

### Case Study – Ria Fernandez

Ria Fernandez is single (32) with no children and has just started her job as a registered nurse at a large public hospital in Brisbane, at which she receives \$2,600 per fortnight. She would like to re-assess her finances now that she has a new job.

Ria advises you that she has savings of \$10,000 in a savings account paying 0.90% p.a., to which she makes fortnightly contributions of \$50. She would like to start investing, but she is not sure how to go about it. She heard on a podcast that now is an opportune time to invest into property or exchange traded funds (ETF). She likes the idea of owning an investment unit in her area in the medium to long-term (\*Assume a 20% deposit + an estimate of 3% in fees of the property price).

Ria is currently renting her 2-bedroom apartment for \$500 per week in Woolloongabba and just bought a new Suzuki Swift (worth: \$22,000) using a 5-year personal loan (\$18,595) with monthly repayments of \$390.08 and annual car registration (incl. CTP) fees of \$720. She uses her car to travel to work and parks it in a secure car park close to her work. Apart from her regular expenses (see Appendix B), she also likes to travel and estimates that she spends \$2,000 on travel in a year. She uses her Visa credit card, which she pays off monthly, to finance her travel expenditures, so she can accumulate frequent flyer points. Currently, her Visa card has an outstanding amount of \$3,500, which she pays off making the minimum repayment of 2% per month. Ria also advises you that according to her myGov account, she has balances with the following three superannuation funds (see details below), but she admits that she does not regularly keep track of her superannuation.

Superannuation fund	Balance
HESTA Super	\$16,000
Caresuper	\$5,000
Hostplus	\$12,000

While she does save, she knows she spends more than she should in some areas and that she could improve her saving strategy and is open to recommendations on how she might be able to save more.

1. Prepare a monthly cash flow statement and personal balance sheet for Ria.
2. Quantify Ria's objective of purchasing an investment unit. Assuming she does not use her current savings, how much would she need to save additionally each month? How achievable is her objective based on her current expenditure and savings?
3. Based on her monthly cash flow statement, construct a projected monthly budget for Ria to help her meet any short-term cash flow obligations and improve her savings. Any changes to her spending or savings behaviour should be reasonable and well-supported.

Date	Narrative	Debit Amount	Credit Amount	Balance
01/04/2022	American Express repayment	\$71.05		\$1,428.95
01/04/2022	Transfer to savings account	\$50.00		\$1,378.95
01/04/2022	Health One insurance premium	\$280.00		\$1,098.95
01/04/2022	Cosmetica Cosmetics	\$30.99		\$1,067.96
01/04/2022	Green eatery café lunch	\$29.00		\$1,038.96
01/04/2022	Netflix subscription	\$14.99		\$1,023.97
01/04/2022	Bluebean coffee shop	\$9.40		\$1,014.57
02/04/2022	Flow Gym Casual Pass	\$35.00		\$979.57
02/04/2022	Online fashion shop clothing	\$119.99		\$859.58
02/04/2022	Green eatery café takeaway	\$10.00		\$849.58
03/04/2022	Rent	\$500.00		\$349.58
06/04/2022	Iconic nails manicure and pedicure	\$100.00		\$249.58
06/04/2022	Green eatery café takeaway	\$5.00		\$244.58
06/04/2022	Unreserved parking pass	\$74.00		\$170.58
06/04/2022	Flow Gym Casual Pass	\$35.00		\$135.58
06/04/2022	Texas Fried Chicken Lunch	\$27.75		\$107.83
06/04/2022	Belong Mobile	\$15.00		\$92.83
07/04/2022	Sushi Lovers Lunch	\$13.50		\$79.33
07/04/2022	Salary		\$2,600.00	\$2,679.33
08/04/2022	Pizza Club Lunch	\$38.90		\$2,640.43
08/04/2022	Fantastic hair (cut and colour)	\$500.00		\$2,140.43
08/04/2022	Freshpress juice bar takeaway	\$8.50		\$2,131.93
09/04/2022	Main Street Medical Centre	\$80.00		\$2,051.93
09/04/2022	Main Street Medical Centre Medicare benefit		\$39.10	\$2,091.03
09/04/2022	Special treats birthday gift	\$36.90		\$2,054.13
09/04/2022	Green eatery café takeaway	\$10.00		\$2,044.13
10/04/2022	Rent	\$500.00		\$1,544.13
10/04/2022	Doordash	\$52.73		\$1,491.40
13/04/2022	Flow Gym Casual Pass	\$35.00		\$1,456.40
13/04/2022	Smrt car loan	\$390.08		\$1,066.32
13/04/2022	Woolworths	\$43.54		\$1,022.78
13/04/2022	Crispy dounuts + Bubbletea takeaway	\$28.88		\$993.90
13/04/2022	Unified petrol station petrol	\$50.80		\$943.10
14/04/2022	Green eatery café breakfast	\$14.99		\$928.11
14/04/2022	Outlet fashion store shoes	\$90.92		\$837.19
14/04/2022	Texas Fried Chicken dinner	\$27.75		\$809.44
15/04/2022	Woolworths	\$37.70		\$771.74
15/04/2022	Green eatery café lunch	\$26.90		\$744.84
15/04/2022	Transfer to savings account	\$50.00		\$694.84
16/04/2022	Flow Gym Casual Pass	\$35.00		\$659.84
16/04/2022	Simply Bahn Mi lunch	\$28.00		\$631.84
16/04/2022	Skinessentials cosmetics	\$32.47		\$599.37
16/04/2022	Bluebean coffee shop	\$8.70		\$590.67
17/04/2022	Rent	\$500.00		\$90.67
17/04/2022	Woolworths	\$49.39		\$41.28
17/04/2022	Bluebean coffee shop	\$4.70		\$36.58
20/04/2022	Spotify subscription	\$11.99		\$24.59
20/04/2022	Unreserved parking pass	\$74.00		-\$49.41
20/04/2022	Easy 2 move physio consultation	\$156.40		-\$205.81
21/04/2022	Green eatery café takeaway	\$10.00		-\$215.81
21/04/2022	Salary		\$2,600.00	\$2,384.19
22/04/2022	Bluebean coffee shop	\$14.50		\$2,369.69
23/04/2022	Pet Supplies online	\$61.50		\$2,308.19
23/04/2022	Green eatery café takeaway	\$10.00		\$2,298.19
24/04/2022	Rent	\$500.00		\$1,798.19
24/04/2022	Woolworths	\$79.66		\$1,718.53
27/04/2022	Healthy Pets Vet Clinic	\$111.00		\$1,607.53
27/04/2022	Kmart Potted plants and home décor	\$77.00		\$1,530.53
27/04/2022	Texas Fried Chicken Lunch	\$37.04		\$1,493.49
27/04/2022	Coles	\$15.30		\$1,478.19
28/04/2022	Smart Energy Systems	\$150.00		\$1,328.19
28/04/2022	Green eatery café breakfast	\$14.50		\$1,313.69
29/04/2022	Cancer Council QLD donation	\$45.22		\$1,268.47
29/04/2022	Bluebean coffee shop	\$9.90		\$1,258.57
30/04/2022	Flow Gym Casual Pass	\$35.00		\$1,223.57
30/04/2022	Bluebean coffee shop	\$14.20		\$1,209.37