The evolution of retirement income: A 2022 snapshot

August 2022

challenger

National Seniors Australia

National Seniors ABN: 81 101 126 587

Ethics approval: The NSSS-10 received ethical approval from the Bellberry Human Research Ethics Committee (Approval 2021-11-1352).

ISBN: 978-0-6454576-2-9

Suggested citation: Hosking, D., Minney, A. and McCallum J. The evolution of retirement income: A 2022 snapshot. Canberra: National Seniors Australia and Challenger, August 2022.

ACKNOWLEDGEMENTS

We are grateful to everyone who participated in the 2022 National Seniors Social Survey and whose responses provide the data for this report.

CONTENTS

FOREWORD: JEREMY COOPER CHAIRMAN, RETIREMENT INCOME, CHALLENGER LIMITED

On 1 July this year, Australia's superannuation guarantee (or SG) turned 30. Many Australians already had super when SG was introduced, but its introduction made super effectively universal for all employees. This anniversary has prompted some reflections on whether or not SG has achieved what was intended by its introduction. Views on this topic have been largely positive, with some reflecting that SG has not sufficiently reduced the fiscal cost of the age pension.

In my view, SG itself has been a major success, despite various delays to the increase in its rate to the current 10.5%. What has been missing is more structure around the spending or decumulation of accumulated savings. When SG was introduced, the more complex requirements of a mature retirement phase were too remote and could be dealt with at a later time. There was an imperative to establishing a workable super system while the iron was hot!

But that later time ultimately arrived. In 2010, and later that decade, policy shapers started to recommend better outcomes for retirees than merely giving them access to their retirement savings. In simple terms, the suggestion was that most retirees also needed something like a retirement pay cheque. Retirement balances, particularly on a household basis, were large enough to be able to provide both flexible access to capital and lifetime income.

Survey after survey revealed retiree preferences for income that lasted for life, even if that meant trading off some higher potential returns. Fear of running out of money during retirement drives many retirees to 'hoard' their savings, rather than regularly spending them to enjoy a higher standard of living. The regular consumption of retirement savings was the purpose of SG. At the expense of a small amount of extra consumption while working, SG was intended to give workers a similar standard of living in retirement.

By sheer coincidence, on the 30th anniversary of the start of SG, the so-called 'retirement income covenant' came into effect. This will require all large super funds to have a strategy for managing some of the unique financial risks facing retirees, with a view to giving them more sustainable income for life. Retirees will be able to choose whether to move some or all of their super savings into these new strategies.

What this latest National Seniors survey report illustrates is that this retirement income reform couldn't come at a better time. Retirees increasingly understand that their retirements savings are not so much a nest egg, but a means of achieving a higher standard of living during their retirement years.

This is not to say that the system is 'complete' and that no further improvement or reforms are necessary. That will most likely never be able to be said of such a complex system. Super is impacted by taxation and welfare policy, fiscal constraints, ideological pressures, demographic shifts (including life expectancies), retirement ages and the extent to which various age cohorts participate in the workforce. That's not to mention general economic conditions, investment markets and interest rates. Two major issues that cry out for policy reform today include: better access to affordable, quality financial advice and more access to easy-to-use digital financial tools to help savers and retirees prepare for retirement. These are currently being examined by the Quality of Advice Review, which is expected to issue a final report in late December.

Challenger has enjoyed a lengthy partnership with National Seniors, the purpose of which has been to research the experiences of retirees in navigating the financial aspects of retirement. This latest report is no exception and I recommend it to you.

Jeremy Cooper
Chairman, Retirement Income
Challenger Limited
25 August 2022

Jeremy Cooper is the Chairman, Retirement Income at Challenger Limited. He was Chair of two inquiries into Australia's superannuation system for the Australian Government and Deputy Chairman of the Australian Securities and Investments Commission (2004–09).

EXECUTIVE SUMMARY

Australia's retirement income system is ranked one of best in the world for being adequate, equitable and broadly sustainable. As the Superannuation Guarantee matures, retirees are generally able to maintain a standard of living similar to their working lives with the Age Pension acting as a safety net for those with lower means.

The retirement income system is complex. An independent review of the system commissioned by the Government in 2019 found that "Complexity, misconceptions and low financial literacy have resulted in people not adequately planning for their retirement or making the most of their assets when in retirement."[1]

The retirement income covenant was legislated to commence from 1 July 2022 and requires superannuation trustees to design and implement a retirement income strategy that will optimise members' retirement income to ensure they enjoy the best standard of living possible given their means.

Implementing the covenant requires awareness by trustees of how retirees generate income and the priority they give to preserving assets. National Seniors Australia and Challenger addressed some of these topics in a module of their annual National Seniors Social Survey conducted in February 2022.

Findings showed that:

- The majority of retirees (75%) were satisfied with their financial security.
- Eighty-five percent of people had accumulated super and/or savings for retirement, although this proportion was lower for women (82%) than men (88%).
- Super was the main source of retirement income followed by the Age Pension.
- Approximately 50% (48.7%) said that they would maintain part of their capital but spend some savings to fund retirement.
- The intention to maintain most or all of capital was significantly more likely for men than women and for those who had helped a family member or friend access aged care.
- The most common reason given for maintaining capital was for medical and health needs.
- Most people (81%) owned their homes outright with a further 11% owning with a mortgage.
- Two-thirds believed it was somewhat or very important to leave the home as a bequest.
- Two percent of homeowners had accessed the equity in their home with a further 19% willing to consider it.
- There were strong negative sentiments expressed about reverse mortgages. Most people selected essential needs and everyday living costs as uses for reverse mortgage funds over travel and a higher standard of living.

This snapshot of older Australians' financial circumstances provides evidence that maintaining wealth, including home equity, is a priority for retirees. Capital provides security against unforeseen circumstances, especially medical and health needs. The intention and capacity to maintain wealth, however, are dependent on various personal characteristics including age, gender, health, wealth, partner status and exposure to the aged care system.

BACKGROUND

This report investigates how older retirees are managing their retirement income and assets 30 years after the Superannuation Guarantee (SG) became law in 1992. The SG was well described recently by its architect, former Treasurer Paul Keating: “It was an account with your name on it. The capital is yours and it doesn’t belong to the government.” The combination of compulsory super, the Age Pension and other assets enables retirees to generate income in retirement to maintain living standards that are generally equivalent to those in their working lives.

However, the Treasury’s 2020 Retirement Income Review (the Review) highlighted the complexity of the current system for many workers. This complexity leads to misconceptions and misunderstandings about how the different components of the system function and interact to fund retirement. So, as well as understanding how current retirees are managing their retirement income, we also want to know how the retirement income system will work in the future, for the 70% of the current workforce who were not in work in 1992.

Workers are primed to save as much money as possible for their retirement so they can fulfill long-held goals and lifestyle aspirations, plus ensure they have ‘enough to last’. Understandably, this ‘nest egg’ mentality means many retirees struggle with the idea of consuming the capital of their savings to fund everyday living costs and feel anxious about outliving their savings, particularly in the face of possible aged care or large medical costs. Yet the success of Australia’s retirement income system is underpinned by the ability for retirees to draw down their savings. The Age Pension acts as a safety net for those with modest or no super, or to supplement super income if balances are low. Modelling undertaken for the Review showed that retirees might not be using their assets efficiently to generate income in retirement and are unnecessarily limiting their standard of living.[1]

There is also a policy interest in retirement income planning. If retirees spend their own money by drawing on their retirement capital, some of the funding pressure would be taken off the Age Pension and the health and aged care systems. Even drawing on home equity can be beneficial for current retirees to boost their retirement income.

More adequate support could then be provided to retirees who are not served well by the current system, such as those who have been forced into early retirement, or who do not own their home and are renting; those have had time out of the workforce or who have lost their assets through relationship breakdowns and other life circumstances.

The Treasury typically refers to three ‘pillars’ of the retirement income system: the Age Pension, super and other income and assets (Appendix 1 provides a brief description of each pillar). These three pillars have evolved historically separated from one another.

The SG has moved through its ‘good time’ early phase when retirees found they had more money available in their compulsory accumulated accounts than they had ever had through their working lives. Many subsequently had to deal with the global financial crisis and COVID impacts so needed to take a more conservative stance on their assets and savings.

In the 2010-20 decade there was growing government interest in the use of larger super assets to relieve the public purse by taking people off the pension and requiring individuals to contribute more to aged care costs. With the implementation of the Royal Commission into Aged Care Quality and Safety recommendations, aged care costs are increasing, so the question ‘Who pays?’ needs to be addressed.

In 2018-19, the Government committed to introducing a retirement income covenant. The covenant, in place from 1 July this year places a key obligation on super trustees to formulate, review regularly and give effect to a retirement income strategy to assist their members to achieve and balance key retirement income objectives. These are:

- maximising retirement income
- managing risks to the sustainability and stability of retirement income
- having some flexible access to savings during retirement.

The covenant will be the next step in retirement income evolution.

To help inform the implementation of the covenant by superannuation trustees, it is necessary to build a picture of retirees’ financial situation across the spectrum of financial wellbeing in later life. This includes retirees’ income, financial resources, balance between saving and spending capital and the priority given to preserving assets including housing as a bequest.

National Seniors Australia and Challenger addressed some of these topics in a module of their annual National Seniors Social Survey conducted in February 2022, on which this report is based.

THE NATIONAL SENIORS SOCIAL SURVEY

Every year, the National Seniors research team conducts an online survey of members' and non-member associates' views across a range of topics relevant to older people. The financial wellbeing component of the survey is designed in partnership with Challenger, an investment management company focused on providing financial security for retirement. The National Seniors Australia and Challenger Partnership in Research is a corporate partnership formed in 2012 to support the National Seniors Social Survey, broader research and philanthropic endeavours.

This report used sociodemographic data and responses to the 'Money Matters' module from the tenth National Seniors Social Survey (NSSS-10) conducted in February 2022. The NSSS-10 was approved by the Human Research Ethics Committee of Bellberry Ltd, reference HREC2021-11-1352.

A link to the survey was emailed to all National Seniors members and anyone who had given permission to receive online communication from the organisation. The survey was also promoted in National Seniors' online newsletter and social media channels.

Questions were 'point and click' multiple choice or short answer format accompanied by free text boxes so participants could elaborate on their responses if they wished. The financial questions and response options that provided the data for this report are included as Appendix 2.

