

# Your financial check-up

Taking stock of your financial situation



#### **About this workbook**

**Your financial check-up** is a resource to help you plan ahead and create your best life. This workbook is a companion to the **Your financial check-up** online module. Write your notes in the workbook as you go through each topic in the module.

#### **Disclaimer**

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial advisor.

#### **Privacy**

We're committed to protecting your privacy. We collect your personal information for the purposes of providing superannuation services to you, improve our products and to keep you informed. We will only share your personal information where necessary for providing superannuation services to you. This may include disclosing your personal information to our scheme administrator, service providers or government or regulatory bodies. Your personal information may be accessed overseas by our service providers. Please see our privacy policy for full details. Your personal information will not be otherwise used or disclosed unless required or permitted under law. A full copy of our privacy policy as well as the privacy complaint process is available at <a href="csc.gov.au/Members/Privacy-policy/">csc.gov.au/Members/Privacy-policy/</a>

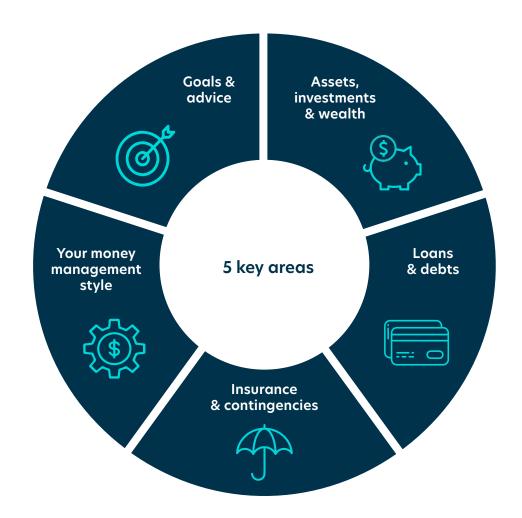


#### Your financial check-up

Managing money can be a challenging part of life, and you may not have had the opportunity to learn the skills you need to reach your financial goals. As you plan ahead for your next season, it can be a great opportunity to take stock of where you are up to financially.

#### **Key ideas**

The mid-life money check-up is a process of reviewing five key areas of your life. This can guide you to help you see a snapshot of your situation.





## Assets, investments and wealth

Assets are things of value, and include physical assets like your home and car, and financial assets like savings, superannuation and other investments. Work through each of the items below to get a clearer picture of your assets, investments and total wealth.

#### Check

Start by finding out the current value of your main assets, like your home and financial assets.

You can record you answers below.

Note: For some assets like real estate, you may need to make an estimate.

| Asset             | Value |
|-------------------|-------|
| Home              |       |
| Other property    |       |
| Car/s             |       |
| Savings           |       |
| Superannuation    |       |
| Other investments |       |
|                   |       |
| Total assets      |       |
| Total loans       |       |
| Net wealth        |       |

#### Investigate

Review each investment and consider the following questions.

| Money in a savings account, cheque account or term deposit  |
|---|
| What is the interest rate? What are the fees?   |
|   |
|   |
|   |
|   |
| What alternatives are available? Note any alternatives you would like to find out more about and the returns offered.                             |
|   |
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|   |
|   |
| Money in a mortgage off-set account   |
| How much do you save by having money in your off-set account? How does this compare to the return on your savings/cheque account or term deposit? |
|   |
|   |
|   |
|   |
| Shares  |
| Review the performance of your shares and note any changes you would like to make.  |
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|   |

## **Investment property** Review the performance of any investment property including the time and cost involved, and note any changes you would like to make. **Superannuation** Do you have super accounts that you need to consolidate? Do you need to review the investment options within your super? If you have extra money available, would you be better off using the money to top up your super or reduce your debts?

How would making additional contributions now impact your super balance at retirement?



#### **Action checklist**

| ck any actions you plan to take:   |    |
|--|----|
| make changes to savings, cheque, off-set or term deposit accounts                                    |    |
| find out more about one (or more) investments  |    |
| consolidate super accounts   |    |
| change the investment options in super   |    |
| start making additional super contributions, or plan to make them more regular                       | ly |
| st any other actions or changes you plan to make.  |    |
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| hat advice or information do you need to help manage your investments and gr<br>ur wealth?           | ow |
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| Find out more  | •  |
| Filid out more   | L  |
| Starting to invest at:   |    |
| moneysmart.gov.au/starting-to-invest   |    |
| Investor toolkit at: moneysmart.gov.au/how-to-invest/investor-toolkit                                |    |
| Choosing your investments at   |    |
| moneysmart.gov.au/how-to-invest/choose-your-investments  |    |
| Developing an investment plan at:  |    |
| moneysmart.gov.au/how-to-invest/develop-an-investing-plan  |    |
| Investment warnings at:  |    |
| moneysmart.gov.au/investment-warnings  |    |
| Financial advice at:   |    |
| moneysmart.gov.au/financial-advice   |    |
| Keeping track of your investments at: moneysmart.gov.au/how-to-invest/keep-track-of-your-investments |    |
|  |    |
| Consolidating your super at:   |    |



The biggest loan for most people is a home mortgage. Many people also have ongoing personal loans and credit card debt.

