FINDEX

The cost of doing nothing when preparing for retirement

Breaking down the barriers costing Australians six figures in retirement

Enter

YOUR STORY IS OUR BUSINESS

findex.com.au

Index

Executive summary

Despite Australia's compulsory superannuation guarantee being over 30 years old, two in three Australians aged between 35 to 65 years are not confident that they will have the financial resources for a comfortable retirement.

Based on our research, the closer Australians get to retirement age, the less confident they become - 22% of Millennials are very confident, 17% of Gen X are very confident but only 5% of Baby Boomers are very confident they will have the financial resources for a comfortable retirement.

22%

of Millennials are very confident they will have the financial resources for a comfortable retirement

17%

of Gen X are very confident they will have the financial resources for a comfortable retirement

5%

of Baby Boomers are very confident they will have the financial resources for a comfortable retirement

Key findings

Our research showed that around one in two Australians don't believe they have a good understanding of what financial resources they would need for a comfortable retirement. And despite around 80% believing professional financial advice could benefit them in retirement, only 30% have sought advice.

Additionally, the data shows:

- Men are much more likely than women to believe they have a good understanding of what financial resources are needed for retirement (61% to 44%) and women are more likely to rate their understanding as poor (27% compared to 15%).
- The older Australians are, the less likely they feel confident about their financial literacy.
- Those who did seek professional advice for retirement were almost three times as likely to say they have a good understanding of the financial resources required for retirement (32% compared to 12%).

1 in 2 Australians

don't believe they have a good understanding of what financial resources they would need for a comfortable retirement

Barriers to seeking financial advice

Our research shows that many Australians have misconceptions about financial advice, which can prevent them from seeking the help they need.

These misconceptions predominately centre around beliefs that the cost of financial advice is too expensive, and that financial advice does not provide enough value.

33% are concerned about cost of advice

30% think they don't earn enough to make financial advice worthwhile

24% look after their own financial affairs

We believe that financial advice can be beneficial for people at every income level and stage of life - giving them a better chance of achieving their financial goals.

Our modelling shows that even when they're less than ten years away from retirement, Australians can still benefit from financial advice but that the gains increase the earlier you start.

Through financial modelling, we've shown that **a Gen X woman earning $100,000 per annum and above could be $192,000 better off in retirement by accessing financial advice at age 50.**

If they accessed advice earlier in their mid-30s, a Gen X woman with an income of $100,000 p.a. could potentially have increased their net financial assets by almost $664,000 by the age of 65 if they had received financial advice from the age of 35.

Recommendations

Our research suggests the majority of Aussies have adopted the mindset that retirement is something they'll deal with later in life. But when push comes to shove and retirement is on their doorstep, the reality truly sets in that the employer contributions they've banked on to set up their superannuation for retirement isn't enough and most Australians, particularly women, are unprepared.

Our goal is to change this outlook on planning for retirement and by using financial modelling, this report will seek to dispel the myths that are preventing Australians from accessing the help they need to improve their financial future.

Seeking professional financial advice should be viewed as good life hygiene like scheduling a dental check-up with a qualified dentist. And with the cost of living continuing to increase and Australians living longer, the reality for most people – particularly women – is they simply won't have the funds they need to live a comfortable retirement if they don't take a proactive approach to their financial future.

Introduction

Retirement is a time when people expect to be free from work-related responsibilities and financial constraints. However, the cost of living is continuing to rise and over the past twelve months, the **Living Cost Index (LCI)** rose by between 7.3% and 9.3% across all household types, making financial preparation for a comfortable retirement a necessity not a nice to have.

Findex commissioned YouGov research to explore Australians' preparedness for retirement and how professional financial advice factors into this, with a particular focus on Australians aged 35 to 65 years.

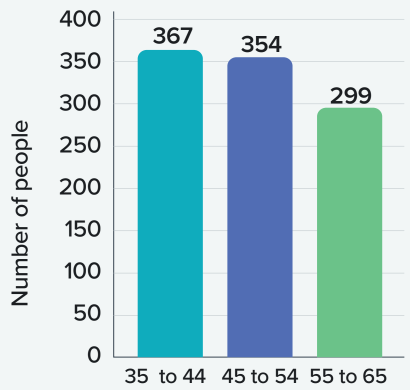
This whitepaper summarises the research findings and uses financial modelling to dispel common misconceptions people have about the cost, accessibility, and effectiveness of financial advice that can prevent people from seeking help and may lead to poor financial decisions or missed opportunities to improve financial outcomes.

By providing information about financial advice, we hope to encourage more people to seek the help they need to achieve their financial goals.

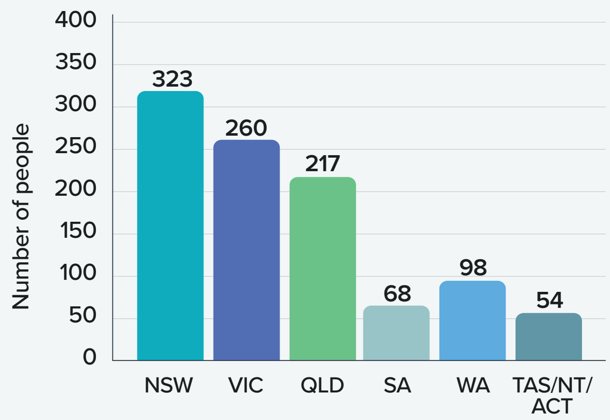
Demographics

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1020 adults. Fieldwork was undertaken between 3 - 6 March 2023. The survey was carried out online. The figures have been weighted and are representative of all Australian adults (aged 18+).

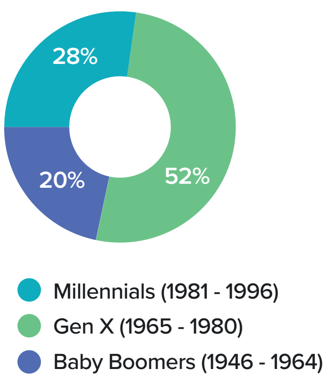
Age group



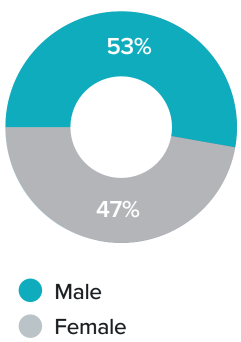
Location



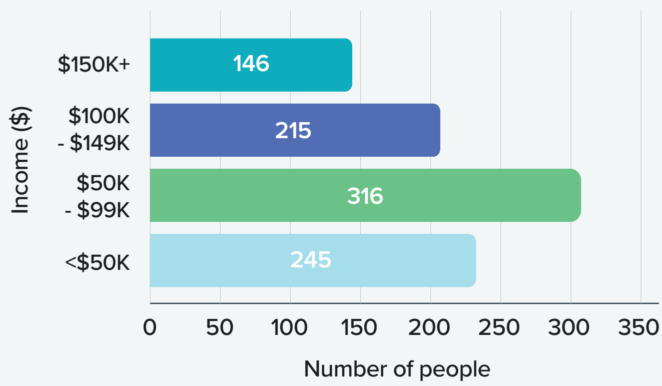
Generation



Gender



Household income



Research findings

Confidence in financial resources

Despite Australia's compulsory superannuation guarantee being over 30 years old, two-thirds of Australians between 35 to 65 years are not confident that they will have the financial resources for a comfortable retirement.

And the closer they get to retirement age, the less confident Australians become, with only 5% of Baby Boomers being very confident, compared to 22% of Millennials.

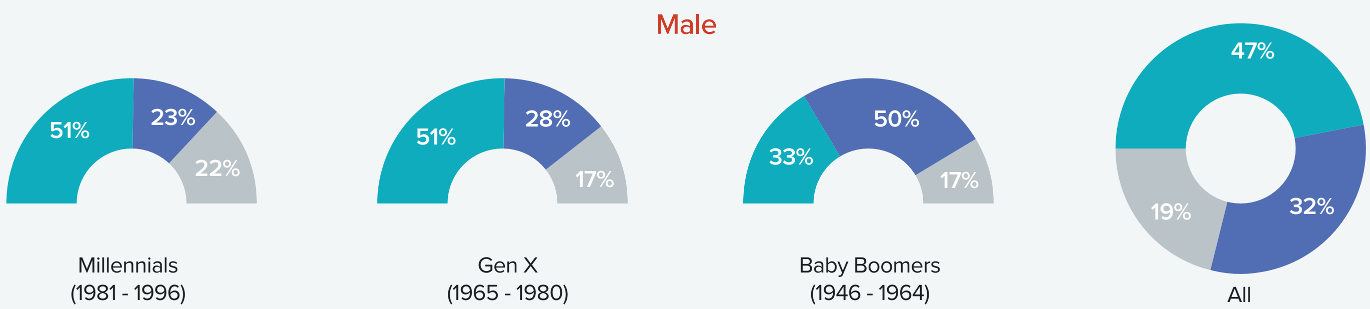
This is not unexpected considering the Superannuation Guarantee (SG) was only introduced in Australia in 1992 by which time Baby Boomers had already been in the workforce 8 – 26 years.

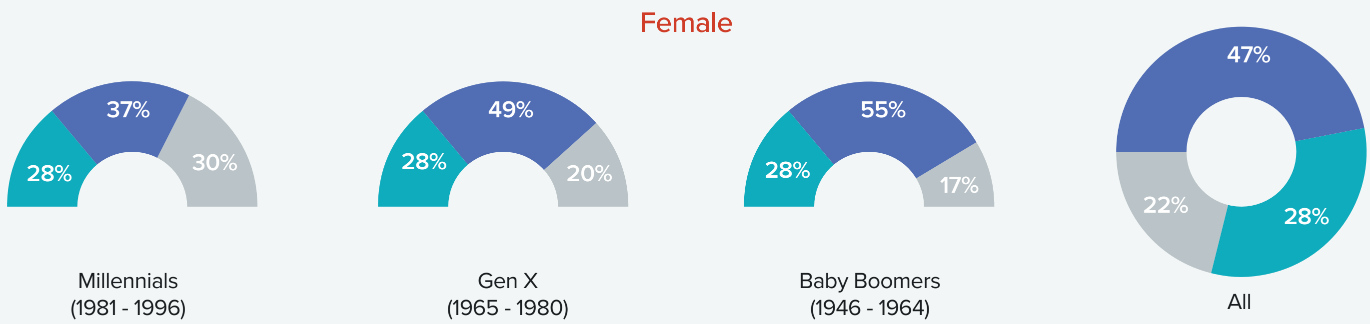
By contrast, Gen X were in their early stages of employment in 1992 while Millennials had not yet commenced work so have been receiving compulsory superannuation since their very first days of employment, which will likely see them accumulate greater retirement balances than their Baby Boomer counterparts.

Over half of all Australian women aged between 50 to 64 are not confident (54%) they will have the resources needed for retirement, which is concerning given Gen X women are approaching retirement and likely to live longer than their male counterparts.

Confident will have financial resources for a comfortable retirement

Confident | Unconfident | Neither confident nor unconfident





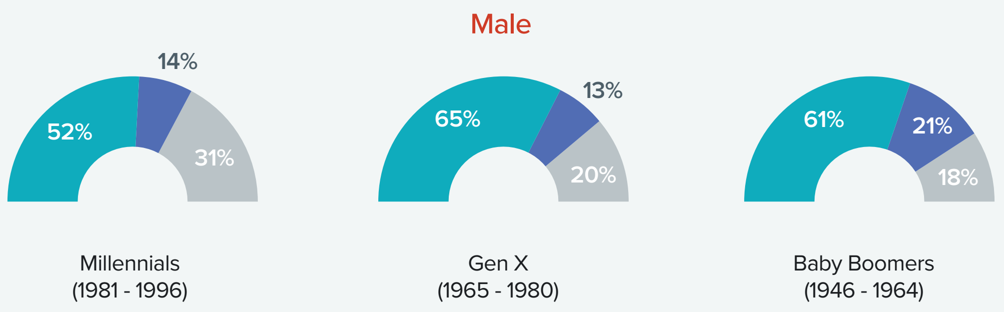
Understanding of financial resources

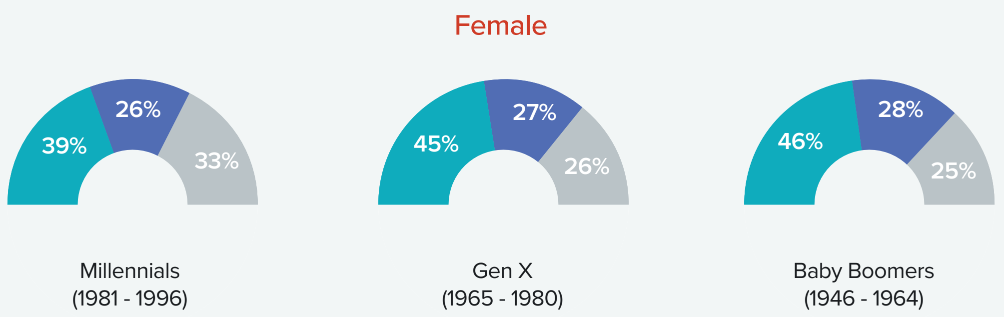
Around one in two Australians don't believe they have a good understanding of what financial resources they would need for a comfortable retirement.

Men are more likely than women to believe they have a good understanding of what financial resources are needed for retirement (61% compared to women at 44%). Women are more likely to rate their understanding as poor (27% compared to men at 15%).

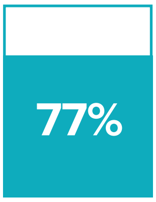
Understanding of what is needed for a comfortable retirement

Good understanding · Poor understanding · Neither good nor poor

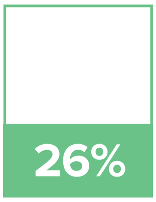




Those who sought professional advice for retirement were almost three times as likely to say they have a good understanding of the financial resources required for retirement (77% compared to 26% of those that didn't get advice), which underscores the importance of financial literacy and professional financial planning to better empower Australians for their retirement.