Survey responses were collected via Survey Monkey® and data were collated, graphed and analysed using Microsoft Excel and Stata (version 16.1). Gender comparisons take the form of a binary comparison of women to men. Data from respondents who are non-binary or other genders were too few to test statistically, but their presence is acknowledged, and their data were included for all calculations unrelated to gender. Appendix 3 provides more information about the Survey methods and descriptions of the quantitative and qualitative analyses.

In total 3,345 people participated in the Money Matters module. Numbers of respondents varied across questions so the details for each are reported in the text.

Figure 1. Financial resources of NSSS-10 retirees.

SURVEY RESULTS

Retirees' financial resources

Figure 1 on the previous page summarises NSSS-10 retirees'* financial resources across the three pillars of the retirement system: the Age Pension, super and savings and investments (including homeownership). Super was a source of retirement income for the majority of retirees, with most agreeing that the compulsory superannuation system enabled a comfortable retirement. Eighty-five percent of retirees owned their home outright, but this proportion was much lower in the 10% who depended solely on the Age Pension. Figure 2 below shows that retirees' satisfaction with their financial security increased across older age groups even though savings levels had dropped. This could be related to outright home ownership which also increases, from 81% for those aged 60-69 to 91% for those aged 80-plus.

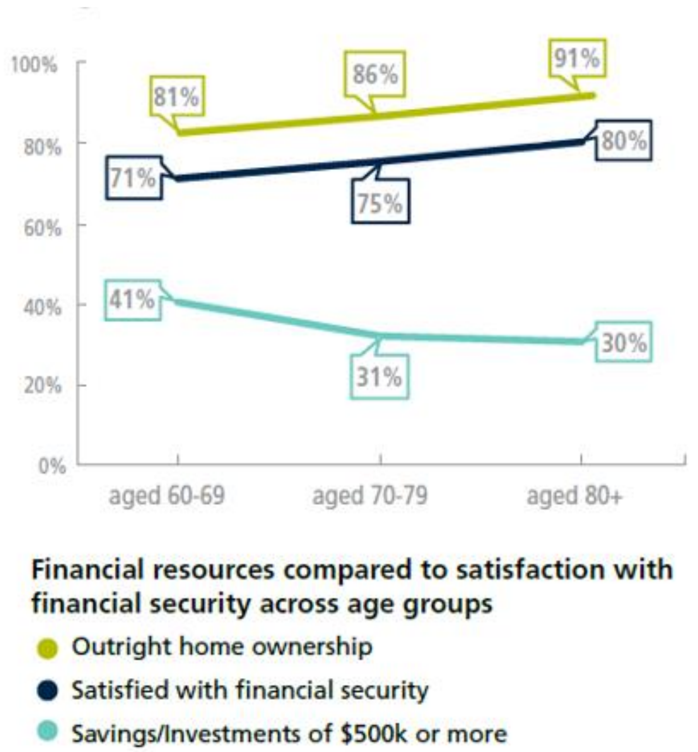


Figure 2. Age group comparison of retirees' financial resources and their satisfaction with financial security.

* Retirees were those surveyed who said they had 'permanently retired' (n=2,888).

Retirement capital

Eighty-five percent of 3,345 NSSS-10 participants had accumulated super and/or savings for retirement, with this proportion being statistically lower for women (82%) compared to men (88%). Figure 3 shows that super was by far the most common method used to accumulate retirement capital.

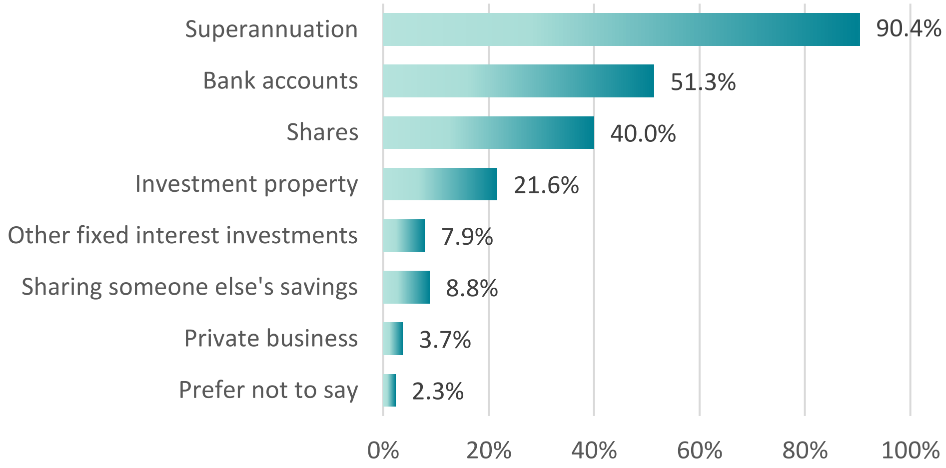


Figure 3. Retirement capital of NSSS-10 participants.
Participants could select more than one response. Percentages represent the proportions of those with retirement savings (n=2746) who had accumulated their savings in a particular category.

When thinking about accumulated savings and investments, approximately 50% (48.7%) of people said that they would maintain only part of their capital because they expected to spend some savings to fund retirement. The intention to maintain most or all of their capital was statistically more likely for men than women (Figure 4) and for those who had helped a family member or friend access aged care (Figure 5).

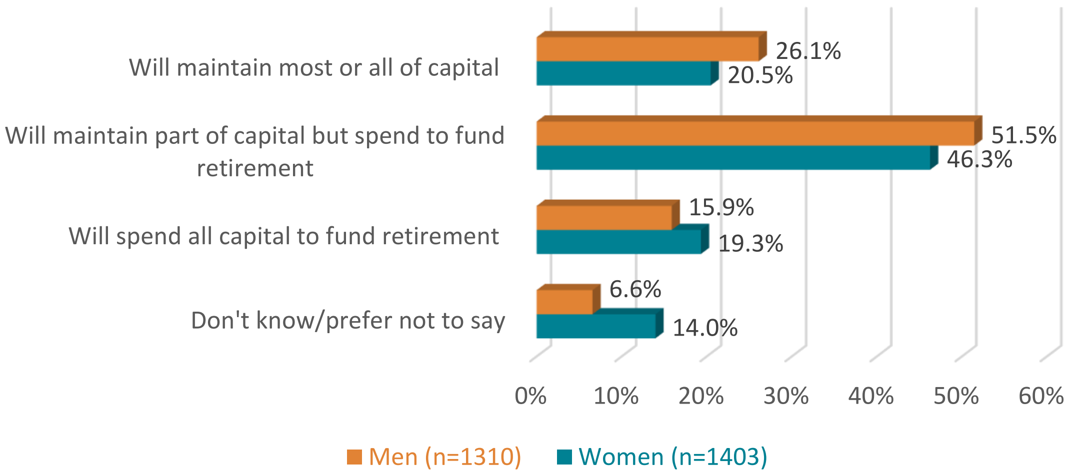


*Figure 4. Intention to maintain capital in retirement according to **binary gender** (n=2713).*

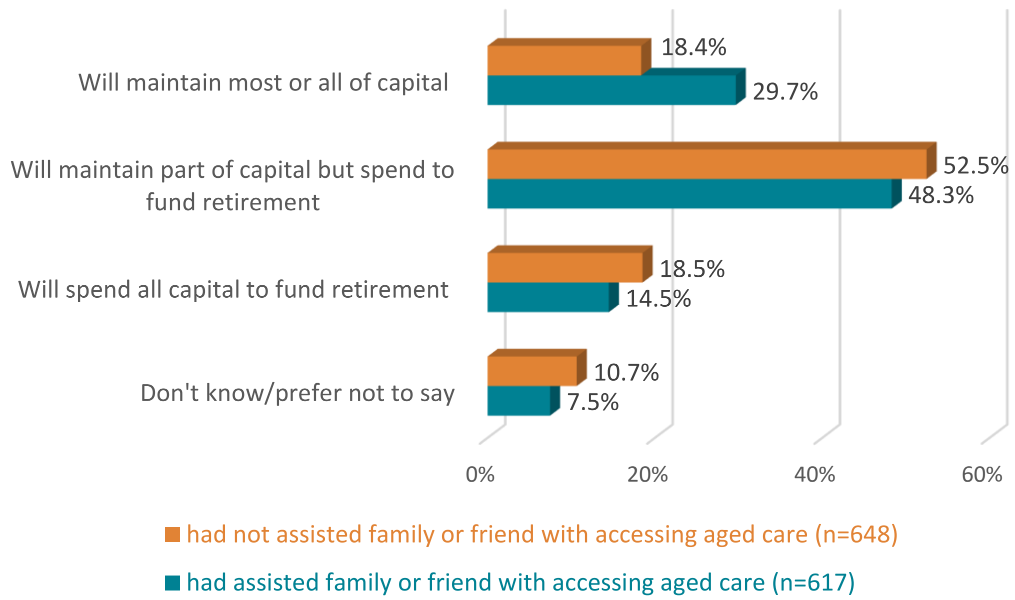


*Figure 5. Intention to maintain capital in retirement according to **experience assisting family or friend with accessing aged care** (n=1265).*

Having $500k or greater in retirement savings was also statistically associated with a higher intention to maintain most of or all the capital (Figure 6).

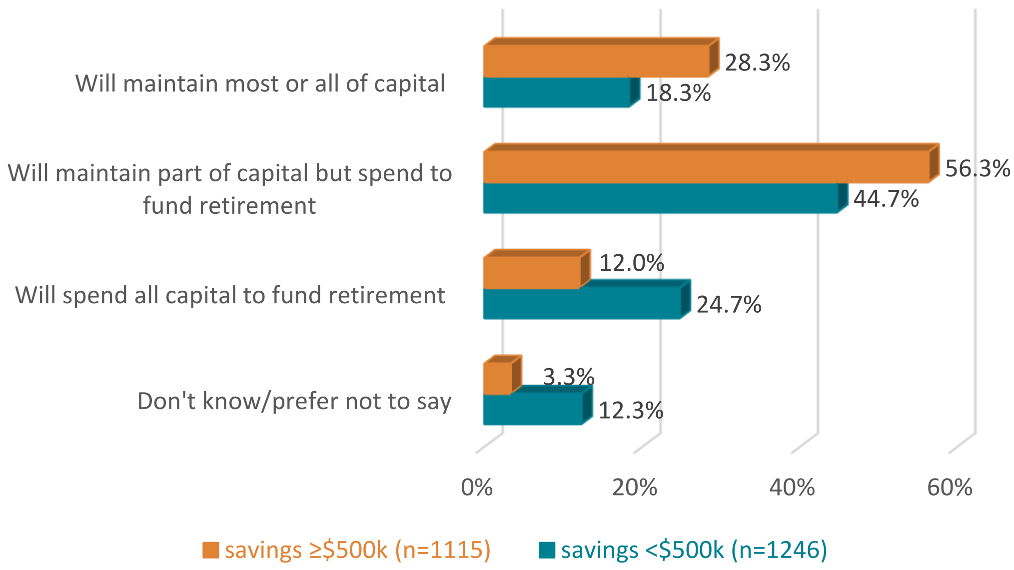


*Figure 6. Intention to maintain capital according to **wealth** (including super but not the home) (n=2361).*

Figure 7 shows that the standout reason for maintaining capital for most people was to fund medical or health needs. More than one reason could be selected, so the percentages represent the proportion of people (total n=1959) who chose each reason for maintaining some of or all their capital in retirement.

