

# Policy Applications of Income and Housing Research on Ageing

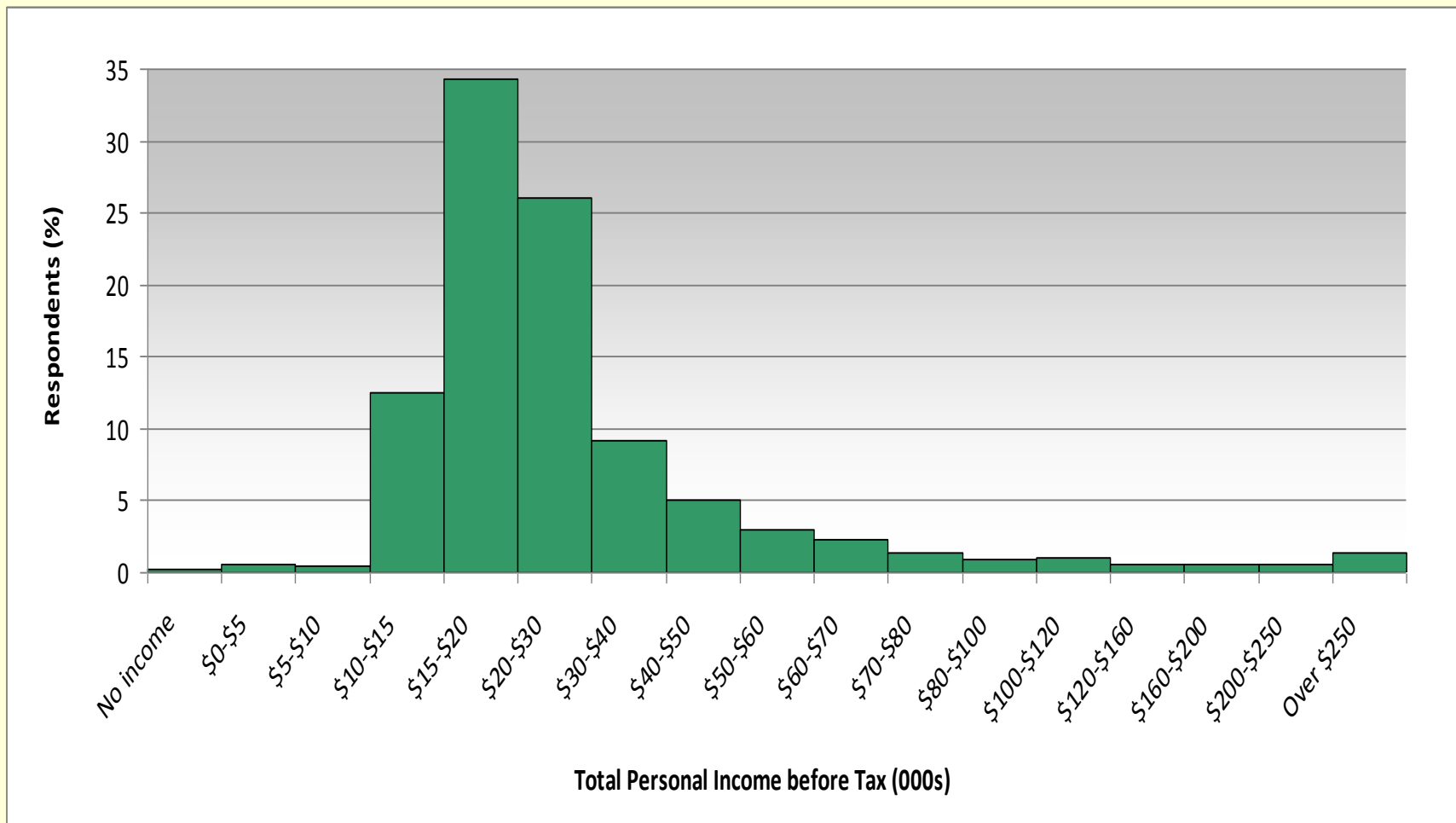


*Presentation to the International  
Federation on Ageing 10th Global  
Conference, Melbourne  
5 May 2010*