Good understanding of what is needed for a comfortable retirement by those who sought professional advice



Poor understanding of what is needed for a comfortable retirement by those who didn't get professional advice

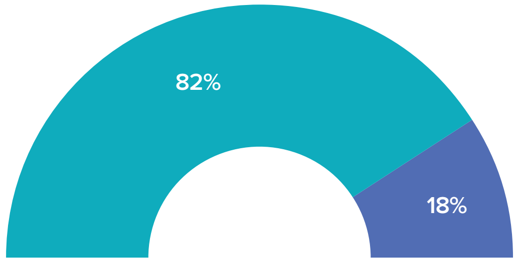
Benefits of financial advice

Our research shows that people who received financial advice were more likely to feel confident about their financial situation and make progress towards their financial goals. Numerous other studies have also demonstrated the value of financial advice, including:

- **Russell Investments** estimated in 2022 that a full suite of adviser services could be worth up to 5.8% per annum to an investor.
- The **FSC estimated in 2017** that the provision of savings advice would lead to an individual being between $29,000 and $91,000 better off at the point of retirement. In this research individuals who received advice at a young age received greater value.

More than eight in ten Australians believe obtaining professional financial advice could benefit them in retirement. Men were more likely to believe this than women (85% compared to 79%).

Believe obtaining financial advice can benefit retirement

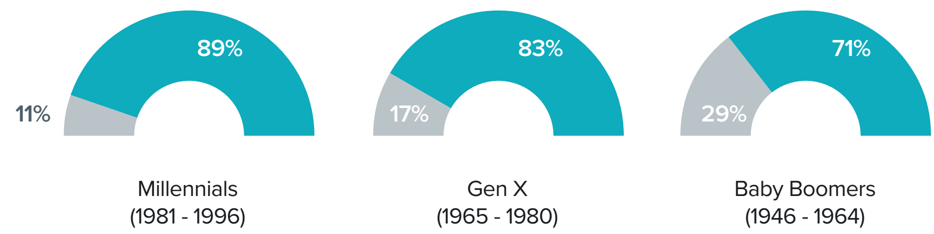


- Believe obtaining professional financial advice could benefit them in retirement
- Do not think obtaining professional financial advice would have any benefits in retirement

As people get older, they are less likely to believe in the benefits of financial advice. Almost nine in ten Millennials believe they could benefit from financial advice in retirement compared to seven in ten Baby Boomers.

Believe obtaining financial advice can benefit retirement by generation

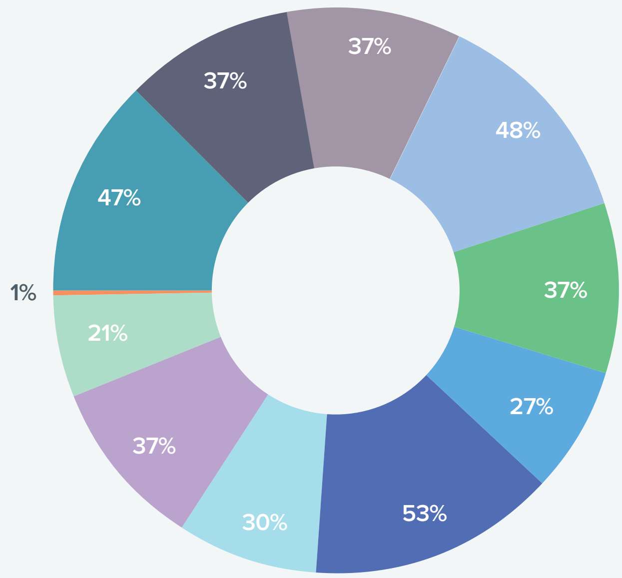
- Believe obtaining professional financial advice could benefit them in retirement
- Do not think obtaining professional financial advice would have any benefits in retirement



For those that believe financial planning could benefit them in retirement, making the most use of their superannuation (53%), learning about the options that are available to them in retirement (48%) and understanding how much they need to retire (47%) were cited as the top three benefits.

Ways obtaining professional financial advice could benefit your retirement

- Understanding how much I/we need to retire
- Understanding what I/we can change now to help achieve my/our ideal retirement in the future
- Confidence that I'm/we're on the right track
- Learning about the options that are available to me/us in retirement
- Whether I am/we are likely to be eligible for an Age Pension
- Whether my/our family will be okay financially when I/we pass away
- Making the most use of my/our superannuation
- Building my/our investment portfolio
- Impartial advice to help me/us make rational financial decisions and choices
- Understanding how I/we can help my/our children get a head start
- Other



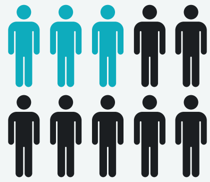
Baby Boomers and Millennials both believe maximising their superannuation (45% and 47%) is the most important benefit financial planning can make to their retirement. Gen X rated understanding how much they need to retire (41%) and making the most use of their superannuation (41%) as the most important benefits.

While it's encouraging how many Australians see superannuation as an important vehicle for their retirement, these findings suggest many Australians are depending on superannuation to provide them with a comfortable retirement.

Perception of financial advice

Despite more than 80% of Australians believing they could benefit from financial advice in retirement, only 30% have sought advice with women (24%) less likely than men (37%) to have received professional advice.

This is concerning and suggests Australians are putting off planning for retirement, hoping their super will be sufficient once they get there.

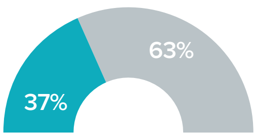


Only 30% of Australians have sought advice

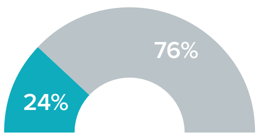
Have sought professional financial advice to help plan for retirement

- Sought professional financial advice to help plan for retirement
- Didn't seek professional financial advice to help plan for retirement

Male



Female



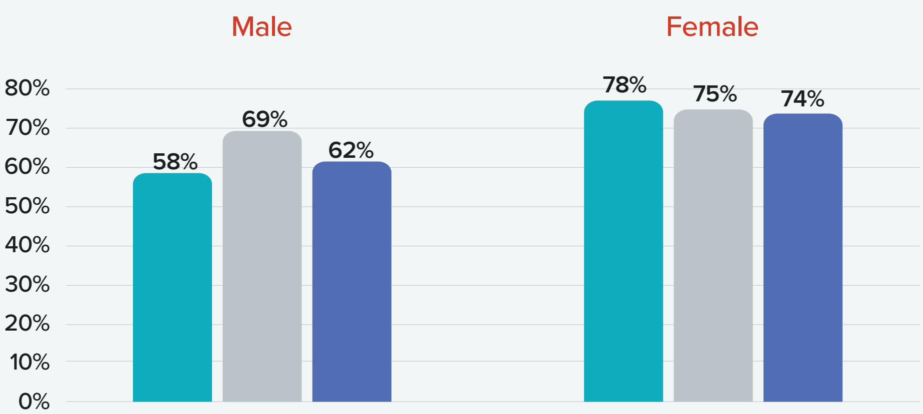
Australian women aged between 35 to 49 are the least likely cohort to have sought professional financial advice (78%) yet potentially stand to benefit from financial advice the most.

One of the significant challenges faced by the industry is the gender superannuation gap. With more time out of the workforce due to caring responsibilities and a higher rate of part-time work, women often retire with far less superannuation than men.

Based on median income data, **recent research** shows Australian women earn $1.01m less over their working lives than men and $136,000 less in superannuation. It shows that women earning the median wage will accumulate approximately $393,676 in super, $151,000 below what is considered a 'comfortable retirement'.

Without financial advice and a clear financial strategy, many women may be at significant risk in their retirement.

Never sought professional financial advice to help plan for retirement



Age

- 35 - 49 years old
- 50 - 64 years old
- 65+ years old

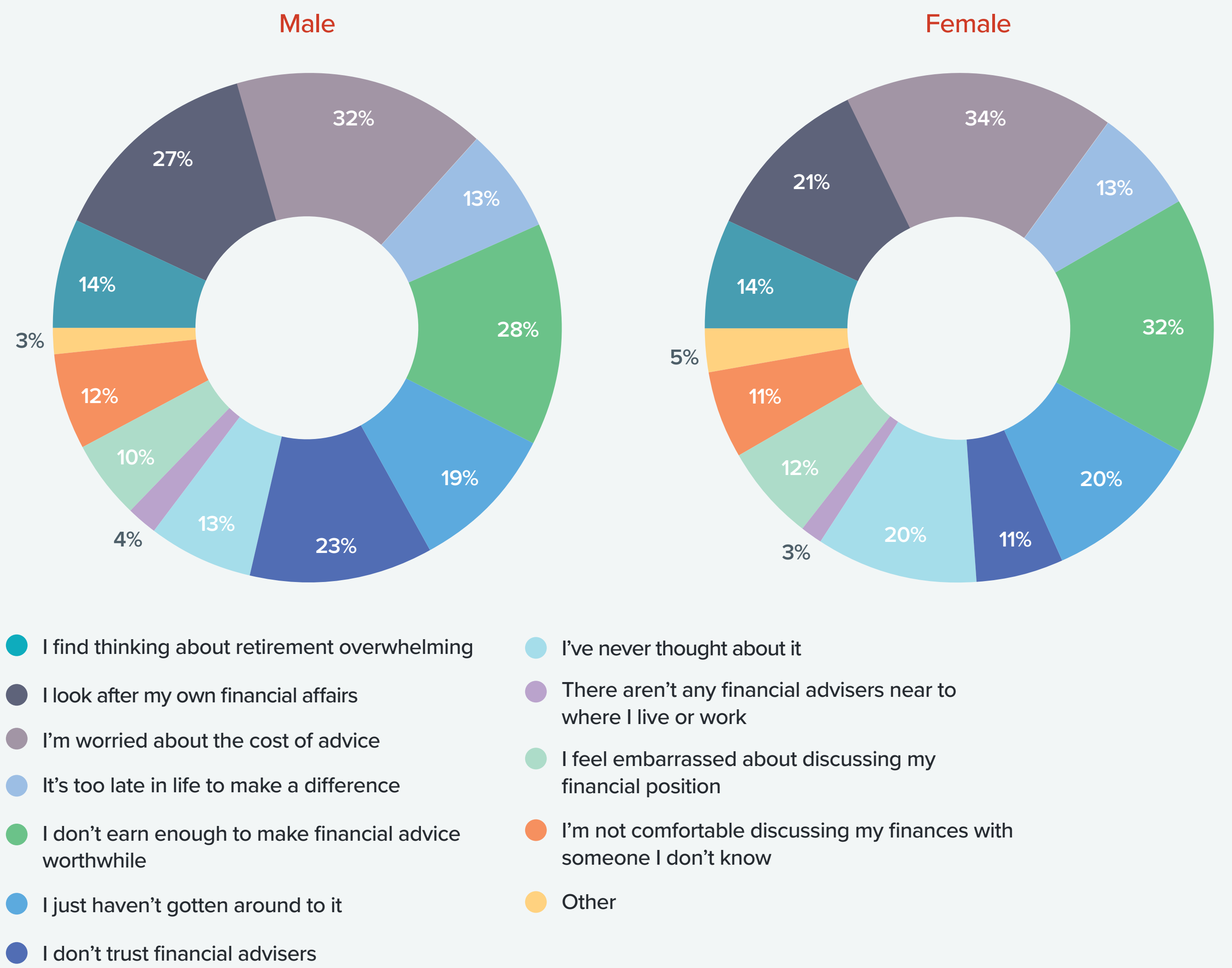
Barriers to financial advice

When we dug a bit deeper to find out what was stopping Australians from accessing financial advice to help them plan for retirement, the results showed that cost, value and procrastination were the primary drivers preventing people from accessing financial advice.

One in three Australians don't think they earn enough to make financial planning for a comfortable retirement worthwhile and 22% of Australians over the age of 65 think it's simply too late in life to bother planning for a comfortable retirement.

Across genders, the cost of advice was cited as the number one barrier preventing men (32%) and women (34%) from accessing financial advice. Not earning enough to make it worthwhile was second (28% men, 32% women) and 27% of men and 21% of women said they looked after their own financial affairs.

Reasons why never sought professional financial advice to plan for retirement



Income had some impact. Women who earned below $70,000 and women who earned $70,000-119,999 were most concerned with costs.

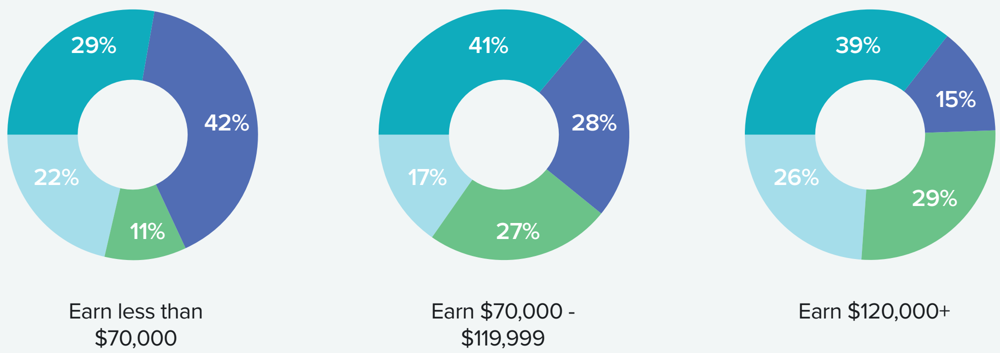
42% of women who earn below $70,000 don't feel like they earn enough to make financial advice worthwhile and 29% are worried about the cost of advice. For women who earn $70,000-119,999, 41% are worried about the cost of advice and 28% feel they don't earn enough. For women earning $120,000 and above, 39% are worried about the cost of advice and 29% just haven't gotten around to it.

