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Evaluating the Impact of Financial Literacy Programs on the Retirement Savings of Superannuation Fund Members

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Currently, in Australia, the age pension, paid for out of Commonwealth government taxes, forms the basis of Australia's retirement income system, however, given the reality of an ageing population has compelled the government to undertake a number of measures to shift the responsibility for saving to the individual, forcing them to accept an increasing level of responsibility for their financial decision-making. In the light of the changing retirement environment, it would be expected that Australians' would ensure that they became financially literate, however, despite the amount of information and advice available in the market place, this is not the case, and they do not appear to be appropriately prepared for their retirement. Recognising the importance of financial literacy, an increasing number of government agencies, employers, superannuation funds and schools are implementing financial literacy programs in Australia. This article provides an overview of the impact that attending a financial education seminar has on the retirement decisions and settings of participants. Evidence is provided from this research that in the short term, providing financial education programs make a difference to an individual's intended retirement settings. However, the impact of these education programs in changing investment behaviour is less conclusive.

Key Words: Superannuation; Retirement; Investment Strategies; Education; Defined Benefit; Defined Contribution

Field of Research: Finance

1. Introduction

The evolution and development of financial markets has significantly increased the opportunities for consumers, investors and workers to invest into a multitude of financial products. The increasing complexity provides heavy demands on participants in financial markets to make rational and sensible investment choices. Financial education and literacy programs have an important role to play in assisting individuals to make more appropriate short and long term saving decisions. In their submission to the Consumer and Financial Literacy Taskforce

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Discussion Paper, 'Australian Consumers and Money', ASICⁱ commented that:
"We believe that informed consumers can not only look after their finances better, which is vital given today's world of increasingly complex financial decisions, but also help to
foster competition and higher industry standards." (ASIC 2004:1)

One of the areas in which an increased level of financial literacy would be of major benefit to individuals is in the area of retirement planning. Many Australians are concerned about their retirement and their lifestyle in retirement. Whilst financial concerns are only one dimension to this problem they are nonetheless a significant contributor to this concern, and one in which prudent planning and investment can make a difference. Concern about not having adequate income in retirement was not that great at the commencement of the last century, because, when the aged pension was introduced for 65 year olds in Australia in the early 1900's the average life expectancy was considerably less than 65, that is, the average person was expected to die before funding a retirement became a concern, however life expectancy has increased dramatically, with the latest published life expectancy tables show that a 65 year old male has a life expectancy of 17.7 years and a 65 year old female has a life expectancy of 21.15 years.

Given the increasing emphasis for individuals to become more responsible for managing their own retirement funding, and the shifting demographics resulting in an increasing proportion of Australia's population entering their retirement preparation stage, there is likely to be greater need over time for individuals to be able to make informed decisions concerning their retirement planning, with financial literacy been widely promoted as assisting individuals in this process, and to recognise the importance of knowledge in enhancing their retirement planning decision making.

Financial literacy can be defined as:

"The ability to make informed judgements and to take effective decisions regarding the use and management of money." (ANZ Bank 2005:6)

It is important to note that financial literacy is concerned with both knowledge and the ability to interpret information and translate lessons learned into changing patterns of behaviour.

Over the past decade, there has been a dramatic increase in the development and delivery of financial literacy programs. As the Consumer and Financial Literacy Taskforce (2004) discovered, there are hundreds of financial literacy programs available in the Australian marketplace, so a lack of information is not the issue. Many employers, schools, government agencies and superannuation funds offer financial literacy programs in many different forms and settings to a range of audiences. Despite the multitude of programs being offered, many Australians possess a poor knowledge about personal financial management. The recent ANZⁱⁱ Survey of Adult Financial Literacy in Australia 2005 (ANZ Financial Survey, 2005) found that people were generally making poor decisions about the use and management of their personal finances. For example, while 98

per cent of those surveyed understood the need to prioritise their needs to balance income and expenditure, 16 per cent chose to spend all their income as soon as they received it. A report prepared by the Financial Securities Institute of Australasia (2006), found that whilst most under 40's believed that preparing for retirement was important, less than one third reported that they had prepared for retirement and that their savings plans were insufficient.

