

# Mapping a Dignified Retirement to Wellbeing

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Benedict Davies

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# Summer School at the LSE

## IR224: Happiness and Policy

**Objective:** To apply the science of wellbeing to policy-making

- Wellbeing theories, including wellbeing measurement
- Applying wellbeing theory to policy making using wellbeing data in line with official UK Government guidelines
- Policy appraisal and evaluation using WELLBYs

**A special thanks to Dr Christian Krekel who provided helpful comments when I was researching this paper**



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# Mapping a Dignified Retirement to Wellbeing

**01.**

**Objective of Super & Measuring What Matters**

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**02.**

**Financial Security, Wellbeing and Participation**

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**03.**

**Mapping before Measuring**

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**04.**

**Policy evaluation needs a Theory of Change (Appendix)**

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**05.**

**Further research**

# Objective of Super and Measuring what Matters

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From National Wellbeing to Individual Retiree Wellbeing

# Australian Government Measuring What Matters Framework



- **Five well-being themes:** health, security, sustainability, cohesion and prosperity
- **50 indicators** of current and long-term well-being, including **subjective measures such as life satisfaction**
- Publicly accessible **dashboard** allows users to disaggregate the available data by groups, including age

[Australia's Measuring What Matters Framework | OECD](#)

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## From National Wellbeing to Individual Retiree Wellbeing: What matters to retirees?

Using a collection of verbatim responses to questions such as “What do you want from retirement?” (AI generated word cloud)



A word cloud visualization of retiree priorities. The words are arranged in a dense, overlapping manner, with 'Enjoyment' being the largest and most central. Other prominent words include 'financial security', 'mortgage-free', 'lifestyle', 'community contribution', 'stress-free retirement', 'comfortable', 'purpose and meaning', 'travel and adventure', 'volunteering opportunities', 'freedom to choose', 'peace of mind', 'healthy habits', 'lifelong learning', 'quality time with family', 'relax and recharge', and 'opportunities'. The colors of the words range from dark blue to green, with some in yellow and purple.

community contribution  
stress-free retirement  
Enjoyment  
freedom to choose  
peace of mind  
healthy habits  
lifelong learning  
financial security  
travel and adventure  
comfortable lifestyle  
purpose and meaning  
quality time with family  
relax and recharge  
mortgage-free  
volunteering opportunities

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## Objective of Super – Objective?

### The objective of super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

Codify a **shared purpose** of superannuation

...**statement of compatibility** with the objective accompanying all Bills and regulations relating to superannuation

...consideration of the **proposed policy against the key concepts within the objective**

...**data or modelling will be appropriate and useful for analysing some superannuation policies**

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## Objective of Super – Dignity?

### The objective of super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

Dignified denotes a **standard of financial security and wellbeing in retirement which allows the person to participate economically and socially in their community**

As a subjective concept, ‘dignified’ **allows individuals to apply their own values and judgements about what a dignified retirement is to them**



# Financial security, wellbeing and participation

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The standard of living in retirement which the superannuation system should strive to deliver

## Financial Security – From making ends meet to making choices to enjoy life

### The objective of Super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

**Financial Security**

**Wellbeing**

**Participation**

**Measuring What Matters** has financial security indicators under making ends meet:

- *Proportion of households who experienced a cash flow problem in the last 12 months*
- *Proportion of households unable to raise \$2,000 when needed*

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## Financial Security – From making end meets to making choices to enjoy life

### The objective of Super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

**Financial Security**

**Wellbeing**

**Participation**

A more **positive wellbeing** definition comes from the CFPB that defines **financial wellbeing** as:

*“a state of being wherein a person can fully meet **current** and **ongoing** financial obligations, can **feel secure** in their financial **future**, and is able to **make choices that allow them to enjoy life**”*

# Financial Security – From making end meets to making choices to enjoy life

The objective of Super is to:

*“to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way”*



CFPB’s four elements of Financial Wellbeing:

	Present	Future
Security	Control over day-to-day, month-to-month finances	Capacity to absorb a financial shock
Freedom of Choice	Financial freedom to make choices to enjoy life	On track to meet your financial goals



