

## **4. The Social, Health, Economic and Material Circumstances of Older People**

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This chapter provides a descriptive account of the key features of the Survey of Older People (SOP). This account has two purposes: first, to provide the reader with an account of social, health, economic and material variations amongst older people; and second, to lay the foundations for the analyses of living standards reported in subsequent chapters.

The material is presented in four major sections:

1. Section 4.1 shows the demographic characteristics of the sample in terms of age, gender, ethnicity, educational achievement, household composition and related features. The major purpose of this material is to provide a general social profile of the sample.
2. Section 4.2 looks at the prevalence of health problems within the sample. The major focus of this discussion is upon documenting the extent of ill health and disability amongst the population of older people.
3. Section 4.3 provides an overview of the economic circumstances of the sample in terms of income, home ownership, savings/investments and patterns of expenditure. The major purpose of this section is to describe the extent of variation in the economic circumstances of older people.
4. Section 4.4 provides an account of the material circumstances of older people in terms of a series of direct indicator measures including: patterns of ownership; economic restrictions on social participation; the prevalence of economising behaviours; the prevalence of severe financial problems and related measures. The aim of this section is to build up a picture of the material circumstances of older people and, particularly, the extent to which members of this population are subject to material deprivation or economic hardship.

### **Sampling Unit and Data Presentation**

As explained earlier (see Chapter 3 page 30) the unit on which the present analysis is based is the “Core Economic Unit” (CEU). Operationally, the CEU is either a single older person (living by themselves or with others) or a couple (living by themselves or with others) in which at least one partner is aged 65 years or older. The use of the CEU as the unit of analysis poses complications in reporting some measures. For example, in the measurement of ethnicity, it is clear that the ethnicity of partners may vary so that for this group the CEU is not described by a single ethnic status measure. However, for other measures such as income and home ownership, this complication does not arise.

To address these issues, all statistics are presented separately for single CEUs and partnered CEUs. As reported in Chapter Three, observations have been weighted to take account of initial probability of selection, non-response (household and individual) and sample stratification. In the present analysis, the sum of these sample weights has been scaled to produce a total sample of 3,060 CEUs. Except where noted, all analyses are based on this number of CEUs.

## 4.1 Social and Demographic Background of the Sample

### 4.1.1 Age, Gender and Ethnicity

Table 4.1 reports on the age, gender and ethnicity of the sample. As explained above, the sample is stratified into single and partnered CEUs. Within the partnered CEUs, information is given on both the respondent and partner. The table leads to the following general conclusions.

#### CEU Composition

Of the 3,060 CEUs sampled in the study, 1618 (52.9%) were single people and 1442 (47.1%) were partnered respondents. However, it should be noted that whilst single CEUs comprise over half of all CEUs within the population of older people, the majority of older people (60%) are members of partnered CEUs (since there are two individuals per partnered CEU)<sup>21</sup>.

#### Age

Within the single CEUs, ages ranged from 65 to over 80 with a mean age of 76.3 years. In contrast, those in partnered CEUs tended to be younger. Amongst the respondents, the mean age was 71.7 years and that of partners was 69.3 years. It will be noted that 30% of partners were aged less than 65. These individuals were the partners of respondents who were aged 65 or over.

#### Ethnicity

Amongst single respondents, 92% were of European ethnic status, 2.8% were Māori, 1.6% Pacific and the remaining 3.2% described themselves as being of "other" ethnic status. Amongst the partnered respondents, a similar distribution was evident. However, because there were two individuals in the partnered CEUs, the number of CEUs with Māori or Pacific respondents was higher than the estimates shown in the Table. Of the 1442 partnered CEUs, in 91.1% of cases both partners were European; in 4.0% of cases one or both partners were of Māori ethnicity; in 1.7% one or both partners were of Pacific Ethnicity.

#### Gender

Amongst single CEUs there was a predominance of females (74%). The predominance of females in single CEUs probably reflects greater female longevity leading to a situation in which widows outnumbered widowers (see also Table 4.2). Amongst the partnered CEUs, there were equal numbers of males and females. However, it will be noted that there is a predominance of males who were respondents in the survey. This predominance does not reflect a gender bias in the selection of the respondent. Rather, it arises because male partners tended to be older than female partners and a substantial fraction of partners (31%) were less than 65. Since interviewers were instructed to interview only those subjects aged 65 or over these features produced a situation in which males predominated as respondents in partnered CEUs.

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<sup>21</sup> As expected, there were very few CEUs with dependent children (0.7% of single adult CEUs and 1.7% of partnered CEUs).

**Table 4.1: Age, ethnicity and gender distribution of single and partnered CEUs**

Measure	Single (N = 1618)	Partnered (N = 1442)	
		Respondent	Spouse/partner
<b>Age (years)</b>			
<65	-	-	30.1
65-69	19.8	42.4	21.7
70-74	23.3	29.6	20.2
75-79	24.6	17.4	18.1
80+	32.3	10.6	9.9
Mean (SD) age	76.3 (7.0)	71.7 (5.5)	69.3 (8.2)
<b>Ethnicity</b>			
European	92.4	93.1	92.7
Māori	2.8	2.6	3.1
Pacific Island	1.6	1.2	1.5
Other	3.2	3.0	2.7
<b>Gender</b>			
Female	74.0	37.9	62.1
Male	26.0	62.1	37.9

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

#### 4.1.2 Marital Status, Educational Achievement and Living Arrangements

Table 4.2 reports on the marital status, educational achievement and living arrangements of the sample.

##### Marital Status

Amongst those in single CEUs the great majority were widowed (76%) with a further 13% being separated or divorced. Only 11% were never married. Amongst the partnered group the majority of respondents (97%) described themselves as being legally married with the remainder being in de facto unions.

