

The Snowball Effect

... they don't teach at school

What is the pie?

What is the snowball?

Why is your snowball important?

10 tips to grow your snowball



Meet someone new

What is their **name**

What degree are they **studying** ... and why

Hobbies and **interests**

Why did they choose
Personal Finance



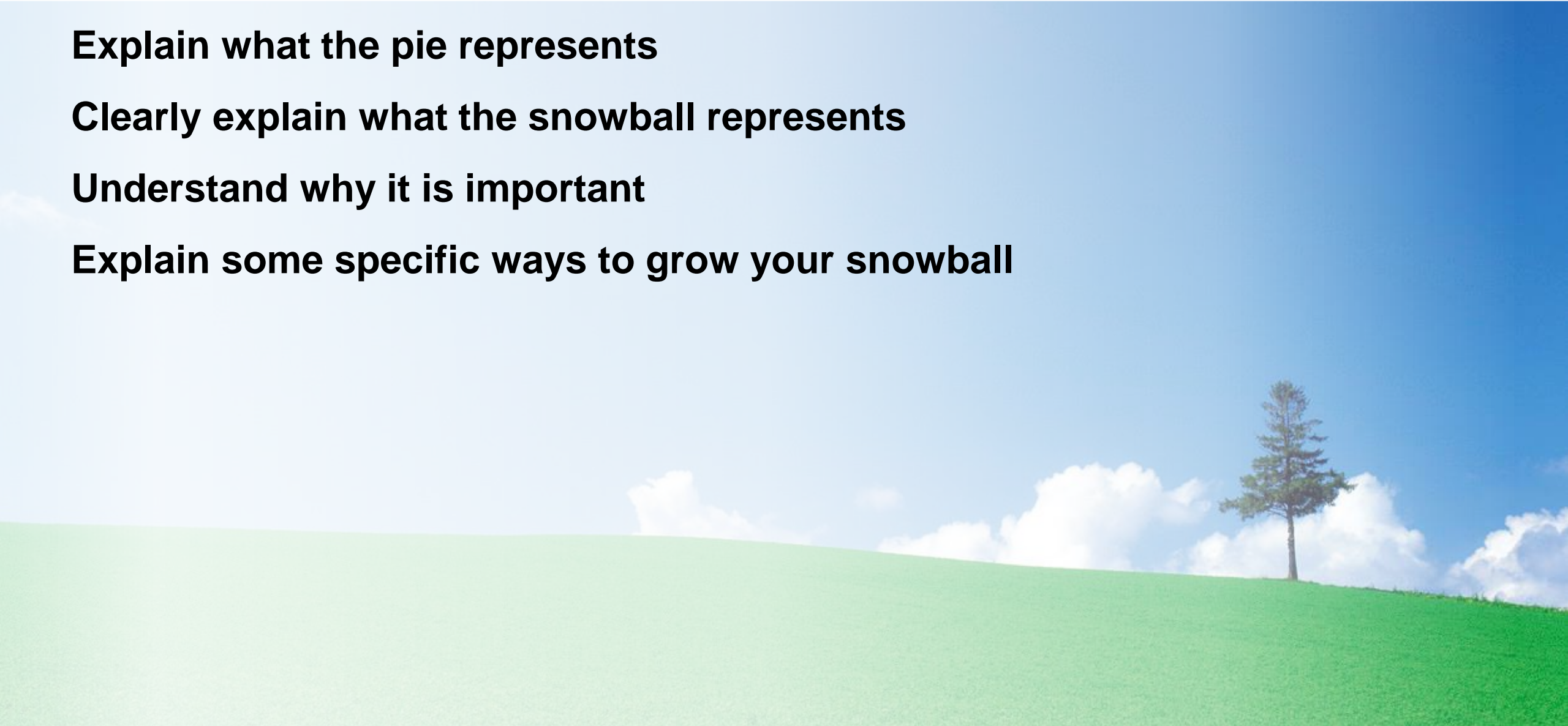
You need to be able to ...

Explain what the pie represents

Clearly explain what the snowball represents

Understand why it is important

Explain some specific ways to grow your snowball



What is the pie?



It is your total income each month

Personal income

Investment income



Think and discuss

What kind of things do you think will yield the most happiness to you over the next 40 years?



