HORIZON WEALTH PARTNERS

7 Smart Wealth Strategies

for your 40s & 50s

A practical guide to growing and protecting your wealth in the decades that matter most.

Why This Guide Was Written

Your 40s and 50s are the most financially consequential decades of your life. You're likely earning more than ever before, your mortgage is shrinking, and retirement — once a distant concept — is now something you can actually see on the horizon.

But they're also the years where the gap between a great financial outcome and an average one is decided. The decisions you make now — about super, investing, debt, tax, insurance, and retirement planning — will determine whether you retire with confidence or with compromise.

This guide outlines seven strategies that we implement regularly for our clients aged 40–60. They're not complex. They don't require market timing or speculation. They require clarity, consistency, and a plan.

What's Inside

01 Maximise Your Superannuation Contributions

Your most tax-effective wealth-building tool

Super is the cornerstone of wealth accumulation in Australia, yet many people in their 40s and 50s are still under-contributing. The concessional (pre-tax) contributions cap is currently $30,000 per year — and if you have unused cap space from prior years, you may be able to carry it forward and make catch-up contributions. This can be a powerful way to accelerate your super balance in the decade before retirement while reducing your assessable income.

- Salary sacrifice above the employer SG rate to reach the concessional cap
- Explore non-concessional contributions up to $120,000/year if you have surplus savings
- Consider the bring-forward rule to contribute up to $360,000 in a single year
- Check your super fund's investment options — the default is rarely optimal

> ***A 45-year-old who increases their annual super contributions by $10,000 could add over $200,000 to their retirement balance by age 65 — before accounting for investment growth.***

STRATEGY TIP

Review your super contributions every financial year before 30 June. Small increases now compound significantly over 10–15 years.

02 Invest Outside Super — Build a Diversified Portfolio

Don't put all your eggs in one basket

While super is a fantastic tax environment, it's also illiquid until preservation age. Building an investment portfolio outside super gives you flexibility, access to funds before retirement, and the ability to manage your tax position more actively. Australian shares, ETFs, managed funds, and listed investment companies (LICs) all offer different risk profiles and income characteristics.

- Low-cost index ETFs provide broad diversification with minimal fees
- Australian shares offer franking credits — a valuable tax bonus for residents
- International exposure reduces concentration in the Australian market
- Consider a mix of growth assets (shares, property) and income assets (bonds, hybrids)

> ***Investors who stayed fully invested in Australian shares over any rolling 10-year period since 1990 have never experienced a negative return — discipline beats timing.***

WATCH OUT

Chasing last year's best-performing sector is one of the most common and costly investing mistakes. A diversified approach beats market timing over time.

03 Use Debt Strategically — Not Destructively

Not all debt is created equal

By your 40s and 50s, eliminating non-deductible debt (personal loans, credit cards, your home mortgage) should be a clear priority. Every dollar of mortgage interest you pay is after-tax money; eliminating it is equivalent to earning a guaranteed, risk-free return equal to your mortgage rate. Once bad debt is cleared, investment debt (borrowing to invest) can be used strategically to accelerate wealth accumulation — though it amplifies losses as well as gains and requires careful consideration.

- Prioritise eliminating non-deductible (personal/home) debt first
- Offset accounts on your mortgage provide flexibility while reducing interest
- Margin loans and investment property loans are tools — use them with a clear plan
- Never borrow to invest in high-risk or speculative assets

KEY INSIGHT	Paying an extra $500/month off a $600,000 mortgage at 6.5% can save over $120,000 in interest and shave 6 years off the loan term.

04 Protect What You've Built — Insurance Review

Your most overlooked wealth strategy

Many Australians in their 40s and 50s carry inadequate or inappropriate insurance cover — either over-insured in some areas or critically underinsured in others. Your income is your greatest asset. Life insurance, total and permanent disability (TPD) cover, income protection, and trauma insurance all play a role in ensuring a health event doesn't undo decades of wealth building. Cover held inside super is often a poor default — review it.

