

# **Australian Seniors: The Super Savvy Report 2023**

**February 2023**

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## About the report

The *Super Savvy Report 2023* forms part of the Australian Seniors Research Series. In its latest instalment, this study explores how Australians over 50 are looking to tackle super savings and the impacts of a recession.

The report is compiled based on research commissioned by Australian Seniors and conducted by CoreData between 1 and 9 August 2022. The research was conducted via a quantitative online survey, gathering 5,016 responses from Australians aged 50 and above.

The sample is representative of the general senior population of Australians in terms of age, gender, wealth, and state/territory.

### Important things to observe about the charts and analysis:

- *Charts without a specific note represent questions that were asked to all respondents.*
- *Footnotes directly underneath the charts may refer to one or more of the following below dependent on the data presented. If more than one note is required, it would appear as a bulleted list.*
  - *Subset of the total sample size as certain questions would only be asked to specific respondents (e.g. n=4,254, respondents who felt that there is generally a gender gap in super balances at retirement)*
  - *Types of questions asked, for instance Multiple answers allowed appears when the question called for more than one answer from the respondent*
  - *Data has been excluded from analysis (e.g. The option 'Not applicable' has been excluded from analysis; Outliers removed from analysis)*
- *Some charts and figures may not be equal to 100% due to rounding differences. This is also true for summed up figures.*
- *Any figure that doesn't specify men and women separately is displaying the entire survey's results.*
- *Where the results or analysis state Over 50s or Over 50, this is inclusive of respondents aged 50.*
- *Where the results or analysis notes men or women, please note that refers to Australian men aged 50 and above or Australian women aged 50 and above.*
- *Wealth segments are recoded from the Household income question in the survey: Mass Market (Less than \$50,000); Mass Affluent (\$50,001 - \$450,000); Core Affluent (\$450,001 - \$750,000); High Net Worth (More than \$750,000); Rather not say (I have no investments and Not sure).*





## Key findings



# Key findings

## Gender pay gaps extend to super

- Over 1 in 2 (54%) men and more than 2 in 5 women (42%) over 50 are aware of the ability to split super contributions with their partner.
- Nearly 9 in 10 (89%) women and almost 8 in 10 men (81%) feel that women have less saved at retirement due to a gender gap in super balances.
- The most commonly cited reason for the gender gap in super is career punctuation (76%).
- Close to 3 in 10 (28%) of respondents who were living with a partner/married have taken steps to close super savings gaps with their spouse.
- The top two ways people are closing the gap is by making additional contributions (74%) and splitting contributions (23%).

## We want a trustworthy fund

- The most commonly cited things that are regarded as extremely important to over 50s when choosing a super provider are trustworthiness (85%) , returns (79%) and fees (75%)
- The most commonly cited service that over 50s believe their current superfund needs to improve the most on is keeping them informed of current market conditions and what they're doing about it (41%). Women agree with this more (42%) compared to men (35%).
- When asked what factors would most encourage respondents to consider switching away from their current super fund, uncompetitive returns (36%) ranked highest for men, while high fees (31%) ranked highest for women.

## Women more concerned about rising costs and recession

- Women (90%) are more likely to be concerned about the rising cost of living compared to men (83%).
- The most commonly cited action men (68%) and women (78%) have taken or would take to combat the rising cost of living is cutting down on everyday expenses.
- Women (84%) are more likely to be concerned about a major recession impacting their super savings compared to men (75%).
- Men (88%) feel they understand the impact of a recession on their super savings and retirement preparedness more than women (75%).
- Men are more likely to feel they have a plan B for retirement in the event of a major recession with over 3 in 10 (31%) saying they feel they do not have a plan B for ensuring they are sufficiently prepared for retirement, compared to nearly 2 in 5 women (41%).
- Women are more likely to be concerned about recovering after a recession (80%) compared to men (66%).
- Men tend to check the returns on their super fund more frequently than women, with more than half of men (53%) checking it at least once a month compared to almost 2 in 5 (39%) for women.
- Men are more likely to believe they have at least a reasonable understanding of the retirement savings product they are currently using (86%) compared to women (72%).
- Around 2 in 3 (66%) men feel they're very knowledgeable about the different financial services and products, compared to 1 in 2 (48%) women.
- More than 3 in 5 (62%) fully retired respondents describe their current standard of living in retirement as either 'luxurious' or 'comfortable', with more men saying this compared to women (63% vs. 59%).

# Key findings

## We want a seamless experience moving into retirement

- More than 9 in 10 (91%) over 50s value a seamless transition from saving for retirement, to turning their savings into their retirement income without incurring capital gains tax.
- Over 9 in 10 (91%) over 50s view flexible retirement income options as a valued feature.
- More than 8 in 10 over 50s would value the absence of fixed dollar fees (85%) and the absence of minimum fees (82%)
- The most frequently cited features that would be valued in a superannuation product are: Easy access to the interest, dividends and franking credits generated, and control to tailor their investments to the values that matter to them and to help make a better world for their loved ones (both 82%).

## The rising cost of living is a concern

- More than 9 in 10 (93%) over 50s think that the cost of living will continue to rise in 2022 and close to 9 in 10 (86%) are at least reasonably concerned about the rising cost of living.
- Close to 3 in 4 (73%) over 50s say they've cut down everyday expenses to combat the rising cost of living, while almost 1 in 5 (18%) have picked up extra work.
- 50-59 year olds and people 70+ years old have reported the same average number of years they've planned their retirement finances to last, being 20 years.
- High Net Worth respondents have planned for their retirement finances to last the longest at an average of 25 years, followed by Core Affluent (21 years), Mass Affluent (20 years), then the Mass Market (18 years).

## Majority are concerned about a major recession impacting their super savings

- Close to 4 in 5 (79%) over 50s are concerned about a major recession impacting their super savings while almost 3 in 4 (73%) are concerned about recovering from a recession with minimal time to recoup losses.
- More than 4 in 5 (82%) over 50s understand the impact of a recession on their super savings and retirement preparedness.
- Almost 2 in 3 (64%) over 50s feel they have a plan B for their retirement in the event of a recession.
- Over 1 in 2 (51%) who are under 65 and/or still working describe their expected lifestyle in retirement to roughly match their current lifestyle