Slice 1: Plan to be generous

Family

Friends

Community

Pay tax



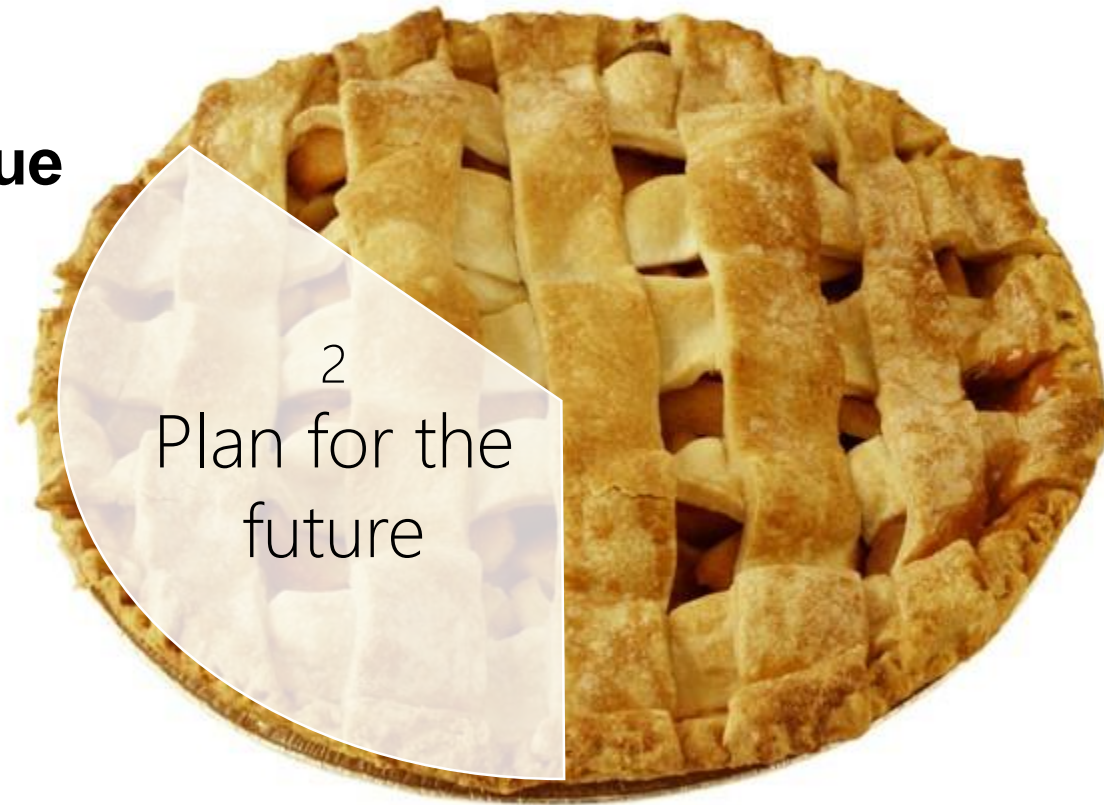
Slice 2: Plan for the Future

Save to spend

Own a property

Protect things you value

Use the system



Slice 3: Plan to be content

Left-over part of pie

This month's expenses

