

How New Year resolutions can save you \$25,000 in 2018

ANTHONY KEANE, News Corp Australia Network

December 31, 2017 9:30pm

NEW Year resolutions can have a wonderful side effect on Australians' bank account balances, research has found.

Whether it's quitting smoking and cutting back on booze to improve health, or exercising more to get fitter, thousands of dollars are up for grabs for people wanting to start 2018 on the front foot.

Financial comparison website Mozo.com.au has crunched the numbers on six common New Year resolutions and found that more than \$25,000 could be saved this year by someone who did them all.

Mozo found lifestyle changes delivered the biggest savings, while financial strategist Theo Marinis said it was a good idea to focus on one or two changes at a time.

"If we try to make too many sacrifices we end up giving up," he said.

"Don't make your life miserable."

Mozo's analysis found the following:

QUIT SMOKING — \$12,848 SAVING

Mozo director Kirsty Lamont said stopping smoking delivered the biggest cash windfall.

"We all know this can be hard on your health, but with the cost of a packet of cigarettes continuing to rise, it can be hard on your hip pocket," she said.

"A pack-a-day smoker can burn through a whopping \$12,000 each year."

Cutting out junk food can save you more money than you think.

NO MORE BOOZY NIGHTS — \$4160 SAVING

Beer drinkers who gave up two nights a week of five schooners each could save more than \$4000 a year, Mozo found.

Wine drinkers who gave up two nights of five glasses of sauvignon blanc could save \$3640.

BAN JUNK FOOD — \$6441 SAVING

Ms Lamont said cutting out junk food was one of the most common New Year resolutions, with big savings coming from:

- Taking leftovers for lunch instead

of spending \$10 each day, to save \$2400;

- Switching from a morning muffin purchase to a muesli bar brought from home, saving \$561;
- Swapping an afternoon chocolate bar for an apple, to save \$360, and;
- Making quick and healthy stir fry at home three nights a week instead of takeaway dinners, saving \$3120.

“Even if you have great eating habits and are vice-free, there are other small extravagances that can add up to hundreds of dollars in potential savings,” Ms Lamont said.

CUT OUT THE COFFEE RUN — \$960 SAVING

Forgoing a morning coffee on work days could save almost \$1000 a year, Ms Lamont said.

Mr Marinis said coffee drinking today was “a bit of a snobby thing”.

“If you tell people you have instant coffee they look at you like there’s something wrong with you,” he said.

“But you are laughing all the way to the bank.”

EXERCISE AND SOCIALISE — \$780 SAVING

Mozo found that almost \$800 a year could be saved by people who went for a walk or swim with friends rather than a Sunday brunch, and ditched expensive gym memberships.

Suncorp’s executive general manager of stores and specialty banking, Lynne Sutherland, said many gym memberships were well-intentioned but unused, and cancelling one could be part of a membership detox.

“Go through your bank statements with a highlighter and check for all those direct debits you’ve forgotten about,” she said.

Mozo said there were significant interest savings from transferring stubborn credit card debt to a zero-interest balance transfer card and clearing the debt before the end of the year.

For the average cardholder debt of \$4200 with weekly repayments of \$80.40, the saving was \$443, but many people struggle with larger credit card debts.

Ms Sutherland said credit cards that caused problems with spenders should be destroyed, or at least keep out of their wallet and in a drawer at home.

Mr Marinis said another way homeowners could crush credit card costs was to move the debt into their low-interest mortgage.

"Whatever you were paying on your credit card, put it into your mortgage. But you need discipline not to blow the credit card out again and dig yourself a deeper hole," he said.

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group

T 08 8130 5130 | F 08 8331 9161 | A 67 Kensington Road, NORWOOD SA 5067

E admin@marinisgroup.com.au | W marinisgroup.com.au

ABN 54 083 005 930 5067 | AFSL No: 326403

Reproduced with the permission of The Advertiser