

Your Financial Life Timeline

(Please note that these commentaries on life stages are intended to be suggested guidelines only. It is recognised that you are an individual and these comments may not apply to all unique situations).

Wealth Starter: 20-30 years

Characteristics:

- No dependents
- Little or low net worth
- Few financial commitments - may have a student loan debt
- Just starting to earn good money
- Desire to spend income on lifestyle needs
- A sense of financial independence

Required Advice:

- Renting or saving for first home - savings account in bank at minimal rate
 - Young adult investor has a long time horizon. Is likely to embrace risk and adopt an aggressive investment strategy to accumulate wealth
 - No thought for retirement as is a long way off
 - Commencing risk management programme
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Wealth Accumulator: 30 – 40 years

Characteristics:

- Marriage, house purchase and mortgage
- Financial dependents and demands of a young family
- Resort to one income family
- Professional career development important as is recognition, profile and promotion at work
- Building/growing equity in home
- Consider top up for lifestyle needs - house renovations

Required Advice:

- Risk management – full family protection
 - Short term investing – children education
 - Retirement planning becomes a priority- need for growth and capital preservation
 - Ability to improve financial status and savings
 - Tax effective investments become an issue
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Wealth Builder: 40 – 55 years

Characteristics:

- Mature family life
- Peak earning years, often both partners are working
- Greater stability as financial pressure is easing
- Reducing mortgage debt
- Children becoming less dependent
- Discretionary spending - luxury goods, entertainment and holidays

Required Advice:

- Building up retirement savings with surplus funds

- Asset management and protection
 - Cautiously aggressive but still require robust capital growth
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Wealth Establisher: 55 – 65 years

Characteristics:

- Empty nest with children having left home
- High level of equity - most mortgages are paid in full
- Discretionary money available is at its highest
- Consolidating wealth

Required Advice:

- Preparing for retirement stage - life skills to adapt to life after working
 - Maintaining investment strategy to ensure retirement goals are on track
 - Converting some risk management premiums to top up savings plan
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Wealth Conserver: 65 years plus

Characteristics:

- Period of life transition as full time retirement begins
- Working part time or no longer working
- A continuing active phase of life - maintain a quality, comfortable lifestyle

Required Advice:

- Adequate management of investments - question of outliving investments is now real
- Managing accumulated wealth to generate regular income
- Protecting asset base
- Risk management to include maintaining health insurance
- Inheritance issues- estate planning