

The Living Standards of Older New Zealanders

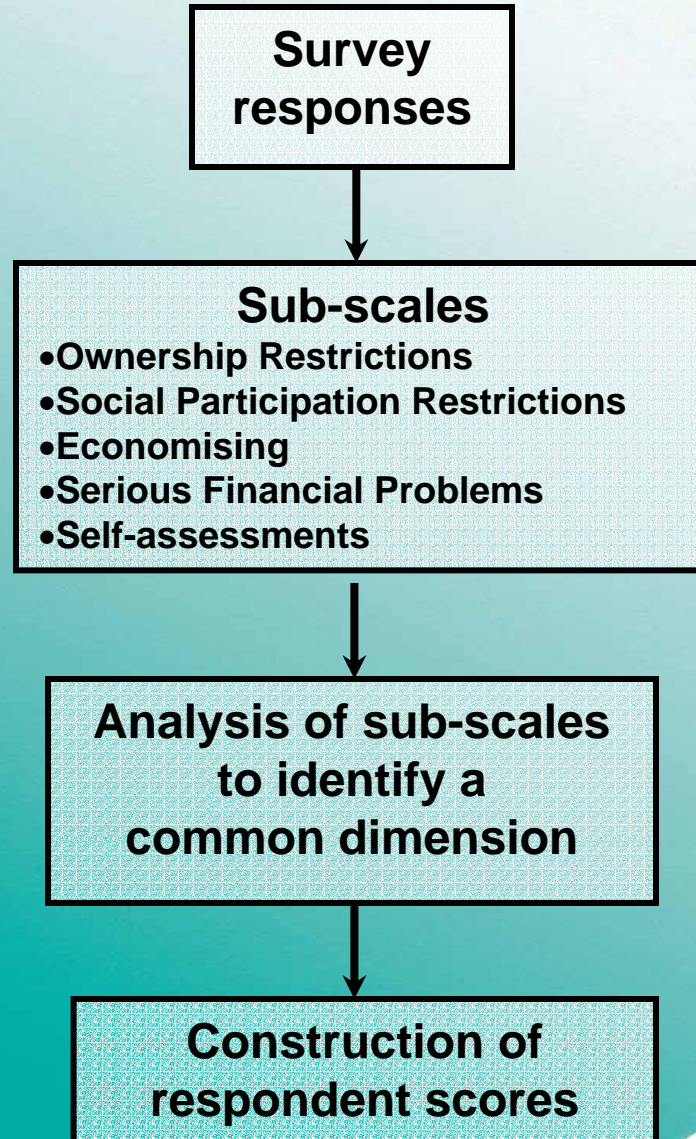
A Summary

Ministry of Social Policy

The surveys

- 3060 people aged 65 years and over by SNZ
90 minute interviews
- 542 Māori aged 65 to 69 years by SNZ
90 minute interviews – same as above plus cultural orientation questions
- 3062 people aged 18 to 64 years by ACNielsen Ltd
more limited 40 minute interviews

Constructing the scale



The sub-scales

1. Ownership restrictions

e.g. heating, warm bedding, washing machine, television, car, dishwasher

2. Social participation restrictions

e.g. family/whanau activities, night out once a fortnight, holiday away from home once a year

3. Economising behaviour

e.g. Less/cheaper meat, put up with cold, not picked up prescription, not gone to funeral, postponed doctors visit

