



Preston Coe & Ring Present

6 Keys to YOUR WEALTH!!

Learn and understand these 6 simple keys to your wealth!

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Introduction

6 simple Keys to understanding Your Wealth

For some, wealth can be a bit of a taboo subject. We don't believe it needs to be so this eBook is here to help summarise the 6 keys to understanding your wealth. We look at how all aspects that affect wealth work together and how you can make them work for you.

This eBook helps you understand the importance of each of the 6 keys.

I hope you enjoy the read.

Peter Marmara-Stewart



Income, the money you make!

When you are starting out, your income is really all you have. That, and your ability to earn more of it.

Income supports our lifestyles and ensures there is food on the table. So when looking at your wealth, income is really important.

What is most important about your income in relation to your wealth, is how you manage it.

What does managing your money really mean?

It is important to make sure that you understand what your income will support in terms of your lifestyle and what you want to achieve with your wealth. Even saving a little early on can make a big difference.

Do you understand what you can afford, where you want to get to and most importantly have you created a plan to get from where you are now to where you want to be?

If not, there is no time like the present to get on top of it. The earlier you start with getting everything in order and moving towards your goal, the greater the chance of success.

Risk, protecting the downside!

Our motto at Preston Coe & Ring is *"Living for today, saving for tomorrow and protecting in between."* The protecting in between is about managing some of the unmanageables (I know it isn't a word).

An important part of any wealth plan is to minimise unnecessary risk. Usually the best and cheapest way to do this, is to look at your insurance. This ensures that you and your family can maintain its wealth and lifestyle.

Everybody insures their homes and car, however it is even more important to insure your family and income. Without your income, you won't be able to afford many of the things that you have. If something major and unexpected happens, you may have some significant medical and other costs to cover. It doesn't matter how old you are either. One of our clients, Stephen, got Lymphoma at the age of 29. Unfortunately, he didn't have insurance and as a result, ended up with what might have been unnecessary debt.

Having appropriate insurance will help you manage and ensure that your family's lifestyle and wealth plan are minimally impacted. It will also allow you the financial security to ensure that you can be available to support family members when they most need it.

How comfortable are you that if something happened, you would be able to financially cope with it? If you aren't sure, the best thing you can do is seek out professional help.

Investing for your freedom!

When I say investing, I like to talk about investing outside of superannuation. Whilst superannuation is a great vehicle, it is subject to the whims of the government. For those of you that are still young, a big part of your wealth plan to achieving freedom will be about investing outside of your super. I am not sure about yourself but at 27 (at the time of writing), I don't want to be waiting until I am at least 65 to access my super (as recommended by the Commission of Audit). I want to have the freedom to do what I want. As a result, for those of us who are younger (myself included), super is unable to help us meet all of our financial goals.

I speak about financial freedom being the ability to have choice. If you are 25 now and want financial freedom at 50-55, you are going to need wealth outside of super because you won't be able to access super until 60 (currently), but more likely older.

One of the best ways to invest for your future is to invest a little bit a lot, starting as early as possible. By investing a little a lot, you can work an investment into your regular budget. Also, the earlier you start, the more you will have sooner thanks to compound interest (interest on interest). As you go on, you can adjust and hopefully improve your plan so that you can reach your goals earlier.

Not sure where to start? Speak to one of our professionals to help you on your way.

Why is Debt important to wealth?

Technically, you don't need debt to create and have wealth. For most people, debt is part of their wealth. Whether it be for a home, car or just credit cards, most of us have it.

As a result, we need to manage it to minimise its costs and maximise its benefits. Good debt management can substantially improve your wealth and cashflow.

Whenever you are looking at investing for your financial future, you should always look at your debt and work out how you can use it to your advantage. I know that for many of our clients that we do financial planning for, we use debt recycling. Debt recycling just allows you to recycle non-deductible debt (like your home loan) for deductible debt.

Apart from this, using appropriate amounts of leverage in an investment can help give you greater returns over the long term. However, like everything with your wealth, prudent management needs to take place to ensure you get the most out of it.

If you aren't sure about how you could manage your debt better, the best thing you can do is get professional assistance.

Your Freedom (Retirement)

When I refer to your retirement, I like to think of it as your financial retirement. We always want people to aim for a particular goal so they are able to choose what they want to do. Part of that is having enough funds to do so.

A big part of this for most people is using Superannuation. Superannuation in Australia is a great vehicle that can help anyone gain more wealth. With a low tax rate of 15% and even as low as 0%, Superannuation is important to any wealth plan.

The use of the Superannuation system can save thousands, and even more for those who are getting closer to their retirement date. When you get there, using the Superannuation system to help fund your income is one of the best ways to get tax free money. Currently, you can receive money tax free from super after the age of 60. Also, when your fund is in pension mode, it doesn't pay tax.

So not only the income you receive in your hands is tax free, but the earnings are tax free also. It really is a win-win as tax is for a lot of people one of their largest expenses. So when planning for your financial retirement, it is important that you consider everything that is available to you to maximise what you have.

If you would like to know more on how to save thousands heading into retirement, the best thing you can do is contact a Financial Adviser.

Your Estate

They say that there are two things that are guaranteed in life; death and taxes. If you want to make sure that the right people, get the right money at the right time when you are gone or incapacitated - then estate planning is important.

Estate Planning isn't just about planning for if you die. It is also for if you become incapacitated. Nowadays, this is becoming even more important due to health improvements. It is now very common for people to become legally incapacitated before passing away. If you don't have the right things in place, you can leave a nightmare of applications and paperwork for your family to deal with regarding your wealth.

How you plan your estate, can also play a big part on the amount of tax the people you leave your wealth to, will be required to pay. Whilst there are no death taxes per se in Australia, there are a lot of other taxes. Without proper estate planning, this could potentially impact those you leave behind. As a result, you might leave behind \$500,000 to someone with a \$150,000 tax bill attached to it, whilst another family member gets \$500,000 and no tax bill.

Estate Planning is an important part of any wealth plan. If you would like to know more, please contact a Financial Adviser.

Thank You!!

Thank you for taking the time to read this ebook. We hope you found it to be valuable. To find out more useful stuff click on the link below.

[CLICK HERE](#)