

Are you on track with your finances?

Ahead of the game or racing to catch up... find out what you should be doing at your age with your finances?

When it comes to life stages, we're all different.

Some of us are all set up with a mortgage, a steady career and possibly even kids in our mid-20s, while others are footloose and fancy-free well into our 30s.

Some of us are fortunate enough to have a bit of spare cash to put into super or other investments in our 40s, while others are focusing more on paying the bills and putting food on the table.

And some of us enter our 60s with the kids long gone and the home loan paid off, while others still have a bit of a way to go before we can really put our feet up in retirement.

So it can be difficult to generalise. But AMP's [2022 Financial Wellness report](#) says that most working Australians fit one of seven profiles when it comes to their personal finances.

Younger Australians just starting out in their careers are more likely to be in a state of 'disinterested bliss', as finances take a back seat to other priorities – after all, life's for living!

A bit later on in life, with a mortgage and potentially kids, more of us are 'security strivers' or 'guilty risk-takers'.

Then nearer retirement we tend to be more 'cautious spenders' or – if we're lucky – 'confidently affluent'.

Getting to grips with your finances

Whatever stage you're at in life, there are things you can be doing to get on top of your finances and put yourself on track to create your tomorrow.

Let's see what Andrea Boss, AMP's Head of Advice – Superannuation & Retirement, says you should be doing by a certain age.

In your 20s you should probably...

- Start [budgeting](#) and managing your cashflow – the right spending choices now can set you up for life.
- Pay off [bad debt](#)
 - Fast track credit card and personal loan repayments.
- Start a regular investment plan
 - Keep disciplined using direct debit and re-invest your earnings.
- Kick start your super
 - Find out if you can get a [Government bonus of up to \\$500 a year](#).
 - Consider [bringing your money together](#) in one account.
 - Consider a more aggressive investment mix – you're in for the long haul.

In your 30s you should probably...

- Pay off bad debt
 - Fast track credit card and personal loan repayments.
- Consider consolidating your debts/super fund/account/bank accounts.
- Start a regular investment plan
 - Keep disciplined using direct debit and reinvest your earnings.
 - Get financial advice on borrowing money to invest for the potential to magnify your returns.
 - Take out adequate insurance – life cover, disability and income protection.
- Be smart with super
 - Consider bringing your money together into one account.
 - Consider a more aggressive investment mix, or one that suits your risk profile more closely.
 - Put in extra for you and your spouse
 - Find out if you can get a Government bonus of up to \$500 a year.
- [Create a will](#)

In your 40s you should probably...

- Pay off bad debt
 - Fast track credit card and personal loan repayments
- Consider consolidating your debts/ super fund/accounts/ bank accounts.
- Start a regular investment plan
 - Keep disciplined using direct debit and re-invest your earnings.
- [Get financial advice](#) on borrowing money to invest to potentially increase your returns.
- Check your insurance and who it will be paid to.
- Be smart with super
 - Consider getting money together into one account
 - Consider a more aggressive investment mix, you still have a long term investment horizon
 - Put in extra for you and your spouse
 - Find out if you can get a [Government bonus of up to \\$500 a year](#).
- Review your will for your changing circumstances.

In your 50s you should probably...

- Get financial advice on how to pump up your super savings as you approach retirement.
- Review your risk profile and make sure your investments still suit.
- Get financial advice on borrowing money to invest to potentially increase your returns.
- Check your insurance and who it will be paid to.
- Review your will for your changing circumstances.

When you reach 57 you should probably...

- **Take advantage of higher limits** for concessional super contributions.
 - Get financial advice on accessing your super to consider:
 - continue working to tax effectively boost your super
 - reducing your work hours and accessing super to supplement your income
 - delaying retirement until at least age 60 for tax-free access to super.
- **Get financial advice** to help you take advantage of government benefits.
- **Review your will** for your changing circumstances.

And in your 60s you should probably...

- **Revisit your budget**
 - Look at all the extra ways you can cut back on spending to give your finances a final boost.
 - Consider the Government's Work Bonus and if you want to earn a little extra income.
- **Set up an emergency fund** to cover any unplanned bills.
- **Get financial advice** on accessing your super
 - Look at refreshing your arrangements each year to increase your income payments and contributions to further boost your super.

• **Maximise Government benefits:**

- by structuring your income and assets appropriately
- by opening an annuity.

• **Accelerate your super savings**, if you're still working, consider

- Maximising your after-tax contributions while you're still under 67.
- Contributing up to your tax-deductible limits.
- Making last-minute contributions.
- Making a downsizer contribution.
- How an annuity can give you guaranteed income for critical expenses.

• **Release other wealth**

- Consider downsizing strategies.
- Consider reverse equity for changing circumstances.

• **Review your will** for your changing circumstances.

Ask the experts

Deciding what changes to make to your finances isn't always straightforward, so, if possible, speak to your financial adviser about the best options for you. If you don't have one, you can contact us on 131 267 or [find an adviser online](#).

It starts with super...

Whatever stage of life you're at, your super will probably become your biggest asset after the family home and the cornerstone of your finances. If you're an AMP customer you can check your super balance by logging in or [registering for My AMP](#).

AMP is our super provider, to join the AMP Plan please speak to payroll/HR.

To find out more about AMP call 131 267 or email askamp@amp.com.au

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