



The Retirement Experience Research

Retirement Research Suite 2024

BACKGROUND AND METHODOLOGY



BACKGROUND

- **Research Context:** Part of the CoreData Retirement Research Suite.
- **Objective:** Analyse the retirement experience in Australia.
- **Target Groups:**
 - 5 years from retirement.
 - Currently in retirement.



OBJECTIVES

- Assess how members plan for retirement
- Establish retirees' expectations of the process retirement
- Discovers the critical success factors of the process
- Benchmark each of the critical elements of the process from a customer experience



METHODOLOGY

- Online survey of approx. 24 questions per cohort (pre-retiree and retiree)
- Infield **29th July – 9th August**
- **Pre-Retiree** n=564
- **Retiree** n= 436
- **Mercer Members** n = 48
- Broad Market (Total sample – Mercer members)

Executive Summary



Two-way interactions have the highest levels of dissatisfaction among pre-retirees. While they find these interactions helpful, the challenge lies in the difficulty and limited accessibility of the service.



Pre-retirees lack confidence in retirement planning and are unaware of the retirement products available to them, with half of them unfamiliar with what an account-based pension is.



Email is the preferred contact method for members. Digital channels, in general, are the most effective way to engage this group, with both those who have and don't have retirement plans indicating they use fund and government websites.



Retirees without a plan leading up to retirement were more likely to reach out to their fund for help without being aware of the products and services available to them. Unlike those with a plan who utilise and engage in services like workshops.



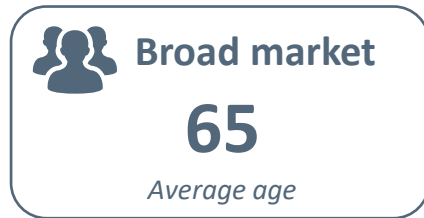
Advice offered by a super fund is a highly valuable service for members, with half using it and an additional third considering it. Those who have used the service are also twice as likely to say their fund was helpful in the lead-up to their retirement.



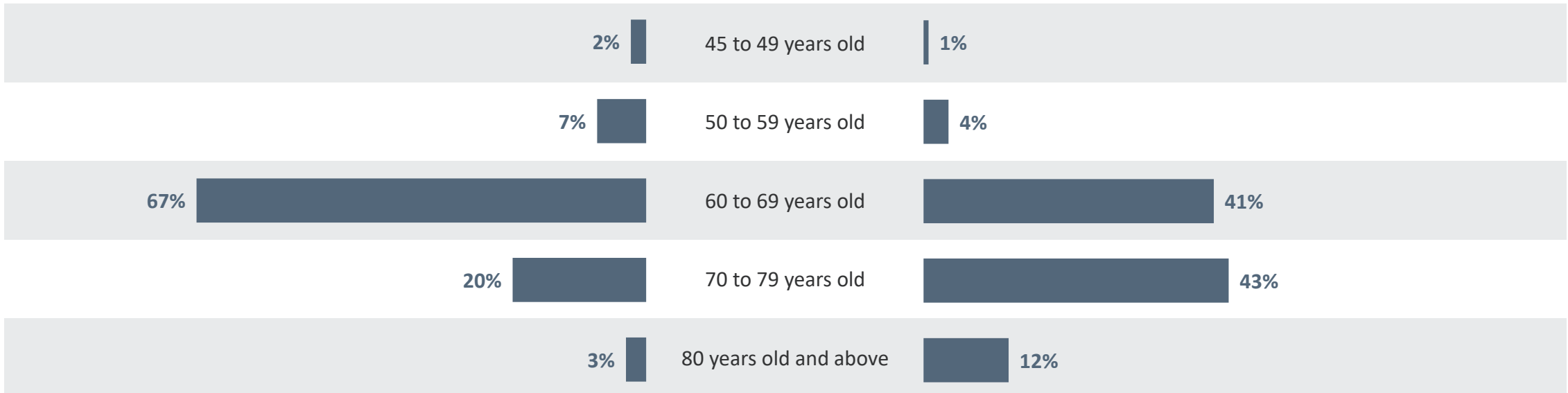
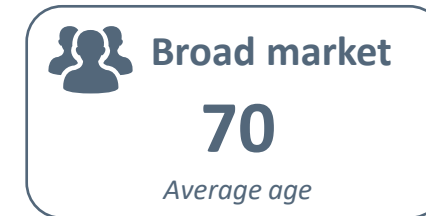
A third of retirees used the portal and website in the lead-up to retirement, with nearly half using it during retirement. However, the portal and app have the lowest satisfaction and are seen as the least important, indicating a challenge with the service.

While many pre-retirees will retire at 65, they will most likely continue to work in some capacity for another 5 years

PREFERRED AGE OF RETIREMENT (Pre-retirees)



PREFERRED AGE TO STOP WORKING (Pre-retirees)



Base: Pre-retirees who specify preferred age of retirement, Mercer and BT members n=22*; Broad market n=395; Pre-retirees who specify preferred age to completely stop working Mercer and BT members n=11*; Broad market n=142; *Caution: low base (n<30)
S4. At what age do you intend to retire? (Option 'I am not sure' is excluded); S7. At what age do you intend to completely stop working? (Option 'No intention to stop working as long as I am able to' is excluded); By A3. Who is the provider of your MAIN superannuation fund?

