

Passionate Planning

We're here to improve people's lives by bringing truth, understanding and discipline to the financial choices they make everyday

Babysitting grandchildren - When to say 'no'¹

When parents return to work and face the reality of sourcing childcare, beloved grandparents can seem like the obvious choice. But the choice works both ways – if being tied to weekly childcare isn't how you hoped to enjoy your retirement, then you MUST be honest about that. Feeling put-upon and resentful is the last thing you want for any of your relationships.

It's OK to say 'no'

While we'd all like extra help, none of us are entitled to commandeer another's time or energy. Saying that you have other ambitions for your life, after x years in the workplace or rearing your own family, expressing concerns about your physical capacity, or simply saying, 'I love you all, but no thank you' is perfectly reasonable.

However, if the thought of a return to nappies and nap times fills you with excitement, then the first thing you need to do is establish some clear ground-rules. For example:

- How many hours and days are you willing or able to dedicate?
- Where will the care take place? Your place or theirs? And if yours, who's going to equip your home with everything children need?

- If in their home, are they expecting to return to a clean home or the inevitable chaos of a day entertaining little terrors?
- Who will provide food and, if you, what are their rules around diet?
- What are the expectations around comforting, sleep and discipline? Around acceptable activities and levels of supervision?

These are hot and heavy topics for many parents, so it's best to iron out any differences up front.

Doing it your way

Knowing quite clearly what you want, and what you feel capable of providing – and then being very clear with your own children about what is reasonable - is the best way to ensure that you live your retirement your way.

In any case grandparenting – like parenting – can prove a minefield. Whether you feel there's no such thing as 'too much' or prefer cuddling and spoiling to regular care, it's important to manage those conversations sensitively and clearly.

¹ <https://nationalseniors.com.au/news/latest/babysitting-grandchildren-when-to-say-no>

A few interesting facts about retirement

Given the financial demands of everyday life, planning your retirement may be a relatively low priority. You may also think that you have plenty of time to plan. But before you put off planning for your retirement any longer, here are some key facts you should consider.

Your retirement could last 30 years or more

A male currently aged 65 has a future life expectancy of 19.7 years and for females currently aged 65 it's 22.3 years². But these are just the averages and they are increasing steadily. As these trends continue, your retirement could stretch to three decades, or maybe even longer.

You shouldn't rely on the age pension

The full single rate age pension only provides around 27%³ of full-time adult average weekly earnings. What's more, qualifying for the age pension may become more difficult in the future, given our population is ageing.

You shouldn't rely on an inheritance

Your parents may end up spending all their savings and may even need to downsize their home to help make ends meet. So, if you're relying on an inheritance to fund your retirement, you could be disappointed.

You might not have enough super either

With some of your money going into super through compulsory employer contributions, you're off to a good start. But assume that those employer compulsory contributions will mean you have enough super to get you through your retirement and you could be in for a nasty surprise. Research conducted by Rice Warner Actuaries revealed that Australia has a shortfall in super of close to \$1 trillion⁴, which means many Australians may not have enough super to fund their retirement.

Start planning now

Thankfully, with a bit of preparation, it's possible to plan for a long and comfortable retirement. Strategies like salary sacrificing into super, making lump sum contributions or using a transition to retirement strategy are all smart strategies to consider boosting your super, and some of them generally have tax benefits too. It's also possible to use your super to start a pension that pays you a regular income. Some pensions even guarantee to pay you an income for the rest of your life, negating the risk of outliving your savings.



² Australian Bureau of Statistics, Life tables, States, Territories and Australia 2015-2017.

³ Australian Bureau of Statistics, Average weekly earnings, Australia, May 2018

⁴ Rice Warner Savings Gap at 30 June 2014

Dementia⁵

Dementia, which includes Alzheimer's disease, is now the **second highest cause of death** amongst the Australian population.

What is it?

Dementia is the fastest growing cause of death in Australia. It has become the leading cause of death overall for females and second leading for males. It is responsible for 11.3% of all female deaths and 5.8% of all male deaths each year, most occurring in people aged over 85. Australia's dementia rates are higher than other comparable countries.

