

REST

The Journey Begins

Live the life you have earned

May 2017



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Foreword

Australians are living longer than ever – and that’s a good thing.

Less than 100 years ago, a retiree wasn’t expected to even draw a pension but today we will need money for more than 15 years after we retire.

Beyond the pressure this puts on the Age Pension system, our increased longevity poses problems that aren’t easy to address. As politicians regularly point out, an ageing population puts pressure on housing, healthcare and, perhaps most importantly, our families.

The increasing burden of care must fall somewhere, and this appears to be on the shoulders of working Australians aged 50 or over, who themselves are rapidly approaching retirement.

These older workers, typically known as ‘baby boomers’, are caught between two generations that both need their support, making them what we’ve termed the ‘sandwich generation’.

The sandwich generation can be financially supporting elderly parents, often with medical and health expenses, and they have to make some sacrifices to do it. They also can be financially supporting their children for home deposits, everyday expenses and education.

This squeeze is real. Our research shows older workers are providing most of the intergenerational giving – nearly \$200 billion – over their collective lifetimes. Children aged over 35 and retirees are providing another \$310.2 billion, taking the total cost of intergenerational dependency to a staggering \$507 billion over the combined lifetimes of Australians aged 35 and above.

So, how should this be addressed?

Unfortunately, there’s no silver bullet. But superannuation funds need to work together to encourage ageing Australians to stash a little extra away for retirement to ensure they’re able to address some of the problems that will pop up. We need to ensure they have access to advice on how much they’ll need for retirement and how they should spend it.

There’s currently a generation of retirees who aren’t living the life they deserve and there are older working Australians who look set to live a more frugal retirement than anticipated.

Together we can start to address this problem and ensure most Australians can live the life they have earned in retirement.



Damian Hill
Chief Executive Officer
REST Industry Super

Living the life you have earned



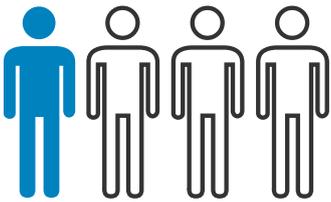
67 is the age at which respondents expect to retire.



\$507 billion in intergenerational financial assistance has been provided by Australians throughout their lives.



\$963,000 is the average wealth of older workers (including the family home).



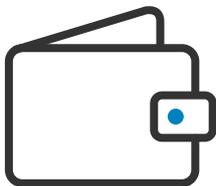
24% of older workers' wealth is in superannuation.



\$228,280 is the average superannuation balance of older workers.



The proportion of people who own their home when they retire is increasing.



47% of retirees are spending the interest on earnings to preserve capital.



20% of older workers see retiring later as a way to avoid boredom in retirement.



Australian retirees set aside more money for inheritances than those in any other country.¹

¹ HSBC's The Future of Retirement report *Life after work?* published in 2013 is the ninth in the series. It is based on an online survey of 16,000 people in 15 countries. More than 125,000 people worldwide have been surveyed since The Future of Retirement program began in 2005. For more information about The Future of Retirement, and to view all previous global and country reports, visit www.hsbc.com/retirement.

Executive summary

The rapidly rising cost of living is reshaping the way Australians live, work and plan for retirement.

For many Australians, family wealth can be tied up in the family home and at the same time, parents are increasingly being asked to help their children get a foot on the property ladder. These older workers are feeling further financial strain as they are also helping their retired parents, who are living longer thanks to advances in aged care, medicine and medical technology.

According to our research, older workers are being put under increasing pressure as they are sandwiched between two generations both in need of financial assistance.

For the purposes of this report, older working Australians are classified as those over 50, with 18% of our sample aged 65–69, and 7% aged 70 or over. The average age of those surveyed was 59.

Often living as a family unit, they support their children with such things as home deposits, education and weddings. About 47% of older workers financially help their offspring even after the children have left home.

Their generosity is such that Australian retirees are now setting aside more money for their children to inherit than parents in any other country.²

How do older workers cope with the financial pressure?

Planning for retirement hasn't been easy for older workers and people managing their finances in retirement given the increasing cost of living (particularly housing) and the uncertain investment outlook.

So, are older workers and retirees putting the needs of their loved ones above their own?

REST Industry Super wants to understand how these obligations affect older workers' ability to plan and save for retirement.

Do older workers feel obliged to provide financial assistance to their families?

How do they feel when providing financial assistance can reduce their retirement income?

About this study

This report compares the finances, attitudes and expectations of older workers against those who have already retired and those aged 35–49 who are more than 17 years away from being eligible for the Age Pension.

It also examines the financial assistance provided across generations, and measures what Australians expect in retirement. In this way, we can help all Australians not only plan for their retirement, but live the lives they have earned.

² Ibid

A longer road to retirement

Older workers plan to retire later than ever

Respondents to REST's survey, on average, expect to retire at 67, and one in five feel they will retire later than they would like.

These findings are consistent with REST's previous *The Journey Begins* research*, with 64% of older workers stating they would like to retire by the age of 69 but only 53% expecting to. In fact, people feel they are being forced into working longer, with one in 10 of those who want to retire before 65 now expecting to retire after 70.

