

Superannuation's importance to retirement savings is significantly understated by new Grattan Institute Research

The reality is that Superannuation continues to be one of the most important asset classes for retirement

Author of the book *Avoid the Poverty Trap* and Chartered Accountant, Wayne Wanders said that conclusions drawn by the Grattan Institute in its recently released report *How Households Save for Retirement* are flawed.

"The report is based on the Grattan Institute's analysis of four retirement income pillars" said Mr Wanders

"And several of these retirement pillars do not reflect the real world of how people save for their retirement" he said

"The Grattan Institute has included the value of a person's home, their house contents and their vehicles in their retirement income pillars."

Mr Wanders said "there are not many people who can say their house, their house contents or their vehicles are going to give them an income when they retire. So in the real world, I do not see how you can count the value of these as part of someone's retirement income pillars."

The Grattan Institute also includes in a person's wealth, a theoretical calculation for the net present value of any future pension they may get, which Mr Wanders said "the government of the day may not even be able to afford to pay".

"So once you remove these so called retirement income pillars, superannuation becomes a significant part of what is left" he said.

Mr Wanders said "so to make a policy decisions based on the view that superannuation is currently the least important part of Australia's retirement income system, is fraught with danger."

About Wayne Wanders

Wayne Wanders, is a chartered accountant for nearly 30 years. He has been the chief financial officer and company secretary of two ASX listed companies. Mr Wanders has spent considerable time reviewing the projected retirement incomes of hundreds of Australian families and devising strategies help these families achieve their retirement goals.

It was this that made Mr Wanders realise that the retirement system in Australia is broken. The reality is that most Australians are on the treadmill to work hard and retire poor, heading straight for what Mr Wanders calls the Poverty Trap.

So, Mr Wanders wrote the book *Avoid the Poverty Trap* to help hard working Australians can avoid the Poverty Trap and have the life they want, and more importantly, deserve.

More information about Mr Wanders' book is available on www.avoidthepovertytrap.com.au.

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Analysis, interviews and High res images available on request

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