

Retirement Confidence Index

Effective September 2022

AustralianSuper and Monash University have released the 2022 Retirement Confidence Index findings. This annual study investigates how Australians feel about retirement. Now in its sixth year, the 2022 study found that retirement confidence is at an all-time high.

About the Retirement Confidence Index

First carried out in 2017, the Retirement Confidence Index aims to gain an in-depth understanding of how Australians think, feel, and behave as they approach or experience retirement.

Insights from the study aim to help improve retirement outcomes for Australians planning for or experiencing retirement.

Retirement Confidence Index – key statistics

- Since 2017, the Retirement Confidence Index has surveyed over 8,000 Australians aged over 50
- The 2022 retirement confidence score (66) is the highest ever recorded.
- Approximately 46% of participants are pre-retirees and 54% are retirees
- The study is set to run for 10 years and aims to paint a clear picture of Australians' attitudes toward retirement.



Measuring retirement confidence

Each year, the study measures overall retirement confidence and provides an average score out of 100 – with zero indicating 'least confident' and 100 indicating 'most confident'. The score is based on answers to questions from 4 key pillars, as well as personal factors such as living situation (renter or homeowner), education level, and gender.

The 4 Pillars are:

1. Financial awareness and skills
2. Health and wellbeing
3. Social factors
4. Retirement awareness and planning



In 2022, the average retirement confidence score is 66 out of 100.

Find out your retirement confidence score

Discover your score, compared to the Australian average, at australiansuper.com/retirement-confidence-index

Retirement snapshot

Many people spend more than 25 years in retirement. With life expectancy increasing, you might need more money than you think.

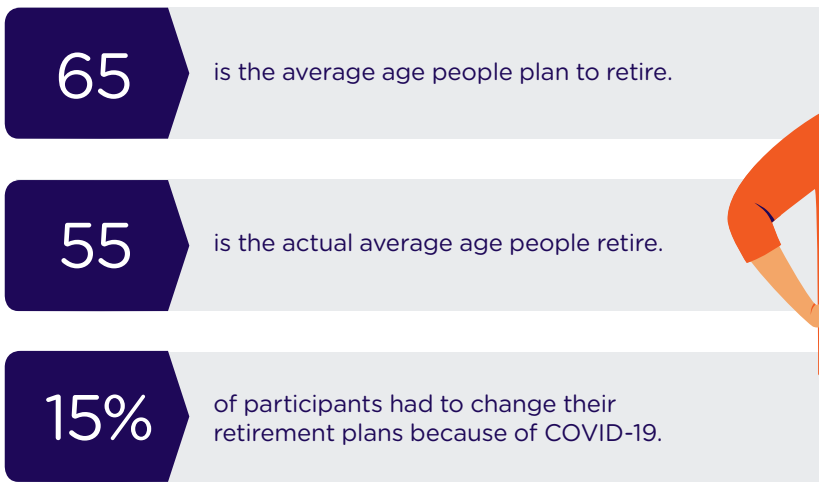
How much money is enough?

Retirees who took part in the 2022 study had an average household income of \$54,957 a year. This is more than what the average couple needs to enjoy a 'modest' retirement, according to the Association of Superannuation Funds of Australia (ASFA). However, it's less than what's needed for a 'comfortable' retirement lifestyle.

According to ASFA's Retirement Standard, for a comfortable lifestyle singles need \$47,383 a year and \$66,725 for couples^[1].

Planning when to retire

On average, Australians retire 10 years earlier than they expected^[2].



Not being able to choose when you retire is common and can have a big impact on your financial situation. That's why it's important to know your finances and plan ahead - it's never too early to make plans for when you finish working.

If your retirement plans have changed, there are things you can do to prepare and feel more confident about the next step.



How many 2022 study participants are retired?



How long could your super last?

Use our super projection calculator to work out how much money you could have at retirement and how long it could last at australiansuper.com/superprojection



Achieving confidence in retirement is about balance

When planning for retirement your financial position is just one piece of the puzzle. The Retirement Confidence Index reports that maintaining good mental and physical health, your social connections and setting goals are also key factors. Understanding all 4 areas is key.



1. Financial awareness and skills

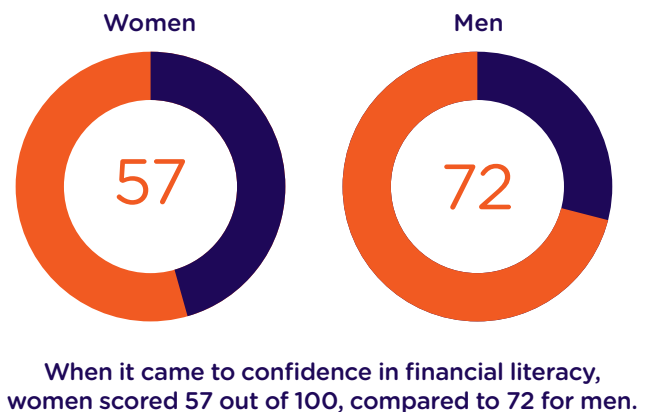
This looks at a person's level of financial literacy, attitude, behaviour, control and financial anxiety.

