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Thursday 20 August 2015

Women remain well behind men in superannuation balances but are showing gains

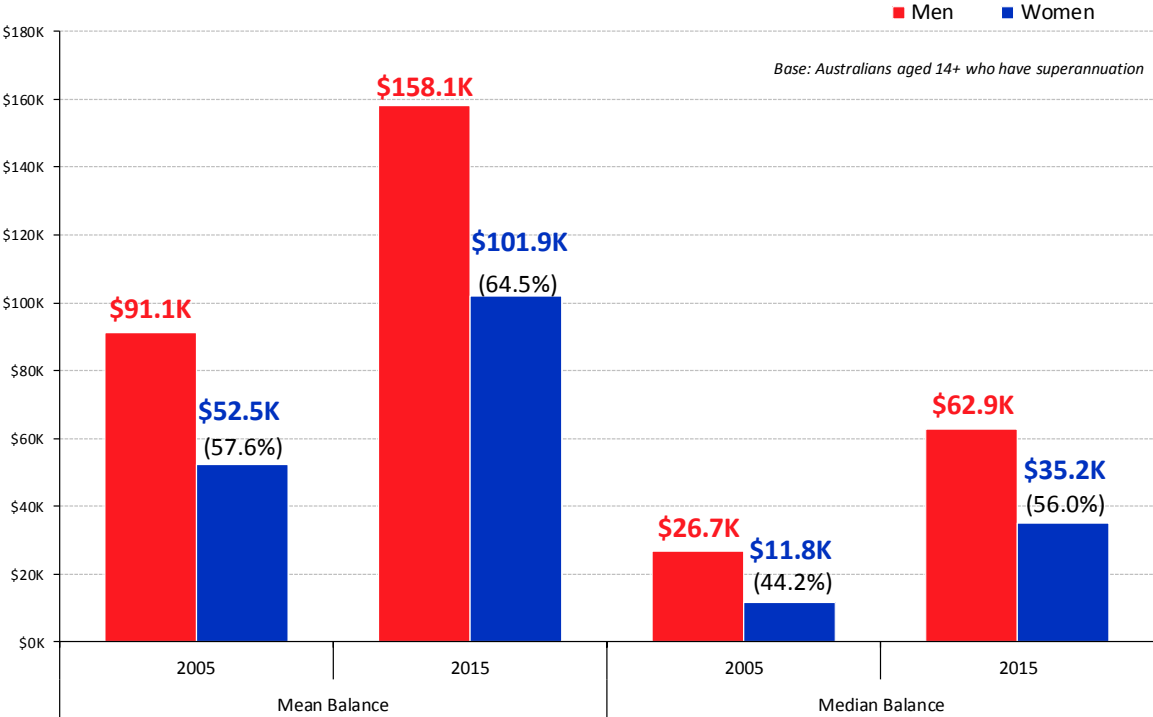
In the 12 months to June 2015, women with superannuation had an average balance of \$101,900 compared to men with an average of \$158,100. This is equivalent to only 64.5% of the male average balance but is higher than a decade ago (2005), when it was just 57.6%.

These are the latest findings from the Roy Morgan Single Source survey of over 50,000 people pa, of which over 34,000 have superannuation.

Need to consider 'median' balance of superannuation

Although Roy Morgan measures the mean and median balances for superannuation, it is more meaningful to consider the median value — which is more representative of the market, as it is not distorted by extremely high balances. The current median value of superannuation held by women is only \$35,200, which means that half have balances below this and half above. This compares to a median of \$62,900 held by men.

