**GENC3004**

**Personal Finance**

2018 – Summer Session

Assignment

**Financial Plan**

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# Current situation

**Introduction**

* My parents support all expenses include tuition fees and basic living expenses.
* International tuition fees are the major expenses.
* Currently focusing on academic performance, voluntary works, and seeking for an internship.

|  |  |
| --- | --- |
| **Age** | 21 |
| **Residence** | Shared townhouse with my landlord in 190 AUD/wk.  Including all the bills |
| **Study status** | Full-time International student (from China)  2nd year of Bachelor of Science - Computer Science  07/2016 - expected 05/2019 |
| **Work status** | Unemployed |
| **Assets** | |  |  | | --- | --- | | **Category** | **Amount/AUD** | | NetBank Saver | 10,000 | | Everyday Account Smart Access | 200 | | Cash | 400 | | Laptop | 1,500 | | Mobile phone | 500 | | Jewelry | 200 | | Others (clothes, books, etc.) | 1,000 | | **TOTAL** | **13,800** | |
| **Liability** | N/A |
| **Income** | |  |  | | --- | --- | | **Category** | **Amount (AUD p.a.)** | | Pocket money from parents | 60,000 (tuition fee ≈ 40,000) | | NetBank Saver interest (1.05%p.a.) | 44[[1]](#footnote-1) | | TOTAL | 60,044 | |
| **Insurance** | Medibank Overseas Student Health Cover (OSHC) |
| **Will** | Currently, do not have a valid will |
| **Expenses** | |  |  |  |  | | --- | --- | --- | --- | | **Category** | **Amount/AUD** | | | | **Dec. 2017**[[2]](#footnote-2) | **Jan. 2018[[3]](#footnote-3)** | **TOTAL** | | **Food and drink** | | | | | Food and groceries | 289 | 104 | 393 | | Dinner | 13 | 49 | 62 | | Lunch | 20 | 0 | 20 | | Breakfast | 16 | 0 | 16 | | Coffee and tea | 28 | 0 | 28 | | Subtotal | 366 | 152 | 518 | | **Home** | | | | | Rent | 624 | 136 | 760 | | **Travel** | | | | | Public transport | 172 | 129 | 301 | | Plane | 46 | 80 | 126 | | Other travel | 21 | 50 | 71 | | Subtotal | 239 | 259 | 498 | | **Financial and professional** | | | | | Professional fees | 0 | 41 | 41 | | **Education** | | | | | Course Fees | 4,695 | 4,695 | 9,390 | | **Gadgets and devices** | | | | | Mobile devices | 0 | 15 | 15 | | **Clothes** | | | | | Casual clothes | 0 | 114 | 114 | | **Health** | | | | | Doctor | 71 | 80 | 151 | | **Holidays** | | | | | Travel | 8 | 20 | 28 | | Food | 16 | 49 | 65 | | Activities | 27 | 94 | 121 | | Other holiday | 6 | 17 | 23 | | Subtotal | 57 | 181 | 238 | | **Other** | | | | | Miscellaneous | 20 | 0 | 20 | | **TOTAL** | **6,072** | **5,671** | **11,743** | |

