

Presented by Sarah Power, Director of Business Concepts Group
specialising in Financial Planning and Accounting

Episode 7- Debt Management

Credit cards, personal loans and mortgages, these are some of the most commonly known financial debts in Australia. How can we tackle reducing or actually getting rid of these debts?

In this episode, Sarah covers the important topic of debt management.

When borrowing money, whether it be for a house, an investment, a car, or for general expenses, you need to repay this debt at some stage and you should have a plan in place for this.

This episode discusses the two main types of debt, namely: deductible debt, where you are getting some sort of a tax deduction and non-deductible debt where you won't be able to claim any tax deductions. Credit card debt is a major issue in Australia and consideration should be given to pay this type of debt off as quickly as possible.

Also discussed is the need to seek advice before borrowing in regards to structure and whose name the debt will be in. The bank should not be giving loan advice in these areas and they should not be determining the life of the loan. Make sure your finance is flexible and review it regularly.

The strategy of debt recycling is also explained and how this can be used to grow your wealth.