



Older People's Voices:
Qualitative Research with New Zealanders Aged 65 or Older

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Executive Summary

- A series of six online or face-face focus groups were run with people aged 65+ throughout New Zealand in May 2022 to provide insights that support to the 2022 Review of Retirement Income Policies.
- Most participants experienced life-shocks or financial drains at some stage in mid-life, but some experienced more, or they were more severe than for other people, consequently impacting on financial wellbeing later in life. However, financial planning and resources played a buffering role.
- While life shocks and financial drains of course existed prior to 2020, a number of events have combined to amplify the impact of these (e.g., the pandemic, the war in Ukraine, inflation) and reduce the buffering effect of savings/investments (since income streams are smaller). Indeed, for some, capital is now being used in lieu of income. Cost-of-living increases were raised in all the focus groups.
- For most, the impacts are currently reflected in *quality* of living, but there are a portion of older New Zealanders who are now experiencing a negative impact on *standard* of living. Some people don't have the financial resources to begin with, even before a life shock hits. Several participants indicated they were now going without medical, food, transport and power (although it is not known whether they are accessing all financial assistance available), and NZ Super is essential for these people. As such, there appears to be an increasing division between 'have's and have not's' in this age cohort.
- Among participants, KiwiSaver is of help to those who contributed to it, but some people have withdrawn all their funds to avoid what they perceive to be administrative hassles.
- Property and investments are currently particularly important for providing a sense of security, comfort and choice. For homeowners with investments and other property, the recent volatility appears to have had minimal impact. In contrast, renters expressed some apprehension because they didn't have equity in their home to buffer life shocks or financial drains. Some people had always rented, although there were a number of renters who had owned homes in the past, but no longer did for one reason or another. Homeownership in a person's 50s does not guarantee homeownership later in life.

Implications

- Encouraging and supporting people to consider the long-term consequences when making significant life decisions is recommended for financial, legal, and education providers.
- Homeownership plays a significant protecting role, but those expecting to downsize will need advice and planning on how this can be done well before they intend to sell their home to ensure a successful transition.
- It is important that older people are given assistance to ensure they are aware of, and able to access, any allowances to which they might be entitled. There may also be a need to review eligibility requirements for various benefits/allowances.



Life at 55

Live day-day

Financial instability, apprehension, less likely to own their home, may have fewer financial resources to begin with:

Foreboding future

Live for today

Some financial freedom but unengaged with planning, 'spenders not savers', likely to be home owners

'She'll be right'

Live for tomorrow

Savers, stable, financially independent & engaged, likely to be home owners

Cautious optimism about the future

Life Shocks & Financial Drains

- Redundancy
- Health issues (self or others)
- Relationship issues / divorce
- Building problems / earthquake (Chch)
- Children: first home / education
- Poor financial advice/ decisions
- Caregiving duties (parents, partner, children): mainly women
- Issues with debt
- Low returns on investments
- High rents, large mortgages

Living in 2020-2022

- Pandemic
- War
- Cost-of-living crisis
- Inflation
- Market volatility
- Ongoing health sector issues

NZ Super

Buffered by:

- Additional government allowances

Buffered by:

- Home ownership
- KiwiSaver
- Savings
- Investments
- Property
- inheritances

Life after 65

Distressed

Hand-to-mouth, standard of living has been impacted negatively (e.g. doing without the essentials of heat, food or health, social isolation), have to work if possible, need advice to ensure they can access all assistance they are entitled to.

Exposed

Eroding nest eggs, concerned about outliving funds, quality of living has been impacted negatively (socialising, hobbies, travel).

Depending on income may need to work.

On Track

Comfortable, freedom to spend and live as they wish, financial growth, may work by choice, little impact on quality of life.

Widening gap of have's and have not's

Introduction

Every three years, the New Zealand Government releases the [Terms of Reference for a Review of Retirement Income Policies](#). Although not directly informing any specific Terms, understanding life for New Zealand's older citizens is of considerable importance when developing recommendations in the 2022 Review.

We wanted to understand people's lived experiences in detail, so a qualitative approach was deemed appropriate. Six focus groups were conducted to gain an in-depth insight into the lives of people aged 65 or older in New Zealand, with an emphasis on their financial situation. Bearing in mind ongoing disruptions due to COVID-19 restrictions, a mixed methodology approach was used, via both in-person and online focus groups. The approach allowed the involvement of people with mobility issues, those who were apprehensive of being in proximity with others, as well as those living in disparate or remote areas of New Zealand. Focus groups were used rather than interviews because we wanted people to share their experiences with others in a similar situation as well as gain insight from each other. Our observations of focus groups around this topic are that people leave the conversations with a sense of 'not being alone', new perspectives, and new information that can help them in their lives.

Topics of interest included:

- identification of sources of income and items of expenditure
- potential areas of uncertainty or anxiety about finances during retirement
- experiences foregone due to financial pressures or desire to leave a bequest
- how budgeting and spending habits developed in earlier life influence decumulation (and accumulation) in later life
- reflections on actions taken (or not) that led to perceived good or poor financial outcomes, including the underlying reasons/motivations for those actions
- use of, and experiences with, financial advisors (and other sources of information)

While finances were discussed, the aim was to gain a general understanding, rather than explore finances in detail. However, participants were encouraged to complete homework (an estimate of monthly expenses and income) to ensure they had given their finances some thought before attending. Participants were not required to share their homework, but a number were willing to provide quite detailed breakdowns with the research team at completion of the focus groups.

