

OUR GUIDE TO:
Building your wealth

WITH



[TILLYMONEY.COM.AU](https://www.tillemoney.com.au)

HOW TO USE THIS GUIDE



Have you ever felt you need a helping hand to get you on the right track? Just a bit of support or advice to help you out of a situation you'd rather not be in? Having a messy money life or a lack of financial direction can lead to all sorts of insecurities and challenges. But the truth is, you don't have to be in a mess and you don't have to live in a haze about money. Ignorance of money isn't bliss. Working on a money plan, writing down your goals, eliminating debt and then starting to save can give you a wonderful feeling of self-control and self-esteem. You're a strong person and you have a right to walk through life feeling confident and capable about your financial situation.

I want you to start today to get your money life in order. We've produced this guide for you to give you the support to do just that.

So if you're ready to embrace confidence and control, then here's how you do it:

1. Print out this guide.
2. Find somewhere quiet where you can think. No-one's looking so be open and honest about your situation now and where you want it to be.
3. On page 3, write down your goals. Make them realistic and achievable but throw in a few big ones too to stretch yourself. We all need to be pushed out of our comfort zone from time to time in order to grow.
4. Keep this guide with you so you can refer to it to ensure that you have your goals in front of you. Don't put it out of sight because then it can be out of mind.
5. Be determined to change your money life forever. You'll notice other positive changes when you do.
6. Break the cycle of living from pay cheque to pay cheque. It's a great comfort to know that you have money in the bank for times when you just might need it. You can then stand on your own two feet.
7. Once you have your life in order and start seeing your level of savings rise, let us help you learn how to make your money grow. That means staying in close touch with us at tillymoney.com.au. We're here to support you every step along the way.

With love,

A handwritten signature in cursive script that reads "Maureen".

Maureen Jordan, BA (Economics), LLB (Hons), Dip Legal Practice, Dip Ed, CEO Tilly Money

Proudly brought to you by



nanda\hobbs

GETTING ORGANISED

1. FIRST THING TO DO IS TO SET YOUR GOALS:

Setting goals is a pretty easy task. You do have to sit somewhere quiet and think about what you want to achieve. Find some time to do that and have a good think about what you'd like to achieve.

It might be some of these:

1. Rid myself of 'bad' debt within 12 months. To see what we mean by bad debt, turn to page 8 of this guide.
2. Save and pay for my next overseas holiday (before I go!) so it won't all be on my plastic card to be paid when I return.
3. Save for a deposit for my first apartment, house, studio.

The point of writing down your goals is to have a clear picture on exactly what you want to accomplish.

So the first step is to think what you want to achieve. The second step is to write them down. And the third and most important step is to put a plan in place to achieve your goals. This might mean having a goal to save \$2,000 or more in the next 12 months. How much do you need to save each week to achieve this? What do you need to 'sacrifice'? Do you have to do some extra work to help you save?

GOALS

1.
.....
2.
.....
3.
.....
4.
.....
5.
.....

2. DO A SWOT:

Maybe you've heard of doing a S.W.O.T. before. This is when you seriously look at your Strengths, Weaknesses, Opportunities and Threats. Good businesses do a S.W.O.T. regularly to help them improve and grow. I want you to do a personal S.W.O.T on YOU! It's not hard but it does require you to be honest with yourself. Maybe you're not focused enough on the work you do and therefore you're being overlooked for promotions and pay rises? This could be seen to be a weakness. But maybe a strength of yours is that when someone gives you feedback, you will take it on board and do your best to improve yourself. If you really are like that, then perhaps you'll get that promotion or pay rise pretty quickly!

<h1>S.W.O.T</h1>	
STRENGTHS	WEAKNESSES
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____
OPPORTUNITIES	THREATS
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____
4. _____	4. _____
5. _____	5. _____

3. DO A BUDGET:

Fill in the budget on the next page to find out where your money is going and how much savings (or debt) you have. This may also help you find where you could spend less and therefore save more! The first table is for those who live on their own or split costs with a partner. The second is for anyone with dependents.

If you prefer to organise your budget digitally, there are several apps that allow you to connect your finances in the one place. Examples of budgeting apps include Pocketbook, Moneybrilliant, Frolo and Moneytree. You can read more about budgeting apps [here](#).

