

Wealth expert Rasheda Khatun tells us how to budget and save

Pay yourself First

It's something Warren Buffet recommends and it means that you should be saving before you spend. Don't just save what is left over.

Pay off your credit card every month

You can go to the bank and sign an automated full repayment option. This way the full balance of your card will be automatically paid off and nothing rolls over.

Build an emergency fund of about three months' salary

This will help you take care of all those unforeseen circumstances that really mess with your month's budget and make you fall behind on savings.

The app to download: iWallet

This app takes care of your money management. Just feed in your expenses and income to analyse it.

The website to view

Www.finishrich.com, this is the website of financial guru David Back. He has some great tips on how to get your finances in order.

Inga Stevens, 33, is a communications manager from Finland

"I'm saving for a house so I put as much of my income as I can away for that. I also have an 'emergency fund' of around three months' salary in the bank, which is there for vet bills, rent and car insurance. However, the problem I have right now is that by the end of the month I find myself completely skint, which often means I have to dip back into my emergency fund to cover general expenses. For a long time I've also been planning to put money into a private pension, but because my account is down to zero by payday, I'm not in a position to do that. I'd like to know how to structure my budget so I have enough money left over to create a solid savings plan, which incorporates a pension, my house and an emergency fund."

Rasheda says:

"Inga keeps track of her spending on an excel sheet and divides her money between three accounts, so she is already on the right track. However, there is some confusion about what each account is for. Her emergency fund incorporates things like rent and car insurance, but these aren't 'emergencies'. I advise Inga to look at her emergency fund as more of a rolling bills account. I also recommend that she set up a fourth account for genuine emergencies, such as if she was made redundant. Ideally, this account should have a balance of around three to six months' salary.

"One of Inga's other concerns was that her account is down to zero every month. It's fine for that to happen, as long as every dirham is being accounted for. She can do this by collecting all her receipts over a one-month period and then adding up what she is spending on various things. If she has a figure in mind of what she has for groceries or socialising, then she is less likely to overspend."

Inga says:

"I've always wondered why people need so many bank accounts but talking to Rasheda made me realise how important it is. She also helped to alter my mindset about how I spend. At the moment about 30 per cent of my salary goes on socialising. However, Rasheda explained it's not about saying 'no' to brunch, which can seem negative, it's about saying 'yes' to getting my house or putting money into my pension, which is positive. It's changed the way I think."



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