How to plan your finances in a changing world

The essential workbook to help over 50s

Planning for your future starts now

As we recover from the impact of COVID-19 on our economy and our lives, there's never been a better time to take a fresh look at your money, reset your goals and renew your plans for the future.

If you're over 50, you might be thinking about your superannuation (super) and what you need to do to help plan for a better retirement.

If you're already retired, you might be focused on how to protect your income.

If you're still working, you have a great opportunity to put plans and frameworks in place that will help give you confidence in a more secure financial future.

A time to contemplate your finances

This workbook has been designed to help you review and reset your goals. It will also empower you – by giving you a better understanding of some strategies that may help you get your spending and debt under control, and manage your super, pension and investment plans for now and for the future.

Some of the general strategies outlined may not be right for you and your personal circumstances, but this workbook will also help you prepare if you're considering getting professional advice to find out what is right for you.

Where can you turn?

We know financial advisers have been a trusted source of information through the uncertainty of COVID.[1] That makes sense. Advisers have the expertise and the time to help people understand what's going on, what kind of support is available and how to plan effectively for the future. MLC's network of financial advisers have been busier than ever helping people navigate their way forward.

Make the most of this opportunity to get a handle on your finances and your future. And we're here for you if you need some help.

1 MLC Wealth – March 2020 *Coronavirus: Client and Market Research Report*. 1 COVID19 – Market Survey, Base: n=1,014 2 COVID19 – Market Survey, Base n=1,014 (Advised n=303) 3 COVID19 – MLC Client Survey; Base: Advised n=491.

"We want this book to help Australians who want to renew and reset their financial goals."

Speak with our dedicated general advice team who can provide you with information and talk with you about your options or connect you with a financial adviser. They can be reached on 1800 111 171.

How to use your workbook

We've created this workbook with input from professional advisers within the MLC network of financial advisers. It's designed to help you take a realistic look at your plans to build and protect your wealth – whether you're planning for retirement or in retirement.

You can use it to set goals, reassess your plans and understand what actions you can take from a personal and financial perspective.

With a variety of practical tips and tools, including worksheets for you to fill out and links to a range of resources and calculators you can use, our workbook will give you the guidance and support you need to help you build a map of your finances and future.

It will take some time – so be prepared to commit to spending between 60 and 90 minutes on each chapter. It's worth it.

> **"Our workbook was created with input from professional advisers within the MLC network of financial advisers. So it's practical, relevant and based on their experience of how to help you plan for your financial future."**

We've split this workbook into a series of sections on:

- Goal setting.
- Spending, budgeting and debt management.
- A current state snapshot of your finances.
- Super, investment and retirement income strategies.
- Estate planning.
- The value of financial advice.

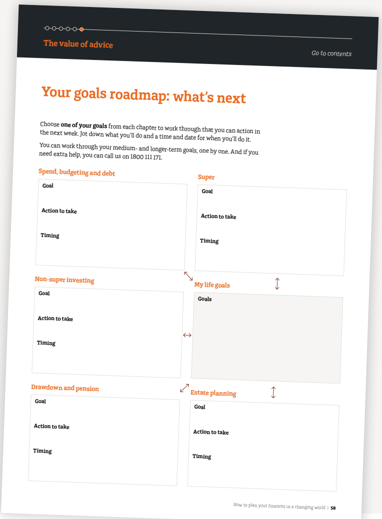
Every section of our workbook builds and works together to give you a complete map of where you're at and what steps you can take to help you get to where you'd like to be.

We'll be asking you to fill out a worksheet for each chapter as thoroughly as you can, using the information to populate your final roadmap – which sits at the back of the book.

Build a roadmap for your future

By the time you get to the end of your workbook, you should be able to better articulate your goals and have an understanding of the key actions you should take next to move towards achieving those goals.

While this publication provides general advice only, if you need extra help, your roadmap will be a unique resource and a great foundation to work through with a financial adviser or other professional if you decide to seek personal advice.


The value of advice

Go to contents

Your goals roadmap: what's next

Choose **one of your goals** from each chapter to work through that you can action in the next week. Jot down what you'll do and a time and date for when you'll do it.

You can work through your medium- and longer-term goals, one by one. And if you need extra help, you can call us on 1800 111 171.

Spend, budgeting and debt
Goal
Action to take
Timing

Super
Goal
Action to take
Timing

Non-super investing
Goal
Action to take
Timing

My life goals
Goals

Drawdown and pension
Goal
Action to take
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Estate planning
Goal
Action to take
Timing

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Any advice in this publication is of a general nature only and has not been tailored to take into account your personal objectives, financial situation or needs. You should consider the appropriateness of any advice in light of your own circumstances before acting on the advice. If any information in this publication relates to a specific product, you should consider the Product Disclosure Statement relating to the product before making any decision about whether to acquire it.

Contents

Section 1

Planning ahead

Goal setting, budgeting and spending

How to complete this section

Chapter 1 is all about looking forward to your future, and putting pen to paper on your goals. Chapter 2 looks at your current spending patterns, helping you work out what you can do to reach your goals faster.

Chapters 1 and 2 will take around 60-90 minutes to complete – including your worksheets.

Take your time to read through the chapters. There are opportunities for extra reading in the 'Go deeper' links.

Work through the relevant activities, including the worksheets and calculators. Think about getting your partner involved too.

Chapter 1

What really matters to you?

Goal setting

Understand where you want to go

The first and most important step in getting a real understanding of how to manage your money and plan for life after work is to get a sense of your goals. It's important to have a baseline for what you want to achieve – to give you a direction to move towards.

Make them SMART

Goal setting is a powerful tool for identifying what really matters to you – and what needs to change to get there. Goals help shape your end vision while also encouraging you to develop specific strategies to achieve it.

SMART goals checklist

To make sure your goals are clear and reachable, each one should be:

Specific: so you can focus your efforts and feel truly motivated to achieve.

Measurable: so you can track your progress and stay motivated.

Achievable: goals should stretch your abilities but still remain possible.

Relevant: goals should matter to you, and align with other relevant goals.

Time bound: so you have a deadline to focus on and something to work towards.

Getting started is as easy as writing a list, but you need to make sure that your goals are specific, measurable, achievable, realistic and timely (that is, SMART goals) so you can stick to them to reach your overall objective. And it's crucial to share your goals with your partner and relevant family members – so you can make sure you're on the same page.

Be agile

Goal setting needs to be flexible. Because life happens. At different times you may need to change some of your goals in the short and medium term as life changes. That's where a framework really helps. You can take time to stop, review and reset your plans, your investment options and your retirement timings.

Take action and control

When it comes to setting your goals for retirement, you'll want to look at your immediate and longer-term goals, then decide what actions you want to take. That way, you can understand exactly where you're heading. And remember, you can always take your completed workbook to a professional adviser for some extra help.

"Goal setting is a powerful tool for identifying what really matters to you – and what needs to change to get there."

2 MLC, *A look at lifestyle, financial security and retirement in Australia, Australia Today Report*, 2018, mlc.com.au/personal/retirement/australia-today

Top tips to consider for setting realistic goals

We asked some financial advisers for their insights.

