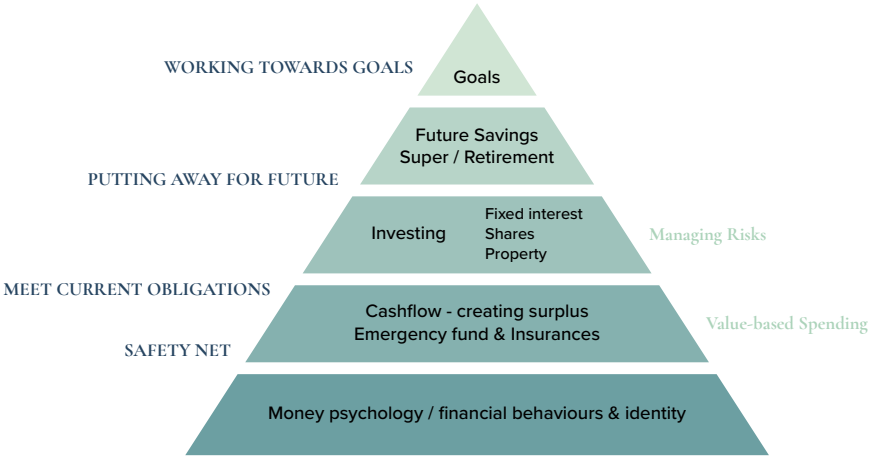
KAREN ELEY
FINANCIAL FREEDOM STARTS HERE

5 STEPS TO FINANCIAL WELLBEING



HEALTHY FINANCES
FINANCIAL WELLBEING

1. YOUR RELATIONSHIP WTIH MONEY

Your financial habits (saver, spender, investor, debt, high/low income earner, caregiver, fear) will have a greater impact on your financial results than any market corrections.

Treat your money like a good friend - spend time with it, make it a priority, learn more about it, speak positively about it.

Examine your Money Story.

2. MONEY NEEDS GOALS & DIRECTION

Understand your top 5 values (the most important things in your life. Then use these to create money & life goals.

Quantify your goals - amounts and timeframes.

3. TRACK YOUR MONEY

Undertake a cash flow audit - review your last 4 months of spending.

Categorise your fixed costs, flexible discretionary spending and how much you're putting away for your future.

Consider the 50/30/20 allocation of your net salary.

Review whether the PYF (Pay yourself first) strategy will encourage you to save more.

Consider the optimal amount of bank accounts to have and automate your spending, saving and investing.

4. SAVING VS INVESTING

Investing in growth assets (shares & property) require a 7yr commitment.

You can start share investing with as little as $5 Review brokers to find one that matches your needs and investment amount.

Start small, but start.
ETFs (Exchange Traded Funds) are a good way to invest in a diversified portfolio of the top 200 companies listed on the ASX (Australian Share Exchange).

Share markets have a downturn or correction every 4-5 years. Ensure you have a long timeframe to stay invested and ride out these fluctuations.

5. MANAGE YOUR RISKS

Have an emergency savings account - ideally 3 months of your living costs.

Review your personal insurances (life, TPD & salary continuance) - yours and your spouse's.

Assess whether you are a low/ medium/ high risk investor and align your super investment options according to this.