All countries are grappling with the issue of determining the preferred approach for fostering financial literacy within the general community. Given that individuals are a heterogeneous group, the extent and degree of financial literacy among the community will depend on a range of personal circumstances – economic, psychological, sociological and biological factors (National Endowment for Financial Education 2006). Given this wide range of factors, educators are starting to realise that providing an effective financial literacy program is not just about providing education in a one-size fits all approach. To be effective, behaviour strategies designed for specific audiences and targeted at the individual learner's stage of life must be an integral part of any financial literacy program. One of the important issues which has been largely unexplored is the extent to which attitudes and behaviours developed over a lifetime are able to be significantly changed by attending education program(s).

2. Measuring the Effectiveness of Financial Literacy Programs

Very few studies have been conducted to measure the effectiveness of financial literacy programs. The challenge facing all organisations offering such programs is the need to show the extent to which the programs have changed attitudes and investment behaviour. Much of the evidence gathered to date is anecdotal in nature or centres on statistics that are output-related (Consumer Interests Annual). The evidence is also inconclusive. The extent to which financial education programs provide lasting effects in changing behaviour was found to be inconclusive (Anthes and Moss 2000; Todd 2002). On the other hand, a body of research indicates that delivering financial literacy programs within the workforce is particularly effective (Bayer, Bernheim and Scholz 1996, Bernheim and Garrett 2003, Todd 2002 and Hira and Loibl 2005).

Many superannuation and pension funds have accepted responsibility for improving the financial literacy of their members so as to increase retirement savings and educate members on the ramifications of adopting differing investment approaches. The forum for these financial literacy programs has varied considerably, ranging from simply providing members with education literature through to conducting comprehensive seminars and workshops tailored to differing audiences. Many superannuation funds are partnering with other organisations and institutions to deliver financial education. Given the research indicating the benefits of conducting financial literacy programs within the workplace, a number of superannuation funds see the delivery of their education programs within an employment setting as being an effective way to influence retirement planning behaviour. The ability to clearly target the needs of a relatively common cohort of employees, delivering the program in an environment in which the employee feels comfortable, and the courses being perceived as

being conducted by a credible organisation, would seem to be a particularly effective way of enhancing financial literacy within the member base of a superannuation fund.

Although a few studies have attempted to determine the effectiveness of financial literacy programs on specifically changing retirement planning behaviour, there has been little research carried out in Australia, and whilst most programs attempt to evaluate their success, there is little commonality in the approach taken. Further to this, there has been minimal attempt to develop a conceptual model that integrates design, delivery and evaluation. Fox, Bartholomae and Lee (2005:202-203) refer to this issue as follows:

“Efforts in designing and delivering financial education programs often take place without considering whether such efforts are effective, and without integrating the evaluation component as part of design and delivery.”

Clarke and d’Ambrosia (2002) examined this issue in the United States where they reviewed the impact of financial education provided by the Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF). Over the period 2001/02, the Association conducted a number of retirement planning seminars for their members. Unique in that particular program was the integration of the design and delivery of the program with the evaluation process. The research indicated that high-quality financial education can be effective in improving the retirement planning process of individuals and that after attending a financial literacy seminar, participants generally indicated that they plan to be more active in planning for their retirement savings. There was some general evidence that attitudes were able to be influenced.

3. Research Aim

The aim of this research is to examine the various factors influencing the retirement planning decisions of Australians and whether participation in a financial literacy program conducted by an Australian Superannuation Fund (ASF) is effective in changing retirement settings and investment behaviour. Similar to the program developed in the U.S. and reported by Clarke et. al.(2002), the ASF developed their locally-based education program in a manner that also integrated design and delivery with the evaluation process. The research methodology used in this report is similar to the methodology adopted by Clarke et al. (2002). Where appropriate in this paper, comparisons will be drawn with US data.