The sub-scales

4. Serious financial problems

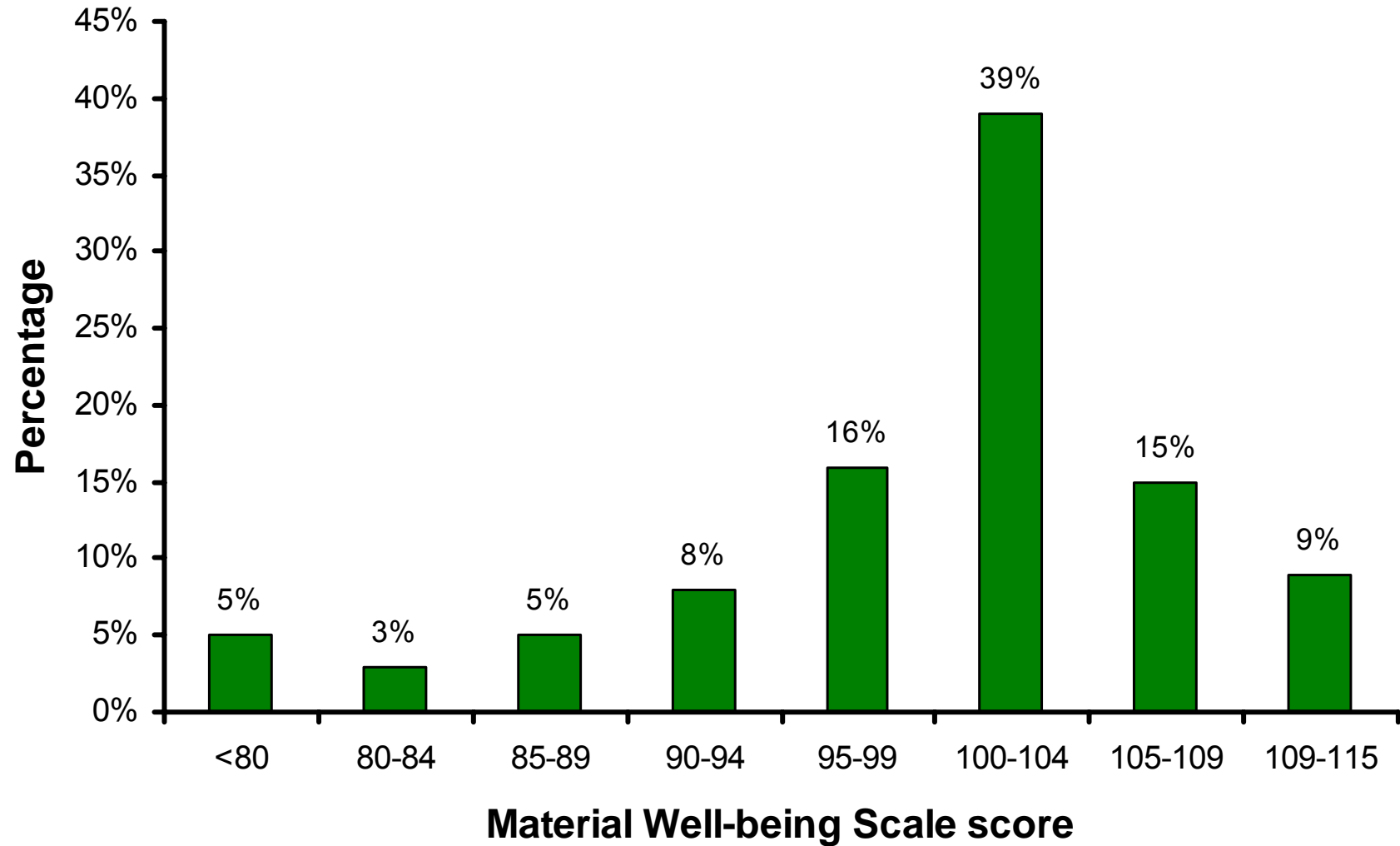
*e.g. Could not keep up with payments for utilities,
Borrowed money from family/friends*

5. Self-assessments

→ Adequacy of income to meet everyday needs

→ Overall material standard of living

Distribution of living standards



Elsie reported

- 3 ownership restrictions (warm clothing; heating; dryer)
- 3 social participation restrictions (special meals at home; having visitors; going out once a fortnight)
- 12 areas in which she economised
- a serious financial difficulty (could not keep up payments for utilities)
- She described her living standards as “low” and stated that her income was not enough to meet day to day living expenses.

Elsie had a score of 66 on the Material Well-being Scale.

Who is in each scale category?

Characteristic (Percentage of sample)	<80	80-84	85-89	90-94	95-99	100-104	105-109	>109
Aged 80 years or over*	9	3	14	17	17	28	24	19
Single	57	58	54	52	50	56	50	42
Māori *	17	5	3	4	3	1	2	1
Living in complex household ¹	20	18	18	8	13	11	10	10
Living in Auckland	36	28	27	28	24	22	24	27
Living in rural area	8	10	6	6	12	8	9	12
No educational qualifications*	54	50	46	47	45	40	35	24
Overall health rating less than good ^{2*}	45	38	32	30	31	23	24	14
NZS as main income source ³	91	89	85	87	85	80	67	56
Participation in pension schemes ⁴	5	4	7	10	9	15	26	28
No savings/investments	54	35	27	27	20	11	5	4
Home ownership	62	59	68	77	83	88	88	88