# Goals and objectives

|  |  |
| --- | --- |
| **Goals** | **Achieved by** |
| **Short-term ( < 1 year)** | |
| **Life goals** | |
| Get an unpaid/paid on-campus employment to improve communication skills | 01/03/2018 |
| Take one-to-one tennis class once a week in Hurstville | 08/03/2018 |
| Travel to Canberra/Melbourne in mid-break | 30/04/2018 |
| Get a with paid winter internship related to my degree in Sydney/Japan (≈1,000 AUD/month) | 30/06/2018 |
| Learn Java, C++, SQL to advanced level by following COMP2511, COMP4128 and COMP3311 respectively | 30/06/2018 |
| Learn Algorithms to advanced level by following COMP3821 and COMP4128 | 30/06/2018 |
| Review HTML and CSS, and learn JavaScript by myself | 30/06/2018 |
| Design a webpage with HTML, CSS and JavaScript based on a magazine | 30/06/2018 |
| Achieve a distinction average in 2018 semester 1 | 04/07/2018 |
| Get band 8 in IELTS | 31/12/ 2018 |
| Travel to New Zealand in Summer | 31/12/ 2018 |
| **Financial goals** | |
| Save 960 AUD from living expense in 2018 semester 1 | 30/06/2018 |
| Save 15,000 AUD from part-time/internship earnings | 31/12/2018 |
| **Medium-term ( 1 - 5 years)** | |
| **Life goals** | |
| Complete university with a Bachelor of Science - Computer Science degree (Database system) | 31/05/2019 |
| Live with my parents | 31/05/2019 |
| Get a job in Beijing (China) as an Algorithms engineer (≈ 10,000 RMB/month ⬄ 2,000 AUD/month) | 31/05/2019 |
| Get income insurance | 30/06/2019 |
| Become financial independent | 30/06/2019 |
| Buy a 15 inch ‘ThinkPad’ laptop (≈ 8,000 RMB ⬄ 2,000 AUD) | 31/12/2019 |
| Travel with my parents around Australia | 31/12/2019 |
| Finish MBA online course | 31/12/2020 |
| Get salary ≈ 30,000 RMB/month (⬄ 6,000 AUD/month) in Algorithms area | 30/06/2022 |
| Construct a valid will | 31/12/2022 |
| Find an investment program and invest 10% of my deposit | 30/06/2023 |
| Learn Japanese and pass JLPT N2 exam | 31/12/2023 |
| Engage with my boyfriend | 31/12/2023 |
| Travel to Japan and Europe with my parents | 31/12/2023 |
| **Financial goals** | |
| Have at least 500,000 RMB (⬄ 100,000 AUD) assets | 31/12/2023 |
| **Long-term ( > 5 years)** | |
| **Life goals** | |
| Income ≈ 40,000 RMB/month (⬄ 8,000 AUD) | 31/12/2025 |
| Get married | 31/12/2025 |
| Update the will | 31/12/2025 |
| Get death cover | 31/12/2025 |
| Declaration the apartment (≈ 250,000 RMB ⬄ 50,000 AUD) | 31/12/2027 |
| Establish a company | 31/12/2031 |
| **Financial goals** | |
| Have 1,000,000 RMB (⬄ 200,000 AUD) assets | 30/06/2024 |
| Buy an 2-bedroom apartment in Tianjin (China) (≈ 2,250,000RMB = 90 m2 \* 25,000 RMB/m2 ⬄ 450,000 AUD) with 80% loan with my partner | 31/12/2024 |

# Reducing expenses

**Introduction**

* According to my transaction record and expenses-tracker, I spend ≈ 1,600 AUD/month as living expenses.
* Aiming at reducing expenses by at least 10% (≈ 160 AUD/month).

|  |  |
| --- | --- |
| **Options to reduce expenses** | **Amount (AUD/month)** |
| Instead of buying coffee on campus, make it by myself | 20 |
| Instead of go to private clinic, see a doctor in public hospital (insurance covers all) | 100 |
| Instead of buying breakfast on campus, make it by myself | 16 |
| Travel by public transport on Sunday ( no more than 2.60 AUD) | 40 |
| **TOTAL** | **176** |

|  |
| --- |
| **Other options by brainstorming** |
| Instead of buying non-essential stuff, save this money to an investment account |
| Have a second thought before purchasing more than 10 AUD |
| Find a roommate to reduce the rent as long as landlord agreed |
| Instead of throwing away valuable but unnecessary things, sell them |
| Instead of buying new textbook, perhaps buy a second-hand one |
| Stop buying snacks |
| Buy clothes only if I like it |
| Instead of shopping, there're lots of meaningful ways to relax |
| Travel avoid peaking time (e.g. Christmas week) |

# Financial Strategy

**Income**

Short-term (< 1 year)

* Increase personal income by seeking for a part-time job; it can be a with paid on-campus employment about 32 AUD/hour[[4]](#footnote-4) Or a with paid casual type employment about 18 - 30 AUD/hour[[5]](#footnote-5).

If I get on-campus employment which is 32 AUD/hour, I will work 10 hours a week. And all my part-time earning will go to NetBank Saver monthly.

