



Superannuation and Australians' expectations

November 2020
Polling Project

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In October 2020, the Association of Superannuation Funds of Australia (ASFA) commissioned Utting Research to conduct an online survey of Australian superannuation account holders. Survey participants were asked about their views on the Superannuation Guarantee, ESG factors and their retirement lifestyle expectations.

The objective of superannuation has always been about lifting the living standards of Australians in retirement. Superannuation underpins higher standards of living in retirement and it is important that Australians' superannuation balances provide adequate income to achieve a comfortable standard of living in retirement.

Polling project detail

- Utting Research conducted for ASFA an online survey of 1,375 Australians with a superannuation account between 1 October and 12 October 2020.
- Maximum margin of error at 95% confidence level is $\pm 2.6\%$ (n=1,375).
- Raw data were weighted to reflect the gender, age and State distribution of the Australian workforce and the percentage of superannuation account holders with a self-managed super fund. All figures shown are post-weighting.
- Some rows or columns may not total 100% or the given total due to rounding.

Outline



12%

1. SG to 12%



2. Age Pension



3. ESG Factors



4. Retirement funding
expectations



5. Retirement
confidence

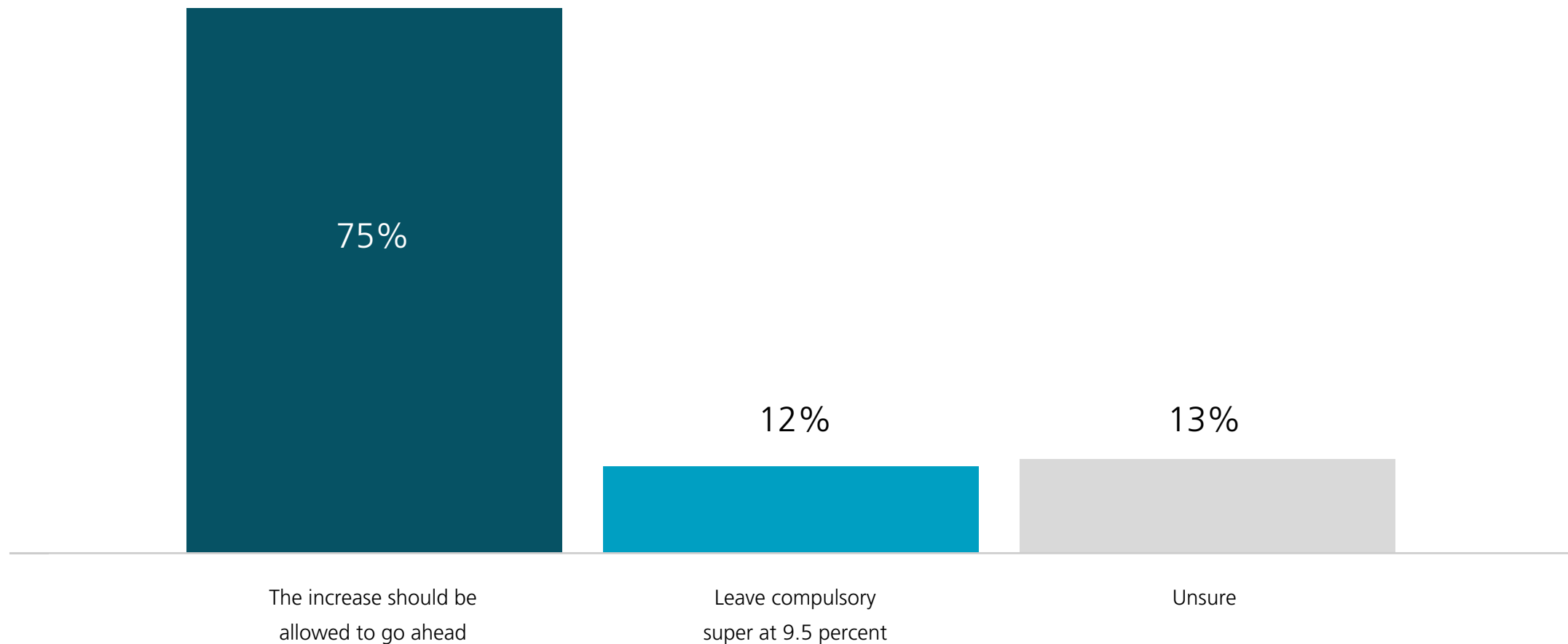


6. Comfortable
retirement views

Superannuation Guarantee (SG) increase to 12%

- An overwhelming majority of those surveyed (75%) consider that the SG should increase to 12% as scheduled, with only 12% considering that it should stay at 9.5%.
- Support for the increase going ahead was remarkably consistent across both gender and age groups.

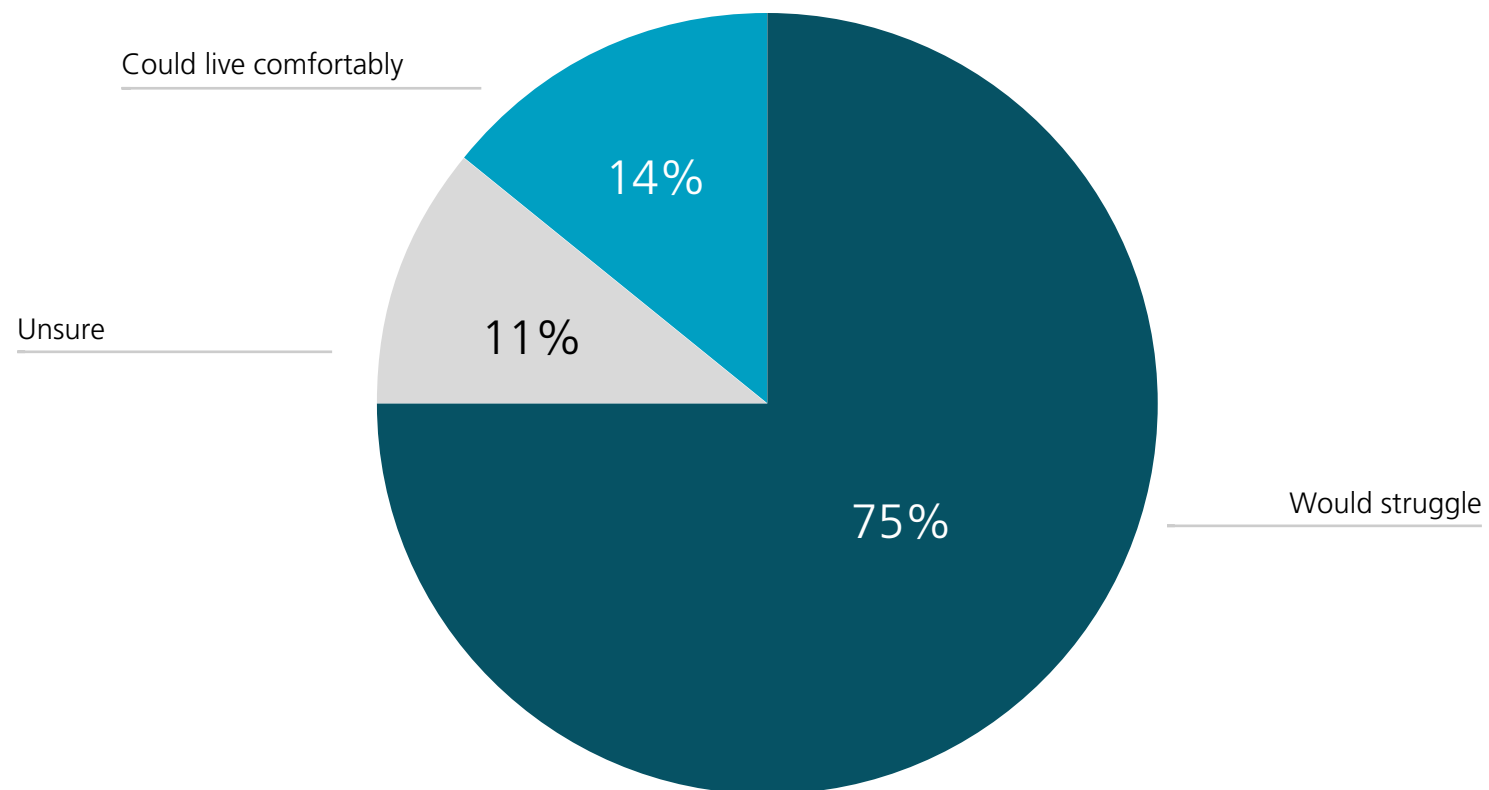
	Increase to 12%	Leave at 9.5%	Unsure
Male	73%	16%	11%
Female	76%	7%	16%
18-34	75%	13%	12%
35-49	76%	12%	12%
50-64	73%	10%	16%



