

Determinants of Early-Access to Retirement Savings: Lessons from the COVID-19 Pandemic

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Abstract

The COVID-19 Early Release Scheme (ERS) allowed Australian retirement plan participants in financial hardship immediate access to up to \$A20,000 of their ‘preserved’ retirement savings between April and December 2020. The ERS thus made otherwise illiquid balances temporarily liquid. Using administrative and survey data from a large Australian retirement plan, we examine what drove people’s decisions to withdraw their savings. We find that while the majority of surveyed participants withdrew money for immediate concerns, a substantial proportion were motivated by future needs. Most withdrawers thought about the decision for less than a week and many appeared to use the \$A10,000 per round limit as an anchor in choosing their withdrawal amount. Conditional on eligibility to withdraw (self-reported financial hardship), the probability of withdrawal was significantly higher where participants (i) were more concerned about future circumstances, (ii) experienced no change in job status but were uncertain about prospects, (iii) did not think about the long-term impact on their retirement savings, and (iv) under-estimated, or did not estimate, the consequent fall in their retirement savings. We show that while the behavior of many ERS withdrawers was consistent with consumption smoothing or a precautionary demand for liquidity, many people who withdrew under the scheme did not fully understand the consequences of their choice. As well as offering insights into preferences for liquidity, these findings raise the question of whether the framing of mandatory retirement savings as a mental account solely to finance retirement has been irrevocably altered.

Keywords: pension early access, COVID-19, retirement savings, consumption smoothing, precautionary liquidity, mental accounts

JEL codes: I38, J26, J32

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Superannuation is their money when they need it at a time in a pandemic we're going to make sure they can get access to it

(The Hon. Scott Morrison, Prime Minister of Australia, 25th August 2020)¹

1. Introduction

In March 2020, as economic activity slowed sharply under restrictions designed to contain COVID-19, the Australian Government announced a series of measures to provide financial support for displaced workers and small business owners.² One of the first measures was to relax prevailing restrictions on early withdrawals of retirement savings. Under the COVID-19 Early Release Scheme (ERS), people experiencing loss of employment or financial hardship during the COVID-19 pandemic could apply to withdraw up to \$A20,000 of their retirement savings ('superannuation') in two rounds of up to \$A10,000 each.³ After nearly three decades of mandatory retirement contributions and tight rules around access prior to retirement age, the principles of the Australian pension system were, temporarily, radically changed.

In this paper we examine the motivations and decision-processes of people who withdrew retirement savings using the ERS. To this end, we analyze administrative data on all participants (called 'members'), and survey data from a sub-set of participants who withdrew money from their retirement account via the ERS, from a large Australian retirement plan. We also compare the surveyed withdrawers from the plan with a control sample of people from the general population of retirement plan participants who were eligible to withdraw from their retirement accounts but did not. These three samples allow us to better understand decisions to take advantage of the ERS, including: (i) who withdrew money from their retirement account under the ERS; (ii) how much they withdrew; (iii) why they took the money – specifically whether it was for immediate or future needs; and (iv) how they made the decision to withdraw, including how long it took them to make the decision to withdraw money and whether they could they estimate the long-term implications of their withdrawal. We thus document the operation of a policy that created a temporary rise in the liquidity of otherwise illiquid retirement balances.

¹ House of Representatives Official Hansard, Tuesday 25th August, 2020, page 62.

² For the impact of the COVID-19 pandemic on the economy such as consumption, see Bishop, Boulter and Roswall (2022).

³ The Government also introduced a one-off stimulus payment and an enhanced unemployment allowance (known as JobSeeker) and a wage subsidy for affected businesses (known as JobKeeper) which both had wide coverage. See press releases from the Treasurer, The Hon. Josh Frydenberg -<https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/economic-stimulus-package>; <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/supporting-australian-workers-and-business>; <https://ministers.treasury.gov.au/ministers/josh-frydenberg-2018/media-releases/130-billion-jobkeeper-payment-keep-australians-job>.

Before COVID-19, the Australian pension system operated very tight controls over withdrawals from retirement accounts. Australian workers who meet minimum age and income thresholds receive at least 10% of their earnings as employer contributions to individual defined contribution (DC) retirement accounts, similar to 401(k) accounts in the US.⁴ These retirement contributions are mandatory for almost all workers and attract a substantial reduction in tax on the premise that they are used to provide benefits during retirement. (Most retirement benefits are tax-free in Australia.) However unlike 401(k) accounts, the prevailing rules preclude people from withdrawing or borrowing their savings before reaching a minimum ‘preservation’ age (55-60, depending on birthdate) and retiring (or transitioning to retirement), with some limited exceptions in cases of extreme personal or financial hardship.⁵ In addition, access to retirement savings using the ERS was significantly less burdensome than the usual early access, imposed no direct tax penalties, and was activated without verification of eligibility or proof of hardship. Participants simply applied for early withdrawals in a few steps through an online government portal. The ERS thus changed a fundamental element of the retirement savings system in Australia, which has been characterized by strict safeguarding of accumulations and minimal leakage (Beshears et al., 2015).

Australia is not alone in allowing access to preserved retirement savings as income support in the wake of the COVID-19 induced downturns in economic activity. Other countries that relaxed strict preservation requirements on privately managed retirement savings include Chile, Peru, India, Spain and Portugal (Mercer, 2020; OECD, 2020). There is also a group of countries including Switzerland, Singapore, New Zealand and the United States where a more lenient approach to preservation of retirement savings is part of standard retirement policy design. Pre-retirement access is rare in *mandatory* retirement saving arrangements and Australia’s standard early access is restricted to clearly defined cases of disability and terminal illness or severe financial hardship with some restrictions on the use of withdrawn funds (Stewart et al., 2019). Early access to retirement savings has raised concerns about future retirement income adequacy, for example in 401(k) and State pension plans in the US (Quinby et al., 2020; Munnell and Webb, 2022), and in Chile, where pension fund member members were allowed access to up to 10% of their pension assets, in each of several rounds, as a response to COVID-19 (Fernández and Villatoro, 2020; Lorca, 2021).

Economic theory suggests that allowing access to retirement savings following an economic shock, such as the COVID-19-induced rapid slowdown of the economy, can be welfare enhancing by allowing liquidity-

⁴ Increased from 9.5% at the time of this study to 10% of earnings in July 2021.

⁵ <https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/Withdrawing-your-super-and-paying-tax/?anchor=Whenyoucanaccessyoursuper#Whenyoucanaccessyoursuper>, accessed on 18 June 2020.

constrained households to dissave and better smooth consumption. This use of previously illiquid retirement savings to smooth consumption was examined in a proposal to allow US workers access to future social security benefits to finance spending during the COVID-19 pandemic (Catherine et al., 2020) and has been confirmed in related studies examining shocks to income, health, and marital status (Amromin and Smith, 2003; Butrica et al., 2010; Argento et al., 2014). Similarly, in a study on early withdrawal under Singapore's mandatory DC plan, Agarwal et al. (2020) found that providing some degree of access to pension savings allowed liquidity constrained consumers to better smooth consumption. In addition to immediate consumption needs, people could access newly, and unexpectedly, liquid retirement savings as a precaution against possible future consumption needs (Berger, 2020; Briere, Poterba and Szafarz, 2021, 2022).

Recent studies of socially optimal retirement system design propose that defined contribution systems serving participants with time-inconsistent preferences will incorporate optimal illiquidity (Moser and Olea de Souza e Silva, 2019; Beshears et al., 2020a, 2020b). For example, Beshears et al. (2020b) find that, where participants are heterogeneously present-biased, the optimal system is approximated by a combination of a completely liquid account, a completely illiquid account, and an account with a 10% early withdrawal penalty. In a related empirical study of French occupational pension plans, Briere et al. (2021) find evidence of 'precautionary demand for liquidity', where some participants forego employer matches (i.e., accept a penalty) to access liquidity.

Early-withdrawal penalties are a common measure of the liquidity of retirement balances. A completely liquid account applies no penalty for early withdrawals and a completely illiquid account applies an infinite penalty. In general, early-withdrawal penalties vary across developed country DC systems (Beshears et al. 2015). The Australian ERS did not apply any explicit tax penalty (up to the \$A20,000 limit) on withdrawals.⁶ However, if participants subsequently saved sums they withdrew, earnings from those savings would be taxed as personal income, at marginal tax rates ranging from 0% to 47%. Income tax on earnings from withdrawn savings could be significantly higher than the flat 15%⁷ tax collected from earnings on savings retained inside the plan. Furthermore, Australian retirement plans usually deliver higher rates of return than can be achieved by typical individual investors, because of plan scale and access to unlisted assets (APRA, 2021b), although these rates of returns are usually less than rates of interest on consumer debt. It follows that, although COVID ERS

⁶ Standard early-release funds are subject to a tax rate of up to 22%. Australia has a TTE retirement savings tax system where pre-income-tax contributions by employers or participants (up to a \$25,000 annual limit) are taxed at 15% (T), retirement plan investment earnings are taxed at 15% (T), and retirement benefits are tax-free (E).

⁷ All personal tax rates reported here include a 2% Medicare Levy.

withdrawals were not taxed, the net outcome for participants depended on what they did with withdrawn funds and on their taxable income.

Whilst consumption smoothing, liquidity preference and precaution are plausible reasons for participants to withdraw previously illiquid retirement savings, they do not reveal the extent to which the ERS withdrawers made well-considered decisions. Multiple studies of the psychology of human judgment and decision-making have proven the difficulties people have in understanding exponential growth and in overcoming present bias (e.g., McKenzie and Liersch, 2011; Soll et al., 2013; Luckman et al., 2020), that combine to make the offer of immediately available large sums of money very tempting (Argento et al., 2015; Munnell and Webb, 2022). Reinforcing these tendencies is the implied-endorsement of the Government that made the (almost frictionless) drawing of ‘retirement’ money a first-response for those in actual or perceived need (McKenzie et al., 2018). This rapid change to the policy-settings might encourage retirement plan participants to think that withdrawing money is the right thing to do, while also setting a value on which they could anchor a withdrawal amount (e.g., “The Government says I can withdraw \$10K so that must be an appropriate amount to take out.”). In short, the early release policy has the potential to change the *mental account* (e.g., Kahneman and Tversky, 1984; Thaler, 1980) that might previously have contained money solely for retirement into one containing money that is available for any ‘rainy-day’. The simplicity of access – a few clicks online – also removes another significant physical (and mental) barrier to changing how one thinks about ‘retirement’ money. In addition, the complexity of carefully weighing up the pros and cons of a withdrawal could lead many participants to choices driven by information overload (Briere et al., 2021) or financial knowledge overconfidence (Lee and Hanna, 2020). By examining these motivational and behavioral influences on decisions to release savings early, we can advance understanding of people’s reaction to this and similar policy initiatives that vary the liquidity and framing of retirement savings.

In our sample of ERS withdrawers, we found evidence of both consumption smoothing and a precautionary demand for liquidity: 58.7% of respondents reported that they withdrew from their retirement account to meet immediate expenses or to cover lost income (that is, to enable consumption smoothing), and 26.6% reported that they were motivated by future needs. Furthermore, conditional on eligibility, the probability of withdrawal was significantly higher where respondents were more concerned about future circumstances and reported some uncertainty around future job prospects. However, there is also evidence that not all withdrawers made a well-informed decision. Around 50% of respondents thought about the decision for less than a week, a large minority under-estimated, or did not estimate, the impact on their retirement savings and many appeared to use the \$A10,000 per round limit as an anchor in choosing their withdrawal amount.

Moreover, alongside this survey evidence, the fact that withdrawals were bunched around the opening dates of each round and that withdrawals were made when other sources of financial support were available, suggest that many people who withdrew under the scheme did not fully understand the consequences of their choice.

Our research makes key contributions to several streams of research. First, we add to the literature on how people respond to economic shocks when given short-term access to previously illiquid retirement savings. We find evidence of both consumption smoothing (Stewart et al., 2018; Agarwal et al., 2020) and a precautionary demand for liquidity (Briere et al, 2022). Second, we add to the growing literature on the difficulty people have estimating the impact of lifetime saving and spending decisions (McKenzie and Liersch, 2011). Finally, while several studies have examined how people have used COVID-19 stimulus payments and previously illiquid retirement savings (Bishop et al., 2022; Kubota et al., 2021 and references therein), we examine the decision-making process and behavioral influences that precede the decision to withdraw money.

The paper is set out as follows. Section 2 provides background and the institutional setting. Section 3 describes our data and reports summary statistics. Section 4 details our empirical analysis results and Section 5 concludes.

2. Institutional Setting

Superannuation is a key component of Australia's retirement income arrangements. Almost all Australian workers receive mandatory employer contributions of at least 10% of earnings in individual accounts in superannuation funds (pension plans) and a large minority top up with voluntary employee contributions. The contributions are generally invested in a broad portfolio of assets, are tax-favored relative to outside savings, and accumulating savings are preserved to retirement.⁸ Strict preservation is a feature of the Australian arrangements, with access prior to the preservation age or retirement available in very limited cases of extreme personal or financial hardship.

This feature changed on 22 March 2020 when the Australian Government announced a temporary relaxation of the strict preservation requirements as part of a suite of income support and economic stimulus measures introduced to address the effects of COVID-19 restrictions on the economy. The COVID-19 Early Release Scheme (ERS) allowed people to access up to \$A20,000 of their preserved retirement savings in two rounds. A

⁸ As noted earlier retirement plan contributions and pension fund investment earnings are taxed at 15%, compared to personal marginal tax rates of up to 47% (45% plus a 2% Medicare Levy), while benefit payments are exempt from taxation.

first withdrawal of up to \$A10,000 could be made between April and June 2020 and a further \$A10,000 between July and September 2020, later extended to 31 December 2020. The early release withdrawals were tax free and did not affect means-tested social security payments.

Retirement plan participants were eligible for the ERS if: they were unemployed; in receipt of a working-age social security payment (such as unemployment benefits or parenting payments); had been made redundant after the beginning of 2020; had their working hours reduced by 20% or more; they were self-employed and their business turnover had reduced by at least 20%. To expedite access to savings, the usual administrative processes for early release of retirement plan savings were waived and replaced by a fast-track application process conducted through the Australian Taxation Office (ATO) using the (myGov) online portal and without formal proof of eligibility at application.

All in all, early access to retirement savings via the ERS was therefore significantly less burdensome than standard early access and could be activated without verification. Furthermore, the industry regulator (the Australian Prudential Regulation Authority - APRA) instructed the retirement plans to make the early access withdrawals available to participants within five business days.

