
Events such as death are certain to occur, but the timing is not certain. Other events like disability or retrenchment are uncertain in both the timing and probability of occurrence. We need to make appropriate allowances for all these events, through savings (pre-funding) or buying insurance cover, to ensure we remain financially healthy throughout our lifetime.

To measure financial wellness, we focus on what individuals need and compare this to what they have. We also consider the means available to an individual. Having less doesn't have to mean being less prepared, but it does mean having to make more careful choices.



HOW CAN WE MAKE THE JOURNEY SMOOTHER?

To carry out an appropriate assessment of current and future financial health, we need to at least consider:

- Current assets and liabilities, including housing, education, investments and debt
- Current and future retirement savings
- Life cover
- Disability cover
- Medical cover
- Short-term insurance (motor and household contents).

If we can identify the events that may affect an individual at a particular stage of their life, we can match up the required protection that will help them cope. This is a benchmark against which individuals can assess their current position to determine whether or not they have enough protection against various 'shock' events. Please note this is not about how much money an individual will have or make, but rather about the choices they make with the resources available and how what they have compares to what they need.