Men across all income brackets also cited cost as a barrier, however, were far more likely to look after their own affairs.

38% of men earning $120,000 and above look after their own financial affairs. Across generations, 39% of male Millennials said cost was the primary barrier and 46% said they look after their own financial affairs. For Gen X males, 34% cited costs and 39% said they look after their own affairs.

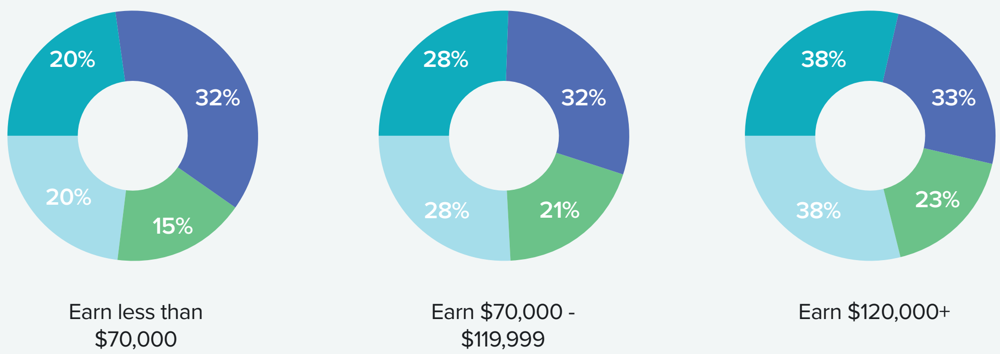
Reasons why women have never sought professional financial advice to help plan for retirement

- I'm worried about the cost of advice
- I don't earn enough to make financial advice worthwhile
- I just haven't gotten around to it
- I look after my own financial affairs



Reasons why men have never sought professional financial advice to help plan for retirement

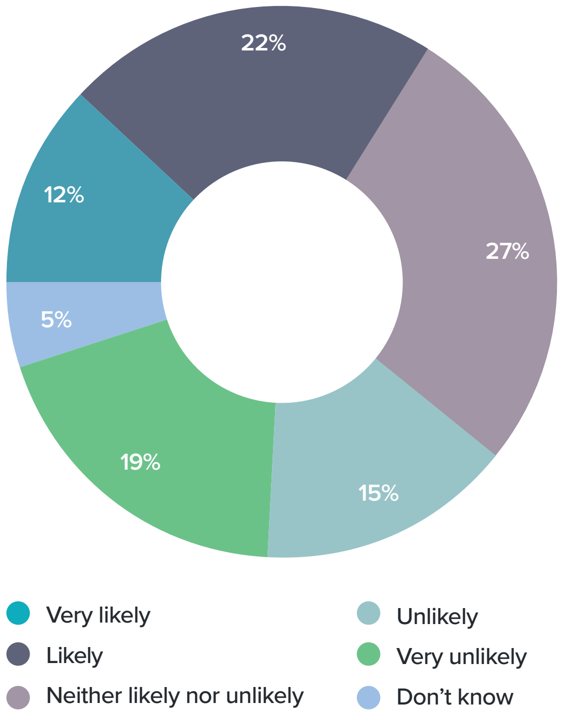
- I'm worried about the cost of advice
- I don't earn enough to make financial advice worthwhile
- I just haven't gotten around to it
- I look after my own financial affairs



Likelihood to get advice

When we asked those who had never received advice how likely they would be to seek professional financial advice to help plan for retirement, the results were evenly spread with roughly a third of people saying they are very likely or likely to get advice (34%), neither likely or unlikely to get advice (27%) and unlikely or very unlikely to get advice (34%).

Likelihood to ever seek professional financial advice to plan for retirement

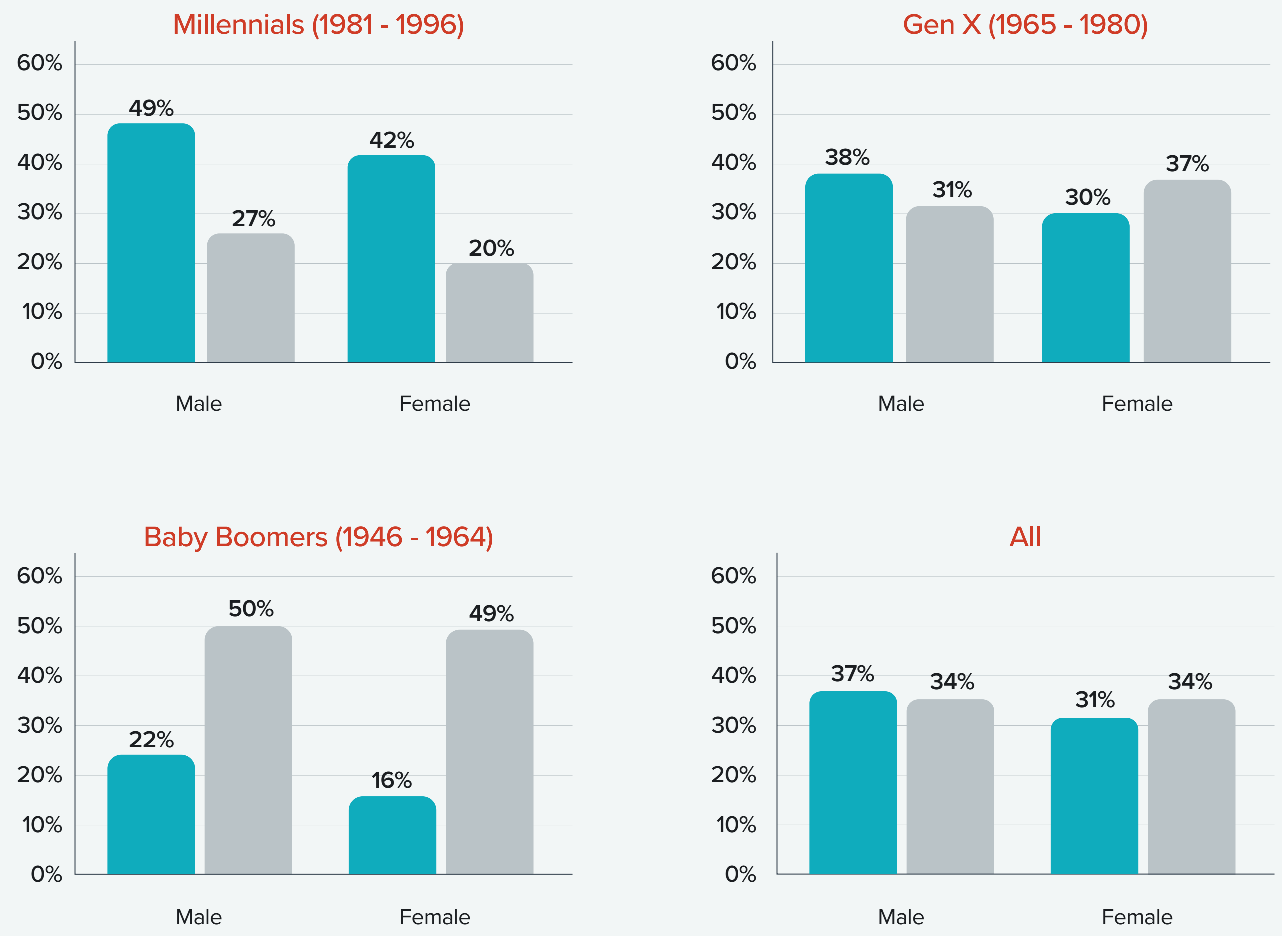


Overall, men are more likely to seek professional financial advice in the future with 37% of men saying they are very likely or likely compared to 31% of women. However, male Baby Boomers who don't get advice are the least likely to consider getting advice in the future (50%).

In general, younger generations are more open to getting advice. Only 22% of Baby Boomers said they were likely or very likely to get advice in the future compared to 49% of Millennials and 38% of Gen X.

Likelihood of getting professional financial advice to plan for retirement (by generation)

Likely Unlikely



What needs to change to consider financial advice?

When we asked what would need to change to make people want to seek financial advice to help plan for their retirement, 35% said there was nothing that would make them change their mind.

Of those who would seek advice if something changed, cost was the primary driver. More than half (51%) said a change in financial circumstance like a big pay rise, receiving an inheritance or windfall would make them want to seek financial advice.

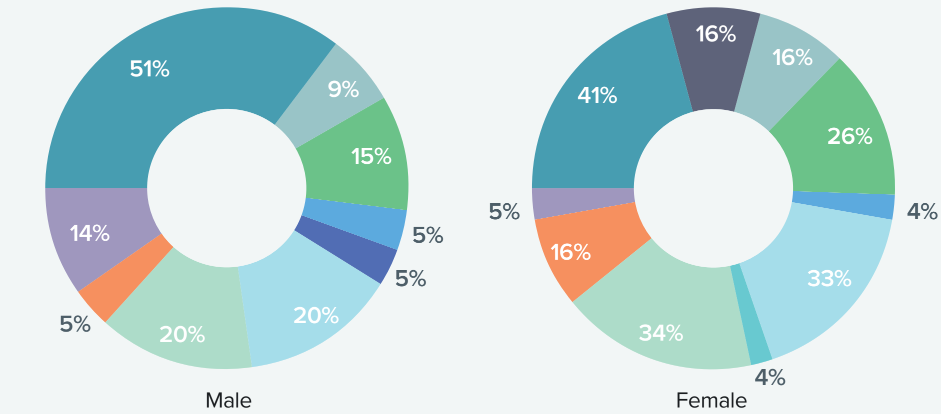
For male Millennials this increased to 56%, compared to Gen X males (37%) and Baby Boomer males (51%) and for female Millennials and Gen X it increased even further to 58% and 62% respectively.

Male Millennials were also twice as likely to select 'better understanding of how professional financial advice will benefit me' as a reason that would change their mind with 30% selecting this response compared to Gen X males (16%) and Baby Boomer males (15%), indicating there is a limited understanding of the value and benefits of financial advice in men of this generation.

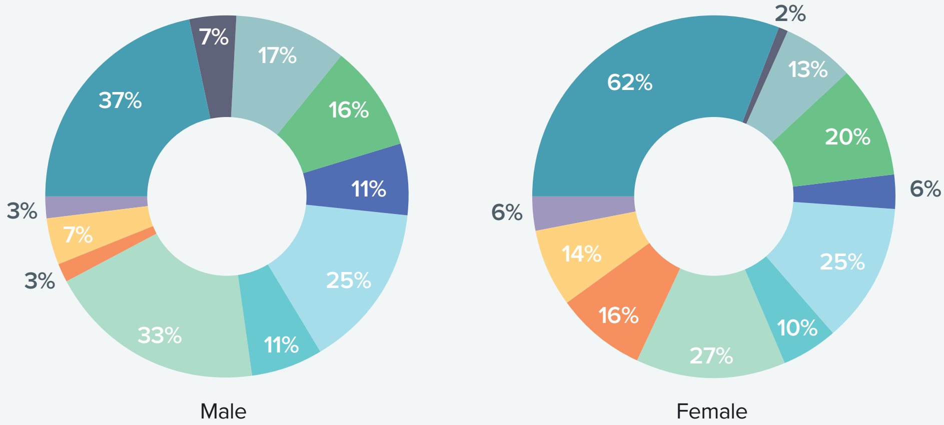
What would need to change to make you want to seek professional financial advice for retirement

- A change in financial circumstance like a big pay rise, receiving an inheritance or windfall
- Family breakdown
- Family changes like having children or my children leaving home
- A recommendation of a good financial adviser from someone I know
- Better understanding of how professional financial advice will benefit me
- Downsizing my/our current property
- More free time
- Access to more affordable advice
- More free time [1]
- Access to more affordable advice [1]
- Health concerns/change in health situation
- External factors such as rising costs and interest rates
- Other

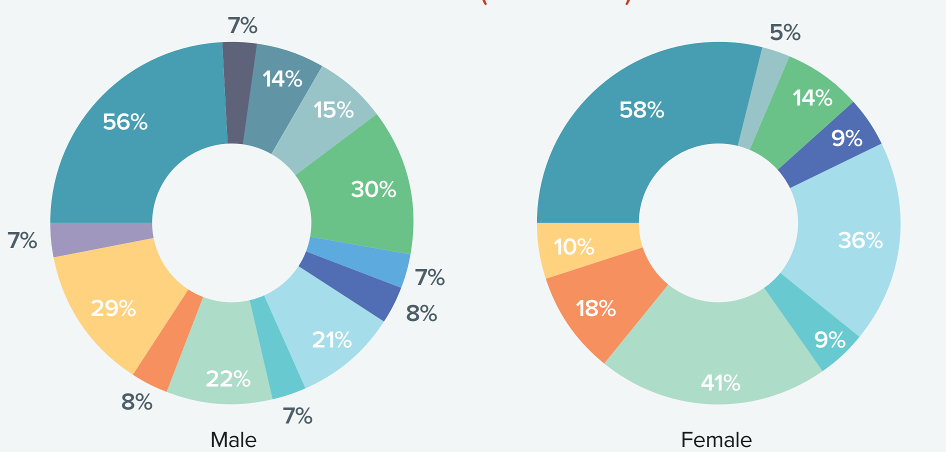
Baby Boomers (1946 - 1964)



Gen X (1965 - 1980)



Millennials (1981 - 1996)



[1] Percents do not add to 100 due to multiple responses

Motivation to seek financial advice

Almost half of those who have sought financial advice did so because they wanted peace of mind that they will have enough financial resources to retire comfortably (45%). One quarter (25%) said they sought financial advice because they had concerns about rising costs and interest rates and almost another quarter (23%) said they had concerns about their family's future.