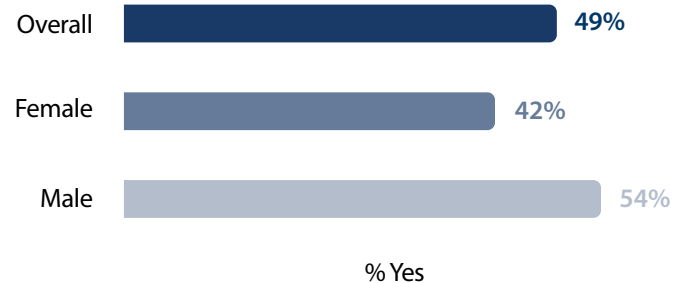




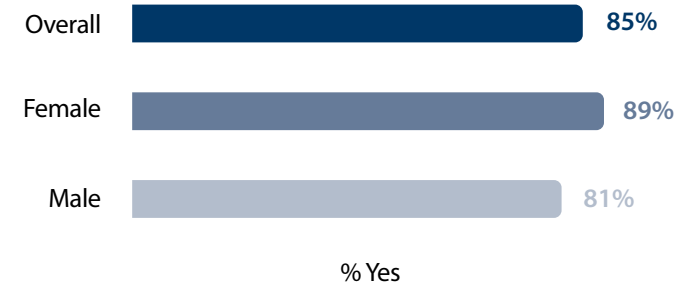
**Gender gap extends to super**

## Gender gap in super savings

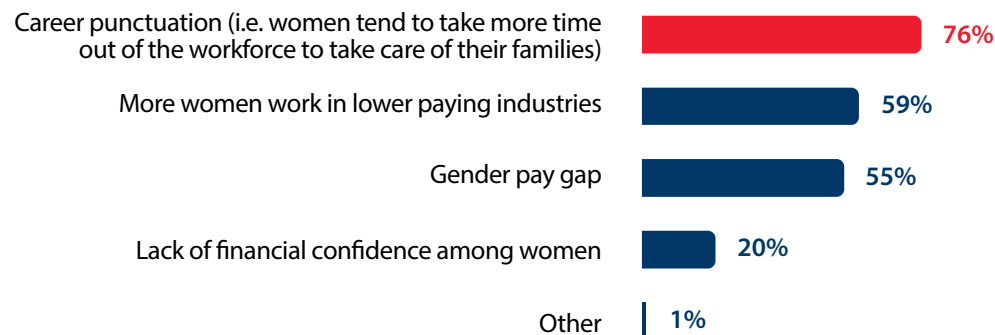
Are you aware of the ability to make super contribution splitting with your partner?



Do you feel there is a gender gap in super balances at retirement so that women tend to have less saved at retirement?



What do you think are the greatest reasons for a gender gap in super savings of Australians?



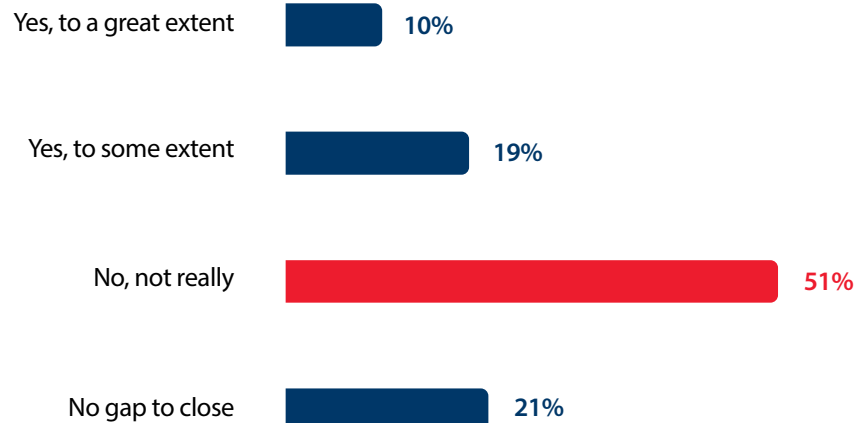
Over 1 in 2 (54%) men and more than 2 in 5 women (42%) over 50 are aware of the ability to split super contributions with their partner. Nearly 9 in 10 (89%) women and almost 8 in 10 men (81%) feel that women have less saved at retirement due to a gender gap in super balances. The most commonly cited reason for the gender gap in super is career punctuation (76%).

- n=4,254, respondents who felt that there is generally a gender gap in super balances at retirement
- Multiple answers allowed



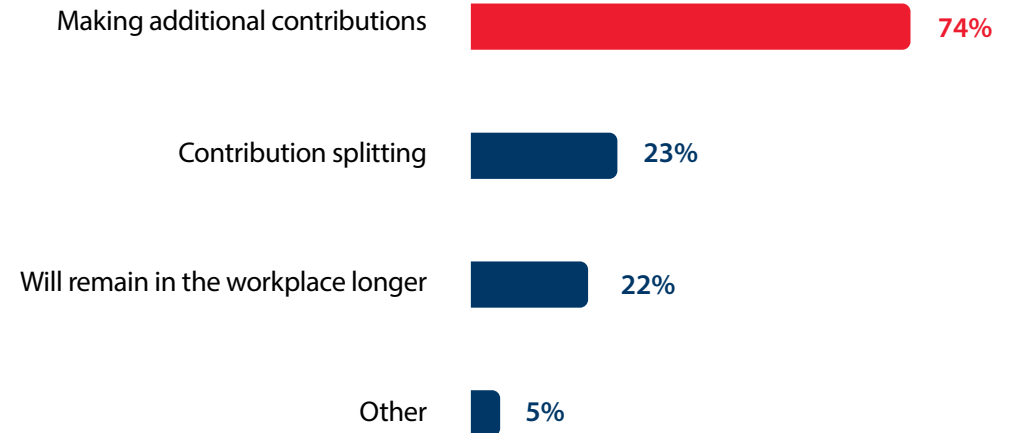
## Starting to close the gap

Have you taken any steps to close gaps in super savings between you and your spouse?



• *n = 3,557, respondents living with partner/married*

What steps have you taken to close the gap in super savings between you and your spouse?



• *n = 1,008, respondents living with partner/married and have taken steps to close any gap in super savings between them and their spouse*  
• *Multiple answers allowed*

Close to 3 in 10 (28%) respondents who were living with a partner/married have taken steps to close super savings gaps with their partner. The two most frequently cited ways people are closing the gap is by making additional contributions (74%) and splitting contributions (23%).

