

The psychological wellbeing and financial decision-making of older Australians in times of uncertainty

A report prepared for Ecstra Foundation

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Centre for Markets,
Values and Inclusion





University of
South Australia



match studio

The Plug-in.



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Summary

This report summarises the findings from a project that investigated the psychological wellbeing and financial decision-making of older Australians in times of uncertainty. This project we believe is novel to the Australian context in understanding the financial response of older people to the COVID-19 pandemic.

Older Australians have proven disproportionately vulnerable to the health consequences of COVID-19. In addition, early evidence indicated that they may also be disproportionately vulnerable to the financial consequences of the pandemic especially those with limited incomes, pensions or superannuation funds, receiving inadequate health care or dependent on market-linked investments. Times of crisis can cause panic. This is ever more so when individuals feel that they have limited control over events, have poor coping skills, become anxious and lack hope. These psychological factors influence decision-making and financial behaviours.

In this research we explored the interplay between protective financial behaviours, psychological wellbeing and financial decision-making in older Australians in a time of crisis, that is, the COVID-19 pandemic.

The research aims were to:

1. Explore and measure the relationship between older people's psychological wellbeing and financial decision-making in times of uncertainty or crisis.
2. Identify the factors that contribute to older people's financial decision-making in times of uncertainty or crisis.
3. Co-create resources that older people can use to support their financial decision-making and to promote financial wellbeing in times of uncertainty or crisis.

Our research employed a mixed methods approach which involved interviewing 63 older Australians and surveying 1501 older Australians from the general community about their psychological wellbeing and financial lives. Based on co-design principles, this information was also used to inform the creation of an Assurance Information Package (double gatefold brochure and webpage prototype) designed to assist older Australians with financial decision-making at times of uncertainty.

This project produced the following outcomes:

1. A deeper understanding of the underpinning psychological factors and their impact on financial decision-making at a time of crisis.
2. The development of two assessment tools: 'Financial behaviours in times of crisis checklist'; and 'Financial knowledge, efficacy, attitudes, and resilience' questionnaire.
3. An open-source database containing survey responses.
4. A co-designed assurance information package using the principles of pause, reflect and connect to inform decision-making at times of financial uncertainty.

Key research findings

The overarching finding is a positive message. Most older Australians reported that they felt financially secure and, moreover, had not made precipitous decisions about their finances. Some had taken a more conservative approach to their finances which typically involved spending less and selecting lower risk superannuation options. Some reported losses due to reduced income, deferred rental payments and lower superannuation and/or interest returns. Older Australians who were not retired showed a higher likelihood in taking an early cash withdrawal from their superannuation, compared to those who were retired. Most older Australians reported however that losses were generally offset by savings due to the reduced opportunities for travel, dining out, and entertainment.

The exception to the general trend were younger respondents (aged 55 – 64 years) and older Australians with health issues. Both groups were less satisfied and less secure regarding their financial future. Younger respondents were especially concerned about policy changes to superannuation, were less confident in making financial decisions, more likely to report health problems and be unemployed. Older Australians with health issues were more likely to have made changes to their finances because of the COVID-19 pandemic, for example, early withdrawal of their superannuation, shifting some or all their retirement funds to low or no growth options, and providing ongoing financial assistance to a family member. They also reported the highest level of financial abuse by family or carers.

We observed several gender differences in financial wellbeing. Men showed higher wellbeing scores than women and were more likely to speculate on the stock market and change their retirement investments to high growth options in times of crisis. On the other hand, women reported lower levels of financial knowledge and financial confidence that were also evident in their views about retirement planning. The findings revealed that women were more hesitant in planning for their retirement and more worried about making mistakes in retirement investment decisions, compared to men. They were also more anxious about their financial situation because of COVID-19, compared to men. Furthermore, women were more likely than men to have provided ongoing and significant financial assistance to a family member, carrying additional financial responsibilities and possibly adding to their own disadvantage. Importantly though the findings reveal that 1 in 5 older Australians have no social support to call on in an emergency, especially men, deeming them less likely to be supported in times of crisis.

We found that overall psychological wellbeing and, likewise, long-held healthy financial behaviours in older Australians was associated with financial confidence and financial help-seeking. However, apart for a few exceptions, neither psychological wellbeing nor long-held healthy financial behaviours were predictive of the changes in financial behaviour reported by older Australians in response to the COVID-19 pandemic. The exceptions were fear or panic about finances because of the COVID-19 pandemic and a low likelihood of endorsing risky financial behaviours by those who have showed poor psychological wellbeing.

Also, older Australians at risk of depression, worried about their finances, showed low levels of hopefulness and poor coping, and were less confident about their financial decision making.

Although levels of panic had no effect on financial risk-taking behaviour, 31 percent of older Australians did report feelings of fear or panic associated with their finances in 2020. This cohort were more likely to have: (1) delayed retirement, (2) reduced private health cover, (3) sold an investment property, (4) speculated on the stock market, (5) sought financial assistance from family or friends, (6) closed a small business, (7) provided financial assistance to family and (8) shifted their superannuation funds (mostly to low growth options), but on the positive side they were more likely to have (9) consulted a financial planner. Addressing fear and panic about finances underpinned the development of the *'Pause, Reflect and Connect'* Assurance Information Package to help older Australians make financial decisions in times of stress and uncertainty.

Key research implications

The key research implications for government, policy makers and industries that provide services to older Australians, such as the aged-care and financial services sectors, are as follows:

1. Increased attention to ensure early adoption of healthy financial management behaviours is recommended. Early adoption of healthy financial management behaviours is associated with longer-term financial wellbeing.
2. A continued focus on older women's financial wellbeing is warranted.
3. Greater focus should be given to cohorts coming up to retirement. They were the most anxious and fearful about their finances (i.e. younger Australians aged 55-64 years in the workforce). Future retirees need to be assured that Government will not change policies.
4. Providing resources that reduce fear and panic to older Australians at times of uncertainty will help facilitate their wellbeing.
5. Many older Australians fail to update legal documents (wills, etc). There is a need to engage the legal profession and investigate strategies to improve the rate and regularity of updating of legal documents.
6. We need to engage future cohorts of older people who have lived different lives from their peers, and may have been affected by, for example, divorce, business failures, supporting adult children in the current housing market, etc.
7. Obstacles to older Australians obtaining reliable and affordable financial advice need to be identified and addressed.
8. Older Australians need to be well informed about the implications of providing significant financial assistance to family members.
9. Targeted assistance needs to be provided to older Australians with health issues.
10. The implications of the ongoing impacts of COVID-19 pandemic on the financial wellbeing of pre-retirees need further exploration.

1. Introduction

The COVID-19 pandemic is primarily a public health issue, but it has also had a profound impact on the global economy. This is reflected by the volatility in market returns, rise in business insolvencies, depressed interest rates, contraction in global growth, and restriction in services.

In 2021 the COVID-19 pandemic continues to have significant impact on the lives of many Australians, with ongoing implications for health and economic wellbeing. Early in the crisis, older Australians were considered to be at risk of being disproportionately vulnerable to the economic consequences of the COVID-19 pandemic especially those transitioning to retirement or reliant on market income streams.

The arrival of the COVID-19 pandemic in early 2020 generated fear and uncertainty in the community. Anecdotal evidence suggests that this caused some older Australians to re-evaluate their financial options and to make short-term decisions that may not have been in their long-term interest.

It is perhaps not surprising that psychological factors such as fear and anxiety may influence financial decision-making. What is surprising is that some older Australians have proven resilient at a time of an extraordinary economic uncertainty. It is thought that older people can find psychological strength in times of crisis because they have developed the capacity through a lifetime of interactions with the world to leverage personal and environmental resources and, thereby, adapt when faced with unexpected situations. This raises the possibility that psychological factors such as resilience (e.g. hopefulness and coping) may buffer against the impact of negative psychological factors on financial decision-making and financial behaviour.

Protective habits established early in life may also confer an age advantage. For example, long-held and established protective financial behaviours are thought to contribute to financial wellbeing in older age (e.g. following a budget, paying off monthly credit card balances). This may be a salient defence in times of economic uncertainty.

As yet, the extent to which the COVID-19 pandemic has impacted on the financial decision-making and, in turn, financial behaviour of older Australians remains to be established. In addition, the role played by psychological factors at a time of crisis on the financial decision-making of older Australian remains to be investigated.

Finally, the interplay between protective financial behaviours, psychological wellbeing and financial decision-making and financial behaviour in older Australians is hitherto unexplored.

Understanding the factors that influence financial decision-making in older Australians has several benefits. Primarily, it can help inform strategies to improve financial behaviour and resulting financial wellbeing. However, a present shortcoming is the lack of resources to assist older Australian make informed financial decisions at times of uncertainty whether in response to personal life events or larger societal events. Secondly, it can help financial service and other industries to understand and address the challenges faced by older Australians.

In this study we examine psychological wellbeing, protective factors, financial decision-making and financial behaviour in a sample of older Australians recruited from the general community. Participants were aged 55 years and over and in various stages of pre-retirement to full retirement. Individuals were recruited from metropolitan and regional areas from all states and territories of Australia. The mixed method study included qualitative, in-depth interviews with 63 older Australians; a national computer aided telephone interview survey of 1,501 older Australians; and a co-creation process to create resources for older people to assist in financial decision-making during periods of uncertainty.



2. Research aims

The project aimed to:

1

Explore and measure the relationship between older people's psychological wellbeing and financial decision-making in times of uncertainty or crisis.

2

Identify the factors that contribute to older people's financial decision-making in times of uncertainty or crisis.

3

Co-create resources that older people can use to support their financial decision-making and to promote financial wellbeing in times of uncertainty or crisis.



3.

Research approach

The project included three data collection phases:

1. In-depth interviews with 63 Australians aged 55 years and over
2. Survey of 1501 Australians aged 55 years and over
3. Co-creation activities to develop an Assurance Information Package

3.1 Phase 1: In-depth interviews with Australians aged 55 years and over

The aim of Phase 1 was to inform the development of the survey instrument used in Phase 2. The interviews were an opportunity to gauge the range of effects of COVID-19 on older Australians – on their wellbeing in general and specifically their financial lives, their financial behaviours and financial decision-making.

Sample recruitment

We engaged the Council on the Ageing South Australia (COTA SA)'s social enterprise, The Plug-in, to recruit the interviewees for Phase 1. The Plug-in has an 'Influencer' community of demographically diverse people aged 50 years and above that are ready to 'plug in' and provide their insights and experience to researchers.

The Plug-in recruited 63 older Australians for a series of one-on-one, 45–60-minute interviews by phone, in selected capital cities and regional areas around Australia. The recruitment of participants took place through August and September 2020.

The Plug-in undertook a range of communication and engagement activities to recruit participants including a dedicated project page on their website, specific project callouts to their 'Influencer' community, promoted the project more broadly through COTA SA's communication channels, and used existing partnerships to promote the project and recruit interstate participants.

The recruitment activities resulted in 236 individuals registering to participate in the project in August and September 2020. Potential participants who met the inclusion criteria were then contacted directly and given the detailed information about the project and a link to complete a consent form. Interviews were scheduled and participants were reminded 24–48 hrs prior to their interview time.

Pilot interviews were conducted by three of the authors involved in the project. The final interview protocol was administered by an independent researcher over a 7-week period, 1 September to 16 October 2020.

Interviewee characteristics

- Just over half of the interviewees (59%) were aged between 65 and 74 years.
- There were slightly more women (57%) than men
- 62% were fully retired.
- There were equal proportions of self-funded retirees (40%) and those whose income was a combination of self-funded and age pension (40%).
- Most were living in metropolitan areas (63%).
- Most owned their own home (78%).
- 65% lived with their partner / spouse.
- About a quarter of interviewees (26%) reported some level of financial stress.

Interview topics

The interviews covered four topics.

1. Effects of COVID-19, in general and financial, on the lives of the interviewee and their families.
2. Interviewee's perceptions of and feelings about their financial situation at that time (Sept/Oct 2020).
3. Interviewee's financial capabilities and behaviours relating to financial decision-making.
4. Interviewee's views on types of information or resources that would be useful to them in making financial decisions in times of crisis and uncertainty.

Interview findings

All interviews were audio transcribed and coded for themes using NVivo to manage the data. Each of the four topic areas were used as a starting point to create data themes presented in this section.

The interview results were used to inform the development of the online survey and provide a richer context to understand the lives of older Australians during the first year of COVID-19.

In the following sections we describe the major themes in each of the topic areas.

Effects of COVID-19 and life in general

We first asked interviewees about how COVID-19 made an impact on their lives in general. The main negative impacts were feeling isolated from friends and family, not attending social events or socialising, and not being able to travel.

Well the first thing that really, really we didn't like, my wife and I, was that we used to have over our grandchild ... coming [to our place] three days a week and obviously immediately that had to cease, that stopped. So now we obviously do miss him and of course interacting more closely with the children, grandchildren as well as my son and his wife, and my friends – [that] was a big shock.

We like to go on Princess Cruises, but because of COVID-19 those ships are all anchored somewhere off Thailand.

Well, I'm quite a social person and I usually go out to lunch once or twice a week. I've missed that and I really miss going to the movies.

Conversely many respondents said that COVID-19 did not have any significant impact and in fact there were positive consequences. For some, they saw themselves as 'homebodies' anyhow, and they completed projects that were outstanding, or renovated their homes. For others they said they got to know the neighbours better as there was more time for localised socialising.

So, it's kind of had an impact but nothing direct and nothing drastic because we live fairly quietly anyway and so the business of not being able to go out, not go to the pub well that's not us anyway.

Not much really. Initially when we had to stay home that was a bit restrictive, but I did a lot of gardening and thought of a lot of friends. Being in Queensland it's been pretty good.

In fact it's given a chance to get to know some of our neighbours that we perhaps haven't spent enough, a lot of time with and look it's provided different opportunities and it's been lovely.

I'd say that in some sense it's enriched my life. I think my social interactions have increased not so much at a face-to-face level but as a sort of, it has increased. I mean I haven't found it a ghastly experience at all. I actually found it a reasonably good experience.

Effects of COVID-19 on interviewee finances

When it came to finances and the effect of COVID-19, the most dominant themes focused on concerns for their superannuation balance, loss in sources of income (work, shares, or investment returns) or money lost through cancelled travel.

Superannuation impacts were noted by many interviewees – however for most they noted that they had relatively secure income streams or enough in their superannuation to absorb the impact.

I mean my super did take a hit. It rebounded a bit but it still hasn't come back to previous pandemic levels and I can't see that improving for I don't know, if ever, quite a few years at least.

Well, um, I mean my superannuation, um has obviously been affected, and I would say that the global situation of financial issues, because of COVID-19, so I lost some money in my superannuation fund. So, that had an impact on, you know, decision about when to actually retire.

It's affected our superannuation payments but we've got quite a healthy fund, so we're not totally relying on it.

Many talked about reduced income: this ranged from a decrease in investment streams, investment property, to losing employment or other means of earning extra income.

Before the COVID-19, I did a bit mystery shopping. You know, I did a survey, online surveys to do it up, to get gift vouchers and all this sort of thing, right and of course when COVID-19 come in well all that stopped. And those gift vouchers are the things that pay for my food. I earn enough doing online surveys and the like to pay for all my food.

The other things I suppose that were affected; I did lose some income. I was doing some other consulting work which dried up. I also so I suppose I can say I lost about 20% of my income.

Yeah, so I'm in the very fortunate position of having my own super fund so obviously the impact to the share market was pretty significant when that occurred around March [2020]. And my income sources are from dividends so they've been reduced. And my other income sources through rent of a property and that's been vacant for a period of time and have dramatic rent deduction ... I have suffered some loss through tenants not being able to pay rent for a number of months ... so it's not as catastrophic obviously as losing a job or a home for example.

As noted earlier, for some interviewees, COVID-19 did not have any impact on their finances, and indeed for some it had a positive impact. COVID-19 enabled them to save, they reworked their budgets or amended their future plans.

The Federal Government's 'JobKeeper' supplement also assisted some respondents to prevent any financial shocks caused by COVID-19.

My money situation is possibly the best I have ever had.

Well strangely it hasn't because the drop in my superannuation is basically the same amount that I would've spent on my overseas trip, which is a huge amount but so I am not financially worse off than I would have been but I've not spend the huge sum of money on an overseas trip. I haven't had that experience but my finances work out the same minus that exceptionally expensive trip.

Not really because of the JobKeeper. I can say that you know, I'm very grateful for that.

No not really. I haven't, I go to work, I pay my bills. It hasn't created any problems for me. I do realise that for a lot of people it's an entirely different situation.

No, none whatsoever to be honest.

My wife and I have actually saved some money really.

Perceptions of financial situation during that time

Almost half of the interviewees stated that the COVID-19 situation in 2020 made them think more about their finances, it caused them to worry more as it added a layer of complexity to their decision-making, and some felt that they were more financially vulnerable as a result of the pandemic.

Yeah, I think I do. I wish I hadn't looked at my super. They told me not to look, that made me want to look.

Oh yeah it crosses the grey matter a bit for sure. I'm not saying, I'm not lying awake nights worrying about it, but it does cost, you do think, ah well. And if you get this, there's another report about you know someone saying oh well housing or something, but just you can't think, oh there's another nail in the box sort of thing, you know.

From the point of view of managing my portfolio of shares, yes.

Yes. I think definitely, definitely and really feeling helpless really because there isn't much you can do.

I feel quite comfortable now [about my financial situation] but I went through a period a few weeks ago where I had real uncertainty around my job and then I was really worried.

Conversely, about half of interviewees stated that there was no change in how they thought of their financial situation during COVID-19. Some people were just not 'worriers'.

I don't put a lot of time into it.

When the crisis struck I did do that but about a week or so after, I decided that I wasn't going to do that [worry about it].

Uhm not that often. I think I'm a kind of set and forget person. I don't watch the markets, I don't read anything about, I mean aside from just general news, about what's happening, you know economically, I don't delve into it in any great depth. I think I'm pretty lazy and financially I'm not all that literate really.

The only other thing is I don't think we tend to worry. I mean if I lose my money tomorrow I lose it. Sometimes you can't do anything about that. There's no point holding a grudge because you're the only one that suffers. So I think between us we tend to cope with things as they happen and I don't really get mad about that. I get mad about lying politicians and all the other things but I don't normally get mad about what happens in our lives.

Some interviewees noted, when asked to reflect on how they viewed their financial situation, that they were actually quite 'comfortable' financially. They were satisfied with their financial situation.

Well, I feel probably kind of embarrassingly comfortable especially after the government's been handing money around as if, you know, we needed it or something. We do, yes so we're quite comfortable. We actually reduced the amount of money we're taking out of super and we're still saving. ... So we're gradually working our super down, in the hope that it will probably outlast us but yes we're quite comfortable.

I'm quite comfortable about it [my financial situation]. I'm not rolling in it, but you know, I get by.

Well I think I'm fairly secure at the moment. I know I've got money in super for when I do retire ... I'm well off compared to a lot of other people. I have money to spend as I choose to spend. I'm not struggling to make ends meet.

The interviewee responses led the research team to consider what protective psychological traits may be present and the varying levels of stress and anxiety among older people when COVID-19 arrived. It prompted us to explore the inclusion of a 'worry scale' and a 'coping' scale to test this hypothesis.

Financial behaviours during COVID-19

What impact did COVID-19 have on people's financial behaviours? Many people reported spending less money from not being able to travel or go out. Others commented that food and other costs related to being at home more had increased. Overall, many people said their costs and savings had essentially cancelled each other out. Very few people indicated their use of credit had changed.

Well I think it has affected our behaviours. Because we've stayed much more local and we've had less restaurant meals, less a lot of things. I think we've actually saved money.

We have our budget, we run a budget and we update it fortnightly and keep an eye on things.

Yes [COVID-19] has changed [things] in a sense that I now am more careful with what we spend and plan more carefully. Budget strictly.

What I've got is what I've got and I'm just very careful about how I use it and spend it and whatever. ... And the idea that you have to have a fortune to live and live well I don't think is right. I live very well the way I do and I know how to manage money. I mean sickness is probably a thing in the back of your mind but all you can do is I've got what I've got and that's it.

In terms of credit card use, some were very strict and only used their debit cards, while some used their credit cards and paid them in full at the end of the month. Others found that they used their cards more when cash payments were discouraged. During COVID-19 one interviewee, who always had a credit card but never used it, found themselves using it for the first time, to smooth over bill payments.

It's funny because I have had a credit card forever with a bank and I only use it when I go overseas. I never used it at any other time and I kind of, uhm during the lockdown I got car insurance, my car registration and my health insurance, which I only pay six monthly. So, it's like over a \$1000, they all came at once and I, I could've paid it out of my bank account, and I thought blow this, I just use my credit card and have a month to pay it off. And pay it gradually, so I did. And that's the first time I've used the credit card probably in 3 years, 4 years.

In terms of COVID-19 and financial decision-making – most interviewees said they did not change anything – they were 'just holding the course'.

... That was one of the big things that I wanted to talk to my accountant about. It was should I start shifting money, I certainly, certainly wasn't going to make the withdrawals from you know like the government's been offering to but

...I think I'm in a different, I'm in a different category 'cos I'm not working anymore. Um so no I haven't, I was advised to leave everything as is.

No I think that was, no we left everything as it was. We're not changing anything at all.

Some respondents adjusted their investment mix in their superannuation to a more conservative option. Some respondents moved money from superannuation to a loan or bought different shares, trying to capitalise on the share market drop.

I did change the placement, you know how you, within your superannuation you've got different choices of where you put it. You know like balanced or extra or whatever, there's 5 or 6 options in mine and I've always had a spread in those but I've changed the allocation within that spread ... I've put it into a more conservative setting.

So when COVID-19 happened I did buy shares as prices dropped and have sold some shares. So I saw it initially as an opportunity but then when the bottom fell out of the market I became a bit more cautious and felt that I should hold onto more cash.

I decided to take five grand out when we were able to access it and I did put that into a loan I have on an investment unit. So I just decided take that out, you know rob Peter to pay Paul type thing.

Overall the interview sample made sensible and steady decisions when it came to their finances during the pandemic. While COVID-19 had negative social impacts for older people (as it did for most people) due to isolation and health restrictions imposed, there were a mix of positive and negative financial impacts and evidence that people's underlying psychological factors could play a role in ameliorating anxiety and stress during the crisis.

Resources and information that would be useful in making financial decisions

We also asked interviewees what information and in what format would be useful for them when it came to making financial decisions. We used these suggestions to inform the co-creation process for developing the Assurance Information Package. Suggestions about what resources and information would be useful were varied and included both general information and more specific information related to individual circumstances.

Many respondents mentioned resources that would help in understanding the intricacies of the stock market and shares would be useful.

I'm, as I said before, I don't think I'm financially particularly literate. In my other life, I don't think I'm a dumb person, but I still find it challenging to understand some of the financial information that one gets. So if any, all I would say and I guess this is obvious, is to make it really simple, like for dummies, you know, because people like me who're well educated and whatever still go, what does that mean, what is a franking credit, what is that?

Clearly primed from the interview topics and having learned from their experiences during COVID-19, interviewees thought that information about how to cope with a crisis would be helpful. These comments also influenced the inclusion of scales that measured coping skills.

I think something about you know, don't panic. Stuff around, you know, you don't need to panic and uhm you know, when I saw my super had dropped so much, I was in panic mode about what to do about it and like my husband was like, you don't panic, it's gonna pick back up, you don't need to do anything. Yeah, it's just that sort of stuff, yeah.

Other interviewees mentioned the need for people to seek professional advice and knowing how to get cheap or free reliable financial advice. The lack of readily accessible, affordable and trustworthy financial guidance is one of the most common and widespread complaints across all ages within the population.

I know you can go to financial advisors that don't cost lots of money um I can't think particularly of people but I know there's places you can actually go to if you know you can't afford to pay some financial advisor a couple of hundred or thousand or something to do a plan for you. There's a few places around that I think I've heard of that you can actually just ring up and try and talk to somebody about finances. So it's around, I suppose you have to know where to look.

Uhm so I think one thing would be where are the sources of good financial advice? But if there's any free stuff which is probably unlikely, if it's free it's unlikely to be worth much, but it could be. And professional advice that you can get, which you pay for but which is not tainted by some professional, by some commercial association.

Several interviewees mentioned wanting to have access to practical information, especially ways they could save money by reducing expenses and costs, especially health related costs.

Savings, like where, where are good places to get savings in all sorts of things not just food but um you know clubs or, er, you know discounts for coffee or things like that.

I mean you go to the dentist you're looking at hundreds of dollars, you go to any kind of specialist you're looking at hundreds, you go for x-ray you're looking at hundreds of dollars where um it's not the normal GP things that are the

hardest ones...If there was any kind of information that you could find out about self-care professionals and specialists where I guess they were a little bit more reasonable than others then that would be good information.

And while superannuation is a hot topic, interviewees wanted to know if there was some way to learn about superannuation rule changes and what it would mean for them, information about superannuation in general, and preparing for retirement.

Admittedly the sort of rules change all the time but I would have found information, I didn't know anything about any of that and um like as I said I just found out about the pension bonus 'cos I happened to be leafing through a magazine one day and I would like to um see sort of a one stop shop or a booklet or a website or something that people could go to find out stuff like that because you just go blowing your super without really knowing what your options are and especially if you have some insurance salesman sort of breathing down your neck.

I think it would be really good to have, I'd like to see more information easily accessible with um for along the lines of you know getting ready for retirement. What do you need? What do you, you know, they say will maintain you with the lifestyle you are currently at? Well I think I've got Buckley's. And we are very frugal. I'm only, I'm an admin worker. They are not highly paid jobs you know so you know I just wonder with more information on that, information on accessing, I'd like to see Centrelink become a heck of a lot easier to deal with. Me and everybody else.

Information dissemination modes for information

Finally, how should financial information be disseminated, and in what form? Many interviewees mentioned the need for information to be straightforward, in plain language, not too complex, and relatable. They viewed person-to-person information as important – but the person needed to be trustworthy. They were suspicious of most commercially available information and were concerned about the risk of being misled.

A wide variety of dissemination modes were suggested – from digital to paper-based. People varied in their level of digital capability. Paper based products were seen as optimal as it allowed them to read and re-read information at their own pace. The strongest theme was regarding trust. For interviewees, it was critically important to be able to trust in the organisations that provided the information and the people that delivered it.



3.2 Phase 2: Survey

The purpose of the survey instrument was to assess, in times of crisis, an individual's psychological wellbeing (e.g. 'Current events have made me feel panicky') and their financial decision-making (e.g. 'I am planning to convert my assets to cash'). More specifically it was intended to assess the extent to which psychological factors such as coping, wellbeing and worry affect the financial decision-making of older Australians at a time of uncertainty, such as that faced by the Australian community in 2020 with COVID-19.

Data collection, including participant recruitment, was employed by using computer-aided telephone interview (CATI) technology and the process was administrated by the Edith Cowan University Survey Research Centre.

Sample recruitment

In total, 1,501 people completed the survey after the initial screening process. Respondents had to be 55 years and older and either needed to be planning to move into retirement or be retired. Respondents who were retired included self-funded retirees; a mix of self-funded retiree and those funded through their superannuation; those living on superannuation only; in receipt of the aged pension only and a mix of those who were self-funded and in receipt of the aged pension. There were 1001 respondents located in metro locations, and 500 from regional areas.

Survey development and testing

The CATI survey approach was chosen as the data collection tool, as it was time effective, convenient and likely to lead to higher response rate for this cohort. A preliminary questionnaire was designed to obtain sufficient information to answer the following research questions.

- How does the psychological wellbeing of older people in a time of crisis affect their financial decision-making?
- How do the concepts of hope and worry influence financial decision-making in times of crisis?
- What factors contribute to older people's (risky or protective) financial decision-making in a crisis?
- How does age/ retirement phase (pre, involuntary, early, full) interact with risky or protective financial behaviours in times of crisis?

A pilot study was conducted to test the effectiveness of the questionnaire and to enhance its robustness.

Survey content

The survey covered five content areas. The survey questions are included in Appendix 1.

Section 1 captured respondents' demographic characteristics including, but not limited to, gender, current employment status, living situation, income and household financial decision making.

This section also assessed respondents' general wellbeing. Financial wellbeing is one aspect of our general subjective wellbeing. We thought it was important to gain a better understanding of the broader context of our respondents' general wellbeing. To do this we used the WHO-5 subjective wellbeing index. This measure is a set of five questions about physical, attitudinal and mental wellbeing and asks people how they have been feeling over the past two weeks. This index is also a reliable tool for screening for depression (Bech, Olsen, Kjoller, & Rasmussen, 2003; Sischka, Costa, Steffgen, & Schmidt, 2020; Topp, Østergaard, Søndergaard, & Bech, 2015).

Respondents were asked to indicate the frequency for each of the five statements relating to how they felt over the previous two weeks. The scale was 0 = at no time, 1 = some of the time, 2 = more than half of the time, 4 = most of the time, and 5 = all the time. The total score ranges from 0 to 25. A score below 13 indicates a need for further screening or assessment for depression.

Section 2 measured financial behaviours with questions based on a conceptual financial wellbeing framework developed by Kempson, Finney and Poppe (2017). These questions were used to determine how age and retirement phase interact with risky or protective financial behaviours in times of crisis. In particular this section included questions that asked respondents about their financial behaviour (Q17) and if these behaviours were long held (Q18). Furthermore, it also measured respondents' risk tolerance (Q18).

Section 3 measured the financial knowledge, self-efficacy, attitudes and resilience focusing on respondents' financial know-how and understanding. The set of items were original (Q20), being developed by the authors of this report based on their own knowledge and experience regarding financial capability and financial behaviour. It included statements upon which respondents had to choose from a scale that ranged from 'applies very well = 1' to 'does not apply at all = 5' reflecting current financial knowledge, self-efficacy, attitudes and resilience in their financial decision-making during times of crisis. These items were collated into a financial knowledge, efficacy, attitudes, and resilience questionnaire.

Section 4 measured the psychological wellbeing of respondents focusing on financial worry, coping and hope in times of crisis. We measured financial worry (Q21) using the Planning Worry subscale from the Financial Inhibition Scale (FIS) developed by Neukam and Hershey (2003) as well as a set of statements developed by the authors of this report. In measuring hope we applied the Trait-Hope Scale developed by Snyder (2002) whilst we measured coping behaviour by applying Stallman's (2017) Coping Index.

In the development of the survey, we used higher levels of worry, fear and anxiety as proxy measures of poorer psychological wellbeing. We collected information about respondents' usual status quo to establish their baseline characteristics and therefore, and to see if crises caused them to act differently to how they would usually manage their finances. Also, we considered if people with low levels of hope and/or high levels of worry with fewer protective factors were more likely to make risky decisions and if decreased hope, increased worry and not coping, lead to increased risky decision-making.

Section 5 included specific questions to identify the financial decisions made or financial outcomes experienced by respondents COVID-19 such as whether they delayed retirement or sought financial assistance from friends. These items were collated into a checklist for financial decisions in times of crisis.

Analytical approach

The statistical platform SPSS was used to analyse the survey data. Categorical data was analysed using the appropriate non-parametric statistics and continuous data was analysed with t-tests and ANOVA. Significance level was set at $p < .05$.

