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Australian Government
Office for Women

A horizontal band of colorful brushstrokes in shades of purple, green, maroon, orange, and blue.

Women

**Aspects of Retirement
for Older Women**



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ISBN – 19211 30 253

**Aspects of Retirement
for Older Women**



Women

Diana Warren
Melbourne Institute of Applied Economic and Social Research



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Executive Summary

1. This report provides perspectives on women's and men's retirement in Australia. It has three main specific objectives:
 - > To describe trends in the process of retirement for older women and men, including labour force transitions, reasons for retiring, and retirement intentions of those who are not yet retired;
 - > To compare women's and men's satisfactions and dissatisfactions with life in retirement, and the effect of the presence of a spouse or partner on aspects of life in retirement; and
 - > To identify differences in older women's and men's financial security, and their strategies for coping with reduced income in retirement.
 2. The main data source used is the Household, Income and Labour Dynamics in Australia (HILDA) Survey (Release 3.0). A large part of the report draws on the HILDA Retirement Module that was a special feature of the wave 3 data collection. The population considered were men and women aged 45 and over. Throughout the report, a self-reported definition of retirement was used.¹ However, in Section 2 of the report, the population is limited to those people over the age of 45 who considered themselves to be completely retired and had ceased paid work in 1990 or earlier, as the questions about aspects of life in retirement were only asked of people in this group.
- Transition to retirement**
3. For both women and men, the proportion who considered themselves completely retired increased strongly with age; for example, 14.1% of women and 7.2% of men aged 45 to 54 to 85.4% of women and 87.8% of men aged 65 or older. The most common reasons for both women and men considering themselves partly retired were that they worked fewer hours than before, or worked only casually or occasionally.
 4. For women aged 45 and over, the most common reason given for retiring was for family and lifestyle reasons, and the second most common reason was because of ill health². For men, ill health was the most common reason given for retiring completely, followed by financial or job related reasons. Men were more likely to say that they partly retired because of family and lifestyle reasons, but few men gave this as a reason for complete retirement.
 5. Around 60% of (fully and partly) retired women said that retiring was something they wanted to do. For women who were fully retired, the proportion who felt they were pushed or forced to retire declined with age – from 44.8% of women aged 45 to 54 to 23.4% of women 65 and over. For women, pressure to fully retire most commonly came from their doctor or their employer, but women experienced more pressure from their spouse or partner than men did.
 6. Regression analysis indicates that for women, expected retirement age increases with age, is higher for single women, lower for women with an education level of year 11 or below, and also lower for women working part time.³ While superannuation savings are significant (higher superannuation savings have a negative effect on expected retirement age), the effect is quite small. Concentrating on women with partners, an education level of year 11 or below; high weekly wage; working part time and having a partner who is not in the labour force all have a negative effect on expected retirement age, while high job satisfaction has a positive effect on expected retirement age. For women whose partners were not yet retired, their partner's expected retirement age had a substantial impact on their own expected retirement age.

¹ In 2003, HILDA Survey respondents aged 45 and over were asked if they considered themselves to be completely retired, partly retired or not retired at all.

² While family and lifestyle was the most common reason for complete retirement for women aged 45+, for women between the ages of 45 and 64 ill health was the most common reason for complete retirement.

³ It is important to note that for the mature age population there are selection effects. The proportion of employed men and women decreases with age, so the analysis refers to a smaller proportion of the population as age increases. While expected retirement age increases with age for those who are still in the labour force, the proportion who remain in the labour force decreases with age.

7. A variety of personal and job characteristics are associated with being partly retired. Around 80% of women and men who reported being partly retired said that their current job was a transition job. Women and men who are self-employed, have casual jobs or work irregular shifts are also more likely to say they are partly retired. Women who are married, who are carers, and whose partner is partly retired are also more likely to be partly retired. The different characteristics associated with men's and women's partial retirement reflect their different experiences in retirement and the transition to retirement. Regression analysis suggests that for women the main factors associated with being partly retired are age (positive effect), having a part-time job (positive effect), having a long term health condition, and being in a permanent job (negative effect). For men, age and part time work were also positively associated with reporting that they are partly retired. Men who were self employed or employed on a casual basis were more likely to be partly retired. Tradesmen, labourers and men employed in clerical occupations were also more likely to be partly retired.
9. Although a high proportion of single retirees get together with friends and family at least once a week, single retirees seem to experience more loneliness than retirees who have a spouse or partner. It was more common for single retirees to agree with the statements 'People don't come and visit me as often as I would like', 'I have no one to lean on in times of trouble' and 'I often feel very lonely'.
10. On average, life satisfaction was higher for retired people with a spouse or partner than it was for single retirees. For retired women aged between 45 and 59, life satisfaction was highest for those who had a partner who was not retired. Retired women aged 60 and over were happiest if their partner was also retired. Regression analysis indicates that the main factors associated with life satisfaction in retirement for both women and men are: good general health and mental health (positive effect), living in an outer regional area (positive effect) and being forced to retire (negative effect). 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. For men, not having a partner, whether they were separated, divorced, widowed, or never married, had a negative impact on life satisfaction, and having a partner who was still employed also had a negative impact on men's life satisfaction in retirement.

Aspects of life in retirement

8. Overall, the changes experienced in retirement were similar for women and men, and it seems that retirement is a happy period of most people's lives. The financial situation of retired people, or rather their perceptions of their financial situation, were quite favourable – 70.1% of women and 75.6% of men said their standard of living was the same or better since they retired⁴, and 59.9% of women and 61.7% of men said their financial security had either improved or stayed the same as before their retirement. However, a perceived decline in standard of living was more common amongst single retirees than those with partners, and compared to partnered retirees, a high proportion of single retirees said they wished they had started to plan for retirement earlier.

⁴ It could be argued that, given that women earn less than men on average, the comparison point for women's pre-retirement standard of living is lower than that of men, i.e. the difference in pre-and post retirement income would be larger for men than for women.



Financial circumstances in retirement

11. The HILDA Survey data indicates that the group who relied most heavily on government pensions in retirement was single women, closely followed by single men. Based on financial assets in 2002, a very small proportion of single retired women were able to afford a 'comfortable lifestyle', single men were better off than single women, and retired couples did best of all, with more than half able to afford either a modest or comfortable lifestyle. This difference is largely due to the differences in men's and women's superannuation savings – a result of women's career interruptions due to family responsibilities, gender-based wage rates prior to the 1970's equal pay cases, lower average wages compared to men, and the fact that prior to the introduction of compulsory superannuation, women were more likely to be in jobs where their employer did not contribute to a superannuation fund on their behalf.
12. The most common action taken to cope with reduced income in retirement was to cut back on normal weekly spending. This was more common for women, particularly single women, with 43.8% saying they had cut down on weekly spending. Cutting down on less frequent expenditures was also common, with 40.2% of single women, 28.4% of single men, 24.2% of partnered women and 24.1% of partnered men reporting having had to do this. 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.

Key contributions of this report

13. This report validates existing findings, for example education and health as factors influencing retirement and the significant spousal influence on women's retirement. It also presents new findings about differences in life in retirement for single and partnered women. There is a pattern emerging in all the three themes – retirement transitions, aspects of life in retirement and financial circumstances in retirement – that single women appear to be facing disadvantage. Single women expected to retire at a later age than partnered women; and, while health and physical abilities were the most important factor in planning retirement for the mature age population in general, single women rated financial security as most important. Negative changes, such as a decline in their standard of living since retiring were most commonly reported by single women; and compared to retired women with partners, retired women who were separated, divorced or never married had lower levels of overall life satisfaction. Single women had lower disposable incomes and lower superannuation balances and rely most heavily on government pensions in retirement.⁵

⁵ Single widowed women were atypical, perhaps because of the financial benefits of being partnered for both genders and the high proportion of survivors of partnerships who are women.

Introduction

The issues affecting women in retirement may be quite different to those affecting men. Generally, women have lower rates of economic participation, due primarily to caring responsibilities, and are more likely to have lower levels of financial security and higher reliance on government pensions. Women also have longer life expectancies than men, and so may spend a greater amount of time in retirement. A high proportion of women perform multiple caring roles as they age due to provision of care to ageing, sick or disabled family members, and, as a result, many aspects of women's retirement are different from the retirement circumstances of men and warrant individual attention.

The objective of this report is to examine the factors affecting women who are about to, or who have already *fully* or *partly* retired; with the aim of gaining a deeper understanding of the retirement transition for women. Underpinning this objective is the aim of understanding the differences in the reasons for, and process of, retirement for women and men.

Drawing on work undertaken for Department of Employment and Workplace Relations (DEWR) by Borland et al (2005), the report undertakes three main types of analysis of retirement of Australian women:

Issue 1: Are there differences in the reasons for, and process of, retirement for men and women?

This section presents descriptive information on the labour force transitions and self-reported retirement status of mature age men and women⁶. For men and women who have already retired, their reasons for retiring are compared, and for those who have not yet retired, retirement intentions are examined. Transitional phases of semi-retirement and characteristics of men and women who are partly retired are also compared.

Issue 2: Do aspects of retirement differ for men and women?

Men's and women's satisfactions and dissatisfactions with life in retirement are compared, and the effects of the presence of a spouse or partner on different aspects of life in retirement are discussed. Potential issues affecting women in retirement, such as social isolation, health problems and loss of independence are also examined.

Issue 3: Are there differences in financial security of older women when compared to men, and do women cope differently with reduction in income in retirement?

The financial circumstances of older men and women are compared, as well as the strategies used by men and women to cope with reduction in income in retirement.

The analysis in this report provides a significant addition to knowledge about retirement transitions for women in Australia, as well as the factors contributing to women's well-being in retirement and factors affecting women's capacity to be self-funding in retirement.

⁶ In this report mature age men and women are defined as men and women aged 45 and over.

Literature review – Women’s retirement in Australia

Most literature on the retirement process has tended to focus on men’s retirement, firstly because of the lack of data available on women’s retirement, and secondly because retirement has traditionally been thought of as more of a concern for men than for women.

International evidence on the transition to retirement for older workers exists mainly for the United States. Several studies have made use of the Retirement History Longitudinal Survey (RHLS), which contains information on a random sample of men and unmarried women aged 58-63, interviewed at 2-year intervals between 1969 and 1979. Married women were excluded from the RHLS study “because preliminary field interviews made it clear that for most women of this generation ‘retirement’ had little meaning other than their husbands’ stopping work”. Examples of studies that use this data to focus on the retirement behaviour of men include Gustman and Steinmeier (1984), Honig and Hanoch (1985), Rust (1990) and Blau (1994).

Few have examined gender differences in the retirement process. Honig (1985) used the first three panels (1969-1973) of the RHLS, to examine partial retirement among older unmarried women and found that, compared to men, fewer women appeared to base their retirement decision on pension or social security acceptance. Ruhm (1990) used the RHLS data to investigate partial retirement and bridging jobs of male and female household heads and found that, while men who took up bridging jobs often changed to jobs in a different industry or occupation than their ‘career job’, women who took up bridging jobs were more likely to remain in the industry and occupation of their ‘career job’. Hatch (1993) used RHLS data to examine the differences in men’s and women’s retirement processes from 1971 to 1979 and found that single women remain in the workforce longer than single men, most likely because of financial limitations. Peracchi and Welch (1994) used the Current Population Survey (CPS) to identify features of the labour force behaviour of men and women between 1968 and 1989 and found that, compared to married women, women who were not married had a significantly lower probability of leaving the labour force, and a higher probability of exiting retirement.

Australian studies of the retirement transition

There is an absence of longitudinal research on labour force transitions of older workers in Australia, therefore little is known about the nature of transitions to retirement within the Australian workforce. This lack of research is primarily due to the absence of longitudinal data sets. Prior to the release of the HILDA Survey data, there were only two sources of evidence on retirement transitions in Australia. Norris and Bradbury (2001) used the Income Distribution Survey Data from the Australian Bureau of Statistics to examine changes in labour force status of mature age men and women over an eight month period in 1996/97 and found that employment rates were higher for men and women with higher levels of education, people who owned their own home and people who lived in less disadvantaged areas. Although there was no clear relationship between marriage and employment for women, men who had never married were less likely to be employed. Women whose husbands were not employed were much more likely to be not employed themselves.

The other main evidence available was from a survey of the labour market experiences of persons aged 55 to 64 years in Australia undertaken by Wallis Consulting and reported in the Commonwealth Department of Family and Community Services (2003). The survey found that of the people aged 55 to 64 who had left a job in the last 9 years, 28% left because of ill health or disability, to reduce stress or care for an elderly or sick relative; 23% left involuntarily due to redundancy or dismissal or were otherwise required to leave their job; 21% left because of other job-related reasons such as company restructure or sale of business; 16% left to retire or live off investments and/or income support; and 13% left for personal reasons such as to take a break or to move to a new location. They also found that over 40% of persons aged 55 to 64 years who sought a new job found it very difficult to regain employment.



A conceptual framework for the transition to retirement in Australia was presented by Borland (2005), along with empirical evidence indicating that a wide range of factors are likely to have important effects on the supply of, and demand for, mature age workers in Australia: willingness to participate in the labour force will be greater for people with better health, for persons with higher levels of education, where a person's spouse is employed and where there is no requirement for the person to act as a carer for a family member.

The availability of the HILDA Survey data, and the special set of retirement related questions included in the third wave of the HILDA Survey, allow a more comprehensive picture of the transition to retirement to be developed. The HILDA Survey Data has already been used by Knox (2003), Cobb-Clark and Stillman (2005), Borland and Warren (2005), Cai & Kalb (2005) and McAlister, Lindenmayer and McLean (2005) to take initial steps in understanding the transition to retirement in Australia. However, it will be many years before it is for example possible to follow a cohort of older workers for 10 years, which is probably the minimum length of time required to develop a precise knowledge about transitions (Borland, 2005).

Knox (2003) used the first wave of the HILDA Survey data to examine the retirement intentions of people aged 45 to 54 and found that gender, home ownership and partner's retirement intentions are all correlated with an individual's intended retirement age. Men who worked in the private sector, with flexible work hours and a stress free work environment intended to retire later. For women, a university education and not being partnered seemed to encourage a longer working life.

Borland and Warren (2005) used the first three waves of the HILDA data to describe retirement expectations of the mature age population and identify patterns of transition between labour force states. They found that expected retirement ages for both males and females are concentrated in the range of 60 to 69 years, with a higher concentration at 65–69 years for males and 60–64 years for females. They also found that the proportion of workers in a transition job increases strongly with age and is generally higher for females than males.

Cobb-Clark and Stillman (2005) examined the impact of health shocks and economic shocks on the retirement plans of Australians aged between 45 and 55. They found that losing (gaining) a partner increases (decreases) expected retirement age, individuals who suffer negative health shocks are more likely to decrease their expected retirement age or to report greater uncertainty, and individuals whose household income increased between waves have an increased likelihood of reporting a lower or the same expected retirement age. McAlister, Lindenmayer and McLean (2005) used the third wave of the HILDA Survey data to compare expected retirement age and preferred retirement age and found that while people's expected retirement age is increasing, the age that people say they would like to retire is much younger than the age they expect to retire, indicating that, while there is a strong expectation that later retirement will become the norm, the desire to retire at an early age is not changing. Cai & Kalb (2005) used the first three waves of the HILDA data to examine the effects of health on the labour force status of older working-age Australian men, and found that health has a significant effect on labour supply.

Well-being in retirement

Most Australian and international studies of women's retirement tend to focus on financial well-being and ability to 'self-fund' retirement. Several Australian papers including Donath (1998), Austen and Birch (2001), Ferris and Olsberg (2001), Clare (2001 and 2004), Kelly (2001 and 2003), Olsberg (2001 and 2004), Preston and Jefferson (2002), FaCS (2003) and Jefferson (2005), have identified a gender gap in retirement savings and the reasons for this difference, and found that women, particularly women living alone, currently have very limited capacity to provide for themselves financially in retirement and are more prone to live in poverty or on a low income in retirement.

Few have examined the non-financial aspects of retirement. International studies of non-financial aspects include Moen, Kim and Hoffmeister (2002) and Szinovacz and Davey (2005) who examined the effect of retirement on relationship satisfaction. Price (2003) focused on the well being of women in retirement and found that while health and economic situation were the strongest predictors of retirement satisfaction, issues of significance for retired women also included social relationships and the amount of influence their partner had in household decision making. Bender (2004) found that while economic well-being does increase overall well-being, the effect is very small and economic measures have more influence on men's well-being than women's.

Australian studies of non-financial well-being in retirement

Australian studies of non-financial well-being in retirement are limited. Kendig (1996) examined the physical and social activity, health related behaviours and overall quality of life of 1000 people aged 65 in Melbourne in 1994. He found that while nearly half reported their health as very good or excellent, less than one third met the National Heart Foundation criterion for acceptable body mass index, and many apparently overweight people perceived their weight as 'about right'. There was also some evidence of inadequate food intake – less than half reported daily consumption of fruits, vegetables and milk products. While few were sedentary, most had only carried out light physical activities, such as walking, housework and gardening. Social activity was higher for women than men, and for those at relatively younger ages. However, nearly a fifth felt they did not have enough social activity – health, lack of company and expense were the most common barriers to increasing social activity.

DeVaus and Wells (2003) used data from the Healthy Retirement Project (the 1997 Time Use Survey conducted by the Australian Bureau of Statistics) and wave 1 of the HILDA Survey data to explore changes in marriages following retirement and found that there is evidence of considerable change in marital relationships in the years immediately following retirement, but overall, stability in marital quality is the most common outcome of retirement. In general there was little evidence of gender differences in the marital effects of retirement. Men and women reported similar changes, both as retirees and partners of retirees.

McAlister, Lindenmayer and McLean (2005) used the HILDA survey data to look at happiness in retirement, and found that very few retirees thought that life in retirement was worse than their pre-retirement life and those who did say life was worse in retirement had comparatively lower levels of retirement income. For others, there was no significant correlation between their level of happiness and their level of retirement income.

Data

This study uses data from the first three waves of the Household, Income and Labour Dynamics in Australia (or HILDA) Survey, a longitudinal household panel survey (see Watson and Wooden, 2002). In wave 1 (2001), interviews were completed with 13939 people from 7682 households. In 2002, all responding households from wave 1 were re-contacted and 13041 persons from 7245 households were interviewed. Responding households were contacted again in 2003 and 12728 persons from 7096 households were interviewed. The majority of the analysis in this report uses the third wave of HILDA data, for which almost all interviews were conducted between September and October 2003. Of the persons interviewed in 2003, 5756 (3052 women and 2704 men) were aged 45 or over.