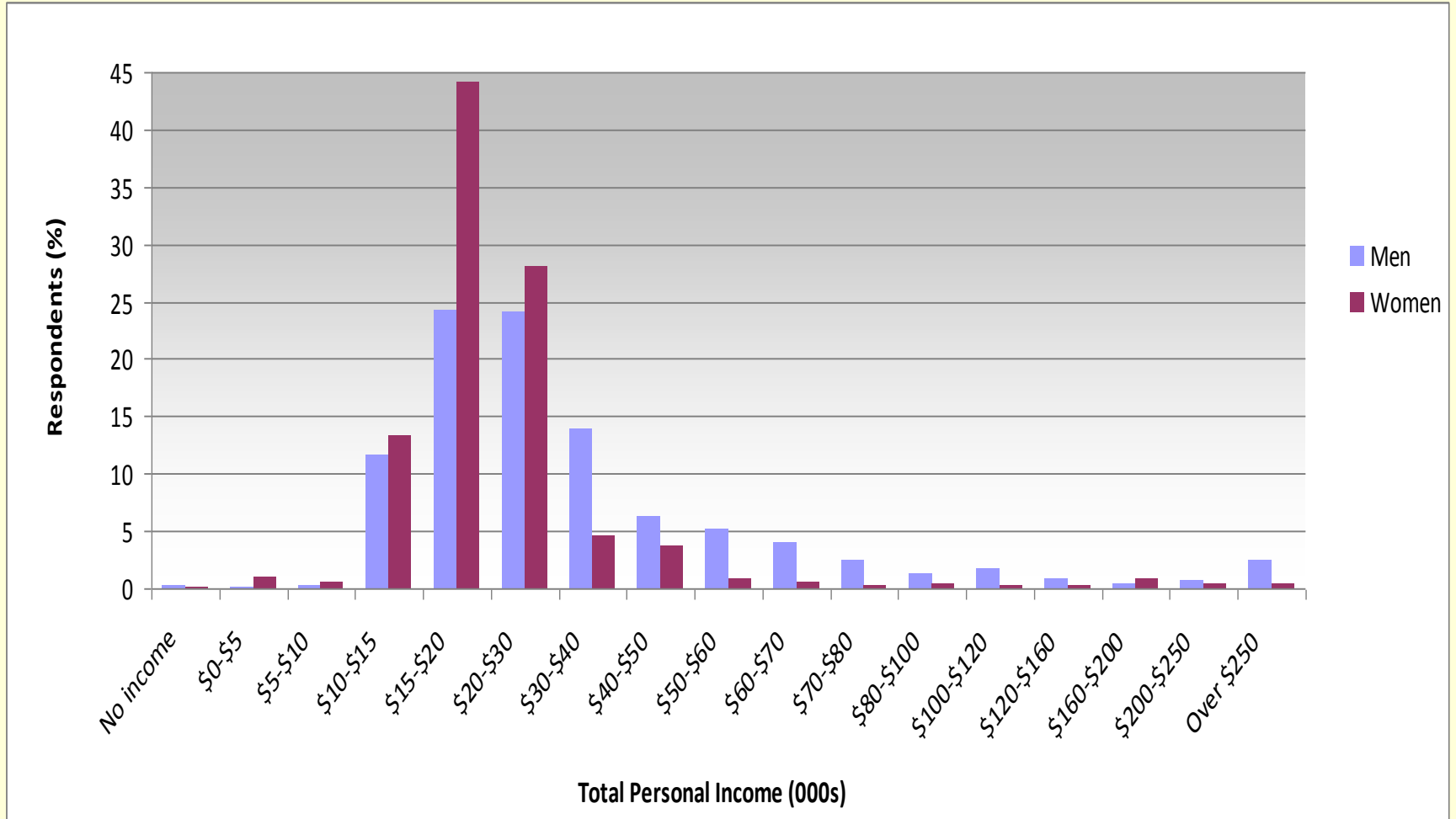
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## Distribution of Total Personal Income before Tax (%)



