

A LONG LIFE CAN BE A LIABILITY

Wait, What?



Longevity Risk: The risk of living for so long, that you run out of money!

DO YOU KNOW HOW LONG YOU'LL LIVE?

Probably not exactly. You can make a few guesses, based on how long your parents lived, and your health, and any genetic conditions you may suffer from, or one day develop. But the simple truth is that none of us know for sure how many years we are given on this planet.

SO... HOW CAN YOU PLAN FOR SOMETHING YOU CAN'T PREDICT?

Two golden guidelines:

- Be **realistic** in your estimate, and
- Err on the **side of caution**.

So, if your parents both lived to 75, bearing in mind that healthcare and medicine is improving all the time, you can budget for at least 85 years, if not more.

AND WHY DOES THIS MATTER?

Because you will probably retire at 65 or thereabouts, and then you need a pension for around 20 years or more!

WILL YOU HAVE ENOUGH MONEY TO LAST THAT LONG?

Add the fact that inflation means that your money continues to lose purchasing power, and you really, really need to think very carefully about how much you'll need in order to live comfortably.

OKAY, SO WHAT SHOULD YOU DO ABOUT IT?

Two more golden guidelines:

- Save as much as you can, for as long as you can, and leave your savings to grow.
- At least ten years before you plan to retire, start discussing your pension options with your financial advisor. (*Obviously, this means you need to have a financial advisor in the first place.*)

It's normal to want nice things. It's normal to feel like you've earned the right to spend your money on luxuries.

But unfortunately, especially in South Africa, it's sadly also very normal to have a terrible time after retiring, because there simply isn't enough money. Many South African pensioners cannot make ends meet. They end up relying on their family, or having to return to work, or living a very reduced, unpleasant, and stressful lifestyle.

DON'T BECOME A SAD STATISTIC.

SAVE YOUR MONEY AND SAVE YOURSELF FROM FUTURE FINANCIAL HARDSHIP.