



**TE ARA
AHUNGA ORA**
Retirement Commission

Housing intentions for Pacific People living in New Zealand aged 45-64

June 2022

Dr. Jo Gamble



Executive Summary



Average household size = 5 people;
self-assessed 'too many/overcrowded' = 7.5 people

6%

live with more people than they consider 'ideal' (on the basis of 2018 NZ Census = ~ 4100) - increases to 15% for personal incomes under \$50k p.a.

29%

of current homeowners (45-64 years) will have a mortgage after the age of 65

23%

of participants currently renting through Kāinga Ora believe they will continue to do so after the age of 65 (~ 1257 Pacific people)

10%

want to live in a granny-flat or building next to the home after 65 (~6800 people)

11%

want older-age care facilities (e.g retirement village, rest home, kaumatua housing) (~7500 people)

- To contribute to terms of reference #9 (how diverse housing options for seniors would have different impacts on preretirement savings and retirement income) we partnered with Ministry for Pacific Peoples (MPP) to distribute an online self-completion survey to Pacific People aged 45-64.
 - A total of 358 people from nine different Pacific ethnicities started the survey giving a margin of error of +/- 5%.
- Early access to culturally appropriate housing and financial advice is essential to ensure Matua stand to have the best possible outcome in later life.
- Intergenerational living is likely to remain a typical housing situation for the next generation of Pacific People as they reach 65.
 - Opportunities to build extensions onto existing homes, rather than buying larger homes/new builds could allow families to continue to live together without some of the negative impacts communal living might have.
- While Pacific People are more tolerant of larger households, it does not negate the need for homes to be sufficiently large to cater for safe communal living.
 - High density, infill housing with small layouts may not be suitable for the way Pacific People wish to live.
- Kāinga Ora housing is another alternative to crowded, poor quality homes but must ensure Matua have the opportunity to connect with loved ones in culturally appropriate ways.
 - Ideally it can accommodate Matua who do not have family to live with and allow for family members or visitors from overseas to stay.
- Participants are relatively open to the concept of equity release, but communal ownership has implications for younger generations who wish to retain equity in the home.
- There may be some interest in facilities that enable mortgages to be passed on to younger generations in the household, or shared communally.



Background and Methodology

- The Retirement Commissioner is required by law to carry out a Review of Retirement Income Policies (RRIP) every three years in response to terms of reference set by the Government. For the 2022 RRIP we have been asked to undertake research relating to three broad areas comprising New Zealand Superannuation, housing and private savings including a focus on decumulation and KiwiSaver.
- Terms of Reference #9 (ToR9): *How diverse housing options for seniors would have different impacts on preretirement savings and retirement income.*
 - Several projects have been undertaken to address ToR9, including case studies with people living in cohousing communities, and a nationally representative survey of New Zealanders aged 45-64.
 - The current project involves a self-completion, online survey of Pacific People aged 45-64 living in New Zealand, conducted in June 2022.
 - As such, it also contributes to ToR #3 (*Ensuring the 2022 Review of Retirement Income Policies has sufficient use of distributional analysis, cultural and gender lenses to understand the different impacts of retirement policies across New Zealand*) by focusing on Pacific Peoples.
 - A series of talanoa were also conducted with Pacific People throughout New Zealand to provide insight to Pacific peoples' views of retirement, and how intergenerational living arrangements in retirement relate to their expectations and wellbeing. The research was conducted by Ministry for Pacific People as part of the review, and is reported elsewhere.¹

¹ Rohorua, H. T., Natua, J.T., Tapu, M.L. & Koloto, M. L. (2022). Report on Housing and Retirement among Pacific Peoples in Aotearoa. Ministry for Pacific Peoples. Wellington, New Zealand.



A note on recruitment

- Traditional means of recruiting people for surveys often suffer from a very low participation rate among Pacific People.
 - An additional issue is that Pacific People are often lumped together as a single ethnicity, despite being comprised of at least 17 different cultures.
- A self-completed online survey (separate from the 'general NZ' survey) was distributed to Pacific People aged 45-64, living in New Zealand.
 - This was achieved by partnering with Ministry for Pacific Peoples (MPP) researchers who were also leaders in their communities. The researchers were involved in the stage one talanoa.
 - The aim was to obtain at least some representation from each of the nine priority Pacific ethnicities identified by MPP: Samoa, Tonga, Cook Islands, Fiji, Niue, Tokelau, Tuvalu, Rotuma, and Kiribati.
 - Researchers from each of the ethnicities recruited participants via their Community and Church networks. Email addresses were extracted from personal contact databases, and invited participants were sent follow-up emails to encourage participation. Close friends and families were contacted by phone and assistance was provided to those who were not computer literate.
 - We are most appreciative of the efforts of the MPP researchers who enabled access to Pacific populations in New Zealand that would otherwise have been very difficult to reach.



Participant Demographics

- Findings from the survey should be considered exploratory.
 - Not all participants completed the survey (n=358 started, n=300 completed) but all responses are included regardless.
 - Because New Zealand populations of some ethnicities (such as Rotoma) are very small compared to others (e.g Samoa, whose NZ population is nearly 200x larger), results can't be considered representative of 'Pacific People' as a whole.
 - However, this structure means that the voices of these ethnicities can at least be heard, when otherwise they might be completely absent. Data is therefore unweighted.
 - Only significant differences between ethnicities will be reported on – however, small sample sizes means these need to be treated with caution. Additional differences could emerge as sample sizes increase.
- Census NZ 2018 figures show an estimate of 68340 Pacific People aged 45-64 living in New Zealand, giving a margin of error of +/- 5%.

	Population in NZ	% of NZ Pacific Population, 2018 Census
Samoan	182721	48%
Tongan	82389	22%
Fijian	19722	5%
Cook Islands Māori	80532	21%
Niuean	30867	8%
Tokelauan	8676	2%
Tuvaluan	4653	1%
i-Kiribati	3225	1%
Rotuman	981	<1%



Participant Demographics

- Definitions of personal income have been extended from traditional measures in the Census to include cash in kind since this makes up a proportion of financial transactions in Pacific culture.
- However, results show that the data is heavily skewed to Pacific People with higher personal incomes. This is likely due to the nature of recruitment (which depended in part on personal networks of the research team)
 - To account for this, where appropriate, data will be cut by low personal income (under \$50,000), medium (\$50-\$70,000), medium-high (\$70-\$100,000) and high (\$100,000 plus) to identify areas where income has an impact.



Participant Demographics

Ethnicity*	%	n
Samoan	21%	74
Cook Islands Māori	15%	52
Tongan	14%	50
Niuean	14%	48
Fijian	13%	44
Tuvaluan	11%	37
i-Kiribati	7%	24
Rotuman	7%	26
Tokelauan	6%	22
Other Pacific Island group	4%	14
European/NZ Māori/Asian/other	5%	16
Column Population (*multi-select)	350	

Personal Income	%	n
Under \$10,000	3%	8
\$10,000 - \$19,999	1%	3
\$20,000 - \$29,999	2%	6
\$30,000 - \$49,999	8%	23
\$50,000 - \$69,999	12%	36
\$70,000 - \$99,999	16%	47
\$100,000 - \$119,999	11%	34
\$120,000 - \$149,999	16%	49
\$150,000 - \$199,999	12%	37
\$200,000 or more	11%	32
Prefer not to say	8%	25
Column Population	277	

Household income	%	n
Under \$10,000	5%	16
\$10,000 - \$19,999	4%	13
\$20,000 - \$29,999	4%	11
\$30,000 - \$49,999	11%	33
\$50,000 - \$69,999	20%	60
\$70,000 - \$99,999	24%	72
\$100,000 - \$119,999	9%	26
\$120,000 - \$149,999	7%	21
\$150,000 - \$199,999	5%	15
\$200,000 or more	3%	10
Prefer not to say	8%	23
Column Population	277	

Gender	%	n
Male	39%	135
Female	61%	214
Another gender	0%	1
Column Population	350	

Age	%	n
45 - 49 years	24%	84
50 - 54 years	31%	110
55 - 59 years	27%	96
60 - 64 years	19%	67
Column Population	357	



Topics of interest

- Where do Pacific People intend to live after they retire (and who with)?
 - How do they compare to current arrangements?
- What activities are being undertaken to ensure this housing arrangement is attained (such as how much are people putting into savings or investments)?
- And what barriers to attaining an ideal living situation are present?
- Where do finances come into their intentions or resultant situation?
- What trade-offs did (or will) they make (privacy, noise, access to amenities, size of home, etc)?
- Are Pacific People aware of mechanisms for equity release? And if so, what is the appetite for this mechanism?



Implications

- On the basis of the participants involved in this survey, it appears that intergenerational living is likely to remain a typical housing situation for the next generation of Pacific People as they reach 65.
- Pacific participants have a greater tolerance to larger households (compared to other ethnicities as identified in the NZ General survey). However, this does not negate the need for homes to be sufficiently large to cater for safe communal living.
 - The ability to live (or be close to) loved ones, supporting each other and being supported is very important to participants.
 - Living in the same house with family is considered 'ideal' for many, but the need for privacy and space is also apparent. While 59% want to be in standalone houses/townhouses, 20% of participants would ideally transition from the family house to a granny-flat/building next to the main house or to aged-care facilities.
 - Indeed, those who feel in control of their future living situation are more likely to either be planning extensions to the home, building granny-flats, or buying homes with family.
 - As such, high density, infill housing with small layouts, designed to be affordable may not be suitable for the way Pacific People wish to live.
- Those who rent don't necessarily feel less control over their situation *per se*. This is consistent with the findings from the research from stage one talanoa in that some renters prefer to retain the freedom to opt out of a home. Additionally, some renters would prefer to invest in children's and grandchildren's education rather than committing to long term investments such as a mortgage.
- However, our results show that high rents and high cost of living are likely barriers to achieving a desirable housing situation in future for renters, so those who are renting by choice will need to be sure they can retire into the homes of people they invested in. Indeed, findings in the stage one talanoa suggest that aspirations of older members may not always be shared by younger generations.



Implications

- Although a significant proportion are likely to reach 65 living in a home that still has a mortgage to pay, this responsibility may not necessarily fall to the Matua since there are likely to be other family members in the home who are working and able to contribute financially.
 - The participants in this study were relatively open to the concept of equity release, but communal ownership has implications for younger generations who wish to retain their equity in the home, meaning such a facility may be less likely to be of use to Pacific People.
 - There may be some interest in facilities that enable mortgages to be passed on to younger generations in the household.
- Early access to culturally appropriate housing and financial advice is essential to ensure Matua stand to have the best possible outcome in later life.
- Contributing to KiwiSaver is the most common activity used to plan for a desirable living arrangement, but is a function of personal income.
- Those on the lowest incomes or unemployed are less likely to be undertaking activities such as contributing to KiwiSaver or paying off debt, and more likely to face high rents since they are less likely to own their home, and some may not be in employment.
- Living in homes that are over-capacity/crowded is more common for those earning under \$50k p.a.
- Opportunities to build extensions onto existing homes, rather than buying larger homes/new builds could allow families to continue to live together without some of the negative impacts communal living might have.
- Kāinga Ora housing is another alternative to crowded, poor quality homes but will need to ensure Matua have the opportunity to connect with loved ones in culturally appropriate ways.
- It is our understanding that Kāinga Ora prioritise housing for people with children. If this is so, it has implications for Matua who expect to rent through Kāinga Ora in later life. Matua may need to access such housing through their children – those who do not wish to live with their children (or don't have children in New Zealand) may not be eligible.

