



## Christmas Newsletter

We wish you a Merry Christmas and a happy and safe New Year. Our office will be closed over the holiday period from the 21<sup>st</sup> December until the 11<sup>th</sup> January 2021. As always if you need us urgently please call our mobiles. Merry Christmas Lara & Darron

## Money saving tips for Christmas



**The instinct may be to treat the family even more than usual this Christmas to make up for the year we've all had. But what you don't want is to start 2021 in the red. Planning, budgeting and tracking your spend is the best way to have a brilliant time without giving yourself a financial hangover.**

**If you're on a tight budget but more determined than ever to make the most of Christmas, here are some tips to help you avoid starting the new year with a financial hangover:**

Plan before you spend, consider using an online Christmas calculator tool. Don't just whack it all on the credit card. Make a list of everyone you are buying for and how much you can afford to spend on each based on available income - after all the bills and essentials are covered.

Stick to your budget. Once you've set a budget, keep track of your spending and you're less likely to overspend. Whether it's by using a notebook, an app on your phone

or an excel spreadsheet on your laptop, choose a system that works for you. Create an email folder for receipts and get them emailed to you.

Do 'family gifts' or a Secret Santa - if you've got a lot of people to buy for, extended family and friend groups - this is a great way to keep the costs down. A large box of chocs, tin of biscuits or sweets or a board game can be a great family gift.

Watch your bank account and credit card like a hawk. If your bank offers you alerts for when your current account dips below a set amount, opt in.

### Christmas shopping advice

Tempting as they are, try to avoid 'buy now, pay later' offers from retailers unless you have a plan in place for repaying the loan amount within the interest free period. Otherwise, after the 0% phase ends, you'll be charged an aggressive interest rate and that new sofa, kitchen, tv could end up costing you far more. And it will have a negative impact on your credit score.

Be smart about delivery. Paying delivery fees can really add up. A delivery pass, where you pay an up front fee, for deliveries from your favourite supermarket or even signing up to Amazon Primer just for a month over Christmas, may work out cheaper (just remember to cancel it before the 30 days are up!)

Before borrowing to buy gifts, look at where you can cut costs. Then be honest, close friends and family will be happy to take a rain check on presents or plan something special together in the Spring. You may not have managed to save up for Christmas this year as much as normal, but who has! If you need a credit card, make sure it's one that offers zero percent interest on purchases. Make sure you pay off the balance as soon as possible.

Don't lose your head over sales! In the deluge of deals around Black Friday (27 November) and Cyber Monday (30 November) and all the others, remember a bargain's only a bargain if you were planning on buying it in the first place. Otherwise, it's just an impulse buy. If you are buying on Amazon, check [uk/camelcamelcamel.com](http://uk/camelcamelcamel.com) - it tracks prices over the year, so you know if you're getting a real bargain or not.

Plan every meal. Don't be duped into buying more food than you need. If a 'buy one, get one half price' offer is genuinely good value for you, go for it, but if you don't actually need two of the item, avoid! At Christmas, everyone tends to over cater on the food front. Find frugal swaps, swapping branded products for own-brand and cutting back on food waste can make a significant difference to your weekly food bill.

Use cashback sites to earn money as you shop. Once you've set up an account, click on the retailer you want to buy from. You'll be taken to the retailer's website to shop as usual. Your purchase is tracked and you will earn a percentage of it back. The amount of cashback you earn varies, but it could be anything between 1% and 12%.

Join the club. Signing up to a retailer's newsletter can bag you an immediate discount, such as 10% off your next purchase. You'll also be the first to hear about Christmas discount events.

Deploy trolley tactics. Load up your online trolley but don't check out immediately. If stores spot items sitting in your basket, they'll ask if you forgot to check out and sometimes, they'll even send you a discount code to persuade you to buy the goods. You'll need to have entered your email address, so that they can get in touch.