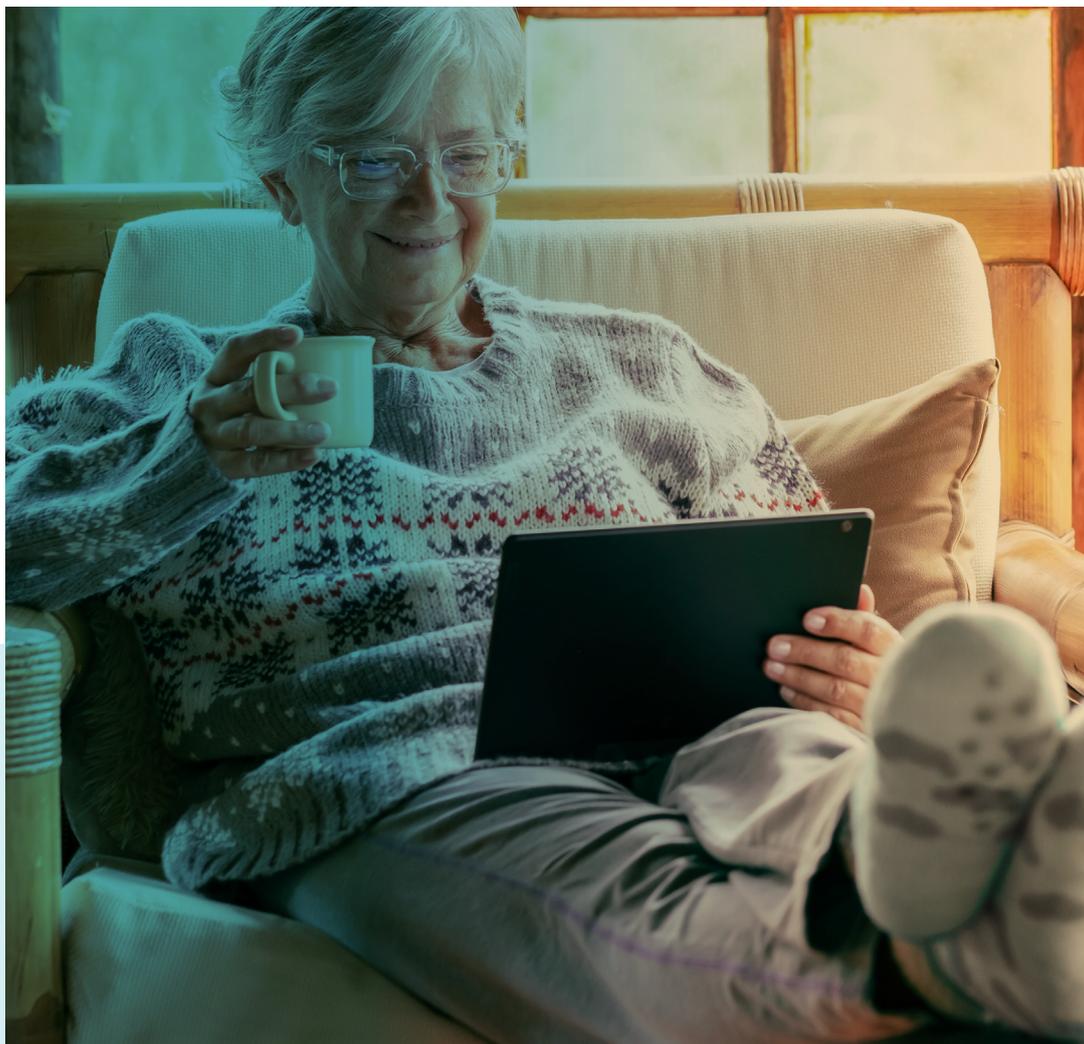
Three of the focus groups involved people with an annual household income (including wages, dividends, pensions, rental etc) under \$50,000; the other three involved those with a household income over \$50,000 p.a.

Beyond income, focus groups were composed to ensure diversity of opinion and experience. Further demographic details of participants are contained in Table 1.



Table 1.

		n=			n=
Gender	Male	19	Household income	Under \$30,000	6
	Female	17		\$30,000-\$49,999	12
Age	65-69	16		\$50,000-\$69,999	6
	70-74	10		\$70,000-\$99,999	10
	75+	10		\$100,000+	2
Ethnicity	NZ European	25		Region	Auckland (x 2 groups) [in person]
	Māori	7	North Island Regional (x 2 groups) [online]		11
	Pacific Peoples	2	Christchurch [in person]		5
	Asian	4	Dunedin [in person]		5
	Other	4	Total		36



Pre-Retired Life

Following introductions and a warm-up exercise, participants were asked to imagine themselves back when they were 55-60 years old. They were asked to write down (or draw a picture of) their living situation (did they own their home, who did they live with, etc), what they were doing for money, and what their perspectives on the future were at that time. Understanding this time in the participants' lives enabled us to examine how behaviours at that time impacted on their current life and explore aspects they were pleased with or would change if they could.

Working life

Many experienced challenges during this time. Some were trying to grow a business, or were at senior levels of the company, often experiencing long working hours, significant travel or a great deal of stress.

Others moved between jobs frequently or had experienced recent redundancy.

Still others (women participants only) were stay-at-home parents or working part-time while caring for children or parents.

Homeownership

At this age, a few had paid off their mortgage, but for most homeownership participants, this was a time to make a concerted effort to get rid of the mortgage. Depending on the current age of participants, some were dealing with significant interest rates, with a couple of people mentioning rates of around 20%.

Others were still renting or were moving around (either between countries or cities).

Several women (and one man) mentioned living with a partner who owned the home they lived in. Following dissolution of the relationship, they were left without any property they owned.

In contrast, some of those who were in the higher income brackets were investing in property as well as paying off their own home, with the aim establishing passive income later in life. A couple of people had received inheritances from parents by this stage and these were used to buy property in order to set themselves up for retirement.

Alternatively, some participants were planning to downsize their home, or subdivide their property to free up funds for 'retirement'. These activities did not relate to whether a person was in a relationship at the time, with several participants doing this on their own.

*I got made redundant five years earlier, I'd been there 20 years and back then we got pretty good pay-outs, a bit over \$100,000, so at that time I bought three flats in Mt Eden, and I would have paid \$150,000 for the three of them, and interest rates were relatively low at that time. I had a struggle for a while but then sort of came right. I've worked casually ever since then. But I got a bit of confidence in dealing with these three flats. Then I bought a two-beddy in the North Shore and then a share in commercial. I'd been divorced and have been since, and so haven't shared my income with anybody and I'm pretty comfortable now.
[male, Auckland]*

In Christchurch, the earthquakes had an impact on a couple of participants. For one man, he and his wife had received a good pay-out and were able to buy a new house elsewhere. For one woman who had been living on her own, the earthquakes had caused instability in her apartment, and she had subsequently experienced a great deal of stress trying to get compensation.



