

## A Comfortable versus Modest versus Age Pension based Retirement

The following information is from the Association of Super Funds Australia (AFSA) website and compares the difference of what would be considered a comfortable and moderate retirement lifestyle.

### Compare a 'comfortable' vs 'modest' retirement

The ASFA Retirement Standard provides an estimate on how much money you need for a 'modest' or 'comfortable' retirement, for both singles and couples. It also explores what a comfortable retirement looks like, versus a modest one. The table below also compares these standards to the [Government Age Pension](#). (Note: these estimates assume you own your home.)

#### Budgets for various households and living standards

	'COMFORTABLE' RETIREMENT	'MODEST' RETIREMENT	AGE PENSION-BASED RETIREMENT
WHAT CAN IT AFFORD?	<ul style="list-style-type: none"> <li>Regular leisure activities</li> <li>Occasional restaurant meals, home-delivery meals, take-away coffee</li> <li>Own a reasonable car</li> <li>Budget for home improvements</li> <li>Domestic and occasional overseas trips</li> <li>Premium private health insurance</li> </ul>	<ul style="list-style-type: none"> <li>Occasional leisure activities</li> <li>Limited meals out at inexpensive restaurants, infrequent home-delivery or take-away</li> <li>Own a basic car</li> <li>Budget for small home repairs</li> <li>One annual domestic holiday or a few short breaks</li> <li>Basic private health insurance</li> </ul>	<ul style="list-style-type: none"> <li>No or low-cost leisure activities</li> <li>Inexpensive takeaway or local club special meals</li> <li>Limited budget to own, maintain or repair a car</li> <li>No budget for home repairs</li> <li>Very short breaks or day trips in your city</li> <li>No private health insurance</li> </ul>
SINGLE HOUSEHOLD BUDGET (FOR THOSE AGED 65-84)	\$49,462 per year	\$31,323 per year	\$25,259 per year (maximum basic rate*)
COUPLE HOUSEHOLD BUDGET (FOR THOSE AGED 65-84)	\$69,691 per year	\$45,106 per year	\$38,079.60 per year (maximum basic rate*)

\*Excludes the pension supplement and energy supplement and is subject to eligibility. [Services Australia](#). Applicable from 20 March 2023.

Source: [ASFA Retirement Standard](#), December quarter 2022.

### Current rates below as at the 29<sup>th</sup> of April 2023 from the Services Australia website

As can be seen in the previous table, for couples it is suggested that a moderate – comfortable income could range from \$45,106 per year to \$69,691 per year and for singles this range is \$31,323 to \$49,462 per year. Interesting the current Age Pension rates fall well below these ranges as can be seen in the following table:

<b>&lt; Age Pension</b>
Who can get it
<b>How much you can get</b>
Income and assets from outside Australia
Advance payment
Weekly payment option

## Normal rates

Per fortnight	Single	Couple each	Couple combined	Couple apart due to ill health
Maximum basic rate	\$971.50	\$732.30	\$1464.60	\$971.50
Maximum <a href="#">Pension Supplement</a>	\$78.40	\$59.10	\$118.20	\$78.40
<a href="#">Energy Supplement</a>	\$14.10	\$10.60	\$21.20	\$14.10
Total	\$1064.00	\$802.00	\$1604.00	\$1064.00

The current Age Pension for a single person is \$27,664 per year and for couples it is \$41,704.

This highlights the importance of planning leading up to retirement.

The Australian Institute of Health and Welfare showed the following helpful information:

## How to figure out how much money you need to retire

If you're unsure how much super you'll need to retire, there are a few things you could consider. This may include your lifestyle and expenses – both now and in retirement – and how long you'll spend in retirement.

### Think about the kind of lifestyle you want in retirement

The type of lifestyle you want to lead in retirement plays an important role in determining how much money you need for life after work.

For some people, retirement means slowing down and enjoying more time with loved ones. For others, it could mean new hobbies or doing all the big-ticket things you never had time for, such as travelling overseas.

If you'd like to live with the same level of comfort as you did during your working life, you may want to figure out how much you need to cover those expenses – minus any work-related costs. Or, if you're happy to live more modestly after you retire, you may not need as much.

A 'comfortable' and 'modest' retirement will mean different things to different people, which is why it can be helpful to have a 'standard' to compare against.

### Consider how long you'll spend in retirement

Thanks to better nutrition, public health and medical advances, Australians are living longer. For example, women who are 65 today are expected to live to 88 years old and men who are 65 are estimated to live to at least 85 years old<sup>2</sup>.

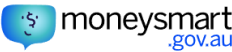
LIFE EXPECTANCY		
Current Age	Male	Female
45	82	86
65	85	88
85	91	92

Source: [Australian Institute of Health and Welfare, Deaths in Australia – Life expectancy](#)

The Government has a free site: [moneysmart.gov.au](https://moneysmart.gov.au) with a lot of useful financial information.

I reviewed a few of the different calculators that they have available. In relation to retirement planning they have a calculator on how much super you will need based on different income needs.


I tried a few different input options to see what it came up with. If you are going to use this yourself, be aware that it does assume that you are comfortable to drawdown on your capital. This is the case for a lot of people but others want to live off the income and maintain their capital and help the next generation. Neither is a hard and fast rule it is just what works for you and your desired outcome.




[← GROW YOUR SUPER](#)

## How much super you need

Estimate what you'll have and what you'll need

 2 MINUTES

On this page 

Take some of the guesswork out of planning for the future. Work out how much super you'll have when you retire, and if it will be enough to fund the lifestyle you want.

It's never too soon to start planning for a better financial future.

### Estimate how much super you'll have

Retirement planner

Changes to your partner's income that affect super

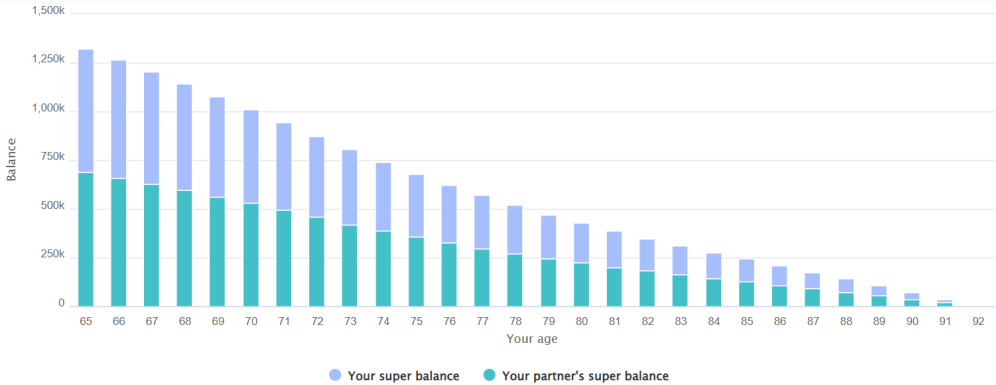
Add career break: ?

