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Getting You There

Over the last few years, Industry Superannuation has run their Compare the Pair ads. Let's look at the numbers as presented by them for a typical couple.

Husband – 41 earning \$61,200 per year with a super balance of \$69,000; Wife – 39 earning \$51,500 per year with a super balance of \$35,500. By their estimates, the couple in this scenario in retirement at age 65 would have \$646,214.00 in super if they used an INDUSTRY SUPER or alternatively \$561,314 if they used a RETAIL SUPER. That's a potential gap of \$84,900 which is fairly substantial, no question.

Industry funds put the main difference in potential balances down to not paying commissions or other payments to advisers, planners or agents and generally lower costs. That's great. However, what they neglect to mention is that the average couple will approximately need \$48,000 in today's dollars to live in retirement. So if we take that figure and push it forward into the example couples retirement age we see that this figure is \$100,500 income per year.

If their combined industry super balance is \$561,314 then they need to generate 18.71% to meet their goal of \$100,500 income, assuming of course super is their main retirement fund. However, if we take a more reasonable level of return say at 5% per annum we see that this couple needs at least \$2,010,000 in super. That's a gap of \$1,448,686.00, obviously the Industry Super as good as they advertise themselves to be will not get you there.

That is where good, solid practical financial advice from a financial planning professional can assist in GETTING YOU THERE ... At IMM we can help you GET THERE.

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