

# **Midlife New Zealanders Aged 40-64 in 2008: Enhancing Wellbeing in an Ageing Society**

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## **Background context to midlife New Zealanders**

This research was developed to explore the behaviour and experiences of midlife New Zealanders in their own right, but also to help us understand how well prepared they are to live well in their older years. It inquires into the social and economic behaviour that is known to enhance wellbeing and quality of life, to measure responses and assess their associations with other predisposing factors. The Survey took place during the first 6 months, January to June, of 2008, which was the period immediately prior to the economic recession that gained momentum during the latter part of 2008.

Midlifers, here defined as those aged 40-64 years, are the survivors of those born between 1944 and 1968 in New Zealand, along with those who have migrated. In the 2006 Census there were 1,273,000 people aged 40-64 years; 621,822 males and 651,216 females. Within this age-group, the 2006 Census shows that 68.5%<sup>1</sup> were of Pakeha/European ethnicity, 10.2% Māori, 4.3 Pacific Islander, and 14.1% 'other' (Statistics New Zealand, 2007).

Socially, ageing in midlife usually brings with it increasing complexity in roles and responsibilities where, for instance, parental roles become grandparental, marital relationships may end and be re-formed, employee roles may become senior management or redundancy, and community involvement may be non-existent or entail leadership and wider responsibilities.

Such complications of everyday living and responsibilities allow little time for long-term planning for one's older years and retirement. Yet the reality for most people is the increasing likelihood of a working life which is longer than in previous generations and a retirement that can stretch into two decades. Thus, ageing in midlife means not only

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<sup>1</sup> It is very likely that this figure underestimates the numbers of Pakeha/European because the category 'New Zealander' (introduced to the 2006 census for the first time) recorded 14.0 percent of the population. It is probable that many of those people were Pakeha/European.

dealing with the physical and social aspects of getting older, but also planning for one's later years when work and immediate family commitments may not be such a central focus. How to 'enhance ageing in the middle years' becomes the critical issue.

The older members of this cohort, the baby boomers, were born immediately after World War II, and will remember times of high employment, high (European) migration to New Zealand and a prosperous economy. Migration was characterised by the movement of Māori from rural areas to the cities, as well as country to country migration. The protest movements of the 1960s and 1970s, and the questioning of institutions, contributed to New Zealand carving out its own identity from the British mother country, alongside a renaissance of literature, art, and Maoritanga. Prosperity and education led many to travel abroad and return, helping New Zealand to move from an insular focus to a more cosmopolitan one.

The younger members of the cohort, the so-called 'X' generation (Gen X: born during the 1960s and 1970s), grew up during the 1980s, a period of market liberalisation, with periods of high unemployment and a comparative loss of prosperity. Though not as savvy with digital technology as Gen Y to follow, Gen X entered the digital revolution with greater confidence, skill and familiarity than the boomers before them. They also experienced the considerable social liberalisation of the 1980s, with more women participating in the labour market and gaining more senior positions, greater use of day care and early childhood education and increased rates of divorce. This was the period when the Treaty of Waitangi gained widespread prominence and gained legal rights and recognition that had been denied since its signing.

Many stereotypical roles changed over the adult life of those in midlife. The women's movement challenged the ascribed gender roles in society and debated labour market equality, the prevalence of violence to women and children, the sharing of child raising and household domestic work and the right for women to control their own fertility. Māori became more active in claiming their roles and rights as 'tangata whenua' and did so very successfully. These two movements have radically changed many of the stereotypical assumptions about participation, socialisation and human rights in civil society.

The first baby boomers entered the labour market as it began to wane during the late 1960s and early 70s, and all midlifers were impacted by the liberalisation of the financial and labour markets in the late 1980s and early 1990s. Disproportionately large numbers of Māori and Pacific workers in manual jobs were made redundant during this period. Income support through the benefit system was reduced substantially as a result of the 1991 Budget. Employer/employee relationships moved from largely predictable associations to a more liberal agenda characterised by greater redundancy, the evolution of consultancies, a plethora of contracts and multiple career changes.

During the time of the survey, unemployment in New Zealand had been reduced to one of the lowest in OECD countries. Although this led to higher living standards, it did little to increase the country's comparative economic standing with other countries. During the new millennium important pieces of social legislation had been passed to reduce child poverty (Working for Families), introduce paid parental leave, provide affordable

income-related rents on state houses and continued settlements with hapu and iwi under the Treaty of Waitangi, for example.

The oldest midlifers are about to enter “official” old age in 2011, and each year after that many will join them, taking up their entitlement to New Zealand superannuation as they do so. The midlife cohorts, 40 to 64 years, will shrink only a little as a proportion of the New Zealand population, from 32 percent to 30 percent between now and the 2050s (Statistics New Zealand, 2009). This is in marked contrast to the older cohorts (those 65 years and over), who are expected to double from a little over 12 percent to around 25 percent of the population over the same period.