- Don't allow life's uncertainty to stop you from setting goals. Having a plan is the best way forward.
- Don't be scared to set goals because you're worried about not achieving them. Even if you only get halfway there, you'll get further than if you hadn't set a goal at all.
- Remember, your retirement can be up to 30-plus years. That's a very long time, so you might need to look at your goals several times through your retirement.

Think now, think broad, think long term

- It's never too early or too late to start budgeting, saving, planning and investing.
- Do some research so you have a baseline of knowledge about money and retirement planning.
- Don't feel like you have to manage your money solo. There are a range of experts who can make a difference.

Note: There are all sorts of risks and factors to consider when it comes to spending, debt management and budgeting. Consult a professional if you need to.

"I can't tell people what to do until they tell me what they want to do first. Be open to an honest conversation – sometimes your financial adviser will have to tell you to spend less."

David, financial adviser

"Some of the mistakes people make when it comes to setting goals include not articulating them, not thinking about them and not dreaming."

Rodney, financial adviser

"Save as soon as you can. The power of time and compound interest are principles people should learn as young as possible so later they have more choices."

David, financial adviser

Your goals guide

Read through the goals chapter for great tips on setting the right goals.

When would you like to retire?

- ☑ 0-6 months
- ☑ 6-12 months
- ☑ 5 years
- ☑ 5-10 years
- ☑ 10-20 years

What's driving your timing?

What are your immediate goals?

- ☑ Give my family/children financial help for housing or education
- ☑ Improve my lifestyle
- ☑ Protect my family
- ☑ Clear my debt
- ☑ Greater control over my finances
- ☑ Other – fill in

What are your lifestyle goals?

- ☑ Save for something important
- ☑ Be debt free
- ☑ Travel more
- ☑ Give back to the community
- ☑ Leave a legacy
- ☑ Other – fill in

What are your financial goals?

- ☑ Re-evaluate my savings plan
- ☑ Diversify my income and investments
- ☑ Understand aged care options
- ☑ Manage my budget
- ☑ Review wills and trusts
- ☑ Review my superannuation
- ☑ Other – fill in

What are your retirement goals?

- ☑ Plan to retire soon
- ☑ Start thinking about retiring early
- ☑ Explore retiring comfortably
- ☑ Invest throughout my retirement
- ☑ Other – fill in

Use your answers to fill in your roadmap on p58

Did you know?

The top three drivers of life satisfaction for retirees are: your partner, your family relationships and where you live?[3]

Go deeper
Read about how one over-55 changed his goals **here**

3 MLC, *Why more of us are finding new purpose in later life*, June 20, 2019. Originally published in *The Australian*. mlc.com.au/personal/blog/2019/06/why_more_of_us_aref

Chapter 2

What will you spend and what will you need?

Understanding spending, budgeting and debt management

Understand what life really costs

Do you know how much you really spend now and how your spending might change after work? If you don't, you're not alone. Around 86% of the Australian population don't know how much money they're spending every month. And 82% don't know what their mortgage rate is.[4]

As you think ahead to your future, it's important to budget well and manage your debt wisely.

What things cost up to and into retirement

Understanding what things really cost in retirement is crucial to developing a financial plan now that can help you build a smooth transition into life after work. While how much you need is unique to your goals, your interests and your lifestyle, there are useful benchmarks to help you understand what you may spend, and we've included these in this section.

The Association of Superannuation Funds of Australia (ASFA) has put together detailed budgets of what Aussies typically spend for a modest or comfortable retirement that are a useful starting point.

Go deeper

Read ASFA's data on what people spend at 85 versus 65 on a modest vs comfortable retirement. Visit **here**

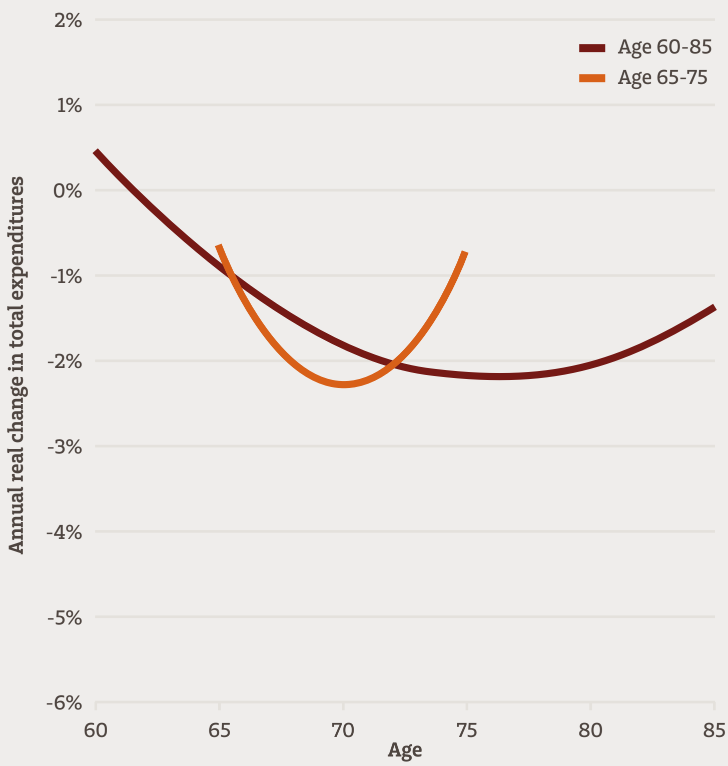
Spending and the retirement smile

Your spending in retirement isn't constant over time. Retirement evolves; so do your costs. Spending starts high – as retirees travel and pursue hobbies – but then declines until later in life when rising health care costs kick in. It's called 'the retirement smile' and can help you ensure you have the right level of funds at different phases of your retirement.

Go deeper

You can read more about the retirement smile in MLC's *Australia Today* report **here**

Annual real change in consumption for retirees



Source: Blanchett, David. *Exploring the Retirement Consumption Puzzle*. 2014. Journal of Financial Planning. 2014; 27 (5): 34-42.

4 UBank, *Know Your Numbers Index*, 2018.

Understand what life really costs

If you've been made redundant – it's time to plan

Even though redundancies are often part of life, being told your role has become redundant can still leave you feeling blindsided.

These key steps may help you make the best use of any redundancy funds you receive to help support your future, including:

- Understanding your redundancy payment.
- Reviewing your options.
- Meeting your immediate needs.
- Dealing with your redundancy package.
- Moving towards retirement.

Go deeper

Read *Navigating redundancy: make it work for you* **here**

Find out more about payments and taxation if your role is made redundant on the ATO website **here**

"Understanding what things really cost in retirement is crucial to developing a financial plan."

What will you spend and what will you need?

We've put together some strategies for you to consider that may help you manage your spending and debt.

Reduce/eliminate debt

The sooner you reduce your debt, the less interest you pay and the more you can potentially save and invest for retirement.