Saving to invest in the children

During this stage in their lives, those who had children were experiencing a freeing up of time and emerging sense of freedom as their children left home. However, this didn't always translate into financial savings. Child-related expenses could be significant, and included university fees, contributing to marriages or gifting early inheritances to enable home ownership. Participants often referred to 'investing in the children (and their future)':

Travel

For those in a position to do so, travel was starting to play a role for a number of participants by the time they reached 55. Based on the focus groups, travel appeared to be more prevalent among those participants who are now in a lower income situation. For these people, travel may have come at the expense of building nest-eggs or setting up investments. For instance, if the mortgage had been paid off, the extra money could have been spent on growing funds, but was instead used on travel.

However, even though it impacted on their savings behaviour and future financial comfort, some of these participants said that travel was something they were grateful they did (even in hindsight).

Health

This was an age where health started to be an issue. Some participants were in good health and took it for granted. For others though, poor health made an appearance, either for themselves or for those close to them. This impacted on their ability to work, often requiring them to change jobs, reduce hours, or go on Government benefit which subsequently reduced the opportunity to earn money and build savings at a time when this needed to be maximised.

Of note, looking after others (parents or ill partner) was only something mentioned by women, highlighting the disproportionate load, and consequent barriers women face in terms of adequate preparation for retirement financially.

I was working in a rest-home, very demanding job but I loved it, and was also looking after parents who were very ill and that took a lot of my time. We had a difficult time when the kids were young, so once we got to the point when we had some extra cash it was for us to do things we wanted to do. It was lovely, but then health issues came along and I had a heart attack at 51. So I had to give up my job at the rest-home. Then we got this job here, but my husband got sick, and I needed to look after him. I'm lucky I have this job where I live on-site but I worry about what will happen when I can't work anymore. [female, NI regional]

I was working all hours of the day... I'm ego driven, and I'm a feminist. I wanted to prove that a woman could work at a really good level. I never wanted to show any sign of weakness. At 58 I had a mental breakdown. Our financial story is hell. We were going to do a development and the crash happened and we lost half a million dollars. We lived in a caravan for a few years, you work your arse off and not have a life at all, and just work. And gradually claw your way up. We are ok and in a good place now. But I'm glad I'm not working now because it came at a hell of a cost. [Māori, female, NI regional]

Relationships

Instability of relationships could have the potential for considerable disruption, particularly for those who relied on their partner for support. When the relationship ended, the participants no longer owned their home and had to start over. If this occurred later in life, the impact was significant because there was little time to get back on the ladder and pay off their mortgage.

Those who remained in stable relationships were able to pay off mortgagees and start putting money into property / investments and savings. However, even here there were instances of unfortunate financial decisions or circumstances impacting on equity of the home, but at least as a couple the impact could be carried by two people instead of on their own.



Attitudes towards money: Broad types of 'Me at 55'

As expected, a range of attitudes towards money were revealed. Participants were split between what could be described as: 'living for today – enjoying life'; living day-by-day – surviving life'; and 'living for tomorrow', with many describing being torn between experiencing life now or being disciplined to save up equity and savings.

Lived day-to-day (surviving life)

This group tended to talk about:

- A 'spender' mentality – sometimes 'too' generous to family, friends
- Inability to think about future (a sense of foreboding), or a rosy outlook prior to something bad happening
- May not have been financially independent – reliant on others
- Unstable employment or unemployment, or low pay leading up to retirement
- No assets, renting, living with family (through necessity) OR, had been living comfortably but then something happened to disrupt them severely
- 'Life' happened...Health or relationship issues, or caring for others (divorce or ill health of partner)
- Unfortunate financial decisions – may feel they received bad financial advice
- Expectation of working well into 'retirement' (likely to be for financial reasons), but beyond that had thought little of what life in 'retirement' might look like or require
- Impact of others' behaviour on personal finances (e.g. hostile divorce, partner or child/parental debt)

'I couldn't see anything bad coming up, I thought it was probably pretty good' [female, Dunedin]

'We had something going and I thought it was going to work for both of us, my partner had a mortgage free house, but in the end, I think she thought I was going to be a liability and so that ended' [male, Dunedin]

'My partner paid all the bills, he gave me a weekly allowance...I was never able to manage money well, it was always the man who managed it' [female, Dunedin]

Lived for today (enjoying life)

This group tended to talk about:

- A 'spender' mentality so wasn't putting much money aside for the future
- Little thought for 'retirement'
- Relatively uninterested/unengaged in finances
- Little thought about 'what if'
- Likely to have been working, or with a partner who was working so had a stable income (some said they were on 'good money')
- Optimistic of ongoing good health, but foreboding about finances (head in the sand)
- Expectation of working well into 'retirement' (not necessarily for financial reasons) – optimistic that 'it would all work out', but little thought of any specifics
- May have assumed they'd have their home to support them in later life but didn't think through the mechanics
- Travel featured heavily



- Early bequests to children, or helping them out financially
- Unfortunate financial decisions or situations (bad advice, earthquakes, GFC)

'Business was going great, and we genuinely thought, once we retire, we'll sell the house and buy a campervan and just go travelling!' [male, Auckland]

'Me and my wife had good jobs and we earned a lot. But we didn't think much about retirement, we wanted to go travelling before we got too old. We didn't really put much aside though. We are now using the equity in our house – why not? It's our money...' [male, Auckland]

'I retired early and used the money from my pension to pay for my overseas trip and do up a house. But my husband didn't cope well while I was away so I had to go back to work as soon as I returned...in the end we sold our house and bought a flat. But we travelled around Europe and you can't have it all!' [female, Auckland]

Lived for tomorrow

This group tended to talk about:

- A 'saver' mentality: disciplined and careful
- Looked to the future, tried to make calculated decisions
- Life experiences and observations of parents influenced attitudes to money (parents are positive or negative examples)
- Took responsibility for educating themselves about finances, had some interest in money, or had a partner who was financially astute
- Likely to have been working / working hard
- Had a relatively stable, straightforward life
- Contributing to KiwiSaver or pensions
- Paying off mortgages
- Asset acquisition including property
- Investing in children (education) so they can stand on their own feet
- Cautiously optimistic about future (ongoing good health, sufficient savings)
- Had expectations of not working for pay past 65 unless they wanted to

