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Investing for a
world of change

Five tips for managing your money and claiming your financial power

Building wealth and achieving financial power requires a concerted effort and dedication especially with the increasing cost of living in today's ever-volatile market. Here are five practical tips to reclaiming your financial power and achieving better money management, shared by Sylvia Walker, Smartwoman author and financial planner at our recent Women and Investing seminar.

1 Understand money vs wealth

2 Face reality

3 Draw up a plan

4 Manage your money levers

5 Be realistic

1 Understand the difference between money and wealth.

Money is simply cashflow, it is the currency needed in exchange for goods and services. Building wealth is investing your money for the long-term and using it more productively to create your financial security and reach your financial goals.

2 Face your reality

Facing your financial realities means examining exactly how you are using your money and entails scrutinising your budget. It is asking the right questions about how your money is being spent. For instance, is your salary being spent entirely on everyday expenses? Are you indebted and facing a line of creditors every payday? Or are you using your money productively to invest in yourself and your financial future? Knowing and understanding how and where our money is being spent leads to the ability to empower yourself and make informed money decisions.

3 Draw up a plan

When you have faced your realities, you need to draw up a financial plan. This is important because every life goal requires a plan and creating wealth and financial power should not be an exception. Your plan may entail reducing debt, or it may entail finding a way to invest. Whatever the goal is, make some provision to pay yourself first in terms of saving and investing for your future. Enlist the expertise of a certified Financial Advisor who can help you strategise and create a financial plan to meet your goals. If you find it difficult to save, set up a debit order and try and avoid waiting until the end of the month to pay yourself or invest. Planning is a vital step towards living the life you want.

4 Manage your money levers

With the cost of living constantly increasing it is often very difficult to save for financial goals but there are two ways you can increase your net worth and manage your money:

Lever 1 Decrease your costs

Lever 2 Increase your income

Although life is expensive, it is possible to decrease costs and spend less by revising your budget, because investing for your future is a priority. It is important to balance your needs of today with your needs of tomorrow. By decreasing your costs and re-evaluating your priorities you can better manage your money and find ways to save.

The other lever is to increase your income or earn more. You could increase your income by generating a second income stream, investing in further education, better leveraging off the people in your network or by hiring a business coach.

5 Be realistic

Building wealth takes time. Be prudent and careful who you take advice from – don't invest in a side business or investment scheme that promises lucrative or unrealistic returns. The only secret to building wealth is time and the power of compound interest. Becoming financially healthy takes time and commitment, unfortunately there are no magic wands.

We invite you to explore our [Women and Investing hub](#), which we hope will inspire and empower women to take charge of their financial futures.

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Contact information

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To reach our Ninety One Investment Platform team, please use telephone: 0860 500 100 or email: comcentre@ninetyone.com

Financial advisors: please contact our Advisor Service Centre on telephone: 0860 444 487