

3rd Seniors Sentiment Index

A report by
**National Seniors Australia
and Challenger**

August 2015

National Seniors
Australia

challenger 

nationalseniors.com.au

© National Seniors Australia 2015

National Seniors Australia owns copyright in this work. Apart from any use permitted under the Copyright Act 1968, the work may be reproduced in whole or in part for study or training purposes, subject to the inclusion of an acknowledgement of the source. Reproduction for commercial use or sale requires written permission from National Seniors Australia. While all care has been taken in preparing this publication, National Seniors Australia expressly disclaims any liability for any damage from the use of the material contained in this publication and will not be responsible for any loss, howsoever arising, from use or reliance on this material.

Publisher: National Seniors Australia

ABN 89 050 523 003

ISBN 978-0-9925994-8-5

3rd Seniors Sentiment Index

August 2015



Contents

Executive Summary	1
Introduction	3
Data and methodology	4
National Seniors Social Survey Wave 4	4
Methods of calculating Index.....	5
Comparison of 2012, 2013 and 2014 full samples	5
Results	5
Sentiment Index.....	7
Prospective Sentiment Index	9
Overall life satisfaction.....	10
Socio-economic and demographic differences in the Sentiment Index	11
Additional questions	11
Conclusion	17
Appendix	18
Description of sample.....	18
Sentiment indexes - full sample	21
Sentiment indexes - longitudinal respondents.....	22
Finance domain	22

Executive Summary

Introduction

- The Seniors Sentiment Index is a summary measure of how senior Australians (50 years and over) view different aspects of their lives, as well as Australian society as a whole.
- The Index is measured based on their assessment of their financial, health and social wellbeing, both presently and in the future.
- This report presents findings from the Third Seniors Sentiment Index; it follows from the previous releases of the Index in 2012 and 2013.

Data and methodology

- The data utilised to measure the Seniors Sentiment Index are taken from the National Seniors Social Survey Wave 4, which was conducted from 29 November 2014 to 2 January 2015, among members of National Seniors Australia aged 50 years and over.
- A total of 10,000 members were invited to complete the survey, with 1,873 valid responses received (a response rate of 18.7%).
- A total of 784 respondents responded to both the National Seniors Social Survey Wave 3 and Wave 4.
- The Domain Index for Social, Financial, and Health was calculated using the formula that standardises responses to a distribution of 0% to 100%, where 0% is the lowest possible satisfaction and 100% is the highest possible satisfaction.
- The Sentiment Index is the average of the Social, Financial and Health Domain Indexes.
- A Prospective Sentiment Index was also computed to assess how seniors perceive their social, financial and health wellbeing five years from now.

Results

- The Sentiment Index moved from 71.7% in 2013 to 71.2% in 2014, but this change was not significant. There had been a significant rise in the Sentiment Index from 2012 to 2013.
- There was also no significant change in any of the Domain Indexes between 2013 and 2014: the Financial Domain Index increased from 63.3% in 2013 to 64.0% 2014, the Health Domain Index fell from 74.3% to 72.4%, and the Social Domain Index fell from 77.4% to 77.1%. Again, there had been significant increases in each of these Domain Indexes from 2012 to 2013.
- The Prospective Sentiment Index decreased slightly from 44.4% in 2012 to 43.5% in 2013; this finding was not statistically significant.
- Present satisfaction with life as a whole decreased slightly between 2013 and 2014, with the proportion somewhat or very satisfied falling from 83% to 80%.
- Among the longitudinal sample, there was no significant change in the Sentiment Index or any of the Domain Indexes from 2013 to 2014.
- There are some clear differences in the Sentiment Index between different socio-economic and demographic groups. The Sentiment Index, Social Domain Index and, in particular, Financial Domain Index are lowest among people aged 50-64 years. Males had a higher Financial Domain Index than females but slightly lower Social and Health Indexes.
- The stability in the Financial Domain Index between 2013 and 2014 can be explained by there being no change over the period in the ability of seniors to pay for both basic and non-essential household expenses, and their ability to save for future spending needs.
- There was also negligible change in the confidence of both pre-retirees and retirees in the adequacy of superannuation in retirement.

- However, among retired people, the proportion at least somewhat confident of income from all sources being adequate for retirement increased from 55% in 2013 to 64% in 2014.
- Of concern though is that 43% of non-retired people are not very or not at all confident of the adequacy of their income from all sources for retirement.
- There has been an increase in negative sentiment towards Federal Government policies from 2013 to 2014.
- The proportion of people who believe the impact of towards Federal Government policies on their financial wellbeing to be very or somewhat negative increased from 42% in 2013 to 48% in 2014.
- Similarly, there has been a sharp increase from 11% in 2013 to 21% in 2014 in seniors stating that Federal Government policies have a very negative impact on the Australian economy.
- Also, from 2013 to 2014, there was an increase from 19% to 26% in seniors being very dissatisfied with the Australian political system.

Conclusion

- The stability in the Seniors Sentiment Index between September-October 2013 and December 2014-January 2015 followed an increase in the preceding year.
- Each of the Domain Indexes (Financial, Health and Social) did not change significantly over the period.
- The Prospective Sentiment Index remains below 50%, which means that seniors are slightly more pessimistic than optimistic about their future across the three domains.
- The stability of financial wellbeing over the period came after significant increases from 2012 to 2013. Superannuation fund balances grew in 2014 at a level (7.5%) close to the long-term average, whereas in 2013 they grew at over 16%.
- The decline in sentiment towards the impact of Federal Government policies on personal financial wellbeing and the Australian economy may have been due to the 2013 survey being conducted shortly after that year's Federal election, at which time sentiment may have been higher than the long-term average.

Introduction

As Australia's seniors population (aged 50 years and over) continues to grow in size and influence, it is important to regularly assess their experiences and attitudes across a range of areas of their lives. Such an assessment is particularly valuable given rapid changes in Australia's economic and political landscape.

The Seniors Sentiment Index, presented in this report, is a summary measure of how senior Australians view different aspects of their lives, as well as Australian society as a whole. It is based on their assessment of their financial, health and social wellbeing, both presently and how they foresee these areas will be in the future. Each of these areas plays an important part in the quality of life of seniors: financial wellbeing provides peace of mind that they have the resources presently and in the future to allow them to afford necessities as well as more discretionary items (e.g. travel), health is arguably the most important component and has a direct influence on quality of life, while social wellbeing encompasses their interactions with family and friends (relationships) and society more generally (satisfaction with living in their community, and sentiment towards Government and other public institutions).

The Seniors Sentiment Index is based on data from the National Seniors Social Survey Wave 4, a survey of almost 2,000 seniors in December 2014-January 2015. It is the Third Seniors Sentiment Index, following on from the first two Seniors Sentiment Indexes in August 2012 and September-October 2013. The period of time since the Second Seniors Sentiment Index covers the first 14 months of the current Federal Government, and therefore is a timely assessment of changes in seniors' assessment of their financial, health and social wellbeing over this time. Over one-third of respondents to the latest survey also answered the survey in 2013, which allows for the experiences and attitudes of these specific seniors to be tracked over the period.

The Seniors Sentiment Index follows on from a range of other measures of wellbeing in Australia. These include the Australian Unity Wellbeing Index, developed by the Australian Centre on Quality of Life at Deakin University, which monitors personal wellbeing and national wellbeing in Australia, and the Herald Age Lateral Economics (HALE) index of Australia's wellbeing, which has measured both economic and non-economic wellbeing (e.g. environment, health, political and social capital) using a national accounts approach.^{1,2} Internationally, the United Nations Human Development Index (HDI), based on a life expectancy index, education index and GDP index, has allowed for cross-country comparison of wellbeing.³ However, there has been less focus on people over the age of 50 years. The Stanford Center on Longevity and Population Reference Bureau's Index of Wellbeing has measured wellbeing of older people across 12 countries based on four domains - material, physical, social and emotional wellbeing.⁴

The first two Seniors Sentiment Indexes found that Australia's seniors are broadly positive about their lives, with the Index increasing strongly from 65.9% in 2012 to 71.7% in 2013. There was a particularly strong rise in social wellbeing from 2012 to 2013, with the Social Domain Index increasing from 68.1% to 77.4%, due to the proportion of seniors being very satisfied with their social wellbeing rising from 19% to 38%. Both the Financial Domain Index (from 58.9% to 63.3%) and the Health Domain Index (from 70.7% to 74.3%) increased over the preceding year as well. However, there were significant differences across socio-economic groups, with greater wellbeing of people earning higher incomes and those with higher education.

