passionate planning

volume three, edition four

Make a financial resolution to start your new year!

When you're raising your glass this holiday season and making a toast to the New Year, why not make a resolution to improve your financial plan? The start of a new year is the perfect time to establish a budget that works for you to help you plan your financial future.

No matter what stage you are at in your life, it's never too late to start planning or re-examining your finances. See what a difference a year can make – resolve that 2016 will have a positive impact on your finances.

If you consider a full 365 days in your financial resolution, you'll be surprised at how much you can accomplish by year-end. For example, if you saved just $3 a day, less than the price of a coffee, that savings could add up to almost $1,100 extra in your bank account by the end of the year.

Here are some simple tips to get started.

Pay yourself first. Make sure you allow yourself a weekly salary for all your daily expenses such as transportation costs, groceries, and emergency money. That way you're not running to the ATM and withdrawing money, which often leads to overspending.

In This Issue

- Application Review: Bizz Card
- Hidden dangers of an unplanned estate
- Can hobbies help you heal?

Start your new budget by listing your sources of income and your expenses, adding up the totals and comparing them. If your income doesn't cover your costs, you may be overspending on things you want rather than those you need.

Understand the difference between what you want and what you need. You need clothes, but maybe not designer labels; you need to eat, but be aware of how much you spend on eating out. Start making lunch, instead of buying fast-food. Review your list of income and expenses and establish the costs resulting from what you want rather than what you need, and identify where you can cut back.

Trim where and when you can. Small savings can quickly become a large amount in your bank account. Shop for items you need only during sales. Adopt a do-it-yourself attitude and take on chores like cleaning your home, mowing the lawn, etc. rather than paying someone else to do them. Every little bit adds up, and you'd be surprised how much can add up by the end of the new year.

Start tracking all of your spending – that includes cash purchases, as well as debit and credit transactions. Take note of all pre-authorized payments that leave your account. Be aware of all the bills, cash withdrawals, debit transactions, banking fees and service charges that come out of your account each month. Once you compile a list of these transactions, you can start looking for ways to trim those expenses.

Organize your cash and manage it wisely. How often have you withdrawn a hundred dollars from the ATM, only to find your wallet's empty a few days later and you don't know where the money went? Organizing your cash and keeping careful track of how much you earn and how much you spend is a solid first step towards staying on track with your budget. Try tracking all extras and pace your spending for one month – write down every coffee, every pack of gum, every time you dig into your wallet to pay for something, whether it's cash, credit or debit card, record it. At the end of the month, you will be able to identify exactly where your money is spent and use that information to develop your budget and ensure you live within your means as closely as possible.

Stop running up credit card debt. If you carry a balance on a high-interest credit card, you'll constantly find yourself fighting a losing battle. Not only do you owe money on the purchases you have made, but you're also paying a steep price on the interest. It can make a $100 pair of jeans cost $125 or more, depending on the interest rate and how long you take to pay it off. If you have multiple credit cards, consider cancelling a few. You could save on annual fees, and you won't be tempted (as much) to go into debt on purchases that you can't afford.

Application Review: Bizz Card

In a world with an application for everything, why are we still using paper business cards?

Welcome to the truly minimalist, beautiful, modern next step toward how you share your business card. Swipe to send, it's that fast.

A few key features of this application include:

- Contacts don't need the application to receive your card
- You can send to yourself so you can follow-up the contact later if you wish
- Your contacts can save your details in one step directly to their address book

This application replaces the act of giving your business card or if you are anything like me, forgetting to bring your business card to that important appointment.

Available in both Apple and Andriod with in-app purchases for card designs.

Start creating a plan to pay down your debt. Pay off your high-interest debt first, and look for options to consolidate your other debt to create lower interest options.

Start saving or save more for retirement. Use your savings to increase your superannuation contributions.

Speak to your financial planner to help you organise your day to day finances to make 2016 one that brings you closer to financial independence.

