



New Year Resolve: Audit, Action, Education

New Year resolutions busted already? As the first month of 2023 ends, Theo Marinis shares his strategy for a New Year's financial checklist that's better than traditional New Year resolutions.



By **Theo Marinis**

31 Jan 2023

New Year resolutions are so very often doomed to failure because they are generally based on personal judgement. I like to think that my alternative is set up for more success: I call it my financial audit checklist.

My New Year checklist acts as a prompt for me to run a ruler over my personal and business arrangements at the start of each calendar year. Whilst it isn't rocket science, this process of active review is both practical and positive. It has a place in all successful long-term planning – especially if, as a professional, I intend to practice what I preach.

So, with inflation back with a vengeance, I've decided that 2023 is the year of audit and action on outgoings. And whilst this is an audit I undertake each January, this year in particular my pledge is to review the cost of every financial commitment and, where possible, change to a more cost-effective alternative.

This motivation is based on the principle that there is a 'slackness' tax which applies to everyone who can't be bothered shopping around.

Big-Ticket Items

When conducting a cost review, the big-ticket items are usually around home and business. If, like me, you have some home renovations in the offing, or there is a business loan which is due for review at this time of the year, the priority will be to assess whether your current mortgage arrangements remain competitive or if, in fact, there are cheaper alternatives.

Then there is the cost of managing retirement savings, as paying too much in investment costs can put a significant brake on investment returns. Furthermore, these costs need to be commensurate with your chosen investment strategy, particularly if there is a need to adopt a more defensive approach to allow for income security in the lead up to retirement.

Your audit checklist should also contain a prompt to conduct a review of all personal insurance, based around current debt levels, income replacement, education expenses and costs. Your adviser can provide some guidance with this analysis. Similarly, if applicable, the financial situation of children should be considered to ensure that every opportunity is being taken to help them grow and protect their assets.

Health Costs

The next item on the checklist relates to health insurance costs. We won't be having any more children in our family but there may need to be a hip replacement or two. So there may be significant savings to be had by shopping around for a cheaper supplier, provided that negotiations can be made to waive waiting periods.

Similarly, home and car insurance costs can be significantly reduced if you are prepared to pay a higher claims excess. Car loans, credit cards, and streaming services should all be considered, and if warranted, cut or changed to cheaper alternatives.

After these and any other relevant cost reviews have been considered, the New Year (audit) checklist might include some practical action in pursuit of a more altruistic goal.

Bridging Gap

As the proud father of two strong, intelligent and capable young people, I have taken a personal interest in working towards educating more women about financial independence, in a bid to eliminate what my professional observations identify as a cultural gap in our society.

It is a significant issue that women retire with 60 per cent of the superannuation of their male colleagues, and I am committed to bridging this gap. My practical action for 2023 therefore, is a commitment to work with the Sturt SANFLW team and its staff to bust the myth that money matters are essentially a male domain.

Notwithstanding any additional New Year resolutions, I remain committed to promoting the basic messages of investing for the long term, and getting good advice to grow and protect wealth.

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