

RETIREE SPEND CASE STUDIES

Presented by Jade Phillips & Andrew Dodge
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**TE ARA
AHUNGA ORA**
Retirement Commission

GAME CHANGERS



Contents

Background & approach	Pilot interviews	Subsequent interviews	Woman – divorced, middle aged & not re-partnered	Māori – connected to culture / rural	No savings / struggling	Pasifika	Asian immigrant	Opportunities for intervention & education
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BACKGROUND & APPROACH



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BACKGROUND

Detail on retiree spend

The Commission for Financial Capability (CFFC) is currently scoping its research requirements for the next Review of Retirement Income Policy (RRIP). Its list of potential projects for pre-2022 RRIP research includes a ‘deep dive’ into retiree expenditure in NZ. This research would include in-depth qualitative case studies to understand and provide detail of income and expenditure during retirement.

THE RESEARCH WOULD PROVIDE A DETAILED EXPENDITURE BREAKDOWN NOT CURRENTLY AVAILABLE, AS WELL AS STORIES ASSOCIATED WITH THAT EXPENDITURE

Is the amount of income and savings they have available for their retirement enough to live comfortably? / What decisions get made and how? / What is prioritised and why? / How did the retiree get to this point and their broader context (e.g. household size, housing situation)?

We know there is an interest in unexpected expenses, what they are and how they are dealt with, as well as actual financial data and behaviour from retirees that Sorted users can relate to and employ for their own planning.

THE PURPOSE OF THIS DEEP-DIVE WOULD BE TWOFOLD:

- To respond to the requests of Sorted users who are asking for such case studies to aid with their own retirement planning and visualising retirement – current information is not seen as detailed or based on actual lifestyles, as users would like to be helpful.
- To shed more light on issues that could benefit from a policy response or could be highlighted in the next review (e.g. not having enough money contributes to loneliness because a person cannot participate – we know this happens, but how does this play out in practice?).

INITIAL PILOT INTERVIEWS

The CFFC and Ipsos conducted a pilot research of 2 case studies and proceeded to undertake an additional 10 case studies, which included a range of demographics, family situations (living alone / couple / living with other family) and socio-economic positions.

The information from these case studies has been anonymised in the final versions created by the CFFC to protect respondents’ privacy.

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APPROACH

Diverse experiences

One-on-one qualitative depth interviews (or paired depth interviews if appropriate) allowed us to understand expenditure at a personal level, uncovering the level of detail required to make the case studies interesting and relevant to Sorted users.

Respondents were recruited via a professional research panel, which ensured they were comfortable with the nature of the discussion.

THE DETAIL – PILOT DEPTHS

Two researchers conducted 2 x 2-hour in-depth interviews with retirees.

If respondents made financial decisions in partnership, they were welcome to invite that person to the interview.

The CFFC expressed a desire to hear from:

- 1) A Māori renter
- 2) A Pākehā homeowner with some savings / other non-employment income sources (not relying solely on NZ Super)

Interviews were held in Auckland.

Respondents received a koha of \$150 for taking part and \$30 for homework.

Note: The results of qualitative research cannot be projected onto the overall population due to sample selection, interviewing methods and sample size.

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APPROACH

Methodology

We asked respondents to complete some pre-interview homework, which consisted of a review of their current bank statements and bills to remind them of any regular or unexpected purchases they had made over an agreed period of time, and a reflection of current lifestyle and spending habits.

This document provided us with a good starting point for the interview, ensuring respondents had done some prior thinking and reflection.

Requests for homework activity were cognisant of respondents' right to privacy and the protection of any personal data, etc.

Bearing in mind that 80% of the case study needs to focus on expenditure, with 20% on relevant background context, an outline of the discussion was as follows:

- **Journey to retirement** – when did it start? / How was it planned for if at all? / What was the retirement vision / goal?
- How would they describe where they are **now vs that initial goal**? / What has changed?
- What is **day-to-day life** like?
- What is their **current expenditure**? / What do they spend on? (Here we might review actual budgets, bank statements, bills.) / What was known and accounted for? / What have been unexpected expenditures? / How have these been managed? / What influences their expenditure (family, health, lifestyle, financial personality, etc.)?
- What **advice** would they give to those about to retire or considering planning for retirement when it comes to expenditure? / What do they wish they had known or done?

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PILOT INTERVIEWS

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David & Sheryl

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CASE STUDY 1: MARRIED WITH OWN HOME

Attitude to retirement


David (77) and Sheryl (68) are both retired educators. They live in their own home in Auckland with no mortgage. They have a family of 4 adult children and 6 grandchildren.

- They enjoy the freedom and flexibility of retirement.
- They struggle with spending too much time together.




“The greatest bonus is being able to do what you want, when you want.”

Retirement planning was ‘easy’ and ‘happened naturally’.



“We were freehold before retirement, and we had purchased the property with an asset (land that could be subdivided). Also our upbringing and you see your own parents retire and age – what they did, what could happen.”



“My philosophy was that we will spend what we bring in – we can live on the smell of an oily rag. We are of the generation that we can pull back.”


Retirement has meant:

- **starting:** balance, me time, enjoying time at home and on the property / garden
- **stopping:** eating out as much, imposing limits on gift buying, keeping up with friends for David

Retirement wasn’t given a great deal of consideration prior to finishing work – they describe themselves as *‘not extravagant spenders’*.

Their approach required rationalising spending, working to being debt and mortgage free and subdividing their large section to provide savings to supplement their pension.

Their focus has been on financial stability and their own physical and mental health and well-being.



“I realised if I didn’t cut back [on time spent in senior management role] that I would be dead. I needed more balance in my life.”

“David was still contracting, he was worried about ‘losing the cream’ or that extra income – I sat him down and showed him income and outgoings – that we had a buffer.”



CASE STUDY 1: MARRIED WITH OWN HOME

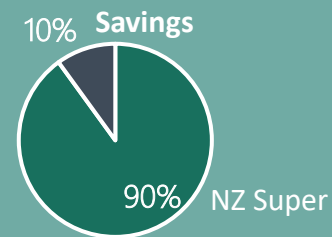
Retiree spend

Retirement has been financially manageable and less of a stressor than expected.

"I thought we'd have to give up more, but we're careful, we spend less and have contracted our activities."

"Last year we had trips planned to Australia, to London, but then Covid..."

How are they paying for retirement?



30 years ago David and Sheryl purchased their home knowing it could eventually be subdivided to provide them with money for their retirement. The subdivision left them with around \$300k in savings, which they have in a term deposit.

"A nice little nest egg."

Unexpected expenses have included dental care, but most others are expected.

"Dental is something you can't plan for – you don't know what they are going to say at your check-up. But we can use our savings to pay for it, that's what it's there for. My last bill was \$2,700."

"You have to let insurance go at the time you need it the most."

A nest egg to maintain a good standard of living.

Their savings are reducing slowly, they are used to paint the house, do renovations, pay for private healthcare if required.

"If one of us has a health worry, I don't want us waiting on the national health service if there is a long wait – we will use the money and go privately."

Monthly retrospective budgeting – looking at receipts and recording spend.

"It allows me to keep track of what we are spending, I started doing this to get a handle on how we live, making sure we don't overspend."

Current housing market creates concern over downsizing.

"I don't think they are building one-level smaller homes, and while we would make a good profit on our home, we would have to buy in the same market."

The next 5 years? No clear plans.

"This depends mainly on our health. We haven't completely resolved this. While we are both well we can do anything, but it's less palatable if we are unwell. I know some retired couples downsize, but we want to stay here as long as we can."

CASE STUDY 1: MARRIED WITH OWN HOME

Budget – reflective of one month

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super			\$2,688	
Interest				\$3,000
Savings				
Emergency savings			\$25,000	
Long-term savings			\$280,000	
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel			\$161	
Groceries			\$601.50	
Dining out			\$77.50	
Entertainment			\$53	
Living expenses				
Power			\$124	
Gas			\$35.75	
Wood			\$17.50	
Water			\$61	
Internet / home phone			\$87.50	
Garden maintenance			\$44.25	
House maintenance			\$215.50	
Land rates			\$187.20	
Mobile phone			\$50	
Other			\$14	

"The amount includes a road trip we did. We have one car between us that we share."

"We shop as we need and every couple of weeks I'll do a click and collect of staples. This amount goes up if people are staying. I have a set budget for groceries."

"This amount covers things like plumber, painter that we have had recently. It could be nothing some months."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Paid TV / Sky			\$49.50	
Bank fees				\$119
Clubs & memberships			\$23	
Irregular expenses				
Home insurance			\$74.21	
Vehicle maintenance			\$46	
Vehicle registration				\$109
WOF				\$46
Breakdown cover			\$8	
Optician / glasses			\$92	
Dental			\$604	
Life insurance			\$225	
Medical insurance			\$61.41	
Doctors			\$31.50	
Health products			\$38	
Gifts			\$84.50	
Contents insurance			\$43.28	
Other (car insurance)			\$68	
Personal				
Clothing & shoes			\$40	
Hair & beauty			\$30	
Charity				\$200
Beverages			\$31.50	
Lotto			\$24	

"We take it year about for the optician, we have complicated lenses."

"One of the biggest expenses is dental care. It's not covered by your pension."