##### Educational Achievement

Amongst those in single CEUs, the majority (65%) had no formal educational qualifications, about a quarter had secondary school and/or trade qualifications and 9% had some tertiary education. For partnered CEUs, information was only available for the respondents, and as noted above, the respondent sample was biased towards an over inclusion of males. Amongst respondents, nearly 60% described themselves as having no educational qualifications, approximately 30% had secondary and/or trade qualifications and 11% had some tertiary education.

## Living Arrangements

The majority (82%) of single CEUs were living alone in a single person household. Just under one in five were living with other occupants, with the majority of these living with relatives. Ninety percent of those in partnered CEUs were living in households with no other occupants. Of the remainder of partnered CEUs, the majority were living with relatives.

**Table 4.2: Marital status, educational achievement and living arrangements**

<b>Measure</b>	<b>% Single (N = 1618)</b>	<b>% Partnered (N = 1442)</b>
<b>Marital Status</b>		
De jure married	-	96.7
De facto married	-	3.3
Separated	4.4	-
Divorced	8.8	-
Widowed	75.5	-
Never Married	11.2	-
<b>Highest Educational Qualification</b>		
No formal qualification	65.1	57.5
Secondary/Trade qualification	25.5	31.0
Tertiary technical/under graduate qualification	6.4	5.5
University degree	3.0	6.0
<b>Living Arrangements</b>		
CEU living alone	82.0	90.2
CEU living with relatives	15.5	9.3
CEU living with non relatives	2.5	0.5

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

### 4.1.3 The Regional Distribution of the Sample

Table 4.3 shows the regional distribution of the sample. The table shows that:

- the majority of respondents (70%) were from the North Island with nearly one third coming from either the Auckland or Wellington regions
- the majority of respondents lived in either major urban (67%) or minor urban (24%) areas with only 9% being classified as living in rural regions.

**Table 4.3: Regional distribution of single and partnered CEUs**

<b>Region</b>	<b>% Single (N = 1618)</b>	<b>% Partnered (N = 1442)</b>
<b>North Island</b>		
Auckland	24.9	24.2
Wellington	7.8	7.0
Other major urban	19.2	18.6
Minor urban	14.6	16.1
Rural	3.2	7.9
<b>South Island</b>		
Major urban	18.3	14.3
Minor urban	8.9	7.6
Rural	3.0	4.2

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

## 4.2 Health and Disability

### 4.2.1 Health Problems

Table 4.4 shows the proportion of the sample reporting that they had received medical treatment for various medical conditions in the last 12 months.<sup>22</sup> Separate estimates are given for single and partnered CEUs and within the partnered CEUs, separate data are presented for the respondent and their partner.

Inspection of the Table suggests the following general conclusions:

- overall there was a relatively high rate of such problems as hypertension, coronary heart disease, diabetes and cancer, reflecting the age of the sample
- the results suggest that these problems tend to be most prevalent amongst single individuals and least frequent amongst spouses in the partnered CEU series.

The overall trends in the data are summarised by the mean number of problems reported. These results show that for single respondents there was a mean of 2.1 health problems compared to 1.72 and 1.49 for partnered respondents and their spouses respectively. These differences mirror the differences in the mean ages of the three groups (see Table 4.1) suggesting that differences may, in fact, reflect differences in the age distributions of the single and partnered CEUs.

<sup>22</sup> It is noted that the sample only comprised older people living in permanent private dwellings, and excluded older people in institutional settings (for example, long term hospital care or retirement homes). See Glossary for full definition of “permanent private dwelling.”

**Table 4.4: Rates (%) of health problems in past 12 months**

<b>Measure</b>	<b>Single (N = 1618)</b>	<b>Partnered (N = 1442)</b>	
		<b>Respondent</b>	<b>Spouse/Partner</b>
Hypertension	40.0	36.5	30.7
Coronary heart disease or stroke	17.3	14.5	13.0
Diabetes	7.8	6.9	7.4
Rheumatism or arthritis	30.1	20.2	20.0
Back pain or other back problem	22.8	19.4	17.1
Asthma, emphysema or bronchitis	12.8	10.3	9.3
Cancer	6.8	5.7	5.0
Kidney disease	2.2	1.9	1.1
Colds, flu	21.4	21.2	16.6
Mental health problems	7.8	3.9	3.2
Nervous system disorder, eg Parkinson's disease	1.5	0.7	1.6
Injury or poisoning	8.3	6.5	4.8
Health problem associated with long term disability	16.1	12.6	4.8
Other problem(s)	15.2	11.8	10.8
Mean (SD) number of health problems	2.10 (1.67)	1.72 (1.48)	1.49 (1.37)

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

#### 4.2.2 Physical Difficulties and Disabilities

Table 4.5 reports on the proportions of respondents reporting various physical difficulties and disabilities. In general, the results appear to be similar in structure to the findings in Table 4.4 in that a sizeable minority of respondents report various difficulties and disabilities, with these difficulties and disabilities being more common for single respondents. Overall, single respondents reported a mean of 1.74 difficulties/disabilities compared to means of 1.11 and 0.96 for respondents and partners in partnered CEUs.

**Table 4.5: Rates (%) of physical difficulties, disabilities or impairments**

Measure	Single (N = 1618)	Partnered (N = 1442)	
		Respondent	Spouse/Partner
Poor eyesight even when wearing glasses	22.9	14.3	10.4
Poor hearing even with a hearing aid	16.2	13.8	12.1
Poor balance or co-ordination	19.7	9.6	8.4
Difficulty maintaining concentration	8.1	4.7	4.4
Shortness of breath	22.0	16.9	11.6
Difficulty gripping or lifting	18.2	10.7	9.5
Difficulty walking short distances	21.6	11.9	12.3
Difficulty walking significant distances or up stairs	40.8	26.7	23.8
Confined to a wheelchair	0.4	0.6	0.8
Confined to bed	0.2	0.1	0.2
Other physical difficulty	3.6	2.1	2.4
Mean (SD) number of difficulties	1.74 (1.86)	1.11 (1.50)	0.96 (1.46)

All values in the table have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

### 4.2.3 Depression in Older People

A factor that may be related to how people describe their living conditions may be their mental state at the time of the interview. For this reason, it was decided to gather data on rates of depressive symptoms in the sample using a symptom list based on the DSM-IV diagnostic criteria devised by the American Psychiatric Association (APA, 1994). Table 4.6 lists the symptoms assessed and provides estimates of the proportions of respondents who met criteria for a diagnosis of major depression. The table shows a low overall rate of depression in the sample with approximately 6% of those in single CEUs and 3% of those in partnered CEUs meeting diagnostic criteria for major depression in the last 12 months. These results are consistent with other research (Andrews et al, 1999) that have reported low rates of depression in older populations.