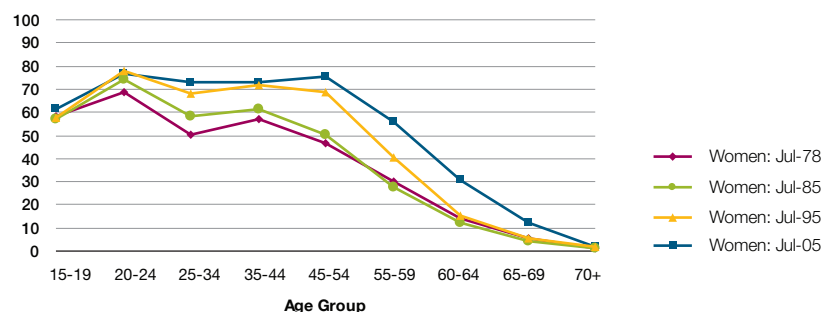
Section 1: Reasons for, and process of, retirement

This section of the report first compares men's and women's participation over the last three decades, then uses the HILDA survey data to examine movements into and out of the labour force in between 2001 and 2003. For men and women who considered themselves either fully or partly retired, reasons for retirement are compared. For those who were still employed at the time of their 2003 interview, factors contributing to their expected and preferred retirement age are examined.

Patterns of labour force participation of the mature age population

Over the past two decades lifetime female participation in the labour force has increased substantially. Traditionally, most women participated in the formal labour force until they got married, then never returned to a paid job. This trend changed for women born just before the Second World War⁷. Women still withdrew from the workforce to have children, but they re-joined the workforce when their children were older. Now, with higher levels of education among women, more flexible working arrangements (particularly part time work) and greater availability of child care and maternity leave, fewer women withdraw completely from the workforce because of child care responsibilities. Other social changes have also contributed to the increase in women's participation rates - women are now able to participate and progress in a wider variety of jobs as a result of increased completion of secondary school, access to and participation in post-school education, and management of fertility through increased use of contraception (ABS, 2003). Figure 1a shows the labour force participation rate of women between July 1978 and July 2005.

Figure 1a: Labour force participation rate – Women (July 1978 to July 2005)



Source: ABS, Cat. No. 6291.0.55.001. "Labour Force, Australia", Labour force status by Social marital status, Age and Sex

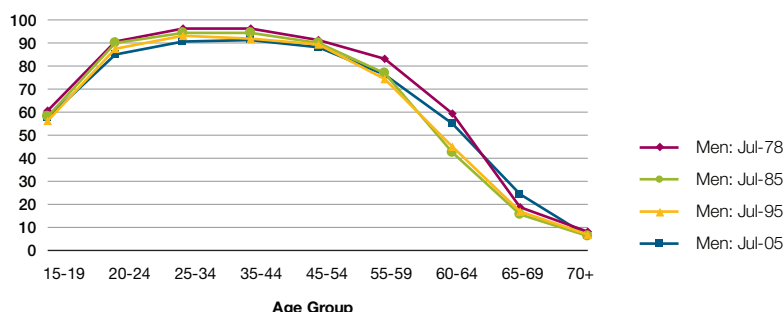
⁷ Productivity Commission (2005).

Since the 1970's, female labour force participation has developed an M-shaped distribution⁸, decreasing among women aged 24 to 35 years, then increasing for those aged 35 to 44 before dropping again for women over 55. For later female cohorts, greater access to part time jobs and child care has made the dip in participation associated with childbearing smaller, almost flattening out by 2005. It has also become more common for women to remain in the labour force until their late fifties or early sixties, and more women (just over 10% in 2005) are remaining in the workforce after the age of 65.

For men, cohort effects are much less pronounced. Figure 1b shows that the labour force participation rate rises to a peak of around 90% for men aged between 25 and 34, and then declines slowly until the age of 60, when there is a substantial drop in participation. In 2005, more men are staying in paid work after the age of 60, but few remain in the labour force after the age of 70.

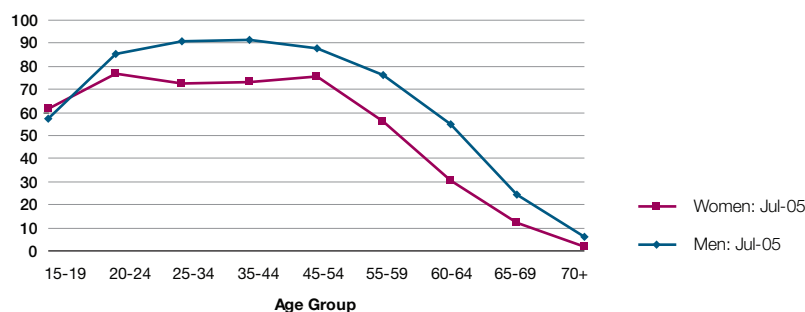
The differences in men's and women's participation rates can be compared more easily by looking at Figure 1c. In 2005, men's labour force participation rate was approximately 20% higher than women's in the 25-34 and 35-44 age groups, this gap decreased to around 12% for the 45-54 age group, then increased again for men and women aged 55 to 64.

Figure 1b: Labour force participation rate – Men (July 1978 to July 2005)



Source: ABS, Cat. No. 6291.0.55.001. "Labour Force, Australia", Labour force status by Social marital status, Age and Sex

Figure 1c: Labour force participation rate – Men and Women (July 2005)



Source: ABS, Cat. No. 6291.0.55.001. "Labour Force, Australia", Labour force status by Social marital status, Age and Sex

⁸ Australian Government Office for Women (2005).

While the previous figures provide us with information about labour force participation at certain points in time, the HILDA Survey data allows us to examine transitions into and out of employment over the three year period from 2001 to 2003. Table 1 shows that amongst the mature age population aged 45+ the main outcomes are to have been employed in all three years or not employed in all three years.

Just over 30% of mature age women were employed at all three time periods, nearly 60% were not employed in any of the three years, and the remaining 10% were employed at only one or two time periods. Almost half the mature age men were employed in all three waves and 42.8% were not employed in any of the three time periods. For both men and women, the proportion who were employed at all three time periods is decreasing with age.

Table 1: Number of years employed (at time of interview) – persons aged 45+ in 2001.⁹ *

Age in 2003	Years Employed (%)				Total
	0	1	2	3	
Women					
45-54	23.8	7.5	7.7	61.0	100.0
55-59	48.9	6.9	6.1	38.1	100.0
60-64	73.3	6.6	4.8#	15.2	100.0
65+	93.6	2.8	1.2#	2.4	100.0
Total	57.4	5.7	4.9	32.0	100.0
Men					
45-54	12.6	2.9	6.7	77.7	100.0
55-59	29.6	10.3	7.3	52.9	100.0
60-64	53.5	7.4	6.8	32.3	100.0
65+	87.2	3.4	2.4	7.0	100.0
Total	42.8	4.8	5.6	46.9	100.0
All					
45-54	18.2	5.3	7.2	69.3	100.0
55-59	38.9	8.7	6.7	45.7	100.0
60-64	63.4	7.0	5.8	23.8	100.0
65+	90.7	3.0	1.7	4.5	100.0
Total	50.4	5.3	5.2	39.2	100.0

*Population weighted results, Sample N = 4908. # Cell size less than 20.

⁹ In this Table, 0 means the person was not employed at the time of their interview in any of the three years from 2001 to 2003, 1 means the person was employed in only one of the three years, 2 the person was employed in 2 out of three years, and 3 means the person was employed in all three years.

Self reported retirement status

People aged 45 years or older in 2003 were asked whether they considered themselves completely retired, partly retired or not retired at all. Table 2 shows the results by gender and age group in 2003.

About 50% of women and 40% of men aged 45 or over considered themselves to be 'completely retired', and 7.6% of men and women in this age group said they were partly retired. For both men and women, the proportion who considered themselves completely retired increased strongly with age; for example, 14.1% of women and 7.2%

of men aged 45 to 54 to 85.4% of women and 87.8% of men aged 65 or older. Borland and Warren (2005) found there was a fairly close correspondence between people's perceptions of their retirement status and the ABS definition of the individual's labour force status. For example, almost all persons defined as full-time employed said they were 'not retired at all'; and persons over 55 and not in the labour force mainly described themselves as 'completely retired'.¹⁰

People who reported being partially retired were asked "In what sense do you consider yourself partly retired?". The responses for men and women are shown in Table 3.

Table 2: Self Reported Retirement Status – by age group and gender, 2003*

Self reported retirement status					
Age in 2003	Completely retired (%)	Partly retired (%)	Not retired at all (%)	Not relevant - have never been in paid work (%)	Total (%)
Women					
45-54	14.1	7.7	74.2	4.1	100.0
55-59	38.6	12.9	45.1	3.5 #	100.0
60-64	67.0	12.8	13.8	6.4	100.0
65+	85.4	3.5	1.9	9.2	100.0
Total	48.9	7.6	37.4	6.0	100.0
Men					
45-54	7.2	3.7	88.8	0.4 #	100.0
55-59	24.4	10.8	64.7	0.0 #	100.0
60-64	50.1	17.7	32.1	0.2 #	100.0
65+	87.8	6.7	5.2	0.3 #	100.0
Total	40.5	7.6	51.6	0.3 #	100.0

*Population weighted results, Sample N = 5754. # Cell size less than 20.

¹⁰ For women aged 45-54, 99.5% of women who were employed full time said they were not retired at all, 89.3% of women who were employed part time said they were not retired at all and 9.9% said they were partly retired. For women aged 45 to 54 who were not in the labour force, any of the four options are plausible, depending on their intentions to work at a later time - 48.3% said they were completely retired, 23.3% said they were not retired at all (presumably they intended to go back to work in the future), 14.8% said they were partly retired and 13.3% said they had never worked.

The most common reasons for both men and women considering themselves partly retired were that they worked fewer hours than before, or worked only casually or occasionally. It was more common for men than women to say they were partially retired because they were self employed, with 26.2% of men and only 12.3% of women giving this reason.¹¹

Reasons for retiring

People who said they were partly or completely retired were asked about their reasons for retiring. Table 4 shows reasons for retiring for men and women, according to whether they were partly retired or completely retired. Overall, while health was the most common reason for men and women to retire completely, men more commonly gave financial or job related reasons for complete retirement, and women more commonly reported retiring completely because of family and lifestyle reasons. For men, family and lifestyle reasons were more often reasons given for partial retirement, but not complete retirement.

Table 3: In what sense do you consider yourself partly retired – by gender, partly retired persons in 2003*

In what sense do you consider yourself partly retired?	Proportion who answered 'yes' to the statement		
	Women (%)	Men (%)	Total (%)
Work fewer hours	46.7	44.0	45.4
Work only casually / occasionally	41.5	41.0	41.2
Work in less demanding job / in job with fewer responsibilities	22.7	22.7	22.7
Work for myself	12.3	26.2	19.0
Do voluntary / charity work	18.2	15.8	17.0
Work more from home	11.1	15.4	13.2
Work in a completely different line of work	6.3#	10.8	8.5
Other reasons	10.1	15.1	12.5

*Population weighted results, Sample N = 468. (Multiple response question, columns do not add to 100).

Cell size less than 20.

¹¹ This is most likely to be because more men than women are self employed. The HILDA Survey data indicates that, in 2003, 20.5% of employed men and 12.4% of employed women were self employed. Looking at only the mature age (45+) population, 32.5% of employed men and 18.8% of employed women were self employed.

Table 4: Reasons for retiring – persons aged 45+ and partly or completely retired*

	Completely Retired		Partly Retired	
	Women (%)	Men (%)	Women (%)	Men (%)
Financial reasons				
Became eligible for the old age pension	6.4	8.6	2.6#	5.2#
Offered reasonable financial terms to retire early or accept a voluntary redundancy	0.9#	9.1	1.0#	8.8
Superannuation rules made it financially advantageous for me to retire at that time	1.4	7.7	0.5#	9.4
Could afford to retire / Had enough income	9.7	15.5	15.2	19.8
Spouse's / partner's income enabled me to retire	7.5	1.0#	9.0	2.7#
Job related reasons				
Made redundant / dismissed / had no choice	9.6	14.2	11.1	18.3
Reached compulsory retirement age	2.4	7.1	1.9#	1.8#
Could not find another job	2.3	4.4	3.4#	8.3
Fed up with working, work stresses, work demands	12.4	15.6	22.1	19.3
Pressure from employer or others at work	2.8	4.8	3.1#	4.2#
Health reasons				
Own ill health	22.5	40.3	22.5	24.7
Ill health of spouse or partner	8.6	3.4	3.4#	4.0#
Ill health of other family member	3.6	1.3#	5.5#	2.4#
Family and lifestyle reasons				
Partner had just retired or was about to retire	9.0	1.9#	3.4#	1.0#
Spouse/partner wanted me to retire	5.5	2.2	2.9#	4.8#
To spend more time with partner/spouse	10.2	5.9	10.2	12.1
To spend more time with other family members	16.9	4.2#	23.7	8.7
To have more personal/leisure time	12.5	14.3	33.3	24.6
To have children/start a family ¹²	5.6	0.0#	2.4#	0.0#
Other reasons	6.1	3.6	5.2#	8.2#

*Multiple response question – columns do not add to 100. Population weighted results, Sample N = 2967.

Cell size less than 20.

¹² Only 4% of completely retired women who said they retired to start a family had children under the age of 15 in their household at the time of their 2003 interview. 52.4% of women who said they retired (completely) so they could start a family were aged 65 or older. Presumably these women left work when they had children and never returned to the workforce.



While ill health was the most common reason men and women gave for retiring completely, only 22.5% of women said this was one of the reasons they retired, compared to 40.3% of men who had retired completely. The next most common reason women gave for retiring completely was to spend more time with other family members.

Women's reasons for partial retirement were predominantly family and lifestyle, with 33.3% saying they partly retired so they had more leisure time and 23.7% saying they partly retired so they could spend more time with the family. Ill health was the most common reason men gave for partial retirement, but having more leisure time was a very close second, with 24.6% of men saying this was one of the reasons they partly retired. The reasons for full and partial retirement for men are quite similar, but health contributes more to full retirement, while family and lifestyle reasons seem to be stronger incentives for partial retirement.

Having enough money to retire was more important in men's decision to retire than women's, with 15.5% of men saying this was one of the reasons they retired, compared to 9.7% of women. This reflects the fact that women, particularly single women, are much less likely than men to be able to fund their own retirement.¹³ Spouse's income was much more important for women than for men, with 9% of partly retired women and 7.5% of completely retired women saying their spouse's income allowed them to retire. Having more leisure time and being fed up with working and the stresses and demands of work were also common reasons for both men and women to retire – around 15% of men and 12% of women who had retired completely said these were reasons they retired.

Some respondents gave several reasons for retiring. These people were also asked to specify their *main* reason for retiring. Table 5 shows the distribution of respondents' main reason for retiring by gender, age group and whether they were fully or partly retired.

¹³ Section 3 of this report examines the ability of men and women to fund their own retirement.

Table 5: Main reason for retiring - persons who were partly/fully retired in 2003*

Age in 2003	Main reason for retiring					Total (%)
	Financial Reasons ¹⁴ (%)	Job Related Reasons ¹⁵ (%)	Health Reasons ¹⁶ (%)	Family and Lifestyle Reasons ¹⁷ (%)	Other Reason (%)	
Women – fully retired						
45-54	3.4#	12.8#	48.5	32.1	3.2#	100.0
55-59	14.5	21.2	38.8	22.2	3.3#	100.0
60-64	7.6#	24.6	31.2	30.8	5.8#	100.0
65+	13.2	20.4	22.6	35.2	8.6	100.0
Total	11.4	20.3	28.7	32.6	6.9	100.0
Women – partly retired						
45-54	8.5#	27.4#	25.7	34.0	4.4#	100.0
55-59	11.9#	22.9#	26.5	30.2	8.4#	100.0
60-64	23.1#	23.6#	23.6#	27.3	2.4#	100.0
65+	8.2#	28.5#	11.8#	35.6	15.9#	100.0
Total	12.2	25.7	23.2	32.0	6.9	100.0
Men – fully retired						
45-54	5.7#	11.7#	77.0	5.1#	0.6#	100.0
55-59	18.5#	16.6#	62.5	2.0#	0.4#	100.0
60-64	13.9	32.6	44.9	6.9#	1.7#	100.0
65+	23.5	31.9	29.2	11.0	4.4	100.0
Total	20.2	29.1	38.3	9.1	3.3	100.0
Men – partly retired						
45-54	8.4#	18.6#	50.1#	16.0#	7.0#	100.0
55-59	14.1#	49.7	20.4#	11.8#	4.1#	100.0
60-64	19.1#	27.9#	21.5#	23.7#	7.8#	100.0
65+	35.9	23.2#	12.7#	18.8#	9.4#	100.0
Total	20.5	29.9	24.3	18.1	7.2	100.0

*Population weighted results, Sample N = 2967. # Cell size less than 20.

¹⁴ Financial reasons: became eligible for the old age pension, offered reasonable financial terms to retire early or accept a voluntary redundancy, superannuation rules made it financially advantageous to retire at the time, could afford to retire/had enough income, spouse's/partner's income enabled me to retire.

¹⁵ Job related reasons: Made redundant/ dismissed / had no choice, reached compulsory retirement age, could not find another job, fed up with working / work stresses and demands, pressure from employer or others at work.

¹⁶ Health reasons: Own ill health, ill health of spouse or partner, ill health of other family member.

¹⁷ Family and lifestyle reasons: Partner had just retired or was about to retire, spouse/partner wanted me to retire, to spend more time with spouse/partner, to have more personal/leisure time.

Overall, the most common reason women gave for retiring was for family and lifestyle reasons, regardless of whether they were fully or partly retired. However, for women aged between 45 and 59 at the time of their 2003 interview ill health was the most common reason for retiring completely. For both women and men, the proportion who reported retiring completely because of health reasons declines with age.

Although very few men said family and lifestyle was the reason they retired completely, 18.1% said this was their reason for partial retirement, suggesting that for men, the factors contributing to their decision to partially retire are different from their reasons for retiring from the workforce completely. For women, it appears that the reasons for partial or complete retirement are similar.