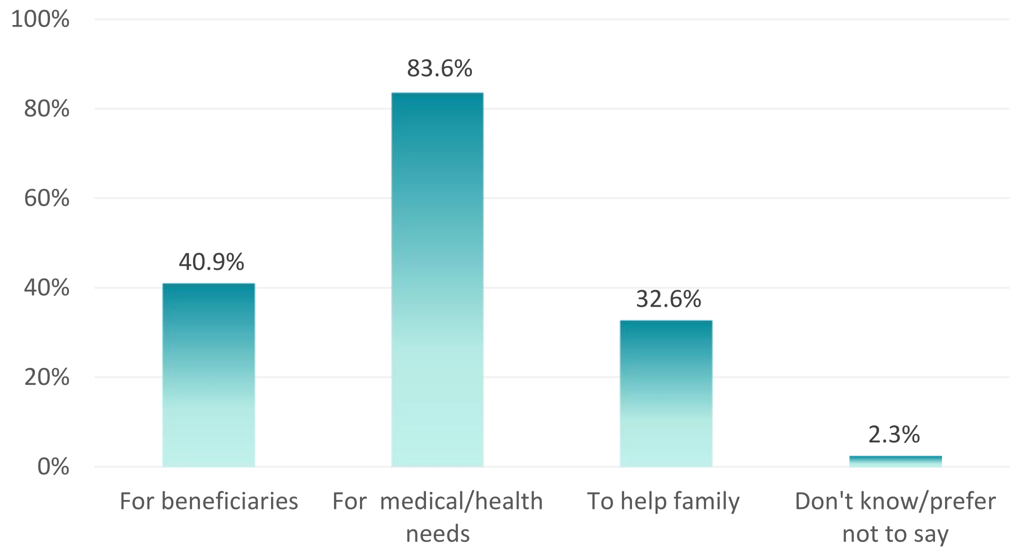


Figure 7. Reasons for maintaining capital in retirement (n=1959).

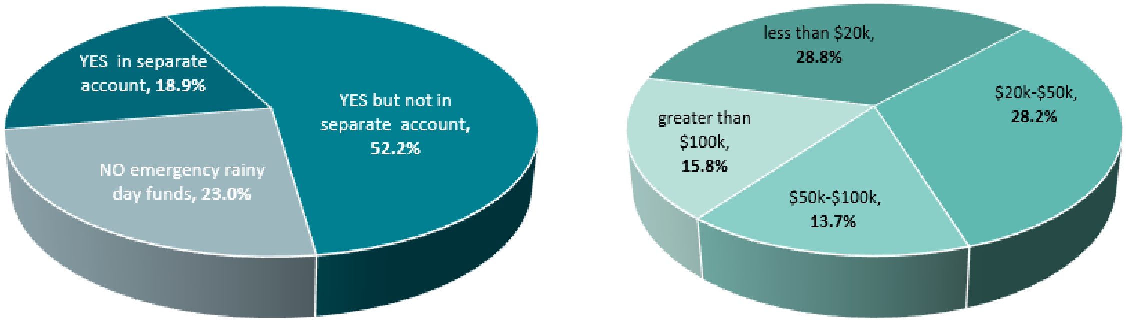
An additional 7% (n=192) gave a written 'Other' response. The top five 'Other' reasons were:

- Capital generates income (n=39)
- Maintaining capital buffers against unforeseen circumstance and provides a sense of security (n=32)
- Capital provides travel or lifestyle options (n=28)
- Capital may be required for future care (n=26)
- Maintaining capital minimises longevity risk when lifespans are unknown (n=25).*

Rainy day funds

Funds that are set aside specifically to cover emergencies or unforeseen circumstances are colloquially known as 'rainy day' funds. Figure 7 shows that approximately 70% had categorised at least a portion of their savings for these purposes. Of the 2,273 people who had set aside rainy day funds, just over one-quarter (n=604) held them in a separate account.

* The remaining 'Other' categories were each mentioned by 13 people or less. They included: to purchase or maintain assets (13); the capital amount is huge so difficult to spend (9); to help my spouse (3); and uncategorised (10). Some people wrote comments that reflected the three options given in the question's set responses, sometimes choosing more than one of these: to help family (9); for beneficiaries (7); and for medical needs (2).



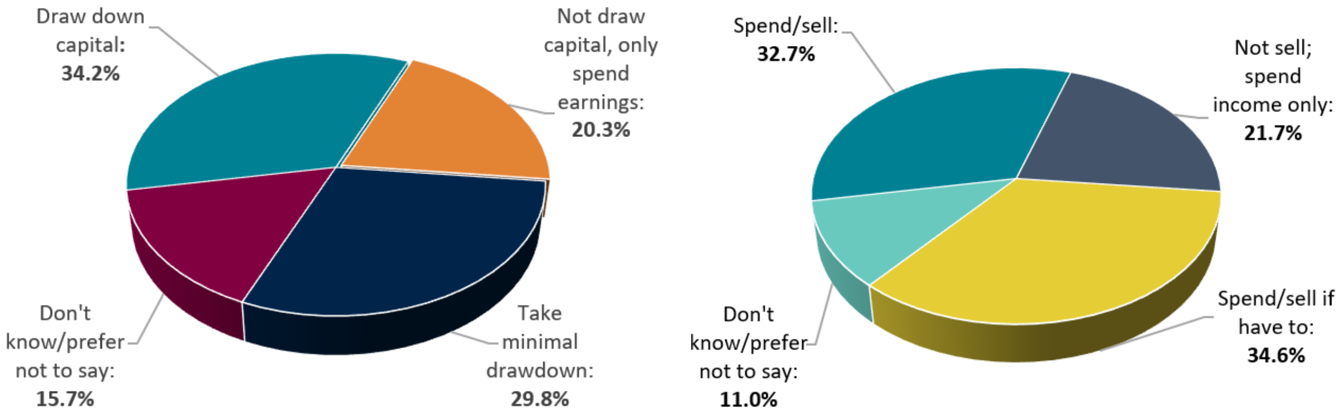
(a) "Do you have rainy day funds?" (n=3199) (b) Value of rainy day funds (n=2263)

*Figure 7. Profile of rainy day savings in the NSSS-10 *.*

Retirement income generation

For the 77% of the survey sample who were permanently retired, income was drawn mainly from super (70%), the Age Pension (48%), savings (37%), shares (35%) and investment property (11%). Survey participants with super and/or savings and investments (n=2482) were asked how they would use this capital to generate their income in retirement.

For both super and other savings or investments, one-third nominated drawing down capital or spending/selling the capital to generate income, while approximately one-fifth did not want to use their capital at all for income (Figure 8).



(a) Super as capital (n=2275) (b) Savings and investments as capital (n=1864)

Figure 8. Preferences for using capital for income for (a) super and (b) savings and investments.

* Approximately 6% of people preferred not to say whether they had rainy day funds and 13% did not know or did not want to nominate a value.

Using models that accounted for retirement status, older age groups were more likely to take only the minimum drawdown on super (Appendix 4; Figure S1).

Gender and wealth were also associated statistically with the way super was used to generate income. Women were more likely than men to take the minimum drawdown only, whereas men were more likely than women to spend only investment earnings* (Appendix 4; Figure S2). Having $500k or more in savings was also associated with only spending investment earnings from super. Figure 9 below shows that nearly double the proportion of people with $500k-plus wanted to spend super earnings only compared to those who had under $500k.

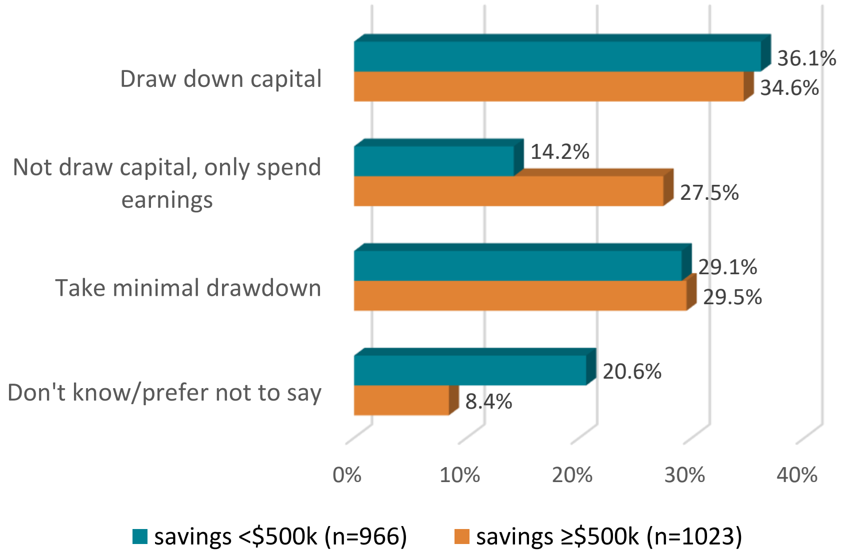


Figure 9. How super is used to generate income in retirement according to amount of savings (n=1989).

For those with other savings and investments, either apart from or in addition to super, being younger and having $500k or more were associated with planning to sell or spend capital in retirement (Appendix 4; Figures S3 and S4). If someone was single, they were less likely to intend selling or spending investments as part of their retirement income plan (Appendix 4; Figure S5).

* Generally, this is more than the minimum drawdown and was positioned as such. At older ages, the minimum drawdown percentage increases and is likely to be higher than investment earnings.

The home as equity and as a bequest

Retirees who own their home outright have the advantage of not only permanent housing but importantly their income does not need to cover rental costs. Equity held by homeowners may provide an additional source of tax-free retirement income through either a reverse mortgage or the Pension Loans Scheme, now known as the Home Equity Access Scheme.

