



# Managing your Financial Wellbeing



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We respectfully acknowledge  
Australia's First Peoples—the  
thinkers, creators and investigators  
who are the traditional custodians of  
the land on which we live and work.





This presentation is  
for general information  
only and must not be  
considered as personal  
financial advice

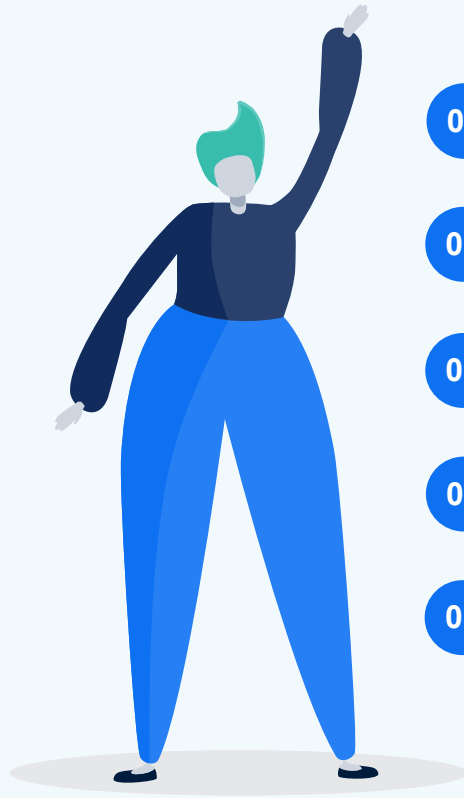
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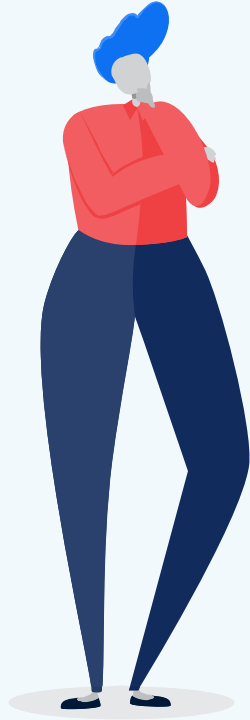
# Agenda



- 01 Understanding your spending
- 02 Managing debt
- 03 Investment basics
- 04 Protecting financial wellbeing
- 05 Retirement planning

# Understanding your spending





# Do you know how much you spend each month?

Do you spend more than you earn?

