Longevity Issues and Funding of Retirement in Australia

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The issue of the adequacy of retirement funding needs to consider the inter relationship of the SGL, workforce participation, investment returns and costs, costs in retirement and longevity impacts. This paper considers these issues from the perspective of a couple earning AWE throughout their working life, and prepared to live on the estimated income required for a moderate standard of living in retirement. The paper concludes that provided the couple participates in the workforce for 30 years, earns a modest return on their assets, and can live off the estimated modest costs in retirement, then the retirement funding will be adequate. This is a contrary finding to popularly held views that the SGL is inadequate.

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