Survey on superannuation: Attitudes of younger Australians

- Australians aged 18 to 34 exhibit strong support for superannuation – including a high degree of support for increasing the rate for compulsory contributions, and high degrees of satisfaction with, and trust in their super fund.
- Broadly speaking, rates of support and trust among this cohort of younger Australians are on par with that of older cohorts – even though older Australians are typically more engaged with their superannuation.
- Like older cohorts, younger Australians consider that their superannuation fund is more focused on good consumer outcomes than other types of financial institutions.
- For the vast majority of younger Australians, contributing to their superannuation boosts their confidence about their financial future.

This note is the first in a series of ASFA publications that explores the findings of a recent survey of Australians about superannuation. The survey comprised around 1,500 adults – representative of the broader population in terms of age, gender, education and whether respondents reside in urban or regional areas.*

Young people and their superannuation

Australia's system of compulsory superannuation commenced more than three decades ago. Since then, and particularly with incremental increases in the rate for compulsory contributions, superannuation has become an increasing important pillar of Australia's retirement income system. On 1 July 2025, the contribution rate is scheduled to rise from 11.5% to 12%: the final legislated increase in the rate for compulsory contributions.

Compared with previous generations, today's cohort of young workers will benefit from higher compulsory contribution rates, for longer periods of time. For individuals (all else being equal), this means higher super balances and better standards of living in retirement compared with previous generations.

For example, a 30-year-old person with a super balance of $30,000 today, and who earns $75,000 per annum (equivalent to today's median wage) until retirement at age 67 would be expected to accumulate a super balance of $610,000 (in today's dollars). This amount is above ASFA's estimate for the super balance required to fund a comfortable lifestyle in retirement for a single person who owns their own home ($595,000).

That said, a contribution rate of 12% will not, on its own, guarantee adequate retirement incomes for today's younger workers. In particular, periods of time where a person is not receiving contributions – due to time out of the workforce, or where jobs are not covered by the compulsory system – will impact the person's capacity to accumulate super savings.

- Women in particular take time out of the workforce and/or work reduced hours to have and raise children.
- Today's younger workers are more likely to work for periods in the gig economy (including as a second job), where work arrangements typically are not covered by compulsory super.

ASFA has long advocated for policy change to support affected workers. This includes raising the threshold for the Low-Income Super Tax Offset (or LISTO), and extending compulsory super to the self-employed – particularly those who are best described as 'dependent contractors'. These changes would not only help boost adequacy, but would likely increase younger members' engagement with, and confidence in superannuation.

Survey results: Strong support for compulsory super

There is a high degree of support among young people for compulsory superannuation. For survey respondents aged 18 to 34, 77% considered that the compulsory contribution rate should be at least 12%, while only 4% considered that the rate should be lower

Chart 1: Ideal rate for compulsory contributions

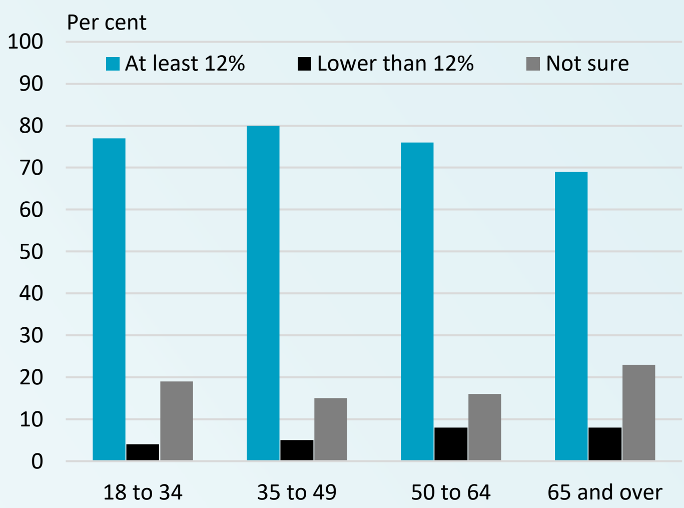
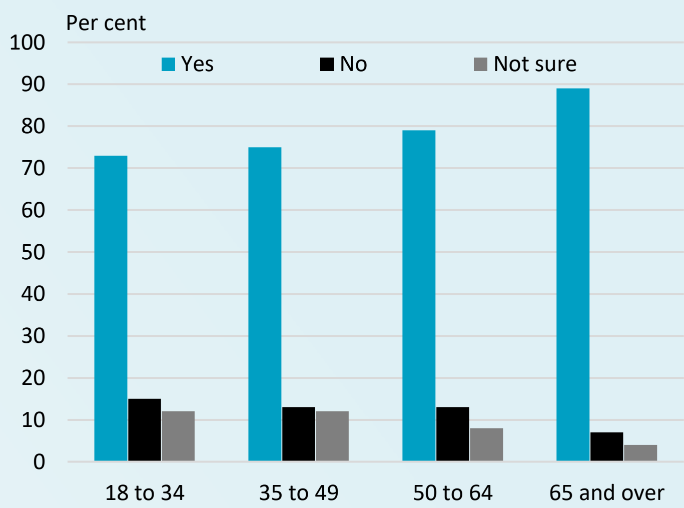


Chart 2: Are members satisfied with fund performance?



Source: RedBridge Group.

than 12%. The remainder, 19%, were unsure about the appropriate contribution rate (Chart 1).