Calculations:

S = R \* [(1 + r)n – 1] / r = (32 \* 10 \* 4) \* [(1 + 1.05% / 12 )12 – 1] / (1.05% / 12) ≈ 15,434 AUD;

Compound interest = Future value – Principal = 15,434 – 32 \* 10 \* 4 \* 12 = **74 AUD**

|  |  |  |  |
| --- | --- | --- | --- |
| **Amount (AUD/month)** | **NetBank Saver interest rate[[6]](#footnote-6) p.a.** | **Amount of 12 months/AUD** | **Interest/AUD** |
| 1,280 | 1.05% | 15,434 | 74 |

Figure 1.1

* Increase investment income by getting more interest. Currently, I am putting aside in NetBank Saver with the standard interest rate which is 1.05% p.a. (Appendix - Figure 1). According to my current income status, my parents give me 30,000 AUD every six months, and 20,000 AUD pays International tuition fees directly. Therefore, I have 10,000 AUD at the beginning of every half year. Based on Commonwealth Bank ‘Interest Rates on term Deposit and Investment Account' (Commbank.com.au, n.d.), term deposit interest rates are higher than standard interest rate only if saving over 12 months or over 5,000 AUD. Additionally, considering my situation, it is impossible to deposit longer than 12 months. Thus, there is a way to maximise my interest by making different term deposit.

According to my current expenses, monthly expenses are around 1,600 AUD. Therefore, the first month of every six months I have 10,000 AUD and less 1,600 AUD per month.

For example, in January, I put aside 5,200 AUD to term deposit for three months with 1.75% p.a. Interest rate  (Commbank.com.au, n.d.), then get 22.75 AUD interest by the end of March. Furthermore, I save 3,200 AUD to NetBank Saver with currently 0.8% p.a. Interest rate (Appendix - Figure 1). In February, I spend 1,600 AUD and left 1,600 AUD to NetBank Saver. In March, I pay 1,600 AUD and save nothing, and 5,200 AUD still in term deposit account. In April, I spend 1,600 AUD, and since there is not more than 5,000 AUD left, I stop making term deposit. Instead, I put money to NetBank Saver to get higher interest compared with term deposit. And so as for May and June.

Figure 1.2 shows Term deposit interest, and Figure 1.3 gives NetBank Saver interest.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Start from** | **Term in months** | **Amount/AUD** | **Interest p.a.** | **Interest (AUD/term)** |
| 1st January | 3 | 5,200 | 1.75% | 22.75 |

Figure 1.2 Term deposit (Commbank.com.au, n.d.)

|  |  |  |
| --- | --- | --- |
| **Period** | **Amount/AUD** | **Interest/AUD** |
| 1st – 31st January | 3,200 | 2.13 |
| 1st – 28th February | 1,600 | 1.07 |
| 1st – 31st March | N/A | N/A |
| 1st – 30th April | 3,600 | 2.4 |
| 1st – 31st May | 2,000 | 1.33 |
| 1st – 30th June | 400 | 0.27 |
| **TOTAL** | N/A | **7.2** |

Figure 1.3 NetBank Saver - current standard interest rate 0.8% p.a. (Appendix - Figure 1)

Total interest from both Term deposit and NetBank Saver, which is **59.9 AUD** p.a. The result turns out that there is more investment income than my current situation.

* Get more pocket money by visiting relatives on Spring Festival. There is a tradition that elders give youngers ‘red packet' full of cash, which indicates good fortune in the new year.
* Get the scholarship for Computer Science - co-op (stream). I will save more money to buy more professional programming books. Read books can make me more competitive in the job market. And get more chance in the program.

The books start from Java, C++ to algorithms. Since Java and C++ are the most useful languages for a Computer Science student and there are high demands for algorithms engineers. Thus, according to job hunting websites, the salary in this area is remarkable. More importantly, the education requirement mostly is bachelor degree.

Medium-term (1 - 5 years)

* Increase personal income salary from 10,000 RMB (⬄ 2,000 AUD) to 30,000 RMB (⬄ 6,000 AUD) by improving both theoretical knowledge and practical knowledge in Algorithms area. Theoretical knowledge is about have input continuously, which usually obtains by reading professional books and keep learning new techniques like new invented languages. In the workplace, I can gain practical experience.

Additionally, another way to increase the salary is not only focusing on the position as an algorithms engineer but also try to move to a management position which still related to the same area. The management positions provide a better wage since there is not many people have experience in both fields. Furthermore, to get more management knowledge, I plan to take a part-time study or online management course during the first three years’ work.

Management positions require strong interpersonal skills or higher EQ, since dealing with problems between people is more complicated. Thus, the experience is essential. For example, attend more gathering to improve social skills and be positive to community activities.

Therefore, one way to earn more is to be more professional, and the other way is to get a management position.

