



South
Australian
Leaders


Knowledge Workshop

Intergenerational Wealth Transfer

Andrew Creaser, FinSec Partners

Inspire Leading Companies

An International Leaders Group Company




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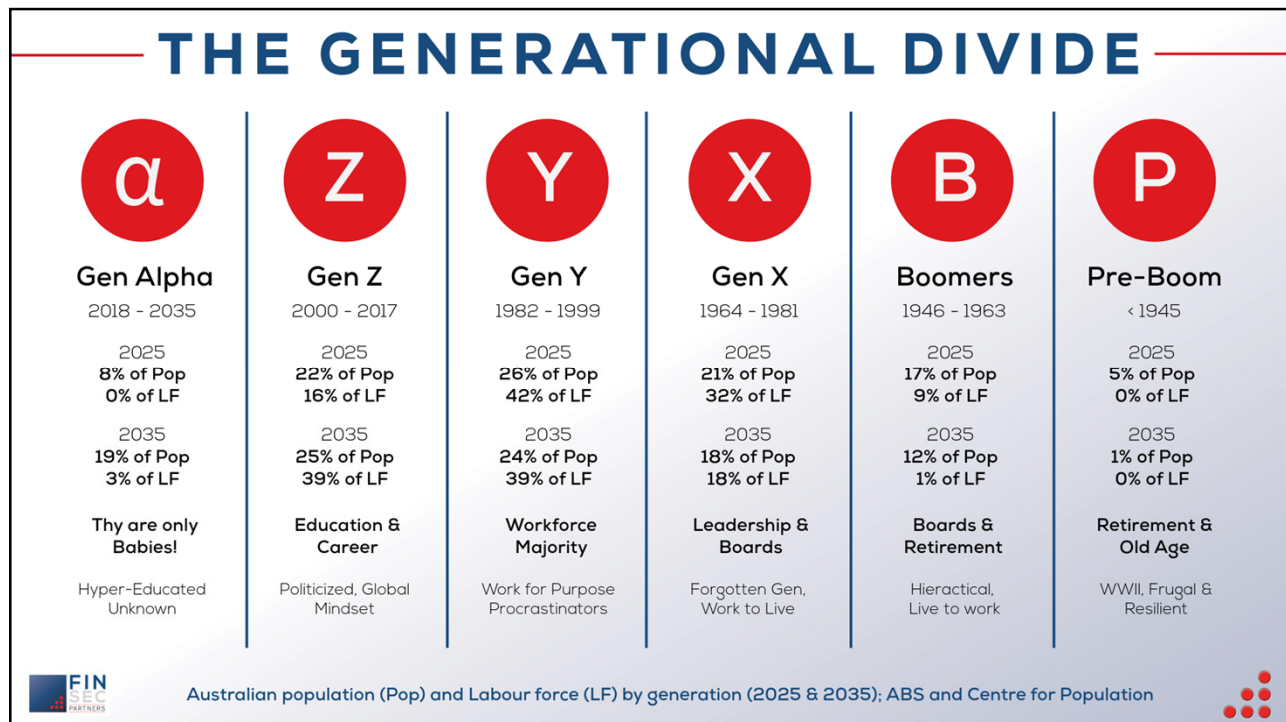
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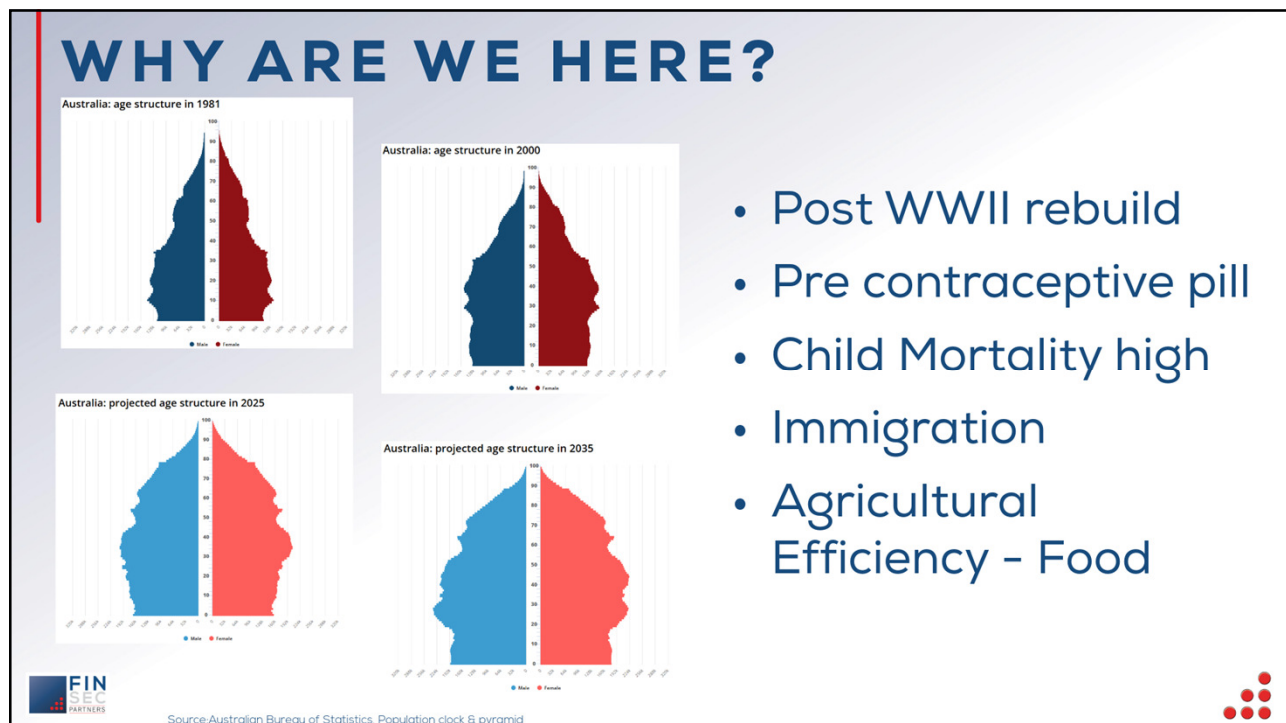
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SUNDAY TELEGRAPH, AUGUST 11, 1963

