

## A BUCKET LIST IS

made up of defined milestones – so the first step in building one is to think about the goals you’d like to achieve. With these in mind, it allows you to action them more meaningfully by setting a timeline, and tracking your progress towards reaching them. As Lloyd Ellis, an independent financial planner at Solutions2Wealth, explains, a bucket list provides a strategy: ‘It motivates a person to have some sense of direction. From here, good saving and spending habits will usually follow.’ So to map out the road to your financial milestones and come out victorious, sort them into these four buckets:

### SAVING

According to a survey conducted by World Wide Worx from 2018–2019, 43% of South Africans are saving towards some kind of financial goal, with the most common goal for under-35s being a car, among other big purchases such as property and education. And if you haven’t already, there’s no better time than the present to join them.

But where to begin? ‘Have a comprehensive financial plan done with a qualified financial planner,’ suggests Sonja Linde, a certified financial planner at InSync Financial Services. ‘This will help you set goals and determine which milestones you would like to reach first. Make a monthly commitment to address these milestones, and stick to it,’ she continues. She also notes the importance of reviewing this plan on a regular basis, as circumstances change, so that the goals are still applicable to you.

Lloyd highlights the three most common savings goals he helps his clients reach: property, emergency savings and retirement. His advice?

‘First make sure you can pay off all your monthly expenses to maintain your lifestyle. You may be able to identify opportunities to reduce expenditure, which provides more financial freedom to focus on your milestones.’ Having an emergency fund equivalent to at least one month’s salary (it sounds like a lot, but you’ll thank yourself) is also a good safety net to keep in place if you’d like to avoid falling off the savings train should your regular income be compromised. Don’t live hand-to-mouth and spend your salary as you get it, cautions Henry Poulos, a registered financial planner and wealth specialist at Beta Wealth. ‘Work on your patience.’

### SPENDING

Of all four categories, this is probably the one that sends your serotonin levels into orbit and gets you thinking about what your #BestLife looks like. And there is nothing wrong with that – you’re human, and you work hard for your money. The more effort you put into being financially responsible, the more freedom you have to live a little. The key is moderation and

being savvy. Sonja agrees: ‘If you work hard to earn your money, you should be able to spend it on both appreciating assets and lifestyle “assets” such as a vehicle, eating out and holidays. If you make sure that you have addressed all the financial planning shortfalls first, then the money left over can certainly be used to enjoy life too.’

Henry points out that an expense such as rent could be swapped out for an investment bucket list item such as property. ‘It might seem cheaper and easier now to just keep paying rent, but a property goes up in value.’ Rather save for a deposit on a house, he suggests. ‘For example, if you want to buy a property for R1 million, have a goal to first save R150 000 to pay for the deposit on the bond and the transfer costs.’ It may sound unromantic and a lot like hard work and discipline, but it’ll literally pay off in years to come.

### INVESTING

According to the survey, only 4% of South Africans are able to put money

CUT THE MILES OUT OF REACHING THESE FINANCIAL MILESTONES BY TAKING A LEAF FROM THE EXPERTS’ BOOKS AND BUILDING YOUR BUCKET LIST

BY DOMINIQUE BOWEN

### SPEAK TO

## AN EXPERT

**Lloyd Ellis**

Solutions2Wealth  
021 794 0619

**Sonja Linde**

InSync Financial Services  
021 782 4988

**Henry Poulos**

Beta Wealth  
081 726 4361

places allow you to start off with R500 per month, says Henry. ‘Just make sure there are no penalties or transaction fees to stop or take your money out.’

Avoid falling into the trap of limiting what investment means to you. Depending on what stage of life you’re at and your financial standing, spending on education could be an investment in your future earning potential. For someone else, investing in property could provide returns in the form of rental income.

### RETIREMENT

What does retirement look like for you? Do you want to travel? Maybe take up a hobby, or move to a different city? Will you downscale or perhaps move in with family, or prefer to live in a retirement home. Whatever form it takes, start planning for the cost, as in yesterday. ‘The earlier the money is invested, the more time you give your funds the opportunity to grow,’ says Lloyd. And try hard to keep your hands off it, especially as you edge closer to retirement, he cautions. ‘Long-term savings show

that the compound interest effect has much more power in the later years.’

Sonja also speaks to the power of compound interest, and how important it is to take retirement seriously when it feels like the furthest thing on your horizon. ‘I really encourage all people to seek professional financial-planning advice on this, as you can still make a difference while you are working and earning an income. When you get to retirement, it is too late.’

Want to figure out how many salaries you have left to help save to retirement? Sonja suggests this calculation: Average retirement age (65) – current age × 12

Does the reality scare you? It doesn’t need to. Now you’re equipped to make decisions for positive change in your life. It won’t be easy, but the things in life that are worth it seldom are. ‘If you want to retire well, it won’t just happen. Getting a retirement annuity started is such a great milestone, but it’s not easy,’ says Henry. ‘It requires commitment and sacrifice in the expectation that you will reap more later than what you are sowing now. [B](#)