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Thursday, 26 November 2015

## Women's superannuation growing faster than men's but big gap remains

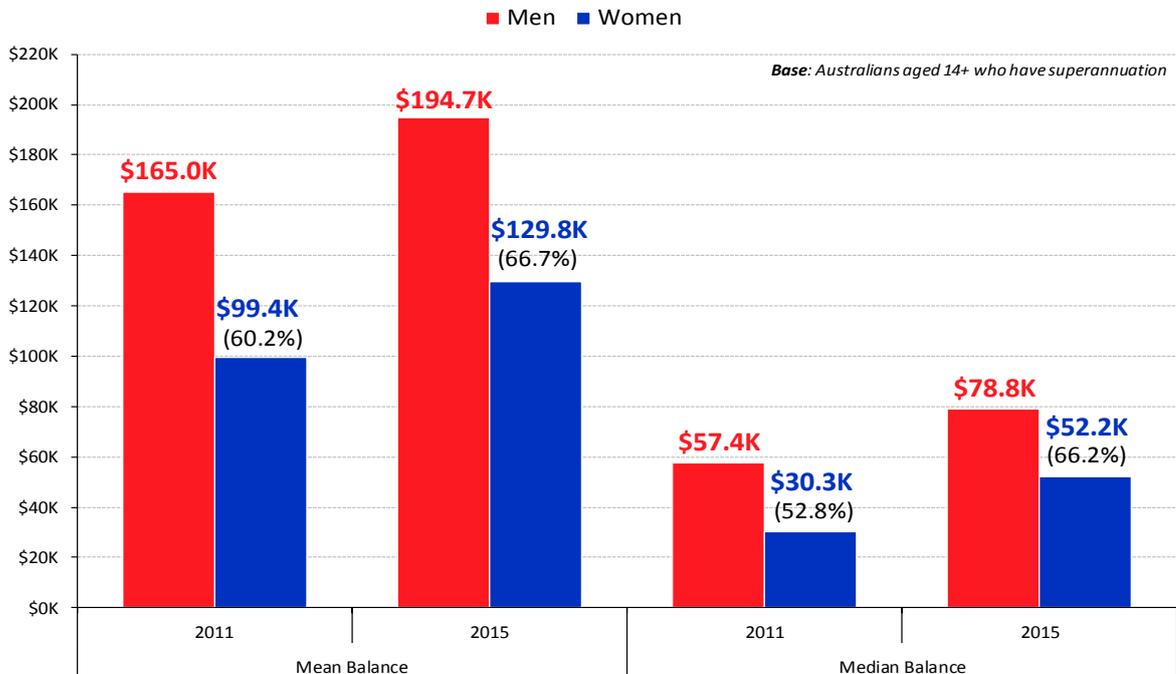
In the 12 months to October 2015, women with superannuation had an average balance of \$129,800, compared to men with an average of \$194,700. This is equivalent to 66.7% of the male average balance but is higher than four years ago (2011), when it was just 60.2%. The growth rate in the average balances over this period was 30.6% for women and 18.0% for men.

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.

*"Median" superannuation balance the more critical measure for understanding adequacy*

Although superannuation balances are generally quoted in terms of averages or means, it is worth noting that over 70% of both men and women fall below the average. The reason for this is the distortion created by a relatively small number of very high balances which skew the result. To obtain a more typical or representative understanding of the market it is better to use the median value of superannuation balances.

