



Once bitten twice shy: GFC concerns linger for Australian seniors

July 2018

© National Seniors Australia 2018

National Seniors Australia (National Seniors) 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. While all care has been taken in preparing this publication, National Seniors 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 81 101 126 587 ISBN 978-0-6481571-9-9

Suggested citation: National Seniors and Challenger. (2018). *Once bitten twice shy: GFC concerns linger for Australian seniors*. Brisbane: National Seniors.

The National Seniors Australia and Challenger Partnership in Research

National Seniors Australia and Challenger have mutual interests in the financial literacy, financial security and broader wellbeing of older Australians. They formed a corporate partnership in 2012 to support the National Seniors Social Survey, broader research and some philanthropic endeavours. This current National Seniors survey closed 9 May 2018. The study was approved by the Bellberry Human Research Ethics Committee 31/11/18 application number 2017-12-981. The confidentiality and privacy of the shared section of survey data is maintained by all parties. The reports of the survey results are published in the public domain as soon as practical after the completion of the survey processes.

CONTENTS

Executive summary	4
Findings	4
About the survey	5
Data and methods	6
Design	6
Data	6
Method	6
Analysis	7
Results	8
Concerns linger over another GFC	8
Many can't tolerate losses	10
A range of plans for living longer	12
Timing of retirement	13
Retirement goals	16
Financial advice	18
Essential spending	20
Retirement trade-offs	21
Summary	22
Appendix 1: Sample	24
Appendix 2: Question responses	25
Publication list:	30
Published 2017	30
Published 2018	30
Forthcoming report:	31

EXECUTIVE SUMMARY

Retirement planning and investments are major considerations for Australians over 50. The impact of the global financial crisis (GFC) still lingers ten years on, with 7 out of 10 concerned about another potential market collapse. Yet despite many expressing a “once bitten twice shy” sentiment, equity investment remains a significant part of the mix. This report presents the key findings from the 2018 National Seniors Social Survey (NSSS) (Wave 7) on older Australians’ understanding of retirement income issues.

Findings

- (1) **Older Australians remain wary of market turmoil.** Only one in fourteen thought they would be able to tolerate a loss of 20% or higher – which is about the same as the fall in superannuation balances during the GFC a decade ago. One in four said they could tolerate losses greater than 10%, though the same proportion said they could not tolerate any annual loss on their portfolio.
- (2) Despite intolerance to loss, the great majority of older Australians hold **a proportion of their savings in market-linked investments.**
- (3) While most senior Australians are concerned about **running out of money** in retirement, many already have run out. Almost a third of respondents over age 80 said they had already run out, and almost a quarter of those between 75 and 79 said they had run out.
- (4) **Having income that lasts for life** was seen as one of the most important financial goals, with 80% of older Australians rating it very important. The only goal given a higher “very important” rating was the desire for **regular and constant income**, rated very important by 84% of respondents. Covering health and aged care costs was also rated very important (75%).
- (5) Older Australians are making **plans for living longer**, but just over half (56%) have made a financial plan. Asked what they were doing to prepare for a longer life, older Australians reported planning across a wide range of activities with the most common being keeping the brain active, staying fit and healthy, making medical plans and staying positive.
- (6) Despite financial worries, most of those already retired said they were happy about it. A large majority, 70%, reported that they had chosen to retire and were **happy to be retired**. In contrast to anecdotal reports that many people regret retiring, only 10% indicated that they chose to retire but would rather be working. There are also indicators that those retiring at a younger age are happier in retirement. Unexpectedly, even those who didn’t choose to retire, are now happy. Conversely, there were more regrets among retirees who chose to retire at an older age.

In summary, the GFC has shaped the mindset of most seniors 10 years later, and they now tend to be more conservative in their retirement income strategies. Other sentiments have remained steady, including the desire for a stable income that lasts for life.

About the survey

This study was an online survey designed to collect information as part of the 2018 NSSS (Wave 7). It asked participants about their experiences, intentions and attitudes across a range of areas including health and social wellbeing, finance, work, and retirement.

A total of 47,280 National Seniors members residing in all states and territories of Australia with an email address were invited to complete the survey. A total of 5,446 surveys were completed, a response rate of 11%. Of these, 4,801 respondents provided answers to the questions noted in this report.

The respondents were representative of the broad National Seniors Australia membership, with an average age of 69. Reflecting the older age, the majority of the respondents were female (56%). In total, 58% were married with another 5% in a de facto relationship. Thirteen per cent described themselves as widowed, while 13% of the respondents were divorced or separated and only 6% had never been married.

Prior waves of the NSSS partnership between National Seniors and Challenger have resulted in a number of published reports including:

- Senior Sentiment Index (2012)
- 2nd Senior Sentiment Index (2014)
- How realistic are senior Australians' retirement plans (2014)
- 3rd Senior Sentiment Index (2015)
- Over 50s: Still not confident about their retirement income (2016)
- 4th Senior Sentiment Index (2016).
- Seniors more savvy about retirement income (2017)

These reports can be found at: <https://nationalseniors.com.au/be-informed/research/publications>.

DATA AND METHODS

Design

The National Seniors Social Survey (NSSS) (Wave 7) was cross-sectional in design and conducted by National Seniors Research Director, Professor John McCallum, using a questionnaire survey of National Seniors members aged 50 and over. The study was approved by the National Health and Medical Research Council approved Bellberry Human Research Ethics Committee on 31 January 2018, application number 2017-12-981.

Data

Data in this report were collected in Phase 2 of the NSSS (Wave 7), designed by National Seniors Research staff. The survey was conducted from 14 February 2018 to 9 May 2018. The NSSS Phase 2 asked participants about their financial wellbeing, as well as their understanding of aged care services, and digital literacy.

Phase 2 of the NSSS was a self-complete instrument, delivered online using the survey tool, Survey Monkey. It was also available as a paper survey by request. This study reports on the following two modules:

- **About yourself**
A range of questions used to obtain information from respondents about their demographic and socio-economic circumstances.
- **Understanding retirement income**
Participants were asked about employment, retirement, savings and investments, superannuation, retirement income streams, financial planning for later life, finding financial information, the use of financial advisers, the impact of the GFC, and attitudes towards investment and risk.

There were 5,446 overall respondents to the NSSS, Phase 2, with a total of 29 completed on paper.

Method

A total of 47,280 National Seniors members residing in all states and territories of Australia with an email address were invited to complete the survey. The survey invitation was emailed, and contained a link to the survey instrument.

The age breakdown of National Seniors survey participants and overall members as compared to Census data is as follows:

Table 1: National Seniors' members compared with 2016 Census data.

	NSSS Frequency 2018	NSSS % 2018	All National Seniors members % 2018	Census% 2016
50–59	715	13.2	19.0	37.4
60–69	2,124	39.9	37.0	31.3
70–79	1,997	36.8	30.5	19.4
80+	563	10.1	13.5	11.9
Total Answers	5,399 ¹			

¹ Although N=5,446, only 5,399 gave their age.