Practise contentment

Relationships

Track expenses

Optimise

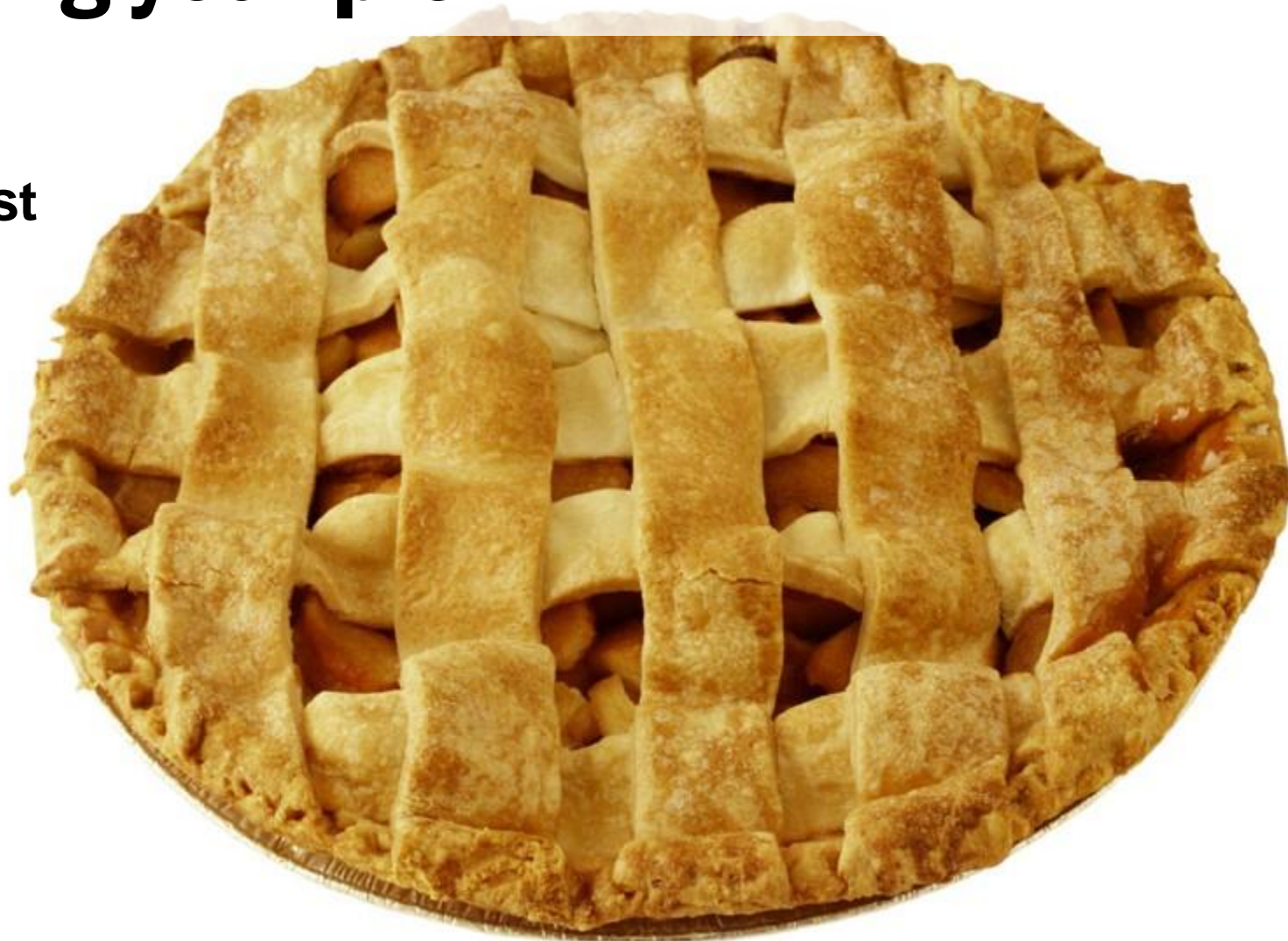
Budget



4. Growing your pie

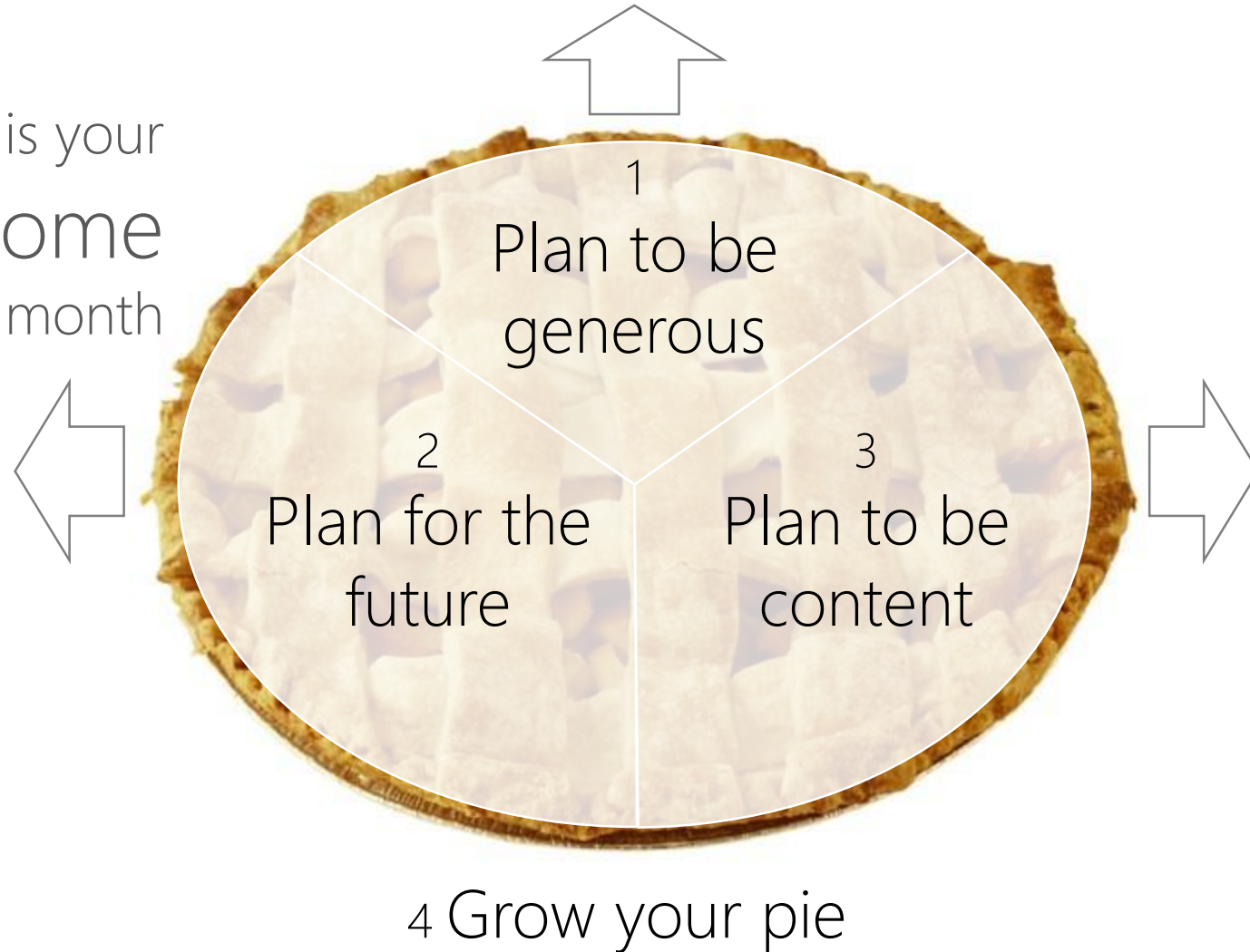
Invest in you

Save to invest



The pie

Your pie is your
total income
each month



What is the snowball?