# Financial stress – in 2020

## 20% of households

have less than \$1,000 cash on hand to cope with emergencies

## 43% of households

spend more than they earn

## 1 in 3 Australians

Worse off financially post COVID-19

## Australians owe \$40.1 billion on credit cards

\$24.8 billion is accruing interest\*

## 2.6 million People

have withdrawn \$31 billion from early access to Super



Source – ME Bank's Biannual Household Comfort Report - published July 2020

\*RBA figures May 2020

# Build the lifestyle you want at **any** stage of life



Car



Home and family



Homeowner



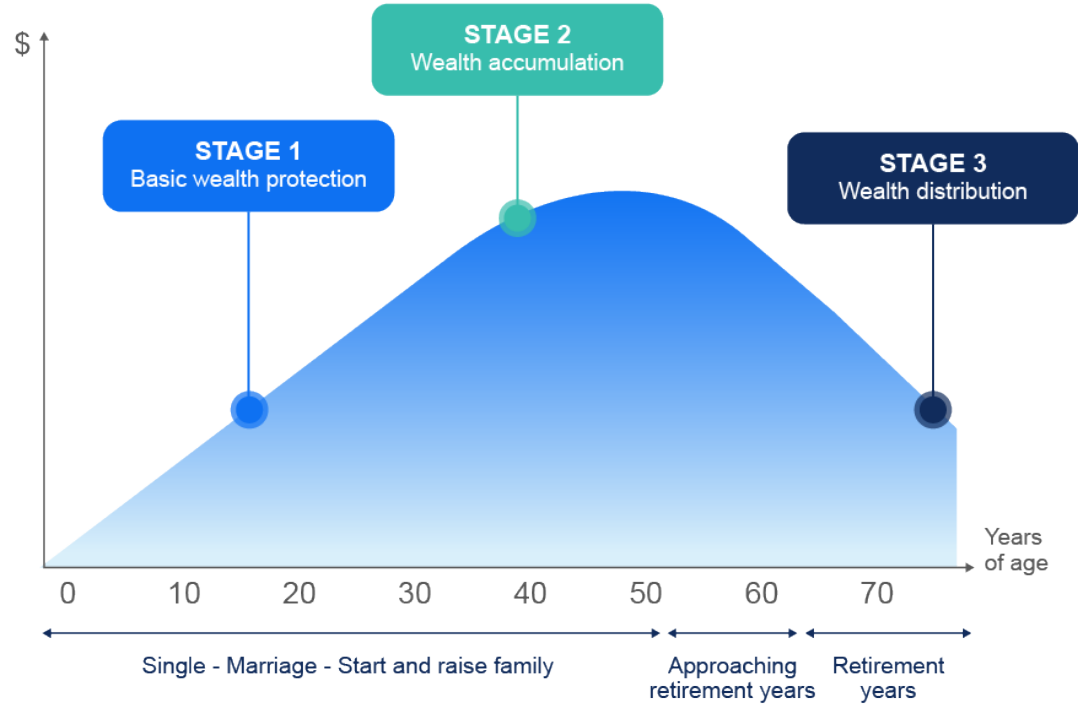
Retirement planning



Enjoy holidays



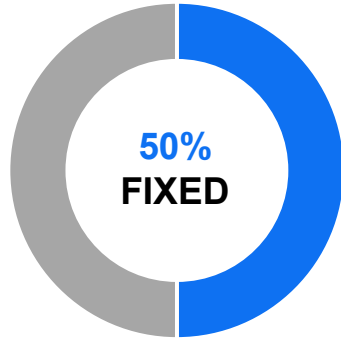
Estate in order



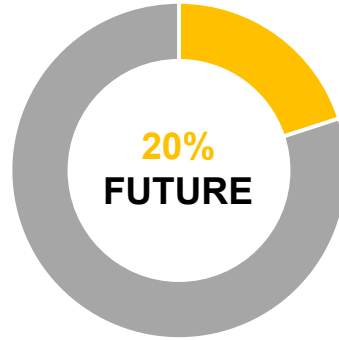


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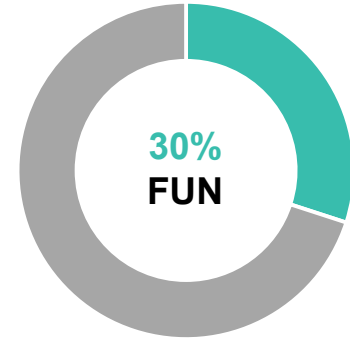
# Manage your money



Housing  
Utilities  
Groceries  
Transportation



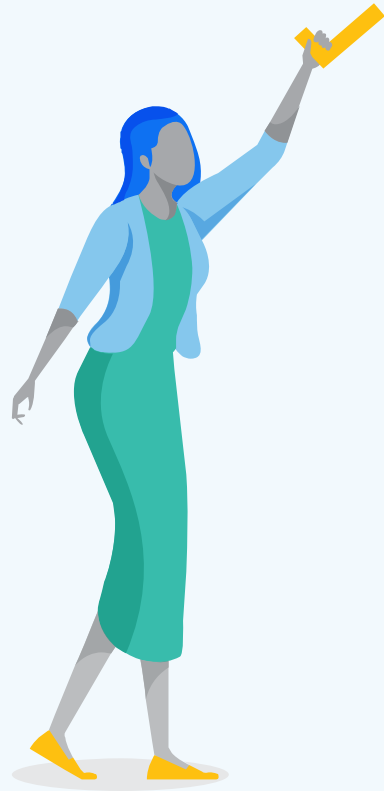
Emergency fund  
Salary sacrifice  
Pay down debt  
Retirement fund



Shopping  
Eating out  
Personal care  
Everything else

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# Top tips



01

Have a plan

02

Spend less than you earn

03

Separate bank accounts for  
'Fixed, Fun and Future'

