Flying Solo podcast - Jacqui Clarke

Mastering your money: Insights and advice from wealth expert Jacqui Clarke

*Automated transcript

Intro - Cec Busby [00:00:02]:

Hi everybody. I'm Cec Busby, editor of Flying Solo. Welcome to our weekly podcast where we step inside the minds and lives of soloists and small business owners.

Are you worried about money? With rising inflation and cost of living creeping ever higher, many Aussies are looking much more closely at their finances than ever before. And today's guest knows all the tips and tactics that can help you survive this tumultuous time.

Jacqui Clarke has spent the past three decades helping Australians manage their money and build wealth. She's a trusted advisor, board member, executor and veteran business executive with decades of experience, including twenty years as a partner at Deloitte. So she knows all about how to help Australians build their wealth. She's also the author of the new book, *Stop Worrying About Money*, and she drops by today to delve into a range of financial topics across the personal finance and business space, including plenty of practical advice to help you avoid typical money traps and get better at using your money in business and life.

Thank you so much for joining me on the show today. Welcome.

Jacqui Clarke [00:00:05]:

Thanks Cec, it's really great to be here.

Cec Busby [00:00:08]:

Awesome. Now I'm really keen to pick your brain because with the cost of living rising and inflation at such record highs, I'd say it's fair enough to say that most Aussies are pretty worried about money at the moment. So I think your new book *Stop Worrying About Money* couldn't have come at a better time. Now, what made you decide it was time to put pen to paper?

Jacqui Clarke [00:00:30]:

Well, it'd be great if I could say that I knew interest rates were going to rise like they have, but that's not actually the case. Look, I'd come off the back of a really long executive career, and I spent my career helping the ultra-high-net-worth families. And one of the common themes was that regardless of how much money people had, they worried about money. And I'd helped a lot of people out over my career, particularly vulnerable people, and I thought it was just time for me - we've all got limited capacity. I thought the best way I could help people was really put my collective money wisdom into a book.

Cec Busby [00:01:09]:

That's very interesting that you say 'no matter how much money people have, they worry about money' because you don't really think about high-net-worth individuals of being all that concerned about their day-to-day expenses.

Jacqui Clarke [00:01:23]:

No, that's right. And look, I guess to be fair, the more money just comes with complexity. And I don't think it matters if you have $5,000 or $5 billion to share with family. It can cause concern, how you go about that the right way.

Cec Busby [00:01:42]:

So how do you feel about people's money habits? Do you think that there are things that are kind of ingrained from the values that they receive from their parents and then it's about kind of breaking that down and rebuilding?

Jacqui Clarke [00:01:56]:

Yeah. Look, I do think our parents influence our money habits, and I talk about your money story, so understanding the behaviours or the experiences you had as a child and how they might impact you. Kind of interestingly, though, if your parents were spend-thrifts you're quite possibly a real saver and vice versa. I was probably fortunate enough to inherit the sort of entrepreneurial business gene from my parents, so they were relatively conservative with money, and I became or continued to be conservative with money over my lifetime. But there were events or things that happened in my life that influenced me wanting to save money.

Cec Busby [00:02:38]:

What would they have been?

Jacqui Clarke [00:02:39]:

Well, when I was probably about ten years of age, I do remember one of my dad's significant customers hadn't paid his bills in a while. And money was not really talked about at home when I was growing up. And I like to think that that's different now in my family because I try and sort of normalize talking about money. But this customer hadn't paid my dad for a while and I was becoming increasingly worrying for my parents. And I started to notice some of Mum's behaviours around shopping. She was just being a little more thoughtful with the choice of meat cuts she bought. It was just unusual, I guess, to hear about money at home. And I did sense worry for the first time from my parents. And again, I think that influenced me to be conscious around, you can't so much choose your customers, but also being conscious about making sure that if people aren't paying you as regularly as they used to, you need to think carefully about do you continue providing services or products to them or do you change your arrangements?

