

Media Release

Women need action on Superannuation now

New research released today by the Investment & Financial Services Association (IFSA) demonstrates the need to include superannuation in any paid parental leave scheme voted on by the Parliament.

John Brogden, Chief Executive Officer of IFSA, released independent research today that proved the current debate was of critical importance to the quality of life all Australian women could expect in retirement.

“This research shows Australian women face a grossly inadequate retirement because of their low superannuation savings. It is clear that whichever parental leave system that the Parliament adopts, it must include superannuation”, Mr Brogden said.

“The research clearly demonstrates that Australian women are punished for having children. They will have low superannuation and a poor retirement income just because they chose to have a family.

A typical Australian woman will have \$91 400, or 35%, less than a man in their superannuation savings if they have children.

The independent research carried out by Rice Warner Actuaries for IFSA shows:

- a typical woman will save 35 percent less for her retirement than a typical man;
- a woman retiring at 67 must save an additional 13 percent more for retirement than a male in the same situation as she has longer life expectancy;
- a woman who takes five years out of the workforce to have and raise her children will have 26 percent less superannuation on retirement than an equivalent woman who has not taken time out of the workforce;
- the current nine percent superannuation guarantee contribution is inadequate for women who have average life expectancy. They would have to contribute 16 percent simply to retire with adequate superannuation; and
- women who live longer than the average life expectancy will need to contribute 19 percent to live adequately in retirement.

“IFSA calls on the Parliament to recognise that it is no longer good enough to put up with the status quo. This debate is a critical opportunity to make sure that we get it right and ensure women are not penalised in their retirement.

In January IFSA released data showing that almost no one in Australia relying on the nine percent Superannuation Guarantee Contribution would be able to have an adequate retirement”, concluded Mr Brogden.

For further information please call Simon Disney, Senior Manager, Media and Communications on 0408 161 466

Level 24, 44 Market Street,
Sydney Australia NSW 2000
ABN: 820 807 44 163

Ph: [61 2 9299 3022](tel:61292993022)
Email: ifsa@ifsa.com.au
Web: www.ifsa.com.au

IFSA is the peak body representing Australia's retail and wholesale funds management, superannuation and life insurance industries. IFSA has over 135 members who are responsible for investing over \$1.3 trillion on behalf of more than ten million Australians. To put the scale of our industry in perspective, our funds under management are larger than the GDP of Australia and the capitalisation of the Australian Stock Exchange. In international terms, Australia has the fourth largest pool of managed funds in the world.