Age Pension

- Based on current Age Pension amounts, which is \$67 per day for a single person and \$101 per day for a couple, 75% of respondents stated they would struggle to live comfortably on the Age Pension alone.
- Females and those aged over 50 in particular did not consider that they would be able to live comfortably on the Age Pension alone.

	Would struggle on Age Pension alone	Comfortable on Age Pension alone
Male	71%	17%
Female	80%	10%
18-34	70%	20%
35-49	76%	12%
50-64	79%	8%



Environmental, social and governance (ESG) factors

- The polling results indicate that superannuation fund members approve of funds being active on ESG issues.
- More than twice the number of respondents approve rather than disapprove of superannuation funds taking action on gender diversity.
- More than triple the number of respondents approve rather than disapprove of superannuation funds taking action on more open corporate governance and climate change.
- Younger people also are more likely to support funds taking action on climate change

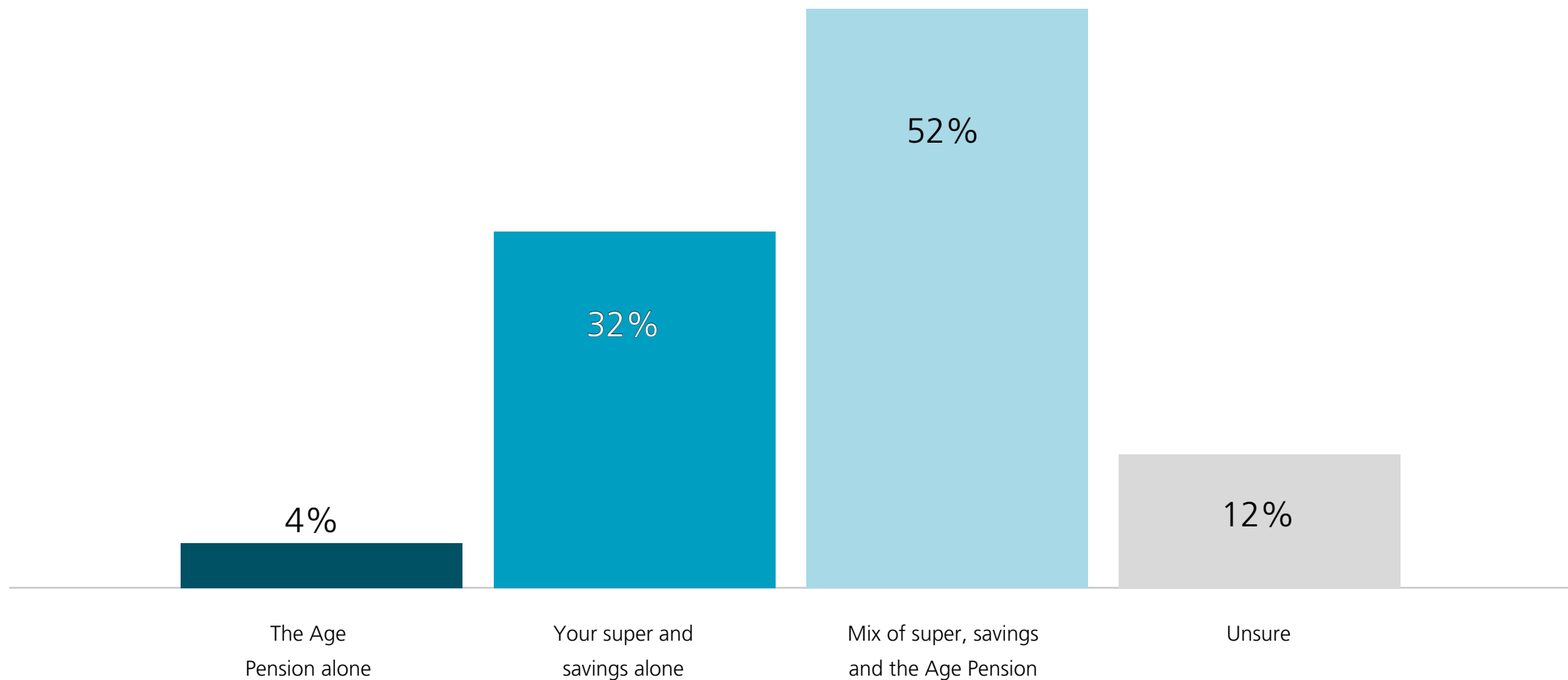
	More open corporate governance		Taking action on climate change		Increased gender diversity	
	Approve	Disapprove	Approve	Disapprove	Approve	Disapprove
All respondents	64%	16%	64%	20%	58%	26%
18-34	61%	20%	73%	13%	66%	21%
35-49	65%	15%	59%	22%	56%	25%
50-64	64%	15%	56%	27%	50%	31%

