



Feeling financially comfortable?

What retirees say

March 2019

challenger 

National Seniors
AUSTRALIA

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Publisher National Seniors Australia ABN 81 101 126 587 ISBN 978-0-06483647-2-6

Suggested citation: McCallum, J, Hosking, D. & Rahn, A. (2019). *Feeling financially comfortable? What retirees say*. 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. The 7th National Seniors survey closed 9 May 2018 and was approved by the Bellberry Human Research Ethics Committee 31/11/18 application number 2017-12-981. The confidentiality and privacy of the survey data is maintained by all parties under ethics approved procedures and with participant consent. Reports of the survey results are published in the public domain as soon as practical after the completion of the survey processes. Subsequent in-depth interviews were conducted in November and December 2018. The final wording of joint reports is approved by the CEO National Seniors.

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EXECUTIVE SUMMARY

Background and purpose

In 2014 the final report of Murray's Financial System Inquiry presented two opposing retirement scenarios in an age of increasing longevity: the first was under the current superannuation system, where retirees adapt to "a lower standard of living in retirement to avoid outliving savings." The second projected scenario, based on implementing the report's recommendations, offered "higher and more enduring income in retirement." The second scenario involves incorporating lifetime income products, such as annuities, into the mix of products offered to retirees. Since then, the government has been discussing the need for better financial products for people as they retire, so that they can maintain a satisfactory income through to end of life. Up to this time, the primary focus has been on financial products rather than on consumer demand and experiences. The unsettling nature of the consumer experience of being between the two scenarios was well-expressed by one of our interviewees:

"I think it is basically [that] we are meant to gamble in the share market. At the moment it is scary, and we are faced with things that we haven't in the past, and we have to have trust in the super fund" (woman retired 20 years)

A previous National Seniors report¹ documented the experiences of people who were having financial difficulties in retirement, together with an absence of long-term planning. The purpose of this report is to document the consumer experience of different comfort levels in retirement for those with private assets and to understand how different financial situations in retirement affect a retiree's sense of comfort. Survey data are used to set the scene for these interview responses. Future financial products need to be well-tuned to consumer preferences and thinking to be effective.

Data and Methods

The National Seniors research reported here is based on two interconnected studies:

1. an online survey that collected data from Phase 2 of the National Seniors Social Survey (NSSS) (Wave 7, n=5,447) conducted between 14 February 2018 and 29 April 2018;
2. a series of follow-up telephone interviews conducted between 13 October 2018 and 12 December 2018 with a small sample (n=33) of older survey respondents (70-80 years) who had indicated their willingness to be contacted to discuss their financial comfort in greater depth. This study focused on the feelings of 'financial comfort' of people with savings in the range of \$100,000 - \$1,500,000.

Key Survey Findings

- Approximately one-third of respondents regretted not putting aside more money for their retirement and another third said that saving more was not an option for them;
- Over half of respondents worried either frequently or occasionally about outliving their savings and investments and a further 13% used to worry but no longer do so;
- Worrying about outliving savings and investments was more likely for women, for those in poorer health and with less savings;
- A disconnect was evident in some respondents' low tolerance of loss but continued investment of savings in the market.

¹ <https://nationalseniors.com.au/research/finances/hope-for-the-best-plan-for-the-worstquestion-insights-into-our-planning-for-a-longer-life>

The following themes emerged from the qualitative interviews:

- Financial comfort is relative and not defined by a single asset value;
- People with defined benefit schemes report peace of mind and security;
- Ambivalence about financial security: people expressed simultaneous experiences of confidence and uncertainty;
- Self-efficacy and feeling financially secure were associated with feeling comfortable;
- Living within means and accommodating changed circumstances are required to achieve comfort levels;
- Having 'enough to last' and preserving capital are strong focal points for achieving comfort;
- The expectation that expenses decrease with age is challenged by new care needs in later life;
- Aged care costs are a future problem for individuals and the nation.

Conclusions

Retirees with a defined benefit pension report experiencing a sense of comfort and security about their future. This confirms the importance of policy solutions to provide comparable options in retirement for those who are not in a defined benefit scheme. Uncertainty still exists, however, about the effects of ill health on financial comfort and the security of other income sources. People's feelings were relative to others in their known groups and comfort levels are not necessarily reflected by a "one size fits all" approach to defining the required savings for a comfortable retirement. The retirement income reforms need to remain on the agenda, focus on the individual needs of retirees and discover how they can be best met. It is clear from our earlier research that the 10-year instability in retirement income policy is itself having a major impact on comfort levels.² These issues need to be settled and expectations stabilised so that retirees can make choices with greater certainty.

² <https://nationalseniors.com.au/research/retirement/respect-for-age-going-or-gonequestion-views-of-older-australians>

INTRODUCTION

The Association of Superannuation Funds of Australia (ASFA) proposes the annual budget needed by retirees to fund either a comfortable or a more modest standard of living. Assuming retirees own their home outright and are relatively healthy, the Association suggests a comfortable retirement for a couple requires a superannuation lump sum of \$640,000 and a single person requires \$540,000.³ The amounts suggested by ASFA provide a context for exploring National Seniors members' financial and investment planning, and their beliefs and intentions about funding a comfortable life in retirement. These are key matters in the national discussion around the setting and re-setting of effective superannuation and other retirement-related policies for populations with much longer life spans than those envisaged by policy makers of years past and current generations of retirees.

The study's aim was to hear from members, those with and without a secure income, and to investigate themes that emerged regarding members' perceptions of comfort with the income generated in retirement.

National Seniors Social Survey

The National Seniors Social Survey (NSSS) is a cross-sectional self-complete annual survey of National Seniors members who are aged 50 and over. Data in this report were collected via the NSSS (Wave 7) conducted from 14 February 2018 to 29 April 2018. The NSSS Phase 2 asked respondents about their experiences, intentions and attitudes across a range of areas including financial planning for retirement, aged care and digital literacy. The NSSS was delivered online. Respondents were given the opportunity to complete a paper-based rather than electronic version of the survey if they wished. The survey was approved by the Bellberry Human Research Ethics Committee of South Australia on 31 January 2018, application number 2017-12-981.

Follow-up interviews

The follow-up interview study was designed to provide a deeper exploration of retirees' experience of financial comfort through semi-structured telephone interviews. For this qualitative phase of the study, we asked questions related to the following:

- Income and its frequency – weekly, fortnightly, monthly or other
- Income sources – super, pension, shares, cash/term deposit, investment property, business
- Income security
- Spending and any spending restrictions in retirement
- Saving in retirement
- Spending as compared to five years ago or when first retired
- Financial comfort as compared to friends or peers
- Priority of leaving an inheritance
- Living to 95 and financial sustainability
- Overall level of comfort with retirement income

³ <https://www.superannuation.asn.au/resources/retirement-standard>

METHOD

National Seniors Social Survey

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. This email link was not restricted to National Seniors members but accessible to the general public. This meant that the sampling frame was potentially larger than the National Seniors membership with email addresses. Total responses from non-members was 142 or 2.6 per cent of total respondent responses. The age breakdown of National Seniors survey respondents and overall members as compared with the Australian population from the Census data is as follows:

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

Age group	NSSS survey respondents 2018	NSSS 2018 (%)	All NSA members 2018 (%)	Census 2016 (%)
50-59	715	13.2	19.0	37.4
60-69	2124	39.3	37.0	31.3
70-79	1997	37.0	30.5	19.4
80+	563	10.4	13.5	11.9
Total Answers	5399*			

*Although N=5446, only 5399 gave their age.