Cec Busby [00:03:41]:

Yeah, that's very good advice. Like you don't want to leave it till it's got past the point of no return, which I think happens for so many business owners.

Jacqui Clarke [00:03:50]:

Yeah. The sad part is that you're the one who ends up not being able to put food on the table for your family.

Cec Busby [00:03:55]:

Yeah. In terms of reframing the way that we think about money and our habits so that we stop worrying about money and kind of change our way that we think about finances. It sounds easier said than done. What are some tips that you would suggest to start with?

Jacqui Clarke [00:04:18]:

It's a really good question Cec, because I think for people … I talk about three big money mistakes and one of them is just simply keeping your head in the sand. And so part of the taking the deep breath and launching into it process is, I start with getting people to understand what their baseline costs are. So I say, do you know what it costs to open your front door at home? So that in itself can start many conversations in a household. Someone might know, someone might not. I also talk about financial accountability in relationships, so making sure that you're not delegating the financial side of things to someone else. But it's really important to understand what costs there are in your household, because I think that's the baseline then for every decision or choice you make from there. That first mistake of keeping your head in the sand is the one point that you have to acknowledge and say, okay, I'm going to change my money journey or my money goals, or whatever it might be, and get an understanding of what the baseline costs are in our family or our household.

Cec Busby [00:05:23]:

So does that start with the B word - budget?

Jacqui Clarke [00:05:27]:

Well, you know what, it's a tough word that one. It's ugly. It would send most people off. So I would simply say you get out the back of an envelope, you go online to your internet banking, you have a look at what you spent on your credit card and your main bank account and have a look at all the categories. Just analyze one month. So all I'm suggesting is, if you're really afraid of it, take little steps and actually just look at what the costs are. So I'm actually not proposing a budget. I'm first just saying, what is the baseline? What are your costs? I'm not saying, hey, stick to a budget of X, because I do think budgets frighten people. And when you earn money, you feel like you've got a right to spend it as well.

Cec Busby [00:06:10]:

Well, they're kind of like a diet, aren't they?

Jacqui Clarke [00:06:13]:

They can be. And they can also work really badly – you know when you have a diet blowout? People have budget blowouts as well. It's like when you think you'll just go out to dinner with friends, you've been good all week, you haven't had dessert, and dessert comes around, you're like, of course, I'm going to splurge on that. And how do you feel on Sunday morning with the extra glass of wine and the dessert? You're a kilo heavier. Budgets can be a little bit like that because people think, I've saved, I've saved, I've saved, I've been really good. Therefore I can buy X, I can buy the new, I don't know, golf club. What do people spend their money on? Handbags? Nice outfit, whatever it might be. Or bigger things like a car or something.

Cec Busby [00:06:54]:

That's another thing as well, cars. Like, how much money do people spend on their cars these days?

Jacqui Clarke [00:07:01]:

An awful lot. And I think the other thing, when you think of younger people in the population, it's sort of an attainable financial goal. You need wheels to get around - or do you? is the question. But today, owning a house seems so far away that buying a car is the next best thing. So one of the other money mistakes I talk about is people wearing and driving their money, which is quite natural because you've got a smaller amount of money then you spend it on clothes or you spend it on cars.

Cec Busby [00:07:37]:

Yeah. I do have some friends, actually, that are constantly splurging on high end labels and then in the same breath complaining about not having the money for a deposit for a house.

Jacqui Clarke [00:07:51]:

It's a real problem, isn't it? Yeah. So that is a genuine - that's my first sort of money mistake, if you like, is really that wearing and driving your money. So how do you turn that around? It always comes back to setting some type of goal, be it financial or otherwise, where you actually have to hold back from those purchases to get further ahead or to reach some level of financial freedom that makes you feel much better about yourself.

Cec Busby [00:08:21]:

So a bit of abstinence.

Jacqui Clarke [00:08:23]:

Yes. Choices. I like to think of them as choices. What are you going to forego for that bigger goal?

