

ALARMINGLY LOW NUMBERS FINANCIALLY PLAN FOR AGED CARE

EMBARGOED: 0.01 Wednesday 25th August 2021

New research jointly prepared by National Seniors Australia and Challenger has revealed that only 14% of older Australians surveyed have prepared financially for their aged care.

The survey by the country's peak advocacy group for older Australians received more than 5,000 responses by Australians aged 50 and over.

It also revealed that another 38% had thought about aged care costs and that such planning was higher amongst those of a more mature age, higher education and greater wealth.

National Seniors CEO and Director of Research, Professor John McCallum says the figures are alarmingly low for Australians preparing for a comfortable later life.

"It is critical that aged care costs are built into later life financial planning. People are hesitating because of the negative media around nursing homes or simply denying the fact that they will need care and will have to pay for at least some of it."

The survey also found that 75% of respondents who had exposure to aged care, for example through a relative, were more likely to plan financially for care. This suggests that people need better information and greater simplicity in the financial requirements to help with planning.

"Having financial resources to access aged care and support services of choice can greatly increase retirees' quality of life and independence.

"A financial plan that includes aged care also relieves stress and anxiety, either for family members or the older person themselves," Professor McCallum said.

Challenger's Head of Retirement Income Research, Aaron Minney said that aged care planning does not have to be onerous and can provide peace of mind for later life.

"Like other aspects of retirement planning, people find it hard and often confronting when forced to consider the fragility of old age, leading many to be caught off guard by unplanned aged care costs. Making a plan ahead of time can help ensure out of pocket costs are covered and provide confidence that you'll be well looked after as you age."

Professor John McCallum and Mr Aaron Minney are available for comment

For media enquiries, call Craig Sullivan on 0488 047 380 or Jane Keeley (Challenger) on 0402 663 522