You should generally try to avoid carrying debt into retirement because, usually, the interest rate on debt erodes your retirement savings. Here are a few things you can consider doing:

- Start reducing the highest interest rate balances first, such as personal loans or credit cards.
- If you're still working, look for a lower interest rate provider and increase your payments to be made more regularly – for example, fortnightly if you currently make payments monthly. See if you can pay off more than the minimum required payment too.
- If you're retired, consider which savings would be best used to pay off debt as quickly as possible, starting with the debt with the highest interest rate.
- Please note that some loans don't allow additional repayments to be made. You should check with your loan provider whether additional repayments are allowed and whether any penalties apply.

Note: There are all sorts of risks and factors to consider when it comes to spending, debt management and budgeting. Consult a professional if you need to.

Track your spending and make a budget

If you know where your money is going, you'll know how to slow your spending and prioritise your choices. Seeing a picture of where the money is going can give you a surprising view of reality.

Ask yourself if you really need to buy that item or if it will slow your progress towards your goals. Then you can make a budget you can realistically stick to.

Put savings away before your discretionary spending

Saving should be the first thing you consider after making your necessary debt repayments, not the last thing you do after spending on entertainment and holidays.

As soon as you receive your salary, think about how you could direct this to a savings option such as a high-interest-earning savings account or your mortgage offset account, which could also help you reduce your interest repayments.

Review your providers and banks

You could potentially save hundreds if you switch utilities, health insurance providers and home loan providers. It's worth setting aside a morning every month to review one provider. Don't be afraid to call your bank and ask for a better interest rate or contact a mortgage broker to find out how you can save.

Go deeper
Read *4 strategies to help manage debt* **here**

Go deeper
Compare rates on utilities, home loans and insurance **here**

“86% of Australians don’t know how much money they’re spending every month.”[5]

5 UBank, *Know Your Numbers Index*, 2018, ubank.com.au/newsfeed/articles/2018/02/86-per-cent-of-australians-dont-know-their-monthly-expenses

Top tips to consider on spending, debt management and budgeting

We asked some financial advisers for their insights.

Key concerns about money

- Some media reports say I need $1 million to retire on. What will I do if I don't have that much?
- What will happen if the market falls dramatically? How will I survive?
- Who should I trust?

Key things to consider to make the most of your money

- Start saving as soon as you can.
- Be open to an honest conversation about spending, saving and what you have. Make a budget and stick to it – so you know where your money goes.
- Take advantage of government incentives to build your retirement savings, such as concessional contributions, co-contributions and the spouse tax offset.

Note: There are all sorts of risks and factors to consider when it comes to spending, debt management and budgeting. Consult a professional if you need to.

Common mistakes people make with spending, saving and debt management

"Not paying off the highest interest account first. People who owe $15k on a credit card paying 22% interest on that balance at the same time as paying extra on their mortgage."

David, financial adviser

"Not having an offset account, where any savings in your transaction account reduce the interest paid on your mortgage."

Rodney, financial adviser

"Thinking that financial advice is not worth the price if their focus is debt management. But advice on debt management can save tens of thousands and often much more."

Wes, financial adviser

A snapshot of your current finances

Keep your goals in mind as you think through your spending and saving habits.

What do you earn per month?

$

How much do you save per month?

$

How much do you spend per month?

$

Do you have a mortgage?
What's your mortgage rate?

What do you owe?

$

Do you have other debts outside your mortgage?

What events could affect your income?

0-6 months

6-12 months

12+ months

What other costs do you need to think about?

- ☑ Home for children (part or whole)
- ☑ Education for children/grandchildren
- ☑ Help with a home deposit for children/ grandchildren
- ☑ Relocation costs
- ☑ Home care costs for yourself or your parents
- ☑ Aged care costs for yourself or your parents
- ☑ Health and wellbeing costs

Your savings goals

- ☑ Understand my current spend
- ☑ Decrease my spend by 10%
- ☑ Decrease my spend by 20%
- ☑ Increase my savings by

$ or %

- ☑ Generate an income of

$ per year

Did you know?

"49% of Australians have less than $10,000 in savings. That's not a lot for a rainy day... or a rainy year."[6]

Use your answers to fill in your roadmap on p58

6 Canstar, *How much do Australians save on average?*, April 17, 2019, canstar.com.au/savings-accounts/average-australian-savings/

Section 2

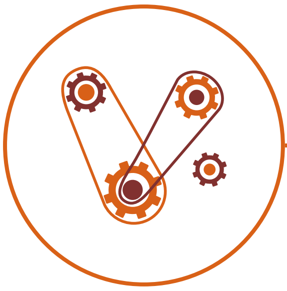
Building for the future

Your super and other investments

How to complete this section

Chapters 3 and 4 focus on getting you ready for the future by investing in the long term. We'll talk you through some different options to help you grow your nest egg, including investing inside superannuation and outside superannuation. We'll talk you through the pros and cons of each, and ask you some questions at the end to get you thinking about what will help you achieve your goals.

Chapters 3 and 4 will take around 60-90 minutes to complete – including your worksheets.



Take your time to read through the chapters. There are opportunities for extra reading in the 'Go deeper' links.

Work through the relevant activities, including the worksheets and calculators. Think about getting your partner involved too.

Speak with our dedicated general advice team who can provide you with information about investing inside or outside super to help you make an informed choice. They can be reached on 1800 111 171.

Chapter 3

Super goals and strategies

How to take care of your super – especially in volatile markets

Investing for the long term

There are two broad categories of investment to consider in this section – investing through super and investing outside your super. Each has different benefits and could align to different goals. This chapter will step you through investing in your super and chapter 4 will explore investing outside super.

Super 101: some important basics

Superannuation may only be one part of your retirement savings, but it's an important one. So we want to help you understand why super matters, how much you may need and how to make the most of it.

Go deeper
Read *How much super do I need?* **here**

Here's what you need to know about some of the basics

Your super generally consists of contributions from your employer, your own personal contributions and earnings from investments.

Through your working life you invest into your super. But, remember, your access to your super is generally restricted until you retire after reaching your preservation age – that's the age you're eligible to draw down on your super.

Go deeper
Find out your preservation age **here**

All about tax

What makes super generally so tax effective are the tax concessions that apply to income generated in super; personal deductible contributions; and employer contributions. There are also tax offsets available to reduce the tax you or your super fund pays.

The government may also contribute to your super through a government co-contribution if you're a low- or middle-income earner. If you make personal (after-tax) contributions to your super fund, the government may contribute up to $500 – depending on your income and how much you contribute.

Here's the good tax news:

- During the 'accumulation' phase – that is, the period of investing through super before you retire – the income or earnings in your super are taxed at up to 15%.
- Concessional contributions, including employer contributions and personal contributions you claim as a tax deduction, are also taxed at up to 15% (or up to 30% if your income is higher than $250,000 p.a.).
- This rate of tax is generally better than personal tax rates of up to 47% (including Medicare levy). Less tax is deducted, which means you may be able to save more.

Once you retire, you have the choice of taking a lump sum withdrawal, an income stream or a combination of both from your super savings. You can read more about this on p38 of your workbook.

Tool time
Use MLC's Supersizer tool to take a 2 minute super check **here**

Investing for the long term

Understanding contributions

Contributions to superannuation are split into two key categories.

Concessional contributions include those from your employer, from salary sacrificing, and personal contributions for which a deduction has been claimed.

