



Moneycare

you're the boss

Money wisdom
for life



**PUBLISHED IN 2021 BY THE SALVATION ARMY
MONEYCARE**

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With thanks:

- Fast Print Services for graphics and design.
- Emma Lalic for editing text content.
- The Moneycare team and people who've connected with Moneycare over the last 30 years.

The Salvation Army Australia is an international Christian movement, united by faith and giving hope where it's needed most.

The Salvation Army acknowledges the Traditional Owners of the lands and waters throughout Australia. We pay our respect to Elders and acknowledge their continuing relationship to this land and the ongoing living cultures of Aboriginal and Torres Strait Islander peoples across Australia.

This is a book about money, but it goes way deeper than that.
It's about living well.

We live in one of the richest economies on Earth, yet people all around are stressed about money - from those who earn a lot, to those with very little. This book provides an opportunity to live meaningfully - no matter how much you have.

The Salvation Army's Moneycare service has been delivering financial counselling in Australia for over 30 years. Our doors are always open to provide free, non-judgemental advice and advocacy for anyone who enters. Whatever your circumstances, we will walk with you and discover the best solution for you.

You're The Boss is informed by countless people who've connected with Moneycare over the years and incorporates wisdom from our Moneycare team.

We've seen many people become overwhelmed with debt or feel powerless at the hands of difficult financial systems. It doesn't have to be this way. No one has it all sorted, but there are ways to be intentional about how you spend your time and money. Let these pages open a conversation.

We hope this little book captures our big heart for everyday Australians who want to get started on the road to money wellness.

It's time to be the boss of your money.

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Money wellbeing: *Finding your currency*



We open this book by helping you *unlock your own money story* - to help you become aware of your past and to start thinking about your money future.

Are you good with money?

Chances are what comes to mind in response to this question are thoughts and images like:

- *Managing money is hard and scary*
- *I don't have enough money*
- *I'm not an expert*
- *I've made too many mistakes with my money.*

These stories you tell yourself (and others) about money can powerfully shape your life. This is why it's important to understand what influences your ideas around money.

If you only look at what society declares, you might believe success is solely measured by how much money, possessions and experiences you have.

But there is another way of achieving money wellbeing that has nothing to do with society's version of success.

This starts by acknowledging what you're already doing well with your money and opens a pathway for positive action.

HERE ARE 3 STEPS TO GET YOU STARTED

1. Redefine success... and acknowledge yours!

Rather than relying on the outside world's definition of success, create your own. We help you do that by looking at what you truly value - the deep principles that guide who you want to be and what you want to stand for (*see page 12*).

2. Know you can grow

A growth mindset is an understanding and an attitude that all humans have the ability to change. Mistakes don't define you, they help you grow.

A fixed, rigid mindset might say, "I've never been any good at saving money so there's no way I'll be able to afford to travel to my friend's wedding next year".

But a growth mindset would frame it differently; "I haven't saved well in the past, but today I'm going to set up a direct debit from my pay into a separate account so that I can make sure I will be at my friend's special day".

3. Simply change one thing

It's about changing one thing. One small change in behaviour can build a new habit that fits in with your personal definition of success and move you towards who you want to be.

And if you need help, Moneycare has the skills, experience and passion to provide it.

So... are you good with money?

You're probably better than you realise when you define success for yourself, make small changes that work and get help along the way! You **can** be the boss of your money.

Activity:

Can you write down (right now!) ten things you are already doing well in your money life? Here are a few ideas to help you get started:

- I have set up a plan for paying my utility bills
- My tax returns are up to date
- I know where my super is
- My will is up to date
- I avoid harmful products like payday loans
- I always provide for my family

How did you go? What did you notice? Don't stop at ten things!

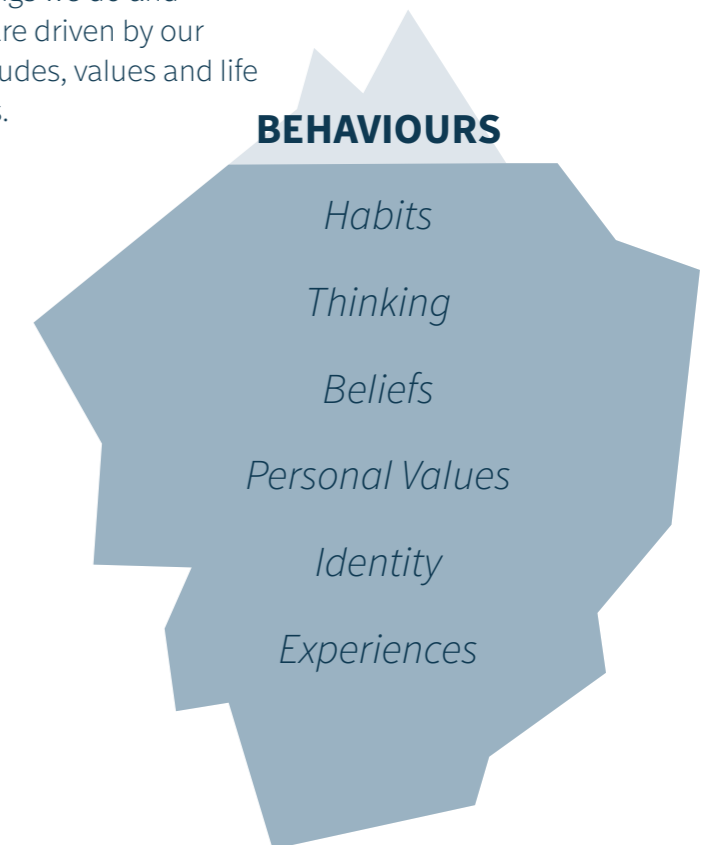
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Your money story:

Unlock the *Shekels* in your past

Our past experiences with money affect how we manage our money today. Our "money story" is made up of our personal experiences, family history and current situation. We all have our own story.

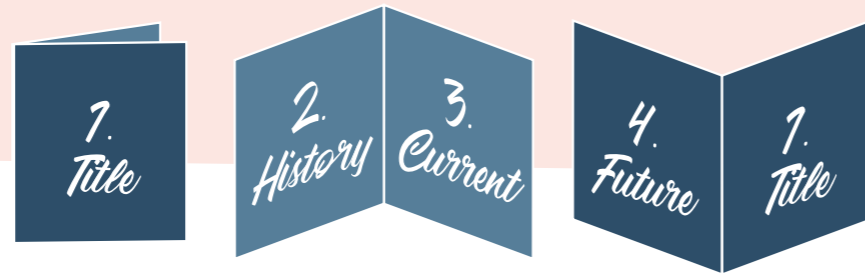
This iceberg diagram shows how the things we do and others see are driven by our deeper attitudes, values and life experiences.



Adapted from: Edward T Hall's Cultural Iceberg Model.

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My Money Story



Activity:

Take time to answer the questions below and share them with a trusted friend or family member too. It will help unlock your money story to see what's driving your behaviours and decisions today. The good news is, we are all a work in progress. What has happened in the past doesn't need to determine our future.

You can write/draw your responses here, or get a blank piece of paper and make your own 'money story'.

1. Title page:

What one song, movie, phrase or bumper sticker describes your life with money? E.g. "Under Pressure", "The Pursuit of Happiness", "Gone in 60 Seconds"

2. History page:

What's the first thing you remember buying that had value to you?

What's your earliest memory of money?

Who (if anyone) taught you how to manage money?

Was money discussed in your household?

How was money managed? Did you feel like you had a lot of money, or a little?

How did your family celebrate birthdays and Christmas?

What was your first job? OR What did you want to be when you were a child?

What age did you get your first credit card or loan?

3. Current page:

Who teaches you about money these days?

Who manages your money?

Do they (or you) easily discuss money?

What is your favourite thing to buy?

What is your best tip about saving money?

4. Future page:

I hope my future with money will look like this...

Your values:

What do you really *Yen* for?

Knowing your values and aligning them with your financial decisions is part of the *road map* to help you live well.



Completing your money story may have helped you understand why you spend the way you do, or why you find it hard to follow through with your good intentions - but your past experiences with money don't need to control your future. If you take time to explore your values, you can determine what is really important to you when it comes to money.

Your values are the principles that guide your life and who you are. It's easy to confuse goals with values. A helpful analogy is thinking of life like a map:

- **Destinations = your goals**
- **Compass directions = your values**

Your values help you navigate life's experiences and determine if you're moving in the right direction towards your goals. They help you make key decisions, stay motivated and keep grounded in times of distress.



WHY VALUES?

The world will try to tell you what's important with advertisements in magazines, television and on your social media feeds. The key is to stop and listen to your own inner voice telling you what you really value. As author of *The Happiness Trap*, Russ Harris says, "true success is living by your values."

DISCOVERING YOUR VALUES

There are many ways to discover your values. Everyone will have different priorities, and these might change over time. For example, you might value relaxation and time with family. Or you might value working hard and being prudent with money.

Activity:

Allow plenty of time to do this activity, following through each step.

STEP 1: REFLECT

Choose one (or more) of these activities to help reflect on your values:

LOOK BACK

Spend time with the following questions.

- ↳ Identify times in your life when you were:
 - Happiest
 - Most proud
 - Most fulfilled and satisfied

These are often called 'mountaintop experiences' - peak moments of our lives.

Write or draw one or two of these times:

- ↳ It might also help you to think back on moments where you felt really angry, as these might help identify when your values were compromised:

LOOK AROUND

- ↳ Think of three people you most admire. What are the common qualities of the people you admire? (The values on the next page might help)



↳ What are the major roles you have in your life (e.g. parent, partner, student, teacher)? What word would you place before each of these roles to describe you (e.g. hardworking teacher, loving parent)?

Roles	Descriptions

LOOK AHEAD

↳ If you knew you only had a few years to live and you're not sick – what would you do with your time? Who would you spend it with?

↳ Imagine that you're 80 years old and looking back on your life as it currently is. Finish these sentences:

I spent too much time worrying about...

I spent too little time doing...

If I could go back in time, I would...

↳ What stood out for you after doing one of these activities?

STEP 2: VALUE SHORTLIST

Tick the values that are important to you now (there is also space to write your own):

<input type="checkbox"/> Abundance	<input type="checkbox"/> Duty	<input type="checkbox"/> Influence	<input type="checkbox"/> Risk taking
<input type="checkbox"/> Acceptance	<input type="checkbox"/> Emotional intelligence	<input type="checkbox"/> Innovation	<input type="checkbox"/> Safety & security
<input type="checkbox"/> Achievement	<input type="checkbox"/> Empathy	<input type="checkbox"/> Inspiring others	<input type="checkbox"/> Self-care
<input type="checkbox"/> Activism	<input type="checkbox"/> Equality for all people	<input type="checkbox"/> Integrity	<input type="checkbox"/> Self-control
<input type="checkbox"/> Adventure	<input type="checkbox"/> Excitement	<input type="checkbox"/> Intelligence	<input type="checkbox"/> Self-respect
<input type="checkbox"/> Ambition	<input type="checkbox"/> Experimentation	<input type="checkbox"/> Kindness	<input type="checkbox"/> Sensuality
<input type="checkbox"/> Attention to detail	<input type="checkbox"/> Fairness & Social Justice	<input type="checkbox"/> Leadership	<input type="checkbox"/> Service
<input type="checkbox"/> Authenticity	<input type="checkbox"/> Faithfulness	<input type="checkbox"/> Learning	<input type="checkbox"/> Simplicity
<input type="checkbox"/> Authority	<input type="checkbox"/> Family	<input type="checkbox"/> Leisure	<input type="checkbox"/> Solitude
<input type="checkbox"/> Balance	<input type="checkbox"/> Financial security	<input type="checkbox"/> Love for others	<input type="checkbox"/> Spirituality
<input type="checkbox"/> Beauty	<input type="checkbox"/> Fitness	<input type="checkbox"/> Mastery	<input type="checkbox"/> Spontaneity
<input type="checkbox"/> Belonging	<input type="checkbox"/> Flexibility	<input type="checkbox"/> Mindfulness	<input type="checkbox"/> Stability
<input type="checkbox"/> Challenging myself	<input type="checkbox"/> Food	<input type="checkbox"/> Music & art	<input type="checkbox"/> Story telling
<input type="checkbox"/> Change & variety	<input type="checkbox"/> Forgiveness	<input type="checkbox"/> Organisation / Order	<input type="checkbox"/> Supporting others
<input type="checkbox"/> Collaboration	<input type="checkbox"/> Freedom	<input type="checkbox"/> Peace	<input type="checkbox"/> Taking responsibility
<input type="checkbox"/> Comfort	<input type="checkbox"/> Friendship	<input type="checkbox"/> Persistence	<input type="checkbox"/> Teaching others
<input type="checkbox"/> Commitment	<input type="checkbox"/> Fun	<input type="checkbox"/> Personal growth	<input type="checkbox"/> Tolerance
<input type="checkbox"/> Community	<input type="checkbox"/> Generosity	<input type="checkbox"/> Physical challenge	<input type="checkbox"/> Tradition
<input type="checkbox"/> Compassion	<input type="checkbox"/> Genuineness	<input type="checkbox"/> Play	<input type="checkbox"/> Trust
<input type="checkbox"/> Competence	<input type="checkbox"/> Happiness / Positivity	<input type="checkbox"/> Pleasure	<input type="checkbox"/> Wealth
<input type="checkbox"/> Competition	<input type="checkbox"/> Harmony	<input type="checkbox"/> Power	<input type="checkbox"/> Wellbeing
<input type="checkbox"/> Connecting with nature	<input type="checkbox"/> Health	<input type="checkbox"/> Problem solving	<input type="checkbox"/> Wonder & awe
<input type="checkbox"/> Connecting with others	<input type="checkbox"/> Helping others	<input type="checkbox"/> Professionalism	<input type="checkbox"/> Workmanship
<input type="checkbox"/> Cooperation	<input type="checkbox"/> Honesty	<input type="checkbox"/> Purpose	
<input type="checkbox"/> Courage	<input type="checkbox"/> Honour	<input type="checkbox"/> Recognition	
<input type="checkbox"/> Creativity	<input type="checkbox"/> Humility	<input type="checkbox"/> Reconciliation	
<input type="checkbox"/> Curiosity	<input type="checkbox"/> Humour	<input type="checkbox"/> Relationships	
<input type="checkbox"/> Designing	<input type="checkbox"/> Imagination	<input type="checkbox"/> Reliability	
<input type="checkbox"/> Diversity	<input type="checkbox"/> Independence	<input type="checkbox"/> Respect	



STEP 3: KEY VALUES

Which values stand out for you the most?

STEP 4: CHECK IN

Look at your list of values - what do you notice? They are yours, so be proud of them! Your values are fluid and will change over time.

STEP 5: MAKE THEM MEMORABLE

You've done the hard part, now it's about creating reminders of your values in places you'll see them. You could do this by:

- Writing them on a stone and carrying it in your pocket or putting it on the windowsill
- Drawing them on your own "coat of arms"
- Adding them into your phone and setting reminders throughout the week
- Writing them on cards and putting them somewhere you'll regularly see them - like your bathroom mirror or car dashboard.

MONEY AND VALUES

Aligning your personal values with your financial decisions improves your chances of gaining peace and satisfaction.

Complete the following sentences for purchases or financial decisions you've made recently - either one you were happy with or one you would do differently next time.

EXAMPLE: POSITIVE PURCHASE

This week I bought a gift for a friend and I was really satisfied about it because what I gave was thoughtful and a special way to acknowledge our friendship.

Purchase (or financial decision)

This week I (purchase or financial decision) _____

& I was _____

about it because _____



Where to next?

Does the way you spend your time and money match up with what you said was most important?

This may be the first time you have ever thought about this, and the process may be painful.

The goal is to begin noticing moments when your time and money don't align with your values.

Don't expect sudden transformation, commit to constant improvement. There will always be changes you can make to better align your behaviours with your values. And your values and priorities will change over time too.

Your conversations:

A Franc chat about money

Engaging in money conversations is an important financial skill for life.

THE CONVERSATION YOU HAVE WITH YOURSELF

The first and most important conversation you have is the one that goes on inside your own head! The voice can say positive things, like: "Ok this looks tricky but I'm a good problem solver so I'll find a solution." Or negative things, like: "I'm hopeless, I always mess up." Your self-talk is incredibly powerful. It can help you, or sabotage you.

See section on page 9 to help uncover more about your own money story.

THE CONVERSATIONS WITH OTHERS

Let's face it: talking about money is tough! A recent survey found that nearly half of all Australians find it a difficult conversation to have – people feel ashamed they don't have enough money, or they're worried about being judged for having too much compared to others.

The hardest part is often knowing how to start a difficult money conversation. Scott Pape's book *The Barefoot Investor* has been an Aussie bestseller for years, and one of its main messages is simply to start talking about money. Set aside a regular, intentional time to talk to your partner or loved ones.

And above all:

A problem shared is a problem halved.

Activity:

1. What are some things you say to yourself about how you manage your money? E.g. *I never know the best way to manage my money; I wish I knew how much I should put away for my super.*

2. List three things you do well in your money life. E.g. *I always pay my bills on time; I shop around for insurance.*

3. What one area would you like to improve in your money life?

4. For the area you listed in question 3, try to reframe your thinking into a positive thought or action. E.g. Original thought/statement: *I feel out of control with my money.*
Reframed to: *I am doing the best I can and I'm going to get some help from someone I trust who can help me handle things.*

PARTNERS & LOVED ONES

Having the skills to navigate conversations about money within your own family is really important, because families are always interconnected.

Within a family money can be shared – for example a couple might pool their resources, or a parent might still financially support an adult child. Or there could be an expectation that

money is shared amongst the extended family – perhaps regularly, or in times of trouble. So, it's crucial that you know how to talk about money.

We know that silence about personal finances can be damaging. Silence can be a barrier that stands in the way of real authentic relationships with those you love.

When you approach a conversation about money, the first thing to be aware of is that

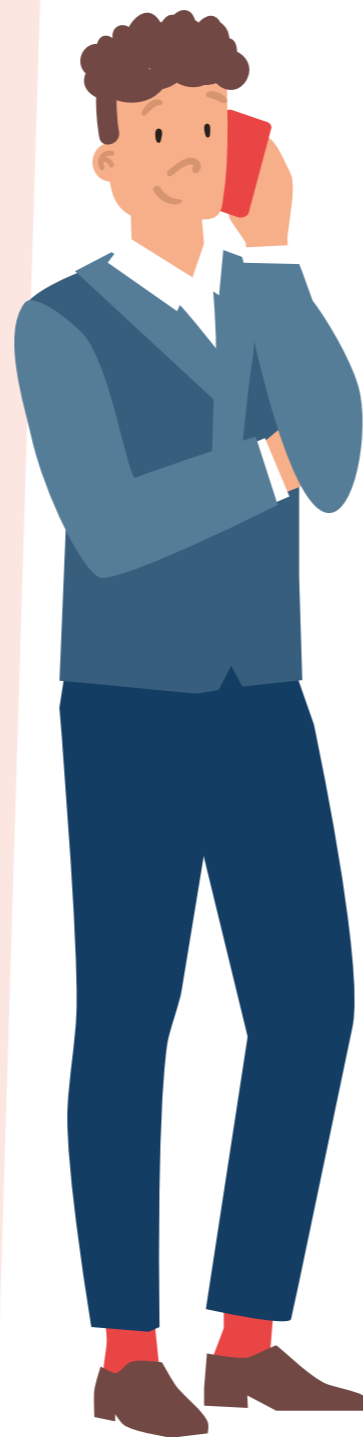
everyone has different ways of thinking about money - and you'll have a different money story to your partner (**see page 9**).

Talking about money can bring up many different emotions for different people - worry, anger, guilt or joy. It can put someone on the defensive straight away.

Activity:

Money conversation starters. Pick your five favourite questions from the list below (or make up your own ones!) to help kickstart a conversation with a partner or loved one. You could write them on slips of paper and use them on the next money date night!

- If you never had to worry about money, what job would you want?
- **Is “saving” a habit like looking both ways to cross the street? Should it be?**
- If you found \$20 would you try to find who lost it or would you keep it? What about \$2,000?
- **Is a credit card the same as cash?**
- How do you define success?
- **Would you prefer a gift card, a gift, or no ‘thing’ at all for Christmas?**
- Do you share some of your money? How do you decide who to share with?
- **Do you look at the EFTPOS total and check your receipts when shopping? Why or why not?**
- Does money buy happiness? How long does happiness last?
- **Do you lend - or give - money to friends? Family? Why or why not?**
- If you won the lotto today, what would be the first 3 things you would do with it?
- **Which word best describes your money habits – are you a spender, saver or sharer?**
- How did your parents behave around money? Were they savers or spenders?
- **Do we have equal say on how we use our money, no matter who earns more?**
- How do you prioritise spending? What’s more important – travel, education expenses, furniture, buying a house etc?
- **Should we have shared bank accounts? What expenses are shared, or individual?**
- What are our retirement goals? How much do we need to live on?
- **If a friend or family member asks to borrow money, I would... Discuss.**
- What is ‘too much’ to spend without checking with your partner?
- **What does being financially ‘comfortable’ look like to you?**
- What happens if one of us has a break from work?
- **Kids should have pocket money without doing any chores. Discuss.**
- Do you plan to teach your kids about money?



TIPS

Here are some tips we have found helpful in having tricky money conversations, recognising that not everyone has close family or friends they can talk to about these issues. If that’s the case, come and talk to a financial counsellor at a service like Moneycare.

BEFORE:

Prepare: Let the other person know in advance that you would like to have a conversation about money.

Think: What do you want to achieve in the conversation? How do you intend to get there?

Try: Go in with a positive intent, curious to see things from the other person’s perspective.

Remember: It’s not only what you say, but how you say it!

DURING:

- Be present
- Be respectful
- Listen!

AFTER:

Check back in with the other person.

- Follow up on any actions
- Try again next time!

THE CONVERSATION YOU HAVE WITH YOUR CHILDREN

When it comes to talking about money with children, parents often feel reluctant or unsure how to approach the topic.

Here are our tips:

- **Open up:** It doesn’t have to be a big conversation; in fact the best way is to provide lots of opportunities for children to see you handling money and ask questions, meaning money becomes an everyday conversation.
- **Be honest:** While it’s important to be age-appropriate in how much you share, responding truthfully to their questions and being open about the money decisions you are making is a great example for them to follow.
- **Show them the money:** Use every opportunity to show children the physical ‘value’ of money and its uses of saving, spending and giving. One way to introduce this is through giving pocket money in return for completion of extra household tasks.
- **Toddlers and pre-school:** Use a clear jar to make a piggy bank for savings that children can see, and talk about saving up for things you might want or need in the future. Food shopping is a great shared activity for talking with young children about money.
- **Primary school:** As children get older, you can involve them in family money decisions, and give them responsibility to choose where they will spend their pocket money.
- **High school:** Use the opportunities that come up in your teenager’s life, like major purchases (e.g. mobile phone) to talk about responsibilities and experience the financial consequences for decisions they make.
- **Adult children:** We acknowledge that this can be a personal and complex area. This transition season is hard and can be a challenge to navigate. We encourage you to get support when needed.

Activity:

Tough conversations. We want to give you a simple and effective tool for approaching a tricky conversation that helps to raise the issue without casting blame, with the aim of working together to find a solution.

