

Alarm as boomers not ready to retire

SOPHIE ELSWORTH

BABY boomers feel financially underprepared for retirement as alarming new figures show 86 per cent are not ready.

New results released today by REST Industry Super found just one in seven baby boomers believe their finances are in order to enable them to successfully retire.

The research in *The Journey Begins* white paper found 51 per cent of baby boomers are slightly prepared once they leave the workforce and 35 per cent are completely underprepared.

REST chief executive officer Damian Hill said the results showed that baby boomers were not "financially nor psychologically ready for retirement".

"There's a worryingly low understanding among baby boomers about the cost of funding retirement," he said.

"Almost half believe they won't have to give anything up come retirement due to financial constraints, so there's quite a gap in wants versus actuality there."

The Association of Superannuation Funds of Australia's latest estimates on funds needed for retirement estimated \$56,236 a year

was needed for a "comfortable lifestyle" for a couple and \$41,090 for a single person.

ASFA's chief executive officer Pauline Vamos said the survey results were a concern.

"A lot of baby boomers are thinking about retirement but for a lot of people it's a question of "where do I start", she said.

"Talk to your fund, talk to your adviser... and people need to think about how much they need in retirement to live on.

"But there's a lot of baby boomers working as hard as they can to build up their nest egg and not thinking about retirement."

The results also found 70 per cent of baby boomers had not sought financial advice when working out a retirement plan.

Superannuation results released yesterday showed positive returns for account holders in 2012.

Research company SuperRatings said last year was a strong year and resulted in balanced funds delivering an impressive 11.7 per cent return.

It was the first double-digit return in a calendar year since 2009.

ChantWest also found similar returns for median growth funds which climbed 12.7 per cent in 2012.

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