### Superannuation Balance - Men vs. Women



Source: Roy Morgan Research Single Source; November 2010 - October 2011 (n = 34,146); November 2014 - October 2015 (n = 34,028)

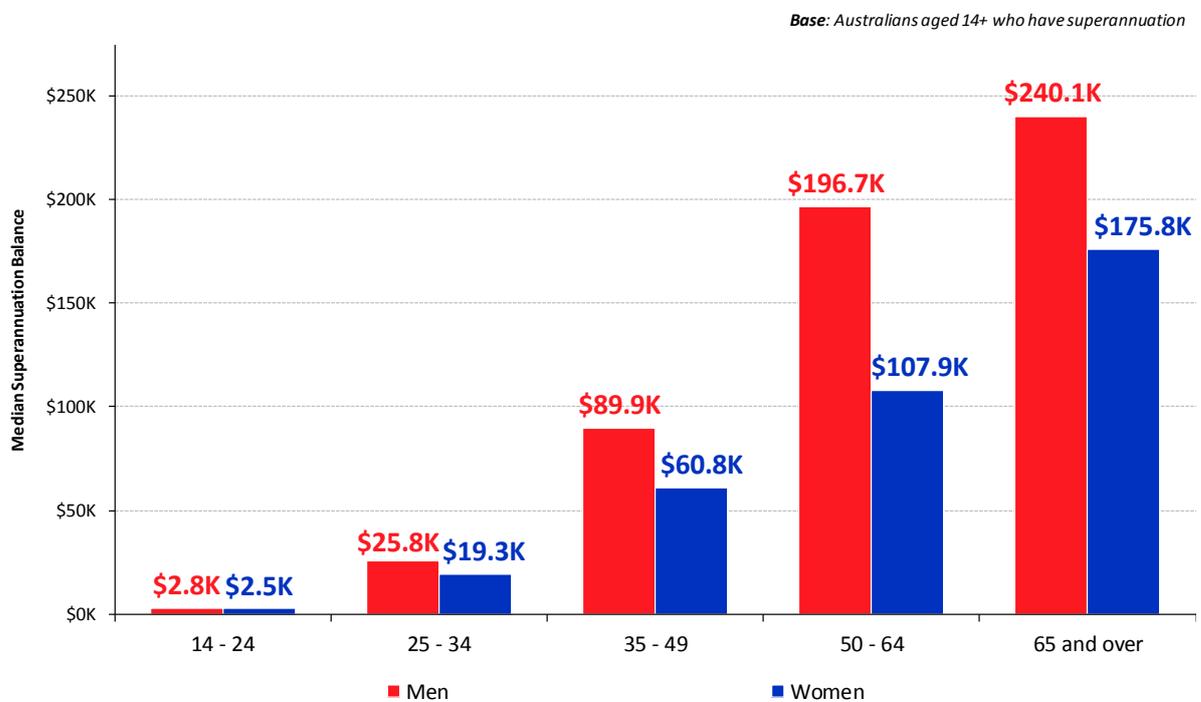
The current median value of superannuation held by women is \$52,200, which means that half have balances below this and half above. This is well below the average or mean balance for women (\$129,800). The median value of superannuation held by men is now \$78,800, compared to a mean of \$194,700.

Based on the median value held in superannuation, women have made progress towards closing the gap, rising from 52.8% of the male median in 2011 to 66.2% currently, but this is still a major disparity.

*Women trail men in superannuation across all age groups*

Obviously, 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.

**Median Superannuation Balance by Age - Men vs. Women**



**Source:** Roy Morgan Research Single Source; November 2014 - October 2015 (n = 34,028)

For the pre-retirement age group (50-64), the median value held by men in superannuation is \$196,700, well ahead of women with \$107,900. This is not only a huge difference of \$88,800 in favour of men, but indicates that the majority of this age group overall are not well prepared for superannuation to fund their retirement.