Respondents aged between 35 and 49 are more likely to plan for a longer retirement than their older counterparts, assuming they expect to live longer than their forebears.

While younger Australians expect to retire later than they hoped, at 63.2 years, this is still 3.8 years earlier than the average older worker expects to retire, indicating a high level of confidence amongst this age group about saving enough over their working career to fund a comfortable retirement.

Financial concerns are driving this shift

There is a significant financial driver behind many decisions to keep working, with perceived financial barriers to retirement compelling older workers to pay down debt and contribute to superannuation.

REST's research shows older workers who expect to retire later than they'd like cite financial considerations such as insufficient superannuation (64%), lack of financial support from the government (46%), too much debt (29%) and the need to support their families (16%).

However, the fact that one in three is choosing to delay retirement because of debt may be a positive, as studies have indicated that holding a mortgage, or renting, in retirement is a significant financial stressor.³

Our research also shows older workers are concerned that the Age Pension may not be available to them when they retire. This may explain why they expect to work beyond the age of 65.

Australians are likely to retire later

According to REST's research, people may take early retirement for a number of reasons, including health concerns (52%), an inability to work (47%), and to care for another person (14%). Having enough money (17%), including financial support from a spouse (12%), is also on the list. This indicates that most people who retire early are forced to do so by circumstances rather than because they are financially secure.

Our research suggests that those who expect to retire early, and those who have already retired, are likely to plan to, or actually spend, much more per year in retirement than anticipated.

Eight per cent of older workers surveyed say they don't plan to retire at all. Perhaps this is because they enjoy work or because it gives them a sense of identity.

The research shows 26% of older workers want to continue working because they enjoy their job, or want to avoid the perceived boredom of retirement (20%).

Interestingly, 6% of younger Australians say they don't expect to retire at all.

* Research survey of 1,167 working Australians aged 50 or over in August 2015.

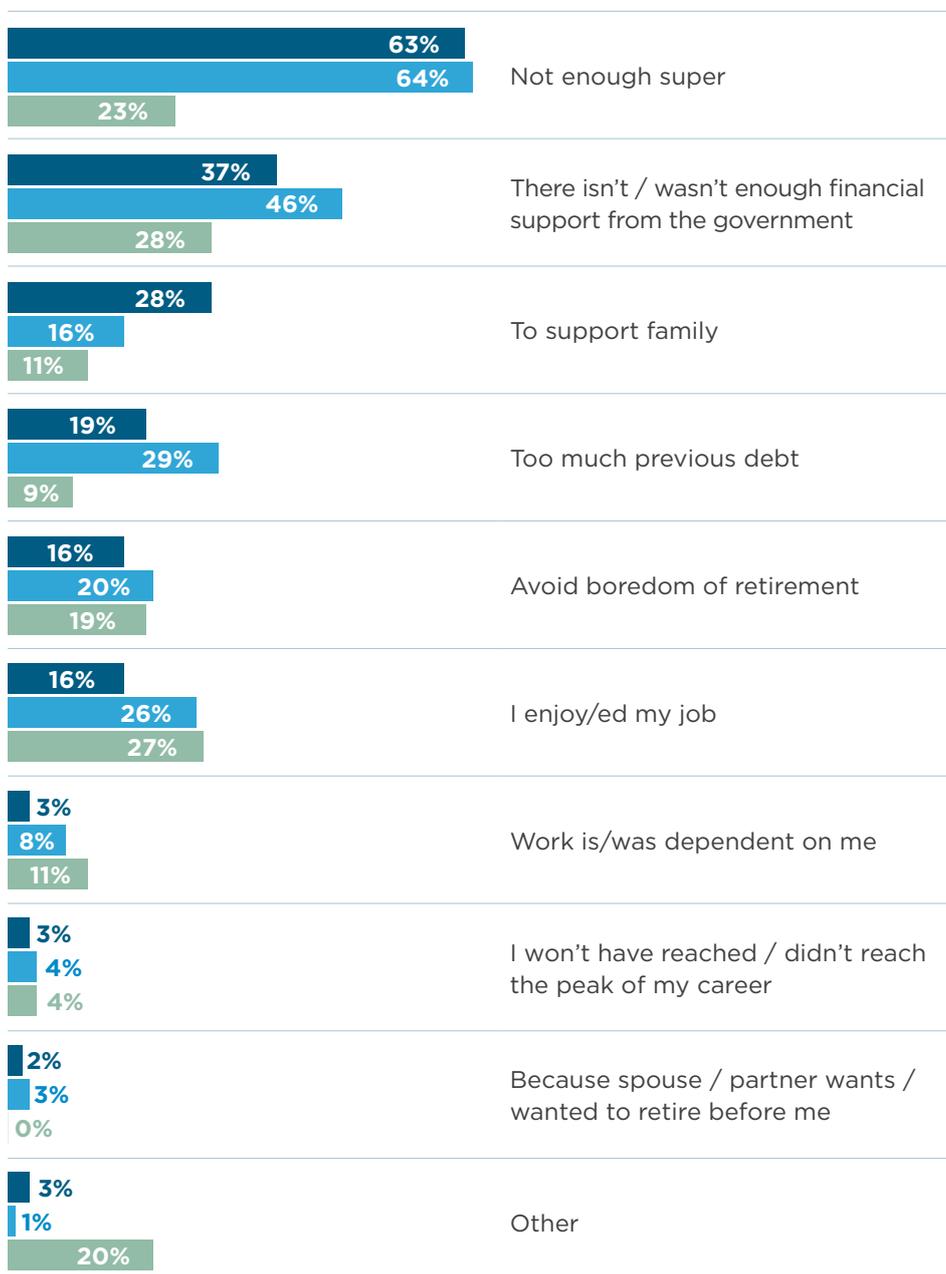
³ Andrea Sharam, Liss Ralston, Sharon Parkinson, Swinburne Institute for Social Research 2016, 'Security in retirement: the impact of housing and key critical life events'.