#### Check

Find out for each of your loans the:

- interest rate
- · remaining balance and term
- · amount of additional repayments you have made (including any money that could be redrawn if needed).

Write these in the table below.

| Loan               | Interest rate | Balance | Remaining term | Extra repayments |
|--------------------|---------------|---------|----------------|------------------|
| Home<br>mortgage/s |               |         |                |                  |
| Car loans          |               |         |                |                  |
| Personal loans     |               |         |                |                  |
| Other              |               |         |                |                  |
|                    |               |         |                |                  |

#### Investigate

Investigate the alternatives available from other lenders. List any alternatives you would like to find out more about.

| Lender | Loan | What is on offer and what appeals to you |
|--------|------|--|
|        |      |  |
|        |      |  |
|        |      |  |
|        |      |  |
|        |      |  |

Tip: A mortgage broker or comparison websites may help you find out about what loans are

| aliable. You can learn more about the benefits and limitations of using these servi<br>oneysmart.gov.au/using-comparison-websites | ces at |
|---|--------|
| in you afford to make extra repayments? If so, how much and how often?  |        |
|   |        |
|   |        |
|   |        |
| our accordance the dalet for a 2  |        |
| ow soon could you be debt free?   |        |
|   |        |
|   |        |

#### A better interest rate?

If you tell your current lender you are considering changing to a different lender, they may suggest an alternative loan at a cheaper rate, or offer to reduce the rate on your current loan.



#### **Action checklist**

| These are examples of actions people take:  ask a current lender for a better interest rate  consolidate any loans  find out more about loans from other lenders  change lenders  start making additional repayments, or plan to make them more regularly  List any other actions below. |
|--|
|  |
| Find out more i  |
| Comparing home loans at: moneysmart.gov.au/home-loans/switching-home-loans   |
| The benefits of paying off your loans sooner at:  moneysmart.gov.au/loans/personal-loan-calculator   |
| Managing debts at: moneysmart.gov.au/managing-debt   |
| Urgent help with money at:  moneysmart.gov.au/managing-debt/urgent-help-with-money   |
| Financial counselling at: moneysmart.gov.au/managing-debt/financial-counselling  |



### Insurance and contingencies

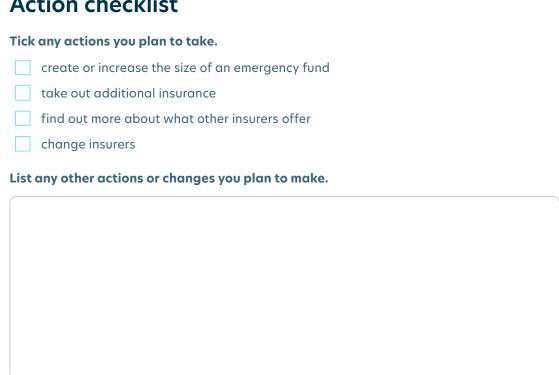
Insurance and contingency funds can help you cope with unexpected circumstances like illness or losing your income.

#### Check

Check the types of insurance you have and the amounts of the cover.

| Type of policy   | Amount of cover                          |
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| Check the approximate balance of any emergathese funds would last if you lost your income. |  |
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| Investigate  |  |
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| Is your insurance coverage still suitable for y  | your needs?                              |
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|  |  |
| List any alternatives from other insurers tha  | t you would like to find out more about. |
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| Reflect   | i |
|---|---|
| What unexpected events have you encountered in the past?                  |   |
| How have you managed financially?   |   |
| How effective was that?   |   |
| What have you learned about insurance and contingencies from past events? |   |
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|   |   |
|   |   |
| ction checklist   |   |
| k any actions you plan to take.   |   |





It's also important to look at the information you have relied on in the past, and what strategies you'll need to reach your goals in the future.

