

Is Your Financial House in Order?

BY [Michael Millar](#) Posted [October 03, 2022](#)

The tumultuous events of the last two years have forced many Barbadians to become hyper-focused about the state of their finances. At the height of COVID-19 and its impact on the economy and workforce, many people began to fully appreciate the need for a nest egg or "rainy day fund" that could have kept them afloat as they navigated the unknown.

As we all continue to shape our new normal, one of the burning questions that remain for many is - how do I get my financial house in order to ensure that I can weather any other storms that may be on the horizon?

The short answer is "it starts with budgeting."

Now, fight the urge to click or swipe away, especially if the word budgeting seems daunting especially when faced with the prospect of sitting with your bills, expenses, receipts, pay slips and trying to make sense of your overall finances. This is a fundamental step towards improving your finances.

A good budget won't just prompt you to save, it also encourages investing and the development of a diversified portfolio. With the right expertise, budget, discipline and time, you'd be surprised at what you can accomplish.

Here are some things to keep in mind when you decide to put your financial house in order:

1. A Budget Is More than Paying Bills and Saving

A comprehensive budget actually involves a lot more than you might think. It involves debt management and devising ways to pay down on debt faster. It includes insurance coverage to protect your assets such as your house, its contents, and your vehicle. It also includes health and life insurance. Additionally, a good budget involves investment instruments such as mutual funds that can help finance pivotal milestones, such as purchasing real estate, opening or developing businesses, or covering university tuition for your children. It must also include suitable provisions for your retirement.

2. Building the Budget

A comprehensive budget needs to look at an overall assessment of your assets vs liabilities, as well as your income vs expenses. You need to be realistic in the estimate of expenditure and factor in a buffer for any emergencies. It's always a good idea to overestimate your expenses by 5-10% to create that buffer.

3. Beware of the Myth about Investing

People tend to procrastinate when it comes to investing. Why? They simply don't believe they have enough money or the amount of wealth necessary to invest. However, this is a myth.

Without a clear budget and financial strategy, investing will seem like a scary, overwhelming prospect. However, when you have carefully reviewed your finances and built a comprehensive budget, you can better assess the investment products available in the market. Mutual Funds, for example, are excellent financial instruments in which people can

invest and gain considerable returns. Most importantly, they are well within reach for many people.

Furthermore, the longer you're invested in the market is a key factor in how your investment performs. You earn more compounded interest over time. One can therefore start by making a small but consistent investment and still yield significant wealth over time.

4. Get Help from Financial Professionals

Sound financial planning is something that is and must be accessible to everyone. Everyone, regardless of the amount of their initial investment is qualified and deserving of professional, reliable assistance in financial planning. In fact, it's knowing what to do with that proverbial mustard seed and seeking the right help from the right people so you can achieve more than you've ever thought possible.

Sagicor Can Help

We at Sagicor, are excited to help as many people as possible make the most of their earnings, however much they have. With discipline, commitment, and guidance, everyone can carefully budget, strategically invest and reap substantial rewards.

Sagicor Asset Management has been in the market for over 25 years and has successfully created wealth for its clients over this period. With a team of experienced and qualified professionals, we can provide advice and guidance at every stage of a person's investment journey.

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