# Outlook for Australian seniors' retirement plans? *Mostly sunny, with possible late rain*

A report by
**National Seniors Australia and Challenger**

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challenger

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## ABOUT NATIONAL SENIORS AUSTRALIA

National Seniors Australia is the leading independent voice of over 50s in Australia. As the nation's largest not-for-profit organisation for over 50s, we represent the views of older Australians and their families to governments of all levels, on issues ranging from age discrimination and mature age employment to the age pension and health and aged care. Founded in 1976 and now with more than 200,000 members, we provide unrivalled access to policy makers, innovative and practical research and a raft of commercial benefits to our members. Every day, National Seniors Australia seeks to improve the quality of life for mature age Australians.

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# Key Findings

Some of the key highlights arising from this report are:

- The vast majority of seniors perceived that superannuation's purpose was to provide income for retirement; a marked change from the assumption that it is only for wealth (lump sum) accumulation.
- Less than half the seniors surveyed are currently using a financial adviser.
- Two out of five seniors are not using a formal budget to manage their household expenses.
- The global financial crisis has affected the attitude towards the sharemarket for over 40% of seniors.
- Seniors underestimate their potential life expectancies by up to seven years.
- Seniors are increasingly knowledgeable about the level of income that can be generated by their retirement savings.
- Around 40% of seniors had no specific plan for later life expenses, such as medical treatment.
- Seniors are placing a lower level of importance on bequests as a financial goal.

# Introduction

National Seniors Australia (NSA) surveyed its members across 2012-14 on their views about the financial aspects of retirement. The 2012 survey focused on retirees' attitudes to financial risk, while the 2013 survey focused on retirees' understanding of their own life expectancy; elaborating on their planning and preparedness for meeting their spending needs in retirement, in particular, aged care costs. The 2012 and 2013 surveys were written up in separate reports released in March 2013 and July 2014, respectively.[1] This report revisits some of those findings, along with the results of the survey conducted in December 2014. The result provides a broader understanding of retiree preferences, attitudes and how they are preparing to meet their financial needs during retirement.

Retirement is a stage of life that brings challenges. Ensuring that finances are available to meet their goals and needs is one challenge for Australian retirees. While many Australian seniors are not adequately prepared for retirement, they can, and do, seek financial advice to help them with their plans. Getting the right information here is central to being able to enjoy the lifestyle in retirement that many are hoping to achieve.

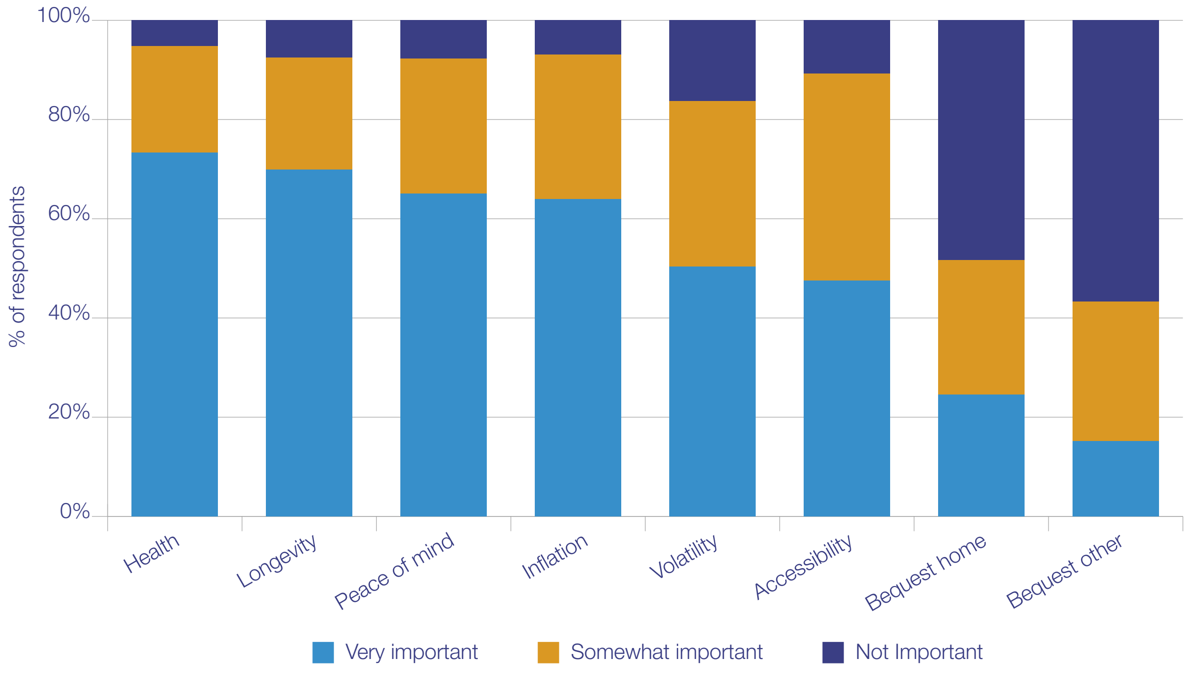
## Goals of the superannuation system

It was heartening that over 75% of respondents thought that the purpose of the superannuation system was to provide a regular income for the whole of retirement. The proportion thinking this way increased to more than 80% for respondents earning $40,000 or more per annum. The proportion of seniors who thought that super was to provide a lump sum of wealth at retirement was surprisingly low (less than 5% across all cohorts). This aligns strongly with the final report of the recent Financial System Inquiry, which recommended that the objectives of the superannuation system be agreed and reflected in legislation. In the view of the Inquiry, the primary objective is to provide income in retirement to substitute or supplement the Age Pension.

## Key retiree goals

The overall wellbeing of retirees depends on a range of factors. The Seniors Sentiment Index considers three separate domains, related to financial, health and social factors. Financial and health considerations are keys to good planning for retirement. This has been recognised by retirees in their prioritisation of goals for finances in retirement. The most important use of finances in retirement is to be able to afford aged care and medical costs. After that, as can be seen in Figure 1, Australian seniors attach higher importance to financial needs around goals such as having income for life and protecting against having their spending power eroded by inflation.

