

Cost of Living Longer Report



Contents

About the report	03	Superannuation	17
Key findings	04	Super challenges	18
Financial challenges	07	The aged pension	19
The challenge of rising costs	08	Living on a pension	20
Life impacts	09	Making it last	22
Sacrifice made	11	Budgeting behaviours	23
Staying on top of it	13	Balancing the 'now and then'	25
Connecting with community	14		
Barriers to connect	15		
Efforts to stay connected	16		



About the report

The Cost of Living Longer Report forms part of the Australian Seniors Research Series. In its latest instalment, this study explores how Australian seniors are navigating the financial pressures of the rising cost of living.

The research focuses on the financial challenges they are facing and the strategies being employed to make ends meet. The report also investigates the adequacy of the aged pension and superannuation to meet financial needs in retirement.

Beyond just financial implications, the research examines the emotional, mental, and social impacts of the cost of living crisis on older Australians.

The report is compiled based on research commissioned by Australian Seniors and conducted by MYMAVINS between 25th July and 2nd Aug 2024. The research was conducted via a quantitative online survey, gathering 1,205 responses from Australians aged 50 and above.

The sample is broadly representative of this empty nester population in terms of age, gender, wealth, and state/territory.

Important things to observe about the charts and figures

- Footnotes directly underneath the charts mainly refer to the sampling involved per question. This is to differentiate who was asked that particular question in the survey.
- Charts without a specific note represent questions that were asked to all respondents.
- The types of questions asked are also noted. For instance, 'Multiple responses allowed' appears when the question called for more than one response from the respondent.
- Some charts and figures may not be equal to 100% due to rounding differences. This is also true for summed up figures.
- Figures were determined from self-reported estimates provided by respondents.
- Outliers have been removed from certain figures. A specific note accompanies the data wherever this is applied.

Key findings



Key findings

Financial challenges of making ends meet

- Nearly 3 in 5 seniors (58%) face moderate to severe financial challenges due to the rising cost of living.
- Financial constraints have led nearly 3 in 5 (58%) to cut back on expenditure to maintain a healthy lifestyle.
- Nearly 3 in 5 (59%) struggle to pay for essential expenses and other core needs.
- Despite struggle, over 4 in 5 (81%) seniors have not sought financial assistance or support services in recent years.

Impacts of the rising cost of living

- Exactly 1 in 4 (25%) are very or extremely worried about their finances.
- Close to 1 in 4 (23%) experience considerable impacts on their emotional wellbeing due to financial worries.
- Around 2 in 5 (43%) report a moderate to severe decline in their quality of life over the past 2 years.
- Nearly 4 in 5 (79%) make daily sacrifices to manage finances, including dining out less (60%) and limiting social activities (46%). Over 1 in 2 (52%) have felt the impact of financial stresses on their social interactions. More than 1 in 3 (34%) avoid social events due to cost, and over 1 in 4 (26%) find themselves not being in the mood to socialise.

Reverse mortgages

- Less than 1 in 20 (4%) have borrowed money using equity from their home to help fund their retirement and only a further 1 in 10 (11%) are likely to consider this.

Superannuation challenges

- Nearly 3 in 5 (58%) with superannuation feel these savings are insufficient for retirement.
- Close to 3 in 4 (73%) acknowledge the 'gender super gap', and over 2 in 5 (43%) senior women believe that a 'gender super gap' has left them or will leave them without enough money in retirement.

Managing on a pension

- More than 1 in 2 (55%) pensioners believe that the rising cost of living is impacting their ability to manage on a pension.
- Close to 7 in 10 (69%) believe the aged pension alone is not/will not be enough to cover their living costs. A further 1 in 5 (21%) are unsure.
- Moreover, nearly 3 in 4 (74%) are worried that inflation and rising interest rates are making the situation worse.

Connecting with the community

- Around 3 in 4 (76%) think that the cost of some social spaces have become too expensive, with restaurants or cafes (66%) and theatres or cinemas (53%) topping the list.
- Only 3 in 10 (30%) are satisfied with the availability of affordable social and recreational activities around their area.
- High cost (30%) is the most commonly cited obstacle to accessing community services.

Budgeting now for then

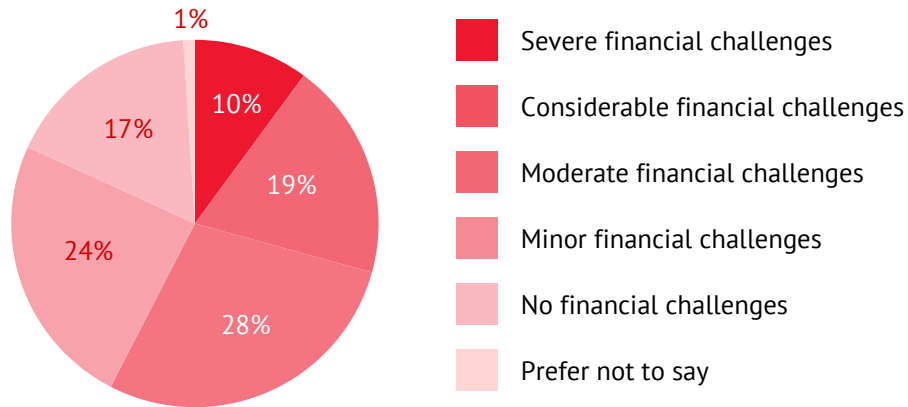
- Around 4 in 5 (81%) have adopted strategies to stretch their budgets, the most common being reducing takeaway and dining out (59%) and cutting utility consumption (47%).
- Over 4 in 5 (81%) have been considering ways to balance saving for the future while enjoying their current years, but this can often involve sacrifices like cancelling travel plans (36%).
- While more than 1 in 2 (53%) rely on support networks or resources for financial advice, most commonly family or friends (22%), the remainder (47%) report having no support networks or resources for their financial decision making.