Cec Busby [00:08:31]:

Yeah. So in terms of taking a look at your finances, you've done the scary thing, you've opened your internet banking, you've got a shock. What happens next?

Jacqui Clarke [00:08:49]:

What next? Well, I think you've first got to identify what are the behaviours that led to that point as well. So one thing, a really common phenomenon, is this income and expense creep. So fairly typically, people are earning more money and spending more money. And I always talk about like a bottle of wine. You probably started out drinking. I hate to think I might have been drinking a six or $12 bottle of wine when I was younger, and it grows to a $25 bottle of wine, 30, 50 and so on. So I think you've got to first identify what are the behaviours that have led to that, in terms of those spending behaviours ,and then deciding if I want to actually save or invest money, what am I going to put aside? So what am I going to change here? So whether it's ending subscriptions when you're not using them at a point in time, rather than having all this money continually going out of the bank every month. Actually deciding or resetting your new baseline expenditure, what you'd rather that look like, decide what things you're not going to spend money on anymore, so that you are actually creating a little bit of headroom in your spending so that you can then set that aside for saving or investment.

Cec Busby [00:10:04]:

It's a bit like scope creep.

Jacqui Clarke [00:10:07]:

Exactly like that. Exactly. Yeah. Interesting. Scope creep is a whole nother ballgame in a way, too, isn't it? That it depends which side of the fence you're on. Are you the receiver or the - it's not nice when your lawyer calls you or project manager calls you and said, oh, there's been a fair bit of scope creep because of X and Y and you're on the receiving end of that, which is a whole lot more cost.

I think the difference with expense creep is that you are the master. Essentially, you're the master. Okay, we have some economic factors now influencing that, but there is another part of it that you're the master of, which is whether it be the quality of the groceries you buy, whether it be the special things that you purchase for yourself. They're all going to influence that as well. And, you know, the classic one Cec, is things like the tax return refund. Like, I ran into some ladies yesterday, and they were already banking on that and what they were going to spend that on. So I think the opportunity is to save that for a bigger financial goal, rather than spending it on that luxury item.

Cec Busby [00:11:19]:

Yeah. It's a hard thing for people to grasp, though, I think, because they feel like when their tax return comes in that it's money for nothing in a way.

Jacqui Clarke [00:11:29]:

Yeah, exactly. No, I couldn't agree more. It's just actually an opportunity. I see it as an opportunity to do something different.

Cec Busby [00:11:37]:

All right, so you've talked about a couple of the money mistakes, like wearing and driving your money and keeping your head in the sand about your money. Are there any others?

Jacqui Clarke [00:11:46]:

Look, I think the main one is where we started - just not actually appreciating what your baseline costs are. So few people can quote back to me what it costs to open their front door at home. So few people have done that analysis that says, okay, my rent or mortgage is X, my subscriptions, my insurance, my grocery bills, all add up to a certain amount per month. So actually, until you've really done that, it's tricky to move forward. But I think the important thing Cec, as well, is to say if you've made those mistakes, you can turn it around. And I've seen people do it, make the decision that they don't want to end up homeless at 60 as a woman or whatever it might be. And say I'm going to make a decision now to get on top of or know what these costs are and manage them to a point where I'm actually going to get ahead.

Cec Busby [00:12:39]:

So what are some simple steps that you can take then, if you do feel like you are that woman going, oh, I'm coming up towards retirement and I don't have as much in my super as what I thought, what are some steps that that person could take?

Jacqui Clarke [00:12:56]:

Yeah, apart from, I think taking a good look at knowing what your costs are, I think the flip side is from an income perspective, so how can you influence your income? So if you haven't asked for a pay rise, maybe it's time you should. But the other thing is, perhaps if there's no flexibility in your baseline cost, you always look at what I would call then the top line, which is your income. So is it time to set up a side hustle? Is it time to create a little business on the side that might generate some more cash for you? And honestly, whether that's cooking meals for people or taking on ironing, wherever you want to start, you might decide that you do web development on your weekends for people or help write blogs for people. There's any number of services now, obviously, that can be delivered flexibly across multiple platforms. So these could be ways, I think, that people could supplement their income in the absence of being able to seek a pay rise.

