The Retirement Quiz:
What we need to enjoy a successful retirement

November 2012
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Foreword

In 2010, the National Seniors Productive Ageing Centre launched the Healthy Ageing Quiz – to provide practical tips to assist with ageing well. This quiz focused on a broad concept of healthy ageing with a range of predominately health indicators (physical activity, balance, smoking and alcohol use) as well as some measures of social connectiveness and productive engagement.

Since the publication of the 2010 quiz, much work at National Seniors Australia has been undertaken on retirement planning and productive engagement during retirement. A question that is often raised from this research is what kinds of people adjust to retirement well and others not so well? Similarly, how can mature age people track their retirement adjustment?

This provided the need for a Retirement Quiz. Given that the number of Australians transitioning into retirement will increase in coming years, it is important that pre-retirees, and the public in general, understand about preparing for the transition into retirement, and what strategies are successful to ensure a good quality of life in retirement.

This Productive Ageing Centre research report details a Retirement Quiz, developed at the School of Psychology at the University of New South Wales with funding from National Seniors Australia, that is based on new research into successful retirement. The Quiz assesses retirement preparedness in terms of three subscales measuring different types of resources: Health and Finances, Social Resources, and Emotional, Cognitive and Motivational Resources.

We hope the Retirement Quiz will help Australians approaching retirement to assess their resources for retirement, as well as aid retirees with starting a conversation about setting new goals.

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Director
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Acknowledgements

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The research on which this quiz and report is based was undertaken at the School of Psychology at the University of New South Wales by Dr Joanne Earl and Ms. Cindy Leung.
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Introduction

Retirement is a big step for most of us. It is often a positive transition, to a life shaped more strongly by our choices, rather than our work or family obligations. It may be a step taken after much thought and planning, or an optimistic leap into the unknown.

What we do know is that the number of retirees will increase greatly as the Baby Boomers age and life expectancy expands. The personal challenges of stepping into retirement thus have a broader social significance as well.

While some people enjoy retirement, research has found that almost a third of retirees find the retirement transition stressful or show a decline in well-being after retirement. Not adjusting well to retirement can affect health, showing up in things like excessive drinking or mental health problems.

It therefore makes a lot of sense to think carefully about retirement, before and after taking the plunge. That’s where this retirement quiz can be a very useful tool.
Why do the retirement quiz?
This quiz helps us think about retirement more clearly. The questions help assess whether we are prepared for retirement, and whether there are things we could do to improve our quality of life once retired.
Importantly, the quiz is based on new research into successful retirement. A short outline of that research follows below.

Do you have enough resources for retirement?
That was the key question that retirement researchers, Dr. Joanne Earl and Cindy Leung, in the School of Psychology at UNSW set out to answer. Funding for a national project was provided by National Seniors Australia for the development of a new measure for this question.

There were two main things to consider in designing a new measure.

• Firstly, how do we measure retirement success?
• Secondly, are there theories about what resources are most important?

This new measure was designed to help retirees determine whether they have the right resources for retirement, and to help identify any gaps. Many researchers focus on encouraging people to plan pre-retirement, but research findings from earlier studies (Donaldson, Earl and Muratore, 2009) suggest that planning during retirement is just as important to promote well-being.

Measuring retirement success
Firstly, what do we mean by retirement success? One main measure of retirement success is how well a person adjusts to being retired. A series of questions were asked designed by Wells et al. (2006) and previously used across some other research projects to measure retirement adjustment.

The items used were as follows, with items scored from (1) strongly disagree to (5) strongly agree, with items 4-11 reversed scored (i.e. a score of “5” is re-coded as a “1”, a score of “4” is recoded as a “2” and vice-versa). In question 13 if participants are not married or partnered the average of scores 1-12 is used instead. High scores mean that someone is well adjusted to retirement and low scores, poorly adjusted.

