

WHY WE ASK; "WHAT'S YOUR IDEA OF FINANCIAL FREEDOM?"

a chat with a Guru

Remember the cold snap mid-August? That is when I met up with Pete for the Spring chat. It was a horrible day with the temperature in single digits for most of 24 hours. We met in Hillross Macarthur's warm, comfy offices.

Hi Pete. How's things? "Good thanks Dave, my kids are starting to stamp themselves on the world. It's an exciting time." *Yep I know exactly what you mean. It's both sad and joyful as they let go of your hand.* "Yep."

What's the subject of our talk for Spring? "I think I would like to touch on fundamentals to savings, like not spending more than your earn." *That's... Fundamental.*

"I am seeing more and more people struggling with savings, even though they are seemingly paid extremely well." *I am feeling uncomfortable right now.* "Yes the problem is extremely obvious - they seem to be spending more than they earn." *But my life is heaps of fun.*

"This is not about you Dave. Unless you track your spending you don't even notice you are doing it. You just get to the next pay day and you have what you started with, nothing in savings." *You said 'you'.* "Not you specifically Dave - everyone." *Sure?* "Sure."

"Salary earners have 9.5% of their wage placed into their superannuation account. This happens automatically and is paid by their employer." *Yeah compulsory super has been a great thing for Australians.* "As individuals, we need to instil this style of savings into our own routine." *Like 10% automatically transferred to a high interest account every week?* "Yep you're on the right track Dave. It requires way too much discipline to manually place funds into an investment each week. Doing it occasionally or even sporadically is not good enough."

"Have it automatically taken from your bank account EVERY month and guess what? *You have real savings.*" "You will watch your invest-

ment grow at each statement." *Where's the best place to put it?* "It doesn't initially matter if it earns 5% or 8%, but by putting \$1 into an investment savings plan, you will have saved a \$1. Fundamental." *But it is only \$1 that's not much of a plan Pete.* "It's just demonstrating a point Dave. The amount or the return isn't as important as implementing the plan. Remember Nike..? Just do it!" *Lame (disguised in a cough)!*

"In so far as what to invest in, how to start and set it up, whether it's superannuation savings or ordinary savings - that is where Hillross Macarthur can help." *Always check with the Guru.* "Correct!"

"The rest of your life starts now, don't waste another day." *Don't do the Nike thing again.* "Why? I think it's good." *No - we're finished now. No more room for the Nike thing.*



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