



8 Steps to Financial Fitness

Plan for a Wealthy Lifestyle

www.pathwaywealth.net

Most people underestimate how much money they will need to achieve financial security, independence and freedom. Many don't take the time to get Financially Fit to control their cashflow, to invest the surplus into investments that will grow & generate income in the future.

Most people think their biggest financial challenge in life is paying off a house, when in reality it is losing their income at retirement. If you haven't put in place a plan to replace your income after you retire, you risk looking at a life on the Age Pension.

The 8 Steps to Financial Fitness that we overview here provide the foundations to delivering a great retirement outcome, instead of just an okay one. Our role is to act as your Personal Financial Trainer that helps you establish your goals, work out your program and keep you accountable along the way.



STEP 1

Spend less than you earn

The key to financial stability is to make sure you have more money coming in than going out. It sounds simple, but for some, it's hard to follow.

Begin taking control of your financial situation by firstly working out where your money goes. When you know that, you can build a spending plan where you are in control of your money.

This is not meant to be a crash diet approach to managing your cashflow (that never works for long) you still need to live & enjoy life. But you also need to put some money towards enjoying tomorrow, not just today.

Talk to us about some of the different ways you can begin to allocate your money in a more controlled way.

MORE MONEY CAN'T FIX BAD SPENDING HABITS





STEP 2

Invest in growth assets

Once you've established a spending plan that includes a monthly surplus, you can start setting aside that money to begin building your financial foundations.

There are two main asset classes that people use to build long term wealth – shares & property. Each have their own pros & cons, but we believe that investing in both is essential to your long-term financial security.

Talk to us about how we use growth assets – shares and property – to build wealth for our clients.

**YOU'RE SITTING IN THE SHADE TODAY BECAUSE SOMEONE
PLANTED A TREE 25 YEARS AGO.
- WARREN BUFFET**

STEP 3

Own your own home

Owning your own home provides several benefits, the most obvious being the sense of belonging and the ability to personalise your space.

When you're renting you may be asked to leave the property for a variety of reasons, and the costs to find a new rental & moving can quickly add up, not to mention the disruption to kids if they need change schools, etc. Owning your home eliminates this instability. When its your home, you can really make it yours – new decor, small improvements or big renos.

But most importantly, owning your own home is the foundation stone to growing & building your long term wealth.

**A MANS HOME IS
HIS WIFE'S CASTLE
- ANON**



STEP 4

Manage your borrowings wisely

Contrary to what some may think, debt can help you accelerate your wealth creation if used responsibly and with a clear plan.

Borrowing to invest in property or shares can be a great way to build wealth over time as it enables you to buy assets you may not be able to afford outright. If your investments increase in value, borrowed money can help you generate a higher return.

It's essential, however, to not take on more debt than you can comfortably afford to pay back. Given the risk associated with an investment strategy that incorporates debt, consider speaking with a professional to see if it's the right strategy for you.

**A BANK IS A PLACE THAT WILL LEND YOU MONEY...
IF YOU CAN PROVE YOU DON'T NEED IT!**

- BOB HOPE

STEP 5

Own an investment property

Investing in property is a popular strategy to build wealth and diversify assets as the market can seem less volatile than other investments.

By renting out the property, you could use this income to pay off the loan and potentially generate capital growth by selling it for a higher price if it increases in value. If your property's value increases, you can also utilise the equity to grow your portfolio by buying another investment property or putting this towards renovating your home.

Before investing in property, make sure to do your research and get clear on what you want from your investment property to make sure you meet your financial goals.

**DON'T WAIT TO BUY REAL ESTATE,
BUY REAL ESTATE & WAIT**



STEP 6

Get smart with your super

Superannuation is the main way most people save for retirement. The good thing is that you pay a much lower tax rate on your super earnings than we do on say our wages. The downside is we can't access until we're 60 or retired (which is why we help our clients build their wealth in more than just super).

The first step is to make sure you get multiple super accounts into just the one account (be sure check for any insurance before you jump straight in, you don't want to be left without cover).

Then you need to match how your super is invested to your time horizon, if you have 20, 30 or 40 years to retirement, you don't want to be too conservative and you may not be better off in the standard 'Balanced' fund.

Beyond that there's a range of strategies you can use build your super balance over time and reduce your personal tax. Under current rules you can then enjoy a tax-free income in retirement.

The amount of super (and other income producing assets) you need when you retire is a personal choice and depends on the kind of lifestyle you're after. Talk to us to determine what YOUR number is when it comes to the amount of income YOU want in retirement so you can build a plan on how you can achieve it.

**COMPOUND INTEREST IS THE EIGHTH WONDER OF THE WORLD.
HE WHO UNDERSTANDS IT, EARNS IT ... HE WHO DOESN'T ... PAYS IT.**

- ALBERT EINSTEIN



STEP 7

Build a professionally managed share portfolio

Shares are a great way to build wealth over time, if done as part of a real financial plan.

Many of the negative stories about share investing that get passed down by family usually involve someone like old Uncle Bill deciding to sink his life savings into one stock just before the 1987 crash, the Tech Wreck, the GFC, etc etc. An investment made with no strategy, no plan, no risk management. How could it not fail? The tragedy is then cemented when they panic & sell at the bottom of the market.

Having a plan to invest regularly over time, to have a professionally managed investment strategy & a solid risk management approach that addresses volatile markets delivers you a strong foundation to invest upon.