'I had my properties, I was very busy in the business I was in. It was quite a stressful business. By that time I owned my own home and invested in properties and was fairly comfortable. I wanted to retire early, had my investments, and I wanted to travel. I had worked out how much money I needed to live on to retire.' [Asian, male, Auckland]

'I was saving for my future, but at the same time supporting my children in their education, then they went overseas. After that I just saved and invested.' [female, Auckland]

'I've always kept my savings up and worked to reduce any debt, and I had a rental property for income. I wanted to build a nest egg.' [male, Auckland]



Planning for retirement

The participants' views of an 'ideal retirement' were in keeping with previous research undertaken by Te Ara Ahunga Ora in 2021 (see the 2021 report [here](#)). Typical comments included:

- Being active and healthy
- Being with family
- Feeling safe and supported
- Being valued
- Getting social interaction
- Travel
- Mentally stimulated, learning new things, new experiences
- Having a sense of freedom and choice
- Doing hobbies, indulging in interests or passion projects
- Being productive / stimulated / contributing meaningfully
- Being debt free / mortgage free
- No stress

For those in the 'Living day-day' or 'Living for Today' groups, retirement didn't feature and few undertook any time planning or thinking about it.

However, among the 'Live for Tomorrow' group, behaviour prior to retirement included:

- Buying new appliances, doing expensive maintenance work so that there would be less likelihood of having to undertake anything expensive once they no longer earned a regular income;
- Buying investment properties, or subdividing their current property in order to either create a passive income or have funds that could be invested for further growth;
- Contributing to KiwiSaver, savings and investments
- Making a concerted effort to direct extra money into debt reduction, rather than spending it;
- Having discussions with their partner and/or children to clarify future goals and expectations;
- Making financial plans / calculations to assess likely requirements in the future, which served to make people feel more confident about what level of spending could occur each year.

Life after 65

Participants were asked about some of the good parts of being 65 or older.

Many participants talked about a new sense of freedom.

Travel

- Older participants have had the chance to travel and explore
- Younger participants have had travel curtailed by Covid

Time with family

- This was seen as very rewarding but it could be expensive: treats for the grandkids, travel to and from family homes
- *I'm more inclined to purchase stuff for my children or my nine grandchildren than I am for myself (Māori, female, NI regional]*



- *I was in a dark place, but then my great-granddaughter came along and she just rocked my world [Māori, male, NI regional]*

Volunteering

- Highly rewarding: particularly social connection, but also a sense of doing something meaningful, something to be proud of.
- It also served to keep the brain active.
- *I am involved in about 15 organisations, that keeps me occupied. I didn't want to retire but I reached 75 and they said they were going to restructure the company, after I'd been with them for 32 years [Asian, male, NI regional]*
- *It gives you freedom: you can do it when it suits you, and you can learn things, about things I'm interested about [female, Auckland]*
- *It gives me satisfaction, because I'm helping [Māori, female, Auckland]*
- *My heart swells when I show friends and family what I've been doing [Forest and Bird][male, Auckland]*

Working

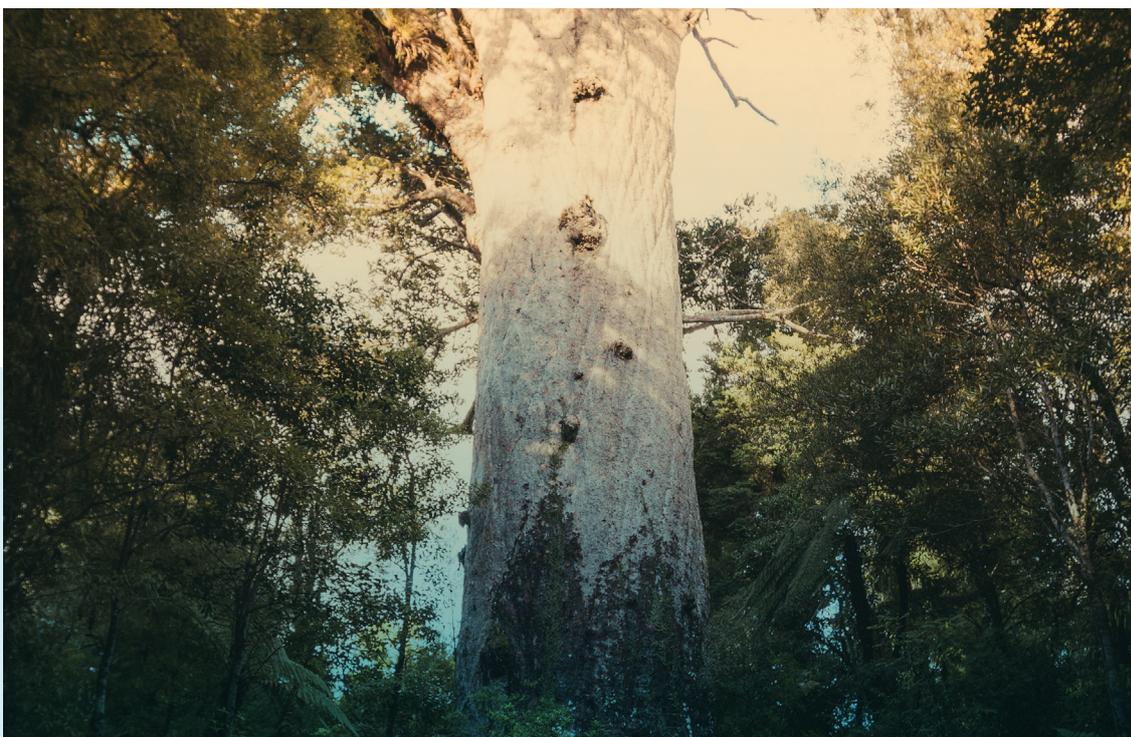
- The ability to keep working was a source of pride for some, again providing a sense of doing something important and meaningful, and a reflection of a fit and healthy brain.
- For others, this was a necessity: among the younger participants, a couple mentioned setting up new businesses that were subsequently impacted on negatively by COVID-19 (e.g. in tourism or hospitality), leaving them no time to remedy the situation and forcing them to continue working in other jobs.