No ▾

Results

View results by:

Super balance ▾



Your super balance

Estimated super balance at retirement: **\$1,321,678**

This is made up of:

Canstar also have a similar website with valuable information on it. I found they had some great information in what age people tend to retire.

They then have some calculators on how much you would need to accumulate to draw down different income levels and at different ages of retirement.

What this calculator points out is that there is a trend that the later you retire the less capital amount you need as you will be drawing on this for a shorter timeframe.

[canstar.com.au/superannuation/when-to-retire-australia/](https://canstar.com.au/superannuation/when-to-retire-australia/)

**Retirement – it's something many of us daydream about. Whether that dream involves spending more time with the family, travelling the world or volunteering for a cause you're passionate about, one thing is certain – retirement costs money.**

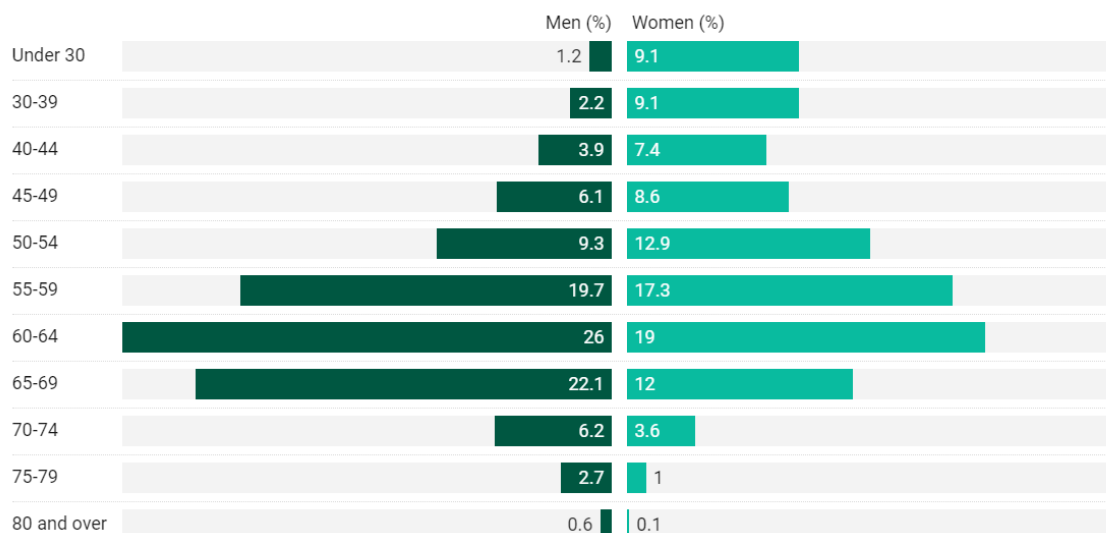
If you're planning for your retirement, when is the right time to take the plunge? And how much money is enough to comfortably retire on?

## What is the best age to retire?

Ultimately, deciding at what age you will retire is really up to your personal circumstances. The average age that Australians say they want to retire is 65.5 years, according to the Australian Bureau of Statistics (ABS<sup>^</sup>). Most retired people in Australia retired somewhere between the ages of 55 and 69 (as shown in the below graph displaying ABS data).

### At what age did you retire?

Age when Australian retirees retired, by per cent of gender



Note: Survey period 2018-19. Age of retirement is the age when people retired from the labour force (i.e. ceased working and/or looking for work).

Chart: Canstar.com.au • Source: ABS • [Get the data](#) • [Embed](#) • [Download image](#) • Created with [Datawrapper](#)

(<sup>^</sup>latest available data, released 8 May, 2020, for 2018-19)

## Factors to consider before you retire

Deciding when to retire will depend on a range of factors. Importantly, you'll need to consider what kind of lifestyle you want to have in retirement and whether you'll have enough money to support this. You may like to obtain qualified, independent financial advice. While there's no 'one-size-fits-all' approach, some factors you might like to consider are:

- What assets you have. For example, whether you own your home, how much savings you have and what investments you have outside of super.
- How much you spend annually.
- How much you're willing to dip into your savings.
- Whether you want to sell your house and downsize.
- Whether you will continue to work part-time or casually after you give up your full-time work. Keep in mind that if you earn over a certain amount per fortnight, your Age Pension entitlements will reduce.
- Your health and any associated costs.
- What kind of lifestyle you want to have. For example, do you want to travel overseas or domestically? Will you want to participate in leisure activities like golf?

## How much money do you need to retire?

It's commonly-quoted that you need to save \$1 million before you can retire. In reality, there's no hard and fast rules as to how much you should have tucked away. There are, however, a few guidelines that may be useful.

Learn more:

[How much super do you need to retire on \\$50k, \\$70k, \\$90k or \\$100k a year? |](#)  
[How much super do I need to retire at 60?](#)

## How much super do you need to retire on \$50,000, \$70,000, \$90,000 or \$100,000 a year?

Canstar has crunched the numbers to show you how much you'd need in super based on various annual incomes and when you plan to retire. All of these hypothetical scenarios assume you need the money to last until you're 85.

As the table below shows, if your goal is to retire on \$70,000 a year at age 60, you'll need \$1,164,447 but if you're happy to wait until you're 67 you'll need \$931,932 – about \$232,000 less.

If you're hoping to retire at age 60 with an annual income of \$100,000, you'll need a whopping \$1,663,496!

Superannuation balances required for various retirement ages and annual income streams

← Mobile/tablet users, scroll sideways to view full table →

Annual Income*	Retirement age	
	60	67
<b>\$50,000</b>	\$831,748	\$665,666
<b>\$70,000</b>	\$1,164,447	\$931,932
<b>\$90,000</b>	\$1,497,146	\$1,198,198
<b>\$100,000</b>	\$1,663,496	\$1,331,331

Source: [www.canstar.com.au](http://www.canstar.com.au) – 13/09/2022. \*Income stream is assumed to be paid monthly until age 85. Annual retirement income stream and balance at retirement are shown in “today’s dollars”, i.e. they have been adjusted for inflation.

You hear Chatbot being mentioned and discussed everywhere at the moment so I thought I would even give it a try and see what an artificial intelligence chatbot would come up with and whilst there were some American investment references here that aren't relevant to Australia, the general gist of what they're saying is valuable.




