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TITLE: Understanding the retiring kind

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The baby boomer generation sits at the epicentre of the dramatic reorganisation of the Australian welfare state, where self-reliance has become gospel for policymakers.

Over the past 15 years, the value of self-provision in retirement has been strongly reinforced, with increasing emphasis on superannuation as a method of funding retirement. Prompting this shift has been the so-called fiscal crisis associated with the ageing population and the need for individuals to accumulate more adequate retirement incomes, allowing for a "dignified" retirement.

This direction of welfare reform and the emphasis on self-sufficiency in retirement has subtly altered the way we think about what is natural and acceptable in the funding of retirement incomes.

Traditionally, the age pension was considered an entitlement associated with citizenship that would provide for a modest but comfortable retirement. The move to self-provision in retirement through the promotion of superannuation has shifted expectations about both the nature of that entitlement and what constitutes a "comfortable" retirement.

Research by the Australia Institute shows that, like others, baby boomers have been persuaded of the virtues of self-provision. They believe that individuals should be encouraged to be self-sufficient, that the government should help them to save, and that compulsory superannuation is a good method of achieving this.

They also support the concept of superannuation because it is a means of accumulating an adequate income for retirement.

When asked if the rate of compulsory superannuation should be increased from 9 per cent, there is almost universal assent, with only a small minority of small-business owners raising doubts. Moreover, baby boomers are very supportive of the principle of compulsion to put money away for retirement.

Paradoxically, they feel they and others need to be compelled to save to become self-reliant and to facilitate choice in retirement. Government intervention to promote

independence from government, and compulsion to foster choice, are not seen as contradictory.

Despite their support for compulsion to save, baby boomers do not support measures to compel people to continue working beyond the present retirement age. There is almost universal hostility to the suggestion that, now that people are living longer, the retirement age should be raised.

In contrast to their own intentions to work beyond the official retirement age, either by choice or necessity, baby boomers react strongly to the idea of being compelled to work longer. The touchstone is choice.

Among low-income baby boomers, the immediate reasons given for opposing the raising of the retirement age centre on the capacity of people to continue working beyond 65. People are often worn out by then, they argue, and it would be unfair to force them to keep working. In addition, there may not be jobs available, which would force older workers onto unemployment benefits.

But at a deeper level, baby boomers express moral reasons for their opposition to increasing the retirement age. They argue that they have worked long and hard and deserve to have some good years of leisure before ill health takes over.

This sense of entitlement stems from an implicit bargain with the state, to the effect that, after a long working life, they are entitled to leisure time once they reach 65. Raising the retirement age, they argue, was not part of the deal.

The discourse in favour of compulsory saving is very different: everyone believes in saving for their own retirement, so compulsory superannuation is forcing them to do something they want to do. They are willing to make sacrifices now to have more choices when they retire.

The Government argues that encouraging people to work longer is also helping them do something for their own benefit. However, increasing the retirement age is asking people to contribute time at a life stage when time is scarce. For boomers, being compelled to work later means that individuals are giving up something - time - that they cannot retrieve.

With superannuation, individuals will get it all back, and more, at a time when they feel that they will need it most.

It has only been 14 years since the introduction of compulsory super. It is evident that it is transforming not just retirement incomes but the relationship between citizens and government.