



Can we afford kids?

Having children, building financial security and the prospect of retirement

A Retirement Confidence Pulse *deep dive*



Foreword

Deciding whether to have children, when to start a family and how many children to have is deeply personal. For lots of Australians, money is part of that decision.

Retirement can feel a long way off when people are thinking about housing, careers and starting a family. Yet in the minds of many Australians, decisions made in the early years can shape financial security decades later. Choices about children, home ownership and time out of paid work are often perceived to influence the resources available later in life.

Our latest Retirement Confidence Pulse research highlights those connections. More than half of respondents aged 20–29 say cost-of-living pressures have reduced the number of children they intend to have. At the same time, 57% believe having children makes it harder to retire comfortably.

Together, these findings point to a broader conversation about how Australians balance family aspirations with long-term financial security.

The 2026 Intergenerational Report provides an important national context. Treasury projects Australia's fertility rate will fall to 1.34 children per woman by 2065–66, contributing to a faster-ageing population. These demographic changes will shape our workforce, economy and demand for services over coming decades.

Our research does not explain Australia's fertility trends. Family decisions are influenced by relationships, careers, personal preferences and many other circumstances, as Diana Mousina looks at later in this report. What it does show is that financial pressures are influencing family plans.

Providing greater confidence about their financial futures won't necessarily mean Australians are more likely to have kids, but it would help them feel more in control, whatever family life and retirement look like.

Melinda Howes

AMP Group Executive, Superannuation and Investments



Family plans are **feeling the pressure**

Among respondents aged 20-29, more than half say cost-of-living pressures have reduced the number of children they intend to have. Many also report delaying parenthood or reconsidering whether to have children at all.

The findings suggest affordability pressures, including housing costs, are influencing family plans at a stage of life when many people are making decisions about careers, relationships and starting a family.

Reported effect of cost pressures	Respondents aged 20-29
Reduced intended number of children	53%
Reconsidered having children	48%
Delayed having children	44%



Having children and retiring comfortably

Percentage who believe having children makes it harder to retire comfortably:						
Age group	20-29	30-39	40-49	50-64	65+	All
All	57%	51%	61%	64%	50%	57%
Men	50%	46%	61%	63%	49%	54%
Women	62%	57%	62%	65%	53%	61%

More than half believe raising children makes a comfortable retirement harder to achieve. Like many metrics when it comes to super and retirement, there is a clear gender divide.

This is the strongest connection between family life and retirement confidence in the research. It reflects a perceived financial trade-off rather than evidence that parents retire with less money or experience lower retirement confidence.

Many respondents believe younger Australians face difficult choices between family aspirations and long-term financial security.

74% believe younger Australians are being forced to choose between starting a family and building long-term financial security.

The findings indicate the close link between family planning and future financial security



A home before kids

For many, getting onto the property ladder is part of feeling ready for a family.