Planning your finances early will give you more retirement choices

Chart 1: Why do you expect to retire later than you want?

■ Young Australians (YA) ■ Older Working Australians (OWA) ■ Retired Australians (RA)





53%

of respondents say they expect to retire before the age of 70



8%

of older workers don't plan to retire at all



Retirement savings: Will there be enough?

The older workers surveyed expect to need an average of \$51,896 each year to live on in retirement, which is almost twice the average amount retirees estimate they actually spend each year (\$30,281). One in 10 expects to need \$75,000 a year.

Do older workers have higher expectations of retirement expenses, or are they looking for higher standards of living than those already retired?

More for living, less for luxuries

When you break this down from the survey, older workers expect to spend about half (52%) of their retirement income on general living expenses, followed by 15% on indulgences such as travel and luxury goods.

In reality, current retirees spend more of their income on living expenses (64%), and slightly less (12%) on indulgences.

Interestingly, older workers expect to spend 15% of their income on medical or health expenses, which is more than current retirees actually spend (10%).

How much do you need?

The Association of Superannuation Funds of Australia (ASFA) defines a modest retirement lifestyle as better than one obtainable on the Age Pension, but one that still only allows fairly basic activities.

The Association says a comfortable retirement lifestyle enables an older, healthy retiree to undertake a broad range of leisure and recreational activities and

to buy such things as household goods, private health insurance, a reasonable car, good clothes, a range of electronic equipment, and domestic and occasionally international holiday travel.

The ASFA Retirement Standard December 2016 shows singles aged about 65 now need \$24,108 a year for a modest lifestyle, while a couple would need \$34,687. A comfortable lifestyle for singles would require \$43,538 a year, and for couples it would be \$59,808.⁴

This assumes the retirees own their homes outright and are relatively healthy.

Living well in retirement

REST's research shows that both older and younger workers plan to have a higher standard of living than those currently retired.

Younger workers expect to need an average of \$65,707 a year in retirement, which is 27% higher than what older workers predict.

While inflation is a consideration, it may also be that younger workers anticipate a higher standard of living in retirement than older workers, and one well above that of current retirees.

⁴ Association of Superannuation Funds of Australia, December quarter 2016. www.superannuation.asn.au/resources/retirement-standard

The reality of retirement

REST research found that across all of the age groups surveyed, the expectation of retirement cost is significantly more than what retirees actually experience.

This suggests that those who are still working are over-estimating the savings they will need in retirement. Younger Australians and those aged 50-plus, on average, anticipate an additional spend of \$33,000 per year during their retirement.

Older working Australians (50+) and younger Australians (35-49) believe they will need \$62,757 a year to live a comfortable retirement, while currently retired couples spend \$33,600 and singles spend \$10,000 less at \$23,628. Which reinforces that they may actually need less than what they had expected.

This data aligns closely with ASFA's retirement standards data that shows couples should expect to spend \$34,687 and singles \$24,208 per year for a modest retirement.

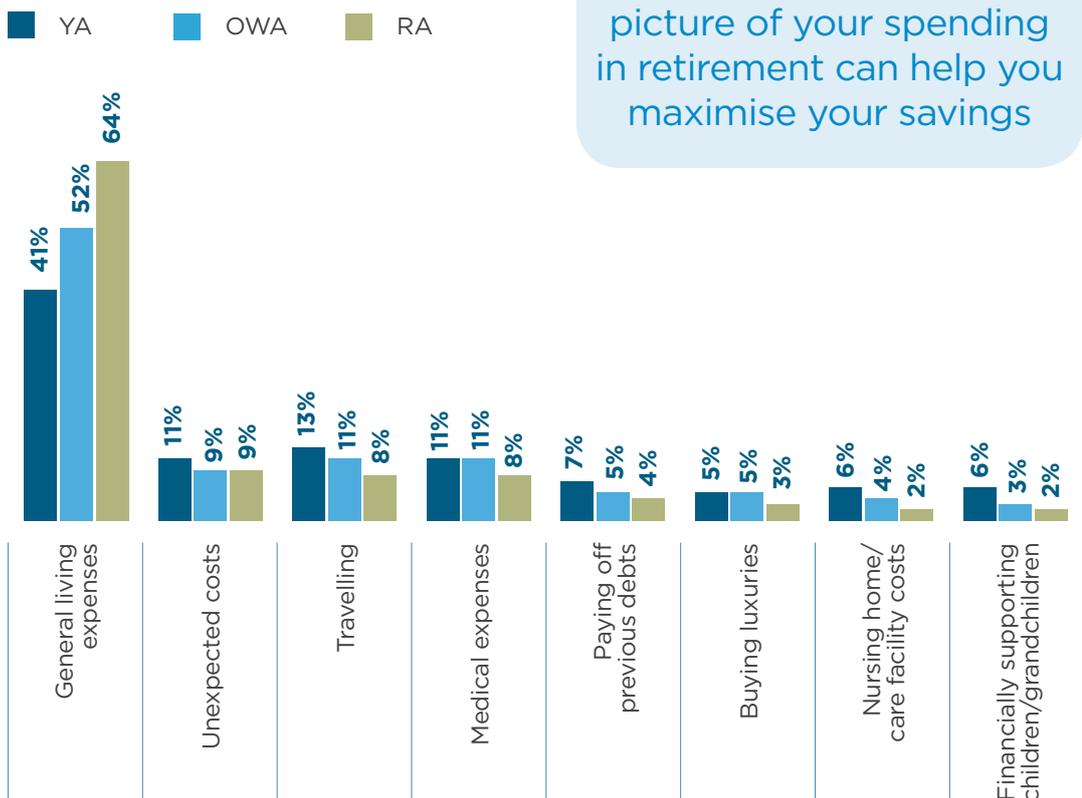
This highlights a discrepancy between the expectations and reality of retirement spending, as those who are still working expect to spend substantially more than current retirees spend.