**Table 4.6: Rates (%) of DSM-IV depressive symptoms in past 12 months**

<b>Measure</b>	<b>Single (N = 1618)</b>	<b>Partnered (N = 1442)</b>	
		<b>Respondent</b>	<b>Spouse/Partner</b>
Felt sad, blue, depressed	11.9	5.7	7.1
Loss of interest in most things	8.8	4.8	4.9
Significant weight loss/gain, or marked decrease/increase in appetite	9.8	3.3	4.1
Insomnia or hypersomnia	11.0	5.3	5.8
Psychomotor agitation or retardation	6.2	2.7	2.9
Fatigue, loss of energy	8.7	4.0	5.3
Feelings of worthlessness or guilt	5.4	3.1	2.7
Inability to think or concentrate	7.9	4.5	4.8
Recurrent thoughts of death	4.5	2.7	3.3
Met criteria for DSM-IV major depression	5.6	2.5	3.2

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

#### 4.2.4 Ratings of Health Status

The results in Tables 4.4 to 4.6 provide a profile of the health status of the sample in terms of patterns of illness, disabilities and symptoms. To supplement this description, Table 4.7 shows respondent assessments of overall health status made on a five point scale ranging from “Excellent” to “Poor.” The trends in these ratings mirror trends in previous tables to the extent that respondents in single CEUs tended to rate their health as being poorer than respondents in partnered CEUs: 30% of those in single CEUs described their health as being only fair or poor compared to approximately 22% of those in partnered CEUs.

**Table 4.7: Overall rating of current health status**

<b>Current Health Status</b>	<b>% Single (N = 1618)</b>	<b>% Partnered (N = 1442)</b>	
		<b>Respondent</b>	<b>Spouse/Partner</b>
Excellent	14.1	16.4	15.0
Very good	24.3	32.7	28.1
Good	31.6	28.5	34.4
Fair	22.4	16.9	16.6
Poor	7.6	5.5	5.9

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.



### 4.3 Income, Savings and Other Financial Assets

A key component of research into the material well-being of older people focussed on their financial and economic circumstances including:

- income and sources of income
- savings and investments
- other assets including home ownership.

In this section of the report, we use these data to develop a profile of the economic and financial circumstances of single and partnered CEUs.

#### 4.3.1 Income

As part of the survey, respondents were asked about the sources from which they received their income. The responses to these questions are summarised in Table 4.8 which shows the percentages of single and partnered CEUs receiving income from various sources including: a) social welfare benefits; b) private superannuation; c) earned income; d) income from investments (interest, dividends, rents, etc); and e) other sources of income.

The table shows that:

1. Nearly all CEUs were in receipt of New Zealand Superannuation (NZS).
2. Nearly one third of single CEUs and one fifth of partnered CEUs reported being in receipt of social welfare benefits or allowances (eg. accommodation supplement, disability allowance) in addition to NZS.
3. One in seven single CEUs and one in five partnered CEUs received income from private superannuation.
4. There were marked differences in the contribution of earned income to single and partnered CEUs with over a quarter of partnered CEUs receiving earned income compared only 8% of single CEUs.
5. The greater majority of both single and partnered CEUs reported receiving income from investments including: interest, dividends, rents and similar sources.
6. Further examination of the distribution of sources of income described in Table 4.8 revealed that approximately 10% of single CEUs and 6% of partnered CEUs were solely dependent for their income on NZS (with or without supplementation from other allowances eg. accommodation benefits); 88% of single CEU respondents reported that their income came from NZS supplemented by at least one other source of income and 93% of partnered CEUs reported receiving both NZS and one additional source of income. The 2.3% of single CEUs not in receipt of NZS received income from a variety of alternative sources including: government allowances (0.3%), earned income (0.2%), investments (1.4%) and other sources (0.6%). The 1.3% of partnered CEUs not in receipt of NZS received their income in a similar way (earned income (0.4%); investments (0.8%); other sources (0.1%).

**Table 4.8: Sources of income (Percentage of CEUs receiving income from specified source)**

Income Source	% Single (N = 1618)	% Partnered (N = 1442)
NZ Superannuation (NZS)	97.7	98.7
Other public superannuation (overseas pensions) not included in NZS	1.7	3.0
Benefit allowances	31.6	20.2
Private superannuation	13.6	20.3
Earned Income	7.9	28.5
Investment income, eg interest, dividends, rents, trusts	76.4	83.3
Other sources of income	2.6	5.6

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

Table 4.9 shows the distribution of net (after tax) income for single and partnered CEUs (the measurement of net income is discussed in Chapter 3 pages 30). The table shows that income levels for single CEUs tended to be relatively modest with the median income being \$12,090 per annum (\$232 per week). Three-quarters of single CEUs reported incomes under \$15,300 per annum (\$293 per week) and 90% reported incomes below \$23,000 per annum (\$440 per week). It was estimated that approximately 70% of the income received by single CEUs came from either NZS or other welfare benefits and allowances. The remaining income was provided from the sources listed in Table 4.8 (earned income, investments, private superannuation, other).