Note: Some rows or columns may not total 100% or the given total due to survey participants having the option to respond with "Unsure".

Retirement funding expectations

- The polling indicates that the majority of respondents (52%) expect to live on a mix of superannuation, savings and the Age Pension. A negligible proportion of respondents expect to live on the Age Pension alone.
- However, when asked what respondents would **prefer** to live on during retirement, 43% stated they would prefer to live on their superannuation and savings alone, while 42% advised they would prefer to live on a mix of their super, savings and Age Pension.

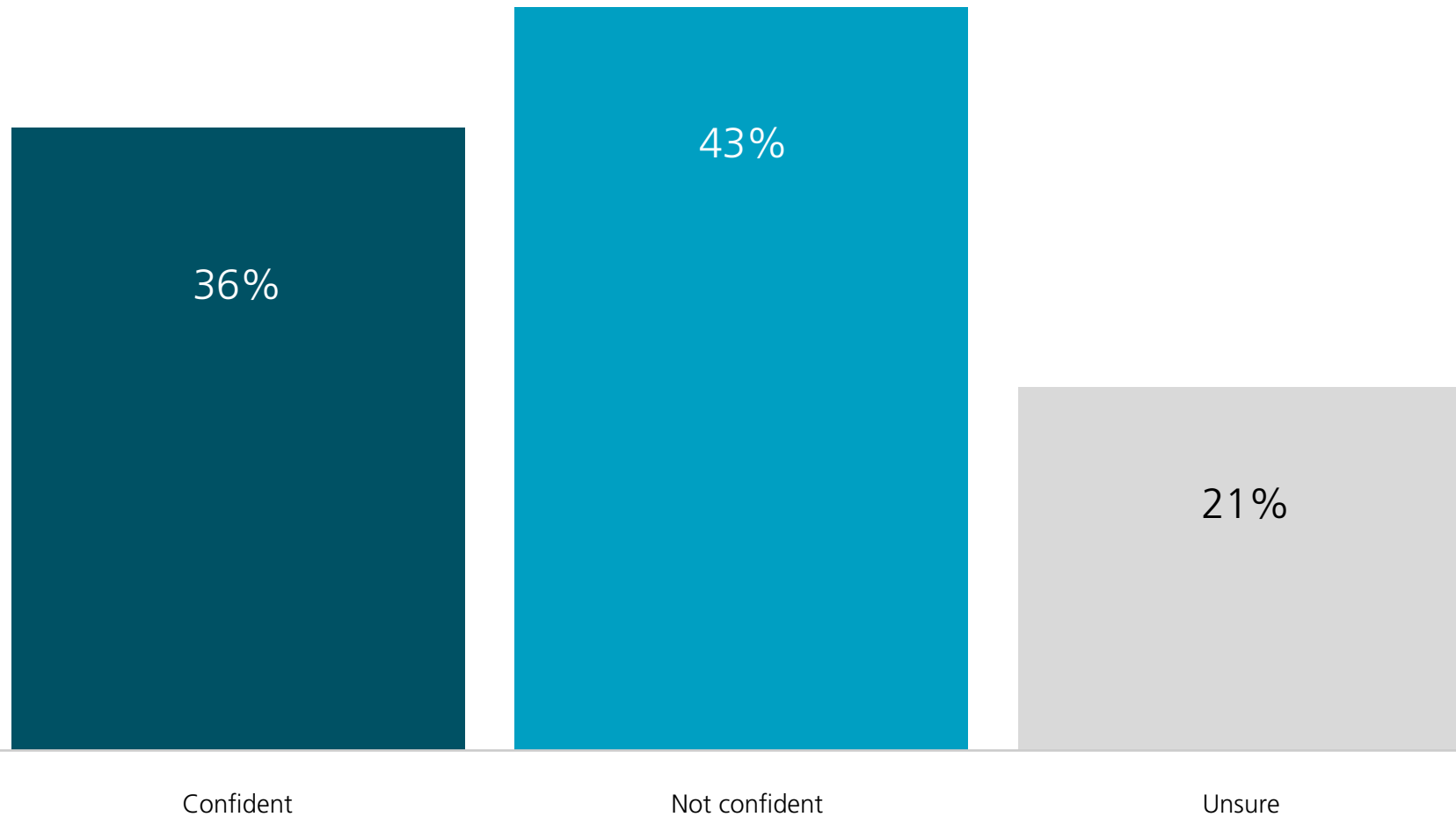
	Mix of super, savings and Age Pension	Super and savings alone	Age Pension alone
Male	48%	37%	4%
Female	56%	26%	4%
18-34	46%	39%	2%
35-49	51%	34%	3%
50-64	60%	21%	6%



