

Saving, budgeting and managing debt

BACK TO BASICS

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What we will cover



Your lifestyle goals



Budgeting



Saving



Risk and return



Managing debt



Taking control



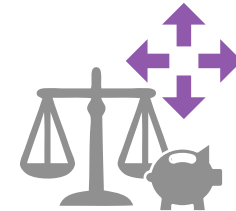
Emerging trends...



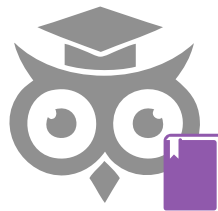
Impact of global uncertainty



Need to make active decisions



Changing, complex super & tax regulations



Greater know-how & expertise required



Less time for family, finances & lifestyle goals



Why advice makes sense at any age



Not just for those about to retire



Disciplined savings & budgeting habits



More time, more expensive



Smooth returns & increase compounding benefits



More choices with smart investing



Your lifestyle goals



We're living longer than ever before



Source: ABS 3302.0, 3102.0, 3222.0; Australia's Health 2010 (AIHW)

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What do you want out of life?

Lifestyle

Career opportunities

Work/Life balance

Overseas travel

Marriage and a new home

Family and children



Financial

Right combination of cover

Clear plan and budget

Save for the things that count

Pay off your mortgage sooner

Comfortable retirement

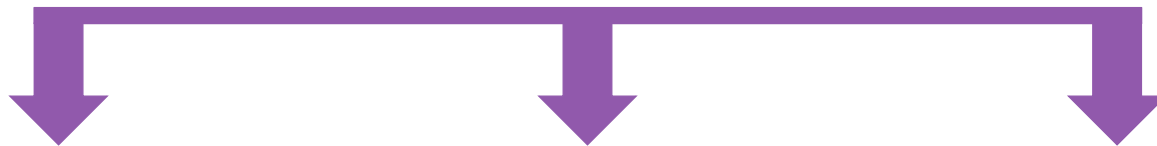
To reach your lifestyle and financial goals
you need to prepare a framework for success now



Your financial goals: now, soon and later...



Financial goals



Short-term:
now + 2 years



Medium term:
2-5 years



Long term:
5 + years



Creating achievable financial goals



Write down your goals



Be specific and SMART



Set deadlines for achieving your goals



Budgeting



Creating a budget

Steps to building your budget



Set a clear timeframe



Estimate your income



Estimate your expenses



Work out the difference



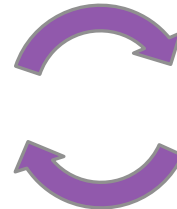
Get started today



What to do tomorrow...



Review your budget



Keep it up to date





A budget will help you take control of your finances and identify savings



Saving



How is saving different to investing?

	Saving 	Investing 
Key Objective	To keep your money safe	To grow your money
Time frame	Shorter	Long – up to 30 years
Risk	Low risk	Potential for volatility
Dollar potential	Income only (via interest)	Income and growth
Effectiveness	Income is assessable at your marginal tax rate	Potential CGT discount



Setting up a savings plan



Create a separate savings account



Deduct savings from your salary



Automatic transfer to your savings account

This way you don't have the opportunity to miss your money



Choosing an account



- Avoid temptation and choose an account that's not instantly accessible – such as an online-only account
- Look for accounts with incentives to save
- Look behind the headline rate
- Try to find a low-fee or fee-free account