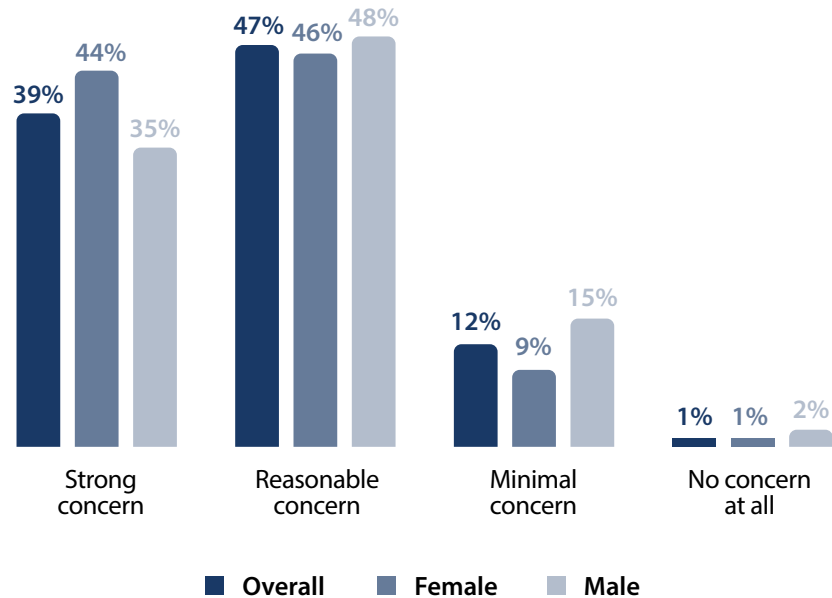


## **Gender gap in financial confidence**

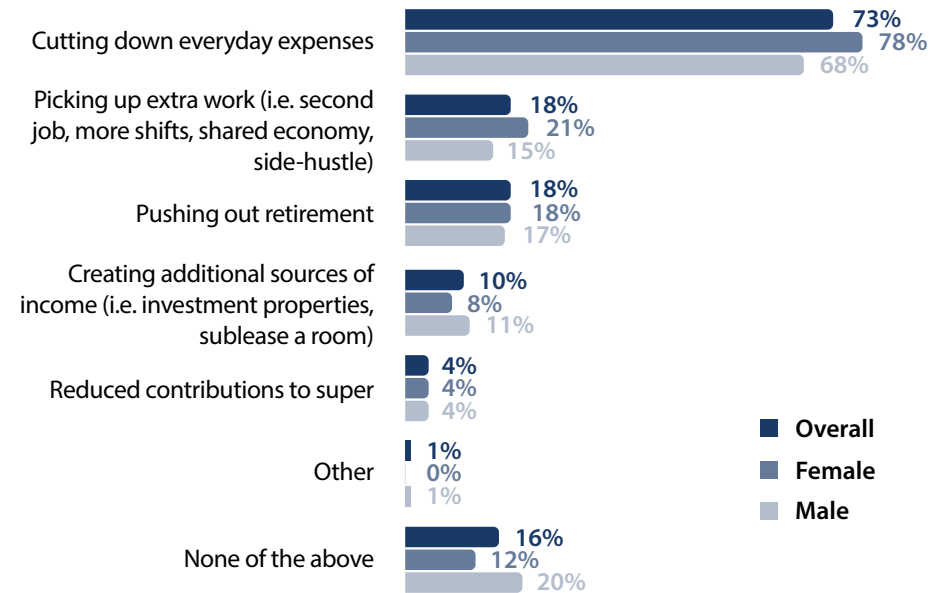


## Cost of living concerns

How concerned are you about the rising cost of living?



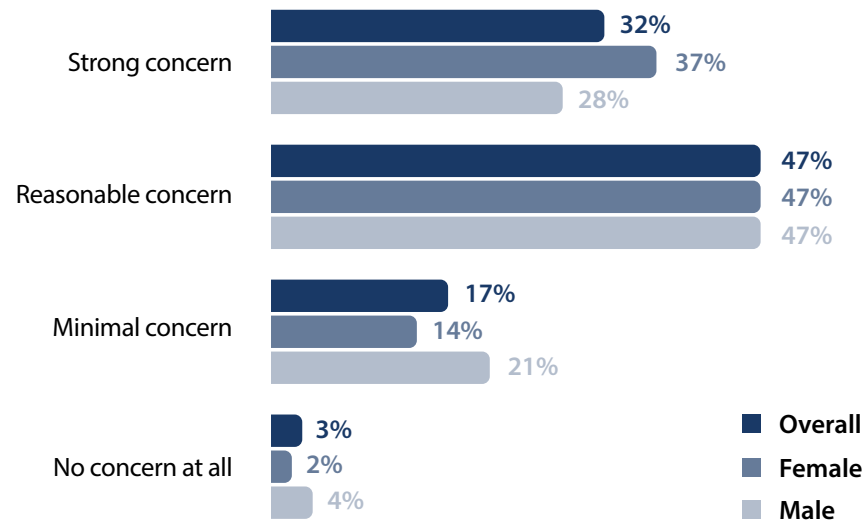
What actions have you taken or would consider taking to combat the rising cost of living?



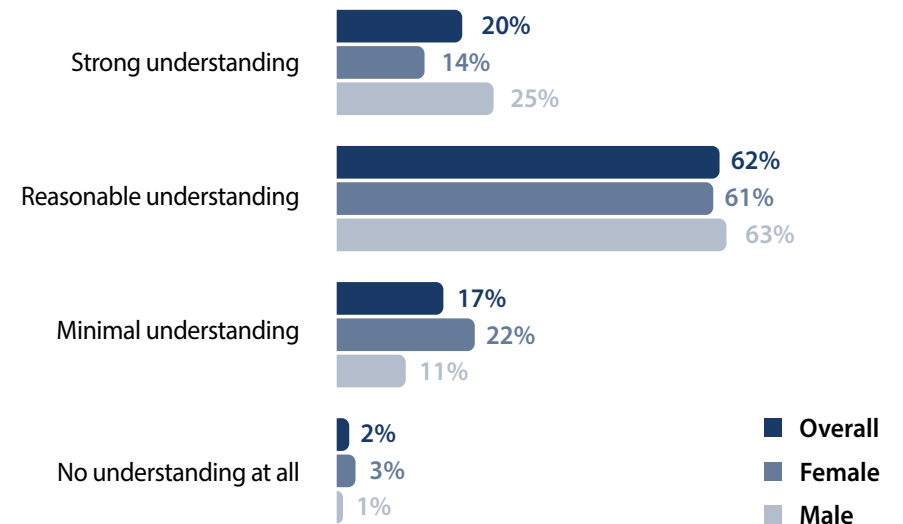
Women (90%) are more likely to be concerned about the rising cost of living compared to men (83%). The most commonly cited action men (68%) and women (78%) have taken or would take to combat the rising cost of living is cutting down on everyday expenses.

# Major recession impacts

How concerned are you about a major recession and market downturn impacting your super savings?



How well do you feel you understand the impact a major recession and market downturn might have on your super savings and retirement preparedness?

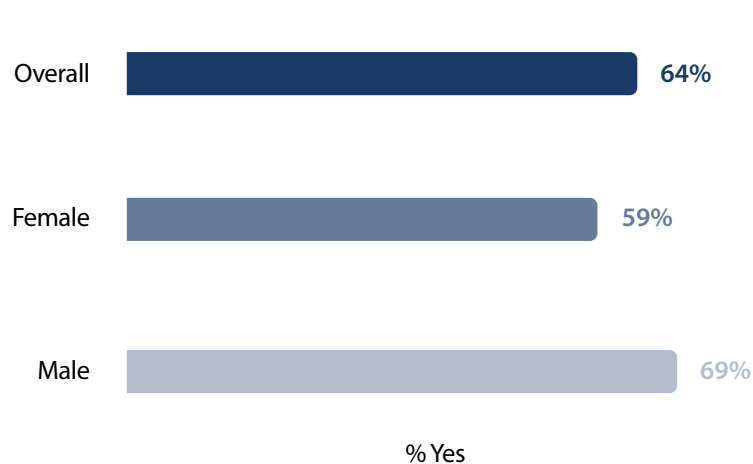


Women (84%) are more likely to be concerned about a major recession impacting their super savings compared to men (75%). Men (88%) feel they understand the impact of a recession on their super savings and preparedness more than women feel they understand (75%).

