

Final Media release

HOW TO CARE ABOUT RETIREMENT? TALK TO YOUR PARENTS

Your 40s and 50s. Sanlam Benchmark research reveals that's the age most people start to care about retiring. Why? Because, sadly, they see their parents struggling and the 'realness' of retirement starts to hit home. It often takes something tangible to cut through apathy. The problem is, for many people, this happens too late. The [Sanlam Benchmark Research](#) shows just 5 to 6% of employees can maintain their standard of living once they retire.

Viresh Maharaj, Actuary at Sanlam Corporate, says getting people to care about something intangible like retiring goes beyond financial education, "Education alone does not cause a behaviour change. Think of seatbelts...cigarettes...exercising five times a week – we know what's good and bad for us, but our behaviour stays the same until a catalyst is applied."

He says once a retirement savings account is set up, most of us mentally 'tick the box' and fail to follow up to see if we're on track, "If I asked you right now, would you know where your retirement savings stand? Would you know how much you need to save overall and whether you're on target? Have you adjusted your contributions to ensure you're aligned with your changing goals? Most people don't ask these questions. The only way we start to engage as consumers is if we start to care. That's the lever to change behaviour."

And that could start with a conversation. Maharaj is advocating that young people sit down with their parents – or other 'elders' in their lives – and ask them if they feel ready to retire, or, what they'd do differently if they've already retired. The Sanlam Benchmark research has highlighted that observing one's own parents in retirement is a significant catalyst that stimulates individuals to take stock of their own savings and plans for their own retirement. "Try to have an open conversation where you learn from loved ones. Keep it gentle and judgement-free. Ask them how they feel about retiring and, if they could go back, what they'd change."

Then, take the lessons you learn and implement changes in your own retirement savings journey. You have time. You can take their advice and change your situation. The trick is to care. And perhaps after talking to your parents, you will.

So, you care... now what?

1. **Educate yourself.** There is a significant amount of material available online to help educate oneself on the basics of prudent personal financial management. Take the time and energy to get a basic understanding.
2. **Speaking to a financial adviser.** It helps to have a professional put the foundations in place so that your investment journey is optimised.
3. **Consider what you earn, spend and save.** South Africa's household [savings rate is zero](#). Are you consciously living beyond your means? Why? It is the aspiration to live that 'Instagrammable' life? Ask the deeper questions. Asking these shows you care. And caring can lead to 'better' financial behaviour.
4. **Think about where your retirement funding will come from.** An interesting Sanlam Benchmark finding was that for most working South Africans, the bulk of your retirement funding will come from your final employer.
5. **Stay Invested.** If you're planning to change jobs, opt for retirement benefits counselling and speak to a trusted financial adviser who will discuss preservation. That has powerful positive implications for your savings.

Maharaj concludes, "Chat to your parents or older people you respect. Ask them if they're open to sharing their retirement journey with you. The earlier you begin to care about your own retirement journey, the more likely you are to create a positive one."

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