

Managing Money

Money is an essential part of life and is exchanged every single day across the globe. Learning to manage your money is an important part of growing up, becoming independent and participating in the world. Can you be a real-life Monopoly master?



Why is it important to manage your money?

Managing your money is an essential part of developing the skills needed to survive on your own. There are many reasons to manage your money in the future, such as buying a house or saving for retirement. However, you might be thinking “what’s that got to do with me now?”

You can buy what you want – whether it’s a new Xbox, horse riding lessons, or a pair of Nike trainers, managing your money effectively can help you buy them. There’s nothing like the proud sense of ownership when you save up and finally buy the item or experience you’ve been dreaming of.

You can buy presents for others – up until this point, the presents for your family members and friends may have been paid for by someone else, even though your name is on the tag. The sense of pride and happiness from buying your own presents for others is great but you won’t be able to afford it if you don’t have a clear way of managing your money.



You can learn a valuable life skill – managing your money is an essential part of life. For example, when studying at university, making sure that you prioritise money for the essentials, like rent and food, before you start splashing out on gadgets and clothes. Learning how to manage your money and budget will help you to live independently successfully and help you to stay focused on your studies, not worrying about paying the bills.

Short term sacrifice for long term goals

Managing your money is all about prioritising, you may need to make short term sacrifices to achieve long term goals – if you spend your money every week on things you want in the moment, you won’t have money for the things you need in the future.



In order to manage your money, you need to follow three simple steps:

- Set the goal – what do you want?
- Strategize – how can you get it?
- Commit – how can I make sure I succeed?

Set the goal

To set a goal, you will want to ask yourself two questions: “What is it that you want?” and “What is it that you need?” What you need should be your main goal in managing your money, as a need is essential and so a higher priority than a want.

It’s important to set a goal so that you know what it is you are working towards. Without a goal, you won’t be able to set the strategy.

Strategy

After you have set your goal, you need to work out how much the item/experience costs. Shop around to get the best deal, on price and products. There are lots of comparison sites that can help you to decide the best product for you at the best price. For example, [USwitch](#) can help you to find the best mobile phone deals.

Doing your research means you can have a go at bartering with the different companies. You could tell one mobile company about a cheaper deal and say you will switch if they don’t give you a better deal. It won’t always work, but you’ll only be able to try if you do the research!



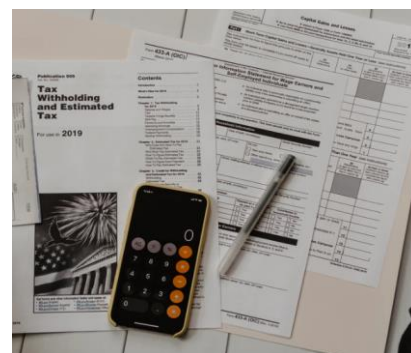
Once you’ve picked the product and know the price, you need to work out how much time you have to save for the product – especially if you need it by a certain date – and how much you would need to save each day/week. At this stage, it’s important to be aware of other items you need to spend money during the time you are saving.

Only through having a clear strategy, will you have the opportunity to succeed. You’ll only succeed if you then commit...

Commit

You know what you need to do, and now all you need to do is to take action and do it!

Keeping a record to see your progress can be an invaluable motivator when saving. You could keep this record in a notebook, Excel spreadsheet, or just keep an eye on your bank account. You could also use a budget app such as [Good Budget](#).



You could give yourself rewards for hitting key milestones to keep yourself motivated, such as eating your favourite food or having extra time spent on your hobby. Try to make the reward something that doesn’t cost you more money after you’ve worked to save it! Having reminders of what you are working towards, such as a picture hung on your wall or a wallpaper on your phone, can help you to keep focused on your goal.

Only through determination, focus and commitment will you reach your goal.

As a reminder...

Everyone has different levels of access to money. But no matter how much you earn, or are given, it's important to manage your money effectively to make the most of it.

Setting a goal, devising a strategy, and committing can also be used in other areas of your life, such as studying for an exam. The skills you build through managing your money will be invaluable in all areas of your life, now and in the future.

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