Why CAN'T young couples buy homes?

Tens of thousands of Australian couples, many of them with children, are desperately in need of homes. Most of the husbands have good, steady jobs and could afford to repay a housing loan. In fact, often the loan repayments would be LESS than the rent they are paying now.

Yet in June, 1961, there were 34,459 vacant houses in Australia.

And the waiting list of couples seeking homes was steadily longer, outstripping the growth of new houses.

Can't buy old homes

Many young couples are unable to buy old homes because of the high price and the need for a large deposit. The average price of a house in Sydney is about £10,000, and a deposit of £2,000 is often required. This is a heavy burden for many young couples who are just starting out in life.

THE PROBLEM

Young couples take years to save the £2,000 needed to buy a house. They are often faced with the problem of finding a suitable property to buy. Many young couples are unable to find a house that meets their needs and budget.

THE SOLUTION?

It is not enough "cheap" money is available. The Government has to provide more private investment in housing. The Government has to provide more private investment in housing. The Government has to provide more private investment in housing.

SMALLER DEPOSITS, BIGGER LOANS NEEDED

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The Vital Power of WORDS

All education has its words. Words are the vehicle of thought. Words are the vehicle of thought. Words are the vehicle of thought.

High price for land

The high price of land is a major problem for young couples. The high price of land is a major problem for young couples. The high price of land is a major problem for young couples.

Frank O'Neill Swimming Pools

You can own your own swimming pool. You can own your own swimming pool. You can own your own swimming pool.

