



Dollars +Sense

The gift of a voucher

You may have been lucky enough to receive a voucher as a Christmas present last year, or maybe for your birthday. If not, chances are that you'll get a voucher one day. So, what are vouchers and how are they used? A voucher is something that can be exchanged for goods or services and it's normally a printed piece of paper. Depending on the type of voucher, it could be used to buy something online or in store. We have listed some of the most important information to look out for on your voucher.

Value

The voucher may include a specific money value e.g. \$20, or the voucher may be redeemed for a product or service, like a movie.

Description

This includes information such as what the voucher can be used for. Some examples are:

- "\$20 gift voucher – use this voucher to receive \$20 off your next purchase".
- "Movie voucher – this voucher entitles one child to attend a movie session".

Normally, you can only use the voucher once.

Expiry date

The expiry date tells you how long the voucher is valid for. Vouchers are usually valid for one to three years, however they can no longer be used after their expiry date. When you receive a voucher, take note of its expiry date and consider setting a calendar reminder so you don't forget about it until it's too late.

Barcode

Most vouchers have a unique barcode so they can be identified. Once the barcode has been scanned, the voucher can no longer be used. Barcodes also stop people from copying your voucher. Never post a picture of your barcode online as the information could potentially be copied and used by someone else.

Where can they be used?

Your voucher may list the stores that it can be redeemed at, making it easy to locate the closest store to you.

Remember that you don't need to use your voucher straight away. If you have a movie voucher, you can wait until a movie that you really want to see comes out. If your voucher is for a clothes store, you could consider waiting until the new pair of jeans that you want is on sale, so you can maximise the value of your voucher.

There are many different types of vouchers and often a long list of stores that they can be used at, so next time you receive a voucher, take your time to think about what you would like to get and don't feel like you need to rush your decision.



What is inflation?

Inflation is often described as “the rate at which prices rise and purchasing power falls”. Sounds confusing, right? Well, it can get quite complex overall, but here we’re going to explain the basic concept of inflation which is pretty simple.

Basically, apart from the odd exception, the general price of most goods and services increases (inflates) over time.

Example time

Let’s use a packet of lollies as an example. This weekend you go to the supermarket and buy your favourite packet of lollies for \$2.50. If you buy the same packet of lollies in two years’ time, it might cost you \$2.60. The price of the lollies has been inflated, which is an example of inflation. In five years, the same packet of lollies may now cost \$2.85.

The effects of inflation can more easily be noticed over a longer period of time. So, 20 years ago the lollies may have only cost \$1.50.

Who does inflation affect?

Inflation has an impact on everybody who buys and sells things, so this affects businesses as well. The business that sells the lollies may have to pay more money to produce them over time. So in five years’ time, factors such as the ingredients, packaging and shipping costs may have also increased.

It’s not just goods and services

You may be wondering how people afford to buy groceries or go to the movies, if the cost keeps increasing. Well, the money people earn from their jobs generally increases over time to help keep up with inflation.

Causes and theories

There have been several ideas to explain why inflation occurs, with two of the most popular being:

- **Demand-Pull inflation**, where there is “too much money wanting to buy too few products”, resulting in the price of those products increasing.
- **Cost-Push inflation** explains that where the cost of making goods (paid for by the company) increases, so too does the price that they sell the goods for. This is the case in our example in the ‘Who does inflation affect?’ section.

As you can see, the concept of inflation is quite simple, but the topic can be explored further to become complex. Try asking your parent or guardian for some tips if you’re looking to gain a better understanding of inflation.

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