As would be expected, income levels of partnered CEUs tended to be higher than those for single CEUs, with the median income being \$21,000 (\$403 per week). On average, the income received by partnered CEUs was 1.9 times that received by single CEUs. Three-quarters of partnered CEUs reported incomes below \$32,500 per annum (\$623 per week) and 90% reported incomes below \$53,300 (\$1,022 per week). It was estimated that approximately 60% of the income received by partnered CEUs came from NZS or other welfare benefits and allowances and 40% came from other sources including earned income, investments, private superannuation and other sources.

The overall impression conveyed by the results in Table 4.9 is that, bearing in mind that the income for partnered CEUs had to support two people, both single and partnered CEUs had fairly modest net income levels. The majority of incomes fell within a relatively narrow band of values ranging from \$10,000 to \$18,000 for single respondents and \$16,000 to \$40,000 for partnered CEUs.

**Table 4.9: Distribution of net annual income<sup>1</sup> (Percentage of CEUs with income in the specified range)**

<b>Income (\$000 pa)</b>	<b>% Single (N = 1581)</b>	<b>% Partnered (N = 1416)</b>
<10	2.6	1.3
10-10.999	17.4	0.5
11-11.999	16.0	0.2
12-13.999	31.2	0.7
14-15.999	9.9	2.4
16-17.999	5.6	16.0
18-19.999	3.7	24.8
20-21.999	2.9	7.5
22-23.999	1.8	7.2
24-25.999	1.6	4.5
26-27.999	1.2	4.1
28-29.999	1.1	3.7
30-34.999	1.5	5.8
35-39.999	1.2	4.2
40-49.999	0.9	6.5
50-69.999	1.3	6.2
70-99.999	0.0	2.6
100+	0.1	1.9
<b>Median income</b>	<b>\$12,090</b>	<b>\$21,000</b>

Note 1: Estimates of net income could not be obtained for 2.3% of single CEUs and 1.9% of partnered CEUs.

Note 2: All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

### 4.3.2 Savings and Investments

As noted in Table 4.8, the majority of respondents reported gaining income from savings and investments. Table 4.10 shows the nature of those savings or investments. By far the most common form of investment was bank deposits which were held by over three-quarters of single and partnered CEUs. The second most common form of investment were investments in shares, unit trusts and similar institutions with nearly one third of single CEUs and nearly half of partnered CEUs reporting they had this type of investment.

**Table 4.10: Types of savings and investments held (excluding own home)**

<b>Type of Investment</b>	<b>% Single (N = 1618)</b>	<b>% Partnered (N = 1442)</b>
Bank deposits	75.9	80.3
Shares, unit trusts, bonds, etc	31.3	45.8
Life endowment policies	7.8	24.2
Family trust	4.3	6.7
Money owed to respondent	4.2	7.4
Residential property (other than own home)	6.5	13.2
Investment in commercial property	1.6	3.2
Business ownership or investment	2.4	6.3
Other assets, eg art, antiques	4.4	6.4

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

**Table 4.11: Estimated total value of savings and investments (excluding own home)<sup>1</sup>**

<b>Value (\$000)</b>	<b>% Single (N = 1407)</b>	<b>% Partnered (N = 1224)</b>
<1	30.6	20.9
1-5	13.7	7.8
5-10	11.6	7.6
10-15	7.3	5.5
15-25	8.6	9.2
25-50	9.0	12.3
50-100	7.3	9.7
100-150	3.3	6.0
150-200	2.3	4.1
200-250	2.0	3.6
250-300	0.7	1.9
300-350	0.9	2.7
350-400	0.7	1.6
400+	2.1	7.0
<b>Median value of investments</b>	<b>\$7,500</b>	<b>\$37,500</b>

Note 1: Information on the value of investments was not obtained for 13.0% of single CEUs and 15.2% of partnered CEUs

Note 2: All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

Table 4.11 shows respondents' estimates of the total value of their savings and investments (note that the estimate does not include the value of the family home). The table shows that amongst the single group, levels of assets were modest with the median value of investments being reported as \$7,500. Three-quarters of single CEUs had savings and assets of less than \$37,500 and 90% had savings and assets of less than \$125,000.

Partnered CEUs tended to have somewhat higher levels of savings and assets than single CEUs with the median value of investments being \$37,500. Furthermore, there was far greater variability in the savings and assets of partnered CEUs. Three-quarters of partnered CEUs had savings and assets with a value of less than \$100,000 and 90% had savings and assets with a value of less than \$325,000.

### 4.3.3 Home Ownership

As noted above, the estimated savings and investment values in Table 4.11 exclude the value of the respondent's home. However, clearly home ownership or equity in a home is one of the more important assets that older people may possess. Table 4.12 provides a summary of the ownership of the respondent's accommodation and the mean accommodation costs paid per week. The table shows that amongst single respondents, 68% owned their own home and in a further 16% of CEUs, the accommodation was owned by a family trust or relative; 15% of single CEUs reported renting their accommodation from a private landlord, local authority, Housing New Zealand or other sources. Amongst partnered respondents, 86% reported owning their own home and in a further 8% of partnered CEUs, the accommodation was owned by a family trust or relative; 6% of partnered CEUs reported renting their accommodation from a private landlord, local authority, Housing New Zealand or other sources.

Almost all of the CEUs who owned their own homes did so freehold. Of the 68% of single CEUs who owned their own home 94% were freehold, and of the 86% of partnered CEUs who owned their own home, 92.6% were freehold. Homes owned by the CEU, family trust or other family members had mean accommodation costs of \$30 or less per week compared with the much higher mean costs for CEU's renting from a private landlord, or Housing New Zealand.

