



Shopping around: Madie Hamilton and three-month-old Georgiana. Picture: Tim Hunter

"I'm going to look at buying more items that are pre-loved," she said.

IMPULSE PURCHASES
Those small purchases all add up.

Whether it's coffees, a snack here and there or a bottle of soft drink, these are the expenses most of us don't pay a lot of attention to.

But not keeping an eye on impulse purchases is a sure-fire way of frittering away more money than we realise.

MyState Bank's general manager of digital and marketing Heather McGovern said there was nothing wrong with making the occasional, small impulse purchase every now and then, but it could easily become a big problem.

"If the small purchases are becoming a habit, it could be a huge drain on your savings," she said.

"New functionalities like buy now, pay later services

and tap and go have made impulse purchases easier."

Financial comparison website Mozo's spokesman Tom Godfrey said: "By researching prices and planning purchases, you could make significant savings on everything from white goods to groceries."

This could also include holding off on a purchase and thinking about it for 24 hours before deciding to go for it.

Research from online retail industry insights group Power Retail, which quizzed 9430 online shoppers, found 98 per cent of all online shoppers were aware of buy now, pay later schemes, with 10 per cent using them whenever possible.

MAKE A PLAN ON PLANS

Mobile phone and internet users are often stuck on "set and forget" plans they got into some time ago, according to telco comparison website

WhistleOut's spokesman Kenny McGilvary.

Telcos, including the big three — Telstra, Optus and Vodafone — are constantly reviewing their offers because the market has never been more competitive, with smaller players rolling out rock-bottom deals to entice new customers.

"If you get into the habit of checking the market, even if it's just once or twice a year, you'll almost definitely find a better deal than the one you're on," Mr McGilvary said.

"For example, you can get no-contract, SIM-only (phone) plans with 20GB of data for under \$30 a month."

Mr McGilvary said NBN 50 plans could be found from \$65 a month, and mobile broadband no-contract deals with 500GB of data were priced from \$70 a month.

Scott Page is on leave

Playing these 'games' could help you win

WELCOME to 2020. Given it's a Sunday, and it's only the fifth day of the new year, I am going to spare you the usual stuff about getting your affairs in order, and keeping new year's resolutions.

Instead, I'm going to invite you to play some computer games to top up your financial literacy. Start by heading to www.noelwhittaker.com.au and hitting the Calculator tab. There you will find a bevy of useful calculators that should stand you in good stead for the rest of your life.

Let's begin with the Compound Interest Calculator.

Understanding how compounding works is essential if you are going to create wealth. The basic principle is that the size of your hoard depends mainly on the rate you can achieve and the time the money is invested.

Let's take a hypothetical investment of \$1000, then add a further investment of \$1000 a month — that is \$12,000 a year. Key in an estimated rate of return on your portfolio of 4 per cent.

Hit the calculate button and you'll see that in 20 years your portfolio should be worth almost \$360,000. Sweet.

Now change the rate to 9 per cent and see that in 20 years you would have nearly \$620,000.

Run the numbers again to see the dramatic effect of time: after 35 years at 4 per cent you

NOEL WHITTAKER

should have about \$888,000, but at 9 per cent, \$2.6 million.

The next step is to go to the Superannuation Contributions Calculator. Here you can enter your super situation and predict your retirement balance for various scenarios.

Here's an example. Let's assume your super balance is \$250,000, your salary \$95,000 a year, and your salary increases by 4 per cent a year.

Start with a rate of return at 5 per cent, which is about what the dud funds have been producing. The calculator can project your super balance for the next 50 years, but let's just use 30 years today. At 5 per cent a year your super balance will be just under \$2 million.

Now change the rate to 9.5 per cent, which is what the better funds have averaged over the past decade, and notice the projected balance in 30 years of \$5.6 million. Surely that's a wake-up call to take stock of which fund has your super and adjust as necessary.

