



# CSIRO-Monash Superannuation Research Cluster

Cluster Project 3

**BETTER SUPERANNUATION OUTCOMES: INFORMATION, OPTIONS, and  
SHORT-TERM and LONG-TERM MEMBER BEHAVIOUR**

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## Cluster Project 3

BETTER SUPERANNUATION OUTCOMES:  
INFORMATION, OPTIONS, and SHORT-TERM and  
LONG-TERM MEMBER BEHAVIOUR

Stakeholder Advisory Group Meeting

Monday, 16th June 2014



what's  
your  
excuse?



# Outline

- Aim and Motivation
- Structure
- Benefit
- Strength
- Project update
- Timeline

# Aim and Motivation



# Aim and Motivation

Saving Decision is a Key Issue



# Aim and Motivation

The screenshot displays the AMP My super simulator interface. The top left features the AMP logo and the text "My super simulator". The main area is divided into several sections:

- Retirement income:** A section with a plus sign icon and a vertical slider set to 78%.
- Your projected retirement savings:** A bar chart showing three bars representing different market scenarios. The target is \$454,251 or \$25,713 per year.
- Market Scenarios:** Three boxes showing projected savings and annual income for different market conditions:
  - In weak markets:** \$304,415 or \$17,231 per year
  - In average markets:** \$363,112 or \$20,554 per year
  - In strong markets:** \$436,549 or \$24,711 per year
- Inputs:** A sidebar on the right with sliders for:
  - Salary sacrifice contributions: \$5,000
  - Personal contributions: \$0
  - Lump sum contributions: \$0
  - Investment mix: Balanced
  - Retirement age: 65
- Personal Information:** Your age: 32, Annual salary: \$50,000, Current super: \$0.

At the bottom, there is a "Back" button, a "Where to now?" button, and icons for a speaker, help, and book.

# Aim and Motivation

- When
  - When do super fund member make decisions to ...?
- Why
  - Why do they decide to ...?
- What
  - What motivated them to ...?
- How
  - How do the decisions affect them?

# Structure





# Structure: 11 sub projects (SP)

Outcomes:

SP 6, 8

Micro-level Motivations:

SP 3, 5, 6, 7, 9, 11

Macro-level Motivations:

SP 3, 4, 8, 10

Action:

SP 1, 2, 3, 6

# Structure

Action:

SP 1, 2, 3, 6

1. Understanding superannuation contribution decisions: Theory and evidence
2. Understanding retirement savings contribution behaviours: who, when and how much
3. Savings behaviour, the benefits and costs of consultation, and the anticipation of, and response to, the global financial crisis
6. Retirement savings trajectories: An analysis of the experience of fund members

# Structure

Micro-level Motivations:

SP 3, 5, 6,7,9,11

3. Savings behaviour, the benefits and costs of consultation, and the anticipation of, and response to, the global financial crisis
5. Mediators and moderators of retirement savings choices
6. Retirement savings trajectories: An analysis of the experience of fund members
7. Investor behaviour, cognitive ageing and experience
9. Investor learning and sophistication in retirement savings
11. Member engagement and behaviour in retirement savings: Online and helpline advice and information access over time

# Structure

Macro-level Motivations:

SP 3, 4, 8, 10

3. Savings behaviour, the benefits and costs of consultation, and the anticipation of, and response to, the global financial crisis
4. The reactions of super fund members to news about superannuation and retirement
8. Regulatory Arbitrage and the Impact of Government Regulations on Retirement Savings and Retirement Decisions by Australian Super Fund Members
10. The role of housing in retirement savings behaviours

# Structure

Outcomes:

SP 6, 8

6. Retirement savings trajectories: An analysis of the experience of fund members
8. Regulatory Arbitrage and the Impact of Government Regulations on Retirement Savings and Retirement Decisions by Australian Super Fund Members

# Benefit

Outcomes:  
Risk protection  
Education  
...

Micro-level Motivations:  
Product design  
Engagement  
Education programs / Marketing  
...

Macro-level Motivations:  
Policy design  
Member engagement  
Fund Management  
...

