



## Welcome to the *eBay Stages of Life Guide*

eBay.com.au has partnered with Fiona Lippey, founder of the popular savings tips website Simple Savings, to bring you this handy collection of tips and hints on how to tackle saving and spend sensibly for life's big events. The complete version of the eBay Stages of Life Survival Guide is available for download here [Insert URL] or you can click on individual stages below:

### **Fiona Lippey, founder of [www.simplesavings.com.au](http://www.simplesavings.com.au)**

Fiona Lippey is founder of the popular money management website *Simple Savings* ([www.simplesavings.com.au](http://www.simplesavings.com.au)). A self-titled miser extraordinaire, Fiona has provided advice to over 60,000 Australians, transforming everyday consumers into smarter shoppers.

Sensitive to the average mum's struggle for financial security, Fiona set up *Simple Savings* in 2002 – a jargon-free website offering tips on saving money when shopping. Today, the website has over 130,000 visitors a month and has been finalist in the *Australian Netguide* Web Awards each year since inception, winning the inaugural Peoples' Choice award in 2005.

Exercising her money-saving philosophy everyday, Fiona continues to work from her Queensland home while caring for her two children.

## Buying your first car

Buying a first car is a big moment in your life. While your own wheels represents freedom and independence, the process itself can be stressful and often very expensive.

Fiona Lippey, founder of popular money management website Simple Savings ([www.simplesavings.com.au](http://www.simplesavings.com.au)), says "Buying a car is one of the stages in life where you can get it right or make a very expensive blunder. With a bit of research and know-how you can get what you're after and have money left over. However, if you go into buying a car without planning or proper advice, you could be ripped off or end up in debt."

Before hooking that shiny new key on your key ring, here are a few tips from Fiona and eBay for getting yourself on the road with less stress and more money left in your pocket!

- **Look at pre-loved vehicles:** According to eBay research up to 89% of Australians first car is second hand. "Luckily for first car buyers there are a lot of really good second hand cars available – we're not talking rattlers or lemons but older model cars in great condition at great prices".
- **The personal finance pitfall:** Be very careful when choosing a lender. "Interest rates on personal loans are high – over 20% in some cases. Borrowing \$5000 for your car at 11.2% over five years will cost you \$1552 in interest. At 22.95%, you're looking at \$3448.53 in interest repayments alone," Fiona advises.
- **Pay cash:** Ideally when buying your first car you should save up and pay cash. This may mean you'd have to go without some luxuries and use public transport while you save but it is worth it in the long run.
- **Be informed:** Make sure you find out about all the costs involved in purchasing the car, such as insurance, rate of fuel consumption and replacement parts. "When buying a used car it's really important to get a vehicle history check through a site like [checkitout.com.au](http://checkitout.com.au) to ensure that the car doesn't have any money left owing on it. You don't want any surprises after you've bought the car when it's too late."
- **There's no such thing as too much information:** Regularly scroll through car sales websites like eBay Motors. The wealth of information on car buying generally, and individual car models and car sellers at these sites is huge. Use the site to gather information on particular cars, build watch lists of great bargains and investigate seller Feedback fully - Feedback gives buyers critical insight into a seller's reputation.
- **Avoid the hard sell:** According to eBay research 41% of car buyers agreed that a benefit of buying a car on sites such as eBay Motors is that they can avoid face to face negotiations and the "hard sell" if need be. Other popular benefits include the ability to comparison shop (56%), the convenience factor (anywhere, anytime!) (55%), and the fact that they can get a great bargain (39%).
- **Cover yourself:** Don't forget to factor insurance costs for the make and model of car you choose into your budget. Also, check to see if you are covered by the Vehicle Purchase Protection program ([www.ebaymotors.com.au/vpp.html](http://www.ebaymotors.com.au/vpp.html)). If you buy an eligible vehicle from eBay Motors, it may cover you for up to \$20,000 in the unlikely event that something should go wrong with your purchase.
- **Finally found your dream car?** Make sure it won't give you nightmares in the long run. Get a mechanic to give it a good once over and it's a good idea to take it for a test drive or before you buy.

## USEFUL LINKS:

- eBay Motors [www.ebaymotors.com.au](http://www.ebaymotors.com.au)
- Vehicle Purchase Protection [www.ebaymotors.com.au/vpp.html](http://www.ebaymotors.com.au/vpp.html)
- Car Buyers Checklist [cars.ebay.com.au/motors/buyer\\_checklist.html](http://cars.ebay.com.au/motors/buyer_checklist.html)

## ANDREW SHERWELL

As an avid eBay user Andrew Sherwell naturally turned to eBay Motors to buy his first family car and managed to find the perfect Nissan Patrol for the great value price of \$5,500.

