

Incentive Saver Newsletter

November 2024



Imagine the possibilities!



I am so lucky. This week I meet up with 3 savers who have made a big shift. Months ago they were juggling money, trying to pay bills and feeling stressed. Everything felt a bit out of control. It's exciting to see they're now the boss and telling the money what to do. What's so exciting for them (and me!) is seeing the new opportunities and possibilities opening up for them.

France wrap up

Wow, we are so glad we went to France for our biking trip. Well worth the couple of years saving. Yes - quite a few hills to huff and puff our way up but the roads were very smooth and although the climbs were long the gradients made it very manageable (not like NZ's steep hills). Richard made sure the French bakeries kept us well fed. We are quite excited in this photo as we had just reached the top of Col de Tourmalet. This col is one of the famous climbs on the Tour de France and was one of our goals. It took us 3 hours to get to the top!



Congratulations

Congratulations to Jacky who completed her savings goal just before I left. One year of persistent saving and Jacky never veered from her goal. Her tip:

"Keep a budget. I know its hard but write everything you spend each week. Do AP's weekly or fortnightly, whenever you get paid".



As I said to one client I must go away more often as everyone's saving balances have jumped up!

Newsletter Topic – The Gap

I finally signed up to the UK based online Rebel Finance School. I've included more details about the course in the resources section below but one concept they talked about was The Gap.



The Gap concept is an interesting way of looking at managing your money especially for people wanting to start saving in order to build financial freedom.

The first step is **The Gap**

What money have you got coming in?
How much are you spending?
Is there a Gap?



Image from Rebel Finance School

There has to be a gap between what's coming into your bank account and what's going out.

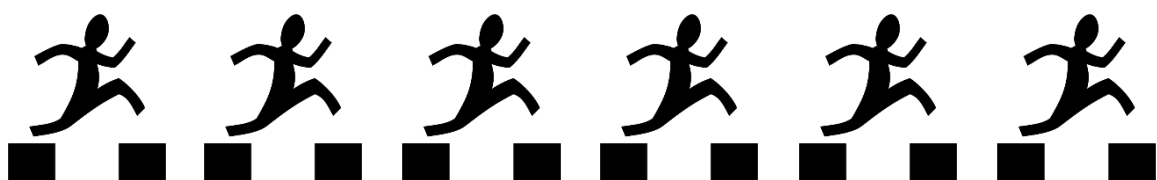
Positive Gap: If you have more coming in than going out that's great. You have spare money to save and invest.

Negative or Zero Gap: There is no money leftover or even worse your account is constantly overdrawn. You need to change the Gap.

How? Know how much you are spending, what you are spending it on. Decide what's important and stop spending money on things you don't value.

Note: Many people have no idea exactly where their money has gone. When you list all your expenses look at your banking app/statement. It will show you the truth. Don't rely on what you *think* you spend.

As Hannah McQueen would say "How much money do you fritter away that doesn't lead to happiness.?"



NZ Depositor Compensation Scheme

In brief

- Comes into effect mid-2025.
- It protects up to \$100 000 of a customer's money in a bank, credit union, building society or finance company (these are called deposit takers)
- Banks and deposit takers will pay for the scheme, backed by the government
- The scheme is designed to reassure customers that their funds are protected if their bank or financial institution fails.
- NZ was only 1 of 2 countries in the OECD without a deposit compensation scheme (the other was Israel)



*OECD - (Organisation of Economic Cooperation and Development) comprising of 38 countries

Aratupu Preschool Money Chats – around 9am

Dates:

1. 5th November – A few things to know about investing



RESOURCES

Rebel Finance School

A very good online course which I'd recommend. Alan and Kate Donegan have a FREE 10 week personal finance course called Rebel Finance School. They present a fun and engaging course which starts with the basics and builds up knowledge as you go along. It ends with investing.

Be aware: Its quite a time commitment as the sessions are 2 hours long. However the sessions are available later and on You Tube.

<https://rebeldonegans.com/>

Saving!

Thank you also to those of you who spread the word about Incentive Saver amongst family, friends and clients.

If you are interested to know more about the Incentive Saver scheme or want your name added to the newsletter list just send me an email

Linda Smith Financial Mentor lindas@mmsi.or.nz

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