



# **Household wealth and liabilities for those approaching retirement**

June 2026



## About ASFA

ASFA, the voice of super, has been operating since 1962 and is the peak policy, research and advocacy body for Australia's superannuation industry. ASFA represents the APRA regulated superannuation industry with over 100 organisations as members from corporate, industry, retail and public sector funds, and service providers. We develop policy positions through collaboration with our diverse membership base and use our deep technical expertise and research capabilities to assist in advancing outcomes for Australians.

We unite the superannuation community, supporting our members with research, advocacy, education and collaboration to help Australians enjoy a dignified retirement. We promote effective practice and advocate for efficiency, sustainability and trust in our world-class retirement income system.

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## Executive Summary

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Ensuring adequate income in retirement remains a central objective of Australia's retirement income system. While superannuation is the cornerstone of private retirement savings, Australians approach retirement with diverse financial circumstances that extend beyond superannuation balances alone.

This paper examines the composition of household wealth and liabilities among Australians aged 60-64 using data from the 2022 HILDA Survey (the latest available data for wealth and debt). The analysis adopts a household-level perspective and considers financial assets, non-financial assets, debts and net worth to provide a comprehensive view of retirement preparedness across different household types.

Key findings:

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- Superannuation remains the dominant source of private retirement wealth, representing the largest financial asset for most households aged 60-64.
  - Recent polling conducted for ASFA indicates that Australians continue to hold positive views of superannuation. Most members rate their fund's investment performance favourably - 61 per cent say it is good or very good in 2026, up from 56 per cent in 2024 - and there is strong support for the current 12 per cent Superannuation Guarantee rate.
  - The polling also indicates that Australians have a high level of trust in super funds managing their financial security in retirement. The highest levels of trust are reported by those aged 65+, people with a higher super balance (over \$500,000), or who are retired.
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- However, superannuation alone does not provide a complete picture of retirement capacity. Including other financial assets materially increases the share of households able to meet retirement living standard goals.
  - As well, homeownership is a defining determinant of retirement preparedness. Homeowners not only hold substantial housing equity, but also consistently accumulate higher levels of superannuation and other financial assets than non-owners.
  - Non-homeowners tend to be more financially vulnerable. Renters approaching retirement are significantly less likely to reach even a modest retirement standard of living, particularly single renters.
  - Cultural and linguistic background is associated with uneven wealth outcomes. Lone CALD households exhibit substantially lower levels of accumulated wealth, driven in part by lower rates of homeownership.
  - Wealth inequality reflects differences in both the level and composition of assets. Higher-wealth households are more diversified and hold a broader range of assets, while lower- and middle-wealth households rely more heavily on superannuation and housing.

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Taken together, the findings highlight the importance of assessing retirement preparedness through a full balance sheet lens, recognising variation in tenure, household structure, and asset composition along with differences in the value of superannuation and other financial assets.

The findings reinforce the need in many cases for financial planning advice following fact finding about the needs and circumstances of a retiree (and their spouse when there is one).



Individual circumstances are far more diverse than, say, analysis and product design that makes use of three, four or even five assumed cohorts.

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Australians, particularly older Australians, have a high level of trust in their superannuation fund to manage their financial security in retirement

Redbridge polling, February 2026

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# 1 Introduction

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## Dissecting household wealth

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Ensuring adequate income in retirement remains a central objective of Australia's retirement income system. While superannuation is the cornerstone of private retirement savings, Australians approach retirement with diverse financial circumstances that extend well beyond their superannuation balances alone.

This paper examines the composition of household wealth among Australians aged 60-64 using data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The analysis adopts a household-level perspective and considers financial assets, non-financial assets, debts, and net worth to provide a comprehensive view of retirement readiness.

The findings highlight substantial variation in wealth composition across different household types. Bank deposits and motor vehicles are the most common assets for all households, while superannuation and the family home account for the largest share of wealth for most households. The distribution of assets differs remarkably by marital status (seen as single/couple households), homeownership and culturally and linguistically diverse (CALD) background. In particular, single CALD households along with renters approaching retirement exhibit significantly lower levels of wealth and financial resilience.

Importantly, the research also shows that retirement preparedness cannot be understood solely through superannuation balances. Other financial assets, particularly liquid savings for the most part and equity investments for the top quintiles, play a critical role in determining the likelihood of achieving a comfortable standard of living in retirement.

These results have important implications for the design of retirement income solutions and for policy settings aimed at supporting individuals and couples, particularly those with less assets, as they transition into retirement.

## Overview of household wealth and liabilities

### The wealth of pre-retirees and the recently retired

This paper draws on data from the 2022 wave of the Household, Income and Labour Dynamics in Australia (HILDA) Survey, the most recent release containing detailed household wealth information. The analysis focuses on households approaching retirement. Given that the average retirement age is now 63.8 years (ABS, 2025) and the superannuation preservation age is now age 60, the study examines households in which the eldest member was aged 60–64 in 2022. This group represents Australians who have retired or who are near to retirement, providing a useful snapshot of financial preparedness. The focus is on single and couple households to avoid mixing in the financial assets of other family members who may be resident in a household.

However, it should be noted that Australians are retiring at increasingly older ages. In 2003, 69.5 per cent of women and 48.5 per cent of men in the 60 to 64 age group were retired, but by 2023, these figures had dropped to 40.8 per cent and 27.4 per cent, respectively. A similar but less pronounced trend is observed for those aged 65 to 69, where the proportion of retirees declined from 85.9 per cent to 65.5 per cent for women and from 73.2 per cent to 60.8 per cent for men between 2003 and 2023. A number of commentators make simple estimates of the number retiring based on the number of people turning age 65 or 67 each year. Such an approach tends to overestimate the number of people retiring each year given the trend to later retirement.

Most retirees live in single or couple only households. There has been a considerable decline in the proportion of retirees living in couple households with children, which fell from 19.2 per cent in 2003 to 11.9 per cent in 2023. This most likely reflects fewer older persons living with their children rather than more children moving out from the family home.

Because financial resources are typically pooled and shared in retirement, the analysis in this report is conducted at the household level rather than the individual level, despite superannuation being held in individual accounts. Households are divided into lone households (non-partnered individuals) and couple households (partnered individuals). This distinction is important, as lone households generally face greater constraints in wealth accumulation and risk-sharing compared to couple households. As well, the financial needs of couple households are less than twice the needs of single households given the sharing of expenses such as housing. The majority of individuals aged 60 to 64 are in couple relationships.

Table 1 below presents the HILDA breakdown of household wealth and liabilities into categories of financial assets, non-financial assets, debts, and net worth.

