

CedisPay's 7 Money-Saving Rules (That Could Save You One Day)

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CedisPay's 7 Money-Saving Rules

That Could Save You One Day



At CedisPay, we are more than just a provider of responsible loans. Our mission is to see you fulfilled as you pursue your financial goals, whatever they may be. We're excited to share CedisPay's 7 rules for saving money – principles that may one day prove invaluable to your financial well-being.

CedisPay's 7 Money-Saving Rules

That Could Save You One Day

RULE

1

50/30/20 Budget Rule:
Divide your income into three buckets:

- 50% for needs (food, housing, insurance, utilities, transportation)
- 30% for wants (travel, fashion, entertainment)
- 20% for savings (emergency fund, debt payment, investment, retirement)



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RULE

2



1% Rule for Impulse Buys:
If an item costs more than 1% of your annual gross income, wait 3 days before purchasing it.

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RULE

3



The Rule of 72:

Excited about savings? Use the rule of 72 to calculate how long it will take to double your income. Divide 72 by the interest rate to determine the number of years.

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RULE

4

Tax-Free Savings Rule:
Take advantage of tax-free savings options offered by employers and governments. In Ghana, maximize your Tier 3 pension contribution, which is tax-free up to 16.5% of your income.



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RULE

5



3X Emergency Fund Rule:
Keep 3-6 times your monthly income in an emergency fund to weather unexpected financial storms.

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RULE

6

The Rule of Automation:
Make savings automatic by setting up automated contributions, such as Tier 3 pension contributions, to ensure consistency and discipline.



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RULE

7



Item In, Item Out:

Adopt a minimalist approach to spending by donating or selling an item whenever you make

CedisPay 7 Rules for Saving Money

(that one day might save you)

1 50/30/20 Budget Rule



Allocate your income to these buckets:

50% Needs

- Food
- Housing
- Insurance
- Basic Utilities
- Transportation

30% Wants

- Travel
- Fashion/Gear
- Entertainment

20% Savings

- Emergency fund
- Debt Payments
- Investments
- Retirement

2 1% Rule for Impulse Buys

If the item is over 1% of your annual gross income, wait 3 days.

If you still want the item after 3 days, get it.

Why this works:

You'll often realize you don't actually want/need that thing.



3 The Rule of 72

Get excited about saving.

Use the Rule of 72 to quickly calculate how many years it'll take to double your money.

(Divide 72 by the interest rate.)

Example: 8% return = double every 9 years

$$\frac{72}{\%} = \text{Years to double}$$

4 Pension Tier 3 Rule

Many employers will match part of the money you put into retirement.

So maximize your tier 3 contribution up to the highest employer match offered.



This is free money.

5 3X Emergency Fund Rule

Keep 3X – 6X your monthly income in an emergency fund.

When a rainy day comes, you'll weather the storm.



6 The Rule of Automation

Defaults are powerful because people are lazy.

So make saving your default by automating it.

I highly recommend the book *I Will Teach You to Be Rich* by Ramit Sethi.

Lessons:

- Save and invest money before you ever see it
- Create an automated money system

7 Item In, Item Out Rule

If you purchase one item, then donate, toss, or sell another.

Minimalism is a dual discipline:

Manage both inbound and outbound possessions to enjoy equilibrium.