In particular for this study, participants were asked:

- About their current employment arrangement, current sources of income, and, if retired, whether they had chosen retirement and were happy to be retired;
- Whether at this stage of life they regretted not contributing more to super or retirement savings;
- The types of super funds they were using;
- To rate the following in terms of their importance: regular, constant income that covers essential needs; income that adjusts for inflation; savings that can be withdrawn when needed; ensuring that retirement money lasts for life; leaving the family home to the children/estate; leaving other assets or investments to the children/estate; being able to afford aged care and medical costs; being protected from short-term falls in the market, and earning higher interest on savings;
- How worried they were about outliving their savings and investments;
- Whether they intended to preserve all their savings for an inheritance, intended to preserve some savings and spend some during retirement, intended to spend most and leave something behind, or intended to spend all of their savings during retirement;
- Whether having a regular and stable income was more important than having higher than average returns;
- Whether they preferred a potentially higher income or income that lasts for life;
- Whether they preferred a fixed and not variable income stream, income that varied from month to month but was higher on average than fixed payments, or a highly variable income that was higher than the other options;
- Whether they were planning financially for increased life expectancy, or in other ways;
- If some, most or all their retirement spending is on essentials, or if some spending could be foregone or delayed;
- Where they get financial information about retirement;
- If they've been to a financial adviser, what they get advice on;
- Since it is 10 years on from the GFC, whether they are concerned about a repeat crisis;
- Their attitudes to having retirement savings, including super, in the share market;
- Their view of risk in retirement, whether the possibility of a fall in income, a volatile retirement savings account balance, the permanent loss of capital, or the possibility that they won't have money when it's needed; and
- The largest loss in retirement savings they could tolerate, from none to 30% or more.

Analysis

A total of 5,446 surveys were completed for the NSSS, a response rate of 11%. 4801 participants answered all the questions relevant to this report. Microsoft Excel was used to analyse the data. Basic characteristics of the NSSS sample, 2012-2018, are in Appendix 1.

RESULTS

Concerns linger over another GFC

Ten years on from the global financial crisis, its impact lingers for most older Australians. A woman, now 65, commented on her memories of the personal impact 10 years ago:

I was 55 when the GFC hit and had been salary sacrificing into superannuation for at least a decade. I was also of the era where women weren't offered super when I joined the workforce, so at that point, had only had employer super for 20 years. I lost about a third of my super in one hit.

Seven out of 10 (72%) are concerned about the potential occurrence of another GFC as well as the impact it will have on their retirement finances such as the income they will have for their spending requirements in retirement (Figure 1).

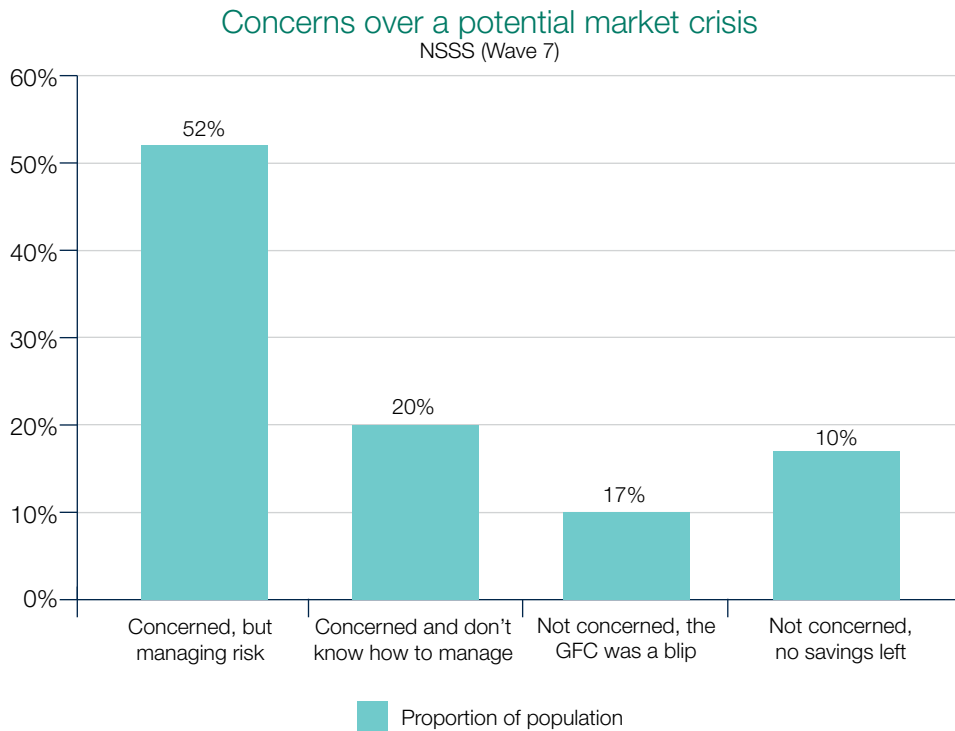
While 52% are comfortable that they are managing this risk for their investments, 20% admit to not knowing how to manage the risk of another potential market collapse despite their concerns.

Ten per cent said they were not concerned as they considered that the GFC was a blip, while the remaining 17% said they weren't concerned because they had already run out of money.

GFC memories of running out of money were strong for some respondents as one 65-year-old man commented:

There is an old saying 'you should not put all your eggs in one basket.' My super dipped because of the GFC, so when I became redundant in 2009, I had to rely on my payment to live for a period. I swallowed my pride and took a low blue collar job as a traffic controller. This allowed me to get funds back into my super. Most of my generation planned for many years and did without to put a roof over our family's heads and to provide for them.

The risks of running out of money increase with age. Almost a third of respondents over 80 reported running out of savings, and almost a quarter of those between 75 and 79 had also run out.

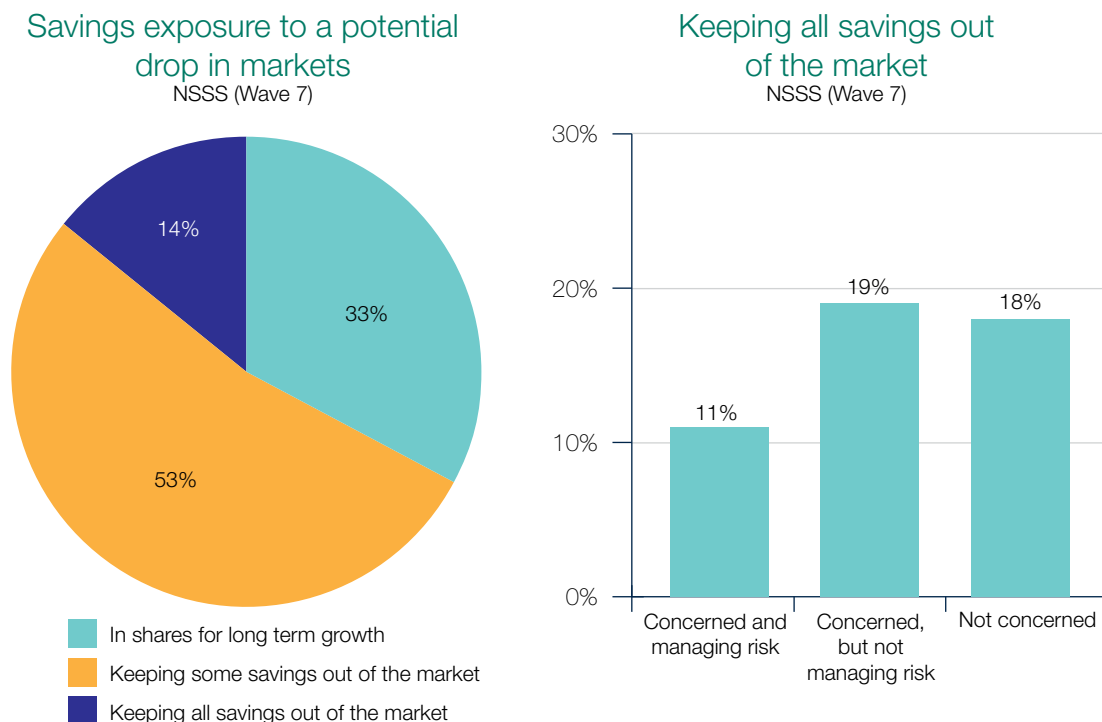
Figure 1: Concerns over potential market crisis (%) (NSSS 7, 2018)

Equity investments remain a significant part of the investment mix for older Australians (Figure 2). However, 53% stated they were keeping some savings out of the market as a precaution against a potential market decline. Only 33% said they kept their savings in shares as they were expecting long term growth to offset any market decline.