Average scores in each category

Sample mean	<80	80-84	85-89	90-94	95-99	100-104	105-109	>109
NZSEI score	42.2	48.5	43.8	44.1	43.9	45.8	49.1	53.0
Annual income – equivalised⁵ (\$,000)	18.7	17.4	21.1	19.8	20.2	23.9	33.5	45.5
Number of savings/investment types	0.6	0.9	1.1	1.2	1.3	1.7	2.2	2.6
Weekly accommodation costs – equivalised⁵	101.6	72.3	65.1	54.5	42.3	37.8	44.7	22.1
Number of health problems*	2.4	1.7	1.7	1.7	1.5	1.4	1.2	0.8
Number of recent financial stressors⁶	1.1	0.8	0.7	0.5	0.4	0.2	0.2	0.1
Number of adverse life events⁷	1.4	1.0	1.0	0.8	0.7	0.5	0.6	0.4

Factors associated with living standards

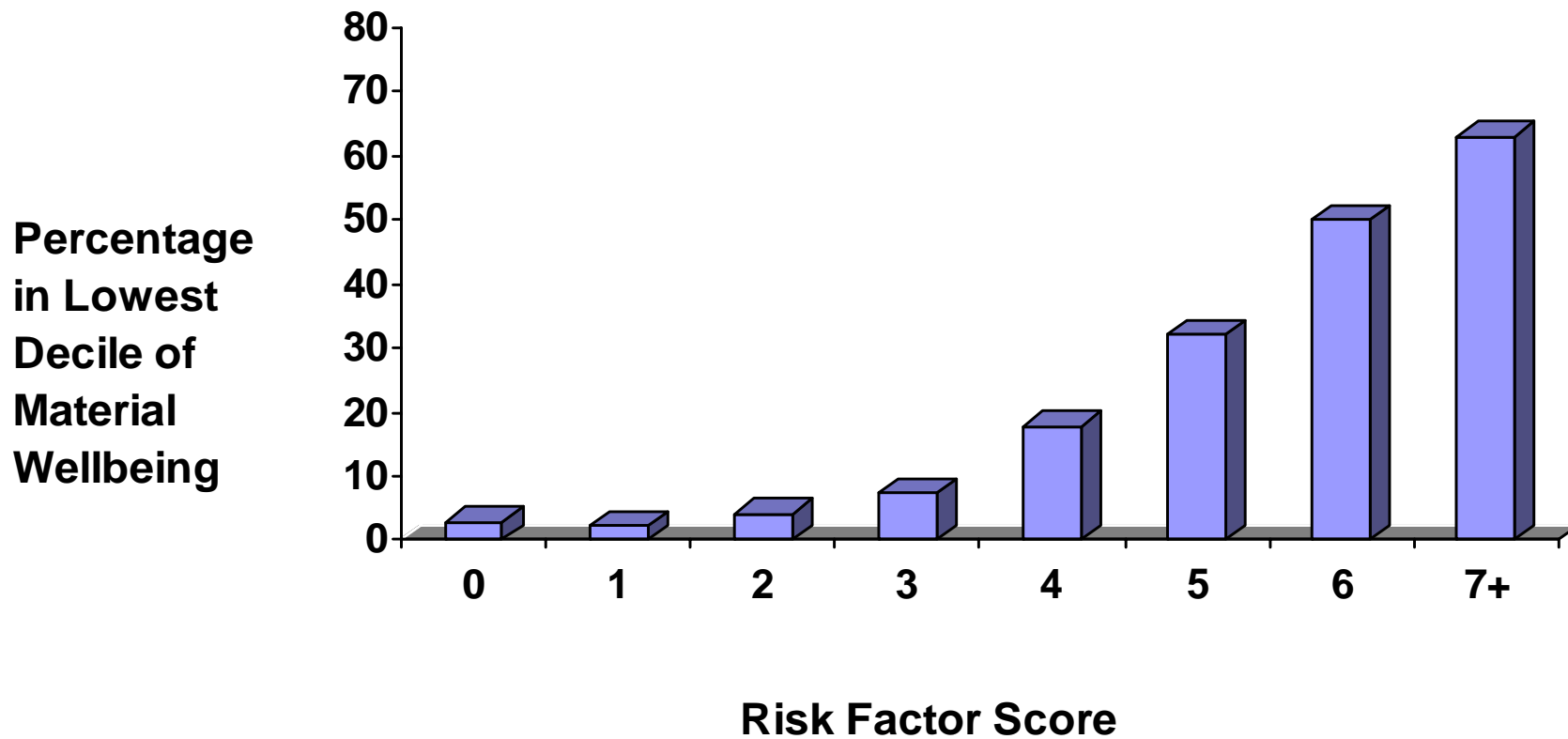
- Net annual income
- Savings and investments
- Accommodation costs
- Economic life events and stresses
- Age
- Māori ethnicity
- Pacific ethnicity
- Education and Socio-economic status