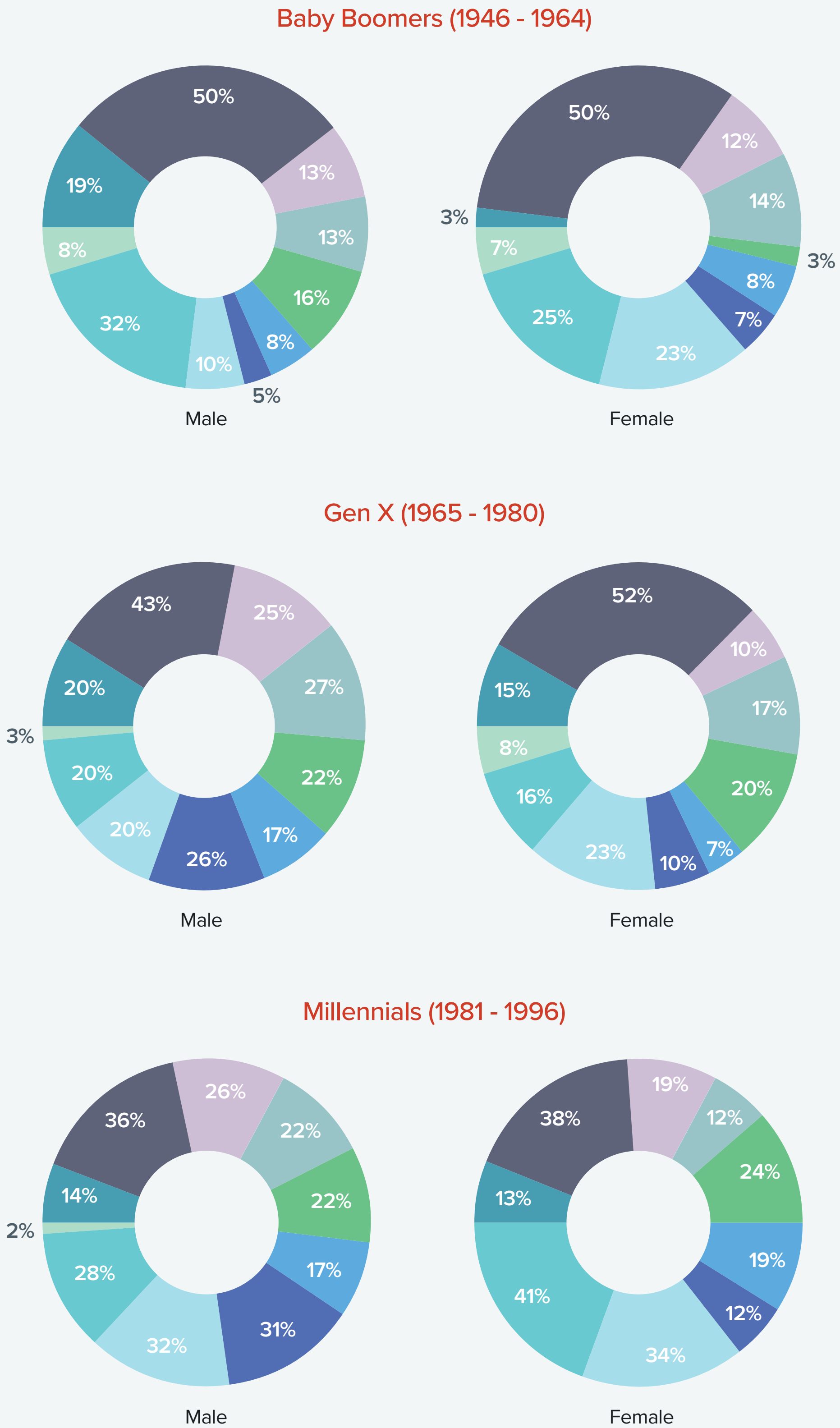
Peace of mind was more important for females (48%) compared to men (42%). For female Gen X and female Baby Boomers this rose to 52% and 50% respectively.

Female Millennials had greater concerns about rising costs and interest rates (41%) and their family's future (34%).

Male Baby Boomers are more motivated by peace of mind – 50% compared to 43% of Gen X and 36% of Millennials – and male Gen X and Millennials are more likely to be influenced by their networks. Roughly a quarter of this cohort have been motivated by encouragement from their family/partner (26% Millennials, 25% Gen X), encouragement from friends or acquaintances (31% Millennials, 26% Gen X) or it was offered to them as part of their work or by another group (22% Millennials, 27% Gen X).

Motivators to seek professional financial advice to help plan for retirement

- I've got ambitious goals for my retirement, and I wanted to make sure I achieve them
- I wanted peace of mind that I will have enough financial resources to retire comfortably
- Encouragement from my family/partner
- It was offered to me as part of my work or by another group
- I already use a financial planner for my business or personal life
- My parents sought financial advice about their retirement, and it really helped them
- Encouragement from friends or acquaintances
- Concerns about my/my family's future
- Concerns about rising costs and interest rates
- Other

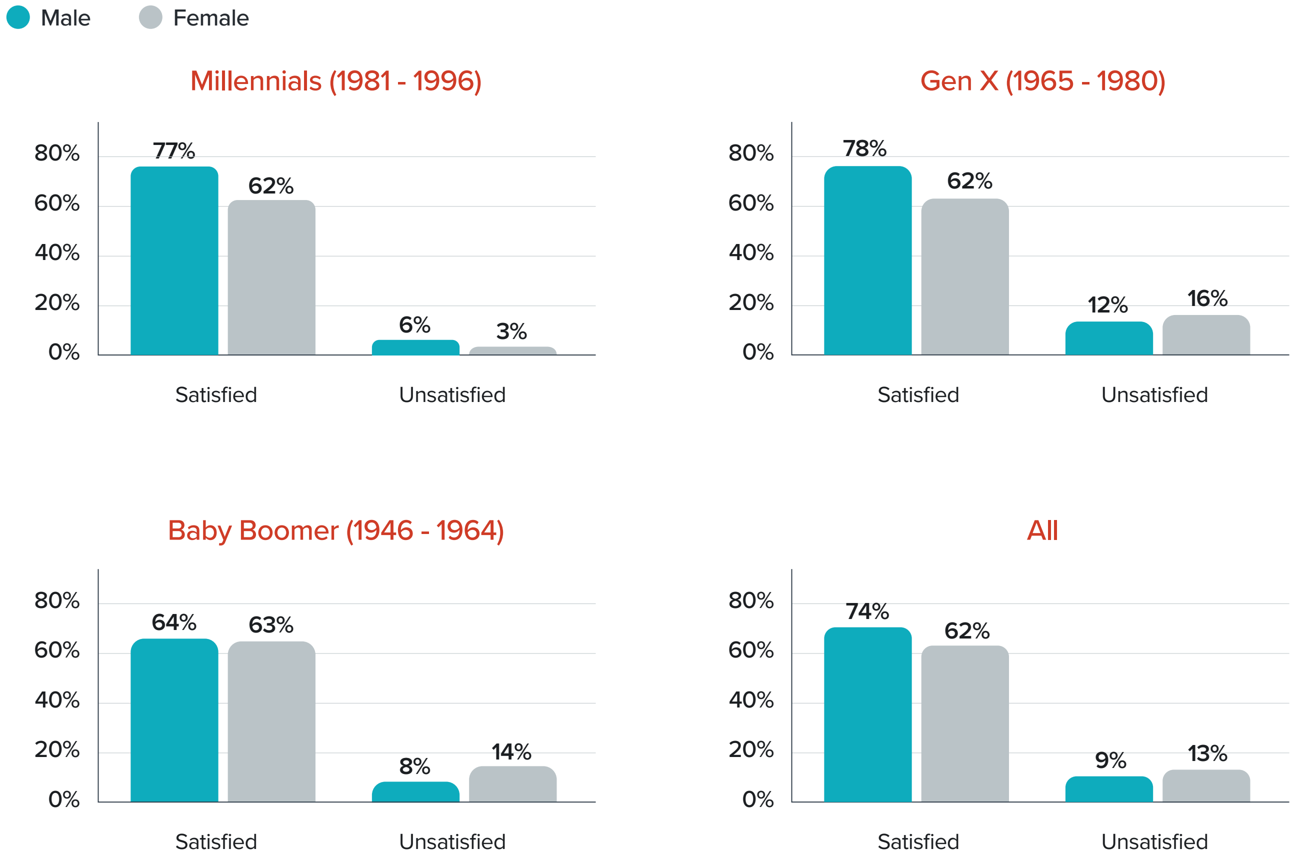


Satisfaction and outcomes from financial advice

Of those who have sought professional financial advice to help them plan for retirement, seven in ten are either satisfied (32%) or very satisfied (38%) with the advice they have received. Only one in ten said they are dissatisfied (4%) or very dissatisfied (6%), leaving 19% who are neither satisfied nor dissatisfied.

Across the board, females are less satisfied with the advice they received than men (62% net satisfied compared to 74% net satisfied). Across generations, Baby Boomers are slightly less satisfied than younger generations (64% net satisfied compared to 72% Millennials and 71% Gen X).

Satisfaction with professional financial advice received for retirement (by gender and generation)

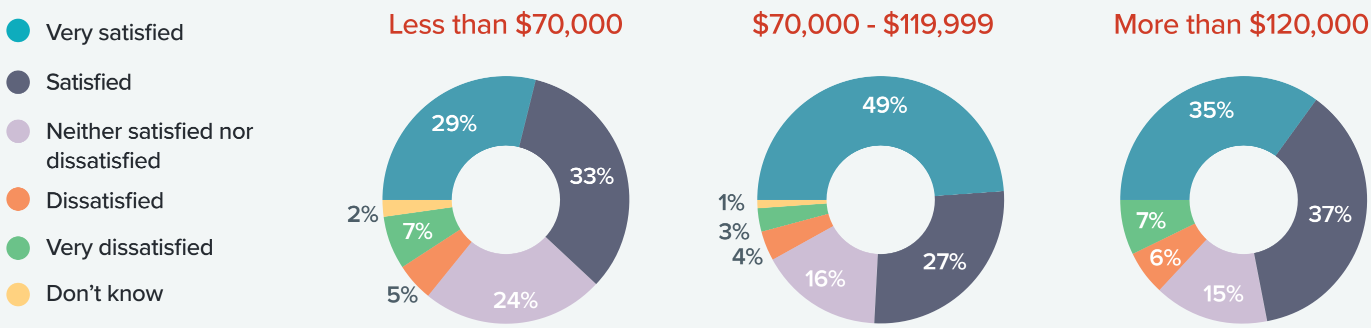


Income has some impact on satisfaction levels. People earning less than $70,000 are less satisfied with the advice they received (62% net satisfied) than people earning $70,000-$119,999 (76% net satisfied) and more than $120,000 (72% net satisfied).

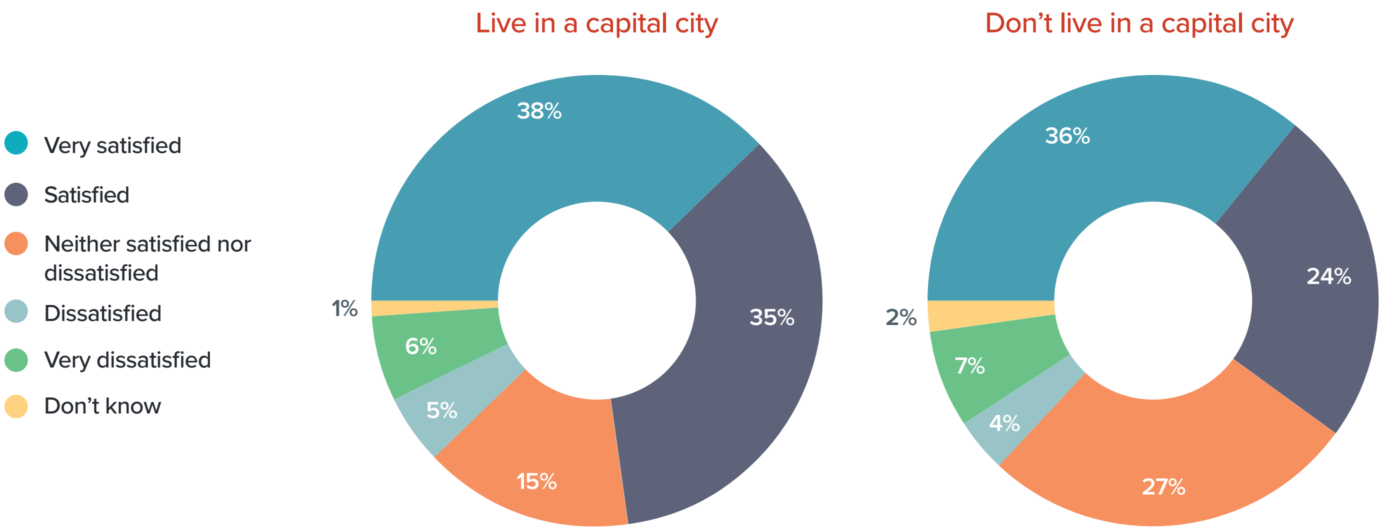
Living in a capital city also impacts satisfaction levels.

Almost three quarters (74%) of people living in a capital city who have sought professional advice are satisfied with the financial advice they received. This falls to six in ten (60%) for those that do not live in a capital city suggesting regional Australia is not being served by the financial advice sector as well as their metro counterparts.