Respondent characteristics

Table 1 details the basic demographic characteristics of the survey sample. There was an even distribution of men and women and just over half of the respondents were in the older age bracket (65 years+). There was a small proportion (1.3%) of respondents who identified as LGBTI+. Among this sample, there was a relatively high proportion of respondents who had a disability or long-term health condition (29.4%) and 14% of respondents were carers (with women more likely to be a carer than men).

Table 1. Survey respondent demographic characteristics

Demographic characteristics	Percent	Number
Gender		
Women	50.0	751
Men	50.0	750
Identify as LGBTIQ+		
Yes	1.3	20
No	97.9	1,469
Not answered	0.8	12
Age group		
55 - 64 (Young - old)	42.0	630
65 and over (Old - old)	58.0	871
Location		
Metropolitan	61.0	916
Inner/ Outer Regional	39.0	585
Problems understanding English		
Yes	1.3	20
No	98.7	1,481
Disability or long-term health condition		
Yes	29.4	441
No	70.6	1,059
Not answered	0.1	1
Caring for partner, spouse or family member		
Yes - Male carers	5.2	78
Yes - Female carers	8.9	134
No	85.8	1,288
Not answered	0.1	1

Note: N = 1,501. Survey questions Q1, Q5, Q6, Q7, Q8, and Q9.

Half of the sample were retired and almost half were working either full-time or part-time (Table 2). Their main source of income was aged / government pension, or self-funded. Over a third (38.3%) earned salary or wages as their main source of income. A small proportion (10%) indicated other sources of income such as from their own or partner's business, their farm, reliance on their partner's income, dividends, or a combination of self-funded superannuation and government payments. The median personal income before tax in 2019 was between \$50,000 to \$74,999.

Table 2. Income, employment and retirement status

Economic characteristics	Percent	Number
Retirement status		
Retired	50.0	751
Not retired	49.8	747
Not answered	0.2	3
Employment status		
Part-time	22.6	339
Full-time	28.0	421
Looking for work	3.2	48
Not looking for work	46.1	692
Don't know	0.1	1
Main source of income		
Self-funded retirement	29.6	445
Aged or govt. pension	20.0	300
Salary or wages	38.2	574
Unemployment or JobKeeper benefits	1.9	28
Other	9.7	154
Don't know/ refused	0.6	9
Annual personal income (2019 before tax)		
\$0	3.9	59
\$1 - \$9,999	3.1	47
\$10,000 - \$24,999	15.2	228
\$25,000 - \$49,999	20.7	311
\$50,000 - \$74,999	19.1	287
\$75,000 - \$99,999	10.7	161
\$100,000 - \$149,999	9.1	137
\$150,000+	8.3	125
Don't know	4.7	71
Refused	5.0	75

Note: N = 1,501. Survey questions Q3a, Q3b, Q4, and Q16.

Nearly all survey respondents lived in a house (89.3%) and a further 8.9% lived in townhouses or apartments (Table 3). Only a very small proportion lived in retirement villages, caravan parks or granny flats. Survey respondents generally lived with their spouse or partner (72.6%) and 20.7% lived alone. Living with their adult children was the situation for 12.5% of respondents with smaller numbers living with other relatives, friends or other people (e.g. grandchildren, boarders). To obtain a clearer picture of the survey sample we investigated whether there were any demographic differences (such as gender, age, retirement and health status) in housing and economic characteristics.

Table 3. Accommodation, home ownership and living arrangements

Housing characteristics	Percent	Number
Accommodation type		
House	89.3	1,340
Townhouse	4.5	67
Apartment	4.4	66
Retirement village or similar	0.8	12
Caravan park	0.5	8
Granny flat	0.4	6
Don't know/ refused	0.2	2
Home ownership		
Own home outright	68.6	1,029
Paying down a mortgage	21.5	322
Renting privately	7.9	118
Renting from the government	0.7	11
Life-time lease	0.3	4
Reverse mortgage	0.1	2
Don't know/ refused	1.4	15
Household situation (select all that apply)^a		
Live alone	20.7	311
Live with spouse/ partner	72.6	1,090
Live with child(ren) under 18 years	3.1	46
Live with adult child(ren)	12.5	188
Live with other relative	3.3	50
Live with friend	0.5	8
Other	1.0	15
Refused answer	0.3	4

Note: N = 1,501. Survey questions Q11, Q12, and Q10C1 to Q10C9. ^a Respondents could select more than one option.

Gender differences

In the survey sample, women were more likely to be younger than men, more likely to work part-time and earned less than men (Table 4). Women were also more likely to be living alone (26%) compared to men in the survey sample (15.5%).

There were no gender differences based on retirement status and home ownership.

Table 4. Gender differences

Demographic characteristics	Men	Women	Total
Age group*			
55 - 64 (Young - old)	39.3%	44.6%	42.0%
65 and over (Old - old)	60.7%	55.4%	58.0%
Employment status***			
Part-time	19.0%	26.2%	22.6%
Full-time	34.4%	21.7%	28.1%
Looking for work	2.7%	3.7%	3.2%
Not looking for work	43.9%	48.3%	46.1%
Retirement status			
Retired	50.0%	50.3%	50.1%
Not retired	50.0%	49.7%	49.9%
Annual personal income (2019 before tax)***			
\$0	2.7%	6.1%	4.4%
\$1 - \$9,999	2.4%	4.5%	3.5%
\$10,000 - \$24,999	12.5%	21.3%	16.8%
\$25,000 - \$49,999	18.7%	27.4%	23.0%
\$50,000 - \$74,999	22.5%	19.8%	21.2%
\$75,000 - \$99,999	13.8%	9.8%	11.9%
\$100,000 - \$149,999	12.8%	7.3%	10.1%
\$150,000+	14.4%	3.8%	9.2%
Home ownership			
Own home outright	69.9%	68.5%	69.2%
Paying down a mortgage	20.9%	22.4%	21.7%
Renting privately	8.6%	7.3%	7.9%
Renting from the government	0.3%	1.2%	0.7%
Other (Life-time lease or Reverse mortgage)	0.3%	0.5%	0.4%
Household situation***			
Live alone	15.5%	26.0%	20.7%
Live with other people	84.5%	74.0%	79.3%

Note: **Bold-type** percentages indicate statistically significant sub-group differences based on the cell-based adjusted standardised residual greater than 1.96. **Red-bold** = lower than expected. **Green-bold** = higher than expected. Analyses exclude 'don't know', 'refused' and 'did not answer' responses. Age Group N = 1,501. Employment status N = 1,500. Retirement status N = 1,498. Personal income N = 1,355. Home ownership N = 1,486. Household situation N = 1,501.

* p < .05, ** p < .01, *** p < .001 (Based on Chi-squared statistic) otherwise differences were not statistically significant.

Age group differences

Respondents in the older age group (65 years+) were more likely to be not looking for work, retired, earn below median income level, and more likely to be living alone, compared to respondents between 55 and 64 years of age (Table 5). However, two-thirds of older respondents were more likely to own their own home outright compared to the younger cohort.

Table 5. Age group differences

Demographic characteristics	55 - 64 yrs	65+ yrs	Total
Employment status***			
Part-time	26.1%	20.1%	22.6%
Full-time	45.0%	15.8%	28.1%
Looking for work	4.6%	2.2%	3.2%
Not looking for work	24.3%	61.9%	46.1%
Retirement status***			
Retired	24.4%	68.7%	50.1%
Not retired	75.6%	31.3%	49.9%
Annual personal income (2019 before tax)***			
\$0	2.7%	6.1%	4.4%
\$1 - \$9,999	2.4%	4.5%	3.5%
\$10,000 - \$24,999	12.5%	21.3%	16.8%
\$25,000 - \$49,999	18.7%	27.4%	23.0%
\$50,000 - \$74,999	22.5%	19.8%	21.2%
\$75,000 - \$99,999	13.8%	9.8%	11.9%
\$100,000 - \$149,999	12.8%	7.3%	10.1%
\$150,000+	14.4%	3.8%	9.2%
Home ownership***			
Own home outright	59.0%	76.6%	69.2%
Paying down a mortgage	32.4%	14.0%	21.7%
Renting privately	7.6%	8.2%	7.9%
Renting from the government	1.0%	0.6%	0.7%
Other (Life-time lease or Reverse mortgage)	0.0%	0.7%	0.4%
Household situation***			
Live alone	16.5%	23.8%	20.7%
Live with other people	83.5%	76.2%	79.3%

Note: **Bold-type** percentages indicate significant sub-group differences based on the cell-based adjusted standardised residual greater than 1.96. **Red-bold** = lower than expected. **Green-bold** = higher than expected. Employment status N = 1,500. Retirement status N = 1,498. Personal income N = 1,355. Home ownership N = 1,486. Household situation N = 1,501. Analyses exclude 'don't know', 'refused' and 'did not answer' responses.

* p < .05, ** p < .01, *** p < .001 (Based on Chi-squared statistic) otherwise differences were not statistically significant.

Retirement status differences

As previously indicated, equal proportions of men and women were retired; and the older cohort were more likely to be retired compared to the younger cohort (Table 6). As would be expected, the majority of retired people were not looking for work (87.1%) yet there were 12.9% who were still employed or looking for work. People who were not retired were more likely to earn above the sample median (\$50–\$74,999) compared to the retired cohort. People who were retired were also more likely to own their own home outright (83.1%) compared to 55.1% of people who were not retired.

Those not retired were more likely to live with other people compared to retired respondents who were more likely to live alone. The pattern of differences between retired and not retired respondents is similar to the above analysis of age group comparisons.

Table 6. Retirement status differences

Demographic characteristics	Retired	Not retired	Total
Gender			
Men	49.9%	50.2%	50.1%
Women	50.1%	49.8%	49.9%
Age group***			
55 - 64 (Young - old)	20.4%	63.6%	41.9%
65 and over (Old - old)	79.6%	36.4%	58.1%
Employment status***			
Part-time	9.9%	35.3%	22.6%
Full-time	0.8%	55.6%	28.1%
Looking for work	2.3%	4.0%	3.1%
Not looking for work	87.1%	5.1%	46.2%
Annual personal income (2019 before tax)***			
\$0	6.3%	2.4%	4.3%
\$1 - \$9,999	4.4%	2.6%	3.5%
\$10,000 - \$24,999	23.9%	10.2%	16.8%
\$25,000 - \$49,999	27.7%	18.5%	22.9%
\$50,000 - \$74,999	20.2%	22.2%	21.2%
\$75,000 - \$99,999	7.8%	15.7%	11.9%
\$100,000 - \$149,999	4.4%	15.5%	10.1%
\$150,000+	5.2%	13.0%	9.2%
Home ownership***			
Own home outright	83.1%	55.1%	69.2%
Paying down a mortgage	9.1%	34.5%	21.7%
Renting privately	6.4%	9.5%	8.0%
Renting from the government	0.7%	0.8%	0.7%
Other (Life-time lease or Reverse mortgage)	0.7%	0.1%	0.4%
Household situation*			
Live alone	22.8%	18.6%	20.7%
Live with other people	77.2%	81.4%	79.3%

Note: **Bold-type** percentages indicate significant sub-group differences based on the cell-based adjusted standardised residual greater than 1.96. **Red-bold** = lower than expected. **Green-bold** = higher than expected. Gender N = 1,498. Age group N = 1,498. Employment status N = 1,497. Personal income N = 1,352. Home ownership N = 1,484. Household situation N = 1,498. Analyses exclude 'don't know', 'refused' and 'did not answer' responses.

* p < .05, ** p < .01, *** p < .001 (Based on Chi-squared statistic) otherwise differences were not statistically significant.

Differences based on whether health issues impact finances

Survey participants were asked whether they or their family had experienced any health issues during the last 12 months that had an impact on their finances – 20% of survey respondents said ‘yes’. Table 7 details the demographic differences between respondents who had a health issue (n = 302) compared to those who did not (n = 1197)¹.

There were no differences by age, gender, retirement status or whether they lived alone between those who had a health issue

and those who did not (Table 7). In terms of employment, people who had a health issue in the last 12 months were more likely to be looking for work (7.9%) compared to those who did not (2%). People with health issues were also less likely to own their home outright and were more likely to have lower annual personal income, compared to people who had no health issues impacting their finances in the last 12 months.

¹ Analyses in the table only include responses from people who answered both questions, that is both health and the respective demographic question. As such sample sizes are not the same for each analysis.

Table 7. Health issues in the last 12 months - demographic differences

Demographic characteristics	Health issues	None	Total
Gender			
Men	46.0%	50.9%	49.9%
Women	54.0%	49.1%	50.1%
Age group			
55 - 64 (Young - old)	46.0%	41.0%	42.0%
65 and over (Old - old)	54.0%	59.0%	58.0%
Employment status***			
Part-time	24.2%	22.1%	22.5%
Full-time	24.2%	29.1%	28.1%
Looking for work	7.9%	2.0%	3.2%
Not looking for work	43.7%	46.8%	46.2%
Retirement status			
Retired	46.8%	50.9%	50.1%
Not retired	53.2%	49.1%	49.9%
Annual personal income (2019 before tax)***			
\$0	8.1%	3.4%	4.4%
\$1 - \$9,999	4.4%	3.2%	3.5%
\$10,000 - \$24,999	21.3%	15.7%	16.8%
\$25,000 - \$49,999	28.7%	21.5%	23.0%
\$50,000 - \$74,999	19.9%	21.4%	21.1%
\$75,000 - \$99,999	8.5%	12.8%	11.9%
\$100,000 - \$149,999	7.0%	10.9%	10.1%
\$150,000+	2.2%	11.0%	9.2%
Home ownership*			
Own home outright	62.0%	71.1%	69.3%
Paying down a mortgage	25.9%	20.6%	21.6%
Renting privately	9.8%	7.5%	8.0%
Renting from the government	1.7%	0.5%	0.7%
Other (Life-time lease or Reverse mortgage)	0.7%	0.3%	0.4%
Household situation			
Live alone	23.8%	20.0%	20.7%
Live with other people	76.2%	80.0%	79.3%

Note: **Bold-type** percentages indicate significant sub-group differences based on the cell-based adjusted standardised residual greater than 1.96. **Red-bold** = lower than expected. **Green-bold** = higher than expected. Gender N = 1499. Age group N = 1499. Employment status N = 1498. Retirement status N = 1496. Personal income N = 1354. Home ownership N = 1484. Household situation N = 1498. Analyses exclude ‘don’t know’, ‘refused’ and ‘did not answer’ responses.

* p < .05, ** p < .01, *** p < .001 (Based on Chi-squared statistic) otherwise differences were not statistically significant.

3.3 Phase 3: Creating an Assurance Information Package

A key deliverable of this project was to create a practical outcome from the research to help older Australians cope with financial uncertainty without stress and anxiety. This phase of the project involved a co-creation process to engage older Australians in the development of relevant resources to help in making financial decisions and promote financial wellbeing in times of uncertainty or crisis.

We employed a Human Centred Design (HCD) methodology that engaged 'expert users' to help design products, services, and processes focused on the needs of those who will use them and benefit from them. In doing so we applied a co-creation process, inviting a sample of older Australians to share their experiences, knowledge and ideas on the content, form and aesthetic of the proposed financial assurance information package.

Two co-creation workshops were designed and conducted, informed by the findings of the in-depth interviews and survey. The co-creation workshops invited participants with lived experience along with key stakeholders to participate in discussions and activities exploring how financial information can be effectively communicated to older Australians, and how service providers can improve their services to support financial decision-making in times of uncertainty or crisis.

The insights and feedback collected from these workshops informed the development of key design principles that supported the development of the content and design of the prototype Assurance Information Package.

Design Inquiry

There were several questions posed to older Australians who participated in the interviews (Phase 1) that the design team were particularly interested in exploring further in the workshop activities. Following are the questions, topics and design rationale for this additional enquiry.

Lifestyle Factors

- How does lifestyle, health, relationships and/or accommodation influence or impact financial decision-making? Short-term, long-term, sudden, or ongoing?
- Have older Australians experienced difficult times other than COVID-19? What did they do in response to these challenges?

Design rationale

Understanding how lifestyle conditions can change for older people can be incredibly valuable in determining when and why older people may need support with their finances, and how they might seek and find this support. It provides a clearer picture as to whether the information in the Assurance Information Package should be broad, serving as a steppingstone or launch pad into what is available, or if it needs to be robust and detailed, to serve as an ongoing resource for people to engage with repeatedly.

Financial Behaviours and experiences

- How do older Australians normally manage their finances day-to-day, month-month i.e. before COVID-19?
- Do older Australians feel confident in making financial decisions? Why or why not? If why, what experiences have served to build their confidence? If not, to whom or where do they turn to when making financial decisions?
- How do older Australians access financial information or advice? From whom? What were their experiences? What form did the information come in?

Design rationale

The responses and insights collected about older Australians' behaviours and experiences were critical to the formation of the Assurance Information Package. Knowing the expectations of older Australians, the influences on their financial behaviours and the impacts on mental health guided the tone, content and inclusion of relevant information, resources, and support services which cater to their needs.

Impact of COVID-19

- How has COVID-19 affected older Australians and their families? Has the pandemic impacted their financial situation? Have they recovered financially from any negative impact?

Design rationale

Given the subject of this research and the ongoing reality of COVID-19, it was important to acknowledge and investigate the impact of this event, particularly in relation to not just financial matters, but to the overall wellbeing of older Australians. While acknowledging the significant financial effects of COVID-19 it was also vital to understand how older Australians accessed financial information and services prior to 2020.

Mental Health Management (stress, anxiety)

- Should the Assurance Information Package include information about dealing with stress and anxiety?

Design rationale

Understanding how mental health influences financial decision-making was key to exploring links between the tone and style of communication to positive mental health management and financial decision-making.

Opportunities for Design Intervention

- What are the experiences of older Australians in obtaining the help they need with managing their finances and making informed financial decisions?
- Looking at existing products and resources, what do older Australians like and dislike about them? How would they prefer to access these products and resources?

Design rationale

Recognising the strengths and weaknesses in the current system of information and services helped to identify design principles for the Assurance Information Package. This enhanced our understanding of how this product can accommodate preferences for accessibility, aesthetics, and overall usefulness.

User-insight workshop

Before considering how the Assurance Information Package could be presented, it was necessary to learn more about how older Australians manage their finances more generally, such as managing their daily expenses, and gain insights into what support people need and/or have accessed when experiencing a crisis event or period of uncertainty. To gather this information survey respondents (Phase 2) who had nominated their interest in providing further feedback were invited to a 90-minute co-creation workshop.

During the workshop the design team led participants through a series of activities. Participant instructions were provided in a workshop activity book which also enabled the design team to collect participant responses.

The four activities undertaken in the workshop involved the following methods: (1) *Decision-making scenarios*, (2) *Financial experience journey mapping*, (3) *Existing product analysis*, (4) *Ranking user experience principles*.

The following describes the activities in more detail.

1. Decision-making scenarios

People can react to and respond very differently in crisis situations or in times of uncertainty about what their future will be. Participating older Australians were provided with four fictional, but common, scenarios that describe situations where a sudden life change either economic or health-related would require the individual to make a decision which involved their finances or assets. Participants could consider how they would personally react if they were in the situation or how they would advise someone they know who are experiencing this situation.

The steps described by each participant were discussed and recorded into a table. Participants were also asked to identify the resolution they were aiming for based on the steps they would take.

2. Financial experience journey mapping

To gain a more nuanced understanding of the explicit and tacit approaches people take to make an important financial decision, participants were asked to reflect on a prominent experience they had had in their lives that required them to make a financial decision. Participants were asked to structure their reflection by describing their situation, the action/s that they took and who else might have been involved, what the outcome of their action was and finally, what they learned from the experience.

After the participant completed their reflection, they were also encouraged to consider how their experience could have been better or easier for them; inviting them to make suggestions for new or existing products, sources or service providers that could have a positive impact on both the outcome and their mental wellbeing.

3. Analysing existing financial sources: Australian bank websites²

To understand how older Australians interact with information that is already available to them, participants were provided with analogue examples of the major Australian banks' websites, highlighting information specific for older Australians and crisis support information and resources. The participants were asked to analyse them based on seven user experience factors: usefulness, usability, findability, credibility, desirability, accessibility, and value³.

4. Ranking user experience principles

The final activity involved requesting participants to consider the seven user experience principles introduced in the third activity, and rank them from one to seven, where one was the most important principle and seven was the least important principle.

² The financial institutions utilised for this analysis included the ANZ, BankSA, Commonwealth Bank of Australia and Westpac.

³ According to Peter Morville (Semantics Studios) there are seven factors that describe user experience (UX). They are usefulness, usability, findability, credibility, desirability, accessibility, and value (Morville, 2004). Reviewing each of these examples, participants are asked to consider if the website passes, meaning that the principle is clearly considered, or fails, meaning that the principle isn't clearly or poorly considered. Space was also provided for comments to allow participants to describe their thoughts and ratings of the website.



Discussion

This first workshop comprised eight participants, each at a different stage in their lives with different approaches to managing their finances. Some were fully retired, others were partially retired, and some participants were working part-time or casually. This presented a good cross-section of perspectives and broader insight into how the assurance information package can be more widely accommodating. However, this presented a smaller sample size than intended as the target was to engage up to 12 older Australians thus possibly limiting the insights gained from this activity.

As part of the first workshop activity, many participants shared their own experiences engaging with financial and support services including Centrelink, banks, and financial advisers. In response to each of the scenarios, most of the participants described that their approach to each scenario followed the same or similar process, with little variation in what they would do. Two participants both described that their first steps would be to consult with an accountant or financial adviser who could specifically assist an older Australians with preparing a budget, assessing their expenses, assets, and debts, and develop a plan to achieve the desired lifestyle or outcome.

Other participants explained that they would talk to their family or contact Centrelink or their bank for assistance to help them understand what options were available to them. In conversation with the participants, many were well informed of the latest government schemes and superannuation regulations, with several detailing how they became informed from personal research, consultation with government services including Centrelink and aged care providers such as ECH group, and from speaking with knowledgeable friends and family.

The second activity expanded on the rich conversations that emerged from the first activity, with each participant describing a situation they had experienced. Some of the situations the participants described included general financial enquiries and advice, selling a family business to pay out a mortgage, starting a super fund for their partner, redundancy and managing finances during the pandemic. When asked about how their experience could be improved or made easier for others who may find themselves in the same situation, one participant recommended that instructions about who to talk to when seeking advice and clearer explanations of fees would have made their experience less stressful. Another participant commented on the usefulness of a system that could help older Australians with assessing their financial position and could support them in identifying and investigating tailored financial options.

The final two activities incorporated user experience design principles to provide a framework for participants to analyse some existing information sources. The third activity aimed to provide a structure of elements that could be prioritised and serve as the design principles for the assurance information package. Comparing the results, the best scoring platform across all seven of these principles was ranked by participants as Westpac's website; 50% of participants gave the Westpac website a passing score in each criterion, with some participants citing its usefulness, transparency and ease when looking to compare the information and services offered by Westpac with other institutions.

The lowest scoring web platform was ANZ's, with many participants describing how inaccessible the website is for older people, with a lot of information 'bombarding' the user, making relevant or more specific information harder to find.

These insights identified several design opportunities to consider when composing the Assurance Information Package content in order to provide relevant and useful information that does not overwhelm the reader. It is important to acknowledge that participants were presented with an analogue sample of each website and could not navigate the live platforms themselves. Therefore, some of the comments and feedback in relation to navigation and finding information was limited by how this activity was conducted.

Expanding on the insight of the previous activity, the final task asked participants to identify the most important elements to consider in the design and development of the Assurance Information Package. Participants were asked to rank the seven user experience principles from one to seven; where one represents the most important principle, through to seven, which while still valuable to a successful design, are interpreted as less important or pronounced for an older Australian audience.

In ranking the design principles in terms of priority, participants identified usefulness, usability, and accessibility as the most important. These principles primarily relate to the content of the package, ensuring that the information presented is useful to older Australians, usable in the sense that it provides a process or opportunity to respond or act according to this content, and the product should be available in a variety of forms and places.

The less important principles identified by participants refer to the products desirability, again accessibility, and credibility. Interestingly the desirability of the product received the lowest score of seven from 87.5% of participants which may reflect earlier discussions about how unaccommodating many organisations and services information platforms are for older people, where many may not consider the aesthetics of a design as being valuable or influential to them for this reason.

Accessibility and credibility also received lower scores from some participants, which could indicate that common places and spaces for where this information can be found are expected and already associated with this content and topic; a shortcoming in the current market of information and how things are represented, which should be improved on in the product. Despite the lower scores, all these principles are integral to creating an informed and successful design. Therefore, increasing the awareness and importance of recognising credible sources, and how information can be presented in an engaging way, has become a sub-theme for the Assurance Information Package.

Design principles and considerations for prototype Assurance Information Package

In addition to the feedback from participants of the first workshop, the determination of design principles and the needs of older Australians were substantiated by additional academic research including 'The Financial Capability of Older People' (Lowies et al., 2019) and 'Financial Wellbeing: Older Australians' (Russell, Kutin, Stewart, & Cai, 2018). Based on these factors, the four design principles which were identified as integral considerations for the Assurance Information Package are as follows:

Accessible for all

The content of the package needs to cater for a diverse range of potential readers and be situated in or distributed from platforms that older Australian's actively engage with.

Useful in form and function

The content and/ or advice to be included in the Assurance Information Package needs to be formulated to give readers agency when considering their own circumstances, and highlight options or opportunities to approach support services or make well-informed decisions about their finances.

Credible

The content and context of the package must appear to be supported by credible research and information. When engaging with the content, readers should feel that the advice and information presented is well informed and representative of their best interests, and not the interests of a third party.

Desirable

In addition to the above principles, the product must also be appealing to older Australians. Information should be easy to engage with, accommodating of the needs of older people, and easily digestible to not overwhelm or confuse a reader.

With these principles established, discussions for how to fulfil the aims of this product began, with considerations set to include the development of a high-level prototype that in the first instance presented generalised information for all older Australians. This prototype would be presented in both print and digital mediums to reflect the variety of options for presenting and distributing this information and define stylistic differences which come with these platforms.



Prototyping the Assurance Information Package

To establish this prototype, and to support the credibility of the product and its contents, the Ecstra Foundation brand and platforms were selected to inform the visual aesthetic of the package; not just as the funder of this research, but also for the alignment of this material with the existing information and services already offered to older Australians by the Foundation. To demonstrate this, style cues including colour, graphics and content hierarchy inspired the design of the print material and were deliberately mirrored in the webpage representation to support for where and how this information could be displayed on Ecstra's own website.

Informed by both the feedback from the workshops and the findings of the earlier in-depth interviews and survey, the contents of the Assurance Information Package were carefully composed to inform older Australians on two levels. The first level provides older Australians with clear, relevant information about what circumstances or situations can trigger financial stress and resources tailored to these circumstances that can be utilised. The second level provides older Australians with a simple step-by-step process for people experiencing a stressful situation or crisis to acknowledge the role of their mental health when making financial decisions.

Pause, Reflect and Connect

A three-step process of *Pause, Reflect and Connect* was created to encourage older Australians to take steps to 1) Pause to relieve some of the immediate stress they may be feeling, then proceed with a clearer mind/ headspace, 2) Reflect on and consider the situation they are experiencing and decide on what action to take next, then 3) Connect to remind older Australians that they do not need to make decisions alone, and that they can contact trusted sources or people who can help them in assessing their options.

With the content defined, the design needed to support both levels of this content, in a format that was inviting and desirable. After several iterations, the final printed prototype was presented as double gatefold brochure. When folded, the back of the brochure highlights helpful resources and services that older Australians can engage with. When opened to reveal the middle two panels, the reader is introduced to the context of this resource and the triggers identified by older Australians. The inner most panels when fully opened, display the three-step process for managing financial decisions, using simple instructions and imagery to communicate how to enact this process. A webpage mock-up of the same content was also prepared to indicate how the print material can be translated for a digital platform.

User feedback workshop

With the prototypes prepared, a second 90-minute workshop was designed to present the prototype to older Australians to verify if the product would successfully meet their needs and to seek their feedback as to how it could be improved further. Using the same structure and methods of the first workshop, two older Australians provided feedback on the product. Despite the small number of participants, the feedback

received was informative, with the participants expressing their satisfaction with how the information had been composed and presented. Both participants liked the clean layout of the brochure and felt that the context of the topic had been presented well without being too alarming.

One participant noted that some more links to services and platforms which offer tools or support could be beneficial, such as a systems map of the overall financial support system. Another commented on how a glossary or snapshot of what each organisation does would be useful, particularly for government agencies which have recently formed or changed.

The Assurance Information Package will be available on the Ecstra Foundation website, pending feedback and confirmation from the Foundation. A screenshot of the webpage and copy of the information booklet are given in Appendices 2 and 3, respectively.





4.

Survey results

1. Financial behaviours
2. Financial risk tolerance
3. Financial knowledge, efficacy, attitudes and resilience
4. Psychological wellbeing

4.1 Financial behaviours

Most respondents reported that they employed financial behaviours that contribute to financial wellbeing (Figure 1).

- 86.5% said they lived within their means.
- 85.1% paid their credit card off each month.
- 71% said they were thorough in their financial planning.
- 62.7% regularly set money aside for unexpected expenses.

The behaviours that respondents were less likely to report were the following.

- 43.9% adhered to a weekly or monthly budget.
- 46% regularly reviewed legal documents to ensure they were up to date.

Financial behaviours – demographic differences

We compared the financial behaviours based on several demographic characteristics: gender, age, retirement status and health issues.

Gender differences were only found between men and women in paying their credit card off each month. Men were more likely to have paid their credit card off each month (87.5%) compared to women (82.4%).

Several financial behaviours differed by age group – with older respondents more likely to demonstrate positive financial behaviours (on four out of the six behaviours).

Similarly, people who were retired were more likely to demonstrate positive financial behaviours (on four out of the six behaviours).

The results were somewhat mixed for older Australians who experienced a health issue that negatively impacted their finances. They were more likely to stick to a budget compared to older Australians who were not experiencing a health issue. But conversely, they were less likely to set money aside for an unexpected expense, be thorough with their financial planning or pay their credit cards in full at the end of the month. It appears that having a health-related financial stressor was more likely to derail participants than those who had not – but they did tend to stick to a budget more. We speculate that older Australians with a health issue may be experiencing financial hardship and be less likely to have enough money to set some aside for an unexpected expense or to be able pay off their credit card each month.

The next series of figures highlight the demographic differences for each financial behaviour.

Figure 2 shows the proportion of participants who regularly set aside money for unexpected expenses by each demographic variable which did not differ by gender, age group or retirement status. Older Australians who had experienced a health issue in the last 12 months were less likely to set aside money for unexpected expenses (55.6%) compared to those who had not experienced health issues (64.5%).