A reverse mortgage allows people to access a portion of their home equity as either a lump sum or as an income stream, but defer payment of the loan until they die, sell or move out. The interest charged compounds over time and the rate is likely to be higher than on a standard home loan. The Home Equity Access Scheme is administered by the Department of Human Services through Centrelink.* It allows Australian homeowners at pension age (including self-funded retirees) to use the equity in their home to borrow up to 1.5 times the maximum Age Pension paid fortnightly or a lump sum which is capped at 50% of the annual Age Pension. The interest rate on the Home Equity Access Scheme is currently 3.95% p.a. The Government recovers the amount of the loan plus interest when the last borrower leaves the home or through the estate when the last borrower dies.

Most survey participants (81%) owned their homes outright with a further 11% owning with a mortgage (including reverse mortgages). Outright homeownership increased with age from 50% in the 50-59 group to 91% in those aged 80 or over (Figure 10).

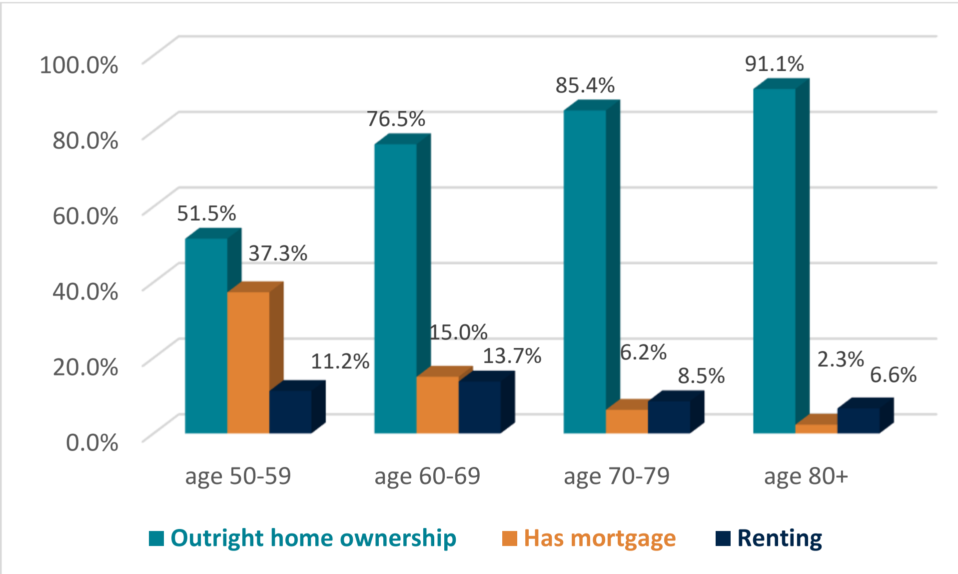


Figure 10. Home ownership according to age group (n=3020).

* https://www.servicesaustralia.gov.au/home-equity-access-scheme

Only a very small proportion of homeowners had accessed the equity in their homes either through the Pension Loan Scheme (n=13; 0.5%) or a reverse mortgage (n=39; 1.4%), although 18.9% (n=529) said they might consider it. Men were more likely than women to consider or use a reverse mortgage. Being younger and having savings less than $500k were associated with greater willingness. The strongest negative association was with wanting to leave the home as a bequest. Of those who said 'No' to considering a reverse mortgage, 75% also felt it was important to leave the home as a bequest.

When asked about possible uses for reverse mortgage funds, Figure 11 shows that more people selected the critical or essential items (medical needs, everyday living expenses and care needs) than travel or having a higher standard of living.

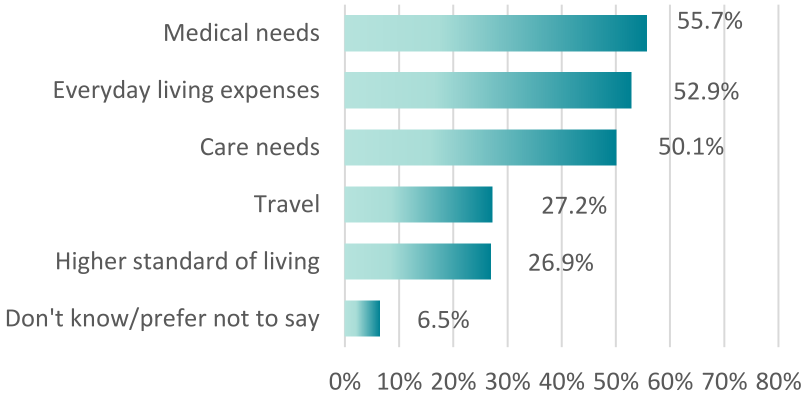


Figure 11. Proportions nominating uses for reverse mortgage funds (n=573). Numbers include only those willing to consider a reverse mortgage.

Most people (79%) would not consider using a reverse mortgage. Table 1 presents the results from logistic regression models testing sociodemographic associations with the four "No" options for willingness to consider a reverse mortgage.

Table 1. Reasons for unwillingness to use a reverse mortgage (n=2759).

Response type	Associated sociodemographic variables	Number of responses	Percent
Yes, already using or might consider a reverse mortgage		573	20.7%
No, will have enough money for needs in retirement	More likely to be men, to be in good or excellent health, be older, partnered and have savings over $500k	684	24.8%
No, would rather reduce spending	More likely to want to leave the home as a bequest and have savings less than $500k	323	11.7%
No, may need the full value of the home to fund residential care	More likely to be women	349	12.6%
No, don't agree with reverse mortgages	More likely to want to leave the home as a bequest and have less than $500k	830	30.1%

Participants also had the option of providing a more detailed response to the reverse mortgage question in a free-text box. A somewhat higher proportion of people who said they would consider a reverse mortgage provided a free text comment (19%) compared to those who said they do not agree with reverse mortgages (13%). Nonetheless, overall sentiments toward reverse mortgages were strongly negative. **These responses are summarised and described on the next page**. The qualitative methods used to analyse the reverse mortgage text comments are presented in Appendix 2.

As some participants pointed out in their free text comments, reverse mortgages are likely to prevent passing on the full value of the home after death. The associations reported in Table 1 confirm that those who didn't agree with reverse mortgages were also more likely to want to leave the home as a bequest. Clearly, this is one of the barriers to using home equity to fund retirement living.

Participants were asked to rank how important they thought it was to preserve their home as a bequest to beneficiaries. Figure 12 shows approximately two-thirds of people believed it was either somewhat or very important to leave the home as a bequest. Only 16% said it was not important at all.

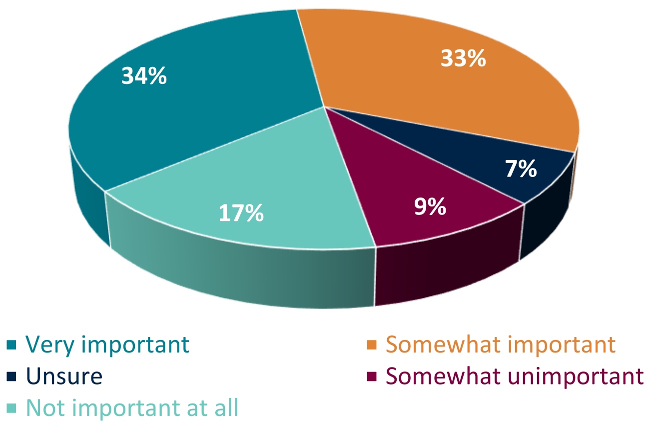


Figure 12. The importance of leaving the home as a bequest for NSSS-10 homeowners. In addition, 43 people (1.5%) selected the 'Prefer not to say' option (not pictured).

In multiple logistic regression models testing the factors that influence the importance of leaving the home as a bequest, there were significant associations with wealth and age group; those with savings under $500k and who were older were more likely to place importance on preserving the home as a bequest. Proportions according to savings wealth and age group are presented as Figure S6 and Figure S7 in Appendix 4.

Participants' comments on reverse mortgages

In response to the reverse mortgage question, 16 of the 393 commenters selected the option indicating they already have a reverse mortgage or use the pension loans scheme. While 10 simply commented on what they used it for, the other 6 expressed misgivings and problems with reverse mortgages. One commenter's issue was a long process and wait time to receive payments. Three commenters mentioned high interest rates, with two regretting their decision, for example: *"I wish I had realised when I did this some years ago for medical treatment, that the rates of interest were as large. I advise friends not to do it."* Another mentioned keeping the amount owed small as they anticipated using their house to pay for care. One commenter with misgivings explained their tricky situation: *"Have reverse mortgage to provide funds for family member with financial difficulties. Not happy about this but can manage if careful."*

Among the 101 commenters who selected the 'yes, might consider' option, only 21 expressed positive or neutral sentiments about reverse mortgages. Another 21 said they would prefer not to get one but would consider it if circumstances required it, while 27 said or implied they would only do it as a last resort. Others expressed concern about interest rates or leaving property to beneficiaries.

The 113 commenters who selected the 'no, don't agree with reverse mortgages' option expressed a range of reasons why or simply said reverse mortgages are bad with phrasing such as *"the WORST idea I have ever read about"*, *"should be banned"*, *"immoral"* and *"A rottweiler dressed up as a poodle"*. A more specific reason for not agreeing with reverse mortgages, expressed by 28 people, is mistrust of governments and/or banks, and the view that reverse mortgages are a scam or con by one of these entities to gain control of others' assets. Another reason, expressed by 22 people, is encapsulated by the idea that a person's home is their greatest asset, they want to retain full equity in it and do not want to go into debt on it. An additional nine people expressed concern about high interest rates and seven mentioned wanting to leave their house to beneficiaries, debt-free. Three shared views based on professional experience with reverse mortgages as a financial planner or accountant, for example: *"I am a retired financial planner and would never regard a reverse mortgage as a suitable retirement income strategy."* Another eight shared perceived negative experiences, for example: *"Family member had one. The final payback was astronomical. I would not use a reverse mortgage even if legislation provided all sorts of guarantees."*

The range of comments from respondents who gave other 'no' type answers was similar to the 'yes, might consider' answers. Only four expressed positive views of reverse mortgages. Around 45 either said they have no money worries, they think they don't have to worry about money, or they hope they won't need a reverse mortgage but cannot be sure given the uncertainties in life, finance, politics and health. Around 28 implied they would only access a reverse mortgage very reluctantly, having serious concerns about interest rates and other ill effects. Around 40 commented on the need to retain the full value of their home to pay for aged care, to provide a home for their children, and/or to downsize.

