Life after day care…
discover your hidden $avings

When we live in a busy and expensive world we are often so focused on the money going OUT of our pockets that we sometimes don't notice what's coming IN.

When you stop and think about it, there are a number of events in our lives when we DO actually have financial wins but because of our busy lifestyles we often don't register them.

A change in financial circumstances could start as early as when your children grow out of nappies. Did you know that from birth to toilet training the average amount spent on disposable nappies alone is over **$3,250[1] per child?** And that doesn't include additional costs such as prams, cots, car seats, medications, baby wipes, creams, dummies, bottles, formula etc. The list goes on!

So what happens to that $135+ each month when your kids are toilet trained? For most of us it simply gets absorbed into our daily living. Instead, it could be a great opportunity to start paying down your mortgage and increasing your equity so you can start planning your steps into property investment.

What's next? Our kids progress to 'BIG SCHOOL'!

'Big school' means a lot of things, however from a financial perspective it usually means NO MORE CHILDCARE FEES!

When the median cost of 50 hours of long day care nationally is $364[2], even with a rebate it is not unusual for parents to spend a minimum of $10,000 per child per year on child care. In city areas this can blow out to $19,000 or more! What difference would it make to YOUR mortgage if you were able to redirect those funds to additional mortgage repayments?

The start of school is also an opportunity for a lot of parents to increase their hours of work or return to the workforce on a part or full time basis. This can also have a significant effect on family income and lifestyle.

So if you are one of around 270,000[3] parents with a child starting school in the new year what are you planning to do with the extra cash you may find you have to ensure it does not simply disappear into your everyday spending?

It's a great time to review your finances!

When your children start school and/or your employment circumstances change it is always a great time to re-assess your overall financial situation.

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Over the years, having worked with many clients who have young children, we have at times observed the following may occur as they adjust to the additional costs associated with raising young children:

1. mortgage payments are reduced to minimum levels,
2. personal debts and/or credit cards build up,
3. they have limited refinancing options due to lower income levels, and/or
4. investment plans or decisions are placed on hold.

'Investments are typically the first item we see families put on hold while their children are young.'

We have also observed that when our clients re-enter the workforce many forget that they actually managed quite well on a lower income level. Instead of investing, saving or paying off debt any additional cash flow is often absorbed into their new daily lifestyle, holidays or new cars.

With both parents working and the elimination of childcare fees, an investment property may become an affordable option. Remember you don't need to pay off your own home before considering an investment property. Depending on your individual circumstances we may be able to assist you to structure your finances to help you pay off your home sooner by investing in property. Sounds weird doesn't it?

'People often underestimate their potential to invest.'

Even if you think this doesn't seem like a possibility for you, why not call us for a chat anyway? You may just be surprised at how close the dream could be. Remember, it is never too early to start planning!

1.www.babybeehinds.com.au 2.www.pc.gov.au/2014 3.www.abs.gov.au/ausstats

If you're keen to know more, regardless of your situation, please contact us for our article 'The path to successful property investment'.

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