This report measures the Seniors Sentiment Index of Australians aged 50 years and above across three domains, as well as the sentiment in the following domains:

- Social (including personal relationships, satisfaction with their community and sentiment towards Government);
- Financial (including ability to save and confidence in retirement income); and
- Health (including personal health and experiences with health services).

It also assesses trends in these Indexes since 2012, how they differ across socio-economic groups, and also assess changes in specific individuals tracked as part of the longitudinal component of the survey.

¹ International Wellbeing Group (2006) 'Personal wellbeing index: 4th edition' Australian Centre on Quality of Life, Deakin University: Melbourne.

² Lateral Economics (2011) 'The Herald/Age-Lateral Economics index of Australia's wellbeing: final report', www.lateraleconomics.com.au/outputs/Fairfax%20Lateral%20Economics%20Index%20of%20Australia's%20Wellbeing%20Final%20Report.pdf.

³ United National Development Program (2007) 'Fighting climate change: human solidarity in a divided world' in Human Development Report 2007/2008, Watkins: New York, USA.

⁴ Kaneda, T., Lee, M., & Pollard, K., (2011) 'SCL and PRB index of well-being in older populations' Washington DC: Population Reference Bureau.

Data and methodology

National Seniors Social Survey Wave 4

The data presented are taken from the National Seniors Social Survey Wave 4. The survey was conducted from 29 November 2014 to 2 January 2015, among members of National Seniors Australia aged 50 years and over. A total of 10,000 members were invited to complete the survey. Of these, 1,594 respondents who answered the National Seniors Social Survey Wave 3 in 2013, who indicated in that survey they would like to participate in future waves of the survey, and whose membership number was in the National Seniors membership database, were invited to complete the survey. The remaining 8,406 respondents who were invited were selected from the National Seniors Australia membership database. The number of respondents allocated to each of the 48 strata (3 age groups x 2 genders x 8 states/territories) was calculated proportionally to reflect the Estimated Resident Population in Australia aged 50 years and over in June 2013. The respondents within each stratum were selected randomly from the database. Selection was undertaken to ensure two members from the same family were not chosen.

A paper survey was mailed to each of the selected members. Respondents had the option to complete the paper survey and return by mail, or to complete the survey online. Results from a total of 1,923 surveys were received and entered. Survey weights were applied to each combination of age, gender and state/territory, to adjust for differences in response rates by these population groups and to make the results representative of the Australian Estimated Resident Population aged 50 years and over in June 2014. There were 50 cases with no information on at least one of these characteristics, reducing the sample to 1,873 cases that could be used in the analysis; this represents a response rate of 18.7%. Response rates for each age, gender and state are shown in Table A.1.1.

A total of 784 respondents responded to both the National Seniors Social Survey Wave 3 and Wave 4; 47.9% of the 1,594 people respondents to Wave 3 who were invited to participate in Wave 4 (Table A.1.2). This group included 279 people who responded to Waves 2 (2012), 3 and 4; results for these respondents are not presented because confidence intervals are too large to identify clear trends.

The National Seniors Social Survey Wave 4 again comprised a module for each of the three domains of financial, health and social, as well as a range of demographic and socio-economic measures.

Each module comprised a summary indicator relating to that particular domain. The indicators were as follows:

- Financial: Please indicate your level of satisfaction with your overall financial wellbeing at present.
- Health: Please indicate your health status at present.
- Social: Considering satisfaction with your community, relationships and your sentiment towards institutions, please indicate your level of satisfaction with your overall social wellbeing at present.

Each of these indicators was used to construct a Domain Index, from which the Seniors Sentiment Index was computed (see below). The index indicators were the same as for 2012 and 2013.

For each summary domain indicator, respondents were asked how they believe their wellbeing will be five years from now compared with the present. The Prospective Sentiment Index was derived from these data to gain insights into how people believe their wellbeing will change over time.

There were a number of questions on specific issues that could provide evidence on the factors related to the sentiments of seniors. These are also presented in the Results section of this report.

The survey was approved by the Bellberry Human Research Ethics Committee.

Methods of calculating Index

The indexes produced in this report are the Sentiment Index and Prospective Sentiment Index. The Sentiment Indexes presented in the survey are the same as for the previous reports. A Domain Index was measured for each of the social, financial and health domains. The Sentiment Index is the average of the three Domain Indexes.

Each Domain Index was calculated from a variable on a five-point scale. For example, financial wellbeing was answered on a scale of (1) Very dissatisfied, (2) Somewhat dissatisfied, (3) Neutral, (4) Somewhat satisfied, and (5) Very satisfied. The following formula was used, adapting the approach from the Australian Unity Wellbeing Index:⁵

$$\frac{X - k^{\min}}{k^{\max} - k^{\min}} \times 100$$

where X is the mean score of all respondents, k^{\min} is the minimum score on the scale (i.e. 1 on a scale of 1 to 5), and k^{\max} is the maximum score on the scale (i.e. 5 on a scale of 1 to 5).⁶

The Index was standardised to a distribution of 0% to 100%, where 0% is the lowest possible satisfaction and 100% is the highest possible satisfaction. For example, a score of 100% is achieved if all respondents answered “very satisfied”. If the mean score is 3.5, the Index is 62.5%.

The Prospective Sentiment Index was constructed using the same method as the Sentiment Index, using questions of how respondents think their wellbeing in each domain will change over the next five years.

A statistical test was conducted to ascertain whether trends in the Domain Indexes, the Sentiment Index and Prospective Sentiment Index between 2013 and 2014 were statistically significant (i.e. * for $p < 0.05$ and ** where $p < 0.01$).

The longitudinal sample was used to compare trends in the Domain Indexes, the Sentiment Index and Prospective Sentiment Index between 2013 and 2014. The socio-economic and demographic characteristics of the longitudinal sample are shown in Table A.1.3.

All analyses were conducted using Stata 11.1.⁷ The Appendix contains additional tables from data in the survey.

Comparison of 2012, 2013 and 2014 full samples

This report analyses trends using results from 2012, 2013 and 2014. Table 1 shows the characteristics of the sample used in each survey. Age, sex and state are presented as unweighted results, because cases are weighted to the Australian population using the combination of these variables. The state and gender composition of the sample is very similar across the three surveys. The proportion of respondents aged 50-64 fell somewhat between 2012 and 2013, but was higher in 2014. However these differences will be removed once weights are applied to make the findings representative of the Australian population aged 50 years and over. Weighted results of other basic characteristics of the 2012 and 2013 full samples show that the characteristics are very similar. Therefore, the 2012 and 2013 full samples are comparable and variables can be analysed with confidence between the two surveys.

⁵ International Wellbeing Group 2006, ‘Personal wellbeing index: 4th edition’ Australian Centre on Quality of Life, Deakin University: Melbourne.

⁶ Can’t say responses are not included.

⁷ StataCorp 2009, Stata/SE 11.1, StataCorp: College Station, Texas, USA.

