



Retirement planning among Australians aged 50 years and over: Evidence from ABS data

The 2008-09 Australian Bureau of Statistics (ABS) Multi-Purpose Household Survey was analysed to examine the retirement planning of Australians aged 50 years and over.

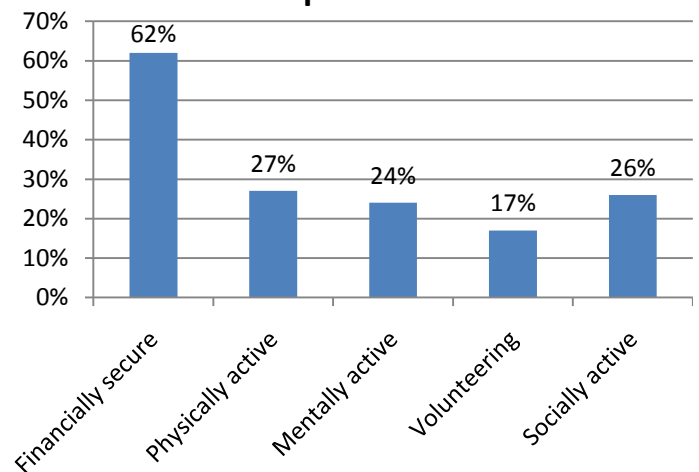
Respondents who had not yet retired were asked whether they had already made plans for their retirement for:

- being **financially secure**,
- being **physically active**,
- being **mentally active**,
- **volunteering**, and
- being **socially active**.

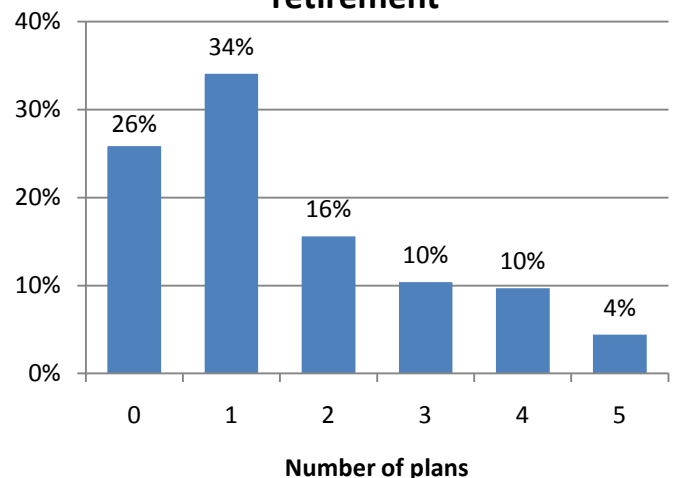
Financial planning for retirement (62%) was far more common than planning in any of the other domains. Only 17% of Australians 50 and over have made plans for volunteering in retirement. This focus on financial planning is reflected in past research, which has primarily focused on the types of financial preparations made by pre-retirees, rather than health or lifestyle preparations.

Looking at the total number of plans made, only 14% of Australian pre-retirees had made plans across at least four of the five domains. Over one-quarter (26%) had not made any plans while about one-third (34%) had made only one plan.

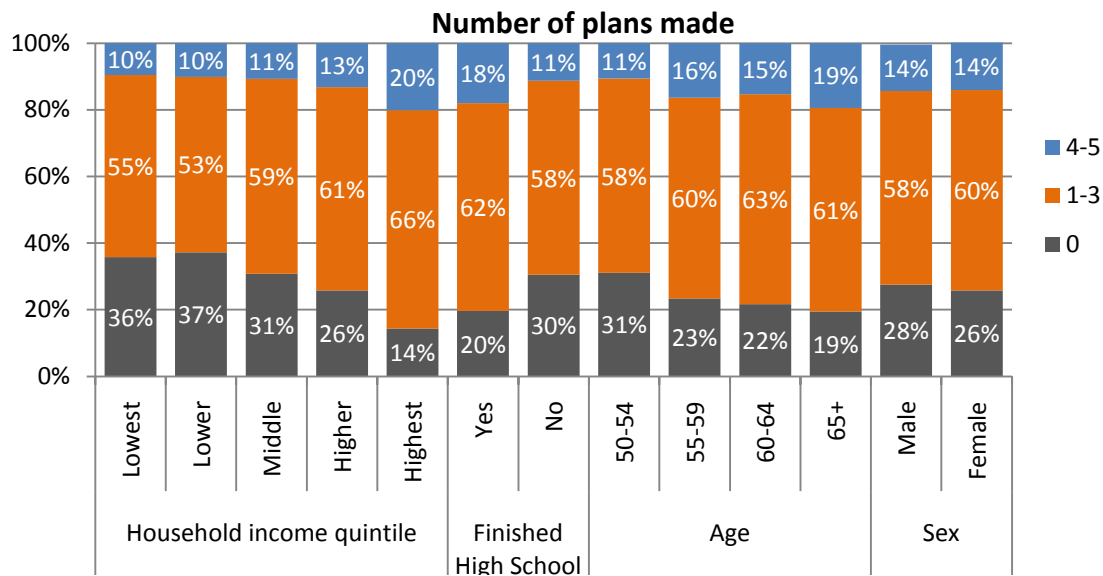
Made plans for retirement



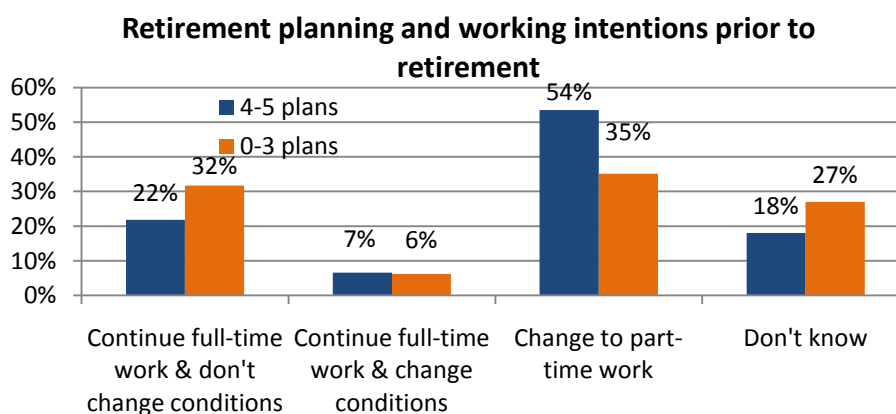
Number of plans made for retirement



These initial findings lead to an examination of the characteristics of those Australian pre-retirees who had made the most plans for their retirement. Those in the highest household income quintile, who had finished high school, and were aged 55 and over were most likely to have had made plans for at least four of the five domains. This finding suggests those pre-retirees with higher human capital were those most likely to have made more extensive plans for their retirement.



These workers who had made extensive plans for retirement were more likely to intend to transition to retirement through part-time work. This suggests those who have made more plans likely to have prolonged working lives, which will help strengthen labour force participation of older persons as Australia's population continues to age.



These findings provide a broad overview of retirement planning of Australian pre-retirees. To delve further into these issues, National Seniors Australia is conducting a survey of members aged 50 years to examine the types of financial, health and lifestyle plans that they have made for retirement, and reasons behind these preparations.

This issue of 'Facts and Figures' is based on a survey conducted by researchers at the National Seniors Productive Ageing Centre.