~~Chapter 1~~From Hippy to Harley and all roads in between

"Many people take no care of their money 'til~~l~~ they come nearly to the end of it,

o~~A~~nd others do just the same with their time."

Johann Wolfgang von Goethe

~~Boomer's History: From Hippy to Harley and all roads in between~~

Your authors are both Baby Boomers. Late Boomers, we were born in 1961 but both have older siblings spread across this generation dating from 1946 to~~–~~ 1965, sitting between what was the industrial age of their parents and the technological age of their children. ~~.~~

In Australia, Boomers number about five million people (depending on the source material that you choose) or roughly 22% of the Australian population. The significance of this generation economically, culturally and politically can ~~therefore~~ not be underestimated. According to t

~~Boomers sit between what was the industrial age of their parents and the technological age of their children. Our early lessons in money were provided by parents who had lived through The Great Depression of the 1930's a World War and the privations after the war. They were cautious, frugal and saved before they bought.~~

~~T~~he Australian Government Department of Health and Ageing in February 2012 ~~stated~~:

'~~"~~Australia is being transformed by population ageing, along with social, economic, and policy change. ~~-~~We are at a critical demographic turning point because the Boomer cohort – the ~~5.5~~ five and a half million people born between 1946 and 1965 – has begun to turn ~~65~~sixty-five years of age. People now in their fifties will be bringing to later life a range of life experiences and expectations that are profoundly different from those of previous generations.

'Boomers are the first generation to face the new 'third age' with its unprecedented expectation of a decade or two of relatively healthy life after retirement.~~-~~ Individuals, governments and employers are becoming increasingly aware that Boomers' retirement from the workforce will have a major bearing on Australia's economic and social well-being as well as the future of younger generations. However, empirical evidence educating Boomers to prepare for a productive and healthy retirement is lacking in current research and the recent financial crisis has called what little we do know into question.'~~"~~.

The new 'third age'

'The biggest killer of old people is retirement.'

~~As described by Michael Madsen's character~~ Bud (Michael Masden), ~~in Quentin Tarantino's~~ ***Kill Bill 2:***

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~~What we do know is that~~ Boomers are increasingly moving away from the concept of retirement and preferring terms such as 'lifestyle' and 'sea change' to describe their mindset. Retirement, which is a derivation of a French word loosely translating to the English word withdraw, has connotations of a bygone era when our parents retired at sixty-five~~65~~ and were dead a few years later after frugal living on the pension in ~~-~~between.

~~As described by Michael Madsen's character Bud in Quentin Tarantino's *Kill Bill 2*:~~

~~"The biggest killer of old people is retirement"~~

~~The times certainly are a-changing…~~

~~Whatever our view of the future; lifestyle or retirement, the certainty is that the Boomer generation is nearing the "light on the hill." They have lived through much of the post-World War 2 "golden" economic years in Australia where the last recession occurred in the early 1990's.~~ Despite the opportunities ~~thus~~ presented in Australia's~~-~~ post-World War 2 golden economic years~~during this time~~, those of the Boomer generation are generally unsure if their finances will provide their desired quality of life now and beyond retirement, which~~, as outlined above~~ could stretch to twenty~~20~~ or~~–~~ ~~30~~thirty largely active years.

Financial education

'"Money is good for nothing unless

you know the value of it by experience.'"

P.T. Barnum

One of the longest relationships that each of us will ever have is with money. Temptress, saviour or devil, money can be all things and none of them. Money is viewed by many as an end in itself – ~~,~~ ~~H~~have enough money and all ~~my~~ your problems will be solved!~~,~~ (Really~~???~~? If that were the case the Betty Ford Clinic with its famous clientele would be out of business very quickly.)

Our early lessons in money were ~~built around tales of the depression.~~ ~~Our early lessons in money were~~ provided by parents who had lived through The Great Depression of the 1930's, a World War and the privations after the war. They were cautious, frugal and saved before they bought. My father told stories of ~~P~~public ~~S~~servants with wages~~s~~ cheques that couldn't be cashed and that set the scene for my lessons of financial responsibility. I'm sure I'm not alone.

And then came Bankcard in 1974 which was the start of '"~~"~~easy credit~~"~~' (~~—~~easy to get into, anyway). Like the contraceptive pill, ~~that~~ which was a precursor to the sexual revolution, Bankcard allowed us to buy now and pay later, a concept foreign to our parents.