4. Research Method

This research is based on two surveys of participants attending an ASF retirement seminar series during 2005. The retirement seminar was specifically developed by the ASF in late 2004 and early 2005 as a means of addressing member concerns relating to the adequacy of their retirement plans. Specifically, how much do members need to accumulate in superannuation during their working lives in order to finance their retirement, how much should they be contributing into their superannuation accounts to achieve this and how should they determine what asset allocation is appropriate to them. The seminar used a goals based approach

with presenters discussing with participants some of the factors which influence retirement goals which in turn caused participants to reflect on their own retirement goals. The seminar then proceeded to consider how much money would be needed to finance a given set of retirement goals and how cash flow and risk could be managed to assist in achieving these goals. The seminar concluded with the presenter demonstrating a software package which models retirement savings and resultant retirement incomes.

A significant amount of work was undertaken by the superannuation fund prior to conducting the seminar series to determine the most appropriate means of designing the education program, how best to deliver the material and how to evaluate the program utilising both formative and summative evaluation. Scriven (1981) describes formative evaluation as a means of collecting information that provides general feedback to the education providers in order to assist with enhancing the program in the future. Summative evaluation on the other hand collects information as a means of determining whether the program has been well received and has achieved the desired objectives and outcomes. In the case of the ASF, the information was collected, analysed and evaluated as part of the delivery and design process. The education program was designed in such a way that allowed the ASF to evaluate the results and attribute them directly to member's participation within the financial literacy program.

The first survey was given to participants as they entered the seminar room and they were asked to complete it before the seminar commenced. The second survey was completed by the participants at the end of the one and a half hour seminar. The two surveys were included within the one document so that answers for individual participants could be linked between surveys 1 and 2. The first survey asked participants about their retirement goals and retirement savings. Participants were asked a number of questions relating to their retirement goals including at what age they hoped to retire and the income they hoped to receive in retirement expressed as a percentage of their final working year income. Two other important psychographic factors were asked of respondents. Firstly, how confident they were that they would actually meet their retirement age and income goals and secondly, how committed were they to meeting these goals. That is, to what extent were they prepared to make sacrifices to their current lifestyle and spending habits in order to meet their retirement age and income goals.

The next section of the first survey asked respondents a number of questions to determine their progress or otherwise towards reaching their retirement age and income goals. Respondents were asked about the investment strategy they had adopted, the extent to which additional voluntary contributions were being made and a self-rating of attitude to investment risk and investment knowledge.

Finally members were asked to report on their personal information and background which covered age, gender, educational background, occupation and level of income. In survey 2, participants were asked whether any of the retirement settings they had established in survey 1 had changed as a result of attending the seminar.

Seminars were held across all states of Australia. A total of 1646 participants attended these seminars with an average attendance of 51. A total of 1500 surveys were distributed and 961 participants responded to surveys 1 and 2 resulting in a response rate of 64%. Where comment is made in the report that a particular result is significant, this implies significance at the 1% level, in other words the results imply a 99% confidence level.

5. Demographics

The sample in the first two surveys represented a broad cross section of ASF members. An analysis of results revealed that 54% were women and 46% were men and that the average age of all respondents was 48 with a good representation across all age segments. For example, around 20% of respondents were aged under 40, and a further 26% were under 50. Two-thirds of respondents were tertiary qualified and, for 36% of respondents, this was the first financial education seminar they had ever attended.

The mean annual household income was \$91,353 with \$60,398 of this provided by the respondent indicating that our cohort was on average more highly educated and earning higher incomes than the general population.