"The best thing about buying a car on eBay is the price and range. The seller was very helpful and flexible, I felt totally comfortable purchasing a car through the site – particularly with the Vehicle Purchase Protection program [insert link - [www.ebaymotors.com.au/vpp.html](http://www.ebaymotors.com.au/vpp.html)], which covered me for up to \$20,000\*. Having easy access through the site to a vehicle history check and inspection gave me added peace of mind that I was buying the right car for my family."

And it seems eBay runs in the family! Andrew's 18-year-old son Josh recently bought his first car on eBay Motors also. He too found a Holden Commodore on the site for the bargain price of \$3,000 and Andrew couldn't be happier with his son's purchase. "It's the perfect first car for Josh. He's getting his license next week and has been practicing in the lead up to the test."

Andrew and his family are such passionate eBay users that Andrew's eBay user ID is the Nissan Patrols number plate!

**\*Terms and conditions apply. Check [www.ebaymotors.com.au/vpp.html](http://www.ebaymotors.com.au/vpp.html) for more information\***

## Moving out of Mum & Dads

Moving out of Mum & Dad's? Finally, no parents enforcing a curfew, telling you to tidy your room or eat your greens!

On the other hand, no more free food or free phone and certainly no more free ride. Moving into your own home might be the ultimate freedom but it's also a significant new responsibility

Whether you're heading into university housing, shared accommodation or your own apartment, both space and budget are likely to be tight when you first move out of home. There's a whole host of things you'll need to think about, both before the big move and once you're out there on your own.

Fiona Lippey from [www.simplesavings.com.au](http://www.simplesavings.com.au) suggests keeping the following in mind:

**The Big Stuff:** Don't forget the costs of a removalist. This can be anything from \$500 to hire a truck and do the move yourself or up to \$5000 if you bring in the professionals. To get an idea on the costs of removalists check eBay services (<http://services.ebay.com.au/>).

You may also have to find funds for a bond, electricity, gas and phone connections.

Once you've set up your own digs consider contents insurance, you don't want to be left with nothing if you suffer a break in or a fire. If you're buying your own place, you should also consider insuring your home. It could cost you a bundle to replace all your clothes, CDs, appliances and personal items if your house burnt to the ground, let alone rebuilding!

**The small stuff:** Getting hold of all the basics you need to keep a home running can take a big chunk of your savings or get you into financial hot water if you're not fully prepared.

Here's a basic checklist of all the items you may need:

Kitchen utensils	
Saucepans	
Crockery	
Bake ware	
Dish rack	
Fridge	
Microwave	
Washing Machine	
Bed	
Linen	
Pillow	
Wardrobe	
Lounge	
Table	
Chairs	
Computer	
TV	

"You can get a lot of kitchen items and appliances at an op shop or on eBay. eBay is a great place to buy second hand things in bulk - look for someone selling off an entire old kitchen due to renovations or interstate move." Fiona says.

The trick for getting bulk lots of these sorts of items? "Do a localised eBay search for your area and then view other items a seller has on offer. With patience and a little bit of luck you can stock your entire kitchen for next to nothing!"

When it comes to furniture, Fiona "made do" when she first moved out – "My first wardrobe was a couple of boxes joined together with bulldog clips!" she says. – but, if you have the money, she suggests looking for new or "nearly new" furniture on eBay.

"We bought our current lounge on eBay. We tried a few furniture stores but that was a real pain and the prices were quite high. So, when I got home I did a local search on eBay for a lounge nearby and got an immaculate 12 month old lounge. It was exactly what I wanted and we saved \$550." Fiona explains.

**Once you're out in the world:**

The other big challenge when you first move out of home is managing your ongoing budget – "Working out which bills to pay when, maintaining a weekly or monthly budget and not falling into debt can seem daunting but there are tools out there that can help." Fiona says.

To help you with this [simplesavings.com.au](http://www.simplesavings.com.au) has a free Bill Payment System [[www.simplesavings.com.au/freestuff/billpayment/](http://www.simplesavings.com.au/freestuff/billpayment/)], and grocery tipsheets [<http://www.simplesavings.com.au/tipsheets/>] at [www.simplesavings.com.au](http://www.simplesavings.com.au).

"Combine all these tips together and you will have a fantastic time, free of debt and money stress."

## KYLIE PATTERSON

"I moved back home with mum and dad about 18 months ago because having my own place was too expensive," says Queenslander Kylie Patterson. "It was getting difficult to make ends meet, so I decided to return to my parent's home and save up as much as possible for a second go."