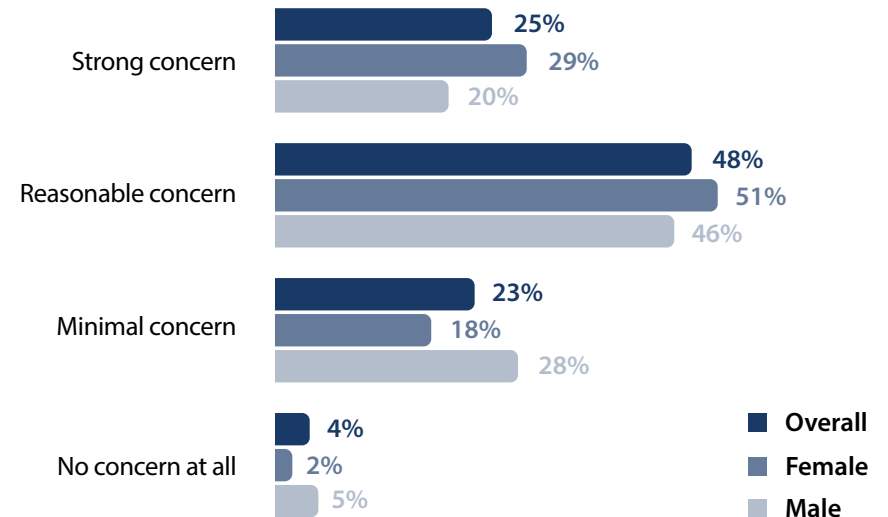


## Major recession impacts on men and women

If there was to be a major recession and market downturn, do you feel like you have a plan B for ensuring you're sufficiently prepared for retirement?



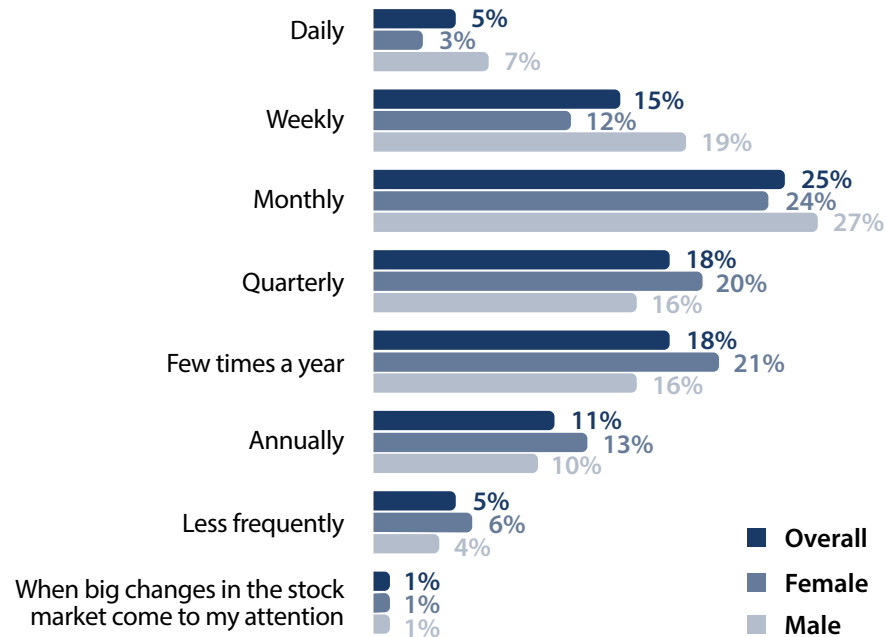
How concerned are you about recovering from a recession later when you may have minimal time to recoup losses?



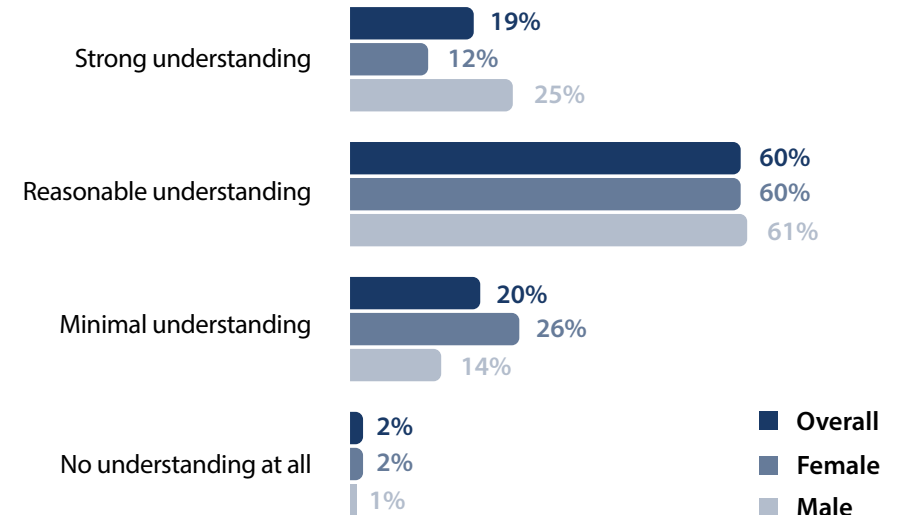
Men are more likely to feel they have a plan B for retirement in the event of a major recession with over 3 in 10 (31%) saying they feel they do not have a plan B for ensuring they are sufficiently prepared for retirement, compared to nearly 2 in 5 women (41%). Women are more likely to be concerned about recovering after a recession (80%) compared to men (66%).

# Interacting with super funds

How often do you typically check the returns on your super fund?



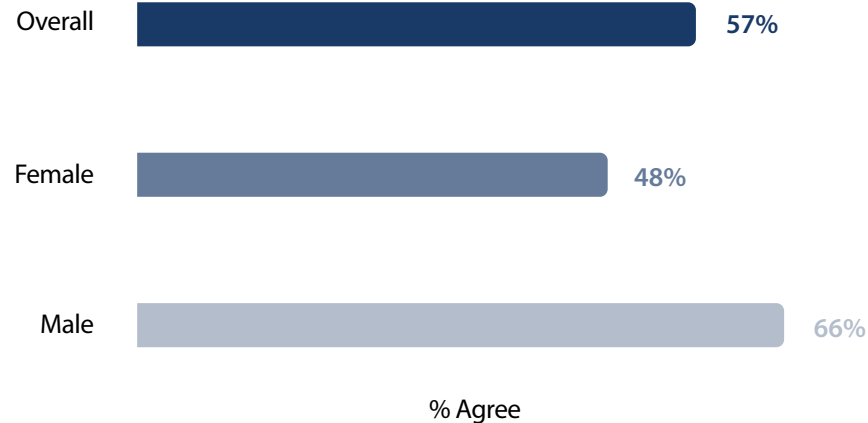
How well do you understand the retirement savings product you're currently using?