(1) I am well adjusted to the changes.
(2) I enjoy being retired.
(3) I am busy.
(4) I have real concerns about my financial situation.
(5) I miss the stimulation that work gave me.
(6) I wish I had started to plan for retirement earlier.
(7) I miss the discipline that working gave me.
(8) People don’t respect me as much now that I am retired.
(9) I have had to adjust to a big drop in my income.
(10) I miss being part of the action.
(11) Retirement has not lived up to my expectations.
(12) Retirement has been better than I expected.
(13) (If married or partnered) I enjoy being able to spend more time with my spouse/partner.
Important resources in retirement
Secondly, new theories were investigated around the idea of important resources in retirement. But what is meant when we talk about resources in this context? In this project, resources are anything that helps to fulfill needs. In this project these can be material, social or personal characteristics that a person can use to attain his/her personal goals.

Some of the latest theories about resources have come from a researcher in America by the name of Mo Wang. According to Wang and colleagues (2010, 2011), a person’s total resource pool in retirement should consist of resources from the following six categories: physical, financial, social, emotional, cognitive and motivational. This framework was used to devise items to measure in our resources inventory. The six resource categories are outlined below.

The retirement resources that matter
The following section describes the six categories of resources that have been linked to promoting well-being in retirement.

Physical resources. Physical and financial resources are the two most researched resource categories in retirement. Past studies have demonstrated that health or perceived health consistently predicts retirement well-being and satisfaction. Researchers have offered various explanations as to why a person’s health might predict retirement well-being. Individuals with better health are more likely to feel better, engage in more activities and have more social support networks, meaning they would be more satisfied with their retirement life. On the other hand, poor health might result in lower retirement well-being by limiting daily activities, disrupting leisure and social activities, and creating financial problems.

Financial resources. With no paid employment, having financial resources during retirement is therefore important. Previous research has shown that people experiencing a decline in income report a decline in retirement well-being, and that those with higher post-retirement income report greater well-being. These results are balanced by a sense of income adequacy, where a person thinks they have sufficient post-retirement income regardless of the actual amount. Retirees with financial resources are better able to cope with demands, and experience greater well-being during retirement.

Social resources. In leaving work, people have to detach themselves from working relationships with colleagues and build new social supports. Social support in retirement includes valued relationships with family and friends, leisure and volunteer activities or part-time employment, and social interaction. Research has shown that retirement well-being is positively affected by important relationships such as marriage, family, friendship networks, and joining groups.

Emotional resources. Compared to the intense focus on physical or financial resources, there has been relatively little research on emotional resources that help with retirement. Some recent research indicates that retirement well-being could potentially be improved by positive emotions and worsened by negative emotions. This is most likely linked to the use of positive emotions to cope with stress. Other researchers report that Emotional Intelligence, which is the ability to perceive, generate, understand and manage emotions, is potentially a valuable emotional resource during retirement as well. Retirees with superior Emotional Intelligence might suffer from less perceived stress and experience greater well-being.

Cognitive resources. Cognitive resources are also important to retirement well-being. We were particularly interested in three things: mastery, optimism and cognitive functioning (brain power!).

- Mastery is about feeling in control of most things in your life. It enables you to feel that you are capable of reaching goals, learning new things and achieving what you set out to do. Often mastery is confused with self-efficacy, but self-efficacy is a little different – it’s usually related to a task. For example, someone could have high self-efficacy when they report that they are a very good driver, but someone saying that they learn new things easily (including driving) is more likely to be reporting high levels of mastery. We found in our previous studies that mastery was a good predictor of retirement adjustment.
The resources inventory designed at UNSW measure included two specific types of goal setting behaviour: goal pursuit (i.e. continuing to pursue goals despite barriers) and goal adjustment (i.e. adjusting goals to suit new circumstances).

The new measure: the Retirement Resources Inventory

Using the six resource categories just outlined, a new measure was created - the Retirement Resources Inventory. This measure forms the basis of the retirement quiz.

The new measure was found to be a very good measure of resources used in retirement. The six resources identified successfully predicted retirement adjustment and satisfaction.