It appears that those who feel they are managing the risks are more likely to stay invested in the market, at least in part (Figure 2). A majority of senior Australians (56%) who said they were comfortable about their ability to manage risk in their retirement portfolio, were also slightly more likely to keep some savings out of the market. Only 11% of those who managed to reduce their risk have kept all savings out of the market.

Only 49% of those who said they didn't know how to manage risk, kept some savings out of the market. 19% of those who didn't know how to manage the risk, were keeping all their savings out of the market.

Figure 2: Keeping savings out of the market (%) (NSSS 7, 2018)



Some Australians have been able to learn from the crisis that sometimes risk management involves spreading the risk around. Someone still working can recover from a market loss, and it is easier to manage for those with a secure source of income in retirement. Consider this comment from a male aged 71:

The GFC experience did not affect myself or my wife directly as we were still in the workforce at that time and our superannuation was the old-style government type that was protected. Indirectly the GFC had a large impact on our family as our son lost thousands of dollars from investments in shares which caused a ripple effect into his rental properties which he had to sell... I think what we as a family took from this is that the financial world is very fragile and that world governments including Australia have taken safeguards to prevent an occurrence although the share market is easily spooked by world events. In closing we have ensured that where possible we are debt free and do not have everything in one basket

Many can't tolerate losses

Many older Australians do not think that they can tolerate losses in their retirement savings portfolio, with 23% stating that they could not tolerate any annual loss on their portfolio (Figure 3).

Around a quarter of people could tolerate losses greater than 10%, but only one in fourteen indicated that they would be able to tolerate a loss of 20% or higher. This is about the same as the fall in superannuation returns during the GFC a decade ago. In total, 59% of older Australians indicated that they could not tolerate a loss as large as in the GFC.

Concerns over another GFC were also related to the losses that people could tolerate (Figure 4). There was a correlation between heightened loss aversion and avoiding market exposure. For those keeping their savings out of the market, 73% either stated that they were unable to tolerate any loss or could not say what loss they could tolerate.

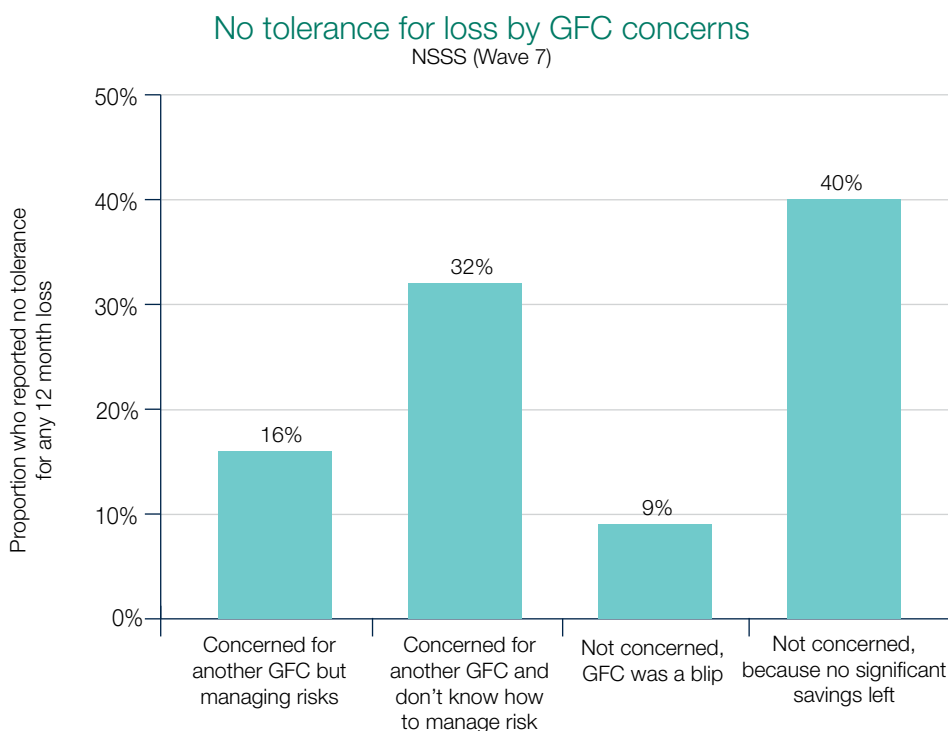
Of those who could quantify their risk tolerance, only 11% could tolerate a loss equal to the impact of the GFC. Those who admitted in the survey to not knowing how to manage their market risk are twice as likely to report “no tolerance for any loss”, as those who said they could manage it.

Surprisingly, a significant minority of older Australians (26%) who stated that they cannot tolerate any loss are still fully invested in the market.

Figure 3: Toleration of loss (%) (NSSS 7, 2018)



Figure 4: Relationship between having no tolerance for loss and GFC concerns (%) (NSSS 7, 2018)



A potential reason for the lingering concern from the GFC and the limited tolerance of any losses is that many people saw hard-earned savings disintegrate in the crisis.

This view is summed up by a retired man, aged 64, who said:

The main issue with the GFC for me was the reduction in my capital investments of approximately \$30,000. Up until that point I would be considered a medium risk investor, however following my loss, I changed to a low risk investor and transferred much of my capital into cash. The income from the cash stream is considerably less than a shares portfolio however I was not prepared to suffer another loss of that magnitude. My attitude has not changed to this day.

A range of plans for living longer

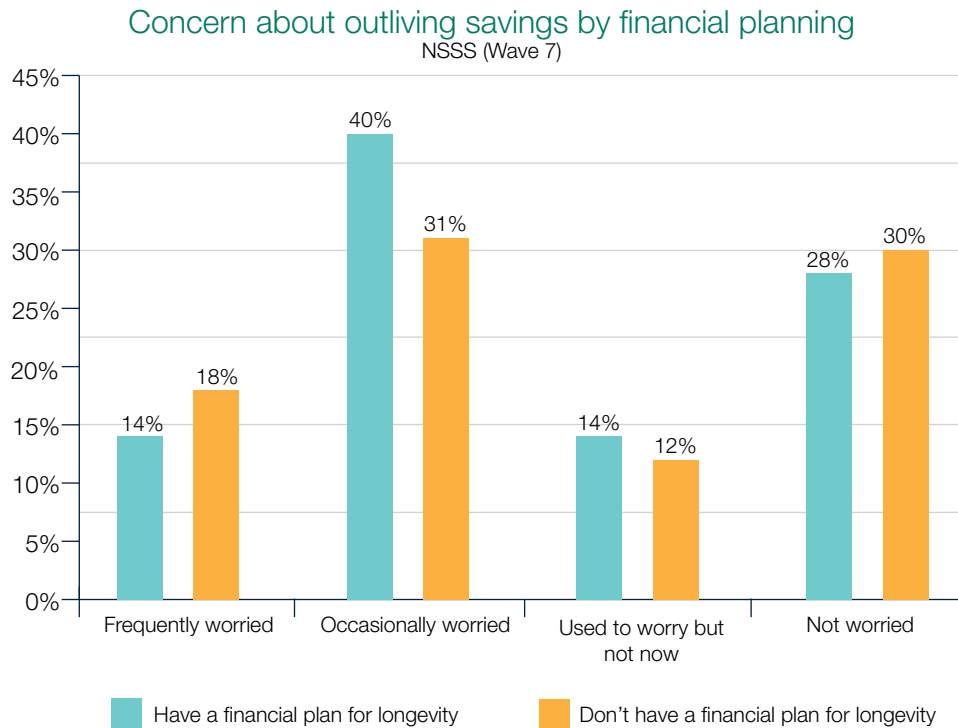
Previous surveys have noted an increased awareness by older Australians that people are living longer (see p.5). In this study, participants were asked about their preparations for living longer. Respondents reported planning for increased longevity across a wide range of activities (Figure 5). The most common plans involve keeping the brain active and staying fit and healthy. Financial planning is less of a priority. Just over half (56%) have made a financial plan for living longer.

