31 GOOD MONEY HABITS TO MODEL FOR YOUR KIDS

Sapience

TIPS

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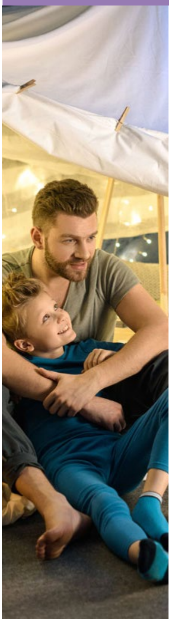

31 Good Money habits to model for your kids

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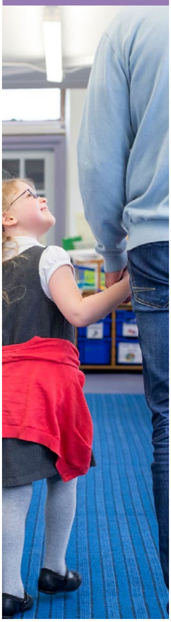

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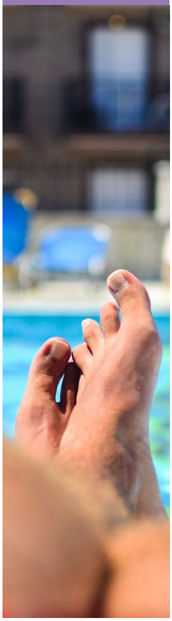

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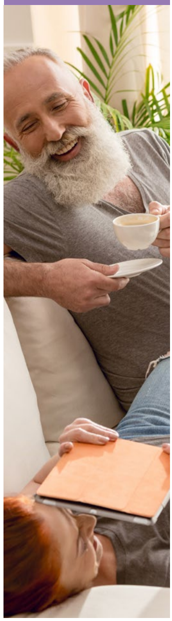

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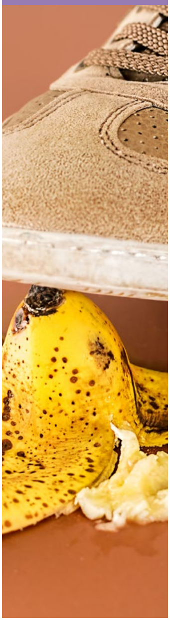

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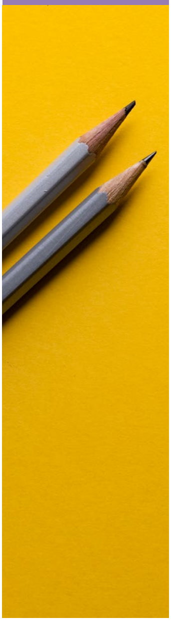

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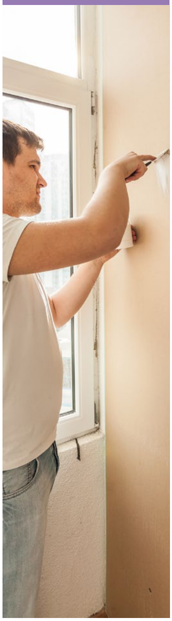

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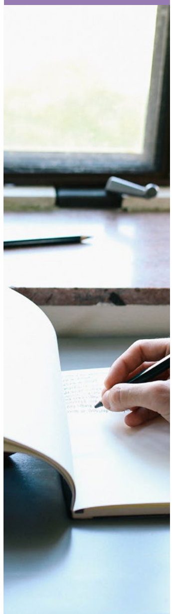

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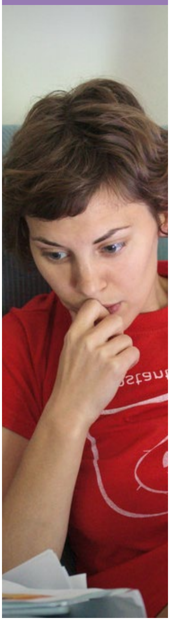

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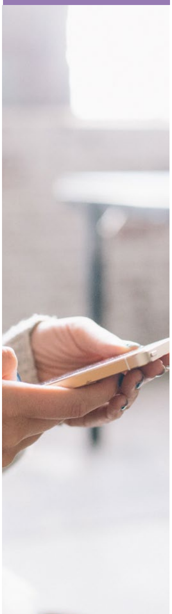

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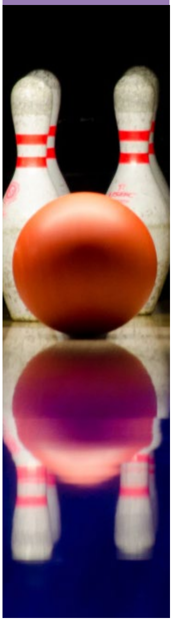

