30s LET'S GET SERIOUS

This is the decade when, even if you don't want to, you join the ranks of mainstream Australia. The 30s are when kidults finally transform into adults.

You've finished university and left home. You may have saved enough for a home deposit and, if you're lucky, paired up with someone who has done the same. If you have parents who can help with this, you've hit the jackpot!

While you might be settling down into a career, there are pressures starting to accumulate.

If you have bought a house, there are relentless mortgage repayments. If you have a growing family, there is the headache of finding larger but still affordable accommodation.

With children come educational choices and child care to pay for. It can also reduce the earning capacity of the family as one parent takes time out to look after the kids.

There is a world of financial choices to navigate and you are supposed to know the difference between fixed-interest loans, interest-only and variable, and which is best for you.

There is a world of financial choices to navigate

Your superannuation balance will be starting to build and with that comes new questions. Should you consolidate all your accounts into one? You probably should, but which one is best? And should you be looking at self-managed super yet?

Then there is insurance. Do you have life and income-protection insurance with your super fund? Have you made a will?

The trouble with your 30s is you are so busy living and working, you hardly have time to plan. But if you can balance today with tomorrow, you can have the best of both worlds, and have some fun along the way.

IN YOUR 30s

SIX-POINT CHECK LIST

1 THINK ABOUT SUPER: You probably have a number of accounts accumulated through various jobs in your 20s. Best to consolidate them in one account.

2 GET A PROPERTY PLAN: It's harder and harder for first-home buyers in Australia. Get a savings plan and a strategy to get on the property ladder.

3 START BUDGETING: If you are going to get ahead, you need to know where all your money is going and keep it under control.

4 CHECK YOUR INSURANCE: Think worst case scenario and make sure you have some appropriate cover.

5 DO SOME TAX PLANNING: Understand how much tax you are paying and what you are entitled to do to minimise it.

6 MAKE A WILL: You've probably accumulated some assets, you may have a life partner and be starting a family. Having a will makes sure your assets go to them, if something happens.

CASE STUDY

PAUSING FOR THOUGHT

DIANA FERGUSON and her husband Stephane were living the carefree lifestyle of inner-city 30-somethings until Stephane had a workplace accident last year.

A spinal injury has kept him in hospital and off work for nine months or so, and the experience has been a major catalyst in the couple focusing on their finances and their future goals.

"We used to go out and party, and used to spend a lot on eating out and entertainment," says Diana, 35, who manages a design team for a fashion label.

"But we've totally changed the way we live and how we spend our money, and we realise now we were spending money on a lot of things we didn't need to."

At the time of his accident, Stephane was not covered by income-protection insurance so the workers' compensation he has received is only a fraction of his income.

Having rented an inner-city apartment for the last six years, the new financial circumstances made Diana realise that some changes had to be made if the couple was to be able to purchase their own home at some time in the future.

She reached out to adviser Peter Taniane and with his help created an investment fund on the Asgard platform, choosing a selection of diversified investments and seeding that with a lump sum.

"Because my husband is sick and not working, I didn't know if I was going to be able to make monthly payments, but I've just added a second lump sum and now I've actioned a monthly automatic payment," says Diana.

The plan is to save up the deposit for a property within six years, which they can either live in or use initially as an investment.

At the same time, Diana took her superannuation out of the retail fund it had been in for 15 years or so and put the funds into an Asgard retail product.

Now her personal savings go into the investment fund to save for a house deposit, while the super fund receives the 9.5 per cent annual contribution from her employer.

"Because I am a Kiwi, I didn't really know that much about Australian super," she says. "It was the fund my first employer in Australia set me up with and when I looked at it I realised it had a lot of different settings to what I want now."

Part of Diana's thinking was around life and income-protection insurance for herself and she admits her husband's injury was a major factor in her "getting focused" on finances.

Also on the agenda is starting a family, which will bring with it its own set of financial challenges.

"Children are definitely a factor and we definitely want to have a family one day," says Diana. "So when we get to that bridge, we will probably re-focus and adjust things again, but I am aware that it will have to be in the next few years."

OUR PANEL'S ADVICE

BEN NASH
You should be looking seriously at property investment to drive future income. How much you spend, how much you borrow and whether it's your home or an investment will have a huge impact on the future and your cash flow today. Also think about strategies to cut your tax bill and if you haven't already set up personal insurance, do it now.

DAVID REED
It's important to understand the difference between bad debt (loans on things that don't produce income or increase in value) and good debt, for assets that produce income, appreciate or where interest is tax deductible. Repay bad debt first. Aim to have an emergency savings fund of six months' income. Consider an offset account to reduce your mortgage.

BILL BRACEY
People are either getting married or choosing a partner, so this is the perfect time to start building your financial plan. Is it time to buy an investment property or a first home? Can you survive if you go to one income once you have children? Now is the time to decide what you really want to do in life and make it happen. And it's also the time to create a basic will.