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Comment [J3]: Reorganised to reduce repetition, and to make the focus clearer. The original placement of the quote interrupted the train of thought, but by moving it below a heading it helps differentiate the section

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Comment [J5]: I think this is a really interesting conversation and you could go into far more detail about the evolution of our relationship with money.
Think about:
- How early baby boomers treated money when they first started working in the 60s
- How this relationship changed in the 70s with easy credit - how did spending patterns change? What about purchasing and investment decisions? Do you have a story you could include?

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"Money is good for nothing unless

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P.T. Barnum

One of the longest relationships that each of us will ever have is with money. Temptress, saviour or devil, money can be all things and none of them. Money is viewed by many as an end in itself. Have enough money and all my problems will be solved. Really???? If that were the case the Betty Ford Clinic with its famous clientele would be out of business very quickly.

The first lesson that we need to take on board is a key message espoused by Financial Planning scholars. Money is a means to an end but it is not the ultimate goal. The two key points to learn when trying to demystify money are:

1. As outlined above, money is an ingredient in wealth creation, it is not the final "pie." Money provides cash to pay bills and meet day to day lifestyle requirements. What should be evident to many of us is that the more we earn the more we spend so we really can't pin our dreams on an ingredient that many areas of government reduce on our behalf through taxation, the remainder of which we find no problems in spending. Higher earnings in themselves won't necessarily help us meet our goals in life.

   In our past corporate lives we couldn't count the number of our clients who on the surface had all the trappings of a charmed life: high paying job, the latest car / boat / other toys, kids in private school, holidays in Vale etc. All that glitters certainly isn't gold however. The toys were leased, the kids schooling was a term behind or the grandparents were chipping in and the house was fully mortgaged.

   In our roles as Bank Managers and in recent decades as financial planners, the "come to Jesus" talk with highly remunerated Professionals and Corporate leaders, who are often the smartest people in the room was always an interesting discussion. Large salaries are not making them rich, they are merely feeding an insatiable lifestyle.

2. Money is, however, the basic ingredient required for the purchase of assets in the various classes - real estate, shares, cash, bonds etc. It is these investments that will provide wealth that will help to meet goals and aspirations now and in retirement.

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~~Chapter 2~~

Global Financial Crisis

~~"~~Just when you thought it was safe to check on your nest egg!~~!~~

~~If we can therefore accept that money is a means to a secure financial future and not an end in itself, we can take the first step in demystifying money. In the 30 years that we have been involved in the financial industry the central question that clients repeat time and again is:~~

~~"Do I have enough money to achieve my goals now and retire comfortably"~~

~~Despite the 24 hour news cycle being jam-packed with ideas for making money, the baby boomer generation has never been so confused about their finances. This feeling of financial impotence was of course exacerbated in the last 7 years by the Global Financial Crisis or GFC (described probably more accurately as the Northern Atlantic Financial Crisis by some economists… but I digress!!).~~

~~By way of a brief background, t~~The Global Financial Crisis or GFC (described more accurately as the Northern Atlantic Financial Crisis by some economists… but we digress!) began in earnest in late 2007 where the '~~"~~Western Countries'~~"~~ experienced significant falls in their financial markets which, in turn, impacted on the superannuation balances of Australian superannuants as equity markets declined sharply and property markets froze.

By way of illustration ~~from one asset class~~, ~~Australian equities, we note that Australian companies with their fully franked dividends have been the darlings of Australian superannuation funds for many years. The negative effect of the GFC on share prices and the resultant reduction in superannuation balances of many Australians however, has had a dramatic flow on effect on the psyche of the boomers which continues today.~~

~~T~~the fall in two of the ~~"~~'Bluest Blue Chip~~"~~' stocks on the Australian market ~~(illustrated below)~~, BHP Billiton (BHP) and Commonwealth Bank of Australia (CBA), shows starkly the impact on the Australian equity market during the ~~"~~peak~~"~~ of the GFC.~~.~~

Share	**Price**	**Date**
BHP	$50.00 (High)	May 2008
	$20.00 (Low)	November 2008
	Fall	**60%**