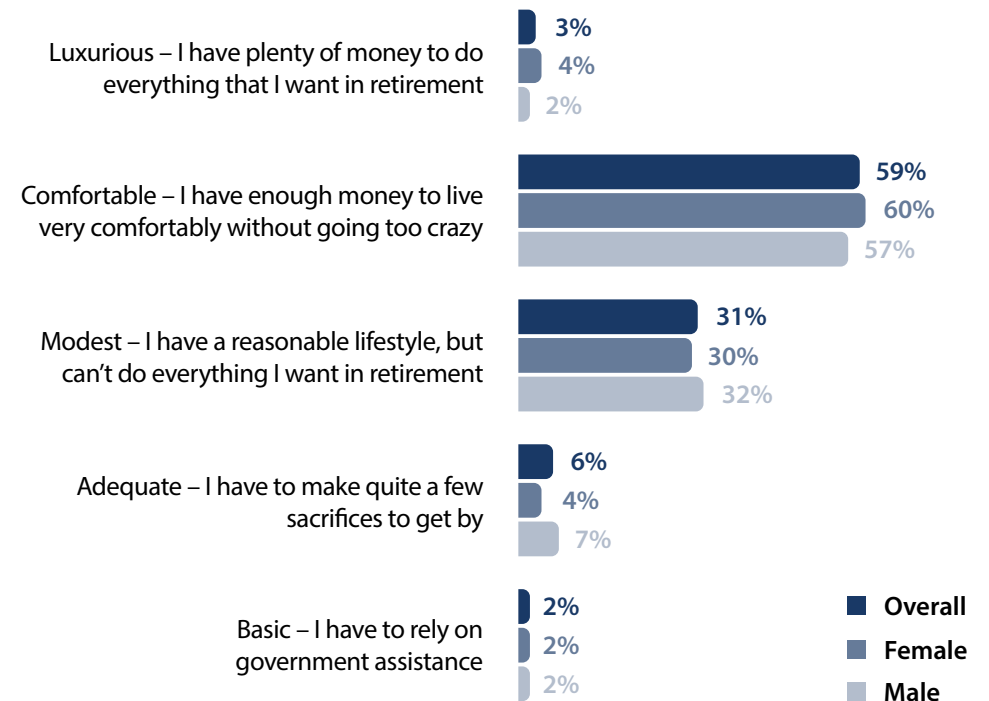
Men tend to check the returns on their super fund more frequently than women, with more than half of men (53%) checking it at least once a month compared to almost 2 in 5 (39%) for women. Men are more likely to believe they have at least a reasonable understanding of the retirement savings product they are currently using (86%) compared to women (72%).

# Knowledge of products and current living standards

I feel I'm very knowledgeable about different financial services and products



How would you describe your current standard of living in retirement?



• n = 1,651, respondents who are fully retired

Around 2 in 3 (66%) men agree that they feel they're very knowledgeable about the different financial services and products compared to less than 1 in 2 (48%) women. More than 3 in 5 (62%) full retirees describe their current standard of living in retirement as either 'luxurious' or 'comfortable', with more men saying this compared to women (63% vs. 59%).

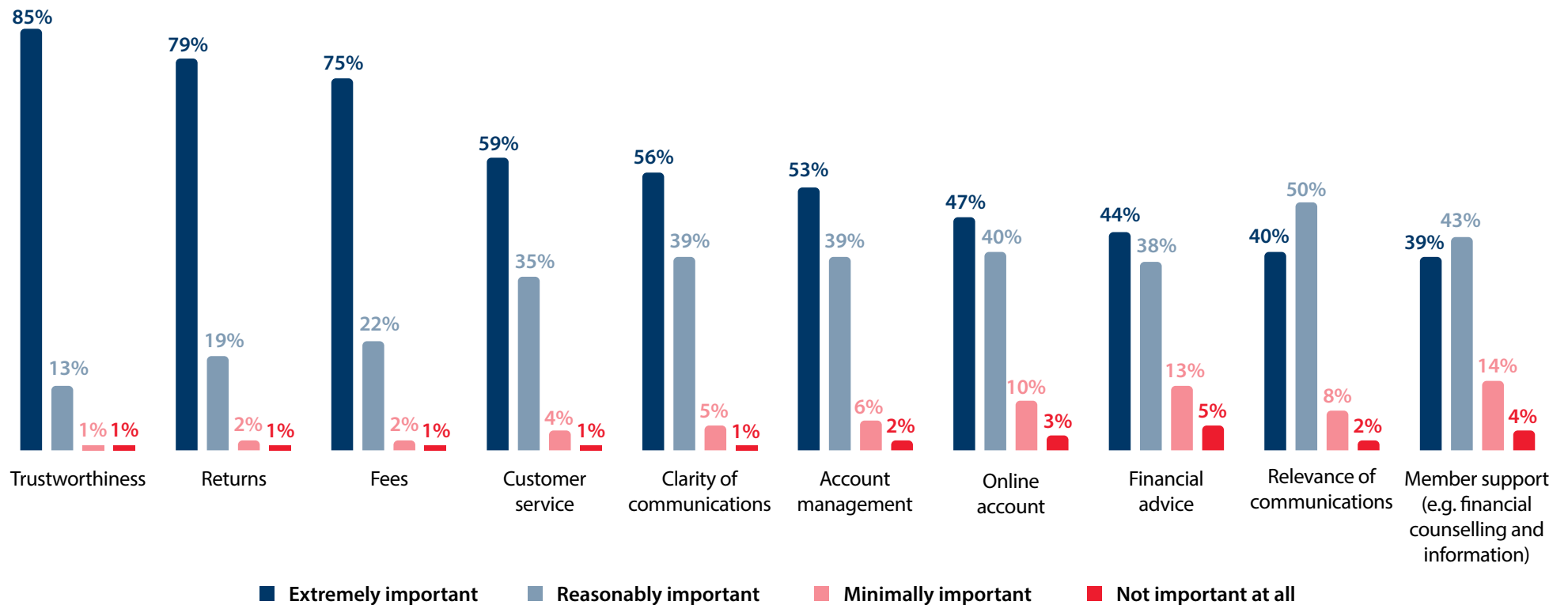




**Choosing a super fund**

# Choosing a super fund

## Top 10 most important characteristics in choosing a super fund

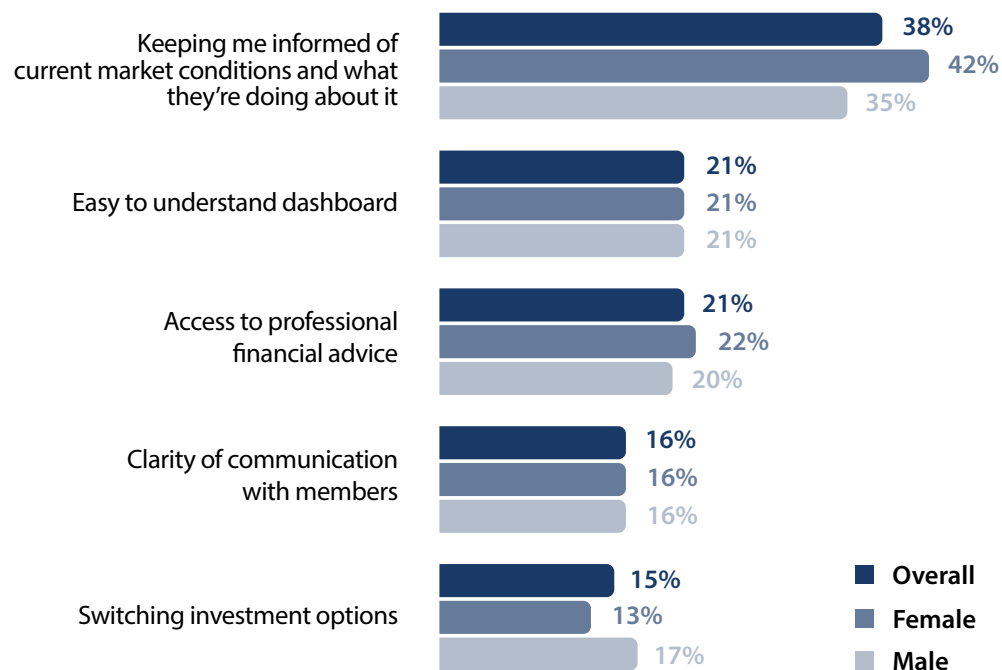


The most commonly cited things that are regarded as extremely important to over 50s when choosing a super provider are trustworthiness (85%) , returns (79%) and fees (75%).



