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Worries about retirement are on the money

The highly anticipated 'golden years' continue to lose their sparkle for many Australians according to Suncorp research, which found an increasing number of people believe they won't be able to afford their dream retirement.

The Suncorp *Attitudes to Superannuation* Report¹ revealed more than half of Australians (55 per cent) would like to retire before they reach the age of 65, yet almost a quarter (24 per cent) expect to work for at least another 15 years.

Suncorp Executive Manager of Wealth, Cathy Duncan, said despite this realisation, Australians continue to prioritise a new car or holiday over long-term retirement investments, like superannuation.

"With more than half of Australians concerned about the rising cost of living and ability to fund their retirement, it is unsurprising that many believe they won't achieve their desired retirement dream," Ms Duncan said.

"Retirement is a long-term investment, and there are decisions that people can make now to support them in their later years.

"Our research found that Gen Y was almost three times more likely than Gen X to feel the pressure to start planning for retirement before they reach 30 years of age, yet almost a fifth of all surveyed said they didn't know how to fund their retirement.

"In reality, less than one in five (20 per cent) Australians could retire now with enough super to support a comfortable lifestyle – based on \$430,000 according to the Association of Superannuation Funds of Australia (ASFA) recommended minimum super balance²."

Almost 40 per cent of Australians have never topped up their super and just one in 10 pay extra into their super each pay. However, a quarter would consider topping up their super if they understood the benefits (24 per cent) or if it was an easier process (16 per cent).

"We need to shift the consumer mindset around super and encourage greater engagement as part of an everyday savings strategy to help people feel more connected with their super," Ms Duncan said.

"As an industry, it is important that we provide the right level of support and education to customers, ensuring we make super as simple as possible."

Equipping consumers so they are informed is particularly relevant with almost 45 per cent of people continuing to find super complicated.

"Given the importance of super and the challenges people face, getting the right financial advice is crucial to help them gain a better understanding of how to plan for their retirement," Ms Duncan said.

Other findings from the *Attitudes to Superannuation* report:

- Australians rank having enough money saved for retirement as the second most significant financial concern (behind rising cost of living) with more than half (51 per cent) saying it worries them
- Almost 1 in 2 Australians (45 per cent) continue to find super complicated
- One of the key challenges to being more engaged with super is due to it being considered boring (33 per cent) followed by being time poor (32 per cent)
- Many people (40 per cent) who are not interested in super would be more engaged if their super account operated more like a bank account
- Over half (56 per cent) have never sought financial advice about their super but over a third (38 per cent) view seeing a financial adviser as important to better understand their super

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References:

1. Suncorp *Attitudes to Superannuation* report, April 2016.
2. Association of Superannuation Funds of Australia (ASFA), *Growing retiree numbers highlight the importance of using retirement planning tools: ASFA Retirement Standard December Quarter*, 6 March 2015.

Notes to Editor:

About Attitudes to Superannuation report

The Attitudes to Superannuation report is based on an online survey conducted between 15 March and 12 April 2015. It surveyed 2,008 respondents, men and women, between 18-70 years old, across all Australian States.

About Suncorp

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