

JULY
2018



10 questions to ask yourself before retirement



The retirement goalposts are shifting. The average Australian now lives well into their 80s, is spending roughly \$150 extra on fast food and restaurants annually, and travels overseas twice as much as a decade ago.

However, unlike sports athletes, not all of us have the luxury of simply knowing when the time is right to 'hang up the boots'.

Here are 10 questions you should ask yourself to ensure you're still kicking financial goals in retirement.

1. When will I be ready?

There are three simple reasons it might be time to consider retiring.

hey are: you don't need to work to get by, you have other things you really want to do with your time or you're really not enjoying work.

2. When will I be able to afford to retire? Will I outlive my savings?

Next work out whether you have enough income for living costs and other planned expenses, including recreation and entertainment.

How big is your nest egg? What are your living costs and goals going to cost?

If you're apprehensive that what you have might not be enough, you need an adviser to take you through your plans, goals and strategy.

3. Do we want the same kind of retirement?

You may envision a lifestyle far more expensive than your partner.

To avoid conflicts down the track have open and honest discussions about your goals, priorities and desired lifestyle before pulling the pin at work.

4. Are we likely to get an age pension? When are we eligible?

Conducting research into whether you can receive government support is a vital step in possibly reducing how much you need to draw from your own super and investments.

This will mean you retain more of your hard earned nest egg for longer, and have more funds for lifestyle.



Financial Linx Pty Ltd is an
Authorised Representative
(No. 226259) and Credit
Representative (No. 403211) of
FYG Planners Pty Ltd ("FYG
Planners") as the authorising
Licensee (AFSL 224543)

5. How much travel do we want to do?

The cost of travel shouldn't be underestimated, as it's usually done earlier in your retirement journey and can put a big dent in your overall savings.

You'll do a lot more travel in the first half of retirement than the second – which is when you'll begin to live a simpler life.

6. What kind of investor am I?

It's vital to get the balance right when creating an investment portfolio.

Investing too conservatively in cash, bonds and deposits may not provide you with the income you need, while investing too much in the share market can create stress for many.

7. Do we want to leave anything to the kids?

If leaving a legacy is important to you, consider how much of your super and savings you spend.

The more you spend, the less that's left for the kids. Even if you spend the majority of your super, most Australians will pass on the family home to their kids.

8. Will there be one-off expenses?

It's always a good idea to include a decent sized financial buffer in your retirement plans. Make allowances for the unexpected.

That could be something like helping the kids with a business, new cars or upgrading the home if things start to break down.

9. Are we going to move or downsize?

Moving to a smaller place that's more suited to your future needs can deliver a nice cash injection to the retirement kitty.

Often people have spent the last two or three decades in a family home, but now that the kids have moved out they've got more space than they need.

10. When will I be socially and emotionally ready for retirement?

Finally, while you might be financially set for retirement, make sure you're socially and emotionally ready too, as retirement can be very jarring.

Work can provide social and emotional fulfillment that you'll need to find elsewhere. This could be travel, adventures, sports, socialising, hobbies and time with family.

If you don't know what you're going to do with your time, you might not be ready.

