

MEDIA RELEASE

RISING LIVING COSTS, IMPLICATIONS OF THE PANDEMIC AND LOOMING GLOBAL RECESSION ARE IMPACTING RETIREMENT

New research reveals that two in five seniors will have to keep working to fund retirement, while one in five feel they may not have complete control over the age they retire

Auckland, New Zealand, June 2023 – According to new research from [New Zealand Seniors](#), some Kiwis over 50 are seeking to work beyond age 65 due to financial need and the rising cost of living. The study revealed over one in three (38%) Kiwis over 50 currently working or looking for work (referred to as working seniors) are now delaying full retirement due to the implications of increased living costs, implications of the pandemic and fears of recession.

Furthermore, interest rate hikes have led to a collective rise in [mortgage costs](#), and seniors are not spared. As a result, Seniors with floating rate mortgages may experience higher costs to pay off their mortgages and maintain their standard of living. And while homeowners have advantages over those who do not own a home, nearly three in four working seniors (74%) claim their mortgage status has significantly impacted their retirement decisions, and close to four in five (78%) are concerned about fully retiring with mortgage debt.

The Working Seniors Report 2023 is the latest research commissioned by [New Zealand Seniors](#) in partnership with consumer research group CoreData. The study, which surveyed 500 New Zealanders over 50, explores their attitudes and experiences related to employment and ageing in the workforce. The research was conducted against various developing factors, including seniors living longer and aspiring to live more purposeful and independent lives, as well as potential political changes that may arise from the October 2023 election in New Zealand.

Ageism is perceived as more prevalent

If living expenses, mortgage costs, and [life expectancy](#) continue to rise in New Zealand, delayed retirement can be expected to be a continuing trend. Although many over 50s want to work longer and contribute to the economy, most are conscious of the challenge of ageism in the workplace.

Seven in 10 (71%) working seniors feel ageism in the workplace is prevalent today, with three in ten (30%) believing that it is more common now than 5 years ago. Over two in five (41%) working seniors feel their current work conditions or income do not reflect what they deserve based on their experience and capabilities. Additionally, close to nine in 10 (85%) believe that finding a job becomes harder with age, and 36% feel they are undervalued in the workplace because of their age. Moreover, 29% have not applied for a job as they thought their age negatively affected their chances. And 43% feel certain or likely they have been turned down for a job past the age of 50 because of their age.

“Working seniors add much value to the workplace and tend to outperform younger colleagues in several areas, typically relating to their experience, loyalty, reliability, and maturity. Many also feel they are filling the gaps left by younger generations moving overseas and that workplaces with fewer older employees miss out on the value they can bring.” says Ian Fraser, CEO of Seniors at Work.

“The government should encourage employers to take on people in this age bracket. Just as employers get an accessibility tick if they successfully employ workers with disabilities and a rainbow tick when they accept diverse gender identities, it will be progress if there’s a tick for employers that welcome those over 50 to work for them. A tax incentive can also be applied to companies that do not discriminate by age.” Fraser suggests.

Supporting our working seniors

Even though working seniors on average, expressed the ideal age to stop working was 69 years, they see benefits in continuing to work. The top reported benefits include financial benefits (81%), maintaining a sense of purpose (59%), staving off boredom (50%), enjoyment (48%), and keeping social (48%). At the same time, economic considerations such as rising living costs (61%) and meeting key financial needs (57%) are among the top drivers for seniors working whose ideal age to stop working is past 65 years of age.

With over half (56%) of working seniors saying that their ideal age to stop working was past 65 years of age, many working seniors expressed the need for more tangible support from both employers and the government.

“As New Zealand’s population continues to age, we must work together – people, businesses and government – to find ways to support our seniors and ensure that they can retire with dignity. We must work together to address seniors’ challenges, including the rising cost of living and mortgage debt, and ensure they can enjoy their golden years without financial stress,” says Fraser.

The full report is available in the whitepaper.

Additional Key Findings from the Working Seniors Report 2023:

Working Seniors concerned retiring with debt

- 78% agree that being fully retired, with mortgage debt is a key concern.
- 76% of homeowners feel their mortgage status has significantly impacted retirement decisions.
- 42% of working seniors have bought and paid for their homes, and 22% expect to do so within the next ten years. This leaves 10% expecting it will take more than 10 years to pay off their mortgage and 26% without owning a home.
- 50% of working senior homeowners would consider accessing the equity in their property to help their kids or grandkids get a head start in the property market.

Ageism in the workplace

- 71% of working seniors think ‘ageism’ in the workplace is prevalent today.
- 30% of working seniors feel it is more prevalent now than five years ago.
- 41% of currently working seniors feel their current work income and/or conditions do not properly reflect what they deserve based on their experience and capabilities.
- 85% of working seniors believe it becomes harder to find a job the older you get.
- 73% believe older employees are undervalued.
- 36% have felt undervalued in the workplace because of their age, commonly citing inadequate salary compensation (66%) or their contribution not being fully recognised (60%) as reasons why they have felt undervalued.
- Working seniors believed employers in New Zealand start to look at employees differently due to age, from the following age:
 - o 40-44 years (3%)
 - o 45-49 years (7%)
 - o 50-54 years (21%)
 - o 55-59 years (20%)
 - o 60-64 years (22%)
 - o 65-69 years (12%)
 - o 70 years and older (15%)