Another interesting result is that those who expect to have what they consider a frugal retirement, plan to spend \$56,531 per year, while those who expect a modest retirement lifestyle expect to spend \$52,777. This suggests that those planning for a frugal retirement will be able to afford a more comfortable retirement than they anticipate.

A giving generation

These findings raise an important question - to what extent is it appropriate for those currently retired to financially support their children (or grandchildren)? This question is addressed on page 19.

Chart 2: What proportion of your income will you spend on...



Having an accurate picture of your spending in retirement can help you maximise your savings



\$30,281

is the average amount spent by retirees each year



64%

of retirement income is spent on general living expenses

Is it possible to retire debt-free?

Older working Australians - asset-rich, debt-rich, time-poor

REST research shows older workers have assets of \$963,000 (including the family home), which is nearly 30% more than the \$742,000 currently held by the retirees surveyed.

Nearly half (46%) of the older workers surveyed expect to retire with debt. Worryingly, their largest source of debt is credit cards (25%), followed by a mortgage (21%) and unpaid bills (12%).

With mortgage debt being a strong predictor of financial stress in retirement, it's concerning that so many people plan to carry this burden plus credit card debt into their retirement.

However, the research shows that at least some plan to delay their retirement to pay down, or eliminate, this debt.

Although older workers are likely to retire with more debt than current retirees, they appear to have sufficient assets to enjoy a comfortable retirement as defined by ASFA.

Their asset portfolios are diverse, with superannuation at 24% of their wealth, with the remainder invested in shares, bonds or alternative investments held outside of their superannuation account.

This may suggest older workers will have multiple income streams in retirement, which will help reduce their reliance on the Age Pension.

Significant asset accumulation

The average value of investments held by older workers is significantly higher than those of people who are currently retired and those of younger Australians (Table 1).

This is largely due to increases in net equity in their homes, superannuation and other investments.

While many older workers' assets are tied up in superannuation, their most significant asset is the net equity in their home, which averages \$427,649.

Younger workers appear to be accumulating assets in other areas, with nearly as much in alternative assets as the net equity in their homes. This likely reflects housing affordability issues and a lack of voluntary superannuation contributions, which often increase with age.

Table 1: Retirement assets are increasing

	Younger Australians	Older working Australians	Retirees
Home (net equity)	\$299,913	\$427,649	\$370,226
Superannuation	\$145,251	\$228,280	\$149,688
Other investments	\$294,772	\$307,046	\$222,020
Total assets	\$739,936w	\$962,975	\$741,933

High rates of home ownership

Almost three-quarters (73%) of older workers surveyed own their own homes, slightly fewer than the 77% of retirees.

Table 2: Home ownership in retirement is rising

	Younger Australians (YA)	Older working Australians (OWA)	Retirees (RA)
Proportion of home owners	61%	73%	77%
Average value of home owned	\$723,715	\$671,911	\$500,821
Average value of mortgage	\$220,068	\$77,798	\$12,780
Net equity (homeowners only)	\$503,647	\$594,113	\$488,041
Net equity (homeowners and non-homeowners)**	\$299,913	\$427,649	\$370,226

**Both home owners and non-owners are included in the net equity calculation to estimate net equity value for an average YA, OWA and RA. Base: YA n=243, OWA n=405, RA n=400

Unsurprisingly, our survey also found that younger people are more likely to own expensive homes with very high mortgages, while older workers tend to have moderately priced homes and more equity.

The increasing cost of housing accounts for the differences in home ownership. Older workers are more likely to be home owners, or if they have a mortgage, have much higher net equity than younger Australians.

This raises concerns about people aged between 35 and 49 retiring with significant amounts of net debt owing on their homes.