Figure 5: Longevity planning (%) (NSSS 7, 2018)



Interestingly, with 44% of respondents not planning financially for increased longevity, the concerns over outliving their savings were broadly similar. Figure 6 shows that those without financial plans for longevity “frequently worry” about outliving their savings at a slightly higher rate, but more are “not worried” compared to those with a plan. This suggests that whether or not people worry about having enough money to last for life is not correlated with whether or not they’ve made plans to make sure it does.

Figure 6: Worried about outliving savings (%) (NSSS 7, 2018).



Timing of retirement

While the membership of National Seniors includes people from age 50, most members are older. In total, 67% of respondents were retired, with a range of retirement ages. In general, those not retired expected to retire at an average age five years older than those already retired. This includes people currently over 70 and still working but expecting to retire at some age. The average age of retirement for those already retired was 62. Those not yet retired expect to retire at an average age of 67. 15% of those not yet retired, did not provide an age at which they expect to retire.

Figure 7 shows that the expected age of retirement differs between those already retired and those not yet retired. Of people already retired, 24% retired before they were 60, most (56%) retired between the ages of 60 and 69, with 9% retiring after age 70. For those not yet retired, the average expected age of retirement was higher, with only 8% indicating they would retire before age 60, the greater portion (35%) expecting retirement to occur between 65 and 69, and 30% intending to retire after age 70.

Figure 7: Retirement age (%) (NSSS 7, 2018)

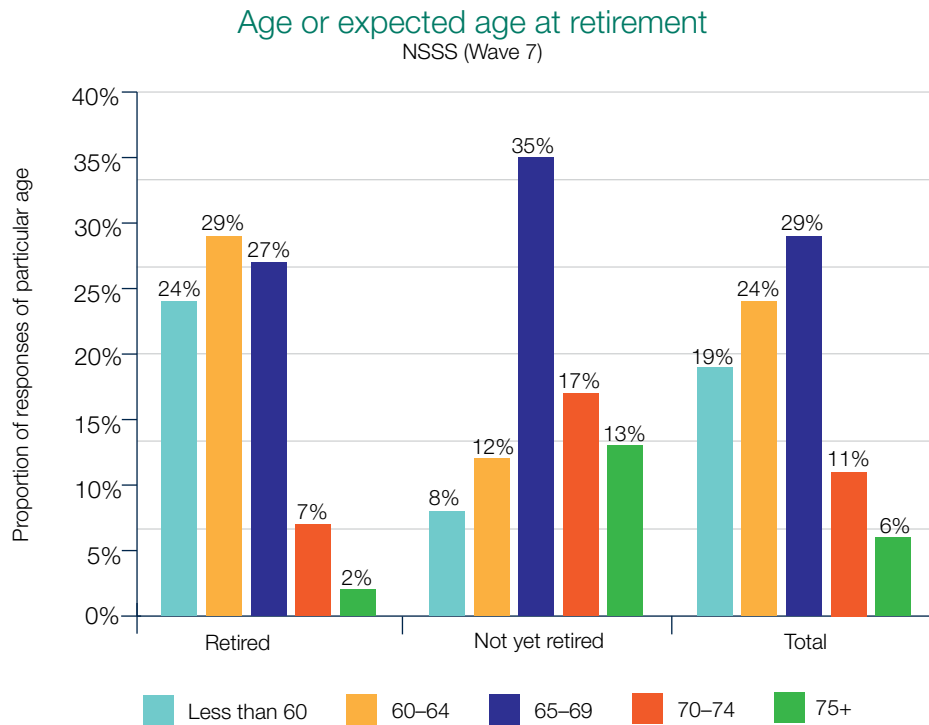
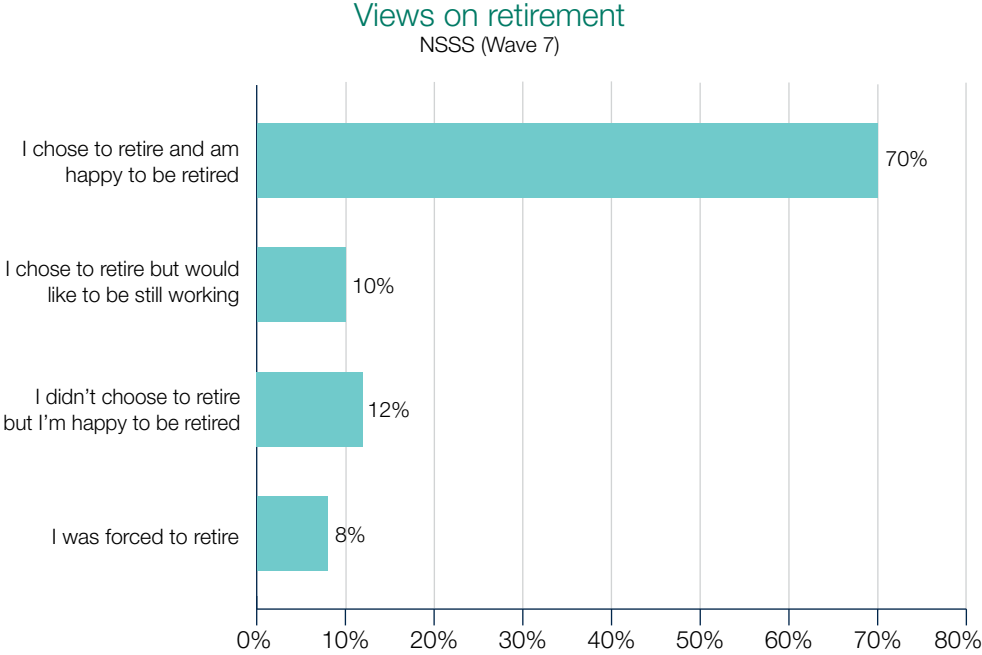


Figure 7 also highlights that people’s expectations parallel changes to eligibility for the Age Pension, currently at 65.5 years and rising to 67 years.

There were unexpected results in the groups indicating they were happy in retirement (Figure 8). Only 8% were forced to retire. The majority, 70%, had chosen to retire and were happy to be retired. Only 10% chose to retire but would rather be working, in contrast to anecdotal reports that many people regret retiring. Surprisingly, 12% didn’t choose to retire and were happy in their retirement. Those retiring at a younger age were happier in retirement, especially among those who didn’t choose to retire, but were now happy. Conversely, there were more regrets among retirees who chose to retire at an older age.

