

FINANCIAL ADVICE WITH MOJO FINANCE, NAAS

COLUMN: How to reduce spending during cost of living crisis and inflation

Householders and business owners can secure small reductions in outgoings, according to **James Johnston of MOJO Finance in Naas**



All sectors have been hit and greatly affected by the cost-of-living crises, with standard inflation rates of 8-9% in no way reflecting the true additional costs incurred in the areas where we actually spend our money: on energy, food, mortgages and rent.

HOUSEHOLDS

For households, I would encourage setting an hour aside to record your monthly incomings and outgoings. You can find a freely downloadable Personal Budget Planner on the MOJO Finance website or contact MOJO Finance directly.

Identify areas where there is waste - like unutilised subscriptions and gym memberships, and excessive

food and energy consumption.

Consider switching electricity and mortgage providers where there is scope for better value and contact your broker to search for lower monthly premiums on your mortgage protection and life insurance. They will do this for free.

Credit card users pay enormously high interest of up to 26% on their short-term debt.

Consider switching any outstanding balance to a 0% interest offering.

An Post have one for 12 months. Pay off your existing credit card debt in monthly installments and try not to use credit cards ever again.

For discretionary spends, the 'envelope system' is brilliant. If you anticipate an annual spend of €6,000 on holidays, car servicing, clothes, eating out and presents for example, then start putting €500 away per month in an envelope or separate envelopes for each category.

Always prioritise setting

some of your income aside to build an Emergency Fund of at least six months anticipated spend.

Focusing on these basic areas will bring some clarity and peace of mind.

BUSINESS OWNERS

For Business Owners, focus on the areas where your business excels, and redirect costly resources toward enriching your more profitable lines. Try and segment all your services and customers along the lines of profit margin and identify where you are allocating proportionately less business resources for proportionately higher profit. These are the keepers.

Take account of the time, cost and effort to provide each of your services. Without leaving customers hanging, consider stripping out the less profitable areas.

Otherwise, increase your prices to correctly reflect what it now takes in a high inflationary environment to deliver those goods or services to the same

standard.

If you are increasing prices, it is always good practice to explain why to your key customers and provide a few weeks lead in time before they take effect.

Remember, they too are operating in the same inflationary environment.



James Johnston of MOJO Finance in Naas

mojo FINANCE
INVESTMENTS, PENSIONS & PROTECTION

SERVICES INCLUDE

- Investments & Savings
- Pensions & Retirement
- Insurance & Protection
- Financial Planning
- Business Owners
- Employee Benefits

Unit N4, Wolfe Tone House, Naas Town Centre, Naas.

Office : 045 938 206

james@mojofinance.ie | www.mojofinance.ie