Follow-up interviews

For the qualitative phase of the study, two waves of interviews were conducted with two samples randomly selected from the pool of respondents who had agreed to be contacted further in relation to the survey.

Selection criteria for the first wave were as follows:

aged 70 to 80	retired	savings value between \$200,000 and \$1.5million
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A random sample of respondents fulfilling these criteria (with an equal quota of men and women) were contacted via email to ask if they agreed to answer some follow-up questions via telephone interview. As there was a specific interest in hearing from respondents with government pension schemes, there was a deliberate oversampling from the ACT, so that any respondents fulfilling this criterion from the ACT (20 in total) were also invited to participate. Of 81 members contacted, 25 agreed and were interviewed.

On completion of these interviews, and subsequent discovery that members with higher savings values were more likely to agree to participate, it was decided post-hoc to continue interviewing with a further sample, in an attempt to represent the voices of respondents with a lower savings value. Selection criteria for the second wave were therefore as follows:

aged 70 to 80	retired	savings value between \$100,000 and \$300,000
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Of 47 members contacted for this sample, eight agreed and were interviewed.

Overall a total of 128 National Seniors members were contacted for follow-up interviews. Of these, 35 accepted and 33 were interviewed.

It is a reasonable conclusion from these acceptance rates that many people who weren't comfortable with their financial situation were not willing to talk about it, and this can be seen as a limitation of the study in terms of representing a broader view of why some older Australians are not comfortable, financially, in retirement. Differences in characteristics between those who agreed to be interviewed and those who didn't are outlined in Table 2 in Appendix 2. In general, interviewees were younger than those who declined interview, but there were no differences in gender, living arrangement or years of education. Those who agreed to interview were less likely to worry about outliving their savings and had higher amounts of savings and investments (42% of those who agreed had retirement savings \$750,000 to \$1.5million, compared to 10% of those who declined).

ANALYSIS

A total of 5447 surveys were completed for the NSSS, a response rate of 11.5 per cent based on the members emailed a link to the survey; 29 surveys were completed and returned as paper copies.

Descriptive statistics provided information on sample characteristics and proportions of responses for each response option. Chi-Square tests showed whether groups significantly differed across response options. Logistic regression tested the effects of respondents' demographics, health status and financial characteristics on whether they worried about outliving their savings.

Analyses were conducted with the software package Stata v15.1

Interviews took approximately 30 minutes. A script was used to guide the survey process and responses were recorded by the interviewer. Respondents consented to be interviewed after agreeing to be followed up. NVivo 12 software was used to conduct word frequency analysis and thematic analysis of interview data. The interview responses and the themes generated were evaluated by three National Seniors researchers.

SETTING THE SCENE

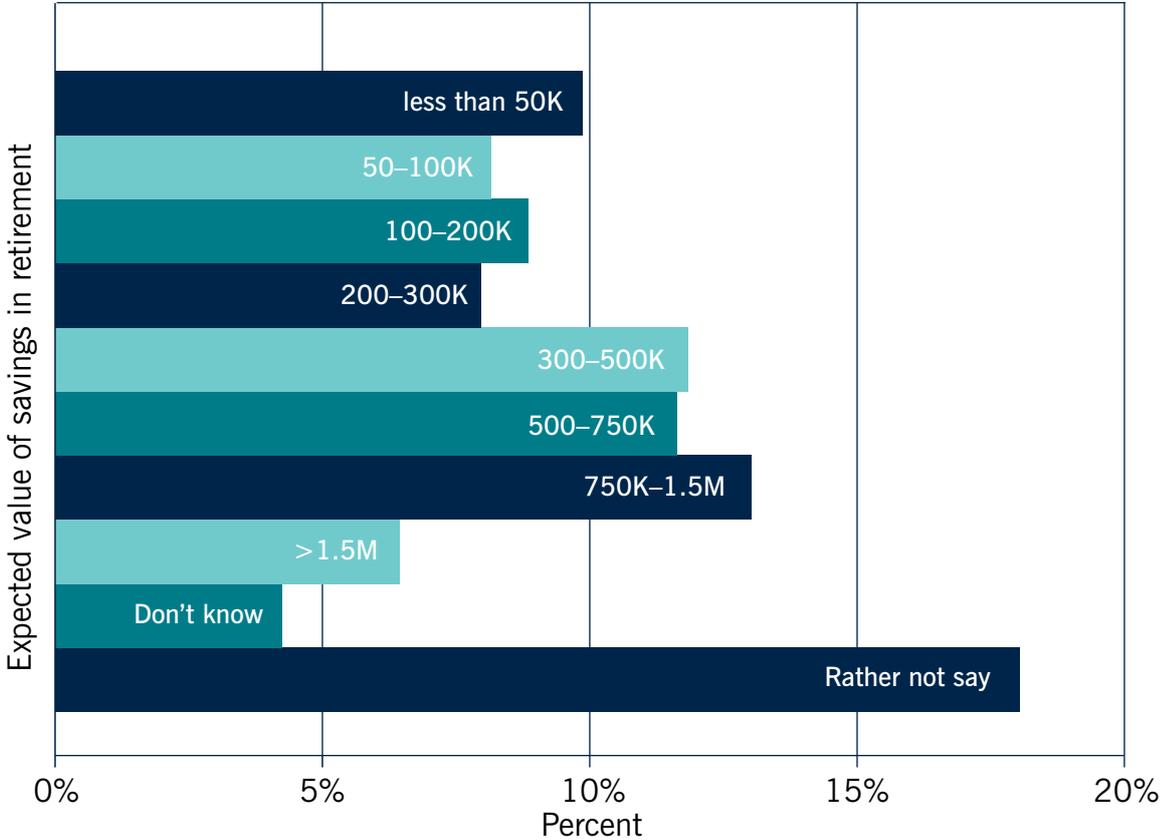
The results from the National Seniors survey indicated some concerns with managing finances in retirement. Some key results provide a context for retirees' experience of financial comfort.

Financial characteristics of respondents

The financial position of NSSS respondents is presented in Figure 1.

In terms of how much money respondents had saved at retirement, or how much they expected to have when they retired, 19% said they had greater than \$750,000, more than the amount ASFA suggested was required for a comfortable retirement. Notably, a relatively high proportion (18%) preferred not to say how much they had saved.

Figure 1: Estimated value of savings at retirement (%) (NSSS Wave 7, 2018; N=4861)



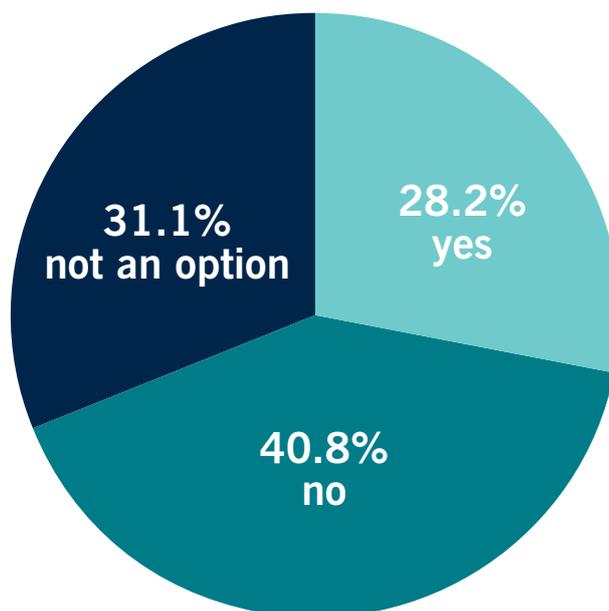
Further questions captured members attitude toward, and potential concern with, their retirement savings.

