DOMINIQUE BERGEL-GRANT

5 SECRETS TO

FINANCIAL SUCCESS IN YOUR 30'S & 40'S

Leapfrog LIFE

General Advice Warning

In accordance with ASIC Policy Statement 175 under the FSR licencing regime, we are required to advise that through this eBook we are only providing General Advice.

The information contained in this document is general in nature and is provided purely as a guide to financial areas and strategies which may be pertinent to your situation and which you can then discuss with the appropriate adviser. This General advice has not taken into account any of your personal needs and objectives or your financial situation. Before taking any action to use any financial products mentioned on this website or to try and develop any personal financial strategies from the information provided you should consider whether that is appropriate having regard to your own objectives, needs and financial situation.

You should obtain advice from an appropriate expert in areas of tax, legal, financial planning or other area on any financial strategy suggested in this website and discuss its application to your situation.

Get a jump start on your money, learn the secrets to making successful decisions about your money over the next 10 years.

Uncover some of the best-kept secrets to securing your finances over the next 10 years. From ways to bullet proof your future, to the tough choices you will have to make about property and other key investments. Uncovering these secrets will unlock for you your ability to take control of your finances and be in the driver's seat so you can head towards the lifestyle you deserve.

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CHAPTER 1

Understand Those That Influence You

CHAPTER 1

It is often said that the 5 closest people you surround yourself with influence your success with money. You need to think about whether they are a good influence, and in fact if you are a good influence on them. Now I'm not saying to get rid of your friends or family. However, it is important to understand the financial personalities of those you allow to influence you. We can all think of a friend, who every time you go out to a bar, suddenly disappears when it is their round. Or the other friend who you see financially spending far more than they should to keep up with their peer group.

The way we behave with money is routed deep for many of us from our childhood. As a result, money habits become ingrained and to change these habits the first step is to understand your own financial personality.

CHAPTER 2

The Key Financial Personalities to Understand

Spender

You like to try new and creative things. What your family and friends think is important to you and you are focused on meeting social expectations. You will often spend money without planning ahead. You can find it difficult to save although you can find yourself donating bags of unused items to charity or reselling.

You know you have a weakness, however it might be more than one. Shopping for shoes, overseas travel, keeping up with the latest technology. You may have a cleaner, gardener or eat out / take away regularly which you cannot really afford.

Frugal

With a frugal personality type your friends and family will often consider you to be tough-minded as you take few things personally. You enjoy set structures and always keep your paperwork.

You are analytical and understand exactly what money you have and exactly where it is. You carefully make financial decisions by methodically analysing your available options. However it is your frugalness that will often lead to you missing out on investment opportunities, and your friends will often not share financial information with you as they find that you do not always understand their perspective.

You are so focused on today's security that you often forget about what financially is best for you long term.

Helper

As a helper you are focused on others and often put family and friends needs ahead of your own. You focus on ensuring harmony and avoid conflict. People often refer to you as kind hearted and empathetic.

However your kindness and compassion is your biggest financial fault. You can easily be taken advantage of and could be jeopardising your financial future by making financial sacrifices for others.

Friends and family will often share their financial information with you and seem to look to you for advice, however it is often for financial help.

Overwhelmed

You understand the need to focus on your finances however you do not have the time. You may have many financial accounts and a long to do list when it comes to making financial decisions.

You often feel unsure about making decisions as you do not have the time to research and today's needs are todays concerns. Not the needs of tomorrow.

You see yourself financially being in survival mode, living month to month and not seeming to make financial progress you were hoping for.

Friends and family will often talk to you about their financial situation which inspires you however your busy life stops you from taking action.

Resilient

You have seen it all, make investment decisions in the past some which have worked and others that have failed. You know where financially you want to head however you have found yourself over time down grading your financial goals.

Your friends and family consider you to be pragmatic and to have a good understanding of financial affairs and they respect your ability to focus on the ‘what is’ and the practicalities of money. They will often turn to you for advice.

When making financial decision you focus on proven facts and are careful to source accurate financial advice.

Savvy

You trust your experiences and look at the big picture and understand what impact your financial decisions you make. You trust your experiences and look at the big picture and today will have on your financial future. You enjoy making financial decisions.

Your friends and family will often look to you with admiration and will often see you as a source of financial information.

You do however understand your limitations and when you get stuck you seek out the right advice.