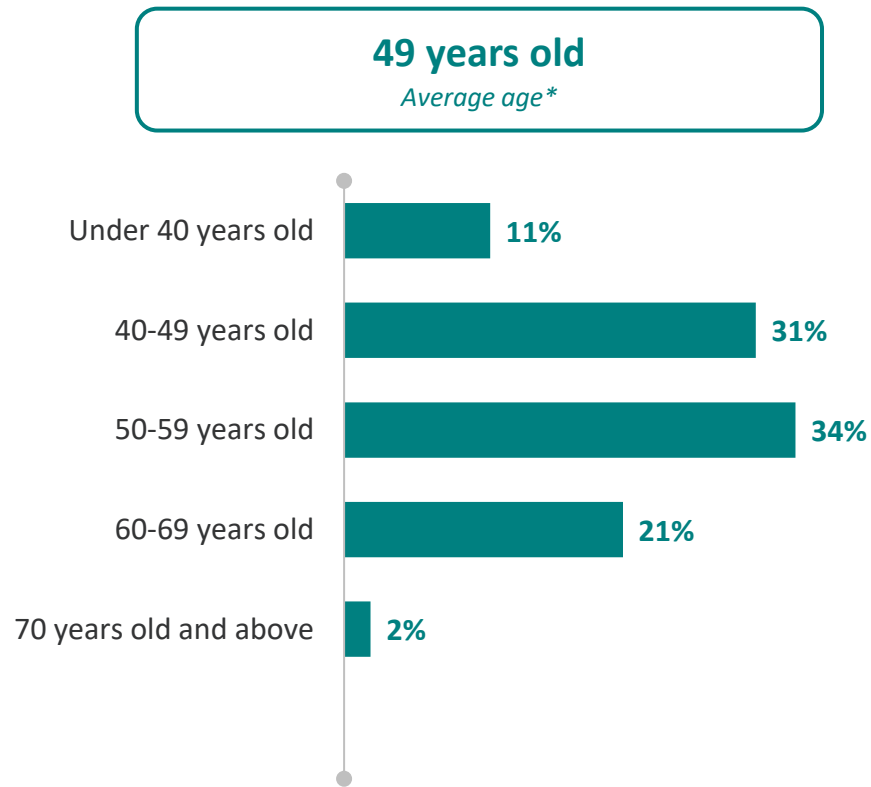


Starting out or looking back

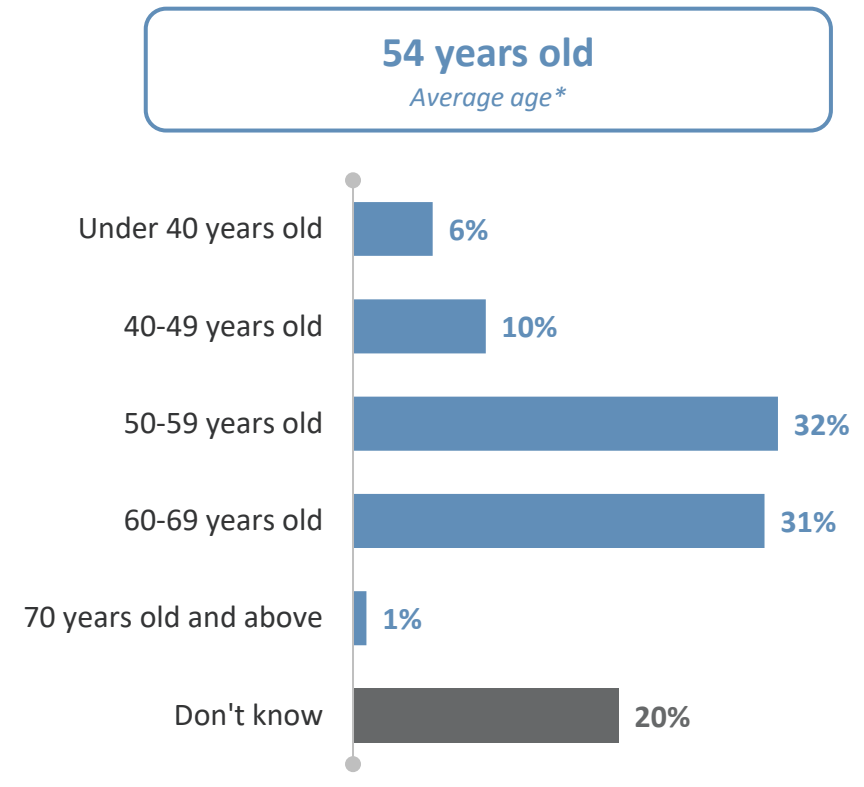
The timing and clarity of
retirement planning has
changed

A new generation of Pre-retirees start planning sooner than retirees once did, whom on average began planning in their 50s

AGE STARTED RETIREMENT PLANNING
(Pre-retirees who have retirement plans)



AGE STARTED RETIREMENT PLANNING
(Retirees who had retirement plans)

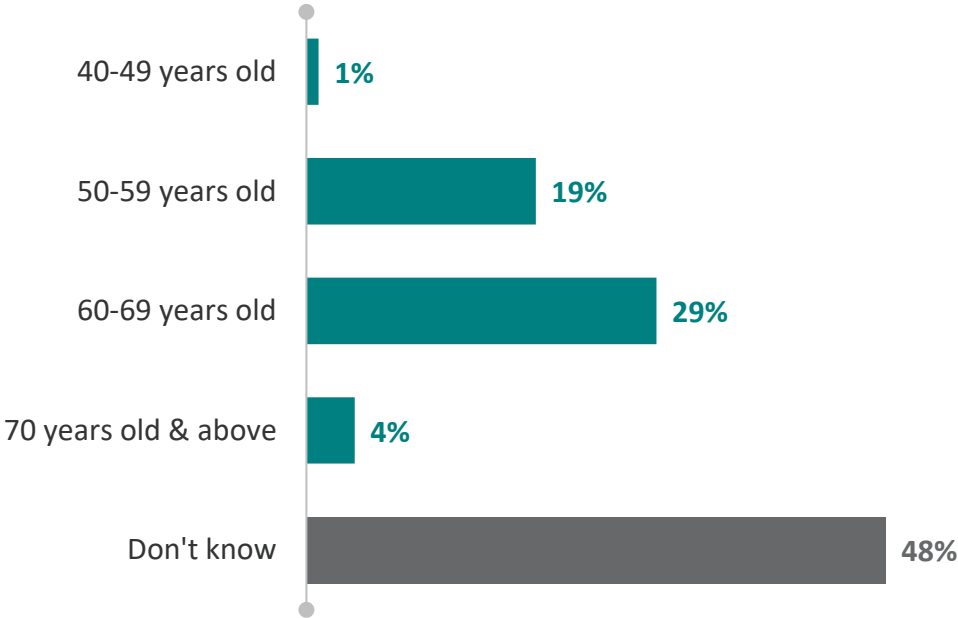


Base: Pre-retirees who had retirement plans n=308; Retirees who had retirement plans n=308;
B3. At what age did you start planning for retirement?; C9. At what age did you begin to plan for your retirement? (*Option 'Don't know' is excluded from the computation; Without outlier)

For those who haven't started, 60 is the benchmark to start – but retirees who lack confidence wish they had begun planning in their 40s

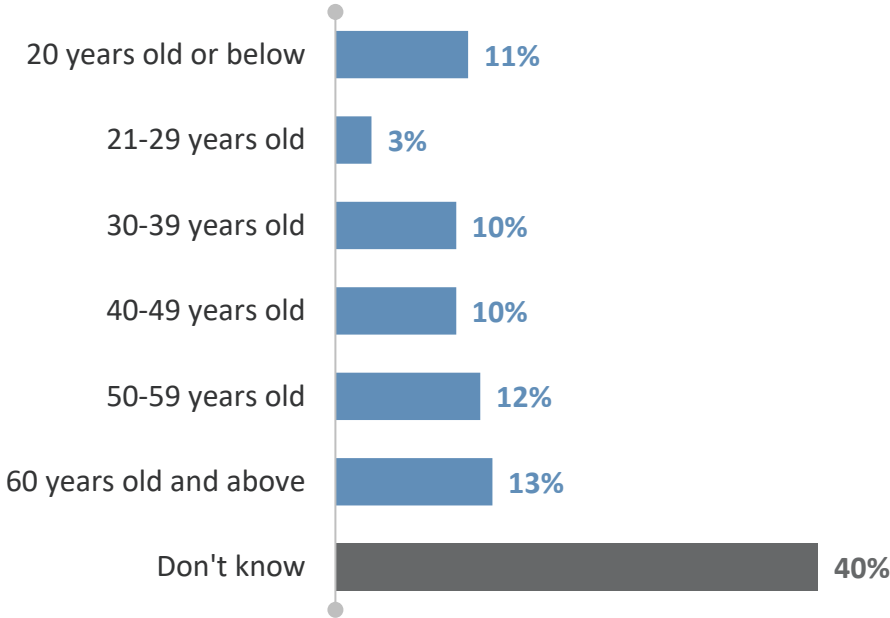
AGE WILL START RETIREMENT PLANNING (Pre-retirees who did not have retirement plans)

60 years old
Average age*



AGE WISHED TO START RETIREMENT PLANNING (Retirees who did not plan their retirement perfectly on time)