Financial challenges



The challenge of rising costs

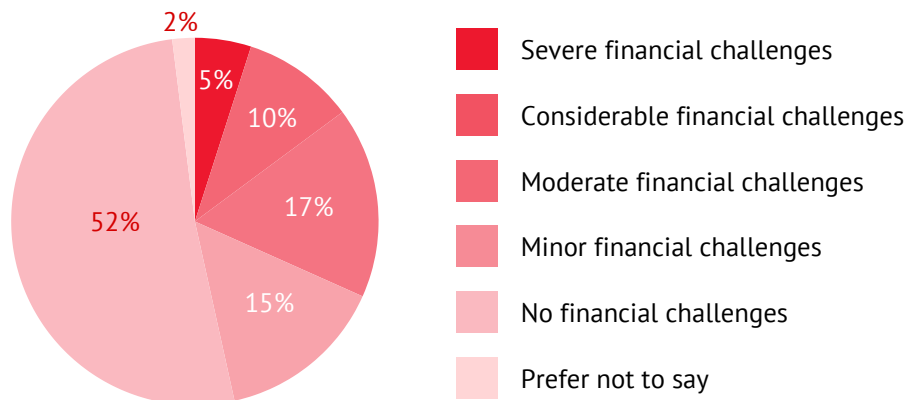
Have you experienced any financial challenges recently due to rising cost of living?



Nearly 3 in 5 (58%) face moderate to severe financial challenges due to rising costs.

Further, 1 in 4 seniors are either very (13%) or extremely (12%) worried about finances these days.

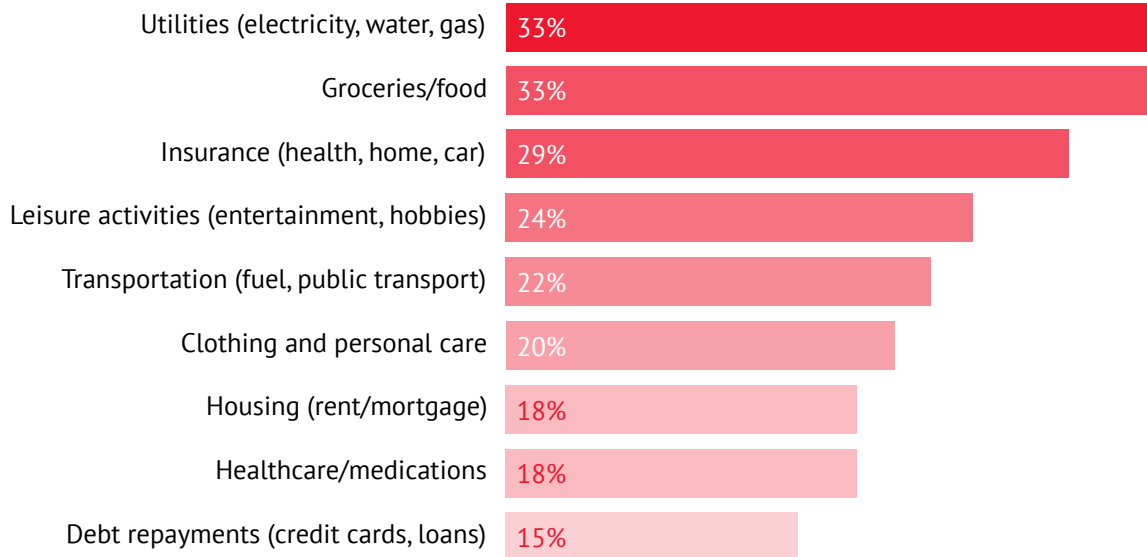
Have you experienced any financial challenges recently due to interest rate hikes?



About 1 in 3 (32%) face at least moderate financial challenges dealing with interest rate hikes, even more so among Gen X entering their senior years (44%) who are likely still paying off mortgages.

Life impacts

Are you struggling to pay for any of the following these days?