**Table 4.12: Distribution of home ownership (%) and mean accommodation costs per week (\$pw)**

Owner of Accommodation	Single (N = 1618)		Partnered (N = 1442)	
	%	Mean \$pw	%	Mean \$pw
Respondent (and/or partner)	67.9	24.2	86.2	30.1
Family Trust	6.6	6.8	6.0	20.1
Family members	9.3	21.6	2.0	18.6
Private landlord	3.1	115.7	2.6	139.0
Local authority	4.6	65.5	0.6	86.9
Housing New Zealand	4.8	134.2	2.0	141.1
Other	3.7	78.2	0.6	88.8

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

As might be expected from the high levels of freehold home ownership, the accommodation costs paid by older people generally tended to be low. Table 4.13 shows estimates of weekly accommodation costs (including mortgage, rates, rental, body corporate fees, etc) overall for single and partnered CEUs. For single CEUs the median weekly accommodation cost was \$20. Three-quarters of single CEUs paid less than \$30 per week for their accommodation and 90% paid less than \$95 per week for their accommodation. For partnered CEUs the median weekly accommodation cost was \$23. Three-quarters of partnered CEUs paid less than \$30 per week for accommodation and 90% paid less than \$75.

**Table 4.13: Estimated weekly accommodation costs (mortgage, rental, rates, body corporate fees, etc)**

<b>\$ per week</b>	<b>% Single (N = 1520)</b>	<b>% Partnered (N = 1357)</b>
0	16.9	9.0
1-24	48.9	51.1
25-49	15.4	27.1
50-99	9.2	4.4
100-149	5.3	3.9
150-199	2.4	2.1
200+	1.9	2.4
Median weekly accommodation cost	\$20.00	\$23.00

Note 1: Estimates of weekly accommodation costs could not be obtained for 6.0% of single CEUs and 5.9% of partnered CEUs

Note 2: All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

**Table 4.14: Government valuation of home (for those owning their home)**

<b>Value (\$000)</b>	<b>% Single (N = 1053)</b>	<b>% Partnered (N = 1205)</b>
<25	0.3	0.2
25-50	3.0	1.8
50-100	23.8	14.6
100-150	30.2	21.3
150-200	18.4	21.4
200-250	12.2	15.6
250-300	6.6	11.9
300-350	1.5	4.8
350-400	0.8	3.0
400+	3.2	5.3
Median valuation	\$125,000	\$175,000

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

Those owning their homes were asked to provide the most recent Government Valuation of the property to provide an index of the worth of their home. These figures are reported in Table 4.14. This table shows that for single CEUs owning their own home, the median value of the property was \$125,000. Three-quarters of home owners had properties valued at less than \$200,000 and 90% had properties valued at less than \$275,000.

For partnered CEUs owning their own home, the median value of the property was \$175,000. Three-quarters of home owners had properties valued at less than \$250,000 and 90% had properties valued at less than \$350,000.

#### 4.3.4 Previous Economic History and Current Financial Stress

The findings in Tables 4.8 to 4.14 above give a picture of the economic circumstances of the sample at the time of interview. However, it is likely that the material well-being of older people will depend on their previous economic history as much, if not more, than their current economic circumstances. Clearly, the best way of addressing this issue would be through a longitudinal study of the processes by which people make transitions into old age. In the absence of this information, the present study was able to collect limited information on previous economic history by asking respondents about their exposure to events and circumstances that may have disrupted their economic circumstances during the decade before 60 years of age. These events and the frequency with which they were reported, are shown in Table 4.15 for single and partnered CEUs. The findings show that for single CEUs, respondents reported a mean of .68 adverse events. The most commonly reported events were death of a partner and health problems.

**Table 4.15: Adverse economic life events (age 50-59 years)**

<b>Event</b>	<b>% Single (N = 1618)</b>	<b>% Partnered (N = 1442)</b>
Separation or divorce	5.8	3.6
Mortgagee sale	0.5	0.4
Bankruptcy	0.2	0.3
Financial loss of \$10,000 or more	3.3	6.9
Made redundant	4.9	10.3
Unemployed 12 months or longer	4.3	4.0
Death of partner	15.4	1.8
Major damage to home caused by natural disaster	3.0	1.6
Legal bill of \$10,000 or more	1.0	1.0
Illness lasting 12 months or longer	10.6	7.2
Major injury/illness requiring hospital treatment	14.8	17.4
Imprisonment	0.4	0.1
Other major financial life event	4.3	3.0
<b>Mean (SD) number of adverse life events</b>	<b>0.68 (1.01)</b>	<b>0.57 (0.89)</b>

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

Those in partnered CEUs reported a slightly lower rate of adverse economic events (mean = 0.57) than those in single CEUs. For those in partnered CEUs, the most common economic adverse events experienced during their 50s were becoming redundant and health problems.

To provide an indication of the extent to which respondents were subject to economic stress at the time of interview, the findings in Table 4.15 were supplemented by questioning about the CEU's exposure to economic stress in the 12 months prior to interview. The measures of stress are shown in Table 4.16. The table shows that those in single CEUs reported an average of 0.38 financial stresses in the last 12 months. The most commonly reported stresses were house maintenance and replacement of household appliances.

Those in partnered CEUs reported an average of 0.32 financial stresses in the last 12 months. In common with single CEUs, the most common forms of financial stress included home maintenance and replacement of household appliances, as well as large car repair bills.

**Table 4.16: Financial stresses experienced in the last 12 months**

<b>Source of stress</b>	<b>% Single (N = 1618)</b>	<b>% Partnered (N= 1442)</b>
Legal costs	2.5	1.8
Major item of house maintenance	5.3	4.7
Business failure	0.4	0.2
Matrimonial property settlement	0.3	0.1
Natural disaster	0.3	0.4
Death of a partner	3.8	0.1
Funeral costs	3.9	0.5
Unusually large car repair bill	4.5	6.2
Replacement of fridge or washing machine	9.7	9.3
Burglary	2.5	2.8
Fraud, embezzlement	0.5	0.3
Victim of other crime	0.3	0.7
Property damage	0.9	1.4
Other stressor	3.4	3.2
<b>Mean (SD) number of stresses</b>	<b>0.38 (0.75)</b>	<b>0.32 (0.67)</b>

All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.