The take-up of ERS must also be considered in the context of other measures introduced to provide support for displaced workers and those whose working hours had been reduced. These included a wage subsidy scheme called JobKeeper and enhanced support for the unemployed through JobSeeker. JobKeeper supported over 3.5 million workers over the period May to September 2020, reducing to around 1 million by March 2021 at a total cost of \$A88.8 billion (Treasury, 2021). JobSeeker is a non-contributory unemployment benefits scheme funded from general revenue. In response to COVID-19 eligibility was expanded and fortnightly payments were doubled on a temporary basis (DSS, 2021).

Cbus, the retirement plan that provided the administrative data for this study, is one of Australia's largest profit-to-participants retirement plans, mainly serving the building, construction, and allied industries. Just before the introduction of the ERS, Cbus had around 756,000 participants and \$A52 billion in funds under management. Compared with the population of Australian retirement plan participants, and consistent with the sector that the plan mainly serves, Cbus participants are predominantly male (over 90% males compared with 50% males in the general plan population) and tend to have a lower average age and account balance.

By the end of the ERS, 3.5 million Australian retirement plan participants had made at least one successful application to withdraw from their accounts at an average payment of \$A7,638. In total, around 15% of retirement plan participants took early access of their retirement savings and just over 40% of these withdrew

in both rounds, totalling \$A36.4 billion of retirement assets. Among Cbus participants, 24% accessed their retirement savings, with around half of these (12% of the Cbus membership) withdrawing in both rounds, taking an average amount of \$A8,327 per withdrawal. The Cbus drawdown patterns are similar to those of retirement plans for workers in industries most disrupted by the COVID-19-induced economic slowdown: around 24% and 18% of participants in the industry wide retirement plans for hospitality workers (Hostplus) and retail workers (REST) withdrew an average of \$A7,217 and \$A7,150 respectively, with repeat drawdowns by around 9% of Hostplus participants and 7% of REST participants. The withdrawal rates were much lower for retirement plans for workers in occupations less affected by the economic slowdown: the retirement plans Aware Super and QSuper, that cover public sector workers such as teachers and police, reported withdrawal rates of around 6% and 12% of plan participants, at average withdrawals of \$A8,619 and \$A7,762 respectively (APRA, 2021a; 2021b).

3. Data and Summary Statistics

3.1 Data Collection and Samples

Our data come from three sources. The first source is administrative data covering the population of Cbus plan participants and provides comprehensive information on their socio-demographic background, investment decisions, and early access of retirement accounts. We examine this data set to understand who withdrew money from their retirement savings under the ERS and how much they took.

The second and third sources are survey data. We worked with Cbus to design and administer two online surveys and used individual responses to explore the motivation and decision-making process of retirement plan participants who withdrew money using the ERS. Cbus conducted the first survey by sampling Cbus plan participants who had withdrawn from their retirement account in the first round of the scheme. This survey asked a series of questions which covered information sources used to make the decision, timeframe for thinking about the decision, reasons for withdrawing money using the scheme, understanding of the consequences of the withdrawal, and plans to replace the savings withdrawn. The full Cbus Early Release survey is available at Online Appendix A. Cbus surveyed a random sample of 22,507 of its plan participants who had taken out retirement savings in the first round between April and June 2020 and who had an email account. 3,047 participants completed the survey,⁹ and the data was augmented with matched Cbus

⁹ The survey was sent once every Friday between May 1 and July 3, 2020. An updated version of the survey with additional questions on the use of withdrawn money was introduced on June 19, 2020. Cbus offered respondents who completed the survey a place in a draw for 20 \$A100 gift cards.

administrative data on socio-demographics, retirement account characteristics, and plan engagement measures. We then administered a companion survey between July 27 and August 27, 2020, to collect data on a control group. We sampled 500 Australian retirement plan participants who were eligible to withdraw savings under the ERS but chose not to withdraw.¹⁰ We collected similar information to the first survey, including socio-demographic and retirement plan characteristics as well as their decision-making process around withdrawals using the scheme. The full survey administered to the control group is available at Online Appendix B. Key summary statistics are reported in Table 1 and Figure 1. The complete set of summary statistics are reported in Appendix Tables A1 (Cbus Early Release Survey) and Online Appendix Table A5 (Control Survey).

3.2 Who withdrew money using the early release scheme and how much?

Table 1 reports the summary statistics for withdrawals using the ERS both for Cbus retirement plan participants and Australia-wide. Overall, Cbus participants were more likely to withdraw and took more when they did withdraw, compared to the national averages. Out of 775,868 Cbus plan participants, 138,780 (18%) withdrew money from their retirement account in the first round; 137,949 (18%) made a withdrawal in the second round and 90,135 (12%) withdrew in both rounds. The comparable percentages for all Australian retirement plan participants are 11%, 11%, and 6%, respectively.

For Cbus participants (columns 1-4), the average amount withdrawn in Round 1 and Round 2 are of similar magnitude (\$A8,353 and \$A8,320), and those who withdrew in both rounds tended to take more in each round (\$A8,916). These amounts are also above national averages (columns 5-8). These higher amounts may be driven by the predominantly male (90%) composition of Cbus with males tending to have higher balances than females. Only 8% (7%) of plan participants who withdrew in Round 1 (Round 2) were female, and 7% of those who withdrew twice were female, which is lower than their representation in the plan. Also of note, Cbus estimated that over 20% of participants who withdrew were ineligible for the ERS¹¹. Thus, the absence of a proof-of-eligibility check at the point of ERS appears to have allowed approximately one fifth of Cbus plan participants to access money that they were not entitled to obtain.

¹⁰ To avoid the risk of priming the Cbus plan participants with the idea of early release, we collected the data from a web panel from Pureprofile which covered the general population. Pureprofile rewarded respondents who completed the survey around \$A4 in cash or points redeemable for gifts.

¹¹ Cbus estimated the ERS eligibility of fund participants by comparing their recent Superannuation Guarantee (mandatory retirement saving) contributions to their Cbus account against the ERS eligibility criteria, assuming Cbus is their only or main retirement fund. We believe this measure, while imperfect, would be a reasonable proxy for the true ERS eligibility of the participants.

Table 1: Summary Statistics: Early Release Participants (Cbus and National); Cbus Early Release Survey and Control Survey

	Cbus Participants				National Retirement Plan Participants				Cbus Early Release Survey	Control Survey ^b .
	Round 1 ERS	Round 2 ERS	Both Rounds	All Plan Participants	Round 1 ERS ^a .	Round 2 ERS	Both Rounds	All Plan Participants		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
No. Participants	138,780	137,949	90,135	775,868	2,406,021	2,360,762	1,409,985	22,464,156	3,047	500
% Participants withdrawing	18%	18%	12%	-	11%	11%	6%	-	100%	0%
Gender (% Female)	8%	7%	7%	10%	-	-	-	47%	15%	60%
Age (median)	37	38	38	38	-	-	-	-	41	42
Tenure, years (median)	9	11	11	9	-	-	-	-	9	10
Withdrawal amount each round (average)	\$A8,353	\$A8,320	\$A8,916	-	\$A7,503	\$A7,040	\$A8,078 ^c .	-	\$A8,449	\$A7,163
Withdrawal amount each round (median)	\$A10,000	\$A10,000	\$A10,000	-	-	-	-	-	\$A10,000	\$A8,000
% of account withdrawn (average)	43%	44%	53%	-	-	-	-	-	41%	25%
% of account withdrawn (median)	27%	27%	41%	-	-	-	-	-	24%	11%
Balance before early release (average)	\$A55,042	\$A56,670	\$A67,492	\$A67,215 ^d .	-	-	-	-	\$A64,302	\$A139,552
Balance before early release (median)	\$A32,462	\$A33,763	\$A46,783	\$A29,706 ^d .	-	-	-	-	\$A38,651	\$A53,000
Suspected ineligible	24%	22%	25%	27%	-	-	-	-	-	-

Notes:

- a. We use Australian Prudential Regulation Authority (APRA) data as at 28 June 2020 (the closet possible date to the end of Round 1), which implies a slight under-estimate of the numbers of Round 1 and over-estimate of Round 2 early release. Average account balance for all plan participants at June 2020 was \$86,903.
- b. Control survey asks for the current balance instead of balance at FY 2020, and it asks for the hypothetical early release amount if the respondent were to withdraw.
- c. We imputed the average payments by assuming the conversion rate from application value by the participant to the actual payment is the same between initial and repeat early release applications.
- d. Account balance as of June 30, 2020

Data Sources: Cbus Retirement Plan, APRA (2021a), Cbus Early Release Survey, Control Survey.

The last two columns of Table 1 report summary statistics for socio-demographics and retirement plan characteristics for both the Cbus early release survey sample and the control survey sample. The data show that the Cbus early release survey respondents (column 9) who were asked about their motivations and decision-making process for withdrawing money in the first round of the ERS are more likely to be female than all members of Cbus who withdrew in the first round of the ERS (column 3). The Cbus ERS survey-respondents are also slightly older but have the same tenure in the plan as all members who withdrew in the first round. On average, a respondent in the Cbus early release survey had a balance of \$A64,302 before the withdrawal and withdrew \$A8,449 from their account in the first round. Their initial balance, withdrawal amount and percentage of account balance withdrawn are comparable to the average of all Cbus members who withdrew in the first round (column 1).

The control sample (column 10) has a much higher percentage of female respondents, a higher median age, and a higher account balance compared to Cbus survey respondents. When asked how much they would have withdrawn if they were to do so, control sample respondents reported a lower withdrawal amount, which accounts for a smaller proportion of their initial balance. This is not surprising, as these respondents were eligible for the ERS but chose not to withdraw. This reluctance to withdraw is consistent with the control-survey respondents being in a better financial situation in the pandemic compared to the Cbus participants who made withdrawals.

Since we match the Cbus early release survey data with Cbus administrative records, we know exactly how much the survey respondents withdrew in the first round of the ERS. Figure 1a reports the distribution of the withdrawal amounts in the first-round relative to the \$A10,000 limit and the respondents' remaining balances. Most respondents withdrew either the \$A10,000 upper limit, or an amount very close to their account balance if their balance was less than the upper limit. Those who left small residual amounts could have been preserving life insurance cover (which requires a minimum account balance)¹² or may have been working from slightly dated balance information when making their application. The fact that only 11% of respondents withdrew less than the limit while still preserving more than \$A1,000 in their account demonstrates that respondents were strongly guided, and effectively constrained, by the \$A10,000 limit.

¹² Under Australia's mandatory pension arrangements plan participants are defaulted into life insurance cover.

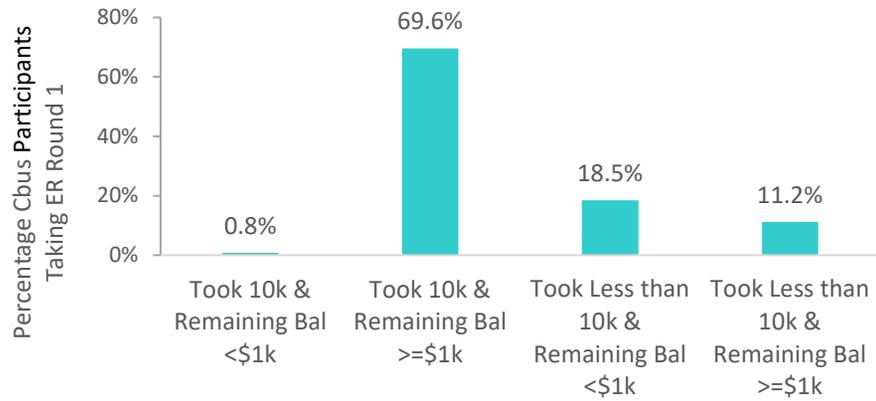
3.3 Reasons for withdrawal of retirement savings using the early release scheme

We asked survey respondents ‘why did you decide to withdraw your super?’ (from a list of ten options) and ‘what was the main reason?’ Responses summarizing the main reason to withdraw under the ERS are reported in Figure 1b. The Government intended that the ERS would help people who were unemployed, made redundant or who were experiencing reduced work hours, to meet expenses during the COVID-19-induced economic slowdown. We find evidence consistent with the policy intention: more than half (58.7%) of respondents reported that they withdrew funds to meet immediate expenses or to cover lost income. Notably, however, around one quarter (26.6%) were motivated by future financial pressures. In other words, one in four respondents appears to be expressing a demand for precautionary liquidity. Few respondents cited concerns about falling asset values or simple impatience as reasons for accessing their savings. The Cbus survey findings are also consistent with national data collected in the Australian Bureau of Statistics (ABS) Household Impacts of COVID-19 Survey which reported that 57% of those who had withdrawn under the ERS had used or planned to use the money to pay household bills, mortgages, rent and other debts and 36% planned to save the money (ABS, 2020).

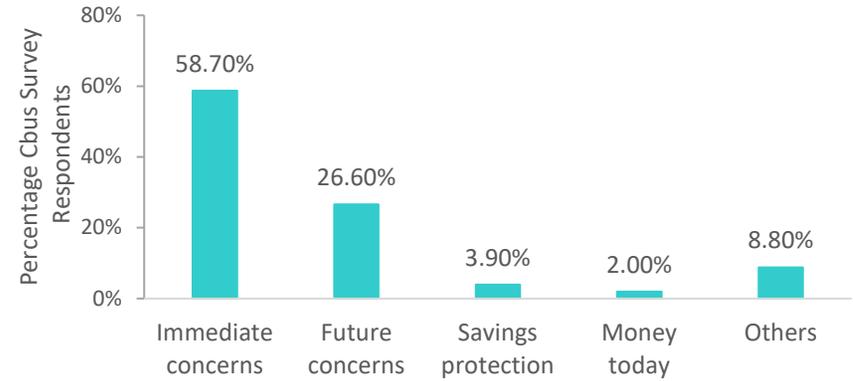
The current and expected labor market status of those taking ERS (reported in Table A1) is also consistent with a mix of immediate needs and precautionary motives: 44% of the sample who took ERS reported that they were unemployed before or as a result of COVID-19, while around half the sample reported that they were still employed with reduced hours and around 5% had the same or increased hours. Furthermore, 55% of the respondents who were employed at the time of the survey expected to continue to be so throughout the crisis, with around third unsure. Among the entire sample, over half (57%) thought they would be eligible for and/or apply for government income support such as through JobSeeker or JobKeeper.¹³

¹³ For details see Table A1: Questions Q6-Q8.

