

MEDIA RELEASE

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Preparing for retirement brings benefits beyond dollars: New research

New research published this month finds preparation, not money, is the key to a happy retirement.

Co-authored by Dr Kate O'Loughlin and Professor Hal Kendig from the ARC Centre of Excellence in Population Ageing Research (CEPAR) and led by Dr Jack Noone (Ageing, Work and Health Research Unit, University of Sydney), the paper examines a cohort of baby boomers who have retired early.

“What this research shows is that regardless of how much money you retire with, preparing and planning for retirement leads to greater life satisfaction in your older years,” Professor Kendig said.

“Even participants forced to retire early through redundancy were found to do better if they had started some retirement preparation.”

“Across the socio-economic spectrum, people who had time to plan and prepare for their retirement had much higher levels of life satisfaction than those who didn't,” said co-author Dr Kate O'Loughlin.

Professor Kendig said there were some clear policy implications arising from these findings.

“Longer careers can lead to a better financial security, but our research suggests that retirement preparation may lead to better outcomes.

“As people are encouraged to stay in the workforce longer this may place them at greater risk of being forced into involuntary retirement through poor health, redundancy, age discrimination or care giving commitments.

“As the push for longer working lives begins in earnest, striking the balance between healthy superannuation and a happy retirement will be complex.

“I would encourage policymakers, regulators and employers to take note of findings like these and put plans in place to ensure that people get the support and information they need to start planning their post-work years.

“In the complexity of planning for our later years, one thing is clear: preparedness is essential,” Professor Kendig said.

The full paper can be found at <http://www.cepar.edu.au/research-publications/publications-2013.aspx>

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