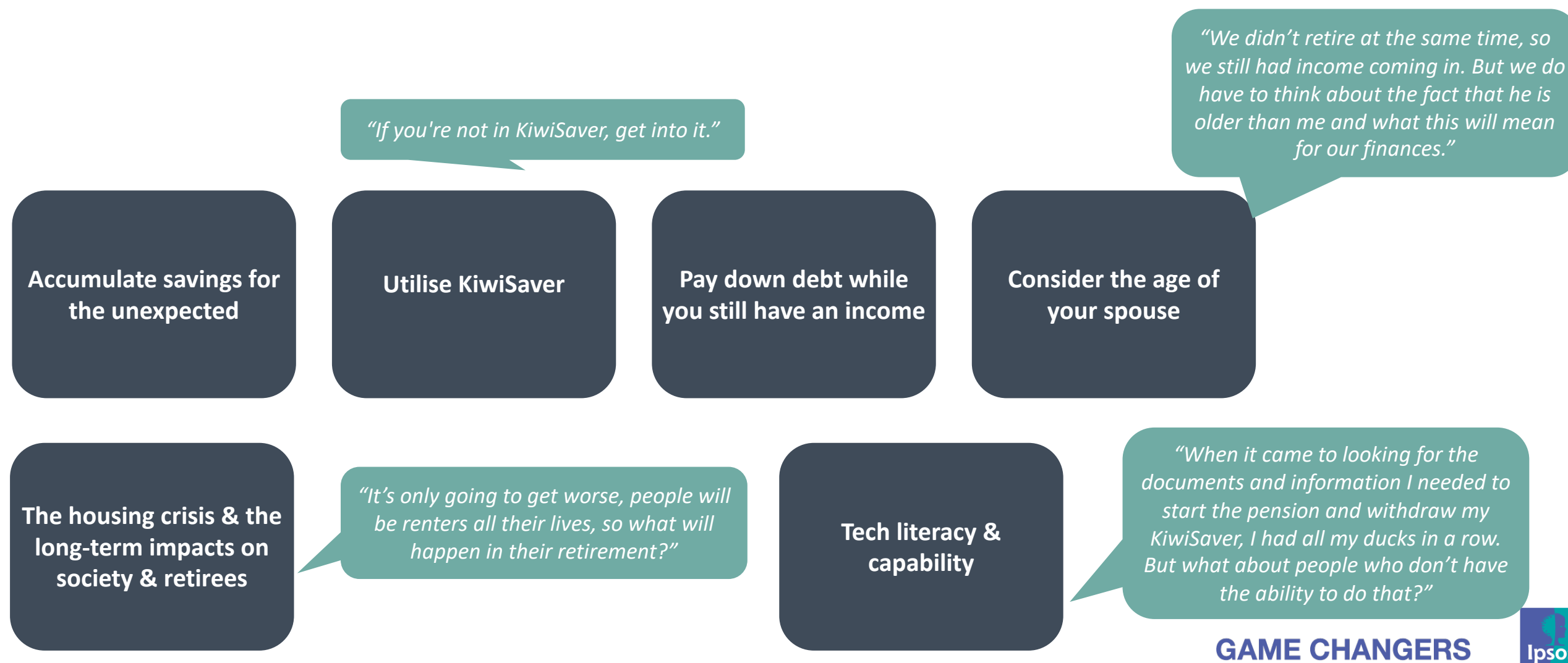
"Life insurance is so high. When David dies it will be worth around \$150k."

"We don't need a lot of clothing and I love op shopping."



CASE STUDY 1: MARRIED WITH OWN HOME

Learning from the currently retired



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Lia

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CASE STUDY 2: MARRIED RENTERS

Attitude to retirement

Lia is 74 and lives with her husband and her 8-year-old great granddaughter.

- She enjoys her friends, misses the energy and socialising at work.
- She struggles with the uncertainty of retirement.



"You don't know how long you are going to live."



"The next 5 years? I guess that depends on our health. I wanted to buy a campervan, but my husband didn't. And if I spend that money, what will I live on?"

Retirement planning 'has never really happened'.



"We never really planned or thought we had to until it's too late. I was busy managing, living day to day. So it's partly my personality and partly circumstances."



"Certainly when we thought about our retirement we didn't plan on having grandkids or great grandkids or even our children coming to live with us. It's harder on my husband, I think, men like their home to be theirs. We're in our late 70's and we've still got a little one snuggling in our bed some nights..."

"What if we'd stayed in that family home? Well, it was a lovely site, but the land wasn't big enough to subdivide at the time. If we'd waited... But then would we have missed out on travel?"

Lia and her husband sold their family home 15 years ago to 'get rid of' a \$250k mortgage and purchased an apartment yet to be built. Delays to this build, subsequent property plans, purchases, renovation and subdivision costs mean they are now renting a 3-bedroom property, and do not own any rentals or property.

- Prior to Covid, Lia and her husband had been spending 6 months of the year in NZ and 6 months in Europe.
- COVID-19 has curtailed this lifestyle, but Lia hopes she can return to Europe.
- Lia's great granddaughter also lives with her, she is in primary school. COVID-19 has also contributed to Lia's feeling restricted and frustrated in her retirement.



"I'm stopping myself a lot. I can't be flamboyant with money, I have to watch myself. The money situation feels more serious, I'm watching it all go out and there is none coming in."



"I don't know how you could have got the message to me about planning, it felt to me like too much money, too far away to be real."



CASE STUDY 2: MARRIED RENTERS

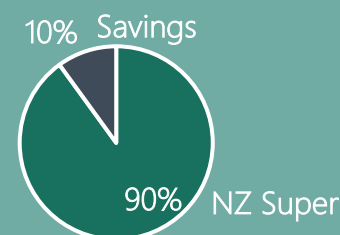
Retiree spend

Renting adds to the uncertainty of Lia's retirement years.

"Our landlady is lovely and we are happy to stay, but what if she sells? So you are living with that, but also that it's someone else house. I don't want to live in a retirement village, and I couldn't afford to get into one now."

Lia and her husband use a credit card that is paid off via their savings.

How are they paying for retirement?



"I take out a yearly sum from our savings of around \$20k. That's what we spend per year as a supplement."

Unexpected or 'extra' expenses come with things such as family celebrations. Most other expenses are known and accounted for.

"It was a significant birthday for my sibling so we had flights, accommodation, a gift – that's all coming out of savings."

Lia's great granddaughter lives with Lia and her husband, but her living expenses are largely covered by her grandfather.

"We do school pick-ups, drop-offs, she lives with us full-time."

Term deposits get broken as required.

"We have 3 and I have broken one. One used to be Bonus Bonds. There is no interest being earned, I don't even think about them."

Lia has an interest in shares and would like to know more.

"I have \$500 in Sharesies, but I don't really know how it works."

Independence is important.

"I don't want to have to ask family for help, I know they would, but they have their own lives. I'd like to 'live' for the next 5–10 years upward without it [financial stress] hanging over my head."



CASE STUDY 2: MARRIED RENTERS

Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super – Lia		\$672.22		
NZ Super – Husband		\$672.22		
Savings				\$131,000
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel	\$60			
Pet food	\$5			
Bought lunches		\$30		
Groceries		\$300		
Takeaways		\$40		
Dining out			\$100	
Other (NZ Herald)			\$89	
Living expenses				
Rent / mortgage	\$350			
Power			\$180	
Water			\$54	
Internet / home phone			\$99	
Garden maintenance			\$20	
Mobile phone			\$30	
Regular expenses				
Paid TV / Sky			\$78.98	

"We're thinking of getting a 2nd car, but it would be sitting in the driveway 80% of the time."

"I know it's a lot, but my husband loves having the paper and at least it gets him out of the house and to the letterbox."

"We use my husband's pensions to buy groceries and help pay the rent."

"We both have low plans because we've got the internet at home."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Irregular expenses				
Vet fees			\$20	
Vehicle maintenance			\$35	
Vehicle registration				\$109.16
WOF				\$67
Optician / glasses				\$700
Dental				\$200
Doctors				\$80
Health products			\$10	
Gifts				\$700
Contents insurance			\$31.24	
Donations			\$20	
Other (car insurance)			\$54.16	
Personal				
Clothing & shoes				\$300
Hair & beauty				\$1,080
Charity				\$120
Community contributions				\$30
Beverages	\$25			
Lotto	\$40			
Debts				
Credit card			\$3,784	

"I haven't been to the optician for 4 years, it's just so expensive. Same with dental, I know I should go, but I can't afford it. We used to have medical insurance when I was working, but we can't afford it now."