A few commenters said they were ineligible for reverse mortgage schemes because of their housing situation, i.e., living in a retirement village, land lease home, low value property or rural area, with some frustrated at this.

Finally, some said they do not know enough about reverse mortgages to make an informed decision or even to answer the question.

DISCUSSION

This snapshot of retirement income preferences and choices shows what older Australians are doing to generate income for spending in retirement and what they choose to hold on to and leave behind. The key themes that emerged were:

1. Super is meeting the intent from 1992 to provide financial resources for retirement but it is not a welfare program and leaves some people better off than others.
2. People actively maintain at least some of their capital in case they need it later as well as keeping rainy day funds for unexpected events.
3. Saving for possible future health costs was the strongest motivation for maintaining cash and assets, and
4. Despite the security of compulsory savings, many Australians don't have the confidence or financial literacy to best use these resources to provide what they want and need in retirement.
5. The strong Australian attachment to home ownership remains and, consequently, reverse mortgages were not appealing as an income source.

The results provide reassurance for the role of super in providing retirement income, but many issues need to be addressed to provide people with the opportunities to use this and other assets to maintain their quality of later life.

The retirement income system in action: Overview of findings

The survey results show that overall, the retirement income system is working well for older Australians. Eighty-five percent of survey participants had accumulated super and/or savings for retirement and three-quarters felt satisfied with their financial security. Most people (81%) owned their homes outright and a further 11% owned with a mortgage.

Super was the most common source of retirement income and 42% believed the superannuation system enabled them to have a comfortable retirement; a further 17% said they had significant super savings before super became compulsory.

The Age Pension was a source of income for 48% of retirees although only 10% relied on the Pension alone. This latter group also had a much higher rate of renting than the sample overall (29% compared to 7%). These retirees are not well served by the retirement income system that assumes home ownership underpins the Age Pension to provide an adequate standard of living for those who are reliant upon it.

When thinking about generating their retirement income, 50% of people said they would maintain part of their capital and spend some savings with just under a quarter intending to maintain most or all their capital. Thirty percent said they would only take the minimum drawdown and 22% did not intend to spend or sell other savings or investments to generate income.

Retirement savings: A nest egg or an income stream?

The original intent of the SG was to provide retirees with an income that maintained their working life standard of living. Super capital was not meant to accumulate and remain unused. In practice, however, many people only spend earnings from their super to preserve the capital or take the required minimum drawdown. This can reduce available spending money by as much as 30%. The results of this survey align with the observations made by the Review that many retirees do not want to consume their super as income.[1] Only 1 in 3 people were intending to draw down their capital to generate income from super in retirement.

Maintaining capital was particularly important to those at the higher and lower ends of wealth. Men and those who had $500k or greater were more likely to only spend the earnings from their super capital. Two groups who had lower levels of super, older people and women, were more likely to take the minimum drawdown only; possibly, to preserve the capital they have. Single people were also less likely than those who were partnered to sell or spend capital other than super.

According to the survey, maintaining capital was motivated primarily by needing to fund medical or health costs. This reason was selected by nearly 84% of people who wanted to maintain at least some capital. The percentage was double that for leaving a bequest (41%). Older Australians are supported by government-funded health, medical, aged care and other services at a level that equates to greater than the maximum rate of the single Age Pension. The Review suggests that this level of support should enable retirees to feel secure spending down capital to provide income for a more comfortable living standard.[1] However, even with the assistance of Medicare and the Pharmaceutical Benefits Scheme, out of pocket health care expenses are burdensome and pose financial risk for older Australians living with multiple health conditions.[2] The International Health Policy Survey of Older Adults found Australia was in the top three high income countries behind Switzerland and the United States for the proportion of people 65-years-plus reporting out-of-pocket costs of more than USD $2,000 in the previous year.[3]

Like the rest of the population, older people are also experiencing a public health system under severe strain which has reached extreme levels during the pandemic. The proportion of people waiting more than one year for elective surgery in the public system increased to 7.6% in 2020-21 from 2.8% in the previous year.[4] Many conditions requiring elective surgeries are not classified as clinically urgent, but they cause discomfort and limit mobility both of which can seriously impact on quality of life. Wait times are usually shorter for elective surgery in the private system. Having funds available to pay for surgery privately could account for the high proportion of survey participants who planned to maintain capital for medical or health reasons.

Aged care costs are another potential reason people might want to maintain capital. Like health, the majority of age care costs in Australia (76%) are funded by the government [5] but previous research by National Seniors has shown that when people have accumulated assets, they believe substantial contributions by the individual are required to ensure quality care and choice of care.[6][7] Helping a friend or family member access aged care was associated with being more likely to maintain capital suggesting that knowledge and experience of potential care costs could be fueling this concern.

Our finding that over 70% of people said they had rainy day funds also speaks to retirees needing to maintain capital for a sense of security against unforeseen circumstances. In most cases, rainy day funds were not separate from other savings, but 20% of people said that they invested it in a separate account. This can provide easy access to funds but also means they are splitting their investments and likely receiving a lower return, especially if they hold the funds in a bank deposit.

Increasing financial literacy

Shifting the perspective on retirement savings from an accumulated balance to a source of lifetime income requires a shift in the assumptions about super and increasing people's financial literacy. Most retirees do not seek financial advice, despite or perhaps because of the complex nature of retirement finances and the systems that support them. Also, the findings from the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry have increased community distrust of financial advisers.

Currently, there is a Quality of Advice Review underway by Treasury to help improve access to appropriate advice and guidance in retirement [8], but providing appropriate advice is only part of the picture. For many, anxiety about seeking financial advice from a professional is a major barrier to increasing financial literacy. Anxiety might be due to the prospect of sharing personal information, feeling judged for having a lower income or for poor record keeping or lack of financial knowledge.[9] Feeling overwhelmed by financial jargon is also an issue.[10] Seeking financial advice within the super system needs to be normalised for diverse groups of stakeholders so more retirees and those approaching retirement gain greater financial literacy. Survey questions about intentions to maintain capital and generating retirement income generated higher proportions of 'don't know/prefer not to say' responses from of women, those with less savings and people under 60. Advisers who actively promote and tailor advice that caters to all levels of financial circumstances can help people become better equipped to deal with the complexity of the retirement income system.

The home as a potential source of retirement income?

The importance to families of owning a home has been a dominant sentiment among Australians since World War II or even earlier. Home ownership continues to be a policy issue related to welfare and administration of other government support payments. The increase in house prices in recent decades has widened the gap in wealth between those who do and those who don't own their home.

For people in their later lives a home is more than an asset. It can be the location of an interconnected chain of major life events and memories. It can also be in a neighbourhood surrounded by a supportive and familiar community. The suitability of the bricks and mortar house for later life is often overwhelmed by its meaningfulness to those who live in it. Further, there is complexity in family interests in older families' homes and property prompting potentially difficult emotional issues with moving house for the whole family. On a positive note, rising prices enhance its status as a valued asset to hold and to pass on as a bequest and a tangible legacy.

Some commentators suggest that the large amount of older people's wealth tied up in home ownership is a viable source of additional retirement income. In our survey, the large majority (80%) would not consider using a reverse mortgage. Of those who did, most thought it should be used only for essential items like medical needs, care or everyday living expenses.

Text-based responses from survey participants provided insights into the perceptions and beliefs that drive people's negativity toward reverse mortgages. These highlight areas of misinformation or distrust that need addressing for retirees to consider the home as a source of retirement income. One of the most prevalent was that reverse mortgages are a scam or a con and they undermine the decades or work and sacrifice that have gone into home ownership. This perception could in part be driven by the idea that reverse mortgages are only used in hard times and that relatively high interest rates mean retirees are being ripped off.

Reverse mortgages increase retirees' current financial wellbeing but reduce intergenerational transfers of wealth, because depending on the size of the mortgage and the interest accrued, beneficiaries might only receive a small portion of the home's value. Leaving the home as a bequest was important to two-thirds of people and sentiments expressed through the reverse mortgage comment option affirmed that providing for children and not leaving them with debt were key deterrents to using reverse mortgages.

Having the full value of the home available to fund residential care was another reason given for avoiding reverse mortgages, both in the click box responses and the comment option. Interestingly, the need to fund residential care was a reason more likely to be selected by women. This might reflect the fact that women have fewer other assets (including super) than men so more of their wealth is tied up in the home. Also, of those surveyed, a much higher proportion of women were single than men so would not have the option of being cared for at home by a partner.

CONCLUSION

Older Australians are now living for much longer periods in retirement than their parents, sometimes over three decades longer. It is not surprising that making retirement-related financial decisions is a challenging process, particularly in times of such rapid social and economic change. Retirees and pre-retirees urgently need better access to financial advice and user-friendly tools that account for the complexity of intersections between the retirement income system and peoples' housing, health, age care and employment circumstances.

The covenant is clear that the focus of the trustees is to develop a retirement income strategy that will maximise the income retirees have to spend in retirement. This report highlights that more work needs to be done to enable retirees to practically implement such an approach. Better supporting and engaging retirees in managing their financial wellbeing in later life is critical for realising the potential of Australia's retirement income system that is a cornerstone of wellbeing throughout later life.

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APPENDIX 1: THE THREE PILLARS OF RETIREMENT

There are three traditional ‘pillars’ of the Australian retirement system that directly involve Government measures.[1]

1. The Age Pension

The Age Pension acts as a safety net for retirees with limited financial resources. It also supplements retirement income for those with lower super and savings. Age Pension eligibility age has been steadily increasing from 65 years in 2013 to 67 years in 2023. The maximum Age Pension rate as at August 2022 for a single person is $987 per fortnight and for a couple (each) $744.40 per fortnight.

Age Pension eligibility is determined by the Assets and Income test which for homeowners does not include their primary residence. When assets are more than the set limit for someone’s given situation (single/couple or homeowner/non-homeowner) their Age Pension payment is reduced. For part-pensioners, their pension cancels when assets are over the cut-off. The Income Test allows earnings a single person to earn up to $190 and a couple up to $336 a fortnight, after which the Age Pension will reduce by 50 cents for each additional dollar earnt.*

2. The Superannuation Guarantee

Compulsory super was mandated for all employees by the Government in 1992. It was initially set at 3% of annual gross salary. The current contribution rate is 10.5% of gross salary, legislated to rise to 12% by 2025. Figure S1 provides a timeline for the evolution of compulsory super.

