately, as a culture, we're taught that money is a taboo topic, but we're breaking that myth, today.

Through their own experiences, that of their clients and stories that touch close to home, here are the top tips we learnt for you to jumpstart your change, now. After all, life happens, but you can prepare for it.

1. **Have a Budget & Financial Plan** – Your first emergency with no money to pay for it, is rough, that's where a budget comes in. Ensuring that you keep your funds in check, no matter how much you make will be a key step to your financial growth and development.

What to do:

- Write down how much you make and how much you spend to ensure that you are on top of your finances. We recommend the 50/30/20 method – 50% for needs, 30% for wants and 20% towards savings and investments. This gives each dollar an assignment. Don't allow any dollar to be not be accounted for. If you've never done a budget or a plan before, the time to get started is now.
- **Write down the plans and what you wish to accomplish on this budget.** If you have dreams of buying a house, saving 20% may not be enough, this is where extra income can come into play. Once you know how you're going to get there, it's time to go.

2. **Pay Yourself First** – This is the first thing you should do once you start earning, set aside 10% - 20% of your monthly earnings to allow for a personal payment. You can open a high interest savings account or an investment account to allow that money to grow interest while you work.

What to do:

- Once you receive any form of payment (after taxes of course), **set aside money for you.** You did the work, now, pay yourself. The aim here is to get to 3 – 6 months' worth of your salary so you can build a suitable emergency fund.

3. **If you don't need it, don't buy it.** - Another issue the episode discussed was removing the need to "live like the Jones'", Clarke gave a practical example of upon leaving College and after his probationary period at work, he decided to get a car loan, without factoring all the costs at play.

What to do:

- **Analyze your life and see what works for you.** If you can't afford a car or if it does not allow for greater return of funds or alleviate a problem, it's best to wait. The aim is not to look successful but to be successful. Invest the time and energy in a revenue generating idea that you can use for your growth and development.

4. **Live Way Below Your Means** - It's often said, "live within your means", we're flipping that script and saying 'live way below your means" here's why: When you live way below your means you'll find inexpensive but affordable ways to ensure that you're meeting all of your needs at half the cost.

What to do:

- **Earn as much as you can but spend frugally.** Seek several sources of income that allow you to grow your wealth and ensure that you have your money working for you. This will ensure that in case issues such as health or a pandemic (*cough*) comes into play, then you'll be in a great position to manage your money with excellence.
- **Protect your income** – instruments such as investments, life & health insurance are surefire ways to protect your money. Investments allow your money to grow, whilst insurance keeps your money secure, ensure that you have both as soon as possible.

There you have it! The first set of tips you'll need to ensure that you are secure in your finances.

Speak with a financial advisor today to get started on your journey to financial wellness.

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