

Media Release

More than a nest egg: Challenger's Index reveals drivers of retirement happiness

04 April 2024: Challenger's inaugural *Retirement Happiness Index* paints a vibrant picture of Australians, in or near retirement, with physical health and financial security being the primary factors influencing contentment of those over 60.

In collaboration with independent research house YouGov, Australia's leading retirement income provider, Challenger conducted the study of over 1000 Australians to delve into the intricacies of retirement happiness.

The 2024 Challenger Retirement Happiness Index revealed a score of 70 for Australians over 60 encompassing a range of factors such as mental and physical health, social connections, purpose, and financial well-being.

Notably, activities and hobbies scored the highest (79.5) followed by mental health (77.6). Physical health (61.5) and financial stability (56.3) were flagged as areas with the most potential for improvement in enhancing overall well-being.

More than 2 in 3 (66%) of Australians over 60 said they would be much happier if they didn't have to worry about finances in retirement, while more than 70 per cent believe a guaranteed income in retirement would significantly boost happiness, with more than 40 per cent strongly agreeing.

Challenger Chief Executive, Customer, Mandy Mannix explained the importance of understanding all the drivers of happiness in retirement.

"We've launched the Retirement Happiness Index to explore new dimensions of retiree satisfaction. It is fantastic to see the majority of Australians are enjoying or expecting a happy, healthy retirement," Ms Mannix said.

"It is another way that Challenger looks to deliver on its purpose of providing customers with financial security for a better retirement. A better retirement is about so much more than finances, but having a degree of confidence that your savings will last, plays an important role.

"Almost half of respondents identify financial security as an area they wish to improve, highlighting the work we must do as an industry to safeguard retirees' golden years and foster a better, happier retirement.

"Reassuringly retirees felt their happiness would improve with access to the right financial education, as well as support through financial advice and a regular income to enjoy a safe, stable retirement. This would empower retirees with the confidence to spend and capacity to pursue their passions," she added.

Good physical and mental health alongside having enough money to enjoy retirement were revealed to be the most important elements to a happy retirement.

Rising cost of living impacting retirees' happiness

Rising cost-of-living and affordability were growing concerns, with 2 in 3 Australians over 60 saying it impacted their confidence they would have enough money for retirement.

Unadvised Australians (those who have never received financial advice) are more likely to report cost-of-living as having a significant impact to their financial security (39%) compared to those who have received financial advice (25%).

“We know the fear of outliving savings is a growing concern among older Australians. Providing retirees with the confidence to convert their retirement savings into a regular income can materially improve their quality of life, supporting better retirement outcomes as well as benefiting broader society and the Australian economy,” Ms Mannix said.

Access further insights from *Challenger’s Retirement Happiness Index* and retirement resources [here](#).

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About Challenger

Challenger Limited (Challenger) is an investment management firm focused on providing customers with financial security for a better retirement. Challenger operates a fiduciary Funds Management division, an APRA-regulated Life division and an APRA-regulated authorised deposit-taking institution. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.