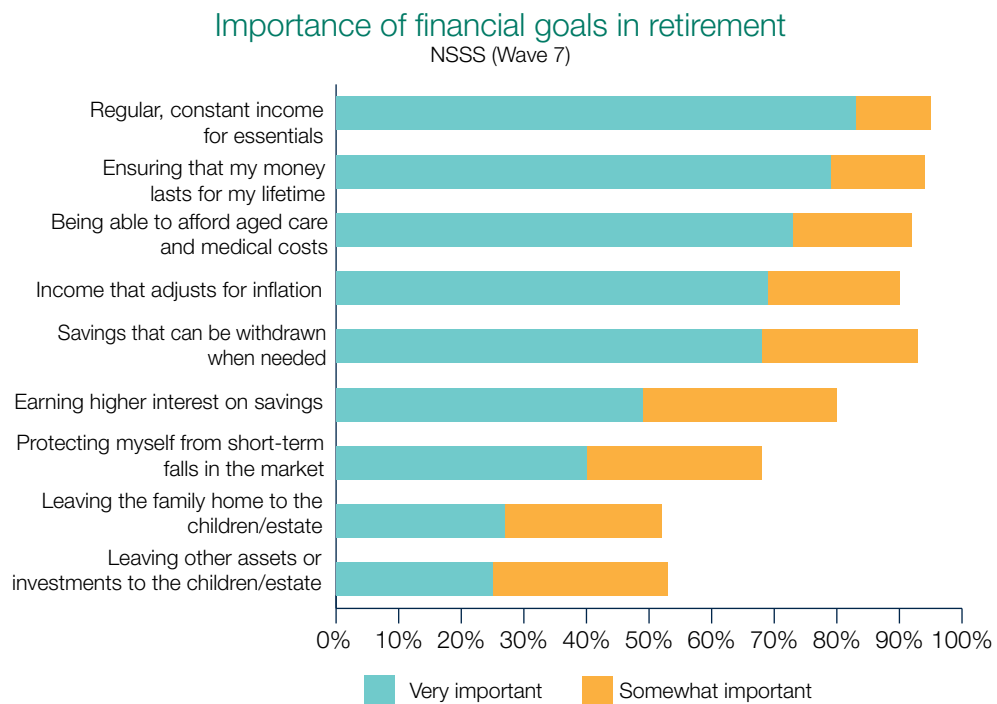
Figure 8: Views on retirement (NSSS 7, 2018)



Retirement goals

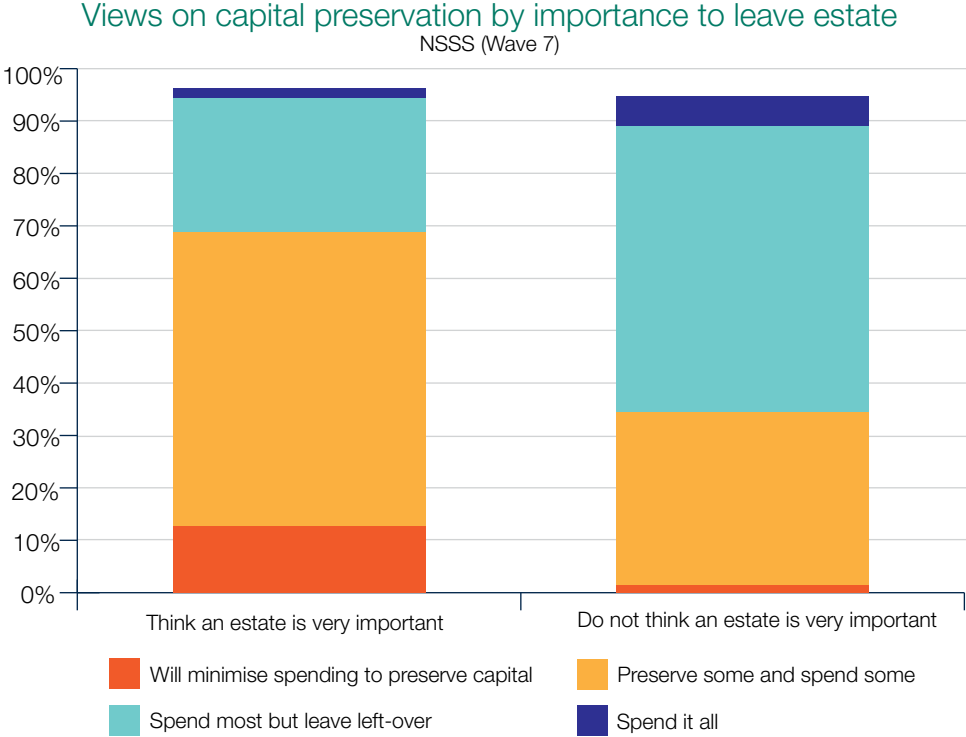
Having income that lasted for life was rated as one of the most important goals in retirement with 80% of respondents rating it as very important (Figure 9). The only goal with a higher “very important” rating was a desire for regular and constant income, which 84% rated as very important. Covering health and aged care costs was also very important, while the desire to leave an estate was only considered very important by a minority of households.

Figure 9: Rating of retirement goals (%) (NSSS 7, 2018)



People who considered it very important to leave some assets to the estate also considered other goals to be very important. When asked to explicitly compare preserving capital for an inheritance, there was a strong preference to spend down at least some of the capital. Only 13% of those who thought leaving the estate was very important would consider reducing their own spending to preserve capital for the estate. The majority, 56%, thought that they would spend some of their capital as well as preserving some. Of the large segment of the population who didn't see leaving an estate as very important, 55% expressed a preference to spend down most of their capital, leaving anything that was left over to the estate. Only 1% would consider limiting spending to preserve their estate. This is important because it suggests that frugality by retirees is not about leaving a bequest and potentially about the uncertainty over having enough money for themselves in the future. The gap in the chart below (Figure 10) reflects those who stated that either they have no savings, or they have no one to leave an estate to.

Figure 10: Cross tabulation of the importance of preserving capital with the desire to leave an inheritance (%) (NSSS 7, 2018).



Financial advice

Most retirees have received financial advice at some stage (Figure 11). Only 16% of the retired respondents indicated that they had never received any financial advice, while 27% of those not retired have not been to a financial adviser. The main items for advice were super contributions and retirement planning. Insurance was the reason for advice for only 11% of the respondents, possibly because the need for insurance is lower for older people who no longer have dependents to support.

Figure 11: Why seek financial advice (NSSS 7, 2018)



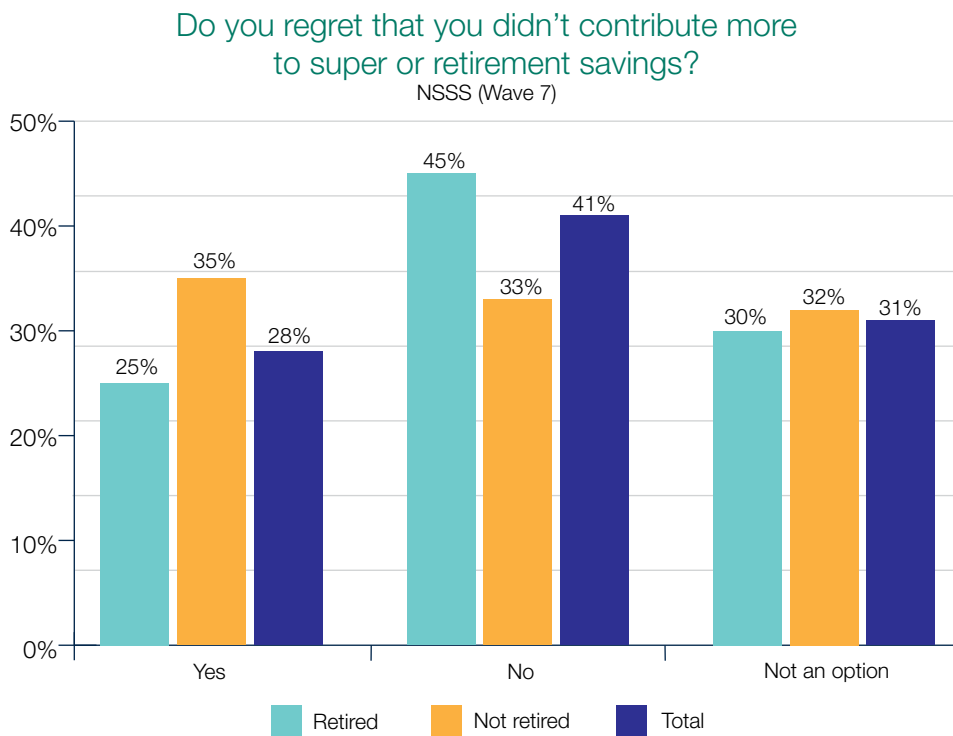
Many people seeking advice do so out of necessity. Without the skills to manage their investments and income sources in retirement on their own, seeking help is something that they need to do.