Table 1: Personal and household income, by gender and age

Age group (Years)	Personal income (\$)		Total	Household income (\$)		Total (\$)
	Male	Female		Male	Female	
<40	52,055	46,763	48,744	75,887	81,566	79,379
40-49	72,300	50,845	59,711	93,441	95,854	94,815
50-59	71,378	56,387	63,171	98,824	88,369	93,810
60+	83,542	54,269	72,921	104,063	79,500	96,224
Total	70,304	52,348	60,398*	94,557	88,321	91,353

5.1 Retirement Goals: Age and Income

The expectation is that financial education seminars cause people to reflect on their retirement strategies and with increased knowledge, will come to

acknowledge that they may not have saved sufficient amounts to fund the lifestyle they desire in retirement. Accordingly there is likely to be an appreciation by the members of the need to increase their expected retirement age and reduce their retirement income goal.

As illustrated in Table 2, the average preferred retirement age at the start of the seminar was about sixty years (60.2 years). Similar research in the US indicated a desired retirement age of 64.0 years. The higher desired retirement age in the US compared with Australia should also be seen in the context of a higher desired retirement income percentage in the US (to be discussed shortly) and generally lower preservation ages in Australia relative to the US – although in both countries preservation ages are increasing as are tax incentives to encourage people to extend their working life.

Table 2: Preferred retirement age, by age and gender

Age (Years)	Gender	
	Male (Years)	Female (Years)
<40	59	58
40-49	60	58
50-59	61	61
60+	65	64

In terms of a retirement income goal, respondents reported an objective of generating 68% of their final working year income in retirement. Similar research in the US indicated a desired retirement percentage of final working year income of 80%. This higher income goal in the US is consistent with a higher desired retirement age discussed earlier. It can also be argued that less generous social security provisions and higher health costs in the US may lead to higher desired retirement incomes. Table 3 illustrates that there is generally an inverse relationship between age and income goals across most income levels. Members under 40 years of age responded that their income goal in retirement was to generate around 75% of their final year’s working salary. The responses reverted closer to the average retirement income goal for the older age cohorts as they neared retirement and realised what was actually realistic and achievable. These results would tend to indicate that younger members have a significant expectation gap between levels of retirement ages and income goals that are realistic as compared to those that are achievable.

Table 3: Average pre-seminar income goals, by age and income (expressed as a percentage of final working year income)

Age (Years)	What is the combined annual income of you and your partner?				
	Less than \$40,000	\$40,001 to \$60,000	\$60,001 to \$80,000	\$80,001 to \$100,000	Over \$100,000
<40	72.0%	74.4%	79.3%	73.6%	73.9%
40-49	73.0%	70.6%	73.2%	69.7%	67.0%
50-59	70.0%	68.0%	62.2%	65.6%	62.4%
60+	72.0%	72.9%	59.1%	59.3%	69.4%

Participants were then asked about their confidence in being able to retire at their nominated age and the likelihood of achieving their retirement income goal. Table 4 reveals that 48% of participants were confident that they would be able to retire at their preferred retirement age but that only 21.6% were confident in receiving their retirement income goal. Further, there were a significant number of respondents who had little idea of whether they were likely to achieve their retirement age and income goals.

Table 4: Degree of confidence in retirement age and income goal

Likelihood of retirement at preferred age and income goals	Retire at my preferred age goal	Retire with my preferred retirement income goal
Very unlikely	6.8%	6.6%
Unlikely	9.2%	16.2%
Not sure	36.0%	55.5%
Likely	32.1%	17.5%
Very likely	16.0%	4.1%
Total	100%	100%

Table 5: Degree of commitment to retirement age and income goal

Preparedness to sacrifice current lifestyle to achieve retirement age and income goals	Retirement age goal	Retirement goal	income goal
Strongly disagree	5.2%		3.6%
Disagree	28.4%		21.2%
Not sure	33.2%		35.8%
Agree	29.3%		34.1%
Strongly agree	3.9%		5.2%
Total	100%		100%

In terms of members' commitment to achieving their retirement age and income goals, a significant number of members indicated that they had no intention of making any sacrifices today and foregoing current consumption in order to satisfy their future objectives. This was particularly the case with the planned retirement age of members.

