

savings from an earlier age.

Indeed they are. But calling for interventions and getting them to happen is, from years of trying, akin to pushing water uphill. It runs up against the mindset of deeply-ingrained consumerism, not only in SA but throughout the western world where the effects of exorbitant debt are horribly apparent.

There's a paucity of both ability and willingness to save. To 45% of the monitor's sample – representing working households in metropolitan areas -- death, funeral and disability cover are more important than retirement savings. These were mostly people in lower-income brackets who doubted that they'd reach retirement age at all.

Amongst the more affluent, the pattern is hardly less disturbing. On average, males are expected to live until age 80 and females until age 88. Thus, assuming the male to be the sole breadwinner and to retire at age 65, his retirement savings must serve him and his spouse for 15 years.

Fat chance if he's contributing only 8% of his annual salary to a retirement fund; worse if he cashes in whenever he changes jobs. A rule-of-thumb is to save at least 15% a year from age 25, presuming that he's never out of a job and that his defined-contribution fund consistently provides inflation-beating returns.

Not surprising, then, most respondents who were saving expected that for financial reasons they'd need to work after retirement age. And this was although they felt that their contributions to retirement funds were "about right". The contradiction amply illustrates that they have little clue of how much they should be putting away. Clearly, they're getting the wrong advice or no advice at all – whichever is worse – on their pre-retirement funding requirements.

There's a toxic mix of retirement assumptions, like children being prepared to support aged parents (some don't, it's believed) and being able to find work after retirement (what with the thousands of technically qualified and unqualified youngsters annually entering the jobs market). Or the quaint



Madikiza . . . mindset change needed

belief that ultimately the state will provide (okay, so try living on R1 140 per month).

Oh yes, and for those thinking that they have saved sufficiently for their retirement, they'd better get around to thinking about inflation too. The mindset-changing interventions, for which Madikiza calls, should be injected with a heavy dose of fear. Nothing else seems to work. ■