Wealth Creation

Freedom Stage 7
Part D

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NOW® ACCOUNTING
Your financial potential. Realised.

Disclaimer

The messages communicated in this online seminar will be a combination of the speakers personal views, financial education from a taxation and education perspective and general advice.

No action should be taken solely on the material contained in this presentation as the information is of a general nature and does not take into account your specific personal needs or circumstances.

You should consider whether what is discussed today is suitable for you and your personal circumstances.

Before you make any decision about whether to acquire a certain financial product, you should obtain and read the relevant product disclosure statement.

In Australia personal financial advice by a licensed financial adviser is ordinarily accompanied by an advice document called a statement of advice. If you have not received a statement of advice it is likely you have not received personal financial advice. Registered financial advisers are listed on a government website, along with the scope of their authorisation.

How can a financial adviser help?

A financial adviser can help you:

1) Understand your current position
2) Clarify your goals
3) Project where your current path is heading
4) Help identify what would need to change (proposed path) for you to achieve your goals
5) Research and recommend appropriate financial products including Insurance, Superannuation, Investment Products etc
6) Help you identify what the likely outcome of different strategies might be (for example, invest regularly into Super vs paying off your mortgage, sell an investment property or share portfolio now vs later)
7) Identify eligibility for government payments and recommend how to maximise entitlement
8) Minimise tax and fees paid on your investments
9) Keep up with changing legislation
10) Give you confidence and help you stick to your plan

What to avoid with financial advice:

Look to avoid:

1) Unqualified or inexperienced advisors.
2) Financial payments that don't align with the effort and expertise provided and that have the potential to skew advice. For example commissions, and excessive fees.
3) Ongoing payment streams that are not required, such as asset based fees or ongoing servicing fees that are not justified based on the size of the portfolio.
4) Restricted product scope, such as seeing an advisor who works for your Superfund or works for a particular financial product.
5) Debt pushers

Example service:

Young family:
Might engage with an adviser and get a recommendation for appropriate insurance products & superfund selection, review their goals and budgets.

Ideally pay a fixed fee for the advice, and a fee for implementation. Might want need/on going service but might want to come back in 3 years unless something changes. Might end up in a lower cost public super fund with specific investment allocations while building the fund balance.

Approaching/in retirement with a much larger Super balance:
Might engage with an adviser for on going service, meeting annually to review investment performance, tracking against budget etc.

Might end up moving to a Super product where the adviser is managing specific investments in a structure like a SMSF or similar to control tax outcomes and investment exposure.

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Retirement

Putting it into action:

1) Do the earlier steps first! Don’t ignore the importance of having a budget, insurance, emergency fund, getting out of debt, having a healthy housing position.

2) If you can find an investment professional you trust, work with them, but ensure the benefits derived outweigh the cost and that you don’t end up in an over servicing arrangement.

3) Get clear on your goals and get about consistently investing.

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Retirement

Your numbers:

I would like to retire ______________

My lowest retirement income would be _____________

My ideal retirement income would be ______________

My expected rate of return is _____________

To achieve that income I need ____________ invested

I am currently able to invest ___________ per ________

Freedom Stages

1. Plan your financial freedom
2. Mini emergency fund
3. Protect your income (with insurance)
4. The debt snowball
5. Emergency fund
6. Healthy housing
7. Wealth Creation
8. Generosity