**Table 1: Household assets and debt**

| <b>Financial Assets</b>   | <b>Non-financial Assets</b> | <b>Debt</b>                          | <b>Net Worth</b>      |
|---------------------------|-----------------------------|--------------------------------------|-----------------------|
| Bank deposits             | Vehicles                    | Home loan                            | Home equity           |
| Equity investments        | Home                        | Business debt                        | Business equity       |
| Cash investments          | Business                    | Other property debt                  | Other property equity |
| Superannuation            | Collectables                | Other personal debt/car loan etc.    |                       |
| Redeemable life insurance | Other property              | Other debt (including overdue bills) |                       |
| Loan to others            |                             |                                      |                       |

**Prevalence of household assets and debts**

Table 2 presents the proportion of households aged 60-64 holding each asset and liability category, separately for lone and couple households. The colour shading indicates relative prevalence, from more widely held (darker) to less common (lighter).

**Table 2: Share of households 60-64 holding each asset class by household structure**

|                              | Lone hh | Couple hh |                                | Lone hh | Couple hh |
|------------------------------|---------|-----------|--------------------------------|---------|-----------|
| <b>Fin. asset</b>            | 99%     | 100%      | <b>Non-fin. Asset</b>          | 92%     | 100%      |
| Bank deposit                 | 98%     | 100%      | Vehicles                       | 86%     | 99%       |
| Cash investment              | 1%      | 6%        | Home                           | 60%     | 83%       |
| Equity investment            | 27%     | 40%       | Business                       | 6%      | 16%       |
| Super                        | 78%     | 93%       | Collectables                   | 17%     | 25%       |
| Cash-out-able life Insurance | 4%      | 4%        | Other property                 | 18%     | 34%       |
| Loan to others               | 6%      | 9%        |                                |         |           |
| Trust fund                   | 3%      | 5%        |                                |         |           |
|                              | Lone hh | Couple hh |                                | Lone hh | Couple hh |
| <b>HH debt</b>               | 44%     | 56%       | <b>Positive net worth</b>      | 97%     | 100%      |
| Home loan                    | 20%     | 32%       | Positive home equity           | 60%     | 82%       |
| Business debt                | 1%      | 2%        | Positive business equity       | 6%      | 16%       |
| HECS                         | 2%      | 8%        | Positive other property equity | 18%     | 34%       |
| Credit card debt             | 11%     | 13%       |                                |         |           |
| Other personal debt/car loan | 14%     | 19%       |                                |         |           |
| Other property debt          | 10%     | 16%       |                                |         |           |
| Overdue hh bills             | 4%      | 1%        |                                |         |           |

Two assets are nearly universal across both household types: bank deposits and motor vehicles. Bank deposits are held by almost all households in this age group. Vehicle ownership is similarly widespread, particularly among couple households, and is held by 86 per cent of lone households. While contributing to lifestyle in retirement motor vehicles are a cost rather than an asset supporting spending.

Among financial assets, superannuation is the most commonly held asset after bank deposits, with 78 per cent of lone households and 93 per cent of couple households reporting superannuation balances. Equity investments are the next most prevalent financial asset, though held by a minority of households: 27 per cent of lone households and 40 per cent of couple households. Other financial assets are relatively uncommon, with fewer than 10 per cent of households holding them.

Turning to non-financial assets, owner-occupied housing is the most significant asset category beyond vehicles. 60 per cent of lone households and 83 per cent of couple households own their home. Investment property ownership is less common but still material, particularly among couple households, where around one-third report holding such assets.

These patterns indicate that while basic financial and physical assets are widely held among households approaching retirement, ownership of larger and more consequential assets, particularly housing and superannuation, varies meaningfully by household structure.

Holding debt through formal financial institutions does not necessarily indicate financial stress. Access to credit can reflect a household's capacity to service loans and participate in the formal financial market. However, in the context of retirement preparedness, lower levels of outstanding debt are generally associated with stronger financial positioning. Debt reduces net worth and may constrain the resources available to support retirement income.

Among households aged 60-64, lone households are more likely to be debt-free than couple households. Where debt is present, it most commonly relates to owner-occupied housing and personal loans, such as car loans. Investment property loans are also observed, particularly among couple households.

One notable category is credit card debt. The figures refer to outstanding balances carried beyond monthly payments. Credit card debts typically have higher interest rates, commonly around 20 per cent per annum, and unpaid balances may compound rapidly. From a financial management perspective, minimising or repaying outstanding credit card balances is generally regarded as recommended practice, particularly for households approaching retirement.

There also is a relatively small proportion who have a Higher Education Contribution Scheme (HECS) debt. Australian Taxation Office data indicate that in 2023-24 around 48,000 people aged over 60 had a HECS debt. The total debt was around \$820 million, averaging out at \$17,000 per person involved. HECS debts are extinguished at death if not repaid earlier.

Overall, 97 per cent of lone households and all couple households in this age group report positive net worth, indicating that the vast majority hold net assets as they transition into retirement.

## Value of household assets

Table 3 summarises the value of household assets by category, presenting both mean and median balances. As with the previous table, shading reflects the relative magnitude of asset values.

Although bank deposits and vehicles are the most widely held assets among households aged 60-64, they are not the largest in value. Instead, superannuation and owner-occupied housing account for the bulk of household wealth.

**Table 3: Value of each household asset class, age 60-64, as of 2022**

|                               | Lone hh |         | Couple hh |         |                       | Lone hh |         | Couple hh |           |
|-------------------------------|---------|---------|-----------|---------|-----------------------|---------|---------|-----------|-----------|
|                               | Mean    | Median  | Mean      | Median  |                       | Mean    | Median  | Mean      | Median    |
| <b>Fin. asset</b>             | 421,540 | 239,000 | 1,064,903 | 670,000 | <b>Non-fin. Asset</b> | 707,897 | 515,000 | 1,526,017 | 1,048,000 |
| Bank deposit                  | 70,555  | 16,000  | 130,482   | 47,000  | Vehicles              | 22,935  | 10,500  | 69,373    | 50,000    |
| Cash investment               | 926     | -       | 3,138     | -       | Home                  | 502,509 | 400,000 | 928,613   | 800,000   |
| Equity investment             | 23,836  | -       | 151,751   | -       | Business              | 46,952  | -       | 107,146   | -         |
| Super                         | 297,341 | 130,000 | 769,372   | 489,000 | Collectables          | 4,758   | -       | 8,878     | -         |
| Cash-out-table life insurance | 10,632  | -       | 10,632    | -       | Other property        | 132,105 | -       | 409,234   | -         |
| Loan to others                | 4,024   | -       | 6,434     | -       |                       |         |         |           |           |
| Trust fund                    | 3,809   | -       | 45,274    | -       |                       |         |         |           |           |

For lone households, the median balance of bank deposits is \$16,000, compared to a median superannuation balance of \$130,000. Among couple households, the contrast is even more pronounced: the median bank deposit balance is \$47,000, while the median combined superannuation balance reaches \$489,000.