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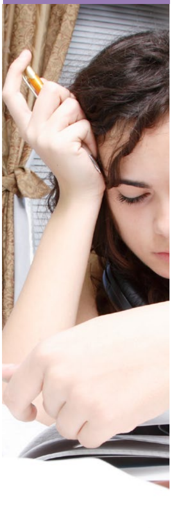

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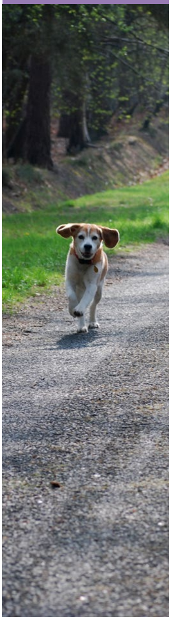

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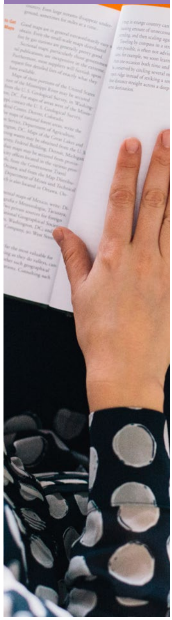

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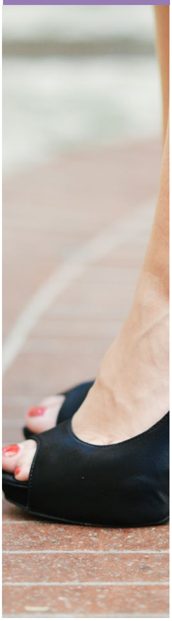

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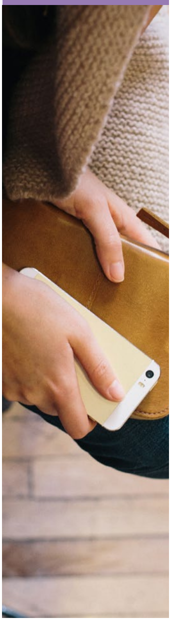

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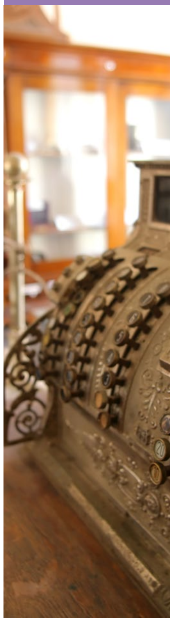

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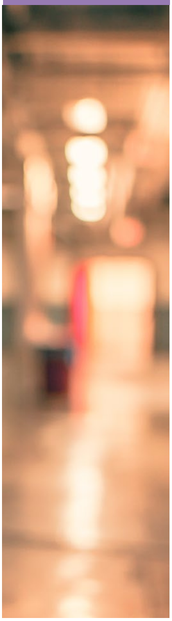

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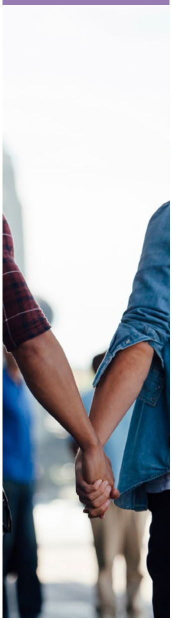

Get on the same page with your partner

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So where to from here?

INTRODUCTION

You're always a role model for someone

Being financially healthy isn't about how wealthy you are or how much you earn. It's about how healthy your finances are and your attitude towards them.

- It's about understanding where your money comes from and where it goes (and making sure you're okay with that).
- It's about being able to survive a financial emergency, knowing how to save and invest wisely and knowing where to go for good advice (other than Google) when you're ready.
- It's about knowing you can pay your bills as they fall due and still have extra to put aside each month while still enjoying your life.

When it comes to mastering our money habits, we all could become better.

> "Getting a better handle on your money habits will help you become more life confident.

Drew Browne

Owner and Senior Financial Adviser
Sapience Financial and Investment Services

The first step

This eGuide shows you how you can learn the basics of mastering your money by simply taking one small step each day for a month. Why not mark these off as you complete them or share them with your partner or a friend.
As you find one section particularly interesting, visit the online links or consider sharing that with your social network too.

In this eGuide you will see these action icons.

Footprint icons show a task you can do to learn a new skill

Idea icons indicate a fresh point of view

Link icons show hyperlinks to helpful online articles to extend your learning

Cloud Download icons indicate an online resource to use

Start with small to medium financial goals first

Having a goal for your money is really just you telling your money what you want it to do for you in the future.

Of course this means you need to have money, and have an attitude that begins to look into the future at what you want, what's possible and what would really make you happy.

A goal without a plan is just a wish

Don't over think the process. Just set aside 20 minutes each day for a week where you can think about what's important to you. If you have a life partner, involve them in the process too.

At the end of the week write down what you've decided you want to achieve in the short term, medium term and the perhaps the longer term.