Table 6: Pressure to retire – by gender, fully/partly retired persons in 2003*

Was retiring something you wanted to do or something you felt you were forced or pressured to do?				
Age in 2003	Wanted to do (%)	Pressured/forced to do (%)	Part wanted, part pressured/forced (%)	Total
Women – fully retired				
45-54	37.3	44.8	17.9	100.0
55-59	43.0	39.9	17.0	100.0
60-64	54.8	36.7	8.5	100.0
65+	68.3	23.4	8.3	100.0
Total	59.7	29.9	10.4	100.0
Women – partly retired				
45-54	52.2	34.2	13.6#	100.0
55-59	67.1	25.5#	7.5#	100.0
60-64	63.4	19.3#	17.3#	100.0
65+	72.4	24.9#	2.7#	100.0
Total	61.5	27.6	11.0	100.0
Men – fully retired				
45-54	16.9#	77.7	5.4#	100.0
55-59	23.7#	67.8	8.5#	100.0
60-64	33.6	51.4	15.0	100.0
65+	50.6	37.5	11.9	100.0
Total	43.0	45.5	11.6	100.0
Men – partly retired				
45-54	37.5#	52.9	9.6#	100.0
55-59	44.1	41.0	14.9#	100.0
60-64	57.8	30.5	11.7#	100.0
65+	68.4	24.6	7.0#	100.0
Total	53.6	35.6	10.8	100.0

*Population weighted results, Sample N = 2934. # Cell size less than 20.

Pressure to retire?

People who said they were either fully or partly retired were asked about the amount of pressure they felt to retire. Table 6 shows the proportion of men and women who said they felt some pressure to retire.

Around 60% of (fully and partly) retired women said that retiring was something they wanted to do. For women who were fully retired, the proportion who felt they were pushed or forced to retire declined with age – from 44.8% of women aged 45 to 54 to 23.4% of women 65 and over.

The proportion of men who felt they were forced or pressured to retire decreased with age – from 77.7% of fully retired men aged between 45 and 54 to 37.5% of fully retired men aged 65 and over. For men who were partly retired, the proportion who reported feeling pressure to retire also declined with age, but not as sharply as for men who were completely retired.

People who reported experiencing some pressure to retire were asked whether any of this pressure came from their spouse, other family members, their doctor, or their employer. The results are summarized in Table 7.

Table 7: Sources of pressure to retire – by gender, fully/partly retired persons in 2003*

	Amount of pressure to retire			Total
	None (%)	Some (%)	A lot (%)	
Women – fully retired				
Spouse or partner	78.4	10.3	11.4	100.0
Other family members	88.4	6.4	5.2	100.0
Your employer or other people at your workplace	65.6	10.0	24.4	100.0
Your doctor or other medical experts	64.7	10.5	24.8	100.0
Women – partly retired				
Spouse or partner	75.3	18.5#	6.2#	100.0
Other family members	86.9	5.2#	7.9#	100.0
Your employer or other people at your workplace	62.7	13.5#	23.8	100.0
Your doctor or other medical experts	66.1	12.1#	21.8#	100.0
Men – fully retired				
Spouse or partner	88.4	6.7	4.9	100.0
Other family members	92.5	4.8	2.6#	100.0
Your employer or other people at your workplace	53.3	13.7	33.0	100.0
Your doctor or other medical experts	49.5	14.3	36.2	100.0
Men – partly retired				
Spouse or partner	88.0	4.0#	8.0#	100.0
Other family members	91.2	3.4#	5.4#	100.0
Your employer or other people at your workplace	52.0	12.8#	35.2	100.0
Your doctor or other medical experts	63.8	8.7#	27.5	100.0

*Population weighted results, Sample N = 1336. # Cell size less than 20.



For women, pressure to fully retire most commonly came from their doctor or their employer, but Table 7 also shows that women experienced more pressure from their spouse or partner than men did. Over 20% of women who reported feeling pressure to retire said that at least some of that pressure had come from their spouse or partner.

Employers and doctors were also the most commonly reported sources of pressure for men. Around 35% of men who were partly retired and 33% of men who were completely retired said a lot of pressure came from their employer or other people at their workplace; 27.5% of partly retired men and 36.2% of men who were completely retired said their doctor had been the source of a lot of pressure to retire. Relatively few men reported pressure to retire from their spouse or other family members. Of the men who said they had felt some pressure to retire, around 88% said none of that pressure came from their spouse and more than 90% said they were not pressured to retire by other family members.

Table 8 shows, for those who were living with a spouse or partner at the time of their retirement, the employment status of that spouse or partner at the time the respondent retired.

When (partnered) women retired, around 65% had a spouse or partner who was still working full time. The opposite is true for men. For 49.8% of men who were partly retired and 66.4% of men who retired completely, their spouse was already out of the labour force at the time of their retirement.

Table 8: Employment status of spouse/partner when you retired – persons who were partly/fully retired in 2003*

	Employment status of spouse/partner when you retired			Total
	Already retired or not in the paid workforce (%)	Working part time (%)	Working full time (%)	
Women – fully retired	27.5	8.9	63.5	100.0
Women – partly retired	19.8	15.1	65.1	100.0
Men – fully retired	66.4	16.3	17.3	100.0
Men – partly retired	49.8	27.0	23.2	100.0

*Population weighted results, Sample N = 2373.



People whose spouse or partner continued to work after they had retired were asked how important it was that their spouse continued to work. Table 9 shows the distribution of responses for fully and partly retired men and women.

It was much more important for women, particularly women who were completely retired, that their spouse continued to work after they had retired. Over 75% of women who were completely retired and more than 65% of women who were partly retired said it was important (or very important) that their spouse continued to work, presumably because otherwise they would not have enough income to maintain the living standard they desired. For men, their partner continuing to work was not as important, 62.4% of men who were completely retired and 50.2% of men who were partly retired said their partner continuing to work was either not important or of limited importance.

Whiting (1998) found that many women felt that it would not be 'right' for their husband to retire first. This is supported by findings from the HILDA Survey data, which shows that 26.5% of fully or partly retired women who had a spouse or partner at the time of their retirement continued to work after their partner had retired, 10.8% retired at around the same time as their partner and the remaining 62.7% retired before their partner.

Men and women who had co-coordinated their retirement with their spouse were asked whether this had meant retiring earlier or later than they wanted. Table 10 shows that it was extremely uncommon for people to retire later than they wanted in order to co-ordinate their retirement with their spouse.

Around 65% of men and women who co-coordinated their retirement with their partner said the timing of their retirement was about what they wanted. Just over 30% said that retiring at around the same time as their spouse meant that they retired earlier than they wanted. So, it appears that it is not only women who feel that when their spouse retires, they should retire as well.

Table 9: Importance of spouse continuing to work – people whose spouse/partner continued to work when they retired*

	Importance of spouse continuing to work				Total
	Not important (%)	Of limited importance (%)	Important (%)	Very important (%)	
Women – fully retired	15.1	7.5	22.4	54.9	100.0
Women – partly retired	22.6	11.6 #	23.4	42.3	100.0
Men – fully retired	40.0	22.4	16.6	21.0	100.0
Men – partly retired	30.2	20.0 #	26.8 #	23.0	100.0

*Population weighted results, Sample N = 1077. # Cell size less than 20.

Table 10: Effect of co-coordinating retirement with spouse – fully retired people whose spouse/partner retired at the same time as they did*

	Retiring earlier than you wanted (%)	Retiring about the time you wanted (%)	Retiring later than you wanted (%)	Total
Men	33.5	65.2	1.2#	100.0
Women	30.7	66.9	2.4#	100.0

*Population weighted results, Sample N = 227. # Cell size less than 20.

The decision of when to retire

People aged 45 and over who were not yet retired were asked at what age they expected to retire completely from the workforce, and, if they had the choice, at what age they would prefer to retire from the workforce. Many respondents could not give a specific answer to these questions – 7.9% of men and 11.9% of women aged 45 or over and not yet completely retired said they did not know what age they expected to retire, and another 9.1% of men and 7.1% of women said they did not expect to ever retire. When asked about when they would like to retire, 4.1% of men and 6.5% of women over 45 and not yet completely retired said they didn't know, and around 8% said they did not intend to retire¹⁸. Concentrating only on those who specified an age at which they expected or preferred to retire, Table 11 shows the average age men and women expected and preferred to retire, by age group and partnership status.

Average expected retirement age ranged from 59 for partnered women in the 45 to 54 age group to 77 for single men aged 65 or over.¹⁹ Women generally expected to retire at a younger age than men did, and partnered women expected to retire slightly earlier than single women. Overall, the average age people said they would like to retire was about 4 years lower than the age they expected to retire. Men and women in the 45 to 54 age group had the largest difference between the age they expect to retire and the age they would like to retire, while for men and women over 65 the average age they expected to retire was very close to the age at which they wanted to retire.

Table 11: Average age expect to retire and age would prefer to retire – employed persons (2003)*

	Current age group				
	45-54	55-59	60-64	65+	All 45+
Age expect to retire					
Single women	63	64	67	71	64
Partnered women	59	63	65	71	61
Single men	63	65	67#	77#	64
Partnered men	62	64	66	72	64
Age would like to retire					
Single women	57	61	65#	71#	59
Partnered women	56	61	64	72#	58
Single men	58	62	66#	77#	60
Partnered men	57	61	65	72	60

*Population weighted results, Sample N = 2502 (age expect to retire), 2670 (age would like to retire). # Cell size less than 20.

¹⁸ For more about those who said they did not know when they intended to retire or said they did not intend to retire, see Cobb-Clark and Stillman (2005).

¹⁹ It is important to note that for the population over the age of 45, and particularly for men and women aged 65 and over and not yet retired, there are selection effects. Relatively few men and women over the age of 65 are still in the labour force. While the average age that women over 65 who are still working expect to retire is 71, the average age of retirement for women currently over 65 and already retired was 53.

Respondents aged between 45 and 64 and not yet completely retired were also asked what they thought the per cent chance was that they would be in paid work after the age of 65. The responses are summarized in Table 12.

Almost 60% of women and 40% of men did not believe that they would be in paid work after the age of 65. Another 15% to 20% attached a relatively low (less than 25%) probability to this event. By contrast, less than 10% state that they are certain they will be in paid work at that time. For men, the proportion who are sure that they will not be in paid work after the age of 65 decreases with age, from 40.3% of 45 to 54 year olds to 30.4% of men aged 60 to 64.

Factors important in the decision of when to retire

People aged 45 and over who had not yet completely retired from the workforce were also asked about the importance of various factors – such as health, financial security and ability to access superannuation and government pensions - in their decision about when to retire. Table 13 shows the proportion of men and women who said each factor was 'very important'.

Table 12: Per cent chance in paid work after the age of 65*

	0	1-24	25-49	50-74	75-99	100	Total
Women							
45-54	59.0	17.3	5.1	12.2	3.4	3.0	100.0
55-59	52.2	14.6	4.2	18.2	5.6	5.2	100.0
60-64	52.0	5.8	9.8	12.4	8.6	11.5	100.0
All	57.1	16.0	5.2	13.5	4.2	4.0	100.0
Men							
45-54	40.3	19.4	7.9	18.9	8.1	5.3	100.0
55-59	35.3	21.0	7.9	22.0	7.6	6.3	100.0
60-64	30.4	12.9	6.5	17.9	13.7	18.7	100.0
All	38.2	19.1	7.8	19.4	8.6	7.0	100.0

*Population weighted results, Sample N = 3079.

For both men and women, their personal health and physical abilities was their foremost consideration when planning when to retire – 59.2% of men and 63.9% of women said their health was very important in their decision about when to retire. When asked how important financial security was in their decision about when to retire, 55.1% of men and 60.4% of women said it was very important. The ability to access superannuation funds was also important in deciding when to retire – 44.6% of men and 43.8% of women said this was very important. Other factors, such as the number of people for whom you need to provide financial support were also considered important in planning the time of retirement, with 33.0% of women and 25.6% of men saying this was very important in their decision about when to retire. Reaching the eligibility age for an old age or service pension, while still relatively important, were not as important as overall financial

security and the ability to access superannuation funds – 15.8% of men and 18.5% of women said ability to access government pensions was very important in their decision about when to retire.

Factors important in the retirement decision are similar for partnered men and partnered women, with women slightly more concerned about their partner retiring and men more concerned about the number of people they need to support. Single men and women seem to differ more often, with single women being much more concerned about financial security while single men were the least concerned about this. More single women seem to be concerned about the number of people they have to support financially, while few single men concerned themselves with this factor. This may be due to the fact that single women are more likely to be caring for ageing parents than single men are.

Table 13: Factors that are important in the decision about when to retire completely from the workforce – persons 45 and over who have not yet completely retired – by gender and marital status*

	% who said this was very important					
	Single women	Partnered women	All Women	Single men	Partnered men	All Men
Your personal health or physical abilities	64.5	63.6	63.9	62.1	58.6	59.2
Financial security	68.4	57.5	60.4	50.4	56.0	55.1
The need to care for your spouse or another family member	34.2	54.6	49.3	28.9	58.7	53.8
The ability to access superannuation funds	45.4	43.2	43.8	37.8	45.9	44.6
The number of people for whom you need to provide financial support	25.3	25.7	25.6	12.9	37.0	33.0
The desire for a different lifestyle	33.6	31.6	32.1	26.0	23.2	23.7
Reaching the eligibility age for an old age or service pension	26.4	15.6	18.5	23.5	14.2	15.8
The ability to access other government pensions or benefits	27.8	16.9	19.8	24.1	15.7	17.1
Being retrenched or made redundant	22.9	17.0	18.6	17.1	16.0	16.2
A declining interest in work	18.7	15.3	16.2	14.9	15.1	15.1
The stresses and pressures of your job	17.6	16.8	17.0	14.6	14.4	14.4
When your partner retires	n.a.	31.5	24.6	n.a.	16.4	14.2

*Population weighted results. Multiple response question – Sample N varies between rows.



For single women, the most important factor when deciding to retire was financial security, with 68.4% saying this was very important, compared to 57.5% of partnered women. It is possible that for partnered women, financial security provided by their partner reduces the importance of financial security in their decision about when to retire.

Partnered women, and men (regardless of whether or not they had a partner) more commonly said that their own health was the most important factor in deciding when to retire. While this was not the most important reason for single women, 64.5% of single women rated their personal health or physical abilities as very important in deciding when to retire.

Over 50% of men and women with partners said that the need to care for their spouse or other family members factored into their decision about when to retire. Reaching the eligibility age for an old age or service pension was not as important for people with partners as it was for those without partners – 26.4% of single women and 23.5% of single men said this was very important in their decision about when to retire, compared to 15.6% of partnered women and 15.7% of partnered men. This suggests that either more single people than partnered people intend to rely on government benefits, or, those with partners intend to depend – at least to some extent – on their partner's income, and so are less concerned about pension eligibility.

Regression analysis (see Table B1 in Appendix B) indicates that for employed women, expected retirement age increases with age²⁰, is higher for single women, lower for women with an education level of year 11 or below, and also lower for women working part time²¹. It may be the case that women with less education have lower attachment to the labour force than women with more education, and that women with less education have “worse” jobs – i.e. less permanent jobs with lower pay and poorer conditions – than more educated women, resulting in women with less education leaving the workforce earlier. While superannuation savings are significant (higher superannuation savings have a negative effect on expected retirement age), the effect is very small.

Concentrating only on single employed women (Table B2 in Appendix B), again lower levels of education have a negative effect on expected retirement age, and superannuation savings have a small negative effect.

Two specifications of the model were run for partnered women – the first includes their partner's employment status, and the second is restricted to women whose partners are also employed and includes the partner's expected retirement age (see Table B3 in Appendix B). Using the first specification, an education level of year 11 or below, working part time and having a partner who is not in the labour force all have a negative effect on expected retirement age. Higher weekly wages also have a negative effect on expected retirement age for partnered women, but the effect is very small²², while job satisfaction has a positive impact on expected retirement age. For women whose partner was also employed, their partner's expected retirement age had a positive influence on expected retirement age, as did age and having a bachelor degree. Working part time had a negative effect, and there were small negative effects from weekly wage and household net worth.

Transitions to retirement

Borland (2005) describes the transition to retirement as a phase where an individual shifts from one relatively permanent or regular pattern of labour market activity to another pattern; and this change in pattern involves a decrease in hours of work or the extent of engagement in paid work to a very low level. For some, this transition corresponds with the traditional view of the retirement process, that is, going from full-time employment to being out of the labour force. For others, this transition is a more gradual process, which may involve reducing their working hours or changing to a different line of work. In recent times there has been significant interest in the phenomenon of workers whose transition to retirement involves a bridging job.

²⁰ Again, it is important to note that there are selection effects here – as age increases, the number of men and women who have not yet retired gets smaller.

²¹ Part time work is much more common for women than for men, and it is possible that many of the women who said they were in transition jobs had been working part time for many years.

²² Presumably, some partnered women with higher incomes would be able to save more, and expect to retire early because they can afford to do so; while those on lower/middle incomes continue to work, either because they can't afford to retire, or they want to build up more superannuation/savings before they retire.

Table 14: Personal characteristics of partly retired and completely retired people – persons aged 45+*

	Women			Men		
	Fully retired	Partly retired	Not retired	Fully retired	Partly retired	Not retired
Marital Status (%)						
Married	60.2	73.9	64.6	74.7	75.0	76.6
De facto	1.0 [#]	5.4 [#]	7.5	2.3	5.1 [#]	7.4
Separated	1.9	2.2 [#]	5.7	3.0	1.7 [#]	3.4
Divorced	7.0	7.8	13.0	6.2	10.4	6.8
Widowed	27.0	7.3	4.4	7.8	2.9 [#]	0.5 [#]
Never married & not de facto	2.9	3.4 [#]	4.9	6.0	4.9 [#]	5.2
	100.0	100.0	100.0	100.0	100.0	100.0
Education Level (%)						
Postgraduate degree	2.3	10.9	10.5	4.9	12.2	11.4
Bachelor degree	5.3	8.3	14.2	5.1	10.3	12.5
Diploma	6.6	6.5 [#]	9.0	9.1	12.9	9.9
Certificate	17.7	21.2	26.6	31.6	27.7	35.5
Year 12	7.0	6.0 [#]	8.4	5.7	6.5 [#]	7.1
Year 11 and below	61.1	47.1	31.3	43.6	30.4	23.5
	100.0	100.0	100.0	100.0	100.0	100.0
Country of Birth (%)						
Australia	69.3	78.6	71.0	65.3	70.2	67.3
English speaking country	14.5	11.7	13.1	15.6	15.2	15.5
Other country	16.3	9.7	15.9	19.1	14.6	17.1
	100.0	100.0	100.0	100.0	100.0	100.0
Location (%)						
Major city	63.4	59.5	64.9	61.0	55.2	65.2
Inner regional	25.6	26.2	22.2	26.7	26.2	21.8
Outer regional	9.6	11.3	10.6	11.5	16.2	10.2
Remote	1.4 [#]	3.1 [#]	2.3	0.8 [#]	2.3 [#]	2.8
	100.0	100.0	100.0	100.0	100.0	100.0
Retirement Status of Partner (%)						
Completely retired	45.2	16.8	5.3	59.3	33.2	10.5
Partly retired	5.2	19.1	3.4	3.4	21.7	8.2
Not retired	8.9	42.4	58.8	12.7	22.8	60.3
No partner	40.7	21.7	32.5	24.6	22.3	21.0
	100.0	100.0	100.0	100.0	100.0	100.0
ATSI (%)						
ATSI (%)	0.9 [#]	1.6 [#]	1.0 [#]	0.8 [#]	1.6 [#]	1.0 [#]
Carer (%)						
Carer (%)	11.2	17.2	13.7	9.2	14.0	9.4
English first language (%)						
English first language (%)	84.6	89.9	86.8	82.2	85.8	85.8
Long term health condition (%)						
Long term health condition (%)	52.7	32.7	18.8	62.5	45.2	20.9

*Population weighted results. Sample N = 5024. # Cell size less than 20.

