



Recovering from a financial hangover

It's pretty common to start the year in a "financial slump" following the festive season. But it doesn't need to be permanent. If things are a little tight in January, it's definitely not the time to be increasing debt or raising credit limits – simply cut back on your lifestyle for a few weeks. You will notice the effects immediately!

Planning for the year ahead requires discipline. To help you stay on top of your financial affairs, the following year planner highlights some important financial disciplines which can be applied throughout the year to ensure ongoing financial wellness.

January

This is a good time to do your budget. Over and above your normal living expenses, which will likely increase with inflation, you need to factor in abnormal items such as debt repayments, school fees, ad-hoc medical expenses, holidays, renovations and so on.

The goal is to smooth your consumption so that your total annual spending (including the abnormal or "extraordinary" items) remains within your annual income; if you anticipate a big outlay, discipline yourself to cut back on your discretionary spending in other months. You should not dig into your long-term savings or resort to short-term debt, which may become permanent if you don't have the income to repay this.

February

Your budget has been set...things are looking a bit better. Now what are your goal for this year? What would you like to achieve, whether that be financial or lifestyle? Note

down your goals – stay accountable to them. Whether you're determined to pay off your credit card debt, plan for retirement, or save for a new home, the key to success is defining the goal and identifying those small, manageable steps that will take you towards that achievement.

It's much easier to stay positive about your goals once you have had a few weeks to tone down the festive season spending and get back into the swing of things.

March

Now is a good time to see how you are tracking against your budget. Do you need to make any adjustments? Are you spending more than you earn? And do you know exactly where your income is going?

The only way to create a successful budget is to ensure that you know where every dollar is being spent. You will be surprised at how much those little "luxuries" are costing you!

April

Tax season is just around the corner, so you should ensure that you have all of your documents clearly organised to avoid the end of financial year rush! Have you made an appointment with your accountant or tax adviser yet?

Go back and have a look at the goals you set in February – how are you tracking? If necessary, consider upping your savings deposits or superannuation contributions. It is also a good idea to review your fund's performance, fees and investment strategy, and consider whether you are optimally invested to reach your goals.

May

The onset of winter will also remind you that no summer lasts forever. This is an apt time to draft or review your will, as well as to check on your insurance policies in order to ensure they meet your current needs.

There are plenty of year-end tax strategies that should be considered prior to the end of June. Make an appointment to see your Financial Planner today! You never know what you could be missing out on.

June

With the half-year mark fast approaching, revisit your cash flow budget and financial position. Are things working out as planned? If not, you may have to cut back on some of your intended second-half spending. Avoid the temptation to stretch your credit card or overdraft facilities.

July / August

Tax time is here! Have you received your Group Certificate and any other documentation required to lodge your tax return? If you expect a refund, it is a good idea to submit your electronic tax return as soon as possible.

September

Statistically, more people are born in September than any other month. Review your superannuation and insurance

Beneficiaries Nomination Form and make sure all your financial dependents are listed.

October

The spending season is around the corner. Give yourself some leeway for November and December by keeping it tight this month.

November

Avoid the frenzy, get a head start on your Christmas shopping. If you keep putting it off, you risk getting into panic mode and overspending in search of the perfect gift.

Reward yourself. Your financial resolutions don't have to be all doom and gloom – you can also have fun in the process. For example, if you've achieved significant financial advancements in the past year, maybe it's time to set a reward-based goal rather than a savings or cost-cutting goal.

Having reviewed your finances, you might be in a position to spend some money on a well-earned holiday or enjoyment purchase. By the same token, it's a good idea to set short-term financial goals and use a rewards system to keep you motivated and on the right money saving trajectory during 2016.

December

The festive season is here...but you don't have to spend a fortune! Create a budget – know what you need, and stick to it.

The key to a healthy financial year is to live with your income and not your credit limit.

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