

Older Australians need more financial support amid pandemic

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Financial experts are encouraging pre-retirees to sharpen their financial skills as a [new report](#) from the University of South Australia shows that 31% of older Australians (aged 55+ years) feel insecure about their financial futures, particularly amid the current pandemic.

Conducted in partnership with RMIT, COTA and ECH, and funded by Ecstra Foundation, the report explores the financial behaviors, psychological well-being and financial decision-making of 1,500 [older people](#) during COVID-19.

It found that the pandemic had negatively affected the retirement status of older working Australians. Those who were not retired were more likely to delay their full retirement (12.3%) and/or make early cash withdrawals from their superannuation (9.1%) than those who were retired.

It also found that younger respondents (those aged 55–64 years), of whom the majority is not retired, were less satisfied and less secure about their financial futures with women experiencing the greatest concerns overall.

Lead researcher, UniSA's Dr. Braam Lowies, says the report indicates older working Australians are at risk of financial insecurity and need to improve their financial capabilities before they retire.

"Older Australians are disproportionately vulnerable to the financial consequences of COVID-19 and as a society we need to recognize and address this," Dr. Lowies says.

"While many pre-[retirees](#) are uncertain about their [financial situation](#), women are particularly at risk with nearly a quarter indicating that they felt worried about making mistakes relating to investments, and 20% saying that they felt nervous about planning financially for their retirement.

"Women also indicated that they were more likely to be financially supporting a family member, even at their own disadvantage, which is quite concerning if they're feeling unsure about money.

"Similarly, about a quarter of people with [health issues](#) also said they were nervous or fearful of planning for their [retirement](#), as well as being worried about being dependent on their family or friends.

"We have an obligation to ensure our citizens are appropriately educated, supported and informed about their financial futures, but especially those who we know are more vulnerable."

The team has developed a three-step education process to help manage financial panic among older people. Co-researcher, UniSA's Professor Kurt Lushington says targeted financial supports will benefit older Australians and help them better understand and manage their finances.

"Pause, Reflect and Connect is a resource that aims to help older people consider their financial situations with a clear headspace, all the while remembering that they can connect with trusted others for advice or help," Prof Lushington says.

"It's a simple message, but sometimes simple is better, and it's a good start to get older people thinking about their financial futures without worry.

"As people age, they tend to become uneasy about all sorts of things. If we can help alleviate some of this anxiety, especially in relation to financial concerns, then that's absolutely worthwhile."

More information: Report: The psychological wellbeing and financial decision-making of older Australians in times of uncertainty.

[www.unisa.edu.au/contentassets ... aking-report_sfs.pdf](http://www.unisa.edu.au/contentassets/.../aking-report_sfs.pdf)

Provided by University of South Australia

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