**Figure 1:** *Seniors' rating of importance of key attributes for their financial needs in retirement*




Health: Being able to afford aged care and medical expenses
Longevity: Money that lasts a lifetime
Peace of mind: Regular income to cover the bare essentials
Volatility: Savings not adversely affected by market falls
Accessibility: Savings can be withdrawn instantly when needed
Inflation: Income that adjusts to rising prices over time

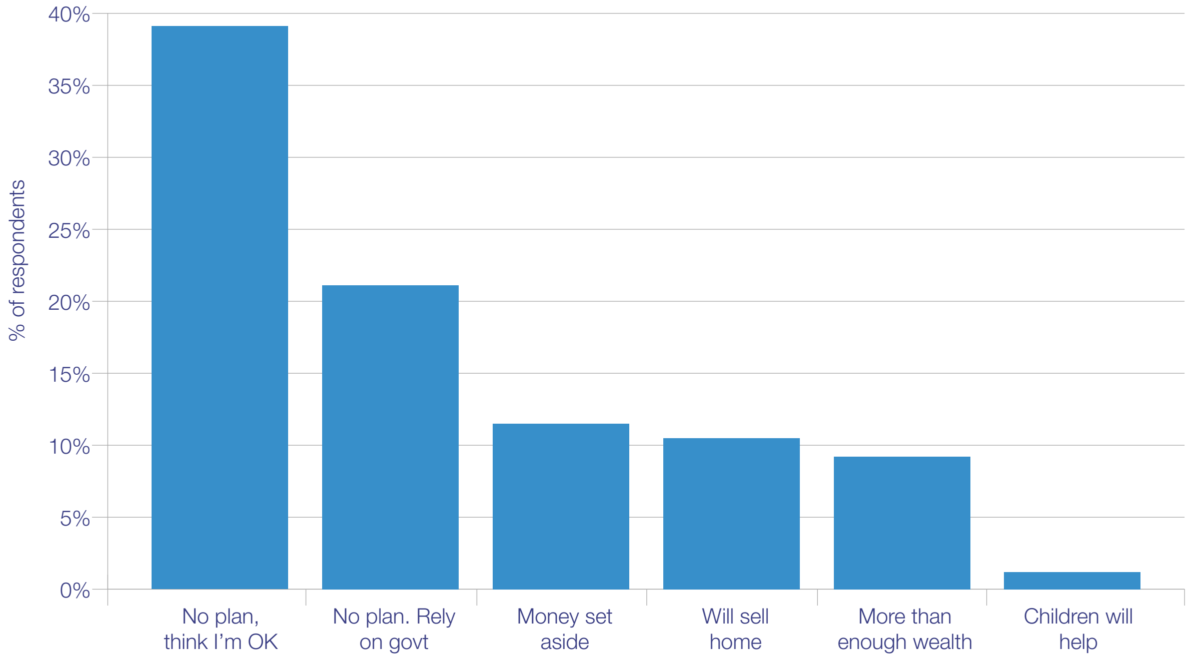
[1] *Retirees' needs and their (In)Tolerance for Risk. Melbourne: National Seniors Australia, 2013; and How realistic are senior Australians' retirement plans? Melbourne: National Seniors Australia, 2014.*

Seniors seem resigned to market volatility, but value accessibility to their savings. Only a minority of Australian seniors hope to use their savings as a bequest to the next generation.

The latest survey confirmed that most (78%) people's goal for superannuation is to provide income for the rest of their life. It also highlighted that preparing for aged care costs could be better despite the level of concerns that seniors had about being able to meet those costs.

Near to 40% of seniors have no specific plan for expenses late in life. One in five seniors anticipates having to rely on Medicare and the government to provide for their needs. Many respondents think they will be okay, but will need to re-assess their situation later on. As shown in Figure 2, the lack of specific financial plans for aged care suggests that there might be some aversion to preparing for the end of life period.[2]

**Figure 2:** *Plans for higher expenses in later life*




## Risk aversion and the sharemarket

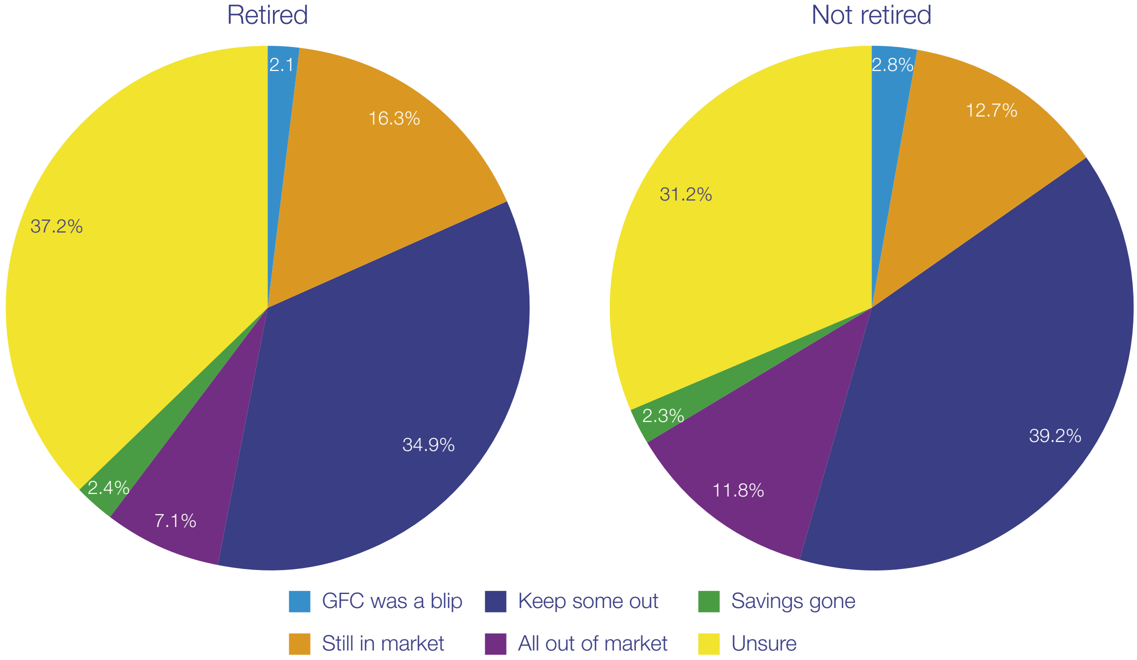
Aversion to financial risk by seniors is something that has been noted in academic literature and was present in the 2012 survey. Sixty-two per cent of retirees noted that their investments were 'more conservative' or 'somewhat more conservative' after retirement, while over 70% of those not yet retired expected to be 'more conservative' or 'somewhat more conservative' once they did retire.

Figure 3 provides the results when survey respondents were specifically asked about their attitude to investing their retirement savings in the sharemarket. With the global financial crisis (GFC) now a little further behind them, retirees are still aware of the impact. Only 18% of retired seniors have kept their savings invested in the sharemarket. Seven per cent of retirees, and nearly 12% of those not yet retired, are keeping all their savings out of the sharemarket in case something like the GFC happens again. A smaller number of both those retired and those yet to retire (2% respectively) said they had spent all of their retirement savings as a result of the GFC.