SINGLE BUDGET

<i>ITEMS</i>	<i>\$ SPENT PER MONTH</i>
1. Mortgage/ Rent	
2. Strata & Council Fees	
3. Other loan repayments	
4. Water/gas/electricity	
5. Home & Contents insurance	
6. Internet/ phone bills	
7. Groceries	
8. Eating out/takeaway/coffee	
9. Alcohol	
10. Petrol/car wash	
11. Public transport	
12. Ride sharing (Uber etc.)	
13. Vehicle insurance/rego	
14. Vehicle servicing/ repairs	
15. Medical appointments/ pharmacy	
16. Health insurance	
17. Hairdresser/beauty appt (laser, eyebrows, nails etc.)	
18. Cosmetics/skincare products	
19. Streaming services (netflix etc.)	
20. Entertainment (music, live sport, theatre etc.)	
21. Gym/sport memberships	
22. Clothing, shoes & accessories	
23. Gifts (birthday, Christmas)	
24. Donations	
25. Holidays	
26. Rainy day savings	
27. Pets	
28. Other:	
<i>MONTHLY EXPENSE TOTAL:</i>	

DEPENDANTS

If you have kids, add these things:

<i>ITEMS</i>	<i>\$ SPENT PER MONTH</i>
1. Household groceries	
2. Health appointments	
3. Health insurance	
4. School fees	
5. After school activities (dance, sport etc.)	
6. School uniforms & supplies	
7. Pocket money	
8. Clothing & shoes	
9. Gifts	
10. Other:	
<i>MONTHLY EXPENSE TOTAL:</i>	

Now for the scary bit...

Put your monthly income here

\$ (b)

Put your monthly expense total here

\$ (a)

Now take away (a) from (b)

\$

b - a = c (your savings!)

“We must consult our means rather than our wishes.”

George Washington,
1st President of the United States of America 1789-1797.

BALANCE SHEET

4. FILL OUT A BALANCE SHEET

A balance sheet shows your assets i.e. stuff you own that has value, from cash to cars to jewellery and so on. You then add up your debts. Now take this away from your assets, what you end up with is your equity or what you're really worth in dollar terms. Here it is:

<i>What you own</i>	<i>\$</i>	<i>Your debts</i>	<i>\$</i>
1.		1.	
2.		2.	
3.		3.	
4.		4.	
5.		5.	
6.		6.	
7.		7.	
8.		8.	
9.		9.	
10.		10.	
<i>Total assets (1)</i>		<i>Total debt (2)</i>	

Now do the maths!

Your Net Worth (1) - (2) =

\$

This is your net financial worth and it's the figure you want to positively grow.

The balance sheet that you have just filled in gives you an idea of what you own. It's called Net Worth because it looks at all the things you own and then any money you owe. It gives you a clear picture of your wealth, or your lack of it. Depending on your age and circumstances, this could be a big figure or a small one. Even if it's zero or negative, don't despair! What we want you to do is to have a clear picture of your financial situation and from there we can help you build your wealth and help you along the road you walk towards financial independence.

Over the next couple of pages we're going to tackle the issues of how to save and how to get out of debt, or how to use debt to your advantage. Yes, debt can be OK as long as it's used to buy assets that will go up in value. I want you to feel that you are really learning what people who use their money wisely actually do.

HOW TO SAVE MONEY

6. SAVINGS

Some of us have been savers since the cradle, others are different. It takes all kinds to make up this colourful world we all live in. But there comes a time for all of us to get sensible about saving money if you want to be able to stand on your own two feet and be financially independent your whole life. Peter Switzer, respected money man has written many books about money and he's known for his easy style and the way he helps people get their money life sorted (see www.switzer.com.au). Peter says that the way you should save is to GST your life. This means you take 10% off what you currently spend and put it into whatever account you save in. This will add up so quickly. Below Peter gives you some quick ways to GST your life!

GST YOUR LIFE

That's right, you need to tax yourself 10%. If you spend \$50,000 a year in rent, food, clothing etc. and you cut your spending by 10%, then you have \$5,000 a year in savings. Have a look at the budget you filled in on page 5 and see where you could save money. Aim to cut this amount by 10%.

