

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 MESSSES
- GET OFF STRUGGLE STREET
- EARN MORE
- AFFORD THE LUXURIES

## DAVID KOCH



# 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)	\$14,524	\$552
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		

**AVERAGE AUSTRALIAN HOUSEHOLD SPENDING PER YEAR (CONT.)**

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

**AVERAGE AUSTRALIAN HOUSEHOLD SPENDING PER YEAR (CONT.)**

Category	Annual amount	Saving
<b>Education</b> Buy uniforms from the second-hand shop, buy second-hand textbooks	\$2297	\$400
<b>Domestic fuel and power</b> Get rid of the second (or only) car, turn down the reverse-cycle thermostat, follow energy-saving strategies	\$2149	\$500
<b>Alcohol</b> Cut down your consumption, buy cheaper brands	\$1630	\$160
<b>Personal care</b> Buy from discount stores and use lesser known brands	\$1482	\$200
<b>Tobacco</b> 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
<b>TOTAL SAVINGS (estimate)</b>		\$8562
<b>PLUS SIDE HUSTLE INCOME (estimate)</b>		\$5500
10% of average income		
<b>TOTAL SAVINGS PLUS EARNINGS (estimate)</b>		\$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.