Satisfaction with professional financial advice received for retirement (by household income)



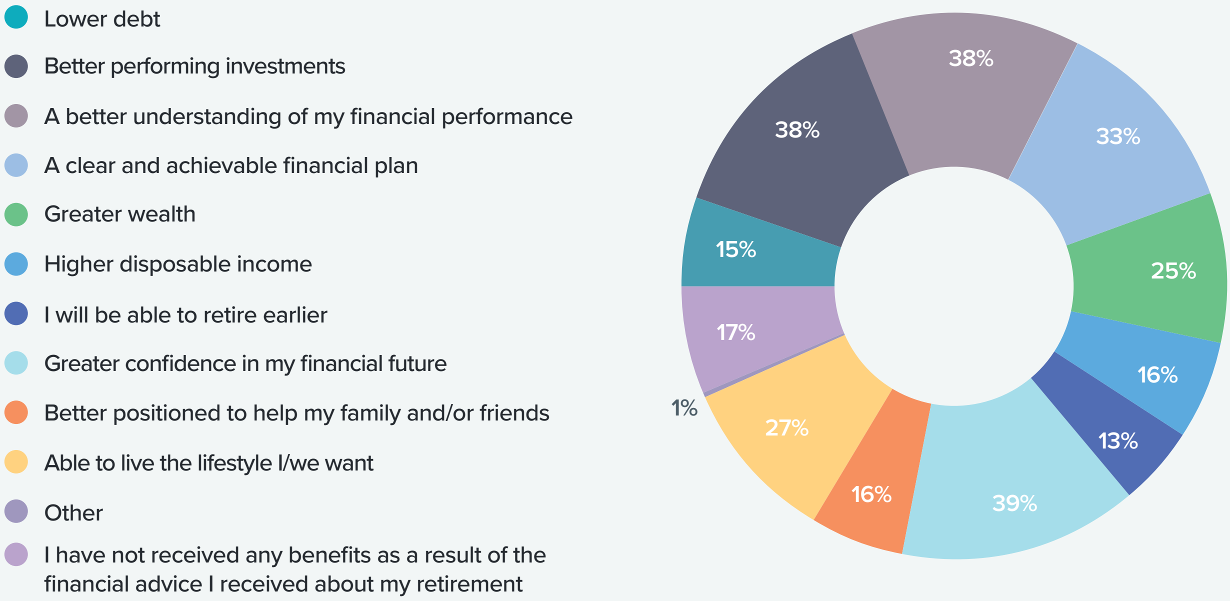
Satisfaction with professional financial advice received for retirement (by location type)



More than eight in ten of the respondents (83%) who received financial advice to help plan for retirement said they have received benefits as a result of the financial advice they received.

Almost four in ten people (39%) selected greater confidence in their financial future as a benefit, closely followed by better performing investments (38%) and a better understanding of my financial performance (38%).

Benefits experienced from receiving financial advice to plan retirement



Demonstrating the value of financial advice

Our survey results show that cost, value and procrastination are the primary drivers preventing people from accessing financial advice.

Research from Russell Investments suggested Australians with a financial adviser are 5.8% p.a. better off than non-advised investors. In addition, they found advisers increased the performance of their clients' portfolios by 1.6% solely by ensuring appropriate asset allocation across their investments - an often undervalued and underappreciated step of the advice process.

Using a combination of client scenarios and financial modelling, we will demonstrate that despite the costs of professional advice, a financial adviser should ultimately save most people time, money, and stress in the long run.

Assumptions used in the modelling projections within this report

When preparing our projections, we have made the assumption that prior to seeking financial advice, each person is invested in their superannuation fund's default, or My Super option which exhibits a "Balanced" risk profile where 75% is invested in growth assets and 25% is invested in defensive assets. In general terms, growth assets are defined as shares and property and defensive assets are defined as cash and fixed interest.

In the hypothetical scenarios where financial advice has been provided, the modelling projections assume that the individual adopts a more aggressive asset allocation on advice from their Financial Adviser that may be deemed appropriate when considering the individual's time-frame for investment and attitude to risk. While a more aggressive asset allocation may provide a higher investment return for you over a long-term time horizon, it is important to recognise that it will also likely exhibit a higher level of risk and be subject to greater volatility.

A full breakdown of the assumptions that have been used in each of the modelling projections is available in the Appendix.

Perception vs. reality

The cost of advice is a big concern for Australians with more than six in ten indicating that cost or not earning enough to make it worthwhile is preventing them from seeking advice.

Recent research from **Adviser Ratings** showed the median annual client fee rose to $3,529 in 2022. In contrast, research conducted by Findex in 2022 showed **almost 30 percent of Australians** are willing to pay less than $500 per annum for ongoing financial services and only 8% indicated they'd be willing to pay more than $3,000 per annum for ongoing financial advice.

Whilst we acknowledge the cost of financial advice is prohibitive for some, we would argue financial advice as a long-term investment will net most individuals more in returns than they spend in costs over the long-term - enabling them to improve their financial future.

This is supported by **Canadian-based research** conducted in 2014 that demonstrated investors who received advice over:

- Four to six years accumulated 60% more assets than those individuals who had no advice.
- Periods exceeding 15 years accumulated 290% more assets than other comparable households.

Financial advice isn't cheap, but neither is legal advice or medical advice from a specialist. In the same way a medical condition can worsen with inaction, so can the state of your finances.

Financial advisers are financial specialists. Gone are the days when any Tom, Dick or Harry could manage your money. Today's financial advisers need to be licensed, professionally qualified and committed to ongoing certification and training.

Findex's goal is to change Australia's outlook that money management is a transactional relationship and start viewing professional financial advice as good life hygiene like scheduling a dental or medical check-up. If you wouldn't home remedy a debilitating illness, then you shouldn't home remedy your retirement planning. Call in the experts instead.

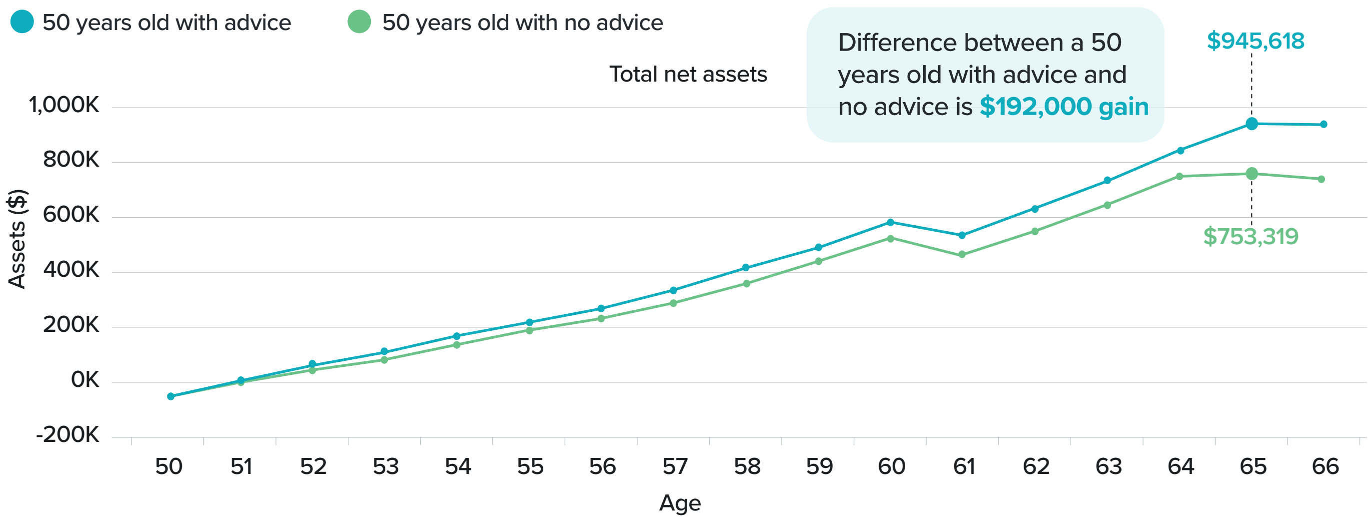
The importance of financial advice to retirement outcomes for women

Australian women aged between 50 to 64 are the least confident they will have the resources needed for retirement with more than half saying they are not confident (54%). In addition, Australian women aged between 35 to 49 are the least likely cohort to have sought professional financial advice (78%).

As Gen X women are approaching retirement and likely to live longer than their male counterparts, this is concerning, and strategic financial advice can play a critical role in helping women of this generation take control of their retirement.

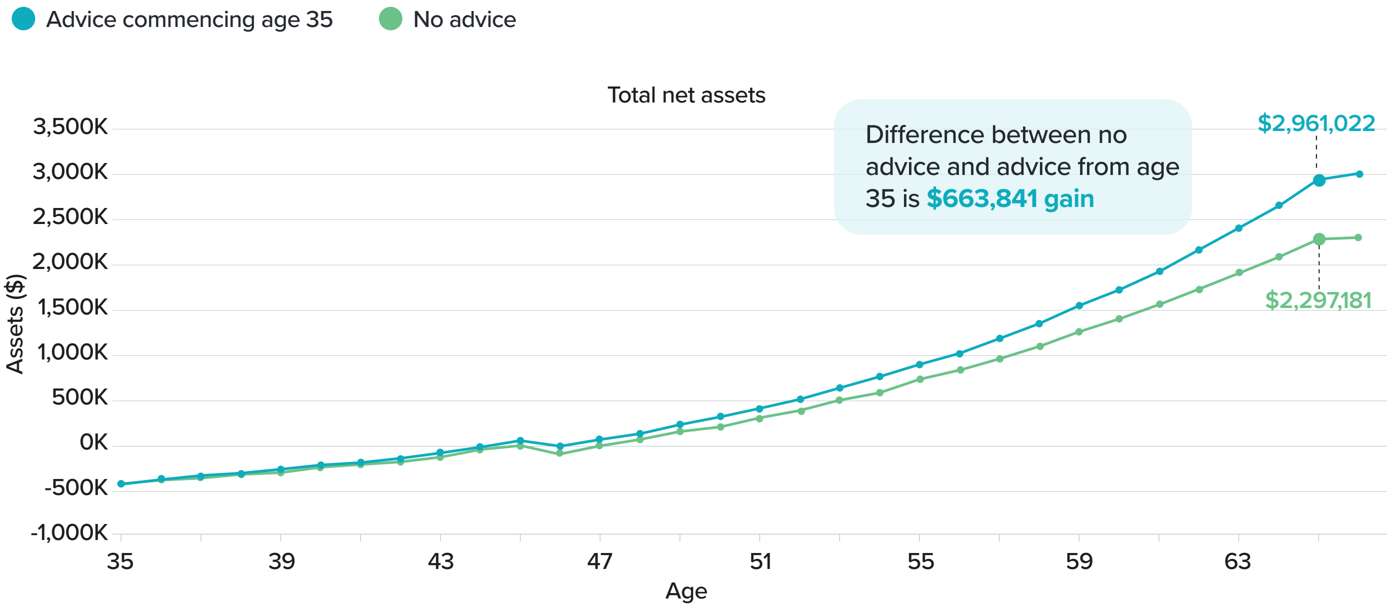
The cost of advice was cited as the number one barrier (34%) preventing women from accessing financial advice. Not earning enough to make it worthwhile was second (32%). However, using some base assumptions, our modelling shows that **a Gen X woman earning $100,000 p.a. and above may stand to be $192,000 better off in retirement even if they don't start receiving financial advice until the age of 50.**

50 years old with advice compared to no advice



Furthermore, if they were in a position to access good financial advice even earlier in their mid-30s, their financial outcomes could potentially have delivered $664,000 more in net assets at retirement age.

Gen X woman accessing advice at age 35 compared to no advice



Projections are based on assumptions, which can be found in the appendix.

The cost of doing it yourself

It's easier than ever before to find and access information on financial planning, investing, and retirement savings. With just a few clicks, anyone can learn about the latest trends in the stock market or find tips on building a diversified investment portfolio. While the internet has made it more convenient to take control of our finances, it's important to consider the true cost of doing it yourself.

Despite being the most educated generation in history, Millennials, who make up 15% of the Australian population, own a less than 5% share of national wealth. In contrast, Baby Boomers make up 25% of the population but **own more than half** of Australia's national wealth (53%).

The wealth gap between young and old is growing and the super storm of property prices, superannuation and favourable tax policy that has benefited Baby Boomers so immensely is unlikely to ever be seen again.

Millennials are facing a unique set of headwinds. Not only do they have less wealth than their predecessors, they are:

- Starting work (and compulsory super contributions) later to complete higher education.
- More likely to work part-time and experience under employment.
- Less likely to own a home.
- Experiencing a sustained period of wage stagnation.
- Taking on more debt.

Given all this, it's no wonder that many Millennials are choosing to manage their own financial affairs with three in ten Australian men aged between 35 to 49 indicating they have not sought financial advice because they looked after their financial affairs themselves (31%). Men in this age group were also the most concerned about the cost of advice, with 35% citing this as a reason they have not sought advice.

While DIY investing can seem like a cost-effective option in the short term, it can come with hidden costs, one of the most significant being lack of diversification in investment portfolios.

In **research conducted by ASIC** in 2022, more than eight in ten retail investors held fewer than five product types overall and over one-third (36%) of investors held one product type only.

Diversification of investment portfolios is critical because it helps to reduce the overall risk of the portfolio and can also provide opportunities for higher returns. By investing in a variety of different assets, such as stocks, bonds, commodities, and real estate, an investor can spread their risk and reduce the impact of any one investment performing poorly. Likewise, different asset classes tend to perform differently under different market conditions. By diversifying across asset classes, an investor can potentially benefit from market movements that favour one asset class over another.