Now let's get specific. Rather than just wanting to pay off the credit cards, put a date on the goal; say September in 18 months' time. If we're talking holidays in January give it a specific place – Skiing in Northern Japan for 2 weeks.

Let's break that down into practical steps to help you achieve what you want in the time frame you want. If you need to save $15,000 for an Ultimate Skiing Holiday with your partner that's 24 months away, you need to save $625 per month. Now you can see exactly what's needed to reach your goal and what's actually possible.

Looks like you'll need to do some prioritising, but then that's the first step in improving your financial good health.

Put a free Budget App to work for you

One of the keys to financial good health is spending less than you earn. But before you even begin to think about making a budget (at Sapience we call them spending plans) you actually need to know where your money goes.

Get to know where it goes

Not many people enjoy keeping receipts to track every dollar, so why not **download the free Savings and Budget App** from the governments MoneySmart website.

This will give you the power to see whether you're spending more on coffee or on childcare, on your insurance premiums or magazines.

You'll also know whether you're setting yourself up for a better financial future or falling short of your savings goals.

For more ways to help you start keeping better track of your expenses.

You might like to **read our article How to keep better track of my expenses.**

Set a spending plan for the next 12 months

A budget is really just a spending plan. It's not about what you can't spend money on, but more about when you can spend your money.

Budgets work best when they're grounded in reality, so taking account of how we want to live our lives is part of the process. Rather than just stopping all spending now is the time to learn the habit of having a spending plan. Being too ambitious early on is one of the main reasons most spending plans seem to go wrong and become unsustainable.

If your morning routine requires a double shot soy flat white, don't deny yourself. If you like to wear the latest fashions, find a way to set yourself a spending plan that doesn't hijack your longer term savings goals.

It's about finding your balance with your day-to-day spending with your longer-term goals.

Time to Learn a bigger skill

Want to move your budgeting skills to the next level? You might like to read our blog article, **How to Budget Like a Badass!**

Get to know your own money style

Everyone has their own style when it comes to fashion, saving and spending. Maybe you're a natural bill-payer or maybe you're more a natural saver – both have their own strengths and, well weaknesses.

So play to your strengths.

Saver or Spender?

- If you naturally love to organise, file and pay bills really well – bill yourself. Give yourself a regular bill for a fixed amount of money and pay that into your own long term savings account.
- If you're more a natural saver, why not move your longer term savings into a separate account that's not linked to your day to day spending account. That way if the ATM displays a message insufficient funds available you know you've reached the end of your accessible funds for the month (and you won't be tempted to transfer money between linked accounts).

Finding what natural money style seems more comfortable to you will help you have better money conversations with your partner. It's no point pretending to be comfortable with something that might not be your style. The good news is everything you know, you've had to learn, and that included better money habits too.

Create some breathing space with an Emergency Savings Account

It doesn't take long to realise that life and spending plans never quite work out the way we planned.

We all need a backup plan

We all need a backup plan and some breathing room when we face a financial emergency. 'How much should you have in your emergency savings account?' The answer depends upon how expensive your lifestyle is, so why not work towards saving one month's income first. Then 2 months income and then 3 months income. When you've reached that goal, then see if you can get ahead in all your bills by 3 months.

While you might think that a credit card is the only backup plan you need, we've found the difference between emergency savings and emergency credit cards are significant. Credit cards charge high fees on purchases (and crazy fees on cash out transactions). When you don't pay a bill with savings it's easy to lose track of the real value involved and the fact that you still have to pay back what you paid out.

If you have a mortgage **linked to an offset savings account** it's a great way to put your emergency savings to work for you as well as having that breathing space for those unexpectedly expensive times that come to us all.

Here's a great article about **How much should I have in my emergency savings fund.**

Freshen up your thinking about finances every year

Once a year, reset your attitudes towards money.

The way we think about money usually comes from our parents. Sometimes that's a very good thing and sometimes, it's not. Many people hold deep-seated beliefs that can make us feel unworthy of having financial goals or even trick us into thinking our net worth and self-worth are the same thing.

In a short, fun and helpful book **The Financial Wisdom of Ebenezer Scrooge** the three authors share how our memories of past conversations about money, what they call money scripts, often unconsciously interfere with a healthy relationship with money.

Relax - everything you know you've had to learn from somewhere – nobody is born with any of the answers.

So why not treat yourself to a Kindle or audio book version of this short and inspiring book and learn more about how to grow better money behaviours and even leave a family legacy of financial wellness.

Once you've begun to make that mental shift about your relationship with money, you can make the behavioural shift you need, and feel more confident that you're on your way towards achieving your financial goals.

Talk about money more

Money is a really large part of life and relationships so we all need to begin talking about the things that matters most. Over time, we might even become good at it, or great at it (and our kids need us to learn and teach them these skills too).