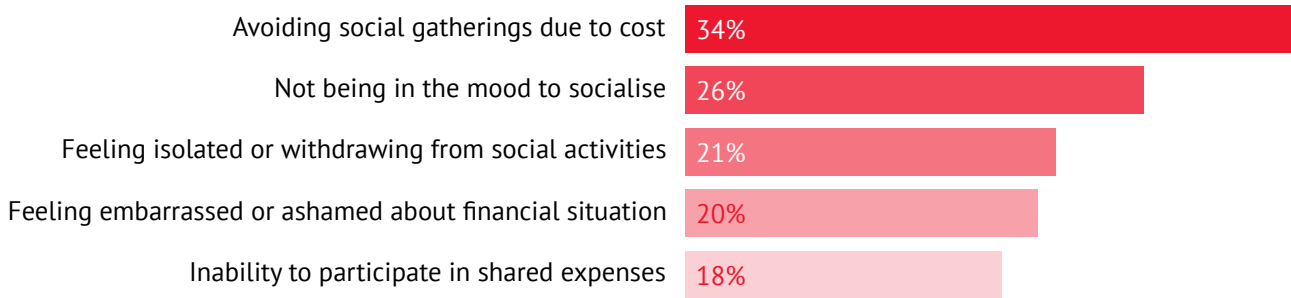


**Multiple answers allowed. Top 9 responses only.*

Nearly 3 in 5 (59%) admit to struggling to pay for largely essential needs. Topping the list are utilities (33%), groceries/food (33%), and insurance (29%).

Despite struggle, over 4 in 5 (81%) have not sought financial assistance or support services in recent years to help manage costs.

Can you recall any specific instances where financial stress has impacted your relationships or social interactions?



**Multiple answers allowed. Top 5 responses only.*

Over 1 in 2 (52%) have felt the impact of financial stresses on their social interactions, with more than 1 in 3 (34%) avoiding social gatherings due to cost and over 1 in 4 (26%) finding themselves not in the mood to socialise.

Nearly 2 in 5 (43%) report experiencing moderate to severe impacts of financial worries on their emotional wellbeing.

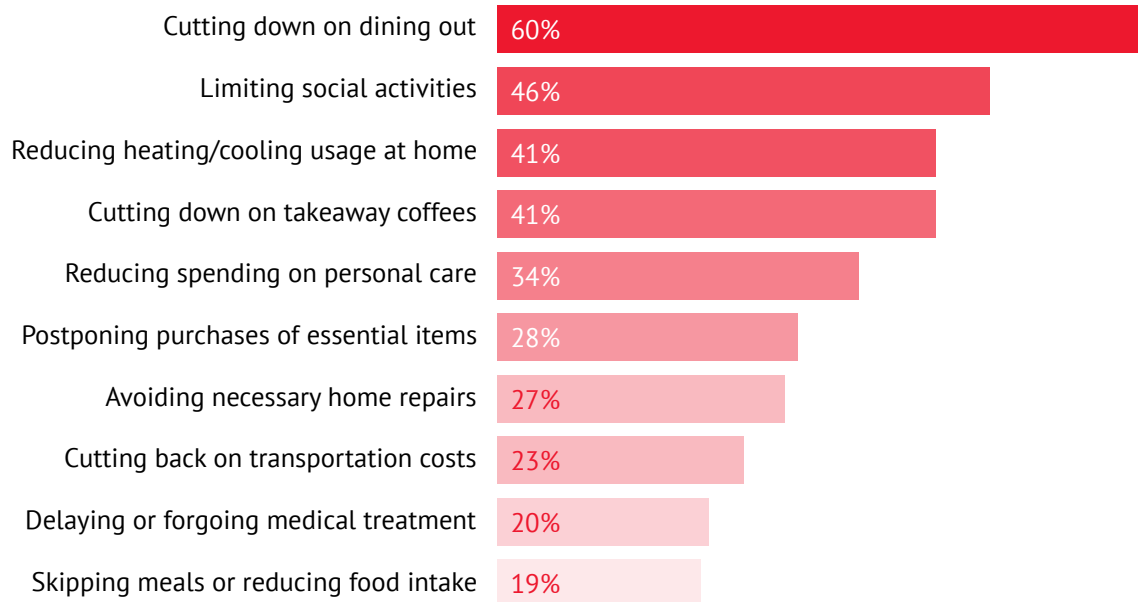
Around 2 in 5 seniors (43%) have noticed a decline in their overall quality of life in the past 2 years, with half of these (21%) experiencing a severe or considerable decline.

However, nearly 1 in 2 (47%) do not seek support for the financial pressures they are under.