In her second attempt to move out of home, Kylie turned to eBay to cut costs and make the most of her money. "I've saved over \$6000 in the last six months by shopping on eBay and within a few months, I'll be ready to fly the nest again."

"I've bought a microwave, cutlery set, coffee machine and bed linen on eBay. I've also saved plenty by purchasing everyday items on the site including CDs, books, a digital camera and a DVD recorder."

Kylie has also begun selling her unwanted items on the site to further grow her savings pool. "I sold my mountain bike, old furniture from my parent's house and clothing on eBay. In fact, there are plenty of girls like me who buy clothes and never wear them – eBay is the best place to offload them and make some extra cash!"

## Buying your first home

It's still the Great Australian Dream to buy your own home. It's probably the most important and expensive purchase you will ever make, and there are many people more than happy to give you advice and tips on how to find the right realtor, home and loan. However, according to eBay research, more than two thirds of homeowners surveyed claimed their parents' advice was very good - so don't forget mum and dad in the decision making process.

Here's a sneak preview of the things we know your mum and dad would tell you, from Fiona Lippey of [www.simplesavings.com.au](http://www.simplesavings.com.au).

**Save, save and save some more!** The higher the deposit you put down on your new home, the better. "You'll be in a healthier position to negotiate a lower interest rate and be able to avoid mortgage insurance. For example if you only manage to save \$40,000 when buying a \$390,000 home your mortgage insurance will cost \$5180. If you managed to save \$50,000 for the same property your insurance premium would drop to \$4284 saving you \$896," Fiona says.

**Bigger isn't necessarily better:** In the olden days our parents bought small homes and built on or upgraded as they could afford it. This may mean your first home is not flash or in the suburb you want to live in but you won't be bogged down by masses and masses of debt and will be able to get ahead faster.

**Location, location, location!** Think about being flexible in terms of location. Fiona explains, "You can save yourself as much as \$50,000 by choosing a home just 2km further away than the first place you were looking at."

**Payback ASAP:** Stick every single spare cent in the home loan so you can get rid of it ASAP "If you pay off a \$340,000 loan in eight years you will have to pay \$103,382 in interest. If you pay the same loan off in 30 years you will have to pay \$466,127 in interest. You could buy two homes with the interest \$362,745 saved in this case (derived using 6.9% interest rate)." Fiona says.

Interest repayments are dead money. "It's money you'll never get back, so make sure your interest repayments are as low as possible by repaying every cent as soon as possible. The way to do this is so keep all your expenses low. Your shopping bill, your house bill, your renovation bill - the less you spend on these and the more you put on your home loan, the better off you will be in the long run," Fiona explains.

**Save again:** Every penny counts. Scrimp, save and make the most of what you have got. Don't pay full price for anything. One of the popular mistakes people make is believing everything in a new house has to be new. "If you want to add a personal touch to your new home or make renovations, check out second-hand stores and eBay for hardly-used and new furniture at lower than retail cost. Second hand renovation materials like tiles, paint or kitchen fittings are another great idea," Fiona says.

Re-assess your habits. Bad spending habits are the fastest way to go backwards when you would rather go forward. Go to the Simple Savings Wealthy Habits calendar to assess your habits and look for areas you can pinch those extra pennies from. Simple Savings members have already saved themselves \$1.6 million this year. To see how they achieved these results go to the Save-O-Meter. <http://www.simplesavings.com.au/saveometer/>

## PHILLIP KEMP

"We saved all the profits from my eBay business and recently bought a beautiful block of land which my wife and I will build our first home on later this year!" says Sheffield resident Phillip Kemp who sold on eBay and saved an impressive \$20,000 in six months, funding the deposit for a one-acre block of land.

Turning over almost \$15,000 per month through eBay sales, Phillip and his wife Danni-Lee are now able to move out of their rental home. "Buying a house is a big decision but we're excited about taking the plunge. We can now plan our new house which we're going to build using our income from eBay too," says Phillip, who runs a full-time eBay business specialising in search engine optimisation.

"Like most first home buyers, we wondered how we could afford it, but we had eBay to help us. We were thrilled by the extra money we saved and also cut our costs by using eBay to buy everyday items at cheaper prices. I've saved hundreds on things like computer equipment - it all adds to your savings pool."

## First Child

According to some estimates the average cost of bringing up a couple of children in Australia from birth to age 20 is a whopping \$500,000. That figure takes into account most of the costs involved in parenting including housing, transport, food, clothing, recreation and education.

