

# New mobile application helps consumers curb bad spending habits

**S**tatistics released by the National Credit Regulator shows that 18 million of the 39,6 million consumers listed on their database are credit active, and that credit impairments rose to new levels with 46.5% of all consumers having defaulted.

Meyer De Waal, co-founder of My Budget Fitness, a programme that helps consumers manage their finances, says “Those who battle to stick to credit repayments will find it difficult to qualify for additional finance. A healthy credit rating, which usually goes out of the door when you are financially squeezed, is one of the main criteria to obtain credit.”

Assisting South African consumers to proactively manage their expenses, De Waal has developed Mobile2Budget, a mobile application, available for download from [www.mobile2budget.com](http://www.mobile2budget.com). The application can be used on any mobile phone.

Mobile2Budget allows users to set up a predefined budget using the internet and then to capture expenses as they happen through an sms or WAP application. This information is then directed to an

electronic bookkeeping system and updated immediately.

“We realised that consumers do not have any assistance when faced with personal finance challenges and they are often reluctant to visit their bank manager for help,” explains De Waal. “The idea was to develop a tool that is free to the consumer and that is always readily available. Almost all consumers in South Africa have access to a mobile phone.”

Mobile2Budget gives quick access to graphs indicating consumer spending, income and affordability. It alerts the user via email or text messages when they overspend on itemized budget categories and in doing this helps the user ensure that enough money is available in their account; avoiding late payments that result in a bad credit rating.

“This on-the-go approach does not restrict consumers to a desk but gives them the freedom to manage their finances effortlessly, from the palm of their hand,” says De Waal who believes that proper budgeting is the foundation for avoiding the emotional and physical stress associated with financial problems.

Whether it's to get out of

debt, buy a home, or save for retirement, Mobile2Budget helps consumers figure out how much they need to save and how they can achieve their financial goals faster.

“Mobile2Budget offers a sense of gratification that comes from knowing exactly how your spending decisions will affect how much money you have left at the end of the month, or the year. You'll know immediately what you can do today to save more tomorrow,” De Waal concluded.

#### How it works:

- Registering with Mobile2Budget is as easy as filling out a form and faxing it to the team or completing the online application on [www.mobile2budget.com](http://www.mobile2budget.com)
- Create a budget by indicating what you are spending at the moment.
- Identify on what you spend your money – distinguish between fixed payments like debit orders and day-to-day spending.
- Pull all of your cheque, savings and credit card information from the last three months and evaluate where you can cut back. Your Personal Trainer will

assist to set achievable goals.

- Allocate an amount against each of these expenses. This helps to set your goals and to identify how much you want to spend each month.
- Now capture your expenses and remember to capture cash expenses and credit card expenses.
- Be realistic and don't try to cut back too hard too fast. Maybe 20% less than you've been spending.
- Once you log your expenses, Mobile2Budget categorises it for you.
- You can track your spending trends to see where you can improve. If you're paying off your account monthly and not spending more than you can afford, you'll soon start building up that all important credit score and this may pave the way for a good credit rating.

Keep in mind: Your housing expenses shouldn't exceed about 33% of your income. If you have more debt than you can manage, it's now time to cut spending and to look for ways to cut fees on credit card accounts, savings accounts and other ways to save. **M**

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