Attitude to retirement savings

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

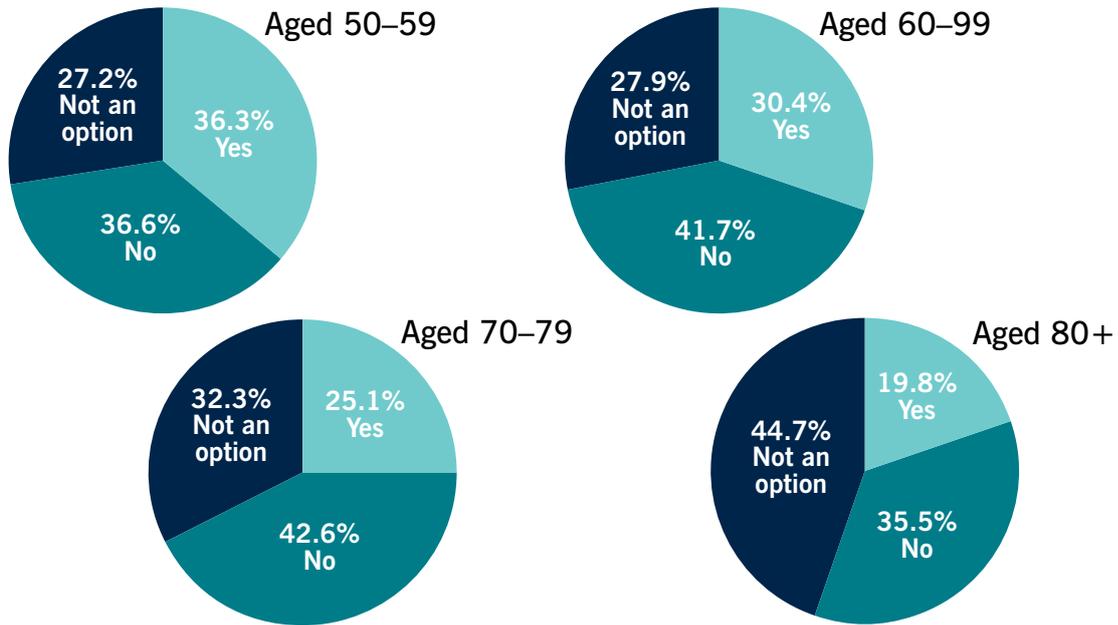
When asked if they regretted not putting more money aside for their retirement, over a third of the 4,876 respondents who answered this question reported that it wasn't an option for them.

Figure 2: *Regret at not saving for retirement (%) (NSSS Wave 7, 2018; N=4861)*



Of these 31.1% who felt they didn't have an option, 70.3% were women. Responses to this question were also correlated with age, with those 80+ being most likely to say that contributing more wasn't an option. The options available to younger retirees and particularly to men only came into existence in 1992 with the introduction of compulsory superannuation (Superannuation Guarantee).

Figure 3: Regret at not saving for retirement by age (%) (NSSS Wave 7, 2018; N=4861)



Concern about financing longevity

QUESTION: Do you ever worry that you may outlive your savings and investments?

Over half of respondents responded that they worried either frequently or occasionally about outliving their savings and investments.

Figure 4: Participant responses to whether they are worried about outliving their savings (%) (NSSS Wave 7, 2018; N=4765)

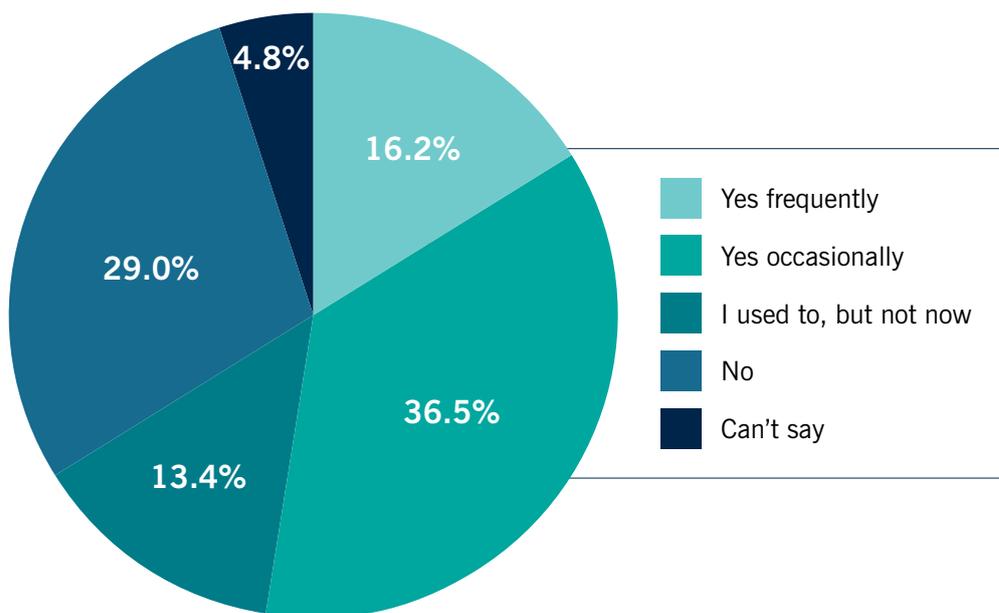


Table 2 provides percentages of respondents who were worried about outliving their savings according to their demographic and health characteristics. Groups differed significantly across gender and age group, and personal circumstances, such as health and, understandably, savings and home value.

Table 2: Proportions of the NSSS sample who worried about outliving their savings according to demographic and health characteristics (NSSS Wave 7, 2018; N=5446)

Respondent Characteristics	Proportion of sample who responded to this question	p-value
Gender	46.6% of men	p<0.001
	57.7% of women	
Age group	62.5% of those aged 50-59	p<0.001
	57.4% of those aged 60-69	
	47.5% of those aged 70-79	
	40.8% of those aged 80+	
Living with a partner	52.0% of those living with a partner	p=0.138
	54.3% of those not living with a partner	
Children	52.4% of those who have children	p=0.205
	54.9% of those who don't have children	
Health	45.3% of those in excellent health	p<0.001
	53.2% of those in good health	
	58.5% of those in fair health	
	59.9% of those in poor health	
	52.4% of those in very poor health	
Savings value	58.1% of those with savings value <50K	p<0.001
	56.0% of those with savings value 50-100K	
	64.2% of those with savings value 100-200K	
	63.5% of those with savings value 200-300K	
	59.3% of those with savings value 300-500K	
	54.1% of those with savings value 500-750K	
	47.8% of those with savings value 750K-1.5M	
	28.1% of those with savings value >1.5M	
	46.2% of those who don't know savings value	
46.7% of those who would rather not say savings value		
Home value	62.0% of those with home value up to 250K	p<0.001
	55.4% of those with home value up to 500K	
	52.0% of those with home value up to 750K	
	47.4% of those with home value up to 1M	
	44.4% of those with home value 1-2M	
	46.8% of those with home value more than 2M	
	45.6% of those who don't know their home value	
	52.8% of those who would rather not say their home value	

Older retirees over 70 worried less than their younger counterparts (aged 50-69) about outliving their financial resources. The greater worry by women of outliving their savings is in accord with women's increased life expectancy, lower lifetime income and superannuation benefits compared to men. Those who reported being healthier were less worried, despite health being primary in determining longevity.

