

Majority of South Africans plan to work past retirement age, survey

FNB has revealed the results of its first-ever FNB Retirement Insights Survey, marking a significant milestone as far as research on retirement conducted by an integrated financial-services provider in South Africa goes.



Source: [Pexels](#)

Against the backdrop of widespread belief that South Africa lacks a savings culture, the survey unveils some reasons for disparities in retirement savings beyond apathy or income. One of the survey's distinguishing factors is its segmented approach, which results in a comprehensive understanding of financial well-being and retirement readiness across various income groups.

According to the survey's results, an alarming 89% of those surveyed plan to continue working or work part-time due to a lack of retirement savings.

Mixed confidence in retirement plans

While 74% of respondents claim they have a plan in place to help them prepare for retirement, many of those, particularly those in lower-income brackets, are not confident that their plan will deliver the results they want due to barriers such as age and current financial constraints such as the high cost of living.

This appears to be corroborated by the fact that 39% of respondents who don't currently have a retirement plan in place will rely on alternative income sources for retirement, such as selling assets, family support, or government social grants.

"The findings highlight the need for South Africa to place retirement planning firmly on the national agenda," says Sizwe Nxedlana, chief executive officer of FNB private segment.

"While our country continues to implement structural reforms to improve access to retirement savings and prevent potential abuse of retirement funds, there is an urgent need to provide consumers with accessible solutions and education to help them better plan for retirement.

Promoting a savings culture

"We must also start retirement conversations and create a savings culture from the first day we start earning income, within the limitations of volatile economic conditions that continue to affect incomes. As a financial institution that advocates for advice-led financial services, retirement solutions are among our top priorities for customers, irrespective of how much income they earn."

Encouragingly, the FNB survey found that 86% of respondents said they use bank savings accounts as part of their retirement planning, and 45% said they have a retirement annuity. Despite this, the findings show that respondents in the entry-level, middle-income, and emerging affluent categories are highly unlikely to maintain their current lifestyle in retirement.



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Only respondents who are affluent and wealthy are likely to maintain their current lifestyles in retirement. In addition, it also established that the respondents who are of retirement age only started saving for retirement at an average age that is above 30 years, arguably late by industry benchmarks.

Lytania Johnson, chief executive officer of FNB personal segment, believes that "the challenges highlighted in the survey point to broader challenges with financial wellness, beyond retirement. A person's ability to manage their money today is crucial to their ability to afford a retirement that's consistent with their current or preferred lifestyle.

"As a result, it is extremely concerning to see the statistics indicating that a large proportion of respondents who have not planned for retirement may rely on social grants as part of their retirement. As a financial institution, we believe we are better positioned to provide our customers with not only the right advice, but also the solutions they require for retirement planning."

Holistic support for optimal financial well-being

"It is not enough to only offer retirement savings products; financial institutions must provide customers with holistic support to maximise their income for short-term and long-term goals.

"We've introduced several digitised solutions over the years to help more of our customers access personalised advice and solutions for an array of financial needs, including retirement goals. We continue to innovate because we recognise that each person's journey is unique, and so should our support be," Johnson adds.

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FNB recently launched 'Money Coach,' a financial wellness tool on the FNB app under nav» Money, to help customers get started with financial education and goals. It is free, quick, and simple to use, and there is no paperwork involved. It is primarily intended to provide customers with an information portal where they can educate themselves on money moves for financial wellness.

The content is interactive, with educational tips, quizzes, podcasts, and infographics to assist clients along the journey.

FNB also offers a range of solutions for customers to get started with their retirement savings as well as transactional solutions designed for retirees.

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