Some of the resources were found to be grouped together. These groupings created ‘subscales’ that measured different types of resources. The groupings we found were:
- RT3 (Resource Type 3) – Health and Finances
- RT2 (Resource Type 2) – Social Resources
- RT1 (Resource Type 1) – Emotional, Cognitive and Motivational Resources

Average scores for these three groups of items as well as the Wells (2006) measure of retirement adjustment (outlined earlier) were:

<table>
<thead>
<tr>
<th>Subscales</th>
<th>Number of items</th>
<th>Highest attainable score</th>
<th>Average</th>
<th>Low Scores</th>
<th>Medium Scores</th>
<th>High Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>RT3</td>
<td>8</td>
<td>40</td>
<td>27.09</td>
<td>Less than 21.94</td>
<td>21.94 – 32.23</td>
<td>More than 32.23</td>
</tr>
<tr>
<td>RT2</td>
<td>9</td>
<td>45</td>
<td>28.39</td>
<td>Less than 22.25</td>
<td>22.25 – 34.53</td>
<td>More than 34.53</td>
</tr>
<tr>
<td>RT1</td>
<td>18</td>
<td>90</td>
<td>68.03</td>
<td>Less than 59.85</td>
<td>59.85 - 76.11</td>
<td>More than 76.11</td>
</tr>
<tr>
<td>Retirement Adjustment</td>
<td>13</td>
<td>65</td>
<td>44.95</td>
<td>Less than 35.73</td>
<td>35.73- 54.17</td>
<td>More than 54.17</td>
</tr>
</tbody>
</table>

Whilst all the resources measured were great predictors of retirement satisfaction and retirement adjustment, some were better than others. The order of importance was:
- RT3 – Health and Finances
- RT2 – Social Resources
- RT1 – Emotional, Cognitive and Motivational Resources
The Retirement Quiz

The retirement quiz consists of 35 questions on the Retirement Resources Inventory (RRI).

Answering all the questions provides a comprehensive measure of resources that relate to retirement well-being. The RRI consists of resource items across 3 domains, or subscales: RT3 (physical and financial), RT2 (social), and RT1 (emotional, cognitive and motivational). Retirement resources, as assessed by the quiz questions, were found to predict retirement adjustment and satisfaction.

Quiz instructions

- The quiz will take about 10 to 15 minutes to complete.
- Answer each question by choosing the number (from 1 to 5) that best reflects your view, and circle that number.
- To work out your score, calculate the subscale scores by summing up item ratings using the key below.
- Once you have the subscale scores, refer back to the ‘Average scores’ table above, to see how yours compares.
- Read the section that follows this quiz, ‘Understanding your results’, for further insights and suggestions.
The Retirement Quiz

The Quiz - Retirement Resources Inventory items

Resource Type 3 – Health and Finances

Question 1
I would consider my general health condition to be _______.
1 extremely poor 2 fairly poor 3 average 4 good 5 extremely good

Question 2*
I am _______ affected by one or more major physical illnesses (e.g. heart disease, diabetes, foot problems, arthritis, hypertension).
5 not 4 mildly 3 moderately 2 more than moderately 1 severely

Question 3*
I am _______ affected by one or more mental disorders (e.g. dementia, depression, anxiety disorder, panic disorder).
5 not 4 mildly 3 moderately 2 more than moderately 1 severely

Question 4
I have _______ energy to carry out daily activities or activities that I am interested in.
1 very little/no 2 limited/inadequate 3 a moderate amount of 4 a substantial amount of 5 excess

Question 5
I possess _______ income to support my/my family living expenses.
1 very little/no 2 limited/inadequate 3 a moderate amount of 4 a substantial amount of 5 excess

Question 6
I have _______ financial support from my personal savings.
1 very little/no 2 limited/inadequate 3 a moderate amount of 4 a substantial amount of 5 excess

Question 7
I have _______ financial support from my investments.
1 very little/no 2 limited/inadequate 3 a moderate amount of 4 a substantial amount of 5 excess

Question 8
I have _______ financial support from my superannuation fund.
1 very little/no 2 limited/inadequate 3 a moderate amount of 4 a substantial amount of 5 excess

