

NEW RESEARCH UNVEILS KIWI RETIREMENT LIVING PREFERENCES

Most Kiwis are looking forward to an active and independent retirement journey, but affordability remains a key concern.

Auckland, March 2022 – Kiwis over fifty are prioritising their independence more than ever before according to new research by New Zealand Seniors, with 1 in 2 (50%) optimistically looking forward to retirement as the beginning of new adventures.

While the events of the pandemic have caused more than a third (38%) to stray from their ideal retirement plans, leaving only half (51%) feeling on track to retire at their preferred age, it's clear that for the most part, Kiwis feel hopeful about the freedom retirement will bring.

Commissioned by New Zealand Seniors in partnership with consumer research group CoreData, *The Retirement Report 2022* surveyed more than 1,000 Kiwis over fifty to uncover how New Zealanders are feeling about their retirement journey.

The findings reveal that around 3 in 5 pre-retirees view retirement as an opportunity to have greater control over how they choose to spend their time (56%) and to do the things they have been meaning to get around to (60%).

According to Age Concern Health Promotion and Policy Manager Joanne Reid, as Kiwis live longer, healthier, and more active lives, the importance of planning for retirement becomes ever more vital. "Too often we see people sleepwalking their way into retirement which means they are less prepared for the realities of this life stage", says Ms Reid. "The better prepared you are, the better the experience will be, and I would encourage everyone to start thinking and planning for their ideal retirement goals in their 40's and 50's".

Interestingly, a rise in remote and flexible workplace culture since the onset of the pandemic seems to coalesce with the fact that overwhelmingly, most (81%) Kiwis prefer to see retirement as a transition rather than a standalone event, with 3 in 5 (62%) finding a gradual reduction in work commitments far more appealing than setting a hard deadline.

Weighing in on this trend, Ms Reid suggests our jobs can make a particularly positive contribution to our sense of meaning later in life potentially leading to many Kiwi pre-retirees opting to slowly ease into retirement. "Many people underestimate the importance of having regular social connection in their workplace and the role it plays in their broader wellbeing. For some, retirement can mean feeling their value and sense of purpose diminish."

On the flip side, COVID-19 has caused many Kiwis to reconsider their financial stability and job security, leaving many pre-retirees stranded with only a vague idea (40%) or no plans at all (27%) for how they'll fund their retirement and more than half (52%) wishing they could get more support on the journey.

In a similar vein, it's unsurprising that almost a third (28%) who have already made the leap to retirement are considering returning to the workforce, with financial stability being the top reason (74%). "Older workers are on the rise", comments Ms Reid, "some for the purpose it brings, others out of necessity. As such, employers in New Zealand need to initiate active conversations with older employees about transitioning to retirement and should explore part-time work, job sharing, retraining, and mentoring roles, to support them financially through this process", says Ms Reid.

Beyond the transition process itself, Kiwi seniors are also consistent in prioritising their independence once they reach full retirement.

A key trend that has emerged since the pandemic is the preference for home care as an appealing alternative to retirement villages and aged care facilities. In fact, as many as 2 in 5 (41%) respondents agree that the events of COVID-19 have prompted a desire to live closer to family.

Overall, Kiwis have a clear idea of what they are looking for when it comes to choosing future living arrangements. Maintaining independence is the single most important factor when making these decisions, with as many as 9 in 10 (89%) voting this as very or extremely important. Like two sides of the same coin, losing the ability to live independently (55%) is also a top concern among retired Kiwis, as well as a key deterrent for selecting retirement villages (43%). Other key concerns include the affordability of retirement villages (40%) and financial pressures more generally (40%).

