

money saver HQ



SMART CALL: Insuring your phone

BABY BLUES: The cost of kids

Being king or queen of your cash is not all black and white

EMMA BLAKE

MOST of us feel optimistic about our financial future but only a quarter of Australians have a strategy for how to achieve their goals.

Indeed most people, when asked, are not even sure what their goals are, says Louise Lakomy, Certified Financial Planner and director at Crystal Wealth partners.

"Before you put a strategy in place (you need to) identify what you want at the end of that journey," Lakomy says. "Most people don't really know what that is straight away, you need think about it."

Many of us will have vague ideas about what we want to achieve, like owning our own home, but haven't thought about how to get there.

A recent survey by the Financial planning Association of Australia found two in five people have a vague financial plan.

And 75 per cent of us have made no plans or very loose plans for how to achieve common aspirations such as financial independence, retirement or travel plans.

This is despite there being more tools and information available than ever before.



"It's really important to know what you are spending and to simplify (your finances)," says Eliane Miles, research director at research and strategy company McCrindle.

She says there are so many great budgeting apps available that can track your spending for you. Some people simply divide their income into three buckets for bills, saving and another for discretionary spending.

Women are usually worse than men when it comes to facing their financial future

Only a third of women aged 20 to 51 have put a financial plan together compared with 46 per cent of men.

"Women tend to rely on someone and 17 per cent say they let their partner make most financial decisions, compared with only 12 per cent of men," Miles says.

Lakomy agrees that women are more likely to push financial goal setting to the back of their minds.

She says women are more likely to lack confidence when it comes to money even though they are making more than ever before.

"Women often feel a lack of self worth or worry they don't have enough money to warrant setting financial goals whereas a man wouldn't have these doubts," she says.