Here's some "So You're Having A Baby!" tips from [simplesavings.com.au](http://simplesavings.com.au)'s Fiona Lippey:

**Time is money, money is time:** In many cases Mums get to stay home with their baby until the money runs out and then they have to head back to work. The further you stretch your money, the longer you can afford to stay at home with your child. "I like to think of it as \$500 saved equals one more week at home," Fiona says.

**If in doubt, go without:** There are so many baby goods you just don't need. For example, instead of buying a change table, pop the baby on a towel on your bed, on the rug or on an old table. While the child is little they can't move and by the time they can move change tables are too dangerous for squirming babies.

“Be wary of your nesting instinct. Pregnant woman's nesting instinct is very strong and while it's natural to desire all the latest gadgets and adorable clothes it adds up quickly and can be a real challenge to your finances.” Fiona warns.

**Avoid the baby aisle in supermarket:** Tinned and canned baby food is low in nutrition and can be expensive. Rice cereal is just rice. You can save yourself \$20 per kilo by cooking, blending and freezing it yourself. It only requires a very good blender or food processor, a steamer or boiling pot, ice cube trays, and a few minutes of your time.

**Don't pay full price:** Baby goods are one of those wonderful areas you never really have to pay full price. You can often find gently used gear in great condition on eBay or at second-hand stores.

“Shopping online at eBay is a great way to find all sorts of bargains without having to lug your pregnant belly around baby store after baby store”.

You can find strollers, bouncers, high chairs, new and used clothing and much more on eBay.

“For safety's sake, take the opportunity to ask the seller as many questions as you need to assess the history of furniture or equipment.” Fiona says.

You can also check buyer guides at [eBay.com.au](http://eBay.com.au) for product information and safety guidelines, and also Standards Australia and the ACCC.

**Remember, don't go ga-ga:** Be conservative and use a little common sense. Keep in mind that in twenty years, your baby will not remember whether you used name brand or generic nappies or bought his/her clothes at a bargain price online!

### **True essentials**

- Five age appropriate outfits. Usually one or two nice ones and the rest every day around the house clothes.
- Singlets, and lots of them!
- Nappies: Whether you go cloth or disposable, avoid brand labels they are a huge waste of money. The quality of generic brand nappies have significantly improved over the last couple of years.
- Cloths to wipe babies bottom. Fiona's favourite? “El-Cheapo Chux wipes. Cut them up, use, soak and then wash. They last ages!” Fiona says.
- Muslin wraps: Nice big muslin wraps are great for baby, particularly in the Aussie climate
- Layback stroller
- A baby car seat: hard to get home from the hospital without one!

### **Nice-to-haves but not so essential**

- Cot: You could try a convertible bed
- Sheets
- Breastpump
- Baby sling

### **CINDY SCHOLTEN**

“You can buy virtually anything for your baby on eBay,” says Queenslanders Cindy Scholten. “I purchased 90% of our baby goods on the site and saved thousands!”

A treasure trove for brand new baby goods, eBay allowed Cindy to successfully kit out her first baby's nursery on a tight budget. "I bought Kira-lee's pram, bouncer, baby monitor, sheets and the majority of clothing on eBay at prices that were often less than half their original retail price."

"Not to mention, eBay saved me from the arduous task of walking around the shops while heavily pregnant. Instead, everything I needed was delivered to my doorstep!"

Now expecting her second baby, Cindy is using eBay to buy her next batch of baby goods as well as sell unwanted items from her first pregnancy. "The Baby and Maternity category is hot on eBay! Many mums, like me, have a tendency to purchase too much for their little ones and babies will grow out of them quickly. So often, you'll find plenty of us offloading brand new items at great prices on eBay. It really is the best trading forum for mums and dads who are starting a family," says Cindy.

## Travelling

Aussies have something of a reputation for setting off on that big travel adventure. Whether it be the gap year in Europe, working your way around Asia's best surf beaches or exploring the farthest reaches of our own wide, brown land, there are a lot of us out there.

How do we all manage it?

Well, as Fiona Lippey says, there are some clever, simple ways to save for that big trip and some definite traps to avoid.

**Research:** Do as much research as you can before you leave. Surf the web, hang out on forums, buy yourself a guidebook. An unplanned trip is an expensive trip. The more you know about your intended destination, the more you will save, and happily, the better time you will have. "For example, finding when its peak and off-peak season in the countries you are travelling to can have big impact on flight and accommodation costs," Fiona says.

**Set off with full pockets:** You don't want to borrow money to travel, rack up credit card debt, or run out of money once you're away, so it's important to save as much as you can before you leave.