Here are some key tips for retirees:

1. **Create a retirement budget:** Having a clear understanding of your income and expenses will help you plan for your retirement years and ensure that you have enough money to live comfortably.
2. **Consider your retirement lifestyle:** Decide what you want to do in retirement and how much it will cost. This will help you plan for expenses like travel, hobbies, and entertainment.
3. **Protect your savings:** Consider working with a financial advisor to help protect and grow your savings. This may involve diversifying your investments and using tax-advantaged accounts like IRAs and 401(k)s.
4. **Stay active:** Retirement is a great time to focus on your health and fitness. Regular exercise can help you stay healthy and prevent common age-related health problems.
5. **Stay connected:** Retirement can be isolating, so it's important to stay connected with friends and family. Consider joining clubs or volunteer groups to stay active and engaged.
6. **Plan for long-term care:** As you age, you may require long-term care. Consider purchasing long-term care insurance to help cover these costs.
7. **Keep learning:** Retirement is a great time to pursue your interests and learn new things. Consider taking classes or attending workshops to keep your mind active and engaged.
8. **Consider downsizing:** If you're living in a large home, consider downsizing to a smaller, more manageable space. This can help reduce expenses and make it easier to maintain your home as you age.

Remember, retirement is a time to enjoy the fruits of your labor and focus on your well-being. By following these tips, you can ensure a happy, healthy retirement.



The Australian Bureau of Statistics also had some interesting retirement statistics shown as follows:



Statistics   Census   Participating in a survey   About

Home > Statistics > Labour > Employment and unemployment > Retirement and Retirement Intentions, Australia

## Retirement and Retirement Intentions, Australia

<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/2018-19>

## Retirement and Retirement Intentions, Australia

### Future releases

Retirement and Retirement Intentions, Australia, 2020-21 financial year   Release date 04/08/2023 11:30am AEST

Retirement and Retirement Intentions, Australia, 2022-23 financial year   Release date 23/04/2024 11:30am AEST

### Latest release

[Retirement and Retirement Intentions, Australia, 2018-19 financial year](#)   Latest release

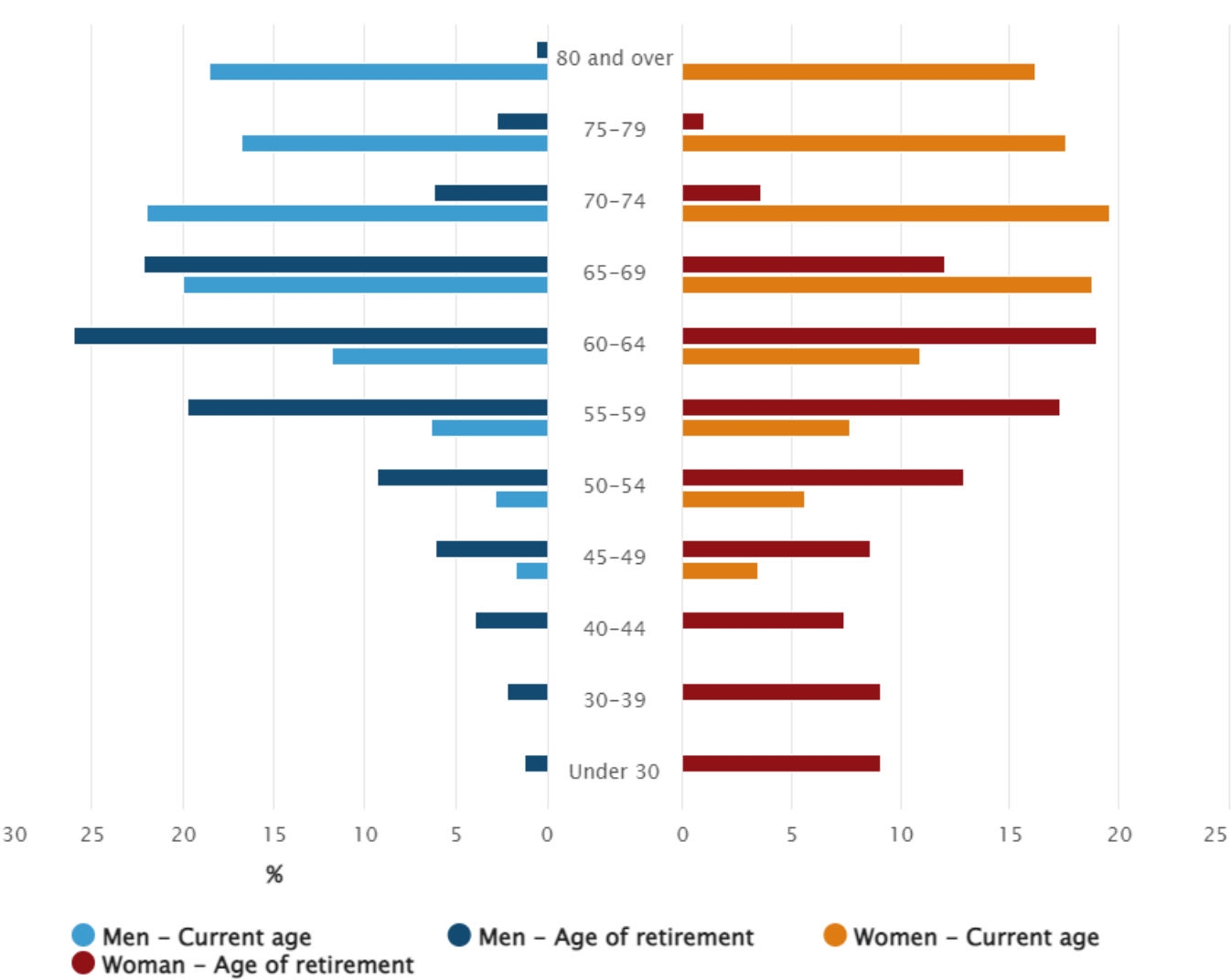
### Key statistics

- There were 3.9 million retirees.
- 55% of people over 55 were retired, up from 53% in 2016-17.
- Average retirement age (of all retirees) was 55.4 years.
- Half a million people intend to retire within 5 years.
- Average age people intend to retire is 65.5 years.
- Pension was the main income source for most retirees.

### Overview

- In 2018-19, 55% of retirees were women.
- The population of retired women increased more than men.
- On average, women retire sooner than men.

Graph 1 - Age distribution of retirees aged 45 years and over



Note: Age of retirement is the age when people retired from the labour force (i.e. ceased working and/or looking for work).


