

*Discover your edge*

Wednesday, 27 May 2015

# Superannuation has become a political football but a new report shows what the members think

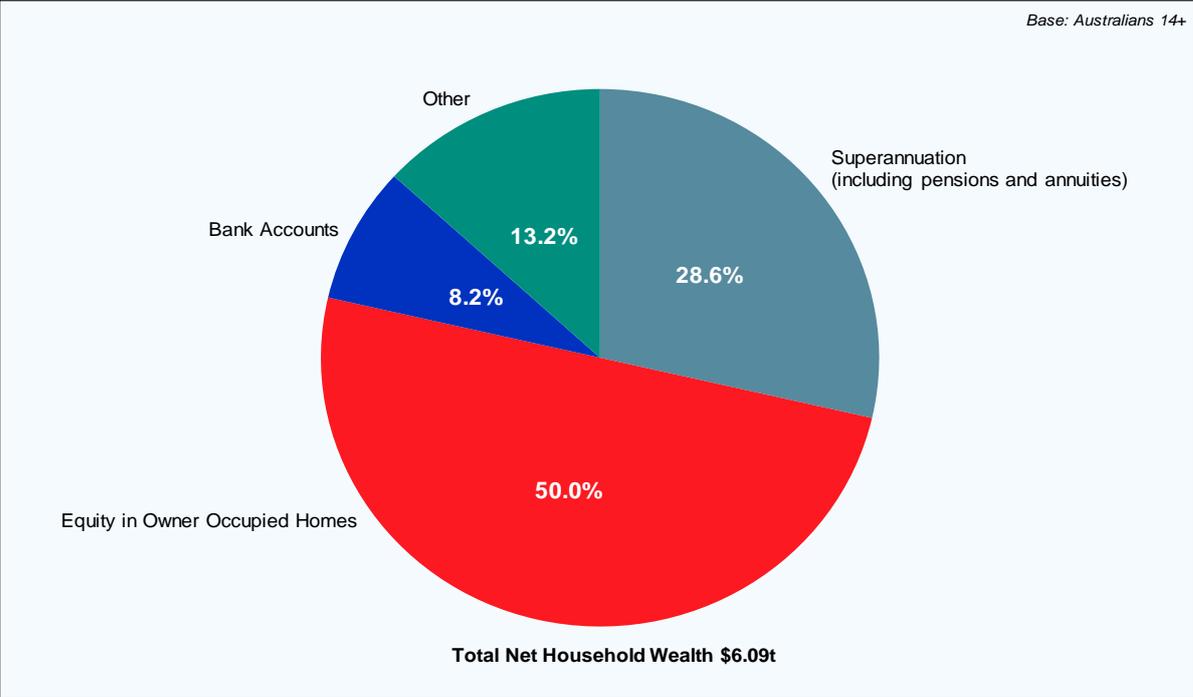
The Australian government and opposition have indicated that superannuation will be a central issue leading up to the next election. Unfortunately they have generally limited their discussions to taxation and the cost of concessions to higher income people. A new report launched by Roy Morgan Research – “Superannuation and Wealth Management in Australia” – is a comprehensive analysis providing in-depth insights into consumer behaviour covering superannuation, household debt, wealth, perceptions and usage of financial planners, superannuation brand ratings and satisfaction with financial performance. Superannuation in this report is put in the context of household wealth rather than treated as a stand-alone issue.

The report is based on over 250,000 interviews conducted over the last five years and looks into all aspects of consumer financial behaviour.

### *Superannuation needs to be considered in context of total net wealth*

It is important to understand where superannuation fits in the context of total household net wealth (ie total wealth less debt) because it is ultimately this more holistic concept that will determine the financial wellbeing of Australians. Superannuation is not the sole means of providing for long-term retirement funding as it only provides a limited proportion of most households’ financial assets, making it important to understand the full picture.