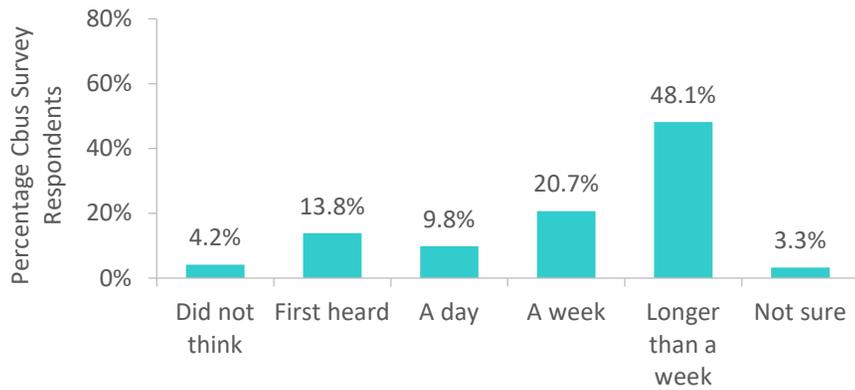
Figure 1: Summary Statistics – Cbus Early Release Survey



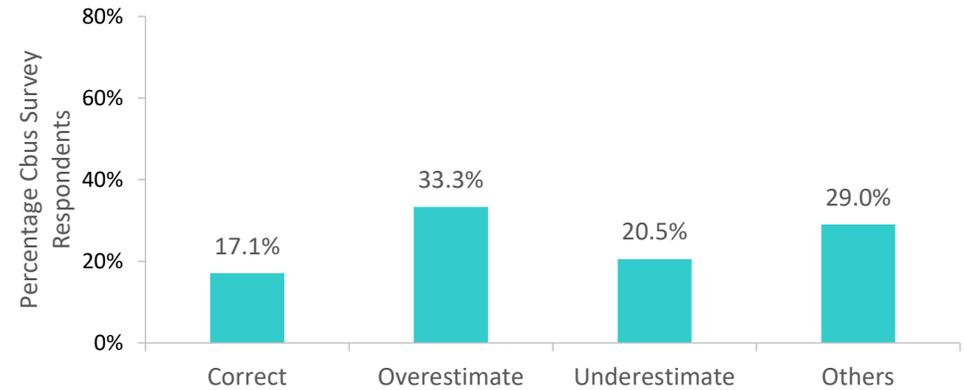
(a) Withdrawals relative to \$A10,000 limit and remaining balances



(b) Main reason for withdrawing using the ERS



(c) Time spent thinking before deciding to withdraw using the ERS



(d) Respondent's estimate of ERS Impact on Projected Future Wealth

Note: Participants were asked to choose one of six ranges of impact: \$5000 or less; \$5,000-\$10,000; \$10,000-\$20,000; \$20,000-\$50,000; \$50,000-\$100,000; More than \$100,000. We estimate the impact of early release on savings at retirement based on assumptions in official Cbus communications with their participants. The assumptions are: (1) Retirement balances are presented in today's dollars which means they have been adjusted for inflation; (2) Balance-dependent admin fee of 0.19% p.a. (inflating at CPI); (3) Investment return of 5.75% p.a.; (4) long term CPI of 2.5% p.a. and rise in living standard.

Data source: Cbus Early Release Survey

3.4 How did members make their decision to withdraw their retirement savings?

We also asked questions to better understand how surveyed plan participants made their decision to withdraw using the ERS including, 'how long did you think about it before deciding to withdraw?' and 'what impact do you think withdrawing your super will have on your retirement savings by the time you reach retirement age?'. We set the latter question to investigate respondents' understanding of exponential growth in relation to the decision to withdraw using the scheme. In response to the first question, Figure 1c shows that around half of respondents report spending a week or less thinking before they decided whether they would apply for early release, and 28% either made their minds up immediately or within a day of hearing about the scheme.

In answering the second question, we asked respondents to choose one of six ranges of impact on retirement savings or 'no impact', 'don't know' or 'don't care'. We compared their answers with our estimates of the impact on their retirement savings, where our estimates are based on assumptions in official Cbus communications with their participants. Surveyed plan participants expressed a high degree of uncertainty or lack of concern about the long-term implications of the withdrawal. Around one third of respondents said that they were unsure about the impact of their withdrawal on their retirement balances or had not thought about it or did not care. Figure 1d compares respondents' estimates of the long-term impact of their withdrawal to our estimates. The fact that only 17% provided an estimate within the correct range indicates that the majority of withdrawers either could not, or did not, evaluate the impact of their decision. Moreover, despite a third of participants over-estimating the impact of withdrawal on their future retirement balance, there was no evidence that those who over-estimated withdrew less, on average (\$A8,896), than respondents who were correct (\$A8,377), underestimated (\$A8,336) or did not know or care about the impact (\$A8,040). Together, these results suggest some misunderstanding of exponential growth as well as overall confusion about, or indifference to, the long-term impact on their retirement savings of their decision to withdraw.

In terms of information used to help make their ERS decision, around two thirds of respondents interacted with their retirement plan (Cbus) by visiting the website or emailing or calling the plan. Around 80% of respondents used other information to help make their decision, most often by consulting family and friends or using an online calculator.¹⁴

¹⁴ For details see Table A1: Questions Q3 & Q4.

4. Regression Analysis of the Early Release Decision

In this Section, we use regression analysis to identify those factors significantly associated with the decision and amount to withdraw, from a comprehensive set of socio-demographic variables and indicators of motivation for, and understanding of, the decision.

4.1 The Decision to Withdraw

First, to study the decision to withdraw, we use data from the Cbus Early Release survey of plan participants who took early release in the first round and the control survey of retirement plan participants who were eligible but did not withdraw. (Respondents to both surveys assessed their own eligibility to withdraw.) The regression sample comprises the two survey samples less five respondents to the Cbus survey whom we could not match to the larger administrative database. We estimate the following logit model:

$$\log\left(\frac{P_i}{1-P_i}\right) = \text{Account Balance}_i * \beta_1 + \text{Female}_i * \beta_2 + \text{Age}_i * \beta_3 + \text{Tenure with Fund}_i * \beta_4 + \text{Employment Status}_i * \beta_5 + \text{Expected Welfare Eligibility}_i * \beta_6 + \text{Thought about Impact}_i * \beta_7 + \text{Deliberation Time}_i * \beta_8 + \text{Information Source}_i * \beta_9 + \text{Main Reason}_i * \beta_{10} + \text{Estimation of Impact}_i * \beta_{11} \quad (1)$$

where P_i is the probability of plan participant i , who is (self-assessed) eligible, making a withdrawal under the ERS, conditioning on account balance, gender, age, tenure with the retirement plan, employment status¹⁵, expected eligibility for government income support, whether the participant thought about the impact of early release before making the decision, the time they spent making the decision, the source of information they used, the main reason for their decision to withdraw or not withdraw, and their estimation of the impact of withdrawal on their retirement accumulation compared with our estimates.

Figure 2 presents the predictive margins for selected factors from the logit estimation of the decision to withdraw. The complete set of predictive margins and marginal effects are reported in Appendix Table A2. Our overall findings show that people who withdrew using the ERS were

¹⁵ The categories of employment are: unemployed before the pandemic; employed and working hours the same or increased and (i) expect to continue to be employed, (ii) do not expect to continue to be employed, (iii) not sure whether will continue to be employed; employed but working hours have been reduced since the crisis and (i) do not expect to continue to be employed, (ii) not sure whether will continue to be employed, (iii) expect to continue to be employed; lost job due to the crisis.

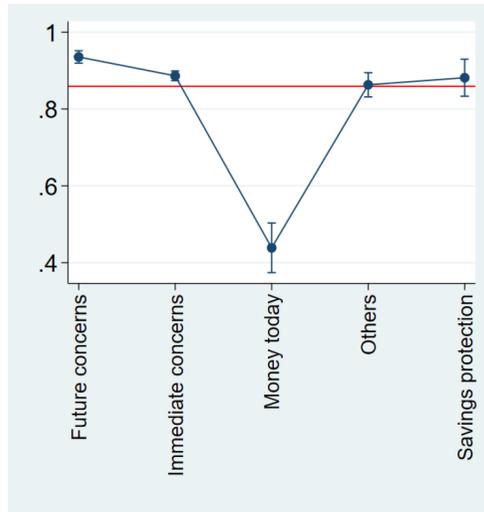
motivated by future needs and income uncertainty and required more guidance about the decision to access their retirement savings.

First, future concerns are positively related to the decision to withdraw. As shown in Figure 2a, the probability of withdrawing retirement savings early, conditional on being (self-assessed) eligible, is 7 percentage points higher if the respondent reported future concerns as the main reason for the decision compared to those reporting other reasons. The importance of future concerns is also shown in Figure 2e which shows that the probability of withdrawal is significantly higher where respondents were uncertain about future income. When the respondent's work hours have reduced during the pandemic, and they are not sure about their future employment (HR NSE), the probability of taking the early withdrawal is 5 percentage points higher compared to the baseline group of those unemployed before COVID-19. This effect is even stronger for people who have maintained their hours of employment but are unsure about future employment prospects with a 10-percentage points difference compared to the baseline (HS NSE).¹⁶ Together these results support a demand for precautionary liquidity to manage possible future needs.

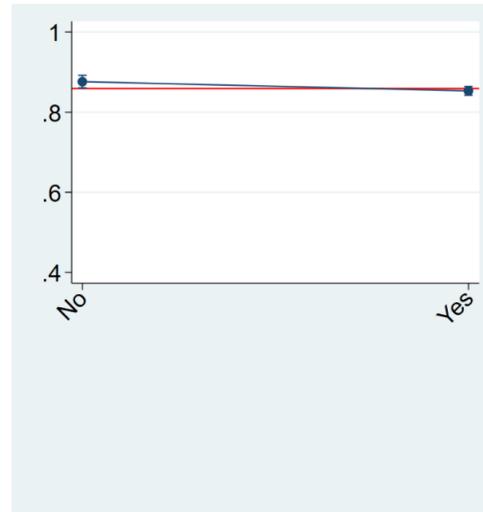
Second, Figure 2b shows that, compared to those who thought about the consequences of withdrawing using the ERS in terms of the impact on their retirement, the probability of withdrawal is 3 percentage points higher if a member did not think about it or indicated that they were "not sure" or "don't care". In other words, participants who thought about the impact of a withdrawal also thought more carefully before deciding to withdraw. Further, the probability of withdrawal is 4 percentage points higher if the participant underestimated the impact of early release on their retirement wealth or indicated that they "don't know" or "don't care" about the consequences, compared to those estimated correctly (Figure 2c). We interpret this estimate as consistent with people with higher financial competence being more cautious in accessing their retirement savings.

¹⁶ However, the probability of withdrawal for respondents who expected to be eligible for JobKeeper is 2 percentage points lower, compared with those who did not expect to receive this welfare payment.

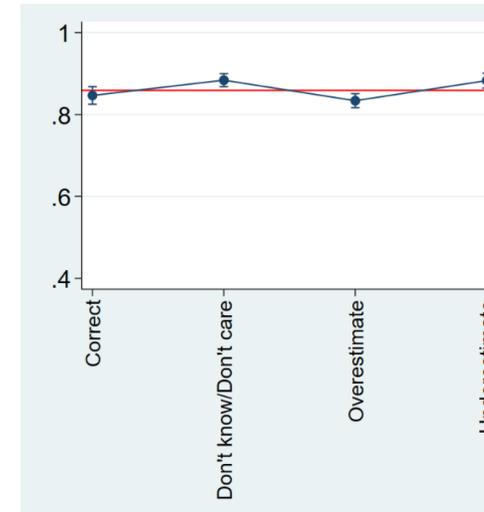
Figure 2: Predictive Margins of the Probability of Taking Early Release



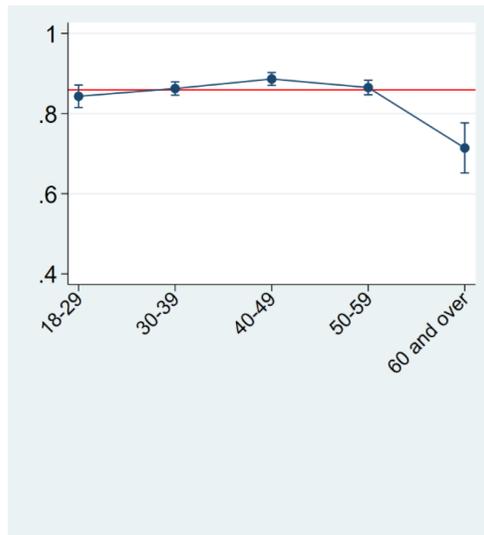
(a) Main Reason



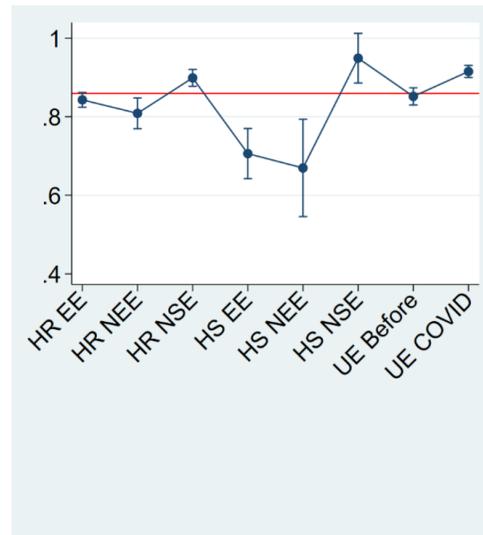
(b) Thought about ERS Impact



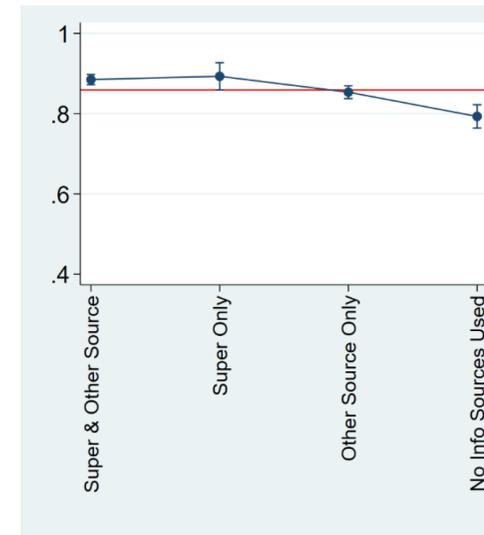
(c) ERS Impact Estimation



(d) Age Group



(e) Employment Status



(f) Source of Information

Notes: In 2(e), HR = “Hours Reduced”, HS = “Hours stayed the same”, EE = “Expected to be employed”, NEE = “Not expected to be employed”, NSE=“Not sure to be employed”, UE Before = “Unemployed before COVID”, UE COVID =“Unemployed due to COVID”.