A widow, aged 79, highlights the help that she sought from family and a financial adviser to be able to live independently in retirement:

The GFC occurred the same month my husband passed away. He was very diligent in looking after our retirement. All of a sudden I was in a very bad place. My income was now halved. Fortunately, I had my two daughters to assist me in regaining my life, and now, after ten years I just manage to be a self-funded retiree. I am very grateful for the complete help of an advisor and his management. I would like to see more help from the Government. My husband and I both worked, paid our taxes and now I am still paying tax, and looking after myself. On occasions I have to ask my daughters to lend me money, I always repay this when I don't have too many big bills to pay.

One of the key objectives of seeking financial advice is to save enough for retirement. It can be difficult to know if you have saved enough. Asked if they had any regrets that they hadn't contributed more to their super or retirement savings, 31% felt that they never had the option to contribute more (Figure 12). A further 28% of the respondents regret not saving more, while 41% had no regrets. Retirees were more likely to be happy with their contributions, but at older ages, more felt their choices were limited. 45% of those over 80 stated that they didn't have the option to contribute more.

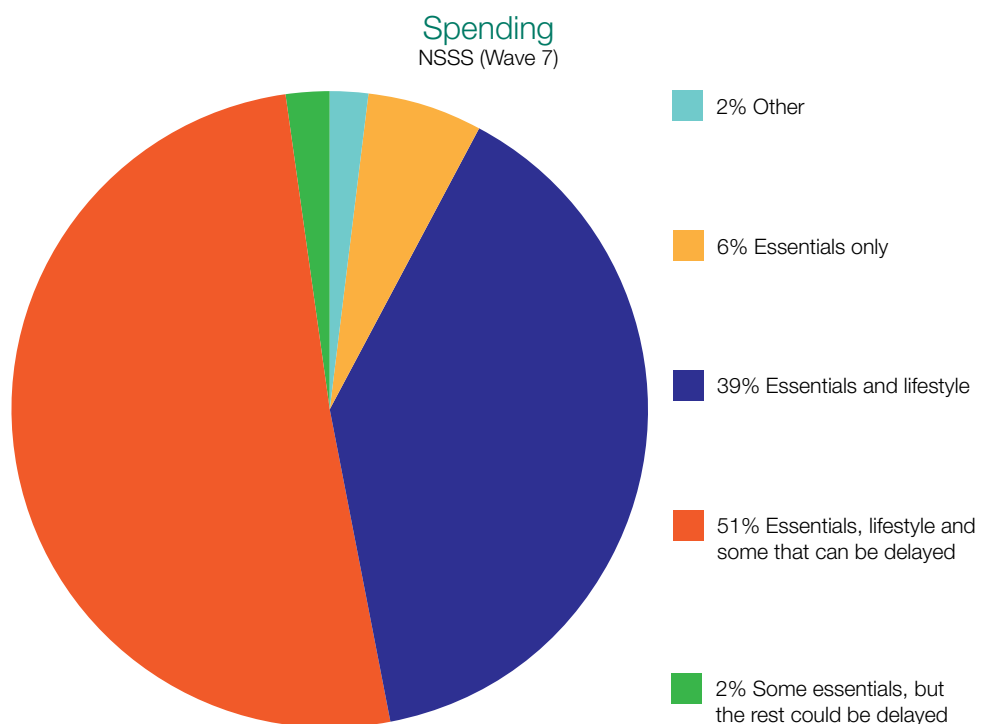
Figure 12: Contributing more to superannuation (%) (NSSS 7, 2018)



Essential spending

The survey asked new questions to drill into more detail on the greatest financial concern expressed by senior Australians, having income to meet essential spending. It sought to understand if older Australians were only spending their money on essentials, or whether they spent their money on lifestyle goods, or luxuries that could be foregone. A slight majority (51%) of respondents indicated that they spent money on all three categories. While only 6% consider that they are spending only on essentials, 40% indicated that their additional spending was for their lifestyle rather than on things that could be delayed.

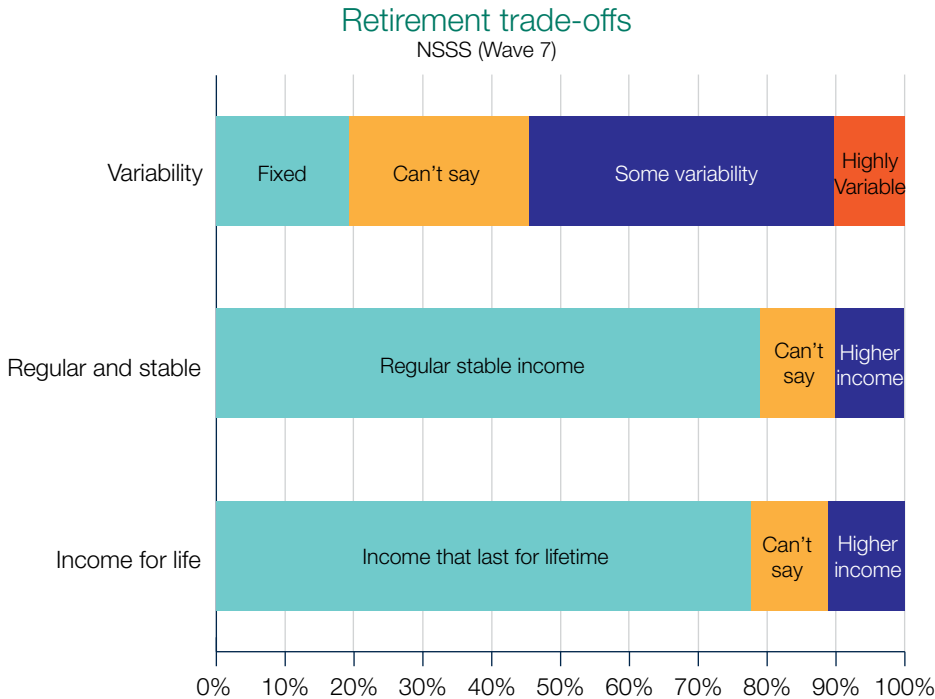
Figure 13: Essential spending in retirement (%) (NSSS 7, 2018)



Retirement trade-offs

In 2017, the NSSS (Wave 6) provided some strong views about the willingness of senior Australians to trade-off higher returns in order to achieve a desirable outcome. Participants provided similar responses this year, with strong preferences for income for life and regular stable income over potentially higher income. Figure 14 indicates how the views among respondents were split across some key trade-offs. The higher income options are on the right. Variability in income can be tolerated to some extent if the average level of payments is higher. However, clear majorities prefer income to be regular and stable, and to last for life rather than chasing the highest potential income (returns). These sentiments have been consistent across recent surveys (see p.5).

Figure 14: Retirement income preferences (%) (NSSS 7, 2018)



SUMMARY

Ten years on from the GFC, its impact lingers for most older Australians, who express a “once bitten twice shy” sentiment as a result of their experiences. Seven out of 10 are still concerned about another potential market collapse.

Older Australians are still wary of market turmoil, with only one in fourteen thought they would be able to tolerate a loss of 20% or higher – about the same as the fall in superannuation returns during the GFC a decade ago. One in four said they could tolerate losses greater than 10%, though the same proportion said they could not tolerate any annual loss on their portfolio.

Despite this, equity investments remain a significant part of the mix, with the great majority of older Australians holding a substantial proportion of market-linked investments.

In spite of financial worries, most of those already retired said they were happy about it. A large majority, 70%, reported that they had chosen to retire and were happy to be retired. In contrast to anecdotal reports that many people regret retiring, only 10% indicated that they chose to retire but would rather be working.