But diversification is just one measure of value. **Vanguard research** conducted in 2020 of asset allocations of more than 44,000 U.S. self-directed investors 'found that cognitive and behavioural biases, along with a lack of financial literacy, among most investors resulted in undisciplined equity risk taking, an overweight in U.S. equities, and uninvested cash'. Further, it found the implementation of advice improved portfolio construction for nearly 90% of the investors by addressing equity risk-taking, increasing international exposures, and reducing cash holdings.

In essence, a financial adviser doesn't only provide guidance on investment strategies that align with your goals and risk tolerance. They provide behavioural coaching, asset allocation research and management and tax savvy planning – areas that DIY investors can often overlook and can add enormous value to wealth creation over time.

Research from **Russell Investments** showed that an adviser's role as a behavioural coach is responsible for 2.9% of portfolio value alone. By helping their clients remain invested through turbulent markets, advisers stop clients from pulling out of the market when it is volatile, which can lock in losses and lead to missing out on any subsequent rallies.

As the following graph shows, missing out on the best ten days of good performance over the previous two years can have a detrimental effect on a portfolio.

Difficulty of market timing: the investment impact of missing best market days

10 years ending 31 August 2022

Source: Russell Investments

Overcoming procrastination

62% of Gen X women said a change in financial circumstance like a big pay rise, receiving an inheritance or windfall would make them want to seek financial advice and 21% of Australian women aged 50-64 think it's simply too late in life to bother planning for a comfortable retirement.

While a change in financial circumstance like a big pay rise, receiving an inheritance or windfall is a good time to seek financial advice, you really only need your existing income, assets and superannuation to get started.

'Doing nothing' has a financial cost. Every year you don't fix your finances, you are costing yourself money. Over your lifetime, that could easily cost you six figures – or more.

While it's true that starting early can lead to better financial outcomes, it's never too late to seek financial advice. Financial advisers can help individuals develop strategies to improve their financial situation, regardless of their age or income level.

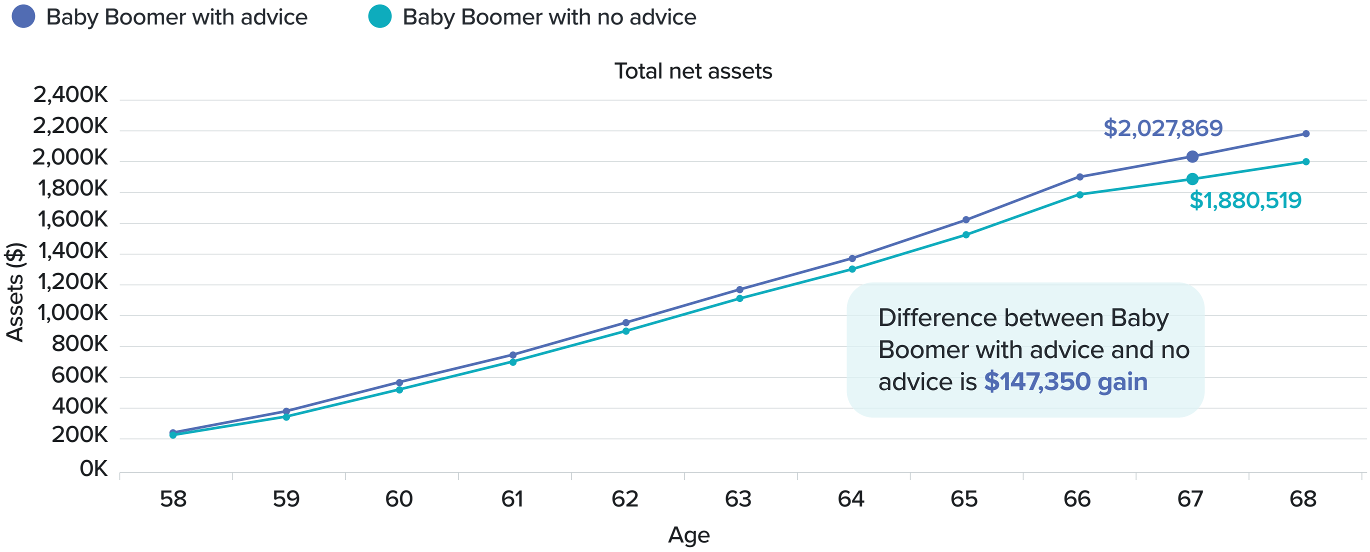
Through financial modelling, we've ascertained that **even if you're less than ten years away from retirement, you can still benefit from financial advice** but that the gains increase the earlier you start.

If you're a Baby Boomer:

Let's say you are a 57-year-old earning $150,000 per annum with a partner who earns the same. You have a super balance of $286,00 and your other half has a super balance of $210,000 (taken from the BT average super for a 49-year-old).

If you began receiving financial advice today, our financial modelling shows that you could stand to increase your net assets by 8% or just under $148,000 with financial advice by the time you reach 67 years of age – and that's in only ten years.

Baby Boomer with advice compared to no advice

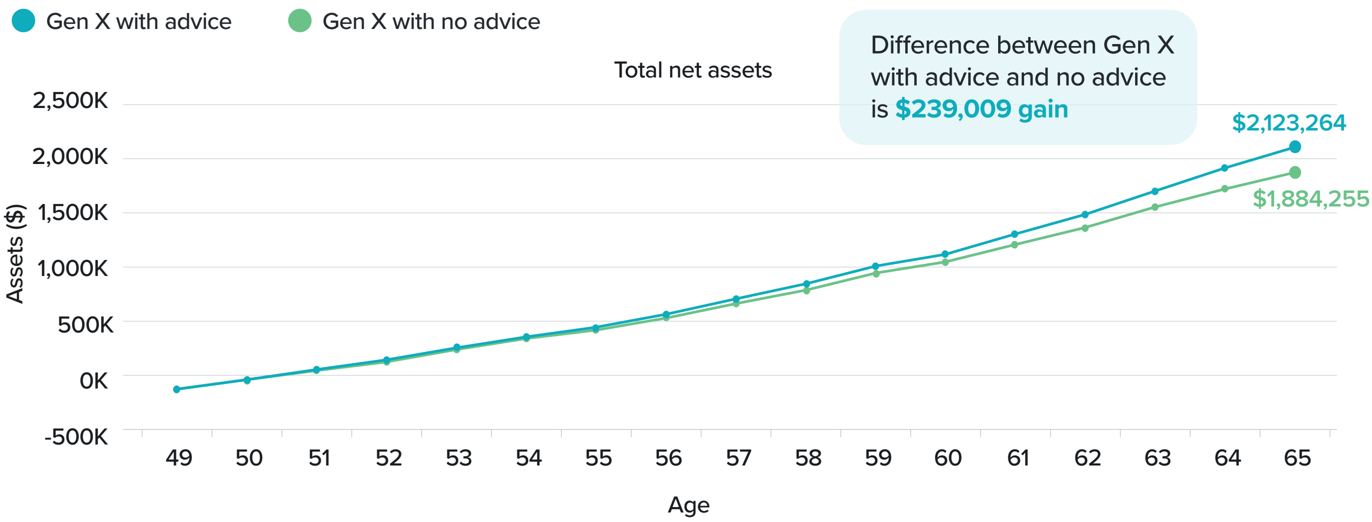


If you're a Gen X:

What about if you're in your late 40s? Our financial modelling, based on the assumption that you are a 49-year-old male, part of a couple, and have a super balance of $215,000.

Between now and the age of 65, you could potentially grow your net assets by 13% or close to $240,000 with financial advice.

Gen X with advice compared to no advice



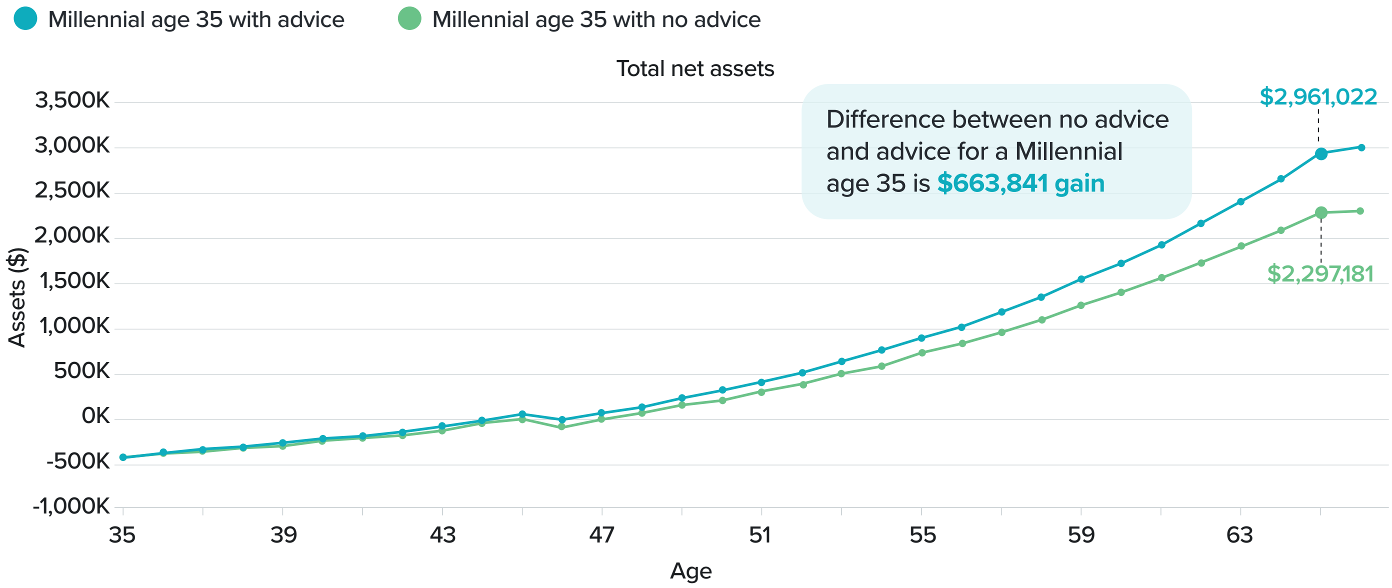
Projections are based on assumptions, which can be found in the appendix.

If you're a Millennial:

If you're aged 35 with an income of $100,000 per annum, and have a super balance of $50,000, there's an even bigger potential to increase your net assets through ongoing financial advice.

Our financial modelling illustrates that if you receive financial advice from the age of 35 you may reach age 65 with approximately $664,000 more than had you not sought any financial advice.

Millennial with advice from age 35 compared to no advice



Projections are based on assumptions, which can be found in the appendix.

Conclusion

'Doing nothing' is costing Australians millions of dollars in retirement. And whether it's confidence levels, cost, misplaced perceptions or procrastination stopping them from seeking financial advice, every year that finances are left unattended, Australians are losing six figures or more over their lifetime - regardless of demographic or gender.

While the cost of financial advice is a concern for many, it is important to consider the long-term benefits of seeking professional advice. Through financial modelling, we have shown that whether you're ten years away from retirement age or 30 years away, the gains of receiving financial advice outweigh the fees. If you could be six figures better off by the time you retire through the benefits of professional, tailored advice suited to your own personal needs, why wouldn't you take the plunge? That could be the difference between enjoying the freedom of a comfortable retirement or having to work a few years more and delaying your retirement until your late 60s or early 70s.

While there are multiple research papers quantifying the benefits of financial advice, our research suggests that we need to stop Australians viewing financial planning as a transactional relationship. Instead, we need to help them understand that seeking professional financial advice to shape their financial future is just good life hygiene, like getting a check-up at the doctors. The benefits that can be gained from receiving financial advice range from between 8% to 29% depending on how old you are when you start and critically, women and Millennials stand to gain the most.

To help Australians unlock their full potential to build wealth for retirement, we need to address the concerns around cost and value head on. Tailored pricing structures, and transparency around pricing, are critical to help build trust and ensure that clients feel like they are getting value for their money.

Almost 30% of Australians are willing to pay less than $500 per annum for ongoing financial services, and only 8% are willing to pay more than $3,000 per annum. Offering tiered services that cater to different budget ranges and provide a clear breakdown of the fees and services included in each package could help clients start to understand the benefits of advice at lower price points.

Clients also need to understand the different methods they can use to fund financial advice. Findex has a **Family Pricing Model** to help clear the barriers to entry for younger people and support the entire family along every stage of their financial journey. Ongoing fees are aggregated based on the family's total business dealings, not one individual contributor, which means younger generations can benefit from lower fees and start forming trusted relationships with advisers early on.

Many people don't know they can use their superannuation to fund financial advice. So long as the advice received pertains to their super benefits, including the insurance and investment choices contained within, this can be funded from superannuation, with the exception of MySuper accounts.

When it comes to women, we need to pay special attention to the unique challenges they face in achieving financial security.

Women are the least confident about having the resources needed for retirement, and the least likely to have sought professional financial advice, despite the significant role that strategic financial advice can play in helping them take control of their retirement and overcome factors like the gender pay gap, time out of the workforce to care for children, and the potential impact of divorce or separation.

Financial modelling is a powerful tool that can help challenge misconceptions around cost and value of financial advice. Our modelling shows that a Gen X woman, who earns $100,000 and above and seeks advice at the age of 50, stands to be $192,000 better off in retirement by seeking financial advice. When women act even earlier and get advice in their mid-30s, this could potentially deliver $664,000 more at retirement age.

By working with women and showing them that getting financial advice is well within the realm of possibility, regardless of their marital status or income, and by communicating this value through visual and more relatable mediums, women can better assess their financial situation and identify areas where they can make adjustments to counter the additional challenges they face and meet their long-term financial goals.

Millennials, who own less than 5% of the national wealth in Australia and face a unique set of headwinds, including wage stagnation, higher education costs, underemployment, and more debt, are relying on DIY investing. While it may seem like a cost-effective option in the short term, it comes with hidden costs, such as the risk of making expensive mistakes, which can lead to significant financial losses over time.

