



The Australian Finance Podcast Episode Transcript

Episode: Chanelle's 10 winning money tips during lockdown

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Speakers: Kate Campbell, Owen Rask & Chanelle

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Episode transcript:

Owen:

Kate Campbell, welcome back to this episode of the Australian Finance Podcast.

Kate:

It's good to be back on, on this beautiful Friday morning.

Owen:

It is indeed. Spring has officially arrived in Melbourne, which is nice. And we are nearing the end of lockdown, which is always a treat. But we have an extra special guest with us today. Chanelle, how you doing?

Chanelle:

I'm good, thank you. How are you?

Owen:

Good. Thank you. Thanks for joining Kate and I. I wanted to assure you off air just a minute ago that we didn't have to hit record, because you were the recipient of our apple watch giveaway last month. And for those listeners who don't remember what it was, we asked everyone in the community to share 10 things, basically that we put on a

list and show, air quotes, "proof" that you've done them by submitting into the social channels or into our Facebook group. And Chanelle, you were the lucky recipient. You were the one who earned it, I guess, you weren't just lucky. How have you found the apple watch so far, as a fellow apple watch user? Has it been okay?

Chanelle:

Yeah. No, it's been great. I've never had one before. I've so just like looked at getting one, but never committed. So yeah, it's really a pleasant surprise in the middle of lockdown and it's nice. I was talking to Kate earlier about how you can track your sleep, and I've never seen that before. Yeah, it's been really cool, especially in lockdown.

Owen:

Yeah, for sure. I've found that with our team, we've all kind of taken it in our stride just to be a little bit more, I guess active, particularly Kate. Kate has been extra active kicking goals, literally. So, it's great. So basically the way it worked was that you submitted your kind of 10 things that you did and we're going to go through them today. But maybe before we get to those things, maybe you can just tell Kate and I and listeners a little bit about how you got started thinking about money, and maybe even the resources that you used.

Chanelle:

Yeah. So I think I started thinking about it at the beginning of our first lockdown, so March last year. Because I had just gotten back from six months abroad studying. So I kind of came back with \$0 in my bank account, and was fortunate enough though to be eligible for job keeper, because I never quit my job in hospitality and I came back and worked a few weeks before we locked down. So I was still receiving the 750 each week wondering, what should I do with it? I can either put it in my savings account and just build it back up to what I had before I went overseas.

Chanelle:

But then I sort of thought, that's going to take a long, I'm going to be here for a very long time. So yeah, I started just looking into shares, because I never really knew anything about it. My dad is kind of always been like a invest in property kind of guy, but that's also intimidating because you need so much money for a deposit. So yeah, I started listening to podcasts, read some financial books that we already had. I did your starter, beginner shares and ETF courses and I sort of just started from there and I've just been learning as I go, finding different resources and articles and things.

Kate:

It's amazing how many people lockdown has been a great project and a great time to actually get on top of their finances.

Chanelle:

Yeah. I think it's because you're definitely not spending as much as what you originally would. And so you're kind of looking your bank account and you're like, "Wow, I have more money than I thought I would this week."

Owen:

I think some people, it kind of goes two ways. Some people get really intimidated and put off by lockdowns, obviously because it's a pretty traumatic time. Some people kind of have to set themselves goals. So you've definitely set yourself some goals and you're just kicking them. How have you found managing money during lockdown? Have you just found that it's easier to save?

Chanelle:

Yeah, I definitely find it's easier to save because I've never really been a big spender anyway. So I think I'm definitely more of a saving kind of mentality. I just tend to spend everything all at once, like going overseas for six months or buying a car, things like that. But I think I'm more of a saver, and during lockdown I've just sort of thought more critically about what I'm spending my money on. I think outside lockdown, I buy a lot of coffee and go out and eat a lot more with friends than what I do obviously in lockdown. So just kind of realising where all your money goes, and yes, I sort of just like organised my bank accounts a bit better and just a bit more thoughtful, I guess.

Kate:

It's definitely been a perspective shift, especially for me and a lot of people I've spoken to of things that were really important to you before maybe aren't as important now. Like you might have valued spending a lot on materialistic things before, but now it's kind of like, "After lockdown, I want to spend money on experiences and travel, that's going to be my priority over the next few years." Have you found that sort of like a perspective shift for you?

Chanelle:

Yeah, for sure. I think I've also kind of been more of a experience kind of person as well over material items, but I think just being stuck in one place for so long kind of... Your drive for travel is a bit bigger and that's kind of what you're saving towards, or I am.

