

Can't believe 50 came around so fast...



Do you find yourself thinking...

- 50 crept up on us awfully fast.
- We're worried that we're not doing enough planning for our retirement.
- Will we end up on the pension?
- Can we live the lifestyle we want on the pension?
- Will our superannuation be swallowed up paying off the balance of our mortgage when we retire?
- Will we be able to afford to stay in the family home when we retire or will we have to downsize?
- We don't want to end up like our parents. We would like a better lifestyle in retirement.
- We're worried that we've left it all too late.
- Will we really have to work until we're 75?

The biggest question on most people's minds (in the age group 50 to 65) is... *Will we outlive our savings?*

We know you have heard this before BUT...the majority of retired Australians rely on the age pension¹. That's only \$658.70 per fortnight each for couples and \$873.90 for singles².

In 2010 the average household aged between 50 to 64 had a combined debt of \$116,300!³ (\$75,000 mortgage, other property loans of \$39,000 and \$2,300 on credit cards)

Are you in this age group and do you fit into this category? Chances are when you DO decide to retire some of your capital (cash, superannuation, investment portfolio) - capital that you may have been relying on to fund a relaxing and enjoyable life in retirement - is more than likely going to be used to pay out your remaining debt.

What does that leave you to live on for the next 20 years - or perhaps even longer?

Based on 2014 mortality rates⁴, a 65 year old man could expect to live for another 15.3 years. A 65 year old woman could expect to live for another 19.4 years. That's an increase of almost 30% in life expectancy for men and women since the early 1970s!

1. www.abs.gov.au
2. www.humanservices.gov.au
3. Kelly Research for CPA October 2012
4. www.abs.gov.au

Why do we put off planning for our future?

Are we waiting:

- for the kids to leave home?
- for our share portfolio/superannuation to bounce back?
- to pay off the mortgage first?
- until the kids have finished university?
- for that redundancy money?
- to have that overseas trip we've been promising ourselves?
- until our parents are in proper care?
- for that inheritance?

How much do we need in retirement?

To make matters worse, the cost of living is constantly increasing. A report released recently by Certified Practising Accountants Australia found that we need savings available to support 60-65% of our pre-retirement income for each retirement year.

Time and capital growth doesn't wait for anyone. We can never predict the right time to invest. The only thing we do know is that most people who invested in property 10 to 15 years ago (and have kept that property) are all very happy they did.

You are never too young to start thinking about your future. So the time to start thinking about your retirement is right now whether you are 60, 50, 40, 30 or even 20!