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Welcome to the Spring/Summer edition of our GFS newsletter.

As you would all appreciate much of the commentary in previous publications and communications to you have dealt with issues around economic and political events and their impact on markets.

We have taken a view point that so many of these issues are covered off in the media, and as you are aware if we felt that your situation is impacted in anyway by changes we would be immediately in contact with you.

As such we are looking to email a quarterly newsletter which will cover a broad range of topics which we trust that you, your family and friends will find of interest. Please feel free to email this on to them.

In this edition we have selected three articles for your perusal.

As always we do welcome your feedback and of course if you have any concerns or questions in relation to your personal circumstances, please do not hesitate to contact us.

Wishing you a pleasant Day,
From all the Team here at Goodwin Financial Services

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Where's the best place to put your money?

When it comes to deciding between super and your home loan there's a lot to consider.

If you're paying off your home loan but you also understand the value in building up your super, you may find yourself trying to balance your present needs with those you'll have in your future.

So how can you straddle the short and long terms and give yourself the best of both worlds?

Is super best...

Depending on your age, it can be best to channel as much money as you can into superannuation. That's because it's one of the most tax-effective ways to save—you ultimately end up with more in your hand as less goes to the tax man.

And say you'll retire in 10 or more years, in super you have the potential to benefit from compound interest and dollar-cost averaging: two of the most powerful ways to build long-term wealth.

When it comes to property, you generally have to use after-tax dollars to repay your home loan. But in super you can deposit pre-tax dollars, often with minimal or no impact on your take-home pay.

By salary sacrificing money into super (although there's a limit on how much you can deposit each year) less tax is applied to your income so it's likely you'll lower your overall tax bill each year as well.

...or property?

Buying a home can be important too. Although research shows it's becoming less important than it used to be. Because as property prices rise, many people are finding property is becoming less accessible. And this is driving significant change in the Australian way of life.

Where property ownership used to be a given, the recent Household, Income and Labour Dynamics survey projects a significant reduction in home ownership rates with less than 50% of Australians owning their own homes by 2017.ⁱ

One of the expected effects of this all-time-low rate of home ownership is a skew towards superannuation for long-term wealth accumulation. And while super is readily accessible as an investment (although you usually have to wait until retirement to access your money) it's also attractive because it doesn't present the high entry costs that property comes with.

However, while adding money to super has many advantages, if you are already paying off a home that can be a good thing too—depending on how long you have before retirement, you can end up building enough capital growth to help you in retirement. By putting extra into your

home loan, you'll also pay less in interest charges as the principal amount owed on your home loan decreases.

And, as we generally expect the value of most homes to rise over time, the more you repay, the more equity you may be able to build.

So what's best for you?

So what if you've got some extra cash—how do you prioritise?

There's no blanket answer to this question. Because depending on your own circumstances, your current super balance, income, needs and goals the way you prioritise will be unique for you.

That's where financial advice can make a big difference. Come and visit us and we can help make sure you will be comfortable and have everything you need in retirement—and help you into the property market if that turns out to be the best option for you. You may not need to choose one option over the other. You may be able to have the best of both worlds.

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ⁱ The Household, Income and Labour Dynamics in Australia Survey, Selected Findings from Waves 1 to 14, (2016).



5 tips for happy healthy ageing

The best ways to sustain or improve physical, mental and financial wellbeing in your pre and post retirement years are sometimes the simplest.

If you're in or approaching retirement, you may be surprised to know when it comes to living a longer life and leading a healthier and more active lifestyle, the best methods are often easy tasks you can turn into everyday habits.

As Australians have one of the longest life expectancies in the world,ⁱ it's not just your physical wellbeing but also the state of your financial affairs which you probably want to keep in check.

Here are five tips to help you sustain health and create financial freedom in the years ahead.

1. Physical activity

Information from the Australian Medical Associationⁱⁱ shows that regular exercise has the potential to:

- **Increase** life expectancy
- **Reduce** the risk of some cancers, cardiovascular disease, type 2 diabetes and osteoporosis
- **Reduce** high blood pressure and the risk of falls
- **Improve** bone health and body mass index
- **Ease** feelings of stress, anxiety and depression
- **Enhance** mobility and balance.

The Department of Health and Ageing recommends at least 30 minutes of exercise five days a week and that being active in 10 to 15 minute slots can also work just as well.ⁱⁱⁱ

Different forms of individual or group exercise may include:

- Brisk walking
- Golf or bike riding
- Gym sessions
- Pilates, tai chi or yoga

- Water aerobics
- Swimming, sailing and dancing.