The impact of multiple factors

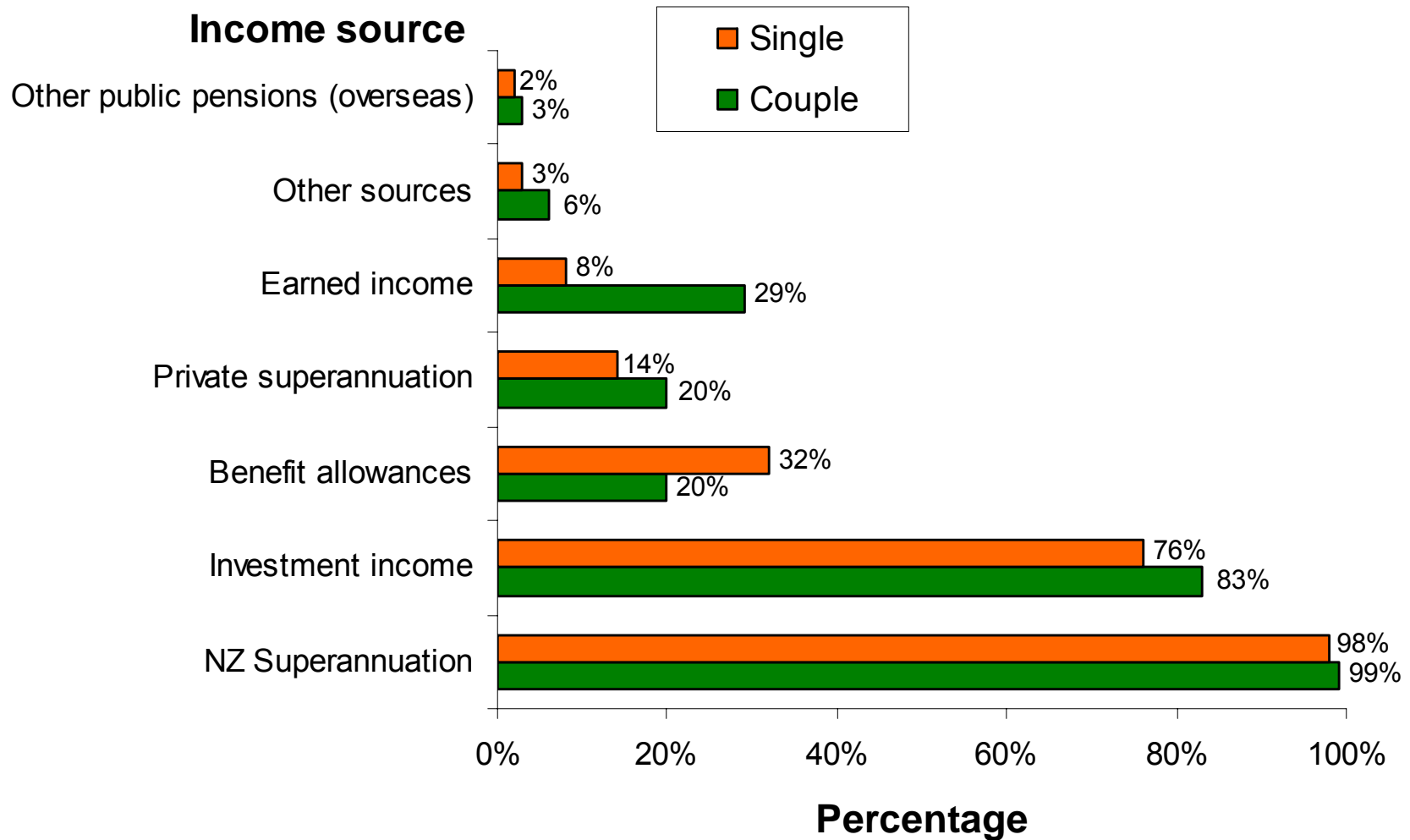
Increased risk of poor living standards
when mix of factors such as:

