

Finance

Where does all your money go?



By [Jackson Millan](#) on May 08 2018



Half of working Australians are failing to save anything each month and 43 per cent are living pay check to pay check, according to a recent study.

Those who do spend more than they earn are overspending by an average of \$613 each month. With 74 per cent of Australians currently in debt and only 15 per cent actively seeking advice, consumers are failing to learn the value or 'language of money.'

Here are the seven different types of spenders. Find out how their habits are stopping them from saving and what they need to do to get ahead:

1. The cash stasher

You have nice things and live a comfortable life. You don't really have debt but you also don't have any assets that appreciate in value. You're too scared to invest 'just in case' you need the money and you tend to stockpile cash. Fear of another GFC has made you fear the market and move your super to cash or a more conservative investment. The fear of missing out mentality causes people to make excuses to justify not taking action and puts them into a state of paralysis. Things like 'the bubble is going to burst' or 'the market is flat' are common excuses stopping people from continuing to work towards the goal. There are those who make it happen and there are those who make an excuse. If you're a cash stasher, take action today. Set goals, get educated and speak to an expert.

2. The cash splasher

You're the one who shouts drinks at the bar and you love to throw money around. You're generous and always like to treat your friends and family. When you have your mind set on something you are great at saving specifically for that goal and will do whatever you have to in order to save for it. You lack motivation unless you have the next big thing in sight. You are unable to delay gratification and fall into the marketing trap that brands use to lure you in. You are not clear on what you're working towards. It isn't a motivation problem but a vision problem. Stop and think about what you want and why. Make sure you set realistic expectations and long-term goals.

3. The cash makes me happier

Shopping malls are your favourite place to be and all the major online retailers are bookmarked in your browser. Retail therapy is your mantra. The feeling you have with your hands full of new shopping goodies is elation. You're on a first name basis with all the sales assistants. These small expenses creep up on you over time. You have troubles delaying gratification and this can be hard when there is temptation everywhere. You need to monitor where your money is going on a weekly basis. It is important to have the right cashflow structure to ensure you put a cap on your discretionary spending. Holding yourself accountable to someone other than yourself also helps.

4. The chicken little investor

You enjoy investing and love reading through AFR. You spend more time than you would like buying and selling trades with every new tip you hear. You know deep down the market is beating you. You tend to lose track of how much you have actually made and only brag about the wins. The problem is you're not clear on what you are working towards. You treat the investment itself as the destination, therefore when it moves in value this triggers your response. Once you define what your long-term and short-term goals are you will find it easier to see the path there. If you want to reach your goals don't be afraid to ask an expert to get you on the right path.

5. The points accumulator

You love a bargain and nothing sounds better than the word 'free' or 'discount'. You're always hunting for the next points scheme and hoard them to get all the benefits. You want to be in complete control of your finances and check every bank statement and bill for errors. You're normally quite good at saving but because you have a scarcity mindset, this limits your potential growth and ability to thrive financially. You need to create a plan centred on what you ultimately would like to achieve. You need to stop worrying so much about the points and start focusing on what you really want in life, whether that be your dream home, sending your kids to a nice school or being able to retire one day. By simplifying your financial situation you can have more time to focus on crafting your dream life.

6. The ignorer

Things were smooth sailing until they began to spiral out of control. You accumulated debt and use one credit card to pay off another. You avoid opening your bills out of fear. You're in over your head and can't make the minimum repayments. You can't bear to make strategic decisions to get ahead and you distract yourself to forget about the financial hole you are experiencing. As you are so busy ignoring the reality of your situation, you can't bring yourself to start planning. What you need to do is figure out where you're spending your money and what areas you can save. Set a plan in motion and the first step is to begin paying off your debt and then setting aside a nest egg for any unexpected hurdles in the future.

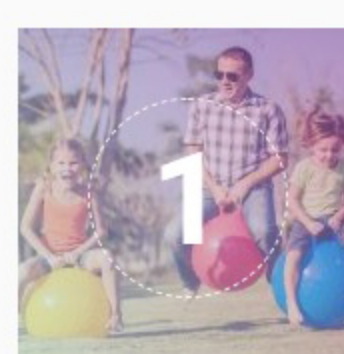
7. The Midas

Everything you touch turns to gold. Every year you bring in more and more money. You live a life of abundance and a lavish lifestyle. You want to start planning but there is always next year as you're too busy living the dream. You believe you're doing really well but you are unable to see how quickly the money is disappearing. You need to define a destination and have a plan to pursue it. You don't have a motivation problem, you have a vision problem and because of this, you find it hard to defer gratification or sacrifice your day-to-day lifestyle given you haven't worked out what you really want. Spend some time to ask yourself three questions ; 1) what is fundamentally important to you, 2) what are your goals, dreams and aspirations, 3) what is the significant of these goals, dreams and aspirations to you?