It is the **amount saved** each month

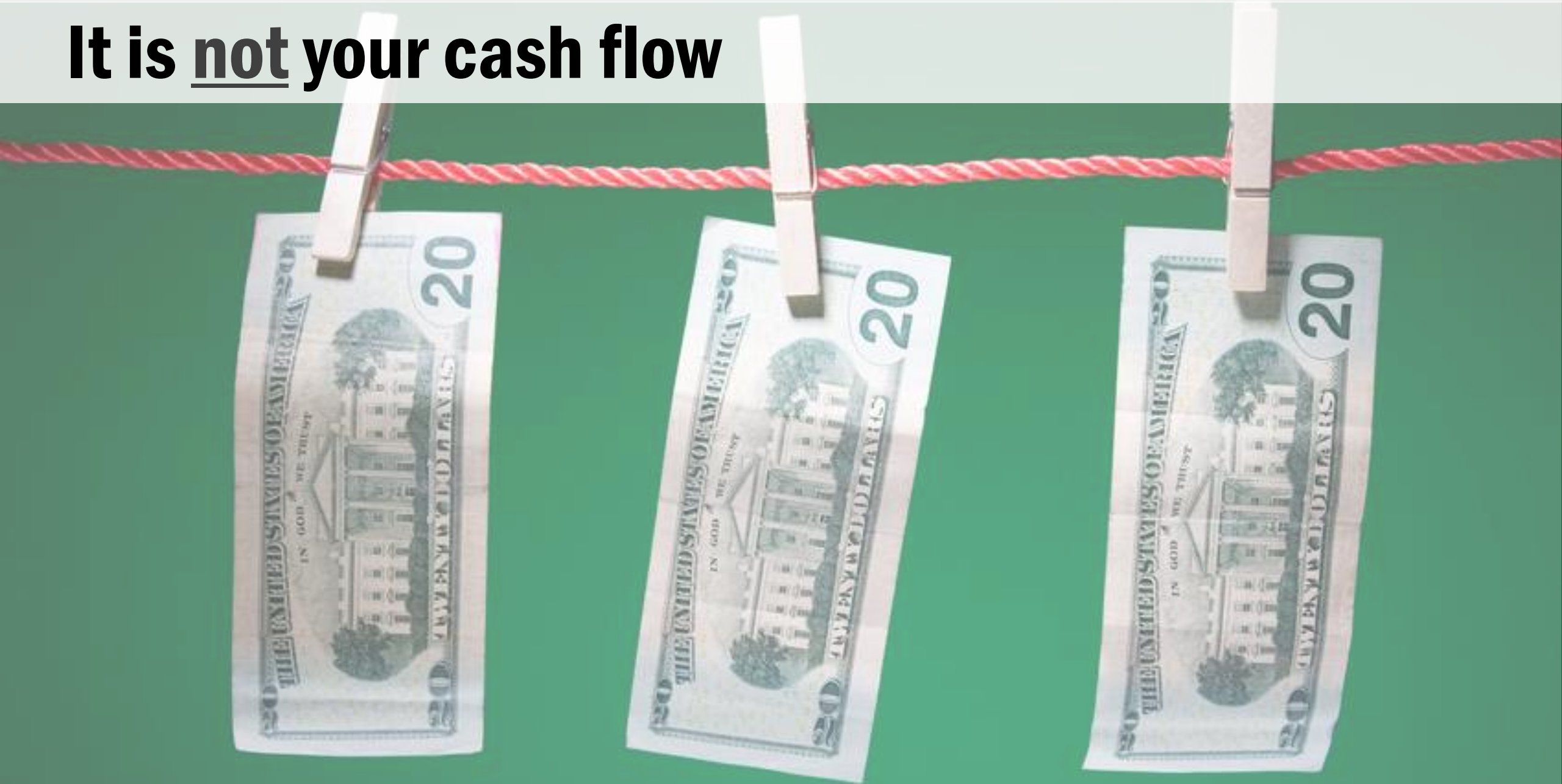
Amount saved = Income – Expenses