If we're talking about the top line, obviously we sort of covered the baseline, which is working out, first of all, too, if you're helping out adult children, how you reduce that burden on your own cash flow? I'm thinking specifically about women who might be 50-plus who are then thinking, have I got enough money to retire on? I don't think anyone necessarily retires anymore anyway. But the reality is, if you want to ease back on work, you still need cash to live on. So you need to be putting money aside today. And I think of things like a savings goal. So let's work out what's the amount of your income that can be set aside, over and above these baseline costs, that you can start to build up to invest then in something that provides you with a return, that's not about you providing that personal service. It's actually an investment that's generating a return of somewhere between four and 10% should be reasonable in today's environment.

Cec Busby [00:14:59]:

So part of it is looking for those extra sources of income, setting yourself some goals. But what about maybe if you look at it and you just feel overwhelmed? Is it time to get some help?

Jacqui Clarke [00:15:14]:

Look, couldn't agree more. I talk in my book about a personal finance village. And this is about having people around you that you trust, that have financial knowledge or business acumen that can be that sounding board for you. So it could be your accountant, it could be a lawyer, it could be a brother or sister in law. It's just somebody that perhaps has more financial literacy than you've got or similar, but somebody that again, you can use as a sounding board so that you have people around you that can help guide you in a non-emotional way about some of the money decisions. Sometimes I find it a whole lot easier, even if I am scrolling the internet and find a lovely dress or something I want to buy and my husband's there and I can say to him, what do you think? And he says, well, where are you going to wear that? And that on its own helps me. It goes through a filter and I say, oh yeah, I don't actually have a specific reason for buying this, therefore I don't need to buy it. So it's just like having that 2nd, 3rd, 4th person. I've had a business coach before as well. Again, somebody who I've, in this case, paid to help me navigate what I'm doing in my business. So there's certainly lots of people out there that I think can provide you with good support.

Cec Busby [00:16:36]:

Is it partly curtailing those impulses? Like you just said, you sound out the dress buy with your husband and when he's asked you the question, then you're like, oh yeah, actually no, I don't need it. Because then I think it also goes back to that relationship people have with money, and sometimes people buy stuff to make themselves feel better.

Jacqui Clarke [00:16:59]:

Absolutely. I really think it's twofold, which is people actually recognizing that they've got a goal. So I talk about a North Star. What's your North Star, financially? How do you want to be or where do you want to be in five years time from now? And so that kind of guides you in that other decision about the spend. So you can have a budget, you can know what your baseline costs are, but in the absence of having a goal, you've got sort of nothing to aim for. So why do I have to make a choice today?

Cec Busby [00:17:32]:

That's so true. So one of the first things you'd suggest, then is setting out some goals, making a plan?

Jacqui Clarke [00:17:39]:

Yeah. Look, I sit down every year, Cec, and just contemplate what this year is going to look like. But I always adapt a five-year plan, and for me, I've got young adult children, so I actually do a plan that sort of says what year. I've got my youngest finishing school this year, eldest is going overseas, finishing university, and quite a few in between. So, for me, I look at their life milestones as well, to understand what the needs might be at home or not, and then decide from a business perspective what those goals might look like, what my lifestyle might look like, and that sort of helps inform me. But I look at that every year. It's not like something I go back to too often in a year, but I always take that time sort of around Christmas, New Year, to think through what I'd like the next year or five years to look like.

Cec Busby [00:18:32]:

So it's interesting you're considering the whole family, what your kids plans are. Is that because it's kind of a bit of the bank of Mum and Dad going on?