Women are less confident about their retirement compared to men

The study found that women don't feel as confident about their level of financial literacy as men - a trend that has continued for the last 6 years.

Women with lower levels of financial knowledge experience more financial anxiety, particularly those who struggle with goal setting and financial planning.

However, women exhibit a stronger ability to save and budget than men, which can result in a better retirement. Feeling in control of your finances and understanding super savings are important elements of retirement confidence.



Boost your retirement confidence

Saying the gender gap in super savings comes down to women's choices undermines the effects of their lived experiences and fails to account for systemic impacts. For one, women's work trajectories can deviate from the standard model that super expectations and projections are often built on. These assume a continuous, linear, upward trajectory and don't account for the detrimental effect that career breaks or part-time work have on opportunities for promotion and moving jobs - which often come with salary increases^[3].

Take control of your financial future

There are things you can do to feel more confident about your finances. Understanding your super savings is an important element of retirement confidence. Discover how you can make a big difference to your financial future at australiansuper.com/women



2. Social factors

This examines the impact of social connections.

Confidence in retirement isn't only about saving enough money. Respondents who felt connected with families, friends and the wider community were more confident about their retirement.

During retirement, it's important to maintain an active social life. Volunteering in your community, joining social and hobby groups, and taking lessons or classes to learn new skills are excellent ways to be more socially connected.



In 2022, participants felt more socially connected compared with recent years, scoring **70.5 out of 100**. This may reflect the easing of government-mandated health measures due to the COVID-19 outbreak in Australia.

3. Health and wellbeing

This explores the importance of physical and mental health.

It's no surprise regular exercise and maintaining a healthy diet can lead to better wellbeing. However, it can also lead to more confidence in retirement. The study shows a strong connection between retirement confidence and physical and mental wellbeing.

Retirees continue to report higher levels of physical and mental health compared to pre-retirees – a trend that has continued for the last 6 years of the study.



Regular exercise and a healthy diet can lead to more confidence in retirement.

4. Retirement planning

This looks at how certain a person feels about their future, and their behaviour in terms of setting goals.

Retirement planning can help you feel more certain about your future needs and wants. That's because it can help you understand what you need to do now to achieve your ideal financial future.

In the 2022 Retirement Confidence Index, **people felt more certain about their future** than in the previous 4 years.



COVID-19 continues to affect retirement plans



15%

of participants made changes to their retirement plans because of the pandemic.



12%

delayed retirement.



3%

retired earlier than planned.

A focus on seeking professional advice in uncertain times

The most common action taken by both pre-retirees and retirees in the 2022 study was to **seek professional financial advice**.

Learn more about your advice options at australiansuper.com/advice or find a financial adviser at australiansuper.com/find-an-adviser

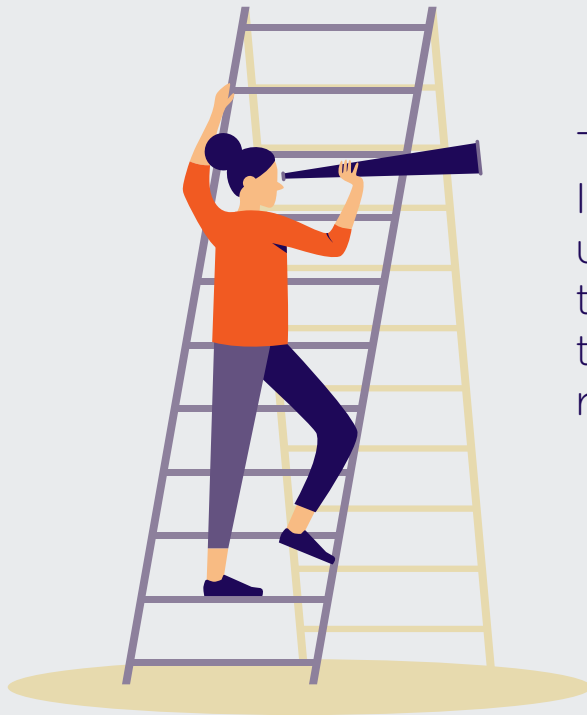


* Figures have been rounded to the nearest decimal point.

¹ ASFA Retirement Standard, June quarter, 2022.

² ABS - Retirement and retirement intentions, Australia. Information for the period 2018-2019.

³ The Future Face of Poverty is Female Report, Monash University, November 2018.



The Retirement Confidence Index aims to gain an in-depth understanding of how Australians think, feel, and behave as they approach or experience retirement.

Contact us

Call **1300 300 273**
(8am to 8pm AEST/AEDT weekdays)

Web **australiansuper.com**

Mail Locked Bag 6, Carlton South VIC 3053

Email You can submit an email enquiry via our website at **australiansuper.com/email**

Visit **australiansuper.com/contact-us** for more contact details about how to message or email us.



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