# TRIBECA

*An endless vacation*

Start your retirement roadmap now

# How do you think of retirement?

For us at Tribeca, we think of retirement as taking the longest holiday of your life. Like twenty-years long. It's one of the most anticipated life-changing events you will ever face.

So why not make it the best holiday it can be and the most truly unforgettable experience by having a clear roadmap in place?

To help you along the way, we've put together a wealth of handy strategies and resources aimed at making the most of your retirement journey.

Ready to get started!

# Roadmap ready

Any holiday starts with a plan.
Your retirement should be no different.
So here's some tips and strategies to
help you on your retirement journey.

# Contents

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# Making plans

Ready for your 20-year holiday?

# Make it memorable

Any memorable holiday starts with a plan. Your retirement should be no different.

That's why the sooner you start talking about your dreams and expectations about retiring – whether that's with your partner, someone you trust if you're single, or an advice firm like Tribeca – the better.

Retiring is one of those monumental life stages, particularly if you're entering it as a couple. Yes, it's exciting, but for many it can be daunting making the transition from work-life to home-life and everything that comes with it.

How much money will you need?

What will a typical day now look like?

How will the roles be shared at home?

Where do you want to travel and how often?

Is downsizing an option, moving interstate or even overseas?

Do you plan to keep busy such as volunteering or looking after the grandchildren?

Without a career identity, have you thought about the importance of finding a new purpose to fill your time?

Having open and honest conversations is the only way that you can start to shape how you want to live in retirement and prioritise what's important for you.

# Plan with purpose

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# Your 5 Ls

At Tribeca, we have a number of tools that can help you in your goal setting and planning.

You may have heard of Maslow's Hierarchy of Needs. Maslow believed that our needs are arranged in a pyramid, beginning with our basic needs (physiological and safety), moving to psychological (belongingness, love and esteem), with self-fulfilment (self-actualisation) at the top. While people will place priority of these needs in differing orders, all are essential to human motivation.

Defining your needs is a great starting point for planning out what you want out of retirement. Our interpretation of Maslow's Hierarchy is to break down your needs and aspirations into your 5 Ls: Life, Love, Learn, Laugh and Legacy.

Get out your laptop or go old school with a pen and paper and under each L write down:

# Live

What lifestyle do you want to have now and in ten years time?

# Love

What are your important relationships?
How will you nurture them and add value to them?

# Learn

Do you have a particular passion you'd like to get better at, or things you'd like to try in life?

# Laugh

What are the things that make you happy? It could be travelling with friends, painting, baking – anything that makes you smile – or even better, laugh.

# Legacy

What do you want to contribute or give back to society or those around you?

# All that matters

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# 10-3-Now

Once you have a good idea of what your Good Life looks like in retirement, you can start mapping out your 10–3–Now.

# Plan for life

Here, you begin thinking about where you want to be in ten years, then work backwards to what life will look like in three years and finally, the changes you can start making now to get there.

This is where the real fun starts; putting all those 'big and audacious' goals down (as well as those important smaller ones), and then mapping out a plan to get there.

Whether you're years from retirement or entering the final phase of your working life, it's always worth the time working on your retirement plans with a financial adviser to make sure that your 20-year holiday is the best time of your life.

