

Wealthy and Wise

The New Year is traditionally a time for reflection and resolution. At the risk of being at odds with one of the key government messages of the day, i.e. that you must save for your retirement, perhaps this is a good opportunity to reflect on what it is that will really make you wealthy.

Many people will define being wealthy as rich and affluent. Certainly this is important but in our experience it is also about general well-being and happiness. Unfortunately often these aspects are overlooked in the drive to build a larger and larger nest egg. How often have you seen someone work hard all their lives and forgo their own enjoyment, only to miss out on reaping the reward later in life through ill health, untimely death or unforeseen financial disaster.

The world in which we live, work and play is rapidly changing. Many would argue that working hard for 40 to 60 hours a week primarily to save money just to end up giving it to the kids is an out-dated concept. Why wait until retirement to try all the things you really want to be doing now? The kids have already cottoned onto this concept with employment trends suggesting Generation Y are more than willing to forgo higher salaries now for more flexibility and personal time.

Of course some level of savings is critical to ensure that you are not going to be reliant on the state to fund your retirement lifestyle. Good luck to anyone under 30 who believes the Government will be still handing out a universal pension when they reach retirement age. And we are only talking here about spending money you have actually earned. Borrowing and spending someone else's money can be a recipe for disaster as the recent global financial crisis has shown.

So if you do decide on a New Year's resolution to become wealthy we recommend taking some time to consider what that really means to you and your family. By all means work out the dollars and cents but don't forget to include those lifestyle options in your budget. You may find you get to be both wealthy and wise quicker than you think.

From everyone at Newton Ross Private Wealth Management we would like to wish you a very merry Christmas and a prosperous New Year. A disclosure statement is available on request and free of charge on our website www.newtonross.co.nz