- They're generally taxed at up to 15% (or up to 30% if your income is higher than $250,000 p.a.) but there are important limits – called caps – on how much you can contribute. If you exceed this cap, significant tax penalties may apply, so it's very important to be aware of them. You can read about these caps below.

Non-concessional contributions include personal contributions you make into your own super account that aren't claimed as a tax deduction, and personal contributions made by your partner into your super account, that is, spouse contributions. Again, there are important limits – or caps – and significant tax penalties may apply if exceeded.

Go deeper
Read about the caps on your super contributions **here**

Rebuilding your super after COVID-19

You may have been one of the many Australians who accessed some of your super early under the government's temporary measure.

Withdrawing your super prior to your actual retirement may have an impact on future savings.

However, if your situation has improved since accessing your super in 2020, now is the time to consider strategies to get your retirement plan back on track. This could include additional contributions to super to boost those savings.

Go deeper
Read more about how to grow your super **here**

Think before you change

It's natural to have some concerns about what's happening with your super as markets react to COVID-19.

There are some very important things to consider before changing the mix of assets in your super fund, changing your fund altogether or applying for the early release of super.

Remember: super is a long-term investment. You may end up doing more harm than good by making a short-term decision.

"There are some very important things to consider before changing the mix of assets in your super fund or changing your fund altogether."

Key super strategies

We've put together some strategies for you to consider that may help you manage your super.

Salary sacrifice is an agreement between you and your employer to pay some of your pre-tax salary into super. This is often really tax effective. The amount you contribute to super is taxed at up to 15% (and up to 30% if your income is over $250,000 p.a.) rather than your marginal tax rate, which might be up to 47%. Salary sacrificed amounts to super are considered concessional contributions.
For more information, visit **here**.

Personal deductible contributions: You can usually make your own personal contributions and claim a tax deduction for them to achieve the same tax outcome as salary sacrifice. This is a concessional contribution.
For more information, visit **here**.

Spouse contributions allow you to help boost your partner's super savings. You may be entitled to claim an 18% tax offset on super contributions up to $3,000 that you make on behalf of your non-working or low-income partner, as long as they haven't exceeded their non-concessional contributions cap for the financial year or have a high super balance.[7] This is a non-concessional contribution.
For more information, visit **here**.

Contribution splitting allows you to have some of your super paid into your partner's account. You can generally split the after-tax amount of your concessional contributions from the prior year (up to your concessional contributions cap), such as employer and personal deductible contributions, as long as your partner is below preservation age[8] or below 65 and not retired.
For more information, visit **here**.

Consolidation is the simplest way to help boost your super balance. It simply means bringing all your super into one place. You do need to weigh up the features and benefits of all of your funds before you make a decision, check the tax implications, compare your fees and replace any lost insurance.
For more information on how to consolidate your super, visit **here**.

The downsizer superannuation contribution allows older eligible Australians to sell their home and make a contribution of up to $300,000 each to super from the proceeds.
For more information, visit **here**.

Make sure you review your insurances and nominate your beneficiaries so that, in the event of your death, everything is managed as per your wishes.

Talk to your financial adviser about these strategies and others not included here to find out what strategies are suitable for your personal circumstances.

7 A high super balance relates to the general transfer balance cap, which is $1.6 million in 2020/21 and increases to $1.7 million from 1 July 2021. This threshold may be indexed in future financial years.

8 Preservation age varies from 55-60 depending on your date of birth. Further information is available on ato.gov.au

“People want a stable level of income in retirement, so life expectancy is an important factor to consider when planning for retirement. For women it’s almost 85 and for men just over 80.”[9]

9 *What is the retirement age in Australia?*, MLC, Dec 2020, mlc.com.au/personal/blog/2020/12/what_is_retirement_age_in_australia

Top tips to consider to help build your super

We asked some financial advisers for their insights.

- Read through key super strategies and consult with an appropriate professional to find out which strategies are suitable for you. There's a lot you can do to make the most of super.
- Actively managing your super with a financial adviser makes a difference compared with passively managing it with a set-and-forget fund.
- Know your number – how much money you'll need in retirement.
- Understand retirement isn't always sudden and may involve a transitional period of part-time work.
- Consider putting a little aside in your super every fortnight.
- Understand the mix of your super investments and think carefully before making any changes.

Note: There are all sorts of risks and factors to consider when it comes to managing your superannuation. Consult a professional if you need to.

"Superannuation is your money and your savings. Therefore, it's important to understand what it's invested in, have reasonable expectations on returns, know this is a long-term investment and the fees you are being charged."

Rodney, financial adviser

"You need to have the right mindset. Many see super as just something their employer puts aside for them. Everyone should realise super is what is potentially going to feed them when they retire."

Michelle, financial adviser

Go deeper

Read *Could flexible working save your super?* **here**

Your super goals

Reflect on your goals from chapter 1 and think about what you'd like to achieve in retirement and whether your retirement savings are on track.

Tool time

You can use MLC's **Retirement Forecaster** to answer any question marked * and work out how much you're likely to have in super when you retire.

How much you'll need:

How much do you earn per month now?*

$

How old are you?

How much super do you have?*

$

What income do you think you'll want in retirement?

$

Use the Retirement Forecaster to work out the impact of changing your income level.

When will you retire (age)?*

Roughly how much super or savings will you need to get the income you want in retirement?*

$

Use the Retirement Forecaster to work out the impact of increasing your super contributions. Can a little bit now make a big impact later?

Will your target retirement income be enough to cover your debt?

Can you make a one-off contribution to your super?*

Use the Retirement Forecaster to see the difference this would make.

COVID-19 and your super

Have you accessed your super early due to COVID-19 or any other reason?

Your super goals

- ☑ Consolidate my super – if that's a suitable option
- ☑ Contribute $ more to super each month*
- ☑ Brainstorm the super strategies relevant to reaching my goal

If you want to talk about early release, our dedicated general advice team can help you make an informed choice. They can be reached on 1800 111 171.

Use your answers to fill in your roadmap on p58

Chapter 4

Investing outside super

Managing your investment opportunities and challenges in a volatile market

Understanding your investment landscape

For many, super is one of the biggest investments for retirement. However, investing outside super may be another way to help you have the lifestyle you want in retirement.

Remember, you can usually only access your super when you reach your **preservation age**, so if you want to retire earlier, it could be a problem if all your money is tied up in super.

Investment 101: some important basics

The assets that sit underneath your investment options are generally split into two categories.

Defensive asset classes have a lower potential rate of return over the long term but are also generally less volatile and have less potential to lose value than growth assets. They include:

- **Cash**
- **Fixed interest:** that is, corporate or government bonds. With bonds you lend money for a set period of time and receive interest payments at regular intervals in return. Your initial investment is paid back at a set time.

Growth asset classes have the potential to earn a higher rate of return over the long term than defensive assets but are also generally more volatile than defensive assets. They include:

- **Shares:** that is, part ownership in a company.
- **Property securities:** investments listed on the Australian Stock Exchange, providing exposure to a portfolio of direct property investments.
- **Direct property:** buying a residential or commercial property to rent out.
- **Alternative assets:** covering a wide range of investments that are not considered traditional. Some examples include hedge funds, infrastructure and gold.