Continuing to invest, playing the stock market

- Relevant to those with money to spare, this was another way of feeling mentally stimulated and provided a sense of success and achievement.

Looking after health

- Some people had either experienced poor health/health scares, or had seen others struggling with their health. Going to the gym, losing weight, or watching their diet was seen as a good preventative measure and a way of improving quality of life.
- *I wanted to see 60, so I joined weightwatchers and lost 70 kgs. I made up my mind not to be like those 60 year olds that look 80. I train six days a week, losing weight gave me a new lease on life. [male, Christchurch]*



Housing after 65

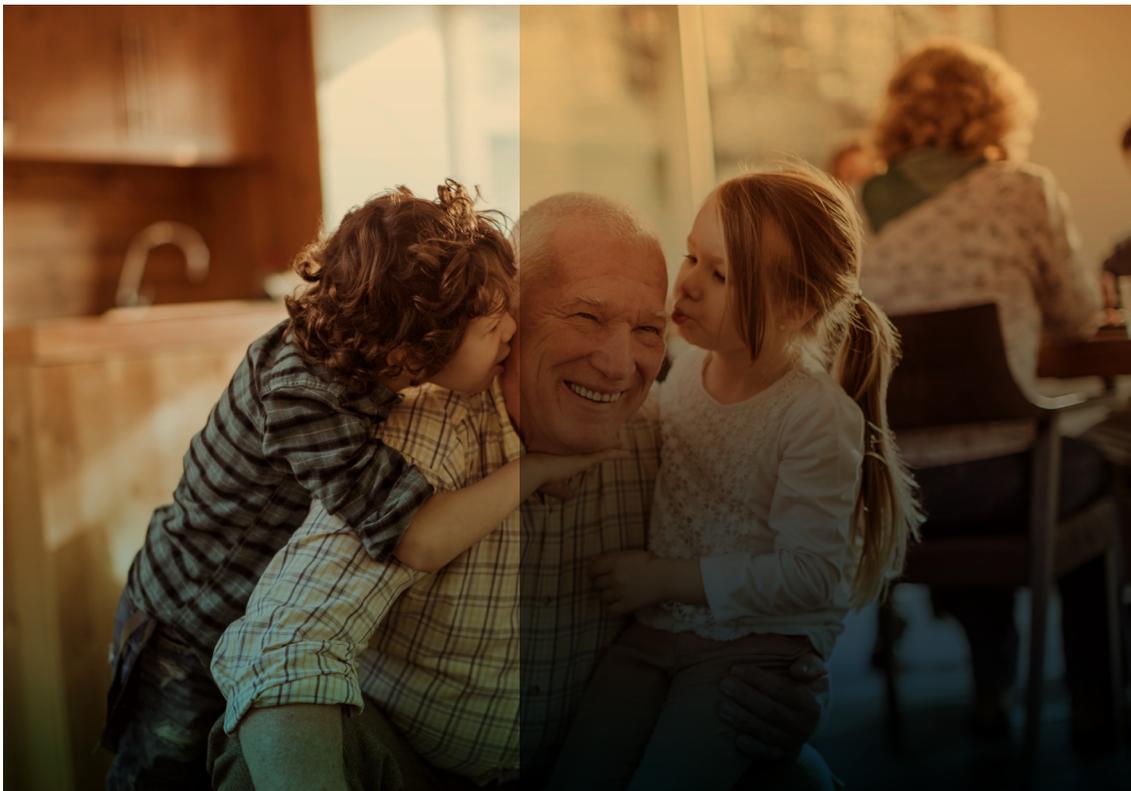
Property decisions in earlier life often made an enormous impact on subsequent life in retirement. Participants talked of:

- Selling investment property to free up funds, rather than tightening their belt – in several instances participants spoke with regret about doing so, realising they could have continued receiving a passive income in future if they could just have got through the rough patch.
- Taking on do-up or subdivision projects – this worked well for some people, but there were a couple of participants for whom it proved costly.
 - *We bought another piece of land and wanted to subdivide it, but we didn't know what we were doing. In the end we sold it all and ended up in a little flat. We did get another bit of land in Katikati and when we came back from overseas we went to the bank to see if we could get some money off it and they wouldn't give us anything because we had no income. I didn't get any option for a reverse mortgage..." [female, Auckland]*
- Building up a portfolio of properties to provide passive income. However, is this still possible for the next generation in today's housing market?

Participants spoke of the realisation that their assumptions that owning a home could support them in future life was not as straightforward as they thought – the equity was locked up in their home and not easily available.

Many participants were aware of reverse mortgages but there was a strong dislike and mistrust of them. Barriers to consideration included:

- Unwillingness to release equity on a home they've worked hard to retain
- Inflation, interest rates: the belief that the interest owing will eventually mean the house is owned by the bank (the increases in capital gain were never mentioned)
- Concern over 'sharks' taking advantage of older people



Health after 65

In each group most people (or someone close to them) had experienced unexpected health issues in later life, ranging from inconveniences (such as dental), through to life threatening (strokes, cancer etc)

I had to have a tooth replaced and ACC wouldn't touch it...\$15,000 later I'm still paying it off [female, Auckland]

Health insurance was seen as prohibitively expensive and many no longer have it. When asked, one group said it left them feeling vulnerable and somewhat resentful.

Despite the fact that health issues were increasingly common, a lack of health insurance meant a reliance on NZ's health system. However, the state of NZ's health system was of increasing concern among the participants who expressed an erosion of faith in it (particularly those who had experienced significant health issues in the last few years). This contrasted with those who hadn't experienced the health system recently and who preferred to 'self-insure'.

There was a perception among a couple of participants that they had lost financial support for their health issues (particularly if they are still working for pay), despite the cost of their health condition costing them more than when they were younger. One person mentioned their doctor was now more expensive, while another said she struggled to get to the doctor because of transport costs. Potentially this has more to do with not receiving appropriate financial advice but there may be a need to examine cut-off levels for disability allowance and community service cards.

Health issues also impacted on people who care for those in ill-health - this often falls to the women to care for their older partner. Additionally, women who fall ill may no longer have a partner to care for them.

'Still adjusting to living alone - I lost my husband two months ago. I'm fairly frugal but have been more so since my husband passed away, cause the pension just came as a shock after he went, so I'm really having to watch my pennies now' [female, NI regional]

One group mentioned that their health insurance has now transitioned to funeral cover.