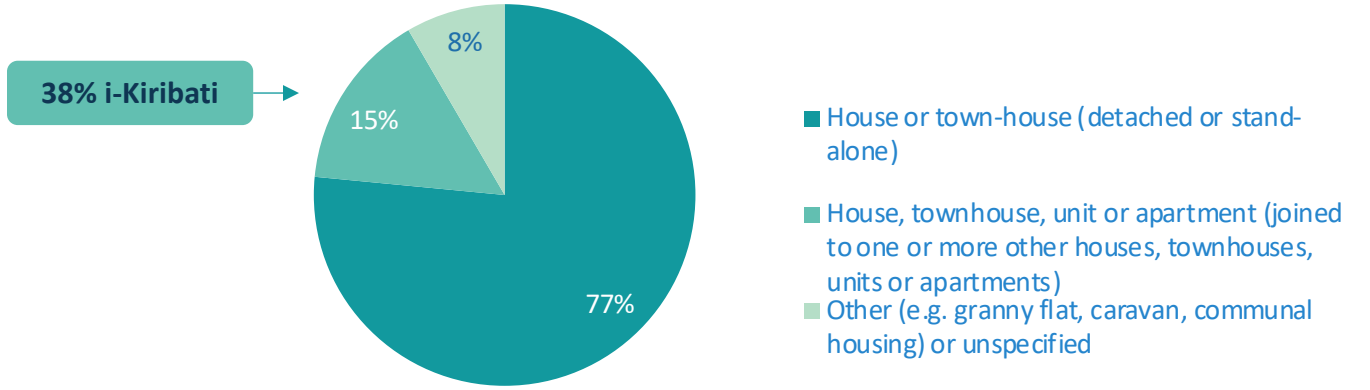


Current living situations



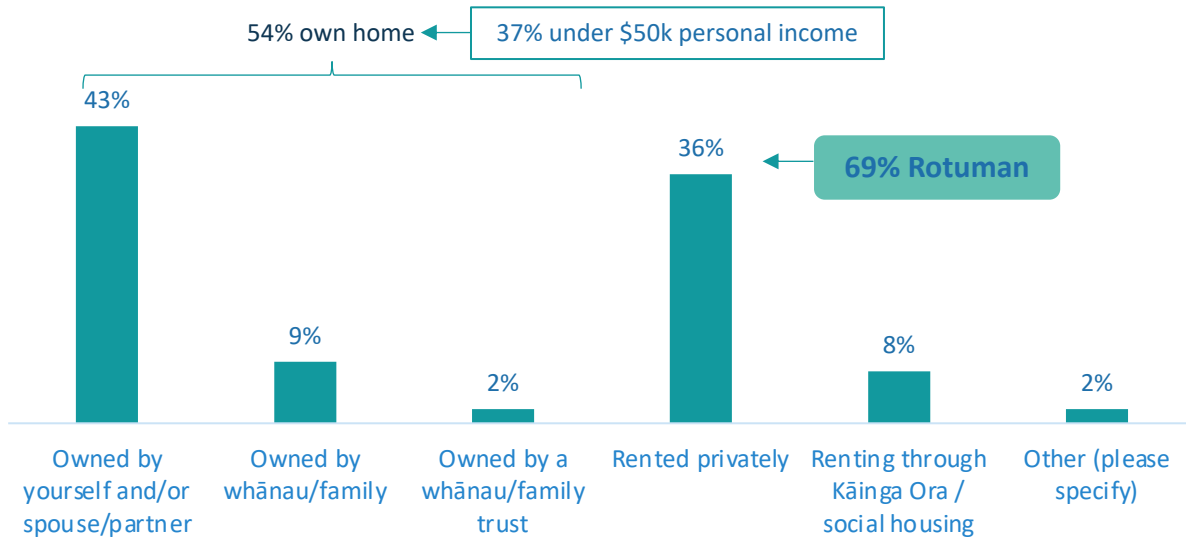
Homeownership is much higher in this sample compared to 2018 Census (32% ownership by Pacific People aged 65+). However, participant ownership levels are similar to that recorded in the general NZ survey for 45-64 year olds (52%).

Q6 - Which of the following describes where you are currently living?



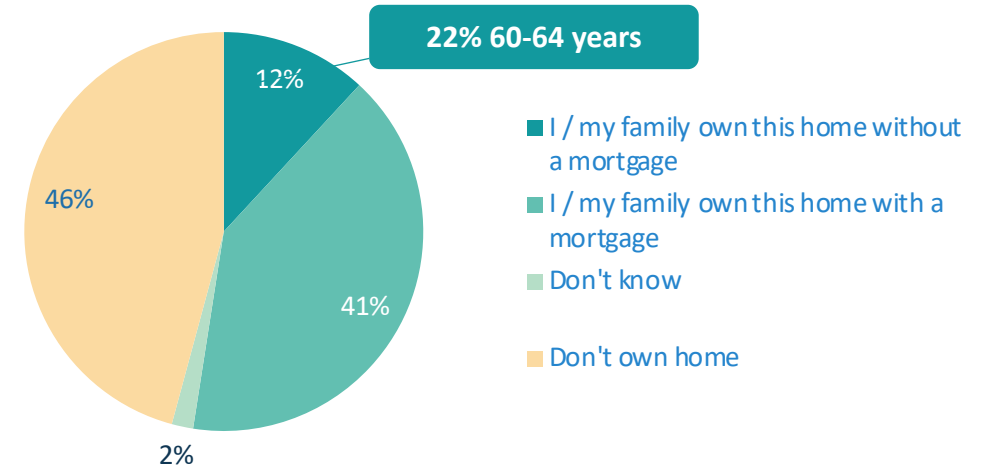
Total sample; Unweighted; base n = 345; total n = 358; 13 missing

Q7 - Which of the following applies to your current housing?



Total sample; Unweighted; base n = 345; total n = 358; 13 missing

Q8 - Is the home you live in mortgage-free? [those in own home]

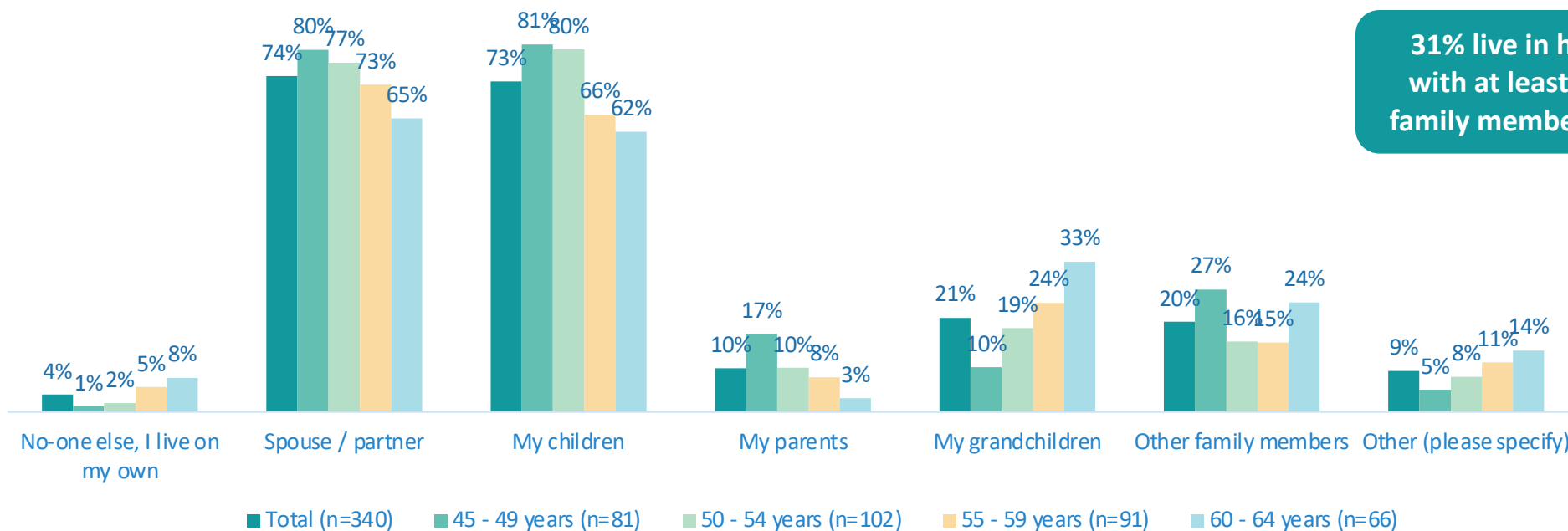


Total sample; Unweighted; base n = 187; total n = 358; 171 missing



Living with a spouse/partner and children is the 'norm' for participants. Even at 60-64 years of age, 62% of participants have children in the home. Grandchildren in the home becomes increasingly common with age, with a third of those aged 60-64 living with them. Conversely, living with parents (far less common) decreases with age.

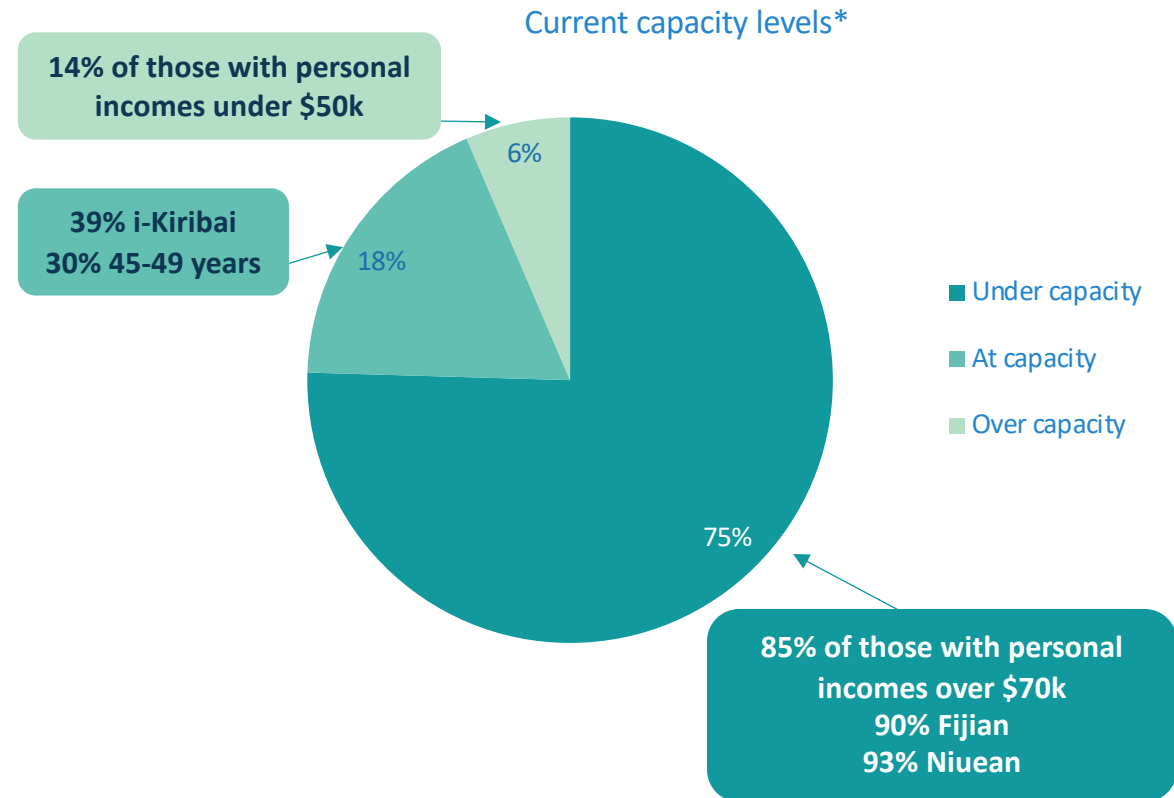
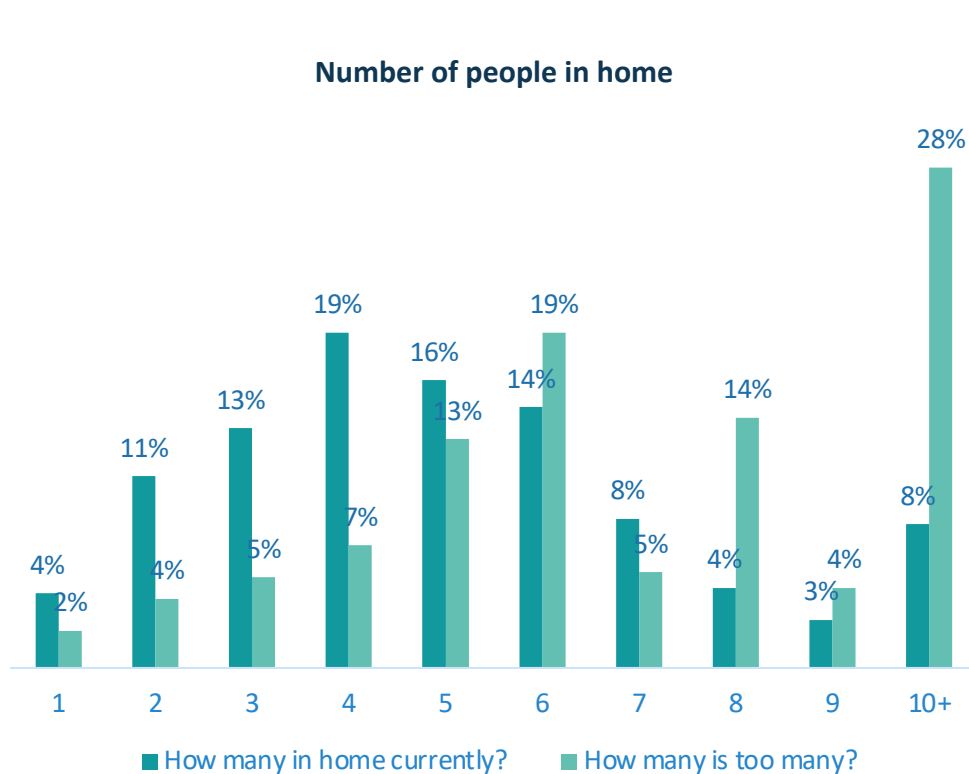
Q9 - Who lives in your home with you at the moment (that is, today)? (select all that apply)



Total sample; Unweighted; base n = 340; total n = 358; 18 missing



On average, participants lived in homes with five people, while the number of members that is considered 'too many' (or overcrowded) is, on average 7.5. However, six percent say they live with too many people (ie the number of current members exceeds what is considered 'too many/overcrowded'). This is a different way of assessing overcrowding (official statistics are based on the number of bedrooms and people in the household).