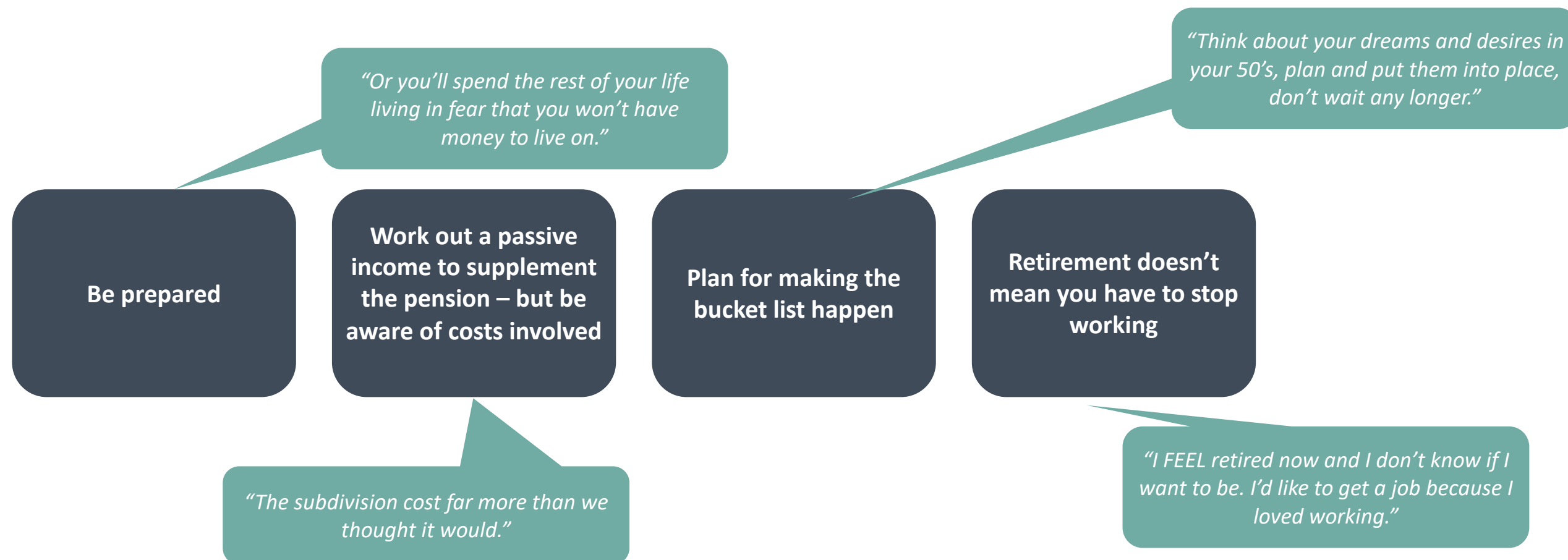
"I'm embarrassed by this amount, but I don't want grey hair!"

"This builds up slowly – it's got a \$5k limit, I pay it off with savings."



CASE STUDY 2: MARRIED RENTERS

Learning from the currently retired



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SUBSEQUENT INTERVIEWS



APPROACH

Methodology: Diverse experiences

THE DETAIL – SUBSEQUENT DEPTHS

We conducted 10 x 2-hour in-depth interviews with retirees.

If respondents made financial decisions in partnership, they were welcome to invite that person to the interview.

The CFFC expressed a desire to hear from:

- Māori 1 – connected to culture (e.g. attend tangi, may speak te reo, connected to marae, etc.)
- Māori 2 – rural location
- Pacific 1 – intergenerational household likely to be connected to culture, e.g. send money home, to the church, etc.
- Pacific 2
- No savings / struggling 1 (non-homeowner / unlikely to own home, will be a renter)
- No savings / struggling 2 (rural / provincial)
- Woman, divorced, in middle age and not remarried 1
- Woman, divorced, in middle age and not remarried 2
- Asian immigrant 1
- Asian immigrant 2

Interviews were held in Auckland and via Teams.

Respondents received a koha of \$150 for taking part and \$30 for homework.

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Women –
divorced, middle
aged & not re-
partnered

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Alice

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CASE STUDY 3: DIVORCEE WITH MORTGAGE

Attitude to retirement

Alice is semi-retired. She no longer works a 40-hour week, but enjoys keeping busy with part-time work that supplements her pension.

- She enjoys the choice not to work that the pension gives her.
- She struggles with occasional loneliness, and the ‘what if’s’ that this time of life can bring.

“I’ve never actually said I’m retired, to be honest. I don’t know what it means. It’s a dirty word for people my age, we just say ‘not working full time now’.”

Alice is happy with how her life is at present and enjoys keeping busy with a mixture of socialising and work.

“I’m comfortable with how life is. I’ve done so much, brought up 3 kids and been both mum and dad to them...I tend not to dwell on the negative, I’m a positive person, lots of things have happened to me that I have moved on from.”

“I’ve been looking after a family with 3 small children up until this week, getting the kids breakfast, getting them ready for school. Both their parents work full-time. Today I met a girlfriend for lunch, and I’ve got some housework to do.”

Retirement has meant:

- **starting:** part-time work
- **stopping:** a 40-hour work week

“Life was full-on when I was working full-time – always moving and thinking. Now I don’t have to do any of that. Why would you go back when you don’t need to?”

Alice’s daughter suggested she sell and move closer to her, but Alice likes where she lives and worries about feeling isolated in a new place.

“What would I do out there? Here I have the beaches, my friends, my home, my neighbourhood.”

“If my health deteriorated or I didn’t feel secure or able to keep on top of things. And of course not being able to drive, that would be a big motivator to consider moving.”

Alice was approached by a real estate agent about selling her home and moving to a retirement village (now worth around \$1 million). She was offended by his manner.

“People make the assumption that you are old, they just see the white hair. People put you in a box, think that you are too old to do anything.”



CASE STUDY 3: DIVORCEE WITH MORTGAGE

Retiree spend

A pragmatic approach to spending and saving.

"I always manage to buy something for gifts, or make something. I can cook, sew and clean, which are all good skills."

"I've always thought that money should be put aside and only used if you have to. Then if I need it for incidentals, like the wing mirror on my car the other month, it's there."

How is she paying for retirement?

Alice works and uses the pension, loans and credit card, KiwiSaver and a small amount of savings to pay for her lifestyle in retirement.

"I had KiwiSaver for a bit and I have taken money out, it's not easy to get it out or apply for it."

Unexpected expenses include travel for family events.

"I use my nest egg for travel, it's not cheap. When I had to fly down for a funeral the airfare rose from \$49 to \$630 by the time I booked it. I paid for breakfast for the kids, the shuttle from the airport was \$25, it all adds up. It cost me \$1,300 to attend, not including meals."

A financial safety net has not been part of her journey.

"You can prepare but you don't know what's going to happen. I had a job and was earning good money. The pension on top of that. But within 5 months I didn't have a job."

Continuing to work has increased her well-being and budget.

"After finishing my last full-time job I sat at home for a few months, but I'm used to being busy so I started applying for jobs. I've been doing nanny work, reliever work, but now I'm back to zilch again. Working gives me more on top of the pension, which can be hard to live on."

"I hadn't really thought about retirement, as long as you are well enough to do the things you enjoy, why would you? Home confinement would not suit me."

She is starting to consider the availability and accessibility of retirement homes.

"70 was the number for me, I should think about things at 70. Maybe I should look at retirement homes. There are lots being built and you can't get into them until you are 70."

There is an opportunity to educate people like Alice about finances in general, and the best way to do this is via peers.

"I still don't know how it works, if I die tomorrow, do they sell the house and take what is owed on my mortgage?"

"In my church home group I would talk to other single women, people who are like-minded. We would give each other recommendations on things like mechanics, on insurance. Advice on service and products that make you feel respected and not ripped off."



CASE STUDY 3: DIVORCEE WITH MORTGAGE Budget

Income Source	Weekly	Fortnightly	Monthly	Every 3 rd month	Yearly
NZ Super		\$874			
WINZ – medical fee				\$47	
WINZ – prescription charges				\$55	
WINZ – lawn mowing				\$30	
Electricity (winter payment)		\$1,006			\$1,006
Teaching assistant (part-time)	\$24.08				
Sewing alterations (part-time)					\$100–\$200
Nanny / babysitter (part-time)	\$400				
Savings					
Emergency savings					\$5,500
Holiday savings					\$3,000
Long-term savings					\$8,800
Outgoings	Weekly	Fortnightly	Monthly	Every 3 rd month	Yearly
Everyday expenses					
Fuel	\$60				
Pet food	\$20				
Bought lunches	\$25				
Groceries	\$100				
Dining out			\$40		
Entertainment (Netflix, Neon, Spark subscriptions)			\$30.98		

“So up until last week I had the income from teaching and nannying. Next month it won’t be there.”

“This is money left over from an inheritance. I would use this in an emergency, e.g. if my fridge broke down.”

“I know I could put this toward my mortgage, but then I’ve got nothing if I need it.”

“I’ve got a security app on here from Spark, my friend and I go halves and it means you don’t go onto any dodgy sites or get scammed.”

“Trusted providers are so important. I had two quotes way over this price until he was recommended to me.”

“I don’t stock the freezer anymore as I forget what’s in there. But I do use my crockpot, which means a meal can last for 3 days.”

Outgoings	Weekly	Fortnightly	Monthly	Every 3 rd month	Yearly
Living expenses					
Mortgage		\$447.08			
Power			\$91		
Water			\$37.19		
Internet			\$62.97		
Garden maintenance (lawns)		\$30			
House maintenance					\$2,500
Land rates	\$47				
Mobile phone			\$59.88		
Heat pump (Govt. subsidy)					\$296.36
Regular expenses					
Clubs & memberships					\$90
Irregular expenses					
Home insurance			\$239.57		
Vet fees					\$81.90
Pet registration (cat microchip)					\$100
Pet grooming				\$20	
Vehicle maintenance (tyres + brake pads)					\$720
Vehicle registration					\$75
WOF					\$113.46
Optician / glasses					\$200
Dental					\$800



CASE STUDY 3: DIVORCEE WITH MORTGAGE

Budget

Outgoings	Weekly	Fortnightly	Monthly	Every 3 rd month	Yearly
Irregular expenses cont.					
Doctors				\$70	
Health products			\$14		
Gifts			\$20		
Contents insurance				\$87.77	
Other – car insurance					\$429.59
Other – physio	\$10				
Personal					
Clothing & shoes			\$50		
Hair & beauty			\$35.50		
Beverages			\$18		
Lotto			\$15		
Debts					
Credit card			\$50		
Personal loan			\$20–\$50		

“I got rid of my breakdown cover, it was \$62 a year and I wasn’t getting value from it.”



