

What does retirement mean to New Zealanders today?

Results from focus groups conducted by Ipsos Research

This summary compiled by CFFC

Findings from focus groups

- Generally positive view of retirement and what it will offer – travel, more time spent with family, friends and on personal interests
- While some people looked forward to leaving ‘the daily grind’ behind, others expected to do less strenuous work or fewer hours but couldn’t imagine not working.

Concerns

- Ageing population, rates of homeownership, technological advances, financial literacy, delayed parenting, rates and (timing) of home ownership, student loans and the increasing cost of living will all impact people’s retirement.
- Mobility is an essential component of a good lifestyle in retirement; not being able to drive, or even not being able to drive after dark, is a major restriction on accessing social contact and activities.
- Poor health can restrict the freedom of retirement and make one dependent on others.
- Participants saw home ownership as a key part of a financially secure retirement but recognised that the traditional journey of buying and owning a home before retirement is changing.
- Looking after ageing and unwell parents can also impinge on retirement.

Financial education and planning

- A need was expressed for practical, easy-to-understand financial education at all stages of life, beginning in primary school.
- Parenthood was a trigger for younger people to start thinking about their financial future.
- Money was not seen to be a socially acceptable topic of conversation.
- Stereotypical ‘she’ll be right attitude’ – that it will all work out in the end despite a lack of planning.
- Barriers to planning: retirement is too far away; trying to survive the now; not sure how much to save; future is unpredictable; planning retirement means thinking about when you die.
- Younger participants tended not to foresee complications, like a sick partner, that could impact their retirement.
- Need more government support regarding saving and home ownership.
- Need financial advisory services that are accessible and affordable.

Māori & Pasifika groups

- A higher sense of mortality, poor health and the reduced lifespans of their ethnicities - a shorter-term view of retirement and might not feel the need to plan; retirement might be unpleasant due to poor health.
- The ideal retirement for many was going back to where they grew up and a return to traditional values and ways of living.
- Retirement is inclusive – involving more than myself and my own needs.

- Older people are part of society – a taonga, not a burden.
- Limited or unstable employment opportunities stifle most types of planning.
- Communities provide strength but can also keep us confined.

Vulnerable groups

What is vulnerability about?

- Having the capacity to only live day-to-day.
- One change can cause a catastrophe that is too hard to recover from.
- Multiple issues happening at once to impact finances, e.g. redundancy, illness, sole parenting.
- Future plans are based on assumptions and hope – not discussion.
- The burden of family on finances.

Attitudes to retirement and retirement planning – vulnerable people

- A home of one's own was seen as crucial to mental health and wellbeing.
- Some respondents felt that retirement was their due for working hard and contributing to taxes.
- Guarantees / security are really important – a lot of their lives are uncertain and feel out of their control – they want things they can be sure of.
- A strong awareness of the impact of ill-health on retirement.
- Retirement is too far away to be real – or they believe that they might not need to consider it as they might not live that long.
- A sense of fatalism – you can't plan anything or you never know what might happen, so why bother?
- Vulnerable people's sense of worth / self-esteem has often taken a battering, leaving them less able to face anything more than survival.
- Most people believe that retirement is their own job and responsibility – but they don't know how to do prepare or organise for it.
- There is a lack of knowledge about where to get advice from – what do I need to ask?
- People often default to their bank or friends and family for advice which is not always fit for purpose, or they default to less effective methods such as bank savings account – not moving forward or having money work for them.