# Income at retirement

Between 2016-17 and 2018-19:

- The government pension remained the main source of income for most retirees.
- More people retired with superannuation as a source of income, but the increase was greater for men than women.
- Retirees with no personal income remained around 30% for women and 7% for men.

In 2018-19:

- 36% of retired women relied on their partner's income to meet their living costs at retirement (compared to 7% of retired men).
- For people intending to retire, the main factor that will influence their decision about when to retire was financial security.

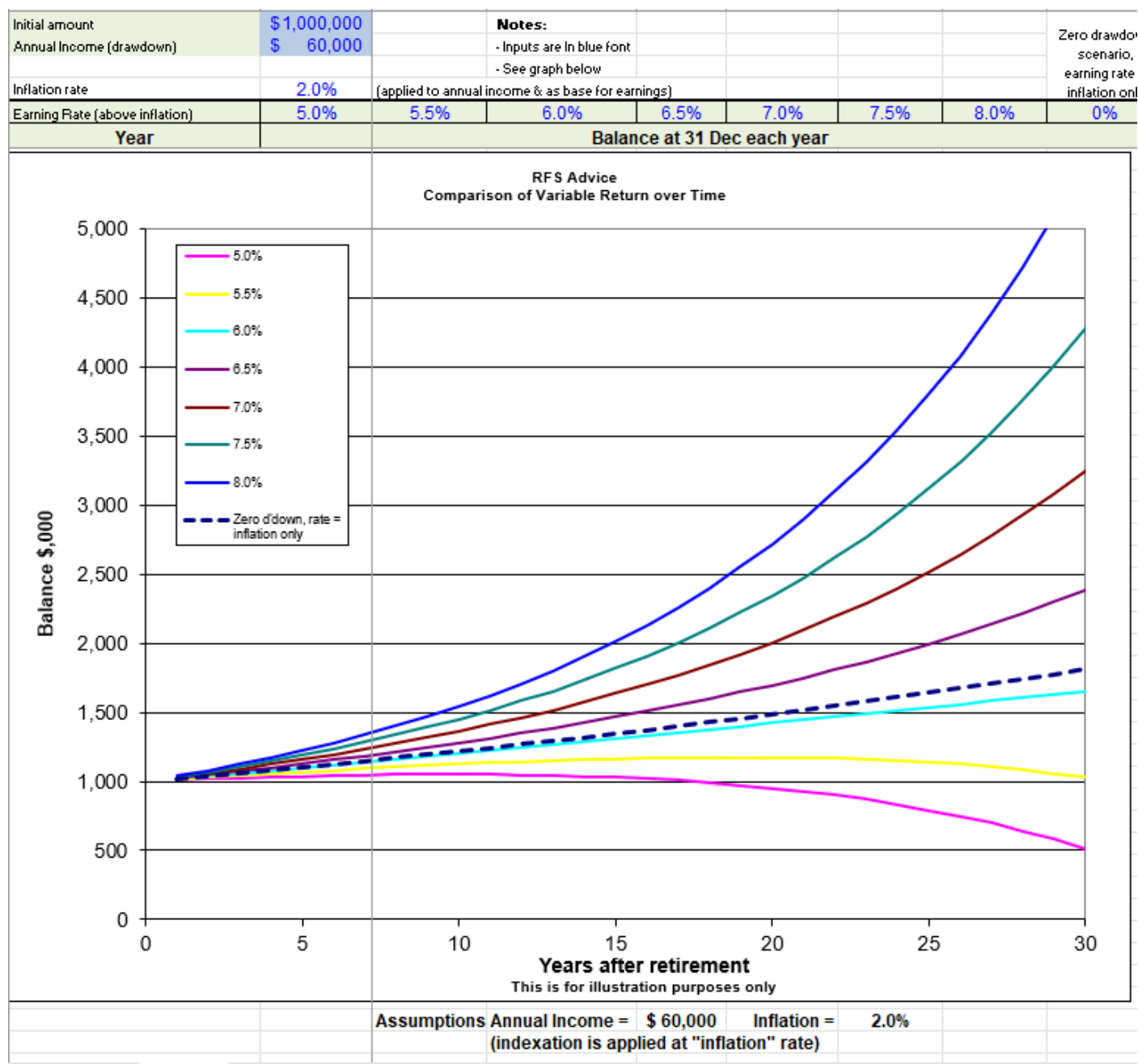
 Download

	Proportion of retirees		
	2016-17	2018-19	Change
Retired men aged 45 years and over			
All sources of income included:			
Government pension	57%	53%	-4 pts
Superannuation	46%	49%	+4 pts
Main source of income			
Government pension	50%	49%	-1 pt
Superannuation	32%	30%	-2 pt
No personal income	7%	7%	0 pts
Retired women aged 45 years and over			
All sources of income included:			
Government pension	48%	45%	-3 pts
Superannuation	26%	27%	+1 pt
Main source of income			
Government pension	45%	44%	-1 pt
Superannuation	17%	17%	0 pts
No personal income	29%	30%	+1 pt

Note: Government pension includes all types of government allowance and Superannuation includes all types of annuities and