Jacqui Clarke [00:18:45]:

It's definitely a relationship with the bank of Mum and Dad. We've got five sons in a blended family. We've been together for well over a decade now and we've done a lot of things together as a family, because I guess that's perhaps the unique aspect of being blended is that we've blended, so we've become great mates, if you like, as a family as well. So I look at the stages of the kids because I just think it influences how much time I'm going to spend at home versus being away or travelling. And actually they're travelling now and travelling to places that I might like to visit. And so if, as a family, it's fun for us to be in another part of the world together, then I'm kind of happy to invest my time in going to see them somewhere different, perhaps. So that's why it's become relevant. We've got our last son doing HSC, so once he's finished, it's like, yippee, yes, school fees are done as well, but it's just a different phase of life. Just things are changing, which is good.

Cec Busby [00:19:48]:

Yeah. And when those school fees are done, you'll be putting that money into a nest egg for something else, I'm sure, Jacqui.

Jacqui Clarke [00:19:54]:

I will actually Cec. I should just share this with you. Before I left my 20-year career at Deloitte, I actually put the school fees aside, because one of the things I wanted to make sure I did was I secured the kids education so I could choose to do nothing. Well, not quite, but the one thing for me was making sure I had the school fees set aside. So that was sort of like a safety net for me mentally, was to know that I'd had the school fees set aside so that then I could change my career or my job and feel relaxed that their education was covered.

Cec Busby [00:20:28]:

Yeah. And when you left Deloitte and started your own wealth management company, that was with your, was he your husband or partner at the time?

Jacqui Clarke [00:20:37]:

Yes, my husband and another partner. So, three of us left Deloitte. I left a little bit later, so that we sort of behind the scenes were setting up an accounting firm. So I don't spend my days in there now because I had a couple of family clients that I continued to advise from my time at Deloitte and I do a couple of board roles now as well, so I'm sort of quite independent. I've got my own little consulting practice on the side. So a few things going on.

Cec Busby [00:21:07]:

And you guys are out in a farm, is that right?

Jacqui Clarke [00:21:11]:

Yes. Well, spend my time between Sydney and a country town called Braidwood, which is in the southern tablelands of New South Wales. So, like an hour from the coast, an hour from Goulburn, or an hour from Canberra, depending on which direction you're coming from. So we've got a cattle property there. My husband's like, seven generations in the cattle business. It did all disappear in the previous generation, but it was something we found. I've been a city kid through and through. It was something I've really enjoyed, so we spent a lot of time there. I kind of really love being involved with a regional community as well. It's quite different to being in the inner west of Sydney, so, yeah, I just find that provides me the most incredible balance, always has.

Cec Busby [00:21:53]:

And now you know a lot more about a cut of meat than you did when your mum was in the supermarket.

Jacqui Clarke [00:21:58]:

You're not wrong. You're absolutely not wrong. I know a whole lot more about cattle breeding, that's for sure, as well.

Cec Busby [00:22:05]:

Was that something that your husband was always wanting to do? Go back into the family business, in a way?

Jacqui Clarke [00:22:14]:

Well, no, it wasn't, actually. I think it was just we were looking for - you know, we needed more space, if the truth be known. We were probably thinking, we've got all these crazy five wild boys and we need more space. So that's sort of part of how it started. And we started out small and I said, I really like this, and then we went bigger. And so it became quite a significant thing for us to manage. And my husband was not allowed to continue on the farm as a young adult. He was there as a child, but the family said, no, you go off and get a job out there and go to university, those types of things, which weren't obviously privileges afforded to the earlier generation. So it just became something really nice for us to get back into and we've had a pretty good wave the last decade in the agricultural sector in Australia, so it has worked out really well for us.

Cec Busby [00:23:08]:

So you're juggling two businesses and five kids, did you say? That's a lot!

Jacqui Clarke [00:23:18]:

Yeah, it has been. I think honestly, the thing that does my head in the most is trying to work out who's coming home for dinner. We've been through the WhatsApp chats, we've been through the text messages. It's just too hard. One of my kids said to me, you know, Mum, not everyone else's families come together for dinner all the time. And I said, when do we stop doing this? I don't know. We're making it up as we go along.

Cec Busby [00:23:45]:

Yeah, but I guess with so many kids and your background, financial security is something that you've wanted to embed in them as well as they're growing up?