Possibly, for those with poorer health, fear of future health costs is one of the main drivers of worry that savings will last. Other significant differences were predictable; people were less worried if they had savings above \$500,000, or had a dwelling valued at more than \$750,000.

Looking at response options by age in more detail, a higher proportion of those aged 70-79 reported that they used to worry but no longer did. In this age group, savings are at risk of running down over 10+ years of retirement, so this group may be doing better than they expected, or have changed their expectations. The highest proportion of 'can't say' responses was in the 50-59 age bracket, but the numbers represented by these proportions were relatively small.

Figure 5: Worry about outliving savings according to age (%) (NSSS Wave 7, 2018; N=4765)



A logistic regression testing the effects of demographic characteristics on worry about outliving savings found all factors were significant except house value (Appendix 3). The strongest effect on worry was gender. Women were almost 40% more likely to worry about outliving their savings. This means the differences for women are not only because they are older, have lower savings or are in poorer health. There are other factors that lead women to be more worried about outliving their savings than men. This finding is noteworthy because the usual explanation of the gender difference is that women have less access to superannuation and less financial assets than men. Further investigation is needed to unpack the differences between men and women, one of which might be the awareness by women of their increased longevity and potential age-related health costs.

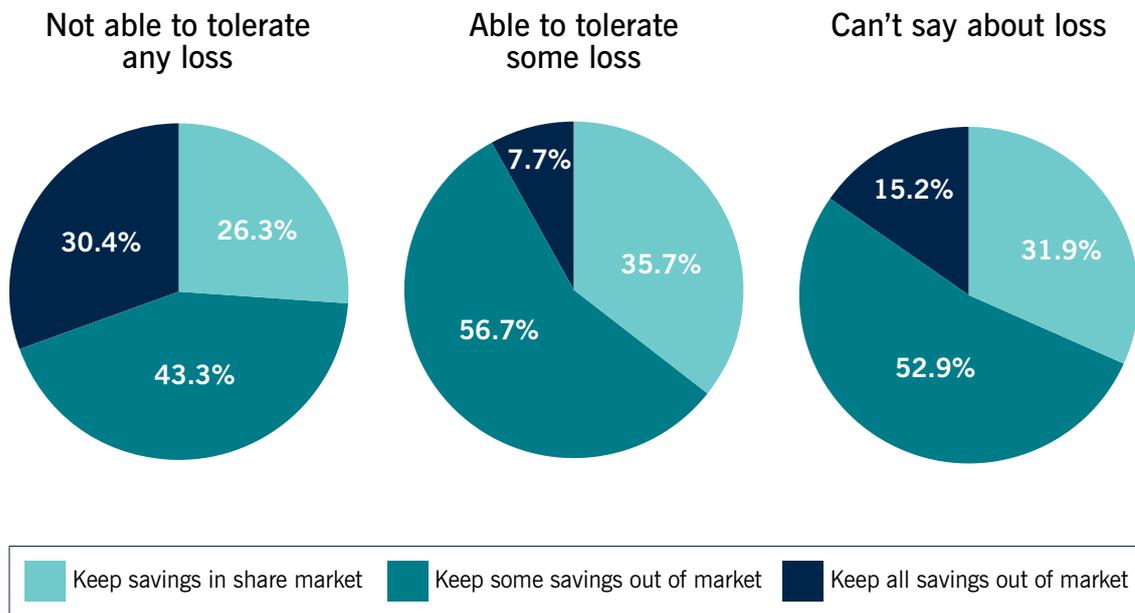
Other findings of interest from the multivariable model are that worrying about outliving savings increases 35% for each decrease in health status (from excellent to good to fair to poor to very poor), that each increase in age group decreases worrying by 32%, and that understandably, people with over \$500,000 in savings worry (42%) less.

Risk appetite conflicts with risk taking

QUESTION: What is your attitude to investing retirement savings (including superannuation in the share market, if relevant)?

The tension for retirement investors is evident in their continuing investment of savings in the market, while at the same time stating their inability to tolerate a loss more than 5%. Within the group that can't tolerate losses above 5%, 26% keep all their savings in the stock market and another 43% keep only some of their savings out. The contradictions and uncertainty reflected by these positions were investigated further in the in-depth interviews.

Figure 6: Investment of savings according to tolerance of financial loss (%)



The dilemma for retirees with accumulation accounts, particularly post GFC, is whether or not to stay in the share market. This tension arises from the uncertainties arising from longer lives and inadequate financial product options. The lack of attractive products at the point of retirement has been on the policy agenda since the Murray inquiry into the financial system in 2014.

FINANCIAL COMFORT EXPERIENCES

Several themes emerged from respondents' responses to the follow-up financial comfort questionnaire. These are the views of some people in the NSSS sample and they reflect retirees lived experience of financial comfort.

Financial comfort is relative

Most people who were interviewed considered they were financially comfortable in their retirement. When asked to compare themselves with friends many commented they were in a comparable or better position:

“Full range of friends, some are doing substantially better, and some substantially worse, on average, slightly more money than friends” (male, retired 1 year).

“Yes, I’m comfortable because we have more than most people statistically but I’m not a wealthy retiree” (male, retired 4 years).

“Comfortable would be the right word and don’t have the worries compared to some of my friends who suffered through the GFC ten years ago. A couple I know, who were doing very well at one point, but were really exposed to the GFC, I know a couple of people who had to keep on working” (male, retired 5 years).

Some highlighted they were better off compared to a different time of their life – for example when they were bringing up a family or earlier in their retirement:

“I’ve always been careful, early in my life I sent kids to private school and had to be careful then. Now I spend what I like but don’t go over board and rarely pay interest on credit cards and pay it every month (female, retired 3 years).

“I’m really impressed that I’ve got more now than when I started to draw down, and [my] husband the same. He retired 15 years ago and it dropped during GFC and is [now] back to where it started” (female, retired 6 years).

“I stopped working 5 years ago. I’m spending more now cause I have just paid off the mortgage. I was spending more on travelling then. With no more mortgage I have more income” (male, retired 5 years).

Being at the higher end of the savings and assets scale of the group did not necessarily translate into feeling financially comfortable:

“On a scale of 1 to 10 [regarding financial comfort] I am probably hovering around a 5 on the scale even though I realise I am probably well off compared to other people around me” (female, retired 16 years).

And those with relatively less did not always consider they were badly off:

“I’m fairly comfortable. Probably because I own my home, and don’t have a mortgage, I have got private house insurance and health insurance, at the moment I can afford it and the house rates. I can’t honestly say I am feeling the pinch, I do watch what I spend but you have to be sensible.....I think I’m doing pretty alright” (female, retired 33 years).

Financial comfort was also linked intrinsically to other wellbeing factors and understandably meant different things to different people:

“I was [restricted with spending] last year, but now for the last month or two when the sale of the property went through, so it’s only this short time I can now play mah-jong every Thursday now and a seniors’ lunch. I am slowly having things done to the house at my own speed. I have a number of events I attend and have dinners, fruit and veg shopping at the markets, I go to the movies, I’m happy with what I spend and I don’t want to just have lavish lunches when friends are on pension just having the friendships is important” (female, retired 18 months).

“We don’t have fancy clothes, or fancy car or fancy house but we live comfortably and happily. Without worries” (female, retired 6 years).