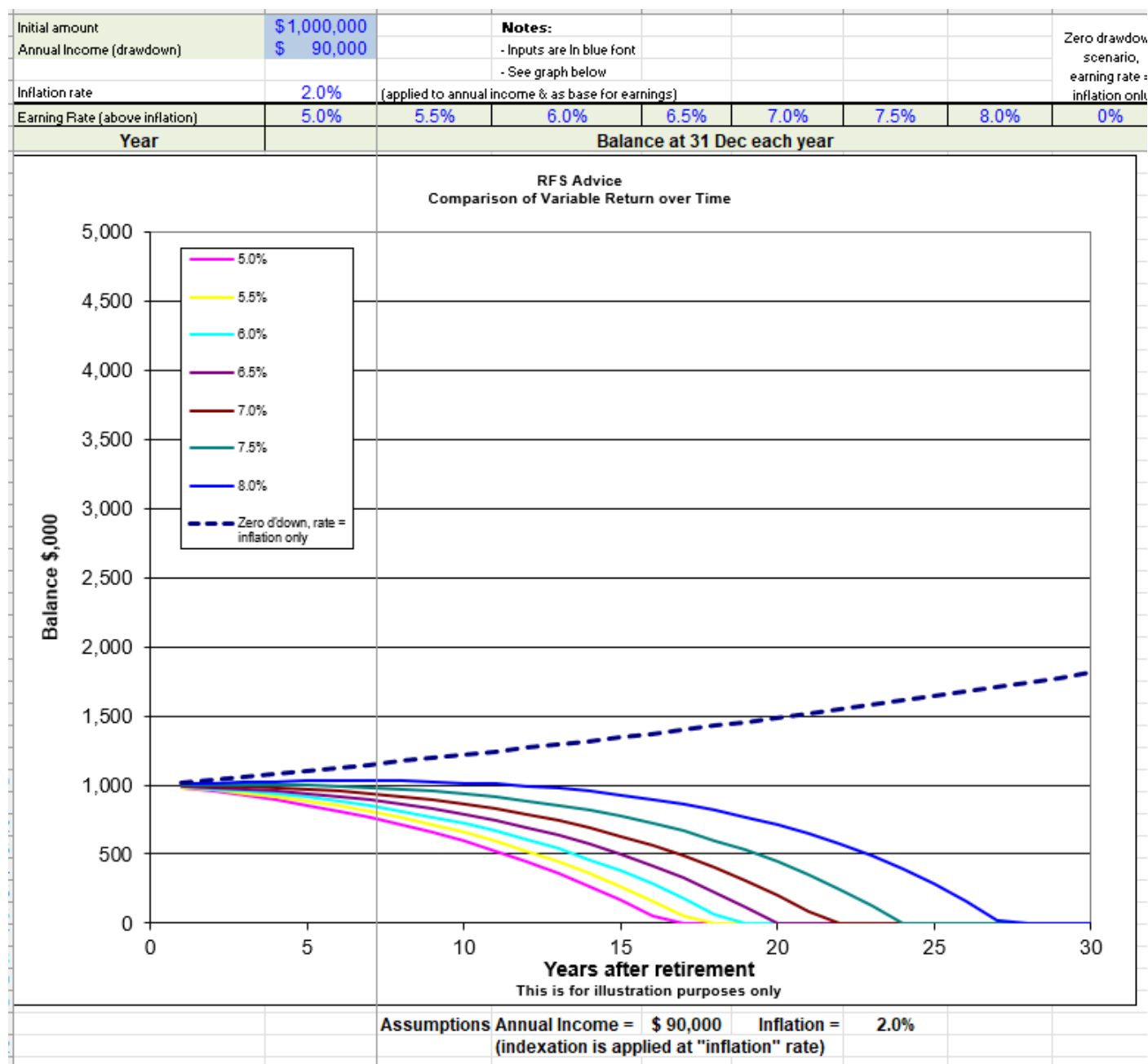
Our simple internal calculator was the final source I considered. We use this to show a basic projection of how funds can last through retirement.

For the following calculation, I used a 6% drawdown with a starting balance of \$1,000,000. If you target an average return of greater than 6% in retirement and you achieve this then this should allow you to draw 6% off the proceeds and maintain your capital throughout retirement.



In comparison, what if you are happy to drawdown your capital over time? Let's consider the same scenario but drawing down 9% instead of 6%.

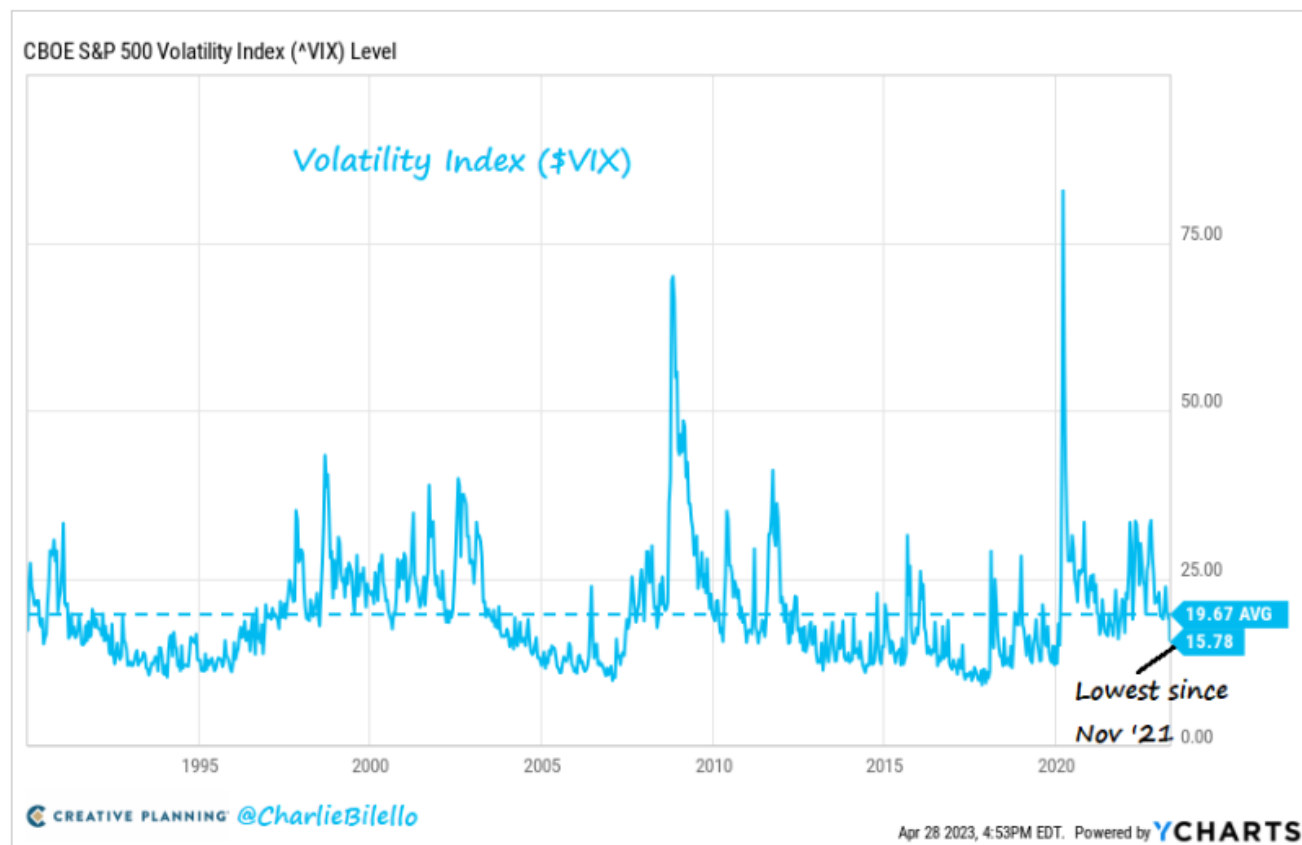
As shown in the following output, if you draw a larger amount, your capital value will decrease over time throughout retirement (assuming the same 6% return).