Living costs after 65

Home maintenance costs are one area that participants felt was unexpectedly higher. In younger life participants would have been able to undertake minor repairs or maintenance themselves, but several people were surprised by the inability to continue doing the work themselves in later life. Instead, they had to wear the additional cost of labour and supplies - areas where prices are currently skyrocketing.

Participants also noted higher rates and body corp fees even though the increased value of the house can't be realised unless sold.

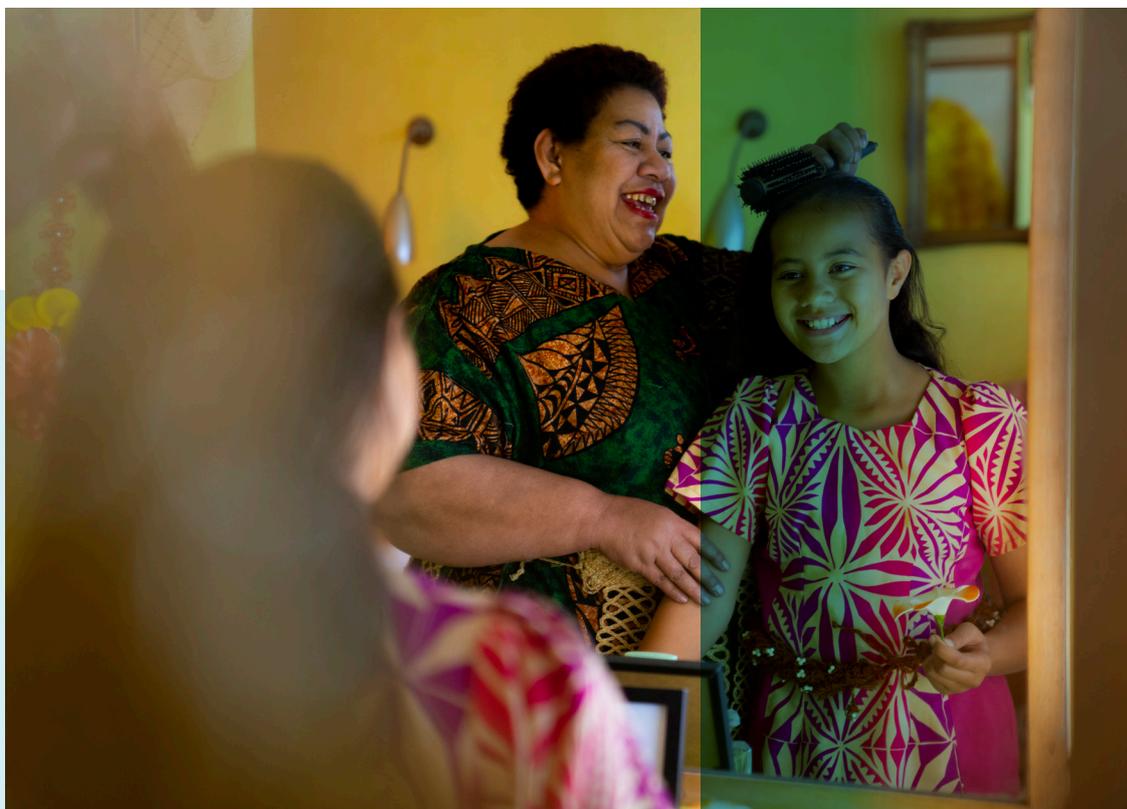
Cost of living increases in terms of food, petrol, and power are being felt by many participants, although at this stage they may be impacting more on 'quality of life' than 'standard of living' for most. However, there is apprehension of the way it's increasingly eating into savings.

For those on low incomes however, the impact is more significant. One example is the removal of the low user rate for power which means potential savings can no longer be accessed. Another participant was concerned about having to go into debt to eat: *'We've got to that stage... where your food suppliers are having to let you buy food on tick!' [female, Dunedin].*

One group noted there was only so much that could be done to save money, and focused on unfixed costs - food, petrol and power are within control so those are most likely to be foregone. This included:

- Doing without - power/heating (but loss of low user rate likely to have negative impact)
- Not going out to save money on petrol - impact on social isolation, reduced quality of life
- Changing where or how food is bought (e.g. buying in bulk, only on special)

Those living on their own are disproportionately impacted because many of these expenses are not shared with others so they bear the full brunt of the higher costs. It is made worse if they entered single life with few assets to begin with and no savings to draw on.



Bequests

Participants were asked about bequests as it related to their spending behaviour. Response was split. Some are quite happy to live the life they want, happy in the knowledge that their children are well set up to succeed in life.

- *The kids have it better off than us! They are earning a fortune.*
- *'Mine said 'go, do what you want, it's not needed''*
- *In the end, they're going to get our house...*
- *We helped our children out with their deposit on a first home.*

However, others were torn, particularly if they themselves had received an inheritance that served to help set them up. In situations where an inheritance is something they wish to pass on, some participants have set aside amounts they intend to bequeath.