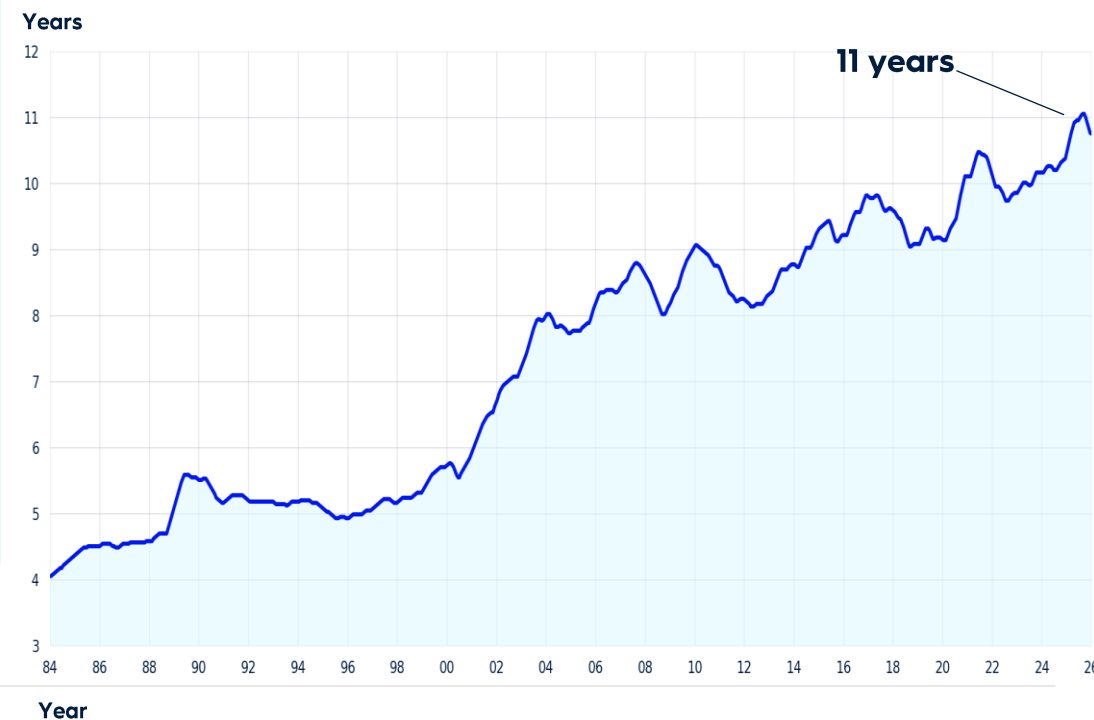
This finding highlights how closely housing aspirations and family plans can be connected. For those wanting to buy before having children, a longer path into home ownership may also mean delaying other life decisions.

This result helps explain why housing affordability features prominently in conversations about family planning and financial security.

63%

of those in their 20s feel they need a foot on the property ladder before having children

Years it takes to save for a 20% deposit



Sources: ABS, AMP.

Concern for the next generation

Percentage who worry about the future financial security of their children:						
Age group	20 – 29*	30-39	40 – 49	50 – 64	65+	All
All	74%	74%	81%	79%	52%	71%
Men	47%	68%	74%	78%	48%	62%
Women	92%	81%	83%	81%	62%	79%

*Smaller sample size

Concern about financial security extends beyond current household finances. Among respondents asked about their children's future financial wellbeing, 71% say they worry about what lies ahead. Again, women are notably more concerned than men.

Alongside the findings on family plans and retirement, this suggests financial security is viewed as a multi-generational challenge.

71%

worry about their children's future financial security.



An economist's view: The bigger picture on fertility

Diana Mousina, AMP's Deputy Chief Economist

Australia's fertility rate has fallen over time, as it has in many other advanced economies. The ABS recorded 1.48 births per woman in 2024. Treasury now projects a rate of 1.34 per woman by 2065–66.

There is no single cause. Education, careers, relationships, access to contraception and changing preferences all shape family decisions. Housing security, the cost and availability of care, and the ability to combine paid work with parenting matter too.

The Intergenerational Report also highlights the trend to later childbearing and smaller families. It notes that the share of women having at least one child has remained relatively stable. Fewer women having three or more children accounts for nearly half the projected decline in fertility.

2024 recorded rate of fertility	2065-66 projection
1.48 births per woman	1.34 births

