

Aussies not planning their retirement lifestyle



Nearly two-thirds of Australians have no plan for how they will live in retirement, a new survey has found.

The 2017 Australian Employee Insights Report, conducted by Sunsuper, found that 63 per cent of Australians haven't planned for how they'll live in retirement, with around 40 per cent saying they haven't even thought about how they'll use their super to fund their lifestyle.

"It is concerning that many Australians don't know or haven't thought about using their super to fund retirement," said Anne Fuchs, who heads up Sunsuper's advice and retail distribution team.

While the data Sunsuper collected may be concerning, Michael Hutton of HLB Mann Judd told Nest Egg that it's not surprising.

“A lot of people are just busy paying their bills and getting by day-by-day, and retirement’s off in the future, so they’re just not thinking about it too much,” he said.

“This is a problem because eventually it does happen and then people retire without very much spare or investment wealth, and possibly still even a mortgage on their house, and then become quite reliant on the government pension.”

Mr Hutton, a partner in HLB Mann Judd’s wealth management and superannuation team, said Australians who were yet to make a plan for how they want to live in retirement should really do so as soon as possible.

“The sooner the better, whatever stage you’re at,” he said.

For many people, retirement can be more expensive than working, Mr Hutton added, and retirees who haven’t adequately prepared for the changes in their lifestyle can often be caught out by this.

Additionally, regular expenses such as insurance and electricity are often easier to pay when earning a regular income, Mr Hutton said, but doing a review of those costs will be crucial in retirement – and those who review their regular expenses prior to retirement might enjoy additional savings before leaving the workforce by conducting such a review.

The most important thing for pre-retirees, however, was to have a plan for what they do with the money they save each month.

“That’s a big thing actually, people just don’t know what to do and have no idea of where they’re going to put that spare money if and when it arrives,” he said.

“Have a strategy in place so if you were to save for example \$1,000 a month, what would you do with it? Have a method for where to put it.”

source: Nestegg, 23rd August 2017