This approach - I notice, I imagine, I feel - was created by Petrea King from her book *Your Life Matters – The Power of Living Now*.

1. Who do you find it easy to talk to about money? Who do you find it difficult to talk to?
2. Is there a tough conversation about money that you need to have? Try using this technique to approach it:

I notice...

I imagine...

I feel...

Financial abuse

Financial abuse is when your intimate partner uses money as a way of exerting power or control over you. Not being allowed access to any money is just one of the warning signs. If you think this could be happening to you, then it's important to reach out for help. A good place to start is to call 1800 RESPECT or Family Relationship Advice Line 1800 050 321 for support. Or visit moneysmart.gov.au.

ASKING FOR HELP

We want to encourage you to reach out for help if you need it, bring it to someone with the skills to help. Over 30 years of financial counselling at Moneycare has taught us that once people have reached out, they are overwhelmingly relieved, and wish they'd done it sooner.

Asking for help doesn't mean you've necessarily done anything wrong – it could just be about needing extra advice. It's actually a sign of strength, not weakness, to acknowledge that sometimes you need to reach out and get some assistance from someone else.

And even if it's just a friend you choose to go to, not a financial counsellor, you'd be surprised at just how many people are in the same boat as you. Being honest with a friend can open up a really authentic conversation between you.



Your life:

Knowing your true worth

What do you want to do to create a life of flourishing?

Everyone has a money story

You have a set of values that are uniquely yours. You are building your tool kit to enjoy life to the full.

We acknowledge your story and your values.

We see you.

We believe in you.

We know that people flourish best in the company of others.

BILL OF RIGHTS

A bill of rights is a declaration of individual rights and freedoms.

Here are seven rights you can claim as your own to see your finances (and your life) flourish! You may wish to add more.

- 1. I have the right to seek help.**
- 2. I have the right to not have it all figured out today.**
- 3. I have the right to set my own priorities.**
- 4. I have the right to feel my emotions.**
- 5. I have the right to say "I don't know".**
- 6. I have the right to make mistakes.**
- 7. I have the right to rest and feel satisfied.**

Add your own:

8. _____

9. _____

Activity:

We invite you to look for the special things in your life. What are the beautiful and unique things that make up who you are?

Choose one of the following activities to help explore this:

1. Write or draw some things you are grateful for.
2. Imagine life without something important. What's missing and what do you notice?
3. Give the gift of kindness! Examples include - helping someone, letting someone in line go before you, carrying groceries, writing a thank you note. You'll be surprised what you learn.



Creating new habits:

An action plan for change

Creating new habits:

A big part of **You're The Boss** is helping people learn new money habits and skills to make changes for the better. Some of these habits include preparing a budget, saving a little each pay, or shopping around for a better deal. It takes effort to make changes - you'll have to break some old habits and create new ones. But if you want different results tomorrow, you have to do things differently today.

Answer these questions to help you take action. **We want to help you get there!**

At the bottom you can complete your details for follow up.

You can also complete this on our Moneycare website and we'll be in touch to support you.

1. What new money habit would I like to start on? _____

2. How important on a scale of 1 to 10 is it to build this new habit/skill?

1 - A little ← _____ → 10 - A lot
3. Why do I want this? _____

4. How will this change help me? And how will I feel when I've achieved it? _____

5. What might stop me from reaching my goal in question 1? _____

6. What can I do to get around these obstacles? _____

7. Where can I get support from? (Tick all that apply)
 Moneycare worker
 Family and friends with skills in this area
 Independent information

Remember:

Stick with it because it will get easier. You'll never be perfect, but you can be persistent!

MY CONTACT DETAILS FOR FOLLOW UP:

Name: _____

Phone: _____

Email: _____

I nominate: _____ to check in on my progress.

3.

Money systems: *Setting up for success*



Setting up systems is one of the secrets to successful change and creating the future you want. If your rent or mortgage is currently up to date, you're already using a system even if you're not aware of it.

What systems do you already use?

How do they help you?

It's worth setting up a system to pay bills on time, pay your car rego, or put money aside for holidays or a rainy day.

Having a system means you rely less on yourself and your willpower - it can make the process automatic. A system can give you peace of mind, reduce late payment fees, help you have fun and do the things you value. Different financial goals will require different systems.

Kicking goals with systems

Systems and automation are the way to deliver on your goals. That's why we cover lots of systems in ***You're The Boss***, including:

- Organising paperwork ([page 30](#))
- Paying bills on time ([page 34](#))
- A Money Plan ([page 36](#))
- Saving ([page 46](#))
- Meal planning ([page 60](#))

Where's the fun of a system?

If fun or impulsive activities are important to you, here's how you can still do them reasonably:

- Put 'play money' into your budget for your hobby
- Set aside time for creativity and relaxation in your weekly calendar
- Budget for that unexpected coffee with a friend
- And organise it all in a funky-coloured folder!

Your filing system:

Clear the clutter

Paperwork starts on the day you were born (your birth certificate) and grows from there! It's important to find your own system of sorting to keep your documents under control.

A lot of paperwork is now only online and in digital form. This can make things easier or create confusion.

You can choose to go paperless, you can stay with paper or you can use both. See our example systems over the page.

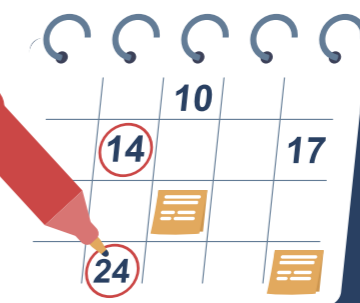
In the meantime, take a step back to consider how getting your filing system under control would benefit you by completing the next activity.



Unclutter tip #1!

Whichever system you choose, put time aside to organise your paperwork regularly. For example, try doing it the day before you get paid.

It takes a little time to keep the household running, and staying organised is a regular job like your gardens and lawns.



Activity:

What **benefits** would you receive from getting your filing under control? These categories might help:

Financial: E.g. Less late payment fees

Time: E.g. Less time spent searching for things

Personal: E.g. Less stress

Social: E.g. Don't miss events

System 1:

PAPERLESS (ONLINE/ EMAIL INBOX)

Goal: *Keep your inbox clear.*

Treat your email inbox as an intray, and email folders as your virtual expanding file.

If you've nominated to have your bills and paperwork sent to your email, set up your mailbox so it's ready to receive your mail.

Inbox folders

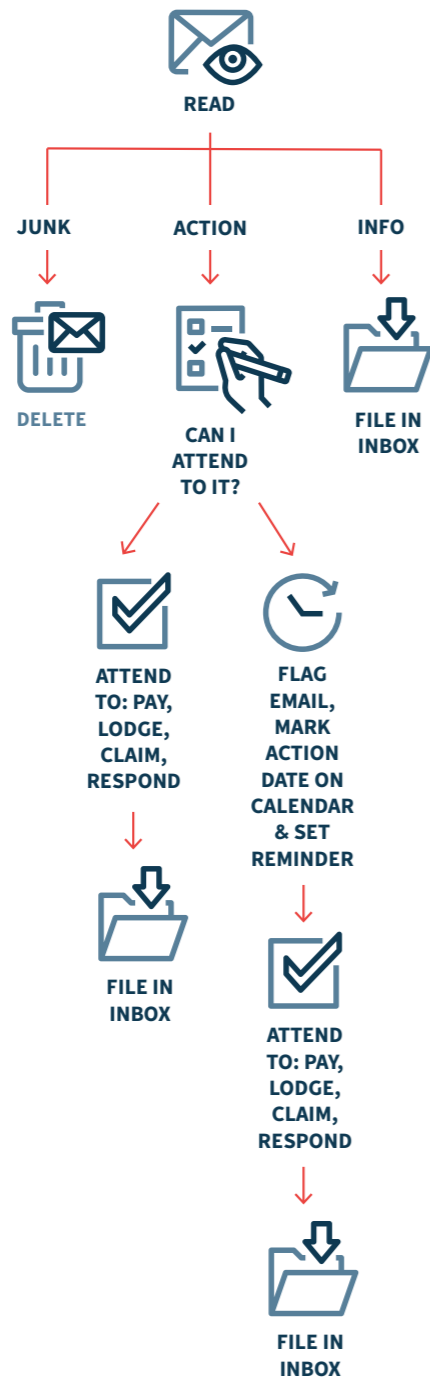
Have an email folder for every category.

For example:

- "Car" (CTP, insurance renewal, registration receipts, etc.)
- "House" (insurance renewal, mortgage repayments)
- "Electricity" (bills, and any other communication from your energy provider)

Every time something new happens in your life, for example a new job, create a folder for it. This way every email you get has somewhere to go.

Action your emails



How often to look at emails

With this system, you should only need to look at emails to organise every few days. Turning off your phone/computer notifications helps (including the red badges on the app) so it's not always getting your attention.

Goal: *Go paperless.*

- Scan your important documents as they arrive. To keep things simple, you can use your phone with a free scanner app.
- Save each scanned document into its folder.
- Make a plan to safely store and backup your important files. The government website [Cyber](#) has lots of excellent information.

Unclutter tip 2!!

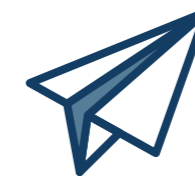
Look at unsubscribing from newsletters and online offers you don't really need.

System 2:

PAPER

Much like the email inbox, we recommend setting up the system before you organise.

It is hard to go fully paperless; for example our birth certificate is an important document that needs to be organised well so we know where to find it.



Step 1: Organise your new system

- Buy an expanding file to file all of the important documents. Usually a new expanding file comes with labels to sort and order or you can just write your own labels.
- Like the email filing system, create a section in the file for each topic, such as car, house, or identification documents.

Step 2: Paper clean!

1. Gather all the papers from around the house and put them into one pile.
2. Sort through each piece. Throw out what you don't need. File what you do - tax returns, bills and important legal documents.
3. Shred or File. File each document that's left into your new filing system under the relevant categories. Shred the rest!

Step 3: Use a paper tray and your filing system only

If you choose to still receive your bills in the mail, use a paper tray to store the bill until it's paid. It helps to write down the due date on a second location (other than the bill) such as on a calendar to make sure it gets paid. Once it has been paid, store it away!

Go back to page 27 to act on the system you'd like to change.

Bills, bills, bills:

Pay them your way

There are many ways you can make bill payments easier, we share five ideas here.

All of them help bring peace of mind and save you paying late payment fees.



Example:

PAY ELECTRICITY BILL ON TIME

Imagine the peace of mind if every time you receive an electricity bill you know it's under control. Your bill is generally \$650 per quarter.

What's needed?

You need to put \$50 per week away towards your bill (13 weeks in each quarter).

System:

You get paid fortnightly, so you arrange to have \$100 per pay transferred into a separate bills account. You schedule a regular BPAY from your bills account to the electricity company.

Activity:

What system do you currently use for making sure bills are paid on time? Could you use one of these five ideas to improve your system? What benefits would it bring?

1. Automatic transfer and direct debit

(See Everyday Banking on page 71).

A great way to make sure your bills are paid on time is to arrange an automatic transfer through internet banking from your account or have amounts directly debited from your account on your pay day.

NOTE: Make sure you have enough funds in your account to cover the payments, as hefty charges can apply.

Don't forget to cancel any direct debits if you change providers.

2. BPAY schedule

BPAY is another secure option for bill payment. You can set your payments to go out on a certain date using BPAY bill scheduling from your online banking. Simply enter:

- The BPAY Biller Code
- Your reference number
- The amount you'd like to pay
- The payment date.

3. Centrepay deductions

If you receive Centrelink income you can use the Centrepay Deduction service to have bills deducted from your pay before money is deposited into your bank account. This is a great way to ensure you don't miss bill payments, and aren't charged any fees for late payments.

4. Payroll deductions

Talk to the payroll department at your work to set up this option. They may be able to:

- Deduct health insurance payments from your wages.
- Deposit mortgage repayments directly into your mortgage account.
- Split your pay into different accounts, like a bills or savings account.

5. Envelope system

Some people find it best to put cash into envelopes to pay their bills. Take care - cash can be tempting to borrow from!

1. Label one envelope for each budget category.
2. Work out how much you need for each category (Our section on budgeting on page 36 goes through this).
3. Each time you get paid, put the planned amount of cash into that envelope. That becomes your spending limit.
4. When you need to spend some money, such as on groceries, take the cash out.
5. Record everything you spend on the envelope.

Stuck setting up a bills system that works for you?

Our Moneycare team can help - get in touch!



Your money plan:

Managing your moula

A money plan is key to understanding your financial resources. It takes time, but the results are worthwhile.

There are several steps to creating a money plan:

1. Start with why
2. Map your expenses
3. Super systems
4. Review regularly

5. Help prepare for emergencies
6. Help reduce debt by creating a repayment plan
7. Help keep focus on values and priorities
8. Help achieve financial goals

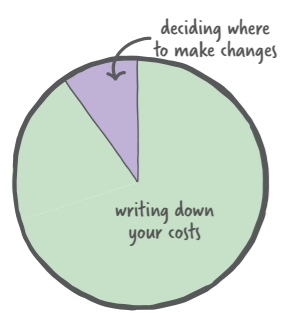
1. START WITH WHY

Having a money plan (sometimes called a budget) helps you to feel in control of your money and starts a system for putting money where you want it to go.

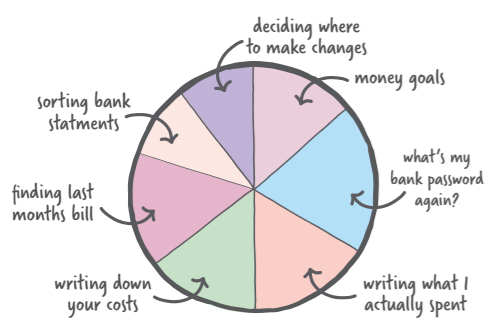
Here are eight reasons a good money plan is worth it! Which of these are most important to you? Are there other reasons you can think of for having one?

1. See where your money is going
2. Opportunity for family to communicate
3. Reduce stress levels
4. Increase confidence with money

Others?



In theory



In reality

2. MAP YOUR EXPENSES

Use your bank statements, credit card statements and regular bills from the past year to complete a yearly expense sheet.

Expense	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Fortnight
Rent/ Mortgage														
Electricity														
Home Internet														
Mobile														
Loan/ Credit Card														
Savings														
Car Insurance														
Greenslip/ Car Rego														
Petrol														
Groceries														
Subscriptions														
Medical														
Takeaways														
Outings														
School Outings														

Hopefully you listed any debt repayments in your expenses above...

We talk specifically about dealing with debts on page 42.

Total expenses
Total income
Difference (income LESS expenses)

Help, my budget doesn't balance!

If your expenses are greater than your income, ask yourself:

1. Can I increase my income? *E.g.*

- with a casual job
- working extra hours
- having adult children contributing to household expenses
- checking Centrelink entitlements

2. Can I reduce my expenses? Have a go at the Spending on a Spectrum activity on page 41.



3. SUPER SYSTEMS

Your system is the collection of daily habits that will get you to your goal.

The hardest part of any money plan is making it work. Put a system in place that automatically allocates your money where it needs to go to support your money plan.

Here is one system that we have seen work.

BANK ACCOUNT 'BUCKETS' SYSTEM

1. Divide your money into 4 buckets:



It's easiest to do this with your *fortnightly* income and expenses, like in this example.

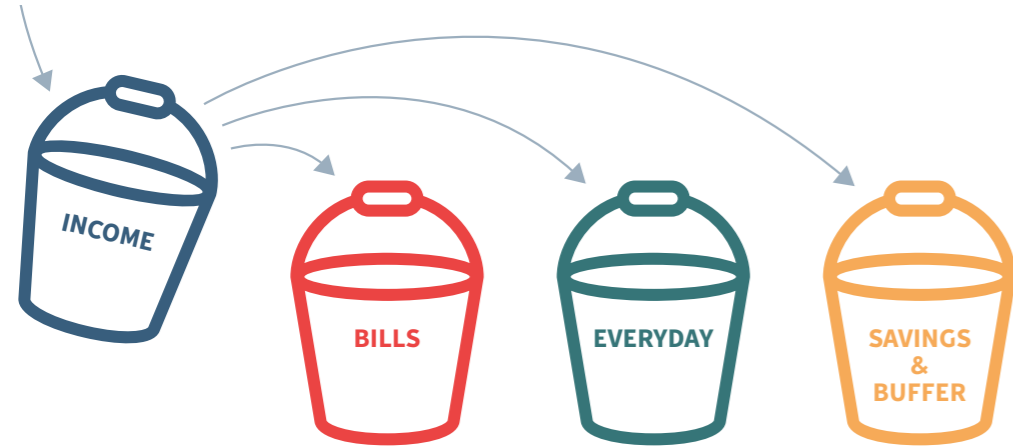
2. Work out how much needs to go into each bucket, using the fortnightly amounts from your yearly expense sheet.

3. Open four bank accounts, preferably within the same bank, to make it easy to move money between them online using the bank's app.

4. Set up automatic transfers to the other accounts from your income account.

Activity:

Try the 'Bucket System' for yourself:



INCOME
TOTAL
\$

BILLS
TOTAL
\$

EVERYDAY
TOTAL
\$

SAVINGS & BUFFER
TOTAL
\$

4. REVIEW REGULARLY

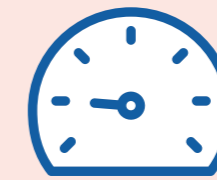
Your money plan will need tweaking along the way, so track your expenses and see if it's matching with what you've listed in the above expenses table.

This activity will help you identify areas to make changes to your spending.

SPENDING ON A SPECTRUM

We all have different priorities for what we spend our money on. It's important to:

Write down your common expenses (or use your spending diary or bank statement) and record how important they are to you, and how easy they are to manage.



LOW PRIORITY



MEDIUM PRIORITY



HIGH PRIORITY

FIXED = These are the expenses that cannot be easily changed. They come regularly and are always the same amount.

VARIABLE = These expenses change weekly, such as food, entertainment and gifts. They're easy to overspend on, and difficult to manage.

Purchase/ Expense	How important is this to me?	How easy is this to change or control?
	Low - High priority	Fixed - Variable
E.g. Electricity	High	Some control, varies across seasons

Dealing with debt:

Steps to living debt-free

Accumulating debt is easier now than ever, but the good news is that there are things you can do to live debt-free, starting today!

Did you know?

We know from research and from the thousands of people who seek support from Moneycare each year that there are two really important actions in staying well financially:

- **Actively saving**
- **Not borrowing for everyday expenses**

The first step is often clearing debts you already have - for example credit cards, personal loans, Buy Now Pay Later, utilities, fines, school fees and unpaid taxes - debts you might have been hiding or avoiding. Moneycare financial counsellors can help you with this.

Sometimes you are managing debt just fine, but then you have a change in circumstances like a loss of income or an unexpected expense and it can get on top of you.

We know that debt can affect relationships, health, feelings of self worth, stress and sleep patterns.

Activity:

The debt test. Circle Y/N

I spend more than I earn each month and regularly dip into savings. Y/N

I put day-to-day expenses on credit cards (or using other types of debt products) because I have no money. Y/N

I'm only able to afford the minimum payment on my monthly credit card bill. Y/N

I'm unprepared for emergency expenses like car repairs or an unexpected medical bill. Y/N

I'm feeling stressed and avoiding opening the mail or responding to people chasing payments. Y/N

If you answered yes to any of these, you probably suffer from some financial stress.

Don't ignore the situation, take action today.

SAY NO TO DEBT

- Go back to your budget. If you are receiving more than (or equal to) what's going out, you're in the right spot to say "no" to debt.
- If not, work out how to increase income or reduce expenses to avoid a debt.

CLEAR YOUR DEBTS, STEP BY STEP:

Dealing with debt can be stressful, and it's normal to feel overwhelmed. While your debt may seem like a problem that can't be solved, know that there are things you can do and you don't have to go it alone.

Everyone's circumstances are unique, but these steps provide the blueprint for getting in control of your debt. It isn't easy - it will take time and hard work.

Throughout the process, the best thing you can do is keep lines of communication open with the people and organisations you owe money to.

STEP 1: MAKE YOUR MONEY PLAN

We walk you through how to do this on page 36, adding up all your income and expenses. You'll need this to plan how much you can afford to put towards each of your debts.

STEP 2: TAKE STOCK

Write down a list of what you own (assets) and what you owe (liabilities). This is the only way to know what you're facing and work out your next steps.

Use this table to estimate the "market value" of your assets (the dollar value you could sell your assets for).

Assets (What you own)	Market value
House and land	
Other real estate	
Motor vehicle	
Shares	
Superannuation	
Other significant assets	
TOTAL Assets	\$

STEP 3: PRIORITISE YOUR DEBT

List your debt in the table below. For each one write down:

- How much you owe in the “balance” column
- Your interest rate (if known)
- The minimum payment (if known)

Liabilities / Debts:	Balance: <i>How much is owing</i>	Interest rate: _%	Minimum payment: \$/per _	Can I afford the minimum payment? Y/N	Priority: <i>Numbered from 1 - most important</i>	My payment: \$/per _
Mortgage						
Car loan						
Credit card 1						
Credit card 2						
Electricity						
Family & friends						
AfterPay						
TOTALS	\$		\$			\$

Can you afford to make the minimum repayment on each one?

If you can't, get in touch with Moneycare.

Prioritise your debts. Some debts are more critical than others, and some ongoing expenses are essential.

- ↳ A roof over your head, food on the table and essential health items need to be covered.
- ↳ Electricity, gas, phone, internet, water, rates and insurance are also important.
- ↳ Secured debts, like a mortgage or a car loan need to be maintained.
- ↳ Also consider:
 - Are you in arrears (overdue) in making a payment?
 - Is there legal action in process for an amount you owe?

Knock off debts, one by one!

Concentrate on getting your number one priority paid off first. As you repay a debt, roll the amount you were paying towards that debt into the next most important debt.



Important:

At times, lenders may not have lent appropriately. Speak to a financial counsellor or seek legal advice if you think this is the case.

Start a conversation:

It's so important to let organisations know your situation if you're having difficulty repaying your debts.

- See if they have a hardship team.
- Ask for an affordable repayment program with no or reduced interest.
- Use the information from steps 1 and 2 to help explain your situation.

There are options if you need further support. Moneycare is just a phone call away!

You do have rights:

There are laws to protect you when you sign for a loan or owe money. For more information, contact the **National Debt Helpline** on 1800 007 007.

You can complain to the independent ombudsman if the company you speak to is not helpful - usually the **Australian Financial Complaints Authority (AFCA)**.

Case study:

Vera had a car accident and had to reduce her working hours. This meant she could no longer afford to keep making her monthly credit card repayments and car loan repayments.

Feeling really stressed, Vera contacted a financial counsellor, who helped her work out a new budget based on her changed circumstances. The financial counsellor assisted Vera in contacting the companies she owed money to and arranging a repayment plan based on what she could afford. Vera was also able to negotiate a reduced interest rate for both debts.

Liability	Balance	Interest Rate	Repayment each fortnight
Car loan	\$6,000	10%	\$150
Credit card	\$2,000	5%	\$50

Start your savings:

Slow and steady wins the race

Everyone wants to save, but most people say they can't. We hear that when people earn \$20,000, \$50,000 or \$100,000. The amount of money you earn isn't always the issue.

Remember:

Sometimes by saving money you are actually treating yourself to mental stability and financial balance.