When thinking about “how much is enough”, it is all about the right choices for your household and we strongly recommend that you take the time to plan for your retirement carefully.

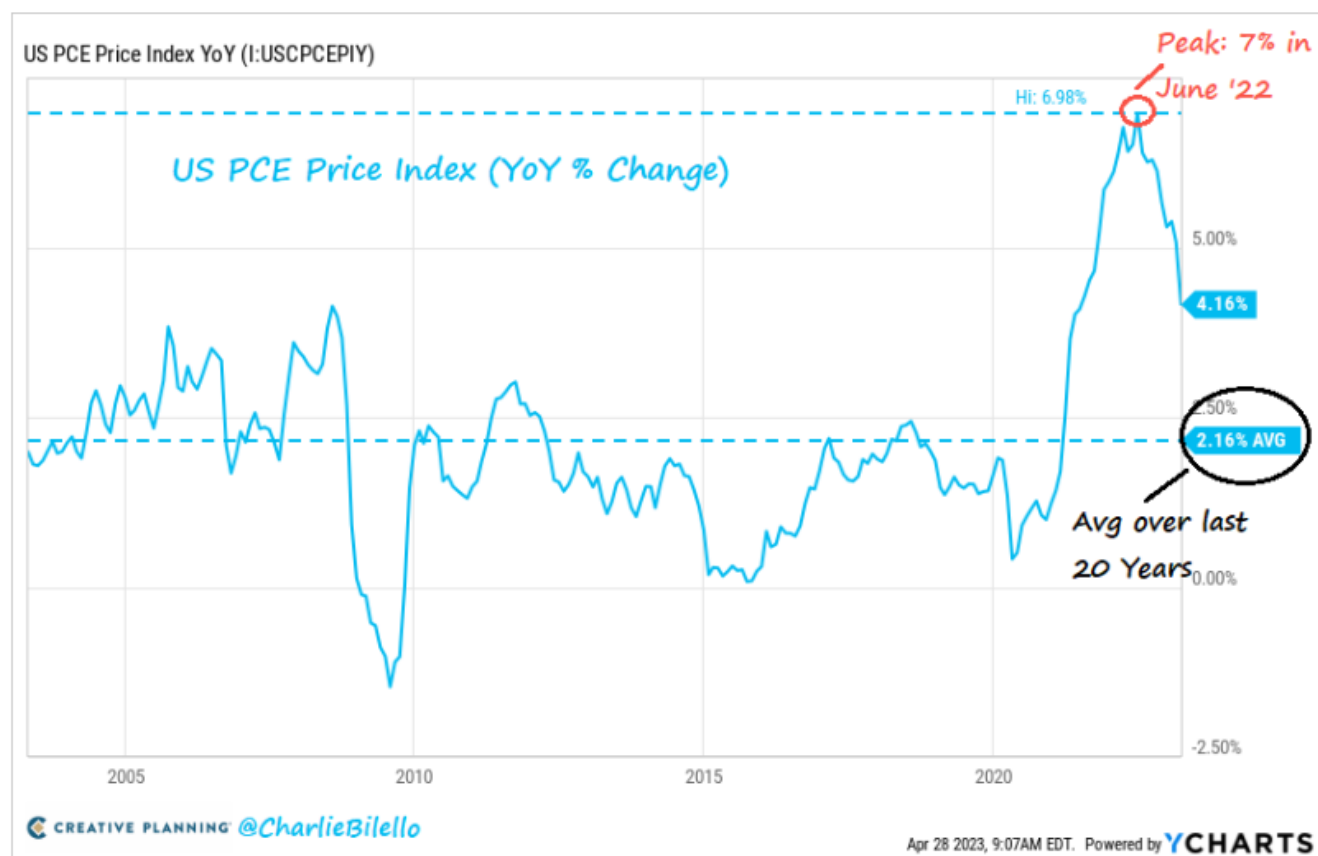
## Economic Update for May

And unlike the post-SVB reaction, volatility has plummeted. The \$VIX is now below 16, its lowest level since November 2021. Have market participants become too complacent? We'll soon find out.



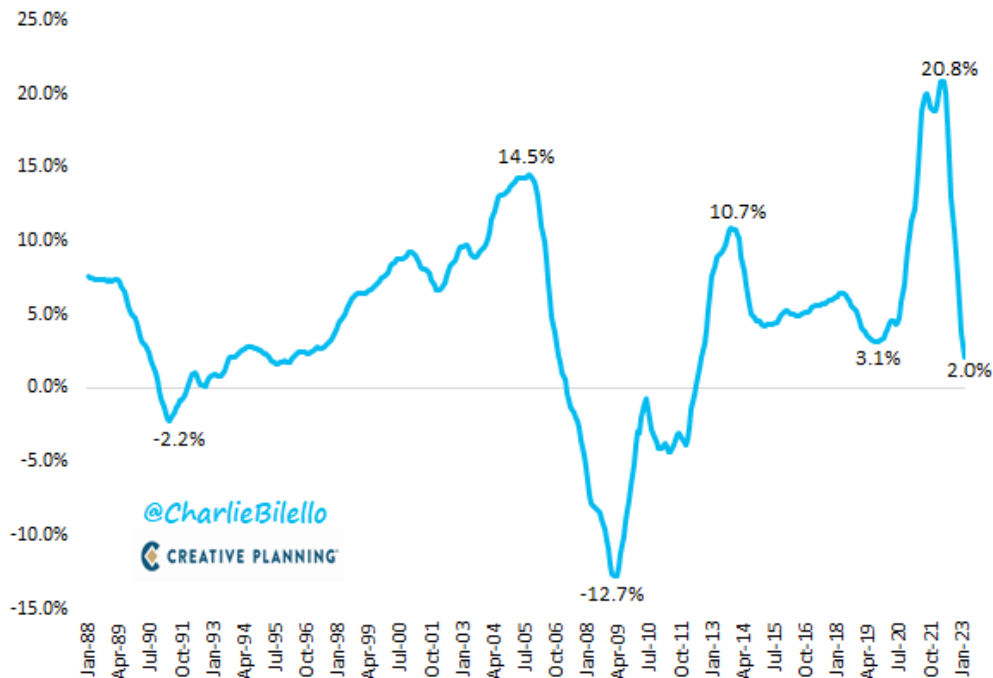
A leading indicator of higher inflation on the way up, we are now seeing the opposite effect with:

a) The PCE Price Index moving down to 4.2%, its lowest level since June 2021. The peak was 7% in June 2022.



c) US home prices up 2% over the last year, the slowest growth rate since 2012.