Sometimes talking about money makes many people feel uncomfortable, but we have to work through that.

It's not surprising – our parents' generation told us it was rude to talk about money so many of us grew up with underdeveloped skills in this area.

Is it any wonder that 87% of couples agree that money is the largest stressor in their relationship and that some parents say they would rather talk to their children about sex, than have the money talk with them.

Talk about your finances with your partner. If you're struggling to know what to say, just be open and honest. Talk about your hopes for your future and where you'd like to see yourselves. This can be the starting point for a deeper conversation about how to use your finances to get you there.

The article **Would you prefer to talk with your kids about sex or money?** gives some great tips on how to begin that conversation.

Protect yourself from life's bigger risks

An important part of financial good health is knowing that you'll stay afloat even when things turn bad. So it's not surprising we all need to protect what we cannot afford to lose.

Life is naturally risky so don't take it personally

There are times when we all need to have a backup plan in place for those big life events that are simply beyond our financial capacity to deal with alone.

This is when we might use a strategy combined with an insurance policy to help transfer the costs of the big risks of life to an insurance company to shoulder for us, rather than burden ourselves or our family with them.

This month make a point to review your insurances to make sure if something unfortunate happens you and your family can keep paying the bills.

If you have someone you love or someone who depends on you, consider whether you need:

- **Life insurance**, which pays a benefit to your partner or family if you unexpectedly pass away or become terminally ill.
- **Income and disability insurance**, which keeps paying you a wage if you can't work due to sickness or injury.
- **Crisis insurance** that can protect you from the financial devastation of major medical crisis events that simply consume a lot of financial resources to help you recover quickly.

Make a point today of **watching our fun explainer video** about the 4 Big Risks we all face and then read about the chances of you needing to claim on an insurance policy in our article **The Numbers of Life.**

Protect the children in your life

A large part of an adults job (or even just opportunity) is to help make the world a better safer place for those younger than us.

No matter how old you are, you're a role model to somebody. That could include your children, your extended family and of course, your family of choice.

When a child gets sick, the whole family suffers. Family outings get cancelled or put on hold until they're well again; and that's just for the simple colds and flu.

We know that children recover from an injury or a sickness faster when a parent or primary carer is there to support them

A medical trauma insurance policy for your family could provide a cash lump sum at an important time to help you all be together when it's needed most.

Sapience has produced a useful **free eGuide called 31 Families every day** that looks at the statistical research from the ABS and discusses the effect that an unexpected death of a parent can have on a child, and how you can put a backup plan in place, just in case, to protect your family.

Become better at saving

In a world of easy credit and interest free loans, saving is becoming a bit of a lost art so taking a planned approach for 30 days might be a great place to start. Here's a simple approach to get you started.

Decide what

Decide what you want to save for – holiday, technology, weekend escape or even just so you sleep better knowing you finally have an emergency savings account as a safety net.

Decide how

Set up an automatic debit to transfer long term savings into a separate account that's not linked to your day-to-day transaction account; out of sight is usually less tempting.

How much

Try the 50-30-20 approach to allocating your income.

- 50% of your income goes on your essentials
- 30% of your income gets spent on lifestyle and
- The remaining 20% get put towards paying down debts or long term savings.

Feel the burn

Make a pact with yourself for 6 months that all purchases over a certain dollar amount, require you to wait for a few hours, a few days or even a few weeks (eek!) before you commit to the spend.

A spend of $200 is 2 day wait, $1,000 is a 10 day wait.

PRO TIP: A great way to change your thinking about savings is to ask yourself (or a friend) this simple question when a significant purchase is made; 'How long did you have to work to buy that?'

Know your good debt from your bad debt

Get to know the difference between a good debt and a bad debt.

Simply said, **bad debt** is the kind that leaves us poorer and robs us of the ability to grow our wealth. Bad debt usually comes from buying something that only goes down in value. Credit card debt is a typical example. Another is taking a loan for a brand new car that immediately depreciates in value. A new car value drops by 11% as soon as it's purchased. That's $5,500 for every $50,000. Ouch.

Good debts are when we borrow money to buy something that usually goes up in value.

An investment property might be a good example of something that appreciates in value over time

That said, life is for living so if something brings you joy - work out the best way to buy it.

You might be better off paying for it outright from savings rather than adding it to a credit card and paying interest. It seems pointless to buy something on sale, using a high interest credit card, just to end up paying more for it over the long term than its original price – just because you didn't want to wait.

It's your money, so you get to make the rules on how you spend it. But if you want to get ahead, you might have to play by better rules when it comes to the impulse purchase.

Getting to understand your good debt is one of the keys to building wealth and a stronger future.

Become better at keeping records

May people say they don't know where their money goes.