WHAT'S MISSING HERE? WHY IS IT SO HARD?

1. Change is challenging

All change is tricky, and changing habits is the hardest of all. Trying to overcome a lifetime of behaviours and past experiences is no easy task. You might have tried saving in the past and a lack of success has created a powerful inner voice - telling you things like:

I'm hopeless with money.

I'm a spender not a saver.

Are these messages helping or hurting you?

2. Waiting is wearisome

People are wired to focus on immediate rewards, while saving (by its very nature) is about delaying gratification for a benefit down the track. Saving often feels like you're going without:

Oh no, I'm going to have to cut back on my coffee spending at work!

3. Success is slow (& can easily be swept away)

It takes time to save. And, months of progress can be wiped away with one decision or by one emergency out of your control.

Then, how can you become a saver?



THINK SLOW AND STEADY

We often want fast, but slow is good. Real dramatic change happens bit by bit, which is how our savings dream will happen too. Look at the Grand Canyon. Imagine building your savings one drop at a time.

START WITH WHY

How would it feel to have some extra savings? What would motivate you to make a change and start a savings habit? People often save for a rainy day, or have a specific goal in mind. Others are motivated by generosity and the opportunity to give more money away.

Everyone's motivation will be different, but we know that building a habit of saving will bring benefits in all areas of life - reducing stress, restoring confidence and regaining control.

- **Emergency Fund/Rainy Day Fund.** Creating an emergency or rainy day fund gives you peace of mind. You'll feel good when you've built up a buffer for the emergency that will come. We suggest \$2,000 as a starting point, but any amount is a good start!
- **Short and long term savings.** Once you've built your emergency fund you can move onto the short term and long term savings. This is a bit more fun! Think of something that you would really like: a new or replacement car, tickets to a concert/event, a holiday, some furniture, or perhaps a deposit for a house. How much will you need to save (and by when) to make this happen?

Activity:

Write a list of all the benefits you will experience by saving and return to this list often!

SET A GOAL

Start with something you want - e.g. "I want to save for a reliable family car" OR "I want to have \$X set aside for an emergency".

Break it down into small, actionable steps - a plan that includes when, where and how you are going to reach your target.

USE A SYSTEM/ STRATEGY

Everyone has a sensational saving strategy, what's yours?

See our *Sixteen Sensational Savings Strategies* on the page opposite and pick your favourites!

Activity:

Make a savings mantra. The biggest barrier to successful change is actually mindset. Make savings a priority by making up a mantra for yourself. Here are a few examples:

- *No matter what... I save money every week.*
- *I save before I spend*
- *Income - savings = expenses*
- *Starting small to saving big*

Tell yourself: "I am someone who saves," choose a goal and set up a system to prove yourself right!

GOLDEN RULES

- 1. Make it automatic:** A fortnightly direct debit into a dedicated savings account.
- 2. Keep it separate:** Whatever system you choose to use, find a way to restrict access to your savings (unless you really need it).
- 3. Chart your progress:** Make your plans and progress concrete by keeping a record where you will see them every day (e.g. mirror, fridge, car or computer screen).

- 4. Reward yourself:** Create rewards you can enjoy after you've achieved your goal, and ones that reinforce the behaviour along the way - like a coffee with a friend or a picnic in the bush.
- 5. Set up for success:** Limit your exposure to ads, emails, social media, shopping on-line and shopping centres.
- 6. Cultivate contentment:** Practice gratitude and focus on what you do have. We look at this more closely on page 25.

SIXTEEN SENSATIONAL SAVINGS STRATEGIES

 <p>Open a separate savings account</p> <ul style="list-style-type: none"> • Restrict access and/or use a different bank or financial institution 	 <p>Pay yourself first</p> <ul style="list-style-type: none"> • Treat your savings as a bill • Save it from your income automatically 	 <p>Do a budget</p> <ul style="list-style-type: none"> • Find out what you spend now • Put your savings goal in your budget • Review your budget each month 	 <p>Use a 'round-up' account</p> <ul style="list-style-type: none"> • Automatically round up your purchases and send the balance to a linked savings account.
 <p>Save your dollars</p> <ul style="list-style-type: none"> • Put aside each \$1 or \$2 you get into a moneybox, jar or tin • Put them into your savings each month 	 <p>Stop a regular spend or reduce a habit</p> <ul style="list-style-type: none"> • E.g. cancel a subscription you're not using • Save the amount that you stop or reduce 	 <p>Save one-off payments</p> <ul style="list-style-type: none"> • E.g. Tax returns, one-off Centrelink payments, work bonus 	 <p>52-week savings challenge</p> <ul style="list-style-type: none"> • Save \$1 in week 1, \$2 in week 2, or: • Save a fixed amount each week
 <p>Save your shopping savings</p> <ul style="list-style-type: none"> • Use a shopping list, plan meals, leave kids at home, don't shop hungry, buy in bulk, buy generic, reduce junk & avoid impulse buys 	 <p>Challenge a friend</p> <ul style="list-style-type: none"> • Set a savings goal with a friend • Check in with them each week 	 <p>Pay with cash</p> <ul style="list-style-type: none"> • Expect to spend less on impulse purchases 	 <p>Get a better deal</p> <ul style="list-style-type: none"> • Call your utility providers • Use an independent comparison website • Save the savings
 <p>Household spending challenge</p> <ul style="list-style-type: none"> • Have a house meeting • Set a goal • Plan what spending savings to save 	 <p>Save your pay rise or overtime</p> <ul style="list-style-type: none"> • Ask your employer to send a set amount each pay period to a savings account before you get used to spending it 	 <p>Save to super</p> <ul style="list-style-type: none"> • Take advantage of government incentives like co-contribution 	 <p>Use a spending app</p> <ul style="list-style-type: none"> • Phone apps can track your spending at the time you spend, and some can even set spending limits and reminders

Mini-budget:

Saving for something specific

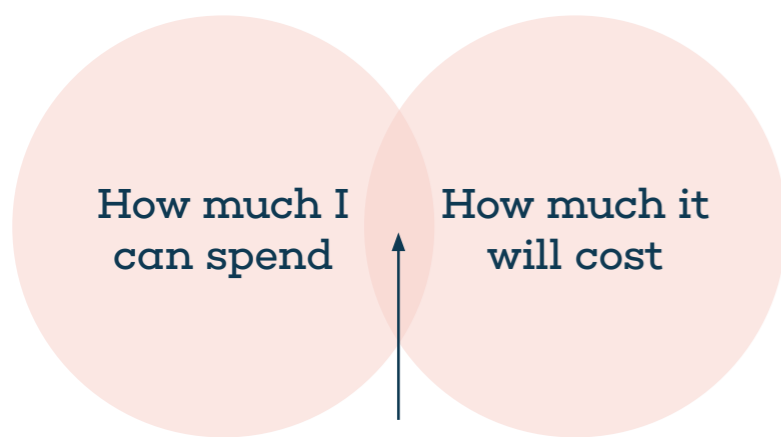
This mini-budget is designed to help you plan and save for specific major events or items. For example, it may help you have a successful summer holiday or purchase your next car.

CHICKEN OR EGG?

One of the many tricky things about doing a budget is knowing which question to begin with:

- How much is **X** going to cost?
- OR**
- How much money do I have to spend on **X**?

For a budget to work, we need to know the answer to both of these!



The budget 'sweet spot'

WHAT'S YOUR SPENDING LIMIT?

Let's start here. This part is easy if you only ever spend what you have saved up and don't borrow. You need to know three things to work this out:

- 1. How much do I already have saved? \$ _____**
See our section on savings on page 46.
- 2. How much can I save each week/fortnight/month? \$ _____ per _____**
If you aren't sure how much you can save, go over to our budgeting section on page 36.
- 3. How many weeks/fortnights/months until my major event/purchase? _____**

E.g. Lee has \$3,000 already saved up for a new car. She works out she can save \$100 per week. She wants to buy a car by the Easter holidays, which are 15 weeks away.

$\$3,000 + (\$100 \times 15 \text{ weeks}) = \$4,500$. Lee knows she can spend up to \$4,500 on a car.

HOW MUCH WILL IT COST?

You already know your spending limit, so this part is just listing all the costs. A spending plan helps break the costs into sections, so you don't miss anything.

Here's an example of a Christmas plan.

Put your spending limit at the top and check that your total at the bottom is the same or less than what you have available.

CHRISTMAS SPENDING PLAN	
Spending limit	
Gifts	
Family	
Relatives	
Friends	
Workmates	
Teachers	
<i>Total</i>	
Food	
Christmas Day	
Other functions	
Extras	
<i>Total</i>	
Other	
Christmas tree	
Wrapping paper	
Cards and postage	
<i>Total</i>	
Grand Total (make sure this is less than your spending limit)	

FOLLOWING THROUGH

Turn your Spending Plan into action - see page 27 or page 118 for help with this.



The daily grind:

Living each day well

The reality is that our lifestyles are costly. Many Australians feel under pressure to make sure bills are paid, emergencies are covered and money is put away for the future.

Worries such as the following are all very common: *Am I doing a good job with my money? Should I have made that purchase? Have I got enough to retire?*

There is a flood of information out there for budgeting in life's expenses. This section of the book focuses on the important things to look for when it comes to everyday costs, as well as our tips for everyday banking.

It is normal to worry about not having enough money, but we believe that living well is about being the boss of your money. We can help you get in control.

It's also worthwhile stepping back and considering the things in life that actually bring you joy and happiness. The answers may surprise you!



Activity:

How rich am I?

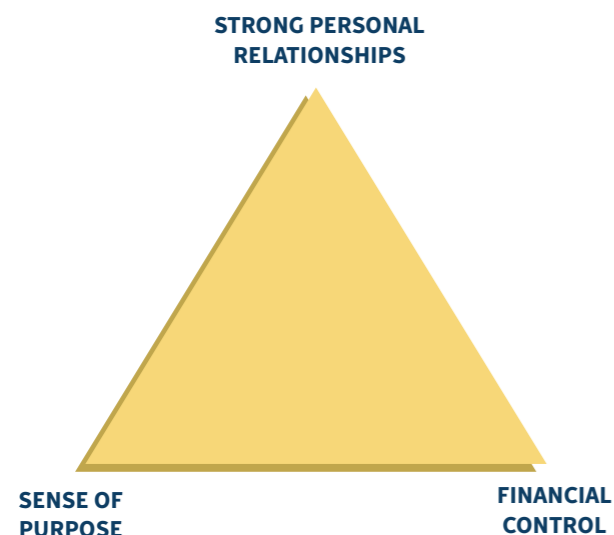
Cost of living pressures are real, and it can be hard to make ends meet. But you might be surprised how rich you are compared to the rest of the world. Use the online calculator to see how rich you are on a global scale at the [Global Rich List](#) website.

Go further...

If you'd like to explore how other families across the world live based on their income levels, visit the [Gap Minder](#) website.

LIVING WELL ON EVERY LEVEL

What do you really need to be happy? Most people think they need more money and advertisers tell everyone they need more stuff. But Australian research into wellbeing found these three indicators are the most important - "the golden triangle of happiness" (Australian Unity, 2015):



- 1. Strong personal relationships.** This is having someone in your life who you can trust and who reminds you that you are loved and valued. These people are your support network and provide a sense of connectedness.
- 2. Sense of purpose.** You will be happier when you are actively participating in things that give you a sense of purpose or responsibility. This might be in your job, your studies, hobbies and social groups or volunteering - things that bring your life meaning.
- 3. Financial control.** While the research shows that wellbeing rises with income to a point, it is actually the sense of control over your finances that is the most powerful factor. That's why our book is titled *You're the Boss* - because we know that getting on top - and feeling on top - of your money is one of the key points to living well.

Money by itself doesn't lead to wellbeing - it's using money as a tool to get the goods, services and experiences we need to create a happy environment.

Activity:

Financial wellbeing.

One way to define financial wellbeing is being able to:

- Meet expenses and have some money left over,
- Feel and act in control of your finances, and
- Feel financially secure, now and in the future.

This will change over time, but how financially well do you feel now?

What one thing could you do that would improve your financial wellbeing?

It might be as simple as making sure your bills are paid on time, or putting away a small amount of savings each pay day.

Write it down here, and find the section in this book to help you get there!



You're in the driver's seat

The average Australian metropolitan household spends about 13% of its annual income on road transport - which is about \$17,000.
(Australian Automotive Association, 2017)

BEFORE YOU RELEASE THE BRAKE

Buying a car can be one of the largest and most important purchases in your life and it makes sense to take time to understand the options and costs.

1. Do you really need one?

- a. Is your current car doing what it needs to at a price you can afford?
- b. Could you live without a second car?
- c. Are there alternatives? We list some on page 58.

2. Can you afford one? How will you pay for it?

Remember, the total cost of owning a car is far greater than the weekly fuel bill. Don't forget expenses like insurance and servicing.

WATCH YOUR BLINDSPOTS

What do you need? What features are important to you?

It can feel overwhelming trying to decide which car is best for you. Here are three important things to keep in your vision.

1. Fuel economy and environmental performance - Government's [Green Vehicle Guide](#) website.
2. Safety and reliability - visit the Transport Accident Commission (TAC)'s [How Safe Is Your Car](#) website.
3. Overall running costs - RACV has an online 'calculator' to work out how much it costs to run your car per week, or check out the [Moneysmart car app](#).

Top tip!

Buy a car for its usefulness, not its status.



CHOOSING THE RIGHT LANE WHEN BUYING A USED CAR

There are advantages and disadvantages to each choice when it comes to buying a used car.

Option	Advantages	Dangers
Dealership	<ul style="list-style-type: none"> Statutory used car warranty Easier to trade-in existing vehicle Licensed dealers guarantee title of the vehicle (certifies that the vehicle is not listed as stolen or written off, and that money is not owed on it) 	<ul style="list-style-type: none"> Generally more expensive A trade-in will probably not achieve the best price for your old car Can feel pressured into purchasing additional products or spending more than you budgeted
Private sale	<ul style="list-style-type: none"> May be cheaper Opportunity to meet the seller and get background on the car 	<ul style="list-style-type: none"> No warranty or cooling off period It's up to you to check car's background and ownership
Auction	<ul style="list-style-type: none"> May be cheaper/ guarantee of title 	<ul style="list-style-type: none"> May not have any warranty Can't test drive Best suited to people who know about cars

SIGNPOSTS BEFORE YOU BUY

- **Expect to inspect:** If you aren't mechanically-minded, spend the money on a pre-purchase motor vehicle inspection. Most importantly, don't accept the car unless you are satisfied with its condition.
- **Write is right:** Any promise, warranty or guarantee that isn't in writing is tough to enforce.
- **Check mate:** If buying privately, check the [Personal Property Security Register](#) online or by phoning 1300 007 777 to determine if there is any money owing on the vehicle or if it is listed as stolen or written off.
- **Coping with the contract:** Read the contract and make sure you understand it before signing.
- *Bottom line:* **Be sure it is the car you want, can afford and that it is in a condition you will accept.**

MOTORING ALONG COSTS

Cars cost a lot to run and can really drain your budget. When working out whether you can afford to buy a car, don't forget these expenses:

- Price of car, including transfer fees and stamp duty
- Cost of financing
- Registration
- Insurance
- Parking/tolls
- Maintenance and servicing
- Fuel

The best decisions are made when we gather information and check in with a friend.

As soon as you drive your car out of the car yard, the value of your car depreciates.

EVERY DROP COUNTS

Fuel is expensive! Make the most out of every drop by considering the following tips.

- Stick to the speed limit.
- Don't carry heavy items in your car.
- Keep tyres inflated to correct pressure.
- Maintain regular servicing.
- Accelerate slowly and smoothly.
- Consider fuel efficiency when buying your next vehicle.

INSURANCE

We cover car insurance in a separate section on page 76.

CAR LOANS

If you don't have enough savings, you can take out a car loan to help cover the cost of a car. You'll have to make regular repayments to pay back the loan, and pay interest on top of what you borrow.

Car dealerships may offer you finance, but it's important to consider other options as well - shopping around could save you thousands. It's important to know how much the car is actually going to cost each week and over the period of the loan. Think about what might happen if your circumstances changed and you could no longer afford to make the loan repayments.

Look out for obstacles!

Car dealerships will try to sell you add-on insurance, such as loan protection, gap cover, and tyre and rim protection. These products are not good value for money and are best avoided.



Case study:

Buyer beware.

Josh was 19 years old when he took out a loan for \$20,000 to purchase the car of his dreams. He let the insurance lapse after six months because he couldn't afford it. He drove his car at great speed, had a car accident, was at fault and ended up with no car, no job and a \$20,000 debt.

The company he owed money to became very aggressive and pushed hard to collect the money from him. Josh became stressed and withdrawn. He did not want to tell anyone because his family was suffering with their own financial difficulties.

STEERING TOWARDS TRANSPORT ALTERNATIVES

Owning and driving a car can be an expensive way to get around, and there are more affordable options to explore, many of which can be better for our health too!

Maybe it's not about ditching the car completely, but taking small steps to make new habits that reduce your car use. Consider:

- Public transport
- Car hiring / sharing
- Ride sharing
- Walking / riding

How Australians commute:

- 79% get to work by private vehicle use
- 14% use public transport
- 5.2% walk or cycle to work

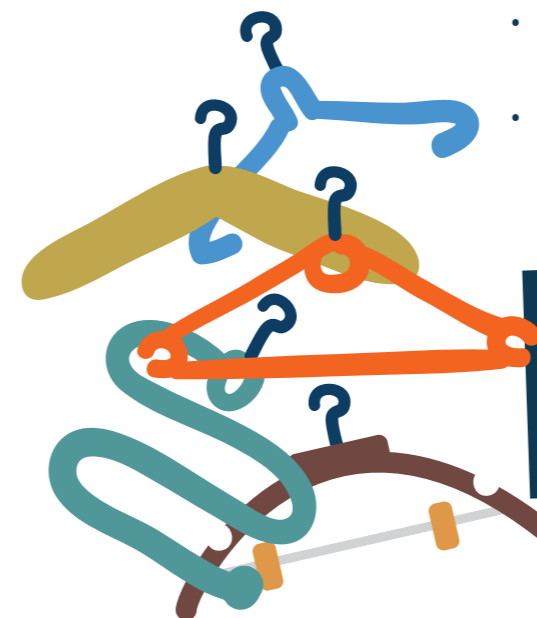
Note: Half a million people worked from home and one million employed people did not go to work on Census day.

Source: ABS Census of Population and Housing, 2016

Clothing costs:

Making mindful choices

Let's talk about being stylish, ethical and living within our means. It can be done. The fashion industry is the second highest polluter in the world, just after the oil industry. There are lots of good reasons to make mindful and conscious decisions when buying clothes.



CLOTHES CAN BE EXPENSIVE

Did you know we wear only one-third of the clothes we own, 85% of the time?

To reduce your clothing expenses:

- Know and stick to your budget
- Know that the fashion industry is built on constant change and fads
- Go to the sales
- Use op shops and be sustainable
- Create a change through cheap accessories or borrow ideas from stylists

Only spend cash you have on your clothes (avoid Buy Now Pay Later)!

AVOID IMPULSE SHOPPING

Ask yourself:

- Do I really need it?
- Will I really wear it?
- Will I still like it next year?
- If I don't buy it now, do I want it so much that I will make a special trip later to come back and buy it?

When buying new items of clothing, ask yourself:

- Is this item made well and will it last a long time?
- Is it timeless?
- Is it made ethically with minimum environmental or human impact? (see the [Shop Ethical Consumer Guide](#) if you're interested in the production)

Food costs:

A recipe for success

Food is one of our biggest and most regular expenses, so it makes sense to go in with a plan.

BENEFITS OF A MENU PLAN

Menu planning is where you write down and organise what food you need to feed your family for the week.

Benefits include:






- Makes writing a shopping list easier
- Helps ensure you're eating a good variety of foods
- Saves you time shopping
- Saves you money
- Helps avoid food waste

COOKING UP YOUR MENU PLAN

Aim for easy-to-cook, affordable meals. You'll find lots of budget-friendly recipes on the internet.

Activity:

Menu Plan. Try to plan out a week's worth of meals here!

	Mon	Tues	Wed	Thur	Fri	Sat	Sun
 Breakfast							
 Morning Tea							
 Lunch							
 Afternoon Tea							
 Dinner							

SUPERMARKET HACKS

There are over 30,000 products in a supermarket – that's a lot to tempt us! Supermarkets try to entice us to spend more with their store layout, advertising and packaging. Here are our hacks to reduce your supermarket spend:

- **Stick to the plan:** Plan your meals for at least the week and avoid extra trips to the supermarket.
- **Listen to your list:** Shopping with a list is the most effective way to control food costs.
- **Go alone:** Shopping on your own helps you stay focused and stick to your list.
- **Stay in your lane:** Don't go down aisles you don't need. Look out for products at the ends of aisles - they're often more profitable for the supermarket and more expensive for you.
- **Look high and low:** Supermarkets put the products that make the largest profit margin at eye level. The bargains are found high and low.
- **Fresh is best:** Buying fruit and veg in season is cheaper. Consider shopping at your local farmers market or buying from local farms.
- **Do the maths:** Look at unit pricing - it's the best way to compare the value of items. Buying bulk isn't always the cheapest.
- **Eat before you shop:** This reduces impulse buys.
- **Avoid checkout choccies:** They put temptations like chocolates, lollies and magazines at the checkout to entice us bored and tired shoppers!
- **Costly convenience:** Snacks and convenience foods are generally the most expensive.
- **Go local for a little:** If you only need a few things, you may be better off at your local corner store instead of a big supermarket – but only buy what you need because prices are generally higher.



EATING OUT AND EATING IN CAN *EAT* AWAY AT YOUR BANK BALANCE

What's the craving?

Most of us love good food and drink - and we all get hungry!

But given such a large percentage of our income is often spent on food, it's worth digging a little deeper to uncover what's driving our decisions when it comes to eating out and eating in. The results may surprise you and save you money!

Often the food itself is a secondary priority for our spending - a trade-off for something else. That's partly why food delivery services are becoming so popular (and why it's easy to overspend on them) - because they provide quick and easy solutions to many of these motivations.

The good news is that you may be able to feed the urge without needing to spend as much! This is another example of spending that aligns with your values, which you can explore further on page 12.

Activity:

Think of a food purchase you made this week, outside of your usual grocery shop.

