**Investing for seniors**

Written by R. A. Stewart

Your age is a crucial factor in establishing your savings and investing strategy. Your 20s, 30s, 40s, and 50s are your savings years. It is these years when you build up your assets.

Your 60s and 70s can be considered your spending years. It is when you tick off items on your bucket list while you are able to.

That does not mean that you do not have to work, a lot of older people are taking this option, not because they cannot make ends meet on their pension, but because they enjoy what they are doing.

In New Zealand, retirees will have access to their kiwisaver account once they reach the age of 65. Money invested in kiwisaver will be in growth, balanced, or conservative funds. Most people during their working life opt for growth or balanced funds.

It is time to decide whether to stay with the status quo or invest in more conservative funds.

Your age and your health are the two most important factors in deciding which fund to invest your money in.

Older people do not have time on their side to overcome financial setbacks such share market falls and so forth, therefore if you are 60+ it is a good idea to lean toward more conservative investments but still retain some exposure to risk.

It is worth mentioning at this point that New Zealand financial advisor and writer Frances Cook has a formula for calculating how much exposure you should have based on your age, and it is this…

Subtract your age from 100.

If for example you are aged 60 then only 40% of your portfolio should be invested in the share market.

I do not necessarily agree with this formula and my exposure to the share market is more than her formula suggests I have.

However, that is a personal choice; one that I do not necessarily recommend to you because your circumstances will be different as they are for different people.

If you are connected to the internet and you have a lot of spare cash in your account then I suggest that you place most of your money into an account that is not connected to internet banking. This is to reduce your chances of becoming a victim of internet scammers.

With internet banking being the norm, this could be difficult in the future though.

In any case I still believe that it will pay to arrange your finances so that if you fall victim to a scammer then not all of your money will be lost.

Don't leave all of your money in the one account for goodness sake as some victims of scammers have.

If you are travelling then make sure you don't have access to your life savings because if you do then so will be a scammer if they manage to get hold of your log in details. What I am trying to say is you should leave your entire life savings in an account which you use to do your daily spending. Keep it in a separate account from the account you do your day to day banking. The

Scammers have all kinds ways to trick people into handing over their log in details.

Anyone can be a victim so don't be proud by saying "I am not that stupid."

As you get older you will have to invest more conservatively; that does not necessarily mean transferring from growth to conservative funds but investing some of your current savings into low risk accounts. The deciding factor is your time line. How soon you need the money and funds which are going to be used within 12 months are best invested conservatively.

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