Retirement confidence

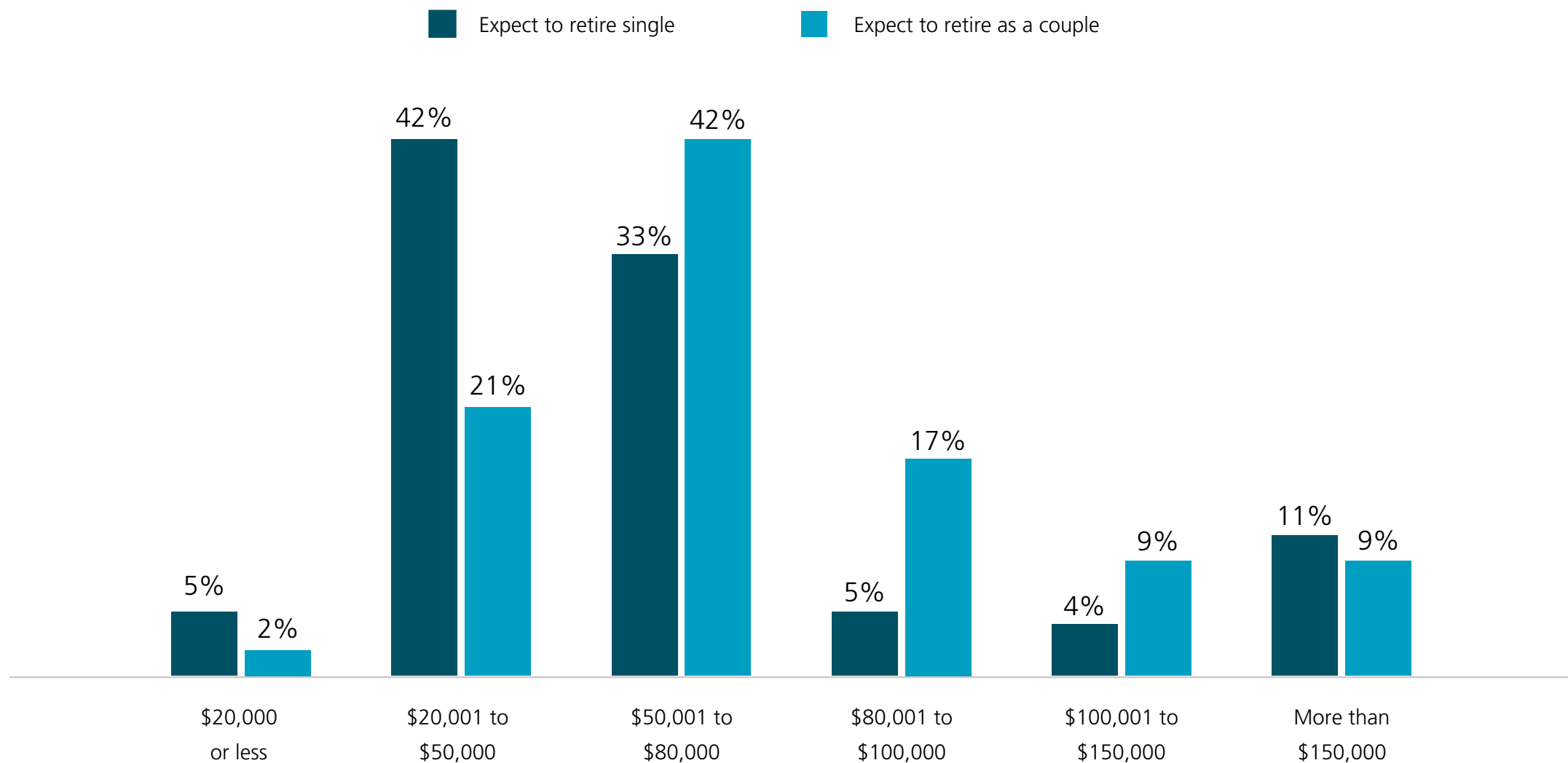
- Overall, only a third of respondents were confident that they would have enough super and savings to achieve a comfortable lifestyle during retirement.
- Confidence was lowest among women and those over 50.
- The majority of respondents (58%) were not aware that for a comfortable lifestyle retirees aged around 65 need an annual budget of around \$44,000 for a single and \$62,000 for a couple.

	Not confident	Confident
Male	39%	44%
Female	47%	27%
18-34	35%	37%
35-49	41%	43%
50-64	54%	27%



Comfortable retirement needs

- The majority of respondents (58%) were not aware that for a comfortable lifestyle retirees aged around 65 need an annual budget of around \$44,000 for a single and \$62,000 for a couple.
- However, respondent views on what is needed for a comfortable retirement validate the budgets for the ASFA comfortable budgets for singles and couples. For instance, the bulk of individuals who expect to retire as a couple consider that they would need to spend between \$50,000 and \$80,000 a year to be comfortable in retirement.





ASFA is a non-profit, non-political national organisation whose mission is to continuously improve the superannuation system, so all Australians can enjoy a comfortable and dignified retirement. We focus on the issues that affect the entire Australian superannuation system and its \$2.9 trillion in retirement savings.

Our membership is across all parts of the industry, including corporate, public sector, industry and retail superannuation funds, and associated service providers, representing nearly 90 per cent of the 16 million Australians with superannuation.

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Enquiries are to be made to The Association of Superannuation Funds of Australia Limited.

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