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Just retired?

Make the most of your nest egg with smart financial planning

For many people, retirement is their big goal. The endpoint of a lifetime of saving. The reward for years spent accumulating and investing.

But what many may be surprised to discover is that, when you get there, the need for financial planning doesn't go away. In fact, it can become even more important.

Here are some things to keep in mind if you've just finished work and are pondering your financial future.

How long do you want your money to last?

It used to be that people worked until they physically couldn't anymore, then were retired for just a few years. But now, with health expectancies and life expectancies increasing at a rapid rate, an average retirement can be 30 years long.

It's important to be realistic about how long you need to make your money last. Even a couple of million dollars in the bank can be eroded quickly if you spend it without any thought about what you might need in the future.

Have you considered your risk?

For many, the well-worn advice of dialling down your risk exposure until you reach a very conservative setting at retirement is out-of-date.

To make your money last, it's likely you will have to have at least some of it in growth assets even when you're no longer working. Talk to a CERTIFIED FINANCIAL PLANNER^{CM} professional about the appropriate structure.

What are your big retirement dreams?

While making money last is a noble aim, it's also important to enjoy yourself in your retirement. Plan early to work out what your biggest retirement goals are, and how you can make them happen.

Do you want to travel around the world? Buy a new house? Visit family? Tweak your budget and investments to allow for these wherever possible and prioritise the spending that will bring you the most enjoyment. Some people still want to leave a significant nest egg to their children. A CERTIFIED FINANCIAL PLANNER^{CM} professional can explain how you can help your kids and also enjoy yourself.

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What are your spending habits likely to be?

Most people entering retirement spend the same amount in the initial years as they did while they were working – or even more, thanks to the increase in leisure time. But don't make the mistake of thinking that your consumption habits will remain the same throughout your retirement.

What you spend at 90 could be quite different to what you spend at 65, and you'll do yourself a disservice if you restrain your earlier spending to keep money for something that may never happen later on. Comprehensive planning and budgeting can help to understand your outlook.

What protection do you have in place?

Many people think of insurance as being most important during the asset accumulation phase of life, but it has a role to play in retirement, too. You may not need income protection but health insurance can be invaluable. If you don't have any policies in place, set aside an emergency fund that you could access if you needed an operation for which there is a long waiting list, or for car repairs or replacing appliances.

A CERTIFIED FINANCIAL PLANNER^{CM} professional can also check your estate planning is up-to-date. Then, all that's left is to enjoy the fruits of your financial efforts. Have fun!

Why choose a CERTIFIED FINANCIAL PLANNER^{CM} professional?

When you're dealing with the biggest assets in your life – your retirement nest egg, your income, your business, the legacy you leave your children – it just makes sense to seek assistance from someone whose job it is to put you on the right path.

When you opt for a CFP^{CM} professional, you're choosing someone who is at the pinnacle of their industry and has chosen to attain the CFP^{CM} mark to prove that. It's a global standard of financial planning excellence, with a structured framework behind it to ensure that you're getting reliable, trustworthy, comprehensive advice to help guide your financial life.

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