## **Reflect** Have you had specific financial goals in the past? How successful have you been at reaching your financial goals? What advice or strategies have you used (if any) to reach your goals? What has been most (and least) useful?

| What                 | inancial goals do  | you need to se                 | et in order to li | ve the life you | want? |
|----------------------|--|--------------------------------|-------------------|-----------------|-------|
|                      |  |                                |                   |                 |       |
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|                      |  |                                |                   |                 |       |
|                      |  |                                |                   |                 |       |
|                      |  |                                |                   |                 |       |
| What                 | nformation will y  | ou need to read                | ch your financi   | al goals?       |       |
|                      |  |                                |                   |                 |       |
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|                      |  |                                |                   |                 |       |
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|                      |  |                                |                   |                 |       |
| Acti                 | on checkli   | ist                            |                   |                 |       |
|                      | on checkli   |                                |                   |                 |       |
| Tick a               |  | an to take.                    |                   |                 |       |
| Tick a               | y actions you plo  | un to take.                    | ancial commitm    | ents            |       |
| Tick a               | y actions you plo  | an to take.                    |                   |                 |       |
| Tick and so the left | y actions you plo<br>et a financial goal<br>ink more about p                       | an to take. riorities and find | iching your find  |                 |       |
| Tick and so the left | y actions you pla<br>et a financial goal<br>ink more about pl<br>arn more about st | an to take. riorities and find | iching your find  |                 |       |
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| Tick an              | y actions you pla<br>et a financial goal<br>ink more about pl<br>arn more about st | an to take. riorities and find | iching your find  |                 |       |

Decide

#### Help for the future

#### Financial advice\*

Financial advice is a service provided by a licensed financial adviser (also known as a financial planner). A financial adviser can provide information and advice about things like investing, taxation, estate planning, budgeting and insurance.

- Financial advice can help you:
- · Set and achieve your financial goals
- · Clarify your entitlements
- · Make your money go further, and
- Give you more confidence about your financial situation.

**Tip:** If you decide you want to get financial advice, the ASIC Moneysmart website has helpful information about the financial planning process, including a Financial Advice Tool Kit.

moneysmart.gov.au/investing/financial-advice

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#### Online tools and calculators

ASIC Moneysmart has a range of tools, calculators and apps to help you manage your money and weigh up different financial options. For example, Savings Goal and Superannuation Calculators. Find out more at:

moneysmart.gov.au/#tools-and-resources

#### **Online courses**

The Australian Securities Exchange (ASX) has an education centre with free online courses, tutorials and videos. Find out more at:

www2.asx.com.au/investors/investment-tools-and-resources/online-courses

#### **Seminars**

Services Australia offers a free Financial Information Service. These free seminars cover topics such as managing your money and superannuation.

servicesaustralia.gov.au/financial-information-service

The Australian Securities Exchange (ASX) also offers finance seminars. Find out more at: www2.asx.com.au/investors/investment-tools-and-resources/events

#### Help over the phone or in person

Financial Information Service Officers at Services Australia Financial Information Service can speak with you over the phone or meet with you in person. They can't provide financial advice, but they can help you make informed financial decisions and understand the short- and long-term results of your financial decisions.

Find out more about the Financial Information Service at:

servicesaustralia.gov.au/financial-information-service

Contact a Financial Information Service Officer at:

servicesaustralia.gov.au/how-to-contact-financial-information-service

#### Your bank

Your bank or credit union can provide factual information about things like your accounts, term deposits and investment options. Some banks may also offer other free or paid services.

What information will you need to reach your financial goals in the future?



## Your money management style

A key part of your financial check-up is understanding your money management style, and how this may impact your goals and your finances. This is a tool for illustrative purposes only and should not be relied on to make financial decisions. Before taking any action, you should consider seeking financial advice.

#### Find out

#### Money management quiz

Answer the following questions and see which money management style best describes you.

#### What is your approach to budgeting?

- a) I have a budget that includes all income and spending
- b) I have a high-level budget that includes general amounts for most income and spending
- c) I have a budget but don't stick to it
- d) I don't have a budget

#### How have you achieved major goals in the past? For example, purchasing real estate, a car, or a special holiday.

- a) I have identified goals, set a timeframe and a financial plan to achieve them
- b) I have identified goals and waited until I have accumulated enough money to reach them
- c) I have used unexpected windfalls or bonuses to reach major goals
- d) I have reached goals by stretching financially, sometimes beyond what was affordable

#### Do you have money set aside for contingencies?

- a) Yes, I have set aside a specific amount that would cover most contingencies
- b) I maintain an overall surplus for contingencies but it may not be enough
- c) I maintain a surplus for contingencies when I can but the amount fluctuates
- d) I don't intentionally keep money aside for contingencies

