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HESTA celebrates a milestone: Nearly 200,000 more members are 'retirement ready'

HESTA is excited to announce that nearly 200,000 more members are now on track to be ready for retirement. This progress has been made over the past seven years using an in-house model – specially developed by HESTA – to measure its members 'retirement readiness'.

The model – informed by the Association of Superannuation Funds of Australia retirement standard – has provided HESTA with insights into members' financial retirement readiness, helping the Fund to better tailor support and advice.

HESTA CEO Debby Blakey said the improvement in 'retirement readiness' was due to a combination of members engaging more with their super, HESTA's strong financial support services, the Fund's long-term investment performance, as well as Australia's world-leading superannuation system.

"It's incredibly rewarding to see that the HESTA team's purposeful efforts to better support its members are making a tangible difference to their long-term financial futures," Ms Blakey said.

"When members feel more confident about their superannuation options, they can achieve better financial outcomes, but we're acutely aware much more needs to be done. Many of our members face lower wages, financial and career challenges, and time out of the workforce for caregiving, all of which impact their superannuation outcomes."

Since HESTA began using the in-house measurement model in late 2016, an extra 196,500 members have improved their 'retirement readiness', shifting from a projected 'modest' to a more 'comfortable' retirement lifestyle.

"HESTA continues to advocate for systemic change which benefits our members and the wider community. HESTA, along with other sector voices, worked to secure initiatives such as the 12 per cent Superannuation Guarantee and extending superannuation to Government-paid parental leave. These have been crucial steps toward improving retirement outcomes for many people," Ms Blakey said.

HESTA is a profit-to-member industry super fund investing approximately \$87 billion* on behalf of more than 1 million members who work primarily in the health and community services sector.

HESTA members are predominantly low and middle-income working women and come from every stage of working life – from those under 18 and just starting out, to retirees.

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Around 80 per cent of HESTA members are women who often work in low-paid roles. They earn 16 per cent less than their male counterparts on average¹, are less likely to be able to save outside their super and are more likely to have lower account balances when they retire compared to their male counterparts. Many HESTA members spend considerable time in unpaid care work, which adds enormous economic benefit to the country at the expense of their own financial security.

Ms Blakey said several factors were driving the improvement in HESTA members' 'retirement readiness' including more members making extra contributions to their retirement savings, HESTA's strong long-term investment performance², higher Superannuation Guarantee rates, and better wages in some health and community services sectors.

"The proportion of HESTA members making extra contributions to their retirement savings has increased substantially from 2016 to 2024, but we understand cost-of-living pressures are making it tough for many of our members to do this," Ms Blakey added.

"We want all HESTA members to know that there's always something they can do to improve their long-term financial future, and we're here to help. We see every day how powerful it is for members when they put a plan in place to help them confidently face the future."

HESTA supports members to build financial confidence and plan for retirement through various tailored services, including through its online HESTA Future Planner tool.

Over the last financial year, 68,000 members used HESTA Future Planner to manage their retirement planning. Two-thirds of those using the tool explored the benefits of making additional contributions, changed the date they may look to retire, or considered different investment options to enhance their super savings.

About HESTA

HESTA is one of the largest superannuation funds dedicated to Australia's health and community services sector. An industry fund that's run only to benefit members, HESTA now has more than one million members (around 80% of whom are women) and currently manages approximately \$87 billion* in assets invested around the world.

*Information is current as at the date of issue.

¹ WGEA (2022). WGEA Scorecard 2022: The state of gender equality in Australia. <https://www.wgea.gov.au/data/wgea-research/australias-gender-equality-scorecard/health-care-and-socialassistance>

² Past performance is not a reliable indicator of future performance. Investments may go up and down.