Action:  
Understanding of market, trend and important components of retirement  
saving planning  
..

# Strength

- Comprehensive Data set:
  - Over **489,000** member details
  - Include **181** sub plans
  - Cover **10** years (2002/03 – 2011/12)
  - A wide range of information:
    - transaction on contributions
    - record of investment strategy and changes
    - cost and rollins/rollovers
    - insurance and beneficiaries
    - phone and internet interactions

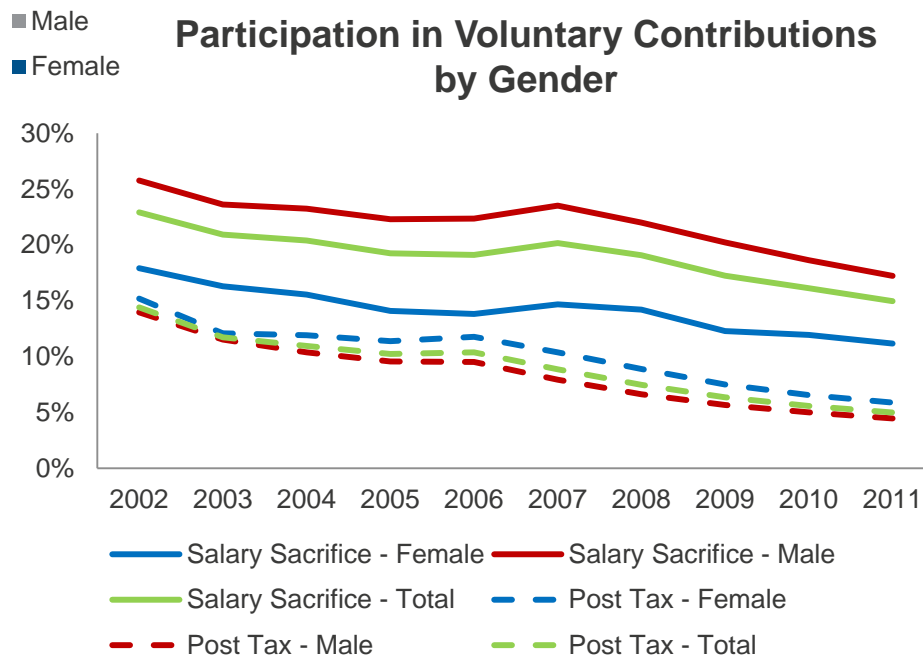
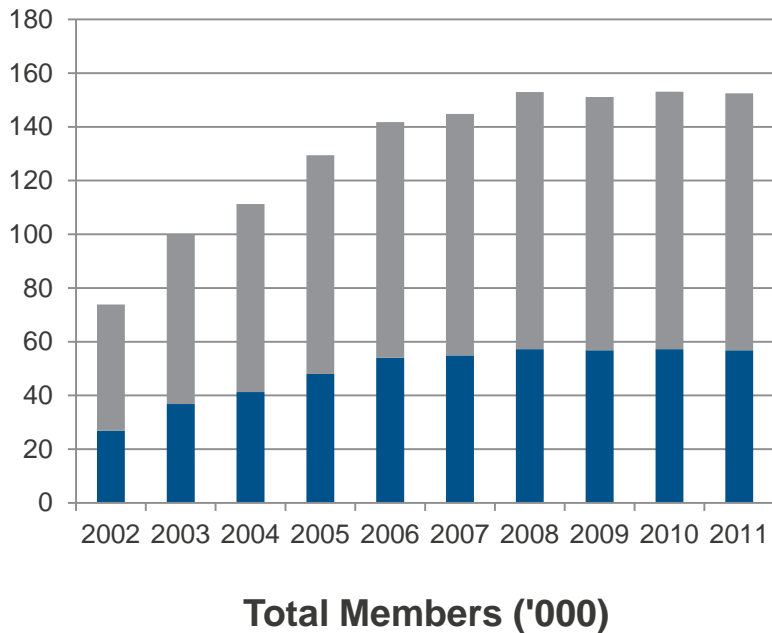