Sacrifices made

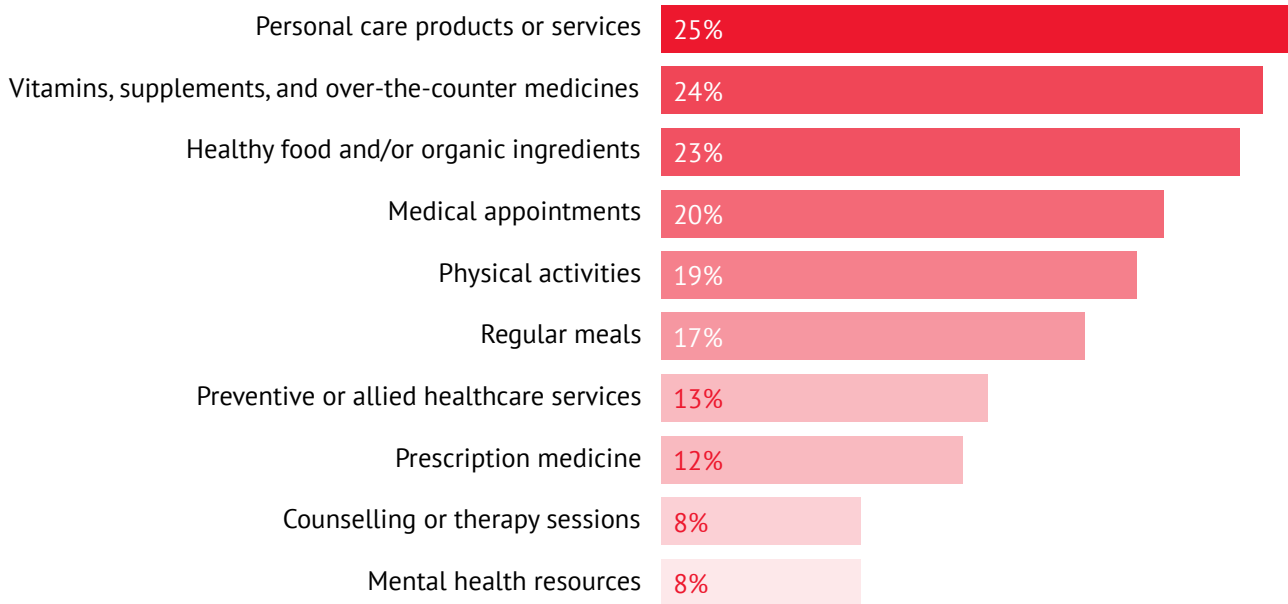
Have you been making any of the following everyday sacrifices due to financial pressures?



**Multiple answers allowed. Top 10 responses only.*

Nearly 4 in 5 (79%) make spending sacrifices daily to keep up with financial challenges. The majority (60%) choose cutting down on dining out, followed by limiting social activities (46%) and reducing home heating or cooling (41%). As many as 1 in 5 are also delaying or forgoing medical treatment (20%) due to financial pressures.

Have you had to make any spending cuts on maintaining a healthy lifestyle due to financial constraints?



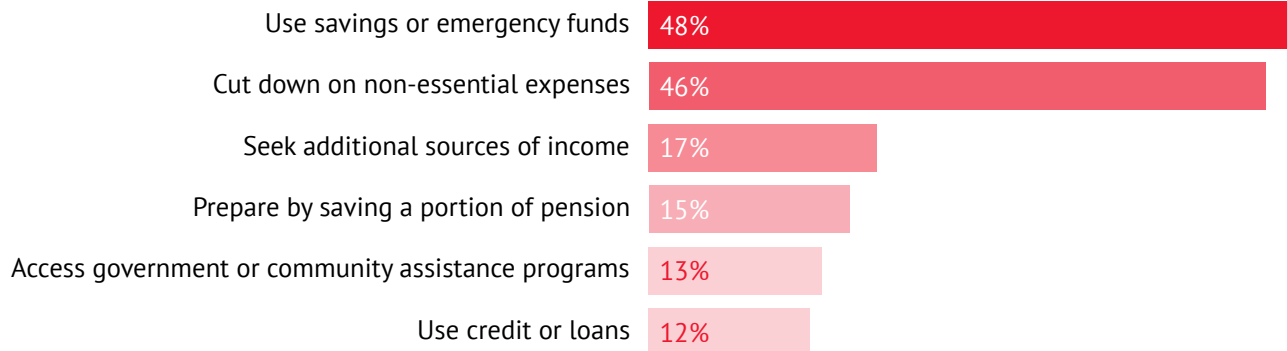
**Multiple answers allowed. Top 8 responses only.*

Financial constraints have forced nearly 3 in 5 (58%) to cut back spending on maintaining a healthy lifestyle. About 1 in 5 (25%) had to make spending cuts on personal care products, closely followed by vitamins, supplements, and over-the-counter medicines (24%), healthy food options (23%), medical appointments (20%) and physical activities (19%) not far behind.

Interestingly, women are generally more likely to cut back on maintaining a healthy lifestyle than men (63% vs. 53%).

Staying on top of it

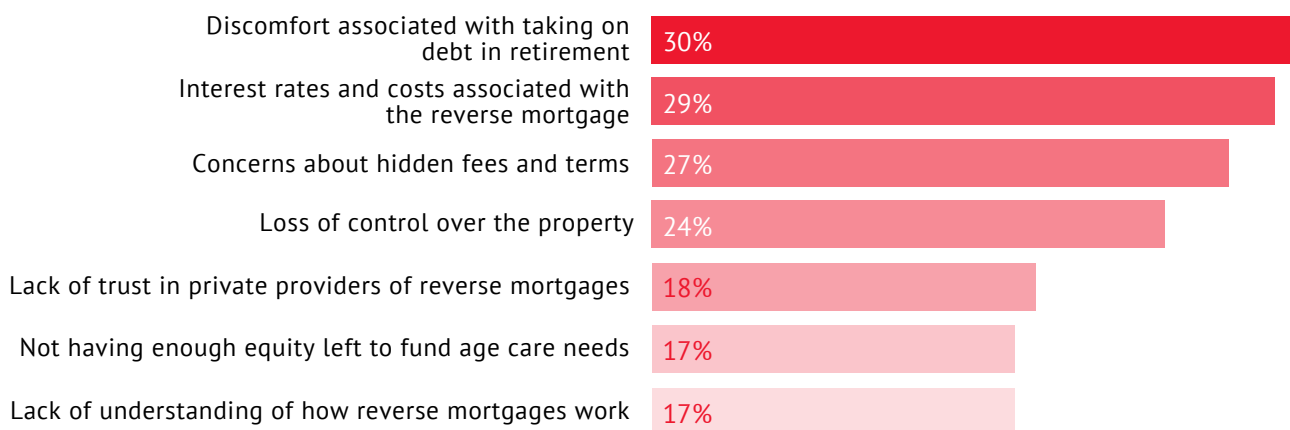
How do you plan to fund future unexpected expenses and emergencies?