# Total Personal Income, by Gender (%)

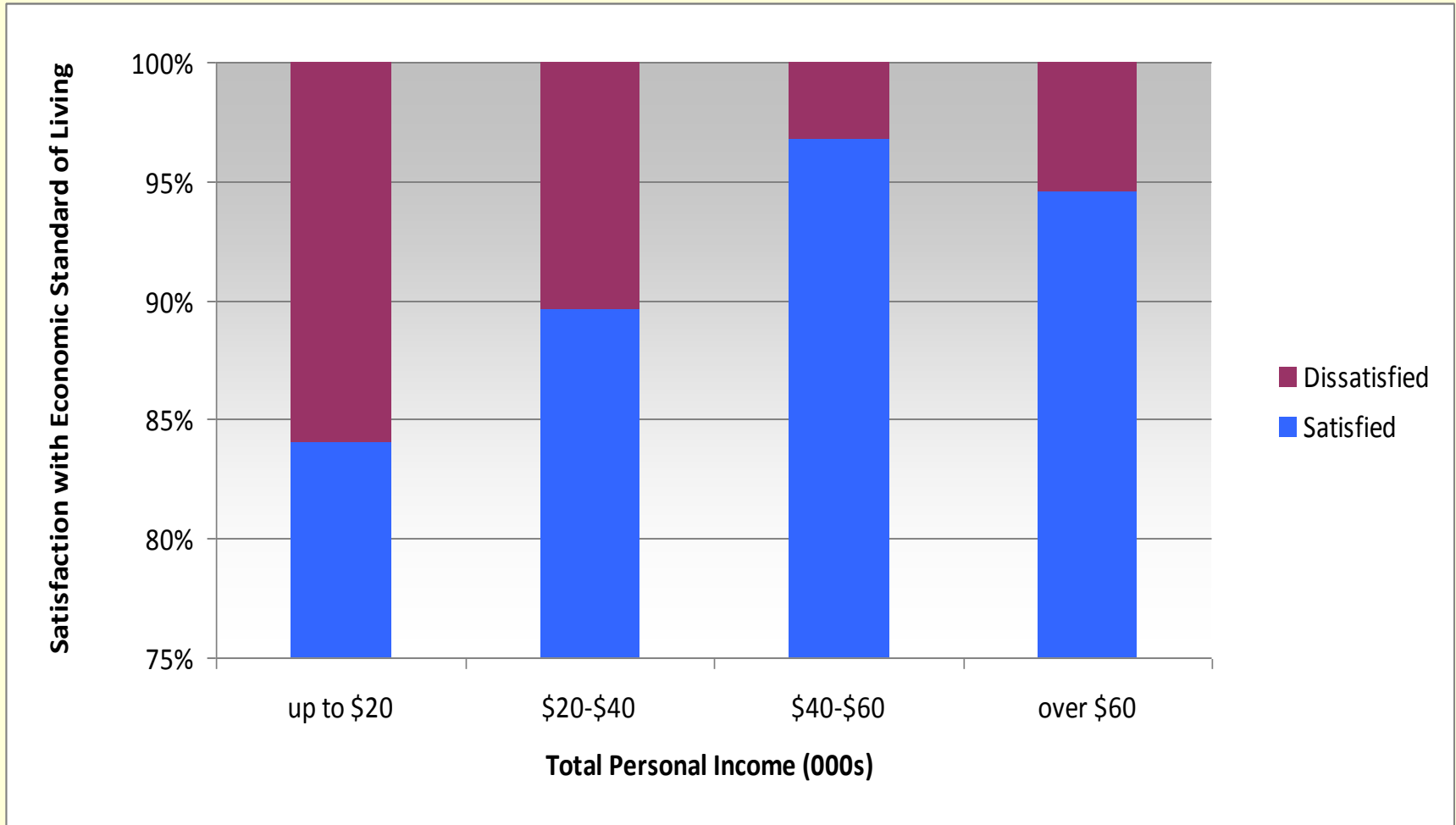


# Average Total Personal Income, by Age, Marital Status, and Education Level

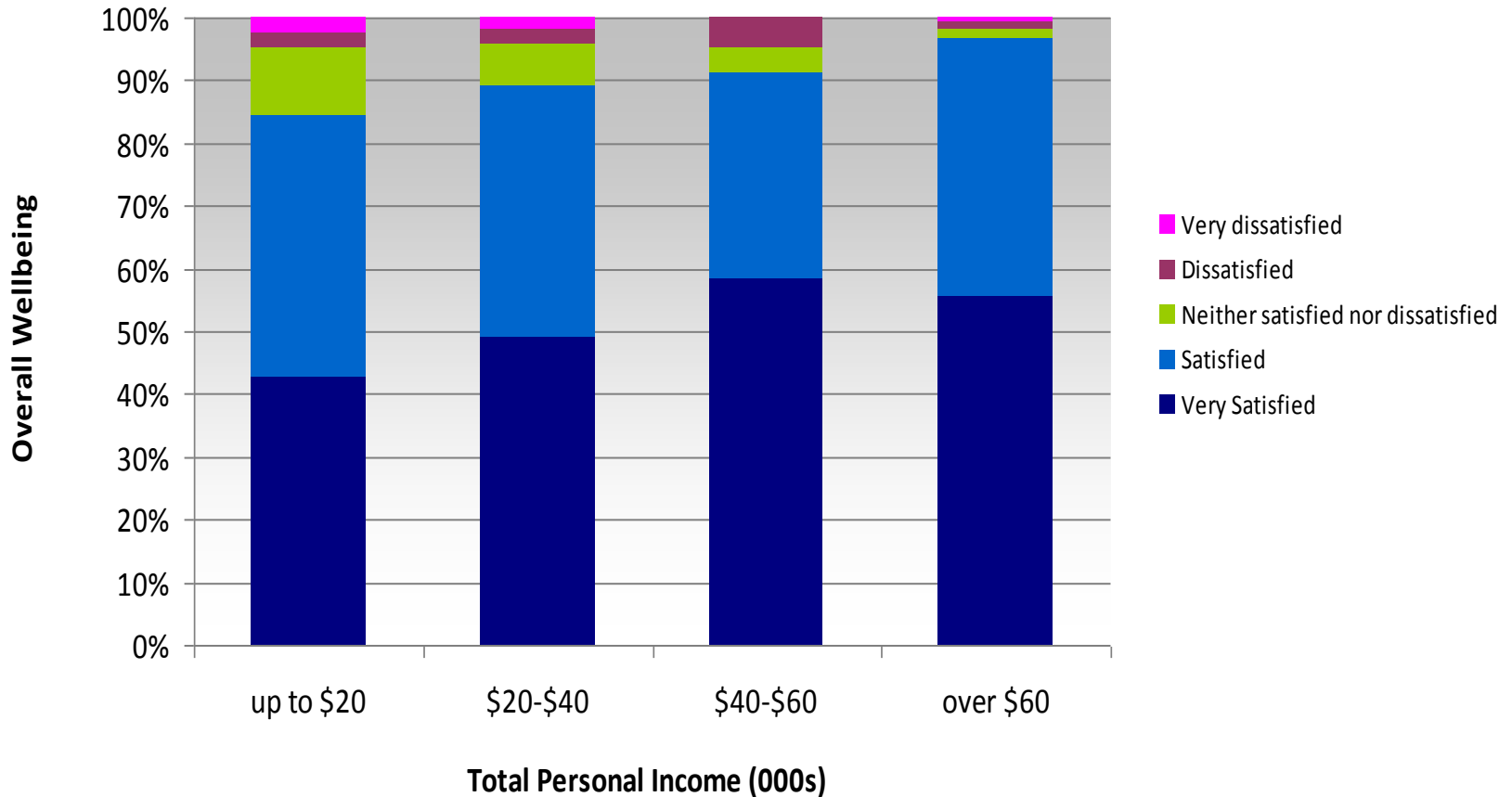
	Median Income	Mean Income
<b>Age Cohort</b>		
65-69	\$26,000	\$49,218
70-74	\$20,300	\$37,016
75-79	\$20,000	\$45,904
80-84	\$19,700	\$39,134
<b>Education Level</b>		
Up to primary education	\$18,000	\$25,710
Secondary education	\$20,000	\$40,028
Vocational or trades	\$25,000	\$59,669
University education	\$35,000	\$46,535
<b>Marital Status</b>		
Single	\$22,000	\$28,830
Married/Partnered	\$26,592	\$52,659
Widowed	\$19,506	\$36,331
Divorced	\$18,000	\$26,763



