

Advised Australians better prepared for longer lifespan: Report

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According to new research, a longer life expectancy is triggering a shift in consumer attitudes towards retirement planning, highlighting an increased need for financial advice.

A survey by MetLife revealed that more than half (53 per cent) of Australians hope to live over the age of 100, while 58 per cent of the global population believes this will become commonplace by 2035.

As a result, MetLife said consumers are “shifting their outlook on life stages”, wanting their careers, education, and retirement to be “reimagined” to account for a longer lifespan.

Previous research by the Australian life insurer revealed that half (51 per cent) of Australians don't have a retirement plan, and 69 per cent of those aged 40 to 60 are concerned about outliving their savings.

Notably, when looking at how often Australians check their super account balance, advised consumers and those considered financially proficient were most likely to do so once every one to three months at 50 per cent and 46 per cent, respectively.

Meanwhile, ‘financially unfamiliar’ consumers were the most likely to do so (45 per cent) only once every six months to a year.

These individuals were also the most likely to check their accounts every two years or less, potentially never, with 12 per cent reporting as such.

Advised Australians were also more likely to make additional contributions to their super than their counterparts, with 59 per cent doing so, compared with just 39 per cent of financially unfamiliar consumers.

Furthermore, those with an adviser were more likely to have a firm retirement plan, with 17 per cent, meanwhile 69 per cent of financially unfamiliar consumers had no retirement plan at all.

“This reveals a significant gap, with many Australians needing guidance on how to build a sustainable retirement plan and strategies to manage long-term health and financial risks prior to retirement,” MetLife said.

“Financial advisers play a key role in ensuring individuals take the necessary steps now to secure their financial futures, particularly as they face the challenges of potentially living decades in retirement.”

MetLife Australia’s chief of staff, strategy and external affairs, Wendy Tse, highlighted the heightened value of advisers as Australians prepare for a longer life expectancy.

“A different approach to securing financial health is needed and must consider longer-term horizons that support projected life expectancies,” Tse said.

“Helping members plan ahead of retirement is vital to sustain comfortable lifestyles, coupled with financial advice to ensure the maximisation of retirement outcomes.”

“This is where the Quality of Advice Review and the introduction of a new class of advisers is critical in helping members during this stage of life. Affordability and accessibility to financial advice are essential to ensuring informed decisions about specific retirement needs and removing the fear of running out of savings.”

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