The differences become even clearer when considering non-financial assets. For households that own their home, housing represents by far the largest component of wealth. The median value of owner-occupied housing is approximately \$400,000 for lone households and \$800,000 for couple households.

These figures illustrate that while most households hold a range of basic financial and physical assets, superannuation and housing sit at the centre of accumulated wealth as retirement approaches or has commenced.

If household wealth in couple households is viewed on a per-person basis, the gap in non-financial assets between lone and couple households narrows. However, a more pronounced difference remains in financial assets.

For a typical lone household aged 60-64, total financial assets amount to approximately \$239,000. This represents only around 36 per cent of the median financial assets held by couple households.

This distinction is particularly relevant in the context of retirement income. Financial assets, especially superannuation, are generally more readily convertible into income streams than housing wealth. While home equity can, in principle, be accessed through equity release arrangements, take-up remains limited in Australia.

As a result, differences in financial asset holdings place lone households in a relatively more constrained position when planning retirement income, compared with their partnered counterparts.

For analytical clarity in the analysis below, several minor asset classes are consolidated for the purposes of the by-group analysis. The grouping approach is based primarily on the prevalence of each asset class, with additional consideration given to their relative value.

## Household wealth and liability by homeownership

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### Housing tenure and overall wealth are strongly related

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Homeownership sits at the centre of retirement spending adequacy. It provides housing security and significantly reduces ongoing living costs in retirement. At the same time, for most households it represents the largest single component of accumulated wealth.

Table 4 presents household wealth and liabilities by homeownership status and by household type. The differences are substantial. Across both lone and couple households, homeowners are significantly better positioned than non-owners across multiple dimensions of wealth.

**Table 4: Main household assets by household structure and homeownership, 2022**

|                       | Lone hh   |        |           |           | Couple hh |         |           |           |
|-----------------------|-----------|--------|-----------|-----------|-----------|---------|-----------|-----------|
|                       | Non-owner |        | Owner     |           | Non-owner |         | Owner     |           |
|                       | Mean      | Median | Mean      | Median    | Mean      | Median  | Mean      | Median    |
| <b>Fin. asset</b>     | 194,895   | 86,000 | 574,726   | 412,000   | 580,580   | 142,988 | 1,167,403 | 751,000   |
| Bank deposit          | 34,929    | 5,000  | 94,634    | 35,000    | 74,835    | 6,625   | 142,259   | 63,500    |
| Equity invst.         | 8,297     | -      | 34,338    | -         | 49,205    | -       | 173,454   | -         |
| Super                 | 115,895   | 30,000 | 419,977   | 279,000   | 367,777   | 110,042 | 854,365   | 570,000   |
| <b>Non-fin. Asset</b> | 117,420   | 7,500  | 1,106,991 | 850,000   | 393,433   | 22,000  | 1,765,715 | 1,250,000 |
| Vehicles              | 14,994    | 7,000  | 28,303    | 15,000    | 38,509    | 20,000  | 75,905    | 50,000    |
| Home                  | -         | -      | 842,148   | 700,000   | -         | -       | 1,125,143 | 900,000   |
| Business              | 13,365    | -      | 69,653    | -         | 91,582    | -       | 110,440   | -         |
| Other property        | 84,955    | -      | 163,415   | -         | 533,901   | -       | 442,607   | -         |
| <b>Net worth</b>      | 242,720   | 99,034 | 1,464,827 | 1,184,000 | 852,427   | 169,318 | 2,660,131 | 1,996,500 |
| Home equity           | -         | -      | 784,192   | 690,000   | -         | -       | 976,271   | 800,000   |

Not only do homeowners hold substantial housing equity, but they also tend to accumulate higher levels of superannuation and larger balances in bank deposits. Advantages associated with homeownership are reinforced by assets held in addition to housing.

For example, homeowner couples approaching retirement hold a median superannuation balance of approximately \$570,000, compared with around \$110,000 for non-owner couples. A similar pattern is observed for bank deposits, where homeowner couples hold a median balance of \$63,500, compared with \$6,625 among non-owner couples.

For superannuation accumulation, single homeowners aged 60 to 64 hold a median balance of \$279,000, which is comparable on a per-person basis to roughly half of the combined superannuation balance held by homeowner couples (\$285,000 per person). Single homeowners are substantially better positioned in superannuation than non-owner couples, whose median balance is \$110,000.

The same pattern holds when examining total financial assets. Homeowner couples hold a median of \$751,000 in financial assets, compared with \$412,000 for single homeowners, \$143,000 for non-owner couples, and \$86,000 for single non-owners.

### Complementarity of housing and superannuation

The data indicate that housing wealth accumulation tends to be accompanied by broader financial wealth accumulation over the life course. Rather than substituting for superannuation, homeownership appears to complement it. The data do not indicate that for the age group examined having more in superannuation comes at the cost of achieving home ownership.

This pattern is consistent with previous research, including Dobrescu (2022), which identifies a complementary relationship between homeownership and superannuation balances. The two asset classes tend to grow together over time.

Importantly, the data also show that only a small proportion of non-owner households hold sufficient non-housing assets to match the typical net worth of homeowners. In general, non-owners are not offsetting the absence of housing equity with higher financial asset holdings.

### Broader implications

Australia has historically recorded relatively high rates of homeownership compared with most other OECD countries. However, ownership rates, particularly at younger ages, have declined in recent decades, reflecting affordability pressures and changing housing dynamics.

This trend raises important questions about the financial position of future retirees. Retiring with outstanding mortgage debt introduces ongoing repayment obligations in retirement. Retiring as a renter presents a different set of risks, including exposure to rising housing costs and reduced housing security.

The findings in this paper suggest that non-homeowners approaching retirement are not only disadvantaged in terms of not having housing equity but are also generally weaker across other asset categories. This has implications for retirement resilience and may increase reliance on public support systems among certain groups.

## 4 **Household wealth and liabilities by cultural and language background**

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There are marked differences in wealth depending on cultural and language background

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Australians from culturally and linguistically diverse (CALD) backgrounds have been identified in previous research as facing different patterns of engagement and outcomes within the superannuation system. Earlier ASFA research, for example, has found that Australians from CALD backgrounds tend to hold lower superannuation balances and report lower levels of satisfaction with their super fund performance (ASFA, 2025).

To better understand how these patterns translate into overall retirement preparedness, this study examines the household wealth and liability composition of households aged 60-64 by cultural and linguistic background. Households are grouped into CALD and non-CALD categories (Table 5).