Super payments by employers are made into a private super fund, with funds offering a range of investment options that vary in their level of risk, their strategies and returns. Super can be accessed from ‘preservation age’ onwards which ranges from 55 years for people born prior to July 1960 to age 60 for those born after July 1964.[11]

* https://www.servicesaustralia.gov.au/how-much-age-pension-you-can-get?context=22526#a1

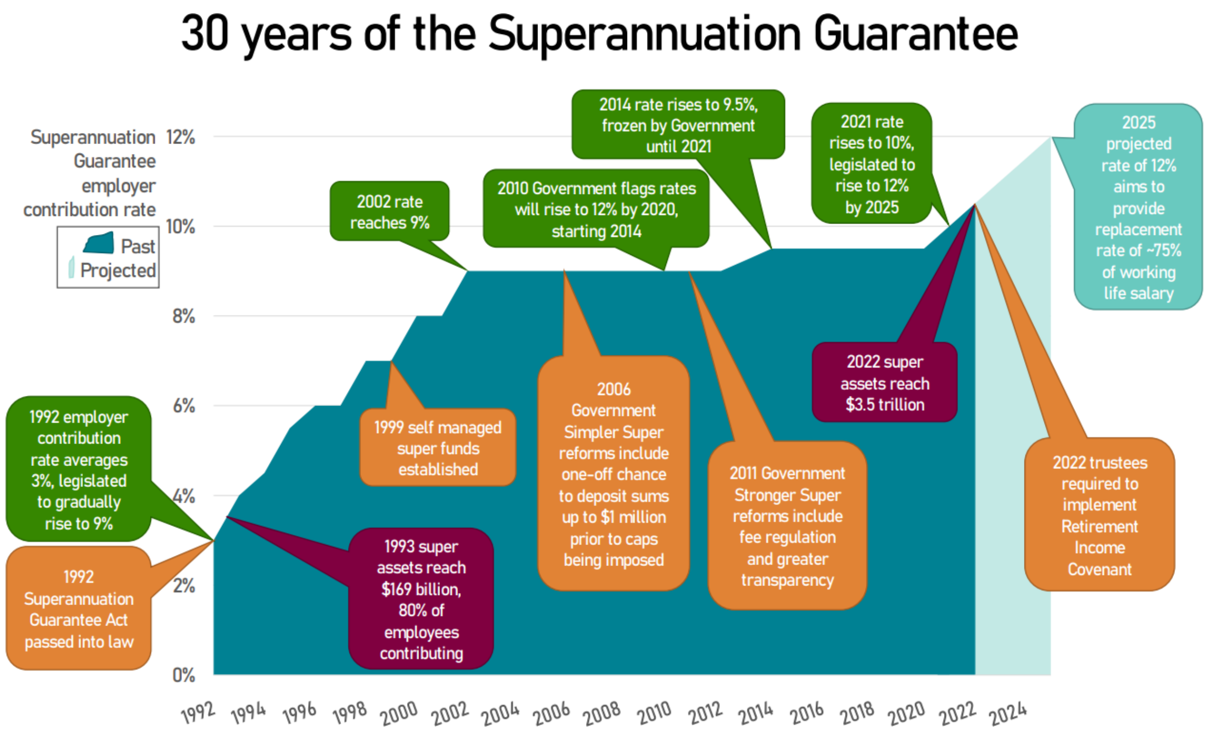

Figure S1. The evolution of compulsory super.

3. Tax concessions for voluntary super contributions

People can make additional contributions to super during working life to build their retirement savings. Concessional contributions are made from pre-tax income and like employer contributions are taxed at 15% in the super fund. Non-concessional contributions are made from post-tax income. The limit on concessional contributions is $25,000 per year and non-concessional contributions are capped at $100,000 per year. Age-based contribution rules prescribe minimum work requirements for those aged 67-plus and voluntary contributions aren't allowed from age 75 onwards.[1]

APPENDIX 2: NSSS-10 SELECTED SURVEY QUESTIONS

We asked NSSS-10 participants these questions about their retirement finances.

Do you have superannuation and/or savings for retirement?

- Yes
- No
- Unsure
- Prefer not to say

How have you accumulated savings for retirement? Please select all that apply.

- Superannuation
- Shares
- Investment property
- Bank accounts (including term deposits)
- Other fixed interest investments
- Private business
- Sharing someone else's savings (e.g. the savings of a partner or family member)
- Don't know
- Prefer not to say
- Other (please specify) [space for comment]

Do you intend to maintain the capital of your savings?

- Yes, most or all of the capital from savings will be maintained
- Yes, but only part of the capital as some savings will be spent to fund retirement
- No, intend to spend all savings to fund retirement
- Don't know/prefer not to say

Only for those who intended to maintain capital:
Why do you want to maintain the capital of your savings? Please select all that apply.

- To pass it on to beneficiaries (not including a spouse or partner) Examples of beneficiaries include family members such as children, friends, or charitable organisations
- To cover unforeseen costly medical or health needs
- In case it is needed to financially assist family members
- Don't know/prefer not to say
- Other (please specify) [space for comment]

What assets do you expect to use for preserving capital? Please select all that apply.

- Superannuation
- Shares
- Investment property
- Bank accounts (including term deposits)
- Other fixed interest investments
- Private business
- Don't know/prefer not to say
- Other (please specify) [space for comment]

Please select one or more ways your retirement income is generated (or will be generated if you haven't already retired).

- Superannuation savings
- Share investments
- Investment properties
- Deposits/savings accounts
- Age pension payments
- Government pension, other than Age Pension
- Lifetime annuity
- Overseas pension
- Part-time work
- Income from the family business
- Prefer not to say

From the list above, please tell us your TWO MAIN sources of retirement income - or your ONE MAIN source of retirement income if that applies for you.
[space for comment]

For those who included superannuation to generate retirement income:
How will you use your superannuation to generate income in retirement?

- Draw down the capital from superannuation to fund retirement
- Not draw on the capital, but spend the earnings (above the minimum drawdown) from superannuation
- Only take the minimum drawdown required and will not draw on the capital from superannuation
- Don't know/prefer not to say

For those who included savings and investment options other than superannuation to generate retirement income:
Do you intend to sell and/or spend investments over time to generate retirement income?

- Don't have investments
- Yes, selling/spending investments is part of the retirement plan
- No, not intending to sell investments, will just spend the income earned
- Will only sell/spend investments if forced to by unexpected personal or financial circumstances
- Don't know/prefer not to say

What best describes your housing situation?

- Own your home outright
- Own your home with a mortgage
- Own your home with a reverse mortgage
- Renting
- Living in rent-free accommodation
- Living in residential aged care
- Other (please specify) [space for comment]

For homeowners only:
How important is it for you to preserve your home as a bequest to your beneficiaries?

- Very important
- Somewhat important
- Not sure
- Somewhat unimportant
- Not important at all
- Prefer not to say

Would you consider a reverse mortgage on your home to provide funds during retirement?

- Yes, already have a reverse mortgage
- Yes, already use the Pension Loans Scheme for this
- Yes, might consider this if needing additional money to spend
- No, will have enough money for needs in retirement
- No, would rather reduce spending
- No, may need the full value of the home to fund residential care
- No, don't agree with reverse mortgage

Please tell us more about your answer if you would like to.
[space for comment]

For those who selected one of the Yes options for the reverse mortgage question:
What do (or would) you use reverse mortgage payments for? Please select all that apply.

- Everyday living expenses
- Care needs
- Medical costs
- Travel
- To fund a higher standard of living
- Prefer not to say

Do you have 'rainy day' funds in case of an emergency?

- Yes. The funds are in a separate investment account
- Yes. Some savings are available for this, but there is no separate investment for it
- No
- Prefer not to say
- Other (please specify) [space for comment]

For those with a 'rainy day' account:
Approximately, how much money is in your 'rainy day' account?

- Less than $20,000
- More than $20,000, up to $50,000
- More than $50,000, up to $100,000
- More than $100,000
- Don't know/prefer not to say

How much has Australia's superannuation system helped prepare you for retirement? Please select the answer that best describes your situation.

- Not at all, do not have any superannuation
- Super has enabled (or will enable) a comfortable retirement
- Had significant super (or defined benefit pension) before it was compulsory
- Have savings outside super to provide for retirement
- Retired before super made a significant difference
- Super is too low to be of any benefit and am (or will be) reliant on the Age Pension
- Don't know/prefer not to say
- Other (please specify)

APPENDIX 3: METHODS AND ANALYSES

Quantitative methods and analyses

NSSS-10 survey data were cleaned in Excel according to predefined protocols to deal with duplicate responses and extracted into STATA. Tabulations were used to describe the demographic characteristics of the subsample who answered the Money Matters Module of the NSSS-10 (Table S1).

For all Money Matters questions, proportions for each response option were represented graphically.

Chi-Square tests evaluated if responses differed by 10-year age group, binary gender*, self-reported health (excellent/good; fair; poor/very poor), partner status (partnered or not-partnered) and savings level (under or over $500k). Where theoretically appropriate, the following additional sociodemographic variables were also tested: retirement status (permanently retired or not), home ownership (own outright or not) and experience of helping someone access age care services (yes or no).

When response options differed according to a given sociodemographic variable (at $p \leq .05$), this factor was included in subsequent multiple logistic regression models. These models tested which sociodemographic associations remained relevant while accounting for the effects of other variables.

For most questions, participants had the option of choosing 'Don't know' or 'Prefer not to say'. These responses were incorporated into graphical presentations of response options but excluded in statistical tests of sociodemographic associations with a particular outcome.

Qualitative methods and analysis

Participants had the opportunity to provide a free text response elaborating on their willingness to use a reverse mortgage to help fund retirement. Text responses were collated into a separate Excel data file together with participants' quantitative responses to the reverse mortgage question. Text comments were grouped and counted according to participants' responses to the reverse mortgage question. Braun and Clarke's thematic analysis framework [12] was used to identify themes within each group of text comments. Thematic analysis aims for accuracy and objectivity in interpreting participants' views, while acknowledging the influence of the researchers' pre-existing knowledge and understandings on identified themes. Quotes from survey participants were selected as illustrations of the main sentiments expressed. Quotes are produced verbatim with minor typos corrected for readability, but phrasing idiosyncrasies otherwise retained.

* Gender comparisons take the form of a binary comparison of women to men. Data from respondents who are non-binary or other genders were too few to test statistically, but their presence is acknowledged, and their data were included for all other calculations unrelated to gender.

FOREWORD BACKGROUND THE SURVEY RESULTS DISCUSSION REFERENCES APPENDICES

APPENDIX 4: SUPPLEMENTARY TABLE AND FIGURES

Table S1. Demographic characteristics of participants who answered the Money Matters module of the 2022 NSSS-10 (n=3334).

