

Your financial future starts now

They say every great journey begins with a single step – and yours is just beginning. Here's how to get on the path to financial freedom at the same time.

Every year, thousands of young Australians start one of the biggest journeys of their lives: their careers. And if you're one of them, you're probably having a great time making the most of your new income without thinking too much about planning ahead.

But the good news is, you can get yourself set up financially for the future while still enjoying life now. Here are some things to keep in mind so you can get started on the right foot.

What are your life goals?

When you first join the workforce, it's worth taking the time to really think about where you want to be in 5 or 10 years from now. That way, you'll be able to make sure you're headed in the right direction.

As the first step, consider your short- and long-term goals, both personal and professional. These may include:

- Buying a car
- Finding your dream job
- Moving out of home
- Saving for a house
- Furthering your education
- Starting a relationship

An adviser can help you see the big picture, while still making the most of the here and now. The sooner you get professional advice, the easier it will be to navigate a path towards your goals.

How much will it all cost?

If you're moving out of home for the first time, you're probably celebrating your newfound freedom and independence – but beware how expensive your independence can be. Even with a regular paycheque coming in, it's easy to overspend without thinking about it. The last thing you want is to rely on credit cards that you never seem able to pay off.

The Australian Government estimates the minimum cost of living to be over \$20,000a year¹ – so it's a good idea to work out a careful budget based on your salary. You should take into account your ongoing expenses like rent, bills and groceries while also putting aside savings for things that crop up occasionally, like car rego and medical costs.

It's also worth factoring in your goals and including a savings plan in your budget. So, for example, if your aim is to buy a car, set a deadline and calculate how much you need to save out of each paycheque to reach that goal.

Why do you need super?

At this stage of your life, retirement seems a long, long way off. But right now, time is on your side for growing your nest egg – and you'll thank yourself later.

In most cases, your employer has to contribute 9.5% of your pre-tax salary into your super fund. But you can make your



retirement savings grow faster by making extra contributions yourself. One way is to salary sacrifice an amount from each paycheque straight into super.

For example, a 20 year old who earns \$50,000 a year could expect to have a super balance of around \$256,000 if they retire at the age of 67. But if they put in an extra \$50 a week (via salary sacrifice) throughout their working years, they'll end up with more than \$115,000 extra at retirement age – which will make a huge difference to their quality of life.²

Which types of insurance should you consider?

Sure, you're young and healthy – but the reality is, no matter what shape you're in, you never know what lies around the corner. And right now, there's a good chance you're taking some risks as well, especially if you enjoy active sports or adventure travel.

That's why you should consider protecting yourself with insurance cover, so you know you'll be looked after if you end up with a serious injury. It's a good idea to take out Total and Permanent Disability (TPD) and life insurance so you can spare your loved ones any financial hardship if the worst should happen. An adviser can take a close look at your situation and help make the right insurance choices for your needs.

By getting guidance from an adviser now, you'll be taking an important first step towards achieving financial freedom in the future.

1 Australian Government, Living costs in Australia, July 2016.

2 Based on calculations made using ASIC's MoneySmart Superannuation Calculator. Assumptions: 4.8% investment returns (before tax and fees) on a Balanced investment option, with 7% tax on earnings, administration fees of \$50 pa and investment fees of 0.5% pa.

Speak to us for more information

If you would like to know more, talk to your Count financial adviser. They can give you more detailed information on the best approach for your situation.

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