A lifestyle unconstrained by income limitations was also important.

“We do what we want. We travel when we want. We don’t need to spend more, as we spend what we want when we want and don’t feel restricted” (male, retired 10 years).

At a life stage when people have more leisure time, having sufficient income to enjoy life was a priority. Some chose to share their good fortune by spending on family members and helping others:

“I spend it on travel [and] on my grandchildren...I can afford that but otherwise...I spend what I need. I am conscious that if I pulled myself up, I could save a lot of money. No, I want to enjoy it... I wanted to buy cushions for the house, so I worry about the costs and then go out and buy Laura Ashley. I ENJOY MYSELF” (female, retired 3 years).

“we don’t feel restricted... we have no debt, good super, [we’re] healthy and at this stage of our lives, we don’t need to spend more... my wife sends a lot of money overseas and we can afford to do that - we have two foster children which we spend money on” (male, retired 8 years).

Having enough to last

The uncertainty of whether retirement savings and investments were adequate weighed heavily on some survey respondents. A major source of perceived financial vulnerability was not knowing how long superannuation needed to last.

“one of the problems with spending more money [is that] it depends on how long you live. If I thought I was going to die in 5 years, then I should spend up big, but for a lot of people we don’t know how long we are going to live and that makes us a little bit more cautious” (female, retired 2 years).

“I had super...when [I] worked, then got [a] part-time job...the super wasn’t a lot but [I] managed to salary sacrifice... [It’s] going to run out at 80 and then [I’ll] just go on [the] Age Pension - [it’s] very insecure” (female, retired 1 year).

Generally, people were very unwilling to spend down their capital for any reason:

“At the moment I would be terrified to draw down on the super, I know we have a lot more super than most people, but we need it”(female, retired 20 years).

“I would try and avoid using capital, look at paying monthly fees [for aged care], I find I don’t want them to get their hands on my security if I can pay \$25k a year” (male, retired 12 years).

Some would rather go into debt if necessary and pay it off:

“Big bills, I have an overdraft with the bank and pay for it out of that and then pay that back gradually over the year. Saves using the capital” (male, retired 22 years).

“If I had to get on a plane I would use my credit card and pay it off as quickly as I could. Try and avoid super at this stage” (male, retired 10 years).

A few had resources to draw on outside of superannuation:

“If we did travel we would take it out [of] savings or another account. No consideration for taking it out [of] super. It’s untouchable as we need it to live” (female, retired 20 years).

“If I had to spend money it would come from savings and term deposit. I wouldn’t want to touch super for those things. That money in super, it seems foolish to spend on holiday” (male, retired 4 years).

And some (usually with defined benefit schemes) felt that they had more than enough to see them through:

“I’m comfortable because I am basically set up to live to 100 and have money left over” (male, retired 13 years).

“It will last longer than I will” (male, retired 13 years).

Peace of mind and security from a defined benefit scheme

Feeling financially comfortable was expressed by defined benefit recipients who placed a high value on the security, comfort and confidence provided by these schemes in retirement. Knowing that they would receive a fixed and regular income for the rest of their lives was very reassuring. In some cases, choosing the defined benefit option had been a conscious decision. For others, it was inbuilt into their public service benefits:

“I feel secure, I don’t feel concerned. I have a defined benefit pension” (male, retired 8 years).

“I am one of those lucky ones who have a defined benefit scheme which will pay me a pension for life...it is called the iron rice bowl. It was a scheme that was very good...so those that had them have done very well out of them. I worked hard for the government...and feel that I deserve this benefit” (male, retired 20 years).

Others also juxtaposed their good fortune in being defined benefit recipients with the belief that they had earned their financial security through hard work and service:

“I contributed to working for government very hard and feel that I deserved this benefit. It was long hours and hard work” (male, retired 5 years).

Reversionary benefits (where spouse continues to receive a regular income after a beneficiary's death) also contributed to the sense of financial comfort provided by a defined benefit income:

“....bulk of the income is from the defined benefit and small disability pension from DVA and it gives me great peace of mind....it will last longer than I will, the defined benefit pension I will pass on to my wife. She gets something like 80% if I die” (male, retired 16 years).

Respondents who also received income from superannuation compared the security of a defined benefit income with that of superannuation income:

My defined benefit will last my lifetime..... I would hate to see the super disappear (but) even if all my super disappeared I could live on my defined benefit as long as I had my house” (female, retired 3 years ago).

“....we feel that the property and defined benefit is secure but the other fund, super, is subject to market fluctuations” (male, retirement time unknown).

One important observation from statements about having ‘deserved’ such schemes is that they are part of the traditional culture of the public service and other groups, and might not have the same relevance to those coming into retirement from more diverse backgrounds.

Ambivalence about financial security: simultaneous experience of confidence and uncertainty

When talking about their financial security, some respondents wavered between confidence and uncertainty that their income was adequate for the future. The question of whether superannuation would last long enough was one of the main sources of ambivalence:

“...it's a difficult call, well I suppose it is secure but who knows, fairly confident but not very confident, it will last a while” (male, retired 4 years).

Even when feeling confident, hope rather than certainty was expressed about the future:

“...primarily super [income source] and it is secure and has done well we feel confident it is secure.....we can only hope” (female, retired 6 years).

One respondent framed financial security in terms of average life expectancy and felt funds could last to 84:

“It will last based on what is in super and what type of return can expect, I’m 72 and life expectancy, it has to last to 84 and that’s without interest, based on that it will last”

However, he was not confident he would have adequate income if he lived to 95 “at the current rate of spending” or comfortable overall with his financial situation for retirement:

“I should be [confident] but we are always uneasy, I suspect we have enough money” (male, retired just over a year).

Self-efficacy and feeling financially secure

Taking an active role in planning for the future contributed to people’s sense of financial comfort:

“This money will last us for years to come as I manage it. I have a large share portfolio and if the share market goes down, then everyone goes down and when it goes up everyone goes up with it. I am confident in my management of the fund and have been in the share market for a very long time and have rode out the ups and downs” (male, retired 10 years).

“...we feel that we have ample to live on and planned on this 40 years ago and I feel that I worked out how to live in retirement. I did some seminars years ago and it gave me an idea of how the financial system worked” (male, retired 13 years).

“We do well because we are careful and have done a lot of planning. I have a theory you can retire on a certain money, as long as you know what you are doing” (male, retired 12 years).

“...overall I am happy. I have worked very hard to get to the position I have, and I have planned it” (female, retired 3 years).

These comments also highlight the positive outcomes for retirees of long-term financial literacy and the subsequent sense of control over their financial wellbeing.

Living within means and accommodating changed circumstances

Older Australians value personal independence and the need to live 'within one's means'. This requires having cashflow greater or equal to expenditure regardless of increases in the cost of living. Living within means was considered an essential component of financial comfort and wellbeing by respondents:

"I've always lived on a budget and live comfortably..... I still believe in budgeting, wise spending, but I don't feel restricted".
"People who are retired re-evaluate priorities and where you are willing to spend the money" (female, retired 2.5 years).

But for many, the income they receive in retirement may be less than they were used to in the workforce and lifestyle expectations may need adjustment:

"I've had to develop a different attitude to spending compared to when I was working. I didn't consider the costs when I was working as I had a high income. Now I have to consider the costs as we have less disposable income now.....we are happy with what we are doing and what we have got" (male, retired 6 months).

"well I would like to have more to spend but it doesn't really concern me because you live within your means and you just get used to it and don't worry about it"(male, retired 7 years).