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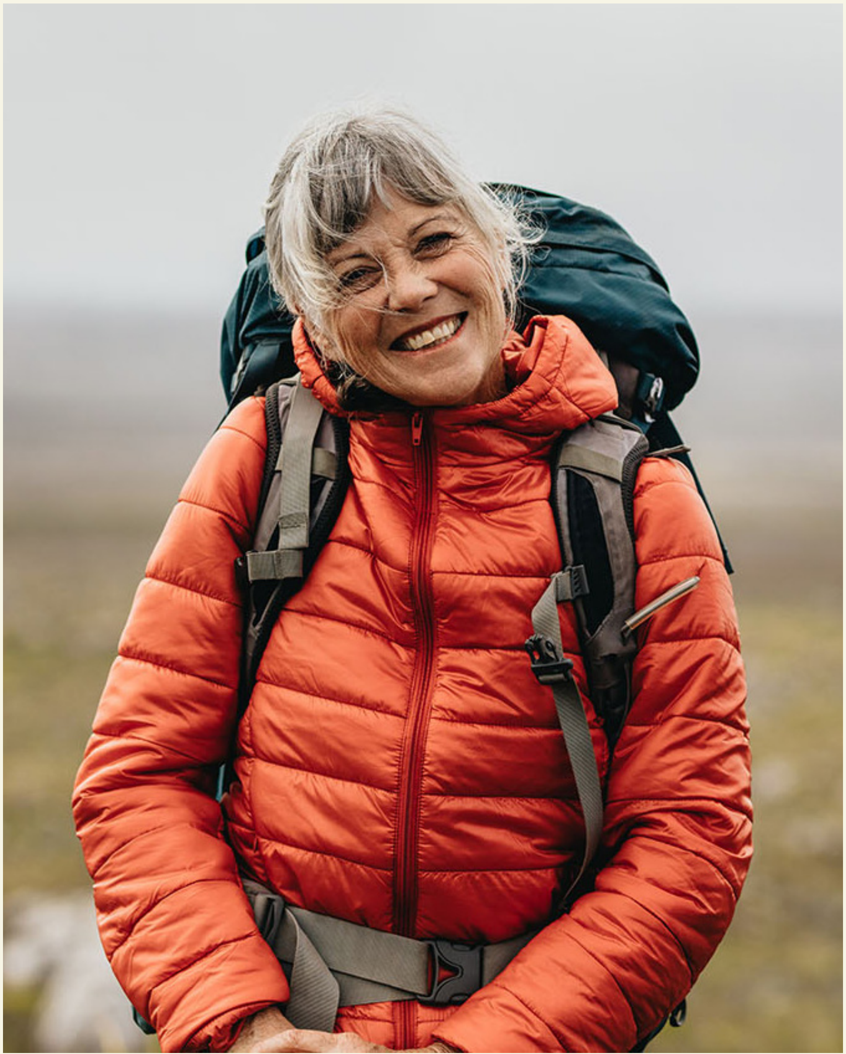
# Your retirement age

Let's start with the facts. According to the latest ABS data released in August 2023, the average retirement age for Australians is 56.3 years – 59.3 for men; 56.3 for women. And the average age for people planning to retire in the future is 65.5 years (this stat further highlights the need for a plan considering that currently there is no potential access to a Centrelink Age Pension until age 67).

Where do you sit on this scale?

Obviously there's a lot of factors that come into play. Work security. Health. Level of income. Lifestyle choices.



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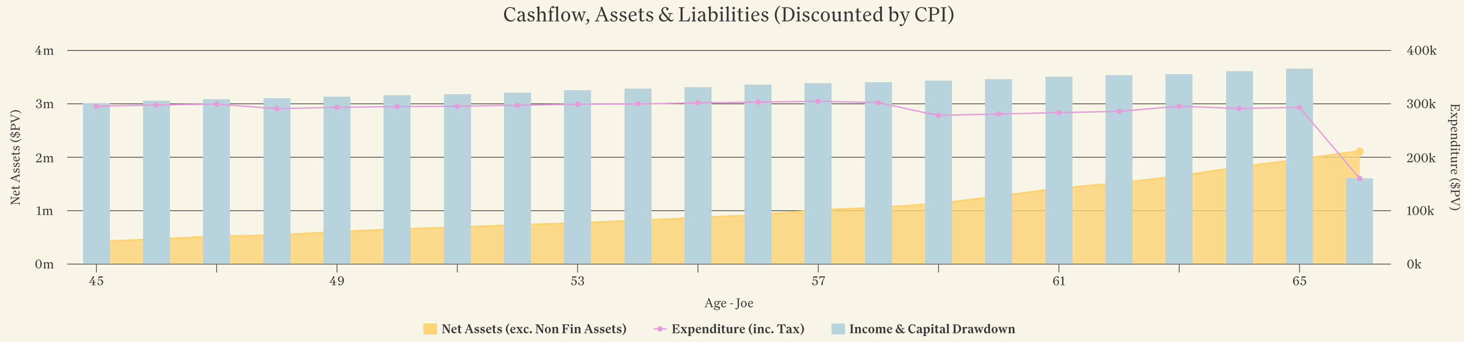
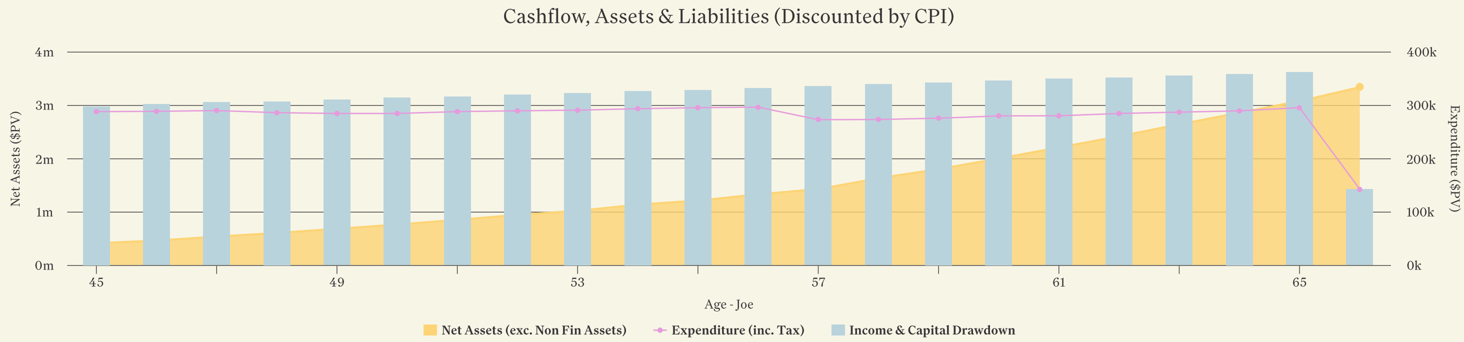
# This is where financial modelling can play a critical role

