

Super balance not enough to retire well? Here's what to do



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106 COMMENTS

Two-thirds of Australians do not feel their superannuation balance is where it should be at their stage in life, and many may be right.

Across all age brackets, average super balances are below where they should be to fund a comfortable retirement, according to a new analysis by Australian Retirement Trust.

However, the figures are not as gloomy as many people fear, and there is plenty that can be done to build super and other investments to retire comfortably.

The Australian Retirement Trust research found 67 per cent of people feel their super balance isn't in a good position compared with others their age. Its analysis of Australian Taxation Office and Association of Superannuation Funds of Australia figures found the benchmark of having \$156,000 by age 40 to retire comfortably at 67 eclipsed the average super balance of 35-to-44 year olds of \$92,700.

People aged 55 should have \$361,000 in super but the average balance for 55-to-64 year olds was \$285,900, it found.

Australian Retirement Trust executive general manager of advice Anne Fuchs said the shortfall might seem scary but "it's not too late to awaken your super".

"A lot of people don't realise they're sitting on a monster," she said.

Ms Fuchs said Australians had a big problem around engaging with their super, and it had found members those who took an active interest were twice as likely to achieve their \$549,000 ASFA deems is necessary for a comfortable retirement.

"If it's money in your bank account there's no way people would ignore it," she said.

<https://www.theaustralian.com.au/business/wealth/super-balance-not-enough-to-retire-well-heres-what-to-do/news-story/6e5c030259222dfdc5d821158dc579db>

How much super should I have today to retire comfortably?



Your age	Super balance
25	\$18,500
30	\$59,000
35	\$101,500
40	\$156,000
45	\$213,000
50	\$281,000
55	\$361,000
60	\$453,000
65	\$549,000

Source: Superguru.com.au, Australian Retirement Trust

“If you have money on your mind and it’s waking you up in the middle of the night, now is the time to do something about it.”

This included seeking free help from your super fund, checking your insurance, taking more investment risk, and making salary sacrifice or other voluntary super contributions, Ms Fuchs said.

“The stage three tax cuts are about to come in, and if you are able to put a bit aside from the additional money that’s going to go into your bank accounts – a coffee a day, if you’re 40 and put the equivalent of a coffee a day into your super that works out to \$60,000 extra at retirement.

“That’s nothing to sneeze at.”

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Average super balances by age bracket



Age	Balance
15-24	\$5,900
25-34	\$38,200
35-44	\$92,700
45-54	\$178,200
55-64	\$285,900
65-74	\$410,800

Source: ATO, Australian Retirement Trust

Financial strategist Theo Marinis said while the benchmark figures were a useful guide, they were often simplistic and “make people think they cannot afford to retire”, so seeking professional advice was vital.

Mr Marinis said couples required smaller individual balances because many living costs were fixed “whether there’s one or two of you”, while the age pension safety net was there to mix with people’s own private savings.

“People with smaller balances typically have led modest lifestyles,” he said, and did not need huge amounts of super to maintain that standard of living.

“Ninety per cent of people – if not 95 per cent or more – are going to have a higher standard of living in retirement than they did two decades ago.”

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Super was there to be drawn down during retirement years, Mr Marinis said. “It is not designed just to live off the earnings,” he said.

Mr Marinis said the retirement saving industry had an interest in making people feel uncomfortable about not having enough, and he had seen people with multimillion-dollar nest eggs worry they were not wealthy enough.

“Even people who can easily retire think they can’t,” he said.

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