

# 70s

## YOU'VE EARNED IT

In your 70s, you should be looking back at a life fulfilled and enjoying living for the moment, too.

You are several years into retirement, you've found a range of new hobbies and you and your partner are ticking off that bucket list. But it's not quite as carefree as that for most people. Money still needs to be balanced – if you go on the cruise to Alaska you've always dreamed about, that will mean cuts to other areas of the budget.

You and your partner still have your health, but there are ongoing check ups and trips to the doctor.

It's also a period when you might be thinking about downsizing for a second time, or even retirement-home options. It can be good to pre-empt that final move, so you can make the right choice rather than being rushed into a less than satisfactory situation if your health starts to fade later.

The 70s is a decade with its own

set of life decisions and you are mindful of making sure your nest egg will stretch as long as possible.

It can, of course, come with disappointment. Many people mourn the loss of life partners and suffer from loneliness. Others are bored and feel trapped without the funds to travel.

*You are mindful of making sure your nest egg will stretch*

The current generation of older Australians also went through most of their working lives before the era of compulsory superannuation.

This means the percentage of 70-year-olds on the pension is likely to decrease over time, but it also means 70-year-olds will be increasingly responsible for funding themselves, particularly if the retirement age is lifted progressively to 70.

The 70s might be, on some levels, the time when it all comes together in a fulfilling retirement. But the majority of us will only be able to enjoy it to the full if we have won the lottery or made good solid plans along the way.



**IN YOUR 70s**

not being able to afford to live to 80. Keep a close eye on your funds so to make sure they don't run out.

**4 TAKE ADVANTAGE OF BEING A SENIOR:** There's a range of entitlements and discounts for senior citizens. Use them, even if you don't feel like a senior.

**5 WATCH YOUR SUPER:** We've all heard the one about

**6 SMELL THE ROSES:** Cherish your friends and your family and enjoy the first chance in decades to live for the moment.

boundaries on what this decade means in terms of fitness and health. There's still a lot of fun to be had.

**3 CHECK YOUR ESTATE PLANNING:** Make sure that if anything did happen to you, everything is in order and as you want it.

**1 KEEP YOUR MOMENTUM:** Whether it's travelling, taking up a hobby or volunteering, stay involved and keep yourself active.

**2 FORGET YOU'RE 70:** Each generation of 70-year-olds is pushing the

**CASE STUDY**



## FOLLOWING LIFE-LONG INTERESTS

WHEN BILL GLASS was about five years old, his aunt gave him a book on the legends of ancient Greece. It triggered a lifelong interest which, in his retirement, he has returned to through studying a history degree at Macquarie University.

At 70, Bill is four years retired after a career as an accountant and international tax expert to a series of large corporates, beginning with oil company Exxon and then moving into building products with Pioneer International, Hanson Plc and then Heidelberg Cement.

The last three jobs, he concedes, were fortunate in that he was part of three takeovers and as a senior employee with shares as part of his remuneration package, his shares were acquired each time, at the takeover premium.

"I've been lucky because those takeovers generated a fair amount of additional income which I wouldn't have had in other circumstances," says Bill.

He was also in the company superannuation fund, a defined-benefit scheme, so when he retired he took that and with the help of adviser David Reed,

he created his own self-managed superannuation fund (SMSF) which now provides his living expenses. The fund is balanced towards domestic and international shares, property funds and international fixed interest.

In addition, Bill has built up a private share portfolio of about \$1 million by buying stocks cheaply during the global financial crisis (GFC). He describes this as "the cream on the cake".

"I was lucky again in that I acquired the shares at the start of the GFC and I bought all the banks at a low value and several years later, they had gone up quite a bit and I had a reasonable portfolio," Bill says. He concedes it would make better taxation sense to have the share portfolio inside his SMSF, but he enjoys trading on his own. "That is not to take anything away from David, whose advice has been

fantastic and has done all the right things for me," he says. "I just like to have some investments I can change myself without any reference to anybody else."

A widower for nearly 20 years, Bill enjoys the ability to be generous to his daughter, her four children and his son. He has helped create and seed a family trust for the grandchildren, "so that when they turn 21 they will each have some assets behind them".

This year he took the entire family on a US holiday, the highlight of which was a trip to Disneyland.

Bill lives modestly in an apartment in Sydney's Inner West, but does indulge his passion for racing with a small financial interest in seven racehorses. "I'm not much of a punter, but I do enjoy going along and seeing them race," he says.

One thing not crossed off the bucket list is an archaeological dig. "The university offers the chance to go on digs in various places around the world, and while I haven't done that yet, it is still in the back of my mind and it is still something I'd like to do."

**OUR PANEL'S ADVICE**

**DAVID REED**  
The objective in your 70s is to minimise risk and receive a safe, smooth income. Assess your withdrawal rate from your savings each year to make sure your money lasts a lifetime. Seek advice on the level of growth assets in your portfolio. It's important that you have sufficient to make your money last, while not giving you sleepless nights with volatility.

**ADRIAN PATTY**  
At this stage, many may want to consider distributing wealth to loved ones or charity. Downsizing is also common. An alternative to downsizing could be a reverse mortgage, whereby equity in the home can be drawn to release funds. Deciding on an aged-care solution is challenging due to its tax treatment and complex payment structures, but is important.

**BILL BRACEY**  
The important thing is to enjoy yourself while still having plans for the future. Your needs will change and you want the luxury of making your own decisions. Ensure your retirement plan will last. Review possible government age pensions and other benefits, because you may be eligible. Start or review your aged-care plan so you're not forced into it down the track.