* To raise investment income, I will invest 10% of my earnings. Buying bank financial products is an excellent way to invest as a beginner since these products have low risk compared to buying shares and higher payback than term deposit interest. I will purchase shares after gaining enough knowledge by learning related courses and having essential experience through mock investment software.

I will also get my investment income by saving at least 10% earnings and gain interest from it. Unlike current situation, this 10 % will not be my living expenses, so it will directly go to a one-year term deposit. Since term deposit interest will not be my primary investment earnings, there will be no need to care about interest rate as much as now. It will be low risk and low payback.

Since I am going to work in China, my salary will result in RMB. Therefore, for example, if my earning is 30,000 RMB (⬄ 6,000 AUD) as expected, and the one-year term deposit interest rate is the same as current, which is 1.75% p.a. in Bank of China. I will put aside 3,000 RMB (⬄ 600 AUD) at the end of each year for five years since it is a medium-term strategy.

Calculation:

S = R \* [(1 + r )n – 1] / r = (3,000 \* 12) \* [(1 + 1.75%)5 – 1] / 1.75% ≈ 186,411RMB (⬄ 37,282 AUD);

Compound interest = Future value – Principal = 186,411 – 3,000 \* 12 \* 5 = 6411 RMB (⬄1282 AUD)

|  |  |  |  |
| --- | --- | --- | --- |
| **Amount (RMB/month)** | **Term deposit interest rate** | **Amount after 5 years/RMB** | **Interest/RMB** |
| 3,000 | 1.75% | 186,411 | 6411 |

Figure 1.4

Long-term (> 5 years)

* Increase my income to 40,000 RMB/month by the same strategy as medium-term strategy.
* Start a company with a partner, related to IT field. Probably no income in the first place, but it should increase year to year. The point to raise a company has the full knowledge of that area. For example, as an IT company, experience should not only include algorithms and management but also covers everything else in this area. No need to be at the advanced level, but fundamental principles should be known. And hire employees who are good at different specific areas.

Later, the company will become my full-time job while it is a part-time job in the first place. I can use my experience and resources to raise the company. Never stop investing myself, and keep learning.

* For investment income, I will buy an apartment as I mentioned in ‘Goal and objectives'. The flat will not only for living purpose but also for rent. I will probably rent one bedroom.
* I will still get saving interest on the term deposit. The amount will be higher than medium-term strategy mentioned and in 2 or 3-year term deposit. The calculation will roughly be the same.

Since I am going to work in China, my salary will result in RMB. Therefore, for example, if my earning is 40,000 RMB (⬄ 8,000 AUD) as expected, and the one-year term deposit interest rate is the same as current, which is 1.75% p.a. in Bank of China. I will put aside 4,000 RMB (⬄ 800 AUD) at the end of each year for ten years since it is a long-term strategy.

Calculation:

S = R \* [(1 + r )n – 1] / r = (4,000 \* 12) \* [(1 + 1.75%)10 – 1] / 1.75% ≈ 519,619 RMB (⬄ 103,924 AUD);

Compound interest = Future value – Principal = 519.619 – 4,000 \* 12 \* 10 = 39,619RMB (⬄ 7924 AUD)

|  |  |  |  |
| --- | --- | --- | --- |
| **Amount (RMB/month)** | **Term deposit interest rate** | **Amount after 10 years/RMB** | **Interest/RMB** |
| 4,000 | 1.75% | 519,619 | 39,619 |

Figure 1.5

* Since raising company needs plenty of money, bank financial products will be less than medium-term plan.

**Expenses**

Generally

* Keep using expense-trackers, to track the daily expenses. I will use excel to track my spending since it is easy to modify. Updating costs every day with receipts and bank account transaction support. And make an expense report at the end of every month as ‘Snowballing'. It is necessary to record in digital version since receipts are not easy to search for useful information. Additionally, print the monthly expense report and transaction statement at the end of every financial year. Keep these records for five years.
* Check my expense report every month and find if there is any unessential expense so that I can avoid in the next month.
* Make a budget at the end of every financial year. Avoid unnecessary expense in the next year and find a way to reduce living cost. Also, make a buffer for the next year.
* Avoid using a credit card.

