

# How to be **TOO DEADLY** **WITH MONEY**



# Yaama you mob,

I'm Phil, a proud Wiradjuri man who grew up on Gomeroi country in Tamworth, NSW.

At First Nations Foundation, we have a vision of achieving financial prosperity for Indigenous Australians.

I've worked across the finance sector and have a personal interest in finance and wealth building. This e-book showcases the eight things that I have seen people who are good with money implement, time and time again.

Often for our mob, we don't have anyone to ask about money or we simply feel too much shame to ask questions. That's all good. That's what we at the Foundation do – provide financial education that is by mob, for mob.

I hope you enjoy this e-book and learn how to be **Too Deadly With Money**.

Phil Usher







# Track <sup>1</sup> YOUR EXPENSES & BUDGET

Too often, we forget just how much we are spending. Our bank statements rarely lie though, because it's literally a list of all the places we have spent money.

Using a money app to track expenses can help you to budget better as you know exactly where your money is going.



There is a debt reduction method called the 'snowball strategy'. You start by listing all your debts and paying the minimum amount on each. You pay any extra you can on the smallest amount first.

Once the smallest debt is paid off, you allocate the funds to the next smallest debt you have and continue this until you are debt free.

This will give motivation, as the number of debts reduce and create a snowball effect.

# Snowball YOUR DEBT





Knowing your credit score allows you to see how a finance company views you. If you have any bad debts – like an unpaid bill – it will show up in your credit score.

If your credit score is too low, you may not be able to get a loan or a mortgage... or you may have to pay a higher rate of interest. If this is the case, there are things you can do to raise your credit score.

# Know 3 YOUR CREDIT SCORE





# *Limit* **4** **YOUR RENT OR MORTGAGE REPAYMENTS**

In finance terms, if your mortgage is more than 30% of your income, you are in mortgage stress.

When looking at how much you pay for your rent or mortgage, a good rule of thumb is to spend no more than 30% of your income. If you earn \$1,000 per week, your rent/mortgage expense should be around \$300.

This is based on a household, not just an individual. This may sound unrealistic in the current market, but it is something to aim for.

Most of the time, we need to get a loan to be able to afford a car. There's nothing wrong with a car loan, as you usually need a vehicle to get to and from work.

But there is a simple rule to follow. Make sure your repayments are no more than 10% of your income. If you earn \$2000 per fortnight, you can pay up to \$200 on a car loan.

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# Manage CAR REPAYMENTS





Companies have become really clever at pricing. Charging \$10 per month for a streaming service makes it appear affordable.

The challenge is that we probably aren't using all the subscription services that we have signed up to. Create a list of all the subscriptions that you pay for and cancel the ones you no longer use.

Importantly, check your bank statements for the ones that you may have forgotten about.



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*Cancel*  
**UNUSED  
SUBSCRIPTIONS**



# Invest

## 10% OF YOUR INCOME

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It's easy to get caught up in paying all your bills, and then having nothing left for yourself. One thing that wealthy people do is they invest 10% of their income. This helps to build long-term financial security.

If you invested \$10,000 in the Australian sharemarket in 1992, it would be worth \$160,498 in 2021.





# Complete

## MY MONEY DREAM TRAINING

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Our training, called My Money Dream, has been designed by mob for mob. It looks at some of the challenges we face as Indigenous people when dealing with money, particularly with family expectations.

You can get free access to the training by visiting [mymoneydream.com.au](https://mymoneydream.com.au)