About one-third of seniors' attitude to investing their retirement savings was not related to the GFC. Forty-five per cent were concerned that another market fall could impact them and so they are more cautious with their investments than they were before the GFC.

[2] *For full tables of results, see Tables 1 to 12 in the Appendix*

**Figure 3:** *Seniors' attitude to investing retirement savings in the share market*




## Retirement income streams

There is a commonly held view that Australian retirees strongly prefer lump sums (i.e. taking large amounts of money out of their super) rather than using income stream products, including annuities, so that their money lasts the distance. Fund manager, Colonial First State, challenged this view in the recent launch of their Income Stream Index, noting that 83% of assets in retirement move into income streams.[3] A similar conclusion was reached by the Productivity Commission in its recent research paper on superannuation policy post retirement.[4] It found that the bulk of superannuation assets are taken as income stream rollovers and that many retirees who use income streams 'withdraw the minimum amount required by legislation - drawing down on their superannuation savings as conservatively as the rules allow.'[5]

The 2014 NSA social survey showed that the majority of Australian seniors (under 80 years of age) were able to put a reasonably accurate value on the savings required at retirement to deliver an income stream of $10,000 a year for life. This level of knowledge further supports the view that retirees are moving away from taking lump sums at retirement. However, the estimates seniors made were on the conservative side with over one-third expecting to need over $300,000 to generate $10,000 a year for life. Based on the prevailing RBA cash rate over the survey period of 2.5%, a fully inflation-indexed lifetime annuity would have cost around $230,000 to $240,000 (depending on gender) for a 65-year old to secure a guaranteed annual income of $10,000 for life. It was interesting that pre-retirees were over-represented in the group who said that the income stream would cost $300,000 or more, with nearly 40% of pre-retirees giving that answer. Also significant was the fact that nearly 40% of those already retired could not say what the answer was (*Figure 4*).

Generally speaking though, it was heartening to see that very few indicated an amount below the $200,000 level of capital needed to produce an income stream. In differing economic conditions (e.g. long term bond rates of around 5-6% per annum), a capital sum of 20 times the amount of annual income sought to be generated (i.e. $200,000) from age 65 years for life would have been a fair estimate. The fact that most respondents answered that a higher figure would be needed suggests either that they understood the impact of a lower interest rate environment on the cost of providing lifetime income or they were simply thinking more cautiously about spending in retirement. In either case, this paints a reasonably positive picture of seniors' financial literacy.

[3] *New analysis shows our "lump sum culture" is an exaggeration' (Colonial First State media release, 28 April 2015).*
[4] *Productivity Commission Research Paper: Superannuation Policy for Post-Retirement, 7 July 2015.*
[5] *Superannuation Policy for Post-Retirement, p. 16.*

**Figure 4:** *Amount of retirement savings seniors think they will need/would have needed at age 65 to receive $10,000 per year for the rest of their life*


While this tendency towards caution and capital preservation is at odds with only a minority wanting to leave some bequest, it is consistent with other suggestions[6] that retirees try to maintain capital for as long as possible. This is one way for risk-averse retirees to address the risk of living longer than average. Spending less can make the capital last longer at the cost of a lower standard of living in retirement. It might also lead to higher unintended bequests in the event of early death.

Pleasingly, very few people expected unrealistic investment returns in estimating how they could generate $10,000 a year in income. Only 2% thought it was possible to generate $10,000 a year from $50,000. Such a strategy would involve taking a very high degree of investment risk. This could expose retirees to the risk of permanent loss of capital and the risk that the desired level of income would not be available in some years.

## Underestimating actual life expectancy

The 2013 NSA social survey[7] found that seniors' estimates of their own life expectancies were up to seven years short of what they should have been (for seniors aged 50-54 years) (*Table 1*). Older Australians had a lower gap, but even 70-74 year-olds were underestimating their remaining lifespan by an average of three years. The reasons for this are manifold, but three core problems are present. The underlying information (e.g. actuarial life tables) is complex and relatively opaque; people don't like talking about their own mortality and the interaction with professional advisers (of any description) on this topic is low.

*Table 1 – Estimation of own life expectancy (years)*

| Age group (years) | Average estimation of own life expectancy | AGA | Under-estimation |
|---|---|---|---|
| 50 to 54 | 81.4 | 88.5 | -7.1 |
| 55 to 59 | 82.8 | 88.2 | -5.4 |
| 60 to 64 | 83.5 | 88.0 | -4.5 |
| 65 to 69 | 84.0 | 88.0 | -4.0 |
| 70 to 74 | 85.4 | 88.3 | -2.9 |
| 75 to 79 | 86.9 | 88.9 | -2.0 |

[6] *See for example, Wu, Asher, Meyricke & Thorp (2014). Age Pensioner Profiles: A longitudinal study of income, assets and decumulation. CEPAR Working Paper, 2015/17. Available at www.cepar.edu.au*
[7] *How realistic are senior Australians' retirement plans? National Seniors Australia, 2014.*