*Older Australians
with a health issue
have less resilience
to financial stressors.*

Figure 1. Financial behaviours

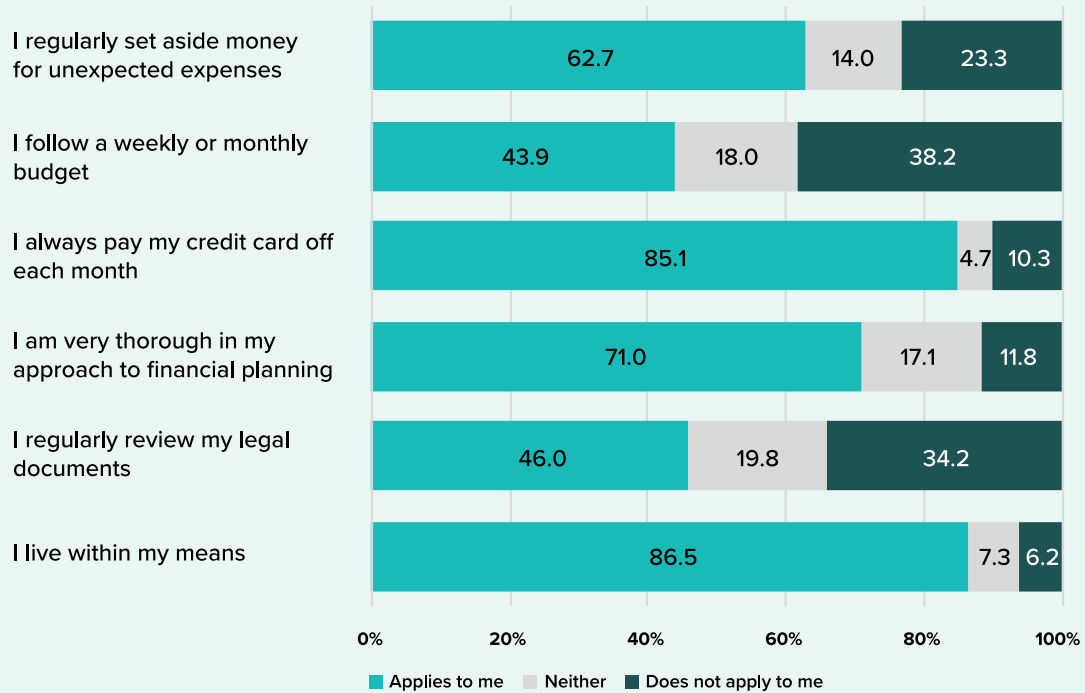
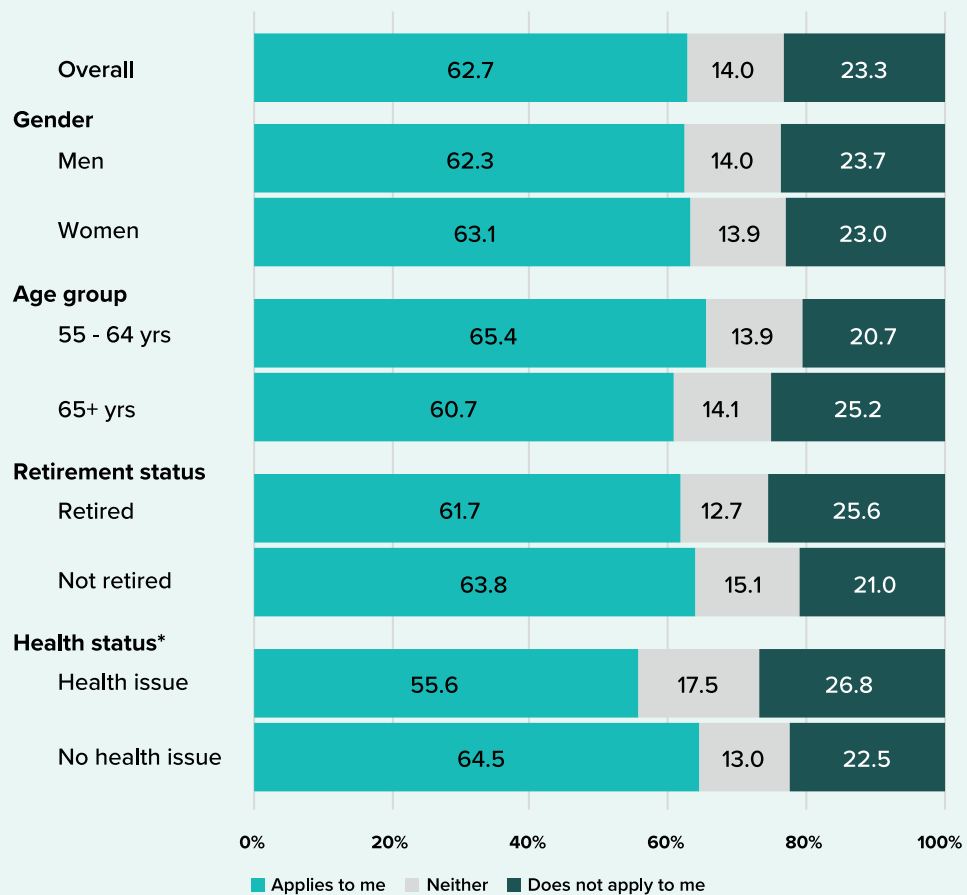


Figure 2. Financial behaviours: I regularly set money aside for unexpected expenses



Note: *p < .05, **p < .01, ***p < .001

When it came to following a budget, there were no gender, age group, or retirement status differences (Figure 3). While there was a significant overall difference for health issues, it was not for positively endorsing this item, but the negative endorsements ('Does not apply well/Does not apply at all' and 'Applies neither well nor badly'). Older Australians with no health issues were more likely to not follow a budget (39.5%) compared to those who had had health issues in the last 12 months (32.8%).

Older Australians on a fixed income with regular expenses perhaps have a stability that does not require continual budgeting. It would be interesting to further explore the processes that older Australians follow to enable them to live within their means, or perhaps their spending is always less than their income so they do not feel the need to constantly budget.

Figure 4 shows the proportion of participants who always pay their credit card off in full each month by each demographic variable. There were significant differences for gender, age group, retirement status and health issues in the last 12 months. Men, older, retired and respondents without health issues were more likely to pay their credit card off in full each month.



Figure 3. Financial behaviours: I have a weekly or monthly budget that I follow

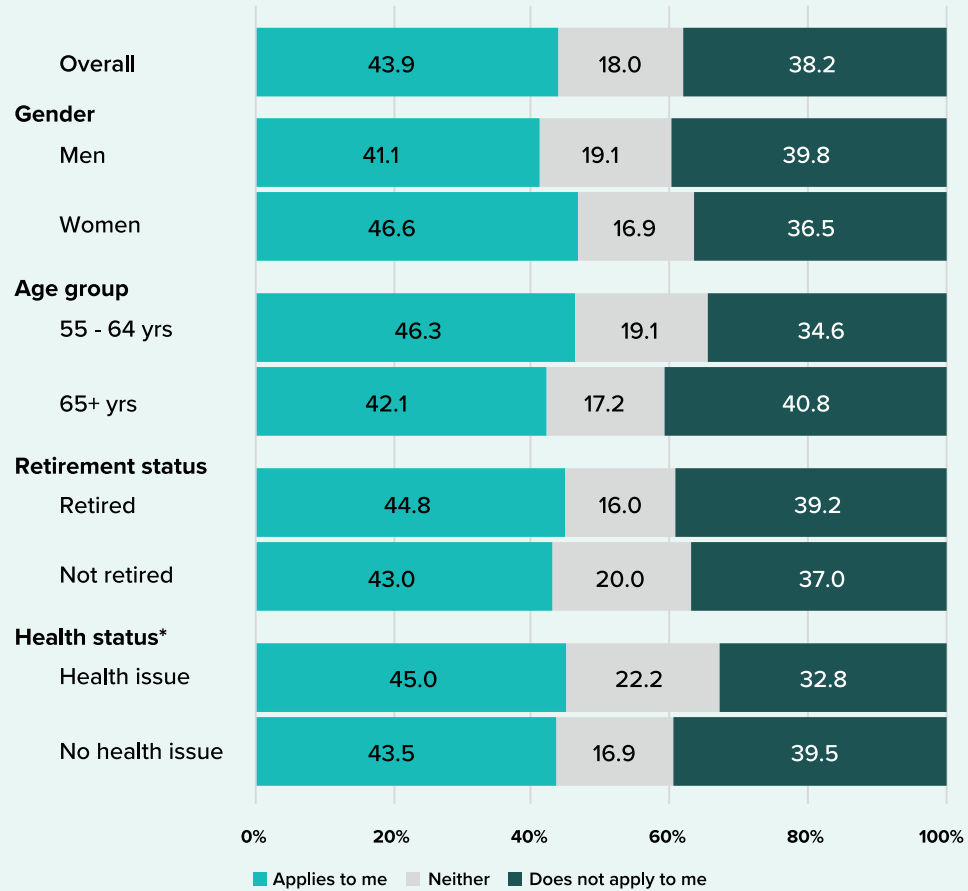
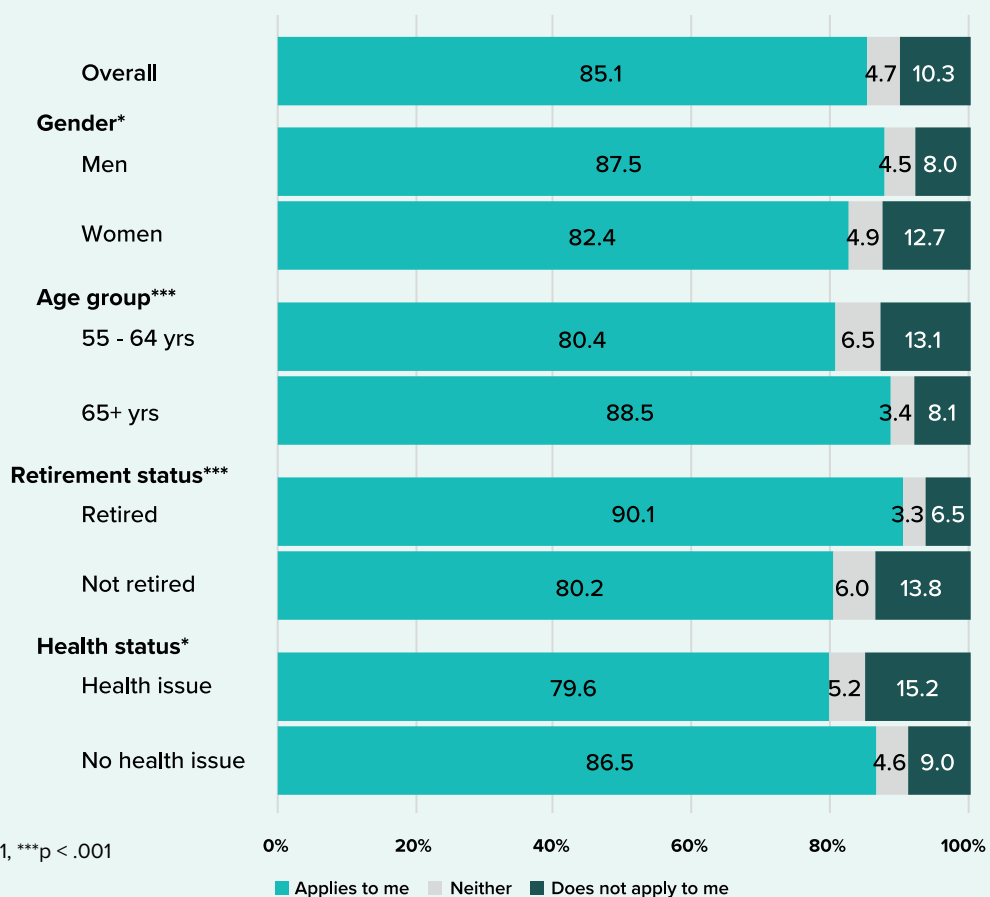


Figure 4. Financial behaviours: I always pay my credit card off each month



Note: *p < .05, **p < .01, ***p < .001

Older Australians who were retired, were aged 65 years+ or who had no health issues in the last 12 months were more likely to be very thorough in their approach to financial planning (Figure 5). No gender differences were observed for financial planning.

Reviewing legal documents regularly was one of the least common financial behaviours (endorsed by 46% of all respondents). Retired older Australians were more likely to regularly review their legal documents (such as wills, insurances and powers of attorney) compared to older Australians who were not retired (Figure 6). No significant differences were observed between gender, age group or those with or without health issue.

Many older Australians do not regularly review their legal documents as they age.

Encouraging them to do so would ensure their assets are adequately protected and their wishes are preserved if circumstances change.

Figure 5. Financial behaviours: I am very thorough in my approach to financial planning

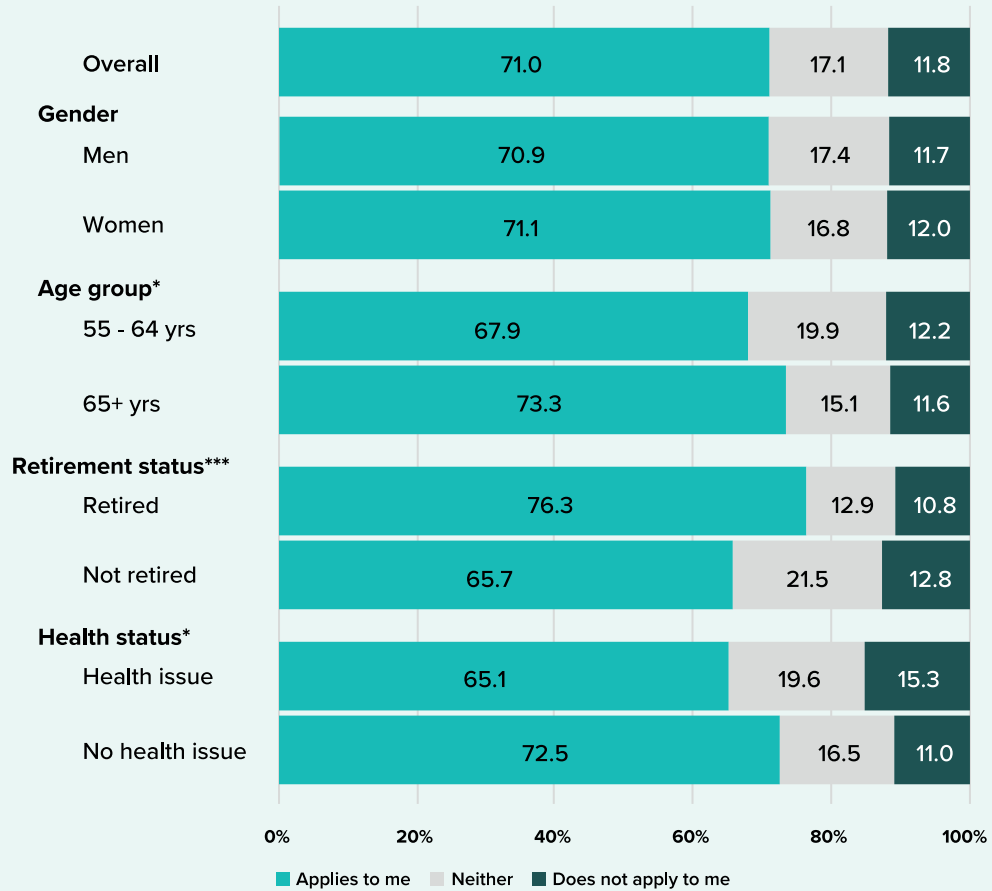
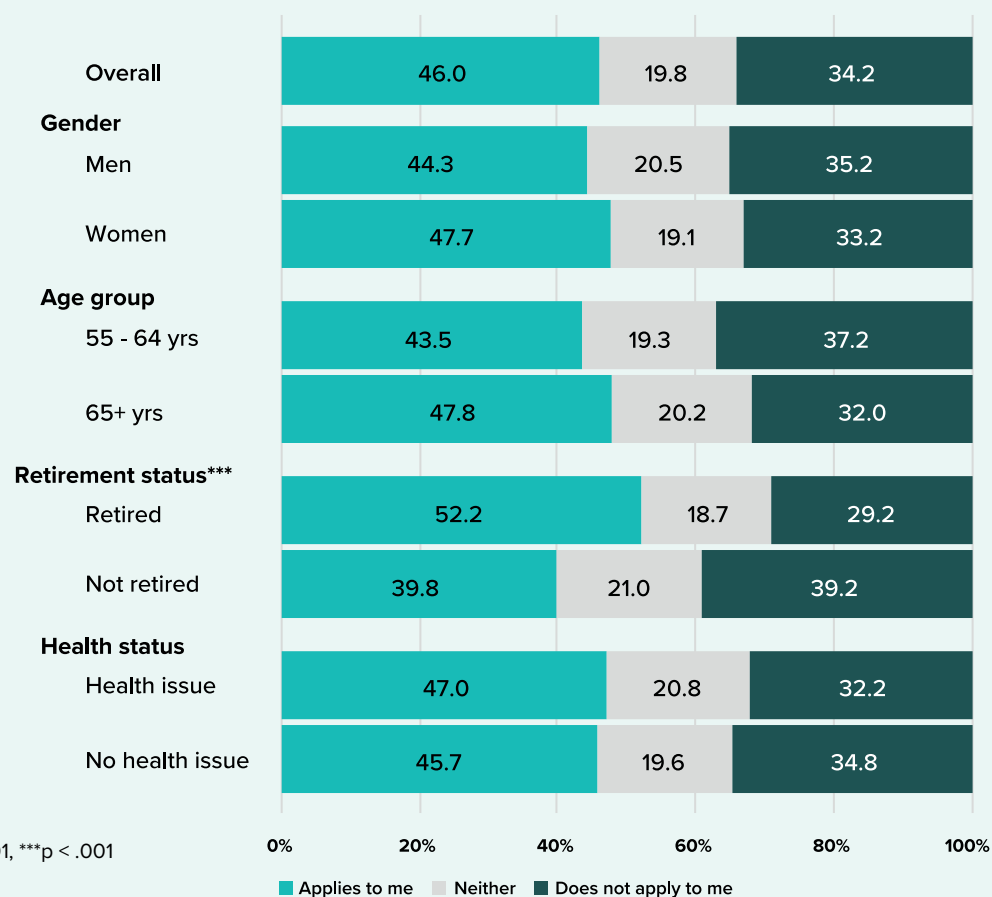


Figure 6. Financial behaviours: I regularly review my legal documents



Note: *p < .05, **p < .01, ***p < .001

Older Australians are often credited with 'living within their means' but we did find some differences between cohorts. While there were no differences between gender or health issue, older Australians who were retired or in the 65 years+ age group were more likely to live within their means than other cohorts (Figure 7).

The effect of long-term financial behaviours

The financial behaviours of respondents, and whether they were long-held habits and behaviours or whether they may have been adopted in more recent times as they were approaching retirement, was also explored. Most of the respondents (82.1%) said their financial behaviours were long-held and current practices reflected how they had always managed their money.

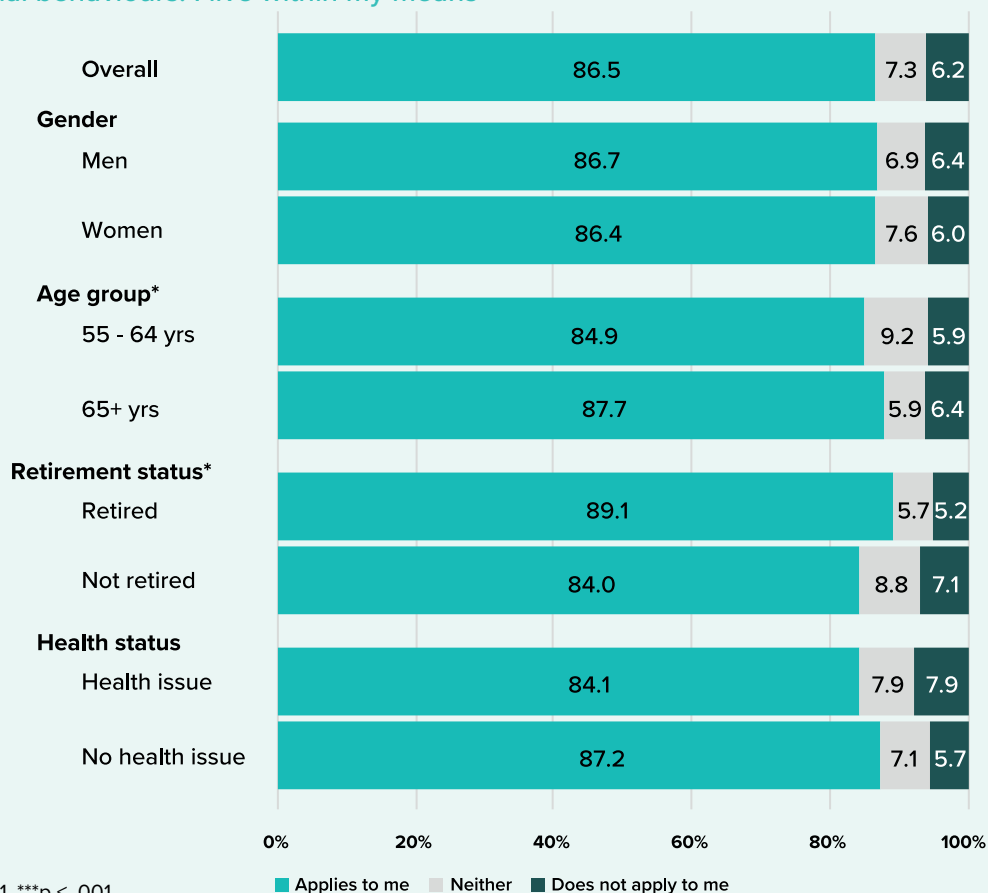
However, older Australian who have experienced a health issue were less likely to report that their behaviours were long-held (74.5%) compared to older Australian who did not have health issues (84%). This difference was statistically significant ($p < .001$) (Figure 8). The frequency of long-held behaviours among other cohorts were comparable and no significant differences were observed for gender, age group and retirement status.

Not only were behaviours generally long-held, but for one respondent it was intergenerational:

Well I come from a family of planners and I think I've had good role models. My grandmother for example was an excellent planner financially and I was always taught to keep good books and keep them up to date and keep them detailed xxx knew where I was and to invest. So yes I have always been a planner and from a family planners. Female planners I might add.

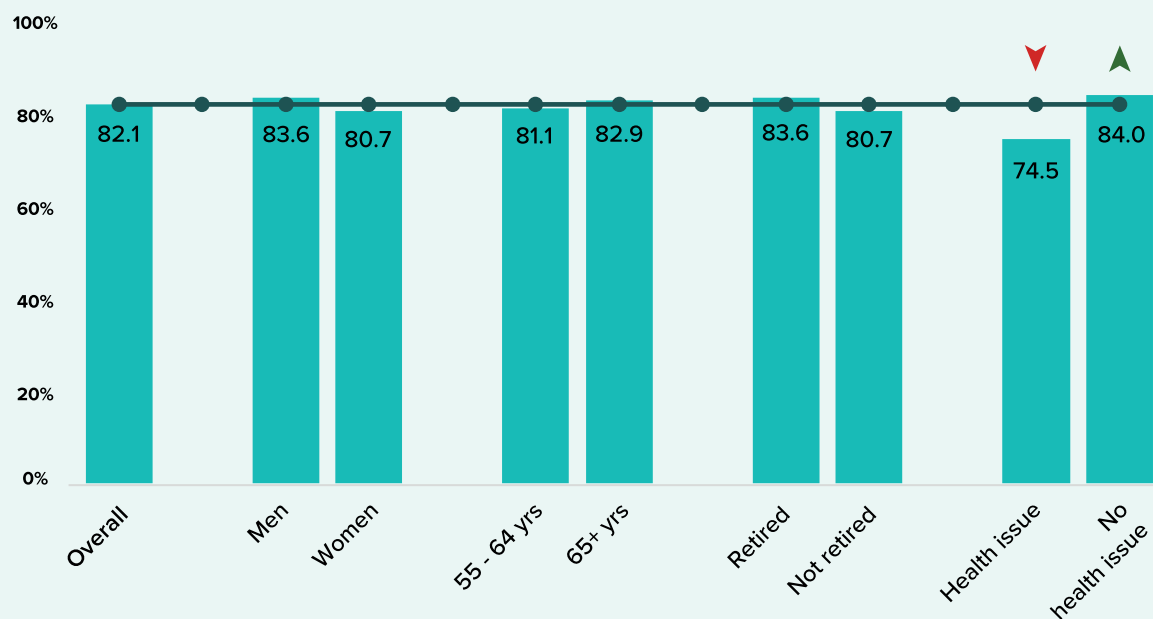
Poor health may impact long-term financial behaviours - this requires future testing.

Figure 7. Financial behaviours: I live within my means



Note: *p < .05, **p < .01, ***p < .001

Figure 8. Financial behaviours: Have you always managed your money like this?



Note: Base sample sizes. Overall (1,499); Male/female (749/750); 55 to 64 years/65+ years (629/870); Retired/not retired (749/747); Health issue/no health issue (302/1,195).

Yes
Overall %

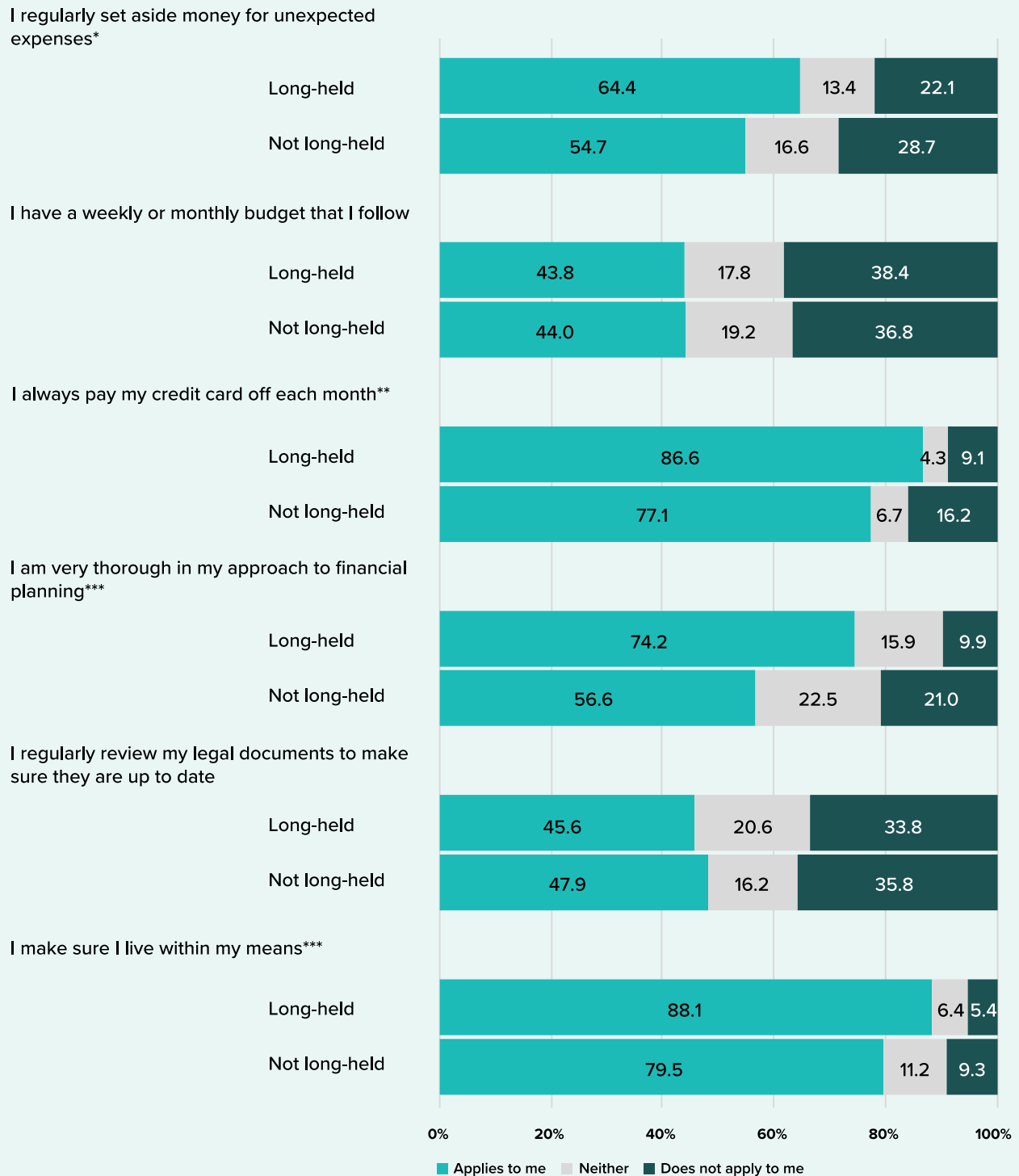
Financial behaviours that were long-held

In order to determine whether those who had developed long-term financial behaviours earlier in life were more likely to be continuing to manage their money in the same way today than those who did not, the sample was divided into two groups: those with long-held financial behaviours (n = 1231) and those who said they were not long held (n = 268). The respondents who reported that their behaviours were long held (Figure 9), were more likely to indicate that they lived within their means (88.1%), had a thorough approach to financial planning (74.2%), paid their credit card off each month (86.6%) and regularly set money aside for unexpected expenses (64.4%).



The earlier we adopt healthy financial management behaviours the better for our longer-term financial management.

Figure 9. Financial behaviours and long-held financial habits



Note: *p < .05, **p < .01, ***p < .001

4.2 Financial risk tolerance

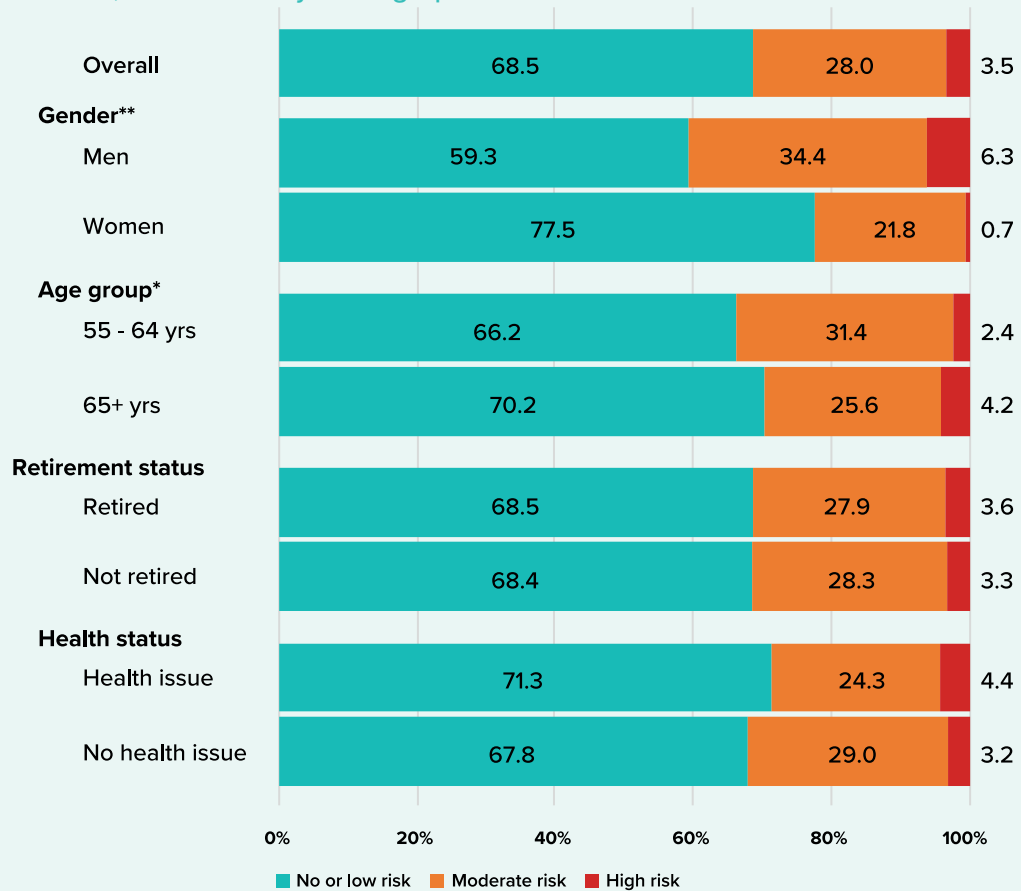
An individual's financial risk tolerance is an important consideration when understanding their financial decisions. Figure 10 shows the respondents' propensity to take risks with their savings and investments. This is reported for the combined sample and by demographic characteristics. As expected in an older cohort, most respondents (68.5%) did not want to take risks (no or low risks) with their money. Only 28% were prepared to take moderate risk and 3.5% would take high risk with savings and investments.