# Satisfaction with Economic Standard of Living by Personal Income (%)

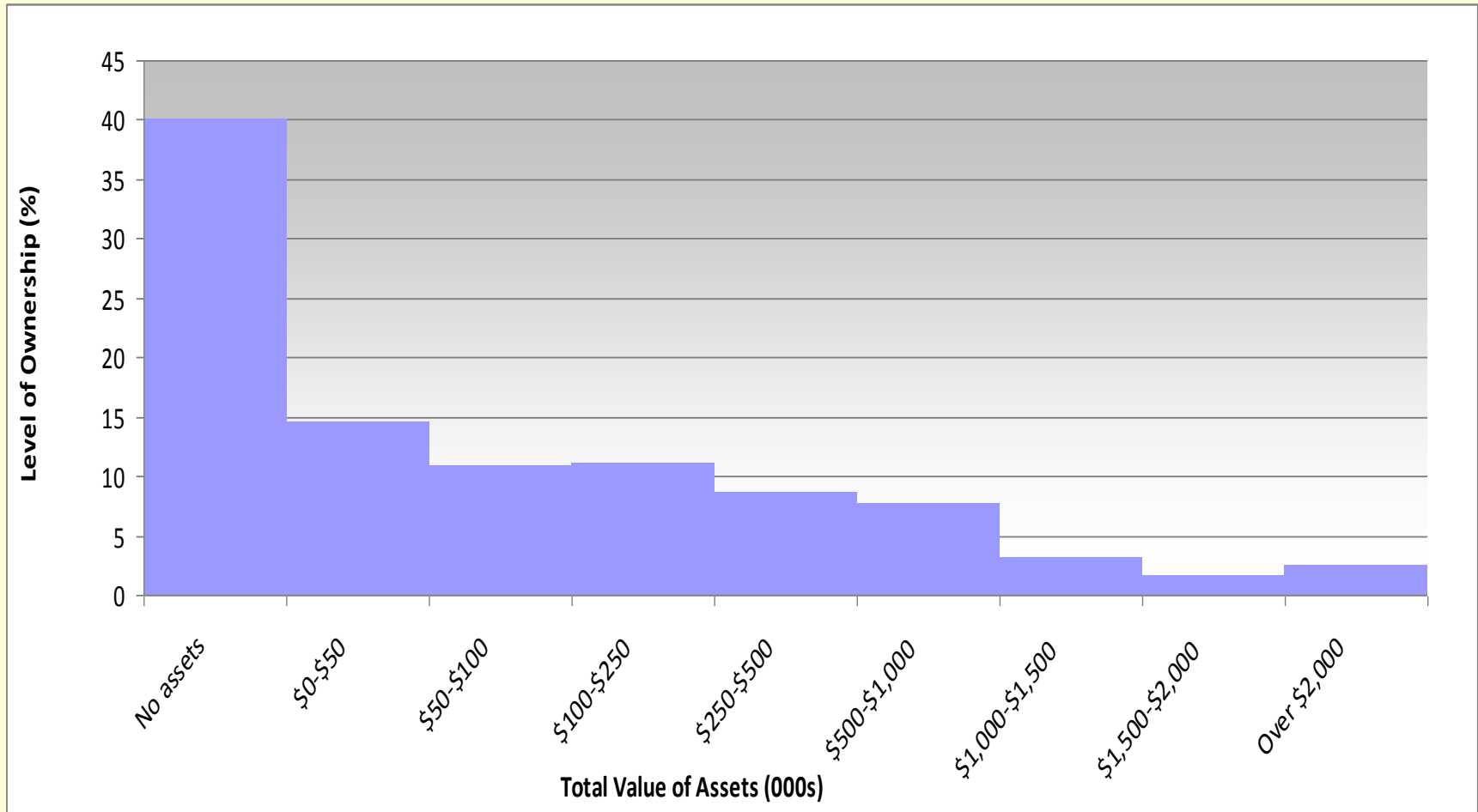


## Level of Overall Wellbeing by Personal Income (%)

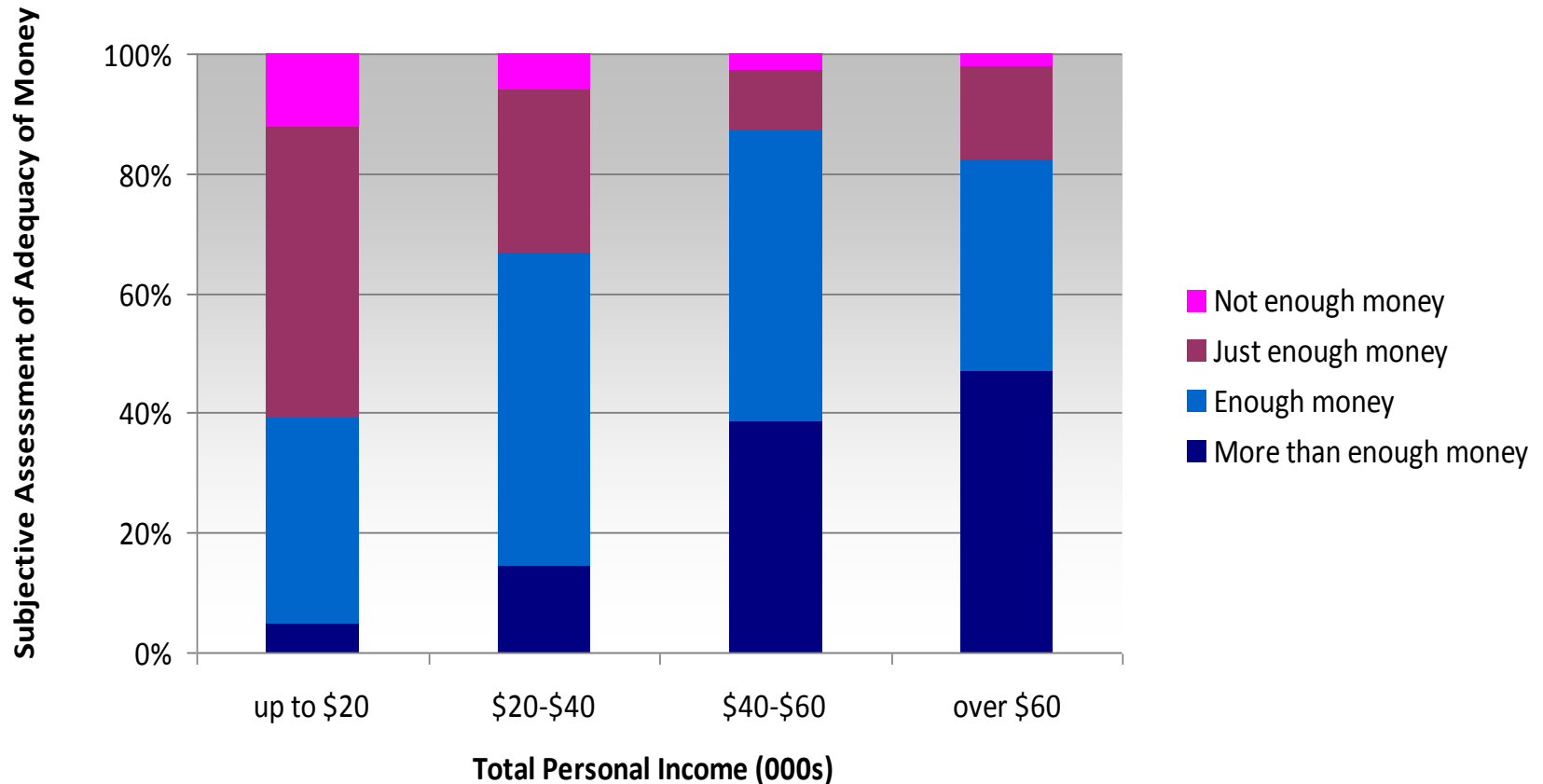




# Total Value of Assets (not including family home), by Level of Ownership (%)

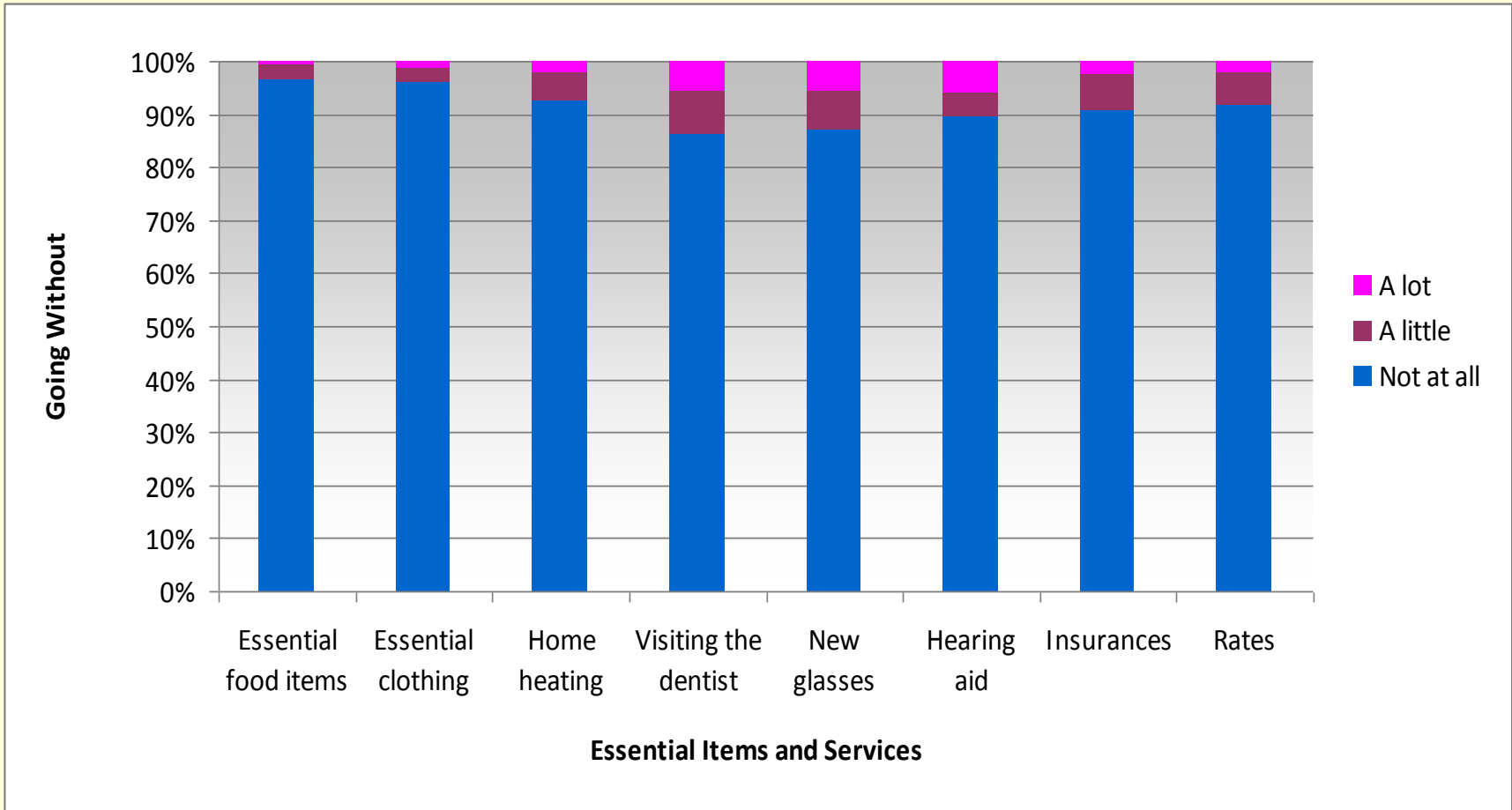


# Subjective Assessment of Adequacy of Money, by Personal Income (%)





# Going without Essential Items and Services (%)



# Incidence and Severity of Poverty: People, Adults and Children, 1997 & 2000 (60% of median equivalent household disposable income)

## (a) Before adjusting for housing costs

Poverty Incidence	People		Adults 18-64		Adults 65+		Children 0-18	
	1997	2000	1997	2000	1997	2000	1997	2000
<b>Market</b>	28.4	27.4	18.2	18.3	76.9	71.2	30.8	29.9
<b>Disposable</b>	15.7	16.3	11.0	13.2	30.0	17.9	20.5	23.9
<b>Efficiency</b>	44.7%	40.5%	39.6%	27.9%	61.0%	74.9%	33.4%	20.1%