#### How do you make spending decisions?

- a) I almost always spend money in accordance with my budget
- b) I know generally what I can afford and this guides my spending decisions
- c) I tend to spend more or less depending on how optimistic I feel about my financial situation
- d) I often make impulse decisions based on short-term needs and wants

#### How much of your income do you save each month?

- a) I save a set amount based on my budget and goals
- b) I have a surplus but I'm not sure specifically how much money I save each month
- c) I may or may not have money each month depending on my spending
- d) I don't intentionally save money

#### How do you use credit cards?

- a) I always pay off the total balance each month
- b) I pay off the balance each month or soon afterwards
- c) I have credit card debt from time to time when I need to manage my cashflow
- d) I carry a fluctuating credit card balance

#### How do you usually pay for gifts, holidays and other luxuries?

- a) With money allocated as part of my budget
- b) With general surplus funds
- c) With general surplus funds but I sometimes run short of money
- d) I pay them off later, or pay some up front and the remainder later

#### Mostly (a): Focused

You stick to a budget and work towards achievable goals. You are probably self-disciplined and take a long-term view of your financial situation.

#### Move closer to your money goals

Make sure you have suitable insurance to protect your income and assets. Your needs may change over time.

TIP: Learn more about insurance at:

moneysmart.gov.au/how-life-insurance-works/life-insurance-calculator

#### Mostly (b): Broad brush

You manage your money at a high level, knowing the amount and type of most expenses. You tend to overlook small expenses, but manage your money in broad terms.

#### Move closer to your money goals

You may need more income than you think in the future if you're unaware of the details of your spending.

**TIP:** Use the Moneysmart app for help tracking your spending. You can find it at: moneysmart.gov.au/budgeting/track-your-spending

#### Mostly (c): Unstructured

You manage money in an intuitive way, often guided by how optimistic you feel about your financial future, or an unexpected bonus or windfall.

#### Move closer to your money goals

You may not have saved as much money as you would like. However, using a budget (even a simple one) will give you more confidence, and will help your money go further.

**TIP:** Try this simple money manager:

moneysmart.gov.au/budgeting/simple-money-manager

#### Mostly (d): Short term

Your focus is usually on the short term, either because of limited income, or because you tend to prioritise short-term goals.

#### Move closer to your money goals

If you have struggled with insufficient income, remember that even saving a small amount of money can make a difference to your savings goals.

**TIP:** Learn more about calculating your savings goals at: moneysmart.gov.au/saving/savings-goals-calculator

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|-----|--------------|-------------|----------------|---------|--|--|
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|     |              |             |                |         |  |  |
|     |              |             |                |         |  |  |
|     |              |             |                |         |  |  |
|     |              |             |                |         |  |  |
|     |              |             |                |         |  |  |
|     |              |             |                |         |  |  |

|       | our money management style made it easier or more difficult to reach you<br>y goals? |
|-------|--|
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|       |  |
|       |  |
|       |  |
| Act   | ion checklist  |
|       |  |
| These | are examples of actions people take.   |
| r     | make a budget  |
|       |  |
|       | start using a budgeting tool   |
|       | open a savings account   |
|       |  |
|       | open a savings account set a financial goal  |
|       | open a savings account   |
|       | open a savings account set a financial goal  |
|       | open a savings account set a financial goal earn more about money management         |
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|       | open a savings account set a financial goal earn more about money management         |

Reflect

#### Find out more

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Managing your money at: moneysmart.gov.au/