**Table 5: Household wealth and liabilities by household structure and CALD background**

|                       | Lone hh   |         |         |        | Couple hh |           |           |           |
|-----------------------|-----------|---------|---------|--------|-----------|-----------|-----------|-----------|
|                       | Non-CALD  |         | CALD    |        | Non-CALD  |           | CALD      |           |
|                       | Mean      | Median  | Mean    | Median | Mean      | Median    | Mean      | Median    |
| <b>Fin. asset</b>     | 434,456   | 261,000 | 268,998 | 12,000 | 1,092,455 | 678,100   | 582,737   | 432,147   |
| Bank deposit          | 75,134    | 20,000  | 16,473  | 7,500  | 131,244   | 45,500    | 91,016    | 50,600    |
| Equity invst.         | 25,256    | -       | 7,057   | -      | 159,832   | -         | 44,786    | -         |
| Super                 | 313,446   | 142,000 | 107,141 | 10,000 | 785,218   | 494,000   | 446,936   | 250,232   |
| <b>Non-fin. Asset</b> | 743,468   | 553,000 | 287,800 | 6,500  | 1,536,270 | 1,045,000 | 1,657,504 | 1,250,000 |
| Vehicles              | 24,110    | 12,000  | 9,059   | 6,500  | 74,627    | 50,000    | 41,468    | 40,000    |
| Home                  | 531,078   | 420,000 | 143,468 | -      | 920,282   | 750,000   | 1,043,928 | 1,000,000 |
| Business              | 48,676    | -       | 26,586  | -      | 114,873   | -         | 42,582    | -         |
| Other property        | 134,462   | -       | 104,270 | -      | 413,483   | -         | 525,186   | -         |
| <b>Net worth</b>      | 1,012,550 | 789,150 | 492,469 | 10,050 | 2,376,589 | 1,685,950 | 1,870,248 | 1,493,647 |
| Home equity           | 495,957   | 398,200 | 136,885 | -      | 793,544   | 650,000   | 921,259   | 850,000   |

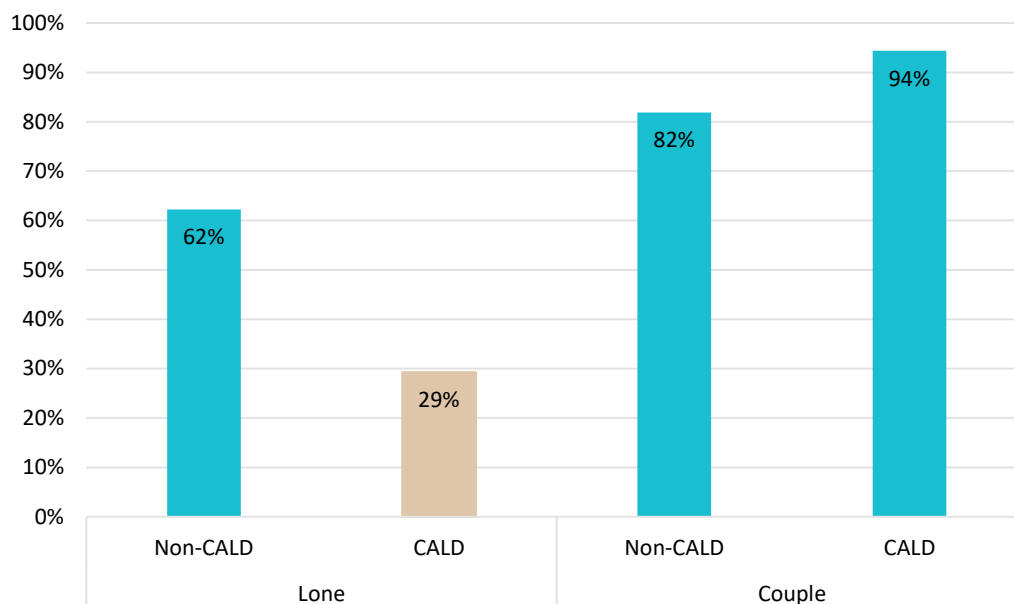
Overall, patterns of household wealth by cultural and linguistic background differ markedly between lone households and couple households.

### Lone households

The data indicate a pronounced gap between lone CALD and lone non-CALD households. Lone CALD households hold substantially lower levels of superannuation (median balance of \$10,000 compared with \$142,000 for non-CALD singles) and markedly fewer total financial assets (median of \$12,000 compared with \$261,000). The disparity in non-financial assets is even more significant, with non-CALD single households holding a median value of \$553,000 compared with just \$6,500 among CALD single households.

This difference is largely driven by variation in homeownership between the two groups. As shown in Chart 1 below, while the other three sub-groups exhibit relatively high homeownership rates, ranging from 62 per cent among non-CALD singles to 94 per cent among CALD couples, the rate among CALD single households is only 29 per cent. In other words, fewer than one in three CALD single people aged 60-64 owns their home, whether outright or with a mortgage. Together, these factors contribute to materially lower overall net worth among CALD single individuals aged 60-64 compared with their non-CALD counterparts.

**Chart 1: Share of homeowners among 60-64 households by household structure and CALD background**



In summary, for single individuals at or approaching retirement, cultural and linguistic background is associated with significant differences in accumulated wealth. This is due to a range of factors, including time since arrival in Australia and other social and demographic factors. Given that lone households do not benefit from intra-household risk sharing, these disparities have implications for retirement resilience.

### Couple households

The pattern among couple households is more nuanced. While CALD couples exhibit a moderate gap in overall net worth relative to non-CALD couples, differences in wealth composition are more pronounced than differences in aggregate wealth levels.

In particular, CALD couples tend to hold a larger share of their wealth in property assets (median value of \$1,250,000 compared with \$1,045,000 for non-CALD couples) and a smaller share in superannuation (median of \$250,232 compared with \$494,000). This results in a balance sheet that is more heavily weighted toward illiquid property holdings and relatively less concentrated in superannuation and diversified financial assets than that of non-CALD couples.

### Implications

The findings highlight that CALD households are not a homogeneous group. Lone CALD households appear significantly more financially constrained as they approach retirement. Couple CALD households, while better positioned in aggregate terms, exhibit a different asset composition that may affect liquidity and drawdown flexibility in retirement.

These differences underscore the importance of recognising household diversity in retirement income design. Asset composition, not just total wealth, may shape the types of risks households face in retirement.

## Household wealth and liabilities by wealth quintile

### Household wealth varies markedly across the community

The previous sections highlight differences in wealth by household structure and cultural background. A related question is whether retirement inequality reflects only differences in the amount of wealth held, or also differences in the types of assets households rely upon.

To explore this, households are grouped into quintiles based on net worth (Table 6). This allows us to examine how asset composition evolves across the wealth distribution and whether diversification increases as wealth rises.