Comparing risk profiles by demographic variables, women were more unwilling to accept any financial risk (77.5%) compared to men (59.3%). Risk tolerance also differed between age groups. Younger respondents (aged 55 to 64 years) were more likely to accept 'moderate risks' compared to older respondents (aged 65 years+). Risk tolerance profiles did not differ by retirement status or health issues in the last 12 months.

I'm very cautious, I'm very careful. It has changed during COVID-19, in that I'm probably more cautious and careful.

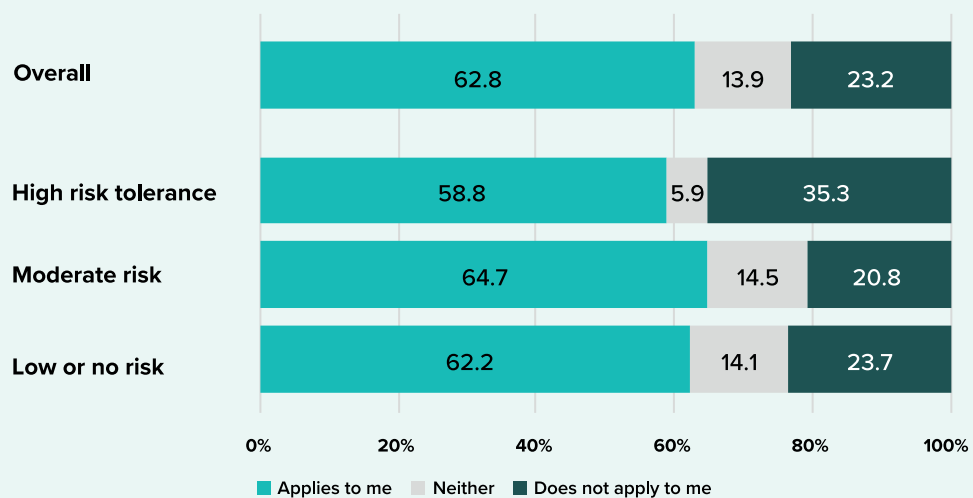
Financial risk tolerance was not associated with any of the financial behaviours. Regardless of an individual's risk profile the likelihood of engaging in positive financial behaviours was evenly distributed. For example, older Australians who had a high-risk tolerance were just as likely to set aside money for unexpected expenses (58.8%) compared to older Australians who had a low risk tolerance (62.2%) or moderate risk tolerance (64.7%) ($p = .123$).

Figure 10. Risk tolerance, overall and by demographic characteristics



Note: *p < .05, **p < .01, ***p < .001. Overall N = 1,476; Gender N = 1,479; Age group N = 1,476; Retirement status N = 1,473; Health issues N = 1,475.

Figure 11. Risk tolerance, overall and by whether they 'regularly set money aside for unexpected expenses'



Note: N = 1,471, p = .123.

4.3 Financial knowledge, efficacy, attitudes, & resilience

Financial wellbeing - satisfaction with current financial situation and security in the future

Financial wellbeing has been defined using two constructs: feeling satisfied with one's current financial situation and feeling secure about the future (Netemeyer et al., 2018). In sum, not worrying about current or future finances.

Consistent with Australian scores of life satisfaction⁴, 72.6% respondents were satisfied with their current financial situation. Similarly, 71.9% felt secure about their financial future. Despite the positive majority is, a concern that 15% of the sample were not satisfied and/or did not feel secure about their financial future.

Additional analyses exploring whether demographic factors might affect feeling satisfied with current financial situation revealed significant differences between age, retirement and health status cohorts but not for gender (Figure 13).

More respondents in the 65 years+ age group and approximately 79.5% of older Australians who were retired were satisfied with their financial situation compared to the younger cohort. Older Australians who had experienced a health issue in the last 12 months had the lowest rate of satisfaction with their financial situation with only 57.0% reporting that they were satisfied.

15% of older Australians were not satisfied and/or did not feel secure about their financial future.

⁴ The Personal Wellbeing Scores of Australians in 2020 was 76. Wellbeing scores for elderly Australians have been consistently higher than younger age groups. See <http://www.acqol.com.au/publications#reports> (Cummins et al., 2021).

Figure 12. Financial satisfaction and future security

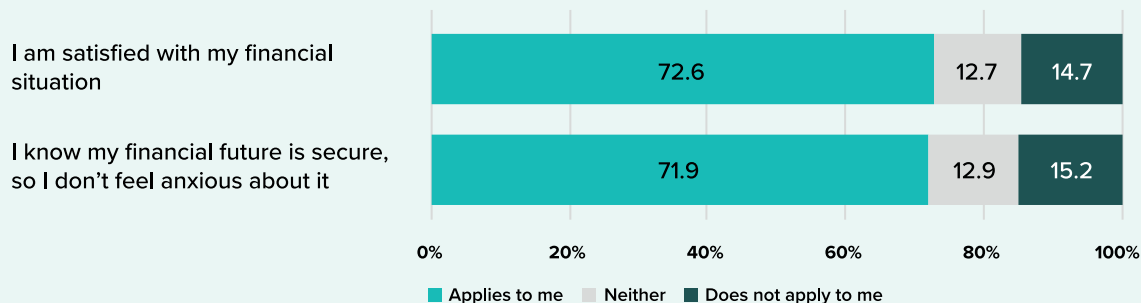
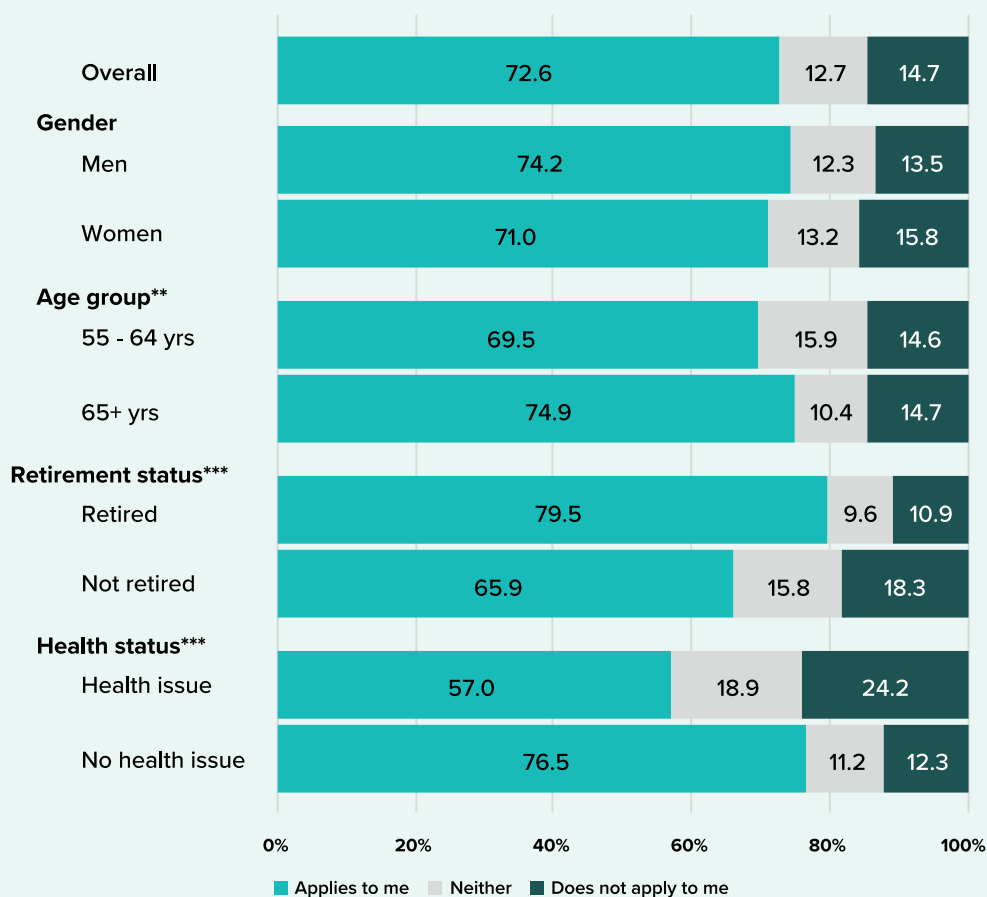


Figure 13. I am satisfied with my financial situation



Note: *p < .05, **p < .01, ***p < .001

Feeling secure about the future also differed by demographic group (Figure 14) and except for gender the pattern was similar to that observed for financial satisfaction. Men felt more secure, as did the age 65 years+ cohort, retirees and older Australians who did not experience health issues in the previous 12 months.

Subjective financial knowledge

Survey respondents were generally confident in knowing where to seek financial advice, and to recognise when they require assistance to make a decision. However, when asked to compare their level of knowledge to that of others, only 55.4% said they felt they had more knowledge than other people they knew (Figure 15).

Knowing *when* they did not have enough information to make a financial decision was endorsed by 83.0% of the sample (Figure 15) and there were no differences based on gender, age group, retirement or health status (hence there is no detailed figure for this item).

Similarly, 81.3% of the sample said they knew where to find the advice they needed to make financial decisions (Figure 15); there were no differences between men and women, older, retired or participants with health issues (hence there is no detailed figure for this item).

There was however a gender difference for the item ‘compared to most people, I feel I know more about finances’ (Figure 16). Men were more likely to think that they knew more than most people when it came to finances (62.5%) compared to women (48.3%). This result is consistent with previous findings that women tend to underestimate their financial knowledge and skills (Ooi, 2020). This aspect of financial knowledge (knowing more than others) did not differ between age groups, whether older Australian were retired or not, or whether they had a significant health issue in the previous 12 months.

Younger respondents (aged 55 to 64 years), older Australians with a health issue, and older Australians who were not retired were less likely to be satisfied or more insecure about their financial future.

Figure 14. I know my financial future is secure, so I don't feel anxious about it

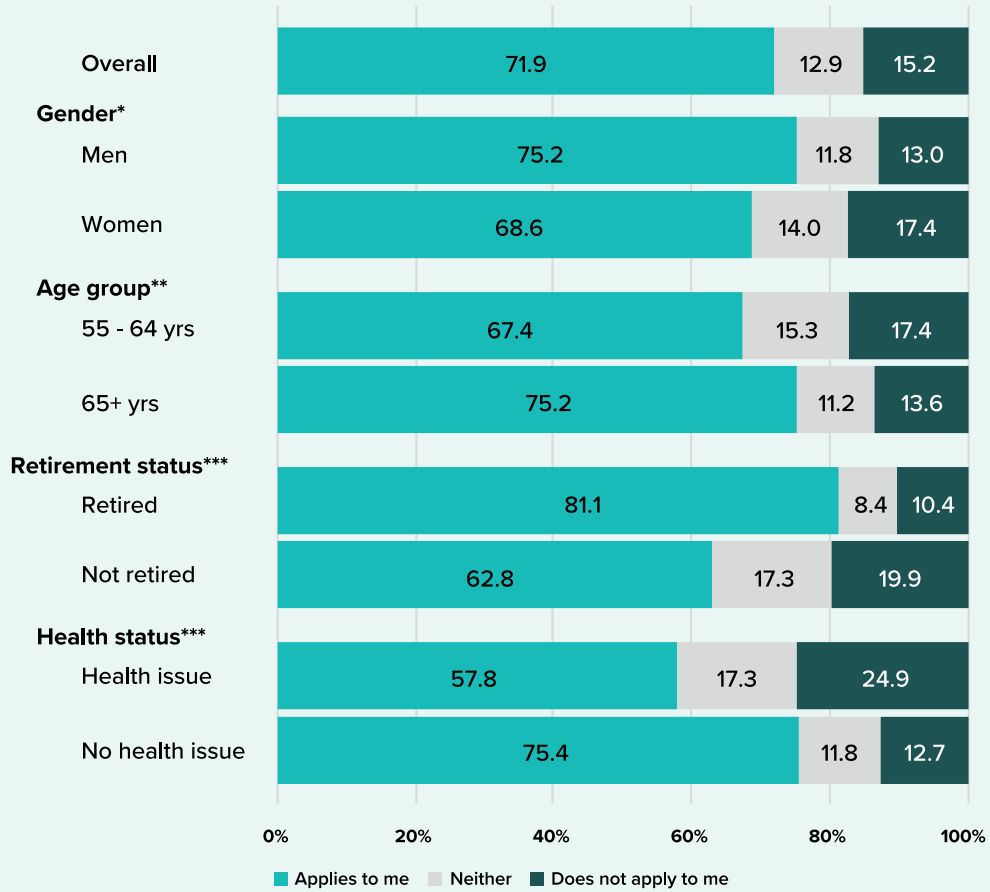
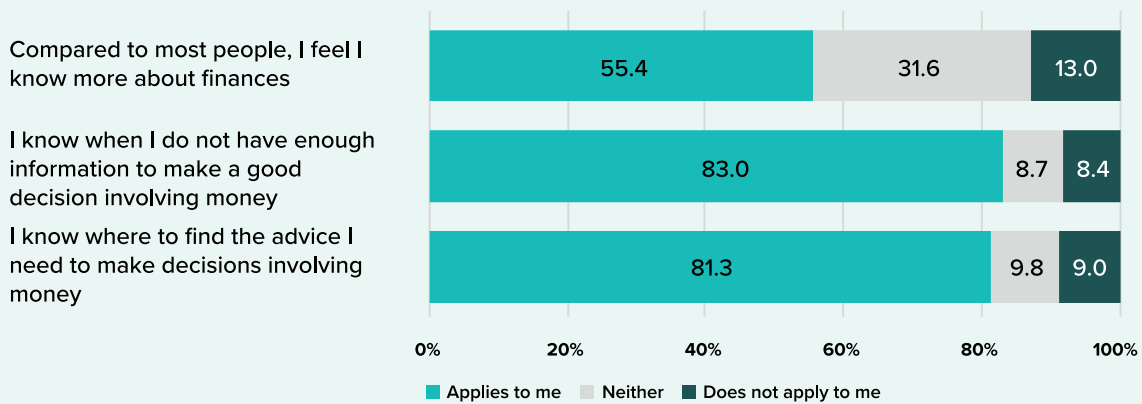
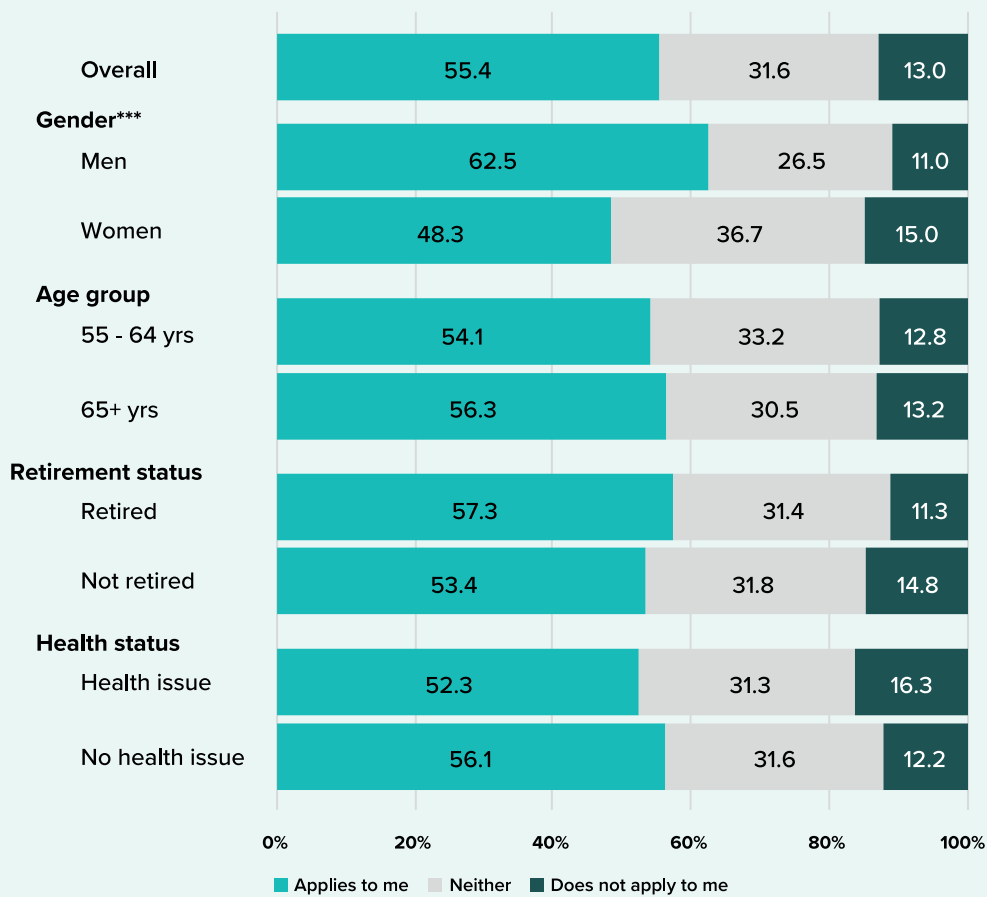


Figure 15. Subjective financial knowledge



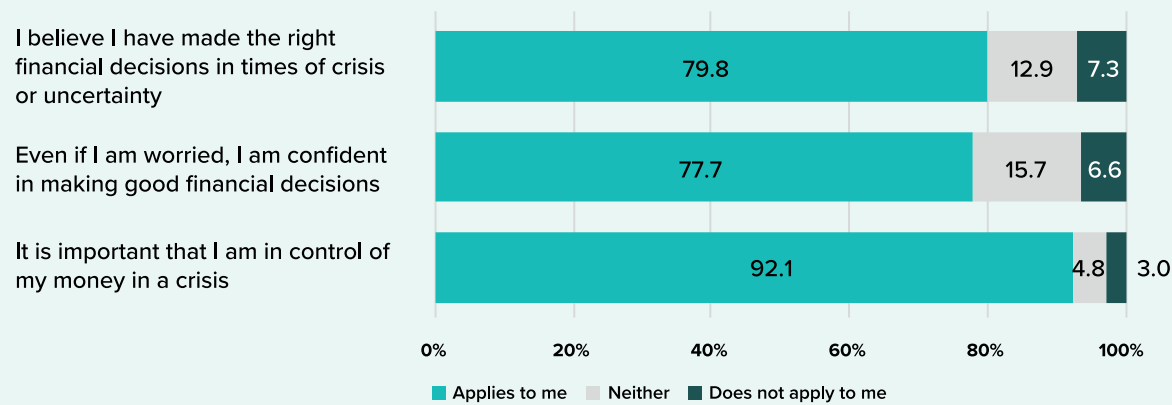
Note: *p < .05, **p < .01, ***p < .001

Figure 16. Financial knowledge: Compared to most other older Australians, I feel I know more about finances



Note: *p < .05, **p < .01, ***p < .001

Figure 17. Financial confidence and financial decision making in times of crisis



Financial confidence, control and crises

Survey respondents demonstrated a reasonable sense of confidence about their capacity to make financial decisions. Most older Australians reported they had made the right financial decisions in times of uncertainty (79.8%) (Figure 17). Moreover, 77.7% believed they could make good financial decisions even if they were stressed and worried. The majority of respondents (92.1%) said it was important to them to be in control of their finances in times of crisis.

Men and women were similar in how they viewed their ability or confidence to make the right financial decisions in a crisis. Likewise, older Australians in the 55-64 year old and the 65 years+ cohorts were similarly confident (Figure 18). People who were retired (82.8%) were more likely to report a higher level of confidence when making decisions in a time of crisis compared to older Australians who were not retired (77.0%). Older Australians who had experienced health issues in the previous 12 months were less confident in their decision-making (74.0%) compared to older Australians who had no health issue in the previous 12 months (81.3%).

Older women compared to men report lower levels of financial knowledge. However, further testing is needed to clarify if perceptions match working knowledge. It is possible that women are under-confident while men are over-confident in their self-assessment of financial knowledge.

But how well are people able to make good financial decisions when they are worried or stressed? There were no gender differences, but those aged 65 years+ were more confident than those aged 55-64 years as were those who were retired or had not experienced a health issue in the previous 12 months (Figure 19).

As indicated in Figure 17, 92.1% of respondents said it was important to them to be in control of their money in times of crisis. There were no gender differences nor differences by health status. However, there were significant differences by age and retirement status, but not in the proportions who agreed with this statement. Younger respondents aged 55 to 64 years were more likely to be unsure about this statement (6.5%) compared to those aged 65 years+ (3.6%). Older Australians who were retired were more likely to say this statement 'did not apply' to them (4.2%) compared to older Australians who were not retired (1.9%)⁵.

⁵ When the overall Chi-squared statistic is significant, we look to the cell-based adjusted standardised residuals to determine the source of the significant difference (residual scores above or below +1.96 are considered significant).

Figure 18. I believe I have made the right financial decisions in times of crisis or uncertainty

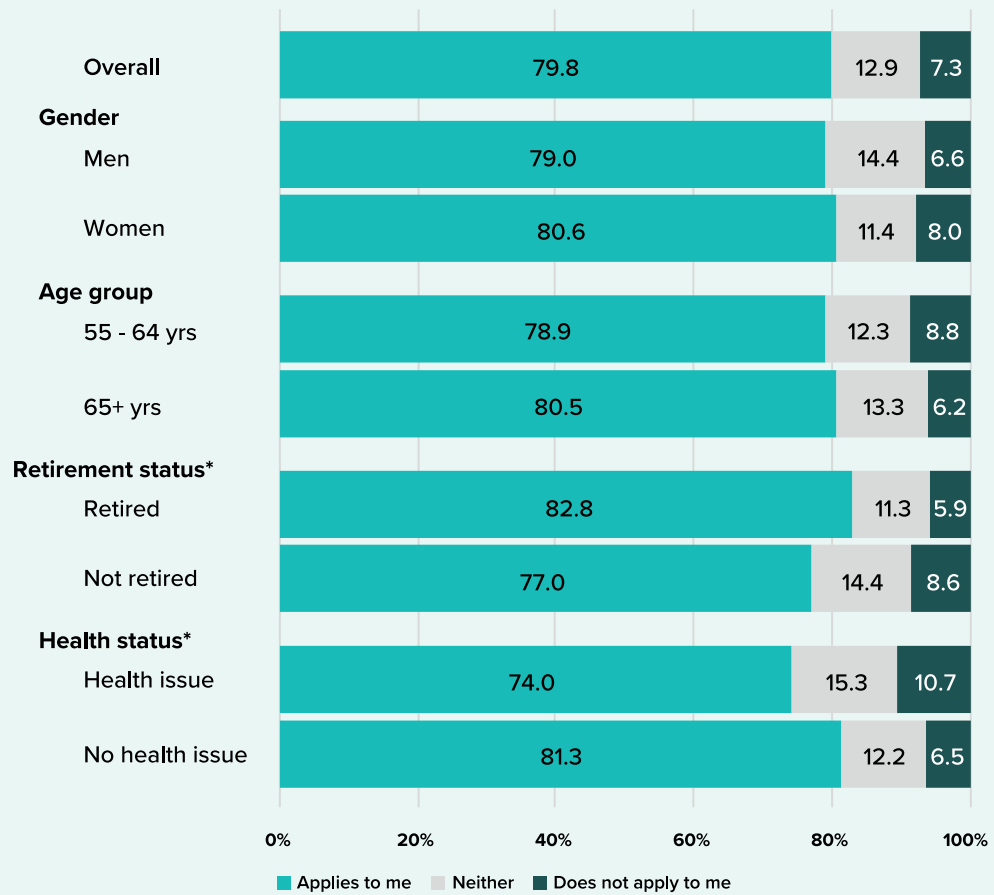
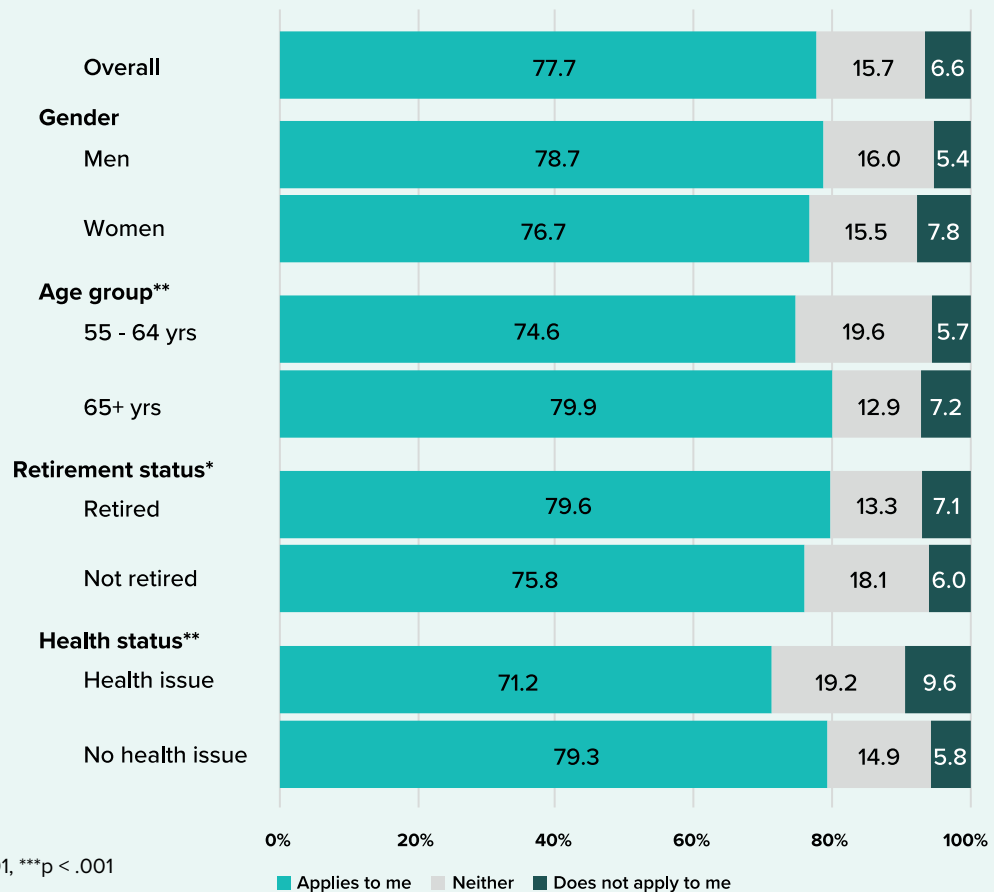
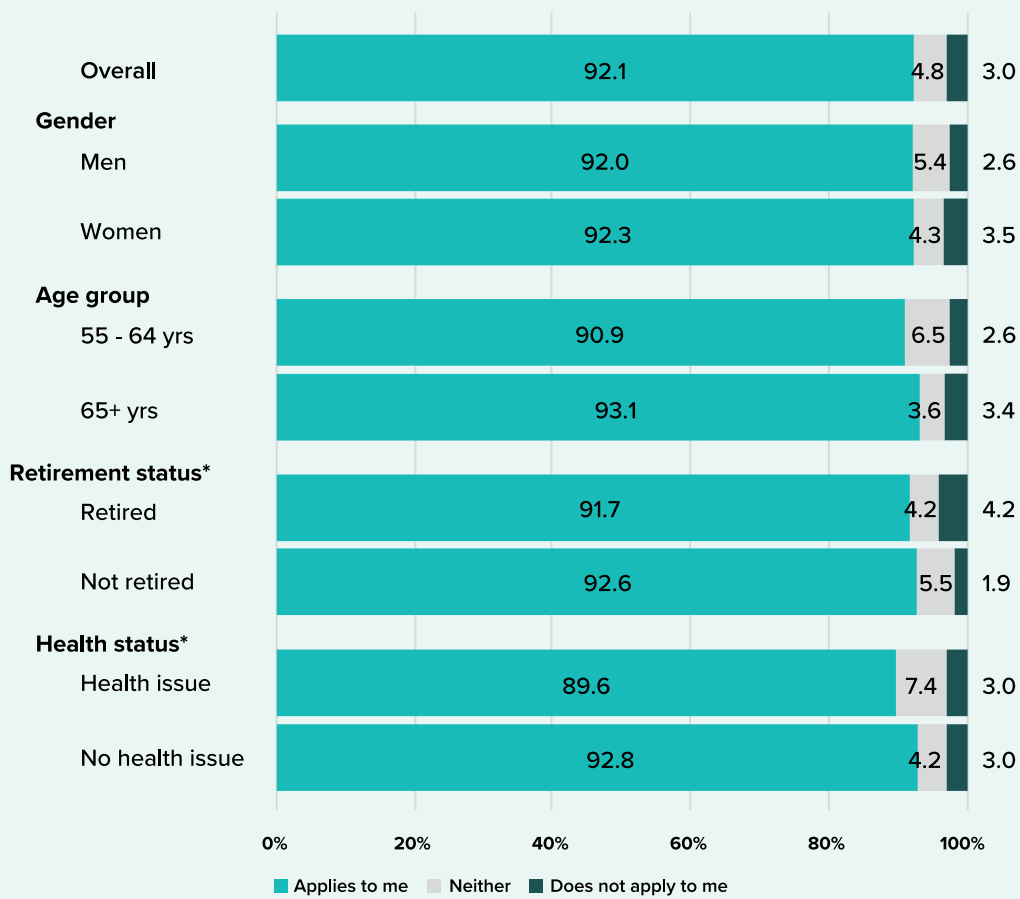


Figure 19. Even if I am worried, I am confident in making good financial decisions



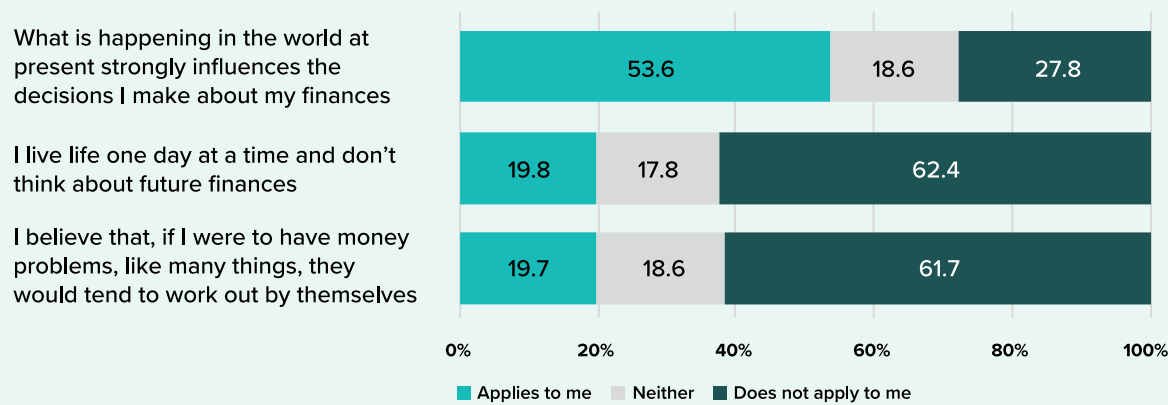
Note: *p < .05, **p < .01, ***p < .001

Figure 20. It is important that I am in control of my money in a crisis



Note: *p < .05, **p < .01, ***p < .001

Figure 21. Attitudes to money and money problems



Attitudes to money and money problems

People have different attitudes and beliefs about money, some which have been lifelong held beliefs, others may have arisen due to specific life events (e.g., health scare, divorce, business failure). Some older Australians believe that the money problems they have experienced were out of their control—and that there were other forces at play (e.g. macro factors such as the economy and COVID-19)—. Others have a different perspective on life and therefore on managing money. Some older Australians are focused only on the immediate future—to them the long-term is too far off to warrant attention. In the next series of questions, we wanted to explore older Australians' attitudes and beliefs about money and the influence this had on financial decision making.

