

BOOMERANGING BACK TO WORK

Rather than leaving the workforce forever, many Baby Boomers are choosing to boomerang back to paid positions, earning them the nickname of Baby Boomerangers.

It seems the generation that let it all hang out at Woodstock wants the security of some extra earnings or the satisfaction of a job well done.

In fact, social commentators say the two reasons Baby Boomers are going back to work are that firstly they realise that at 65 they probably have 20 to 30 years' retirement ahead of them and not enough savings, and secondly they are just not ready to stop being a productive member of the workforce.

And really, if you're a Boomer and you find yourself in one of the above situations, why shouldn't you wiggle yourself back into the workforce?

The cost of living and feeling valued

It's true that in your 50s and 60s salaries can start to decline. Coupled with stagnant wage growth in Australia and the probability of CPI costs rising again in coming years, this puts a strain on your bottom line. After the recent lows, it's easy to see why Boomers have their minds set on making some extra cash. At the same time, many Boomers underestimate the feel good factor. Doing something well – and being paid for it – can definitely help boost self-esteem.

You may also feel that it's not time to retire your special skills just yet – other people need you and your experience.

A growing trend

In Australia in the 1980s and 1990s, less than one in 10 workers was aged over 55.

Today that number is about one in five¹.

About 67% of men and 60% of women aged between 55 and 64 are still in the workforce, while for those who are 65 or older that figure is 20% for men and 10% for women².

Some good news

While age discrimination is still a problem in some Australian workplaces, a 2018 survey by the Australian Human Rights Commission found that 76% of people questioned credited older workers with more experience and 68% said they had more professional knowledge.

Sorting out your income

Returning to the workforce after you've 'retired' throws up all sorts of curly financial questions. Yes, you've already had your fingers in the cookie jar – that jar being your superannuation or the government pension.

Here's where you should seek solid financial advice to help you understand all those seemingly small details that could make a really big difference to your Boomerang

bottom line, such as your level of eligibility regarding the pension or your ability to be paid directly into your super (thus limiting taxation liability).

Obviously if you return to work because you are worried about running out of money in retirement, your financial planner can help you to plan a better future and worry less.

Remember insurance

Income protection insurance gets tricky around this age as most Australian insurers have a maximum entry age for income protection insurance of around 60 and they will generally have a payout age limit of around 65 (some cover goes up to 70).

Whether your insurance policy is within your superannuation or covered personally, understanding the fine print and details specific to age is of vital importance.

Some people may be able to self-insure with the help of a full financial plan, however this again takes careful consideration.

If you are entering the Boomeranging stage of life, before you leave the workforce talk to us before cancelling any policies or making any changes.

Transition to retirement and boomeranging in and out of the work force requires serious attention and planning.

Don't leave it too late.

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