It's time to plan for YOU – things to consider during your 50s

Imagine it …

You have no mortgage to pay. The kids are no longer depending on you all day, every day. You don't have the worry of progressing your career or working too many hours.

For many people, the decade between ages 50 to 60 represents a time of significant change. Some changes may be welcome, while others may be more difficult to manage. Either way, it is as important as ever to plan your way through this time of greater freedom and opportunity but also of uncertainty. The following are financial planning issues common to people in this age group.

What sort of lifestyle?

Sometimes life has been so busy there has been limited time for choice – school and university fees, mortgage payments and work pressures have been enough to worry about. Between age 50 and 60 it can be a challenge to choose what you (and your partner) really want for the next 30 or 40 years.

One significant decision will be where and how you live. Do you plan to stay put, downsize, move to the city to be near the action or move to the beach or bush for peace and quiet?

How much do you need in retirement?

This will depend on how you live. Setting a budget for your life in retirement is a vital step in setting a retirement wealth target.

Do you have enough invested to live comfortably throughout your entire retirement, which could be as long as 20 or 30 years?

Are your investments suitable?

If you haven't done it before, now may be the time to ensure that your investments are working as hard as possible for you. Is your superannuation invested appropriately? If you have managed funds, shares or investment property, are they the best assets for your changing situation?

If you have life and income insurance policies, do you have the right level of cover for your current circumstances? There is no point paying premiums for cover you don't need – but take care in cancelling cover that you may not be able to get back.

Are you taking full advantage of superannuation?

Superannuation is clearly the most tax-effective way to accumulate money for retirement and provide capital and income in retirement. Taking advantage of investing in super can make a big difference to reaching your retirement target.

Have you planned beyond your lifetime?

People aged in their 50s will often have growing families as their children have children. Some will have more than one family after divorce, separation and second marriages. Taking time to think about how you want your assets to be distributed on your death can save a lot of heartache for those left behind. Don't forget that the payouts from life insurance policies and superannuation don't necessarily form part of your estate and may need to be distributed separately from your will.

With all these things to consider, the first step in bringing your financial plan up-to-date may be the hardest – but it is also the most rewarding. Finally, remember to seek professional advice at this time and also make sure your family are aware of your intentions.

Visualise Wealth are dedicated to providing you with information so that you can make the decision that is right for you. We invite you contact us on (02) 9807 4700 or email sophie@visualisewealth.com.au to make an appointment today.