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financial experts on the ONE thing you should do with your money in 2020

Jessica Yun
Yahoo Finance AU 1 January 2020
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It's a new year. Here's what the money experts say is the most important thing to do with your money. (Source: Getty)

It's a brand new year – and whether or not you've made any resolutions this year, it's definitely worth your while taking stock of your financial position to see where you stand.

If that is already sounding too daunting, fear not: all you have to do is just take the first step to getting control of your finances.

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Ignorance can be bliss but with peoples finances this can be dangerous. Don't be scared to talk about it with your relevant other. Invest some time into understanding where all your income comes from and in turn where it goes - spending vs saving.

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This exercise alone, even without receiving advice, is guaranteed to teach you a thing or two about each other and yourselves.

—Chris Giaouris, co-founder of Chronos Private Wealth

## 2. Learn to budget

In their recent 2019 Consumer Pulse Report, Canstar reported that one-quarter of Aussies feel they are not living within their means. Further, the median amount of cash saved is just \$25,000. That implies most Aussies are not saving, let alone saving enough.

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Managing your cash flow to consistently save enough is an essential foundation for wealth creation. Therefore, for most Aussies, the one thing they should do with their money is to create a budget they can stick to. Specifically, a budget that caters for the predictable upcoming big expenses many people overlook, and which inevitably blow people's budget.

Based on the latest behavioural science, the two keys to a building a saving habit are to design your environment for success and to harness your emotions.

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—Matt Hern, budget and money coach

## 3. Pay off your debt and your loans

I find credit cards and personal loans have been quite a burden for many people, yet they still have money offsetting a home loan. As well, they might have money in shares or other investments that they can access. I would really like to see people focus on paying off credit card debt and personal loans.

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If there is no access to funds, then at least make some kind of weekly contribution to help reduce the accumulating interest. Interest on those debts is usually very high and tends to become a serious burden.

—Cameron McLean, financial adviser, Acumen Wealth Management

## 4. Out of sight, out of mind: Automate your money

1) Take the ultimate control of your day-to-day money by automating your cash flow. Create bank accounts and limits for lifestyle, bills, goals such as travel and savings each month. Have all your money come into one account, and then have monthly automated transfers for each of these areas.

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Automating your cash flow will help you reduce spending, increase savings, balance lifestyle, pay off debts, save for goals and give you a sense of control over your money; it might even be life changing. Automating your cash flow so that it's consistent and predictable is step one to building a solid financial life and accelerating your progress.

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—Corey Wastle, co-founder, Verse Wealth

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20s are likely to grow to large amounts over the course of an investment lifetime.

*Tony Sandercock, financial planner, wetalkmoney*

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## 6. Set up money date nights

If I had to pick just one I would say start to treat money like you would your best friend. Make sure you don't ignore it and you are regularly checking in to see how's its doing. Start with having a money date night regularly.

*Adele Martin, founder, Firefly Wealth*

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## 7. Spend it on Australia

1) Australians should ensure that any discretionary spending (food, clothing, personal grooming, gifts, etc.) is spent on Australian grown, produced, designed and/or manufactured goods.

*Laura Menschik, director and financial planner, WLM Financial Services*

## 8. We'll say it again: Rise above the debt

Record debt levels are making Aussie work longer, not save and spend less.

Make 2020 the year to get on top of debt – especially the non-tax-deductible kind like credit cards, personal loans and personal mortgages.

*Amanda Cassar, co-founder, Wealth Planning Partners*

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