Liz

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CASE STUDY 4: DIVORCEE WITH NO MORTGAGE

Attitude to retirement

Liz is currently unemployed after losing her job last year due to the COVID-19 pandemic; however, she is currently looking for part-time work that can keep her busy and help to further supplement her lifestyle.

- Since she still feels young at heart, she does feel that retirement can be a bit boring.



"While I'm able to, I'd like to work."

"I'm sort of a 'young 70'!"

Liz keeps a positive outlook on the years ahead and is enjoying spending time exploring the city and making the most of the free public transport for seniors.



"I look at life as: be happy at my stage in my life. Financially, I'm not struggling. I can go and buy myself a nice \$20 bottle of wine if I want to go out for dinner with the girls. So, I just want to make the most of every day."



"I try and keep busy...there's not often a day I don't leave the house."

Retirement has meant:

- **starting:** controlling her spending a bit
- **stopping:** the business of working full-time



"Initially I was spending a lot more than I should've, going to outlets...because I had all this money in the bank...a bit carefree... I'm still fine, but now I'm tightening my belt a little bit."



"It's gone from 100% busy and out there to pretty much 0."

While Liz has kept a closer eye on her spending, she is still a spender by nature and does not intend on cutting back entirely.



"I am a bit of a spender. And with grandkids..."

"I'm not one of those people that wants to keep saving and stop spending. To me, that's miserable...my kids will get a freehold home, and if I do make it to 80, there won't be much left in the bank."

She still has plans and goals she would live to achieve in the next 10 years.



"By the time I'm 80, I won't be as active travelling and doing things...I'll be quite happy to just sit at home. But in the next 10 years, I want to go back to Europe, et cetera."



CASE STUDY 4: DIVORCEE WITH NO MORTGAGE

Retiree spend

Liz is a spender by nature who enjoys being a generous grandma.

"I enjoy spending and shouting them...a little bit too much now I'm retired!"

"Far from frugal, I'm really generous."

"I just love to give."

How is she paying for retirement?

Since her early fifties, Liz contributed to the superannuation scheme offered by her employer. These savings, combined with the pension and her redundancy payment, have been paying for her retirement.

"I know it's not a lot of money, but for what my expenditure is, I'm ok...and I think a lot of people don't have that in the bank."

Her savings help her handling unexpected expenses.

"Sometimes I may not spend that supplement that I have aside, but at least I know it's there if I need it. If my washing machine is playing up, I might have to go and spend \$1,000, but at least I can afford it."

Her daughter and son-in-law are contributing to her expenses while they live with her.

"I said to (my daughter) 'we must go thirds in power and water', and she said 'mum, we'll pay for power and water.' So they're saving me money."

"(My daughter) does the main bulk shop. She buys all the healthy vegies and the good meats...I buy the rubbish."

While not essential, finding a part-time job to add an extra source of income would be welcomed.

"A bit of icing on the cake I'd call it, love. I'm not desperate, but it would be nice."

After a discussion with colleagues when she was in her early fifties, Liz worked out a rough budget and a savings goal for retirement.

"I thought I better do something...I sort of worked out a plan."

"I've banked on spending \$12,000–\$15,000 to supplement my pension."

She says she could have saved more for her retirement, but has no regrets.

"I could've been less carefree, but sometimes you need to do that when you're someone who wants to fly away a lot."

"In reality, I should have done it 20 years before, but nonetheless I didn't. Never thought of the future and getting old and what you'd need."

"I don't regret it. I could have a lot more in the bank...but I've had fun."

She feels today's youth have saving 'drummed into them' and on reflection feels she would have appreciated more advice when she was younger.

"Yeah, probably. But there was no guidance when I was younger."



CASE STUDY 4: DIVORCEE WITH NO MORTGAGE

Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super	\$505	\$1,010	\$2,020	\$24,240
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel	\$40	\$80	\$160	\$1,920
Pet food	\$10	\$20	\$40	\$480
Groceries	\$100	\$200	\$400	\$4,800
Takeaway	\$30	\$60	\$120	\$1,440
Dining out	\$30	\$60	\$120	\$1,440
Living expenses				
Power	\$35	\$70	\$140	\$1,680
Water	\$10	\$20	\$40	\$480
Land rates	\$40	\$80	\$160	\$1,920
Internet / home phone	\$18	\$36	\$72	\$864
Garden maintenance	\$45	\$90	\$180	\$2,160
Mobile phone	\$5	\$10	\$20	\$240
Regular expenses				
Paid TV / Sky	\$5	\$10	\$20	\$240

"I buy a few luxuries that my daughter won't buy. My granddaughter loves macarons...little packets, \$12 from France."

"I don't like spending money in cafes...I'd rather buy a bottle of wine!"

"When they [her daughter and son-in-law] are not here, my bill is around \$120 a month."

"Garden maintenance is what they pay me anyway through my super." [Liz receives an amount for garden maintenance based on a previous injury.]

"That's actually Netflix, no Sky."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Irregular expenses				
Home insurance	\$15	\$30	\$60	\$720
Vet fees	\$10	\$20	\$40	\$480
Vehicle registration	\$2	\$4	\$8	\$96
WOF	\$2	\$4	\$8	\$96
Pet registration	\$1.50	\$3	\$6	\$72
Breakdown cover AA cover	\$1.25	\$2.50	\$5	\$60
Life insurance	\$22	\$44	\$880	\$1,056
Doctors (average 4 visits per year)	\$3	\$6	\$12	\$144
Gifts	\$10	\$20	\$40	\$480
Contents insurance	\$15	\$30	\$60	\$720
Personal				
Lotto	\$10	\$20	\$40	\$480
Hair & beauty	\$10	\$20	\$40	\$480
Debts				
Credit card	\$20	\$40	\$80	\$960

"For like flea treatment and that sort of thing. He's been a pretty healthy dog."

"That's a bit expensive...it's a hefty amount."

"Grandkids, I used to give them \$100 for birthdays and \$100 for Christmas. Now I've cut it down to \$50."

"I do Lotto, like My Lotto once a week. Just old school."

"What can I say, I put it on and I always pay it...majority is shopping, even my grocery shopping."



Māori – Connected to culture / rural

GAME CHANGERS



Mari

GAME CHANGERS




CASE STUDY 5: MĀORI

Attitude to retirement


Mari has a busy lifestyle filled with music, learning, social groups and gardening. She describes herself as a ‘course junkie’.

- She enjoys being busy and independent.
- She struggles with living beyond her means.




“I like gardening, I do a lot of pottering. It took me 4.5 hours to plant two trees. Maramataka shows that tomorrow will be a good day for planting my kowhai tree.”

She has owned a home since the mid-1970s, both here and overseas. She now owns her 5-bedroom home but feels she does not have enough income to do all she would like to do to live comfortably.



“I could really do with a \$100,000. I’d put in double glazing, re-cover my furniture and I need a new car, my car is old.”

Mari hasn’t really retired as such, her lifestyle has just adapted, e.g. working less. As a single woman with no children, her life has always been on her terms.




“I’m a very busy person.”

Mari was adopted as an infant and her Māori heritage was discovered in adulthood.

Her culture does not appear to significantly impact her retirement choices or her spend other than a vague concern about what illnesses might be ‘in my DNA’.

Mari is a member of Age Concern and is attending an upcoming seminar on retirement planning. While she feels it will be valuable to talk to other people in a similar position, the onus and responsibility for actioning any advice lies with herself.



“I’m in debt and only I can fix it. I will have to struggle, through.”



CASE STUDY 5: MĀORI

Retiree spend

Participating in this project has made Mari realise she spends more than her income.

"I haven't worked since last May due to Covid, but I'm going to have to go back, I can't afford to live on what I have."

"I get \$14k from WINZ, but I'm spending \$27k. I'm going to have to live on what I have already, I've got 2 chest freezers and a room full of food...I'm a collector."

How is she paying for retirement?

Pension + credit card + working

"I pay for everything with my credit card. I get air points and it gives me a record of my spend. It's paid off automatically each month."

Unexpected expenses = dental.

"My dentist bill was \$15k. I've got \$10k still to pay. I don't like debt. I pay \$2.50 per month on an account that allows me a line of credit up to \$50k."

Mari feels Super is not enough to live on and that older people are not being supported over and above other parts of the community.

"I'd like Super to go up. We've paid taxes all our lives. I mean some guys died in a mine [Pike River] and look at the spend on that. We need to concentrate on the living."

Used to living 'on a tight budget', Mari nonetheless feels she is going to need to be 'a bit mean' when it comes to spending.

"I'm impulsive, but I'll get there, what options do I have? Go to WINZ and have strangers quiz you? It's humiliating."

Thinking about her financial future is sobering.

"I can't afford to live – it's like the government want to kill off all the old people because we certainly don't have enough to live on."

Other potential sources of income feel penalised.

"I thought about a flatmate or I know people who have hosted students, but then you lose your single supplement. They are clamping down on people selling stuff. It drives people to be illegal."



CASE STUDY 5: MĀORI Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super		\$1,181.60		
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel			\$55	
Pet food			\$34	
Groceries		\$100		
Takeaways				\$20
Dining out				\$70
Entertainment (Cinebuzz)				\$40
Other – Books				\$50
Other – Gardening				\$200
Living expenses				
Mortgage			\$461.99 \$246.90	
Power			\$140	
Water			\$24	
House maintenance (heat pump)				\$940.72
Land rates				\$3,327.92
Internet / home phone			\$60.56	
Garden maintenance		\$40		
Mobile phone (2 mobiles)				\$120 & \$20
Other (St John's Alarm)		\$29		

"As part of my payment from WINZ I get a single-person accommodation supplement, my lawns mowed and my St John's alarm."