Total sample; Unweighted; base n = 340; total n = 358; 18 missing

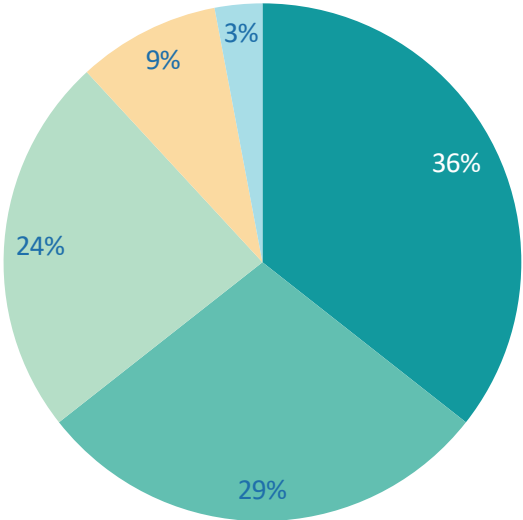
How many people living in your home would you consider 'too many'? That is, it would feel too overcrowded?

*Capacity relates to whether actual numbers of members the home is lower or higher than stated ideal



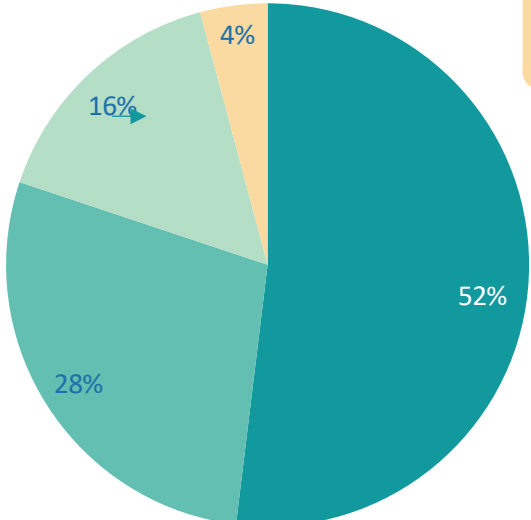
Coldness of home is an issue for a third of participants: 17% feel their homes are always cold (compared to 10% of NZers in general). One in five live in homes that have at least moderate issue with dampness (compared to 10% of NZers in general). However, these figures are much lower than revealed in the 2018 Census for Pacific People.

Q12 - How would you describe the condition of your current home?



- No repairs or maintenance needed right now
- minor maintenance needed
- some repairs or maintenance needed
- immediate repairs and maintenance needed
- immediate and extensive repairs and maintenance needed

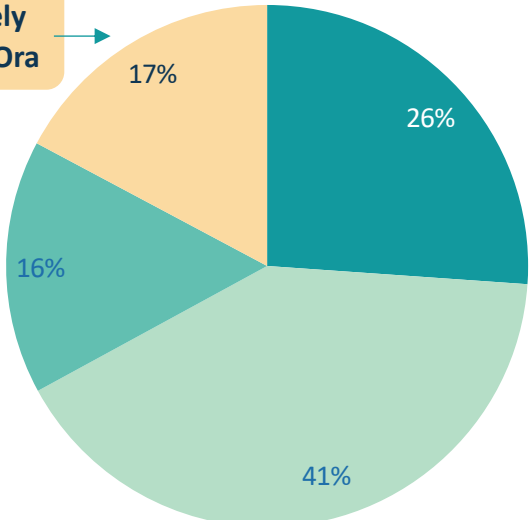
Q13 - Does your current home have a problem with dampness or mould?



- No
- Minor problem
- Moderate problem
- Major problem

24% Renting privately
27% Renting Kāinga Ora

Q14 - In winter, is your current home colder than you would like?



- No
- Yes - sometimes
- Yes - often
- Yes - always

Total sample; Unweighted; base n = 337; total n = 358; 21 missing



Demographic differences in home quality

- Condition of home
 - No repairs needed higher for Fijian (74%)
 - Immediate maintenance and repairs higher for i-Kiribati (22%), and 'at' capacity (16%)
 - Immediate and extensive repairs and maintenance, higher for 'over' capacity (24%)
- Problems with dampness or mold
 - No issues higher for Fijian (77%)
 - Minor problem higher for Tongan (45%)
 - Moderate problem higher for 'over' capacity (38%)
- Is home in winter colder than preferred?
 - No higher for Fijian (47%)
 - Yes always higher for those on personal incomes under \$50k (34%), renting (24%) or at/over capacity (32%)

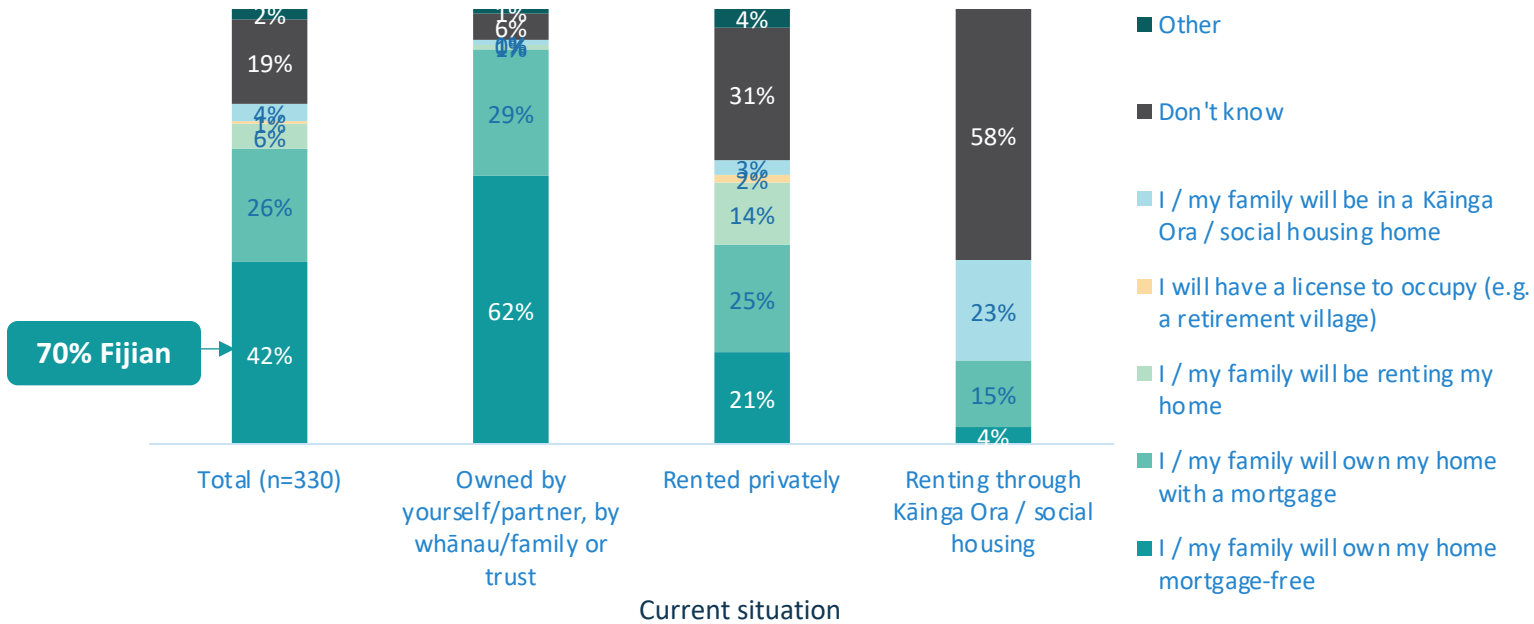


Future living situations

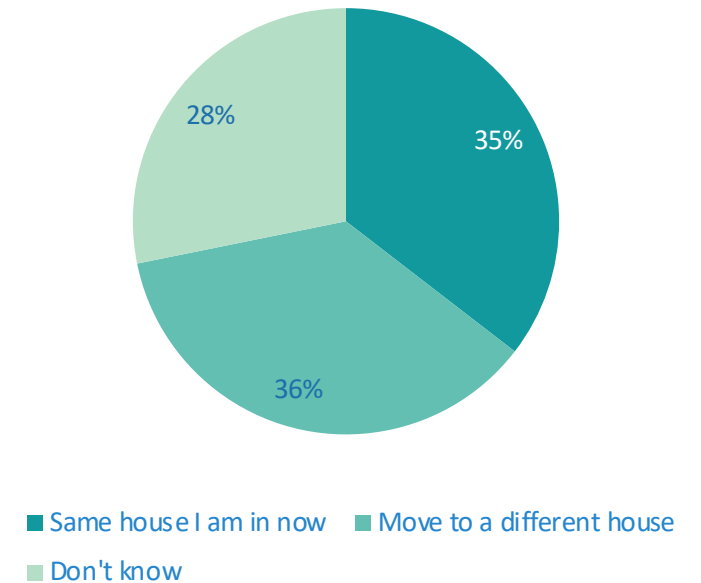


One in five don't know what their home ownership status will be after they turn 65. Nearly a third of homeowners expect they will have a mortgage after they turn 65. A quarter (23%) of those currently in Kāinga Ora housing expect to remain so in the future.

Q17 - After you turn 65, what will your homeownership status be? (by intention to move or not)



Q15 - Will the house you live in after you turn 65 be the same house you are in now, or will you move to a different one?

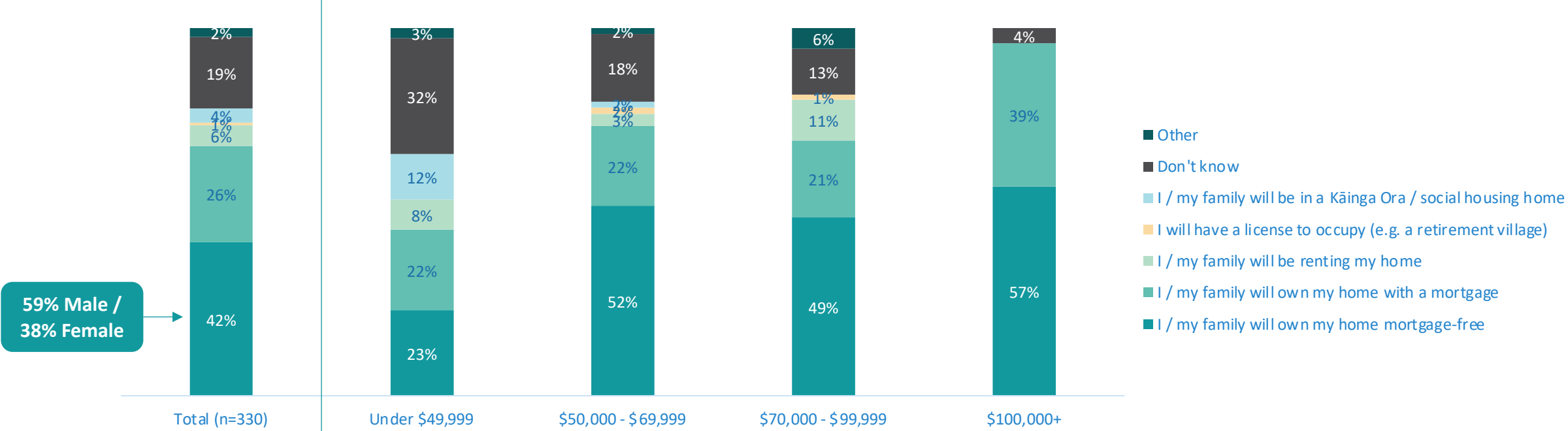


Total sample; Unweighted; base n = 333; total n = 358; 25 missing



Income plays a significant role in determining expected housing situation. A third of those on the lowest personal incomes are unsure of where they will live once they turn 65, while over one in ten believe they will be in a Kāinga Ora / social housing home. Men are more likely to believe they will own their home freehold in the future.

