



April 2020

Welcome to our April newsletter which we bring to you at a time of enormous economic uncertainty. At times like these it's important to have someone to talk to, so we urge you to contact us if you have concerns about your finances.

The health and economic impacts of the coronavirus increased exponentially in March, as did the response of national governments and central banks. As part of a suite of emergency measures, the Reserve Bank of Australia (RBA) cut the official cash rate twice - first to 0.5 per cent and then to 0.25 per cent – as official rates in the US and Europe were cut to near zero. The RBA also began buying government bonds to bring yields down in line with the cash rate, as well as offering a term facility to banks so they can supply credit to small and medium businesses.

It's too soon to know if these emergency measures will stave off recession (technically two consecutive quarters of negative growth), but Australia was better placed than many countries heading into the crisis. The Australian economy grew 0.5 per cent in the December quarter, up 2.2 per cent over the year, while company profits rose 8.1 per cent in calendar 2019 to record highs.

Global markets remain extremely volatile. Australian shares fell around 17 per cent in March while US shares fell around 15 per cent. Crude oil prices fell more than 56 per cent as a production agreement between OPEC and other oil-producing nations broke down. Australian wholesale petrol prices fell to a 16-year low, while the national average price of unleaded petrol fell to a 13-month low of 127.6c a litre. The Aussie dollar fell about 5 per cent over the month to just below US62c, after briefly dipping below US56c.

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Making peace WITH THE unknown

Life constantly challenges us with unknowns, yet some of these hit closer to home and harder than others in their impact.

The coronavirus is unprecedented in our lifetimes, so we are charting new territory in the world's response to this crisis. The uncertainty around its far-reaching impact is creating fear for many around the globe, as governments act to minimise the spread of the virus.

Due to the fast changing nature of the government response to this momentous challenge, there are significant unknowns. There are short term unknowns around the government's evolving response to the crisis and you could be concerned about the stability of your work situation. And longer term about how will this impact you into the future? Perhaps you're wondering when you will be able to retire as your super balance takes a dive? Will the economy and businesses survive the disruption? How will you be supported through this period?

You are not alone in experiencing these fears. As humans we like to deal with 'knowns' and plan accordingly, rather than be at the mercy of uncertainty and instability. Whether it's something as big as the coronavirus or a smaller unknown, there are however ways we can become more comfortable with uncertainty.

Planning for the unknowns

Planning for the unknowns sounds like a contradiction. After all, if we

don't know how, when and if we will be impacted, how can we plan for it? Yet planning for potential outcomes can help us feel more in control and be one less worry to deal with.

You don't need to think of every possible eventuality, but given the challenges society is facing, consider what the implications mean for you and your family. What can you do to minimise the impact?

Then the next, possibly more challenging thing to do, is to accept that you can't plan for all eventualities and acknowledge that there may be some things out of your control. Focus your attention on the what you are able to have some control over and then look at narrowing the list down to what really matters most to you, letting the rest of the 'noise' dissipate.

Stay positive and reconnect

The situation is changing rapidly and it's tempting to constantly monitor news feeds, as it can feel more empowering to feel like you know what is going on. Just be mindful of taking breaks from the updates if they are fuelling feelings of uncertainty. Step outside and enjoy a little fresh air, call a friend or just do something small that gives you a bit of a breather and a little perspective.

The societal impact of the coronavirus is huge and is having a significant impact effect on many of our lives.

It's important to remember that these changes aren't necessarily permanent and that we are all in this together.

Connection is important in helping us feel grounded and supported during a period of uncertainty. This crisis is first and foremost a health and human crisis, so we need to be respectful of not only our own health, but those of others. We can help those who are more vulnerable. There are many good news stories arising of people assisting and connecting with their neighbours and those in need.

Understanding the impact on the markets

Markets have experienced a significant downward trend as the impact of the coronavirus continues to develop across the globe. This has had a significant impact on investments and more broadly on superannuation account balances.

While it is understandable to feel unsettled, consider your long term financial goals. Avoid making rash decisions based on fear, as this can crystallise your losses and put you on the sidelines for when the market recovers and as history shows, it always does.

Especially during this period of uncertainty, I hope you are keeping well and looking after yourself. We are here for you every step of the way. Don't hesitate to get in touch if you need assistance.



How to spot a scam

Con artists make entertaining subjects for Hollywood scriptwriters (think *The Wolf of Wall Street*, *Ocean's Eleven* and *Catch Me If You Can*), but there's nothing enjoyable about being conned and fleeced in real life.

On the latest figures available, Australians lose over \$10 million every month to scammers.ⁱ There are plenty of rackets running at any one time involving pyramid schemes, identity theft, fake lottery wins and non-existent inheritances, but the unholy trinity of cons are:

- 1) Investment scams
- 2) Dating scams
- 3) Fake billing scams

Investment scams

The grift: According to the ACCC, investment scammers mainly target those in the 45-64 age group; people who are likely to have amassed some capital and wanting to set themselves up for retirement.

Investment scams usually involve traditional investment products, such as commodities, stocks and real estate. Nowadays, the investment often has something to do with cryptocurrency or binary options (i.e. betting on events, such as a company's share price rising.)

The fraudster typically cold calls, texts or emails the victim. They pose as a knowledgeable insider (e.g. a stockbroker) who's able to facilitate a low risk, high return investment. Often fraudsters will spend considerable time grooming victims and direct them to a professional-looking website or send them impressive-looking documents.

Red flags: Firstly, being called, texted or emailed out of the blue by someone offering an investment opportunity.

Secondly, being assured the investment opportunity involves no or negligible risk while offering incredible returns. Visit the ASIC's MoneySmart site to review the list of companies it's identified as dodgy and we can provide advice on any investment opportunity you may be considering.

