

Keeping in Touch

April 2019

Managing finances for a large family

Planning and budgeting may take the pain out of handling a large household's finances.

Taking care of family finances isn't always easy. After all, you need to consider not only your own and your partner's income but how that income can be distributed to fulfil your family's many needs – while still saving for the future. But staying on top of your finances is essential if you have a big family to support.

Here are some tips to help you effectively manage your large household's finances.

Sort out your finances

Sitting down and figuring out how much money is coming in and going out may help you gauge the state of your family's finances. Having a clear picture of your household income and expenses could set you up to manage your cashflow better.

Limit spending

Keeping expenses under control can be tough in a large household. But if you're spending as much as or more than what you earn, consider limiting your family's discretionary costs by buying only what you can afford. Using cash might also help rein in spending by making you realise how much something really costs and how it affects your budget.

Set financial goals

Setting financial goals may help your family work towards future aspirations instead of simply meeting current expenses. Whether it's buying a bigger house or going on a dream holiday, having a financial goal may help your family set priorities and stay on track financially. Remember to make reaching that goal a family affair so everyone can get involved.

Keep a budget

Keeping track of spending may help you to better handle your family's finances. By working with a professional financial adviser, you could create a budget that factors in not only income and expenses, but also your financial obligations. An effective budget may help you keep a tight leash on discretionary spending to meet your family's financial goals.

Grow emergency and retirement funds

Unforeseen medical costs, car repairs and other unplanned expenses can put a dent in your family's finances. That's why keeping an adequate emergency fund is essential. By growing this fund to cover six months' worth of expenses, you may be better positioned to handle unexpected events.

It's easy to overlook your own financial future when you're preoccupied with providing for a big family. But keep in mind that saving for retirement early lets you harness the power of compound interest, giving you a better chance to grow a sufficient nest egg. Whether you make non-concessional contributions to your super or arrange to have a portion of your pre-tax salary paid in, increasing your retirement savings may help you secure your finances for later years.

Work with an adviser

Managing finances for a big family need not be taxing. By working alongside a financial adviser to keep track of your spending, and discussing money matters and setting financial goals as a family, you could be on your way to handling your household finances with ease.

Financial Services Partners Pty Ltd
ABN 15 089 512 587 AFSL 237590
T 1800 006 216 W www.financialservicespartners.com.au

The information, including tax, provided in this document is general information only and does not constitute personal advice. It has been prepared without taking into account any of your individual objectives, financial solutions or needs. Before acting on this information you should consider its appropriateness, having regard to your own objectives, financial situation and needs. You should read the relevant Product Disclosure Statements and seek personal advice from a qualified financial adviser. From time to time we may send you informative updates and details of the range of services we can provide. If you no longer want to receive this information please contact our office to opt out. The views expressed in this publication are solely those of the author; they are not reflective or indicative of Licensee's position, and are not to be attributed to the Licensee. They cannot be reproduced in any form without the express written consent of the author.