Now put in your super balance and your fund's average rate of return over the last 5-10 years. Put in an appropriate timeframe. If the answer is not a great, gleaming pile of gold, it's time to find a better fund. Start at the ASIC [moneysmart site](http://moneysmart.site)

www.moneysmart.gov.au, and search "choosing a super fund".

If you are planning your retirement, my Retirement Drawdown Calculator is a must. Enter your estimated retirement balance, the rate of return you think you can achieve, and your preferred annual drawings. The calculator will show your balance as the years pass. Play with the variables to create a better scenario, then figure out how to make that work.

If you are considering investing in shares, my Stock Market Calculator lets you enter a notional sum at a date of your choosing, and then tells you what your portfolio would be worth if you had invested that sum in an index fund that matched the All Ordinaries Accumulation Index, which includes both income and growth.

It can also provide vital information in choosing between property and share investments.

My website offers many other calculators. This article is just a taste of the kind of examples you can run for yourself, to make sure you're doing whatever is necessary to stay on track for a good retirement.

Noel Whittaker is the author of Making Money Made Simple and other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.

ASK THE EXPERT

Send your questions to Noel Whittaker noelwhit@gmail.com or tweet @NoelWhittaker

Q My husband and I are both aged 39 — we have \$500,000 left on our mortgage. We have recently been offered the opportunity to buy shares in the company where we work and are wondering if we should take up this offer or simply focus on paying off our home loan first. The company is listed on the ASX and the maximum buy is \$15,000. We do have the money available, so it's a question of buying the shares or paying off the home loan.

A Only you can decide if the shares have good long-term potential but, as you both work at the company and it's a listed public company, you may well have a better idea than most people how it's travelling. Provided you are happy with the company's prospects, I think it would be a great idea to take up the offer. Paying the money off your home loan would earn you about 4 per cent after-tax but a good share has the potential to do much better than that.

Resolutions to inspire adaptability at work

AS many of us take a well-earned break to kick off the new year, thoughts will turn to finalising those new year resolutions to guide our personal lives: eat healthier, lose weight, get fit and find more "me time".

As your return to work draws closer, there is a good chance you will also be thinking about what you want to achieve in your career over the next 12 months — what to do more of and perhaps even what to do less of.

For many, developing robust NY work resolutions

WORKPLACE MATTERS

GARY MARTIN

can be harder than playing darts with spaghetti.

Yet sticking to some well-considered resolutions can help position you for a much-needed career hot streak.

As a solid starting point, think carefully about building a NY resolution around your self care.

This involves taking breaks during the workday,

developing an effective support network and perhaps even establishing some form of exercise regime. The aim is to boost your mental strength, which will promote your effectiveness in the workplace and make you less susceptible to stress, anxiety and related conditions.

Engaging in self care will also position you better to take on other new challenges.

Spend some time revamping your social media profiles to highlight your very best professional attributes, remembering that current and future employers often turn to social media to learn

more about job candidates. And if you feel you have been a little negative in the workplace in recent times, use 2020 to turn that situation and your mindset around.

Give credit to your colleagues for the work they do, get to know co-workers who you have perhaps avoided and be focused on what really counts rather than becoming bogged down and negative with minor day-to-day issues.

Learning something new is a must-have resolution for 2020. If there is something you have wanted to learn for

a long time but shied away from previously, take the plunge now and develop your skills.

And think very carefully about how you can develop an increasingly sought-after attribute in the workplace — your adaptability quotient (AQ).

While you have likely heard about emotional intelligence (aka EQ) and its importance in the modern workplace, employers are now also screaming out for those with AQ — the capacity to wade through masses of information, absorb relevant information,

overcome challenges and be ready to change.

Experts say we will hear much more about AQ in 2020 — and that it will be increasingly linked to ongoing career success.

Remember, too, that most NY resolutions fail after a week — so rather than drawing up an endless list try to focus on a few key career resolutions that inspire you to seek the success you are looking for.

Happy new working year!

Professor Gary Martin is chief executive at the Australian Institute of Management