10-year age group (3328)	number	%
50-59	147	4.4
60-69	1108	33.3
70-79	1621	48.7
80+	452	13.6
Gender binary (3325)*		
women	1773	53.3
men	1552	46.7
Partner status (3243)		
partnered/living together	1953	60.2
single	1290	39.8
Education level (3206)		
schooling to year 12	752	23.5
certificate or diploma	1080	33.7
bachelor degree or higher	1374	42.9
Self-rated health (3317)		
excellent	514	55.5
good	1919	57.8
fair	730	22.0
poor	13	3.9
very poor	23	0.7

Retirement status (3307)	n	%
permanently retired	2569	77.7
not permanently retired	738	22.3
Savings/investments including super (2873)		
<$100k	848	29.5
≥$100k but <$200k	296	10.3
≥$200k but <$500k	580	20.2
≥$500k but <$750k	349	12.1
≥$750k	800	27.8
State of residence (3339)		
NSW	736	22.0
VIC	599	17.9
QLD	1189	35.6
WA	349	10.4
SA	227	6.8
TAS	82	2.4
ACT	114	3.4
NT	43	1.3

**Non-binary or other gender=5; prefer not say=7*

Figures S2 to S6 present response options to questions about generating retirement income from super and from other savings and investments, according to significant demographic associations tested by multiple logistic regression models.

Generating income from super

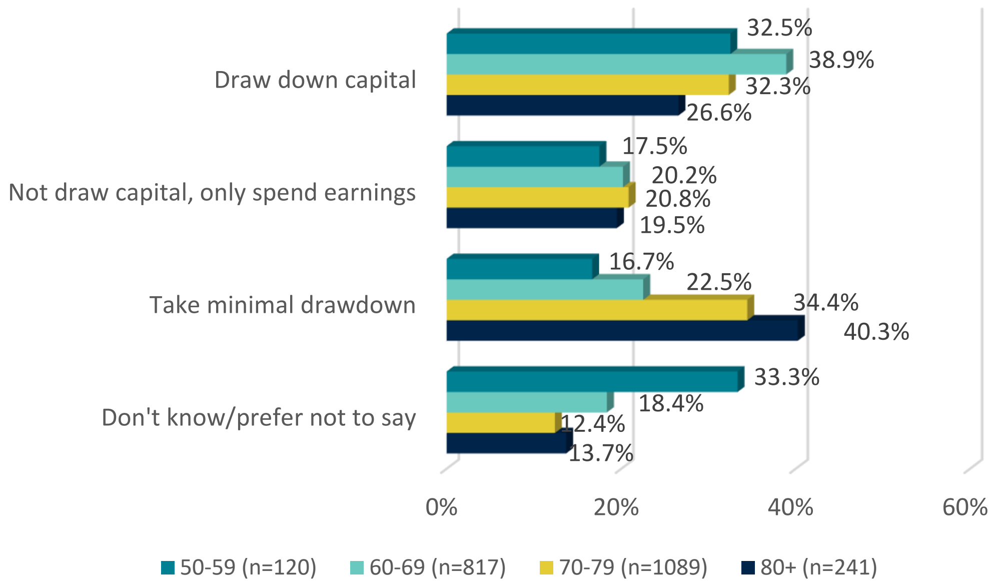

*Figure S2. How super is used to generate retirement income according to **10-year age-groups** (n=2267).*

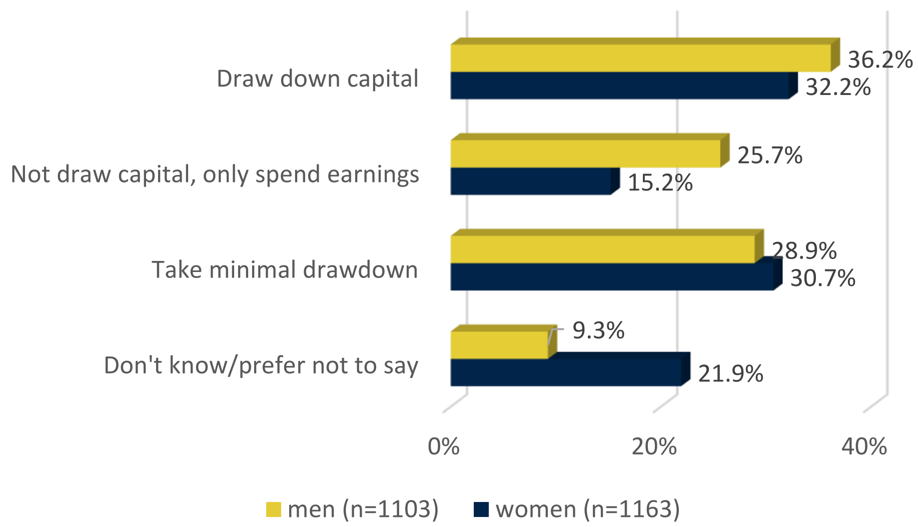

*Figure S3. How super is used to generate retirement income according to **binary gender** (n=2266).*

Generating income from savings and investments other than super

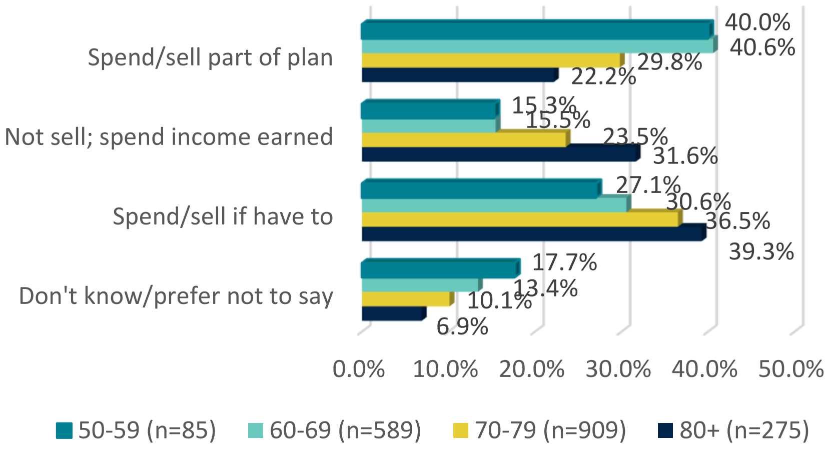

*Figure S4. How investments and savings (other than super) are used to generate retirement income according to **10-year age group** (n=1858).*

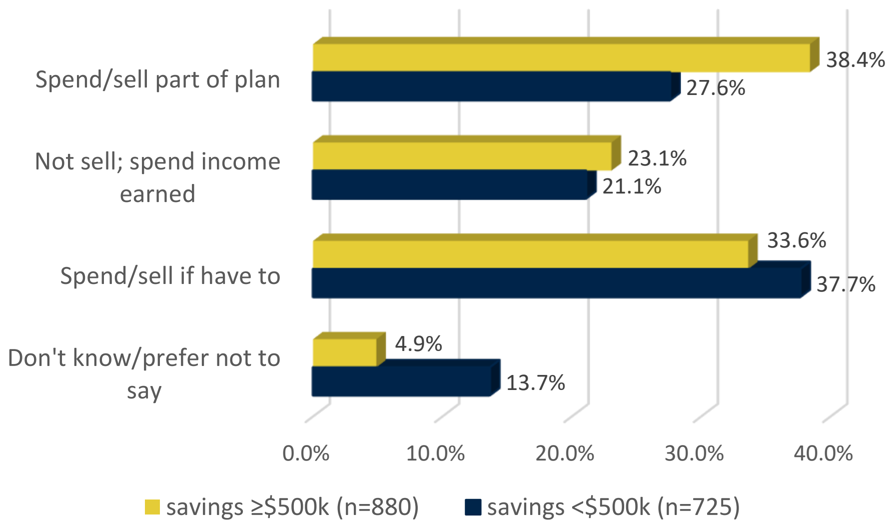

*Figure S5. How investments and savings (other than super) are used to generate retirement income according to **wealth** (n=1705).*

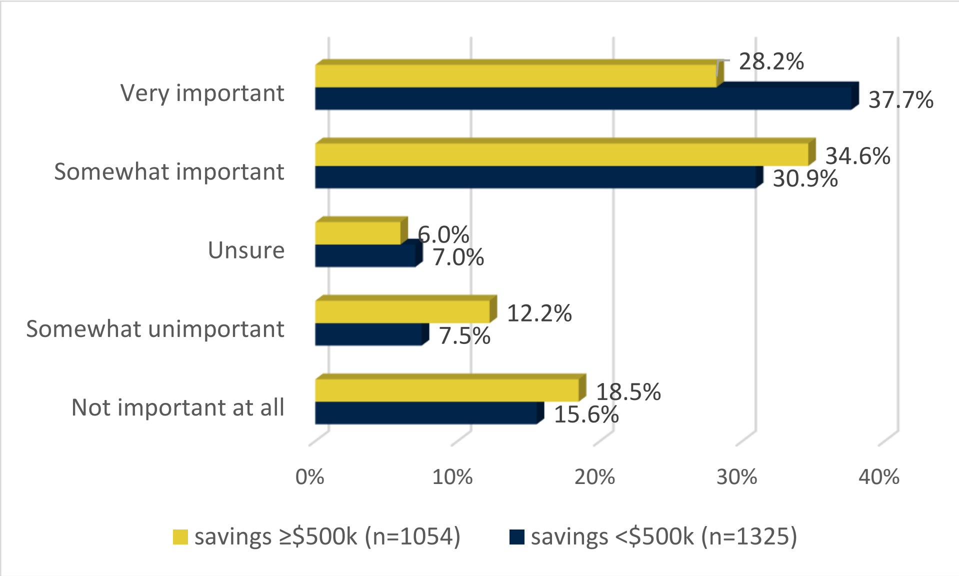

*Figure S6. How investments and savings (other than super) are used to generate retirement income according to **partner status** (n=1807).*

Figures S6 and S7 presents response options to the importance of leaving the home as a bequest, according to significant demographic associations tested by multiple logistic regression models.