You can also invest through vehicles like:

Managed funds: these pool money from different investors into one fund that's managed by a professional investment manager. You can invest in a fund that invests in one asset class, like a shares fund, or a fund with a mix of different assets, like a growth or balanced fund.

Exchange traded funds: these are passive investments that don't try to outperform the market. The role of the fund manager is generally to track the value of an index or commodity. ETFs can help to diversify your investments and are usually cheaper than managed funds.

Go deeper
Read more about **managed funds** and **exchange traded funds**

Understanding your investment landscape

Investing in a constantly changing environment

Investment markets are impacted by myriad factors – from what's happening with the local economy to global geopolitical changes to who's managing your portfolio.

Volatility is a reality that you have to learn to manage when you invest – because, ultimately, your own behaviour has as big an impact on your investment success as changes in investment markets.

What's important to remember is that there's opportunity as well as risk in volatility. And it's a great time to rethink your investment strategy and refocus on what you want to achieve.

Stick to the key investment principles that matter the most.

Think long term: focus on staying the course and not reacting with every drop and rise in markets.

Diversify: spread your money across a range of markets and types of investment – that means you'll help to reduce risk and may be able to realise more opportunity as markets fluctuate.

Invest for your life stage: if you're younger, make sure you invest in growth assets to help make the most of your time in the market. If you're closer to retirement, focus more on investments that are conservative and may protect your wealth.

Ask for help: if you don't have time to research and manage a portfolio, find help. You can work with a financial adviser to structure a portfolio, or invest in a managed fund where the investment decisions are made for you.

Go deeper
Read *Invest with your head, not your heart* **here**

Strategies for non-super investments

1. Compound returns happen when you earn interest on your savings, then interest on the interest you have earned on your balance, creating a larger balance each month. It's sometimes called re-investing your earnings, and most investments have this feature. If you save regular amounts in a disciplined way, you can accumulate a far larger amount than in a simple interest account.

This strategy works even better in the long term. This also helps you ride out market ups and downs.

2. Growth assets such as shares or property have the potential to grow in value over the long term and outpace inflation. Additionally, your dividend income can increase over time as share prices rise.

3. Diversification of assets means investing a percentage of money in a mix of asset classes (e.g., shares, property and bonds). By using this strategy, you could achieve more consistent investment returns – especially over the long term. But remember that past performance doesn't indicate or guarantee future performance.

4. Income splitting can help manage tax by buying assets in the name of your partner if they pay tax at a lower rate than you. By using this strategy, you could pay less tax on investment earnings and accumulate a larger amount as a family unit.

5. Use borrowed money to build wealth. Gearing simply means borrowing money to invest. Gearing can be used to accelerate the process of wealth creation by allowing an investor to make a larger investment than would otherwise be possible – but remember, losses can amplify as well. The borrowed money can be invested in a number of ways, including direct shares, property and managed investments.

Go deeper

Read *Borrowing to invest – know the risks before you get an investment loan* **here**

Need help?

If you'd like to talk about these strategies or those not included here, speak with your financial adviser.
If you don't have a financial adviser, you can speak with our dedicated general advice team who can provide you with information and talk with you about your options or connect you with a financial adviser. They can be reached on 1800 111 171.

10 Australian Securities Exchange, *The changing face of the Australian retail investor: Australian Investor Study*, 18 May, 2017, asx.com.au/documents/media/asx-australian-investor-study-2017-media-release.pdf

Top tips to consider for investing outside super

We asked some financial advisers for their insights.

- Understand your risk appetite and stay within that.
- Rather than just focus on investment performance or costs, you need to look at things holistically, including the net return after fees. And remember – past performance doesn't guarantee future performance.
- Don't be short-term in your thinking and don't be reactive.
- Don't worry about the small corrections too much.
- Don't focus only on property; diversifying your investments can help you achieve your investment goals and manage risk.

Note: There are all sorts of risks and factors to consider when it comes to investing. Consult a professional if you need to.

"Asset allocation is critical. If you can't sleep at night then we're going to review your risk profile and tailor your investments to you."

James, financial adviser

"Your risk strategy should link to your risk appetite. Figure out what kind of investor you are first. Would you be happy with negative 20% one year and plus 20% the next year?"

David, financial adviser

Go deeper

Read *5 things to consider before investing* **here**

Your investing goals guide

Refer back to your previous worksheets to help you figure out how much you can invest outside super and how this can help your retirement savings.

What non-super investments do you have?

- ☑ Cash on hand
- ☑ Savings account
- ☑ Bonds
- ☑ Shares
- ☑ Property
- ☑ Alternatives
- ☑ Managed funds
- ☑ ETFs

What could you realistically put aside each month to invest?

Read through your spending and budgeting worksheet.

$

What do you want from your investments?

Read through the chapter and articles on risk. Then answer these four sets of questions to help work out what you want from your investments.

- ☑ I need money now for living expenses

or

- ☑ I'm investing for the long term, to build up wealth for the future

- ☑ I'm conservative and focused on managing my risk

or

- ☑ I'm willing to take more risk for more potential reward

- ☑ I can't have my money completely tied up

or

- ☑ I have quite a high income and can afford to have my money sitting in investments

- ☑ I'm happy to pay more for professional expertise

or

- ☑ I want a low-cost, simple portfolio

What types of investments suit you?

Read through the chapter on types of investments. Tick which ones seem to suit you and your goals.

- ☑ Cash
- ☑ Bonds
- ☑ Shares
- ☑ Property
- ☑ Alternatives
- ☑ Managed funds
- ☑ ETFs

Your investing goals

- ☑ Start investing $ per (week/month/year) by
- ☑ Research the right kind of investments
- ☑ Change my split between growth and defensive assets
- ☑ Build a portfolio of $ by
- ☑ Other

Use your answers to fill in your roadmap on p58

Tool time

Visit MLC's Fund Profile tool to learn how your money is managed within different types of investments **here**

Did you know?

62% of Australians invest outside super on the stock exchange.[11]

11 ASX *Australian Investor Study* 2017.

Section 3

In retirement and estate planning

Making the most of what you have

How to complete this section

Chapter 5 works through some retirement income 101 basics, as well as through the differences between retirement income streams and some important things to consider. Chapter 6 will talk through estate planning, and some strategies to help you achieve a robust one.

Chapters 5 and 6 will take around 60-90 minutes to complete – including your worksheets.

Take your time to read through the chapters. There are opportunities for extra reading in the 'Go deeper' links.

Work through the relevant activities, including the worksheets and calculators. Think about getting your partner involved too.

Speak with our dedicated general advice team who can provide you with information about retirement and talk with you about your options or connect you with a financial adviser. They can be reached on 1800 111 171.

Chapter 5

Drawdown – pension and income stream strategies

Protecting your retirement savings in uncertainty

Defending your retirement income

When you're building up your super, you're in the accumulation phase. Once you're able to access your super, you can start considering whether to make a withdrawal and/or start a retirement income stream. Of course, you can always have a combination of both.

As you move into drawdown phase, it's important to think through your retirement strategy and have an informed approach to defending and managing your retirement income – in all market environments.