This massive demographic shift, occasioned by the sheer numbers of baby boomers, raises serious questions about the ways in which people in midlife are prepared for, and actively plan for, their later years. The place of physical activity, the maintenance of cognitive function, and active participation in social interaction play a significant role in health and wellbeing in later life. The importance for older people of adequate and affordable housing, economic security and an ability to continue to participate in the labour market are increasingly recognised, as many people live longer and healthier lives.

### **Scope and Funding of the Research Programme**

This research programme on Enhancing Wellbeing in an Ageing Society (EWAS) was funded by the New Zealand Foundation for Research Science and Technology (FRST). It began on 1 February 2004 and was funded for almost six years, until 30 September 2009. The research programme was undertaken by a partnership of the Population Studies Centre at the University of Waikato and the Family Centre Social Policy Research Unit in Lower Hutt, Wellington.

The aim of the research was to “*provide the understanding that is essential for policy formulation and the delivery of services for enhancing wellbeing in an ageing New Zealand society*”.

The research programme included two large scale national random sample surveys of independent and semi-independent New Zealanders<sup>2</sup> between the ages of 65 and 84 years, and between 40 and 64 years. The publication *Enhancing Wellbeing in an Ageing Society* (Koopman-Boyden & Waldegrave (Eds), 2009) has already documented the initial results from the survey of the 65-84 year-old New Zealanders. This publication presents the first results of the 40-64 year-old survey. The study provides the first comprehensive set of results of a national random sample of midlife New Zealanders. It also provides a fuller understanding of the baby-boomer and Gen X generations who are about to become superannuitants and, in time, double the numbers of older New Zealanders.

The theoretical background and conceptualisation of *wellbeing* for this research programme has been located within the extensive literature on the subject. It combines a subjective sense of satisfaction with Amartya Sen’s notion of the capability to access

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<sup>2</sup> Independent living usually involves living with others or alone, without relying on any outside assistance; semi-independent living usually involves living with others or alone, with some outside assistance.

resources and to do something with them. Thus, wellbeing in this research involves people both experiencing a sense of satisfaction with life, and acquiring appropriate capabilities to achieve a good quality of life. This conceptualisation is consistent with current developments across disciplines and with the views of stakeholder groups questioned at the beginning of the research programme. Such a broad conceptualisation of wellbeing is necessary to take into account the social context in which wellbeing is achieved.

### **Key results**

From the survey of a national random sample of 1,958 people aged 40-64 years in 2008, the results suggest that around four out of every five 40-64 year-olds feel satisfied with their lives (81.8 percent), and that this level of subjective wellbeing is associated with the following social indicators:

- Good health
- A higher personal income
- A higher level of asset wealth
- Home ownership
- An expectation of rights and entitlements that include financial security, family support and access to health and residential care
- Living with a partner
- Current or most recent employment status
- Not having long periods outside the workforce during their working lives – for men
- A higher level of educational qualifications
- More likely to be older when finished schooling
- Participation in leisure and recreational activities
- Participation in community organisations
- Easy access to amenities like shops and public transport
- Not going without essential items and services
- Experiencing safety around the home and the neighbourhood
- Seeing the neighbourhood as safe at night
- Considering religious faith to be important

There were a number of other significant relationships across different domains. The most important are highlighted in the following paragraphs.

Higher levels of income, assets, and home ownership were all positively associated with a higher level of education and with marital/partnership status. Income was positively associated with physical health; housing tenure with mental health; and asset wealth with physical and mental health.

Higher levels of health, education and income were all positively associated with participation in leisure and recreational activities. Participation in community organisations was also significantly associated with higher levels of health, education and income.

Mental health status was positively associated with the experience of safety, while physical health status was associated with the perception of safety. Midlife women experienced and perceived safety less often than men. Loneliness was inversely related to both the experience and perception of safety.

Māori were more likely than non-Māori to live in rural areas and small towns. Māori, despite substantial improvements in practically all social and economic indicators, still showed significantly lower levels of income, self-rated health status and education compared with non-Māori. Māori were more active in cultural activities, including language, cultural gatherings and tangi/funerals.

A substantial number of participants considered their faith to be extremely or reasonably important to them. The importance of faith was positively associated with the frequency of religious practice.

### **Some key areas with policy implications**

Gender – The results of the midlife survey demonstrated a number of gender differences, most of which led to better outcomes for men than for women. Men had substantially higher incomes, greater asset wealth, were more likely to live with a partner, to be in full time employment, and their experience and perceptions of safety were greater. These differences highlight gender inequalities that have been persistent challenges for policy makers. Some differences in labour market participation can be accounted for by childbirth and the nurturing of children, but the financial and asset outcomes are clearly inequitable. These results show that there is a continuing policy need to address the pay gap between women and men, find ways to reduce the asset gap, and to persist with employment equity initiatives in education and work place practice.