Q17 - After you turn 65, what will your homeownership status be? (by personal income)

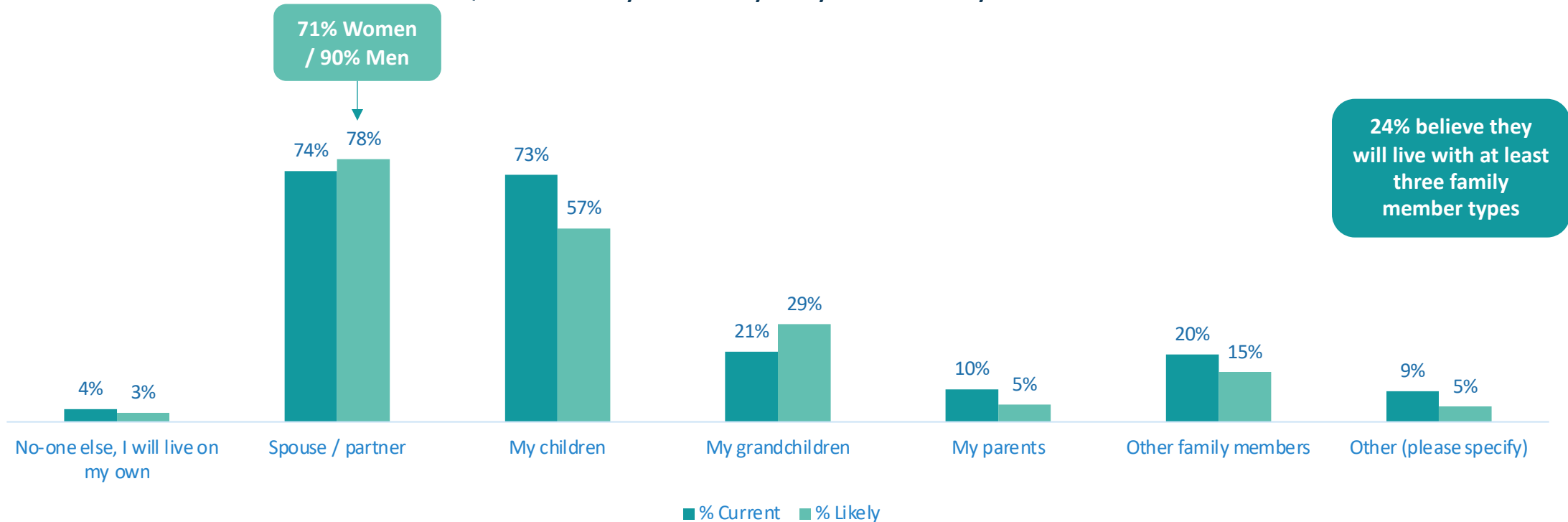


Total sample; Unweighted; base n = 277; total n = 358; 81 missing



Participants expect a transition from living with children to living with grandchildren once they reach 65 years, and this is consistent with actual patterns of current living situation as a function of age (see previous section).

Q16 - Who is likely to live with you in your home after you turn 65?

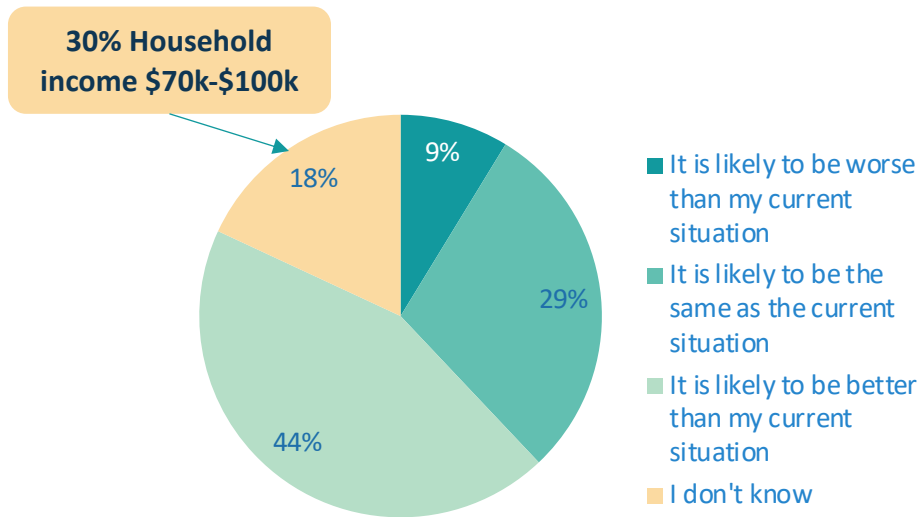


Total sample; Unweighted; base n = 330; total n = 358; 28 missing



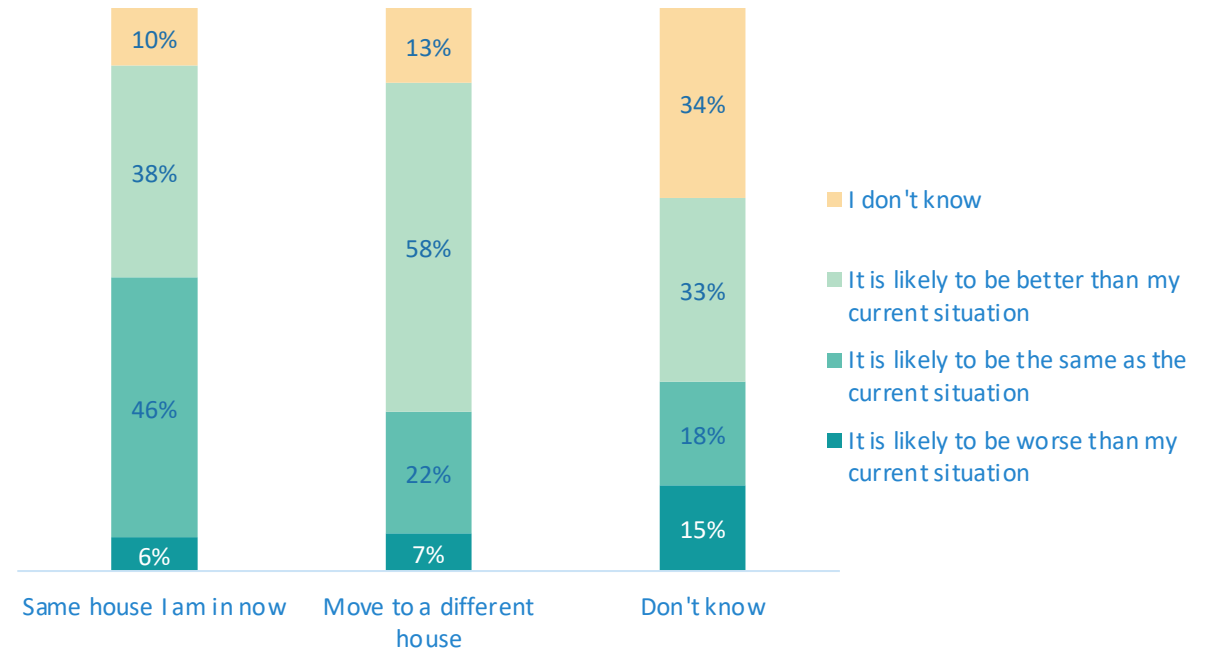
Just under one in ten believe their future housing situation is likely to be worse than it is now, while 44% believe it will be better. Less certainty is apparent for those with mid-household (but not personal) incomes.

Q18 - How do you think your 'likely housing situation after you turn 65' will compare to your current housing situation?



Total sample; Unweighted; base n = 332; total n = 358; 26 missing

Q18 - How do you think your 'likely housing situation after you turn 65' will compare to your current housing situation? (by intention to move or not)



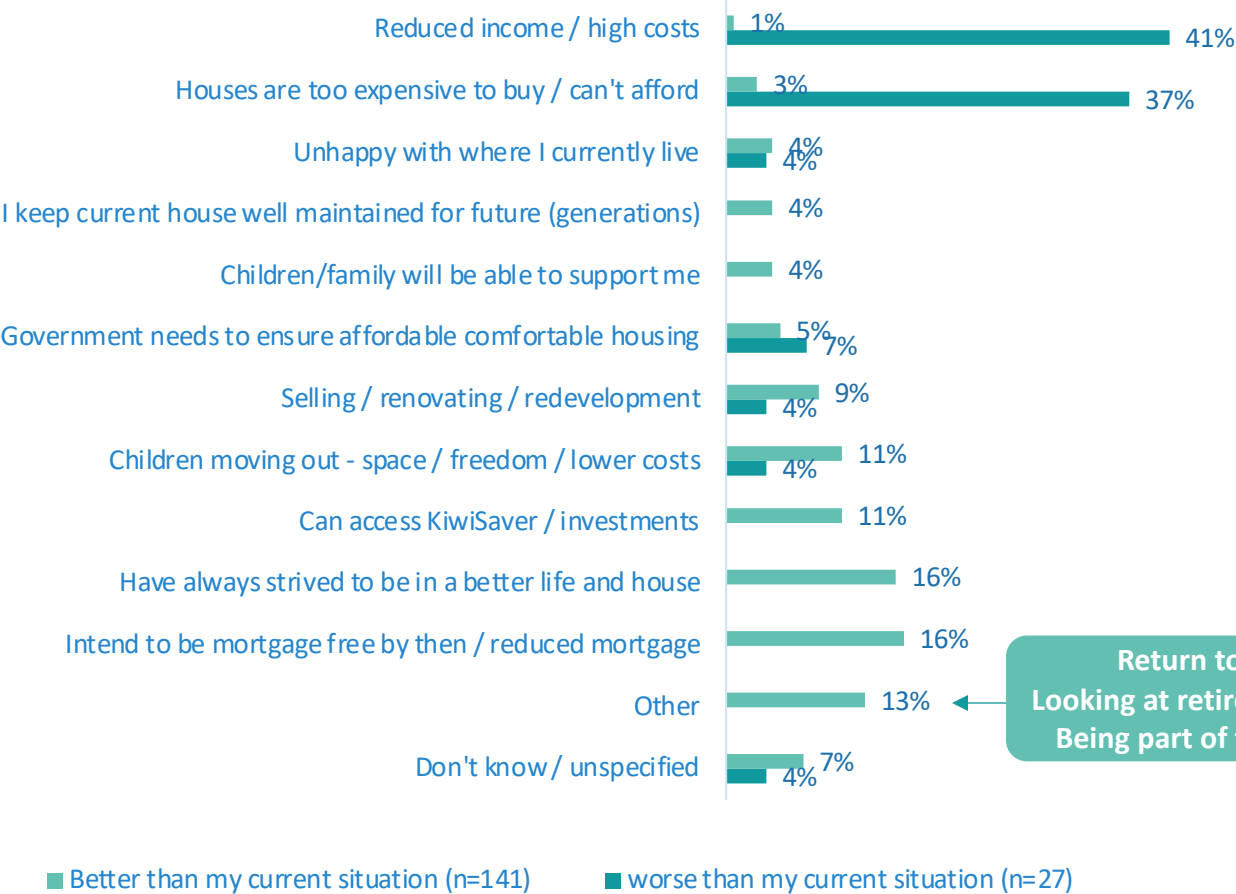
Total sample; Unweighted; base n = 329; total n = 358; 29 missing



Reasons for future expectations

- Trying to cope with higher living costs on a reduced income is an expected challenge for those who think their housing situation will be worse once they turn 65, as is the unlikeliness of owning a home due to high prices.
 - Neither personal nor household income has an impact on reasons.
- Those who feel more optimistic believe they will have little to no mortgage left to pay once they reach 65, or will be in a position to buy a home (where mortgage payments are seen as better than paying rent).
 - Aim is to have something to pass on to the children
 - It is not clear from comments whether ownership intentions will involve the broader family

Q19 - Why did you give this answer? - Coded by Q18 - How do you think your 'likely housing situation after you turn 65' will compare to your current housing situation?