# Wellbeing applying their own values and judgements

The objective of Super is to:

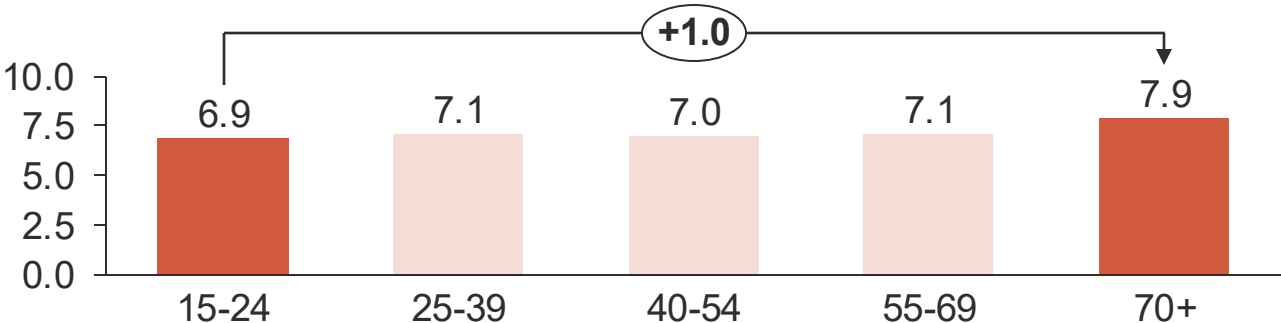
*“to preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way”*



## Overall Life Satisfaction

- **Purpose:** Indicator of Subjective wellbeing
- **Definition:** Summary measure of life satisfaction based on survey responses against a scale from 0 to 10, where 0 means ‘not at all satisfied’ and 10 means ‘completely satisfied’
- **Data / Calculation:** Sourced from ABS general social survey for Australia, which is consistent with OECD data

Overall Life satisfaction by Age 2020



## Wellbeing can be measured in wellbeing years (WELLBYs)

### The objective of Super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

**Financial Security**

**Wellbeing**

**Participation**

### As an example:

- WELLBYs are a summary measure that combines the quantity and quality of wellbeing



**A one-point improvement, sustained for one year = 1 WELLBY**

## Participation is a consequence of a ‘dignified retirement’

### The objective of Super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

**Financial Security**

**Wellbeing**

**Participation**

- **Measuring What Matters** captures social interactions e.g. number of hours spent interacting with friends and family, proportion of people who undertake voluntary work, time spent on recreation and leisure and on social and community interaction
- Participation also relies on having purpose and good health
- **WHO** definition of **healthy ageing** suggests that participation (“contributing to society within their environment”) matters

## Objective of Super – Dignified proposed sub-definitions

### The objective of Super is to:

*“to preserve savings to deliver income for a **dignified retirement**, alongside government support, in an equitable and sustainable way”*

#### **Financial Security**

*Financial wellbeing is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life (CFPB, 2015)*

#### **Wellbeing**

*Subjective wellbeing is a summary measure of overall life satisfaction (ABS, 2025)*

#### **Participation**

*Contributing to society is consequence of a dignified retirement that can support healthy, active & productive ageing (Davies, 2025)*



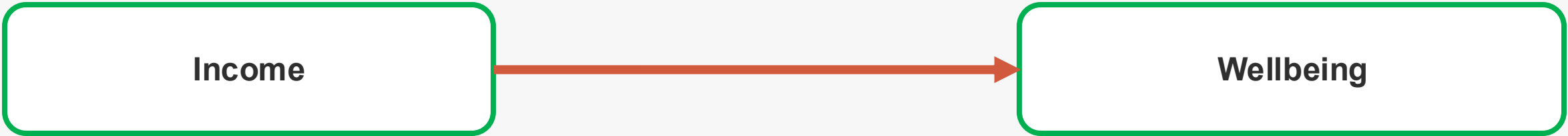
# Mapping Before Measuring

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High quality evidence of what works is need for policy appraisal and evaluation