04

Pay your 'Future' first

05

Talk money at home

# Managing debt



# Managing debt

## LOANS CONTRIBUTING TO AUSTRALIAN HOUSEHOLD DEBT

**53.3%**

HOME LOANS

**3.1%**

PERSONAL LOANS

**1.9%**

CREDIT CARDS

**36.5%**

INVESTMENT LOANS

**2.1%**

STUDENT LOANS



Source: <https://www.abs.gov.au>

# Managing debt

## A CASE STUDY



	Tim	Olivia	Rick
Minimum repayment	\$2118	\$2118	\$2118
Extra payment each week	0	\$60	\$150
Loan term	30	25	20
Interest paid	\$262 487	\$214 317	\$167 917
Interest saved	0	>\$48 000	>\$94 000

Tim, Olivia & Rick  
all have a home  
loan debt of

**\$500K**

**3%** interest

and term of

**30 years**

# Managing debt & COVID-19

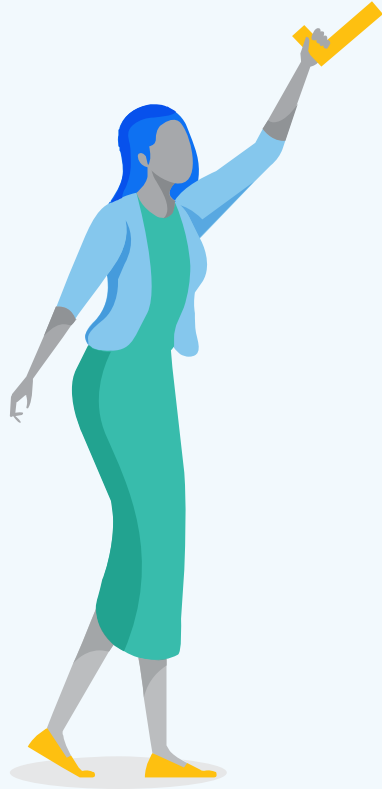
Speak to your Lender to:

- Defer payments for agreed period
- Arrange to make partial payments
- Interest only option
- Interest free option (credit cards)
- Access redraw facilities
- Restructure your borrowings



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# Top tips



01

Home loan debt comes out of your 'Fixed' fund

02

All other debts should come out of your 'Future' fund

03

The more you pay, the more you'll save

04

Ask for a better interest rate regularly

05

If meeting your commitments is difficult, speak to your lender

# Investment basics





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# Investing & super

SUPER IS DESIGNED TO FUND RETIREMENT

## INSIDE SUPER

- Employer & member contributions
- Concessionally taxed
- Investment choice
- Estate planning benefits
- Limited access
- Conditions of release

## OUTSIDE SUPER

- Earnings & capital gains taxed\*
- No pre-tax incentives
- No limits on contributions
- Proceeds generally must go to estate

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# Investment objectives

## CAPITAL

### PRESERVATION & TIME

How long do you have to invest?

## RISK vs. RETURN

Wealth accumulation vs.  
capital preservation

## VALUES & BELIEFS

Consider ESG issues in addition  
to desired returns

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# Asset diversification

## REDUCE RISK? DIVERSIFY YOUR PORTFOLIO

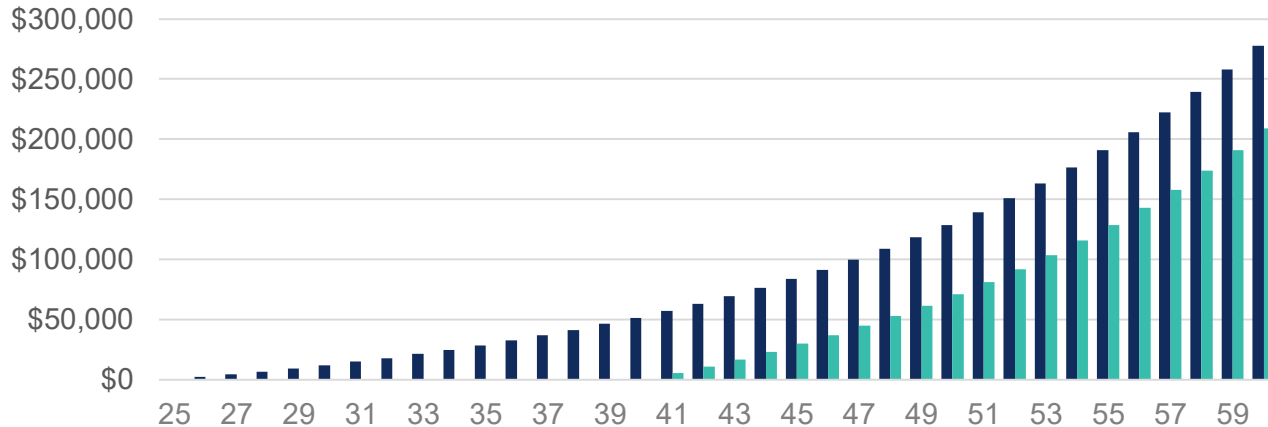
- Diversification can be achieved:
  - Across asset classes
  - Across markets and regions
  - Across investment management styles