Verbatim comments

A better life

- My goal is always to strive for a better living than currently. I aspire to be better tomorrow than today. Although I choose to enjoy what I have today and look forward to tomorrow with a better and brighter future.
- Because it is my dream to live with my children in a better life

Homeownership goals

- Owning a house is one of our current plans. We are looking to buy one in the near future, and that is a must-do on our agenda. I am not [sure] all the payments can be completed after I turn 65 years old but the investment in your own house is way better than paying rent.
- To inspire other older Pacific Peoples to make dreams for becoming owned homes rather than living in rent.
- We're on the process/planning to buy our own house in the next few years

Being mortgage free

- Because we are going to be mortgage free and we will concentrate in fixing things that needed to be fixed now for the younger ones who have made it quite clear they want to continue to stay here. They will upgrade the house.
- Hopefully my husband and I will be Mortgage free for our current 2 properties by the age of 65 and can look into other options to downsize our current home we are currently live in. With Equities and properties rental income from both properties will make it easy for us to find other options/buy another property suitable for my husband and I.
- Will be mortgage free, repairs, maintenance will be required but hopefully not major as have done those essential things already. Hoping to pass onto my children who will then have a home, mortgage free for them to live in, sublet or rent out as needed.
- We hope to be mortgage free at that time, and I plan on continuing to work full time. We hope a couple of our grand children will be living with us, so they can save some money to buy their own home.

Restricted income / no assets

- With no income my situation will be worse. So the future is scary and makes me worry
- Because at the moment I am working I don't know what it would be like if I am not earning any money.
- I don't have any assets to my name that is viably financial to support me.
- Because I and my partner might not be able to maintain the expense of owning a home and the up keep
- My kids are on carer support benefit or students. My husband and I are the only ones in employment trying to make ends meet
- Because at the moment I'm a widow and homeless, lost my love one 21/2 years ago and moved three times in 21\2 years and my leased is due to expired from where I'm boarding. Hope to see more housing on the market
- I am currently boarding my health isn't too good and I'm going through some things
- I would like to live in a better house than my current house

Houses are too expensive

- Because I would like to have my own house one day soon, but the deposit and prices of the houses are so high and I couldn't afford to own a house. I wish this survey would help our Pasifiki people to have some funding or low deposit to become a home owners, like we have our own home in the Island.
- Owning your own home is far better than renting, financially. Why? To my understanding, with a mortgage, I pay less every week, fortnightly or monthly compared to paying around \$800 weekly rent and in the end, we will not own it. Apparently, we are paying someone else's mortgage for the time being. I can't live all my life on someone else's property.
- Because of the unknown of how high the rental will be on the home that we are currently renting.



Ideal living situations

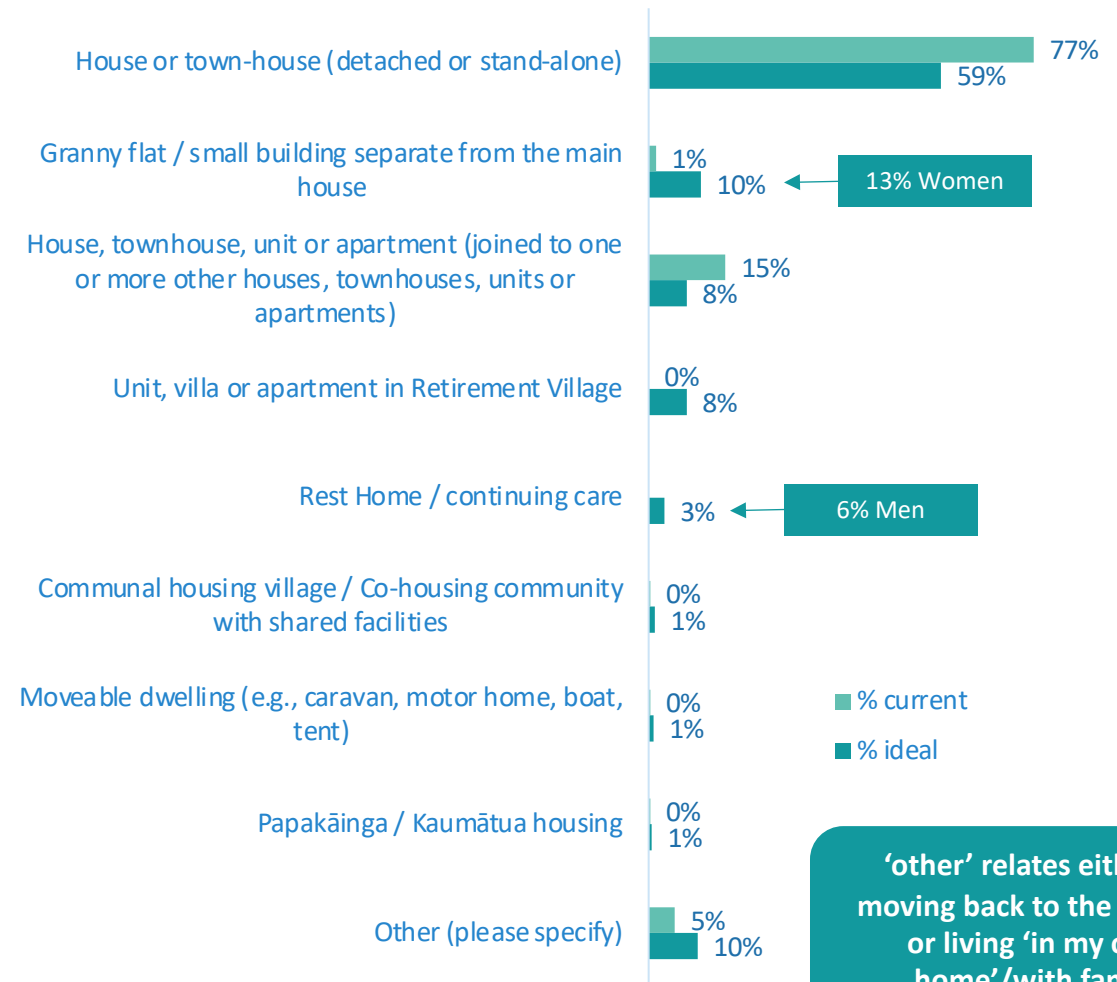


Future Housing Ideals

- While still popular, a standalone/detached house or townhouse becomes less desirable as a future residence.
- Granny flats and units in a retirement village/ rest homes start to feature for housing in the future, albeit at low levels.
- Results are very consistent across most demographics, with no differences observed for age, ethnicity, household/personal incomes or types of activities undertaken.

Total sample; Unweighted; base n = 316; total n = 358; 42 missing

Q20 - Again, thinking into the future after you turn 65, where would you MOST like to live? (select all that apply)

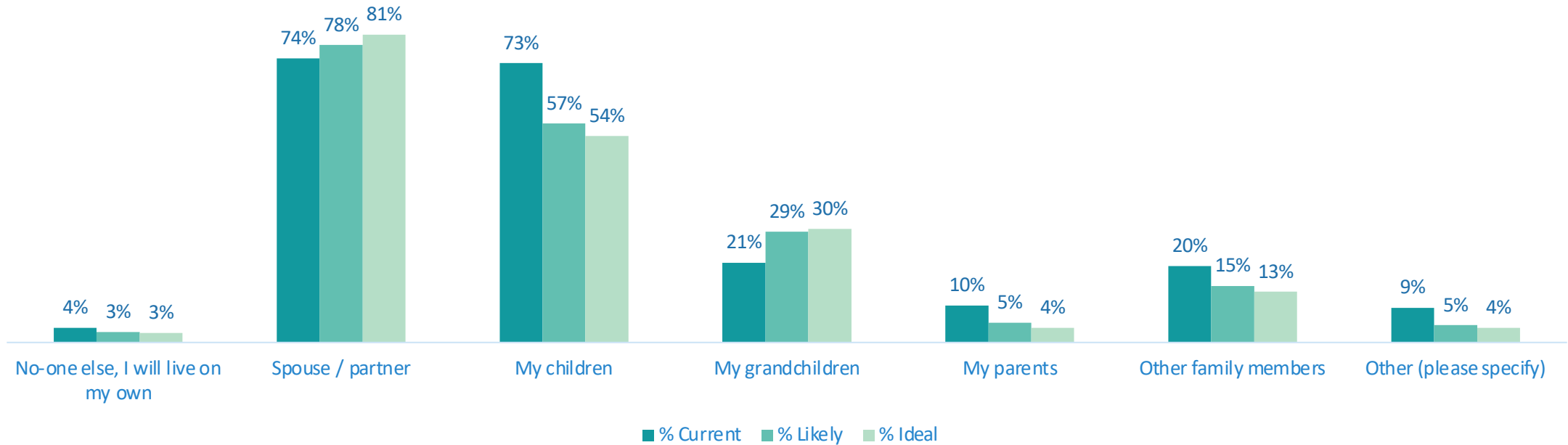


'other' relates either to moving back to the Islands, or living 'in my own home' /with family



There is very little difference between likely and ideal living arrangements concerning family, with both representing a transition from children in the home (currently) to grandchildren (in future). Over half of the participants still wish to live with their children, while a third wish to live with grandchildren.

Q21 - And who would you ideally live with after you turn 65? (select all that apply)



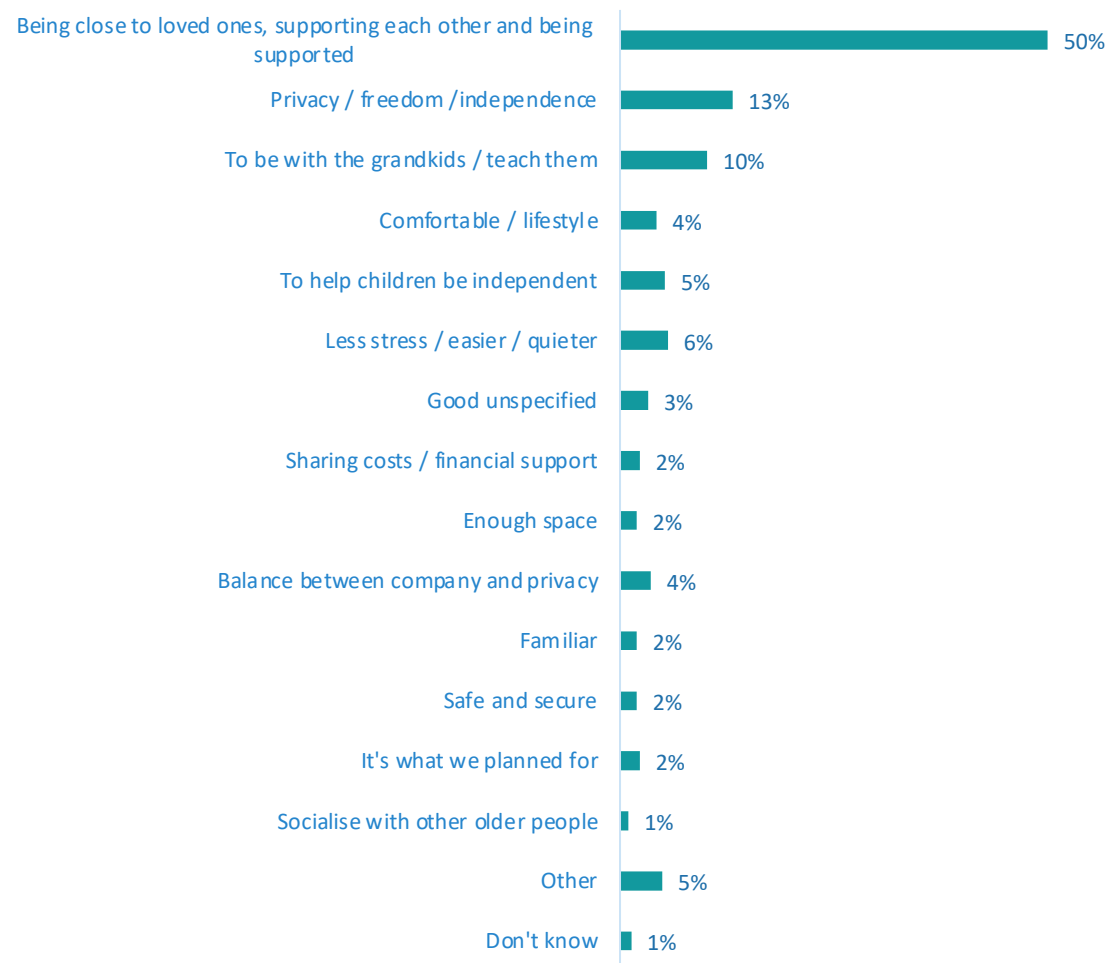
Total sample; Unweighted; base n = 316; total n = 358; 42 missing