We found that just over half of the respondents believed world affairs have an influence on the decisions they make about money (Figure 21). Given that the survey was conducted during the first year of COVID-19, this result is not surprising. However, among this cohort of respondents we found relatively healthy attitudes to money—respondents thought about their future finances and preferred to be pro-active when it came to solving their financial problems. Rates of endorsing this belief did not differ by gender, age group, retirement or health status.



The propensity to live life one day at a time and not really think about future finances was more common among those aged 65 years+ and respondents who were retired (Figure 22). There were no differences based on gender or health status.

Respondents aged 65 years+ were also more likely to take the view that money problems tend to work themselves out (Figure 23). There were no differences for the other respondent cohorts.



Figure 22. I live life one day at a time and don't really think about future finances

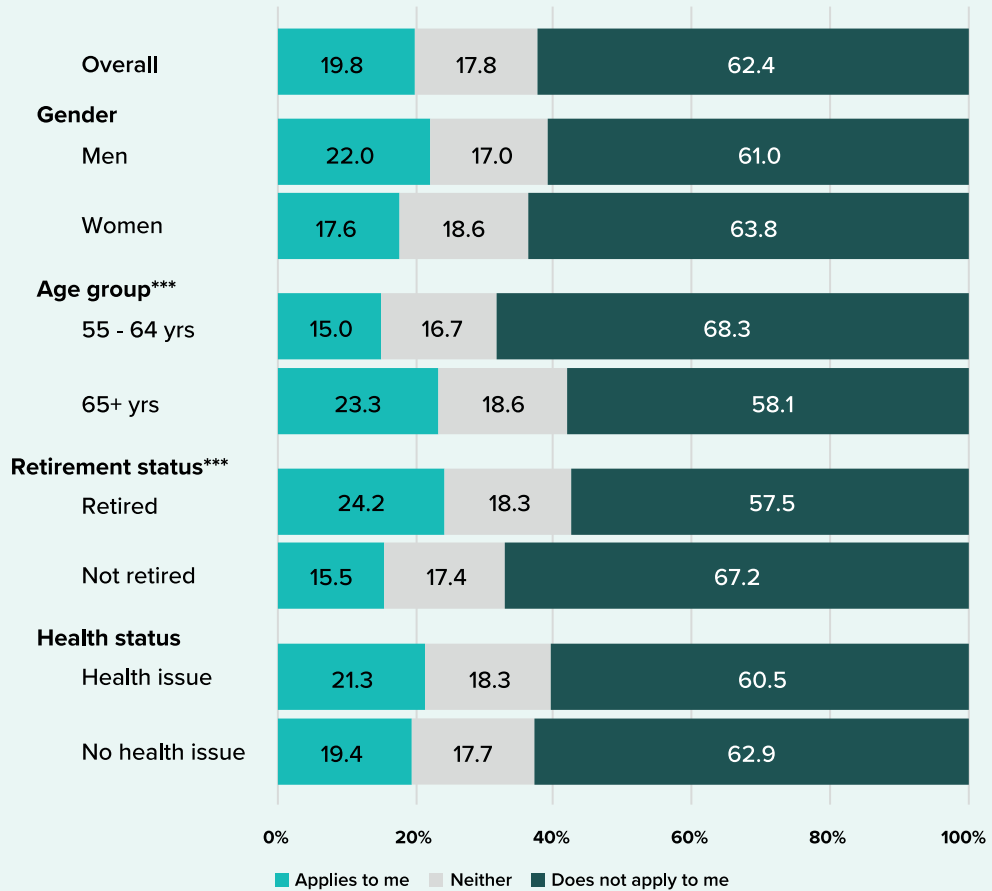
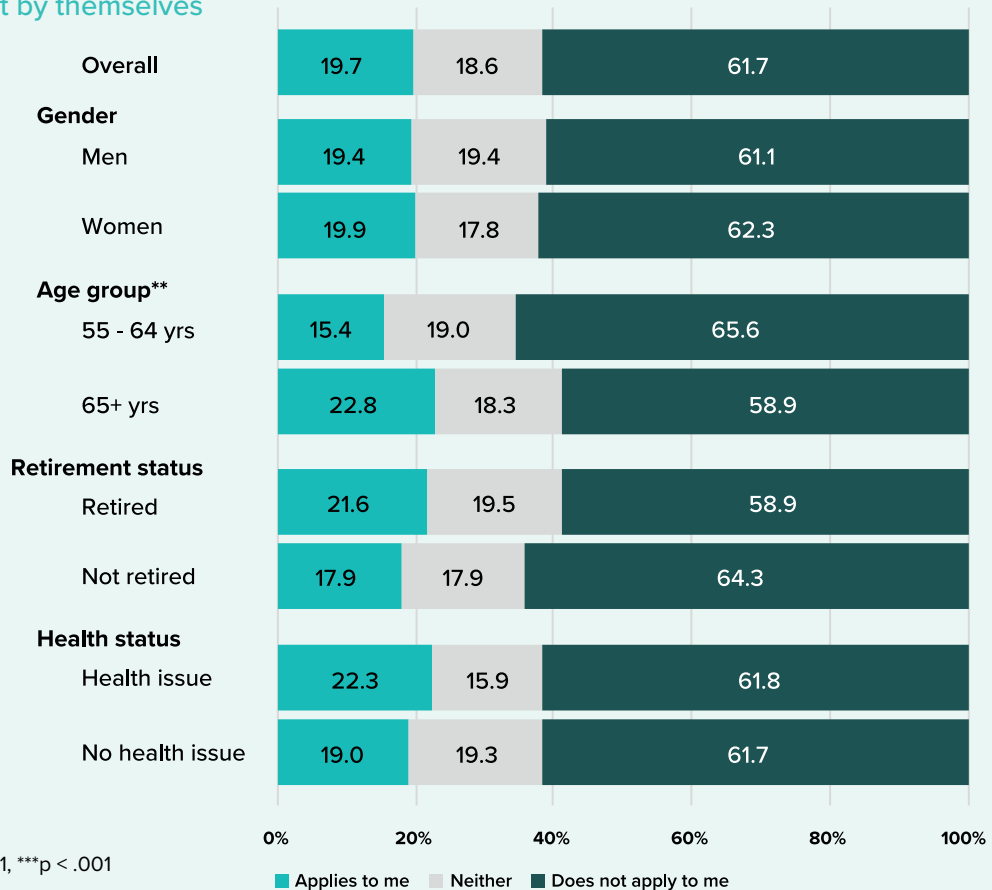


Figure 23. I believe that, if I were to have money problems, like many things, they would tend to work out by themselves



Note: *p < .05, **p < .01, ***p < .001

Help seeking and social supports

Life and financial decisions do not always go to plan; therefore it is important to be able to reach out for professional help when needed. Having a trustworthy and reliable informal support network is also important for financial and general wellbeing. Figure 24 shows that two thirds of respondents (67.7%) would be comfortable talking about their financial problems with someone who could help. A similar proportion of older Australians also have family or community members they could lean on for support (68%). A reasonable minority representing 18.3% of respondents, however, reported that they would be too embarrassed to seek assistance for their financial problems.

Respondents aged 65 years+ were somewhat more likely to feel too embarrassed to seek help for their financial problems compared to those aged 55-64 years (Figure 25). There were otherwise no differences by gender, retirement or health status.

We found a similar result when respondents were asked about feeling comfortable discussing financial problems with someone who could help, younger respondents aged 55-64 years were more likely to feel comfortable in this situation compared to respondents aged 65 years+ (Figure 26).

Women were more likely to state that they could rely on family or people in their community, more so than men (Figure 27), and retired older Australians were more likely to have a support network compared to those who were not retired. When it came to age group, there was an overall significant difference in responses to this question. However, the difference was not between those who said that they had social supports and those who didn't (68.2% versus 67.9%, Figure 27) but between those who said the statement did not apply to them, or it 'applied neither well nor badly' (hence unsure). Respondents aged 65+ were more likely to state (23.4%) that it did not apply to them (hence no social supports) compared to 16.6% of those aged 55-64.

The latter finding suggests that 1 in 5 Australian aged 65+ have no social support to call on in an emergency.

*1 in 5 Australians
aged 65+ have no
social support to call
on in an emergency
especially men.*

Figure 24. Help seeking and social supports

I would rather live with financial problems than go through the embarrassment of asking for help

I feel comfortable talking about my financial problems to a person who could help me

If I had an emergency, I know family members or people in my community who would be willing to help

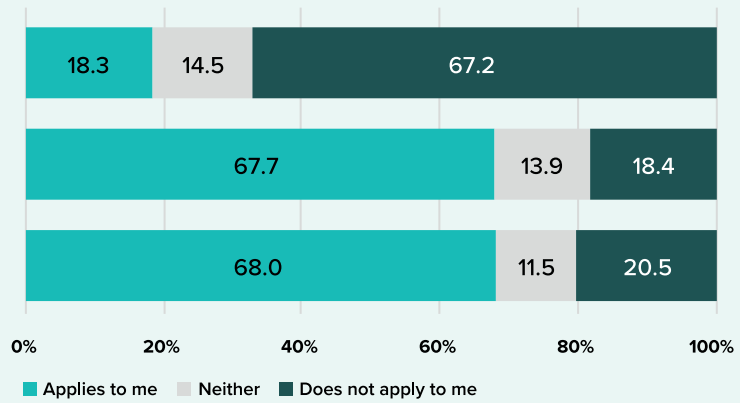
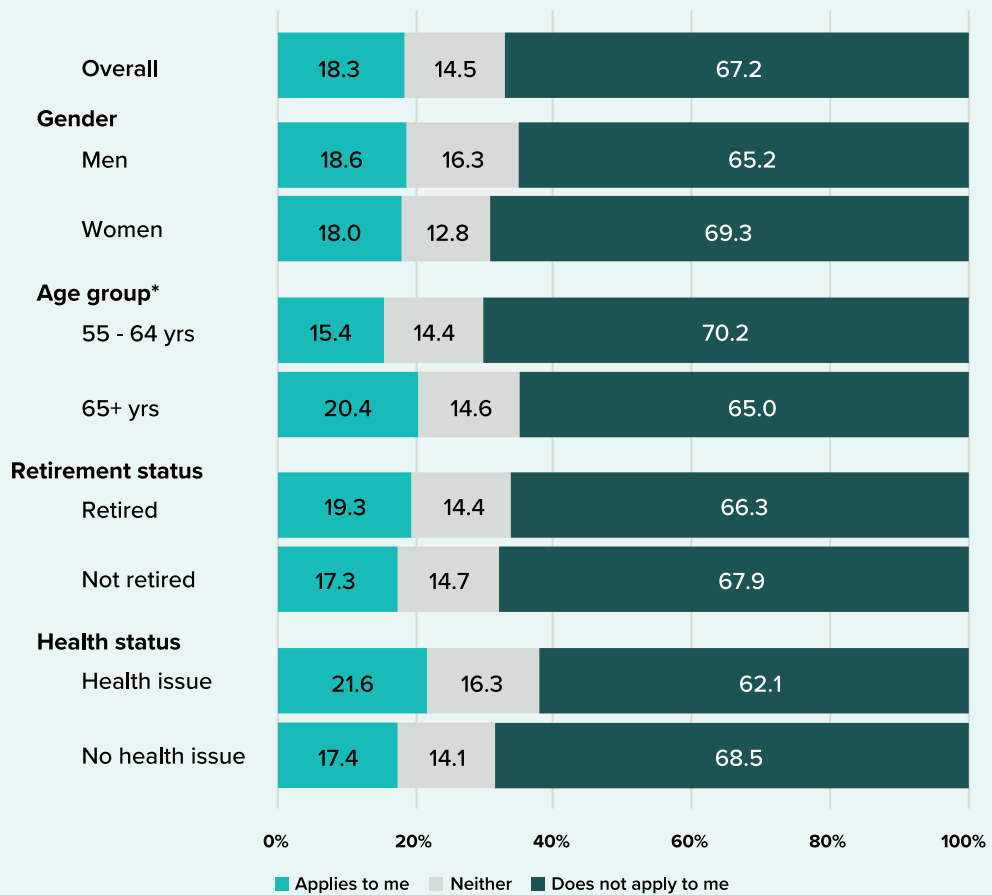
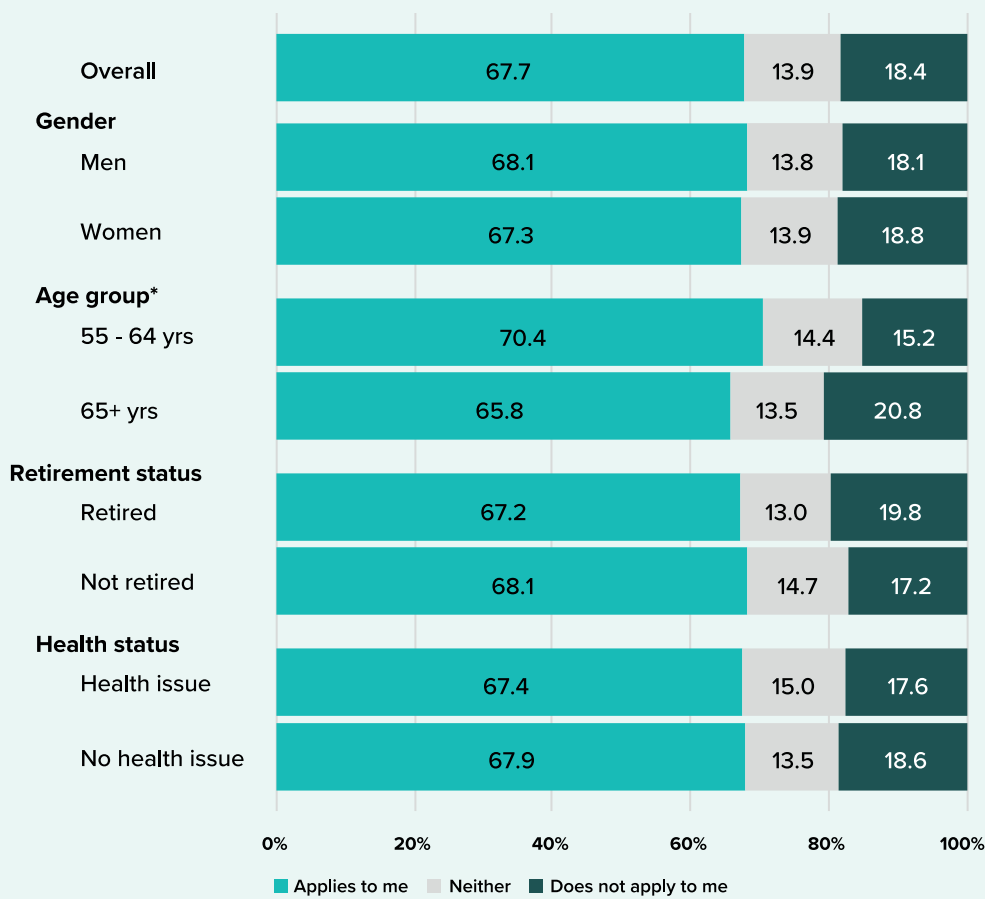


Figure 25. I would rather live with financial problems than go through the embarrassment of asking for help



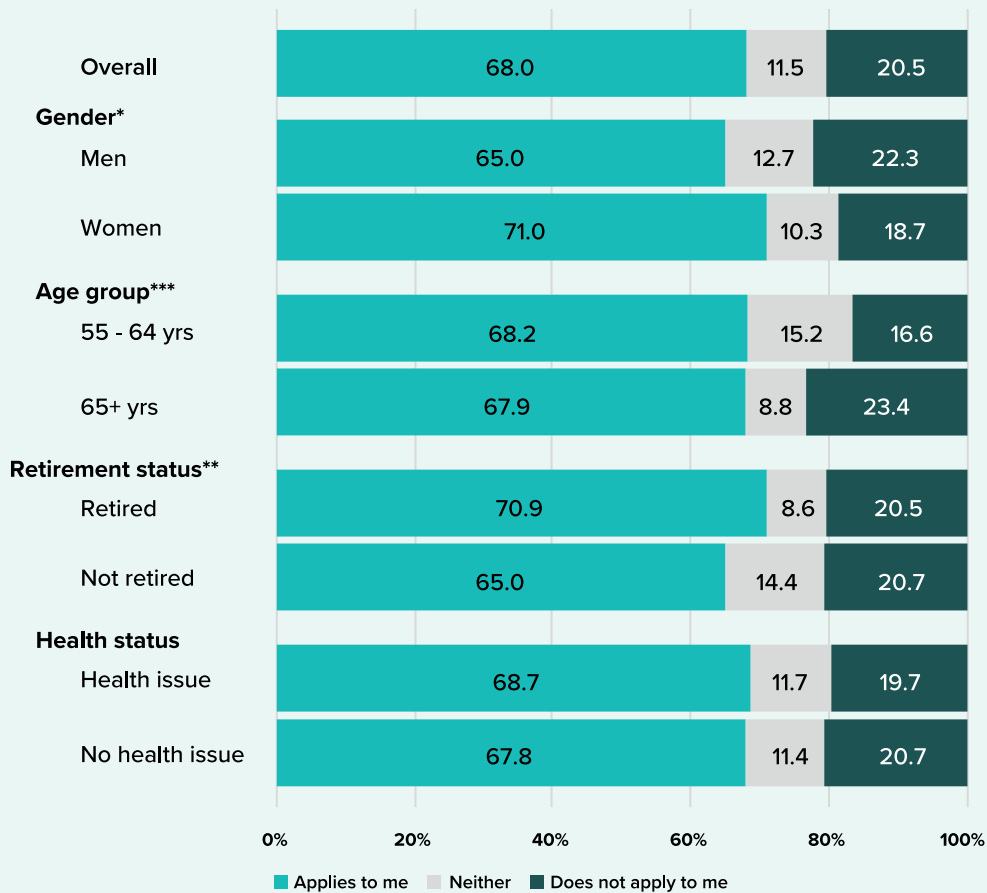
Note: *p < .05, **p < .01, ***p < .001

Figure 26. I feel comfortable talking about my financial problems to a person who could help



Note: *p < .05, **p < .01, ***p < .001

Figure 27. If I had an emergency, I know family members or people in my community who would be willing to help



Note: *p < .05, **p < .01, ***p < .001

4.4 Psychological wellbeing

WHO-5 Wellbeing scores

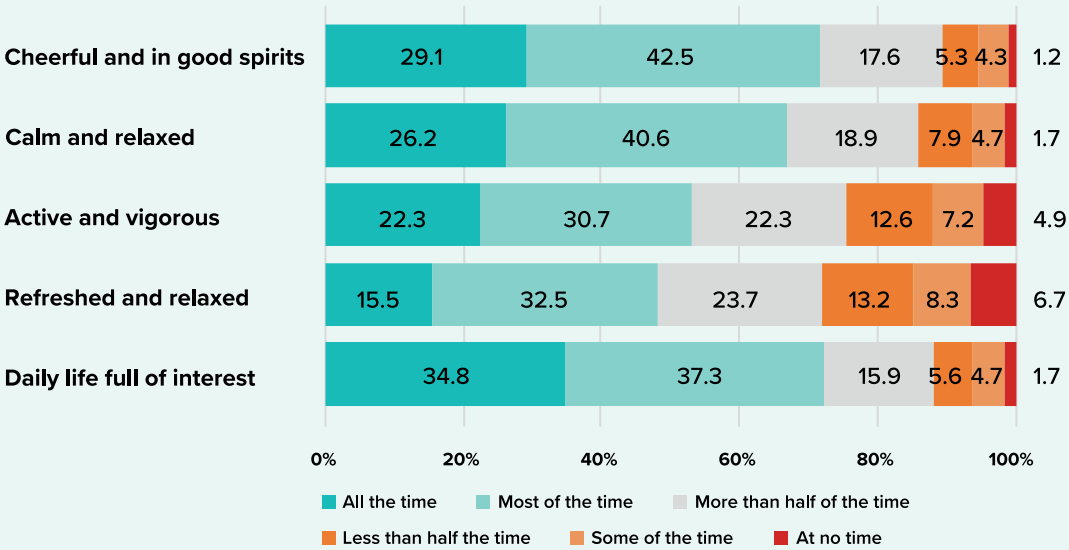
Respondent wellbeing was measured using the WHO-5 Wellbeing Index. Of the 1501 respondents, 1490 (99.3%) answered all five questions, for whom we were able to calculate a wellbeing score. The average WHO-5 score for the whole sample was 17.9 out of 25, which represents ‘good’ subjective wellbeing (Bech et al., 2003).

In terms of individual items (Figure 28), survey respondents felt that their daily life was full of things that interest them more than half of the time (88%). They were on the whole cheerful and in good spirits (88%). They were on the whole cheerful and in good spirits (89.2%) and calm and relaxed (85.7%). They were less likely to be active and vigorous (75.3%) or feel refreshed and relaxed (71.7%).

We compared the overall WHO-5 Wellbeing Index scores for cohorts based on gender, age, retirement and health status. Figure 29 shows that older Australians who have experienced a significant health issue in the last 12 months had the lowest wellbeing scores. Men had higher wellbeing scores than women, and those aged 65 years+ had higher scores than those aged 55-64 years. Wellbeing scores for those who were retired and those not retired did not differ significantly.

Another way to analyse the WHO-5 Wellbeing Index scores is to use the cut-off score of 13 to determine the proportion of older Australians who should be screened for depression. Figure 30 shows the proportion of older Australians who would fall below the WHO-5 cut-off for depression (a score of 12 or less out of 25). In the whole sample, 13.4% scored below 13 and in this Figure, a significant increase above the overall total is depicted with a red arrow, and significant decrease – a green arrow. Women were more likely to fall below the cut-off score compared to men, and again, older Australians who had experienced a health issue were more likely to fall below this cut-off score for depression.

Figure 28. WHO-5 Wellbeing Index individual responses



Note: N = 1,490.

Figure 29. WHO-5 Wellbeing Index scores by demographics

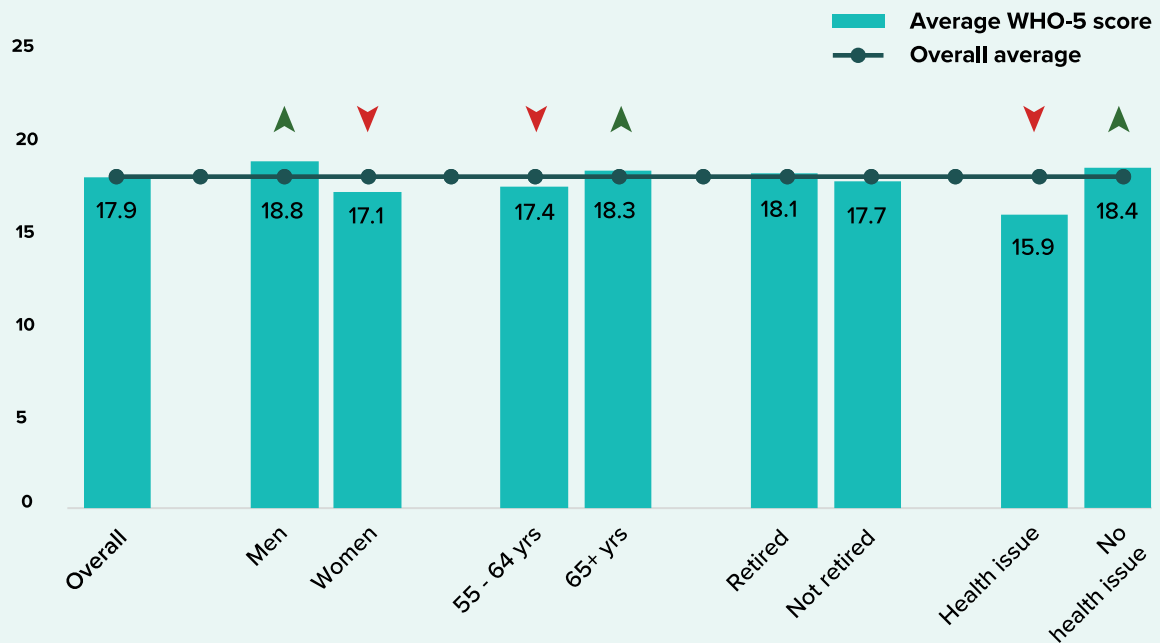


Figure 30. WHO-5 Wellbeing Index cut-off depression score by demographics



Worrying about finances

On the whole our survey respondents were not worried about their finances (Figure 31). However, there was one item that tipped the balance—respondents were fearful that the government might alter policies that will negatively affect their financial situation (41% worried about this).

When we compare these item responses by gender, we found that men and women differed on four of the nine items (Figure 32). Women were more nervous and hesitant when planning for their retirement compared to men, they were more worried that they would make a mistake when making retirement investment decisions, and they were more worried about not being able to meet their current living expenses. Women were also more anxious about their financial situation as a result of events in 2020 compared to men.

41% of older Australians were fearful that their financial situation will be adversely affected by future changes in government policies.

