I want it all, and I want it now!

by Jac Phillips

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Freddie Mercury and I must have been related in a past life. His attitude is my attitude, in fact most people I know share the same sentiment. We have expectations around what we deserve and how quickly we receive it. This of course is all fine and well if we are referring to our daily latte. For example my barista satiates my appetite for efficient caffeine in less than 90 seconds… I've timed him!

Shopping is another example of how many of us, that is to say, we of the fairer sex, try to 'have it all' - especially if you're armed with PFC, aka Plastic Fantastic Credit. It's frightening.

I recall being told at the ripe old age of 20 I could no longer have a cheque book as I hadn't quite grasped the concept of putting money into the cheque account <u>before</u> ever so neatly writing out those slender little pieces of bank branded slips. You can imagine the horror when I replied "Fine. How about a credit card then?"

But today I'm much more experienced, more patient…more of a creative writer! In fact I've just cleared the credit card again after snaffling up those shoes I really did deserve.
All is not lost however, as I have recently become much more aware of the 'S' word. Superannuation.

I now know how much I have (not enough), where it is held, how it is invested and the percentage of returns achieved.

I also know that unless I do something smarter-sooner than just contribute the basic 9%, I will be living a very modest lifestyle in my late sixties…and I have never associated the word 'modest' with moi. It's time to get serious.

Why? Because statistics show a large majority of Australian women will retire with low super funds, and many may live in poverty in their later years. The average super balance, according to the Australian Superannuation Funds Association (ASFA), achieved in 2004 was $56,400 for men compared with just $23,900 for women.

"Poverty," as my dear friend Margaret says "is so unnecessary!" and she's right. Each of us **can** effect change. First we need to be aware of a couple of things.

Women generally live longer than men. The Australian Bureau of Statistics reports that in 2006, the current average life span was 82 years for females and 78 years for males. Good news if you've got the funds to really live - bad news if you're forced to reside in your daughter's garage because you can't afford to own a house.

Divorce today seems as common as the flu. 51,375 couples divorced[^] in Australia in 2006. Combine this with procreation being rabid the same year (265,900 births – the greatest number since 1971[**]) and there's a fair chance many of those recently divorced women were also left 'holding the baby'. Being single and/or not working or being in part-time employment to balance carer commitments can mean little or no super savings. This is a real dilemma for many women.

So what is your super situation? Are you aware of your balance? Do you know how much you'll need when you stop working? More importantly, do you know what you can do to maximise what you've got?
If you don't know the answers to these questions, then take action today. You're more than capable of handling it.

1. **Become a 'super sleuth'.**

   Speak to your employer to ascertain which fund you're in. Having done this, contact the fund and ask for a statement so you're very clear on how much you have, how it is invested (balanced or growth fund?) and check whether this is your only super fund. Consolidating everything into one fund could mean reduced fees. If you've changed jobs in the last 10 years or held down more than 1 job at the same time, chances are you've got little bits of super scattered everywhere!

   To find out, go to www.unclaimedsuper.com.au

2. **Work out how much you'll need to retire comfortably.**

   Manage your expectations and be realistic about your lifestyle.

   The difference between living modestly and living comfortably can be vast.

According to ASFA, the average single person needs approximately $36,319 per year to live comfortably today which means if you leave work at 60 and live until 85, then you may need as much as $908,000 - but that's without taking inflation into consideration and also doesn't take into account the potential earnings on any initial capital lump sum invested over a 25 year period.

3. **Maximise what you've got so it grows faster.**

   Find out if you're eligible for the Superannuation Co-contribution scheme, in which the Government matches voluntary contributions up to $1.50 for every dollar.

   You may wish to consider salary-sacrificing into super - this can help to minimise your taxable income and allows for greater super contributions.

   You may also consider more aggressive investment choices – choosing growth funds with greater exposure to shares and property for instance.

   Explore the super contributions splitting scheme, which allows the family breadwinner to direct part of their employer contribution to a super account for a low-earning/non-working spouse.

Women need to maximise the savings we have through appropriate and accessible information as well as access to qualified 'women-aware' financial planning advice.

We can have our cake and eat it too…we just can't have it all today. Remember, for many of us Super is our largest saving. It makes perfect sense to make it work for you.

I'd love to hear what you think. Email me at inspired@anz.com

Jac Phillips juggles a family, is trying to jog more than once a week, always finds time for social activities and keeps busy in her job as National Marketing Manager for ANZ Financial Planning.

^University of New South Wales Research Centre on Ageing & Retirement (RCAR)
*Australian Bureau of Statistics 2006 Census
#Australian Superannuation Funds Association (ASFA)