Other savings plans



Salary sacrifice
into super

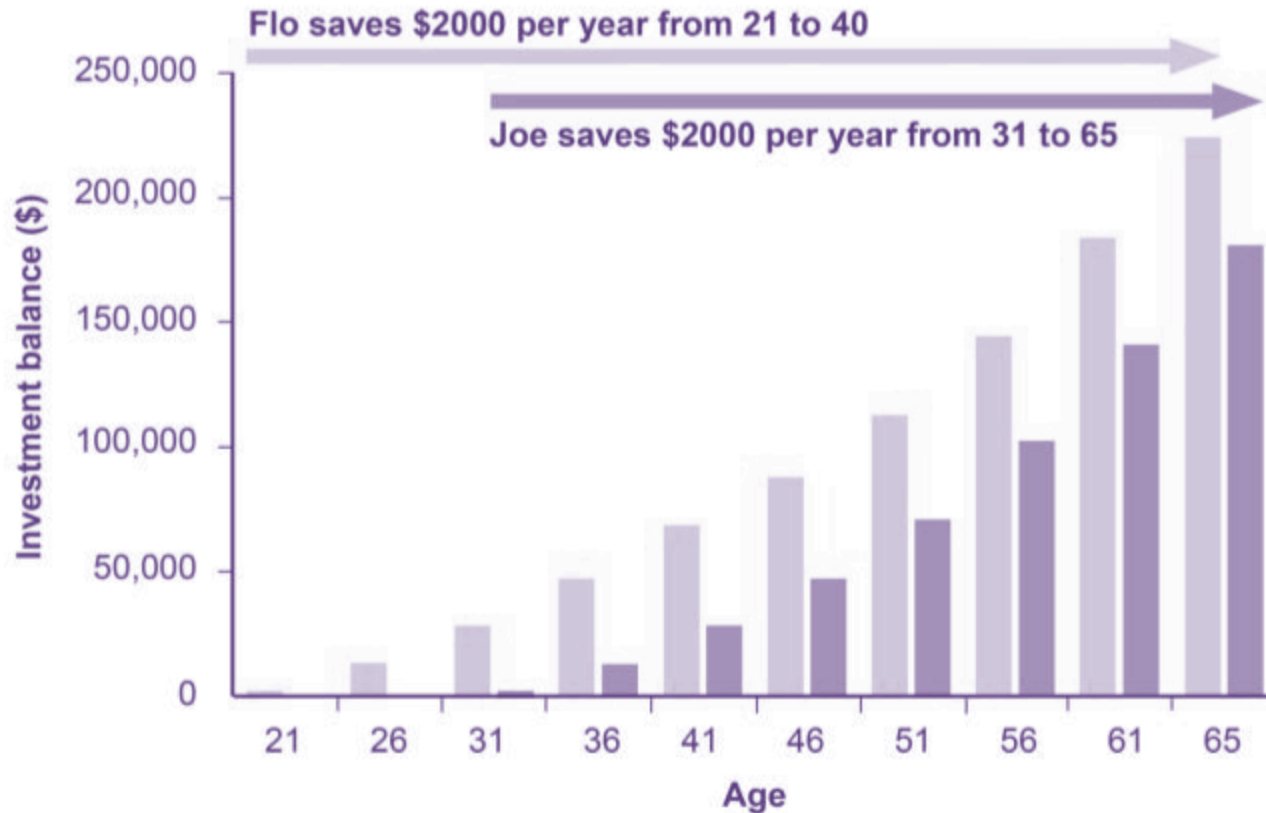


Units in a
managed fund

Regular savings plan are an easy way to build your wealth over time



Compounding



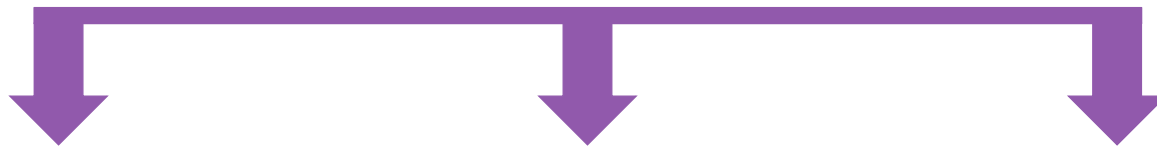
Earning interest on your interest



The right vehicle for your savings



Financial goals



Short-term:
Bank account or
term deposits



Medium term:
Managed funds



Long term:
Direct shares and
superannuation



Risk and return



Understanding risk and return



All investments carry some risk:

- they may fall in value
- returns might not meet expectations
- so you might not be able to meet financial/lifestyle goals



Generally:

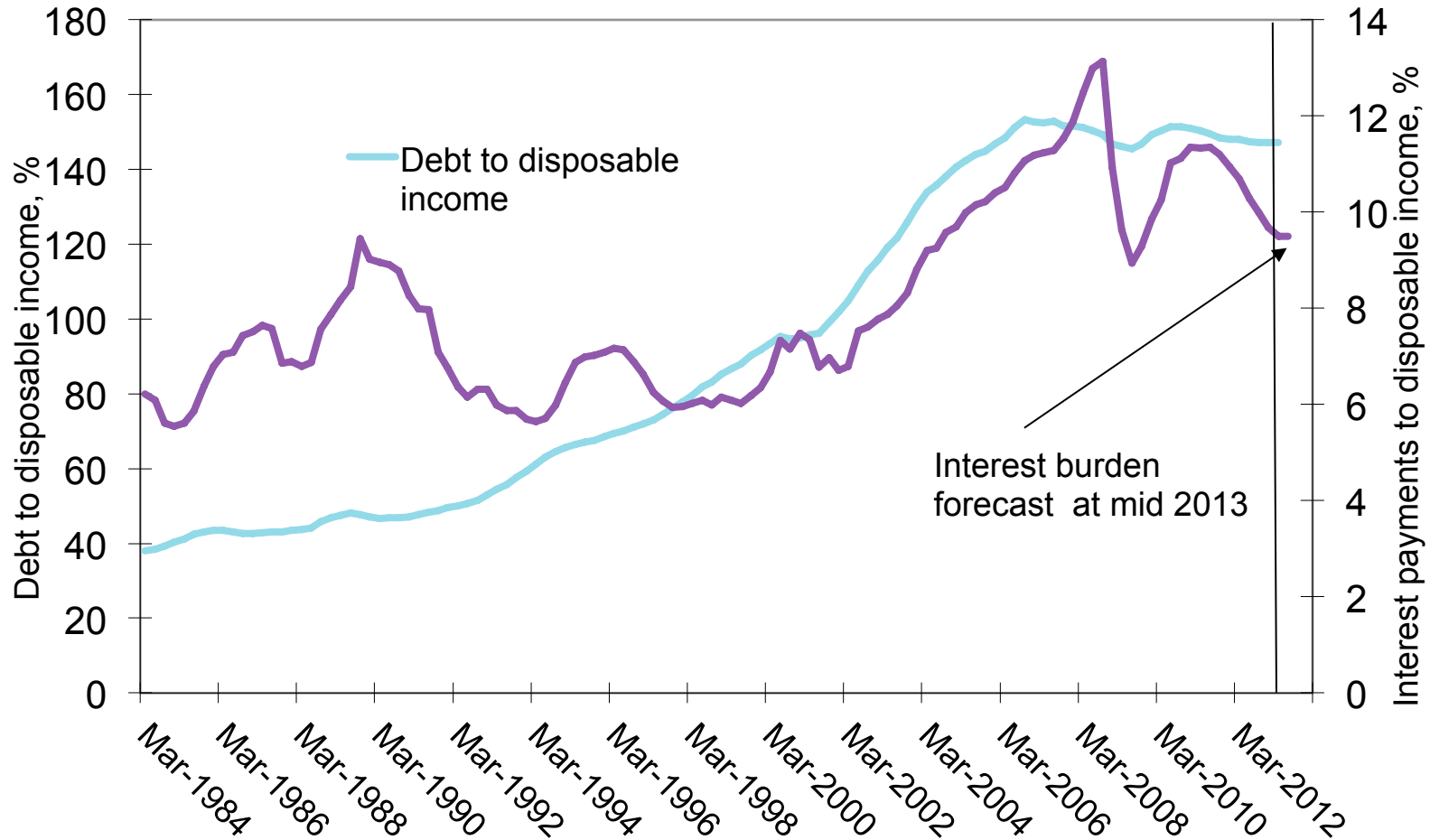
- the lower the risk, the lower the return
- the higher the risk, the higher the potential return
- the higher the risk, the longer you need to be invested



Managing debt



High debt but lower interest rates



Source: RBA. Data to March 2013



Debt management strategies



- Pay off non-deductible debt first
 - Credit cards
 - Personal loans



- Don't borrow for depreciating assets



- Plan for the unexpected



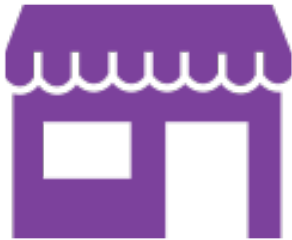
- Spend within your means



Credit vs debit



- Credit cards are convenient
- But make sure you pay your credit cards off at the end of the month
- ‘Revolvers’ don’t pay their card off at the end of the month
- If you’re a revolver, consider switching to a debit card
- Consolidate your debts if necessary



A quick recap



Plan ahead



Manage debt effectively



Set a budget and start a regular savings plan



Prepare for the unexpected



What investments suit you best?



Taking control



Why use a financial adviser?



Managing your own finances can be time consuming



Advisers keep up with changes to laws & regulations



Financial plan becomes long-term strategy



Access valuable advice from qualified professionals



Why use a financial adviser?



Understands your particulars, uncover new opportunities & help overcome obstacles



Objective point of view:
avoid irrational or hasty decisions



Regular reviews
& ongoing advice



How we can help



Investment strategy



Super contribution levels



Tax effective investing



Personal insurance cover



Transitioning to retirement

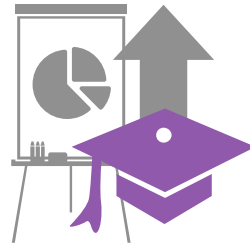


The benefits of financial advice

What's in it for me?



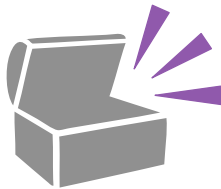
Clear financial plan to help reach your goals



Improved financial literacy



Greater sense of purpose & control



Uncover hidden financial opportunities



Financial independence & security



Peace of mind



Why Financial Wisdom?



Part of the
Commonwealth Bank
Group



Competitive fee
structure



Professionally qualified
financial advisers and
specialists



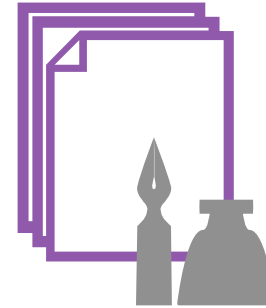
Approved product list
with a range of
investment options



Extensive experience in
providing financial advice



How much will it cost me?



Initial interview



Our cost,
no-obligation

Designing and implementing your plan



Fee for service applies

We give you a FSG and explain the fees and charges upfront

You can decide what's best before you incur any costs



Why not try Greythorn Financial Services for yourself?

- Call today for a complimentary, no-obligation appointment:

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Thank you for your time





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