Direct debits and Bpay payment options can help make paying bills easy. But sometimes these automated helpers mean money slips through our fingers (or bank accounts) without us realising where it's going.

Many online stores have merchant names different to the store name you purchased from so checking where your money went can be understandably confusing.

Many credit card or account frauds start with fraudsters stealing small amounts of money they hope will go unnoticed and eventually be overlooked as regular smaller payments.

Check what doesn't look right

Once a month put aside 10 minutes to check your credit card statement for random purchases and overseas transfers that don't look right.

When in doubt, contact your bank or credit card company and ask for verification about any suspicious entry on your statement. You could save yourself years of paying what you thought was a regular direct debit for something that was at best, a transaction error or at worst a deliberate fraud.

You work hard for your money – so know where it goes.

The government **MoneySmart** website is a useful place to learn more about online fraud.

Get a free copy of your credit history each year

Did you know that everyone whose ever applied for credit of some form, has a credit history? It's usually the first thing a bank looks at when you're applying for a loan.

Over time the credit reporting agencies will store and cross reference your full name, date of birth, drivers license number and your credit history can stay on file for 5 to 7 years.

Stay alert for mistakes on your credit history

The problem is when credit agencies make mistakes and accidentally mix someone else's credit history with your own. Mistakes happen all the time and late payment disputes and identity theft is more common than we'd all like to think.

This is a case where what you don't know can actually hurt you (and stop you getting a loan).

The good news is you're entitled to check your credit report once a year for free, so this month make a point of applying for a free copy of your own credit history.

If there is something misleading or incorrect on file go direct to the credit agency's records dispute resolution team.

Click here to find out how to get your free copy.

Check your mobile phone plan

Most of us accept our mobile phone bill as a fixed lifestyle expense and its usually linked to a credit card or bank account for automatic payment.

But as your lifestyle needs change, so too will your mobile phone (and data) usage needs, so it pays to keep an eye on what your plan is doing and the potential cost of staying too long with the same plan or provider.

It all adds up

It's all about what you need and what you're willing to pay for.

- A $20 per month reduction in your mobile phone bill equals a savings of $240 per year.
- This amounts to $480 ever two years.

Think this is small change? … 'So how long would you have to work to be able to afford that?'

To plan or not to plan – that is sometimes the question

A report in the Australia consumer magazine Choice found that often going prepaid can be cheaper than a contract. And don't forget you may be better off with no plan at all.

It's your money, and if you don't look after it, someone else will.

Compare a recurring bill and learn to spot the difference

Learning how to anticipate changes in bills and future expenses is another key to financial good health

On the 15th of every month, choose a recurring bill and then compare it with the same bill from the previous month (or quarter if it's a utilities bill). This could be your monthly mobile phone bill or your quarterly electricity or water bill.

Look for the why, not just the total cost

Comparing the different amounts due is important, but understanding why they vary is usually more important.

You might use more electricity in summer when you use more air conditioning than winter. Your petrol bill may change if you tow a trailer and your phone bill on holidays might be greater than work days – it doesn't matter so much about the amount of the difference between the same bills but rather your ability to understand why it may be different can help you budget more effectively and anticipate changes in your needs.

PRO TIP: It's often the **why** that counts more than the amount involved.

Master the mortgage

For most people a home loan is one of the largest debts they have. For many Australians it devours about 30% of their income.

The average Australian uses 31.5% of their income to repay a home loan so is it any wonder that most couples agree arguments over money is one of their main sources of relationship stress.

Here's our top 5 tips for ways to tame your mortgage

1. Never just make minimum repayments (unless you want to take a full 30 years to repay a typical home loan). Round up repayments to the nearest $50, or even $100 as a minimum.

2. Consider fixing your interest rate (or part of it), when you need extra certainty about your future financial commitments

3. Plan on getting ahead in loan repayments by at least 3 - 6 months, just in case of emergencies.

4. If interest rates drop and repayments reduce, continue to repay the higher original repayment amount to stay ahead.

5. Remember to make good use of your 100% offset account.

Here's a useful article if you want to **Understand How an Offset Account Works**

PRO TIP: Remember the lowest interest rate is not always the cheapest loan over the long term. Paying an annual fee of $395 can equate to adding an additional 0.25% to an effective interest rate of a typical home loan.

Simplify your credit cards

There's no argument that a credit card can be a convenient way to keep track of your purchases and help smooth out the natural ups and downs of our financial lives. Where else can you get an interest-free loan of up to 55 days for anything you buy?

But if not used properly, there are dangers to taking a buy now pay later approach to credit card spending.

A nation in debt

As a nation, Australian's carry around $32 billion of credit card debt – or an average of $4,300 for every credit card holder. And the average interest rate on that debt is usually 17% or more than $60 a month. So how long would you have to work to be able to afford that?

