

IT'S NOT ABOUT THE KIDS: LEAVING AN INHERITANCE IS NOT A PRIORITY

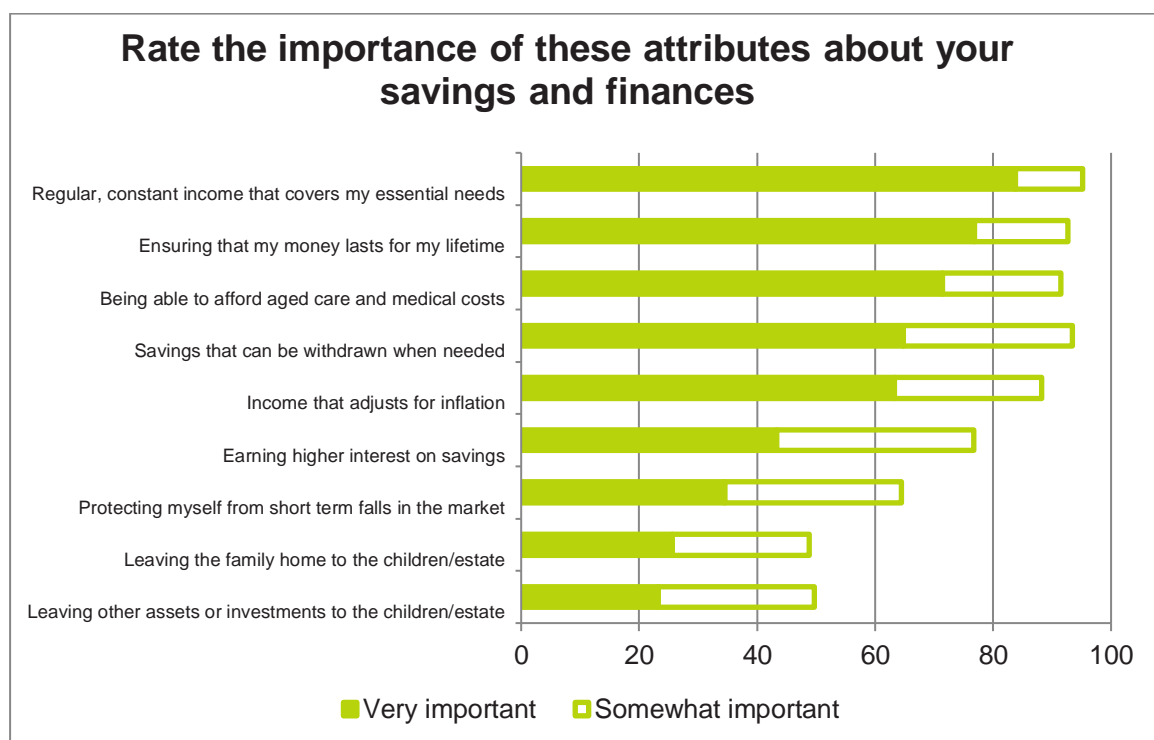
Leaving money for the kids is no longer a top priority for older Australians, according to new research from National Seniors Australia.

Just 23% rated it very important and only 3% intend to preserve all their savings for an inheritance, debunking popular conceptions that leaving a financial legacy is a major concern for retirees.

“It’s time to put the inheritance myth to rest. Retirees have spoken and it’s clear that bequests are not the priority that many think they are. The need for regular income to avoid running out of money and, to pay for aged care and medical costs, is far more important for older Australians,” said Jeremy Cooper, Chairman, Retirement Income at Challenger.

“Bequests are not central to planning for their retirement and senior Australians are weighing these up against other trade-offs they must make to deal with longer lifespans,” National Seniors Research Director Professor John McCallum said.

Having a constant stream of regular income to cover essential needs is the top priority for over-50s – 84% rated it very important.



Ensuring savings last throughout their lifetime (77% rated very important) and paying for aged care and medical costs (71%) are rated the second and third most important factors in the National Seniors Australia Report *Seniors more savvy about retirement income*.

Leaving assets to the children rated lowest of the factors that matter about retirement finances. Seniors think they have supported the next generation enough.

Views of senior Australians on leaving an inheritance

“
I helped out with the deposit so both my children could get established in a home of their own. My current income does not cover the cost of running my home, so there will be nothing left to leave the children.”

“
When discussing modern trends with my contemporaries, I find that we all feel that our children are no longer dependent on our estate, whereas in our turn, our parents' estate helped us enormously.”

The report, based on one of the largest comprehensive surveys of older Australians, shows that people are retiring with larger superannuation balances. However, the median balance of just over \$300,000 is well below the Association of Superannuation Funds of Australia (ASFA) estimates of the \$560,000 for a couple that, on average, would be needed to support a level of spending for a comfortable retirement lifestyle.

Almost half of senior Australians are concerned they will outlive their savings: 34% are worried savings will run out and 14% are extremely worried, according to the research.

Seniors more savvy about retirement income is based on a survey commissioned by Challenger on the preferences and spending patterns of older Australians. It was conducted by National Seniors Australia and uses responses from 5,770 Australians over age 50.

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About National Seniors Australia

National Seniors Australia is the leading independent voice of Australia's over 50s with 200,000 members across the country. We represent the views of older Australians to all levels of government to ensure a fair go on issues of age discrimination, mature age employment, retirement income, health care, aged care and the cost of living.

About Challenger

Challenger Limited (Challenger) is an investment management firm managing \$70.0* billion in assets. It is focused on providing customers with financial security for retirement.

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's leading provider of annuities.

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