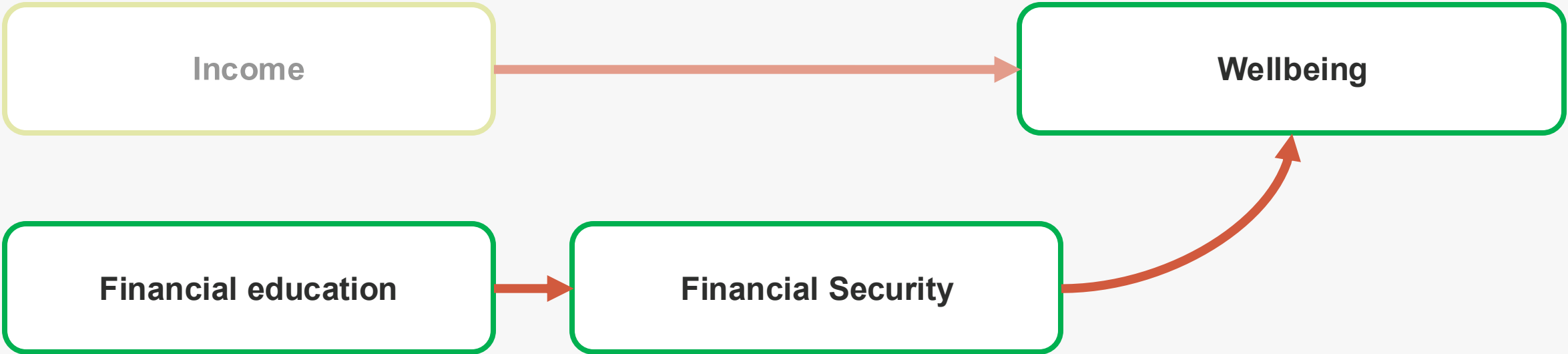
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Mapping Before Measuring: **Direct Pathway (simplified)**



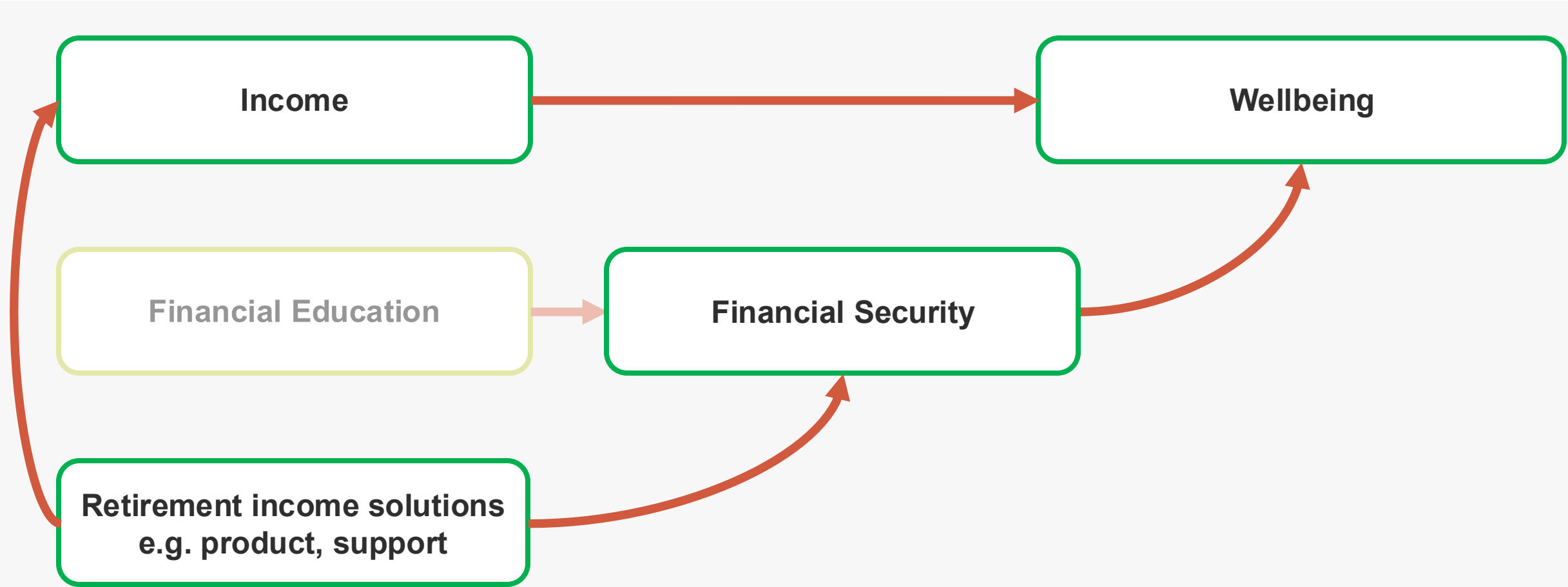
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Mapping Before Measuring: Indirect Pathway (simplified)