How to target paying down a single credit card.

If you have multiple credit cards, consider focusing your extra repayment efforts on one single card first, rather than randomly sprinkling extra money across multiple cards. Many people when looking to pay down a card fast, choose the card with the highest interest rate and then focus on making additional repayments on that card first.

This can be a powerful motivation to keep going to credit card debt zero. And if credit cards are becoming uncontrollable, consider paying out the card with a personal loan at lower interest rate and cancelling the card.

If you're ready to take a closer look at credit card debt **here's a useful article from the Smart Money site.**

Get smart with your tax refund

The average Australian tax refund in 2012 was $2,300 That amounts to over $9.76 Billion dollars being returned to workers each year. Unfortunately, nearly a third of Australians spend their tax refund on just paying regular bills.

Your tax refund is your money owed to you by the ATO. So why not treat it as a form of forced savings and put it straight into a long term savings, your mortgage offset account or reduce long term debt.

To reduce the amount of tax you pay, you need to get to know your eligible deductions.

You can see a full list of the available deductions and offsets you may be able to claim on the ATO website. If you're in doubt about what you can claim, you should always speak to the ATO or your accountant.

Tax deduction claims are usually for the expenses you've incurred when generating your income.

This may include:

- Some work-related travel expenses
- Work-related car expenses
- Home office expenses
- Work-related self-education expenses
- Some work-related tools, equipment and other expenses, and
- Premiums for income protection insurance that aren't paid from a super fund.

Always make sure you've kept a proper record of any claimable expense.

You might like to take a photo of a receipt and have it saved to a backup folder in the cloud. Whatever you do, it's time to focus on the details so you get to claim back what's rightfully yours.

Get smarter with super

Superannuation is a compulsory retirement savings scheme that all employees earning over a set amount of income are required to contribute to until they officially retire.

One advantage is that superannuation provides the opportunity to invest tax-effectively for the long-term. That's because concessional contributions (generally those made by your employer or contributions you make personally and claim as a tax deduction) are usually taxed at 15% instead of your higher marginal tax rate, so long as you're still inside your concessional contribution cap limit.

By salary sacrificing just $250 extra into your super each month you will be contributing an extra $25,500 (after contributions tax) over 10 years - and that's before any growth.

If you earn 5.5% a year on these contributions – or the same average as Australian shares have over the 10 years until 2016 – you could actually end up with nearly $30,000 more in your super (in today's dollars).

Be careful – **excess contributions can mean penalty tax**

PRO TIP: There are caps on just how much you can contribute each year so speak with a professional if you want to take advantage of making additional contributions to your superannuation. Check out this **ATO video** describing the difference between concessional and non-concessional superannuation contributions.

Lost track of your super? Here's how to find it

Some Australians have accumulated multiple super accounts over time and lose track of them.

The **ATO** is trying to trace them all through your tax file number and many of them can now be see in the governments **My Gov Online Portal**.

But super is complicated and here are 2 key problems to be aware of.

- The problem of multiple super accounts is that you pay multiple fees.
- The problem of the My Gov Online portal is that if a past employer spelled your name incorrectly or didn't lodge your TFN with your super account, it may be harder to find.

PRO TIP: The problem with a DIY Super Consolidation is that you might accidentally close accounts that have vital insurance cover attached that you mightn't be able to qualify for if you needed to.

This is just another reason why you should **use a professional adviser like Sapience Financial** to help you check for insurances in a super account before you combine them yourself.

Ask for a pay raise

There's nothing like a pay rise to boost your financial health. Rather than just living on less, think about how you can upskill, add more value to your employer and earn more income.

It starts with you being able to know what your contribution to the employer is. If it's easily measured like sales that's great. Otherwise if it's not so directly measurable you may have to point to specific examples where you added value and made (or saved) the organisation money.

Ask yourself

- Have you made a work system or process that helps the business run more efficiently?
- Have you helped retain or refer in new clients?
- Have you provided feedback and suggestions on a particular project above and beyond what you're required to do?

Negotiating a pay rise requires you take an interest in what's happing outside your workplace cubical. That might involve completing more training and workplace education, deciding to upskill at a night course or participating in a mentoring program.

Negotiating a pay rise isn't always available to everyone so consider the value of other non-cash benefits that could prove just as rewarding.

Greater flexibility in work hours, time off in lieu, reimbursing educational expenses or even a membership to the gym or freedom to do some volunteer work in company time.

When it comes to your financial wellness, it's more than just money but if you don't ask, you'll never know what that looks like.

Become more financially literate

In today's modern world we wouldn't think of not wanting to become computer literate. It's the same with our financial lives - you'll never have financial wellness without first becoming financially literate. It's that simple.

But becoming financially literate doesn't have to be as hard as it might sound.

To begin your journey to greater financial literacy, why not just commit to learning one thing about finances every month?