At Tribeca we use scenario modelling. This helpful tool is a great way to ease your mind through modelling your cashflow, assets and liabilities over time. In modelling out your future, we can help you understand your current situation compared to what is possible.

Shown in an easy-to-read graph, this modelling is a proven way of illustrating different scenarios based on expected and unexpected events, taking the guess work out of the equation.




Very simply, they provide a clear picture of what your financial life looks like depending on the decisions you make now and in the years to come. And how this will impact when you would like to, and can, retire.

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# Valuing your health

While we spend a lot of time planning for the fun aspects of retirement – travel, time with family and friends, pursuing hobbies – it's easy to lose sight of arguably our most important priority; our health.

Keeping up with your physical health checks is one thing, but preparing for the psychological impacts of leaving your working life is just as vital. Many retirees can quickly go from euphoria of leaving the stresses of work behind to struggling with transitioning to filling the days with new activities and pursuits. This can cause emptiness and anxiety.

*So here are some tips to help with this adjustment:*

## 1. Embrace change

Coping with change is different for everyone. It's normal to respond to retirement with a mixture of conflicting emotions. Allow yourself time to figure everything out, and adjust your attitude by focusing on what you're gaining, rather than things your losing.

## 2. Find new purpose and meaning

After retirement it's important to look for new sources of meaning, such as activities that add joy and enrich your life. Retiring to something is a great start, such as a volunteering position, fulfilling a hobby, continuing education, or caring for your grandchildren.

## 3. Look after your wellbeing

Retirement can bring underlying feelings and emotions to the surface, especially if you're also worried about finances, so looking after your wellbeing is critical. Try relaxation techniques such as mindfulness and meditation, as well as keeping active to boost your mood and relieve tension. Get plenty of sleep and choose healthy eating and drinking habits. And don't be afraid to talk about how you're feeling to others or ask for professional help.

# It's all about you

# 4. Looking after your financial wellbeing

Once your wage income ceases and your retirement income starts, it's natural for you to be worried about your financial future. That's where talking to a financial adviser can help ease your concerns and enhance your financial wellbeing, knowing that you have a plan in place that caters for continuing the activities you enjoy, such as eating out and travel.

# Let's dig a little deeper into your financial wellbeing; your level of financial security and feeling of freedom to make choices

At any stage of life this is important, but even more so as you enter and enjoy retirement.

Many people worry about their finances more than their health. It's why finances and wellbeing are intrinsically linked. The good news is we have a way of identifying and enhancing your sense of financial wellbeing. It's called our Financial Wellbeing Matrix.

| | Present | Future |
|---|---|---|
| Security | Control over your finances | Capacity to absorb a financial shock |
| Freedom | Financial freedom to make choices to enjoy life | On track to meet your goals |

# Financial Wellbeing Matrix

**Security** relates to your feelings towards control over your finances (now), and capacity to absorb a financial shock (in the future). For **Freedom of Choice**, that looks at your financial freedom to make choices (today), and whether you feel you're on track to meet your goals (for tomorrow).

By rating how you feel in each segment, we can then identify the areas that are strong and the ones that need improving so you can fully embrace retirement.

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# Super-charging your super

# Super comfortable

We all know your greatest ally in a comfortable retirement is your superannuation. It's the one consistent lever you can pull to increase your retirement savings. So how much super does the average person need, and how do you maximise its benefits?

According to the Association of Superannuation Funds of Australia (ASFA), the average super balance for Australians aged 60 to 64 is $310,635 for men and $196,750 for women as at September 2021.

