

NORTH EPPING

Failure to plan ensures retirement in poverty

Kate Bastians

AS AN accountant, Wayne Wanders has come to realise how many people wrongly believe they will be able to retire on their superannuation and pension.

"The reality is that they will work hard all their lives and when they retire, they will effectively be living in poverty," said Mr Wanders, of North Epping.

He said most people did not realise how low the pension is; \$860.20 per fortnight (\$22,365 per year) for a single person and \$1296.80 per fortnight (\$33,716 per year) for a couple.

This is below what the superannuation industry considers is needed for a "comfortable life" and below poverty benchmarks set by the Melbourne Institute of Applied Economic and Social Research and the Australian Council of Social Service.

"Many people will retire with a mortgage and need their super to pay this off," Mr Wanders said.

"If they have paid off their mortgage, most people's



Wayne Wanders with his book *Avoid the Poverty Trap*.

super will only last about five to seven years so by the time they are about 75, they have no money – just the pension.

"Women are even worse off as most women have less super and they live longer."

To help people obtain "financial literacy", Mr Wanders has almost finished writing a book, *How to Avoid the Poverty Trap*.

Firstly, Mr Wanders said people need to accept responsibility for their own fu-

ture, work out where they are financially and then set goals for where they want to be.

"The biggest problem is people are sitting back, waiting for the government, or the boss, or the lotto to give them a financial future when the reality is no one is going to do it for them but themselves," he said.

To download a free extract of the book, go online to: avoidthepovertytrap.com.au