Resource Type 3 (RT3) Total Score ___________
Resource Type 2 – Social Resources

Question 9  
I have _______ friends whom I can interact with regularly.  
1 very few/no  2 few  3 a moderate number of  4 a substantial number of  5 many

Question 10  
I have _______ family members whom I can interact with regularly.  
1 very few/no  2 few  3 a moderate number of  4 a substantial number of  5 many

Question 11  
I know_______ people from various sources (e.g. religious groups, leisure groups, sporting teams, volunteer groups, part-time employment).  
1 very few/no  2 few  3 a moderate number of  4 a substantial number of  5 many

Question 12  
I would consider interactions with friends (in general) to be ______ supportive.  
1 not at all  2 fairly  3 moderately  4 quite  5 very

Question 13  
I would consider interactions with family members (in general) to be ______ supportive.  
1 not at all  2 fairly  3 moderately  4 quite  5 very

Question 14  
I would consider interactions with acquaintances from various sources (e.g. religious groups, leisure groups, sporting teams, volunteer groups, part-time employment) to be ______ supportive.  
1 not at all  2 fairly  3 moderately  4 quite  5 very

Question 15  
I _______ receive informational support from others, where informational support refers to receiving information or advice from someone on handling difficult circumstances, rectifying a situation, following through with a solution, following-up on a difficult event, and receiving constructive criticism.  
1 never  2 rarely  3 sometimes  4 often  5 very often

Question 16  
I _______ receive emotional support from others, where emotional support means someone was available to listen, to acknowledge my feelings, to support me in stressful situations, to act as a confidant, and to express interest in my well-being.  
1 never  2 rarely  3 sometimes  4 often  5 very often

Question 17  
I _______ receive tangible support from others, where tangible support refers to receiving help with meal preparation, temporary housing, household chores, shopping, respite, financial needs, transportation, care of the house when away, and the loan of something I needed.  
1 never  2 rarely  3 sometimes  4 often  5 very often

Resource Type 2 (RT2) Total Score ___________
Resource Type 1 – Emotional, Cognitive and Motivational Resources

Question 18
I experience _______ positive emotions (i.e. interested, excited, strong, enthusiastic, proud, determined, alert, inspired, attentive, active).

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess

Question 19
I have _______ ability to perceive my/others’ emotions accurately.

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess

Question 20
I possess _______ knowledge about how emotions vary or influence behavior.

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess

Question 21
In general, I feel that I have _______ ability to use emotions to facilitate my thoughts and communication.

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess

Question 22*
I have little control over the things that happen to me

5 strongly disagree  4 disagree  3 neutral  2 agree  1 strongly agree

Question 23
I feel that I am a person of worth, at least on an equal plane with others.

1 strongly disagree  2 disagree  3 neutral  4 agree  5 strongly agree

Question 24*
I _______ forget things in the immediate past or where I have placed things.

5 never  4 rarely  3 sometimes  2 often  1 very often

Question 25
I have _______ ability to recall events that happened a while ago.

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess

Question 26
I have _______ ability to recall meanings and spellings of different words/concepts.

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess

Question 27
I have _______ ability to acquire new knowledge or skills.

1 very little/no  2 limited/inadequate  3 a moderate number of  4 a substantial number of  5 excess
Question 28
I would consider my speed of processing information (e.g. numbers, texts) to be generally _______.
1 very slow 2 slow 3 moderate 4 fast 5 very fast

Question 29
I have ____ ability to understand and solve problems.
1 very little/no 2 limited/inadequate 3 a moderate number of 4 a substantial number of 5 excess

Question 30
I have ____ ability to perform good decision making (i.e. selecting the most appropriate choice from the available options).
1 very little/no 2 limited/inadequate 3 a moderate number of 4 a substantial number of 5 excess

Question 31
When faced with difficulty, I usually increase my efforts.
1 strongly disagree 2 disagree 3 neutral 4 agree 5 strongly agree

Question 32
Even when things seem hopeless, I keep fighting to reach my goals.
1 strongly disagree 2 disagree 3 neutral 4 agree 5 strongly agree