WAYS TO SAVE 10% OF YOUR INCOME

- Use comparison sites to shop around for the best insurance deal, home loans, credit cards, phone plans, energy provider etc.
- Shop in cheaper suburbs.
- Use the Fuel Check app to find the cheapest petrol.
- Use the Honey plug-in for automatically applied discounts when shopping online.
- Use Shopback when you can.
- Try Op shops and your local "Buy swap and sell" pages on Facebook.
- Cook meals at home to reduce the amount of takeaway or eating out.
- Take leftovers to work for lunch.

List any other saving 'hacks' you can think of below or how the above 'hacks' could work for you:

1.
2.
3.
4.
5.

HOW TO UNDERSTAND DEBT

7. DEBT IS NOT A DIRTY WORD!

There are two kinds of debt; good debt and bad debt.

What's good debt?

Good debt is a loan that has the potential to increase your net worth. Your net worth is the value of all your assets minus any outstanding debt.

What is bad debt?

Bad debt is borrowing money to purchase depreciating assets, like a new car. The second you drive it out of the dealership, it starts losing value.

Take some time to categorise your debt here. List them under good or bad and add the dollar amount of each one.

GOOD DEBT

- A home loan*
- Student loan (HECS/HELP)*
- Borrowing to invest
- Borrowing to grow your business



.....

.....

.....

.....

.....

BAD DEBT

- Borrowing for a holiday
- Borrowing money for an asset that depreciates in value (a car)
- Credit cards/ Afterpay/ ZipPay etc.



.....

.....

.....

.....

.....

**I've classified these as good debt but in reality you should pay these off as fast as possible because there are no tax advantages in having these kinds of debt.*

Now think about eliminating your 'bad' debt first. If your debt is getting hard to stay on top of, one way of managing it, is consolidating your debt. This involves taking out a personal loan to pay off each debt and any outstanding interest. With a personal loan you'll have just one repayment to make every week, fortnight or month over a set term – you can usually choose your own frequency of repayments. And if the interest rate on the personal loan is lower than your credit card rates – and they often can be – this can help you get ahead in reducing your overall debt. Make a strong resolution to put your house in order and only buy things you can afford to pay for without going into debt.

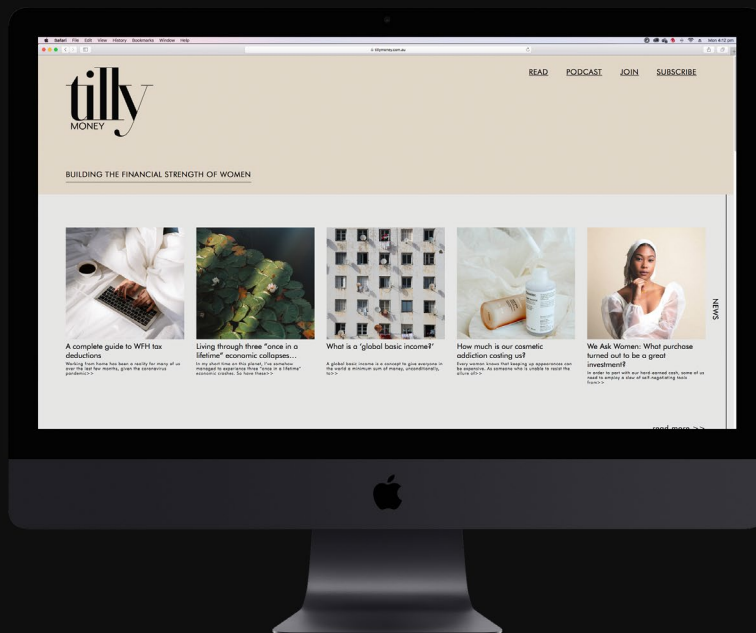
So there you have it: your first guide to building your wealth. Lots more help is at tillymoney.com.au



Subscribe to our newsletter

Our weekly newsletter is sent every Thursday morning and contains a roundup of the week's articles and podcast.

SUBSCRIBE TO
TILLY MONEY



TILLYMONEY.COM.AU

SPOTIFY

APPLE PODCASTS

GOOGLE PODCASTS

Listen to our podcast

CEO Maureen Jordan & Content Producer Claire Osman chat with industry leaders, entrepreneurs, politicians and successful women about building a financially secure and thriving life. Stop worrying about what you don't know. Start building your knowledge with stories from respected, relatable and role models. Search for Tilly Money on your preferred podcast app.