Table 1: Basic characteristics of NSSS sample (%), 2012, 2013 and 2014, full sample

	2012	2013	2014
Age (unweighted)			
50-64	48.0	42.2	44.7
65-79	40.9	42.8	43.8
80+	11.2	15.0	11.6
Sex (unweighted)			
Male	45.7	44.1	46.7
Female	54.3	55.9	53.3
State (unweighted)			
NSW	29.9	28.8	29.5
VIC	25.8	25.8	25.9
QLD	17.1	18.1	17.4
SA	9.6	9.5	9.3
WA	10.3	11.1	10.1
TAS	4.1	4.1	3.5
ACT	2.2	2.0	2.3
NT	1.0	0.6	0.6
Education (weighted)			
Not finished high school & no other qualification	20.5	20.4	17.3
Not finished high school & other qualification	31.6	29.7	31.7
Finished high school	47.9	49.9	51.0
Employment (weighted)			
Employed	43.2	41.5	40.3
Not employed	55.1	58.4	59.5
Can't say	1.7	0.1	0.2
Place of residence (weighted)			
Capital city	48.7	47.8	50.5
Not capital city	51.3	52.2	49.5
Country of birth (weighted)			
Australia	77.6	80.9	80.8
Other	18.9	19.1	11.7
Can't say	3.6	0.0	7.5
Marital status (weighted)			
Married/ de facto	62.3	63.7	63.6
Divorced/ Separated, never married, widowed	36.4	35.8	36.4
Can't say	1.4	0.5	0.0
Total	100.0	100.0	100.0

Results

Sentiment Index

There were no significant changes in the Sentiment Index or either of the Domain Indexes between 2013 and 2014. The Sentiment Index moved from 71.7% in 2013 to 71.2% in 2014, but this change was not significant. In 2014, 64% of seniors stated that they were somewhat or very satisfied with their financial wellbeing, just above the 63% in 2013 (Figure 2). Seventy-nine per cent of seniors were somewhat or very satisfied with their social wellbeing in 2014, the same figure as 2013, while 76% rated their health good or excellent, compared with 78% in 2013 (Figures 3-4). There had been significant rises in the Sentiment Index and each Domain Index from 2012 to 2013.

Figure 1: Domain Indexes and Sentiment Index, at present (%), 2012, 2013 and 2014



*p<0.05 **p<0.01. Significance testing for 2013 figures is a comparison with 2012 figures. No significance differences were found between 2014 and 2013 for any of the figures.

Note: Confidence intervals are shown in Table A.2.1.

Figure 2: Satisfaction with overall financial wellbeing, at present and five years from now (%), 2012, 2013 and 2014

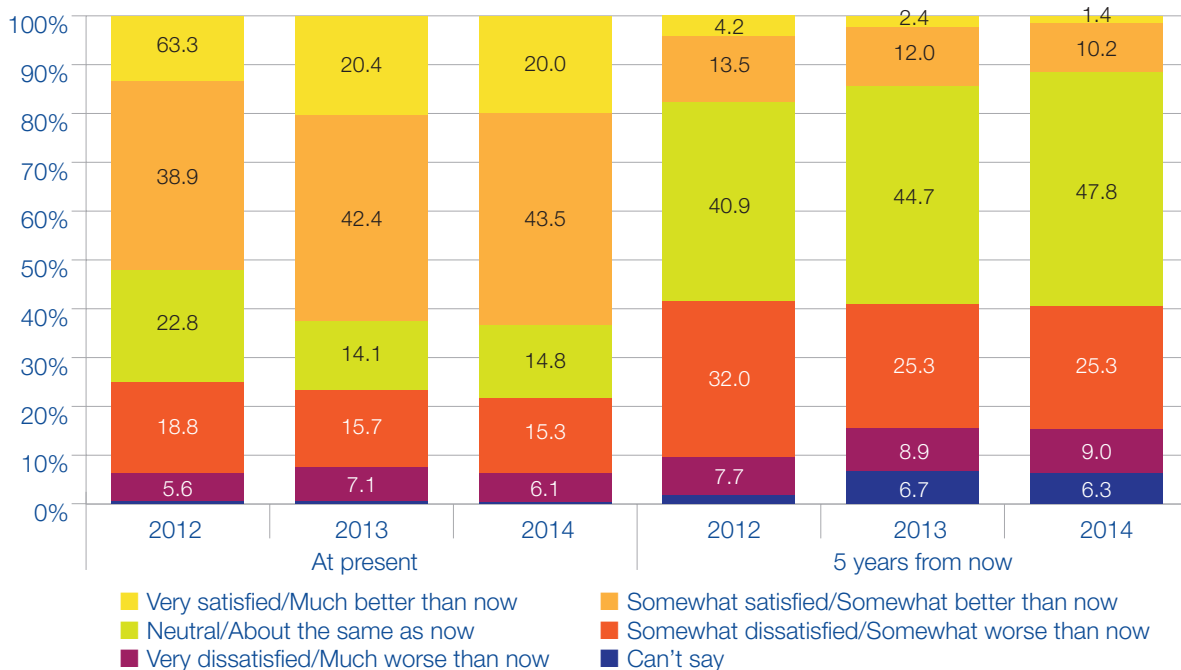


Figure 3: Satisfaction with overall social wellbeing, at present and five years from now (%), 2012, 2013 and 2014

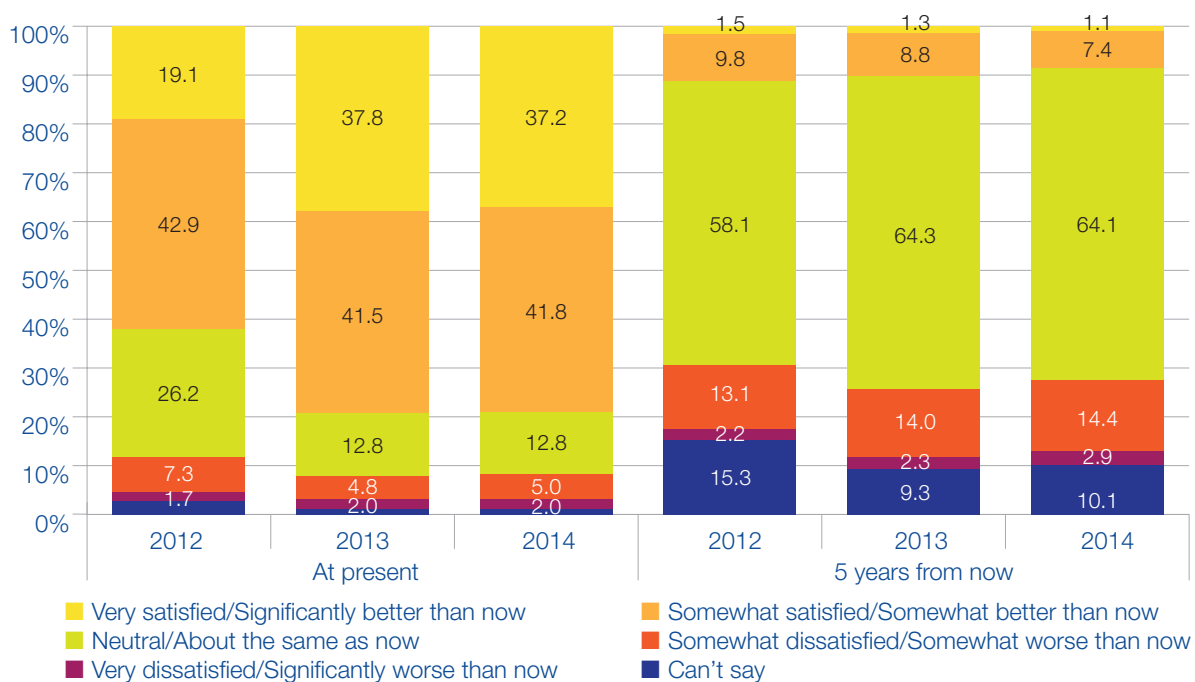
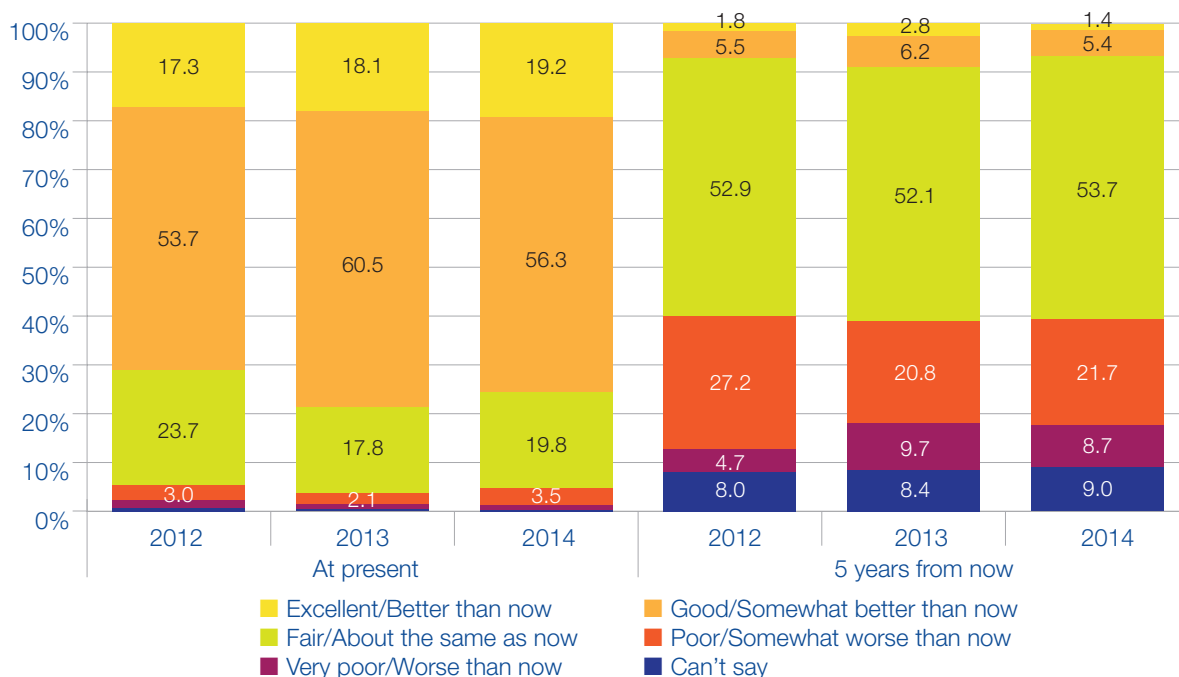


