



Why financial wellbeing is a pillar of good health

When we talk about financial wellbeing, what do we mean? More than just earning an income, financial wellbeing is about having financial security and the freedom to make choices.

There are three interrelated aspects to good financial wellbeing:

1. The ability to meet your expenses and have money left over.
2. Feeling and acting in control of your finances.
3. Being financially secure and not needing to worry too much about money.

It's considered normal for your financial wellbeing to vary over the course of your life. This is particularly true during major life events such as moving out of home, having a baby, changing jobs or retiring. Unexpected financial shocks can also have a big impact on your financial wellbeing.

How fit are our nation's finances?

The Financial Wellbeing Australia report (2018) describes four categories of financial wellbeing. Around a quarter of all respondents (extrapolated to 4.5 million Aussies) were classed as having the highest level of financial wellbeing. Around 40% (or 7.4 million Aussies) fell into the category of "doing ok". They described their situation as "fair" or "good" and were relatively confident about the next 12-months. A further 23% of respondents (around 4.4 million people) were just getting by, while the remaining 13% (2.4 million people) were considered to be "struggling".

How can I improve my finances?

Developing good financial habits will help you improve your financial health over time. That includes:

- Having a budget or spending plan.
- Making regular cash savings.
- Building an emergency fund of at least six months living expenses.
- Paying down debt and maintaining a good credit rating.
- Having adequate insurance.
- Building up enough superannuation to retire comfortably.

Much like your physical and mental health, your financial health needs regular check-ups to stay in good condition.

How can a financial planner help?

Think of your financial planner like your family doctor: as your partner in good health. Having the right financial planner on your team can help you navigate life's ups and downs. A financial planner is able to support your changing needs at every stage of life. For example, in your twenties and thirties a financial planner can help you save, invest and plan for a family. They can help you consolidate and protect your wealth into your forties and prepare for retirement in your 50s, 60s and 70s.

When you go to see a financial planning professional, they'll look at your overall financial wellbeing and develop a plan tailored to your circumstances. Again, much like the family doctor, financial planning is an ongoing relationship, not just a one-off meeting. So, look for someone that you feel comfortable with and can work with long-term.

Source: Money and Life

Give Shaun or Vicky from **Evans Edwards Financial Advisors | Wealth Creators** a call on 4927 4588 to see if they can tailor a plan to help you.

We will guide you with a tailored approach that works for your circumstances. Give us a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.