Many Millennials may not be aware of the long-term benefits of professional financial advice. We can help bridge this knowledge gap by creating engaging content that educates them about the importance of planning for their financial futures, such as videos, **podcasts** or blogs, and proactively reaching out to younger audiences as Findex does through its Young Money events and community sponsorships.

Depending on the stage of life and circumstances of the individual, financial advice doesn't have to have all the bells and whistles or cost the earth to be effective and have a significant impact on retirement outcomes. The earlier people start benefiting from sound financial advice, the greater the impact this will have on their financial future.

And despite what many people think, financial advice is affordable for many Australians who assume they don't earn enough to warrant it.

Findex is working to change this narrative, so Australians of all ages and demographics can take control of their financial futures. **Through tailored pricing structures, regional presence, knowledge sharing, and powerful financial modelling tools, we aim to break down the barriers that prevent people from seeking financial advice and help them understand the long-term benefits that come with it.** Until we do, it will continue undermining every generation's ability to achieve the retirement they want to.

Sources

https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/selected-living-cost-indexes-australia/dec-2022

https://futurework.org.au/wp-content/uploads/sites/2/2023/03/Centre-for-Future-Work-Gender-Pay-Gap-WEB.pdf

https://russellinvestments.com/au/financial-advisers/your-business/business-solutions/value-of-an-adviser#form-1

https://fsc.org.au/resources/2098-future-of-advice-report/file

http://aeconf.com/Articles/May2019/aef200115.pdf

https://www.ardata.com.au/wp-content/uploads/2022/05/AFALandscape2022-AB_R2.pdf

https://insights.findex.com.au/managing-wealth-report-2022/

https://mccrindle.com.au/article/australias-income-and-wealth-distribution/

https://download.asic.gov.au/media/z1nj5m5e/rep735-published-11-august-2022.pdf

https://institutional.vanguard.com/iam/pdf/ISGBVOA.pdf

Research methodology

This survey has been conducted using an online interview administered to members of the YouGov Plc Australian panel of 71,000+ individuals who have agreed to take part in surveys. Emails are sent to panellists selected at random from the base sample. The e-mail invites them to take part in a survey and provides a generic survey link. Once a panel member clicks on the link they are sent to the survey that they are most required for, according to the sample definition and quotas. (The sample definition could be “adult population” or a subset such as “adult females”). Invitations to surveys don’t expire and respondents can be sent to any available survey. The responding sample is weighted to the profile of the sample definition to provide a representative reporting sample. The profile is normally derived from census data or, if not available from the census, from industry accepted data.

YouGov plc make every effort to provide representative information. All results are based on a sample and are therefore subject to statistical errors normally associated with sample-based information.

Appendix

Survey data

Q1. Confidence will have financial resources for a comfortable retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	1020	475	545	367	354	299	286	531	203
Very confident	16%	23%	8%	21%	21%	5%	22%	17%	5%
Confident	22%	24%	20%	18%	22%	26%	18%	22%	26%
Neither confident nor unconfident	20%	19%	22%	24%	18%	18%	26%	19%	17%
Unconfident	20%	15%	24%	17%	19%	23%	16%	20%	23%
Very unconfident	20%	17%	23%	16%	18%	26%	14%	19%	29%
Don't know	3%	2%	3%	3%	2%	3%	4%	3%	0%
Net: Confident	**37%**	**47%**	**28%**	**39%**	**43%**	**30%**	**39%**	**39%**	**31%**
Net: Unconfident	**40%**	**32%**	**47%**	**33%**	**37%**	**49%**	**31%**	**39%**	**52%**

Q2. Understanding of what financial resources would need for a comfortable retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	1020	475	545	367	354	299	286	531	203
Very good	18%	22%	14%	20%	19%	14%	21%	17%	16%
Good	34%	39%	30%	28%	36%	39%	25%	38%	38%
Neither good nor poor	25%	23%	28%	28%	24%	24%	32%	23%	21%
Poor	15%	11%	18%	16%	12%	17%	14%	13%	20%
Very poor	7%	4%	9%	6%	8%	6%	7%	7%	5%
Don't know	1%	1%	1%	1%	1%	2%	2%	2%	0%
Net: Good	**52%**	**61%**	**44%**	**48%**	**56%**	**52%**	**46%**	**55%**	**54%**
Net: Poor	**21%**	**15%**	**27%**	**22%**	**20%**	**22%**	**20%**	**20%**	**24%**

Q3. Ways think obtaining professional financial advice could benefit you in retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	1020	475	545	367	354	299	286	531	203
Understanding how much I/we need to retire	39%	36%	41%	41%	41%	34%	42%	41%	30%
Understanding what I/we can change now to help achieve my/our ideal retirement in the future	31%	30%	31%	34%	32%	26%	32%	33%	24%
Confidence that I'm/we're on the right track	30%	30%	30%	32%	31%	27%	33%	30%	27%
Learning about the options that are available to me/us in retirement	40%	37%	42%	38%	39%	42%	41%	39%	41%
Whether I am/we are likely to be eligible for an Age Pension	30%	27%	33%	27%	31%	33%	28%	30%	33%
Whether my/our family will be okay financially when I/we pass away	22%	23%	21%	29%	23%	14%	29%	22%	13%
Making the most use of my/our superannuation	44%	43%	44%	47%	38%	46%	47%	41%	45%
Building my/our investment portfolio	25%	28%	21%	30%	27%	17%	30%	27%	12%
Impartial advice to help me/us make rational financial decisions and choices	30%	31%	30%	32%	29%	30%	31%	30%	30%
Understanding how I/we can help my/our children get a head start	17%	18%	17%	24%	19%	9%	24%	18%	8%
Other	1%	1%	1%	0%	2%	1%	-	1%	1%
Not applicable - I do not think obtaining professional financial advice would have any benefits for me in retirement	**18%**	**15%**	**21%**	**11%**	**18%**	**25%**	**11%**	**17%**	**29%**
Net: Believe obtaining professional financial advice could benefit them in retirement	**82%**	**85%**	**79%**	**89%**	**82%**	**75%**	**89%**	**83%**	**71%**

Q3_rb. Ways think obtaining professional financial advice could benefit you in retirement (Rebased)

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	840	404	436	325	292	223	254	442	144
Understanding how much I/we need to retire	47%	43%	52%	47%	50%	45%	47%	50%	43%
Understanding what I/we can change now to help achieve my/our ideal retirement in the future	37%	35%	40%	38%	39%	35%	36%	40%	33%
Confidence that I'm/we're on the right track	37%	36%	38%	36%	38%	37%	37%	36%	38%
Learning about the options that are available to me/us in retirement	48%	44%	53%	43%	47%	56%	46%	46%	57%
Whether I am/we are likely to be eligible for an Age Pension	37%	32%	42%	30%	38%	44%	31%	36%	47%
Whether my/our family will be okay financially when I/we pass away	27%	27%	27%	33%	28%	19%	33%	27%	18%
Making the most use of my/our superannuation	53%	51%	56%	53%	46%	61%	53%	49%	63%
Building my/our investment portfolio	30%	33%	26%	34%	32%	22%	34%	33%	16%
Impartial advice to help me/us make rational financial decisions and choices	37%	36%	38%	36%	35%	40%	35%	36%	42%
Understanding how I/we can help my/our children get a head start	21%	21%	21%	27%	23%	13%	27%	21%	12%
Other	1%	2%	1%	0%	2%	1%	-	2%	1%

Q4. Ever sought professional financial advice to help you plan for retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	1020	475	545	367	354	299	286	531	203
Yes	30%	37%	24%	30%	28%	32%	30%	29%	32%
No	70%	63%	76%	70%	72%	68%	70%	71%	68%

Q5. Reasons why have never sought professional financial advice to help plan for retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	718	298	420	260	253	205	203	376	139
I find thinking about retirement overwhelming	14%	14%	14%	18%	13%	9%	20%	13%	9%
I look after my own financial affairs	24%	27%	21%	21%	24%	27%	20%	25%	25%
I'm worried about the cost of advice	33%	32%	34%	37%	31%	30%	37%	31%	33%
It's too late in life to make a difference	13%	13%	13%	9%	9%	22%	8%	11%	26%
I don't earn enough to make financial advice worthwhile	30%	28%	32%	29%	28%	34%	30%	28%	36%
I just haven't gotten around to it	19%	19%	20%	24%	18%	16%	21%	20%	15%
I don't trust financial advisers	16%	23%	11%	14%	18%	17%	14%	16%	20%
I've never thought about it	17%	13%	20%	20%	14%	16%	22%	15%	14%
There aren't any financial advisers near to where I live or work	3%	4%	3%	6%	3%	1%	6%	3%	-
I feel embarrassed about discussing my financial position	11%	10%	12%	15%	11%	7%	14%	12%	6%
I'm not comfortable discussing my finances with someone I don't know	11%	12%	11%	12%	11%	11%	12%	11%	10%
Other	4%	3%	5%	2%	5%	5%	1%	5%	6%

Q6. Likelihood would consider getting professional financial advice to help plan for retirement in the future

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	718	298	420	260	253	205	203	376	139
Very likely	12%	14%	10%	14%	15%	5%	14%	13%	6%
Likely	22%	23%	20%	30%	19%	15%	31%	21%	13%
Neither likely nor unlikely	27%	23%	30%	28%	28%	26%	29%	27%	26%
Unlikely	15%	16%	15%	13%	14%	19%	13%	15%	18%
Very unlikely	19%	19%	19%	11%	20%	27%	10%	19%	31%
Don't know	5%	5%	5%	4%	4%	7%	4%	5%	6%
Net: Likely	**33%**	**37%**	**31%**	**44%**	**35%**	**21%**	**45%**	**34%**	**19%**
Net: Unlikely	**34%**	**34%**	**34%**	**24%**	**34%**	**47%**	**22%**	**34%**	**49%**

Q7. What would need to change to make you want to seek professional financial advice for retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	242	102	140	61	85	96	45	128	69
A change in financial circumstance like a big pay rise, receiving an inheritance or windfall	26%	25%	26%	24%	26%	26%	29%*	25%	25%
Family breakdown	2%	2%	2%	2%	1%	3%	3%*	1%	4%
Family changes like having children or my children leaving home	1%	2%	-	3%	-	-	5%*	-	-
A recommendation of a good financial adviser from someone I know	5%	4%	7%	3%	6%	6%	5%*	6%	5%
Better understanding of how professional financial advice will benefit me	8%	9%	7%	9%	2%	12%	12%*	6%	9%
Downsizing my/our current property	0%	1%	-	2%	-	-	3%*	-	-
More free time	7%	6%	7%	16%	5%	3%	11%*	9%	1%
Access to more affordable advice	23%	18%	28%	34%	15%	24%	32%*	21%	23%
Health concerns/change in health situation	5%	2%	8%	7%	5%	5%	6%*	4%	7%
External factors such as rising costs and interest rates	5%	6%	5%	12%	6%	1%	14%*	5%	-
Other	4%	5%	3%	2%	2%	6%	2%*	3%	6%
Not applicable - nothing would make me want to seek professional financial advice	35%	37%	33%	22%	47%	33%	21%*	40%	34%

** Percentages calculated on bases fewer than 50 respondents so do not represent a wide enough cross-section of the target population to be considered statistically reliable.*

Q7_rb. What would need to change to make you want to seek professional financial advice for retirement (Rebased)

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	157	63	94	48	45	64	36	76	45
A change in financial circumstance like a big pay rise, receiving an inheritance or windfall	39%	40%	39%	31%*	50%*	38%	36%*	42%	38%*
Family breakdown	3%	3%	3%	2%*	2%*	4%	3%*	1%	6%*
Family changes like having children or my children leaving home	1%	3%	-	4%*	-*	-	6%*	-	-*
A recommendation of a good financial adviser from someone I know	8%	6%	10%	4%*	11%*	9%	6%*	9%	8%*
Better understanding of how professional financial advice will benefit me	12%	14%	11%	11%*	4%*	18%	15%*	10%	13%*
Downsizing my/our current property	1%	2%	-	2%*	-*	-	3%*	-	-*
More free time	10%	9%	11%	20%*	9%*	5%	13%*	15%	2%*
Access to more affordable advice	36%	29%	41%	43%*	29%*	36%	41%*	34%	35%*
Health concerns/change in health situation	8%	3%	12%	9%*	9%*	7%	7%*	7%	11%*
External factors such as rising costs and interest rates	8%	9%	7%	15%*	11%*	1%	18%*	9%	-*
Other	6%	8%	5%	2%*	4%*	9%	3%*	5%	9%*
Not applicable - nothing would make me want to seek professional financial advice	35%	37%	33%	22%	47%	33%	21%*	40%	34%

** Percentages calculated on bases fewer than 50 respondents so do not represent a wide enough cross-section of the target population to be considered statistically reliable.*

Q8. What motivated you to seek professional financial advice to help you plan for retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	302	177	125	107	101	94	83	155	64
I've got ambitious goals for my retirement, and I wanted to make sure I achieve them	15%	18%	12%	17%	16%	13%	14%	18%	13%
I wanted peace of mind that I will have enough financial resources to retire comfortably	45%	42%	48%	39%	42%	53%	36%	47%	50%
Encouragement from my family/ partner	18%	22%	12%	21%	24%	11%	24%	18%	12%
It was offered to me as part of my work or by another group	19%	22%	15%	19%	22%	17%	18%	23%	14%
I already use a financial planner for my business or personal life	19%	21%	17%	25%	21%	12%	23%	21%	11%
My parents sought financial advice about their retirement, and it really helped them	13%	15%	10%	16%	18%	7%	18%	13%	8%
Encouragement from friends or acquaintances	17%	22%	10%	26%	20%	7%	25%	19%	6%
Concerns about my/my family's future	23%	21%	26%	30%	18%	20%	33%	21%	15%
Concerns about rising costs and interest rates	25%	25%	24%	28%	22%	24%	32%	18%	29%
Other	5%	4%	6%	1%	7%	7%	1%	5%	8%

Q9. How long ago last received professional financial advice about retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	302	177	125	107	101	94	83	155	64
Within the last 12 months	38%	35%	43%	36%	44%	34%	34%	41%	36%
1-2 years ago	26%	27%	24%	39%	24%	15%	43%	23%	12%
More than 2 and up to 5 years ago	17%	17%	17%	13%	17%	21%	14%	17%	21%
More than 5 years ago	19%	22%	16%	12%	15%	31%	9%	19%	31%

Q10. How satisfied are you with the financial advice you received?

