

NEWSLETTER

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IMPORTANT INFORMATION:

- Kathy and Emma have passed the Ethics Unit of their Graduate Diploma and will be starting their next unit in August.
- ***Please remember that in order for us to conduct your annual review and produce your annual review document, we require updated personal and financial details.*** If you can please make sure when you receive the email requesting updated information, to reply ***ASAP*** with relevant changes. ***Also include any updated goals or objectives that you have that you would like to be considered in the projections.***

Do not forget, the office is shut on Fridays as Kathy and Emma work from home these days.

They can be contacted on their mobile phones –

Kathy: 0413 348 472

Emma: 0488 198 200

Over the page:

Simple money mistakes – and how to fix them!

The world is constantly dangling temptations before our eyes, and it's never been easier to buy stuff, even if we don't have the money. The upshot is that we are all susceptible to making some basic financial errors. Individually, these mistakes can be small. Added together, they can really hold us back from financial success.

Adding up the little things

Take one simple example. It's easy to spend \$15 on lunch from a café. But make your own and you could easily save over \$10 per day. Multiply that by your working days and you could be saving over \$2,000 a year!

How about the great clothing trap? Every year Australian's throw away huge amounts of clothing that has never been worn, or only worn a few times. Then there's food. The average household throws away over \$1,000 worth each year.

Add in other impulse purchases and it's easy to fritter away many thousands of dollars on unnecessary or impulse purchases each year.

Big savings

Other common (and often bigger) money mistakes arise from our poor use of debt:

- If you don't pay off your credit card balance in full during the interest-free period, you could be digging yourself a debt hole that can be very hard to get out of.
- If your impulse buys rely on the use of 'buy now pay later' services, it's a sign that you probably can't afford them.
- Borrowing to buy things that immediately fall in value, such as a new car, is another quick way to blow some big dollars.
- Even when buying an appreciating asset, such as a home, purchasing above your needs can leave you struggling to meet repayments, adversely impacting your financial position.

Finding a purpose

For many people, just being aware of these money mistakes is enough for them to avoid the traps. For others, the instant gratification of the purchase or the pleasure in zipping down the road in a flash new car can make it really hard to adopt new habits. But what if there was a clear, long-term reward for suppressing the desire for instant gratification? This is a personal choice, but could be a big overseas trip, upgrading your home or simply achieving financial independence.

Setting some clear goals can make it much easier to forgo that focaccia and flat white in favour of a homemade (and just as delicious) sandwich. How many DIY lunches equal a week on a Greek island? Tick them off on a chart so you can visually track your progress.

Or each time you suppress the urge to buy something you desire but really don't need, give yourself a mental pat on the back. You've just brought forward the day when you can buy that new house or work becomes optional. Again, charting your progress can help you see what you're achieving and help you maintain your motivation.

So have a think about your financial habits, and see how many fit into the basic categories of financial mistakes – spending too much, not saving enough, and making poor use of debt. Then work out the goals that are important enough for you to ditch the bad habits and develop good ones. You might be surprised by just how much some simple changes can contribute to your financial success.