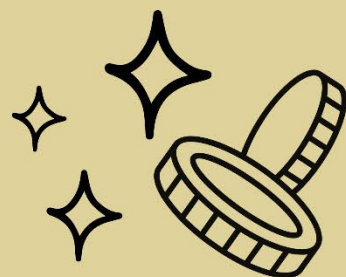
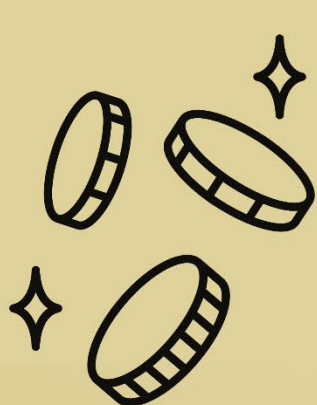


FINANCIAL HEALTH CHECK

14 QUESTIONS YOU
SHOULD ASK YOURSELF



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Before you get started

This digital handbook contains general and factual information only, and is part of the Wealth Adviser library, published by:

- Wealth Today (AFSL 340289)
- Sentry Advice (AFSL 227748)
- Synchron Advice (AFSL 243313)
- Millennium3 (AFSL 244252)

Before acting on any information contained herein you should consider if it is suitable for you. You should also consider consulting a suitably qualified financial, tax and/or legal adviser.

Information in this handbook is no substitute for professional financial advice.

We encourage you to seek professional financial advice before making any investment or financial decisions. We would obviously love the opportunity to have that conversation with you, and at the rear of this handbook you will find information about our authorised representative and how to go about booking an appointment.

If ultimately you decide not to meet with us we still encourage you to consult with another suitably licensed and qualified financial adviser.

In any circumstance, before investing in any financial product you should obtain and read a Product Disclosure Statement and consider whether it is appropriate for your objectives, situation and needs.

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Letter from the Wealth Adviser Library

Dear Reader

Welcome to the Wealth Adviser Library

This library was built specifically to facilitate the provision of sound financial information to everyday Australians.

Our mission is to build an accessible, comprehensively supported team of members who share our vision and commitment to providing tailored financial advice and a new foundation of financial understanding and security for everyone.

With a national network of likeminded experts, we have the potential to provide the financial building blocks for future generations.

Knowledge gives you a huge advantage

We believe that knowledge gives you a huge advantage in creating and effectively managing wealth; in planning to reach your goals; and in being prepared for whatever unexpected twists and turns life may present.

That's why our team of experts has created this series of digital handbooks and manuals that seek to inform you of not only the benefits but also the potential risks and pitfalls of various strategies and investments.

We trust you enjoy this publication and find it informative and professionally presented. Of course, your feedback is always welcome as we strive to continually offer content in a format that is relevant to you.

Take the next step

Wealth Adviser (a division of WT Financial Group Limited) supports more than 400 privately owned and operated advice practices around the country. We invite you to engage with one of our advisers to discuss what it was you were hoping to achieve when you obtained this handbook, and to establish if they can help you achieve your goals and objectives.

At the rear of this handbook you will find details on how to book an appointment.

Wealth Adviser Library

Introduction

Getting your finances under control doesn't have to be difficult. The fact that you have downloaded this eBook probably means that you are interested in your finances and wanting to improve them. Whilst it's easier to keep doing the same thing, making the decision to change is usually the biggest hurdle to change. Do you know where all of your money goes? Do you know how much you spend on your credit card each month? How much do you have left over to save? Do you know how your superannuation is invested? Do you know how much you need for retirement? These are all basic questions, which can be addressed to identify opportunities to enhance your current and future financial position by addressing your earnings, expenses, savings and investing.



How healthy is your financial life?

Complete the financial health check below to carry out a self-assessment about your financial well-being. In just 60 seconds you will see if your financial life could benefit from professional financial planning advice.