It's not a time to leave it to chance – the more preparation the better.

Go deeper
Read Managing market volatility when you're close to retirement **here**

Retirement income 101: some important basics

These days, retirement isn't necessarily a hard stop at 65. You don't have to retire fully at your **preservation age**, which is the age you're eligible to draw on your super. Many people now reduce their working hours and transition slowly into retirement by supplementing their reduced income using their superannuation through a 'transition to retirement (TTR)' income stream.

As soon as you hit your preservation age you can use a TTR. But be aware that the tax on investment earnings paid by your super fund will still be 15% until you move to a full condition of release.[12]

Go deeper
Find out more about transition to retirement income streams **here**

Once you retire after reaching your preservation age or turn age 65, you have unlimited access to your super. This means you now have the choice of taking a lump sum or income stream – or both. In some cases, it's better to keep your money invested in the superannuation environment and generate a retirement income stream that you then draw down on to fund your lifestyle.

If you start taking an income stream, you're now in retirement phase – and your earnings are taxed at 0%.

There are some important things to know about tax and limits – you can read about these on the next page.

Some types of super income streams are:

- Account-based pensions.
- Annuities.
- Defined benefit pensions (only available to some defined benefit members).[13]

Some important things to know about your income stream – if you're in a taxed super fund:

- There will be a limit of $1.6 million[14] you can transfer into retirement phase income streams from your super – this is called the Transfer Balance Cap. You can read more about this **here**.

Go deeper
You can find out all about retirement income streams **here**

Read *Convert your super into a retirement income* **here**

Explore the government's Age Pension **here**

12 A TTR will move to retirement phase when you reach age 65 or notify the trustee you meet a condition of release that enables you to access all of your superannuation, such as retirement after your preservation age.

13 If you have one of these pensions you should consult your super fund about the specific rules relating to that pension.

14 This applies for the 2020/21 financial year. From 1 July 2021 this increases to $1.7 million. It may be indexed in future financial years.

Defending your retirement income

- The earnings on the capital supporting your income stream are tax free.[15]
- Once you're 60 or older, any income payments or lump sum from this source are also tax free.
- Between your preservation age to age 60, you're entitled to a tax offset of 15% on the taxable portion, which provides a tax-effective retirement income. You do not pay tax on the tax-free portion. Lump sum withdrawals may be subject to tax.

Other things to think about with account-based pensions:

- You can choose how your money is invested – however, investment earnings will vary based on economic and market conditions.
- There's a minimum amount you must withdraw each year. Read **here** for more information.

Other things to think about with annuities:

- You're protected from negative market movements – however, you generally won't benefit from any positive market performance.
- Payments are paid at an agreed rate for a set period, determined when you start.
- You can't change the amount and frequency of the income payments once they start.

15 This excludes transition to retirement income streams until you reach age 65 or meet a condition of release that enables you to access all of your super.

Understand your big risks

Right now, one of the most important things all retirees can do is understand some of the unique risks to retirement funds posed by COVID-19 – and respond in the right way.

During the Global Financial Crisis, 80% of Australian retirees said their income fell when they retired.[16] Poor returns due to volatility that deplete your capital just before or in the early years of retirement is one of the biggest risks to your retirement savings. It's called sequencing risk, and it's important to manage it. That's where professional advice can really help.

Go deeper
Read more about managing your risks **here**

Another key risk is locking in losses by suddenly switching some of your investments into cash – or physically taking cash out to hold in a bank account.

Talk to a professional about these kinds of decisions to make sure you don't make a panicked move that could put you at a real disadvantage later, when markets turn.

Understand your options

The Federal Government has introduced some temporary measures to help if you've been affected by COVID-19, including reducing the minimum drawdown requirements by 50%. For some super income streams, this means the minimum amount you're required to draw down is less than usual, for the 2020/21 financial year. This may help with the impact of volatility on your retirement savings by allowing more to remain in your income stream. However, the minimum drawdown requirements will return to the normal rates from 1 July 2021.

Making the most of your retirement income

Even after you retire, you can use some smart strategies to continue building your wealth.

That means there will be less pressure on your retirement savings to keep up with the rising costs of living, and you'll help safeguard your money from external factors such as market volatility.

Go deeper
Read *3 retirement income strategies for you to consider* **here**

Need help?

If you'd like to talk about these risks or those not included here, speak with your financial adviser.
If you don't have a financial adviser, you can speak with our dedicated general advice team who can provide you with information and talk with you about your options or connect you with a financial adviser. They can be reached on 1800 111 171.

16 HSBC, *Future of Retirement: Life after work?*, 2013.

“36% of homeowners still have a mortgage at the point of retirement.”[17]

17 MLC, *The Australian Dream: housing in retirement report*, www.mlc.com.au/personal/retirement/retirement-reports/australian-dream

Top tips to consider to help maximise your retirement income

We asked some financial advisers for their insights.

- Retirement isn't all or nothing – it's not necessarily a hard stop at 65. You can gradually transition into part-time work.
- You're probably going to live longer than you expect, so you'll need an income for longer than you think.
- Have a fixed budget each year to make sure your money lasts.
- If markets turn or things happen, don't panic – talk to a professional financial adviser who can help you assess your options.

Note: There are all sorts of risks and factors to consider when it comes to defending and managing your retirement income. Consult a professional if you need to.

"Too many people panic and move money themselves. They sell everything and put it all into cash. But it's important to be diversified. In the pre-retirement and post-retirement phase, they can't afford to panic because they don't have the time left in the market to recover if they make a poor move at that stage."

Michelle, financial adviser

Your retirement goals guide

Refer back to your life goals and your super goals to help you complete your retirement goals guide. Things to think about include your current income, your desired income in retirement, when you want to retire and your super gap.

Tool time

You can use MLC's **Retirement Forecaster** to answer any question marked * and work out how much you're likely to have in super when you retire.

When can you retire?

Read through the chapter and work out your ***preservation age*** *– the age you're eligible to access your super.*

When do you want to retire?*

Use the Retirement Forecaster to see what you need depending on who's in your household.

What's your current income – and what income do you want to retire with?

Read through your super worksheet as a reminder.

How much will you need in retirement?

Use the Retirement Forecaster to work out how long your savings will last.

Based on your super gap analysis, will you have enough?*

Do you have any investments outside your super?

Are you eligible for the Age Pension? If yes, how much?

Go deeper

Visit Service Australia to understand eligibility for the Age Pension and use its calculator to estimate your entitlement **here**

Your retirement goals

- ☑ Explore my retirement income options
- ☑ Retire in the next five years
- ☑ Retire in the next 10 years
- ☑ Retire in the next 15 years
- ☑ Create an income of $ ______ for a 25+-year period of retirement

Things to think about: Make sure you consider other things that can help boost your super balance like the downsizer contribution and one-off contribution. You can read about these on p24.

Use your answers to fill in your roadmap on p58

Did you know?