"I refuse to pay \$4 for a coffee, if I go out to dinner with one of my groups I don't have a glass of wine."

"I was told about WK homes – the heat pump is subsidised by \$2.5k."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Bank fees			\$48.50	
Paid TV / Sky				\$75
Subscriptions / fees				\$44.50
Clubs & membership – 60s Up				\$33
Clubs & memberships – Age Concern				\$20
Other – Choir				\$200
Other – MEMHGC				\$50
Other – OAC				\$30
Other – OGC				\$30
Other – WOW				\$140
Irregular expenses				
Home insurance				\$1,715.11
Vet fees				\$70
Vehicle maintenance				\$889
Vehicle registration				\$109.16
WOF				\$35
Doctors				\$340
Health products				\$100
Gifts				\$100
Personal				
Clothing & shoes				\$300
Hair & beauty				\$200
Lotto & TAB				\$40
Debts				
Dental loan		Owes \$10,000 total		



TE ARA AHUNGA ORA
Retirement Commission

"My Dr is \$15 per visit and I go to Chemist Warehouse for the free prescriptions."

"I'm impulsive. I just bought a gorgeous coat."



Rawiri

GAME CHANGERS



CASE STUDY 6: MĀORI

Attitude to retirement

Rawiri has kept busy during retirement through his duties as a minister in the community.

- He enjoys his ministerial duties, gardening and spending time with whānau. He recently attended a relative's graduation.

"Today I'm being kept very busy. Even though I'm retired, there's burials, baptisms, weddings, birthdays, and a lot of trips to and from the pa."

"That was an honour. To be there and to be invited...they even paid my fare there...I'm really proud of our family."

He and his wife are 'managing' financially and are just living off the pension.

"Just being a registered church minister...we don't get paid. We worship the one god, but some people get the riches...we're just happy. We just do it for love and aroha. We're doing it voluntary really, with tears and sweat."

Retirement has meant:

- starting: more ministerial duties
- stopping: earning the same income

"I'm busier now that I'm retired...retirement now is as if I'm still working!"

Rawiri's faith and culture play a significant role in his life. He has been ordained as minister and has also completed a tertiary degree focused on his faith.

"It's a beautiful life. Beautiful rewards too. You get the love from your elders, from the people in your community that respect you."

"It was the ultimate dream being a church minister."

Rawiri recently joined a rūnanga (council) that is focused on uniting Māori.

"We are the wise men and women to look after our people."



CASE STUDY 6: MĀORI

Retiree spend

Rawiri does wish they were more comfortable financially.

"I wish we had more, but there's a funny side to what we were talking about before with the churches that have come from overseas and they're getting paid and beautiful buildings, and the indigenous or native of most of the countries in the world don't enjoy that kind of life being a clergy."

How are they paying for retirement?

Rawiri and his wife are supporting their retirement solely through their pension and do not have any savings to fall back on.

"It is a big difference. But you pay all your taxes and you work all your years and you get thrown in the deep end and you come out with sufficient benefit...sometimes we share a bit of our money with families when they need us. It's not easy to bring up 7 adults and not contribute to making them more happier instead of sadness."

Rawiri does not feel that additional guidance would have helped him when he was younger.

"No, it was my own fault. We were all looking at something else...we were seeing shining stars."

Retirement planning has not been something Rawiri ever considered.

"Sometimes it just comes. It's what is planned for you. And if it's doing it for aroha, that's what you were put on this earth for. You don't want to go around like Richard Branson and those rich guys...we just have to be happy."

Rawiri and his wife live within their means, with his faith influencing the way he views finances.

"We've got everything that we want and we keep paying for what we use."

"We're managing alright. We don't complain much. Everybody our age is getting the same."

"Money to me is the root of all evil. You're not going to take it with you. You can't take any worldly goods with you."

He and his wife recently tried to invest in Bitcoin.

"Me and the wife were trying to get onto Bitcoin! We sent in an application but the guy that was talking to us was from somewhere in India...so we said 'bye bye'!"

Rawiri was not interested in saving and retirement planning in his youth.

"At the time I wasn't quite listening, to tell you the truth! I should've listened then...opportunity knocks. You need to think about how you can improve your finances."

"We were rough and ready at the time. We were young and frisky. Couldn't concentrate, the work was going well, thinking you've got enough money."



CASE STUDY 6: MĀORI Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super – Rawiri		\$782		
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel		\$240		
Bought lunches			\$50	
Groceries		\$200		
Takeaways			\$50	
Dining out			\$50	
Living expenses				
Rent / mortgage		\$260		
Power	\$120			
Gas / wood				\$40
House maintenance		\$30		
Landry / dry cleaning		\$30		
Internet / home phone			\$140	
Garden maintenance				\$100
Mobile phone			\$30	
Cleaning		\$30		

“For longer trips, we get our son to take us.”

“When we go out shopping, once a month we buy some food and take it over to our family...sometimes we have fish and chips.”

“Sometimes we go to McDonald’s.”

“That’s for buying the sprays and the weed killer...but I dig most of it out.”

“That’s for the top-up thing.”

“We’re very clean people...we were doing that well before the pandemic.”

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Elder care	\$30			
Specialist care	\$30			
Paid TV / Sky				\$20
Bank fees	\$5			
Other (church services)				\$50
Irregular expenses				
Vehicle maintenance				\$500
WOF				\$50
Vehicle registration				\$120
Breakdown cover				\$90
Life insurance		\$50		
Health products				\$500
Personal				
Clothing & shoes				\$100
Hair & beauty				\$100
Charity				\$100
Lotto	\$18			
Debt				
Hire purchase			\$60	

“I go to the hospital every month...the wife may also need her teeth to be looked at.”

“I joined AA 35 years ago.”

“They’re getting expensive. One is \$32 and one is smaller for funeral services.”

“You need new undies and things like that. Although sometimes I get some bonus from the wife, she buys me a shirt.”

“That’s my mobile phone, I had to pay it off.”



No savings / struggling

GAME CHANGERS



John & Bev

GAME CHANGERS




CASE STUDY 7: NO SAVINGS / STRUGGLING

Attitude to retirement


Both John (84) and Bev (76) have been working throughout their retirement. Financially they have to. Recent ill health on John's part and COVID-19-based redundancy on Bev's part have meant they are now both at home feeling "secluded" and "frustrated" respectively.

- John struggles with staying positive and motivated.




"What do I do? Nothing really. Sit and watch the tele, go on Facebook, play games on the computer, go shopping. Nothing much. Occasionally go and visit friends. Old age stops me, I can't do the things I used to do and have no incentive."

Bev has found looking for work fruitless and feels her age is the key barrier to her getting work.



"The moment they know your age they think – well, you won't be here much longer. I like meeting people and going out. I feel useless now."

They rent their home from their son. The home is sub-standard, but any other options don't feel achievable.



"For the state of the house, \$450 a week is disgusting. The cold tap doesn't work in the bathroom."

Retirement has meant receiving a pension, but both find themselves at a loss without the structure of work and the limitations of age.



"Bored. There's nothing much to do. There is a lot to be done around the house and in the garden, but I'm limited by my body."



"You need a hobby, something to do so you're not sat at home wasting away."

The couple have been made bankrupt before and their history of property and business decisions speaks of misguided decisions and a lack of planning.



"With hindsight we see we needed more planning and professional advice. We tried to be independent. We GIVE good advice but...we never thought we'd end up like this."



CASE STUDY 7: NO SAVINGS / STRUGGLING

Retiree spend

The couple says that they have never been good with money and are forced by necessity to continue to work well past 65.

“Financially we couldn’t afford to retire. It’s about compromises, we can’t do extraordinary or extravagant – so we enjoy it as we can.”

“We used to be free with our money – if you’ve got it, spend it. Now we are more miserly – needs not wants.”

How are they paying for retirement?

The pension is the sole source of income for John and Bev.

“Retirement suddenly appeared. So now we have to take things day by day and be prudent. Family used to tell us, but we didn’t listen.”

Unexpected expenses have been largely caused by neither of them working. This has meant a loan they thought would be paid by the middle of this year is now *‘a bit of a worry’*.

“I’ve got a ring that I could sell to put toward that but I might not get much for it.”

They are aware of sources of advice and support, but are reluctant to reach out.

“There’s WINZ, Salvation Army, clubs, places to go and get advice. But again, we’ve tried to be independent for as long as possible. Relying on help will mean the end.”

Helping family financially has also hindered their financial stability. They do not receive financial or emotional support from their children.

“As much as you love your family, you do get taken advantage of.”

“I didn’t realise at the time, but I have done far too much for them.”

No retirement planning has taken place – this is reflective of a lack of financial planning throughout their life together.

“With hindsight we should have done more planning. We thought we could do it by ourselves, but you can’t survive on a pension.”

Any planning feels futile.

“If we can’t live here, what do we do? Pray?! We could possibly get an RSA flat – they are cheap, but we’d have to get rid of everything.”

“In the next 5 years I will be 90. We’ve existed like this for so long it’s habit...the only savings we’ve got is what we don’t spend of the pension.”



