

An easy, common-sense plan to get your family finances under control

Kochie's 11-STEP MONEY PLAN



FOR A BETTER LIFE

- CLEAN UP YOUR MONEY MESSES
- GET OFF STRUGGLE STREET
- EARN MORE
- AFFORD THE LUXURIES

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WHAT YOU COULD HAVE SAVED/EARNED FROM THIS BOOK

It's really hard to make an exact calculation for everyone, but let's do the maths based on the average Australian household according to the ABS, which we used back at the start of the book. Let's go through each category and remind ourselves where the savings have come from.



HOW MUCH CAN I EARN/SAVE BY FOLLOWING KOCHIE'S 11-STEP MONEY PLAN?

AVERAGE HOUSEHOLD DEBT		
Mortgage	\$165,000	
Consumer	\$17,000	
Credit card balance	\$3273	
Credit card balance accruing interest	\$2062	
AVERAGE HOUSEHOLD INCOME		
	\$110,000 a year	
AVERAGE HOUSEHOLD NET WORTH		
	\$929,000	
AVERAGE HOUSE VALUE		
	\$656,000	
AVERAGE HOUSEHOLD CAR VALUE		
	\$36,500	
AVERAGE AUSTRALIAN HOUSEHOLD SPENDING PER YEAR		
Category	Annual amount	Saving
Housing (rent and mortgage) On an average \$165,000 home loan at a 4.5% interest rate, making the call and asking for a 0.5% discount will save \$46 a month or \$552 a year	\$14,524	\$552

AVERAGE AUSTRALIAN HOUSEHOLD SPENDING PER YEAR (cont.)

Category	Annual amount	Saving
Food and non-alcoholic beverages Forming your own bulk-buying co-op for fruit and veg, and understanding how to avoid supermarket tactics to get you to pay more, will shave at least 10% off your bill	\$12,301	\$1200
Transport Replace the second (or only) car with a car-sharing service; buy a more fuel-efficient and low-maintenance car	\$10,738	\$600
Recreation Cut back on gym fees, reduce home-delivery food, scale back restaurant meals	\$8966	\$2000
Miscellaneous goods and services Cut bank fees, scrutinise service offerings	\$5039	\$500
Medical/health Check private health insurance	\$4298	\$500
Household furniture/equipment Negotiate on everything	\$3038	\$300
Communication If you're out of contract, ask your provider for the best data and mobile plan to suit your habits	\$2445	\$250
Household services/operations Don't renew insurance premiums automatically; go to comparative websites and ask for a better deal	\$2371	\$300
Clothing and footwear Buy non-designer brands, swap clothes with friends, etc.	\$2297	\$1000

AVERAGE AUSTRALIAN HOUSEHOLD SPENDING PER YEAR (CONT.)

Category	Annual amount	Saving
Education Buy uniforms from the second-hand shop, buy second-hand textbooks	\$2297	\$400
Domestic fuel and power Get rid of the second (or only) car, turn down the reverse-cycle thermostat, follow energy-saving strategies	\$2149	\$500
Alcohol Cut down your consumption, buy cheaper brands	\$1630	\$160
Personal care Buy from discount stores and use lesser known brands	\$1482	\$200
Tobacco We didn't talk about this before, because it's a no-brainer: commit to quitting, or at least cutting down drastically. It's good for your wallet and your health.	\$667	\$100
TOTAL SAVINGS (estimate)		\$8562
PLUS SIDE HUSTLE INCOME (estimate) 10% of average income		\$5500
TOTAL SAVINGS PLUS EARNINGS (estimate)		\$14,062

You'll need to do your own calculations for your own situation, but the figures in the table above show that, by following the suggestions from the last 10 steps, you could save or earn as much as \$14,000, which will go a long way towards paying off the average Australian family's outstanding credit card balance and personal loans.

That's not a bad return from the cost of this book and your time reading it.