**Multiple answers allowed. Top 6 responses only.*

Looking ahead, nearly 1 in 2 (48%) plan to use savings or emergency funds to cover unexpected expenses, while nearly 1 in 2 (46%) intend to reduce non-essential expenses.

Do you have any of the following concerns about borrowing money using equity from your home (i.e. a reverse mortgage)?



**Multiple answers allowed. Top 7 responses only.*

Less than 1 in 20 (4%) seniors have borrowed money using equity from their home to help fund their retirement and only 1 in 10 (11%) are likely to consider this.

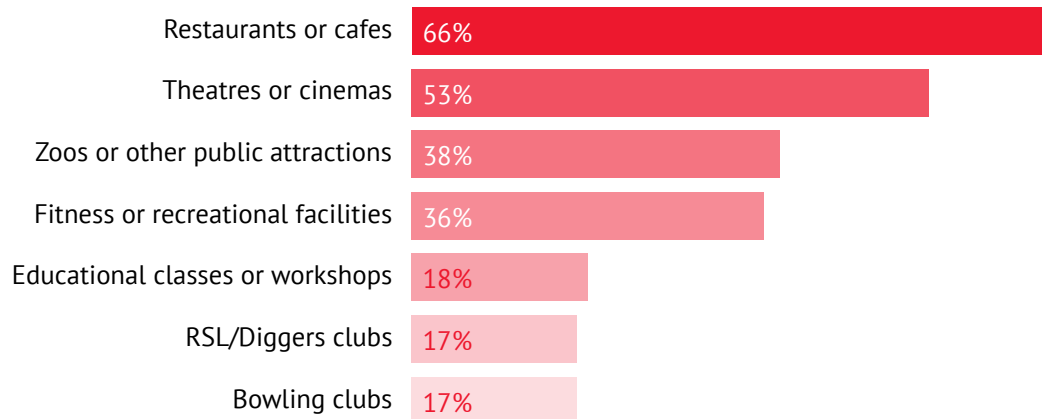
Many had concerns about using reverse mortgages, including 3 in 10 (30%) not comfortable taking on debt in retirement, while a similar percentage are concerned about the associated interest rates and costs (29%) or hidden fees and terms (27%).

Connecting with community



Barriers to connect

Are there any specific social spaces that you feel have become too expensive for seniors due to the rising cost of living?

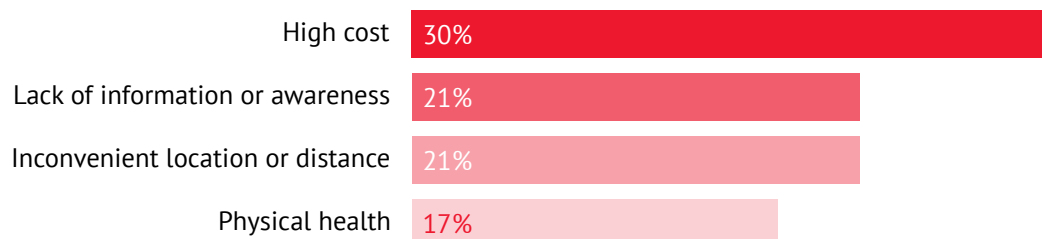


**Multiple responses allowed. Top 7 responses only.*

Nearly 4 in 5 (76%) find that the cost of accessing various social spaces has increased, making it challenging for them to participate as frequently as they would like. Restaurants or cafes are the most affected, with 2 in 3 (66%) finding them too expensive. Theatres or cinemas also see over 1 in 2 (53%) priced out.

Only 3 in 10 (30%) feel satisfied with the availability of affordable social and recreational activities while about 1 in 6 (16%) are dissatisfied. Over 1 in 3 (36%) feel neutral about the situation and around 1 in 6 (17%) remain unsure.

Are there any barriers or obstacles you feel that you face that prevent you from accessing community services or facilities as much as you would like?