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CBA	$62.16 (High)	November 2007
	$24.03 (Low)	January 2009
	Fall	**41%**

Despite the fact that Australia, ~~certainly,~~ by the standards of the other major developed countries, escaped the worst effects of the GFC – ~~– e.g.~~ such as massive falls in house prices and double-figure unemployment ~~–~~ – the major local fallout~~,~~ post GFC remains the negative psyche of the Boomers. Despite the twenty-four-~~24~~ hour news cycle being jam packed with ideas for making money, the Baby Boomer generation has never been so confused about their finances. ~~. This feeling of financial impotence was of course exacerbated in the last 7 years by the Global Financial Crisis or GFC (described probably more accurately as the Northern Atlantic Financial Crisis by some economists… but I digress!!).~~

~~The Australian Equity Market (All Ords) remains 18% below the peak achieved in 2007.~~

~~The latter in turn has manifested itself in the historically high level of funds transferred from shares and other growth asset classes to Bank term deposits and cash.~~

~~In recent years the savings rates of Australians have grown to levels not seen since the 1950's as cash held in bank term deposit and cash accounts has grown to over $1trillion. Great news for the banks as they now need to rely less on volatile offshore markets to fund their loan books but bad news for retirees with deposit rates set at levels which see retirement funds eroded when inflation and tax are taken into consideration.~~

~~*"How many millionaires do you know who have become*~~

~~*wealthy by investing in savings accounts? I rest my case*~~

~~**Robert Arnott**~~

In fact, according to ~~The key findings of~~ the Department of Health and Ageing ~~report were as follows~~:

- 40% of the ~~boomers~~ Boomers surveyed believed that they were more financially insecure (worse off) following the onset of the GFC.
- 47% of retirees believed that they were worse off following the GFC compared to 39% of workers.
- Those most affected by the GFC also tended to have the poorest health. For example, co-morbidity of chronic diseases including diabetes, cancer and cardio-vascular disease was associated with financial insecurity following the GFC. ~~Sixty two percent~~ 62% of those with

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poor health were affected by the GFC compared to only 36% of those reporting excellent health.

- Women were more affected by the GFC than men. The study showed that with 45% of women reportinged that they were negatively affected by the GFC compared to 38% of men.

As a result, tThe Australian Equity Market (All Ords) remains 18% below the peak achieved in 2007, which .

The latter in turn has manifested itself resulted in the historically high levels of funds transferred from shares and other growth asset classes to Bbank term deposits and cash.

In fact, in recent years the savings rates of Australians have grown to levels not seen since the 1950's, as cash held in bank term deposit and cash accounts has grown to over $1one trillion dollars. Great news for the banks, as they now need to rely less on volatile offshore markets to fund their loan books, but bad news for retirees with deposit rates set at levels which see retirement funds eroded when inflation and tax are taken into consideration.

"How many millionaires do you know who have become wealthy by investing in savings accounts? I rest my case

Robert Arnott

The conclusion that we can draw from the studies outlined above is that significant sections of the Boomer generation were affected by the GFC, not just financially but physically and psychologically. If we extrapolate the above percentages across the 5 five million individuals who make up this cohort, there are several million people who believe (at least) that they are worse off following the GFC. Many of these also don't have the time to "start again" with their finances.

For the Australian economy that will no doubt play out in reduced economic growth as significant numbers of people reduce their spending patterns. Also there will be increased pressure on medical welfare services if the above studies are correct.

Given this post GFC financial malaise, the Boomers would therefore be looking at their particular financial situation and seeking advice as to how to give them the best opportunity to achieve their personal goals. OH NO THEY AREN'T.

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~~The same Government study stated:~~

~~"Interestingly, the GFC did not appear to impact on levels of financial planning for retirement. Approximately the same percentage (22%) of those affected or not affected by the GFC were planning "very little" compared to approximately 20% who were planning a lot.'~~

~~So, as a generation, we Boomers are unsure if we can finance our lifestyles before and after retirement at a time when we are going to live longer and expect more from life. Starting to look like a life of compromise if we don't start careful planning, doesn't it??~~

~~One of the great beauties about being an Australian is the "she'll be right" attitude. Don't worry too much about things just knuckle down and work through the issues. As a young boy, my grandmother who was born in 1893 and therefore had seen her share of brutal hardship told me "when things get tough get your head down, your bum up and get stuck in."~~