It is not your bank account balance



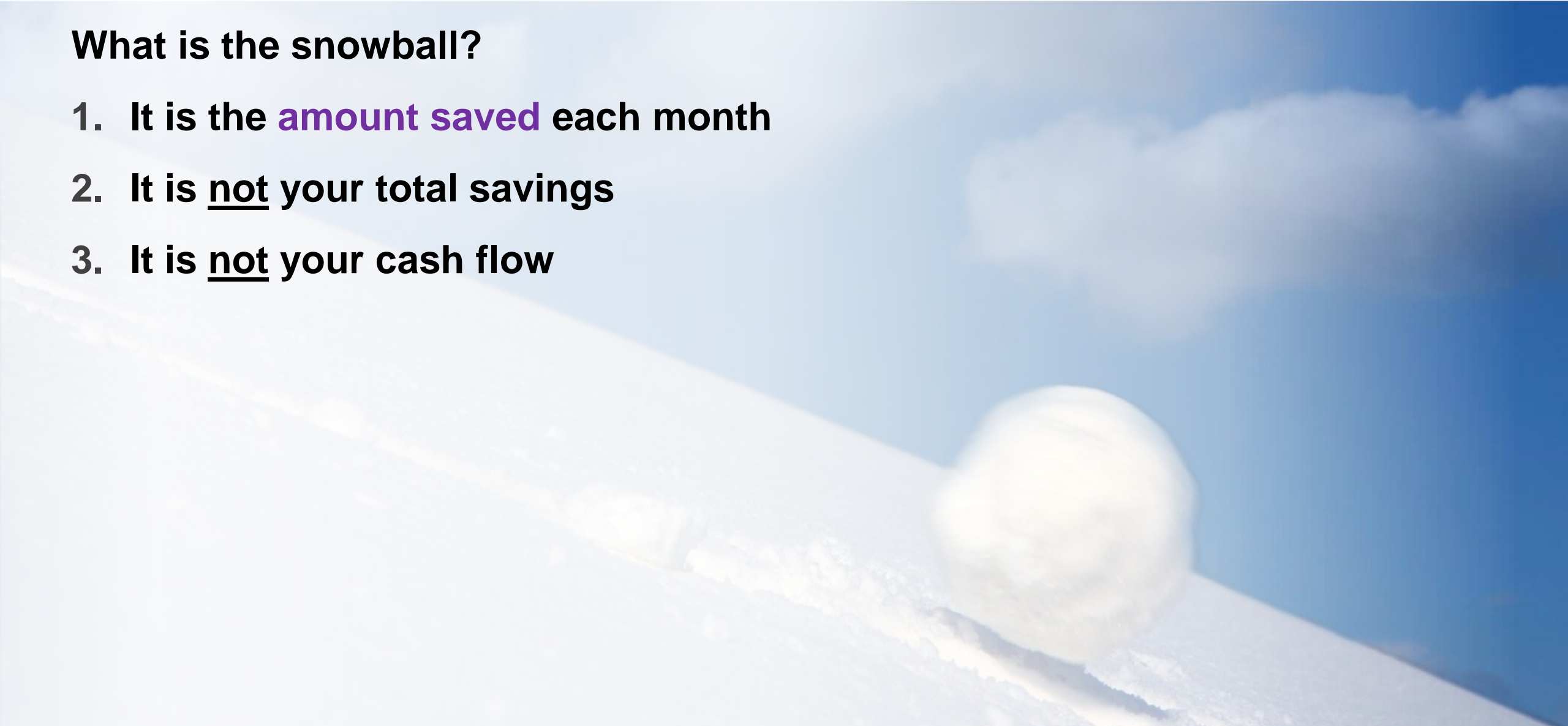
It is not your cash flow



Recap

What is the snowball?