CHAPTER 2

You stay focused on your long-term goals and closely track your progress to achieving these goals. You are confident about your financial position and where you are heading.

CHAPTER 2

Once you have looked in the mirror and identified your financial personality and that of those around you. You can start to recognise patterns of behaviour and take the steps to be more conscious in your financial decision making process.

Use this knowledge to create confidence in your future and focus on identifying ways to recognise and then change habits.

CHAPTER 3

The Hard Truth About Money

CHAPTER 3

Time to change your thinking about money. Learn about the four money buckets to financial success

The hard truth is sometimes hard to swallow; your income is your most important asset, however; can be wasted on items that are not needed. Life is not about a collection of things, it is about the moments that create life.

CHAPTER 3

It is vital to understand your ability to earn an income is your biggest asset. However it can easily be wasted away. There are temptations from all around and understanding how to maximise every hard earn't dollar is critical to your financial success.

Over the next 10 years getting this right is going to make the difference between, being financially secure or looking back and wondering what you did with the pay rises over the years.

CHAPTER 3

Funds you need to live today

What you want to enjoy today

The taxation pot

Invest for your future today

CHAPTER 3

Learning how to manage the four financial buckets is key over the next 10 years. You have likely spent the last 10 years grabbing a foothold on the property market.

How you use your cash over the next 10 years needs to be planned and thought put in to ensure every dollar is maximised.

To help you do this we need to explore more about what each of the buckets is for.

CHAPTER 3

Need Bucket

The money in this bucket is to keep you safe and secure financially today. Providing for your needs to keep a roof over your head, insurances covered, health costs managed and food on your table. Money should only be pulled from this bucket for:

- Rent or mortgage repayments
- Health costs
- Premiums for personal and general insurances
- Grocery shopping
- Utility costs such as electricity, water, strata and council rates

CHAPTER 2

Want Bucket

This bucket should only be filled when all other buckets of money have been filled. This is the money for your lifestyle today.

Your reward for having a plan. Spending money from this bucket is making a conscience decision to not save this money for your future.

Money from this bucket that is spent will include:

- Holidays
- Eating out
- Entertainment costs
- Memberships, gardeners, cleaners etc...

CHAPTER 3

Tax Bucket

For many employees there will be little to no control on how much tax you pay. The only leverage you will have to reduce tax, could be to make extra contributions to your superannuation.

However if you are self employed, understanding your tax position is critical. Far too often business owners fail to put enough money aside for tax obligations, creating a spiral that could led to a decline in the business.

Holding investments such as a negatively geared property investment, could be a way to help reduce your tax while at the same time building assets for your future.

CHAPTER 3

The important thing to remember here, is that negative gearing still results in you losing money. You need to ensure that your investment will grow over time to compensate for this loss.

Investments should be made for investment reasons and not just tax outcomes.

CHAPTER 3

Future Bucket

Calculating what you should put into this bucket from today's income is critical to your future financial security. We are fortunate in Australia to have a superannuation system that results in a 9.5% contribution being made to super by our employer. However this is well acknowledged by government and finance experts that this will not be enough to retire on. Understanding how much you should top up your super by however is just one component.

If you are planning on children you will also need to consider how you fund maternity leave and costs of education and much more.

CHAPTER 3

Getting an early start on this will help to ensure you don't get caught short.

This bucket should also include money you are setting aside to help pay off your mortgage quicker. Having a clear exit strategy from your debt is critical.

CHAPTER 4

Take Control of Your Investments

CHAPTER 4

The tax and financial systems in Australia do a wonderful job at making it seem complicated. However, to be financially successful you need to take control of your investments.

Building wealth is about far more than just gathering buckets of money. It is not even just about picking the best investments. It is vital to understand that a mix of investment choice, tax structures and knowledge of costs gives you the tools to pick the smart mix for you.

CHAPTER 4

Making the decision to take control of your investments and understanding the possibilities is vital to maximising the money that you already have set aside. It is also critical to the money that you will continue to save into your 'Future Bucket' over the next 10 years. At 35 most of us are detached from investments like superannuation and have little appreciation for the tax benefits that are there for the taking, if only we just took the time to understand them.

It is also important to remember that as much as the structure we hold our investment in is important so is the underlying assets and fees you pay. The most important thing is to get your structures right so that each dollar can grow for you.