Data Source: Cbus Early Release Survey and Control Survey

Together these results indicate a higher probability of withdrawal where plan participants made the decision quickly and were unaware of, or did not care about, the long-term impact on their retirement savings.

Third, Figure 2d shows that the probability of a withdrawal is 4 percentage points higher for those aged 40-49 (compared to the baseline group 18-29). A possible explanation is that people in this age group are more likely to be financially responsible for a family and thus have a more urgent need to access their retirement savings, suggesting a consumption smoothing response.

Finally, as shown in Figure 2f, compared to those who have sought information from their retirement plans and other sources, those who have not used any source of information about the ERS are 9 percentage points less likely to make a withdrawal. This might be reflecting the active information seeking of those who are most interested in accessing their savings using the ERS.

Overall, we see a mixed picture. Some of the significant associations indicate responses to the short-term availability of previously illiquid retirement savings to enable consumption smoothing or to satisfy a precautionary demand for liquidity in the case of future labor market and other uncertainty. However, other significant associations indicate rushed decision-making without due consideration of the long-term implications for retirement security.

4.2 Maximum Withdrawal

In our second analysis, we study the likelihood of taking as much as possible (i.e., \$A10,000 per round or one's entire balance) using Cbus administrative data on all the participants who withdrew in both rounds of the ERS. We estimate a logit model as follows:

$$\log\left(\frac{P_i}{1-P_i}\right) = \text{Account Balance}_i * \beta_1 + \text{Estimated Salary}_i * \beta_2 + \text{Suspected Ineligible}_i * \beta_3 + \text{Female}_i * \beta_4 + \text{Tenure with Fund}_i * \beta_5 + \text{State}_i * \beta_6 + \text{Age Group}_i * \beta_7 + \text{Retirement Preparedness}_i * \beta_8 \quad (2)$$

where P_i is the probability of individual i making a maximum withdrawal under the ERS (either emptying their account or the \$A10,000 limit), conditional on making a withdrawal under the ERS in the first round in which she was (self-assessed) eligible to withdraw. We test the impact of the participant's account balance before withdrawal (in quintile groups), estimated salary (in quintile groups), whether the plan suspects the participant to be ineligible for early release, gender, tenure

with plan (in quintile groups), state of residence, age, and a risk score on preparedness for retirement savings calculated by Cbus¹⁷.

Figure 3 presents the predictive margins for selected factors from the logit model estimation of the choice of maximum withdrawal conditional on making a withdrawal. Panel A is for withdrawals in the first round and Panel B is for withdrawals in the second round. The full set of predictive margins and estimated marginal effects are reported in Appendix Table A3.

First, as shown in Figure 3a (Figure 3e), the probability of taking the maximum withdrawal is over 50 (over 30) percentage points higher in Round 1 (Round 2) if the member's account balance before withdrawal is in the top three account balance quintiles, or over \$A22,400 (\$A23,200), compared to others. Since there is no reason to believe that participants with higher account balances were in more urgent need of money, the results are consistent with our finding in Figure 1 that people were guided by the \$A10,000 limit when deciding how much to withdraw.

Second, Figure 3b and 3f show that, compared to the plan participants with an estimated salary in the lowest quintile, the likelihood of taking the maximum withdrawal is 1-2 percentage points lower for those in the second and third lowest quintiles (\$A21,000-\$A54,000 for Round 1; \$A22,000-\$A56,000 for Round 2). However, those in the highest quintile are about 2 percentage points *more* likely to withdraw the maximum amount possible. In other words, people with the highest salary ranges are most likely to withdraw the maximum amount, followed by those with the lowest salary ranges. We conjecture that low-salary participants may have been motivated by necessity, being likely to have suffered the most financial hardship during the pandemic. Higher salary participants may think the withdrawal is relatively easy to replace from future discretionary income, and therefore take out the maximum amount.¹⁸

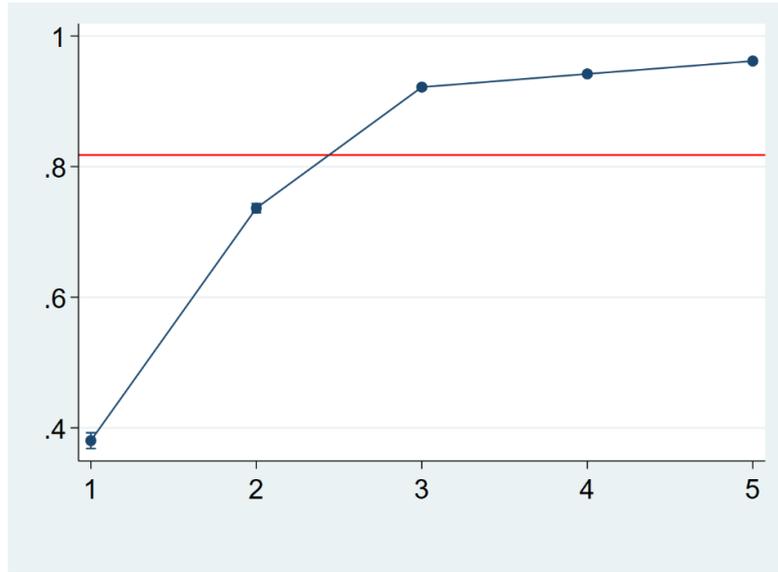
Third, participants whose tenure with Cbus is in the top three quintiles (over 7 years for Round 1 and over 9 years for Round 2) are more likely to take the maximum amount, by 2-5 percentage

¹⁷ The score considers the plan participant's expected retirement income and target income. The target income is calculated based on Cbus research and the Association of Superannuation Funds of Australia's (ASFA) Retirement Standard.

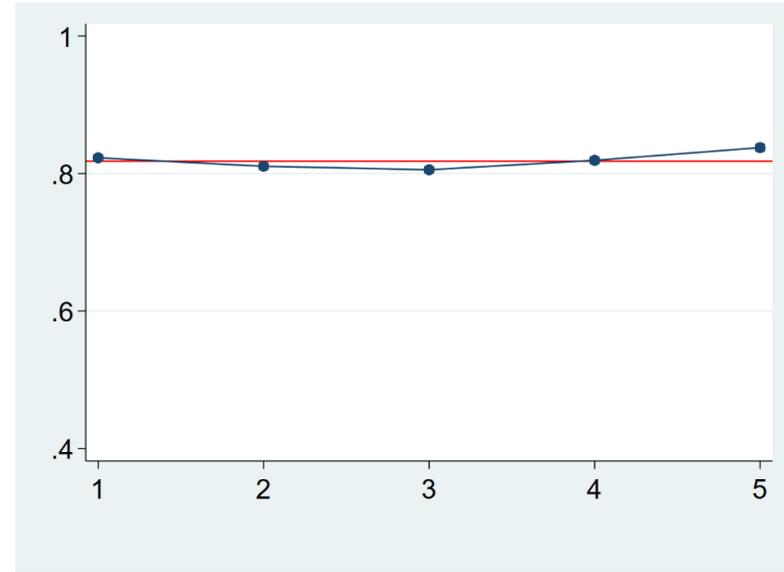
¹⁸ Around 48% of survey respondents answered 'yes' to the question 'Will you make extra contributions into your super to replace the money you have withdrawn, when you can?'. The correlation between answering 'yes' and respondent income is 0.17.

Figure 3: Predictive Margins of the Probability of Maximum Withdrawal, Conditional on Taking Early Release