Using data from the HILDA Retirement Module, Borland and Warren (2005) found that about 20% of mature age workers aged 45+ years report that their current job is part of a transition to full retirement. The proportion of workers in transition jobs increases strongly with age – 10 to 15% for workers aged 45-54 years compared to over 50% for workers aged 65+ years; and is generally higher for females than males.

What are the main correlates of partial retirement for the mature age population that is employed? Descriptive evidence (Tables 14 and 15) suggests a variety of personal and job characteristics are associated with being partly retired. Around 80% of men and women who were partly retired said that their current job was a transition job.

Casual work was much more common among men and women who are partly retired – 39.0% of women and 33.2% of men who considered themselves to be partly retired were casual workers, compared to 15.5% of women and 7.0% of men who did not consider themselves partly retired. Self employment is also more common among men and women who are partly retired – 37.7% of women and 54.3% of men who said they were partly retired were self employed. The proportion of partly retired women who were married was 73.9%, compared to 64.6% of women who did not consider themselves retired and 60.2% of women who were completely retired. Women who were partly retired were also more likely to be carers – 17.7% of partly retired women were carers, compared to 13.7% of women who were retired completely and 11.2% of women who were not retired.

Table 15: Job characteristics of partly retired and (not retired) people aged 45+*

	Women		Men	
	Partly retired	Not retired	Partly retired	Not retired
Occupation (%)				
Managers and administrators	10.3#	7.3	15.9	16.8
Professionals	23.4	27.1	28.1	21.3
Associate professionals	6.7#	13.8	11.6#	13.6
Tradespersons and related workers	0.7#	1.7#	9.8#	16.9
Advanced clerical and service workers	10.6#	7.3	2.1#	0.3#
Intermediate clerical workers	20.0	24.5	3.3#	8.1
Intermediate production and transport workers	1.9#	3.0	8.1#	12.2
Elementary clerical sales and service workers	12.4#	8.4	5.8#	3.9
Labourers and related workers	13.9	7.0	15.2	6.8
	100.0	100.0	100.0	100.0
Industry (%)				
Agriculture, Forestry and Fishing	12.2	3.6	15.3	5.7
Mining	0.0#	0.1#	0.6#	2.2
Manufacturing	3.7#	5.7	6.0#	15.8
Electricity, Gas and Water Supply	0.0#	0.3#	0.7#	2.0
Construction	3.7#	1.3#	10.9#	10.4
Wholesale Trade	3.2#	4.1	2.6#	5.2
Retail Trade	9.8#	9.7	6.5#	7.4
Accommodation, Cafes and Restaurants	5.9#	3.0	1.8#	3.0
Transport and Storage	2.6#	1.9	4.3#	6.5
Communication Services	0.0#	2.2	0.0#	2.8
Finance and Insurance	0.8#	3.3	3.4#	2.3
Property and Business Services	14.9	8.8	16.5	12.0
Government Administration and Defence	1.1#	5.3	4.3#	6.5
Education	14.7	18.9	12.6	7.4
Health and Community Services	16.9	25.0	6.6#	4.4
Cultural and Recreational Services	5.2#	1.9	3.9#	1.7
Personal and Other Services	5.3#	5.0	4.0#	4.6
	100.0	100.0	100.0	100.0

Table 15: Job characteristics of partly retired and (not retired) people aged 45+* (continued)

	Women		Men	
	Partly retired	Not retired	Partly retired	Not retired
Work Schedule (%)				
A regular day or evening schedule	63.8	79.4	57.9	77.6
A regular night shift	1.2#	2.6	2.7#	1.4#
A rotating shift	1.0#	5.6	1.7#	6.0
Split shift	1.2#	1.3#	0.0#	0.8#
On call	9.2#	2.3	6.4#	2.6
Irregular schedule	23.7	8.8	31.3	11.5
	100.0	100.0	100.0	100.0
Contract of Employment (%)				
Fixed term contract	5.1#	7.9	1.4#	5.2
Casual	39.0	15.5	33.2	7.0
Permanent	18.2	60.5	11.0#	57.9
Self employed	37.7	16.0	54.3	29.8
	100.0	100.0	100.0	100.0
Part time (%)	57.2	37.2	50.3	7.8
Public sector (%)	15.6	26.4	13.1	15.0
Current job is a transition job (%)	79.5	12.2	80.0	14.1

*Population weighted results. Sample N varies between rows. # Cell size less than 20.

Regression analysis (using a probit model²³, Table B1, Appendix B) suggests that for women the main factors associated with reporting that they are partly retired are age (positive effect), having a part-time job (positive effect), having a long term health condition, and being in a permanent job (negative effect). For men, age and part time work were also positively associated with reporting that they are partly retired. Men who were self employed or employed on a casual basis were more likely to be partly retired. Tradesmen, labourers and men employed in clerical occupations were also more likely to be partly retired.

²³ A probit model is a binary regression model, i.e. the dependant variable can only be 0 or 1. The results are interpreted as the marginal effect of each variable, in other words, the effect of a change in that explanatory variable on the probability that a person is in the group under consideration.

Section 2: Life in Retirement

Changes since retirement

Men and women who were completely retired and had ceased their last paid job in 1990 or later were asked how certain aspects of their life – such as their standard of living, their health and their relationship with their family – had changed since they retired. Table 16 shows the distribution of responses by gender.

Overall, the changes experienced in retirement were similar for men and women, and it seems that retirement is a happy period of most people's lives. Over 60% of retirees said their overall happiness and their enjoyment of their leisure time had improved since they retired, and, not surprisingly 67.4% of women and 75.5% of men said the amount of leisure time they had was better or much better. Many retirees reported improvements in their relationships with their friends and family.

Table 16: Would you say the following are better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Your standard of living	7.2	22.6	49.5	14.7	5.9	100.0
Your financial security	9.4	30.7	44.2	12.3	3.4	100.0
Your health	8.3	24.3	44.0	17.9	5.5	100.0
Your relationship with your family	0.4#	2.1#	59.6	26.2	11.7	100.0
Your relationships with your friends	1.1#	5.6	60.8	25.1	7.3	100.0
Your enjoyment of your leisure time	3.4#	8.8	26.7	36.7	24.3	100.0
Having enough leisure time	1.8#	6.8	24.0	38.7	28.7	100.0
Your overall happiness	1.9#	6.4	38.2	29.2	24.3	100.0
Men						
Your standard of living	4.3	20.1	54.2	16.4	5.0	100.0
Your financial security	8.3	30.1	45.2	14.0	2.5	100.0
Your health	9.2	29.0	43.4	14.2	4.2	100.0
Your relationship with your family	1.3#	1.6#	63.3	24.1	9.7	100.0
Your relationships with your friends	0.9#	5.3	66.5	21.7	5.6	100.0
Your enjoyment of your leisure time	2.2#	8.1	28.4	40.7	20.6	100.0
Having enough leisure time	1.4#	4.7	18.5	46.4	29.1	100.0
Your overall happiness	1.9#	6.3	29.9	37.0	24.8	100.0

*Population weighted results, Sample N = 1205. # Cell size less than 20.

The financial situation of retired people, or rather their perceptions of their financial situation, were quite favourable – 70.1% of women and 75.6% of men said their standard of living was the same or better since they retired,²⁴ and 59.9% of women and 61.7% of men said their financial security had either improved or stayed the same as before their retirement.²⁵ While 44% of men and women said their health had not changed since they retired, 38.2% of men and 32.6% of women said their health was worse.²⁶

How does the presence of a spouse or partner in retirement affect these outcomes? The obvious benefits of living with a spouse or partner in retirement include companionship, sharing financial resources, and help with domestic chores. Tables A1 to A8 in Appendix A aim to identify the effect of the presence of a spouse or partner on these aspects of life in retirement by comparing the responses of single people, people whose partners are not yet retired and those whose partner is retired²⁷.

Standard of living

Table A1 shows that a perceived decline in standard of living was more common amongst single retirees than those with partners – 43.5% of single women and 38.5% of single men said their current standard of living was worse, or much worse, since they retired. Declines in standard of living since retiring were most common among men and women who were separated or divorced – 54.3% of women and 50.2% of men who were separated or divorced said their standard of living had worsened since they retired, compared to 36.4% of women and 20.7% of men who were widowed and 30.9% of men and 32.6% of women who were never married. For some of these people, a change in marital status after retirement may have contributed to the change in their standard of living.

For women who were single before they retired, their standard of living is likely to have been lower than that of single men prior to retirement. This is because, on average, women's incomes are lower than men's. For some, their perception of their standard of living since retirement may reflect a continuing situation of hardship both pre and post retirement, rather than a significant decrease associated with the transition to retirement.

Compared to women whose partners had retired, women whose partners had not yet retired less commonly reported a decline in their standard of living – probably a result of their partner's income. On the other hand, 23.2% of men whose partner was not yet retired said their standard of living had dropped since their retirement, compared to 18.2% of men whose partner was retired.

²⁴ The difference between reported changes in standard of living for men and women is statistically significant at the 10% level.

²⁵ Many aspects of life after retirement depend at least to some extent on income. There is a weak positive correlation between current household disposable income and changes in standard of living (0.115 for women and 0.091 for men) and financial security (0.079 for women and 0.091 for men) in retirement. In other words, people with higher disposable incomes were more likely to say their standard of living and financial security had improved, and those on lower incomes were more likely to say that it had worsened since they retired. People with higher disposable incomes were also slightly more likely to say that their health, their enjoyment of leisure time, and the amount of leisure time they have has improved since they retired.

²⁶ This is more likely to be a result of ageing rather than being retired.

²⁷ Table A27 in Appendix A shows the distribution of men and women who retired since 1990, by marital status, and age group. The table shows that 39.8% of women and 53.9% of men in this group are aged 65 or over, and that there are substantially more women than men in this group who are widowed. The reason that there are more female widows is that women live longer than men, so more older women are widows, and also divorced or widowed men re-partner faster than women (ABS, 1999).

Financial security

The same pattern appears for financial security (Table A2) – 52.8% of single women and 46.8% of single men said their financial security was worse since they retired, and declines in financial security were most common among men and women who were separated or divorced – 58.5% of women and 61.7% of men who were separated or divorced in 2003 said that their financial security had worsened since retirement. Women whose partners were still in the labour force least commonly reported declines in financial security, although 27.9% said their financial security had worsened since they retired. Compared to men whose partner was also retired, men whose partner was not yet retired more commonly reported a decline in financial security.

Health

As mentioned previously, health is more closely related to age than retirement status. However, a decline in health was most commonly reported by single retirees (Table A3), with 41.8% of single women and 44.6% of single men saying their health had deteriorated since they retired. Only 27.4% of women whose partner was also retired reported a decline in health since retirement. On the other hand, 43.4% of men whose partners had not retired (an uncommon pattern) said their health had worsened since they retired, perhaps suggesting that many of these men retired earlier than expected because of health problems. Table A28 shows that 63.4% of retired men whose partner has not yet retired have a long term health condition or disability.

Relationship with family

Table A4 shows that the proportions of single retirees who said their relationship with their family had worsened since they retired was considerably higher than for retirees with partners – 11.5% of single men and 4.7% of single women said their relationship with their family had worsened, compared to only 1.4% of women whose partner had retired, 2.0% of women whose partner had not yet retired and less than 1% of partnered men. The proportions of men and women who said their family relationships had improved since they retired was highest for those whose partner was also retired, with around 40% reporting improvements in family relationships.

Relationships with friends

Single retirees, particularly women, also more commonly reported declines in relationships with their friends since they retired (Table A5) – possibly a result of less frequent contact with the friends they had at work²⁸. Women whose partners were also retired most commonly reported improvements in their relationships with their friends. On the other hand, it was more common for single men than partnered men to report an improvement in their relationships with their friends, with 31.8% of single men saying their friendships had improved, compared to 27.4% of men whose partner was retired and 22.9% of men whose partner was not retired.

Enjoyment of leisure time

Over 50% of retirees said their enjoyment of their leisure time had improved since they retired (Table A6). Men and women whose partner was also retired most commonly reported increases in their enjoyment of their leisure time. Single retirees, particularly men, more commonly reported a decline in their enjoyment of leisure time – 21.4% of single men reported a worsening in their enjoyment of their leisure time, compared to 9.9% of men whose partners had not yet retired and 5.6% of men whose partner had retired. For them it may be a case of isolation, or having too much spare time.

When asked about changes in the amount of leisure time they have since they retired, over 60% of women and 70% of men said it had improved (Table A7). However 12.1% of women whose partner was also retired said the amount of leisure time they had was worse than before they retired, compared to 6.0% of single women and 4.9% of women whose partner was not retired. Single men reported the greatest decline in their amount of leisure time – 9.3% said the amount of leisure time they had was worse than before they retired, compared to around 5% of partnered men. Again, this might be a case of having too much spare time.

²⁸ For some, this could be the result of, separation or divorce since retirement, and the subsequent loss of contact with their spouse's friends.

Overall happiness

With the exception of single women, more than half the men and women said their overall happiness had improved since they retired. Table A8 shows that, compared to retirees with partners, a higher proportion of single retirees said their overall happiness was worse since they retired – 18.4% of single men and 14.6% of single women said their happiness had declined since they retired, compared to 7.8% of women whose partner had not yet retired, 4.6% of women whose partner had retired, and around 5% of men with partners.

Men and women who were separated or divorced most commonly reported declines in their overall happiness since retiring – 16.4% of women and 26.5% of men who were separated or divorced said their overall happiness had decreased since retiring, compared to around 16% of men and women who were widowed and less than 6% of single men and women who had never been married. This suggests that for some single men and women, divorce or widowhood since retiring, rather than retirement itself, could be the cause of their unhappiness.

Table 17: Life after retirement (people aged 45+ who ceased their last paid job in 1990 or later)*

	Strongly Disagree (%)	Disagree (%)	Neither Agree nor Disagree (%)	Agree (%)	Strongly Agree (%)	Total (%)
Women						
I enjoy being retired	3.6	8.9	9.7	54.8	23.1	100.0
I am well adjusted to the changes following retirement	1.4#	7.7	7.3	65.8	17.9	100.0
People don't respect me as much now that I am retired	22.6	46.5	18.7	11.1	1.2#	100.0
I wish I had started to plan for retirement earlier	6.8	30.6	26.6	27.5	8.5	100.0
Retirement has been better than I expected	4.5	14.9	26.8	44.9	9.0	100.0
I have had to adjust to a big drop in income since retiring	5.1	23.1	13.6	37.7	20.5	100.0
I have real concern about my financial situation	8.9	43.9	16.8	20.8	9.6	100.0
I would like to be still working	27.8	36.0	10.9	18.7	6.6	100.0
Men						
I enjoy being retired	3.6	10.9	11.7	50.6	23.2	100.0
I am well adjusted to the changes following retirement	1.8#	8.6	7.9	61.9	19.8	100.0
People don't respect me as much now that I am retired	17.4	47.9	21.5	11.8	1.4#	100.0
I wish I had started to plan for retirement earlier	5.2	39.8	18.9	27.2	8.8	100.0
Retirement has been better than I expected	4.9	18.0	25.8	42.8	8.5	100.0
I have had to adjust to a big drop in income since retiring	2.8#	18.7	14.0	46.9	17.7	100.0
I have real concern about my financial situation	7.7	43.6	22.2	20.6	5.9	100.0
I would like to be still working	25.5	30.4	12.6	22.9	8.7	100.0

*Population weighted results, Sample N = 1205. # Cell size less than 20.



Life after retirement

Retirees were also asked to rate how much they agreed or disagreed with statements about life in retirement, such as “*People don’t respect me as much now that I am retired*”. Table 17 shows the distribution of responses for men and women who ceased their last job in 1990 or later.

Contrary perhaps to stereotype, a majority of retirees are well satisfied with their situation. Most said they ‘enjoyed being retired’ and were ‘well adjusted to the changes following retirement’, and more than half said that retirement had been better than they expected. Once they had retired, most did not feel that people respected them less than before. However, many were not as positive when asked about their financial situation – 52.8% of women and 51.3% of men said they had had to adjust to a big drop in income since they retired²⁹, 36% said they wished they had started planning for retirement earlier and around 30% said they had real concern about their financial situation. A relatively high proportion – 31.6% of men and 25.3% of women said they would like to be still working.

Tables A9 to A16 in Appendix A show the distribution of responses for men and women according to relationship status (whether or not the person has a spouse or partner) and whether or not that partner is retired.

Table A9 shows the distribution responses to the statement ‘*I enjoy being retired*’. A very high proportion of retired men and women (82.4% of women and 80.7% of men) with partners who were also retired said that they enjoyed being retired. Having a partner who was also retired made more of a difference for men than it did to women, with 79.5% of women whose partner was not retired agreeing with this statement, compared to 69.8% of men whose partners were not retired.

The proportion of single women who said they did not enjoy being retired was much higher than that of women with partners – 19.4% of single women disagreed with the statement ‘*I enjoy being retired*’, compared to around 9% of partnered women. It was less common for men to disagree with this statement if their partner was also retired – 11.4% of men whose partners were also retired said they did not enjoy being retired, compared to 17.6% of men whose partners were not retired and 21.1% of single men.