Question 33
I can easily adapt to changes in goals, plans or circumstances.
1 strongly disagree 2 disagree 3 neutral 4 agree 5 strongly agree

Question 34*
When I get stuck on something, it’s hard for me to find a new approach.
5 strongly disagree 4 disagree 3 neutral 2 agree 1 strongly agree

Question 35*
I create many problems for myself because I set unrealistic goals.
5 strongly disagree 4 disagree 3 neutral 2 agree 1 strongly agree

Resource Type 1 (RT1) Total Score ___________

* Items noted with an asterisk have automatically been reverse coded to aid ease of use. Interested researchers should refer to the original research article (Leung and Earl, 2012).
Understanding your quiz results

Remember that some resources were better predictors of retirement satisfaction and retirement adjustment. The order of importance was:

- RT3– Health and Finances
- RT2– Social resources
- RT1– Emotional, Cognitive and Motivational Resources

What if my scores are in the medium to high range?

Congratulations! In most cases if your scores are in the medium to high range then there is no cause for concern. You might like to review the individual items scored lowest and set goals to improve. Some things are obviously easier to change than others so start with some of the easier ones first, working gradually to the more difficult. Remember that the scores in RT3 are the most important, then RT2 followed by RT1. So for example if you rated yourself low on question 3 “I am affected by one or more mental disorders (e.g. dementia, depression, anxiety disorder, panic disorder)” then in the first instance you would visit your doctor who can complete a detailed assessment and help you to prepare a mental health care plan.

What if my scores are in the low range?

It is possible that this process might evoke concerns or questions about your own lifestyle and health. If this is the case, we encourage you to contact beyondblue, a mental health support service, on 1300 22 4636 for some additional support and referral advice. The key to making improvements is to work at changing the low scoring items but also to acknowledge the items you scored highly on. Your strengths will be an asset when it comes to improving some of the other areas.

Just as suggested to the medium and high scorers, start with the easier items first and then work with the more difficult. For example, if you are highly motivated (measured by RT1- items 31-35) but lack financial income resources (RT3-items 5-8) right now, this suggests that you have the necessary energy to investigate other ways of generating income. Clearly, if you have no investments or superannuation (RT3 – items 7-8) these will be problems that may be addressed over time and there will be no immediate solutions. If you have a major physical illness that affects your daily living, then the key might be more about trying new treatments, better management or optimising your health in other ways to compensate. Remember to tackle the items you find easiest first then work towards the more difficult.
Next Steps

Retirement is one of the most important life transitions in later adult life. While some people enjoy retirement, approximately one third of retirees find the retirement transition stressful or show a decline in well-being.

The research underpinning the quiz showed conclusively that retirement resources significantly predicted retirement adjustment and retirement satisfaction. Physical and financial resources were the best predictors, but emotional and cognitive resources were also important.

In that context, completing the retirement quiz is a useful stocktaking exercise. If planning to retire, it can help you work out whether you have the resources for a successful retirement. If you are already retired, the quiz can kick-start a conversation about setting new goals, trying new approaches or seeking help in particular areas that may have been overlooked.

Further reading

The Retirement and Resources Inventory and all the research supporting it have been published in its entirety in the following journal:


The full report is also on the National Seniors Australia website.

Supporting Materials


ABOUT THE NATIONAL SENIORS PRODUCTIVE AGEING CENTRE

The National Seniors Productive Ageing Centre is an initiative of National Seniors Australia and the Department of Health and Ageing to advance research into issues of productive ageing. The Centre’s aim is to advance knowledge and understanding of all aspects of productive ageing to improve the quality of life of people aged 50 and over.

The Centre’s key objectives are to:

• Support quality consumer oriented research informed by the experience of people aged 50 and over;

• Inform Government, business and the community on productive ageing across the life course;

• Raise awareness of research findings which are useful for mature age people; and

• Be a leading centre for research, education and information on productive ageing in Australia.

For more information about the Productive Ageing Centre visit www.productiveageing.com.au or call 02 6230 4588.
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