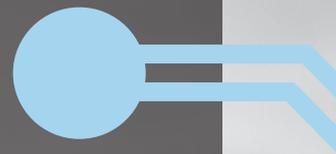


AVENUES



HOW MUCH SUPER SHOULD I HAVE AT MY AGE?

We look at the average super balances for different age groups in Australia so you can see how your super savings compare.

A healthy super balance can be a key ingredient in being able to live the life we want in retirement. But for many people, retirement is a long way off, and it can be hard to know if your super is on track. If you've been asking yourself – how much super should I have at my age? – read on to find out



HOW MUCH SUPER SHOULD I HAVE AT MY AGE? CONTINUED

How does your super compare?

The table below shows the average super balances for Australian men and women of different ages (excluding those with no super) so you can compare your balance to others your age.

AGE	AVERAGE BALANCE – MEN	AVERAGE BALANCE – WOMEN
20-24	\$5,924	\$5,022
25-29	\$23,712	\$19,107
30-34	\$43,583	\$33,748
35-39	\$64,590	\$48,874
40-44	\$99,959	\$61,922
45-49	\$145,076	\$87,543
50-54	\$172,126	\$99,520
55-59	\$237,022	\$123,642
60-64	\$270,710	\$157,049

Source: Association of Superannuation Funds of Australia, Superannuation account balances by age and gender 2015-16, October 2017, pg. 9.

Does your super stack up?

If your balance looks low, there could be a number of reasons why your super is lagging your peers, such as taking time out of the workforce to study, travel, raise children, care for older relatives, or being out of work, working part-time, or earning a lower wage than others your age.

As the figures show, these issues particularly affect women, as they have lower super balances than men across all age groups.

Will your super be enough to retire on?

Even if your balance is above others of your age, will it be enough for a comfortable retirement?

The Association of Superannuation Funds of Australia (ASFA) says that “many people will still retire with inadequate superannuation savings to fund the lifestyle they want in retirement” and that “most people retiring in the next few years will rely partially or substantially on the Age Pension for some or all of their retirement as they have inadequate super savings”.ⁱ

The ASFA retirement standard estimates singles will need retirement savings of \$545,000 for a comfortable retirement, while couples will need combined retirement savings of \$640,000.ⁱⁱ

What to do if your super needs a boost

- Firstly, search for lost super. Money belonging to you might be sitting in an account you’ve forgotten about.
- Secondly, if you have super with multiple funds, think about consolidating it into one account and you could save on fees and charges that could be eating into your balance. However, you’ll need to check for exit or termination fees, and ensure that your insurance cover isn’t affected.
- And thirdly, you could consider changing how your super is invested, for example, by switching it into a more growth-focused investment option. But bear in mind that returns are not guaranteed, and that higher risk accompanies the opportunity for high returns. To change your investment option, contact your super fund.

Once you’ve got your super sorted with these quick wins, you can consider ways to boost your balance, including:

- **Salary sacrificing:** you can contribute extra cash into your super from your before-tax salary and it will only be taxed at 15%ⁱⁱⁱ, rather than at your usual marginal tax rate. However, make sure

your total super contributions (including any your employer makes on your behalf) don’t exceed \$25,000 per year. Speak to your payroll department to set up a salary sacrifice.

- **Personal tax-deductible contributions:** if your employer doesn’t offer salary sacrifice, you’re unemployed, self-employed or don’t want to salary sacrifice, you can make a personal tax-deductible contribution to your super, which is also taxed at 15%, and subject to the \$25,000 per year limit.
- **After-tax contributions (also known as non-concessional contributions):** There’s a \$100,000 limit per financial year on the amount of after-tax contributions you can make. If you are under age 65, you can also ‘bring forward’ the next two years’ worth of after-tax contributions, and make up to \$300,000 contribution in a financial year.^{iv}
- **Spouse contributions:** If your partner is out of work, a stay-at-home parent, working part-time or earning less than \$40,000, adding to their super could benefit you both financially.
- **Government contributions:** If you’re a low or middle-income earner, you may be eligible for contributions from the government or tax-offsets when you add after-tax money to your super.

Need more help?

Speak to us for more help to ensure you’re on track for a comfortable retirement.

i Association of Superannuation Funds of Australia, Superannuation account balances by age and gender 2015-16, October 2017, pg. 7.

ii Association of Superannuation Funds of Australia, ASFA Retirement Standard, pg. 4.

iii Or 30% if you earn \$250,000 a year or more.

iv Providing your total super balance at 30 June 2017 is less than \$1.4 million.

