

Women



Australian Government
Office for Women

Aspects of Retirement for Older Women



Australians now have one of the longest life expectancies in the world. This increased life expectancy, combined with better health standards, means the average Australian can expect to spend upwards of 20 years in retirement.

The report, *Aspects of Retirement for Older Women*, compares key characteristics of retirement for men and women including reasons for retiring, transitions to retirement, life satisfaction, the effect of the presence of a spouse or partner and financial security. The report presents new findings about differences in life in retirement for single and partnered women, as well as confirming existing findings, for example the importance of education and health as factors influencing retirement.

The issues affecting women in retirement can also be quite different to those affecting men. Over the past decade, female participation in the labour force has increased by over 960,000 new entrants, however women are more likely than men to have interrupted career patterns and work on a casual or part-time basis. This can affect women's ability to accumulate adequate resources for their retirement.

The study is based on the Household, Income and Labour Dynamics in Australia (HILDA) Survey. The HILDA Survey, funded by the Australian Government, is a household-based study which collects information about economic well-being, labour market dynamics and family dynamics.

Aspects of Retirement for Older Women has been produced by Diana Warren for the Australian Government as part of the Government's Women's Leadership and Development Programme. I congratulate Diana Warren for putting together this high quality research publication on such an important topic, and I am confident this research will enable individual women and their advisers to look realistically at how they can improve their lives in retirement.

The report is available in electronic and hard copy formats, from the Government website at http://www.ofw.facsia.gov.au/publications/publications_list.htm

A handwritten signature in black ink that reads "Julie Bishop".

The Hon Julie Bishop MP
Minister for Education, Science and Training
Minister Assisting the Prime Minister for Women's Issues



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Aspects of Retirement for Older Women

Key Findings

Transition to retirement

- More people, particularly women, are transitioning to retirement, rather than working full-time and then retiring full-time. This has important implications for superannuation policy and for flexible employment policy.
- There were key differences in men's and women's reasons for retirement. While health was the most common reason both men and women gave, it was more common for women to say they retired for family and lifestyle reasons, and men more commonly gave job related or financial reasons.
- Women generally expect to retire at a younger age than men, and partnered women expect to retire slightly earlier than single women.
- A small proportion of men and women retired due to pressure from their employer or others at work or because they could not find another job. A slightly higher proportion retired because they were made redundant. This has important implications for human resources policy in workplaces, particularly in the face of an ageing workforce.
- More women than men were pressured by their spouse to retire.

Aspects of Life in Retirement

- Compared to women with partners, women who were separated, divorced or never married had lower levels of life satisfaction, while being widowed did not have a significant impact on life satisfaction in retirement.
- For men, having a partner who was still employed had a negative impact on their life satisfaction in retirement.

Financial Circumstances

- On average, single women enter retirement with lower savings than single men and couples are better off than single people.
- In retirement, single women relied most heavily on government pensions, closely followed by single men.
- The difference in men's and women's situations is largely due to the differences in superannuation savings – a result of women's career interruptions due to family responsibilities and lower average wages compared to men.
- Compared to couples and single men, it was more common for single women to say they had to sell their home or move to lower cost accommodation because of their financial circumstances.
- These findings have implications for the sort of financial advice that single women, single men and couples might need.

The report uses the HILDA Waves 1-3. A large part of the research draws on the HILDA Retirement Module that was a special feature of the Wave 3 data collection.