Except for general strategies, there are some more specific ones:

* Short-term (≈ one year) expense ≈ 33% of income
  + Since I will be still at university next year and my parents cover all my costs, which include living expenses and International tuition fees. Tuition fees are fixed expense which is difficult to change.
  + To manage my living expenses, I am going to reduce monthly spending by 10%, which approximately 160 AUD as I mentioned above.
  + I will probably get a part-time job; the salary will become the variable expense. But I will try to live as before, which is only purchase essential things.
  + Calculations:

Living expense = 20,000 AUD;

Pocket money = 60,000 AUD;

Therefore, expenses take up 20,000 / 60,000 ≈ 33%.

* Medium-term (1- 5 years) expense ≈ 25% of income
  + Since it is not a long time after graduation, I will live with my parents to save rent and anything else related such as furniture and cookers. However, I will still pay bills (≈ 100 RMB/month ⇔ 20 AUD/month) like electricity bill. To go to work, I will take public transports (≈ 120 RMB/day ⇔ 20 AUD/day) instead of taking a taxi.
  + Perhaps 1,000 RMB/month (⇔ 200 AUD/month) for shopping.
  + Calculations:

100 + 120 \* 22 business days/month = 2,740 RMB (⇔ 548 AUD);

My income will be approximately 15,000 RMB (⇔ 3,000 AUD);

Therefore, expenses take up (2,740 + 1,000) / 15,000 ≈ 25%.

* Long-term (> 5 years) expense ≈ 38% of income
  + I will buy an apartment, and the lowest down payment is 20% of the amount, which is 450,000 RMB (⇔ 90,000 AUD). The calculation based on my long-term goals in ‘Goals and objectives' section[[7]](#footnote-7).

Calculation: 2,250,000 \* 20% = 450,000

* + I will buy an apartment, and 80% will be pay by loan, assume these will be paid off in 20 years, and loan interest will be 5.3% according to the reality so that every month payment will be 12,200 RMB (⇔ 2,440 AUD)

|  |  |  |
| --- | --- | --- |
| **Amount/RMB** | **Down payment/RMB** | **Repayment/RMB/month** |
| 2,250,000 | 450,000 | 12,200 |

Figure 2.1

* + I will no longer live with my parents so that I will pay all bills myself (≈ 300 RMB/month ⇔ 60 AUD/month), and transports fares (≈ 2,400 RMB/month ⇔ 480 AUD/month).
  + Perhaps 2,000 RMB/month (⇔ 400 AUD/month) for shopping.
  + Calculations:

300 + 120 \* 22 business days/month = 2,940 RMB (⇔ 588 AUD);

My income will be approximately 40,000 RMB (⇔ 8,000 AUD);

Therefore, expenses take up (2,940 + 2,000 + 12,200) / 15,000 ≈ 38%.

**Savings**

Short-term (1 year from now):

* As I mentioned in ‘Reducing expenses’[[8]](#footnote-8), these decreasing expenses go to my Everyday Account Smart Access, which is no interest.
* Internship/part-time employment earnings go to my NetBank Saver, the details and calculations show in the ‘Income – short-term’ part[[9]](#footnote-9).
* Living expenses also go to NetBank Saver, the details and calculations show in the ‘Income – short-term’ part[[10]](#footnote-10).

Medium-term (1- 5 years after short-term):

* 10% to saving account as one-year term deposit at the end of each year for five years and accumulate. I mentioned in ‘Income – medium-term’ part[[11]](#footnote-11).

Long-term (> 5 years after medium-term):

* 10% to saving account as one-year term deposit at the end of each year for ten years and accumulate. I mentioned in ‘Income – long-term’ part[[12]](#footnote-12)

**Investments**

* In a different period of my life, I will always make term deposit investment; the interest is fixed and with low risk. The percentage of my term deposit investment vary from the different period of life; more information refers to ‘Income’ part[[13]](#footnote-13).
* I will also purchase some bank financial products like managed fund when I am financially independent. There is a different kind of products in China, but the interest rate at least 4% p.a. More extended the investment period, higher the interest rate. Higher the interest rate, higher the risk you take. I will buy the kind with high payback since it is an investment, taking risks are acceptable.
* I will not buy any shares until I have enough basic knowledge. And I am planning to use mock investment software first to gain some experience, which is a way to lower the risk.
* I will invest properties ten years after I graduate, for example, buy an apartment not only for living but also for rent. The real estate investment is low risk in China.

**Superannuation**

* In China, employers have to buy the annuity for their employees. The company contributes 20%, and employees pay 8% of their salary (Pensionfundsonline.co.uk, n.d.). Therefore, I will have the pension account when I am employed. Moreover, there is no option for us. However, more you distribute, more you get when you retire.