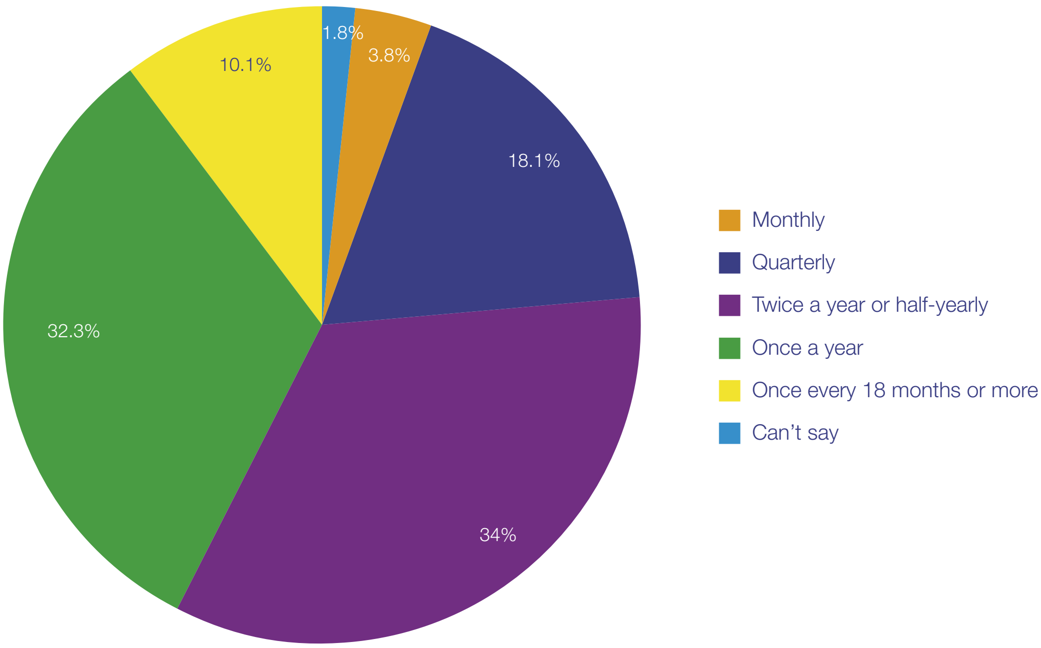
## Use of financial advisers

Given that many retirees will face new financial challenges (i.e. living off capital, rather than a salary) and might be dealing with a larger amount of capital than they have previously, it follows that many would benefit from getting financial advice. In the 2014 NSA social survey, less than half of surveyed seniors are currently using a financial adviser. On a slightly more positive note, retirees are more likely (46%) than non-retirees (40%) to use an adviser. However, only those with personal incomes of $40,000 to $59,999 per annum were more likely to report using a financial adviser (53%). The proportion indicating that they currently do not use a financial adviser was higher for all age groups, for both sexes, and for all other income groupings. Those on low incomes and those in the older age group were less likely to report the use of financial advisers, but it was surprising that only 46.2% of those on incomes of $60,000+ per annum (of all ages over 50 years) were using a financial adviser. These results remain a cause for concern (*Table 1, Appendix*).

For those using financial advisers, contact was mostly once or twice a year. A small minority received monthly advice, which was more likely for males and for those with incomes over $60,000 a year. There were only 10% of people using advisers who only discuss their financial situation every 18 months or more. This frequency of contact is a positive sign and suggests that seniors who do use financial advisers are receiving a valuable service (*Figure 5*).

This steady degree of interaction should enable a smooth transition to the new 'opt-in' provisions of the legislation regulating financial advisers. These are aimed at ensuring that clients being charged for ongoing financial advice actively consent to this, and the fees being charged, every two years.[8]

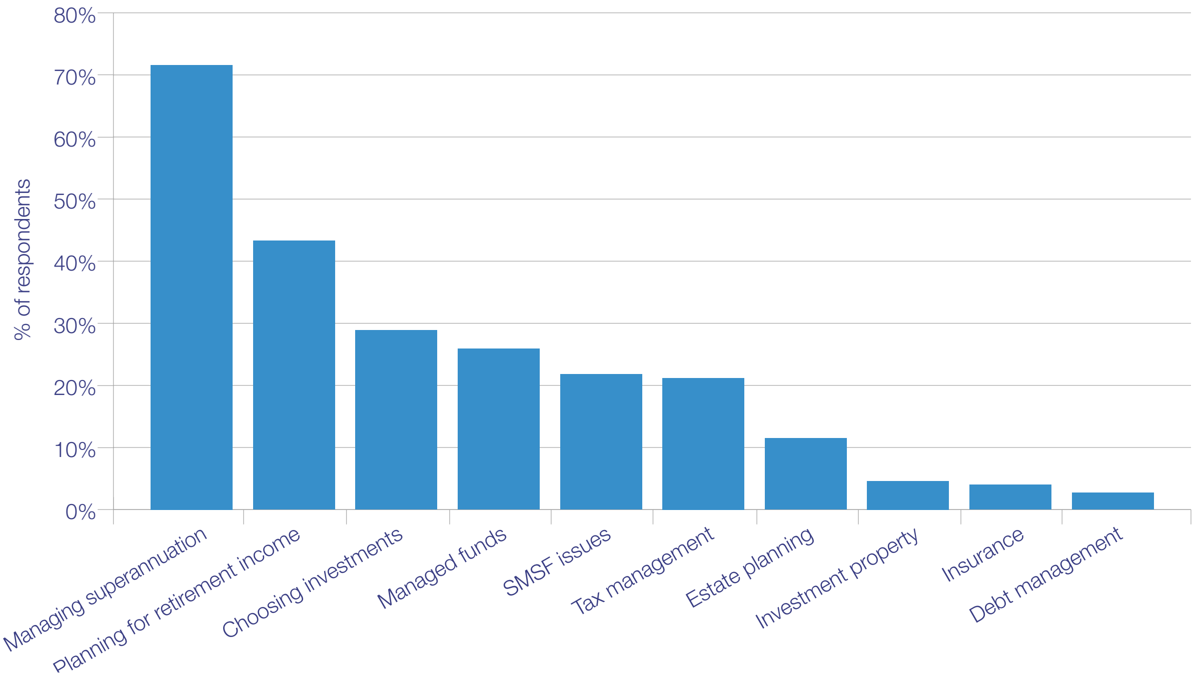
**Figure 5:** *Frequency of contact with financial adviser to discuss financial situation*




As shown in Figure 6, most people speak to their financial adviser about managing their superannuation. Planning for retirement income was also a popular reason for having conversations with financial advisers among pre-retirees. Older Australians (80+ years) were more likely to seek advice about tax and choosing investments (including managed funds), possibly reflecting that this group has less superannuation, either because compulsory super started late in their working lives or because they have spent most of it. They do use advisers for tax issues more than relatively younger age groups (36% for 80+ age group compared to 23% for the 50-64 age group) reflecting their relative reliance on private savings, not enjoying concessional tax treatment, over superannuation (*Table 3, Appendix*). The other possible explanation is that it could reflect a decreasing ability to manage their own investments, prompting a greater use of external advisers with age.

[8] *An obligation that requires advice providers to renew their clients' agreement to ongoing fees every two years introduced under the Corporations Amendment (Future of Financial Advice) Act 2012.*

**Figure 6:** *Proportion of respondents using financial adviser for each service type (%)*




Note: respondents might use financial advisers for multiple purposes and hence could choose more than one option.