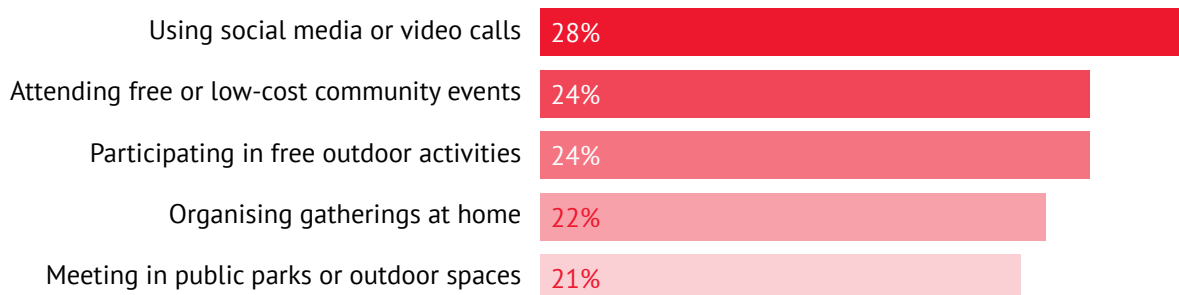
**Multiple answers allowed. Top 4 responses only.*

At least 3 in 5 (60%) experience barriers or obstacles to accessing community services or facilities as much as they would like, with high cost (30%) topping the list.

Efforts to stay connected



What efforts have you made to maintain social connections due to social spaces becoming less affordable?



**Those who think there are specific social spaces that have become too expensive for seniors due to the rising cost of living (n= 919). Multiple responses allowed. Top 5 responses only.*

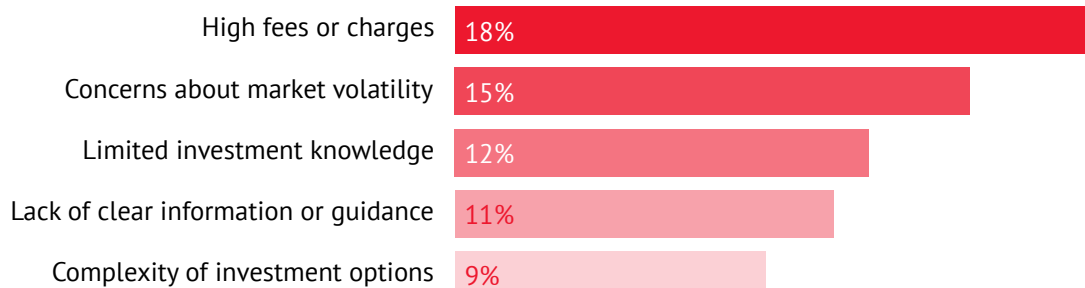
In response to rising costs, seniors have adopted various strategies to maintain their social connections such as using social media or video calls (28%), attending free or low-cost community events (24%), and participating in free outdoor activities (24%).

Superannuation



Super challenges

What challenges or difficulties have you encountered when managing your superannuation investments or accessing your funds?

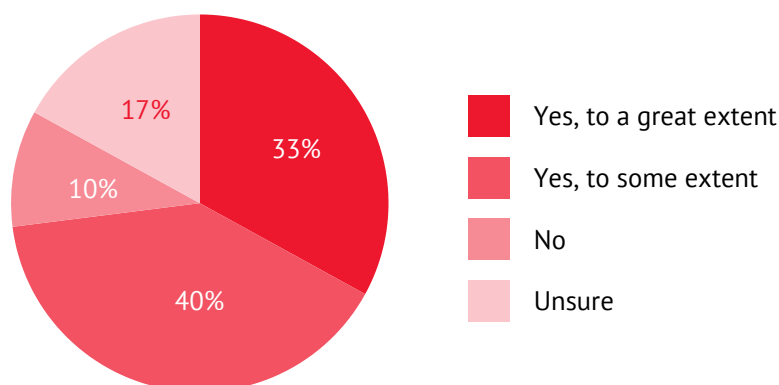


**Those seniors who have superannuation (n= 935). Multiple answers allowed. Top 5 responses only.*

Just over 1 in 4 (27%) with superannuation feel that these savings are sufficient for their retirement. Meanwhile, nearly 3 in 5 (58%) feel their superannuation is somewhat insufficient or not sufficient at all, and a further 15% are unsure whether they have saved enough.

The most common challenge faced by those managing superannuation is high fees or charges (18%), followed by concerns about market volatility (15%).

Do you think women face a 'gender super gap' in retirement due to career breaks and caring role commitments?



Close to 3 in 4 (73%) believe that women face a gender super gap due to career breaks or caring role commitments. Women are more likely to believe this compared to men (78% vs. 68%).

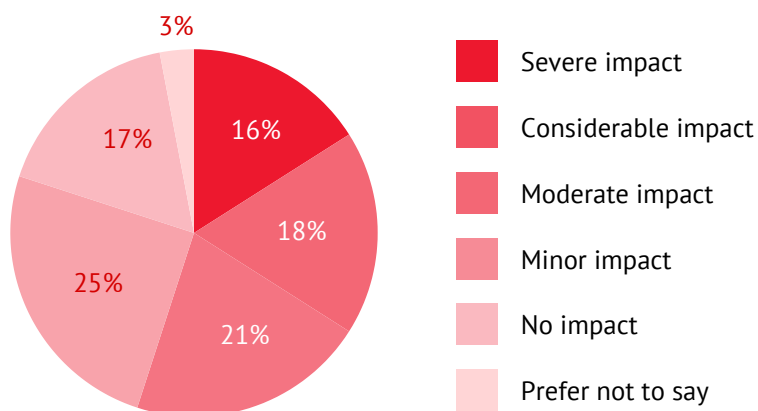
Additionally, over 2 in 5 (43%) women believe that a 'gender super gap' has left them or will leave them without enough money in retirement, while a further 1 in 5 (22%) are still unsure.