This week I bought:

Tick all the reasons why you made that purchase (apart from hunger!):

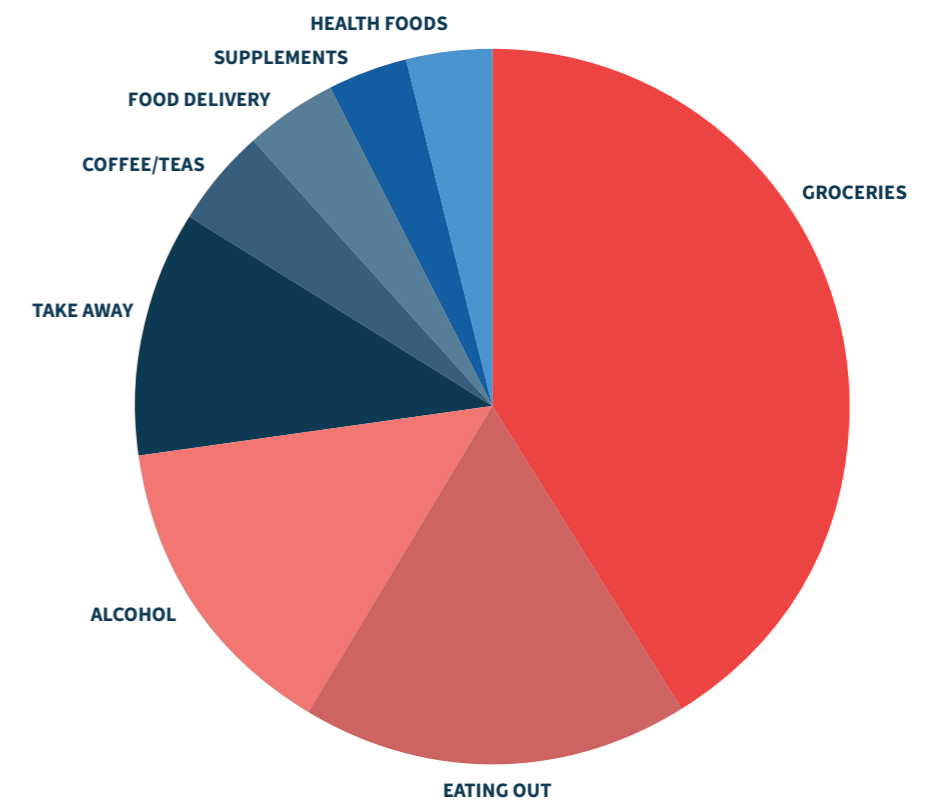
- Feeling bored
- As a treat
- Needed a break / distraction
- Chance to catch up with friends / colleagues
- Feeling tired
- Convenience / lack of time
- Other:
- Other:

What did you notice after doing this activity?

Here are three examples that will help you come up with more!

- **Social savers:** If your food costs are about catching up with colleagues, try meeting for a picnic instead of a cafe. Or have your friends around for a potluck instead of going out for dinner
- **Cheap treats:** Could you replace your takeaway coffee treat with a thermos and a walk in your favourite park?
- **Family frugal faves:** If time and convenience are your main cost factors, focus on simple meal themes in a weekly plan, or make a big batch of a favourite meal on the weekends that covers a few meals. Everybody loves taco Tuesday! How about stir-fry on Friday (stir-Fridays)?

WHERE AUSTRALIANS SPENDS THEIR MONEY ON FOOD



Source: 2019 Suncorp Cost of Food Report

Energy costs:

Gain power over your bills

Energy bills are a hot topic.

FIND AN ENERGY PROVIDER TO SPARK YOUR INTEREST

Depending on where you live, you may have a choice of energy retailer, and there are usually many energy offers to choose from.

Things to consider:

- Length of contract
- Fees and discounts
- Other special deals (these might be called “incentives” or “benefits”)
- What time you use your energy - this is important if you can choose a “time of use” tariff where electricity costs vary at different times of the day
- Whether you want your energy to be good for the environment (e.g. choosing a GreenPower plan or looking at solar options)

- Your rights and obligations
- Cooling off periods in case you change your mind

The Australian Government has a website to compare all the retailers to help select the right plan (in areas where there are more than one retailer) - energymadeeasy.gov.au

Managing bill payments:

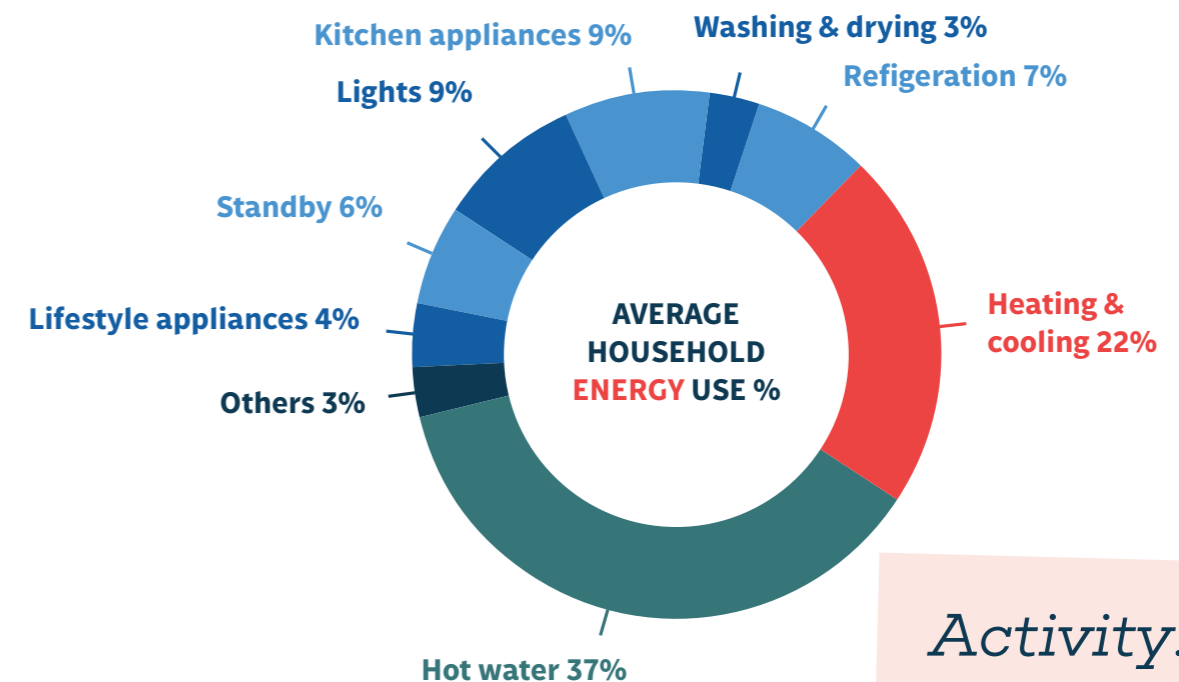
If you can't pay your bill on time, call your supplier and request an extension of time to pay. You can also:

- Get info on government concessions and rebates.
- Discuss energy-saving options.
- See information about community agencies that offer assistance.
- Work out your weekly consumption and pay in advance each week.



WHERE YOUR HOUSEHOLD ENERGY GOES:

Source: Ausgrid.



Got a problem with your bill?

If there's a problem with your bill or energy retailer, follow these steps:

- Contact your retailer (by phone or in writing) to tell them what the problem is, and how you want it fixed.
- If this does not work, contact the energy ombudsman in your state/territory.

Learn to be energy smart:

Check out energy rebate swap schemes in your state or territory.

Activity:

Reduce your energy consumption.

Our two top tips are:

- Wash clothes with cold water.
- Cool your room to between 23 and 26 degrees in summer; heat your room to no more than 21 degrees in winter (every 1 degree higher for heating or lower for cooling adds up to 10% to the running cost of the appliance).

What are your top tips?



Subscriptions:

Avoiding the snowball effect

Subscription costs add up. It's important to stay subscription savvy - making sure you're only paying for what you use and getting the most out of it.

THE COST OF CONVENIENCE

With many of us living busy and fast-paced lives, it's no surprise that companies usually advertise subscription services on the basis of convenience.

Paying smaller amounts regularly can seem more convenient and affordable than a bigger upfront cost. However, choosing convenience usually comes with a cost.

Most subscriptions automatically renew every month, making it easy to forget that you're paying for it if you don't review your statements regularly. Service providers know that many people will continue paying even after the service is no longer useful or important to them.

SUBSCRIPTION CREEP

Each little cost adds up, often without you realising how much of your money is going towards these services - often called "subscription creep". Each service on its own doesn't seem like much, but together they can have a really significant impact.

For example, six subscriptions costing \$20 each could cost \$120 per month, more than \$1,400 over a year.

More than three in five Australians are spending money for services or subscriptions they either don't use or have forgotten about (REST Super, 2019).

Activity:

Subscription search and select.

1. **Check your bank statements from the past six months and actually see what you're paying for. Here are some common ones. Tick each one you have and list the amount you pay.**

Service	Regular cost (e.g. monthly)	Yearly cost
TV, movies - Netflix, Stan, Foxtel		
Magazines / Books		
Gym membership		
Fitness apps / programs		
Food delivery - e.g. Hello Fresh		
Music streaming		
Online storage & computer software		
Gaming subscriptions		
Other:		
Other:		
Other:		
TOTAL	\$	\$

2. **Cancel the subscriptions you aren't using.**

- Most services don't have contracts, which means you can cancel anytime without getting charged extra fees.
- You can always resubscribe later if you miss it.

3. **For the rest (and for any new subscriptions you are considering), answer these questions:**

- Can I afford it?
- Am I really benefiting from it?
- Am I saving money by using it? For example, if you're paying for an entertainment service, has it reduced how much you spend on other entertainment?
- Can I save money by paying upfront? E.g. insurance premiums.
- Am I paying the right amount or the level I need?
- Can I get the same or similar product/service free elsewhere? For example, free alternatives for common subscriptions could include borrowing books or movies from the library, listening to music podcasts, or doing body weight exercises that don't require equipment.

Mobile phones:

Outsmarting your smartphone

Mobile phones can be a big spend or a small spend - the choice is yours!

Work out first what you need in a phone upfront and ongoing, then consider costs and commitments. Know what you're signing up for, especially if you're going for a postpaid plan:

Point	Postpaid plans	Prepaid plans
When do I pay?	After you use it — usually a monthly bill	Before you use it
Do I sign a contract?	Usually (can be month-to-month or 12 to 24 months)	Don't need to
Are there excess charges?	Yes, if you exceed your inclusions	No. When you run out of credit you have to buy more
Can I get out?	Early exit fees, which can be very expensive	Yes. Credit will expire if not used within certain timeframe

SIGNING A PHONE CONTRACT IS A BIG DEAL

Don't sign until you're comfortable with everything and you're ready to make the financial commitment.

Remember: whoever signs a contract is ultimately responsible for ensuring that the terms and conditions of the contract are met - so don't sign a contract for someone else. There is always the option to go pre-paid.

Remember:
When your contract ends, don't renew your contract automatically. Take the time to look around for a better deal.

TIME TO COMPARE!

Compare phone plans with different providers to get the one that's best for you. Telcos must give you information that helps you compare products and services. The best source is the **Critical Information Summary** for each product. You'll find these on the telco's website or you can contact them and ask for a copy. It's a free guide that explains what your new plan is going to cost and what you'll be getting for your money.

Comparison websites can be useful but they may not cover all options.

SECURITY AND SCAMS: PROTECT YOURSELF

There's a whole section on scams on page 88. Be aware that there are scammers targeting phone users like you, trying to trick you into paying really expensive call or text rates.

What's the worst that could happen?

If it's lost or stolen, your phone could be used to access your money or steal your identity. You could lose priceless data like photos, notes or messages. And you may have to keep paying off the cost of it while also needing to pay for a new phone.

Staying safe

Remember: Treat your phone like your wallet; keep it safe and with you at all times.

The **eSafety Commissioner** has great info for staying safe online.

MAKING A COMPLAINT

1. As soon as possible, contact the phone provider to explain the problem and the outcome you want. In many cases, a simple phone call or visit can fix the problem.
2. If you cannot resolve a problem with your provider, contact the **Telecommunications Industry Ombudsman (TIO)**.

If in doubt:
Don't lock yourself into a postpaid contract!

PHONES THROUGH EACH GENERATION

Young People

Many parents decide that children need a phone for safety when they are travelling independently to and from school or getting to after-school activities. Check the school's policy on smartphone use.

Parents

Here are some tips for how parents can safely manage mobile use.

- **Stay in control:** Turn off in-app purchases and use parental control apps.
- **Stay up to date:** Get to know the technology your kids use, including the games they're playing and the apps they're using.
- **Stay open:** Talk regularly to your kids about issues like bullying and cyberbullying, safe phone use, and establishing boundaries.
- **Stay safe:** Visit the [eSafety Commissioner's](#) website with your kids to read more detailed tips and information for parents and kids (young kids through to teenagers) about staying safe online.



Seniors

Look at buying a phone that's easy to use, and makes it simple to keep in contact. Companies make some phones with deliberate features for seniors, including large buttons, limited vision settings (e.g. large text), louder volume options and hearing aid connectivity. These phones are often great value (under \$100), and can be used on affordable postpaid or prepaid plans.

These can actually be great phone options for everybody, especially school-aged children! They could also be a useful option if you, or someone you know, lives with a disability, limited dexterity, or even someone who is always losing or breaking everything!



Activity:

Outsmarting your smartphone.

Our smartphones are amazing devices that most of us rely on for work, rest and play - it's no wonder we are rarely more than two metres away from them.

Part of living well is making sure you're in control of your phone and not the other way round.

This checklist will help see if you're outsmarting your smartphone!

- I have scheduled times each day when I don't use my phone - e.g. while having dinner or playing with my children.
- I limit my notifications to only meaningful events or where real people want my attention.
- I keep my phone off or separate from me while sleeping.
- I track my phone usage using an app like Apple's Screen Time.

Everyday banking:

Put your money where it matters

Discovering the right bank account will depend on *what you need* and *how you spend*.

COMMON TYPES OF ACCOUNTS

- **Transaction accounts** - for everyday banking
- **Savings accounts** - great for putting regular amounts into, saving for a specific item
- **Term deposit accounts** - for if you have saved some money and don't want to be tempted to spend it

DETERMINE WHAT FEES AND FEATURES MATTER

Banks, building societies and credit unions offer heaps of different transaction accounts.

It takes time to work out which is the best transaction account for you.

Our top tip when it comes to choice of provider.

Don't be lazy, don't be loyal!



Ask yourself:

What other features do I want?
Is there anything extra I need to know about this account?



Look for low-fee

Banks can charge a monthly account fee and charge for things like ATM withdrawals, EFTPOS transactions, internet banking, branch transactions, and international transactions.

Of course, no fees are ideal. Look for no conditions attached too - like no minimum monthly deposit or balance (see info on basic bank accounts on the page opposite).



Do you direct debit?

A direct debit (or automatic payment) allows a company to automatically withdraw money from your account at set times to pay for things like your electricity or phone bill.

Direct debits can be a good way to manage your money, but they can become a problem. If you don't have enough money in your account when the payment is due you may be charged a fee. To avoid this, set up the direct debit to come out of your account the same day you get paid.

And don't forget to cancel direct debits for services you no longer need.



Contactless convenience?

There are new options available designed to make payments easier, like contactless payment (e.g. payWave or PayPass) that allow you to tap your card without a PIN. Many accounts also have 'digital wallet' options (e.g. Google Pay and Apple Pay) so you can pay for things with your smart device instead of using a card.

Remember:

Taking control of your spending is harder when using cashless options.

Basic bank account:

If you're on a low income, you may be able to get a 'basic bank account' which has:

- No account-keeping fees.
- Free monthly statements.
- No minimum deposit amount.
- No overdraft fee.

You may qualify for this if you:

- Receive a government pension/allowance.
- Hold a Pensioner Concession Card, Health Care Card or Commonwealth Seniors Health Card.

+ Some banks offer a free transaction account to all customers.

OUR TIPS FOR BEING THE BOSS OF YOUR BANKING



Statement search

Look at what money is coming in and what money is going out. Keep an eye out for any payments that you don't recognise. Get in touch with your bank straight away if there's anything you're unsure about.

Review regularly

Compare the fees and features and consider switching bank accounts if you find one that suits you better.

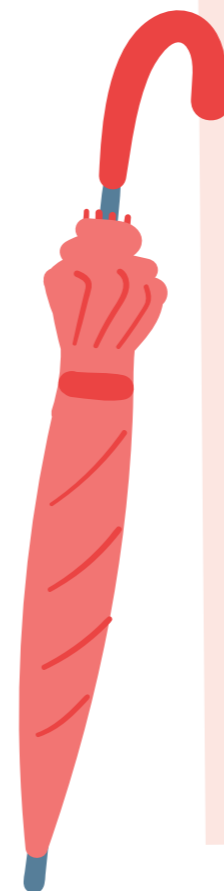
Stay safe

- Keep your PIN safe.
- Use strong passwords on your online banking.



5

Stay safe: Bring your umbrella



Activity:

Risk rater.

We all have different attitudes towards risk taking and staying safe. Some people never take an umbrella, happy to take the risk.

Answer these questions to help uncover your risk rating:

- I have insurance to protect me if I have an accident or get sick (e.g. TPD / health insurance)
- I have insurance to protect my assets (e.g. car, house, contents) if things go wrong
- I have funds set aside for a rainy day
- My income currently covers my expenses, with enough left over to save
- I have no debts
- I have superannuation that covers retirement

Surely it's happened to you - caught in the rain without an umbrella!

It's impossible to always predict what's going to happen. Here are five things we know about taking risks and staying safe.

1. Cover up: Every risk carries its consequence. That's where basic insurance comes in, it's a way of getting financial cover for when things go wrong. Insurance is not a luxury - it's a way of staying safe.

2. Know your blind spots: If you know about them they wouldn't be blind spots! The goal is really knowing your limitations, understanding where you are susceptible to making mistakes, and putting strategies in place.

3. Look after your future self: People find it difficult to make decisions that don't impact the here and now. But super provides a safety net in retirement, so taking an interest now is another way of staying safe.

4. Take action when unexpected things do happen:

Often it's how you respond that makes the difference. While the temptation can be to bury your head in the sand and hope the problem goes away, the reality is that the longer we delay, the worse a problem usually gets.

5. Expect consequences: Taking on any debt or committing to any contract is taking a risk. And when you take on risk, know that there will be consequences when things don't go as planned.

But no matter what your past has been, you can take steps to financial wellness right now. Just don't forget your umbrella!

Insurance:

To insure or not to insure?

Some people say life is a risk. It's also been said that 'risk is what's left over after you think you've thought of everything.'

You can choose to either protect yourself from the big cost of a negative event by taking out insurance, or risk it that something will never go wrong – a big RISK to consider.

Everyone has important things in life they want to protect, such as health, home, car and even that major trip.

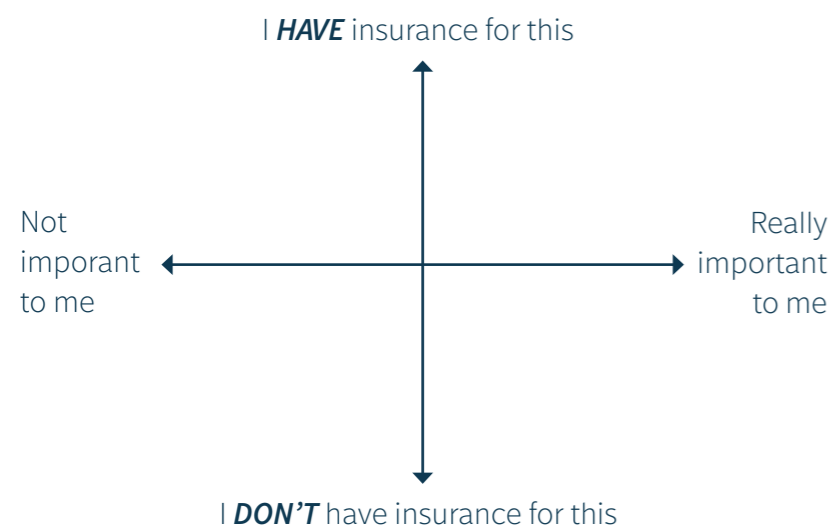
Insurance exists as a safety net when something happens unexpectedly. It won't stop things from going wrong, but it will soften the blow by reducing your full loss.

Remember:

Insuring your most important assets is also important. Refer to our section on superannuation on page 80.

Activity:

Write or draw all the different things you can insure on this picture. What did you notice?



TWO MAIN TYPES OF INSURANCE ARE: MOTOR VEHICLE AND HOME & CONTENTS

1. Motor vehicle insurance: If you drive a car, motorbike or scooter, there are three main products:

↳ **Compulsory Third Party (CTP):** covers and protects any person you might injure when driving. It's legally required when driving.

↳ **Comprehensive Insurance:** covers damage to your own vehicle and other people's property, as well as theft and some other risks, plus legal costs.

↳ **Third Party Property:** covers damage to other people's property and legal costs, but not damage to your own vehicle (if your vehicle is not worth very much then this might be a good option). You can also get add-on features like theft.

For more details see the [Insurance Council of Australia's Understand Insurance](#) website.

2. Home and Contents Insurance

↳ **Home building insurance:** If you own your own home, then it's a good idea to have insurance cover for an event that ends up causing total or partial damage to your property (e.g. fire or storm). Take time to check what a policy does and doesn't cover - for example the costs of rebuilding your house. An online calculator can help you work out how much home insurance you need.

↳ **Contents insurance:** Contents insurance can be useful for homeowners and renters. It covers the cost of replacing or repairing household items such as: furniture, clothes, appliances and jewellery.

Things to check here are: what's covered; what's the value of furniture, appliances, etc.; will contents be covered on a "replacement" or "new for old" valuation basis.



An asset register helps make life easier

Keep a listing, sometimes called an "asset register", of your contents and building add-ons and update it every 12 months or when your policy needs renewing. This will make life easier if something goes wrong and you have to make a claim on your policy.

Use a spreadsheet, workbook or an online app to help you calculate the value of your contents. Taking pictures of your contents will help too.

Activity:

Insurance Inspecting:

Use this table to help you compare different options for the risk you want to cover

Insurer	Payout type	Payout amount (\$)	Excess amount (\$)	Premium due date	Cost	Cooling off period?	Covers the risk you want covered?

SO YOU'VE DECIDED TO GET INSURANCE...

ASK THESE QUESTIONS BEFORE YOU SIGN ON THE LINE

- Do I understand what I'm signing?** An Insurance Contract is a legally binding document with rights and obligations you need to be aware of. Understanding your policy means understanding your risk, and means you'll have no nasty surprises if something goes wrong. Ask your insurer, or seek support from a trusted, independent friend or resource.
- Is it covering the risk I want covered?** Types of risk covered - e.g. Flood, fire, illness, injury etc.
- How much will the payout be?** For example, is my house insured for enough to rebuild? Is my car insured for enough to replace it? Does my policy provide "new for old" or is it an "agreed value" cover?
- How much excess will I need to pay?** This is the amount needed if you have to make a claim on your policy. A higher excess may reduce the amount you pay upfront (the premium), but make sure you can afford to pay the higher excess if you have to.
- How do I make sure I stay covered?** Most insurance lasts for 12 months so make a note of when your policy is ending. You may be able to pay your premiums half-yearly or even monthly. This is a good time to review and value your assets being insured to ensure the correct level of cover.
- Have I got the best price?** Shop around for the best deal. Remember that not all insurance companies will be included on a 'comparison' website and it may be difficult to compare exactly as companies can include different areas of coverage.
- Can I change my mind after signing up for insurance?** Typically, there is a 14-day "cooling off" period on policies that allows you time to change your mind. Check with your insurer.

What is the risk I can afford to take?

What is the risk I can't afford to take?



OTHER INSURANCE

Funeral insurance: can be expensive and may not be the best option, so ask lots of questions before signing up.

There are other ways of covering funeral expenses that can still bring peace of mind, like a pre-paid funeral or funeral bond. See the Government's [Moneysmart](#) website for more useful info.

Junk insurance: often "add-on" products that we buy on impulse when purchasing another product. Avoid them if you can.