## 4.4 Ownership, Social Participation, Deprivation and Self-assessment

As noted in Chapter Two, a major focus of the research reported here was upon developing direct indicators of the material well-being based on respondents' reports of patterns of ownership, social participation, deprivation and their self-assessment of their material circumstances. One response was recorded per CEU. In a later chapter (Chapter Five), we describe the ways in which these report data were scaled to produce an overall measure of material well-being. In this section, we develop the background to the subsequent analysis by reporting on the items and measures that were included in the scale.

### 4.4.1 Ownership and Ownership Restrictions

One index of material well-being is clearly the extent of ownership of the household. As a general rule, the wealthy will be characterised by high levels of ownership of consumer durables and other resources, whereas the poor will lack these. These considerations suggest that an assessment of levels of ownership should provide useful information about the overall standard of living of an individual or family unit. However, further reflection suggests that the assessment of ownership needs to be placed in the context of the individual's material aspirations and expectations since patterns of ownership will reflect both the individual's economic circumstances and their patterns of preference and choice. To address these issues, respondents were asked three questions about a series of consumer durables and resources that ranged from necessities (eg. running water) to luxury items (eg. personal computer). Respondents were asked:

- 1a. whether they had the item;
- 1b. if they did not have it, whether they would like to have it; and
- 1c. if they would like to have it, whether they did not have it because of the cost, or some other reason.
2. Respondents were also asked to rate how important they perceived owning each of the items was to them.

The answers to part 1a. provide a measure of *levels of ownership and access* within the older population. The answers to parts 1b. and 1c. provide an assessment of the extent to which individuals are experiencing *enforced lack or ownership restriction*. The answers to question 2 provide an indication of the *material aspiration* of older people. Table 4.17 shows the distribution of responses to these questions for single and partnered CEUs.

### Importance of items

For both single and partnered CEUs the items rank in an expected way from those items (eg. running water) which are seen by the vast majority of the population as being important to those items which are seen as being luxuries (eg. boat, holiday home or bach).

### Ownership

There is a clearly inverse relationship between the importance of the item and the fraction of the population that do not have the item: as the fraction of the population describing the items as being important increases, the fraction of the population that does not have the item declines.

**Table 4.17: Importance and ownership of selected material items**

Item	Single (N=1618)			Partnered (N=1442)		
	% who say item 'important or very important'	% who don't have item	% who don't have item because of cost	% who say item 'important or very important'	% who don't have item	% who don't have item because of cost
Running water	99.3	0.3	0.0	99.6	0.0	0.0
Mains power	99.1	0.1	0.0	99.3	0.4	0.1
Hot water	99.0	0.5	0.0	99.3	0.1	0.1
Inside toilet	98.6	0.9	0.4	99.7	0.1	0.0
Phone	97.5	1.8	0.8	99.7	0.3	0.0
Good bed	99.0	1.6	1.1	99.7	1.6	1.2
Warm bedding	98.6	1.0	0.4	99.2	0.4	0.2
Washing machine	95.0	4.1	0.5	99.1	0.7	0.2
Good shoes	97.1	2.0	1.1	97.7	1.7	0.8
Locks	93.6	15.4	6.2	93.9	13.9	4.3
Contents insurance	91.6	20.4	6.7	94.6	6.9	2.5
Car	87.6	37.1	1.6	95.7	5.7	1.0
Television	65.4	1.9	0.2	95.7	0.6	0.1
Heating in main rooms	81.4	25.7	6.4	80.1	25.8	5.3
Warm coat	81.7	15.1	2.6	78.3	15.3	1.6
Best clothes	78.8	14.5	3.3	81.7	12.2	3.4
Microwave	57.8	36.8	2.6	72.1	16.0	0.9
Pet	40.9	65.0	1.8	57.7	56.2	0.8
Dryer	43.1	52.3	4.2	65.3	34.9	2.8
Video	40.8	43.5	3.5	57.0	14.6	1.3
Stereo	39.1	49.5	3.5	45.1	25.1	2.1
Dishwasher	33.3	78.8	4.3	54.7	57.5	5.6
Food processor	19.6	52.7	3.1	41.9	26.9	3.2
Pay television	20.3	83.1	7.8	29.9	70.8	8.5
Waste disposal	18.7	78.2	3.3	29.6	68.6	3.5
Personal computer	11.3	93.1	6.0	26.3	76.5	7.4
Internet access	9.3	94.6	5.6	20.1	83.2	6.0
Holiday home or bach	8.8	94.7	7.9	14.7	89.5	12.3
Boat	5.2	94.6	2.3	11.6	85.6	5.1

All values have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

### **Ownership restrictions**

Overall both single and partnered CEUs reported relatively few ownership restrictions and where restrictions were reported, these tended to be for items that fewer respondents regarded as being important. The impression conveyed by these results is one of a population whose *aspirations* for consumer durables and other facilities were largely satisfied by their patterns of *access and ownership* and that where *ownership restrictions* were evident these tended to be for items at the “luxury” end of the distribution. However, a caveat on this conclusion is that the measures shown in Table 4.17 do not address the issue of the quality or standard of the durables. It may be that had questioning addressed quality rather than ownership there would have been evidence of greater disparities between aspirations and ownership.

### **4.4.2 Social Participation and Participation Restrictions**

A second area in which material deprivation may be manifest amongst older people is in the area of social participation. One possible symptom of financial hardship may be that the individual is unable to sustain the level of social contact they would like to maintain and that economic limitations restrict their degree of social participation. As was the case for patterns of ownership, social participation will not merely reflect the individual’s economic circumstances but will also reflect choices and preferences. For these reasons, it is important to assess issues relating to social aspirations in the same way as ownership by assessing: a) the individual’s *aspirations* for social participation; a) the *extent* of social participation; and c) *restrictions* in social participation.