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HOW TO DEAL WITH FINANCIAL STRESS – nearly 1 in 3 affected

Close to one in three Aussies is feeling the pinch financially, with money worries reportedly leading to sleep loss, conflicts in relationships, isolation, as well as a range of other things.ⁱ

These were the findings from the inaugural Financial Stress Index, compiled by global research firm CoreData on behalf of Aussie group, Financial Mindfulness, which indicated financial stress is not only being experienced by low-income households in 2017.ⁱ

Findings from the research

Statistics from the Financial Stress Index revealed the following about financially-stressed Aussies:ⁱ

- More than 66% felt money worries led to feelings of fear, anxiety and/or depression
- More than 60% felt their physical health was affected by financial stress
- About 75% said they argued about money with their partner or family
- More than 70% said they had problems sleeping due to money concerns
- Nearly nine out of 10 said they often avoided social functions due to financial stress.

What defines financial stress?

According to the Australian Bureau of Statistics, there are two financial stress indicators—these include financial-stress experiences and missing-out experiences.ⁱⁱ

Examples of financial-stress experiences:

- You're unable to pay various bills on time
- You spend more money than you receive
- You can't raise \$2,000 in a week for something important
- You seek assistance from friends, family or welfare and community groups.

Examples of missing-out experiences:

- You're not able to afford a night out once a fortnight
- You can't afford a week-long holiday once a year
- You can't afford friends or family over for a meal once a month
- You aren't able to cover any recreational activities.

Actions that could help turn things around

Create a budget

Writing down what you earn, owe and spend could help you to create a workable budget, and at the same time let you quickly identify areas where you could be saving.

Save a bit of money regularly

Even a small amount of cash deposited on a frequent basis could go a long way towards your savings goals. In fact, 41% of Aussies say they save just a little at a time.ⁱⁱⁱ

Pay cash and avoid credit card use

Credit cards are handy but they'll often cost you as they typically charge high interest rates on top of the amount you've already taken out.

Put some emergency cash aside

This will help next time you bust your phone or need a last minute trip to the dentist. Plus, an emergency fund means you won't have to rely on high interest borrowing options.

Talk money with your partner

One in two Aussie couples admit to arguing about money^{iv}, so if you haven't

already, sit down and make sure you're on the same page, and that both parties' goals are being considered.

Call other providers

You more than likely have several product and service providers, and figures show you could save more than a grand annually on energy alone just by switching from the highest priced plan to the most competitive on the market.^v

Consider the value of a back-up plan

Whether it's life insurance, income protection (which provides up to 75% of your income if you can't work due to illness or injury), or contents insurance to cover items that may be lost, damaged or stolen, there are a range of insurances that could help should the unexpected happen.

Care about your future income

The government's Age Pension alone is unlikely to be able to cover a comfortable or even modest lifestyle in retirement^{vi}, so putting a little extra into super could reduce the potential of further financial stress later on.

Where to go for assistance

If you or someone you know are feeling financially stressed, there is help and information available. We are always here to assist. Alternatively, visit the beyondblue website or phone Lifeline on 131 114.

ⁱ CoreData / Financial Mindfulness Financial Stress Index – 2017 full press release

ⁱⁱ ABS – Household Expenditure Survey, Australia: Summary of Results, 2015-16

ⁱⁱⁱ ASIC's MoneySmart – How Australians Save Money table 1

^{iv} Finder – Heated conversations: 1 in 2 Aussie couples argue about finances

^v Mozo: Sick of high energy bills? Aussies willing to change providers could be saving over \$1,000 a year

^{vi} The ASFA Retirement Standard – June quarter 2017
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LESSONS FROM THE BLUE ZONES: SECRETS OF A LONG LIFE

The parts of the world where people live longest may hold the key to the fountain of youth. We explore how to live longer and uncover the Blue Zones' secrets of a long life.

There are five global hotspots where researchers have identified that people live longer, healthier lives than the rest of us. Known as the Blue Zones they are:

- Okinawa, Japan
- Sardinia, Italy
- Nicoya, Costa Rica
- Ikaria, Greece
- Loma Linda, California.

What's their secret?

These communities each have a high rate of residents over 100 years old, suffer less of the diseases that commonly affect people in other parts of the developed world, and enjoy more years of healthy life.

The formula for these fountains of youth appears to be the following nine lifestyle habits. While some are obvious, others might surprise you...¹

1. Move:

We all know exercise is good for us, but this isn't about pumping iron or running marathons. It's about staying active through regular, everyday movements like doing the housework, gardening and walking.