If I am unemployed, I can pay the pension myself, which is the same type as above. I have to pay 20% of last year lowest salary, which the government would announce at the beginning of every financial year.

The system will give you payback when you retire only if you pay into the pension system accumulate to 15 years no matter how much you contribute each year.

* For my situation, the possible scenario is working for a company. If I have extra money, I will pay more than 8% of my salary. More pension contribution means higher payback and lower tax.

**Taxation**

* Contribute more to my pension;
* Contribute more to my partner’s pension if he earns less;
* If I start a family, put the investment in the name who has lower income;
* Franking credits on dividends;
* Interest offset account to pay less loan interest;
* If I get money from a project, then separate the earning from one project to 5 projects.

**Insurance**

|  |  |  |
| --- | --- | --- |
| **Insurance Type** | **Before graduation** | **After graduation** |
| Travel insurance | * Take insurance which can cover medical expenses and theft since it can make travel more accessible when I sick. * List everything I need for procedures and emergency contact number, which helps not only me but also the hospital. | |
| Life insurance | | |
| Death cover | N/A | When I have children or have 500,000 AUD. Since I am going to work in China and death cover is compulsory for a company, I will have one as soon as I have a job. |
| Total and permanent disability | N/A | |
| Income protection | N/A  I have financial support from my parents. | Since I am going to work in China and income protection is compulsory for a company, I will have one as soon as I have a job. |
| Trauma | N/A  Unnecessary | |
| Whole of life | N/A  Because ‘package' is a waste. | |
| Private health insurance covers | | |
| Hospital cover | OSHC only | Since I am going to work in China and medical insurance is compulsory for company, I will have one as soon as I have a job |
| General extras | No more other insurance. I will self-insure since it rarely happens |
| Ambulance costs | N/A  There is no charge for calling an ambulance in China. |
| Property insurance | | |
| Contents insurance | N/A  Since I rent my room from my landlord directly and all furniture are provided. | * Five years after graduation, I will live with my parents. Therefore, I will not take contents insurance. * However, as soon as I move to my own home, I will take one. |
| Mortgage insurance | | |
| Lender’s mortgage insurance | N/A  Since it doesn’t protect me. | |
| Mortgage protection insurance | N/A  I have income protection, which is better. | |
| Vehicle insurance | | |
| Third party personal injury insurance | N/A  Since I do not have a driver’s license and have no plan to get one. | |
| Third party property insurance |
| Comprehensive insurance |

**Estate planning**

|  |  |  |
| --- | --- | --- |
| **Content** | **Single** | **Married** |
| Plan | * Draft a will as soon as I have a job and update my will when I married. * See an adviser first. * Ask my potential executor if he/she accept. | |
| Executor | * My mother * If my mother predeceases me, then my father. * If my father predeceases me, then my boyfriend. | * My spouse * If my spouse predeceases me, then my mother. * If my mother predeceases me, then my father. |
| Beneficiaries and distribution | 50% to my boyfriend, 25% to my mother, and 25% to my father.  If any of them predeceases me, then that part to the others evenly. Otherwise, all to the Organisation of Red Cross. | 50% to my spouse, 25% to my mother, and 25% to my father.  If any of them predeceases me, then that part to the others evenly. Otherwise, all to the Organisation of Red Cross. |
| Guardianship of children | N/A | * My spouse * If my spouse predeceases me, then my mother. * If my mother predeceases me, then my father. |

# Budget

The budget as a university student:

|  |  |  |
| --- | --- | --- |
| **Category** | **Monthly/AUD** | **Yearly/AUD** |
| Personal income | | |
| Pocket money received | +5,000 | +60,000 |
| Income before tax | +1,280 | +15,360 |
| Investment income | | |
| Interest received | +11.2 | +134 |
| Food and drink | | |
| Food and groceries | -240 | -2,880 |
| Dinner | -80 | -960 |
| Lunch | -20 | -240 |
| Breakfast | 0 | 0 |
| Coffee and tea | -16 | -192 |
| Drinks | -8 | -96 |
| Travel | | |
| Public transport | -172 | -2,064 |
| taxi | -20 | -240 |
| Leisure | | |
| Books | -40 | -480 |
| Sport | -50 | -600 |
| Education | | |
| Course Fees | -3,333 | -40,000 |
| Books | -10 | -120 |
| Stationery | -5 | -60 |
| Gadgets and devices | | |
| Software and apps | -10 | -120 |
| Clothes | | |
| Casual clothes | -20 | -240 |
| Shoes | -10 | -120 |
| Accessories | -5 | -60 |
| Health | | |
| Doctor | -10 | -120 |
| Chemist | -5 | -60 |
| Medicine | -2 | -24 |
| Phone and internet | | |
| Mobile phone | -30 | -360 |
| Mobile internet | -5 | -60 |
| Others | | |
| Accommodation | -760 | -9,120 |
| Holidays | -250 | -3,000 |
| Gifts | -10 | -120 |
| Miscellaneous | -20 | -240 |
| **TOTAL** | **1,160** | **14,278** |

