From nappies to investment property

Identifying and acting on those missed opportunities

We are all so focused on the money going out of our pockets that we sometimes don't notice what's coming in.

When you think about it, there are many events in our lives when we do actually have a financial win, but because of our busy lifestyles, we don't register them. It starts as early as when your children grow out of nappies. During the first 2.5 years of life the average spending on disposable nappies is over $3,000 per child, not including baby wipes, nappy rash creams etc.

So what happens to that $100 or more each month when the kids are toilet trained? It gets absorbed in our daily living! This is a great opportunity to start paying down your mortgage and increasing your equity so you can start planning your steps into property investment.

Then we progress to 'BIG SCHOOL'!

'Big school' means a lot of things, however from a financial perspective it means NO MORE CHILDCARE FEES!

Did you know that it is not unusual for parents to spend $10,000 or more per child per year on long day care? That equates to more than five (5) months of repayments every year on their mortgage!

Alternately, for many families the start of primary school is an opportunity for a parent to increase their hours of work or return to the workforce on a part or full time basis. This can have a significant effect on family income, lifestyle and relationships.

If you are one of the 270,000+ parents who had a child starting school this year, what have you done (or are planning to do) with the extra cash you now have to ensure it does not simply disappear into your everyday spending?

Great time to review

When your children start school and/or your employment circumstances change it is always a great time to re-assess your overall financial situation. Over the years, having worked with many clients who have young children, we have observed (either intentionally or maybe unknowingly) the following:

1. mortgage payments reduced to minimum levels,
2. personal debts and/or credit cards built up,
3. limited refinancing options due to lower income levels, and/or
4. investment decisions being placed on hold.

We have also observed that when our clients re-enter the workforce, most forget that they actually managed quite well on lower income levels. Instead of investing, saving or paying off debt, the additional cash flow has been absorbed in their new daily lifestyle.

'Investments are typically the first item that we see families put on hold while their children are young.'

With both parents working and the elimination of childcare fees, an investment property may become an affordable option. Remember you don't need to pay off your own home before considering an investment property. In fact we find that for most people we can structure their finance to help them pay off their home sooner by investing in property. Sounds weird doesn't it?

'Many people underestimate their potential to invest.'

Even if you think this doesn't seem real for you, why not call us for a chat anyway. You may be surprised at how close the dream could be. It is never too early to start planning.

If you're keen to know more, regardless of your situation, please contact us for our article on 'Steps to successful property investment'.


Steps to successful property investment