CHAPTER 5

Know Your Structures

CHAPTER 5

Building wealth is about far more than just gathering buckets of money. To truely ensure your investments are working for you it is critical to ensure that you have your investments being made in the most tax effective structure for your long term needs. Being smart and in control of your money is recognising that different structures get charged different rates of tax. The more tax you pay the less your overall investment will return.

If we take the example of a $10,000 investment. If invested in your own name you will pay tax on anything this investment earns at your marginal tax rate. Including levies this could be as high as 49%. Yes that is right, you could lose almost half your earnings.

Instead if you invested this money in your super fund, this would be only 15%. A significant saving

CHAPTER 5

There are also other tax structures such as family trusts, company structures that could also be tax efficient.

Making a decision early, and getting your structures right could save you thousands in taxation, not just today but for years to come.

CHAPTER 6

Reduce Your Fees

CHAPTER 6

Over the years as we change jobs, take over investment accounts set up by parents or grandparents. We can get complacent about investments that have been set up for us.

Superannuation is a classic example of this. Did you know:

- All superannuation funds set up by employers must have a default level of insurance cover.

- Often when you leave your employer the fees on the super fund they set up will increase.

- Fees on superannuation are often hidden and not clear on statements. These often include a member or account fee, plus an investment management fee, even an expenses recovery fee.

CHAPTER 6

Conducting a review of your investments fees can save you hundreds if not thousands of dollars in the coming years. Leaving more money in your pocket, and one step closer to achieving your future goals.

CHAPTER 7

Make Sure the Investment Suits You

CHAPTER 7

Far too many of us have money sitting in cash for years and years on end. At the other end of the spectrum you may have been placed into a superannuation fund that is far too risky for your needs.

For all pots of money and investments that you have it is critical that you understand where they fit into your broader financial needs and plan.

Your superannuation for instance, you will not be able to access until you are at least 60, so you may be prepared to ride out the share market highs and lows. While money you are putting aside for your children's education, you may want to take different approach with. One investment tool that is consistently under utilised for short term savings is a mortgage offset account facility. Understand your needs and invest to match.