Reasons for ideal housing arrangement

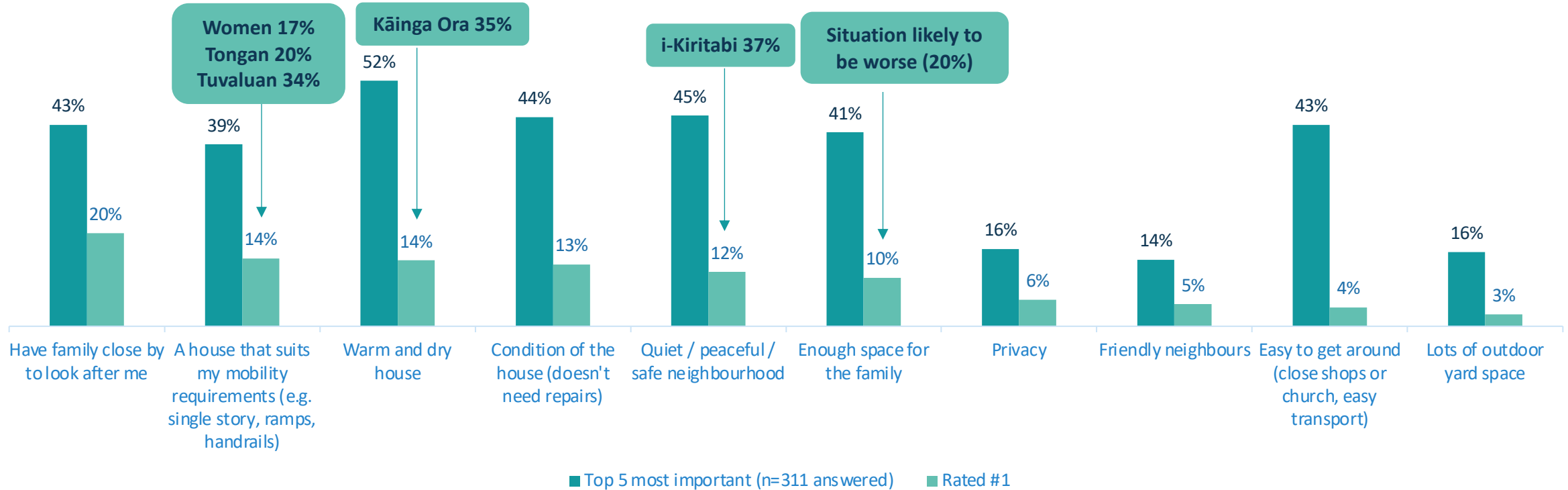
- The ability to live (or be close to) loved ones, supporting each other and being supported was the main reason a housing situation would be 'ideal'.
 - This was particularly the case for those ideally living in a standalone/detached house (59%), and/or with their children (70%) and grandchildren (68%)
- Other reasons depended on both housing type and household membership:
 - Those who selected older-age facilities liked the way they could have a quieter/easier lifestyle (15%), were safe and secure (12%) and they could socialise with people their age (9%)
 - Those wanting a granny-flat liked the balance between company and privacy (15%)
- Over one in ten wanted to be independent of family, looking for more privacy.
 - No difference in ideal housing type was apparent

Q22 - What do you like about this living arrangement?



Having family close by is of paramount importance for 20% of Pacific participants. Over half rated a warm and dry house in the top five, while 14% said it was of most importance. Privacy, friendly neighbours and lots of outdoor yard space are of less importance.

Rank the five MOST important things to get right so that you are happy in your home after you turn 65?



Planning and Barriers

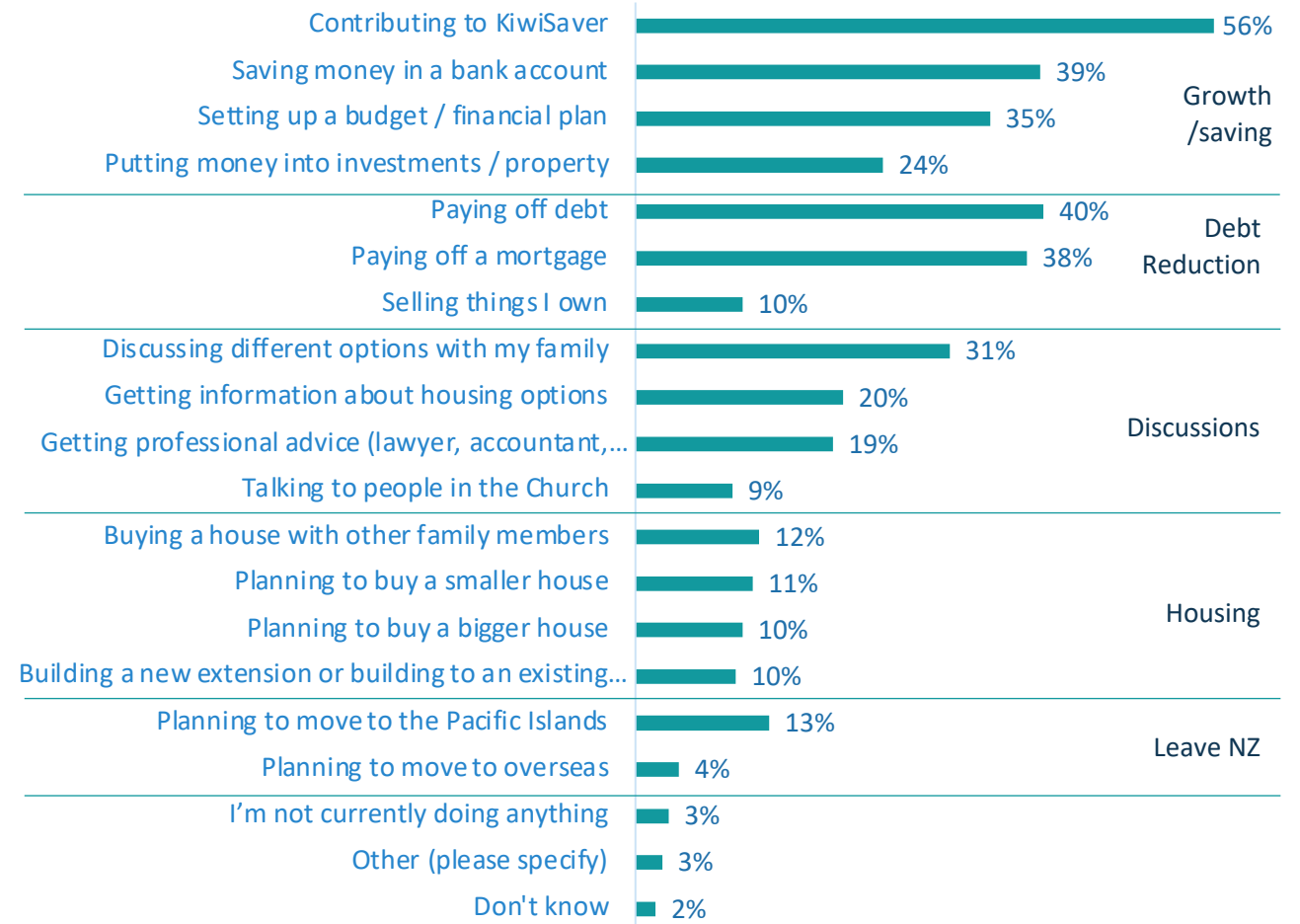


Types of planning activities

Participants selected on average 3.3 activities

- KiwiSaver contribution is similar to that reported elsewhere (55%: Te Ara Ahunga Ora, 2022)

Q27 - What are you doing now to make sure you can live in a housing situation that you like once you turn 65? (select all that apply)



Types of planning activities

- 60-64 year olds are less likely to be paying off debt (21%)
- Males are more likely to get professional advice (26%) or talk to people in the Church (15%)
- Those earning less than \$50k are less likely to be contributing to KiwiSaver (41%), talking to people in the Church (4%), paying off debt (23%), paying off a mortgage (18%) or selling things they own (1%)
- Home owners are more likely to be paying off a mortgage (57%) or putting money into investments/property (31%)
- Renters are more likely to be getting information about housing options (27%), or buying a house with other family members (19%).
- Fijians tended to select far more activities and barriers, while Niuean, i-Kiribati and Rotuman selected very few activities or barriers. This may be due to greater or lesser engagement with financial planning among these participants.

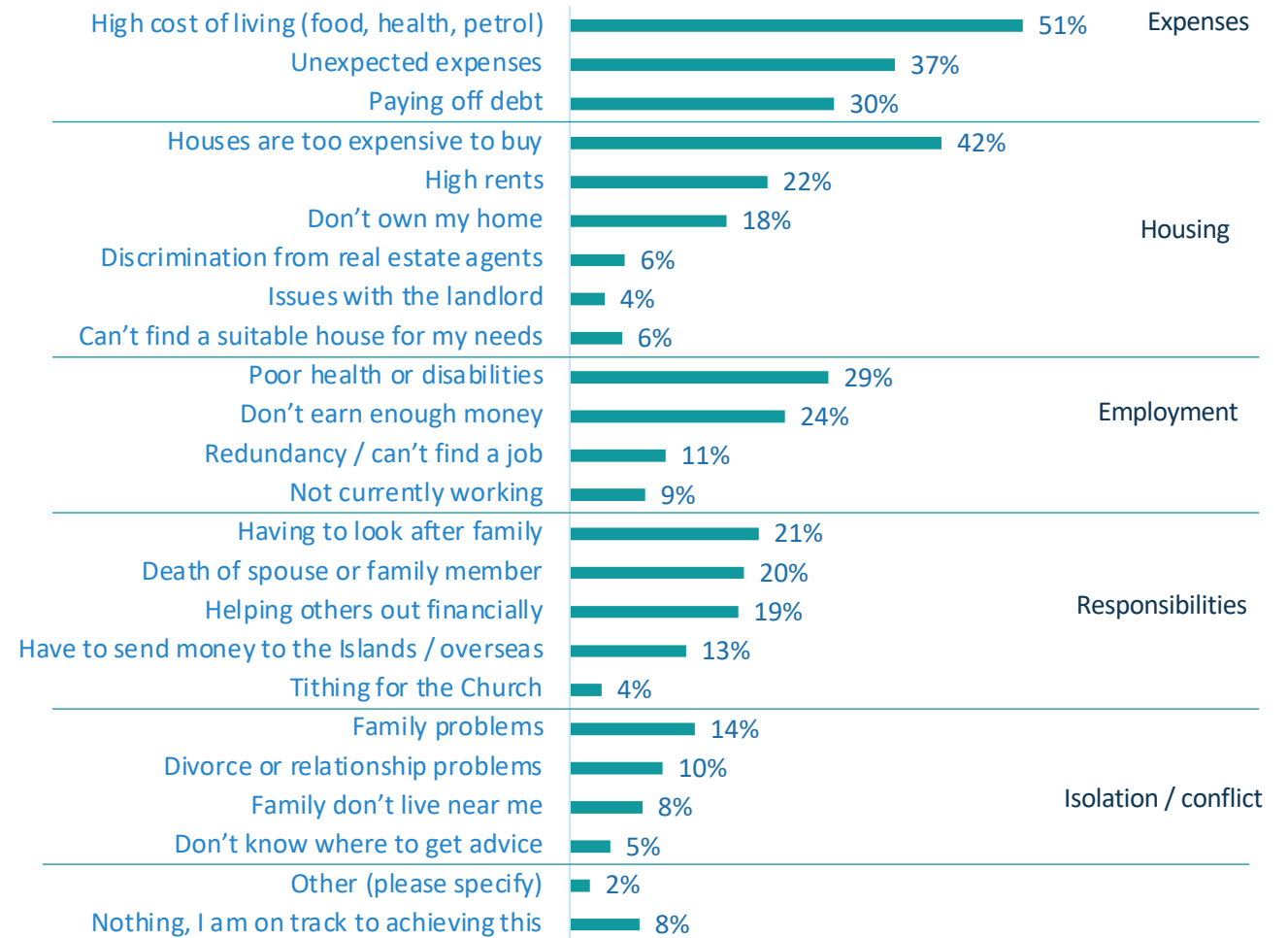


Barriers to achieving an ideal housing situation

Participants selected on average 3.4 barriers

- Those aged under 55 are more likely to say houses are too expensive to buy (51%) or high rents (28%)
- Renters are more likely to say houses are too expensive to buy (62%), high cost of living (65%), high rents (47%), or don't own their home (36%)