Dementia is not one specific disease. The word 'dementia' is an umbrella term used to describe the symptoms of a broad group of neurological conditions that cause a progressive decline in a person's brain function. The knock-on effects include difficulty in performing everyday tasks.

There are different types of dementia, each with their own causes, including Alzheimer's disease, vascular dementia, frontotemporal dementia, Parkinson's disease, alcohol related dementia and Lewy body disease. All up, more than 100 conditions are said to cause dementia. Alzheimer's disease is the most common, affecting up to 70% of all people with dementia. It damages the brain resulting in impaired memory, thinking and behaviour.

At least 36 deaths per day are attributed to dementia in Australia.

Warning signs

Given the complexity of dementia, diagnosing it can be a challenge. There are also a number of other conditions that have similar symptoms including vitamin/hormone deficiencies, depression, infections and brain tumours. There are some early warning signs to watch out for, however these can be very vague or subtle. The list includes progressive and frequent memory loss, confusion, personality change, apathy and withdrawal, and reduced ability to perform everyday tasks.

Globally, dementia affects almost 50 million people. If it were a country, it would be the world's 18th largest economy.

Risk factors

As with many other health-related conditions, many risk factors for dementia are within our control but others are not.

Fixed risks: The risk of dementia increases with age and currently affects more women than men.

It is more common in people over 65 years old however it can occur much earlier. Around 26,000 cases have been diagnosed for people in younger age groups.

Some types of dementia can be inherited, but most cases are not. A number of genes in relation to developing Alzheimer's disease have been identified but more research is needed.

Variable risks: A number of health-related conditions have been linked to some types of dementia. For example, heart disease, hypertension, high cholesterol, diabetes, obesity and high homocysteine levels are associated with an increased risk of Alzheimer's disease. Smoking has also been identified as a risk factor.

Protect yourself: Minimise risk

- The first step to protect yourself against dementia is to understand your risk factors. Some risk factors can be addressed through lifestyle changes and proactive management.
- Your brain matters. The importance of a healthy body is well-known but the importance of a healthy brain less so. Dementia Australia recommends five steps that can help keep dementia at bay: look after your heart, engage in regular physical activity, challenge/stimulate your brain, eat healthily and socialise.
- Knowing your risk, consider whether you have adequate insurance (e.g., life, trauma, total and permanent disability, income protection) to protect what you value most in life.

Questions? The National Dementia Helpline is 1800 100 500.

⁵ <https://www.futureofadvice.com.au/2019/08/01/dementia/>



Gingerbread cookies are a holiday classic for a reason: They're delicious, versatile, and can be iced any way to make fun treats for your family and friends.

Ingredients

- 125 g butter (softened)
- 1/2 cup brown sugar (firmly packed)
- 1/2 cup golden syrup
- 1 egg (separated)
- 1 egg white (extra)
- 2 1/2 cups plain flour
- 1 tbs powdered ginger
- 1 tsp mixed spice
- 1 tsp bicarbonate of soda
- 2 cups icing sugar
- 150 g Smarties (*to decorate)

Method

- Preheat oven to 180°C (160°C fan-forced).
- Cream butter and brown sugar together using an electric beater, stand mixer or food processor.
- Add egg yolk and golden syrup and mix until combined.
- Add flour, ginger, mixed spice and bicarb soda and combine. It might look a bit crumbly, but don't worry - it works!
- Place onto a piece of baking paper and then cover with another piece of baking paper – using a rolling pin, roll out the dough and cut out with desired shapes (kids can help here) re-roll as needed, but keep using the baking paper.
- Move the cut shapes over to greased baking trays with a spatula/egg flip and bake for 8-10 minutes.
- Once baked, let cool for 10 minutes on the tray and then transfer to cooling rack.
- To make the icing, beat the 2 egg whites until they are stiff peaks, add the sifted icing sugar and combine with a few drops of lemon juice. Place into a piping bag and decorate the gingerbread men with the icing and the smarties.

As your adviser, I am here to help.

By tailoring specific advice, creating a financial plan and investment strategy, I can help you meet your life goals – not just your financial goals.



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