- low income
- no savings
- high accommodation costs
- history of economic stress
- being younger (aged 65-69)
- being Māori or Pacific ethnicity
- having held a low skill occupation

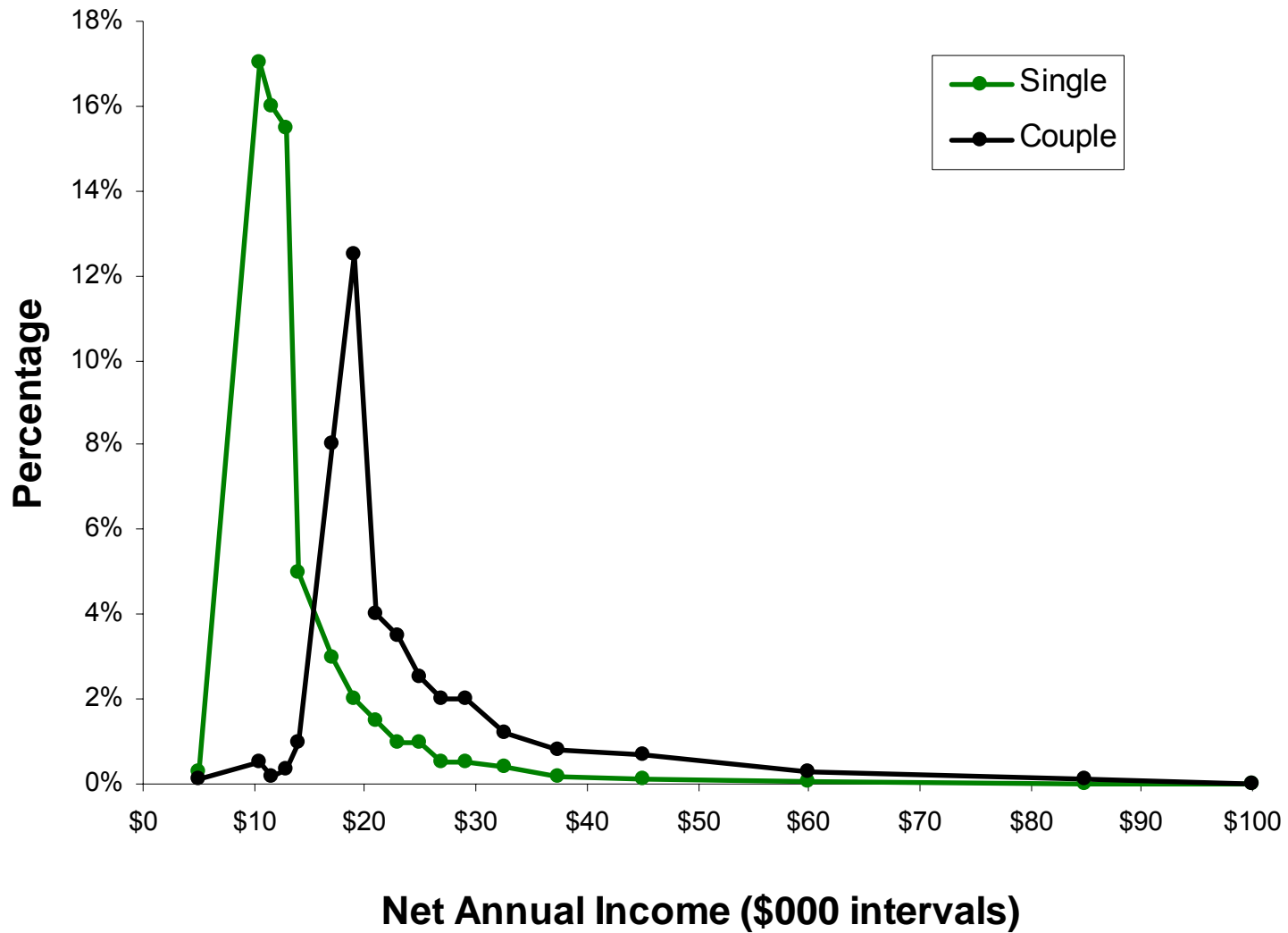
Effect of multiple risk factors



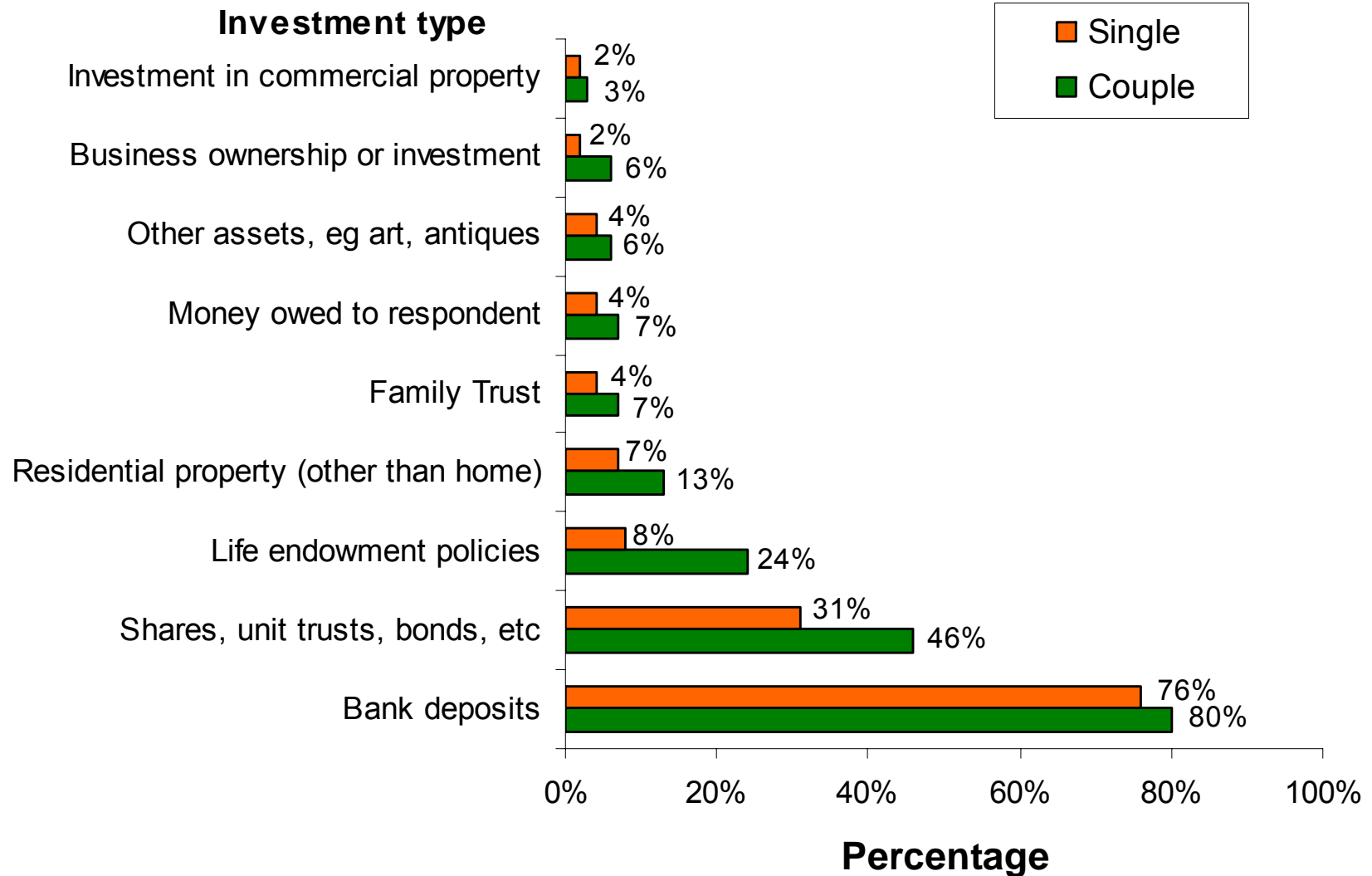
Sources of income



Net annual income



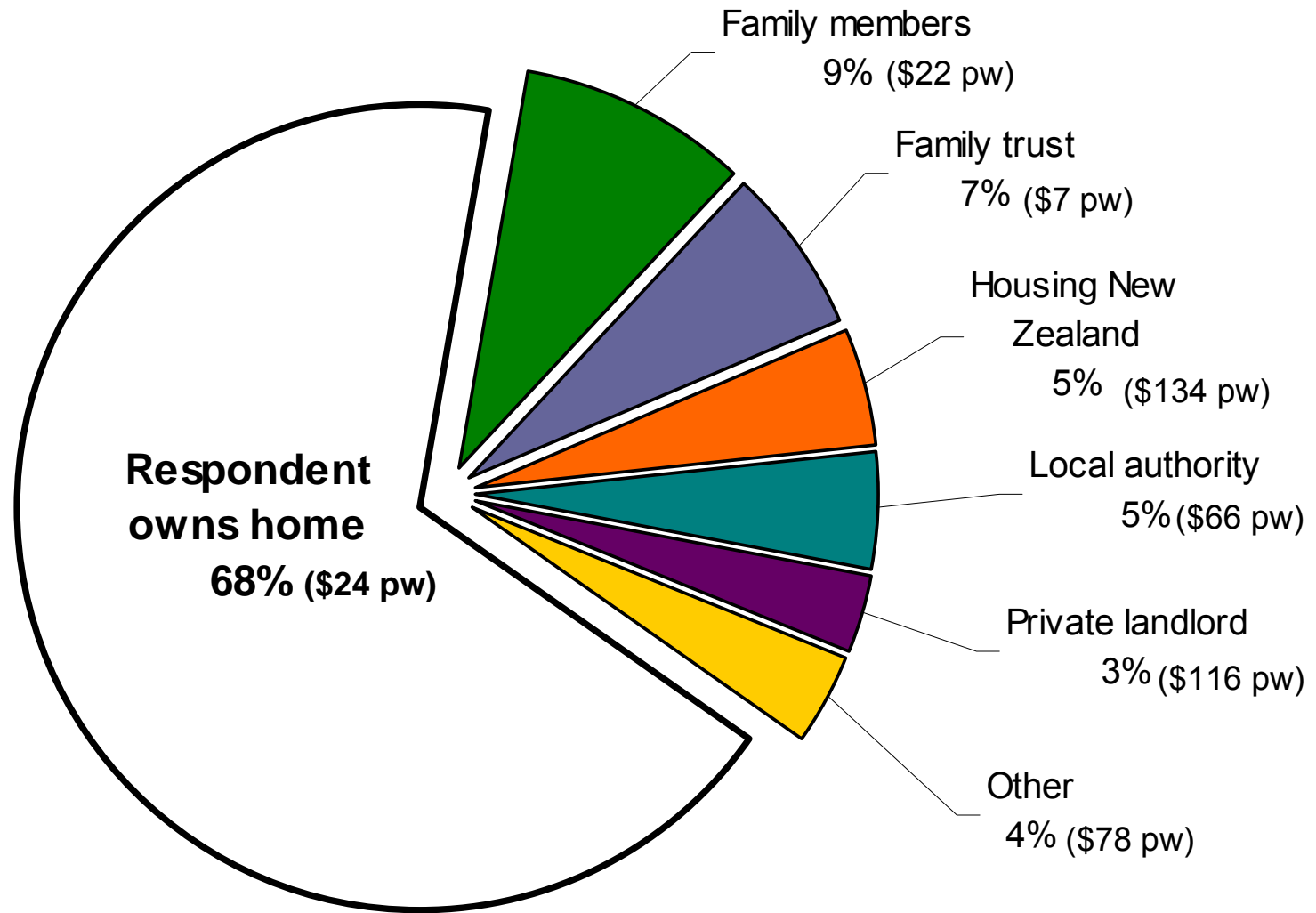
Types of savings & investments



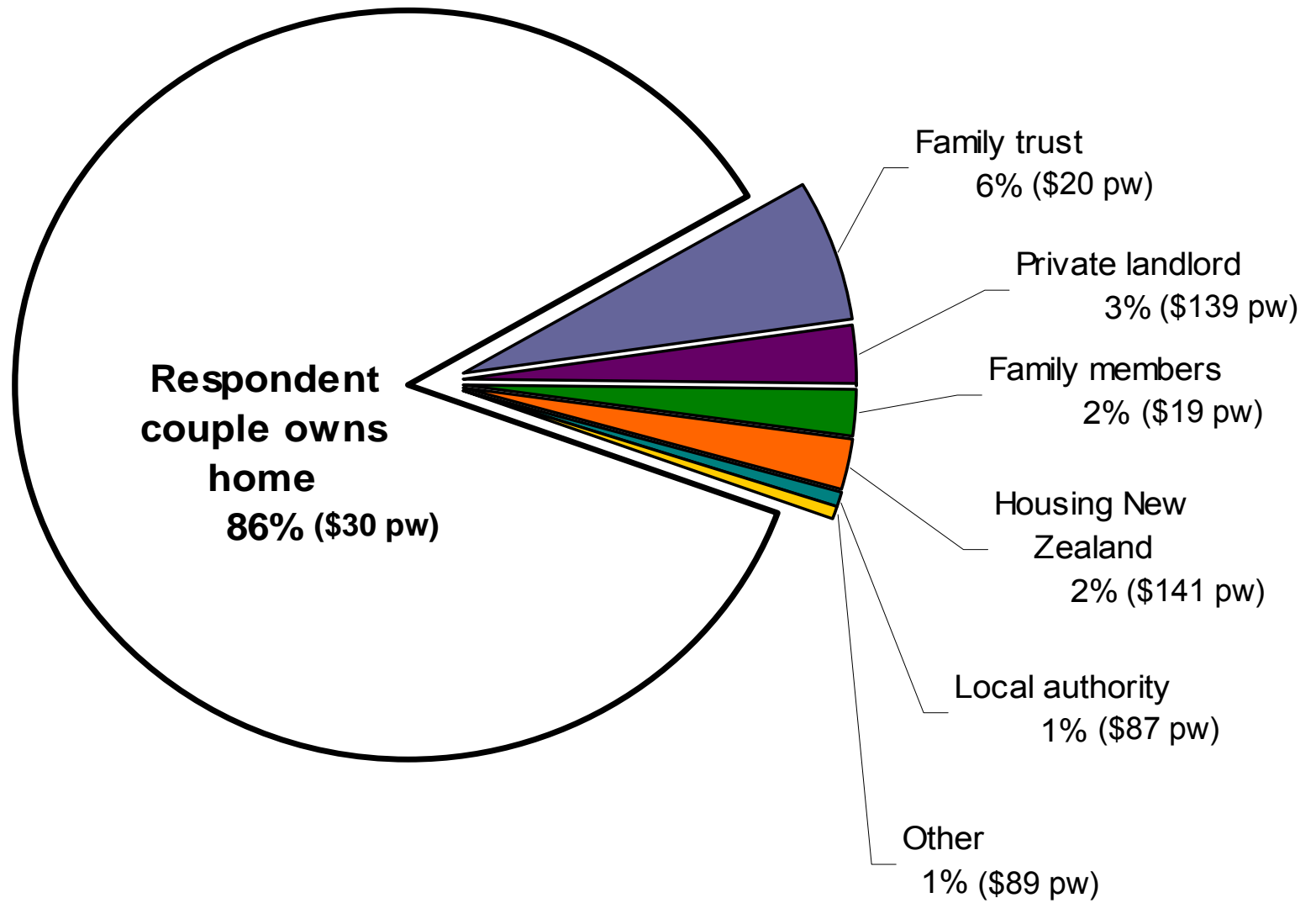
