

Five Key Behaviours for Financial Literacy (and how it will make a huge difference to your family)

Financial Literacy is a combination of financial knowledge, skills, attitudes and behaviours required to make sound financial decisions to improve your financial wellbeing.

There are five key behaviours that relate to your financial literacy:

1. Keeping track of finances - how to manage everyday income and expenses.
2. Planning ahead -plan for the medium and longer term, including for your retirement and beyond.
3. Choosing financial products - understand and assess different investment options and their underlying risks.
4. Staying informed - use of information, tools, legislation and guidance.
5. Financial control - savings behaviour and managing debt.

Why is financial literacy important to you and your family?

The households of Australians aged 55 and over currently own a combined \$2.8 trillion in assets and over the next two decades will pass on much of this.

Therefore, the next 20 to 30 years will see the largest intergenerational wealth transfer in Australia's history and many of the younger generations will be the main beneficiaries.

What can you do to make sure your family are financially knowledgeable?

- Sit down and having an open discussion about the money that is expected to flow through to the next generation.
- Let your family know how you came to accumulate this wealth, the strategies that you have employed and any expectations that you might have around the use of these assets in future generations.
- Seek professional advice about their existing circumstances. A professional adviser can put them on the path to understanding their current financial situation compared to where they would like to be in the future, and how best to handle receiving a future inheritance.

So what do you do if you don't have these skills and are struggling financially?

You don't need to be wealthy to see and have a relationship with a financial adviser. Your adviser will teach you the skills to improve your financial literacy with the aim of putting you in a better position, no matter where you started from!

For a free one hour consultation on how to improve your financial literacy and **some quick things you can do to put your finances in a better place**, go to: katherinehann.com.au/contact leave your details.