

ULTIMATE RETIREMENT PLANNING BOOK FOR BEGINNERS



*Preparing your mindset for Retirement.
Did you know.....
Or have you thought about.....*



Introduction

Retirement is a significant milestone in everyone's life, representing a transition from years of work to a period of relaxation and enjoyment. However, to fully enjoy this phase, it is crucial to plan ahead. This book, "Ultimate Retirement Planning for Beginners," is designed to help you understand the importance of preparing for retirement and to guide you through the process.

Who is this book for

"Ultimate Retirement Planning for Beginners" is specifically designed for individuals aged between 50 and 65 who are seeking direction on how to start planning for their future. This book acknowledges that planning for retirement can seem daunting, especially if you feel like you're getting a late start. However, it's never too late to take control of your financial future and make meaningful strides toward a comfortable retirement.

About us



Our mission is to empower individuals and families to achieve financial freedom and peace of mind through personalised, comprehensive financial advice. We are committed to delivering tailored strategies that align with our client's unique goals, values, and aspirations, ensuring a secure and prosperous future. Guided by integrity, professionalism, and a deep sense of responsibility, we prioritise clear communication and education to help our clients make informed decisions with confidence. By fostering long-term relationships built on trust and respect, we strive to be a steadfast partner in navigating life's financial complexities, providing innovative solutions and exceptional service every step of the way. Your success is our purpose.



Why This Age Group?

Closer to Retirement

People in this age group are often within 10 to 15 years of retirement, making it a critical time to assess and solidify their retirement plans. Immediate action is needed to ensure financial stability and peace of mind.

01

Accumulated Savings

Many individuals in their 50s and 60s have accumulated some savings and assets over the years. This book will help you optimise those resources and make strategic decisions to maximise your retirement funds.

02

Complex Financial Needs

As you approach retirement, your financial needs and goals become more complex. This book provides clear guidance on how to manage these complexities, from understanding different retirement accounts to making investment choices that align with your risk tolerance and retirement goals.

03

Health and Lifestyle Considerations

Health becomes a more prominent concern as you age, and planning for healthcare costs is a crucial part of retirement planning. Additionally, this book addresses lifestyle choices and how to ensure you can maintain the standard of living you desire.

04

Catch-Up Strategies

If you feel behind on your retirement savings, this book offers practical strategies to catch up, including maximising contributions to retirement accounts, smart investing, and efficient budgeting.

05



01 Understanding Retirement Planning

Retirement planning is the process of determining retirement income goals and the actions and decisions necessary to achieve those goals. It involves identifying sources of income, estimating expenses, implementing a savings program, and managing assets and risk. In essence, it's about creating a financial roadmap for your retirement years to ensure that you can maintain your desired lifestyle without financial stress.

Client story

Jay's Journey to \$40,000 in Tax Savings

When Jay first came to Focused Advisers a decade ago, he was overwhelmed with the complexities of managing his finances and planning for retirement. As a hardworking professional in his mid-50s, Jay was dedicated to ensuring a comfortable and secure future for himself and his family. However, he faced significant challenges, particularly when it came to optimising his tax strategy.

From our first meeting, our team of financial advisers worked closely with Jay to understand his financial situation, goals, and concerns. We conducted a thorough assessment of his income, expenses, assets, and liabilities, identifying areas where he could save and invest more efficiently. One of the key areas we focused on was tax planning. We discovered that Jay was not taking full advantage of the tax-saving opportunities available to him. Over the next ten years, we implemented a series of strategic moves.

After ten years of diligent planning and execution, the results were remarkable. During a review meeting, we presented Jay with a series of graphs showing the impact of our strategies. The "before" graph illustrated his projected tax burden without any planning, while the "after" graph displayed the significant savings we had achieved.

Jay was ecstatic when he saw the results. Over the decade, our comprehensive tax strategies had saved him a substantial \$40,000. This significant reduction in taxes not only increased his disposable income but also allowed him to reinvest those savings into his retirement fund and other financial goals.

Seeing the tangible impact of our work brought Jay immense satisfaction and peace of mind. He expressed his gratitude, knowing that he was now on a solid path towards a secure and comfortable retirement. The success of Jay's journey is a testament to the power of strategic financial planning and the dedication of our team at Focused Advisers to help our clients achieve their financial dreams.

