

Gap between rich and poor extends to views on retirement age: poll

Written by The Conversation USA

Only a minority of Australians favour current policy settings to increase the Age Pension age, according to the recently released [ANU poll on ageing and money](#) .

Across the population only 15% of those polled in October 2015 supported the existing policy of increasing it to 67 years, and 12% the proposal to increase it to 70 years. In contrast 45% felt that it should remain at 65 years for both men and women. And 17% felt the country should return to the policy, established in 1908 and in place until 1995, for men to be eligible at age 65 and women at age 60.

The original increase in women's Age Pension age was announced as part of savings in the 1993-94 Budget and phased in over a 20 year period. The Harmer Pension Review in 2009 "considered that an increase in the Age Pension age of some two to four years would represent a reasonable balance in the distribution of this between work and retirement" noting that:

"Such a policy would improve retirement outcomes and support Australia's capacity to address the impact of population ageing. It would reflect the strong increases in life expectancy the nation has experienced, which are expected to continue."

The Henry Tax Review recommended that:

"The Age Pension age should be increased, initially to age 67 years. A review should be conducted by 2020 to examine the appropriateness of extending the increases."

This increase was adopted by the government and legislated in 2010. In the 2014-15 Budget speech then Treasurer, Joe Hockey, announced "this Government will gradually increase the age of eligibility to 70 by 2035".

A key reason for these changes has been the growing life expectancy of Australians. While in

1901-10 the average life expectancy of a male who reached age 65 was 11.3 years, by 2010-12 it was 19.2 years. For women the increase has been from 12.9 years to 22.1 years. Estimates by the Australian Treasury indicate that by 2055 we can expect these figures to increase by a further 4 or 5 years.

Is there then a major gap between the views of the Australian population and the policies being made for the nation's future?

Who is worried the most

The data from the ANU poll provide some insights into this. Just 24% of those living in the poorest quarter of households and 28% of those in middle income households support an increase in the Age Pension age. In contrast 43% of those in the 10% of the richest households do so. This though is not the only division. Only 15% of those with under year 12 education support an increase, as do 20% of those with a trade or TAFE qualification, compared with 30% of those with a degree.

This though is not the only cleavage. By age just 21% of those aged 25-34 years support an increase as do 24% of those aged 35-44 years, however for those already at the Age Pension age the level of support for an increase is 37%. Amongst this group 32% of those already retired and on, or expecting to go on, the pension, and 47% of those who do not expect to go on the pension support an increase

Are these differences then between rich and poor, between well educated and others, or do they reflect just superficial views of young people, relative to older people who are aware of their capacity to work beyond what had been traditionally seen as the age of retirement?

This is not clear. However what is clear is that the current policies are not enjoying strong support across the community. If these are reforms that governments believe necessary then they will need to do much more to bring people along with them.

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