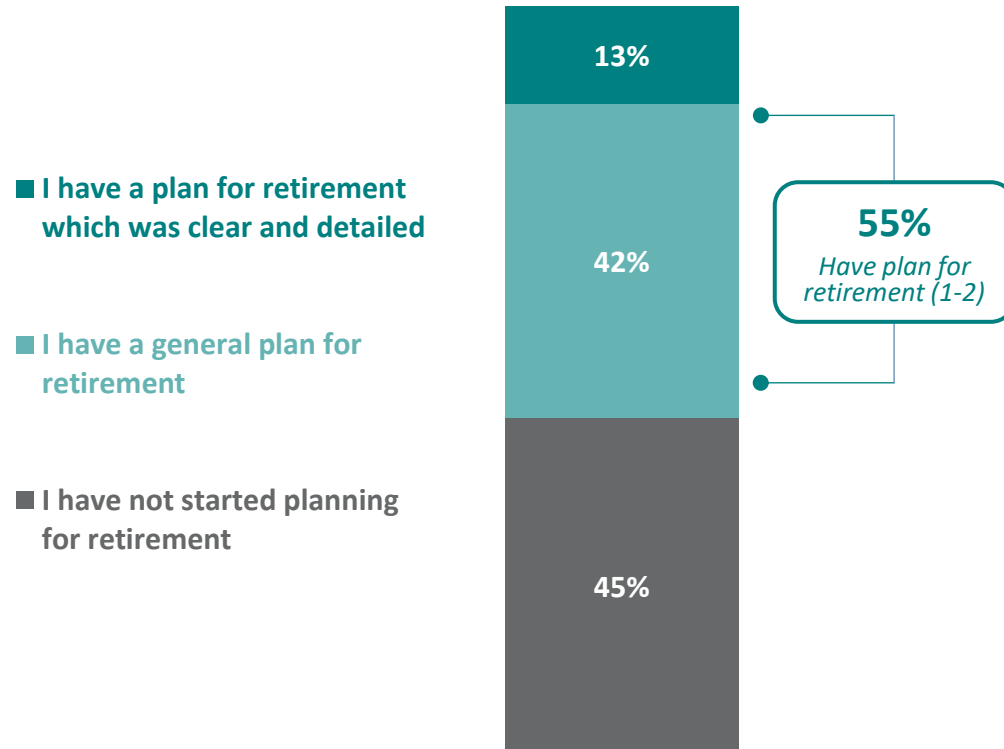
42 years old
Average age*



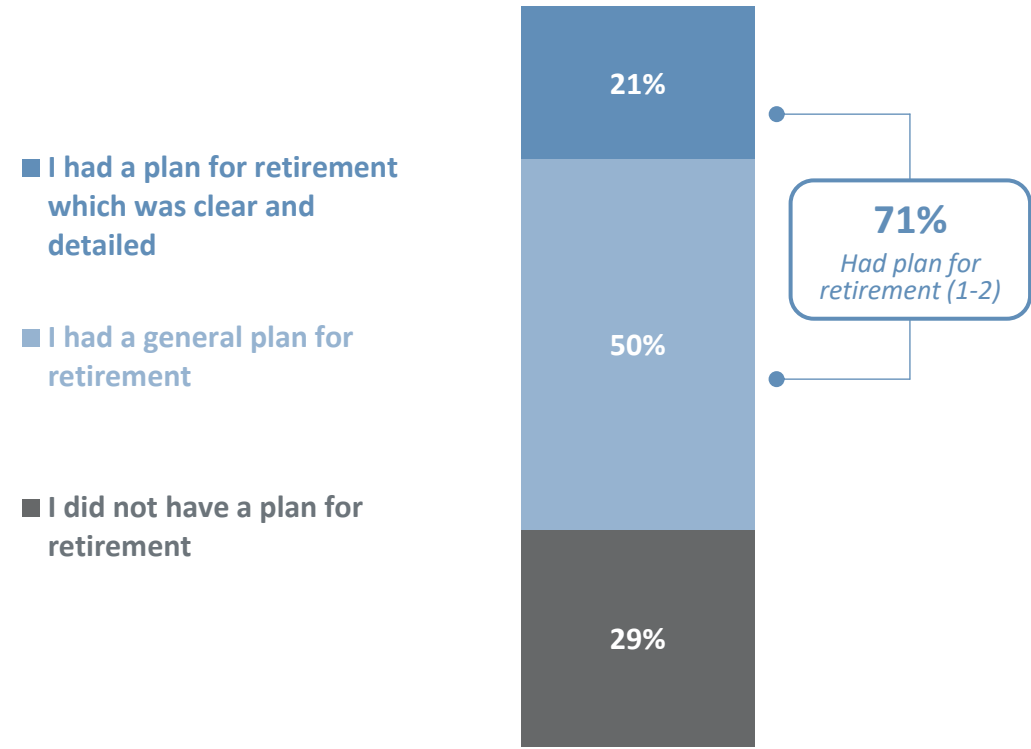
Base: Pre-retirees who don't have retirement plans n=253; Retirees who had retirement plans but did not plan perfectly on time n=126
B4. At what age do you think you will start to plan for your retirement?; C11. At what age do you wish you had begun to plan for your retirement? (*Option 'Don't know' is excluded from computation)

As retirement approached, a third of Retirees had no plan – while nearly half of today's Pre-retirees are already preparing

RETIREMENT PREPARDNESS
(Pre-retirees)



RETIREMENT PREPARDNESS
(Retirees)



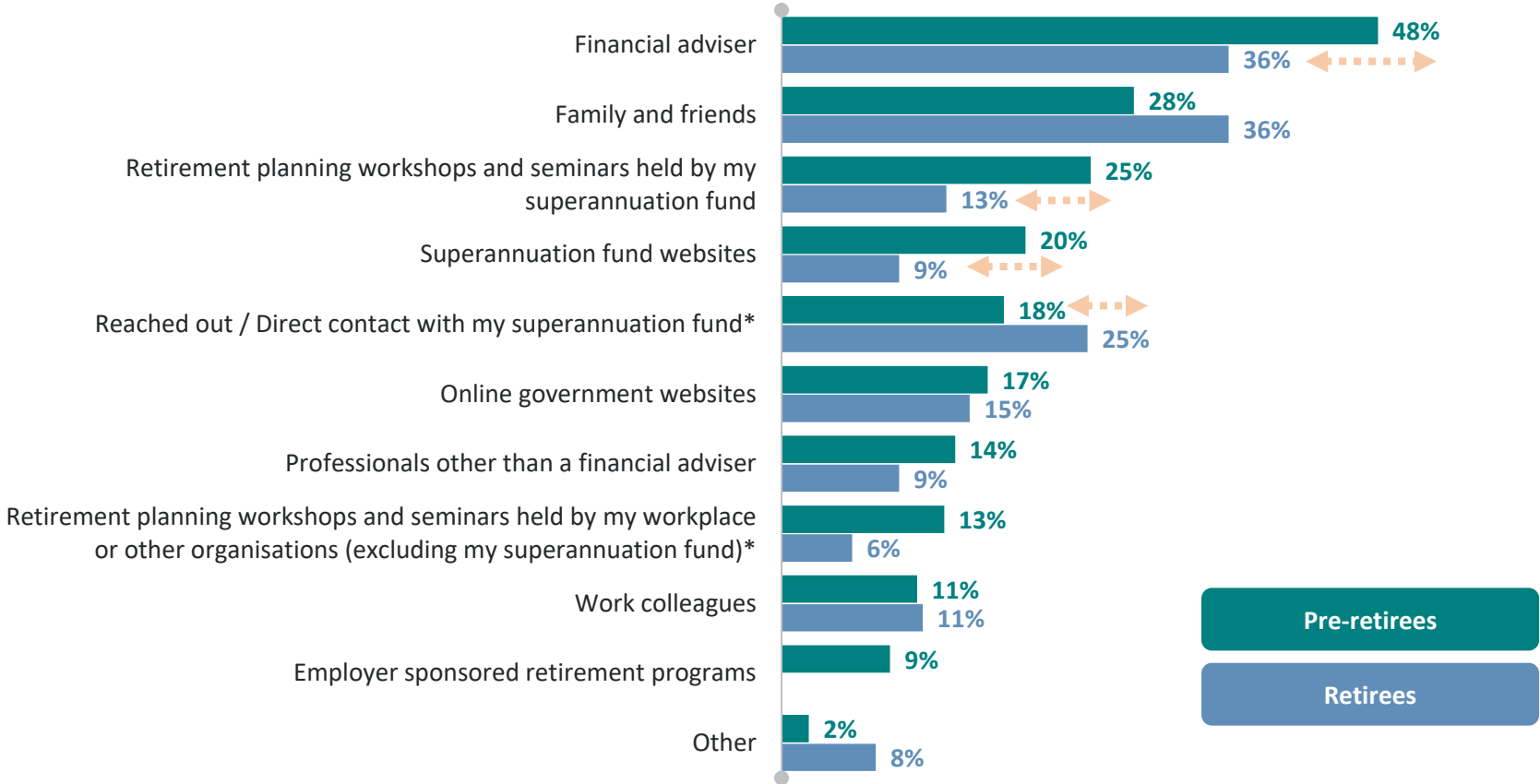
Base: Pre-retirees n=564; Retirees n=436;
B2. Have you started planning for retirement?; C8. To what extent would you say you were ready for retirement