The average age at retirement was 62, and the average expected age was 67 for those not yet retired. Among the retired, those retiring at a younger age are happier than those retiring at older ages. Unexpectedly, even those who didn’t choose to retire, are now happy. Conversely, there were more regrets among retirees who chose to retire at an older age.

Asked to rank a number of financial goals, having income that lasted for life was seen as one of the most important, with 80% of older Australians rating it very important. The only goal with a higher “very important” rating was a desire for regular and constant income, which 84% rated as very important. Covering health and aged care costs was also rated very important (75%).

As life expectancy increases, seniors are making plans for living longer. Asked what they were doing to prepare for a longer life, older Australians reported planning across a wide range of activities with the most common being keeping the brain active, staying fit and healthy, making medical plans and staying positive. Financial planning is less of a priority. Just over half (56%) have made a financial plan for living longer.

While most senior Australians are concerned about running out of money in retirement, many already have run out. Almost a third of respondents over age 80 said they had already run out, and almost a quarter of those between 75 and 79 said they had run out.

The case for better and more accessible retirement income products is supported by:

- The prevalence of running out of money at older ages;
- The evidence that living frugally in retirement is not undertaken for the purposes of leaving a bequest but for living expenses;
- A substantial proportion of people say they can't manage risk but have major investments in the share market; and
- The finding that choices become more limited at older ages.

Effective retirement income products potentially mitigate these risks.

In summary, the GFC has shaped the mindset of most seniors 10 years later and they tend now to be more conservative in their retirement income strategies.

APPENDIX 1: SAMPLE

Table 1: Basic characteristics of the NSSS sample, 2012-2018 (%)

	2012	2013	2014	2015	2017	2018
Age (unweighted)						
50-64	48.0	42.2	44.7	43.9	33.3	30.3
65-79	40.9	42.8	43.8	43.3	58.3	59.3
80+	11.2	15.0	11.6	12.8	8.4	10.4
Gender (unweighted)						
Female	54.3	55.9	53.3	54.2	56.2	57.0
Male	45.7	44.1	46.7	45.8	43.8	43.0
Other	-	-	-	-	-	0.1
State (unweighted)						
NSW	29.9	28.8	29.5	30.7	21.8	22.3
VIC	25.8	25.8	25.9	24.7	14.9	14.1
QLD	17.1	18.1	17.4	18.7	42.2	42.4
SA	9.6	9.5	9.3	9.3	4.5	4.1
WA	10.3	11.1	10.1	11.2	8.9	9.0
TAS	4.1	4.1	3.5	3.0	2.5	2.3
ACT	2.2	2.0	2.3	2.0	3.7	3.6
NT	1.0	0.6	0.6	0.4	1.5	2.2
Education (weighted)					(unweighted)	
Not completed high school	52.1	50.1	49.0	42.3	32.2	42.6
Completed high school	47.9	49.9	51.0	57.7	67.8	57.4
Other qualification					(unweighted)	
Yes	-	-	-	-	77.5	79.5
No	-	-	-	-	22.5	20.5
Highest level of qualification					(unweighted)	
Certificate	-	-	-	-	24.8	21.8
Diploma	-	-	-	-	26.1	24.8
Bachelor degree	-	-	-	-	26.5	19.9
Post-grad dip/cert	-	-	-	-	-	14.6
Masters/Doctorate	-	-	-	-	13.2	12.0
Other	-	-	-	-	9.4	6.9
Employment			(weighted)		(unweighted)	
Currently in the paid workforce	43.2	41.5	40.3	40.5	27.0	26.6
Not currently in the paid workforce	56.8	58.5	59.7	59.5	73.0	73.4
Country of birth			(weighted)		(unweighted)	
Australia	77.6	80.9	80.8	79.6	75.0	76.5
Other	22.5	19.1	19.2	20.4	25.0	23.5
Marital Status			(weighted)		(unweighted)	
Married/de facto/living with partner	62.3	63.7	63.6	63.5	63.8	62.7
Divorced/separated/never married/ widowed	36.4	35.8	36.4	36.7	33.0	37.3
Other	1.4	0.5	0.0	-	3.2	-
Total						100%

APPENDIX 2: QUESTION RESPONSES

35. Please choose the best description of your current employment arrangement.

Homemaker	2.4%
Employed or self-employed 0-30 hours	13.0%
Employed or self-employed 30+ hours	13.7%
Unemployed	2.0%
Retired	66.5%
Permanently unable to work	2.5%

36. Please consider the following statements about retirement and select the one that best applies to you:

I chose to retire and am happy to be retired	69.6%
I chose to retire but would like to be still working	10.3%
I didn't choose to retire but I'm happy to be retired	12.2%
I was forced to retire	7.9%

37. What age were you or do you expect to be when you retire?

38. Which of the following best describes the value of the savings and investments that you expect to have when you retire, or did have when you retired? This includes superannuation and other investments but excludes the family home, cars, etc.

Less than \$50,000 AUD	9.7%
More than \$50,000 but less than \$100,000	8.2%
More than \$100,000 but less than \$200,000	8.9%
More than \$200,000 but less than \$300,000	8.1%
More than \$300,000 but less than \$500,000	11.9%
More than \$500,000 but less than \$750,000	11.8%
More than \$750,000 but less than \$1,500,000	13.2%
More than \$1,500,000	6.5%
Don't know	4.2%
Would rather not say	17.6%

39. At this stage of life, do you regret that you didn't contribute more to super or retirement savings?

Yes	28.2%
No	41.1%
It wasn't an option for me	30.8%

40. Which of the following types of super funds do you use for your super and/or retirement savings?

Industry super fund	24.5%
Public sector super fund	29.3%
Retail super fund	12.6%
Self-managed super fund	17.1%
Corporate super fund	6.3%
Can't say	17.4%

NATIONAL SENIORS AUSTRALIA

41. Which of the following best describes your housing situation?

I own my home outright	73.0%
I own my home with a mortgage	13.4%
I own my home with a reverse mortgage	0.7%
I'm renting	5.6%
I live in my accommodation rent-free	1.3%
I live in residential aged care	1.0%
Other (please specify)	5.0%

41. Which of the following best describes the current estimated value of your home?

Up to \$250,000 AUD	6.2%
Up to \$500,000 AUD	33.6%
Up to \$750,000 AUD	26.7%
Up to \$1,000,000 AUD	12.8%
Up to \$1,500,000 AUD	8.9%
More than \$1,500,000 AUD	1.9%
Don't know	3.1%
Would rather not say	6.9%

42. Consider the following statements about your savings and finances in retirement and rate their importance to you.

Select the appropriate box:

	Not at all important	Not very important	Neutral	Somewhat Important	Very Important
Regular, constant income that covers my essential needs	0.5	0.6	3.0	12.0	83.9
Income that adjusts to rising prices (or inflation) over time	0.8	1.0	5.9	21.5	70.9
Savings that can be withdrawn when needed	0.6	0.4	3.7	25.7	69.7
Ensuring that my money lasts for my lifetime	0.7	0.6	3.8	14.8	80.1
Leaving the family home to the children/estate	15.5	10.2	20.3	25.9	28.1
Leaving other assets or investments to the children/estate	14.0	10.5	21.6	28.4	25.6
Being able to afford aged care and medical costs	0.8	0.4	4.4	19.1	74.9
Protecting myself from short term falls in the market	6.5	4.7	18.6	28.5	41.7
Earning higher interest on savings	2.5	3.0	12.4	31.5	50.5

43. Do you ever worry that you may outlive your savings and investments?

Yes, frequently	16.2%
Yes, occasionally	36.5%
I used to, but not now	13.4%
No	29.0%
Can't say	4.8%

44. Consider the following statements about leaving an inheritance (other than the family home) for the next generation.

Please choose the response that best describes your situation.

