

# NULIS Annual Member Meeting Transcript

## Thursday, 3 March 2022

### Financial Wellbeing Panel with Genevieve Frost, Michelle Stone and Anthony Caneva

**Genevieve (Gen) Frost:** Thank you, Steve, and hello everyone. I'm Genevieve Frost and I work at Insignia Financial supporting financial planners across the industry. I also have my own podcast called The Reality Check, and the podcast is all about making complex things simple when it comes to money.

And hopefully that's exactly what we're going to do here tonight. Help make managing money easier rather than more confusing. And I've got two very knowledgeable guests here with me, Michelle Stone and Anthony Caneva, and I'll be introducing them, putting them on the spot in just a second.

What I'd like to do first, though, is talk about money biases, because understanding our money biases can be more important than understanding horribly complex tax law or the potential pitfalls of Bitcoin.

Now, I've worked with people who have lots of money, and I've worked with some who have far less. And I've found that how people manage their money often has less to do with their wealth or even their education and much more to do with their family background and their life experiences, and in turn, the habits and behaviours that they've picked up because of those experiences.

Now, too often we carry those behaviours into our financial decisions, and in turn they become our money vulnerabilities. In my own case, for example, I've worked in finance for years, yet when I'm bored or I'm low or I'm at home, isolating with COVID, I still hunt for that instant dopamine hit that I get from online shopping. Now I need to use all my willpower not to add unnecessary items to my credit card bill in search for that instant gratification. Perhaps some of you have a similar money vulnerability.

Now, let me introduce Michelle Stone, who is a financial planner. Michelle, maybe could you talk to us about some of your money biases?

**Michelle Stone:** Absolutely, thanks so much, Genevieve. As a small child, I remember listening to my parents after we'd gone to bed, and they'd be worrying aloud about not having enough money to make ends meet. I remember dreaming about helping them so that they could be happy and carefree and that shaped my money story. It's been integral to my life and my identity now as a financial adviser, and it really led me to work helping people improve their money decisions.

**Gen Frost:** Michelle, thank you so much for sharing that story.

Now, let me introduce Anthony Caneva, General Manager of Member Engagement and Wellbeing here at Insignia Financial. Now, Anthony, it's your turn to step up and share your deepest, darkest money biases.

**Anthony Caneva:** Thanks Gen and Michelle and hello to all the members. My money biases, I suppose, I grew up in a family similar to Michelle where there wasn't enough money to go around. So, I picked up a deep sense of importance for financial security.

When I went on to study finance, it wasn't because I necessarily wanted it as a career so I could be in control of my money no matter how I earned it. On the flip side, sometimes that background can make me too risk averse. So that's my bias that I need to control for.

**Gen Frost:** Thank you, Anthony. Thanks, Michelle. So, I think we're saying it really doesn't matter whether you're a barrister or a barista. These emotions and biases can affect us all. For the members at home, the big issue surely then becomes what do we actually do about it? Do you guys have any ideas?

**Michelle Stone:** Yes, Gen, I would say to members that you can't outsmart your own biases, but you can get them out in the open. One thing I encourage all my clients to do, rich or poor, old or young, is to think about how their family talked about money. Did they say money doesn't grow on trees? That may demonstrate a scarcity mentality. Or were they the family that would never push for a bargain when buying a new car or fridge? So that could demonstrate passivity or perhaps even some expensive pride.

Remember, just because your parents had a specific attitude towards money doesn't mean that you will have it, too. You may go in the other direction. And I hear this with some of my clients. Their parents were

very tight with money, so it became a point of pride for them to never worry about money. And sometimes that doesn't work out too well either.

**Gen Frost:** Anthony, can I bring you in on this?

**Anthony Caneva:** Yes, absolutely. Michelle's point is so important. It's about understanding how your life influences create a pattern of automatic behaviours.

