

Welcome to Informed, a quarterly magazine for our clients. We hope you enjoy the articles in this edition.

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If you are new to reading Informed, welcome.

If you are an avid reader of this publication you would be familiar with this forum, delivering relevant and interesting content from the financial planning industry, to help you better manage your financial life.

A core value of our business is that every Australian should have access to, and benefit from, good financial advice. In reading this publication, we hope that you find the articles interesting, and perhaps they will provide some talking points for your next review meeting with your financial adviser.

Enjoy reading this edition of Informed.

## It's our business to know your business

If you are a small business owner you would know the importance of having a good team behind you.

That includes a team that can help look after your finances, talk to you about appropriate business insurance and discuss succession planning for when you sell, wind up the business, or you are forced out due to ill health or death.

A professional Financial Adviser is ideally placed to have these discussions with you, and with any other business partners or family members, who may be impacted by the decisions you make.

In a time when many businesses, particularly small to medium businesses, have taken a hit with the COVID lockdowns and restrictions, now is the time to get your business plans and finances in order so you can move forward with growing your business and servicing your clients.

### Contingency plans to protect you and those you love

When you are busy running your business and things are going relatively smoothly it's easy not to think about what would happen if you hit a rough patch. This could be a downturn in business, illness, injury or death of yourself or your business partner.

There are many unexpected things that could stand between you and a successful transition of ownership once you are ready or forced into removing yourself from your business.



A Financial Adviser can talk you through some of the unexpected events that may occur, and the plans you can put in place to deal with them.

### **The importance of business insurance**

There are a few different types of business insurance policies every business owner should consider – key person insurance, buy/sell insurance, business continuance insurance, professional and public liability insurance. A Financial Adviser can discuss the type of cover you may need, the different insurers on the market and any possible tax implications that you can further discuss with your accountant so you get appropriate insurance cover in place.

### **Tax implications**

Fully understanding the tax implications of a business and business insurance policies is really complex and requires specialist tax advice to ensure you end up with the optimum structure for your business ownership and policy ownership.

It's critical to get professional assistance from a qualified professional tax accountant so that you understand the benefits and the tax implications now, and for future successors in your business.

### **Your business is not your superannuation plan**

We live in a time of unprecedented change when businesses that were thriving yesterday find themselves in dire straits today – torpedoed by technology, superseded by more agile newcomers, impacted beyond repair by recent business shutdown periods or they just plain run out of steam.

If that happens to your business, or simply your business does not yield enough profit at sale to fund your retirement, you'll need something substantial to fall back on. That's why you should consider the many benefits of keeping your business and retirement funds separate. This may be a standalone superannuation policy in your name, or a self-managed super fund. There are pros and cons with both that a Financial Adviser can discuss with you.

With a proper superannuation policy in place for your retirement, you can rest easy that no matter what happens with your business, your hard work, the long hours, the stress and the strain on your family will all be worth it because you can retire with sufficient funds to keep living your life to the fullest.

### **Life beyond work – your transition plan**

When the time comes for your succession to happen – and this may not be under your control – who's going to take on the day to day running of your business, potentially at short notice, until the transition to the new owner is complete?

*Having a solid transition plan in place and ensuring all the key parties who will have a role to play are across the plan is critical to ensure the smooth transition of your business and minimal disruption to your clients.*

Having a third party professional, such as your Financial Adviser, to assist in these discussions and the formulation of the plan can help everyone to feel comfortable that business will continue, even if you are not around.

### **Talk to us about your business**

If you do not have a solid business insurance policy, superannuation fund and transition plan then it's time to book a meeting with a Financial Adviser and get one. We can guide you through the process – the planning and the implementation – safely and successfully.

*As one year ends,  
another begins.*

**We wish you a  
wonderful festive season  
and look forward to  
a bright New Year.**



## THERE'S AN APP FOR THAT

**Apps are great... while they are not a replacement for tailored financial advice, they are useful to track and measure your financial goals.**



**Banking and budgets apps**



**Everyday savings apps**



**Avoid the argument apps**



→ **Speak to a financial adviser about apps to complement your financial plan.**

It seems we are increasingly using apps in everyday life. Apps can help us manage certain aspects of our lives, tap into things that are of interest to us, or keep track of different goals.

We can use apps to look up movies, events and shows and book tickets within minutes; we can use apps to make medical appointments; track our health, fitness and mindfulness goals; dial into entertainment – to stream programs, listen to podcasts or download audio books.

But what about helping you track and measure your financial goals? Well of course, there's an app for that.

### Banking and budgets apps

There are apps that link multiple bank accounts and other financial institutions that help you to manage your everyday spending. They provide a dashboard that outlines your spending categories which you can use to customise a budget. You can also run weekly, monthly or annual reports so you can see fluctuations in your spending.

Some examples of the more popular banking and budgeting apps include Pocketbook, MoneyBrilliant, and Frollo.