Figure 31. Financial worry

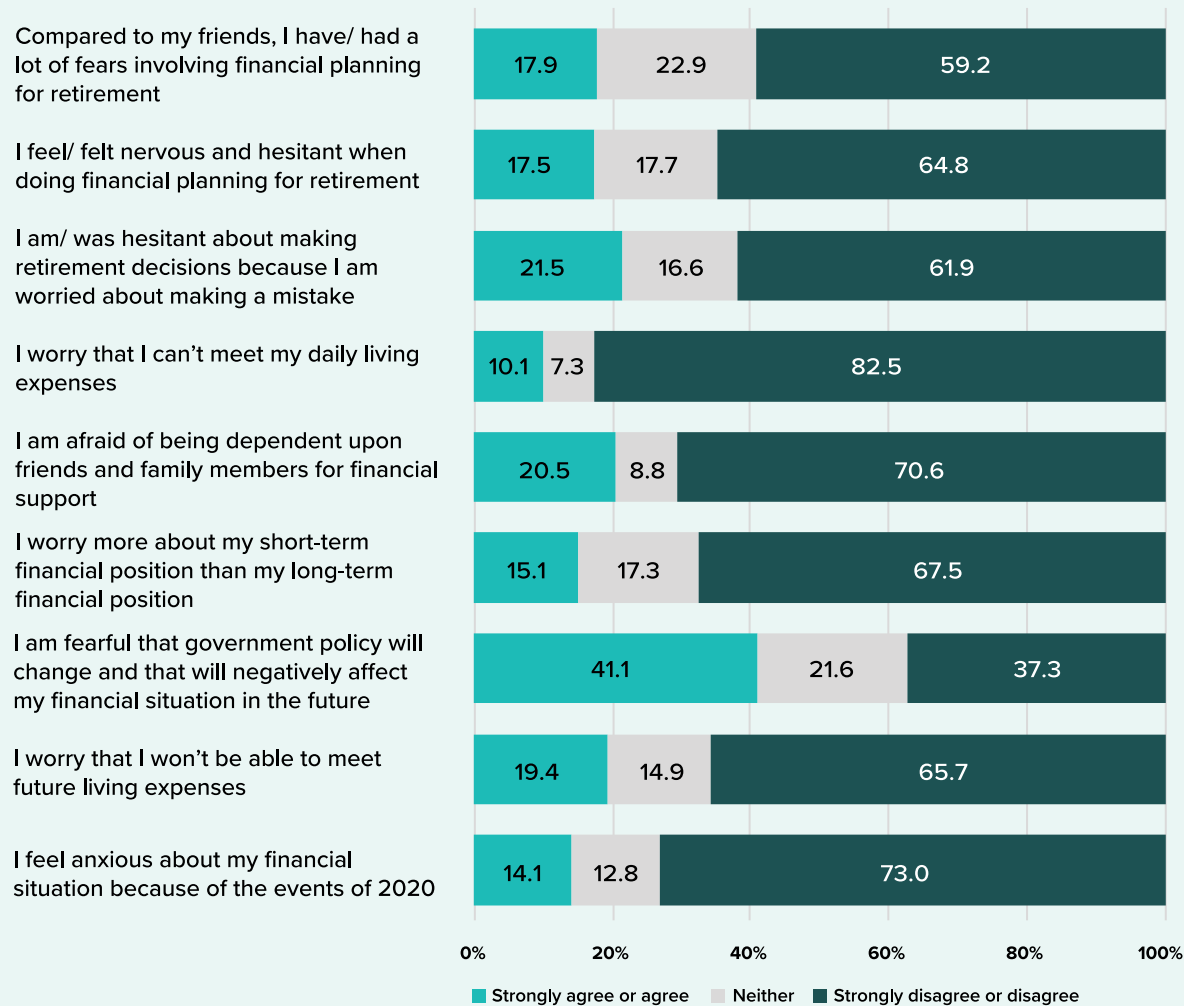
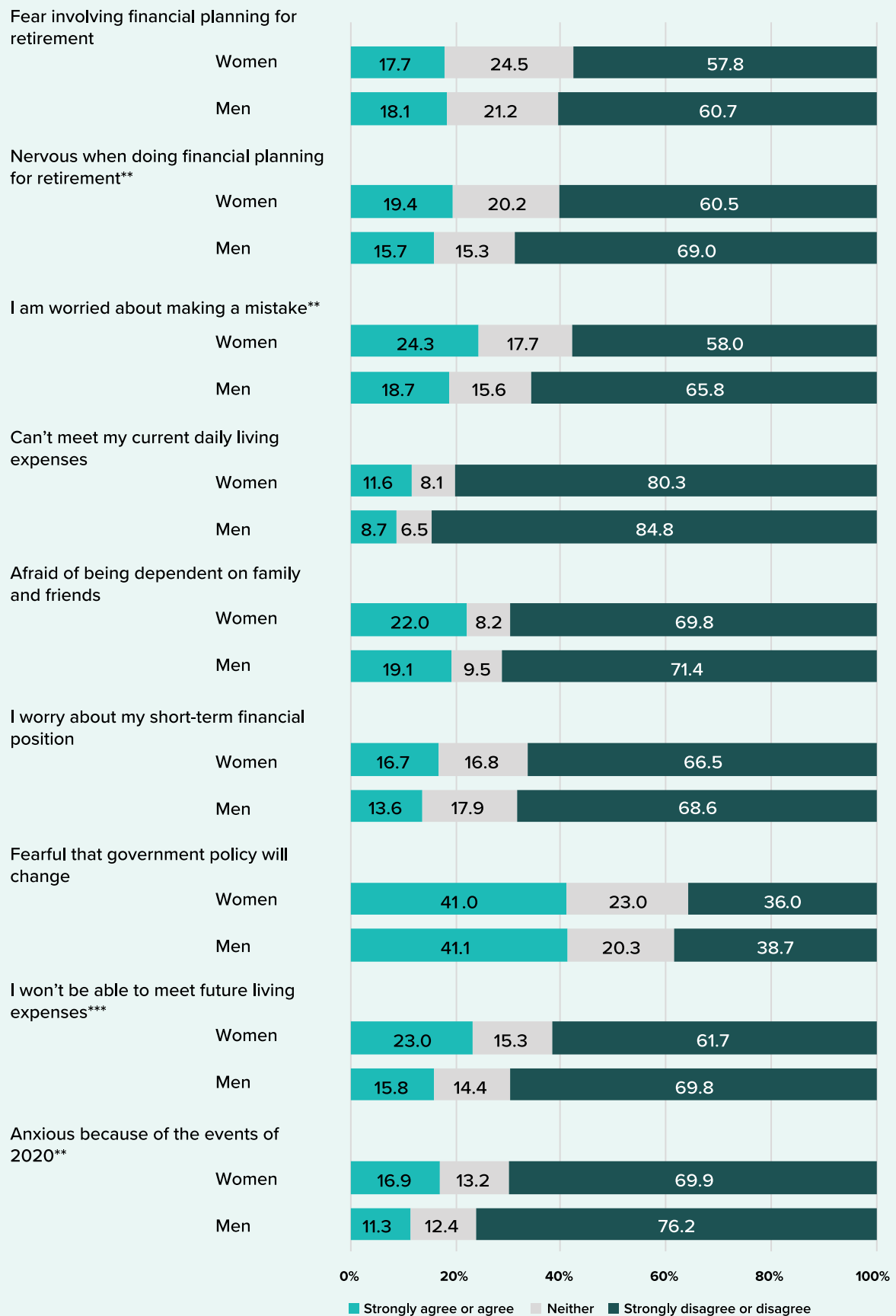
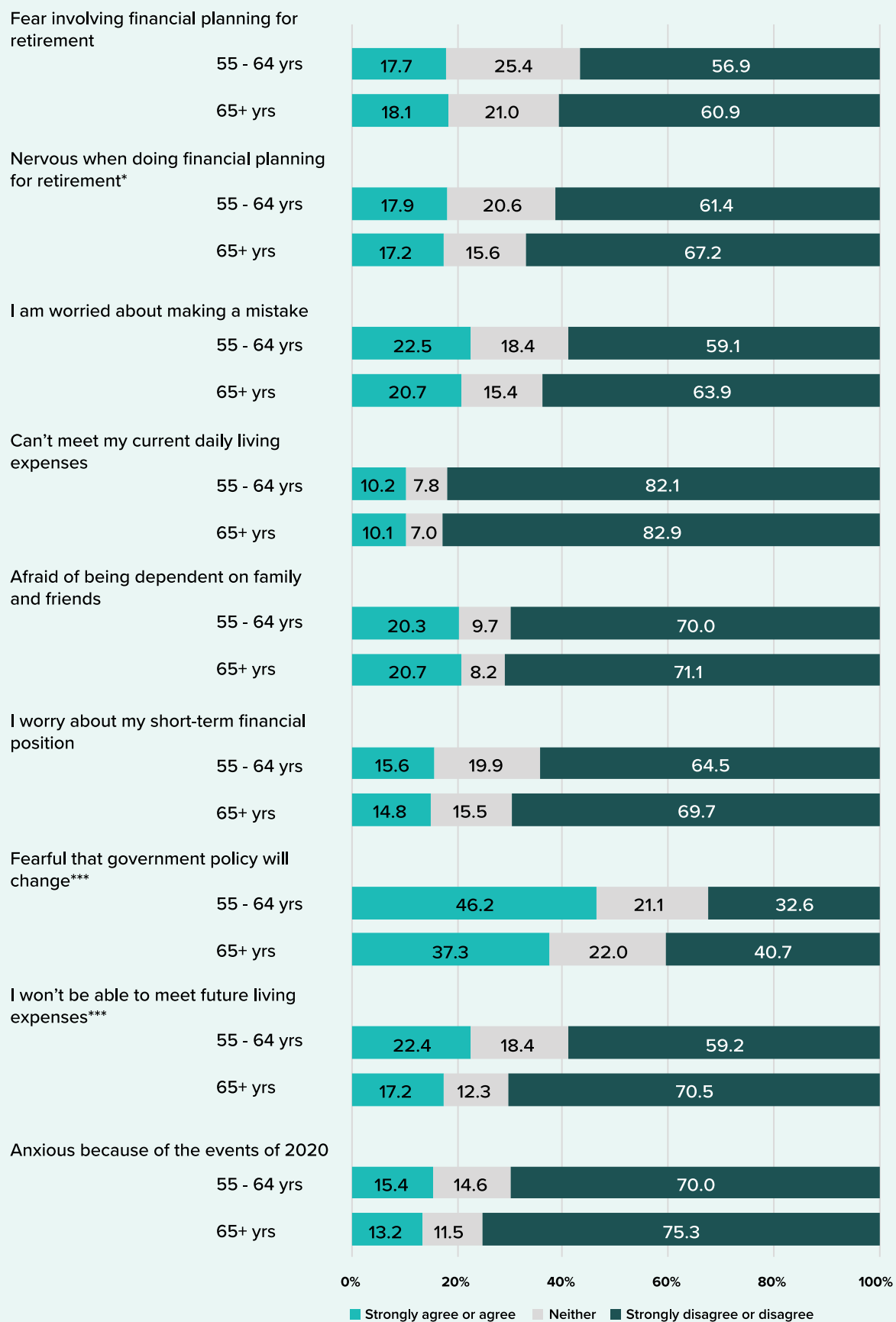


Figure 32. Financial worry by gender



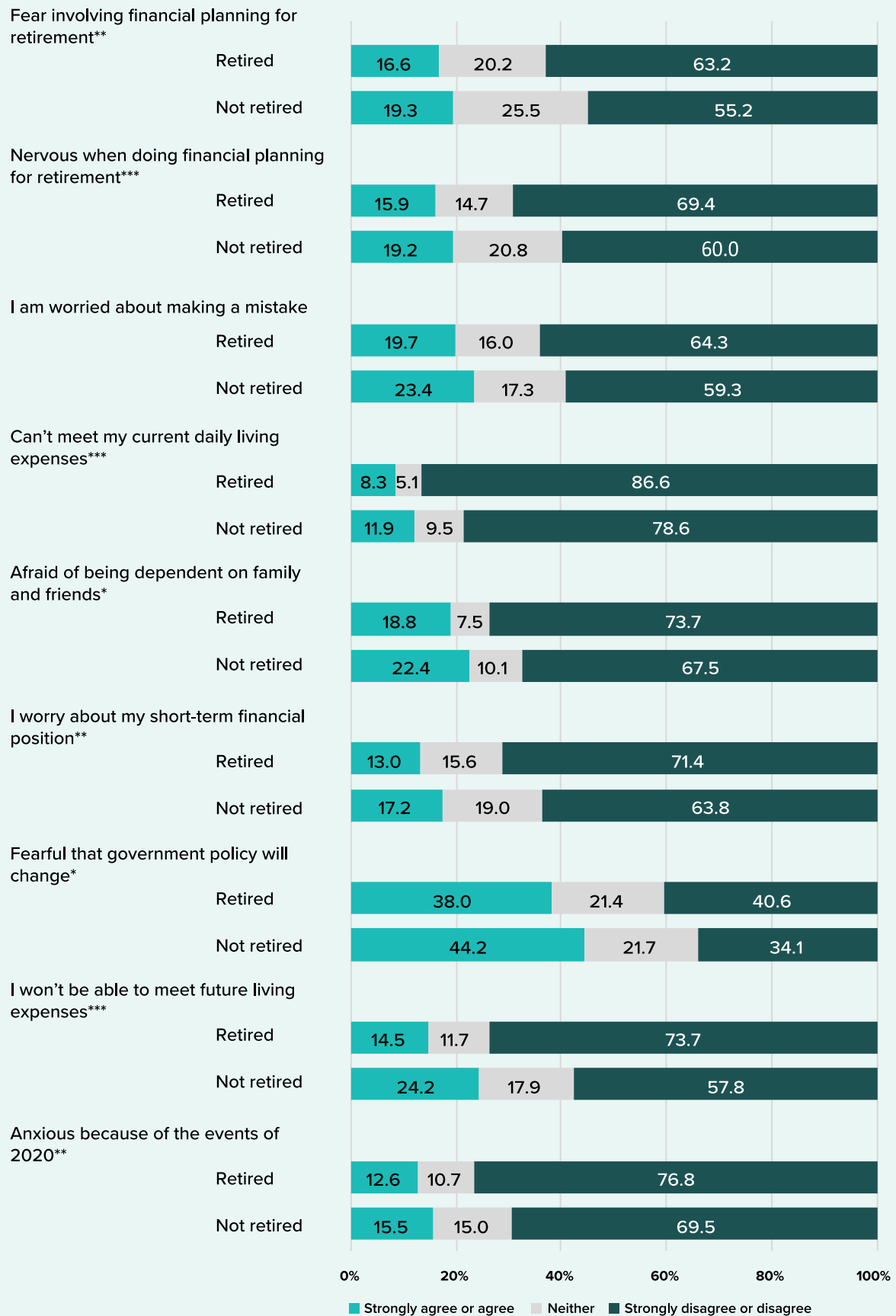
Note: *p < .05, **p < .01, ***p < .001

Figure 33. Financial worry and age group



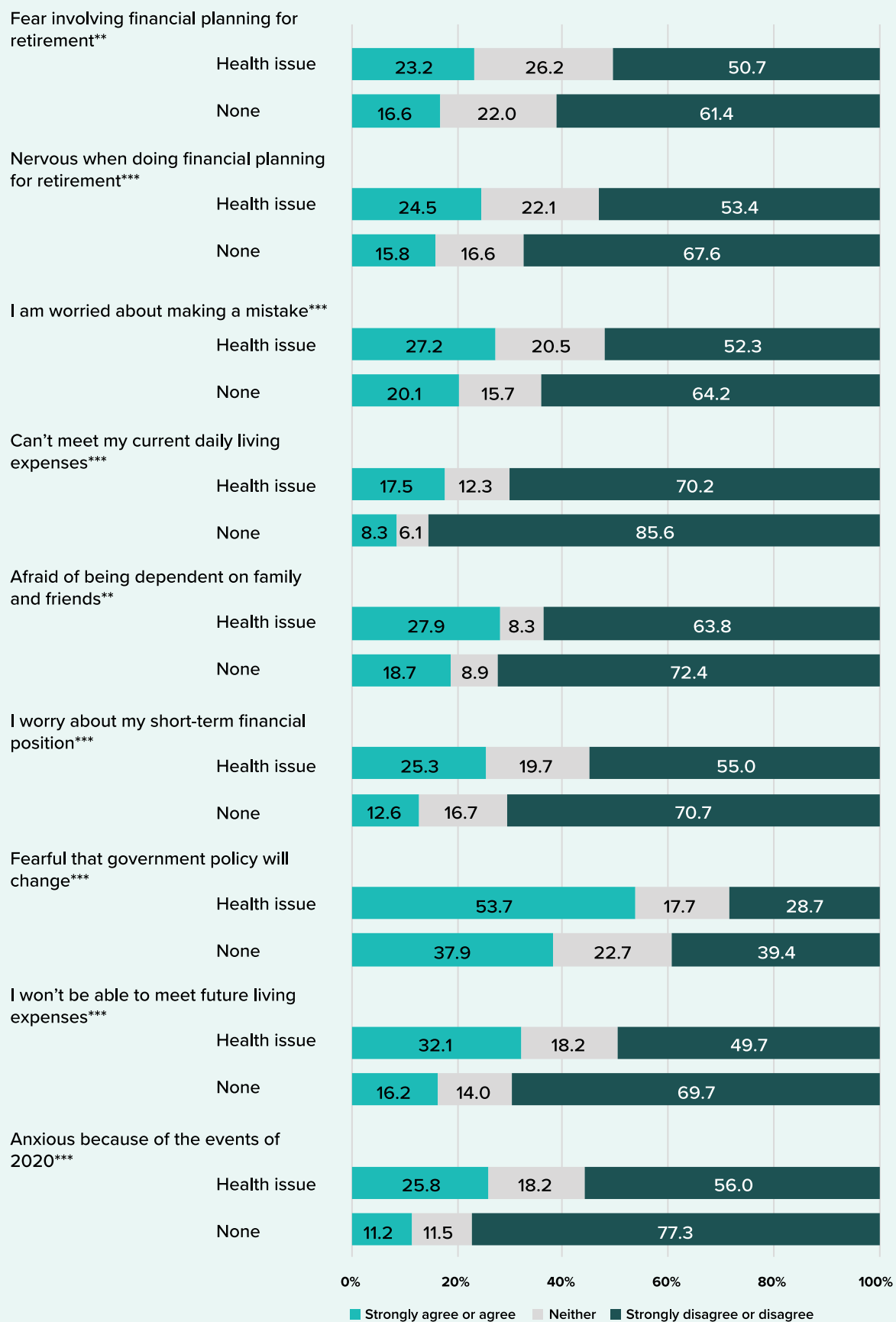
Note: *p < .05, **p < .01, ***p < .001

Figure 34. Financial worry and retirement status



Note: *p < .05, **p < .01, ***p < .001

Figure 35. Financial worry and health status



Note: *p < .05, **p < .01, ***p < .001

Respondents aged 55-64 years were more worried (46.2%) that changes in government policy was going to have a negative impact on their financial futures compared to those aged 65 years+ (37.3%). The younger cohort were also more worried about not being able to cover their future living expenses (22.4%) compared to the older cohort (17.2%).

Older Australians who were not retired were, on the whole, more worried about their future financial situation compared to older Australians who were already retired (Figure 34). This makes sense – approaching retirement comes with a sense of uncertainty and fear. They were most concerned about government changing policy that will have a negative impact on their financial security, not being able to meet future living expenses, or their current daily expenses more so than older Australians who are already retired.

For older Australians who had experienced a significant health issue in the last 12 months, they were significantly more worried than older Australians with no health issues on all items. In particular they were most concerned about changes in government policy, not being able to meet future expenses, and afraid of being dependent on friends and family in the future (Figure 35).



Women, those aged 55-64 years and older Australians with a health issue experience the most worry about their finances. The biggest fear is about government changing policies that affect their financial future.

Impact of COVID-19

COVID-19 had a profound effect on many people in 2020 (and continuing into 2021). We asked survey respondents whether they experienced any fear or panic in relation to their finances because of the pandemic—30.7% of all respondents said they did. When we compared these responses by gender, age group, retirement and health status, we found significant difference for all groups except gender (Figure 36).

Hope

A scale measuring respondent’s level of ‘hope’ was created using 12 items with a minimum score of 12 and maximum score of 60. Higher scores indicated higher levels of hope. The average hope score was 45.3 (SD = 6.9) out of 60. When we compared hope scores by cohort, we found that men had slightly higher hope scores than women, and older Australians who had a health issue in the last 12 months had significantly lower scores than older Australians who did not (Figure 37).

Coping

Survey respondents were asked to choose how often they used coping strategies to deal with anxiety, stress or distress. There were 19 items which were used to create a positive coping strategies score. Coping strategies included ‘take a few breaths to calm down’, ‘do something to distract yourself briefly’ and ‘talk things over with family or friends’. The minimum score was 0 and maximum score was 57. The average overall score was 33.6 (SD = 6.0) out of 57. Women had higher scores than men, and retired older Australians had higher coping scores than respondents who had not retired (Figure 38).

Figure 36. Felt fear or panic about finances because of COVID-19



Figure 37. Hope scores by demographics

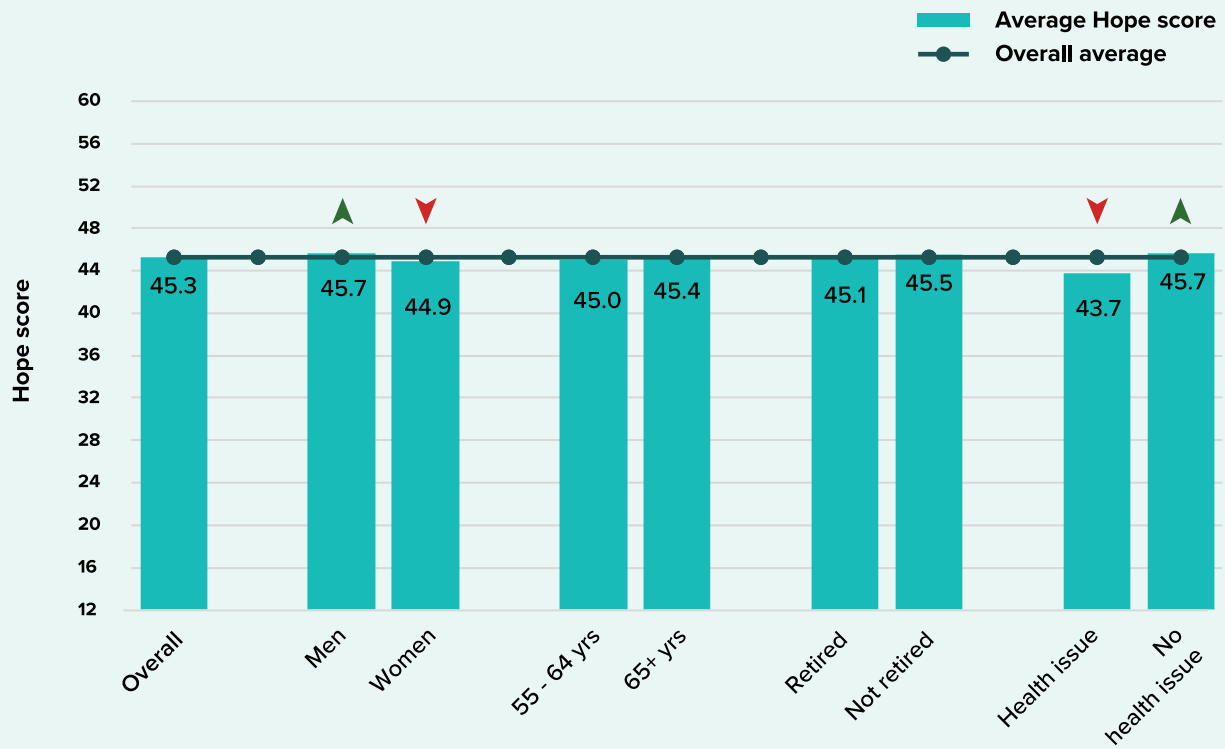


Figure 38. Coping scores by demographics



4.5 COVID-19 and financial decision-making

Survey respondents were asked about the financial decisions or events that may have happened to them because of the financial effects of COVID-19. As can be seen in Figure 39, there were relatively low rates of impact (ranging from 0.1% who had declared bankruptcy to 16.5% of older Australians who sought advice from their financial planner or adviser). Upon closer inspection we see that our survey cohort were quite conservative when it came to making changes to their financial situation as a result of COVID-19. One policy initiative of the Federal government during COVID-19 was to allow people to access their superannuation (up to \$20,000⁶).

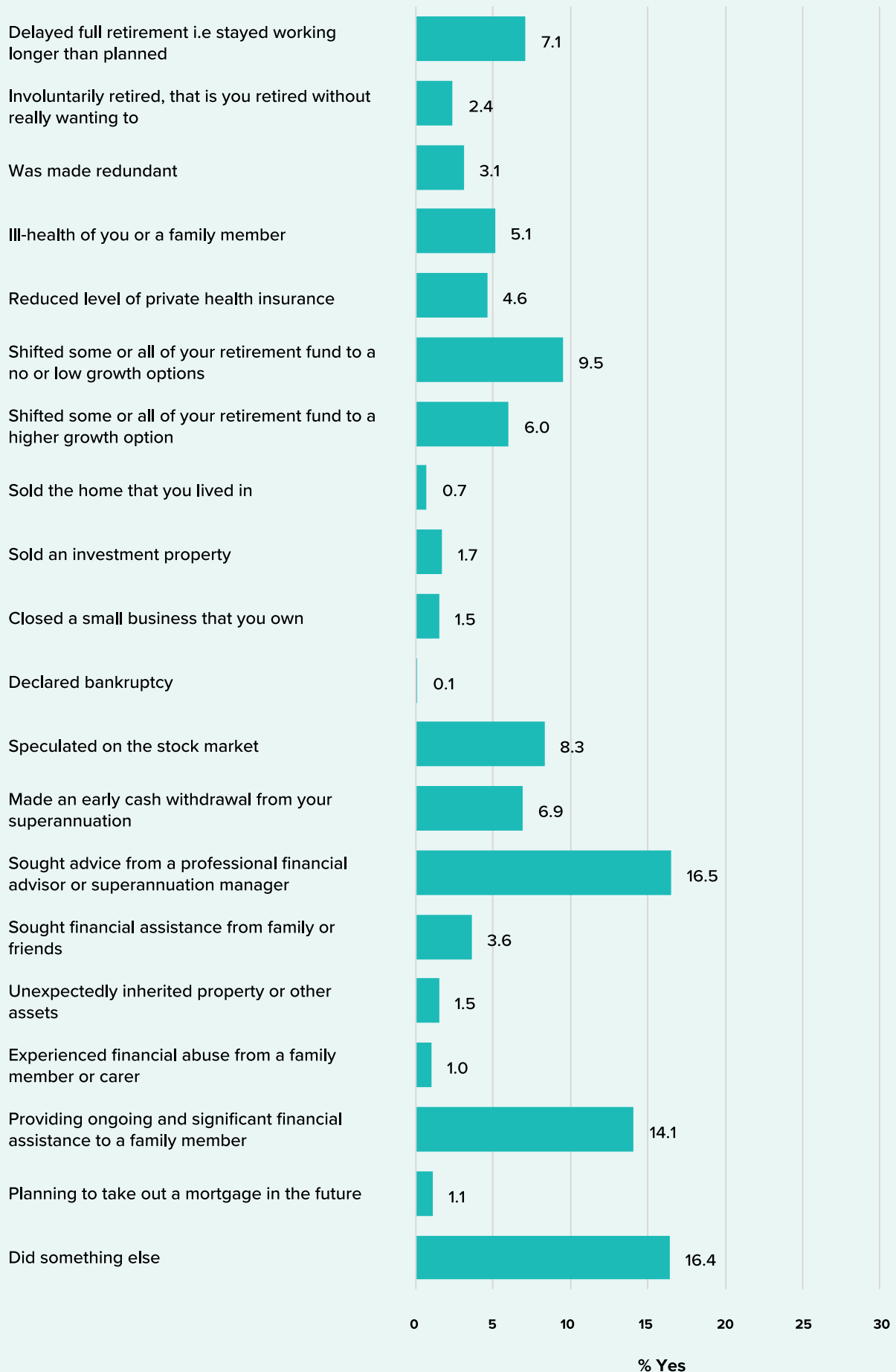
A small proportion of respondents made an early cash withdrawal from their superannuation fund (6.9%). Some shifted their retirement funds to more conservative options (9.5%) and some even to higher risk options (6%). COVID-19 prompted 7.1% to delay their retirement (Figure 39).

14.1% of respondents reported that during COVID-19 they provided significant financial support to other family members or friends, while 16.4% reported that they did 'other' things or there were 'other' impacts. 'Other' impacts included saving money because they were unable to travel or had to cancel travel plans, applying for government grants, were better off with Centrelink payments, they invested in shares, bought an investment property for better financial security, lost secondary casual work, delayed medical and dental procedures, donated to charities and helped international students, increased their volunteer work, for some there was an increase in income and others a decrease, and loss of investment property rental income.

Respondents also reported non-financial impacts such as experiencing anxiety, depression or boredom, not being able to see family members, adult children moved back home and needed financial support, and the stress and mental toll of lockdowns.

⁶ Early access to superannuation was permitted across two time periods 20 April- 30 June 2020 and 1 July – 31 December 2020. Maximum amount was \$10,000 in each time period.

Figure 39. Financial impacts and decisions because of COVID-19 (N = 1,501)



Gender and COVID-19

We compared whether these impacts or decisions were more or less prevalent depending on gender, age, retirement status and health status. (For simplicity we have only included the items where the differences were significant).

Women were more likely than men to have provided ongoing and significant financial assistance to a family member and to have experienced a health issue or that of a family member (Figure 40). Men on the other hand took a different approach – they were more likely compared to women to speculate on the stock market and change their retirement investments to high growth.

Age and COVID-19

When we compared financial decisions and impacts of COVID-19 by age group we only found two differences. Respondents aged 55-64 years were more likely to delay their full retirement and were also more likely to close a small business that they owned (Figure 41).



Figure 40. Financial impacts and decisions because of COVID-19 and gender

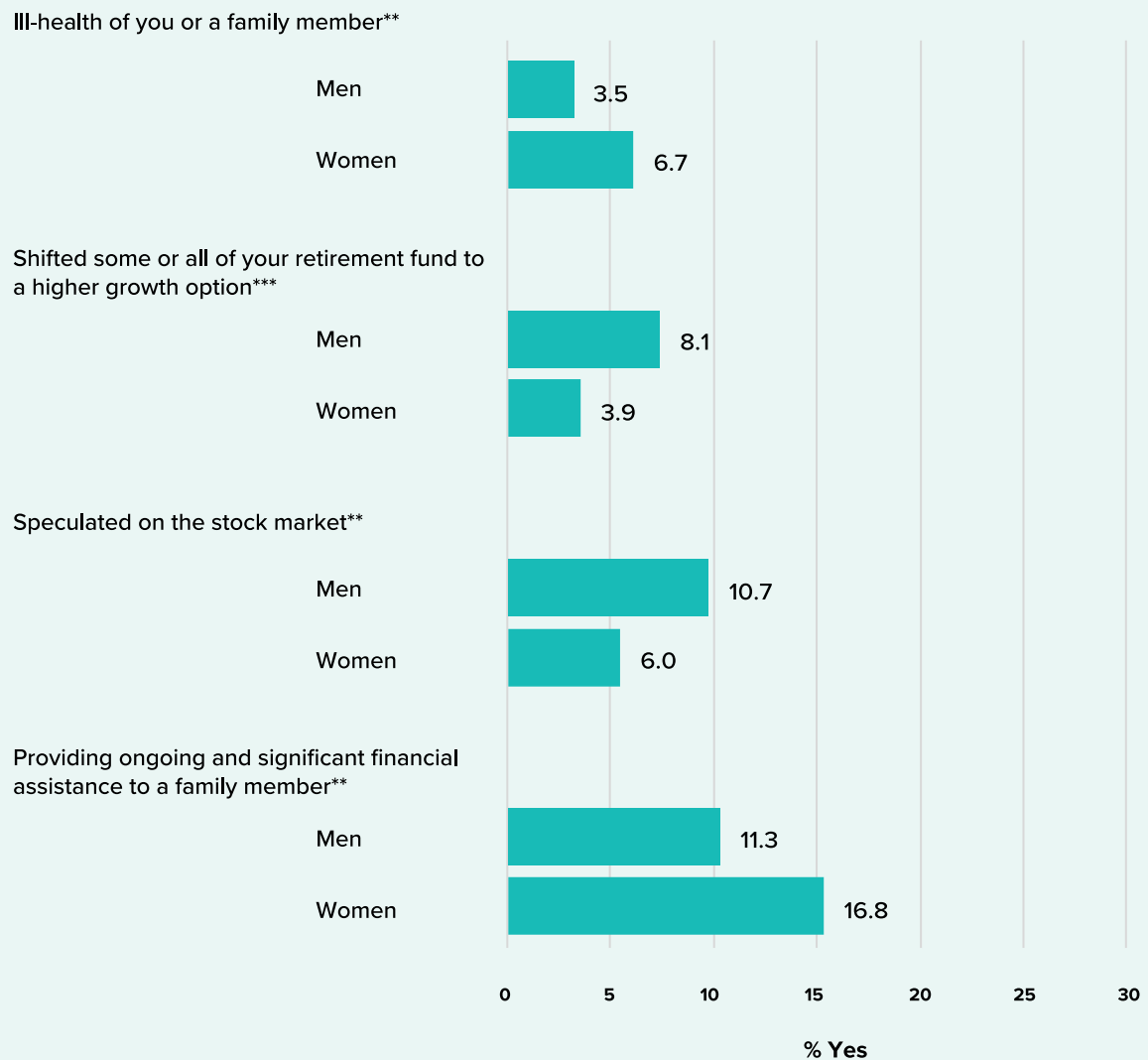
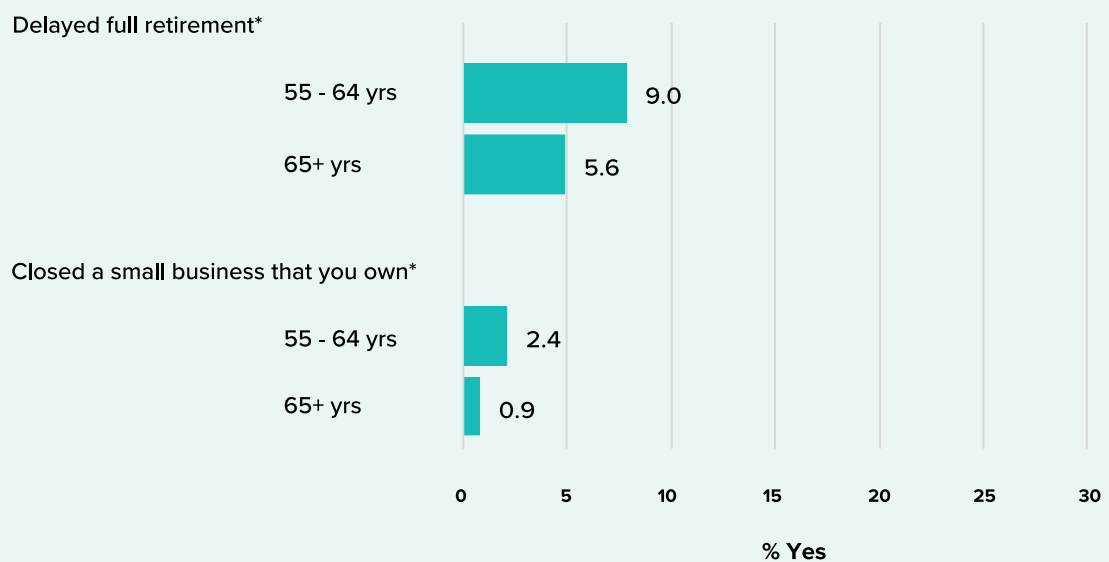


Figure 41. Financial impacts and decisions because of COVID-19 by age group



Note. *p < .05, **p < .01, ***p < .001. N = 1,501

Retirement status and COVID-19

Respondents who were not retired were more likely to have made financial decisions because of COVID-19. They were more likely to delay their full retirement or were made redundant compared to older Australians who were already retired (Figure 42). Older Australians who were not retired were also more likely to have sold an investment property or were planning to take out a mortgage in the future, compared to respondents who were already retired. More importantly older Australians who were not retired were more likely to have taken an early cash withdrawal from their superannuation (9.1%) compared to older Australians who were retired (4.7%). This might be because the younger cohort felt they had longer to build up their superannuation balance again. It was not asked in the survey what they used their superannuation funds for.

