



The Australian Finance Podcast Episode Transcript

Episode: Kate & Owen's top personal finance apps in 2021

Release Date: 05/11/2021

Speakers: Kate Campbell & Owen Rask

Duration: 30:35

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Episode transcript:

Owen:

Kate Campbell. Welcome to this episode of the Australian Finance Podcast.

Kate:

It's great to be back, Owen. And this is our very first episode recorded out of lockdown in Melbourne. We are still remote though.

Owen:

It's indeed.

Owen:

Yes, it is. Indeed. We did record most of our episodes remote we had to during COVID. But even before that we were starting to do more remote, right?

Kate:

Yeah, yeah. Now that you're in the regional suburbs of Victoria, it's a little bit harder to get in person in the office, but hopefully soon, hopefully we'll get to do some office recordings and it'll be nice to see you again.

Owen:

Yeah, likewise. I think we're catching up soon. So, that'll be nice. Today, we're talking about our favourite personal finance apps and you've given me a limit of 30 minutes to do this with you. So you know that I rant, so we're going to try and keep it concise. And we're covering everything. We're covering investing, personal finance, banking, and even some ways to make money and get your news. So we did this last year and we had a similar list, but I think this is a relevant thing for a lot of people because a lot of people out there thinking, which broker do I use, which banking app is good right now? And these things change often, like a few years ago, people loved ING Bank, because it had high interest and then the interest rate changed and then people were questioning whether they still kept that. So this is a really interesting episode for a lot of people. It's kind of the nuts and bolts of personal finance and investing.

Kate:

And of course these are just some ones that I like. It's not [inaudible 00:01:36] shade on any other apps that people like, there's plenty of others I use, but I just sort of included a couple of highlights in this list. And as far as I know, we have no affiliations with any of these companies.

Owen:

No, we do use one of them at least. Oh, maybe a couple of them, but we do not have any affiliation with any of them.

Kate:

We may invest in one or two of them.

Owen:

We may invest in one of the companies. Yes. Maybe we can disclose that as we go through, maybe that's a bit of a teaser that's towards the end. So maybe people can find out which company it is, as we go through. So they have to listen. Okay Kate, so that's fair point. Unlike many podcasts or people that you see on social media, we don't do referral links or anything like that. This is all, if you're reading while you're listening and you see the links, you can just click on them or if you have your own referral link, drop it into the Rask Australia Facebook group, if you want to drop it in there and then other people can click that link. It's up to you [crosstalk 00:02:37]

Kate:

Maybe, we'll all keep it in one post. Otherwise, it could be a little bit of a mad house in there, but, any of these companies, you can just Google, they'll come up straight away. So you don't necessarily have to click on a particular link.

Owen:

Yeah, that's it. Okay. Without further ado, Kate, over to you, what's number one on the list.

Kate:

Wonderful. Well, my first one is Frollo, and this is a spending tracking tool and it enables you to sort of link all your bank and investment accounts together. And they've actually been a really big promoter of open banking, where you can share your data in a safe way. So it's not necessarily having to put in your ING Bank account details within the Frollo app and then it scrapes it, which often breaches the terms of service. So they've been massive supporters [inaudible 00:03:22] banking. And so you can actually really easily share your data and get a really accurate picture of where you are, how close you are to your goals. And this integrates with most of the large banks and investment platforms in Australia. So that's definitely one I'd recommend checking out.

Owen:

We've talked about Frollo quite a bit. Not just recently, actually I think it's been a couple of years now. Really interesting. There are others in the sector that do it, but Frollo, is probably the easiest most recognised now. So it's a really interesting. It's F-R-O-L-L-O. Okay, number two, which is one near and dear to my heart because being an analyst, I do a lot of this stuff. I spend a lot of time in spreadsheets and I do a lot of calculations like this. So number two is Google Sheets. Kate, why do you use Google sheets?