~~Nice concept but for Boomers late in their working lives, if they are unplanned as to how they are going to finance their lifestyles now and in retirement they could be in for a painful (and frugal) shock. If the word hasn't sunk in yet, let me reiterate, the public purse can't provide adequate pensions and healthcare for 5 million people from income earned from a reducing number of younger Australians fully employed over the next 20+ years.~~

~~Plan now or forever hold your begging bowl.~~

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~~Chapter 3~~

~~Post GFC –~~ What else could possibly go wrong?~~…inertia maybe??~~

The GFC is, of course, only one factor affecting Boomers' financial situation~~s now and in the immediate future~~. The following are phenomena that are being experienced for the first time en masse, so ~~and~~ it is little wonder that personal finances create anxiety:

- **Adult children** – Our children are staying ~~"~~at home~~"~~ until their late ~~20's~~ twenties or ~~older~~early thirties and~~.~~ are comfortable asking~~And~~, '~~"~~Dad can I have a hand with a deposit on a house?'~~"~~ and '~~"gee~~ I'd like a wedding like the Kardashians!'~~!"~~ If your household is like ours, we have ~~"~~good cop~~-~~/~~-~~bad cop~~"~~ relationships with the kids. The g~~G~~ood cop always bends to the kids', wishes, and that nest egg that we are trying to build suffers a little more.

- **Aging parents** – Our parents are living longer than ever before, and often with increasingly debilitating illnesses requiring significant ~~funds~~ finances to ~~meet~~ fund medical ~~conditions~~ requirements and~~-~~/~~-~~or ~~require~~ nursing home care. The B~~b~~oomers are often the carers, which has a psychological and financial impact on the whole family.

- **Divorce** ~~–~~ – Marriages are failing at a rate that would astound our forebears. While i~~I~~t's not for us here to debate the merits of staying in an unhappy marriage for the sake of the kids, the church, among other reasons~~ etc.~~, what we *can ~~Suffice to~~* say that divorce has a major impact on the lives of both parties. ~~From our experience we can say without doubt that in terms of the assets within the marriage and also the cashflow of each party, the whole is more than the sum of the parts.~~

  Simple maths indicates that after divorce two properties need to be funded by the parties. Bring into the equation new partners, additional children, stepchildren, alimony (determination and payment) and there is a recipe for financial hardship for both parties which usually isn't considered early when emotions are high.

- **Superannuation** ~~–~~ – Baby B~~b~~oomers have been described as 'the ~~"~~generation that superannuation forgot~~"~~'. Compulsory ~~"~~super~~"~~ really only came into place for the masses in 1986 through the Hawke~~-~~/~~-~~Keating Government's legislation. The level of compulsory superannuation is currently 9.5~~0~~% of salary, but this has increased incrementally since 1986, so many Boomers' accumulated superannuation balances ~~that~~ are now too small to support any sort of adequate lifestyle.

- **The family home** – The family home is often the major asset of this generation. As ~~T~~the Australian Financial Review ~~(pg 3, Monday 26th May 2014)~~ stated, ~~:~~

  ~~'"~~In contrast to the general perception of Boomers as cash~~-~~rich gadabouts, the reality for many is different.
  With their wealth tied up in the family home, the majority

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~~_____~~ in fact depend on trading down to realise cash that will see them ~~_____~~ through their retirement.'[1]~~"~~

~~In fact boomers either need to~~ Those who don't downsize ~~the house to a smaller and cheaper option as outlined above or~~ often take out reverse mortgages, where you borrow up to a percentage of the value of the house with repayments only required upon sale of the house or death. Both options create significant emotional and financial issues.