Key components of retirement planning include

I. Assessing Current Financial Status

Understanding your current financial situation, including your assets, liabilities, income, and expenses.

Assets: Our team will help you identify and evaluate all of your assets, which may include savings accounts, retirement accounts, real estate, investments, and any other valuable property. Knowing the total value of your assets is crucial in determining how much you have saved for retirement and how these assets can be optimised to support your future needs.

Liabilities: We will also examine your liabilities, such as mortgages, personal loans, credit card debt, and any other outstanding obligations. Understanding your liabilities is essential to creating a plan to reduce or eliminate debt before retirement, ensuring you can enter your retirement years with a solid financial foundation.

Income: Our advisers will analyse your current sources of income, including your salary, bonuses, investment returns, rental income, and any other revenue streams. This analysis helps in projecting your future income and determining how much you can allocate towards your retirement savings.

Expenses: Finally, we will conduct a detailed review of your expenses. This includes both fixed expenses (such as mortgage payments, utilities, and insurance premiums) and variable expenses (such as entertainment, dining, and travel). Understanding your spending habits is critical to creating a realistic retirement budget and identifying areas where you can potentially save more.



2.Setting Retirement Goals

Defining what you want your retirement to look like. This includes determining what age you wish to retire and what kind of lifestyle you hope to maintain.

Our advisers guide you through defining your retirement goals to ensure a fulfilling future. We start by helping you visualise what you want your retirement to look like, including your desired lifestyle and activities. Together, we determine the ideal retirement age based on your financial readiness and personal aspirations. We then assess your financial needs to maintain that lifestyle, considering factors like travel, hobbies, and healthcare. This personalised approach ensures that your retirement plan aligns with your unique vision and goals, providing you with a clear path to a secure and enjoyable retirement.

3.Estimating Future Expenses

We acknowledge that predicting the future with absolute certainty isn't possible. However, our team utilises specialised modeling systems and advanced forecasting techniques to anticipate future costs such as housing, healthcare, daily living expenses, travel, and hobbies. These tools help us analyse trends and potential scenarios, providing a more informed and realistic outlook on your financial future. By considering various factors and uncertainties, we can develop a robust retirement plan that accounts for potential changes and challenges, ensuring you are well-prepared to maintain your desired lifestyle throughout your retirement.

4.Managing Risks

We understand that managing risks is a critical component of a successful retirement plan. Throughout different stages of life, the types and levels of risk you face evolve, requiring tailored strategies to protect your retirement savings.



Early Career and Mid-Life: During your early and mid-career years, you can typically afford to take on higher investment risks, as there is ample time to recover from market fluctuations. This is a period to focus on growth-oriented investments to build your retirement nest egg.

Approaching Retirement: As retirement approaches, it's crucial to shift towards more conservative investments to protect your accumulated savings from market volatility.

Post-Retirement: Once retired, managing risks becomes even more critical. Ensuring a stable income stream, against the financial impact of losing a spouse. Additionally, maintaining an emergency fund is essential to cover unexpected expenses without depleting your retirement savings.

By understanding and anticipating these risks, we help you implement strategies like diversified investments, insurance products, and contingency planning to ensure your retirement savings remain secure, allowing you to enjoy your retirement with peace of mind.

5. Estate Planning

Ensuring that your assets are distributed according to your wishes after your death, through wills, trusts, and other legal arrangements.

As a financial adviser the importance of estate planning to ensure your assets are distributed according to your wishes after your death. We assist you in creating comprehensive estate plans that include wills, trusts, and other legal arrangements. A well-structured will outlines your desires for asset distribution, while trusts can provide additional control and tax benefits. We also guide you on setting up powers of attorney and healthcare directives to manage your affairs if you become incapacitated. By planning ahead, you can minimise legal complications, reduce taxes, and provide clarity and peace of mind for your loved ones.



Why is it important?