**Table 6: Share of households holding each asset class by household structure and net worth quintile**

|                       | Lone hh   |      |      |      |      |
|-----------------------|-----------|------|------|------|------|
|                       | 1st       | 2nd  | 3rd  | 4th  | 5th  |
| <b>Fin. asset</b>     | 96%       | 100% | 100% | 100% | 100% |
| Super                 | 49%       | 69%  | 84%  | 92%  | 97%  |
| Bank deposit          | 96%       | 96%  | 98%  | 99%  | 100% |
| Equity investme       | 4%        | 16%  | 20%  | 39%  | 56%  |
| Trust                 | 0%        | 6%   | 0%   | 0%   | 9%   |
| <b>Non-fin. Asset</b> | 67%       | 94%  | 100% | 100% | 100% |
| Vehicles              | 63%       | 91%  | 85%  | 97%  | 92%  |
| Home                  | 3%        | 26%  | 81%  | 94%  | 96%  |
| Business              | 3%        | 3%   | 1%   | 12%  | 12%  |
| Other property        | 2%        | 0%   | 17%  | 26%  | 45%  |
| Collectables          | 8%        | 13%  | 16%  | 21%  | 26%  |
|                       | Couple hh |      |      |      |      |
|                       | 1st       | 2nd  | 3rd  | 4th  | 5th  |
| <b>Fin. asset</b>     | 100%      | 100% | 100% | 100% | 100% |
| Super                 | 70%       | 97%  | 99%  | 100% | 99%  |
| Bank deposit          | 100%      | 100% | 100% | 100% | 100% |
| Equity investme       | 21%       | 27%  | 37%  | 49%  | 67%  |
| Trust                 | 0%        | 0%   | 0%   | 11%  | 17%  |
| <b>Non-fin. Asset</b> | 99%       | 100% | 100% | 100% | 100% |
| Vehicles              | 99%       | 100% | 98%  | 100% | 100% |
| Home                  | 40%       | 93%  | 89%  | 98%  | 93%  |
| Business              | 7%        | 14%  | 13%  | 19%  | 29%  |
| Other property        | 7%        | 21%  | 29%  | 50%  | 65%  |
| Collectables          | 17%       | 15%  | 30%  | 28%  | 37%  |

Table 6 above shows that as household net worth increases, asset portfolios become more diversified. Higher-wealth households are more likely to hold equity investments, additional property and other financial assets beyond superannuation and bank deposits. In contrast, lower-wealth households tend to rely on a narrower set of assets, often concentrated in superannuation, modest bank deposits and, where applicable, owner-occupied housing.

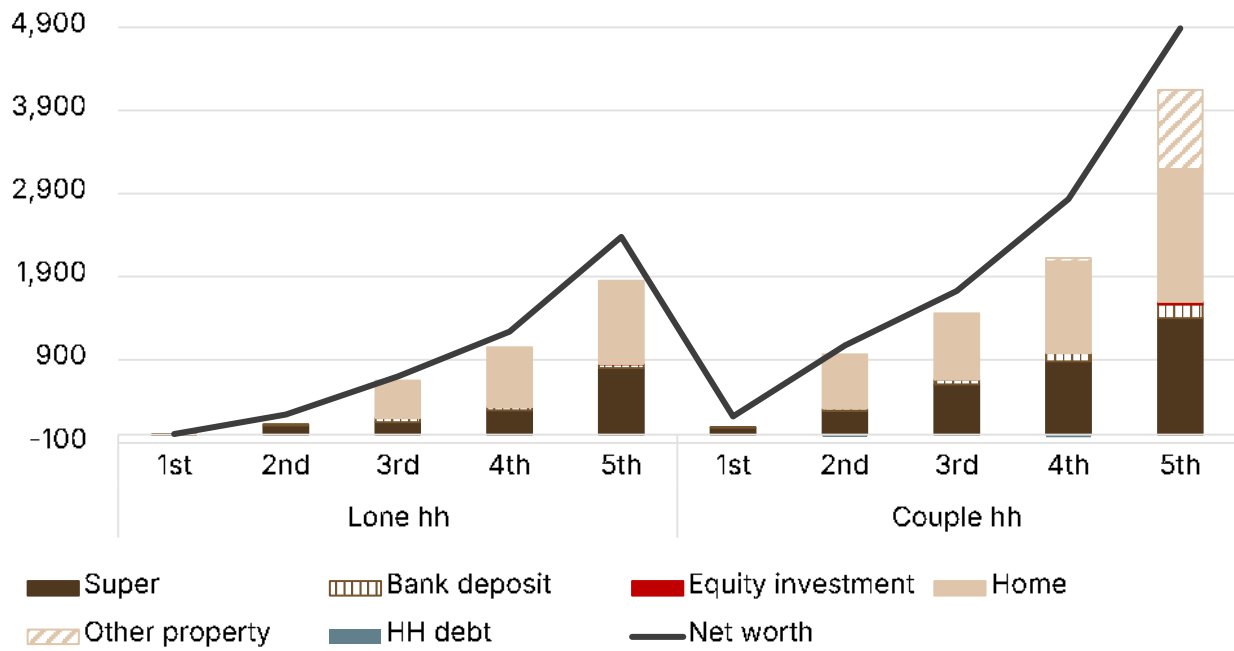
Differences across quintiles are evident not only in the types of assets held, but also in the scale of those holdings.

Chart 2 below presents the median value of key household wealth components by household structure and net worth quintile, with stacked columns illustrating asset composition and a line indicating median total net worth. Table 7 provides further details.

As expected, the dollar value of both financial and non-financial assets increases sharply across quintiles. However, the top quintile stands out not merely for holding more wealth, but for holding a broader range of assets in meaningful amounts.

For example, equity investments become a typical asset only in the top quintile. Similarly, investment properties become more prevalent and economically significant primarily among couple households in the top two quintiles.

