

Are you financially healthy?

Aussies are getting better at planning and growing their finances – but there's still room for improvement. Find out how you stack up...

Australians are taking better care of their financial health, as revealed by BT's Australian Financial Health Index. The study involved over 9,000 Australians, delving deep into the attitudes and behaviours of the population towards money, including subjects such as managing finances; saving and spending; retirement and super and insurance and Investments.

Getting more advice

Many Australians have identified financial advice as an essential service to help them prepare for their retirement and help them with how and what it means to leave the workforce. Australians also want advisers to help them with insurance coverage so they can plan for the unexpected, and to help them explore and understand wider investment options and diversification of portfolios.

Measuring financial health

The research reveals a number of key indicators of improved financial wellbeing amongst Australians, including:

- saving more regularly and saving a larger sum
- feeling more financially aware
- being more likely to create financial plans and goals
- fewer losing money through investments
- using credit more responsibly
- thinking more clearly about their retirement options and choices
- being more motivated to seek adequate insurance

Room for improvement

While the financial health of the nation is on the up, the research shows there remain some significant gaps in consumer knowledge. These gaps often fuelled by lack of knowledge, fear, or people simply not having the skill-set that specialist professionals help bring to the table.

Often people don't really understand or know about products and packages that can make a real difference to their short and long-term financial wellbeing.

Super

When it comes to super, the research highlights that there still remains a strong disconnect from what is often Australian's biggest personal investment. Less than a third of the population have nominated their fund themselves, less than half of those with an account check performance more than once a year and only half report knowing their investment profile.

Insurance

The positive news is that around half of the population enjoys some form of life and/or income insurance. More Australians are claiming that they always adequately insure their personal property and regularly review the adequacy of their insurance coverage.

However the overall levels of insurance ownership remains low and there are many who don't care – 16% state that they are underinsured but happy that way! While many Australian claim that personal insurance is high on their priority list (home insurance being viewed as most important) the reality is just 44% claim to have some form of personal insurance such as Life, TPD, Income or Trauma insurance. Around half claim they do not completely understand the benefits of life insurance.

The research also demonstrated that the internet has become increasingly a first port of call for insurance information.

Improving your financial health

So is your financial health great or just okay? Are there areas you know need taken care of a bit better or actually need some intensive care? If you think it's time to get yourself more financially fit, speak to the team at Salt Financial Group today.

03 9088 4777

info@saltfinancialgroup.com.au

www.saltfinancialgroup.com.au

Source: BT 'Australian Financial Health Index' (2012 and 2013). Nationally representative sample of 4,966 Australians in 2012 and 4,365 Australians in 2013.

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