<b>Poverty Gap \$m</b>								
<b>Market</b>	5668	6625	993	1555	3226	3440	1449	1630
<b>Disposable</b>	598	729	235	341	117	34	246	354
<b>Efficiency</b>	89.4%	89.0%	76.3%	78.1%	96.4%	99.0%	83.0%	86.3%

Source: Poverty Measurement Project data base.



# Incidence and Severity of Poverty: People, Adults and Children, 1997 & 2000 (60% of median equivalent household disposable income)

## (b) After adjusting for housing costs

Incidence	People		Adults 18-64		Adults 65+		Children 0-18	
	1997	2000	1997	2000	1997	2000	1997	2000
<b>Market</b>	29.7	30.2	19.5	21.2	75.3	70.6	33.5	33.9
<b>Disposable</b>	20.3	21.9	16.7	18.8	12.3	10.8	33.5	35.0
<b>Efficiency</b>	31.6%	27.5%	14.4%	11.3%	83.7%	84.7%	0.0%	-3.2%
<b>Poverty Gap \$m</b>								
<b>Market</b>	6059	7283	1059	1654	3222	3438	1778	2191
<b>Disposable</b>	1211	1589	422	626	146	115	643	848
<b>Efficiency</b>	80.0%	78.2%	60.2%	62.2%	95.5%	96.7%	63.8%	61.3%

Source: Poverty Measurement Project data base.