Retirement planning is crucial for several reasons:

- 1. Financial Security** Without a solid retirement plan, you may not have enough money to support yourself in retirement. Proper planning ensures that you have sufficient funds to cover your living expenses and any unexpected costs
- 2. Peace of Mind** Knowing that you have a well-thought-out plan in place provides peace of mind. You can enjoy your retirement years without the constant worry of running out of money.
- 3. Maintaining Lifestyle** Retirement planning helps you maintain your desired lifestyle. Whether you want to travel, pursue hobbies, or spend time with family, having a financial plan allows you to live the way you want during your retirement years.
- 4. Healthcare Costs** As you age, healthcare expenses typically increase. A retirement plan includes provisions for medical costs, ensuring that you can afford the care you need without financial strain.
- 5. Longevity Risk** People are living longer than ever before. Planning for retirement ensures that you do not outlive your savings, providing financial support throughout your extended retirement period.
- 6. Inflation Protection** Over time, the cost of living increases due to inflation. A comprehensive retirement plan takes inflation into account, ensuring that your savings grow at a rate that maintains your purchasing power.
- 7. Social Security and Pension Maximisation** Proper planning helps you make informed decisions about when to start taking Social Security benefits and how to maximise any pension benefits you may have.
- 8. Debt Management** Effective retirement planning includes strategies for managing and reducing debt, so you can enter retirement with as little financial burden as possible.



02

Investment Strategies for Pre-Retirees

As you approach retirement, typically between the ages of 50 and 65, it is crucial to reassess your investment strategies to ensure a secure and comfortable retirement. This chapter will guide you through various investment options available, focusing on superannuation, investment properties, and investment-style funds. Each of these strategies offers unique benefits and considerations, and our goal is to help you make informed decisions tailored to your financial goals and risk tolerance.

Superannuation: Maximising Your Retirement Savings

Superannuation, or super, is a vital component of retirement planning in Australia. It is a tax-effective way to save for retirement, and understanding how to maximise your super can significantly impact your financial future.

1. Contributing to Superannuation

- **Employer Contributions** Ensure that your employer is making the mandatory Superannuation Guarantee (SG) contributions, currently set at 11.5% of your ordinary earnings. (It's about to change)
- **Salary Sacrifice** Consider salary sacrificing a portion of your pre-tax income into your super. This strategy can reduce your taxable income and boost your super savings.
- **After-Tax Contributions** If you have additional savings, making after-tax contributions can further grow your super. These contributions might be eligible for government co-contributions if you meet certain income thresholds.



2. Investment Options within Super

Super funds typically offer a range of investment options, from conservative to high-growth. As you near retirement, it is wise to review your investment strategy within your super fund.

- **Growth vs. Conservative Options** Younger individuals might opt for growth options with higher exposure to equities, while those closer to retirement may prefer conservative options with a focus on fixed interest and cash.
- **Balanced Funds** These funds offer a mix of growth and defensive assets, providing a balance between risk and return. They are a popular choice for pre-retirees.

3. Transition to Retirement (TTR) Strategy

A Transition to Retirement strategy allows you to access your super while still working, typically from age 60. You can draw a pension from your super while continuing to contribute, potentially benefiting from tax advantages.

4. Reviewing Fees and Performance

Regularly review the fees and performance of your super fund. High fees can erode your returns, and consistently underperforming funds can impact your retirement savings. Consider switching to a fund with lower fees and better performance if necessary.

Investment Properties: Building Wealth through Real Estate

Investment properties can be a lucrative addition to your retirement portfolio, offering both rental income and capital growth. However, they also come with risks and responsibilities that must be carefully managed.



1. Understanding the Market

- **Research Locations:** Invest in areas with strong rental demand and potential for capital growth. Consider factors such as infrastructure, amenities, and employment opportunities.
- **Market Trends:** Stay informed about property market trends and economic indicators that might affect property values and rental yields.



2. Financing Your Investment

- **Borrowing Capacity:** Assess your borrowing capacity and ensure you can comfortably service the loan, especially if interest rates rise.
- **Loan Structure:** Choose between interest-only and principal-and-interest loans based on your financial situation and investment goals.



3. Managing Cash Flow

- **Rental Income:** Ensure that the rental income covers your mortgage repayments, property management fees, and maintenance costs.
- **Tax Considerations:** Take advantage of tax deductions, such as interest on the loan, property management fees, and depreciation. Consider seeking advice from a tax professional.



