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Tie the knot, buy a block?

CHRIS FOSTER-RAMSAY

Wedding season is now in full swing, but in a cost-of-living crisis, more and more couples are asking themselves: "Is it really worth it?"

Having a party with 100 of your nearest and dearest to celebrate your love is a fabulous idea, but it's also ridiculously expensive.

And because of that, many couples are opting to defer their nuptials and are making the decision instead to build long-term wealth together through homeownership.

With wedding costs and property prices continuing to soar every year, many couples are finding they have to choose one or the other because they just can't afford both.

So what are the pros and cons of each option, and which path might be more beneficial in the long run?

Wedding versus house

According to the Australian Securities and Investments Commission's Moneysmart website, the average cost of a wedding has climbed to between $36,000 and $51,000. This substantial sum could alternatively serve as a sizeable down-payment on a property.

With the average home price in Australia now hovering around $973,300, a 10 per cent deposit would require about $97,330.

These figures paint a stark picture of couples' financial choices today.

I do, I do, I do . . .

Weddings hold a special place in our culture, representing a significant milestone and a chance to celebrate the coming together of two families and sets of friends.

For many, it's a once-in-a-lifetime event that creates lasting memories.

The wedding industry argues a well-planned celebration's experience and emotional value justify the expense.

But does it?

The pros of a wedding: it creates lifelong memories and experiences; it's an opportunity to gather loved ones for a joyous occasion; it can strengthen family bonds and friendships; and has potential for generous gifts that may offset some costs.

The cons: the high cost for a single-day event; the potential for financial stress and debt; and the possibility it may delay other financial goals, including homeownership.

Home sweet home

On the other hand, investing in a home offers tangible long-term benefits and wealth creation. Real estate has historically been a solid investment, providing both a place to live and the potential for capital appreciation.

The pros of homeownership: it builds equity over time; has the potential for property value appreciation; offers the stability and security of owning your own home; and has possible tax benefits.

The cons: there's significant upfront costs (deposit, fees, etc); ongoing expenses (mortgage, maintenance, taxes); less flexibility compared with renting; and market fluctuations can affect property value.

The $50,000 question

Let's consider a scenario in which a couple has $50,000 saved. This could fund a wedding or be a partial deposit on a home. In the current market, $50,000 would cover about half of the average 10 per cent deposit required to buy a home.

Investing this in a property could be a wise financial decision. It puts the couple on the path to homeownership, potentially saving them money in the long run through building equity rather than paying rent.

In addition, with various government schemes available for first-homebuyers, such as the First Home Guarantee scheme, couples may be able to enter the property market with as little as a 5 per cent deposit.

But we also need to consider the couple's current living situation and their plans.

If they're content renting and see themselves moving in the near future, tying up funds in a property might not be the best choice. In this case, a wedding could be a more appropriate use of their savings, especially if they can keep costs under control.

The middle ground

Fortunately, this doesn't have to be an either/or decision.

Many couples are finding creative ways to have a memorable wedding and work towards homeownership.

There are some simple ways to do this. Start by opting for a smaller, more intimate wedding to reduce costs or delay the wedding to save for both goals simultaneously.

Consider alternative wedding venues or off-peak dates to save money, or explore government assistance programs for first-homebuyers.

Prioritise saving for a home deposit while planning a longer engagement.

While there's no one-size-fits-all answer to this question, from a purely financial perspective investing in a home often makes more sense in the long term. A house is an asset that can appreciate over time, whereas a wedding, while emotionally valuable, is a one-time expense.

Personal values and circumstances should guide this decision. Some couples may find the joy and memories of their dream wedding outweigh the financial benefits of immediate homeownership.

Others may feel securing their financial future through property investment is more aligned with their goals.

Ultimately, the key is to make an informed decision based on your unique situation, values and long-term objectives.

Open communication between partners about financial goals and priorities is crucial. Whether you choose to say "I do" or "home sweet home" first, ensure your decision aligns with your shared vision for the future.

With careful planning and budgeting, it's possible to achieve both goals over time.

The most important thing is to start your life together on a strong financial footing, whether that means owning a home, cherishing wedding memories, or finding the balance somewhere between the two.

Chris Foster-Ramsay is the founder of Foster Ramsay Finance

Teens miss out on super early start with work hours limit

ANDREW BROWN

Teenagers should be paid superannuation on top of their wages regardless of how many hours they work, one of Australia's largest funds says.

Modelling by the Super Members Council of Australia released last week shows the average worker under 18 would have $10,000 more in their balance upon retirement if they have super paid on their wages.

Under current laws, underage workers are only paid super by their employer if they work more than 30 hours a week.

But chief executive of super fund Rest, Vicki Doyle, said universal superannuation should be extended to all employees regardless of age.

"This law is simply unfair and needs to change. Every worker under the age of 18 deserves to earn super no matter how many hours they work," she said.

"It's essential that all young workers can have a fair start with super and can receive the benefit of compounding returns from day one of their working life."

It's estimated more than 90 per cent of workers under 18 work less than 30 hours per week, making them ineligible for super payments.

It comes after the Australian Council of Trade Unions in October called for junior wages for workers under 21 to be scrapped, instead urging for adult wages to apply.

The campaign for younger workers also includes calls for superannuation to be paid for workers for every dollar earned, including those under 18.

Extra superannuation was crucial for many young workers starting their first job in a casual or part-time role, Ms Doyle said.

"A consistent approach to paying super on every dollar will help drive better engagement from a young age, which in turn supports better future outcomes," she said.

Ms Doyle conceded it was likely there would be resistance from small business owners to the calls to expand the payments, and further consultation was needed with industries to make the reforms work.

"While this change will make super fairer and financially benefit countless young workers, it is also likely to have an impact on employers, particularly small and medium businesses, who employ part-time or casual workers," she said.

"A thorough consultation process to consider this impact is essential, as is working with employers on implementing this change."