Kate:

Well, I think Google Sheets is a lot more accessible than Excel and you can also use it for free, which is great. But, I use it for everything, from tracking my net worth, I have in the past, used it for budgeting, but I take a slightly more relaxed approach, especially over the last two years now. Using it for planning your travel budget and working out how much you need in each category to last you X, Y, Z. And that's something that people might be starting to think about going on overseas trips again in the next 12 to 24 months. So I think it's just a really useful tool, even if you're trying to calculate, what your portfolio might look like in 10 years, that's another good tool to use is along with the money smart compound interest calculator, you can kind of replicate and do your own calculations in there.

Owen:

Yeah, it's a really good point. You can create your own compound interest chart and see where you are on that chart using Google sheets. And like you said, it's free. If you've got a Gmail, you can use Google Drive and Google Sheets and all that. And that's what we use here at Rask. I think some of the team have Microsoft products like Excel and Word and that, but predominantly, all of us use Google, because it's basically free, which is super cool. And, I also use it for show notes, you use it to write articles, those types of things. So it's super handy. Number three, which is one that we get a lot of questions on is basically, number 1, how do I track my investment performance? Because the brokers don't give me a great kind of performance record of how I've done. And how do I kind of manage tax time? How do I know how much in dividends I made and all those types of things, because you've got so many different share holdings, what would you suggest is an app that people can look at?

Kate:

I think this is really a shining light in the Aussie market, but Sharesight is a fantastic tool to really track your investment performance. You can track it against other benchmarks. They've got like 20 or 30 different types of reports you can download. And it really helps with tax time and keeping everything in one space. I think on the free version, you can have up to 10 holdings for free and track that. So if you're just doing a really simple ETF portfolio, or even like a VDHG, one single ETF portfolio, you can use Sharesight for free.

Kate:

In my case, I do use the paid version, but it does allow me to integrate, I think about four different investment portfolios and each portfolio has an email and you can forward contract notes that you receive when you buy or sell a share. You can forward the email straight there and it automatically reads that email and that PDF and puts the data into your portfolio. So that's what I do. So there's no manual [inaudible 00:07:00] X, Y, Z ETF at this price on this date. I just forward all the contract notes. You may even be able to automatically forward. I haven't got that clever, but it does make life a lot easier, especially if you are managing a few holdings.

Owen:

I think Sharesight, integrates natively with some of the brokers. So, it kind of like automatically syncs everything anyway. And then you can just confirm if you did receive that dividend.

Kate:

Yeah, I think some of the newer platforms like [inaudible 00:07:27] are just setting up with a link directly to Sharesight. And I know Robo- Advisor, Six Park has an automatic data feed into Sharesight, so you get to see all your holding there as well.

Owen:

Yeah, it's a really easy way. And I think Sharesight has done a great job of kind of dominating the industry. Not just here in Australia, they also operate overseas too. So it's one of those Australian success stories, which is really cool. So the next one is a bank that we have talked about a bit. We had someone from the bank actually appear on this podcast in the past, which is fantastic. So this is a bank, I believe you kind of kicked this off Kate, and then everyone at Rask, followed suit and got on board. So you're the early adopter here. This is a bank you've described as superpowered banking.

Kate:

Yeah. So I think I probably mentioned Up Money, about three years ago to you. They send you a like a little message on your anniversary and I had my three year anniversary, so that was an interesting one. You don't usually get that kind of thing from a bank, but I think Up has really changed the way that people view banking and it doesn't have to be really stale. I mean, it does sound like an advert of Up, but I have no connection to it all. I just think it's a fantastic product. I use it for my day to day spending and it really easily tells you how much you've spent in each category. I love that it shows you the icon of the brand in which you've spent the money at, because that makes it really easy when looking through.

Kate:

You can easily click a transaction and see how much you've spent over time with that company, which is not always the best thing when it comes to buying books and you also can set up different savings goals and automate it. So when your paycheck hits your account, each fortnight or each month, it automatically gets split based on certain dollar amounts or percentages into your different savings amounts and automating payments. So I just think it makes banking a lot more fun. And for the purposes of sort of small savings goals and a daily transaction account, it's definitely something I like.