**Chart 2: Key household assets and net worth by household structure and net worth quintile (in \$000)**



**Table 7: Mean and median of household assets and liabilities by household structure and household net worth quintile**

|                       | Lone     |         |           |           |           |           |           |           |           |           |
|-----------------------|----------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                       | 1st      |         | 2nd       |           | 3rd       |           | 4th       |           | 5th       |           |
|                       | Mean     | Median  | Mean      | Median    | Mean      | Median    | Mean      | Median    | Mean      | Median    |
| <b>Fin. asset</b>     | 38,814   | 9,200   | 158,502   | 138,000   | 270,254   | 251,150   | 428,766   | 445,000   | 1,230,833 | 1,000,000 |
| Super                 | 23,557   | -       | 103,101   | 111,000   | 187,414   | 150,000   | 305,960   | 292,000   | 880,706   | 800,000   |
| Bank deposit          | 4,232    | 900     | 38,542    | 15,000    | 72,885    | 50,000    | 67,825    | 40,000    | 171,908   | 48,000    |
| Equity investment     | 4,114    | -       | 8,710     | -         | 4,765     | -         | 42,176    | -         | 60,158    | 2,700     |
| Trust                 | -        | -       | 4,801     | -         | -         | -         | -         | -         | 14,481    | -         |
| <b>Non-fin. Asset</b> | 232,271  | 2,000   | 91,267    | 21,000    | 501,108   | 515,000   | 951,600   | 891,000   | 1,789,438 | 1,570,000 |
| Vehicles              | 17,141   | 2,000   | 19,540    | 10,500    | 19,280    | 12,000    | 22,277    | 15,000    | 36,761    | 15,000    |
| Home                  | 64,930   | -       | 67,741    | -         | 426,004   | 450,000   | 716,220   | 720,000   | 1,256,392 | 1,000,000 |
| Business              | 71,846   | -       | 1,531     | -         | 2,332     | -         | 11,560    | -         | 149,804   | -         |
| Other property        | 63,427   | -       | -         | -         | 51,346    | -         | 188,812   | -         | 362,207   | -         |
| Collectables          | 269      | -       | 2,454     | -         | 2,086     | -         | 12,731    | -         | 6,252     | -         |
| <b>HH debt</b>        | 108,538  | -       | 19,529    | -         | 66,474    | -         | 95,672    | 132       | 137,786   | -         |
| Home loan             | 16,483   | -       | 15,504    | -         | 43,292    | -         | 34,815    | -         | 27,644    | -         |
| Credit card debt      | 545      | -       | 1,195     | -         | 122       | -         | 591       | -         | 321       | -         |
| <b>Net worth</b>      | - 82,117 | 7,200   | 230,240   | 242,100   | 704,888   | 698,500   | 1,284,694 | 1,238,000 | 2,765,568 | 2,378,640 |
| Home equity           | 48,447   | -       | 52,238    | -         | 382,712   | 400,000   | 681,405   | 710,000   | 1,192,732 | 960,000   |
|                       | Couple   |         |           |           |           |           |           |           |           |           |
|                       | 1st      |         | 2nd       |           | 3rd       |           | 4th       |           | 5th       |           |
|                       | Mean     | Median  | Mean      | Median    | Mean      | Median    | Mean      | Median    | Mean      | Median    |
| <b>Fin. asset</b>     | 124,633  | 112,220 | 388,399   | 330,200   | 825,404   | 751,000   | 1,264,194 | 1,245,000 | 2,763,855 | 2,127,700 |
| Super                 | 94,254   | 85,000  | 301,661   | 283,000   | 654,345   | 605,000   | 942,972   | 880,000   | 1,881,506 | 1,400,000 |
| Bank deposit          | 19,562   | 6,400   | 72,830    | 33,618    | 89,570    | 55,000    | 188,053   | 102,000   | 285,760   | 167,350   |
| Equity investment     | 2,329    | -       | 7,264     | -         | 35,404    | -         | 91,094    | -         | 634,475   | 30,000    |
| Trust                 | -        | -       | -         | -         | -         | -         | 34,240    | -         | 195,638   | -         |
| <b>Non-fin. Asset</b> | 207,183  | 120,000 | 797,641   | 725,000   | 1,326,115 | 1,037,000 | 1,785,777 | 1,728,000 | 3,564,378 | 2,956,500 |
| Vehicles              | 29,874   | 20,000  | 60,401    | 44,800    | 79,464    | 50,000    | 70,342    | 65,000    | 107,939   | 62,000    |
| Home                  | 144,012  | -       | 629,479   | 650,000   | 803,633   | 800,000   | 1,211,048 | 1,100,000 | 1,876,952 | 1,600,000 |
| Business              | 1,836    | -       | 16,340    | -         | 115,625   | -         | 106,828   | -         | 300,580   | -         |
| Other property        | 25,061   | -       | 88,636    | -         | 319,807   | -         | 387,693   | 43,750    | 1,246,767 | 950,000   |
| Collectables          | 6,400    | -       | 2,785     | -         | 7,586     | -         | 9,866     | -         | 17,992    | -         |
| <b>HH debt</b>        | 40,917   | -       | 155,450   | 28,000    | 270,445   | 7,206     | 204,421   | 30,000    | 407,072   | -         |
| Home loan             | 30,380   | -       | 105,904   | -         | 111,541   | -         | 86,704    | -         | 115,054   | -         |
| Credit card debt      | 762      | -       | 731       | -         | 750       | -         | 22        | -         | 682       | -         |
| <b>Net worth</b>      | 290,899  | 219,141 | 1,030,589 | 1,074,000 | 1,739,661 | 1,727,915 | 2,845,550 | 2,833,250 | 5,900,614 | 4,888,000 |
| Home equity           | 113,632  | -       | 523,575   | 540,000   | 634,316   | 730,000   | 1,124,345 | 1,070,000 | 1,651,356 | 1,500,000 |

## Diversification and retirement risk

These patterns suggest that differences in retirement adequacy are not merely a matter of having more or less wealth, but also reflect differences in portfolio structure. Asset diversity can provide flexibility in retirement, allowing households to draw on multiple sources of wealth and manage investment, longevity and liquidity risks more effectively. It also helps to explain why some individuals and couples with substantial superannuation balances do not draw down on them to a significant extent. If a person has liquid assets in a less favourable tax environment they will tend to draw down those assets first.

By contrast, households in the lower and middle quintiles often hold more concentrated portfolios. However, superannuation typically provides retirees with both investment diversification and liquidity. However, where wealth is limited and less diversified, households may have fewer options to respond to market volatility, unexpected expenses or changing income needs in retirement. Households with lower wealth holdings are more likely to exhaust their superannuation during retirement.

## Implications for retirement income design

From a retirement income perspective, the findings highlight the importance of considering asset composition alongside total wealth. While households in the top quintile generally have greater

flexibility and diversification, the broad middle of the distribution may face more complex trade-offs.

These households often hold moderate levels of superannuation and housing equity but limited additional financial assets. Structured retirement income solutions that help manage longevity, investment and inflation risks may therefore be particularly relevant for this group. For relatively low wealth groups the Age Pension might provide sufficient protection against the financial consequences of longevity. For those with relatively high wealth estate planning might dominate over concerns about the financial impact of longevity.

The data also indicate the diversity of asset holdings. Even within the top two wealth quintiles there is considerable variation in holdings of various types of assets. Superannuation funds do not have visibility of other assets held by an individual in the absence of a financial advice process. As well, funds may not even necessarily know if a member has a current spouse let alone any knowledge of the financial and other assets held by a spouse. This has important implications in regard to the offering of retirement products to members.