Superannuation balance: men vs. women



Source: Roy Morgan Research Single Source; July 2004-June 2005 (n=34,906); July 2014-June 2015 (n=34,429)

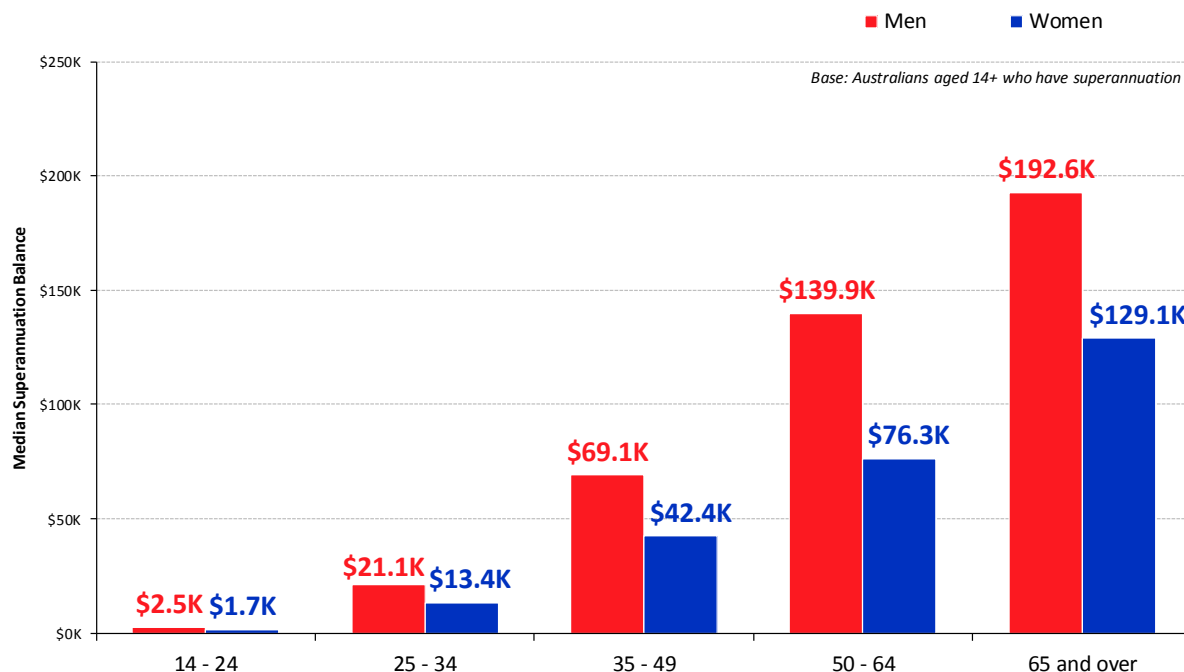
Based on the median value held in superannuation, women have made some progress in closing the gap, rising from just 44.2% of the male median in 2005 to 56% currently, but this is still very low.

FOR IMMEDIATE RELEASE

Women trail men in superannuation across all age groups

Age is a major determinant of how much someone has in superannuation, with balances increasing as people head towards retirement. Men, however, are well ahead of women across all age groups up to 65+.

Median superannuation balance by age: men vs. women



Source: Roy Morgan Research Single Source; July 2014-June 2015 (n=34,429)

For the pre-retirement age group (50-64), the median value held by men in superannuation is \$139,900, well ahead of women with \$76,300. This is not only a major gap (over \$63,000) in favour of men but indicates that the majority of this age group overall are not well prepared for retirement.