A focus on superannuation accumulation

We found that older workers also have more in superannuation than current retirees did when they retired, with an average balance of \$228,280 compared with \$149,688.

The average super balance for older workers has also increased by \$2,178 since our 2015 survey.

The introduction of compulsory superannuation in 1992 may explain the \$78,592 gap between the two groups, given the older workers have worked significantly longer and accumulated more superannuation.

We also know that most who were employed before the introduction of the compulsory superannuation guarantee are more likely to rely on the Age Pension⁵.

Given their shorter time in the workforce, the younger Australians surveyed have the least amount of superannuation, with an average balance of \$145,251.

⁵ www.treasury.gov.au/Policy-Topics/SuperannuationAndRetirement/supercharter/Report/Chapter-1

Older working Australians expect to rely less on the pension

There appears to be a shift in attitudes towards the Age Pension, with our research showing a significant decrease in expected reliance on government support.

Fifty-eight per cent of current retirees use the Age Pension or other Centrelink benefits, whereas only 33% of the older workers surveyed and 22% of younger Australians expect to need government assistance.

Older workers expect to rely on superannuation (16% for current retirees, versus 32% for older workers and 27% for younger Australians), while 50% of younger Australians expect

to generate a high proportion of their retirement income from other sources, such as personal investments outside of superannuation (50%, versus 34% for older workers Australians and 26% for current retirees).

This highlights the fact that the younger generation is reluctant to invest a significant portion of their assets in superannuation, possibly due to access restrictions and a perceived lack of system stability, despite generous tax concessions.

From an intergenerational perspective, we found that very few of those surveyed, across all age groups, expect their retirement to be funded significantly by their children.

Chart 3: Total average assets

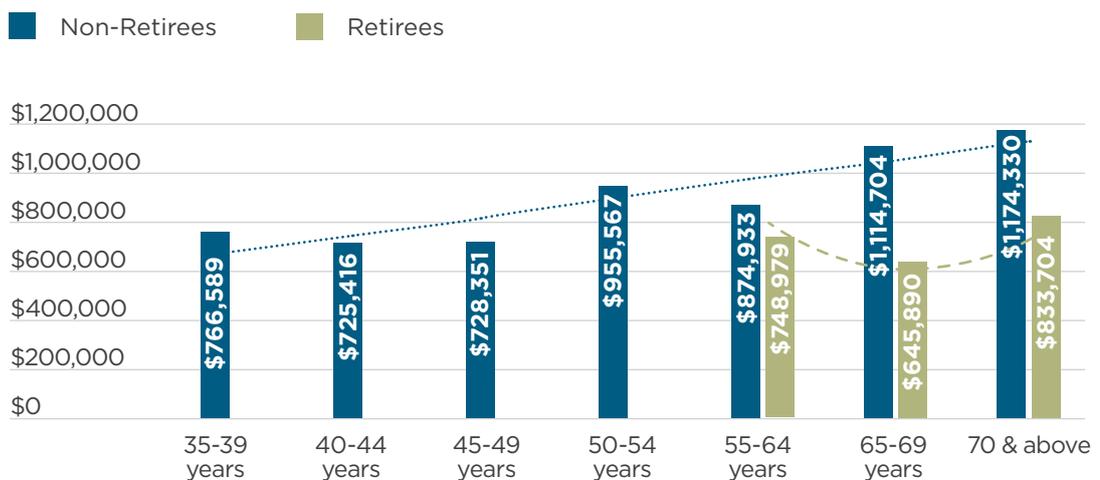
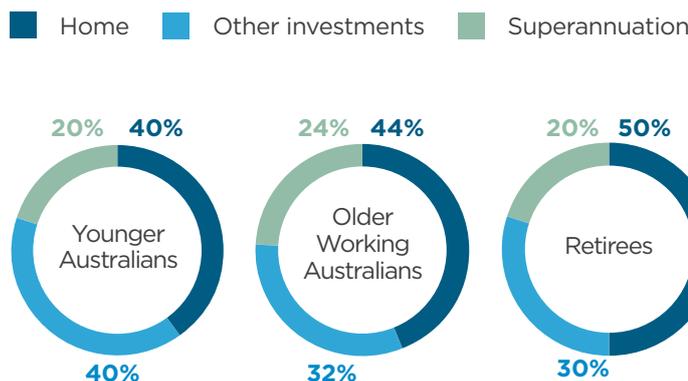


Chart 4: Assets portfolio of average Australian



Making sure your superannuation is invested appropriately will help **maximise your retirement savings.**



73%

of older workers surveyed own their home



46%

of older workers surveyed expect to retire with some debt

A comfortable retirement: myth or reality?

Older workers expect a comfortable retirement

Our research shows that older workers expect a much higher standard of living in retirement than those who have already retired.

One-third (33%) of older workers expect a comfortable standard of living when they retire, which is above the 25% of those who are currently retired.

In contrast, only 17% of the older workers expect to live what they define as a frugal retirement, whereas this is the reality for 35% of the current retirees.

Expectations decrease with age

We found that expectations about the standard of living in retirement decrease with age.

What is less clear is to what extent is this because people facing a 'reality check' as retirement nears, or younger Australians aspire to a higher standard of living in retirement.

