

## Australian pension no longer enough for basic living expenses

*New research reveals unaffordable social activities are forcing Australians over 50 to withdraw from community spaces, impacting their wellbeing.*

**Sydney, December 2024** – As the cost of living continues to rise, many Australian seniors are finding that the aged pension is no longer enough to cover their basic expenses, leading to widespread financial stress. According to the latest [Cost of Living Longer Report 2024](#), commissioned by Australian Seniors in partnership with research group MyMavins, the majority of seniors face significant financial challenges.

The study, which surveyed over 1,000 Australians aged 50 and above, sheds light on the severe impact of inflation and rising costs, particularly for those reliant on the aged pension. With Australians living longer, the report emphasises the importance of forward thinking and proactively managing their financial futures.

The study revealed nearly three in five (58%) report facing moderate to severe financial challenges due to rising costs, with one in 10 (10%) experiencing severe difficulties. More than half (55%) of the pensioners surveyed believe that the cost of living is significantly impacting their ability to manage, with over one in three (34%) experiencing severe or considerable financial strain. Currently, the pension covers only 76 per cent of seniors' monthly expenses, and nearly nine in 10 (86%) expect to rely on it even more as they age. Yet, close to seven in 10 (69%) fear that the pension alone will not be enough to live on, especially as inflation and interest rates continue to rise.

### Cutting Back on Essentials: Drastic Times Call for Drastic Measures

The financial strain has left nearly three in five (59%) struggling to pay for essentials, including utilities (33%) and groceries (33%). To cope, close to 4 in 5 (79%) are making daily sacrifices, such as dining out less (60%), limiting social activities (46%), reducing heating and cooling usage at home (41%), and cutting back on takeaway coffees (41%).

Alarmingly, financial pressures are also affecting the health of seniors. Nearly three in five (58%) report cutting back on maintaining a healthy lifestyle, and one in five (20%) have delayed or even forgone medical treatment due to costs. In extreme cases, 4 per cent have resorted to stealing necessities to make ends meet. Younger over 50s, particularly Gen X, are being hit hardest, with over two in five (44%) reporting struggles due to rising interest rates, compared to less than one-third (32%) of all those surveyed. These lifestyle adjustments demonstrate their resilience, but also highlight the need for future-proofing their finances to weather economic fluctuations.

### The Hidden Cost of Living Crisis

Beyond financial difficulties, the cost-of-living crisis is taking an emotional toll. Around two in five (43%) older Australians report a decline in their quality of life over the past two years, with 21 per cent claiming the decline has been considerable or severe. Over half (52%) report that financial stress has impacted their social interactions, with many avoiding gatherings due to costs (34%) and one in five (21%) feeling isolated as a result.

The rising cost of social spaces is also keeping over 50s away from the activities they enjoy, with restaurants, cafes, and cinemas now deemed too expensive by most (76%). Nevertheless, many are finding creative ways to stay socially active, such as joining community groups and online platforms that offer free

or low-cost alternatives. While these low-cost alternatives and free community events grow in popularity, the cost of maintaining social connections remains a concern.

### **Looking Ahead: How Over 50s Are Preparing for Future Financial Challenges**

As they face an uncertain financial future, nearly half (48%) of seniors plan to dip into their savings or emergency funds to cover unexpected expenses. However, many are worried their superannuation won't be enough, with nearly three in five (58%) believing their retirement savings are insufficient. The 'gender super gap' is also a prominent concern, with nearly three in four (73%) over 50s recognising the issue. This gap is felt particularly by women, with 43 per cent believing it has or will leave them without enough money for retirement.

With the right approach to financial planning, seniors can feel more secure knowing they are preparing for the long road ahead. To navigate their financial futures, many are seeking advice from family, friends, and Centrelink, though few (11%) turn to professional advisors for guidance.

The [Cost of Living Longer Report 2024](#) serves as a call to action for policymakers, businesses, and communities to address the growing financial pressures faced by older Australians. It also serves as a reminder to seek the right financial advice and explore options early to ensure they are prepared for a longer, fulfilling life. Further insights from the research can be found on the Australian Seniors website here.

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### **About Australian Seniors**

Australian Seniors launched in 1998 to meet the needs of the often ignored over 50s market. Since then, we've helped countless Australians protect the most important things in life – whether it's their family's future, valuable assets, or even their long-planned retirement.

We strive to be different through the diverse offering of our life, funeral, car, home & contents, landlords, pet, health and travel insurance products by carefully selecting underwriters that share our vision of providing insurance that's simple, easy to understand, and cost-effective. That's why our policies have helped everyone from hard-working over 50s to self-funded retirees take control of the things that matter most.

### **About the Australian Seniors Research Series**

The Cost of Living Longer Report forms part of the Australian Seniors Research Series. In its latest instalment, this study explores how Australian seniors are navigating the financial pressures of the rising cost of living. The research focuses on the financial challenges they are facing and the strategies being employed to make ends meet. The report also investigates the adequacy of the aged pension and superannuation to meet financial needs in retirement. Beyond just financial implications, the research examines the emotional, mental, and social wellbeing impacts of the cost-of-living crisis on older Australians. The report is compiled based on research commissioned by Australian Seniors and conducted by MYMAVINS between 25th July and 2nd Aug 2024. The research was conducted via a quantitative online survey, gathering 1,205 responses from Australians aged 50 and above. The sample is broadly representative of this empty nester population in terms of age, gender, wealth, and state/territory.