Health status and COVID-19

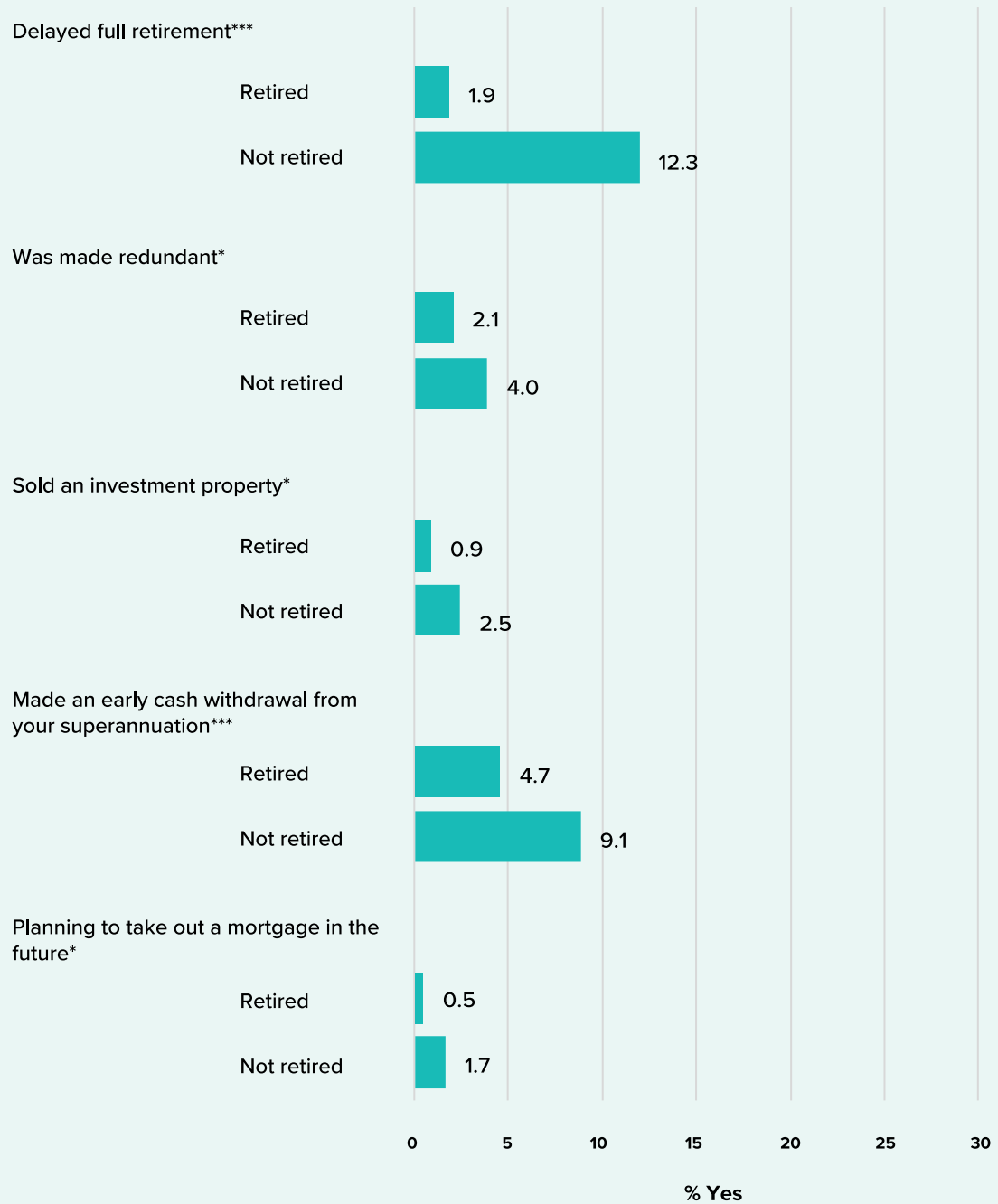
Respondents who reported having a health issue in the previous 12 months had the greatest number of significant financial impacts compared to older Australians who did not have health issues. Of the older Australians who had experienced ill health, 11.9% had made an early withdrawal of their superannuation, 13.2% shifted some or all of their retirement funds to low or no growth and 21.1% were providing ongoing financial assistance to a family member. Of concern, older Australians who reported a health issue were more likely to have experienced financial abuse during COVID-19, specifically 3% did compared to only 0.5% of those without health issues in the previous twelve months.

12.3% of working Older Australians have delayed retirement because of the COVID-19 pandemic

9.1% of working Older Australians have made early cash withdrawals from their superannuation.

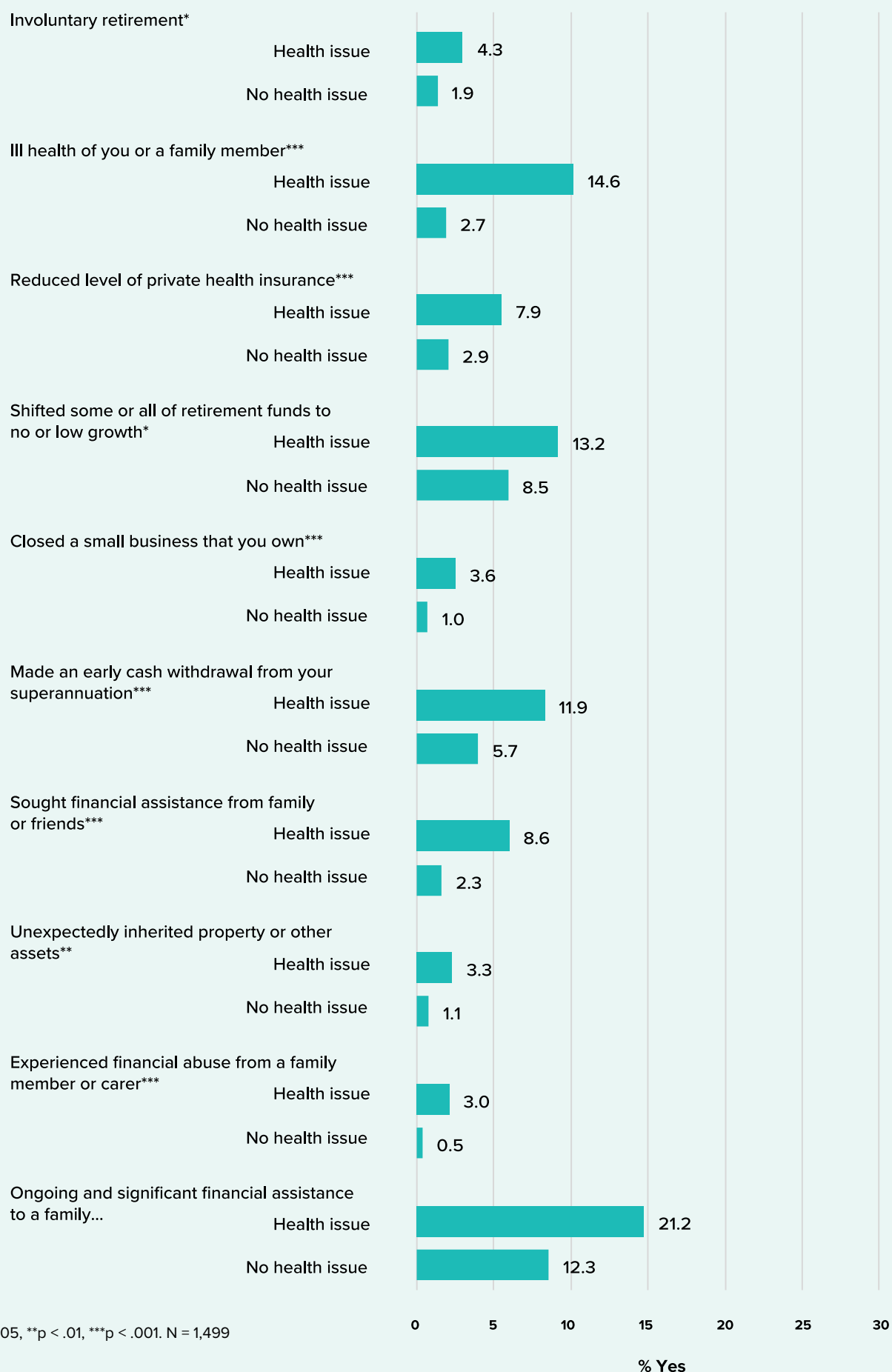
Those who were not retired were more likely to make an early cash withdrawal than those who were.

Figure 42. Financial impacts and decisions because of COVID-19 by retirement status



Note. *p < .05, **p < .01, ***p < .001. N = 1,498

Figure 43. Financial impacts and decisions because of COVID-19 by health status



Psychological Wellbeing and Financial Risk-taking

To examine the relationship between psychological wellbeing and financial risk-taking, the measures of psychological wellbeing were dichotomised (low versus high) and cross-tabulated against the propensity for risk scores (ranging from no propensity for risk to high propensity for risk).

Individual subjective wellbeing index scores were recoded into two groups: (a) high risk of depression (total score < 13) and low risk of depression (total score \geq 13). These scores were then cross-tabulated against propensity for financial risk-taking. Older Australians at risk of depression were less likely to take financial risks (Chi-square = 32.0, $p < 0.001$) (Table 8).

Individual worry about finances scores were recoded according to the median score into two groups: (a) low level of worry about finance (total score > 30) and (b) high level of worry about finances (total score \leq 30). These scores were then cross-tabulated against propensity for financial risk-taking.

Older Australians who worried about their finances were less likely to take moderate financial risks (Chi-square = 26.2, $p < 0.001$) (Table 9).

Individual hope scores were recoded according to the median score into two groups: (a) low level of hope (total score > 26) and (b) high level of hope (total score \leq 26). These scores were then cross-tabulated against propensity for financial risk-taking. Older Australians who had low levels of hope had similar propensity for financial risk-taking to those with a high level of hope (Chi-square = 3.0, $p > 0.05$) (Table 10).

Table 8. Depression and propensity for financial risk-taking

Depression	Propensity for financial risk-taking			
	None	Low	Moderate	High
Low risk of depression	26.5%	40.0%	29.8%	3.7%
High risk of depression	44.8%	36.6%	16.5%	2.1%

Table 9. Worry about finances and propensity for financial risk taking

Worry about finances	Propensity for financial risk-taking			
	None	Low	Moderate	High
Low level of worry	25.4%	38.6%	32.1%	4.0%
High level of worry	35.7%	40.7%	20.9%	2.7%

Table 10. Hopefulness and propensity for financial risk taking

Hope	Propensity for financial risk-taking			
	None	Low	Moderate	High
Low level of hope	29.1%	37.8%	28.8%	4.2%
High level of hope	28.3%	41.1%	27.7%	2.9%

Whether individuals experienced panic about their finances was cross-tabulated against propensity for financial risk-taking. Older Australians who reported low levels of panic had similar propensity for financial risk taking to those with a high level of panic (Chi-square = 5.2, $p > 0.05$) (Table 11).

Individual coping scores were recoded into two groups according to the median score: (a) low level of coping (total score <33) and (b) high level of coping (total score ≥ 33).

These scores were then cross-tabulated against propensity for financial risk-taking. Older Australians who had low levels of coping had similar levels of propensity for financial risk-taking to those with a high level of coping (Chi-square = 2.2, $p > 0.05$) (Table 12).

Levels of panic have no effect on financial risk-taking behaviour

Older Australians who were depressed or anxious had a lower propensity for financial risk taking

Table 11. Experienced panic about finances because of COVID-19 and propensity for financial risk taking

Experienced financial panic	Propensity for financial risk-taking			
	None	Low	Moderate	High
No	30.6%	38.9%	26.8%	3.6%
Yes	25.7%	40.7%	30.8%	2.9%

Table 12. Coping and propensity for financial risk-taking

Coping	Propensity for financial risk-taking			
	None	Low	Moderate	High
Low level of coping	29.8%	38.7%	27.3%	4.2%
High level of coping	28.7%	40.1%	28.4%	2.9%

Psychological Wellbeing and Financial Knowledge, Efficacy, Attitudes, and Resilience

Psychological wellbeing was assessed by examining the depression, worry about finances, hope, financial panic and coping questionnaire scores. Financial knowledge, efficacy, attitudes and resilience was assessed by examining the responses to 14 questions which were scored on a five-point scale (1 = applies very well to 5 = does not apply at all). The psychometric properties of the financial knowledge, efficacy, attitudes and resilience questionnaire was assessed using exploratory factor analysis. The rotated factor loadings are given in Table 13.

Table 13. Factor structure of the financial knowledge, efficacy, attitudes and resilience questionnaire

Question	Component			
	1	2	3	4
Compared to most other people, I feel I know more about finances	.436			
I believe I have made the right financial decisions in times of crisis or uncertainty	.651			
Even if I am worried, I am confident in making good financial decisions	.688			
I am satisfied with my financial situation	.825			
I know my financial future is secure, so I don't feel anxious about it	.826			
It is important that I am in control of my money in a crisis	.520			
I feel comfortable talking about my financial problems to a person who could help me		.650		
I know when I do not have enough information to make a good decision involving money		.663		
I know where to find the advice I need to make decisions involving money		.516		
What is happening in the world at present strongly influences the decisions I make about my financial investments		.615		
I live life one day at a time and don't really think about future finances			.682	
I believe that, if I were to have money problems, like many things, they would tend to work out by themselves			.790	
I would rather live with financial problems than go through the embarrassment of asking for help			.656	
If I had an emergency, I know family members or people in my community who would be willing to help				.705

Based on the item loadings and the criterion of a minimum of three questions per scale we identified three subscales. These were labelled: (1) Confident making financial decisions (questions 1, 5, 7, 8, 9, and 10); (2) Confident seeking financial advice (questions 2, 3, 4 and 6); and (3) Laissez faire attitude to finance (questions 11, 12 and 13) (explaining 49% of the variance; item loadings < .04 were suppressed and a varimax rotation was used to extract factors).

To examine the relationship between financial decision-making and psychological wellbeing, the financial knowledge, efficacy, attitudes and resilience questionnaire subscale scores were correlated against the depression, worry about finances, hopefulness, panic and coping scores. The correlation results are reported in Table 14.

Examination of the magnitude of the correlations in Table 14 indicated that the strongest relationships were observed between four of the psychological wellbeing variables and the confident making financial decision variable (i.e. $r > 0.03$; these are bolded). Individuals who were more depressed, more worried about finances, had lower coping skills and lower levels of hopefulness were less confident about making financial decisions.

Table 14. Correlation between psychological wellbeing and financial knowledge, efficacy, attitudes and resilience questionnaire scales

Psychological wellbeing	Confident making financial decision ⁷	Confident seeking financial advice ⁸	Laissez Faire attitude to finances ⁹
Depression (Higher scores indicate lower risk of depression)	-.34**	-.15**	.04
Worry about finances (Higher scores indicate higher levels of worry)	-.53**	-.16**	.19**
Hope (Higher scores indicate lower levels of hopefulness)	.46**	.27**	-.11**
Experienced financial panic (Higher scores indicate lower level of panic)	-.07*	.10**	-.06*
Coping (Higher scores indicate lower levels of coping)	-.30**	-.17**	.03

Note: *Indicates Pearson-r values statistically significant at $p < 0.05$ and ** $p < 0.01$.

⁷ Higher scores indicate less confident making financial decisions.

⁸ Higher scores indicate less confident seeking advice.

⁹ Higher scores indicate more likely to be laissez faire.

Given that the *confident making financial decisions* variable was the strongest predictor of psychological wellbeing, this relationship was further explored. According to the median score, individual confident making financial decisions scores were recoded into: (a) high confidence (total score < 10) and low confidence (total score \geq 10).

These scores were then cross-tabulated against dichotomous depression, worry about finance, hope and coping values. Older Australians at risk of depression, worried about finances, low levels of hopefulness and poor coping were less confident about their financial decision making (for all comparisons Chi-square > 52.0, $p < 0.001$)(Table 15).

To investigate possible relationships between financial decision-making and key demographic variables a series of cross-tabulations were undertaken. The remaining financial decision-making scales were dichotomised according to their median scores: high confidence in seeking financial advice (total score < 8) and low confidence in seeking financial advice (total score \geq 8); and high level of laissez faire attitude to finances (total score > 12) and low level of laissez faire attitude to finances (total score \leq 12). The dichotomised financial knowledge, efficacy, attitudes and resilience questionnaire scale scores were then cross-tabulated against key demographic parameters.

Table 15. Cross-tabulation between key psychological wellbeing and confidence with financial making financial decision

Psychological wellbeing	Level	Confident making financial decisions	
		Low	High
Depression	Low	45.9%	54.1%
	High	74.1%	25.9%
Worry about finance	Low	36.9%	63.1%
	High	77.1%	22.9%
Hopefulness	Low	66.2%	33.8%
	High	34.2%	65.8%
Coping	Low	59.6%	40.4%
	High	40.5%	59.5%

Individuals who were less confident about making financial decision tended to be younger - aged 55-64 years - more likely to report health problems and be unemployed. Individuals who were less confident about seeking financial advice tended to be pensioners and unemployed. Individuals who were over 65 years, retired, male, did not have health problems and were either on a pension or unemployed were more likely to have a laissez faire attitude to finances.

Financial Behaviour in Times of Crisis

Individual responses to the questionnaire items which examined change in an individual's financial behaviour in a time of crisis were summed to create a frequency score.

The financial behaviour items and percentage of older Australians who changed their behaviour is given in Table 17 and the percentage of older Australians who nominated one or more financial behaviours in response to COVID-19 are given in Table 18.

More than a half of older Australians reported no change in financial behaviour because of COVID-19. Of the 46.6% who did report a change in financial behaviour, 56.2% made a single change, 26.0% two changes and 17.8% reported three or more changes.

The cross-tabulation results examining the relationship between experiencing financial fear or panic because of the COVID-19 pandemic and change in financial behaviour is reported in Table 19.

Table 16. Cross-tabulation between demographic variables and financial knowledge, efficacy, attitudes and resilience questionnaire scales

Demographic	Confident making financial decision		Confident seeking financial advice		Laissez Faire attitude to finances	
	Low	High	Low	High	Low	High
Age group						
55 - 64 yrs	55.0%*	45.0%	38.8%	61.2%	45.1%*	54.9%
65+ yrs	45.8%	54.2%	40.9%	59.1%	34.9%	65.1%
Retirement status						
Not retired	57.6%*	42.4%	41.4%	58.6%	44.4%*	55.6%
Retired	41.6%	58.4%	38.7%	61.3%	33.6%	66.4%
Gender						
Male	49.5%	50.5%	40.1%	59.9%	35.5%*	64.5%
Female	49.9%	50.1%	39.8%	60.2%	43.0%	57.0%
Health status						
No health problems	46.0%*	54.0%	40.4%	59.6%	33.0%*	67.0%
Yes health problems	63.9%	36.1%	38.4%	61.6%	40.9%	59.1%
Main income source						
Self-funded retiree	35.8%*	64.2%	31.4%*	68.6%	41.6%*	58.4%
Pension	50.8%	49.2%	50.5%	49.5%	22.8%	77.2%
Salaried	56.3%	43.8%	39.9%	60.1%	45.9%	54.1%
Unemployed	96.3%	3.7%	57.7%	42.3%	35.7%	64.3%

Note: *Indicates all Chi-square > 6.2 and p < 0.05.

Table 17. Percent of older Australians who change their financial behaviour in times of crisis

Because of the financial effects of COVID-19...	% of Older Australians (Yes)
A. Sought advice from a professional financial advisor/ superannuation manager	17.1%
B. Provided ongoing and significant financial assistance to a family member	14.4%
C. Delayed full retirement i.e. stayed working longer than you planned	10.6%
D. Shifted some or all of your retirement fund to a no or low growth options	10.4%
E. Speculated on the stock market	8.9%
F. Made an early cash withdrawal from your superannuation	7.5%
G. Shifted some or all of your retirement fund to a higher growth option	6.5%
H. Reduced your level of private health insurance	4.6%
I. Sought financial assistance from family or friends	3.6%
J. Sold an investment property	2.2%
K. Closed a small business that you own	2.1%
L. Plan to take out a mortgage in the future	1.2%
M. Sold the home that you lived in	0.7%
N. Declared bankruptcy	0.1%

Table 18. Percentage of older Australians who reported making a change in financial behaviour in a time of crisis checklist

Number of financial behaviours	Percentage
Nil	53.4%
One	26.3%
Two	12.1%
Three	4.9%
Four	2.0%
Five or more	1.3%

Table 19. Cross-tabulation: Financial behaviour in times of crisis checklist versus experienced fear or panic about finances in 2020

Because of the financial effects of COVID-19...		Experienced fear or panic about finances in 2020	
		Yes	No
A. Delayed full retirement i.e. stayed working longer than you planned***	Yes	51.9%	48.1%
	No	28.1%	71.9%
B. Reduced your level of private health insurance***	Yes	59.3%	40.7%
	No	30.1%	69.9%
C. Sold the home that you lived in	Yes	40.0%	60.0%
	No	31.0%	69.0%
D. Shifted some or all of your retirement fund to a no or low growth options***	Yes	49.3%	50.7%
	No	28.9%	71.1%
E. Shifted some or all of your retirement fund to a higher growth option*	Yes	42.7%	57.3%
	No	30.3%	69.7%
F. Speculated on the stock market***	Yes	47.6%	52.4%
	No	29.4%	70.6%
G. Sold an investment property*	Yes	53.8%	46.2%
	No	30.8%	69.2%
H. Closed a small business that you own*	Yes	56.5%	43.5%
	No	31.1%	68.9%
I. Sought financial assistance from family or friends***	Yes	60.4%	39.6%
	No	30.0%	70.0%
J. Sought advice from a professional financial advisor or superannuation manager***	Yes	46.7%	53.3%
	No	28.0%	72.0%
K. Made an early cash withdrawal from your superannuation	Yes	38.5%	61.5%
	No	30.8%	69.2%
L. Declared bankruptcy^	Yes	n/a	n/a
	No	n/a	n/a
M. Plan to take out a mortgage in the future	Yes	29.4%	70.6%
	No	30.8%	69.2%
N. Provided ongoing and significant financial assistance to a family member***	Yes	41.7%	58.3%
	No	29.0%	71.0%

Note: All Chi-square > 5.4 and *p < 0.05, **p < 0.01 and ***p < 0.005. ^Insufficient cell numbers for analyses.

In summary, older Australians who experienced fear or panic about their finances in 2020 were more likely to have delayed retirement, reduced their private health cover, sold an investment property, speculated on the stock market, have consulted a financial planner, sought financial assistance from family or friends, closed a small business and have provided financial assistance to family. As well, a higher number of older Australians who had experienced fear or panic about their finances in 2020 shifted their superannuation funds with a higher proportion electing low versus high growth options.

We also investigated whether the psychological wellbeing variables other than panic about finances might be predictive of a change in financial behaviour. For these analyses we entered the dichotomised, depression, worry about finance, hope and coping scores into a series of cross-tabulations with financial behaviours. Only a few significant relationships were observed. Older Australians who were more depressed were more likely to have delayed retirement (Chi-square = 6.4, $p < .05$) and sought financial assistance from family or friends (Chi-square = 9.7, $p < .001$). Older Australians who were more worried were more likely to have reduced their private health cover (Chi-square = 10.9, $p < .001$). Older Australians who were less hopeful were more likely to have reduced their private health insurance (Chi-square = 10.4, $p < .001$) and sought financial assistance from family or friends (Chi-square = 5.2, $p < .05$). Low levels of coping were not related to changes in financial behaviour because of the COVID-19 pandemic.

Protective Financial Behaviours and Financial Decision making in Times of Crisis

To investigate the relationship between protective financial behaviours and financial decisions in times of crisis these variables were entered into correlational analyses. The correlation values are given in Table 19. Examination of the magnitude of the correlations in Table 19 indicated that three of the protective financial behaviours were strongly correlated with the variable - confident making financial decisions (i.e. $r > 0.03$; these are bolded). In particular, older Australians who were more likely to pay off their credit card, were more thorough in their financial planning and lived within their means, reported high levels of confidence in making financial decisions.

The protective financial items were also summed to produce a total score. This score was also correlated with financial decision-making in times of crisis scale scores and included in Table 19. This revealed that older Australians who were more likely to report protective behaviours were also more likely to report a high level of confidence in making financial decisions and seeking financial advice.

The protective financial total score was also correlated with psychological wellbeing variables including depression, worry about finances, hope, coping and experience panic about finances because of the COVID-19 pandemic. The magnitude of the correlations were very small in magnitude, all $r < 0.23$, and therefore this data has not been reported.

Finally, we examined whether older Australians with a higher frequency of healthy financial behaviours were more likely to have changed their financial behaviour because of the COVID-19 pandemic. For this analysis, according to the median value we dichotomised health financial behaviours (≤ 13 = high and > 13 low level of healthy financial behaviours) which was then entered into a series of cross-tabulations with financial behaviours.

This revealed only a few significant relationships. Specifically, older Australians with a high level of healthy financial behaviours were more likely to have sold an investment property (Chi-square = 5.7, $p < .05$) and sought advice from a financial advisor (Chi-square = 8.2, $p < .005$).

Table 20. Correlation between protective financial behaviours and financial decision making in times of crisis

How well the following statements apply ¹⁰	Confident making financial decision ¹¹	Confident seeking financial advice ¹²	Laissez Faire attitude to finances ¹³
A. I regularly set money aside for unexpected expenses	.24**	.23**	-.12**
B. I have a weekly or monthly budget that I follow	.06*	.10**	-.04
C. I always pay my credit card off each month ¹⁴	.30**	.17**	-.12**
D. I am very thorough in my approach to financial planning	.46**	.26**	-.13**
E. I regularly review my legal documents to make sure they are up to date for example my will; insurances; and power of attorney	.27**	.23**	-.09**
F. I make sure I live within my means	.36**	.17**	-.14**
Total score	.46**	.31**	-.16**

Note: *Indicates Pearson-r values statistically significant at $p < 0.05$ and ** $p < 0.01$.

¹⁰ High scores indicate less likely that the statements apply

¹¹ Higher scores indicate less confident making financial decisions.

¹² Higher scores indicate less confident seeking advice.

¹³ Higher scores indicate more likely to be laissez faire.

¹⁴ As 14.6% of the older Australians did not own a credit card, therefore the total protective financial behaviour score was based on the 1,283 respondents who owned a credit card.





5.

Conclusions and implications

In this research we explored the interplay between protective financial behaviours, psychological wellbeing and financial decision-making in older Australians in a time of crisis, that is, the COVID-19 pandemic.

5. Conclusions and implications

This project had three aims:

1. Explore and measure the relationship between older people's psychological wellbeing and financial decision-making in times of uncertainty or crisis.
2. Identify the factors that contribute to older people's financial decision-making in times of uncertainty or crisis.
3. Co-create resources that older people can use to support their financial decision-making and to promote financial wellbeing in times of uncertainty or crisis.

In this study we obtained responses from a broad range of older Australians. However, the study did not purposively sample individuals from low or high socioeconomic groups and did not specifically recruit individuals who were either financially disadvantaged or advantaged, or from specific cultural backgrounds. As such, the sample can best be considered as representative of mainstream older Australians. The findings therefore may not apply to individuals at either end of the financial spectrum.

The positive message is that most older Australians reported few financial concerns. The COVID-19 pandemic caused them to think more carefully about their finances with many reporting that they had cut back on spending and made lifestyle adjustments especially regarding entertainment and holidays. For many, these savings balanced out any expenses or loss of income due to the COVID-19 pandemic, leaving their finances relatively unchanged. Indeed, less than a half of those surveyed reported that the COVID-19 pandemic has led them to make changes in their financial behaviour.

Where older Australians did make changes to their financial behaviour, it mostly involved seeking financial advice, speculating on the stock market, or reducing the risk exposure level of their superannuation fund. Nonetheless, a small number did experience considerable financial stress. This included redundancy, involuntary retirement, seeking financial assistance from family or friends, and selling investment properties.

A sizeable minority of older Australians also reported that they had provided financial assistance to family, suggesting that some older Australians are carrying additional financial responsibilities, possibly adding to their own disadvantage. A very small minority also reported an incidence of financial abuse especially older Australians who reported health issues in the previous twelve months.

In general, older Australians on a fixed pension were the least concerned about the impact of COVID-19 pandemic on their financial wellbeing. The most concern was expressed by younger respondents aged 55 to 64 years, followed by those with health issues, those not retired and then women. A particular concern and especially among younger respondents aged 55 to 64 years was the fear that a change in government policies might affect their financial wellbeing into the future.

Examination of the level of financial knowledge, efficacy, attitudes and resilience among older Australians revealed that 75% were very or fairly confident making financial decisions,

69% were very or fairly confident seeking financial advice and only 10% had a laissez faire attitude towards their finances. Examination of the demographic profile revealed that the demographic least confident when it came to making financial decisions were younger respondents (aged 55-65 years), those more likely to report health problems and the unemployed. A similar examination, also revealed that individuals who were the least confident in seeking financial advice tended to be pensioners and unemployed while those most likely to have a laissez faire attitude to finances were typically over 65 years, retired, male, did not have health problems in the last twelve months and were either on a pension or unemployed.

For a small group of older Australians, the COVID-19 pandemic has had a profound impact on both their psychological and financial wellbeing. We had assumed that these two factors would be related. To test this we examined the association between psychological wellbeing (depression, worry about finances, experienced financial panic because of COVID-19 pandemic, hopefulness and coping) and financial decision-making (confident in making financial decisions, confident in seeking financial advice and laissez faire attitude to finance). This revealed that higher levels of psychological wellbeing (i.e. higher hopefulness, higher coping skills and lower depression and anxiety) were associated with a greater level of confidence in making financial decisions. By contrast, psychological wellbeing was not predictive of other financial wellbeing variables. It was only weakly associated with seeking financial advice and, similarly, having a laissez faire attitude to finance.