Source: ABS Births Australia, 2024; Treasury



An economist's view: Australia is part of a global shift

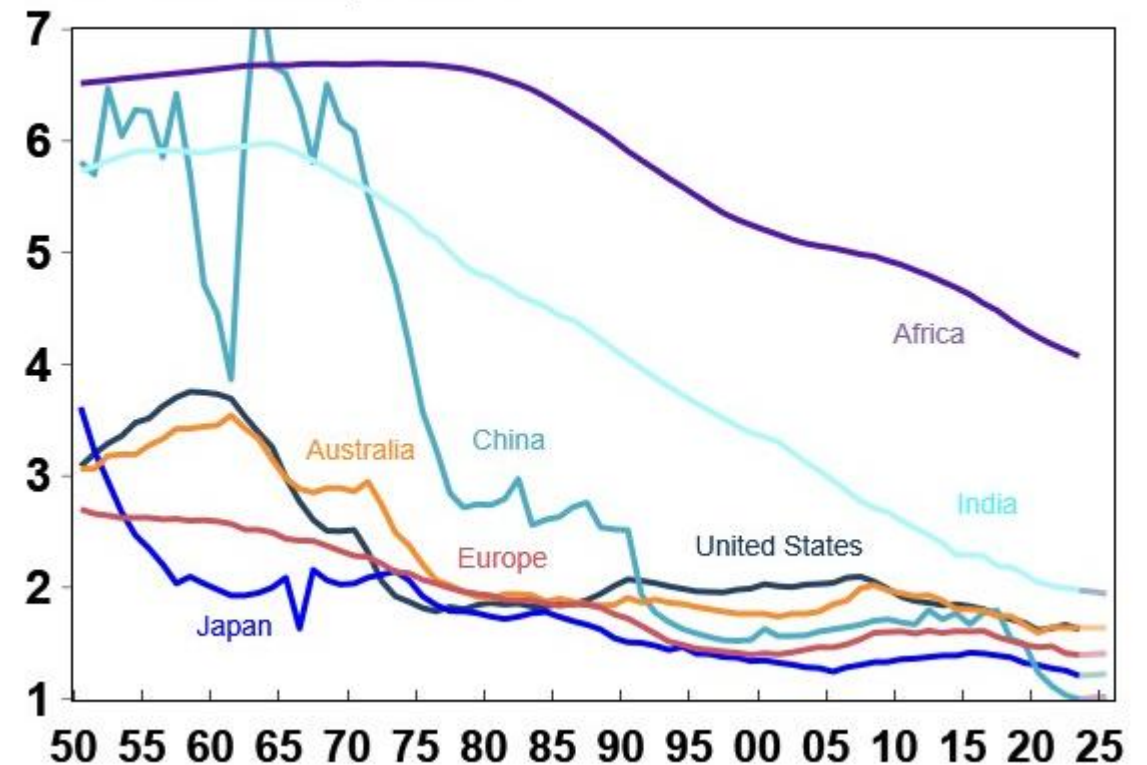
Declining fertility is not unique to Australia. Across much of the advanced world, people are having children later and families are becoming smaller. In fact, Australia's fertility rate remains above that of many comparable countries.

Australia's latest Intergenerational Report found that policies reducing the financial and career costs of having children can have a small positive effect on fertility.

While the global declining trend in births is likely to continue, we anticipate that there will be more support for families raising children and combining work with family life – and that should slow the rate of that decline.

Global fertility rates

Number of births per Woman



Sources: Macrobond, UN, AMP

An economist's view:

An ageing Australia changes the economic balance

Living longer is good news. The challenge is ensuring Australia has both the money and the people to support an older population. Demand for health and aged care will grow, making the capacity to deliver those services increasingly important.

Treasury projects that there will be as many as 40 people aged 65 and over – for every 100 people aged 15–64, by 2065–66. That compares with around 27 in 2025–26. This changes the balance between older and working-age Australians.

The consequences reach beyond government budgets. Greater demand for care means more competition for staff, while families may face additional caring responsibilities alongside paid work. Labour shortages could add to wage and service-cost pressures, affecting household budgets as well as the cost of providing care.

Superannuation provides an important buffer. While health and aged-care spending is projected to rise as a share of the economy, Treasury expects spending on Age Pensions to fall. More retirement income coming from super can ease some budget pressure, but it does not solve the challenge of finding enough care workers.

Improving productivity, making it easier for people to participate in paid work and well-managed migration will all be important to sustaining living standards and access to services.