# Strength

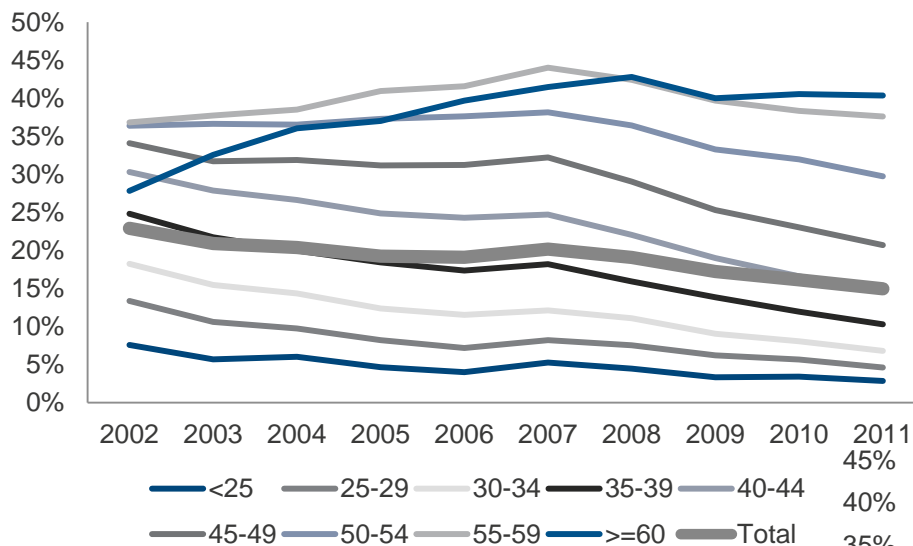
- Various expertise in the team:
  - Superannuation
  - Finance
  - Accounting
  - Economics / Econometrics
  - Psychology
- Data support from Mercer