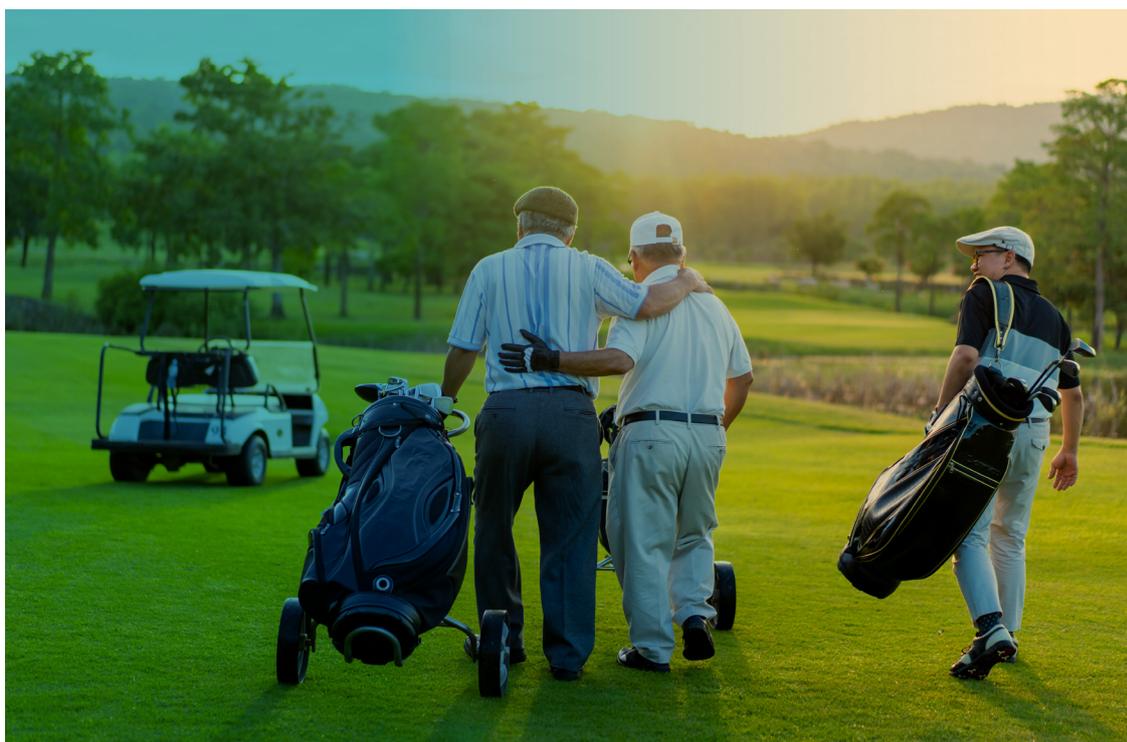
Role of NZ Super

For most of the participants, NZ Superannuation is considered essential, and indeed life-saving for some (although 'just' sufficient for those on a lower income)

- *'I'd probably be living on the streets without it' [male, NI regional]*
- *'I'd resort to bank robbing... I'm very grateful for it, it's not enough, but I'm very grateful.'*[Māori, male, Auckland]

However, it is not sufficient to cover housing costs for those on higher incomes (who are likely to have adjusted their lifestyle to suit their wallet). For these people, NZ Super provides freedom/independence and choice (for higher income)

- *'Because I'm married, it gives me a sense of independence that would otherwise be the case. It's for me and doesn't go into our joint account. I feel secure, and save for the future'*[Asian, female, Auckland]
- *'It pays for my golf' [male, Auckland]*
- *'For me I buy stock, saving in the bank is no good, instead, I put it to one side, you get easy money'*[Asian, male, Auckland]



There is some indication of a growing divide between ‘haves’ and ‘have nots’, where those who have been able to invest continue to grow their investments even when not working, while those who have not been able to save or invest are facing substantial impacts from cost of living increases.

Income and the impact on quality of life: a growing divide between ‘haves and have-nots’?

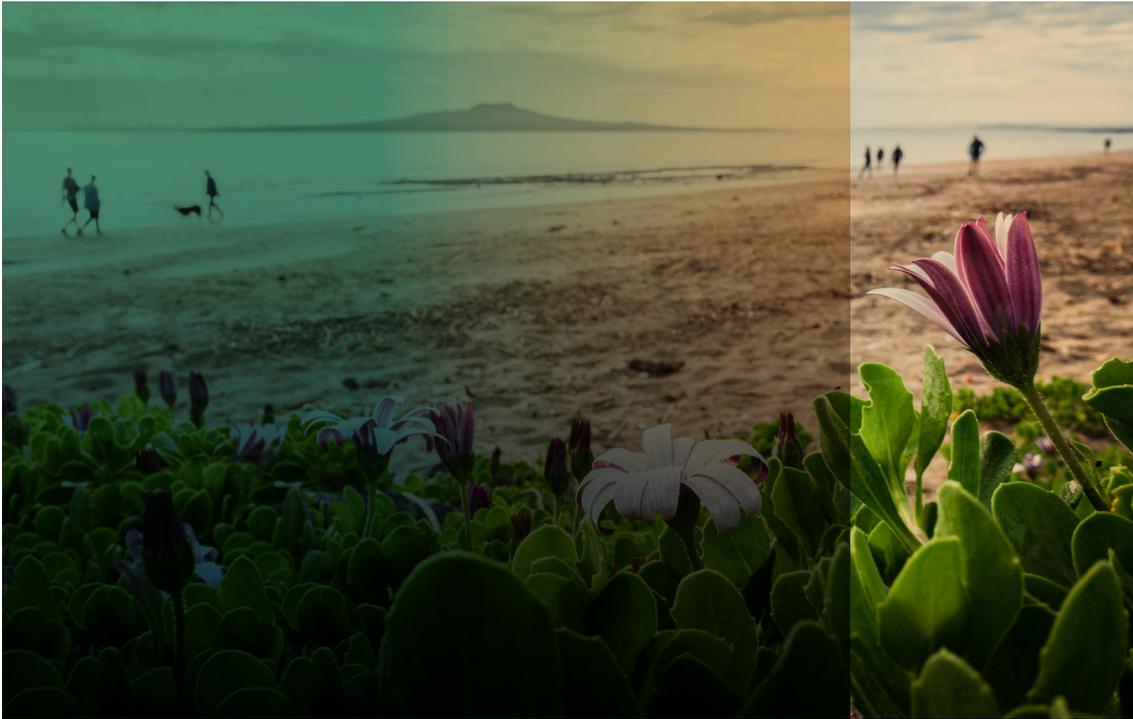
Distressed		Exposed		On-track
NZ Super only	NZ Super plus savings in the bank	NZ Super plus savings in the bank and KiwiSaver	NZ Super plus investments/ property	
<p>Hand-to-mouth</p> <p>Health may be neglected because they can't afford transport, or the fees</p> <p>May not know what financial support they are entitled to</p> <p>If able, may need to find odd jobs to supplement their pension / Likely to have accessed expensive sources of debt</p> <p>Likely to go without quite frequently.</p> <p>Several participants appeared to be quite stoic - considered themselves 'luckier than others', but admitted life was hard</p> <p>Some lived with their children, some are in social housing.</p> <p>Cost of living has had a significant impact on standard of living, participants at risk of increasing isolation</p> <p>More likely to be single, don't own their home.</p>	<p>Apprehension that nest-egg is eroding</p> <p>Several admitted they wished they had contributed to KiwiSaver when they were younger</p> <p>Significant concern over longevity risk</p> <p>Fear of 'living in poverty'</p> <p>Go without to try to maintain nest egg (limit driving, reduce power use, buy food on special etc)</p> <p>May try to supplement income by working and using that money on the occasional treat.</p> <p>Resilience is low and major expenses have been very stressful (e.g. leaky house repairs, car issues, tangihanga)</p> <p>Several sold their house to free up money and now find themselves having to rent, or sold an investment property and no longer have additional passive income.</p>	<p>Still cautious about spending, and may cut back on car trips and/or change the food they eat / limit going out, but believe they have 'enough'</p> <p>Likely to own their home freehold</p> <p>Nest egg is only used when necessary or for an infrequent significant purchase</p> <p>Happy they have contributed to KiwiSaver, but the balance may not be particularly large - some have taken out the whole amount and placed in the bank to avoid admin</p> <p>Some have received financial advice that helped keep them on track</p> <p>Greater freedom to volunteer, work for pleasure, treat the family or travel</p> <p>Appeared to be more likely to want to bequeath money to children.</p>	<p>Considers themselves 'comfortable', with significant freedom to spend as they wish. Money is not of particular concern, and they are likely to have an increasing (rather than decreasing) balance over time.</p> <p>NZ Super may be considered 'play money' for personal indulgences.</p> <p>May or may not have KiwiSaver - those who do seemed less inclined to touch it</p> <p>Wants to get back to travel or indulge in personal interests, and may also be working because they want to</p> <p>May or may not want to bequeath money to children.</p>	



