

Saving (for) your life

We've been a nation of big spenders but finally it's making sense to start saving, as Alex Bernard discovers

If you lost your source of income tomorrow, how long could you live off your savings? I can tell you through bitter personal experience that simply putting a jade plant at your front door is not the passport to financial freedom some Feng Shui experts would have you believe!

Perhaps you are one of the many Australians who have started to get serious about saving money. According to Ross Greenwood, Channel Nine's financial editor, Australians are saving money more than we have for many years. "Since the Global Financial Crisis, Aussie's have changed their financial behaviour, and so more and more people have started to save more. In fact, it's at a 30-year high, which is great. And the other thing that's interesting is it's not just one demographic, it's across the board," he says.

However, traditionally we've been bad at saving money and, at times, spent more money than we've earned. "There was a time not so long ago when many Australians were living on credit cards, living week to week, but over the past two

years that's changed, which is great," he says.

At last more of us are catching on that saving can reap rewards. When Kat Kluender was 26 years old she started house sitting. "I wanted to go back to uni but didn't want to take on any debt, so I was looking for a way to pay my uni fees upfront every semester. I also lived in a share house at the time and wanted to have my own space every now and then but couldn't afford my own place." Now 32, Kat saved around \$18,000 per year house sitting, paying off her university fees easily. "I also had a nice chunk of money left for other things. That's how I saved around \$80,000 over a period of five years, all whilst living in beautiful homes for free."

Pauline Bell, 45, from Moorooka started growing her own vegies and herbs. "We plan our meals around what we are growing. I save about \$50 a week on vegies and that adds up to about \$2500 a year plus we manage to give some excess to our friends.

"People can start small by just growing

herbs which are usually a couple of dollars at supermarkets and are so tasty to cook with."

According to finance writer Emily Chantiri, author of *The Savvy Girl's Money Book*, it's a good thing people have started to save because latest research from the ACTU shows that 40 per cent of Australia's workforce is currently on contract or employed casually and that's estimated to go up to around 50 per cent. The days of long-term full-time employment for a large number of people are gone. "I'd say you need a minimum of six months worth of savings ready to be accessed in case you do find yourself in a vulnerable position," she says.

Carly Cadogan, 21, from Norman Park, cut out a number of things including her daily coffee, buying her lunch and going out. "Working as a publicist, buying coffee was an essential part of my daily routine which I gave up to save money. This was made easier by the fantastic coffee machine my work has, but I also substituted weekly clothes shopping trips with friends for walks and gym sessions and I reduced how often

I went out on weekends which, by the time you paid for entry fees, cabs and drinking, was really adding up," she says.

Carly has saved approximately \$10,000 over 12 months and is in the process of buying a new car. She has just booked her first overseas trip to Europe which she will be going on later this year.

Brett Nossiter, 40, from Teneriffe has saved \$4000 simply by purchasing his wine online! "It's much cheaper. We also halved our Foxtel subscription and started going home for lunch, which saves us about \$80 a week and which now pays for our daughter's daycare," he says.

Chantiri says saving is crucial for many reasons but quality of life is as important as any of them. "People who aren't saving will find themselves panicking, taking jobs they don't want just to pay the bills, which creates a whole other set of problems because they're desperate. So, if you're not already, save, save, save! Have money taken out of your account when your pay goes in so you don't even miss it."

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