"The average age at retirement from the labour force for people 45 and over in 2016-17 is around 55.3 years."[18]

18 Australian Bureau of Statistics, *Retirement and Retirement Intentions, Australia*, July 2016 to June 2017.

Chapter 6

Estate planning

How to organise your assets and personal insurance and make a binding will

Estate planning happens when you're living

Putting an estate plan together helps make sure your money and assets go towards your loved ones after you've died, in the way you want them to and at the right time. It also makes sure your medical wishes are carried out if you don't have the capacity to make decisions while you're still alive.

Your estate plan should also include making sure your insurances are in place, so if something happens to you, your loved ones can continue living the way they always have, financially at least. This may be particularly important if you have debt or need to leave capital that your family can invest to provide an income stream.

What is an estate plan?

An estate plan includes your will as well as any other directions on how you want your assets distributed after you die. It also covers any health directions you want carried out.

Your assets include things like cash, insurance, property, cars, boats, furniture, jewellery, family heirlooms, art, shares, etc, held in your own name.

It should also consider your superannuation even if you are intending to establish a death benefit nomination directly in favour of certain beneficiaries. In some cases your superannuation may need to be distributed by your estate.

Why is it important?

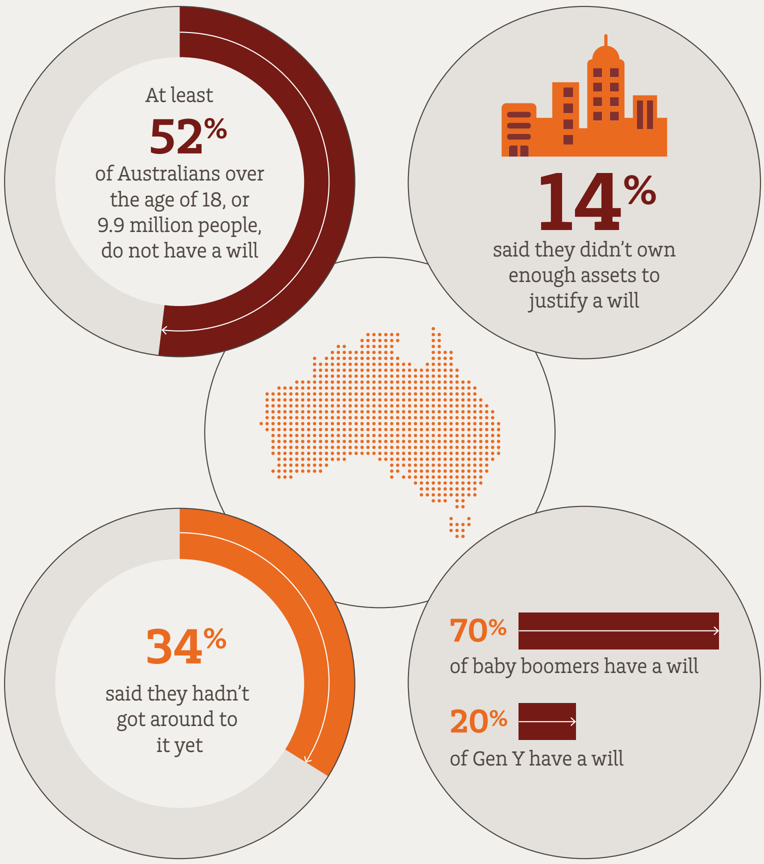
Estate planning is important for everyone – no matter how wealthy you are. Without a plan in place, there could be a long-lasting impact on your loved ones.

You should have an estate plan so:

- Your assets don't end up with unintended beneficiaries.
- You decide how and by whom your children will be cared for rather than the courts.
- You manage the tax your beneficiaries (the people entitled to receive funds or property) may pay when they inherit your assets.
- Family members don't end up fighting unnecessarily over who gets what.

Go deeper
Read *MLC's Estate Planning guide* **here**

Estate planning in Australia[19]



19 Finder.com.au, *10 million Australians don't have a will*, October 2018, finder.com.au/press-release-oct-2018-10-million-australians-dont-have-a-will

Strategies for estate planning

We've put together some strategies for you to consider that may help you get your estate sorted.

1. Writing a will

A will is a legal document that gives instructions about how you want your estate to be managed and distributed once you're gone.

If you would like more information about making a will, you can find information on ASIC's MoneySmart website.

It may be worthwhile engaging the services of a solicitor – a will needs to contain certain elements or statements, and if it's not done correctly, part or all of your will may be invalid.

What's not automatically covered in your will?

'Non-estate assets' are things that aren't automatically considered part of your estate – so you may have to make specific arrangements. These include:

- Joint assets – like property or bank accounts.
- Assets held in discretionary family trusts.
- Your super.
- Life insurance proceeds outside super.

What happens if I don't have a will?

If you die without a valid will, it's called 'dying intestate' and your assets will be distributed according to the inheritance laws of the state or territory in Australia in which you reside.

This is time consuming and incurs legal fees that are generally paid from your estate, reducing the amount for your beneficiaries. It also means your assets may not be distributed in the way you want.

2. Appoint a power of attorney

A power of attorney is a legal document where you appoint someone giving them legal authority to look after your affairs on your behalf. There are different types of powers of attorney.

- General power of attorney – makes financial and legal decisions for you for a specific time period; for example, if you're on holidays overseas. This person becomes invalid once that time period ends or if you lose capacity to make decisions for yourself.
- Enduring power of attorney – makes financial and legal decisions for you if you lose the capacity to make decisions yourself.
- Medical power of attorney – makes decisions about your medical treatment if you become mentally or physically unable to make decisions for yourself.

A financial adviser has the expertise to help you put together your estate plan and can work with your solicitor to help you meet your estate planning goals.

Go deeper

Find out more about writing wills and powers of attorney **here**

Strategies for estate planning

3. Nominate a beneficiary for your super

Your super isn't automatically covered as part of your estate. You may be able to specifically nominate the beneficiaries of your super fund – that is, who you want to receive the balance of your fund.

You can make different types of death benefit nominations. Some must be followed by your trustee. Others are an indication of your wishes only. It's important you understand what types of nominations your super fund provides and who you can nominate, so as to understand your options.

You can find out more **here**.

4. Review your estate plan when life changes

You should update your estate plan any time there's a change in your financial or family circumstances, or at different life stages such as marriage, children, divorce, retirement or death of a spouse or dependent.

Just like your investments and superannuation, it's a good idea to review your estate plan on an ongoing basis. When appropriate, also use a legal professional to check your estate plan.

5. Organise life insurance

Make sure you have the right amount of insurance to cover your income, your family's lifestyle and any debt repayments after you're gone. Your insurance beneficiaries aren't automatically covered as part of your estate – you have to specifically nominate them to your life insurer.

6. Make a funeral plan

Make your wishes clear about how you want your funeral, how much you want to spend on it and how you would like your family to pay for it. You can make these instructions clear in your will.

Go deeper

Read *How to fund an estate planning gap* in MLC's Estate Planning guide **here**

"It's important to have an up-to-date will. If you die without one, the law decides who will get your assets — and this may not be who you wanted."[20]

20 moneysmart.gov.au, *Wills and powers of attorney*, moneysmart.gov.au/wills-and-powers-of-attorney

Top tips to consider for estate planning

We asked some financial advisers for their insights.

