

# Obligation Works

Being a good saver is not enough, according to Ellen Schafer.

If you were female and 20 in 1965 you may have been preparing to get married and hoping to get pregnant soon after or maybe you were already pregnant and preparing to get married!

That's how many young people began adult life in the '60s and Ellen Schafer was no different. Ellen, who is the director of Ellen Schafer & Associates (Financial Planners and Mortgage Brokers), remembers how little planning was done in those days, "But the results weren't all bad," Ellen says with a smile.

"I got married without any financial planning or any sort of preparation really. A few years later we were still renting, with only one wage coming in and two little mouths to feed. I think I matured more in those first five years of marriage than I had done in the previous 20. Suddenly we had responsibilities we had never dreamed of."

"Obligation is a funny word but to me it means no choice. It means a commitment, which, once made, has compulsory responsibilities attached to it. No one taught us about parenting in the

'60s. I'm still not sure it can be taught. I think it has to be learned. We instinctively knew however that we had to provide for two little kids by putting a roof over their heads, feeding, clothing and educating them as well as providing them with some moral guidelines to follow. We rose to that challenge because we felt 'obligated' to and because they were our children and we loved them," Ellen says.

"A first home was no easier to get then than it is today, but we managed to borrow more than 100 per cent of the money to buy one because there was no way we would ever be able to save up a deposit. After a few years of being in our own home and working two-and-a-half jobs between us to keep it we began to see the light at the end of the tunnel.

"Those early years and the associated debts we embraced taught us some valuable lessons. We learned that not planning was naive but the good thing that came out of it all was the enormous amount we had managed to accomplish through commitment and obligation.

"The 'risks' are not always where we think they are. For example, we all know that saving is a good thing but not too many people get far in life by just being good savers. In fact, many who find it impossible to save money are very good at meeting their obligations. In other words, if they do have a debt they will always meet repayments but may find it impossible to save the the repayment amount if they were not 'obliged' to do it.



"Generally, people who are loath to get into debt have an underlying fear they may not be able to make the repayments if something goes wrong so they do nothing and there in lies the 'real' risk," Ellen explains. "The biggest risk for most people is that they won't accumulate enough quality assets in a lifetime to allow them to do the things in life they would really like to do. Thus they fail to reach their full potential."

At 6pm on Wednesday 12 July, Ellen Schafer & Associates (ES&A) is giving a free investment workshop for people who feel they have the ability to borrow to invest but are just too afraid to do so.

You can register your interest on ESA's web site [www.esafinance.com.au](http://www.esafinance.com.au) or phone 5445 6044. Limited seats are available so bookings are essential.

*Ellen Schafer & Assoc. Pty Ltd ABN 67 072 661 548 is an authorised representative of GWM Advisor Services Limited, ABN 96 002 071 749, an Australian financial services licensee with its registered office at 105-153 Miller Street, North Sydney, NSW, 2060.*

- This workshop will pay special attention to showing first time investors how to borrow with safety.
- It will cover how much to borrow (as opposed to what banks will lend you).
- It will illustrate what asset classes can be purchased with the borrowed funds and the various investments' attributes.
- It will explore what degree of certainty there is in the investment process.
- The workshop will be held in an open forum format and hosted by licensed investment advisers and mortgage brokers with over 21 years' experience. Attendees will be invited to ask questions of the presenters.
- Ellen guarantees even experienced investors will 'learn' from this seminar.
- "If you have a partner it is imperative that you both attend," Ellen says.

This seminar will be a mindblowing experience for *would be* investors and extremely educational for seasoned investors. The workshop is expected to go for approximately three hours, with a break and a light supper will be provided at half time.



Ellen Schafer