



Living Frugally

For some people, the word frugal conjures up images of deprivation and penny-pinching. But being frugal isn't about being tight-fisted. Instead, it's about prioritising your spending, so you have the money to enjoy what's important to you.

Frugality is making a comeback, thanks to the younger generations. Millennials, who were born between 1981 and 1996, grew up amid the Global Financial Crisis and skyrocketing house prices. As a result, they appear to be more savings-conscious than previous generations. About 30% of Millennials are more likely to save regularly than their parents, and more than 80% of them use a budget.

Having grown up with technology, the younger generations are quick to embrace online apps that help them manage their money. Many are ethically and environmentally aware, so they're happy to buy second-hand clothing, bring their own coffee cup and avoid the throwaway lifestyle of previous generations.

Research shows that Generation Z's, the group born after Millennials, are also keen to take control of their finances early on in life. More than one in two say they have discussed saving money with their parents in the last six months, and 23% believe that personal debt should be avoided at all costs.

Common habits of frugal people

Regardless of what generation you're in, you can take a more frugal approach to life by embracing frugal habits. Here are some ideas to get you started:

- Bring your own lunch to work and find creative ways to use up leftovers in the fridge, rather than throwing away food.
- Hold potluck dinners at home rather than going out with friends to an expensive restaurant.
- Buy food in bulk as it's generally cheaper.
- Buy second-hand clothing, furniture and cars.
- Grow your own food - even if it's just a few herbs in a window box.
- Put value before price-tag by spending more on quality goods if it means these purchases will last longer or do the job better than a cheaper version that you will need to replace.
- Put style and quality before trend - and try to repair or mend something before replacing it.
- Share rides, bikes and community resources such as library books and toys.
- If you can, choose to live in a smaller house. They're generally cheaper to heat and cool, which may help you save on energy bills.
- Buy a smaller car, as it could be more economical to run.
- Use a fuel map app to find the cheapest petrol.

Conscious spending

One of the most important habits that frugal people share is being conscious of where their money is going. Thanks to technology, it's never been easier to keep track of your spending - and then analyse it so you can root out any bad habits.

Using a budgeting tool like the one available at colonialfirststate.com.au, or a spending app on your phone, means you can see exactly where your money is going and work out if you're spending more than you need to. You can set limits on your spending and learn how to separate your wants and needs. You can also identify areas where you can spend less, so you can boost your savings or pay off debts faster.

Source: *Colonial First State*

If you need help budgeting, or want to find out more about how we can help please, contact Shaun or Vicky a call at Evans Edwards Financial Advisors | Wealth Creators on **4927 4588**.

We will guide you with a tailored approach that works for your circumstances. Give us a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.

