

## MEDIA RELEASE

### Seniors expect super to provide retirement income, survey says

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12 April 2016 – Superannuation is expected to provide income in retirement for a significant number of older Australians according to findings from a recent survey.

The survey results come at a time when the Government is considering setting the objective of superannuation.

The overwhelming majority, 83 per cent of pre-retirees (50-64) expect super to source income for retirement according to older Australians.

Challenger Chairman, Retirement Income, Jeremy Cooper said: “For senior Australians the objective of superannuation is crystal clear, it’s about retirement income. It’s critical for retirees to have a steady, dependable income from super to sustain their lifestyle in retirement. That’s what the survey shows.”

This follows a previous National Seniors Australia report from 2015 which shows around 80 per cent of seniors say the goal of superannuation is to provide a regular income for the whole of retirement.<sup>1</sup>

Despite the fact that older Australians expect their super to be their main source of retirement income, only forty five per cent of respondents are somewhat confident or very confident that their super savings will last or be adequate for retirement.

The Government’s focus on superannuation follows recent recommendations from the Financial System Inquiry, to help strengthen Australia’s \$2 trillion superannuation system.

The Government has accepted the recommendation that the objective of superannuation is to provide income in retirement to substitute or supplement the Age Pension.

According to the survey, nearly three quarters of senior Australians expect to rely on their super to generate retirement income. After superannuation the next expected source of income in retirement is Government pensions and allowances. 32 per cent of older Australians expect their income in retirement to come from Government pensions and allowances.

“This shows that older Australians understand that while super is the main game for retirement, the Age Pension can make up a meaningful proportion of retirement income. This can be comfort to many Australians, but it’s there as a back-up, not a catch-all” Mr Cooper said.

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<sup>1</sup> National Seniors Australia, 2015, 'Outlook for Australian seniors' retirement plans? Mostly sunny, with possible light rain'

The survey, commissioned by Challenger, was conducted by the National Seniors Productive Ageing Centre.

**About Challenger**

Challenger Limited (Challenger) is an investment management firm managing \$57.6 billion\* in assets. It is focused on providing Australians 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.

\*31 December, 2015