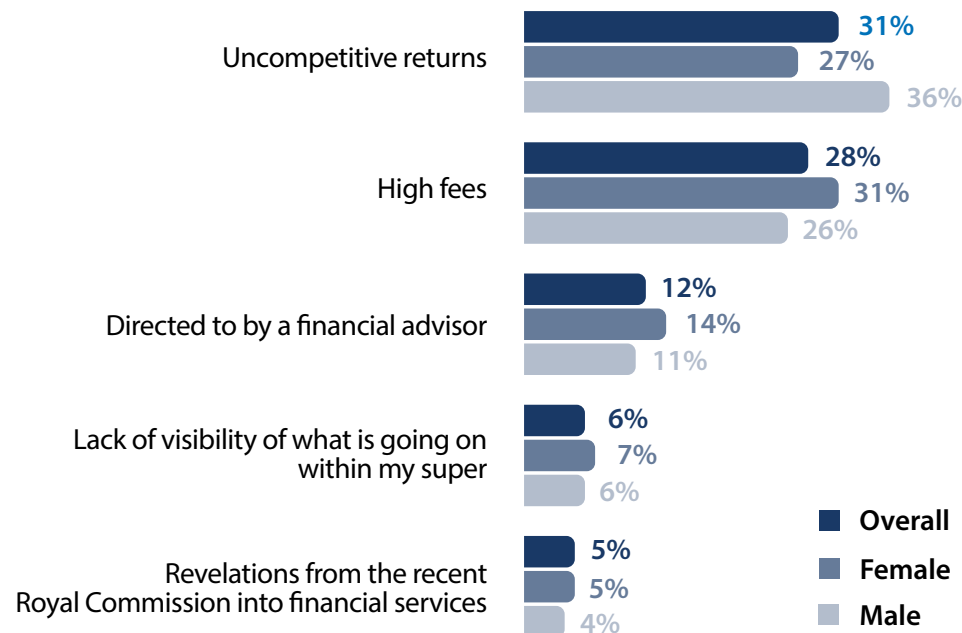
## Services that need to be improved

Which of the following services do you feel your current super fund needs to improve in the most?



• Multiple answers allowed

Top 5 factors most likely to cause people to consider switching super funds



The most commonly cited service that over 50s believe their current superfund needs to improve the most on is keeping them informed of current market conditions and what they're doing about it (41%). Women agree with this more (42%) compared to men (35%). When asked what factors would most encourage respondents to consider switching away from their current super fund uncompetitive returns (36%) ranked highest for men, while high fees (31%) ranked highest for women.

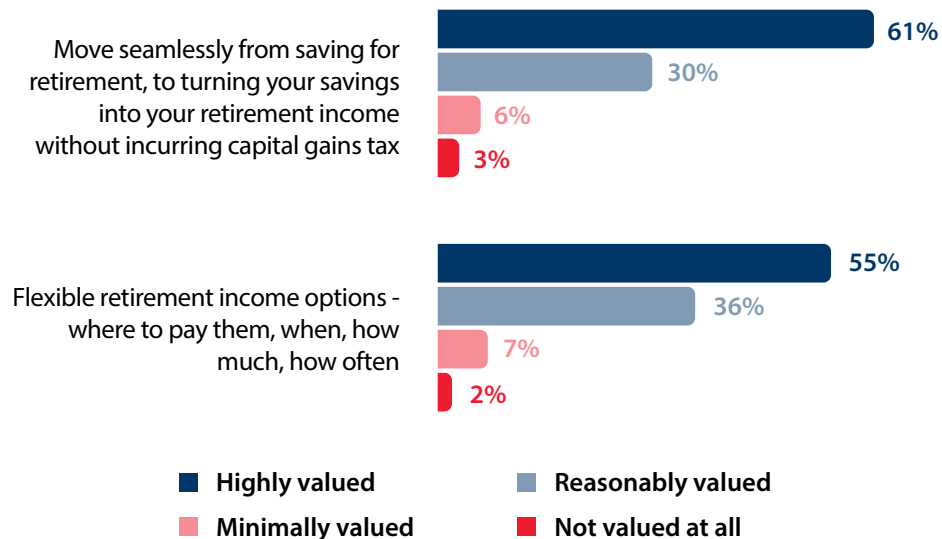




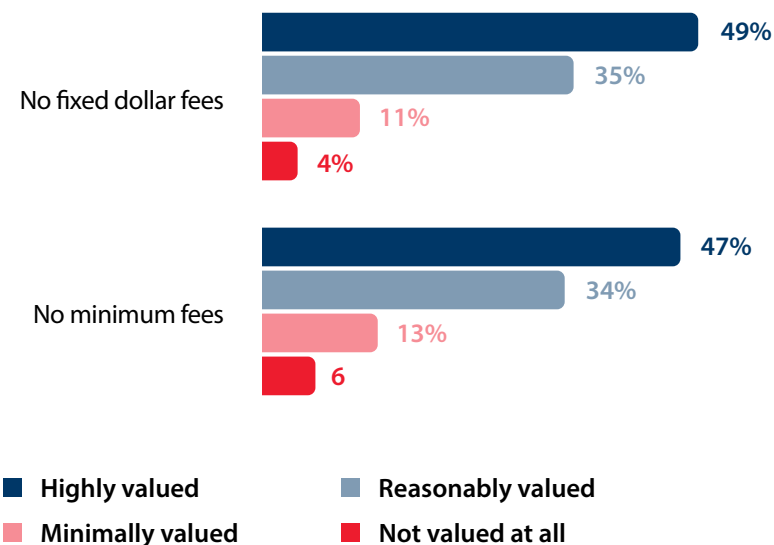
**What we want from our super fund**

## Most valued features in terms of retirement strategies and fees

How much would you value the following features in a super product - retirement strategies