Examples of these so-called 'junk insurance' products include:

- *Credit card insurance* (payout rate of only 23%)
- *Used car extended warranty* (payout rate less than 7%)

DEMAND A REFUND!

If you, like many other people, are paying for junk insurance, you may be able to get a refund! Find [Demand A Refund](#) online.

Activity:

Take the M.I.C. (My Insurance Checker)

Tick the ones that apply to you:

- I know the name of the company my house / car is insured with and can find the policy
- I know the excess on my house/contents insurance and/or my motor vehicle
- I know if I am covered for TPP or Comprehensive on my car
- I always buy travel insurance when travelling overseas
- I get three quotes when I renew my insurance
- I have an asset register with a list of items in my house in event of fire, etc.
- I have insurance cover for the things that are most important to me

What surprised you?

What gaps for action are there?

How will you get there?



Superannuation:

Anyone can be a superhero

Superannuation (or super) is money you put in a super fund while you are working to provide income later in life when you retire - it's about investing in the long game!

While it can seem frustrating that your super money is locked away until you retire (or reach another condition of release), it allows interest to compound over time - *the snowball effect!*

The money in your super fund is invested in things like property, shares, infrastructure (roads, hospitals, airports) and government bonds, to give it the best chance of growing.

Other rewards for waiting:

- The money your super fund “earns” over time (interest and other returns) usually doesn't get taxed as much as other income you earn.
- You can withdraw your savings tax-free in retirement.

How do you get it?

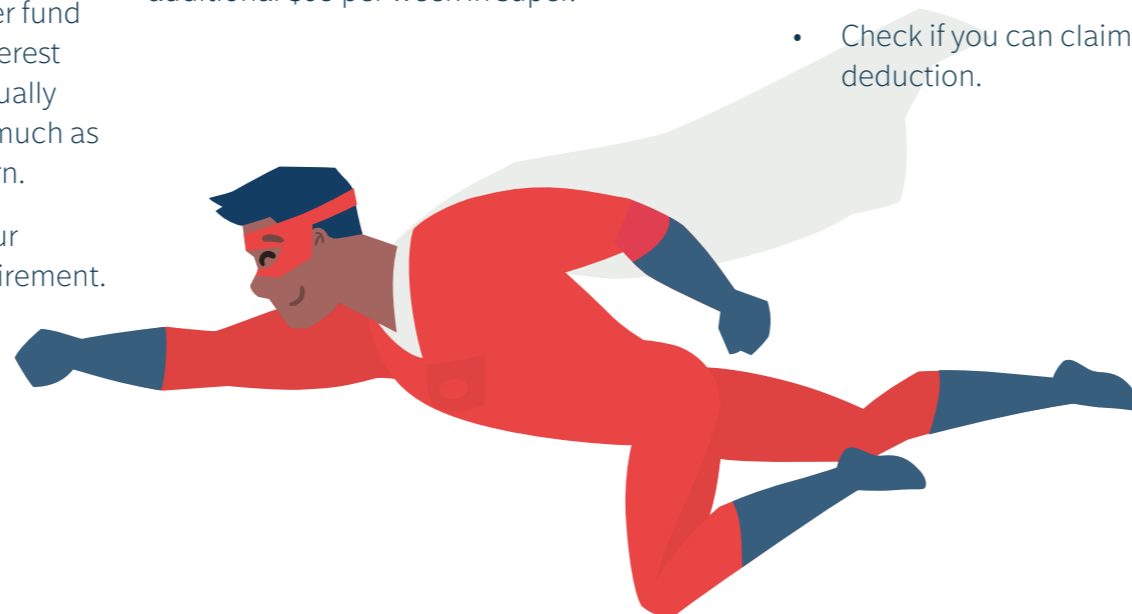
Your employer must pay a set percentage (currently 9.5%) of your gross income into a super account in your name, provided you are over 18 and meet all the criteria. This is called the super guarantee (SG) and for most people it's how their super fund builds up.

For example, if you make \$1,000 a week in gross pay, your employer must pay you an additional \$95 per week in super.

Want to boost your super?

You can make your own contributions to further boost your savings. If you are self-employed, super is entirely voluntary. Small and regular contributions to your super will see a big impact over time. Just keep in mind the extra money you contribute is locked away until you retire! Here are our tips:

- Talk to your employer.
- Make it automatic.
- Check if you can claim a tax deduction.



Activity:

Rise to the challenge: Become a superhero!

Being a superhero is hard, but it's important. Choose one of the challenges from the list below and decide how you will tackle it. We've done the first one. Can you think of any other challenges?



Challenge	Reframe for action
<i>Employers automatically deposit into our super account - it's out of sight, out of mind.</i>	I'll open the statement from my super fund and commit to learning one new thing each time.
<i>Saving is often done in private (unlike spending) so we can be fooled into thinking superheroes just don't exist.</i>	
<i>The rewards are delayed.</i>	
<i>It's hard to plan for retirement when we can't imagine what it will look like.</i>	
<i>Thinking about the future can make us feel uncomfortable, overwhelmed or helpless.</i>	
<i>We can be a little too confident in our ability to conquer the world without preparing.</i>	
<i>Australia's super system can seem complex and confusing.</i>	
<i>Other:</i>	

Activity:

Meet your future self. Visualise where you will live, what hobbies you will have and what a typical day will look like.

Does visualising this encourage you to think more about planning for the future?



SEVEN SUPER POWERS

WHAT	WHY	HOW
1. Find your fund(s)	May have multiple funds; ensure personal details are correct and TFN supplied	MyGov
2. Check your insurance	See if you have the cover you need	Contact your super fund
3. Check fees and charges	Make sure you're not paying too much or for things you don't need.	See your statement or contact your fund
4. Understand your statement	Check personal details are correct and that the right amount has been put in by your employer	See your statement, contact your fund
5. Nominate beneficiary	This is the person you nominate to receive your super and/or insurance benefit on your death	Contact your fund
6. See what your super is invested in	Make sure it's right for you and see how your fund is comparing to others in that option	Seek independent financial advice
7. Consolidate all your super into one fund (if your fund allows you to transfer money out)	Easier to manage, only one set of fees and you'll learn more about your super	MyGov - see ATO , Superguru or your super fund for more info. Just be aware you might lose insurance benefits and watch out for any exit fees

SUPER CAN PROVIDE INSURANCE

Most people with super have insurance cover attached to their account. If you join a fund through your employment, you will usually have automatic cover put in place.

If your super fund offers an appropriate level of cover for your needs, it can be a simple and cost-effective way to insure yourself and your family. Premiums are paid from your pre-tax income and are usually deducted from your super account, which reduces your super.

The main types offered are:

- *Life Insurance (also known as death cover):* the beneficiaries you nominate on your policy – usually your family – receive a benefit in the event of your death, either as a lump sum or as an income stream.
- *Total and permanent disability (TPD) Insurance:* TPD insurance provides a financial safety net if you become seriously ill or permanently disabled and are no longer able to work.

- *Income protection Insurance (IP):* IP insurance provides you with income for a certain period if you can't work due to a temporary disability or illness. Unlike Life or TPD insurance, IP insurance only covers you for the income lost through your inability to work.

ACCESSING SUPER IN TOUGH TIMES

Super is designed to be kept until retirement, but there are a few very specific circumstances where you can legally access your super savings early.

- Compassionate grounds
- Financial hardship
- Terminal illness or permanent incapacity

If you do need to access your super for any of these reasons, get in touch with us to chat through your options.

The Australian Taxation Office (ATO) website has more information about early access to super.

PROTECTING YOUR SUPER

1. Learning the *seven super powers* is also the best way to protect your super, because you'll see if something is going wrong. Always read your super statement, and contact your employer or your super fund if there's something unusual on it.
2. Protect your personal information. Don't share your myGov account details with anyone.
3. Someone offering you early access to your super, or promising really high returns is most likely a scammer. You can report suspected scams to [ASIC](#) online or on 1300 300 630, or to the [ATO](#) on 13 10 20.

How much do I need?

It's important to start thinking about how much money you will need for your retirement. Check out the retirement calculator at [Superguru](#) or [Moneysmart](#) to help plan for your future.

Fines:

Don't ignore them and you'll be *fine*

Never ignore a fine: it may seem overwhelming but you can always do something about it.

GOT A FINE? HERE'S EVERYTHING YOU NEED TO KNOW TO STAY ON TOP OF IT.

Fines only increase over time and more penalties are added to the fine the longer you ignore it. There can also be serious consequences if you don't pay, such as:

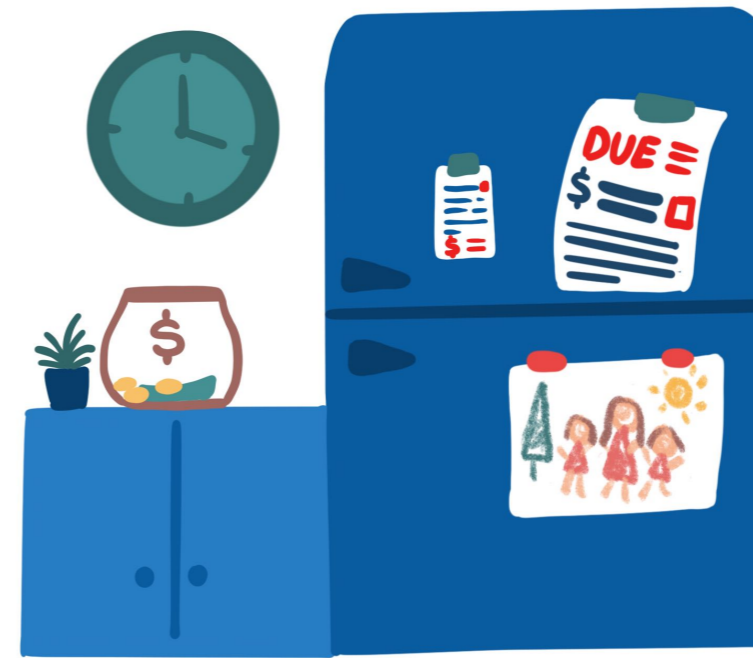
- Suspension or cancellation of your driver's licence
- Court enforcement action
- Having some of your wages taken.

PAYMENT OPTIONS

Your fine letter or notice should tell you who to contact about your payment. You could:

- Ask for an extension of time to pay.
- Start making small, regular repayments.
- Contact Centrelink and set up regular deductions from your payments via Centrepay.
- See if you're eligible for a Work and Development Order (WDO). In some states and territories this program allows you to pay off the debt with volunteer work, treatment programs, counselling, courses and other activities.

If you're having difficulty paying your fine, contact the debt recovery agency in your state/territory.



OUR 'FINEST' TIPS:

Keep your details up to date:

- Motor vehicle registry
- Australian Electoral Commission

Speak up: Received a fine for an offence you didn't believe you committed? You can appeal. Or want to dispute? Follow the instructions sent to you with the fine to find out how, or seek legal advice.

Ask for help: If you have questions or need help regarding fines, you can contact [Legal Aid](#) for free legal advice, in your state or territory.

You can also speak to a free financial counsellor for help with your fines.

Activity:

From the moment the envelope arrives (or the ticket is on the windscreen):

- How are you feeling?
- Who do you talk to?
- What do you respond with?

Case study:

Mina.

Mina was fined \$200 when she went to catch a train as she didn't have proof of her concession ticket. Three years later when Mina went to Legal Aid for help the fine was \$550 and she had been issued with property seizure orders and garnishee orders because she hadn't paid the fine. Mina was able to arrange a payment plan for her debt and has started to pay the money back using regular deductions from her youth allowance.

Credit score:

It's *not* the be-all and end-all

A credit score is a number. It reflects how you've borrowed money in the past and whether you've paid your bills on time or repaid your loans.

When you apply for something like a credit card or personal loan, the credit provider may use the information in your credit report to decide whether they want to lend you money.

Your credit score is impacted negatively by how many times you apply for credit.

This could include any credit card or loan applications you make. Think very carefully about whether you need to apply for credit in the first place!

Much of the rest of your score is made up of your repayment history. Time can improve your score, as this information doesn't stay on your report forever.



Our best credit tips

- Do you need credit? Are there other ways you could pay for this? Can you afford the repayments?
- Speak up if you need a hand – talk to your credit provider as soon as you can, or speak to a free financial counsellor.
- Have a system for paying bills before they're due.

HOW TO CHECK YOUR CREDIT REPORT

You can get a copy of your report for free, once a year. You can also receive a free credit report if an application for credit was declined in the past three months. Here are the three biggest agencies:

- [Equifax](#)
- [Illion](#)
- [Experian](#)

USEFUL INFO

- You could have a different credit report with more than one agency. Tasmanians should check with the Tasmanian Collection Service.
- If there are loans or credit in your report that you know nothing about, it could mean someone has taken out loans in your name.
- When you provide the credit reporting agency with your details, be aware that the credit providers may use these details to contact you.

IMPORTANT



Stay away from 'credit repair' companies. If a listing on your file is correct, it can't be removed. If you think it's not correct, you can sort this out yourself, for free. Do this by contacting the credit reporting agency and asking them to fix it. For more info, check out the factsheet from [Financial Rights Legal Centre](#).

Activity:

TRUE/FALSE.

- If I apply for credit multiple times, it won't impact my credit score. **TRUE / FALSE**
- I need to pay someone to fix or repair my credit report. **TRUE / FALSE**
- My credit report is the only thing that providers will look at when they check if I can access credit. **TRUE / FALSE**
- If there's a mistake on my credit report, there's nothing I can do. **TRUE / FALSE**
- Checking my credit report can affect my credit score. **TRUE / FALSE**
- My credit report contains personal information like my gender, whether I've got dependents, salary and assets I own. **TRUE / FALSE**

We hope you circled FALSE for all of these! There are many myths about credit files.

Remember:

Your Credit Rating/Score is not a reflection on who you are. You are far more valuable than a number on a page.



Scams:

We've all been there

"Anyone who says they can always spot a scam is telling fibs"
- Dr Paul Harrison

A SCAM CAN CATCH ANYONE

Scams are designed to steal your identity or money.

Today's scammers are often professional businesses with call centres, training programs and performance indicators their workers need to meet.

Scams target people of all backgrounds, ages and income levels across Australia.

They come into our lives through our phones, emails, Facebook friends, even our front doors, and tap into our emotions, desires, innermost needs and wants.

None of us like to admit we're capable of falling for a scam, but we are all vulnerable in some way and scammers use our vulnerabilities. Our overconfidence in picking a scam can also make us a target.



SCAMS: Common & costly

Nearly 1 in 10 Australians reported being scammed in 2019, suffering an average loss of \$12,000.

Source: Westpac's State of Scams report.

PROTECT YOURSELF

1. Slow down. You need to slow your decision-making process down by doing things that help you make more rational decisions.

Look for clues that something's suspicious:

- Is the contact uninvited?
- Is it urgent?
- Is there a call for secrecy? Is it something you don't feel comfortable sharing with somebody else?

→ **Identify your emotional triggers:** Look for these warning signs that can make you act too quickly: fear, greed, curiosity, urgency.

→ **Talk to someone you trust:** Have a chat to a friend to see what they think.

→ **Go with your gut:** If there's something that makes you feel uncomfortable, secretive or nervous, it's often a good indicator that something's wrong - your "gut feeling".

2. Secure your stuff

- Use strong passwords
- Keep your personal details secure
- Secure your computer and mobile devices
- Check your privacy and security settings on social media
- Take care actioning email requests
- Shop on secure websites

3. Know who you're dealing with. If you've only ever met someone online or are unsure if a business is legitimate, take some time to do a bit more research.

The Stay Smart Online website: [cyber.gov.au](https://www.cyber.gov.au) has simple, easy to understand advice on how to protect yourself online.

HELP! I THINK I'VE BEEN SCAMMED

If you've lost money or given out your personal details to a scammer, you're unlikely to get your money back. But there are things you can do now to limit damage, and look after yourself (and others) going forward.

REMEMBER STARRS:

Stop. Stop contact, stop sending money.

Take Action. Call your bank straight away if a scammer gets access to your credit card, bank account or personal information. Your bank can freeze the account and may be able to reverse an unauthorised transaction.

If you suspect you are a victim of identity theft, contact **IDcare**.

Report. If you've been targeted by a scammer, report it to:

- Banking and credit card: your bank
- Fraud and theft: your local police — call 131 444
- Tax related scams: Australian Taxation Office
- All scams: Scamwatch so they can warn others

Reach out. While it can feel embarrassing to let others know, it's actually the best way to get help and to help others out too.

Seek help from someone you trust, a local health professional or counselling support service.

- **Lifeline**
- **Beyond Blue**

Share your story. We all have a story to share about how we've been scammed or nearly scammed. Share your experience and learn from each other, remembering that scammers are often professionals with sophisticated set ups.

Who do you want to be?

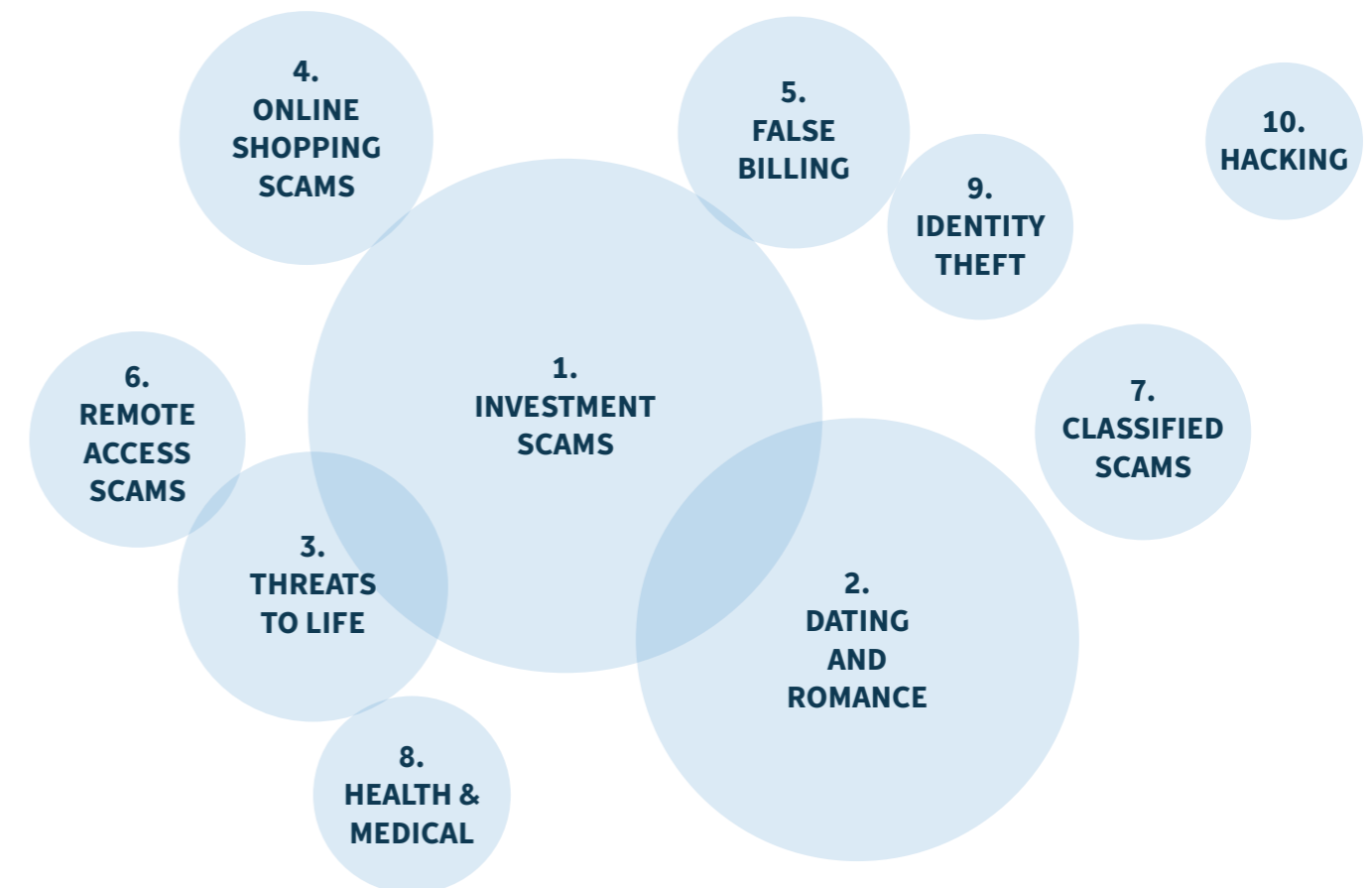
Dealing with scams is tricky - there are no easy answers! It's natural to want to trust people and institutions. Trust is essential to function in society, but you need to protect yourself and your loved ones. Victims of scams are often affected emotionally, including losing trust in others and feeling anxious about unknown callers.

What sort of person do you want to become?

1. **Gullible Gail:** driving without checking blindspots.
2. **Cranky Chris:** distrusting everybody and everything.
3. **Healthy Skeptic Hal:** knows their own vulnerabilities and asks others where they don't.

TOP 10 SCAMS

Source: scamwatch.gov.au



Activity:

1. Have you ever dodged or been duped by a scam?
2. If someone was going to target you for a scam, what do you think they would do?
3. One action I'll take to become more scam-proof is...



Decision making: *Choosing like a champion*



The best decision-makers aren't people who never make mistakes - they're people who *think things through*, hope for the best and prepare for the worst.

We make financial decisions every day and with each decision comes a range of options. This can be exhausting and lead to a failure to choose the best option, or failing to make any choice.

Indecision becomes a decision to do nothing - this can sometimes be the worst decision of all.

The right tool for the job

There are systems to make decision making easier. For example, a shopping list is an effective tool to use when

buying your groceries. For big purchases, like a new phone plan, we've included simple tools in our Shopping Smart section.

Making great decisions under pressure

Making big financial decisions can be tough, especially if you're under time pressure and feeling rushed. It won't surprise you to learn that over one in three Australians find dealing with money 'stressful and overwhelming' (ASIC, 2018).

The power of presence

One of the best things you can do is slow down and step into the present moment. This helps you take note of what you're feeling so you can:

- ↳ *Step back:* Why are you making this decision and what are you basing it on? Is it made out of fear or uncertainty? It is in line with the person you want to be?
- ↳ *Step outside:* How would you advise someone else in this situation? Imagine you were making the decision for a family member or a trusted friend - what would you do?
- ↳ *Step away:* Is now the best time to make this decision? Could you return to it in two minutes, two hours or two days time?
- ↳ *Step forward:* Look to the future. We choose immediate rewards because they make us feel good in the moment. What other rewards could come if you delay this decision?

Decision-making tip: Mindfulness (or pausing on the platform)

Marketers and salespeople make their money by getting us to spend ours, hoping to sweep us into 'boarding the train' with fast thoughts and fast decisions.

A helpful analogy is that we can't control which trains (or thoughts) pull in at the station, but we can choose whether to board the train. Mindfulness practices help us pause on the platform and view the thoughts objectively, rather than get swept up in their momentum.

Release regret (and learn for later)

We encourage you to accept the choices that you do make. If you are disappointed with the decision you make, acknowledge your feelings of disappointment but try not to dwell on it. Remember, there will always be another decision that needs to be made. Is there something you've learnt that you would do differently?