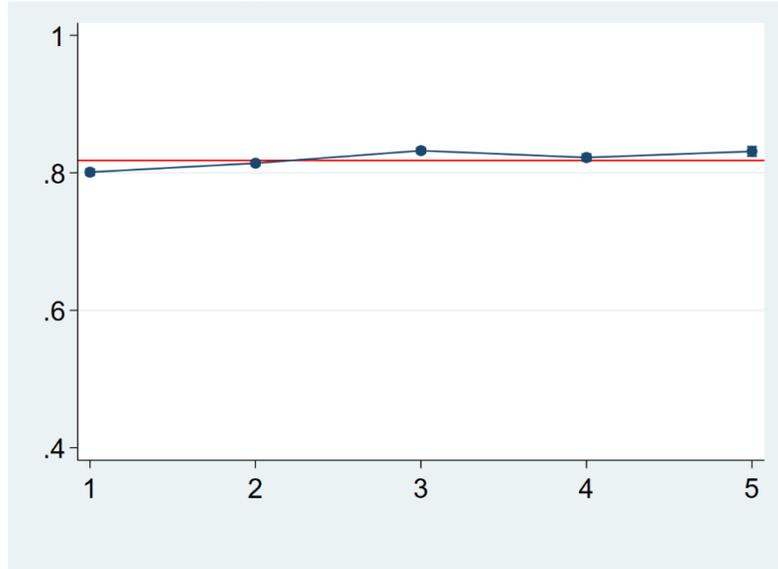
Panel A: ERS Round 1



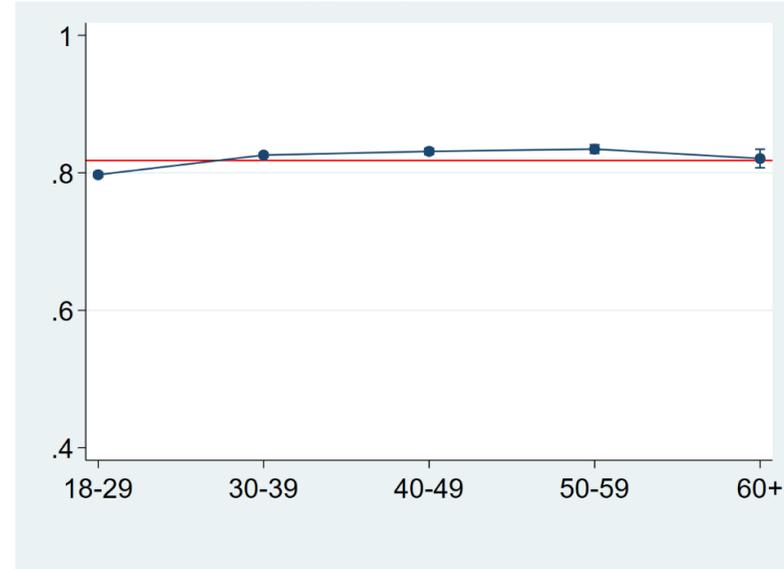
(a) Account Balance Quintile



(b) Salary Quintile

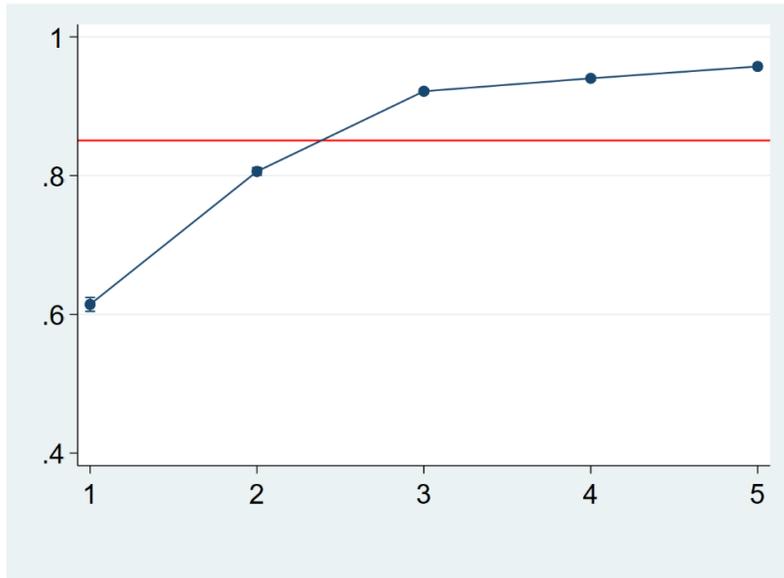


(c) Tenure Quintile

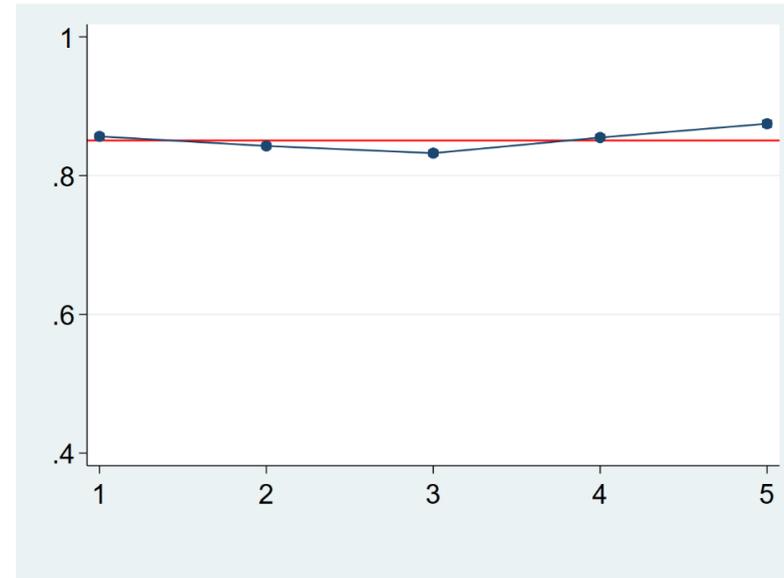


(d) Age Group

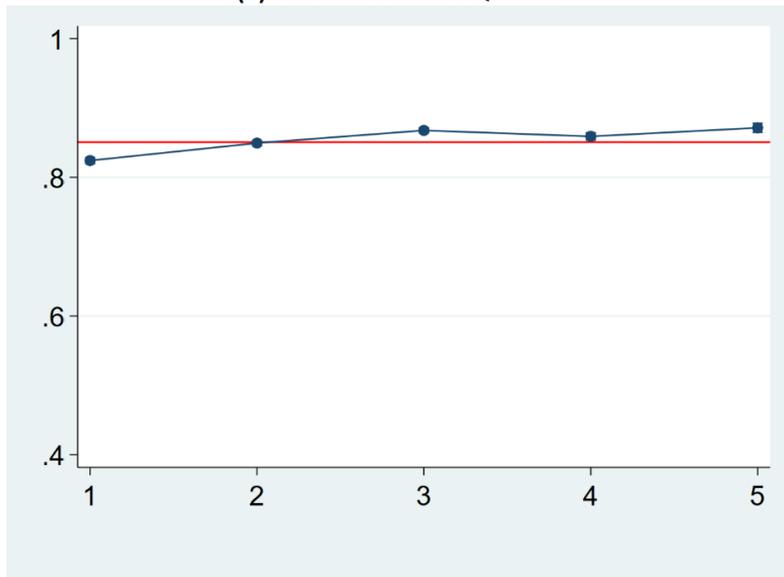
Panel B: ERS Round 2



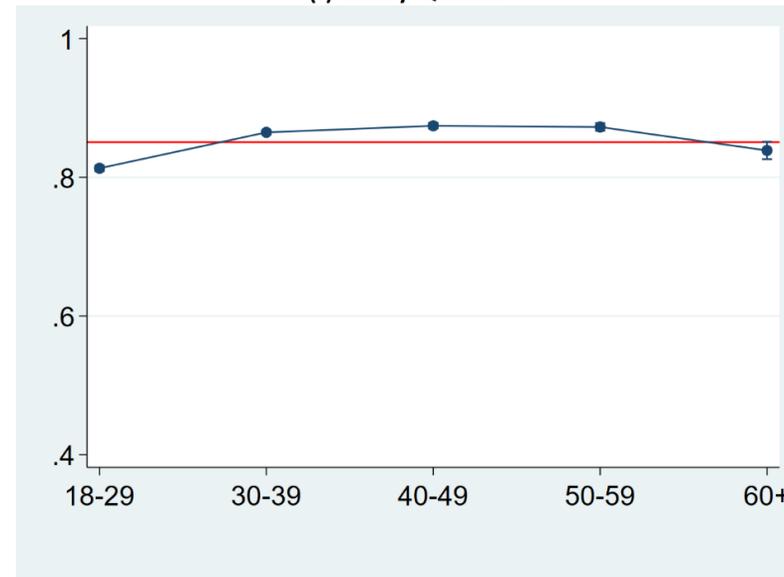
(e) Account Balance Quintile



(f) Salary Quintile



(g) Tenure Quintile



(h) Age Group

Data Source: Cbus Retirement Plan

points (Figures 3c and 3g). Fourth, compared to the baseline age group (18-29), participants aged 30-59 were more likely to take the maximum withdrawal by about 3 percentage points in Round 1 and 5-6 percentage points in Round 2 (Figures 3d and 3h). These two last features are consistent with mid-life participants managing the expenses of a family, as well as mortgage or rents, by drawing down retirement savings early.

Overall, we find evidence that people did not only withdraw what they needed but were also guided by the statutory limit to withdrawals and possible other factors, particularly for plan participants with relatively high salary and retirement account balances.

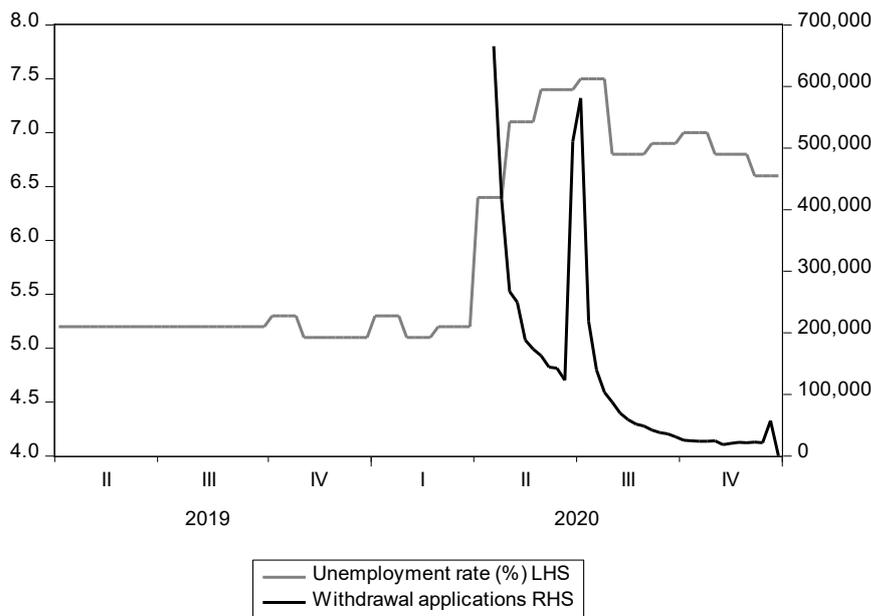
We repeated these regressions for the two groups of survey respondents: those who self-reported that the main reason they withdrew using the ERS was for immediate concerns (n=1,488), representing people motivated by consumption smoothing, and those whose main reason was future needs (n=750), representing people motivated by a precautionary demand for liquidity. Results reported in Table A4 in the Online Appendix show little difference between the two groups in the decision to withdraw the maximum amount, with the exception of two factors. First, actual eligibility for the ERS matters for people motivated by consumption smoothing, who are less likely to withdraw the maximum amount if they were judged by Cbus to be ineligible for the ERS. In other words, this group is more likely to withdraw the full \$A10,000 or empty their account if they actually qualify for the ERS due to loss of job or reduced hours. Second, time spent thinking about the decision to withdraw only matters to those seeking precautionary liquidity, where thinking about whether to withdraw for longer than a week makes them less likely to take the maximum amount, possibly because the participants in this group that spent less time deliberating had a pent-up demand for precautionary liquidity.

4.3 Unemployment and ERS Withdrawal

Further evidence that accessing previously illiquid retirement savings using the ERS was not necessarily tied to immediate need can be seen in Figure 4. Here we plot the unemployment rate in Australia from the second quarter of 2019 to the end of the fourth quarter of 2020 against the number of applications made for ERS. If applications were driven by a loss of employment, we might expect to see a rise in applications concomitant with a rise in unemployment. Figure 4 shows that this was clearly not the case. Rather the two prominent peaks for withdrawals (darker line)

correspond directly with the dates on which the first (April 2020) and second (July 2020) rounds of the ERS became available.

Figure 4. Unemployment rates and number of ERS applications between 2nd quarter 2019 and 4th quarter 2020.



Data Sources: APRA (2021a), ABS (2021).

Furthermore, we highlight that in addition to the ERS, workers with reduced hours and the unemployed were supported by the wage subsidy (JobKeeper) and the enhanced unemployment benefits program (JobSeeker). JobKeeper supported over 3.5 million workers over the period May to September 2020, reducing to around 1 million by March 2021 (Treasury, 2021), while JobSeeker benefits were enhanced (via a supplement and expanded eligibility) and supported around an additional 400,000 persons who lost their jobs as a result of the COVID-induced economic slowdown (DSS, 2021). These data support the inference that ease-of-access and the mere availability of the ERS-savings were stronger drivers of the timing and number of applications than the need created by job-losses.

5. Conclusion

The COVID-19 ERS was designed to allow early withdrawal of retirement savings to support people who were unemployed or experiencing significant loss of income due to restrictions on work and movement as a result of COVID-19. In line with the principal policy aims, the majority of respondents in our survey of plan participants who withdrew under the scheme indicated that they planned to use withdrawn money to meet immediate consumption needs. However, a significant minority stated that their primary reason for withdrawal was precautionary. Such anticipation is understandable given widespread uncertainty about the length and extent of the pandemic-induced economic downturn, and since, by the start of the ERS, other government income support measures were not yet in place (e.g., the JobKeeper wage subsidy and the JobSeeker supplement).

In our sample of ERS withdrawers, we found evidence of both consumption smoothing and a precautionary demand for liquidity. Preliminary calculations showed that almost 60% of respondents reported that they withdrew from their retirement account to meet immediate expenses or to cover lost income (that is, to enable consumption smoothing), and just over a quarter reported that they were motivated by future needs. Further analysis of survey data using logit estimation of the probability of withdrawal conditional on self-assessed eligibility confirmed the importance of precautionary liquidity: the probability of withdrawal was significantly higher for respondents who were more concerned about future circumstances and who reported some uncertainty around future job prospects. Our results add to other theoretical and empirical evidence that some participants in mandatory, preserved retirement savings systems would incur penalties to access precautionary liquidity (Beshears et al. 2020a, 2020b; Briere et al. 2021, 2022).

However, other results show that purely rational explanations for patterns of withdrawal are descriptively incomplete. We found that many people made the decision to withdraw almost immediately, and did not, or could not, estimate the impact of the transfer on their longer-term retirement savings. It is reasonable to infer that some people who withdrew under the ERS did not fully understand the consequences of their decision and accessed their previously illiquid retirement savings opportunistically, or because of implicit Government endorsement. This change in the mindset, or mental account, that people use for retirement money has potentially important implications.

There are several features of the ERS that could cause a change in the framing or mental accounting of retirement savings. Notably, the scheme was the very *first* measure put in place by the Government to help with potential financial hardship arising from economically stringent COVID restrictions. The priority of the ERS is likely to have signalled to the public that the Government treated withdrawals from retirement plans as an acceptable, and possibly even desirable, response. Relatedly, participants who made withdrawals could do so easily via an internet portal and without any verification of hardship; they judged and stated their own eligibility to the tax authorities at the time they claimed the funds. This ease-of-access reversed a decades-old practice of inertia-inducing barriers to pre-retirement withdrawal. It is thus unsurprising that the plan we study estimates that 20% of withdrawers were, in fact, not eligible. A very low-friction withdrawal process thus not only reduced the physical and mental load of making an application but reinforced the endorsement of the Government. This ‘social sense-making’ – or the implicit interaction between the policy maker and the public – is an often-underestimated feature of changes to choice-architectures, and yet it can have significant impacts (Krijnen et al., 2017).

A second feature of our results supporting this sensemaking interpretation, is the apparent reliance of participants in our survey on the \$A10,000 limit set by the Government. Participants appeared to be strongly guided, and effectively constrained, by this arbitrary limit on the size of withdrawals. In essence, the participants anchored on \$A10,000 a withdrawal amount. Our analysis indicates that if the limit were higher, participants who had enough savings in their plan accounts would have withdrawn more. This conclusion is even more concerning given that our results also show that most withdrawers thought about the decision for less than one week, and many for only a day, many misjudging, or spending little effort on figuring out, the implications of their withdrawal for retirement.

The overall implication of our findings is that future policy responses need to be cognizant of threats to the safeguards around retirement savings for *retirement*. In the original launch of the ERS, there was no indication that the policy intended to provide precautionary savings at the expense of retirement provision. And yet, in practice, it seems that while some participants used the ERS to facilitate consumption smoothing during the COVID-19 induced economic slowdown, a large minority viewed this scheme not as offering emergency funds but as an opportunity to transfer tax-advantaged and otherwise illiquid retirement savings to more liquid precautionary

savings. Such use of retirement savings has long-term implications not only at individual and household levels, but also for fiscal sustainability and future demands on government transfers.

The data available to us for this study does not allow visibility over how ERS payments were spent, so we are only able to speculate on the efficiency with which funds were used by our sample.

Recent research using administrative bank account data suggests that recipients of ERS payments do show improvements in their financial wellbeing. However, the data also indicate large increases in discretionary spending, indicating that at least some participants may have withdrawn opportunistically rather than out of need (Wang-Ly and Newell, 2022). This latter finding echoes patterns seen internationally that show considerable heterogeneity in consumption responses by recipients' financial status and demographic characteristics (Kubota et al., 2021). We also do not see whether participants who withdrew in the scheme have subsequently begun to replenish their retirement accounts. Extensions to this work employing longitudinal monitoring of the financial wellbeing of recipients of COVID-19 relief is an important goal for future studies.

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Appendix

Table A1: Summary Statistics (Cbus Early Release Survey, N=3,047 unless noted otherwise)

	Observations	% of Sample
Q1: Where did you find out about the early release scheme? (Tick any that are relevant)		
Source - newspaper	206	6.76%
Source - radio	322	10.57%
Source - family/friends	647	21.23%
Source - TV	1,357	44.54%
Source - online news	985	32.33%
Source - social media	592	19.43%
Source - employer	181	5.94%
Source - other	95	3.12%
Q2: How long did you think it over before you decided to withdraw your super?		
Took a day to think it over	299	9.81%
Took a week to think it over	631	20.71%
Took longer than a week to think it over	1,467	48.15%
When first heard about ERS	422	13.85%
Not sure	101	3.31%
Didn't think it over	127	4.17%
Q3: Did you use any information provided by Cbus to help make your decision? (Can choose multiple answers except the last one)		
Visited Cbus website	1,140	37.41%
Emailed Cbus email	576	18.90%
Called Cbus	233	7.65%
Did not use any Cbus info	1,296	42.53%
Q4: What other information did you use to help inform your decision? (Can choose multiple answers except the last one)		
Other info - newspaper	118	3.87%
Other info - radio	130	4.27%
Other info - TV	334	10.96%
Other info - social media	292	9.58%
Other info - online news	521	17.10%
Other info - family / friends	1,087	35.67%
Other info - calculator	597	19.59%
Other info - financial advisor	236	7.75%
Other info - accountant	313	10.27%
Other info - Moneysmart website	136	4.46%
Other info - employer	162	5.32%
Other info - other sources	175	5.74%
Didn't do any research	587	19.26%

Q5: Did you think about the impact of withdrawing your super on your insurance cover?		
Yes	1,717	56.35%
No	1,330	43.65%
Q6: How would you describe your employment situation?		
Unemployed before COVID	488	16.02%
Unemployed due to COVID	866	28.42%
Hours reduced	1,545	50.71%
Hours same or increased	148	4.86%
Q7(if employed based on Q6): Do you think you will continue to be employed through the crisis?		
If employed (n = 1,693)		
Definitely yes	270	15.95%
Probably yes	655	38.69%
Not sure	561	33.14%
Probably not	165	9.75%
Definitely not	42	2.48%
If employed with hours reduced (n = 1,545)		
Definitely yes	232	15.02%
Probably yes	609	39.42%
Not sure	517	33.46%
Probably not	151	9.77%
Definitely not	36	2.33%
If employed with hours same or increased (n = 148)		
Definitely yes	38	25.68%
Probably yes	46	31.08%
Not sure	44	29.73%
Probably not	14	9.46%
Definitely not	6	4.05%
Q8: Do you think you'll apply/be eligible for any of the following Government support? (Tick any which are relevant)		
JobSeeker	1,094	35.90%
JobKeeper	686	22.51%
Small business assistance	123	4.04%
None of the above	756	24.81%
Don't know	556	18.25%
Q9: Why did you decide to withdraw your super? (Tick all that apply)		
Replace lost income	1,114	36.56%
Household member lost job	387	12.70%
Pay household expenses	1,601	52.54%
Future bills	1,346	44.17%
Extra savings	537	17.62%
Worried about nest egg	224	7.35%

Protect savings	182	5.97%
Don't have to wait	117	3.84%
Retirement savings not important	110	3.61%
Others	298	9.78%
Q10: And what was the main reason? (grouped by authors)		
Immediate concerns		
Replace lost income	506	16.61%
Household member lost job	121	3.97%
Pay household expenses	1161	38.10%
Future concerns		
Future bills	625	20.51%
Extra savings	185	6.07%
Savings protection		
Worried about nest egg	68	2.23%
Protect savings	51	1.67%
Money today		
Don't have to wait	42	1.38%
Retirement savings not important	20	0.66%
Others	268	8.80%
Q10a: And what did you do with the money (tick all that apply)? (n=682)		
Spending	379	55.57%
Saving	220	32.26%
Put back into super	11	1.61%
Debt repayment	306	44.87%
Investment	57	8.36%
Helping family/friends	82	12.02%
Medical needs	78	11.44%
Q11: Did you think about the consequences of withdrawing your super in terms of the impact on your retirement?		
Yes	1,994	65.44%
No	426	13.98%
Not sure	295	9.68%
Don't care	332	10.90%
Q12: When you think about your decision to withdraw your super, which word best captures your motivation for doing so?		
Impatience	43	1.41%
Anxiety	423	13.88%
Mistrust	82	2.69%
Need	1,418	46.54%
Security	1,081	35.48%

Q13: What impact do you think withdrawing your super will have on your retirement savings by the time you reach retirement age?