A close-up photograph of a hand holding a light-colored wooden chess piece, likely a pawn, just above a chessboard. The background is a soft, out-of-focus blue. A semi-transparent blue rectangular box is overlaid on the center of the image, containing white text.

With the shift toward earlier planning, have the sources of support changed as well?

Pre-retirees are turning to advisers and online resources, while Retirees once relied on friends, family, and their fund

SOURCES OF RETIREMENT ADVICE (Those who planned their retirement)



Base: Pre-retirees who planned for retirement n=245; Retirees n=436;

B5. In planning for your retirement, have you spoken to or used any of the following? (Multiple response; *'None of the above' is excluded)

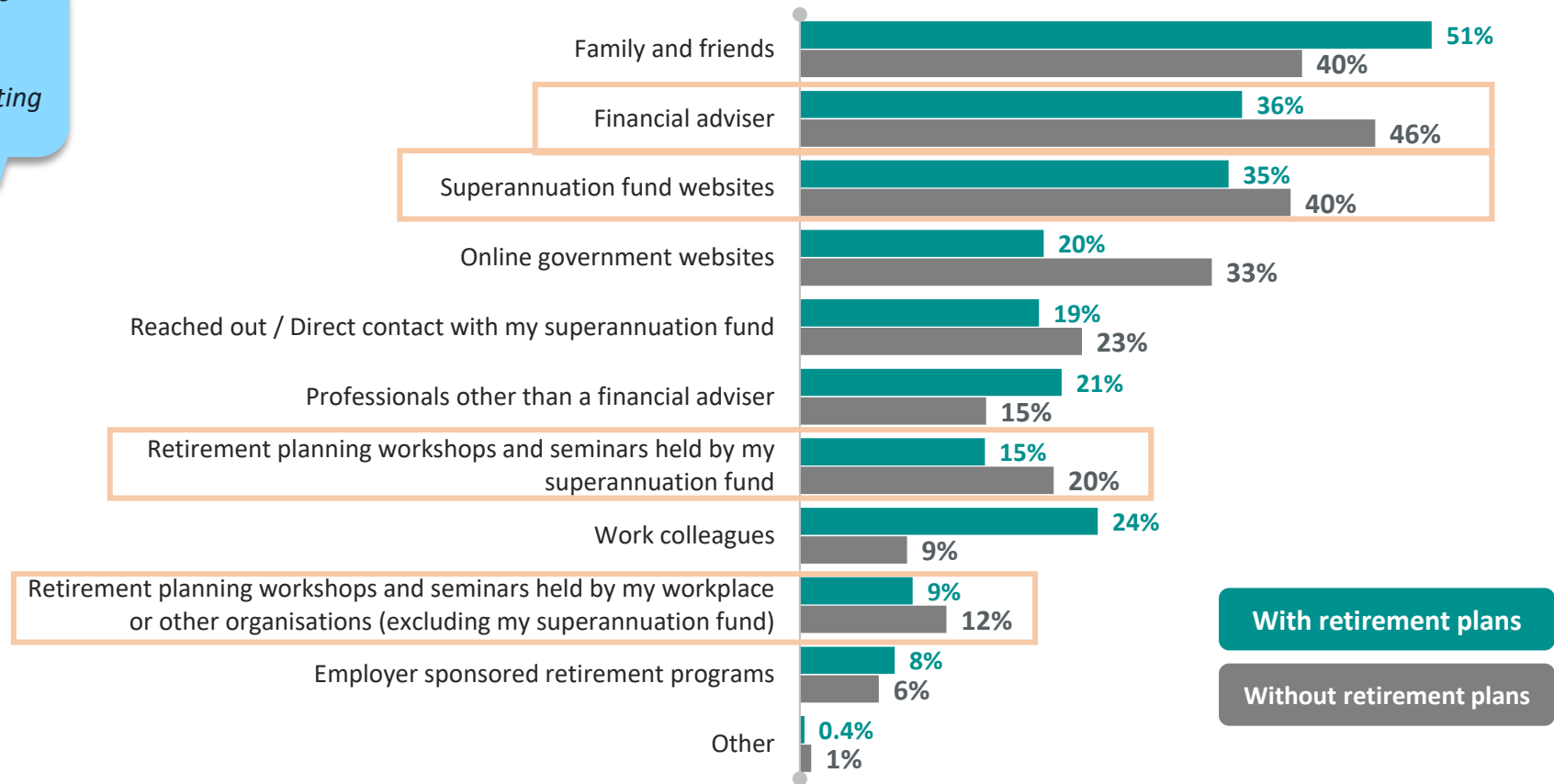
C12. Did you seek advice from any of the below when planning for your retirement?/Did you seek advice from any of the following before you retired? (Multiple response; *Options are not shown to those who only had SMSF for more than 3 years before retirement; 'None of the above' is excluded)

Those with a plan use independent sources like the people around them, while those without a plan will use advisors and websites

PREFERRED INFORMATION SOURCES FOR RETIREMENT PLANNING

(Pre-retirees)

“They are too hard to contact to one to one to get proper information” – (contacting a FA) Female, 61