Q28 - What is likely to prevent you from achieving your ideal future housing situation? (select all that apply)



Total sample; Unweighted; base n = 305; total n = 358; 53 missing



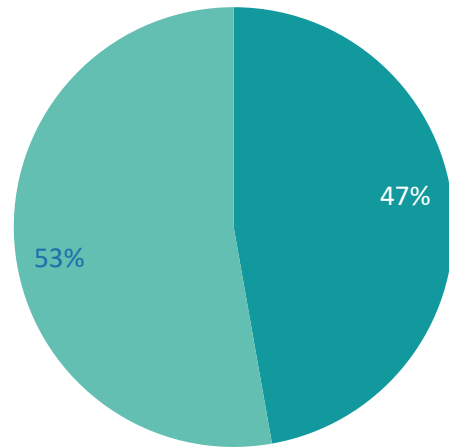
Barriers to achieving an ideal housing situation

- Number of perceived barriers tends to fall as a function of personal income (but not household income).
- Those earning more than \$100k are less likely to say houses are too expensive to buy (25%), high cost of living (33%), high rents (8%), or don't own my home (6%)
- Those earning \$50-100k are more likely to say death of a spouse/family member (27%), helping others out financially (26%), family problems (22%), redundancy/can't find a job (18%) or divorce/relationship problems (17%)
- Those earning under \$50k are more likely to have issues with high rents (34%), don't own a home to start with (33%), and may be unemployed (21%), but are less likely to be helping others (8%)



Just under half of the participants said they were aware of the concept of equity release, only slightly fewer than that recorded in the general NZ survey. However, willingness to use equity release, at 35% was significantly higher than the 5% recorded by NZers in general. It does not relate to household income or home ownership status.

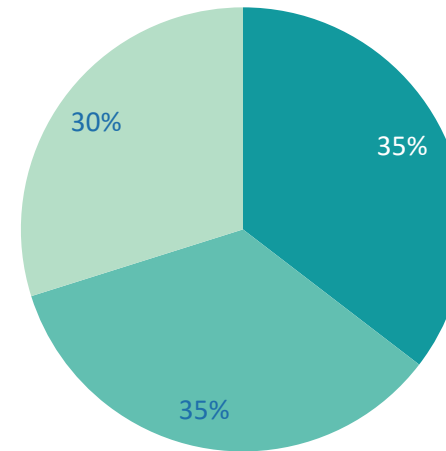
Q29 - Are you aware of mechanisms for equity release (e.g. reverse mortgage)? That is, ways that you can obtain money from assets you own (like a house)?



■ Yes ■ No

Total sample; Unweighted; base n = 305; total n = 358; 53 missing

Q30 - Are you intending to use equity release to fund your retirement?



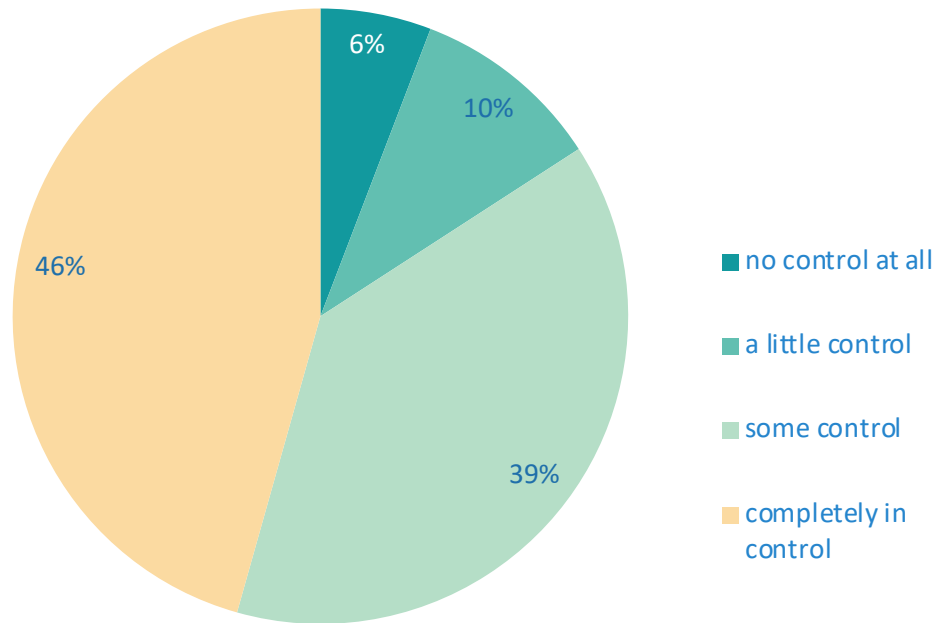
■ Yes ■ No ■ Don't know

Total sample; Unweighted; base n = 144; total n = 358; 214 missing

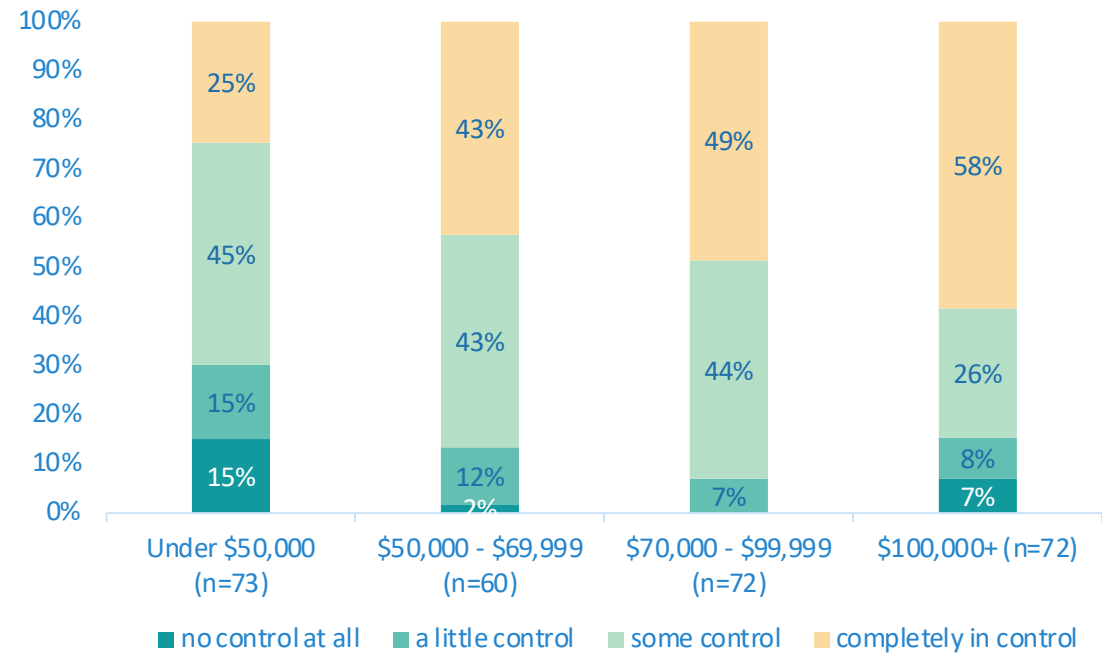


The bulk of participants feel at least some control in where they are likely to live after they turn 65 (85%). However, nearly a third of those on the lowest incomes feel little to no control.

Q26 - How much control do you feel you have over where you are likely to live after you turn 65?



Q26 - How much control do you feel you have over where you are likely to live after you turn 65? By annual personal income



Understanding important drivers of control

The most important factors when predicting feelings of control over future housing situations are:

- Age (accounting for 29% of the explainable variance)
- capacity* in the home (-26%)

Of marginally significant importance are:

- number of activities undertaken in planning (18%),
- annual personal income p.a. (similar results are gained using household income)(15%)

Shapley importance determines what proportion of R-square from a linear regression model can be attributed to each independent variable. The direction of the influence of each independent variable is presented in the scores, in addition to the magnitude.

R-Squared (%) = 23.4	Relative Importance (%)	t-Statistic	p
Age	28.52	2.28	0.02
Gender	-1.16	-0.36	0.72
Current home ownership	-9.00	-1.31	0.19
Capacity*	-25.96	-2.20	0.03
Average number of activities	18.42	1.90	0.06
Average number of barriers	-1.46	-1.02	0.31
Annual personal Income p.a.	14.61	1.70	0.09
Current debt	-0.88	-0.50	0.62

*Capacity relates to whether actual numbers of members the home is lower or higher than stated ideal



Key variables associated with control

Specific relationships between the important variables and control include:

- Control increases with age, so that those aged 60-64 feel the most confident of all the participants
- Those in homes at or over capacity are significantly less likely to feel they have control over the future retirement living situations
- Those who undertake more activities will feel more in control compared to those who don't undertake anything, or only a couple of activities
- As personal household income increases, so do perceptions of control.

Ordered Logit Regression		Estimate*	Std. Error	t value	p
Age: ref 45-54	50 - 54 years	0.4	0.3	1.2	0.23
	55 - 59 years	1.1	0.4	3.1	0.00
	60 - 64 years	1.5	0.4	3.4	0.00
Gender: ref male	Female	-0.3	0.3	-1.2	0.22
Capacity: ref under	At capacity + Over capacity	-1.0	0.3	-3.3	0.00
Current home ownership: ref owned by self/family/trust	Rented privately	-0.6	0.3	-1.9	0.06
	Renting through Kāinga Ora / social housing	-0.3	0.5	-0.6	0.56
Annual personal income: ref under \$50k	\$50,000 - \$69,999	1.0	0.4	2.6	0.01
	\$70,000 - \$99,999	1.1	0.4	3.0	0.00
	\$100,000 +	1.0	0.4	2.6	0.01
Debt: ref no debt	Less than \$10,000	-0.1	0.5	-0.3	0.80
	\$10,000-\$100,000	-0.8	0.5	-1.5	0.12
	\$100,000+	-0.5	0.6	-0.8	0.41
	Average number of activities	0.2	0.1	2.5	0.01
	Average number of barriers	0.0	0.1	-0.3	0.74
	no control at all a little control	-2.4	0.7	-3.5	0.00
	a little control some control	-1.1	0.7	-1.6	0.11
	some control completely in control	1.2	0.7	1.8	0.08

*For a one unit increase in the predictor, the response variable level is expected to change by its respective regression coefficient in the ordered log-odds scale while the other variables in the model are held constant.

N=245 cases used in estimation of a total sample size of 359; cases containing missing values have been excluded; R-squared: 0.1657; Correct predictions: 51.43%; McFadden's rho-squared:0.1143, AIC: 526.02; multiple comparisons correction: None



Extending the model

- Adding in the barriers and activities undertaken increases the r-squared from 0.167 to 0.335*.
- While age, capacity of the home and personal income remain significantly associated with higher control there are a number of specific barriers and activities of note
- Activities:
 - Doing 'nothing' reduces control
 - Building an extension/ new building to the house, buying a house with family, and getting professional advice are all associated with increasing control
- Barriers:
 - While presented as a barrier, sending money to the Islands actually has positive associations with control
 - The high expense of houses and discrimination from real estate agents are associated with lower levels of control.