CHAPTER 8

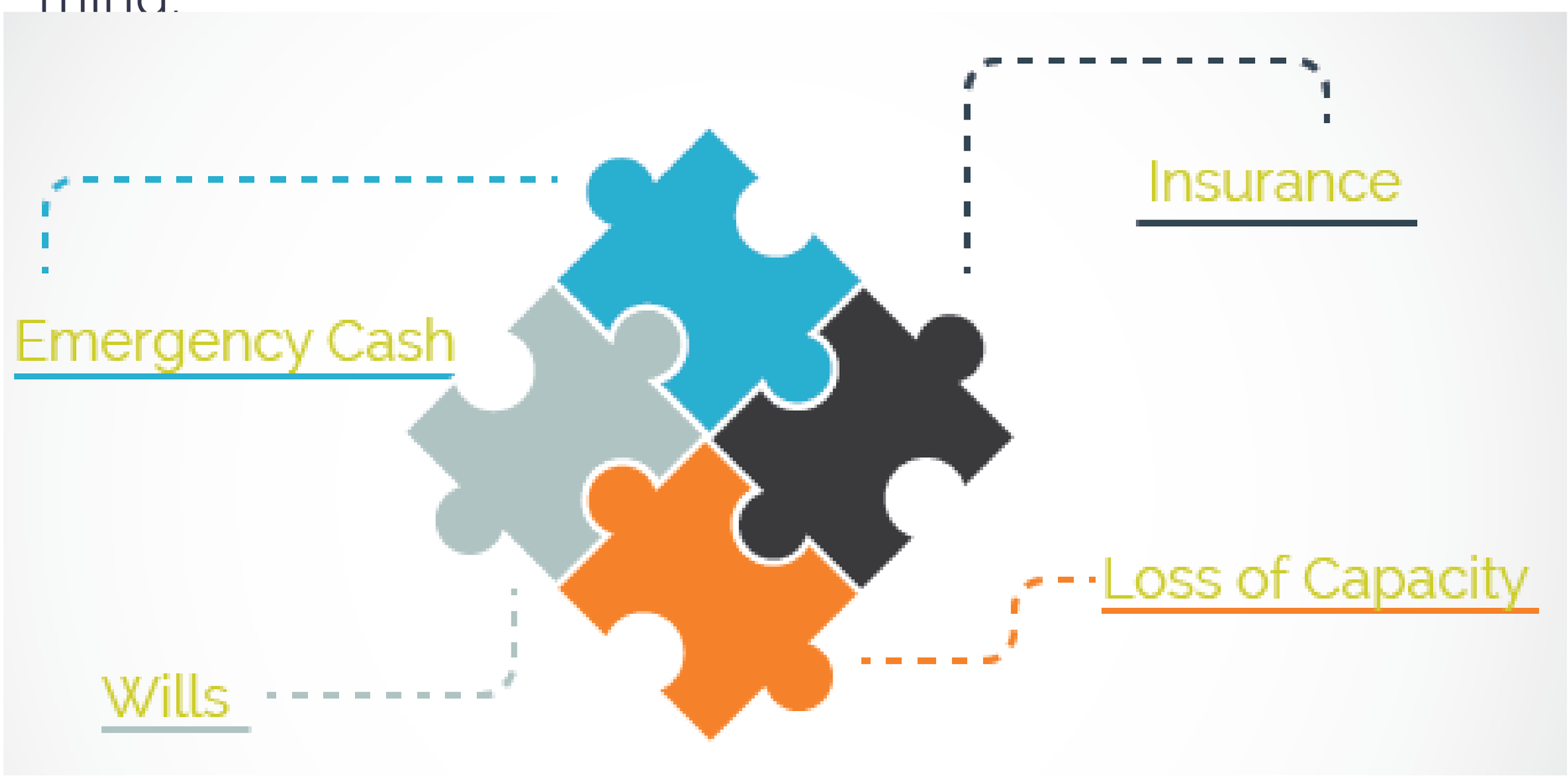
Bullet Proofing Your Future

CHAPTER 8

You are now at an age where assets are accumulating, perhaps you are married and even have children who look to you to protect and provide for them. Stepping up and bullet proofing your future is about taking responsibility for you and those around you.

Unfortunately even with the best of financial strategies in place we still need to have a back up plan. It isn't just a case of fail to plan, plan to fail. It is also a case that if you fail to plan for the unexpected, the plan will fail.

Bullet proofing your future is about providing peace of mind.



Emergency Cash

This is the cash that you have access to in an emergency. Perhaps it is available redraw on your mortgage, money in your mortgage offset account, or savings account. It should not be considered to be a credit card.

Knowing how much is enough is a simple equation. If you are employed you should ensure you have at least four months of. Getting the right insurance mix can be a complex area. It is also important to get the structure right here as well. Some policies, like life insurance, are only tax deductible if paid for through superannuation.

Wills

This is a critical document as it provides your instructions in the event that you pass away. A Will provides you the power and control to make your intentions clear. Allowing you to instruct who you want to receive your assets and even who will look after your children.

It is an investment of money to get a Will done through a solicitor, however it will provide your family with a clear understanding of your instructions and save them considerable legal fees.

Also remember if you get married you will probably need to do your Will again.

Loss of Capacity

Depending on the state you live in there are different requirements. The key here is to make instructions on who you want to make your financial and medical decisions if you lose capacity.

Without the right documentation in place, such as an Enduring Power of Attorney or a guardian appointed, your family will be left dealing with government bodies. Far from ideal in most circumstances.

These documents should be completed with a solicitor in combination with your Will. Creating a complete estate plan.

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Book a 15 minute appointment with the author to answer your questions.

Book Now

About The Author

Dominique Bergel-Grant

Dominique is a multi-award winning Financial Adviser and leader in the financial planning industry. She is regularly called on by media for her trusted expertise.

"I am a strong believer that sitting still is choosing to fail and that being successful in LIFE is about getting the balance right.

LIFE, after all, would be boring if all we ever did was make LIFE decisions based on financial outcomes alone.

It has been an amazing LIFE journey to this point, and a big thank you to my mother who allowed me to experience LIFE to the fullest. At the age of seven, she put me on a plane from Sydney to the UK to boarding school thousands of miles away from everything I knew. Being thrown in the deep end and learning to paddle has made me who I am today. I am proud to have built a successful. business by using the values I learned through becoming a seeker of adventure and not following the flock.

The best part of what I do is that it allows me to share my knowledge. This allows me to witness my clients build real wealth, and not just in financial terms.

"I have designed my LIFE and I want to share this knowledge with my clients."

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CONGRATULATIONS

On reaching the end of this eBook. As always we would love your feedback and if you have any questions or need personal advice do not hesitate to get in contact with us.

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