For some respondents, managing to live within their means was more challenging. Those who depended primarily on the aged pension were often women and clearly felt limited in their lifestyle options; they struggled in comparison to the majority.

"I try not to pay full price for anything because I can't afford that. If I can't afford it, I go without. You are scrimping all the time. It is not adequate... I'm very aware of what I am spending, I have to justify everything that I spend really. I'm pretty disciplined, I would probably like a bit more money free, because I have family in New Zealand and I would like to pop over and see them. I would like to be more spontaneous with my spending. If anything happened to family, I would probably have to put it on credit card, and there is a cost to pay it back" (female, retired 5 years),

"At the end of the month, like things like car insurance, contents insurance, and I find it difficult.....sometimes I have to refuse invitations when it is not feasible" (female, retired less than 1 year).

“I’m limited [in] what I can afford, I prefer to do more, especially travelling, yes I’m feeling restricted due to income....yes, I would like to spend more” (female, retired 3 years).

When income included the age pension in conjunction with other income sources, it provided a sense of financial security and the associated discounts and allowances were very welcome:

“The benefit of the age pension is that we get rates cheaper and other benefits which are good” (female, retired 10 years).

“I didn’t budget on getting old age pension, it makes up 40% of income, and it has been invaluable and the benefits which come with that” (male, retired 12 years).

Expectations that expenses decrease with age

Some respondents acknowledged their retirement lifestyle had enabled them to live more economically:

“[Now] I would spend less because you don’t have to buy clothes all the time for work. As for food and stuff, I spend more time cooking, all those things are savings. We have a vegetable garden and when we were working we didn’t have time to do this. You put time into thinking about what to spend your money on now. We don’t go out as much, when working, I was always going out and travelling which I don’t have now” (female, retired 12 years).

A common theme in respondents’ comments on their spending was that the older people get, the less they want to travel or eat out, buy clothes or engage with lifestyle activities, so spending was expected to decrease.

“The older you get you probably spend less. You won’t be doing as many trips and not eating out as often” (male, retired 8 years).

“I think that 80-81 even if you are quite functional, I don’t think you want to spend money or go out” (female, retired 3 years).

“One day I will be old and then I probably won’t spend as much so that’s the theory” (female, retired 16 years).

Current health issues were acknowledged as affecting the cost of living:

“I spend my money on medical bills, [the] condition I have is [an] expensive condition. I am restricted by health as to what I can spend money on” (female, retired 10 years).

But potential future health costs did not appear generally to drive spending expectations. There were a few notable exceptions. For example: a woman whose husband had dementia. She highlighted the cost of the additional activities he was undertaking with Alzheimer’s (Dementia) Australia and the additional cost of internet subscriptions and technology.

“Another thing is we have different expenses as my husband does lots of activities with Alzheimer’s and we have more costs. Internet access, now we have smart phones and a computer, regular subscriptions add up and nothing drops off” (female, retired 20 years).

Aged care – a financial problem for the future

When talking about money for aged care, respondents felt anxious. Some mentioned they would only think about it when necessary and had not made plans:

“We don’t know what we would do because the laws/ regulations change so not sure what we would do really, have to have a look at it at the time” (female, retired 22 years).

“Aged care we haven’t planned for it as you don’t have much say in it. ACAT make the assessment and tell you where to go. I’m wary of it from financial point of view, ACAT makes sure they get everything off me but I think have it covered. I haven’t talked to financial planner about it and ACAT assess you and then they take the whole lot” (male, retired 13 years).

“Aged Care: I keep rejecting it, I haven’t given it any thought. I would try to stay in the home” (female, retired 18 months).

Selling the home was the go-to solution to funding aged care in the future for many:

“I think that definitely we would have to sell it [the home], if not for my husband, then for myself. Not important to leave anything or anyone,” (female, retired 20 years).

“Yes, I will need money for aged care down the track. Well, if I was the last one left, then a pretty fair chance, then yes I would sell the home” (male, retired 13 years).

Although some were keen to leave their property to family:

“Yes, I certainly would like to leave money to son and grandchildren..... The selling of family home or investment property would not be first option” (female, retired 3 years).

Most people who spoke of selling their home and/or using other assets assumed these resources would be adequate to fund their future care needs. A minority of respondents mentioned they had actively sought out information on aged care costs and the rules surrounding funding of residential care:

“We know we will need about \$500k to go into aged care and we are currently getting some advice on how to do that. If one of us still lived in the home we wouldn’t sell it if one needed somewhere to live. We may look at a reverse mortgage to pay the bond or cash in some super. I don’t know which. If both of us went into aged care, yes we would sell the house” (male, retired 13 years).

“Yes, I would plan to sell the home for that if no one is living in house. But because of the complexity of the rules we need to talk to a financial planner for that. We went to a Perth information session [on aged care] which was helpful. You have to actively manage your retirement” (male, retired 1 year).

DISCUSSION

Comfort is perceived relatively

Living comfortably is high on the list of goals for people thinking about retirement, and this priority continues into retirement. The key to this is having the resources to afford the desired level of comfort. Groups like ASFA have calculated asset levels required to have a comfortable retirement. While such indicators are helpful, this study found that levels of comfort were assessed relative to personal values and social group with some respondents feeling they were doing better and some doing worse than their friends. Comfort wasn’t simply defined by a number. People may also, by choice or by misadventure, lower their consumption as they age and find a lower, acceptable level of comfort.

High preference for regular, constant income that lasts for life

Our surveys consistently show there is a high preference for regular, constant income (like a wage) and for income that lasts for life. In our previous report,⁴ 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. The only goal with a higher “very important” rating was a desire for regular and constant income, which 84% rated as very important. It was not a surprise then that in the follow-up interviews, those in defined benefits schemes experienced higher levels of security than those in accumulation schemes. The recipients highly valued them and felt secure compared to those ‘gambling’ in the stock market. This situation of comfort supports the plan for people at retirement to have access to pooled lifetime income products that protect their income levels for their entire lifespan. It should be noted that those who had less generous defined benefit pensions were still concerned about maintaining a comfortable income over time.

⁴ <https://nationalseniors.com.au/research/finances/once-bitten-twice-shy-gfc-concerns-linger-for-australian-seniors>

Secured income streams

It is worth noting that annuities remain under federal government consideration as per recommendation 22 of the Henry Taxation Review. In the 2018 budget, the Government announced the Retirement Income Framework, intended to increase individuals' standard of living in retirement, increase the range of retirement income products available, and empower trustees to provide members with an easier transition into retirement. Through this framework, the Government is aiming to increase the efficiency of the superannuation system and focus the superannuation industry on providing income to members in retirement.⁵ The art will be to translate the good consumer experience of defined benefits into an available product from accumulated funds. We cannot assume that a product offered at retirement to people from diverse backgrounds will have the same meaning as it currently has to a senior public servant or university professor who lived their working lives with this expectation.

Health and uncertainty

Those with a defined benefit simultaneously expressed confidence and uncertainty in interviews, even when they also held other assets. They didn't know what the future holds and some were concerned about their health status and the associated costs. Without income stability people were more exposed to the share market and its fluctuations, particularly with the experience of the Global Financial Crisis clear in their memories.