## NZS Relative to the Median Equivalised BHC Household Income Median (%)

1982	1984	1986	1988	1990	1992
54	63	57	57	60	65

1994	1996	1998	2001	2004	2007
67	62	58	58	56	52



## 65+ poverty rates in the OECD (%) c2000: 50% of median threshold (BHC)

Ireland	<b>36</b>	France	<b>11</b>
Portugal	<b>29</b>	Finland	<b>10</b>
Mexico	<b>28</b>	Austria	<b>9</b>
United States	<b>25</b>	Germany	<b>9</b>
Greece	<b>24</b>	Sweden	<b>8</b>
Australia	<b>24</b>	Denmark	<b>6</b>
Japan	<b>21</b>	Hungary	<b>5</b>
Turkey	<b>16</b>	Poland	<b>4</b>
Italy	<b>15</b>	Canada	<b>4</b>
United Kingdom	<b>14</b>	Netherlands	<b>2</b>
OECD-25	<b>13</b>	Czech Republic	<b>2</b>
Norway	<b>12</b>	<b><i>New Zealand</i></b>	<b>&lt;1</b>

Source: Förster and Mira d'Ercole (2005)



## 65+ poverty rates in the EU and New Zealand (%) c2003: 60% of median threshold (BHC)

<b><i>New Zealand</i></b>	<b>34</b>	France	<b>12</b>
Ireland	<b>22</b>	Poland	<b>11</b>
Portugal	<b>19</b>	Austria	<b>10</b>
Greece	<b>19</b>	Hungary	<b>9</b>
Spain	<b>17</b>	Finland	<b>8</b>
United Kingdom	<b>16</b>	Netherlands	<b>7</b>
Italy	<b>14</b>	Czech Republic	<b>5</b>
Belgium	<b>13</b>	Sweden	<b>5</b>
EU-25 average	<b>13</b>	Denmark	<b>4</b>
Germany	<b>12</b>	Norway	<b>4</b>

Source: Table 4.1 in Eurostat (2007).