4. Risks and Mitigation

- **Vacancy Periods:** Prepare for potential vacancy periods by maintaining an emergency fund.
- **Maintenance and Repairs:** Budget for ongoing maintenance and unexpected repairs to keep the property in good condition.
- **Market Downturns:** Property values can fluctuate, so be prepared for potential market downturns. A long-term investment horizon can help ride out short-term volatility.



Tailoring Your Investment Strategy

As a pre-retiree, it is essential to tailor your investment strategy to your unique financial situation, goals, and risk tolerance. At Focused Advisers our financial advisers are here to guide you through the complexities of superannuation, investment properties, and investment-style funds. By diversifying your investments and managing risks effectively, you can build a robust retirement portfolio that supports a secure and comfortable retirement.

Investing in your future requires careful planning and informed decision-making. Take the time to review your current investments, explore new opportunities, and seek professional advice to ensure that you are on the right path. With the right strategy in place, you can achieve your retirement goals and enjoy the peace of mind that comes with financial security.

"Real estate investing, even on a very small scale, remains a tried and true means of building an individual's cash flow and wealth."

03

Budgeting and Savings for a Secure Retirement

Budgeting and savings are foundational elements of a robust financial plan, especially as you approach retirement. Creating a budget helps you manage your expenses, maximise your savings, and ensure financial stability.

The Importance of Budgeting and Savings

Budgeting involves tracking your income and expenses, setting financial goals, and creating a plan to achieve those goals. Effective budgeting allows you to:

- Identify areas where you can reduce spending
- Allocate more money towards savings and investments
- Avoid unnecessary debt
- Prepare for unexpected expenses

Savings, on the other hand, provide a financial cushion that can help you weather economic uncertainties, fund major life events, and support a comfortable retirement.

Setting Up a Budget: The Basics

Track Your Income and Expenses

- **Income:** Include all sources of income such as salary, dividends, rental income, and pensions.
- **Expenses:** Categorise your expenses into fixed (rent, utilities, insurance) and variable (groceries, entertainment, travel).

Identify Financial Goals

- **Short-Term Goals:** Emergency fund, debt repayment, vacation savings.
- **Long-Term Goals:** Retirement savings, home purchase, education fund.

Create a Spending Plan

- Allocate a portion of your income to each expense category.
- Ensure your spending plan aligns with your financial goals.

Set Up multiple different bank accounts

Spending account (30% of your income) As suggested this is for entertainment, fun, money, holidays, clothes, and household items.

Bills Account (Up to 50% of your income) Food, Mortgage/Rent, electricity, rates, phone, car, really any bill that you pay weekly, monthly, or yearly. If you pay something every year it needs to be calculated and applied to this account.

Automating your finances ensures that your savings and bill payments are managed efficiently:

- **Direct Debits** Set up automatic transfers to your savings and investment accounts.
- **Regular Payments** Automate recurring bill payments to avoid late fees and maintain good credit.

Investment Account (20% to 30%) This amount is determined by the above amounts. You will need to have a serious talk with yourself and your adviser to ensure what is comfortable and achievable. There is no point in agreeing to something and not being able to follow through with that goal. You must be able to align with this area and make a serious commitment to yourself and your future.

Savings/Emergency Account (10%) Not everyone has the funds left over for this however it's a peace of mind account. Built up over many years.

Building a Strong Financial Future

Budgeting and saving are essential for achieving financial stability and an effective, comfortable retirement. By adopting proven strategies from experts like Patrick Harrison and Scott Hendy and other financial professionals, you can take control of your finances, reduce debt, and increase your savings.

Remember, the key to successful budgeting is consistency and regular review. Track your spending, adjust your budget as needed, and stay committed to your financial goals. With careful planning and disciplined savings, you can build a secure financial future and enjoy peace of mind as you approach retirement.

At Focused Advisers, we are here to support you every step of the way. Our financial advisers can help you create a personalised budget, optimise your savings, and develop a comprehensive retirement plan tailored to your unique needs and goals. Let's work together to ensure your financial success and a comfortable, worry-free retirement.