Kate:

Yeah, absolutely. Now you shared an amazing list of 10 things with us, and I think there's a lot of suggestions that listeners might like to take on board themselves. There's a lot of ways to save money, get started investing, and you had a few other sort of tips to that people might not think about that often, which I'll let you share. I'll hand it over to you, maybe share each of the 10 items and a little bit of sort of elaboration on each one, just so you can kind of share your experience with us.

Chanelle:

Okay. So my first one was, I'm a big reader and sort of find that buying books all the time can add up, especially if you don't really have the space for them all and they're bit expensive. So my local library, in lockdown you obviously can't go and borrow hard copies of books, but they have an app. There's two apps that my local library is affiliated with, BorrowBox and Libguide. And so you just download the apps, log in with your normal membership number and password. And they have a huge range of e-books and audio books. So I've just been reading a lot of those, and you can borrow them for up to like 20 days. I have I think like five at a time, and even reserve them for the future. So that's been a really good way to sort of keep busy, read. I think I've read about 10 in the last three months, which is a bit ridiculous.

Owen:

That's great. So this is just like, I haven't use this, so it's just like a normal book you'd borrow except it's just a digital version. So you have to kind of, air quotes, "give it back" and then the next person gets it, right back there.

Chanelle:

Yeah, exactly like that. Yeah. And so, because I think only like... There's a limit on how many people can be reading it at one time. So it might say like your book isn't available until I don't know, December. But if it's a really good book, I find that it's available so much quicker because people read it in less than allocated time.

Owen:

Oh, okay. I thought it would've been the other way around, there would've been like heaps of people virtually lining up for it.

Chanelle:

No. It's a cool way to read I guess. And I think it'd be cool to continue even after lockdown. You can just read on your phone.

Owen:

Cool. I like it.

Chanelle:

Yeah. It's easy. My second one is starting to donate plasma at Lifeblood, Australia. I first donated whole blood in high school and then sort of forgot about it, I was ineligible for a while. But at the beginning of lockdown last year, I think I heard an ad on the radio about how they needed donors. So I got back into it. It's awesome to do in lockdown because it takes about an hour. It's a reasonable excuse to leave home and you get a free snack afterwards. So I find that. And you save lives.

Owen:

Yeah. There's the added benefit of saving lives. Because we're talking about this, I donated blood recently. You can donate blood, which is every three months and plasma's every two weeks, with Lifeblood. So that's a great way to do it. Everyone needs blood, everyone needs plasma. Good way to donate if you can't give financially too.

Chanelle:

Yeah. Yeah, that's what I found. I think lots of people might not be in the best financial situation to donate to charities if they normally would. So this is a perfect way to still feel like you're giving.

Kate:

Yeah. Especially because it's been quite hard to, you can't physically sort of donate your time to many charities at the moment. The op shops and all those sort of traditional places are closed, but donating blood's still something that's really necessary and it doesn't cost you a cent.

Owen:

In fact, you get snacks.

Chanelle:

Exactly. And my third one was, I am in the middle of doing two free New South Wales' TAFE lockdown short courses. They have so many ones available. I chose two that are sort of like relevant to my industry. I completed the Bachelor of Psychology at the beginning of the year, but I'm doing one in Introduction to Community Services and then Alcohol and Other Drug Work. So one of them is just like self-paced online, but then the other one has optional classes that you can join each week. But they're just short assignments, kind of work through the content at your own pace. But yeah, you get a

certificate at the end and it's sort of been a good time filler and it can go on your resume.

Owen:

For sure it can. Yeah. Extra career stuff, that's awesome.

Kate:

And I think that's a really good one to mention because I don't think the government's publicised enough that a lot of these TAFEs have heavily subsidised or free courses at the moment as part of the job maker programmes. So, that's definitely something people should check out. There was a lot available, especially for Victoria, when I looked a few months ago, I think when we mentioned something like this.

Owen:

So, Chanelle, I didn't know what you meant by number four. So your fourth one here, I didn't understand the first hyphenated word. So you're going to have to clear this one up for me.

Chanelle:

Oh, procrasti-clean. OK. Yeah.

Owen:

Yeah. Tell me about this.

Chanelle:

Okay. My fourth one is procrasti-cleaned my bedroom. So I pretty much just procrastinated by cleaning, from doing my TAFE course. And I have a new job, which is interstate, so I am looking to move. So I've sort of cleaned my room in a way that if it's not coming with me, I'm getting rid of it sort of mentality. And so with that, I sort of donated a bunch of clothes and everything to Vinny's, but then the items that I thought might have some value, I sort of looked them up on eBay just to see if anyone's buying them. And I listed quite a few things like Lego and video games and just random items that people were buying. And I made about \$300 on eBay.

Owen:

Cool.