Owen:

I believe Up just went through a bit of a corporate change as well, right?

Kate:

Yeah, Bendigo bank, did they officially take them over or?

Owen:

I think that we may be wrong on this. This is just off the top of our heads, but I think so, because I think they're originally in partnership with Bendigo and I think Bendigo finally bought them out realising how good Up was. So that's Up. It used to be called Up Money, I believe. And, now it's just called Up. You can head to the website, it's super easy to sign up, if you do go down that road. We would love to know what you think about it. You can just drop us a message in the Facebook group.

Owen:

The next one is one I guess, is really topic at the moment because there's so much debate in this area and we've done some episodes recently about which broker is actually the best. And in our episode recently, we covered all of the brokers, all of the major brokers anyhow. And we basically concluded that, first of all, you don't have to have one. And second of all, you can probably choose the one that best suits what you're trying to do. So if you want ASX shares, you can choose one. If you want Global Shares, you can choose another. If you just want ETFs, you can choose that one, so on and so forth. Kate, for ASX investing, so people want to buy ASX shares. There's one that's still the leader in the industry, right?

Kate:

Yeah. And I don't think this broker in particular is necessarily the best option for everyone and it does cost more. But I do think it can be used as a helpful tool that doesn't cost any money. So the company I'm talking about is CommSec, which is the brokerage arm operated at the Commonwealth Bank. I still think they're the leading broker.

Owen:

Yeah. They're the biggest.

Kate:

They're the largest in Australia, but even if you're not using it is a broker, because there are some other options, especially as an ETF investor, I think there are more competitive options now, which we did talk about in our broker series. I do think having a CommSec brokerage account is really useful as a ASX share investor for creating watch lists, to keep track of different companies. You can really easily set notifications for when companies announce results or have market sensitive announcements like they're changing the CEO. So you get a notification on your phone, the data, you can access a lot of historical data and all the announcements, it's just quite easy to see everything in one spot. And I personally, I do use it for that purpose as well. And, you can have multiple brokerages account and you don't have to be actively using them, which is something to note.

Owen:

Yeah, it's really your point, you talked about that at off air is, people still ask that question, Do I have to have one or do I have to choose this one or that one? You can have multiple. And again, you might have your ETFs in one place, your ASX shares in one place and the US shares in another. It does become a bit of a... you got three different logins then, but oftentimes in finance you pay a higher price for convenience. So if you try and make it all as simple as possible, there are a few tools that do everything the best. Sometimes there are tools that just do one thing the best. Speaking of we're talking about US brokerage here, not necessarily, this is not a recommendation. It's just one that we know is very popular in the market as well. So it's worthy of an honourable or an actual mention here, which is Stake. So for US online share trading and investing Stake is probably the most popular, at least with a younger demographic here in Australia.

Kate:

Yeah. And I have noticed with Stake, because you would only have to pay, the fee is added on when you change from Australian dollars to US dollars, but you're not paying any fees for brokerage while your money is on the platform in US dollars. It does become a little easier to add more positions to your portfolio because you can just buy \$5 worth of Amazon shares. So what's to stop you owning \$5 of a hundred different shares. So if you are trying to build a long term portfolio, I do think one of the good parts of Stake, but it also can be the downsides of the long term investor is, it does look a bit like a retail shopping platform.

Kate:

It's really easy just to add to cart, place the order without having to think about it much. And because there's no minimum brokerage limit, like CommSec might not let you place that order if it's only \$5 and suddenly if you're paying \$9 [inaudible 00:14:10] in brokerage, it's not worth it. But when you're not paying anything in brokerage and you can buy fractional shares, it just becomes very easy to buy and sell without thinking about it. So I do think it's a fantastic way to invest overseas in US shares and they are coming to the ASX soon with, I think they're going to be \$3 ASX brokerage with-

Owen:

Yeah. Super competitive [inaudible 00:14:33]

Kate:

I'm thinking that'll be really interesting, especially if you are wanting to add smaller parcels to your ETF portfolio on a regular basis, that's going to really change the game. It'll be interesting to see how that pushes other players like SelfWealth maybe Frollo to lower their prices.