Leaving an inheritance is very important to me and I will minimise spending in retirement to ensure I can leave something	4.2%
I want to preserve some savings for an inheritance but also spend some of my savings during my retirement	37.8%
I will spend most of my savings during retirement and leave something behind if there's any left over	45.7%
I will spend all of my savings during retirement	4.6%
I have no one to leave an inheritance to	3.7%
I have no savings	4.1%

45. When thinking about investing your retirement savings, what is more important?

Regular and stable income	77.6%
Higher level of average returns	11.2%
Don't know/can't say	11.2%

46. When thinking about an income stream in retirement, which would you prefer?

Potentially higher income	10.0%
Income that lasts for life	78.9%
Don't know/can't say	11.0%

47. Assuming that your income stream will last throughout your retirement, what is your preference for the variability of your regular income?

Fixed and not variable at all	19.3%
Can vary from month to month but should average out to be higher than the fixed payments	44.4%
Highly variable but should average out to be higher than either of the above options	10.3%
Don't know/can't say	26.0%

48. Statistics indicate that life expectancies are increasing. Considering the possibility that you will live a longer life, please indicate what is important to you when making plans for your retirement:

Financial planning (e.g. extra contributions to super, purchasing an annuity, savings and investments)	56.2%
Accommodation/housing plans, e.g. downsizing	52.1%
Lifestyle and travel	61.9%
Keeping fit and healthy, e.g. diet and exercise	78.7%
Medical, e.g. health insurance, regular check-ups	75.9%
Staying positive about getting older	72.8%
Maintaining social contacts	67.5%
Making a contribution to my community, e.g. volunteering	49.5%
Keeping my brain active, e.g. learning something new, challenging myself	79.2%
Haven't planned at all	3.2%

NATIONAL SENIORS AUSTRALIA

49. Consider these statements about the spending that you might consider essential in retirement.

Please select the one that best applies for you.

All the money I spend is on essentials	5.9%
Some of the money I spend is on essentials and some is on maintaining my lifestyle	39.6%
Some of the money I spend is on essentials, some is on maintaining my lifestyle and some is spending that could be foregone or delayed	50.9%
Some of the money I spend is on essentials, all the rest could be foregone or delayed	1.8%
Other (please specify)	1.8%

50. Where did you get or where do you expect to get financial information about retirement, e.g. retirement income, Age Pension or living expenses?

You may select more than one response.

Government website	28.6%
Other online sources	17.5%
Centrelink or other government office	35.2%
A financial adviser	60.5%
Other professional, e.g. solicitor, accountant	16.4%
Newspaper and magazines	20.3%
Super fund	36.3%
Bank or financial institution	16.8%
National Seniors Financial Information Desk	19.6%
Social media	4.7%
Family	14.9%
Friends	15.5%
I did not/will not need any information about retiring	6.2%
Other, please specify:	3.1%

52. If you've ever been to a financial adviser, which of these options did you get advice on?

Select all that apply.

Super contributions	44.5%
Savings	25.4%
Investments	49.3%
Insurance	10.7%
Retirement planning	56.4%
I haven't been to a financial adviser	19.9%
Other (please specify)	4.1%

53. It is now 10 years since the Global Financial Crisis had a major impact on the retirement savings of many Australians. Are you concerned about the potential impact of a repeat crisis on your retirement finances?

Yes, I am concerned and I manage my investments to reduce this risk	51.9%
Yes, I am concerned but I don't know how to manage the risk	20.3%
No, the GFC was a blip and there is nothing to fear	10.4%
No, I no longer have a significant level of savings to worry about	17.4%

54. Which of the statements below best describes your attitude to investing retirement savings (including superannuation) in the share market?

While another GFC is possible, I will keep my retirement savings invested in the share market for long term growth	32.7%
Markets can fall, so I keep some of my retirement savings out of the share market	53.0%
I am keeping all of my retirement savings out of the market	14.2%

55. Which of the following statements best describes risk in retirement for you?

The possibility that income levels can fall	26.5%
Having a retirement savings account balance that is volatile	6.8%
The risk of permanent loss of capital	19.8%
The possibility that you don't have the money when it is needed	28.2%
Can't say	15.3%
Other (please specify)	3.4%

56. Thinking about your long-term goals for retirement savings, what is the largest loss in retirement savings that you would tolerate over one year?

I cannot tolerate any loss	23.0%
1% loss	4.5%
5% loss	14.7%
10% loss	13.6%
15% loss	4.2%
20% loss	3.6%
25% loss	1.8%
30% loss or more	2.0%
Can't say	32.5%

NATIONAL SENIORS CURRENT RESEARCH PUBLICATION LIST:

Published 2017

1. McCallum, J. & Rees, K. (2017) *Consumer Directed Care in Australia: Early stage analysis and future directions*. Brisbane: National Seniors. (35 pages) published 13/8/17.
2. McCallum, J. & Rees, K. (2017) 'Silver Economy' Consumer Co-design: An Australian Perspective. In *Innovation in Active, Healthy and Smart Ageing Sector* edited by Guangsheng Guo and Jianbing Liu: Beijing Science & Technology Publishing Press 2017 pp 273-283 published 12/9/17.
3. National Seniors and Challenger (2017) *Seniors More Savvy about Retirement Income*. Brisbane: National Seniors. (19 pages) published 3/10/17.
4. Lamont, A. & Sargent-Cox, K. (2017) *Healthy Ageing: The State of the Evidence and available resources*. Brisbane: National Seniors. (51 pages) published 12/10/17.
5. Rees, K., McCallum, J. & Cantwell, J. (2017) *Be Heard: Snapshots of members' views – A report to members from the CEO*. Brisbane: National Seniors. (39 pages) published 2/11/17.
6. Earl, J.K., Gerrans, P. and Hunter, M. (2017) *Better ways of assessing cognitive health*. Brisbane: National Seniors. (55 pages) published 9/11/17.
7. Rees, K. & McCallum, J. (2017). *Downsizing: Movers, planners, stayers*. Brisbane: National Seniors. (21 pages) published 27/11/17.
8. McCallum, J. & Rees, K. (2017) *Growing older, feeling younger*. Brisbane: National Seniors. (24 pages) published 5/12/17.
9. McCallum, J., Rees, K. & Maccora, J. (2017) *Bridging the Digital Divide*. Brisbane: National Seniors. (35 pages) published 14/12/17.
10. Rees, K & McCallum J (2017). *A Little Help from My Friends: Getting good advice in the Information Age*. Brisbane: National Seniors. (35 pages) published 18/1/18.

Published 2018

1. McCallum, J., Maccora, J. & Rees, K. (2018). *Hope for the best, plan for the worst? Insights into our planning for longer life*. Brisbane: National Seniors. (27 pages) published 1/2/18.
2. McCallum, J., Rees, K. & Maccora, J. (2018) *Accentuating the positive: Consumer experiences of aged care at home*. Report to the National Aged Care Workforce Strategy. Brisbane: National Seniors. (88 pages) published 30/04/18.
3. National Seniors and Retirement Essentials. (2018). *The Centrelink Experience: From 'waiting, frustrating, hopeless' to 'helpful, friendly, positive'*. Brisbane: National Seniors. (24 pages) published 18/06/18.
4. National Seniors and Challenger, *Once bitten twice shy: GFC concerns linger for Australian Seniors*. Brisbane National Seniors (34 pages) to be published 9/7/18.

Forthcoming report:

1. Rees, K., & McCallum, J. (2018) *Dealing with Diversity: Aged care services for new and emerging groups*. Brisbane: National Seniors. (30 pages) (in draft stage).

National Seniors

AUSTRALIA

GPO Box 1450, Brisbane Qld 4001

P: 1300 76 50 50 **F:** 07 3229 0356

E: info@nationalseniors.com.au

W: nationalseniors.com.au