With retirement plans

Without retirement plans

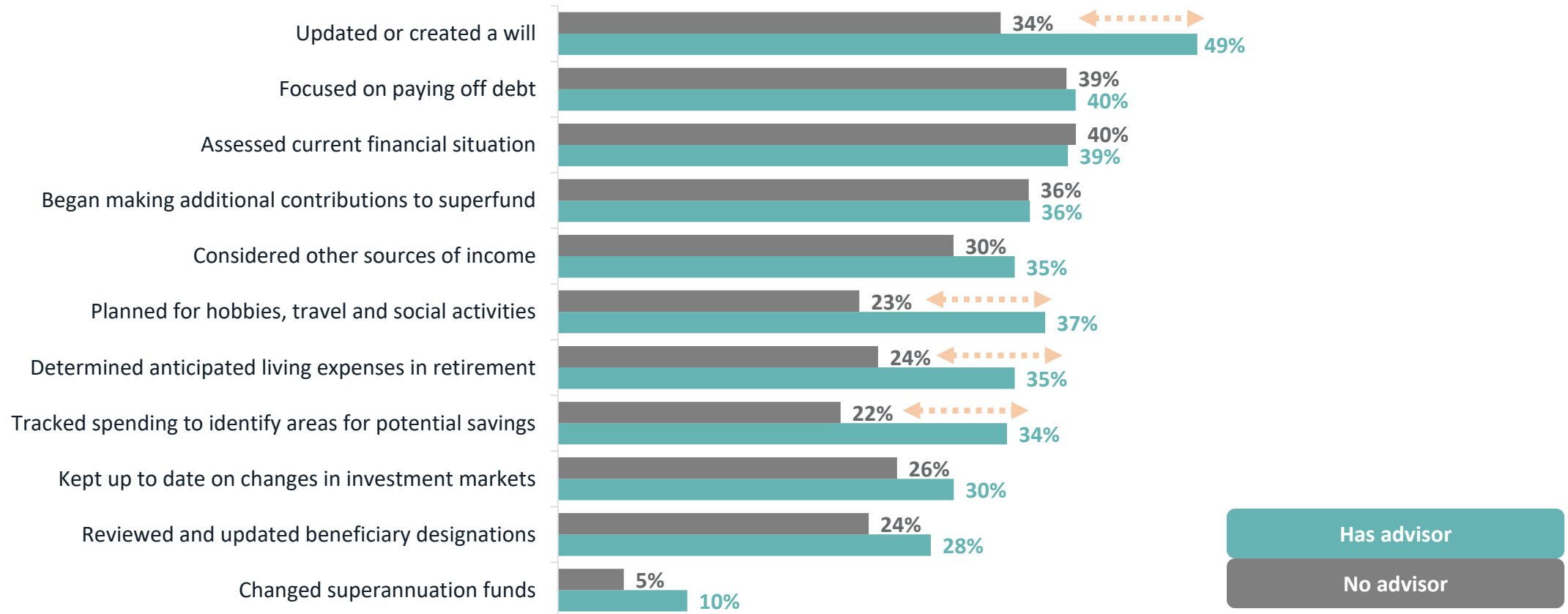
Base: : Pre-retirees: with retirement plans n=311; without retirement plans n=253

B5. In planning for your retirement, have you spoken to or used any of the following? (Multiple response; 'None of the above' is excluded); B12. Which of the following do you think you'll speak to or use when planning for retirement? (Multiple response; 'None of the above' is excluded)

Pre-retirees with advisors are much more likely to update wills, track spending, and plan for hobbies compared to those without advisors

RETIREMENT PLANNING ACTIVITIES

(Pre-retirees with retirement plans)



Base: Pre-retirees with retirement plans n = 311; Have financial advisor n=172; Don't have financial advisor n=139

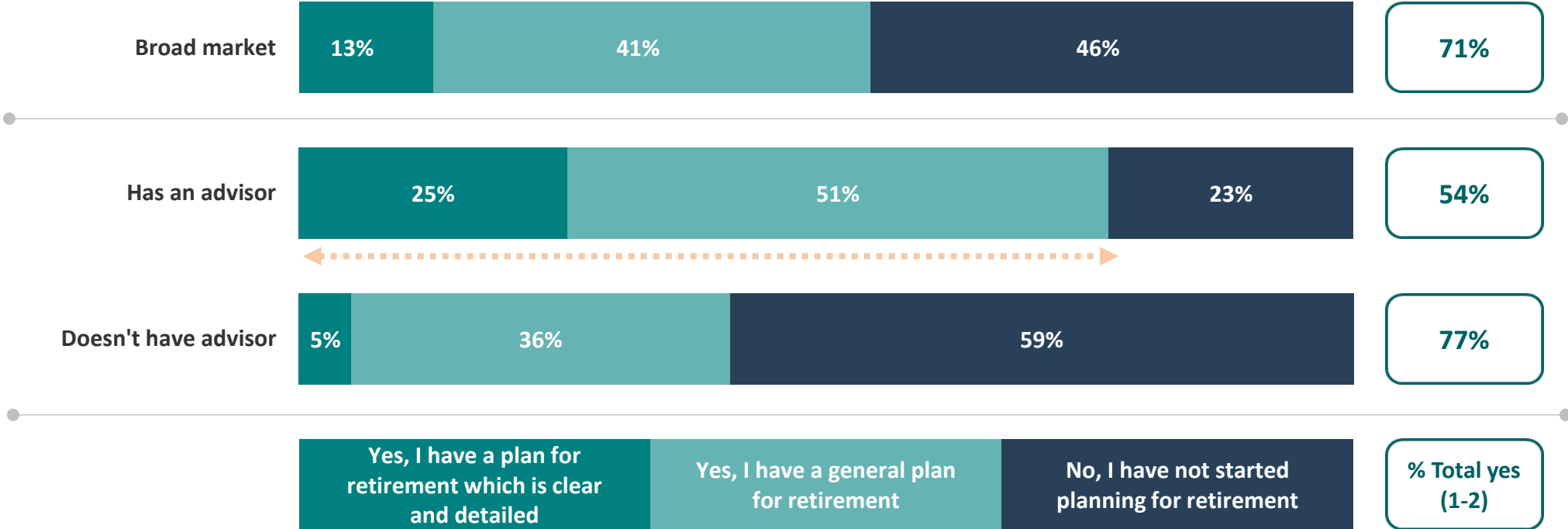
B6. Which of the following have you done so far in planning for your retirement? (Multiple response; Top 10 answers are based on all pre-retirees) By A1. Do you currently use a financial advisor?



Given these factors, how
much impact does
professional advice have on
retirement planning?

Pre-retirees with an advisor are almost twice as likely to have a plan for retirement than those who don't have one.

RETIREMENT PLANNING STATUS (Pre-retirees)



Note: Some % Total yes is off by 1% due to rounding
 Base: Pre-retirees, Mercer and BT members n=31; Broad market n=533; Pre-retirees Have financial advisor n=224; Don't have financial adviser n=340
 B2. Have you started planning for retirement? By A3. Who is the provider of your MAIN superannuation fund? and A1. Do you currently use a financial adviser?

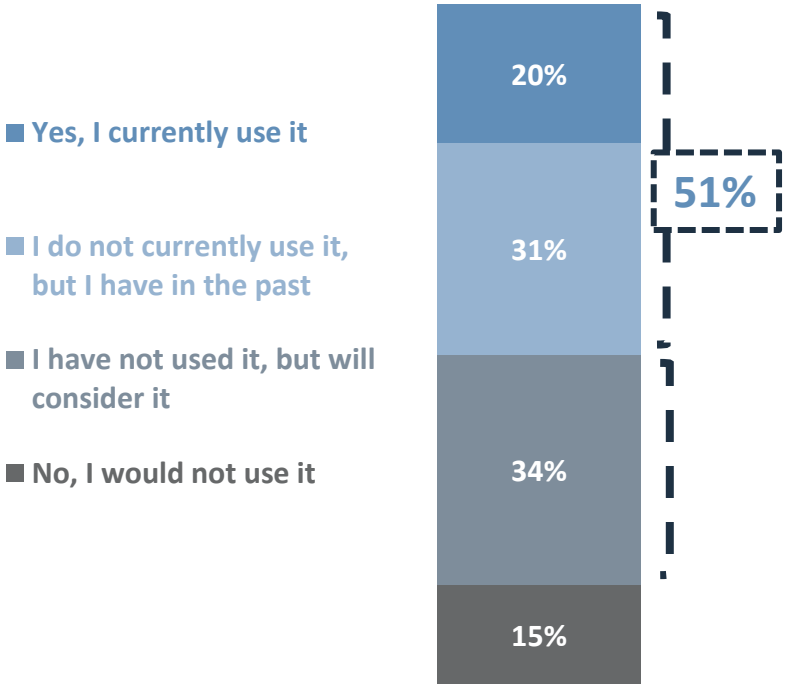
How do financial advice services from superfunds impact retirement decisions?



Half of retirees have used the fund’s financial advice service, and an additional third are considering it. This usage drives a more positive perception of the fund.

