

How to start saving for your future in your 50s

For many people, 50s are the golden years, a time when you may be at the pinnacle of your career and some of the big expenses you needed in your 20s, 30s and 40s have levelled out. But while it may be easy to slip into a comfortable pattern of splurging on yourself and your children, this is the final stretch towards reaching your financial goals – a time when you should be maximising your financial know how.

Shift your mindset to your saving goals

You might have a regular income and cash flow at the moment but how will your life change when you retire and your finances are potentially reduced or more sporadic? What happens when you need to prioritise saving over spending?

An important tip for saving for your retirement in your 50s is to change your mindset early and focus on what's essential, rather than what's nice. Now is the time to prioritise your needs over your wants so you can reach your savings goals. You could use a retirement calculator to help get an idea of how much you may need.

Rebuild your super

For many Aussies, the Federal Government's early release super scheme was a lifesaver but accessing your retirement funds early comes with costs later on in life. The good news is that there are a number of ways to help rebuild your super, from concessional (before tax) super contributions, to spouse contributions and government assistance.

You may also need to re-evaluate some of your retirement plans and consider pushing back your retirement by a few years if you can. Remember that you don't need to make these decisions on your own: it can be helpful to speak to a financial adviser if you'd like more guidance on your plans and investments.

Aim to be debt free

Your focus for the next decade should be on how you can enter retirement with as little debt as possible.

Imagine if you were in a position to retire without having to make sizeable monthly home loan repayments. There are numerous strategies for shrinking your mortgage fast, from setting up offset accounts to maximising your super to help you retire, to using your property to your advantage and even making lump sum repayments.



Don't forget other smaller debts as well. Credit cards and personal loans often have much higher interest rates attached to them. The sooner you get rid of this debt, the sooner you can channel money into your retirement finances to help you build a comfortable retirement income.

Teach your kids to be independent

A report from the Australian Institute of Family Studies¹ found that more than 44% of Australians provide support to their adult children and now is certainly a time that many parents will be thinking about it.

Of course your kids will always come first but helping those around you shouldn't put you in a position where you're unable to retire comfortably. If they're adults, share the tips for people in their 20s or 30s and allow them to set their own course in planning their finances.

1. Finder.com.au (November 2020): Bank of mum and dad

Further information

For further information please contact Everalls Wealth Management on 02 6232 4561 or info@everallswealth.com.au.

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