Owen:

Yeah. It could be a race to the bottom, but it's interesting because, I think we talked about this in the brokerage episode where we reviewed them all. It gets to a point where, to be honest, it's the fees become so low that it's almost for most people, once you get up over minimum \$500 parcels, it starts to become somewhat negligible if there's a fixed fee on the brokerage. So, if it's \$3 or \$9, most of us are happy to spend the extra \$6 on a cup of coffee. So, at the end of the day, I think it'll come to a point where most people choose it for functionality and ease of use over, over other things, which is really interesting. So just to confirm, when you pay Stake, you pay them when you transfer money to US dollars because you have to do that to buy US shares. So that's how you pay rather than a brokerage fee. Some charge both.

Owen:

But anyway, I'm actually with you on that one. If apps and stuff become too gamified, in my opinion, they cause the wrong incentive for investors, which is to trade often, to log in, to be in there often, to really be stuck in your trading account. Kate, I actually opened my US share trading account yesterday for the first time in, I'm going to say it like two months, maybe even longer whenever I bought my last US share, and I don't have any apps on my phone anymore for investing. I deleted them all because I think it actually can be quite dangerous if you are addicted to it. And you think you need to log every day and check what you're doing makes you act too much but-

Kate:

I think that applies to most investment of accounts, even your emergency fund, you don't want to be looking at that cash every day thinking, oh, should I just spend it on this thing now rather than keeping it for emergency?

Owen:

Yeah. Well, some of the big robo-advisors in the US actually put multiple warnings in front of you when you try and click a button to sell shares, if the market has fallen and you try and sell it sends you a reminder to say, hey, if you do this, you could be up for tax. If you do this, then that might happen. And it constantly just makes it really hard. They add friction, not take it away for that reason, but the next one is about making it easy to invest smaller sums of money. And again, we've had this person on the show before. We've had the CEO of the Australian division, Brendan Malone, from Raiz Invest. And this is the company full disclosure that we've actually recommended. I own shares in this company, a very small amount of shares in this company.

It's actually on the stock exchange. So you can see what they're up to and how they're performing. It's Raiz Invest a Microinvesting. Kate, tell us a little bit about Raiz.

Kate:

Yeah, and I think a lot of our community probably are aware of Raiz and they do have a couple of hundred, thousand Australians that use the platform already. But, it is a great way for people who only have \$5 or \$10 bear in mind, there are fees to dip their toe in the water. And so I think it has been a great starting point for a lot of people because they've put their first \$5 or \$10 in they've started to explore the app and go, Hey, what am I invested in? Oh, I'm in a growth ETF portfolio. And then they start to look under that. And Raiz actually tell you what their ETFs and the breakdown of the portfolio is. And that has been a starting point for a lot of people in going, Hey, I want to know more about ETFs and then getting to a point where they feel comfortable enough to open their own brokerage account and start building their own ETF portfolio.

Kate:

So I think for just helping someone get started with the basics, just putting fire \$5 or \$10 in testing the waters and using that to incentivize yourself to learn more about ETFs is a really great starting point. And they're introducing a lot of new features. And I guess they've integrated with that shopping aspect where instead of getting cash back, you would with cash rewards or Honey. Honey's more of the coupon. It reduces price, but they'll partner with different brands and put that cash back into your portfolio. So as long as it doesn't make you spend something you wouldn't have spent already, that can also be a cool benefit.

Owen:

Yeah. Shout out to Honey, actually. I've got Honey installed on my web browsers.

Kate:

Owen loves Honey.