The aged pension



Living on a pension

How have rising costs impacted your ability to manage on a pension?

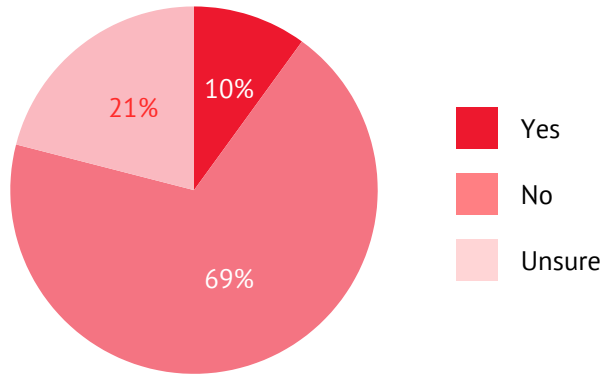


**Those receiving a pension (n= 599).*

More than 1 in 2 (55%) pensioners report that the rising costs have impacted their ability to manage on a pension, consisting of over 1 in 3 (34%) experiencing either severe (16%) or considerable (18%) impacts, and a further 1 in 5 (21%) feeling a moderate impact.

This is even more significant given close to 9 in 10 (86%) are becoming or likely to be increasingly reliant on the pension as they get older.

Do you believe the aged pension alone is/will be enough to live on?



**Those receiving or expecting to receive a pension (n= 895).*

Close to 7 in 10 (69%) of those receiving or expecting to receive the aged pension believe that it alone will not be sufficient to live on, with only 1 in 10 (10%) believing it is adequate and about 1 in 5 (21%) remaining unsure. Further, nearly 3 in 4 (74%) are worried that inflation and rising interest rates will exacerbate the difficulty of living on the aged pension alone.

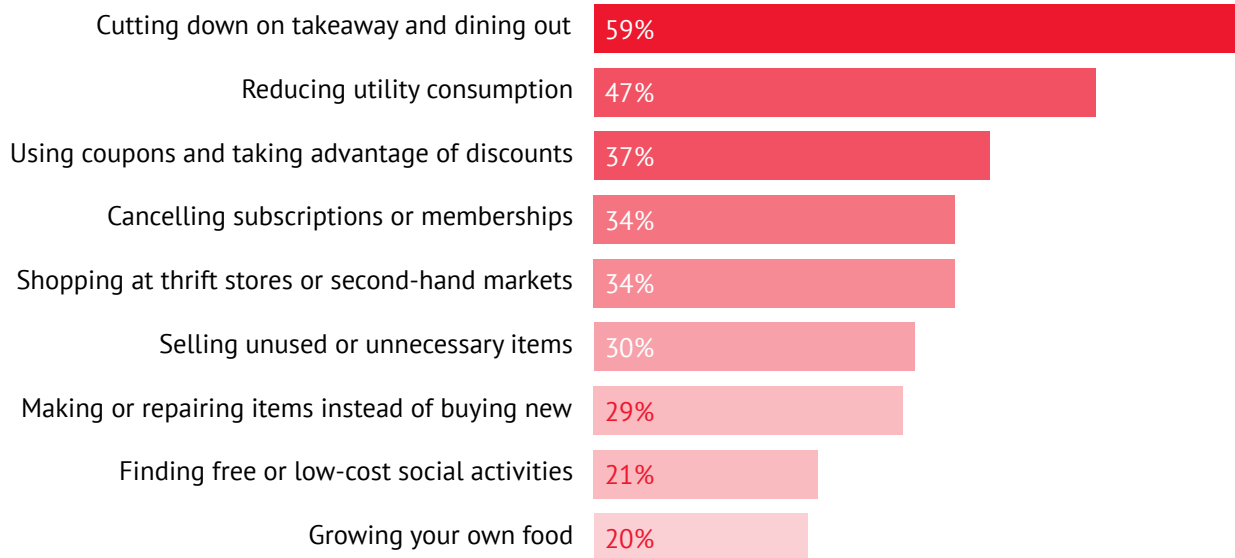
On average, 76% of pensioners' total monthly spending is covered by their pension income, and 68% of their pension income per month typically goes to essential expenses e.g. housing, utilities, and groceries.

