



Will you outlive your savings?

The majority of retired Australians rely on the age pension¹.
That's only \$505.70 per fortnight each for couples and \$670.90 for singles².

The bureau [of Statistics] survey found that in mid 2007, the median superannuation balance reported by Australian workers was just \$23,698. Even among workers aged 55 to 64, the median balance was just \$71,731.³

So how can we maintain our lifestyle for the next 20 years - or perhaps even longer during retirement?

We are living longer!

Healthy lifespan extensions increase the absolute number of years in retirement, but the fraction of life spent in the workforce could rise or fall. A longer lifespan provides more years over which to accumulate capital from compounding interest income.⁴

Do you find yourself thinking...

- Gee 50 came around awfully quick!
- We're worried that we're not doing enough planning for our retirement.
- Will I end up on the pension?
- Can I live the lifestyle I want on the pension?
- Will my superannuation be swallowed up paying off the balance of my mortgage when I retire?
- Will we be able to afford to stay in the family home when we retire or will we have to downsize?
- I don't want to end up like my parents. I need to have a better lifestyle in retirement.
- I'm worried that I've left it all too late.

Remember, you don't have to stop investing when you retire. An investment property that you buy now could still

be increasing in value and paying you rent when you are 90!

Why do we delay planning for our future? Are we:

- waiting for the kids to leave home?
- hoping the share portfolio/superannuation will bounce back?
- paying off the mortgage first?
- waiting until the kids have finished university?
- hoping for redundancy money?
- planning the overseas trip we've been promising ourselves?
- waiting for parents to be in proper care?
- hoping for that inheritance? Gee we **are** living longer these days aren't we?

Time and capital growth do not 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. So why would the next 10 to 15 years be any different?

While you are still working, have equity in your home and perhaps some income to divert to loan repayments, perhaps now is the time to do this. Once you retire you won't be able to borrow money and you may miss out.



**Please call our office today
for more information and to find out
how you can maintain your lifestyle.**

1 Australian Bureau of Statistics www.abs.gov.au

2 www.centrelink.gov.au

3 The Age, 25 February 2009

4 Reserve Bank of Australia, 2006, 'Ageing, Retirement and Savings, A General Equilibrium Analysis

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