## Use of cohorts for those approaching retirement

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There is pressure from regulators to develop cohort analysis of fund members but there is little evidence that this will actually assist fund members through better outcomes. Financial advice based on fact finding of the financial situation of a member and their spouse (where applicable) is much more likely to deliver better outcomes

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### Regulator enthusiasm for the use of cohorts

Both Treasury and APRA and ASIC have put some emphasis on funds using cohort analysis and fund activity linked to that analysis to deliver superannuation products to members.

#### **Treasury Guidance on best practice principles for superannuation retirement income solutions**

While the principles are described as voluntary to adopt by funds, the finalised version of the principles contains the following:

Best practice for constructing retirement income solutions that meet members retirement income needs means a trustee will:

9. Construct a separate trustee-designed retirement income solution for each identified cohort, that balances members' needs to maximise expected retirement income, manage expected risks, and maintain flexible access to capital. These should include:
  - i. A lifetime income product component in at least one retirement income solution that has regard to likely Age Pension eligibility.
  - ii. For most solutions, a drawdown pathway that is higher than the legislated minimum drawdown rate, considering stability of income delivered through relevant components.

10. Ensure each trustee-designed retirement income solution is broadly calibrated to the financial characteristics of a retiree cohort.

11. Design guidance services that assist members to understand and select the components of their retirement income solution, for example through personas or assisted choice tools.

APRA in Prudential Practice Guide SPG 515 has the following:

### **Cohort analysis**

47. Segmenting beneficiaries into meaningful cohorts helps to better understand and meet their needs. It improves the RSE licensee's ability to benchmark performance; identify underlying trends and emerging issues; and deliver outcomes.
48. Individual members may belong to more than one cohort, based on their attributes, but must be in at least one cohort. See Table 3 for examples. The target market, as described in the target market determination for products the RSE licensee offers, may help to define cohorts. A prudent RSE licensee would regularly review its approach to defining and assessing outcomes for each cohort.
49. Outcomes for beneficiaries are reported in two complementary ways, informed by robust internal and external data.
  - (a) Over time, via the business performance review.
  - (b) At a point in time, via the annual outcomes assessment.
50. A prudent RSE licensee would connect product-based cohort analysis with broader strategic objectives for accumulation and retirement phases. The insights should also be valuable for the retirement income strategy.

APRA and ASIC in 2025 conducted a Retirement Pulse Check survey of funds and reported the following:

*More than three quarters of RSE licensees (77%) segment their members into cohorts, with many using these cohorts to support the provision of, and promotion of, tailored retirement solutions. Among the remaining 23% of RSE licensees who do not use cohorts to offer tailored retirement solutions, responses described that efforts have been focused on supporting members to take an active approach to managing their retirement (e.g. through the use of drawdown strategies, education or digital tools) or through engaging a financial adviser.*

*Most RSE licensees who segment their members into cohorts have three or more cohorts. Typically, most RSE licensees have used member age and account balance as a starting point to define their cohorts. Other factors considered by some RSE licensees when defining cohorts include Employment status; Life stage (e.g. pre-retiree, early retirement); Inferred Age Pension eligibility; and Members' level of engagement with and preparedness for the transition to retirement.*

## **The use of cohorts in marketing**

There clearly is a long and well established practice of product providers, including financial services firms, breaking down the potential market for a product into different cohorts. However, typically these cohorts are relatively simple, based on factors such as age, gender, and previous interactions with the provider. Groups that are considered more likely to respond receive more marketing communications.

However, there is nothing in marketing literature or academic research that indicates that specific retirement income solutions can be assigned to broad cohorts of customers. If anything, past cases of mis-selling of financial products have involved providing the same financial solution to broad categories of customers without taking into account their specific needs. The use of cohorts is not a cheap substitute for personal financial advice.

## **The HILDA data and possible cohorts**

The data in the previous sections of this paper may assist funds in meeting the requirements of regulators in regard to the implementation of the Retirement Income Covenant and also in applying the best practice principles for retirement income provision suggested by Treasury.

The HILDA data illustrate the diversity of asset and liabilities held by individuals and couples. The differences between those in different wealth quintiles allows for some refinement of marketing strategies given the differences in incidence of holdings of certain assets and liabilities by wealth level. It also may assist in developing what might be called cohort characteristics.

However, what will be an appropriate financial solution for a member will depend on the individual circumstances of the member, including the actual financial situation of the member rather than the average or median financial situation of the wealth quintile involved. As well, housing tenure (including level of any mortgage held) and the financial circumstances of an individual's spouse will be relevant.

## Taking into account all financial assets used to support retirement

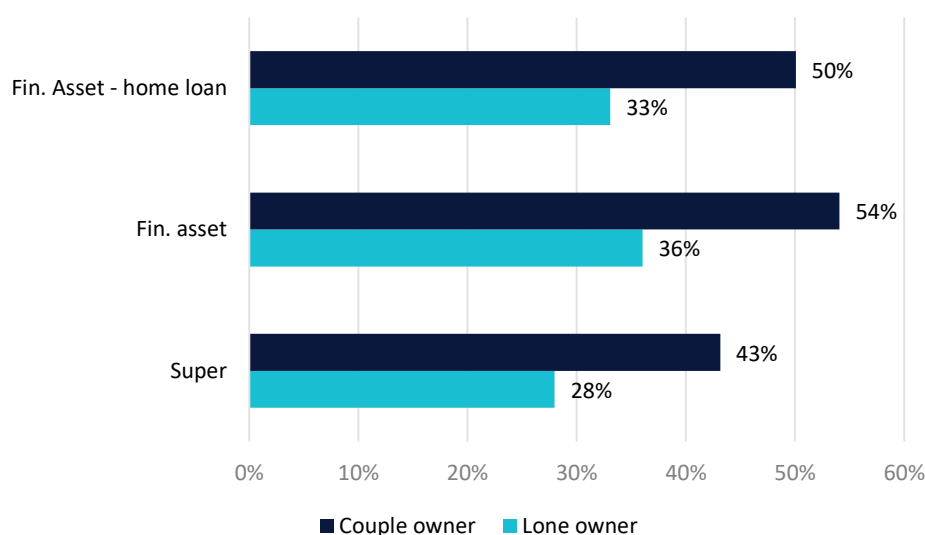
When other financial assets are taken into account together with superannuation balances, more households aged 60-64 can reach the ASFA Comfortable standard in retirement than what just superannuation account balances alone would indicate

Superannuation accounts for the largest share of financial assets for most households approaching retirement. This is not surprising given the substantially compulsory and tax-efficient nature of the system, as well as the effect of compounding investment returns. For many households aged 60-64, superannuation represents the core foundation of retirement savings.