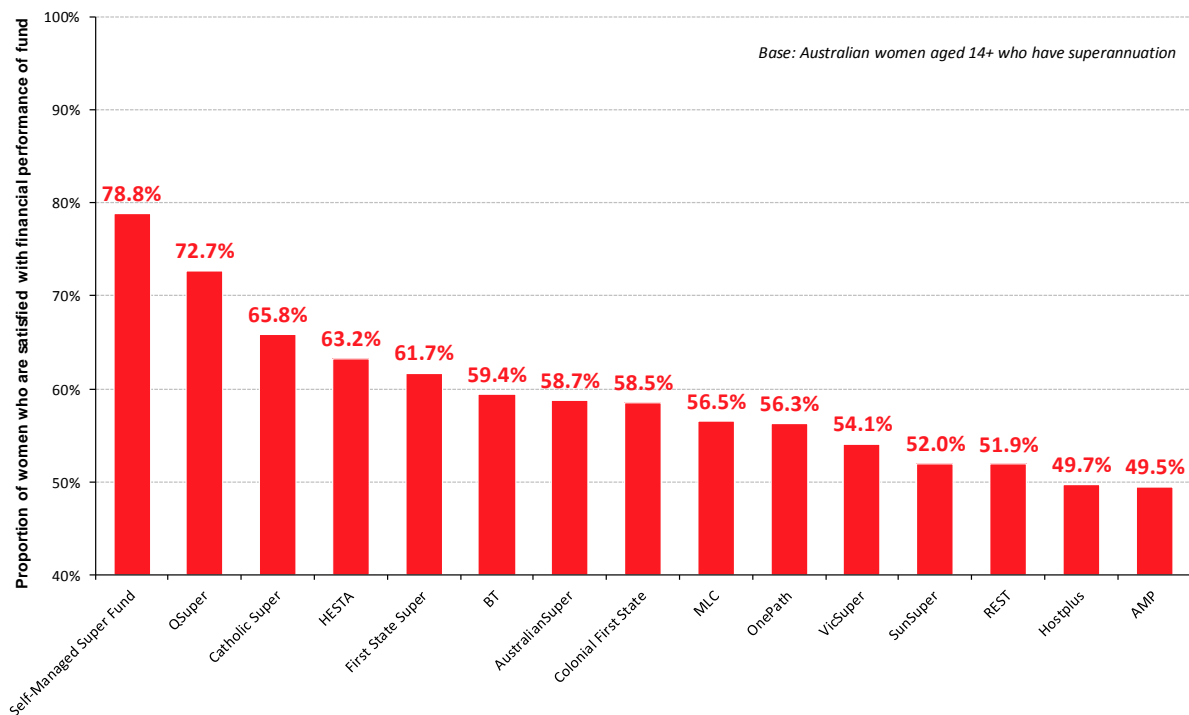
For the 65+ age group the median value of superannuation for men is \$192,600, and for women it is \$129,100. These figures further indicate that there is a major deficiency in retirement funding from superannuation.

Satisfaction with financial performance of superannuation is key

Attracting and retaining superannuation customers depends to a considerable extent on investment performance and associated fees. Our research shows that these are a major reason that people switch to self-managed super funds in particular. To increase the superannuation balances held by women at the brand level, it is necessary therefore to measure how satisfied they are with the financial performance of their fund relative to others.

The following chart shows that women are clearly the most satisfied with the performance of self-managed super funds (78.8%) and Q Super (72.7%).

Largest 15 superannuation funds for women: satisfaction with financial performance



Source: Roy Morgan Research Single Source; July 2014 - June 2015 (n = 16,431)

While the average level of super-fund satisfaction among women is 57%, a number of major funds fall noticeably short of this average. AMP is the lowest with 49.5%, but Hostplus (49.7%), REST (51.9%) and SunSuper (52.0%) are also failing to impress their female members.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

“With considerable publicity being given recently to the gap between men and women in regards to superannuation balances, it is quite encouraging that we have seen a gradual narrowing of this gap over the last decade. However, a major issue still remains, in that women hold less than two-thirds of the average value of super balances held by men — and only 56% if we view super balances in terms of median value.

“Obviously, several factors are helping to close the gap, such as the gradual impact of the compulsory super scheme, higher levels of education for women, increased awareness of the issue, increased work-force participation and a trend towards self-managed super. However, the gap is narrowing very slowly, and more definitive action is probably needed.

“Although we see that super balances increase with age for men and women, it is concerning that women have much lower median balances across all age groups. This makes it very difficult for women to catch up by retirement age. Furthermore, a serious problem exists for both sexes with regards to inadequate funds from super for retirement. Half of the men with super in the critical pre-retirement age (50 to 64) have balances of less than \$140,000 while half of the women in that group have less than \$76,000.

“Despite the fact that superannuation performance tables are produced from a number of sources and published periodically, fund members’ behaviour will ultimately be determined by how they feel their fund is performing. Our results show that a number of major funds are not meeting the expectations of their female members, which will make retaining and attracting funds more difficult.”

For comments or more information please contact:

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Related research findings

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View profiles of [Superannuation Members](#).

View our [Superannuation and Wealth Management in Australia Report](#).

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in New Zealand, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
1,000	±3.0	±2.7	±1.9	±1.3
2,000	±2.1	±1.9	±1.3	±1.0
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4