Over 80% of retirees agreed (or strongly agreed) with the statement ‘*I am well adjusted to the changes following retirement*’ (Table A10). Retirees who were not living with a spouse or partner more commonly disagreed than those with partners, and retirees whose partners were also retired responded most positively to this statement.

Table A11 shows that, compared to single women and women whose partners were not retired, a high proportion of women whose partners were retired agreed with the statement ‘*Retirement has been better than I expected*’ (63.6% compared to 44.4% and 44.6% respectively). It was also more common for men whose partners had retired to agree with this statement, although the differences were not as substantial (54.5% compared to 49.8% and 49.6%). The proportion of single women who disagreed with this statement – in other words, who thought retirement was worse than they expected – was 27.4% compared to 17.7% of women whose partner had not yet retired and 14.5% of women whose partner was retired.

²⁹ Although this result seems contradictory to the results in Table 20, in which approximately 60% of men and women said their financial security had either improved or stayed the same, it is possible that many expected a substantial drop in income when they retired and it had little impact on their financial security.

Over 60% of retired men and women disagreed with the statement *'People don't respect me as much now that I'm retired'* (Table A12). For men, relationship status seems to make little difference, with 64.4% of single men, 66.9% of men whose partners were not retired and 65.6% of men whose partners were retired disagreeing with this statement. On the other hand, the proportion of single women who agreed to this statement was higher than that of partnered women – 14.2% of single women agreed, compared to 11.4% of women whose partner was retired and less than 10% of women whose partner was not retired.

Table A13 shows that almost half (48.1%) of single retired men agreed and 41.3% of single retired women agreed with the statement *'I wish I had started to plan for retirement earlier'*. It was less common for men and women whose partners were also retired to agree with this statement – although more than 30% said they wished they started planning for retirement earlier. Whiting (1998) found that lack of retirement planning among women, in terms of both financial planning, planning of leisure in retirement and even the timing of retirement, can be explained by “the way women internalise the widely held view that retirement is a male phenomenon that requires little forethought by women”, and that caring responsibilities after leaving the labour force mean that many women do not retire from paid employment to a life of full time leisure. However, with more and more women working until a later age and reaching retirement age with substantial superannuation balances, this is less likely to be the case in the future.

Table A14 shows that single retirees were most affected by changes in income upon retirement – 67.0% of single women and 70.9% of single men said they agreed with the statement *'I have had to adjust to a big drop in income since my retirement'*. Around 62% of partnered men agreed with this statement, compared to 57.6% of women whose partner was retired and 43.9% of women whose partner was still in the workforce. Presumably, for some of these women, their partner's income cushioned the impact of the reduction in their own income when they retired.

Single retirees also expressed the most concern about their financial situation. Table A15 shows that 38.6% of single women and 31.1% of single men agreed with the statement *'I have real concern about my financial situation'*. Retired women whose partner had not yet retired showed the least concern about their financial situation, with 57.9% saying they disagree with this statement.

Over 50% of retired women and 40% of retired men disagreed with the statement *'I would like to be still working'*. However, 43.1% of single men and 36.2% of women agreed with the statement, as did 39.7% of men whose partner was not retired and 28.4% of women whose partner was not retired. This suggests that while many are content to be no longer working, there are some who would be happy to return to the workforce if they were offered an appropriate job, and others who would like to work but are limited by health problems.³⁰

³⁰ This is most likely to be the case for retired men whose partners are still in the workforce. Table A27 shows that a high proportion of men in this category have a long term health condition or disability.

Social support networks in retirement

An important aspect of life in retirement, particularly for retirees who live alone, is having an adequate social network. One's social networks range from intimate attachments to spouse and family, through friendship and social support networks, to acquaintances whom one may be able to rely on for relatively minor assistance like borrowing household items and keeping an eye on the house while one is away on holiday (Henderson et al, 1981). The amount of social contact retirees have with friends and family who do not live with them is shown in Table 18.

Overall, the figures in Table 18 are quite positive – over 50% of retired men and women got together with friends or family at least once a week. It seems that most single retirees do have adequate social networks – 72.4% of single women and 66.9% of single men got together with friends and family at least once a week, compared to just over 60% of partnered women and 55% of partnered men. Retired men whose partners are still working had less social contact than other retirees, with 17.8% saying they got together with friends or family less than once a month. As mentioned previously, a high proportion of men in this group have a long term health condition or disability (see Table A27), which may contribute to their social isolation.

A more detailed series of questions about the amount of support people felt they got from others was also asked. Respondents were asked to rate, on a scale of 1 to 7 (with 1 being 'strongly disagree' and 7 being 'strongly agree'), how much they agreed with statements such as 'I have no one to lean on in times of trouble' and 'There is someone who can always cheer me up when I'm down'. The results for retired people aged 45 and over are summarized in Tables A17 to A26 (see appendix A). Although Table 18 shows that a high proportion of single retirees get together with friends and family at least once a week, it was also more common for single retirees to agree with the statements 'People don't come and visit me as often as I would like', 'I have no one to lean on in times of trouble' and 'I often feel very lonely', indicating that regular social contact with friends and family is not enough to compensate for the loneliness and lack of social support some older people experience when living alone.³¹

Table 18: How often do you get together socially with friends and family not living with you.*

	Several times a week (%)	About once a week (%)	2 or 3 times a month (%)	About once a month (%)	Less than once a month (%)	Total (%)
Women						
Single	43.2	29.2	12.7	6.6	8.4	100.0
Partner retired	28.2	32.3	18.1	10.5	10.9	100.0
Partner not retired	35.9	25.3	16.2	11.5	11.2	100.0
Men						
Single	37.1	29.8	9.6	10.4	13.1	100.0
Partner retired	22.8	32.7	16.6	14.2	13.8	100.0
Partner not retired	19.7	32.4	16.2	13.8	17.8	100.0

*Population weighted results, Sample N = 2239.

³¹ Flood (2005) also found that getting together with friends and relatives does not appear to compensate for a sense of social isolation among lone men.

Overall life satisfaction in retirement

The first three years of the HILDA Survey data indicate that the average level of life satisfaction for persons aged 15 and over has been around 8 on a 0 to 10 scale each year. Concentrating on the mature age population, the average life satisfaction for men and women aged 45 to 54 was around 7.8 out of 10, and for men and women aged 55 to 64, the average was around 8.0 out of 10. People over the age of 65 reported the highest levels of life satisfaction, with an average of around 8.5 out of 10 in each of the three years from 2001 to 2003. The average levels of life satisfaction for retired men and women in 2003 are given in Table 19.

On average, life satisfaction was higher for retired men and women with a spouse or partner than it was for single retirees. For retired women aged between 45 and 59, life satisfaction was highest for those who had a partner who was not retired. Retired women aged 60 and over were happiest if their partner was also retired. For retired men over the age of 55, life satisfaction was highest for those whose partner was also retired. For single women over the age of 60, average life satisfaction was higher for widows than for women who were separated or divorced. Men over the age of 60 who were separated or divorced had lower average levels of life satisfaction than men with partners and men who had never been married. Results of an Ordinary Least Squares (OLS) regression of factors associated with life satisfaction in retirement are shown in Table B6.

The main factors associated with life satisfaction in retirement for both men and women are: good general health and mental health (positive effect), living in an outer regional area (positive effect) and being forced to retire (negative effect). Household income did not appear to have any significant impact on overall satisfaction 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. For men, not having a partner, whether they be separated, divorced, widowed, or never married, had a negative impact on life satisfaction. Having a partner who was still employed also had a negative impact on men's life satisfaction in retirement.

Table 19: Average life satisfaction (2003) – retired persons aged 45+ by gender, age group and retirement status of spouse*

	Age group				
	45-54	55-59	60-64	65+	All 45+
Women					
Single – never married	7.4#	7.3#	8.6#	8.0	7.9
Single – separated or divorced	6.7	7.2	7.5	7.9	7.5
Single – widowed	5.6#	8.4#	8.0	8.6	8.5
Retired, partner retired	7.6	8.2	8.5	8.7	8.5
Retired, partner not retired	8.5	8.5	8.0	8.9	8.4
Men					
Single – never married	8.1#	6.9#	8.1#	8.6	8.1
Single – separated or divorced	7.1#	7.4#	6.4	7.7	7.3
Single – widowed	-	3.0#	6.6	8.2	8.1
Retired, partner retired	7.9	8.0	8.1	8.5	8.4
Retired, partner not retired	8.1#	7.6	7.5	8.3	8.0

*Population weighted results, Sample N = 2417. # Cell size less than 20.

Section 3: Financial Security of Older People

Financial circumstances of the mature age population

In the previous section, we found that retired people's perceptions of their standard of living and financial situation in retirement were quite favourable, but a decline in standard of living after retirement was more commonly reported by single retirees than those with partners. This section examines the actual financial circumstances of mature age men and women.

In general, economic wellbeing is measured by observation of income.³² Based on household disposable income, the current generation of older Australians have very little capacity to provide for themselves in retirement or even to contribute to the cost of their retirement, and as such are reliant on government income support.

The most important factor when considering the financial circumstances of the mature age population is household disposable income – how much money they have available to spend. Table 20 shows the average household disposable income for couple households and single person households³³ where the household reference person³⁴ is aged 45 or over.

Not surprisingly, couple households where both partners were still working had the highest average disposable income, and single retirees had the lowest average household incomes. The median household disposable income for single retired men and women in the 2002-03 financial year was around \$13000, suggesting that a high proportion rely solely on the age pension³⁵ for their income. It is also clear that the mean and median incomes of single men are higher than those of single women, both before and after retirement. The average annual disposable income for single men aged 45 and over who had not yet retired was \$34000, compared to \$31000 for single women who were not retired. This difference in disposable income is also evident for single men and women who were retired, with single male retirees having an average disposable income \$2000 higher than single female retirees.

Table 20: Average household disposable income (\$'000, medians in brackets), 2002–03 financial year – household reference person aged 45+ *

Household Type	Age of household reference person				
	45-54	55-59	60-64	65+	45+
Single woman – not retired	35 (28)	29 (27)	26 (24)	18 (12)	31 (26)
Single woman – retired	20 (14)	21 (12)	15 (12)	14 (12)	15 (12)
Single man – not retired	35 (34)	39 (29)	29 (31)#	31 (30)	34 (31)
Single man – retired	16 (13)	16 (13)	18 (13)	18 (13)	17 (13)
Couple – both not retired	74 (71)	79 (65)	62 (43)	51 (58)	73 (66)
Couple – man retired	44 (33)	55 (44)	42 (35)	34 (26)	41 (33)
Couple – woman retired	26 (40)	68 (47)	54 (46)	39 (32)	48 (40)
Couple – both retired	26 (27)#	46 (38)	34 (28)	28 (23)	30 (25)

*Population weighted results, Sample N = 2870 households. # Cell size less than 20.

³² Many have argued that consumption is a better measure of economic well-being than income (see Sabelhaus and Schneider (1997)), but in the absence of consumption data, household disposable income is a useful estimate.

³³ Excluding households with other non-dependent household members i.e. households with other adults (including adult children) who contribute to the household income are excluded from the table. The proportion of households in each 'household type' category in 2003, by age of household head, is shown in Table A29 (Appendix A).

³⁴ In couple households, the household reference person was the highest income earner. If the incomes were equal, the older person was selected as the household reference person.

³⁵ The age pension in March 2003 was \$11447.80 per annum for singles, and \$9555.00 per person for couples.

Table 21 shows the proportion of gross household income that comes from government pensions for single retirees and couple households where at least one person is retired.³⁶

In 2002, around 82% of the population of age pension age received an age pension or similar payment and 67% of age pensioners were paid the maximum rate of pension (FaCS, 2002). The HILDA Survey data (Table 21) indicates that the group who relied most heavily on government pensions in retirement was single women, closely followed by single men. The average proportion of household income from government pensions was substantially higher for single retirees than for couples where both partners were retired. This suggests that compared to single retirees, it is more common for retired couples to have a source of extra income (presumably from savings and investments) in addition to the age pension.

According to the Association of Superannuation Funds of Australia (ASFA), as at September 2003, to have a comfortable lifestyle in retirement, a couple would need \$43350 per year and a single person would require \$32800. The amount required to have a modest lifestyle – slightly better than living on the age pension but still only able to afford fairly basic activities – was \$23550 per year for a couple and \$16930 for a single person³⁷. The proportion of retirees of pension age³⁸ who could afford a modest lifestyle and the proportion who could afford a comfortable lifestyle, based on their household disposable income in the 2002-03 financial year (adjusted for inflation) is shown in Table 22.

Table 21: Proportion of gross household income from government pensions or benefits (2003) – household reference person aged 45+*

Household Type	Proportion of gross household income from government pensions (means)				
	Age of household reference person				
	45-54 (%)	55-59 (%)	60-64 (%)	65+ (%)	45+ (%)
Single woman – retired	64.1	55.4	74.8	78.5	76.0
Single man – retired	67.3	63.2	57.9	72.4	68.7
Couple – both retired	39.6#	21.5	22.8	35.7	33.0
Couple – man retired	11.2	20.8	18.4	30.9	23.3
Couple – woman retired	7.3	6.5	3.8	16.6	8.1

*Population weighted results, Sample N = 1577 households. # Cell size less than 20.

³⁶ Table A30 (in Appendix A), shows proportion of gross household income from government pensions, along with the proportion of households in each category.

³⁷ These amounts assume they live in a home that they own outright (i.e. no rent or mortgage payments).

³⁸ This Table is restricted to households where all members are eligible to receive the age pension. For details about age pension eligibility, see http://www.centrelink.gov.au/internet/internet.nsf/payments/qual_how_agepens.htm

A very small proportion of single retired women were able to afford a 'comfortable lifestyle', and only 17.4% had an income that would allow them a modest lifestyle. Single men were better off than single women – 28.1% were able to afford either a modest or comfortable lifestyle. Retired couples did best of all – just over 50% were able to afford either a modest or comfortable lifestyle.

Many women will be single for at least part of their retirement, partly due to higher divorce rates, and partly due to widowhood. The fact that women live longer than men and the tendency for women to marry men who are older than themselves means that many will be widowed. This means that in planning their retirement savings, single women would need to save more and couples would need to consider the possibility that the wife will live longer than the husband.

One of the main reasons why it is more difficult for women, particularly single women, to reach the income levels required to have a comfortable lifestyle in retirement is the "superannuation gap" – men are able to accumulate much higher superannuation balances than women. The reasons for this difference in superannuation savings have been identified in several studies, including Clare (2004) and Olsberg (2004). Firstly, prior to the introduction of compulsory superannuation, women were more likely to be in jobs where their employer did not contribute to a superannuation fund on their behalf. Even with the introduction of compulsory superannuation, women receive less because contributions are usually based on a percentage of total salary and, on average, men's earnings are higher than women's³⁹, and more women than men work in low-paying occupations. Furthermore, women are more likely to work part time and to experience periods of career interruption because of caring responsibilities (caring for young children, elderly relatives etc). These broken work patterns mean that women are not in the paid work force for long enough periods to accumulate sufficient superannuation savings. Even when women re-enter the workforce later in life, their superannuation contributions accumulate far less interest than people who have had an unbroken career path. Table 23 shows the differences in superannuation balances of men and women who were not retired in 2002.⁴⁰

Table 22: Type of lifestyle in retirement, based on household disposable income in 2002-03 – households of pension age*

Household Type	Age pension (%)	Modest Lifestyle (%)	Comfortable lifestyle (%)	Total (%)
Single woman – retired	80.8	17.4	1.8#	100.0
Single man – retired	71.9	18.5	9.6#	100.0
Couple – both retired	49.5	39.7	10.8	100.0

*Population weighted results, Sample N = 987 households. # Cell size less than 20.

³⁹ Olsberg (2004) found that even when working full-time, women's average earnings amount to only 89% of male average full-time earnings.

⁴⁰ The wealth related Tables (superannuation, household net worth and household financial wealth) all use data from the 2002 HILDA Survey wealth module, which will be run again in 2006 (wave 6).

The differences in men's and women's superannuation savings are clear. In the 25 to 44 age group, the median superannuation balance for men is double that of women. The median level of superannuation for women aged between 45 and 64 is around \$30000, compared to \$66000 for men between 45 and 54 years of age, and around \$86000 for men aged 55 to 64.

How much do people need to save for retirement?

What level of wealth do people require at retirement in order to generate an adequate income for the rest of their life? This is a much debated question, which has attracted a great deal of research within and outside Government (ASFA,

1999, 2004; Kelly, 2001, 2003). Australian Superannuation Funds Association (ASFA) suggests, as a basic rule of thumb, that in order to retire at the age of 55 the amount of savings required would be the desired income multiplied by 17. To retire at age 60 the multiplier is 15 and to retire at age 65 the multiplier is 13.⁴¹ Using this rule, for a couple to retire at age 60 they would need to have saved \$650250 to have a 'comfortable lifestyle' and \$353250 for a 'modest lifestyle'. The corresponding amounts for a single person are \$492000 for a 'comfortable lifestyle' and \$253950 for a 'modest lifestyle'. Looking at the net worth of households in which the reference person is 45 or over in 2002 (Table 24), it is clear that many will not be able to achieve this.⁴²

Table 23: Superannuation holdings and years in paid work of people who have not yet retired (2002)*

Gender and Age Group	Average number of years in paid work	% with super	Average super balance for those with super (\$)	Median super balance for those with super (\$)
Women				
15-24	2.1	55.2	4342	1000
25-44	12.6	83.0	28360	10000
45-54	24.2	87.4	69434	25000
55-59	30.5	82.4	69505	30000
60-64	33.9	83.3	89623	31000
65+	34.1	46.3	61875	4600
Total	14.6	76.9	36952	10000
Men				
15-24	2.4	59.8	6842	2000
25-44	15.8	92.5	46402	20000
45-54	30.7	92.1	122787	66000
55-59	38.6	84.2	189555	86427
60-64	43.3	79.2	155552	86000
65+	51.4	53.1	148103	100000
Total	19.6	83.4	69982	20100

*Population weighted results, Sample N = 10116. # Cell size less than 20.

⁴¹ It should be noted that these estimates take account of entitlement to a full or part pension in the case of individuals and couples whose non-pension incomes and assets do not exceed the prescribed limits.

