



## are you prepared for 'life after work'?

While the notion of living longer is a blessing to most of us, it does mean that we need to find ways to pay for that 'bonus' life. Retirement for many will last as long as our working lives. Are you prepared?

Here are five strategies to consider in uncertain times:

1. **Refocus my expectations and priorities** – be clear about what income my investments will generate into the future and adapt my spending accordingly.
2. **Continue working** – postpone the transition from full time work and continue to build my asset base and my investment strategy to allow for any shortfalls.
3. **Review my investments** – Revisit your investment strategy to make sure it remains relevant to your goals.
4. **Be patient** – Inevitably, asset values tend to return to previous levels after major downturns.
5. **Best of all – combine all the strategies above** and refocus ambitions around what's important and meaningful in life.

Preparation is key to achieving better financial outcomes. And the central theme must be to 'focus on your life, not your money'.

### a framework for making the right choices

Let's look at the three pillars we need:

#### **Pillar 1: Understanding our values and goals**

The starting point for any journey is to first define our destination. So set your goals and make sure they are absolutely consistent with what really matters to you and what you honestly value:

- ~ Goals that apply to your life right now, such as nights out, weekends away, time with your partner, study.
- ~ Goals for the medium-term, like home renovations or an extended overseas holiday.
- ~ Goals for the longer-term, especially for your life after work. What will you be doing? Where will you be living?

Look to the future when setting your goals, do not be a prisoner to the limitations of the past. Ask yourself this question – "how much money is enough to fund my life after work and why?"

#### **Pillar 2: Applying our financial resources to achieving our goals**

Begin by mapping your current financial resources and realities. This can be an enlightening process and will require good thinking time about your current situation. Follow these basic steps:

**Step 1:** Identify your current income and expenditure as well as your assets and liabilities.

**Step 2:** Estimate your income and expenditure in the medium-term (3 years from now) and the longer-term (5-10 years from now).

**Step 3:** Balance your current and future needs and goals.

Now you have a sense of how your financial resources align with your goals. Keep adjusting these variables until you have a plan that works for you.

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### **Pillar 3: Develop an appropriate Investment Strategy**

For most people, superannuation and the family home have been the mainstays of their investment activities. As we approach our preferred retirement date its wise to seek good advice about how to optimise investment returns and risks now and for the longer term.

A good financial adviser is a bit like a personal trainer. Their concern is your longer-term health and fitness. Their major strength is their ability to help us make the right choices, dispassionately and with our best interests at heart.

Planning is vital to achieving good outcomes. Advice is critical to making the most of that planning. Together, good planning and expert advice are the keys to preparing and enjoying life after work.

**Ask your financial adviser what strategies are right for you, or visit [www.ipac.com.au/lifedirections](http://www.ipac.com.au/lifedirections).**