

# AND JUST LIKE THAT....

## your wealth and lifestyle could be gone

**Watching your children finish school, graduate from university and transform into an adult happens within a blink of an eye - right mum and dad? Like they say, the days are long but the years are quick.**

For many young adults, travel is high on their priority list. For others it is having the time and independence to be able to try new and more adventurous hobbies and activities such as rock climbing, sky diving and bungee jumping.

Having their whole life ahead of them with once in a lifetime experiences to be had, and the 'no fear - you only live once' attitude, who is anyone to tell them otherwise?

### The reality

Given the average Australian retires at almost age 63<sup>1</sup>, spends around 40 years working and at least 25 years in retirement, there are some big life issues to consider - for parents, protecting their retirement lifestyle, and for young adults, embracing their freedom and life choices.

### We know millennials value experiences

They aspire to travel (it is their number one priority) and help their communities more than starting families or their own business<sup>2</sup>.

Yes, young adults have their whole life ahead of them. To them, life has only just begun, however many mistakenly believe they are invincible.

### What if something goes wrong?

Millennials are the least prepared for the possibility of being unable to work compared with other age groups<sup>3</sup>. But they are not alone - MOST AUSTRALIANS ARE UNDERINSURED. We don't want you, or your adult children, to be one of them!

For young adults, there are many reasons why investing in income protection cover may not be high on their to-do list:

- Not knowing what it is, where to start or how to purchase it
- More important experiences to spend money on
- Prioritising student loan debt
- Saving for a home or investment
- Assuming it's too expensive
- Don't have any understanding of the impact on their life if they lost their income

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### Let's look at this for a moment...

Millennials are likely to earn in excess of \$2.5 million\* during their 40+ years of working.

We watch them invest in:

- car insurance - to replace their car in the event of an accident
- health insurance, and
- contents insurance when they leave home.

But all of these things are material objects that can easily be replaced.

**WHAT IF...** they can no longer go to work and earn income for the next 25-30 years due to an unfortunate accident or illness?

What happens to their dreams then?

- The savings for their next overseas holiday stops
- The deposit for their first home or investment property is delayed
- They lose their independence and current lifestyle
- It may take years for them to get back to where they left off...

We know who will be footing the bills - you've got it! The bank of mum and dad. And there goes YOUR retirement lifestyle.

### You may have heard about Kurt

Young football star Kurt Drysdale was only six weeks away from turning 21 when he was hit with a dangerous tackle on 7 June 2015. His vertebrae twisted and broke. He became a quadriplegic. His mother, who was a self-proclaimed footy mum, can no longer bear to watch the game and became weighed down by the costs to care for her son - \$1m a year.

### Not just sports or outdoor activities...

We all know how prevalent cancer is in our society, and it's not selective for just old folks.

While we all hope that a significant injury or illness won't happen to us or our loved ones, it can. Being prepared before it may happen to you can have a huge impact on your - and your family's - future.

### So, income protection eh?

It's the one insurance we like to pay and hope we never need to claim. Let's face it. NO ONE likes to pay for insurance. However, we have never heard anyone tell us they like paying enormous hospital bills either. Think about your activities, dreams and lifestyle. What are your daily expenses and what will you have to give up if you or your loved ones do not have income protection? We never like to talk about the 'What ifs?'

### But what if?

It is our greatest fear as your finance specialist to take a call from our clients who have had an accident or illness and who have not implemented our suggestions on protecting their own and their family's health, wealth, debt and income. If you have been putting this off yourself for a while, or have a young adult who is now employed, then that's a really great reason for a chat.

We encourage young adults to be responsible early in life before they have ailments and need exclusions to their insurance. They are never too young to protect their \$2.5 million plus lifetime earnings potential. Sometimes they just need someone to explain to them in simple terms without the jargon and make it an easy and timely process.

**We can have our risk specialist talk this through. It is simply too important to ignore!**

\*Based on the average Australian earnings\* of \$64,391.60

1. AMP, What is the retirement age in Australia?
2. 2019 Deloitte Millennial Survey
3. MetLife, Millennials financially confident but inadequately insured
4. ABS Average Weekly Earnings May 2019

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