Financial comfort for women

Women, especially older retired single women, were less likely to express confidence in achieving a comfortable retirement. Women compared to men were especially concerned that their inadequate savings would mean they would outlive their resources forcing them into hardship. Women were more likely to have fewer retirement investment assets than men because of intermittent participation in the workforce due to raising families, divorce, demands on finances including raising families as single parents, low paid employment and limited super. Older women without a partner especially are doing it tough, having entered the workforce before compulsory superannuation and leaving without sufficient superannuation reserves. When asked if they regretted not putting more money aside for their retirement, over a third of respondents who answered this question reported that it wasn't an option for them, and of these, more than 70 per cent were women. The issues for women in the older generations who did not have access to superannuation are well known, but solutions to their financial security are few and far between and generally expensive to the public. Defined benefit schemes reported here also tended to have benefits that revert to a surviving spouse which are one of the few protections for women in later life who outlive their spouses. Given that women appear to be more concerned about outliving their retirement savings, in-built reversionary benefits could particularly benefit partnered women with reduced lifelong earnings who find themselves dependent on their partners in retirement.

Aged care services missing

Whilst people were concerned about meeting future costs of health few had planned for meeting aged care costs and assumed such costs would be covered by selling their home. This is consistent with previous survey work⁶ where negativity about aged care services drove them 'out of mind'. It remains the case that, whether attractive or not, having the resources to purchase better aged care will make for a better later life. This gap will not be addressed until more positive attitudes are generated around aged care. This is one area where it is very likely that considerable expenditures will be required to have a comfortable old age, but they are not being actively considered.

⁵ <https://treasury.gov.au/programs-and-initiatives-superannuation/retirement-framework/>

⁶ <https://nationalseniors.com.au/research/finances/hope-for-the-best-plan-for-the-worstquestion-insights-into-our-planning-for-a-longer-life>

Confidence with age

An interesting finding of the study was that older people with potentially diminishing income and assets were less worried about funding their future. People aged 50-59 were most worried about outliving their savings while those aged 80+ were the least worried, possibly because they are approaching or have exceeded average life-expectancy. This finding is worth further study. Fewer reasons to spend and having adapted to a less expensive and more frugal lifestyle with lower living standards may also be important factors. Other respondents were enjoying a 'sweet spot' in their later life which they felt they had earned and were enjoying their freer life. Some reported that they lowered their consumption level as they aged and to maintain their asset levels. However, it is unreasonable and ageist to expect people to lower their living standards simply because they are getting older.

CONCLUSION

Retirees with a defined benefit pension report experiencing a sense of comfort and security about their future. This confirms the importance of policy solutions to provide comparable options in retirement, for those who are not in a defined benefit scheme. Uncertainty still exists, however, about the effects of ill health on financial comfort and the security of other income sources. People's feelings were relative to others in their known groups and comfort levels may not be reflected by a 'one size fits all' approach to defining the required savings for a comfortable retirement. The retirement income reforms need to remain on the agenda and in particular focus on how retirees' individual needs may be best met. It is clear from our earlier research that the 10-year instability in retirement income policy is itself having a major impact on comfort levels. These issues need to be settled and expectations stabilised so that choices can be made with greater clarity.

APPENDIX 1: THE AUSTRALIAN RETIREMENT INCOME SYSTEM.

Australia currently has a '3 pillar' retirement income system comprising of:

- A publicly funded means tested Age Pension (and/or other Government Income Support);
- Compulsory savings through the superannuation guarantee arrangements; and
- Private savings made on a voluntary basis supported by tax concessions along with government support for lower income earners.

Age Pension: The Age Pension is a safety net for older Australians who meet certain eligibility requirements. Currently the minimum age requirement is 65 years and 6 months for new applicants and is progressively rising to 67 years. The means testing comprises of an Assets Test and an Income Test and whichever test results in the lowest payment is the one that applies. This process is conducted for both the initial and the ongoing assessments. Pension supplements are added to the payment.

Along with the level of assessable assets and income, the rate of payment varies according to the personal circumstances of the applicant/recipient. These variables include whether the person is partnered or single and whether they own their home or are renting. Rent assistance may also be available. A Pensioner Concession Card, which offers a broad range of discounts, is provided with the Age Pension. Discounts can apply to utilities, public transport, council rates and medical costs.

Superannuation Guarantee (SG): The 'Superannuation Guarantee (Administration) Bill 1992' was introduced on the 2nd April 1992. Essentially it provides an obligation for employers to pay a percentage of their eligible employee's wages into superannuation. The current percentage rate is 9.5% and is progressively rising to 12% by 2025/2026. Not all individuals in the work force receive SG contributions, for example employers aren't obliged to pay the SG to employees who earn under \$450 in a calendar month. Others that don't receive the SG include self-employed and contract workers, however, 'tax deductible' concessional contributions are available.

Private and voluntary savings: Individuals can save for retirement voluntarily using the superannuation system as well as through non-superannuation investment vehicles. There are a number of ways individuals can contribute to superannuation and these contributions fall into two categories, 'Concessional' and 'Non-Concessional'. Tax concessions are provided as an incentive for individuals to voluntarily contribute and direct support is offered for those with income under certain thresholds.

Superannuation in the accumulation phase

Generally, there are two types of superannuation funds, they are commonly known as 'Account Based' funds and 'Defined Benefit' funds. The superannuation system has strict regulations in place such as preservation rules, a sole purpose test, age limits and caps on contributions to name a few, to ensure the proposed objective of superannuation is achieved: 'To provide income in retirement to substitute or supplement the Age Pension'.

Account-based accumulation funds: These are the most common type of fund available today. The end benefit to the member is determined by the amount of money contributed and the earnings and growth of the assets (less fees/costs) that the investment is exposed to. They can be professionally managed on behalf of the member or be self-managed.

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Characteristics of accumulation style funds include:

- A choice of investment assets ranging from income (defensive/conservative) style assets to growth (aggressive) style assets may be available;
- Market performance and fees/costs affect the value of the fund;
- The types of assets the fund is exposed to determines the level of potential risk;
- They generally offer flexibility in changing asset allocation;
- They can accept various contribution types;
- Members can see the value of their fund at any given time (subject to updated asset valuations).

Defined benefit funds: Defined benefit funds were mainly available to government and certain corporate employees from earlier years. They have been phased out in favour of accumulation style funds. The end benefit for the member is determined by a set formula and may take into account factors such as contributions, length of service from the member and their salary level upon retirement.

Characteristics of defined benefit funds include:

- Generally, no choice of investment style or assets are available to the member.
- There is no direct risk to the member. The risk is carried by the employer or the fund.
- They are generally only available to government or corporate employees who still offer these funds. They are not available to the general public.
- A part of defined benefit pensions may be subject to tax with varying rates before and after age 60.

Accessing superannuation benefits – the payment phase

When the member reaches a condition of release they have a choice of options from cashing out the funds to purchasing income streams or a combination of each. Income streams can include Account Based Income Streams (ABIS) and Annuities.

The default option of most defined benefit schemes is an indexed income stream for life. A lump sum or combination of lump sum and income stream may be available.

Retirement Income stream options –

ABIS's:

An ABIS is a means of creating a regular income, comprising capital and earnings, payable directly from money held in a personal superannuation fund. Characteristics include:

- A choice of investment assets ranging from income (defensive/conservative) style assets to growth (aggressive) style assets may be available;
- Market performance and fees/costs affect the value of the fund;
- The types of assets the fund is exposed to determines the level of potential risk;
- They offer flexibility with regard to drawdown amounts and lump sums can be accessed;
- Minimum drawdown amounts apply;
- They can accept various contribution types;

- Members can ascertain the value of their fund at any given time (subject to updated asset valuations);
- Tax concessions are available. Earnings and payments are tax exempt if the member is aged 60 or over;
- They are included for assessment for the age pension means test;
- Reversionary beneficiaries may be nominated.