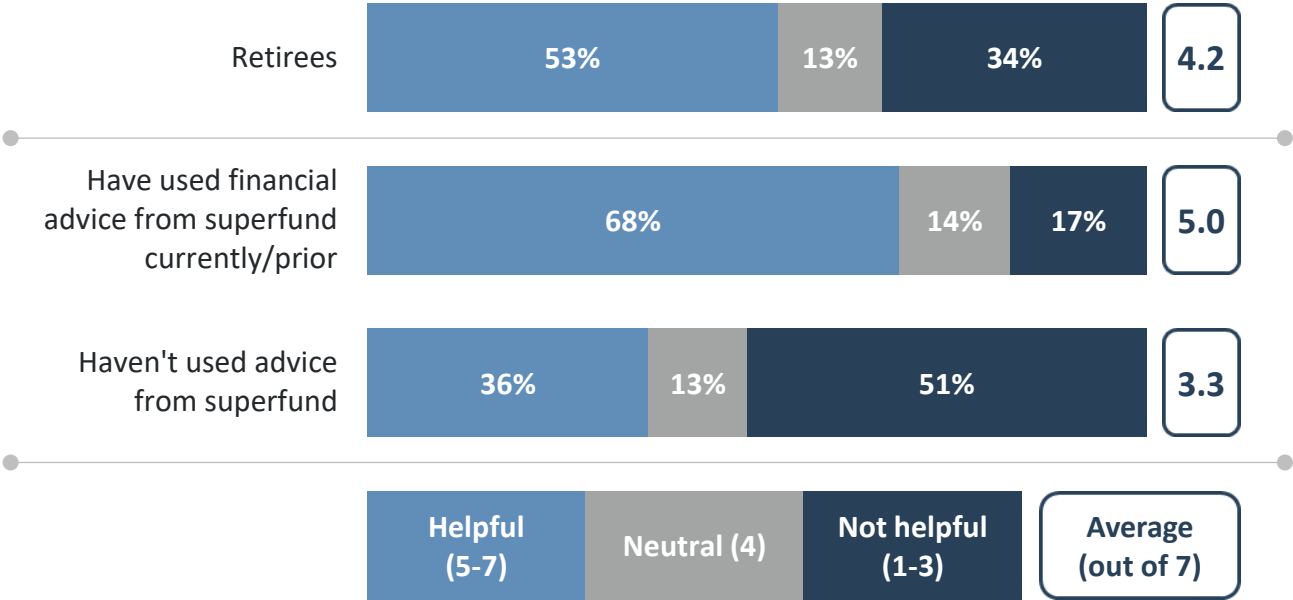
USE OF FINANCIAL ADVICE OFFERED BY SUPERFUND

(Retirees whose main superfund offers financial advice)



HELPFULNESS OF SUPERFUND SERVICE REGARDING RETIREMENT AMONG THOSE WITH FINANCIAL ADVICE

(Retirees whose main superfund offers financial advice)

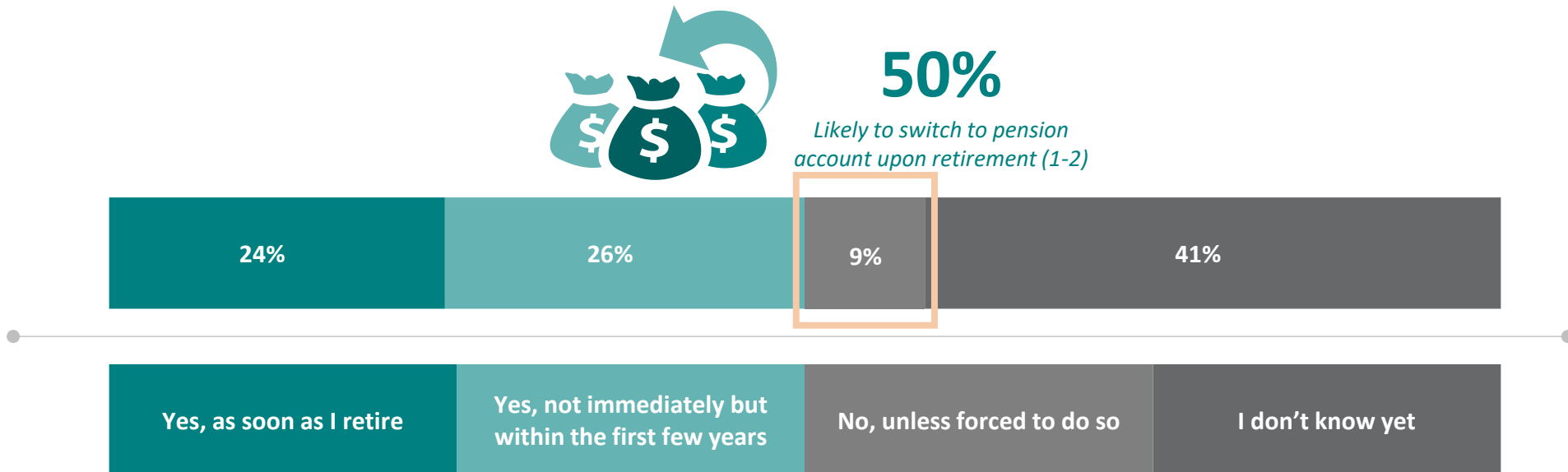


Base: Retirees with other funds aside from SMSF that offers financial advice n=245; Have used financial advice from superfund currently/prior n=126; Haven't used advice from superfund n=119
 A9. Do you, or would you, use a financial advice service provided by your superfund (main or any alternate)?; C14. And how helpful would you say your superannuation fund was in your retirement planning?/And how helpful would you say your superannuation fund was in helping you to transition to retirement?

Only a quarter of pre-retirees plan to switch to a pension account at retirement, while four in ten remain uncertain about their next steps.

LIKELIHOOD TO SWITCH TO PENSION ACCOUNT

(Pre-retirees aware of pension account but don't have one)



Base: Pre-retirees who are aware of pension account but don't have one n=174
B24. When you retire, do you think you will switch from an accumulation to pension-type product or account within your superfund?

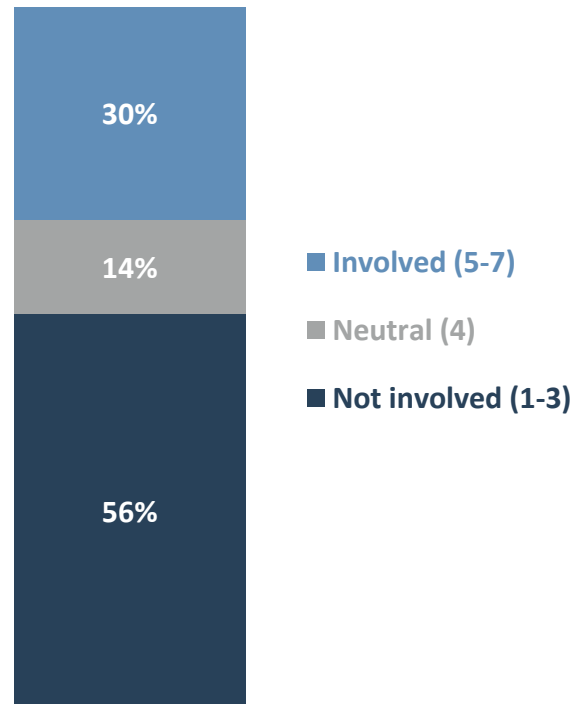
A top-down view of a wooden desk. In the upper left, there is a white coffee cup filled with coffee. In the upper right, there is a black notebook with an orange pencil resting on it. In the center, three wooden puzzle pieces are arranged in a row. At the bottom, two hands are visible, one holding a puzzle piece and the other placing it into a gap. A blue semi-transparent box with a puzzle piece pattern is overlaid in the center, containing white text.