⁴² This is particularly true for households in which the household head retired at a young age (before 55), which is more commonly a result of poor health rather than having enough savings to be able to retire comfortably. The HILDA Survey data indicates that many households in this situation have high levels of debt, which lead to low, or even negative, household net worth – hence the large difference in mean and median net worth in Table 24. Also note that the proportion of households in each 'household type' category in 2002, by age of household head, is shown in Table A31 (Appendix A). Table A32 (in Appendix A) shows mean and median household net worth in 2002, along with the proportion of households in each category.

A large component of household wealth is made up of fixed assets, such as the family home, which cannot contribute to the sum available to be invested in order to generate income in retirement. Table 25 shows the proportion of households where the family home is owned outright, by age of household reference person.

Table 24: Household net worth (\$'000, medians in brackets) 2002 – household head aged 45+ *

Household Type	Household net worth (\$'000) – means and medians				
	HH head 45-54	HH head 55-59	HH head 60-64	HH head 65+	HH head 45+
Single woman – retired	201 (2)	254 (7)	140 (1)	160 (62)	167 (35)
Single woman – not retired	202 (68)	223 (120)	201 (217)	381 (132)	224 (112)
Single man – retired	84 (5)	224 (68)#	325 (115)	238 (105)	236 (95)
Single man – not retired	287 (104)	298 (122)	246 (27)#	324 (130)#	289 (104)
Couple – both retired	186 (136)#	272 (241)	546 (395)	352 (204)	376 (218)
Couple – man retired	221 (0)	555 (235)	688 (720)#	343 (235)	415 (205)
Couple – both not retired	371 (187)	625 (340)	857 (479)	638 (288)	463 (249)
Couple – woman retired	621 (224)	478 (188)	442 (158)	466 (184)	493 (184)
Total	325 (124)	439 (188)	499 (231)	290 (137)	350 (148)

*Population weighted results, Sample N = 2968 households. # Cell size less than 20.

Table 25: Proportion of households whose home is owned outright – by age of household reference person (household reference person 45+) 2002*

Household Type	Age of household reference person				
	45-54 (%)	55-59 (%)	60-64 (%)	65+ (%)	45+ (%)
Single woman – not retired	49.5	71.5	81.3	84.6	61.6
Single woman – retired	48.7#	58.8#	59.8	74.2	70.8
Single man – not retired	40.1	58.4	46.8#	81.2#	49.3
Single man – retired	33.9#	38.6	69.0	73.7	66.5
Couple – both not retired	80.4	81.2	88.5	86.7	81.8
Couple – man retired	69.1#	75.5#	100.0#	89.9	82.8
Couple – woman retired	71.6#	92.7	88.8	91.7	88.9
Couple – both retired	91.8#	93.7	87.3	85.2	86.1

*Population weighted results, Sample N = 2443 households. # Cell size less than 20.

Over 80% of couple households where the household reference person is 45 or older owned their home outright. However, the proportion of single person households who owned their home outright was much smaller. Only 61.6% of single women and 49.3% of single men aged 45 and over and net yet retired owned their home. The figures are slightly better for single retirees – 70.8% of single retired women and 66.5% of single retired men aged 45 and over owned their own home.

The fact that many older people own their home outright, or have a very small mortgage, and exposure to the housing price boom in recent years has produced high levels of housing wealth. However, a large proportion of these people have limited wealth outside their home, therefore, it is more appropriate to focus on the financial assets of the household (Table 26).

Based on their current financial assets, a very high proportion of households do not have enough financial assets to be self-funding in retirement.⁴³ In terms of financial assets, single person households, and particularly single women, have the lowest capacity for self-funding in retirement. Single women aged 60 or over who have not yet retired had an average of \$58000 in financial assets, and, while single women between 55 and 59 averaged over \$100000 in financial assets, this is less than half the \$253950 required for a modest lifestyle. Single men who had not yet retired had accumulated considerably more financial assets than single

women, but the average was still below what was required for a modest lifestyle. Overall, a significant proportion of the current generation of older Australians have very little capacity to provide for themselves in retirement.

Given that the superannuation guarantee has only been in place since 1992 and the superannuation co-contribution scheme is still in its infancy, superannuation balances can be expected to rise over the next two decades. Kelly (2003) estimates that by 2031 average wealth, and the proportion of wealth made up of financial assets, will have increased. This increase in financial assets should be able to provide income to supplement and in some cases replace the public pension. It is also estimated (FaCS, 2002) that by 2050, with a fully mature superannuation system, no more than 75% of people aged 65 or over will receive age pension and only one third will receive the full age pension.

Coping with reduced income in retirement

Men and women who were completely retired and had ceased their paid job in 1990 or later were asked how their current income (from all sources including government benefits and pensions, superannuation, savings and investments) had lived up to their expectations at the time when they retired. Table 27 shows the proportion of retirees who thought their income was more, less, or about the same as they expected it would be at the time when they retired.

Table 26: Household financial assets (\$'000) 2002 – household head aged 45+*

Household Type	Household financial assets – means and medians				
	HH head 45-54	HH head 55-59	HH head 60-64	HH head 65+	HH head 45+
Single woman – retired	45 (0)	92 (1)	43 (2)	48 (10)	50 (7)
Single woman – not retired	89 (16)	102 (30)	58 (18)	58 (10)	86 (17)
Single man – retired	28 (0)	143 (1)	135 (11)#	110 (20)#	108 (12)
Single man – not retired	146 (49)	229 (17)#	161 (33)	239 (8)	173 (41)
Couple – both retired	252 (1)	112 (33)	273 (63)	155 (28)	175 (32)
Couple – both not retired	172 (75)	293 (105)	288 (133)#	250 (76)	204 (82)
Couple – man retired	91 (4)	347 (79)	387 (380)	101 (39)	205 (51)
Couple – woman retired	279 (112)#	237 (45)	263 (58)	178 (12)	235 (45)
Total	152 (45)	221 (52)	217 (50)	115 (18)	156 (32)

*Population weighted results, Sample N = 2968 households. # Cell size less than 20.

⁴³ Financial assets include superannuation, cash in bank accounts, equity investments, trust funds and life insurance.

A very high proportion of men and women thought their current income was less than they expected when they retired – 51.1% of men with partners and 58.6% of single men said their current income was either a little less, or much less than they expected when they retired.⁴⁴ Although 54.3% of single women said their current income was less than they expected at the time they retired, only 42.8% of partnered women reported this problem (still a high proportion but substantially lower than others).⁴⁵ It may be the case that partnered women had more realistic expectations of what their income would be in retirement.

Retirees were also asked about any actions they had taken, or intended to take, as a result of their financial circumstances. Tables 28 and 29 show the proportion of people who actually did these things, or intended to do so.

Table 27: Is your current income (from all sources, including government benefits and pensions, superannuation, savings and investments) more or less than you had expected it would be when you retired? (people aged 45+ who ceased their last paid job in 1990 or later)*

	Much less (%)	A little less (%)	About the same (%)	A little more (%)	Much more (%)	Total (%)
Women						
Single	35.6	18.7	34.9	9.5	1.4#	100.0
Partner retired	18.6	25.5	40.2	14.6	1.1#	100.0
Partner not retired	16.5	21.0	50.0	10.0#	2.5#	100.0
Total	23.6	22.5	40.4	12.1	1.5	100.0
Men						
Single	33.3	25.3	27.8	8.4#	5.2#	100.0
Partner retired	19.6	28.3	38.2	12.1	1.8#	100.0
Partner not retired	24.1	32.1	31.9	7.8#	4.1#	100.0
Total	23.2	28.4	34.9	10.6	2.9	100.0

*Population weighted results, Sample N = 1130. # Cell size less than 20.

⁴⁴ One possible explanation for this is that the returns on many superannuation funds were low or negative in the 2001-02 and 2002-03 financial years (HESTA, 2002, 2003), and women are more risk-averse when it comes to saving and investing. The HILDA data (2003) indicates that 11.0% of men, but only 4.5% of women said they were willing to take 'substantial' or 'above-average' financial risks, while 43.0% of women and 33.5% of men said they were not willing to take any financial risks at all.

⁴⁵ For more detailed analysis of household wealth and capacity for self-funding in retirement, see Headey et. al, 2005.

The most common action taken as a result of financial circumstances in retirement was to cut back on normal weekly spending. This was more common for women, particularly single women, with 43.8% saying they had cut down on weekly spending. Cutting down on less frequent expenditures was also common, with 40.2% of single women, 28.4% of single men, 24.2% of partnered women and 24.1% of partnered men reporting having had to do this.

It was more common for single women to say they had sold their house and moved to lower cost accommodation because of their financial circumstances. For some, down-sizing is a part of retirement planning rather than a result of unforeseen financial circumstances. While many retirees prefer to continue living in their family home, there has been a long standing pattern of older people moving to smaller houses in their retirement, often moving to coastal areas. For many retirees the sale of their family home gives them the opportunity to purchase a smaller house and use the balance to fund travel and other lifestyle purchases (Olsberg, et. al., 2004).

Table 28: As a result of your current financial circumstances, have you done any of these things? (people aged 45+ who ceased their last paid job in 1990 or later)*

	Which of these things have you done as a result of your financial circumstances?							
	Cut back on your normal weekly spending (%)	Cut back on less frequent expenditures such as holidays, new cars and large household goods (%)	Sold your house or moved to lower cost accommodation (%)	Take on paid work (%)	Sold something else you own, like a holiday house, a car or jewellery (%)	Shared housing with relatives or friends (%)	Rely on your (spouse / partner) going out to work or increasing their working hours (%)	None of the above (%)
Women								
Single	43.1	39.6	10.4	2.9#	5.3#	5.5#	0.7#	41.3
Partner retired	31.4	25.5	4.3#	0.9#	2.1#	0.0#	0.0#	57.9
Partner not retired	33.4	19.0#	2.7#	1.2#	1.1#	0.0#	14.9	55.8
Total	35.4	28.6	5.9	1.6	2.9#	1.7#	3.1#	52.3
Men								
Single	24.6	28.4	5.9#	2.3#	5.7#	2.8#	0.0#	57.6
Partner retired	26.7	24.2	4.2#	0.3#	2.8#	0.0#	14.5#	62.4
Partner not retired	26.1	22.1	1.7#	1.1#	5.0#	0.5	0.3#	53.8
Total	26.1	24.7	4.1	0.9	3.8	0.7#	2.8#	59.8

*Population weighted results, Sample N = 1160. # Cell size less than 20.

When asked about intentions to take these type of actions because of financial circumstances, very few said that they intended to do any of these things, suggesting that for most retirees, if they had experienced financial problems, they had already taken some action to rectify the situation. The most common action retirees intended to take as a result of financial circumstances was to cut back on weekly spending and less frequent expenditures.

Table 29: As a result of your current financial circumstances, do you intend to do any of these things? (people aged 45+ who ceased their last paid job in 1990 or later)*

Which of these things do you intend to do as a result of your financial circumstances?								
	Cut back on your normal weekly spending (%)	Cut back on less frequent expenditures such as holidays, new cars and large household goods (%)	Sell your house or move to lower cost accommodation (%)	Take on paid work (%)	Sell something else you own, like a holiday house, a car or jewellery (%)	Share housing with relatives or friends (%)	Rely on your (spouse / partner) going out to work or increasing their working hours (%)	None of the above (%)
Women								
Single	3.5#	3.0#	5.0#	3.1#	2.7#	1.9#	0.0#	81.6
Partner retired	7.5	6.8	4.3#	0.9#	0.8#	0.4#	0.7#	80.2
Partner not retired	8.0#	4.5#	5.9#	3.2#	3.6#	1.9#	2.5#	79.6
Total	6.3	5.2	4.8	2.0#	1.9#	1.1#	0.8#	80.5
Men								
Single	4.2#	3.3#	6.2#	1.7#	3.4#	1.0#	0.0#	79.5
Partner retired	5.4#	5.9#	4.0#	1.1#	2.3#	0.4#	0.0#	81.2
Partner not retired	8.5#	11.5#	8.2#	3.8#	2.2#	0.0#	1.1#	72.1
Total	5.7	6.4	5.2	1.7#	2.5#	0.5#	0.2#	79.2

*Population weighted results, Sample N = 1160. # Cell size less than 20.

Conclusions

The HILDA survey data indicates that there are differences in men's and women's reasons for retirement. While health is the most common reason men and women gave for retiring completely, 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.

Around 60% of fully and partly retired women said that retiring was something they wanted to do. For women and men who were fully retired, the proportion who felt they were pushed or forced to retire declined with age. For women, pressure to fully retire most commonly came from their doctor or their employer, but women experienced more pressure from their spouse or partner than men did. Over 20% of women who reported feeling pressure to retire said that at least some of that pressure had come from their spouse or partner.

Retirement is a happy period of life for most retirees, with average life satisfaction increasing with age. Regression analysis shows that good general health and mental health have a positive impact on life satisfaction in retirement for both men and women, as does living in an outer regional area. Being pressured to retire had a negative impact on life satisfaction in retirement. Women who were separated, divorced or never married had lower levels of life satisfaction than women with partners, while being widowed did not have a significant impact. For men, being single, or having a partner who was still employed had a negative impact on life satisfaction in retirement.

Compared to partnered women, single women were less likely to say that they enjoyed being retired, and, while single retirees got together with family and friends more often than retirees with partners, they were also more likely than partnered retirees to report feelings of loneliness.

At present, a high proportion of retirees have limited capacity for self funding in retirement. Single person households, and particularly single women, have the lowest capacity for self funding in retirement. With the maturation of the superannuation guarantee and the superannuation co-contribution scheme, superannuation balances are expected to increase substantially over the next two decades, but there is still the danger that people who have had periods of career interruption will not be able to accumulate adequate savings for comfortable lifestyle in retirement.



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Appendix A: Aspects of life in retirement, by gender and partner status.

Table A1: Would you say your standard of living is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	11.2	32.3	40.0	11.6	4.8#	100.0
Partner retired	5.2#	18.7	52.4	16.1	7.6	100.0
Partner not retired	3.2#	13.4#	59.5	19.2	4.6#	100.0
Men						
Single	9.4#	29.1	44.4	11.4	5.7#	100.0
Partner retired	3.2#	15.0	55.5	20.8	5.5	100.0
Partner not retired	0.6#	24.7	63.0	9.2#	2.5#	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A2: Would you say your financial security is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	15.7	37.1	32.6	9.8	4.7#	100.0
Partner retired	6.8#	28.7	46.3	15.4	2.8#	100.0
Partner not retired	4.2#	23.7	58.9	9.6#	3.6#	100.0
Men						
Single	13.9	32.9	36.3	13.1	3.8#	100.0
Partner retired	5.7	26.3	49.1	16.3	2.5#	100.0
Partner not retired	5.7	36.9	47.4	8.3	1.7#	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A3: Would you say your health is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	14.0	27.8	38.9	17.0	2.3#	100.0
Partner retired	5.7#	21.7	46.7	19.2	6.8#	100.0
Partner not retired	6.2#	26.1	42.8	16.3#	8.6#	100.0
Men						
Single	5.9#	38.7	40.8	9.3#	5.3#	100.0
Partner retired	7.7	26.3	47.7	13.6	4.6#	100.0
Partner not retired	12.0#	31.4	31.6	22.2	2.8#	100.0

*Population weighted results, Sample N = 1154. # Cell size less than 20.

Table A4: Would you say your relationship with your family is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	1.3#	3.4#	59.4	21.6	14.3	100.0
Partner retired	0.0#	1.4#	58.2	28.1	12.2	100.0
Partner not retired	0.0#	2.0#	61.7	27.5	8.8#	100.0
Men						
Single	5.9#	5.6#	67.5	15.6	5.4#	100.0
Partner retired	0.2#	0.5#	60.5	28.8	10.0	100.0
Partner not retired	0.0#	0.4#	66.3	19.8	13.4#	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A5: Would you say your relationship with your friends is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	3.2#	7.1#	58.1	23.4	8.1#	100.0
Partner retired	0.3#	6.2#	55.4	30.9	7.2	100.0
Partner not retired	0.0#	2.8#	73.8	15.4#	8.1#	100.0
Men						
Single	2.4#	4.1#	62.4	24.3	6.9#	100.0
Partner retired	0.2#	5.7#	66.7	22.1	5.3	100.0
Partner not retired	1.8#	3.4#	71.9	17.0	5.9#	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A6: Would you say your enjoyment of your leisure time is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	5.6#	8.7#	31.9	35.6	18.2	100.0
Partner retired	2.7#	7.6#	24.0	34.2	31.5	100.0
Partner not retired	0.9#	11.2#	26.6	43.4	17.9	100.0
Men						
Single	5.1#	16.3	24.8	31.1	22.7	100.0
Partner retired	1.2#	4.4#	25.5	47.5	21.4	100.0
Partner not retired	3.0#	6.9#	38.6	31.0	20.5	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A7: Would you say your amount of leisure time is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	1.4#	4.6#	28.2	34.9	30.9	100.0
Partner retired	2.1#	10.0	18.4	39.5	29.9	100.0
Partner not retired	1.8#	3.1#	31.7	41.2	22.2	100.0
Men						
Single	3.7#	5.6#	20.1	39.2	31.4	100.0
Partner retired	0.9#	4.3#	17.2	49.6	28.0	100.0
Partner not retired	0.5#	4.4#	18.8	45.3	31.0	100.0

*Population weighted results, Sample N = 1158. # Cell size less than 20.

Table A8: Would you say your overall happiness is better or worse since you retired?
(people aged 45+ who ceased their last paid job in 1990 or later)*

	Much worse (%)	Worse (%)	Same (%)	Better (%)	Much better (%)	Total (%)
Women						
Single	3.9#	10.7	38.9	25.7	20.8	100.0
Partner retired	1.1#	3.5#	37.8	31.2	26.4	100.0
Partner not retired	1.0#	6.8#	37.9	28.7	25.6	100.0
Men						
Single	6.6#	11.8	29.0	29.7	23.0	100.0
Partner retired	0.3#	4.8#	28.9	39.3	26.7	100.0
Partner not retired	2.5#	2.4#	32.0	40.9	22.2	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A9: I enjoy being retired*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	7.9#	11.5	9.7#	50.8	20.0	100.0
Partner retired	1.6#	7.3#	8.7	57.4	25.0	100.0
Partner not retired	0.0#	9.1#	11.4#	55.1	24.4	100.0
Men						
Single	6.3#	14.8	14.9	40.9	23.0	100.0
Partner retired	2.2#	9.0	8.0	55.5	25.2	100.0
Partner not retired	3.7#	13.9#	12.5#	50.8	19.0	100.0

*Population weighted results, Sample N = 1158. # Cell size less than 20.

