



**SUCCESS
AVENUE**



TOP 10 FINANCIAL TIPS

FINANCIAL ADVICE BY
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THE INTRO



At Success Avenue, our aim is to help you live your best life, as you build a better, more financially secure one. Over the years we've amassed a wealth of knowledge around how money works and are proud of the dozens of "I got out of debt" success stories we've helped our clients achieve.

**HERE ARE THE
TOP 10 LESSONS
WE FOUND WERE
MOST HELPFUL
ALONG THE WAY.**





WHAT DO I NEED TO DO TO BUY MY FIRST HOME?

There are many ways to make the dream of owning your first home a reality. You first need to understand the type of home you are looking to buy, the area where you would like to buy it, you need to understand the servicing level you can achieve (how much can you borrow based on your income) and the deposit level required. Would you be doing this by yourself, with your partner or with the help of a family member or friend? Can you access government help? What are the costs involved in buying a house? Which bank should I go to? Buying a home can sound like a very complicated and scary process, but with the right plan and guidance from one of our experts who have helped many into their first homes, it can become a very simple process and we would be with you every step of the way.



I'M STARTING TO THINK ABOUT MY RETIREMENT, AND I HAVE NO IDEA WHERE TO START!

The best time to start thinking about retirement is as soon as possible, even if you are in your mid/late 20s. The reason for this is, building wealth take time so the sooner you start, the sooner and the more confident you will be of reaching your goal of having a comfortable retirement. Tidying up your finances, knowing how to pay debt faster, understanding the different avenues you can use for long term investments and knowing if your current plan will help you achieve a good retirement, are some of the areas you need to focus on to build a solid strategy that can increase your chances of success. With an average life expectancy in NZ of 82.43 years, we must be able to generate enough income to live a great retirement for 17.43 years without going to work. To get started, get in touch today.



IS KIWISAVER THE BEST WAY TO INVEST TO BUY MY FIRST HOME OR RETIRE?

KiwiSaver can be a great way to save money for your first home and for your retirement, the key is to make sure you are with the right provider and the right fund to help you achieve higher levels of savings. The issue with most New Zealanders who are enrolled in KiwiSaver is, they didn't get any or very little advice when they signed up to it, potentially missing out on thousands or hundreds of thousands of dollars long term. Also, most people have no idea how or where the money is being invested. Do you know if you have the best provider/fund to work in line with your financial plans? Are you investing in a socially responsible fund? Did you know that New Zealand has over 25 KiwiSaver providers? To find out more, get in touch.

HOW DO I PAY MY MORTGAGE FASTER?



Most people, like with KiwiSaver, when they sign up to a mortgage, they get very little or no advice on how to pay a mortgage faster, most people think that the key is to find the provider with the lowest interest rates, and they are set for success! If you think about it, interest rates only determine how much you will be paying for your mortgage, but it won't help you pay it either faster or slower. Having a competitive rate is important but is only a small part of what is necessary to achieve cutting years off your mortgage repayments. Having the right structure, where your money can be used to offset the interest, to understand how your finances look like to maybe pay a bit extra towards it every month and having a Success Avenue mortgage expert assisting you year after year, someone who has your best interest at heart, that is the key to give you the best chance at paying your mortgage much faster and becoming mortgage-free sooner.

I JUST STARTED WORKING, DO I NEED INSURANCE?

To answer that question, you have to think about risk. An easy way to describe this is, imagine you got your first job that pays you a certain amount of money and with that money, you managed to improve your living standards, bought a car, rented an apartment, signed up to sky tv, are saving for holidays and to buy a house. What happens if by a medical reason (illness or accident) you are not able to work for a period of time and that money you need to support your new lifestyle is no longer available? If you have a plan B like 6 to 12 months' worth of savings or someone else would replace your income if something like that was to happen, you probably won't need much insurance. If that plan B is not available, then you should definitely look at having the right amount of insurance, to protect your current level of risk. As we get older and take on more financial risks like buying a house, having kids and so on, the need for insurance increases. Insurance is not a product of the shelf, it needs to be reviewed regularly, to make sure you are protecting the right amount of risk, needs to go up or down, depending on how your situation progresses. At Success Avenue, we can put together a recommendation tailored to your needs.