Mapping Before Measuring: **Dual Pathways (simplified)**



# Research Gaps & Future Directions

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Define, map and boost

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## Research Gaps & Future Directions

- Define and better understand security, wellbeing and participation
- Map pathways that drive key outcomes, develop a strong theory of change
- What can we do with WELLBYs in Australia?
  - Policy appraisal using coefficient databases e.g. policies that increase income effect on wellbeing
  - Policy evaluation of policies and programmes using RCTs or natural experiments e.g. financial literacy programme effect on financial security and wellbeing
  - Understand distribution of wellbeing among retirees
- Finally, given the objective of superannuation, explore the frontiers of what super funds could do to **boost security, wellbeing and participation in retirement**

# Appendix

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References & Resources

# Beyond retirement income: cognition & age inclusion issues for superannuation funds

Paper given at 31st Colloquium of Pensions & Retirement Researchers  
University of New South Wales, November 2023

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Thank you to Professor Brenda Gannon from University of Queensland who mentored me through the Australian Health Economics Society (AHES) mentoring programme. Professor Gannon provided guidance and comments on some the material in this paper.



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# Appendix

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Theory of Change using [https://missioneconomics.shinyapps.io/logic\\_lab/](https://missioneconomics.shinyapps.io/logic_lab/)

# Boosting financial wellbeing : Objectives and Theory of Change

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*Project: Boosting financial wellbeing*

*Generated on 22 October 2025*

## Project Type

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### **Selected Project Type:**

Custom logic model without a specific project type template.

## **Need and Context**

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### **Problem Statement**

Pre-retirees face a number of complex decisions as they approach retirement. Pre-retirees are a subset of members aged between 50 & 65. There is good evidence that boosting financial ability is a key driver of financial wellbeing.

### **Policy Context**

The Objective of Superannuation strives for a standard of financial security and wellbeing in retirement which allows the person to participate economically and socially in their community. A growing consensus is emerging that the ultimate measure of success for financial literacy efforts should be individual financial well-being. Drivers of financial wellbeing fall into three categories: financial behaviours, financial knowledge and personal traits (CFPB, 2015). The type of knowledge that supports financial well-being is a set of skills known as “financial ability”: - Knowing when and how to find reliable information to make a financial decision; - Knowing how to process financial information to make sound financial decisions; and - Knowing how to execute financial decisions, adapting as necessary to stay on track. A policy appraisal is needed to evaluate wellbeing outcomes from a financial education programme that aims to boost financial wellbeing for a group of pre retirees aged between 50-65.