\$5000 or less	216	7.09%
\$5,000-\$10,000	237	7.78%
\$10,000- \$20,000	431	14.15%
\$20,000 - \$50,000	614	20.15%
\$50,000-\$100,000	298	9.78%
More than \$100,000	132	4.33%
No impact	234	7.68%
Don't care	207	6.79%
Don't know	678	22.25%

Q14: Will you make extra contributions into your super to replace the money you have withdrawn, when you can?

Yes	1,513	49.66%
No	426	13.98%
Not sure	1,108	36.36%

Q15: (asked if answered Yes in Q14) When will you replace the money you have withdrawn? (n=1,513)

Once markets bounce back	212	14.01%
Next year	325	21.48%
When I have the spare money	509	33.64%
Not sure	240	15.86%
Others	227	15.00%

Q16: (asked if answered Yes in Q14) How long do you think it would take you to replace the money you've withdraw? (n=1,513)

6 months	147	9.72%
1 year	359	23.73%
3 years	563	37.21%
5 years	309	20.42%
10 years	97	6.41%
More than 10 years	38	2.51%

Q16a: (asked if answered Yes in Q14) And when you are ready to make additional contributions to your super, how will you make them? (n=346)

Lump sum payments	37	10.69%
Regular payments	197	56.94%
Both lump sum and regular payments	62	17.92%
Don't know	50	14.45%

Q16b: (asked if answered Yes in Q14) And will you make them as salary sacrifice or voluntary contributions? (n=346)

Salary sacrifice (pre-tax) contributions	118	34.10%
Voluntary (post-tax) contributions	83	23.99%
Both salary sacrifice and voluntary contributions	72	20.81%
Don't know	73	21.10%

Q17: Putting aside your own situation and decision, do you think other people will regret withdrawing their super, because of the impact on their retirement savings?

Yes	961	31.54%
No	696	22.84%
Don't know	1,390	45.62%

Table A2: Regression Estimates on the Decision to Withdraw, Conditional on Eligible

Y=1[Take ER]	(1) Predictive Margins	(2) Marginal Effects
Balance Before ER		
Quintile of Balance before Withdrawal=1	0.860*** (0.011)	/ /
Quintile of Balance before Withdrawal=2	0.867*** (0.010)	0.007 (0.014)
Quintile of Balance before Withdrawal=3	0.878*** (0.010)	0.018 (0.015)
Quintile of Balance before Withdrawal=4	0.878*** (0.010)	0.018 (0.016)
Quintile of Balance before Withdrawal=5	0.820*** (0.012)	-0.040** (0.018)
Gender		
Male	0.913*** (0.005)	/ /
Female	0.686*** (0.015)	-0.227*** (0.016)
Age Group		
18-29	0.843*** (0.014)	/ /
30-39	0.862*** (0.008)	0.019 (0.016)
40-49	0.886*** (0.008)	0.043** (0.017)
50-59	0.865*** (0.009)	0.022 (0.018)
60 and over	0.714*** (0.032)	-0.129*** (0.036)
Tenure with Retirement Fund		
Less than 10 years	0.871*** (0.006)	/ /
Over 10 years	0.847*** (0.008)	-0.024** (0.011)
Employment Status		
Hours reduced, expect to be employed	0.843*** (0.010)	-0.009 (0.015)
Hours reduced, not expect to be employed	0.809*** (0.020)	-0.043* (0.023)
Hours reduced, not sure to be employed	0.899*** (0.011)	0.047*** (0.016)
Hours same, expect to be employed	0.706*** (0.033)	-0.146*** (0.035)
Hours same, not expect to be employed	0.670*** (0.063)	-0.182*** (0.064)
Hours same, not sure to be employed	0.949*** (0.032)	0.097*** (0.034)
Unemployed due to COVID	0.915***	0.064***

Unemployed before COVID	(0.008) 0.852*** (0.011)	(0.013) / /
Expected Welfare Eligibility		
JobSeeker=0	0.865*** (0.005)	/ /
JobSeeker=1	0.850*** (0.009)	-0.015 (0.011)
JobKeeper=0	0.866*** (0.005)	/ /
JobKeeper=1	0.842*** (0.010)	-0.024** (0.012)
Small business assistance=0	0.861*** (0.005)	/ /
Small business assistance=1	0.846*** (0.023)	-0.015 (0.023)
Did you think about the impact of ER?		
Did not think/Not sure/Don't care	0.876*** (0.008)	/ /
Thought about the impact	0.853*** (0.006)	-0.023** (0.010)
Time Spent Thinking Before Deciding Whether to Withdraw		
A day or less	0.871*** (0.008)	0.039 (0.029)
A week or more	0.857*** (0.006)	0.025 (0.029)
Not sure	0.832*** (0.028)	/ /
Source of Info to inform ER decision		
Super & Other Source	0.885*** (0.006)	/ /
Super Only	0.893*** (0.017)	0.008 (0.019)
Other Source Only	0.853*** (0.008)	-0.031*** (0.010)
No Information Sources Used	0.793*** (0.015)	-0.092*** (0.017)
Main Reason Taking/Not Taking ER		
Future concerns	0.935*** (0.008)	0.072*** (0.018)
Immediate concerns	0.886*** (0.006)	0.023 (0.017)
Money today	0.439*** (0.033)	-0.424*** (0.036)
Savings protection	0.881*** (0.025)	0.018 (0.029)
Others	0.863*** (0.016)	/ /

Estimation of ER Impact		
Correct	0.847*** (0.011)	/
Don't know/Don't care	0.884*** (0.008)	0.037*** (0.014)
Overestimate	0.834*** (0.009)	-0.013 (0.014)
Underestimate	0.883*** (0.009)	0.036** (0.014)
Observations	3,542	3,542

Table A3: Regression Estimates on Maximum Withdrawal, Conditional on Withdrawal

Y = 1[Maximum Withdrawal]	Round 1 ER		Round 2 ER	
	(1) Predictive Margins	(2) Marginal effects	(1) Predictive Margins	(2) Marginal effects
Balance Before ER				
Quintile of Balance before Withdrawal=1	0.381*** (0.006)	/	0.614*** (0.005)	/
Quintile of Balance before Withdrawal=2	0.736*** (0.004)	0.356*** (0.006)	0.806*** (0.003)	0.192*** (0.005)
Quintile of Balance before Withdrawal=3	0.922*** (0.002)	0.541*** (0.006)	0.922*** (0.002)	0.307*** (0.005)
Quintile of Balance before Withdrawal=4	0.942*** (0.002)	0.562*** (0.007)	0.940*** (0.002)	0.326*** (0.006)
Quintile of Balance before Withdrawal=5	0.962*** (0.001)	0.581*** (0.007)	0.957*** (0.002)	0.343*** (0.006)
Estimated Salary				
Quintile of Estimated Salary=1	0.823*** (0.002)	/	0.857*** (0.002)	/
Quintile of Estimated Salary=2	0.811*** (0.002)	-0.012*** (0.003)	0.843*** (0.002)	-0.014*** (0.003)
Quintile of Estimated Salary=3	0.805*** (0.002)	-0.017*** (0.003)	0.832*** (0.002)	-0.024*** (0.003)
Quintile of Estimated Salary=4	0.819*** (0.002)	-0.004 (0.003)	0.855*** (0.002)	-0.002 (0.003)
Quintile of Estimated Salary=5	0.838*** (0.002)	0.015*** (0.003)	0.875*** (0.002)	0.018*** (0.003)
Suspected Ineligible				
Ineligible=0	0.826*** (0.001)	/	0.861*** (0.001)	/
Ineligible=1	0.788*** (0.002)	-0.038*** (0.002)	0.808*** (0.002)	-0.053*** (0.003)
Gender				
Male	0.819*** (0.001)	/	0.852*** (0.001)	/
Female	0.809*** (0.004)	-0.010*** (0.004)	0.835*** (0.004)	-0.017*** (0.004)

Tenure with Cbus				
Quintile of Tenure=1	0.801*** (0.002)	/	0.824*** (0.002)	/
Quintile of Tenure=2	0.814*** (0.002)	0.013*** (0.003)	0.849*** (0.002)	0.025*** (0.003)
Quintile of Tenure=3	0.832*** (0.002)	0.031*** (0.003)	0.868*** (0.002)	0.043*** (0.003)
Quintile of Tenure=4	0.822*** (0.003)	0.021*** (0.004)	0.859*** (0.003)	0.035*** (0.004)
Quintile of Tenure=5	0.831*** (0.004)	0.030*** (0.005)	0.871*** (0.003)	0.047*** (0.004)
State				
ACT	0.795*** (0.008)	-0.089*** (0.013)	0.819*** (0.009)	-0.133*** (0.012)
NSW	0.819*** (0.001)	-0.065*** (0.010)	0.851*** (0.002)	-0.101*** (0.008)
NT	0.800*** (0.011)	-0.084*** (0.015)	0.860*** (0.011)	-0.092*** (0.014)
QLD	0.815*** (0.003)	-0.069*** (0.010)	0.850*** (0.003)	-0.101*** (0.009)
SA	0.807*** (0.005)	-0.077*** (0.011)	0.852*** (0.004)	-0.099*** (0.009)
TAS	0.829*** (0.008)	-0.055*** (0.012)	0.843*** (0.008)	-0.108*** (0.011)
VIC	0.819*** (0.002)	-0.064*** (0.010)	0.851*** (0.002)	-0.100*** (0.009)
WA	0.817*** (0.003)	-0.067*** (0.010)	0.847*** (0.003)	-0.104*** (0.009)
Others	0.884*** (0.010)	/	0.951*** (0.008)	/
Age Group				
18-29	0.797*** (0.002)	/	0.813*** (0.002)	/
30-39	0.826*** (0.002)	0.029*** (0.003)	0.865*** (0.002)	0.052*** (0.003)
40-49	0.831*** (0.002)	0.034*** (0.003)	0.874*** (0.002)	0.061*** (0.003)
50-59	0.834*** (0.003)	0.037*** (0.004)	0.873*** (0.003)	0.060*** (0.004)
60 and over	0.821*** (0.007)	0.024*** (0.007)	0.839*** (0.006)	0.026*** (0.007)
Retirement Preparedness 2019				
2019 RAI Score		0.008 (0.006)		0.017*** (0.006)
Observations	115,380	115,380	118,454	118,454

**Determinants of Early-Access to Retirement Savings:
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Online Appendix

Table A4: Regression Estimates on Maximum Withdrawal, Conditional on Withdrawal (Consumption Smoothing vs. Precautionary Liquidity)

Table A5: Summary Statistics (Control Survey)

Appendix A: Cbus Early Release Survey

Appendix B: COVID-19 Early Access to Superannuation (Control sample) survey

**Table A4: Regression Estimates on Maximum Withdrawal, Conditional on Withdrawal
(Consumption Smoothing vs. Precautionary Liquidity)**

	(1) Consumption Smoothing Predictive Margins	(2) Precautionary Liquidity Predictive Margins	(3) Consumption Smoothing Marginal effects	(4) Precautionary Liquidity Marginal effects
Y = 1[Maximum Withdrawal]				
Balance Before ER				
Quintile of Balance before Withdrawal=1	0.347*** (0.051)	0.463*** (0.078)	/	/
Quintile of Balance before Withdrawal=2	0.726*** (0.033)	0.752*** (0.044)	0.379*** (0.049)	0.289*** (0.074)
Quintile of Balance before Withdrawal=3	0.920*** (0.016)	0.917*** (0.024)	0.573*** (0.052)	0.455*** (0.081)
Quintile of Balance before Withdrawal=4	0.934*** (0.015)	0.946*** (0.019)	0.587*** (0.055)	0.483*** (0.084)
Quintile of Balance before Withdrawal=5	0.970*** (0.010)	0.947*** (0.021)	0.623*** (0.054)	0.484*** (0.088)
Estimated Salary				
Quintile of Estimated Salary=1	0.811*** (0.016)	0.836*** (0.023)	/	/
Quintile of Estimated Salary=2	0.816*** (0.016)	0.836*** (0.024)	0.005 (0.023)	0.000 (0.033)
Quintile of Estimated Salary=3	0.785*** (0.019)	0.805*** (0.026)	-0.025 (0.025)	-0.030 (0.035)
Quintile of Estimated Salary=4	0.821*** (0.020)	0.855*** (0.030)	0.010 (0.026)	0.019 (0.039)
Quintile of Estimated Salary=5	0.804*** (0.025)	0.842*** (0.032)	-0.007 (0.030)	0.006 (0.041)
Suspected Ineligible				
Ineligible=0	0.816*** (0.009)	0.830*** (0.013)	/	/
Ineligible=1	0.764*** (0.023)	0.839*** (0.028)	-0.053** (0.025)	0.008 (0.032)
Time Spent Thinking Before Deciding Whether to Withdraw				
A day or less	0.844*** (0.015)	0.874*** (0.020)	0.071 (0.050)	-0.048 (0.045)
A week or more	0.794*** (0.010)	0.810*** (0.014)	0.022 (0.049)	-0.113*** (0.042)
Not sure	0.773***	0.922***	/	/