Figure 4: Rating of health status, at present and five years from now (%), 2012, 2013 and 2014



No significant change in the Domain Indexes between 2013 and 2014 was found in the longitudinal sample (Table A.2.2).

Prospective Sentiment Index

The Prospective Sentiment Index decreased slightly from 44.4% in 2013 to 43.5% in 2014; this finding was not statistically significant (Figure 5). There had not been significant changes between 2012 and 2013. A figure of 44% indicates that overall, seniors are slightly more pessimistic than optimistic about their future across the three domains.⁸ The Prospective Domain Index is similar for each of the three domains, and the highest for Social.

The proportions of seniors who think their lives will get better five years from now across the domains remains low, at 11% for financial (compared with 34% who think it will worsen) (Figure 2), 8% for social (Figure 3), and 7% for health (compared with 30% who think it will get worse) (Figure 4).

Figure 5: Prospective Domain Indexes and Prospective Sentiment Index, five years from now compared with the present (%), 2012, 2013 and 2014



Note: No significance differences were found between 2012 and 2013 nor between 2013 and 2014 for any of the prospective indexes. Confidence intervals are shown in Table A.2.1.

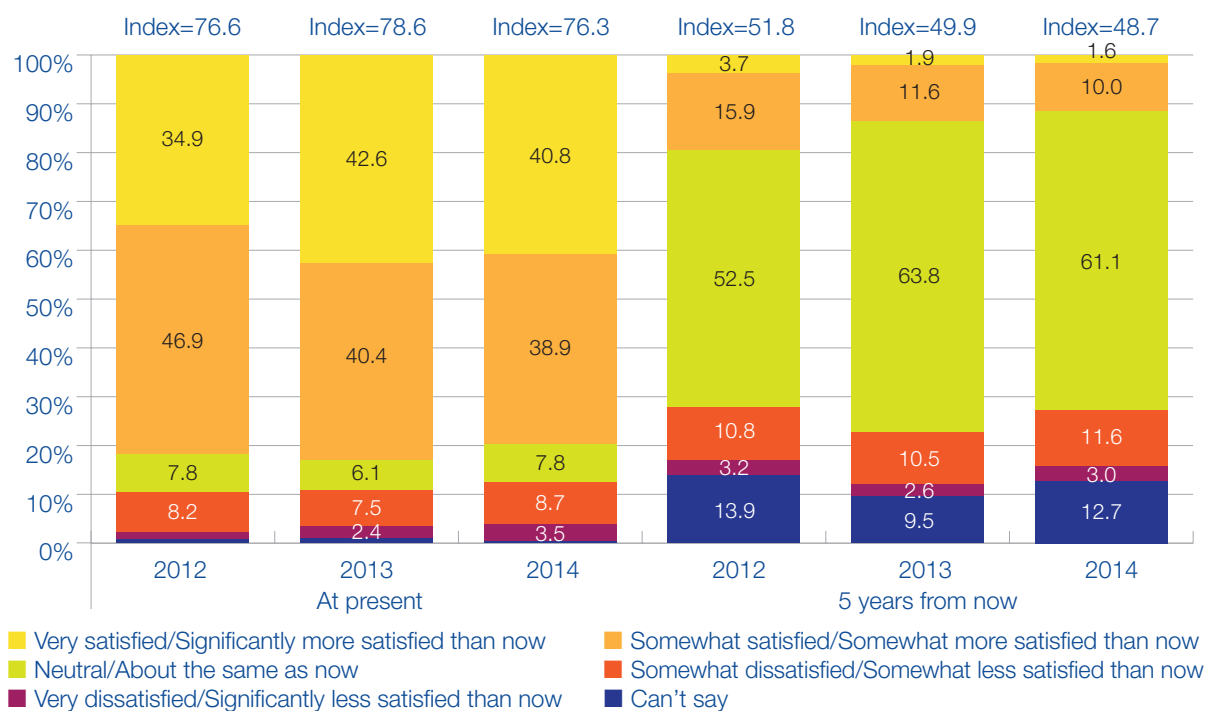
No significant change in the Prospective Indexes between 2013 and 2014 was found in the longitudinal sample (Table A.2.3).

⁸ A Prospective Index of 50% would indicate that equal proportions of people believe their wellbeing will improve over the next 5 years.

Overall life satisfaction

Present satisfaction with life as a whole decreased marginally between 2013 and 2014, with the proportion somewhat or very satisfied falling from 83% to 80%. The Prospective Life Satisfaction index is steady at 48.7% for 2014.

Figure 6: Satisfaction with life as a whole, at present and five years from now (%), 2012, 2013 and 2014



Note: No significance differences were found between 2012 and 2013 nor between 2014 and 2013 for life satisfaction, both at present and five years later.

Note: Confidence intervals are shown in Table A.2.1.

The factors that contributed to overall life satisfaction are shown in Table 2. 'Feelings of safety and belonging' (61%), 'fulfilling personal relationships' (61%) and 'excellent/good health' (58%) were the three most important factors cited. These were the same three most important factors cited in 2013.

Table 2: Factors that contributed to overall satisfaction with life as a whole (%), 2013 and 2014

	2013	2014
Feelings of safety and belonging	49.9	61.4
Fulfilling personal relationships	53.9	60.9
Excellent/good health	45.2	58.0
Personal achievements	43.7	52.4
High standard of living	31.6	37.7
Able to maintain a work-life balance	26.5	30.6
Strong religious/spiritual beliefs	22.4	27.9
Achieved financial successes	22.6	27.6
Fulfilling job/career prospects	19.9	23.4

Note: % do not sum to 100 because respondents can choose multiple responses

Socio-economic and demographic differences in Sentiment Index

Table 3 shows what differences exist between socio-economic and demographic groups in the Sentiment Index and Domain Indexes. The Sentiment Index, Social Domain Index, and in particular, Financial Domain Index are lowest among people aged 50-64 years. There was a decline in the Sentiment Index by 1.2 percentage points from 2013 to 2014, but a rise in older age groups. Males had a higher Financial Index than females but a slightly lower Social and Health Index. The Financial Index was understandably higher among people with higher personal income, while the Health Index and, to a lesser extent, the Social Index were also higher.

The Financial Index is higher in capital cities than other parts of the country. The Health Index is highest among those employed, while the Social Index is highest for those not employed (who are on average older). As in previous surveys, the Indexes were higher among people with higher education.

Overall, there were no major changes between 2013 and 2014 to these differences in the Indexes across socio-economic and demographic groups.