Income a key determinant

Unsurprisingly, there appears to be a very strong link between the expected and actual standards of living in retirement, and how this will be funded.

The older workers surveyed who expect a comfortable retirement tend to anticipate they will be less reliant on the Age Pension (9%) and Centrelink benefits (4%), compared with those who expect to live a frugal retirement (33% and 21% respectively).

Current retirees who live a comfortable lifestyle pay 30% of their expenses from superannuation and 35% from other investments.

In contrast, those living a frugal retirement pay 86% of their expenses via the Age Pension (48%) and Centrelink benefits (38%).

This income link is also true for younger Australians, with 54% who expect a comfortable retirement currently earning a pre-tax income of \$100,000 or more.

Are Australians underplaying their lifestyle choices?

At first glance, these results show that superannuation and other investments are the key to a higher standard of living in retirement.

But a closer look at the average wealth and assets of older workers reveals something interesting.

The data shows that those who think they will have what they define as a frugal retirement can actually fund a modest retirement, and those who expected a modest retirement could actually afford a more comfortable one.

Does this mean attitudes towards spending change with retirement?
Does this mean that retirees are living the life they have earned?

They do, but only for a few.

The stronger trend is that all three segments surveyed are more likely to be made up of people who spend cautiously without following a strict budget, followed by cautious spenders on a strict budget.

Attitudes towards retirement spending

Older worker respondents as per ASFA's retirement standards, who are frugal or on a strict budget are likely to fund more of their retirement through the Age Pension and superannuation benefits (59%) compared with those who can spend freely (47%).

This is also true for those already retired, whose attitude towards spending directly correlates with a dependency on the Age Pension and Centrelink benefits. Retirees who rely heavily on these income sources are very frugal.

The research also shows that as dependency on the Age Pension and Centrelink benefits reduces, spending increases. Those who spend more generously tend to fund their retirement primarily through superannuation (32%) or other investments (40%).

This difference may indicate older workers are perhaps over-vigilant when it comes to spending.

It appears that more people could afford to indulge more and spend a bit more generously, especially when they retire – that is, to live the life they have earned.

Saving money in retirement

We found that people across all age groups protect their capital and most do not spend more than they earn to avoid running out of funds.

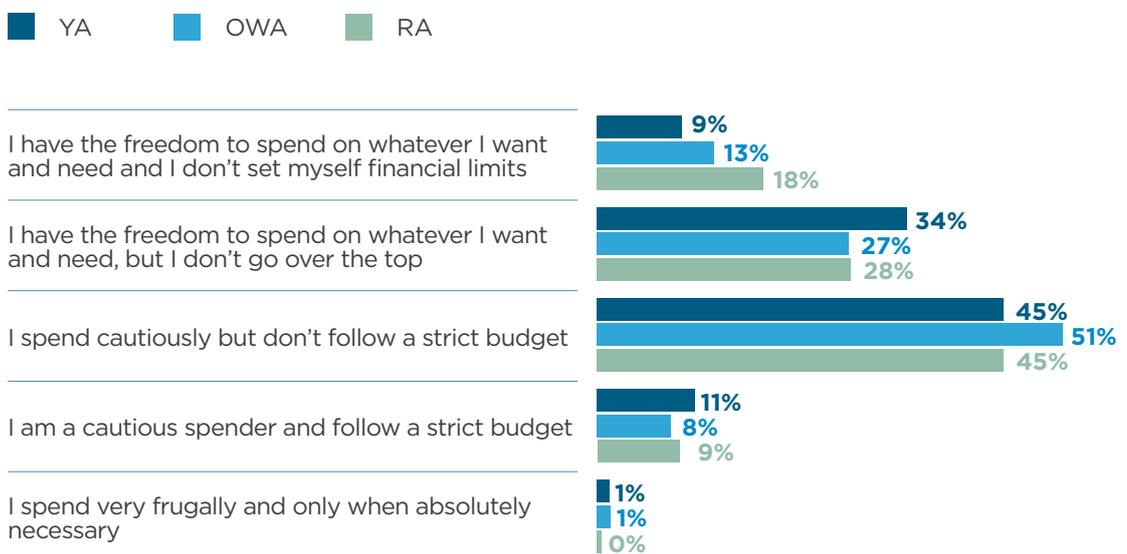
Forty-two per cent of the older workers surveyed protect their capital, while nearly half (47%) of those currently retired are also wealth preservers. This suggests these groups are spending what they earn in interest to keep their capital at the same level.

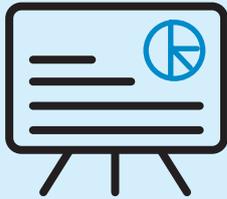
A more significant 81% of retirees spend less or about the same as what they earn, with 71% of those who spend less than or exactly what they receive living a frugal or modest retirement.

This indicates that most retirees could afford a more comfortable retirement than they have. And 34% of retirees spend less than what they receive, so their wealth is increasing.

Only 15% of retirees aged 70 or over spend more than they earn.

Chart 4: What is your attitude towards spending money?





Having a comfortable retirement starts by focusing on building up your superannuation and other investments early



33%

of older working Australians surveyed expect a comfortable standard of living when they retire



The rise of intergenerational spending

There is significant evidence that older workers and retirees are helping their adult children and grandchildren with large expenses such as housing, weddings and education.