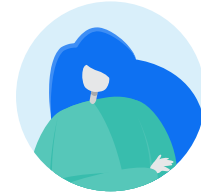
# Benefits of compounding interest

THE EARLIER YOU START, THE SMALLER THE STEPS...

- Olivia - \$2,000 a year from age 25 until age 60 (total contributions of \$70,000)
- Rick - \$5,000 a year from age 40 until age 60 (total contributions of \$100,000)



**RICK**  
**\$208,918**



**OLIVIA**  
**\$277,836**

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# Top tips



01

Any investment should be working towards your objectives

02

Know your approach to risk

03

Understand how investing inside and outside of super works

04

Diversify: Don't put all your eggs in one basket

05

Don't forget about compound interest

# Protecting financial wellbeing



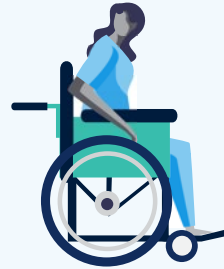
# Why you need insurance – some facts



**1 in 6** Australians will be dead before age 65!



For those aged between 30 and 65 years, you have a **1 in 3 chance** of getting a significant illness



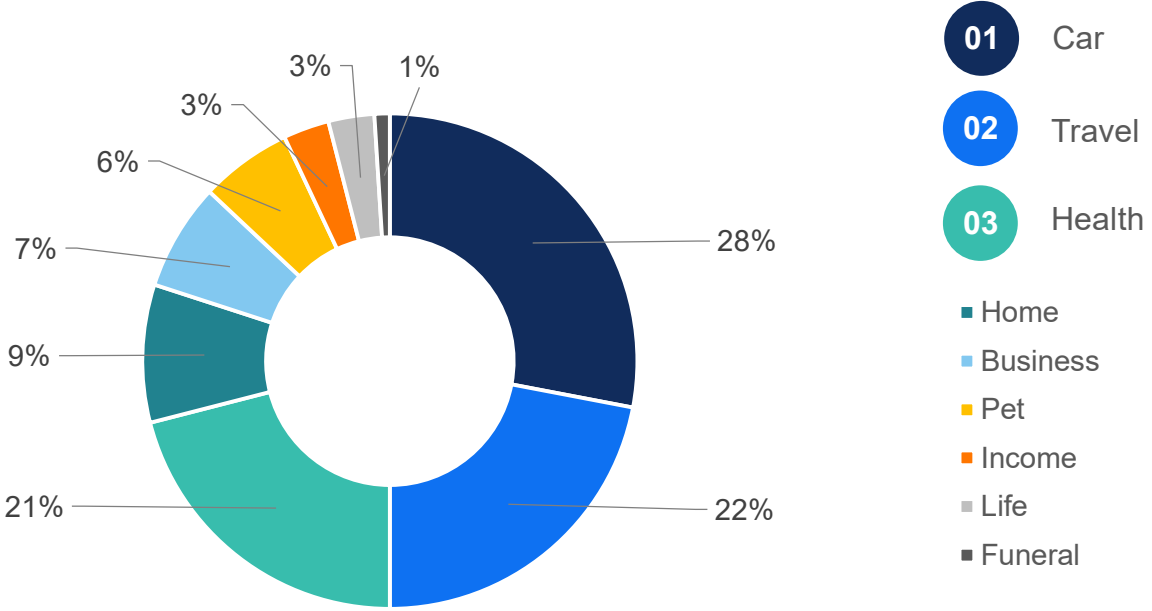
**4 million** Australians suffered from a disability last year



There are over **10,000 house fires** in Australia each year, and many homes under-insured

# What's important to you?

## INSURANCE PRODUCT QUERIES





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# The back up – Plan B

Death

Total & Permanent Disablement (TPD)