And, with a large number of Boomers expected to try to sell their McMansions in the next decade~~In many areas in life we follow American trends. If the U.S. experience of boomers downsizing is to be followed here we should get a little worried if our major asset is the family home.~~

- ~~An article by Nicole Gurran included a study by demographer Arthur C. Nelson, Director of the Metropolitan Research Centre at the University of Utah. Nelson analysed data from the American Housing Survey finding that over the past 30 years, 80% of new homes built in the US were detached single family dwellings exceeding 230 square metres in size and built in outer suburbia with stringent building codes e.g. large minimum lot sizes, prescriptive dwelling design and zoning prohibitions against units and townhouses.~~

~~The Boomers who own these McMansions are now empty nesters and are looking~~ to move to apartments or townhouses in rapidly gentrifying inner city areas, ~~near services. T~~supply is expected to outstrip demand~~he mass market for their existing houses has shrunk at a time when they estimate that 1.5million to 2 million boomer houses will hit the market each year from 2020 on.~~

~~What effect do you think the latter will have on house prices vis à vis the equity that the US Boomers have built up in their major asset?~~

~~"Couldn't happen here," I hear you say. "Only in America" you chant. Really? Many of you better hope so as you nestle down in your major asset tonight.~~

- **Employment** ~~-~~– The effects of the GFC~~, which we will discuss later,~~ haves~~s~~ meant that many Boomers have had to extend their working lives or ~~are~~ have been forced to re-enter the workforce. However, e

~~E~~mployment opportunities for the over ~~50~~fiftie~~'~~s are~~,~~ at best problematic. Ageism is rife. It is fine for the g~~G~~overnment to debate extending the retirement age to ~~70~~ seventy as a minimum to be eligible for the pension, but the reality of maintaining employment until then, particularly for blue collar workers, is a very different matter.

- **Government policy changes** ~~-~~– Frequent changes in ~~G~~government policy in the areas of pensions and superannuation are both confusing and frightening for this generation. *How can I plan it if you buggers keep changing the goalposts?*

[1] Michael Bleby, 'Housing squeeze: Baby boomers moving to mum's retirement village', Australian Financial Review, May 26 2014, 3.

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When ~~the~~ Federal politicians are in opposition they opine that we need to have consistent laws about superannuation and ~~"~~tut tut~~t"~~ ~~about~~ the mean~~-~~spirited g~~G~~overnment's policies regarding the age pension. The transformation when they form government is startling, however, as they look down the barrel of those nasty budget deficits, ever~~-~~increasing numbers of non~~-~~taxpayers who receive government pension assistance and that beautiful $1.4 trillion nest egg that is superannuation. ~~"~~'Hello my precious!'~~"~~ you can almost hear them slobber.

- **Health** ~~-~~ Weight is a major issue for B~~b~~oomers. Technological advances developed by this generation have automated many former manual processes. Add to that the ready availability of fast foods high in fat, sugar and salt and we have an obesity epidemic.

  That, in turn, is leadings~~-~~ to a burgeoning health crisis. Professor Hugo with the Australian Research Council through the University of Adelaide has completed studies which indicate that obesity rates for boomers are more than double their parents at the same age. They also have twice the rate of asthma, triple the rate of diabetes and double the cholesterol levels of their parents.

  The research has also shown that the proportion of B~~b~~oomers with three or more chronic conditions is 700% ~~per cent~~ greater than the previous generation.~~.~~

- **SME~~s~~** ~~-~~ Another major asset of the Boomer generation is the family business. We know from our parents' examples ~~-~~ and indeed our own business, Collins Mann ~~-~~ that the standard practice for Small and Medium Enterprises (SMEs) is to continue to plough profits back into the business instead of into superannuation or other asset classes. Often there is a compelling argument for this investment as the business often produces a yield higher than other market options and, more importantly, the business owner is in control of the investment.

  The plan is, of course, to sell the business for a multiple of recurring revenue (or other ~~particular~~ industry measure) and retire on the proceeds of the sale.

  The mistake that many small business owners make, however, is that they have not commercialised the business so that it can continue to prosper without them. The true assets of the business walk out the door each night when the owner and~~-~~/~~-~~or key personnel leave for the day. The *owner* is often the business and they have, in effect, merely bought ~~him /~~ themself a job. Ultimately ~~therefore~~, there is very little to sell in the absence of the owner.

- **Estate ~~P~~planning** ~~-~~ The lack of will to complete a will! One~~Some~~ of the first questions that we ask new clients ~~are~~is~~,~~ ~~;~~ 'dDo you have a will?' ~~and what personal insurances do you have in place.~~

  We are yet to meet a Boomer who has a will that reflects their current circumstances. They have a will that was written pre-children so it makes no mention of guardians, testamentary trusts, ~~etc~~and more. Or they are divorced and haven't updated the will to remove the previous love of their life from inheriting their worldly possessions – the final insult, maybe.