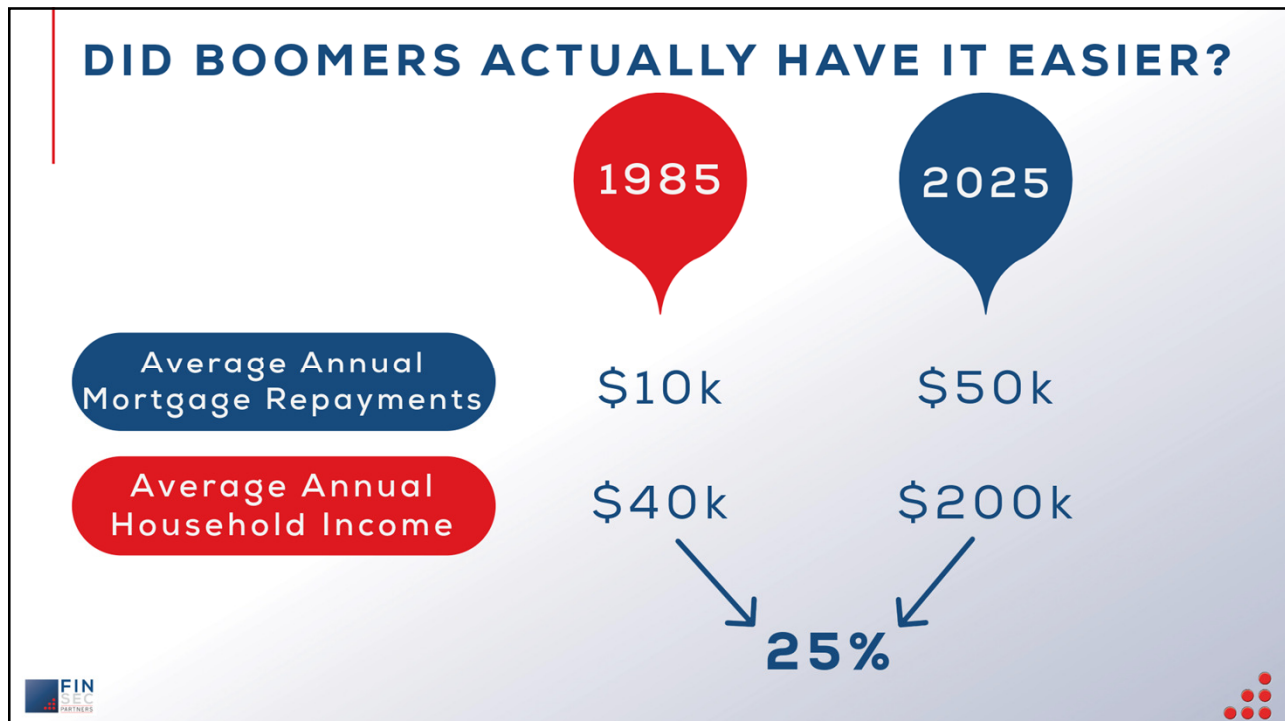
"OK BOOMER"

- Free Uni - No one went
- Year 12 completions low (20%)
- Lost Relatives in War
- "Marriage Bar" / Limited Maternity leave
- High Tax Rates
- High Interest Rates

Fun Fact:

- 40% Private School fees

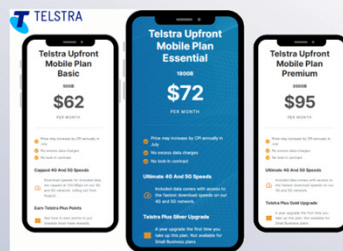
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VELOCITY OF MONEY

Making it harder to save



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THE GREAT GENERATIONAL TRANSFER

>\$3.5 trillion
BY
2050

5.6M
Boomers

Population

21.5%
-
2025

40%
-
1966

Wealthy Baby Boomers

\$1.3 trillion total assets

Approx. number of individuals passing on wealth: 78,300



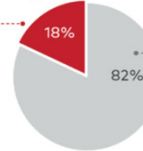
Average net investable asset per such individual: \$2.6 million