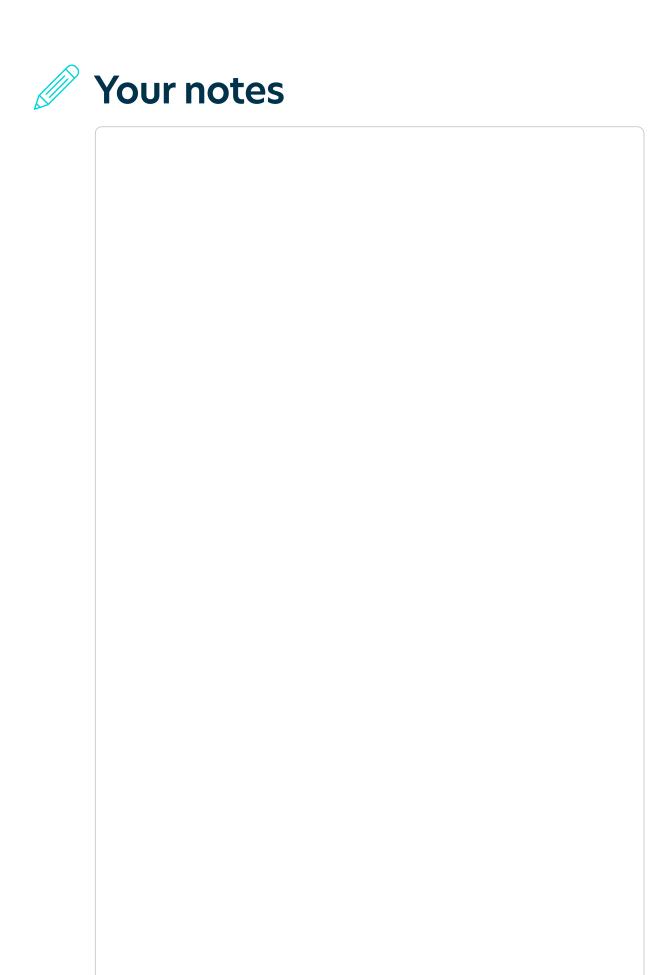
An app to help track your spending at: moneysmart.gov.au/budgeting/budget-planner

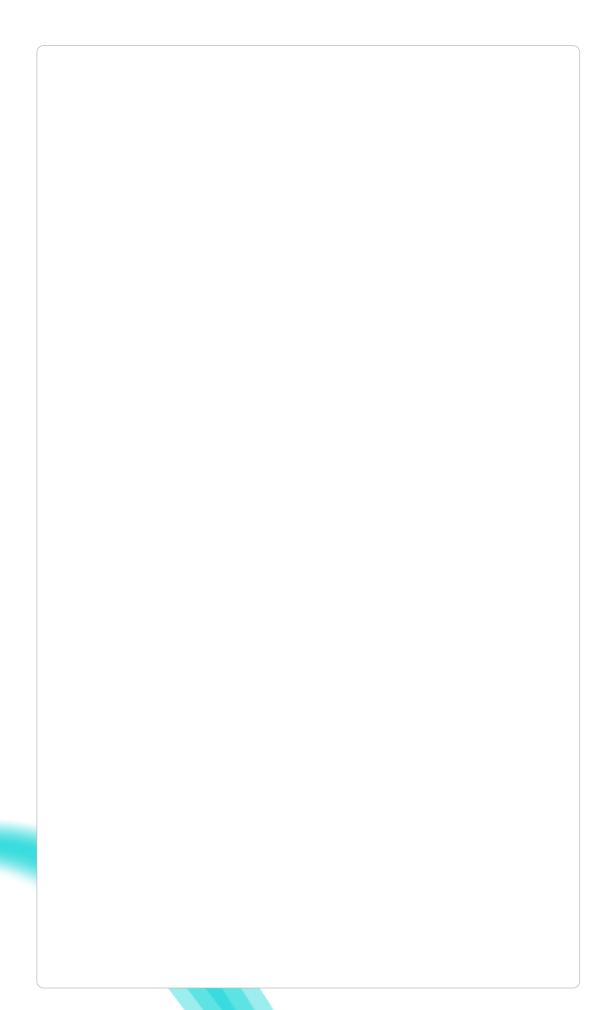
Banking at: moneysmart.gov.au/banking

Budgeting at: moneysmart.gov.au/budgeting

Saving at: moneysmart.gov.au/saving

Managing on a low income at: moneysmart.gov.au/budgeting/managing-on-a-low-income







#### Where can I get more information?



Commonwealth **Superannuation** Scheme

**Email** members@css.gov.au

**Phone** 1300 000 277 (02) 6275 7010 Fax

Mail

**Public Sector** 

**Superannuation** 

accumulation plan

**GPO Box 2252** 

Canberra ACT 2601

Web csc.gov.au



**PSS** 

**Australian Defence Force** 

Superannuation

**Public Sector** 

Scheme

**Email** 

Phone

Fax

Mail

Web

**Superannuation** 

**Email** members@pssap.gov.au

Phone 1300 725 171 1300 364 144 Fax

**PSSap** Mail

Locked Bag 9300 Wollongong NSW 2500

Web csc.gov.au



members@adfsuper.gov.au **Email** 

members@pss.gov.au

1300 000 377

(02) 6275 7010

**GPO Box 2252** 

csc.gov.au

Canberra ACT 2601

Phone 1300 203 439

Fax 1300 204 314 Mail **ADF Super** 

Locked Bag 9400 Wollongong DC NSW 2500

Web csc.gov.au



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