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Remember, "~~W~~where there is a will, there is a relative." Get it done by a professional so your wishes are followed and are difficult to challenge.

- **Risk insurances** ~~–~~ Boomers' personal risk insurances, ~~i.e~~including~~.~~ life, ~~I~~income ~~P~~protection, ~~T~~trauma, ~~T~~total and ~~P~~permanent d~~D~~isablement (TPD) ~~etc~~ and more are either poorly structured or inadequate to be able to preserve ~~the Boomers~~their lifestyles ~~if~~ in the case of adversity ~~happens~~. Market research shows that Australians are chronically underinsured when it comes to personal insurances, with the Financial Services Council estimating that the underinsurance gap for working Australians is $1.1 trillion. Illnesses, where substantial time is required recuperating, can ~~be~~ have a devastating impact on personal finances where insurance is inadequate or non~~-~~-existent

  It always amazes us that people insure their car ~~for third party and comprehensive insurance~~, their house, and other assets ~~and~~ yet do not insure the most important asset ~~–~~, cashflow, or money earning ability.

  You could survive in the desert for days without food but very little time without water. So it is with money. If you were seriously injured or otherwise incapacitated, how long would it take until you were unable to meet mortgage, school and car payments?~~.~~

  ~~Many people believe personal insurance begins and ends with life insurance. Help for your family if you die is noble but what about if you are incapacitated. Trauma, TPD and income protection are far more likely to be required and are far more useful to help steer claimants through particular life crises.~~

  ~~Some sobering statistics with regard to insurance which may just start you thinking:~~

  ~~- The Financial Services Council estimates that the underinsurance gap for working Australians is $1.1 Trillion~~

  ~~- Rice Warner's latest "Underinsurance in Australia" report found that the median level of Total and Permanent Disability cover (i.e. insurance that would cover you if you couldn't work again to replace your income) is 14% of that needed to fully maintain the standard of living of the family.~~

These ~~above~~ issues are beginning to look like tabloid journalism, aren't they? You know the type ~~–~~, bad news sells~~,~~ or, in the old sales rhetoric, raise the pain level to illicit a response that you are looking for (~~,~~ in the case of the Boomers ~~–~~ a change in habit). Up the pain and anger to illicit change~~,~~. ~~R~~right?

Well, maybe a little. But the point is that the Boomer generation has some unique problems that have not been experienced by previous generations and are unlikely to be repeated in the future.

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Comment [J15]: Again, too much longer than the others

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What can you do?

Given this post -GFC financial malaise, and the range of other issues facing Baby ~~the~~ Boomers, they ~~w~~should therefore be looking at their particular financial situation and seeking advice as to how to give them the best opportunity to achieve their personal goals. ~~OH NO THEY AREN'T~~ But are they?~~:~~

The *Ageing Baby Boomers in Australia* study by the National Seniors Productive Ageing Centre

~~The same Government study~~ stated, '~~:~~

~~"Interestingly,~~ T ~~t~~he GFC did not appear to impact on levels of financial planning for retirement. Approximately the same percentage (22%) of those affected or not affected by the GFC were planning "~~"~~very little"~~"~~ compared to approximately 20% who were planning "a lot", '~~:~~

So, as a generation, we Boomers are unsure if we can finance our lifestyles before and after retirement at a time when we are going to live longer and expect more from life. It's s~~S~~tarting to look like a life of compromise if we don't start careful planning, ~~doe~~isn't it?~~?~~

So why aren't we planning, then?

Humans, being what they are, have always displayed a fight or flight mentality when facing fear. The fear of money has been evident in many new clients ~~that~~ who we have interviewed over the years. They avoid planning their finances, preferring to ~~"~~stick their heads in the sand~~"~~ and hope the problems go away.

Inheritances, lottery wins, or continuing to work will solve the problems, they think~~.....~~. Yeah right. You'll be ~~70~~seventy when your parents are likely to leave this mortal coil, one in how many million win the lottery, and what are the chances of staying employed long into your sixties~~60's~~?