Value of savings & investments

Value (\$000)	% Single	% Couple
<1	31	21
1-5	14	8
5-10	12	8
10-15	7	6
15-25	9	9
25-50	9	12
50-100	7	10
100-150	3	6
150-200	2	4
200-250	2	4
250-300	0.7	2
300-350	0.9	3
350-400	0.7	2
400+	2	7
TOTAL	100%	100%

Home ownership - single respondents



Home ownership - Couples



Adverse economic life event (50-59)

Event

Separation or divorce

Mortgagee sale

Bankruptcy

Financial loss of \$10,000 or more

Made redundant

Unemployed 12 months or longer

Death of partner

Major damage to home caused by natural disaster

Legal bill of \$10,000 or more

Illness lasting 12 months or longer

Major injury/illness requiring hospital treatment

Imprisonment

Financial stress in past 12 months

Source of stress

Legal costs

Major item of house maintenance

Business failure

Matrimonial property settlement

Natural disaster

Death of a partner

Funeral costs

Unusually large car repair bill

Replacement of fridge or washing machine

Burglary

Fraud, embezzlement

Victim of other crime

Property damage

Policy themes

The research findings

1. support the current system of income support
2. highlight areas to target supplementary assistance
3. suggest older people were less prone to material restrictions and difficulties than working-age people
4. indicate the importance of pre-retirement policy
5. further demonstrate social and economic disparities for Māori and Pacific people