Chanelle:

It's also kind of fun because I've never done that before. And just like going down to the post office and shipping it off, something different.

Owen:

Yeah, for sure.

Kate:

Especially during lockdown.

Chanelle:

Yeah.

Owen:

Yeah. It's \$300 in your pocket. And you can put that towards things like, which we'll talk about in a minute, emergency funds and whatever.

Chanelle:

Yeah. Going into number five, I used that \$300 to start... My first investment was Spaceship. So that was my first investment. And then I've just set it up to take out \$25 a week. So a hundred dollars a month sort of going to Spaceship, which... I hadn't used that app before, I've heard quite a few people talking about it. So far I'm enjoying it, it's pretty cool that it just direct debits your money, it's free.

Owen:

Yeah, it's easy. Cool.

Chanelle:

Yeah. You don't have to think about it.

Kate:

Many of our listeners would be aware of Spaceship, which is a micro investing app. I think you can start with as little as probably a dollar, and you can set up direct debits and sort of invest in one of the three portfolios. So it's definitely, if you've only got a little bit and you're interested in sort of dabbling, it is a good app to check out along with Raiz and a few others.

Chanelle:

And my next one, I-

Kate:

Number six.

Chanelle:

Number six. I looked into my super, because I sort of assumed I only had one account, but actually found a second hidden one. It only had a couple hundred dollars in it, from one of my first jobs. But I have now combined that with my main super account, so everything's all together. I also did that with my savings account. I used to have multiple savings accounts, so like different savings goals, but I sort of realised it's kind of not the smartest idea because with bonus interest and stuff, because I bank with ING, it's kind of easier or better to have all your money in one savings account. So I've combined all of those and then just track my savings goals, just in like a spreadsheet, I guess.

Owen:

Yeah. Cool. How did you, just quickly, how did you investigate your super accounts? Like how did you find that you had an extra one? What tools did you use to find that? Was that YourSuper or myGov or something like that?

Chanelle:

Yes. I went through YourSuper, but then when I was also cleaning my room, I found some paperwork with the original account. So, that also gave me a clue. And then I had some trouble logging into it, but yeah, that's how I found it.

Owen:

Ah, cool. Nice, good work.

Kate:

Yeah. That can be a few pesky ones that hide if you [crosstalk 00:13:54] track them down.

Chanelle:

And also because like when I was thinking, who checks their mail? I don't really read letters, especially back then. So it's just gone into a pile.

Kate:

Yeah.

Owen:

Yeah.

Kate:

Tiding was very useful for you. Yeah,

Chanelle:

It was. So number seven, I did my tax return and I owed \$500, thereabouts, because I worked like two casual jobs, so I guess when I was getting taxed in both of them, they sort didn't realise how much I was earning in the other one. And I hadn't really paid off enough of my HECS through those. So now, because I want to return next financial year, because it's sad having to pay them more, I've just elected for my primary job to take out an extra 10% in tax. So you don't really notice it when I get paid, it's not really a big chunk out. And then at the end of the year, I'll probably just put that return back into my HECS debt, to lower it.

Owen:

Yeah. Cool. That might have happened, I don't know if you know exactly why that happened, why you owed money, but it may have been because there's that box, the tax free threshold, that may have been ticked. When you do that tax form, when you started a new job, that might have been ticked for both jobs. Typically you only tick that for one, just for people who are listening.

Chanelle:

Yeah, it could be. I don't think I had done that [crosstalk 00:15:19]

Kate:

Just sort of another box for HECS isn't there.

Chanelle:

Yeah.

Owen:

Yeah. It could be that one too.

Chanelle:

I have a feeling. Yeah.

Kate:

I'm still paying that one off. It's going to be a while.

Chanelle:

Yeah. I kind of just tend to forget about it.

Owen:

Number eight.

Chanelle:

Number eight. So I limited my takeout to once a week, but the catch was, I had to pick it up, I couldn't get delivery. Which worked because sometimes you can't just take out all the convenience of it. But if you take out the convenience of takeout, which is a delivery, it kind of makes you second guess yourself if you really want it or if you could just cook at home. So yeah, that was really good, save on delivery fees. And it also motivated me to sort of start cooking new things that I haven't made before, looking to healthier options. I have a lot more time at the moment, so I've spent quite a bit of it in the kitchen, just trying out new recipes and things like that.

Owen:

Cool. That sounds like a bit of a hack you're playing on yourself. Like as if you're studying psychology, you kind of know that if you put something in front of yourself. Interesting. Cool. I like it. That's a good one.

Kate:

What's your favourite new dish you've discovered?

Chanelle:

Ooh, I love Southeast Asian food. So I've made, it's definitely not as good, but Satay chicken, that's been my favourite at the moment. It's kind of easy and it's so good.

