

Media Release

Most Australians don't understand one of their largest assets – but want help to simplify it

- *New BT research shows most Australians (77 per cent) are still confused about their superannuation, but are seeking help to simplify it*
- *Half (55 per cent) say they would take more control of their retirement savings if they could access their super fund online*
- *Baby Boomers aren't convinced they'll have enough to retire on – only 6 per cent are very confident their super will provide them with enough money*
- *Gen-Ys are Australia's worst super offenders – one quarter (26 per cent) say their retirement savings balance is 'pure guesswork'*

Note to editors: detailed research findings are available in the attached fact sheet.

22 February 2010: New national research¹ shows that while only one in 10 Australians can cite the exact balance of their super fund, more than half say easier online access would help them take a more active interest in one of their largest financial assets.

The research, conducted by Galaxy Research on behalf of BT Super for Life, shows three in four Australians (77 per cent) admit they're confused when it comes to their super.

The findings show that not only are Australians confused when it comes to sorting out their super, it's also low on the priority list for all generations despite it being their personal 'piggybank' when they stop working.

Melanie Evans, Head of Superannuation at BT, says the research reveals that Australians need their super to be simple and more visible, so they can start the process of taking control.

"For almost every working Australian, logging into online banking to check their balance is part of a weekly routine, yet only one in four of us regularly check our super balance.

"Imagine losing several bank accounts or not even knowing how much money you have in each? One in 10 Australians² say they have between two and four super funds, and have no idea how much money is in each account.

"This research shows many Australians still put superannuation in the 'too hard basket', with one in three³ saying there's too much paperwork; and one in four⁴ saying they don't even know where to start to consolidate funds," comments Melanie.

Melanie says the attitudes of Australians at different life stages towards their super is revealing and should act as a wake-up call to the industry to provide more 'investor friendly' super options:

- Gen Ys engagement with super is severely lacking - one in five (19 per cent) never check their super balance and one quarter (26 per cent) say that nominating how much super they have is 'pure guesswork'.

¹ Galaxy Research online survey conducted on behalf of BT Super for Life. Fieldwork was completed in January 2010 among 1522 Australian adults, with data weighted by age, sex and region to reflect the latest ABS population estimates.

² 13 per cent have two to four super accounts and do not know how much money is in each fund

³ 34 per cent haven't consolidated their super as there's too much paperwork

⁴ 25 per cent haven't consolidated their super as they're not sure how to go about it

- Gen Xs are a bit savvier when it comes to their super - of those who have rolled over their super, 84 per cent say they did it to reduce fees. Nearly half (47 per cent) say they check their balance once or twice a year.
- More than one in four (28 per cent) Baby Boomers are still very confused about what to do when it comes to their superannuation. And only a small proportion (6 per cent) feels very confident it will provide them with enough money to live on in their later years.

Melanie says the research shows that no matter how near or far from retirement Aussies are, they are eager to find an easier way to consolidate and manage their super.

“Many Australians are looking online for the answer; 55 per cent say having online access to their super fund - just like they do with their internet banking - would improve their interest in managing their retirement savings,” she says.

“This month, BT Super for Life launched into the St.George and Bank SA retail networks after more than two successful years through the Westpac retail network.

“BT Super for Life is Australia’s only super fund that provides full online access to its members via internet banking, so customers can see their banking and super details on-screen in the one place. Any customer of the three retail networks can open an account online in around 10 minutes – there are no forms or signatures required, they simply login to their online banking.

“We set out to provide a low-cost super offering that is easy-to-use, increases the visibility of super and makes it simpler for investors to take control of their super savings from their first job into retirement,” she adds.

BT Super for Life – www.btsuperforlife.com.au

Continues...

Melanie Evans' tips to simplify your super

Melanie Evans, Head of Superannuation at BT, provides tips which everyday Australians can use to simplify and take control of one of their largest assets, their superannuation.

For everyone

- Super can be as simple as online banking if you have visibility of it
- Get interested and see your super as an asset – it's almost 1 in every 10 dollars you earn
- If it's lost, find it – call the ATO (131020) and have your tax file number handy – they will know where it is if it's lost or if you have given your TFN to a superfund

For Gen Y

- If you're comfortable doing so, don't stick to a conservative default fund – you've got enough time to take a little more risk
- Get online, it will lower the chance that you'll lose your super
- Keep it all in one place and don't leave it behind when you move from job to job
- Avoid paying multiple fees. The difference between having one super fund versus five super funds can equate to over \$28,000 in fees over 30 years.

For Gen X

- Get in the right investment option. Like the Gen Y guys, you still have a lot of time on your side
- Consolidate funds and avoid paying multiple fees and commissions. The difference between having one super fund versus five super funds can equate to over \$28k in fees over 30 years.
- Adding a little extra in now can make a big difference later on – you may qualify for the Government Co-contribution
- Don't pay for anything that you don't need.

For Baby Boomers

- It's never too late to get interested and shore up your super, you're still a long term investor!
- Understand how your super is being invested – if you're not comfortable with risk, take a more conservative approach
- Think about a Transition to Retirement strategy – it's a really tax-effective way to add more to your super
- If it's all too hard, get expert advice from a good financial adviser.

- Ends -

About BT Super for Life

BT Super for Life combines the best of banking and wealth management to fully integrate superannuation with everyday online banking. BT Super for Life is a portable super solution that has been designed to move with the investor from job to job and into retirement.

With no hidden fees or commissions, simple investment choices, an integrated insurance offering BT Super for Life provides a compelling alternative to traditional retail and industry super funds.

BT Super for Life has no establishment fees, no contribution fees, no withdrawal fees, no switching fees, no termination fees and does not pay commissions - just a flat \$5 per month administration fee and 0.99 per cent administration fee (per annum).

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