CASE STUDY 7: NO SAVINGS / STRUGGLING Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super – John		\$834.04		
NZ Super – Bev		\$1,060.22		
Savings				\$1,894.26
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel			\$65	
Pet food		\$140		
Groceries		\$180		
Takeaways			\$35	
Living expenses				
Rent	\$440			
Power			\$170	
Gas			\$26	
Water	\$10			
Banking fees				\$4
Insurance			\$37.10	
Garden maintenance		\$55		
Regular expenses				
Phone insurance			\$64	
Mobile phone			\$46.00	

“We go about once a week, we don’t have a budget in mind, but we have a vague list. Looking at the spend on cat food, they need to go on a budget as well. I thought it was more like \$30–40 per week.”

“Our fuel gauge is broken so I fill up based on mileage.”

“I cancelled our contents insurance – I lost my ring outside – went to claim and they said it only covers indoor loss – so I cancelled.”

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Irregular expenses				
Doctors			\$7	
Clubs & memberships (RSA)				\$40
Pet fees (incl. flea treat)				\$144
Vehicle reg + WOF				\$162.32
Funeral insurance				\$104
Personal				
Hair & beauty			\$15	\$140
Cigarettes		\$60		
Alcohol		\$29		
Lotto		\$14		
Debts				
Credit card	PAID OFF + cancelled Farmers card			
Loans			\$782	

“I don’t want the kids to have to pay for our funerals, there will be nothing left to leave them, but at least there’s that.”

“I’m only on cask wine now.”

GAME CHANGERS



Brett

GAME CHANGERS



CASE STUDY 8: NO SAVINGS / STRUGGLING

Attitude to retirement

Having been officially retired from full-time work for some time now, Brett keeps busy through his hobbies.



"I'm into three things: music, cars and model trains."



"I put a band together to play at the (local event)...prior to that, there was plenty of organisation to prepare for that."

Retirement has been an adjustment for Brett, and he reflected on the relationship between work, purpose and health.



"My first impression was like a duck paddling on the pond going nowhere... you're not getting any younger."



"Some days I think, 'I wish I had a job do go and do today'."

"I keep playing music because it keeps you fit, and you have to hope that your health keeps well."

Retirement has meant:

- **starting:** hobbies, odd-jobs and volunteering
- **stopping:** earning a regular income



"Effectively, my life is reasonably busy with hobbies."

[On volunteering] *"It was something to do."*

Reflecting on their current situation, Brett feels that luck and being mortgage free have played an important role.



"I've probably been lucky in some ways. Like, a lot of people did very badly out of the earthquake. We ended up being a bit lucky out of it. But that's just the way the cookie crumbles sometimes."



"Paying off your mortgage is the big one."



CASE STUDY 8: NO SAVINGS / STRUGGLING

Retiree spend

Living primarily off the pension, Brett finds that this amount can support a modest lifestyle.

"When you don't have a mortgage and you don't have a huge amount of expenses, you're able to just live off the pension."

"We don't have a very extravagant lifestyle...we only go out for lunch occasionally. The recent extravagance was having oysters with our fish and chips on a Friday."

How are they paying for retirement?

Aside from receiving the pension, Brett also has as relatively small amounts of money invested in shares. He also turns a small profit by buying old cars, repairing them, and selling them on.

"I've bought and sold a few cars over the years. It's about investing in the right ones, you see."

"I've got assets you can sell if you need the money."

Occasional unexpected expenses are handled individually by either him or his wife.

"I'd just sell a few shares."

"If the washing machine broke down, my wife would just go and buy another one...that's the way it's always worked. She's looked after the things in the house and I looked after the bills, and bills include car break downs and repairs."

He feels that perhaps the Retirement Commission could be more visible and proactive.

"Maybe they need to be more visible. Maybe they need to physically make a phone call to people who are due to retire. Maybe they need to be more proactive in some way, shape or form."

Brett and his wife keep their finances separate and always have done.

"We operate kind of independently; she has her money and I have mine...what she has, I wouldn't have a clue."

"We put \$400 each a fortnight into a bills account for the house bills and stuff. That sort of keeps us afloat. We have what's leftover as spending money for ourselves. Which is only \$100 a week or so."

"When the kids were young, she used to feed and clothe the kids and boil the food and I'd pay all the bills: the rates, the mortgage, the power and everything else."

He and his wife never considered planning for retirement.

"We probably have never really discussed it...maybe we don't have much forethought compared to some people."

"The years go by and all of a sudden you reach 65 and you can get superannuation."

But the earthquake had an impact on retirement planning.

"No, I don't think we ever did much. That probably sounds bad because I am an organised person, but I don't think we did. I think probably what would've completely destroyed any of those ideas was the earthquake. That changed everyone's lives. Probably a lot of people in Christchurch would say that. If they had thoughts about what they were going to do, where they were going to be, et cetera, the earthquake ruined it. Then you just have to make out of it what you can."



CASE STUDY 8: NO SAVINGS / STRUGGLING Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super – Brett		\$672.22		\$17,477
Share dividends				\$500
Savings				
Emergency savings				\$2,500
Long-term savings				\$22,000
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel	\$20	\$40	\$80	\$1,000
Pet food	\$7	\$14		\$370
Bought lunches			\$25	\$300
Groceries	\$80			\$4,160
Takeaways	\$7	\$14		\$364
Dining out			\$25	\$300
Entertainment				\$50
Living expenses				
Power			\$100	\$1,200
Gas / wood				\$350
House maintenance				\$200
Land rates			\$224	\$2,688
Internet / home phone (incl. mobile phone)			\$125	\$1,500
Garden maintenance				\$50

"It's about \$735 with the winter payment at the moment...and my wife gets the same."

"I've got a share broker."

"That's just money in the bank. But I've got money in a sock in my drawer too that I keep from things I buy and sell."

"I've got a van and my wife's got a car...if I'm going somewhere in town I use the car. She buys the petrol for the car out of hers."

"Sometimes we'll go somewhere just for a change."

"Other than lunch, we seldom go out...I think we've been out for dinner once this year."

"We don't have gas but we have a wood fire."

"We don't pay for water, it's in our rates."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Paid TV / Sky			\$98	\$1,176
Bank fees				\$25
Clubs & memberships				\$60
Irregular expenses				
Home insurance				\$1,000
Vet fees				\$80
Vehicle maintenance				\$300
WOF				\$40
Pet registration				\$65
Vehicle registration				\$110
Road user charges				\$800
Dental				\$360
Life insurance				\$65
Doctors				\$120
Gifts				\$150
Contents insurance				\$600
Personal				
Clothing & shoes				\$450
Hair & beauty				\$390
Beverages				\$50

"Since I've had to get the bloody cricket I've had to add \$25 for Spark Sport...I don't think I've included that."

"I'm a member of the clubs for my hobbies."

"That's just for oil changes and stuff."

"I've got to get a root canal done next month, which is \$800...I've got a bit of money in my drawer for that."

"I'm not big into clothes, I'm a jeans and t-shirt person."



Pasifika

GAME CHANGERS



Tala & Paul

GAME CHANGERS



CASE STUDY 9: PASIFIKA

Attitude to retirement

Tala is 66 and has been married to Paul for over 40 years. She works part-time and he is retired / full-time home-maker. They have full-time custody of 3 grandchildren.

- With 3 primary school-aged kids and adult children living at home, their weeks are very busy.
- Every Sunday is family lunch day – after church around 20 people gather for a shared lunch.



“The house and looking after it is like painting the Harbour Bridge. Housework, groceries, cooking, chores...there’s always something going on with church...”

Their current focus is on providing a stable environment for their grandkids. Their weeks are busy with activities as a family.



“Our focus is on the kids’ schooling and we’re mindful of our health – we need to keep trucking.”



“Monday is dance class, Thursday is swimming, on the weekend we have church and family visits...there’s always something.”

Semi-retirement has meant working 3 days a week across 5 days for Tala. Paul is fully retired and felt he had *“done my 40 years”*.

Tala’s immigrant parents instilled an ‘aim high’ mentality in their kids. Her father died relatively young (56) and her mum was subsequently looked after by extended family.



“We have always planned to be able to manage by ourselves financially. It’s how we were brought up. My mum and dad bought their own home and taught us to think ahead.”



“We were expected to do better than them. They had labour-intensive jobs, which impacted their health.”

They have owned their home for nearly 28 years and are mortgage free with a bach that is shared with friends and family for koha.




“When we were young and working full-time we had a 10-year mortgage with the aim of knocking it off quickly. It meant there were times when things were tight – I was managing the bills then, but we got by.”



CASE STUDY 9: PASIFIKA

Retiree spend


Tala and Paul are comfortable with the amount of income they have. While they have loans for a new car and for their bach, these feel manageable.



"We should be freed up in a few years and then we can look at renovating the home."


How are they paying for retirement?

- Pension
- 'Government Super' (teachers' pension)
- WINZ support for kids
- Tala's salary




"Financially I don't need to work but I'm happy to keep working. It means I see the kids, this helps them feel secure and I enjoy the flexibility of my time."

Unexpected expenses have been around family support / lending...



"We lent our daughter money for to build their first home...this IS a loan, so we are hoping for this money back."

...and around having the grandchildren in their care.




"We needed to buy a new car, that was \$40k. With the kids, we went to movies the other week, it was..."
"We went to the movies – that was \$70 for tickets and popcorn."

Receiving the 'Government super' for both Paul and Tala has made a huge difference to their income and lifestyle.




"How do people survive without government super? I feel secure about my retirement."

Culture impacts their spend with regard to church and meaalofa (gifting).



"I know that with some people giving to church can be about their pride, they want to be the biggest givers. But this can sow the seeds for hardship."