Additional questions

There has been little change between 2013 and 2014 in seniors' ability to pay for basic household expenses (Figure 7). In 2014, 27% of seniors said that they had significant ease in paying for basic household expenses and a further 37% had some ease. Twenty per cent had some or significant difficulties paying for basic household expenses.

Figure 7: Ability to pay for basic household expenses at present (%), 2012, 2013 and 2014

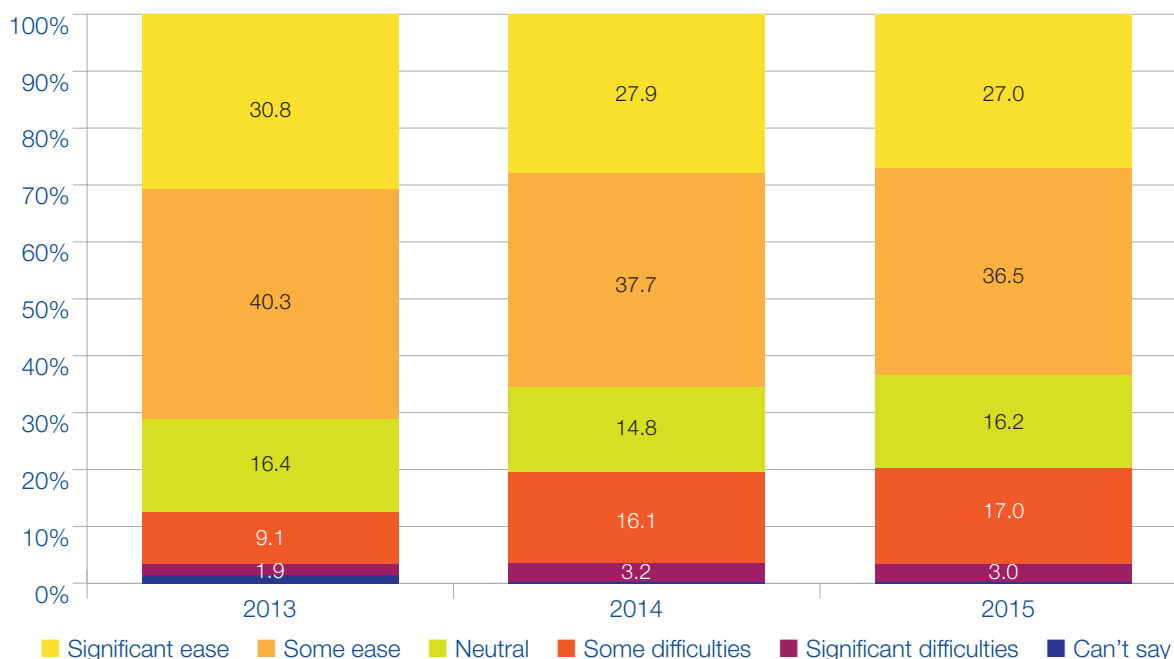


Table 3: Socio-economic differences in three Domain Indexes and Sentiment Index (%), 2013 and 2014

Socio-economic characteristics	2014				2013				Percentage point change from 2013 to 2014			
	Social	Financial	Health	Sentiment Index	Social	Financial	Health	Sentiment Index	Social	Financial	Health	Sentiment Index
Age group (years)												
50-64	74.5	60.0	72.7	69.1	76.1	60.1	74.7	70.3	-1.6	-0.1	-2.0	-1.2
65-74	80.4	67.5	72.9	73.6	78.1	65.2	73.7	72.3	2.3	2.3	-0.8	1.3
75+	80.1	73.5	69.6	74.4	80.4	70.9	68.1	73.1	-0.3	2.6	1.5	1.3
Gender												
Male	76.3	65.8	71.7	71.3	75.6	64.6	72.8	71.0	0.7	1.2	-1.1	0.3
Female	77.9	62.4	73.1	71.1	79.1	62.2	73.6	71.6	-1.2	0.2	-0.5	-0.5
Personal income												
< \$20k	75.3	51.1	69.0	65.1	72.4	49.1	68.8	63.4	2.9	2.0	0.2	1.7
\$20k-\$39,999	78.7	63.6	72.5	71.6	77.7	63.3	71.1	70.7	1.0	0.3	1.4	0.9
\$40k-\$59,999	78.3	66.7	72.6	72.5	77.7	65.4	73.9	72.3	0.6	1.3	-1.3	0.2
\$60k or more	76.6	70.9	75.5	74.3	79.1	70.5	77.8	75.8	-2.5	0.4	-2.3	-1.5
Residential location												
Capital	77.5	65.9	72.3	71.9	78.1	64.8	74.2	72.4	-0.6	1.1	-1.9	-0.5
Not capital	77.4	62.3	72.1	70.6	76.7	62.0	72.3	70.3	0.7	0.3	-0.2	0.3
Employment status												
Not employed	78.0	67.1	70.3	71.8	76.9	65.1	70.7	70.9	1.1	2.0	-0.4	0.9
Employed	75.7	59.4	75.7	70.3	78.1	61.0	76.8	71.9	-2.4	-1.6	-1.1	-1.6
Marital status												
Married/De facto	77.5	65.3	73.7	72.2	77.4	64.8	74.0	72.1	0.1	0.5	-0.3	0.1
Divorced/Not married	76.4	62.1	70.2	69.6	77.4	60.9	71.8	70.0	-1.0	1.2	-1.6	-0.4
Country of birth												
Australia	77.0	64.0	72.8	71.3	77.7	63.7	72.9	71.5	-0.7	0.3	-0.1	-0.2
United Kingdom/ New Zealand	77.3	65.5	70.7	71.2	76.1	62.4	73.7	70.8	1.2	3.1	-3.0	0.4
Other	77.4	62.7	71.2	70.4	75.2	64.8	73.6	71.2	2.2	-2.1	-2.4	-0.8
High school education												
Not finish HS & no other qualifications	74.5	61.9	71.1	69.2	75.4	60.6	72.0	69.3	-0.9	1.3	-0.9	-0.1
Not finish HS & other qualifications	75.1	60.4	70.9	68.8	75.9	60.9	72.0	69.6	-0.8	-0.5	-1.1	-0.8
Finished High School	79.4	67.0	73.9	73.4	79.1	65.9	74.6	73.2	0.3	1.1	-0.7	0.2

The items for which there were the most difficulties paying for were house repairs/ auto repairs/ maintenance (28% sometimes, 6% regularly), utility bills (19% sometimes, 3% regularly), rates (16% sometimes, 4% regularly), and health care or medications (16% sometimes, 3% regularly) (Table 4). The prevalence of these difficulties were very similar in 2014 compared with 2013.

Table 4: Frequency of experiencing difficulties paying for items (%), 2013 and 2014

	2013		2014	
	Sometimes	Regularly	Sometimes	Regularly
Food/groceries	11.2	2.1	11.2	1.9
Utility bills (e.g. electricity, gas)	19.3	4.8	18.8	3.2
Mortgage/rent	6.7	1.7	6.0	1.4
Other loans	8.2	1.9	7.7	1.6
Health care/medications	15.9	3.0	16.3	2.7
House repairs/ auto repairs/ maintenance	26.8	7.0	28.0	5.9
Transport	9.7	2.2	9.4	2.3
Rates (e.g. council rates)	14.8	4.6	16.4	4.0
Other	10.8	2.7	9.9	9.0

There was also almost no change in the ability of seniors to pay for non-essential household expenses between 2013 and 2014 (Table 5). Just over one-fifth (21%) of seniors found it very or somewhat difficult to pay for non-essential household expenses in 2014.

Table 5: Ability to pay for non-essential household expenses at present (%), 2013 and 2014

	2013	2014
Very difficult	5.4	4.7
Somewhat difficult	15.9	16.4
Neutral	25.2	24.8
Somewhat easy	34.0	34.3
Very easy	18.9	19.1
Can't say	0.6	0.6
Total	100.0	100.0

Note: the wording of the categories in 2012 were different (i.e. the word "somewhat" was not included in 2012). Therefore, 2012 results are not shown.