- Income protection: typically covers 70% of income for agreed period — essential for high earners
- Life cover: ensure it's sufficient to clear debts and support dependants
- TPD cover: many default super policies have restrictive 'any occupation' definitions
- Trauma/critical illness: provides a lump sum upon diagnosis — not covered by income protection

> ***The leading cause of early retirement in Australia is illness or injury, not a personal choice. A proper insurance review could be the most important financial conversation you have this year.***

IMPORTANT	Insurance premiums inside super are paid from pre-tax super dollars, which can make it more cost-effective — but check the policy terms carefully.

05 Understand and Minimise Your Tax Position

You keep what you don't give away

Tax planning is an often-neglected part of wealth strategy. In your peak earning years, you're likely in the 37–45% marginal tax bracket, which means the structure of your investments has a material impact on how much of your returns you actually keep. Strategies such as salary sacrifice, investment bonds, family trusts, spouse contributions, and franking credit management can all meaningfully reduce your tax bill — legally and legitimately.

- Salary sacrifice into super: contributions taxed at 15% instead of your marginal rate
- Hold growth assets in lower-income earner's name where possible, or utilise investment bonds as an investment structure
- Utilise the CGT 50% discount by holding investments for more than 12 months — a strategy now at risk as a result of the 2026 Budget
- Franking credits from Australian shares can offset or reduce your tax payable

TAX TIP

A financial adviser and a good accountant working together is one of the best investments you can make. The tax savings often far outweigh the combined fees.

06 Plan for the Transition — Pre-Retirement Strategies

The decade before retirement is your most powerful

The 10 years before retirement are disproportionately important to your final outcome. A transition to retirement (TTR) strategy allows you to access your super as an income stream from the age of 60 while still working, which can be used to salary sacrifice more aggressively into super. Estate planning — wills, powers of attorney, superannuation nominations — should also be reviewed during this period, as the default position is rarely optimal.

- TTR strategy can boost super contributions while maintaining take-home pay
- Retirement projections: know your number — what do you need to retire comfortably?
- Review your super's asset allocation as retirement approaches — more importantly, understand your Risk Tolerance and Risk Appetite
- Ensure your superannuation death benefit nominations are current and binding

> ***Most people overestimate how much they'll spend in retirement and underestimate how long they'll live. A financial plan that accounts for longevity risk — living into your 90s — is essential.***

PLAN AHEAD

ASFA estimates a comfortable retirement for a couple requires around $73,000/year. Knowing your number now lets you build a clear plan to reach it.

07 Work With a Financial Adviser — The Multiplier Effect

Advice more than pays for itself

Research consistently shows that Australians who work with a financial adviser accumulate significantly more wealth than those who go it alone — not because advisers have a crystal ball, but because they help you make better decisions, avoid costly mistakes, stay disciplined during market downturns, and implement strategies you wouldn't know to pursue on your own. The value of advice is highest during complex life stages — and your 40s and 50s are exactly that.

- Comprehensive financial planning addresses tax, super, insurance, and investments holistically
- Behavioural coaching: an adviser helps you stay the course when markets are volatile
- Strategic considerations: TTR strategies, super contribution optimisation, cashflow analysis, asset projections — the bread and butter of a great adviser
- Peace of mind: knowing your financial future is on track is genuinely valuable

> ***A 2023 IOOF study found advised clients accumulated 2.5x more wealth over 10 years than comparable unadvised clients. The cost of good advice is a fraction of the value it creates.***

OUR APP ROACH

At Horizon Wealth Partners, we believe advice should be clear, jargon-free, and always in your best interest. We're bound by a legal duty to act in your favour.

Ready to Build Your Wealth Strategy?

Every strategy in this guide is more powerful when it's tailored specifically to your income, goals, and timeline. At Horizon Wealth Partners, we offer a complimentary initial consultation to help you understand where you stand — and what's possible.

Book your free consultation today:

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