

## **5 financial planning tips to guide you through 2022**

The first quarter of 2022 is here with us and how best can one be better prepared for the rest of the year other than having some personal goals to keep them in check as the year progresses? Among the goals you plan to achieve, financial planning should be top on the list. Over the past years, financial planning has turned out to be one of the most discussed topics by people of different ages as it affects our day to day lives.

Financial stability calls for a lot of work and discipline and can only be achieved through cultivating better habits such as assessing your current financial situation and properly laying down ways that will be your gateway to financial freedom. Below are some tips that can guide you through kick-starting your journey towards financial freedom:

### **Track Your Expenses**

A good first step in financial planning is to start tracking your expenses. Know where your expenditure is going through being able to account for every coin that is spent. Therefore, take a look at your income and expenses from a broader perspective to identify what can be cut down and then narrow down your focus by optimising your spending.

### **Budget and adjust your spending**

It is important to always budget for your money. In a move towards achieving financial stability and being better at managing your finances, take a look into your spending trends over the past year and identify opportunities that can help you improve on your spending. Identify areas in your budget that can be cut down or even done away with such as entertainment and eating out. Write down all your monthly expenses and establish how much you spend throughout the month. Avoid spending money on unnecessary expenses, be very intentional on your spending and always account for every coin at the end of every month.

### **Build up on your savings**

Saving money is one of the essential aspects of having a secure financial future and it gives you a way out from uncertainties of life thus providing to have a peaceful life. Setting aside a sum of money in a systematic manner can help you steer out of many hurdles and obstacles in life.

Saving should typically begin at the budgeting stage itself. Remember to take into account your income and financial goals then set a target and work towards it. Always follow the 50/30/20 rule which requires you to reserve 50 per cent of your total income for essentials such as rent and food, 30 per cent for discretionary or non-essential spending such as entertainment, education or mortgage payment, and at least 20 per cent for savings.

## **Start investing**

There is never a perfect time to start investing. You have to start now with what you have. You can start small as you work towards having a diverse portfolio of various financial instruments once you get familiar with the various investment vehicles. Orient Asset Managers are your preferred investment partners as we offer a wide range of investment services to investors in the corporate, institutional and retail space

You do not need much to start your investment with Orient Asset Managers. You only need as little as Ksh.5000 to invest in the Kasha Market Fund and Ksh.1000 as a minimum monthly top-up. Other arrays of investment solutions under Orient Asset Managers include Hifadhi Fixed Income fund and Wealth Management thus providing you with diverse investment solutions that actualize your financial dreams.

## **Get the help of a financial advisor.**

A financial advisor offers assistance and advice on better ways to manage your finances. As you adjust your spending and saving strategies, you must keep track and review your progress and plans with a financial advisor.

A financial planning professional such as Orient Asset Managers will thoroughly look into your past and current financial situation and guide you on the best investment solutions that suit your financial capability and needs. We will also help you settle on the best investment options with different risk profiles that suit your financial capability.

Financial planning is the first step towards financial security. It is important to set out simple goals as these basics can go a long way in ensuring you have a solid start on your journey towards financial freedom. It is important to note that financial discipline requires repetitive behaviors such as the creation of systems that align with your financial capability.