Further insights from the research can be found on the New Zealand Seniors website here ([hyperlink](#))

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Additional Key Findings:

Financial wellbeing

- 1 in 5 do not feel financially secure (21%), and only 1 on 10 feel very secure (11%)
- 1 in 4 worry about money at least weekly (26%)
- 1 in 3 have felt the adverse impact of COVID-19 on the job security of themselves or close circle (32%)

The perfect age to retire

- Many pre-retirees believe they may have to keep working past their preferred retirement age to fund retirement (33%) or will not have full control over the age they retire in any case (16%)
- 2 in 5 pre-retirees report the events of 2020-2021 have impacted their retirement plans or have now left them unsure – most typically expecting to delay full retirement (23%)
- 3 in 5 pre-retirees are actively planning a retirement transition rather than a hard retirement date (62%) and 4 in 5 actively making career decisions today so that they have more flexibility to work part time in the future (82%)
- 4 in 5 pre-retirees would want to work longer if well supported and had flexible working conditions and hours (81%) – the greatest benefits being financial (76%), maintaining sense of purpose (69%) and keeping social (57%)

Perceptions of retirement

- Many pre retirees see retirement positively as the beginning of -
 - Opportunity to do the things I have been meaning to get around to 60%
 - Control over my time 56%
 - New adventures 50%
- However only 17% of pre-retirees expect life to get worse in retirement, while 54% expect it to stay the same and 29% that it will get better
- Over 1 in 2 retirees admit there are things they feel they have to compromise on (57)
- Over 1 in 4 retirees reported not feeling in control of when and how they retired at the time (27%)
- 2 in 5 retirees admitted they underestimated the emotions involved in retirement (42%)
- 1 in 3 retirees felt some loss of control (31%)
- 1 in 3 reported emerging needs in retirement they did not anticipate (32%)

Future Living Arrangements

- Most seniors tip towards preferring an active retirement lifestyle (62%) with only a few really aspiring to a more passive approach (8%)
- Top 5 worries about future living arrangements
 - Being able to live independently 55%
 - Affordability of retirement villages 40%
 - General financial pressures 40%
 - Loneliness 24%
 - Being a burden to my children 22%
- Top 5 key considerations you (would) make when deciding where to settle down in your retirement
 - Affordability 70%
 - Access to health care and other needs 66%
 - Proximity to amenities 59%
 - Proximity to family 53%
 - Proximity to friends/people to socialise with 44%

- There is a general preference for home care (44%) if at some stage they become somewhat of a burden to their children although retirement village or aged care is not too far behind (39%) as a preference in this case.
- Close to 1 in 4 feel recent events has made their perception of aged care living less desirable (23%) with only 3% becoming more desirable
- 3 in 5 feel the quality of age care in NZ is at least reasonable (61%), 12% that it is poor and a further 27% that it depends on where you are and go

For media enquiries, please contact:

Megan Sutherland
New Zealand Communications Consultant
Hill+Knowlton Strategies
m: +64 27 8939 960
e: meganjanesutherland@gmail.com

About New Zealand Seniors

New Zealand Seniors offers cost-effective financial products that help people protect what's most important to them. We place our customers at the heart of everything we do by providing trusted products that are simple to use and understand. We are committed to identifying and developing services and products we believe protect and improve the wellbeing of all Kiwis over 50.

About the New Zealand Seniors Retirement Living Research

New Zealand Seniors has commissioned research (survey of more than 1,000 Kiwis over 50) in partnership with consumer research group, CoreData. The research details how New Zealanders over 50 are dealing with finances and their retirement in 2021.

The research looked at the age of retirement, peoples preferred living preferences and whether people are moving into retirement homes villages earlier, how culture plays a part in retirement, what factors influence where and when seniors retire in New Zealand and whether they are planning for their retirement well into the future as well as any effects of Covid-19.

The report is compiled based on research commissioned by New Zealand Seniors and conducted by CoreData between 6 and 10 January 2022. The research was conducted via a quantitative online survey, gathering 1,009 responses from New Zealanders aged 50 and above.

The sample is representative of the general senior population of New Zealanders in terms of age, gender, wealth, and state/territory.