As part of the survey, respondents were asked a series of questions (similar to those for ownership) about their patterns of social participation and the extent to which they found their social participation restricted because of financial reasons. These items are shown in Table 4.18 which shows for single and partnered CEUs, ratings of the importance of various types of social activity, the proportion of respondents not engaging in these activities, and the proportions unable to engage in these activities because of cost.

#### **Importance**

As was the case for ownership, there was a spectrum of response to the question concerning importance ranging from social activities that were seen as important by a great majority of respondents (presents for family and friends) to those seen as important by only a minority (overseas holidays).

#### **Extent**

As was the case for ownership, there was an inverse relationship between the importance ascribed to a given activity and the fraction reporting that they did not do the activity: as the fraction rating the activity as important increased the fraction reporting that they did not engage in the activity tended to decline.

#### **Social participation restrictions**

Overall, there were relatively low rates of social participation restrictions where respondents reported that they could not engage in a desired social activity because they could not afford to do so. Further, as in the case of patterns of ownership, the reported restrictions tended to occur for those items which were regarded as important by fewer respondents (holidays away from home, overseas holidays).

**Table 4.18: Importance of and restrictions in social participation**

Item	Single (N=1618)			Partnered (N=1442)		
	% who say item 'important or very important'	% who don't do	% who do, because of cost	% who say item 'important or very important'	% who don't do	% who don't do, because of cost
Give presents to family/friends on special occasions	91.3	10.7	2.6	95.5	5.5	1.9
Participate in family/whanau activities	83.0	25.5	1.7	91.1	15.5	1.3
Space for family to stay the night	82.6	18.7	1.0	93.3	7.4	1.1
Visit hairdresser once every 3 months	80.8	21.4	3.2	78.1	20.6	2.9
Day out once a fortnight	77.6	26.7	3.9	73.6	30.0	5.7
Visitors for a meal once a month	64.0	48.6	2.7	79.3	33.2	3.7
Holiday away from home every year	60.0	55.1	14.3	73.9	41.8	14.3
Special meal at home once a week	46.4	56.6	3.4	54.0	46.1	3.1
Overseas holidays once every 3 years	38.1	74.5	15.9	49.2	66.7	23.9
Night out once a fortnight	37.9	71.3	6.6	41.0	68.7	11.1

All values have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

The overall impression conveyed by the data in Table 4.18 is similar to the impression conveyed by the ownership data in Table 4.17: a population whose aspirations for social participation were largely satisfied and where restrictions in participation tended to occur, these involved activities such as overseas holidays, that were rated as being important by only a minority of respondents.

#### 4.4.3 Economising Behaviour

A further way in which variations in material well-being may be manifest is by variations in the extent to which individuals chose to restrict their expenditure in key areas such as food, home heating, clothing and medical care. As a general rule, the wealthy will face few restrictions on their pattern of consumption, whereas the poor may face many restrictions. As in the case of ownership or social participation, it is important to assess the reasons for such deficits in consumption. For example, some older people may restrict their consumption patterns out of a sense of frugality rather than because this restriction is an economic necessity. To address these issues respondents in the study were asked whether in the last 12 months they had restricted their expenditure and consumption in key areas of food, clothing, medical expenses, home heating, etc., because they could not afford the costs of these items.

Table 4.19 reports the items and shows the fractions of older people who reported economising either a little or a lot for each item. The table shows that a substantial minority of older people reported engaging in economising behaviours particularly in the areas of food and clothing. Further, it is notable that between 7% to 13% of respondents reported postponing visits to the doctor or dentist because of costs.

The overall impression conveyed by the table is that of a population in which a substantial minority felt obliged to be careful to some extent with their money in order to get by and who felt obliged to make economies in key areas that spanned food, clothing, home heating and medical care.

**Table 4.19: Economising behaviours in past 12 months**

Economising activity	Economising 'a little' or 'a lot'	
	% Single (N = 1613)	% Partnered (N = 1442)
Bought less/cheaper meat	34.9	37.3
Bought less fresh fruit/vegetables	8.0	5.8
Bought second hand clothes	18.4	17.1
Worn old clothes	13.3	11.1
Put off buying new clothes	30.6	31.7
Relied on gifts of clothes	7.2	5.4
Worn out shoes	8.6	7.0
Put up with cold	10.9	6.5
Stayed in bed for warmth	11.4	5.4
Postponed doctor visits	7.0	8.4
Postponed dentist visits	8.4	12.7

Economising activity	Economising 'a little' or 'a lot'	
	% Single (N = 1613)	% Partnered (N = 1442)
Gone without glasses	9.7	9.4
Gone without adequate dentures	10.9	9.8
Not picked up prescription	1.6	1.3
Cut back/cancelled insurance	12.1	15.6
Cut back on visits to family/friends	10.4	10.8
Cut back on shopping	11.4	9.6
Spent less time on hobbies	8.5	11.2
Not gone to funeral/tangi	4.8	4.0

Note 1: Information about economising activity could not be obtained for 0.3% of single CEUs.

Note 2: All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

#### 4.4.4 Severe Financial Problems

A further indicator of levels of material well-being amongst older people is the extent to which they are prone to serious financial difficulties that are manifest in an inability to meet and maintain basic living conditions. To examine this issue, respondents were asked whether they had experienced serious financial problems in the last 12 months. The results of this questioning are shown in Table 4.20. This table shows that serious financial difficulties were very uncommon amongst this population. The most common financial problem was inability to keep up payments for utilities (electricity, gas, water) with 2.1% of single CEUs and 1.3% of partnered CEUs reporting this difficulty. Overall, only 4.8% of single CEUs and 3.0% of partnered CEUs reported at least one of the difficulties listed in the table. The strong impression conveyed by Table 4.20 is that few older CEUs were facing serious financial problems.