Table A10: I am well adjusted to the changes following retirement*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	3.3#	8.4#	8.4#	63.6	16.4	100.0
Partner retired	0.4#	6.0#	6.9#	67.1	19.7	100.0
Partner not retired	0.0#	8.7#	6.7	67.4	17.2#	100.0
Men						
Single	5.0#	11.1#	5.9#	57.7	20.3	100.0
Partner retired	0.8#	6.8	7.5	63.2	21.8	100.0
Partner not retired	1.5#	10.8#	6.5#	64.9	16.2	100.0

*Population weighted results, Sample N = 1159. # Cell size less than 20.

Table A11: Retirement has been better than I expected*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	6.4#	21.0	28.1	36.6	7.8#	100.0
Partner retired	3.4#	11.1	21.9	53.6	10.0	100.0
Partner not retired	3.7#	14.0#	37.6	35.5	9.1#	100.0
Men						
Single	8.0#	20.9	21.4	41.0	8.8#	100.0
Partner retired	2.4#	16.0	27.2	44.9	9.6	100.0
Partner not retired	7.9#	15.1#	27.5	43.8	5.8#	100.0

*Population weighted results, Sample N = 1158. # Cell size less than 20.

Table A12: People don't respect me as much now that I am retired*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	22.6	42.3	20.9	11.7	2.5#	100.0
Partner retired	20.7	49.3	18.7	10.5	0.9#	100.0
Partner not retired	26.0	48.2	17.5#	8.3#	0.0#	100.0
Men						
Single	19.5	44.9	21.5	12.4#	1.8#	100.0
Partner retired	17.2	49.7	21.2	10.9	1.0#	100.0
Partner not retired	19.4	46.2	22.2	11.0#	1.2#	100.0

*Population weighted results, Sample N = 1158. # Cell size less than 20.

Table A13: I wish I had started to plan for retirement earlier*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	9.0#	28.1	21.7	24.9	16.4	100.0
Partner retired	5.6#	29.9	31.0	29.7	3.9#	100.0
Partner not retired	6.5#	32.3	23.7	29.6	7.9#	100.0
Men						
Single	3.0#	32.1	16.8	36.8	11.3#	100.0
Partner retired	5.8	42.6	20.0	23.3	8.3	100.0
Partner not retired	6.3#	35.6	18.8	30.7	8.6#	100.0

*Population weighted results, Sample N = 1157. # Cell size less than 20.

Table A14: I have had to adjust in to a big drop in my income since I retired*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	5.6#	18.3	9.1#	36.8	30.2	100.0
Partner retired	4.3#	22.4	15.7	43.1	14.5	100.0
Partner not retired	4.8#	33.0	18.3	24.1	19.8	100.0
Men						
Single	1.5#	15.5	12.1#	47.8	23.1	100.0
Partner retired	3.4#	19.8	14.9	47.7	14.3	100.0
Partner not retired	3.2#	17.7	16.4#	44.6	18.0	100.0

*Population weighted results, Sample N = 1158. # Cell size less than 20.

Table A15: I have real concern about my financial situation*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	10.3	38.1	13.1	22.4	16.2	100.0
Partner retired	8.2	45.7	17.8	22.2	6.0#	100.0
Partner not retired	8.0#	49.9	19.9	13.3#	9.0#	100.0
Men						
Single	9.0#	39.1	20.8	18.9	12.2#	100.0
Partner retired	8.2	46.7	20.8	20.6	3.8#	100.0
Partner not retired	7.3#	41.6	25.4	18.5	7.2#	100.0

*Population weighted results, Sample N = 1158. # Cell size less than 20.

Table A16: I would like to be still working*

	Strongly disagree (%)	Disagree (%)	Neither agree nor disagree (%)	Agree (%)	Strongly agree (%)	Total (%)
Women						
Single	23.8	29.8	10.2	25.1	11.1	100.0
Partner retired	32.3	37.6	13.4	13.2	3.5#	100.0
Partner not retired	26.0	41.1	4.5#	21.3#	7.1#	100.0
Men						
Single	20.0	26.2	10.7#	28.3	14.8	100.0
Partner retired	31.8	32.0	13.3	19.1	3.8#	100.0
Partner not retired	15.3#	31.8	13.2#	24.9	14.8#	100.0

*Population weighted results, Sample N = 1157. # Cell size less than 20.

Table A17: People don't come and visit me as often as I would like*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	37.9	42.6	19.4	100.0
Partner retired	38.7	48.1	13.2	100.0
Partner not retired	41.0	45.6	13.4	100.0
Men				
Single	33.9	40.6	25.5	100.0
Partner retired	31.5	53.8	14.8	100.0
Partner not retired	26.4	57.6	16.1	100.0

*Population weighted results, Sample N = 2179.

Table A18: I often need help from other people but can't get it*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	62.3	24.3	13.3	100.0
Partner retired	72.0	20.1	7.9	100.0
Partner not retired	69.8	20.8	9.5#	100.0
Men				
Single	57.0	29.7	13.3	100.0
Partner retired	63.6	25.5	10.9	100.0
Partner not retired	60.3	31.2	8.5#	100.0

*Population weighted results, Sample N = 2184. # Cell size less than 20.

Table A19: I seem to have a lot of friends*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	15.9	45.3	38.8	100.0
Partner retired	12.2	54.5	33.3	100.0
Partner not retired	13.9	49.5	36.6	100.0
Men				
Single	20.3	49.1	30.5	100.0
Partner retired	14.8	57.4	27.8	100.0
Partner not retired	22.1	52.9	24.9	100.0

*Population weighted results, Sample N = 2198.

Table A20: I don't have anyone that I can confide in*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	63.4	20.0	16.6	100.0
Partner retired	64.8	22.2	13.1	100.0
Partner not retired	67.4	17.1	15.5	100.0
Men				
Single	59.7	21.7	18.6	100.0
Partner retired	59.8	23.5	16.7	100.0
Partner not retired	60.1	26.4	13.6#	100.0

*Population weighted results, Sample N = 2190. # Cell size less than 20.

Table A21: I have no one to lean on in times of trouble*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	61.1	18.8	20.1	100.0
Partner retired	66.8	19.1	14.1	100.0
Partner not retired	66.5	20.6	12.9	100.0
Men				
Single	55.5	22.7	21.8	100.0
Partner retired	63.0	23.7	13.3	100.0
Partner not retired	63.5	18.6	17.9	100.0

*Population weighted results, Sample N = 2186.

Table A22: There is someone who can always cheer me up when I'm down*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	15.2	26.8	58.0	100.0
Partner retired	12.4	26.9	60.7	100.0
Partner not retired	10.8	25.2	63.9	100.0
Men				
Single	22.3	31.2	46.6	100.0
Partner retired	12.9	34.1	53.0	100.0
Partner not retired	19.9	30.0	50.0	100.0

*Population weighted results, Sample N = 2198.

Table A23: I often feel very lonely*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	44.7	31.0	24.3	100.0
Partner retired	61.7	25.4	13.0	100.0
Partner not retired	57.4	27.7	14.9	100.0
Men				
Single	39.7	32.6	27.7	100.0
Partner retired	66.8	24.2	9.1	100.0
Partner not retired	46.7	35.2	18.1	100.0

*Population weighted results, Sample N = 2198.

Table A24: I enjoy the time I spend with people who are important to me*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	3.7	8.8	87.6	100.0
Partner retired	4.2	6.0	89.8	100.0
Partner not retired	3.5#	8.4#	88.1	100.0
Men				
Single	8.8	11.4	79.8	100.0
Partner retired	7.4	11.2	81.5	100.0
Partner not retired	6.4#	7.4#	86.3	100.0

*Population weighted results, Sample N = 2220. # Cell size less than 20.

Table A25: When something's on my mind, just talking with the people I know can make me feel better*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	4.2	19.5	76.3	100.0
Partner retired	3.2	23.0	73.8	100.0
Partner not retired	7.0#	16.9	76.1	100.0
Men				
Single	7.3#	31.4	61.3	100.0
Partner retired	7.4	33.0	59.7	100.0
Partner not retired	7.9#	31.7	60.4	100.0

*Population weighted results, Sample N = 2210. # Cell size less than 20.

Table A26: When I need someone to help me out, I can usually find someone*

	Disagree (1-2) (%)	Neither agree nor disagree (3-5) (%)	Agree (6-7) (%)	Total (%)
Women				
Single	7.7	20.8	71.5	100.0
Partner retired	5.8	22.5	71.7	100.0
Partner not retired	5.7#	22.3	72.0	100.0
Men				
Single	12.0	27.4	60.6	100.0
Partner retired	6.8	27.8	65.3	100.0
Partner not retired	7.9#	28.5	63.6	100.0

*Population weighted results, Sample N = 2220. # Cell size less than 20.

Table A27: Marital status by gender and age group – people who retired from paid work since 1990*

	Age group				All 45+ (%)
	45-54 (%)	55-59 (%)	60-64 (%)	65+ (%)	
Women					
Legally married	13.1	13.9	17.8	24.6	69.5
De facto	0.3#	0.4#	0.0#	0.1#	0.8#
Separated	0.5#	1.3#	0.2#	0.7#	2.8#
Divorced	1.5#	1.6#	2.4#	3.9	9.4
Widowed	0.5#	1.8#	2.7#	9.1	14.1
Never married and not de facto	0.5#	0.9#	0.6#	1.4#	3.4
Total	16.3	19.9	23.9	39.8	100.0
Men					
Legally married	5.1	10.1	18.6	44.2	78.0
De facto	0.4#	0.7#	0.7#	0.7#	2.5#
Separated	0.5#	0.3#	1.3#	1.0#	3.1
Divorced	1.2#	1.5#	1.6#	2.2#	6.5
Widowed	0.0#	0.0#	0.2#	3.5	3.7
Never married and not de facto	1.2#	0.6#	2.1#	2.2	6.2
Total	8.5	13.2	24.4	53.9	100.0

*Population weighted results, Sample N = 1206. # Cell size less than 20.

Table A28: Proportion of mature age men and women with a long term health condition or disability, by age group and retirement status (2003)*

	Proportion who have a long term health condition or disability				
	45-54	55-59	60-64	65+	All 45+
Women					
Single woman – not retired	24.1	32.8	22.6	57.8	30.8
Single woman – retired	93.2	56.2	67.0	61.8	63.7
Couple – both not retired	15.9	19.4	36.0	33.8	18.2
Couple – man retired	28.6	25.6	38.7	56.0	40.7
Couple – woman retired	32.1	44.5	47.4	63.6	45.3
Couple – both retired	48.4	38.7	34.4	49.5	45.3
Men					
Single man – not retired	31.9	25.2	57.0	39.9	32.8
Single man – retired	70.3	72.6	69.2	62.6	65.5
Couple – both not retired	18.0	19.4	40.3	27.6	21.6
Couple – man retired	62.9	85.3	63.3	57.5	63.4
Couple – woman retired	22.6	33.6	23.3	45.3	31.4
Couple – both retired	84.3	63.9	54.2	60.6	60.8

*Population weighted results, Sample N = 5196.

Table A29: Household type by age of household head – proportion of total households (2003)*

	Age of household head						Total (%)
	< 44 (%)	45-54 (%)	55-59 (%)	60-64 (%)	65+ (%)	45+ (%)	
Single woman - not retired	9.0	3.1	0.9	0.4	0.7	5.1	14.1
Single woman - retired	n.a.	0.3	0.4	0.7	5.1	6.5	6.5
Single man - not retired	7.7	2.0	0.6	0.2	0.2	3	10.7
Single man - retired	n.a.	0.3	0.2	0.5	2.0	3	3.1
Couple - both not retired	26.7	6.7	2.5	1.2	0.5	10.9	37.7
Couple - man retired	n.a.	0.3	0.4	0.5	0.9	2.1	2.1
Couple - woman retired	n.a.	0.4	0.8	0.6	0.5	2.3	2.3
Couple - both retired	n.a.	0.3#	0.6	1.0	6.3	8.2	8.2
Other	5.6	4.8	2.1	0.9	2.0	9.8	15.3
Total	49.0	18.1	8.6	6.1	18.2	51.0	100.0

*Population weighted results, Sample N = 6690 households. # Cell size less than 20.

Table A30: Proportion of gross household income from government pensions or benefits (2003) – household reference person aged 45+ (The figure in brackets is proportion of total households in this category)*

Household Type	Proportion of gross household income from government pensions (means)				
	Age of household reference person				
	45-54 (%)	55-59 (%)	60-64 (%)	65+ (%)	45+ (%)
Single woman – retired	64.1 (0.3)	55.4 (0.4)	74.8 (0.7)	78.5 (5.1)	76.0 (6.5)
Single man – retired	67.3 (0.3)	63.2 (0.2)	57.9 (0.5)	72.4 (2.0)	68.7 (3.0)
Couple – both retired	39.6# (0.3)#	21.5 (0.6)	22.8 (1.0)	35.7 (6.3)	33.0 (8.2)
Couple – man retired	11.2 (0.3)	20.8 (0.4)	18.4 (0.5)	30.9 (0.9)	23.3 (2.1)
Couple – woman retired	7.3 (0.4)	6.5 (0.8)	3.8 (0.6)	16.6 (1.0)	8.1 (6.3)

*Population weighted results, Sample N = 1577 households. # Cell size less than 20.

Table A31: Household type by age of household head – proportion of total households (2002)*

	Age of household head						Total (%)
	< 44 (%)	45-54 (%)	55-59 (%)	60-64 (%)	65+ (%)	45+ (%)	
Single woman - not retired	8.4	2.7	0.9	0.4	0.5	4.5	13.0
Single woman - retired	n.a.	0.3	0.4	0.6	5.0	6.3	6.4
Single man - not retired	7.7	1.8	0.6	0.3#	0.2#	2.9	10.6
Single man - retired	n.a.	0.3	0.2#	0.5	1.8	2.8	2.8
Couple - both not retired	25.1	9.9	2.3	1.1#	0.5	13.8	39.0
Couple - man retired	n.a.	0.4	0.4	0.2	0.5	1.5	1.7
Couple - woman retired	n.a.	0.5	0.8	0.6	0.7	2.6	2.5
Couple - both retired	n.a.	0.2	0.5#	1.4	6.2	8.3	8.3
Other	6.4	4.5	1.8	1.2	1.8	9.3	15.7
Total	47.8	20.7	7.9	6.3	17.2	52.1	100.0

*Population weighted results, Sample N = 6741 households. # Cell size less than 20.

Table A32: Household net worth (\$'000, medians in round brackets, proportion of total households in square brackets) 2002 – household head aged 45+ *

Household Type	Household net worth (\$'000) – means and medians				
	HH head 45-54	HH head 55-59	HH head 60-64	HH head 65+	HH head 45+
Single woman – retired	201 (2) [0.3]	254 (7) [0.4]	140 (1) [0.6]	160 (62) [5.0]	167 (35) [6.3]
Single woman – not retired	202 (68) [2.7]	223 (120) [0.9]	201 (217) [0.4]	381 (132) [0.5]	224 (112) [4.5]
Single man – retired	84 (5) [0.3]	224 (68)# [0.2]#	325 (115) [0.5]	238 (105) [1.8]	236 (95) [2.8]
Single man – not retired	287 (104) [1.8]	298 (122) [0.6]	246 (27)# [0.3]#	324 (130)# [0.2]#	289 (104) [2.9]
Couple – both retired	186 (136)# [0.2]	272 (241)# [0.5]#	546 (395) [1.4]	352 (204) [6.2]	376 (218) [8.3]
Couple – man retired	221 (0) [0.4]	555 (235) [0.4]	688 (720)# [0.2]#	343 (235) [0.5]	415 (205) [1.5]
Couple – both not retired	371 (187) [9.9]	625 (340) [2.3]	857 (479) [1.1]#	638 (288) [0.5]	463 (249) [13.8]
Couple – woman retired	621 (224) [0.5]	478 (188) [0.8]	442 (158) [0.6]	466 (184) [0.7]	493 (184) [2.6]

*Population weighted results, Sample N = 2968 households. # Cell size less than 20.

Appendix B: Regression Results

Table B1: Probit coefficient estimates (marginal effects) for whether partly retired – employed men and women aged 45+

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Age	0.010*	0.005	0.011*	0.004
Age Squared	0.000	0.000	-0.000*	0.000
Marital Status (control = married)				
De Facto	-0.005	0.008	-0.005	0.007
Separated	-0.012	0.006	-0.012	0.005
Divorced	-0.007	0.006	-0.001	0.009
Widowed	-0.003	0.008	0.020	0.043
Never married	0.018	0.024	-0.009	0.006
Education (control = year 12)				
Postgraduate Degree	0.037**	0.034	0.005	0.016
Bachelor Degree	0.008	0.017	-0.004	0.010
Diploma	-0.001	0.012	0.044**	0.040
Certificate	-0.003	0.010	0.012	0.015
Year 11 or below	0.002	0.011	0.003	0.013
Location (control = major city)				
Inner regional	0.003	0.006	0.000	0.006
Outer regional	-0.002	0.007	0.016**	0.013
Remote	0.016	0.028	0.005	0.019
Country of birth (control = Australia)				
Mainly English speaking country	0.013	0.012	0.005	0.008
Non-English speaking country	-0.001	0.007	0.000	0.007
Partner's employment status (control = employed)				
Unemployed	0.007	0.045	0.013	0.034
Not in the labour force	0.001	0.008	0.012**	0.009
Contract of employment (Control = permanent)				
Fixed term contract	0.061*	0.041	-0.008	0.008
Casual	0.035*	0.016	0.040*	0.022
Self-employed	0.077*	0.033	0.030*	0.014
Work Schedule (control = regular day or evening shift)				
Regular night shift	-0.011	0.006	0.032	0.046
Rotating shift	-0.012	0.006	0.061*	0.047
Split shift	0.003	0.018	-	-
On call	0.023	0.026	-0.005	0.007
Irregular shifts	-0.004	0.005	0.004	0.007
Occupation (control = professionals)				
Managers	-0.090	0.034	-0.101	0.053
Associate professionals	0.004	0.010	0.014**	0.008

Table B1: Probit coefficient estimates (marginal effects) for whether partly retired – employed men and women aged 45+ (continued)

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Tradespersons	0.064	0.043	0.027*	0.010
Advanced clerical/sales/service	0.003	0.010	-0.002	0.010
Intermediate clerical/sales/service	0.005	0.011	0.020*	0.010
Intermediate production and transport	0.011	0.014	0.020*	0.010
Elementary clerical/sales/service	0.005	0.012	0.021*	0.010
Labourers and related workers	0.005	0.012	0.023*	0.010
Industry (Control = Health and community services)				
Agriculture	0.014	0.025	0.052**	0.050
Mining			-0.009	0.010
Manufacturing	0.009	0.019	0.007	0.018
Electricity, gas and water			0.003	0.034
Construction	-0.003	0.013	0.015	0.024
Wholesale trade	0.002	0.016	-0.003	0.014
Retail trade	0.003	0.013	0.002	0.015
Accommodation/cafes	0.038	0.040	0.014	0.030
Transport and storage	0.041	0.055	-0.009	0.007
Communication				
Finance and insurance	-0.005	0.015	0.018	0.040
Property and business services	0.009	0.014	0.004	0.013
Government	-0.012	0.006	0.009	0.023
Education	0.013	0.013	0.019	0.025
Cultural and recreational services	0.041**	0.043	0.010	0.026
Personal and other services	0.000	0.014	0.007	0.019
Long term health condition	0.015*	0.009	0.001	0.005
Household gross income (\$'000, 2003) ^a	0.000	0.000	0.000*	0.000
Working part time	0.100*	0.023	0.253*	0.049
Public sector	0.001	0.008	0.012	0.016
Aboriginal or Torres Strait Islander	-	-	0.058	0.086
Carer	0.009	0.009	-0.005	0.006
Obs. P		0.126		0.109
Pred. P		0.013		0.013
Number of observations		1156		1380
Pseudo R-squared		0.488		0.551

* significant at the 5% level, ** significant at the 10% level.