Shopping smart:

Our step-by-step guide

Shopping is an everyday activity that is often done without much thought. It is very common to rush into buying something without weighing up your options, which can lead to feelings of disappointment when your item doesn't suit your needs or simply cost you too much. For small purchases, that's mostly okay - it's not worth overthinking every single spend.

When you need to make a bigger purchase - whether it's insurance, electricity, phone, or ongoing subscriptions - it's important to shop around. Just a little research in comparing products and assessing your options will help you buy the right thing at the right price.

Slowing down and doing this next exercise for larger expenses will bring you confidence and peace of mind.



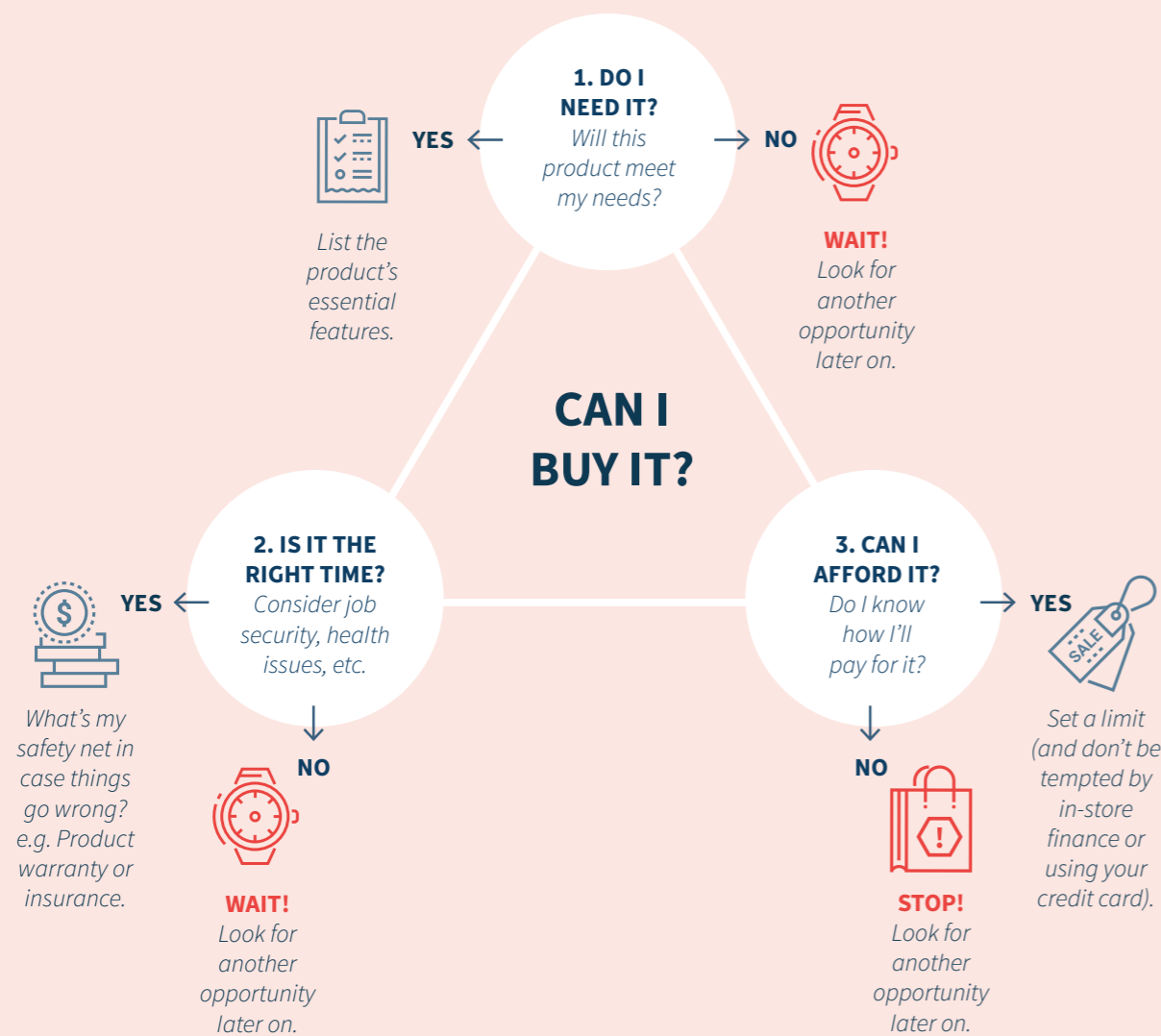
Being intentional is the new hustle.

Activity:

STEP-BY-STEP GUIDE FOR YOUR NEXT 'BIG' SPEND:

(A big spend will be different for everyone, so set a \$ figure or a % of your weekly income that works for you and your family)

1. The three-question test:



2. Get reliable information and recommendations. Where can you go for trusted advice to help you choose?

- ↳ Independent 'comparison' websites - e.g. **Choice**
- ↳ Family, friends or other people with knowledge in this area
- ↳ Product reviews
- ↳ Brands you know and trust
- ↳ Other options?

3. Compare alternatives. This is the hardest step, so use a comparison tool like the one below to help take the stress off. Writing down the advantages and disadvantages will help you compare costs and benefits.

4. Choose. Rank each of the different options from 1 to 5, then 'go with your gut' and make a decision. There is no such thing as a perfect decision - rather be confident that you made the best decision you could with the information you had at the time.

Product	Price	Advantages	Disadvantages	Ranking (1-5)
1.				
2.				
3.				
4.				
5.				

5. Enjoy! Decision made - well done! The downside of having so many options is that it can make us less content with the choice we do make. So choose to enjoy whatever option you decided on.

Big picture before big decision

Keeping your mind on the big picture will help you make better decisions with your money. Before you make your next big purchase, ask yourself:

- How does this purchase reflect my values? (If you're not sure what your values are, see page 12.) Is it something I stand for?
- How does it get me where I want to go?

YOU HAVE OPTIONS

Do you need money urgently because the fridge has broken down? It's really important to avoid rushing into an expensive mistake!

Assess your options to avoid rushing into a decision you'll regret later.

PRODUCT OPTIONS

What no-cost or low-cost alternatives are there that could get you through in the short term while you save up?

Could you BORROW or SWITCH, for example:

- ↳ Borrow a friend's spare bar fridge for a few weeks
- ↳ Wash your clothes at your neighbour's
- ↳ Buy second-hand



THE BUYERARCHY
of NEEDS
(with apologies
to Maslow)

PAYMENT OPTIONS

There are many options out there, but some should be avoided because they are high cost and will leave you worse off in the long run.

Little or no interest and fees

Option	Details
Cash	You may be able to negotiate for a discount
Save	See our savings section on page 46 for our tips and tricks
Family and friends	Make sure you're both clear on what's being agreed upon
Store lay-buy or pay-by-instalments	Check for any fees, charges
Centrelink advances	Interest-free prepayment of Centrelink benefits
No Interest Loans (NILS)	For household goods and health or education up to \$1,500 repaid in 12-18 months



High interest and fees

We cover these last resort options in more detail in other parts of this book. *Before you agree, ask how much you will pay in interest and fees over the life of the loan.*



Option	Details	Dangers
Buy now pay later – e.g. Afterpay, Certegy, Zip Pay	Pay for a product after purchase in instalments	Can be late fees/ monthly account fees/ payment processing fees/ often no credit or affordability check
Credit cards	Make purchases and pay for them later	High interest if not repaid in full each month/ fees
Interest free, in store deals	In store promotional deals that encourage you to pay later	Check for annual charges or account keeping fees, high interest after interest-free period expires
Store cards	Similar to credit cards but issued through retail stores	High interest if not repaid in full each month/ fees
Payday or small loan	Repay loans of up to \$2,000 in 16 days to 1 year	High fees, interest and charges
Rent-to-buy	Paying weekly amounts	Fees – account keeping, missed payments, break the lease or repay early



Credit cards:

The good, the bad, and *the ugly*

With nearly two million Australians struggling to repay their credit card debt, we think credit cards should come with a warning label.

WHAT WE KNOW

Credit cards are the most common debt that people connecting with Moneycare need help with. In 2018, 49% of people had at least one credit card, and for half of those people, the debt was more than \$10,000.

MORE THAN 1 IN 6 AUSTRALIANS (AROUND 1.9 MILLION PEOPLE) ARE STRUGGLING TO REPAY THEIR CREDIT CARD DEBT

THERE WERE \$1.5 BILLION OF CREDIT CARD FEES ISSUED IN 2017 (ANNUAL FEES, LATE FEES AND OTHERS)

THE AVERAGE CREDIT CARD INTEREST RATE IS BETWEEN 13% AND 20%

Source: ASIC, 2018; RBA, 2020.

Remember!

With a credit card, it's easy to spend and difficult to repay.

7 REASONS NOT TO GET A CREDIT CARD

1. **Can create a habit of spending money you don't have**
2. **Increases how much you spend**
3. **Reduces the control you have of your financial situation**
4. **Makes you less prepared for unexpected expenses or other life events**
5. **Missing payments will impact your financial institution's profile of you and potentially your credit rating**
6. **You'll be charged really high interest if you miss a payment**
7. **You don't need one!**

If you don't need to borrow, you don't need a credit card.

And 3 good reasons people choose to get one:

1. **Security:** You get cover if someone uses your card without your permission to make purchases.
2. **Purchase protection:** Some credit cards come with purchase protection, allowing you to make insurance claims for items purchased with your card that are lost or damaged (usually within 90 days from purchase).
3. **Convenience:** Credit cards are accepted just about anywhere, so they're good for online shopping and can be used for overseas travel.

Why do we spend more with credit cards?

When we pay electronically, the pain of paying is reduced as we don't physically see our money disappearing. 'Pain of paying' describes the emotional distress we experience when money is spent.

With credit cards, the pain is further eased by the time gap between when the credit card is used to make a purchase and when the bill has to be paid.

Also, the bill is a mixture of different purchases so by the time it is actually paid, we don't attribute the payment to any one particular purchase.

It's no wonder that studies consistently show that use of credit cards increases spending – it's less painful in the moment.



OK YOU'VE ALREADY GOT ONE...

How do you use it?

- ↳ Only use it for planned purchases that you can afford.
- ↳ Pay the balance in full and on time every month.
- ↳ Check your statement and contact your credit provider if there's a charge you didn't make.

How do you pay it off?

- ↳ If you can't pay the balance in full at the end of the month, stop using the card.
- ↳ Contact your credit card provider to discuss hardship options. We can help if you're unsure.
- ↳ Also check out our section Dealing with Debt on page 42.

How do you get rid of it?

1. **Work out how much you can afford** to pay off each month.
2. **Use the Moneysmart calculator** to help you work out how long it will take to pay off.
3. **Set up a direct transfer** to your credit card each month until it's paid.
4. **Cut it up!** This removes the temptation to use it in the future.
5. **Stop automatic payments** being charged to the card.
6. **Stop using the card** for any purchases.

WHAT ABOUT REWARD POINTS?

Reward programs on credit cards are a marketing exercise for the financial institution. They might work for large, frequent purchases but make sure that they don't actually lead to you spending more! Also, all your purchasing information will be used to target marketing at you.

WHAT ABOUT BALANCE FREE TRANSFERS AND OTHER OFFERS?

Lenders look to catch and keep you with offers of low or no interest if you switch to their product, either with a balance transfer or a loan that may consolidate a few debts.

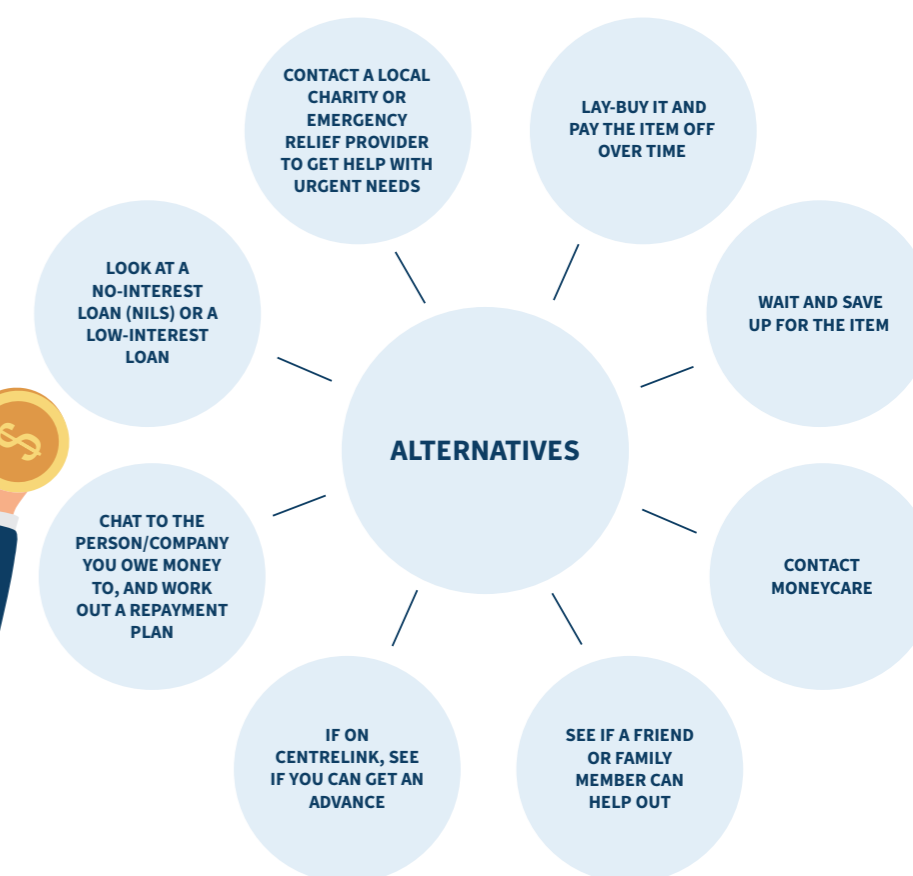
For these to work, you need to be really disciplined in paying them off. Also be wary of fees and charges.

Harmful debts:

Payday loans and rent-to-buy

Unexpected things happen to all of us and you may need to access money quickly. It's tempting to access a payday loan to pay an unexpected expense, or use rent-to-buy for basic household items.

We see the harm these financial products cause people. That's why we call them 'dud debts'. And we know that there are better options.



Activity:

You do the (repayment) maths.

Look at your credit card statement (if you have one):

- How would you feel if you didn't have credit card debt?
- How much interest will you save by repaying your credit card faster?
- How much extra will you need to repay each month to pay your card off in two years?

Debt trap risk

An ASIC report from 2018 found that nearly one in three people actually increased their total debt after doing a balance transfer. This is called a 'debt trap' risk, where people take on one debt to cover another one, ending up stuck in a cycle.



Pass by Payday Loans

Stay away from so-called 'payday loans' - they're high cost small loans of up to \$2,000 often marketed to people already finding themselves in a tricky situation, offering a 'quick fix' of fast cash with fewer checks. While easy to get, they are harder to escape, often leaving people in a cycle of debt with equivalent interest rates sometimes as high as 400% and a range of fees and charges.

Run from Rent-to-buy

Stay clear of Rent-to-buy - it's an expensive way to buy basic household items. The ads make it look simple, but in the long run you'll pay a lot more for your household goods.

If you 'rent to buy', you are actually borrowing money. The equivalent interest rate could be over 100%. And you'll still have to make repayments if the item is broken or stolen.

BEFORE GETTING ONE OF THESE PRODUCTS: STOP. THINK. ACT WITH CARE.

We don't make the best choices when we're rushed and under stress. Do not sign unless you know the answer to these questions:

1. How much will I have to pay back?
2. What happens if I miss a payment?
3. What are the extra fees and charges?
4. How much will I have to pay at the end of the contract to own the item (for rent to buy items)?

Case study:

Josie and Joe were stressed because they needed to replace their fridge, computer and TV. Growing tired of waiting to be able to afford them, they signed up for three rent-to-buy products.

The total spend each week was \$70 per week or \$3,640 per year for 3 years. They felt more stressed trying to come up with this cash each week.

Joe lost his job. They couldn't get out of their rent-to-buy contracts and negotiated to return the goods after paying over \$7,000. If Josie and Joe had saved \$70 per week, they could have bought each item in one year.

Buy now pay later:

Get informed now, avoid pain later

Buy now pay later increases your impulse buying, making it easier to get in trouble.

Have you ever worn something you haven't paid for? Bought something using someone else's money? Bought something you couldn't afford? If you've ever used AfterPay, Zip pay, rent-to-buy, or a consumer lease, this is exactly what you've done. 1 in 6 of you are in financial strife when using these services.

IT'S LIKELY THAT THE LENDER:

- Relies on your late fees to make up 20% of their profit
- Has little idea if you can afford it or not
- May not even be regulated

IT'S LIKELY THAT YOU:



Wouldn't have bought the item if you had to pay cash (so said 64% of people using these products)



Were born in the 1980's to early 2000's (Millennials make up 75% of customers)



Are spending more when using "buy now pay later" (50% of people do)



Have an income of <\$40,000 per annum



you're the boss

Source: ASIC 2018 & 2020.

WHAT ARE THEY?

So-called “buy now, pay later” services allow people to either delay the whole payment for their chosen item, or split the cost into equal instalments, sometimes interest-free. While they have been around for a while, their popularity has exploded in Australia over the past few years.

WHY DO THEY WORK?

Buy now, think later:

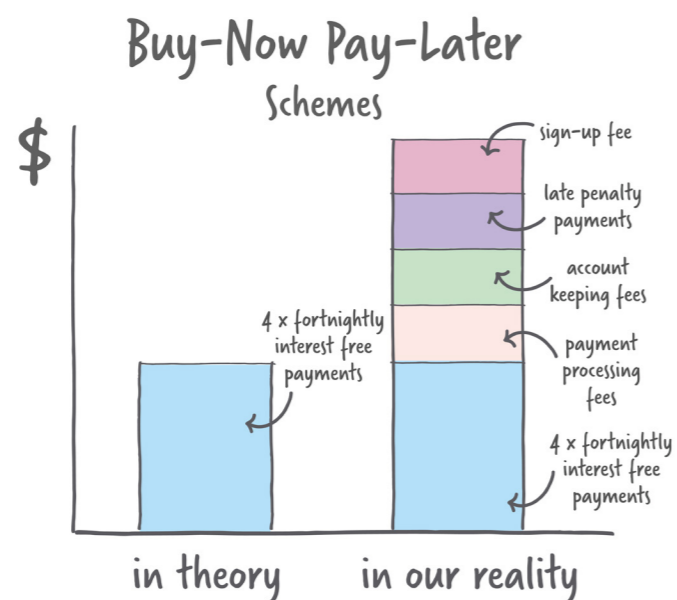
These services encourage an immediate purchase in the moment by moving you quickly and easily through the buying process so you don't have much time to think.

FOMO factor: The need for instant gratification can cause you to make snap decisions because you don't want to miss out.

Doesn't feel like debt: These services are easier to access than credit cards and often don't even feel like a debt at the time of purchase.

WHAT'S THE PROBLEM?

You're actually spending more.



Dangerous habits: These products encourage you to spend more than you can afford to pay now, using money that isn't yours.

Lack of regulation/protection: Providers can offer someone credit without checking to see if they can afford it. Also, if something goes wrong, you may have less avenues to get help or make a complaint.

Remember:

You can't guarantee your future income, so don't take on unnecessary debt now.

HOW DO WE STOP?

The front section of this chapter has some helpful tips on how to make great decisions.

Another idea is to have 'golden rules' that make everyday decisions easier.

Here are some of ours...

GOLDEN RULES:

1. **Don't finance things like clothes, use cheaper options and pay cash.**
2. **For big purchases: shop around and find alternative ways of paying (like a NILS loan).**
3. **For everything else: can you go without until you save for it? If you think you can make loan repayments, start saving that amount of money this week.**



Did you know? These products can affect your ability to buy a house.

If you have trouble meeting the Afterpay payments and late fees appear on your account, this can affect your ability to borrow money.

As with other credit providers, if Afterpay chooses to report any negative activity (ie. late payments, missed payments or defaults) to credit reporting agencies, this may appear on your credit history making it more difficult to get your home loan (or other credit product) approved.

We've got more helpful info about credit reporting on page 86.

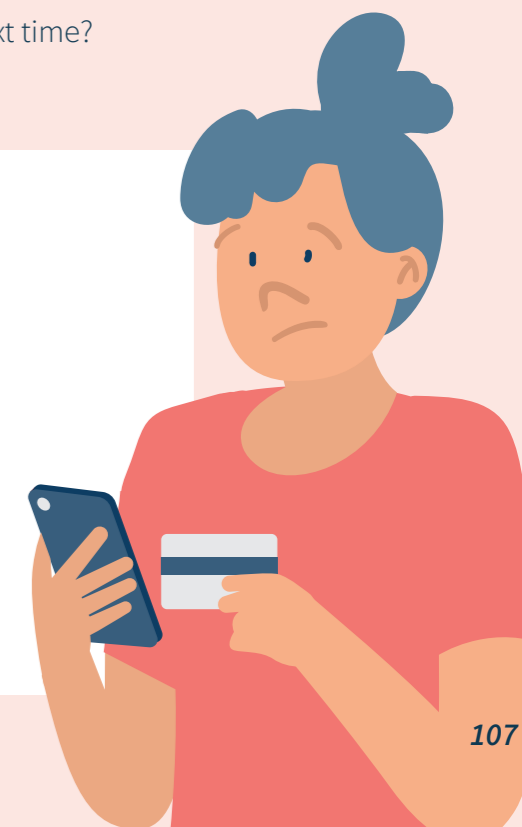
Activity:

Think about a time you overspent.

What was happening?

What would you do differently next time?

How does this make you feel?

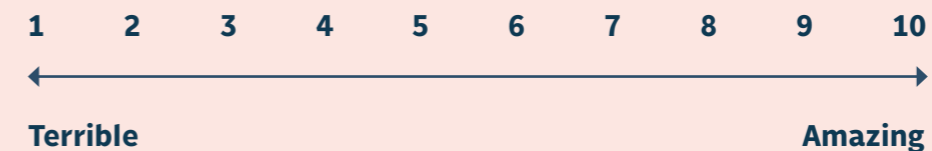




Summer in Australia: *Secrets to keeping cool this season*

Activity:

How good are you at resting? Circle the number.



Did you know that rest is one of the antidotes to money worries? We're not suggesting you ignore money or put your head in the sand, but we know *rest and relaxation are vital parts of a healthy financial life.*

This is even more important during summer in Australia. While it's a special time for many, it can also be the most overwhelming and financially stressful time of year. Costs can accumulate quickly as the calendar fills with commitments, tasks and activities.

When we live in a society that focuses on being busy and always consuming new and better things, you might feel that pressing pause and taking time out is doing the wrong thing – but it is actually hugely beneficial.

Medical science tells us that rest improves our physical and mental health. It restores our energy, lifts our mood, calms our thoughts and makes it easier to focus.

What's more, this is something that's been known and practiced for thousands of years. Look to the tradition of the Biblical Sabbath - the Bible tells how God worked for six days and rested on the seventh. It commands everyone, no matter who they are or what work they do, to also take a day of rest.

Your wellbeing does not improve with endless work or worry - quite the opposite! Rest and relaxation are essential to living a healthy and fulfilling life.

Let's explore what type of rest and relaxation works best for you and start factoring it into your weekly schedule.