Start with learning the basics:

- **How does compound interest work?**
- **What are the different asset classes when it comes to investing?**
- **Learn some simple debt reduction strategies**
- **Learn about big picture investing**
- **Learn about the different types of investment property**
- **And get familiar with some of the common myths around estate planning for Australians**

There are some great websites and online courses. The financial advisers at Sapience can give you the information you need and help you on your journey.

You might even like to become a Sapience client and benefit from our expertise.

Check out our blog packed with helpful tips and information and be sure to **subscribe to our regular Not-a-Newsletter.**

Start investing as saving

When you're in control of your cash flow - and earning more than you spend - you can really start to get ahead and grow your wealth. But to do that, you'll need to invest.

Consider investing as a form of forced savings

Many people use investing as a form of forced saving so it's worth learning some of the basics and deciding what you'd like to do.

The basics of investing are the same basics that are used to help choose your mix of investment assets in your superannuation fund.

Here are some **helpful short videos** about diversification and investing across multiple markets and multiple asset classes.

Alternatively, if you want some real tailored advice on how to invest to reach your financial goals, speak to the team at **Sapience Financial**.

Learn the lingo

Investing has a number of new terms that are good to get to know. The main word is gearing. At its simplest, the term gearing simply means borrowing money to invest. The common example might be borrowing to invest in an investment property, a business, shares or managed funds.

When the term is negative gearing, that usually means the cost of borrowing the money to invest, is greater than the current return on the investment. Sounds complex?

You can learn more about it here at the government Smart Money website.

Take affirmative action

When it comes to financial health, it can sometimes feel like the world's still a very traditional place and equal access to financial advice is, well still not so equal.

It's time to own up to the reality

Research shows women, full time carers and home makers currently tend to have lower levels of financial health than men. The causes of this range from lack of financial literacy to time out of the workforce or working part-time.

So, if you're a woman, a carer or a stay at home homemaker it's even more important to take action on your finances.

To get started on your journey, include some financial books in your reading list, listen to a podcast about money matters and write down a few goals for your finances and make a plan to chase them.

If you have a partner, involve them in your planning too.

That way you give yourself a better chance of approaching your finances as equals.

Be choosy about the way you pay

When you're paying for a big expense, the way you choose to pay for it can make a significant difference to its overall cost.

Paying for a kitchen renovation by drawing down on the home loan is usually cheaper than using a credit card. You might find yourself paying it off for a very long time if you don't have a clear plan about how to pay for it and by when.

Start a new habit that works for you

Get selective on how you pay and avoid making an impulse decision.

- Work out how quick you want to pay back the new debt and what interest you're likely to pay over that time.
- Then make sure you can pay it back sooner than the full term of the loan.
- If there's an interest free option, make sure you start to pay it off regularly to avoid the penalty interest.

PRO TIP: make sure you know the exact date when any interest free period ends.

Once you know the final cost of a big expense, ask yourself

'How long will I have to work to pay all this back?'

Sometimes it's worth feeling a little short-term pain if it means you can avoid a long-term debt.

Be a Conscious Consumer

Consumers today have greater choice about how to use their consumer dollar in a way that doesn't support predatory employers, unsustainable practices that marginalises people and the planet.

Be part of the conscious consumer movement

Today's more socially conscious consumers are voting with their dollars by purchasing products and services from socially responsible businesses and brands. These ethical consumers are demanding greater transparency from their product and service suppliers as they take an increasing interest in the ethical practices of those they buy from.

Getting in touch with your purchasing choices might mean shopping at monthly local farmers markets, prioritising small business suppliers over impersonal retail chains and looking for products sourced from ethical companies and certified suppliers like Fair Trade Certified and B Corp Certified businesses.

Certified B Corporation

PRO TIP: Good people and good businesses have always existed. The challenge was finding them and helping connect their efforts in meaningful and organised ways. Now there's a growing list of quality ethical businesses who undergo rigorous independent certifications to help their customers be able to separate good business from simply good marketing.

Sapience Financial is a **Certified B Corp** business and part of the international movement described by **Inc.com** as "the rock stars of the new economy," and you can learn more about them in the link.

So why not become more intentional about where you make your key purchases and use your new found financial wellness to help **support a business that's helping support the community.**

Go old-school for a month and pay cash

If you can take a month off spending, that's a great personal challenge but it might not be a practical option for most of us. So what's better than a credit card detox in a cashless society? Decide to pay cash for a month and see how that feels.

It's never been easier to spend money today. It doesn't seem that real anymore when you can simply tap and go with a debit card.

Take a 30 day cash challenge

So why not challenge yourself for 30 days to pay cash. Yes, withdraw cold hard cash and go old-school and see how it feels to see your hard earned money leaving your purse or wallet never to be seen again.

