



When DIY Does Not Pay Off

*“If you want something done right,
you’ve got to do it yourself”*

Not necessarily! The appeal of doing it yourself is understandable. There is a great feeling that comes with doing something that challenges you, with being resourceful and learning a new skill, but there are some pitfalls to DIY and benefits from getting an expert involved sometimes.

We tend to be proud of what we create and place greater value on things we have made ourselves. There is a statistical difference between the dollar value someone places on something that they have built, compared to what another person would pay for it (this is for good reason known as the “Ikea effect” as it even applies to putting together flat-pack furniture).

Making DIY look easy

With all the information we have at our fingertips, encouraged by the appeal of learning a new skill and guided by the power of Google and YouTube videos, we are emboldened to give things a go. Whether it's fixing that dripping tap, troubleshooting the laptop that's playing up or even investing your hard-earned dollars, DIY has never looked so easy.

The growth in DIY

The DIY mindset seems to be one that is on the increase. When we think of DIY we tend to think of home improvement. This market has increased by almost 10 million dollars in the last ten years. The statistics reveal more than half of us are taking up the tools, with 55 per cent of homeowners deciding to take on home improvement and repair jobs rather than seek professional help.¹



DIY can be a lot more than just picking up a hammer though, and our love of DIY also extends to our financials. The search for additional income in the wake of a global pandemic has seen an increase in traders keen to take the reins and invest for themselves. Over the past decade there has been a steady increase in the share of retail investors, with equity trades by a retail investor nearly doubling the volume from a decade ago. Equally, when it comes to setting ourselves up for retirement the number of people setting up self-managed super funds (SMSFs) continues to rise, increasing by around 9 per cent over the past 5 years.ⁱⁱ

Reasons to be careful

There is a lot more to lose if there is a problem with your financial situation than a tap that's leaking, so it's important to think about what is at stake when you manage any aspect of your own financials.

The bottom line is you want to be getting the best outcomes and that does not always happen if you are taking a DIY approach. For example, when it comes to investing, a number of academic studies have shown that DIY investors tend to underperform and that underperformance ranges between 1% to 10% per year.ⁱⁱⁱ

i <https://blog.idashboard.com.au/2022/05/13/understanding-the-home-improvement-and-diy-market/>

ii <https://www.morningstar.com.au/insights/retirement/246207/smsfs-continue-to-thrive>

iii <https://occaminvesting.co.uk/do-diy-investors-underperform/>

Getting an expert involved

The trick with any form of DIY is to do your research, understand the task and what's involved, and acknowledge when you might benefit from a helping hand. There are times when it's OK to have a go yourself and times when it makes more sense to leverage the skills of an expert. You can still learn and gain skills that you can apply to future situations but it can make sense to maximise your efforts, leveraging the skills of the experts.

When it comes to your financial life, whether it's investing and growing your wealth, protecting your wealth, retirement planning or estate planning, there is a lot to know and consider, and consulting with an expert can really add value and avoid help you avoid potential pitfalls.

Getting help does not mean being passive and not engaged though. The best outcomes are achieved when we actively work together in partnership to achieve your desired outcomes.

There is a world of difference between totally going it alone and maybe floundering a little, and getting advice and guidance to reach the best outcome. So, if you want something done right, sometimes it is best to call in the experts! We are here to help.





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InterPrac Financial Planning Pty Ltd

ABN 14 076 093 680

Australian Financial Services Licence Number 246638,
Level 8, 525 Flinders Street Melbourne VIC 3000

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