What other support services, beyond financial advice, do superfunds offer that help with retirement planning?

Only a third feel their superfund was involved in their retirement planning, and just four in ten found it helpful

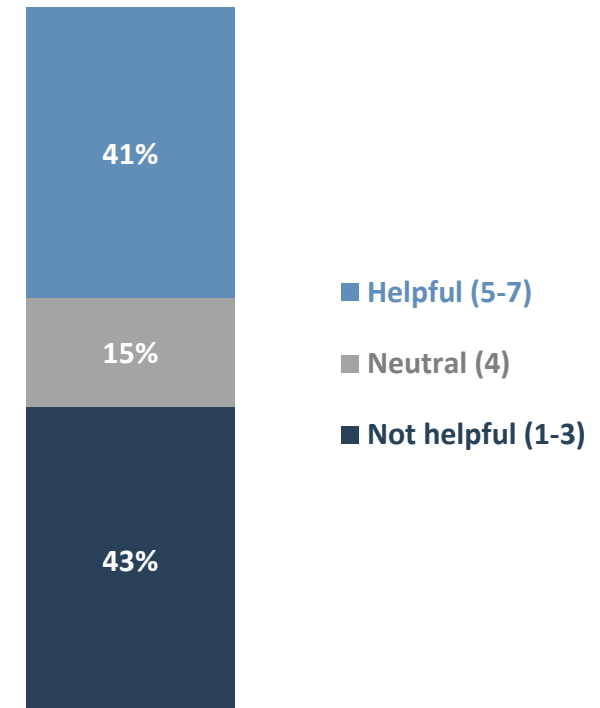
LEVEL OF INVOLVEMENT OF SUPERFUND IN RETIREMENT PLANNING

(Retirees)



HELPFULNESS OF SUPERFUND IN RETIREMENT PLANNING/TRANSITION TO RETIREMENT

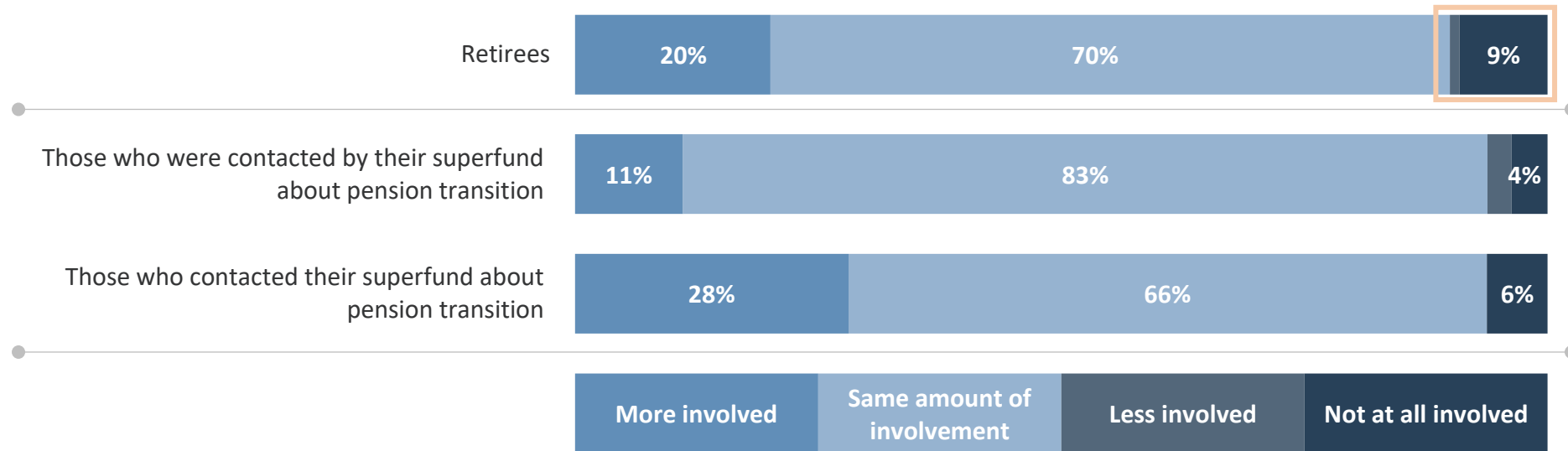
(Retirees)



Base: Retirees with other funds aside from SMSF n=429; Mercer & BT Super n=17*; Broad market n=412; Had retirement plans n=304; Without retirement plans n=125; *Caution small sample size (n<30)
C13. How involved was your superannuation fund in your retirement planning?/How involved was your superannuation fund in helping you to transition to retirement? By A3. Who is the provider of your MAIN superannuation fund?
And by C8. To what extent would you say you were ready for retirement?

Those who initiated their pension transition themselves were twice as likely to feel that their fund should have been more involved.

PREFERENCE FOR SUPERFUND INVOLVEMENT IN RETIREMENT PLANNING (Retirees)

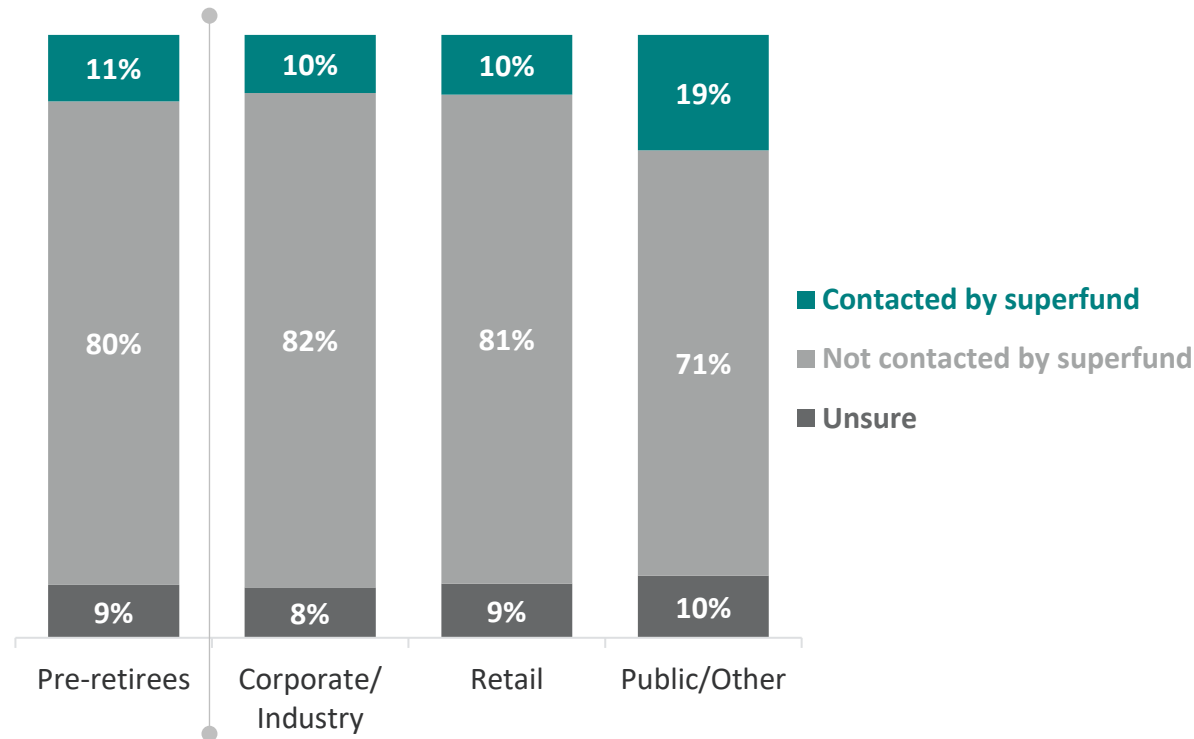


Base: Retirees with other funds aside from SMSF n=200; Contacted by superfund about pension transition n=81; Contacted superfund about pension transition n=96
 C15. Looking back, would you have preferred if your superannuation fund had been more or less involved in your retirement planning? by C16. And still thinking about when you retired, did your superannuation fund proactively contact you about switching to a pension product?