Hidden dangers of unplanned estates

While most of us are aware of the importance of making a Will, there are other estate issues that may not be so obvious and can have dramatic consequences on family security. It's not just the wealthy – all families need to plan for financial, legal, medical and child care decision making to ensure their wishes are carried out accurately.

Estate planning may sound a little intimidating or irrelevant, but this umbrella term covers a range of essential financial and legal arrangements that any individual can and should make for the proper care of what they own and the people they love. It is integral to your future planning if you want future situations handled with minimal impact on family and in alignment to your wishes.

Your will is a starting point

Even with modest assets and property, there can be severe delays, disputes and upheaval if you were to suddenly pass away without a Will. A Will clearly specifies what you want to happen and who you want to benefit if you are no longer around. The absence of a Will leaves your family in the hands of an appointed administrator who may make decisions that are not consistent with your wishes and may result in unnecessary delays and costs in estate distribution.

Once in place, it is essential that it is reviewed periodically to make sure it adapts to your changing circumstances.

How will medical decisions be made?

The reality of medical and health issues impairing decision making is a critical issue to deal with in an estate plan. A sudden accident can leave your family with massive decisions to make about treatment, accommodation and assets, so it is essential that they have some formal reference point to avoid undue stress.

It is not just the elderly who need to plan for this situation. Serious and chronic medical conditions can occur at any age and can dramatically and permanently affect your ability to manage your own health decisions or financial affairs.

Fortunately, there are ways to cope with this eventuality and relieve stress on your loved ones. An Enduring Power of Attorney gives a legal basis for passing your decision making authority to someone you trust if you are unable to make decisions for yourself on legal and financial matters.

Enduring Guardianship can also delegate your authority to someone you trust for making critical decisions on issues such as medical treatment and nursing home care, if you are not able to yourself. These tools are there for your benefit and to help you ensure your wishes are carried out effectively and responsibly to your satisfaction.

Providing for the care of children

No one would ever knowingly compromise the welfare of their children, but we can unwittingly leave things up in the air if we don't make formal plans to set out our wishes. An Enduring Guardianship lets you specify who you want to care for your children if you suddenly die or suffer a medical event that prevents you from providing care for them.

It is a simple step to take, but can make a huge difference to their future and the peace of mind that comes from knowing your children will be well looked after is well worth it.

Failing to attend to this valuable provision for their future may leave them exposed to the judgements of external authorities and may leave your family with the prospect of applying to a government tribunal in order to allocate guardianship responsibilities.

Your financial planner can be a valuable facilitator on these issues. They can refer and consult with other professionals to make sure your situation is well managed and your beneficiaries are left with security.

Can hobbies help you heal?

Coping with life's stresses can often benefit from keeping the mind active and creative and many people are now finding that taking up a hobby can be therapeutic.

In days gone by pursuits such as sewing and woodwork were more of a necessity than a pastime, but did they make people happier? These days computers and TV's take up our leisure time and offer a lot less in terms of healthy mental activity.

Engaging in a hobby can therefore help restore some balance.

Does it make a difference?

A study quoted in the Journal of the American Medical Association looked at a group of 30 women who regularly engaged in sewing. By testing key indicators, such as blood pressure, heart rate and skin temperature before and after various leisure activities, it turns out that sewing produced distinct improvements. This contrasted with more negative stress responses when they switched to other activities, such as playing cards or video games.

It seems that hobbies can produce a relaxation response that brings a sense of mental and physical wellbeing. Employing the creative side of our minds and concentrating on a skilled task can refocus our thoughts into the present, rather than dwelling on past events and experiences that cause us anxiety.

A welcome break from a hectic lifestyle

Hobbies are sometimes typecast as being a waste of valuable time or an indulgent obsession. Perhaps it is time to take a fresh look at how they can refresh the mind and the spirit – especially when we are re-adjusting to life after a personal loss or unexpected change of circumstances. The challenge is to make the time and space that can be allocated specifically toward a hobby as a valuable and restorative practice. Perhaps a positive first step is to take a course or join a club to gain motivation and meet like-minded people. Making the effort may well be the catalyst to greater fulfilment and enjoyment of life.

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For all your insurance needs

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