Sure, long-term there's nothing like the convenience of paying your bills automatically, but short-term, paying for each transaction individually can be a great exercise in making spending more conscious and mindful.

By consciously slowing down your purchases and thinking about what you're doing, you'll become more in tune with your spending and more confident that you **know where** your money is going, **when** it is going and **why**. (And remember to ask for a receipt to check).

Pay safe and stay safe Online

A key part of financial wellness is paying safe online, and that means protecting yourself and your wealth from money scams and online frauds.

In our connected digital age theft often also takes place electronically through online fraud and the consequences can be immediate and devastating. In fact, according to the ACCC, the average loss in an online or over-the-phone scam is now more than a staggering $26,000.

Start to learn more about online privacy

Take precautions to make sure you're not a scammer's next victim, including:

- Never, never, never click on suspicious email attachments.
- Keeping your PINs safe and make any online passwords difficult to guess.
- Treating any email asking for payment with healthy suspicion and making sure it really is legitimate before ever transferring money.
- When completing online banking always check the URL for the green lock.

- Use a web browser's private browsing option when making online purchases.
- Encrypting your Wi-Fi connection and avoiding sharing information on unsecured ones.

Call in the experts to learn what's possible

Understanding of what's financially possible is one thing. But understanding all the technicalities of growing wealth is another thing altogether. It's really only possible if you live and breathe everything financial like we do at Sapience.

We're all about helping families and small business owners protect and provide for their family and cover their business responsibilities.

If it's not on your map, you probably won't go there – and that can be a problem

Sapience can introduce you to opportunities you wouldn't have known about or even had access to. Specialties like wholesale managed funds, direct investment property, tax free savings bonds for your children and small business and more. If you don't know opportunities exist, you'll probably never find them on your own.

How to start your thinking about finding your own financial adviser

1. Check for the required licenses and expertise (AFSL - Australian Financial Services License and ACL Australian Credit License).
2. Check they're a member of an accredited professional association.
3. Check out their website to see if it's helpful or just a static brochure. Research their online profile at their professional membership site too.
4. Ask them their philosophy about money, their experience, what's important to them and how they can add value to your family and business.
5. Decide if they're the type of person who'll challenge you, and you'd be comfortable having an ongoing professional relationship with.

Ultimately people do business with people they know like and trust.

That's what you should look for in a financial adviser, because that's what they look for in a new client too.

Plan to leave a better world behind

Financial good health doesn't start and end with you. Having better control of your finances also gives you the opportunity to look after the people and causes you care most about today, and even tomorrow when you're gone. Without learning about **Modern Estate Planning** you can't be sure your money will go where you intend it to go.

Modern Estate Planning

Estate planning doesn't just mean making a will (although that's an important step). It also means using the right strategies to keep your assets protected and to avoid unnecessary taxes diluting your wealth and legacy.

You should also think about what will happen if you're still living but can't make decisions yourself. Do you need to give power of attorney to someone you trust so they can make them on your behalf?
You won't usually be able to do all of this yourself.

Watch our fun explainer video first then contact the team at Sapience to make sure your financial legacy ends up being what you wanted it to be.

Get on the same page with your partner

If you or your children are in a same-sex relationship, finance and estate planning takes on a whole new importance.

Modern familes are as diverse as the people in them

While taxation, superannuation and estate planning rules are usually the same as they are for heterosexual couples, that's not always the case – especially when you have kids.

For instance, if you're the child's biological parent and you die, your partner may not be considered your child's parent under some laws.

- Unless you name your partner as a legal guardian, your biological family may end up with custody and the balance of any life insurance payout you planned for your partner to use.
- Your child may also miss out on inheriting if that partner then dies too and they haven't left a will.

On the flipside, same-sex couples now have all the same super benefits as heterosexual couples, which means you may be able to make contributions into each other's fund.

Whatever the type of your relationship, however you choose to plan for your future together, it's vital you're both on the same page, you get proper advice, and the important parts are understood and in writing. If you need help choosing a financial adviser, see if **Sapience Financial and Investment Services** might be your kind of professional financial adviser.

Whether your family is biological or logical, Sapience celebrates equality and diversity and we support whoever is family to you.

So where to from here?

We hope the last 31 days has been helpful and sparked some good conversations. Our experience is that most people now have a number of good questions that they now would like to talk through.

Perhaps you're now looking to refine your newfound skills or just looking to see if a relationship with a Financial Adviser like Sapience Financial makes sense for you and your family makes sense going forward – either way, I'd love to get your feedback and answer any questions that may have come up along the way too.

Why not visit us online or subscribe to our monthly news update for some short useful tips in your email.

Drew Browne

Owner and Senior Financial Adviser
Sapience Financial and Investment Services

Put a bigger thinker into your financial life
Connect with Sapience and become more life confident.