Kate:

Yeah. Fakeaway. I've been trying to come up with dishes that sort of replicate take away that I like, but are actually hot when they arrive, because I make it myself.

Chanelle:

That's so smart though. Great way to hack yourself.

Owen:

Yeah.

Chanelle:

So number nine, I've prioritised contributing to my emergency fund. As I said before, coming back from exchange, I started with pretty much nothing. And I realised during lockdown the importance of having an emergency fund or just like a backup account. Throughout the past sort of year and a half, I've been chipping away at that, and I've now hit like \$5,000 in that one, and I think I'll probably keep going, along the way.

Owen:

Well done.

Kate:

It's amazing. I always love to hear when people are prioritising building their emergency fund, makes me very happy.

Chanelle:

I feel like it's something we kind just put on the back burner, like ah, it'll be fine, we won't need it. And then, here you are.

Kate:

Yeah. I think good emergency fund has saved a lot of people during lockdown.

Chanelle:

Yeah, for sure. And then number 10 is just, I've taken the time to educate myself, listening to this podcast, sort of starting to talk openly with others, like my friends and family, just to kind of get their head around it, and to start the conversation about finances. I think a lot of us younger people, we didn't really learn about it in school and it can kind of be intimidating. Like investing, you don't really know what happens, so just starting that conversation. I've been reading quite a lot of books, using my libraries app as well. At the beginning of last year, I did the Rask beginner shares and ETF courses, and I brought a few of those last year and invested a bit more. I use CommSec for ETFs, so I've got a few of those. And yeah, just asking questions, talking to people, I think that's a way to sort of generate. And everyone else has their own ideas and resources they use, so just sharing those to just learn a bit more about finances in the, not the best way to do it, but alternative ways to use your money.

Owen:

That's a wonderful list Chanelle, it's really, really cool. Like you've pretty much done everything you kind of need to do as far as I'm concerned. How do you go about trying to, I know we talked about this, how did you go about convincing your friends to try and think about money and whatever?

Chanelle:

I think just talking to them about it. Like when you use CommSec, the minimum amount you can invest is \$500, which can sound like a lot. For some people, that's say a weekly paycheck or a large proportion of it. And so I think a lot of my friends sort of see it as like, not as gambling but, I mean, you are gambling your money, you could lose it, but sort of just reassuring and having that chat about how there are ETFs or shares that you

can invest in where it's not quite as big of a gamble, as long as you hold onto them for a long amount of time you should get a return.

Chanelle:

And also because some of my friends are a bit more materialistic than I am and like cabash shoes or a bag or clothes. And I'm like, "That was \$500. You could have put that into CommSec. They're like, "Yeah, but it just seems scary, I can't hold them." I'm like, "I know, I know." So we've sort of, I think we're in it together now, a couple of my good friends, we sort of research ETFs and share them with each other and then just slowly put away money until we get to the 500 and then invest that.

Owen:

That's great. That's a wonderful way to it. It's just that sometimes it takes time.

Chanelle:

Yeah, no, it does.

Owen:

Yeah. And if it works, I'll thank you for it.

Kate:

It's awesome to do with other people as well. I mean, researching ETFs together and then you kind of like, if one person has a question and finds out the answer, then you can share it with everyone else. And I think it's good having that support network as well. I mean, it makes it really hard to start investing when you've got no one to talk about or ask those supposedly silly questions too.

Chanelle:

Yeah, exactly. And you can celebrate together when it goes up and sort of... It's a good way to do it. And I [crosstalk 00:21:03]

Kate:

Hold each other accountable.

Chanelle:

Yeah. And a lot of us just didn't know anything about shares before this, so it's sort of been, I don't know, eye opening to the real world I guess, of adult finances, which is good.

Owen:

Well, Chanelle, this has been great. I think a lot of our listeners can take just heaps away from that list of 10 things that you did. Things like donating blood is just something anyone can do, or most people can do. There's the Lifeblood app, which you can download. That's what I've got on my phone and you can use that to check in when you get there and whatever. The free TAFE New South Wales courses, Kate, I know you were kind of keen on that one. Consolidating super, sorting out your tax, these are just things that everyone can do, and they have profound consequences for later in life. So, thank you for sharing them with us. They're really, really important. And I think you've done yourself a great service, and you've got an apple watch out of it. So, kudos to you.

Chanelle:

Thank you so much.

Owen:

And thanks for joining us on the show. We really appreciate it.

Chanelle:

Lovely. Thank you so much for having me. It was great.

Owen:

And thanks Kate as always, for joining me.

Kate:

Thanks Owen, thanks Chanelle.