Rules of Thumb: What I'd tell my younger self

Having gained some insight into how their behaviours and attitudes influenced where they are now, participants were asked what they would tell their younger self. Advice differed depending on their current situation (distressed, exposed, on-track). Regardless of where people sit in terms of current financial situation, many people emphasise the need to set a budget and stick to it, the avoidance of debt, and importance of asking for advice earlier rather than later.

Distressed	Exposed	On-track
<p>Avoid debt, keep away from credit if possible: 'Don't go borrowing money because it's really hard to pay back';</p> <p>'banks aren't to be trusted'</p> <p>Try to have some budget for 'sanity' money</p> <p>Be prepared for the unexpected – bad things can happen – there is no point trying to learn how to cope at those times 'because you aren't in the right space'</p> <p>Get financial advice, don't wait until you are in trouble.</p>	<p>Start learning about money when you are young – 'it should be taught in schools'</p> <p>Do a budget and keep track of your expenditure (little things add up quickly)</p> <p>Ask for help if you are struggling, even if it's really hard, it can be life-changing</p> <p>Take responsibility for your own health</p> <p>Contribute to KiwiSaver</p> <p>Delay travel until you have a secure nest-egg to come home to?</p>	<p>The state owes you nothing – you need to look after yourself</p> <p>Take calculated risks</p> <p>Set realistic goals – 'have a plan and a dream – if you don't have one you are a ship sailing nowhere'</p> <p>Be responsible for your own financial literacy</p> <p>Be debt-free</p> <p>Have an exit strategy from your business if you are self-employed</p> <p>Be aware of what you spend your money on.</p>



Many people do not explicitly plan for retirement (or feel unable to). However, there are times in people's lives when financial, legal and education providers (among others) can and should encourage conversations around planning for the future, including:

- starting a first job, changing jobs and/or changes in hours worked (e.g importance of KiwiSaver, consequence of changed contributions on growth of fund, types of fund to belong to)
- forming or dissolution of relationships (e.g. joint or separate bank accounts / assets, how to get back on the property ladder etc)
- having children (e.g. impact on KiwiSaver contributions during times of non-employment, contributions made to the non-earning partner)
- purchasing and selling of homes, property development (e.g. intentions for the home, selling vs tightening the belt, passive income vs freed-up funds, openness to reverse mortgages)
- children entering adulthood (e.g. implications of investing in child's education or housing vs money put into other forms of investment, using freed-up cash to pay off debt or invest rather than spending)
- decisions to travel (e.g. is there a sufficient nest egg to return home to once travel is no longer possible, how big does that nest egg have to be)
- insurance and health (e.g. contingency planning, 'what if', expectations for care in later life)
- inheritances (e.g. early bequests vs allowing inheritance to build over time, what it means for later life)



Conclusions

It is clear that NZ Super remains of significant value to most New Zealanders aged over 65, providing at least some standard of living, security, independence and choice. However, there are a number of dynamics at play that are causing concern to older people financially: KiwiSaver balances are too low to provide long term security (to be expected given KiwiSaver has only been around since 2007); investments and savings are performing poorly meaning they generate less income to live on; and expenses are increasing from many directions (rates/rents, petrol, food, healthcare, utilities) For some, the capital is being used in lieu of income, shrinking the size of the nest-egg. As a consequence, NZ Super is not perceived to be sufficient to cover even a basic standard of living, with people increasingly relying on additional allowances or having to go without the essentials of food, health or power, especially among those who rely completely on NZ Super. Of some concern are comments that petrol/car costs are preventing people from leaving the house, limiting access to health care and exacerbating feelings of isolation.

The possibility of regaining a foot on the housing ladder if a person has slipped off in later life seems to be increasingly remote given the significant rises in house valuations, and has substantial consequences for the way older people live in retirement, since it leaves non-homeowners struggling to cover their rent and with no equity to draw on. The story is quite different for homeowners, particularly if they were able to pay their homes off early and invest or buy more property. Continuing development of early pathways into homeownership therefore remains essential. Encouraging and supporting people to consider the long term consequences when making significant life decisions is also recommended for financial, legal and education providers.

Finally, there is mounting concern about NZ's health system – people believe cracks are showing and those who have experienced poor health (directly or indirectly) are anxious about how well they might be cared for in future. Combined with increasing costs of travel and medical expenses, older people believe they are facing more barriers to accessing proper healthcare. As such, there may be a need to examine what other means of support exist for health-related costs. Additionally, it is important that older people are given assistance to ensure they are aware of, and able to access any allowances they might be entitled to.



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