^a Coefficients and standard errors for household gross income round to 0.00. the actual values are: women 0.000329 (coef.) and 0.0000295 (s.e.), men 0.000642 (coef.) and 0.0000285 (s.e.).

Table B2: OLS estimates: expected retirement age of employed men and women 45+

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Age	-0.625	0.408	-1.733*	0.296
Age Squared	0.010*	0.004	0.019*	0.003
Marital Status (control = married)				
De facto	0.852	0.596	0.188	0.509
Separated	3.720*	0.680	0.729	0.778
Divorced	2.214*	0.487	1.175*	0.547
Widowed	1.958*	0.715	1.791	1.642
Never married	3.168*	0.699	0.561	0.674
Education (control = year 12)				
Postgraduate Degree	0.398	0.744	1.323**	0.697
Bachelor Degree	0.624	0.702	0.859	0.681
Diploma	-0.900	0.747	0.411	0.687
Certificate	-0.929	0.632	0.220	0.583
Year 11 or below	-1.531*	0.622	0.286	0.620
Location (control = major city)				
Inner regional	-0.256	0.381	-0.474	0.349
Outer regional	-0.126	0.528	-0.182	0.451
Remote	-0.820	0.957	-0.672	0.805
Country of birth (control = Australia)				
Mainly English speaking country	0.315	0.483	0.354	0.385
Non-English speaking country	0.520	0.965	0.527	0.914
Industry (Control = Health and community services)				
Agriculture	0.532	0.966	1.117	0.971
Mining	-0.192	4.668	-1.907**	1.139
Manufacturing	-1.492**	0.776	-0.619	0.799
Electricity, gas and water	0.633	2.649	-1.890**	1.137
Construction	-1.004	1.498	-0.791	0.857
Wholesale trade	0.414	0.844	-0.138	0.911
Retail trade	-1.226**	0.673	-0.346	0.866
Accommodation/cafes	-1.411	0.912	-2.116*	1.071
Transport and storage	-1.213	1.096	-1.521**	0.904
Communication	-0.034	1.133	-1.590	1.073
Finance and insurance	-1.423	0.890	-1.967**	1.158
Property and business services	-0.315	0.627	0.635	0.792
Government	0.131	0.726	-1.110	0.843
Education	-1.507*	0.505	-0.931	0.826
Cultural and recreational services	-0.665	1.030	0.693	1.276

Table B2: OLS estimates: expected retirement age of employed men and women 45+ (continued)

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Personal and other services	-1.347**	0.760	-0.579	0.904
Occupation (control = professionals)				
Managers	2.298	3.472	-3.304	2.701
Associate professionals	-0.132	0.523	0.448	0.438
Tradespersons	-0.293	0.703	0.611	0.456
Advanced clerical/sales/service	-0.446	0.604	0.933	0.676
Intermediate clerical/sales/service	-0.405	0.610	0.410	0.466
Intermediate production and transport	-0.383	0.661	0.417	0.474
Elementary clerical/sales/service	-0.746	0.645	0.446	0.479
Labourers and related workers	-0.693	0.659	0.493	0.480
Aboriginal or Torres Strait Islander	-1.013	2.642	1.349	1.375
English first language	0.596	1.030	0.927	0.972
Long term health condition	0.129	0.369	0.291	0.336
Weekly wage (all jobs)	0.000	0.000	-0.001*	0.000
Own superannuation balance (2002)	-0.004*	0.002	-0.002*	0.001
Household net worth (2002)	0.000	0.000	-0.001*	0.000
Household gross income (2003)	-0.004	0.003	0.003	0.002
Job satisfaction	0.103	0.086	0.136*	0.078
Working part time	-1.012*	0.340	-0.375	0.445
Public sector	-0.394	0.443	-2.017*	0.506
Carer	-0.342	0.429	-0.401	0.462
Constant	70.028	11.068	100.732	8.395
Number of observations		939		1127
R-squared		0.360		0.336
Adjusted R-squared		0.322		0.304

* significant at the 5% level, ** significant at the 10% level.

Table B3: OLS estimates: expected retirement age of single employed men and women 45+

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Age	-0.797	0.786	-1.756**	0.890
Age Squared	0.010	0.007	0.019*	0.008
Education (control = year 12)				
Postgraduate Degree	-2.767	1.815	-0.179	2.585
Bachelor Degree	-2.416	1.737	-3.056	2.306
Diploma	-4.458*	1.881	3.070	2.300
Certificate	-4.081*	1.693	1.288	1.821
Year 11 or below	-3.991*	1.714	1.485	1.889
Location (control = major city)				
Inner regional	-0.276	0.813	-0.148	1.301
Outer regional	0.646	1.123	-0.905	1.303
Remote	-1.829	2.389	-2.678	2.430
Country of birth (control = Australia)				
Mainly English speaking country	1.808**	0.986	-1.536	1.423
Non-English speaking country	0.071	2.032	13.472	8.189
Industry (Control = Health and community services)				
Agriculture	-3.253	2.557	3.314	3.407
Mining	-	-	1.070	3.878
Manufacturing	-1.314	1.518	0.562	2.614
Electricity, gas and water	-	-	6.709	5.664
Construction	-	-	0.674	2.664
Wholesale trade	0.015	1.915	0.588	2.777
Retail trade	-2.391	1.477	1.568	2.768
Accommodation/cafes	-0.110	1.909	-0.160	2.949
Transport and storage	0.529	3.515	-2.197	2.752
Communication	3.121	2.523	-2.357	3.507
Finance and insurance	-2.427	1.922	-6.842	6.426
Property and business services	0.970	1.237	4.490**	2.680
Government	-0.244	1.293	3.502	2.757
Education	-0.926	0.978	1.086	2.447
Cultural and recreational services	-3.158	2.061	-0.513	5.712
Personal and other services	-0.678	1.495	5.776	3.670
Occupation (control = professionals)				
Managers	7.236	6.847	-14.360	10.356
Associate professionals	-0.438	1.023	2.536	1.746
Tradespersons	-1.304	1.291	2.464	1.707
Advanced clerical/sales/service	-0.996	1.221	2.335	2.261

Table B3: OLS estimates: expected retirement age of single employed men and women 45+ (continued)

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Intermediate clerical/sales/service	-1.294	1.233	2.276	1.797
Intermediate production and transport	-1.746	1.338	2.108	1.807
Elementary clerical/sales/service	-1.772	1.296	2.355	1.837
Labourers and related workers	-1.623	1.324	2.507	1.856
Aboriginal or Torres Strait Islander	-0.268	3.573	0.017	4.028
English first language	-0.109	2.291	13.634	8.407
Long term health condition	0.342	0.726	-0.751	1.066
Weekly wage (all jobs)	0.000	0.000	0.001	0.001
Own superannuation balance (2002)	-0.010*	0.004	-0.005	0.004
Household net worth (2002)	0.000	0.001	-0.001	0.001
Household gross income (2003)	-0.002	0.007	-0.012	0.014
Job satisfaction	0.021	0.159	0.096	0.240
Working part time	-0.659	0.704	1.936	1.559
Public sector	0.259	0.832	-3.709*	1.770
Carer	0.218	0.929	2.824**	1.576
Constant	86.342	21.752	85.136	27.176
Number of observations	277		167	
R-squared	0.279		0.507	
Adjusted R-squared	0.142		0.312	

* significant at the 5% level, ** significant at the 10% level.

Table B4: OLS estimates: expected retirement age of partnered and employed women 45+

	Specification 1		Specification 2	
	Coef.	S.E.	Coef.	S.E.
Age	-0.956**	0.503	-0.764	0.605
Age Squared	0.014*	0.005	0.011*	0.006
Education (control = year 12)				
Postgraduate Degree	1.168	0.855	1.621	1.002
Bachelor Degree	1.162	0.826	1.799**	0.991
Diploma	-0.387	0.853	0.709	0.999
Certificate	-0.398	0.700	-0.048	0.848
Year 11 or below	-1.438*	0.674	-1.083	0.829
Location (control = major city)				
Inner regional	-0.147	0.455	0.221	0.522
Outer regional	-0.280	0.621	0.082	0.742
Remote	-0.329	1.171	-0.626	1.257
Country of birth (control = Australia)				
Mainly English speaking country	-0.202	0.568	-0.196	0.674
Non-English speaking country	0.716	1.140	1.281	1.269
Industry (Control = Health and community services)				
Agriculture	-0.228	1.165	-0.548	1.390
Mining	0.611	4.461	0.402	4.532
Manufacturing	-1.143	0.936	-1.103	1.115
Electricity, gas and water	6.391	4.357	7.387**	4.349
Construction	-1.890	1.609	-0.988	2.032
Wholesale trade	0.112	0.972	0.527	1.045
Retail trade	-1.090	0.802	-0.727	0.937
Accommodation/cafes	-2.108**	1.095	-2.108	1.396
Transport and storage	-1.025	1.235	-1.175	1.558
Communication	-1.058	1.267	-0.170	1.384
Finance and insurance	-1.373	1.024	-0.503	1.159
Property and business services	-0.801	0.765	0.456	0.902
Government	-0.305	0.961	0.902	1.107
Education	-1.853*	0.639	-1.569*	0.736
Cultural and recreational services	-1.375	1.241	-0.066	1.402
Personal and other services	-2.380*	0.939	-1.974**	1.033
Occupation (control = professionals)				
Managers	1.499	4.234	-0.937	5.152
Associate professionals	-0.262	0.640	0.136	0.761
Tradespersons	0.596	0.943	0.934	1.300
Advanced clerical/sales/service	-0.401	0.732	0.022	0.888

Table B4: OLS estimates: expected retirement age of partnered and employed women 45+ (continued)

	Specification 1		Specification 2	
	Coef.	S.E.	Coef.	S.E.
Intermediate clerical/sales/service	-0.392	0.736	0.049	0.892
Intermediate production and transport	-0.365	0.795	0.087	0.971
Elementary clerical/sales/service	-0.783	0.780	-0.299	0.947
Labourers and related workers	-0.725	0.794	-0.358	0.965
Aboriginal or Torres Strait Islander	-0.622	4.357	0.259	4.350
English first language	1.368	1.192	1.550	1.334
Long term health condition	-0.438	0.460	-0.484	0.527
Weekly wage (all jobs)	-0.001*	0.001	-0.002*	0.001
Own superannuation balance (2002)	-0.003	0.002	-0.001	0.002
Household net worth (2002)	0.000	0.000	-0.001*	0.000
Household gross income (2003)	-0.004	0.003	-0.001	0.003
Job satisfaction	0.201**	0.113	0.204	0.138
Working part time	-1.307*	0.427	-1.360*	0.500
Public sector	-0.397	0.575	-0.269	0.661
Carer	-0.311	0.504	-0.391	0.573
Relationship satisfaction	-0.071	0.092	-0.140	0.113
Partner's expected retirement age	-	-	0.213*	0.047
Partner's employment status (control = employed)				
Unemployed	0.686	1.671	-	-
Not in the labour force	-1.142**	0.683	-	-
Constant	76.972	13.581	58.820	16.654
Number of observations	590		440	
R-squared	0.396		0.418	
Adjusted R-squared	0.340		0.345	

* significant at the 5% level, ** significant at the 10% level.

Table B5: OLS estimates: expected retirement age of partnered and employed men 45+

	Specification 1		Specification 2	
	Coef.	S.E.	Coef.	S.E.
Age	-1.651*	0.327	-1.435*	0.478
Age Squared	0.018*	0.003	0.016*	0.004
Education (control = year 12)				
Postgraduate Degree	1.785*	0.783	1.218	1.025
Bachelor Degree	1.426**	0.761	1.572	0.985
Diploma	0.272	0.779	-0.474	0.989
Certificate	0.369	0.668	0.727	0.870
Year 11 or below	0.442	0.707	0.547	0.927
Location (control = major city)				
Inner regional	-0.330	0.376	-0.365	0.479
Outer regional	-0.075	0.498	0.725	0.694
Remote	0.509	0.902	0.966	1.070
Country of birth (control = Australia)				
Mainly English speaking country	0.600	0.407	0.746	0.510
Non-English speaking country	0.873	0.973	-0.637	1.409
Industry (Control = Health and community services)				
Agriculture	0.504	1.090	-0.837	1.523
Mining	-2.029	1.239	-2.942**	1.680
Manufacturing	-1.064	0.896	-0.382	1.259
Electricity, gas and water	-2.261**	1.227	-3.560*	1.798
Construction	-1.269	0.967	-2.410**	1.368
Wholesale trade	-0.378	1.025	-1.150	1.389
Retail trade	-0.915	0.981	-1.628	1.348
Accommodation/cafes	-2.317**	1.255	-1.930	1.682
Transport and storage	-1.681**	1.021	-1.133	1.447
Communication	-1.892	1.187	-1.662	1.584
Finance and insurance	-2.123**	1.248	-1.418	1.733
Property and business services	-0.157	0.887	-0.512	1.249
Government	-1.871*	0.949	-2.286	1.401
Education	-1.423	0.937	-2.692*	1.288
Cultural and recreational services	-0.880	1.425	-1.561	2.031
Personal and other services	-1.250	0.983	-1.392	1.357
Occupation (control = professionals)				
Managers	-1.653	2.961	-4.512	3.834
Associate professionals	0.076	0.479	0.683	0.614
Tradespersons	0.183	0.501	0.880	0.640
Advanced clerical/sales/service	1.076	0.801	0.345	1.014

Table B5: OLS estimates: expected retirement age of partnered and employed men 45+ (continued)

	Specification 1		Specification 2	
	Coef.	S.E.	Coef.	S.E.
Intermediate clerical/sales/service	0.038	0.507	0.892	0.660
Intermediate production and transport	0.124	0.515	0.890	0.667
Elementary clerical/sales/service	0.125	0.523	0.784	0.683
Labourers and related workers	0.174	0.521	0.816	0.676
Aboriginal or Torres Strait Islander	0.616	1.840	0.199	2.523
English first language	1.151	1.039	0.098	1.518
Long term health condition	0.429	0.371	0.674	0.473
Weekly wage (all jobs)	-0.001*	0.000	-0.001*	0.000
Own superannuation balance (2002)	-0.001	0.001	-0.002**	0.001
Household net worth (2002)	-0.001*	0.000	-0.001*	0.000
Household gross income (2003)	0.003	0.002	0.006*	0.003
Job satisfaction	0.131	0.086	0.038	0.113
Working part time	-0.396	0.487	0.313	0.639
Public sector	-1.742*	0.546	-1.050	0.721
Carer	-0.658	0.497	-0.606	0.625
Relationship satisfaction	-0.043	0.080	-0.015	0.119
Partner's expected retirement age	-	-	0.198*	0.040
Partner's employment status (control = employed)				
Unemployed	0.200	1.327	-	-
Not in the labour force	-0.603**	0.360	-	-
Constant	98.571	9.268	82.737	13.859
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Number of observations	893		476	
R-squared	0.349		0.412	
Adjusted R-squared	0.310		0.345	

* significant at the 5% level, ** significant at the 10% level.

Table B6: OLS estimates of life satisfaction of fully retired men and women

	Women		Men	
	Coef.	S.E.	Coef.	S.E.
Age Group (control = 45-54)				
55-59	0.010	1.579	-5.684*	2.350
60-64	0.720	1.538	-5.036*	2.180
65+	2.896*	1.405	-2.704	2.028
Marital Status (control = married or de facto)				
Separated or divorced	-3.921*	1.262	-5.579*	1.541
Widowed	-1.113	0.957	-5.448*	1.705
Never married	-5.479*	2.142	-3.383**	1.894
Pressure to retire (control = retired voluntarily)				
Pressured to retire	-2.820*	0.893	-3.188*	1.065
Part pressured, part voluntary	0.327	1.275	-0.516	1.483
Location (control = major city)				
Inner regional	1.172	0.871	0.295	1.057
Outer regional	2.985*	1.193	2.385**	1.389
Remote	0.989	3.210	2.846	4.432
Country of birth (control = Australia)				
Mainly English speaking country	0.408	1.072	0.166	1.286
Non-English speaking country	-0.307	1.243	-2.680**	1.404
Aboriginal or Torres Strait Islander	-2.008	4.138	8.001	5.698
Partner employed	0.304	1.287	-3.635*	1.783
Household gross income (2003)	0.005	0.008	0.006	0.013
General health	0.114*	0.019	0.075*	0.024
Mental health	0.305*	0.024	0.371*	0.031
Carer	-1.304	1.252	2.017	1.573
Constant	54.031	2.117	56.407	2.867
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Number of observations	1220		918	
R-squared	0.315		0.327	
Adjusted R-squared	0.304		0.313	

* significant at the 5% level, ** significant at the 10% level.



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