Jacqui Clarke [00:23:57]:

Yeah, look, absolutely. It's a real mixture across the kids on this side of things. One of our sons, hilariously, thinks that he would love to end up in a retirement village where they play golf and get fed all day. He's just got to get from sort of the age of 20 to there; it's a bit of a problem. And we've got some working in financial services or in consulting anyway, they're reasonably savvy around things like working out their own budget. I have one son who's paying a mortgage now, and we've been talking to him quite a bit, just the last couple of weeks, because he's really sensing now with the push with interest rates and then the cost of living. He's really noticing a big difference in terms of how much more he can pay off his mortgage. Or in fact, he's sort of almost back to the interest-only level because the high rates and cost of living just eating into his cash flow. So he's really not long out of university. So we have three sons who have finished university in the last sort of twelve to 18 months, so they're out in the full time workforce, so it's a bit of a shock. So I guess he knows that living at home would probably be more cost effective, but he's building an investment, by the same time is quite determined to hang on to that.

Cec Busby [00:25:17]:

So we've talked quite a bit about managing your money from a family and a personal expense kind of level, but what about for a business? These days it's much, much easier, given all of the Xeros and the MYOBs and all those things, for people to have that real time idea of what their cash flow status is. What would be some advice you would have for business owners that are still seeing money go out the door faster than it's coming in?

Jacqui Clarke [00:25:54]:

Yeah, I guess it's a couple of things. The first thing I talk about is matching your payment cycle. So thinking about when money is coming in and when money is going out, that you match that as closely as possible. So what I mean by that is, if you have a 30 day term on your invoice voice and you pay people on a seven or 14 day term, you're going to have a mis-match. So money is going to be coming in slower and it's going to be going out quicker. And if that's not something that you've looked at, then you can always negotiate with people that you work with to say, I pay on 30-day terms. I'd like to sort of match that up with you. So there's obviously a number of different ways you could approach that. Some bigger companies just have their system and that's all there is and your best to match your invoicing system to that as well. So I think that's important.

I do talk about business plans. I think having a strategic, having a period of time in any year where you invest in more strategy around the business is important, but then also ensuring that your employees are across that, and you regularly refresh that strategy or the direction that you're taking the business. I know you mentioned cash flow, but I do think that keeping your eye on cash flow is really important and not leaving it till it's too late. So, your customers might still be able to put food on their table at home, but you might not be able to. So you've got to recognize trends quickly if customers start to slow up in paying you as well.

Cec Busby [00:27:23]:

Yeah. What are some other warning signs then business owners should look out for?

Jacqui Clarke [00:27:28]:

Well, the incidence of insolvency in businesses has doubled this first quarter of 2023. So it's really significant, businesses failing and going bust. And naturally, I shouldn't say naturally, it's not really fair, but the construction companies were the first ones to go. There was something like 250 construction companies in the month of March went bust this year. And they've been unlucky because they've had fixed term contracts that have had rising costs coming through, where they haven't been able to meet the demand of those things. So that's probably recognising the science, that food and retail businesses are next after construction companies. So I guess if you're starting to have trouble meeting your quarterly BAS - and what I see in businesses typically is the ones who are using the Australian Taxation Office as a bank, there's a problem. Because they're an easy bank. It's certainly easier to not pay a tax office bill than it is borrow money from the bank. So people, when they're using the ATO, it's a sign already that there are cash flow issues in the business. So I guess you've got to say, well, what do we need to change here? Do I need to reduce my cost base? Which is, again, looking at all of the services you provide and your employees and I would be looking at what they're providing in a business. Is it essential, is it revenue generating? Those types of things? Yeah. How long is a piece of string? There's certainly a lot of ways that you can look at businesses, but I think you've got to recognize the signs, and not bury your head in the sand.

Cec Busby [00:29:15]:

And that ATO thing as well, like, talk to them. That bury your head in the sand with the ATO never works well.