They could be an anchor, or they could be the things that drag you off course. Knowing this is part of becoming more conscious in your money decisions, more deliberate in your choices. It sounds corny, but a shift in your mindset, a shift in your relationship with money can really change your life.

**Michelle Stone:** The other layer of this is how our money biases affect our relationships.

So, I think we've all met couples where one's out there spending the cash and the other counts the pennies. We know that opposites are often attracted to each other. In an ideal world, they balance each other out and two heads would become better than one.

But often they get into conflict. They're acting out their personal biases in a way that drives the other crazy. I've had conversations with clients who've lived like this for 15 years, and I'm wondering, does that sound familiar to any members out there. Given how your money biases will affect your partner, it's a really good idea to chat about them openly and discuss how they affect your family dynamic.

**Gen Frost:** Absolutely, but I'm going to switch this up a little bit now.

Anthony, I have a really simple question for you. What is the single best thing a member could do to get on top of their finances?

**Anthony Caneva:** Gen, I knew as soon as you said a simple question, I knew it wasn't going to be. When you think about just one thing, I suppose the easy answer is that it's different for everyone. But actually, after working with thousands of members, what we've learned is how important it is to take stock. If you want to build towards anything, you want to start on solid foundations. This means understanding your spending and savings and making sure your super is managed in line with your personal needs.

Let me give you an example. How much risk you take with your super shouldn't be about your attitude to risk or just about your attitude to risk. It should take into account a whole range of other factors too. Your health, your current savings, how long you and your partner will be working. Tying all these elements together individually as a family or with an adviser will be helpful for those nearing retirement.

As everybody might be aware, we're one of Australia's largest super funds so we can offer members free phone advice service. Our team are trained specialists, and they help a lot of people with these very issues.

**Gen Frost:** And what about you, Michelle, is there that one thing that you think a member could do to get more money confidence?

**Michelle Stone:** Yes, I reckon once you know where you are, Gen, you can start thinking about what you want to achieve so write down individually, as a family or with an adviser what your retirement goals are specifically - make it visual, make what you want real.

That clarity will help you stop worrying about money and start thinking about how much better your retirement could be if you focus a bit more on your super now.

**Anthony Caneva:** Actually, just picking up on that, members should also know there's all sorts of digital tools you can use - calculators that help you understand what your super savings will be worth when you retire, what difference putting more money in will make, what a different investment strategy does to your super balance.

You can find these tools and a whole lot more on the resources section of our website, and we've put the links to those tools in the resources section of this webinar too. They can help members know what to do next.

**Gen Frost:** Thank you, Anthony and Michelle. And I think these are really great core ideas, so I really want to summarise them for the members:

1. Think about your money personality, and in turn how that is impacting your behaviour.
2. Get a clear idea of where you're at with your superannuation now. Now we've put a guide showing exactly how to find your super balance online, and it's in that resources section mentioned as well.
3. Think about the retirement you want. What will it look like? Paint the picture.
4. Use some of our digital and phone advice tools to see what type of actions will get you closer to those goals.
5. Finally, remember, it is never too late. These ideas we've discussed tonight work if you are retiring in 50 years or in five years, or even if you're already retired.

Michelle, Anthony, any final thoughts?

**Michelle Stone:** Could we talk about the super situation with women, Gen? Many end up with way less super than what they could thanks to broken work patterns and the resulting pay gap so it's a big focus for me and my female clients. We're doing a big project on this for International Women's Day, which is coming up soon.

Members may want to check out our AMM website with links to resources and other simple and useful tips.

**Anthony Caneva:** For me, I love Michelle's focus on the financial needs of women. Getting finances right gives women more security and more choice. And that's true for everyone. If you're in control of your money, you're in a better place to handle whatever life throws at you.

**Gen Frost:** Thank you both so much. And unfortunately, that's it members. I hope there's been some really simple tips on how to think about your money and in turn make the most of your superannuation. I hope it's been valuable. Please check out the resources that we've referred to.

And thank you again, Michelle. Thank you, Anthony for joining us.