# Sneak peek at the results

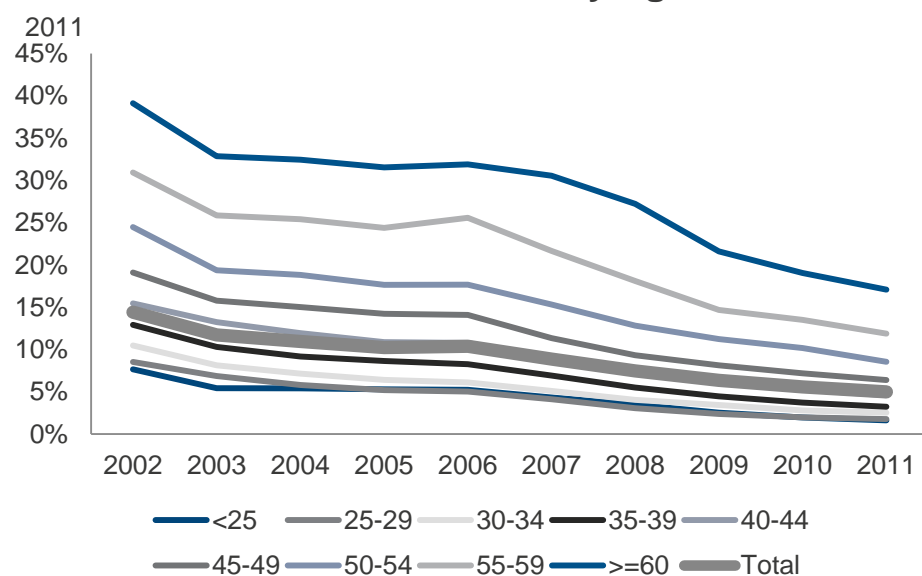


# Sneak peek at the results

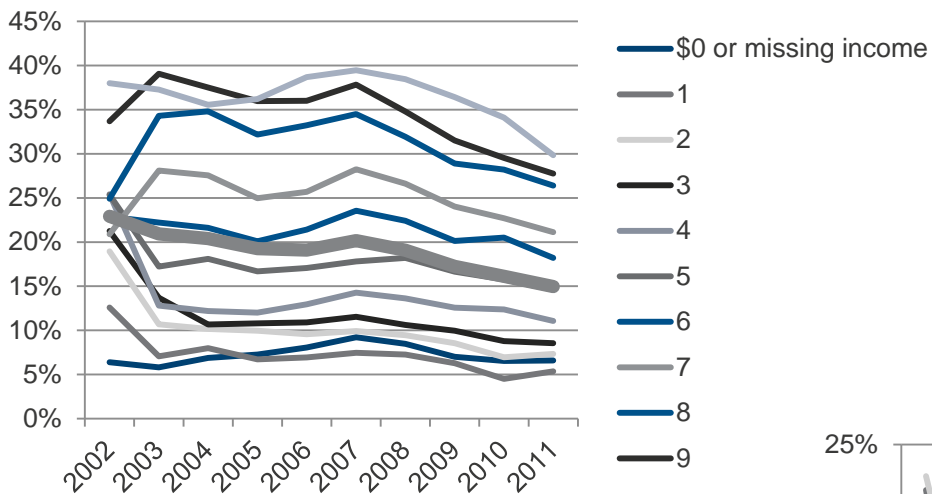


**Participation in Salary Sacrifice Contributions by Age**

**Participation in Post-Tax Contributions by Age**

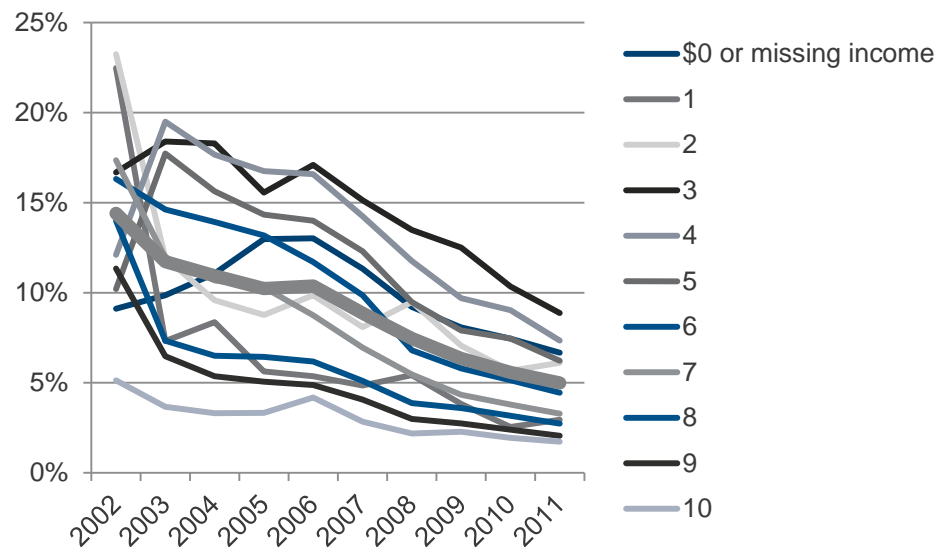


# Sneak peek at the results



**Participation in Salary Sacrifice Contributions by income**

**Participation in Post-Tax Contributions by Income**



# Timeline

DATE	SUB PROJECT
28/02/2014	Understanding superannuation contribution decisions: Theory and evidence
31/07/2014	Understanding retirement savings contribution behaviours: who, when and how much
30/09/2014	Savings behaviour, the benefits and costs of consultation, and the anticipation of, and response to, the global financial crisis
30/04/2015	The reactions of super fund members to news about superannuation and retirement.
31/07/2015	Mediators and moderators of retirement savings choices
30/09/2015	Retirement savings trajectories: An analysis of the experience of fund members Part One: Experience
30/04/2016	Retirement savings trajectories: An analysis of the experience of fund members Part Two: Performance
31/07/2016	Investor behaviour, cognitive ageing and experience
30/09/2016	Regulatory Arbitrage and the Impact of Government Regulations on Retirement Savings and Retirement Decisions by Australian Super Fund Members
31/12/2016	Investor learning and sophistication in retirement savings
31/12/2016	The role of housing in retirement savings behaviours
31/12/2016	Member engagement and behaviour in retirement savings: Online and helpline advice and information access over time



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# Q & A

