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Media release

For comment, please contact

Richard Denniss or Josh Fear (02) 6162 4140

Those who earn the most care least about pensioners

Eighty-two per cent of Australians agree that the aged pension should be increased, and most are willing to pay more tax to fund it, according to *The role of a higher age pension in stimulating the economy*, released by The Australia Institute today.

“The vast majority of Australians believe that the single age pension is inadequate and needs to be increased,” said Executive Director Dr Richard Denniss.

“The most surprising finding, however, was that Australia’s wealthiest households were the most likely to think that \$281 per week is enough for pensioners to live on.”

“While 56 per cent of Australians living in households with incomes of less than \$40,000 per cent per year were willing to pay higher taxes to fund an increase in the aged pension, only 34 per cent of those with household incomes above \$150,000 agreed.

The results are drawn from an online survey of 1,000 respondents commissioned recently by the Institute, and representative of the adult Australian population.

The paper also argues that increasing the age pension is an effective way of stimulating a stalling economy.

“Increasing the age pension is a particularly effective way of injecting money into the economy. Pensioners spend less money on imported cars and overseas holidays than higher income earners, which means the money has a greater effect on the Australian economy.”

“There has always been a strong case for increasing the age pension on equity grounds. The recent financial crisis and the slowing of the Australian economy simply strengthens the case,” concluded Dr Denniss.

Attitudes to increasing the pension and lifting taxes by gross household income

	< \$40,000	\$40-\$80K	\$80-\$150K	>\$150K	All
Pension should be increased	80.9%	84.7%	79.6%	72.6%	81.8%
Will pay more tax to increase pension	56.4%	51.8%	50.2%	33.9%	51.2%