

ONCE BITTEN TWICE SHY? GFC CONCERNS STILL LINGER FOR AUSTRALIAN SENIORS

Seven out of 10 Australians aged over 50 are worried about the potential for another global financial crisis (GFC) and the impact it could have on their retirement savings.

The latest National Seniors Australia (NSA) survey revealed that 10 years on from the GFC, concern among older Australians is still strong.

“These results clearly show that the GFC has cast a long shadow, particularly for those who were already in retirement when it hit and have been unable to recoup their losses,” Challenger’s Chairman Retirement Income, Jeremy Cooper, said.

“This, combined with increasing life expectancies, has left many seniors uncertain about the future.”

A quarter of seniors surveyed said they would not be able to tolerate any annual loss to their retirement savings. More than 90% thought they would not be able to tolerate losses of 20% or more, the equivalent of the average impact on superannuation balances at the time of the GFC.

Seniors remained worried about running out of money, with over half concerned about outliving their savings. “This is a realistic concern”, said Prof McCallum. “The risk of running out of money increases with age. Almost a third of respondents over 80 reported running out of savings, and almost a quarter of those between 75 and 79 had also run out.”

The survey showed six out of 10 older Australians now keep some or all their savings out of the market to minimise their exposure to a potential market collapse. Despite concerns, half of older Australians are comfortable with the way they are managing their risk.

Prof. McCallum said the priorities for almost all older Australians remained clear across National Seniors’ annual surveys.

“Seniors want regular and consistent income,” he said. “When asked to rank several financial goals, having income that lasted for life was one of the most important, with 80% of seniors rating it ‘very important’. The only goal that rated higher was a desire for regular and constant income.”

National Seniors conducted one of the largest comprehensive surveys of older Australians earlier this year. The advocacy organisation collected responses from 5,446 Australians aged over 50 to develop the report *Once bitten, twice shy? GFC concerns still linger for Australian seniors*, which focuses on the preferences and spending patterns of older Australians.

The full report can be accessed at www.nationalseniors.com.au/GFCconcerns

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About National Seniors Australia

National Seniors Australia is the leading independent voice of Australia's over 50s with 130,000 members across the country. It represents 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 \$79* 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 largest provider of annuities.

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