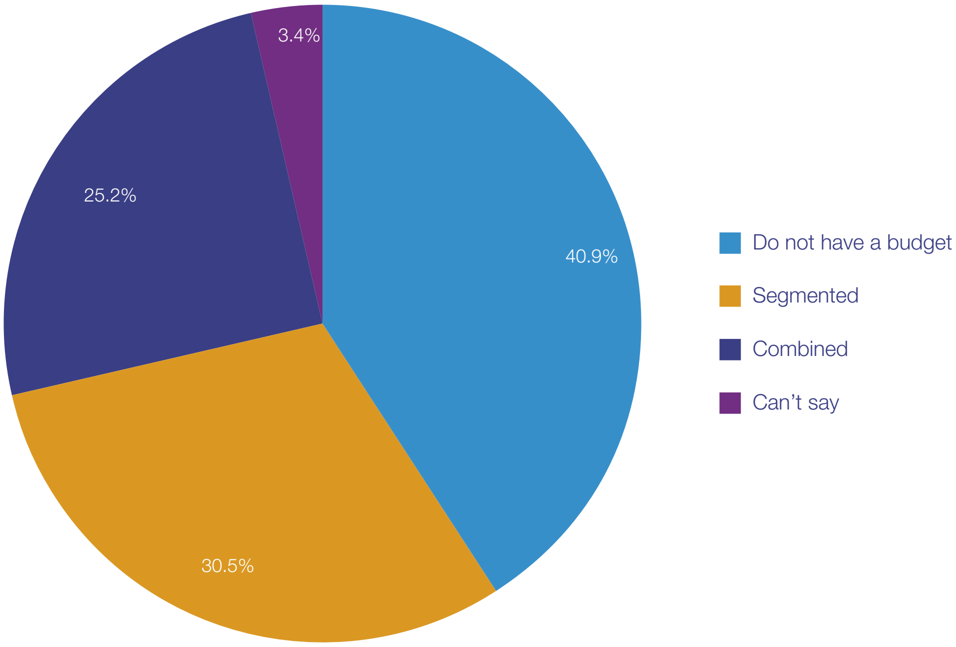
## Planning how long your retirement income will last

One area of planning where advisers were making a positive difference was in planning for longevity. While seniors tend to underestimate their life expectancies, over half (55%) are planning with advisers for income in retirement for more than 20 years. Near to sixty per cent of retirees in the 50-64 year-old cohort, who had received advice from a financial adviser, were still planning to live for 20 years or more. Unsurprisingly, the proportions of retirees planning for such a long time horizon reduced as they aged. Still, with one in five people over 80 years old planning to live beyond 100 years, it appears that advisers are helping retirees overcome the tendency to underestimate longevity and at least plan for an appropriate time horizon. On the other hand, around 10% of respondents could not say how long they were planning for their retirement income to last. This uncertainty was more pronounced (20%) in those on incomes of less than $20,000 a year (*Table 4, Appendix*).

## Budget for household expenses

One of the more startling statistics is the revelation that two out of five seniors do not work with a budget for household expenses (*Figure 7*). This result was reasonably consistent across age groups and gender. Of those who use a budget, the preference is to have a budget that is segmented between essential needs and other spending. This is consistent with the importance placed on having income to meet the essential spending needs as was highlighted in the 2012 survey.

**Figure 7:** *How seniors budget for their household expenses*




Combined: I have a budget that estimates how much I plan to spend on all expenses, irrespective of the type of expenses.
Segmented: I have a budget that estimates separately how much I plan to spend on essentials and how much I plan to spend on leisure activities.

## Retirement income solutions for women

When it comes to life expectancy, women generally live longer than men: about three years on average.[9] Having lower superannuation balances, and a history of retiring earlier, means that women typically need to make a lower level of retirement savings last longer. Near to two-thirds of seniors indicated that women need income that lasts longer because of their longer life expectancy (*Figure 8*).

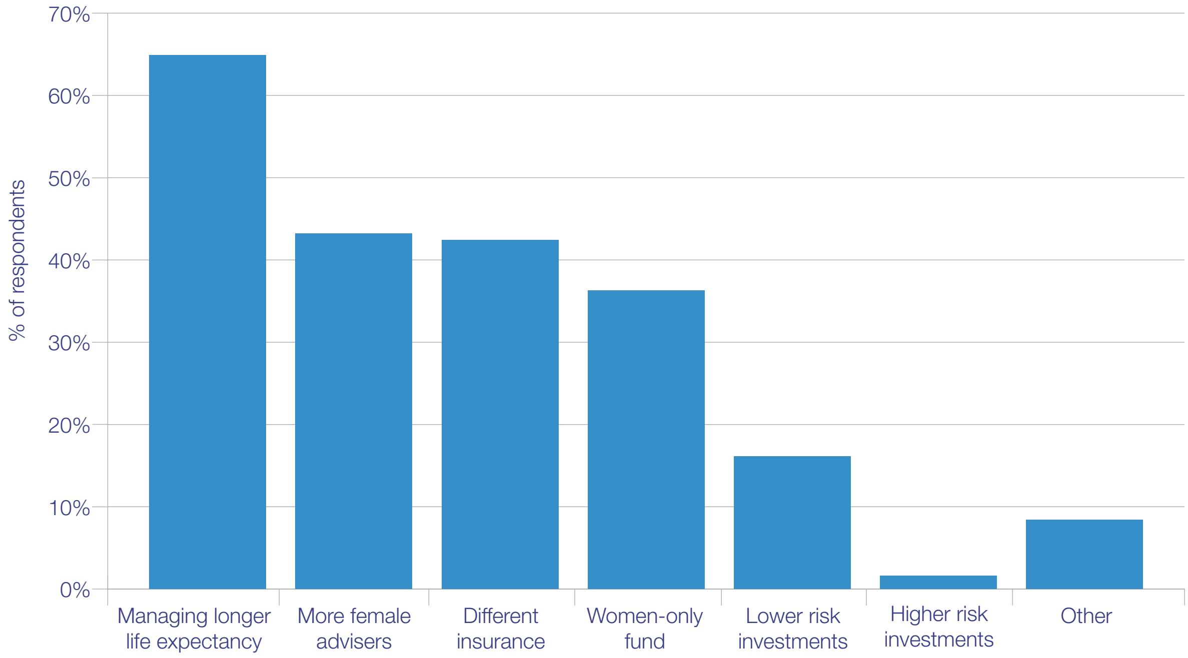
It was no surprise then that 70% of women said that they needed different products to provide retirement income that lasts longer (*Table 9, Appendix*). Interestingly, just over half the male respondents agreed with this proposition. There was also support (about 42% for both males and females) for different life and disability insurance and income protection products for women within superannuation. Over one-third of males and females also supported the idea of a superannuation fund designed only for female members.

Women also expressed support for having more female financial advisers who understood their needs. Support for this rose from just under 40% for those in the 50-64 year old age group to 54.4% for the 80+ age group. This is another significant message for the financial services industry.

It was also significant that 18% of women said they needed less risk. It is well established that females have different risk profiles from their male counterparts.[10] This was reflected in the negligible positive response rates across all age and gender cohorts for women being offered investments with higher levels of risk.