Budget after graduation:

|  |  |  |
| --- | --- | --- |
| **Category** | **Monthly/RMB** | **Yearly/RMB** |
| Personal income | | |
| Income before tax | +30,000 | +360,000 |
| Investment income | | |
| Interest received | +534 | +6,411 |
| Food and drink | | |
| Food and groceries | -400 | -48,00 |
| Travel | | |
| Public transport | -2,640 | -31,680 |
| taxi | -20 | -240 |
| Leisure | | |
| Books | -40 | -480 |
| Clothes | | |
| Casual clothes | -500 | -6,000 |
| Shoes | -300 | -3,600 |
| Accessories | -200 | -2,400 |
| Health | | |
| Medicine | -20 | -240 |
| Phone and internet | | |
| Mobile phone | -60 | -720 |
| Others | | |
| Accommodation | -300 | -3,600 |
| Holidays | -250 | -3,000 |
| Gifts | -50 | -600 |
| Miscellaneous | -100 | -1200 |
| **TOTAL** | **25,654 (⬄ 5,131 AUD)** | **307,851 (⬄ 61,510 AUD)** |

# Plan of Action

* Save 160 AUD every month
  + Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec[[14]](#footnote-14)
* Make coffee by myself once a week 2018
  + w1 w2 w3 w4 w5 w6 w7 w8 w9 w10 w11 w12 w13 w14 w15 w16[[15]](#footnote-15)
* Apply for 5 part-time jobs
  + 1st Mar. 2018
* Get an interview
  + 15th Mar. 2018
* Make a term deposit for 3 months
  + 1st May 2018
* Read/finish Java book
  + 1st June 2018
* Read/finish C++ book
  + 1st June 2018
* Travel to New Zealand
  + 31st Dec. 2018
* Get a full-time job
  + 1st May 2019
* Get my bachelor degree
  + 1st June 2019
* Invest a bank financial product
  + 30th June 2025

# Appendix

Bibliography:

Commbank.com.au. (n.d.). *Interest Rates on term Deposit and Investment Account*. [online] Available at: https://www.commbank.com.au/content/dam/commbank/personal/apply-online/download-printed-forms/InvInterestRates\_ADB1072.pdf [Accessed 19 Jan. 2018].

Pensionfundsonline.co.uk. (n.d.). *Pension system in China – Pension Funds Online*. [online] Available at http://www.pensionfundsonline.co.uk/content/country-profiles/china/105 [Accessed 21 Jan. 2018].

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Figure 1

1. According to my Interest & tax summary [↑](#footnote-ref-1)
2. Started on 4th Dec 2017 [↑](#footnote-ref-2)
3. Finished at 18th Jan 2018 [↑](#footnote-ref-3)
4. According to careeronline.unsw.edu.au on-campus employment salary. [↑](#footnote-ref-4)
5. According to careeronline.unsw.edu.au casual/part-time employment salary. [↑](#footnote-ref-5)
6. According to Appendix – Figure 1 [↑](#footnote-ref-6)
7. As I mentioned on page 6 ‘Long-term goals’ [↑](#footnote-ref-7)
8. Page 7 – reducing expense options [↑](#footnote-ref-8)
9. Page 8 – short-term income [↑](#footnote-ref-9)
10. Page 9 – short-term income [↑](#footnote-ref-10)
11. Page 10-11 – medium-term income [↑](#footnote-ref-11)
12. Page 12 – long-term income [↑](#footnote-ref-12)
13. Page 8-12 – ‘Investment come.' [↑](#footnote-ref-13)
14. Tick each month [↑](#footnote-ref-14)
15. w1 – w16 as UNSW academic calendar weeks [↑](#footnote-ref-15)