These results are broadly consistent with support for compulsory super among older Australians. Indeed, for the 18 to 34 and 35 to 49 age cohorts, outcomes for each response option are within the margin of error for the survey.

Survey results: High degree of satisfaction with fund performance

Generally, Australians have a high degree of satisfaction with their fund's performance – including younger people. That said, satisfaction does tend to increase with age (Chart 2).

For survey respondents aged 18 to 34, 73% reported that they were pleased with their fund's performance, while only 15% stated that they were not pleased (12% were unsure). While the satisfaction rate for the 35 to 49 age cohort was not statistically different (75%), satisfaction rates were higher for the 50 to 64 cohort (79%) and the 65 and over cohort (89%).

A possible explanation for this result relates to the impacts of the COVID-19 pandemic. In particular, for younger Australians, the effects of the pandemic on their fund's investment returns may have a greater bearing on their views of their fund's broader performance compared with older Australians – who may be more likely to regard the impact of the pandemic within a longer-term context.

Survey results: High degree of trust in superannuation

Australians have a high degree of trust in their superannuation fund(s), which, again, tends to increase with age (Chart 3).

For survey respondents aged 18 to 34, 72% reported they trust their super fund to make good financial decisions, while only 15% stated that they did not and 13% were unsure. Rates of trust were higher for the 50 to 64 age cohort (76%) and the 65 and over cohort (88%).

Rising trust across age cohorts may reflect the fact that for individuals, the longer the time they spend in the workforce, the greater the opportunity for their engagement with their superannuation fund(s).

There is greater consistency across age cohorts regarding whether superannuation funds are focused on delivering good outcomes for consumers, compared with other major types of financial institution.

Survey participants were asked whether superannuation funds are more focused on good outcomes (by virtue of their emphasis on investment returns), compared with banks and insurance companies. For survey respondents aged 18 to 34, 73% either agreed or strongly agreed with the proposition – this was not statistically different from those in the other age cohorts (data not shown).

Survey results: Super supports financial confidence

More broadly, confirmation of the importance of super to younger Australians is reflected in its impact on their financial confidence.

Participants were asked whether "knowing I am contributing to my super makes me feel more confident about my financial future".

For survey respondents aged 18 to 34, 82% either agreed or strongly agreed with the proposition, while only 12% either disagreed or strongly disagreed (6% were not sure), for a net outcome of 70%. This strong result is despite the fact that, for the vast majority of younger people, retirement is a distant proposition and not likely to be front-of-mind (Chart 4).

Indeed, the outcome for the 18 to 34 age cohort is consistent with the views of older cohorts – only the 65 and over age cohort reported a (statistically) higher net outcome (76%).

**The survey was conducted by RedBridge Group for ASFA, from 10 to 17 March 2025. The sample size was 1,507 Australian citizens aged 18 and older, and who were enrolled to vote. Participants were recruited via an online panel.*

Chart 3: Do members trust their super fund?

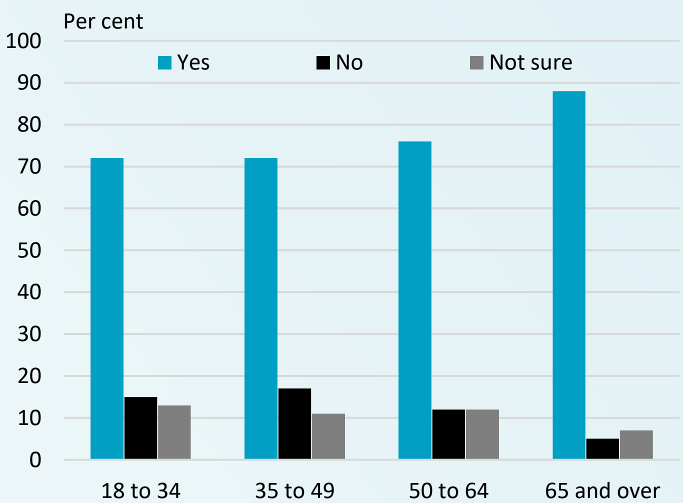
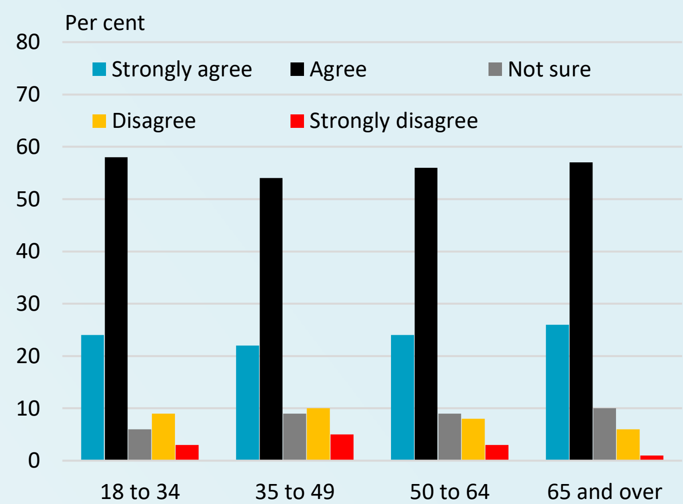


Chart 4: Super supports financial confidence



Source: RedBridge Group.