

**HINDSIGHT IS THE CRYSTAL BALL OF THE FUTURE  
Citibank Retirement Index offers insight for next generation**

- 676,000 (19%) semi and fully retired over 55s haven't started saving for retirement
- 1.6 million retirees (44%) regret not 'saving for retirement earlier'
- 'Saving for retirement earlier' is measured in decades, not years
- 1.8 million retirees (49%) are concerned about their general health and well-being

**Sydney 8<sup>th</sup> March 2006:** Further findings from the second Citibank Retirement Index reveal that 676,000 (19%) of Australia's over 55 semi and fully retired population, have ignored advice to plan for retirement. This figure rises to 21% of retirees aged 65+ who have yet to start saving for retirement but drops to 16% of 55-64 year olds.

This inertia could be to blame for what is becoming a bleak sign of the times for retirees. Last month Citibank released findings that showed; 48% of retirees are relying on the government pension for their main source of income, 39% can't name a secondary/alternative source of income – up from 28%, and the average before tax income for this segment of the population is just \$22,000 p.a.

Conducted every six months, the latest Citibank Retirement Index report is now available at [www.citibank.com.au](http://www.citibank.com.au). It also shows that more retirees have made spending cuts, up from 68% in May 2005 to 75% in the three months to November 2005.

Andrew de Vries said this less than rosy scenario could have looked a lot different if people had started saving earlier for retirement. "Only one in four of today's over 65s showed any savings initiative before they turned 40. Younger retirees, those aged 55-64 were more proactive, with 36% on the retirement saving bandwagon before the age of 40. The fact is, this take up is well below par and as an industry we need to address it."

Age started saving for retirement	Overall	Age 55-64	Age 65+
Below 30	12%	12%	12%
30-39	18%	24%	13%
40-49	25%	26%	24%
50-59	12%	9%	14%
60-69	3%	-	5%
Not started	19%	16%	21%
Not planning to retire	2%	3%	1%
Don't know	10%	10%	10%

Source: Citibank Retirement Index Nov '05

**Looking back...**

At least retirees can see the error of their ways. Not starting to save earlier for retirement is their number one regret. Forty per cent of over 65s wish they'd started earlier. The 55 – 64 year olds are even more remorseful with almost 1 in 2 (49%) telling us the same thing. When asked how much sooner they wished they'd started saving for retirement, the results show it wasn't a matter of a few years – but decades. Forty eight per cent say more than 20 years and 20% say 16 – 20 years earlier.

What retirees would have done differently to have a better retirement	Overall	Age 55-64	Age 65+
Started saving earlier	44%	49%	40%
Done more financial planning/sought expert advice	38%	42%	35%
Taken better care of their health	21%	28%	16%
Exercised more	36%	38%	34%
Retired later	31%	32%	31%
Retired sooner	8%	9%	7%
Moved closer to family	10%	9%	10%
None/don't know	25%	22%	27%

Source: Citibank Retirement Index Nov '05

Andrew de Vries continued: "You are looking at a lot of retirees with a lot of regrets. Is this what a lifetime of work boils down to? This time around we're seeing even more people who wished they'd saved earlier and sought expert advice.

"It's not too late to do something about it. At the very least – reviewing and rearranging your savings and investments is a good place to start. There have also been many positive changes to superannuation which should be investigated. Perhaps the most important lesson you can learn though is not to let your kids make the same mistakes – encourage them to learn from your experiences. It's an opportunity to put old heads on young shoulders."

### Worries and concerns

When it's all said and done, retirement should be enjoyed, not endured. There are a number of areas however which cause concern. Among the top findings, general health and well-being is a concern for 49% of retirees up from 42% in May, followed by relying on the age pension (42%), the physical signs of ageing (39%), money worries (29%) and being a victim of crime (23%).

These findings provide us with a lot to learn from said Andrew de Vries. "We can see the vicious cycle being played out all around us. A lack of saving and planning leads to worries and concerns which manifests itself in stress and other health problems. The physical (and social?) cost of not making the appropriate plans for retirement should not be underestimated. A bit of planning and foresight can help you become healthy, wealthy and wise."

### Measuring the changes

Apart from delivering thought provoking research findings, the Citibank Retirement Index has been designed to provide a measurable barometer of change for retirees which is tracked over time. Changes to four key components of the research will be measured; confidence in retirement savings (40% weighting), cuts to expenditure (20%), retirement concerns (20%) and the level of income needed in retirement (20%).

Based on this, the calculations reveal a shift in the Index from a base of 100 to 97 in the six months to November 2005, indicating a slight deterioration for our retirees 'quality of life' since the first wave of research.

Citibank can help people looking to build a retirement nest egg through its wealth management service called CitiGold. Further information on CitiGold is available at [www.citibank.com.au](http://www.citibank.com.au) or by phoning 1800 168 168.

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**Notes to editors:**

1. Research conducted by Newspoll amongst a representative sample of 400 "self-described" semi and fully retired Australian adults 55 years of age or older between 1 – 3 November 2005.
2. Population figures are based on projected 2005 ABS data:

55 – 64 years	2,180,052
65 years and older	2,656,341
Total 55+	4,836,393

**3. About CitiGold**

CitiGold is Citibank's wealth management service aimed at affluent customers who hold balances of A\$100,000 (or equivalent) with Citibank. CitiGold Centres provide customers with a range of products designed to maximise wealth creation. Services include local currency investments, foreign currency products including dual currency deposit, structured products, managed funds, superannuation, retirement income products, personal insurance, mortgages, credit cards and more.

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