Income Protection

Trauma



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# Estate planning

## GETTING YOUR AFFAIRS IN ORDER

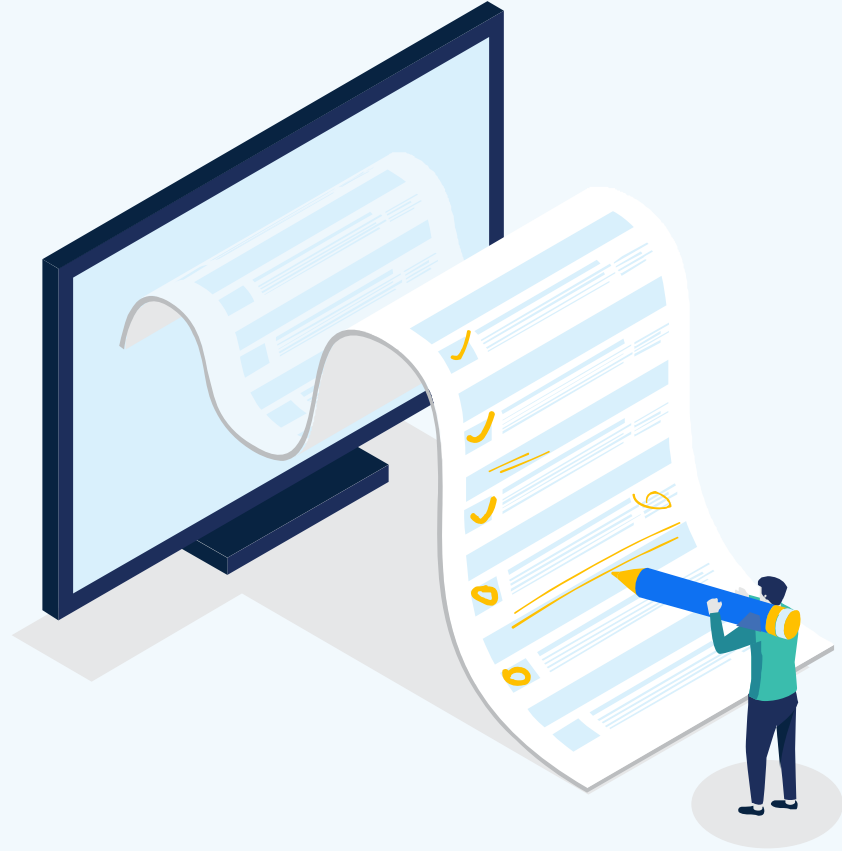
Power of attorney

Enduring power of attorney

Advanced health care directive

Will

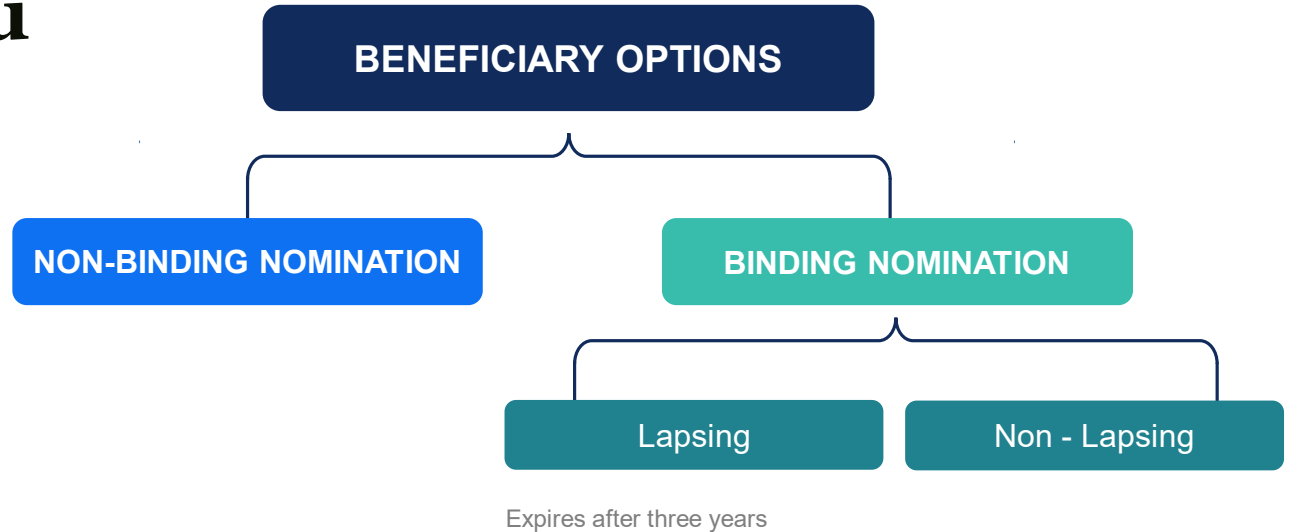
Binding death nomination



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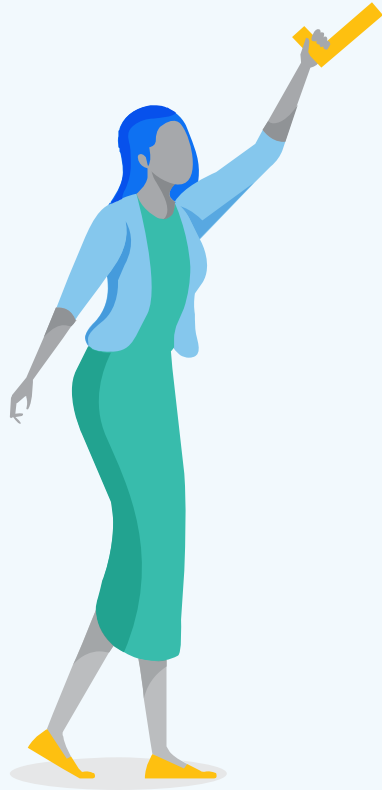
# Who will get your super if it outlives you

Save your loved ones time and stress by letting us know who you want to leave your super to.



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# Top tips



01

Check your insurance arrangements

02

Make a back up plan

03

Identify what's important to you

04

Get your affairs in order with an estate plan

05

Don't forget to nominate your beneficiaries

# Retirement planning



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# Let's think about retirement

Common questions financial advisers get asked...

“When can I afford it?”

“How much is enough?”

“What will it look like?”

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# Accessing your super