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	302	177	125	107	101	94	83	155	64
Very satisfied	38%	44%	28%	39%	50%	25%	39%	41%	29%
Satisfied	32%	30%	34%	33%	28%	34%	33%	30%	34%
Neither satisfied nor dissatisfied	19%	16%	23%	20%	9%	25%	22%	14%	24%
Dissatisfied	4%	2%	8%	4%	4%	5%	2%	6%	4%
Very dissatisfied	6%	7%	5%	3%	7%	8%	3%	8%	6%
Don't know	2%	1%	2%	1%	2%	2%	1%	2%	2%
Net: Satisfied	**69%**	**74%**	**62%**	**72%**	**78%**	**59%**	**72%**	**71%**	**64%**
Net: Dissatisfied	**10%**	**9%**	**13%**	**7%**	**11%**	**13%**	**5%**	**14%**	**10%**

Q11. Benefits have experienced as a result of the professional financial advice received to help plan retirement

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	302	177	125	107	101	94	83	155	64
Lower debt	15%	18%	12%	17%	17%	12%	17%	16%	12%
Better performing investments	38%	39%	37%	46%	40%	29%	51%	36%	28%
A better understanding of my financial performance	38%	38%	39%	41%	44%	30%	42%	43%	23%
A clear and achievable financial plan	33%	35%	32%	31%	35%	34%	33%	34%	33%
Greater wealth	25%	29%	18%	31%	28%	15%	30%	24%	19%
Higher disposable income	16%	19%	10%	19%	19%	9%	20%	15%	11%
I will be able to retire earlier	13%	12%	13%	13%	16%	10%	13%	15%	8%
Greater confidence in my financial future	39%	38%	40%	41%	40%	36%	40%	41%	33%
Better positioned to help my family and/or friends	16%	20%	11%	23%	18%	8%	25%	14%	10%
Able to live the lifestyle I/we want	27%	29%	23%	28%	25%	28%	28%	26%	28%
Other	1%	1%	2%	-	3%	1%	-	2%	2%
Not applicable - I have not received any benefits as a result of the financial advice I received about my retirement	**17%**	**12%**	**24%**	**13%**	**8%**	**28%**	**11%**	**13%**	**30%**
Net: Received benefits as a result of the professional financial advice they received to help plan their retirement	**83%**	**88%**	**76%**	**87%**	**92%**	**72%**	**89%**	**87%**	**70%**

Q11_rb. Benefits have experienced as a result of the professional financial advice received to help plan retirement (Rebased)

	Total	Gender		Age group			Generation (recorded)		
		Male	Female	35 to 44	45 to 54	55 to 65	Millennials (1981 - 1996)	Gen X (1965 - 1980)	Baby Boomer (1946 - 1964)
Unweighted base	253	157	96	92	93	68	73	135	45
Lower debt	18%	20%	16%	20%	18%	16%	19%	18%	18%
Better performing investments	46%	44%	49%	53%	43%	40%	58%	41%	40%
A better understanding of my financial performance	46%	43%	51%	47%	48%	42%	47%	50%	33%
A clear and achievable financial plan	40%	39%	42%	36%	38%	48%	37%	39%	48%
Greater wealth	30%	33%	24%	35%	31%	21%	34%	28%	27%
Higher disposable income	19%	22%	13%	22%	21%	12%	23%	17%	16%
I will be able to retire earlier	15%	14%	17%	15%	17%	13%	15%	17%	11%
Greater confidence in my financial future	47%	44%	52%	47%	43%	51%	45%	47%	47%
Better positioned to help my family and/or friends	19%	22%	14%	27%	19%	11%	28%	17%	14%
Able to live the lifestyle I/we want	32%	33%	31%	32%	27%	39%	32%	30%	41%
Other	2%	1%	3%	-	3%	2%	-	2%	2%

Appendix 2

Financial modelling data Retirement outcomes for women

Assumptions: Woman aged 50 with no advice

- Part of a couple;
- Income $100K p.a.
- Retirement Age 65
- **Spending*:**
  - $35K p.a. costs of living
  - $10K holidays every 2nd yr
  - $20K reno's every 5 yrs;
  - $100K large renos every 10 years
- CPI – 1.5% p.a.
- Debt $300K, Interest rate 5% p.a., 30 Yr Mortgage - P&I (Principal & Interest)
- SGC 10.5% p.a.
- Working Cash - $50K
- Super balance - $300K
- Risk Profile – Balanced (5.57% p.a.)
- Surplus/Deficit cashflow allocation to/from non-deductible debt and then cash;
- No Advice Fees

Assumptions: Woman aged 50 with advice

- Part of a couple;
- Income $100K p.a.
- Retirement Age 65
- **Spending*:**
  - $35K p.a. costs of living
  - $10K holidays every 2nd yr
  - $20K reno's every 5 yrs;
  - $100K large renos every 10 years
- CPI – 1.5% p.a.
- Debt $300K, Interest rate 5% p.a., 30 Yr Mortgage
- SGC 10.5% p.a.
- Working Cash - $50K
- Super balance - $300K
- Risk Profile – Growth Plus (6.88% p.a.)
- Salary Sacrifice up to Max CC limit from start.
- Surplus cashflow allocation to non-deductible debt, then personal NCC's to super
- Deficit cashflow allocation from non-deductible debt.
- Advice fee 0.8% p.a.

** Expenses are a half share as the individual is part of a couple.*

Assumptions: Woman aged 35 with advice

- Part of a couple;
- Income $100K p.a.
- Retirement Age 65
- **Spending*:**
  - $35K p.a. costs of living
  - $10K holidays every 2nd yr
  - $20K reno's every 5 yrs;
  - $100K large renos every 10 years until age 55
- CPI – 1.5% p.a.
- Debt $500K, Interest Rate 5%. P&I (Principal & Interest), 30 Yr mortgage.
- SGC 10.5% p.a.
- Super balance - $50K
- Risk Profile – Growth Plus (6.88% p.a.)
- Working Cash - $20K
- Surplus cashflow allocation to non-deductible debt, then personal NCC's to super
- Deficit cashflow allocation from non-deductible debt.
- Advice fee 0.8% p.a.

Assumptions: Woman aged 35 with no advice

- Part of a couple;
- Income $100K p.a.
- Retirement Age 65

Spending*:
  - $35K p.a. costs of living
  - $10K holidays every 2nd yr
  - $20K reno's every 5 yrs;
  - $100K large renos every 10 years until age 55;
- CPI – 1.5% p.a.
- Debt $500K, Interest rate 5% p.a., 30 Yr Mortgage - P&I;
- SGC 10.5% p.a.
- Risk Profile – Balanced (5.88% p.a.)
- Super balance - $50K
- Working Cash - $20K
- Using max concessional cont limit – No;
- Surplus/Deficit cashflow allocation to/from non-deductible debt and then cash;
- Nil advice fee.

Assumptions: Baby Boomer with advice

- Couple – Age 58 & 56
- Retirement Age 65
- **Spending:**
  - $100K p.a. costs of living
  - $10K holidays every 2nd yr
  - $40K reno's every 5 yrs;
- CPI – 1.5% p.a.
- Peter Income $150K p.a.
- Faye Income $150K p.a.
- Debt $300K, Interest rate 5% p.a., 30 Yr Mortgage - P&I
- SGC 10.5% p.a.
- Both Salary Sacrificing up to maximum CC limit;
- Risk Profile – Growth (6.22% p.a.)
- Both making catch-up concessional contributions from 2018/19;
- Super balances - $286K (Peter) & $210K (Faye) (taken from BT average super for a 55-59 yo - **https://www.bt.com.au/personal/your-finances/retirement/how-much-super-at-my-age.html**)
- Surplus cashflow allocation to non-deductible debt, then personal NCC's to super
- Deficit cashflow allocation from non-deductible debt.
- Advice Fee – 0.8% p.a. across both Super accounts.

Assumptions: Baby Boomer with no advice

- Couple – Age 58 & 56
- Retirement Age 65
- **Spending:**
  - $100K p.a. costs of living
  - $10K holidays every 2nd yr
  - $40K reno's every 5 yrs;
- CPI – 1.5% p.a.
- Peter Income $150K p.a.
- Faye Income $150K p.a.
- Debt $300K, Interest rate 5% p.a., 30 Yr Mortgage - P&I
- SGC 10.5% p.a.
- Using max concessional cont limit – No;
- Risk Profile – Balanced (5.88% p.a.)
- Super balances - $286K (Peter) & $210K (Faye) (taken from BT average super for a 55-59 yo - **https://www.bt.com.au/personal/your-finances/retirement/how-much-super-at-my-age.html**)
- Surplus cashflow allocation to non-deductible debt, then working cash
- Deficit cashflow allocation from non-deductible debt.

Assumptions: Gen X with advice

- Part of a couple;
- Retirement Age 65
- **Spending:**
  - $70K p.a. costs of living
  - $15K holidays every 2nd yr
  - $40K reno's every 5 yrs;
- CPI – 1.5% p.a.
- Income $200K p.a.
- Debt $400K, Interest rate 5% p.a., 30 Yr Mortgage - P&I
- SGC 10.5% p.a.
- Salary Sacrificing up to Max CC limit from start;
- Risk Profile – High Growth (6.49% p.a.)
- Kevin making catch up concessional contributions from 2018/19
- Super balance - $215K (taken from BT average super for a 49 yo - **https://www.bt.com.au/personal/your-finances/retirement/how-much-super-at-my-age.html**)
- Surplus cashflow allocation to non-deductible debt, then personal NCC's to super
- Deficit cashflow allocation from non-deductible debt.
- Advice fee 0.8% p.a.

Assumptions: Gen X with no advice

- Part of a couple;
- Retirement Age 65
- **Spending:**
  - $70K p.a. costs of living
  - $15K holidays every 2nd yr
  - $40K reno's every 5 yrs;
- CPI – 1.5% p.a.
- Income $200K p.a.
- Working Cash - $50K
- Debt $400K, Interest rate 5% p.a., 30 Yr Mortgage - P&I
- SGC 10.5% p.a.
- Using max concessional cont limit – No;
- Risk Profile – Balanced (5.88% p.a.)
- Super balance - $215K (taken from BT average super for a 49 yo - **https://www.bt.com.au/personal/your-finances/retirement/how-much-super-at-my-age.html**)
- Surplus cashflow allocation to non-deductible debt, then working cash
- Deficit cashflow allocation from non-deductible debt.

Overcoming procrastination

Assumptions: Millennial with advice

- Part of a couple;
- Income $100K p.a.
- Retirement Age 65
- **Spending:**
  - $35K p.a. costs of living
  - $10K holidays every 2nd yr
  - $20K reno's every 5 yrs;
  - $100K large renos every 10 years until age 55
- CPI – 1.5% p.a.
- Debt $500K, Interest rate 5% p.a., 30 Yr Mortgage - P&I
- SGC 10.5% p.a.
- Super balance - $50K
- Risk Profile – Growth Plus (6.88% p.a.)
- Working Cash - $20K
- Surplus cashflow allocation to non-deductible debt, then personal NCC's to super
- Deficit cashflow allocation from non-deductible debt.
- Advice fee 0.8% p.a.

Assumptions: Millennial with no advice

- Part of a couple;
- Income $100K p.a.
- Retirement Age 65
- **Spending:**
  - $35K p.a. costs of living
  - $10K holidays every 2nd yr
  - $20K reno's every 5 yrs;
  - $100K large renos every 10 years until age 55;
- CPI – 1.5% p.a.
- Debt $500K, Interest rate 5% p.a., 30 Yr Mortgage - P&I
- SGC 10.5% p.a.
- Risk Profile – Balanced (5.88% p.a.)
- Super balance - $50K
- Working Cash - $20K
- Using max concessional cont limit – No;
- Surplus/Deficit cashflow allocation to/from non-deductible debt and then cash;
- Nil advice fee.

FINDEX

This document has been prepared by Findex Advice Services Pty Ltd ABN 88 090 684 521 AFSL 243253. While all reasonable care is taken in the preparation of the material in this document, to the extent allowed by legislation Findex Advice Services accept no liability whatsoever for reliance on it.

The information contained is of a general nature only and does not take into account your objectives, financial situation or needs. You should consider whether the information is suitable for you and your personal circumstances. Before you make any decisions in relations to a financial product, you should obtain and read the relevant Product Disclosure Statement or information statement. You should seek professional financial advice before acting on any material.

All information, opinions, conclusions, forecasts or recommendations are current at the time of compilation but are subject to change without notice. The returns represent past performance only and are not indicative of future performance. The value of an investment may rise or fall with changes in the market. Past performance is not a reliable indicator of future performance. Future results are impossible to predict. This report includes opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. In preparing this document, reliance may have been placed, without independent verification, on the accuracy and completeness of information available from external sources. Findex Advice Services assumes no obligation to update this content after it has been issued.

22 May 2023

findex.com.au