	(0.047)	(0.040)	/	/
Gender				
Female=0	0.806*** (0.009)	0.839*** (0.012)	/	/
Female=1	0.817*** (0.021)	0.797*** (0.032)	0.011 (0.023)	-0.042 (0.035)
Age Group				
18-29	0.795*** (0.020)	0.804*** (0.032)	/	/
30-39	0.808*** (0.014)	0.838*** (0.020)	0.013 (0.024)	0.035 (0.037)
40-49	0.821*** (0.018)	0.854*** (0.023)	0.026 (0.028)	0.050 (0.042)
50-59	0.817*** (0.022)	0.817*** (0.034)	0.022 (0.032)	0.013 (0.050)
60 +	0.748*** (0.050)	0.841*** (0.055)	-0.047 (0.056)	0.038 (0.065)
State				
ACT	0.882*** (0.071)			
NSW	0.807*** (0.013)	0.831*** (0.020)		
NT	0.806*** (0.083)			
QLD	0.832*** (0.025)	0.805*** (0.042)		
SA	0.712*** (0.042)	0.824*** (0.045)		
TAS	0.684*** (0.078)	0.888*** (0.060)		
VIC	0.813*** (0.014)	0.843*** (0.019)		
WA	0.821*** (0.023)	0.813*** (0.035)		
Tenure with Cbus				
5 quantiles of tenure=1	0.807*** (0.018)	0.804*** (0.028)	/	/
5 quantiles of tenure=2	0.787*** (0.018)	0.814*** (0.025)	-0.020 (0.025)	0.010 (0.035)
5 quantiles of tenure=3	0.786*** (0.021)	0.903*** (0.025)	-0.021 (0.028)	0.100** (0.039)
5 quantiles of tenure=4	0.833*** (0.021)	0.820*** (0.033)	0.026 (0.029)	0.016 (0.047)
5 quantiles of tenure=5	0.851*** (0.027)	0.850*** (0.040)	0.044 (0.034)	0.047 (0.053)
Employment Status				
Hours reduced, expect to be employed	0.800*** (0.017)	0.812*** (0.024)	-0.014 (0.029)	-0.017 (0.042)
Hours reduced, not expect to be employed	0.764***	0.850***	-0.050	0.021

Hours reduced, not sure to be employed	(0.032) 0.807***	(0.048) 0.836***	(0.039) -0.007	(0.057) 0.006
Hours same, expect to be employed	(0.020) 0.857***	(0.029) 0.918***	(0.030) 0.042	(0.044) 0.088
Hours same, not expect to be employed	(0.057) 0.866***	(0.061) 0.577***	(0.061) 0.052	(0.070) -0.252
Hours same, not sure to be employed	(0.107) 0.814***	(0.205) 0.906***	(0.109) -0.001	(0.207) 0.076
Unemployed due to COVID	(0.063) 0.818***	(0.073) 0.839***	(0.067) 0.004	(0.080) 0.009
Unemployed before COVID	(0.015) 0.814***	(0.022) 0.830***	(0.026) /	(0.037) /
	(0.021)	(0.032)	/	/
Government Support Expectation				
Jobseeker=0	0.808*** (0.011)	0.829*** (0.015)	/	/
Jobseeker=1	0.808*** (0.015)	0.837*** (0.021)	0.001 (0.019)	0.008 (0.028)
Jobkeeper=0	0.812*** (0.009)	0.825*** (0.013)	0.000 (.)	0.000 (.)
Jobkeeper=1	0.790*** (0.020)	0.857*** (0.024)	-0.021 (0.023)	0.033 (0.028)
Small business assistance=0	0.807*** (0.008)	0.830*** (0.011)	/	/
Small business assistance=1	0.829*** (0.041)	0.873*** (0.056)	0.022 (0.042)	0.042 (0.057)
Did you think about the impact of ER?				
Did not think/Not sure/Don't care	0.811*** (0.014)	0.817*** (0.020)	/	/
Thought about the impact	0.806*** (0.010)	0.843*** (0.015)	-0.004 (0.018)	0.026 (0.026)
Source of Info to inform ER decision				
Super & Other Source	0.804*** (0.011)	0.833*** (0.016)	/	/
Super Only	0.842*** (0.026)	0.820*** (0.052)	0.038 (0.029)	-0.013 (0.055)
Other Source Only	0.809*** (0.016)	0.836*** (0.022)	0.004 (0.019)	0.003 (0.028)
No Info Sources Used	0.795*** (0.027)	0.823*** (0.034)	-0.009 (0.029)	-0.010 (0.038)

Estimation of ER Impact				
Correct	0.802*** (0.021)	0.800*** (0.032)	/	/
Don't know/Don't care	0.814*** (0.015)	0.858*** (0.019)	0.013 (0.026)	0.058 (0.038)
Overestimate	0.802*** (0.015)	0.807*** (0.023)	-0.000 (0.026)	0.007 (0.040)
Underestimate	0.812*** (0.017)	0.843*** (0.023)	0.010 (0.028)	0.043 (0.040)
Retirement Preparedness 2019				
2019 RAI Score			0.054 (0.060)	0.103 (0.085)
R-squared				
Observations	1,488	750	1,488	750

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A5: Summary Statistics (Control Survey, N=500 unless noted otherwise)

	Observations	% of Sample
ER1. Where did you find out about the early release scheme? (Select all that apply)		
Source - newspaper	108	21.60%
Source - radio	105	21.00%
Source - family/friends	144	28.80%
Source - TV	307	61.40%
Source - online news	207	41.40%
Source - social media	94	18.80%
Source - employer	26	5.20%
Source - other	14	2.80%
ER2. How long did you think it over before you decided not to withdraw your super?		
Took a day to think it over	76	15.20%
Took a week to think it over	127	25.40%
Took longer than a week to think it over	200	40.00%
When first heard about ERS	56	11.20%
Not sure	20	4.00%
Didn't think it over	21	4.20%
ER3. Did you use any information provided by your super fund to help inform your decision not to withdraw your super? (Select all that apply except the last one)		
Visited super fund website	116	23.20%
Emailed super fund email	79	15.80%
Called super fund	34	6.80%
Did not use any super fund info	321	64.20%
ER4. Did you use any of the following sources to help inform your decision not to withdraw your super? (Select all that apply)		
Other info - newspaper	37	7.40%
Other info - radio	26	5.20%
Other info - TV	75	15.00%
Other info - social media	46	9.20%
Other info - online news	79	15.80%
Other info - family / friends	143	28.60%
Other info - calculator	66	13.20%
Other info - financial advisor	50	10.00%
Other info - accountant	40	8.00%
Other info - Moneysmart website	31	6.20%
Other info - employer	28	5.60%
Other info - other sources	13	2.60%
Didn't do any research	153	30.60%
ER5. Did you think about the impact of withdrawing your super on your insurance cover?		
Yes	233	46.60%

No	267	53.40%
ER6. How would you describe your employment situation?		
Unemployed before COVID	108	21.60%
Unemployed due to COVID	58	11.60%
Hours reduced	276	55.20%
Hours same or increased	58	11.60%
ER7(if employed based on ER6). Do you think you will continue to be employed through the crisis?		
If employed with hours reduced (n = 276)		
Definitely yes	59	21.38%
Probably yes	124	44.93%
Not sure	44	15.94%
Probably not	39	14.13%
Definitely not	10	3.62%
If employed with hours same or increased (n = 58)		
Definitely yes	22	37.93%
Probably yes	23	39.66%
Not sure	1	1.72%
Probably not	9	15.52%
Definitely not	3	5.17%
ER8. Are you, or do you think you'll be eligible for any of the following Government support? (Select all that apply)		
JobSeeker	146	29.20%
JobKeeper	154	30.80%
Small business assistance	23	4.60%
None of the above	155	31.00%
Don't know	43	8.60%
ER9. Why did you decide not to withdraw your super? (Select all that apply)		
Don't need to replace income	105	21.00%
No job loss of others in HH	103	20.60%
Not struggling with expenses	181	36.20%
Not worried about future bills	95	19.00%
Don't need extra savings	73	14.60%
Not worried about market	44	8.80%
Don't need to protect savings	18	3.60%
Happy to wait	128	25.60%
Retirement saving is important	246	49.20%
Others	52	10.40%
ER10. And what was the main reason you decided not to withdraw your super? (Grouped by authors)		
Immediate concerns		
Don't need to replace income	46	9.20%

No job loss of others in HH		65	13.00%
Not struggling with expenses		89	17.80%
Future concerns			
Not worried about future bills		26	5.20%
Don't need extra savings		21	4.20%
Savings protection			
Not worried about market		12	2.40%
Don't need to protect savings		4	0.80%
Money today			
Happy to wait		40	8.00%
Retirement saving is important		147	29.40%
Others		50	10.00%
ER11. Did you think about the consequences of withdrawing your super in terms of the impact on your retirement?			
Yes		393	78.60%
No		57	11.40%
Not sure		35	7.00%
Don't care		15	3.00%
ER12. When you think about your decision not to withdraw your super, which word best captures your motivation?			
Patience		117	23.40%
Calmness		80	16.00%
Trust		64	12.80%
Choices		103	20.60%
Security		136	27.20%
ER13A. If you had decided to withdraw some money, how much do you think you would have withdrawn – up to a maximum of \$10,000?			
Average	\$7,163	500	/
Median	\$8,000	500	/
ER13B. What impact do you think withdrawing this amount of your super would have had on your retirement savings by the time you reach retirement age?			
\$5000 or less		43	8.60%
\$5,000-\$10,000		59	11.80%
\$10,000-\$20,000		99	19.80%
\$20,000-\$50,000		95	19.00%
\$50,000-\$100,000		54	10.80%
More than \$100,000		21	4.20%
No impact		14	2.80%
Don't care		10	2.00%
Don't know		105	21.00%

ER14. If you had withdrawn some money, do you think you would have made extra contributions into your super in the future to replace the money you had withdrawn, when you could?

Yes	175	35.00%
No	195	39.00%
Not sure	130	26.00%

ER15. (asked if answered "Yes" in ER14) When do you think you would have started to make extra contributions into your super to replace the money had you withdrawn? (n=175)

Once markets bounce back	33	18.86%
Next year	39	22.29%
When I have spare money	77	44.00%
Not sure	17	9.71%
Others	9	5.14%

ER16. (asked if answered Yes in ER14) How long do you think it would have taken you to replace the money if you had withdrawn? (n=175)

6 months	20	11.43%
1 year	53	30.29%
3 years	58	33.14%
5 years	27	15.43%
10 years	8	4.57%
More than 10 years	9	5.14%

ER17. (asked if answered Yes in ER14) And, if you had withdrawn money from your super account, when you became ready to make additional contributions to your super, how would you have made them?

Lump sum payments	38	21.71%
Regular payments	98	56.00%
Both lump sum and regular payments	34	19.43%
Don't know	5	2.86%

ER18: (asked if answered Yes in ER14) And, if you had withdrawn money from your super account, when you became ready to make additional contributions to your super, would you make them as salary sacrifice or voluntary contributions? (n=175)

Salary sacrifice (pre-tax) contributions	50	28.57%
Voluntary (post-tax) contributions	84	48.00%
Both salary sacrifice and voluntary contributions	25	14.29%
Don't know	16	9.14%

ER19. If you had withdrawn money from your super account, what would you have done with the money? (Select all that apply)

Spending	232	46.40%
Saving	185	37.00%
Put back into super	44	8.80%
Debt repayment	192	38.40%
Investment	57	11.40%
Helping family/friends	43	8.60%

Medical needs	67	13.40%
Others	17	3.40%
ER20. And, if you had withdrawn money from your super account, which investment option or options would you have withdrawn the money from?		
My super is all in one investment option	300	60.00%
My super is in a number of investment options and I would have withdrawn:	89	17.80%
Proportionally from all options	38	7.60%
Equally from all options	31	6.20%
From one option only	19	3.80%
Other	1	0.20%
I don't know	111	22.20%
ER21. Putting aside your own situation and decision, do you think other people will regret withdrawing their super, because of the impact on their retirement savings?		
Yes	279	55.80%
No	99	19.80%
Don't know	122	24.40%
Numeracy Question 1. EG1. Assume that you deposit \$400 every month into a retirement savings account that earns a 10% yearly rate of interest. (You never withdraw any money.) How much money do you think you will have in your account (including interest earned) after 40 years?		
\$160,000	86	17.20%
\$211,200	234	46.80%
\$2550712 (correct)	141	28.20%
\$25,507,120	39	7.80%
Numeracy Question 2. EG2. Assume that someone withdraws \$10,000 from their super account that earns a 2% yearly rate of interest. How much less money do you think they will have in their account (including interest earned) after 30 years?		
\$10,000	50	10.00%
\$16,066	165	33.00%
\$18114 (correct)	106	21.20%
\$30,600	179	35.80%

Appendix A: Cbus Early Release Survey

[Members who apply for early release under new rules 20 April 2020- 30 June 2020]

[Introduction]

Thank you for participating in our survey.

Cbus cares about the health of the super system. Please tell us about how and why you decided to withdraw money from Cbus. We will use your feedback **only** to ensure that the system helps you achieve the best possible retirement.