**Table 4.20: Serious financial problems in past 12 months**

Problem	Having problem	
	% Single (N = 1608)	% Partnered (N = 1436)
Couldn't keep up payments of electricity, gas, water	2.1	1.3
Couldn't keep up payments on mortgage, rent	0.8	0.8
Couldn't keep up payments for hire purchase, credit cards	0.5	0.6
Borrowed money from family/friends to meet living costs	1.7	0.7
Received help (food, clothes or money) from community organisation	0.8	0.2
Pawned/sold something to meet living costs	1.2	0.6
At least one of the above	4.8	3.0

Note 1: Information about serious financial problems could not be obtained for 0.6% of single CEUs and 0.5% of partnered CEUs.

Note 2: All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

#### 4.4.5 Self-assessments

The findings in previous sections have examined the material well-being of older people on the basis of reports of ownership, social participation, economising and financial problems. However, there is an alternative perspective on levels of material well-being that may be gained by asking people to rate their material living standards.

Table 4.21 reports on two ratings of material well-being. The first measure asked respondents whether they found their current income and other resources adequate to meet day to day living costs. This analysis suggested that in the region of 10-12% of respondents were of the view that their income was inadequate to meet their day to day living costs. The second measure asked respondents to assess their overall standard of living on a five point scale ranging from high to low. The results suggest that 9.3% of single CEUs and 4.8% of partnered CEUs rated their overall living standards being fairly low or low.

Collectively, the results in Table 4.21 suggest that in the region of 5 to 10% of the cohort reported experiencing some degree of economic deprivation.

**Table 4.21: Rating of income adequacy and overall living standards**

Measure	% Single (N = 1595)	% Partnered (N = 1438)
<u>Adequacy of Income</u>		
More than enough	10.1	14.8
Enough	40.1	39.1
Just enough	37.8	35.9
Not enough	12.1	10.2
<u>Standard of Living</u>		
High	4.0	5.8
Fairly high	16.7	21.5
Medium	70.0	68.0
Fairly low	7.5	3.7
Low	1.8	1.1

Note 1: Self-assessments could not be obtained for 1.3% of single CEUs and 0.3% of partnered CEUs.

Note 2: All values in the tables have been estimated from the observed sample weighted to take account of probability of selection, non-response and sample stratification.

## 4.5 Discussion

The aim of this chapter has been to present a descriptive profile of the social background, health, economic circumstances and material well-being of a sample of CEUs in which at least one member was aged 65 or over. The following major themes emerge from this analysis.

## **1. Demographic Features**

Approximately 53% of CEUs studied involved a single person (living alone or with others), and approximately 47% of CEUs involved a couple (living alone or with others). The median age of respondents in single CEUs was 76 compared to 72 years in partnered CEUs. The population was predominantly Pakeha, with 2.7% of respondents being of Māori ethnicity. Levels of educational achievement were relatively modest with just under two thirds of respondents reporting that they had no formal educational qualifications.

## **2. Health**

As might be expected from the age of the sample, health problems were prevalent amongst this sample with a sizeable minority of respondents reporting potentially serious health problems including cardiovascular diseases, cancer and diabetes. Approximately 30% of single respondents and 22% of partnered respondents described their health as fair or poor. The present study suggested a relatively low rate of depression with 5.6% of single respondents and 2.5% of partnered respondents meeting diagnostic criteria for depression.

## **3. Economic Circumstances**

Two major impressions emerged from an analysis of the economic circumstances of the sample. First, levels of income and savings tended to be relatively modest with this being particularly evident for single respondents. For example, three-quarters of single respondents had net incomes of less than \$15,300 pa (\$293 per week) and three-quarters of partnered respondents had net incomes of less than \$32,500 pa (\$623 per week). Similarly, three-quarters of single respondents had savings and investments worth less than \$37,500 and three-quarters of partnered respondents had saving and investments worth less than \$100,000. These figures suggest a population in which levels of income, savings and investments were relatively low, and restricted to a relatively narrow range of values.

The second impression from the study was that the majority of the population owned their own home and that, as a consequence, their accommodation costs were relatively low. Three-quarters of all respondents reported paying less than \$30 per week for rental, rates, mortgage or similar costs. These low accommodation costs suggest that although incomes amongst older people were often relatively modest, relatively little of this income was spent on accommodation.

## **4. Material Well-being**

To develop a profile of the living standards of older people, data were presented on a number of direct indicators of living standards that spanned: ownership restrictions; social participation restrictions; economising behaviours; and severe financial problems. The general impression conveyed by these measures was that the majority of respondents had achieved a good standard of living and that severe deprivation and financial hardship were uncommon in the population. Although, a substantial minority were being careful with their money and doing some economising, less than 5% of respondents reported facing serious financial difficulties in the 12 months prior to interview. Nonetheless, there was evidence to suggest that some respondents may have been facing some degree of deprivation and struggling to make ends meet. This was perhaps most evident from the measures of economising behaviours collected in this



study which suggested that there was a sizeable minority of respondents who restricted their expenditure in key areas of: food, clothing, medical care and home heating in order to make ends meet. For example, approximately one in 13 respondents reported postponing visits to the doctor in order to save money on medical bills.

These findings suggest that although the overall living standards of older people appear to be good, there may be a pocket of individuals who are experiencing financial hardship and difficulties. On the basis of self-assessment, about 10% of the sample claimed that their income was not sufficient to meet their every day living expenses and approximately 7% described their living standard as low or fairly low.

The challenges presented by the findings described in this chapter are twofold. The first challenge is to find some means of combining data from a number of domains (ownership restrictions, social participation restrictions, economising, serious financial difficulties, self-assessment) to devise an overall measure (or measures) that summarises the variation in material well-being amongst older people. The second challenge (assuming that the first challenge can be met) is to examine the ways in which variations in material well-being are related to the social circumstances, health and economic circumstances of older people.

Subsequent chapters will describe the ways in which the individual measures reported in this chapter were combined using multivariate methods to address these challenges.

