

## **One third of Australians expect major retirement savings shortfall**

Almost one third (31.7%) of Australians expect a large financial shortfall at retirement with a further 25% expecting a shortfall to some extent, according to a special report: MLC Retirement Survey.

Alarming only 3.5% of Australians expect to have more than enough money to maintain their lifestyles in retirement.

The survey of 2,000 Australians also found nearly 70% of respondents failed to consider major financial setbacks such as a major illness or unemployment in their retirement plans, with only 8.5% having a well-considered plan for major setbacks.

The level of concern was also evident in the MLC Quarterly Australian Wealth Sentiment Survey which found deposits and paying off debt continues to be the top investment priorities.

Additionally, interest in superannuation and direct shares increased over the December quarter.

Despite the cautious outlook for the economy, respondents reported a growing appetite for direct shares particularly from those earning \$75,000 to \$100,000 per annum.

### **Key highlights:**

- The top three barriers to sufficient retirement savings continue to be major health issues, loss of employment and lack of formal investment plan.
- Women are the biggest worriers when it comes to superannuation with inadequate funds for retirement, losing money, fees and inflation their biggest fears. Over one third of women (36%) indicate they'll have far from enough money at retirement.
- Men are more optimistic when it comes to their financial situation at retirement with over one third (37.4%) expecting to have enough or more than enough to retire.
- Men aged 18-29 were the most relaxed about their financial situation at retirement.
- Queensland residents gave the least consideration to major setbacks in their retirement plans.
- Western Australian residents have the strongest intention to divest shares, bonds, balanced funds and invest more in superannuation. WA respondents were also the most concerned about retirement risk especially missing investment opportunities.

"It's encouraging to see Australians thinking more about superannuation but as the survey suggests, there's still not nearly enough being invested for retirement. Over 56% of respondents expect to have at least some or a major shortfall at retirement," NAB Wealth Group Executive Andrew Hagger said.

"Wealth is the result of hard work, good decisions and good advice, and MLC strongly believes in the difference advice can make to someone's life.

"Australians wanting to take control and get active in their retirement savings should seek financial advice to get the help they need to reach their goals," Mr Hagger said.