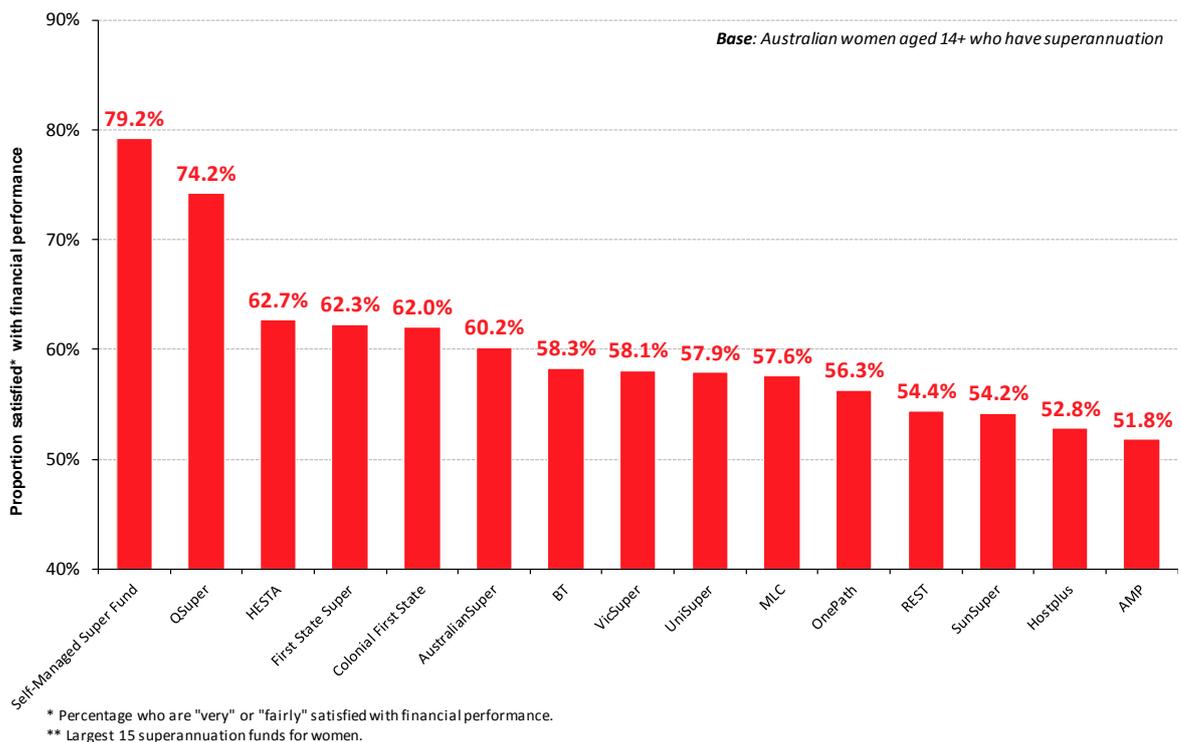
The median value of superannuation for men in the 65+ group is \$240,100 and for women it is \$175,800, which shows that both sexes are likely to fall short of what they will need in retirement.

## Satisfaction with financial performance of super 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 most satisfied with the performance of self-managed super funds (79.2%) and QSuper (74.2%).

### Women's satisfaction with financial performance of superannuation funds\*\*



Source: Roy Morgan Research Single Source; November 2014 - October 2015 (n = 17,088)

The average level of super-fund satisfaction among women is 57.9% but a number of funds fall well short of this, with AMP being the lowest at 51.8%, followed by Hostplus (52.8%), Sunsuper (54.2%), REST (54.4%), OnePath (56.3%) and MLC just below average on 57.6%. The average level of satisfaction for men with their superannuation is 59.4%.

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

*"This research shows that in order to understand the adequacy of superannuation for men and women, the analysis needs to be based on median values rather than the more commonly used average balances. This is because more than 70% of both sexes fall below the mean value, making it an unrepresentative and misleading measure of adequacy.*

*"With considerable publicity now being focused on the gap between men and women in regards to superannuation balances, it is somewhat encouraging to see good progress being made towards reducing this difference. Obviously, several factors are driving this,*

*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 fact remains that women still hold only two-thirds of the average or median value of superannuation balances held by men, and more definitive action is essential to ensure that women have adequate super funds for their retirement.*

*“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 super funds for retirement. Half of the men with super in the critical pre-retirement age (50 to 64) have balances of less than \$197,000 while half of the women in this group have less than \$108,000.*

*“Despite the fact that superannuation performance tables are produced from a number of sources, 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 about Roy Morgan Research’s finance and banking data, please contact:**

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#### **Related research findings**

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 in 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.

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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
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2