1. It is the **amount saved** each month
2. It is not your total savings
3. It is not your cash flow



Why is your snowball important?



Your snowball is the
amount saved
each month

Think and discuss



How would it change your life if you won a small lottery and the payout is \$50,000 per year for the rest of your life?

1. Sign of financial health



2. Improves your financial position



3. Key to becoming financially independent



4. Reduces worry about cashflow



5. Opens up opportunities



6. Saving now makes it easier to save later




Recap

Why is your snowball so important?

1. **Sign of financial health**
2. **Improves your financial position**
3. **Key to becoming financially independent**
4. **Reduces worry about cashflow**
5. **Opens up opportunities**
6. **Saving now makes it easier to save later**



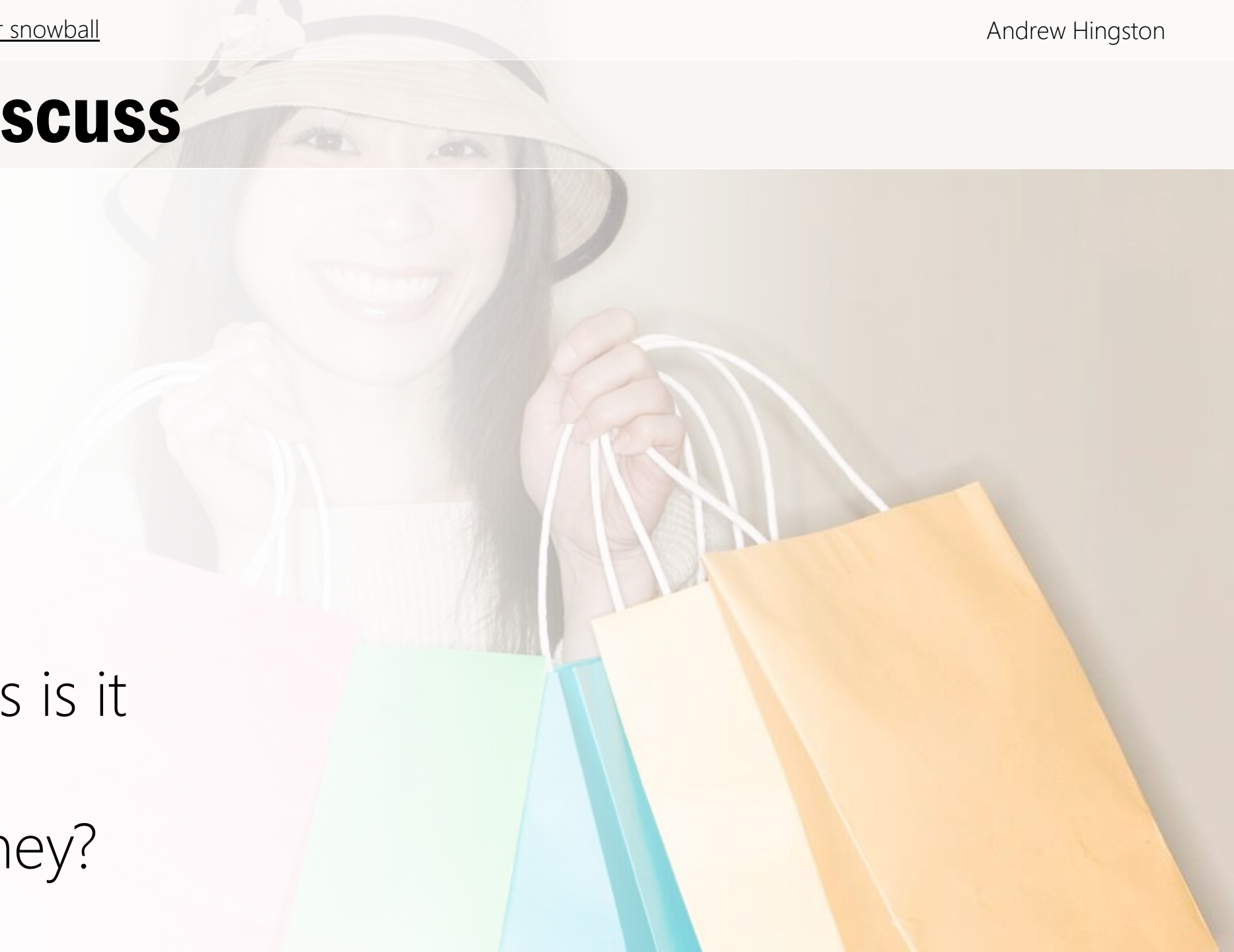
10 tips to grow your snowball

A photograph of a snowball rolling down a snowy slope. The snowball is in the foreground, slightly out of focus, and is rolling towards the right. The slope is covered in snow and has some tracks from previous rolls. The background is a bright blue sky with scattered white clouds.