2. Have a sense of purpose:

It could be anything, but knowing why you get out of bed in the morning is identified as a contributor to a healthier life and can add up to seven years to your life expectancy.

3. Reduce stress:

It isn't that Blue Zone residents don't experience stress, it's about what they do to relieve it. While their methods range from prayer to napping to practicing mindfulness, what's common is that they prioritise stress relief.

4. Eat less:

Instead of overindulging, Blue Zone residents stop eating before they're full. They also eat their smallest meal by early evening, and don't eat for the rest of the day.

5. Eat less meat:

This one comes as no real surprise given the links between meat consumption and cancer, but most of the Blue Zone residents are semi-vegetarian, favouring beans, legumes, fruit and vegetables over meats.

6. Drink alcohol:

Blue Zone researchers found it's ok to drink regularly, as long as it's in moderation (1-2 glasses a day), and alcohol is consumed with friends and/or food.

7. Spirituality or religion:

It seems the sense of belonging to a faith or belief-based community – regardless of the belief – is beneficial to health. Research shows that attending faith-based services four times per month can add from four to 14 years to your life expectancy.

8. Put family first:

Blue Zone residents commit to a life partner – which can add up to three years to life expectancy, and have a strong sense of family, from caring for their aging relatives to nurturing their children.

9. Have a tribe:

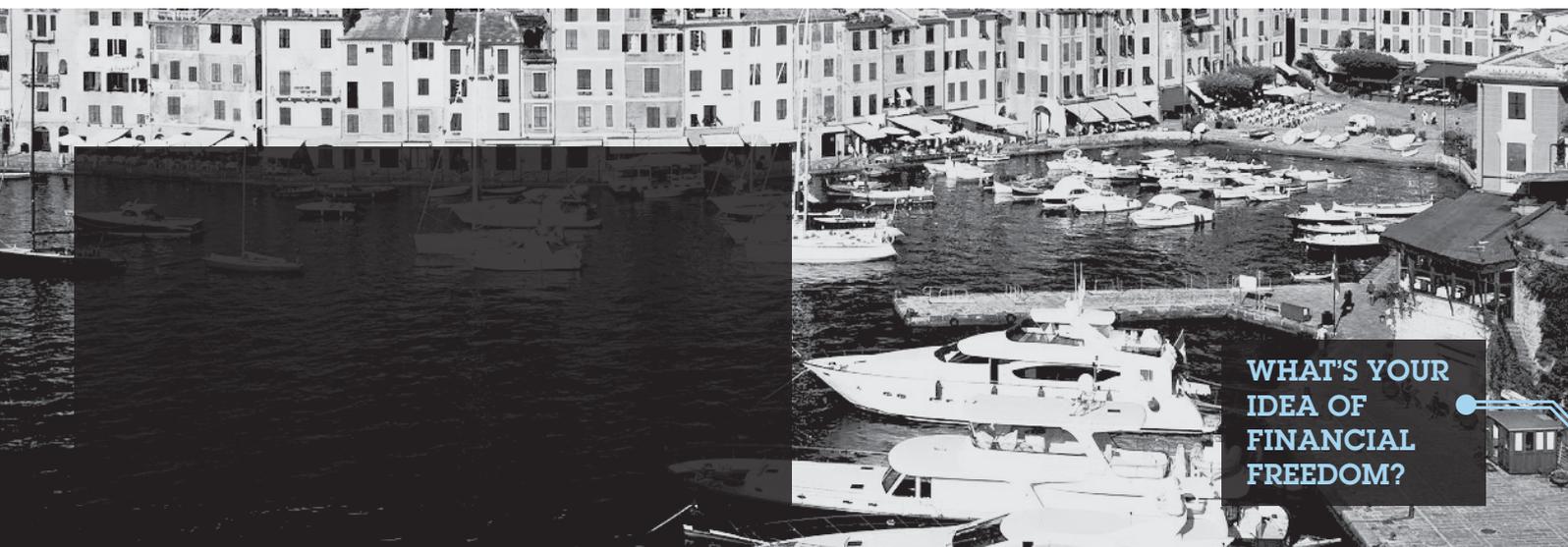
Be it your family or friends, having a social circle that combats loneliness and encourages good habits such as being active, positive and not smoking is good for longevity.

Funding a long and happy retirement

Living longer means you might need more money to fund your retirement or you may need to stretch the money you have further. If you're worried you might outlast your money we can help you to maximize your wealth and manage your finances accordingly.

ⁱ <https://bluezones.com/2016/11/power-9/>

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