Activity:

1. Draw a picture of what rest and relaxation looks like for you. Think about the colours, the shapes and what brings that rest.

2. Think about the times you have felt most relaxed. What have you been doing?
3. How often do you have a weekend with no plans or to-do lists? When that happens what might it look like?

Activity:

A place for rest.

Let's have a go at seeing how you're spending your time. In the past week, make your best guess on how many hours you spent on each area.

Activity	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Work/Commute							
Home chores							
Sleep							
Play/Creativity							
Rest							
Other: <input type="text"/>							
Other: <input type="text"/>							

Does your week reflect enough rest, relaxation, and the things you like to do? If it does, wonderful! If not, what needs to happen to make this change?

Did you know?

There are apps that can help change your habits.

Christmas:



'Tis the season to be jolly *and* money savvy

Christmas in Australia is not just a day, it's a season that starts in October. Christmas can be an amazing, joy-filled celebration, but it can also be stressful. We can feel overwhelmed with pressure to spend, overloaded with too many to-dos or simply over it!

ASK YOURSELF 3 WISE CHRISTMAS QUESTIONS:

1.

Where do you find joy at Christmas?

It might help to think back to your childhood - what made Christmas special? It will be different for everyone. Perhaps you remember the time spent with family, or the special food, decorations and music.

2.

Do you have to...?

Buy your niece/nephew/second cousin an expensive gift they won't even know they've received? Attend all the Christmas functions you're invited to? Much of our Christmas activity is habit-based - we do it because we feel like we "should".

3.

Can it wait?

Is it an emergency? Can you do some of your yearly catch-ups after Christmas? Remember that holidays and New Years are just around the corner.





CHRISTMAS IS ABOUT *GIVING*, THAT DOESN'T MEAN *SPENDING*.

There are many meaningful ways to give that don't leave our wallets empty. So what can we give more of this Christmas?

★ Give purposefully:

- What will bring those you love joy this Christmas?
- How can you express your gratitude to them in a unique, meaningful way?

★ Give experience:

- Experiences make great gifts and are more memorable than things.

★ Give your time (presence over presents):

- This could be time spent preparing your house with home-made decorations, making that special Christmas dessert, or playing backyard cricket with your children.

★ Give back:

- Many people take the opportunity to volunteer, or give to those who would otherwise miss out.

★ Give yourself a break:

- Think about what might bring you rest from all the stress the season can bring.
- Now plan for it!

★ Give only from what you've got:

- Or put another way: don't borrow for Christmas.
- Give within your existing resources - time, money and emotions.

And remember:

Your gift is good enough!

Christmas *planning*

Activity:

1.

MY RULES FOR A 5-STAR CHRISTMAS

Write down your 5 rules for making Christmas great this year. Here are some ideas to get you started:

I will pay cash for all my purchases this year.

I will buy the food we need and not too many leftovers.

I will remember the joy at all times.

2.

A CHRISTMAS TREE OF BALANCE

MESSAGES

I'll send a message to:

EVENTS

I'll go to these events:

GIFTS

I'll buy one gift for:

REST!



Summer holidays:

Simple ways to enjoy the sunshine

Summer holidays are a special time in Australia. The Christmas rush gives way to long, lazy days with beach trips, barbecues, sunshine and sport. But when the days are long and hot, many people find themselves under a lot of pressure. Our hope is that you can discover your happy place these holidays.

F.O.S.H. (FEAR OF SUMMER HOLIDAYS)

It is common to feel a level of anxiety during this supposedly silly season. Some reasons people can feel overwhelmed include additional childcare requirements, extra holiday costs, extensive to-do lists and feeling the need to entertain "bored" kids.

MAKING THE MOST OF YOUR HOLIDAYS

We hear you - summer holidays can be tiresome. But as schedules change and the household mood shifts, this is actually a perfect time to reassess and reflect on what's most important in life.

Your usual routine might feel out of whack, but we want to encourage you to change the lense of your outlook to embrace new adventures and connect more deeply with the people in your life. For those with young children, remember you only have 18 summers with your child and this is one of them!

Activity:

What are some of the pressures you feel during the summer holidays?



Our holiday secret:

You can take the (good) holiday feeling into the rest of the year!



OUR 5 TIPS FOR A JOY-FILLED HOLIDAY

- 1. Keep it simple.** It can be tempting to pack out your holidays, but make sure you leave open space to relax and connect with loved ones, neighbours, or friends. Work out what's essential these holidays and talk about what you decide to let go. Be intentional about where your money is being spent.
- 2. Screen time limitations.** Set reasonable expectations about technology use. Too much screen time means the holidays won't be as recharging and health promoting as they could be. The family will follow your lead, so make sure you are setting the example. **Some 'house rules' could be:**
 - 60 min. limit in the morning
 - No screens between 9am-4pm
- 3. Socialise.** Plan outings to connect with friends, extended relatives or others - suggest to meet up for a barbecue, go to the park or plan house visits.
- 4. Its okay for yourself (and your kids) to 'just be.'** We don't need to always be entertained. Allow time and space for rest (for everyone!), and create opportunities for creativity, exploration and problem solving.
- 5. Start planning a "staycation."** A staycation means cutting down on travel expenses. It's an intentional way to see your hometown through the eyes of a tourist!
 - **Money matters:** We've put together a 'mini-budget' to help you plan and set aside amounts for specific costs like a holiday or staycation (go to page 50).
 - **Think like a tourist:** What would you tell friends or family visiting your area to see or do? Ask around for recommendations and search local papers or online for free events coming up.
 - **Brainstorm:** Make sure activities are affordable and achievable. Some indoor examples include craft activities, board games, baking, pyjama days. Some outdoor examples - picnics, bushwalks, bike rides, scavenger hunt.
 - **Plan time:** Write a list of everything - more than you can do - then plot your staycation!

Activity:

- **What brought you joy over the holidays?**

- **What recharged you?**

- **How could you bring those things into the New Year?**

START THINKING AND PLANNING FOR THE NEXT ONE!

Research has shown that a large part of the happiness you get out of a holiday is in the anticipation.

Now is the time to start setting aside money for the next one! Our mini-budget on page 50 will help you start planning.

New Year:

Start with an Action Plan

New Year is an opportunity to make a fresh start. It's a time when many people evaluate their finances and make some new money habits.

Did you know?

We're always a bit harder on our old selves and a little overconfident about our new selves - "I'm going to be a much better person in the future than I was". This overconfidence is really important. As Henry Ford put it, "whether you think you can, or you think you can't, you're right".

"Get out of debt" was the fourth most popular New Year's resolution among Australians in 2019. If only it were that simple! Reflecting on your past year and thinking about how you'd like to begin your new year is a powerful thing to do.

THE FRESH START EFFECT

We're more likely to tackle goals following 'time-based' landmarks like a new day, new week, new year - but also 'personal' landmarks like birthdays, religious holidays, moving house or even getting a haircut!

HOW TO MAKE YOUR NEW YEAR RESOLUTION STICK THIS YEAR

Studies have shown that less than 25% of people actually stay committed to their resolutions after just 30 days, and only 8% accomplish them. How can you be part of the 8%?

To change a habit and complete a New Year resolution, you need to disrupt your behaviour to make way for a new, more attractive habit.

WHAT REALLY MATTERS TO YOU?

Identify your core values. We help you out on page 12.

- Do I currently prioritise these things? If not, why?
- What changes do I need to make to better live according to these values?

Activity:

A goal is actually an action plan, which will have a desirable outcome in your life if you follow it through. Here is an example action plan you can use to work towards your goal. See page 27 for another helpful way to take action.

1. What do I want?

Start with something you want - e.g. "I want to spend more time with my family", "I want to save for a holiday", "I want to pay off my credit card". Focus on one goal, and then just one thing you will do to achieve it.

GOAL:

ONE THING I WILL DO:

2. Break it down

Break goals down into actionable, small steps:

3. Make a plan (be specific)

Include when, where and how you are going to 'do' a behaviour or work towards a goal.

WHEN:

WHERE:

HOW:

4. Write it down - where you'll see it!

Make your plans and progress concrete by keeping a journal, using a spreadsheet, or pinning graphs and pictures to a notice board, mirror, fridge or car.

5. Imagine it!

Write a list of all the benefits you will experience by making this change. (Make sure your list of benefits exceeds the negatives - research tells us that positive change won't be sustained unless the benefits of change far outweigh the negatives.)

Re-read this list often.

FAILURES ALONG THE WAY ARE "SPEED BUMPS"

Expect to revert to your old habits from time to time. "Relapse" is a part of the process - particularly the first time you try to make a change.

If you can recognise an obstacle, plan your way around it. For example, *If I feel too tired to run, then I will play some music to wake me up and get moving.*

Treat any failure as a temporary setback rather than a reason to give up altogether. Lose the "what-the-heck" attitude of spiralling out of control after a small setback ("If I have one splurge on the credit card, I might as well keep spending" - no!) Recognise what went wrong, learn from past mistakes and get back into action as soon as possible.

GET GOING... AND KEEP ON GOING!

Now that your action plan has everything laid out for you, the key is to keep moving forward. Here are some of our best tips to help you work towards your goal:

- **Make a very specific decision** about something you want to do and don't question it. Worry about the results later while you focus on building the behaviour, aiming for consistency.
- **Track your progress daily** or weekly and aim for small 1% improvements continually.
- **Set your environment up for success.** For example, it is nearly impossible to save money if you are frequently going to the shops with friends.
- **Pick your support team** wisely - be sure to pick family and friends who are going to encourage you rather than undermine your success.
- **Reward yourself** - give yourself little rewards to reinforce your behaviour along the way and you will soon find yourself enjoying the real rewards of your accomplished goal.

Back to school:

Navigating those pesky costs

We want the best for our kids, that's why school expenses can cause a lot of stress.

In Australia, back to school costs come after Christmas time and summer holidays. There's a great temptation, and sometimes pressure, to buy a whole new set of supplies at the beginning of every year.

BEFORE THE NEW SCHOOL YEAR STARTS

Here are four steps for achieving straight A's:

1. **Start by shopping at home.** Look through the back-to-school supply list (or make your own list) and determine what you really need to buy, versus what you already own and can reuse or repurpose. Sharpen those pencils, dust off any unused books and only buy what's absolutely needed.
2. **Set your limit.** We've put together a 'mini-budget' to help you plan and set aside amounts for specific costs like back to school. Go to page 50 to get started. Don't forget costs throughout the year like excursions, project supplies, sports fees, school photos, fundraisers and extra curricular activities. There are quite a few government assistance programs to help parents cope with the extra costs of school. Be sure to check rebate entitlements - like the Active Kids Program in NSW.
3. **Talk it through.** Go through your budget with the whole family. Compromise with each child to make sure you agree on the items you buy. You may need a different budget for each child depending on their age and school requirements.
4. **Do it all again!** Start saving for next year's school supplies now!



BACK TO SCHOOL SHOPPING

Lessons on school uniforms:

- **Go old school.** Look at second-hand shops, Facebook groups or other parents with older children.
- **Buy bigger.** Kids grow quickly so buy clothes one size bigger and buy shoes half a size bigger to make them last longer.
- **Multi-purpose.** Consider sneakers that suit both school and sport.

Lessons on stationery and supplies:

- **Don't bother with brands.** It's likely that things might be lost or trashed, so aim for less expensive but durable stationery supplies. Shop at discount stores, supermarkets or bulk stationery stores known for good prices or price matching.
- **Shop alone (if you can).** Bringing your kids with you may mean you spend unnecessary money on brand names or the latest and greatest action hero-themed supplies.
- **Make your own.** Rather than buy expensive or trendy notebooks and bags, use generic brands and help your kids decorate them with their own art.

Talking technology:

- **Don't get caught in the cycle of upgrading to the newest, latest and greatest.** Consider second-hand options - pre-owned or refurbished computers, laptops and tablets.



Questions:

My son wants a surf brand school bag, but I want to buy a cheaper one, what do I do?

My daughter wants the latest laptop, what do I do?

This is the tension many parents feel. We know this can be hard. Remember to talk with your child.



HEALTHY HABITS

Back to school also brings a new start, with the chance to start new routines and healthy habits as a family.

THE ART OF PACKING A THRIFTY LUNCH BOX

Packing a healthy and enticing lunch in a hurry five days a week can be a challenge.

Giving your child lunch money once a week rather than every day would save you more than \$1,000 over the school year (assuming lunch costs \$7).

- When shopping for the week, don't forget lunch box-friendly wholesome foods - like fruit, cheese and crackers, vegetables.
- Limit pre-packaged snack items that come at an environmental and financial cost (think reusable packaging like lunch boxes with compartments).
- Get kids involved in choosing their lunch and mix it up—they'll be more likely to eat it, and less likely to toss it out.
- These tips also apply to your own lunchbox!

HOW DO YOU TRAVEL TO SCHOOL?

In most states, nearly 50% of all school children travel to school by car, even when their commute is an ideal distance for walking or cycling.

- If you can't ride or walk, public transport is more efficient and has lower costs than individual car travel.
- Consider carpooling - sharing the trips to school with other parents can cut your car costs.

Remember:

Extracurricular activities can easily fill your afternoons during the school week. Consider the cost to your family - not just on your finances, but on your time and energy. Finding the right mix of activities is something for each family to work out and it will look different for everyone.

Activity:

Choose one of the shopping categories - **uniform, stationery & supplies, technology, travel, lunches** - and add your own best tips for keeping costs down.



Navigating life changes: *What's your flight plan?*

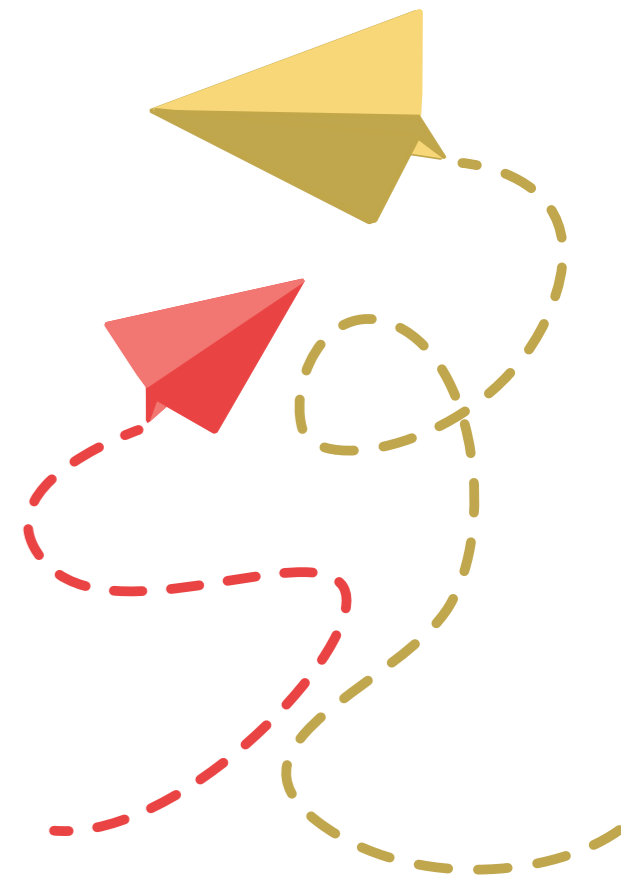
*you're
the boss*

At Moneycare, we've seen the impact that all types of changes - whether planned or unplanned - can have on people's wellbeing.

Change comes in many forms - sometimes life throws unforeseen events at us like an accident, a relationship breakdown or a job loss. Other changes are simply a part of life - like moving out, getting a job, and retiring. When you can, having a plan always helps - it gives a sense of direction, calms your nerves, and helps guide you back when things go wrong. Think of a pilot's flight plan - setting the course and providing a mental and physical reminder of the many things within the pilot's control.

But navigating through any major change will remind you of two things:

1. There are many things beyond your control - even having the best money plan might not get



you through it. That's where anxiety and panic can set in - feeling like everything is out of control. If that happens, answer these three questions:

What have I got through before? To remind you of your strengths. *I've navigated a job loss before, I can do this.*

What's true about me right now? To ground you in the present. *I've got a roof over my head and food in the cupboard.*

Who's someone I care for or who cares for me? To move you forward to the future. *My partner loves me.*

2. What is actually most important in your life (and how similar that is for everyone): the health and safety of friends, family, loved ones and your communities.

*you're
the boss*



THE FLIGHT PLAN

Here's our 3-step 'flight plan' to navigate through any challenging change or crisis.

1.

BIG BREATH

When change and uncertainty comes, the first and best thing you can do is take a breath. It's normal to feel overwhelmed, so start by acknowledging your feelings. Better still, share those feelings with people you trust.

2.

BACK TO BASICS

Make sure your basic money commitments are under control. Aim for simplicity and have clear priorities for what needs to be paid. Our rule of thumb:

- Rent / Mortgage
- Food & medical necessities
- Utilities & loan repayments
- The rest!

For each of your top payment priorities, set up a system that takes the stress off. For example, we know that setting aside a regular amount each fortnight for utility bills in a separate bank account is a strategy that works.

3.

HELPING HANDS

As any pilot will tell you, reaching out for help is a sign of strength, not weakness. Bring your concerns to someone with the skills to help. The sooner you get in touch with support, the more options you'll have. It might mean getting independent advice, talking to your service providers like your bank, or seeking emotional assistance from a professional organisation like [Lifeline](#).

Remember:

The true source of safety is belonging. So right now, who can you turn to for safety? There are people out there who genuinely care for you.

Money loss:

Continuing after a fall

Managing finances can feel like walking a tightrope at times. You try your best to balance everything, but a change in circumstance can cause you to fall unexpectedly. This hurts in more ways than one.

You might experience money loss through a reduction of income, a change in health through illness or accident (self or a family member), a relationship breakdown, or a large unforeseen expense. The change can be temporary or permanent.

Many of these changes are beyond your control and can be stressful. Moneycare has experience working with people who face changes in their financial situation. We're here to support you.

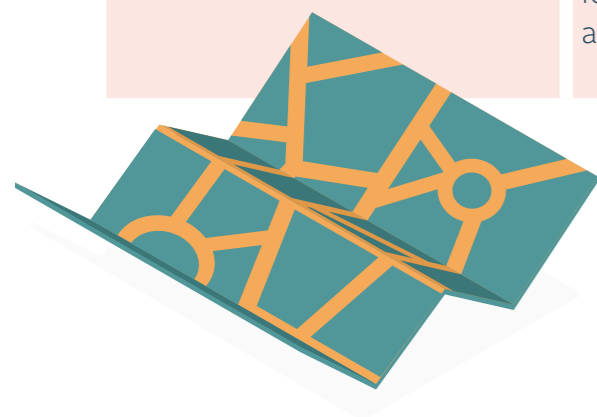
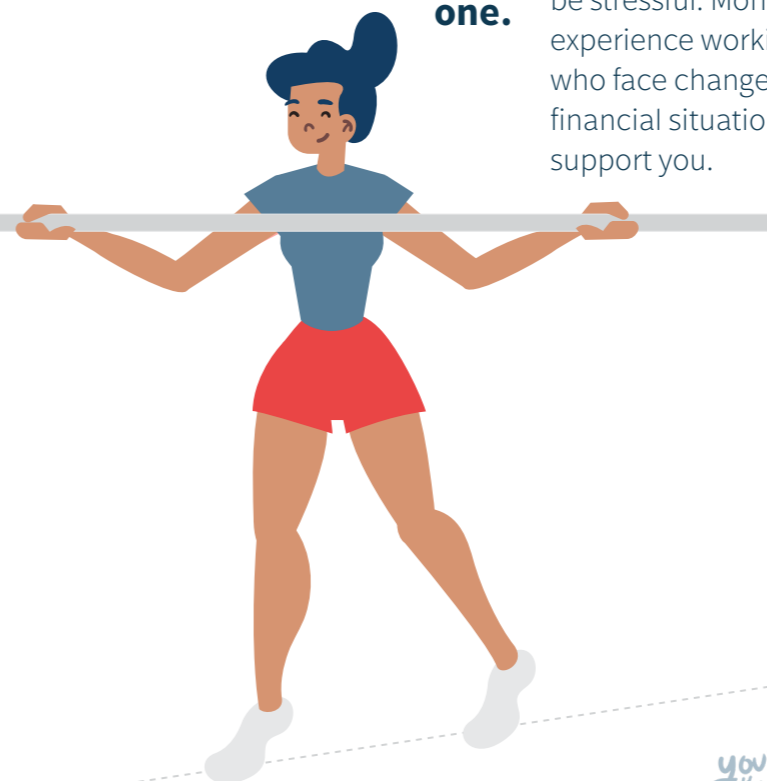
WHY IS IT SO HARD?

Losing money is hard, as it often has such a big impact on life. It's normal to feel shock, anger, guilt and uncertainty. Share your feelings with the people close to you, or services that care about you (including [Beyond Blue](#) and [Lifeline](#)).

Financial loss is not only about money. It can also be about losing:

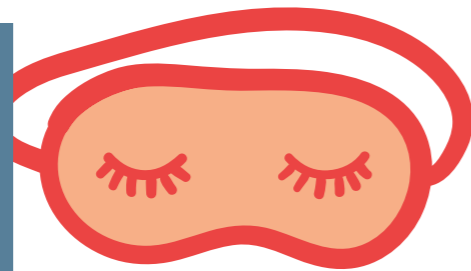
- Savings and plans for the future, e.g. retirement
- Lifestyle and social networks - things you may have become used to like eating out, holidays, buying gifts
- Structures - the familiar routines of work
- Life path and identity

Dealing with grief and loss is tough, made even tougher with money because we usually avoid talking about it.



Tip! When it feels overwhelming...

Keeping active, having a healthy diet and getting enough sleep can all help you gain a greater sense of control.



REMEMBER THIS!

- ↳ **It's normal to feel frustrated.** While the impact of the change may be distressing, what you are feeling is likely to be a normal reaction to the situation you find yourself in.
- ↳ **You are not alone.** Grief, loss and disappointment are a normal part of life and everyone feels the weight of these at some point in their life.
- ↳ **Help is available.** Talk to others about what you are going through. There's no shame in asking for support from family and friends.

IT TAKES TIME

Coming through a change in income starts by acknowledging these challenges, and accepting your new situation. By accepting the things that are outside of your control and planning your next steps, you're starting to move through change.

A job loss or reduction can open up time to take stock of where you are in life, and where you (and your family) want to go. Give yourself time and space to make clear decisions about your future.

Moving through change is tough - you'll likely find yourself needing to learn new skills and ways of managing stress. This important work will set you up for the next rainy day. And help is available!

TAKING STOCK

A change in circumstance often gives us a 'push' to better understand our money and get in control. Follow these steps:

- 1. Make or modify your money plan.** We cover this on page 36. It's about taking a snapshot of:
 - Money IN and Money OUT
 - What you OWE and What you OWN
- 2. Deal with debt.** Owe money? Take action! See Dealing with Debt on page 42.
- 3. Maintain essentials.** Now is the time to make sure you have enough money to cover essentials and you have a system in place to pay these bills (Rent/Mortgage, Food, Medical, Utilities).

- 4. Live with less.** In a society where we receive so many messages each day telling us that we need more, you'll need to buck the trend when a loss of income forces you to live with less.

It means looking at the things that are important to you, and working out new, more affordable ways to make space for them in your spending.

We've got a whole section on how to be a savvy spender on page 95, or use this tool provided.