If most retirees feel that each generation has higher expectations about their standard of living in retirement, is it then fair for them to financially support their adult children?

Here we look at intergenerational dependency and examine who is providing and receiving support, how much and for what purposes.

An introduction to intergenerational dependency

Our research shows that most intergenerational financial assistance occurs between parents and children, with 81% of financial assistance coming from one or both parents.

Most intergenerational financial assistance, with the exception of holidays and weddings, caters for common needs such as a home deposit or education; substantive needs, such as legal or medical expenses; and everyday living.

This is dependency in the true sense of the word, given it is provided when help is required.

Financial assistance is most commonly provided for everyday expenses, accounting for 52% of the help provided to children aged over 18 and 26% of all intergenerational assistance by value.

Education comes in second, being provided to 45% of adult children and accounting for 24% of value. This followed by a home deposit, which is provided to 21% of adult children, accounting for 16% of value.

How much is intergenerational dependency worth?

Our research shows that retirees, older workers and younger Australians have provided \$507.4 billion of intergenerational financial assistance throughout their lives.

The fact that most of this (\$375.3 billion) has been provided to the next generation highlights just how strongly rooted intergenerational dependency is in Australia.

Older workers are the most important contributors and typically find themselves in an intergenerational squeeze.

Our research found this generation has already provided \$196.8 billion to immediate family throughout their lives, compared with retirees (\$181.2 billion) and younger Australians (\$128.4 billion).

Table 3 shows the estimated total lifetime assistance provided by each segment, with each tier based on volume.

Table 3: The value of intergenerational finance

Retirees		
Tier 1	Everyday expenses	\$43.1b
	Home deposit	\$37.9b
	Education	\$37.6b
Tier 2	Wedding	\$13.0b
Tier 3	Home renovations	\$8.7b
	Holidays	\$8.4b
	Medical/health expenses	\$7.8b
	Paying off credit cards	\$7.2b
Tier 4	Legal expenses	\$3.8b
	Retirement living	\$3.5b
Older working Australians		
Tier 1	Education	\$55.9b
	Everyday expenses	\$51.7b
Tier 2	Home deposit	\$31.6b
Tier 3	Holidays	\$13.7b
	Medical/health expenses	\$10.9b
	Home renovations	\$9.7b
	Wedding	\$9.6b
Tier 4	Retirement living	\$5.4b
	Paying off credit cards	\$5.5b
	Legal expenses	\$1.3b
Younger Australians		
Tier 1	Everyday expenses	\$35.0b
	Education	\$28.6b
Tier 2	Medical/health expenses	\$14.8b
	Holidays	\$13.3b
	Paying off credit cards	\$11.8b
Tier 3	Home deposit	\$ 9.6b
	Retirement living	\$8.0b
Tier 4	Home renovations	\$3.0b
	Wedding	\$2.3b
	Legal expenses	\$1.9b

The sandwich generation – older workers squeezed

Everyday expenses and education are consistently Tier 1, with older workers giving \$107.6 billion in intergenerational help, retirees \$80.7 billion and younger Australians \$63.6 billion to cover these two areas.

Although fewer in number and younger, just over 151,000 more older workers than retirees have provided assistance for ‘everyday expenses’.

Similarly, about 120,000 more older workers than retirees provided assistance for education, and about 200,000 more older workers have provided assistance for medical or health expenses than those currently retired.

Everyday expenses, and medical and health expenses can be substantive and urgent needs, and help is more likely to have come from children (14%).

These children are likely to have had to make some financial sacrifices (38% of those who helped with medical or health expenses) or have had to fund it with their income as opposed to savings (38% of those who helped with everyday expenses).

Support for education is more traditional but plays a major role in intergenerational dependency – and older workers are the most likely group to provide it.

Older workers are more likely to have adult children who are studying and in need of assistance, particularly given the increase in educational costs in recent years.

They are also more likely to help with holiday expenses (6% more than retirees, and 9% more than younger Australians).

Providers of intergenerational financial assistance are most likely to feel good about funding home renovations and home deposits (or part deposits) (81%).

The only area in which retirees are more likely to have provided more assistance is for weddings (7% more likely than

older workers and 24% more likely than younger Australians).

This reflects the changing face of intergenerational dependency, with retirees having been relied upon for help with smaller, less substantive expenses, such as weddings. Older workers are more likely to be asked to help with a substantive purchase such as a house.

The impact on those receiving help

Our research shows intergenerational dependency affects the receivers of financial help, who mostly feel thankful (56%), or relieved (23%), as well as the providers, who generally have the means to financially assist (63%) and feel good about helping out (73%).

While these feelings are mostly positive, almost one-third of providers (31%) have had to make some financial sacrifices to help, as the funding source is likely to be the same as for their living expenses.

Retirees are the most likely to take money from their savings (67%) and to a lesser extent superannuation (5%), while younger Australians are the most likely to fund assistance with their regular income (34%).

A focus on inheritance

HSBC’s *The Future of Retirement Life After Work?*⁶ report found that Australians leave the highest inheritances internationally, and our study confirms the prominence of inheritances as a form of intergenerational financial assistance.

