

The role of financial security in retiree happiness

Happiness means different things to different people, but according to new research, there are some common themes in what brings contentment to older Australians.

In collaboration with independent research house YouGov, Australia's leading retirement income provider, Challenger surveyed over 1,000 Australians aged 60+ to understand their retirement happiness and key drivers.

The results showed that 65 percent of Australians aged over 60+ said they would be much happier if they didn't have to worry about finances in retirement. Amid rising costs of living and economic uncertainty, financial advisers can support clients to achieve their financial goals and deliver peace of mind about the future.


Stability brings smiles

Money might not buy happiness, but the research suggests its stable presence can certainly help increase it in retirement. The Challenger Retirement Happiness Index shows that more than seven in ten Australians aged 60+ believe a guaranteed income in retirement would significantly boost happiness, with more than 40 per cent strongly agreeing. Yet when surveyed on their current state of happiness, financial stability sat at a score of 56 out of 100 overall, bringing it behind only physical health (62%) as the areas with the most potential for improvement in enhancing overall well-being.



More than seven in ten
Australians aged 60+ would be much happier if they had a guaranteed income for life in retirement.

Given the current economic climate and rising costs of living, it's notable but not surprising that so many of those Australians aged over 60+ are seeking financial stability – and that there is a gap between where their sense of security currently stands and where they'd like it to be. Two in three (65%) expressed the pressure of rising costs of living is impacting their confidence in having sufficient retirement funds. For the Australians aged over 60s+ looking ahead to imminent retirement, the impact was even more significant than on those who are already retired.



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Australians without financial advice feel the pinch more acutely, with a notable percentage attributing significant stress to the rising cost of living. Respondents who had never received professional financial advice (40%) were more likely than those that received advice (26%) to report that the rising cost of living has had a significant impact on their confidence that they will have enough money for retirement.

Regardless of their past engagement with financial advisers, the majority of retirees surveyed can see the potential benefits of understanding their choices for retirement.



More than three in four
77%, or the equivalent of approximately 4.5 million Australians aged 60+ said that education about their financial options in retirement would have a positive impact on their happiness

Peace of mind

Financial advisers have expressed increased client satisfaction when retirees know their basic financial needs are predictably met, and one way to do that is through an annuity that offers a guaranteed income.

Challenger lifetime annuity payments can be linked to yearly CPI changes, which can offer peace of mind now as well as helping to maintain living standards over the years. By providing a guaranteed regular income for life that adjusts with inflation, retirees can plan for expenses and engage in life-enriching activities, knowing that their needs may be covered regardless of economic shifts. And as part of a diversified retirement plan, a CPI-linked annuity can help reduce anxiety about the financial future, allowing retirees to focus on enjoying life.

To see how this could work for your clients, [check out our modelling of a 67 year old's retirement plan](#).

To find out more about the research or about guaranteed regular income



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