No	Question
1	Where did you find out about the early release scheme? (Tick any that are relevant) [Multiple choice] <ul style="list-style-type: none">• Newspaper/media• Radio• Workmate• Friend• Family• Government announcement• Other (please list)
2	How long did you think it over before you decided to withdraw your super? [Single choice] <ul style="list-style-type: none">• A day• A week• Longer than a week• Longer than a month• When I first heard about the scheme• Not sure• Didn't think it over
3	Did you use any information provided by Cbus to help make your decision? [Multiple choice] <ul style="list-style-type: none">• Yes - information on Cbus website• Yes - email from Cbus• Yes - I called Cbus• No – I didn't use any information from Cbus

4	<p>What other information did you use to help inform your decision? [Multiple choice, randomise except last 2]</p> <ul style="list-style-type: none"> • Newspaper • Radio • TV • Social media • Online news • Family / Friends • Used a calculator to work out the impact on my retirement savings • Financial adviser • Accountant • Moneysmart website • Employer • Other (please list) • I didn't do any research
5	<p>Did you think about the impact of withdrawing your super on your insurance cover? [Single choice]</p> <ul style="list-style-type: none"> • Yes • No
6	<p>How would you describe your employment situation? [Single choice]</p> <ul style="list-style-type: none"> • I was unemployed before the crisis • I am employed and working hours are the same or increased • I am employed but my working hours have been reduced since the crisis • I have lost my job due to the crisis
7	<p>[Ask only if Q6 = employed] Do you think you will continue to be employed through the crisis?</p> <ul style="list-style-type: none"> • Definitely yes • Definitely no • Probably yes • Probably not • Not sure
8	<p>Do you think you'll apply/be eligible for <u>any</u> of the following Government support? (Tick any which are relevant) [Multiple choice]</p> <ul style="list-style-type: none"> • JobSeeker (Government payment for people looking for work) • JobKeeper (Government payment via your employer to assist paying your wages) • Small business assistance • None of the above • Don't know

9	<p>Why did you decide to withdraw your super? (Tick all that apply) [Multiple choice]</p> <ul style="list-style-type: none"> • Need to replace lost income • Another member of my household has lost their job • Struggling to pay household expenses • Worried about my ability to pay bills in the future • To put some extra money in the bank, just in case • Worried about losing my nest egg due to falling markets • To protect my savings • So I don't have to wait until I retire • I don't think saving for retirement is important • Other (please list)
10	<p>And what was the main reason? [Single choice, pipe through responses from Q9, if only 1 option selected, auto entry and skip to next question]</p>
10a	<p>And what did you do with the money (tick all that apply)? [Multichoice, randomise]</p> <ul style="list-style-type: none"> • Spend: (bills, groceries, household goods, vehicles) • Save: (in bank account) • Super: (Put back into super) • Pay off: (Mortgage, credit cards, loans) • Invest: (shares, property, managed funds) • Help: (family, friends) • Medical: (medical, dental services)
11	<p>Did you think about the consequences of withdrawing your super in terms of the impact on your retirement? [Single choice]</p> <ul style="list-style-type: none"> • Yes • No • Not sure • I don't care about the impact on my retirement savings
12	<p>When you think about your decision to withdraw your super, which word best captures your motivation for doing so? [Single choice]</p> <ul style="list-style-type: none"> • Impatience • Anxiety • Mistrust • Need • Security

13	<p>What impact do you think withdrawing your super will have on your retirement savings by the time you reach retirement age?</p> <p>[Single choice]</p> <ul style="list-style-type: none"> • \$5000 or less • \$5,000-\$10,000 • \$10,000- \$20000 • \$20,000 - \$50,000 • \$50,000-\$100,000 • More than \$100,000 • No impact • Don't know • Don't care
14	<p>Will you make extra contributions into your super to replace the money you have withdrawn, when you can?</p> <ul style="list-style-type: none"> • Yes • No • Not sure
15	<p>[Ask if Q14 = Yes]</p> <p>When will you replace the money you have withdrawn?</p> <p>[Single choice]</p> <ul style="list-style-type: none"> • Once markets bounce back • Next year • When I have the spare money • Not sure • Other
16	<p>[Ask if Q14 = Yes]</p> <p>How long do you think it would take you to replace the money you've withdraw?</p> <ul style="list-style-type: none"> • 6 months • 1 year • 3 years • 5 years • 10 years • More than 10 years
16a	<p>[Ask if Q14 = Yes]</p> <p>And when you are ready to make additional contributions to your super, how will you make them?</p> <ul style="list-style-type: none"> • Lump sum payments (larger and less frequent) • Regular payments (smaller and more frequent) • Both lump sum and regular payments • Don't know

16b	<p>[Ask if Q14 = Yes]</p> <p>And will you make them as salary sacrifice or voluntary contributions?</p> <ul style="list-style-type: none"> • Salary sacrifice (pre-tax) contributions • Voluntary (post-tax) contributions • Both salary sacrifice and voluntary contributions • Don't know
17	<p>Putting aside your own situation and decision, do you think other people will regret withdrawing their super, because of the impact on their retirement savings?</p> <ul style="list-style-type: none"> • Yes • No • Don't know
18	<p>What else would you like to say to Cbus right now?</p> <p>[Open text box]</p>
19	<p>Could we contact you again to discuss these issues in the future?</p> <ul style="list-style-type: none"> • Yes • No
XX	<p>Thank you that now completes the survey.</p> <p>For your chance to win one of 10 \$100 gift cards, please tell us: If Cbus was a building, what would it be?</p> <p>[Open – 100 word limit]</p>

Appendix B: COVID-19 Early Access to Superannuation (Control sample) survey

Welcome

The purpose of this survey is to learn more about how you make financial decisions for retirement.

Please note that due to the nature of this survey you will be asked questions about your personal information such as your age and assets. To participate in this survey, you MUST answer these questions as we need your answers to be able to ask you only relevant questions. Your answers to these questions are confidential and cannot be used to identify you personally.

Screening:

- Must be an Australian or New Zealand citizen or permanent resident
- Must be a in the accumulation phase
- Must qualify for early release of super and have considered but have not taken early access

Citizenship status

S1. Are you an Australian or New Zealand citizen or permanent resident?

- Yes
- No

[If 'No,' do not qualify]

Eligibility for early access to superannuation

The Government allowed eligible individuals facing financial difficulties as a result of Covid-19 to access up to \$10,000 of their super before 1 July 2020. You may also be able to access up to a further \$10,000 from 1 July 2020 until 31 December 2020.

S2. Do you satisfy any one or more of the following criteria?

(tick all that apply)

- You are unemployed
- You are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance
- On or after 1 January 2020 you were made redundant
- On or after 1 January 2020 your working hours were reduced by 20% or more
- You are a sole trader and on or after 1 January 2020 your business was suspended or there was a reduction in your turnover of 20% or more.
- None of the above apply to me

[If 'none of the above apply to me', do not qualify]

S3. Did you consider applying for early access to your super under the COVID-19 early access scheme in the 2019-20 financial year (that is, before 1 July 2020)?

- Yes, I have applied for early access in the 2019-20 financial year
- Yes, but I have decided NOT to apply for early release in either 2019-20 or 2020-21 financial year

- Yes, I decided NOT to apply for early release in the 2019-20 financial year, but I will apply for early release in the 2020-21 financial year
- No, I have not thought about it at all

[If ‘Yes, but I have decided NOT to apply for early release in either 2019-20 or 2020-21 financial year’, qualify, otherwise do not qualify]

We are interested in **how and why you decided NOT to withdraw money** from your superannuation.

ER1. Where did you find out about the early release scheme? (Select all that apply)

- Newspaper
- Radio
- Family/Friends
- TV
- Online news
- Social media
- Employer
- Other (please specify)

ER2. How long did you think it over before you decided not to withdraw your super?

- A day
- A week
- Longer than a week
- Longer than a month
- When I first heard about the scheme
- Not sure
- Didn’t think it over

ER3. Did you use any information provided by your super fund to help inform your decision not to withdraw your super? (Select all that apply)

- Yes – information on my super fund’s website
- Yes – an email from my super fund
- Yes – I called my super fund
- No – I didn’t use any information from my super fund

ER4. Did you use any of the following sources to help inform your decision not to withdraw your super? (Select all that apply)

[randomise except last 2]

- Newspaper
- Radio
- TV
- Social media
- Online news
- Family/Friends
- A calculator to work out the impact on my retirement savings
- Financial adviser

- Accountant
- Moneysmart website
- Employer
- I didn't do any research
- Other (please specify)

ER5. Did you think about the impact of withdrawing your super on your insurance cover?

- Yes
- No

ER6. How would you describe your employment situation?

- I was unemployed before the COVID-19 crisis
- I am employed and working hours are the **same or increased** since the COVID-19 crisis
- I am employed but my working hours have been **reduced** since the COVID-19 crisis
- I have lost my job due to the COVID-19 crisis

[If ER6 = employed ask ER7]

ER7. Do you think you will continue to be employed through the COVID-19 crisis?

- Definitely yes
- Definitely not
- Probably not
- Probably yes
- Not sure

ER8. Are you, or do you think you'll be eligible for any of the following Government support?" (Select all that apply)

- JobSeeker (Government payment for people looking for work)
- JobKeeper (Government payment via your employer to assist paying your wages)
- Small business assistance
- None of the above
- Don't know

ER9. Why did you decide not to withdraw your super? (Select all that apply)

- I don't need to replace lost income
- Another member of my household still has their job
- I am not struggling to pay household expenses
- I am not worried about my ability to pay bills in the future
- I don't need to put some extra money in the bank, just in case
- I am not worried about losing my nest egg due to falling markets
- I don't feel the need to protect my savings
- I am happy to wait until I retire
- I think saving for retirement is important
- Other (please specify)

ER10. And what was the main reason you decided not to withdraw your super?

[if only 1 option selected in ER9, auto entry and skip to next question; if more than 1 options selected in ER9, display only the selected options in this question]

- I don't need to replace lost income
- Another member of my household still has their job
- I am not struggling to pay household expenses
- I am not worried about my ability to pay bills in the future
- I don't need to put some extra money in the bank, just in case
- I am not worried about losing my nest egg due to falling markets
- I don't feel the need to protect my savings
- I am happy to wait until I retire
- I think saving for retirement is important
- Other (please list)

ER11. Did you think about the consequences of withdrawing your super in terms of the impact on your retirement?

- Yes
- No
- Not sure
- I don't care about the impact on my retirement savings

ER12. When you think about your decision not to withdraw your super, which word best captures your motivation?

- Patience
- Calmness
- Trust
- Choices
- Security

For the next section we want you to tell us what you think would have happened **if you had decided to withdraw some money** from your super account under the COVID-19 early access scheme.

ER13A. If you had decided to withdraw some money, how much do you think you would have withdrawn – up to a maximum of \$10,000?

\$ _____

[Open text box with a min of \$1 and max of \$10,000]

ER13B. What impact do you think withdrawing this amount of your super would have had on your retirement savings by the time you reach retirement age?

- \$5000 or less
- \$5,000-\$10,000
- \$10,000- \$20,000

- \$20,000 - \$50,000
- \$50,000-\$100,000
- More than \$100,000
- No impact
- Don't know
- Don't care

ER14. If you had withdrawn some money, do you think you would have made extra contributions into your super in the future to replace the money you had withdrawn, when you could?

- Yes
- No
- Not sure

[If ER14 = Yes, ask ER15-18]

ER15. When do you think you would have started to make extra contributions into your super to replace the money had you withdrawn?

- Once markets bounce back
- Next year
- When I have the spare money
- Not sure
- Other (please specify)

ER16. How long do you think it would have taken you to replace the money if you had withdrawn?

- 6 months
- 1 year
- 3 years
- 5 years
- 10 years
- More than 10 years

ER17. And, if you had withdrawn money from your super account, when you became ready to make additional contributions to your super, how would you have made them?

- Lump sum payments (larger and less frequent)
- Regular payments (smaller and more frequent)
- Both lump sum and regular payments
- Don't know

ER18. And, if you had withdrawn money from your super account and become ready to make additional contributions to your super, would you make them as salary sacrifice or voluntary contributions?

- Salary sacrifice (pre-tax) contributions
- Voluntary contribution (post tax) contributions
- Both salary sacrifice and voluntary contributions
- Don't know

ER19. If you had withdrawn money from your super account, what would you have done with the money?
(Select all that apply)

- Spend (bills, groceries, household goods, vehicles)
- Save (in bank account)

- Super (put back into super)
- Pay off (mortgage, credit cards, loans)
- Invest (shares, property, managed funds)
- Help (family, friends)
- Medical (medical, dental services)

ER20. And, if you had withdrawn money from your super account, which investment option or options would you have withdrawn the money from?

- My super is all in one investment option
- My super is in a number of investment options, and I would have withdrawn
 - Proportionally from all options
 - Equally from all options
 - From one option only
 - Other _____
- I don't know

ER21. Putting aside your own situation and decision, do you think other people will regret withdrawing their super, because of the impact on their retirement savings?

- Yes
- No
- Don't know

EG1. Assume that you deposit \$400 every month into a retirement savings account that earns a 10% yearly rate of interest. (You never withdraw any money.) How much money do you think you will have in your account (including interest earned) after **40 years**?

- \$160,000
- \$211,200
- \$2,550,712
- \$25,507,120

EG2. Assume that someone withdraws \$10,000 from their super account that earns a 2% yearly rate of interest. How much less money do you think they will have in their account (including interest earned) after **30 years**?

- \$10,000
- \$16,066
- \$18,114
- \$30,600

D1. According to Australian Bureau of Statistics, Australian [males/females] (*display according to the subject's gender*) at your age on average are expected to live to age Y (*Y appears according to the current life table and the age of subjects*), to what age do you think you will live?
 [The list of life expectancy by age/gender below is used].

Current life table:

Age	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
Male	81	81	81	81	81	81	81	81	81	82	82	82	82	82	82	82	82	82	82	82	82
Female	85	85	85	85	85	85	85	85	85	85	85	85	85	85	85	86	86	86	86	86	86

Age	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59
Male	82	82	82	82	82	82	82	82	83	83	83	83	83	83	83	83	83	83	84	84	84
Female	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	87	87	87	87	87

Age	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
Male	84	84	84	84	85	85	85	85	85	86	86	86	86	87	87	87	88	88	88	89	89
Female	87	87	87	87	87	88	88	88	88	88	88	88	89	89	89	89	90	90	90	90	91

Age	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
Male	89	90	90	91	91	92	93	93	94	94	95	96	97	97	98	99	100	101	101	102
Female	91	91	92	92	92	93	93	94	94	95	96	96	97	98	98	99	100	101	101	102

D2. What of the following best describes your current or most recent occupation?

- Clerical and administrative worker
- Community and personal service worker
- Laborer
- Machinery operators and drivers
- Manager
- Professional
- Sales worker
- Technicians and trades worker
- Other (please specify)

D3. Which of the following categories best describes your weekly (annual) gross personal income (before tax)?

- Negative income
- Nil income
- \$1-\$199 (\$1-\$10,399)
- \$200-\$299 (\$10,400-\$15,599)
- \$300-\$399 (\$15,600-\$20,799)
- \$400-\$599 (\$20,800-\$31,199)

- \$600-\$799 (\$31,200-\$41,599)
- \$800-\$999 (\$41,600-\$51,999)
- \$1,000-\$1,249 (\$52,000-\$64,999)
- \$1,250-\$1,499 (\$65,000-\$77,999)
- \$1,500-\$1,999 (\$78,000-\$103,999)
- \$2,000 or more (\$104,000 or more)