"With my family we are pretty good at being sensible with meaalofa – we have a set amount that each of us siblings give as standard for funerals or occasions."



CASE STUDY 9: PASIFIKA Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super – Tala		\$515.48		
NZ Super – Paul		\$672		
Govt Super – Tala			\$3,176	
Govt Super – Paul (Tax-free teaching super)			\$3,925.56	
Children's benefit	\$756.09			
Tala's salary		\$948		
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel			\$502	
Bought lunches	\$30			
Groceries (h'hold of 7 people)		\$684		
Takeaways			\$208	
Dining out			\$379	
Entertainment			\$113	
Other (credit cards)	\$700			
Living expenses				
Rent / mortgage		\$585		
Power (2 properties)			\$319	
Water			\$102	
Land rates (2 properties)			\$4,780	
Internet / home phone			\$109	
Garden maintenance			\$100	
Mobile phone (2 mobiles)			\$100	

"I could have opted in for KiwiSaver but I didn't want to double up. But I'm glad our kids have got KiwiSaver."

"I could probably do this myself. but..."

"It's things like family functions, we had a catch-up at a Korean BBQ the other night."

"We still have a mortgage on the holiday home."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Bank fees			\$14	
Subscriptions / fees (NZ Herald)			\$956.50 + GST	
Social club / union fees (NZEI)		\$2.42		
Clubs & memberships (NZMCA)			\$90	
Irregular expenses				
Home insurance		\$105.11		
Vehicle maintenance			\$400	
Vehicle registration			\$290	
Vehicle insurance		\$79.96		
Motorhome			\$934	
Accountant			\$4,712 (\$2,000–\$2,500 recover)	
WOF			\$190	
Road user charges			\$500	
Swimming lessons for kids			\$2,148	
Dance class			\$556	
Optician / glasses (est) (both)			\$600	
Dental (est)			\$800	
Life insurance (both)			\$174	
Medical insurance (both)			\$499	
Doctors (est)			\$350	
Gifts (meaalofa – Samoan culture)			\$500	
Contents insurance		\$32.64		
Donation (church)	\$20.00			
Other (birthdays)			\$500	

"Well, we had big plans with the campervan. But that was before the kids came to us. With young kids it's not easy."

"Our church has a table where you put in your tithing, it's pretty low key."



CASE STUDY 9: PASIFIKA

Budget

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Personal				
Clothing & shoes			\$313	
Hair & beauty			\$300	
Charity				\$50
Community contributions (NZLP)				\$250
Lotto	\$30			
Debts				
Credit card			\$140	
Personal loan		\$906		
Other (\$24,000 loan)		\$200		
Other (one off)				
Car – \$44,000				
Drier – \$1,017				
Settee – \$1,600				
Hearing aids – \$4,176				

“We got a \$100k loan to help one of our kids buy their home.”



Lesley

GAME CHANGERS



CASE STUDY 10: PASIFIKA

Attitude to retirement

Lesley is 68 and decided to take an early retirement with her husband at age 59 after selling their business. A move to a region closer to their family has meant re-establishing a home and lifestyle.

"The nature of business changed over time and it became harder. In the end it was difficult to sell – our home too – after the quakes people wanted to buy new."

"We joined clubs when we moved here and have made friends but I do miss my 'drop in' friends. We had friends we had known for 50 years."

Lesley keeps busy by spending time with family and friends and her involvement with various clubs and community groups.

"I swim 2 or 3 times a week, I'm president of a club that meets monthly. We don't really like going out for meals or entertainment, we prefer to be at home. It's safer and easier to eat at home – I can whip something up."

Lesley feels the death of her mother at a young age has impacted her relationship with her children and grandchildren

"I've spoilt them, not in a monetary way, more doing things for them because I know what it was like to not have a Mum to do that for you."

Lesley's dad was from one of the Pacific Islands and married a Pākehā New Zealander. She describes him as a 'principled, proud, hard-working man', who had shares in a building society and paid off the family home.

"If Dad liked one of his kids, if you were 'good', then he would give you money and support you. It's the Island way, to help people. I looked after dad and I was rewarded [financially] for that many times over, but my brother and he fell out, so he didn't get anything."

She recalls a close extended family growing up, which her children don't have.
"My children don't know half their cousins, people are all so busy, always on the go. Childhood is different – when we worked for something, there was a sense of achievement, it's all so easy now. My grandson will say, 'Nanny, have you got something nice for me?' when he visits. It's all about the material and not playing."



CASE STUDY 10: PASIFIKA

Retiree spend

Despite having ‘plenty’ of money, Lesley and her husband are very cautious spenders.

“People say we are ‘lucky’, but we are not lucky – we went without and sacrificed, we have been careful and have made good investments.”

“We’re very, very frugal and I’m not quite sure why we don’t use the money. We’d probably like to get new cars, but it’s our era – when we grew up we didn’t have a lot.”

The couple have never used a financial advisor but did visit their bank last year and decided to put their money into investments rather than invest with a family member. Whilst their decision may lead to lower returns, they are happier with a low-risk option.

“We’re not poor, but you’ve got to leave it in there or you don’t get enough interest. It’s like a KiwiSaver fund, it’s secure.”

“What are we saving it for? We just leave it there, for a rainy day. It’s more than enough, so it’s silly.”

How are they paying for retirement?

Pension + savings / investments

“We live off the \$1,500 per week interest.”

Lesley lives near a retirement village that proposes a lifestyle approach. It has a 5-year waiting list, but Lesley feels this will be about the time they look to move.

“One child says we could go and live with them but we don’t want to, they only want to watch our spend, they think that what we have saved is their inheritance.”

“I don’t think we will go travelling again really. We’ll carry on in our happy way.”

Lesley couldn’t think of moments when they could have benefited from advice or made different decisions.

“We did the right things, my husband is methodical and a bit OCD. We thought things out and researched things. We looked after our homes, bought in the right areas.”

She feels the key to a retirement is a savings plan.

“You need to drum it into people to save, but some will never listen. I have a 72-year-old friend who is surviving on the pension alone. She has \$100k savings but no will, and won’t spend the money to make her life easier. You really have to save and you can’t rely on the pension.”



CASE STUDY 10: PASIFIKA

Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super – Lesley		\$672.22		
NZ Super – Husband		\$735.86		
Investments – \$700,000				
Investments – 50,000				
Savings				
Emergency savings				\$60,000
KiwiSaver – Lesley				\$17,000
Lesley's personal savings				\$6,500
Joint cheque account				\$7,000
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel			\$80	
Takeaways		30.00		
Groceries			\$165	
Dining out				\$300
Living expenses				
Power			\$150	
Water				\$280
Land rates				\$3,900
Internet / home phone			\$142.87	
Garden / home maintenance				\$400
Mobile phone (2 mobiles)				\$1,000

"We get around \$1,500 interest from these."

"We don't spend that much on groceries, we have a good veggie garden, one of our family members can get us cheap meat and seafood. I cook everything frugally. I definitely see the power bill go up when I bake."

"I have a pre-pay that I never use, but we got my husband a phone we're paying off, we had money to buy it, but it was interest free."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Paid TV / SKY				\$788
Social club / subscriptions (incl. St John's, AA, Grey Power)				\$306
Home / contents / vehicle (x 2) insurance				\$4,723
Vehicle registration				\$180
WOF				\$90
Dental				\$300
Medical insurance (both)				\$5,300
Doctors				\$300
Gifts				\$600
Donations				\$100
Christmas Club				\$500
Clothing				\$400
Hair & beauty				\$320

"Medical insurance – was more but we removed Dr and prescriptions, with our medical conditions it kept going up. We probably could get cheaper overall insurance, but we get good service from our provider."

"I put in around \$10 a week with my groceries, I have always done this."

GAME CHANGERS



Asian Immigrant

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Annie

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CASE STUDY 11: ASIAN IMMIGRANT

Attitude to retirement

Annie came to NZ to give her young children a safer upbringing. She lives on her own in an apartment that she owns after a robbery in a rental home made her feel unsafe. Her adult children don't live in the same city as her.


- She enjoys *'not having time problems'* and having time to call her own.
- She struggles with feelings of loneliness and isolation.

COVID-19 exacerbated these feelings.



"It was mentally hard, I felt isolated and lonely. I couldn't go out for the shopping, for coffee. Mentally you feel cut off from the world."

After a lifetime of working to support her family, Annie retired at 62 and now has the pension. Life has not changed dramatically.



"To be honest, there has been no planning, it's just like normal, I'm just not going to work. I have savings and then it wasn't long before I had super."




"It didn't feel necessary to have retirement planning – you spend what you have and save what you can."

She would advise those about to retire to plan how to use their time.




"I would encourage community involvement rather than looking at 4 walls."

Church provides a sense of community and purpose for Annie.



"I help out at the church once a week with their children's programme. I'm an elder in the church. In terms of the church supporting older people – we do a once-a-year lunch, so it's rare. The focus seems to be on young mums."

Annie has no clear plans for the future – key determinates in what she does next will be her health and ability to drive.



"I guess the next 5 years will be the same. I don't know what I want to do. I could move to be closer to my children. I'm already in an apartment and I'm already in control. I have friends in retirement villages, I feel like their kids have pushed them into it so they (the kids) can feel at ease."



CASE STUDY 11: ASIAN IMMIGRANT

Retiree spend

Annie describes her lifestyle as 'frugal'. She does not trust investing as a way to grow income.

"The main thing is to save as much as you can. You can't live your previous lifestyle with no income."