- The 5 most common drivers of feeling undervalued at work, among working seniors who have felt they were undervalued in the workplace due to age
 - o Salary compensation does not fully align with experience and/or skills (66%)
 - o Contribution not fully utilized (60%)
 - o Skills are not fully utilized (48%)
 - o Colleagues and/or supervisors are dismissive or disinterested (43%)
 - o Hard to have your voice heard in decision-making and planning (34%)

Value of senior workers

- 92% of working seniors believe Kiwi seniors can help fill the brain drain gap from younger generations moving overseas.
- 82% feel that workplaces with few older employees miss out on the value they can bring.
- Things working Kiwi seniors think they tend to do better than younger generations:
 - Experience (86%)
 - Work ethic (84%)
 - Maturity (82%)
 - Resilience (61%)
 - Advanced knowledge (59%)
 - Adaptability (42%)
 - Leadership (42%)
 - Progressive and embrace innovation (16%)
 - None of the above (1%)
- Top traits used by working seniors to sell value to employers or clients
 - Wisdom that comes with age and life experience (67%)
 - Length of experience (66%)
 - Maturity (56%)
 - Ability to understand senior perspectives (26%)
 - Progressive and innovative (26%)

Support in the workplace

- 60% of working seniors feel ageing workers should be granted special conditions and flexibility to continue working.
- 85% argue that equality for seniors should be mandatory in human resources and diversity and inclusion strategies for New Zealand employers.
- 81% believe seniors' wage levels and superannuation savings do not typically meet actual retirement needs.
- 74% feel the government needs to do more to help fight age discrimination in New Zealand workplaces.
- 87% feel the government must consult the senior workforce directly about future workplace reforms to properly understand their needs and preferences.
- 73% feel the government needs to provide more tangible support for seniors working later in life (e.g. training/reskilling programs, supportive working conditions and policies).
- 80% feel the government needs to do more to encourage businesses to hire and retain older New Zealanders.
- 70% of working seniors (not fully self-employed) feel their workplace supports senior employees at least reasonably well or better, but only 26% feel they do so extremely well. This support most typically comes in the form of more flexible working conditions for hours, shifts and work-from-home arrangements.
- How working seniors (not fully self-employed) believe older workers are supported in their workplace:
 - Part-time hours (40%)
 - Flexible times/shifts (36%)
 - Flexibility to work from home more (34%)
 - Understanding and accommodation of challenges senior employees may face (24%)
 - Less physically demanding duties (22%)
 - Anti-age discrimination policies in place and respected (21%)
 - Reskilling or training support (16%)
 - Job share arrangements (10%)
 - 'Pretirement' schemes (6%)

Ideal retirement age

- The average ideal age to completely stop working among working seniors is 69 years, notably this is higher for men than women (70 years vs 67 years).
- 31% want to keep working as long as possible to stay engaged/fulfilled/avoid boredom, 29% look forward to retirement and everything they have planned, while 20% feel they will probably need to keep working to earn an income.
- The key drivers for wanting to work past 65 years old include enjoying work (65%) and maintaining a sense of purpose (63%), followed closely by more economic considerations of the rising cost of living (61%) and financial need (57%).

Retirement and 'pretirement' plans

- 18% of working seniors have a formal plan for the age they will retire, with 37% only having vague plans. Most of those who have a formal plan expect to be able to do so as planned (85%).
- 43% of working seniors feel on track to retire at the age they prefer.

- 37% may have to keep working past their preferred retirement age to fund retirement, and 20% expect they may not have full control over their retirement age.
- 57% of working seniors are either actively planning a retirement transition rather than a hard retirement date (24%) or planning to do so (33%).
- 44% wish they could get more support, and only 1% are already receiving support.
- 62% of working/semi-retired seniors (not fully self-employed) feel it is important to discuss 'pretirement' plans with their employer; only 31% report doing so - the most common responses being around: working fewer days (12%), planning to reduce hours over time (10%) and more flexible hours (10%).
- Most believe nothing is getting in the way of this discussion with employers (60%). In comparison, others cite concerns about it sending the wrong message (16%), comfort raising this with the employer (16%), uncertainty about how their employer will react (14%), and economic uncertainty (12%).
- Few reported employers offering reskilling/training support (16%) or job share arrangements (10%), and very few 'Pretirement' schemes (6%) (i.e. priority ahead of retirement years to help manage the transition). This is despite working seniors (not fully self-employed) citing 'Pretirement' schemes (39%), job share arrangements (35%) and reskilling or training support (29%) as among the ideal conditions offered to seniors in the workplace.

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For media enquiries, please contact:

Elizabeth Klansek
Senior Account Executive
Hill+Knowlton Strategies
e: Elizabeth.Klansek@hkstrategies.com

About the Working Seniors Report

The Working Seniors Report 2023 surveyed over 500 New Zealanders over 50 to uncover their attitude and aptitude toward working, work life and challenges. The research was conducted in January 2023 by [New Zealand Seniors](#) in partnership with consumer research group CoreData, against the backdrop of a range of developing factors – from Kiwi seniors living longer and wanting to live more purposefully and independently to political headwinds coming the way of New Zealand with the general elections in October 2023.

About New Zealand Seniors

New Zealand Seniors offers 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 service and products that are simple to use and understand. We are committed to identifying and developing services and products we believe protect and improve the well-being of all senior New Zealanders.