[9] *As per the Australian Life Tables 2010-12 published by the Australian Government Actuary*
[10] *For example, see Delsen & Kantarci (2014). Analysis of the stated preferences for risk and uncertainty in pension plans in the Netherlands. Netspar working paper available from www.netspar.nl*

**Figure 8:** *Different retirement income needs for women*




Life expectancy: Income that lasts longer because of their longer life expectancy
Note: multiple responses could be chosen

### Knowledge about annuities

A majority of respondents provided answers that correctly described the fundamental features of annuities. Roughly one in three said that annuities were like the Age Pension, but bought from an insurance company; a response that could be regarded as a completely accurate (albeit simple) explanation of an annuity. On the other hand, 27 per cent of respondents could not answer the annuities question (*Table 12, Appendix*).

## Summary of findings

Once Australian seniors transition from their working careers into retirement, we can observe many changes in what they say and do. Most retirees are aware that they need to spend down their lifetime savings in order to enjoy their desired lifestyle in retirement. Their goals for their savings relate to needs such as meeting health costs at advanced ages and having a secure income to cover recurring essential spending needs.

Retirees also demonstrate high levels of risk aversion. Whether this relates purely to age or to rising concerns over being able to fund newly focussed needs in retirement is difficult to tell. Regardless, Australian seniors have a low tolerance for risk. It is a little surprising then that many retirees underestimate how long they might live. Longevity risk is one of the largest risks that retirees will face in their advanced years. Using a financial adviser appears to help retirees manage this risk by having a plan for a retirement that lasts a suitable period of time.

Planning for and in retirement is still a mixed bag. Some older Australians are clearly well-prepared for the older years with plans in place for income, enjoying a lifestyle and being ready for health and unexpected costs late in life. Other retirees seem to have no reliable plan and merely hope that it will be okay. You could say that some are living to plan, and others are planning to live in retirement and hoping that everything else takes care of itself.

# Appendix: Results from the 2014 NSA Social Survey

**Table 1:** *Whether respondent currently uses a financial adviser to assist in managing finances (% of all), by age, gender, personal income and retirement status*

| | | Age | | | Gender | | Personal income (per annum) | | | | Retirement status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ | Not retired | Retired |
| Yes | 43.4 | 42.0 | 48.0 | 38.0 | 43.3 | 43.7 | 28.5 | 41.8 | 52.8 | 46.2 | 39.9 | 46.4 |
| No | 56.1 | 57.6 | 51.4 | 61.4 | 56.0 | 55.9 | 70.8 | 57.8 | 46.8 | 53.3 | 59.7 | 53.2 |
| Can't say | 0.5 | 0.4 | 0.6 | 0.6 | 0.7 | 0.3 | 0.7 | 0.4 | 0.5 | 0.5 | 0.4 | 0.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,905

**Table 2:** *Approximately how often respondent discusses their financial situation with financial adviser (% of people who currently use a financial adviser), by age, gender, personal income and retirement status*

| | | Age | | | Gender | | Personal income (per annum) | | | | Retirement status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ | Not retired | Retired |
| Monthly | 3.8 | 4.7 | 1.5 | 5.6 | 4.5 | 2.8 | 2.5 | 2.4 | 1.9 | 7.3 | 5.7 | 2.3 |
| Quarterly | 18.1 | 19.8 | 18.0 | 12.4 | 22.2 | 14.9 | 17.4 | 17.1 | 16.6 | 20.5 | 17.3 | 19.1 |
| Twice a year | 34.0 | 31.4 | 37.1 | 34.7 | 35.4 | 32.4 | 28.6 | 33.3 | 37.1 | 33.7 | 31.8 | 34.9 |
| Once a year | 32.3 | 32.7 | 32.4 | 34.5 | 30.5 | 34.9 | 37.4 | 32.2 | 35.9 | 27.5 | 32.2 | 33.1 |
| Once every 18 months or more | 10.1 | 9.3 | 9.2 | 12.8 | 6.7 | 12.3 | 10.1 | 12.4 | 7.4 | 10.3 | 11.6 | 8.4 |
| Can't say | 1.8 | 2.1 | 1.9 | 0.0 | 0.8 | 2.8 | 4.0 | 2.6 | 1.1 | 0.8 | 1.3 | 2.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=838

**Table 3:** *Services that respondent uses financial adviser for (% of people who currently use a financial adviser), by age, gender, personal income and retirement status*

| | | Age | | | Gender | | Personal income (per annum) | | | | Retirement status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ | Not retired | Retired |
| Managing superannuation | 71.6 | 73.8 | 73.7 | 52.5 | 73.2 | 70.1 | 71.0 | 73.2 | 70.3 | 73.1 | 72.4 | 70.3 |
| Planning for retirement income | 43.3 | 61.0 | 26.4 | 11.1 | 44.5 | 42.3 | 44.5 | 32.3 | 48.3 | 54.4 | 65.7 | 27.1 |
| Choosing investments | 28.9 | 24.7 | 29.4 | 49.2 | 28.4 | 29.4 | 25.1 | 29.0 | 28.3 | 33.2 | 27.1 | 29.7 |
| Managed funds | 25.9 | 20.9 | 30.5 | 35.8 | 24.5 | 27.3 | 25.1 | 33.8 | 22.4 | 24.2 | 19.3 | 30.5 |
| Tax management/ tax returns | 21.8 | 22.9 | 16.5 | 35.8 | 22.6 | 21.2 | 9.9 | 15.5 | 24.1 | 28.9 | 27.2 | 18.7 |
| Advice specific to SMSFs | 21.2 | 22.0 | 21.1 | 17.4 | 23.5 | 19.0 | 11.4 | 16.5 | 24.1 | 26.4 | 23.4 | 19.5 |
| Estate planning | 11.5 | 12.2 | 12.0 | 6.3 | 13.5 | 9.7 | 6.5 | 9.4 | 12.0 | 18.2 | 14.9 | 9.5 |
| Insurance | 4.6 | 7.8 | 0.9 | 1.3 | 5.1 | 4.2 | 1.6 | 2.2 | 5.1 | 7.7 | 8.9 | 1.4 |
| Managing investment property | 4.0 | 5.0 | 2.2 | 5.8 | 4.8 | 3.4 | 1.1 | 4.0 | 5.6 | 4.0 | 5.9 | 2.9 |
| Debt management | 2.7 | 4.0 | 1.2 | 1.3 | 3.4 | 2.1 | 1.6 | 1.4 | 4.1 | 2.7 | 5.0 | 1.3 |