5.2 Retirement goals: Actions undertaken

Common to a number of other studies, the majority of respondents rated their risk profile as conservative or moderately conservative (65%) with just 4% rating themselves as having an aggressive attitude towards risk (see table 6). As attitude towards risk normally determines the type of investment strategy selected, it is reasonable to suggest that the majority of respondents would select a relatively defensive asset allocation within their superannuation fund which in turn impact upon the level of returns that could reasonably be expected. It was interesting to note that women generally rated their risk profile more conservatively than men.

Table 6: Attitude to investment risk

How would you rate your attitude towards risk?	
Conservative	25%
Moderately conservative	40%
Moderately aggressive	31%
Aggressive	4%
Total	100%

Table 7 reveals that the rating of investment knowledge is concentrated between those that consider themselves as having weak knowledge or moderate knowledge. Only 5% of respondents consider themselves as having a strong level of investment knowledge. Similar to the gender difference noted above, men generally rate their investment knowledge more highly than women. There was no assessment conducted of actual skills within the surveys to ascertain whether the self-rating of knowledge reflected actual skills.

Table 7: Self-rated investment knowledge

How would you rate your financial knowledge?	
No knowledge	7%
Weak knowledge	42%
Moderate knowledge	45%
Strong knowledge	5%
Total	100%

The results also revealed a strong and statistically significant relationship between financial knowledge and attitude to investment risk. In particular respondents with low levels of financial knowledge had a much higher likelihood of having conservative attitudes to investment risk.

One of the main ways in which superannuation members are able to boost their accumulated superannuation balance in retirement is by making additional voluntary contributions, either through a salary sacrifice arrangement or through after-tax contributions. The responses of respondents prior to undertaking the financial education program revealed that 41% indicated that they were already

making voluntary contributions over and above the mandatory employer contributions. The average level of voluntary contribution was \$3,091 per annum.

5.3 Impact of Financial Literacy Programs on Retirement Settings

The objective of the financial literacy seminar was to educate members on the question of how much retirement savings is 'enough'. The seminar series was designed around ensuring that participants not only gained a broad level of knowledge of retirement planning issues but also that they could relate the issues to their own individual circumstances and thus have some ability to translate theory into actions. Whilst many other similar retirement planning strategies exist, most are focused on the single option of encouraging members to increase their current-day savings.

The ASF seminar attempted to move away from the single option approach and provide participants with a range of 'metaphoric levers' that could be explored to influence their ultimate retirement settings. This was seen as important to avoid the perception from members that the fund's real purpose in running the seminar series was sales oriented. Thus, rather than encouraging members to make further contributions, participants were provided with a range of options that could be utilised to increase their accumulated savings at retirement. This included such issues as increasing their level of investment risk, deferring their proposed retirement age and reducing expectations of the standard of living that could be expected in retirement. Participants were introduced to the concepts of what is an appropriate level of income in retirement, the average cost of living expenses that members could expect to face in retirement, facts on life expectancy and longevity, the level of government support that could be expected if members were not able to adequately provide for themselves in retirement and an introduction to basic investment principles.

5.4 Post - Seminar Retirement Goals: Age and Income

The results are a little surprising indicating that across the whole survey sample, there was minimal change in the average retirement age and income goal. Whilst the average age goal has increased marginally from 60.3 years to 61.0 years, the average retirement income goal actually fell from 68% of final year working income to just 66%. However, within the overall results provided, it was interesting to note that a significant proportion of respondents (25%) changed their individual age goal. Of those, around 19% increased their age goal by an average of 5 years, whilst a further 6% had reduced their age goal by an average of 4 years. In terms of retirement income goals, 50% of respondents changed their goal after attending the seminar. It is also worth noting that the change in retirement age and income goals was especially concentrated within the younger cohort of participants. This would seem to indicate that attendance at the seminar did have some impact on reducing the expectation gap of these members.