Provide a response to the following statements:

	Question	Yes	No	Not sure	N/A
1	I have a written set of financial goals				
2	I have a budget for my income and expenses and am confident of where my money is going				
3	I have a tax plan and collection of strategies in place				
4	I have a wealth plan and understand how my wealth will be created and stored				
5	I have a retirement plan and understand it in terms of timeframe and amount of target income in retirement				
6	I have access to funds easily in the event of an emergency				
7	I have a range of investments both inside and outside superannuation				
8	I have adequate personal insurances to provide for my dependants if my partner or I suffer a serious illness, injury or die				
9	I know how much I need for a comfortable retirement and have a plan to achieve this				
10	I have a debt reduction plan. My loans are structured optimally and I understand how and when my debts will be paid off				
11	I have an up-to-date will, enduring power of attorney and instructions regarding my medical treatment should I become incapacitated?				
12	I understand what my superannuation is invested in and how I can make tax-effective contributions to superannuation				
13	I am making the most of any government benefits that I am entitled to				
14	I have a financial plan, and am on track to achieve my goals				

If you responded “No” or “Not sure” to any of these questions you may benefit from financial advice.

Seeing a professional financial adviser can make a huge difference to your future, by helping you make financial decisions that give you peace of mind

Improving your financial wellbeing

For each item listed in the Financial Health Check questionnaire, there are considerable aspects of your situation that could be addressed in order to ensure your finances are working the best they possibly can for you.

Setting goals

Setting goals are important to provide direction and meaning to your savings and investing efforts. Short term goals are for the immediate future; whilst longer term goals intend to articulate your hopes and dreams. Once you have formulated your goals, next comes devising strategies to achieve these.

Your financial adviser can assist with ascertaining and quantifying your goals and prioritising these if there are competing objectives.

Loans

There are many reasons why people go into debt; for instance, borrowing to purchase the family home. ‘Good’ debt is associated with tax-deductible borrowing for an asset that is expected to appreciate over time, such as property or shares. Even though the family home is not tax deductible, property values have steadily increased over time and this is often the cornerstone of your wealth creation strategy. Borrowing for education purposes to invest in yourself offers additional alternatives such as Higher Education Loan Program (HELP) and VET FEE-HELP (assistance for higher level vocational qualifications). ‘Bad’ debt is for those purchases on items that disappear or depreciate over time such as holidays, cars and entertainment. The interest on these loans is not tax-deductible and often has higher rates of interest, such as credit cards

and personal loans.

Your financial adviser can assist with comparing the interest rates and other features on your loans such as honeymoon rates, interest free periods and the benefits of debt consolidation. Consideration to offset accounts and redraw facilities can be very effective in reducing interest.

Emergency reserve

Financial setbacks can strike any time. An emergency reserve offers some economic peace of mind. Having money for a rainy day will assist to minimise your stress and anxiety. Assisting family members through a traumatic time, an emergency with the children, prolonged illness, unexpected job loss are just some examples, where saving for a rainy day could be a life saver. In the case of a medical illness, most insurance/ income protection policies will not start payments until a predefined waiting period has been served.

Your financial adviser can assist with how much you should have set aside and where the best place is to keep these reserves.

Budgeting

Having a budget in place shows you what you can achieve and how to achieve it. This involves listing your sources of income and then forecasting and categorising your fixed and variable expenses. It is a good idea to reconcile your forecasted expenses with historical expenditure, such as credit card statements to gauge how realistic the budget is. Factoring in the requirements to achieve your savings and investment goals and identifying your surplus or deficit will then highlight aspects of your budget and financial that you may need to address.

Reviewing your budget each year is an opportune time to realign your expectations and ability to stay on track to meet your objectives.

Your financial adviser can help you with identifying discretionary ‘lifestyle’ expenses that could potentially be reduced and increasing flexibility by considering alternatives such as debt consolidation.

Saving and investments

Saving is setting aside some of your income into say a high yielding bank account, whilst investing is the conscious act of placing your money into specific structures or products to produce a presumed rate of return. Your goals and objectives and available financial resources will guide the investment strategies and amounts that are available to save and invest.

Your financial adviser can assist with determining the level of risk and return you require from your investments and you are prepared to take, which asset classes to invest in and the ideal financial products, investments and structures for your situation.