Source: Good Housekeeping

## Take Time for You



**I read an article by Paul Giles a Development Consultant and I found much truth in it, especially given the year we have just been through. I also liked the life stage (not that I wanted to be tough at 10) and I thought I'd share the important parts with you. Enjoy & Warm Regards Lara**

### Take Time for You

Reflecting on the evolution of your life can be fascinating at times but also very daunting, especially when it comes to that dreaded but inevitable reality, growing older.

An honest assessment of my own development in thoughts, images, and goals through the decades show quite a journey of transformation:

At age 10 years old I wanted to be tough  
At 20 I wanted to be cool  
At 30 I wanted to free  
At 40 I wanted to belong  
At 50 I wanted to be fit  
At 60 I wanted financial security  
At 70 I wanted to be healthy  
At 80 I want to be alive

No matter what your goals, ambitions, or desires, at the end of the day it is you who must take control and determine your thoughts and actions.

We can all come up with excuses as to why we should not focus on ourselves, but ultimately you are no good to anyone if you're not giving yourself time, space and resources to grow, be a better person and evolve.

I've always found mentors that are older than me; I find their wisdom, experience, and way of viewing life invaluable.

Stages in life can be confronting, challenging and at times arduous but never lose sight of the fact that everyone goes through it and you're never alone. I have many friends wondering how to spin a positive light on their lives at this stage. Parenting, careers, finances, relationships, lack of time and freedom are only some of the issues every human encounters.

No one is immune. If you think you are, you are not growing, evolving and moving forward.

Just be mindful that growing oneself can create opportunities, friendships, successes, and new experiences. And, at the end of the day, isn't that what life is all about?

Evolve, Learn, Appreciate.

Do you know a friend or a family member looking to improve their lifestyle? Tell them to drop by for a cup of coffee and a chat!



PO Box 346 MSC  
Torrens Park  
SA 5062  
Australia

Phone: 0447 800 943  
Email: [info@reidwm.com.au](mailto:info@reidwm.com.au)

Reid Wealth Management

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# Estate Planning; there's no time like the present



**Nobody knows what's around the corner. That's why the best time to think about planning your estate is right now. While writing a Will is an essential part of the process, there's so much more to estate planning that can ensure your wishes will be fulfilled exactly the way you want. A little planning today can make a big difference to your family's tomorrow.**

## It's all about your peace of mind

Estate planning is different for every person, but every plan has the same goal: peace of mind. With a proper estate plan in place, you can be confident that should you die or become unable to manage your affairs, you have everything in order. Your plan may cover your own life care instructions as well as how your assets will be managed and, ultimately, distributed according to your wishes in the most efficient and tax-effective way.

## Make sure your decisions are the ones that count

Estate planning will ensure you have peace of mind knowing that:

- Your loved ones, including children, are provided for and protected.
- Your children's inheritance receives

increased protection if a relationship breaks down.

- You have received professional advice on how to structure your assets to optimise tax advantages.
- Your wishes are recorded in legally-binding documents, free from ambiguity.
- Your affairs will be managed by someone you trust when you die or are no longer able to legally manage your affairs.

## There's no time like the present

The best time to think about your estate plan is right now. If something unexpected was to happen to you and you don't have an estate plan in place, your estate and your loved ones could be faced with legal disadvantages and extra costs. Not to mention added stress at an already difficult time. You should also keep in mind that your estate plan can keep evolving as your life does. Certain life events such as marriage, divorce or the birth of a child should prompt the need for estate planning advice or a review of your existing plan.

## Where there's a Will...

Generally, your Will forms the basis of your estate plan. This essential document spells out your wishes for the distribution of your assets to your beneficiaries. It also allows you to:

- choose your executor
- appoint a guardian for any minor children
- establish a trust to transfer your assets tax effectively
- make specific gifts to charities
- establish a trust for minor children or another purpose.

Without a legally valid Will, known as "dying intestate", you risk your estate being distributed according to strict legislative requirements. If you don't make your wishes clear, a government-appointed executor could be left to decide who benefits from your estate.