Source: CoreData modelling

Total intergenerational wealth:

\$4.9 trillion



= Average = Wealthy

Average Baby Boomers

\$3.3 trillion total assets

Approx. number of individuals passing on wealth: 4 million



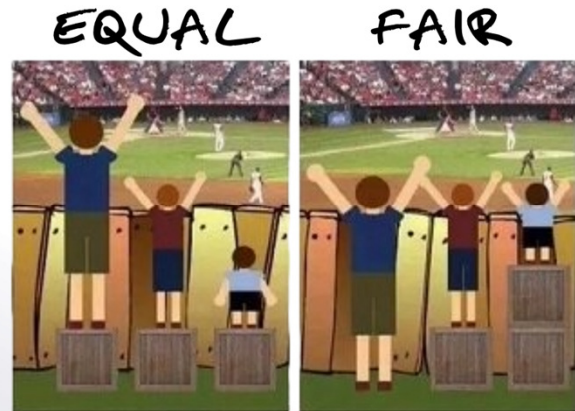
Average net investable asset per such individual: \$400,000



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THE ISSUES

- Aged Care Costs
- Dying without a valid Will (50%) or Contested Wills
- Kids needing it now (Gen X, Y)
- Downsizer Stock Shortage
- Bank Credit rules



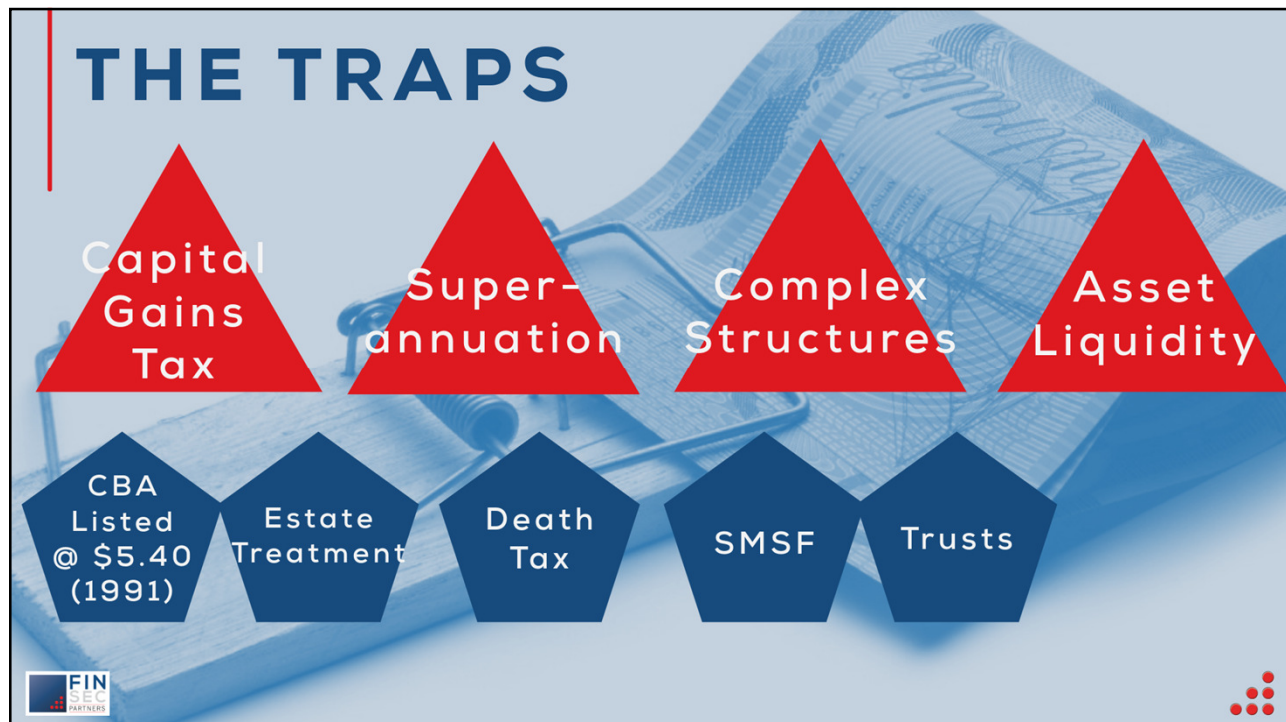
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THE GOVERNMENT