The overall levels of confidence and commitment of members towards achieving their retirement goals showed significant movements between survey 1 and 2. The confidence that respondents would achieve their retirement goal increased to 58% (49% for survey 1) and the level of confidence in achieving their retirement

income goal increased to 40% of respondents (up from 22% for survey 1). In terms of reporting their commitment towards achieving their retirement goals, the results are similar. Forty seven percent of respondents were prepared to commit to achieving their retirement age goal (32% for survey 1) and 54% of respondents were committed to achieving their retirement income goal (39% for survey 1). The results would tend to indicate that the financial education seminars did enhance the member's confidence that they would now be able to meet their retirement needs and the seminar also had an impact in motivating member's to sacrifice current consumption in order to better prepare for a future retirement.

5.5 Post - Seminar Actions Undertaken

Although respondents signalled a slightly more aggressive attitude towards investment risk after attending the investment seminar, the changes were not significant. Although individuals can be educated about risk profiles and the benefits and drawbacks of adopting differing risk / return profiles, it would seem highly improbable that attitudes and personal characteristics can be significantly influenced by short-term education programs. Our values and attitudes are developed over our life-time and are unlikely to change as a result of education alone. This is an important message for education providers to be aware of when devising financial literacy programs that attempt to influence attitudes and behaviours. Broad-based education programs, which are not sustained and followed up with other forms of support, are unlikely to change behaviour.

Evidence of respondents undertaking strategies to boost retirement goals was reported in survey 1 by the extent of voluntary contributions made. After the financial education survey was conducted, of those respondents who had previously contributed, approximately 22% reported that they would increase their level of contributions to an average of \$5,380 p.a. (previously \$3,091 p.a.). Further to this, of those respondents that previously were not making any additional contributions, around 38% now signalled an intention to make voluntary contributions of an average of just over \$3,000 p.a. From a gender point of view, it was interesting to note that for those that were not contributing prior to the seminar program, women were more likely than men to report that they intended to commence making additional contributions into their superannuation fund.

Implications for the provision of retirement education into the future

Throughout the Australian community, it is widely appreciated that there is a considerable gap between individuals' retirement expectations and what their current retirement settings will provide. The primary focus of financial education should be to make the gap as narrow as possible, that is, ensuring individuals have realistic retirement expectations and are equipped with the requisite knowledge and skills to achieve those expectations.

Given that in most cases an individual's retirement expectations exceed what their current retirement settings are likely to provide, there is an a priori expectation that financial education will seek to close this gap by individuals:

- raising their expected retirement age

- lowering their expected retirement income requirements
- increasing their commitment to achieving their retirement goals
- increasing their rate of voluntary contributions to superannuation
- adopting a more aggressive investment strategy in line with their investment time horizon and risk profile

Evidence has been provided in this paper to suggest that in the very short term, the increased knowledge which flows from financial education does make a difference to an individual's intended retirement settings. Whilst the average retirement goals and plans for the total cohort of participants revealed minimal change overall, there was a significant change within the retirement settings of individuals making up the cohort. The seminars were very well received by the audience as evidenced in the survey results. Indeed the discipline with which the surveys were completed was testimony to how seriously the audience addressed the issues raised by the seminar. Seminars and workshops do have an immediate motivating effect which may overstate participant's intentions to make subsequent changes to their retirement settings.

A case can be made that the results from the seminars conducted have been understated. Education and knowledge are processed by individuals at different levels and speeds. Therefore, whilst a number of individuals indicated at the end of the seminar that they did not intend to change their retirement settings, they may in fact have done so once they had fully digested the information and thought about the consequences of their actions. Conversely however, a number of individuals who stated that they would change their retirement preparation and behaviour may not have actually carried out their intentions. The power of inertia is not to be underestimated – 'good' intentions tend to evaporate over time.

