

# RETIREMENT CURVEBALLS: STAYING STEADY DURING UNEXPECTED CHANGE

Have you heard of the longevity revolution? With Australian life expectancy now over 80 years,<sup>1</sup> it's a term coined for the long, and hopefully vibrant lives Australians are leading in retirement. Gone are the days when retirement meant a quiet wind-down. In today's world, retirement unfolds as an active phase that can span decades – delivering different stages with unique changes.

This article takes a closer look at a few of the more common curveballs you may face in retirement and how to navigate unexpected changes with confidence when any unexpected curveballs arise.

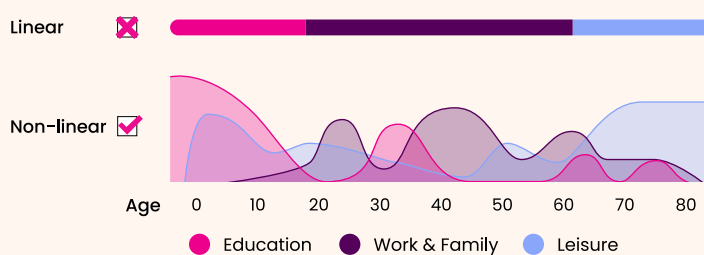
## The longevity revolution

The longevity revolution has delivered a large shift in retirement expectations. According to research from Age Wave<sup>2</sup>, life previously came in three stages: education, work and family, and leisure. Your time in retirement is now likely to keep changing. Life doesn't happen in a linear fashion with three clear stages.



### Your time in retirement is likely to keep changing

Life doesn't happen in a linear fashion with three clear stages.



Source: Dr Ken Dychtwald, Age Wave.

## Major retirement curveballs

Like any other time in life, expectations and the day-to-day of retirement can change. A report by Edward Jones and Age Wave<sup>3</sup> showed 75% of retirees experience a 'curveball' or 'cannonball' event. These unexpected changes in retirement can include the following:

Spouse/partner passed away	77%
'Grey divorce' – couples divorced in their 50's or older	58%
Significant financial setback – such as unexpected medical bills or major home repairs	56%
Significant illness/health issue	45%
Spouse/partner had significant illness/health issue	42%
A family member or close friend passed away	35%
Became a caregiver	26%

## Dealing with big changes in retirement

It may sound simple but the key for managing the unexpected is planning ahead. If you're prepared, you'll be ready to face those challenges. Here are some top tips for dealing with retirement curveballs.

### 1. Get curious and get connected

Facing new or stressful situations with your health or finances can be daunting. Knowledge really is your friend when dealing with change. But before you end up down a Google rabbit hole, start by connecting with trusted family or friends who can offer valuable insights from their experiences. Seek out expert support, for example, from your local council or government support services. This proactive learning approach will help you make informed decisions.

## 2. Stay on top of your paperwork

Keep your wills, insurance policies, superannuation details, and health care directives in an accessible and secure location. Keep these documents up to date to reflect any changes in your life circumstances and ensure that your insurance covers you for unexpected events such as serious illness or disability.

## 3. Make sure you have access to money in an emergency

An emergency fund can help cover any financial surprises life throws your way. This money could cover any unexpected expenses such as repairs or an urgent medical bill. Knowing you have a financial safety net is one way to feel more financially confident and in control for your money in retirement.

For SASS members, moving from a defined benefit scheme to making your own decisions about your future finances can be a big step. Taking time to make a plan and revisiting that plan when things change will give you peace of mind regarding your financial security. The Age Pension can also provide a safety net at different times in your retirement journey.

## 4. Stay physically and mentally active

The fourth biggest curveball for retirees, according to research<sup>3</sup>, is experiencing a significant illness or health issue. A healthy lifestyle can be your best defence against unexpected health changes and hefty hospital bills. There are many different ways to look after your health. Take some time to find what works for you.

A crucial part of our wellbeing is caring for your brain, particularly memory and cognitive function. Luckily, it's not rocket science. Here's four key things that can optimise your brain health.

## Keep hydrated, drink water

Memory loss and finding it hard to concentrate are common symptoms of dehydration.

If you have trouble remembering (ahem) to drink water during the day, try setting a reminder on your phone to get the habit started. There are even apps to help you.

## Use it or lose it

Staying mentally active is vital to maintain our cognitive ability as we age. Our brain's ability to flex or re-organise itself as we experience or learn something new is known as neuroplasticity.

Activities like puzzles, playing musical instruments, new hobbies or even life-long hobbies like reading, can boost neuroplasticity and enhance cognitive abilities.

## Stay social

Along with being mentally active, staying socially active also prevents cognitive decline, by easing feelings of loneliness, stress and isolation that can bring on depression.

## Get enough sleep

Sleep seems like a passive activity, but for the brain it's the downtime needed to get busy clearing out toxins and waste products that accumulate in our brain tissue during the day.

## Navigate retirement with confidence

Remember: along with the curveballs, there will be windfalls too. From welcoming new family members or friends to your circle, to finding new hobbies and passions, or fulfilling long-held dreams. Having a flexible mindset and being willing to adjust your lifestyle and goals is an essential skill to help you navigate unexpected changes in retirement with confidence.

### Need help?

If you need help navigating unexpected changes to ensure your retirement finances are in order, speak to an Aware Super financial planner by booking an appointment on **1800 841 633**.

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#### References

<sup>1</sup>Australian Bureau of Statistics, Life expectancy, 8 November 2023, <https://www.abs.gov.au/statistics/people/population/life-expectancy/latest-release>

<sup>2</sup>Market Watch, Ken Dychtwald: Navigating the Waves of Generational Change, 12 September 2023, <https://www.marketwatch.com/podcasts/barrons-advisor/ken-dychtwald-navigating-the-waves-of-generational-change/284fc552-460d-43b0-b237-f219c9c33196>

<sup>3</sup>Edward Jones, Resilient Choices Trade-Offs, Adjustments, and Course Corrections to Thrive in Retirement, 23 November 2023, [https://www.edwardjones.com/sites/default/files/acquiadam/2023-05/050423\\_AW\\_EJ\\_4Pillar\\_ResilientChoices\\_FINAL.pdf](https://www.edwardjones.com/sites/default/files/acquiadam/2023-05/050423_AW_EJ_4Pillar_ResilientChoices_FINAL.pdf)