Although the results indicated that the overall objective experience of safety was high for both genders, there were statistically significant differences between them. Women felt considerably less safe than men in their neighbourhood at night and their personal safety had been threatened more frequently. This suggests that there is a continuing need to pursue policies that aim to eliminate violence and abuse in local communities so that women and men will not only be safe, but feel confident that they are safe.

Ageing-in-Place – Policy makers could well take note of the responses to the question regarding ageing-in-place, where participants were asked to state what they considered were the most important things that would enable them to continue to live in their own home as they grew older.

The responses showed that only 6 percent did not intend to stay in their own home. The most important aspects to allow them to “age-in-place” included (in order of importance):

- their own or their spouse’s good health (80 percent)
- living in a desirable neighbourhood (63 percent)
- having family and friends close by (60 percent)
- reasonable rent or maintenance (60 percent)
- having easy access to transport (53 percent).

The responses are similar to those of the older group but the order differs slightly. These recommendations, in the form of “important aspects allowing them to age-in-place”, are pertinent to policy makers at the government and local body levels, especially as they come from the midlifers themselves.

Education and Work – The positive associations between both education and work and wellbeing demonstrate how important schooling, tertiary education and employment are for economic prosperity and social wellbeing. The results of this research show educational improvements in the younger cohorts should be continued and further developed. Furthermore, ongoing upskilling should be encouraged during midlife, ensuring continued employment, and allowing those with little “first-time” education to pursue more fulfilling career paths. Encouraging education through the midlife years will also allow for a higher level of wellbeing in older age.

Economic Living Standard – The results show that midlife New Zealanders have poverty levels ranging between 8.9 and 12.6 percent (depending on the poverty measure). This is concerning as this group is about to enter the 65 plus age group in larger numbers than has been known in New Zealand. It is therefore important that the combination of income, welfare and employment policies lift everyone above the income hardship threshold. The importance of this is seen in the relatively low level of asset wealth: 56 percent of the midlifers had less than \$100,000 in asset wealth (not including the family home), and around a third of the total sample possessed no substantial assets at all (excluding the family home).

This relatively low level of asset wealth is occurring with a cohort that has considerably lower home ownership rates than those currently 65 years or older (83 percent to 92 percent).<sup>3</sup> These lower rates of home ownership appear to be continuing to trend downwards. This may leave many more people in old age subject to high market rents, unless there is considerably more planning for increasing home ownership in New Zealand, or more social housing for older people, or both. This problem is further compounded by the minimal rent protection for low income households in New Zealand when compared with other countries’ policies.

Leisure, Recreation, Social Contacts and Participation in Community Organisations – A positive significant relationship was found between wellbeing and first, greater participation in leisure and recreational activities; second, satisfaction with contacts with family and others; and third, greater participation in community organisations. These represent key social capital indicators that enhance wellbeing and are important activities that, if carried through into older age, will continue to maintain wellbeing.

The policy implications here relate more to facilitation. People need sufficient financial resources, adequate mobility and transportation to participate in these activities. While for most people this is manageable in midlife, there can be serious impediments for some, resulting from very low incomes, health problems or disability, for example. It is important that national and local policy makers encourage people to participate in their family and social networks, in community organisations and general leisure and

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<sup>3</sup> When family trusts, homes owned by other family members and retirement villages are included

recreational activities. Local authorities can also play a valuable role promoting these activities and providing venues.

Safety – The experience of not being safe at home was acknowledged by only a small number of midlife respondents (3 percent), but any experience that makes people unsafe should be unacceptable and, though the differences between men and women were small, they were significant. Experiences of being unsafe in the neighbourhood were considerably higher for women (11.6 percent) than men (8.4 percent), and statistically significant. The impact of this difference was much greater though, in that 30.7 percent of women and only 9.9 percent of men perceived themselves to be unsafe in their neighbourhood at night. The policy implications are fairly obvious, in that people should be able to walk freely at night, particularly in their neighbourhood. Programmes to ensure safety within families and communities need good resourcing, strategic planning and official support.

Cultural Groups – The results in this study on culture and ethnicity focused on comparisons between midlife Māori and non-Māori, because the numbers of Pacific and Asian in the midlife age group are small, and the recruited sample for this survey showed an even smaller proportion. Midlife Māori, despite substantial improvements in practically all social and economic indicators, still showed significantly lower levels of income, self-rated health status and education compared with non-Māori. This suggests the trajectory to achieve equitable cultural outcomes is likely to be of some considerable length, and will need continued policy developments to enhance Māori wellbeing and resilience. While it is difficult to pin down which policies most effectively achieve these goals, the combination of recent policies that have led to greater recognition of the Treaty of Waitangi, enhanced Māori decision-making power, increased self determination in the provision of services, improving social outcomes and a growing economic power base, appear to be improving wellbeing for Māori.