



## Media Release

# How much do you need to save for retirement?

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**After an extensive consultation process, new retirement savings targets for homeowners are ready to help Australians get started on their retirement plan.**

“Among the most important financial questions retirement-planning Australians face is how much they need to save and what income those savings will deliver in retirement. These new retirement targets are designed to help people answer these questions. They provide a solid ‘rule of thumb’ for what is needed to maintain your living standards when you’re retired,” says Xavier O’Halloran, Super Consumers Australia Director.

Super Consumers Australia’s consultation engaged consumers, academics, regulators, industry experts and superannuation funds. We received feedback from over 30 organisations and broad support that our targets will be a useful tool to help Australians plan for retirement.

“Our goal is to improve consumer and industry understanding of people’s retirement needs through industry wide adoption of the targets and the underlying assumptions and research.”

“These savings targets are based on what people spend in retirement with a buffer built in to provide confidence that people’s savings can weather the type of market volatility we’re currently experiencing. Having credible targets, based on actual spending, means people can confidently spend and get on with enjoying their retirement.”

“These targets come at a time when the superannuation industry is grappling with the needs of consumers who are approaching retirement. As part of the Retirement Income Covenant, we would expect funds to be using these targets to help members make sense of their retirement income needs.”

This research was supported by a philanthropic grant from Ecstra Foundation. Ecstra is committed to building the financial wellbeing of Australians within a fair financial system.

**[Savings targets below]**

**Image 1:**

**Savings targets for pre-retirees (aged 55-59)**

## Savings targets for pre-retirees (aged 55-59)

If you will own your own home when you retire and you live*	And you'd like to spend about this much in retirement†		Then you need to have saved this much by the time you are 65, on top of your income from the Age Pension
	Per fortnight	Per year	
By yourself	\$1,308 (Low)	\$34,000	\$88,000
	\$1,692 (Medium)	\$44,000	\$301,000
	\$2,115 (High)	\$55,000	\$745,000
In a couple‡	\$1,846 (Low)	\$48,000	\$111,000
	\$2,462 (Medium)	\$64,000	\$402,000
	\$3,115 (High)	\$81,000	\$1,003,000

\*These targets assume you will own your own home outright (or otherwise won't pay rent or a mortgage) when you retire.

†Figures for couples represent the combined spending of two people living together.

‡Spending levels are in today's dollars and have been adjusted for inflation. These levels are based on ABS data about retirees' spending.

**Image 2:**

**Savings targets for current retirees (aged 65-69)**

## Savings targets for current retirees (aged 65-69)

If you will own your own home when you retire and you live*	And you'd like to spend about this much in retirement‡		Then you need to have saved this much by the time you are 65, on top of your income from the Age Pension
	Per fortnight	Per year	
By yourself	\$1,115 (Low)	\$29,000	\$73,000
	\$1,462 (Medium)	\$38,000	\$258,000
	\$1,962 (High)	\$51,000	\$743,000
In a couple†	\$1,615 (Low)	\$42,000	\$95,000
	\$2,154 (Medium)	\$56,000	\$352,000
	\$2,885 (High)	\$75,000	\$1,021,000

\*These targets assume you will own your own home outright (or otherwise won't pay rent or a mortgage) when you retire.

†Figures for couples represent the combined spending of two people living together.

‡Spending levels are in today's dollars and have been adjusted for inflation. These levels are based on ABS data about retirees' spending.

For more information see:

Super Consumers Australia website: <https://www.superconsumers.com.au/retirement-targets>



CHOICE article:

<https://www.choice.com.au/money/financial-planning-and-investing/superannuation/articles/our-new-retirement-standards>

## **ENDS**

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