While this may seem like a significant amount, this balance is unlikely to provide a comfortable retirement for many people. ASFA estimates that to achieve a comfortable retirement, a couple needs a superannuation balance of around $640,000, while a single person needs around $545,000.

# So how can you supercharge your super?

## Start small

Consider this. By topping up your super by just $50 per week, over 20 years that little amount could amass an additional $85,000 into your super! That's the power of compound interest and smart saving.

## Bring forward contributions

This unique strategy open to certain super members, enables you to make additional non-concessional (after-tax) contributions to your superannuation over a 3-year period, effectively exceeding the annual contribution limits.
This is particularly useful in maximising your retirement savings in a short time frame while remaining within the prescribed caps.

## Carry forward contributions

This strategy enables individuals with lower super balances to make catch-up contributions, utilising any unused concessional contribution limits from the previous five years.

## Salary sacrifice

By diverting a portion of your pre-tax income into your super account, you can reduce your taxable income and potentially lower your overall tax liability, while simultaneously increasing your super balance for retirement.

## Transition to retirement (TTR)

If you've reached preservation age (when you can access super) but are still working, TTR allows you to access a portion of your super as an income stream while continuing to work. This can provide financial flexibility while you transition into retirement, as well as assist with reducing working hours or managing work-life balance.

# Invaluable support

## Wise investing

Investing wisely within your super is crucial for long-term growth. Diversifying investments across different asset classes such as shares, property and fixed income, can help manage your risk and potentially achieve better returns over time.

## Consolidating accounts

As of June 2022, the ATO reported around 3 million Australians held two or more super accounts. Further, according to the Vanguard report referenced earlier, 1 in 4 Australians aren't aware of their super balance. Getting control of your super and consolidating it into one strong performing fund will help reduce fees and make sure more of your money is working for your retirement.

## Spouse contributions

This is a simple way for you to boost the super savings of your partner. As well as potentially providing tax offsets, this strategy can be particularly valuable when there is a significant disparity in income between you and your partner, helping to balance savings and enhance overall financial security in retirement.

# Downsizer contributions

A downsizer contribution provides eligible older Australians with the opportunity to boost their retirement savings by being allowed to make an additional contribution above that of other super contribution limits. This can be achieved by making an additional large contribution to super after selling a property that they have owned and lived in for an extended period of time.

Whether you have twenty years until retirement or two, you've always got the opportunity to make sure your super is working the hardest for you. The best way is to talk to a financial adviser who can help you choose the right mix of strategies to maximise your super.


Maximise opportunities

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# Cash in on your savings

So you've recently retired and now have all this super and investments at your fingertips. You're ready to start on that 20-year holiday. How do you make it last?

This is one of the main questions – and concerns – for people entering their retirement years. And understandably so. There's plenty to consider factoring in travel, ongoing living expenses, lifestyle choices, supporting family. You want to make sure your money will go the distance.

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# Managing your cashflow is the key

Sounds obvious, but for many people – even those who have a financial adviser supporting them – it can be a challenge staying in control of your savings. Here's some suggestions to help you stay on track with your retirement goals and plans.

## Demolish debt

Hopefully by your retirement age you no longer have a mortgage. But if you do, the first priority is to remove this debt as soon as possible to free up your cashflow. And that goes for credit cards too. If you can pay for it in cash, do it. Don't fall into the credit card trap.

## Automate your banking

The easiest way to avoid dipping too much into your savings is to automate your banking. Have a main account that holds your regular super instalments to cover your living expenses. Off that set up two accounts. One is allocated a set amount to cover fixed costs like utilities and insurances; the other handles your discretionary costs like groceries, entertainment and petrol. This should enable you to keep on top of your expenses, while keeping your savings intact to cover those big ticket items like holidays, hobbies and gifts.

# Future planning

# Share the finances

In many households one partner takes the running of the finances. But studies show that couples with long-term financial happiness have joint financial discussions. Talk openly about your retirement savings and how you will adjust your spending accordingly to stay on top of your finances and meet your individual and shared goals.

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# Make every moment count

Embrace retirement

# Here's to your 20-year holiday

Retirement is such a wonderful stage of your life. Embrace it and live it to the full.

We hope these tips help you to look forward to retirement with added confidence and anticipation. And if you have any questions regarding what we've covered in this guide or would like to discuss any aspect of your finances, we'd love to chat.

You can reach out by calling 1300 388 285 or visiting our WEBSITE for more information and to book a 15-minute no obligation phone appointment with one of our advisers.

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