

Friday, 26 April 2019

## More Australians intend to retire despite inadequate savings levels

The number of people intending to retire in the next 12 months is estimated at 439,000, a 6% increase on the 2018 level of 414,000 and 11% above the 2017 figure of 395,000. This increase is despite the savings levels of these intenders being well below the recommended level to be self-funded, so they are likely to be at least partly reliant on the age pension. Men currently represent 219,000 intending retirees and women 220,000.

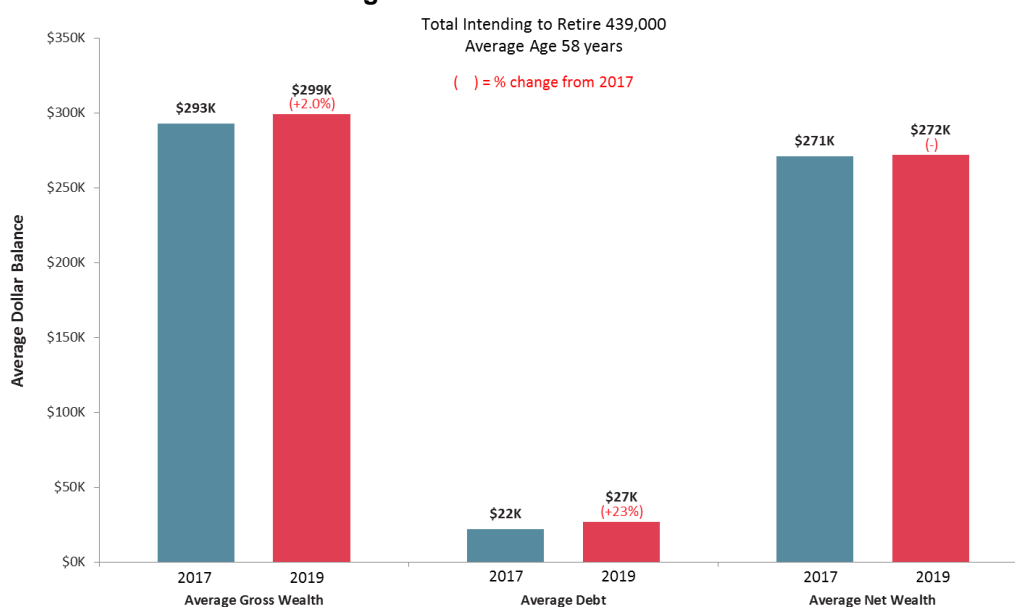
These are some of the latest findings from Roy Morgan's Single Source survey which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes, including 430 who intend to retire in the next 12 months. These latest results are based on interviews conducted in the 12 months to January 2019.

### How ready are intending retirees to fund their retirement?

It is important to understand how well equipped those intending to retire in the next 12 months are to fund their retirement. Currently the average gross wealth (total assets excluding owner-occupied homes) of intending retirees is \$299K, up only 2% over the last two years, from 2017 when it was \$293K. Although the average debt level for this group is currently only \$27K, it does reduce their average net wealth to \$272K, which is generally considered to be inadequate for self-funded retirement.

The overall conclusion from this is that currently, intending retirees will be relying on government benefits for some time yet, given the fact that the Association of Superannuation Funds of Australia (ASFA) estimates that an individual would need \$545K and a couple \$640K for a 'comfortable retirement'.

### Financial Position of Intending Retirees in Next 12 Months\*



Source: Roy Morgan Single Source (Australia), 12 months to January 2017, n=421; 12 months to January 2019, n=430. Base: Australian 14+ intending to retire in the next 12 months. \*Excludes owner occupied homes. Includes

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superannuation, property investments, other direct investments, deposits/transaction accounts, pensions and annuities and managed funds.

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

*“A major problem facing the Australian government and individuals is how to fund the retirement of an ageing population. Superannuation, through its tax concessions and compulsory nature, has been the main vehicle for trying to achieve this and is having some success but total savings (including super) are still falling well short of funding those currently intending to retire.*

*“A contributing factor to savings falling short of desirable levels has been a reduction in the average age of intending retirees, which has fallen from 62 years 12 months ago to 58 years currently. This obviously has the potential to reduce savings due to a shorter working life.*

*“Additional pressures on retirement decisions are the declining real estate market, share market volatility and superannuation conditions if there is a change of government. These factors have the potential to delay retirement decisions and encourage people to keep their jobs longer, particularly if the government tightens up the qualifications for the aged pension or other retirement benefits.*

*“This analysis only uses a small part of the data collected over two decades on the financial position of Australians of all ages, life stages, employment status, income, attitudes etc. To find out more about retirees and intending retirees, ask Roy Morgan.”*

**To learn more about Roy Morgan’s intending retirees data, call (+61) (3) 9224 5309 or email [askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com).**

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**About Roy Morgan**

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan 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
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