Talk to us about how we build share-based investment portfolios for our clients.

**YOU DON'T NEED TO BE RICH TO INVEST,
BUT YOU DO NEED TO INVEST TO BE RICH**





STEP 8

Protect your family

There are 3 components to be addressed here – Insurance – Wealth Protection – Estate Planning.

Having the right amount of insurance provides cover for you & your family in the event of illness, injury or premature death. It's an essential consideration if you have debts & people who rely on you.

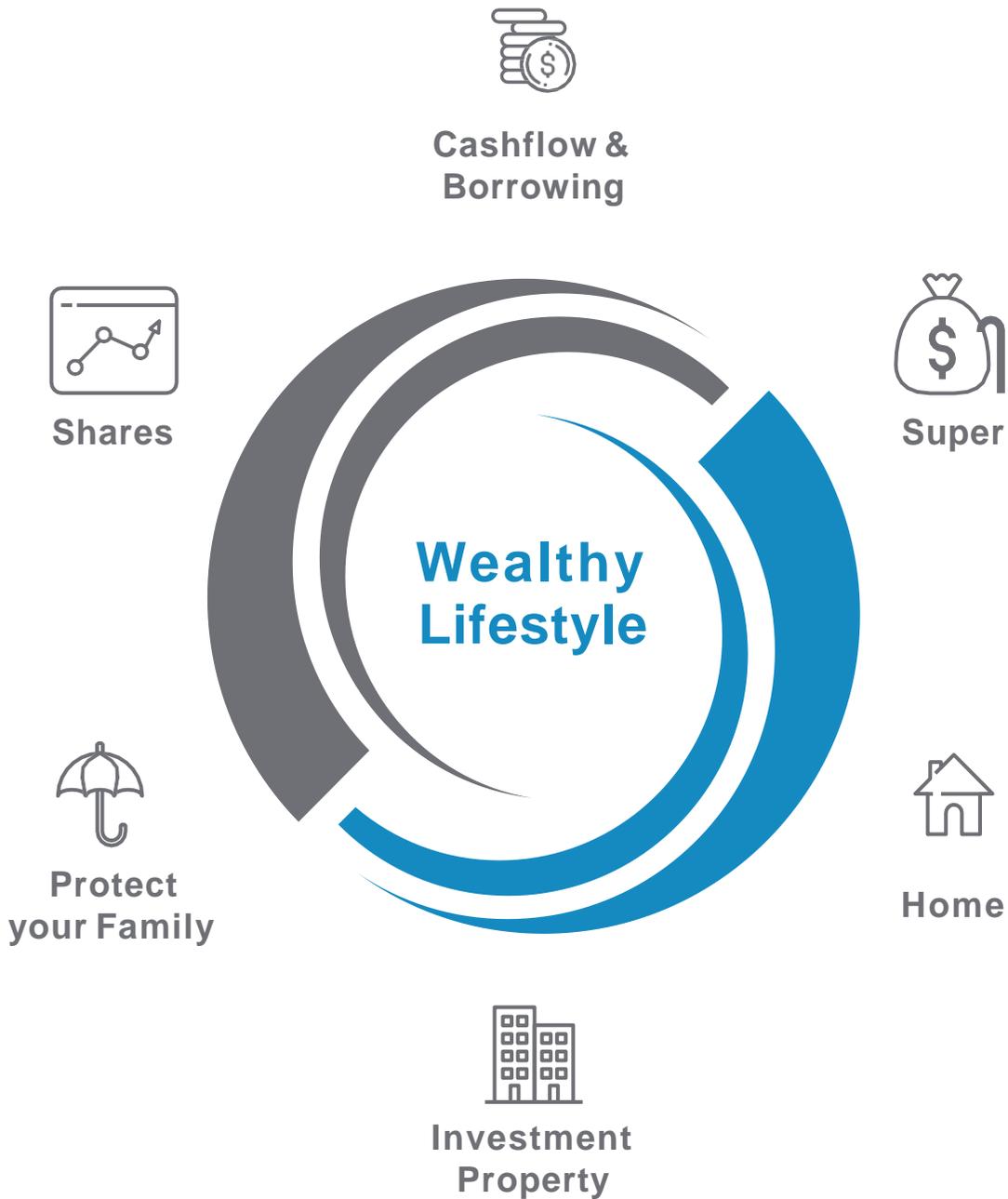
Wealth protection strategies look at protecting you & your family from 'creditors & predators'.

Finally, Estate Planning involves you ensuring that the right people end up with the right amount of money at the right time. Everyone has an estate plan, even if you never make a Will, because the government has a default plan that distributes your estate according to a formula. Do you really want to leave it to the government?

Talk to us about how we can implement the 3 pillars of a Family Protection Plan for you & your family.

LIFE INSURANCE IS LIKE A PARACHUTE. IF YOU DON'T HAVE IT WHEN YOU NEED IT, THERE'S NO SECOND CHANCE.

The Keys to Your Financial Fitness Progress





About Pathway Wealth Solutions

Our principal adviser, Greg Newton, has been in the financial services industry for over 30 years providing advice & assistance to people like you looking to take steps to get Financially Fit.

Our team will support you every step of the way so you never feel you are doing this on your own.

Contact us on (02) 4351 3566 to arrange a free consultation and discover how you can secure your financial future.

CONTACT USTODAY!



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