Annuities –

Annuities are income stream products purchased with a single lump sum of money which return the earnings and in some cases the capital and earnings in a structured regular manner over an agreed period of time. Immediate annuities can be purchased with either superannuation or ordinary money.

Characteristics include:

- Payments are guaranteed by the provider;
- Members have a choice of investment terms, including payments for the rest of the member's life;
- Payments can be indexed;
- Tax concessions are available. They are tax exempt if the member is aged 60 or over;
- Annuities are not subject to market fluctuations or market risks;
- Reversionary beneficiaries may be nominated;
- Access is limited once commenced;
- They are included for assessment for the age pension means test.

Defined benefit pensions –

Defined benefit pensions pay the benefit to the member with set payments, guaranteed for the rest of their life.

- Payments are guaranteed by the employer/provider;
- Reversionary beneficiaries may be nominated;
- Payments are made for the life of the member (or to a reversionary if nominated);
- Payments are indexed;
- They are not subject to market fluctuations or market risks;
- No lump sum can be accessed once commenced;
- They are included for assessment for the age pension income test and concessions may be available but there is no asset value for the assets test;
- Payments receive concessional tax treatment.

APPENDIX 2: SAMPLE CHARACTERISTICS

Demographic characteristics

The demographic characteristics of the study sample, as compared to previous surveys, is presented below. Similar to previous years, the 65-79 age bracket had the most respondents (59.3%), more women than men responded (57.0%), and more people from Queensland responded than any other state (42.4%). Most respondents were not in the paid workforce (73.4%), the most common marital status was married/de facto/living with someone (62.7%), and most respondents were born in Australia (76.5%).

Table 1: 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	42.9
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

	2012	2013	2014	2015	2017	2018
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%	

Table 2: Characteristics of the interviewed sample compared to those who declined interview (N contacted for interview=128)

	Agreed to interview	Contacted but did not agree	p-value
Age (mean, SD)	72.9 (3.0)	74.2 (3.1)	0.04
Gender (% female)	16 (50.0%)	42 (44.7%)	0.60
Living arrangements (% living with partner)	18 (56.2%)	46 (48.9%)	0.48
Years of education (mean, SD)	15.6 (5.5)	14.9 (5.2)	0.51
State			<0.01
	NSW 3 (9.1%)	21 (22.1%)	
	QLD 9 (27.3%)	34 (35.6%)	
	WA 5 (15.2%)	16 (16.8%)	
	ACT 8 (24.2%)	12 (12.6%)	
	VIC 2 (6.0%)	11 (11.6%)	
	SA 1 (3.0%)	1 (1.1%)	
	TAS 3 (9.1%)	0 (0.0%)	
	NT 2 (6.1%)	0 (0.0%)	
Savings and investments at retirement			<0.01
	100-200K 5 (15.2%)	24 (25.3%)	
	200-300K 4 (12.1%)	25 (26.3%)	
	300-500K 2 (6.0%)	19 (20.0%)	
	500-750K 5 (15.2%)	9 (9.5%)	
	750K-1.5M 14 (42.4%)	10 (10.5%)	
	more than 1.5M 3 (9.1%)	8 (8.4%)	
Consult financial adviser re. retirement information	22 (66.7%)	64 (67.4%)	0.94
Worry about outliving savings			0.05
	yes frequently 0 (0.0%)	15 (15.8%)	
	yes occasionally 17 (51.5%)	46 (48.4%)	
	I used to but not anymore 2 (6.%)	12 (12.6%)	
	no 12 (36.4%)	19 (20.0%)	
	can't say 2 (6.0%)	3 (3.2%)	
Preference for investing retirement savings			0.34
	regular and stable income 29 (90.6%)	79 (84.0%)	
	higher level of average returns 3 (9.4%)	9 (9.6%)	
	don't know/can't say 0 (0.0%)	6 (6.4%)	

Preference for income stream in retirement			0.18
potentially higher income	6 (18.2%)	8 (8.5%)	
income that lasts for life	26 (78.8%)	77 (81.9%)	
don't know/can't say	1 (3.0%)	9 (9.6%)	
Preference for variability of retirement income			0.04
fixed	10 (30.3%)	25 (26.3%)	
can vary	17 (51.5%)	36 (37.9%)	
highly variable	5 (15.2%)	9 (9.5%)	
don't know	1 (3.0%)	25 (26.3%)	

APPENDIX 3

Logistic regression

Multivariable model of variables associated with worrying about outliving savings

```
. logistic worry agegrp health gender sav500 house_val
```

Logistic regression	Number of obs	=	3,088
	LR chi2(5)	=	199.35
	Prob > chi2	=	0.0000
Log likelihood = -2019.7316	Pseudo R2	=	0.0470

worry	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
agegrp	.6791636	.0324073	-8.11	0.000	.6185261	.7457457
health	1.351917	.0716994	5.69	0.000	1.218446	1.500009
gender	1.382466	.1069561	4.19	0.000	1.187956	1.608824
sav500	.5765587	.04643	-6.84	0.000	.4923758	.6751346
house_val	.9627703	.0278453	-1.31	0.190	.9097126	1.018923
_cons	1.551814	.37185	1.83	0.067	.9702251	2.48203

Note: _cons estimate baseline odds.

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McCallum, J. & Rees, K. (2017) *Consumer Directed Care in Australia: Early stage analysis and future directions*. Brisbane: National Seniors (published 18/8/17).

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CURRENT NATIONAL SENIORS CAMPAIGNS

Fix Pension Poverty

This campaign is being undertaken in partnership with the Benevolent Society, Australia's oldest charity. The campaign draws attention to the significant poverty issues facing disadvantaged pensioners. The campaign is calling on government to create an Independent Age Pension Tribunal to set the pension rate. It is also calling for: increases to Commonwealth Rent Assistance; the introduction of a subsidy to assist older people to access the NBN or alternative internet service; and greater assistance to enable pensioners to meet the high cost of dental.

Energy Affordability

This campaign is working to cut energy bills for older Australians. The campaign is focused on reducing cost of living pressures caused by rapidly increasing energy costs. The campaign called for the creation of a regulated price for electricity, which is being created through the new default market offer for electricity. The campaign has also called for continued access to the Energy Supplement for new pension recipients and for the reintroduction of indexation for the Energy Supplement to ensure it adequately meets changing energy costs.

Better Housing

The Better Housing campaign focuses on improving housing options for older Australians. It encourages downsizing as a means of enabling older Australians to live in housing that is more suitable to their needs as they age. The campaign is currently calling on government to remove barriers to downsizing, including exempting downsizing proceeds from the pension means test for those with limited assets. It will also advocate for senior's stamp duty concessions, increased supply of accessible housing and for planning laws that encourage housing suited to older people.

Aged Care Quality

This campaign promotes the ongoing need for reform in the aged care sector and acts as a means of collating public input into National Seniors activities relating to the Aged Care Royal Commission. The campaign is currently gathering stories and feedback from members and supporters about their personal experiences of aged care. These stories will be used to inform any future submissions to the Aged Care Royal Commission.

Franking Credits

This campaign has been established in direct response to a proposal to remove franking credit refunds. The campaign seeks to promote a fair retirement system with consistent rules, one that continues to encourage self-reliance and self-sufficiency in retirement.

National Seniors

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