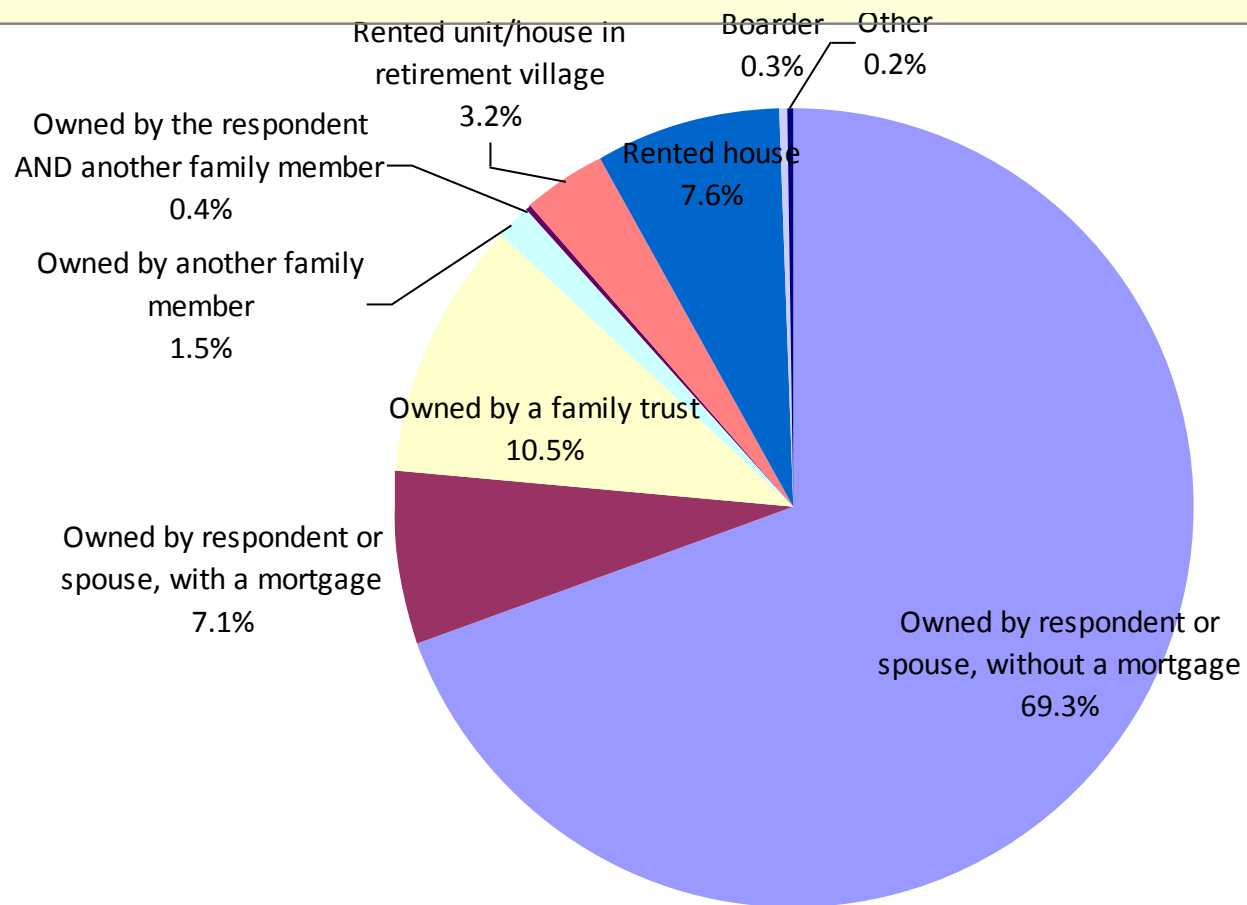


## Numbers below Poverty Thresholds in Two Studies (%)

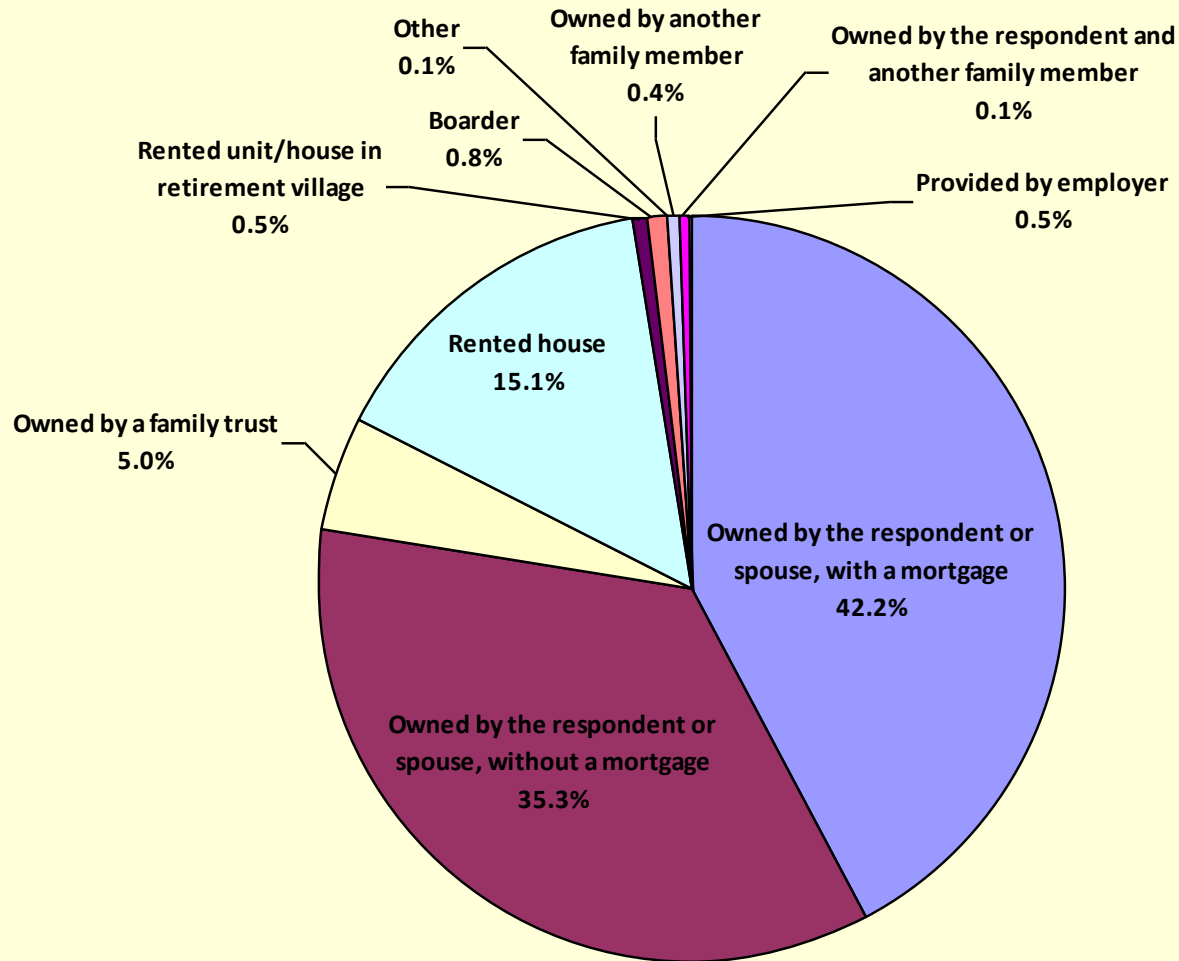
Poverty Threshold	EWAS (65-84 independent and semi- independent)	MSD (population 65 years and over)
<b>50% of median</b>	<b>&lt;1</b>	<b>&lt;1</b>
<b>60% of median</b>	<b>49.5</b>	<b>38.0</b>
<b>60% constant value used in Social Report</b>	<b>12.2</b>	<b>8.0</b>



## Types of Housing Tenure 65 to 84 years (%)



# Types of Housing Tenure Midlife (%)



## Private Dwelling Estimates by Tenure (%)

Period	Owner-occupied <sup>1</sup>	Rented
30 June 1991	73.6	23.1
30 June 1996	70.5	25.6
30 June 2001	67.8	29.0
30 June 2006	66.9	28.9

<sup>1</sup> Includes dwellings owned by individuals or held in a family trust (from 2006)



# Critical Factors that Protect Older New Zealanders from Falling Deeply into Poverty.

- The fundamental importance of the universal NZ Superannuation payments.
- The high level of home ownership among the current population 65 years and over.
- Both are susceptible to change and the results of such change could lead quickly to high levels of poverty among the new older population.



# Threats and Challenges for the 'Baby-boomers' as they Become Old

- NZS depends upon political will for its sustainability.
- Debate continues about the level of payments, the age of eligibility and current contributions into the New Zealand Superannuation Fund.
- The increasing trend of falling home ownership could present serious poverty problems if it continues.
- Mortgage free homes have been critical to preventing many older New Zealanders from dipping below the poverty threshold when they cluster so close to the internationally set poverty lines.