Only 1 in 10 have been contacted by their fund about retirement planning, with email being the most common channel used

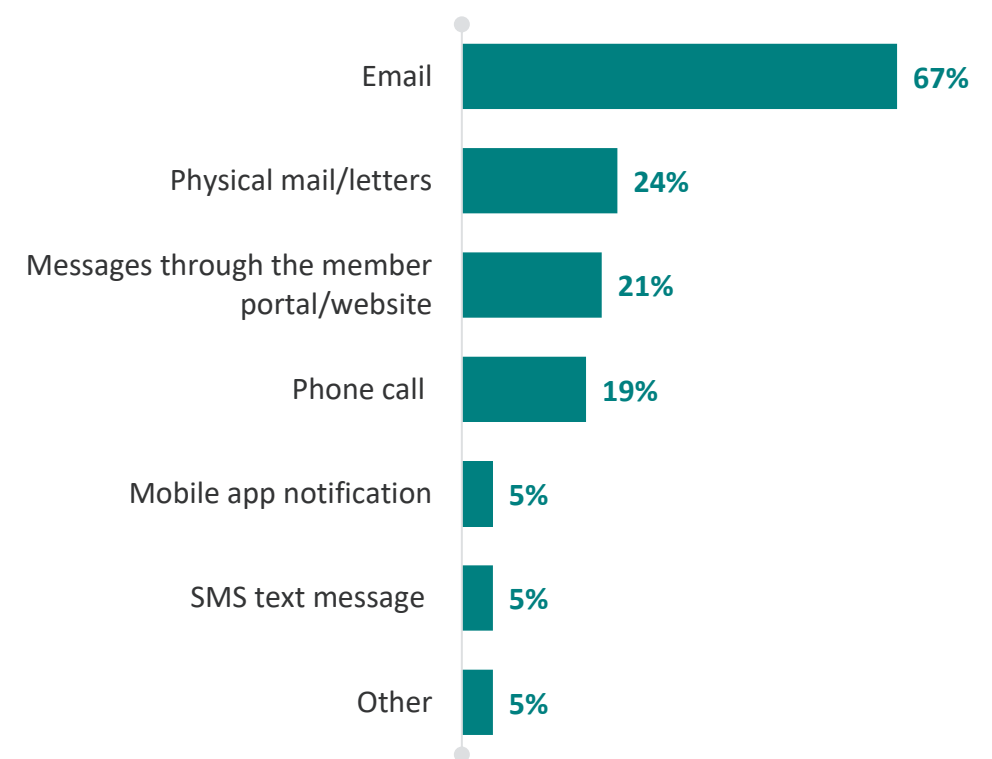
DIRECT CONTACT FROM MAIN SUPERFUND ABOUT RETIREMENT PLANNING BY SECTOR¹

(Pre-retirees without direct contact with superfund)



CHANNEL USED BY SUPER IN CONTACT ABOUT RETIREMENT PLANNING²

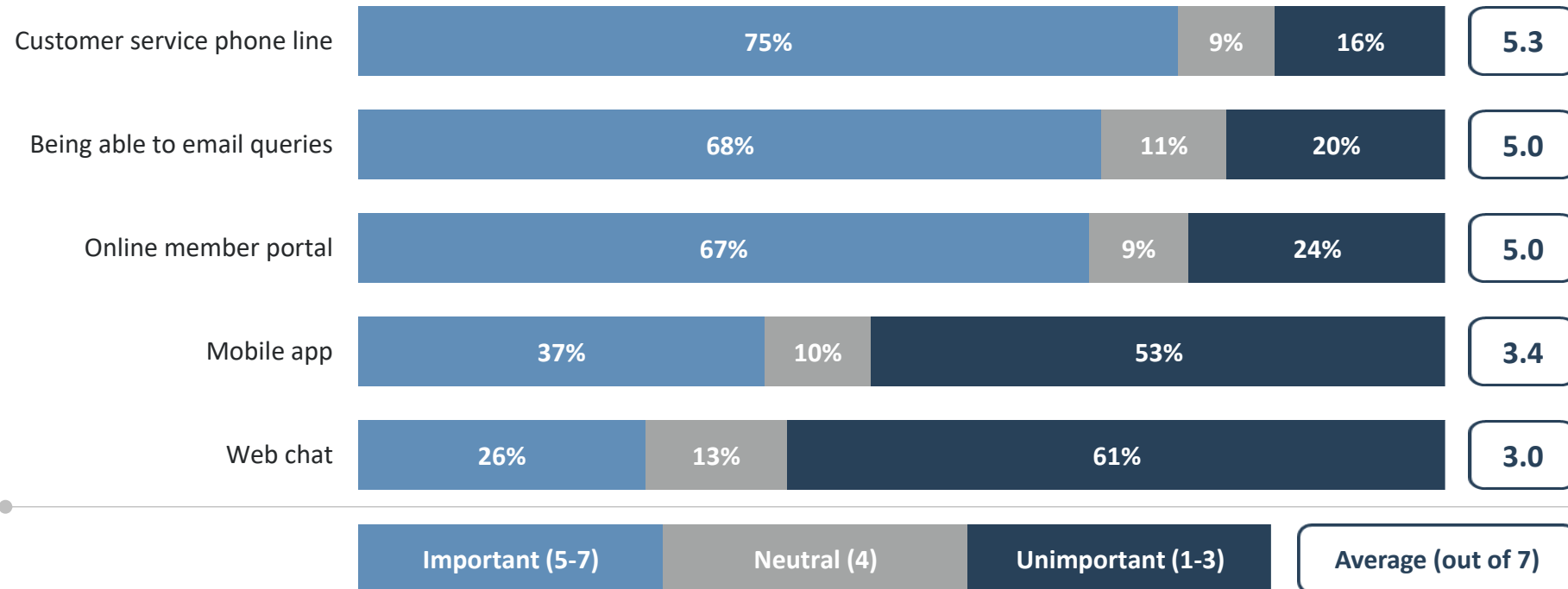
(Pre-retirees directly contacted by superfund)



Base: ¹Pre-retirees who did not reach out main superfund (except SMSF): All pre-retirees n = 491; Pre-retirees with main superfund (except SMSF) in Corporate/Industry n=312; Public/Other n=68; Retail n=111; ²Main superfund reached out regarding retirement planning and respondent did not reach out n=42 B9, B13. And has your main superfund contacted you about retirement planning? (Merged those with and without a plan) By A3. Who is the provider of your MAIN superannuation fund? (Recoded to fund sector); B14. And how did your main superfund contact you about retirement planning? (Multiple response)

Retirees prioritise traditional communication and view mobile and web chat as less essential in retirement services

IMPORTANCE OF MAIN SUPERFUND SERVICES FOR RETIREMENT (Retirees)



Base: Retirees with other funds aside from SMSF n = 429
C24. How important is it for you to have access to the following from your superfund in your retirement?

| CORE | DATA



coredata.com.au



61 2 9376 9600



sydney@coredataresearch.com

SYDNEY

61 2 9376 9600

sydney@coredataresearch.com

PERTH

61 8 6500 3216

perth@coredataresearch.com

UK

44 207 600 5555

london@coredataresearch.com

USA

1 857 239 8398

boston@coredataresearch.com

PHILIPPINES

manila@coredataresearch.com