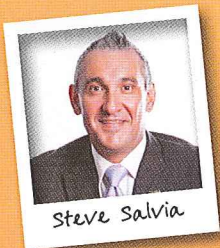


ARE YOU EARNING BUT JUST NOT SAVING



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Have you ever tried saving before but it never amounted to much? Just when you started to get ahead you would get sidetracked and spend the lot on clothes, a weekend away or something else inconsequential?

If you find saving difficult, there are three simple steps that can make it a lot easier:

- Set yourself achievable goals and write them down.
- Draw up a budget, identify your expenses and know how much you can save each month.
- Make a plan to invest, and invest according to your plan. Make a commitment to invest on a regular basis.

Rather than thinking about saving, you should focus on investing. When you save by simply putting your money in a general savings account, you have easy access to your money and the interest is generally low. So your money isn't really working for you.

A simple way of saving and investing at the same time is to put the money into managed funds.

The main advantages are:

- There is less temptation to withdraw cash so you tend to leave your money alone.
- The longer you leave it alone, the more your money grows because your interest compounds.
- Managed funds give you access to investments that provide opportunities for real growth, like Australian and international shares and property.
- Some people think that these investments can be very risky. This is not always so. By using investment techniques such as diversification and dollar cost averaging, you can reduce your exposure to risk, but still earn higher returns.

A real investment risk occurs by leaving your money in a savings account where it is not working for you.

Assume you save \$100 per month for 10 years, and receive 4% bank interest. You would accumulate \$14,774. However, if you received a 10% p.a. average return in an aggressive portfolio, you would accumulate \$20,655 over the same time. This is an extra \$5,911.

Whether you're talking simple savings plans or complex investment schemes, a word with a good financial planner can work wonders.

Disclaimer: This editorial provides general information only. Before making any investment decisions, we recommend you consult a financial planner to take into account your particular investment objectives, financial situation and individual needs.

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