Owen:

I love honey. I bought them, you're going to say I'm making real nerdier for this [inaudible 00:19:15] but I bought some virtual reality goggles during the week and Honey popped up and it's like, here's a massive saving. And I'm like, oh my God, I love you, Honey. It's for free. And it works. So Honey, you just store and instal in your browser. So it's super easy way to save money, but there's also heaps of cashback and rewards things as well. Raiz does it too. Thanks to it's scale. It's now huge. It's heading towards \$ 1 billion of money invested through Raiz. Massive, quite [crosstalk 00:19:49]

Kate:

I haven't tried it myself, but I believe they have an investing tool to invest for children as well. So that's something and I also do Super, but I don't have any thoughts on that because I have not looked into that.

Owen:

Yeah, fair enough. Okay, the next one is basically, how do we get news? So there's actually two on this, which I think is a very fair thing because oftentimes we get sucked into news sources and we just talked about how adding friction to what you do is actually kind of a good thing from time to time. Like it's almost too easy to buy and sell. So one of the things that people, but if we go before that actually to the decision making process, many of us make decisions based on the news that we read or what we find on social media, forewarning that can be wrong. And that can be a bad decision, but there are some good ways to go about it. One of them, which you and I use quite regularly is kind of the unpopular platform amongst most people, which is Twitter. Why do you like Twitter, for news and communities?

Kate:

Yeah, I think when it comes to investing in Australian shares, Twitter is a fantastic place if you curate it right to learn about different companies, to hear very strong opinions for and against the particular company. And there's a lot of people that are sharing their research in public, they end up not necessarily working for a fund manager or a particular investment company, but they they're investing on their own behalf. Maybe they're working in a completely different industry, but they'll share their research on companies and it might not be right, but it'll give you different things to think about.

Kate:

And I really appreciate, there's a lot of constructive discussion about companies that you can read if you are interested. And often you can just search a company by typing in the search bar, the dollar sign, and then the stock code, like dollar sign TLS to find out about what people are saying about Telstra. And you've got to sort for a bit of junk and trolls and bots and anonymous accounts, but there is a lot of gold to be found there. And I think it's really good to develop those critical thinking skills because you get to see multiple sides of the story. And when people share articles or news, you get to hear different opinions as well. So it's important not to get sucked in, but I do think Twitter can be used as a positive tool in your finance journey.

Owen:

Yeah and I totally agree with you. I use Twitter more than anything else, but I just want to double click on the point that you said there, which is just that don't get sucked in. Don't just take whatever some bozo says on Twitter, as your own opinion. Don't carry their opinion as yours because some of them are really smart on Twitter, really smart, just like they are in the Reddit forums, but some of them can have their own incentives. So always seek out counterpoints. This is actually interesting segue into our next kind of tip, which is the Australian Financial Review. This is an actual reputable news organisation. So they have journalists who are paid to find the truth, not to just throw things out there on social media. So the AFR is Australia's leading market news, business news, newspaper and website. What do you use it for?

Kate:

Yeah, I enjoy. They cover a lot of personal finance related issues to do with super funds. There's always a lot of coverage on what's going well, what isn't going well and keeping up to date.

When things go wrong with particular companies, it's really interesting to read the story there and how investors maybe got scammed or got taken in the wrong direction and how you can use that to hopefully not fall into one of those traps in the future. And I think also that AFR is really good at just sort of keeping you up to date on what's sort of new and emerging on the horizon and different industry trends and things there as well as you can get, if you're interested in like large Australian companies, there'll be an article on BHP or Telstra every every day, really. So there's a lot of coverage there, if you are interested in the [inaudible 00:23:48] on the Australia markets during the day.

Owen:

Yeah. So the AFR does a lot of stuff. They do the rich list as well. If you're into US news, it's probably not the one for you. If you're into global news, they still do a lot of that. But maybe something like Bloomberg is probably the preferred option. So we've got some honourable mentions just here on the end. Just one quick one, which is Airtasker. I think you look before it had 140,000 reviews or something.