Your snowball is the
amount saved
each month

Think and discuss

On what things is it
easy to spend
too much money?



1. Have a written plan



2. Budget and track expenses



3. Save 10% of your income each month



4. Save to spend and invest



5. Avoid unnecessary risks



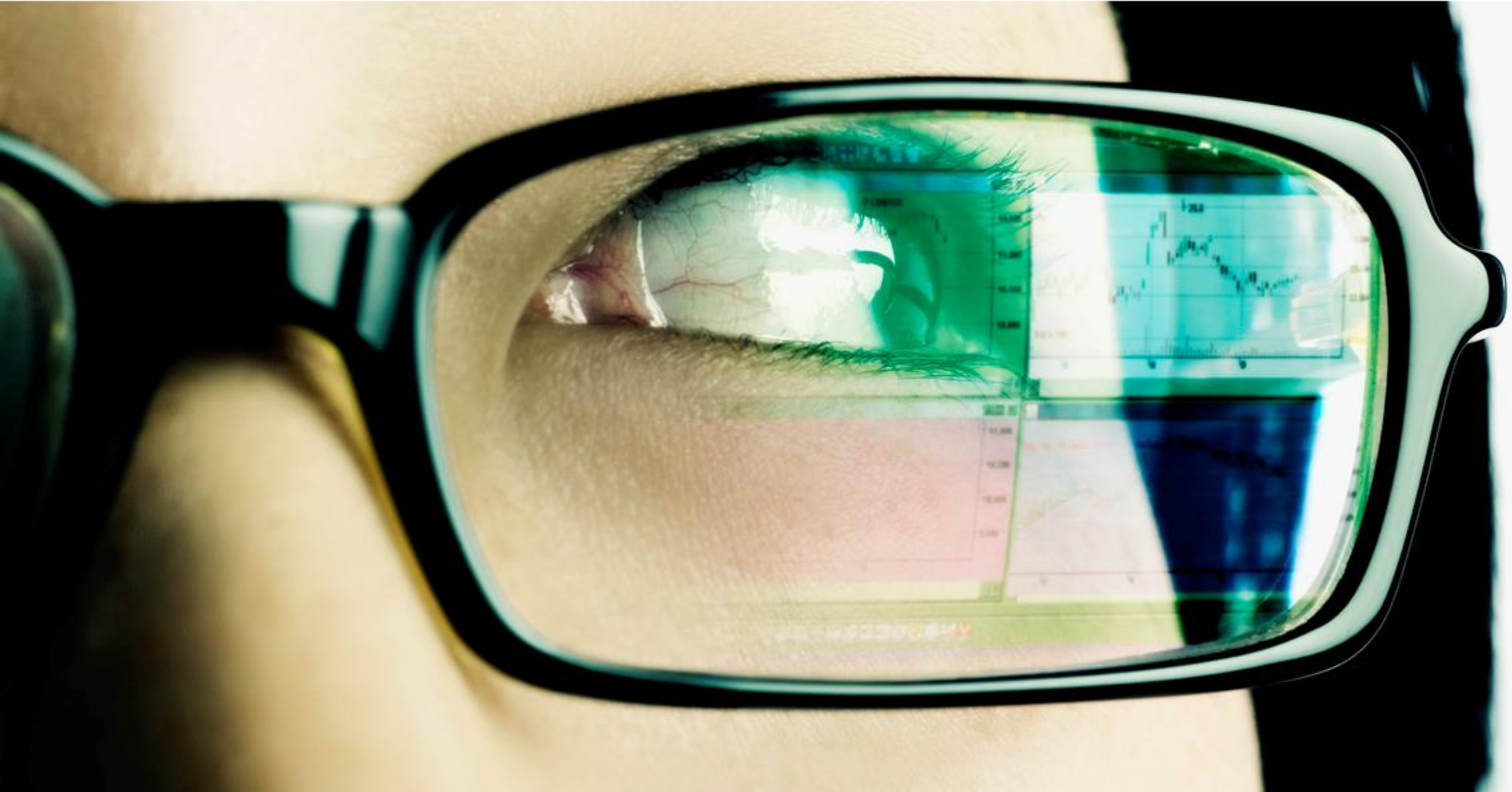
6. Plan to own a property debt-free



7. Plan to be financially independent



8. Avoid being trapped by tax



9. Protect the things you value

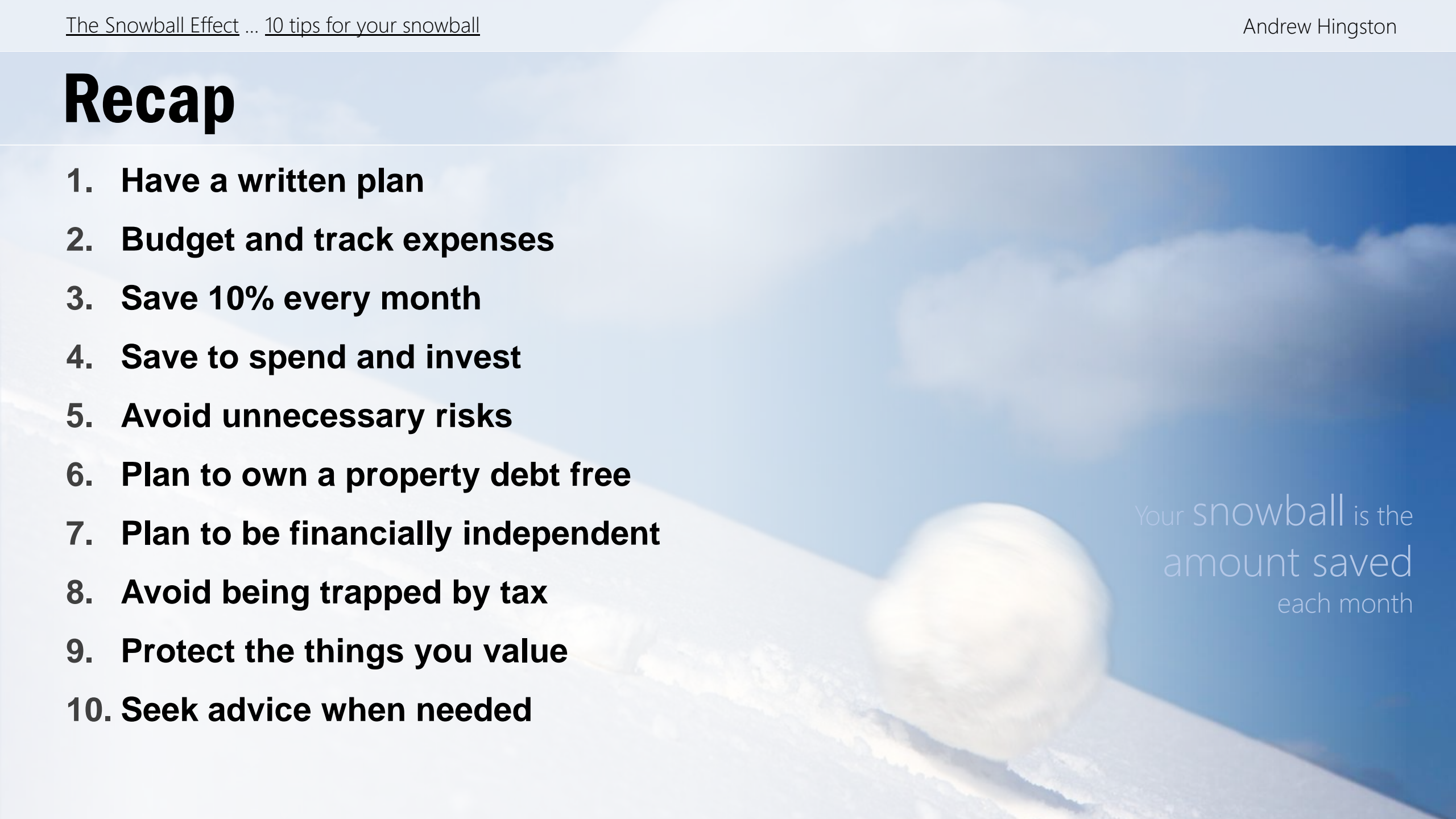


10. Seek advice when needed



Recap

1. **Have a written plan**
2. **Budget and track expenses**
3. **Save 10% every month**
4. **Save to spend and invest**
5. **Avoid unnecessary risks**
6. **Plan to own a property debt free**
7. **Plan to be financially independent**
8. **Avoid being trapped by tax**
9. **Protect the things you value**
10. **Seek advice when needed**



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amount saved
each month

You need to be able to ...

Explain what the pie represents

Clearly explain what the snowball represents

Understand why it is important

Explain some specific ways to grow your snowball

