

# 10 most broken new year's **RESOLUTIONS...**

Does it surprise  
you that the 5th  
most broken new  
year's resolution is -  
**'Get out of debt'?**<sup>1</sup>



1. Lose weight and get fit
2. Quit smoking
3. Learn something new
4. Eat healthier and diet
5. Get out of debt and save money
6. Spend more time with family
7. Travel to new places
8. Be less stressed
9. Volunteer
10. Drink less

Source: Time Magazine

There are many different ways to reduce your debt and create financial security. **We saw a number of clients towards the end of last year who decided to make this year 'the one'**. We all know that if you don't start your diet on a Monday, you will leave it until the following Monday to begin, and then the pattern of procrastination sets in. The same will happen to your goal of 'getting out of debt'. If you don't start in January, then February comes along and before you know it you are making next year's new year's financial resolutions.

**Setting your goals for the year in January will inspire you to make the necessary changes you are hoping will improve your financial situation.**

If you are one of many who plan to get out of debt this year or improve your financial situation then here are a few ideas for consideration.

## I am going to get a better paid job

Changing jobs in Australia is very common. In fact **56% of all employed Australians have been in their current role for less than 5 years.** Even more staggering is that a whopping 20% have been in their job for less than a year!<sup>2</sup>

## Did you know that lenders may not view a new job as positively as you do?

If you are thinking about restructuring your finances as well as a career change this year, then you need to be aware that most lenders tend to prefer applicants who have been in the same job for two years or more. If you have changed jobs during this period, then staying within the same industry and in a similar role will be regarded more favourably.

## I am going to save a deposit for my first home

Have you been battling to save the minimum deposit for your first home?

The typical deposit required by lenders is at least 5% of the property amount which can be as much as, if not higher than, \$25,000 in the major capital cities. With average weekly rent at \$363 it is not surprising that at times it can feel like swimming against the tide!

## Did you know that if you have a continuous rental history of greater than 12 months many lenders will now consider your rental payments as regular savings?

You can also include items in your deposit normally considered as second tier sources like commission payments, dividends, an inheritance or your tax refund.

## I am going to make my super work for me

Self managed super funds (SMSFs) are the fastest growing sector within the superannuation industry. In the 5 years to June 2011 SMSF assets grew by an amazing 89%!<sup>3</sup> **Australian workers are taking control of their financial future through SMSFs.**

A number of lenders have introduced finance products tailored to SMSFs. We can help you with more information if an SMSF is on your to-do list this year.

## I am going to help the kids buy their first home

The good old days of borrowing 100% of the property value are well and truly over. It can be very hard for young adults trying to get that first step on to the property ladder. As a parent you may know that it is possible to act as a guarantor allowing your child to obtain finance with a smaller deposit, but did you know that **you can also limit the amount of the guarantee required over your assets?** This means that you are only required to guarantee the shortfall in the deposit, not the total amount of the loan.



**Haven't set yourself a goal yet? Call us for our new year's financial resolution worksheet.**

1. [http://www.time.com/time/specials/packages/article/0,28804,2040218\\_2040220\\_2040286,00.html](http://www.time.com/time/specials/packages/article/0,28804,2040218_2040220_2040286,00.html)
2. <http://www.theage.com.au/opinion/political-news/australian-workers-keep-on-the-move-20120904-25cpw.html>
3. <http://www.ato.gov.au/superfunds/content.aspx?menuid=0&doc=/content/00316375.htm&page=3>