However, superannuation does not provide a complete picture of retirement income capacity. As noted earlier, many households also hold additional financial assets, including bank deposits, equity investments and other savings, that may contribute to income in retirement.

To assess how household balance sheets translate into retirement living standards, the analysis applies the ASFA Retirement Standard as a benchmark and compares potential outcomes under different asset scenarios (Chart 3). Some caution is required in regard to the figures incorporating financial assets other than superannuation due to differences in tax treatment and average investment returns for financial assets other than superannuation. The percentages below for reaching ASFA Comfortable when financial assets are included as well could be a slight overstatement.

**Chart 3: Share of homeowners reaching ASFA Comfortable by using various forms of financial assets, age 60-64**



As presented in Chart 3 above, possible retirement expenditure for homeowner households using superannuation balances alone is 28 per cent of single homeowners and 43 per cent of homeowner couples meeting the ASFA Comfortable Standard or above.

When additional financial assets are incorporated into the retirement income calculation, the share of households reaching the Comfortable Standard increases to 36 per cent of single homeowners and 54 per cent of homeowner couples. This represents an increase of eight percentage points for single homeowners and 11 percentage points for couples.

Even after accounting for outstanding mortgage liabilities, the inclusion of broader financial assets continues to improve retirement outcomes. Under this scenario, 33 per cent of single homeowners and half of homeowner couples would reach the ASFA Comfortable Standard.

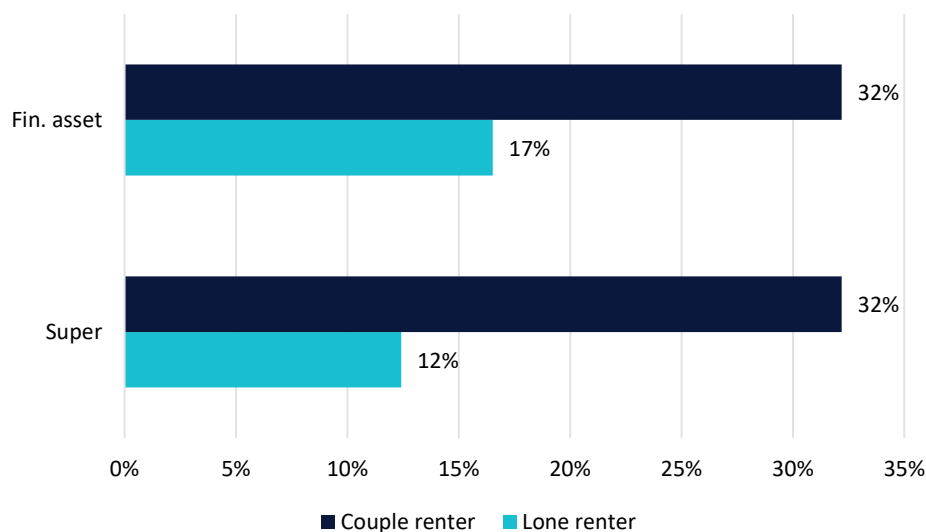
These results demonstrate that while superannuation remains the primary driver of retirement income, considering the broader financial balance sheet provides a more complete and, in many cases, more favourable assessment of retirement living adequacy.

## **Renters**

With the proportion of renters entering retirement increasing, ASFA released a Retirement Standard for renters in June 2025, outlining the superannuation balances required to achieve a modest retirement while renting privately. Applying the ASFA modest benchmark for renters to this cohort allows an assessment of whether accumulated financial assets are sufficient to support a modest standard of living in retirement.

Chart 4 below shows that in 2022 fewer than one in three non-owner couples in the 60-64 age category would meet the ASFA Modest Standard for renters, regardless of whether retirement income is assessed using superannuation alone or total financial assets. This reflects the fact that non-owner couples typically hold most of their financial assets in superannuation, as shown in the earlier analysis. The position of single renters in 2022 is more constrained: only 12 per cent would meet the Modest Standard based on superannuation alone, increasing to 17 per cent when other financial assets are included. Given that renter households also tend to hold limited non-financial assets, this group is likely to rely more heavily on the Age Pension and broader social safety net (including Rent Assistance) in retirement. Some such renters might have a retirement lifestyle at a very basic level rather than modest.

**Chart 4: share of renters reaching ASFA modest by using various forms of financial assets, age 60-64**



### Broader implications

These findings underscore three key insights. First, superannuation remains the central pillar of retirement income for most households. Second, assessing preparedness on the basis of superannuation balances alone can understate the financial capacity of some households. Third, retirement adequacy is shaped not only by superannuation, but also by housing tenure and the composition of household assets and liabilities, with one’s marital status, cultural and linguistic background being the risk factors alongside others not tested in this paper.

Taken together, the results point to the importance of evaluating retirement income through a full balance sheet lens. Retirement income solutions are therefore most effective when they reflect household diversity and asset structure, rather than relying solely on accumulated superannuation balances.

## Conclusion and policy recommendations

The Government’s recent focus on retirement income policy underscores the importance of understanding the full financial position of Australians approaching retirement.

This paper provides a comprehensive examination of household wealth and liabilities among Australians aged 60-64. By moving beyond superannuation balances alone, the analysis highlights how retirement preparedness is shaped by housing tenure, household structure, cultural background and asset composition.

Several themes emerge. Superannuation remains central to private retirement income. However, housing tenure and broader financial assets materially influence standards of living in retirement. Homeownership is associated with stronger overall wealth accumulation, while non-owners, particularly private renters, face comparatively weaker financial positions. Lone households, especially those from CALD backgrounds, exhibit lower levels of accumulated wealth and reduced capacity for risk sharing.

The findings also demonstrate that inequality in retirement preparedness reflects differences not only in total wealth, but also in portfolio structure. Asset composition affects liquidity, flexibility and the ability to manage risks in retirement.

Understanding these structural differences is essential to informing ongoing discussions about retirement income design. A balance sheet perspective provides a more complete view of the financial realities facing households as they transition into retirement.

The research findings also confirm the need for measures such as the enhancement of the Low Income Superannuation Tax Offset (LISTO) and the payment of superannuation contributions in regard to paid parental leave in improving retirement outcomes for lower income individuals and households. Superannuation contributions at 12 per cent of wages will also be important in delivering the standards of living in retirement that Australians want and deserve. In the absence of compulsory superannuation many households would enter retirement with very limited financial assets.

The research findings also indicate that the use of cohorts by superannuation funds is likely to be of limited assistance in matching superannuation product solutions to the needs of individual fund members in the absence of individual fact finding in a personal financial advice process. However, regulators are likely to continue to encourage or require superannuation funds to do cohort analysis. The data in this paper, particularly the analysis by wealth quintile, might assist funds in developing three or more cohorts.

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