Australians are more likely to receive an inheritance as they get older, with 31% of retirees, 24% of older workers and 13% of younger Australians having received an inheritance.

While all three groups are less likely to say they expect inheritance money (15%) than financial assistance for education or a wedding, it forms part of the financial plans of those who haven’t received it yet.

The fact that Australians are less likely to expect to receive an inheritance over other ‘traditional’ intergenerational

⁶ HSBC’s *The Future of Retirement* report *Life after work?* published in 2013 is the ninth in the series.

financial assistance could be because it is so much more uncertain. Most don't know when and how much they will inherit, especially younger Australians who know they are more likely to receive it much later in life.

About half of each subgroup surveyed felt obliged to leave an inheritance for the next generation, with this intention highest among younger Australians (55%), followed by older workers (52%), and retirees (46%).

Most understand the sacrifices involved in leaving a substantial inheritance, which is something more retirees and older

workers don't want their parents to make compared with younger Australians.

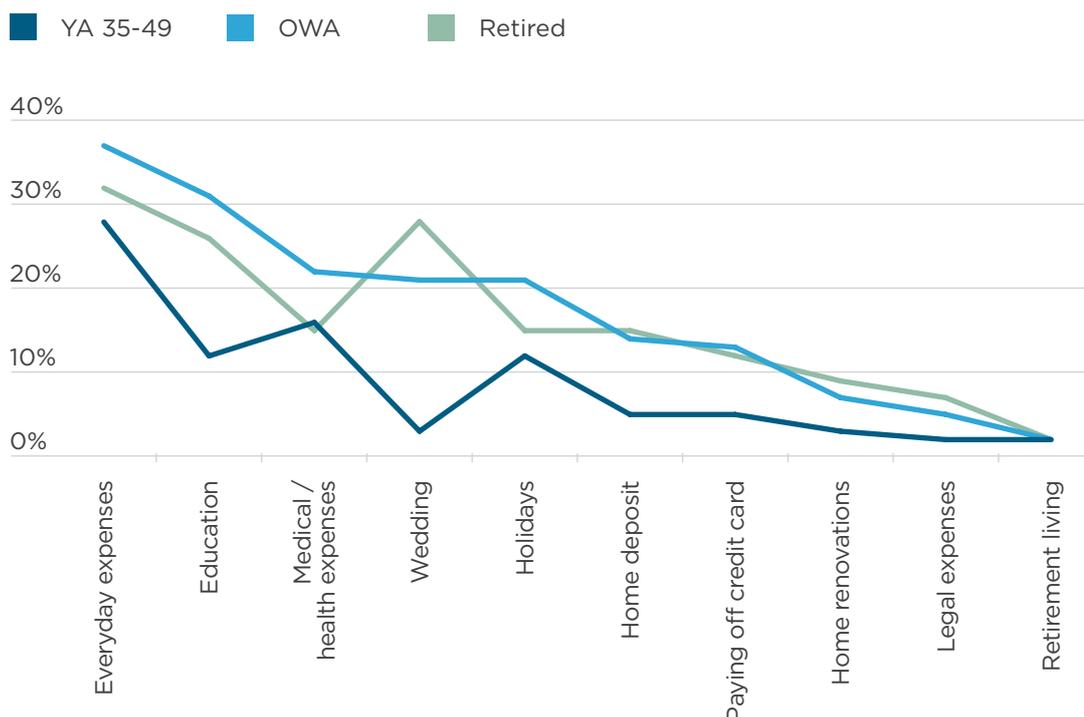
Among those still likely to receive an inheritance, 92% of retirees and 93% of older workers would prefer their parents enjoyed their lives rather than set aside an inheritance.

This drops to 83% among younger Australians. This may indicate a lower level of empathy but is more likely due to an inability to picture themselves in retirement and a lack of understanding about what it involves. It may also reflect the decrease in home equity, and in turn security, in this demographic.



Older workers are the most generous in providing financial assistance to family members - but what is the long-term impact on their retirement income?

Chart 5: Providing financial assistance to immediate family





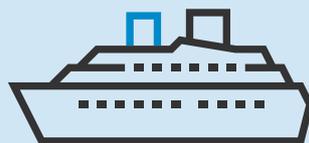
\$375 billion

has been provided to the next generation by Australians throughout their lives



31%

of respondents have had to make some financial sacrifices to help family



93%

of older workers surveyed would prefer their parents enjoyed their lives rather than setting aside funds for an inheritance

Who we spoke to



This research was conducted among three groups:

- **Younger Australians:** Those aged 35 to 49, irrespective of their employment status
- **Older working Australians:** Those aged 50 years or older and working full-time or part-time
- **Retirees:** Those who are retired or semi-retired.

A customised online quantitative survey was conducted between 6 and 12 January 2017.



Each sample is representative of the population. Quotas and weights (derived from Australian Bureau of Statistics population estimates) were applied to ensure age, gender and location are appropriately represented in each segment.

In total, 1,048 surveys were conducted, including 243 younger Australians, 405 older working Australians and 400 retirees.

This research was conducted by Lonergan Research in compliance with the ISO 20252 standard.