What we see more and more often is people going for the big play, putting it all on black like in roulette. All their eggs in one basket offering fantastic returns or tax minimisation ~~-~~ – do ~~the names~~ Storm Financial, MFS, timber lots and Nigerian scammers ring any bells?

~~That the~~ While poor regulatory systems ~~are not proactive enough to weed out the~~ allow scheme promoters ~~before they~~ to successfully prey on ~~the~~ financially inept clients, ~~:~~
~~Television~~ tabloid reporting showing some elderly couple from the Gold Coast losing their $250,000 nest egg to some unscrupulous property developer really makes us mad ~~on two fronts:~~

~~1. That the regulatory systems are not proactive enough to weed out the scheme promoters before they successfully prey on the financially inept clients.~~

~~2.~~ ~~Justify the clients role in this any way you like~~because ~~,~~ it was greed on the part of the clients ~~for higher returns~~ that resulted in their loss of capital. The fact was that they were so far behind where they needed to be to pay for their lives that they took a risk because the promises of above-average returns were too enticing. The old saying, 'I"~~i~~f ~~the deal~~ it looks too good to be true it probably is' remains true today and tomorrow. ~~Why isn't everybody doing it and why would the scheme's promoters share the secrets with strangers if it was so foolproof?~~

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There is no silver bullet here~~.~~ and~~But what~~ we don't want to see ~~are~~ any more Boomers appearing on television bemoaning that they lost their life savings to a con-man. It's time to stop waiting for the big win and thinking~~The fact was, that they were so far behind where they needed to be to pay for their lives that they 'put it all on black" because the promises of above average returns were too enticing.~~

~~Money lesson 101 should read "he rewards / returns should always be higher for higher risk!!" Both parties to the transactions were guilty of greed though the gullible investors either weren't informed of (more likely) or didn't understand (also likely) the risks of the transaction.~~

'~~One of the great beauties about being an Australian is the "~~she'll be right'~~" attitude~~. Instead, it's time to make a plan.

This book will take you through the same steps we follow with our clients to help them reach their financial goals. These include:

1. Awareness – knowing where you are financially
2. Goals – knowing where you want to go
3. Strategy – determining how you can reach those goals
4. Support – finding out who can help you
5. Review – staying on course to achieve those goals

In Part 1 we will take you through these five steps so you can reach your financial and personal goals.

However, beyond reaching financial goals, Boomers have a range of other financial issues they may need to tackle in the coming years, as discussed earlier. In Part 2 we'll delve into more detail regarding some of the specific issues we see our clients facing, and how you can manage them while continuing to pursue your financial goals.

The thing to keep in mind is that it all comes down to planning.

~~Don't worry too much about things just knuckle down and work through the issues. As a young boy, my grandmother who was born in 1893 and therefore had seen her share of brutal hardship told me "when things get tough get your head down, your bum up and get stuck in."~~

~~Nice concept but for Boomers late in their working lives, i~~If ~~they are~~ you haven't ~~un~~planned ~~as to~~ how ~~they~~ you are going to finance ~~their~~ your lifestyle~~s~~ now and in retirement, ~~they~~ you could be in for a painful (and frugal) shock. ~~If the word hasn't sunk in yet, let me reiterate, t~~The public purse can't provide adequate pensions and healthcare for ~~5~~five million people ~~from income earned from a reducing number of younger Australians fully employed over the next 20+ years.~~

So turn the page~~Plan now~~, or forever hold your begging bowl.

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So let's take stock here for a moment. The Baby Boomer generation in Australia by most measures is either the most or potentially the most affluent in this country's short history. The usual yin - yang of life however means that this prosperity comes with a multitude of challenges.

In his book entitled "Twenty Good Summers" author Martin Hawes makes a very valid point in this regard:

> "This is a time for good advice. I know that sometimes it is hard to find – financial advisors are often implicated in financial crashes…. Nevertheless, not all professionals are ratbags and if you think that dealing with a good professional is expensive, just wait until you have taken advice from an amateur."

We would opine that the challenges should not be a reason to say it's all too hard and hope that things improve. You need to plan for a comfortable future. Whether that means planning with the help of a certified financial planner or whether you have the Time / Expertise and Desire (T.E.D. Principle) to do the appropriate planning yourself you need a process and a plan to ensure that you meet your goals and dreams.

Comment [J16]: This doesn't fit anywhere