### Components of Household Net Wealth\* -- Australia



Source: Roy Morgan Single Source (Australia), January-December 2014 (n=51,969). \*Net wealth=total household wealth – total household debt

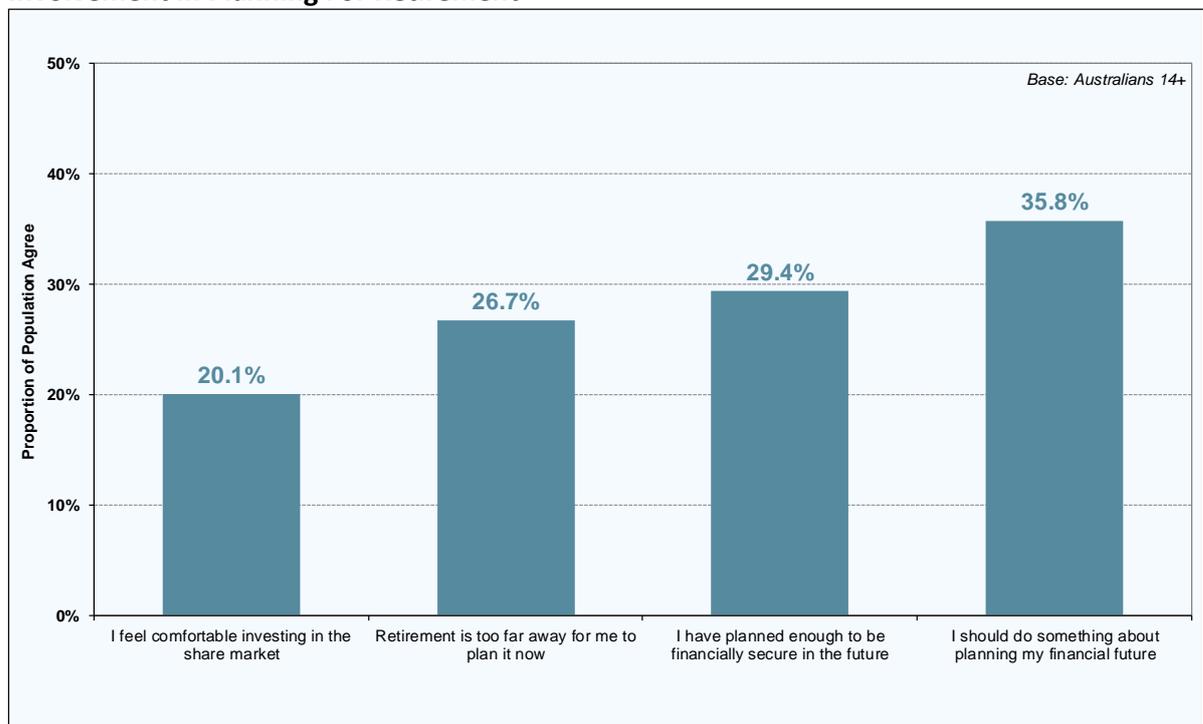
FOR IMMEDIATE RELEASE

Currently superannuation represents only just over a quarter (28.6%) of household net wealth. This means that the majority of households' real wealth is held outside of superannuation. Half of household net worth is now held in the form of owner-occupied homes, only 8.2% is held in bank accounts and the remainder (13.2 %) in a variety of assets such as investment properties, directly held shares etc.

### *Low involvement in planning for the future*

The current level of interest and confidence of the population in planning for their financial future has a lot of room for improvement. For example, only 20.1% "feel comfortable investing in the share market" and just over a quarter (26.7%) feel that "retirement is too far away to worry about".

#### **Involvement in Planning For Retirement**



**Source:** Roy Morgan Single Source (Australia), January-December 2014 (n=16,140)

Less than a third (29.4%) feel that they "have planned enough to be financially secure in the future". It is encouraging that more than a third (35.8%) at least realise that they "should do something about planning their financial future" — but getting started appears to be a problem.

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

*"The very high level of publicity now coming from the government and opposition regarding the future of superannuation needs to be considered in the context of household net wealth. Adequacy of retirement funds involves more than simply looking at superannuation in isolation, and in fact if the rules on superannuation are changed it is likely that people will simply move their funds into other options even more than they currently do.*

*"The long-term nature of superannuation and retirement savings already leads to a low level of involvement from many people, particularly those a long way from retirement. The*

*more changes that are made to the system, the more likely it will further alienate people from an involvement in their superannuation.*

*“There is a need for advice to understand the complexities of the system but with planners having a strong bias towards higher-value clients, the majority are likely to miss out.*

**For comments or more information please contact:**

**Norman Morris**

Industry Communications Director

Office: +61 (3) 9224 5172

[Norman.Morris@roymorgan.com](mailto:Norman.Morris@roymorgan.com)

**Related Research Reports**

View our [Consumer Satisfaction – Financial Performance of Superannuation in Australia Monthly Report](#)

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 Indonesia, 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%
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
15,000	±0.8	±0.7	±0.5	±0.3
20,000	±0.7	±0.6	±0.4	±0.3

FOR IMMEDIATE RELEASE