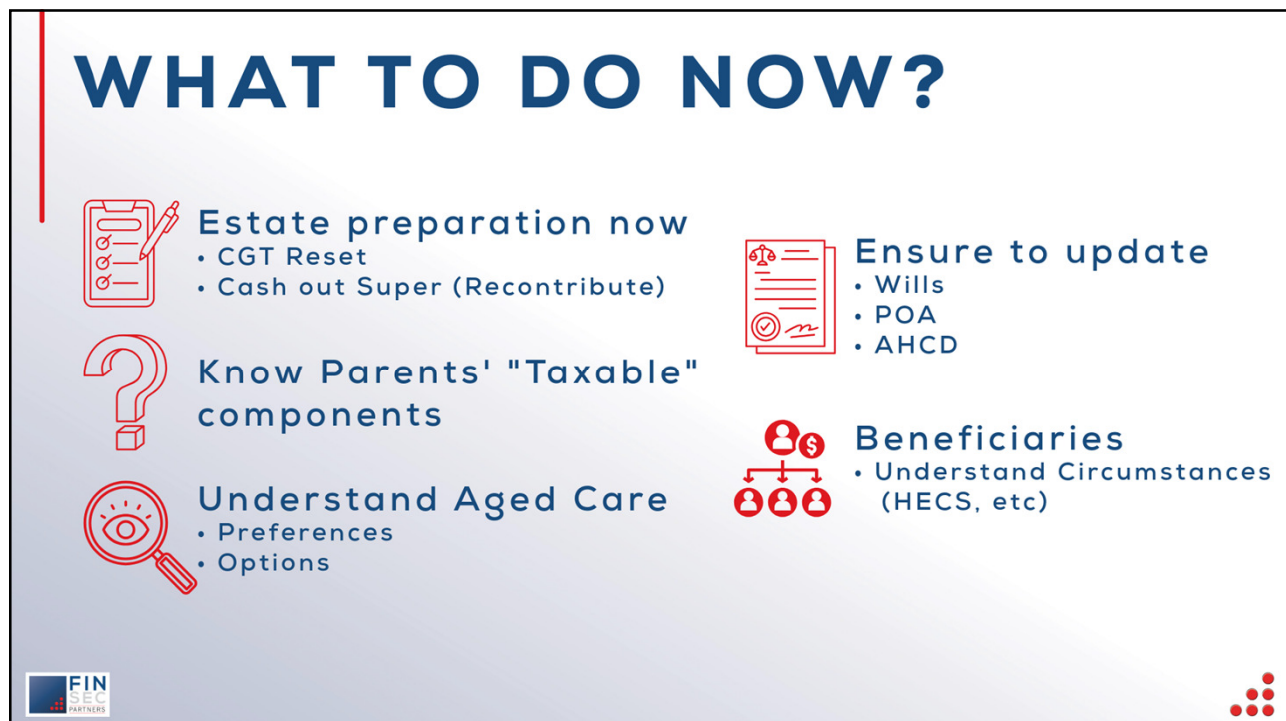
- Budget already in Structural Deficit
- Still 7 years of "Boomers" yet to Access Aged Pension
- Retirement Income Covenant - Longevity Products
- Death Duties - Already in part (Death tax/CGT)
- Pay your own way - Aged Care



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OPTIONS TO CONSIDER



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