



TOP MONEY TIPS 2016

With Paul Clitheroe

Segment 01: Engaging with Super

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

The latest research from our regulator ASIC suggests that around seventy five per cent of us don't know what our super balance is. Yet knowing this is fundamental to planning our financial future.

Most super funds have got a lot of information online, and it's really well worth checking out your fund's website.

You'll see your current balance, the fees you're paying, the level of insurance cover and whether you're in the right investment option.

Segment 02: Interest Only Loans

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Interest-only mortgages are exactly what they sound like: you pay the monthly interest charges, but you're not reducing the principal loan amount.

That's not a bad thing though, in particular for investors looking to sell property for profit. But for most home owners, they'll prove more expensive in the long-term.

So before you rush out and get an interest-only mortgage, work out if the short-term benefits will outweigh the long-term costs. I'd recommend doing some research on ASIC's MoneySmart website.

Segment 03: Christmas Credit Card Debt

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

If your credit card is already sagging under the weight of Christmas spending, make it a priority to get rid of that debt as quickly as you can.

Start by running some numbers through the credit card calculator on ASIC's MoneySmart website. It could take you decades to clear the debt if you're only paying the minimum monthly amount.

By paying more each month, you'll be cutting into your credit card debt faster and believe me, you'll save money in the long term.

Segment 04: Payday Loans

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

If you're struggling to pull together cash at this time of year, please, don't be tempted by payday loans.

These are typically for amounts up to two thousand dollars and usually arranged in a matter of minutes over the phone or online.

But look, these loans have high fees, high interest, short repayment terms, they can quickly become a debt trap.

There are much less expensive alternatives out there and you can find a range of options and advice at ASIC's MoneySmart website.

Segment 05: Switching Your Mortgage

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

If you've got a mortgage, with interest rates at record lows, it makes great financial sense to see if you're still getting the best deal. Believe me, switching your mortgage could save you thousands.

Start by asking potential lenders for a key fact sheet. These make it easy to compare different loans, their various features, and fees and charges.

Most importantly, they'll tell you the total amount to be paid back over the life of the loan. You'll soon know if it's a good deal.

Segment 06: Mortgage Position #2

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

The New Year's a great time to assess your financial position, in particular, when it comes to the mortgage.

Do you know what your repayments would be if interest rates go up? Could you still afford them?

What if you or your partner lost your job? Could you still make the repayments? What sort of savings buffer do you need?

To help you with this, and to test a range of different scenarios, check out the mortgage calculator on ASIC's MoneySmart website.

Segment 07: TrackMyGOALS

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

Getting financially fit is a very common New Year's resolution, but like losing weight or quitting smoking, there's just no quick fix.

If you've set multiple money goals for the year ahead, you really need to prioritise them. Clearing high interest debts such as credit cards should be on top of your list.

It's important to monitor your progress. Track My Goals is a free app that can help you do this and you can download it via ASIC's MoneySmart website.

Segment 08: Women's Money Toolkit

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

When it comes to money, women face some unique challenges that puts pressure on their financial independence.

While most women live longer than men, they often enter retirement with less super, in part because they're in and out of the workforce raising kids and caring for others.

The Women's Money Toolkit is a really great resource that can help women gain an edge on their finances. It can be tailored to your personal circumstances and, even better, it's available free at ASIC's MoneySmart website.

Segment 09: TrackMySPEND

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

If you're someone who'd like to save but barely survives payday to payday, believe me – we've all been there - then you need to start tracking how you spend your money.

Twenty bucks here and there on things like eating out and shopping may not seem like much, but it all adds up.

ASIC's MoneySmart has a spending tracker app called Track My Spend. It'll help you see where your money's going and identify areas where you can save. Best of all, you can download it for free.

Segment 10: Make Money Resolutions Stick

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

New Year's resolutions can be hard to stick to because they involve changing your normal habits.

But a resolution to get control of your finances is really important. Some of these have to do with security and safety, others involve planning ahead for major expenses and goals.

If you've got a clear plan for your finances, you can take control of your money, instead of feeling like your money controls you. This builds confidence and encourages good money habits.

Segment 11: Getting Financially Fit

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

A common New Year's resolution is to get physically fit, but being financially fit is just as important. So here are three ways to help you achieve that goal:

One - track your spending. You'll be surprised to see where your money is going.

Two - get organised. Gather up your bills and statements and start planning now for future expenses.

And finally, number three - do a budget. But make it realistic, it's got to be honest or you won't be able to stick with it.

Segment 12: Investing Challenge

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

If you're thinking of investing this year, then knowing how to pick a good investment, how to diversify your portfolio and how to identify the risks of different products, are really important factors. They help you to make better choices - choices that mean you'll be better off in the long run.

ASIC's MoneySmart has developed an 'Investing Challenge', which you can use to check your knowledge on these key topics. It's a great place to kick-start your twenty sixteen investment plans.

Segment 13: Planning for Retirement

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There are simple steps we can all take during our working lives to be better off financially.

It's all about spending less than you earn. That means we can look at things like shares, property and even our superannuation.

Speaking of super, the super calculator on ASIC's MoneySmart website will quickly tell you how much super you'll need and how much extra you need to pop in to fund the kind of lifestyle you want to lead in retirement.

Segment 14: Savings Routine

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

One of the best resolutions you can make at any time of year is to establish a solid savings routine - something that prepares you for a rainy day or lets you work towards your goals.

The best savings routines are automatic. Do this by creating a direct debit that goes straight into your savings account every payday.

With your money working for you in the background, you might be surprised with what you've amassed just twelve months from now.

Segment 15: Money and Relationships

G'day, I'm Paul Clitheroe with one of my top money tips for twenty sixteen.

Money is clearly, a common cause of problems in relationships. So the earlier you start having discussions about finances with your partner, the better.

It's really important to establish relationship goals and what you both want in the future. Do you both want to buy a home, have kids, or build an investment portfolio? Compare your goals then create a plan you both agree on. You'll both need to compromise.

Talking to your partner about money may not be romantic, but it pays off.