

10 tips to improve your financial health



Thinking about how to improve your financial position can be daunting. Where to start? What to review? How to plan?

Below are 10 simple steps to help you get started.

1. Spend less than you earn

No matter how much or how little you are paid, you may find it difficult to get ahead if you spend more than you earn. Prudent cuts to your spending can result in big savings.

2. Stick to a budget

A budget will show where your money is going. Depending on when you are paid, you may decide on a weekly, fortnightly or monthly budget. You need a budget regardless of how much you earn a year.

3. Pay off the credit card

Credit card debt can be a big obstacle to improving your finances. If you don't pay off the outstanding balance quickly, you could end up paying more for things than you would have if you paid in cash.

4. Have a savings plan

If you want to boost your savings, you can set aside a minimum of five to 10% of your salary for savings.

5. Invest

If you contribute to super and a savings account, and you still have some spare money, then you may want to consider putting it into other investments.

6. Understand your investments

Do not get involved in investments you don't understand. A financial adviser can help to talk you through the investment options that might be suitable for you.

7. Review your insurance

It is important to have enough insurance to protect your family and your income in case of death, disability or illness.

8. Update your will

A will is important to protect where your wealth goes when you die. If you have dependents, no matter how little or how much you own, make sure your will is up to date. If you are unsure about any legal issues, talk to your lawyer.

9. Keep good records

If you don't keep good financial records, you are probably not claiming all your allowable income tax deductions and credits. Set up a system and use it all year. It will help you when it's tax time.

10. Get financial advice

Many people do not have the time, or the inclination, to manage their finances well. Busy with work and family, many people find it difficult to keep up-to-date with investment options and to understand the risks involved. A financial adviser can help you reach your goals.



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