There was also little change in the ability of senior Australians to save for future spending needs between 2013 and 2014 (Table 6). Of concern, one-quarter of seniors are at least somewhat unable to save for future spending needs in 2014.

Table 6: Ability to save for future spending needs (%), 2013 and 2014

	2013	2014
Unable	13.0	13.0
Somewhat unable	13.4	11.6
Neutral	18.4	18.9
Somewhat able	36.2	38.7
Very able	18.3	16.8
Can't say	0.8	1.0
Total	100.0	100.0

Note: The wording of categories in 2012 were "A lot of difficulty", "Some difficulty", "Neutral", "Comfortably" and "Very comfortably" – therefore these results are not shown.

Following a strong increase from 2012 to 2013 in confidence in superannuation among non-retired people, there was almost no change to 2014 (*Table 7*). For non-retired people for whom superannuation is their main source of income, 48% are at least somewhat confident of its adequacy for retirement. Among people who state that superannuation is a source of income for retirement, 36% are at least somewhat confident of its adequacy for retirement.

Table 7: Confidence in superannuation to be adequate for retirement (%), not retired, 2012, 2013 and 2014

	Super is MAIN source of income			Super is a source of income		
	2012	2013	2014	2012	2013	2014
Very confident	5.8	10.5	10.5	4.0	7.7	7.2
Somewhat confident	35.7	37.9	37.3	26.6	29.8	28.6
Neutral	14.2	13.3	11.6	12.2	13.1	10.6
Not very confident	24.9	22.6	23.0	25.6	27.5	27.5
Not at all confident	18.4	15.8	16.7	30.0	21.7	25.3
Can't say	0.9	0.0	0.8	1.7	0.2	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Similarly, among retired people confidence in superannuation in being adequate for retirement has stabilised from 2013 to 2014 following an increase the previous year (*Table 8*). Confidence in superannuation is significantly higher among retirees than non-retirees (71% at least somewhat confident of its adequacy for retirement if superannuation is their main source of income, 62% at least somewhat confident if superannuation is a source of income).

Table 8: Confidence in superannuation to be adequate for retirement (%), retired, 2012, 2013 and 2014

	Super is MAIN source of income			Super is a source of income		
	2012	2013	2014	2012	2013	2014
Very confident	16.5	26.6	23.5	11.3	20.9	19.8
Somewhat confident	39.5	44.4	47.3	32.6	40.1	42.5
Neutral	13.3	10.5	11.1	14.2	13.3	10.7
Not very confident	21.3	13.3	12.5	24.3	15.1	15.3
Not at all confident	7.1	4.6	4.7	13.2	9.9	11.0
Can't say	2.3	0.6	0.8	4.3	0.7	0.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

When asked about their confidence in income from all sources in retirement, 43% of non-retired people said they were at least somewhat confident compared with 64% of retired people (*Table 9*). For retired people, this increased from 55% in 2013. Of concern is that 43% of non-retired people are not very or not at all confident of the adequacy of their income from all sources for retirement.

Table 9: Confidence in income from all sources to be adequate for retirement by retirement status (%), 2012, 2013 and 2014

	Not retired			Retired		
	2012	2013	2014	2012	2013	2014
Very confident	4.5	9.5	8.3	10.5	17.7	18.3
Somewhat confident	29.6	32.5	34.8	34.8	37.5	45.3
Neutral	12.8	13.9	12.0	16.7	15.4	10.7
Not very confident	31.0	24.6	23.4	24.1	14.9	14.3
Not at all confident	19.5	17.2	19.7	10.0	11.2	9.4
Can't say	2.7	2.2	1.8	3.9	3.3	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

There has been a moderate increase in negative sentiment of seniors towards the impact of Federal and State Government policies on their financial wellbeing (*Table 10*). The proportion of people who believe the impact of Federal Government policies to be very or somewhat negative increased from 42% in 2013 to 48% in 2014. There has been little change in the impact of State Government policies when measured at the national level, however *Table A.3.3* shows there are some state differences, in particular increased negative sentiment in South Australia and Western Australia.

Table 10: *Impact of Federal and State Government policies on financial wellbeing at present (%), 2013 and 2014*

	Federal		State	
	2013	2014	2013	2014
Very negatively	11.4	12.9	13.3	11.4
Somewhat negatively	30.6	35.4	31.0	32.0
Neutral	34.5	33.2	35.5	39.3
Somewhat positively	10.2	9.1	7.6	7.5
Very positively	4.1	3.4	2.6	2.6
Can't say	9.2	6.0	9.9	7.2
Total	100.0	100.0	100.0	100.0

Note: the wording in the categories in 2012 were different (i.e. the word "somewhat" was not included in 2012). Therefore, 2012 results are not shown.

There has been a sharp increase in the proportion of seniors stating that Federal Government policies have a very negative impact on the Australian economy, from 11% in 2013 to 21% in 2014. There was also an increase in those rating the impact somewhat negatively. Again, the rating of State Government policies on the Australian economy at the national level was very similar in 2013 and 2014. However, as shown in *Table A.3.4*, in Victoria, Queensland, South Australia and Western Australia, there was an increase in negative sentiment towards the impact of State Government policies on the Australian economy over the period, but in New South Wales there was an increase in positive sentiment.

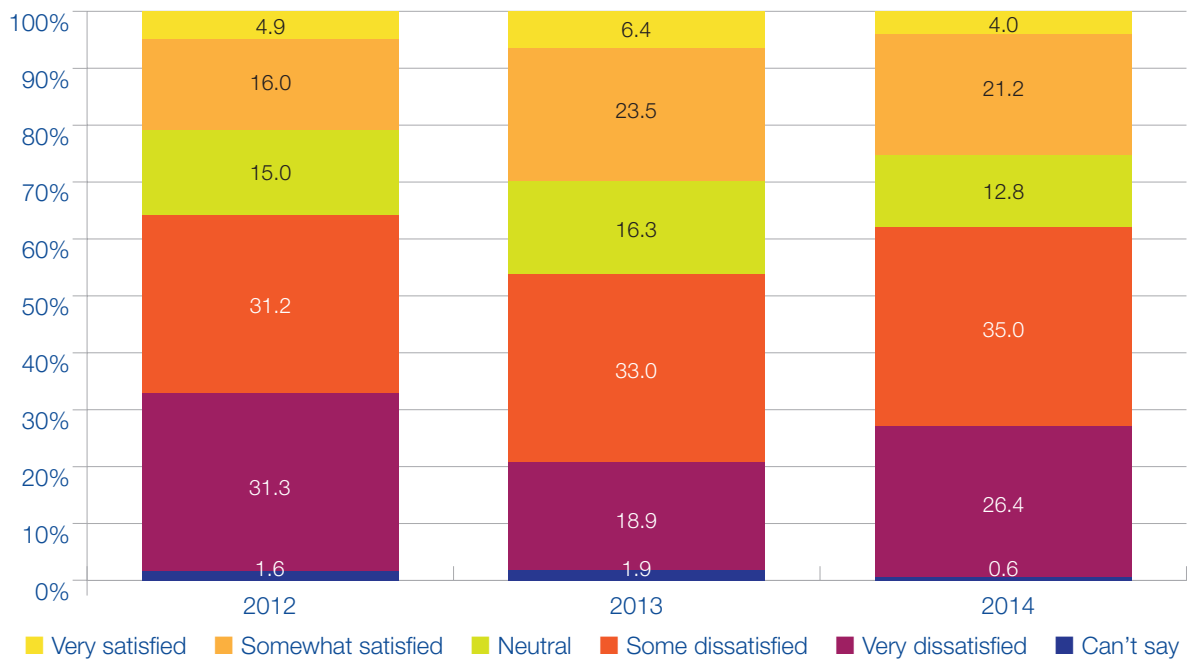
Table 11: *Impact of Federal and State Government policies on Australian economy at present (%), 2013 and 2014*

	Federal		State	
	2013	2014	2013	2014
Very negatively	11.3	20.8	12.9	16.1
Somewhat negatively	34.0	39.3	36.2	36.9
Neutral	25.6	16.7	27.3	24.4
Somewhat positively	15.7	13.6	11.3	12.7
Very positively	4.0	4.5	3.1	4.0
Can't say	9.3	5.3	9.1	5.9
Total	100.0	100.0	100.0	100.0

Note: the wording in the categories in 2012 were different (i.e. the word "somewhat" was not included in 2012). Therefore, 2012 results are not shown.

