



Budget



+ wealth + security

Booster

August 2014

How's your financial fitness?

Six resolutions to help you tip the scales in your financial favour

Have an insurance check-up

Australians are chronically underinsured. Research conducted by IFSA suggests that only four per cent of the total population with dependent children have adequate levels of life insurance cover¹. Your life and ability to earn income are arguably your most important assets, so it's a good idea to speak to us as we will recommend insurance cover tailored to suit your individual needs, as well as protecting your loved ones.

It's important to ensure that you understand your existing policies - we can guide you through the product disclosure statements, their benefits and importantly any limitations.

Actively manage your regular bills

The monthly bills for mobile phones, subscription television and Internet services are seen as necessities. It's important to analyse your expenses to make sure you're not paying for something you don't need. Also, make sure you check to see if your employer offers you discounts on health insurance, mobile phone plans, or Internet. picking the right plan can make a big difference over a 12-month period.

Review your bank accounts and fees

A quick review of your bank statement will help you understand what is being charged to your account and why. There's a lot of choice when it comes to banking products so shop around for the best deal that suits you.

If you need help doing your analysis, speak to us.

Talk to your loved ones about estate planning

Your estate plan will determine the distribution of your assets should you pass away. It will also outline your wishes if you become unable to care for yourself. Without a proper estate plan in place, if you become unable to make your own decisions a court may appoint someone to handle your assets and personal care.

This can be a difficult process for those involved, even if everyone is in agreement and much worse if they

disagree. It's important to speak to your loved ones about your wishes, or have them outlined in a Will to ensure there is no confusion.

Create a budget and track your spending

Getting your budget on paper and tracking your spending will set you up to effectively manage your finances into the future. Regardless of your pay packet, a budget will help you determine where your money is being spent and once you know the *where* you can focus on the *why* and identify where you can make savings.

Given that the average Australian couple with a child (aged between 5 -14) are estimated to spend around \$1,670 per week², it's important to have some money set aside *just-in-case*. Start with what you can afford. Each household budget should include some savings, even if it's a very small amount. The key is consistency, and you'll be amazed how quickly it will grow.

A good way to track your spending is to use a smart phone app, such as *TrackMySpend* which is free and available to download from ASIC's MoneySmart website. If you're looking for a more comprehensive tool, there are a number of online calculators you can use, such as IOOF's free budget spreadsheet available from www.ioof.com.au/advice/calculators.

Look after yourself and live a healthy lifestyle

Keeping yourself fit and healthy has significant benefits in many areas of your life. As well as reducing your risk of an early death from diseases like heart disease and some cancers, regular physical activity can help keep your thinking, learning, and judgment skills sharp as you age. It can also reduce your risk of depression and may help you sleep better.

Source | IOOF

This communication has been prepared on a general advice basis only. The information has not been prepared to take into account your specific objectives, needs and financial situation. The information may not be appropriate to your individual needs and you should seek advice from your financial adviser before making any investment decisions.

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¹ Lifewise *6 Underinsurance in Australia, 2011*