



Australians “extremely concerned” about financial security but may not be prepared

- Employers may hold answer as they seek to win war for talent -

SYDNEY, 19 November 2007 – A MetLife study released today reveals that paying bills after a sudden income loss ranks among Australian workers’ top financial concerns. The survey also examines how employers around the world respond to these financial issues and reveals workforce shortages are prompting employers to reconsider their benefits strategies and find new ways to attract and retain highly skilled workers.

The inaugural *MetLife Study of International Employee Benefits Trends* suggests Australians are not alone and that many employees’ financial concerns are universal according to findings drawn from more than 2,500 employees surveyed in Australia, the United Kingdom, the United States, India and Mexico.

This year’s study is an extension of a highly regarded U.S. survey MetLife has conducted annually since 2001. For the first time, the survey covers countries that have mature and emerging economies as well as differing workplace environments. The Australian findings are based on 500 interviews with employees and 250 with employers.

The MetLife study aims to provide insight into the financial needs, habits and perceptions of employees and details about the benefits’ objectives and practices of employers.

Australians: many extremely concerned, but may be unprepared financially

Over half of Australian employees are ‘highly concerned’ about financial security in the event of their premature death, disability or serious illness.

- **Fifty seven percent of employees said they are highly concerned about their family’s financial security in the event of the employee’s premature death**
- **Fifty four percent are extremely concerned about financial security if a principal wage earner can no longer work because of a disability**
- Concern is greatest among parents and those aged 41 – 50
 - o Sixty percent of those with children say they are ‘extremely concerned’ about financial security in the event of their premature death
 - o Among those aged 41-50, the majority (68%) are extremely concerned about financial security if a principal wage earner can no longer work because of disability.

Despite their concerns, the study found Australian employees lag the U.S. and U.K. in planning their financial futures.

- **Fifty eight percent of employees surveyed in Australia have not taken steps to determine their household's life insurance needs.** This compares to 40% in the U.S. and 22% in the U.K.
- **The majority (65%) of Australian employees have not taken steps to assess household income needs in the case of a disability.** This compares to 56% in the U.K. and U.S.

Tassin Barnard, Chief Executive Officer, MetLife Australia said the research underscores the insurance gap found by previous studies.

“This study shows that despite the deep concern many Australians have about their financial security, most don't have an adequate safety net in place.

“People clearly worry about these issues, particularly if they are parents. However, most people haven't taken the steps that could protect them financially and relieve their anxiety,” Ms Barnard said.

Employers may hold the answer

The survey examines how employers around the world respond to these financial issues. It reveals workforce shortages and competition for top talent in mature economies are prompting employers to reconsider their benefits strategies and find new ways to attract and retain highly skilled workers.

In Australia 89% of employers cited retaining employees as a top benefits objective. However outside the U.S. employees in the surveyed countries, including Australia, are not offered much opportunity to obtain financial products in the workplace. While employers are considering offering their people access to employee benefits such as financial products, they are yet to act.

“Our study shows only 30-40% of Australian employers offer their staff access to financial benefits such as life and income insurance, financial planning and disability insurance outside super.

“There is a clear opportunity for Australian businesses to both help their employees and attract top talent. Experience in the U.S. suggests that well-targeted financial benefits can help attract, retain and reward talented people. As the global war for talent intensifies Australian businesses are finding it tougher than ever to find and keep the right people. While there is demand here from employees for financial products and services provided at work, there's little on offer from Australian businesses in the way of financial benefits,” Ms Barnard said.

In the U.S., employees generally own 6.9 products in the workplace whereas in Australia and the U.K. employees generally own two or fewer products through their workplace. The primary reason employees cite for not purchasing products at work is that their employers don't offer them (69% in Australia and 61% in the U.K.).

Other Key Findings Include:

- **Many employees do not feel in control of finances** — Only 30% of Australians feel in control of their finances with 29% living “pay cheque to pay cheque”.
- **Work-Life Balance: A primary concern for Australians** — More than half (55%) Australian employees cite having “more time to spend with their families” as a chief concern. Most Australian employees (87%) consider “flexible working hours” as one of the “most important benefits.”

Notes to Editors

Survey Methodology

The first *MetLife Study of International Employee Benefits Trends* was conducted between November 2006 and March 2007 by GfK Custom Research North America in India, Mexico, Australia and the U.K. Globally the employee survey polled 2,507 full-time employees beginning at age 18, including a mix of men and women from different sized companies in each country. The employer survey consisted of 1,275 interviews with employee benefits decision-makers at companies with differing numbers of employees, representing a mix of industries and geographic regions.

About MetLife

MetLife Insurance Limited (MetLife) is an affiliate of MetLife, Inc. MetLife provides institutional and personal life insurance through financial advisers, brokers, and direct marketing channels. For more information about MetLife, please visit the company's website at www.metlife.com.au.

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