

Sanlam Survey: 2008 Member Study

For the first time this year Sanlam introduced a member component to its Annual Retirement Survey. A random sample of 300 respondents was selected to participate in telephonic interviews. These interviews took place during May this year.

Demographics

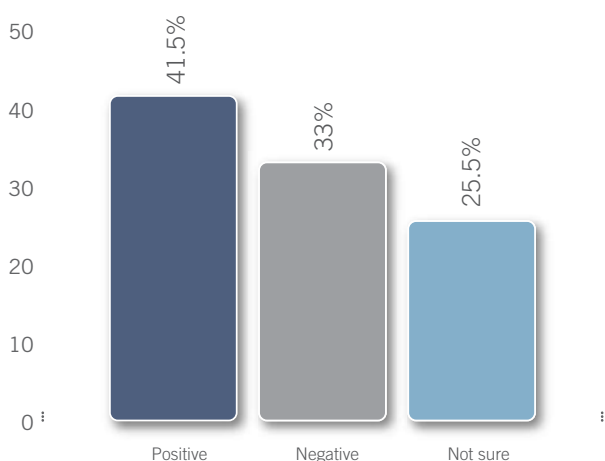
Respondents were selected from major metropole areas across three provinces, Gauteng, KZN and Western Cape.

The sample included a 40/60 split between female and male respondents. At least 61% fell in the “active member” stage (between 25 and 49 years age category). There was a spread of monthly income brackets with the majority of respondents (almost 50%) citing incomes between R1 600 – R10 000 per month.

National Retirement Reform or National Social Security Scheme (NSSS)

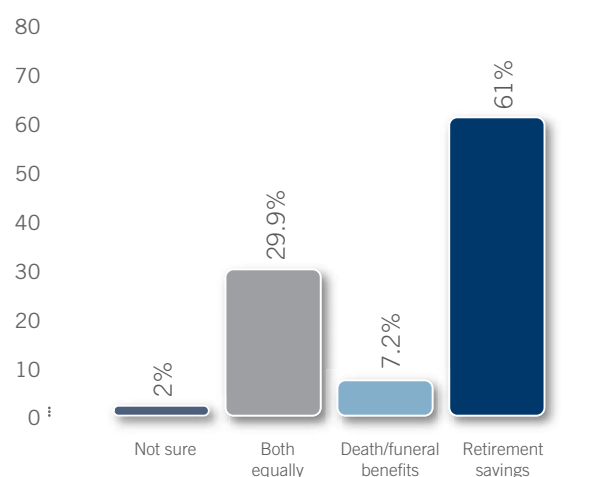
When asked if members had heard of the NSSS much less than half (37.5%) displayed some awareness of it. Despite this almost all respondents had an opinion of the implication should government administer such a scheme.

How do you view this development?



One of the aspects which needs to be decided with the implementation of the NSSS is the appropriate split of contributions between risk benefit costs and the portion to be allocated to investment for retirement provision. With this debate in mind we tested members' perception as to what they considered a greater need at this point in their lives. The research revealed that the majority of the respondent (61%) cited that saving for retirement was more important than provision for death/ funeral benefits.

What is your biggest need right now?



Adequate retirement provision

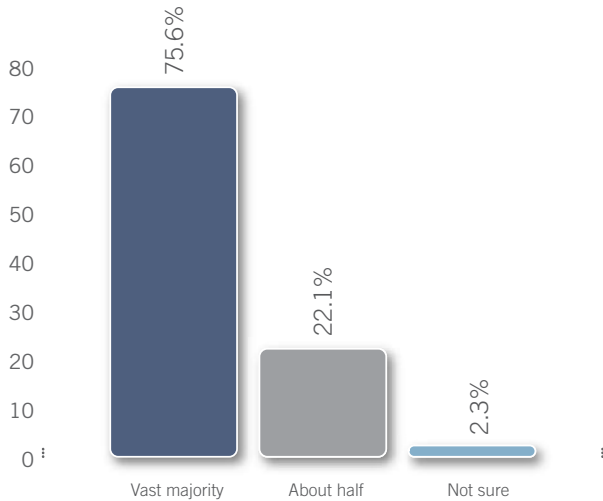
It has been reported that <10% of South Africans will retire with sufficient capital to live on during their retirement years.

It not easy for members to quantify the an estimated sum they'd require at retirement but at least 33.9% indicated with confidence that they would fall short at retirement. Of greater concern is that one quarter of respondents were uncertain as they had not even given this any thought.

Feedback and communication from the fund

Less than half (40.6%) of the members claimed that their Human Resources department provided regular feedback but it is the quarter (25.1%) who remain blissfully unaware of their retirement matters and are not aware of feedback sessions. At least 60% of members claim to attend these sessions where they are provided. An overwhelming majority (75.6%) claim to comprehend the vast majority of what is reported and it's implication on them as individuals.

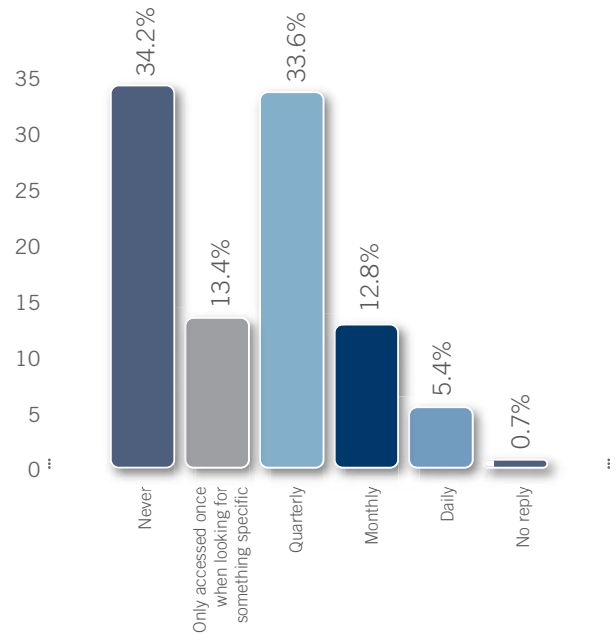
Level of understanding of what is communicated



Communication media

It appears that almost three quarter of retirement funds/ companies now have on-line facility to which most members have access. But is it enough to make this facility available and do members actually make use of it? How often do you access the fund website?

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Level of Financial Confidence

Just under half of the funds (49.4%) offer member investment choice but the level of members' confidence to make these choices is not exceptionally high.

Do you feel confident / sufficient knowledge to make these decisions?

