



Prudential Investment Managers
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Nine New Year's resolutions for a wealthier 2021

The beginning of a new year is always a good time to reflect, take stock, and set goals for the year ahead. After all the challenges that came with 2020, now is probably a good time to make sure that you add some financial resolutions to your list. And in case you're not sure where to start, hopefully these suggestions will help make 2021 a better financial year for you.

1. Save more

One of the silver linings of 2020 is that it showed most of us some areas where we can save. Many people working from

home may have missed their daily cappuccinos – but at R25 a day, they’ve probably also saved over R5 000 last year on coffees alone! There are many other examples where you can save small amounts of money each month, and investing these savings instead can help you achieve your bigger financial goals.

2. Start investing

If you haven’t yet taken the plunge to enter the world of investing, now is the time. Our [Guide to Investing](#) covers all the basics you need to know and will help you get started. Best of all, it needn’t cost you the proverbial “arm and a leg”. From as little as R500 a month and the ability to setup an investment entirely online, starting a new investment has never been as affordable and easy.

3. Set up an emergency fund

An emergency fund is a savings fund specifically set aside for unexpected events. The standard advice is to have enough saved up to cover 3 – 6 months’ salary, and the objective is to be able to cover unexpected expenses without having to take on debt. Prudential’s Income and Money Market Funds are great short-term investment options, which allow you unrestricted access to your money without any penalties or restrictions for those unexpected emergencies.

4. Pay off your debt

Debt is one of the biggest obstacles to financial freedom. Setting – and sticking to – a resolution to pay off as much debt as possible this year is one of the best decisions you can make. A good tip is to start with paying off the debt that has the highest interest rate and go from there.

5. Avoid taking on new debt

If you can’t afford it outright, ask yourself the question: “Do you *really* need it?” If it’s more of a want than a need, consider setting some money aside each month until you’ve saved up enough to make that purchase. Our goal calculator is a great way to check just how much you should be saving to reach your goals.

6. Pay your bills on time

Avoid paying extra interest costs on your phone, rates and utility bills by paying them on time each month. Set up a debit order if you haven't yet already, so that this isn't something you need to worry about each month.

7. Set goals

They can be big, long-term goals or smaller, short-term goals. Clarify and write down what you want to achieve, then put the list of goals up somewhere where you'll see it regularly. A visual reminder can help keep you motivated. If you're not sure where to start, our [Goal Calculator](#) is a useful tool.

8. Rebalance your investment portfolio

Changes in the markets can alter the mix of asset classes in your portfolio over time. This will affect your asset allocation, or the percentage of equities, bonds and cash equivalents within your overall investment portfolio. [Rebalancing your investments](#) is the process of readjusting the overall asset allocation in your portfolio to make sure it is still in line with your investment objectives.

9. Find a financial adviser

There's a common misconception that financial advisers cost a lot of money for something you can easily do on your own. But the reality is that most people will never have the knowledge, experience or access to the resources of a skilled and accredited adviser, nor will they have the time required to stay up-to-date on the latest regulations. Financial advisers have expertise in financial solutions and products, such as unit trusts, retirement annuities etc, and they can also advise on matters like tax, insurance, trusts and estate planning. Furthermore, one of the most important characteristics of a financial adviser is their objectivity – this can be invaluable in times of heightened emotions and uncertainty.

Hopefully, these nine pointers will provide some food for thought as to whether or not you're on the right track with

your new year's resolutions, to enjoy a wealthier (and happier) new year.

For more information, please feel free to contact our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.