"Get a second job or sell off unwanted stuff quickly and easily on eBay. Do whatever it takes just make sure you are leaving Australia with a very full wallet." Fiona advises.

Lower all expenses before hand. Reassess your shopping, spending and eating habits, and put your savings in a high interest online bank account specifically for your travels.

**The emergency fund:** Keep some savings separate. This is your emergency fund. Always make sure you have enough money set aside for a return flight home if necessary.

**To store, or not to store, that is the question!** Fiona says the answers simple. "Why store furniture for \$50-100 a week when you can sell it now on eBay and make money for your travel fund, or put it aside and let it earn interest for when you return home,"

**Insure against Bali Belly:** Don't forget to organise travel insurance. It can cover you for lost or stolen belongings and much more. "A simple case of appendicitis in Bali could cost you as much as \$40,000 without travel insurance. Staying in an ICU ward in America costs \$3000 per day. You don't want to be caught out," Fiona says.



## **ALI KING**

Lawyer Ali King and her partner Sam made enough money selling on eBay to fund an 18 month around-the-world sailing trip. "We started by selling unwanted pieces from my collection of vintage clothing and had such success that we were soon making more than my salary as a lawyer!" says Ali.

Not only did eBay help fund Ali and Sam's luxurious sailing adventure, it was a great resource for all their sailing necessities. "I purchased a brand new underwater camera case, sailing books, skiing and sailing jackets and scuba gear on eBay. It saved us a lot of money – we bought a camera case from the UK that retails at AU\$1000 and we purchased it for AU\$100 on eBay. Not only that, you can't get it in Australian retail stores!"

Even while sailing amongst the picture-perfect isles of Europe, Ali continued to buy and sell on eBay. "I would purchase items such as books and have them sent to the next port for collection. And when I was short on cash, I would sell items I no longer needed on eBay to make some extra money while travelling. On top of that, PayPal alleviated the problem of currency conversion and language barriers - we were able to deposit Aussie dollars into an overseas seller's account quickly and conveniently."

### **Retiring**

In order to make the most out of your retirement you want to spend both your money and your time wisely. The number one way according to [www.simplesavings.com.au](http://www.simplesavings.com.au)'s Fiona Lippey is downsizing.

#### **#1: Downsizing**

Look around your home how much of the items do you really need. How many rooms do you actually use? Could you comfortably live in a smaller home? Could you downsize?

Downsizing can increase your income. You could convert the spare sections of your home into rental accommodation. "If you can turn your spare rooms into a one bedroom flat you will be increasing your income by \$200 per week in some areas," Fiona says.

Or, you could sell your large family home and move to smaller home or unit. This will release equity from your home that you can use as your nest egg. "For example, if the unit costs \$200,000 less than the price you sell your home for and you put the money in a very basic and safe account bearing 6% interest. You will have secured yourself an extra \$12,000 per year income for the rest of your life." Fiona explained.

If you choose to downsize, don't make the mistake of thinking your household items are worthless. "Take some nice digital photos of your throwaways and those bits and pieces you've had stored in boxes under the stairs for years, and list them on eBay. You'll be surprised what you can get for them." Fiona says.

eBay's research in 2007 found that 72% of empty nesters are left with a lot of their kids gear to deal with then they move out, and over half of those (54%) admit to resenting it. "A good way to deal with this is to suggest selling the goods on eBay for them and splitting the proceeds. This way you can help your kids get ahead and reclaim the space around your home." Fiona says.

## **ANTHEA FAIRLEY**

A thrifty empty nester for many years, Anthea uses eBay to regularly downsize as she prepares for her retirement on the Victorian Coast. "My partner Ron and I run a caravan park in Beechwood but we have our sights set on a sea-change. We can't afford to bring everything with us so I've begun selling off unwanted items that my kids left behind on eBay including clothing, crockery and books."

With every dollar made on eBay going into the retirement piggy bank, Anthea and Ron's dream of living by the water draws ever closer. "I'm planning to sell so much more on eBay, from my dinner sets to antiques. In fact, Ron and I have listed a caravan on the site which will help to fund the big move. Downsizing is not an easy task but eBay makes it so much easier." says Anthea.

Anthea also uses eBay to satisfy her passion for craft and creativity. "I purchase tops at a cheap price and accessorise them for re-sale on eBay. They are so popular that I've made up to 400% profit on individual pieces. Aside from having access to millions of potential customers from my remote Beechwood home, I love the fact that eBay has given me an outlet to express my creativity and talent."