Columns sum to more than 100% because more than one answer could be selected.
N=845

**Table 4:** *How long respondent is planning their retirement income to last for (% of people who received planning for retirement income services from financial adviser), by age, gender, personal income and retirement status*

| | | Age | | | Gender | | Personal income (per annum) | | | | Retirement status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ | Not retired | Retired |
| For up to 5 years | 2.0 | 1.9 | 1.8 | 7.4 | 1.8 | 2.3 | 1.8 | 0.0 | 4.3 | 1.8 | 2.7 | 1.1 |
| For 5 to less than 10 years | 6.1 | 4.7 | 5.1 | 55.0 | 5.1 | 7.1 | 15.3 | 5.5 | 8.5 | 2.3 | 5.0 | 8.6 |
| For 10 to less than 15 years | 10.6 | 9.0 | 15.9 | 9.6 | 12.0 | 9.2 | 6.6 | 12.1 | 11.0 | 12.2 | 11.2 | 10.5 |
| For 15 to less than 20 years | 16.4 | 15.6 | 21.0 | 0.0 | 16.8 | 16.0 | 7.9 | 25.2 | 21.4 | 12.9 | 16.8 | 13.7 |
| For 20 years or more | 55.3 | 58.2 | 49.6 | 19.1 | 56.9 | 53.7 | 47.9 | 48.5 | 44.3 | 63.9 | 54.0 | 60.0 |
| Can't say | 9.7 | 10.6 | 6.6 | 9.0 | 7.4 | 11.9 | 20.5 | 8.7 | 10.6 | 6.9 | 10.3 | 6.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=331

**Table 5:** *Statement that best describes respondent's attitude to investing retirement savings (including superannuation) in the share market (% of all), by age, gender, personal income and retirement status*

| | | Age | | | Gender | | Personal income (per annum) | | | | Retirement status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ | Not retired | Retired |
| The GFC was a historical blip and I will invest all of my retirement savings in the share market for long term growth | 2.4 | 3.4 | 0.8 | 2.1 | 2.7 | 2.1 | 0.9 | 2.9 | 1.7 | 2.5 | 2.8 | 2.1 |
| The share market could still drop again like the GFC, but I will keep my retirement savings invested in the share market for long term growth | 14.9 | 13.6 | 17.4 | 14.3 | 17.0 | 13.1 | 13.9 | 14.8 | 14.3 | 17.0 | 12.7 | 16.3 |
| The GFC provided a reminder that markets can fall, so I now keep some of my retirement savings out of the share market | 36.6 | 39.6 | 35.0 | 26.4 | 40.2 | 33.2 | 23.4 | 34.9 | 40.9 | 46.6 | 39.2 | 34.9 |
| The GFC could happen again and I am keeping all my retirement savings out of the market | 9.3 | 10.5 | 7.9 | 7.8 | 9.1 | 9.5 | 8.1 | 8.5 | 11.3 | 9.8 | 11.8 | 7.1 |
| I have had to spend all my retirement savings because of the GFC | 2.3 | 2.4 | 2.2 | 2.5 | 2.4 | 2.3 | 4.1 | 3.6 | 2.0 | 0.4 | 2.3 | 2.4 |
| None of the above | 19.6 | 16.4 | 22.1 | 28.2 | 17.5 | 21.6 | 27.3 | 19.9 | 17.8 | 16.2 | 16.8 | 22.3 |
| Can't say | 14.8 | 14.2 | 14.6 | 18.8 | 11.2 | 18.2 | 22.3 | 15.4 | 12.1 | 7.5 | 14.5 | 15.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,896

**Table 6:** *Respondent's plans to cover potentially high expenditures in later life, such as medical treatment (% of all), by age, gender and personal income*

| | | Age | | | Gender | | Personal income (per annum) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ |
| I have no specific plan. I think I'll be OK, but I might need to reassess my finances | 39.1 | 38.2 | 40.7 | 38.7 | 40.1 | 38.2 | 36.7 | 39.5 | 43.7 | 37.2 |
| I have no specific plan and will rely on Medicare and the government for what I can get | 21.1 | 24.3 | 16.4 | 19.2 | 19.8 | 22.3 | 31.4 | 24.9 | 16.5 | 16.0 |
| I have set aside money specifically to cover needs for late in life | 11.5 | 10.2 | 13.0 | 13.9 | 10.9 | 12.1 | 8.6 | 9.4 | 13.1 | 14.0 |
| Will sell the family home if necessary to meet these costs | 10.5 | 9.6 | 12.9 | 7.7 | 10.9 | 10.1 | 12.4 | 12.4 | 9.6 | 8.9 |
| I have enough wealth that I don't need to worry about these costs | 9.2 | 8.3 | 9.4 | 13.0 | 11.5 | 7.0 | 1.4 | 4.8 | 8.3 | 19.4 |
| I will be relying on support from my children to meet these costs | 1.2 | 1.3 | 1.4 | 0.0 | 0.7 | 1.6 | 2.2 | 2.0 | 0.3 | 0.4 |
| Can't say | 7.5 | 8.2 | 6.2 | 7.5 | 6.0 | 8.8 | 7.4 | 7.2 | 8.6 | 4.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,902

**Table 7:** *Approximately how much retirement savings respondent thinks they will need/would have needed at age 65 to receive $10,000 per year (in today's money) for the rest of their life (% of all), by age, gender, personal income and retirement status*

| | | Age | | | Gender | | Personal income (per annum) | | | | Retirement status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ | Not retired | Retired |
| $50,000 | 1.9 | 2.0 | 1.3 | 2.8 | 2.1 | 1.6 | 1.4 | 2.0 | 3.4 | 1.4 | 1.8 | 1.6 |
| $100,000 | 2.6 | 2.8 | 2.8 | 0.8 | 2.2 | 2.9 | 3.1 | 3.0 | 1.9 | 2.6 | 3.0 | 2.0 |
| $150,000 | 4.3 | 5.0 | 4.0 | 1.3 | 5.7 | 3.0 | 2.9 | 4.3 | 4.4 | 5.3 | 5.8 | 3.0 |
| $200,000 | 12.9 | 13.6 | 13.5 | 7.6 | 17.4 | 8.6 | 11.8 | 10.7 | 11.2 | 18.9 | 14.2 | 12.1 |
| $250,000 | 12.2 | 13.2 | 12.3 | 6.9 | 14.4 | 10.2 | 9.2 | 12.4 | 15.3 | 12.6 | 12.1 | 12.4 |
| $300,000 or more | 34.0 | 38.4 | 30.9 | 21.5 | 37.0 | 31.2 | 30.3 | 32.3 | 35.4 | 40.3 | 39.4 | 30.2 |
| Can't say | 32.2 | 25.1 | 35.3 | 59.2 | 21.3 | 42.5 | 41.3 | 35.3 | 28.3 | 18.9 | 23.8 | 38.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,867

