



Will we outlive our savings?

The majority of retired Australians rely on the age pension¹.

That's only \$485.60 per fortnight each for couples and \$644.20 for singles².

A high percentage of people approaching retirement have super balances roughly equivalent to their mortgage balance³.

What does that leave for living on for the next 20 years or perhaps even longer?

We are living longer!⁴

Based on 2000-02 mortality rates, a 65 year old man could expect to live for another 17.7 years. This is almost 45% longer than just 30 years ago. A 65 year old woman could expect to live for another 21.1 years, an increase of over 30% since the early 1970's.

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 put off planning for our future?

- Waiting for the kids to leave home?
- For that share portfolio / my 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 I've been promising myself?
- Until my parents are in proper care?
- For that inheritance? Gee we are living longer these days aren't we?

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. So why would the next 10 to 15 years be any different?

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



Call the office today and ask us to email you a copy of our article on retirement savings.

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

2 www.centrelink.gov.au

3 Roy Morgan Research 2004

4 Australian Government Actuary press release June 2004

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