Making it last



Budgeting behaviours

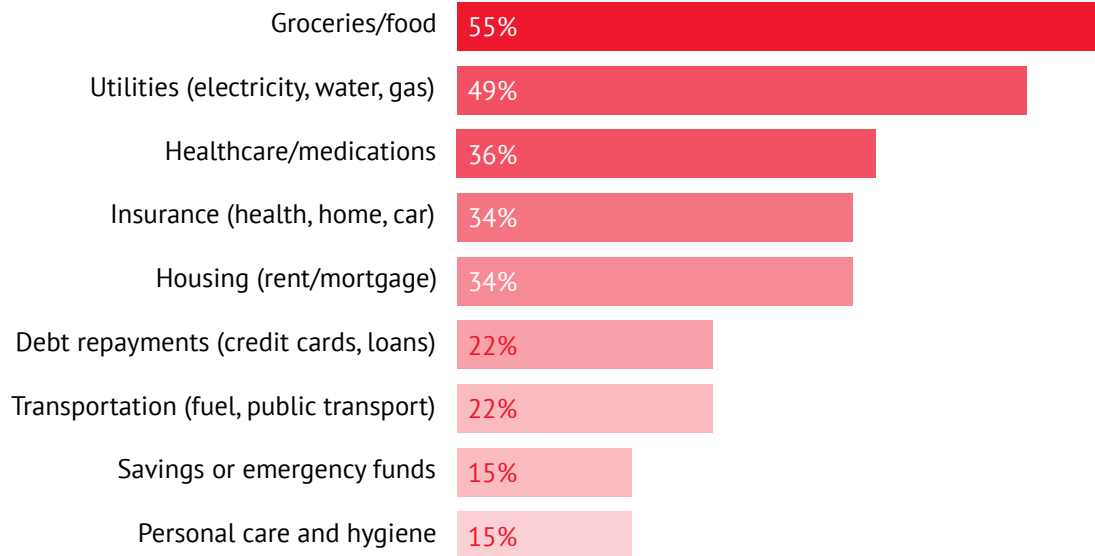
Have you undertaken any of the following adjustments to help stretch your budget?



**Multiple answers allowed. Top 9 responses only.*

Over 4 in 5 (81%) have adopted various strategies to help manage their finances more effectively, most commonly cutting down on takeaway and dining out (59%), as well as reducing utility consumption (47%). Other strategies include using coupons and taking advantage of discounts (37%), cancelling subscriptions or memberships (34%), and shopping at thrift stores (34%).

Are there any particular expenses that you prioritise over others when managing your budget?



**Multiple answers allowed. Top 9 responses only.*

Groceries and food are prioritised in budgets by over 1 in 2 (55%), followed closely by utilities like electricity, water, and gas (49%). Healthcare and medications are also a priority for over 1 in 3 (36%).

Interestingly, women are generally more likely to prioritise insurance (39%) compared to men (29%).



Balancing the ‘now and then’

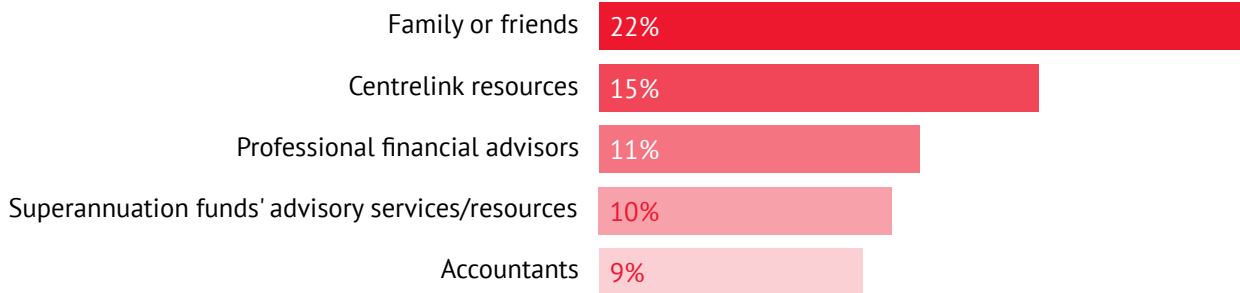
How do you navigate the balance between saving for the future and enjoying your retirement?



**Multiple answers allowed. Top 10 responses only.*

Over 4 in 5 (81%) have considered ways to balance saving for the future while enjoying their retirement. Over 1 in 3 (36%) are putting off travel needs or wants, while close to 3 in 10 (28%) prioritise essential expenses and save what remains. Around 1 in 4 seniors are cutting back on gifts or money for children or grandchildren (27%) and engaging in low-cost or free activities for enjoyment (26%).

What support networks or resources do you rely on for financial advice or decision support?



**Multiple answers allowed. Top 5 responses only.*

More than 1 in 2 (53%) rely on support networks or resources for financial advice, most commonly family or friends (22%), followed by Centrelink resources (15%) and professional financial advisors (11%).

This leaves almost 1 in 2 (47%) without any support networks or resources to rely on to support their financial decision making.





More of the Australian Seniors Series coming soon...

About Australian Seniors

Australian Seniors launched in 1998 to meet the needs of the often-ignored over 50s market. Since then, we've helped countless Australians protect the most important things in life—whether it's their family's future, valuable assets, or even their long-planned retirement.

We strive to be different through the diverse offering of our life, funeral, health, car, home & contents, landlords, pet, and travel insurance products by carefully selecting underwriters that share our vision of providing insurance that's simple, easy to understand, and cost-effective. That's why our policies have helped everyone from hard-working over 50s to self-funded retirees take control of the things that matter most.