**Choosing a trusted executor** An important part of writing your Will is appointing an executor. Your executor is responsible for carrying out your wishes for the entire administration of your estate,

from funeral arrangements to the ongoing management of assets until the estate is completed. Your executor - or executors - can be a family member, a trusted friend or professional, or a nominated trustee company. Their responsibilities may include:

- Confirming your Will is legally valid and, in some States, obtaining a grant of probate.
- Preparing a statement of your assets and liabilities - what you own and what you owe.
- Advising beneficiaries of their entitlements.
- Lodging tax returns, if required.
- Managing and protecting your assets prior to distribution. For example, superannuation, insurance, safekeeping of valuables and re-investment of surplus funds.
- Establishing trusts.
- Making payments or distributing assets to beneficiaries.

## Enduring Power of Attorney - keeping things on track when you can't

An Enduring Power of Attorney is a key part of your estate planning. If you are no longer able to manage your own affairs due to an accident, illness or the loss of mental capacity, this legal document will ensure that someone you trust can step in when needed. In much the same way as nominating an executor, you can appoint trusted family members, friends or a professional trustee to act as your Attorney.

## A trust could help preserve everything you've worked for

Apart from distributing assets through your Will, you can also choose to distribute assets via trust. A trust is a legal structure used to hold assets that can be owned in the name of an individual, family or business. Trusts generally exist to protect those assets and minimise tax with specific rules and instructions detailed in a trust deed, which is prepared by your solicitor. There are several types of trusts that may be a useful vehicle in your estate plan if you want to:

- pass on a family business
- make a gift to charity
- be flexible in distributing your assets for tax purposes
- protect and manage assets until beneficiaries reach a certain age.

Do you know a friend or a family member looking to improve their lifestyle? Tell them to drop by for a cup of coffee and a chat!



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# Economic Update December 2020



**Within this month's update, we share with you a snapshot of economic occurrences both nationally and from around the globe.**

## **Will COVID-19 vaccines and treatments deliver?**

- Peer-reviewed clinical trial data for COVID-19 vaccines not yet published
- Lots of very strong growth data around the world for quarter three as it anticipates a rebound
- Similarly, Australian labour force data are strong pointing to a positive start to 2021

We hope you find this month's Economic Update as informative as always. If you have any feedback or would like to discuss any aspect of this report, please contact your Financial Adviser.

## **The Big Picture**

Much of 2020 has been spent worrying about how the US elections might go and when coronavirus vaccines might be available. The light at the end of the tunnel is now visible but it's flickering.

Except for Trump, the world acknowledges that Joe Biden will assume office at his inauguration in January. The handover got a bit nasty at times but Biden's team is now getting access to White House briefings as is normal.

But the election is far from over. The lower house (house of Representatives) is certainly going to remain controlled by the Democrats. The Senate, however, has two undecided seats – both in Georgia. Each state allows for different election procedures and Georgia's requires a minimum 50% count for the winner. As this figure was not achieved for either seat, partly because of the number of people standing, both seats are up for grabs on January 5th 2021 in so-called run-off elections.

Georgia is traditionally held by Republicans but nothing is normal these days. If both seats go to the Democrats, the Vice President gets the deciding vote in a 50-50 Senate. If either or both are retained by the Republicans, the Senate remains held by the Republicans and Congress is 'split', as it has been for some time.

Markets appeared to like the idea of a split Congress as it makes many of the more extreme Democratic policies unlikely to get through into law. In particular, it means the big tax hikes favoured by Biden-Harris won't get through.

On the downside, a split Congress means that the much needed COVID stimulus package will struggle to get through in any meaningful size.

As it turns out, in the days and weeks following the announcement of a Biden presidency, three different companies announced (by press release) the efficacy rates of their vaccines. Normally people wait for peer-reviewed academic journals to release the results. So, are we jumping the gun?

In a combined election-vaccine euphoria, markets here and around the world charged up in November at a pace not seen since the aftermath of the 1987 stock market crash!

The clinical trials have been running for months with tens of thousands of participants. However, for any one vaccine, such as Moderna's, the number of cases being used in the efficacy (or effectiveness) calculation is quite small.

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