Activity:

Slimming your spending. Adapted from Beyond Blue's helpful guide *Taking care of yourself after losing your job*.

1. Make a list of possible options for reducing your costs in the table below (we've listed a couple of examples)
2. Record the advantages and disadvantages of each option
3. To help identify the best solutions from your list, give each advantage a score out of 100 for how important it is: e.g. +50. Do the same for disadvantages, giving a negative score out of 100: e.g. -40.
4. Work out the total score for each option by adding up all the advantage scores and taking away all the disadvantage scores
5. Start with the solution with the highest score!

Option	Advantages	Disadvantages	Total
<i>Cancel monthly subscriptions</i>	Save \$\$ [+50]	Finding alternatives [-20] Children enjoy it [-20]	10
<i>Cut down on electricity and water use</i>	Save \$\$\$ [+70] Good for the environment [+40]	Increased efforts and inconvenience [-30] Challenges to get family to comply [-60]	20

Activity:

Think of other challenges you've faced; how did you cope? What strategies did you use? What worked?

LOOK TO YOUR LOVED ONES

The best way to support your loved ones is to look after yourself. Be aware that family members may also be having a difficult time, as more financial stress can increase pressure and tension in the family. Likewise, your family's support can help you get through this.

It's really important to have those challenging conversations with your partner/family about the impact that the loss of income may have on household spending. Talk with them about your worries and listen to theirs. See page 20 for more tips on having conversations.

Children

The best thing to do is keep an open conversation with your children, without giving them too many emotional or financial details. Give them an opportunity to feel like they're contributing to the family solutions. Take steps to make sure life remains as normal as possible, including scheduling affordable and enjoyable activities as a family.



Remember.

These are difficult but not new experiences. In the Bible, Paul wrote: 'Isn't it true that our hands were empty when we came into the world and when we leave this world our hands will be empty again?'

SEEK SUPPORT

Below is a list of support options for people going through a job loss/redundancy.

Understanding my redundancy payment:

- Accountant/Financial Planner
- Centrelink FIS officer
- HR representative

Super & Insurance:

- Your super fund/insurance provider
- Centrelink FIS officer
- Accountant/Financial planner

Centrelink entitlements:

- Centrelink FIS officer
- Financial Counsellor

Making / reviewing my money plan:

- Financial Counsellor
- **Moneysmart**

Planning next steps:

- Financial Counsellor
- Accountant/Financial Planner
- Outplacement services

Other personal support:

- Family and friends
- Personal counselling - e.g **Lifeline**
- Employee Assistance Program
- Chaplains or local church

First payslip:

Joining the workforce

Things that are good to know when you first start working.



Manage your money:

Now that you're making money, head over to our money planning section on page 36 or check out the 60/20/20 method on the next page. The important thing is finding a system that works for you!

FIRST JOB - BECOME A PAYSLIP PRO

Understanding your payslip is a great way to cover most of the important money topics when it comes to starting a job.

↳ **Payslip** Your employer must give you a payslip, covering hours worked, rate of pay, and how much (if any) was taken out for tax and/or went into your super fund.

↳ **Entitlements** There are four different types of employment in Australia, each with their own conditions and entitlements: full-time, part-time, casual, and contractor. For more details, go to the **Fair Work Australia** website.

↳ **Tax** As an employee you'll need a Tax File Number (TFN), and you'll likely need to pay income tax. How much tax you pay will depend on how much you earn. Your taxes are used to pay for things like education, health services and policing.

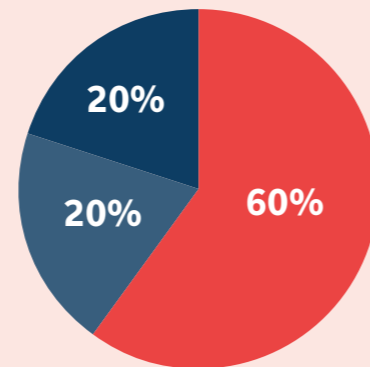
↳ **Super** Superannuation is money you save for when you retire, so while it might not seem important today, it will one day! Employers usually have to put a minimum of 9.5% of your pay into your super fund in addition to your pay. We cover super in more detail on page 80, but a great starting point is checking that you're getting paid the right amount.

Activity:

Payslips come in many different forms – here is an example of one:

EMPLOYEE PAYSリップ				
Staff member		Tay Martin		
TFN		123XXXXXX		
Position	Delivery driver	Date	17/02/20XX	
Pay cycle	03/02/20XX - 16/02/20XX			
Description	Hours	Rate	This pay	Year to date
Personal/ Carers leave	0.00		0.00	188.00
Gross salary	42.00	23.50	987.00	16,993.00
Tax			62.00	1,156.00
Net			925.00	15,837.00
XYZ Super Fund			93.77	1,614.34
Bank Information		BSB: 123-456 Account: 987654321 Account name: T Martin		

TIP FOR FIRST-TIME EARNERS: THE 60/20/20 METHOD



This is a simple guide to get you started in planning where your money goes. With 60% of your income going to everyday necessities (utilities, rent, groceries, transport), 20% into savings, and 20% on things that make you smile (e.g. holiday, going out for dinner)!

1. Start with your take home (net) amount that hits your everyday bank account (\$925 in example payslip).
2. Set up your bills and other regular payments to go out of your account straight after pay day.
3. Set up a separate savings account and create an automatic transfer for each payday that moves 20% of your net pay into your savings account (20% of \$925 = \$185).
4. Set up another separate everyday account and another automatic transfer of 20% of your take home pay each payday (your “smile” money).

Speak up!

Understanding your payslip can be really tricky. The smart move is to speak up for help. That could be asking a trusted friend, your manager or the payroll department.

If you have issues in your workplace, contact the independent **Fair Work Ombudsman**. The website also has lots of information about what pay and entitlements you should be getting.

Last payslip:

Hanging up your work hat

While we’re often told that retirement is the ‘golden years’, the reality is that adjusting to the change can be quite a challenge.

IT’S ALL ABOUT PREP:

Purpose: Find activities you can do that will help you feel like you’re still contributing something to the world. It could be through volunteering or taking on a new hobby.

Relationships: Staying connected is a vitally important part of the human experience, and relationships in retirement are a great way to keep that connection.

Extra help: There is help available when it comes to financial plans for retirement.

For independent support, speak to a Financial Information Service (FIS) Officer at **Services Australia**.

The **Moneysmart** website also has lots of independent information and calculators to help you plan.

Plan: This will include working out things like where you will live, looking after your health, and making a financial plan.

At retirement, you may be eligible for government benefits such as the Age Pension or a concession card. This will usually depend on your age, assets and income.

If you’re unsure how much income you’ll have when you retire, and what Age Pension you may receive, try the **Moneysmart Retirement planner calculator**.



Moving out/moving in:

Avoiding turbulence

First time out of home? Before you decide to make this big decision, know what you're in for.



MOVING OUT

Ask yourself, am I ready to **Triple S?**

Save

There are costs related to setting up, like rental bond, rent in advance, removalist fees, furniture and appliances. So you will need to have money saved up before you can move out.

You'll need an emergency fund too, covering unexpected expenses like repairs or replacing appliances.

We share our tips and tricks for successful saving on page 46.

Stick to a Plan

You'll need a plan for paying week to week expenses: rent, utilities (electricity, gas, water), phone and internet, groceries and transport.

Not sure what else you need or how to work out the weekly or fortnightly cost? Head over to our planning section on page 36.

Check if you're eligible for any government entitlements on the Services Australia website. For example, if you're a student you may be eligible for a living away from home allowance.

Moving requires a lot of organisation, and **Moneysmart** has a great checklist of things to cover when moving out.

You have rights

You can find out your rights and responsibilities by contacting your state-based tenancy advocacy service.

MOVING IN

This can be a big change.

If you're renting, work out who is going to sign the lease. Remember this is a legal contract setting out rights and responsibilities for everyone involved.

Set time aside to make 'house rules', organising how each person will pay for rent, utilities and other shared expenses. Include plans for what will happen if one person moves out.

Bills become the legal responsibility of the person they are addressed to, so make sure you work out a plan for who is on each account, and a system for paying them on time.

Likewise, if you're moving in with your partner, make it a priority to talk about your finances and set up systems that work. Working through sections of this book is a great place to start!

Share (or Stick at it alone)

While the financial costs are significant, the biggest change will be adjusting to living with new housemates or choosing to live alone.

Take care!

Opening joint accounts that have joint access means the other account holders can take the money in the account. It also means you share responsibility for any debts.

Activity:

Working out what you need to have saved before you move out.

Bond	\$
Rent in advance	\$
Removalist	\$
Utility connection fee	\$
TOTAL	\$

Partnering:

Flying with a co-pilot

Deciding to partner with someone is one of life's exciting changes!

Here are our 5 partner pointers when it comes to finances:

1. Learn your partner's money story (and your own!)

Both you and your partner can go to page 9 to start the journey (no copying answers!). This will help you both become aware of your different attitudes towards money, so you can start a successful new money story together from the same page!

2. Open up the conversation

We share tips on page 20 for having proactive, effective conversations with your partner and loved ones.

3. Take stock

Where are we now? Look at your income, ongoing expenses, any assets and debts you both have.

Where are we going? If you're in a long term relationship, there may be big decisions to work through as a couple that will have major financial impacts - for example, getting married, moving in together, buying a house or having children. Coming to an agreed understanding of your goals will help you take committed action to get there!

4. Set up systems

Setting up systems becomes even more important when you're in a partnership, especially if you've moved in together. To help you set up your systems, refer to our Money Systems section on page 28. Systems will help answer these questions:

↳ *Who's paying for what?* Make a plan for how you'll split expenses and pay regular bills. Decide whether both of your names will go on utility accounts.

↳ *Are we sharing a bank account?* Joint accounts make it easier to access money and pay expenses, but know that it also means shared access to finances. Make a clear plan with your partner before you decide, and set up accounts that meet your needs. For example, you might decide to open a shared account for your shared bills. Work out how much you will each need to put in to cover the expenses.

↳ *Are we sharing debts?* If you decide to borrow money as a couple, know that when you do you're also both

responsible for repaying the debt. BEFORE putting your name on a loan or going guarantor (where you take on responsibility for paying back the entire loan if the borrower can't), STOP and THINK about the consequences if something goes wrong.

↳ *How do we make bigger financial decisions as a couple?* Having 'bright lines' helps couples and families make decisions. Bright lines are really clear rules or standards that each person knows and can easily apply.

↳ *How often do we review our system?* Part of any good system is scheduling in regular check-ups to make sure everything is going well, see what could be improved, and deal with new situations. A great idea is planning a monthly "money date night" where you take time out to address any money issues.

Activity:

Building our bright lines.

Examples:

- Our family doesn't spend more than \$200 without talking first
- We save \$50 each week into a shared savings account
- We get 3 quotes for any purchase over \$1,000

Now write your own! And write down how you'll work through them in your household.

"Sometimes people give more thought to the purchase of a car, than they do to the decision to get marriage [partnered]."

James Sexton

Learn your partner's money story

Open the conversation

Take stock

Set up systems

Future-proof

5. Future-proof

In a successful partnership, both parties need to stay involved. You might have different roles when it comes to handling the money, but everyone has a responsibility to know how finances are managed in their family.

For those couples committing to longer-term shared financial futures, also look at:

- Impact for Centrelink payments and tax returns
[Centrelink / Australian Tax Office \(ATO\)](#)
- Making or updating your will to add your partner as a beneficiary
- Changing your super beneficiary details
- Updating insurance policies to reflect your status as a couple



WHO CAN HELP?

Sometimes you'll need extra help. Moneycare offers free and confidential support, while a relationship counsellor may be able to help if money issues are causing you problems.

Contact [Relationship Australia](#) or [Family Relationships Online](#).

If you're uncomfortable with the way your partner controls money, this may be a sign of financial abuse. Support is available at [Moneysmart](#).

Separation:

Veering off your flight path

Ending a relationship is a challenging change that many people will experience.



While there are things you can do to help make the process more straightforward, it's important to make sure you have the physical, emotional and mental support to bounce back. Separation can bring emotional costs like stress and instability, but you may also have to deal with practical issues like new living arrangements and financial changes. We know that, given time, most people are able to face these feelings, manage the changes and go on to lead fulfilling lives.

There are a range of support services available to help people who are separating, so you don't need to go it alone. The best things you can do to manage through this time are:

- **Accept your situation and set realistic expectations of yourself** - what you can cope and deal with now, and what can be dealt with over time
- **Give yourself and your former partner time and**

space to see the choices that are available and make good decisions

- **Seek support early and often** - both from family and friends and professional support
- **Look after your health**, returning to the basics of healthy food, sleep, regular exercise and meaningful activities and relationships
- **Work through a process** with your former partner the best you can.

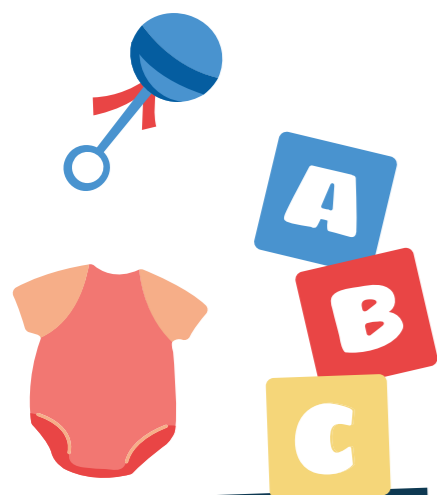
ASIC's [Moneysmart](#) has an excellent '[Divorce and Separation financial checklist](#)' to help organise your finances after a relationship break-up.

Following a checklist like this helps you prioritise things that may need to be organised relatively quickly (like living arrangements, support of children, or immediate financial commitments) and what can wait.

Starting a family:

Preparing for passenger costs

Becoming a parent is one of life's most exciting and significant changes. With the joy comes many challenges, many of which can't be prepared for, they must be experienced!



Did you know?
The average cost of raising a child is over \$300,000.
(Source: AIFS)

We've included a few tips below to help prepare you for the change - relieving some of the uncertainty and helping your family thrive during this precious time.

CHANGING PRIORITIES

This is a time to build stronger communication skills and build nurturing relationships, recognising change and acknowledge the potential financial stress and uncertainty about the future. If you're journeying with a partner, talk openly with each other about how you feel - both the good and the bad! And listen to each other, checking in with your partner to improve understanding.

CHANGING MONEY PLANS

Deciding what is best for you and/or your partner leading up to a birth and afterwards when it comes to work is a difficult decision. We talk about living on a reduced income on page 127.

- *Expenses.* There are many costs associated with having a baby, and of course many ongoing costs as children grow! But there are ways of being savvy, recognising that you don't have to buy the best of everything for bub! Seek out second hand cots, change tables and other major items, and avoid brand name essentials.
- *Entitlements.* Some employers offer paid maternity and paternity leave, while the government has benefits like Parental Leave Pay, Family Tax Benefit and Dad and Partner Pay. Contact the [Services Australia](#) for more information.

Losing a loved one:

Dealing with the hardest landing

The loss of a loved friend or family member is one of life's greatest challenges. Everyday life has changed. You may be taking on tasks for the first time, and facing a new financial situation too.



Be patient with yourself as you grieve and as you adjust to these changes. Each new day will bring clearer thoughts and a greater awareness of what you need.

Through this time, you will need help from others - the support of family and friends, the trusted advice of professionals. This could include:

Crisis support:

- [Lifeline](#)

Counselling and other support:

- Your local doctor
- [Australian Centre for Grief and Bereavement](#)
- [Services Australia](#) (for Centrelink customers)

If you have lost a partner or someone who you shared financial responsibilities with, there may be things that need your attention straight away.

Funeral

See if your loved one has left instructions about what they want for their funeral, often recorded as part of a will.

Funerals cost upwards of \$5,000 but there may be ways to access financial support to help cover these costs. [Moneysmart](#) has independent information on that. Organising these details may be something you could get friends or family to assist with.

Will

Your partner/loved one may have left a will that sets out what they want to happen to their personal assets - known as their estate. Their estate also includes any liabilities or debts. You or someone else may be the executor of the will, responsible for making sure the person's assets are shared according to the will.

Financial future

This may be the first time you have had to manage your family's financial affairs and it can feel very daunting.

When you're ready, start looking at your new situation by following these steps:

- Gather important paperwork
- Notify insurers - if your partner had life insurance through an insurance or super fund, contact the fund to find out how to claim
- Contact bank
- Contact other utility and service providers
- Get a clear picture of what is owned and what is owed

Getting help

Being strong through this time looks like asking for help - from managing the funeral to accessing financial support and taking the next steps with your future.

Centrelink can help you adjust to life after the death of your loved one with payments, counselling and other services.



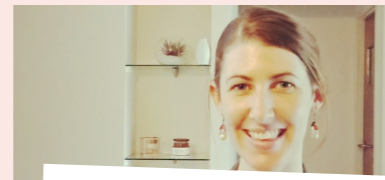
Moneycare Team: *Top Tips*



Anna: Money spent on the people and things you value isn't wasted.



Robyn: Don't start where your parents left off!



Amanda: From little things, big things grow! Start saving, no matter how small.



Sarah: A little goes a long way. Always remember to be kind to yourself.



Lina: Before you spend, earn. Before you invest, investigate, before you retire, save.



Kristen: You're not hopeless with money & you're not alone.



Noel: What we need is... LESS :)



Nina: Say no to payday lenders.



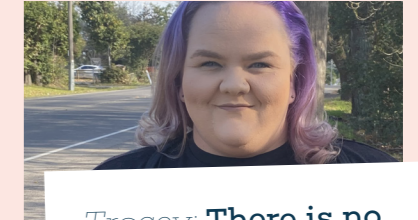
Kris: Live a balanced life financially.



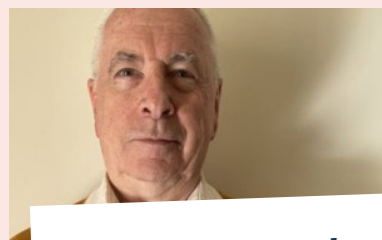
Sandy: Check before you buy a car! Just \$2 on the PPRS (Personal Property Securities Register).



Heather: The best things in life are free.



Tracey: There is no shame in asking for help with your money.



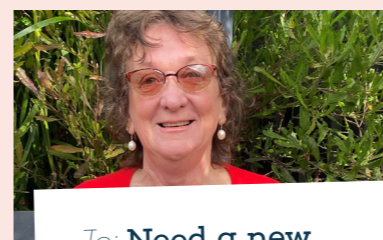
Neil: Them that has the gold makes the rules.



Jono: Great money plans include saving, spending & giving.



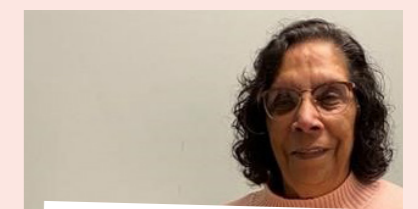
Danny: Never use more debt to reduce your debts!



Jo: Need a new appliance? Don't rent to buy - get a NILS LOAN.



Karen: Pay yourself first.



Bernadine: Keep track of your money by using envelopes!



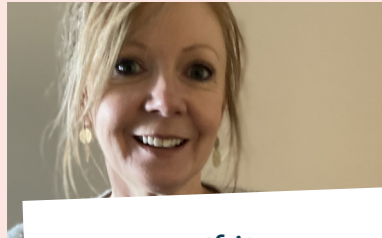
Penny: Always shop with a list. If you can leave the kids at home, even better...



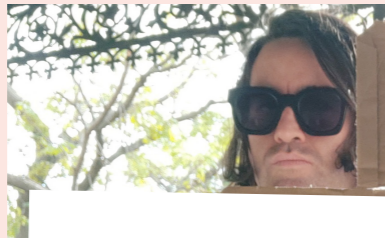
Sandra: Before you buy consider, is it a **WANT** or a **NEED**?



Jeanette: Become a Moneykeeper. Let Moneycare show you how!



Tammy: If it seems too good to be true, it probably is.



Colin: RIP funeral insurance. It's a rip-off. Try pre-paid or a funeral bond instead.



Kathryn: Know where your money goes.



Duong:
MoneySmart.gov.au
Order fewer takeaway
Non-Essential vs Essential
EnergyMadeEasy.gov.au
Yearly phone prepaid
Compare prices
ABC iview & SBS ondemand
Read free: libraries
Earn more. Spend less.

10.

Reference:
Helpful links

Helpful

Links

Page 32

Australian government cyber website:
www.cyber.gov.au

Page 64

Comparing energy retailers:
www.compare.energy.vic.gov.au
www.service.nsw.gov.au/transaction/compare-energy-plans-energy-made-easy

Page 69

Telecommunications Industry Ombudsman (TIO):
www.tio.com.au
1800 062 058

Page 77

Insurance Council of Australia's Understand Insurance website:
www.understandinsurance.com.au/choosing-the-right-policy

Page 79

Demand a refund:
www.demandarefund.consumeraction.org.au

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Legal aid in NSW:
www.legalaid.nsw.gov.au
1300 888 529

Legal aid in VIC:
www.legalaid.vic.gov.au
1300 792 387

Legal aid in WA:
www.legalaid.wa.gov.au
1300 650 579

Legal aid in QLD:
www.legalaid.qld.gov.au
1300 651 188

Legal aid in ACT:
www.legalaidact.org.au
1300 654 314

Legal aid in TAS:
www.legalaid.tas.gov.au
1300 366 611

Legal aid in NT:
www.ntlac.nt.gov.au
1800 019 343

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Equifax:
www.MyCreditFile.com.au
13 83 32

Illion:
www.CheckYourCredit.com.au
13 23 33

Experian:
www.experian.com.au/ordercredit-report
1300 783 684

Financial Rights Legal Centre Factsheet:
www.financialrights.org.au/factsheets/your-credit-report-factsheet

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IDCare:
www.idcare.org
1300IDCARE
Lifeline:
www.lifeline.org.au
13 11 14
Beyond Blue:
www.beyondblue.org.au
1300 22 463

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Lifeline:
www.lifeline.org.au
13 11 14
Beyond Blue:
www.beyondblue.org.au
1300 22 463

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Moneysmart Retirement Planner:
www.moneysmart.gov.au/retirement-income/retirement-planner

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Moneysmart Moving out Guide:
www.moneysmart.gov.au/student-life-and-money/moving-out-of-home
Fair work Australia website:
www.fairwork.gov.au/find-help-for/young-workers-and-students

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Financial support available:
www.relationships.org.au/
www.familyrelationships.gov.au/
Financial abuse support:
www.moneysmart.gov.au/financial-abuse

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Divorce and Separation financial checklist:
www.moneysmart.gov.au/getting-divorced-or-separating/divorce-and-separation-financial-checklist

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Parental Leave Pay, Family Tax Benefit and Dad and Partner Pay:
www.servicesaustralia.gov.au/individuals/subjects/payments-families
13 61 50

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Lifeline:
www.lifeline.org.au
13 11 14
Australian Centre for Grief and Bereavement:
www.grief.org.au
1800 642 066
Services Australia (for Centrelink customers):
www.servicesaustralia.gov.au
Losing your partner:
www.moneysmart.gov.au/losing-your-partner
Funeral Information:
www.moneysmart.gov.au/paying-for-your-funeral
Getting help:
www.servicesaustralia.gov.au
13 23 00

you're ^{the} boss