We had also assumed that poor psychological wellbeing would be associated with a higher propensity for financial risk taking. To test this assumption, we examined the relationship between psychological wellbeing and propensity to take financial risks. The analyses revealed that poor psychological wellbeing was associated with a lower and not a higher likelihood of endorsing risky financial behaviours. Specifically, older Australians who were either depressed or worried about money were less likely to indicate that they would take financial risks.

In addition to being predictive of financial wellbeing, only one of the psychological wellbeing variables was meaningfully predictive of financial behaviour. We found that 30.8% of older Australians had experienced feelings of fear or panic associated with their finances in 2020. Panic about finances was associated with: (1) delayed retirement, (2) reduced private health cover, (3) selling of an investment property, (4) speculating on the stock market, (5) seeking financial assistance from family or friends, (6) closing a small business, (7) providing financial assistance to family and (8) shifting superannuation funds (with a greater number selecting low ($n = 70$) versus high ($n = 38$) growth options), but on the positive side it was associated with a higher frequency of (9) consulting a financial planner. Older Australians with health issues in the past twelve months were also more likely to have reported a change in financial behaviour because of the COVID-19 pandemic.

Long-held healthy financial behaviours are thought to promote financial wellbeing. Most older Australians reported that they practiced healthy financial behaviours which were

often long-held. This was especially the case for retired older Australians. By contrast, older Australians who had experienced ill health in the last twelve months were less likely to report that they had long-term healthy financial behaviours. No gender differences were observed in the frequency of long-held healthy financial behaviours. The long-held healthy financial behaviours most commonly endorsed included setting aside money regularly for unexpected expenses, paying off credit cards month monthly, and attending to financial planning. The least endorsed long-term financial behaviours included regular budgeting and checking legal documents which were endorsed by approximately a half of older Australians in this survey.

We found that long-held healthy financial behaviours were related to higher financial wellbeing. Specifically, it was associated with greater financial confidence and a higher likelihood of seeking financial advice. We also examined whether long-term financial behaviours were related to psychological wellbeing (i.e. depression, worry about finances, experienced financial panic because of COVID-19 pandemic, hopefulness and coping). However, we found little evidence for a relationship. Of special note is that older Australians who expressed fear or panic about their financial wellbeing because of the COVID-19 pandemic compared to their non-panicky peers were not more likely to report higher financial confidence or likelihood of seeking financial advice.

In summary, we found that while higher hopefulness, higher coping skills and lower depression and anxiety were predictive of financial confidence in older Australians they were not predictive of changes in the financial behaviours because of the COVID-19 pandemic. Indeed, older Australians who were at a higher risk of depression and were more worried about their finances because of the COVID-19 pandemic were less likely to take financial risks. In addition, while long-held healthy financial behaviours were related to greater financial confidence and a higher likelihood of seeking financial advice they were not strongly related to older Australians having made changes in financial behaviours because of the COVID-19 pandemic. The only psychological variable that was predictive of a change in financial behaviour was fear or panic about financial wellbeing because of the COVID-19 pandemic.

Given that fear or panic about financial wellbeing because of the COVID-19 pandemic was the strongest predictor of a change in financial behaviour in older Australians, the management of this behaviour was targeted in the design of the Assurance Information Package. Based on the psychological literature addressing the treatment of panic disorders, a three-step process for managing financial panic was developed: *'Pause, Reflect and Connect'*.

This model was designed to encourage older Australians to 1) Pause to relieve some of the immediate stress they may be feeling, then with a clearer headspace, 2) Reflect on and consider the situation they are experiencing and decide on what action to take next, then 3) Connect - to remind older Australians that they do not need to make financial decisions alone, and that they can contact trusted sources or people who can help them in assessing their options.

Implications

The implications of this research for government, policy makers and industries that provide services to older Australians (e.g. the financial service, legal and age-care sectors) include the following:

1. Increased attention to ensure early adoption of healthy financial management behaviours is recommended. Early adoption of healthy financial management behaviours is associated with longer-term financial wellbeing.
2. A continued focus on older women's financial wellbeing is warranted.
3. Greater focus should be given to cohorts coming up to retirement. They were the most anxious and fearful about their finances (i.e. younger Australians aged 55-64 years in the workforce). Future retirees need to be assured that Government won't change policies.
4. Providing resources that reduce fear and panic to older Australians at times of uncertainty will help facilitate their wellbeing.
5. Many older Australians fail to update legal documents (wills, etc). There is a need to engage the legal profession and investigate strategies to improve the rate and regularity of updating of legal documents.
6. We need to engage future cohorts of older people who have lived different lives from their peers, and may have been affected by, for example, divorce, business failures, supporting adult children in the current housing market, etc.
7. Obstacles to older Australians obtaining reliable and affordable financial advice need to be identified and addressed.
8. Older Australians need to be well informed about the implications of providing significant financial assistance to family members.
9. Targeted assistance needs to be provided to older Australians with health issues.
10. The implications of the ongoing impacts of COVID-19 pandemic on the financial wellbeing of pre-retirees need further exploration.

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Imagery

- Cover - Photo by Vlad Sargu on Unsplash
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- Pg 4, 32 &33 - Photo by Cade Martine on Unsplash
- Pg 4, 90 & 91 - Photo by RODNAE Productions
- Pg 17 - Photo by Andrea Piacquadio
- Pg 28 - Photo by Richard Sagredo
- Pg 89 - Photo by Neils Steeman on Unsplash



Appendix

Appendix 1. Survey questions

Appendix 2. Assurance information
package webpage

Appendix 3. Assurance information
package double gatefold brochure



Appendix 1. Survey questions

Financial and Psychological Wellbeing Questionnaire (FPWQ)

Background

This survey instrument has been created to assess, in times of crisis, an individual's psychological wellbeing (e.g. 'Current events have made me feel panicky') and their financial decision-making (e.g. 'I am planning to convert my assets to cash').

The short-term goal of the project is to assess the extent to which psychological factors such as depression, panic and anxiety affect the financial decision-making of older Australians at a time of uncertainty, such as that faced by the Australian community in 2020 with COVID-19.

Research Questions

RQ1. Does a person's psychological wellbeing in a time of crisis affect their financial decision-making? i.e. does lower wellbeing lead to poor decisions?

We are using higher levels of worry, fear and anxiety as proxy measures of poorer psychological wellbeing. We are collecting information about their usual status quo to establish their baseline characteristics and therefore, see if 'crisis' causes them to act differently to how they would usually deal with their finances.

RQ2. How does hope and worry influence financial decision-making in times of crisis?

Are people with low levels of hope and/or high levels of worry with fewer protective factors more likely to make risky decisions? Does decreased hope, increased worry and low protective factors lead to increased risky decision-making?

RQ3. What are the factors that contribute to older people's (risky or protective) financial decision-making in a crisis?

Are there levels of financial capabilities that are associated with varying types of financial decision making during a crisis? Are high/ low coping strategies associated with older people's financial decision-making in a crisis?

RQ4. How does age/ retirement phase (pre, involuntary, early, full) interact with risky or protective financial behaviours in times of crisis?

CATI survey script

Introduction

Good [TIMEOFDAY], my name is [interviewer name] and I'm calling from Edith Cowan University on behalf of the University of South Australia. We are conducting a survey of people over the age of 55, to learn more about how times of uncertainty affect people's financial lives and the decisions they make about money.

May I please speak to someone in the household who is 55 years of age or older?

(Re-introduce if needed)

The project is funded by the ECSTRA Foundation which provides research funding to researchers like us, to help ensure people receive the support they need, to navigate options for a healthy, financially secure retirement. We are interested in how people make financial decisions in times of crisis.

The University of South Australia would really appreciate your help.

Preamble

The Survey Research Centre abides by the Australian Privacy Principles, so before we begin, I want to assure you of confidentiality for any answers you may give, and let you know that parts of this survey may be listened to for training and quality control purposes.

Insert information here about consent if required.

Screener Questions

I am now going to ask you a couple of questions just to check you are eligible for the survey.

Q1. Can you please tell me your age?

1. [Open field] (DO NOT READ OUT)
2. If 55 or older, Yes continue.
3. If younger than 55 (THANK AND CLOSE)
4. Refuse to answer (THANK AND CLOSE)
5. Don't know (THANK AND CLOSE)

Q2. What is the postcode of where you live?

(Interviewer note: Don't know = 9998 Refused = 9999)

1. [Open field]
2. If refused or don't know (THANK AND CLOSE)

Thank you, we will now start the survey. The survey usually takes around 20 minutes to complete.

Questionnaire

Demographics

Q3a. Can you tell me your current retirement status? (READ OUT)

1. Retired
2. Not retired
3. (DO NOT READ OUT) Don't know
4. (DO NOT READ OUT) Refused

Q3b. Can you tell me your current employment status?

1. Working part time
2. Working full time
3. Looking for work (unemployed)
4. Not looking for work
5. (DO NOT READ OUT) Don't know
6. (DO NOT READ OUT) Refused

Q4. Can you tell me your main source of income at the moment? (READ OUT)

1. Self-funded retirement (superannuation)
2. Aged or other government pension
3. Salary or wages from working
4. Unemployment or other work-related payment such as Jobkeeper
5. Other [open text]
6. (DO NOT READ OUT) Don't know
7. (DO NOT READ OUT) Refused

Q5. <Interviewer to record gender – DO NOT ASK> [INTERVIEWER NOTE – PLEASE NOTE THAT THERE IS THE POSSIBILITY OF AMBIGUITY IN VOICE TONE]

1. Male
2. Female
3. Other

Q6. Do you identify as LGBTI? (INTERVIEWER NOTE: IF asked, ((Lesbian, Gay, Bi, Trans, Intersex?)) (READ OUT IF NEEDED)

1. Yes
2. No
3. (DO NOT READ OUT) Don't know
4. (DO NOT READ OUT) Refused

Q7. Do you have any difficulties understanding English? (READ OUT IF NEEDED)

1. Yes
2. No

Q8. Do you have a disability or long-term health condition? (READ OUT IF NEEDED)

1. Yes
2. No
3. (DO NOT READ OUT) Don't know
4. (DO NOT READ OUT) Refused

Q9. Do you care for a domestic partner or spouse or family member that has a disability or long-term health condition? (READ OUT IF NEEDED)

1. Yes
2. No
3. (DO NOT READ OUT) Don't know
4. (DO NOT READ OUT) Refused

Q10. Do you live alone or with someone else? (READ OUT) (MULTIPLE ANSWERS ALLOWED)

1. Alone
2. Domestic partner or spouse
3. Child(ren) under 18 years
4. Adult child
5. Other relative
6. Friend who is not a 'domestic partner'
7. Other _____
8. (DO NOT READ OUT) Don't know
9. (DO NOT READ OUT) Refused

Q11. What sort of accommodation do you live in? (READ OUT)

1. Living in a house
2. Living in a town house
3. Living in an apartment
4. Living in a retirement village or similar?
5. Living in a caravan park?
6. Living in a granny flat with your family?
7. (DO NOT READ OUT) Don't know
8. (DO NOT READ OUT) Refused

Q12. In relation to your accommodation, are you...
(READ OUT)

1. An outright homeowner?
2. Paying off a mortgage?
3. Renting privately?
4. Renting from the government or social housing provider?
5. Have a life-time lease
6. Using a reverse mortgage facility
7. (DO NOT READ OUT) Don't know
8. (DO NOT READ OUT) Refused

Q13. Has this living arrangement changed in the last 12 months?

(READ OUT IF NEEDED) (Interviewer Note: if they report that they have moved house please check whether they are renting or homeowner)

1. Yes
2. No
3. (DO NOT READ OUT) Don't know
4. (DO NOT READ OUT) Refused

If yes, How? _____

Q14. Who makes the decisions about savings and investments in your household?(READ OUT)

1. Always me
2. Usually me
3. Jointly with domestic partner or spouse
4. Usually my domestic partner or spouse
5. Always my domestic partner or spouse
6. Another person (family member, accountant etc)
_____ please specify
7. (DO NOT READ OUT) Don't know
8. (DO NOT READ OUT) Refused

Q15. Please indicate for each of the five statements which is closest to how you have been feeling over the last two weeks. Notice that higher numbers mean better wellbeing¹⁵.

- 7 – Refused (DO NOT READ OUT)
- 6 – Don't know (DO NOT READ OUT)
- 5 – All the time
- 4 – Most of the time
- 3 – More than half of the time
- 2 – Less than half of the time
- 1 – Some of the time
- 0 – At no time

(READ OUT SCALE FOR EACH STATEMENT BELOW)

- A. I have felt cheerful and in good spirits.
- B. I have felt calm and relaxed.
- C. I have felt active and vigorous.
- D. I have woken up feeling fresh and rested.
- E. My daily life has been filled with things that interest me.

Q16. Which of these describes your personal income before tax last year?

(NOTE TO INTERVIEWER: income include aged pension; salary; wage either full-time or part-time; dividend income; rental income; superannuation income; royalties)
(READ OUT)

1. \$0
2. \$1 to \$9 999
3. \$10 000 to \$24 999
4. \$25 000 to 49 999
5. \$50 000 to 74 999
6. \$75 000 to 99 999
7. \$100 000 to 149 999
8. \$150 000 and greater
9. (DO NOT READ OUT) Don't know
10. (DO NOT READ OUT) Refused

I am now going to ask you some questions about financial aspects of life and there will also be questions about how you think and feel about money and finances. Please ask me to repeat the question if needed.

¹⁵ Wellbeing WHO (five) Wellbeing Index (1998)

Financial behaviours

Q17. The following statements are about financial behaviours. Could you please indicate how well they apply to you personally on a scale of 1 – 5, where 1 is “Applies very well” and 5 is “Does not apply at all”.

1. Applies very well
2. Applies fairly well
3. Applies neither well nor badly
4. Does not apply well
5. Does not apply at all
6. (DO NOT READ OUT) Don't know
7. (DO NOT READ OUT) Refused
8. (DO NOT READ OUT) I do not have a credit card
9. (DO NOT READ OUT) I do not have any legal documents

(FOR EACH STATEMENT BELOW - READ OUT SCALE IF NEEDED)

- A. I regularly set money aside for unexpected expenses
- B. I have a weekly or monthly budget that I follow
- C. I always pay my credit card off each month
- D. I am very thorough in my approach to financial planning
- E. I regularly review my legal documents to make sure they are up to date for example my will; insurances; and power of attorney
- F. I make sure I live within my means

Q18. These first questions have asked about how you usually run your finances now. We would like to understand if these are long held behaviours. Have you always managed money like this? (READ OUT IF NEEDED)

1. Yes
2. No
3. (DO NOT READ OUT) Don't know
4. (DO NOT READ OUT) Refused

Q19. If you were to put money into savings or investment in order to get a high return on it, how much risk of losing some of it would you be prepared to take¹⁶? (READ OUT)

1. No risk at all
2. Low risk
3. Moderate risk
4. High risk
5. (DO NOT READ OUT) Don't know
6. (DO NOT READ OUT) Refused

Financial knowledge, self-efficacy, attitudes & resilience

Q20. The following statements are about your financial know-how and understanding. Could you please indicate how well they apply to you personally, on a scale of 1 – 5, where 1 is “Applies very well” and 5 is “Does not apply at all”.

1. Applies very well
2. Applies fairly well
3. Applies neither well nor badly
4. Does not apply well
5. Does not apply at all
6. (DO NOT READ OUT) Don't know
7. (DO NOT READ OUT) Refused

(FOR EACH STATEMENT BELOW - READ OUT SCALE IF NEEDED)

- A. Compared to most other people, I feel I know more about finances
- B. I feel comfortable talking about my financial problems to a person who could help me
- C. I know when I do not have enough information to make a good decision involving money
- D. I know where to find the advice I need to make decisions involving money
- E. I believe I have made the right financial decisions in times of crisis or uncertainty
- F. What is happening in the world at present strongly influences the decisions I make about my financial investments (INTERVIEWER MAY NEED TO GIVE EXAMPLES IF NECESSARY – general, COVID-19, The China situation, American politics)
- G. Even if I am worried, I am confident in making good financial decisions
- H. I am satisfied with my financial situation
- I. I know my financial future is secure, so I don't feel anxious about it.
- J. It is important that I am in control of my money in a crisis.
- K. I live life one day at a time and don't really think about future finances
- L. I believe that, if I were to have money problems, like many things, they would tend to work out by themselves.
- M. I would rather live with financial problems than go through the embarrassment of asking for help.
- N. If I had an emergency, I know family members or people in my community who would be willing to help

¹⁶ Kempston et al., (2017)

Psychological wellbeing: worry, fear, anxiety, hope and coping

Q21. Please indicate the extent to which you agree or disagree with the statements I am about to read, on a scale of 1 – 5, where 1 is “Strongly Agree” and 5 is “Strongly disagree”[1].

1. Strongly agree
2. Agree
3. Neither agree nor disagree
4. Disagree
5. Strongly disagree
6. (DO NOT READ OUT) Don’t know
7. (DO NOT READ OUT) Refused

(FOR EACH STATEMENT BELOW - READ OUT SCALE IF NEEDED)

- A. <Wording for if respondent is NOT retired (if Q3a is NOT 1) “Compared to my friends, I have a lot of fears involving financial planning for retirement.”>

<Wording for if respondent IS retired (If Q3a IS 1) “Compared to my friends, I had a lot of fears involving financial planning for retirement.”>

- B. <Wording for if respondent is NOT retired (if Q3 is NOT 1) “I feel nervous and hesitant when doing financial planning for retirement.”>

<Wording for if respondent IS retired (If Q3a IS 1) “I felt nervous and hesitant when doing financial planning for retirement.”>

- C. <Wording for if respondent is NOT retired (if Q3a is NOT 1) “I am hesitant about making retirement investment decisions because I am worried about making a mistake.”>

<Wording for if respondent IS retired (If Q3a IS 1) “I was hesitant about making retirement investment decisions because I am worried about making a mistake.”>

- D. I worry that I can’t meet my current daily living expenses.
- E. I am afraid of being dependent upon friends or family members for financial support.
- F. I worry more about my short-term financial position than my longer-term financial position.
- G. I am fearful that government policy will change and that will negatively affect my financial situation in the future.
- H. I worry that I won’t be able to meet future living expenses.
- I. I feel anxious about my financial situation because of the events of 2020.

Q22. 2020 was an uncertain year for most people, did you experience any feelings of fear or panic, even for a short time, associated with your finances during 2020?

(READ OUT IF NEEDED)

1. Yes
2. No
3. (DO NOT READ OUT) Don’t know
4. (DO NOT READ OUT) Refused

Q23. Could you please tell me how well the statements I am about to read apply to you in general on a scale of 1 – 5, where 1 is “Very well” and 5 is “Does not apply at all”¹⁷.

1. Very well
2. Fairly well
3. Neither well nor badly
4. Does not apply well
5. Does not apply at all
6. (DO NOT READ OUT) Do not know
7. (DO NOT READ OUT) Refused

(FOR EACH STATEMENT BELOW - READ OUT SCALE IF NEEDED)

- A. I can think of many ways to get out of a jam.
- B. I energetically pursue my goals.
- C. I feel tired most of the time.
- D. There are lots of ways around any problem.
- E. I easily give in when having an argument.
- F. I can think of many ways to get the things in life that are important to me.
- G. I worry about my health.
- H. Even when others are discouraged, I know I can find a way to solve the problem.
- I. My past experiences have prepared me well for my future.
- J. I’ve been pretty successful in life.
- K. I usually find myself worrying about something.
- L. I meet the goals that I set for myself.

[1] First 3 statements are the Planning Worry subscale from the Financial Inhibition Scale (FIS)

¹⁷ These statements are the Trait-Hope Scale (Snyder 2002)

Q24. Please rate how often you do the following things when you are feeling anxious, stressed or distressed on a scale of 0 – 3, where 0 is “Not at all” and 3 is “Most of the time”¹⁸.

- 0. Not at all
- 1. Sometimes
- 2. Often
- 3. Most of the time
- 4. (DO NOT READ OUT) Do not know
- 5. (DO NOT READ OUT) Refused

(FOR EACH STATEMENT BELOW - READ OUT SCALE IF NEEDED)

- A. Take a few deep breaths to calm down
- B. Eat
- C. Think about yourself in a kind, encouraging and positive way
- D. Yell or argue with others
- E. Meditate
- F. Stay focused on what is happening in the present moment
- G. Spend a lot of time on your own
- H. Do something to distract yourself briefly
- I. Have negative thoughts about yourself
- J. Do relaxing activities
- K. Do something enjoyable with family or friends
- L. Drink alcohol
- M. Take drugs or medication
- N. Talk things over with family or friends
- O. Stop doing activities that you usually enjoy
- P. Talk to a health professional or counsellor
- Q. Ruminates or dwell on problems
- R. Pray
- S. Think to yourself in a critical, harsh or negative way

¹⁸ Coping Index, Stallman, H.M (2017)

Financial decisions and impacts due to COVID-19

Q25. Have you or your family experienced any health issues during the last 12 months that have affected your finances?
(READ OUT IF NEEDED)

1. Yes
2. No
3. (DON'T READ OUT) Do not know
4. (DON'T READ OUT) Refused

Q26. We would like to know if you have done or experienced any of the following things because of the financial effects of COVID-19. We would like you to answer all of these questions with a simple yes, no or not applicable:
(READ OUT IF NEEDED)

1. Yes
2. No
3. Not applicable
4. (DO NOT READ OUT) Don't know
5. (DO NOT READ OUT) Refused
- A. Delayed full retirement i.e. stayed working longer than you planned, because of the financial effects of COVID-19
- B. Involuntarily retired, that is you retired without really wanting to, because of the financial effects of COVID-19
- C. Was made redundant, because of the financial effects of COVID-19
- D. Ill-health of you or a family member, because of the financial effects of COVID-19
- E. Reduced level of private health insurance, because of the financial effects of COVID-19
- F. Shifted some or all of your retirement fund to a no or low growth options – e.g.. Cash, because of the financial effects of COVID-19
- G. Shifted some or all of your retirement fund to a higher growth option, because of the financial effects of COVID-19
- H. Sold the home that you lived in, because of the financial effects of COVID-19
- I. Sold an investment property, because of the financial effects of COVID-19
- J. Closed a small business that you own, because of the financial effects of COVID-19
- K. Declared bankruptcy, because of the financial effects of COVID-19
- L. Speculated on the stock market, because of the financial effects of COVID-19
- M. Made an early cash withdrawal from your superannuation, because of the financial effects of COVID-19

- N. Sought advice from a professional financial advisor or superannuation manager, because of the financial effects of COVID-19
- O. Sought financial assistance from family or friends, because of the financial effects of COVID-19
- P. Unexpectedly inherited property or other assets, because of the financial effects of COVID-19
- Q. Experienced financial abuse from a family member or carer, because of the financial effects of COVID-19
- R. Providing ongoing and significant financial assistance to a family member, because of the financial effects of COVID-19
- S. Planning to take out a mortgage in the future, because of the financial effects of COVID-19
- T. Other _____ [ASK WHAT THEY DID]

Q27. Are you willing for researchers to contact you in the future to follow up on some of these issues?

1. Yes
2. No

Q27B. IF YES – Could I ask for your first name and best contact number please?

1. [Open field]

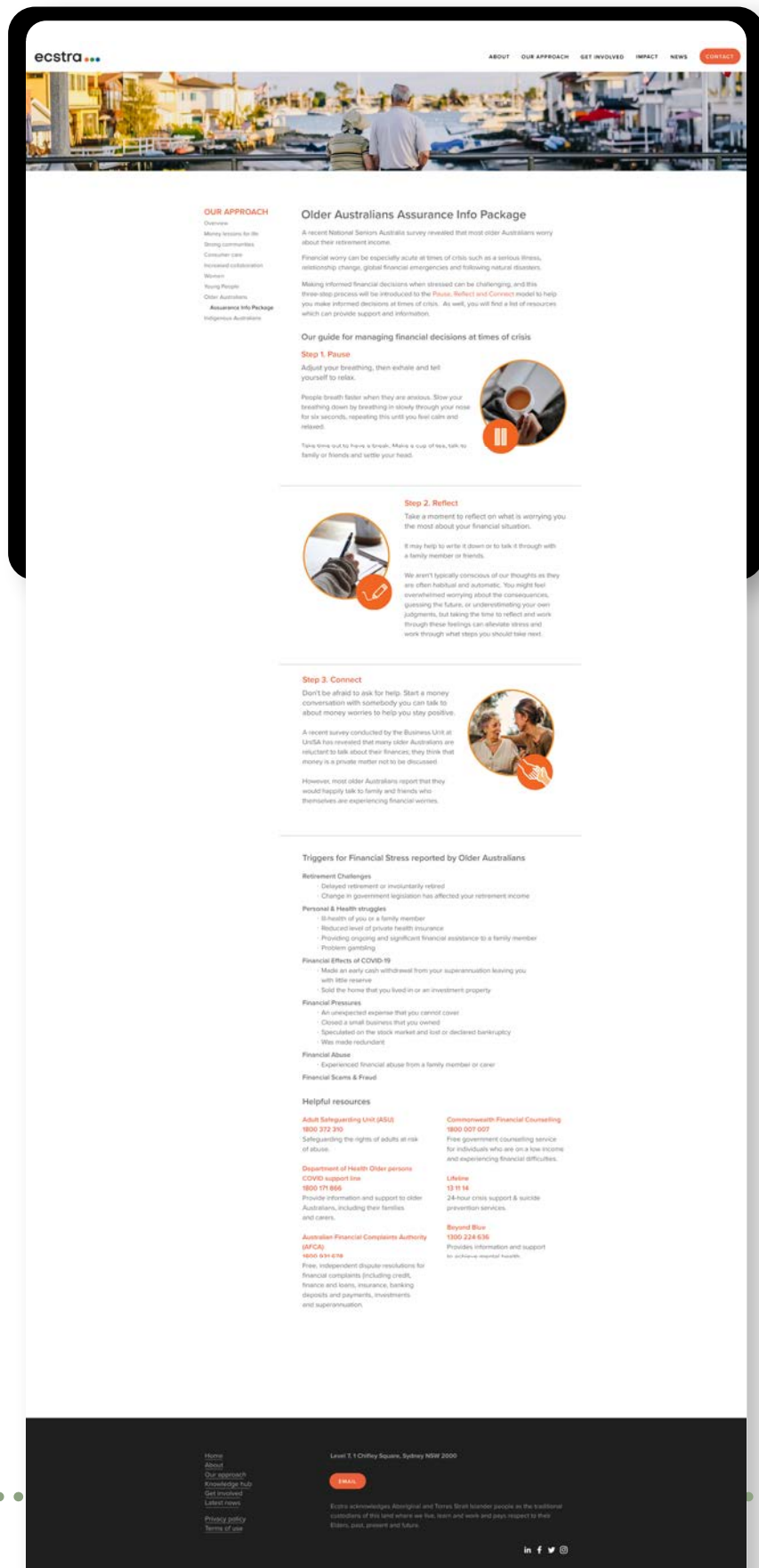
Survey conclusion

Thank you, we've reached the end of the survey. On behalf of the University of South Australia, thank you very much for taking part.

Just to remind you my name is [interviewer name] from the Survey Research Centre at Edith Cowan University.

Thanks again.

Appendix 2. Assurance information package webpage - with scroll



Assurance information package webpage

- closer view

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ABOUTOUR APPROACHGET INVOLVEDIMPACTNEWSCONTACT

OUR APPROACH

Overview

Money lessons for life

Strong communities

Consumer care

Increased collaboration

Women

Young People

Older Australians

Assurance Info Package

Indigenous Australians

Older Australians Assurance Info Package

A recent National Seniors Australia survey revealed that most older Australians worry about their retirement income.

Financial worry can be especially acute at times of crisis such as a serious illness, relationship change, global financial emergencies and following natural disasters.

Making informed financial decisions when stressed can be challenging, and this three-step process will be introduced to the **Pause, Reflect and Connect** model to help you make informed decisions at times of crisis. As well, you will find a list of resources which can provide support and information.

Our guide for managing financial decisions at times of crisis

Step 1. Pause

Adjust your breathing, then exhale and tell yourself to relax.

People breath faster when they are anxious. Slow your breathing down by breathing in slowly through your nose for six seconds, repeating this until you feel calm and relaxed.

Take time out to have a break. Make a cup of tea, talk to family or friends and settle your head.

Step 2. Reflect

Take a moment to reflect on what is worrying you the most about your financial situation.

It may help to write it down or to talk it through with a family member or friends.

We aren't typically conscious of our thoughts as they are often habitual and automatic. You might feel overwhelmed worrying about the consequences, guessing the future, or underestimating your own judgments, but taking the time to reflect and work through these feelings can alleviate stress and work through what steps you should take next.

Step 3. Connect

Don't be afraid to ask for help. Start a money conversation with somebody you can talk to about money worries to help you stay positive.

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Don't be afraid to ask for help. Start a money conversation with somebody you can talk to about money worries to help you stay positive.

A recent survey conducted by the Business Unit at UniSA has revealed that many older Australians are reluctant to talk about their finances; they think that money is a private matter not to be discussed.

However, most older Australians report that they would happily talk to family and friends who themselves are experiencing financial worries.



Triggers for Financial Stress reported by Older Australians

Retirement Challenges

- Delayed retirement or involuntarily retired
- Change in government legislation has affected your retirement income

Personal & Health struggles

- Ill-health of you or a family member
- Reduced level of private health insurance
- Providing ongoing and significant financial assistance to a family member
- Problem gambling

Financial Effects of COVID-19

- Made an early cash withdrawal from your superannuation leaving you with little reserve
- Sold the home that you lived in or an investment property

Financial Pressures

- An unexpected expense that you cannot cover
- Closed a small business that you owned
- Speculated on the stock market and lost or declared bankruptcy
- Was made redundant

Financial Abuse

- Experienced financial abuse from a family member or carer

Financial Scams & Fraud

Helpful resources

Adult Safeguarding Unit (ASU)

1800 372 310

Safeguarding the rights of adults at risk of abuse.

Department of Health Older persons

COVID support line

1800 171 866

Provide information and support to older Australians, including their families and carers.

Australian Financial Complaints Authority (AFCA)

1800 931 678

Free, independent dispute resolutions for financial complaints (including credit, finance and loans, insurance, banking deposits and payments, investments and superannuation).

Commonwealth Financial Counselling

1800 007 007

Free government counselling service for individuals who are on a low income and experiencing financial difficulties.

Lifeline

13 11 14

24-hour crisis support & suicide prevention services.

Beyond Blue

1300 224 636

Provides information and support to achieve mental health.

Appendix 3. Assurance
information package - double
gatefold brochure mockup



Exterior

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Managing financial stress in times of crisis



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Making informed financial decisions when stressed can be challenging, and this pamphlet aims to help you make informed decisions at times of crisis.

In this guide you will be introduced to the Pause, Reflect and Connect model for managing financial decisions at times of crisis. As well, you will find a list of resources which can provide support and information.

ecstra

Our guide

For managing financial decisions at times of crisis

Worrying about money can cloud judgement and lead to poor financial decisions and is a major source of stress.

If you are feeling overwhelmed in the moment, there is a quick way to feel more relaxed and in control.

Signs of financial stress include relationship problems, anxiety, sleep problems, mood swings, appetite loss, arguing with others (especially about money) and withdrawal.






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If you have questions or need further financial support we have included some helpful services on the back panel.

Interior