*none of the items included in the model have $GVIF^{(1/(2*df))}$ values over 2 indicating there is no mult-collinearity



Model 2: Ordered Logit regression [control]

		Estimate	Std. Error	t value	p			Estimate	Std. Error	t value	p
Activities undertaken (ref 'no')	Don't know	-3.3	1.3	-2.5	0.01	Barriers selected (ref 'no')	Can't find a suitable house for my needs	0.8	0.6	1.3	0.21
	Saving money in a bank account	0.2	0.3	0.5	0.63		Discrimination from real estate agents	-1.3	0.6	-2.1	0.04
	Putting money into investments / property	0.0	0.4	-0.1	0.95		Houses are too expensive to buy	-0.9	0.4	-2.4	0.02
	Contributing to KiwiSaver	0.0	0.3	0.0	1.00		Death of spouse or family member	-0.4	0.4	-1.0	0.32
	Discussing different options with my family	0.0	0.3	0.0	0.96		Divorce or relationship problems	0.8	0.7	1.1	0.26
	Building a new extension or building to an existing house	1.0	0.5	2.0	0.05		Helping others out financially	-0.5	0.4	-1.2	0.23
	Planning to buy a bigger house	-0.8	0.5	-1.6	0.12		Unexpected expenses	-0.1	0.3	-0.3	0.79
	Planning to buy a smaller house	0.1	0.4	0.3	0.76		Issues with the landlord	-0.6	0.8	-0.7	0.48
	Buying a house with other family members	-0.9	0.4	-2.2	0.03		Paying off debt	0.1	0.4	0.2	0.87
	Getting information about housing options	0.2	0.4	0.4	0.71		High rents	0.8	0.4	1.9	0.06
	Getting professional advice (lawyer, accountant, bank etc)	1.0	0.5	2.1	0.03		High cost of living (food, health, petrol)	0.1	0.3	0.3	0.80
	Talking to people in the Church	-0.8	0.7	-1.1	0.26		Tithing for the Church	-0.7	0.8	-0.9	0.37
	Paying off debt	0.2	0.3	0.5	0.59		Have to send money to the Islands / overseas	1.2	0.5	2.2	0.03
	Paying off a mortgage	0.4	0.4	0.9	0.35		Family problems	0.8	0.6	1.2	0.24
	Selling things I own	0.3	0.7	0.4	0.69		Redundancy / can't find a job	0.5	0.5	0.9	0.36
	Setting up a budget / financial plan	0.6	0.3	1.7	0.10		Don't own my home	-0.5	0.4	-1.2	0.25
	Planning to move to overseas	-0.5	0.7	-0.7	0.46		Family don't live near me	-0.6	0.6	-1.0	0.31
	Planning to move to the Pacific Islands	0.2	0.5	0.5	0.62		Having to look after family	0.1	0.4	0.2	0.86
Age (ref 45-54)	50 - 54 years	0.4	0.4	0.9	0.35	Not currently working	-0.4	0.6	-0.8	0.45	
	55 - 59 years	1.2	0.4	2.8	0.01	Poor health or disabilities	-0.3	0.4	-0.8	0.44	
	60 - 64 years	2.0	0.5	4.0	0.00	Don't know where to get advice	1.0	0.8	1.3	0.19	
Gender (ref male)	Female	-0.1	0.3	-0.3	0.79	Don't earn enough money	-0.4	0.4	-0.9	0.35	
	How ownership (ref owned themselves / family / trust)	Rented privately	-0.5	0.4	-1.3	0.20	Personal income	\$50,000 - \$69,999	0.9	0.4	2.2
	Renting through Kāinga Ora / social housing	0.2	0.6	0.3	0.77	\$70,000 - \$99,999		0.8	0.4	2.0	0.05
Capacity (ref under)	At capacity + Over capacity	-1.4	0.4	-3.8	0.00	\$100,000+		1.2	0.4	2.7	0.01
<i>n = 261 cases used in estimation of a total sample size of 358; cases containing missing values have been excluded; R-squared: 0.3352; Correct predictions: 59.77%; McFadden's rho-squared: 0.2224; AIC: 569.09; multiple comparisons correction: None</i>							no control at all a little control	-2.6	0.6	-4.0	0.00
							a little control some control	-1.0	0.6	-1.7	0.09
							some control completely in control	1.6	0.6	2.7	0.01



Summary



Summary

Where do Pacific participants intend to live after they retire (and who with)?

- Participants are relatively optimistic that their future housing arrangements will be the same or better than their current situation (73%). Less certainty is apparent for those with household incomes between \$70-\$100k (30% 'don't know' how their future situation will compare to now).
- Nearly three quarters of the participants in this survey live with their children. While this is expected to drop as participants reach 65, over half still expect to live with their children at this age. One in five currently live with grandchildren but by 65, 29% expect to live with these family members.
- A third of participants currently live with at least three household member types (e.g. spouse, children, grandchildren, parents, other family members etc). This only drops slightly after 65 with 24% believing they will live with at least three member types, indicating a continued prevalence of intergenerational living.
- On average, participants live in homes with 5 people, although 38% live in home with more than six people (8% with more than 10 people).
- Six percent live in homes that the participant feels is 'over-capacity' (defined as having more people in the household than is 'ideal' by their standards).
- Currently over half (54%) live in a home owned by themselves / their family, a significantly greater proportion than expected based on 2018 Census data, and likely due, at least in part to the nature of participants.
- By the time participants turn 65, 71% of participants expect to be in a home owned by themselves/their family.
- However, nearly a third expect they/their family will have a mortgage after they turn 65. To some degree, this may reflect the intergenerational nature of households: the senior member may own the house and be responsible for the mortgage, but equally, ownership (and mortgage responsibility) may be with younger members who are still working and able to make the payments.
- One in five don't know what their home ownership status will be after they turn 65 and this increases to a third of those with personal incomes under \$50k.



Summary

What do Pacific participants wish for in terms of housing?

- Intended living arrangements with family closely reflect ideals, with half wishing to live with children and 30% wishing to live with grandchildren.
- While 59% ideally wish to be in a house/townhouse, the remainder are distributed across granny-flats (10%), units/apartments (8%), aged-care facilities (retirement villages, rest-homes)(11%), and moving back to the Islands (3%). Given 77% currently live in houses/townhouses, this suggests the desire to transition somewhere smaller or safer/easier for around one in five participants.
- Those wanting to be in houses/townhouses are particularly keen on the ability to live/or be close to loved ones in the familiar communal arrangement.
- Granny-flats/small building separate from the main house hold appeal due to the balance between privacy and connection.
- In contrast, one in ten like the ideal of aged-care facilities mainly due to the quieter/easier lifestyle, the safe and secure environment and the ability to socialise with other people their age.
- Regardless of housing intention, one in five say ‘having family close by to look after me’ is of paramount importance, while 43% rated this in their top five priorities.
- Having a warm and dry house is rated in the top five priorities for over half of the participants, and is of particular importance for those currently living in Kāinga ora/social housing (35% selected this as number one).
- Having privacy or lots of outdoor yard space was comparatively unimportant.
- Just under half of the participants say they are aware of the concept of equity release. However, willingness to use equity release, at 35% was significantly higher than the 5% recorded by NZers in general survey. It does not relate to household income or home ownership status.



Summary

What activities are being undertaken to ensure this housing arrangement is attained?

- Participants were asked to select all the activities they were doing to make sure they could live in a housing situation they liked. On average 3.3 of the listed activities were selected, mainly in terms of savings and debt reduction.
- The most common activity people selected was contributing to KiwiSaver (56%).
- Other common activities include paying off debt (40%), saving money in a bank account (39%), paying off a mortgage (38%), and setting up a budget/financial plan (35%).
- Only 3% said they were not doing anything.
- Personal income played a role, with fewer in the below-\$50k bracket contributing to KiwiSaver (41%).
- It is unclear whether ethnicity plays a role, because one ethnicity (Fijian) selected many activities AND barriers (next page) while three ethnicities selected very few of either (Niuean, Rotuman, and i-Kiribati). This may reflect a greater engagement with retirement planning among the Fijian sample, and less engagement (or familiarity) for the latter three ethnicities.



Summary

And what barriers to attaining an ideal living situation are present?

- On average, participants selected 3.4 barriers to achieving an ideal housing situation, with high cost of living the most commonly selected barrier (51%), closely followed by houses being too expensive (42%).
- Number of perceived barriers tends to fall as personal (but not household) income increases.
- Those aged under 55 are more likely to say houses are too expensive to buy (51%) or high rents (28%).
- One in five select 'having to look after family', 'death of a spouse/family member', or 'helping others out financially' as potential barriers.

Feelings of control

- Overall, the bulk of Pacific participants in this survey feel they have at least some control over where they are likely to live after they turn 65 (85%).
- The most important factors predicting feelings of control are age (accounting for 29% of the explainable variance in control rating) and overcrowding in the home (-26%).
- 45-55 year olds feel less control compared to those aged 55 years, and even less compared to 60-64 year olds.
- Those living in homes that are at or above capacity feel less control than those who are in homes that are under-capacity.
- Annual household income and number of activities undertaken to plan for housing after 65 also account for a reasonable amount of the explainable variance in control ratings (each at 18% and 16% variance accounted for respectively).
- Gender does not play a significant role.
- Extending the model further by examining specific barriers and activities shows that building extensions/a new building on the house, buying a house with family, and getting professional advice are all associated with significantly increased control. While presented as a barrier, sending money home to the Islands is also associated with increased control.
- High house prices and discrimination from real estate agents are associated with lower feelings of control



Appendices



Participant Demographics

Region of Residence	%	n
Whangarei	0%	1
Auckland	57%	200
Hamilton	6%	20
Tauranga	1%	2
Rotorua + Taupo	3%	9
Gisborne	1%	2
Hastings	1%	2
New Plymouth	1%	3
Whanganui + Palmerston North	2%	7
Wellington + Hutt Valley + Porirua	19%	66
Nelson + Blenheim	2%	7
Christchurch + Ashburton	5%	19
Dunedin	2%	7
Timaru + Invercargill	1%	5
Column Population	350	



It is difficult to compare the income of the participants with that reported in 2018 Census (where Pacific People were poorly represented). Definitions of personal income have been extended in the survey to include cash in kind since this makes up a proportion of financial transactions in Pacific culture. The Census data is now out of date and incomes are likely to have increased since then. Regardless, it is likely that due to the nature of recruitment (which depended on personal networks of the research team), results are heavily skewed to Pacific People with higher personal incomes. To account for this, where appropriate, data will be cut by low (under \$50,000), medium (\$50-\$70,000) and high (\$70,000 plus) to identify areas where income has an impact. Given the differences in income, home ownership is also likely to be skewed, so where appropriate, this will be used as variable.

Personal* income (\$)	Census 2018				Completed surveys											
	Total pop (15 years+)	Total 45-64	Pacific (15 years+)	Pacific 45-64	Survey Total	i-Kiribati	Tongan	Fijian	Tuvaluan	Cook Islands Māori	Niuean	Samoaan	Rotuman	Tokelauan	Other Pacific Island group	European / other + NZ Māori + Asian
Under 50000	68%	55%	80%	70%	26%	44%	22%	14%	43%	12%	38%	17%	15%	30%	40%	0%
50000-70000	14%	18%	13%	18%	48%	31%	27%	71%	40%	47%	29%	42%	70%	50%	30%	36%
70000+	17%	27%	7%	12%	26%	13%	40%	10%	7%	35%	26%	34%	10%	5%	30%	64%
Completed surveys (excl 'declined to say')					277	14	40	40	27	46	32	60	19	17	10	14

“In the census it is generally only realistic to collect information on money income. This is income that a person can normally recall or can readily retrieve from their financial records. Money income is money flow from the deployment of one's labour, entrepreneurial skills, and assets; and from transfers received. So, the concept of money income relies on identifying its sources. Excluded are income in kind, unrealised income, contingent income, and money received by borrowing, making withdrawals from savings, and receiving repayments of loan principal; and tax credits and reimbursements of expenses” [StatsNZ, 2018].

Personal income in the survey is defined as: “Which best describes your annual personal income before tax (incl wages/salary, benefits, pensions, KiwiSaver, dividends/interest, rent, cash ‘in kind’ such as groceries for childminding etc)”?