Dating scams

The grift: Almost all online daters are guilty of gilding the lily. But if an online match seems too good to be true and they start requesting financial assistance, you're at high risk of losing your shirt.

Romance scammers' MO is as straightforward as it is heartless. They create a fake profile, 'love bomb' their marks and possibly encourage them to 'sext', so they have embarrassing images to use as blackmail.

Then they start asking for money, gifts or bank account details, claiming a family member needs a medical procedure, or they want to buy a plane ticket to meet in person, or they need to transfer money to another country.

Red flags: It's rarely a good sign if there are puzzling inconsistencies (e.g. someone who claims to be an educated professional making basic spelling mistakes). Equally if the relationship escalates abruptly (e.g. professions of undying love after a few brief exchanges), or if your new paramour is cagey about revealing themselves or their personal details (e.g. they claim they are unable to Skype or won't reveal their address).

Fake billing scams

The grift: Fake invoices are sent to a businessperson for things such as office supplies or a domain-name renewal. A common variant of this swindle is fake notifications from the ATO claiming a tax debt needs to be paid urgently to avoid dire legal consequences.

Red flags: Businesses do have expenses and individuals do need to pay taxes so it can be easy to be taken in by fake bills, especially if you don't examine them carefully.

Two signs a charge is dubious are mistakes (e.g. the domain name you're being asked to renew is misspelled on the bill) or odd conditions (e.g. the ATO saying it will accept gift cards or bitcoin as payment).

If you have any doubts, Google the business or government agency then ring its helpline to confirm your debt is real. (Don't use any of the contact details supplied on the invoice.)

For information on the latest scams and who they are targeting, visit the government's Scamwatch site. The ATO also regularly updates its scam alerts.

Swindlers seek to leverage powerful emotions – greed, love and fear – to encourage their victims to act impulsively. If you receive an approach or a request for money that doesn't seem quite right, hang up or exit the website and do some background checks. If you're unsure we can help you spot the scam and protect your financial future.

And remember... as the saying goes, if it seems too good to be true, it probably is.

ⁱ <https://www.scamwatch.gov.au/about-scamwatch/scam-statistics?scamid=all&date=2019-03>

The mental mechanics of procrastination



Even the most productive amongst us is prone to procrastination at times. So, what can we do about it? And how can we make sure it's not getting in the way of us achieving our goals? Understanding the mental mechanisms at play is a good place to start.

At the core of procrastination is impulsiveness. Those who tend to procrastinate often have difficulty in delaying gratification. What's happening here is that two parts of the brain are working in opposition. The prefrontal cortex which controls your willpower is fighting a losing battle against your thalamus which thrives on the sensory pleasures of the here and now.ⁱ

How it manifests

Procrastination manifests differently in everyone but it usually entails putting off a boring, difficult or important task in favour of something easy or instantly gratifying. Some common symptoms include: random web browsing, social media scrolling, snacking, cleaning and TV binging. Less obvious, but just as prevalent, is the phenomenon of priority dilution where a frenzy of busyness can mask the fact that we are just avoiding harder tasks.ⁱⁱ

Procrastination can also be a self-perpetuating cycle. Some psychologists have labelled this the procrastination

doom loop.ⁱⁱⁱ You begin procrastinating because you 'don't feel in the mood' which then incurs feelings of guilt for not having got onto the job sooner. This guilt makes you feel worse, making you more likely to continue procrastinating.

So how do you fix it?

Before you put in place some strategies to combat procrastination, it's good to reflect on why you do it in the first place. We all procrastinate for different reasons. Here are some of the most common:

- **You feel like an imposter.**
This is really a self-esteem issue. Many of us put off hard tasks because we don't believe in our own abilities.
- **You're a perfectionist.**
While perfectionists can often deliver incredible outcomes, they can also be unproductive, especially when their perfectionism is driven out of a fear of failure. The result can be wasting time on details and forgetting the big picture, or constantly missing deadlines because the product is 'not ready'.
- **You love that last-minute thrill.**
Like the kid in school that occasionally got A's in spite of completing their homework on the bus, some of us get a thrill out of leaving tasks until the last minute, mistakenly believing that the quality doesn't suffer.

Changing your habits

Once you've reflected on what sort of procrastinator you are, you can choose the tools that will best help you.

If you suffer from imposter syndrome, positive self-talk can help, using mantras to break the negative feedback loop.

For a perfectionist, sometimes fear of not doing something impeccably can stop you from starting at all. The task can just feel too big to overcome. If this sounds like you, break the project into smaller units and find a point of entry that is not too daunting.

For the thrill seekers, why not try a series of incremental deadlines? Remember self-imposed deadlines are more malleable than those set by others, so it may well be worth telling a friend or family member your goals so they can hold you accountable.

The other thing to remember is that your willpower can fatigue. Planning mindful breaks is important to allow your prefrontal cortex to recharge.

Keep it positive

Some tasks bring us more pleasure than others. We're far less likely to procrastinate when we love what we're doing. So, when thinking about your goals, make sure they line up with your passions.

And when you do find your mind wandering—or reaching for your phone at work—gently acknowledge what you're doing then return your mind to the task. By recognising your triggers and knowing which tools work for you, you might just find yourself picking up speed and achieving more in your day.

ⁱ <https://www.nationalgeographic.org/media/procrastination-and-brain/>

ⁱⁱ <https://www.inc.com/jessica-stillman/is-priority-dilution-the-new-procrastination.html?cid=readmore>

ⁱⁱⁱ <https://www.theatlantic.com/business/archive/2014/08/the-procrastination-loop-and-how-to-break-it/379142/>