- Make sure you have a will that you keep up to date. Your will should communicate your wishes to your family.
- Make sure you've nominated the beneficiaries for your super and your life insurance.
- Make sure you have enough insurance cover.
- Establish a power of attorney, nominating someone to make life decisions on your behalf.
- Make sure you review your insurance regularly. And keep your paperwork where someone can find it, or make sure a trusted person knows where it's kept.

Note: There are all sorts of risks and factors to consider when it comes to estate planning. Consult a professional if you need to.

"People don't realise how important estate planning is. Do you understand what happens when you pass away? People expect everything will be tax free, but they may no longer be able to amalgamate their own pension and their partner's pension because of their new tax situation."

Michelle, financial adviser

"With insurance, you should have a home loan covered off at least, and a few years after that to buy some time. Your financial position is usually better every year. So potentially you could adjust your insurance every couple of years."

Wes, financial adviser

Your estate planning guide

You can refer back to your worksheets on retirement and super to help you remember what's in your estate – and what kind of planning you need to do.

List all the assets you own including property, investments, jewellery, art, household items, etc.

Write a list of your beneficiaries, and how you'd like to split your assets between them.

Who will you tell where to find your documents?

Who will prepare your will, or do you plan to do it yourself?

If something was to happen to you, who would make decisions for you?

Would you like to contribute to any charities after you're gone to leave a lasting legacy?

Your life insurance

How much life insurance do you have?

How long will your life insurance last if your partner spends around the same as you both do now? (Costs can go up when one partner dies to cover any dependents.)

Your estate planning goals

- ☑ Make sure my family and I are covered if something unexpected happens
- ☑ Make sure my medical wishes are understood by everyone
- ☑ Make sure it's clear where my assets are going
- ☑ Appoint powers of attorney
- ☑ Other

Use your answers to fill in your roadmap on p58

Did you know?

34% of Australian adults say they haven't got around to making a will yet.[21]

21 Finder.com.au, *10 million Australians don't have a will*, October 2018, finder.com.au/press-release-oct-2018-10-million-australians-dont-have-a-will

Section 4

The value of advice

In a rapidly changing world, professional financial advice can help you work out a way forward

How to complete this section

Chapter 7 outlines why it helps to work with an adviser. We'll explain how the advice process works – and what's in it for you. There is no worksheet – just some great insights.

Chapter 7 will take about 15 minutes to read.

Think about whether reaching out to an adviser is right for you.

Speak with our dedicated general advice team who can provide you with information and talk with you about your options or connect you with a financial adviser. They can be reached on 1800 111 171.

Chapter 7

Understanding how advice works

Who it's for and why it matters

Why advice matters more than ever

There's never been a more important time to have help managing your finances.

With so much information and so many choices about how to make the most of your money and how to protect what you have, it's easy to feel paralysed.

This is where the benefits of professional financial advice can help make a difference.

Advisers are Australians' most trusted source of financial information right now, according to a recent MLC survey.[22] That's because more and more people realise managing their money at any time, particularly during such uncertainty, is complex – and the cost of working with a financial adviser is usually far outweighed by the value and the benefit it brings.

Those benefits aren't just financial – they include peace of mind for you and your family, and confidence that you have a framework for managing your money in the future. A financial adviser will help you:

- Understand your financial position.
- Identify or reset your goals – if anything about your financial position has changed.
- Navigate through the strategies you need.
- Stay on track in the future.

What do you get out of professional financial advice?

- A financial plan, which is essentially a plan to help you achieve your goals.
- A set of strategies to help you support your retirement income and lifestyle.
- A better understanding of how much money you'll need to live the life you want.
- Clarity about what strategies are available to you and education so you feel informed.

Did you know? The advice industry continues to improve the quality of advice

- Financial advisers will be upfront and transparent about the fees they charge.
- Financial advice businesses no longer receive any ongoing sales commissions from financial product providers when their clients buy new super or investment products.
- If a product is recommended to you, it will be in your best interests. So it will suit your goals and your budget.
- The education, qualification and disclosure standards for financial advisers have been enhanced.

22 MLC Wealth – March 2020 *Coronavirus: Client and Market Research Report*. 1 COVID19 – Market Survey, Base: n=1,014 2 COVID19 – Market Survey, Base n=1,014 (Advised n=303) 3 COVID19 – MLC Client Survey; Base: Advised n=491.

How the advice process works

We've designed our advice process to enable your adviser to understand what matters to you and create a financial plan that helps you move forward.

1. Getting to know you

Your adviser will start by getting to know who you are, what you want to achieve and what's important to you. The initial discussion will cover fees and an early view of how your adviser can help. The adviser will also be able to explain how they charge their fees and give you an approximate fee range.

2. Preparing your plan

If you decide to proceed with advice, your adviser will then research and develop a comprehensive plan with detailed strategies that's based on your specific goals and circumstances.

3. Presenting your plan

Your adviser will then present a detailed written plan that includes their recommended strategy that has been tailored for you. This will show you the risk versus the benefit of implementing the recommended strategy.

4. Getting started

Once you've decided to go ahead with your adviser's recommendations, your adviser will start putting your plan into action.

5. Staying on track

Because life never stands still, you can opt in to receive advice to help keep you on track. This is where your adviser can review your advice whenever you need, to help make sure you're tracking against your goals and support you every step of the way. All fees will be discussed up front before you progress.

23 MLC Wealth – March 2020 *Coronavirus: Client and Market Research Report*. 1 COVID19 – Market Survey, Base: n=1,014 2 COVID19 – Market Survey, Base n=1,014 (Advised n=303) 3 COVID19 – MLC Client Survey; Base: Advised n=491.

Tips on getting the most out of financial advice

We asked some financial advisers for their insights.

- Make sure you're willing to engage in the process; it takes commitment and time.
- Get ready to form a relationship and go on a journey together with your adviser.
- Be ready to be open and honest with yourself where you need to be.
- Be ready to learn and to do a bit of homework so you're informed.
- Understand what you want, and your fears.
- Break up your goals into five, 10 and 15 years into retirement.
- Talk to your partner about what you would like to do in retirement and be open to the fact they might have different ideas to yours.

"If you come to us to check in before you make a financial decision, we understand all the implications and can build a strategy that covers all potential effects of that decision. And then we go back to you with the advice."

Michelle, financial adviser

"Everyone's different and that's part of the advice relationship. People have behavioural biases with money based on their experiences. It's up to me to understand those. It's an intimate relationship because you're learning about clients and you're building up knowledge about them over time."

Rodney, financial adviser

"We're a coach that keeps you on track and accountable. We make sure you don't make mistakes, you don't panic, and you stay financially fit. That's our value-add."

James, financial adviser

Your goals roadmap: what's next

Choose **one of your goals** from each chapter to work through that you can action in the next week. Jot down what you'll do and a time and date for when you'll do it.

You can work through your medium- and longer-term goals, one by one.

Spend, budgeting and debt

Goal

Action to take

Timing

Super

Goal

Action to take

Timing

Non-super investing

Goal

Action to take

Timing

My life goals

Goals

Drawdown and pension

Goal

Action to take

Timing

Estate planning

Goal

Action to take

Timing

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