From 2013 to 2014, there was an increase in the proportion of seniors being very dissatisfied with the Australian political system from 19% to 26% (*Figure 8*). This followed a decline in dissatisfaction from 31% in 2012. One-quarter of seniors was somewhat or very satisfied with the political system in 2014.

Figure 8: Rating of political system in Australia (%), 2012, 2013 and 2014



Conclusion

There was stability in the Seniors Sentiment Index between September-October 2013 (71.7%) and December 2014-January 2015 (71.2%), following from an increase in the preceding year. There was also no significant change in any of the Domain Indexes (Financial, Health and Social) between 2013 and 2014, nor any change in the Sentiment Index among those seniors who were tracked between the two surveys. The Prospective Sentiment Index only decreased slightly from 44.4% in 2013 to 43.5% in 2014, which means that seniors are slightly more pessimistic than optimistic about their future across the three domains.

The stability of financial wellbeing over the period came after significant increases from 2012 to 2013. This result is encouraging, as it signifies the previous year's increase was not isolated. Superannuation funds returned 7.5% during the 2014 calendar year, a decline from the 16% return in 2013.⁹ The 2014 increase was far closer to the longer term average growth in superannuation funds. The 2014 calendar year however did see the Westpac-Melbourne Institute Consumer Sentiment Index decline from 108.3 in October 2013 to 93.2 in January 2015.^{10,11} Although consumer sentiment can fluctuate significantly from month to month, it again is encouraging that financial wellbeing remained steady despite these declines. However, the persistent significant level of concern of pre-retirees about their retirement income (43% are not very or not at all confident of its adequacy) shows that the future outlook for many seniors remains uncertain.

The decline in sentiment towards the impact of Federal Government policies on personal financial wellbeing and the Australian economy, as well as the decline in rating of the Australian political system, all occurred following strong increases in the preceding year. The 2013 Sentiment Index was measured soon after the election of the current Federal Government; at that time some people may have felt greater satisfaction with politics because the electorate had recently had the opportunity to cast their vote. The state-level differences in political sentiment towards the impact of State Government policies on personal financial wellbeing and the Australian economy demonstrate that general political attitudes can vary greatly within the nation.

The Seniors Sentiment Index continues to provide valuable insights into the experiences and attitudes of senior Australians. As well as showing the sentiment of a representative sample of senior Australians, the inclusion of the longitudinal sample in the survey allows for the sentiment of individuals to be tracked over time. While there has not been a significant change in overall Sentiment of seniors over the preceding 14 months, the three versions of the Index have shown that external factors such as changes in Government and economic conditions can affect seniors' outlook. The Index will be able to track how seniors' sentiment changes in coming years as these economic and political conditions change.

⁹ SuperRatings, *What GFC? Super funds pump out further gains*, Media release, 5 January 2015, <http://www.superratings.com.au/media/mediarelease/05012015>

¹⁰ Westpac Bulletin, *Modest lift in consumer sentiment*, 21 January 2015, <http://www.westpac.com.au/docs/pdf/aw/economics-research/er20150121BullConsumerSentiment.pdf>

¹¹ Westpac Bulletin, *Consumer Sentiment shows modest retreat*, 9 October 2013, <http://www.westpac.com.au/docs/pdf/aw/economics-research/er20131009BullConsumerSentiment.pdf>

Appendix

Description of sample

Table A.1.1: *Response rates by age, sex and state (%), 2014*

State	Age	Male	Female	Total
NSW	50-64	11.3	17.2	14.3
	65-79	20.7	22.1	21.4
	80+	21.8	14.1	17.2
	Total	15.5	18.4	17.0
VIC	50-64	11.4	17.2	14.4
	65-79	29.0	28.4	28.7
	80+	28.3	15.7	20.7
	Total	19.0	20.6	19.8
QLD	50-64	14.7	14.5	14.6
	65-79	24.1	21.2	22.6
	80+	18.1	8.1	12.1
	Total	18.1	15.8	17.0
WA	50-64	12.2	16.7	14.5
	65-79	33.8	26.4	30.0
	80+	24.2	6.3	13.4
	Total	20.0	18.4	19.2
SA	50-64	15.2	20.7	18.0
	65-79	29.1	26.1	27.5
	80+	29.0	20.0	23.5
	Total	21.4	22.4	21.9
ACT	50-64	16.7	41.1	29.2
	65-79	19.3	43.9	32.2
	80+	54.2	23.4	35.5
	Total	20.5	39.9	30.7
TAS	50-64	25.5	18.2	21.8
	65-79	32.0	31.5	31.8
	80+	16.8	33.9	27.0
	Total	27.0	24.7	25.8
NT	50-64	10.9	16.4	13.5
	65-79	31.2	26.0	28.9
	80+	0.0	0.0	0.0
	Total	15.6	17.9	16.7
Australia	50-64	12.9	17.3	15.1
	65-79	25.7	24.8	25.2
	80+	23.9	13.9	17.9
	Total	18.2	19.2	18.7

Table A.1.2: *Response rates by age, sex and longitudinal status (%), 2014*

	Age	Male	Female	Total
Longitudinal				
	50-64	35.3	52.5	45.0
	65-79	48.5	51.3	50.0
	80+	53.2	43.3	48.0
	Total	44.7	50.6	47.9
Non-longitudinal				
	50-64	10.6	12.7	11.7
	65-79	18.9	15.6	17.3
	80+	14.9	7.9	10.6
	Total	13.5	12.9	13.2

For longitudinal respondents, characteristics are as at 2014.

Table A.1.3: Basic demographic characteristics (%), full sample and longitudinal respondents, 2014

	Full sample	Longitudinal
Age (unweighted)		
50-64	44.7	33.6
65-79	43.8	52.0
80+	11.6	14.4
Total	100.0	100.0
Sex (unweighted)		
Male	46.7	42.3
Female	53.3	57.8
Total	100.0	100.0
State (unweighted)		
NSW	29.5	28.5
VIC	25.9	27.5
QLD	17.4	16.5
SA	9.3	8.9
WA	10.1	11.1
TAS	3.5	3.9
ACT	2.3	2.5
NT	0.6	0.7
Total	100.0	100.0
Education (weighted)		
Not finished high school & no other qualification	17.3	17.1
Not finished high school & other qualification	31.7	33.3
Finished high school	51.0	49.5
Total	100.0	100.0
Employment (weighted)		
Employed	40.3	36.5
Not employed	59.5	62.9
Can't say	0.2	0.6
Total	100.0	100.0
Place of residence (weighted)		
Capital city	50.5	52.7
Not capital city	49.5	47.3
Total	100.0	100.0
Country of birth (weighted)		
Australia	80.8	80.6
Other	11.7	13.3
Can't say	7.5	6.1
Total	100.0	100.0
Marital status (weighted)		
Married*	63.6	62.5
Not married**	36.4	37.5
Can't say	0.0	0.0
Total	100.0	100.0

For longitudinal respondents, characteristics are as at 2014.