AM I BEING PAID WHAT I'M WORTH?



This is kind of the golden rule when it comes to financial freedom. So what are you worth? Even a small underpayment each week accumulates over ten years. If you are getting \$50 less a week than your counterparts across ten years, you will be behind financially by \$26,000! That's a fair chunk towards a house deposit. You are also missing out on the power of compound interest on this amount. Discovering your worth is about doing a little research and speaking to the right people. Ask recruitment agencies what the going rate is for your position, factor in the loyalty you are already clocking up and think about intrinsic worth - what you bring to the company as a unique employee. If you find that the money you are bringing in doesn't add up, draw up a raise document and bring it to your boss in a formal meeting. Spending more than you earn is also an easy trap to fall into, and if you are indulging more than you should while earning less than you are worth, it will be difficult to get ahead. Success Avenue suggests a good first step towards changing this behaviour is to take all the laybuy apps off your phone - and book a financial discovery session with one of our coaches.



HOW DO I STOP USING MY CREDIT CARDS?



Interest on credit card purchases often has a real shock and awe value. It can feel like you are not spending when you give your credit cards a workout - until the bill arrives. Although you may have the best intentions when it comes to wiping your balance each month, the reality is that you probably don't have the funds to do this, hence the credit card. Getting rid of your plastic can be a bit scary, but if you are running multiple cards, you are standing in the way of your long-term financial security. Pick one and pay it off - then get rid of it - you'll be surprised how good it feels. Living within your means may require a period of adjustment. Success Avenue recommends taking cash out of the bank for your spending every week. Make it a game, see how long you can make it last, then put any leftovers towards paying off the next card. Setting yourself free from credit card debt can mean the difference between getting a loan and being turned down. Our financial advisors can coach you through kicking your cards to the curb and achieving optimum financial health; just ask.



IS IT HARD TO BECOME A SMART SAVER?

Treat yourself like your future matters, every time you get paid, set aside a minimum of 5% for savings. By putting your future first, you won't risk allowing bills and impulse shopping to take your money and run with it. An intelligent way to end up on Success Avenue with your savings is to keep your money in two separate accounts, check out accounts you can open that yield high interest, and choose one that penalises you if you withdraw funds. It's all about setting things up to make sure you succeed with your savings goals. This means you need to budget; figuring out where your money is going each week can be eye-opening. Once you understand where you are spending, it may be easier to make a few smart cutbacks and start funnelling a little more each week into your savings account. Setting goals for your savings and factoring in small rewards may make it easy for you to find the motivation to grow that nest egg; just make sure the rewards are not coming out of your savings account!

IS IT SMART TO INVEST IN UPSKILLING?

Getting ahead in financial terms is often about being future focused. You want to be making smart moves when it comes to investments - and that may include investing in yourself and in your career. Take a look at where you are on your trajectory, observe what your superiors are earning, what their qualifications might be. If they are open to a chat ask them how they made the leap from where you are. It's smart to get a mentor if you are looking to move forward, and it's also a good move to speak with someone from Success Avenue who can coach you financially. Discovering what would be possible if you managed to move up the career ladder and get a raise may be just the motivation you need to sign up for a night class, take on a Masters, or speak with your employer about some in house training. Just be sure that when you are spending money on upskilling that you have the right advice - remember that educational facilities are businesses too and they are looking to make a profit. Ask around and ensure that when you invest in your career you are targeting skills that will translate to a raise in your income.





DO PEOPLE STILL BUDGET?

Yes! People who are super savers are generally those who can account for every cent they spend. While it may not be about putting cash in a selection of jars every week like we did pre-internet, there are still some clever ways to make your budget work. If you are saving for a short term goal, you may need to rejig your budget for some time to achieve savings on top of your regular long term plan. Success Avenue has a myriad of ways we can help you to push through spending habits that are not serving your goals. We can help you discover what kind of money habits you have formed - and coach you towards clever changes you can easily integrate into your financial lifestyle. Finding the right budget balance can be tricky. If your budget is too tight, you may get frustrated and splurge, too loose, and your timeline for reaching your goals may appear interminable. Getting a financial health checkup before you embark on a new fiscal phase makes sense, as taking care of your financial well-being is a significant factor in your complete wellness picture.





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