Insurances

Dealing with life's unpleasant 'what if' scenarios aims to provide financial peace by transferring the risk of life's unfortunate events to an insurance company. Protecting your wealth and lifestyle is just as important as your wealth creation and savings strategies. Insuring your contents, home and car is a given, but a lot of people neglect personal insurances to protect themselves and their family in the event of illness, injury or death. It is naive to think that 'I have nothing to worry about – I am too young and healthy to think about insurance' or 'Nothing has happened to date; insurance is a waste of money'. It is also not sufficient to take the view "I have some cover in superannuation that will be fine'. There are restrictions on owning insurance via superannuation that can hinder a benefit being paid to you. The cornerstones of personal insurances are income protection, sometimes referred to as salary continuance if paid from a superannuation fund, trauma/ critical illness or 'living' insurance, total and permanent disability (TPD) and life cover.

Your financial adviser can assist with determining your available financial resources should one of life's unfortunate events occur, translating the intentions to protect your family in such an event, and then advising on the shortfall of insurance and where this is best implemented such as

in your personal name versus via your superannuation fund.

Superannuation

Your superannuation is your retirement nest egg. The key to maximising this for retirement is to start as early as possible. Ensuring your superannuation is invested according to your preferred level of risk and in line with your retirement objectives is important, as is the level and type of contributions going into your fund.

Multiple superannuation accounts usually means multiple fees, which eat into your retirement balance. Consideration to the type and level of contributions is important as is making sure you don't incur additional tax by exceeding the government limits. Ensure you maximise the incentives by considering the circumstances of both members of a couple.

Your adviser can assist you to find any lost superannuation accounts, consolidate your superannuation and ensure it is invested appropriately. In addition, taking advantage of all government and tax incentives available for your circumstances is important.

Retirement Planning

The Westpac-ASFA (Association of Superannuation Funds) Retirement Standard reports that comfortable lifestyle for a couple age 65 in retirement would cost \$59,236 per year, whereas a modest lifestyle would cost \$34,226 per year. A modest retirement lifestyle is "...considered better than the Age Pension, but still only able to afford fairly basic activities." The report also states. "...a comfortable retirement lifestyle enables an older, healthy retiree to be involved in a broad range of leisure and recreational activities and to have a good standard of living through the purchase of such things as; household goods, private health insurance, a reasonable car, good clothes, a range of electronic equipment, and domestic and occasionally international holiday travel."

Your adviser will be able to assist with defining what your idea of a comfortable and modest retirement lifestyle is and a

plan to work towards that goal.

Estate planning

Most families overlook this part of wealth management which focuses on making sure that your assets and wealth is passed on according to your wishes. If you do not have a will you die 'intestate' meaning that your estate is distributed according to a defined government formula, probably not according to your wishes. Taking care of children is a sensitive matter requiring consideration to guardianship in addition to financial providing for them. Should you become incapacitated; specific power of attorneys can be granted to allow someone else to make financial and medical decisions on your behalf? It is important to keep in mind not all of your assets will pass through your estate automatically; for instance, superannuation and life insurance, and these will need to be specifically addressed.

Part of seeking professional advice should include identifying those assets that are part of your estate and can be dealt with by your will, and those that need special consideration; who your intended beneficiaries are and which insurance policies are required to fund your estate plan.

Your adviser will be able to assist with the referral to an estate planning specialist should you not have one. Your financial adviser can also assist to identify if an estate planning review is required as your circumstances change, such as getting married or divorced.

Take the next step

We trust you enjoyed this publication and found it informative and professionally presented. Of course, your feedback is always welcome as we strive to continually offer content in a format that is relevant to you.

We now invite you to take the next step and meet with an adviser to discuss what it was you were hoping to achieve when you downloaded this handbook and to establish if we can help you achieve your goals and objectives.

Next you will find details on how to book an appointment with one of our experts.

We look forward to meeting you soon.



Appointment booking request form

About the Adviser

Please complete the Appointment Booking Request below and scan and email to:

Appointments are available Monday-to-Friday.

Please nominate your preferred day, date and time to meet with us. One of our client services representatives will call you to confirm your appointment.

Our services

Preferred appointment day and time

Day

Date

Time am/pm

Contact details

If you would like us to contact you via email to confirm your appointment or to answer any questions you have, please provide a valid email address for our records.

Email

Your Details

Title

First name

Last name

Mobile



Reader Notes



Reader Notes



Reader Notes



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