



PATTINSON F.S

Your dreams, our passion, the future together.



December 2020 Newsletter

Wishing you a Happy Holiday and New Year! One of the real joys of the festive season is the opportunity to say thankyou. From all of us may your holiday be filled with joy and good cheer, and the new year bring you happiness.

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. (Better still, create a separate email account for spending and you can ignore all the marketing emails too!)

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 - 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.

Save on postage. Use comparison site www.comparecouriers.com.au to check the cheapest way to send Christmas parcels. Enter the weight of your parcel and the destination and it will give you a range of

7 steps for holiday season budgeting



The run up to Christmas and the summer holidays is here. No need to panic – although it's almost the end of the year there's still plenty of time to sort out your finances for the pre-Christmas rush.

Making time to think through Christmas expenses now could pay dividends after the tinsel is taken down. Here are seven easy steps to avoid that awful post-Christmas spending hangover.

1. Draw up a plan

All too often people fail to plan for their extra expenses over the holiday season, which invariably leads to spending blowouts. People end up spending on their credit card rather than using cash in a 'buy now and pay later mentality'.

This year, prepare an itemised budget instead of throwing your hands in the air and spending wildly as you approach the holidays. The budget should include gifts, food, entertainment costs, new clothes, travel expenses – everything we

spend money on over the holidays. Include a buffer amount in the budget to cover unexpected expenses that will inevitably arise.

2. Get ready early

It's a lovely time of year but Christmas can also be stressful. Getting organised now is a great way to take some pressure out of the season. The earlier you start planning the better. Allocating a portion of your income to a holiday season kitty can help cover unforeseen costs at the start of the year.

3. Set limits on your spending and stick to them

If you have spent up to your budgeted limit and also used your buffer you might have to come to terms with cutting out some expenses so you don't end up increasing your unproductive debts. Or wait until the January sales to make certain summer purchases to cut down your costs. Those beach towels can be expensive.

4. Start a Christmas club account

There is a range of Christmas club savings accounts and programs that reward members with additional interest on savings or bonus offers over the year. Some programs offer contributions back as gift cards in November. For instance members may receive an additional 10 per cent of their contributions over the year as extra gift cards. So if you save \$1,000 you receive an extra \$100 as a gift card, which can really come in handy at Christmas.

5. Set up a regular Christmas direct deposit and you won't miss the funds

An alternative to joining a Christmas club is to set up a special Christmas savings account and organise for a direct deposit from your regular account into this

account. Put aside \$50 a week and you'll have \$2600 in your Christmas account at the end of the year. Put aside \$100 each week and you'll have a tidy \$5200 in your Christmas coffer fund.

6. Have a frugal rather than extravagant mindset

"Keep an eye out for specials and sales. Start buying early and stockpile. Buy one or two Christmas items each week from September or October in your regular shopping such as wrapping paper and non-perishable food items. This will only add an additional few dollars to your shop and by December you should have a lot of shopping done." If a store has lay-by look at that as an option. This allows you to pay items off over time and saves on storage and hiding gifts from the kids.

7. Introduce Secret Santa

This is a particularly good idea for big families, where present buying can get really expensive. If you have 10 adults in your family, instead of spending \$50 on each, agree each person will only buy one other person a present, of a decent value, of their choosing. Setting a limit of about \$250 for the Secret Santa gift can work well. That way you save money but the person also gets a great gift rather than a lot of small ones they may not use.

Important information

This information has been provided by MLC Investments Limited (MLCI) (ABN 30 002 641 661, AFSL 230705).

We wish you all a Merry Christmas and a happy and safe New Year. Our office will be closed over the holiday period but we will be back in the new year.



2 / 11-13 Brookhollow Avenue
Baulkham Hills
NSW 2153
Australia

Phone: 02 8850 6888
Fax: 02 8850 6407
Email: info@pattinsonfs.com.au

Pattinson Financial Services

www.pattinsonfs.com.au

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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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