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TITLE: Poorer boomers aren't looking forward to retirement

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PUBLICATION: The Age

PUBLICATION DATE: 13/04/07

LINK: <http://www.tai.org.au/?q=node/9&pubid=968>

Bashing baby boomers is becoming so passe. The Howard Government's Intergenerational Report found that the ageing of the population does not constitute a crisis but rather a fairly manageable transition.

Despite this, a number of commentators continue to insist that the age pension claims of a large cohort of boomers will put unsustainable pressure on government finances and place an intolerable burden on younger generations.

This is despite the fact that the Government's projections identify the most critical period as being in the 2030s and 2040s when most boomers will be dead and generation X will dominate the pension budget.

Treasury projections anticipate that as far ahead as 2050, the proportion of people of pension age receiving some form of age pension will have fallen only slightly, to 75 per cent. It is not only the baby boomers who will be drawing on the age pension in retirement, but generations X and Y too.

But we all know that boomers have had it easy. They are celebrating after enjoying a slew of handouts that they then denied to younger generations, and now they are looking forward to retiring to the beach while those same younger generations slave away to pay for their retirement. Right?

Perhaps for a minority, but many boomers are not looking forward to their retirement, which will be neither premature nor luxurious. And they are certainly not smiling at the expense of younger generations.

It is simply wrong to think of the boomers as a homogeneous generation. Sure, a small minority were lucky enough to benefit from free higher education. More made money in the property boom.

But most are not cruising towards retirement incubating huge nest eggs that will fund the life of Riley.

Recent research by the Australia Institute shows that as they approach retirement, a sharp divide has opened up between high and lower income boomers. While higher income boomers look forward to a retirement in which they plan to shift down a gear and enjoy the flexibility to pursue their hobbies and leisure interests, the poorer half of 45 to 60-year-olds have virtually no wealth to fund their retirement years.

Nor are they sitting around waiting for their generous pension cheques paid for by the younger generations. The research shows that no boomers want to live on the pension.

They see the pension as a last resort, a guarantee of an impoverished, or at least frugal, retirement, to be relied on only if absolutely necessary. Both high and lower income earners are highly supportive of compulsory super, plan to continue working well into their retirements and intend, realistically or otherwise, to fund themselves as much as possible.

In reality, most of them will rely on the full or part age pension in retirement, but not through any fault of their own. When they entered the workforce, the age pension was the predominant form of funding and most of their parents' generation relied on the pension.

Only in 1992, halfway through their working lives, was compulsory superannuation introduced. After years of being told that the state would look after them while they would fund the retirement of the generations ahead of them, boomers were suddenly expected to pay for their own retirement.

Collective risk pooling through the welfare state, once a symbol of social solidarity, has become for some commentators "generational theft on a massive scale". But those who declare that older people are a burden on society and a drain on the public purse are ripping up the intergenerational contract and setting "productive workers" against "burdensome retirees". They themselves are creating the intergenerational war.

The terms of the debate in Australia have been imported from the United States, where for years some have predicted an "intergenerational Armageddon". The more extreme elements of this movement have challenged not only the citizenship of older Americans but their right to life.

One biomedical ethicist, Daniel Callahan, has identified three goals for any ageing society: to stop funding medical interventions that bring only marginal gains to the old; to prevail on the old to shift their priorities from their own welfare to that of younger generations; and to persuade older people to accept death as a condition of life, at least for the sake of others.

In other words, older citizens should sacrifice their lives rather than use up expensive medical resources at the expense of younger, more deserving, generations.

That's some generational payback. The generational warmongers seem to believe that we don't have enough social division in Australia.

Myra Hamilton is researching a PhD on retirement income systems at the University of Sydney. She is co-author of the Australia Institute report.