Jacqui Clarke [00:29:23]:

No, it doesn't. Look, it's a really common tactic used by businesses and individuals who struggle to pay their tax. So actually, yes, have a conversation with tax office, agree a payment plan. And at least to reduce some of the anxiety or stress that you might have about that. If you've got a bit of a payment plan in place and it's manageable, yes, you might be paying a really high interest rate to the ATO, but at least you're starting to deal with that debt. But remembering, with all these things, there's the next month and the next quarter that keep coming along as well. So right from the get-go, people have got to put aside a percentage of their income, let's say 30%, whatever the number is, so that you got money set aside for tax, for GST, for your PAYG, for your staff, whatever it is. You've got to make sure that you're setting that cash aside. Don't see money in the bank and think you can spend it.

Cec Busby [00:30:13]:

Yeah, I think that's very common, particularly with sole traders.

Jacqui Clarke [00:30:21]:

Yes. Because naturally, back to that thing we were talking about before is, you see you've earned the money, it's in the bank, therefore I can spend it. Oops. Got to pay quarterly tax bill, oops, last year's tax return has been lodged, got to pay the company tax on that income now. So you can be forever playing catch up.

Cec Busby [00:30:39]:

If you get into that cycle, apart from speaking to the ATO and working out your budget to try and make sure that doesn't happen again, is there any quick fix?

Jacqui Clarke [00:30:53]:

Well, not necessarily. I would suggest that you have to stop and have a very hard look at yourself, probably, and your business model and say, is this actually right? People sometimes put time frames on the period of time that they're going to run the business a particular way, to see if it then turns to be more profitable or otherwise. I think setting that timeline goal is not a bad idea to say, I'm going to give this another 90 days or 60 days, whatever it is, to see if it turns around, otherwise I need to actually call it there. And that's when I would get people into help. That's when I would be consulting people, say, what's this look like to you? Because you become so tied into it. It's all about you. You certainly don't want to fail as well. So you need to get other people to help you make that decision.

Cec Busby [00:31:41]:

Yeah. What about the changes to super? Do you think that is going to have a big impact on businesses?

Jacqui Clarke [00:31:50]:

Not necessarily, Cec. I don't think so. I mean, the reality is, with the ceiling on the 3 million or the extra tax, that people who've generally got that kind of money in Super maybe got other things to worry about. I think that paying Superannuation feels like a burden as a business owner when you've got to pay it for other people. I think the important thing as a business owner to keep paying super for yourself as well, it's all going to come down to cash flow for yourself. But the reality is, make sure that you're putting some aside for yourself as well, not just your employees, that you're required to by law.

Cec Busby [00:32:24]:

Yeah, that's so true. Particularly with our solo operators. That's the last thing they think about is putting money into their super.

Jacqui Clarke [00:32:36]:

I frequently meet people who haven't contributed, haven't essentially contributed to super for ten or 15 years for exactly that reason. They've been happy running their business. They've been paying off a mortgage, or growing the business. It's just not something that's been a focus. And they think, well, if I give it to the tax man, I've got to pay tax on that. If you earn over a certain amount, you've got to pay the extra 15% tax on it doesn't make sense, but actually it still does make sense.

Cec Busby [00:33:05]:

So put some money aside for super. Do it now.

Jacqui Clarke [00:33:08]:

Yes, now. We're getting close to the end of the year, too, so it's a good time to think about it.

Cec Busby [00:33:14]:

All right. Any final advice for our listeners? How they can stop worrying about their money?

Jacqui Clarke [00:33:20]:

No, I think the most important thing is go right back to the start and make sure that you are being accountable about it, personally. You do understand your baseline costs. And then really, I think the third thing is then say, set your financial goals to keep you on track.

Cec Busby [00:33:36]:

Thank you so much, Jacqui. It's just been fantastic talking to you today. You've been full of great advice for our listeners.

Jacqui Clarke [00:33:42]:

Thanks there's. Happy to help.

Cec Busby [00:33:44]:

Thank you. Bye.