**Table 8:** *Whether women should be offered different superannuation and retirement solutions compared to men (% of all), by age, gender and personal income*

| | | Age | | | Gender | | Personal income (per annum) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ |
| Yes | 20.7 | 23.9 | 17.5 | 14.9 | 14.7 | 26.4 | 19.5 | 19.5 | 22.3 | 22.3 |
| No | 67.1 | 65.7 | 69.3 | 67.5 | 74.9 | 59.9 | 64.7 | 66.8 | 67.3 | 69.2 |
| Can't say | 12.2 | 10.4 | 13.3 | 17.6 | 10.5 | 13.7 | 15.9 | 13.7 | 10.4 | 8.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,895

**Table 9:** *What respondent thinks are different products or solutions that women might need (% of people who think women should be offered different superannuation and retirement solutions compared to men), by age, gender and personal income*

| | | Age | | | Gender | | Personal income (per annum) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ |
| Income that lasts longer because of their longer life expectancy | 64.9 | 57.3 | 77.5 | 80.8 | 54.3 | 70.4 | 56.1 | 73.8 | 65.7 | 65.2 |
| More female advisers who understand their needs | 43.2 | 39.0 | 49.5 | 54.4 | 39.8 | 44.9 | 42.9 | 50.6 | 46.6 | 37.8 |
| Different life and disability insurance and income protection products within superannuation | 42.4 | 45.6 | 37.2 | 36.1 | 43.3 | 42.0 | 40.6 | 34.9 | 48.0 | 43.3 |
| A superannuation fund designed for female members only | 36.3 | 37.7 | 32.4 | 39.0 | 38.9 | 35.0 | 46.0 | 39.5 | 30.2 | 33.8 |
| A lower level of risk in their investments | 16.1 | 15.9 | 14.2 | 23.5 | 11.6 | 18.4 | 23.5 | 18.6 | 19.0 | 7.2 |
| A higher level of risk in their investments | 1.6 | 0.8 | 4.0 | 0.0 | 1.7 | 1.6 | 1.2 | 2.2 | 1.7 | 0.0 |
| Other | 8.4 | 8.7 | 8.3 | 7.1 | 3.6 | 10.9 | 4.0 | 9.6 | 8.9 | 9.4 |
| Can't say | 42.4 | 45.6 | 37.2 | 36.1 | 43.3 | 42.0 | 40.6 | 34.9 | 48.0 | 43.3 |

Columns sum to more than 100% because more than one answer could be selected.
N=389

**Table 10:** *What respondent thinks is the goal of superannuation (% of all), by age, gender and personal income*

| | | Age | | | Gender | | Personal income (per annum) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ |
| To provide a regular income for the whole of retirement | 77.9 | 77.2 | 80.3 | 74.0 | 80.3 | 75.6 | 67.2 | 76.7 | 82.6 | 83.0 |
| To provide a regular income for a limited period of retirement | 6.7 | 8.1 | 5.2 | 4.4 | 6.4 | 7.0 | 7.5 | 6.8 | 6.4 | 7.1 |
| To specifically provide funds to cover unexpected and additional late-life expenses such as medical and aged care costs | 4.7 | 4.4 | 4.9 | 6.1 | 3.9 | 5.5 | 7.2 | 5.6 | 4.0 | 2.2 |
| To provide a lump sum of wealth at the start of retirement | 3.2 | 3.9 | 2.3 | 2.3 | 2.8 | 3.5 | 4.7 | 3.1 | 2.4 | 3.5 |
| Other | 2.4 | 2.9 | 1.7 | 2.0 | 3.2 | 1.7 | 4.1 | 1.6 | 2.0 | 2.1 |
| Can't say | 5.2 | 3.5 | 5.8 | 11.3 | 3.4 | 6.7 | 9.3 | 6.3 | 2.6 | 2.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,900

**Table 11:** *Statement that respondent thinks best describes how they budget for their household expenses (% of all), by age, gender and personal income*

| | | Age | | | Gender | | Personal income (per annum) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ |
| I do not have a budget | 40.9 | 41.0 | 38.4 | 47.2 | 42.6 | 39.3 | 37.1 | 39.1 | 38.1 | 46.9 |
| I have a budget that estimates separately how much I plan to spend on essentials (e.g. food, rent, bills) and how much I plan to spend on leisure activities (e.g. holidays, dining out, entertainment) | 30.5 | 31.8 | 30.7 | 23.9 | 28.5 | 32.4 | 33.5 | 35.0 | 28.7 | 26.1 |
| I have a budget that estimates how much I plan to spend on all expenses, irrespective of the type of expenses | 25.2 | 23.8 | 27.9 | 24.4 | 26.1 | 24.5 | 25.5 | 23.2 | 32.0 | 24.0 |
| Can't say | 3.4 | 3.4 | 3.0 | 4.5 | 2.9 | 3.9 | 3.9 | 2.7 | 1.2 | 3.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,903

**Table 12:** *What respondent thinks best describes an annuity (% of all), by age, gender and personal income*

| | | Age | | | Gender | | Personal income (per annum) | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total | 50-64 | 65-79 | 80+ | Male | Female | <$20,000 | $20,000-$39,999 | $40,000-$59,999 | $60,000+ |
| Like the age pension, but bought from an insurance company | 28.6 | 29.1 | 28.2 | 27.6 | 34.0 | 23.7 | 26.0 | 22.1 | 28.8 | 37.4 |
| A safe investment like a bank deposit | 12.0 | 12.3 | 11.5 | 11.6 | 9.7 | 14.1 | 11.4 | 16.3 | 11.4 | 10.2 |
| An insurance policy that protects you if you live longer than average | 9.8 | 9.0 | 9.9 | 13.3 | 11.8 | 7.9 | 10.1 | 11.5 | 8.4 | 9.6 |
| An investment that goes up and down with the share market | 9.4 | 8.6 | 11.9 | 5.8 | 11.2 | 7.6 | 7.3 | 12.0 | 10.6 | 7.0 |
| None of the above | 13.0 | 12.5 | 13.9 | 12.5 | 13.4 | 12.6 | 16.9 | 12.6 | 11.5 | 12.0 |
| Can't say | 27.3 | 28.5 | 24.6 | 29.2 | 19.9 | 34.2 | 28.4 | 25.6 | 29.3 | 23.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

N=1,886

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