



# Passionate Planning

## VOLUME 5 EDITION 2

Retirement is different.

Easy ways to improve your home.

Reviewing your insurance strategy is a solid investment.

Helping with mental stress.

## Retirement is different.

Today, with Australians living longer and healthier lives, the concept of retirement is much different to what it was only one generation ago. Not only that, but for each retiree, retirement is different. When planning your retirement there are, typically, four areas that need to be considered.

### Define your retirement vision

Everyone has a different view of what retirement means and what their own retirement may look like. What's yours? Understanding what's important to you is an essential factor that not only helps clarify your outlook on retirement but it also ensures your financial adviser can recommend appropriate retirement income strategies.

### Understand your cash flow requirements

Retirement is about cash flow and ensuring you have the regular income to meet your basic daily needs. An adviser can help you define your basic spending needs and show you how they will be met in later years

## Clarify your lifestyle goals

It's important that you clearly convey your lifestyle goals and objectives to your adviser. This also includes understanding which of your goals are a 'must have' and which are more flexible, should trade-offs be required.

## Estate planning

Testamentary intentions are also considerations for retirement planning. While it's important that your retirement plan aligns with your intentions, the appropriate professional advice will also help you consider the provision of income and distribution of assets in accordance with your wishes.

**Remember, preparing for a comfortable retirement shouldn't be as hard as you think.**

## Easy ways to improve your home.

You don't need millions to give a house a new lease on life – little things can make a big difference. Investing in improving your principal home is very tax-effective and also has advantages when it comes to the way Centrelink assess your entitlements – because your home is excluded from the assets test.

The other benefit of renovations, compared to other types of investment, is that you can actively enjoy and experience the improvements you make. The word 'renovations' doesn't have to be associated with spending up big. Depending on your skill level and how much time you're prepared to put into it, there are several home improvements you can do yourself to increase the value of your property. The two rooms in the house that deliver the biggest return on investment are the kitchen and the bathroom, so focus on these, especially if you're looking to sell. Potential buyers classify these rooms as not only the most expensive to upgrade, but also the most difficult.

To renovate a kitchen or bathroom, there's demolition involved. There's waterproofing, appliances, tiling and potentially a few hidden surprises. However, making these rooms feel clean, fresh and modern doesn't have to cost a fortune. Updating the doorknobs and the power point sockets are quick fixes that can quickly improve the look and feel of a room. And when it comes to the bathroom, you generally can't go wrong with white.

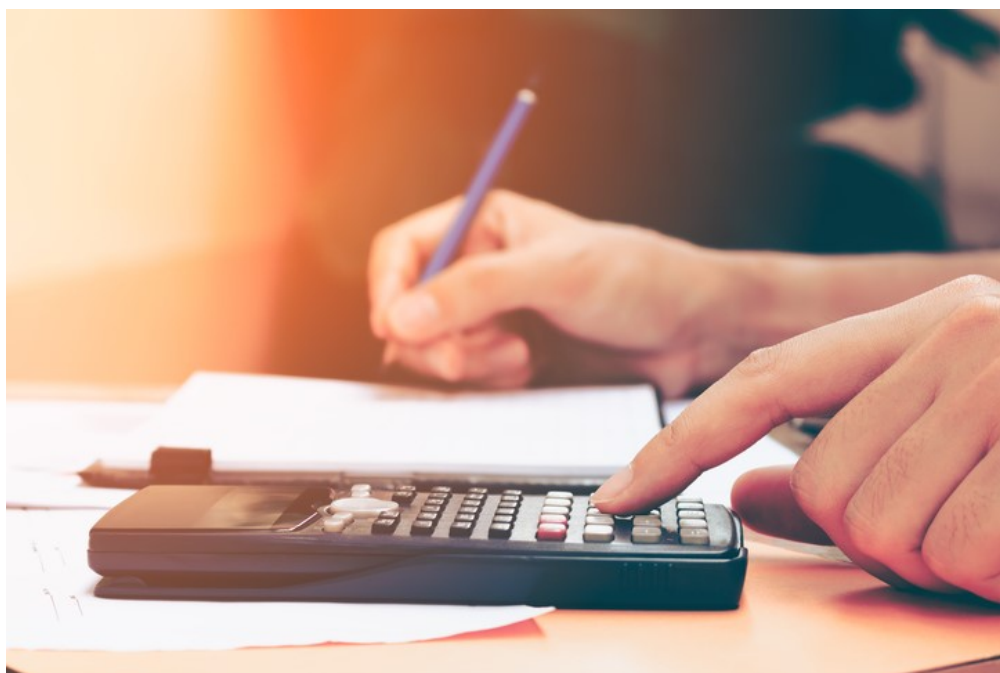
## Dig deep to uncover your home's potential

If you do have some extra cash to spend, continue to focus on the kitchen and bathroom, as well as the flooring throughout the property. If possible, pull up old carpets and linoleum and check the quality of the floorboards hidden beneath. It all comes back to the surfaces that you touch and use every day, and the flooring ties the whole house together. If the floorboards are in good condition, get the whole place sanded — no one likes threadbare carpets.