Jackson Millan, The Wealth Mentor, is an award-winning wealth education expert and international best-selling author, who over the past decade has personally coached his clients into accumulating a wealth of over \$1 billion. Jackson understands the difficulties in saving especially with no understanding of the true spending motivations and how it affects a person's day-to-day life.

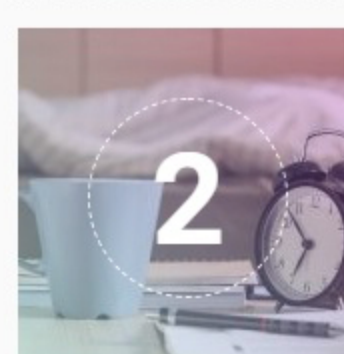
TAGS: [MONEY](#)

POPULAR



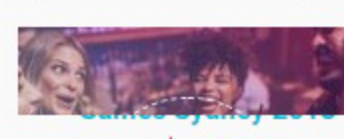
Culture
'Most people have lost the ability to have fun'

by: Sam Makhoul, May 03 2018



Balance
3 simple ways to boost your productivity this week

by: Vanessa Bennett, Apr 30 2018



Finance
The keto diet: how I beat the binge

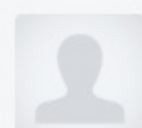
Grego | 20 days ago

“ A nicely written piece. Have had the same success and challenges. One story/documentary I did find interesting was of 2 Brother Doctors and their research into the fat and sugar combination. This is what is used to keep us eating until the packet is empty. Plan for success ie keep temptation away. ”

[The keto diet: how I beat the binge](#)

Kevin M. | 22 days ago

COMMENTS



[Philip - Perth \(not verified\)](#), May 11 2018

The word is "cheque" - we are NOT in America!

[REPLY](#) [PERMALINK](#)



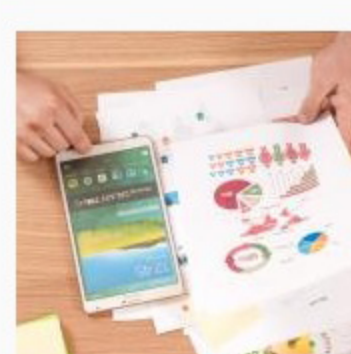
[Ian Byrne \(not verified\)](#), May 11 2018

Good article, very apt descriptions and can relate to each as we have met with numerous in each category over the years, very perceptive!

[REPLY](#) [PERMALINK](#)

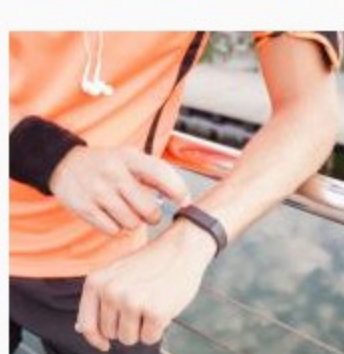
[Save](#)

MORE FINANCE



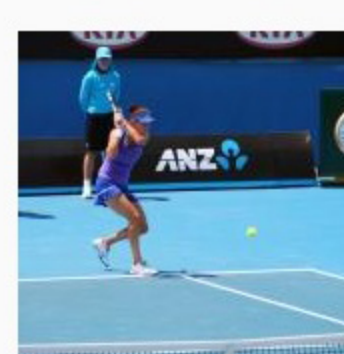
Finance
Getting through EOFY with your health intact

By Jerome Doraisamy on Jun 15 2018



Finance
We're about to spend \$4.7bn on fitness fads

By Staff Writer on Jan 17 2018



Finance
ANZ backs financial wellbeing at Australian Open

By Staff Writer on Jan 15 2018



Business Publishing Company of the Year



Business Publishing Company of the Year



OUR SITES

- Adviser Innovation
- Defence Connect
- Fintech Business
- Independent Financial Adviser
- Investor Daily
- Lawyers Weekly
- Mortgage Business
- MyBusiness
- Nestegg
- Real Estate Business
- Risk Adviser
- Smart Property Investment

- SMSF Adviser
- The Adviser
- Wellness Daily
- Which Investment Property

EVENTS AND SUMMITS

- Australian Law Awards
- Corporate Counsel Awards
- 30 Under Thirty
- Partner of the Year
- Women in Law
- Future Forum
- Better Business Summit
- Australian Broking Awards

- New Broker Academy
- Bootcamp SME Broker
- Australian Accounting Awards
- SMSF Summit
- ifa Excellence Awards
- ifa Convention
- Women in Finance Awards
- Adviser Innovation Summit
- REB Awards
- MyBusiness Awards

Contact Us

CATEGORIES

- Balance
- Culture
- Finance
- Health
- Expert