**S&P Case-Shiller US National Home Price Index**  
(YoY % Change - as of Feb 2023)



#### 4) Lumber Liquidation

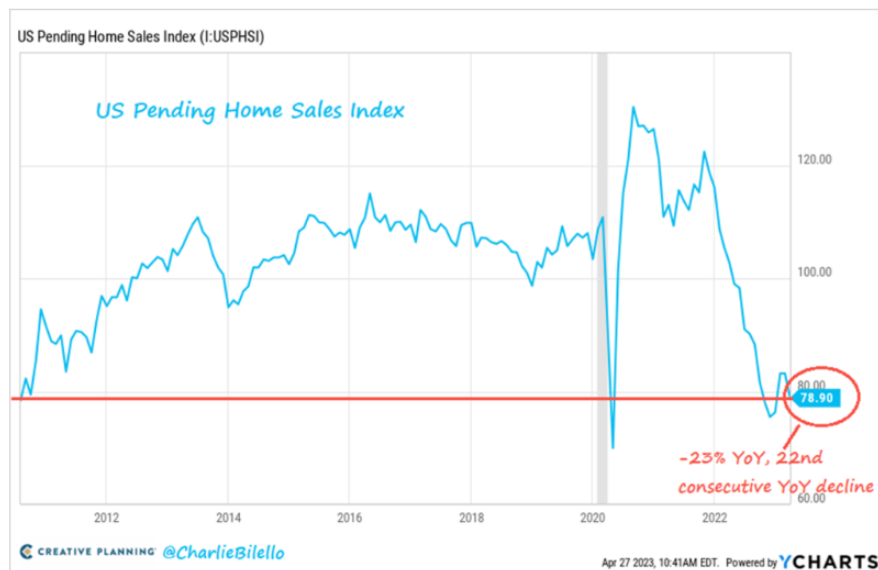
Lumber futures are at their lowest levels since June 2020, down 80% from the peak in May 2021.





## 5) Housing Market Standstill

US Pending Home Sales remain very weak, down 23% over the last year. This tends to be a leading indicator of housing activity as it's based on signed real estate contracts for existing homes.



## 7) Selling at a Loss

In March, 31% of homes sold by investors in Phoenix were sold at a loss, the highest % of any metro area in the country.

**In Phoenix, Investors Lost Money on 31% of Homes They Sold in March**  
Investor home sales in Phoenix: share sold at a loss and median capital gain by month



## 11) The Inverse of 2022

The first 4 months of 2023 have been the inverse of 2022. Every major asset class is higher with the exception of commodities.

CREATIVE PLANNING		Asset Class Total Returns Since 2011 (as of 4/28/23 - Data via YCharts)													@CharlieBilello	
ETF	Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD	2011-23 Cumulative	2011-23 Annualized
N/A	Bitcoin	1473%	186%	5507%	-58%	35%	125%	1331%	-73%	95%	301%	66%	-65%	76.8%	9741125%	153.9%
QQQ	US Nasdaq 100	3.4%	18.1%	36.6%	19.2%	9.5%	7.1%	32.7%	-0.1%	39.0%	48.6%	27.4%	-32.6%	21.3%	564.8%	16.6%
EFA	EAFE Stocks	-12.2%	18.8%	21.4%	-6.2%	-1.0%	1.4%	25.1%	-13.8%	22.0%	7.6%	11.5%	-14.4%	12.2%	80.5%	4.9%
SPY	US Large Caps	1.9%	16.0%	32.2%	13.5%	1.2%	12.0%	21.7%	-4.5%	31.2%	18.4%	28.7%	-18.2%	9.2%	317.3%	12.3%
GLD	Gold	9.6%	6.6%	-28.3%	-2.2%	-10.7%	8.0%	12.8%	-1.9%	17.9%	24.8%	-4.2%	-0.8%	8.9%	33.2%	2.4%
TLT	Long Duration Treasuries	34.0%	2.6%	-13.4%	27.3%	-1.8%	1.2%	9.2%	-1.6%	14.1%	18.2%	-4.6%	-31.2%	7.7%	54.2%	3.6%
LQD	Investment Grade Bonds	9.7%	10.6%	-2.0%	8.2%	-1.3%	6.2%	7.1%	-3.8%	17.4%	11.0%	-1.8%	-17.9%	5.3%	53.5%	3.5%
PFF	Preferred Stocks	-2.0%	17.8%	-1.0%	14.1%	4.3%	1.3%	8.1%	-4.7%	15.9%	7.9%	7.2%	-18.2%	4.5%	62.7%	4.0%
HYG	High Yield Bonds	6.8%	11.7%	5.8%	1.9%	-5.0%	13.4%	6.1%	-2.0%	14.1%	4.5%	3.8%	-11.0%	3.9%	64.5%	4.1%
BND	US Total Bond Market	7.7%	3.9%	-2.1%	5.8%	0.6%	2.5%	3.6%	-0.1%	8.8%	7.7%	-1.9%	-13.1%	3.9%	28.3%	2.0%
TIP	TIPS	13.3%	6.4%	-8.5%	3.6%	-1.8%	4.7%	2.9%	-1.4%	8.3%	10.8%	5.7%	-12.2%	3.6%	37.6%	2.6%
EEM	EM Stocks	-18.8%	19.1%	-3.7%	-3.9%	-16.2%	10.9%	37.3%	-15.3%	18.2%	17.0%	-3.6%	-20.6%	3.2%	5.8%	0.5%
CWB	Convertible Bonds	-7.7%	15.9%	20.5%	7.7%	-0.8%	10.6%	15.7%	-2.0%	22.4%	53.4%	2.2%	-19.4%	3.1%	175.3%	8.6%
EMB	EM Bonds (USD)	7.7%	16.9%	-7.8%	6.1%	1.0%	9.3%	10.3%	-5.5%	15.5%	5.4%	-2.2%	-18.6%	3.1%	41.4%	2.8%
VNQ	US REITs	8.6%	17.6%	2.3%	30.4%	2.4%	8.6%	4.9%	-6.0%	28.9%	-4.7%	40.5%	-26.2%	2.0%	142.7%	7.5%

# Auction Results & Recent Sales

Australian auction results, clearance rates and recent sales for the week ending Sun 30 Apr 2023

## Victoria



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **803**

Private sales **1,069**

[VIC auction results](#)

## New South Wales



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **778**

Private sales **1,365**

[NSW auction results](#)

## Queensland



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **314**

Private sales **1,063**

[QLD auction results](#)

## South Australia



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **145**

Private sales **316**

[SA auction results](#)