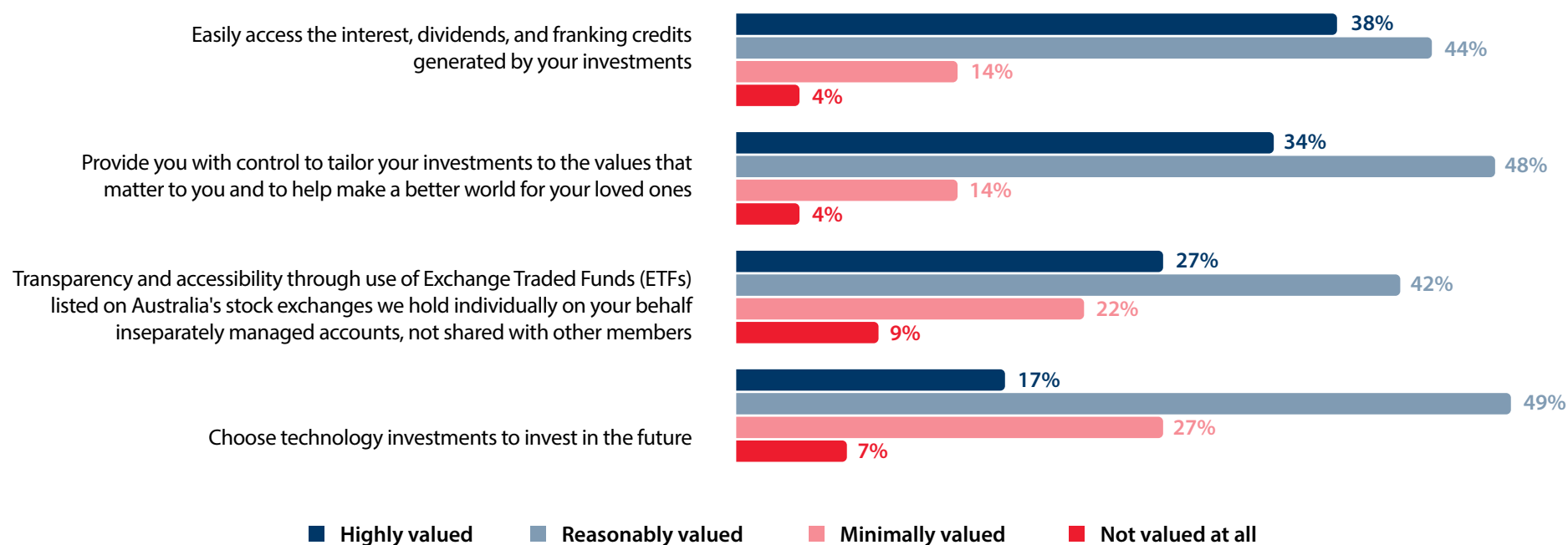
How much would you value the following features in a super product - fees



Over 9 in 10 over 50s value a seamless transition from saving for retirement, to turning their savings into their retirement income without incurring capital gains tax. They also view flexible retirement income options as a valued feature (both 91%). They also value no fixed dollar (85%) and no minimum (82%) fees.

# Most valued features in investments

How much would you value the following features in a super product - investments



The most frequently cited features that would be valued in a superannuation product are: Easy access to the interest, dividends and franking credits generated, and control to tailor their investments to the values that matter to them and to help make a better world for their loved ones (both 82%).

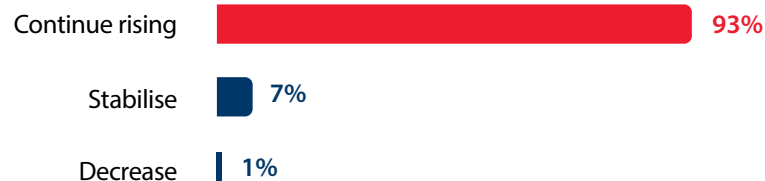




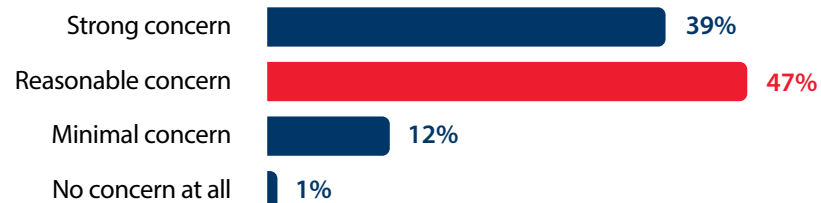
**Rising cost of living and recession concerns**

# Combatting the cost of living in 2022

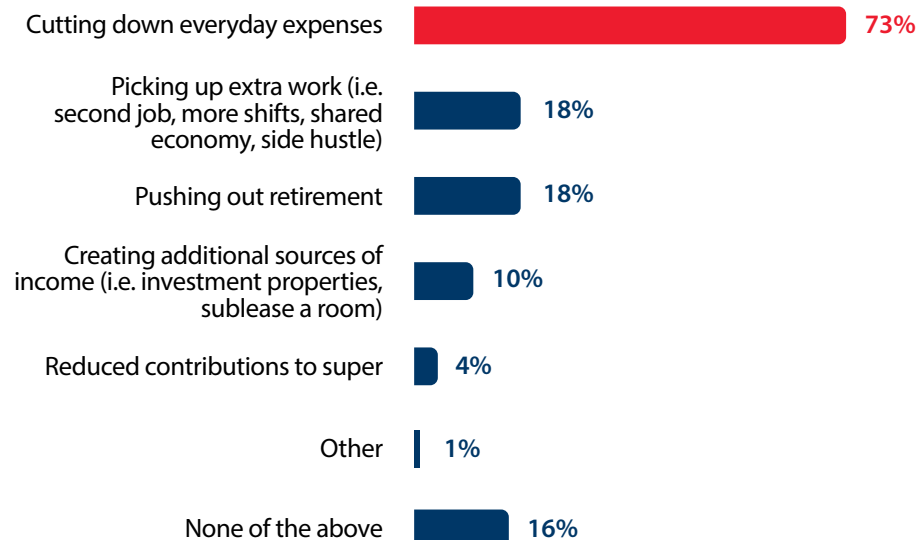
Thinking about 2022, are you expecting the cost of living to:



How concerned are you about the rising cost of living?



What actions have you taken or would consider taking to combat the rising cost of living?

