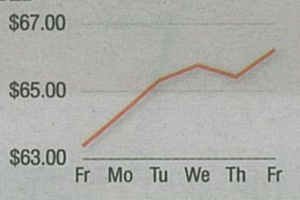
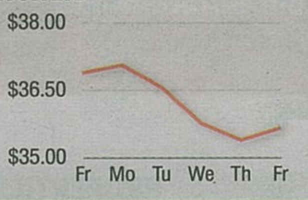
WINNER: CSL LIMITED
66.20
+$2.85
4.49%



LOSER: BHP BILLITON LTD
35.64
-$1.23
3.33%



ASX 5123.4 +47.70	FTSE100 6,492.10 45.23	GOLD 1475.86 +8.69
DOW JONES 15,010.51 +46.77	DAX 8,416.99 19.10	OIL 106.42

Home is where the heart is

Buying a house is something most have to do

Q **Hi Scott,**
I am a 23-year old university graduate in my first year of full-time work. I earn about 57k and have about 12k in shares, 16k in an FHSA and 10k in my "mojo" account.

My girlfriend and I have been dating for three years and are looking at moving out soon. We both currently living with our parents. However, even with historically low interest rates, property prices make me physically sick.

My question is: is the Australian "dream" of owning a house all that it is cracked up to be? Given the interest payments on a large mortgage (even with a 20 per cent deposit), wouldn't we be better off just renting wherever we wanted to live and building a nice portfolio of shares through a discretionary trust? At least we would see some income from the shares!

Mitchell
(Or every first home buyer)

A Mitchell,
There's nothing saying you need to buy a home, except for the fact that you'll lose the money in your First Home Saver Account (FHSA), which will be rolled over into your superannuation fund if you don't purchase a home. Oh, and you might also eventually lose your girlfriend, because if you two get married, she may want to raise a family in a home of her own — most people do.

DEBT DELIBERATIONS

Q **Hey Barefoot,**
I'm thinking about voluntarily paying my entire HELP (uni) debt of $17,500 and credit card debt ($880) with my $23,000 savings so I can be debt-free, and have $4380 left over to begin my emergency fund. Then I'd begin saving to increase my emergency fund to $9000 (six months living expenses). And finally, my third move would be to save towards investments. Does this sound like a good plan?

Paul

A Paul,
While I think it's great you're so committed to becoming debt free, I don't want you to use your savings to pay off your HELP debt.

While technically it is a debt, its repayment is contingent on your level of income, and there's no interest rate applied other than a yearly revaluing to reflect the cost of living.

Right now you only get a 10 per cent discount for making a voluntary payment against your HELP debt.

And from the 1st of January next year the Government will scrap the entire discount.

I'd rather you put that money instead into a Mojo savings account, and begin building your wealth through a combination of shares in your own name, and contributions to superannuation.

STRUGGLING SHARES

Q **Hello Scott,**
I have 2000 Goodman Fielder shares I purchased when they floated at $2 a share. Should I sell and cut my losses?

Jackie

A Jackie,
Don't compare today's price with what you paid. The stock doesn't know that you got on board at $2. Its value today is based on what its future prospects are — not the past. The question you need to ask yourself today is: "If I didn't own Goodman Fielder shares, would I buy them now?" Goodman Fielder shares have been struggling for years, and it doesn't look like turning the corner any time soon. I'd cop the loss and invest in something offering better prospects.

START ME UP

Q **Hi Scott.**
I love your approach to money, and I've been thinking about investing in shares. How much do I need to begin? I have $4000 I'd like to invest, but I'm not sure if that's enough.

Sarah

A Sarah,
You've got more than enough to start. Set up an account with an online discount broker (google them), and buy shares in a listed investment company like the Australian Foundation Investment Company (AFI), or Argo Investments (ARG). Sign up for their dividend reinvestment plan, when they send you the paperwork.

And don't worry about having a small amount. If you'd stuck $1000 into the CBA when they first floated in 1991 it would be worth about $38,000 today!

BAREFOOT INVESTOR
SCOTT PAPE

YOUR QUESTIONS ANSWERED

If you've got a burning money question, or you want to win a fight with your hubby, shoot over to Barefootinvestor.com and ask me a question.

Scott Pape is a licensed and totally independent financial adviser (though he doesn't mention this at parties). The comments in this column are of a general nature and are not intended as specific personal advice.

Merrill Lynch intern death probe

BANK of America Merrill Lynch has launched a review of working conditions after the death of a German intern who had reportedly worked long hours at its London offices.

Student Moritz Erhardt, 21, was six weeks into a seven-week placement when his body was found in the shower at his temporary lodgings in the British capital last week.

His death sparked a debate over long hours and tough working conditions in the City of London, Europe's largest financial centre.

"We are deeply shocked and saddened by the news of Moritz Erhardt's death," a Bank of America Merrill Lynch spokesman said in a statement.

"Moritz Erhardt was popular amongst his peers and was a highly diligent intern at our company with a bright future."

The spokesman said the merchant bank's priority was to support his family, its interns and employees grieving "at this extremely difficult time".

The official cause of death for Erhardt, who is believed to have suffered from epilepsy, has not been determined.

A coroner is expected to release details in about a month.

But British newspapers said he had been working until 6am every day for three days in a row.

EU employment and social affairs commissioner Laszlo Andor said in a tweet the "tragic death of M.Erhardt is a reminder of what internships should not be about".

"Exploitation of youth is unacceptable," Mr Andor said. AFP

Microsoft stock soars

US stocks scored solid gains with the market getting a jolt from Microsoft's announcement that chief executive Steve Ballmer will retire within the next year.

The computing giant's shares soared 7.3 per cent to $34.75 on Friday as Ballmer, who succeeded Microsoft co-founder Bill Gates in 2000, said the company would search for a new leader who can take charge of its "transformation to a devices and services company".

The Dow Jones Industrial Average rose 46.77 points (0.31 per cent) to 15,010.51.

The broad-based S&P 500 added 6.54 (0.39 per cent) at 1663.50, while the Nasdaq Composite climbed 19.09 (0.52 per cent) at 3657.79.

The Commerce Department's unwelcome US new-home sales report for July — sales plunged 13.4 per cent month-on-month — also proved a catalyst for the rally. Stocks were in negative territory before the morning report was released, but rebounded.