Kate:

Yeah, it's pretty crazy. Australians love Airtasker. Just based on the app store ratings, but I know a lot of people do use it as a good side hustle because you can just sort of log in, create an account. It probably takes you a while to establish yourself because it is kind of a ratings and a trust based system. So if I'm hiring someone to assemble an Ikea bed, I want to see that they've done other jobs before in the past and people have given them a positive review, but once you get set up, I know a lot of people use it quite successfully as a side hustle. That you can just take on what you want when you want. And it's not an intense commitment.

Owen:

Yeah. So we've used Airtasker for heaps. We did the thing two weeks ago. We've found our painter. Who's now gone on to paint our entire house. We found our excavator driver, so many different things on Airtasker. And what's interesting, if you're trying to find work on Airtasker to your point, Kate. People like us, we are more willing to pay the higher price. So the way it works, is you say, I want to get some painting done around the house or whatever doesn't have to be around your house can be anything. And then the people that want to do that work, they will put a price up. So they will say, I'll do it for 300. Another one will say 400, and then you can see their profiles and you can approve or ask questions and they can ask questions.

Owen:

And what's interesting is that we probably haven't gone with the cheapest offers since we've used it. We've gone with the ones that have the best reviews and are most thoughtful in their response to us like asking questions. And I think that's a good tip for anyone that's using Airtasker to make money, tend to say, you've already figured this out. Some people have done thousands of jobs. You don't always have to be the cheapest one to get the work, which I think is important too. But it's a great app. It's actually on the ASX as well. Don't own shares in this one, but watching along with the keen interest. So that's an interesting thing. You actually mentioned community before. I thought I'd just check this in as an honourable mention, because

it's actually run by a friend of ours, which is Andrew Page, strawman.com, which I forgot about as we're going through, but for community that's a really interesting one too. I know a lot of people are interested in community, around investing, particularly it's not so much personal finance, but that's strawman.com

Kate:

And I guess on the community aspect, there's also on Instagram, there's the Australian Debt Free Community. I believe they have a hashtag of the similar [inaudible 00:26:38] but that is a lot of people sharing their journey of maybe they're a hundred, thousand dollars in personal loan debt, or they've got a massive credit card debt that they really want to pay off. And it's kind of a really supportive community where people are sharing their progress and how they're paying it off a little bit quicker and kind of celebrating the wins, but also encouraging each other when they have setbacks. And I think that's fantastic because when you are paying off debt, it can take a long time and you don't want to do it alone. So that plus the financial counselling, the Australian Debt Help Plan. There we go, is also another great resource to use.

Owen:

Yeah, actually just use that community, I think it's great. I think when you're in any type of debt, maybe that much debt, it's just so good to have a positive community around you that can share strategies because honestly, a lot of people that haven't been there won't know what it's like. So getting those people around you is fantastic. Speaking of community we'd love to know what anyone else is discovering in our community. One of the easiest ways for us to keep up to date with what people are using, and what is really interesting in the market is just to share it with us. So jump into the Rask Australia Facebook group, there's a link in the show notes, we get so many good contributions in there now. And what I'm really proud of Kate is, it's men and women and it's young and old and it's personal finance, not just investing in those types of things.

Owen:

Whereas a lot of the communities become really kind of macho and become really focused on investing. But this is a really great community for anyone that's seeking information on anything. So jump in there, say good day, ask your questions for the next Q&A episode. That's the Rask Australia Facebook community. Kate, this is a wonderful list. You've actually written it up in an article. So there'll be a link to that in the show notes, as well. As well as links to recent episodes that we've done on each of these topics. So go in, have a look, a special shoutout to Kate's FIRE course too, which mentions side hustles and there's a workbook available in that 50 side hustles, right?

Kate:

Yeah. I created that early last year. So hopefully most of them are still relevant, but there's a list of 50 different side hustles that are worth exploring. So I might even share that in the Facebook community as well in the next week or two.

Owen:

Yeah. Cool, wonderful. Kate, as always, thanks for joining me.

Kate:

Thanks for listening guys.