

## **GUARANTEED INCOME IN RETIREMENT REMAINS THE NUMBER ONE PREFERENCE OF SOUTH AFRICAN RETIREES ACCORDING TO JUST RETIREMENT INSIGHTS 2019**

---

- A consistently high number of respondents prefer a secure monthly income in retirement over an income that might fluctuate due to investment returns
- Around half of respondents lack confidence that their money will last and if the money runs out, they intend to rely on children to support them
- Large gap exists between the expectation and reality of how much retirement money is enough to last

Retirement income specialist Just, launch the 2019 findings from 'Just Retirement Insights' - a comprehensive review and commentary based on face-to-face interviews with over 520 pre-retirees and retirees.

Interviews were conducted by an independent data collection company and respondents were selected using a random sampling technique. Respondents ranged between the ages of 50 and 85 years old, living in Cape Town, Durban and Gauteng.

The third tracking study of a series, Just Retirement Insights aims to understand the South African retirement market and their retirement needs in a changing economic and political climate.

### **Key findings**

- 81% of respondents prefer a secure monthly income to cover expenses in retirement, up 2% from 2018
- Eight out of ten respondents said that they set and worked towards financial goals, while 60% of respondents acknowledged putting more thought and planning into their finances (a 20% increase from 2018). However, when asked if they had done any retirement budgeting, over

half (53%) admitted that they had not calculated how much they would need per year and just under half (48%) lacked confidence that their money would last.

- Half of respondents said they would rely on children or grandchildren should they run out of money, yet paradoxically they also shared the belief that it is important to leave an income legacy for the next generation.
- Results revealed a misplaced optimism about the amount of retirement savings required to cover their expected lifetime. 80% have less than R2 million in retirement savings and more than half of these respondents expect a monthly income in retirement that is significantly higher than the sustainable income that can be purchased in the market.
- While two in five respondents cannot afford to lose any retirement fund money before it seriously affects their retirement plans, almost three quarters claimed they will not seek any form of professional financial advice.

The key findings of the study highlighted two primary challenges for today's retirees:

- While most people prefer a stable income in retirement and cannot tolerate the risk of a decline in investment markets, the majority of pensioners are exposed to these risks in a living annuity, drawing an unsustainable level of income.
- Despite having stated a key objective of leaving a legacy to their children, many pensioners intend to turn to their children for help if they run out of money.

“Our key concern rising from this latest study,” said Just CEO Deane Moore, “is the high proportion of people approaching retirement who have not saved enough, yet expect an unrealistically high level of income from their existing retirement pot. Few people realise that they can sustain a 2,5% p.a. higher level of income in retirement, and guarantee this for life, by using a life annuity or a lifetime income option within a living annuity. It highlights the important role of careful planning to help make informed decisions around the effective use of limited resources.”

---

To find out more about Just Retirement Insights, or for media enquiries please contact:

**Michelle Dodd**  
Marketing Manager  
021 200 0463  
[mdodd@justsa.co.za](mailto:mdodd@justsa.co.za)