## Western Australia



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **15**

Private sales **717**

[WA auction results](#)

## Northern Territory



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **5**

Private sales **13**

[NT auction results](#)

## ACT



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **61**

Private sales **84**

[ACT auction results](#)

## Tasmania



Clearance rate\*

Wed 3 May 11:30 PM AEST

Auction results available **4**

Private sales **138**

[TAS auction results](#)



QLD clearance rate\*

Updated Wed 3 May 11:30 PM AEST

Based on **314** auction results available

SOLD

**90**

Sold at auction

**15**

Sold prior to auction

**13**

Sold after auction

NOT SOLD

**30**

Withdrawn

**166**

Passed in

**353** auctions scheduled

Local data to come form Luke Hendersen

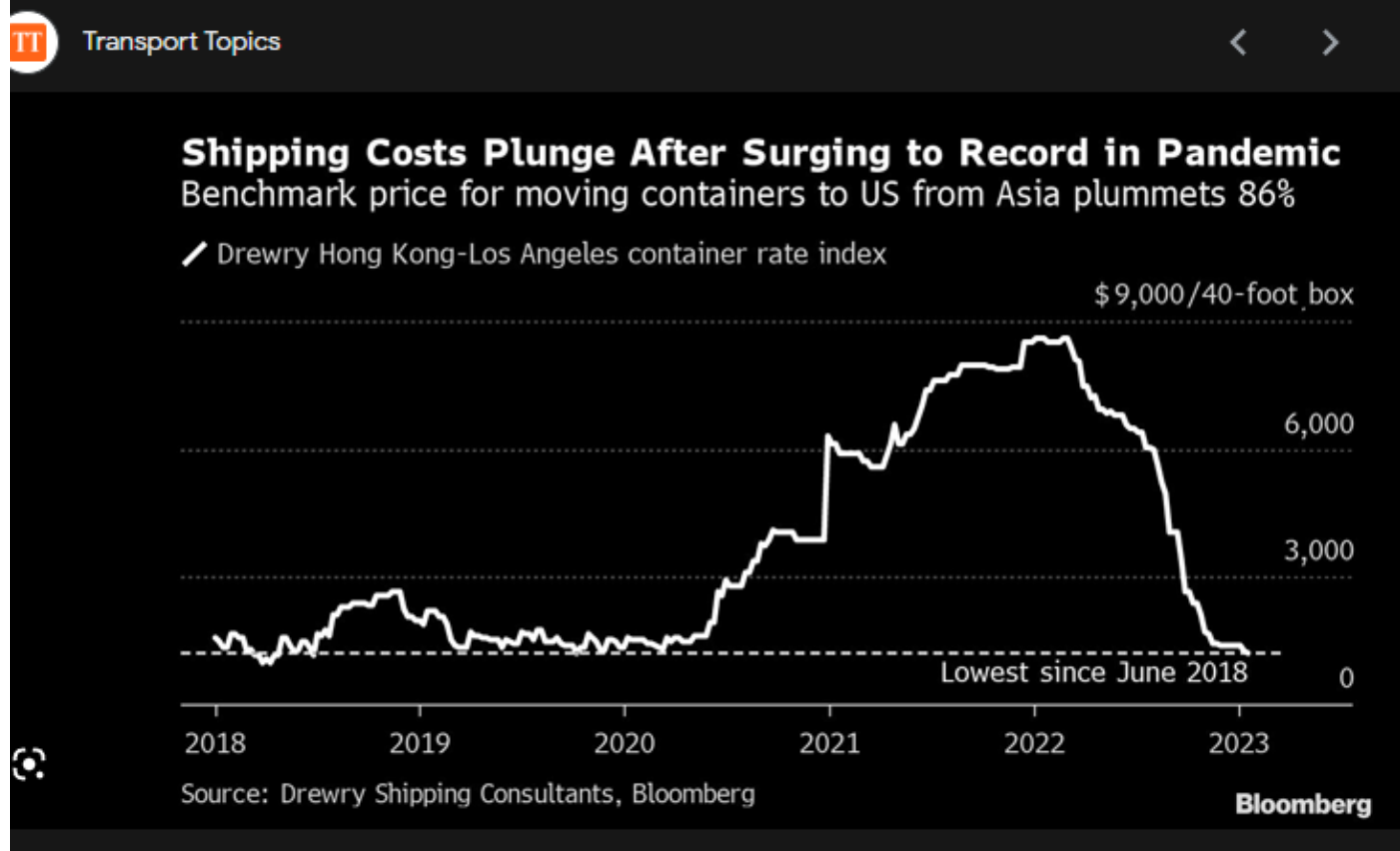
## CoreLogic Auction Results

Welcome to the CoreLogic Weekly Auction Result Summary. Stay abreast of the very latest property market conditions with the most comprehensive auction clearance rates available. Every week we endeavour to capture the results of every known auction and make them available by Sunday morning, with progressive updates as the full set of auction results are collected.

Week ending 30 April 2023

CITY	TOTAL AUCTIONS	CORELOGIC AUCTION RESULTS	SOLD PRIOR TO AUCTION	SOLD AT AUCTION	SOLD AFTER AUCTION	PASSED IN	WITHDRAWN	CLEARANCE RATE	CLEARED AUCTIONS	UNCLEARED AUCTIONS
Sydney	570	568	136	245	5	103	79	68%	386	182
Melbourne	737	734	121	392	14	174	33	71.8%	527	207
Brisbane	203	197	13	64	7	85	28	42.6%	84	113
Perth	19	19	4	4	1	5	5	47.4%	9	10
Canberra	56	56	10	23	1	17	5	60.7%	34	22
Adelaide	151	150	15	83	7	35	10	70%	105	45
Tasmania	3	3	NA	NA	NA	3	NA	0%	NA	3
Combined Capitals*	1739	1727	299	811	35	422	160	66.2%	1145	582

Auction clearance rates are calculated for auctions scheduled during the week ending Sunday and are based on available data using total known number of sold properties before, at or after auction against the total known number of auction results, including passed in and withdrawn auctions. Auction clearance rates for Tasmania are reported at the State level only. Where there is less than 10 collected auction results, auction clearance rates should be considered statistically unreliable. Not all auction results are available or known to CoreLogic at the time of calculation and reporting of auction clearance rates and auction property details.  
\*Clearance rate is presented as a weighted average



## Australian Dollar 2023 Financial Year

\$0.6694



Closing price of Brent, OPEC basket, and WTI crude oil at the beginning of each week from March 2, 2020 to May 1, 2023

(in U.S. dollars per barrel)