"The best thing is to put your money in the bank. I don't believe in investments, far too risky. You could lose all your savings"

How is she paying for retirement?

KiwiSaver + pension + some savings

"I took the lump sum out of KiwiSaver when I stopped full-time work."

Owning an apartment is something she wouldn't do if she had her time again.

"The body corporate fees that started at \$800 when I bought are now \$3,500."

The apartment turned out to be a leaky building. Funding her portion of the repair bill wiped out all Annie's savings.

"It was devastating for the owners. That was my savings all gone. It was a very hard time of my life."

In Annie's home country there is no pension and in her mind, there is less equality in society. She has no plans to return.

"They have what is called 'Golden Age' savings, you can withdraw it when you retire at 55. The expectation is that your parents will live with you and you will look after them. If that is not possible, you will buy a house near your parents."

Annie is reluctant to reach out to her children but knows they are there if she needs them.

"If I'm ever short, they are willing to help out and they ask me. I would take that if I had financial problems. But they have their own families to look after."

Getting a job is something that she would still consider.

"It's hard to keep working, employers compare you with younger and cheaper people. I wonder if I could get a job that's not too physical..?"



CASE STUDY 11: ASIAN IMMIGRANT Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super		\$873.88		
Savings				
Holiday savings			\$100	
Long-term savings			\$100	
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Fuel		\$20		
Bought lunches	\$20			
Groceries	\$50			
Takeaways	\$20			
Dining out			\$50	
Entertainment			\$20	
Living expenses				
Power	\$66			
Water	B/C			
Cleaning	B/C			
House maintenance	B/C			
Internet / home phone	\$80			
Garden maintenance	B/C			
Mobile phone (2 mobiles)			\$30	
Land rates				\$1,135.85

"Whatever is left over goes into savings. I don't really budget – if it doesn't work out you'd be disappointed."

"\$20 can buy lunch that will last you a week, some bread, some cheese, a cucumber. Buy seasonal. I have a budgeted amount each week for food and groceries."

"I might go to two movies a month – special pensioner pricing."

"I don't have contents insurance, there is nothing of value in my house and the premiums go up each year."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Regular expenses				
Subscriptions / fees				\$34
Club & memberships (gym)	\$12			
Irregular expenses				
Body corporate fees				\$3,342.60
Vehicle maintenance				\$100
Vehicle registration				\$109.16
WOF				\$40
Optician / glasses				\$300
Doctors				\$100
Health products				\$150
Gifts			\$100	
Donations (church)	\$20			
Other (car insurance)				\$242.55
Personal				
Clothing & shoes				\$200
Hair & beauty				\$400
Lotto		\$16		
Debts				
Credit card			\$545.38	

"I got a script through my Dr to attend special classes at a couple of gyms – Goldfit classes."

"I also had a dentist bill of \$1,300 this year, I have savings for these kind of unexpected emergencies, only a couple of thousand dollars."

"I use my credit card for everything I can for loyalty programme points – I usually redeem them for gift cards to give to people."



Juan

GAME CHANGERS



CASE STUDY 12: ASIAN IMMIGRANT

Attitude to retirement

Juan is 75 and has been in NZ for 13 years after she and her husband followed their son who arrived on a skilled employment visa. She finds NZ beautiful and the people very friendly, but has struggled with having no English language skills and not being able to drive. This is the first advice she would give to any older people moving to NZ – speak English and learn to drive!

“There was no well-thought-out plan, we just came to NZ because our son was here and have learned by doing.”

Juan and her husband live in pensioner housing – while Juan has carved out a life that involves supporting her local ethnic community and learning English, her husband finds learning a language too hard and chooses to stay at home.

“Life is hectic, with my role at the association, I’m leading the activity. Every week I study English via a community outreach programme.”

“My husband stays at home, he refuses to go out after COVID-19. He is bored and lonely, I think.”

Juan tried to find work when she first arrived in NZ, but the language barrier was hard and her health was impacted. She is missing the language support that her son can provide. Her family does not appear to provide financial support.

“He provides a back-up – I fractured my rib and when I went to the GP, he was able to translate on the phone.”

Juan says that despite there being a **‘cultural obligation’** for children to support their elderly parents, this does not happen in NZ.

“They are acting Western and individualistic. Children are busy and they don’t have time for their parents.”

Her work with her local association means she acts as an **‘information hub’** to the community, giving advice and support to a largely retired membership base.


“It might be about policies, helping them keep active, it could be about the medical system. Sometimes we are helping with conflict negotiation – it’s intergenerational, e.g. the parents wake at 7am and the kids don’t wake till 11, but expect the parents to be quiet and not make a noise.”



CASE STUDY 12: ASIAN IMMIGRANT


Retiree spend

Juan and her husband own a home in their home country that they travelled to once a year prior to COVID-19. Missing these trips has allowed their savings to accumulate, but their lifestyle and spend haven't changed.


 *"Normally we would have about \$1,000 for savings. These savings will get used to travel home later in the year – we will need to pay for managed isolation."*

How are they paying for retirement?


100% pension only

 *"We live a thrifty life. Before super I was on a benefit allowance. Our son was not financially well off either so could not back us – life was miserable at that time."*


Medical care is Juan's biggest concern.

 *"What is unpredictable is medical care, the cost of sudden illness. I worry the most of someday not being able to take care of myself – who will pay for that?"*

Juan's lifestyle is carefully managed.


 *"Public transport is free with the gold card but because of my work and study there are times when I need to travel in peak traffic so I need to pay."*

Juan sees members of her community suffering financially.

 *"70% of our members are over 65. They are living difficult lives. They don't drive and they can't communicate. I'd say 30% of them don't have any financial freedom. Either they didn't know how to set up bank accounts and so the bank accounts are under their children's control, or the kids are afraid the parents will get scammed using internet banking. So the parents have to ask their children for a grant each week, they have no control over their money."*

Despite these concerns, the couple do not have any concrete retirement plans and see a need for culturally relevant solutions.

 *"I'm afraid of planning for such a long time."*

 *"People in my community are worried about where they are going. There are no culturally appropriate retirement homes. If I was to go into an NZ retirement village I would feel lonely and with the language barrier I couldn't make friends."*



CASE STUDY 12: ASIAN IMMIGRANT Budget

Income Source	Weekly	Fortnightly	Monthly	Yearly
NZ Super	\$300			
Savings				
Emergency savings				\$30,000
Outgoings	Weekly	Fortnightly	Monthly	Yearly
Everyday expenses				
Public transport	\$8.10			
Bought lunches	\$45			
Groceries	\$50			
Entertainment				
Living expenses				
Rent	\$269			
Power			\$110	
Internet (Wi-Fi)			\$110	
Mobile phone			\$20	
Regular expenses				
Chinese tea	\$7			
Clubs & memberships				\$200

"Husband's pension includes housing allowance."

"I need to buy lunches because of my schedule – I don't have time to go back home between association and classwork. I might also pay for friends if we lunch together."

"I go to the farmers market on a Sunday – fruit and vegies are cheaper than the supermarket."

Outgoings	Weekly	Fortnightly	Monthly	Yearly
Irregular expenses				
Optician / glasses				\$269
Dental				\$970
Doctors			\$10	
Health products				
Gifts				\$400
Personal				
Clothing & shoes				\$260
Hair & beauty			\$15	
Charity				\$100
Travel				\$2,700
Loans				
Student loan \$20,000 total				

"Able to claim this back from WINZ."

"Our biggest expense is travelling once a year and having to bring gifts for our relatives there."

"When I came to NZ I got a student loan to study English. Nobody has asked for it to be paid back."



OPPORTUNITIES FOR INTERVENTION & EDUCATION



**TE ARA
AHUNGA ORA**
Retirement Commission



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OPPORTUNITIES FOR INTERVENTION & EDUCATION

Lacking incentive & motivation to plan

Most respondents have ‘sleepwalked’ into retirement without giving financial or lifestyle planning much thought.

- We saw a general level of acceptance of where they are at and most are surviving, if not thriving – very much the stereotypical ‘she’ll be right’ Kiwi attitude – somehow, it will work out, someone else will take care of it (‘it’ might refer to healthcare, accommodation or even general day-to-day living).
- Significant and disruptive life events (e.g. divorce and suddenly becoming a single parent, losing house or job) pull people away from thinking about the future and into the present; their focus is on the here and now, and basic survival.

The interventions that do occur are often happenstance, leading most participants to consider that **regular prompts to converse and consider retirement plans are necessary, as well as sharing sources of advice, support and case studies.**



RETIREMENT SPEND THEMES

Opportunities for conversation & consideration

Housing

- Lack of affordability
- Lack of suitable housing for older people (one level, easy maintenance, in current area)
- Options – how do you access pensioner housing? How do you move into a retirement village?

Passive / Extra Income

- Subdividing & renovating – what are the costs & steps involved?
- Working in retirement – what are my options?

65+ Lifestyle

- How can I plan for a length of time when I don't know how long I will be retired for?

Accessing Super & KiwiSaver

- How?
- When?
- What allowances are available?

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RETIREMENT SPEND LIFE STAGE OPPORTUNITIES

Opportunities for intervention identified by respondents

Children start working

Encourage them into KiwiSaver...
And use this time to think about your
own retirement plans

Selling a home or business

What are my options with regard to
selling & what should I do with the
money?

Relationship split

What do I need to consider?

Looking after parents / parents passing away

What can you learn from their
retirement?

Family attitude to money

Encourage discussions &
expectations

Turning 60

When retirement becomes 'real'

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