From there, using those extra dollars on good quality appliances, modern light fittings and tidying up any outdoor areas will be money wisely spent.

People underestimate the power of a good clean. Paying a professional gardener and cleaner to come in and do a thorough tidy up will undoubtedly stand you in good stead if you want to sell.

In terms of the outdoors, as long as it suits the style of the house, you could consider using artificial grass, as well as painting any paved areas in an updated colour palette. A garden that looks tidy and low maintenance will have a greater appeal to potential buyers. It will also give you time to pursue more enjoyable activities.



**While renovating can be financially beneficial for you, at a certain time in your life, downsizing or moving can also be an option worth considering, especially if you want to move closer to family or healthcare services.**

# Reviewing your insurance strategy is a solid investment.

We're all interested in reviewing the current status of our wealth creation plan to see how our investments are performing. Unfortunately, however, reviewing our insurance strategy is often forgotten, as many of us adopt a 'set and forget' approach.

## Do I still need my insurance?

If you've ever been involved in a car accident, had a flight cancelled, become seriously ill or had an injury that has kept you out of action for any length of time, you'll know how worrying these incidents can be. If you have insurance, the cost of repairs, medical treatments, travel changes or recovery treatment can be softened.

Insurance provides the money you need when things go wrong, and we all know that sometimes, they do.

## When should I review my insurance?

You should review your insurance strategy whenever there is a change in your personal or business circumstances. Changes in any of the following areas should prompt you to review your cover as they can impact the type and amount of insurance cover you need:

- Income
- Assets
- Debt levels
- Dependants
- Relationship status (for example marriage, divorce or a new partner)
- Occupation or employment status (for example if you become self-employed or employed)
- Health (improvements / change in health)

## What if nothing has really changed?

You should still review your insurance strategy every year, even if nothing in your personal or business circumstances has changed. Intense competition in the risk insurance marketplace means that insurance providers are always looking for the 'edge' with their products, particularly to ensure they remain in the highest rated products.

This can often result in additional benefits, better policy definitions and the introduction of new additional options which can be of value to you if you need to make a claim. While many insurers will automatically 'pass back' improvements in their policy definitions, this shouldn't be assumed.



It's best to speak with us, your financial adviser, as we specialise in helping you understand the details of any policies you have, or that you are applying for.



# Helping with mental stress.

The latest studies have shown that about 45 per cent of people in the workplace suffer anxiety or depression at some point.

Such mental strain has a financial impact on you, your business and your family. Various studies have shown that stress and related illnesses are responsible for as much as 70 per cent of sicknesses. This can be felt in both absenteeism (where people take the time off work) and presenteeism (where people come to work but aren't as productive as they could be – not to mention probably spreading illness to others). In Australia, studies have shown that about \$7 billion is lost each year due to absenteeism and a staggering \$28 billion is lost to presenteeism.

The best way to stop mental strain is to keep it from happening in the first place - easier said than done right?

Here a couple of quick things you can do when you have an issue you need to handle or if you are feeling mental strain.

- **Understand good stress and bad stress.**  
There is a certain amount of stress the brain needs to function optimally. We all know we are a little more alert when we have to get a certain task done by a certain time. However, when those deadlines get too unrealistic, we start to feel overwhelmed. At this point, our 'fight/flight' response kicks in and stops us thinking rationally. Instead, our energy goes towards being stressed rather than getting the job done.

Productivity starts to decline and mental strain increases. It's important that you know how to recognise when this is happening, so that you can focus or get others around you to help focus.

- **Have someone you can go to whom you can say you feel overwhelmed.** If you can lean on others around you that you feel you can talk about this confidentially, they are more likely to understand the feeling and may be able to help you work through how to do something about it.
- **Understand breathing techniques to reduce anxiety.** The only physical way to get the body out of fight/flight mode immediately is to take control of your breathing to send the message to the brain that 'I am safe'. Once the brain receives this message, it can start thinking rationally again and focus on getting the job done. It's important that the breathing is done through the diaphragm and not just the chest. Place your hand on your belly below the ribs and make sure it rises and falls as you take long slow breaths.
- **Move and eat better.** It has now been shown that exercise helps improve mental performance. Exercise releases oxytocin – a hormone that helps us to be more positive and also combats excess cortisol (the stress hormone). It's no secret that those who move more generally have a better mindset than those who don't. The mental benefits of exercise can be felt almost immediately! Eating lots of green vegetables and lean protein will help reduce the chances of too many highly processed foods and sugars leading to a negative mindset.