You can locate activities near you via Active Ageing Australia if you're looking for ideas.

2. Regular check-ups

While many health issues can be aided with physical activity, you may need to talk with your doctor, physiotherapist, podiatrist or local fitness centre about the type and amount of activity you can do.

The Department of Health and Ageing has tips on different exercises and where to start.

Making time for regular check-ups is a great way to take care of your overall health and ensure you stay on top of any issues before they escalate.

3. Mental stimulation

Researchers believe many supposed age-related changes are in fact lifestyle related. Memory loss, for instance, can reportedly be improved by 30 to 50 per cent simply by keeping the brain active.^{iv}

Some ways to do this could include:

- **Taking up a hobby** – YourLifeChoices and About Over 50s have lots of ideas
- **Getting involved** in social activities and excursions through groups like Probus
- **Helping others** – you can find a national database of opportunities at GoVolunteer
- **Enhancing your tech skills** through the Australian Seniors Computer Clubs Association
- **Getting a full or part time job** – check out BeNext for suggestions
- **Reading, Sudoku, card games, crossword puzzles and chess.**

4. Support network

Staying motivated is important so choosing hobbies or physical activities you like and having a buddy you can team up with may make it more fun.

By keeping up a routine and social connectedness you're more likely to maintain a greater sense of wellbeing.

There are also social support services that can help you to maintain an active social life by having someone visit you in your home, or by arranging visits and outings in the community.

5. Financial wellbeing

With Australians having one of the longest life expectancies in the world today, one of the catches is that a longer retirement will cost you more.

According to an AMP.NATSEM report, the reality is the majority of Australians won't have enough savings to live comfortably when they retire.

It's important to think about your finances as well as your health as both will affect how comfortably your current and future lifestyle will be.

Planning ahead can make the world of difference and remember, it's never too late to get physically and financially fit.

Produced by AMP Life Limited

i <http://www.treasury.gov.au/PublicationsAndMedia/Publications/2015/2015-Intergenerational-Report>

ii <https://ama.com.au/position-statement/physical-activity-2014>

iii http://www.activeandhealthy.nsw.gov.au/assets/pdf/stayactive_web_final.pdf

iv <https://www.betterhealth.vic.gov.au/health/healthyliving/healthy-ageing-stay-mentally-active>



Is that a driverless car in the next lane?

As technology forges ahead, we're all but chasing after it.

Life as we knew it in the 80s and 90s is now ancient history. Today, digital devices in Australia have made the way we communicate, socialise, work and behave just about unrecognisable.

The fact is Aussies are so screen-obsessed that we're walking and texting, talking and browsing, eating and researching, reading and driving—all at the same time.

Yes, not only are we glued to our devices more than 440 million times a day, 42% of us confess to doing so while driving.ⁱ So with the small screen overtaking the windscreen, we may be sharing the road with driverless cars already.

We've come a long way

In the late 1980s super-early adopters had to pay more than \$4,000ⁱⁱ for the convenience of a portable phone. Even though it weighed a tonne, at the time it represented a turning point in communications technology.

These days around 80% of Australians carry a smartphoneⁱ and these

affordable mini computers are keeping us connected around the clock.

A vicious cycle

Our fixation with logging on is feeding a growing fear of missing out which feeds the fixation with logging on. And on it goes.

Australians look at their smartphones more than 440 million times a day collectively—an average of 30 times a day or 56 times for younger adults.ⁱ And according to a 2015 survey most of us are doing it everywhere—on public transport 88% of people are connecting, at work it's 92% and 88% of us even go online when talking with friends.ⁱ

And with a rising 340,000 terabytes of data being downloaded every month in Australia, and one third of the population checking their devices within five minutes of waking up in the morning,ⁱ it may be safe to say we're becoming screen obsessed.

It's not just the younger generation...

It's true that older people have generally been slower to adopt online devices compared to younger age groups but

that's changing. 95% of all users, young and old, are using their smartphones to take photos, including selfiesⁱ. And more than 25% of people over age 55 are using smartphones to connect via social media. That's an increase of 45% since 2014.

What's to come?

There seems to be no end in sight. Technology is changing at exciting and sometimes overwhelming rates.

We've seen a rapid evolution in the development and sophistication of like televisions, watches, fitness monitors and touchscreen kitchen splashbacks. And for some of us, the fact that the car no longer needs a key has been a revelation. But with car manufacturers now moving on from keyless ignition to driverless vehicles, it's likely we'll have even more time to fixate on our screens.

ⁱ Deloitte Mobile Consumer Survey 2015.

ⁱⁱ The Australian Mobile Telecommunications Association.