Planning for kids – practical steps for aspiring parents

Budget for the transition, not just the baby



The bigger financial adjustment may be a change in income, not buying a pram. Map out your household budget across three stages: before the baby arrives, during parental leave and when you return to work. Include housing, everyday expenses and childcare. Consider what would happen if you took longer away from work or returned on fewer days.

Know what support you can count on



Check your employer's parental leave arrangements and any government payments you may qualify for, including when they would be paid. Explore childcare availability, fees and potential subsidies early. Knowing what support is available – and where there may be gaps – helps turn a broad worry about affordability into a more realistic plan.

Give yourself some breathing room



Set a manageable savings goal to help cover unexpected costs or a longer period on reduced income. If possible, trial your expected parental-leave budget beforehand and put the difference aside. There is no universal amount you need saved: focus on your essential expenses and circumstances – and keep money you may need soon accessible.

Keep your future retirement in the picture



Find out what happens to your super contributions during parental leave and reduced working hours. If you're parenting together, discuss the impact on each person's retirement savings – not just the household income. If available through your super fund, access Digital Financial Advice for personalised super investment and contribution advice. Any extra contributions need to fit comfortably alongside today's expenses.

About the **AMP Retirement Confidence Pulse**

The AMP Retirement Confidence Pulse is an annual measure of how financially prepared Australians feel for life after work.

We asked 2,000 Australians across gender, age, family status, income, employment and life events how financially secure they feel about retirement.

The headline Pulse score represents the proportion of respondents answering yes to, 'Do you feel confident about your financial security in retirement?'

The Pulse is based on AMP-commissioned research in July 2026 by independent research company Dynata.





Confidence Heatmap



Life shocks crush confidence

Unemployment and relationship breakdowns are deep retirement confidence fault lines. This is also reflected in higher levels of hardship applications for early super release from our members, which have increased 47% over the last two years.



Midlife confidence squeezed

Australians aged 40-49 are the least confident age group. Women in this age group are particularly exposed, with only 35% feeling confident about retirement



Security changes everything

Confidence rises sharply with financial and personal security. Partnered Australians are considerably more confident than those who are single or separated.

Level of retirement confidence



National	20-29	30-39	40-49	50-64	65+	All ages
All	53%	60%	40%	47%	61%	52%
Men	68%	73%	50%	50%	65%	61%
Women	42%	47%	35%	44%	51%	42%
Relationship Status						
Single	47%	33%	34%	32%	68%	42%
Single men	60%	45%	49%	34%	69%	51%
Single women	38%	22%	27%	31%	67%	34%
Separated / divorced	n/a	45%	31%	37%	42%	38%
Separated / divorced men	n/a	60%	38%	36%	47%	44%
Separated / divorced women	n/a	33%	28%	38%	32%	33%
Partnered	64%	69%	43%	56%	64%	58%
Dependents						
Have children	67%	71%	42%	51%	61%	56%
No children	49%	35%	33%	39%	62%	43%
Single women with children	25%	27%	34%	36%	74%	41%
Separated / divorced women with children	n/a	33%	30%	37%	32%	33%
Single men with children	n/a	100%	60%	38%	74%	62%
Separated / divorced men with children	n/a	50%	30%	35%	38%	37%
Employment and income						
Employed	59%	68%	46%	52%	46%	55%
Unemployed (looking for work)	29%	20%	17%	14%	33%	18%
Income less than \$45k	41%	30%	22%	34%	52%	40%
Income between \$45k & \$135k	59%	59%	45%	54%	74%	57%
Income between \$135k & \$190k	62%	84%	57%	76%	70%	71%
Income between \$190k & 250k	100%	89%	47%	80%	100%	76%
Income above \$250k	67%	94%	88%	85%	75%	87%
Self employed / business owner	60%	58%	46%	64%	52%	55%
Retired	n/a	n/a	n/a	56%	64%	61%