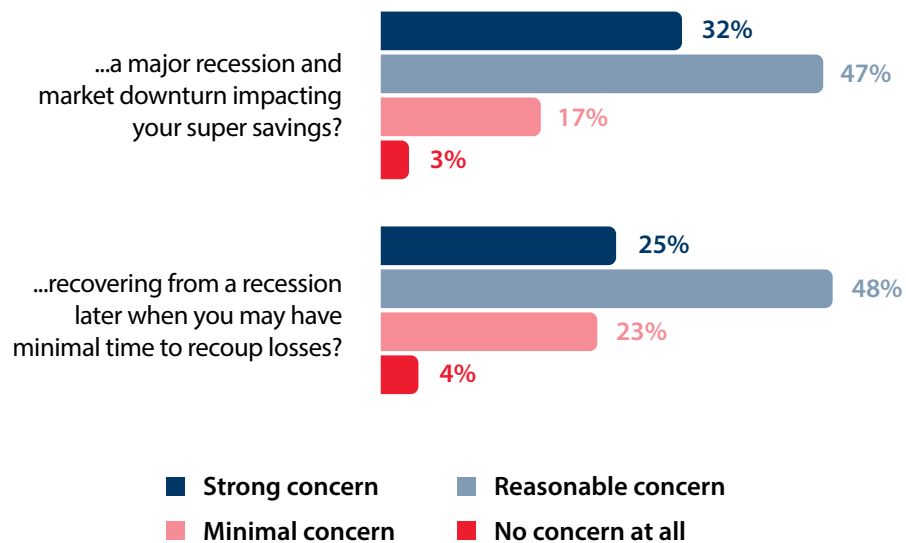


• Multiple answers allowed

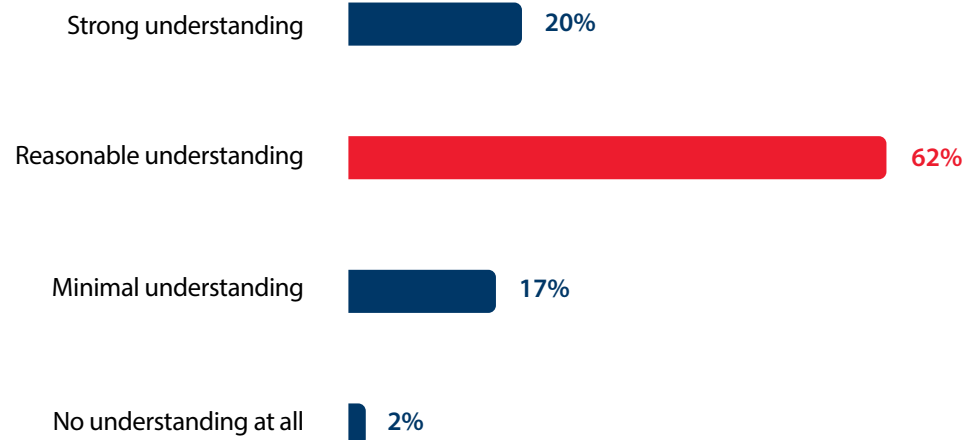
More than 9 in 10 over 50s (93%) think that the cost of living will continue to rise in 2022, while close to 9 in 10 (86%) are at least reasonably concerned about the rising cost of living. Close to 3 in 4 (73%) say they've cut down everyday expenses to combat the rising cost of living, while almost 1 in 5 (18%) have picked up extra work.

## Overall recession concerns

How concerned are you about...



How well do you feel you understand the impact a major recession and market downturn might have on your super savings and retirement preparedness?

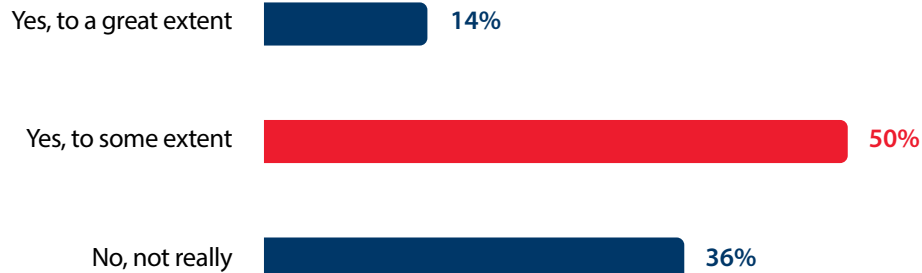


Close to 4 in 5 over 50s (79%) are concerned about a major recession impacting their super savings, while almost 3 in 4 (73%) are concerned about recovering from a recession with minimal time to recoup losses. More than 4 in 5 (82%) understand the impact of a recession on their super savings and retirement preparedness.

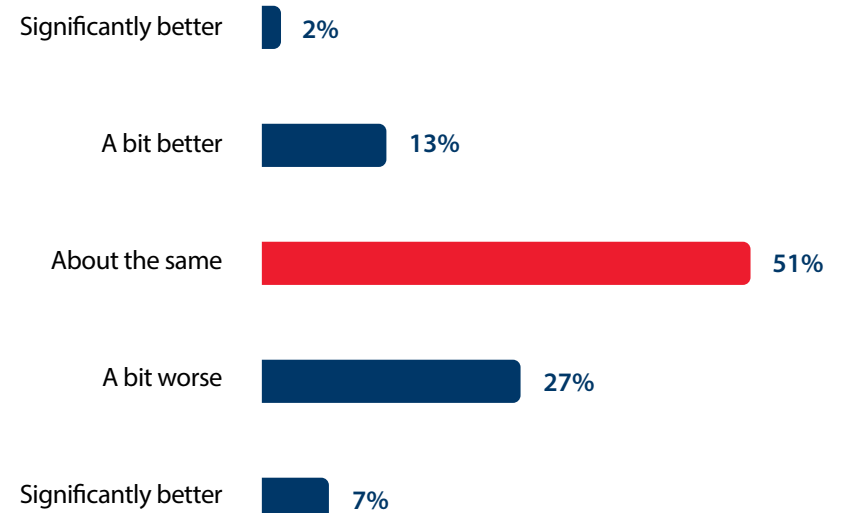


## Contingency plans and expected retirement lifestyle

If there was to be a major recession and market downturn, do you feel like you have a plan B for ensuring you're sufficiently prepared for retirement?



Generally, what best describes your expected retirement lifestyle compared to your current lifestyle?



• *n = 2,707, respondents who are below 65 years old and/or working*

Almost 2 in 3 over 50s (64%) feel they have a plan B for their retirement in the event of a recession. Over 1 in 2 (51%) who are under 65 and still working describe their expected lifestyle in retirement to roughly match their current lifestyle.

# Planning for retirement

How many years have you planned for your retirement finances to last?

(average in years)



20  
years

50-59 years old



21  
years

60-69 years old

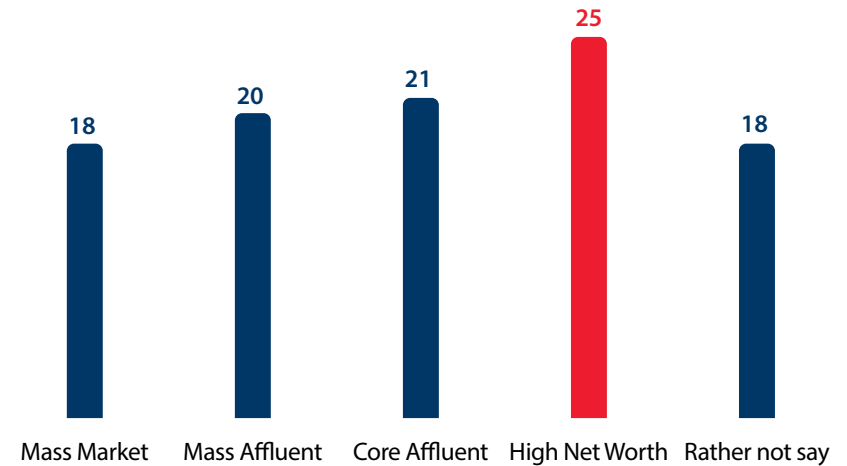


20  
years

70 years old and above

How many years have you planned for your retirement finances to last?

(average in years)



50-59 year olds and people 70+ years old have both reported the same average number of years they've planned their retirement finances to last, being 20 years. High Net Worth respondents have planned for their retirement finances to last the longest at an average of 25 years, followed by Core Affluent (21 years), Mass Affluent (20 years), then the Mass Market (18 years).



**More of the Australian Seniors Series coming soon...**

#### **About Australian Seniors**

Australian Seniors launched in 1998 to meet the needs of the often-ignored over 50s market. Since then, we've helped countless Australians protect the most important things in life — whether it's their family's future, valuable assets, or even their long-planned retirement.

We strive to be different through the diverse offering of our life, funeral, car, home & contents, landlords, pet, and travel insurance products by carefully selecting underwriters that share our vision of providing insurance that's simple, easy to understand, and cost-effective. That's why our policies have helped everyone from hard-working over 50s to self-funded retirees take control of the things that matter most.