## Project Objective

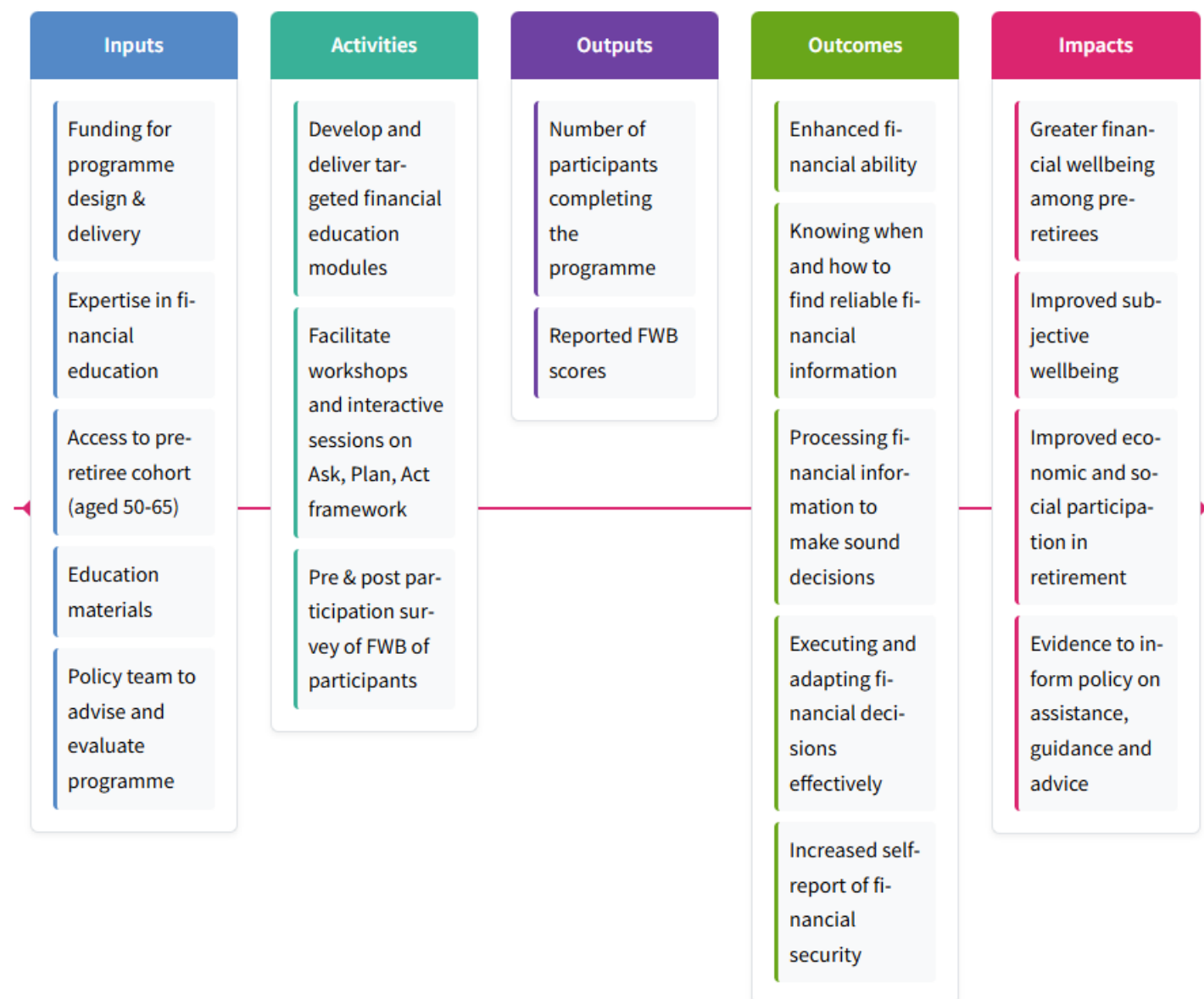
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Improve financial wellbeing by enhancing financial ability—skills in sourcing, processing and executing financial decisions—through targeted education. Success will be measured by participants' reported financial wellbeing outcomes, enabling economic and social participation in retirement.

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## Theory of Change

This theory of change maps how our project will create impact through a logical pathway from inputs to ultimate impact.



## Theory of Change Evidencing

### Key Assumptions

Critical factors that must hold true for your theory of change to work as expected.

### Evidence Base

Research, data, or experience supporting the connections in your theory.

### System Impacts

Potential unintended consequences and wider effects on systems and stakeholders.

Key assumptions - Self reports of FWB are reliable indicator of financial security and wellbeing - Boosting knowledge also leads to behavioural change over time - Pre retirees sustains benefits into retirement Evidence base - CFPB Financial well-being: the goal of financial education (2015) - Financial education is effective and efficient, Urban, Lusardi, Menkhoff, Kaiser (2022) System impacts - Education resources could be better utilised on other activities or different group of members

Generated by Logic Lab

This document outlines the project's Objectives and Theory of Change, providing a structured framework for implementation and evaluation.