There's also an app called Finspo that allows you to compare fees and charges with different banks, so you can see if there are savings to be had by switching banking providers.

### Everyday savings apps

One of the biggest expenses for any household is the grocery shop. In a 2017 survey it was reported that households spend an average of \$1,425 per week on goods and services, of which 17% is contributed to food and non-alcoholic beverages<sup>1</sup>.

There's a free app called **WiseList** that allows you to compare the cost of items at major grocery stores. Yep, you can download an app and see a side-by-side view of an item at Coles and Woolworths.

Of course, this is only useful if you have a Coles and Woolworths in your local area. If you live in a regional area of Australia, there may only be one option. But for city dwellers, this is a great way to shave a little bit off the cost of your grocery bill.

Another major expense is transport. If you drive a lot during the week you may see a huge chunk of your money go towards filling the tank. The PetrolSpy app allows you to compare costs at the bowser so you can decide where along your journey you want to stop and fill up, to achieve a little bit more of a discount.

### Avoid the argument app

Have you been out to dinner with a group of friends only to have the awkward conversation at the end about who owes what on the bill? And then plead with the waitstaff to pay separately?

The **Splitwise** app allows you to track shared expenses and provide reminders of who owes what.

Mindful that everyone has to download the app, so it may not be worth it as a once off, but if you regularly go out with the same friends or you live in a household that splits bills, this could save a lot of awkward conversations and annoying plugging of figures into a calculator.

### Apps aren't for everyone

Whilst some people wholeheartedly embrace apps and find them helpful and useful, they aren't for everyone.

They take time and patience to set up and monitor, and not everyone wants to be glued to their mobile phone or device all day and night. And that's ok, because an app won't help everyone on their financial planning journey, but they might help some people stay on track and in control.

### Talk to us

Apps are great and can provide real-time data to assist you and your adviser to make better decisions.

Beware though, the power you have given over and the access to your private information, especially bank accounts. Ensure your phone security is high and can't easily be opened. Consider the use of fingerprints to unlock your phone and regularly change your PIN.

We can get your tailored financial plan in place and discuss what apps you might consider using that will assist you in reaching your goals.

Notes:

General advice only. You should do your own review of each app before downloading it for indications it may be fake.

1. Household Expenditure Survey, Australia: Summary of Results at <https://www.abs.gov.au/statistics/economy/finance/household-expenditure-survey-australia-summary-results/latest-release>

# Financial tips that anyone can use

There are lots of tips when it comes to getting ahead, financial speaking. Most of them are really simple so if you're struggling to get on top of your finances and it is a burden you could live without, take a look at our suggestions and make a commitment to just start with one. If that works, maybe you want to tackle a few more.

## Seek advice, listen and follow it

### The importance of a good Financial Adviser



Sometimes we try and take on everything ourselves. Whilst it's great to have a can-do attitude, we cannot expect ourselves to be experts in everything, so luckily there are people who are experts in money who can help you on your financial journey.

Financial Advisers understand money, they know how it works and they have the skills, tools and technology to make the complicated world of financial planning work for their clients – no matter what their age, income or financial goals.

If you want to get your finances into an achievable financial plan that helps you reach your financial goals sooner, talk to an expert, listen to their ideas, and commit to doing something about it.

And don't be afraid to ask questions throughout the process. If there is something you don't understand, your Financial Adviser can keep working with you until you understand it and feel comfortable.



## Financial planning is about exploring options

### Diversifying your wealth creation strategies



There are many ways you can increase your wealth and it's worth exploring all of them and considering whether or not they suit your individual situation, needs, values and goals.

A Financial Adviser can help you explore different options such as shares, managed funds, bonds, superannuation and property, whilst keeping in mind your risk tolerance level and need for a certain level of income to pay your bills and put food on the table.

## Spend smart, save smarter

### The importance of having a budget



If your finances take a sudden hit, are you prepared for that? Things such as losing your job, being asked to take a pay cut, taking time off work to be a stay-at-home parent or suffering an illness or injury can take you out of the workforce and reduce your income – which can be a shock if you are not good at budgeting.

A Financial Adviser can work on a realistic financial budget with you and discuss personal insurance options that may provide financial protection if you become ill or injured.

And remember, a budget is not just about telling you what you can and can't spend money on, it's a way of tracking your spending, understanding what you can cut back on, where you can take advantage of cheaper alternatives, how you can compare prices and learning what you can live without in order to reach a more desirable, long-term financial goal.

## Take the lead and stay in control

### Don't leave the important financial decisions to someone else, get involved!



If you share finances with a partner it's a good idea to make sure you are both informed and that you discuss any major financial decisions before making them. If the relationship breaks down, or one partner becomes ill or injured, then it's good to know the other partner in the relationship has a clear understanding of your financial position, goals and expenses.

If you are invested in financial products, make sure you understand those products, and if they meet your needs, goals and values. Some people only want to invest in ethical or sustainable products, so if this is important to you, make sure you discuss it with your Financial Adviser.

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