The importance of the home as a bequest

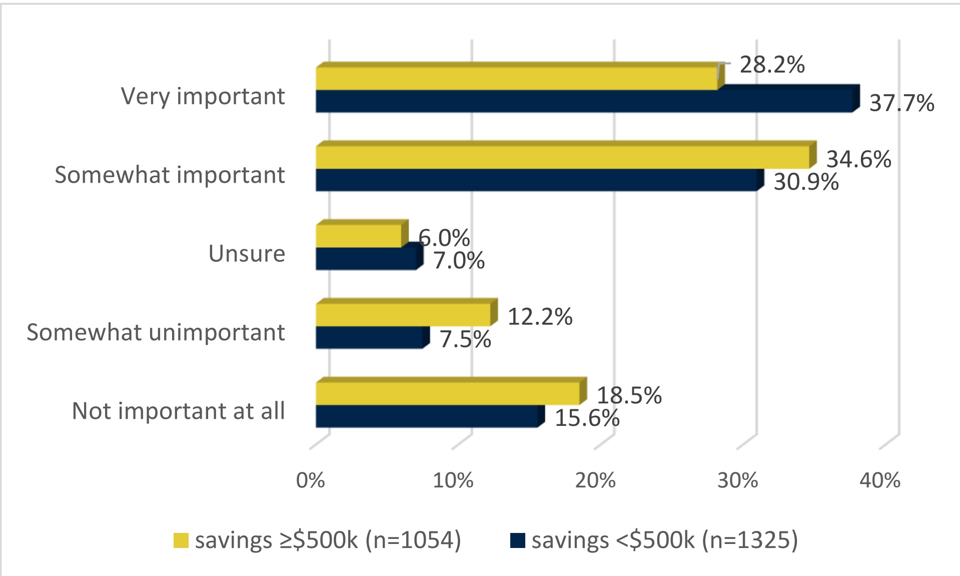

*Figure S7. Importance of leaving the home as a bequest according to **wealth** (n=2379).*

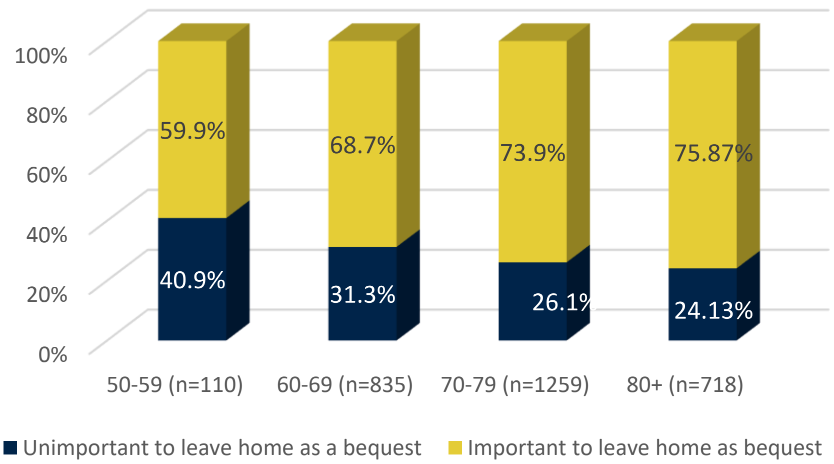

*Figure S8. Importance of leaving the home as a bequest according to **10-year age group** (n=2548).*

APPENDIX 5: MULTIPLE LOGISTIC REGRESSION TABLES

Table A5-S1. Sociodemographic associations with intentions to maintain capital in retirement.

	Maintain most or all of capital in retirement		Maintain part; spend part of capital in retirement		Spend all of capital in retirement	
Characteristic	**OR**	**95%CI**	**OR**	**95%CI**	**OR**	**95%CI**
10-year age group	1.1	0.87-1.38	1.39**	1.13-1.70	0.46	0.35-0.62
Binary gender	1.49*	1.05-2.11	0.80	0.60-1.09	0.80	0.53-1.20
Health	0.73	0.50-1.07	0.97	0.71-1.32	1.45	0.99-2.13
Partnered	1.32	0.91-1.91	0.71*	0.52-0.98	1.26	0.84-1.89
Home ownership	0.94	0.57-1.56	1.33	0.87-2.01	0.79	0.48-1.30
Savings ≥$500k	1.70**	1.22-2.38	1.37*	1.03-1.83	0.27***	0.18-0.40
Fully retired	1.66*	1.11-2.49	0.70*	0.50-0.99	0.97	0.62-1.52
Experience of the aged care system	1.73**	1.26-2.36	0.80	0.61-1.04	0.66*	0.46-0.96

OR: Odds Ratio; CI: Confidence Interval
*** p<.0001; **p≤.01;* p≤.05
Binary variables
 Gender: women=1, men=2
 Partnered: yes=1, no=0
 Home owner (outright): yes=1, no=0
 Savings ≥$500k: yes=1, no=0
 Fully retired: yes=1, no=0
 Experience of the age care system: yes=1, no=0
10-year age group: 50-60=1; 60-70=2; 70-80=3; 80+=4
Health: self report 3 categories; excellent/good=3, fair=2, poor/very poor=1

Table A5-S2. Sociodemographic associations with generating income from super.

	Take minimum drawdown only from super		Spend super earnings; not draw on capital		Draw on capital from super	
Characteristic	**OR**	**95%CI**	**OR**	**95%CI**	**OR**	**95%CI**
10-year age group	1.48***	1.25-1.75	0.90	0.75-1.08	0.75**	0.63-0.88
Binary gender	0.66**	0.52-0.84	1.46**	1.11-1.90	1.09	0.86-1.37
Health	1.11	0.88-1.40	0.80	0.60-1.05	1.05	0.84-1.32
Partnered	0.92	0.71-1.19	0.92	0.69-1.23	1.13	0.88-1.44
Home ownership	0.73	0.51-1.04	1.68*	1.08-2.60	0.94	0.67-1.31
Savings ≥$500k	0.94	0.74-1.18	1.65***	1.28-2.14	0.72**	0.57-0.89
Fully retired	1.56**	1.16-2.11	0.95	0.70-1.30	0.71*	0.54-0.92

OR: Odds Ratio; CI: Confidence Interval *** p<.0001; **p≤.01;* p≤.05
Binary variables
Gender: women=1, men=2
Partnered: yes=1, no=0
Home owner (outright): yes=1, no=0
Savings ≥$500k: yes=1, no=0
Fully retired: yes=1, no=0
10-year age group: 50-60=1; 60-70=2; 70-80=3; 80+=4
Health: self report 3 categories; excellent/good=3, fair=2, poor/very poor=1

Table A5-S3. Sociodemographic associations with generating income from savings and investments (apart from super).

	Sell/spend investments part of plan		Not selling, just spending income earned		Only spend/sell if forced to by circumstances	
Characteristic	**OR**	**95%CI**	**OR**	**95%CI**	**OR**	**95%CI**
10-year age group	0.65	0.54-0.77***	1.39**	1.15-1.69	1.15	0.97-1.37
Binary gender	1.06	0.82-1.31	1.10	0.83-1.46	0.87	0.68-1.12
Health	0.90	0.70-1.17	1.06	0.81-1.39	1.03	0.81-1.31
Partnered	0.74	0.56-0.99*	1.18	0.87-1.59	1.14	0.87-1.48
Home ownership	0.76	0.52-1.12	1.04	0.66-1.65	1.26	0.85-1.87
Savings ≥$500k	1.32	1.03-1.69*	1.01	0.77-1.32	0.76*	0.60-0.97
Fully retired	0.77	0.53-0.97*	1.40	0.96-2.0	1.12	0.82-1.52

OR: Odds Ratio; CI: Confidence Interval *** p<.0001; **p≤.01;* p≤.05
Binary variables
Gender: women=1, men=2
Partnered: yes=1, no=0
Home owner (outright): yes=1, no=0
Savings ≥$500k: yes=1, no=0
Fully retired: yes=1, no=0
10-year age group: 50-60=1; 60-70=2; 70-80=3; 80+=4
Health: self report 3 categories; excellent/good=3, fair=2, poor/very poor=1

Table A5-S4. Sociodemographic associations with willingness to use a reverse mortgage and with leaving the home as a bequest.

	Willingness to use reverse mortgage		Importance of home as a bequest	
Characteristic	**OR**	**95%CI**	**OR**	**95%CI**
Importance of home as a bequest	0.46***	0.37-0.58	n/a	n/a
10-year age group	0.82**	0.71-0.94	1.20**	1.05-1.37
Binary gender	1.43**	1.13-1.81	1.23*	1.00-1.52
Health	1.20	0.98-1.14	0.97	0.80-1.17
Partnered	0.78	0.60-1.00	0.82	0.66-1.03
Savings ≥$500k	0.51***	0.40-0.64	0.67***	0.54-0.81

OR: Odds Ratio; CI: Confidence Interval *** p<.0001; **p≤.01;* p≤.05
Binary variables
Importance of home as bequest: Important=1, not important=0
Gender: women=1, men=2
Partnered: yes=1, no=0
Savings ≥$500k: yes=1, no=0
10-year age group: 50-60=1; 60-70=2; 70-80=3; 80+=4
Health: self report 3 categories; excellent/good=3, fair=2, poor/very poor=1

Table A5-S4. Sociodemographic associations with reasons for not using a reverse mortgage and relevant sociodemographic variables.

	Have enough money for needs		Rather reduce spending		May need to fund residential care		Don't believe in rev mortgages	
Characteristic	**OR**	**95%CI**	**OR**	**95%CI**	**OR**	**95%CI**	**OR**	**95%CI**
Importance of home as a bequest	0.99	0.79-1.24	2.06***	1.44-2.93	0.83	0.62-1.10	1.64***	1.30-2.07
10-year age group	1.18*	1.03-1.37	0.97	0.80-1.17	1.03	0.86-1.23	1.01	0.88-1.59
Binary gender	1.44**	1.14-1.81	0.80	0.59-1.08	0.55***	0.41-0.73	0.83	0.67-1.03
Health	0.72**	0.57-0.91	0.83	0.63-1.09	0.98	0.76-1.26	1.16	0.97-1.40
Partnered	1.30*	1.02-1.66	1.16	0.86-1.58	1.02	0.77-1.37	0.89	0.71-1.11
Savings ≥$500k	3.57***	2.86-4.46	0.58***	0.43-0.79	0.82	0.62-1.08	0.76*	0.18-0.68

OR: Odds Ratio; CI: Confidence Interval *** p<.0001; **p≤.01;* p≤.05
Binary variables

Importance of home as bequest: Important=1, not important=0
Gender: women=1, men=2
Partnered: yes=1, no=0
Savings ≥$500k: yes=1, no=0

10-year age group: 50-60=1; 60-70=2; 70-80=3; 80+=4
Health: self report 3 categories; excellent/good=3, fair=2, poor/very poor=1

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