



MEDIA RELEASE

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FAMILIES DOING IT TOUGH RELIED ON EARLY ACCESS TO SUPERANNUATION TO MAKE ENDS MEET

Of the 3.5 million people¹ who accessed superannuation through the Federal Government's early release program last year, most reported using the money as the scheme had intended – to assist their family with the financial impacts of COVID – according to a new report from the Australian Institute of Family Studies (AIFS).

Drawing on data collected via AIFS' *Families in Australia* survey, the report shows that of the households where someone had accessed their superannuation early, two-thirds (64%) said that at least some of the money had been used for household expenses, followed by rent or mortgage repayments (45%), and debt repayments (40%).

Almost all respondents (95%) had also taken other financial actions, such as cutting down on essential and non-essential spending and were more likely to report feelings of concern about their family's current and future financial situation.

Among those in households in which someone had accessed their superannuation, 28% said they were very concerned about their current financial situation, and 31% said they were very concerned about their family's future financial situation.

Acting Director of AIFS, Andrew Whitecross, said the findings provide an insight into the financial pressure families have come under because of COVID-19.

"It doesn't appear families have accessed superannuation lightly. It's one of many choices they've made – cutting back on expenditure and drawing down on savings. This decision has been made due to a general feeling of financial uncertainty and stress."

Of the participants surveyed between November-December 2020 who accessed superannuation through the early release program, one in four (25%) had experienced a reduction in work hours, one in five (21%) a reduction in their wage or salary and one in seven (14%) had lost their job.

"COVID-19 didn't put a pause on the realities of life - people reported having babies, ending relationships, or even having to bounce back after losing a house in a fire. It did for many people, however, take away the money we'd usually need to deal with these things - whether that's from losing a job or hours, or closing a business. The early release program helped people in these situations remain financially resilient throughout COVID-19," Whitecross said.

Study findings also showed that around one in six respondents (16%) in households where someone had accessed superannuation said that at least some of the money had been used to provide financial support for friends or family.

"Families are a central part of how we live our lives. Our research often shows that families turn to each other for support, and this is another example of that.

"The report provides a window into the role early access to superannuation has played for families, and in some cases it meant being able to support loved ones," Whitecross said.

¹ Australian Prudential Regulation Association [APRA], 2021



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The report; The COVID-19 early release of superannuation: Through a family lens is available at:
http://www3.aifs.gov.au/institute/media/docs/sgBtyhAerg/2108_6_FIAS_Superannuation.pdf

Life during COVID-19 was the first survey in Families in Australia (AIFS' flagship survey series). The survey ran from 1 May to 9 June 2020, during the COVID19 (coronavirus) pandemic. Towards COVID Normal – the second survey in the Families in Australia series – ran from 19 November to 23 December 2020, when restrictions were no longer in place in most parts of Australia.

In the first survey, there were 7,306 respondents, of which 6,435 completed all survey questions. In the second survey, 4,866 participants responded, and 3,627 completed all survey questions.

In this report, data from the first and second AIFS Families in Australia Surveys are used to provide a snapshot of how Australian families made use of the early release of the superannuation program, providing new insights into the characteristics of individuals and families who made use of this early access.

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AIFS conducts original research to increase understanding of Australian families and the issues that affect them, see aifs.gov.au