

Young family is \$240,000 better off with financial advice

In a new report by one of Australia's biggest super funds, Sunsuper has found that financial advice could help a young family enjoy more lifestyle choices and be \$240,000 better off at retirement.

Sunsuper commissioned CoreData to conduct research and modelling of milestones and scenarios to better understand the value that financial advice offers Australians throughout their lives and into retirement.

Sunsuper's *Value of Advice Report* ^[1] shows of how financial advice could help Australians fund lifestyle goals, like family holidays, private education and trauma cover.

For example financial advice helped case study one: a 34-year-old Australian couple maximise their money to pay for six additional years of private education for two children, 32 years of trauma cover and a family holiday every year until retirement.

CoreData surveyed more than 1,000 working Australians and found that those who received advice 80% said it gave them more confidence to make financial decisions and 77% said they feel prepared for retirement.

Of those who had not received financial advice 42% said they believe they will rely on the age pension and only 16% said they believed they would have a good standard of living in retirement.

Sunsuper's Head of Advice and Retail Distribution Anne Fuchs said the research validates the value of services financial advisers provide to Australians in helping them achieve their financial goals and retirement dreams.

"Most Australians have a pretty good idea of the lifestyle they want to live now and in retirement. But a lack of financial literacy could be blamed for what people believe they can achieve and what their actual financial situation will be in the future.

"The extensive modelling by CoreData shows in all three case studies of couples at different life stages financial advice improved their current situation and allowed them to take additional holidays - meaning they had the financial freedom to spend money on things they enjoy.

"We also looked at the affordability of trauma cover because we understand that added financial security is important for many families should they become seriously unwell - especially when by 2020 it's estimated that there will be 150,000 new cases of cancer diagnosed in Australia.^[2]

"The modelling found that with advice the couple in their 30s could afford trauma cover for 32 years and the 50-year-old couple could enjoy 10 years of cover.

"We know nearly nine million Australians have unmet financial advice needs ^[3]. So we hope that by better understanding the value of advice, more Australians will get the help they need to achieve their financial goals to have a better lifestyle today and set them up to enjoy their retirement."



CoreData Principal Economic Researcher, Andrew Inwood said modelling milestones and scenarios that most Australians experience helps to realistically define how couples are better off now and in retirement from seeking professional financial advice.

“Good advice does of course make you wealthier at retirement, but it also adds value all the way through your life in the choices you can afford to make about schooling, insurance, holidays, housing and personal interests.

“The important thing to measure is how it adds value to every life stage and enables individuals’ life aspirations - that’s what we have modelled.”

Sunsuper launched the *Value of Advice Report* at the Association of Financial Advisers annual conference on the Gold Coast today and hopes the report assists financial advisers to help more Australians achieve financial wellbeing now and in retirement.

Sunsuper manages more than \$46 billion in funds for more than 1 million members nation-wide.

Additional findings:

CoreData and Sunsuper surveyed those who received financial advice and those who have not, and found of those who received advice:

- 93% are sure they could fund three months out-of-work (compared to 77% never advised)
- 84% always pay off their credit card each month (compared to 60% never advised)
- 75% of Australians believe financial advice is worth more than it costs
- Only 7% of Australians believe they’ll need to rely on the age pension in retirement (compared to 42% never advised)

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1. Download the report www.sunsuper.com.au/valueofadvice

2. Australian Cancer Council <http://www.cancer.org.au/about-cancer/what-is-cancer/facts-and-figures.html>

3. Investment Trends. Financial advice report 2015