

when is enough, enough?



Dr Daniel Lanzer is so passionate about his work in cosmetic surgery he has no plans to retire.

How much to save?

The financial goals for most include owning their own home, providing for their family and feeling financially comfortable, according to Dominic Aarsen, the founder of the Make the Most of Your Money course.

To retire on \$50,000 a year, you need to stash away about \$838,000 into superannuation during your working life, based on the number of years between retirement age and life expectancy. If you want to retire on \$100,000 a year, you need \$1.7 million, he says.

His calculations are based on the average life expectancy of 87 for females and 84 for males. Bear in mind the average wage in Australia is \$78,000, and if you're happy to end up with no money at the end of your life, you need \$1.1 million for retirement, he says.

The average full-time working adult takes home \$1567.90 a week, according to Australian Bureau of Statistics figures released late last year.

"People often don't seek advice until they're 50, but the difference between [that and] coming in at 35 can be huge. Small steps... can save thousands a year," he says.

super wealthy, according to psychologist Peter Diaz, who has worked with several over the years.

"Work can be a source of fun and entertainment for hugely successful types. Life is a game for them, and they're playing at the game of business," Diaz says.

The super wealthy often know their strengths and weaknesses, perhaps because they've had to be honest about these traits to be successful in business, he says.

"They often look at the world from a higher perspective. They're also often searching for more meaning in life, and yearn for deeper relationships," he says.

Sydney wealth coach Jackson Millan has worked with many millionaires who have built their empire, sold it for a fortune, then done it all over again.

He agrees. "For many millionaires, it's less about the money and more about the purpose," he says.

"Super wealthy people often step back and look at what's fundamentally important to them. So many people chase money without asking the question of why. But those with millions are often following their goals and aspirations, and money isn't even in the picture," Millan says.

Even when you've reached your financial retirement goals, it can be difficult to accept.

Financial adviser Ross Marais recalls telling a couple they had reached their financial goals and could retire, but they didn't believe him.

"They only needed \$60,000 a year to lead the retirement they had planned for, but the wife kept working in a job she hated, and no amount of spreadsheets or data would prove to them that they could safely retire and start enjoying life," he says.

It's about working out what retirement looks like for you.

"Some people think retirement is about sitting on the beach reading a book. For others, it's about spending a lot of money on seeing the world. The biggest part of the puzzle is trying to figure out what retirement means for you," he says.

Surely they've got enough to slow down and enjoy life in the slow lane?

But it's not that simple. In fact, thousands of Australians wouldn't dream of giving up work despite reaching well beyond the financial goals many of us hold dear.

The super wealthy are often notorious goal setters, and money usually isn't their main motivator, Sydney psychologist Marcela Slepica explains.

"Once the super wealthy buy that Porsche or make their first million, they often want to set a new goal. Or, they could feel the need to please their parents or prove something to themselves. Or sometimes, work becomes part of their identity and they associate work with status or power," Slepica says.

Work becomes purpose
That was certainly the case for an unnamed Sydney businessman

who recently sold his company for close to \$100 million after working on it since the late 1980s.

When financial adviser Dominic Aarsen asked his client how he felt, he was surprised by his response.

"He told me he felt lost. His biggest fear was that he might lack purpose and motivation after working so hard to build something from literally nothing. And all he had to show for it was \$100 million. It was ironic that

selling his business induced a fear he might not have enough money," Aarsen says.

"For him, the idea of not having enough money was simply masking the feeling of having no purpose, and a possible lack of motivation about what to do next. He knew he would have enough money for a lifetime, but the sale of his business masked these deeper issues."

It's often not just a job for the

higher fees for aged care

The proposed new cap would be \$100 a day.

choose not to charge the basic daily fee, instead delivering the funded amount of care at a reduced price or free.

In residential aged care, there could be major changes to the fees consumers pay. The significant recommendations here were to increase the basic daily fee cap and the lump sum threshold.

The basic daily fee is currently capped at 85 per cent of the pension, that is \$50 a day. Again, some operators either discount or don't charge this amount. The proposed new cap would be \$100 a

day. Providers wishing to charge more than the cap would require approval from the Aged Care Pricing Commissioner, and there would be an exception for those financially disadvantaged.

The recommended increase to the price threshold of the refundable accommodation deposit (and equivalent daily payment) would see the price beyond which aged-care facilities need to seek approval from the commissioner rise by \$200,000, that is from \$550,000 to \$750,000.

Several other recommendations were publicly ruled out by the government at the time of the report, but are not impossible. One is to assess the full value of the former home in residential aged-care means testing (except when a protected person is living there) -

removing the current cap of \$165,271. Another is to remove the annual and lifetime caps on income-tested care fees (home care) and means-tested care fees (residential aged care). Changes to the guarantee scheme for lump sum accommodation payments: moving responsibility from government to operators, could also find their way into the budget - the cost of which would be passed on to consumers.

Consumers and the government are the people who pay for aged care - this year's budget will hopefully provide answers to the question of who will pay for what.

Rachel Lane is the principal of Aged Care Gurus and co-author of books such as *Aged Care, Who Cares?* asktheguru@agedcaregurus.com.au.



Hopes are high the budget will deliver more home-care packages.