Evidence of the impact that financial literacy programs have on changing attitudes and behaviour is much less conclusive. Whilst respondents appeared to be more committed towards achieving their retirement age and income goals after attending the education program, there was little change in the risk return profiles of respondents and their desire to change their asset allocations. As stated previously in this report, the provision of knowledge on its own is unlikely to change an individual's saving and investment behaviour. The challenge for educators is to devise comprehensive literacy programs that not only educate but also facilitate an individual's ability to translate knowledge into changing patterns of behaviour. One of the major roles of financial planners is to educate their clients about their investment patterns and the risk / return relationship. This process is not achieved overnight and often takes many follow-up meetings on a one-to-one basis before the client is able to appreciate the importance of informed decision-making and the impact that their actions and behaviour have on their current and future wealth.

Education is a public good where the value resides in the recipient. Employers are often criticised for not taking on enough apprentices and argue that in their defence that they spend a considerable amount of time and cost educating and training their staff only to see some future employer benefit. It could be argued that the benefit of retirement education may or may not be captured by the provider of that education. Individuals may decide to invest in an alternate

superannuation fund or to accumulate assets outside a superannuation environment based on the knowledge and skills they have acquired through financial education. This is not necessarily a bad thing if we accept that part of the mission of a superannuation fund is to try and close the gap between an individual's retirement expectations and what their current retirement settings will provide. Indeed, whilst participants of the surveys indicated that they were primarily responsible for ensuring that they had sufficient financial education to make informed decisions about their retirement, the second most important group identified as having some responsibility was the superannuation fund.

Nor should we constrain our thinking to assume that the benefits of financial education are confined to the measurable changes in retirement settings referred to in this report. Benefits may be much less obvious but equally as valuable. For example the survey has demonstrated a strong positive relationship between self rated financial knowledge and attitudes to investment risk. If we hold the view that individuals are often too conservative in their investment strategy choice due in part to a lack of financial understanding and knowledge, then educating members about investment risk is likely to have an impact on investment attitudes and therefore long-term accumulated balances. Moreover the survey results also provide us with the opportunity to further target specific groupings within the membership base. For example, it was found that women self rated their financial knowledge lower than men and this was reflected in the more conservative investment attitudes adopted by females.

6. Conclusion and Implications

It is clear from this study that the concern with the way individuals plan for their retirement is justified, and the lessons learned are as follows:

- The process by which individuals are able to change their retirement settings needs to be made as simple as possible. It would be tempting to have a system whereby individuals could sign up as they leave the seminar to avoid the inertia, but this may not always be appropriate. Some participants commented that they needed to discuss the implications of the seminar with their partner.
- Superannuation decisions are often interdependent for couples so, consideration should be given to conducting seminars at a time and place where partners can also attend.
- Certain cohorts of members may be specifically targeted to maximise the impact of the retirement education, for example:
 - younger members have more malleable retirement settings
 - women self rate their financial knowledge lower
 - older members are less likely to change short-term retirement behaviour

Members of ASF have a multi-faceted relationship with their fund. Members see the fund as an important source of retirement education. As such ASF has a responsibility through the provision of education to reduce the gap between their member's retirement expectations and what their current retirement settings will

provide. In the context of a member's total circumstances, it is difficult to tie a particular seminar to the closure of this gap. Nonetheless, the seminar forms a vital part of an ongoing educational relationship between fund and member.

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ⁱ ASIC is the Australian Investment and Securities Commission, and is responsible for the enforcement of company and financial services laws to protect consumers, investors and creditors, and regulates and informs the public about Australian companies.

ⁱⁱ The ANZ Bank conducted an Adult Financial Literacy Survey in 2005, the full results of which are available on their web site: <http://www.anz.com/aus/aboutanz/Community/Programs/FinSurvey2005.asp#adult>