Working with a Financial Adviser: Your Guide to Financial Fitness

Just as a fitness coach helps you achieve your health and fitness goals, a financial adviser plays a crucial role in guiding you toward financial success and security. Employing a financial adviser can make a significant difference in managing your finances effectively, helping you stay accountable, and ensuring that you are on track to meet your financial objectives. Here's why having a financial adviser is so important:

Accountability and Consistency

One of the key benefits of working with a financial adviser is accountability. Much like a fitness coach keeps you on track with your workouts and diet, a financial adviser ensures that you stick to your financial plan. They help you set realistic goals and monitor your progress, making adjustments as necessary to keep you on the path to financial health. This accountability is crucial for maintaining consistency, which is essential for long-term financial success.

Expertise and Education

Financial advisers bring a wealth of expertise and knowledge to the table. They stay updated on the latest financial trends, tax laws, and investment strategies, providing you with informed advice that you might not be able to gather on your own. Working with an adviser is also an educational experience. They can explain complex financial concepts in simple terms, helping you understand the reasoning behind their recommendations. This education empowers you to make informed decisions about your money, fostering a deeper understanding and control over your financial future.

Trust and Shared Values

A strong relationship with your financial adviser is built on trust and shared values. A good adviser takes the time to understand your financial goals, values, and concerns. They align their strategies with your personal beliefs and financial aspirations, ensuring that their advice is tailored to your unique situation. This trust is essential, as it gives you the confidence to follow their guidance, knowing that your adviser has your best interests at heart.

Seeing the Light at the End of the Tunnel

Financial planning can sometimes feel overwhelming, especially when facing significant debts, planning for retirement, or saving for major life events. A financial adviser acts as a beacon of hope, helping you see the light at the end of the tunnel. They break down your financial goals into manageable steps, providing a clear roadmap to achieve them. This structured approach can alleviate stress and uncertainty, making your financial journey more manageable and less intimidating.

Security and Peace of Mind

One of the most valuable aspects of working with a financial adviser is the sense of security and peace of mind they provide. Knowing that a professional is overseeing your financial affairs can significantly reduce anxiety about the future. Advisers help you build a robust financial plan that accounts for emergencies, market fluctuations, and long-term goals. They assist in creating an emergency fund, optimising your investment portfolio, and ensuring you have adequate insurance coverage. This comprehensive planning ensures that you are prepared for unexpected events, giving you the confidence to face the future without financial worries.

Staying Accountable and Motivated

Just like a fitness coach motivates you to push through tough workouts, a financial adviser keeps you motivated to stick to your financial plan. They celebrate your successes, no matter how small, and provide encouragement during challenging times. This ongoing support helps you stay committed to your goals, even when faced with financial temptations or setbacks.

A Personalised Approach

Every individual's financial situation is unique, and a financial adviser provides personalised advice tailored to your specific needs and circumstances. They take a holistic view of your finances, considering factors such as income, expenses, debts, assets, and future goals. This personalised approach ensures that the advice you receive is relevant and effective, maximising your chances of achieving financial success.

Long-Term Relationship

Working with a financial adviser is not a one-time event; it's a long-term relationship. As your life circumstances change, so do your financial needs. A trusted adviser is there to guide you through different stages of life, from buying a home and raising a family to planning for retirement and estate planning. This enduring relationship ensures that your financial plan evolves with you, adapting to new challenges and opportunities.

Conclusion & Next Steps

Employing a financial adviser is akin to hiring a coach for your finances. They provide the expertise, accountability, and personalised guidance needed to achieve your financial goals. With a financial adviser by your side, you can navigate the complexities of financial planning with confidence, seeing the light at the end of the tunnel and enjoying the peace of mind that comes from knowing your financial future is secure. Whether you are just starting your financial journey or looking to refine your existing plan, a financial adviser can be an invaluable partner in your pursuit of financial well-being.



Take control of your financial future today—maximise your superannuation, leverage upcoming tax cuts, and secure a comfortable retirement. Start making informed decisions now for lasting wealth and peace of mind.

Click on the book now button to receive a complementary discovery meeting with one of our advisers.

BOOK NOW

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