* Includes de facto ** Includes Divorced/ Separated, never married, widowed

Sentiment indexes – full sample**Table A.2.1: Sentiment Index and Prospective Sentiment Index, 2012, 2013 and 2014**

Present					
	Finances	Health	Social	Sentiment Index	Life satisfaction
2014					
Index	64.0	72.4	77.1	71.2	76.3
95% CI Lower	61.9	70.4	75.2	70.0	74.4
95% CI Upper	66.2	74.4	79.0	72.3	78.3
Significant difference 2014 v 2013	No	No	No	No	No
2013					
Index	63.3	74.3	77.4	71.7	78.6
95% CI Lower	61.2	72.3	75.9	70.5	76.8
95% CI Upper	65.5	76.1	79.6	72.7	80.4
2012					
Index	59.0	70.7	68.1	65.9	76.7
95% CI Lower	56.8	68.6	66.0	64.7	74.7
95% CI Upper	61.2	72.7	70.3	67.1	78.6
Significant difference 2013 v 2012	**	*	**	**	No
Prospective					
2014					
Index	42.0	41.5	47.0	43.5	48.7
95% CI Lower	39.7	39.1	44.7	42.1	46.3
95% CI Upper	44.3	43.8	49.3	44.8	51.1
Significant difference 2014 v 2013	No	No	No	No	No
2013					
Index	43.0	42.2	48.0	44.4	49.9
95% CI Lower	40.7	40.0	45.7	43.1	47.6
95% CI Upper	45.2	44.4	50.3	45.7	52.2
2012					
Index	43.5	42.5	48.6	44.9	51.8
95% CI Lower	41.2	40.3	46.2	43.6	49.3
95% CI Upper	45.8	44.7	51.0	46.2	54.3
Significant difference 2013 v 2012	No	No	No	No	No

* p<0.05

**p<0.01

Note: 95% CI: 95% confidence interval.

Sentiment indexes – longitudinal respondents

Table A.2.2: Domain Indexes and Sentiment Index (%), longitudinal respondents, 2013 and 2014

	2013		2014	
	Index	95% CI	Index	95% CI
Social	80.0	77.2-82.8	79.3	76.5-82.3
Financial	67.2	63.9-70.5	65.8	62.5-69.2
Health	73.7	70.5-76.7	73.6	70.5-76.7
Sentiment Index	73.6	71.8-75.4	72.9	71.1-74.7
Overall life satisfaction	78.8	75.9-81.7	78.3	75.4-81.2

Note: 95% CI: 95% confidence interval.

There are no significant differences in the indexes between 2013 and 2014.

Table A.2.3: Prospective Domain Indexes and Prospective Sentiment Index (%), longitudinal respondents, 2013 and 2014

	2013		2014	
	Index	95% CI	Index	95% CI
Social	48.8	45.2-52.3	48.0	44.3-51.7
Financial	43.5	40.0-47.2	42.2	38.7-45.8
Health	43.2	39.5-46.8	41.9	38.3-45.5
Prospective Sentiment Index	45.2	43.1-47.2	44.0	41.9-46.1
Overall life satisfaction	50.3	46.4-50.3	48.9	45.1-52.6

Note: Prospective Sentiment Index is the average of the three domain indexes. 95% CI: 95% confidence interval.

There are no significant differences in the indexes between 2013 and 2014.

Finance domain

Full sample – 2014

Table A.3.1: Factors that have contributed to improving financial wellbeing over the last 12 months (%), 2014

	%
More income	22.2
Additional benefits from Government	17.7
Reduced mortgages/household debts	16.9
Greater superannuation funds	16.7
Increased household wealth	13.6
Overall economic conditions	6.3
More affordable cost of living	4.4
Increased returns from financial investments	3.8
Government policies addressing taxes/benefits	3.6
Other	15.3

Note: % do not sum to 100 because respondents can have multiple responses

Table A.3.2: Factors that have contributed to worsening financial wellbeing over the last 12 months (%), 2014

	%
Increased cost of living	60.9
Overall economic conditions	28.9
Decreased returns from financial investments	20.0
Lack of Government policies addressing taxes/benefits	19.1
Loss of income	16.7
Decreased household wealth	9.9
Reduced superannuation funds	8.4
Increased mortgages/household debts	6.5
Decreased benefits from Government	5.7
Other	7.6

Note: % do not sum to 100 because respondents can have multiple responses

Table A.3.3: Impact of State Government policies on financial wellbeing at present by State/ Territory (%), 2013 and 2014

	NSW		VIC		QLD		SA	
	2013	2014	2013	2014	2013	2014	2013	2014
Very negatively	10.0	8.2	12.0	11.4	11.0	16.7	21.0	27.5
Somewhat negatively	31.2	27.1	29.9	32.1	32.9	33.9	29.5	47.0
Neutral	35.8	43.6	37.8	41.6	38.2	18.7	30.2	15.0
Somewhat positively	8.8	10.4	6.7	5.9	7.7	16.3	7.7	5.6
Very positively	4.1	2.0	1.6	1.7	2.5	7.9	2.0	1.7
Can't say	10.1	8.7	12.0	7.3	7.6	6.5	9.6	3.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	WA		TAS		ACT		NT	
	2013	2014	2013	2014	2013**	2014**	2013**	2014**
Very negatively	22.2	17.8	30.8	11.3	10.4	0.0	9.4	0.0
Somewhat negatively	28.4	45.6	31.7	30.4	35.0	29.6	54.3	31.6
Neutral	29.8	24.3	26.4	51.2	38.9	55.2	29.2	62.8
Somewhat positively	5.5	3.9	4.3	2.5	11.5	8.7	7.1	5.6
Very positively	2.0	2.5	1.7	1.3	0.0	0.0	0.0	0.0
Can't say	12.0	5.9	5.2	3.3	4.5	6.6	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: ** indicates that the denominator is less than 50 cases – results should be interpreted with caution.

Table A.3.4: *Impact of State Government policies on Australian economy at present by State/Territory (%), 2013 and 2014*

	NSW		VIC		QLD		SA	
	2013	2014	2013	2014	2013	2014	2013	2014
Very negatively	9.3	11.7	9.0	12.5	13.5	16.7	20.6	27.5
Somewhat negatively	39.1	30.6	33.9	43.3	31.1	33.9	45.3	47.0
Neutral	24.4	28.9	33.1	27.3	31.0	18.7	19.6	15.0
Somewhat positively	13.1	18.4	11.2	8.4	13.3	16.3	5.3	5.6
Very positively	3.9	4.6	2.7	1.2	4.5	7.9	1.1	1.7
Can't say	10.3	5.8	10.7	7.3	6.6	6.5	8.0	3.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	WA		TAS		ACT		NT	
	2013	2014	2013	2014	2013**	2014**	2013**	2014**
Very negatively	21.2	25.9	38.3	27.7	4.4	26.4	23.6	5.8
Somewhat negatively	31.5	41.0	37.9	41.2	44.6	23.2	63.7	35.3
Neutral	25.6	18.3	15.0	21.2	32.1	35.4	12.7	50.2
Somewhat positively	9.1	6.4	4.4	6.4	11.1	5.3	0.0	8.7
Very positively	1.7	3.9	1.8	2.4	0.0	0.0	0.0	0.0
Can't say	10.9	4.5	2.8	1.1	7.9	9.7	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: ** indicates that the denominator is less than 50 cases – results should be interpreted with caution.

Table A.3.5: *How paid for item where respondent experienced affordability problems (%), 2013 and 2014*

	2013	2014
Used savings	57.4	53.9
Used credit cards	51.3	52.4
Sold house/vehicle	0.6	1.5
Sold investment/assets	6.3	6.3
Sold other valuable items	3.7	3.2
Borrowed from family/friends	6.4	5.8
Borrowed from institutions	5.2	5.7
Borrowed from community organisations	0.3	0.6
Reduced spending on other essential items	24.2	25.9
Reduced spending on non-essential items	45.3	41.3
Other	0.7	6.3

Note: % do not sum to 100 because respondents can have multiple responses

% is calculated as a proportion of those who indicated that they at least sometimes experienced difficulties paying for items.

ABOUT NATIONAL SENIORS AUSTRALIA

National Seniors Australia is the leading independent voice of the over 50s, with more than 200,000 members nationwide. As the country's largest not-for-profit organisation for the over 50s, we represent the views of older Australians and their families to governments of all levels, on issues such as age discrimination, mature age employment, superannuation, pension increases, health and aged care. Founded in 1976, we provide unrivalled access to policy makers, innovative and practical research and a raft of commercial benefits to our members. Every day, National Seniors Australia seeks to improve the quality of life for mature age Australians.

For more information about National Seniors Australia visit www.nationalseniors.com.au or call **1300 76 50 50**.

Level 18, 215 Adelaide Street Brisbane Qld 4000

GPO Box 1450 Brisbane Qld 4001

Phone: 1300 76 50 50 **Fax:** 07 3211 9339

Web: nationalseniors.com.au

National Seniors

Australia