

March 5, 2007

## Babyboomers clueless about super: survey

When it comes to superannuation, many babyboomers think they know it all, but most don't have a clue and could be missing out on opportunities to be richer in retirement, according to new research.

A survey\* commissioned by St.George-owned Asgard Wealth Solutions found that of the 4.8 million Australians approaching retirement more than half were completely unaware of the 2006 Budget changes to super including the once-in-a-lifetime opportunity to put up to \$1 million into their funds tax-free before June 30.

More startling was that while nearly 50 per cent claimed they were confident in their knowledge about super, only 31 per cent could accurately pinpoint even one aspect of the new rules when pressed for details.

Men over 40 were more likely than women to have knowledge of the changes to super, but even then, 63 per cent were not able correctly specify even one feature of the new laws when probed.

Asgard's wealth management expert Bryan Ashenden said that when it came to super, ignorance was not bliss.

"It is a serious concern that the perceptions of Australia's over-40s are incongruous with reality given there are now significant, but in some cases short-lived, opportunities to generate wealth for retirement."

Mr Ashenden said the research indicated that nine in 10 Australians approaching retirement had assets they could use now to boost the balance of their superannuation, but few were planning to do so, despite the looming June 30 deadline to put up to \$1 million into super tax-free.

"Of those who said they hadn't or wouldn't take advantage of the opportunity, more than half said it was because they didn't have enough money to invest," he said.

"One of the great misconceptions around the new laws is that you have to be rich to take advantage of the changes.

"But 30 per cent of the men surveyed and 21 per cent of the women said they had equity in investment properties that could potentially be used to augment their super tax-free. Fifty per cent also said they had money in shares, 32 per cent in managed funds, and 70 per cent in savings or term deposits which could potentially be used.

"The June 30 concession allows you to put any amount up to \$1 million dollars into your fund, so even if you have a relatively small amount to invest, super could still offer a highly tax effective investment opportunity."

Mr Ashenden said other reasons for not taking advantage of the opportunity included not knowing enough about it (43 per cent), scepticism that future governments may change the laws (30 per cent), and simply not wanting to face sorting out their super (21 per cent).

"It's mind-boggling that more than one-fifth of those nearing retirement – nearly 900,000 people - could miss out on being richer just because they couldn't face dealing with their super," Mr Ashenden said.

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“Surprisingly it was high income earners - \$70,000 or above – who more than any other group said they couldn’t face sorting it out.”

The survey also found that women were more likely to be taking action in relation to the changes with 32 per cent of women in comparison to only 27 per cent of men having either already taken advantage of the new rules or planning to.

“It’s worrying that investors’ lack of knowledge could be hindering their potential to significantly grow their retirement nest egg.

“The fact is the window of opportunity is closing, so people should act now and see their financial adviser,” Mr Ashenden said.

*\*Galaxy Research ‘Million dollar super’ survey commissioned by Asgard Wealth Solutions, February 2007*

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