You can get your super when you retire and reach your 'preservation age' — between 55 and 60, depending on when you were born.

Date of Birth	Age you can access your super
Before 1 July 1961	Age reached
July 1961 to June 1962	Age reached
July 1962 to June 1963	58
July 1963 to June 1964	59
After 30 June 1964	60

## COVID-19 EARLY ACCESS TO SUPER

If you're eligible, you can apply to access up to \$10,000 of your super until 31 December 2020

# How much do I need?

	Modest lifestyle	Comfortable lifestyle
Single	\$28,165 p.a.	\$44,146 p.a.
Couple	\$40,560 p.a.	\$62,269 p.a.

	Lump sum required for comfortable lifestyle*
Single	\$545,000
Couple	\$640,000

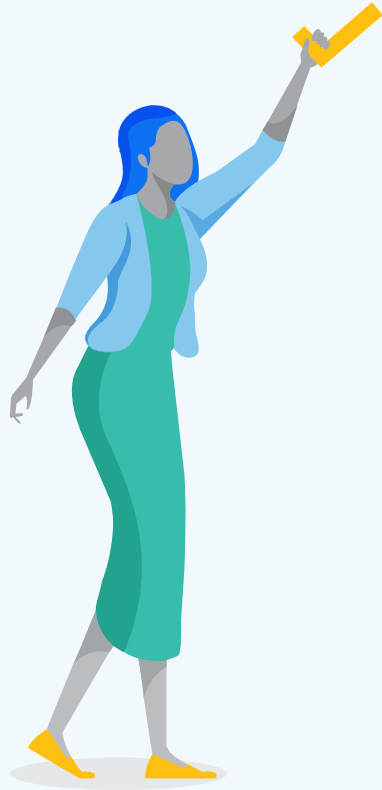
	Average retirement balance
Male	\$197,000
Female	\$105,000





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# Top tips



01

Consider your retirement plan

02

What kind of lifestyle are you looking for in retirement?

03

Register for our retirement considerations webinar if you'd like more information



# How we can help

## UNISUPER ADVICE

We're dedicated to helping with general or personal financial advice.

[unisuper.com.au/campusbookings](https://unisuper.com.au/campusbookings)

1800 823 842

[advice@unisuper.com.au](mailto:advice@unisuper.com.au)